

ORDINANCE

THIS IS A DRAFT COPY ONLY AND IS NOT AN OFFICIAL COPY OF THE FINAL, ADOPTED ORDINANCE

AN ORDINANCE RELATING TO DEVELOPMENT IMPACT FEES, AND WATER RESOURCE ACQUISITION FEES BY AMENDING PHOENIX CITY CODE, CHAPTER 29, SECTION 29-3, SECTION 29-4, SECTION 29-8, SECTION 29-9, SECTION 29-10, SECTION 29-11, SECTION 29-12, AND REPEALING AND REPLACING SECTION 29 APPENDIX A, AND AMENDING CHAPTER 30, SECTION 30-4.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX, as follows:

SECTION 1. Chapter 29, Section 29-3, Section 29-4, Section 29-8, Section 29-9, Section 29-10, Section 29-11, and Section 29-12 are amended, and Appendix A is repealed and replaced as follows:

Sec. 29-3. Definitions

The following terms when used in this chapter shall have the following meanings unless the context requires otherwise. Singular terms shall include their plural.

Administrative charge: A nonrefundable fee for the administration of the impact fee program charged at the time a building permit or service connection is obtained.

Appurtenance: Any fixed machinery or equipment, structure, or other fixture associated with a capital facility that is necessary for the operation, use, or maintenance of a capital facility.

Capital facility: An asset having a useful life of three or more years that is a component of one or more of the categories of necessary public services provided by the City. A capital facility may include any associated purchase of real property, architectural and engineering services leading to the design and construction of buildings and facilities, improvements to existing facilities, improvements to or expansions of existing facilities, and associated financing and professional services. Wherever used herein, *infrastructure* shall have the same meaning as *capital facilities*.

Charter school: A PUBLIC LAND USE THAT IS AN INSTITUTION OF LEARNING ~~school~~ authorized under Title 15, Chapter 1, Article 8, Arizona Revised Statutes. For the purpose of determining impact fee charges, a charter school qualifies for the school facilities exemption under Section 29-4(B).

City: The City of Phoenix, Arizona.

~~**Commercial/retail:** A land use category that includes general retail, retail centers, specialty retail, discount stores, car sales, supermarkets, convenience markets, service stations, banks and savings and loans, motion picture theaters, and other commercial uses not elsewhere classified in other land use categories in this chapter. Lodging shall be considered a commercial/retail land use except for the purpose of determining the major arterials impact fee as provided in Appendix A of this chapter, Schedule E.~~

Community residence home: For the purpose of this article, community residence home has the same meaning as community residence home as defined in Section 202 of the City of Phoenix Zoning Ordinance.

Credit: A reduction in an assessed impact fee resulting from developer contributions to, payments for, construction of, or dedications for capital facilities included in an infrastructure financing plan, or as otherwise permitted under Section 29-12.

Credit agreement: A written agreement between the City and the developer(s) of a subject development which determines the total value of credits to be issued to a subject development.

Credit allocation: A term used to describe when impact fee credits are distributed to a subject development after execution of a credit agreement, but not yet issued with a permit associated with the subject development.

Credit issuance: A term used to describe when the amount an impact fee assessed on a permit associated with a subject development is reduced by credits allocated to the same subject development.

DATA CENTER. A LAND USE DEDICATED TO HOUSING COMPUTER AND OTHER IT INFRASTRUCTURE WITH REDUCED IMPACTS FROM LOW EMPLOYMENT AND TRAFFIC IMPACTS WILL BE CONSIDERED INDUSTRIAL LAND USES FOR THE PURPOSE OF IMPACT FEE CALCULATIONS. FOR MAJOR ARTERIAL LAND USE CLASSIFICATION, DATA CENTERS WILL BE CONSIDERED WAREHOUSING.

Day care center: AN OTHER public/institutional land use that is a facility for the daily care of dependent populations including infants, preschool and young children as well as elderly persons, typically taking place during daylight hours, although they may also offer care at other hours of the day. Such facilities may include classrooms, offices, eating and sleeping areas, and playgrounds or outdoor recreation areas.

Developer: An individual, group of individuals, partnership, corporation, limited liability company, association, municipal corporation, State agency, or other person or entity undertaking land development activity, or their respective successors and assigns.

Development agreement: An agreement prepared in accordance with Section 9-500.05, Arizona Revised Statutes, which may include provisions regarding impact fee credits for

a development and/or reimbursement to a developer for providing capital facilities included in the infrastructure financing plan.

DEVELOPMENT FEE: SEE IMPACT FEE.

Development occupational fee (DOF): A fee charged by the City of Phoenix at the time water and/or wastewater service is requested, pursuant to the provisions of Phoenix City Code Chapters 19A, 19B, 19C, and 19D, as amended. A *development occupational fee* is not an *impact fee*.

Dwelling unit: A house, apartment, mobile home or trailer, group of rooms, or single room occupied as separate living quarters or, if vacant, intended for occupancy as separate living quarters.

EQUIVALENT DEMAND UNIT (EDU) (~~equivalent demand unit~~): A standardized measure of the demand that a particular land use type places on each category of necessary public service, in relation to the demand placed on the same necessary public service by a detached single-family dwelling unit. An EDU shall be a *service unit* for purposes of Section 9-463.05(T)(10), Arizona Revised Statutes.

EDU factor: A ratio determined by dividing an indicator of the use type demand by an indicator of the detached single-family dwelling unit demand. The EDU factor for a single-family dwelling unit is one.

Equipment: Machinery, computers, communication systems, tools, materials, and other supplies, but not including vehicles, that are needed by a capital facility to effectively provide the level of service specified by the infrastructure financing plan.

Financing or debt: Any debt, bond, note, loan, fund transfer or other obligation utilized to finance the construction or expansion of a capital facility identified in the infrastructure financing plan.

Fire protection: A necessary public service that includes fire stations, fire equipment, fire vehicles and all appurtenances for fire stations. Fire protection does not include vehicles and equipment used to provide administrative services, or helicopters or airplanes. Fire protection does not include any facility that is used for training firefighters from more than one station or substation.

FUNCTIONAL POPULATION: A CALCULATION REPRESENTING THE AMOUNT OF TIME EMPLOYEES AND VISITORS SPEND AT ANY NON-RESIDENTIAL LAND USE (EMPLOYEE HOURS/1,000 SQUARE FEET) DIVIDED BY VISITOR HOURS/1,000 SQUARE FEET DIVIDED BY 24 HOURS/DAY.

General Plan: The General Plan for the City of Phoenix, Arizona, as may be adopted or amended.

Gross impact fee: The total impact fee to be assessed against a subject development, prior to subtraction of any offsets. The gross impact fee is calculated by multiplying the gross impact fee per EDU (for each category of necessary public service) by the applicable number of EDUs within the subject development.

Gross impact fee per EDU: The total future capital costs listed in the infrastructure financing plan for a category of necessary public service divided by the total new EDUs projected in that area for that category of necessary public service over the same time period.

Hospital: AN OTHER public/institutional land use that is an institution for the diagnosis, care or treatment of two or more unrelated persons suffering from illness, injury, or deformity or for the rendering of obstetrical or other professional care, other than in an emergency, where overnight accommodations are provided. The term *hospital* shall not be construed to include the office of a physician or practitioner.

Impact fee: A fee charged pursuant to Section 9-463.05, Arizona Revised Statutes. Wherever used herein, *impact fee* shall have the same meaning as *development fee* as used in Section 9-463.05, Arizona Revised Statutes.

Impact fee area: An area specified in the approved IFP within which development will be served by capital facilities at a planned level of service and within which a substantial nexus (or direct benefit, as required by Section 9-463.05, Arizona Revised Statutes) exists between the capital facilities and the development being served as prescribed in the applicable infrastructure improvements plan. Some or all of the capital facilities providing service to an impact fee area may be physically located outside of that area.

Impact fee study: The written report developed pursuant to Section 29-8 that meets requirements as set forth in Section 9-463.05, Arizona Revised Statutes.

~~*Industrial/warehouse:* A land use category ENCOMPASSING USES SIMILAR TO THOSE EMBRACED BY THE INSTITUTE OF TRANSPORTATION ENGINEERS (ITS) LAND USE CODE (LUC) 110. which may include one or more of the following: manufacturing, fabrication, processing, assembly, storage and distribution of raw materials and goods, including agricultural products and may also include office and maintenance areas. Only office areas that are accessory to an industrial/warehouse use shall be considered industrial/warehouse for the purpose of assessing impact fees. Mini warehouse shall be considered an industrial/warehouse land use except for the purpose of determining the major arterials impact fee as provided in Appendix A of this chapter, Schedule E.~~

~~*Infrastructure financing plan (IFP):* A single, coordinating document developed pursuant to Section 29-8 consisting of the land use assumptions, infrastructure improvements~~

~~plans, and impact fee studies, plus other supporting documentation, required for each category of necessary public service for which an impact fee is charged.~~

Infrastructure Improvements Plan (IIP): A document or series of documents that meet the requirements set forth in Section 9-463.05, Arizona Revised Statutes, that are adopted pursuant to Section 29-8 to cover any category or combination of categories of necessary public services.

Land Use Assumptions (LUA): Projections of changes in land uses, densities, intensities and population for a service area over a period of at least ten years as specified in Section 29-8, upon which an infrastructure improvements plan is based.

