

TOWN OF BUCKEYE, ARIZONA



IMPACT FEE SPECIAL REPORT

CORRECTED

Fiscal Year Ended June 30, 2008

CORRECTED
IMPACT FEE SPECIAL REPORT
Per A.R.S. § 9-463.05
For the Fiscal Year Ended June 30, 2008
(unaudited)

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TOWN OF BUCKEYE

Finance Department

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September 23, 2008

Honorable Mayor and Town Council
And the People of the Town of Buckeye

We are pleased to present this Special Report that focuses on the Town of Buckeye (Town) assessed impact (development) fee collections and uses, as prescribed under Arizona Revised Statutes.

CONTENTS OF THIS REPORT

This *impact fee special report* contains information about the town's impact fee collection and uses. This report is presented in four sections:

- **Introduction** – This letter is designed to inform and familiarize the reader of information contained in this report and its relevance.
- **Schedules of Collections and Uses** – This section demonstrates, by impact fee type, the amount of impact fee collections, interest earned and other contributions for the fiscal year, as well as, how these funds were used by project. This summary presents this information comparatively for fiscal years 2008 and 2007.
- **Town Ordinance 16-05 and Impact Fees Assessments table (Adopting Impact Fees)** – This is a copy of the Town Ordinance 16-05 that adopted, by resolution, the existing impact fee schedule that is assessed. The table adopted with the Town Impact Fee Ordinance shows the various types of impact fees that are assessed and collected by type.
- **Arizona Revised Statute 9-463.05** – This is a copy of the Arizona Revised Statute that governed impact fees through this report's fiscal year ended June 30, 2008. Arizona Revised Statutes [sic] can be obtained from www.azleg.gov.

WHAT IS AN IMPACT (DEVELOPMENT) FEE?

The purpose of an impact fee is to offset the costs of providing necessary public services to new development. An impact fee is collected through an assessment to new development not to existing residents. This concept is commonly referred to as "growth pays for growth".

When impact fees are collected they are deposited into a separate fund and are only used for the purpose for which it was assessed and collected. Impact fees are generally used for capital improvements or similar expenditures directly attributed to growth. Impact fees can not be used for maintenance of those capital improvements or governmental operations.

TYPES OF IMPACT FEES THE TOWN COLLECTS

There are several impact fee assessments available to cities and towns in the State of Arizona. During fiscal year 2008 and currently, the Town assesses and collects impact fees for:

- (1) Fire and emergency medical services,
- (2) General government,
- (3) Library
- (4) Parks and recreation,
- (5) Police
- (6) Streets,
- (7) Water and
- (8) Wastewater.

STATUTORY COMPLIANCE

This report is required by and complies with State Law. Arizona Revised Statute 9-463.05 is the primary statute governing the assessment and use of impact fees and mandates requirements upon municipalities when assessing impact fees:

- a) Impact fees collected must be used as a benefit to the development.
- b) Impact fees collected must be placed in a separate fund and interest earned must be kept in that separate fund.
- c) Provide a credit for the impact fee for required dedication of public sites and improvements provided by the development.
- d) Collection of impact fees from residential dwelling units is when construction permits are issued.
- e) The amount of impact fee assessments must have a reasonable relationship to the burden imposed on the municipally [sic] to provide public additional necessary public services to the development.
- f) Assessment and collection of impact fees must be in a non-discriminatory manner.
- g) If a Community Facility District (CFD) is involved, the municipality must not assess impact fees for the portion of that specific type of public infrastructure financed by that CFD.

Every municipality that assesses impact fees must also submit an annual report accounting for the collection and uses of impact fees to [sic] must include:

- a) The amount assessed for each type of impact fee.
- b) The balance of each fund for each type of impact fee at the beginning and end of the fiscal year.
- c) The amount of interest earned for each fund at the end of the fiscal year.
- d) The amount of impact fees used to repay (if applicable):
 - ✓ Bonds issued by the municipality to pay for capital improvements subject to impact fee.
 - ✓ Amounts advanced to other funds to pay the cost of capital improvements subject to an impact fee.
- e) Amount used on each capital project that is subject to an impact fee and the location of the project.
- f) Amount used for purposes other than capital improvements that is subject to an impact fee.
- g) File this report with the Town Clerk and made available to the public on request within 90 days from the close of the fiscal year (September 30th).

