

ORDINANCE G-5316

AN ORDINANCE REPEALING CHAPTER 29, "DEVELOPMENT
IMPACT FEE ORDINANCE OF THE CITY OF PHOENIX" OF
THE PHOENIX CITY CODE; AND ADOPTING A NEW
CHAPTER 29 RELATING TO DEVELOPMENT IMPACT FEES.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX, as

follows:

SECTION 1. Chapter 29, Phoenix City Code, is hereby repealed.

SECTION 2. A new Chapter 29, Phoenix City Code, is hereby adopted to

read as follows:

- Sec. 29-1. Title.
- Sec. 29-2. Legislative intent and purpose.
- Sec. 29-3. Definitions.
- Sec. 29-4. Applicability.
- Sec. 29-5. Specific infrastructure financing plans.
- Sec. 29-6. Schedule for plan adoption.
- Sec. 29-7. Administration of development impact fees.
- Sec. 29-8. Calculation of the development impact fee.
- Sec. 29-9. Development credits.
- Sec. 29-10. Credit agreements and credit documentation.
- Sec. 29-11. Development agreements.
- Sec. 29-12. Appeals.
- Sec. 29-13. Consideration at time of land use change.
- Sec. 29-14. Annual review of the Development Impact Fee Program.
- Sec. 29-15. Indexing.

Sec. 29-1. Title.

This chapter shall be known as the "Development Impact Fee Ordinance of the City of Phoenix," may be cited as such, and will be referred to hereinafter as "ordinance".

Sec. 29-2. Legislative intent and purpose.

This ordinance is adopted for the purpose of promoting the health, safety and general welfare of the residents of the City by:

- A. Implementing the City of Phoenix General Plan;
- B. Requiring new development to pay its proportionate share of the costs to the municipality associated with providing necessary public services to the development;
- C. Setting forth standards and procedures for assessing development impact fees and administering the development impact fee program.

Sec. 29-3. Definitions.

Alternative revenue offset: The net present value of future revenues obtained from secondary property tax, water and sewer rates, development occupational fees, and other sources used to pay for existing development's share of the cost of facilities included in the infrastructure improvements plans or infrastructure financing plans. Alternative revenue offsets should also be provided for future tax payments that will be made by new development that will be used to retire outstanding debt that created capacity in the same category of facilities to serve existing development.

Arena: A large indoor or outdoor structure in which spectator events are held. These facilities could be made available for many uses including but not limited to ice hockey, basketball, concerts, shows and religious services.

Average trip rate: A weighted average of the number of vehicle trips or trip ends per unit of independent variable or conversion unit (e.g., trip ends per dwelling unit or per one thousand square feet of floor area) using a site's driveway(s).

Average weekday trips or AWT: The average twenty-four hour total of all vehicle trips counted to and from a site from Monday through Friday.

Capital facilities: Necessary public services that are permanent additions to the City's assets, that are primarily financed by long-term debt instruments and not from the City's annual operating budget, and which include purchase of land, studies leading to design, design and construction, of buildings and facilities. Capital facilities and infrastructure are terms that may be used interchangeably.

Capital facility category: A classification of capital facilities as set out in Section 29-5.B.1. of this chapter and corresponding to the capital program area of the most recent City of Phoenix Capital Improvement Program.

Capture rate: A percentage reduction in traditionally developed trip forecasts to account for trips internal to a development. Capture rates are not applicable and should not be utilized in forecasting of trips for shopping centers and other mixed-use developments where trip generation data already includes reductions for trips internal to the development.

Core land use: A mix of uses including office, retail, public, governmental, and residential. The variety of uses is determined by the uniqueness of each village core and the development character of each urban village. Core land uses are limited to areas identified as village cores on one or more adopted planning documents including the Phoenix General Plan, specific plans and zoning maps.

Credit agreement: An agreement between the City of Phoenix and the developer permitting the distribution of credits.

Credits: Reductions in development impact fees charged to developments resulting from developer contributions, payments, construction or dedications.

Day care center: A facility for the daily care of dependent populations including infants, preschool and young children as well as elderly persons, typically taking place during daylight hours, although they may also offer care at other hours of the day. Such facilities may include classrooms, offices, eating and sleeping areas, and playgrounds or outdoor recreation areas.

Development area: Is either (1) a single parcel or contiguous parcels which have been planned together at one time under a unified plan of development or (2) contiguous parcels which have been planned separately but which have a single developer who has provided or caused to be provided the infrastructure for all of the contiguous parcels, and the developer has filed with the City a credit agreement to assign its credits to each of the contiguous parcels.

Diverted linked trips: Those trips attracted from the traffic volume on roadways within the vicinity of the generator but which require a diversion from that roadway to another roadway to gain access to the site. These roadways could include streets or freeways adjacent to the generator, but without access to the generator.

Dwelling unit or DU: A house, an apartment, a mobile home or trailer, a group of rooms or a single room occupied as separate living quarters or, if vacant, intended for occupancy as separate living quarters. Dwelling unit and housing unit are terms that may be used interchangeably.

Elementary school: An institution of learning offering education for children, including some or all of the grades from kindergarten through 8th grade. The site may contain athletic, dining, assembly and recreation facilities.

Equipment repair facilities: A category of capital facilities including but not limited to service centers for the repair and maintenance of City vehicles and office and storage space serving the service area in which the development fees will be applied.

Equivalent dwelling unit or EDU: A number which represents the demand that a particular land use type places on each capital facility category compared to the demand created by a detached single-family dwelling unit on each category. The EDU number will be represented as the ratio determined by dividing an indicator of the use type demand by an indicator of the detached single-family dwelling unit demand.

