

**ORDINANCE NO. 695**

**AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADOPTING A LONG TERM PLAN FOR WATER AND GROWTH AND PROVIDING FOR ITS IMPLEMENTATION.**

**WHEREAS**, the Town of Payson desires to allow for the orderly build out of vacant lands within the Town; and

**WHEREAS**, in addition to its residents, hundreds of thousands of visitors travel to the Town of Payson each year expecting to utilize the Town's water resources; and

**WHEREAS**, the Town is committed to managing its available resources in the most optimum manner; and

**WHEREAS**, in the past, the Town commissioned multiple studies and has used such studies to protect and manage its available water resources; and

**WHEREAS**, additional studies are being commissioned to further evaluate Payson's water supply and the number of persons who can be served by such supply; and

**WHEREAS**, in order to provide for strategic and orderly growth, the Town is in the process of amending the Town's subdivision ordinance, rezoning ordinance, Section 50.03 of the Town Code, and the Town's General Plan, some of which are outdated and/or unworkable; and

**WHEREAS**, the Town desires to foster an open dialogue with and among its citizens relative to water resource management and growth; and

**WHEREAS**, on September 1, 2006, in the *Payson Roundup*, the Town published a notice of a public hearing to be held on the Long Term Plan for Water and Growth (the "Plan") for October 5, 2006 at 5:30 p.m. in the Town Council Chambers; and

**WHEREAS**, on October 5, 2006, such a public hearing was held,

**NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY ORDAIN AS FOLLOWS:**

Section 1. The Mayor and Common Council make the following findings:

- a. The Town of Payson relies solely upon groundwater for its municipal water supply to serve its residents and visitors.

- b. The citizens of Payson have become increasingly concerned about the availability of groundwater for current and future residents of and visitors to the Town. Citizens are concerned about the long term supply of the Town's wells that are within its corporate boundaries as well as the use and long term supply of the Town's Tower Well located outside the Town's corporate boundaries.
- c. A safe yield study for the area surrounding the Tower Well has been commissioned and should be completed in early 2007; a study determining the long term water supply of the wells within the corporate boundaries of the Town was completed in 1998 and an update to such study has been commissioned and will likely be completed by late 2007.
- d. If the commissioned studies show that the Town does not have a sufficient water supply, it will require additional financial resources to procure additional water supplies.
- e. Prior to the completion of the aforesaid studies and the receipt of the information they can provide, the Town cannot assure current or future residents or visitors of a continuously available sufficient water supply.
- f. It would be inappropriate and even reckless for the Town of Payson to continue its current development policies in the absence of the firm assurance of a continuously available sufficient water supply.
- g. The Town's residents have the right to expect a sufficient water supply now and into the future for the existing and future population of the Town.
- h. A sufficient water supply includes sufficient water to maintain an optimum and desirable quality of life.
- i. The Town is currently in the process of implementing substantial amendments to its subdivision ordinance, its rezoning process ordinance, Section 50.03 of the Town Code (water supply and storage requirements), and its General Plan to assure that essential public facilities remain available for the Town's current residents and for all new land development within the Town. Those amendments are scheduled for implementation by June 30, 2007.
- j. The Town's current storm water drainage system is deficient. The Town desires to take steps to assure that new land development within the Town does not exacerbate the current deficiency.
- k. The Town's Community Development Department is preparing an orderly growth to build out plan to assure that all new development has the necessary essential public facilities to ensure a reasonable quality of life for all of the Town's current and future residents.
- l. In order to accommodate the economic development needs of the Town, those projects contained in the dynamic reference list adopted by the Town Council on September 7, 2006, as may be amended (the "Dynamic Reference List") are necessary.
- m. In order to accommodate the housing needs of the Town, up to 250 new residential building unit permits per twelve month period are necessary.
- n. Payson does not have sufficient workforce housing options for its residents.

- o. Multifamily residential units are generally smaller than single family residential units, have less outdoor water use, and overall use substantially less water per unit than single family residential units.

Section 2. The Town of Payson shall not accept any applications for rezonings relating to projects not contained in the Dynamic Reference List until the expiration of this Ordinance Number 695.

Section 3. In any calendar year, the Town shall not issue more than two hundred fifty (250) permits for New Residential Building Units.

