



City Council Report

Date: February 3, 2025
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Brian A. Ritschel, Office of Management and Budget Director
Subject: Amendment to Mesa City Code, Title 5, Chapter 17, Table 1 –
Discontinuance of Water Impact Fee

Purpose and Recommendation

Staff recommends that the City Council confirm the discontinuation of the Water Impact Fee on December 2, 2024 and amend the City of Mesa's ("City") Impact Fee Schedule to remove the Water Impact Fee.

Background

Arizona Revised Statute § 9-463.05 affecting impact fees was amended effective January 1, 2012. The statute permitted municipalities to continue to collect development impact fees if the funds would be used to pay for existing eligible debt services.

In response to this amendment, the City Council adopted Ordinance No. 5189, confirming the City's intention to continue existing Development Impact Fees at the same rates as then assessed to repay the eligible debt amounts. The Ordinance included a provision that each impact fee would 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 on December 2, 2024, the City received Water Impact Fees in the amount of the eligible pledged debt for the Water Impact Fee category as set forth in the Pledged Debt Analysis for Continuation of Impact Fees. Consequently, the City discontinued the collection of Water Impact Fees effective December 2, 2024, in accordance with Ordinance No. 5189 and Mesa City Code Section 5-17-3(B).

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The Mesa City Code regarding Development Impact Fees includes the now discontinued Water Impact Fee. Staff recommends updating the Mesa City Code to remove the Water Impact Fee Category from Title 5, Chapter 17, Table 1 entitled Mesa Development Impact Fees.

Alternatives

If the Ordinance is not approved, the Water Impact Fee will remain listed on the Impact Fee Schedule in the City Code, however the fee will not be assessed.

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