Fire protection: A category of capital facilities including but not limited to fire stations, related equipment and vehicles and other facilities necessary for fire protection.

Golf course: A tract of land laid out for playing golf with nine or more holes. Some golf courses have driving ranges and clubhouses with a pro shop, restaurant, lounge and banquet facilities, while others have no ancillary facilities.

Gross fee per EDU: The total facility costs listed in the specific infrastructure financing plan for a capital facility category divided by the total equivalent dwelling units projected in that area for that facility category.

High school: A secondary education level institution with an instructional program leading to issuing a high school diploma. The site may contain athletic, dining, assembly and recreation facilities.

Hospital: An institution for the diagnosis, care or treatment of two or more unrelated persons suffering from illness, injury, or deformity or for the rendering of obstetrical or other professional care, other than in an emergency, where overnight accommodations are provided. The term "hospital" shall not be construed to include the office of a physician or practitioner.

Impact fee study: The written report that identifies the methodology for calculating the amount of the development impact fee, explains the relationship between the development impact fee and the infrastructure improvements plan, and meets other requirements set forth in Section 9-463.05, Arizona Revised Statutes.

Industrial: A category of nonresidential land uses that includes industrial, manufacturing, warehousing and mini-warehouse uses.

Industrial and manufacturing: A land use which may include one or more of the following: fabrication, processing, assembly, storage and distribution of raw materials and goods, including agricultural products and may also include office and maintenance areas. The office use may not be more than fifty percent of the square footage of the structure.

Infrastructure financing plan: A document prepared by the City of Phoenix prior to 2008 that calculated the cost per EDU for each capital facility category and each service area.

Infrastructure improvements plan: A document that lists the capital improvements required for each capital facility category and each service area to serve anticipated new development in the service area, and meets other requirements set forth in Section 9-463.05, Arizona Revised Statutes.

Level of service: The amount and quality of service provided by a capital facility for the population and land uses it serves.

Libraries: A category of capital facilities including but not limited to libraries, related equipment, furnishings, books and other circulating items.

Lodging: hotel, motel or resort: A facility designed for occupancy by transients or as a residence for periods of less than one year. A hotel shall contain rooming units and customarily provides housekeeping, bellhop, laundry, and on site recreation services. Where appropriately zoned, restaurant, bar, personal and retail services, and entertainment may also be available. Motels may maintain separate outside guest room entrances. Resorts may offer outdoor recreation activities such as golf, tennis, horseback riding, or swimming for guests and may have dwelling units in conjunction with guest rooms. Conference or convention centers on the premises of a hotel, motel or resort hotel shall be considered separately for the purposes of this chapter.

Mini-warehouse: A building in which a storage unit or vault is rented for the storage of goods. Each unit is physically separated from the other units and access is usually provided through an overhead door or other common access point.

Multifamily dwelling unit: A structure designed or used for living quarters and containing two or more separate living quarters.

Nursing home: A health care institution which is licensed by the Arizona State Department of Health Services as a skilled nursing facility for two or more unrelated persons.

Office: A category of nonresidential land use that includes general office and medical-dental office buildings. A general office building houses multiple tenants; it is a location where affairs of businesses, commercial or industrial organizations, or professional persons or firms are conducted. A medical-dental office is a facility that provides diagnoses and outpatient care on a routine basis but is unable to provide prolonged in-house medical or surgical care. An office building may contain a mixture of tenants, and tenant services such as a bank or savings and loan, a restaurant or cafeteria, and service retail facilities.

Office/institutional. A category of nonresidential land use that includes general office and medical-dental office buildings, as well as public and quasi-public uses not elsewhere classified in other land use categories in the fee schedule.

Open Space: A category of capital facilities including but not limited to natural areas, other lands, trails, and improvements designed to provide access to desert preserves and mountain parks.

Parks: A category of capital facilities including but not limited to neighborhood, community and district parks and related facilities and equipment; aquatics facilities; neighborhood, community, adult, teen and multi-generation centers, and trails.

Pass-by trips: Those trips made as intermediate stops on the way from an origin to a primary trip destination. Pass-by trips are attracted from traffic passing the site on an adjacent street that contains direct access to the generator. These trips do not require a diversion from another roadway.

Plan-based cost per EDU: The total future capital costs listed in the infrastructure improvements plan for a capital facility category divided by the total new equivalent dwelling units projected in that area for that facility category over the same time period.

Police: A category of capital facilities including but not limited to police precinct and briefing stations and related equipment and vehicles, and police communications facilities.

Primary trips: Those trips made for the specific purpose of visiting the trip generator. The stop at the generator is the primary reason for the trip.

Public and quasi-public: A category of nonresidential land uses that includes private schools, hospitals, religious facilities, day care centers and other similar uses..

Religious Facility. A facility for public worship services such as a church, synagogue, mosque, or temple which may include an assembly hall, sanctuary, meeting rooms, classrooms, and kitchen. Day care centers, open to the public, elementary schools or high schools operating on the site of a religious facility shall be considered primary uses and not part of the religious facility.

Retail/Retail Center: A category of nonresidential land uses that includes general retail, retail centers, specialty retail, discount stores, car sales, supermarkets, convenience markets, service stations, banks and savings and loans, motion picture theaters, lodging, hotel/motel, resorts and similar commercial uses not elsewhere classified in other land use categories in the fee schedule.

Retail center: A site on which three or more commercial establishments are located which share a common parking facility. In addition, the site may contain incidental offices, services, financial establishments, restaurants, bars, lounges and recreation establishments. A retail center may contain one or more buildings and businesses located in freestanding buildings or within integrated multi-tenant structures. Day care centers are not considered part of a retail center for the purpose of administering the Roadway Facilities development impact fee.

