

TOWN OF BUCKEYE, ARIZONA



IMPACT FEE SPECIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011

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IMPACT FEE SPECIAL REPORT
Per A.R.S. § 9-463.05
For the Fiscal Year Ended June 30, 2011
(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, 2011 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.

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 FY2010-11.

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 FY2010-11 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. On September 2009, legislative action was taken to freeze any increase for impact fees for a period of two (2) years. The action was made retroactive from June 30, 2009 to June 30, 2011. The new impact fees did not become effective on November 2009 as noted in prior year’s Impact Fee Report. The new impact fees became effective August 2010, no change was made effective for Streets.

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

Respectfully,

Iris Wallace
Financial Service Manager
September 1, 2011

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**SCHEDULES of
COLLECTIONS and USES**

TOWN OF BUCKEYE, ARIZONA
UNAUDITED IMPACT FEE SUMMARY
For FY 10-11

| | 7/1/2010 Beginning Balance | FY 10-11 | | 6/30/2011 Ending Balance |
|--------------------|----------------------------------|---------------------|---------------------|--------------------------------|
| | | Revenues | Expenditures | |
| Water | \$ 5,081,027 | \$ 98,853 | \$ 87,247 | \$ 5,092,633 |
| Wastewater | 12,473,677 | 216,026 | 207,502 | 12,482,201 |
| Fire | 3,564,574 | 400,736 | 684,081 | 3,281,229 |
| Police | 2,436,172 | 178,802 | 2,085,945 | 529,029 |
| Parks | 6,716,017 | 415,763 | 9,523 | 7,122,257 |
| Library | 1,859,442 | 112,413 | - | 1,971,855 |
| Streets | 3,673,671 | 161,747 | 116,334 | 3,719,084 |
| General Government | 2,091,733 | 171,249 | 22,407 | 2,240,575 |
| Total | \$ 37,896,313 | \$ 1,755,589 | \$ 3,213,039 | \$ 36,438,863 |

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

WATER SYSTEM CONSTRUCTION, EXPANSION and IMPROVEMENTS

| | Fiscal Year Ended | | %age Change |
|-----------------------------------------------------------------------|---------------------|---------------------|----------------|
| | 6/30/2010 | 6/30/2011 | |
| Sources: | | | |
| Impact Fees Collected | \$ 38,961 | \$ 92,214 | 136.7% |
| Interest Earned | 11,947 | 6,639 | -44.4% |
| Total Sources | \$ 50,908 | \$ 98,853 | 94.2% |
| Uses: | | | |
| Contractual Services - Impact Fee Study | \$ 2,563 | \$ - | |
| Contractual Services - Buckeye Wtr Partners | | \$ 2,242 | -12.5% |
| Accrued Impact Fee Refund | \$ 7,182 | 7,182 | 0.0% |
| Reimbursement to Pulte | - | 71,316 | 100.0% |
| Water Resources Master Plan | 86,832 | 6,507 | -92.5% |
| Total Uses | \$ 96,577 | \$ 87,247 | -9.7% |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | (45,669) | 11,606 | -125.4% |
| Fund Balance, Beginning July 1 | 5,126,696 | 5,081,027 | -0.9% |
| Fund Balance, Ending June 30 | \$ 5,081,027 | \$ 5,092,633 | 0.2% |

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 | | %age Change |
|-------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------|
| | 6/30/2010 | 6/30/2011 | |
| Sources: | | | |
| Impact Fees Collected | \$ 186,229 | \$ 199,833 | 7.3% |
| Interest Earned | 29,257 | 16,193 | -44.7% |
| Total Sources | \$ 215,486 | \$ 216,026 | 0.3% |
| Uses: | | | |
| Contractual Services - Impact Fee Study | \$ 1,731 | \$ - | |
| Contractual Services - N. Miller Rd Analysis | \$ - | 20,580 | 100.0% |
| Potable and Effluent Pumping System DCR | \$ - | 1,116 | 100.0% |
| Accrued Impact Fee Refund | \$ 2,620 | 2,620 | 0.0% |
| Reimbursement to Shea Homes, part of Watson Road CFD | - | \$ 139,062 | 100.0% |
| Reimbursement Pulte Homes | | \$ 44,124 | 100.0% |
| Reimbursement for Construction and Conveyance of Sewer Infrastructure and Treatment, Sundance Expansion JDA | \$ 178,690 | | 100.0% |
| Water Resources Master Plan | \$ 237,201 | | 100.0% |
| Total Uses | \$ 420,242 | \$ 207,502 | -50.6% |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | (204,756) | 8,524 | -104.2% |
| Fund Balance, Beginning July 1 | 12,678,433 | 12,473,677 | -1.6% |
| Fund Balance, Ending June 30 | \$ 12,473,677 | \$ 12,482,201 | 0.1% |

