

AGENDA ITEM #: _____

DATE: December 16, 2019

CAR #: 2019-6791



CITY COUNCIL ACTION REPORT

SUBJECT: Public Hearing on Development Impact Fees

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

OTHER PRESENTER(S): None

Summary: The Council will hold 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 28, 2019. This will extend Police, Fire-South, and Streets-South fees into the Northwest Rainbow Valley area and does not change any of the existing fees.

Recommendation: Conduct a public hearing to receive comment on the development impact fees that were posted on October 29, 2019.

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

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 to the area known as Northwest Rainbow Valley (“NWRV”). 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 development impact fees, which became effective on April 1, 2019, were based on the LUA and IIP that had been approved in October 2018. That LUA and IIP did not include assumptions for new development in the area known as Northwest Rainbow Valley.

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

The city hired Raftelis Financial Consultants, Inc. to perform an impact fee study update for the Northwest Rainbow Valley area. The update did not result in any changes to impact fees in the existing service or geographic areas. The update determined development in the NWRV area would pay the same Police impact fee that is charged in the program-wide service area, and the same Fire and Street impact fees that are charged in the South Service area.

On October 28, 2019, in accordance with statutory timelines for posting and holding a public hearing prior to the adoption of development impact fees, the council adopted updated LUA and IIP that included the area known as NWRV, which includes the property located within the boundaries of the city as of October 28, 2019 located between the Pecos Road alignment and Queen Creek alignment and extends about one mile west of Rainbow Valley Road and one-half mile east of Rainbow Valley Road as shown on the IIP Service Area maps attached hereto. The Development Impact Fees required to support the adopted LUA and IIP was posted on October 29, 2019 which is at least 30 days prior to this public hearing.

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>December 16, 2019</i>	<i>Public hearing on the Development Impact Fees</i>
January 27, 2020	Adopt Development Impact Fees
April 13, 2020	Development Impact Fees Effective

Attachments

- Development Impact Fees Posted October 29, 2019
- IIP Service Area maps