Roadway Facilities: A category of capital facilities including bridges, culverts, irrigation tiling, storm drains, and regional transportation facilities. This capital facility does not include costs for arterial street construction or arterial street right-of-way.

Service area: A geographic area, which may include some currently unincorporated area, in which a set of capital facilities provides reasonably uniform service to development. Some of the capital facilities providing service to the area may be physically located outside the service area. All development in a service area or served by a service area's facilities is subject to the same impact fee schedule for a capital facility category.

Single-family dwelling unit: Detached or attached dwelling units including one-unit structures designed or used as separate living quarters including structures detached from any other house and structures with primary ground floor access to the outside and structures with one or more walls extending from ground to roof separating them from adjoining structures.

Solid waste disposal: A category of capital facilities including but not limited to landfills, transfer stations with related equipment and vehicles, and materials recycling facilities.

Square feet or square footage: A conversion factor used in calculating equivalent dwelling units. The square footage of a building as listed in the construction permit shall be used.

Standard density multifamily dwelling: Multifamily dwelling with more than four dwelling units per structure.

Storm drainage: A category of capital facilities including but not limited to storm sewers constructed in sizes needed to provide for stormwater management for areas beyond major street projects and stormwater detention basins and channels necessary to provide for proper stormwater management.

Time share: A category of residential land use designed for occupancy by transients or as a residence for periods of less than one month. For purposes of this ordinance, timeshares shall be considered commercial for the roadway facilities, parks and open space facility categories. For equipment repair, fire, library and police categories they shall be considered as multifamily.

Trip length: The distance in miles between a trip's origin and destination.

Unified plan of development: A plan acceptable to the Planning Director such as a subdivision, site plan, planned community district or specific plan covering a contiguous area served by capital facilities provided by a common entity.

University: An institution of higher learning offering bachelors and higher degrees. The site may contain athletic, dining, assembly, housing and recreation facilities.

Vehicle trip: A single or one-direction vehicle movement with either the origin or destination (exiting or entering) inside a site.

Warehouse: A category of land use primarily devoted to the storage of materials. Warehouses may also include office and maintenance areas. The office use may not be more than fifty percent of the square footage of the structure.

Wastewater: A category of capital facilities including but not limited to sewers, lift stations, reclamation plants, wastewater treatment plants and related equipment and facilities.

Water: A category of capital facilities including but not limited to those facilities necessary to provide for water use such as water production facilities and equipment including water treatment plants, wells, booster stations and reservoirs and water distribution facilities and equipment including water mains and valves, but excluding Water Resource Projects as defined in Section 30-3.

Sec. 29-4. Applicability.

Except as provided below, this ordinance shall apply to all development within any service area of the City of Phoenix at such time as an infrastructure improvements plan or infrastructure financing plan for that service area has been adopted pursuant to Section 29-5. This ordinance shall not apply to the development of any public school or City of Phoenix facility located within any service area or to any development having an infill housing program contract or located in an infill incentive district.

Sec. 29-5. Infrastructure improvements plans.

Prior to assessment of a new or modified development impact fee in a service area, the City shall prepare an impact fee study that identifies the methodology for calculating the amount of the development fee, explains the relationship between the development fee and the infrastructure improvements plan, includes documentation that supports the assessment of a new or modified development fee and identifies any index or indices to be used for automatic adjustment of the development fee and the timing of those adjustments. If an impact fee study and associated infrastructure improvements plan have not yet been prepared, the documentation for an existing impact fee can be found in the relevant infrastructure financing plan.

Prior to assessment of a new or modified development impact fee in a service area, the City of Phoenix shall adopt an infrastructure improvements plan for the area. For each necessary public service that is the subject of a development fee and for each service area, the infrastructure improvements plan shall estimate future necessary public services that will be required as a result of new development and the basis for the

estimate; forecast the costs of infrastructure, improvements, real property, financing, other capital costs and associated appurtenances, equipment, vehicles, furnishings and other personalty that will be associated with meeting those future needs for necessary public services; and estimate the time required to finance and provide the necessary public services.

- A. The impact fee study and infrastructure improvements plan shall be prepared and adopted and amended in accordance with Section 9-463.05, Arizona Revised Statutes.
- B. The impact fee study and infrastructure improvements plan shall determine the extent of capital facilities needed to serve the anticipated future development of the service area consistent with the Phoenix General Plan.
 1. The impact fee study and infrastructure improvements plan shall specify needs for one or more of the following categories of capital facilities:
 - a. Equipment repair facilities;
 - b. Fire Protection;
 - c. Libraries;
 - d. Open Space;
 - e. Parks and Trails;
 - f. Police;
 - g. Roadway Facilities;
 - h. Solid waste disposal;
 - i. Storm drainage;
 - j. Wastewater; and
 - k. Water.
 2. The capital facility needs for each capital facility category shall reflect current facility design and be based on the same level of service for that category being required in other areas of the city with adopted infrastructure improvements plans.
 3. Only capital facilities as herein defined shall be included in the infrastructure improvements plans.
- C. The impact fee study and infrastructure improvements plan shall establish the level of service (LOS) and estimate the total cost for capital facilities including land acquisition, studies leading to design, design, construction, financing, and administrative costs, but shall not include costs for ongoing operation and maintenance, nor for replacement to the extent that replacement facilities do not increase service capacity.
- D. The impact fee study shall project the number of equivalent dwelling units for all applicable development within the service area based on the General Plan and studies pursuant thereto.

