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Fishers increases 1 impact fee, creates another

2nd fee adopted by town to build fund for bridge projects may be 1st in state

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Development in Fishers is about to get more expensive.

The town recently decided to increase the road impact fee it charges on new development and likely became the first community in the state to adopt a bridge impact fee.

Its road impact fee will be the highest in Hamilton County when the changes take effect Jan. 1. The town claims the changes are necessary and doesn't think they will hinder development.

The fees haven't deterred development in fast-growing Fishers since it began using them about 20 years ago.

Development has slowed, but Town Council President Scott Faultless thinks developers will want to build in Fishers even if they have to pay more.

A group of developers Fishers consulted about the fee changes seemed to understand the need, Faultless said. "There was no dissent as to what we were doing."

The fees have been beneficial for Fishers and other growing communities.

Revenue from the fees goes toward public infrastructure, such as roads and bridges, so communities can make necessary improvements to sustain new development without using taxpayer money.

The fees also can be self-defeating if they get so high they prevent development, said Mike Howard, an attorney who helped author the state's legislation on impact fees.

Communities are required to re-evaluate their impact fees every five years. Fishers commissioned a study that evaluated its future infrastructure needs and costs to set its fees, said Jeff Heiking, the town's engineering director.

The Town Council adopted the fee changes last week after the study determined they're necessary.

Beginning Jan. 1, the road impact fee will increase to \$237.03 from \$185.50 per trip the development is expected to generate in a 24-hour period. That means the road impact fee for an average, single-family home, which is based on 9.6 trips, will increase to \$2,275.49 from \$1,780.80.

The bridge impact fee will be \$22.96 per trip, or \$220.42.

Howard and Jodie Woods, general counsel for the Indiana Association of Cities and Towns, think Fishers could be the first community in Indiana to adopt a bridge impact fee.

The fee will help the town pay for bridge projects that Hamilton County used to cover.

Because of its rapid growth, the county has limited work to major bridges and spans in rural areas, so communities are now responsible for most bridges within their limits, said Howard, who's also the county's attorney.

Fishers, which is responsible for about 72 bridges, hasn't struggled to fund improvements yet, but the town wanted to begin setting aside money, Faultless said.

"We know that, in the future, there's going to be the need to make replacements and repairs," Faultless said. "You have to start building up a funding source for that."

What's an impact fee?

An impact fee is a one-time charge assessed on new development. The money goes toward improvements to public infrastructure, such as roads, bridges and parks, depending on the type of impact fee. Fees can be charged on commercial and residential development, but commercial developers do not have to pay park impact fees. Indiana implemented legislation governing the use of impact fees in 1991. Usually, growing communities implement the fees so new development pays for the infrastructure necessary to sustain that development. The fees are expensive to implement and only yield a substantial benefit in areas with lots of development, so they're not financially feasible for all communities. Fishers' fees add up

Fishers' increased road impact fee, which takes effect Jan. 1, will be the highest in Hamilton County. It also might be the only Indiana community to have a bridge impact fee. Here's how Fishers' impact fees compare with those in Carmel, Noblesville and Westfield.

[chart]

Impact Fee	Carmel	Fishers	Noblesville	Westfield
Road (per trip)	N/A	\$237.03	\$130 to \$200	\$188
Park (for a single-family home)	\$1,273.50	\$1,070	\$1,136 to \$1,426	\$930
Bridge (per trip)	N/A	\$22.96	N/A	N/A

[end chart]
