

Martin County commissioners to vote on lowering impact fees

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STUART — Acting on directions from the Martin County commissioners, a consultant said he did his best to calculate the lowest possible impact fees the county could charge for the construction of new business buildings.

If the commissioners approve the updated impact fee chart on Tuesday, the fees would be reduced between 6 and 74 percent on every type of new business development except for nursing homes and hotels and motels.

“The board expressed an interest to me publicly that they wanted to see the lowest non-residential fees that could be empirically justified,” said Jim Nicholas, the county’s impact fee consultant.

But the impact fee reductions recommended by Nicholas were not enough for two county advisory boards and several local business groups.

The Impact Fee Review Committee and the Local Planning Agency both asked the commissioners cut the impact fees by another 50 percent to promote business development and improve the local economy. So did the Treasure Coast Builders Association and Martin County’s Economic Council and Business Development Board.

“We believe that this reduction would really stimulate the local economy,” said Don Pickard, chairman of the Impact Fee Review Committee and president of the Martin County Taxpayers Association.

The impact fees on an office/warehouse are nearly three times higher in Martin County than St. Lucie County, said Tammy Simoneau, executive director of the Economic Council.

“We don’t want to price ourselves out of the market,” Simoneau said. “We’re trying to be

competitive here to bring new revenue and new businesses in.”

Martin County is among several county governments that are considering or have enacted impact fee reductions or moratoriums to promote economic growth in response to the recession. And state lawmakers are considering a three-year moratorium on impact fees statewide.

But Assistant County Administrator Jim Sherman warned that the county needs \$4.7 million per year in impact fees to payoff long-term bonds, although projections indicate only \$1.2 million will be collected this year, leaving a \$3.5 million deficit.

“That deficit will have to be made up by sales tax, (state sales tax) revenue sharing and gas tax, the same funds that support on-going operations,” Sherman said.

The reduced impact fees proposed by Nicholas would cost the county \$838,750 just on 10 projects planned on Kanner Highway. Slashing another 50 percent from those impact fees would cost the county a total of \$1,939,762 in impact fees on those 10 projects, Sherman said.

Several Martin County watchdogs said cutting impact fees too much would leave the county without enough money to pay for the roads, parks, libraries and other government facilities needed to serve the new people and businesses moving into the new buildings.

“It’s more bail out than stimulus and it’s not going to work,” said Al Forman, publisher of The Martin County Defender, an e-mail newsletter distributed to thousands of county residents. “Either the taxpayer bails it out with more taxes to compensate for the reduced impact fees, or the taxpayer says, ‘I’ll live with a lower level of service.’ ”

Forman also questioned whether reducing impact fees will result in any new business development.

Nicholas said it’s difficult to determine whether reducing impact fees promotes economic development because there are too many variables in a company’s decision to set up shop or expand in a location.

“That one, you can get arguments from now until the chickens come home,” Nicholas said. “But to try to show anybody that if you cut you impact fees, you’re going to have business investment, I don’t think there’s any support for that. At the same time, to suggest that they’re not relevant is wrong too. So the truth is somewhere between that.”

IMPACT FEE INCOME

2003: \$7.8 million

2004: \$12.5 million

2005: \$15.9 million

2006: \$13 million

2007: \$8.9 million

2008: \$3.4 million

2009: \$1.2 million (projected)



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