

TOWN OF BUCKEYE, ARIZONA



IMPACT FEE SPECIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2012

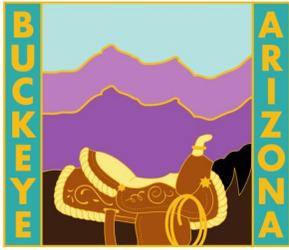
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IMPACT FEE SPECIAL REPORT
Per A.R.S. § 9-463.05
For the Fiscal Year Ended June 30, 2012
(unaudited)

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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, 2012 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 Administrative Services, select Finance, select Reports. State statutes provide that the annual report may contain financial information that has not been audited.

Included in this report is a copy of the Town Ordinance No. 39-11, including Exhibit B, adopted in December 2011 regarding the new developer fees effective January 1, 2012. Exhibit A to that Ordinance, which was attached to and incorporated by reference, listed the development fees adopted in that Ordinance. During fiscal year 2011-12 both schedules were in effect, and are attached for review. New Funds were set-up to show the change in the “Necessary Public Service” definition within the Senate Bill 1525.

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 FY2011-12 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 (collected only until December 2011).

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

Subsequent event to mention is the additional purchase of four (4) MCC 7500 operator consoles, 911 equipment, additional power and related fiber to properly interface with the Regional Wireless Cooperative Zone 5. The additional funds for this capital project will be needed and transferred from the General Fund Contingency line item as approved by council during the August 7, 2012 regular meeting.

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

Respectfully,

Iris Wallace
Financial Service Manager
September 1, 2012

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SCHEDULES of COLLECTIONS and USES

TOWN OF BUCKEYE, ARIZONA
UNAUDITED IMPACT FEE SUMMARY
For FY 11-12

	7/1/2011 Beginning Balance	FY 11-12		6/30/2012 Ending Balance
		Revenues	Expenditures	
Water	\$ 5,118,792	\$ 88,101	\$ 146,165	\$ 5,060,728
Wastewater	12,496,421	132,970	190,385	12,439,006
Fire	2,927,008	610,718	761,660	2,776,066
Police	(1,378,041)	2,286,125	450,405	457,679
Parks	7,528,708	687,101	2,362,653	5,853,156
Library	2,084,340	153,519	-	2,237,859
Streets	3,764,635	184,289	427,875	3,521,049
General Government	2,409,447	107,772	68,010	2,449,209
Total	\$ 34,951,310	\$ 4,250,595	\$ 4,407,153	# \$ 34,794,752

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

WATER SYSTEM CONSTRUCTION, EXPANSION and IMPROVEMENTS

	Fiscal Year Ended	
	6/30/2011	6/30/2012
Sources:		
Impact Fees Collected	\$ 92,214	\$ 86,300
Interest Earned	6,733	1,801
Total Sources	\$ 98,947	\$ 88,101
Uses:		
Contractual Services - Impact Fee Study	\$ -	\$ -
Contractual Services - Buckeye Wtr Partners	\$ 2,242	\$ 767
Accrued Impact Fee Refund	\$ 7,182	\$ -
Reimbursement	71,316	23,772
Rainbow & Roosevelt Utility Canal		121,626
Water Resources Master Plan	6,507	0
Total Uses	\$ 87,247	\$ 146,165
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	11,700	(58,064)
Fund Balance, Beginning July 1	5,107,092	5,118,792
Fund Balance, Ending June 30	\$ 5,118,792	\$ 5,060,728

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

	Fiscal Year Ended	
	6/30/2011	6/30/2012
Sources:		
Impact Fees Collected	\$ 199,833	\$ 128,543
Interest Earned	16,421	4,427
Total Sources	\$ 216,254	\$ 132,970
Uses:		
Rainbow & Roosevelt Utility Canal		\$ 104,051
Design Gravity Sewer System	\$ -	\$ 66,923
Contractual Services - N. Miller Rd Analysis	\$ 20,580	4,703
Potable and Effluent Pumping System DCR	\$ 1,116	-
Accrued Impact Fee Refund	\$ 2,620	-
Reimbursement	\$ 139,062	\$ 14,708
Reimbursement Pulte Homes	\$ 44,124	
Water Resources Master Plan		
Total Uses	\$ 207,502	\$ 190,385
Excess/ <Deficiency> of Current Sources		
Over/ <Under> Current Uses	8,752	(57,415)
Fund Balance, Beginning July 1	12,487,669	12,496,421
Fund Balance, Ending June 30	\$ 12,496,421	\$ 12,439,006

