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MEMORANDUM

Date: May 1, 2014

To: Mayor and Town Council

From: Tim Wright, Town Attorney *M*

Re: Replacement Development Impact Fees - Ordinances 847/848, Resolution 2774, and Repeal of Admin Policies 604, 605, 608, and 609

The Public Hearings at the May 1st and May 15th Regular Meetings and Council Action at the May 15th Regular Meeting will bring the extended process of adopting Replacement Development Impact Fees (as required by SB1525) to finality. On May 1st, the Council will not be asked to take any action, merely to have a first hearing of Ordinances 847 and 848. On May 15th, the Council will be asked to take action on Ordinances 847 and 848 and Resolutions 2774. Following Council Action, Staff will repeal Admin Policies 604, 605, 608, and 609.

Below is a brief summary of the contents and effect of each of these Ordinances, Resolutions, and Admin Policies.

Resolution 2774 and Ordinance 847 adopt a new Chapter 155 (Development Impact Fees) in the Town Code. This new Chapter is based upon the League of Cities and Towns' Model Development Impact Fee Ordinance and provides structure for any Development Impact Fees the Town desires to adopt. 2774/847 *do not* adopt specific replacement Development Impact Fees. That is done by Ordinance 848 (see below). The provisions of this new Chapter 155 will take effect on August 1, 2014 in order to comply with the time frames established by SB1525.

Ordinance 848 adopts the actual replacement Development Impact Fees. The actual Development Impact Fee amounts are set forth in the Appendices of Chapter 155. Each Appendix addresses a specific Development Impact Fee. The Exhibits to Ordinance 848 are lettered to correspond with the Appendices of Chapter 155 (if adopted) and are as follows: A - Water, B - Fire, C - Police, D - Streets, and E - Parks and Recreation.

The Council may adopt 848 with one, some, or all of the replacement Development Impact Fees (Exhibits/Appendices). The Motion adopting 848 should clarify this and may be one of the following:

I move to adopt Ordinance 848. (adopts all 5 replacement Development Impact Fees)

Or

I move to adopt Ordinance 848 with only Exhibit A. (adopts only the replacement Water Development Impact Fee)

Or

I move to adopt Ordinance 848 with Exhibits ____, ____, etc. (adopting only those replacement Development Impact Fees desired)

Admin Policies 604, 605, 608, and 609 will be repealed following the effective date of Chapter 155. These four administrative policies address issues related to Water Development Impact Fees. The substance of each is covered in either the text of Chapter 155 or its Appendices. Below is a short summary of each of these Admin Policies and why it will no longer be needed.

Admin Policy 604 assists with Equivalent Residential Unit calculations for Water Development Impact Fees. Admin Policy 605 establishes procedures for water service to Accessory Dwelling Units and Water Development Fees for such units. Appendix A-2 of Chapter 155, as adopted by Ordinance 847, sets forth residential unit calculations for Water Development Impact Fees, thereby making both Admin Policies 604 and 605 obsolete; and

Admin Policy 608 allows for deferred and/or time payment of certain Water Development Impact Fees. Section 155.11(E) of Chapter 155, as adopted by Ordinance 847, specifically addresses deferred/time payment of Development Impact Fees making Admin Policy 604 obsolete.

Admin Policy 609 clarifies Water Development Fee applicability for vacant or previously developed properties. Section 155.11(B)(2) of Chapter 155, as adopted by Ordinance 847, specifically address the applicability of Development Impact Fess to vacant/previously developed properties making Admin Policy 605 obsolete.