

# IMPACT FEE ANNUAL REPORT



6/30/2012

Required by ARS 9-463.05

**The annual report includes the following:**

- ✓ The amount assessed each type of impact fee.
- ✓ The balance of each impact fee cost center as of the beginning and end of the fiscal year.
- ✓ The amount of interest or other earnings on the monies in each cost center as of the end of the fiscal year.
- ✓ The amount of impact fee monies used to repay bonds or money advanced from other funds.

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## Introduction

This report is prepared to comply with Arizona Revised Statutes (ARS) § 9-463.05. ARS §9-463.05 requires that any municipality that charges 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 90 days following the end of each fiscal year. Copies are to be made available to the public on request. The City intends to make this report available on its web site at [www.casagrandeaz.gov](http://www.casagrandeaz.gov).

Included in this report is a copy of the City Ordinance No. 1397.04.03, including Exhibit A, adopted in November 2011 regarding the new developer fees effective January 1, 2012. New Funds were set-up to comply with the changes in the “Necessary Public Service” as defined by the Statute.

This report includes unaudited schedule of sources and uses for each type of development fee assessed by the City of Casa Grande along with 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.

**Summary Status of Impact Fees**

Fee	Balance 7/1/11	Transfers	Sources FY 2011-12	Uses FY 2011-12	Interest Earned	Balance 6/30/12
Impact Fee Study	72,518	13,021	2,783	(47,970)	53	40,405
Transportation	5,927,452	(214,338)	501,551	(916,423)	3,871	5,302,113
General Gov't	502,569	214,338	73,034	(627,629)	397	162,709
Community						
Services	10,090,860	0	207,421	(220,328)	7,569	10,085,522
Public Safety	3,585,689	0	150,782	(169,820)	2,700	3,569,351
Wastewater	10,319,148	(11,195)	242,088	(3,199,317)	7,627	7,358,351
Sanitation	323,993	(1,826)	9,723	0	267	332,157
Debt	0	0	26,729	(4,050)	4	22,683
Total	30,822,229	0	1,214,111	(5,185,537)	22,493	26,873,291

The table summarizes the status of each impact fee by category type. The fees are broken down within each category to further align the fee with the impact on the community.

The following pages describe each category type, with a breakdown of sources and uses.

ARS § 9.463.05 states, “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 and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvements plan.”

**GENERAL GOVERNMENT FEES**

The only fee that can be charged in this category is Impact Fee Study. All other components must expend the fund balance by January 1, 2020.

	Impact Fee Report	Planned Facilities	City Land	City Facilities	Vehicles	NOC
<b>Sources</b>						
Impact Fees Collected	2,783	-	72,106	-	928	-
Interest	53	-	307	-	90	-
Other Revenue	-	-	-	-	-	-
Total Sources	2,836	-	72,413	-	1,018	-
<b>Uses</b>						
Consultant	47,970	-	-	-	-	-
North Operations Center	-	-	7,772	-	-	-
Bond Defeasance	-	-	530,002	-	-	-
Prior Year Expense	-	-	89,855	-	-	-
Total uses	47,970	-	627,629	-	-	-
Transfers	13,021	(1,354,690)	501,473	(104,634)		1,172,189
Excess (Deficiency)	(32,113)	(1,354,690)	(53,743)	(104,634)	1,018	1,172,189
Balance July 1, 2011	72,518	1,354,690	96,968	104,634	118,466	(1,172,189)
Ending June 30, 2012	40,405	-	43,225	-	119,484	-

## TRANSPORTATION

Two components remain in the transportation area – improvements and interchanges. The remaining component balances must be spent by January 2, 2020 for the purpose they were collected.

	Trans Interchange	Trans Signals	Trans Equipment	Trans Improve	Trans Buy-In	Trans Flyover	Trans Building
<b>Sources</b>							
Impact Fees Collected	94,206	-	5,630	401,715	-	-	-
Interest	1,528	-	1,102	1,241	-	-	-
Other Revenue	-	-	-	-	-	-	-
Total Sources	95,734	-	6,732	402,956	-	-	-
<b>Uses</b>							
Cottonwood Lane	-	-	-	664,393	-	-	-
Traffic Signal	-	-	-	148,735	-	-	-
Prior Year Expense	-	-	-	103,295	-	-	-
Total uses	-	-	-	916,423	-	-	-
Transfers	1,356,347	(548,666)	-	751,401	(202,735)	(1,356,347)	(214,338)
Excess (Deficiency)	1,452,081	(548,666)	6,732	237,934	(202,735)	(1,356,347)	(214,338)
Balance July 1, 2011	638,331	548,666	1,462,098	1,504,937	202,735	1,356,347	214,338
Ending June 30, 2012	2,090,412	-	1,468,830	1,742,871	-	-	-

**PUBLIC SAFETY**

Public Safety is considered a necessary public service. Public safety is defined as “fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.”

	Animal Control Vehicles	Animal Control Shelter	Police Building	Police Comm	Police Vehicles	Fire Building	Fire Apparatus	Fire Comm
<b>Sources</b>								
Impact Fees Collected	1,145	1,962	24,320	9,671	13,513	49,167	49,454	1,550
Interest	43	-	410	353	396	141	1,313	48
Other Revenue	-	-	-	-	-	-	-	-
Total Sources	1,188	1,962	24,730	10,024	13,909	49,308	50,767	1,598
<b>Uses</b>								
Additional Console Radios	-	-	-	39,177	-	-	-	-
	-	-	-	130,643	-	-	-	-
Total uses	-	-	-	169,820	-	-	-	-
Transfers			-	-	-	-	-	-
Excess (Deficiency)	1,188	1,962	24,730	(159,796)	13,909	49,308	50,767	1,598
Balance July 1, 2011	56,917	(5,209)	535,561	517,734	521,392	168,662	1,727,429	63,202
Ending June 30, 2012	58,105	(3,247)	560,291	357,938	535,301	217,970	1,778,196	64,800

## COMMUNITY SERVICES

The necessary public services in the area of Parks and Recreation are defined as:

Library facilities of up to ten thousand square feet that provide a direct benefit to development, not including equipment, vehicles or appurtenances; and neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.