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	
	6/30/2011	6/30/2012
Sources:		
Impact Fees Collected	\$ 396,129	\$ 609,527
Interest Earned	4,667	1,191
Total Sources	\$ 400,796	\$ 610,718
Uses:		
Fire Station Prototype Station	\$ 136,799	\$ -
Fire Station #3 (Verrado) - Building	169,393	74,060
Accrued Impact Fee Refund	7,203	0
Communication Equipment	0	264,526
Radio Tower 180 Ft	0	21,302
Mobil Air and Light Trailer equipment	11,615	0
Fire Station #1 (Downtown) - Apparatus (Fire Engine & 100' Ladder Truck), Vehicle Lease Payments	135,176	135,176
Fire Station #2 (Sundance) - Apparatus (Fire Engine) Lease Payment	127,525	127,525
Fire Station #3 (Verrado) - Apparatus (Ladder Truck), Equipment Lease Payments	139,071	139,071
Total Uses	\$ 732,752	\$ 761,660
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	(331,956)	(150,942)
Fund Balance, Beginning July 1	3,258,964	2,927,008
Fund Balance, Ending June 30	\$ 2,927,008	\$ 2,776,066

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	
	6/30/2011	6/30/2012
Sources:		
Impact Fees Collected	\$ 175,734	\$ 261,000
Interest Earned	\$ 3,105	\$ 78
LGIP Transfer		\$ 2,025,047
Total Sources	\$ 178,839	\$ 2,286,125
Uses:		
Communication Equipment	\$ 614,521	450,405
Computer Equipment/Software	1,471,424	0
Total Uses	\$ 2,085,945	\$ 450,405
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	(1,907,106)	1,835,720
Fund Balance, Beginning July 1	529,065	(1,378,041)
Fund Balance, Ending June 30	\$ (1,378,041)	\$ 457,679

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

	Fiscal Year Ended	
	<u>6/30/2011</u>	<u>6/30/2012</u>
Sources:		
Impact Fees Collected	\$ 406,902	\$ 684,248
Interest Earned	8,991	2,853
Total Sources	<u>\$ 415,893</u>	<u>\$ 687,101</u>
Uses:		
Community Park (Sundance Area) - Planning, Design & Engineering Consulting Fees	\$ 3,455	\$ 2,343,612
Skyline Park (Renamed from BLM Park)	6,068	17,340
Buckeye Canal Path	0	1,701
Total Uses	<u>\$ 9,523</u>	<u>\$ 2,362,653</u>
Excess/ <Deficiency> of Current Sources		
Over/ <Under> Current Uses	406,370	(1,675,552)
Fund Balance, Beginning July 1	7,122,338	7,528,708
Fund Balance, Ending June 30	<u>\$ 7,528,708</u>	<u>\$ 5,853,156</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

	Fiscal Year Ended	
	6/30/2011	6/30/2012
Sources:		
Impact Fees Collected	\$ 110,435	\$ 152,785
Interest Earned	2,014	734
Total Sources	\$ 112,449	\$ 153,519
Uses:		
Contractual Services-Impact Fee Study	0	0
Total Uses	\$ -	\$ -
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	112,449	153,519
Fund Balance, Beginning July 1	1,971,891	2,084,340
Fund Balance, Ending June 30	\$ 2,084,340	\$ 2,237,859

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

	Fiscal Year Ended	
	6/30/2011	6/30/2012
Sources:		
Impact Fees Collected	\$ 156,916	\$ 182,955
Interest Earned	4,900	1,334
Total Sources	\$ 161,816	\$ 184,289
Uses:		
Equipment	\$ 116,334	\$ 427,875
Total Uses	\$ 116,334	\$ 427,875
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	45,482	(243,586)
Fund Balance, Beginning July 1	3,719,153	3,764,635
Fund Balance, Ending June 30	\$ 3,764,635	\$ 3,521,049