- h) If the municipally [sic] fails to meet this reporting deadline, then it is restricted from collecting impact fees until the report is filed.
- i) This annual report *may* contain financial information that has not been audited.

CHANGES IN THE STATE IMPACT FEE LAW (ARS 9-463.05)

The version of Arizona Revised Statute 9-463.05 included in this *Impact Fee Special Report* is the most current version as per legislature. Law requires municipalities to tie impact fees assessed and collected to its Infrastructure Improvement Plan.

The Infrastructure Improvement plan (IIP) must:

- (1) Identify any items which impact fees will be required to pay for,
- (2) Forecast the costs for those items **and**
- (3) Estimate the time required to finance and provide the services.

UNAUDITED FINANCIAL INFORMATION

In order to comply with issuing this *impact fee special report* within 90 days from the close of the fiscal year, state law allows this report to be compiled with unaudited financial information. Unaudited indicates that this report uses financial information has yet to be fully audited as part of the Town's audited financial statements. The Town is currently undergoing its fiscal year 2008 financial audit. All unaudited financial information is contingent on the pending audit and subject to change.

OTHER FISCAL YEAR 2008 FINANCIAL REPORTS

This *Impact Fee Special Report* is one of many financial documents prepared by the Town's Finance Department. We invite and welcome you to view these other documents that are easily found on the Town's website:

- 1. The Comprehensive Annual Financial Report (CAFR),
- 2. The Single Audit (OMB A133),
- 3. The Expenditure Limitation Report (ELR),
- 4. The Verrado Community Facilities District Comprehensive Annual Financial Report and
- 5. The Town's annual Adopted Budget.

Should you desire any further information on the Town's impact fees or have any other inquiries regarding the Town's finances, please feel free to call 623-349-6100 or visit our website at www.buckeyeaz.gov.

Respectfully,

Gilberto Villegas
Assistant Director
Finance Department

ADDENDUM

On or about March 18, 2009, the Finance Department was notified that a part of the disclosure in this required report may have been inaccurate, specifically that requirement of A.R.S. § 9-463.05.G.5 to disclose the amount spent on each capital improvement project and the physical location of each capital improvement project. This corrected report is filed to address that inaccuracy.

Respectfully,

Gail D. Reese
Finance Director
March 18, 2009

SCHEDULES of COLLECTIONS and USES

TOWN OF BUCKEYE, ARIZONA
Schedule of Collections and Uses
For fiscal year ended 06/30/2008

Fire			
	Fiscal year ended		%
	2007	2008 *	
Sources:			
Impact fees collected	\$ 2,471,308	\$ 1,902,158	-23.0%
Contributions for equipment	6,000	-	-100.0%
Interest earnings	77,763	92,971	19.6%
Total sources	2,555,071	1,995,129	-21.9%
Uses:			
Fire station #2 - Sundance	1,410	479	-66.0%
Equipment for fire station #2 - Sundance	225,180	161,433	-28.3%
Lease payment fire apperatus [sic] fire station #2	193,692	268,892	38.8%
Fire station #3 - Verrado	965	-	-100.0%
Training tower project	214,483	9,918	-95.4%
Fire station #6 - Westpark	16,604	58,690	253.5%
Equipment for fire station #6	97,462	44,069	-54.8%
Fire station- Prototype	-	25,183	n/a
Communications master plan	58,741	-	-100.0%
Total uses	808,537	568,664	-29.7%
Excess / (deficiency) of current sources over / (under) uses	1,746,534	1,426,465	-18.3%
Fund balance, beginning July 1	2,290,381	4,036,915	76.3%
Fund balance, ending June 30	<u>\$ 4,036,915</u>	<u>\$ 5,463,380</u>	<u>35.3%</u>

* financial information unaudited at time of printing & subject to change.

