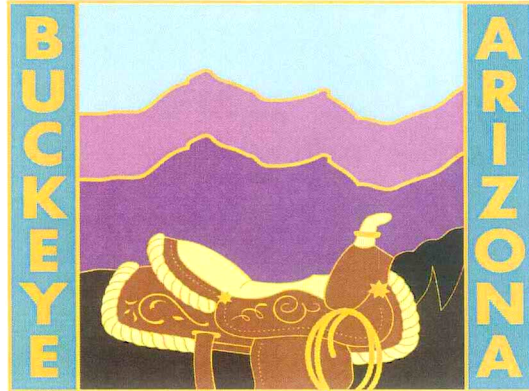
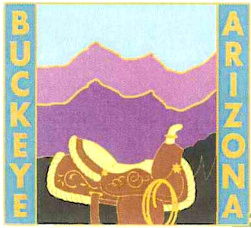


TOWN OF BUCKEYE, ARIZONA



IMPACT FEE SPECIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013



TOWN OF BUCKEYE

Finance Department

530 E Monroe
Buckeye, Arizona 85326
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August 26, 2013

Town of Buckeye Clerk and interested constituents.

The Finance Department of the Town of Buckeye has prepared the annual report for the fiscal year ended June 30, 2013 on the sources and uses of impact (development) fees as required by Arizona Revised Statutes.

Arizona Revised Statutes §9-463.05 G requires that any municipality that assesses impact (development) fees must submit an annual report that includes the following information:

- The amount assessed by the municipality for each type of development fee,
- The balance of each fund maintained for each type of development fee assessed as of the beginning and end of the fiscal year;
- The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year;
- The amount of development fee monies used to repay:
 - Bonds issued by the municipality to pay the cost of a capital improvement project that is the subject of a development fee assessment;
 - Monies advanced by the municipality 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;
- 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; and
- 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.

This required report must be submitted to the town clerk within ninety days following the end of each fiscal year. Copies are to be made available to the public on request. The Town intends to make this report available on its web site at www.buckeyeaz.gov, select Departments, select Finance, select Reports. State statutes provide that the annual report may contain financial information that has not been audited.

Arizona statutes, Section 9-463.05(B) allow municipalities to impose certain fees called impact or development fees for the purpose of providing a revenue stream to provide necessary public infrastructure to meet the needs of new development, a concept sometimes referred to as "growth pays for growth". While impact fees are assessed only against new development, some necessary public infrastructure may also require the use of general revenues when the infrastructure benefits both new development and existing residents, such as the construction of a regional park. A copy of A.R.S. Section 9-463.05 with those requirements is attached as part of this report.

As impact fees are collected, Arizona statutes require that they be deposited in a separate fund. Impact fees may be used only for the purpose(s) for which they were assessed and collected. Impact fees are generally used for capital improvements or similar capital expenditures directly attributable to new growth and development. Impact fees cannot be used for maintenance of those capital improvements or general governmental operations.

IMPACT FEE CATEGORIES

The Town of Buckeye assesses and collects impact fees in support of the following categories of government services

- Water System construction, expansion and improvements,
- Waste Water System (sewer) construction, expansion and improvements,
- Fire and Emergency Medical services,
- Police services,
- Parks and Recreation construction, expansion and improvements,
- Library construction, expansion and improvements,
- Streets construction, expansion and improvements, and
- General Government (collected only until December 2011)

