

Raleigh leaders suggest water fee as builders add demand to system

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Some city leaders are proposing a new fee that would have builders pay for upgrades to the water and sewer system and future utilities projects.

Every municipality in Wake County, except Fuquay Varina and Raleigh, charges such a fee.

City Councilman Russ Stephenson says Raleigh should charge developers what is known as a capacity fee. He said that would give current water customers some relief.

Stephenson said the fee is a way of not putting all the cost of water and sewer growth on current ratepayers.

Now, when new homes are constructed in Raleigh, builders pay an impact fee that goes toward new roads and parks, and the city recently raised the fee.

With that increase in impact fees and the housing market in a downturn, home builders say the timing is not right to add more fees.

“We ought to be having a discussion about how we can help the housing industry. It’s a leading driver of the economy here,” said Tim Minton, executive vice president of the Home Builders Association of Raleigh-Wake County.

Minton said additional fees usually mean an increase in costs passed on to buyers.

“You’re gonna get to a point where people are not gonna build in Raleigh anymore,” Minton said.

The City Council plans to talk about capacity fees at its next budget meeting on Tuesday.

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