- a. All Workforce Housing projects shall be exempt from the provisions of this Section.
- b. Each New MultiFamily Building Unit shall be equal to ½ of a New Residential Building Unit for the purposes of this Section.
- c. Any person seeking a permit for a New Residential Building Unit who pays an additional new water resource contribution in the amount of two thousand five hundred dollars (\$2,500.00) per water closet in the New Residential Building Unit shall be exempt from this Section. Such fee shall be paid into the Water Enterprise Fund.
- d. The Community Development Department shall develop a system to allocate New Residential Building Unit permits pursuant to this Section. Such system shall allocate New Residential Building Unit permits first for ~~of~~ projects subject to a development agreement which has been entered into prior to the effective date of this Ordinance first.
- e. For the purposes of this Ordinance:
  - 1) New Residential Building Unit means any newly constructed residential building designed for occupancy by one family unit; and shall not include (i) commercial buildings or (ii) any remodel, reconstruction, or replacement of any existing site built, mobile, or manufactured residential building.
  - 2) New MultiFamily Building Unit means any newly constructed town homes, apartments, condominiums, duplexes or any other residential building containing dwelling units for two or more individual family units.
  - 3) Workforce Housing means either (i) a dwelling unit for sale or rent where the potential occupants must be income-qualified in accordance with U.S. Department of Housing and Urban Development or U.S. Department of Agriculture Rural Development low-to-moderate income requirements (including, but not limited to, USDA self help program, Low Income Housing Tax Credit developments, and other projects and programs serving low-to-moderate income senior, disabled, and family housing units) or (ii) a dwelling unit for sale or rent in which a non-profit housing corporation,

community land trust, or the Town of Payson owns or controls an equity interest in the unit or land for the purposes of providing long term affordable or workforce housing for Payson residents.

Section 4. If less than two hundred fifty (250) permits for New Residential Building Units are issued pursuant to Section 3 during a calendar year and the provisions of this Ordinance are extended, the difference between two hundred fifty (250) and the number of New Residential Building Unit permits issued pursuant to Section 3 shall be added to the allowable number of New Residential Building Unit permits for the next calendar year.

Section 5. The provisions of this Ordinance Number 695 shall become effective ~~January~~ ~~February~~ 1, 2007, and shall expire on ~~December~~ ~~January~~ 31, ~~2007~~ 2008, unless renewed by the Mayor and Common Council. Upon completion of the studies referred to in Section 1.c above, the Mayor and Common Council shall endeavor to review the results of the same to determine the propriety of continuing the provisions in this Ordinance in effect or of taking any other actions which may then be appropriate or prudent.

Section 6. Any individual land owner may apply for a waiver of the provisions of Section 2 or 3 by showing that the property owner (1) has rights pursuant to a development agreement entered into pursuant to A.R.S. § 9-500.05; (2) has a protected development right granted according to Chapter 11 of Title 9 of the Arizona Revised Statutes; (3) has a legally vested right as defined in A.R.S. § 9-463.06(I)(6); or (4) provides the public facilities that are the subject of this Ordinance.

Section 7. That the Town of Payson be and is hereby authorized to take and perform such other and further actions as are necessary or appropriate to carrying out the terms of this Ordinance Number 695.

Section 8. If any section, subsection, sentence, clause, phrase or portion of this Ordinance Number 695 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 of this Ordinance Number 695. The Mayor and Common Council of the Town of Payson declares that it would have adopted this Ordinance Number 695 and each section, subsection, sentence, clause, phrase, or portion thereof despite the fact that any one or more sections, subsections, sentences, clauses, phrases or portions would be declared invalid or unconstitutional.

Section 9. All ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 10. The Mayor and Common Council finds and declares that the provisions in this Ordinance Number 695 and the time and manner of its adoption are in conformity and compliance with the provisions of A.R.S. § 9-463.06.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF  
PAYSON this \_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote:

AYES \_\_\_\_ NOES \_\_\_\_ ABSTENTIONS \_\_\_\_ ABSENT \_\_\_\_

\_\_\_\_\_  
F. Robert Edwards, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Silvia Smith, Town Clerk

\_\_\_\_\_  
Samuel I. Streichman, Town Attorney

# MEMORANDUM

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**To:** Buzz Walker, via EMAIL BWalker@ci.payson.az.us  
Jerry Owen, via EMAIL jowen@ci.payson.az.us

