

Option No. 4 – Require the property owners to begin the process of annexation and enter into a Utility Service Agreement with Mesa for City water service during the interim. The agreement would require payment of Utility Service fees prior to the connection of the identified property to the City's public water system. The applicant would also be required to commit to the completion of annexation and payment of in-lieu fees of \$85.00 per lineal foot for Plymouth frontage only on or before February 1, 2008. This fee is based on a suburban street design standard. The in-lieu option would have the effect of meeting the Committee recommendation to allow additional time for the applicant to complete improvements. It has come to staffs' attention that the current County policy is not to accept roadway improvements unless it is on a street scheduled for maintenance funding. Plymouth is not on the County's list for maintenance funding; therefore, it is more feasible for the City to require in-lieu fees instead of improvements at this time. The Deputy City Manager has identified modifications to Right of Way and Offsite Improvements (reduced street construction requirements and standards) as permitted under Section 9-8-4 of the Mesa City Code. The modification outlined by the Deputy City Manager is to allow improvements on Plymouth only and development to a suburban street design standard. This option is not consistent with the City of Mesa Terms and Conditions...but would be an exemption as allowed under Section 23 (C).

The requirement to develop to Mesa standards, in Option No. 1, 2, 3 and 4 shall be understood to mean all development standards, including, but not limited to:

1. Conformance to Mesa's General Plan designation.
2. Site development to City of Mesa standards including grading / drainage and solid waste facilities.
3. Payment of all fees associated with water service and meter including water impact fees.
4. Payment of a Utility Service Agreement fee equal to the sum of all other City of Mesa Development Impact Fees for Single Residential Detached properties.

Impact on City Operations

Fire Department:

The site, which has a home under construction, has to be accessed from a county road system that was not built to City of Mesa's standards, and does not appear to be maintained on a regular basis. Also, the site is on a long, dead-end road with no turn around area for our fire apparatus. There is a hydrant located directly across from the home, but without doing flow test, cannot determine if it will provide the required flow for the size of home being built. The last concern, on the initial observation, is that the large home being built may not meet our 150' rule, which requires that all points on the exterior of the home be within 150' of where a fire truck would spot for a fire attack. The 150' can be extended to 300' if the home has fire sprinklers. This property is accessed by a dirt road only. Therefore, the Fire Department may experience some difficulty with access to the property or response time delays in serving this property.

Solid Waste:

The roads to this house are dirt roadways with no clear designated right-of-way. Access to this property will be challenging until the access road is fully improved.

Fiscal Impact

The new direction from City Council regarding annexation will now allow Mr. Willard's property to be annexed into Mesa. Staff members have reviewed this possible annexation and provided information on the potential impact.

Prior Mesa City Councils established that the cost for design and construction of public street improvements shall be the responsibility of those developing adjacent properties. Therefore, any reduction or the elimination of this obligation potentially places the burden of future road improvement costs upon the citizens of Mesa.

The table below shows estimated potential gross revenue Mesa will receive under each of the options. The following estimate of Fees is calculated based on current City of Mesa schedules of fees and charges. This exhibit is for estimating purposes only. Final fees and charges will be calculated and assessed based upon the City of Mesa schedules of fees and charges in effect at the time of actual connection to Mesa's public water and/or wastewater mainlines. Collection of fees and charges would occur with either the issuance of permit(s) for connection to Mesa's public water and/or wastewater mainlines or purchase of a City of Mesa water meter, whichever comes first.

	<u>POTENTIAL REVENUE</u>			
	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
<u>One Time Fees</u>				
Impact Fees *	= \$1,011.00	\$1,011.00	\$1,011.00	\$1,011.00
"Utility Service" Agreement Fees**	= \$2,933.00	\$2,933.00	\$2,933.00	\$2,933.00
Payment In-Lieu of Public Street Construction	= \$61,037.00	\$0.00	\$0.00 ***	\$25,938.60
Total One Time Fees	\$64,981.00	\$3,944.00	\$3,944.00	\$29,882.60
<u>Annual Revenue</u>				
State Shared Revenue	\$0.00	\$0.00	\$0.00	\$665.00
Water	\$550.00	\$550.00	\$550.00	\$550.00
Solid Waste	—	—	—	\$727.00
Total Annual Fees	\$550.00	\$550.00	\$550.00	\$1,942.00

* Impact Fee will increase on September 3, 2007 per approval by City Council

** "Utility Service" agreement fees, as identified in the Terms and Conditions for the Sale of Utilities

*** Construction of E. Plymouth Road and not 77th Street

Note : Option 4 In-Lieu cost is for E. Plymouth Road only

RECOMMENDATION

The Transportation and Infrastructure Committee recommended Option 3. However, staff is recommending the new Option 4, which is a modified version of Option 3 that is in compliance with both the committee's recommendation and the new City Council direction on annexations.