

OV to phase in impact fees

> **Controversial water-connection charge to rise over 5 years** <

By **Danielle Sottosanti**

ARIZONA DAILY STAR

Oro Valley won't hit developers with dramatically increased water-connection fees in September, but will instead phase them in over five years, the Town Council decided last week.

Months of contention ended with a compromise between the town and the development industry.

In several months, the town won't increase its Alternative Water Resources Development Impact Fee for the average new single-family home from \$300 to \$4,982, as originally proposed.

It will instead increase the fee to \$1,300 on Sept. 19 and then in about \$1,000 increments each year until it reaches its full amount of \$5,182 in 2011.

The decision was "a monumental step by the town of Oro Valley to charge the real rates for water," said Councilman Barry Gillaspie.

The phased-in approach will soften the fee's impact on developers and give them time to prepare so, after numerous meetings with stakeholders, the Oro Valley Water Utility decided it was the best option, said Philip Saletta, the utility's director.

The Town Council unanimously approved the approach, voting 6-0 at a June 20 public hearing. Councilwoman Paula Abbott was absent.

At the hearing, some town residents opposed the phase-in, saying that the town was bowing to developers.

Builders had been "riding the gravy train" with Oro Valley's current \$300 fee for years, said resident Bill Garner, who supported the increase but opposed the incremental phase-in.

The town had not increased its Alternative Water Resources Development Impact Fee since its creation in 1996.

Builders pay that impact fee along with the Potable Water System Development Impact Fee, the latter to connect a new home or business to the town's water system. The fees are assessed by water meter size.

For months, representatives from the development industry told the council that increasing water-connection fees so drastically by what was originally proposed would hinder — and possibly stop — development in Oro Valley.

People may say the council's decision was focused on specific interest groups, but growth pays for the town's year-to-year increased expenses, said Mayor Paul Loomis.

"We have to think (about) what is affordable for the community," he said.

By the numbers

Current and future water-connection fees:

\$300

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What the Alternative Water Resources Development Impact Fee is for the average residential water meter now.

\$1,300

What it will be for the same size meter starting Sept. 19.

\$5,182

What it will be starting Sept. 19, 2011.

\$1,774

What the Potable Water System Development Impact Fee is for the average residential water meter now.

\$2,567

What it will be for the same size meter starting Sept. 19. That's the full amount. The town is not phasing in this impact fee, like it is the other one.

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