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 |
|--------------------------------------------------------------------------------------------------|---------------------|---------------------|----------------|
| | 6/30/2010 | 6/30/2011 | |
| Sources: | | | |
| Impact Fees Collected | \$ 398,675 | \$ 396,129 | -0.6% |
| Interest Earned | 9,895 | 4,607 | -53.4% |
| Total Sources | \$ 408,570 | \$ 400,736 | -1.9% |
| Uses: | | | |
| Fire Station Prototype Station | \$ 116,296 | \$ 136,799 | 17.6% |
| Fire Station #3 (Verrado) - Building | 34,684 | 126,692 | 265.3% |
| Accrued Impact Fee Refund | 7,203 | 7,203 | 0.0% |
| Reimbursement - Pulte Homes | 648,011 | | |
| Contractual Services-Impact Fee Study | 2,563 | | |
| Mobil Air and Light Trailer equipment | | 11,615 | 100.0% |
| Fire Station #1 (Downtown) - Apparatus (Fire Engine & 100' Ladder Truck), Vehicle Lease Payments | 135,176 | 135,176 | 0.0% |
| Fire Station #2 (Sundance) - Apparatus (Fire Engine) Lease Payment | 127,525 | 127,525 | 0.0% |
| Fire Station #3 (Verrado) - Apparatus (Ladder Truck), Equipment Lease Payments | 139,071 | 139,071 | 0.0% |
| Total Uses | \$ 1,216,499 | \$ 684,081 | -43.8% |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | (807,929) | (283,345) | -64.9% |
| Fund Balance, Beginning July 1 | 4,372,503 | 3,564,574 | -18.5% |
| Fund Balance, Ending June 30 | \$ 3,564,574 | \$ 3,281,229 | -7.9% |

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 |
|-----------------------------------------------------------------------|--------------------------|---------------------|------------------------|
| | 6/30/2010 | 6/30/2011 | |
| Sources: | | | |
| Impact Fees Collected | \$ 236,923 | \$ 175,734 | -25.8% |
| Interest Earned | \$ 7,244 | \$ 3,068 | -57.6% |
| Maricopa County 911 Svc State Rebate | \$ 4,364 | \$ - | 100.0% |
| Total Sources | \$ 248,531 | \$ 178,802 | -28.1% |
| Uses: | | | |
| Communication Equipment | \$ 1,206,238 | 614,521 | -49.1% |
| Contractual Services-Impact Fee Study | 2,563 | | |
| Expansion and Upgrade of 9-1-1 Communications Center: | | 1,471,424 | 100.0% |
| Total Uses | \$ 1,208,801 | \$ 2,085,945 | 72.6% |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | (960,270) | (1,907,143) | 98.6% |
| Fund Balance, Beginning July 1 | 3,396,442 | 2,436,172 | -28.3% |
| Fund Balance, Ending June 30 | \$ 2,436,172 | \$ 529,029 | -78.3% |

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

| | Fiscal Year Ended | | %age Change |
|------------------------------------------------------------------------------------|---------------------|---------------------|----------------|
| | 6/30/2010 | 6/30/2011 | |
| Sources: | | | |
| Impact Fees Collected | \$ 500,316 | \$ 406,902 | -18.7% |
| Interest Earned | 14,749 | 8,861 | -39.9% |
| Total Sources | \$ 515,065 | \$ 415,763 | -19.3% |
| Uses: | | | |
| Community Park (Sundance Area) - Planning, Design & Engineering Consulting Fees | \$ 15,300 | \$ 3,455 | -77.4% |
| BLM Park Project (Verrado Area) | 8,895 | 6,068 | -31.8% |
| Contractual Services-Impact Fee Study | 2,563 | 0 | |
| Total Uses | \$ 26,758 | \$ 9,523 | -64.4% |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | 488,307 | 406,240 | -16.8% |
| Fund Balance, Beginning July 1 | 6,227,710 | 6,716,017 | 7.8% |
| Fund Balance, Ending June 30 | \$ 6,716,017 | \$ 7,122,257 | 6.0% |

