

**PINAL COUNTY
DEVELOPMENT SERVICES**



**DEVELOPMENT FEE
ANNUAL REPORT
FISCAL YEAR 2006-2007**

**SEPTEMBER 28, 2007
UNAUDITED**

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Pinal County
Development Services
Office of the Assistant County Manager

DEVELOPMENT FEE ANNUAL REPORT

In accordance with Arizona Revised Statutes 11-1102 (E), the following is the Development Fee Annual Report for Pinal County. The purpose of this report is to provide an accounting for the development fees collected and expended by Pinal County pursuant to State Statutes.

§11-1102. County Development Fees; Annual Report

E. Each county that assesses development fees shall submit an annual report accounting for the collection and use of the fees. The annual report shall include the following:

1. The amount assessed by the county for each type of development fee.
2. The balance of each fund maintained for each type of development fee assessed as of the beginning and end of the fiscal year.
3. The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year.
4. The amount of development fee monies used to repay:
 - (a) Bonds issued by the county to pay the cost of a capital improvement project that is the subject of a development fee assessment.
 - (b) Monies advanced by the county from funds other than the funds established for development fees in order to pay the cost of a capital improvement project that is the subject of a development fee assessment.
5. The amount of development fee monies spent on each capital improvement project that is the subject of a development fee assessment and the physical location of each capital improvement project.
6. The amount of development fee monies spent for each purpose other than a capital improvement project that is the subject of a development fee assessment.

For the period of July 1, 2006 through June 30, 2007, Pinal County collected development impact fees under the authority of Development Fee Ordinance # 101806-DF approved by the Board of Supervisors on October 18, 2006. Pinal County began the collection of development fees on all new residential and commercial development within the unincorporated areas of the County effective January 18, 2007.

The Pinal County Development Fee Ordinance # 101806-DF dictates how development fees are assessed and collected in Pinal County. Pinal County is a large and diverse county made up primarily of growing rural communities and agricultural land. In order to better identify and plan for the current and future demand for infrastructure the county was divided into seven impact fee areas (IFA) see IFA map. This also allows for more accurate monitoring of development fees collected and expended on capital improvement projects in each area. Development fees collected in each area must be spent in that particular area, with the exception of three specific county wide capital categories (parks-fairgrounds and public safety-detention center and communications). Development fees are collected at building/mobile home permit issuance. A copy of the Development Fee Ordinance can be found in Section A of this report. The Development Fee Ordinance and Impact Fee Study are available on the Development Services web page of the Pinal County website.



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Impact New Growth and Development Fee Study

The Pinal County Development Fee Program was developed as a result of the Pinal County Impact New Growth and Development Fee Study by TischlerBise, which was based on a comprehensive review of all the current and future infrastructure demands imposed by a substantial increase in residential and commercial development.

The Pinal County Impact New Growth and Development Fee Study focused on three primary infrastructure components; parks, public safety, and streets. Each of these components was evaluated individually to determine the value of current County infrastructure and future cost for improvements to meet the demand and maintain an acceptable level of service for the residents of Pinal County by requiring new development to pay for its fair share of impact on public facilities.

The Impact New Growth and Development Fee Study focused on the capital improvement programs for each component; the Pinal County Small Area Transportation Study for streets, Pinal County Trails Plan for parks, and Capital Improvement Plan for public safety to serve as a guideline for potential development fee projects.

Development Agreements

Prior to the effective date of the Development Fee Ordinance, the County entered into a number of development agreements. These development agreements either excluded certain developments from a portion or all of any future development fees. , orSome of the development agreements required contributions into one of the County's transportation funds. As a result, a large majority of the development fee collected has to be refunded in accordance with the provision of the prior development agreements. In addition, there are outstanding, pending refunds of collected development fees collected as a result of the waiver of future development fees in prior development agreements, which are being evaluated upon request. Attached you will find a full assessment of the development fees refunded as well as an estimate of the pending refunds in the Combining Statement of Revenues, Expenditures, and Change in Fund Balance report.

Transportation Fund Refunds/Credits

Pinal County established three transportation funds prior to the Development Fee Ordinance; the Superstition Valley Transportation Fund, Maricopa Subregional Transportation Fund, and Southern Pinal County Transportation Fund. The purpose of these transportation funds was to address the financial responsibility of developers for their impact on the County's public transportation infrastructure and provide for the future transportation needs of each particular area. As a result, many of the developments made contributions to the transportation funds and are therefore entitled to reimbursements of development fees paid from January 18, 2007 to



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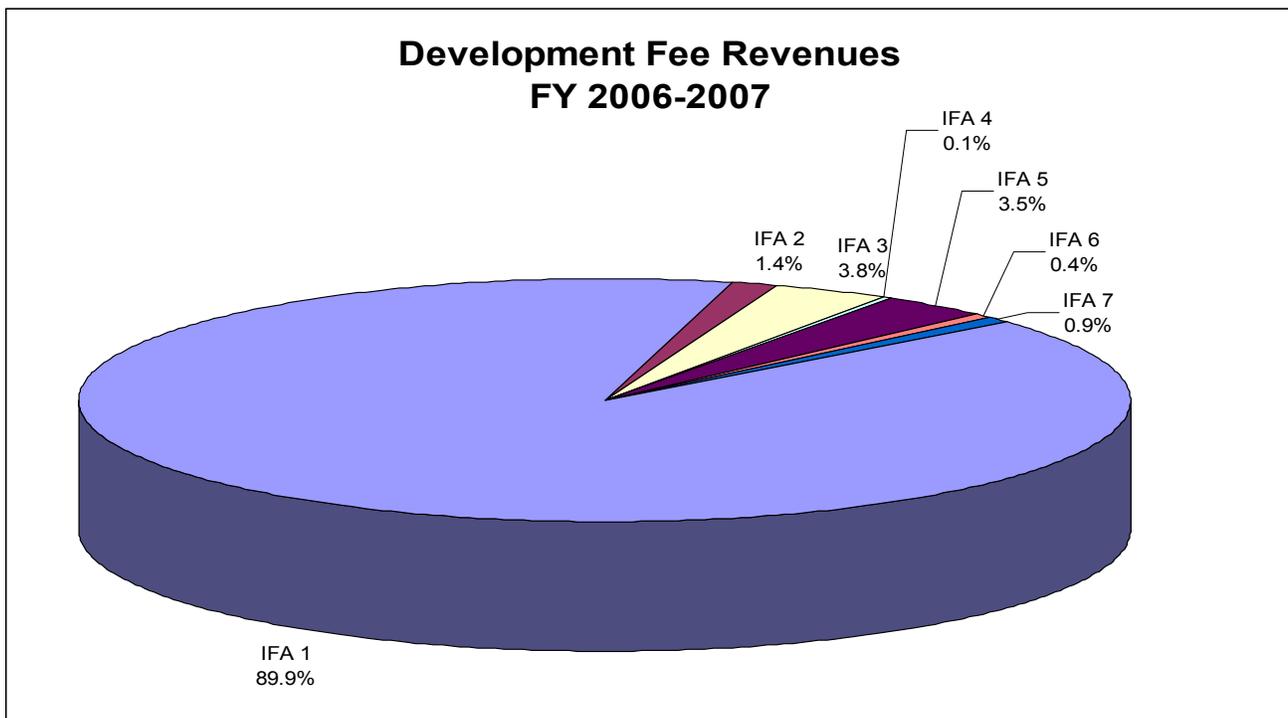
present or compensation in the form of credits against current and/or future development fee.

Income Statement Executive Summary

Statement of Revenues, Expenditures, and Changes in Fund Balance for all IFA's

As of the final year end June 30, 2007 Pinal County Development Services collected a total of \$12,692,613 in development fees for all seven impact fee areas, see Combined Statement of Revenues, Expenditures, and Changes in Fund Balance for all IFA's. A total of \$5,866,717 was refunded as a result of prior development agreements and previous contributions to the transportation funds. The net development fee revenues for FY 2006-2007 is \$6,825,896 is reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balance for all IFA's. However, there is an additional \$4,341,609 in pending refunds due to prior development agreement, with adjusted net revenues of \$2,484,287. See Combined Statement of Revenues, Expenditures, and Changes in Fund Balance for all IFA's.

The fund balances reflect 100% revenues, because the development fee collection period began at the mid point of the budget year. Therefore, there were no budgeted expenditures, due to the adoption of the Development Fee Ordinance. As a result, there were no expenditures for this reporting period.





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Combined Statement of Revenues, Expenditures, and Changes in Fund Balance for Each IFA

Impact Fee Area 1: In IFA 1 a total of \$10,689,806 was collected in development impact fees. However, \$4,554,696 was refunded due to prior development agreements and/or transportation credits, less pending refunds of \$4,159,295 leaving a balance of \$1,975,815.

Impact Fee Area 2: In IFA 2 a total of \$94,516 was collected in development impact fees and there were no refunds due to prior development agreements and/or transportation credits leaving a balance of \$94,516.

