

Peoria researches new fee schedules

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Peoria officials are studying changes to development impact fees and services fees.

Impact fees are assessed to help fund one-time capital infrastructure costs from new development in the city. Service fees are charged when activities provide direct benefits to specific groups. Development-service activities include planning, site development and building development.

Changes in impact fees are prompted by Senate Bill 1525 approved by the Arizona Legislature and signed into law by Gov. Jan Brewer. The law places greater restrictions on several fee categories by redefining necessary public services, according to Katie Gregory, Peoria budget coordinator. Under the law, a portion of the city's planned infrastructure costs may no longer be included in the development fee calculations, Ms. Gregory added.

"As a result, the city will need to identify other funding sources to cover the full cost of providing the needed infrastructure as growth occurs," she stated in a report to Council.

In addition, city growth will most likely take place in the northern area where infrastructure needs are greater.

"Impact fees are needed to support the costs of growth and maintain the existing levels of service," Ms. Gregory stated.

The City Council approved two consultant contracts Aug. 21 for an impact-fee study.

"Staff is currently in the process of working with our consultants to provide the necessary data to begin assessing land use assumptions and levels of service," Ms. Gregory stated.

Some policy changes that may be considered include expanding or limited impact fee zones, utilizing a biennial audit or advisory committee and evaluating fee reduction options for certain types of uses, according to Ms. Gregory.

"Additional policy items may be identified as new information is reviewed and we begin engaging our development stakeholders," Ms. Gregory stated.

A review of city user fee activities showed only 55 percent of cost of services are recovered, requiring a subsidy from the city's general fund. City staff met with development stakeholders Aug. 15 and Aug. 21. While few comments were offered, most expressed a desire for cost predictability, according to Ms. Gregory.

City officials plan to offer the new development services fee schedule to Council for consideration in an upcoming meeting.

