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by Jade Bolack

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With little fanfare and less discussion, the Lake Geneva City Council on Monday approved an ordinance amendment that cuts away three of five impact fees imposed on new homes and residential developments in the city.

First enacted in the 1990s, the city charged a \$4,805 impact fee per every house built in the city.

Out of the \$4,805 fee, the city extracted:

- \$1,865 for sewer service.
- \$1,600 for water service.
- \$800 for the library.
- \$310 for fire service.
- \$230 for parks.

The amended ordinance now eliminates the library and fire service impact fees.

According to City Administrator Dennis Jordan, the intent of impact fees is to help offset the cost of bringing more residents into the city.

When construction is booming and economy is strong, the impact fees add up quickly.

When construction lags, the funds go wanting.

Since 2008 and 2009, construction in Walworth County as a whole has slowed.

During the April 8 city council meeting, Mike Van Den Bosch of the Walworth County Economic Development Agency told the council that other county communities were eliminating impact fees because they were believed to be a deterrent to future development.

City Attorney Dan Draper crafted the ordinance which was introduced at a first reading before the council Oct. 28.

While the library and fire service fees are gone, the fees for water service, sewer service and parks remains.

The water service fee has increased to \$1,690. The fee for water service remains at \$1,865 and the park fee remains at \$230.

In addition, the fees already collected by the city utilities, the park department, the library and fire department may still be spent on projects that qualify for impact fees.

However, state law limits how impact fees may be spent.

In the case of water and sewer service, impact fees could be spent on new service and expansion of existing service.

Jordan has said that the utility commission had no difficulty in using its impact fee funds.

However, fire service impact fees may only be spent on building a new fire station or substation. It may not be used for equipment or personnel.

The city's main fire station needs a new roof, but the impact fee rules do not allow for improvements for existing structures.

Some of the library impact fees were used to buy new shelving.

Park impact fees can be used to expand parks and park services for residents.

About four years ago, the state changed the rules and added a time limit for using the fees.

The state now requires that impact fees not used after seven years must be returned to the persons owning the property from which the fees were collected, with interest.

Some of the impact fees are due to be refunded if they are not used by Dec. 31 this year, Jordan has said.

The funds now stand as follows. The fire fund has \$67,966.87 of which \$39,663 would have to be refunded.

The library fund has \$158,595, of which \$38,196 would have to be refunded.

The park fund has \$43,774, of which \$18,783 would have to be refunded.

The utilities have already spent their impact fee allotment and won't be impacted by deadlines, Jordan said.