TOWN OF BUCKEYE, ARIZONA
Schedule of Collections and Uses
For fiscal year ended 06/30/2008

General Government

	Fiscal year ended		%
	2007	2008 *	
Sources:			
Impact fees collected	\$ 608,700	\$ 487,790	-19.9%
Interest earnings	90,674	82,479	-9.0%
Total sources	699,374	570,269	-18.5%
Uses:			
Reimbursements	3,250	-	-100.0%
Municipal building planning	14,974	-	-100.0%
Total uses	18,224	-	-100.0%
Excess / (deficiency) of current sources over / (under) uses	681,150	570,269	-16.3%
Fund balance, beginning July 1	605,509	1,286,659	112.5%
Fund balance, ending June 30	\$ 1,286,659	\$ 1,856,928	44.3%

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TOWN OF BUCKEYE, ARIZONA
Schedule of Collections and Uses
For fiscal year ended 06/30/2008

Library

	Fiscal year ended		% Change
	2007	2008 *	
Sources:			
Impact fees collected	\$ 494,827	\$ 471,318	-4.8%
Interest earnings	131,633	126,394	-4.0%
Total sources	626,460	597,712	-4.6%
Uses:			
Reimbursements	2,775	-	-100.0%
Bookmobile	-	66,567	n/a
Total uses	2,775	66,567	2299%
Excess / (deficiency) of current sources over / (under) uses	623,685	531,145	-14.8%
Fund balance, beginning July 1	652,251	1,275,936	95.6%
Fund balance, ending June 30	\$ 1,275,936	\$ 1,807,081	41.6%

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TOWN OF BUCKEYE, ARIZONA
Schedule of Collections and Uses
For fiscal year ended 06/30/2008

Parks and Recreation

	Fiscal year ended		%
	2007	2008 *	
Sources:			
Impact fees collected	\$ 2,840,811	\$ 2,702,574	-4.9%
Interest earnings	86,836	97,369	12.1%
Total sources	2,927,647	2,799,943	-4.4%
Uses:			
Reimbursements	18,798	-	-100.0%
Community park project - Sundance area	16,756	159,809	853.7%
BLM park project - Verrado area	83,773	9,433	-88.7%
Recreation center project - Downtown	1,033,485	-	-100.0%
Town lake project - Heritage district	18,560	1,009	-94.6%
A-WING remodeling project	-	328,552	n/a
Total uses	1,171,372	498,803	-57.4%
Excess / (deficiency) of current sources over / (under) uses	1,756,275	2,301,140	31.0%
Fund balance, beginning July 1	3,367,417	5,123,692	52.2%
Fund balance, ending June 30	\$ 5,123,692	\$ 7,424,832	44.9%

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TOWN OF BUCKEYE, ARIZONA
Schedule of Collections and Uses
For fiscal year ended 06/30/2008

Police			
	Fiscal year ended		%
	2007	2008 *	
Sources:			
Impact fees collected	\$ 2,098,601	\$ 971,368	-53.7%
Interest earnings	63,243	70,369	11.3%
Total sources	2,161,844	1,041,737	-51.8%
Uses:			
Reimbursements	5,421	-	-100.0%
Fleet expansion:			
(5) Police cars	-	214,274	n/a
(6) Police cars- leased	-	70,457	n/a
(9) Police cars, (2) suvs, (1) van & equipment	238,289	-	-100.0%
Computer equipment and peripherals	-	83,820	n/a
Communication master plan	58,741	3,000	-94.9%
Total uses	302,451	371,551	22.8%
Excess / (deficiency) of current sources over / (under) uses	1,859,393	670,186	-64.0%
Fund balance, beginning July 1	1,133,697	2,993,090	164.0%
Fund balance, ending June 30	<u>\$ 2,993,090</u>	<u>\$ 3,663,276</u>	<u>22.4%</u>

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TOWN OF BUCKEYE, ARIZONA
Schedule of Collections and Uses
For fiscal year ended 06/30/2008