- E. Projected capital facility costs shall be allocated to equivalent dwelling units for all new development projected to be constructed within the service area.
- F. The plan-based cost per EDU shall be calculated by dividing the projected cost for a capital facility category in a service area by the number of new EDUs projected for the facility category in the service area over the same period of time.
- G. The maximum impact fee for a capital facility category in a service area shall be based on the net cost per EDU. The net cost per EDU shall be the plan-based cost per EDU or the existing cost per EDU, whichever is less, less the applicable offset per EDU for alternative revenue that will be generated by new development.

Sec. 29-6. Schedule for plan adoption.

The Planning Department shall recommend to the City Council a schedule for the preparation of infrastructure improvements plans for each of the villages in the General Plan or other areas as may be designated by the City Council. In recommending an order of priority for the preparation of such plans, the department shall take into consideration (1) the anticipated growth of each village; (2) the extent to which existing capital facilities can serve more intensive development than now exists; and (3) such other factors as will further the implementation of the General Plan.

Sec. 29-7. Administration of development impact fees.

- A. The development impact fee program shall be administered by the Phoenix Planning and Development Services Departments.
- B. There shall be a non-refundable development impact fee program administrative charge equal to one (1) percent of the gross impact fee.
- C. The development impact fee and administrative charge shall be paid as follows:
 - 1. If construction permits for buildings or water or sewer connections are required, the applicable fees shall be paid at the time of the issuance of the construction permits for the development. No construction permit shall be issued until any applicable development impact fee has been paid. If the construction permit is for an expansion of an existing use or a change to a different use type, the fee shall be assessed only for the additional impacts of the expansion or change. The development impact fee shall be assessed using the fees in effect at the time the construction permit is issued.
 - 2. Wastewater and water development impact fees shall be paid at the time of connection to the City of Phoenix sewer or water system. If no permit

for construction of a building is required, a wastewater development impact fee shall be paid prior to approval of a connection of a use which discharges, or as determined by the Water Services Director is capable of discharging sewage to a public sewer. A water development impact fee shall be paid upon approval of setting of a water meter. However, fees shall not be required if the sewer connection or water meter is to serve a public right-of-way or other City of Phoenix facility or if the connection is being made to a building constructed before October 21, 1987. The wastewater or water development impact fee shall be assessed using the fees in effect at the time the connection is approved.

- D. Development impact fees collected pursuant to these regulations shall be placed in separate, interest-bearing accounts for each capital facility category within each service area.
- E. Development impact fees and any interest thereon collected pursuant to these regulations shall be spent for improvements that provide a beneficial use to the development that paid the fee, including debt service costs that relate to such improvements.

Sec. 29-8. Calculation of the development impact fee.

Each new development within a service area for which an infrastructure improvements plan has been adopted for roadway facilities, parks and trails and open space shall be assessed a development impact fee according to the following fee schedules (less any credits as determined in Sec. 29-9). The impact fee to be paid shall be determined by subtracting the value of any credits for developer contributions for the same category of facility due pursuant to Section 29-9 from the development impact fee according to the following fee schedules. At the option of the applicant or the Planning Director, the equivalent dwelling units used to calculate the fee may be determined pursuant to an independent impact analysis if the type of proposed use is not within or comparable to any of the use types in the fee schedule, pursuant to the provisions in Section 29-8.F.

Roadway Facilities Net Impact Fee Schedule

(Valid for the Effective Date of this Ordinance)

Land Use	Unit	North Gateway Service Area	Desert View Service Area	Estrella Laveen Service Area	Ahwatuke West Service Area
Single-Family Detached	Dwelling	\$3,485	\$1,298	\$1,623	\$1,871
Multifamily	Dwelling	\$2,405	\$896	\$1,120	\$1,291
Mobile Home/RV Park	Space	\$1,812	\$675	\$844	\$973
Retail	1000 sq. ft.	\$5,332	\$1,986	\$2,483	\$2,863

Lodging, Hotel/Motel, Resort	Room	\$1,185	\$441	\$552	\$636
Office/Institutional	1000 sq. ft.	\$3,659	\$1,363	\$1,704	\$1,965
Religious Facility	1000 sq. ft.	\$1,812	\$675	\$843	\$973
Day Care Center	1000 sq. ft.	\$2,962	\$1,103	\$1,380	\$1,590
Elementary School, Private	1000 sq. ft.	\$2,544	\$948	\$1,185	\$1,366
High School, Private	1000 sq. ft.	\$2,997	\$1,116	\$1,396	\$1,609
Hospital	1000 sq. ft.	\$5,193	\$1,934	\$2,418	\$2,788
Nursing Home	1000 sq. ft.	\$1,812	\$675	\$844	\$973
Industrial and Manufacturing	1000 sq. ft.	\$2,230	\$831	\$1,039	\$1,197
Warehouse	1000 sq. ft.	\$1,847	\$688	\$860	\$992
Mini Warehouse	1000 sq. ft.	\$697	\$260	\$325	\$374

Note: independent impact analysis is required for wholesale nursery or landscape contractor, golf course, university, agriculture, bus depot, indoor or outdoor arena and core land use.

Parks and Trails Net Impact Fee Schedule

(Valid for the Effective Date of this Ordinance, Subject to Indexing)

Land Use	Unit	North Gateway Service Area	Desert View Service Area	Estrella/Laveen Service Area	Ahwatukee Service Area
Single Family Detached	Dwelling	\$4,072	\$2,910	\$2,035	\$2,003
Multifamily	Dwelling	\$1,482	\$1,064	\$749	\$662
Mobile Home/RV Park	Space	\$1,606	\$1,153	\$812	\$796

Open Space Net Impact Fee Schedule

(Valid for the Effective Date of this Ordinance, Subject to Indexing)

Land Use	Unit	Northern Service Area
Single Family Detached	Dwelling	\$1,108
Multifamily	Dwelling	\$812
Mobile Home/RV Park	Space	\$957

Each new development within a service area for which an infrastructure financing plan has been adopted for other capital facility categories shall be assessed a development impact fee according to the following calculations:

- A. The infrastructure financing plan will determine the gross fee per EDU.
- B. Determine the gross impact fee by multiplying the EDUs for each capital facility category by the gross fee per EDU listed in the specific infrastructure

financing plan. Determine the total offsets per capital facility category by multiplying the EDUs for each capital facility by the alternative revenue offset (excluding the development occupational fee) for the particular use. Determine the project credit by multiplying the EDUs for each capital facility category by the credit per capital facility category. Credits per EDU are determined per Section 29-9.

