

**CITY OF BUCKEYE
COUNCIL WORKSHOP
MAY 07, 2014
MINUTES**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
2:00 p.m.**

1. Call to Order/Roll Call

Members Present: Councilmember Strauss, Councilmember McAchran, Councilmember Heustis, Vice Mayor Orsborn and Mayor Meck.

Members Absent: Councilmember Garza, Councilmember Hess.

Departments Present: City Manager Stephen Cleveland, City Attorney Scott Ruby, City Clerk Lucinda Aja, Assistant to Council Christine Grundy, Public Works Director Scott Lowe, Chief of Police Larry Hall, Development Services Director George Flores, Government Relations Manager George Diaz, Community Services Director Cheryl Sedig, Fire Chief Bob Costello, Finance Director Larry Price, Technical Services Manager Greg Platacz, City Engineer Scott Zipprich, and Human Resources Director Nancy Love

**2. Update and Discussion of the Proposed Development Impact Fees
Staff Liaison: George Flores, Development Services Director
District No. All**

Mr. Flores opened the presentation and introduced Dwayne Guthrie (TischlerBise). Mr. Guthrie displayed a table providing a ten-year funding summary with a funding gap of 7.33 million after undesignated impact fee fund balances are utilized. Councilmember Strauss requested recommendations. Mr. Guthrie informed Council that TischlerBise recommends focusing on the I-10 interchange and Jackrabbit Road improvements and removing the pool plan until the next impact fee update; the pool is expensive and difficult to maintain and staff. If these recommendations are taken into consideration, the funding gap would then be approximately 4 million. The City's portion of funds necessary to complete the projects in the plan may come from undesignated fund balances and the general fund. Mr. Flores stated he agreed with the changes to the street improvement projects. Fire Chief Bob Costello indicated that undesignated fire and police funds are from a combined funding source that may be utilized for impact fees, but there are three temporary fire stations that should be built as permanent buildings and not removed from proposed plans. Community Services Director Cheryl Sedig informed Council she agrees to the use of undesignated funds, but does not agree that the proposed pool should be removed from the plans.

Mr. Flores further informed Council that the proposed plan is based on a conservative estimate of City growth, it will be necessary to review the program annually, and there is a need to take advantage of potential growth as well as supporting the general fund. Mr. Guthrie provided detailed 10 year growth projections.

Andrew McGuire (Gust Rosenfeld P.L.C.) addressed Council questions related to language set forth in SB1525 and the need to complete projects as opposed to having plans to complete projects. Deputy Director of Municipal Affairs, Jackson D. Moll (Home Builders Association), stated he agrees with the

information provided by Mr. McGuire and provided further opinion and/or clarification related to completing proposed projects and the potential of refunding collected fees. The statute also requires that the City monitor the program and provide annual reports as well as biennial audits of growth projections and status of projects. The purpose of the provisions of the statute is an attempt to ensure that fees paid by residents will be utilized for programs that will benefit the resident in a timely manner.

Mr. Guthrie provided additional information related to Infrastructure Improvement Plan (IIP) methods, cost components and service areas and indicated that adjustment to the IIP may be made based on growth; regular modifications of development will be necessary.

Mr. Flores discussed the need to annually monitor and adjust plans and necessity of responsible management of the program. Mr. Flores stated that there is room for interpretation in the statute with regard to reimbursement of fees, but the risk of potential refunds outweighs the risk of missing out on collecting fees and taking advantage of City growth; funds collected will be maintained in impact fee accounts, which will be monitored by the finance department and previously collected impact fees may be utilized for proposed programs.

Mr. Moll informed Council that the proposed plan is a plan for growth. Adopting impact fees are a tool that promotes economic development; provides a more timely process for developers as well as the ability to plan for a more predictive business model; and ensures that a proportionate share of benefits are being paid by the City, current residents and future residents. Mr. Jackson stated that Pulte Homes has indicated to him their support of Buckeye adopting impact fees.

Mr. McGuire clarified fees collected and held in accounts maintained by the City that accrue interest will be reimbursed, as necessary, with interest. Mr. McGuire informed Council amending plans to add categories is possible, although they will be considered a restart.

Mr. Guthrie reported to Council the growth projections are exclusive of Verrado; Verrado is not part of the service area set forth in the plans.

Bob Spears (Stardust Companies) informed Council he supports the impact fee program as an infrastructure funding mechanism, the program leads to predictability, and the City's share is less than expected due to previously collected fees that are now undesignated and may be utilized for future plans. The ability to delay projects if predicted growth is not realized is discussed.

Mr. Flores informed Council the current program ends in August 2014; if a new program is not adopted, further fees will not be collected. Mr. Flores supports the adoption of the program and the removal of projects as necessary, but believes the pool plan should remain.

Council discussed their positions with regard to adoption of the plan and the predictions of growth provided for in the plan.

Mr. Guthrie advised Council performing further studies with adjustments to rate of growth are not possible prior to scheduled Council approval, but a proposal with scaled back programs shall be presented for Council adoption along with the previously proposed plan.

3. Adjournment

A motion was made by Vice Mayor Orsborn and seconded by Councilmember Strauss to adjourn at 4:27 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Regular Council Meeting held on the 7th day of May, 2014. I further certify that a quorum was present.

Lucinda J. Aja, City Clerk