

The Morning News

Local News for Northwest Arkansas

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Development Fees Add Costs To Home Building

By [Steve Caraway](#)
THE MORNING NEWS

SPRINGDALE - Location, location, location is the mantra for real estate agents trying to sell a house.

Location also plays a major role in the building of homes. In addition to the varying cost of lots in Northwest Arkansas cities, the fees charged by cities also vary. Calculating cost using information received from the four largest area cities, Springdale charges the lowest price for building a house.

Springdale's cost to the builder came in at \$610, with Bentonville the high at \$5,360. The big difference in the cost is impact fees.

An impact fee is a one-time charge placed on developers to pay for growth-related infrastructure, such as water lines and fire stations. Bentonville charges impact fees for fire protection and emergency medical service; police; water; sewer; library and parks. The fees for police, library and parks were added in 2006, the same time the Bentonville City Council boosted earlier fees approved in 2002.

Fayetteville charges impact fees for fire, police, water and sewer. Both Rogers and Springdale have discussed water and sewer impact fees, but do not have a charge. A lawsuit was filed against Rogers to keep the city from adding charges for new water and sewer connections.

The cities also collect fees from builders to inspect plans and check the quality of the construction.

"We try to associate the fees with the cost of providing the service," said Wyman Morgan, Springdale director of administration and finance. "We want to be reasonable."

Cities do not make money by collecting fees, officials said.

"We try to cover the cost, but it doesn't pay for all of it," said Jeremy Pate, Fayetteville director of current planning. "Our department is about 90 percent personnel, so the hours we put in is the cost."

Development fees paid to the city planning offices usually come from the developer. A rezoning fee would come first, if the land considered for development is not zoned for the intended use.

Then the developer files a preliminary plat, showing how the lots in the development would be laid out. A final plat nails down the lots. A large-scale development plan shows how the infrastructure -- roads, utilities, drainage -- would be added.

The difference in fees doesn't seem to make a difference in the number of homes under construction. Annual summaries by the Northwest Arkansas Regional Planning Commission show each of the four

largest cities in the area have topped the valuation list of residential construction since 2000. Every city but Fayetteville has topped the list twice.

The highest figure in 2000, Springdale's \$69.3 million, would be sixth on the 2006 list, topped by Rogers' \$162.3 million. Figures for 2007 are not yet available.

Applicable or impact fees paid for construction of a \$150,000 house in Northwest Arkansas Cities

* Bentonville: \$5,360

* Fayetteville: \$2,370

* Rogers: \$840

* Springdale: \$610

Bentonville impact fees include fire, police, water, sewer, library and park/open space.

Fayetteville impact fees include fire, police, water and sewer.

Fayetteville and Rogers fees include plan review.

Source: Staff Report

Schedule of Development Fees for Northwest Arkansas Cities

Type Fee Bentonville Fayetteville Rogers Springdale

Preliminary Plat \$425+\$1** \$200-\$800* \$200+\$1*** \$500

Final Plat \$200+\$1** \$200-\$800* \$200+\$1*** \$50+\$1***

Lot Split \$125 \$200 \$100 \$50

Large Scale Development \$275 \$200-\$800* \$200 \$500

Conditional Use \$125 \$100 \$100 \$75

Rezoning \$275 \$325 \$200 \$175

Variance \$125 \$25 or \$100# \$100 \$75

* Residential, 10 units or less - \$200, 25 units or less - \$400, 26 units or more and all nonresidential - \$800.

**Per lot

***per lot over 50

\$25 before a violation, \$100 after a violation

Source: Staff Repoort