Level of Service (LOS): A quantitative and/or qualitative measure of a category of necessary public service. LOS may be measured differently for each category of necessary public service, as identified in the applicable infrastructure improvements plan.

Libraries: A necessary public service which includes capital facilities within which literary, musical, artistic, or reference materials are kept (materials may be kept in any form of media such as electronic, magnetic, or paper) for noncommercial use by the public.

Lodging: A land use that includes facilities designed for occupancy by transients or as a residence for periods of less than one year, including hotels, motels, time-shares and resorts. A facility approved under a separate building permit that is associated with, or accessory to, a lodging facility, and intended for use by lodging facility occupants and nonoccupants such as a restaurant, bar, retail shop, day spa, entertainment place, and conference or convention center shall be considered a separate land use for the purposes of this chapter.

Major arterials: A necessary public service encompassing roadway improvements included in the approved infrastructure financing plan and associated with public street projects on major arterial streets, as defined on the City's adopted Street Classification Map. This necessary public service was formerly known as *roadway facilities*.

MANUFACTURING: A CATEGORY OF LAND USE ENCOMPASSING USES SIMILAR TO THOSE EMBRACED BY THE INSTITUTE OF TRANSPORTATION ENGINEERS (ITS) LAND USE CODE (LUC) 140.

Mini warehouse: A land use predominated by facilities in which a storage unit or vault is rented for the storage of nonperishable goods. Each storage unit is physically separated and access is restricted.

Necessary public service: *Necessary public service* shall have the meaning prescribed in Section 9-463.05(T)(5), Arizona Revised Statutes.

Net impact fee: The gross impact fee minus any applicable offsets.

Nursing home: AN OTHER public/institutional land use that is a health care institution which is licensed by the Arizona State Department of Health Services as a skilled nursing facility for two or more unrelated persons.

Office: A land use category that includes general office and medical-dental office buildings. A general office building houses multiple tenants; it is a location where affairs of businesses, commercial or industrial organizations, or professional persons or firms are conducted. A medical-dental office is a facility that provides diagnoses and outpatient care on a routine basis but is unable to provide prolonged in-house medical or surgical care. An office building may contain a mixture of tenants, and accessory tenant services such as a bank or savings and loan, a restaurant or cafeteria, and service retail facilities.

Offset: An amount which is subtracted from the overall costs of providing necessary public services to account for those capital components of existing infrastructure or associated debt that have been or will be paid for by a development through taxes, fees (except for impact fees), and other revenue sources, as determined by the City pursuant to Section 29-8.

OTHER: A CATEGORY OF LAND USE THAT INCLUDES COLLEGES, UNIVERSITIES, DORMITORIES, INSTITUTIONS, RELIGIOUS FACILITIES, HOSPITALS, DAY CARE FACILITIES, NURSING HOMES, CEMETERIES, LANDFILLS, SAND AND GRAVEL MINING, AUTOMOTIVE PROVING GROUNDS, SOLAR GENERATING STATIONS, AIRPORTS AND OTHER SIMILAR PUBLIC AND QUASI-PUBLIC USES WITH A HIGHER FUNCTIONAL POPULATION NOT ELSEWHERE CLASSIFIED IN OTHER LAND USE CATEGORIES IN THE FEE SCHEDULE.

Paradise Ridge impact fee area: Parcels of land located in the vicinity of State Route 101 and 64th Street. The boundaries of the Paradise Ridge impact fee area are delineated by the Rawhide Wash floodplain AS DEPICTED ON 2024 FEMA MAPS, EXCLUDING AMENDMENTS.

Parking structure: A multi-level structure built for the purpose of parking vehicles.

Parks: A necessary public service including but not limited to public parks, swimming pools and related capital facilities and equipment located on real property not larger than 30 acres in area, as well as public parks larger than 30 acres where facilities provide a direct benefit. Parks may contain, provide access to, or otherwise support an excluded park facility.

PLAN COST: THE ESTIMATED COST OF THE CONTRIBUTION AS PROVIDED IN THE APPROVED IFP

Police: A necessary public service, including vehicles and equipment, that is used by law enforcement agencies to preserve the public peace, prevent crime, detect and arrest criminal offenders, protect the rights of persons and property, regulate and control motorized and pedestrian traffic, and other duties as prescribed by law. Police facilities do not include vehicles and equipment used to provide administrative services, or helicopters or airplanes. Police facilities do not include any facility that is used for training officers from more than one station or substation.

Private school: A public/institutional land use that is an institution of learning offering education for children which charges students' tuition, including some or all of the grades from kindergarten through twelfth grade. The site may contain athletic, dining, assembly and recreation facilities. FOR THE PURPOSE OF DETERMINING IMPACT FEE CHARGES, A PRIVATE SCHOOL DOES NOT QUALIFY FOR THE SCHOOL FACILITIES EXEMPTION UNDER SECTION 29-4(B).

Public school: A public/institutional land use that is an institution of learning offering free education for all children, including some or all of the grades from kindergarten through twelfth grade. The site may contain athletic, dining, assembly and recreation facilities. FOR THE PURPOSE OF DETERMINING IMPACT FEE CHARGES, A PUBLIC SCHOOL QUALIFIES FOR THE SCHOOL FACILITIES EXEMPTION UNDER SECTION 29-4(B).

Public/institutional/OTHER: A category of land use that includes ~~PUBLIC AND private ELEMENTARY AND HIGH schools, colleges and universities, hospitals, nursing homes, religious facilities, day care centers GOVERNMENT USES, and other similar public and quasi-public uses WITH A LOWER FUNCTIONAL POPULATION when not elsewhere classified in other land use categories in the fee schedule.~~

Religious facility: AN OTHER public/institutional land use that is a facility for public worship services such as a church, synagogue, mosque, or temple which may include an assembly hall, sanctuary, meeting rooms, classrooms, and kitchen. Other uses located on the premises of a religious facility that operate independently shall not be considered part of the religious facility for the purpose of assessing impact fees.

Residential, multi-family (MF): A category of land use which typically has three or more dwelling units per lot. For the purpose of assessing impact fees, dwelling units which receive water service from a shared public water meter (excluding permitted single-family guesthouses) will be deemed multi-family.

Residential, single-family (SF): A category of land use which typically has one or two dwelling units per lot (not including guesthouses and other permitted accessory structures). For the purpose of assessing impact fees when more than two dwelling units per lot exist (such as for duplexes, triplexes, and developments subdivided by a

horizontal property regime), any dwelling unit having a separate public water meter will be deemed single-family.

RETAIL: A LAND USE CATEGORY THAT INCLUDES GENERAL RETAIL, RETAIL CENTERS, SPECIALTY RETAIL, DISCOUNT STORES, CAR SALES, SUPERMARKETS, CONVENIENCE MARKETS, SERVICE STATIONS, BANKS AND SAVINGS AND LOANS, MOTION PICTURE THEATERS, AND OTHER COMMERCIAL USES NOT ELSEWHERE CLASSIFIED IN OTHER LAND USE CATEGORIES IN THIS CHAPTER. LODGING SHALL BE CONSIDERED A COMMERCIAL/RETAIL LAND USE EXCEPT FOR THE PURPOSE OF DETERMINING THE MAJOR ARTERIALS IMPACT FEE AS PROVIDED IN APPENDIX [A](#) OF THIS CHAPTER, SCHEDULE E.

SERVICE UNIT: SEE EQUIVALENT DEMAND UNIT.

Shade structure: A structure whose primary purpose is to provide shade.

Storm drainage: A necessary public service including but not limited to regional drainage facilities (such as channels and retention/detention basins, plus related equipment) needed to provide sufficient storm water management for areas defined in the infrastructure improvements plan.

Subject development: A land area regulated by the same final site plan, final subdivision plat, planned community district master plans, planned unit development, specific plan, or similar as allowed by the Planning and Development Director.

Substantial nexus: A *substantial nexus* exists where the demand for or benefit derived from a necessary public service can be reasonably quantified in terms of the actual burden or benefit that such EDU will impose or receive on a given category of necessary public service.

WAREHOUSE. A CATEGORY OF LAND USE ENCOMPASSING USES SIMILAR TO THOSE EMBRACED BY THE INSTITUTE OF TRANSPORTATION ENGINEERS (ITS) LAND USE CODE (LUC) 150.

Wastewater: A necessary public service including but not limited to sanitary sewers, lift stations, reclamation plants, wastewater treatment plants, and related equipment and appurtenances.

Water: A necessary public service including but not limited to those facilities necessary to provide for water services to a development, including the supply, transportation, treatment, purification and distribution of water, and any equipment and appurtenances required for those facilities. This category does not include water resource projects as defined in Chapter [30](#).

Sec. 29-4. Applicability.

Except as otherwise provided herein, this chapter shall apply to all development within any impact fee area for the City of Phoenix, as defined in the adopted infrastructure financing plan, subject to the following:

A. *City facilities exemption.* This chapter shall not apply to the development of any City of Phoenix facility.

B. *School facilities exemption.* Per Sections 9-500.18 and 15-189.01, Arizona Revised Statutes, public schools, school districts, and charter schools are exempt from payment of impact fees. Private schools or schools other than public and charter schools are not exempted from payment of impact fees.

