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Siloam Springs Sets Impact Fee For Water To West Siloam Springs

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SILOAM SPRINGS - An expansion to the Cherokee Nation casino in West Siloam Springs, Okla., will cost \$890,000 in impact fees for water, according to Siloam Springs officials.

Siloam Springs will sell water to West Siloam Springs, which will in turn supply the casino and its eight-story hotel.

The water price tag for a proposed Holiday Inn Express in West Siloam Springs is \$64,000.

"This is just one side of the equation," said David Cameron, city administrator for Siloam Springs. "There'll also be a proposal coming on sewer fees and an additional fee on fire and ambulance service."

The Siloam Springs Board of Directors approved the water fee schedule Tuesday evening and the matter now goes before the West Siloam Springs City Council.

Expansion plans for the casino call for an eight-story, 120,000-square-foot hotel with more than 140 rooms, a fitness room and meeting space. Projected cost for the hotel is \$25 million, bringing the total expansion cost to \$108 million. Work is already well under way on the expansion and hotel.

The project offered a potential windfall for Siloam Springs, which offered the casino a package deal to provide water, sewer and electrical service directly to the casino.

Siloam Springs owns its electrical utility and excess money from fees are used to fund the city's fire, police and parks departments.

However, the Oklahoma provider for electricity to West Siloam Springs, North Eastern Oklahoma Electric Cooperative challenged the right of Siloam Springs' legal ability to supply electrical service across state lines.

Siloam Springs officials pulled the package deal when the matter of electrical jurisdiction headed to court.

Now, development in West Siloam Springs is at the mercy of its larger neighbor in Arkansas.

"There's a lot at stake here," said Elaine Carr, mayor of West Siloam Springs. "The builder of the Holiday Inn Express held off because he didn't know what the impact fees were going to be. He doesn't know if he can afford it."

Jot Hartley, city attorney for West Siloam Springs, said the costs have to be fair and equitable, saying he expects Siloam Springs to apply the same impact rate to businesses coming into its city.

"I have no reason to think they wouldn't," Hartley said. "The cost was just a shock to us. The last hotel built didn't have to pay a \$64,000 impact fee."

Cameron said Siloam Springs figured its rates based on projected usage of the West Siloam Springs developments.

"Basically our residents are paying in their rates for improvements and a new wastewater treatment plant," Cameron said. "This fee (is for West Siloam Springs) is to help pay for their share of the improvements. We didn't just go out and set a figure as high as we could get."

Cameron said the fees are not "retribution" because the city did not get the casino's electrical service, although he estimates losing the electricity contract cost Siloam Springs \$500,000 annually.

The West Siloam Springs City Council meeting has yet to be set, Carr said. The council may have a special session to discuss the matter, she said.