**Copy:** Fred Carpenter, via EMAIL fcarpenter@ci.payson.az.us  
To Whom it May Concern, via Town Manager

**From:** Andy Romance

**Subject:** Water and Growth Management Plan

**Date:** October 30, 2006

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*BUZZ & JERRY. Thank you for discussing water and growth management issues with me, as it pertains to infrastructure our citizens need today and in years to come. The following summarizes some questions and comments we discussed on October 16, 2006. Being that this water & growth management issue is a duly agendized item of August 3, 2006, October 5, 2006 and November 2, 2006 Council meetings, you might share the below considerations with the public, Council, and committees, as may be appropriate.*

- ✓ *We are experiencing diversity of opinions on the magnitude and methodology needed to manage both population growth and water resources in Payson; specifically the potential Ordinance 695 restricting building permits to 250 per year. Due to the differing opinions, I believe it is essential that final decisions have the benefit of supporting analysis by Town personnel as to impact on Payson's infrastructure development, economic development, and social well-being. Reviewing the direction given in Council's August decision on Water & Growth reveals that a "plan" is to be created. I have to-date not been presented much of a plan to review, only a proposed ordinance. Although the ordinance as drafted is a fine legal instrument, I believe it is far from a plan. It contains little supporting analyses of impact, implementation, nor alternatives. I believe it is reasonable to expect your forthcoming plan to include a report/presentation that not only contains your expert insight, but also addresses ideas brought before you by our citizens thus far. The following thoughts may also be considered as topics to address in your proposed plan:*
- ✓ *A difficulty in supporting management of population growth due to limited water resources, is that there has not been historic chronic shortfall in either our water supply nor distribution system.*
- ✓ *Payson has participated in groundwater studies since the mid 1980's. The most recent published recharge estimates indicate we have adequate groundwater resources to support a population of about 24,000. We are now funding a study to update our database and safe yield estimates from our established wells. We are concurrently funding a study on our well in Star Valley to determine it's safe yield that will not result in negative impact to that community's existing wells. Although we are involved in two new studies, upon completion, they may not result in recommending different safe yield from Payson wells, nor a different corresponding population, than existing studies suggest. It is possible though that new study results may support restricting annual growth rate even further than what the 250 building permit cap would do.*
- ✓ *A difficulty in slowing growth when not matched to available water resources, is that our historic approximately 3% annual population growth rate is not explosive. A limited remaining land mass and responsive free enterprise market currently contributes to influencing our growth. If growth management is desired regardless of available water resources, then that might better be pursued without confusing that unique goal with water business.*

- ✓ Payson's water supply can be significantly increased with the surface water from Blue Ridge Reservoir (C.C. Craggin Reservoir). Summarizing the significance of that new supply, Payson's current water usage is 1,700 Acre-Feet per year, and Payson's allotment from Blue Ridge is 3,000 Acre-Feet per year.
- ✓ Instead of either limiting growth by postulating lack of infrastructure, or by establishing an arbitrary building permit cap, a new Surface Water Development Fee might be established. Creating a framework to have new development fund new surface water resource development can result in both water management and growth management, as well as contribute to getting a significant project built.

One scenario is as follows:

Payson Build-out Population Projection:	26,000
Current Payson Population:	14,850
Potential New Residents:	11,150
11,150 residents / 2.5 residents per dwelling =	4,460 new dwellings

Blue Ridge Project Cost:	\$23,000,000
\$23,000,000 / 4,460 =	\$5,157 New Development Fee per New Dwelling.

Managing growth with a new Surface Water Development Fee, is not a comfortable proposal for everyone, but it may be a positive option.

- ✓ The revenue stream to fund a Blue Ridge water project would not necessarily have to stop there with new development. If existing residents desire an increased quality of life, then they might be allowed as individual citizens to pay for it; a therapy spa for example might be allowed to be filled for a special fee. Not all will choose to participate, but the freedom to have tangible choices can help make our community better.
- ✓ Historically, great settlements have had great water supplies. Security and Quality of Life can be enhanced for each Payson resident, as we actively pursue new water supplies with creativity, character, and commitment.

The above is certainly not an exhaustive list of considerations, so I look forward to reviewing your assessment and considering your recommendations. I know this level of comprehensive reporting is not easy, so contact me if I can be of any assistance along the way. Please know that I am less concerned with conclusions of your evaluation than I am with completeness of the evaluation itself. Thanks in advance for your earnest work.

