



# Interoffice Memorandum

## City Clerk's Office

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TO: Mayor and City Commission

FROM: Linda W. Cox, City Clerk

SUBJECT: Economic Development - Impact Fee Mitigation Ordinance

DATE: December 8, 2014

Attached is a draft Ordinance establishing an Economic Development Impact Fee Mitigation Program for your review, consideration and feedback.

I have researched similar programs established in Florida and have attached a summary for your review. For the City of Fort Pierce, I believe it makes sense to adopt a program similar to our neighboring communities, particularly St. Lucie County, as any business locating within our City will likely seek incentives from the County as well, much like with our ad valorem tax exemption. It is important to note that Port St. Lucie does not have an impact fee mitigation program.

In order to simplify the application, monitoring and enforcement of the ordinance, I recommend that we utilize a "total capital investment" threshold rather calculating a percentage of private sector wage which would then require the City to verify that the threshold continues to be met.

For illustration, I offer the following scenario.

Company XYZ makes application to construct a 500,000 sq. ft. warehouse facility with a capital investment of \$95,000,000.00. They will be hiring 300 individuals at an average rate of pay of \$16.78 per hour and will have 750,000 sq. ft. of impervious surface.

Total impact fees due are as follows:

Parks & Recreation:	\$0.00 (applies to residential only)
Transportation:	\$155,940.00
Government Bldgs:	\$81,880.00
Solid Waste:	\$90,100.00
Stormwater:	<u>\$30,000.00</u>
Total Impact Fees:	\$327,920.00

Under the proposed ordinance, Company XYZ would owe \$131,168.00 for impact fees and enjoy a waiver of \$196,752.00.

If you have any questions or require additional backup materials, please let me know.