	Library Building	Library Collection	Community Park Land	Park Improvement	Regional Park	Recreation Building	Regional Land	Recreation Facilities	Recreation Vehicles
<b>Sources</b>									
Impact Fees Collected	24,670	5,366	5,735	63,873	19,149	18,314	68,781	-	1,532
Interest	1,085	406	180	1,205	525	3,874	-	-	294
Other Revenue									
Total Sources	25,755	5,772	5,915	65,078	19,674	22,188	68,781	-	1,826
<b>Uses</b>									
Books	-	213,963	-	-	-	-	-	-	-
Total uses	-	213,963	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	3,290,280	-	(3,290,280)	
Excess (Deficiency)	25,755	(208,191)	5,915	65,078	19,674	3,312,468	68,781	(3,290,280)	1,826
Balance July 1, 2011	1,426,997	656,400	236,617	2,466,311	689,918	1,847,100	(912,916)	3,290,280	390,153
Ending June 30, 2012	1,452,752	448,209	242,532	2,531,389	709,592	5,159,568	(844,135)	-	391,979

## WASTEWATER AND SANITATION

The Wastewater components remain in place with the exception of the Impact Fee Study component. The Sanitation component must be spent before January 1, 2020.

	Wastewater Treatment	Wastewater Collection	Wastewater Equipment	Impact Fee Study	Sanitation Vehicles	Impact Fee Study
<b>Sources</b>						
Impact Fees Collected	88,367	151,209	2,512	-	9,723	-
Interest	1,708	5,491	429	-	267	-
Other Revenue						
Total Sources	90,075	156,700	2,941	-	9,990	-
<b>Uses</b>						
Debt Repayment	3,199,317	-	-	-	-	-
Total uses	3,199,317	-	-	-	-	-
Transfers	-	-	-	(11,195)	-	(1,826)
Excess (Deficiency)	(3,109,242)	156,700	2,941	(11,195)	9,990	(1,826)
Balance July 1, 2011	1,898,408	7,841,588	567,957	11,195	322,167	1,826
Ending June 30, 2012	(1,210,834)	7,998,288	570,898	-	332,157	-

## DEBT SERVICE

The City of Casa Grande can continue to charge a fee for debt repayment related to a growth project where future impact fees were pledged as a repayment funding source. The debt related to these areas was previously collected within the category for which the debt was issued. Now the fees are separated, along with the collection and expenditure. In future years the balances will be transferred to the appropriate debt fund to repay a portion of the related debt principal and interest.

	City Hall Debt	NOC Debt	Vista Grande	Len Colla
<b>Sources</b>				
Impact Fees Collected	16,495	5,794	3,023	1,418
Interest	1	3	-	-
Other Revenue				
<b>Total Sources</b>	<b>16,496</b>	<b>5,797</b>	<b>3,023</b>	<b>1,418</b>
<b>Uses</b>				
Building Improvements	-	4,050	-	-
<b>Total uses</b>	<b>-</b>	<b>4,050</b>	<b>-</b>	<b>-</b>
Transfers	-	-	-	-
<b>Excess (Deficiency)</b>	<b>16,496</b>	<b>1,747</b>	<b>3,023</b>	<b>1,418</b>
Balance July 1, 2011	-	-	-	-
<b>Ending June 30, 2012</b>	<b>16,496</b>	<b>1,747</b>	<b>3,023</b>	<b>1,418</b>

**ORDINANCE NO. 1397.04.33**

**AN ORDINANCE AMENDING TITLE 4 OF THE CASA GRANDE CITY CODE TO ESTABLISH REDUCED DEVELOPMENT FEES WITHIN THE CITY OF CASA GRANDE TO MEET THE REQUIREMENTS OF SENATE BILL 1525 BY AMENDING: (1) SECTION 4.02.010 ENTITLED "FIRE AND EMERGENCY MEDICAL SERVICES," (2) SECTION 4.02.030 ENTITLED "GENERAL GOVERNMENT FACILITIES DEVELOPMENT FEE," (3) 4.02.050 ENTITLED "POLICE FACILITIES AND EQUIPMENT DEVELOPMENT FEE," (4) 4.02.060 ENTITLED "SEWER TREATMENT AND COLLECTION FACILITIES DEVELOPMENT FEE," (5) 4.02.070 ENTITLED "TRANSPORTATION FACILITIES DEVELOPMENT FEE," (6) SECTION 4.02.080 ENTITLED "COMMUNITY SERVICES DEVELOPMENT FEE," AND ESTABLISHING THE SEVERABILITY THEREOF; AND ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the Arizona Legislature passed Senate Bill 1525 which amended A.R.S. Section 9-463.05 and made sweeping changes to the laws governing municipal development impact fees; and

WHEREAS, in compliance with Senate Bill 1525, the City Of Casa Grande is required to make a number of amendments to its development impact fees that are required to be effective prior to January 1, 2012; and

WHEREAS, City has worked to determine which expenditures within the City of Casa Grande's development impact fee schedule are no longer allowed to be charged; and

WHEREAS, pursuant to those determinations, the City of Casa Grande has calculated reduced development impact fee amounts that are in compliance with Senate Bill 1525.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Casa Grande as follows:

**SECTION 1.** Section 4.02.010 "Fire and Emergency Medical Services" is amended as follows:

A) Section 4.02.010(A) shall be amended in its entirety to read as follows:

A. Effective January 1, 2012, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of a fire and emergency medical services development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$646.00
Multi-Family	\$435.00
All other housing	\$489.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>
Commercial/Shopping Center, less than 100,000 square feet	\$497.00
Commercial/Shopping Center, 100,000 - 200,000 square feet	\$442.00
Commercial/Shopping Center, over 200,000 square feet	\$397.00
Office/Institutional, less than 100,000 square feet	\$709.00
Office/Institutional, 100,000 - 200,000 square feet	\$667.00
Office/Institutional, over 200,000 square feet	\$522.00
Business Park	\$628.00
Light Industrial	\$460.00
Warehousing	\$255.00
Manufacturing	\$362.00
Hotel (per room for this item only)	\$89.00

**SECTION 2.** Section 4.02.030 "General Government Facilities Development Fee" shall be amended as follows:

A) Section 4.02.030(A) shall be amended in its entirety to read as follows:

A. Effective January 1, 2012, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of a general government facilities development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$481.00
Multi-Family	\$315.00
All other housing	\$356.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>

