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Smyrna council OKs fee increase Despite threat of lawsuit from homebuilders group

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— Mealand Ragland-Hudgins, 459-3868

SMYRNA — Town Council members, not fazed by homebuilders' threat of a lawsuit, has put its new impact fee schedule in effect.

On a new single family home, the increase equals almost \$700 — now \$1,801.80 compared to the \$1,105 being charged before.

The action also increases impact fees for commercial development with fees varying, based on the size and type of building, starting with buildings 1,000-square-feet. Smyrna's impact fees are earmarked for road construction, parks and fire protection.

Karyn Beaty, executive director of the Rutherford County Homebuilders Association, confirmed Monday members have discussed filing a suit against the town. Member Paul Cross said the way Smyrna assesses its impact fees is unfair and illegal.

Mayor Bob Spivey said the cost of growth must be spread out among the community.

"I want to even it out across the board," Spivey said. "I think it would be totally unfair not to ask either party (residents and builders) to share all the load."

The fee increase coincides with the 23-cent property tax increase passed by council members last month. Smyrna's tax rate is now 86 cents per \$100 assessed value. Each penny on the tax rate equals \$70,000.

The possible suit was not mentioned during discussion about the new fee schedule.

Council voted to raise road and parks impact fees to 60 percent of the maximum allowed by ordinance, or \$569.40 for parks and \$1,801 for roads, compared to the former rates of 49.4 percent and 36.8, respectively. Smyrna charges the maximum fire impact fee of \$253.

John Lee of Rutherford Enterprises attended Tuesday's meeting and said though he believes the council wanted to be fair by adjusting fees on all development, other factors should be considered.

"Interest rates have doubled within the last two years and it's just very expensive to develop (commercial sites) in Smyrna. It's not as easy as everyone thinks," he said.

Even on the commercial end, consumers still have to foot the bill when purchasing goods. Rent costs are directly related to construction costs, Lee said.

Council members Mary Esther Bell and James Yates voted against upping impact fees.

Homebuyers have enough fees to contend with already and don't need another \$800 added to the mix, said Yates, who works as a real estate agent.

"With the way everything has escalated, a house that sold for \$150,000 last year could sell at \$180,000 now. Stormwater fees, construction materials and impact fees all affect real estate prices," he said.

Bell attended the spring conference of International Council of Shopping Centers in Las Vegas, where she was told that impact fees do make a difference to big box retailers.

"I'm hesitant to adjust commercial because the majority of our budget comes from sales tax," she said.

The town has a budget of nearly \$23 million for fiscal 2007. Approximately \$8.945 million of that amount is expected to

come from local and state-shared sales tax collections.