- C. Determine the net impact fee by subtracting from the gross impact fee per capital facility, the alternative revenue offsets per capital facility (including development occupational fees), and the credits per EDU. The net impact fee cannot be less than zero for any capital facility category.
- D. EDU calculation methodologies: The equivalent dwelling units projected for a particular new development, for each use type and capital facility category shall be based on the provisions in Section 29-8.E., or an independent impact analysis prepared in accordance with Section 29-8.F. The base for the EDU table and the independent impact analysis shall be a single-family detached dwelling unit. The Planning Director shall maintain a report, available to the public, showing the EDU factors and their derivation.
 - 1. Equipment repair facilities. EDU for equipment repair facilities shall be based on the proportion of the total services provided by service center offices, storage and vehicle maintenance facilities that is used by each of the city departments in the provision of fire, library, roadway facilities, park, police, solid waste, wastewater and water services and the use of a land use category of the fire, library, roadway facilities, park, police, solid waste, wastewater and water services. Services provided to one single-family dwelling unit shall be one EDU.
 - 2. Fire protection. EDU for fire protection facilities shall be based on the average time spent on calls for fire protection services to various land use categories compared to the time spent on calls for one single-family dwelling unit. Average length of time spent per call for one single-family dwelling unit shall be one EDU.
 - 3. Libraries. EDU for libraries shall be based on per capita use factors and the ratio of persons per dwelling unit to single-family per capita use factors and persons per single-family dwelling unit.
 - 4. Police. EDU for police facilities shall be based on the average time spent on calls for police services to various land use categories. Average time spent per call for one single-family dwelling unit shall be one EDU.
 - 5. Solid waste disposal. Solid waste disposal service to one single-family dwelling unit and any other individually owned dwelling unit eligible for solid waste disposal service shall be one EDU.

6. Storm drainage. Equivalent dwelling units (EDU) for major trunk storm sewers, storm detention basins and channels shall be based on one EDU for each standard density single-family dwelling unit and one EDU for each one quarter acre of gross site area for all other land use types.
7. Wastewater facilities. Equivalent dwelling unit (EDU) for wastewater facilities shall be based on the number of net new drainage fixture units in the building for which the construction permit is being issued. All single-family units are deemed to be one EDU. EDU for other land uses are calculated as the number of drainage fixture units divided by 23.
8. Water facilities. Equivalent dwelling units shall be based on water meter size as specified in the table below.

Meter Size and Type to Water EDU Table

Meter Size (inches)	Meter Type	EDU for Single-Family Unit or Individually Metered Multifamily Unit	EDU for Multifamily Units Sharing Common Meters (any meter size)	EDU for All Other Users
5/8 x 3/4	Displacement or multi-jet	1.00	0.49 per MF Unit	1.00
3/4	Displacement or multi-jet	1.00		1.50
1	Displacement or multi-jet	1.00		2.50
1 1/2	Displacement or turbine	5.00		5.00
2	Displacement or turbine	8.00		8.00
3	Displacement	15.00		15.00
3	Compound	16.00		16.00
3	Turbine	17.50		17.50
4	Displacement or compound	25.00		25.00
4	Turbine	30.00		30.00
6	Displacement or compound	50.00		50.00
6	Turbine	62.50		62.50
8	Compound	80.00		80.00
8	Turbine	90.00		90.00

E. Use-specific EDU conversions shall be made in accord with the following:

1. Equivalent dwelling units (EDU) for equipment repair facilities, fire protection, libraries, and police shall be based on the equivalent dwelling unit table for development impact fee calculation for use types listed in the table unless the use requires an independent impact analysis as provided in Section 29-8.F. Other uses not in the table shall be required to prepare an independent impact analysis as provided in Section 29-8.F.

EQUIVALENT DWELLING UNIT TABLE FOR DEVELOPMENT IMPACT FEE CALCULATION

Use Type	Conversion Unit	Capital Facility Category EDU per Unit			
		Equipment Repair	Fire Protection	Libraries	Police
SF Detached	DU	1.00	1.00	1.00	1.00
SF Attached	DU	1.00	1.00	0.49	1.00
MF 2 to 4 units in a structure	DU	0.42	0.68	0.55	0.42
MF Standard density	DU	0.42	0.68	0.43	0.42
Mobile home or recreational vehicle park	Space	0.42	0.68	0.46	0.42
Timeshare	DU except 1,000 sq. ft. for Libraries	0.42	0.68	0.18	0.42
Retail	1,000 sq. ft.	1.02	0.59	0.18	0.65
Office	1,000 sq. ft.	0.88	0.59	0.25	0.65
Industrial	1,000 sq. ft.	0.40	0.59	0.14	0.65
Nursery, wholesale or landscape contractor	Acre	Requires an independent impact analysis.			
Public, Quasi-Public	1,000 sq. ft.	0.30	0.59	0.11	0.65
Golf course	Acre	Requires an independent impact analysis.			
University	Student	Requires an independent impact analysis.			
Agriculture	Acre	Requires an independent impact analysis.			
Bus depot	1,000 sq. ft.	Requires an independent impact analysis.			
Indoor arena	Acre	Requires an independent impact analysis.			
Outdoor arena	Acre	Requires an independent impact analysis.			
Core land use	1,000 sq. ft.	Requires an independent impact analysis.			