Commercial/Shopping Center, less than 100,000 square feet	\$374.00
Commercial/Shopping Center, 100,000 - 200,000 square feet	\$332.00
Commercial/Shopping Center, over 200,000 square feet	\$300.00
Office/Institutional, less than 100,000 square feet	\$534.00
Office/Institutional, 100,000 - 200,000 square feet	\$502.00
Office/Institutional, over 200,000 square feet	\$394.00
Business Park	\$473.00
Light Industrial	\$346.00
Warehousing	\$192.00
Manufacturing	\$272.00
Hotel (per room for this item only)	\$66.00

**SECTION 3.** Section 4.02.050 "Police Facilities and Equipment Development Fee" is amended as follows:

A) Section 4.02.050(A) shall be amended in its entirety to read as follows:

A. Effective January 1, 2012, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of a police facilities and equipment development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$345.00
Multi-Family	\$234.00
All other housing	\$263.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>
Commercial/Shopping Center, less than 100,000 square feet	\$439.00
Commercial/Shopping Center, 100,000 - 200,000 square feet	\$375.00
Commercial/Shopping Center, over 200,000 square feet	\$320.00
Office/Institutional, less than 100,000 square feet	\$131.00
Office/Institutional, 100,000 - 200,000 square feet	\$112.00
Office/Institutional, over 200,000 square feet	\$96.00

Business Park	\$126.00
Light Industrial	\$70.00
Warehousing	\$51.00
Manufacturing	\$40.00
Hotel (per room for this item only)	\$57.00

**SECTION 4.** Section 4.02.060 "Sewer Treatment and Collection Facilities Development Fee" is amended as follows:

A) Section 4.02.060(A) shall be amended in its entirety to read as follows:

A. Effective January 1, 2012, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of a sewer treatment and collection facilities development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

ALL DEVELOPMENT		PER WATER METER SIZE
Inches	Type	
0.75 or less	Displacement	\$4,290.00
1.00	Displacement	\$7,288.00
1.50	Displacement	\$14,158.00
2.00	Compound/Turbine	\$22,637.00
3.00	Compound	\$45,748.00
3.00	Turbine	\$51,308.00
4.00	Compound	\$72,872.00
4.00	Turbine	\$87,902.00
6.00	Compound	\$141,533.00
6.00	Turbine	\$176,703.00
8.00	Compound	\$228,597.00
8.00	Turbine	\$258,190.00

**SECTION 5.** Section 4.02.070 "Transportation Facilities Development Fee" is amended as follows:

A) Section 4.02.070(A) shall be amended in its entirety to read as follows:

A. Effective January 1, 2012, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of transportation facilities development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$3,465.00
Multi-Family	\$2,384.00
All other housing	\$1,806.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>
Commercial/Shopping Center, less than 100,000 square feet	\$8,075.00
Commercial/Shopping Center, 100,000 - 200,000 square feet	\$6,912.00
Commercial/Shopping Center, over 200,000 square feet	\$5,875.00
Office/Institutional, less than 100,000 square feet	\$2,651.00
Office/Institutional, 100,000 - 200,000 square feet	\$2,261.00
Office/Institutional, over 200,000 square feet	\$1,929.00
Business Park	\$2,536.00
Light Industrial	\$1,385.00
Warehousing	\$987.00
Manufacturing	\$760.00
Hotel (per room for this item only)	\$1,119.00

**SECTION 6.** Section 4.02.080 "Community Services Development Fee" is amended as follows:

A) Section 4.02.080(A) is amended to read in its entirety to read as follows:

A. Effective January 1, 2012, all new residential development in the city of Casa Grande shall be subject to the payment of a community services development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$1,415.00

Multi-Family	\$945.00
All other housing	\$1,066.00

**SECTION 7.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

**SECTION 8.** The effective date of this Ordinance shall be January 1, 2012.

PASSED AND ADOPTED by the Mayor and Council of the City of Casa Grande, Arizona, this 7<sup>th</sup> day of November, 2011.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

**FEES FROM JULY 1, 2011 to DECEMBER 31, 2011**

ORDINANCE NO. 1397.04.30

AN ORDINANCE AMENDING TITLE 4 OF THE CASA GRANDE CITY CODE TO INCREASE AND ESTABLISH NEW DEVELOPMENT FEES WITHIN THE CITY OF CASA GRANDE, BY AMENDING: (1) SECTION 4.01.010 ENTITLED "DEFINITIONS," (2) SECTION 4.01.030 ENTITLED "GENERAL PROVISIONS; APPLICABILITY," (3) SECTION 4.02.010 ENTITLED "FIRE AND EMERGENCY MEDICAL FACILITY AND EQUIPMENT DEVELOPMENT FEE," (4) SECTION 4.02.030 ENTITLED "GENERAL GOVERNMENT FACILITIES DEVELOPMENT FEE," (5) 4.02.050 ENTITLED "POLICE FACILITIES AND EQUIPMENT DEVELOPMENT FEE," (6) 4.02.060 ENTITLED "SEWER TREATMENT AND COLLECTION FACILITIES DEVELOPMENT FEE," (7) 4.02.070 ENTITLED "TRANSPORTATION FACILITIES DEVELOPMENT FEE," (8) SECTION 4.02.080 ENTITLED "COMMUNITY SERVICES DEVELOPMENT FEE," AND ADOPTING NEW SECTION 4.02.090 ENTITLED "SANITATION DEVELOPMENT FEE"; ESTABLISHING THE SEVERABILITY THEREOF; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Casa Grande retained TischlerBise to conduct a study to analyze and assess growth and development projections for the City of Casa Grande to determine the additional demand on certain City facilities, equipment and vehicles; and

WHEREAS, TischlerBise has prepared a Development Fee Study dated January 5, 2007 presenting the results of the analysis using existing levels of service to derive appropriate sharing factors for residential and non-residential development for the continuing costs of growth on facilities, equipment and vehicles; and

WHEREAS, the Study has been presented to, and reviewed by, the Mayor and the City Council of the City of Casa Grande, who have determined (1) that the revised development fees set forth in the Study and the new development fee for Sanitation, are necessary to offset the costs associated with meeting future City facilities, equipment and vehicle needs pursuant to the development projections of the City; (2) that the revised development fees and the new fee for Sanitation, bear a reasonable relationship to the burden imposed on the City to provide additional capital items for new residents and development to maintain appropriate levels of service, and provides a benefit to these new residents reasonably related to the revised and new fees; and (3) that the amount of the revised and new fees are roughly proportional to the pro rata share of the additional capital items needed to provide adequate municipal services to the new development, while maintaining the existing level of service currently provided to City residents and businesses; and

