

**CITY OF GOODYEAR  
COUNCIL ACTION REPORT**

<b>SUBJECT: Public Hearing on Draft Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP)</b>	<b>STAFF PRESENTER:</b> Lauri Wingenroth, Finance Manager-Budget and Research
	<b>CASE NUMBER:</b> None
	<b>OTHER PRESENTER:</b> None

**PROPOSED ACTION:**

Conduct a public hearing to receive comment on the draft Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP) that was posted on March 21, 2018.

- a. Open the Public Hearing
- b. Staff Presentation
- c. Receive Public Comments
- d. Close the Public Hearing

**BACKGROUND AND PREVIOUS ACTIONS:**

Arizona Revised Statute 9-463.05 provides for the imposition of development impact fees. One requirement is a review of existing land use assumptions (LUA) and infrastructure improvement plan (IIP) at least every five years. The current fees became effective in August 2014 for which the underlying land use and infrastructure plans were approved in February 2014.

The required consultant services were funded in the FY2017 budget and Raftelis Financial Consultants, Inc. was selected to perform the update. Staff from several departments worked with the consultant over seven months to develop ten year growth assumptions, assess current infrastructure service levels, and then to identify and prepare costs for the infrastructure needs associated with growth projections.

The initial timeline targeted updated fees effective January 1, 2019 which was ahead of the five year mark. Deficiencies in the current plan such as not including inflation, cost and scope challenges being experienced in capital projects, and/or not providing for all growth justified infrastructure as well as differences in actual versus planned growth spurred early movement on this update. Changes in utilities infrastructure to remove lines now required of development and incorporating the surface water project in lieu of prior water supply and treatment facilities were other actions supporting update.

Council policy direction of growth pays for growth was used to develop the initial infrastructure plan. The result was more infrastructure and types of costs which lead to higher costs and fees compared to the current plans and fees.

The draft LUA and IIP were reviewed with City Council in a work session on February 26, 2018 and consistent with the initial timeline and discussion, the related draft report was posted on March 21, 2018 for public inspection.

As anticipated, stakeholder interest is high primarily due to the significant fee increases that were calculated based on the draft LUA and IIP.

Initially two stakeholder meetings were planned and scheduled for May 2 and May 8, 2018. Feedback before and during the first stakeholder meeting, supported extending the time line and allowing for more opportunity for directed stakeholder input and discussion. A series of four additional stakeholder meetings have been held since May 8th. At the most recent on August 13, 2018, the stakeholders reviewed a draft of today's presentation which includes summarization of the stakeholder group discussions and related technical changes to the LUA and IIP. Another meeting is schedule with the stakeholders to review the draft staff recommendations to be made at the September 17, 2018 work session. That work session is planned as the point in the process following public input for the City Council to discuss and provide policy direction.

A listing of the items discussed during the stakeholder meetings is attached along with information on the status of each.

### **STAFF ANALYSIS:**

State law provides for the type of infrastructure that can be included, how plans and fees are to be developed, how fees are applied and when, and a specific set of steps and timelines for adoption. There are also audit and reporting provisions.

In general, two directly linked processes are involved:

#### Develop and adopt a LUA and IIP

- forecast 10-year growth by land use to create the LUA
- determine current infrastructure service levels at the land use level
- forecast and cost the new infrastructure required by the 10-year growth for all the land uses to create an IIP
- adopt the LUA and IIP

#### Adopt development impact fees

- establish fees based on the same land use and service levels in the IIP and LUA

The fees are to follow the LUA and IIP which proportionately allocates the cost of growth required infrastructure to each land use type.

The draft LUA and IIP posted in March was the first step in the lengthy statutory adoption processes. The city is in the second step which is public inspection and input on those posted plans. The statute calls for at least a 60 day window of opportunity for public inspection prior to holding a public hearing on the LUA and IIP. Due to increased stakeholder involvement, the

public inspection and input period has been extended from two (2) to five (5) months prior to the public hearing. Extending the public input phase to include additional stakeholder meetings, defers the earliest effective date for the revised fees to April 2019.

The following table summarizes the next steps to adopting the plans, fees and fee implementation.

Date(s)	Activity
August 27, 2018	Public Hearing on posted LUA and IIP with stakeholder input provided
August 31, 2018	Stakeholder meeting to discuss staff recommendations and presentation for September 17 work session
September 17, 2018	Work session – staff recommendations Council discussion and policy direction based on public input
September 2018 (if needed)	Stakeholder meeting (if needed)
October 1, 2018 (if needed)	Work session – staff recommendations and policy direction based on public input
October 22, 2018	Adopt LUA and IIP (last opportunity to approve without restarting process from posting LUA and IIP)
October 23, 2018 – April 1, 2019	Various fee adoption steps per statute (posting, public hearing, adoption, waiting period)
April 1, 2019 – March 21, 2021	Moratorium period in which development by development fee increases may be applied; any fee reductions apply on April 1, 2019

As shown above, two work sessions are available to receive Council input and direction once the Council and staff have had an opportunity to receive both stakeholder meetings input and other public comment via today's hearing.

### **FISCAL ANALYSIS:**

There is not an immediate budget impact related to holding this public hearing.

This is a step in a process that will ultimately establish infrastructure requirements and the development impact fees to support growth related portions of that infrastructure. Once adopted, the IIP projects will be incorporated into the Capital Improvement Program (CIP) update process for full funding, financing as needed, and inclusion in the five-year CIP.

### **RECOMMENDATION:**

Hold a public hearing.

### **ATTACHMENTS:**

Stakeholder Input Report