Impact Fee Area 3: In IFA 3 a total of \$1,388,127 was collected in development impact fees. However, \$1,128,963 was refunded due to prior development agreements and/or transportation credits leaving a balance of \$259,164.

Impact Fee Area 4: In IFA 4 a total of \$7,131 was collected in development impact fees and there were no refunds due to prior development agreements and/or transportation credits leaving a balance of \$7,131.

Impact Fee Area 5: In IFA 5 a total of \$383,586 was collected in development impact fees. However, \$141,517 was refunded due to prior development agreements and/or transportation credits, less pending refunds of \$182,314 leaving a balance of \$59,755.

Impact Fee Area 6: In IFA 6 a total of \$70,849 was collected in development impact fees. However, \$41,541 was refunded due to prior development agreements and/or transportation credits leaving a balance of \$29,308.

Impact Fee Area 7: In IFA 7 a total of \$58,598 was collected in development impact fees and there were no refunds due to prior development agreements and/or transportation credits leaving a balance of \$58,598.

Debt Service and CIP Expenditures

There were debt service payments and CIP expenditures for FY 06/07, however none of these projects were funded with development fees due to the uncertainty of expendable totals resulting from refunds and pending refunds due to prior development agreements. To date \$7,088,586 expended in debt services payments for Ironwood/Gantzel Road Project and an additional \$49,948,954 was spent for CIP projects for a total of \$148,076,202.49 expended by Pinal County from sources other than development fees. Future Ironwood/Gantzel annual debt service payments of approximately \$5,049,512 for IFA 1 will be paid from both transportation and development fees.



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Conclusion

The Pinal County Development Fee Ordinance provides the County the authority to require new development to pay for its fair share of the impact on county infrastructure and provide financial support to maintain an acceptable level of service. Approximately 90% of the development fees collected was in Impact Fee Area 1. As a result of prior development agreements, it is estimated of the \$12.7 million collected from January 2007 to June 30, 2007 only \$2.5 million are expendable funds. These funds reserved for annual debt services payments on the Ironwood/Gantzel Road Project.

DEVELOPMENT SERVICES
Development Fee Report - All IFA's
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Impact Fee Area 1	Impact Fee Area 2	Impact Fee Area 3	Impact Fee Area 4	Impact Fee Area 5	Impact Fee Area 6	Impact Fee Area 7	Total
Revenues								
Planned Regional Parkland	\$ 210,327	\$ 1,764	\$ 30,093	\$ 176	\$ 8,087	\$ 1,398	\$ 1,205	\$ 253,050
Planned Regional Park Improvements	2,496	21	357	2	96	17	14	3,003
Parks Planned Trails	29,137	244	4,168	24	1,120	206	167	35,066
Buyin Fairgrounds	9,987	84	1,429	8	384	71	57	12,020
Parks Planned Support Vehicles/Equipment	10,624	89	1,520	9	409	75	61	12,787
Parks Development Fee Study	3,028	25	433	3	116	22	17	3,644
Parks Interest Earned	1,519	6	291	2	64	10	4	1,896
Planned Sheriff & Justice Court Facilities	351,376	2,937	50,113	293	13,467	2,478	2,007	422,671
Planned Buyin Detention Center Expansion	577,871	4,840	82,575	482	22,190	4,083	3,308	695,349
Planned Sheriff Vehicles	99,354	831	14,170	83	3,808	701	568	119,515
Planned Public Safety Vehicles	6,297	53	901	5	242	44	36	7,578
Planned Public Safety Communication Equipment	30,457	255	4,352	25	1,169	215	174	36,647
Public Safety Development Fee Study	4,082	34	581	3	156	29	23	4,908
Public Safety Interest Earned	6,102	24	1,167	6	257	41	14	7,611
Streets Planned Arterials	8,804,215	78,804	1,120,649	5,559	311,184	57,646	47,933	10,425,990
Streets Support Facilities Cost per Trip	43,020	374	6,193	36	1,650	305	254	51,832
Streets Support Vehicle/Equipment Cost per Trip	441,456	3,888	63833	371	17,058	3,160	2,628	532,394
Streets Development Fee Study	1,876	17	238	2	66	12	10	2,221
Streets Interest Earned	56,582	226	5,064	42	2,063	336	118	64,431
Total revenues collected	10,689,806	94,516	1,388,127	7,131	383,586	70,849	58,598	12,692,613
Less refunds/adjustments issued	(4,554,696)	-	(1,128,963)	-	(141,517)	(41,541)	-	(5,866,717)
Net revenues collected	6,135,110	94,516	259,164	7,131	242,069	29,308	58,598	6,825,896
Less estimated pending refunds	(4,159,295)	-	-	-	(182,314)	-	-	(4,341,609)
Total estimated adjusted revenues	\$ 1,975,815	\$ 94,516	\$ 259,164	\$ 7,131	\$ 59,755	\$ 29,308	\$ 58,598	\$ 2,484,287
Expenditures								
Total expenditures	-	-	-	-	-	-	-	-
Excess of revenues over expenditures	1,975,815	94,516	259,164	7,131	59,755	29,308	58,598	2,484,287

DEVELOPMENT SERVICES
Development Fee Report - All IFA's with Associated Refunds/Adjustments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Total Revenues Collected	Refunds or Adjustments	Net Revenues Collected	Estimated Pending Refunds Due to DA	Adjusted Net Revenues
Revenues					
Planned Regional Parkland	\$ 253,050	\$ (97,737)	\$ 155,313	\$ (85,440)	\$ 69,873
Planned Regional Park Improvements	3,003	(1,160)	1,843	(1,014)	829
Parks Planned Trails	35,066	(13,552)	21,514	(11,836)	9,678
Buyin Fairgrounds	12,020	(4,646)	7,374	(4,057)	3,317
Parks Planned Support Vehicles/Equipment	12,787	(5,108)	7,679	(4,316)	3,363
Parks Development Fee Study	3,644	(1,241)	2,403	(1,230)	1,173
Parks Interest Earned	1,896	(580)	1,316	-	1,316
Planned Sheriff & Justice Court Facilities	422,671	(162,908)	259,763	(142,279)	117,484
Planned Buyin Detention Center Expansion	695,349	(268,435)	426,914	(234,443)	192,471
Planned Sheriff Vehicles	119,515	(46,063)	73,452	(40,230)	33,222
Planned Public Safety Vehicles	7,578	(2,928)	4,650	(2,558)	2,092
Planned Public Safety Communication Equipment	36,647	(14,149)	22,498	(12,355)	10,143
Public Safety Development Fee Study	4,908	(1,884)	3,024	(1,647)	1,377
Public Safety Interest Earned	7,611	(2,330)	5,281	-	5,281
Streets Planned Arterials	10,425,990	(4,944,228)	5,481,762	(3,601,822)	1,879,940
Streets Support Facilities Cost per Trip	51,832	(24,671)	27,161	(17,544)	9,617
Streets Support Vehicle/Equipment Cost per Trip	532,394	(253,445)	278,949	(180,080)	98,869
Streets Development Fee Study	2,221	(1,044)	1,177	(760)	417
Streets Interest Earned	64,431	(20,608)	43,823	-	43,823
Total revenues	<u>12,692,613</u>	<u>(5,866,717)</u>	<u>6,825,896</u>	<u>(4,341,609)</u>	<u>2,484,286</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>12,692,613</u>	<u>(5,866,717)</u>	<u>6,825,896</u>	<u>(4,341,609)</u>	<u>2,484,286</u>

DEVELOPMENT SERVICES
Development Fee Report - IFA 1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Total Revenues Collected	Refunds or Adjustments	Net Revenues Collected	Estimated Pending Refunds	Adjusted Net Revenues
Revenues					
Planned Regional Parkland	\$ 210,327	\$ (69,347)	\$ 140,980	\$ (81,572)	\$ 59,408
Planned Regional Park Improvements	2,496	(823)	1,673	(968)	705
Parks Planned Trails	29,137	(9,607)	19,530	(11,300)	8,230
Buyin Fairgrounds	9,987	(3,293)	6,694	(3,873)	2,821
Parks Planned Support Vehicles/Equipment	10,624	(3,670)	6,954	(4,120)	2,834
Parks Development Fee Study	3,028	(831)	2,197	(1,174)	1,023
Parks Interest Earned	1,519	(411)	1,108	-	1,108
Planned Sheriff & Justice Court Facilities	351,376	(115,481)	235,895	(135,838)	100,057
Planned Buyin Detention Center Expansion	577,871	(190,287)	387,584	(223,830)	163,754
Planned Sheriff Vehicles	99,354	(32,653)	66,701	(38,409)	28,292
Planned Public Safety Vehicles	6,297	(2,076)	4,221	(2,442)	1,779
Planned Public Safety Communication Equipment	30,457	(10,031)	20,426	(11,796)	8,630
Public Safety Development Fee Study	4,082	(1,334)	2,748	(1,573)	1,175
Public Safety Interest Earned	6,102	(1,650)	4,452	-	4,452
Streets Planned Arterials	8,804,215	(3,881,010)	4,923,205	(3,452,995)	1,470,210
Streets Support Facilities Cost per Trip	43,020	(18,832)	24,188	(16,755)	7,433
Streets Support Vehicle/Equipment Cost per Trip	441,456	(193,232)	248,224	(171,921)	76,303
Streets Development Fee Study	1,876	(819)	1,057	(728)	329
Streets Interest Earned	56,582	(19,309)	37,273	-	37,273
Total revenues	<u>10,689,806</u>	<u>(4,554,696)</u>	<u>6,135,110</u>	<u>(4,159,295)</u>	<u>\$ 1,975,815</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>10,689,806</u>	<u>(4,554,696)</u>	<u>6,135,110</u>	<u>(4,159,295)</u>	<u>\$ 1,975,815</u>