WHEREAS, on February 5, 2007, the City adopted Resolution #3940, providing public notice of its intention to consider and adopt the revised fees and the new fee; and

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WHEREAS, on April 16, 2007, the City conducted a public hearing on the proposed revised fee and new fee, which date was at least 30 days after the notice of intention to impose the fee, and at least 14 days prior to the scheduled date of adoption of the fees; and

WHEREAS, the revised fees and new Sanitation fee adopted pursuant to this Ordinance shall not be effective until at least ninety (90) days after its formal adoption by the Mayor and City Council,

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Casa Grande as follows:

**SECTION 1.** That Chapter 4, Section 4.01.010 "Definitions" is amended as follows:

A) The definition of "Dwelling unit," shall be amended to add the capitalized text to the current provisions of the definition:

"Dwelling unit" means a room or group of rooms within a building containing cooking accommodations and designed to be used for living purposes. Each apartment unit, TOWNHOME, CONDOMINIUM UNIT, mobile home or mobile home space, travel trailer or travel trailer space, OR SIMILAR LIVING UNIT shall be considered a dwelling unit. "Dwelling unit" shall not include those units designed primarily for transient occupant purposes, nor shall they include rooms in hospitals or nursing homes.

B) The definition of "All other dwelling units," shall be amended to add the capitalized text and strike the lined-through text to the current provisions of the definition:

"All other dwelling units" means a dwelling unit typically designed and used only for a single family, but which is either attached to another dwelling unit, such as an apartment, duplex, townhouse or single family attached dwelling unit, or which DESIGNATED AS is a mobile home, mobile home space, travel trailer or travel trailer spaces.

C) A new definition for "Multi-family" dwelling unit shall be inserted as subset C. to the definition of Dwelling Unit to read as follows:

"MULTI-FAMILY" USE OR DWELLING UNIT MEANS A DWELLING UNIT CONTAINED WITHIN A LARGER STRUCTURE OR BUILDING OR ATTACHED TO ANOTHER DWELLING UNIT SUCH AS, BUT NOT LIMITED TO, A TOWNHOME, CONDOMINIUM, APARTMENT UNIT OR SINGLE FAMILY ATTACHED DWELLING UNIT.

D) A new definition for "Sanitation Vehicle and Equipment Fee" shall be inserted before "Sewer treatment and collection facilities development fee" to read as follows:

"SANITATION VEHICLE AND EQUIPMENT FEE," AS SET FORTH IN SECTION 04.02.090 MEANS A FEE IMPOSED ON ALL NEW RESIDENTIAL AND NON-

RESIDENTIAL DEVELOPMENT TO FUND THE PROPORTIONATE SHARE OF THE COSTS OF SANITATION VEHICLES AND EQUIPMENT.

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**SECTION 2.** Section 4.01.030 "General Provisions; applicability" is amended by adding the following subsection (C)(2)(g):

(h) City Facilities. Facilities located within the City and owned by the City shall be exempt from payment of all impact fees.

**SECTION 3.** Section 4.02.010 "Fire and Emergency Medical Facility and Development Fee" is hereby amended by changing the title to "Fire and Emergency Medical Services", and replacing all references to the former title to conform, and is further amended as follows:

A) Section 4.02.010(A) shall be amended in its entirety to read as follows:

A. Effective September 1, 2007, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of a fire and emergency medical services development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$633.00
Multi-Family	\$426.00
All other housing	\$480.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>
Commercial/Shopping Center, less than 100,000 square feet	\$488.00
Commercial/Shopping Center, 100,000-200,000 square feet	\$433.00
Commercial/Shopping Center, over 200,000 square feet	\$390.00
Office/Institutional, less than 100,000 square feet	\$696.00
Office/Institutional, 100,000 - 200,000 square feet	\$654.00
Office/Institutional, over 200,000 square feet	\$513.00
Business Park	\$616.00
Light Industrial	\$451.00
Warehousing	\$250.00
Manufacturing	\$355.00

Hotel (per room for this item only) \$86.00

B) Section 4.02.010(B) "Inflation Adjustments" shall be amended by replacing all references to the year 2002 with the year 2008, and by replacing the reference to the year 2001 with the year 2007.

**SECTION 4.** Section 4.02.030 "General Government Facilities Development Fee" shall be amended as follows:

A) Section 4.02.030(A) shall be amended in its entirety to read as follows:

A. Effective September 1, 2007, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of a general government facilities development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$834.00
Multi-Family	\$561.00
All other housing	\$632.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>
Commercial/Shopping Center, less than 100,000 square feet	\$654.00
Commercial/Shopping Center, 100,000 - 200,000 square feet	\$581.00
Commercial/Shopping Center, over 200,000 square feet	\$523.00

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Office/Institutional, less than 100,000 square feet	\$934.00
Office/Institutional, 100,000 - 200,000 square feet	\$877.00
Office/Institutional, over 200,000 square feet	\$688.00
Business Park	\$827.00
Light Industrial	\$605.00
Warehousing	\$335.00
Manufacturing	\$476.00
Hotel (per room for this item only)	\$115.00

B) Section 4.02.030(B) "Inflation Adjustments" shall be amended by replacing all references to the year 2002 with the year 2008, and by replacing the reference to the year 2001 with the year 2007.

**SECTION 5.** Section 4.02.050 "Police Facilities and Equipment Development Fee" is amended as follows:

A) Section 4.02.050(A) shall be amended in its entirety to read as follows:

A. Effective September 1, 2007, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of a police facilities and equipment development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$339.00
Multi-Family	\$228.00
All other housing	\$257.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>
Commercial/Shopping Center, less than 100,000 square feet	\$431.00
Commercial/Shopping Center, 100,000-200,000 square feet	\$369.00
Commercial/Shopping Center, over 200,000 square feet	\$314.00
Office/Institutional, less than 100,000 square feet	\$128.00
Office/Institutional, 100,000 - 200,000 square feet	\$109.00
Office/Institutional, over 200,000 square feet	\$93.00
Business Park	\$123.00

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Light Industrial	\$67.00
Warehousing	\$48.00
Manufacturing	\$37.00
Hotel (per room for this item only)	\$54.00

B) Section 4.02.050(B) "Inflation Adjustments" shall be amended by replacing all references to the year 2002 with the year 2008, and by replacing the reference to the year 2001 with the year 2007.

