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Local News for Northwest Arkansas

Forum Airs Views On Road Impact Fee

*By Dug Begley
The Morning News*

FAYETTEVILLE -- Take a drive out Ruppel Road, and you can see why residents should and should not support proposed impact fees, advocates on both sides said Wednesday.

Developments along the road near Wedington Drive will have to pay for massive improvements to the two-lane road, critics of the proposed fees argue. Cruise a little farther toward Mount Comfort Road and the job of widening the road falls to the city.

Brush aside all the rhetoric, interests and examples and the issue voters will have to decide Tuesday is simple, city council member and impact fee proponent Lioneld Jordan said.

"I think it comes back to one question, who's going to pay," he said during a forum to discuss proposed road impact fees in Fayetteville.

The 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.

Critics of the proposed fees reiterated they are detrimental to development.

"The thing we need to do is bring more people here to shop," explained Ben Israel, head of Dixie Development in Fayetteville.

Commercial development helps pay for roads adjacent to the property, and also helps fund the city through sales tax revenue. Requiring builders to improve roads and then assessing an impact fee is too much, said Jeff Koenig, member of the Fayetteville Economic Development Council.

No one doubts city roads need improvement, opponent and city council member Bobby Ferrell said. The issue is whether encouraging development is the better way to come up with the bucks.

"We're just shooting ourselves in the foot," critic Mike Henry said.

Supporters of the road impact fees said development should foot the bill for the problems it creates. New development, especially along the fringes of the city, stretches the need for road improvements.

"It is unfair to have people who are not creating that need pay for it," said Kevin Santos, a former city council member and impact fee proponent.

Santos, a planner with the University of Arkansas, also noted national studies do not jibe with concerns the fee would stifle development.

"Impact fees make developers more comfortable because they are assured they have infrastructure," Santos said.

Stephen Smith, a communications professor at the University of Arkansas, said the cries from developers are unjustified.

"Maybe that's why Dana Altman decided not to come here, because he was afraid of impact fees," Smith joked.

The fees also would counter-balance a 1 percent sales tax voters approved last year to fund Fayetteville street improvements, supporters said.

Opponents listed opportunities lost in recent weeks as proof the fees will cost the city in the long run. Ferrell said a potential 200-room motel recently backed out of a plan to locate in Fayetteville.

"He told the land owner Johnson never looked so good, and to forget it," Ferrell said of the developer.

A city estimate found the road impact fee would raise \$3.4 million for street improvements annually. Israel, however, said calculations he commissioned found a single, large shopping center would generate \$3.6 million in sales taxes per year, and also contribute through property taxes to the city and local schools.

"Economic sense is we go out and bring retailers in," Israel said.

With millions of dollars in road repairs needed throughout Fayetteville, council member Kyle Cook said the city must find ways to fund the improvements. Assessing a road impact fee is the sensible approach, Cook said, because current sales taxes are not.

"We wouldn't be in this situation if it was working so well," he said.

The Wednesday evening forum was organized to educate voters about the issue prior to Tuesday's election. Early voting is underway.

INFOBOX

Campaign contributions

Two groups on opposing sides of the road impact fee issue have reported drastically different spending and donation levels. Citizens4Fayetteville, a group opposed to the fees has raised more than 40 times its competitor, VoteForFayetteville.

Citizens4Fayetteville \$40,530 raised, \$17,590 spent

VoteForFayetteville \$985 raised, \$18 spent

Source: Citizens4Fayetteville, VoteForFayetteville