

Rogers : Council to decide if city should fund impact-fee study

BY LIZ BOCH

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Rogers aldermen will decide at Tuesday night's City Council meeting whether Rogers should pay for a study on using impact fees to help fund new road construction along developing sites.

The state General Assembly in 2003 added impact fees to the list of economic development tools for municipalities. Money the fees generate can only go toward capital improvements, including water and sewer capacity, road improvements, and police and fire pensions.

An ordinance proposed by Rogers Mayor Steve Womack authorizes Rogers to pay \$38,100 for a study conducted by Austin, Texas-based Duncan Associates, according to the clerk's office. Extra costs would be negotiated as needed, the contract says.

The study would determine the existing level of road capacity. The study also would estimate cost for future road improvements using actual costs over the past five years. The study would take into account future revenue the city would generate through property taxes, Arkansas Highway and Transportation Department funding and paying off debt, according to the contract.

Alderman Jim Clark said the fees are the next step toward funding needed road construction.

The city originally created a tax increment financing district to pay for improvements. Litigation under way in Washington County Circuit Court has stalled the effort.

A tax increment financing district, often called a "TIF," uses increasing property tax revenue to pay off bonds dedicated to infrastructure projects. The district's value is assessed upon creation, and any annual increases pay back the bonds.

But Fayetteville officials have filed for a declaratory judgment in Washington County Circuit Court to determine the number of property tax mills that can be used to estimate bond projections. Until the litigation is complete, Rogers officials will not issue bonds for the projects. "You can't quarrel with the

idea of impact fees," said Clark, a member of the transportation committee who will hear the ordinance before the council meeting. "We thought we had a great idea with TIF, and now there's question as to whether that's doable anymore."

Not everyone agrees with impact fees.

Developers pass the fees on to home buyers to recoup the cost, and that drives development to cities without fees, said Lance Johnson, president of the Northwest Arkansas Home Builders Association.

The association, along with three homeowners, sued the city of Bentonville in July 2003 alleging that the state hadn't permitted cities to impose fees and that officials had not properly completed a capital improvement plan. A ruling is scheduled for July 15, Johnson said.

Impact fees are an unfair tax because the improved roads would be used by more people than just residents who live along them, Johnson said. Future residents who would end up paying the tax have no say in the matter, he said. "If they want to tax us, that's fine, but we have to vote on it," Johnson said. "The people who pay it will be people like the ones who left my office and are from St. Louis. Why should we tax them because Wal-Mart is growing?"

Jim Duncan, president of Duncan Associates, worked with Fayetteville on its impact fees.

He said cities must consider them so that development doesn't outpace the capacity of roads. "Belly up to the bar and take care of the negative aspects of growth," Duncan said. "If elected officials get enough people yelling in their ear they will institute a moratorium. If you [have] a moratorium, the value of those units will go sky high. With impact fees, you get a cash stream to provide infrastructure to fuel growth."

Womack said it would be better if every city could agree on uniform impact fees so that development isn't driven from one city to another. But it is more important to stop developers from holding off on building until the city upgrades infrastructure, he said. "There are people out here buying tracts of land and warehousing the property, waiting for the taxpayers to pay for improvements and then selling it," he said. "The city would like to find ways not to line the pockets of opportunistic land buyers."

The Rogers City Council meeting is set for 7:30 p.m. Tuesday at the city administration building, 300 W. Poplar St.

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Contact: webmaster@nwanews.com