CITY OF GOODYEAR
COUNCIL ACTION REPORT

SUBJECT: Public Hearing on Proposed Development Impact Fees	**STAFF PRESENTER:** Lauri Wingenroth, Finance Manager-Budget and Research
	CASE NUMBER: None
	OTHER PRESENTER: None

PROPOSED ACTION:

Conduct a public hearing to receive comment on the proposed development impact fees needed to support the Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP) that was approved on October 22, 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. Once the LUA and IIP are approved, the next steps involve approving and implementing the supporting fees.

The updated LUA and IIP were prepared by Raftelis Financial Consultants, Inc. with significant input and involvement from staff, stakeholders, and the City Council. The process extended over nearly a year from inception of the first staff meeting with the consultants to Council's adoption on October 22 2018.

At that October 22, 2018 meeting, the Council also established December 3, 2018 as the date for this Public Hearing on the fees to support the approved plan. As required by state statutes, the proposed fees intended for adoption along with the approved LUA and IIP were posted on October 23, 2018.

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 other provisions such as auditing and reporting requirements in the statutes.

In general, two directly linked processes are involved to establish these fees:

- Develop and adopt a LUA and IIP (completed on October 22, 2018)

- Adopt development impact fees

The fees are to follow the LUA and IIP which proportionately allocates the cost of growth required infrastructure to each land use type. Adopting fees that deviate from the amounts required to support the plan must be replaced by other City resources to ensure the growth demanded infrastructure can be completed.

Holding this public hearing no less than 30 days after the fees were posted, is the first of two steps to be taken by City Council to adopt the fees. Within 30 to 60 days after this public hearing, the Council will adopt the development fees.   That meeting is scheduled for January 14, 2019. Fee adoption is followed by a 75 day waiting period before the fees may become effective. April 1, 2019 will be the effective date for the new fees. Finally, in implementing the fees a statutorily required moratorium of up to 24 months in length will be effective on applying any of the fee increases. For residential developments the moratorium period is based from final plat and first building permit issued and for non-residential it is based on final site plan approval.

Based on City Council input, economic development staff are also developing an incentive program to address potential adverse effects of the fee increases and will also be asking Council to approve a sunset of the current retail impact fee program allowing those funds to be used as part of the new incentive program.

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 the fees to support the infrastructure requirements in the adopted IIP. With adoption of the fees, 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:

Proposed Development Impact Fees