C. *Water and wastewater connections outside of City limits.* The City will assess water TRANSMISSION AND TREATMENT and wastewater COLLECTION AND TREATMENT impact fees, or a payment in lieu of those fees (equal amount), to developments located outside of the City limits that will be served using existing and future facilities in adjacent impact fee areas and are within the Phoenix Water Services Department service area. The Director of the Water Services Department will determine which THE impact fee area and associated impact fee schedule ~~will be used to determine the amount of the payment due at the time a connection is.~~

D. Other Applicabilities.

1. *Parking structure.* A parking structure that is accessory to other uses on the same site shall not incur additional impact fees, except those associated with any additional required water meters and/or sewer connections. A parking garage that is a primary use on a site shall be assessed impact fees as a commercial/retail use.

2. *Shade structure.* A shade structure that is provided as a site amenity and accessory to another use (such as a picnic ramada, patio trellis, or covered parking/loading) shall not be assessed impact fees. A shade structure used for anything other than a site amenity (such as materials storage, outdoor dining, or any commercial or business operation) shall be assessed applicable impact fees based upon the use.

3. *Multi-family amenity structures.* Structures built as part of a multi-family residential development for use as an on-site resident amenity (such as a meeting room, office, fitness center, pool ramada, or maintenance facility) and are not open for use by nonresidents shall not be assessed additional impact fees, except for those associated with additional water or sewer connections. Off-site amenities, or amenity structures open to nonresidents (such as a golf clubhouse, store, or commercial gym/spa) shall be assessed impact fees based upon the use.

4. *Wireless communications facility (WCF)*. A WCF shall only be assessed impact fees associated with water or sewer connections, and for any structure intended to be occupied on a regular basis.

5. *Existing single-family homes*. A single-family home built prior to October 21, 1987, is exempt from payment of water and wastewater impact fees. This provision does not apply to a single-family home located outside of the City limits at the time a water or wastewater connection is provided.

6. *Community residence home*. A community residence home will be deemed single-family for the purpose of assessing impact fees.

Sec. 29-8. Infrastructure financing plan. IMPACT FEE DOCUMENTS

Prior to assessment of a new or modified impact fee, the City shall prepare and adopt an infrastructure financing plan (IFP). The infrastructure financing plan will include the following: land use assumptions (LUA), an infrastructure improvements plan (IIP) for each necessary public service, and an impact fee study REPORT, SETTING FORTH THE PROPOSED IMPACT FEES IN ACCORDANCE WITH SECTION 9-463.05, ARIZONA REVISED STATUTES.

~~A. Preparation of infrastructure financing plan (IFP). The Planning and Development Department, and/or other qualified professional(s), shall prepare the infrastructure financing plan in conjunction with each City department responsible for a necessary public service, in accordance with the scheduling procedures outlined herein.~~

~~AB. Land Use Assumptions REPORT (LUA). The IFP shall include the land use assumptions for each impact fee area within which impact fees will be charged.~~

1. *Validity*. If the land use assumptions have not been updated within the last five years, the City shall evaluate the land use assumptions to determine whether changes are necessary. If, after general evaluation, the City determines that the land use assumptions are still valid, the City shall issue the report required in Section 29-10(B).

2. *Required modifications to land use assumptions*. If the City determines that changes to the land use assumptions are necessary in order to adopt or amend an infrastructure improvements plan, it shall make such changes as necessary to the land use assumptions in conjunction with the review and approval of the infrastructure improvements plan pursuant to Section 29-9.

~~BC. Infrastructure Improvements Plan (IIP). The City shall prepare an infrastructure improvements plan for each category of necessary public service for which an impact fee will be charged that evaluates the need for capital facilities for new development.~~

1. *Necessary public services.* The infrastructure improvements plan shall specify the categories of necessary public services for which the City intends to impose an impact fee, which may include any or all of the following:

a. Fire protection.

b. Police.

c. Parks.

d. Libraries.

e. Major arterials.

f. Storm drainage.

g. Water TREATMENT.

H. WATER TRANSMISSION.

I. WASTEWATER TREATMENT.

J. WASTEWATER COLLECTION.

2. *Impact fee areas.* The IIP shall define and provide a map of all impact fee areas within which a substantial nexus exists for the City to charge impact fees to provide a necessary public service.

3. *Direct benefit.* In cases where Section 9-463.05, Arizona Revised Statutes, requires a direct benefit from a proposed capital facility to the new development it will be serving, the direct benefit shall be evaluated and explained in the infrastructure improvements plan.

4. *Existing level of service.* For each necessary public service to be provided, the IIP shall evaluate and quantify the level of service provided to existing development in each impact fee area.

5. *Adopted level of service.* For each necessary public service to be provided, the IIP shall identify and/or propose a level of service to be provided in each impact fee area, based upon City-wide standards or policies.

6. *Existing capacity.* For each necessary public service to be provided, the IIP shall analyze and identify the capacity of existing capital facilities serving each impact fee area, specifically:

a. The level of utilization by existing development;

b. Any excess capacity available to serve new development;

- c. Any existing or planned commitments or agreement for the usage of excess, including reservations of capacity reserved through a development agreement;
- d. Any changes or upgrades to existing capital facilities that will be needed to maintain the adopted level of service, or to meet safety, efficiency, environmental, or other regulatory requirements for existing development;
- e. Those portions of existing capital facilities that will be necessary to serve any new development for which impact fees will not be assessed.

7. *Future development.* The IIP shall provide the existing number of equivalent demand units (EDUs), together with the projected number of new EDUs, for each impact fee area. The projected number of new EDUs shall be based upon the City's land use assumptions and projected new development for a period not to exceed ten years (15 years for wastewater and water).

8. *EDU factors.* For each necessary public service provided, the IIP shall provide a table of the EDU factors used for each type of development and/or land use.

9. *Future demand.* In addition to existing excess capacities already identified for each necessary public service provided, the IIP shall analyze and identify new capital facilities (including expansion of existing facilities) required to provide the adopted level of service to the future development projected for each impact fee area in subsection (B)(7) of this section. The future demand shall take into account, and adjust for, any new development for which impact fees will not be assessed. Nothing in this subsection shall prohibit the City from additionally including projected demand for a longer period than described in subsection (B)(7) of this section.

10. *Future costs for existing development.* If the IIP identifies any changes or upgrades to existing capital facilities that will be needed to maintain the adopted level of service, the associated costs shall be identified in the IIP. Additionally, the IIP shall identify any portion of the costs of new capital facilities which are attributable to existing development.

11. *Future costs for new development.* For each necessary public service provided, the IIP shall estimate the total costs to provide the capital facilities required to meet the demand generated by future development. The cost estimates may include: land acquisition, improvements, engineering and architectural services, studies leading to design, design, construction, and financing, as well as projected costs of inflation. The cost estimates may not include costs for administration or ongoing operation and maintenance of capital facilities, nor costs attributable to attaining or maintaining the existing level of service for existing development. Replacement capital facilities may only be included to the extent that additional capacity is provided to serve new development.

12. *Gross impact fee per EDU.* For each necessary public service provided, the IIP shall calculate a recommended gross impact fee per EDU for each impact fee area by dividing the total future costs by the number of new EDUs projected.

13. *Alternative revenues.* The IIP shall forecast revenues from taxes, fees, assessments, or other sources that will be available to fund any new or expanded capital facilities identified in the IIP, as follows:

a. State-shared revenues, Federal revenues, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based upon the approved land use assumptions shall be included in the estimations, if applicable.

b. The IIP shall additionally estimate the time required for financing, construction, and implementation of the new or expanded capital facilities, as appropriate.

c. Beginning August 1, 2014, if the City imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate that is imposed on the majority of other transaction privilege tax classifications in the City, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of capital facilities provided to new development unless the excess portion is already utilized for such purpose.

14. *Community facilities district.* In determining and assessing an impact fee applying to land in a community facilities district established under Title 48, Chapter 4, Article 6, Arizona Revised Statutes, the City shall take into account any capital facilities in the infrastructure improvements plan provided by the CFD and capital costs paid by the district for such capital facilities, and shall proportionally reduce the assessed impact fees within the CFD either through the provision of credit for eligible facilities identified in Section 29-12 or through the calculation and application of an offset in accordance with subsection (BG)(13) of this section.

15. *Offsets.* Based on the amounts determined in subsections (BG)(13) and (BG)(14) Of this section, the IIP shall calculate an offset per EDU for each impact fee area, and identify how they shall be applied.

16. *Net impact fee per EDU.* For each necessary public service provided, the IIP shall calculate a recommended net impact fee per EDU for each impact fee area by subtracting the offset per EDU from the recommended gross impact fee per EDU.

17. *Limitations.* The adopted gross impact fee per EDU for each necessary public service shall not exceed the amount calculated pursuant to subsection (BG)(12) of this section, though nothing in this section prohibits adoption of a lesser figure. If a lesser

figure is adopted as the gross impact fee per EDU for a particular necessary public service, the same percentage reduction must be equally applied to:

- a. Each and all impact fee areas;
- b. Each and all categories of development or land use for which impact fees are assessed; and
- c. Each offset per EDU.