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

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

LIBRARY CONSTRUCTION, EXPANSION and IMPROVEMENTS

| | Fiscal Year Ended | | %age Change |
|-----------------------------------------------------------------------|---------------------|---------------------|----------------|
| | 6/30/2010 | 6/30/2011 | |
| Sources: | | | |
| Impact Fees Collected | \$ 87,192 | \$ 110,435 | 26.7% |
| Interest Earned | 4,169 | 1,978 | -52.6% |
| Total Sources | \$ 91,361 | \$ 112,413 | 23.0% |
| Uses: | | | |
| Contractual Services-Impact Fee Study | 2,563 | 0 | |
| Total Uses | \$ 2,563 | \$ - | |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | 88,798 | 112,413 | 26.6% |
| Fund Balance, Beginning July 1 | 1,770,644 | 1,859,442 | 5.0% |
| Fund Balance, Ending June 30 | \$ 1,859,442 | \$ 1,971,855 | 6.0% |

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

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

| | Fiscal Year Ended | | %age Change |
|-----------------------------------------------------------------------|---------------------|---------------------|----------------|
| | 6/30/2010 | 6/30/2011 | |
| Sources: | | | |
| Impact Fees Collected | \$ 203,971 | \$ 156,916 | -23.1% |
| Interest Earned | 8,146 | 4,831 | -40.7% |
| Total Sources | \$ 212,117 | \$ 161,747 | -23.7% |
| Uses: | | | |
| New Equipment | \$ - | \$ 116,334 | 100.0% |
| Total Uses | \$ - | \$ 116,334 | 100.0% |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | 212,117 | 45,413 | -78.6% |
| Fund Balance, Beginning July 1 | 3,461,554 | 3,673,671 | 6.1% |
| Fund Balance, Ending June 30 | \$ 3,673,671 | \$ 3,719,084 | 1.2% |

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 | | %age Change |
|-----------------------------------------------------------------------|---------------------|---------------------|----------------|
| | 6/30/2010 | 6/30/2011 | |
| Sources: | | | |
| Impact Fees Collected | \$ 101,538 | \$ 168,437 | 65.9% |
| Interest Earned | 4,674 | 2,812 | -39.8% |
| Total Sources | \$ 106,212 | \$ 171,249 | 61.2% |
| Uses: | | | |
| Contractual Services-Impact Fee Study | \$ 2,563 | \$ - | |
| Accrued Impact Fee Refund | \$ 9,974 | 9,974 | 0.0% |
| Contractual Services - Regional Cost Reimb Matrix | 0 | 12,433 | 100.0% |
| Total Uses | \$ 12,537 | \$ 22,407 | 100.0% |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | 93,675 | 148,842 | 58.9% |
| Fund Balance, Beginning July 1 | 1,998,058 | 2,091,733 | 4.7% |
| Fund Balance, Ending June 30 | \$ 2,091,733 | \$ 2,240,575 | 7.1% |

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 |
|--------------------------------------|--------------------|---------|----------|-----------|----------|-----------|----------|
| Residential (per unit) | | | | | | | |
| 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 |
| Nonresidential (per 1,000 sf) | | | | | | | |
| 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 |

TOWN OF BUCKEYE, ARIZONA

ORDINANCE 20-09

ARIZONA REVISED STATUTES

§ 9-463.05

TOWN OF BUCKEYE, ARIZONA

ORDINANCE NO. 20-09

AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF BUCKEYE, ARIZONA, ADOPTING 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 FOR THE TOWN OF BUCKEYE; ADOPTING GEOGRAPHIC ZONES RELATED TO ASSESSMENT AND COLLECTION OF DEVELOPMENT FEES FOR THE TOWN OF BUCKEYE; AND AMENDING THE BUCKEYE TOWN CODE, CHAPTER 18, RELATING TO DEVELOPMENT FEES.

