



Deep impact

BY MARSHA L. MELNICHAK Northwest Arkansas Times

Posted on Saturday, July 1, 2006

URL: <http://www.nwanews.com/nwat/News/42364/>

The numbers associated with a possible road impact fee can get big.

It could add up to more than \$ 4 million annually to help pay for street improvements, including new roads, improvements for safety and added capacity.

On the other hand, developers and owners of new construction face the possibility of hundreds of thousands of dollars in fees.

“ If you had a 100-unit subdivision, it’s 100 times the fee. You take that \$ 3, 409 and add two zeroes to it. That’s a big number, ” said Gary Dumas, director of operations, for the city.

A study conducted by Duncan Associates of Austin, Texas, recommends the following road impact fees:

- \$ 3, 409 for each singlefamily detached dwelling.
- \$ 2, 363 for each multifamily dwelling.
- \$ 1, 779 for each mobile home dwelling.
- \$ 4, 023 for each 1, 000 square feet of retail land use.
- \$ 2, 701 for each 1, 000 square feet of office land use.
- \$ 2, 353 for each 1, 000 square feet of industrial land use.

Thus, if the council were to approve an ordinance with those maximum fees, the road impact fee for a 10, 000-square-foot storage building would be \$ 23, 530.

To date, the council has accepted the Duncan study itself and how the fees were calculated, but has not accepted the fees.

Any new construction would be subject to the impact fees if they are approved, Dumas said.

“ Council, through their discussion, may adjust those as they choose — downward, ” said Dumas.

The amounts in the study are maximums; there are no minimums.

“ Just because this study comes up with these numbers doesn’t mean that these are the numbers we will start using, ” said Mayor Dan Coody.

He said he expects the numbers will be changed.

“ One thousand square feet for retail is proposed at about \$ 4, 000, so if it’s 100, 000 square feet, that would get to be a very big number, ” Dumas said.

That works out to about \$ 4 per square foot; office space would be about \$ 2. 70 per square foot; and industrial space would be about \$ 2. 35 per square foot.

Using Dumas’ example and estimate, the fee for 100, 000 square feet of retail space would be about \$ 400, 000.

In the case of the big retail stores, the components of the store — such as office space and storage space — would each be figured at the appropriate rate, Coody said.

Dumas said that typically, new ordinances do not apply to completed projects or those that have started through the city planning process.

Using that criteria, Sam’s Club, which has been approved, would not pay future road impact fees.

However, it provides a recognizable example. Sam’s Club has a square footage of about 142, 000 square feet. If the road impact fees had applied at that time, and even if only half the store was retail space, the road impact fee on it would have been more than \$ 285, 000 for the retail area plus fees based on the square footage for office and storage space.

The Wal-Mart on Sixth Street has 219, 504 square feet. Fees there, if the maximum were applied, would have been more than \$ 800, 000.

“ But then you consider how much impact on the transportation system a major activity like that has, ” Dumas said.

Ward 4 Alderman Lioneld Jordan said, “ Those kind of fees may seem expensive, but look at what it costs to build a road. ”

City Engineer Ron Petrie said it is complicated to discuss street costs because of variables such as if some road already exists, how many lanes, or if it’s to be a boulevard, for example.

He said it would cost about \$ 1, 200 per linear foot to improve Ruppel Road north from Wedington Drive to Mount Comfort Road.

Going south on Ruppel Road would cost considerably less, about \$ 800 a linear foot, because it is through green field without existing road, he said.

“ It doesn’t take long for that to build up, ” Jordan said.

The possibility of fees can be brought to the council agenda by any of the council members any time they wish.

“ We have so much going on right now, I imagine we have to get a lot of things off our plate before we try to tackle this one, ” said Coody, stressing that it is a council decision.

An ordinance to approve road impact fees could be approved by the council or a proposal to approve road impact fees could be referred to a vote of city residents, which is the city attorney’s recommendation.

“ We’re just getting started on these road impact fees, ” Jordan said.

Copyright © 2001-2006 Arkansas Democrat-Gazette, Inc. All rights reserved.
Contact: webmaster@nwanews.com