2. Equivalent dwelling units for solid waste disposal, storm drainage, and wastewater and water facilities shall be based on the calculation methodology in Section 29-8.D.

- F. At the option of the applicant or the Planning Director, the equivalent dwelling units used to calculate the fee may be determined pursuant to an independent impact analysis if the type of proposed use is not within or comparable to the use type in the impact fee schedule or the Equivalent Dwelling Unit Table for Development Impact Fee Calculation in Section 29-8.E. If this option is chosen, the following shall apply:
1. The applicant shall be responsible for preparing the independent impact analysis, which shall be reviewed for approval by the Planning Director or his designee prior to payment of the fee.
 2. The independent impact analysis shall measure the impact the proposed development will have on the capital facility categories included in the impact fee study and infrastructure improvements plan (or infrastructure financing plan if an impact fee study and infrastructure improvements plan have not been prepared for the capital facility category) and shall be based on the same methodologies used in the calculation of the EDU in the impact fee study or for the Equivalent Dwelling Unit Table for Development Impact Fee Calculation and shall be supported by professionally acceptable data and assumptions.
 3. After review of the independent impact analysis submitted by the applicant, the Planning Director or his designee shall accept or reject the analysis and provide written notice to the applicant of the decision. If an independent impact analysis is rejected, the written notice shall provide an explanation of the insufficiencies of the analysis.
 4. The final decision of the Planning Director or his designee may be appealed pursuant to Section 29-12.

Sec. 29-9. Development credits.

Impact fee credits are provided in return for infrastructure dedications, improvements and/or financial contributions for those capital facilities listed in adopted infrastructure improvements plans or infrastructure financing plans. The facilities for which credits are given will reduce the need for capital facilities that were identified or should have been identified in the infrastructure improvements plan or specific infrastructure financing plan. It is the responsibility of the developer to apply for impact fee credits. Credits will be provided in accordance with the following procedures:

- A. The amount of the credits provided will be equal to the cost of the type of improvement used for establishing costs in the infrastructure improvements plan or infrastructure financing plan, notwithstanding the developer's actual cost unless the director of the department responsible for the capital facility category determines that the use of the actual cost is warranted as specified in Section 29-9.

- B. The adoption of fees at less than full net cost will result in credit being provided in a manner proportionate to the implementation of fees. For example, if only fifty percent of the full net cost is implemented as a fee, credit for facilities provided against that fee will be provided at only fifty percent of the value included in the relevant plan for that type of facility. The City may still elect to allow developers to provide facilities and land in return for credit based on the lowest public bid or sealed bid, or an appraisal, or other alternative mechanism, as permitted in this section.
- C. No credit against impact fees will be provided if the developer is being repaid for the contributions, payments, construction or dedications resulting in the credits from any City of Phoenix funding source.
- D. The value of the credits shall not exceed the amount due for the capital facility category against which it is to be subtracted.
- E. The credits shall not be transferred from one capital facility category to another.
- F. The developer shall execute a credit agreement as specified in Section 29-10 prior to securing the first construction permit for the development for which the developer contribution was made. Any credits claimed for construction permits issued prior to a credit agreement shall be deemed waived. Credits agreements may be amended up to two years of final acceptance of the facility for which credit was determined. Notwithstanding the foregoing, developments that received final subdivision plat prior to May 18, 2009, may claim credits if they execute a credit agreement within one year from May 18, 2009. It is the responsibility of the developer to request application of any impact fee credits.
- G. Credits shall not be transferred from one development area to another unless contiguous developments using common infrastructure are combined in a manner acceptable to the Planning Director and the department(s) responsible for the facility, as specified in Section 29-10. The transfer of credit shall require a credit agreement as specified in Section 29-10, and shall not apply to construction permits in development areas where permits have been previously issued.
- H. The credits shall not be transferred outside of the service area.
- I. Any applicant for annexation, rezoning, subdivision or site plan approval by the City of Phoenix who may be eligible for credits against the development impact fee otherwise assessable to the development may receive a fee determination from the Development Services Department or the Planning Department. Credits for improvements identified in an infrastructure improvements plan or a specific infrastructure financing plan and constructed pursuant to any agreement, stipulation or condition adopted at the time of any annexation, rezoning, subdivision or site plan approval shall be recorded in such a manner

as to allow the appropriate allocation of the credit to future applicants for building permits within the property.

- J. Credit will be provided for capital facilities in the infrastructure improvements plan or specific infrastructure financing plan when the facilities are accepted by the city, and the department responsible for the capital facility category has verified that the facilities have met all of the requirements of that department, or when adequate security for the completion of the construction has been provided in the manner required by the city.
- K. Credit will only be granted to an entity that controls developable land within an infrastructure financing plan area and constructs or provides infrastructure or land that benefits that developable land. Only that entity is permitted to request the distribution of credit provided by the installation or provision of infrastructure or land. However, once credit has been distributed to a particular parcel of land to reduce future impact fees associated with building permits on that land, the credit cannot be transferred off of the parcel and will be assumed to transfer to any subsequent owner or lessee, unless otherwise specified by a development agreement with the City.
- L. If the entity that constructs or provides infrastructure or land sells or relinquishes its property prior to credit being allocated to one or more parcels, as may be permitted in this section, credit can only be allocated if both that entity and the subsequent owner of the property request the distribution of the credit.
- M. If multiple entities jointly provide infrastructure or land, any request for the distribution of credit to one or more parcels through the use of credit agreements or development agreements, as may be permitted in this section, must be made to the City jointly by the entities that provided the infrastructure or land.
- N. Credits will be calculated using costs in the infrastructure improvements plan or specific infrastructure financing plan for the type and size of facility being provided except for the credit for partially completed facilities. Credit for partially completed facilities will be calculated using facility component costs provided by the Planning Department and the department responsible for the capital facility category, except under circumstances specified in Section 29-9.
- O. Credits will be distributed uniformly among all EDU's within the development area unless specified otherwise in a development agreement.
- P. Where city-mandated over-sizing of facilities such as booster or lift stations is required and facility specifications do not match those provided in the infrastructure improvements plan or specific infrastructure financing plan, the department responsible for the capital facility category may calculate the credit value of the dedicated facility using other methods. These methods will be:

1. utilizing actual cost as indicated by the lowest bid from a public bid process;
2. utilizing the lowest bid from a minimum of three sealed bids provided by contractors acceptable to the City;
3. interpolation of values in the infrastructure improvements plan or specific infrastructure financing plan;
4. utilizing component costs used in the infrastructure improvements plan or infrastructure financing plan; or
5. subtracting remaining completion costs from the amount specified in the infrastructure improvements plan or infrastructure financing plan.

In all cases the amount of credit provided for design, construction management, and similar costs shall be no more than the percentage included for those categories in the infrastructure improvements plan or specific infrastructure plan.

- Q. In situations where the City desires the dedication of a facility, the department responsible for the capital facility category may provide credit at values higher than that provided in the infrastructure improvements plan or specific infrastructure financing plan. The level of credit shall not exceed actual cost as indicated by:

1. the actual cost as indicated by the lowest bid from a public bid process,
2. the lowest bid from a minimum of three sealed bids provided by contractors acceptable to the City, or in the case of land acquisition, the amount indicated by an independent appraisal obtained by the City.

In all cases the amount of credit provided for design, construction management and similar costs should be no more than the percentage included for those categories in the infrastructure improvements plan or specific infrastructure plan.

- R. In situations where the capital facility was not included in the infrastructure improvements plan or specified infrastructure financing plan but is of a class and type that is normally included in such plans, credit may be provided by the department responsible for the public facility category if it can be shown that the facility should have been included in the plan. Capital facilities not included in the infrastructure improvements plan or specified infrastructure financing plan but which would normally be included in such plans and which are calculated for credit shall be included as a necessary facility in the next amendment to the infrastructure improvements plans or specified infrastructure financing plans.
- S. The city may elect to use any of the credit determination methods specified in Section 29. if a development agreement is utilized.
- T. Developers with existing impact fee credit agreements with the city and those developers with outstanding developer credits (known as excess credits) will be permitted to amend their existing credit agreements to include additional areas with which to spread the excess credit, providing that the developer can

provide documentation substantiating that the developer has not been provided sufficient credit in the past to compensate for legitimate infrastructure costs as identified by either current or past Infrastructure Financing Plans or actual costs .

- U. Outstanding Developer Credits for Roadway Facilities shall continue to be available for application in credit agreements subject to the terms and conditions specified above until they are removed from the Roadway Facilities component of the Infrastructure Improvement Plan.

Sec. 29-10. Credit agreements and credit documentation.

A credit agreement is required for a developer to obtain credit. The developer requesting the credit agreement shall provide to the Planning Department and the department responsible for the public facility category all relevant information needed to determine the value of the credit.

The Planning Department Director and the department(s) responsible for the public facilities must review, determine the amount of credit and approve the credit agreement. When more than one developer is providing a capital facility, all parties that are contributing to the facility must jointly provide a written request for a credit agreement that specifies the exact allocation of credit among contiguous parcels. Distribution to non-contiguous parcels requires a development agreement.

A. Credit agreements shall provide:

1. A listing of the capital facilities, associated physical attributes, and the costs listed in the infrastructure improvements plan or specific infrastructure financing plan, or estimated actual costs, as applicable, and the total amount of the credit.
2. A map depicting the location of the facilities that have been or will be provided.
3. A legal description and map depicting the location of the development area over which credit is being distributed.
4. An estimate of the total EDUs that will be developed within the specified parcels, properties or areas depicted in the map and given in the legal description.
5. A uniform distribution of the credit among all EDUs within the development area.
6. Signatures of the Planning Department Director, the department(s) responsible for the facilities and the developer(s).

7. Credit will only be granted to an entity that controls developable land within a impact fee service area and constructs or provides infrastructure or land that benefits that developable land. Only that entity is permitted to request the distribution of credit provided by the installation or provision of infrastructure or land. If multiple entities jointly provide infrastructure or land, any request for the distribution of credit to one or more parcels, as may be permitted in this section, must be made jointly by the entities that provided the infrastructure or land. If the entity that constructs or provides infrastructure or land sells or relinquishes its property prior to credit being allocated to one or more parcels, as permitted in this section, credit can only be allocated if that entity and the subsequent owner of the property requests the distribution of the credit. Once credit has been distributed to a particular parcel of land to reduce future impact fees associated with building permits on that land, the credit cannot be transferred off of the parcel and will be assumed to transfer to any subsequent owner or lessee, unless otherwise specified by a development agreement with the City.

Sec. 29-11. Development agreements.

