



Impact fee increase mulled

BY MARSHA L. MELNICHAK Northwest Arkansas Times

Posted on Sunday, March 16, 2008

URL: <http://www.nwanews.com/nwat/News/63191/>

Even if maximum water and sewer impact fees get approved for improvements to the water and wastewater systems, Fayetteville residents probably won't notice a difference in water pressure or water flow — at least, not right away.

“ A dollar in the bank doesn't directly make something better on the ground, ” David Jurgens, water and sewer director, said.

He said that as capital projects — like larger water pipes and more storage tanks — get put in using impact fees, then people in the area of the project will notice a difference.

Fayetteville's water and sewer committee is studying the results of an impact fee study conducted by Duncan Associates.

According to that study, the maximum water and sewer impact fee that could be required for a new single family home in Fayetteville would be \$ 5, 585. The current combined fee is \$ 1, 143.

If the maximum fees are approved, they are estimated to generate about \$ 10 million in 10 years for Fayetteville water and sewer projects.

However, the head of the Water and Sewer Committee, Ward 2 Alderman Kyle Cook, has said he does not expect the maximum to be approved.

Impact fees are not used for operating or maintenance costs. They are not charged to already existing homes or businesses, and they are not charged to someone who moves into an existing building.

Jurgens, who stressed that he is not an expert on impact fees, said impact fees are intended to offset the impact of new development.

“ The concept of the impact fee is that as you grow demands for your system, as you get more houses, more structures, more businesses, more things that need water from the water system, not only does the local piping need to be put in, but they also put a greater demand on the storage tanks and the transmission lines, ” he said. “ Developers will say, ‘ Well, we put in the pipes that service our system, ’ and they're right. But, what they don't put in are the pipes that get to the pipes that get to the pipes that service their neighborhood or their development or subdivision. ”

For growth Jurgens said impact fees can only be used for growth. That is, they can only be used for projects which increase water or sewer capacity. The new water line installed

next to Wedington Drive in conjunction to the widening of the roadway by the Arkansas Highway and Transportation is an example of increased capacity. In that case, an 8-inch line was replaced with an 18-inch line. Current impact fees are making an impact on the subdivisions being built now, although, chances are, the people in those subdivisions will never notice. Jurgens said residents in those subdivisions should not experience the water issues sometimes faced by residents in the older parts of town because impact fees are being used to create grids of larger water pipes. "It is different because we had the impact fee. We're building the grid now rather than coming back and increasing it later," he said.

Looking back "In the old days, a 6-inch line was a kind of transmission line, and the 8 [inch] certainly was a transmission line," Jurgens said.

Historically, lines from 1 inch in diameter to 2.25 inches in diameter were used to feed residential subdivisions.

Times have changed.

Today, Jurgens said, 12-inch lines are considered small transmission lines and 8-inch lines are used to serve residential subdivisions.

Storage requirements used to be much less than they are now, too, he said.

The city's original water transmission line from the source was 8 inches. It runs from Johnson to Mount Sequoyah and is still used. Also, mostly still in use is a 14-inch water line that has a 30-inch line running parallel to it.

"Now we have a 36 and a 42," Jurgens said. Asked generally where pipes needed to be made bigger, Jurgens replied, "Systemwide."

Looking ahead Jurgens said impact fees help the city look ahead and build in advance of the need. "If we have the money to do it, if we can build before it's needed rather than waiting until after, we can save everybody pain," he said. The impact fee study was calculated only on projected increased demand that would be required by new development or construction.

One idea being considered for use of new water and sewer impact fees, if they are approved, is replacing a 12-inch water pipe that runs parallel to Arkansas 265 (Crossover Road) with a 36-inch pipe.

"Clearly that is increasing capacity," Jurgens said.

The three-times-larger pipe would increase volume by almost 10 times, he said.

Another concept being considered for impact fee growth is an elevated storage tank to increase water pressure on Mount Sequoyah.

A long term vision, which could be paid for with impact fees, is another transmission line coming to Fayetteville from Beaver Water District.

Jurgens, who described himself as the city's pipe guy, said, "I think impact fees are a

fair and valid method of paying for capacity increases because what they do is, they take the burden off of our current customer and place the burden on the customers who create increased demand.

“ From a personal standpoint, I think that is fair. ”

Copyright © 2001-2008 Arkansas Democrat-Gazette, Inc. All rights reserved.
Contact: webmaster@nwanews.com