

## **Council to look at increasing development impact fees**

The Maricopa City Council will decide Tuesday whether to hire an outside firm to update the city's development impact fees, a process that could make Maricopa one of the costliest cities for new business development in the state.

Currently, the city of Maricopa charges developers an impact fee of \$8.62 per square foot for 100,000 square feet and larger developments. Comparing other cities: Surprise at \$2.61, Gilbert, \$2.90; Coolidge, \$3.24; Goodyear, \$4.47; Casa Grande, \$6.37; Florence, \$6.40; Avondale, \$6.93; Pinal County, \$8.07; and Chandler, \$8.88.

Development impact fees are charges a city implements to offset the infrastructure needs that arise from growth and development.

When the city approved the current fee schedule for the 2004 to 2005 fiscal year, it was decided that fees would be used for parks, libraries, public safety, general government and transportation.

However, if council approves an outside firm to redevelop the fee structure, assistant city manager Roger Kolman said it's likely that two new fees will be added: fire and trails.

"When we originally approved the impact fees in 2004-2005, many of the plans we had in place were based on a thumbnail sketch of what we wanted to do," Kolman said. "Now we have better plans in place because we have completed studies and now have a closer to real cost for what the city wants to accomplish."

One example Kolman gives for redoing the fee structure is the police department. "When the city first adopted these fees, we were contracting through the county for a couple of officers; now, we have an entire police department."

While the city's current fees for commercial development range on the high side, the cost of residential development in the city is relatively low compared to other cities. The rate the city currently charges for residential construction is \$5,346 per rooftop; other cities with lower rates include Coolidge at \$2,710, Florence at \$4,875 and Surprise at \$5,318. Chandler's rate, however, is \$10,473, and Pinal County's rate is \$9,859.

TischlerBise Inc, a Maryland-based company the council is looking to hire for \$70,000, conducted the city's last fee-development initiative and, if hired to conduct this survey, would begin immediately.

The entire process is expected to take nine months, with council approval of the new fee recommendations being required prior to implementation.

"The firm will come back with a maximum recommended fee, and council can either accept that or go with a lower number if they feel it is necessary to be competitive with surrounding cities," Kolman said.

If council does not approve the hiring of TischlerBise, the city's current fee structure would stay in place.

"The fee structure we have now will not support the plan laid out for the city," Kolman said. "If we want to provide certain types of infrastructure, we need to have a revenue stream in place to pay for it."

In addition to making a decision on hiring a consultant to reconstruct the impact fees, council will look at the funding of the bus service.

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