

# IMPACT FEE BIENNIAL AUDIT FOR FISCAL YEARS 2016-17 AND 2017-18

Town Council Meeting

June 2, 2021

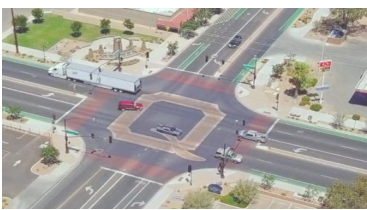
# PURPOSE OF PRESENTATION

- Review Biannual Audit Results
- Direct Staff to Publish the Biennial Audit and Set Public Hearing Date for July 21, 2021 (within 60 days of Publish Date)



# BACKGROUND

- Development impact fees (DIF) are subject to statutory requirements on how they are assessed, collected, used, and reported (ARS §9-463.05)
- DIF may be assessed to offset the cost of providing necessary public services to a development
  - Must be based on Land Use Assumptions (LUA) and an Infrastructure Improvement Plan (IIP) adopted by the Town
- Town adopted LUA, IIP and DIF schedule in May 2014
  - *Infrastructure Improvements Plan, Land Use Assumptions, and Development Fees* prepared by TischlerBise Inc.
  - Fee schedule went into effect August 1, 2014

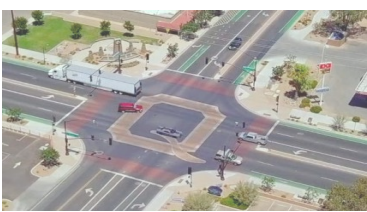


# BACKGROUND (CONTINUED)



- Town must establish an infrastructure improvement advisory committee or complete a biennial audit of the Town's land use assumptions, IIP, and DIF
- Biennial audit must:
  - Qualified professional (not Town employee / did not prepare the IIP)
  - Review collection and spending of DIF for each project in the IIP
  - Evaluate any inequities in implementing the LUA, IIP or imposing DIF
- Audit results must be posted on the Town's website
- Town must conduct a public hearing on the audit within 60 days of the release of the audit report to the public

# PERMIT ACTIVITY SUMMARY



Permit Type	FY 2016-17	FY 2017-18	TOTAL
Single-Family Units	1,095	1,095	2,190
Multi-Family Units	0	0	0
Commercial (Square Feet)	32,164	169,266	201,430
Office (Square Feet)	384,688	286,815	671,503
Industrial (Square Feet)	0	0	0

# REVENUE BY IMPACT FEE



Impact Fee	FY 2016-17	FY 2017-18	TOTAL
1.Parks	\$5.4M	\$4.5M	\$9.9M
2.Streets	\$1.6M	\$1.0M	\$2.6M
3.Police	\$215K	\$2.3M	\$2.5M
4.Fire	\$620K	\$600K	\$1.2M
5.Town Facilities	\$600K	\$640K	\$1.24M
6.Library	<u>\$827K</u>	<u>\$854K</u>	<u>\$1.68M</u>
<b>TOTAL</b>	<b>\$9.3M</b>	<b>\$9.9M</b>	<b>\$19.2M</b>

# EXPENSE ACTIVITY



Impact Fee	FY 2016-17	FY 2017-18	TOTAL
1.Parks	\$1.1M	\$14.3M	\$15.4M
2.Streets	\$3.4M	\$4.6M	\$8M
3.Police	\$0	\$3.9M	\$3.9M
4.Fire	\$173K	\$6.6M	\$6.8M
5.Town Facilities	\$102K	\$330K	\$432K
6.Library	<u>\$116K</u>	<u>\$249K</u>	<u>\$365K</u>
<b>TOTAL</b>	<b>\$4.9M</b>	<b>\$30M</b>	<b>\$34.9M</b>

# THIS BIENNIAL AUDIT

- Completed by Heinfeld Meech
- Audit completed May 19, 2021
- Results Presented Separately by Heinfeld Meech





# RECOMMENDATION MOTION

Publish the Impact Fee Biennial Audit for Fiscal Years 2016-17 and 2017-18 and Set July 21, 2021 as the Date of the Public Hearing for Acceptance of the Audit

