



Thursday, July 19, 2007

Impact fees on the way

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Effective Oct. 17, all new developments in Cottonwood will have to pay impact fees on water and wastewater connections. A second and final reading of Ordinance 506, creating impact fees, was read Tuesday.

The impact fee schedule follows a year's worth of study, review and Council direction regarding allowable amounts of water and wastewater impact fees to charge new construction.

A typical home uses a 5/8-inch to 3/4-inch meter size. In three months, any new developer/installer will have to pay \$5,843 to connect to the city's water and wastewater utility.

For a 1-inch meter, the impact fee total is \$14,609. However, according to the ordinance, "A customer required to install a 1-inch meter solely to service a mandated residential sprinkler system will be charged the 5/8-inch to 3/4-inch meter size impact fee."

For new developments that are not going to be on city water, but will be connected to the city sewer, "the impact fee shall be calculated at \$13.86 per gallon per day based on the best information available," according to the ordinance.

Larger meters are used predominantly by commercial developments and will cost the installer \$29,218 for a 1 1/2-inch meter to \$146,089 for a 4-inch meter.

Impact fees for the City of Cottonwood only pertain to water and wastewater. Other municipal impact fees include separate charges for impacts to such things as civic facilities, police and transportation.

According to the study by the city's consultant firm Coe and Van Loo and economist.com, impact fees are defined as a "One time charge paid by new developments to finance the construction of public facilities needed to serve it. By implementing impact fees, cities ensure that existing ratepayers are not funding the cost of new development."

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