

# AD HOC COMMITTEE ON IMPACT FEES MINUTES

May 14, 1999

The Ad Hoc Committee on Impact Fees of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 14, 1999 at 8:00 a.m.

## COMMITTEE PRESENT

Keno Hawker, Chairman  
Jim Davidson  
Dennis Kavanaugh

## COMMITTEE ABSENT

None

## STAFF PRESENT

C.K. Luster  
Cindy Barris  
Neal Beets  
Candace Cannistraro  
Mike Hutchinson  
Barbara Jones  
Frank Mizner  
Bryan Raines  
Tom Remes  
Jeff Welker  
Others

## OTHERS PRESENT

Fred Ash  
David Udall  
Others

### 1. Further discussion and consideration concerning development fees related to RV parks.

Chairman Hawker advised that this issue was previously discussed by the Committee, at which time input was requested from City Attorney Neal Beets. Chairman Hawker noted that the Committee has subsequently received copies of two memorandums prepared by Mr. Beets.

David Udall, 30 West 1st Street, representing ViewPoint RV & Golf Resort and Fred Ash, manager, presented historical data pertaining to the ViewPoint property, stating that approximately 1,750 spaces within the project have been completed and 750 spaces remain to be built. Mr. Udall outlined concerns expressed by Mr. Ash in relation to the City's recently revised development fees and reiterated the previous assertion that ViewPoint should have allowed to pull a building permit for the remaining spaces in 1996 under the prior development fee schedule.

Mr. Udall indicated that as a result of the revised fees, the total for the additional 750 spaces has increased by approximately \$500,000, creating a substantial financial hardship. Mr. Udall stated that two options are therefore proposed for consideration: a) amend the City's current ordinance because the impact fees for recreational vehicle (RV) resorts do not bear a reasonable relationship to the burden imposed on the City or b) grandfather the ViewPoint RV & Golf Resort development.

Mr. Udall stated that in relation to impact fees, RV resorts should not be classified together with mobile home parks as the City's ordinance prescribes, commenting that RVs generate significantly less demand for services than mobile homes. Mr. Udall expressed the opinion that ViewPoint could be grandfathered under a provision encompassing a specific class which in November 1998 was in the process of development and at least 51 percent completed and that ViewPoint could be allowed to proceed under the City's previous fee structure. Mr. Udall said that the City has established a precedent for such action in enacting a grandfathering provision relative to the recent sales tax increase. Mr. Udall noted that in November 1998, ViewPoint was the

only RV resort project partially completed, representing a class of one, but said that ViewPoint is the only project impacted.

Fred Ash, representing ViewPoint RV & Golf Resort, stated the opinion that the ViewPoint project fulfills the criteria outlined in the memorandum from City Attorney Neal Beets and could be grandfathered in a manner similar to that utilized for the City's recent sales tax adjustment. Mr. Ash indicated that grandfathering would serve as a solution until Council has an opportunity to reevaluate the impact fee structure, particularly concerning RV resorts.

Assistant to the City Manager Bryan Raines reported that the City's development fee ordinance is based on average household size and the best available information from census data. Mr. Raines noted that the fees were discussed extensively with many individuals and that while representatives from the RV resort and mobile home park industry were not contacted directly, individuals from the mobile home industry contacted the City. Mr. Raines emphasized that the variation in amenities offered by ViewPoint is an economic decision made by the developer and is not a requirement of the City. Mr. Raines added that a demand for City services exists in that the City does not limit access to facilities to specific individuals (e.g., full-time residents or individuals who do not have access to such amenities within their own development).

Development Services Administrator Jeff Welker stated that complaints concerning the revised fees have not been received to date from other types of development but commented that should grandfathering be approved for ViewPoint, residential developers who began projects prior to the effective date of the new fees and are still in the process of development may submit similar requests.

In response to a question from Chairman Hawker, Mr. Welker explained the option referred to in the memorandum from Mr. Beets concerning park model RVs and the ability administratively to extend the payment of the established impact fees over time (but not reduce the fees). Mr. Welker commented that such a proposal may limit the developer's flexibility, and enforcement by City staff may become difficult.

At the request of Committeemember Davidson, Mr. Beets defined the term *grandfathering* and outlined criteria for legal grandfathering (e.g., applies to a class of persons, not just one person or entity) versus illegal special legislation.

Mr. Raines emphasized that the revised impact fees were adopted by Council in July 1998 but were not effective until November 1998, providing an extensive time frame for implementation and an opportunity for individuals to pull permits for projects.

In response to a question from Committeemember Davidson, Mr. Welker indicated that the majority of projects within the City are completed by the same developers who initiate the projects.

Discussion ensued concerning ViewPoint's ability to pull permits and requirements relative to an amenity package.

Mr. Udall stated that a memorandum prepared by Mr. Beets outlines options available to the Committee and Council and expressed the opinion that he and Mr. Beets could draft appropriate language should the Committee recommend grandfathering the ViewPoint RV & Golf Resort.

At 8:32 a.m., Chairman Hawker called for a short recess to allow the Committee an opportunity to further review the memorandums prepared by Mr. Beets and an analysis submitted by Mr. Ash. The meeting reconvened at 8:39 a.m.

Committeemember Kavanaugh commented that in conformance with State law, an extensive public process was utilized to implement the City's revised impact fees. Committeemember Kavanaugh stated that the process will continue as impact fees are reviewed on a periodic basis. Committeemember Kavanaugh

expressed the opinion that the manner in which the City's ordinance was designed is appropriate at this time, noting that citizens have equal access to City facilities. Committeemember Kavanaugh related concerns regarding the request for grandfathering and said that he does not support the proposal.

Chairman Hawker commented that the park model alternative may be an option for consideration by ViewPoint. Chairman Hawker concurred that the variation in amenities offered by ViewPoint is an economic decision made by the developer but indicated a willingness to consider the appropriateness of differentiating RV resorts from mobile home parks when the City's impact fees are reviewed in the future by Council.

Chairman Hawker stated that the time frame for implementation of the City's revised fees was extensive and provided sufficient opportunity for individuals to pull permits. Chairman Hawker expressed the opinion that grandfathering the ViewPoint RV & Golf Resort is not an appropriate option.

Mr. Raines said that the City's ordinance requires periodic evaluation of impact fees but noted that it may be determined that additional types of fees should be collected (e.g., arterial streets) and/or that current fees are inadequate and should be increased.

Mr. Welker stated the opinion that staff could adequately monitor the process in the event Mr. Ash elected to pursue the park model option and extend payment of the impact fees over time.

Mr. Udall expressed appreciation for staff's efforts but urged the Committee to recommend to Council approval of the grandfathering proposal, provided he and Mr. Beets can develop satisfactory language.

Committeemember Davidson spoke regarding issues of fairness and equality and reiterated concerns pertaining to legal grandfathering versus illegal special legislation. Committeemember Davidson noted the opportunity to extend the payment of impact fees over time and the upcoming review by Council of the overall development fee structure. Committeemember Davidson stated that he does not support the proposed grandfathering.

It was moved by Committeemember Davidson, seconded by Committeemember Kavanaugh, to recommend that Council support the manner in which impact fees are currently established and the effective date of November 1998, and deny grandfathering the ViewPoint RV & Golf Resort.

Carried unanimously.

Mr. Udall expressed appreciation to the Committee for their time and consideration.

## 2. Adjournment.

Without objection, the meeting of the Ad Hoc Committee on Impact Fees adjourned at 9:07 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Ad Hoc Committee on Impact Fees of the City of Mesa, Arizona, held on the 14th day of May 1999. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 1999

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BARBARA JONES, CITY CLERK