

TOWN OF BUCKEYE, ARIZONA



IMPACT FEE SPECIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2009

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IMPACT FEE SPECIAL REPORT
Per A.R.S. § 9-463.05
For the Fiscal Year Ended June 30, 2009
(unaudited)

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TOWN OF BUCKEYE, ARIZONA

INTRODUCTION AND DISCUSSION

The Finance Department of the Town of Buckeye has prepared this annual report for the fiscal year ended June 30, 2009 on the sources and uses of impact (development) fees as required by Arizona Revised Statutes.

Arizona Revised Statutes §9-463.05.G requires that any municipality that assesses impact (development) fees must submit an annual report that includes the following information:

- The amount assessed by the municipality for each type of development fee;
- The balance of each fund maintained for each type of development fee assessed as of the beginning and end of the fiscal year;
- The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year;
- The amount of development fee monies used to repay:
 - Bonds issued by the municipality to pay the cost of a capital improvement project that is the subject of a development fee assessment;
 - 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;
- 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; and
- 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.

This required report must be submitted to the city/ town clerk within ninety days following the end of each fiscal year. Copies are to be made available to the public on request. The Town intends to make this report available on its web site at www.buckeyeaz.gov, select Departments, select Finance, select Reports. State statutes provide that the annual report may contain financial information that has not been audited.

This report includes a copy of Town Ordinance No. 16-05, including Exhibit A, adopted February 1, 2005. Exhibit A to that Ordinance, which was attached to and incorporated by reference, listed the development fees adopted in that Ordinance. This fee schedule was in effect during FY2008-09.

This report also includes a separate unaudited Schedule of Collections and Uses for each type of development fee assessed by the Town reporting the beginning and ending fund balances, the amount of interest or other earnings in each fund for the fiscal year, and the amount of development fee monies spent on each capital improvement project and for each purpose other than a capital improvement project. The Town has issued no bonds and had no outstanding issued bonds during FY2008-09 that were used to pay the cost of a capital improvement project that was the subject of a development fee assessment. In prior fiscal years, the Town entered into

lease agreements for the acquisition of certain fire apparatus and equipment. Those lease payments are disclosed in the unaudited Schedule of Collections and Uses for the fire impact fee fund.

WHAT IS AN IMPACT (DEVELOPMENT) FEE?

Arizona statutes allow municipalities to impose certain fees called impact or development fees for the purpose of providing a revenue stream to provide necessary public infrastructure to meet the needs of new development, a concept sometimes referred to as “growth pays for growth”. While impact fees are assessed only against new development, some necessary public infrastructure may also require the use of general revenues when the infrastructure benefits both new development and existing residents, such as the construction of a regional park.

As impact fees are collected, Arizona statutes require that they be deposited in a separate fund. Impact fees may be used only for the purpose(s) for which they were assessed and collected. Impact fees are generally used for capital improvements or similar capital expenditures directly attributable to new growth and development. Impact fees can not be used for maintenance of those capital improvements or general governmental operations.

IMPACT FEE CATEGORIES

The Town of Buckeye assesses and collects impact fees in support of the following categories of government services:

- Water System construction, expansion and improvements;
- Waste Water System (sewer) construction, expansion and improvements;
- Fire and Emergency Medical services;
- Police services;
- Parks and Recreation construction, expansion and improvements;
- Library construction, expansion and improvements;
- Streets construction, expansion and improvements; and
- General Government.

STATUTORY PROVISIONS

Arizona Revised Statutes §9-463.05.B provides that development fees assessed by a municipality are subject to certain specific requirements. A copy of A.R.S. §9-463.05 with those requirements is attached as part of this report.

SUBSEQUENT EVENTS

On August 18, 2009, the Town Council adopted Ordinance 20-09 which enacts new impact fees for all existing fee categories, except for Streets. Absent intervening legislative action to the contrary, the new fee schedule, which includes zones for water and waste water development fees, will be effective on November 2, 2009.

The Finance Department welcomes your comments and inquiries throughout the year.

Respectfully,

Gail D. Reese, CPA
Finance Director
September 1, 2009

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**SCHEDULES of
COLLECTIONS and USES**

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TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

WATER SYSTEM CONSTRUCTION, EXPANSION and IMPROVEMENTS

	<u>Fiscal Year Ended</u>		<u>%age Change</u>
	<u>6/30/2008</u>	<u>6/30/2009</u>	
Sources:			
Impact Fees Collected	\$ 2,635,913	\$ 104,742	-96.0%
Interest Earned	83,281	59,075	-29.1%
Total Sources	\$ 2,719,194	\$ 163,817	-94.0%
Uses:			
Beloat Road Water System Improvements	\$ 11,370	\$ -	-100.0%
Reimbursement for Construction and Conveyance of Water Supply and Transportation, Festival Ranch	4,650,538	0	-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	203,606	-82.2%
Reimbursement for Construction and Conveyance of Unit 1 Offsite Water Line > 12 inches, Tartesso West	804,565	5,732	-99.3%
Contractual Services-Impact Fee Study	0	10,963	100.0%
Water System Improvements - Engineering and Design Fees	0	62,335	100.0%
Total Uses	\$ 6,609,274	\$ 282,635	-95.7%
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	(3,890,080)	(118,818)	-96.9%
Fund Balance, Beginning July 1	9,135,594	5,245,514	-42.6%
Fund Balance, Ending June 30	\$ 5,245,514	\$ 5,126,696	-2.3%

