

The Morning News

Local News for Northwest Arkansas

Early Voting Starts On Road Impact Fee

*By Dug Begley
The Morning News*

FAYETTEVILLE -- Local developer Ben Israel and Fayetteville City Council member Lioneld Jordan agree on at least one thing -- the city's roads need improvement.

Drive deeper to the heart of the road question -- how Fayetteville pays for widening lanes, filling potholes and paving streets -- and the differences mount.

Voters will have a chance starting today to decide whether new homes and commercial buildings should pay an impact fee to help offset city road construction costs.

Election Day is April 10.

Jordan advocates creating road impact fees, a charge assessed by the city on new building construction based on the type of building. Homes will be assessed one price, and commercial property another. The money will fund street improvements and add roads on the city's edges.

"The farther you go out, the more strain you put on the city resources," Jordan said. "I think the people causing the problem should pay to fix it."

Israel said the idea of making new construction pay a fee, especially when it adds to the city's tax base, is counterproductive.

"Instead of punishing a developer, I think the city should encourage them to come into Fayetteville," Israel said.

Combined with other requirements developers face in Fayetteville, Israel said the road impact fees will deter investment.

"Our city's main income is retail, through the sales tax," Israel said. "Why get in the way of that?"

Numerous local developers have spoken against the road impact fees since they were proposed earlier this year. Many echoed Israel's concerns that businesses will choose not to locate in the city. City Council member Bobby Ferrell said he agrees.

"I've voted against every impact fee that's come up," Ferrell said. "Bottom line, it's a tax. Calling it a fee might make it look better in the newspaper or more palatable to sell, but it's a tax."

If the city needs money to improve roads, the whole city should chip in, he said.

"If we can encourage commercial development, that is going to keep the taxes coming in," Ferrell said.

Jordan said he understands many methods could bring in money, but impact fees make the most sense. Last year, Jordan said, city residents approved a \$65.9 million bond package for street repairs.

"The citizens have paid their fair share," Jordan said. "But more work needs to be done."

The burden for that should fall on those buying the new buildings, Jordan said. Developers might pay the impact fee in some cases, but the buyers and tenants of the building will really pay, Jordan said. As Fayetteville grows, it's those buying new who are causing the need for more and better roads.

"My house doesn't cause any more impact than it did 30 years ago," Jordan said.

He said the city can include incentives to entice developers, although waiving the impact fees is not an option.

"We can help them out and build infrastructure, provided the city owns it," Jordan said.

City Attorney Kit Williams said the impact fees, according to the ordinance, can be waived in certain cases to create low-income housing or buildings for nonprofit agencies. In other cases, Williams said the city can work with investors to build projects.

"We've done that in the past," he said.

Jordan said the logic that an impact fee kills development is false.

"If that's true, how did Bentonville grow 22 percent with impact fees?" he asked.

Each new home built in Bentonville has \$4,750 in impact fees. If the road impact fee is passed, \$4,897 will be assessed to new homes in Fayetteville.

Jordan said convincing voters while the business community campaigns against the proposal will be tough.

"I just hope we get the facts out there and let the people decide," Jordan said.

The Fayetteville Chamber of Commerce, Fayetteville Economic Development Council and Arkansas Realtors' Association have joined Citizens 4 Fayetteville in opposing the road impact fees.

Bill Ramsey, chamber president, said his board passed a resolution opposing the fees.

Citizens 4 Fayetteville has scheduled a news conference at 3 p.m. Wednesday outside the Fayetteville Town Center to discuss the upcoming impact fee vote, according to a news release.

By The Numbers

Road Impact Fee Schedule

Proposed Fayetteville road impact fees:

Single-family detached residences -- \$2,363 per dwelling

Mobile home residences: \$1,779 per pad

Hotel/motel: \$1,319 per room

Commercial/office: \$2,701 per 1,000 square feet

Nursing Home: \$1,495 per 1,000 square feet

Industrial/warehouse: \$1,676 per 1,000 square feet

Miniwarehouse: \$587 per 1,000 square feet

Source: City of Fayetteville

WHERE TO VOTE

Voting Early

Fayetteville voters wishing to vote early for the April 10 road impact fee election can go to the Washington County Clerk's Office, 280 N. College Ave., between 8 a.m. and 4:30 p.m. Monday through Friday.

Source: Staff Report