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Editorial: Indian River in dark ages if it thinks impact fee cuts will provide the sustainable economic boom the area needs

Ex-con leads misguided plan to reduce county charges to favor a few at the expense of many

By TCPalm Staff

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Development impact fees, properly assessed, recover growth-related costs and ensure that those expenses are not shoved back onto existing taxpayers.

Alas, Joe Paladin continues to wage a campaign for corporate socialism, proposing to reduce, waive or eliminate impact fees for commercial projects. Can he be serious? You betcha! Given the bizarre influence this so-called "sixth commissioner" and ex-con wields with certain local politicians, your elected representatives are actually considering it.

Cutting special deals on impact fees for commercial projects is touted as "economic development." In fact, it's a selective sell-out that simply shifts more public dollars to private businesses. Where's the fairness and equity in that?

Take Acme Technology, for example. Deciding to locate in the county, this fictitious company has a choice: Build a new office or purchase existing space. Even amid widespread commercial vacancies, Acme decides to contract for a new facility because impact fees would be waived by the latest Paladin Plan.

Acme's decision might give a short-term boost to a few local subcontractors, but those construction jobs would be temporary, not sustainable. What's worse, the public ends up paying for all public infrastructure demanded by the project, and the community's double-digit commercial vacancy rate remains.

"The need for public services doesn't go away, but the dollars would," County Administrator Joe Baird says of the impact fee shuffle.

Numerous kinds of economic incentives — generally tied to incremental quality job creation or tax revenues — make sense when used carefully.

Jettisoning impact fees, though, defies rational public policy. If the County Commission wants to freeze the charges for a specific duration, that might be justifiable in the current economic climate — though that sticks it to the public, too. The county's consultant is on record as recommending increases of up to 77 percent to properly reflect actual costs of providing growth-generated public services.

If government assessments are to be credible and equitable, they need to be applied proportionately, per an objectively and universally agreed-upon formula. Paladin's scheme flunks that test by cutting fees for some ventures, but not others. He effectively demands that commissioners take money from existing accounts or raise property taxes to make up the difference. That means fewer public services and/or higher taxes to give business a hand(out).

Baird said the county might be able eliminate a couple of the 13 impact-fee categories — such as the relatively small charges for libraries, solid-waste services and recreation. That would be less of a slippery slope.

Yet before commissioners start tinkering, they need to remember that Florida already ranks among the top 10 tax-friendly states for business, according to a new Tax Foundation report. Much of that advantage owes to comparatively low property taxes, and Indian River County's property tax rate sits significantly lower than its neighbors in St. Lucie and Brevard counties.

How low does this county want to go under the guise of "economic development"? Cutting one's way to prosperity appears to be an oxymoron here. Doing it at public expense is just plain moronic.