DEVELOPMENT SERVICES
Development Fee Report - IFA 2
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Total Revenues Collected	Refunds, or Adjustments	Net Revenues Collected
Revenues			
Planned Regional Parkland	\$ 1,764	\$ -	\$ 1,764
Planned Regional Park Improvements	21	-	21
Parks Planned Trails	244	-	244
Buyin Fairgrounds	84	-	84
Parks Planned Support Vehicles/Equipment	89	-	89
Parks Development Fee Study	25	-	25
Parks Interest Earned	6	-	6
Planned Sheriff & Justice Court Facilities	2,937	-	2,937
Planned Buyin Detention Center Expansion	4,840	-	4,840
Planned Sheriff Vehicles	831	-	831
Planned Public Safety Vehicles	53	-	53
Planned Public Safety Communication Equipment	255	-	255
Public Safety Development Fee Study	34	-	34
Public Safety Interest Earned	24	-	24
Streets Planned Arterials	78,804	-	78,804
Streets Support Facilities Cost per Trip	374	-	374
Streets Support Vehicle/Equipment Cost per Trip	3,888	-	3,888
Streets Development Fee Study	17	-	17
Streets Interest Earned	226	-	226
Total revenues	<u>94,516</u>	<u>-</u>	<u>94,516</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u><u>94,516</u></u>	<u><u>-</u></u>	<u><u>94,516</u></u>

DEVELOPMENT SERVICES
Development Fee Report - IFA 3
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Total Revenues Collected	Refunds, or Adjustments	Net Revenues Collected
Revenues			
Planned Regional Parkland	\$ 30,093	\$ (24,612)	\$ 5,481
Planned Regional Park Improvements	\$ 357	(292)	65
Parks Planned Trails	\$ 4,168	(3,409)	759
Buyin Fairgrounds	\$ 1,429	(1,169)	260
Parks Planned Support Vehicles/Equipment	\$ 1,520	(1,243)	277
Parks Development Fee Study	\$ 433	(354)	79
Parks Interest Earned	\$ 291	(147)	144
Planned Sheriff & Justice Court Facilities	\$ 50,113	(40,986)	9,127
Planned Buyin Detention Center Expansion	\$ 82,575	(67,535)	15,040
Planned Sheriff Vehicles	\$ 14,170	(11,589)	2,581
Planned Public Safety Vehicles	\$ 901	(737)	164
Planned Public Safety Communication Equipment	\$ 4,352	(3,559)	793
Public Safety Development Fee Study	\$ 581	(475)	106
Public Safety Interest Earned	\$ 1,167	(590)	577
Streets Planned Arterials	\$ 1,120,649	(914,391)	206,258
Streets Support Facilities Cost per Trip	\$ 6,193	(5,050)	1,143
Streets Support Vehicle/Equipment Cost per Trip	\$ 63,833	(52,055)	11,778
Streets Development Fee Study	\$ 238	(194)	44
Streets Interest Earned	\$ 5,064	(576)	4,488
Total revenues	<u>1,388,127</u>	<u>(1,128,963)</u>	<u>259,164</u>
Expenditures			
Total expenditures	<u>-</u>		
Excess of revenues over expenditures	<u><u>1,388,127</u></u>	<u><u>(1,128,963)</u></u>	<u><u>259,164</u></u>

DEVELOPMENT SERVICES
Development Fee Report - IFA 4
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Total Revenues Collected	Refunds, or Adjustments	Net Revenues Collected
Revenues			
Planned Regional Parkland	\$ 176	\$ -	\$ 176
Planned Regional Park Improvements	2	-	2
Parks Planned Trails	24	-	24
Buyin Fairgrounds	8	-	8
Parks Planned Support Vehicles/Equipment	9	-	9
Parks Development Fee Study	3	-	3
Parks Interest Earned	2	-	2
Planned Sheriff & Justice Court Facilities	293	-	293
Planned Buyin Detention Center Expansion	482	-	482
Planned Sheriff Vehicles	83	-	83
Planned Public Safety Vehicles	5	-	5
Planned Public Safety Communication Equipment	25	-	25
Public Safety Development Fee Study	3	-	3
Public Safety Interest Earned	6	-	6
Streets Planned Arterials	5,559	-	5,559
Streets Support Facilities Cost per Trip	36	-	36
Streets Support Vehicle/Equipment Cost per Trip	371	-	371
Streets Development Fee Study	2	-	2
Streets Interest Earned	42	-	42
Total revenues	<u>7,131</u>	<u>-</u>	<u>7,131</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u><u>7,131</u></u>	<u><u>-</u></u>	<u><u>7,131</u></u>

DEVELOPMENT SERVICES
Development Fee Report - IFA 5
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Total Revenues Collected	Refunds or Adjustment s	Net Revenues Collected	Estimated Pending Refunds	Adjusted Net Revenues
Revenues					
Planned Regional Parkland	\$ 8,087	\$ (2,989)	\$ 5,098	\$ (3,868)	\$ 1,230
Planned Regional Park Improvements	\$ 96	(35)	61	(46)	15
Parks Planned Trails	\$ 1,120	(414)	706	(536)	170
Buyin Fairgrounds	\$ 384	(142)	242	(184)	58
Parks Planned Support Vehicles/Equipment	\$ 409	(151)	258	(195)	63
Parks Development Fee Study	\$ 116	(43)	73	(56)	17
Parks Interest Earned	\$ 64	(17)	47	-	47
Planned Sheriff & Justice Court Facilities	\$ 13,467	(4,977)	8,490	(6,441)	2,049
Planned Buyin Detention Center Expansion	\$ 22,190	(8,201)	13,989	(10,613)	3,376
Planned Sheriff Vehicles	\$ 3,808	(1,407)	2,401	(1,821)	580
Planned Public Safety Vehicles	\$ 242	(89)	153	(116)	37
Planned Public Safety Communication Equipment	\$ 1,169	(432)	737	(559)	178
Public Safety Development Fee Study	\$ 156	(58)	98	(75)	23
Public Safety Interest Earned	\$ 257	(69)	188	-	188
Streets Planned Arterials	\$ 311,184	(115,003)	196,181	(148,827)	47,354
Streets Support Facilities Cost per Trip	\$ 1,650	(610)	1,040	(789)	251
Streets Support Vehicle/Equipment Cost per Trip	\$ 17,058	(6,304)	10,754	(8,159)	2,595
Streets Development Fee Study	\$ 66	(24)	42	(32)	10
Streets Interest Earned	\$ 2,063	(552)	1,511	-	1,511
Total revenues	<u>383,586</u>	<u>(141,517)</u>	<u>242,069</u>	<u>\$ (182,314)</u>	<u>\$ 59,755</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>383,586</u>	<u>(141,517)</u>	<u>242,069</u>	<u>\$ (182,314)</u>	<u>\$ 59,755</u>

DEVELOPMENT SERVICES
Development Fee Report - IFA 6
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Total Revenues Collected	Refunds, or Adjustments	Net Revenues Collected
Revenues			
Planned Regional Parkland	\$ 1,398	\$ (789)	\$ 609
Planned Regional Park Improvements	\$ 17	(10)	7
Parks Planned Trails	\$ 206	(122)	84
Buyin Fairgrounds	\$ 71	(42)	29
Parks Planned Support Vehicles/Equipment	\$ 75	(44)	31
Parks Development Fee Study	\$ 22	(13)	9
Parks Interest Earned	\$ 10	(5)	5
Planned Sheriff & Justice Court Facilities	\$ 2,478	(1,464)	1,014
Planned Buyin Detention Center Expansion	\$ 4,083	(2,412)	1,671
Planned Sheriff Vehicles	\$ 701	(414)	287
Planned Public Safety Vehicles	\$ 44	(26)	18
Planned Public Safety Communication Equipment	\$ 215	(127)	88
Public Safety Development Fee Study	\$ 29	(17)	12
Public Safety Interest Earned	\$ 41	(21)	20
Streets Planned Arterials	\$ 57,646	(33,824)	23,822
Streets Support Facilities Cost per Trip	\$ 305	(179)	126
Streets Support Vehicle/Equipment Cost per Trip	\$ 3,160	(1,854)	1,306
Streets Development Fee Study	\$ 12	(7)	5
Streets Interest Earned	\$ 336	(171)	165
Total revenues	<u>70,849</u>	<u>(41,541)</u>	<u>29,308</u>
Expenditures			
Total expenditures	<u>-</u>		
Excess of revenues over expenditures	<u><u>70,849</u></u>	<u><u>(41,541)</u></u>	<u><u>29,308</u></u>

