

Managing Developer Credits: Issues and Alternatives



Surprise, AZ

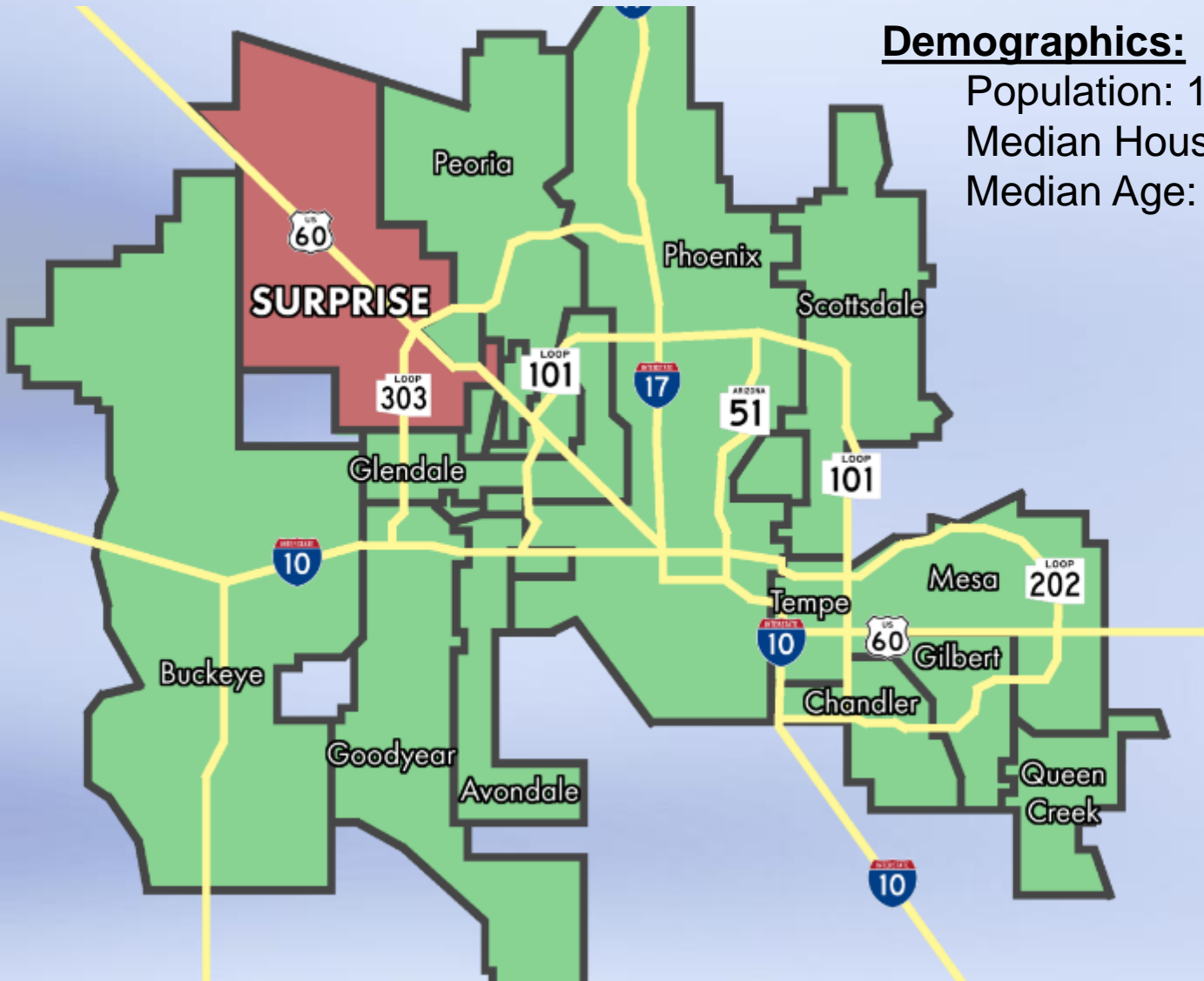


Demographics:

Population: 130,000

Median Household Income: \$60,000

Median Age: 36.8

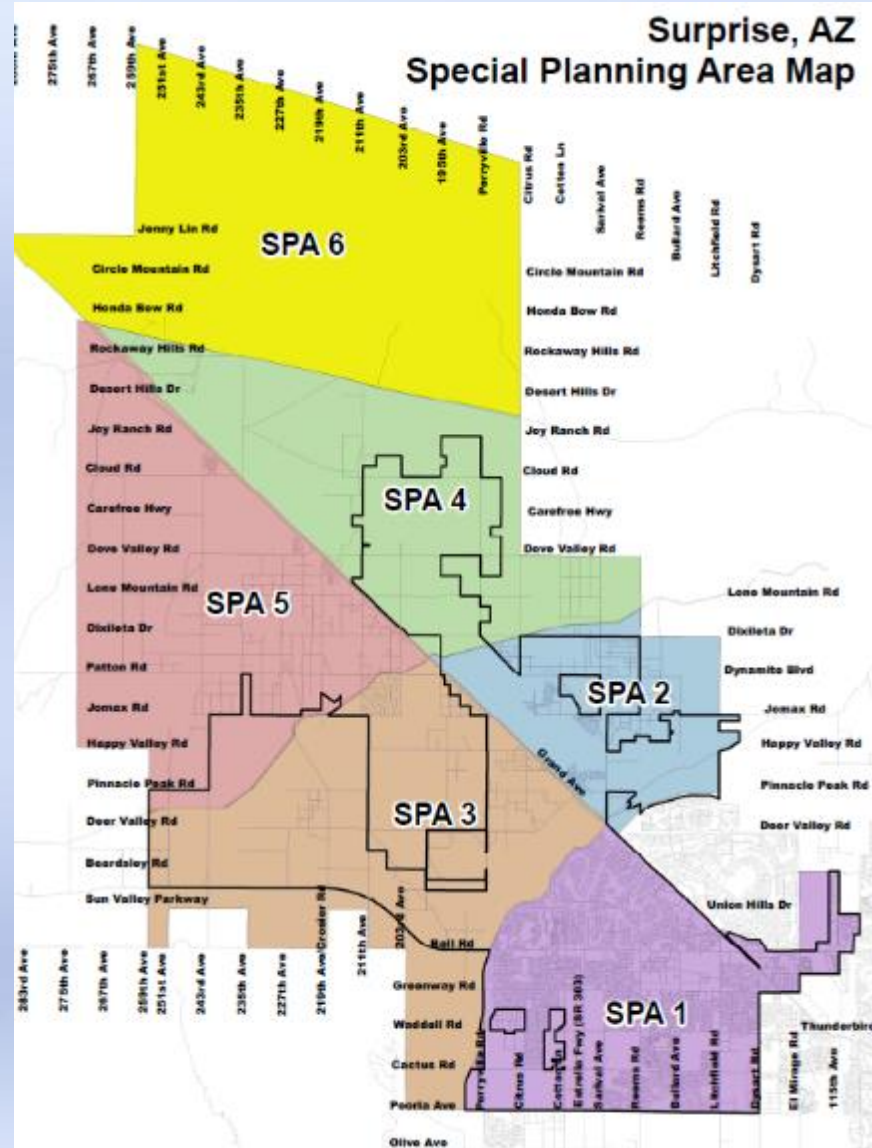


Special Planning Area (SPA)



Land Area:
108 square miles

Planning Area:
309 square miles



Impact Fee History SPA 2 SFR



Fiscal Year	Fire	Gen Govt	Library	Parks	Police	Public Works	Roads	Water System	Water Resource	Waste Water	Total
2018	1,368	661	-	785	371	-	-	2,064	353	3,361	\$ 8,963
2015-2017	1,368	661	-	785	371	-	299	1,544	873	3,361	\$ 9,262
2014	1,368	661	-	785	371	-	5,715	1,544	873	3,039	\$ 13,676
2012-2013	688	661	133	785	371	109	5,715	3,895	796	3,039	\$ 16,192
2011-2007	706	661	467	2,114	372	998	5,715	3,895	763	3,039	\$ 18,730
2004-2006	454	314	266	1,127	424	885	-	2,879	456	2,245	\$ 9,050

Development Agreement Overview



80 Development Agreements (1990 – current)
1 Community Facilities District

Examples of Impact Fee Language in Agreements

- Water System Fee: Water Supply Facilities credits
- Fire Impact Fee: Land Reimbursement
- Waster Water: Shared Waste Water Treatment plants - EDUs

Payback Types



- Credit of impact fees otherwise due from developer
- Reimbursement of impact fees to developer
- Credit AND Reimbursement to developer
- Onsite vs Offsite Infrastructure
 - Reimbursements to Developer if surrounding developments benefit from the accepted improvement

- Capacity Improvement in development agreement

- Infrastructure Improvements Plan

- Dedication of land reimbursement
 - 3 Fire station land agreements

Determining the Amount



- ❑ Stated in Agreement i.e. Fire Station Land
 1. Cost of Infrastructure is submitted to the city engineer
 2. Engineering and Finance review the costs and submit approve costs and acceptance documents to City Council
 3. Once approved reimbursement can begin

Note: If there is a known obligation, collected fund are segregated until the infrastructure is accepted

Issues with Developer Credits



- Tracking
 - Project strings
 - Contract data base (excel and permitting software)
- Reconciling
- Change in Statue
- Updating Fees
- Internal and External Communication
- Allocation of the fee amongst development agreements
 - (two parks in same area)

Future of Development Agreements



- Honor what was inherited
- Cease old development agreement practices
- Buy-in Agreements

Thank you!

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