Streets			
	Fiscal year ended		%
	2007	2008 *	
Sources:			
Impact fees collected	\$ 1,468,522	\$ 801,524	-45.4%
Interest earnings	49,239	59,769	21.4%
Total sources	1,517,761	861,293	-43.3%
Uses:			
Reimbursements	4,147	-	n/a
Total uses	4,147	-	n/a
Excess / (deficiency) of current sources over / (under) uses	1,513,614	861,293	-43.1%
Fund balance, beginning July 1	966,372	2,479,986	156.6%
Fund balance, ending June 30	\$ 2,479,986	\$ 3,341,279	34.7%

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TOWN OF BUCKEYE, ARIZONA
Schedule of Collections and Uses
For fiscal year ended 06/30/2008

Water - CORRECTED			
	Fiscal year ended		%
	2007	2008 *	
Sources:			
Impact fees collected	\$ 5,728,754	\$ 2,635,913	46.0%
Interest earnings	59,681	83,281	39.5%
Total sources	5,788,435	2,719,194	-53.0%
Uses:			
Beloat Road water system improvements	(55,125)	11,370	-120.6%
Reimbursement for construction and conveyance of water supply and transportation, Festival Ranch		4,650,538	100.0%
Reimbursement for construction and conveyance of Unit 1 water storage facility/ well site and Unit 2 well site, Tartesso West		1,142,801	100.0%
Reimbursement for construction and conveyance of Unit 1 offsite water line > 12 inches, Tartesso West		804,565	100.0%
Reimbursement for construction and conveyance of Unit 1 water storage facility, Tartesso West	1,792,374		-100.0%
Total uses	1,737,249	6,609,274	280.4%
Excess / (deficiency) of current sources over / (under) uses	4,051,186	(3,890,080)	-196.0%
Fund balance, beginning July 1	5,084,408	9,135,594	79.7%
Fund balance, ending June 30	\$ 9,135,594	\$ 5,245,514	-42.6%

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TOWN OF BUCKEYE, ARIZONA
Schedule of Collections and Uses
For fiscal year ended 06/30/2008

Wastewater - CORRECTED

	Fiscal year ended		%
	2007	2008 *	
Sources:			
Impact fees collected	\$ 4,166,915	\$ 1,881,011	-54.9%
Watson Road CFD reimbursement	4,493,380	175,396	-96.1%
Interest earnings	40,452	63,974	58.1%
Total sources	8,700,747	2,120,381	-75.6%
Uses:			
Beloat Road treatment plant improvements	12,967	(31,038)	-339.4%
Reimbursement for construction and conveyance of sewer infrastructure and treatment, Festival Ranch		2,914,850	100.0%
Reimbursement for construction and conveyance of Johnson Road sewer line, Tartesso West		168,000	
Reimbursement for construction and conveyance of Thomas Road sewer trunk line, Tartesso West		426,980	
Reimbursement for construction and conveyance of Thomas Road sewer trunk line, Tartesso West	933,162		-100.0%
Total uses	946,129	3,478,792	267.7%
Excess / (deficiency) of current sources over / (under) uses	7,754,618	(1,358,411)	-117.5%
Fund balance, beginning July 1	6,626,161	14,380,779	117.0%
Fund balance, ending June 30	\$ 14,380,779	\$ 13,022,368	-9.4%

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TOWN OF BUCKEYE, ARIZONA

ORDINANCE 16-05

A.R.S. § 9-463.05

TOWN OF BUCKEYE, ARIZONA

ORDINANCE NO. 16-05

AN ORDINANCE OF THE TOWN OF BUCKEYE, MARICOPA COUNTY, ARIZONA, ADOPTING NEW DEVELOPMENT IMPACT FEES FOR WATER, SEWER, STREETS, POLICE, FIRE AND EMERGENCY MEDICAL SERVICES, GENERAL GOVERNMENT, PARKS AND RECREATION, AND LIBRARY FOR THE TOWN OF BUCKEYE, ARIZONA.