DEVELOPMENT SERVICES
Development Fee Report - IFA 7
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2007

	Total Revenues Collected	Refunds, or Adjustments	Net Revenues Collected
Revenues			
Planned Regional Parkland	\$ 1,205	\$ -	\$ 1,205
Planned Regional Park Improvements	14	-	14
Parks Planned Trails	167	-	167
Buyin Fairgrounds	57	-	57
Parks Planned Support Vehicles/Equipment	61	-	61
Parks Development Fee Study	17	-	17
Parks Interest Earned	4	-	4
Planned Sheriff & Justice Court Facilities	2,007	-	2,007
Planned Buyin Detention Center Expansion	3,308	-	3,308
Planned Sheriff Vehicles	568	-	568
Planned Public Safety Vehicles	36	-	36
Planned Public Safety Communication Equipment	174	-	174
Public Safety Development Fee Study	23	-	23
Public Safety Interest Earned	14	-	14
Streets Planned Arterials	47,933	-	47,933
Streets Support Facilities Cost per Trip	254	-	254
Streets Support Vehicle/Equipment Cost per Trip	2,628	-	2,628
Streets Development Fee Study	10	-	10
Streets Interest Earned	118	-	118
	<u>58,598</u>	<u>-</u>	<u>58,598</u>
Total revenues			
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u><u>58,598</u></u>	<u><u>-</u></u>	<u><u>58,598</u></u>

DEVELOPMENT SERVICES
Development Fee Report
Debt Service and CIP Expenditures from Sources Other Than Development Fees

	Expenditures	Revenues	YTD Totals
Debt Service Fund			
Ironwood/Gantzel Road Project			
Bond Proceeds FY 05/06		200,000.00	200,000.00
Bond Proceeds FY 05/06		2,244,873.65	2,244,873.65
Interest FY 06/07		83,498.52	83,498.52
Transfer In		2,400.00	2,400.00
Transfer In From Transportation Fees		3,538,434.94	3,538,434.94
Debt Service Principal Payments FY 06/07	-		-
Debt Service Principal Payments FY 07/08	(2,160,000.00)		(2,160,000.00)
Future Debt Service Principal Payments FY 09-26	(61,060,000.00)		(61,060,000.00)
Debt Service Interest Payments 06/07	(3,462,230.05)		(3,462,230.05)
Debt Service Interest Payments 07/08	(1,466,356.25)		(1,466,356.25)
Future Debt Service Interest Payment FY 09-26	(29,978,661.44)		(29,978,661.44)
Debt Service Fund Totals	\$ (98,127,247.74)	\$ 6,069,207.11	\$ (62,079,379.19)
 CIP Project Revenues and Expenditures	 All From IFA 1		
Gantzel Road			
Ironwood/Gantzel Road Bond Proceeds		\$ 61,476,000.00	\$ 61,476,000.00
Rd Const, Eng, Design, Admin, Etc.	\$ (49,835,399.93)		(49,835,399.93)
Hunt Highway			
Eng, Design, Admin, Etc.	(7,666.76)		(7,666.76)
Combs (Ironwood-Meridan)			
Eng, Design & Study	(37,261.88)		(37,261.88)
Ocotillo (Ironwood-Meridan)			
Eng, Design & Study	(29,963.13)		(29,963.13)
Pima (Ironwood-Meridan)			
Eng, Design & Study	(20,605.34)		(20,605.34)
Germann (Ironwood-Meridan)			
Eng, Design & Study	(18,057.71)		(18,057.71)
Total expenditures	\$ (49,948,954.75)	\$ 61,476,000.00	\$ 11,527,045.25
 Total Debt Service & CIP Expenses & Revenues	\$ (148,076,202.49)	\$ 67,545,207.11	\$ (50,552,333.94)
(From Revenue Sources Other Than Development Fees; Bond Proceeds, HURF Funds, Interest, & Transportation Fees)			

Gantzel Road Debt Services Activity

BOND DEBT SERVICE
Pinal County, Arizona
County Road Improvement Projects
Excise Tax Revenue Bonds, Series 2006-1

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Fiscal Year	Running Total
04/26/2006 02/01/2007			2,240,266.49	2,240,266.49	2,240,266.49	FY 06-07	2,240,266.49
08/01/2007 02/01/2008	2,160,000.00	4.00%	1,466,356.25 1,423,156.25	3,626,356.25 1,423,156.25	5,049,512.50	FY 07-08	7,289,778.99
08/01/2008 02/01/2009	2,245,000.00	4.00%	1,423,156.25 1,378,256.25	3,668,156.25 1,378,256.25	5,046,412.50	FY 08-09	12,336,191.49
08/01/2009 02/01/2010	2,335,000.00	4.00%	1,378,256.25 1,331,556.25	3,713,256.25 1,331,556.25	5,044,812.50	FY 09-10	17,381,003.99
08/01/2010 02/01/2011	2,430,000.00	4.00%	1,331,556.25 1,282,956.25	3,761,556.25 1,282,956.25	5,044,512.50	FY 10-11	22,425,516.49
08/01/2011 02/01/2012	2,530,000.00	4.00%	1,282,956.25 1,232,356.25	3,812,956.25 1,232,356.25	5,045,312.50	FY 11-12	27,470,828.99
08/01/2012 02/01/2013	2,640,000.00	4.25%	1,232,356.25 1,176,256.25	3,872,356.25 1,176,256.25	5,048,612.50	FY 12-13	32,519,441.49
08/01/2013 02/01/2014	2,755,000.00	4.25%	1,176,256.25 1,117,712.50	3,931,256.25 1,117,712.50	5,048,968.75	FY 13-14	37,568,410.24
08/01/2014 02/01/2015	2,885,000.00	5.00%	1,117,712.50 1,045,587.50	4,002,712.50 1,045,587.50	5,048,300.00	FY 14-15	42,616,710.24
08/01/2015 02/01/2016	3,030,000.00	5.00%	1,045,587.50 969,837.50	4,075,587.50 969,837.50	5,045,425.00	FY 15-16	47,662,135.24
08/01/2016 02/01/2017	3,185,000.00	5.00%	969,837.50 890,212.50	4,154,837.50 890,212.50	5,045,050.00	FY 16-17	52,707,185.24
08/01/2017 02/01/2018	3,350,000.00	5.00%	890,212.50 806,462.50	4,240,212.50 806,462.50	5,046,675.00	FY 17-18	57,753,860.24
08/01/2018 02/01/2019	3,520,000.00	5.00%	806,462.50 718,462.50	4,326,462.50 718,462.50	5,044,925.00	FY 18-19	62,798,785.24
08/01/2019 02/01/2020	3,705,000.00	5.00%	718,462.50 625,837.50	4,423,462.50 625,837.50	5,049,300.00	FY 19-20	67,848,085.24
08/01/2020 02/01/2021	3,895,000.00	5.00%	625,837.50 528,462.50	4,520,837.50 528,462.50	5,049,300.00	FY 20-21	72,897,385.24
08/01/2021 02/01/2022	4,090,000.00	5.00%	528,462.50 426,212.50	4,618,462.50 426,212.50	5,044,675.00	FY 21-22	77,942,060.24
08/01/2022 02/01/2023	4,300,000.00	5.00%	426,212.50 318,712.50	4,726,212.50 318,712.50	5,044,925.00	FY 22-23	82,986,985.24
08/01/2023 02/01/2024	4,510,000.00	4.50%	318,712.50 217,237.50	4,828,712.50 217,237.50	5,045,950.00	FY 23-24	88,032,935.24

BOND DEBT SERVICE
Pinal County, Arizona
County Road Improvement Projects
Excise Tax Revenue Bonds, Series 2006-1