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

	Fiscal Year Ended	
	6/30/2011	6/30/2012
Sources:		
Impact Fees Collected	\$ 168,437	\$ 106,946
Interest Earned	2,853	826
Total Sources	\$ 171,290	\$ 107,772
Uses:		
Contractual Services-Property	\$ -	\$ 6,654
Accrued Impact Fee Refund	\$ 9,974	-
Contractual Services - Regional Cost Reimb Matrix	12,433	61,356
Total Uses	\$ 22,407	\$ 68,010
Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses	148,883	39,762
Fund Balance, Beginning July 1	2,260,564	2,409,447
Fund Balance, Ending June 30	\$ 2,409,447	\$ 2,449,209

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

TOWN OF BUCKEYE, ARIZONA

ORDINANCE 39 - 11

ARIZONA REVISED STATUTES

§ 9-463.05

ORDINANCE NO. 39-11

AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF BUCKEYE, ARIZONA, AMENDING PREVIOUSLY ADOPTED DEVELOPMENT IMPACT FEE SCHEDULES AND AMENDING THE BUCKEYE TOWN CODE, CHAPTER 18, RELATING TO NECESSARY CHANGES TO DEVELOPMENT FEES; AND DECLARING AN EMERGENCY.

WHEREAS, the Town of Buckeye (the "Town") received two reports from Red Oak Consulting entitled "Utility Development Fees – Water, Wastewater, Water Resources and Reclaimed Water – Final June 2009" and "Non-Utility Development Fees – Library, Park, Police, Fire and General Government – Final June 2009" (collectively, the "Development Fee Study") containing the studies and analysis required by ARIZ. REV. STAT. § 9-463.05 for the adoption of new development impact fees for water resources and reclaimed water and adjusted development impact fees for water, sewer, police, fire and emergency medical services, general government, parks and recreation, and library; and

WHEREAS, the Development Fee Study contained the determination by the Mayor and Town Council (the "Town Council") of which capital improvements were "necessary public services" for the purpose of the State of Arizona's development impact fee statutes, which, for the Town included, among other items, libraries, parks, general government facilities, streets, police, fire/EMS, water, water resources, wastewater and reclaimed water; and

WHEREAS, the Development Fee Study was based upon the capital improvement needs of the Town as set forth in the Town's Infrastructure Improvements Plan as required by ARIZ. REV. STAT. § 9-463.05 (the "Development Impact Fee Statutes"); and

WHEREAS, in accordance with the Development Fee Study and the Development Impact Fee Statutes, the Town Council adopted Ordinance No. 20-09 on August 18, 2009, which included a schedule of development impact fees for the Town (the "2009 Impact Fee Schedule"); and

WHEREAS, Senate Bill 1525, approved by the Fiftieth Arizona Legislature, First Regular Session, on April 19, 2011 and signed into law by the Governor on April 26, 2011 ("SB 1525"), included changes to the Development Impact Fee Statutes. Contained within these changes was a definition of "necessary public services" that specifically excluded items from being necessary public services, including parks over 30 acres in size (unless such parks provide a direct benefit to the development), lakes, community/recreation centers of more than 3,000 square feet, libraries that do not provide a direct benefit to development or which are over 10,000 square feet, library books and furnishings, multi-station fire/police training facilities, aircraft and fire and public safety administrative vehicles and equipment (the "Excluded Uses"); and

WHEREAS, the changes to the Development Impact Fee Statutes in SB 1525 provide limitations in assessing and collecting development impact fees for certain Excluded Uses, or portions thereof; and

WHEREAS, SB 1525 also allows a development impact fee adopted before January 1, 2012, to continue to be assessed to the extent that it will be used to provide a necessary public service for which such fee can be assessed pursuant to SB 1525, and the Town may assess and use development impact fees in accordance with SB 1525; and

WHEREAS, the Town Council has determined that the Town's General Government Development Impact Fee may no longer be collected as of January 1, 2012, and the remainder of the Town development impact fees are permitted to be collected after January 1, 2012, subject to certain modifications to account for Excluded Uses; and

