

AGENDA ITEM #: \_\_\_\_\_

DATE: September 9, 2019

CAR #: 2019-6688



## CITY COUNCIL ACTION REPORT

**SUBJECT:** Public Hearing on Draft Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP)

**STAFF PRESENTER(S):** Lauri Wingenroth, Finance Manager-Budget and Research

**OTHER PRESENTER(S):** None

**Summary:** A public hearing is the first of several steps the City Council must take to extend Impact Fees for Fire, Police and Streets into the Northwest Rainbow Valley area. This is only an extension of the service area and does not change the fee amounts. This action is consistent with terms of an existing development agreement.

**Recommendation:** Conduct a public hearing to receive comment on the draft Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP) that was posted on July 1, 2019.

**Fiscal Impact:** There is not an immediate budget impact related to holding this public hearing. The public hearing is a required step in the process to expand development impact fees for the fire, police and streets only to an area south of Pecos Road known as Northwest Rainbow Valley. Developers would be responsible for other types of growth related infrastructure in water, wastewater, and parks service areas.

### Background and Previous Actions

Arizona Revised Statute 9-463.05 provides for the imposition of development impact fees. The current Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP) were approved in October 2018, and fees became effective April 1, 2019. The approved LUA and IIP do not include assumptions for new development south of Pecos Road.

The City is experiencing development interest from properties south of Pecos Road. In addition, the city entered into a development agreement to expand the impact fee service areas for Police, Fire, and Streets to Rainbow Valley, which is south of Pecos Road.

The city hired Raftelis Financial Consultants, Inc. to perform an impact fee study update for the new area, referred to as Northwest Rainbow Valley (NWRV). The update does not result in any changes to impact fees in the existing service or geographic areas. The update will

require development in the NWRV area to pay the same Police impact fee that is charged city-wide, and the same Fire and Street impact fees that are charged in the South Service area.

The first part of an impact fee update requires the City to update the Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP) and post it at least sixty days prior to this public hearing to allow time for public review and comment. The draft LUA and IIP was posted on July 1, 2019. In addition, a stakeholder meeting was held July 31, 2019 to receive public comments. An email regarding the posting and the scheduled stakeholder meeting was sent to the same extensive list developed in the recent full update process. Six members of the public were in attendance at the stakeholder meeting. Questions were answered and no revisions were proposed.

## **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. All steps required for a full plan update are required to extend the service area for existing fees including those related to developing and adopting LUA and IIP and for the fee adoption.

The following table summarizes the next steps and proposed adoption schedule to implement fees.

Date(s)	Activity
September 9, 2019	Public Hearing on posted LUA and IIP
October 28, 2019	Adopt LUA and IIP
October 29, 2019	Post LUA, IIP and Development Impact Fees (DIF) and notice of intent to hold public meeting
December 16, 2019	Public hearing on DIF
January 27, 2020	Adopt DIF
April 13, 2020	DIF Effective Date

## **Attachments**

Map of Service Area Addition