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Cedar Hills hikes up impact fees

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CALEB WARNOCK - Daily Herald

Building homes in Cedar Hills just got more expensive -- and it may soon cost more every year.

Council members here more than doubled several impact fees on Tuesday, effective immediately, and made it more expensive for residents to get their utilities turned back on after services are shut off because of failure to pay.

Council members voted to increase culinary water impact fees from \$683 to \$1,662 in the city's lower pressure zone, and from \$1,020 to \$2,167 in the upper pressure zone. Because of those increases, a \$219 well and water source development fee was struck from the books.

The city's road impact fee went to \$1,314 from \$615, and the wastewater impact fee that is set by the Timpanogos Special Service District and collected by the city went from \$2,480 to \$3,120.

Park and other impact fees could also be increased within a month, said city officials. Sewer impact fees were not increased because the city's existing sewer lines are large enough to service the city at build out.

The increases are necessary because city studies show the money is needed to build infrastructure as the city grows, said city staff.

"Clearly, every time somebody builds another house before we raise the impact fee to accommodate the increase in expenses and growth, we are losing money," said Councilman Jim Perry. "It is painful. The intent is to make the cost of growth go to new homes."

There was no discussion among council members about why the fee to reconnect utilities was increased.

Council members voted to approve the increases on Tuesday with the caveat that the council return in two weeks to discuss tying impact fees to regular increases.

Council members said they wanted to put language in city law making the impact fees increase automatically, either on a yearly or monthly basis, or by tying the fees to inflation. City staffers said consultants had cautioned against that option, saying they had never heard of a city doing such a thing.

But council members questioned that opinion, saying the city must pay \$50,000 for a study to justify every increase.

"We have to pay \$50,000 to someone to evaluate the increase and when you weigh that against the \$100,000 we are getting (from an increase), we are losing money," said Perry. "You are spending all your money doing the evaluations instead of reaping the money you need for costs."

The city recently budgeted \$450,000 to build a new park, only to get bids from contractors for \$1.2 million to do the work, he said. The city must raise impact fees as the cost of construction increases or the city will not be able to afford to build needed infrastructure.

Cedar Hills impact fees:

Old fee New fee

Culinary water impact fee - lower pressure zone

\$683 \$1,662

Culinary water impact fee - upper pressure zone

\$1,020 \$2,167

Timpanogos Special Service District wastewater impact fee

\$2,480 \$3,120

Roadway (streets) impact fee

\$615 \$1,314

Utility disconnection first, second and third offenses

\$30 \$50

\$50 \$75

\$70 \$100

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