BE IT ORDERED by the Town Council of the Town of Buckeye, Maricopa County, Arizona, as follows:

WHEREAS, the Town received a report from Tischler & Associates, Inc., dated July 27, 2004, entitled "Development Fee Study, prepared for Town of Buckeye, Arizona," containing the studies and analysis required by A.R.S. § 9-463.05 for the adoption of new development impact fees for water, sewer, streets, police, fire and emergency medical services, parks and recreation, and library; and

WHEREAS, a notice of intention to assess new development impact fees was given as required by A.R.S. § 9-463.05(C); and

WHEREAS, a public hearing concerning the adoption of the new impact fees was held in accordance with A.R.S. § 9-463.05(C) on November 16, 2004; and

WHEREAS, following the public hearing, and in response to significant public input, the Tischler & Associates, Inc. Development Fee Study was revised, dated January 7, 2005 and released to the public; and

WHEREAS, a public hearing was held on the proposed new impact fees, based on the revised Development Fee Study; the public hearing being held on January 18, 2005 in accordance with A.R.S. § 9-463.05(C); and

WHEREAS, the Town Council finds that the Development Fee Study fully supports the conclusion that the new development impact fees for water, sewer, streets, police, fire and emergency medical services, general government, parks and recreation and library, fully and fairly offset costs to the Town associated with providing these necessary public services to new development in the Town; and

NOW, BE IT ORDAINED by the Mayor and Council of the Town of Buckeye, Arizona, that:

Section 1: Pursuant to A.R.S. § 9-463.05 and Article 18 of the Buckeye Town Code, the new development impact fees for water, sewer, streets, police, fire and emergency medical services, general government, parks and recreation, and library, are hereby adopted as set forth in Exhibit A, attached to and incorporated by this reference in this Ordinance. The new

January 24,2005

development fees adopted hereby supercede and replace any existing development fee assessed by the Town, as of the effective date of the newly adopted fees.

Section 2: The new development fees assessed by this Ordinance shall be imposed and collected pursuant to the provisions of Article 18 of the Buckeye Town Code.

Section 3: The new development fees for water, sewer, streets, police, fire and emergency medical services, general government, parks and recreation and library, adopted pursuant to this Ordinance, shall become effective ninety (90) days after the date of adoption of this Ordinance, in accordance with A.R.S. § 9-463.05(C).

PASSED and ADOPTED by this Town Council of the Town of Buckeye this 1st day of February, 2005.

s/ _____
DUSTIN HULL, MAYOR

ATTEST:

____s/_____
LINDA GARRISON, TOWN CLERK

APPROVED AS TO FORM:

____s/_____
SCOTT W. RUBY, TOWN ATTORNEY

IMPACT FEES PER EXHIBIT A Of ORDINANCE 16-05

All Development

Meter Size (inches)	Type	Water	Sewer	Total
0.75	Displacement	\$ 2,302	\$ 1,462	\$ 3,764
1.00	Displacement	\$ 3,869	\$ 2,425	\$ 6,294
1.50	Displacement	\$ 7,457	\$ 4,632	\$ 12,089
2.00	Compound/Turbine	\$ 11,886	\$ 7,354	\$ 19,240
3.00	Compound	\$ 23,960	\$ 14,777	\$ 38,737
3.00	Turbine	\$ 26,864	\$ 16,562	\$ 43,426
4.00	Compound	\$ 38,128	\$ 23,487	\$ 61,615
4.00	Turbine	\$ 45,980	\$ 28,314	\$ 74,294
6.00	Compound	\$ 73,996	\$ 45,538	\$ 119,534
6.00	Turbine	\$ 92,368	\$ 56,832	\$ 149,200
8.00	Compound	\$ 119,477	\$ 73,498	\$ 192,975
8.00	Turbine	\$ 134,936	\$ 83,002	\$ 217,938