CD. *Impact Fee REPORT study.* The impact fee REPORT study shall summarize the contents of the LAND USE ASSUMPTIONS, AND infrastructure improvements planS, SET FORTH THE PROPOSED IMPACT FEES TO BE ASSESSED, and provide the following information, at a minimum:

1. Maps of the proposed impact fee area(s) within which an impact fee is to be assessed.
2. The number of existing and projected EDUs for each impact fee area, based upon the land use assumptions.
3. Information regarding all necessary public services for which impact fees are to be assessed.
4. Schedules of the proposed impact fees for each necessary public service, for each impact fee area, on a per-EDU basis, including details of all offsets to be applied. However, the actual impact fees to be assessed shall be disclosed and adopted in the form of impact fee schedules described in Appendix [A](#) of this chapter.

~~E. *Multiple documents.* More than one infrastructure improvements plan and associated impact fee study may be included within the infrastructure financing plan, so long as no more than one of each is effective for each category of necessary public service at any one time. Similarly, multiple categories of necessary public services may be included in a single infrastructure improvements plan and its associated impact fee study.~~

Sec. 29-9. Adoption or amendment of IMPACT FEE DOCUMENTS the infrastructure financing plan.

~~A. *Adoption of IMPACT FEE DOCUMENTS infrastructure financing plan (IFP).* LAND USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENTS PLANS AND IMPACT FEE REPORTS~~ The infrastructure financing plan shall be adopted as follows:

- ~~1. *First public hearing—Draft IFP.* The City shall conduct a public hearing on the draft IFP, which consists of the land use assumptions (LUA) and the infrastructure improvements plans (IIP). Notice of this hearing shall be posted on the City's public~~

website, together with the draft IFP and any other documents used in preparation, a minimum of 60 days prior to the hearing.

2. *First required action—Draft IFP.* The City Council shall approve or disapprove the draft IFP LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS PLANS within 60 days, but no sooner than 30 days, after the first public hearing.

3. *Second public hearing—Final IFP.* The City shall conduct a public hearing on the final IFP, which consists of the land use assumptions (LUA), infrastructure improvements plans, and the impact fee REPORT AND THE PROPOSED IMPACT FEES IN THE SCHEDULES SET FORTH THEREIN study. Notice of this hearing shall be posted on the City's public website, together with the IMPACT FEE REPORT final IFP, a minimum of 30 days prior to the hearing.

4. *Second required action—Final IFP.* The City Council shall APPROVE AND adopt by resolution or disapprove the IMPACT FEE REPORT final IFP within 60 days, but no sooner than 30 days, after the second public hearing.

5. *Adoption of impact fee schedules.* Following adoption of the IMPACT FEE REPORT final IFP with the second required action, the City Council shall adopt the applicable revised impact fee schedules (to be incorporated in Appendix A of this chapter). Any revised impact fee schedule shall become effective no sooner than 75 days after adoption.

B. Amendment of IMPACT FEE DOCUMENTS the infrastructure financing plan.

1. *Minor amendment.* The City may update or amend AN INFRASTRUCTURE IMPROVEMENTS PLAN the infrastructure financing plan or the AND APPLICABLE impact fee schedules without a FIRST public hearing PURSUANT TO SUBSECTION (A)(1) if all of the following apply:

a. Any changes to the infrastructure improvements plan and/or the underlying land use assumptions will not add any new category of capital facilities to any impact fee area.

b. The changes in the infrastructure improvements plan and/or the underlying land use assumptions will not provide for a level of service higher than the adopted level of service for any impact fee area.

c. Based on an analysis of the impact fee REPORT study and the City's adopted impact fee schedules, the changes in the infrastructure improvements plan and/or the underlying land use assumptions would not, individually or cumulatively with other amendments undertaken pursuant to this subsection, cause an impact fee in any impact fee area to increase by more than five percent above the impact fee that is provided in the current impact fee schedule.

d. ~~Posting.~~ At least 30 days prior to the date that any amendment pursuant to this section is adopted, the City shall post the proposed amendment(s) to the infrastructure financing plan and/or impact fee schedules on the City's public website.

e. ~~Effective date.~~ Any changes to the impact fee schedules shall not be effective until 75 days after the approval of a minor amendment.

f. ~~Required update.~~ An update required by Section 29-10 shall not be considered a minor amendment.

2. *Major amendment.* Any proposed amendment to AN INFRASTRUCTURE IMPROVEMENTS PLAN ~~the infrastructure financing plan~~ and/or impact fee schedules which does not comply with the provisions of subsection (B)(1) of this section shall be considered a major amendment, and shall be processed in accordance with the provisions of subsection A of this section.

Sec. 29-10. Required update of IMPACT FEE DOCUMENTS ~~the infrastructure financing plan.~~

The City shall update the LAND USE ASSUMPTIONS, infrastructure improvements plan and impact fee study pursuant to Section 29-9 for each necessary public service ~~included in the infrastructure financing plan~~, within five years of most recent adoption and/or amendment for that necessary public service, subject to the following:

A. *Phased updates.* The City may opt to phase the update required by this section, and only update the portions of the infrastructure improvements plan and impact fee study related to the categories of necessary public service addressed in each particular phase, so long as the time between updates does not exceed five years for any individual category of necessary public service.

B. *Alternative.* If, upon review of the ~~infrastructure financing plan~~ at the time of the prescribed update, the City determines that no changes to an infrastructure improvements plan, underlying land use assumptions, or impact fee study are needed for some or all categories of necessary public service, the City shall publish the following information on its public website:

1. *Determination of no changes.* A statement that the City has determined that no change is necessary to the infrastructure improvements plan and the impact fee study, and for which categories of necessary public service;

2. *Service areas.* A map and description of the impact fee area(s) covered by the infrastructure financing plan and/or category of necessary public service; and

3. *Contact information.* An address to which any resident of the City may submit, within 60 days of publication on the website, a written request that the City update the LAND

USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENTS PLANS, IMPACT FEE REPORT ~~infrastructure financing plan~~ and/or impact fee schedules (all or in part), including the reasons and basis for the request. The City shall consider and respond within 30 days to any timely requests submitted pursuant to this subsection.

Sec. 29-11. Assessment, CALCULATION, and collection of impact fees.

A. *Applicable impact fee schedules and assessment.* Impact fees shall be assessed according to the adopted fee schedules provided in Appendix A of this chapter according to the following provisions and limitations:

1. *Single-family residential development.* For a platted single-family residential development, the impact fee schedules in effect at the time the building permit is issued for the first residential lot within the development shall continue to be applied to all subsequent permits issued within the same platted development for a period of 24 months following the date of issuance of the first building permit, subject to the limitations stated in subsection (A)(34) of this section.

2. *Non-single-family residential development.* For a commercial, industrial, or multi-family development, or any other development which is not considered single-family, the impact fee schedules in effect at the time of final approval of a site plan (or plat if no site plan is required) shall be applied to all subsequent permits issued within the same development for a period of 24 months following the date of final approval, subject to the limitations stated in subsection (A)(34) of this section.

3. *Limitations.* The following limitations apply when assessing impact fees:

a. If an approved plat or site plan is amended within the 24-month periods identified in subsections (A)(1) and (A)(2) of this section, such that the total number of approved EDUs within the development is increased, then the impact fees assessed against the additional EDUs will be calculated using the fee schedules in effect at the time of issuance of the permit.

b. If the City approves a new impact fee schedule during the 24-month periods identified in subsections (A)(1) and (A)(2) of this section which would decrease the amount of the impact fee assessed, the City shall assess the lower impact fee for a permit issued after the effective date of the lower impact fee.

B. CALCULATION. IMPACT FEES SHALL BE CALCULATED ACCORDING TO THE FOLLOWING.

1. THE ADOPTED FEE SCHEDULE FOR EACH IMPACT FEE CATEGORY SET FORTH IN APPENDIX A SPECIFIES THE GROSS FEE AND OFFSET PER EQUIVALENT DEMAND UNIT, AND THE NET IMPACT FEE PER DEVELOPMENT

UNIT, BASED ON THE EDU FACTOR FOR CERTAIN PRE-SELECTED LAND USES. THE APPLICABLE NET FEE, DEPENDING ON LAND USE AND SERVICE AREA, IS MULTIPLIED BY THE NUMBER OF DEVELOPMENT UNITS AS SUMMARIZED BELOW.

A. *FIRE PROTECTION, POLICE, PARKS, AND LIBRARY.* EACH DWELLING FOR SINGLE FAMILY AND MULTIFAMILY DEVELOPMENTS, OR EVERY 1,000 SQUARE FEET, OR PART THEREOF, FOR NON-RESIDENTIAL DEVELOPMENTS.

B. *MAJOR ARTERIALS.* EACH DWELLING FOR SINGLE FAMILY AND MULTIFAMILY DEVELOPMENTS, EACH ROOM FOR LODGING DEVELOPMENTS, OR EVERY 1,000 SQUARE FEET, OR PART THEREOF, FOR NON-RESIDENTIAL DEVELOPMENTS.

C. *STORM DRAINAGE.* EACH DWELLING FOR SINGLE FAMILY DEVELOPMENT, OR EVERY ACRE, OR PART THEREOF, FOR MULTIFAMILY AND NON-RESIDENTIAL DEVELOPMENTS.