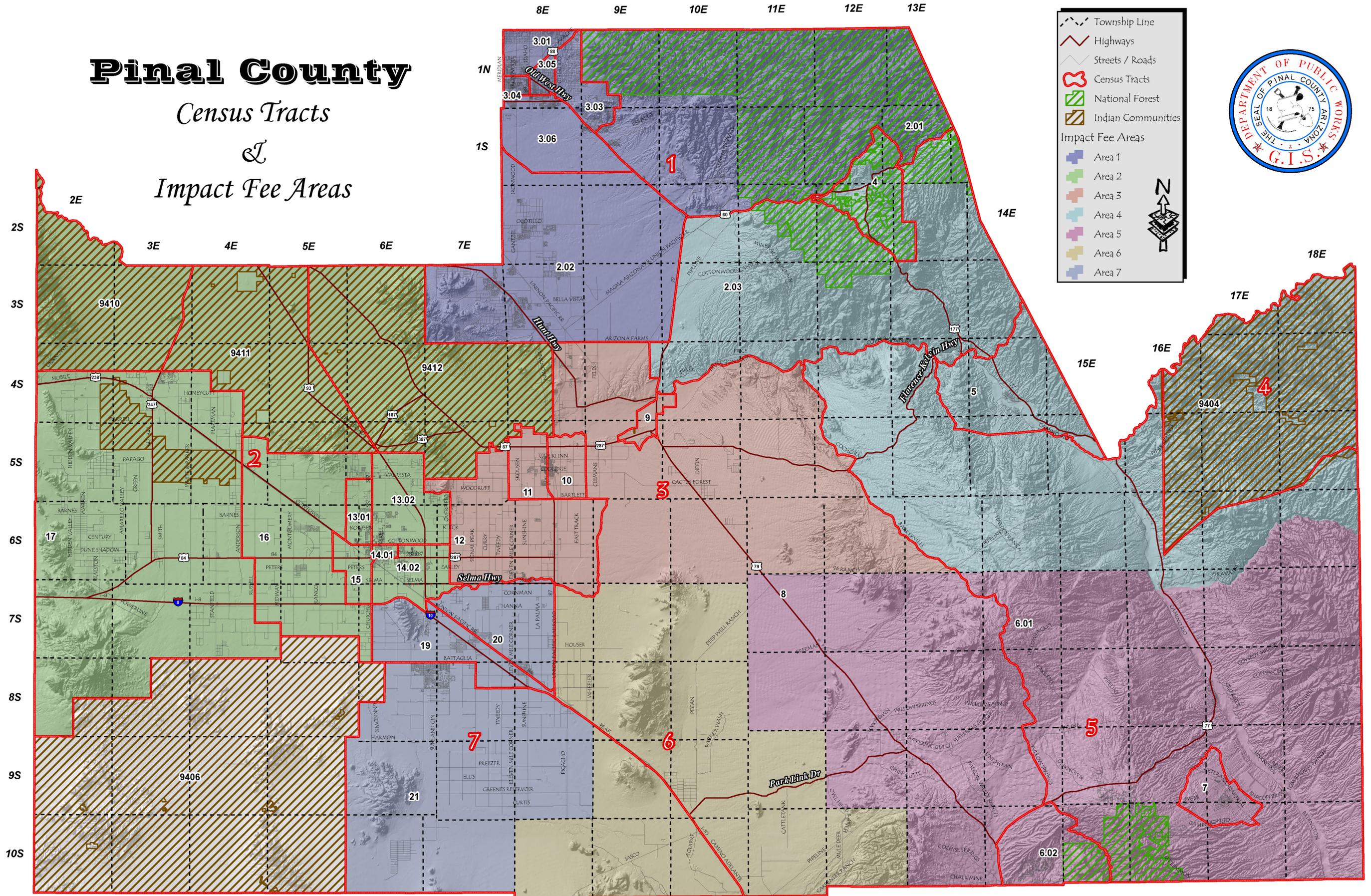
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Fiscal Year	Running Total
08/01/2024	4,720,000.00	4.50%	217,237.50	4,937,237.50			
02/01/2025			111,037.50	111,037.50	5,048,275.00	FY 24-25	93,081,210.24
08/01/2025	4,935,000.00	4.50%	111,037.50	5,046,037.50	5,046,037.50	FY 25-26	98,127,247.74
	<u>63,220,000.00</u>		<u>34,907,247.74</u>	<u>98,127,247.74</u>	<u>98,127,247.74</u>		

Pinal County

Census Tracts

&

Impact Fee Areas



ORDINANCE NO. 101806-DF

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PINAL COUNTY, ARIZONA, RELATING TO THE ADOPTION OF DEVELOPMENT FEES; AND ESTABLISHING THE PROCESS FOR DETERMINING AND ALLOCATING CREDITS TOWARD THE PAYMENT OF DEVELOPMENT FEES.

WHEREAS, pursuant to Arizona Revised Statutes Section 11-1102, the Pinal County Board of Supervisors reviewed and adopted the Capital Improvement Plan for Public Safety, Streets, and Parks dated May 24, 2006 ("CIP"); and

WHEREAS, pursuant to Arizona Revised Statutes Section 11-1102, the Pinal County Board of Supervisors received, discussed and released to the public, the Capital Improvements Program for New Growth and Development Fee Study, dated May 24, 2006, and provided notice of the intent to establish new development fees based on the CIP; and

WHEREAS, pursuant to Arizona Revised Statutes Section 11-1102, more than one hundred twenty days have passed from the County's publication of its Notice of Intention to assess a new or increased development fee; and

WHEREAS, the County Board of Supervisors has conducted a public hearing on the proposed new development fees at least fourteen days before the scheduled date of the adoption of the new fees; and

WHEREAS, the Pinal County Board of Supervisors has determined that it is appropriate and necessary to adopt development fees and to determine the methodology for allocating credits toward the payment of the development fees.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF PINAL COUNTY, ARIZONA, THAT:

Section 1. Title. This Ordinance shall be entitled "The Pinal County Development Fee Ordinance".

Section 2. Legislative intent and purpose. This Ordinance is adopted for the purpose of promoting the health, safety and general welfare of the residents of Pinal County by:

- A. Implementing the Pinal County Capital Improvement Plan ("CIP").
- B. Requiring new development to pay its proportionate share of the capital costs to Pinal County associated with providing public safety, streets, and parks facilities necessary to serve new development by paying development fees related to those facilities.
- C. Setting forth standards and procedures for assessing development fees and administering the development fee program.

Section 3. Definitions.

A. The terms used in this Article shall have the following definitions:

1. "Benefit Areas" means the Impact Fee Areas identified as sub-regions designated in the Capital Improvements Program for New Growth and Development Fee Study, dated May 24, 2006 as may be amended or updated.

2. "Building Permit" means the permit required for construction as determined pursuant to the Pinal County Building Code. For purposes of this Ordinance, the term "building permit" shall not include a permit required for reconstruction of a structure if the reconstruction does not reflect a change in the number of EDUs applicable to the development.

3. "CIP" means the adopted Pinal County Capital Improvement Plan, which itemizes the nature, extent, cost, anticipated funding, and phasing of capital improvements for Pinal County.

4. County means Pinal County.

5. County Manager means the Manager for Pinal County or his/her designee.

6. "Development Agreement" means an agreement between Pinal County and anyone or more of the following:

a. A community facilities district pursuant to A.R.S. § 48-709(A).

b. A landowner.

c. Any other person having an interest in real property as described in A.R.S. § 11-1101.

7. "EDU" or "equivalent dwelling unit" means the effect on the usage of public infrastructure or services which are equivalent to that of a single-family detached residential dwelling as defined by the Pinal County Zoning Ordinance.

8. "New development" means any construction pursuant to a building permit issued after the effective date of this Ordinance.

9. "VMT" means vehicle miles traveled; that is, the arithmetic product of the counted or estimated daily motorized vehicular traffic on a roadway segment multiplied by the length of the roadway segment in miles.

B. For purposes of calculating the development fee amounts for non-residential land uses, the land use definitions set forth in the *Institute of Transportation Engineers Trip Generation Manual* shall apply.

Section 4. Applicability. This Ordinance applies to all new development within Pinal County for which a development fee has been adopted pursuant to this Ordinance.

Section 5. Development Fee Study. Any Pinal County development fee study shall incorporate the Pinal County's CIP. All proposed expenditures for projects funded or to be funded, in whole or in part, with development fees shall be identified in the development fee study and the CIP. As benefit areas are identified, the improvements identified in the benefit areas to be funded with development fees shall be included in the CIP. The development fee study and CIP shall be updated and adopted as necessary as determined by the Board.

Section 6. Infrastructure Needs Assessment. Nothing in this Ordinance shall be construed to require Pinal County to remedy existing infrastructure deficiencies before adopting or imposing a development fee. As part of the identification of benefit areas pursuant to Section 6, the Pinal County development fee study shall:

- A. Identify the level of service standards upon which the development fee is to be based.
- B. Determine and distinguish between existing deficiencies and projected new development needs, applying the level of service standards upon which the development fee is to be based.
- C. Describe how Pinal County plans to remedy the existing deficiencies.
- D. Inventory existing infrastructure which are to be included in the benefit areas.
- E. Identify the level of service standard applicable to each inventoried infrastructure.

