



City of Maricopa

Legislation Text

File #: RES 24-05, **Version:** 1

A Resolution of the Mayor and City Council of the City of Maricopa, Arizona, approving the Comprehensive Land Use Assumptions, Infrastructure Improvement Plan, and Development Impact Fee Analysis and declaring those certain documents filed with the City Clerk of the City of Maricopa to be a public record. Discussion and Action.

In order to collect Development Impact Fees, the City must comply with Arizona Revised Statute (ARS) §9-463.05, by updating the Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP) every five years. The last report was prepared in 2019 by TischlerBise. LRB Public Finance Advisors was selected to prepare this update.

The LUA section of the report incorporates information provided by City staff to establish current land use and projected land uses over the next 10 years. Single-family, multi-family, commercial/retail, office, industrial and institutional uses of land have been projected to establish the need for growth-related infrastructure. The IIP section of the report is incorporated into the discussion of each fee category (Parks & Recreation, Libraries (General Government), Police, Fire and Streets), and is the result of a comprehensive look at necessary improvements due to the impacts of growth.

The following three components must be included as part of adopting and collecting development impact fees. These components must be updated at least every five years.

1. *Land Use Assumptions* - Projections of changes in land uses, densities, intensities, and population for a specified service area over a period of at least ten years and pursuant to the general plan of the municipality.
2. *Infrastructure Improvement Plan* - A written plan that identifies each necessary public service or facility expansion that is proposed to be the subject of a development fee that complies with the requirements the ARS. This is based on the City's capital improvements plan.
3. *Development Fees* - The fees to fund the infrastructure made necessary due to development.

The following have been completed to date, relative to the development fee process:

- ☐ September 20, 2023 - Staff posted the *DRAFT* - Comprehensive Land Use Assumptions, Infrastructure Improvement Plan, and Development Impact Fee Analysis on the City's website, and provided a public notice of the Public Hearing on 11/21/23.
- ☐ October 10, 2023 - Staff held a meeting with stakeholders to receive any concerns or comments regarding the draft report.
- ☐ October 19, 2023 - Staff held a second meeting with stakeholders to receive any concerns or comments regarding the draft report.
- ☐ October 26, 2023 - Staff held a third meeting with stakeholders to receive any concerns or comments regarding the draft report.
- ☐ November 21, 2023 - A Public Hearing was conducted regarding the *DRAFT* - Comprehensive Land Use Assumptions, Infrastructure Improvement Plan, and Development Impact Fee Analysis.

Additionally, Staff has posted public comments, responses to these comments, and an updated final draft

(“December 2023”) on the City’s website, as a means of going beyond statutory requirements and providing maximum transparency to the public and stakeholders.

Of particular note, the City received comments during the Public Hearing in November and during Stakeholder Meetings that requested additional clarity regarding the statutory requirements of ARS § 9-463.05.B(12) regarding excess construction contracting tax contributions to the capital costs of the IIP. The excise amount was removed from the transportation portion of the proposed development impact fees (DIF), and resulted in lower amounts that presented in the previous draft. For a new single-family home, this had a dramatic impact on the overall DIF by dropping the amount from an originally-calculated \$13,338 to a fee that is now calculated to be \$10,244 (on average).

While consideration of formal adoption of the fees will come as part of a future agenda item, it is instructive to see the resultant fees at this time. Maricopa has traditionally had low development impact fees compared to neighboring growth communities. In a review of seven growth cities, given the conditions within the LUA/IIP, Maricopa would continue to have the lowest fees of any of these communities. Also of note, many of these communities are currently undergoing a process to update (and increase) their Development Impact Fees to offset the increases in horizontal construction costs seen over the past five years. Should these fees be adopted, Maricopa will continue to have fees far below most (if not all) high-growth communities in the Phoenix Metro area. For reference, a chart showing these comparison cities is attached to this agenda item.

This item will be presented by Benjamin Bitter, Deputy City Manager.

Staff recommends the Mayor and City Council formally adopt, pursuant to Arizona Revised Statutes §9-463.05, the Comprehensive Land Use Assumptions, Infrastructure Improvement Plan, and Development Impact Fee Analysis which serves as the basis for development impact fees proposed to be effective June 16, 2024. If adopted, staff recommends posting the notice of intent to modify Development Impact Fees effective June 16, 2024 and to establish February 20, 2024 as the date of the public hearing.