D. *WASTEWATER COLLECTION, AND WASTEWATER TREATMENT.* FOR SINGLE-FAMILY AND MULTIFAMILY DEVELOPMENTS (1) EACH DWELLING (2) EACH ACCESSORY DOMESTIC WATER METER, EXCEPT IRRIGATION METERS, BASED ON METER SIZE. FOR NON-RESIDENTIAL DEVELOPMENTS, EACH NON-IRRIGATION WATER METER, BASED ON METER SIZE.

E. *WATER TRANSMISSION, AND WATER TREATMENT.* FOR SINGLE-FAMILY AND MULTIFAMILY DEVELOPMENTS, (1) EACH DWELLING; (2) EACH ACCESSORY DOMESTIC WATER METER, BASED ON METER SIZE; AND (3) EACH IRRIGATION METER, BASED ON METER SIZE. FOR NON-RESIDENTIAL DEVELOPMENTS, EACH WATER METER, BASED ON METER SIZE, INCLUDING IRRIGATION METERS.

2. *BUILDINGS WITH MULTIPLE LAND USES.* FOR A BUILDING THAT CONTAINS MULTIPLE USES, THE FEE WILL BE CALCULATED BASED ON THE PROPORTIONATE SHARE OF EACH USE TO THE TOTAL SQUARE FOOTAGE OF THE BUILDING UNLESS:

A. A USE IS CONSIDERED 'ACCESSORY' TO THE BUILDING BY CITY ZONING STANDARDS, OR

B. A USE MAKES UP LESS THAN TEN (10) PERCENT OF THE TOTAL SQUARE FOOTAGE OF A BUILDING.

3. IMPACT FEE CREDITS, IF APPLICABLE, WILL BE APPLIED TO THE NET IMPACT FEE OF THE FEE CATEGORY FOR WHICH THE CREDITS HAVE BEEN GRANTED ACCORDING TO THE TERMS OF AN APPROVED IMPACT FEE CREDIT AGREEMENT AS SET FORTH IN SECTION 29-12.

4. ANY APPLICABLE EXCEPTIONS OR REDUCTIONS LISTED IN SUBSECTION D BELOW.

CB. *Collection.* Impact fees, together with administrative charges assessed pursuant to Section 29-6(D), shall be ~~calculated and~~ collected prior to issuance of permission to commence development; specifically:

1. *Building permit.* If a building permit is required for the development, all impact fees shall be paid at the time the building permit is issued, unless otherwise specified by a development agreement pursuant to Section 29-3.

2. *Nonresidential water or wastewater without a building permit.* If a water or wastewater connection is required apart from a building permit for a nonresidential development, or for landscape irrigation use within a residential development, any and all water and wastewater impact fees due shall be paid at the time the water or wastewater service connection is PERMITTED ~~purchased~~.

3. *Residential domestic water meters without a building permit.* If a domestic water meter is required apart from a building permit for a residential development (single-family or multi-family), including a domestic master meter intended to serve multiple residential dwellings, water and wastewater impact fees due may be paid incrementally at the time of issuance of the building permit(s) for the residential dwellings.

4. *Civil or site permit only.* If the development is located in a service area with a storm drainage impact fee where fees are assessed on the basis of acreage, and neither a building permit nor water or wastewater service connection is required, the storm drainage impact fee due shall be paid at the time a civil or site permit is issued for the development. If fees are based on acreage, fees will be payable for the entire site unless it can be established that portions of the site are not being altered, and if altered at some future time will be assessed fees through other permit processes.

5. *Limitation.* No building permit, water or wastewater connection, or civil/site permit shall be issued if an impact fee is not paid as directed in the previous subsections.

6. *Expansion or change of land use.* If the building permit is for an expansion of an existing land use, or a change to a different land use type, the impact fee shall be assessed only for the additional impacts of the expansion or change.

7. *Issued or voided permits.* For issued permits that expire or are voided, impact fees and administrative charges shall be as follows:

a. If the original permittee is seeking to renew an expired or voided permit, and the impact fees paid for such development have not been refunded, then the permittee shall pay the difference between any impact fees paid at the time the permit was issued and those in the fee schedule at the time the permit is reissued or renewed.

b. If a new or renewed permit for the same development is being sought by someone other than the original permittee, the new permit applicant shall pay the full impact fees specified in the fee schedule in effect at the time that the permits are reissued or renewed; provided, that if the original permittee has assigned the permits to the new permit applicant, the new permit applicant shall pay the impact fees due on the new or renewed permit.

DG. *Exceptions and reductions.* Impact fees shall not be owed, or will be reduced, under the following conditions:

1. Wastewater impact fees shall only be assessed if a development connects to the City's public sewer system or is capable of discharging sewage to the City's public sewer system, as determined by the Water Services Director.

2. Wastewater impact fees will not be assessed for landscape irrigation use only. Water meters that are classified by the City as being for landscape irrigation use only shall not be assessed a wastewater impact fee. If such a meter is subsequently reclassified as a domestic meter for general water use that is capable of discharging to the City's public sewer system, a wastewater impact fee shall be assessed and collected at the time of reclassification.

3. Impact fees shall not be assessed if modifications to existing residential or nonresidential development are being made that do not increase the number of EDUs attributed to a development.

4. To the extent that any modification does not meet the requirements of the prior subsection, the impact fee due shall be the difference between the impact fee that was or would have been due on the existing development and the impact fee that is due on the development as modified. Impact fees will be determined as follows:

a. Modifications involving the replacement or removal and installation of a water meter will result in water and wastewater impact fees that are the difference between the fees that would be due for the replaced or removed meter and the fees that are due for the new meter, using the impact fee schedules in effect at the time the new meter is PERMITTEDpurchased.

- b. Modifications involving the addition of built space with no change in land use will result in applicable impact fees based on the added square footage only, using the impact fee schedules in effect at the time the permit is issued for the addition.
 - c. Modifications involving the addition of built space with changes in land use will result in applicable impact fees based on the difference between the fees that would be due on the existing space with the existing land use and the fees due for the total space (existing and addition) with the new land use, using the impact fee schedules in effect at the time the permit is issued for the addition.
 - d. Modifications involving development in areas where storm drainage impact fees are assessed on the basis of acreage will result in a drainage impact fee due only for the acreage that has not yet been developed and for which no drainage impact fee was previously collected, using the impact fee schedule in effect at the time the permit is issued.
5. At the option of the applicant or the Planning and Development Director, the total number of EDUs, or the EDU factor, used to calculate impact fees for a subject development may be determined by an independent analysis if the type of proposed land use is not within or comparable to the land use types stated in the fee schedules provided. If this option is chosen:
- a. The applicant shall be responsible for preparing the independent impact analysis, which shall be reviewed for approval by the Planning and Development Director prior to the payment of the impact fee(s) to which the analysis applies.
 - b. An independent impact analysis shall describe and quantify the impact the subject development will have on the necessary public service(s) included in the infrastructure financing plan and shall be based on the same methodologies used in the calculation of gross cost per EDU for the applicable infrastructure improvements plan. In the case of drainage impact fees, an independent impact analysis may also describe and quantify the benefits that facilities in the infrastructure financing plan provide to the development, taking into account that those benefits include elements such as flood protection of nearby access roads and other facilities.
 - c. An independent impact analysis shall utilize only professionally accepted data, assumptions and evaluation methods.
 - d. After review of the independent impact analysis submitted by the applicant, the Planning and Development Director shall accept, reject or modify the analysis and provide written notice to the applicant of the decision. If an independent impact analysis is rejected or modified, the written notice shall include an explanation of the insufficiencies of the analysis.

e. The decision of the Planning and Development Director may be appealed pursuant to Section 29-14.

ED. Storm drainage impact fees in the Paradise Ridge impact fee area.

1. Storm drainage impact fees in the Paradise Ridge impact fee area will only be assessed on or after the approval date of a letter of map revision (LOMR) by the Federal Emergency Management Agency (FEMA) that eliminates the floodplain within the Paradise Ridge impact fee area, unless a final site plan (or plat if no site plan is required) is approved by the City, without the conditions for development approval required within a FEMA designated AO zone floodplain or similar requirements or restrictions, such that the development will not incur the costs typically associated with developing land within AO floodplain, and it can be demonstrated that the development stands to benefit from the regional drainage improvements by avoiding such costs.

2. Storm drainage impact fees in the Paradise Ridge impact fee area will not be assessed if it can be demonstrated that the conditions for the development approval required within a FEMA designated AO floodplain or similar requirements or restrictions have been permitted and completed in accordance with Chapter 32B, Floodplains, such that the development incurred costs typically associated with developing land within a zone AO floodplain, and it can be demonstrated that the development does not stand to benefit from the regional drainage improvements by avoiding such costs.

Sec. 29-12. Impact fee credits and credit agreements.

A. *Eligibility of contributions.* Eligible contributions include facilities that have been constructed, dedicated, paid for, or otherwise provided by private development, subject to the following:

1. Capital facilities for which an impact fee is being collected must be identified in an approved infrastructure financing plan (IFP) and must be accepted by the City, unless otherwise approved pursuant to subsection (B)(5) of this section;
2. Lands for which an impact fee is being collected must be identified in an approved IFP and must be dedicated to the City;
3. Financial contributions that have been paid to the City or other account approved by the City that is dedicated to fund eligible capital facility construction or land acquisition in lieu of providing capital facilities or dedicating land for which an impact fee is being collected.

