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Impact fees come to DeSoto County

DESOTO COUNTY -- The County Commission has decided on a way to help fund impending growth in the area.

Commissioners voted Tuesday to adopt an impact fee ordinance.

Across town at the School District office, the School Board agreed on an impact fee system to help finance increasing demands on the district.

Commissioners have said the intent of the new ordinance is to have new development in DeSoto County pay its fair share of the cost of infrastructure required by that growth.

If impact fees are adopted by both government bodies, the final impact fee levied on a new structure in DeSoto County will be a combined fee of county and school board impact fees.

Only new housing units and structures generate impact fees. Ongoing revenues such as property taxes are paid by existing development and new development.

The fees are generally used to finance roads, schools, affordable housing, transit systems and other public projects. Developers pay the fees as a precondition to commission approval.

The fees are usually passed to home buyers in the prices of new properties and, therefore, tend to increase the cost of housing and decrease a project's profits. But many developers favor the fees because they provide infrastructure that promotes sales.

The county's impact fee schedule, adopted with the ordinance, puts some numbers on the revenue expected from the impact fees.

With respect to residential units, the impact fee charged will depend on the number of square feet of heated floor area in a housing unit.

According to the county's impact fee study, the average house constructed in DeSoto County over the past 10 years is 1,400 square feet. The ordinance mandates a county impact fee of \$5,453 for this house.

The smallest house on the schedule is 900 square feet, for which an impact fee of \$3,304 would be charged.

The largest house on the schedule is set at 2,800 square feet and an impact fee of \$8,827.

The impact fee calculated for a 1,400 square foot residence is \$5,453. That money would be split, with about 67 percent of that fee would go to help fund roads, 13 percent would go for general government infrastructure, 7 percent to law enforcement, 5 percent for fire and rescue, and 2 percent to libraries.

The nonresidential impact fee schedule is also based on a per square feet basis. A commercial/shopping center of 50,000 square feet or less would be charged an impact fee of \$14.51 per square foot. A commercial/shopping center of 100,000 to 200,000 square feet would be charged an impact fee of \$10.41 per square feet. A general office of 10,000 square feet or less would be charged \$8.11 per square foot.

Once the ordinance goes into effect, which could be as early as May 1, anyone who develops an impact-generating project, unless exempted, will be obligated to pay impact fees. The fees will be paid prior to the issuance of a building permit.


The county's consultant had originally calculated an impact fee schedule that would generate the amount of revenue to pay for 100 percent of the costs for increases in government services and facilities over the next few years.

Commissioners reduced the fees to 75 percent of the anticipated revenue need, which means that 25 percent of the anticipated costs must still be raised elsewhere.

Potential impact fee revenue depends on the number of homes built each year and the fee levels adopted by the School Board and commission.

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