



## Cities have options for water, sewer impact fees

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The cost of building a new house in Fayetteville could go up more than \$ 4, 000 if the City Council eventually approves the maximum water and sewer impact fees allowed.

“ We know when we see these maximum numbers, this is what we can legally defend at least, ” said Ward 2 Alderman Kyle Cook, who heads the Water and Sewer Committee. “ What is a fair impact fee ? Do I think that we, as a council, will support those maximum fees ? I really strongly doubt it. ”

Clancy Mullen of Duncan Associates shared on Tuesday an impact fee analysis that defined the maximum fee that could be charged by Fayetteville and the cities of Farmington, Elkins and Greenland.

Through charts he presented, Mullen showed the combined water and sewer impact fee for a new singlefamily home:

→Fayetteville — \$ 5, 585

→Farmington — \$ 5, 752

→Elkins — \$ 7, 237

→Greenland — \$ 6, 552

Fayetteville currently charges a water impact fee of \$ 308 and a wastewater impact fee of \$ 835. That’s a total fee of \$ 1, 143. If the potential maximums are approved, new home builders in Fayetteville could pay a \$ 2, 954 water impact fee and a \$ 2, 631 wastewater impact fee.

Mullen verbally indicated Fayetteville’s combined maximum would be \$ 5, 703. He also said some of the numbers would be adjusted from those in his Powerpoint presentation.

Fee calculations were based on information provided by the cities to the consultants, which included information about unfunded projects and growth among the data used in the study.

Fayetteville, Farmington and Greenland have the same proposed maximum water impact fee, with Elkins being higher because it also has a local system.

Wastewater impact fee maximums are different for each of the cities.

The study represents the maximum that could be adopted, not the amount that has to be

adopted, Mullen said.

“ It’s growth paying for growth, is the idea, ” said Mullen, who stressed that impact fees are onetime payments only on new development.

Impact fees are not used for operating or maintenance costs, he said.

The study can be found as a planning document on the city’s Web site, [www.accessfayetteville.org](http://www.accessfayetteville.org).

Maximum water and sewer impact fees for new nonresidential development were also calculated. Those fees depend on the size of the water and wastewater meters.

In the study, the impact fee for a 5 / 8-inch or 3 / 4-inch meter is the same as for a single-family home.

Mullen told Fayetteville committee members and representatives of the other cities that they had alternatives to consider. He said they could choose a residential flat rate or variable fees, for example, based on the size of the house.

The cities can also decide to what extent they want to recover costs, ranging from zero to the maximum. The smaller cities could adopt a fee for the regional system and not have a fee for local costs. Or they could adopt a percentage of the potential maximum fee.

Another option is to phase in whatever fee level they choose, such as half of the ultimate increase in the first year. Indexing the fees is another possibility the cities can consider.

“ If they’re not paying for (new development ), then every taxpayer in town is going to pay for it through sales taxes, ” said Cook, who expects the committee to meet again when it is more informed about how the maximum fees were calculated.

“ It ain’t going to be easy, ” said Bobby Ferrell, Ward 3 alderman in Fayetteville.

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