

City Council Meeting Notice & Agenda



Tuesday, December 03, 2013
City Council Chamber
8401 West Monroe Street
Peoria, AZ 85345

Special Study Session

5:00 P.M. Convene

Pledge of Allegiance
Roll Call

Study Session Agenda

Subject(s) for Discussion Only

1. Impact Fee Update

Adjournment

NOTE: Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 8401 W. Monroe Street, Room 150, Peoria, AZ 85345.

Accommodations for Individuals with Disabilities. *Alternative format materials, sign language interpretation and assistive listening devices are available upon 72 hours advance notice through the Office of the City Clerk, 8401 West Monroe Street, Peoria, Arizona 85345 – Phone: (623) 773-7340 or FAX (623) 773-7304. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request. The City has a TDD line where accommodations may be requested at: (623) 773-7221.*

PUBLIC NOTICE:

In addition to the City Council members noted above, one or more members of the City of Peoria Boards and Commissions may be present to observe the City Council meeting as noticed on this agenda.

City Council Meetings can be viewed live on Channel 11 (Cox Cable) and are available for viewing on demand at <http://www.peoriaaz.gov/content2.aspx?id=2151>.

Mayor
Bob Barrett

Acacia
District
Tony Rivero,
Vice Mayor

Ironwood
District
Bill Patena

Mesquite
District
Cathy Carlat

Palo Verde
District
Ron Aames

Pine
District
Carlo Leone

Willow
District
Jon Edwards

**CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION**

Agenda Item: 1

Date Prepared: November 21, 2013

Council Meeting Date: December 3, 2013

TO: Carl Swenson, City Manager

FROM: Katie Gregory, Deputy Finance and Budget Director

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Financing Development under New Impact Fee Requirements

Purpose:

The purpose of this study session is to provide Council with an overview of infrastructure requirements to serve new growth in the city, financial considerations and restrictions created by new legislation, and an update on the progress of the Development Impact Fee Studies. Staff will also provide an overview of policy recommendations related to the calculation and assessment of impact fees in Peoria. (see attached agenda)

Background/Summary:

Over the past 18 months, the City of Peoria has experienced a resurgence of new growth, particularly in the northern areas of the city. In those areas, infrastructure requirements are great, as are the costs to build that infrastructure. Substantial capital investments for roads, parks, water and wastewater and public safety facilities are necessary to serve new growth and maintain existing levels of service. In many cases, such as with water, wastewater and roads, infrastructure must be built ahead of planned growth. This requires the city, the developer or a combination of both to cover the upfront costs related to these projects.

There are several financing options that may be considered when determining how to fund infrastructure costs. These may include General Obligation and Revenue Bonds, Community Facilities Districts (CFD), Improvement Districts (ID), etc. Traditionally, development impact fees have been used as a major source to fund growth related infrastructure or reimburse developers for the cost of building eligible infrastructure. However, recent legislative changes have placed greater restrictions on several impact fee categories by redefining what is considered a “necessary public service”. Under the new requirements, a portion of the City’s planned infrastructure costs may no longer be included in the development fee calculation. Additionally, there are stricter requirements related to evaluating the burden new development places on infrastructure needs, as well as provisions that require refunds under certain conditions and grandfathering of fees for 24 months. As a result of these changes, city staff has been working to ensure the updated fees meet all legal and statutory requirements, are fair and equitable and can be easily implemented and administered.

Over the past couple of months, several stakeholder meetings have been held with our development groups including, major master plan developers, homebuilders and the Homebuilders

Association, Multi-family Housing Association, Valley Partnership and Arizona State Land Department. These meetings have been focused on reviewing and updating the growth projections as well as discussing proposed projects for inclusion in the Infrastructure Improvement Plan (IIP). Different, and at some time opposing, interests among the developer groups has allowed us to re-evaluate the projects, zones and methodologies to ensure we have considered other options. Some significant changes resulting from these meetings include adjusting the zone boundaries for streets and parks to more closely align with the location of projects and service area impacts and updating the growth assumptions for the next 10-15 years.

