

City council eyes higher impact fees

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In an effort to replace overburdened sewer lines and find new sources of water, city officials are proposing an increase in development "impact fees" of more than 13 times the current rate.

Impact fees essentially are one-time cover charges billed to developers and, to some extent, passed along to new property owners to cover the costs of growth.

Laramie hasn't raised its existing impact fee since 1982.

"We're extremely low," Public Works Director Terry Haugen said. "In addition, we haven't done a lot to increase the capacity of our system. If we're going to allow new growth, we need to do something."

Under the proposal, impact fees for both water and sewage ranging between \$3,700 and \$4,200 would be tacked onto the average new home. Under the current system, developers pay a \$305 water fee and \$230 sewage fee.

The fee amount would depend on the size of the water or sewage tap requested. The proposed fees start at about \$3,700 and peak at \$42,200 for large businesses.

The spike would place Laramie's water impact fees in the middle-range compared to neighboring communities, but its sewage fees would teeter on the upper end.

"We looked at what the historic growth has been in the community and what we're anticipating in the future to make our calculations," Haugen said.

The Laramie City Council will get its first glimpse at the proposal 7 p.m., Tuesday. Councilors had asked Haugen to look into the idea several months ago.

"If we get a thumbs up from the council Tuesday night, we're prepared to have a new ordinance drafted and would bring it back as early as next Tuesday," Haugen said.

If council adopts the plan, the new fees could kick in early next year.

Mayor Fred Homer said council is investigating how the fee would affect housing prices and other development.

"If there's quality development coming to Laramie, we want to make sure we have the means to build the infrastructure allowing them to build in the community," Homer said. "That's why this was proposed."

The high jump in fees is occurring now because the current rate hasn't budged in more than two decades, Homer added.

Officials have identified more than \$21.6 million in water and sewer improvements that need attention over the next five years and could be paid for through the higher fee.

One of the most pressing needs involves increasing the capacity of sewer lines in the east, west and north portions of the city. Haugen said some of the lines are overburdened or are at full capacity, hampering new development.

A recent sewer study of the city-owned Turner Tract recommended no additional development occur in the area until sewer line capacity is improved — a major undertaking that could cost the city an estimated \$8 million.

Additionally, Haugen said the city should start saving money for the future expansion of the wastewater treatment plant, which was built in the late 1990s.

“We have room for existing growth right now, but we feel like we need to start setting aside money for future growth,” Haugen said.

The plant also needs a \$1.7 million sewage digester, which controls the bacteria that decomposes waste.

Several water projects also loom on the horizon.

Before converting water on the city-owned Monolith Ranch to municipal use, the city must begin collecting data that would be used to make a compelling argument before the State Engineer’s Office, the branch that manages water rights.

The study could cost as much as \$206,000.

“We’ll need a good set of background information and historic water consumption use on the Monolith Ranch before we would convert it to a domestic use,” Haugen said.

Haugen said the city also should consider building a \$5.1 million water booster station, allowing the city to transport more water from the Laramie River to the water treatment plant.

Because most projects would occur before the impact fees are fully collected, the city would have to take out a loan. As a result, the interest rates would determine the size of the impact fees.

The city could turn to at least two potential funding sources — the Wyoming Water Development Commission and the Clean Water State Revolving Funds Program. Interest rates could range between 2.5 and 4 percent.