	Parks & Recreation	Library	Police	Fire/EMS	Streets	Genl Govt	Total
<u>Residential (per unit)</u>							
Single Family Detached	\$ 1,446	\$ 252	\$ 417	\$ 964	\$ 319	\$ 250	\$ 3,648
All Other Housing Types	\$ 1,092	\$ 190	\$ 315	\$ 728	\$ 166	\$ 188	\$ 2,679
<u>Nonresidential (per 1,000 sf)</u>							
Com / Shop Ctr 25,000 sf or less	N/A	N/A	\$ 2,621	\$ 975	\$ 1,619	\$ 244	\$ 5,459
Com / Shop Ctr 25,001-50,000 sf	N/A	N/A	\$ 2,430	\$ 836	\$ 1,501	\$ 210	\$ 4,977
Com / Shop Ctr 50,001-100,000 sf	N/A	N/A	\$ 2,126	\$ 731	\$ 1,314	\$ 183	\$ 4,354
Com / Shop Ctr 100,001-200,000 sf	N/A	N/A	\$ 1,841	\$ 650	\$ 1,137	\$ 163	\$ 3,791
Com / Shop Ctr over 200,000 sf	N/A	N/A	\$ 1,579	\$ 585	\$ 976	\$ 146	\$ 3,286
Office / Inst 10,000 sf or less	N/A	N/A	\$ 1,223	\$ 1,311	\$ 756	\$ 328	\$ 3,618
Office / Inst 10,001-25,000 sf	N/A	N/A	\$ 990	\$ 1,215	\$ 612	\$ 304	\$ 3,121
Office / Inst 25,001-50,000 sf	N/A	N/A	\$ 845	\$ 1,144	\$ 522	\$ 287	\$ 2,798
Office / Inst 50,001-100,000 sf	N/A	N/A	\$ 720	\$ 1,080	\$ 445	\$ 270	\$ 2,515
Office / Inst over 100,000 sf	N/A	N/A	\$ 613	\$ 1,021	\$ 379	\$ 256	\$ 2,269
Business Park	N/A	N/A	\$ 688	\$ 925	\$ 425	\$ 232	\$ 2,270
Light Industrial	N/A	N/A	\$ 376	\$ 676	\$ 232	\$ 169	\$ 1,453
Warehousing	N/A	N/A	\$ 267	\$ 374	\$ 165	\$ 93	\$ 899
Manufacturing	N/A	N/A	\$ 206	\$ 524	\$ 127	\$ 131	\$ 988

[9-463.05. Development fees: imposition by cities and towns: infrastructure improvements plan: annual report: limitation on actions: definition](#)

A. A municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing, other capital costs and associated appurtenances, equipment, vehicles, furnishings and other personalty.

B. Development fees assessed by a municipality under this section are subject to the following requirements:

1. Development fees shall result in a beneficial use to the development.
2. Monies received from development fees assessed pursuant to this section shall be placed in a separate fund and accounted for separately and may only be used for the purposes authorized by this section. Monies received from a development fee identified in an infrastructure improvements plan adopted or amended pursuant to subsection D of this section shall be used to provide the same category of necessary public service for which the development fee was assessed. Interest earned on monies in the separate fund shall be credited to the fund.
3. The schedule for payment of fees shall be provided by the municipality. The municipality shall provide a credit toward the payment of a development fee for the required dedication of public sites, improvements and other necessary public services included in the infrastructure improvements plan and for which a development fee is assessed, to the extent the public sites, improvements and necessary public services are provided by the developer. The developer of residential dwelling units shall be required to pay development fees when construction permits for the dwelling units are issued, or at a later time if specified in a development agreement pursuant to section 9-500.05. If a development agreement provides for fees to be paid at a time later than the issuance of construction permits, the deferred fees shall be paid no later than fifteen days after the issuance of a certificate of occupancy. The development agreement shall provide for the value of any deferred fees to be supported by appropriate security, including a surety bond, letter of credit or cash bond.
4. The amount of any development fees assessed pursuant to this section must bear a reasonable relationship to the burden imposed upon the municipality to provide additional necessary public services to the development. The municipality, in determining the extent of the burden imposed by the development, shall consider, among other things, the contribution made or to be made in the future in cash or by taxes, fees or assessments by the property owner towards the capital costs of the necessary public service covered by the development fee.
5. If development fees are assessed by a municipality, such fees shall be assessed in a nondiscriminatory manner.
6. In determining and assessing a development fee applying to land in a community facilities district established under title 48, chapter 4, article 6, the municipality shall take into account all public infrastructure provided by the district and capital costs paid by the district for necessary public services and shall not assess a portion of the development fee based on the infrastructure or costs.