The finance Department welcomes your comments and inquiries throughout the year

Respectfully,

Town of Buckeye
Finance Department

Town of Buckeye, Arizona
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

| |
|--|
| TOWN OF BUCKEYE, ARIZONA <u>UNAUDITED IMPACT FEE SUMMARY</u> For FY 12-13 |
|--|

| | 7/1/2012 | FY 12-13 | | 6/30/2013 |
|---------------------------|----------------------|---------------------|---------------------|------------------------|
| | Beginning Balance | Revenues | Expenditures | Ending Balance |
| Water | \$ 5,049,189 | \$ 31,271 | \$ 24,845 | \$ 5,055,615 |
| Wastewater | 12,430,660 | 347,756 | 8,282,166 | 4,496,250 |
| Fire | 3,108,107 | 572,722 | 263,995 | 3,416,833 |
| Police | 339,738 | 631,638 | 571,714 | 399,662 |
| Parks | 5,663,430 | 483,067 | 2,226,075 | 3,920,422 |
| Library | 2,125,478 | 73,389 | 518,329 | 1,680,538 |
| Streets | 3,856,952 | 192,173 | 534,628 | 3,514,497 |
| General Government | 2,300,401 | 2,193 | 797,476 | 1,505,118 |
| Total | <u>\$ 34,873,955</u> | <u>\$ 2,334,209</u> | <u>\$13,219,229</u> | <u># \$ 23,988,936</u> |

The combined total has decreased based on the lower impact fee amounts, and the completion of numerous projects and other capital purchases

Town of Buckeye
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES
WATER SYSTEM CONSTRUCTION, EXPANSION and IMPROVEMENTS

| | Fiscal Year Ended | |
|---|---------------------|---------------------|
| | 6/30/2012 | 6/30/2013 |
| Sources: | | |
| Impact Fees Collected | \$ 86,300 | \$ 26,549 |
| Interest Earned | 1,962 | 4,722 |
| Total Sources | \$ 88,262 | \$ 31,271 |
| Uses: | | |
| Mandated Impact Fee Study | - | 6,861 |
| Contractual Services - Buckeye Wtr Partners | 767 | 16,940 |
| Reimbursement | 23,772 | - |
| Rainbow & Roosevelt Utility Canal | 121,626 | 1,044 |
| Total Uses | \$ 146,165 | \$ 24,845 |
| Excess/ <Deficiency> of Current Sources | | |
| Over/ <Under> Current Uses | (57,903) | 6,426 |
| Fund Balance, Beginning July 1 | 5,107,092 | 5,049,189 |
| Fund Balance, Ending June 30 | \$ 5,049,189 | \$ 5,055,615 |

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

Major project(s) completed during FY2013:
 The Rainbow and Roosevelt Utility Canal project was completed during
 Fiscal Year 2013.

Town of Buckeye
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

| |
|---|
| TOWN OF BUCKEYE, ARIZONA <u>SCHEDULE OF IMPACT FEE COLLECTIONS AND USES</u> WASTEWATER (SEWER) SYSTEM CONSTRUCTION, EXPANSION and IMPROVEMENTS |
|---|

| | Fiscal Year Ended | |
|---|----------------------|---------------------|
| | 6/30/2012 | 6/30/2013 |
| Sources: | | |
| Impact Fees Collected | \$ 128,549 | \$ 345,052 |
| Interest Earned | 4,826 | 2,704 |
| Total Sources | \$ 133,375 | \$ 347,756 |
| Uses: | | |
| Rainbow & Roosevelt Utility Canal | 104,051 | - |
| Design Gravity Sewer System | 66,923 | - |
| Contractual Services - N. Miller Rd Analysis | 4,703 | - |
| N. Miller Road Sewer Analysis | - | 24,529 |
| Mandated Impact Fee Study | - | 7,637 |
| Reimbursement | 14,708 | 250,000 |
| Beloat Wastewater Plant Expansion | - | 2,000,000 |
| WIFA Bond payment Sewer Expansion | - | 6,000,000 |
| Total Uses | \$ 190,385 | \$ 8,282,166 |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | (57,009.06) | (7,934,410.03) |
| Fund Balance, Beginning July 1 | 12,487,669.01 | 12,430,659.95 |
| Fund Balance, Ending June 30 | \$ 12,430,660 | \$ 4,496,250 |

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

Major project(s) completed during FY2013:
 Wastewater Impact Fees were used to pay down a portion of the Water Infrastructure Finance Authority (WIFA) loan to cover the expansion cost of the wastewater facility.

