

# The Morning News

## Local News for Northwest Arkansas

### Road Fees May Have An Unwanted Impact

By [Bob Caudle](#)

*The Morning News*

If there's ever an Olympics for stupid things happening, Fudville (Fayetteville) has to enter as the early favorite.

Voters there can't even hold an election and get a result anymore.

The recent vote over whether to levy an impact fee for roads is stalled at 2,015 for the fees and 2,014 against.

To put that in perspective, that's the same number of grandmas who were sitting in a tree protesting the building site of the Kohl's store near the Northwest Arkansas Mall a few years ago.

There are 23 overseas absentee ballots still out, said John Burrow, head of the Washington County Election Commission. You just know Burrow has to wake up every time there's a special election in Fudville thinking, "What next?"

The election will not be certified until April 20, and the overseas ballots have until then to arrive, Burrow said, no doubt arriving on a slow boat from China.

If passed, the road impact fees would be assessed on new development throughout the city, based on the type of building constructed. Residential homes of any size will pay a flat fee, and commercial development will be charged based on every 1,000 square feet of space.

What is always amazing about impact fees is that people vote for them and will argue that the fees are fair because it forces the people that use ... whatever ... to pay for their usage.

It doesn't matter if someone tacks the word "fee" behind the word "impact," it all adds up to a

form of a tax increase. Maybe not in the legal sense of the word, but impact fees wind up being an indirect tax on consumers because, in this case, the impact fee will simply be added onto the cost of a building.

Many people probably looked at the impact fees, thinking the fees will force developers to foot the bill for the growth they are "causing," and it's no money out of their own pockets. Except that developers are not known to be a charitable group.

If they build it, you will come. If it costs them more, you will pay.

That "impact fee" is going to be borne by the first person that buys, for instance, a new house. All kinds of buildings are effected, but we'll simplify things by just using a house -- because I'm not smart enough to figure out all the variables on a commercial building.

Developers aren't going to just build the house, pay the fee and cut into their profits. They're going to pass it along to the first available sucker. Which is all well and good, unless that first available sucker is you -- or even worse, me.

Granted, if someone buys a house and lives in it for the life of their 30-year loan, an impact fee on anything probably isn't going to affect them. They'll have had enough time for the house to appreciate in value and overtake the initial cost.

But people who keep a house 5 to 10 years, which is becoming more and more the norm because of our mobile society, the first five or six owners of that house are going to be paying a portion of the impact fee a little at a time.

After a while, people start complaining about the high cost of housing and look for some place else to live that doesn't have, oh say, a \$5,000 price tag built into the cost of a house to pay for a road.

As new house prices are pushed up, existing home prices follow. That's great if you're looking to sell your house. It's not so great if you're buying.

So while an impact fee raises more money for a city in the short run, it can become a double-edged sword. If the fees grow to be too high, people start moving to places where it's cheaper to live.

When a town loses people, it also loses people's money -- which is what the city was trying to get in the first place with the impact fee.

Most of Northwest Arkansas won't really notice the road impact fee unless someone is planning on moving to Fudville.

For my part, as long as Fudville folks don't impose a sidewalk impact fee for short, fat guys walking on their sidewalks, they can do as they please.