



City of Maricopa

Legislation Text

File #: PH 14-04, **Version:** 1

The Mayor and City Council shall hear public comment regarding the proposed development fees which serves as the basis for development impact fees effective August 1, 2014.

Development Impact Fees are fees assessed to fund infrastructure improvements required due to new growth. These fees are accumulated to construct specific improvements or portions of specific improvements, within the municipality, based on Development Fee Studies.

In the 2011 legislative session, the Arizona Legislature passed Senate Bill (SB) 1525 which updated Arizona Revised Statutes (ARS) §9-463.05. This required Arizona municipalities to make adjustments to its development fee program using a two-step approach. Step 1 had fees become effective January 1, 2012. Step 2 requires the following to be approved prior to the fees being effective on August 1, 2014:

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.

Although the *DRAFT - Development Fees, Infrastructure Improvements Plan, and Land Use Assumptions* report contains all three elements, the *Land Use Assumptions* and *Infrastructure Improvement Plan* (1 and 2, above) must be approved prior to the adoption of the *Development Fees*. The draft report was used as a basis for public outreach to the following stakeholders.

- Commercial and Residential Land Developers
- Central Arizona Home Builders Association
- Association of General Contractors
- Urban Land Institute
- Maricopa Chamber of Commerce
- Greater Phoenix Chamber of Commerce

This public outreach included a) the *DRAFT - Development Fees, Infrastructure Improvements Plan, and Land Use Assumptions* report, b) timing of the development fee approval process, and c) the offer for City staff to meet individually with any of the stakeholders.

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

- April 2, 2013 - TischlerBise was chosen as the contractor to conduct the study and prepare the IIP.
- June 18, 2013 - An update of the study was provided as well as a draft *Land Use Assumptions* report at the City Council Work Session.
- August 20, 2013 - Council approved the use of a biennial audit, to assure compliance with the state statutes, once impact fees are effective.
- September 17, 2013 - Staff presentation of the *DRAFT - Development Fees, Infrastructure Improvements Plan, and Land Use Assumptions* report
- October 3, 2013 - Staff posted the *DRAFT - Development Fees, Infrastructure Improvements Plan,*

and Land Use Assumptions report on the City's website.

- December 17, 2013 - A Public Hearing was conducted regarding the *DRAFT - Development Fees, Infrastructure Improvements Plan, and Land Use Assumptions* report on the City's website.

- February 4, 2014 - Council approved a resolution adopting the Land Use Assumptions, Infrastructure Improvement Plan, and Preliminary Development Fees report.

- February 18, 2014 - Staff posted legal notice on the City's website indicating a public hearing on the proposed development fees was scheduled for April 1, 2014.

This item will be presented by Finance Director Brian A. Ritschel.

Staff recommends Mayor and City Council shall hear public comment regarding the proposed development fees which serves as the basis for development impact fees effective August 1, 2014.