

# DEVELOPMENT SERVICES DEVELOPMENT FEES UPDATE

CITY COUNCIL WORK SESSION

MAY 5, 2025



# Background

- State statutes (§ 9-463.05) require that the Development Fee Study: Land Use Assumptions and Infrastructure Plan (IIP) be updated every 5 years
- The project also includes an update to Volume II, Chapter 7 Development Fee Ordinance



# What are Development Fees?

- One-time fees imposed for new development
- Used to fund infrastructure and services impacted by growth:
  - Parks & Recreation
  - Streets
  - Police
  - Library
- Ensure that “growth pays for growth” rather than burdening existing taxpayers



# Why now?

- Current fee structure is outdated (last updated in 2022)
- Costs of infrastructure has significantly increased throughout the last few years
- Significant development changes since last update
- Risk of underfunding critical infrastructure





# Key Impacts of Outdated Fees

- Taxpayers subsidize new development
- Developers may not pay their fair share
- Inadequate revenue for roads and public services



# Fee Update Study

## Analysis:

- Review existing fee structure
- Analyze infrastructure needs and costs
- Benchmark fees against peer cities

## Benefits:

- Objectivity
- Expertise in finance, planning and law
- Stakeholder engagement and transparency



# Goals of the Update

- Align fees with actual costs
- Ensure fairness and consistency
- Support sustainable, planned growth
- Comply with legal requirements
- Enhance capital planning and budgeting accuracy



# Estimated Timeline & Cost

- Data collection and stakeholder engagement
- Analysis and recommendations
- Public Hearings
- Council review and adoption
- Mandatory waiting periods per ARS § 9-463.05

Estimated time of completion: October 2026

Cost:  
\$67,440





# Recommendation

Staff recommends that City Council approve the contract with TischlerBise and authorize initiation of the development fee update process



Questions?