Section 7. Benefit Areas. Before assessment of new development fees, Pinal County shall identify benefit areas for the geographic area in which development fees will be applied. Each benefit area shall comply with the following requirements:

- A. For each benefit area, the development fee study shall determine the extent of improvements needed or existing to serve the anticipated future development of the benefit area, considering the Pinal County Comprehensive Plan and the CIP.
- B. For each benefit area, the CIP and development fee study shall determine the actual public facilities capital costs or reasonable estimates of capital costs incurred or to be incurred on projects, any portion of which are to be funded with development fees.
- C. The development fee study shall determine the extent of which the costs determined in Sections 4 through 6 will be funded from sources other than development fees.
- D. Each benefit area shall include an estimate of the timing of improvement construction to be constructed with development fees within the benefit area. The estimate shall be related to the rate of new development projected to occur within the benefit area.

E. The development fee study shall identify the public facilities Pinal County finds will bear a reasonable relationship to the needs created by development within the identified benefit areas.

Section 8. Adoption Procedure.

A. Prior to the adoption of a development fee, the Board of Supervisors shall have prepared a report including all appropriate documentation that supports the assessment of the new or increased development fee. The report shall demonstrate that the amount of the development fee bears a reasonable relationship to the burden of capital costs imposed on the County to provide the improvements set forth in the CIP that may serve the new development. In determining the extent of the burden imposed by the development, the County shall consider, among other things, the contribution made or to be made in the future by taxes, fees or assessments by the property owner toward the capital costs of the necessary public service covered by the development fee.

B. Development fees shall be assessed by the board of supervisors in a nondiscriminatory manner.

C. In determining and assessing development fees applying to land in a community facilities district established pursuant to A.R.S. § 48-101 et seq., the board of supervisors shall take into account all public infrastructure provided by the district and capital costs paid by the district for necessary public services and shall not assess a portion of the development fee based on the infrastructure or costs.

D. Prior to assessing or increasing development fees, the Board of Supervisors shall:

1. Give at least one hundred twenty days advance notice of intention to assess new or increased development fees.

2. Release to the public a written report including all documentation that supports the assessment of new or increased development fees.

3. Conduct a public hearing on the proposed new or increased development fees at any time after the expiration of the one hundred twenty day notice of intention to assess a new or increased development fees and at least fourteen days before the scheduled date of adoption of the new or increased development fees.

Section 9. Schedule of Development Fees by Impact Fee Areas. A Schedule of Development Fees is adopted as set forth below in this Section. Each new development shall be assessed a fee based on the following schedule.

	IFA 1				IFA 2				IFA 3			
	Public				Public				Public			
	Parks	Safety	Streets	TOTAL	Parks	Safety	Streets	TOTAL	Parks	Safety	Streets	TOTAL
Residential (per unit)												
Single Family Detached	\$222	\$892	\$7,850	\$8,964	\$222	\$892	\$7,709	\$8,823	\$222	\$892	\$6,917	\$8,031
All Other Types of Housing	\$103	\$414	\$4,093	\$4,610	\$103	\$414	\$4,019	\$4,536	\$103	\$414	\$3,607	\$4,124
Nonresidential (per square foot/hotel room)												
Commercial / Shopping Center 25,000 SF or less	N/A	\$1.15	\$26.26	\$27.41	N/A	\$1.15	\$25.80	\$26.95	N/A	\$1.15	\$23.26	\$24.41
Commercial / Shopping Center 25,001-50,000 SF	N/A	\$1.00	\$22.81	\$23.81	N/A	\$1.00	\$22.42	\$23.42	N/A	\$1.00	\$20.21	\$21.21
Commercial/Shopping Center 50,001-100,000 SF	N/A	\$0.83	\$19.05	\$19.88	N/A	\$0.83	\$18.72	\$19.55	N/A	\$0.83	\$16.87	\$17.70
Commercial/Shopping Center 100,001-200,000 SF	N/A	\$0.71	\$16.30	\$17.01	N/A	\$0.71	\$16.02	\$16.73	N/A	\$0.71	\$14.44	\$15.15
Commercial/Shopping Center over 200,000 SF	N/A	\$0.60	\$13.86	\$14.46	N/A	\$0.60	\$13.62	\$14.22	N/A	\$0.60	\$12.27	\$12.87
Office 10,000 SF or less	N/A	\$0.42	\$10.53	\$10.95	N/A	\$0.42	\$10.35	\$10.77	N/A	\$0.42	\$9.32	\$9.74
Office 10,001-25,000 SF	N/A	\$0.34	\$8.53	\$8.87	N/A	\$0.34	\$8.38	\$8.72	N/A	\$0.34	\$7.54	\$7.88
Office 25,001-50,000 SF	N/A	\$0.29	\$7.27	\$7.56	N/A	\$0.29	\$7.14	\$7.43	N/A	\$0.29	\$6.43	\$6.72
Office 50,001-100,000 SF	N/A	\$0.25	\$6.20	\$6.45	N/A	\$0.25	\$6.09	\$6.34	N/A	\$0.25	\$5.48	\$5.73
Office 100,000 SF	N/A	\$0.21	\$5.28	\$5.49	N/A	\$0.21	\$5.19	\$5.40	N/A	\$0.21	\$4.67	\$4.88
Business Park	N/A	\$0.24	\$5.93	\$6.17	N/A	\$0.24	\$5.82	\$6.06	N/A	\$0.24	\$5.25	\$5.49
Light Industrial	N/A	\$0.13	\$3.24	\$3.37	N/A	\$0.13	\$3.18	\$3.31	N/A	\$0.13	\$2.86	\$2.99
Warehousing	N/A	\$0.09	\$2.30	\$2.39	N/A	\$0.09	\$2.26	\$2.35	N/A	\$0.09	\$2.04	\$2.13
Manufacturing	N/A	\$0.07	\$1.77	\$1.84	N/A	\$0.07	\$1.74	\$1.81	N/A	\$0.07	\$1.57	\$1.64
Hotel (per room)	N/A	\$104	\$2,618	\$2,722	N/A	\$104	\$2,572	\$2,677	N/A	\$104	\$2,316	\$2,421

	IFA 4				IFA 5				IFA 6			
	Public				Public				Public			
	Parks	Safety	Streets	TOTAL	Parks	Safety	Streets	TOTAL	Parks	Safety	Streets	TOTAL
Residential (per unit)												
Single Family Detached	\$222	\$892	\$5,967	\$7,081	\$222	\$892	\$7,173	\$8,287	\$222	\$892	\$7,173	\$8,287
All Other Types of Housing	\$103	\$414	\$3,111	\$3,628	\$103	\$414	\$3,740	\$4,257	\$103	\$414	\$3,740	\$4,257
Nonresidential (per square foot/hotel room)												
Commercial / Shopping Center 25,000 SF or less	N/A	\$1.15	\$20.21	\$21.36	N/A	\$1.15	\$24.08	\$25.23	N/A	\$1.15	\$24.08	\$25.23
Commercial / Shopping Center 25,001-50,000 SF	N/A	\$1.00	\$17.56	\$18.56	N/A	\$1.00	\$20.92	\$21.92	N/A	\$1.00	\$20.92	\$21.92
Commercial/Shopping Center 50,001-100,000 SF	N/A	\$0.83	\$14.66	\$15.49	N/A	\$0.83	\$17.47	\$18.30	N/A	\$0.83	\$17.47	\$18.30
Commercial/Shopping Center 100,001-200,000 SF	N/A	\$0.71	\$12.55	\$13.26	N/A	\$0.71	\$14.95	\$15.66	N/A	\$0.71	\$14.95	\$15.66
Commercial/Shopping Center over 200,000 SF	N/A	\$0.60	\$10.66	\$11.26	N/A	\$0.60	\$12.71	\$13.31	N/A	\$0.60	\$12.71	\$13.31
Office 10,000 SF or less	N/A	\$0.42	\$8.08	\$8.50	N/A	\$0.42	\$9.65	\$10.07	N/A	\$0.42	\$9.65	\$10.07
Office 10,001-25,000 SF	N/A	\$0.34	\$6.55	\$6.89	N/A	\$0.34	\$7.81	\$8.15	N/A	\$0.34	\$7.81	\$8.15
Office 25,001-50,000 SF	N/A	\$0.29	\$5.58	\$5.87	N/A	\$0.29	\$6.66	\$6.95	N/A	\$0.29	\$6.66	\$6.95
Office 50,001-100,000 SF	N/A	\$0.25	\$4.76	\$5.01	N/A	\$0.25	\$5.68	\$5.93	N/A	\$0.25	\$5.68	\$5.93
Office 100,000 SF	N/A	\$0.21	\$4.05	\$4.26	N/A	\$0.21	\$4.84	\$5.05	N/A	\$0.21	\$4.84	\$5.05
Business Park	N/A	\$0.24	\$4.55	\$4.79	N/A	\$0.24	\$5.43	\$5.67	N/A	\$0.24	\$5.43	\$5.67
Light Industrial	N/A	\$0.13	\$2.48	\$2.61	N/A	\$0.13	\$2.97	\$3.10	N/A	\$0.13	\$2.97	\$3.10
Warehousing	N/A	\$0.09	\$1.77	\$1.86	N/A	\$0.09	\$2.11	\$2.20	N/A	\$0.09	\$2.11	\$2.20
Manufacturing	N/A	\$0.07	\$1.36	\$1.43	N/A	\$0.07	\$1.62	\$1.69	N/A	\$0.07	\$1.62	\$1.69
Hotel (per room)	N/A	\$104	\$2,010	\$2,114	N/A	\$104	\$2,399	\$2,504	N/A	\$104	\$2,399	\$2,504