WHEREAS, 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 A.R.S. § 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 Town released an initial draft of the Development Fee Study for public comment in October of 2008. Numerous meetings were held to receive input from the public and interested stakeholders from the development community between October of 2008 and July of 2009; and

WHEREAS, as a result of the numerous meetings with development community stakeholders, the Development Fee Study was significantly amended, including establishment of zones covering different geographical areas of the Town; and

WHEREAS, a notice of intention to assess new or adjusted 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 and adjusted development impact fees was held in accordance with A.R.S. § 9-463.05(C) on July 7, 2009; and WHEREAS, the Development Fee Study identifies the methodologies used to calculate the development impact fees, explains the relationships between the development impact fees and the applicable infrastructure improvement plans, includes documentation that supports the assessment of new and modified development impact fees, and identifies the index to be used for automatic annual adjustment of the development impact fees; and

WHEREAS, the Development Fee Study supports the conclusion that the 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,

August 18, 2009

parks and recreation and library, as set forth therein, offset costs to the Town associated with providing these necessary public services to new development in the Town; and

WHEREAS, the streets development impact fee currently assessed is unchanged and shall remain in full force and effect; 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 Town Council finds, after due consideration of the burden imposed on the Town by developments, including, but not limited to, consideration of 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 services covered by the development impact fees presented by the Development Fee Study, that the Development Fee Study fully supports the conclusion the 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 fully and fairly offset costs to the Town associated with providing these necessary public services to new development in the Town.

Section 2. Pursuant to A.R.S. § 9-463.05 and Chapter 18 of the Buckeye Town Code, the new development impact fees for water resources and reclaimed water, the adjusted development impact fees for water, sewer, police, fire and emergency medical services, general government, parks and recreation, and library, and the existing development impact fee for streets are herein adopted as set forth in Exhibit A, attached hereto and incorporated herein by this reference. The new and adjusted 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 3. The new and adjusted development impact fees assessed by this Ordinance shall be imposed and collected pursuant to the provisions of Chapter 18 of the Buckeye Town Code.

Section 4. The new development impact fees for water resources and reclaimed water and the adjusted development impact fees for water, sewer, police, fire and emergency medical services, general government, parks and recreation and library, adopted pursuant to this Ordinance, shall become effective seventy-five (75) days after the date of adoption of this Ordinance, in accordance with A.R.S. § 9-463.05(C). The streets development impact fee is unchanged from the amount previously adopted by the Town Council and, therefore remains in full force and effect and shall not be subject to the delayed effective date set forth above for the new and adjusted development impact fees.

Section 5. For the purpose of assessing and collecting development impact fees, the Town of Buckeye is hereby divided into five geographic zones, as described and depicted in Exhibit B, attached hereto and incorporated herein by this reference.

Section 6. The Buckeye Town Code, Chapter 18, Development Fees, is hereby deleted in its entirety and replaced with the following:

CHAPTER 18
DEVELOPMENT FEES

Section 18-1 Adoption Procedure.

- (A) The Town Council shall, from time to time, adopt by ordinance or resolution, after proper notice and hearing pursuant to A.R.S. § 9-463.05, as amended, a development impact fee schedule setting the rate of development impact fees to be charged when building permits are issued for new construction for single family residential, multi-family residential, commercial, industrial, and institutional (where applicable) uses to cover the cost to the Town of Buckeye for providing necessary public services. The development impact fees adopted shall apply to all development within any service area in the Town.
- (B) For the purpose of assessing and collecting development impact fees, the Town is hereby divided into five geographic zones, as described and depicted in Ordinance 20-09, adopted by the Town Council on August 18,2009, and as may be amended by the Town Council in conjunction with future development impact fee studies.
- (C) Prior to assessment of a new or modified development impact fee in a service area, the Town shall prepare a development impact fee study that identifies the methodology for calculating the amount of the development impact fee, explains the relationship between the development impact fee and the infrastructure improvements plan related to that service area, includes documentation that supports the assessment of a new or modified development impact fee and identifies any index or indices to be used for automatic adjustment of the development impact fee and the timing of those adjustments.
- (D) Prior to assessment of a new or modified development impact fee in a service area, the Town shall adopt an infrastructure improvements plan for that service area which plan shall be prepared, adopted and amended in accordance with A.R.S. § 9-463.05, as amended. The infrastructure improvements plan may be amended by the Town Council, pursuant to A.R.S. § 9-463.05(D)(2), as amended, to substitute certain infrastructure for infrastructure included in the adopted infrastructure improvements plan as long as (1) the substituted infrastructure serves the same category of necessary public service as the infrastructure to be removed and (2) the amount of the associated development impact fee will not require adjustment

Section 18-2 Annual Development Impact Fee Adjustment.