Town of Buckeye
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES
FIRE and EMERGENCY MEDICAL SERVICES

| | Fiscal Year Ended | |
|---|---------------------|---------------------|
| | 6/30/2012 | 6/30/2013 |
| Sources: | | |
| Impact Fees Collected | \$ 609,527 | \$ 569,522 |
| Interest Earned | 1,276 | 3,200 |
| Total Sources | \$ 610,802 | \$ 572,722 |
| Uses: | | |
| Fire Station #3 (Verrado) - Building | 74,060 | 17,025 |
| Mandated Impact Fee Study | - | 3,754 |
| Communication Equipment | 264,526 | - |
| Radio Tower 180 Ft | 21,302 | 28,107 |
| Ladder Truck Lease Payment | 135,176 | 135,176 |
| Ladder Truck Lease Payment/Equipment | 266,596 | 79,933 |
| Total Uses | \$ 761,660 | \$ 263,995 |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | (150,857) | 308,727 |
| Fund Balance, Beginning July 1 | 3,258,964 | 3,108,107 |
| Fund Balance, Ending June 30 | \$ 3,108,107 | \$ 3,416,833 |

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

Major project(s) completed during FY2013:
 Verrado Fire Station received the LEED Gold Certification for the green building program.

Town of Buckeye
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

POLICE SERVICES

| | Fiscal Year Ended | |
|---|--------------------------|-------------------|
| | 6/30/2012 | 6/30/2013 |
| Sources: | | |
| Impact Fees Collected | \$ 261,000 | \$ 244,638 |
| Interest Earned | \$ 78 | \$ 9 |
| Transfer from General Fund | | \$ 386,991 |
| Total Sources | \$ 261,078 | \$ 631,638 |
| Uses: | | |
| Communication Equipment/Software | 450,405 | 569,395 |
| Mandated Impact Fee Study | - | 2,319 |
| Total Uses | \$ 450,405 | \$ 571,714 |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | (189,327) | 59,924 |
| Fund Balance, Beginning July 1 | 529,065 | 339,738 |
| Fund Balance, Ending June 30 | \$ 339,738 | \$ 399,662 |

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

Major project(s) completed during FY2013:
 The computer equipment and software upgrade project, including the new tower was completed during Fiscal Year 2013

Town of Buckeye
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

| |
|--|
| TOWN OF BUCKEYE, ARIZONA <u>SCHEDULE OF IMPACT FEE COLLECTIONS AND USES</u> PARKS and RECREATION CONSTRUCTION, EXPANSION and IMPROVEMENTS |
|--|

| | Fiscal Year Ended | |
|--|---------------------|---------------------|
| | 6/30/2012 | 6/30/2013 |
| Sources: | | |
| Impact Fees Collected | 684,248 | 479,088 |
| Interest Earned | 3,076 | 3,979 |
| Total Sources | \$ 687,324 | \$ 483,067 |
| Uses: | | |
| Community Park (Sundance Area) - Planning, Des & Eng Consulting Fees, Construction & Equipment | 2,127,241 | 2,163,493 |
| Skyline Park (Renamed from BLM Park) | 17,340 | 57,737 |
| Mandated Impact Fee Study | | 4,845 |
| Buckeye Canal Path | 1,701 | - |
| Total Uses | \$ 2,146,282 | \$ 2,226,075 |
| Excess/ <Deficiency> of Current Sources | | |
| Over/ <Under> Current Uses | (1,458,958) | (1,743,008) |
| Fund Balance, Beginning July 1 | 7,122,388 | 5,663,430 |
| Fund Balance, Ending June 30 | \$ 5,663,430 | \$ 3,920,422 |

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

Major project(s) completed during FY2013
 Sundance Park (30 acres)