WHEREAS, the Town Council has received that certain document entitled 2011 Development Impact Fee Update, dated December 2011 (the "Interim Fee Update") setting forth the methodology and calculation of the portions of development impact fees contained in the 2009 Impact Fee Schedule that are related to Excluded Uses; and

WHEREAS, the Town Council finds and determines that the reduced development impact fees set forth in the Interim Fee Update are reasonable and in conformance with the requirements of SB 1525; and

WHEREAS, the Town Council desires to amend Chapter 18 of the Town Code relating to implementation of development impact fees.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Buckeye, Arizona, as follows:

Section 1. The recitals above are hereby incorporated as if fully set forth herein.

Section 2. The Buckeye Town Code, Chapter 18 (Development Fees) Section 18-2 (Annual Development Impact Fee Adjustment) is hereby deleted in its entirety and reserved for future use.

Section 3. Effective January 1, 2012, the 2009 Impact Fee Schedule is hereby amended to reflect the adjustments detailed in the Interim Fee Update, as more specifically set forth in Exhibit A, attached hereto and incorporated herein by reference.

Section 4. The immediate operation of this Ordinance is necessary for the preservation of the public health and welfare, particularly to be able to continue to collect development impact fees in conformance with SB 1525 without interruption to Town services and use such monies to pay for the capital needs of the Town on the most economic basis, and an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval by the Town Council as required by law, and it is hereby exempt from the referendum provisions of the Town Code and the Constitution and laws of the State of Arizona.

Section 5. If any provision of this Ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision or portion hereof shall be deemed

separate, distinct and independent of all other provisions and such holding shall not affect the validity of the remaining portions of this Ordinance.

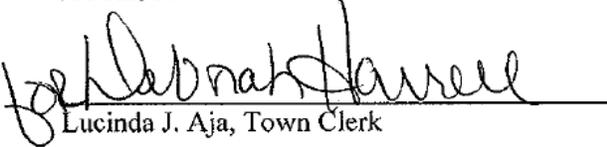
Section 6. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Ordinance.

PASSED and ADOPTED by the Mayor and Town Council of the Town of Buckeye, Arizona this 6th day of December, 2011.



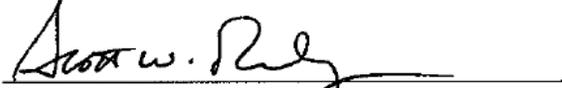
Jackie A. Meek, Mayor

ATTEST:



Lucinda J. Aja, Town Clerk

APPROVED AS TO FORM:



Scott W. Ruby, Town Attorney

**EXHIBIT A
TO
ORDINANCE NO. 39-11**

[Revised Development Impact Fee Schedule]

See following pages.

Water, Wastewater, Water Resources, and Reclaimed Water Development Fees¹

¹ Zone 4 and Zone 5 do not have any utility infrastructure planned for the period covered by the June 2009 Development Fee Study and, therefore, no water, wastewater, water resources or reclaimed water fees have been assessed. Prior to any new construction in Zone 4 and Zone 5 requiring utility infrastructure, a revised infrastructure improvements plan and development fee study will be required to be established the appropriate fee for each.

Zone 1

All Development Meter Size/Type (inches)	Water	Wastewater	Water Resources	Reclaimed Water	Total
1.0 or less (all types)	\$3,395	\$4,042	\$294	\$127	\$7,858
1.5 Displacement	4,243	5,053	370	160	9,826
2.0 Displacement	8,487	10,105	740	320	19,652
2.0 Comp or Turb.	13,579	16,169	1,180	510	31,438
3.0 Compound	27,158	32,338	2,350	1,020	62,866
3.0 Turbine	29,704	35,369	2,570	1,110	68,754
4.0 Compound	42,435	50,527	3,680	1,590	98,232
4.0 Turbine	50,922	60,633	4,410	1,910	117,875
6.0 Compound	84,870	101,055	7,350	3,180	196,454
6.0 Turbine	106,087	126,319	9,190	3,970	245,566
8.0 Compound	135,791	161,688	11,760	5,080	314,319
8.0 Turbine	152,765	181,899	13,230	5,720	353,614