B. *Calculation of impact fee credit.* Credit will be calculated subject to the following:

1. If credit is granted for an eligible capital facility or land contribution, then the value of the impact fee credit will be based on the estimated cost of the contribution as provided

in the approved IFP (the "plan cost"), unless otherwise specified in a development agreement.

2. If credit is granted for a financial contribution, the credit will be valued at a one-to-one dollar value of the contribution.

3. Credit may be valued on the basis of the actual costs incurred by a developer if specified in a development agreement that has been executed prior to constructing the facility or acquiring the land, and sufficient documentation of actual costs has been provided to the City.

4. If the City participates in the construction of eligible capital facilities, or the acquisition of eligible lands, the available impact fee credit will be adjusted proportionately to reflect the City's contribution.

5. The City may elect to approve an alternative credit value for an eligible capital facility, if the capital facility is accepted by the City prior to ultimate completion or if the plan cost for a specific type and/or size of the capital facility is not identified available in the approved IFP, using one or more of the following methods:

a. Using values interpolated from the plan cost identified in the approved IFP for the facility; or

b. Using actual costs incurred by the developer. Documentation of actual costs must be provided to the City.

6. *Proportional credit values.* In the event that the impact fee schedules adopted in Appendix A of this chapter utilize a net fee per EDU which is less than the recommended net fee per EDU calculated in the approved impact fee study, credits based on costs identified in the infrastructure improvements plan will be provided in a manner proportionate with the adopted fee schedule. For example, if the adopted net fee per EDU is only 50 percent of the recommended net fee per EDU, the maximum credit value for facilities provided against that fee will be 50 percent of the estimated costs included in the IIP for that type of facility. Credits calculated using other methods permitted by this chapter are not subject to the provisions of this subsection.

7. If an eligible facility for which credit is requested is also included in a repayment agreement, then the impact fee credit available to the developer will be limited to that portion of the facility that the repayment agreement allocates to the developer. Credit will not be provided for that portion of the facility that the repayment agreement will require neighboring parcels to pay prior to developing.

C. *Application for impact fee credit.* It is the responsibility of the developer to complete and file an application for impact fee credit PRIOR TO APPROVAL OF THE PROJECT'S FINAL SITE PLAN, UNLESS OTHERWISE EXEMPTED, IN WRITING, BY

THE PLANNING AND DEVELOPMENT DIRECTOR OR SPECIFIED IN A DEVELOPMENT AGREEMENT, pursuant to the following requirements, unless otherwise specified in a development agreement:

1. An application for credit must include, at a minimum, the following information and documentation:
 - a. The applicant's contact information;
 - b. A description of the development for which an eligible contribution is a condition of development approval, including:
 - (1) A map that clearly identifies the location and boundaries;
 - (2) Description of proposed land uses;
 - (3) Estimated total land area (acreage) and the number of residential dwellings or square footage of nonresidential structures;
 - (4) Estimated water meter specifications (size/type);
 - (5) If in a storm drainage impact fee area, a map that depicts portions of the development that will be improved, graded, or otherwise modified;
 - c. A description of the eligible contribution for which credit is being requested, including:
 - (1) A map identifying the approximate location of the facility;
 - (2) A description of the type of facility;
 - (3) Estimated size (e.g., pipe diameter, pump capacity, road cross-section, etc.) of the facility;
 - (4) Estimated actual cost of the facility, if known;
 - (5) Estimated plan cost from the IIP for the facility;
 - d. The estimated credit balance;
 - e. *Credit allocation instructions.* The applicant must provide written credit allocation instructions that identify specifically where the credit will be allocated. If the credit will be allocated to multiple developments and/or developers, the allocation instructions must specify the amount of credit to allocate to each development and/or developer. In addition, if the total estimated credit is less than the estimated applicable impact fee liability, then the allocation instructions must specify if the credit will be divided equally among all planned EDUs within a development, or if the credit will be issued at the maximum amount per EDU; which cannot exceed the net impact fee in effect at the time the permit is obtained. A separate credit agreement will be executed for each developer

to which the credit is allocated in accordance with the allocation instructions. Credit may only be allocated within the boundaries of the impact fee area that will benefit from the contribution;

2. *Eligibility to receive a credit as a refund.* Credit provided in the form of a refund will not be applied toward any permits that are issued prior to receiving an application for credit, unless otherwise specified in a development agreement.

3. An application for credit is deemed approved when:

a. If the contribution for which credit is being requested is a capital facility or a land dedication, then the application for credit will be deemed approved once the applicant provides verification that the capital facility has been accepted by the City, or that the title to land has been transferred to the City.

b. If the contribution is a financial contribution, then the application will be deemed approved once the payment has been received and the deposit has cleared to the designated fund.

4. *Time limitation.* An application for credit must be approved within two years of the date of acceptance of a capital facility or the closing date of a land title transfer.

D. *Credit agreement.* A credit agreement must be executed between the City and a developer that is entitled to receive impact fee credit. The City Manager is authorized by this chapter to enter into a credit agreement upon acceptance of a complete credit application.

1. The credit agreement will include, at a minimum, the following information and documentation:

a. *Application.* All information required for the application for impact fee credit under subsection [C](#) of this section must be reviewed for accuracy. Any items that changed subsequent to the application for credit must be updated and resubmitted with the best available information at the time the credit agreement is executed. The developer will also provide documentation of actual costs, provided in a manner acceptable to the City, which will be used in the estimation of facility costs in future.

b. *Allocation instructions.* The allocations instructions letter described under subsection (C)(1)(e) of this section will be incorporated in the credit agreement as an exhibit.

c. *Map of subject development.* A detailed map identifying where the credit is allocated in accordance with the allocation instructions described under subsection (C)(1)(e) of this section will be incorporated in the credit agreement as an exhibit.

d. *Credit tracking and balance statement.* A table specifying the available credit balance will be incorporated in the credit agreement as an exhibit.

2. *Issuance of credit.* Credit will only be issued against permits obtained within a subject development after the contribution has been accepted by the City and a credit agreement has been executed, unless otherwise specified in a development agreement. Credit may be issued prior to executing a credit agreement, if all the following conditions are met:

- a. The applicable contribution has been accepted by the City; and
- b. Impact fees have been paid on permits obtained within the subject development prior to the City accepting the applicable contribution; and
- c. The impact fees paid prior to the City accepting the applicable contribution are eligible for a refund upon execution of a credit agreement. The total amount of credit issued prior to executing a credit agreement will be capped at the amount of the refund owed.

3. *Issuance of a refund.* Refunds resulting from credit issued will be remitted to the permittee within 60 days of executing a credit agreement, unless otherwise specified in a development agreement.

4. *Acceptance of security.* Credit may only be issued after the eligible contribution for which the credit has been established is accepted by or transferred to the City. The City may issue credit prior to accepting a capital facility if adequate security for the completion of the facility has been provided, such as an irrevocable letter of credit or similar type of security acceptable to the City, or in accordance with the applicable terms and conditions of an executed development agreement.

5. *Credit balance adjustment.* Credit balances may be adjusted to reflect changes that occur when applicable sections of the IFP are updated or amended, according to the following:

- a. If a gross impact fee increases or decreases because of inflation or deflation in facility costs, then the aggregate percent increase or decrease may be applied to the remaining credit balance.
- b. If a gross impact fee decreases because specific facility types or components have been eliminated from the fee calculation, and credit was provided for the eliminated facility type or component, then the remaining credit balance may be reduced by the percentage that the eliminated facility type or component contributed toward the original credit balance.

c. If a gross impact fee increases or decreases because of changes in the methodology for calculating the fee, then the remaining credit balances will not be adjusted, notwithstanding credit balance reductions in accordance with subsection (D)(5)(b) of this section.

d. If a development is not subject to a fee increase because of the grandfathering provision of Section 9-463.05, Arizona Revised Statutes, then the remaining credit balance will not be adjusted until the grandfathering period has expired.

6. *Reallocation of credit.* A credit agreement must be amended to reallocate available credit to developments located within the boundaries of the applicable impact fee area.

7. *Limitation on credit reissuance.* Credits, once issued, may not be rescinded or reallocated to another permit or parcel, except that credits may be released for reuse on the same subject development if a permit for which the credits were issued has expired or been voided and is otherwise eligible for a refund under this section.

8. *Nontransferability to other fees.* Credit may only be issued to reduce the applicable impact fee for which the eligible contribution was provided. Credit will not reduce any other fees charged by the City, including other impact fees or administrative charges associated with the impact fee program.

9. *No reimbursement.* Credit may not be reimbursed from City funds, unless otherwise specified in a development agreement.

10. *Expiration of a credit agreement.* Credit agreements expire 20 years from the effective date of the agreement.