Town of Buckeye
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES
LIBRARY CONSTRUCTION, EXPANSION and IMPROVEMENTS

| | Fiscal Year Ended | |
|---|--------------------------|---------------------|
| | 6/30/2012 | 6/30/2013 |
| Sources: | | |
| Impact Fees Collected | 152,785 | 71,280 |
| Interest Earned | 802 | 2,109 |
| Total Sources | \$ 153,587 | \$ 73,389 |
| Uses: | | |
| Property Purchase Yuma and Dean | | 514,136 |
| Mandated Impact Fee Study | - | 4,193 |
| Total Uses | \$ - | \$ 518,329 |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | 153,587 | (444,940) |
| Fund Balance, Beginning July 1 | 1,971,891 | 2,125,478 |
| Fund Balance, Ending June 30 | \$ 2,125,478 | \$ 1,680,538 |

NOTE: All amounts are unaudited as permitted by ARS §9-463 05(H)

Major project(s) completed during FY2013
 No projects were listed for Fiscal 2013.

A satellite library is planned for the Yuma and Dean location to serve the Sundance residents more efficiently.

Town of Buckeye
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES
STREETS CONSTRUCTION, EXPANSION and IMPROVEMENTS

| | Fiscal Year Ended | |
|---|--------------------------|---------------------|
| | 6/30/2012 | 6/30/2013 |
| Sources: | | |
| Impact Fees Collected | 182,955 | 188,753 |
| Interest Earned | 1,456 | 3,420 |
| Total Sources | \$ 184,411 | \$ 192,173 |
| Uses: | | |
| Mandated Impact Fee Study | | 6,963 |
| I-10 Miller Rd/Interchange Report | | 146,402 |
| Equipment | 46,612 | 381,263 |
| Total Uses | \$ 46,612 | \$ 534,628 |
| Excess/ <Deficiency> of Current Sources | | |
| Over/ <Under> Current Uses | 137,799 | (342,455) |
| Fund Balance, Beginning July 1 | 3,719,153 | 3,856,952 |
| Fund Balance, Ending June 30 | \$ 3,856,952 | \$ 3,514,497 |

NOTE: All amounts are unaudited as permitted by ARS §9-463.05(H)

Major project(s) completed during FY2013:
 New water truck was purchased and delivered
 in July 2012

Town of Buckeye
 Annual Development Fee Report
 Fiscal Year 2013
 Summary by Development Fee

TOWN OF BUCKEYE, ARIZONA
SCHEDULE OF IMPACT FEE COLLECTIONS AND USES

GENERAL GOVERNMENT

| | Fiscal Year Ended | |
|---|--------------------------|---------------------|
| | 6/30/2012 | 6/30/2013 |
| Sources: | | |
| Impact Fees Collected | 106,946 | - |
| Interest Earned | 900 | 2,193 |
| Total Sources | \$ 107,847 | \$ 2,193 |
| Uses: | | |
| Contractual Services-Property | 6,654 | 2,335 |
| Property Purchase Yuma and Dean | | 713,375 |
| Mandated Impact Fee Study | - | 61,649 |
| Contractual Services - Regional Cost Reimb Matrix | 61,356 | 20,118 |
| Total Uses | \$ 68,009 | \$ 797,476 |
| Excess/ <Deficiency> of Current Sources Over/ <Under> Current Uses | 39,837 | (795,283) |
| Fund Balance, Beginning July 1 | 2,260,564 | 2,300,401 |
| Fund Balance, Ending June 30 | \$ 2,300,401 | \$ 1,505,118 |

NOTE: All amounts are unaudited as permitted by ARS §9-463 05(H)

Major project(s) completed during FY2013:

**EXHIBIT A
TO
ORDINANCE NO. 39-11**

[Revised Development Impact Fee Schedule]

See following pages.

Water, Wastewater, Water Resources, and Reclaimed Water Development Fees¹

¹ Zone 4 and Zone 5 do not have any utility infrastructure planned for the period covered by the June 2009 Development Fee Study and, therefore, no water, wastewater, water resources or reclaimed water fees have been assessed. Prior to any new construction in Zone 4 and Zone 5 requiring utility infrastructure, a revised infrastructure improvements plan and development fee study will be required to be established the appropriate fee for each.

