



City Council Report

Date: May 17, 2023
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Brian A. Ritschel, Office of Management and Budget Director
Subject: Amendment to Mesa Code – Discontinuance of Wastewater Impact Fee

Purpose and Recommendation

Staff recommends that the City Council confirm the discontinuation of the Wastewater Impact Fee as of April 19, 2023, and amend the City's Impact Fee Schedule to remove the Wastewater Impact Fee.

Background

In April 2011, an amended State statute (A.R.S. § 9-463.05) affecting impact fees was signed into law. Part of the statute permitted municipalities to continue to collect development impact fees only if the funds would be used to pay for existing eligible debt services.

In response to this amendment the Council adopted Ordinance 5189, which confirmed the intention of the City to continue the existing Development Impact Fees at the same rates as then assessed to repay the eligible debt amounts. Included in the ordinance was the provision that each impact fee would be automatically cease when the City received development impact fees in an amount equal to the amount of eligible debt owed for the particular impact fee category for which the fee was pledged.

Discussion

Staff has determined that as of April 19, 2023, the City received Wastewater Impact Fees in the amount of the eligible pledged debt for the Wastewater Impact Fee category as set forth in the Pledged Debt Analysis for Continuation of Impact Fees. Consequently, the City discontinued the collection of Wastewater Impact Fees effective April 19, 2023, in accordance with Ordinance 5189 and Mesa City Code 5-17-3(B).

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The City Code regarding Development Impact Fees includes the now discontinued Wastewater Impact Fee. Staff recommends updating the City Code to remove the Wastewater Impact Fee from the associated schedule.

Alternatives

If the ordinance is not approved, the Wastewater Impact Fee will remain listed on the Impact Fee Schedule in the City Code, however the fee will not be charged.

Fiscal Impact

There is no fiscal impact of the ordinance as no additional funds will be collected regardless of the approval of the ordinance.

Coordinated With

Development Services Department and the City Attorney's Office