Development agreements involving the adjustment of impact fees and/or disbursement of revenues from impact fee accounts shall be prepared and executed in accordance with the following procedures:

- A. Credit values for dedicated capital facilities allocated to developers to reduce development impact fees must be based on the methodology stated in Section 29-9.
- B. Reimbursement to developers for capital facilities using funds collected and deposited in impact fee accounts must be based on standard procedures for the use of City funds in construction or acquisition of capital facilities. Permitted methods for using impact fee account funds include:
 1. Construction expenditures must be based on public bids, unless the total cost of the work, excluding materials and equipment previously acquired by bid, does not exceed those guidelines as established in A.R.S. Title 34-201. Design, construction management and similar additional costs may be included as a percentage of total construction costs, if those percentage rates are the same or less than those assumed for similar facilities in the infrastructure improvements plan or specific infrastructure financing plan.
 2. Expenditures for acquisition of land and existing facilities shall be based on an independent appraisal obtained by the City.
- C. Credits that reduce impact fees or reimbursements that provide actual cash payments can only be provided for capital facilities included in the same

service area. If credits or reimbursement of impact fee funds are provided for a capital facility not listed in the plan, the facility shall be included as a necessary facility in the next amendment to the infrastructure improvements plan or specific infrastructure financing plan.

- D. Credits may be distributed to non-contiguous developments provided the developments are within the same service area, the capital facilities benefit the areas where credits are being distributed, and the development agreement specifies the credit distribution. In situations where a facility is being provided jointly by several developers, all of the contributing developers must be signatories to the agreement. The transfer of credit shall not apply to development areas where permits have been previously issued pursuant to Section 29-9.G.
- E. Unless otherwise specified in the development agreement, credits will be spread evenly on a per EDU basis across the entire areas defined in the development agreement.
- F. The Planning Department, Law Department and the department(s) responsible for the facilities specified in the development agreement shall review and approve the agreement.

Sec. 29-12. Appeals.

A final fee determination may be appealed in accordance with the following procedures:

- A. Appeals shall be limited to disputes regarding the calculation of the fees for the particular development including adjustment of fees based on an independent impact analysis, and calculation of equivalent dwelling units for the particular development.
- B. Appeals shall be initiated on such written form as the Planning Department may prescribe, within seven calendar days of a final fee determination.
- C. The Planning Director or his designee shall consider the appeal within seven calendar days of the filing of an appeal form.
- D. Appeals of the decision of the Planning Director or his designee shall be made within seven days of the decision of the Planning Director upon which time a hearing officer shall be appointed by the City Council.
- E. Appeal of the decision of the hearing officer shall be made to the City Council within seven days of the decision of the hearing officer.
- F. Building permits may be issued during the pendency of an appeal if the applicant pays the fee at the time the appeal is filed. Upon final disposition of

an appeal, the fee shall be adjusted in accordance with the decision rendered and a refund paid if warranted.

Sec. 29-13. Consideration at time of land use change.

- A. When considering applications for rezoning of land within a service area for which an infrastructure improvements plan or infrastructure financing plan has been adopted, the City Council shall take into consideration the effect of the proposed rezoning on capital facility needs.
- B. When approving subdivisions of land, the consistency of the proposed improvements with any applicable infrastructure improvements plan or infrastructure financing plan shall be taken into consideration.

Sec. 29-14. Annual review of the Development Impact Fee Program.

An independent evaluation of the Development Impact Fee Program shall be performed on one-third of the categories once every year beginning in 2008 and a report on the results of the evaluation shall be prepared for City Council review. This report shall address:

- A. Development projections used;
- B. Service standards used;
- C. Capital facility needs identified;
- D. Capital facility costs (including unit costs);
- E. Indexing to evaluate land and construction costs.
- F. Equivalent dwelling unit factors;
- G. Offsets for new development;
- H. Revenues received from development impact fees and interest on impact fee accounts;
- I. Expenditures from impact fee accounts;
- J. Expenditures of revenues used for offsets in areas with impact fees;
- K. Program administration.

Sec. 29-15. Automatic Adjustment.

The fees contained in this chapter will be automatically adjusted on an annual basis using the Engineering News Record twenty-city construction cost index or equivalent nationally recognized index unless otherwise directed by the City Council. The adjustment will be made at the end of each calendar year during which the impact fee study, infrastructure improvements plan and impact fee schedule for the type of facility has not been updated, and will be based on the percentage change in the index over the preceding 12-month period. At least thirty days notice in advance of the effective date of the adjustment, the amount of the adjusted fees will be provided to the public. A current list of all adjusted fees will be on file with the city clerk.

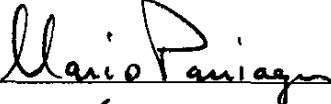
At the discretion of the Planning Director and the department(s) responsible for the facility, automatic adjustment of fee(s) on an annual basis pursuant to this section may be performed in lieu of an annual review as stipulation in Sec. 29-14 of this ordinance.

PASSED by the Council of the City of Phoenix this 4th day of March, 2009.



MAYOR

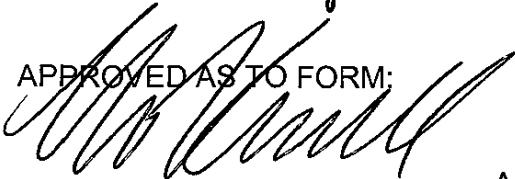
ATTEST:



City Clerk

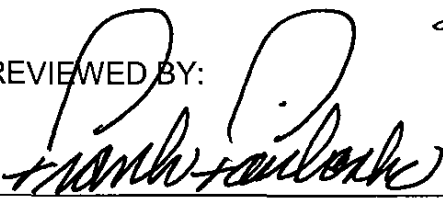


APPROVED AS TO FORM:



Acting City Attorney

REVIEWED BY:



City Manager

PJB:cz:786606v1:(CM# 2) (Item# 3) 3/4/09

CITY CLERK DEPT.
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