Zone 1

| All Development Meter Size/Type (inches) | Water | Wastewater | Water Resources | Reclaimed Water | Total |
|--|---------|------------|-----------------|-----------------|---------|
| 1.0 or less (all types) | \$3,395 | \$4,042 | \$294 | \$127 | \$7,858 |
| 1.5 Displacement | 4,243 | 5,053 | 370 | 160 | 9,826 |
| 2.0 Displacement | 8,487 | 10,105 | 740 | 320 | 19,652 |
| 2.0 Comp or Turb. | 13,579 | 16,169 | 1,180 | 510 | 31,438 |
| 3.0 Compound | 27,158 | 32,338 | 2,350 | 1,020 | 62,866 |
| 3.0 Turbine | 29,704 | 35,369 | 2,570 | 1,110 | 68,754 |
| 4.0 Compound | 42,435 | 50,527 | 3,680 | 1,590 | 98,232 |
| 4.0 Turbine | 50,922 | 60,633 | 4,410 | 1,910 | 117,875 |
| 6.0 Compound | 84,870 | 101,055 | 7,350 | 3,180 | 196,454 |
| 6.0 Turbine | 106,087 | 126,319 | 9,190 | 3,970 | 245,566 |
| 8.0 Compound | 135,791 | 161,688 | 11,760 | 5,080 | 314,319 |
| 8.0 Turbine | 152,765 | 181,899 | 13,230 | 5,720 | 353,614 |

Zone 2

| All Development Meter Size/Type (inches) | Water | Wastewater | Water Resources | Reclaimed Water | Total |
|--|---------|------------|-----------------|-----------------|---------|
| 1.0 or less (all types) | \$2,280 | \$5,861 | \$294 | \$127 | \$8,562 |
| 1.5 Displacement | 2,850 | 7,326 | 370 | 160 | 10,706 |
| 2.0 Displacement | 5,700 | 14,652 | 740 | 320 | 21,412 |
| 2.0 Comp or Turb. | 9,121 | 23,443 | 1,180 | 510 | 34,253 |
| 3.0 Compound | 18,241 | 46,886 | 2,350 | 1,020 | 68,497 |
| 3.0 Turbine | 19,951 | 51,281 | 2,570 | 1,110 | 74,913 |
| 4.0 Compound | 28,502 | 73,259 | 3,680 | 1,590 | 107,031 |
| 4.0 Turbine | 34,202 | 87,911 | 4,410 | 1,910 | 128,433 |
| 6.0 Compound | 57,004 | 146,518 | 7,350 | 3,180 | 214,051 |
| 6.0 Turbine | 71,254 | 183,147 | 9,190 | 3,970 | 267,562 |
| 8.0 Compound | 91,206 | 234,429 | 11,760 | 5,080 | 342,474 |
| 8.0 Turbine | 102,606 | 263,732 | 13,230 | 5,720 | 385,289 |

Zone 3

| All Development Meter Size/Type (inches) | Water | Wastewater | Water Resources | Reclaimed Water | Total |
|--|---------|------------|-----------------|-----------------|---------|
| 1.0 or less (all types) | \$4,472 | \$4,313 | \$294 | \$127 | \$9,206 |
| 1.5 Displacement | 5,590 | 5,391 | 370 | 160 | 11,511 |
| 2.0 Displacement | 11,180 | 10,782 | 740 | 320 | 23,022 |
| 2.0 Comp or Turb. | 17,888 | 17,252 | 1,180 | 510 | 36,829 |
| 3.0 Compound | 35,775 | 34,504 | 2,350 | 1,020 | 73,649 |
| 3.0 Turbine | 39,129 | 37,738 | 2,570 | 1,110 | 80,547 |
| 4.0 Compound | 55,898 | 53,912 | 3,680 | 1,590 | 115,081 |
| 4.0 Turbine | 67,078 | 64,695 | 4,410 | 1,910 | 138,093 |
| 6.0 Compound | 111,797 | 107,824 | 7,350 | 3,180 | 230,151 |
| 6.0 Turbine | 139,746 | 134,780 | 9,190 | 3,970 | 287,686 |
| 8.0 Compound | 178,875 | 172,519 | 11,760 | 5,080 | 368,234 |
| 8.0 Turbine | 201,235 | 194,084 | 13,230 | 5,720 | 414,268 |