**SECTION 6.** Section 4.02.060 "Sewer Treatment and Collection Facilities Development Fee" is amended as follows:

A) Section 4.02.060(A) shall be amended in its entirety to read as follows:

A. Effective September 1, 2007, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of a sewer treatment and collection facilities development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

ALL DEVELOPMENT		PER WATER METER SIZE
Inches	Type	
0.75 or less	Displacement	\$4,116.00
1.00	Displacement	\$6,914.00
1.50	Displacement	\$13,325.00
2.00	Compound/Turbine	\$21,237.00
3.00	Compound	\$42,804.00
3.00	Turbine	\$47,993.00
4.00	Compound	\$68,115.00
4.00	Turbine	\$82,142.00
6.00	Compound	\$132,189.00
6.00	Turbine	\$165,008.00
8.00	Compound	\$213,435.00
8.00	Turbine	\$241,051.00

B) Section 4.02.060(B) "Inflation Adjustments" shall be amended by replacing all references to the year 2002 with the year 2008, by replacing the reference to the year 2001 with the year 2007, and by replacing the reference to the year 2000 with the year 2006.

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**SECTION 7.** Section 4.02.070 "Transportation Facilities Development Fee" is amended as follows:

A) Section 4.02.070(A) shall be amended in its entirety to read as follows:

A. Effective September 1, 2007, all new residential and non-residential development in the city of Casa Grande shall be subject to the payment of transportation facilities development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$2,007.00
Multi-Family	\$1,382.00
All other housing	\$1,046.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>
Commercial/Shopping Center, less than 100,000 square feet	\$5,668.00
Commercial/Shopping Center, 100,000-200,000 square feet	\$4,447.00
Commercial/Shopping Center, over 200,000 square feet	\$3,489.00
Office/Institutional, less than 100,000 square feet	\$1,549.00
Office/Institutional, 100,000 - 200,000 square feet	\$1,320.00
Office/Institutional, over 200,000 square feet	\$1,127.00
Business Park	\$1,482.00
Light Industrial	\$809.00
Warehousing	\$576.00
Manufacturing	\$444.00
Hotel (per room for this item only)	\$654.00

B) Section 4.02.070(B) "Inflation Adjustments" shall be amended by replacing all references to the year 2002 with the year 2008, and by replacing the reference to the year 2001 with the year 2007.

**SECTION 8.** Section 4.02.080 "Community Services Development Fee" is amended as follows:

A) Section 4.02.080(A) is amended to read in its entirety to read as follows:

## Impact Fee Annual Report

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A. Effective September 1, 2007, all new residential development in the city of Casa Grande shall be subject to the payment of a community services development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$2,819.00
Multi-Family	\$1,896.00
All other housing	\$2,136.00

B) Section 4.02.080(B) "Inflation Adjustments" shall be amended by replacing all references to the year 2001 with the year 2008.

**SECTION 9.** There is hereby established a new Section 4.02.090, to be entitled "Sanitation vehicle and equipment development fee" to read as follows:

A. Effective September 1, 2007, all new residential or non-residential development in the city of Casa Grande shall be subject to the payment of a sanitation vehicle and equipment development fee payable at the time of building permit issuance by the city, pursuant to this Title and Section, as follows:

Sanitation Fee For Residential Customer (flat fee)	\$342.00
Sanitation Fee for Nonresidential Customer (flat fee)	\$1,015.00

B. Inflation Adjustments.

1. On or before March 1, 2008, and on or before March 1st of each year thereafter in which the sanitation vehicle and equipment development fee is in effect, the city manager, or his designee, shall calculate and present to the city council the inflation adjustment factor which shall be applied to the sanitation vehicle and equipment development fee on July 1, 2008 and on July 1st of each year thereafter (hereinafter "adjustment date"). The inflationary adjustment factor shall be defined as the quotient of the United States Department of Labor's Consumer Price Index for all Urban Consumers, West Urban Region, All Goods, 1982-84=100 index figure (hereinafter "CPI-U") for the month of January 2008 for the first year or for subsequent years the CPI-U for January immediately preceding the adjustment date divided by the CPI-U in effect on January 1, 2007, in the case of the first adjustment date, or the CPI-U used for the numerator the last time the sanitation vehicle and equipment development fee was adjusted.

2. On each adjustment date of each year thereafter in which the sanitation vehicle and equipment development fee is in effect, its amount shall be automatically adjusted to account for inflationary impacts by multiplying the then existing sanitation vehicle and equipment development fee by the inflationary adjustment factor.

3. Provided, however, that nothing herein shall prevent the city council from electing, by ordinance, to retain the then sanitation vehicle and equipment development fee for any given fiscal

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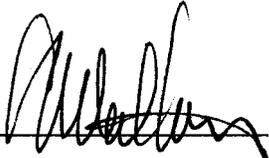
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year, years, or other specified time period. After the time period set forth by the ordinance retaining the sanitation vehicle and equipment development fee for any given time period, the sanitation vehicle and equipment development fee shall automatically be adjusted as established herein.

**SECTION 10.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

**SECTION 11.** The effective date of this Ordinance shall be September 1, 2007.

PASSED AND ADOPTED by the Mayor and Council of the City of Casa



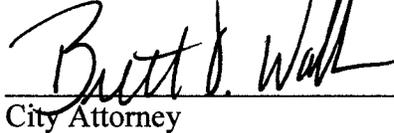
Grande, Arizona, this 23rd day of May \_\_\_\_\_, 2007.