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

WASTEWATER (SEWER) SYSTEM CONSTRUCTION, EXPANSION and IMPROVEMENTS

	<u>Fiscal Year Ended</u>		<u>%age Change</u>
	<u>6/30/2008</u>	<u>6/30/2009</u>	
Sources:			
Impact Fees Collected	\$ 1,881,011	\$ 278,086	-85.2%
Interest Earned	63,974	145,196	127.0%
Reimbursement - Watson Road CFD	175,396		-100.0%
Total Sources	<u>\$ 2,120,381</u>	<u>\$ 423,282</u>	<u>-80.0%</u>
Uses:			
Beloat Road Treatment Plant Improvements	\$ (31,038)	\$ -	-100.0%
Reimbursement for Construction and Conveyance of Sewer Infrastructure and Treatment, Festival Ranch	2,914,850	0	-100.0%
Reimbursement for Construction and Conveyance of Johnson Road Sewer Line, Tartesso West	168,000	85,540	-49.1%
Reimbursement for Construction and Conveyance of Thomas Road Sewer Trunk Line, Tartesso West	426,980	0	-100.0%
Accrued Reimbursement for Sundance Waste Water Treatment Plant	0	562,718	100.0%
Contractual Services-Impact Fee Study	0	10,963	100.0%
Waste Water Treatment Plant Improvements- Engineering and Design Fees	0	107,997	100.0%
Total Uses	<u>\$ 3,478,792</u>	<u>\$ 767,217</u>	<u>-77.9%</u>
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	(1,358,411)	(343,935)	-74.7%
Fund Balance, Beginning July 1	14,380,779	13,022,368	-9.4%
Fund Balance, Ending June 30	<u>\$ 13,022,368</u>	<u>\$ 12,678,433</u>	<u>-2.6%</u>

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

FIRE and EMERGENCY MEDICAL SERVICES

	Fiscal Year Ended		%age Change
	6/30/2008	6/30/2009	
Sources:			
Impact Fees Collected	\$ 1,902,158	\$ 519,153	-72.7%
Interest Earned	92,971	61,421	-33.9%
Total Sources	\$ 1,995,129	\$ 580,574	-70.9%
Uses:			
Fire Station #2 (Sundance) - Building, Equipment	\$ 26,736	\$ -	-100.0%
Fire Station #3 (Verrado) - Building	427	0	-100.0%
Fire Station #6 (Westpark) - Building, Equipment, FF&E	102,333	2,528	-97.5%
Training Tower Project	9,918	0	-100.0%
Fire Station Prototype Design - Architectural Services	25,183	193,126	666.9%
Contractual Services-Impact Fee Study	0	10,962	100.0%
Communications Equipment	0	5,970	100.0%
Fire Station #1 (Downtown) - Apparatus (Fire Engine & 100' Ladder Truck), Vehicle Lease Payments	201,234	207,032	2.9%
Fire Station #2 (Sundance) - Apparatus (Fire Engine) Lease Payment	63,763	63,763	0.0%
Fire Station #3 (Verrado) - Apparatus (Ladder Truck), Equipment Lease Payments	139,071	139,071	0.0%
Fire Station #3 (Verrado) Purchase of Apparatus (Fire Engine) and Related Equipment	0	517,606	100.0%
Fire Station #5 (Tartesso) Purchase of Apparatus (Fire Engine) and Related Equipment	0	531,395	100.0%
Total Uses	\$ 568,664	\$ 1,671,451	193.9%
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	1,426,465	(1,090,877)	-176.5%
Fund Balance, Beginning July 1	4,036,915	5,463,380	35.3%
Fund Balance, Ending June 30	\$ 5,463,380	\$ 4,372,503	-20.0%

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

POLICE SERVICES

	Fiscal Year Ended		%age Change
	6/30/2008	6/30/2009	
Sources:			
Impact Fees Collected	\$ 971,368	\$ 315,510	-67.5%
Interest Earned	70,369	42,682	-39.3%
Total Sources	\$ 1,041,737	\$ 358,192	-65.6%
Uses:			
Communications Master Plan	\$ 3,000	\$ -	-100.0%
Computer Equipment and Peripherals	83,820	0	-100.0%
Fleet Expansion:			
Patrol Vehicles Purchased (5)	214,274	0	-100.0%
Patrol Vehicles Leased (6)	70,457	0	-100.0%
Contractual Services-Impact Fee Study	0	10,962	100.0%
Expansion and Upgrade of 9-1-1 Communications Center:			
Construction Services	0	353,128	100.0%
Communications Hardware and Software	0	260,937	100.0%
Total Uses	\$ 371,551	\$ 625,027	68.2%
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	670,186	(266,834)	-139.8%
Fund Balance, Beginning July 1	2,993,090	3,663,276	22.4%
Fund Balance, Ending June 30	\$ 3,663,276	\$ 3,396,442	-7.3%