	IFA 7			
	Public			
	Parks	Safety	Streets	TOTAL
Residential (per unit)				
Single Family Detached	\$222	\$892	\$7,173	\$8,287
All Other Types of Housing	\$103	\$414	\$3,740	\$4,257
Nonresidential (per square foot/hotel room)				
Commercial / Shopping Center 25,000 SF or less	N/A	\$1.15	\$24.08	\$25.23
Commercial / Shopping Center 25,001-50,000 SF	N/A	\$1.00	\$20.92	\$21.92
Commercial/Shopping Center 50,001-100,000 SF	N/A	\$0.83	\$17.47	\$18.30
Commercial/Shopping Center 100,001-200,000 SF	N/A	\$0.71	\$14.95	\$15.66
Commercial/Shopping Center over 200,000 SF	N/A	\$0.60	\$12.71	\$13.31
Office 10,000 SF or less	N/A	\$0.42	\$9.65	\$10.07
Office 10,001-25,000 SF	N/A	\$0.34	\$7.81	\$8.15
Office 25,001-50,000 SF	N/A	\$0.29	\$6.66	\$6.95
Office 50,001-100,000 SF	N/A	\$0.25	\$5.68	\$5.93
Office 100,000 SF	N/A	\$0.21	\$4.84	\$5.05
Business Park	N/A	\$0.24	\$5.43	\$5.67
Light Industrial	N/A	\$0.13	\$2.97	\$3.10
Warehousing	N/A	\$0.09	\$2.11	\$2.20
Manufacturing	N/A	\$0.07	\$1.62	\$1.69
Hotel (per room)	N/A	\$104	\$2,399	\$2,504

Section 10. Procedures for Imposition, Calculation, Credits, and Collection of Development Fees; Exemptions.

A. *In general.* The County will notify an applicant of applicable development fee requirements at the time of application for a building permit. The County calculates development fees at the time of application for a building permit and the applicant must pay the fees due prior to the issuance of a building permit.

B. Determinations.

1. Upon receipt of an application for a building permit, the County determines:
 - a. Whether the proposed use is a residential or non-residential use,

- b. The specific category of residential or non-residential development, if applicable,
- c. If a residential use is proposed, the number of new dwelling units,
- d. If a non-residential use is proposed, the number of new or additional square feet of gross floor area, and
- e. The Impact Fee Area in which the new development is located.

2. Upon receipt of an application for a building permit, the County determines whether the development proposed involves a change in use. In such cases, the development fee due is based on only the incremental increase in the residential units, or square footage added to the existing use, measured from the date of adoption of this Ordinance. For those non-residential uses identified as business park, light industrial, warehousing, and manufacturing, the fee shall be based on the rate per square foot of applicable use identified in Section 9 of this Ordinance.

C. *Calculations.*

1. After making the necessary determinations, the County, based on its Impact Fee Study, calculates the demand for the public facility created by the proposed new development for each public facility category for which a development fee is being imposed, and calculates the applicable development fee by multiplying the units or square footage of demand proposed by the amount of the applicable development fee per unit or square footage of development, less any applicable credit.

2. The calculation of development fees due from a multiple-use new development is based upon the aggregated demand for each public facility generated by each land use type in the new development.

3. **Phase Development Calculation.** The calculation of development fees due from a phased new development is based upon the demand generated by each specific land use within each phase of development for which a separate building permit is requested.

4. Development fees are calculated based on the development fee amount in effect at the time of application for a building permit.

5. For applications for a building permit for a building shell where the actual use of the building is unknown, the development fee shall be calculated based on the lowest intensity land use allowed within the applicable zoning district. At the time the certificate of occupancy is issued and the permanent use is established, the applicant shall be assessed additional fees if the actual use of the property results in a higher fee.

D. *Alternate Development Fee Calculation.*

1. In the event an applicant believes that the impact to public facilities necessitated by new development is less than the development fee imposed in Section 9, the applicant may, prior to issuance of a building permit, request an appeal of the amount of the development fee.

2. With the request for appeal of the development fee amount, applicant shall submit, at applicant's own expense, an independent impact analysis. No building permit shall be issued until the independent impact analysis is complete and a determination as to the appropriate fee, with a recommendation from the County Manager, is made by Board of Supervisors.

3. The independent impact analysis must be consistent with the requirements of this section.

4. The independent impact analysis must be calculated for that land use type analyzed in the applicable Impact Fee Area and based on data, information, or assumptions contained in the Impact Fee Study documentation, or an independent source, provided that:

a. The independent source is a generally-accepted standard source of demographic and planning data; or

b. The independent source is a local study supported by a data base adequate for the conclusion contained in the independent impact analysis and performed pursuant to a generally-accepted methodology.

5. If a previous applicant has submitted a local study consistent with the criteria for an independent impact analysis, and if such study is determined by the County Manager to be current, the impact upon the public facilities as described in such prior local study shall be presumed to exist for a similar land use proposed by a subsequent applicant. There shall be a rebuttable presumption that an independent impact analysis more than two (2) years old is invalid.

6. If the Board of Supervisors determines that the independent impact analysis complies with the requirements of this section and the alternative development fee is less than the fees set forth in Section 9, then the alternative fee shall be paid by the applicant. If the alternative development fee is greater than the fees set forth in Section 9, the fees set forth in Section 9 shall be due.

E. *Non-Binding Estimate.* An applicant may request a non-binding estimate of development fees due for a particular new development at any time by filing a request on a form provided for such purpose by the County Manager; provided, however, that such estimate may be subject to change when a formal application for a building permit for new development is made. Such non-binding estimate is solely for the benefit of the prospective applicant and in no way binds the County nor precludes it from making amendments or revisions to any provisions of this Ordinance.

F. *Credits.*

1. Credits against the amount of development fees may be given, pursuant to the terms outlined below, either

a. By the Board of Supervisors for a new development, pursuant to a development agreement, for dedications of land or actual construction, by a developer of all or part of a public facility necessary to offset the impacts of a new development.

b. As recommended by the County Manager, subject to Board approval, credits against the amount of development fees due on existing development pursuant to the terms outlined below, either:

(1) where an applicant demonstrates that excess public facility capacity, for which a development fee is imposed under this Ordinance, was provided previously pursuant to zoning stipulations.

(2) where transportation fees have been paid into either the Superstition Valley Transportation Fund, the Maricopa Subregional Transportation Fund or the Southern Pinal County Regional Transportation Fund on dwelling units or square footage of non-residential development prior to issuance of a building permit and for which a development fee is imposed under this Ordinance.

2. Public safety, park improvements and street support facilities provided by a developer or property owner which are included in and conform to the adopted CIP are eligible for credits against the applicable development fee, up to the total amount of fees which are imposed.

3. Credits for dedication or construction. Application for a credit for the dedication or construction of public facilities must be made on a form provided by the County Manager for such purposes. The application must be accompanied by a proposed development agreement as provided herein.

a. **Requirements.** In order to be eligible for development fee credits, the public facility proposed for dedication or construction must be:

(1) A planned improvement, either:

(a) Included in the County's current CIP; or

(b) Determined by resolution of the Board of Supervisors for inclusion during the immediately subsequent update to the CIP;

(2) Of a type included in the Impact Fee Study;

- (3) Credited only against the same type of development fee (i.e. public safety, park improvements or streets) as is being proposed for dedication or construction; and
- (4) Subject to an executed development agreement, as provided herein, prior to the issuance of a building permit for which a credit is sought.

b. ***Procedure.***

- (1) Upon receipt of a complete application and proposed development agreement, the County Manager, County Attorney, and other appropriate staff must review the application and proposed agreement, as well as such other information and evidence as may be deemed relevant, and the County Manager must forward to the Board of Supervisors a report as to whether a credit is properly based on the provisions of this Ordinance.
- (2) Based on the report of the County Manager, the provisions of this Ordinance, the CIP, the Comprehensive Plan, adopted County budget, and the Impact Fee Study, the Board of Supervisors must make a final decision to accept, reject, or accept with conditions the proposed dedication or construction and development agreement in exchange for a credit against development fees owed.

c. ***Calculation of the value of dedication or construction.***

- (1) The amount of the credit to be given as a result of the dedication or construction of a public facility for which a development fee is imposed under this Ordinance is to be calculated as the lower of the following:
 - (a) The amount of the development fee due pursuant to this Ordinance;
 - (b) The costs assumed in the County's CIP; or
 - (c) The actual verified costs of dedication or construction.
- (2) If the actual verified costs are used, the credit shall be calculated as follows:
 - (a) ***Construction of facilities and provision of equipment.*** The credit must be equal to the actual cost of construction or equipment, as evidenced by receipts and

other sufficient documentation provided by the developer of the public facility and verified by the County Manager, but no greater than the maximum fees to be paid by the applicant on the new development.