Zone 2

All Development Meter Size/Type (inches)	Water	Wastewater	Water Resources	Reclaimed Water	Total
1.0 or less (all types)	\$2,280	\$5,861	\$294	\$127	\$8,562
1.5 Displacement	2,850	7,326	370	160	10,706
2.0 Displacement	5,700	14,652	740	320	21,412
2.0 Comp or Turb.	9,121	23,443	1,180	510	34,253
3.0 Compound	18,241	46,886	2,350	1,020	68,497
3.0 Turbine	19,951	51,281	2,570	1,110	74,913
4.0 Compound	28,502	73,259	3,680	1,590	107,031
4.0 Turbine	34,202	87,911	4,410	1,910	128,433
6.0 Compound	57,004	146,518	7,350	3,180	214,051
6.0 Turbine	71,254	183,147	9,190	3,970	267,562
8.0 Compound	91,206	234,429	11,760	5,080	342,474
8.0 Turbine	102,606	263,732	13,230	5,720	385,289

Zone 3

All Development Meter Size/Type (inches)	Water	Wastewater	Water Resources	Reclaimed Water	Total
1.0 or less (all types)	\$4,472	\$4,313	\$294	\$127	\$9,206
1.5 Displacement	5,590	5,391	370	160	11,511
2.0 Displacement	11,180	10,782	740	320	23,022
2.0 Comp or Turb.	17,888	17,252	1,180	510	36,829
3.0 Compound	35,775	34,504	2,350	1,020	73,649
3.0 Turbine	39,129	37,738	2,570	1,110	80,547
4.0 Compound	55,898	53,912	3,680	1,590	115,081
4.0 Turbine	67,078	64,695	4,410	1,910	138,093
6.0 Compound	111,797	107,824	7,350	3,180	230,151
6.0 Turbine	139,746	134,780	9,190	3,970	287,686
8.0 Compound	178,875	172,519	11,760	5,080	368,234
8.0 Turbine	201,235	194,084	13,230	5,720	414,268

Non-Utility Development Fees – Library, Park, Police, Fire, and General Government All Zones

Residential (per unit)	Parks & Recreation	Library	Police	Fire/EMS	Streets	General Government	Total
Single Family Detached	\$1,109	\$165	\$506	\$1,178	\$246	\$0	\$3,204
All other Housing Types	\$832	\$124	\$380	\$884	\$124	\$0	\$2,344
Nonresidential (per 1,000 sf)							
Com / Shop Ctr 25,000 SF or less	NA	NA	\$592	\$1,378	\$1,619	\$0	\$3,589
Com / Shop Ctr 25,001- 50,000 SF	NA	NA	\$592	\$1,378	\$1,501	\$0	\$3,471
Com / Shop Ctr 50,001- 100,000 SF	NA	NA	\$592	\$1,378	\$1,314	\$0	\$3,284
Com / Shop Ctr 100,001- 200,000 SF	NA	NA	\$592	\$1,378	\$1,137	\$0	\$3,107
Com / Shop Ctr over 200,000 SF	NA	NA	\$592	\$1,378	\$976	\$0	\$2,946
Office / Inst 10,000 SF or less	NA	NA	\$592	\$1,378	\$756	\$0	\$2,726
Office / Inst 10,001-25,000 SF	NA	NA	\$592	\$1,378	\$612	\$0	\$2,582
Office / Inst 25,001-50,000 SF	NA	NA	\$592	\$1,378	\$522	\$0	\$2,492
Office / Inst 50,001-100,000 SF	NA	NA	\$592	\$1,378	\$445	\$0	\$2,415
Office / Inst over 100,000 SF	NA	NA	\$592	\$1,378	\$379	\$0	\$2,349
Business Park	NA	NA	\$592	\$1,378	\$425	\$0	\$2,395
Light Industrial	NA	NA	\$415	\$965	\$232	\$0	\$1,612
Warehouse	NA	NA	\$415	\$965	\$165	\$0	\$1,545
Manufacturing	NA	NA	\$415	\$965	\$127	\$0	\$1,507

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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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