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Impact fee legislation leads to updated studies by City of Prescott

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PRESCOTT - Three new [City of Prescott](#) studies, all related to recent state legislation concerning impact fees, will take place over the next year or so.

The total price tag: more than \$600,000.

On Tuesday, the [Prescott City Council](#) approved a contract for the first of the studies - an update of the city's 2005 water system model. The contract with Carollo Engineers, Inc. is for \$230,000.

Future studies will include a similar update of the city's wastewater system model, estimated at a cost of \$200,000; and a new impact-fee study, estimated at a cost of \$200,000.

While city officials say the two model updates would have been necessary soon regardless of the need for the new impact-fee study, they also acknowledge that information from the two models would go into the new impact-fee study.

"This is a necessary first step in going through with the impact-fee study, in order for the city to comply with the state legislation," Engineering Services Director Mark Nietupski told the City Council.

But, at about seven years old, the water model was due for an update, Nietupski said. "We had, a couple of years ago, put it in our CIP (capital improvement plan)," he said on Wednesday, adding that the 2011 impact fee legislation "really added the impetus."

The water system model will anticipate future needs of the system through five-year capital improvement plans over the next two decades, according to a city memo. It also will identify system inefficiencies, make recommendations for improvements, and look into improving energy efficiency.

In addition, the updated model will take into consideration the slow-down in development, and related impacts on the need for water infrastructure, Nietupski said. It also will compile impacts from the city's water-conservation program, which occurred largely after completion of the 2005 water model.

"It will look at what users will be requiring," Nietupski said. "Conditions have changed."

Nietupski added that "a myriad of items" will go into the water model to come up with a plan for the future.

The update on the wastewater model will do the same thing for the city's wastewater system. Nietupski said he expects the solicitation for proposals for that study to go out in the next week to 10 days.

The city also currently is working on the solicitation for proposals for the updated impact-fee study.

Budget and Finance Director Mark Woodfill noted that the 2011 state legislation on impact fees requires the city to have a new impact-fee study in place by Aug. 1, 2014.

The legislation also eliminated two of the city's impact fee categories - public buildings and recreation.

Impact fees, a one-time cost that Prescott charges to new homes built in the city, were intended to help cover the cost of new growth-related infrastructure needs.

The city charges the fees in a number of categories, including water, sewer, fire, police, parks, and library.

Woodfill said the recent state legislation requires many changes in the way the city charges the fees.

"It's going to be a totally different fee," he said of the results after the updated study. "There are a lot of restrictions. It will move the cost of growth onto other areas."

The city's specifications will require the firm that conducts the new impact-fee study to follow the terms of the 2011 legislation, Woodfill said.

The city's most recent impact-fee study took place in 2008/2009, Woodfill said, but a 2009 moratorium on the fees by the State Legislature "essentially eliminated that study," rolling back the city's fees to the amounts from a May 2006 study.