City Clerk



APPROVED AS TO FORM:



City Attorney

Mayor

ATTEST:

CA O- Impact Fee Adoption

**SECTION 1.** Amendment and Effective Date

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## Impact Fee Annual Report

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Section 4.02.070(A) of Chapter 4.02 of Title 4, Casa Grande Municipal Code, regarding development fees, is hereby amended to read as follows (additions are indicated by double-underlining and deletions are indicated by strike-out text) and is effective as of the 20th day of August, 2007:

<b>RESIDENTIAL DEVELOPMENT</b>	<b>PER DWELLING UNIT</b>
Single-Family Detached	\$2,007.00
Multi-family	\$1,382.00
All other housing	\$1,046.00
<b>NON-RESIDENTIAL DEVELOPMENT</b>	<b>PER 1,000 SQUARE FEET</b>
Commercial/Shopping Center, less than 100,000 sq ft	\$5,668.00 <u>\$4,796.00</u>
Commercial/Shopping Center, 100,000-200,000 sq ft	\$4,447.00     \$4,105.00
Commercial/Shopping Center, over 200,000 square feet	\$3,489.00
Office/Institutional, less than 100,000 square feet	\$1,549.00
Office/Institutional, 100,000 - 200,000 square feet	\$1,320.00
Office/Institutional, over 200,000 square feet	\$1,127.00
Business Park	\$1,482.00
Light Industrial	\$809.00
Warehousing	\$576.00
Manufacturing	\$444.00
Hotel (per room, for this item only)	\$654.00

### APPENDIX B – Arizona Statute

9-463.05. Development fees; imposition by cities and towns; infrastructure improvements plan; annual report; advisory committee; limitation on actions; definitions

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 and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvements plan.

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. The municipality shall calculate the development fee based on the infrastructure improvements plan adopted pursuant to this section.
3. The development fee shall not exceed a proportionate share of the cost of necessary public services, based on service units, needed to provide necessary public services to the development.
4. Costs for necessary public services made necessary by new development shall be based on the same level of service provided to existing development in the service area.

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5. Development fees may not be used for any of the following:

(a) Construction, acquisition or expansion of public facilities or assets other than necessary public services or facility expansions identified in the infrastructure improvements plan.

(b) Repair, operation or maintenance of existing or new necessary public services or facility expansions.

(c) Upgrading, updating, expanding, correcting or replacing existing necessary public services to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards.

(d) Upgrading, updating, expanding, correcting or replacing existing necessary public services to provide a higher level of service to existing development.

(e) Administrative, maintenance or operating costs of the municipality.

6. Any development for which a development fee has been paid is entitled to the use and benefit of the services for which the fee was imposed and is entitled to receive immediate service from any existing facility with available capacity to serve the new service units if the available capacity has not been reserved or pledged in connection with the construction or financing of the facility.

7. Development fees may be collected if any of the following occurs:

(a) The collection is made to pay for a necessary public service or facility expansion that is identified in the infrastructure improvements plan and the municipality plans to complete construction and to have the service available within the time period established in the infrastructure improvement plan, but in no event longer than the time period provided in subsection H, paragraph 3 of this section.

(b) The municipality reserves in the infrastructure improvements plan adopted pursuant to this section or otherwise agrees to reserve capacity to serve future development.

(c) The municipality requires or agrees to allow the owner of a development to construct or finance the necessary public service or facility expansion and any of the following apply:

(i) The costs incurred or money advanced are credited against or reimbursed from the development fees otherwise due from a development.

(ii) The municipality reimburses the owner for those costs from the development fees paid from all developments that will use those necessary public services or facility expansions.

(iii) For those costs incurred the municipality allows the owner to assign the credits or reimbursement rights from the development fees otherwise due from a development to other developments for the same category of necessary public services in the same service area.

8. Projected interest charges and other finance costs may be included in determining the amount of development fees only if the monies are used for the payment of principal and interest on the portion of the bonds, notes or other obligations issued to finance construction of necessary public services or facility expansions identified in the infrastructure improvements plan.

9. 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 updated pursuant to subsection D of this section shall be used to provide the same category of necessary public services or facility expansions for which the development fee was assessed and for the benefit of the same service area, as defined in the infrastructure improvements plan, in which the development fee was assessed. Interest earned on monies in the separate fund shall be credited to the fund.

10. The schedule for payment of fees shall be provided by the municipality. Based on the cost identified in the infrastructure improvements plan, the municipality shall provide a credit toward the payment of a development fee for the required or agreed to dedication of public sites, improvements and other necessary public services or facility expansions 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 or facility expansions 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

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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.

11. If a municipality requires as a condition of development approval the construction or improvement of, contributions to or dedication of any facilities that were not included in a previously adopted infrastructure improvements plan, the municipality shall cause the infrastructure improvements plan to be amended to include the facilities and shall provide a credit toward the payment of a development fee for the construction, improvement, contribution or dedication of the facilities to the extent that the facilities will substitute for or otherwise reduce the need for other similar facilities in the infrastructure improvements plan for which development fees were assessed.

12. The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection.

13. If development fees are assessed by a municipality, the fees shall be assessed against commercial, residential and industrial development, except that the municipality may distinguish between different categories of residential, commercial and industrial development in assessing the costs to the municipality of providing necessary public services to new development and in determining the amount of the development fee applicable to the category of development. If a municipality agrees to waive any of the development fees assessed on a development, the municipality shall reimburse the appropriate development fee accounts for the amount that was waived. The municipality shall provide notice of any such waiver to the advisory committee established pursuant to subsection G of this section within thirty days.

14. 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 thirty days' advance notice of intention to assess a development fee and shall release to the public and post on its website or the website of an association of cities and towns if a municipality does not have a website a written report of the land use assumptions and infrastructure improvements plan adopted pursuant to subsection D of this section. The municipality shall conduct a public hearing on the proposed development fee at any time after the expiration of the thirty day notice of intention to assess a development fee and at least thirty days before the scheduled date of adoption of the fee by the governing body. Within sixty days after the date of the public hearing on the proposed development fee, a municipality shall approve or disapprove the imposition of the development fee. A municipality shall not adopt an ordinance, order or resolution approving a development fee as an emergency measure. 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 before July 24, 1982.

D. Before the adoption or amendment of a development fee, the governing body of the municipality shall adopt or update the land use assumptions and infrastructure improvements plan for the designated service area. The municipality shall conduct a public hearing on the land use

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assumptions and infrastructure improvements plan at least thirty days before the adoption or update of the plan. The municipality shall release the plan to the public, post the plan on its website or the website of an association of cities and towns if the municipality does not have a website, including in the posting its land use assumptions, the time period of the projections, a description of the necessary public services included in the infrastructure improvements plan and a map of the service area to which the land use assumptions apply, make available to the public the documents used to prepare the assumptions and plan and provide public notice at least sixty days before the public hearing, subject to the following:

1. The land use assumptions and infrastructure improvements plan shall be approved or disapproved within sixty days after the public hearing on the land use assumptions and infrastructure improvements plan and at least thirty days before the public hearing on the report required by subsection C of this section. A municipality shall not adopt an ordinance, order or resolution approving the land use assumptions or infrastructure improvements plan as an emergency measure.

