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City may lower water, sewer fees

Council members will consider a proposal by the city's consulting group.

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If the Ocala City Council gives its approval, water and sewer impact fees in the city may be going down, and front footage connection charges may go away completely.

Public Resources Management Group Inc., the city's consultant, presented its evaluation of the rates the city charges for commercial and residential water and sewer impact fees during a workshop Tuesday.

"What we want to do is make sure we have enough money to fund improvements and not make anything above that or below that," City Manager Ricky Horst told the council.

Right now, a single-family home from 2,500 to 3,499 square feet that hooks up to the city's water and sewer systems incurs a water impact fee of \$838 and a sewer impact fee of \$3,249, for a total of \$4,087. Under the proposed rate, the water impact fee would drop to \$658 and the sewer rate would drop to \$2,518, for a total of \$3,176 - a \$911 reduction.

For a home up to 1,400 square feet, the combined water and sewer impact fee is \$2,452. That would be reduced to \$1,906.

Owners of a home that is 1,500- to 2,499-square-foot currently pay combined water and sewer impact fees of \$3,066, but those would be reduced to \$2,383, for a \$683 savings. Homes above 3,499-square-foot pay \$5,109 for the combined fees, which would be reduced to \$3,971, for a \$1,138 savings.

The consultant also is recommending eliminating front footage charges for new homes and existing homes that have water and sewer available but have not hooked up to the city's system. For example, a 1,500- to 2,499-square-foot home, whether new or existing, currently is charged a \$4,800 front footage charge to hook up to the city's system. That charge will be eliminated.

Homeowners who have water and sewer lines near their homes but choose not to hook up to them currently pay an availability charge. That charge will remain in effect, unless the homeowner decides to hook up to the city's system.

"We feel that it's a charge to pay for the cost to maintain the system, which they could hook up to at any time," said Matt Brower, assistant city manager of Utility Services.

Commercial impact fees also will drop.

The consultant recommends eliminating the "attributes" system for determining water and sewer impact fees for businesses. Right now, the city charges impact fees for businesses based on attributes, which include items such as the number of restaurant seats, or plumbing fixtures in office buildings, or hair salon seats.



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Instead, the consultant recommends using the meter size to determine the impact fees, since that is the maximum capacity the business could affect the system. This would apply for meters up to 2 inches.

For instance, a 192-seat restaurant with a 1.5-inch meter currently pays \$117,706 water and sewer impact fees. That would be reduced to \$15,880, a difference of \$101,826.

Businesses with meters larger than 2 inches would still use the attribute rate, but that would be at a reduced impact fee rate.

"The biggest reason impact fees are going down is we were building so fast we had to build new infrastructure, particularly treatment plants," City Manager Ricky Horst said. "Now that we have slowed down, those plants do not have to go on line as early. So, they are turned back. Some of the debt will be paid off before we have to take on new debt."

There currently are 3,000 homes in the city on septic systems. Of those, 1,000 have sewer available to them but have not hooked up to the system. The remaining 2,000 homes - many of which are low-to-moderate income - have Community Development Block Grant money available to help them hook up.

Horst said hooking up to sewer is good for springs protection. And the reduced rates might encourage some homes to be built, which would bring some jobs.

Jeff Halcomb, city water and director, said the city often is accused of caring only about business.

"It's not just business we care about," Halcomb said. "The infrastructure is in place and the economy is in a place that we can allow everybody to benefit from this process."

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