

KnoxNews

To print this page, select **File** then **Print** from your browser

URL: http://www.knoxnews.com/kns/business/article/0,1406,KNS_376_5540739,00.html

Impact fees get airing in Farragut

Proposal would target developers to pay for improvements

By **HUGH G. WILLETT**, news@knews.com
May 17, 2007

A presentation Wednesday night on proposed impact fees for the town of Farragut sparked a lively debate among builders, developers, real estate agents and the town's Board of Mayor and Aldermen.

At issue was whether or not impact fees would be the best way for Farragut to pay for improvements to roads and parks to accommodate the increased burden placed on the infrastructure by new development. The town does not currently charge a property tax.

Farragut fits the profile of a high-growth community that can best benefit from impact fees to maintain quality of life and infrastructure, said Jim Duncan, president of Duncan Associates, the firm contracted by the town to create a proposed impact fee structure.

"Developers already pay for infrastructure improvements and many end up paying twice through other taxes," Duncan said. "Many developers actually support impact fees."

Home builders were not impressed by Duncan's suggestion.

"I want you to give me the names of these home builders," said Mike

burden of infrastructure improvements.

Under the present system, builders in Farragut negotiate on needed improvements to the roads before permits are granted. Some builders pay more than others, depending on a complex set of factors that is hard to quantify in advance, Rosseel said.

"At least if a developer can understand the fee structure he can make a decision in advance about whether it is economically feasible to build and sell homes in that area," Rosseel said.

Alderman Dot LaMarche was not so sure that the proposed fee structure, which would include providing credits to builders for infrastructure improvements in lieu of some of the impact fees, is actually easier to understand. "I'm not sure yet. It's very complicated," LaMarche said.

Vice Mayor Mike Haynes said that the current negotiations with developers over road improvements create a much more complicated fee structure. "We're just trying to get a sense of what's fair," he said. "I'm glad the builders showed up tonight. We can't shut out development."

Commercial real estate agent Pamela Treacy said she was concerned that impact fees, which might add \$4,000 to the cost of each new home, could slow down development in the town. She said the real reason she was at the meeting is because she is concerned about the quality of the roads in the community and how the town will pay for improvements.

"They are putting in these large developments on small roads that were never designed to handle this kind of traffic," she added.

Some of those present wondered whether or not fees should be charged to a small group of people for services from which a large group of people benefit. Parks are a good example of facilities that benefit everyone and should be paid for out of general taxes, said developer Jim Lord.

Impact fees are an attempt for people already living in the town to avoid paying their fair share, said Lord, a former University of Tennessee finance professor who said he has studied the use of impact fees across the country.

"If they tried to pass a property tax they'd have a lot more people upset," Lord said. "This way, they tax a few developers who pass on the costs to the new people moving in who don't even live here yet."

Haynes said the town's board of mayor and aldermen will be gathering more public comment and debating the Duncan proposal for at least a few more months before deciding whether to draft an impact fee ordinance.



Copyright 2007, Knoxville News Sentinel Co.
[Want to use this article? Click here for options!](#)

Copyright 2007, KnoxNews. All Rights Reserved.