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Fayetteville Impact Fees Hiked

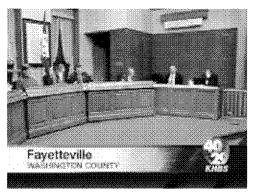
Building Single-Family Home Gets More Expensive

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FAYETTEVILLE, Ark. -- It's about to get a little more expensive to build a new home in Fayetteville.

☞ <u>Fayetteville Raising Fees For Hooking Up</u> <u>Water, Sewer</u>

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At its meeting Tuesday night, the Fayetteville City Council approved raising its water and sewer impact fees. The hike will not affect people currently living in a home in Fayetteville, but will make it more expensive to build a new home or add an addition to an existing home within the city.

"If you build something new that increases or has an impact on the system and increases the demand and increases the capacity of the system, then there's a specific impact fee charged for that," said David Jurgens, the director of the city's water and wastewater systems.

Currently, it costs more than \$1,100 for a new single-family home to tap into Fayetteville's water and sewer systems. That rate dates from 2002. The city has since paid for an independent study to assess what its impact fees should be.

Tuesday night, the city council approved raising the fee for single-family homes by \$700. But they could have been increased even more.

"It was significantly less than what the maximum the study said could be charged," Jurgens said.

The city says the money generated from impact fees is essential to improve the system as more users tap into it.

"It goes to improving the system and increasing the capacity of the system. That's all it can legally be used for," Jurgens said.

But higher fees could make building a new home in Fayetteville less attractive. Right now, the city

doesn't believe the increase will make a big impact.

"In economic slower times like we're experiencing right now, it doesn't have much effect. In booming times like we had two, three, four years ago, it will have a larger effect because you have a lot more houses being built," Jurgens said.

The fee increase will not take effect until March 31, 2009.

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