

City eyes developer fees; Peoria officials study money for infrastructure

By Julie Anne Conolly, *Independent Newspapers*

Peoria is growing rapidly -- and more growth is expected.

With this growth comes the need for utilities, roads, libraries, parks, etc.

To help pay for these needs, Peoria officials charge developers impact fees to pay for infrastructure improvements.

“Development impact fees are an important revenue source for Peoria,” said Jeff Tyne, the city’s finance director.

About \$27 million per year of Peoria’s Capital Improvement plan comes from the fees, according to Development Agreement Coordinator Katie Gregory.

Peoria City Council and city employees are studying this fall the possibility of fee increases for new development, but a new state law requires them to work harder before imposing fees.

Arizona Revised Statute 9-463.05, which went into effect Sept. 19, requires cities to adopt an infrastructure improvement plan before impact fee modifications are made.

The IIP includes a plan on what services will be paid for with fees, all costs for fees imposed and estimated time required to finance and provide the necessary service, Ms. Gregory said.

City officials hired the outside consulting firm Red Oak to update the fees and complete the IIP.

The group figured out the cost of impact fee based on the infrastructure plan.

For example, future library projects include the Camino a Lago Library and Vistancia Library. The city standard for level of service is to provide 1.39 books for every resident. When a new development comes in, their impact fee for libraries will be the calculated cost of the services needed to provide 1.39 books for each resident estimated for the project.

Ms. Gregory also noted different fees are imposed for commercial and residential developers.

Projected land use by development type based on the city’s general plan indicates 83 percent of undeveloped land will be used for residential projects and 17 percent for nonresidential.

“I’m just surprised we have so much residential versus non-residential,” said Mesquite District Councilwoman Cathy Carlat.

City Manager Terry Ellis explained the difference was due to the space each type of development occupies.

“It’s (measured in) area. Commercial is more compact,” he said.

City officials did not aim to increase all the fees in their proposal. Based on the new calculating system mandated by the state, single family solid waste impact fees could drop from \$311 to \$296 per unit, while multi-family units may raise in fees from \$182 to \$203.

City officials originally slated a final report to be submitted to City Council by Oct. 19, with a public hearing slated for Nov. 6, but council members wanted to see other scenarios before a final draft is made.

“I need a little more information before we do anything final,” Ms. Carlat said.