



Impact fees aid cities in dealing with growth

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Water and wastewater impact fees are designed to generate revenue to allow growth to occur.

“ You’ve got to be able to treat the effluent that’s flowing to your plant, and you’ve got to be able to produce the water that people need, or else you get in real problems,” Clancy Mullen of Duncan and Associates said.

The firm conducted a study used to identify the maximum impact fees that can be allowed for those services in Fayetteville, Farmington, Elkins and Greenland. Now the councils in those communities are faced with decisions in the weeks and months ahead about whether to enact or increase the impact fees, and, if so, by how much and when. Mullen said the fees identified in the study are based on what those communities need to treat wastewater and make sure water can flow into every home and business, even as the communities grow.

Fees If the maximum fees identified in the study were to be adopted by the Fayetteville City Council, those fees would jump almost five times — from \$ 1, 143 to \$ 5, 585. In Fayetteville, the maximum identified water impact fee is \$ 2, 954 for a new single family home. The identified maximum wastewater impact fee is \$ 2, 631. “ No one’s made a recommendation that we adopt the maximum fees,” Tim Conklin, Fayetteville’s planning and development management director, said.

He said, too, that Fayetteville’s city code grants impact fee exemptions for affordable housing if certain funding or program conditions are met.

Said Mullen, “ From 100 percent — this is what it really costs — down to the current fee, there’s a pretty good range in which they can decide where they want to set the burden, how much of that burden should fall on new customers versus how much should be borne by the community as a whole. ”

Maximum water fees in Farmington and Greenland are also identified at \$ 2, 954 in the study.

Farmington’s wastewater fee would be \$ 2, 798 if the maximum is accepted by that council. The combined impact fee maximum in Farmington is \$ 5, 752.

The maximum wastewater fee for a new single family home in Greenland would be \$ 3, 598. Combined with the water fee, that would mean a total of \$ 6, 552, if the maximum was approved.

Elkins' potential fees are higher than the other communities. Study calculations indicate \$ 3, 501 would be needed for a water impact fee and \$ 3, 694 for a wastewater impact fee if new development were to pay for the cost of providing new water and wastewater capacity. They combine to \$ 7, 195.

The full report which identifies fees in other categories can be found under " planning documents" at accessfayetteville.org.

Planning ahead The nature of water and wastewater services make them unique from other city services, Mullen said. " It's a little bit different from things like roads or parks. You can just let the parks get more crowded; you can let the roads get more congested for awhile, " he said.

Cities have to meet federal regulations about water pressure and the quality and cleanliness of the treated wastewater when it is released back into the streams, Mullen said.

" These facilities tend to be expensive, and they have to be built in advance. You have to start construction before the growth gets here, " he added.

Conklin described impact fees as calculations about growth.

" Impact fees aren't, ' Let's see how high we can make the fee. ' It's basically a calculation of if you're building a system, you need x units of capacity for this type of development and growth: this is what it costs, " he said.

The question, he said, becomes if the cities want to recoup the cost of that growth.

" It's not to stop growth and development. It is to build capacity to allow the city to continue to grow and develop, " Conklin said.

Conklin said impact fees are one time fees collected only at the time of connection.

" It's not a tax, " he said.

" If the city doesn't grow, the city doesn't get the revenue. If the city gets the revenue, the city needs to spend the revenue on expanding capacity for more growth and development, " Conklin said. The fee is charged on new buildings or expansions. Money collected from the fee can only be used for new development and growth and cannot be used for operations. " It always has to expand the capacity of the system so the city can continue to grow, increase in size, population, jobs, business, " Conklin said.

Factors The calculations used to determine the maximum amounts stem from a variety of factors. They are intended to allow for capacity improvements to the wastewater collection system and lift stations and reflect construction costs.

The study calculated impact fees for water and at separate fees for wastewater treatment improvements.

Mullen said the fees are based on costs that are planned. Each community provided information about what they thought would be needed for capacity for new

development.

It relates to systemwide improvements and to those specifically needed in each of the four communities, all of which are served by the Fayetteville system.

Conklin said if Fayetteville adopts impact fees for the system improvements, those fees would be collected systemwide.

“Everybody’s stuff flows into the two treatment plants,” he said. “Everybody needs transmission lines to get water from Beaver Lake.”

Other fees were calculated on local improvements, specific to each community.

On the water side, costs are associated with transmitting the water — for example, pipes and water lines — and storing the water — for example water tanks and towers.

The study reports wastewater fees are calculated for system improvements, such as the new West Side Treatment Plant and related piping, and for in-city collection system expansion for all four towns.

Conklin said the wastewater fees were calculated on what it costs to create the capacity to collect and treat the wastewater per service unit. The base service unit in the study is the capacity needed for a single-family home.

“We’re calculating how many gallons per day for a single-family home. We know that a single-family home is going to use this much water, is going to produce this much sewer. What does it take to build the capacity in the pipe and to build the capacity in the plant to treat it?” he said.

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