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Shane Griffis | October 2, 2009 | 0 Comments

Impact fees will remain in place but the structure and application of the fees may change following a review ordered by St. Johns County Commissioners.

The decision came in a special hearing Tuesday, one in which commissioners considered suspending impact fees to spur economic development and attract businesses away from Duval County to St. Johns County.

During public comment Ponte Vedra Beaches Coalition President Clara Cowan, speaking for the coalition, told commissioners that suspending impact fees would have numerous negative impacts on the county.

"We would respectfully request that you not make a change to the current impact fee structure," said Cowan. "We think it could be detrimental to our schools, to our own pocket books and could cause legal problems."

Resident Ben Williams told the commission that impact fees were not working in their current format and that fees were counter-productive to businesses that are already overtaxed.

"Simply stated, we use business to subsidize residential," said Williams. "We collect more taxes from businesses than they cost us in services. It is this inequity that is at the heart of the issue before you."

The commissioners at least partially agreed, with all of them expressing their belief that impact fees should remain in place, however — they questioned the fairness of the application of the fees.

"When we look at eliminating the impact fees it affects everyone across the board," said Commissioner Ken Bryan. "If we don't have the impact fees to pay for the roads and all then we're going to have to raise taxes."





Bryan said that currently 46 percent of impact fees go towards road improvement, 25 percent to schools and the remaining 29 percent to fund other public facilities such as the Sherriff's Office and public parks.

The idea that impact fees are keeping people from building homes is false, said Bryan. There has been a 40 percent decrease in the cost of building a home since 2004, he said.

"The impact fees are not stopping you from building a house," said Bryan. "Totally eliminating impact fees is not going to work."

Commissioner Mark Miner said that while he believed impact fees should remain in place he thought the commission along with county staff should examine incentives to attract businesses to the county.

"We need to really look at examining economic development incentives," said Miner. "I think that's the direction we need to head. I can't support eliminating impact fees right now but I'd like to see staff explore what we could do ----- similar to a rebate system for commercial projects."

Commissioner Phil Mays said the problem with real estate and development went far beyond impact fees but that he was open to the idea of changing the structure in which the fees are applied.

Since the county has already agreed with numerous developers to have them charge impact fees, a legal battle could be created if the fees were suspended and the county would lose valuable revenue, said Commissioner Ron Sanchez.

"This is a revenue stream," said Sanchez. "It's really hard to cut into it."

County Administrator Michael Wanchick also expressed his belief that suspending impact fees would not be a good idea.

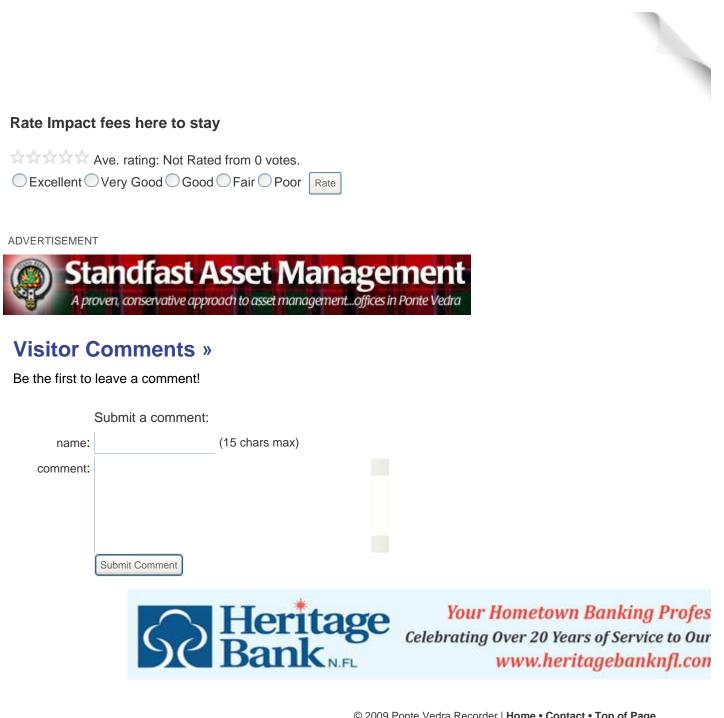
"No one likes impact fees. We don't like collecting them," said Wanchick. "The builders don't like paying them. We understand that."

Despite the lagging popularity of impact fees Wanchick said they were vital to meeting the county's long-term goals.

"You need impact fees," said Wanchcik. "They need to be fair and they need to be equitable. We want to make sure our program is fair and that everybody is treated in an equitable matter. By giving up impact fees — to the tune of one million dollars next year — is not going to get us to the long term goals of this county."

The commissioners voted unanimously to withdraw funds from reserves to conduct a study on the current impact fee structure and to examine the possibility of providing incentives for commercial development.





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