

MEETING DATE/TYPE: VOTING MEETING 5-14-19

DEPARTMENT: Finance

AGENDA ITEM: Resolution No. 2019-1689 Declaring the document titled "Chapter 3-14: Development Fees" a public record, and Ordinance No. 2019-1662 Amending the IIP and LUA, and adopting updated Development Impact Fees.

Approved By: Michael Lamar, City Manager

Item Summary

This item is the adoption of the amended land use assumptions (LUA) and infrastructure improvement plan (IIP), as well as the adoption of the updated development impact fees (DIFs).

Background

The DIFs process, required by state law, is a 225 day process. Council started this update on August 28, 2018, with a presentation from Raftelis, consultant, regarding updating the Development Impact Fees for Water Resources, Water System Impacts and Wastewater System Impacts. The study also included reviews and recommendations for adoption of new Development Fees related to Streets, Police, Fire and Parks.

A Mayor's Commission comprised of the following members, who work in the development community, was formed.

- Brian Bombardieri, B's Contracting / YCCA
- David Grounds, Dorn Homes
- Dean Lyon, P.E., Lyon Engineering
- Michael Taylor, Taylor Architects
- Michael Yarnes, Rent Right Management Services

The Commission met with City staff and the consultant on October 9th, November 7th, November 28th, and January 9th. The Commission provided feedback and helped form the proposed Infrastructure Improvement Plan and Land Use Assumptions.

As required by law (A.R.S. §9-463.05, et seq.), the public hearing on the City's Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP) was held on January

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22, 2019. All the presentations and documents related to the fee setting process are available on the City's website at:

<http://www.prescott-az.gov/business-development/building-permits/development-impact-fees/>

The IIP and LUA were adopted by Council on February 26, 2019. The amendments that are proposed are related to the growth share of water and wastewater projects. At the April 9, 2019, presentation, these amendments and the following proposed DIFs were discussed.

Proposed Utility <u>DIFs</u>			
Base Meter Size Fee			
Utility	Service Area	Current	Proposed
Water System	A	\$827	\$ 862
	B	\$2,263 to \$4,090	\$ 5,303
Water Resource		\$1,481	\$ 1,441
Wastewater System		\$1,989 to \$3,562	\$ 3,020

- Fees increase by water meter size using the same ratios for 1-inch and larger meter sizes as is used for equivalent demand units

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Non-Utility DIFs Proposed				
Fees by Residential Size and Nonresidential Type of Development				
	<i>Streets</i>	<i>Police</i>	<i>Fire</i>	<i>Total</i>
<i>Residential (per dwelling by livable square feet)</i>				
1800 or less	\$672	\$212	\$187	\$1,071
1801 to 2600	\$1,040	\$328	\$291	\$1,659
2601 or more	\$1,222	\$388	\$343	\$1,953
<i>Nonresidential (per Sq Ft)</i>				
Industrial	\$0.51	\$0.14	\$0.19	\$0.84
Office & Other Services	\$1.01	\$0.28	\$0.35	\$1.64
Retail & Restaurants	\$2.33	\$0.72	\$0.28	\$3.33

The Full DIFs process is outlined below:

Development Impact Fee Process

Date	Type	Description
November 13, 2018	Council Workshop (1:00pm)	Workshop on Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP)
November 13, 2018	Council Voting (3:00pm)	Adoption of Notice of Intent of intention to review and update the City's LUA and IIP, publishing LUA and IIP, and set public hearing date
January 22, 2019	Council Workshop (1:00pm)	Workshop on Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP)
January 22, 2019	Council Voting (3:00pm)	Public hearing on LUA and IIP
February 26, 2019	Council Voting (3:00pm)	Presentation on proposed Development Impact Fees (DIF) Adoption of LUA and IIP Adoption of Notice of Intent, publish DIF report, and set public hearing on DIF
April 9, 2019	Council Workshop (2:00pm)	Presentation of the proposed Development Impact Fees.
April 9, 2019	Council Voting (3:00pm)	Public hearing on Development Impact Fees
May 14, 2019	Council Voting (3:00pm)	Adoption of Amended LUA and IIP Adoption of Development Impact Fees
August 1, 2019		Implementation of adopted Development Impact Fees

Attachments

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1. Resolution No. 2019-1689
2. Resolution No. 2019-1689, Exhibit A
3. Ordinance No. 2019-1662

Recommended Action: 1. **MOVE** to adopt Resolution No. 2019-1689; and 2. **MOVE** to adopt Ordinance No. 2019-1662.