

IMPACT FEE BIENNIAL AUDIT FOR FISCAL YEARS 2018-19 AND 2019-20

Town Council Meeting
October 6, 2021

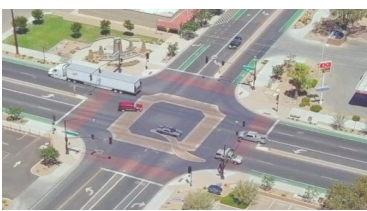
PURPOSE OF PRESENTATION

- Review Biannual Audit Results
- Direct Staff to Publish the Biennial Audit Report and Set a Public Hearing Date for November 3, 2021 (within 60 days of Report 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 schedules in May 2014 and November 2019
 - Required to update at least every five years

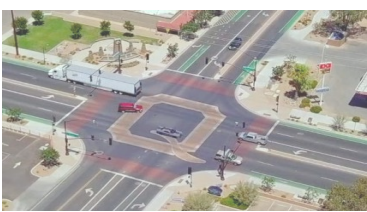


BACKGROUND (CONTINUED)



- 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 2018-19	FY 2019-20	TOTAL
Single-Family Units	1,316	1,735	3,051
Multi-Family Units	0	50	50
Commercial (Square Feet)	110,082	184,232	294,314
Office (Square Feet)	243,209	64,658	307,867
Industrial (Square Feet)	0	0	0

REVENUE BY IMPACT FEE



Impact Fee	FY 2018-19	FY 2019-20	TOTAL
1.Parks	\$8.5M	\$6.5M	\$15.0M
2.Streets	\$2.1M	\$14.9M	\$17.0M
3.Police	\$264K	\$495K	\$759K
4.Fire	\$763K	\$13.4M	\$14.2M
5.Town Facilities	\$741K	\$623K	\$1.3M
6.Library	<u>\$1.2M</u>	<u>\$914K</u>	<u>\$2.1M</u>
TOTAL	\$13.6M	\$36.8M	\$50.4M

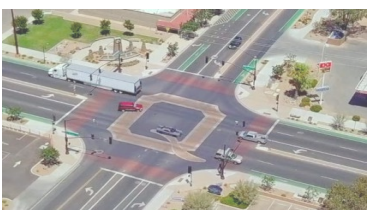
EXPENSE ACTIVITY



Impact Fee	FY 2018-19	FY 2019-20	TOTAL
1.Parks	\$697K	\$697K	\$1.4M
2.Streets	\$7.4M	\$8.0M	\$15.4M
3.Police	\$179K	\$418K	\$597K
4.Fire	\$1.1M	\$2.0M	\$3.1M
5.Town Facilities	\$292K	\$290K	\$582K
6.Library	<u>\$234K</u>	<u>\$233K</u>	<u>\$467K</u>
TOTAL	\$9.9M	\$11.6M	\$21.5M

THIS BIENNIAL AUDIT

- Completed by Heinfeld Meech
- Audit completed September 4, 2021
- Results Presented Separately by Heinfeld Meech



RECOMMENDATION MOTION

Publish the Impact Fee Biennial Audit Report for Fiscal Years 2018-19 and 2019-20 and Set November 3, 2021 as the Date of the Public Hearing for Acceptance of the Audit Report