2. An infrastructure improvements plan shall be developed by qualified professionals using generally accepted engineering and planning practices pursuant to subsection E of this section.

3. A municipality shall update the land use assumptions and infrastructure improvements plan at least every five years. The initial five year period begins on the day the infrastructure improvements plan is adopted. The municipality shall review and evaluate its current land use assumptions and shall cause an update of the infrastructure improvements plan to be prepared pursuant to this section.

4. Within sixty days after completion of the updated land use assumptions and infrastructure improvements plan, the municipality shall schedule and provide notice of a public hearing to discuss and review the update and shall determine whether to amend the assumptions and plan.

5. A municipality shall hold a public hearing to discuss the proposed amendments to the land use assumptions, the infrastructure improvements plan or the development fee. The land use assumptions and the infrastructure improvements plan, including the amount of any proposed changes to the development fee per service unit, shall be made available to the public on or before the date of the first publication of the notice of the hearing on the amendments.

6. The notice and hearing procedures prescribed in paragraph 1 of this subsection apply to a hearing on the amendment of land use assumptions, an infrastructure improvements plan or a development fee. Within sixty days after the date of the public hearing on the amendments, a municipality shall approve or disapprove the amendments to the land use assumptions, infrastructure improvements plan or development fee. A municipality shall not adopt an ordinance, order or resolution approving the amended land use assumptions, infrastructure improvements plan or development fee as an emergency measure.

7. The advisory committee established under subsection G of this section shall file its written comments on any proposed or updated land use assumptions, infrastructure improvements plan and development fees before the fifth business day before the date of the public hearing on the proposed or updated assumptions, plan and fees.

8. If, at the time an update as prescribed in paragraph 3 of this subsection is required, the municipality determines that no changes to the land use assumptions, infrastructure improvements plan or development fees are needed, the municipality may as an alternative to the updating requirements of this subsection publish notice of its determination on its website and include the following:

(a) A statement that the municipality has determined that no change to the land use assumptions, infrastructure improvements plan or development fee is necessary.

(b) A description and map of the service area in which an update has been determined to be unnecessary.

(c) A statement that by a specified date, which shall be at least sixty days after the date of publication of the first notice, a person may make a written request to the municipality requesting that the land use assumptions, infrastructure improvements plan or development fee be updated.

(d) A statement identifying the person or entity to whom the written request for an update should be sent.

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9. If, by the date specified pursuant to paragraph 8 of this subsection, a person requests in writing that the land use assumptions, infrastructure improvements plan or development fee be updated, the municipality shall cause, accept or reject an update of the assumptions and plan to be prepared pursuant to this subsection.

10. Notwithstanding the notice and hearing requirements for adoption of an infrastructure improvements plan, a municipality may amend an infrastructure improvements plan adopted pursuant to this section without a public hearing if the amendment addresses only elements of necessary public services in the existing infrastructure improvements plan and the changes to the plan will not, individually or cumulatively with other amendments adopted pursuant to this subsection, increase the level of service in the service area or cause a development fee increase of greater than five per cent when a new or modified development fee is assessed pursuant to this section. The municipality shall provide notice of any such amendment at least thirty days before adoption, shall post the amendment on its website or on the website of an association of cities and towns if the municipality does not have a website and shall provide notice to the advisory committee established pursuant to subsection G of this section that the amendment complies with this subsection.

E. For each necessary public service that is the subject of a development fee, the infrastructure improvements plan shall include:

1. A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.

2. An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.

3. A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.

4. A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.

5. The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.

6. The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.

7. A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.

F. A municipality's development fee ordinance shall provide that a new development fee or an increased portion of a modified development fee shall not be assessed against a development for twenty-four months after the date that the municipality issues the final approval for a commercial, industrial or multifamily development or the date that the first building permit is issued for a residential development pursuant to an approved site plan or subdivision plat, provided that no subsequent changes are made to the approved site plan or subdivision plat that would increase the number of service units. If the number of service units increases, the new or increased portion of a modified

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development fee shall be limited to the amount attributable to the additional service units. The twenty-four month period shall not be extended by a renewal or amendment of the site plan or the final subdivision plat that was the subject of the final approval. The municipality shall issue, on request, a written statement of the development fee schedule applicable to the development. If, after the date of the municipality's final approval of a development, the municipality reduces the development fee assessed on development, the reduced fee shall apply to the development.

G. A municipality shall do one of the following:

1. Before the adoption of proposed or updated land use assumptions, infrastructure improvements plan and development fees as prescribed in subsection D of this section, the municipality shall appoint an infrastructure improvements advisory committee, subject to the following requirements:

(a) The advisory committee shall be composed of at least five members who are appointed by the governing body of the municipality. At least fifty per cent of the members of the advisory committee must be representatives of the real estate, development or building industries, of which at least one member of the committee must be from the home building industry. Members shall not be employees or officials of the municipality.

(b) The advisory committee shall serve in an advisory capacity and shall:

(i) Advise the municipality in adopting land use assumptions and in determining whether the assumptions are in conformance with the general plan of the municipality.

(ii) Review the infrastructure improvements plan and file written comments.

(iii) Monitor and evaluate implementation of the infrastructure improvements plan.

(iv) Every year file reports with respect to the progress of the infrastructure improvements plan and the collection and expenditures of development fees and report to the municipality any perceived inequities in implementing the plan or imposing the development fee.

(v) Advise the municipality of the need to update or revise the land use assumptions, infrastructure improvements plan and development fee.

(c) The municipality shall make available to the advisory committee any professional reports with respect to developing and implementing the infrastructure improvements plan.

(d) The municipality shall adopt procedural rules for the advisory committee to follow in carrying out the committee's duties.

2. In lieu of creating an advisory committee pursuant to paragraph 1 of this subsection, provide for a biennial certified audit of the municipality's land use assumptions, infrastructure improvements plan and development fees. An audit pursuant to this paragraph shall be conducted by one or more qualified professionals who are not employees or officials of the municipality and who did not prepare the infrastructure improvements plan. The audit shall review the progress of the infrastructure improvements plan, including the collection and expenditures of development fees for each project in the plan, and evaluate any inequities in implementing the plan or imposing the development fee. The municipality shall post the findings of the audit on the municipality's website or the website of an association of cities and towns if the municipality does not have a website and shall conduct a public hearing on the audit within sixty days of the release of the audit to the public.

