

Casa Grande: Impact fee fund drops by \$4M over past year

By **HAROLD KITCHING, Staff Writer** | Posted: Wednesday, October 3, 2012 8:12 am

Casa Grande collected \$1,214,111 in development impact fees during the fiscal year that ended June 30, slightly below the \$1,519,152 the previous year and a far cry from the \$16,128,074 brought in as the construction boom continued in the 2005-06 fiscal year.

Development impact fees are charged on new residential and commercial construction under the theory that new residents or companies should pay a share of the cost of providing expanded city services, such as police and fire, rather than throwing that onto all city taxpayers.

The money is held in a special fund, doled out for specific projects. During the past fiscal year the fund began with \$30,822,229 and after project spending, interest earned, transfers and other costs ended at \$26,873,291.

The Arizona Legislature, at the urging of developer and homebuilder groups, has changed the rules, limiting the areas for which fees can be charged and adding new requirements.

The latest is that cities must publish land use assumptions for at least 10 years ahead, plotting what levels of service might be required. Cities must also now publish a detailed infrastructure improvement plan projecting future needs.

Those two requirements will be covered during a hearing on Oct. 15 covering revised impact fees. The meeting begins at 7 p.m. in the council chambers at City Hall, 510 E. Florence Blvd.

Casa Grande now charges impact fees for parks and recreation, library, police, fire, general government, streets and wastewater.

Under a city ordinance effective at the turn of the year, Casa Grande charges a minimum of \$10,642 in impact fees on a new single-family home, broken down as \$4,290 for sewer, \$1,415 for community services such as parks and library, \$345 for police, \$646 for fire and emergency medical services, \$3,465 for transportation and \$481 for general government. There are separate fee categories for nonresidential development, such as shopping centers, hotels and manufacturing.

The latest report, available on the city website at www.casagrandeaz.gov, shows this fiscal year spending breakdown:

- General government, \$675,599: \$47,970 for an outside study on impact fees to meet new state requirements, \$7,772 at the Public Works Department's North Operations Center at the airport, \$530,002 for payment on bonds and \$89,855 covering expenses during the previous year.
- Transportation, \$916,423: \$664,393 for work on Cottonwood Lane, \$148,735 for a complete traffic signal, \$103,295 for previous year expenses.
- Public safety, \$169,820: \$39,177 for an additional communications console, \$130,643 for radios.
- Community services, \$213,963: All for library books.

-- Wastewater and sanitation, \$3,199,317

All for repayment of sewer plant improvements bonds.