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

PARKS and RECREATION CONSTRUCTION, EXPANSION and IMPROVEMENTS

	<u>Fiscal Year Ended</u>		<u>%age Change</u>
	<u>6/30/2008</u>	<u>6/30/2009</u>	
Sources:			
Impact Fees Collected	\$ 2,702,574	\$ 643,470	-76.2%
Interest Earned	97,369	83,167	-14.6%
Total Sources	<u>\$ 2,799,943</u>	<u>\$ 726,637</u>	<u>-74.0%</u>
Uses:			
Community Park (Sundance Area) - Planning, Design & Engineering Consulting Fees	\$ 159,809	\$ 231,574	44.9%
BLM Park Project (Verrado Area)	9,433	0	-100.0%
Town Lake Project (Heritage District)	1,009	0	-100.0%
A-Wing Building (Heritage District) - Architectural Design Fees, Building Stabilization	328,552	158,817	-51.7%
Contractual Services-Impact Fee Study	0	10,963	100.0%
Earl Edgar Community Park Renovation	0	1,500,000	100.0%
Total Uses	<u>\$ 498,803</u>	<u>\$ 1,901,354</u>	<u>281.2%</u>
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	2,301,140	(1,174,717)	-151.0%
Fund Balance, Beginning July 1	5,123,692	7,424,832	44.9%
Fund Balance, Ending June 30	<u>\$ 7,424,832</u>	<u>\$ 6,250,115</u>	<u>-15.8%</u>

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

LIBRARY CONSTRUCTION, EXPANSION and IMPROVEMENTS

	<u>Fiscal Year Ended</u>		<u>%age Change</u>
	<u>6/30/2008</u>	<u>6/30/2009</u>	
Sources:			
Impact Fees Collected	\$ 471,318	\$ 124,714	-73.5%
Interest Earned	126,394	20,393	-83.9%
Total Sources	<u>\$ 597,712</u>	<u>\$ 145,107</u>	<u>-75.7%</u>
Uses:			
Purchase of Bookmobile	\$ 66,567	\$ 170,582	156.3%
Contractual Services-Impact Fee Study	0	10,962	100.0%
Total Uses	<u>\$ 66,567</u>	<u>\$ 181,544</u>	<u>172.7%</u>
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	531,145	(36,437)	-106.9%
Fund Balance, Beginning July 1	1,275,936	1,807,081	41.6%
Fund Balance, Ending June 30	<u><u>\$ 1,807,081</u></u>	<u><u>\$ 1,770,644</u></u>	<u><u>-2.0%</u></u>

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES
STREETS CONSTRUCTION, EXPANSION and IMPROVEMENTS

	<u>Fiscal Year Ended</u>		<u>%age Change</u>
	<u>6/30/2008</u>	<u>6/30/2009</u>	
Sources:			
Impact Fees Collected	\$ 801,524	\$ 270,191	-66.3%
Interest Earned	59,769	39,091	-34.6%
Total Sources	<u>\$ 861,293</u>	<u>\$ 309,281</u>	<u>-64.1%</u>
Uses:			
Purchase of Street Sweeper	\$ -	\$ 189,006	100.0%
Total Uses	<u>\$ -</u>	<u>\$ 189,006</u>	<u>100.0%</u>
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	861,293	120,275	-86.0%
Fund Balance, Beginning July 1	2,479,986	3,341,279	34.7%
Fund Balance, Ending June 30	<u>\$ 3,341,279</u>	<u>\$ 3,461,554</u>	<u>3.6%</u>

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

GENERAL GOVERNMENT

	<u>Fiscal Year Ended</u>		<u>%age Change</u>
	<u>6/30/2008</u>	<u>6/30/2009</u>	
Sources:			
Impact Fees Collected	\$ 487,790	\$ 131,937	-73.0%
Interest Earned	82,479	21,964	-73.4%
Total Sources	<u>\$ 570,269</u>	<u>\$ 153,901</u>	<u>-73.0%</u>
Uses:			
Contractual Services-Impact Fee Study	\$ -	\$ 10,962	100.0%
Legal Fees - Acquisition of Town Hall Site	0	1,808	100.0%
Total Uses	<u>\$ -</u>	<u>\$ 12,770</u>	<u>100.0%</u>
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	570,269	141,131	-75.3%
Fund Balance, Beginning July 1	1,286,659	1,856,928	44.3%
Fund Balance, Ending June 30	<u>\$ 1,856,928</u>	<u>\$ 1,998,059</u>	<u>7.6%</u>

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

TOWN OF BUCKEYE, ARIZONA

ORDINANCE 16-05

ARIZONA REVISED STATUTES

§ 9-463.05

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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 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

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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.

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