H. On written request, an owner of real property for which a development fee has been paid after July 31, 2014 is entitled to a refund of a development fee or any part of a development fee if:

1. Pursuant to subsection B, paragraph 6 of this section, existing facilities are available and service is not provided.

2. The municipality has, after collecting the fee to construct a facility when service is not available, failed to complete construction within the time period identified in the infrastructure improvements plan, but in no event later than the time period specified in paragraph 3 of this subsection.

3. For a development fee other than a development fee for water or wastewater facilities, any part of the development fee is not spent as authorized by this section within ten years after the fee has been paid or, for a development fee for water or wastewater facilities, any part of the development fee is not spent as authorized by this section within fifteen years after the fee has been paid.

## Impact Fee Annual Report

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I. If the development fee was collected for the construction of all or a portion of a specific item of infrastructure, and on completion of the infrastructure the municipality determines that the actual cost of construction was less than the forecasted cost of construction on which the development fee was based and the difference between the actual and estimated cost is greater than ten per cent, the current owner may receive a refund of the portion of the development fee equal to the difference between the development fee paid and the development fee that would have been due if the development fee had been calculated at the actual construction cost.

J. A refund shall include any interest earned by the municipality from the date of collection to the date of refund on the amount of the refunded fee. All refunds shall be made to the record owner of the property at the time the refund is paid. If the development fee is paid by a governmental entity, the refund shall be paid to the governmental entity.

K. A development fee that was adopted before January 1, 2012 may continue to be assessed only to the extent that it will be used to provide a necessary public service for which development fees can be assessed pursuant to this section and shall be replaced by a development fee imposed under this section on or before August 1, 2014. Any municipality having a development fee that has not been replaced under this section on or before August 1, 2014 shall not collect development fees until the development fee has been replaced with a fee that complies with this section. Any development fee monies collected before January 1, 2012 remaining in a development fee account:

1. Shall be used towards the same category of necessary public services as authorized by this section.

2. If development fees were collected for a purpose not authorized by this section, shall be used for the purpose for which they were collected on or before January 1, 2020, and after which, if not spent, shall be distributed equally among the categories of necessary public services authorized by this section.

L. A moratorium shall not be placed on development for the sole purpose of awaiting completion of all or any part of the process necessary to develop, adopt or update development fees.

M. In any judicial action interpreting this section, all powers conferred on municipal governments in this section shall be narrowly construed to ensure that development fees are not used to impose on new residents a burden all taxpayers of a municipality should bear equally.

N. Each municipality that assesses development fees shall submit an annual report accounting for the collection and use of the fees for each service area. 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, including the amount needed to repay the debt service obligations on each facility for which development fees have been identified as the source of funding and the time frames in which the debt service will be repaid.

(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, the total amount advanced by the municipality for each facility, the source of the monies advanced and the terms under which the monies will be repaid to the municipality.

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.

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O. Within ninety days following the end of each fiscal year, each municipality shall submit a copy of the annual report to the city clerk and post the report on the municipality's website or the website of an association of cities and towns if the municipality does not have a website. Copies shall be made available to the public on request. The annual report may contain financial information that has not been audited.

P. A municipality that fails to file the report and post the report on the municipality's website or the website of an association of cities and towns if the municipality does not have a website as required by this section shall not collect development fees until the report is filed and posted.

Q. Any action to collect a development fee shall be commenced within two years after the obligation to pay the fee accrues.

R. A municipality may continue to assess a development fee adopted before January 1, 2012 for any facility that was financed before June 1, 2011 if:

1. Development fees were pledged to repay debt service obligations related to the construction of the facility.

2. After August 1, 2014, any development fees collected under this subsection are used solely for the payment of principal and interest on the portion of the bonds, notes or other debt service obligations issued before June 1, 2011 to finance construction of the facility.

S. Through August 1, 2014, a development fee adopted before January 1, 2012 may be used to finance construction of a facility and may be pledged to repay debt service obligations if:

1. The facility that is being financed is a facility that is described under subsection T, paragraph 7, subdivisions (a) through (g) of this section.

2. The facility was included in an infrastructure improvements plan adopted before June 1, 2011.

3. The development fees are used for the payment of principal and interest on the portion of the bonds, notes or other debt service obligations issued to finance construction of the necessary public services or facility expansions identified in the infrastructure improvement plan.

T. For the purposes of this section:

1. "Dedication" means the actual conveyance date or the date an improvement, facility or real or personal property is placed into service, whichever occurs first.

2. "Development" means:

(a) The subdivision of land.

(b) The construction, reconstruction, conversion, structural alteration, relocation or enlargement of any structure that adds or increases the number of service units.

(c) Any use or extension of the use of land that increases the number of service units.

3. "Facility expansion" means the expansion of the capacity of an existing facility that serves the same function as an otherwise new necessary public service in order that the existing facility may serve new development. Facility expansion does not include the repair, maintenance, modernization or expansion of an existing facility to better serve existing development.

4. "Final approval" means:

(a) For a nonresidential or multifamily development, the approval of a site plan or, if no site plan is submitted for the development, the approval of a final subdivision plat.

(b) For a single family residential development, the approval of a final subdivision plat.

5. "Infrastructure improvements plan" means a written plan that identifies each necessary public service or facility expansion 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.

6. "Land use assumptions" means projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the general plan of the municipality.

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7. "Necessary public service" means any of the following facilities that have a life expectancy of three or more years and that are owned and operated by or on behalf of the municipality:

(a) Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities.

(b) Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities.

(c) Storm water, drainage and flood control facilities, including any appurtenances for those facilities.

(d) Library facilities of up to ten thousand square feet that provide a direct benefit to development, not including equipment, vehicles or appurtenances.

(e) Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.

(f) Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.

(g) Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.

(h) Any facility that was financed and that meets all of the requirements prescribed in subsection R of this section.

8. "Qualified professional" means a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person's license, education or experience.

9. "Service area" means any specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan.

10. "Service unit" means a standardized measure of consumption, use, generation or discharge attributable to an individual unit of development calculated pursuant to generally accepted engineering or planning standards for a particular category of necessary public services or facility expansions.