

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: August 8, 2013**

SUBJECT: Amendment Town Code Provisions Re Adoption of Development Impact Fees

SUBMITTING DEPARTMENT: Town Manager's Office

PREPARED BY: Ryan Judy, Deputy Town Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: a) Ordinance No. 775

SUMMARY/BACKGROUND: Development Impact Fees (DIFs) are one-time charges applied to new development in order to alleviate its "impact" on current public improvements and services. The intent is to ensure that "growth pays for growth" and that existing residents are not unduly burdened to pay for new improvements and services needed to accommodate growth. DIFs have been assessed by the Town of Prescott Valley since adoption of a recreation fee by Resolution No. 624 on April 27, 1995. DIFs were most recently revised by Resolution No. 1776 on December 8, 2011 to comply with a new state statute.

Ordinance No. 764 was adopted on January 12, 2012 to ensure that the Town was in compliance with the new process needed to adopt and implement impact fees. The Town utilized a model ordinance developed by the Arizona League of Cities and Towns. At the time the Town adopted the model ordinance, it allowed for two options regarding oversight of development impact fees: 1) a biennial audit, or 2) an advisory committee. The Town opted at the time to utilize the advisory committee option.

Now that the Town has hired a consultant to guide us through the adoption of revised development impact fees, they are recommending that the Town utilize the biennial audit option to help streamline and simplify the process. No other changes are proposed in the ordinance.

OPTIONS ANALYSIS: The Council may approve Ordinance No. 775 revising Town Code provisions related to adoption of DIFs, or decline to adopt said Ordinance at this time.

ACTION OPTION: Motion to read Ordinance No. 775 by title only on two separate occasions, and then place the same on final passage, **OR** Motion not to read Ordinance No. 775. **VOTE.**

[If the motion is in favor of reading Ordinance No. 775 then the Mayor instructs the Town Clerk to read the Ordinance by title only for the first reading]

RECOMMENDATION: Staff recommends approving the first reading of Ordinance No. 775.

FISCAL ANALYSIS: DIFs have played an important role in the Town's fiscal picture since 1995. It is expected that as Arizona's economy continues to improve, Prescott Valley (like other Arizona cities and towns) will need to be prepared to have effective DIFs that recover costs for needed public improvements and services for the next round of growth, without stifling that growth. The cost of the biennial audits can be borne by the impact fee funds themselves, not causing a strain on the general fund.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____