

Impact fees repealed in Ruidoso

By Dianne Stallings dstallings@ruidosonews.com @RuidosoNews on Twitter Ruidoso News

Posted:

RuidosoNews.com

Coming up with an ordinance in 2003 to impose impact fees took months of staff and planning commission work and debate. Repeal of the ordinance by the Ruidoso Village Council Tuesday occurred in less than 10 minutes and with no public comment.

New construction in Ruidoso no longer will be charged impact fees for water and sewer infrastructure. The reasons for the repeal included the lack of new growth in the village and that Ruidoso has been ordered to eliminate septic systems to improve the quality of water in the Rio Ruidoso. Dropping the expensive fees may encourage more people to connect, officials say.

The purpose of impact fees is to generate revenue for funding the cost of capital improvements or facility expansion necessitated by and attributed to new development. The village during an economic boom in 2003 passed an impact fee ordinance, amended in 2006, that covered water, wastewater and sewer after updating a Land Use Assumptions document and a Capital Improvements Plan, requirements under state law. The water impact fee was set as \$2,286 per service unit in 2006 and was on a schedule to increase annually until January 2010, when the fee was to hit a cap of \$3,839. The wastewater fee began as \$1,315 per unit in 2006 and capped in 2010 at \$1,655. The sewer impact fee went down over the same period from \$445 to \$401.

Village Attorney Dan Bryant told the council that one of the newly elected members, John Cornelius, pushed for the repeal.

"John Cornelius worked tirelessly while on the Planning and Zoning Commission, working through all of the issues we had to deal with," Bryant said. He asked Cornelius, a local builder, to summarize the background on the issue.

"We haven't handled these fees as well as we should have through the years," Cornelius said. "They're really intended for municipalities that have a lot of new growth and that way the cities can pay for the impacts of new development. We don't have much like that."

Most of the housing construction that occurs in the village is scattered or people are tying into sewer service, "because we told them they had to," he said. "I think we will get better compliance if we can do away with the impact fees on sewer and wastewater. The other thing is, we aren't doing that much building in town."

Mayor Tom Battin said state law also is very specific how the impact fees can be spent.

"Very specific," Cornelius said. "It has to be for new work within the categories the impact fees were collected for. So that makes it even harder to accumulate enough money to do a project."

Impact fees only can be used for new lines or features, and expansion, not to repair existing lines and features, which is what the village really needs, he said.

"All of our projects are expensive, but there is a time limit for spending and if you don't get it spent in

seven years, we have to refund it," Cornelius said. "I think to encourage more people to hook up to sewer, we ought to just do away with it and encourage new growth in town that way."

No one came to the podium during the public hearing to comment on the proposed repeal.

Cornelius offered the motion to adopt an ordinance repealing the prior ordinance in its "entirety." The repeal become effective five days after the adoption publication. He attached the condition that a close-out accounting of impact fees collected and spent be submitted for review and approval to the village Capital Improvements Advisory Committee, on which Cornelius serves as chairman.