**Non-Utility Development Fees – Library, Park, Police, Fire, and General Government
All Zones**

| Residential (per unit) | Parks & Recreation | Library | Police | Fire/EMS | Streets | General Government | Total |
|--------------------------------------|--------------------|---------|--------|----------|---------|--------------------|---------|
| Single Family Detached | \$1,109 | \$165 | \$506 | \$1,178 | \$246 | \$0 | \$3,204 |
| All other Housing Types | \$832 | \$124 | \$380 | \$884 | \$124 | \$0 | \$2,344 |
| Nonresidential (per 1,000 sf) | | | | | | | |
| Com / Shop Ctr 25,000 SF or less | NA | NA | \$592 | \$1,378 | \$1,619 | \$0 | \$3,589 |
| Com / Shop Ctr 25,001- 50,000 SF | NA | NA | \$592 | \$1,378 | \$1,501 | \$0 | \$3,471 |
| Com / Shop Ctr 50,001- 100,000 SF | NA | NA | \$592 | \$1,378 | \$1,314 | \$0 | \$3,284 |
| Com / Shop Ctr 100,001- 200,000 SF | NA | NA | \$592 | \$1,378 | \$1,137 | \$0 | \$3,107 |
| Com / Shop Ctr over 200,000 SF | NA | NA | \$592 | \$1,378 | \$976 | \$0 | \$2,946 |
| Office / Inst 10,000 SF or less | NA | NA | \$592 | \$1,378 | \$756 | \$0 | \$2,726 |
| Office / Inst 10,001-25,000 SF | NA | NA | \$592 | \$1,378 | \$612 | \$0 | \$2,582 |
| Office / Inst 25,001-50,000 SF | NA | NA | \$592 | \$1,378 | \$522 | \$0 | \$2,492 |
| Office / Inst 50,001-100,000 SF | NA | NA | \$592 | \$1,378 | \$445 | \$0 | \$2,415 |
| Office / Inst over 100,000 SF | NA | NA | \$592 | \$1,378 | \$379 | \$0 | \$2,349 |
| Business Park | NA | NA | \$592 | \$1,378 | \$425 | \$0 | \$2,395 |
| Light Industrial | NA | NA | \$415 | \$965 | \$232 | \$0 | \$1,612 |
| Warehouse | NA | NA | \$415 | \$965 | \$165 | \$0 | \$1,545 |
| Manufacturing | NA | NA | \$415 | \$965 | \$127 | \$0 | \$1,507 |

9-463.05. Development fees; imposition by cities and towns; infrastructure improvements plan, annual report; limitation on actions; definition

A. A municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing, other capital costs and associated appurtenances, equipment, vehicles, furnishings and other personalty.