C. A municipality shall give at least sixty days' advance notice of intention to assess a new or modified development fee and shall release to the public a written report that identifies the methodology for calculating the amount of the development fee, explains the relationship between the development fee and the infrastructure improvements plan, includes documentation that supports the assessment of a new or modified development fee and identifies any index or indices to be used for automatic adjustment of the development fee pursuant to subsection F of this section and the timing of those adjustments. The municipality shall conduct a public hearing on the proposed new or modified development fee at any time after the expiration of the sixty day notice of intention to assess a new or modified development fee and at least thirty days prior to the scheduled date of adoption of the new or modified fee by the governing body. A development fee assessed pursuant to this section shall not be effective until seventy-five days after its formal adoption by the governing body of the municipality. Nothing in this subsection shall affect any development fee adopted prior to July 24, 1982.

D. Before the assessment of a new or modified development fee, the governing body of the municipality shall adopt or amend an infrastructure improvements plan. The municipality shall conduct a public hearing on the infrastructure improvements plan at least thirty days before the adoption or amendment of the plan. The

municipality shall release the plan to the public, make available to the public the documents used to prepare the plan and provide public notice at least sixty days before the public hearing, subject to the following:

1. An infrastructure improvements plan may be adopted concurrently with the report required by subsection C of this section, and the municipality may provide for and schedule the notices and hearings required by this subsection together with the notices and hearings required by subsection C of this section.

2. A municipality may amend an infrastructure improvements plan without a public hearing if the amendment addresses only elements of necessary public services that are included in the existing infrastructure improvements plan. The municipality shall provide public notice of those amendments at least fourteen days in advance of their effective date.

E. For each necessary public service that is the subject of a development fee, the infrastructure improvements plan shall:

1. Estimate future necessary public services that will be required as a result of new development and the basis for the estimate.

2. Forecast the costs of infrastructure, improvements, real property, financing, other capital costs and associated appurtenances, equipment, vehicles, furnishings and other personalty that will be associated with meeting those future needs for necessary public services and estimate the time required to finance and provide the necessary public services.

F. A municipality may automatically adjust a development fee on an annual basis without a public hearing if the adjustment is based on a nationally recognized index applicable to the cost of the necessary public service that is the subject of the development fee and the adjustment mechanism is identified in the report required by subsection C of this section. The municipality shall provide public notice of those adjustments at least thirty days in advance of their effective date.

G. Each municipality that assesses development fees shall submit an annual report accounting for the collection and use of the fees. The annual report shall include the following:

1. The amount assessed by the municipality for each type of development fee.

2. The balance of each fund maintained for each type of development fee assessed as of the beginning and end of the fiscal year.

3. The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year.

4. The amount of development fee monies used to repay:

(a) Bonds issued by the municipality to pay the cost of a capital improvement project that is the subject of a development fee assessment.

(b) Monies advanced by the municipality from funds other than the funds established for development fees in order to pay the cost of a capital improvement project that is the subject of a development fee assessment.

5. The amount of development fee monies spent on each capital improvement project that is the subject of a development fee assessment and the physical location of each capital improvement project.

6. The amount of development fee monies spent for each purpose other than a capital improvement project that is the subject of a development fee assessment.

H. Within ninety days following the end of each fiscal year, each municipality shall submit a copy of the annual report to the city clerk. Copies shall be made available to the public on request. The annual report may contain financial information that has not been audited.

I. A municipality that fails to file the report required by this section shall not collect development fees until the report is filed.

J. Any action to collect a development fee shall be commenced within two years after the obligation to pay the fee accrues.

K. For the purposes of this section, "infrastructure improvements plan" means one or more written plans that individually or collectively identify each public service that is proposed to be the subject of a development fee and otherwise complies with the requirements of this section, and may be the municipality's capital improvements plan.