APPENDIX A. IMPACT FEE SCHEDULES

A. Fire Protection Impact Fee Schedule.

Service Area	(per EDU)			(per DU)		(per 1,000 Sq Ft)				
	Gross	Offset	Net	SFR	MFR	Retail	Office	INDST	Public	Other
<i>EDU Factor</i>				<i>1.00</i>	<i>0.68</i>	<i>0.49</i>	<i>0.61</i>	<i>0.20</i>	<i>0.24</i>	<i>0.41</i>
Northwest	1,361	79	1,282	1,282	872	628	782	256	308	526
Deer Valley	1,361	79	1,282	1,282	872	628	782	256	308	526
Northeast	1,211	46	1,165	1,165	792	571	711	233	280	478
Paradise Ridge	1,211	46	1,165	1,165	792	571	711	233	280	478
Estrella North	1,690	65	1,625	1,625	1,105	796	991	325	390	666
Estrella South	1,690	65	1,625	1,625	1,105	796	991	325	390	666
Laveen West	1,690	65	1,625	1,625	1,105	796	991	325	390	666
Laveen East	1,690	65	1,625	1,625	1,105	796	991	325	390	666
Ahwatukee	1,899	66	1,833	1,833	1,246	898	1118	367	440	752

B. Police Impact Fee Schedule.

Service Area	(per EDU)			(per DU)		(per 1,000 Sq Ft)				
	Gross	Offset	Net	SFR	MFR	Retail	Office	INDST	Public	Other
<i>EDU Factor</i>				<i>1.00</i>	<i>0.68</i>	<i>0.49</i>	<i>0.61</i>	<i>0.20</i>	<i>0.24</i>	<i>0.41</i>
Northwest	453	105	348	348	237	171	212	70	84	143
Deer Valley	453	105	348	348	237	171	212	70	84	143
Northeast	453	105	348	348	237	171	212	70	84	143
Paradise Ridge	453	105	348	348	237	171	212	70	84	143
Estrella North	453	105	348	348	237	171	212	70	84	143
Estrella South	453	105	348	348	237	171	212	70	84	143
Laveen West	453	105	348	348	237	171	212	70	84	143
Laveen East	453	105	348	348	237	171	212	70	84	143
Ahwatukee	453	105	348	348	237	171	212	70	84	143

C. Parks Impact Fee Schedule.

Service Area	(per EDU)			(per DU)		(per 1,000 Sq Ft)				
	Gross	Offset	Net	SFR	MFR	Retail	Office	INDST	Public	Other
<i>EDU Factor</i>				<i>1.00</i>	<i>0.68</i>	<i>0.03</i>	<i>0.06</i>	<i>0.02</i>	<i>0.02</i>	<i>0.04</i>
Northwest	1,695	286	1,409	1,409	958	42	85	28	28	56
Deer Valley	1,695	286	1,409	1,409	958	42	85	28	28	56
Northeast	1,775	301	1,474	1,474	1,002	44	88	29	29	59
Paradise Ridge	1,775	301	1,474	1,474	1,002	44	88	29	29	59
Estrella North	2,374	292	2,082	2,082	1,416	62	125	42	42	83
Estrella South	2,374	292	2,082	2,082	1,416	62	125	42	42	83
Laveen West	2,374	292	2,082	2,082	1,416	62	125	42	42	83
Laveen East	2,374	292	2,082	2,082	1,416	62	125	42	42	83
Ahwatukee	1,380	286	1,094	1,094	744	33	66	22	22	44

D. Library Impact Fee Schedule.

[illegible]

E. Major Arterials Impact Fee Schedule, Residential.

	<i>(per EDU)</i>			<i>(per DU)</i>	
Service Area	Gross	Offset	Net	SFR (210)	MFR (220)
<i>EDU Factor</i>				<i>1.00</i>	<i>0.67</i>
Northwest	2,330	0	2,330	2,330	1,561
Deer Valley	2,330	0	2,330	2,330	1,561
Northeast	2,330	0	2,330	2,330	1,561
Paradise Ridge	2,330	0	2,330	2,330	1,561
Estrella North	0	0	0	0	0
Estrella South	0	0	0	0	0
Laveen West	0	0	0	0	0
Laveen East	0	0	0	0	0
Ahwatukee	0	0	0	0	0

F. Major Arterials Impact Fee Schedule, Non-Residential.

[illegible]

J. Wastewater Collection Impact Fee Schedule, Non-Residential (6-inch to 12-inch)

Service Area	(per EDU)			(per Non-Residential Domestic Meter)			
	Gross	Offset	Net	6"	8"	10"	12"
<i>EDU Factor</i>				<i>57.26</i>	<i>114.55</i>	<i>225.00</i>	<i>225.00</i>
Northwest	5,370	243	5,127	293,585	587,285	1,153,575	1,153,575
Deer Valley	0	0	0	0	0	0	0
Northeast	5,370	243	5,127	293,585	587,285	1,153,575	1,153,575
Paradise Ridge	5,370	243	5,127	293,585	587,285	1,153,575	1,153,575
Estrella North	0	0	0	0	0	0	0
Estrella South	5,652	243	5,409	309,733	619,587	1,217,025	1,217,025
Laveen West	0	0	0	0	0	0	0
Laveen East	0	0	0	0	0	0	0
Ahwatukee	0	0	0	0	0	0	0

K. Wastewater Treatment Impact Fee Schedule, Residential

Service Area	(per EDU)			(per Dwelling Unit)		
	Gross	Offset	Net	SFR ≤1"	SFR 1 1/2"	MFR
<i>EDU Factor</i>				<i>1.00</i>	<i>2.18</i>	<i>0.67</i>
Northwest	3,968	144	3,824	3,824	8,336	2,562
Deer Valley	1,334	144	1,190	1,190	2,594	797
Northeast	3,968	144	3,824	3,824	8,336	2,562
Paradise Ridge	3,968	144	3,824	3,824	8,336	2,562
Estrella North	1,334	144	1,190	1,190	2,594	797
Estrella South	1,334	144	1,190	1,190	2,594	797
Laveen West	1,334	144	1,190	1,190	2,594	797
Laveen East	1,334	144	1,190	1,190	2,594	797
Ahwatukee	1,334	144	1,190	1,190	2,594	797
Balance of the City	1,334	144	1,190	1,190	2,594	797

L. Wastewater Treatment Impact Fee Schedule, Non-Residential (3/4-inch to 4-inch)

Service Area	(per EDU)			(per Non-Residential Domestic Meter)					
	Gross	Offset	Net	3/4"	1"	1 1/2"	2"	3"	4"
<i>EDU Factor</i>				<i>1.31</i>	<i>2.25</i>	<i>4.91</i>	<i>6.55</i>	<i>20.45</i>	<i>36.00</i>
Northwest	3,968	144	3,824	4,990	8,604	18,757	25,038	78,210	137,664
Deer Valley	1,334	144	1,190	1,553	2,678	5,837	7,792	24,338	42,840
Northeast	3,968	144	3,824	4,990	8,604	18,757	25,038	78,210	137,664
Paradise Ridge	3,968	144	3,824	4,990	8,604	18,757	25,038	78,210	137,664
Estrella North	1,334	144	1,190	1,553	2,678	5,837	7,792	24,338	42,840
Estrella South	1,334	144	1,190	1,553	2,678	5,837	7,792	24,338	42,840
Laveen West	1,334	144	1,190	1,553	2,678	5,837	7,792	24,338	42,840
Laveen East	1,334	144	1,190	1,553	2,678	5,837	7,792	24,338	42,840
Ahwatukee	1,334	144	1,190	1,553	2,678	5,837	7,792	24,338	42,840
Balance of the City	1,334	144	1,190	1,553	2,678	5,837	7,792	24,338	42,840

M. Wastewater Treatment Impact Fee Schedule, Non-Residential (6-inch to 12-inch)

Service Area	(per EDU)			(per Non-Residential Domestic Meter)			
	Gross	Offset	Net	6"	8"	10"	12"
<i>EDU Factor</i>				<i>57.26</i>	<i>114.55</i>	<i>225.00</i>	<i>225.00</i>
Northwest	3,968	144	3,824	218,972	438,030	860,400	860,400
Deer Valley	1,334	144	1,190	68,142	136,312	267,750	267,750
Northeast	3,968	144	3,824	218,972	438,030	860,400	860,400
Paradise Ridge	3,968	144	3,824	218,972	438,030	860,400	860,400
Estrella North	1,334	144	1,190	68,142	136,312	267,750	267,750
Estrella South	1,334	144	1,190	68,142	136,312	267,750	267,750
Laveen West	1,334	144	1,190	68,142	136,312	267,750	267,750
Laveen East	1,334	144	1,190	68,142	136,312	267,750	267,750
Ahwatukee	1,334	144	1,190	68,142	136,312	267,750	267,750
Balance of the City	1,334	144	1,190	68,142	136,312	267,750	267,750

N. Water Transmission Impact Fee Schedule, Residential

Service Area	(per EDU)			(per Dwelling Unit)		
	Gross	Offset	Net	SFR ≤1"	SFR 1 1/2"	MFR
<i>EDU Factor</i>				<i>1.00</i>	<i>2.18</i>	<i>0.36</i>
Northwest	14,302	256	14,046	14,046	30,620	5,057
Deer Valley	14,302	256	14,046	14,046	30,620	5,057
Northeast	14,302	256	14,046	14,046	30,620	5,057
Paradise Ridge	14,302	256	14,046	14,046	30,620	5,057
Estrella North	1,959	256	1,703	1,703	3,713	613
Estrella South	1,959	256	1,703	1,703	3,713	613
Laveen West	1,959	256	1,703	1,703	3,713	613
Laveen East	1,959	256	1,703	1,703	3,713	613
Ahwatukee	1,959	256	1,703	1,703	3,713	613