B. Development fees assessed by a municipality under this section are subject to the following requirements:

- 1 Development fees shall result in a beneficial use to the development.
2. Monies received from development fees assessed pursuant to this section shall be placed in a separate fund and accounted for separately and may only be used for the purposes authorized by this section. Monies received from a development fee identified in an infrastructure improvements plan adopted or amended pursuant to subsection D of this section shall be used to provide the same category of necessary public service for which the development fee was assessed. Interest earned on monies in the separate fund shall be credited to the fund.
- 3 The schedule for payment of fees shall be provided by the municipality. The municipality shall provide a credit toward the payment of a development fee for the required dedication of public sites, improvements and other necessary public services included in the infrastructure improvements plan and for which a development fee is assessed, to the extent the public sites, improvements and necessary public services are provided by the developer. The developer of residential dwelling units shall be required to pay development fees when construction permits for the dwelling units are issued, or at a later time if specified in a development agreement pursuant to section 9-500.05. If a development agreement provides for fees to be paid at a time later than the issuance of construction permits, the deferred fees shall be paid no later than fifteen days after the issuance of a certificate of occupancy. The development agreement shall provide for the value of any deferred fees to be supported by appropriate security, including a surety bond, letter of credit or cash bond.
4. The amount of any development fees assessed pursuant to this section must bear a reasonable relationship to the burden imposed upon the municipality to provide additional necessary public services to the development. The municipality, in determining the extent of the burden imposed by the development, shall consider, among other things, the contribution made or to be made in the future in cash or by taxes, fees or assessments by the property owner towards the capital costs of the necessary public service covered by the development fee.
5. If development fees are assessed by a municipality, such fees shall be assessed in a nondiscriminatory manner.
6. In determining and assessing a development fee applying to land in a community facilities district established under title 48, chapter 4, article 6, the municipality 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.

C. A municipality shall give at least sixty days' advance notice of intention to assess a new or modified development fee and shall release to the public a written report 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 pursuant to subsection F of this section and the timing of those adjustments. The municipality shall conduct a public hearing on the proposed new or modified development fee at any time after the expiration of the sixty day notice of intention to assess a new or modified development fee and at least thirty days prior to the scheduled date of adoption of the new or modified fee by the governing body. A development fee assessed pursuant to this section shall not be effective until seventy-five days

after its formal adoption by the governing body of the municipality. Nothing in this subsection shall affect any development fee adopted prior to July 24, 1982.

D. Before the assessment of a new or modified development fee, the governing body of the municipality shall adopt or amend an infrastructure improvements plan. The municipality shall conduct a public hearing on the infrastructure improvements plan at least thirty days before the adoption or amendment of the plan. The municipality shall release the plan to the public, make available to the public the documents used to prepare the plan and provide public notice at least sixty days before the public hearing, subject to the following:

1. An infrastructure improvements plan may be adopted concurrently with the report required by subsection C of this section, and the municipality may provide for and schedule the notices and hearings required by this subsection together with the notices and hearings required by subsection C of this section.

2. A municipality may amend an infrastructure improvements plan without a public hearing if the amendment addresses only elements of necessary public services that are included in the existing infrastructure improvements plan. The municipality shall provide public notice of those amendments at least fourteen days in advance of their effective date.

E. For each necessary public service that is the subject of a development fee, the infrastructure improvements plan shall:

1. Estimate future necessary public services that will be required as a result of new development and the basis for the estimate.

2. 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.

F. A municipality may automatically adjust a development fee on an annual basis without a public hearing if the adjustment is based on a nationally recognized index applicable to the cost of the necessary public service that is the subject of the development fee and the adjustment mechanism is identified in the report required by subsection C of this section. The municipality shall provide public notice of those adjustments at least thirty days in advance of their effective date.

G. Each municipality 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 municipality 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 municipality to pay the cost of a capital improvement project that is the subject of a development fee assessment.

(b) Monies advanced by the municipality 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.

H. Within ninety days following the end of each fiscal year, each municipality shall submit a copy of the annual report to the city clerk. Copies shall be made available to the public on request. The annual report may contain financial information that has not been audited.

I. A municipality that fails to file the report required by this section shall not collect development fees until the report is filed.

J. Any action to collect a development fee shall be commenced within two years after the obligation to pay the fee accrues.

K. For the purposes of this section, "infrastructure improvements plan" means one or more written plans that individually or collectively identify each public service that is proposed to be the subject of a development fee and otherwise complies with the requirements of this section, and may be the municipality's capital improvements plan.