(A) Pursuant to A.R.S. § 9-463.05(F), as amended, and the Development Fee Study, the development impact fees adopted by the Town Council according to this section will automatically adjust for inflation using the Engineering News Record - 20 City Construction Cost Index (ENR-CCI) on the first day of each Fiscal Year. The Town shall provide public notice of such annual adjustments at least thirty (30) days in advance of their July 1 effective date.

(B) The amounts of the development impact fees as adjusted in the manner set forth above shall be set forth in a revised development impact fee schedule.

Section 18-3 Collection of Development Impact Fees.

(A) Development impact fees shall be due and collected at the time of issuance of all building permits, unless such later date is agreed to by the Town as part of an approved development agreement. In the event a building permit has expired for any reason, and development impact fees have been collected in connection with the issuance of such permit, an application may be submitted on a form(s) provided by the Town within thirty (30) days of the date of expiration for a refund of the development impact fees paid. A non-refundable administrative fee of five hundred dollars (\$500.00) shall be submitted with each such application. Development impact fees shall thereafter be due and collected upon re-issuance of any expired building permit.

(B) Where the Town is imposing a development impact fee for public infrastructure on land in a community facilities district pursuant to Arizona Revised Statutes, Title 48, Chapter 4, Article 6, the Town shall take into account all public infrastructure provided by the district and shall not assess a portion of the development impact fee based on the infrastructure provided.

Section 18-4 Credit Mechanism.

(A) Eligibility. Pursuant to A.R.S. §§ 9-463.05(B)(3) and (6), in cases where a person or entity (the "Developer") is required by the Town to dedicate public sites and/or construct, install and dedicate public improvements for which a development impact fee is also being imposed, and the Developer has (i) dedicated the public site, (ii) constructed such improvement in accordance with the Town's standards, or (iii) if agreed to by the Town in its sole discretion, deposited with the Town in an irrevocable escrow financial assurances in a form and in an amount acceptable to the Town, in its sole discretion (collectively, items described in clauses (i), (ii) and (iii) are referred to as "Dedicated Improvements"); the Developer shall be eligible for a credit against all or a portion of the development impact fee paid by submitting an application for such credit as provided in this section. In no event

shall the amount of credit exceed the amount of the applicable development impact fee.

1. The right to claim credits shall run with the land served by the Dedicated Improvements and any and all credit(s) issued hereunder shall be applied solely to offset the applicable development impact fee(s) assessed against the land served by the Dedicated Improvements.

2. Developers applying for a credit shall pay the full amount of all applicable development impact fees at the time building permits are issued or, if applicable, at the time set forth in the development agreement, and the Town shall deposit the receipts in a separate account of the applicable development impact fee fund(s) from which any credits due to the Developer shall be refunded following final credit approval by the Town provided, however, that if a final credit determination has been made by the Town as set forth below, the Developer shall be entitled to an offset against any development impact fee otherwise due and payable.

3. Credits will only be granted to the Developer that owns or controls the land served by the Dedicated Improvements and who constructs or provides the Dedicated Improvements that serve such land, unless such Developer assigns in writing, in a form acceptable to the Town, such credits to a subsequent owner, or lessee of the land served by the Dedicated Improvements, as provided hereafter. Only that Developer or assignee is permitted to request the distribution of credits. However, once credits have been distributed to a particular parcel of land to reduce future development impact fees associated with building permits on that land, the credit cannot be transferred from the parcel and will be assumed to transfer to any subsequent owner or lessee.

4. If the Developer that constructs or provides infrastructure or land sells or relinquishes its property prior to credits being allocated to one or more parcels, credits can only be allocated if both that entity and the subsequent owner or lessee of the property authorize, in such written form as approved by the Town pursuant to section 18-4(B)(3) above, the distribution of the credits to the subsequent owner or lessee.

5. If multiple entities jointly provide Dedicated Improvements, any request for the distribution of credits to one or more parcels through the use of credit agreements or development agreements must be made to the Town jointly by the entities that provided the Dedicated Improvements.