O. Water Transmission Impact Fee Schedule, Non-Residential (3/4-inch to 4-inch)

Service Area	(per EDU)			(per Non-Residential Domestic Meter)					
	Gross	Offset	Net	3/4"	1"	1 1/2"	2"	3"	4"
<i>EDU Factor</i>				<i>1.23</i>	<i>2.12</i>	<i>4.62</i>	<i>6.17</i>	<i>19.27</i>	<i>33.92</i>
Northwest	14,302	256	14,046	17,271	29,778	64,915	86,653	270,678	476,440
Deer Valley	14,302	256	14,046	17,271	29,778	64,915	86,653	270,678	476,440
Northeast	14,302	256	14,046	17,271	29,778	64,915	86,653	270,678	476,440
Paradise Ridge	14,302	256	14,046	17,271	29,778	64,915	86,653	270,678	476,440
Estrella North	1,959	256	1,703	2,094	3,610	7,871	10,506	32,818	57,766
Estrella South	1,959	256	1,703	2,094	3,610	7,871	10,506	32,818	57,766
Laveen West	1,959	256	1,703	2,094	3,610	7,871	10,506	32,818	57,766
Laveen East	1,959	256	1,703	2,094	3,610	7,871	10,506	32,818	57,766
Ahwatukee	1,959	256	1,703	2,094	3,610	7,871	10,506	32,818	57,766

P. Water Transmission Impact Fee Schedule, Non-Residential (6-inch to 12-inch)

Service Area	(per EDU)			(per Non-Residential Domestic Meter)			
	Gross	Offset	Net	6"	8"	10"	12"
<i>EDU Factor</i>				<i>53.95</i>	<i>107.93</i>	<i>212.00</i>	<i>212.00</i>
Northwest	14,302	256	14,046	757,838	1,515,974	2,977,752	2,977,752
Deer Valley	14,302	256	14,046	757,838	1,515,974	2,977,752	2,977,752
Northeast	14,302	256	14,046	757,838	1,515,974	2,977,752	2,977,752
Paradise Ridge	14,302	256	14,046	757,838	1,515,974	2,977,752	2,977,752
Estrella North	1,959	256	1,703	91,884	183,803	361,036	361,036
Estrella South	1,959	256	1,703	91,884	183,803	361,036	361,036
Laveen West	1,959	256	1,703	91,884	183,803	361,036	361,036
Laveen East	1,959	256	1,703	91,884	183,803	361,036	361,036
Ahwatukee	1,959	256	1,703	91,884	183,803	361,036	361,036

Q. Water Treatment Impact Fee Schedule, Residential

Service Area	(per EDU)			(per Dwelling Unit)		
	Gross	Offset	Net	SFR ≤1"	SFR 1 1/2"	MFR
<i>EDU Factor</i>				<i>1.00</i>	<i>2.18</i>	<i>0.36</i>
Northwest	5,905	1,518	4,387	4,387	9,564	1,579
Deer Valley	5,905	1,518	4,387	4,387	9,564	1,579
Northeast	5,905	1,518	4,387	4,387	9,564	1,579
Paradise Ridge	5,905	1,518	4,387	4,387	9,564	1,579
Estrella North	5,905	1,518	4,387	4,387	9,564	1,579
Estrella South	5,905	1,518	4,387	4,387	9,564	1,579
Laveen East	5,905	1,518	4,387	4,387	9,564	1,579
Laveen East	5,905	1,518	4,387	4,387	9,564	1,579
Ahwatukee	5,905	1,518	4,387	4,387	9,564	1,579
Balance of the City	5,905	1,518	4,387	4,387	9,564	1,579

R. Water Treatment Impact Fee Schedule, Non-Residential (3/4-inch to 4-inch)

Service Area	(per EDU)			(per Non-Residential Domestic Meter or Irrigation Meter)					
	Gross	Offset	Net	3/4"	1"	1 1/2"	2"	3"	4"
<i>EDU Factor</i>				<i>1.23</i>	<i>2.12</i>	<i>4.62</i>	<i>6.17</i>	<i>19.27</i>	<i>33.92</i>
Northwest	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Deer Valley	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Northeast	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Paradise Ridge	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Estrella North	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Estrella South	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Laveen East	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Laveen East	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Ahwatukee	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807
Balance of the City	5,905	1,518	4,387	5,394	9,300	20,275	27,064	84,541	148,807

S. Water Treatment Impact Fee Schedule, Non-Residential (6-inch to 12-inch)

Service Area	<i>(per EDU)</i>			<i>(per Non-Residential Domestic Meter or Irrigation Meter)</i>			
	Gross	Offset	Net	6"	8"	10"	12"
<i>EDU Factor</i>				<i>53.95</i>	<i>107.93</i>	<i>212.00</i>	<i>212.00</i>
Northwest	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Deer Valley	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Northeast	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Paradise Ridge	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Estrella North	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Estrella South	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Laveen East	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Laveen East	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Ahwatukee	5,905	1,518	4,387	236,696	473,485	930,044	930,044
Balance of the City	5,905	1,518	4,387	236,696	473,485	930,044	930,044

SECTION 2. Chapter 30, Section 30-4 is amended as follows:

Sec. 30-4. Calculation of the water resources acquisition fee.

~~A. Based on the evaluation provided in the plan, no fee is required at this time for development in the "on-project area." As a result, the WRAF for all new development within the "on-project area" is \$0.00 until an updated plan is produced and a revised fee is established pursuant to the procedure set forth in Section 9-463.05, Arizona Revised Statutes.~~

AB. Each residential DWELLING UNIT, Single-Family (SFR) OR MULTIFAMILY (MFR), ~~development~~ will be assessed a ~~water resources acquisition fee~~ WRAF ACCORDING TO TABLE 1 as follows:

- ~~1. Five hundred eighty-three dollars for each five-eighths-inch, three-quarter-inch or one-inch water meter.~~
- ~~2. One thousand nine hundred forty for each one-and-one-half-inch water meter.~~
- ~~3. Three thousand one hundred six for each two-inch water meter.~~

TABLE 1, RESIDENTIAL WRAF

SERVICE AREA	(PER EDU)			(PER DWELLING UNIT)		
	GROSS	OFFSET	NET	SFR ≤1"	SFR 1 1/2"	MFR
EDU FACTOR				1.00	2.18	0.36
OFF PROJECT	2,009	0	2,009	2,009	4,380	723
ON PROJECT	0	0	0	0	0	0

~~C. In a residential, multi-family development, the WRAF for each dwelling unit is \$221723.00. The WRAF will be assessed under this subsection even if an additional meter or increase in the meter size is not required.~~

~~D. WRAF will assess separately for meters installed primarily for landscape irrigation purposes in residential developments. Fees for these meters will be assessed pursuant to Table A.~~

BE. A non-residential development OR AN IRRIGATION METER FOR A NON-RESIDENTIAL OR RESIDENTIAL DEVELOPMENT ~~not located within the on-project area~~ will be assessed a WRAF according to Table 2A OR TABLE 3 AS APPLICABLE:

TABLE 2, NON-RESIDENTIAL WRAF (3/4-INCH TO 4-INCH)

SERVICE AREA	(PER EDU)			(PER NON-RESIDENTIAL DOMESTIC METER OR IRRIGATION METER)					
	GROSS	OFFSET	NET	3/4"	1"	1 1/2"	2"	3"	4"
<i>EDU FACTOR</i>				<i>1.23</i>	<i>2.12</i>	<i>4.62</i>	<i>6.17</i>	<i>19.27</i>	<i>33.92</i>
OFF PROJECT	2,009	0	2,009	2,470	4,259	9,285	12,394	38,715	68,145
ON PROJECT	0	0	0	0	0	0	0	0	0

TABLE 3, NON-RESIDENTIAL WRAF (6-INCH TO 12-INCH)

SERVICE AREA	(PER EDU)			(PER NON-RESIDENTIAL DOMESTIC METER OR IRRIGATION METER)			
	GROSS	OFFSET	NET	6"	8"	10"	12"
<i>EDU FACTOR</i>				<i>53.95</i>	<i>107.93</i>	<i>212.00</i>	<i>212.00</i>
OFF PROJECT	2,009	0	2,009	108,394	216,830	425,908	425,908
ON PROJECT	0	0	0	0	0	0	0

If the meter size is not included in Table 2A OR TABLE 3, fees will be based on the relative meter capacity, using the maximum flow rate associated with meters as indicated in the latest version of the American Water Works Manual of Water Supply Practices, multiplied by the nonresidential adjustment factor in the most recently approved WRAF infrastructure improvements plan on file with the Water Services Department and available on the City's website.

CF. If an existing meter on a development is being replaced by a new meter, the WRAF for the replacement meter will be the difference between the WRAF for the new meter and the WRAF that would have been assessed for the existing meter.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court, such decision shall not affect the validity of remaining sections.

SECTION 4. This Ordinance shall take effect June 23rd, 2025.

PASSED by the Council of the City of Phoenix this 9th day of April, 2025.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

City Manager