

# Consultant explains how proposed impact fees would help Sherwood budget

By Greg Rayburn/Staff Writer

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The Texas consultant who last fall authored a study about how imposing impact fees would help Sherwood's budget was on hand Tuesday to answer questions about the study. The visit by Jim Duncan, president of Duncan Associates of Austin, Texas, came less than a week before the Sherwood City Council expects to vote on legislation that would impose road and park impact fees on new construction.

The proposed ordinance states that the fees "are an appropriate regulatory tool to ensure that adequate funding is available to provide the capital facilities required to serve new development."

If enacted, the fees would help pay for park and street improvements to accommodate Sherwood's growing population, officials say. The city is authorized to impose development impact fees pursuant to Section 14-56-103 of the Arkansas Code. The city of Conway has enacted such fees. Cabot once enacted them, but later repealed them.

According to the fee schedule laid out Tuesday, the fees would be imposed on new developments such as single-family homes, multifamily dwellings, hotels and motels, offices, shopping centers, public institutions, elementary and secondary schools, industrial, warehouses and mini-warehouses. In some cases, the size of the fee would depend on the size of the structure. For example, the cost for single-family dwellings measuring 1,500 square feet would be \$1,548, according to a fee summary. Houses measuring 3,500 square feet would pay fees totaling \$2,153. "The city has expressed an interest in charging maximum road impact fees for arterial streets only and park impact fees at 25 percent of the full net cost calculated in this study," the fee summary states.

"While the city can charge less than 100 percent of the full cost for roads, it is recommended that road impact fees should not be reduced significantly from the amounts shown, unless it is for the purpose of a temporary phase-in schedule. The reason for this is that developers will often be required to dedicate right-of-way and make major road improvements and they will need to be given credit for the full value of those contributions. "If the city adopts road impact fees at a fraction of the full cost, it will not get sufficient revenue to reimburse developers for their contributions." Under the proposal, developers could be given credit toward the fees under certain circumstances, such as if they build an arterial street. These streets are typically wider than streets constructed for small volumes of traffic.

Duncan said communities adopt impact fees to deal with congestion, which can be caused by city growth. He said his firm helped draft impact fee schedules for several small cities near Nashville, Tenn., that saw growth from people wanting to live near but not in a large city. Small communities can have a hard time handling quick growth, he said, and impact fees can help bring in municipal revenue to help cities deal with problems associated with more people and motor vehicle traffic.

Following Duncan's presentation, several aldermen who will be asked to vote on the issue expressed various views. Mary Jo Heye said she supports the fees because they will provide the city more revenue to accommodate growth. Tim McMinn said he is undecided but is concerned that Sherwood would be the only city in the area with enacted impact fees, noting that North Little Rock, Maumelle and Jacksonville do not carry them at present. He said he does not want to see any fees hamper growth.

Aldermen Charles Harmon and Kenneth Keplinger said the meeting was very informative, but they are holding judgment about how they would vote until they get more data. Alderman Toni Butler said she is not sure how she would vote but that the fees could provide the city more revenue to deal with Sherwood's increasing

population.