(B) Application. An application for credits shall be submitted as soon as practicable in the development approval process and no later than the date of collection of the development impact fee on a form(s) provided by the Town. The application

shall contain a statement of the facts which qualify the Developer for the credits, accompanied by the relevant documentary evidence deemed necessary by the Town, acting in its sole discretion. The application shall, at a minimum, include the following information:

1. **In** the case of dedications of public sites, the actual cost or estimated value of the public site for which development impact fees are imposed.
2. **In** the case of dedications of public improvements or facilities, the applicable amounts, quantities or lengths of the public improvements or facilities constructed by the Developer for which development impact fees are imposed.
3. **In** all cases, the boundaries of the property served by the Dedicated Improvements for which credits are claimed, any project name, the number of proposed lots/units of residential development, the proposed square footage of non-residential development and the proposed water meter sizes and number of each such meter for residential and nonresidential development.

The Town reserves the right to (i) reject any and all information provided in the application if it determines, in its sole discretion, that such information is inaccurate or unreliable; and (ii) require the submission by the Developer of any additional, alternative or supplemental information.

(C) Preliminary Credit Determination. The Town shall make a preliminary determination of the amount of credits to be issued to the Developer using the information provided in the application as follows:

1. For dedicated land, a preliminary credit determination shall be based on the fair market value on the date of transfer of ownership to the Town based on an independent appraisal (preliminary or final), in a form acceptable to the Town, performed by a certified MAI appraiser approved by the Town.
2. For dedicated public improvements or facilities, a preliminary credit determination shall be based on the applicable development impact fee cost components of designing, constructing and installing the public improvement or facility for which credits are sought as set forth in the Development Fee Study.
3. The Town shall issue a preliminary credit determination after its receipt and review of a completed application including all required additional, alternative or supplemental information. The issuance of a preliminary

credit determination shall have no binding effect and is subject to change prior to issuance of a final credit determination,

- (D) Final Credit Approval. Final approved credits shall become effective as follows:
- I. Final approved credits for land dedications shall not become effective until (a) the Developer has submitted to the Town and the Town has accepted a final appraisal of the fair market value of the land as of the date of transfer of ownership to the Town based on an independent appraisal, in a form acceptable to the Town, performed by a certified MAI appraiser approved by the Town, and (b) the land has been dedicated to the Town in a form acceptable to the Town and at no cost to the Town and has been accepted by the Town.
 2. Final approved credits for public improvements or facilities shall not become effective until (a) all required construction and/or installation has been fully completed, dedicated and accepted by the Town, (b) the Developer has submitted to the Town and the Town has approved certified as-built plans and drawings and all applicable lien waivers, (c) a suitable maintenance and warranty bond has been received and approved by the Town, and (d) all design, construction, inspection, testing, bonding and acceptance procedures have been completed in compliance with all applicable Town and other governmental requirements. The Town reserves the right to require submission by the Developer of any additional, further or alternative plans, drawings, specifications or other data deemed necessary to determine the appropriate amount of credit.
 3. In cases where the Developer has provided an irrevocable escrow of financial assurances in a form and in an amount acceptable to the Town, in its sole discretion, final approved credits for public improvements or facilities shall become effective upon the deposit and acceptance by the Town of the irrevocable escrow.
 4. When all required conditions have been met, as determined by the Town in its sole discretion, the Town shall issue a letter to the Developer stating the amount of the final credits approved. The Town shall issue a refund to the Developer in the amount of such final credits within thirty (30) days after the date of issuance of the letter.
- (E) Credits for Prior Actions in Partially Completed Developments. Developers may also be eligible for credits as provided in paragraph (A) of this section for Dedicated Improvements that were fully completed and accepted by the Town between January 1, 2005 and August 18, 2009 (the "Prior Improvements"), and may use such credits to reduce development impact fee(s) due after August 18, 2009, relating to land served by the Prior Improvements which are intended to be

served by the unused capacity of such Prior Improvements. The credit shall be reduced by the same percentage as the percent of the amount of the applicable development impact fee(s) that would have been charged in connection with the building permits previously issued for the completed portion of the project if Ordinance No. 20-09 had been in effect bears to the total amount of applicable development impact fees, both past and future, collected from the project served by the Prior Improvements. Application for such credits must be submitted on a form(s) provided by the Town. Developers must comply with all other provisions of this Section. No credits will be issued where projects served by the Prior Improvements are fully completed.

