

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

DATE: October 28, 2019

CAR #: 2019-6790



## CITY COUNCIL ACTION REPORT

**SUBJECT:** Adopt the Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP)

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

**OTHER PRESENTER(S):** None

**Summary:** Adoption of the LUA and IIP for extending Police, Fire and Street Impact Fees southward to support development interest. This action is part of a multi-phase process for impact fees and is also consistent with terms of an existing development agreement.

### **Recommendation:**

1. ADOPT RESOLUTION NO. 2019-2006 ADOPTING THE LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS PLAN (IIP), PROVIDING NOTICE OF INTENTION TO ASSESS DEVELOPMENT FEES, AND PROVIDING FOR CORRECTIONS, SEVERABILITY AND AN EFFECTIVE DATE.
2. Set December 16, 2019 as the date for a public hearing on the adoption of the proposed development fees calculated from the plan.

**Fiscal Impact:** This action establishes a forecast for growth and the infrastructure required to support that growth over the next ten years. Adopting this plan provides the basis for and is a required step to assess the proportionate share of new infrastructure costs to growth via development impact fees.

### **Background and Previous Actions**

Arizona Revised Statute 9-463.05 provides for the imposition of development impact fees. The current LUA and IIP were approved in October 2018, and fees became effective April 1, 2019. The existing IIP, LUA and fees did not include assumptions for new development south of Pecos Road where the city is now experiencing development interest. This interest includes the city having 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 the impact fee study update to incorporate the new geographic area, referred to as Northwest Rainbow Valley (NWRV) for fire, Police, and Streets services. The update does not result in any changes to impact fees in

the existing 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 is to revise the Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP). The draft LUA and IIP was posted on July 1, 2019 and notice sent to the same extensive email list developed in the last update. In addition, a stakeholder meeting was held July 31, 2019. Six members of the public were in attendance at the stakeholder meeting. Questions were answered and no revisions were proposed. The public hearing required by state law was held on September 9, 2019 and no comments were received.

## 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.

The following table summarizes the next steps and proposed adoption schedule to implement fees. These steps conform to state law and also meet the requirements of our development agreement with Rainbow Valley 2011, LLC which states these fees must be adopted by May 21, 2020.

Date(s)	Activity
<i>October 28, 2019</i>	<i>Adopt LUA and IIP (today's action)</i>
October 29, 2019	Post LUA, IIP and Development Impact Fees 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

Resolution No. 2019-2006

2019 Development Impact Fee Study – Land Use Assumptions and Infrastructure Improvement Plan