

# Workshop Session on Development Fees

Glendale, Arizona  
03/05/2013



# What are Development Impact Fees

- Method for growth to pay for proportional share of infrastructure necessary to serve it
- Fees should be based on cost of service and a “substantial nexus” of the necessary public services and the development being served
- Ensure fees are not used to impose on new development a burden all taxpayers should bear equally

# Changes in State law related to permissible categories

- Sanitation, landfill, and general government categories were eliminated
- Limits on public services, like:
  - No more than 3,000 sq. feet of a community center or 10,000 sq. feet of a library can be funded through DIF
  - Emphasis on basic neighborhood parks
  - Regional amenities not qualifying as DIF eligible as not being a necessary public service

# Process changes related to adoption of impact fees

- Three written products
  - Land Use Assumptions (at least 10 years and approved by elected officials)
  - Infrastructure Improvements Plan (IIP)
  - Development Fees
- Based on same Level-Of-Service (LOS) provided to existing development
- IIP limited to 10 years (no build-out analysis)
- Mandatory update at least every 5 years & annual report of collections and expenditures

# Solicitation of Community Opinion

- Infrastructure Improvement Advisory Committee
  - At least 5 members appointed by governing body, with at least 50% of members representing real estate, development, or building industries
  - Mandatory representative of home building industry
  - No employees or officials of the municipality
- Alternative is biennial certified audit of the land use assumptions, infrastructure improvement plan, and development fees

# When do we have to finish and how do we proceed?

- August 1, 2014 deadline
- Approximately 6-8 months for adoption process
  - Approve land use assumptions and IIP, then development fees
- Draft work products in Fall 2013 for Council Review