- (F) Oversized Improvements. Credits, if any, for oversizing of infrastructure will only be available as set forth in a development agreement between the Town and the Developer pursuant to A.R.S. § 9-500.05, as amended.
- (G) Appeals to Town Council. If a Developer believes that insufficient credits have been allowed, the developer may appeal to the Town Council. If an appeal is filed, the Town Council shall hear it at a regular or special council meeting and at such meeting, the Town Council shall consider all public sites or public improvements, for which a development impact fee is also being imposed, that the Developer has been required to dedicate, as well as any public infrastructure or capital costs paid by any community facilities district to ensure that the Developer has received sufficient credits. The Town Council may continue the appeal hearing for a period not to exceed thirty (30) days on its own motion or upon the request of either the Developer or Town staff.

Section 7. 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 8. 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.

TOWN OF BUCKEYE ORD. NO. 20-09
PAGE 9
August 18, 2009

PASSED and ADOPTED by the Mayor and Town Council of the Town of Buckeye,
Arizona this 18th day of August, 2009.

s/ _____
JACKIE A. MECK, MAYOR

ATTEST:

__s/ _____
LUCINDA AJA, TOWN CLERK

APPROVED AS TO FORM:

__s/ _____
SCOTT W. RUBY, TOWN ATTORNEY

IMPACT FEES PER EXHIBIT A Of ORDINANCE 20-09

Water, Wastewater, Water Resources, and Reclaimed Water Development Fees

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 | 68,753 |
| 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 | 196,455 |
| 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 | 34,254 |
| 3.0 Compound | 18,241 | 46,886 | 2,350 | 1,020 | 68,497 |
| 3.0 Turbine | 19,951 | 51,281 | 2,570 | 1,110 | 74,912 |
| 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 | 214,052 |
| 6.0 Turbine | 71,254 | 183,147 | 9,190 | 3,970 | 267,561 |
| 8.0 Compound | 91,206 | 234,429 | 11,760 | 5,080 | 342,475 |
| 8.0 Turbine | 102,606 | 263,732 | 13,230 | 5,720 | 385,288 |

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 | 36,830 |
| 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 | 115,080 |
| 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 | 414,269 |

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 | \$1,909 | \$535 | \$506 | \$1,178 | \$319 | \$522 | \$4,969 |
| All other Housing Types | \$1,441 | \$404 | \$382 | \$889 | \$166 | \$393 | \$3,675 |
| Nonresidential (per 1,000 sf) | | | | | | | |
| Com/Shop Ctr 25,000 SF or less | NA | NA | \$592 | \$1,378 | \$1,619 | \$611 | \$4,200 |
| Com/Shop Ctr 25,001-50,000 SF | NA | NA | \$592 | \$1,378 | \$1,501 | \$611 | \$4,082 |
| Com/Shop Ctr 50,001-100,000 SF | NA | NA | \$592 | \$1,378 | \$1,314 | \$611 | \$3,895 |
| Com/Shop Ctr 100,001-200,000 SF | NA | NA | \$592 | \$1,378 | \$1,137 | \$611 | \$3,718 |
| Com/Shop Ctr over 200,000 SF | NA | NA | \$592 | \$1,378 | \$976 | \$611 | \$3,557 |
| Office/Inst 10,000 SF or less | NA | NA | \$592 | \$1,378 | \$756 | \$611 | \$3,337 |
| Office/Inst 10,001-25,000 SF | NA | NA | \$592 | \$1,378 | \$612 | \$611 | \$3,193 |
| Office/Inst 25,001-50,000 SF | NA | NA | \$592 | \$1,378 | \$522 | \$611 | \$3,103 |
| Office/Inst 50,001-100,000 SF | NA | NA | \$592 | \$1,378 | \$445 | \$611 | \$3,026 |
| Office/Inst over 100,000 SF | NA | NA | \$592 | \$1,378 | \$379 | \$611 | \$2,960 |
| Business Park | NA | NA | \$592 | \$1,378 | \$425 | \$611 | \$3,006 |
| Light Industrial | NA | NA | \$415 | \$965 | \$232 | \$428 | \$2,040 |
| Warehouse | NA | NA | \$415 | \$965 | \$165 | \$428 | \$1,973 |
| Manufacturing | NA | NA | \$415 | \$965 | \$127 | \$428 | \$1,935 |

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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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