

**CITY OF GOODYEAR
COUNCIL ACTION REPORT**

SUBJECT: Adopt Development Impact Fee Study and Development Fees and Amending Article 9-8 of the Goodyear City Code	STAFF PRESENTER: Lauri Wingenroth, Finance Manager-Budget and Research CASE NUMBER: None OTHER PRESENTER: None
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PROPOSED ACTION:

1. ADOPT RESOLUTION NO. 2019-1918 APPROVING AND ADOPTING DEVELOPMENT IMPACT FEE STUDY; APPROVING DEVELOPMENT FEES AND METHODOLOGY IN DEVELOPMENT IMPACT FEE STUDY; ADOPTING DEVELOPMENT FEES IN DEVELOPMENT IMPACT FEE STUDY; PROVIDING FOR CORRECTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.
2. ADOPT RESOLUTION NO. 2019-1917 DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK TITLED “AMENDMENT TO ARTICLE 9-8 DEVELOPMENT FEES OF CHAPTER 9 OF THE GOODYEAR CITY CODE DATED JANUARY 14, 2019”.
3. ADOPT ORDINANCE NO. 2019-1416 AMENDING ARTICLE 9-8 – DEVELOPMENT FEES OF CHAPTER 9 OF THE GOODYEAR CITY CODE; PROVIDING FOR AN EFFECTIVE DATE; PROVIDING FOR THE REPEAL OF CONFLICTING CODES AND ORDINANCES; PROVIDING FOR PRESERVATION OF EXISTING RIGHTS AND OBLIGATIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR CORRECTION OF SCRIVENERS ERRORS.

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 the IIP and LUA on October 22 2018.

As required by the state statutes, the proposed fee report supporting and contained within the plan were posted on October 23, 2018 and Council held a required public hearing on the fees on December 3, 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.

Once the fees are adopted through the approval of Resolution 2019-1918, the last step in implementing the fees under state statute is a 75 day waiting period before the fees may become effective. April 1, 2019 will be the effective date for the new fees. A summary of the new development fees being adopted by Resolution 2019-1918 is attached.

Finally, in implementing the fees a statutorily required exemption from the application of the new fees of up to 24 months in length will apply to eligible developments. The current development fees will apply during this exemption period. For residential developments the moratorium period is linked to an approved final plat and first building permit issued and for non-residential it is based on final site plan approval or if no site plan is required from the date of an approved final subdivision plat.

Based on City Council input, economic development staff have also been 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.

Fees, administration and implementation are defined in City Code. Along with fee adoption, Ordinance 2019-1416 and Resolution 2019-1917 amends Article 9-8 of the Goodyear City Code to incorporate the new development fees adopted by Resolution 2019-1918 and to provide for the continued application of the current development fees to eligible developments within the statutorily required exemption period. The 24-month exemption period during which the City is prohibited from applying the increased fees as provided in state law and in Article 9-8 of the Goodyear City Code will expire on March 31, 2021.

Other revisions to Article 9-8 include the elimination and repetition of statutory language by referring to state law, revisions to clarify the application of the 24-month exemption period and to clarify current practices. Other than the changes to development fees, none of the other changes to Article 9-8 are intended or designed to change the intent of the current provisions in Article 9-8 or the current practices beyond the fees themselves.

FISCAL ANALYSIS:

This action establishes new fees to support the approved infrastructure improvement plan and land use assumptions. As a result, of approval the projects and forecasted revenues will be incorporated in the five-year Capital Improvement Program.

RECOMMENDATION:

Adopt Resolution 2019-1918 adopting the Development Impact Study, approving the development fees and methodology in the Development Impact Fee Study and adopting the development fees in the Development Impact fee study;

Adopt Resolution 2019-1917 declaring the Amendment to Article 9-8 a public record; and

Adopt Ordinance 2019-1416 amending Article 9-8 (Development Fees) of the Goodyear City Code.

ATTACHMENTS:

Resolution 2019-1918

Exhibit to Resolution 2019-1918

Resolution 2019-1917

Exhibit A to Resolution 2019-1917

Ordinance 2019-1416

Summary of New Development Impact Fees