

Study Recommends Impact Fees for Rogers

By <u>Lori Harrison-Stone</u> The Morning News

ROGERS -- Future development in Rogers may soon pay the price for the strain it's expected to add to city streets.

EUGENE WILLIAMS

• THE MORNING NEWS Gabriel Chavez, left, and Venado Rangel, workers with Farmer Custom Homes, frame the roof of a house Thursday at 305 Summerwood Court in southeast Rogers.

A study of impact fees by Duncan

Associates, a leading consulting firm on the issue, includes a maximum amount of impact fees for a variety of development types. The study states, if the maximum fees are adopted, the city might realize as much as \$4 million per year in fees and in-kind contributions from developers.

Derrel Smith, senior city planner, said the report he received this week is a first draft of recommendations city officials will review and decide whether to follow. He said plans are to hold several public meetings before it's considered for adoption.

According to an introduction to the study, "transportation impact fees are designed to rationalize the process of ad hoc, negotiated exactions and 'level the playing field' by requiring all developers to pay an impact fee based on their impact on the major roadway system."

Revenue generated by impact fees can be used only for street projects identified in the city's capital improvement plan and only those that are "capacity-expanding improvements" to the major roadway system, according to state law. Transportation improvements totaling \$173.9 million are included in the Rogers Master Street and Capital Improvement Plan, and \$84 million of those projects would meet the criteria for projects funded through impact fees.

"These are fairly substantial fees, and the city may not want to adopt them at 100 percent. That's fine as long as they are reduced proportionately for all land use categories," said Clancy Mullen, director of infrastructure finance at Duncan Associates, in a letter to Smith accompanying the report.

Smith said it will be some time before a decision is made. He's not sure if the fees will be approved or if they will equal the amounts recommended as maximum fees in the study. There

will also have to be a decision made on whether to charge fees on new single-family houses based on the size of the house or on a per house basis.

The maximum potential fee is \$3,545 for a single-family home, \$2,490 for a multifamily dwelling, \$5,062 for 1,000 square feet of retail development and \$3,463 for 1,000 square feet of industrial development, according to the study. The fees are based on the cost of roads in the area and the expected number of trips generated by the newly constructed developments.

Raymond Burns, president of the Rogers-Lowell Area Chamber of Commerce, said the chamber's board of directors will have to review the study and determine whether it supports the idea of impact fees for the city. He declined to comment more.