While it is unlikely the final report will meet all the project interests identified in the stakeholder meetings, it is important to note that the legislation allows for amending the Infrastructure projects if development patterns change. Additionally, the proposed fee methodologies provide the greatest flexibility for making amendments as needed. This is important to the city as there are still a number of unknowns related to the location and pace of growth as well future interpretations of the new legislation.

Fiscal Analysis:

Revenues generated from impact fees are an important source for funding the city's capital plan. Greater restrictions on impact fees may require the city to consider other financing options to fund the necessary public infrastructure needed to support residential and commercial growth in the city.

Previous Actions:

October 16 – November 20, 2013 – Six developer stakeholder meetings were held to discuss growth projections and related infrastructure projects.

October 15, 2013 – City Council was provided an early overview of the draft impact fee reports and project schedule.

October 10, 2013 - Draft reports were made available on the City's Impact Fee webpage.

February 26, 2013 – Developer Stakeholder Meeting #1 was held to review service areas and planned methodologies.

On October 23, 2012, Staff provided an update to Council on some of the early policy decisions regarding the impact fees. Since that time, staff has been working with our consultants to develop draft reports for stakeholder review.

On August 21, 2012, City Council approved two consultant contracts for the 2012 Impact Fee Update.

Contact Name and Number: Katie Gregory, (623) 773-7364

**City of Peoria Residential Absorption Estimates
Proposed Estimates
EXHIBIT 2**

Development Name	FY2014		FY2015		FY2016		FY2017		FY2018		FY2019		FY2020		FY2021		FY2022		FY2023		TOTALS	
	SF	MF	SF	MF	SF	MF																
Vistancia	365	0	350	0	400	200	400	0	450	200	450	0	350	200	350	0	350	200	300	0	3765	800
Trilogy West	0	0	50	0	175	0	175	0	250	0	250	0	116	0	0	0	0	0	0	0	1016	0
Alorivita (North)	0	0	100	0	100	0	150	0	200	0	250	0	285	0	200	0	200	0	150	0	1635	0
Alorivita (South)	0	0	0	0	50	0	200	0	225	0	225	0	250	0	250	0	250	0	250	0	1700	0
Tierra Del Rio	150	0	225	0	210	0	204	0	150	0	150	0	100	0	100	0	72	0	72	0	1433	0
Meadow	85	0	144	0	144	0	175	0	200	0	200	0	200	0	200	0	90	0	25	0	1463	0
Lake Pleasant Heights	0	0	0	0	50	0	100	0	100	0	200	0	300	0	350	0	350	0	350	0	1800	0
Rock Springs	75	0	100	0	115	0	150	0	92	0	0	0	0	0	0	0	0	0	0	0	532	0
Saddleback Heights	0	0	0	0	0	0	0	0	0	0	100	0	375	0	375	0	375	0	375	0	1600	0
All others (Citywide)	335	224	334	0	322	0	285	0	275	0	225	0	200	0	215	0	225	0	300	0	2716	0

TOTAL	FY2014		FY2015		FY2016		FY2017		FY2018		FY2019		FY2020		FY2021		FY2022		FY2023		TOTALS	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
	1,010	-	1,303	-	1,566	200	1,839	-	1,942	200	2,050	-	2,176	200	2,040	-	1,912	200	1,822	-	17,660	800

2020 Population

2.66 PPH (1.97 MF)
32,799 New Pop
162,030 Current Pop.
194,829 Estimated Pop.

2023 Population

2.66 PPH (1.97 MF)
48,552 New Pop
162,030 Current Pop.
210,582 Estimated Pop.

Annual counts are based on A fiscal year starting July 1 (ie. FY2014 started July 1, 2013)

Impact Fee Update

December 3, 2013

AGENDA

- Desired Outcomes (Carl)
- The New Impact Fee Legislation (Steve K.)
- Financing Growth Related Projects (Brent)
- Progress in Implementing New Fees (Katie)
- Growth Projections (Chris & Katie)
- Individual Impact Fee Categories (Katie w/ intro map by each director)
- Implementation Timeline (Katie)