(b) ***Dedication of land.*** The credit is to be based on the fair market value of the land as determined by a certified property appraiser hired and paid for by the applicant. If the County rejects the applicant's appraisal, the County may hire and pay for a second appraiser to appraise the property. If either party rejects the second appraisal, a third appraisal may be performed by an appraiser chosen by the first and second appraisers, the costs of which are to be shared equally by the County and the applicant. The third appraisal is binding on both parties. All appraisals must be consistent with generally-accepted appraisal techniques and the date of valuation must be the date of transfer to the County.

d. ***Development agreement requirements.*** No dedication or construction project may be accepted in exchange for a credit except pursuant to an executed development agreement between the County and the provider of the dedication or construction, which must include the following:

(1) A schedule for the initiation and completion of the construction of the proposed public facility;

(2) The amount of the development fees, by type, proposed to be credited by the County;

(3) Where excess capacity is provided:

(a) The amount, nature, and location of excess capacity being provided;

(b) The eligibility for such excess capacity to be used for credits against development fees owed by subsequent applicants;

(c) The amount of such credits and their duration;

(d) The geographic area within which such credits would be awarded based on the excess capacity benefit created by the dedication or construction; and

(e) The mechanism for transferring the excess credits to properties within the geographic benefit area of the dedication or construction.

(4) A provision that all construction will be in accordance with County specifications and all regulations set forth in the Pinal County Subdivision Ordinance; and

(5) Such other terms and conditions as deemed necessary by the County.

e. **Transferability.** Credits granted pursuant to this section may be transferred from the applicant to property owners within the original development. However, in order to transfer credits from the original development to another development, an application must be made pursuant to paragraph (4) below.

4. **Credits to subsequent applicants.** An applicant may be given a credit against a development fee upon demonstration that, after the date of this Ordinance, a public facility was dedicated or constructed, pursuant to paragraph (3) above, which will mitigate the impacts of the proposed new development on the particular public facility for which the dedication or construction was made and for which a fee is imposed under this Ordinance and where previous credit has not been granted.

a. **Requirements.** In order for a credit to be given pursuant to this section, the applicant must demonstrate that:

(1) The public facility provided pursuant to paragraph (2) above had sufficient excess capacity to offset the impacts of the applicant's proposed new development;

(2) The public facility provided pursuant to paragraph (2) above reduced the overall need for public facilities otherwise created by the proposed new development;

(3) The proposed new development complies with all conditions of acceptance of the public facility provided pursuant to paragraph (2) above, including time and geographic limitations for eligibility;

(4) The public facility provided pursuant to paragraph (2) above was for the same type of development fee as is being proposed for a credit; and

(5) The applicant has secured a right to an allocation of capacity equal to the development fee owed by the applicant.

b. **Procedure.**

(1) Applications for a credit, based on a previously dedicated or constructed public facility, must be made on a form provided by the

County Manager or designated representative for such purposes. The application must be accompanied by evidence of a transfer of credit granted pursuant to paragraph (2) above.

(2) Upon receipt of a complete application, the County Manager must review the application, as well as such other information and evidence as may be deemed relevant, and determine whether a credit is properly based on the provisions of this Ordinance, the CIP, the Comprehensive Plan, the Impact Fee Study, and/or other relevant evidence.

(3) If the County Manager determines that a credit is appropriate, the County Manager shall so indicate on the appropriate form and the credit shall be given upon the calculation and collection of the required development fee at the time of issuance of a building permit.

G. **Collection.** The County collects all applicable development fees prior to the issuance of a building permit and issues a receipt to the applicant for such payment unless:

1. The applicant is entitled to a full or partial credit;
2. The applicant is not otherwise subject to the payment of a development fee; or
3. The applicant has filed an appeal and a bond or other surety in the amount of the development fee, as calculated by the County and approved by the County Attorney.

H. **Exemptions.**

1. *Generally.* An applicant proposing a development for which development fees are due may be eligible for a partial or full exemption from the requirements of this Ordinance, only as specifically provided for in this section.

2. *Application for exemption.* Applications for exemptions shall be filed with the County Manager on forms provided by the County for such purpose.

3. *Eligibility for exemption.* Partial or full exemptions from the payment of development fees as required by this Ordinance may be made only for the following types of uses:

(a) *Affordable housing.* Defined as projects that meet United States Department of Housing and Urban Development housing affordability guidelines for low and moderate income households.

4. *Review of an application for exemption.* Upon receipt of a complete application for exemption, the County Manager shall review the proposed new development and shall make a recommendation to the Board of Supervisors as to whether

the new development qualifies for an exemption pursuant only to the provisions in paragraph (3) above. Based on the recommendation of the County Manager and the criteria set forth in paragraph (3), the Board of Supervisors shall either grant without conditions, grant with conditions, or deny a proposed exemption request.

5. *Notification to appropriate departments.* If the Board of Supervisors determines that the proposed development qualifies for an exemption, the County Manager shall notify the Finance Director that the exemption has been approved and that a funding source other than development fees shall be used to fund public facilities in accordance with the adopted Capital Improvement Program.

6. *Effect of grant of exemption.* If the Board of Supervisors grants an exemption of development fees otherwise due, the Finance Director shall transmit funds equal in amount to those exempted, from a source other than development fees, into the appropriate development fee account within one year of the grant of the exemption. The County shall not increase the amount of development fees payable under this Ordinance to replace any revenue lost on account of the exemptions granted.

Section 11. Administration of Development Fees.

A. The development fee program shall be administered by the County Manager or such persons or departments designated by the County Manager.

B. Pinal County Development Services is responsible for collecting and accounting for development fees adopted pursuant to this Ordinance. In accordance with A.R.S. § 11-1102(B), the fees shall be accounted for in a separate fund by benefit area (IFA 1-7) and impact fee element (parks, public safety and streets) that clearly identifies the purpose for which the fee was imposed. Interest earned on monies in the fund shall be credited to the fund.

C. Pinal County shall retain copies of all documents and any other data sources on which the development fee is based, and shall make such information available to the public on request.

D. The County shall submit an annual report accounting for the collection and use of the fees. The annual report shall include the following:

1. The amount assessed by the County for each type of development fee.
2. The balance of each fund maintained for each type of development fee assessed as of the beginning and end of the fiscal year.
3. The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year.
4. The amount of development fee monies used to repay:

- a. Bonds issued by the County to pay the cost of a capital improvement project that is the subject of a development fee assessment.
 - b. Monies advanced by the County from funds other than the funds established for development fees in order to pay the cost of a capital improvement project that is the subject of a development fee assessment.
5. The amount of development fee monies spent on each capital improvement project that is the subject of a development fee assessment and the physical location of each capital improvement project.
 6. The amount of development fee monies spent for each purpose other than a capital improvement project that is the subject of a development fee assessment.

E. Within ninety days following the end of each fiscal year, the County shall submit copy of the annual report to the Clerk of the Pinal County Board of Supervisors. Copies shall be made available to the public on request. The annual report may contain financial information that has not been audited.

Section 12. Bi-annual review and update. Every two years, starting from the effective date of the current development fees, the County will update the development fees in effect in the County. The County will have prepared an Impact Fee Study, which will examine and determine the appropriate amount of the applicable development fees, update the Impact Fee Areas, and recommend any amendments to the County development fee program.

Section 13. Annual Adjustments. Each year in which the County does not conduct an update of the development fees under Section 12 of this Ordinance, the County will adjust the amount of each development fee to account for inflationary increases in the cost of providing public facilities provided for under the CIP, utilizing the most recent data from the Engineering News Record Construction Cost Index, the Consumer Price Index, and the County Assessor's office, as appropriate.

Section 14. Infrastructure not included in CIP. This Ordinance shall not affect any legal authority Pinal County may have to disapprove a new development which requires the construction of infrastructure not included in the CIP or to approve new development conditioned upon the developer providing for such infrastructure.

Section 15. Development Fee Effective Date. Any new or increased development fees shall be assessed upon the effective date of the Ordinance adopting the new or increased development fees, except that the prior development fees shall apply to any building permits applied for prior to the effective date of the new or increased development fees.

Section 16. This Ordinance shall become effective 90 days from the date of adoption.

Section 17. The various Pinal County officers and employees are hereby authorized and directed to perform all acts necessary and desirable to give effect to this Ordinance.

PASSED AND ADOPTED this October 18, 2006, by the Pinal County Board of Supervisors.

PINAL COUNTY BOARD OF SUPERVISORS

[Signature]
Chairman of the Board of Supervisors

Date: October 18, 2006

ATTEST:

[Signature]
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

[Signature]
County Attorney

