

CHAPTER 6 **COST OF DEVELOPMENT**

VISION STATEMENT

Development will be conveniently located to and compatible with existing infrastructure in order to protect taxpayers and existing businesses from having to assume financial responsibility for additional infrastructure required for new development. The Town government will equitably assess and manage the fiscal and capital impacts resulting from new development to maintain and improve the existing level of services and infrastructure.

STATE REQUIREMENTS

The Cost of Development Element of the Town of Camp Verde's General Plan is mandated by Arizona Revised Statutes, which stipulates that communities larger than 2,500 inhabitants include a Cost of Development Element.

According to ARS, the Cost of Development Element will identify policies and strategies that the Town will use to require development to pay its fair share toward the cost of additional public service needs generated by new development, with appropriate exceptions when in the public interest. The Cost of Development Element must include the following components:

- a. A component that identifies various mechanisms that are allowed by law and that can be used to fund and finance additional public services necessary to serve the development, including bonding, special taxing districts, development fees, in lieu fees, facility construction, dedications and service privatization.
- b. A component that identifies policies to ensure that any mechanisms that are adopted by the Town under this element result in beneficial use to the development bear a reasonable relationship to the burden imposed on the municipality to provide additional necessary public services to the development and otherwise are imposed according to law.

FUNDING MECHANISMS

As per Arizona statute, the following methods are available for the Town to finance infrastructure. These methods are mentioned only as a requirement of state law.

- General Obligation Bonds
- Revenue Bonds
- Municipal Property Corporations
- Certificates of Participation
- Transaction Privilege (Sales) Tax
- Property Tax
- Special Industry Tax
- Excise Tax
- Development (Impact) Fees
- User Fees
- Dedication
- Exactions
- Capital Improvements Programming
- Concurrence Requirements
- Development Agreements and Development Rights Plans
- Trusts
- Endowments
- Grants

CHAPTER 6
COST OF DEVELOPMENT

A. GOAL: ASSESS FAIR AND REASONABLE REVENUE SOURCES TO PROVIDE FOR THE COSTS OF MITIGATING THE IMPACTS OF GROWTH.

Implementation Strategy:

- A. 1. Review fee guidelines annually to ensure equitable costs and to maintain current level of service standards for new development.
- A. 2. Ensure that development policies and ordinances are designed to require new development to contribute to costs associated with development.
- A. 3. Require an analysis showing the impact to community services prior to construction.
- A. 4. Identify fees and other revenues and funding mechanisms that may be used to pay for the expansion of operations and new facilities generated by new development.

B. GOAL: ENSURE A STABLE REVENUE STREAM TO MAINTAIN AND IMPROVE EXISTING COMMUNITY SERVICES AND AMENITIES.

Implementation Strategy:

- B. 1. Reserve sites for commercial development to accommodate residents and minimize the loss of retail sales to surrounding communities.
- B. 2. Utilize the Main Street area and the Hwy. 260 and Interstate 17 interchange as activity centers to attract shoppers from other communities.
- B. 3. Ensure local sales revenues and service fees are adequate to maintain standards of service.
- B. 4. Research and acquire federal and state funding in the form of grants.

C. GOAL: REGULARLY REVIEW THE NEED AND COSTS OF SERVICES PROVIDED BY THE TOWN.

Implementation Strategy:

- C. 1. Use the Capital Improvements Plan (CIP) to prioritize services and expenses.
- C. 2. Require the CIP to be reviewed and updated on an annual basis.
- C. 3. Develop guidelines to clearly establish Level of Service Standards for the Town.

D. GOAL: PROTECT EXISTING RESOURCES AND INFRASTRUCTURE FROM BECOMING OVERBURDENED BY NEW DEVELOPMENT.

- D. 1. Guide development to areas where public facilities and services exist or can be extended in the most efficient and cost-effective manner.
- D. 2. Develop guidelines to allow owners/developers to maintain responsibility of infrastructure such as water and sewer services and road maintenance.

IMPLEMENTATION CHALLENGES

The planning area is served by a spectrum of public and private services. A proper understanding of the cost of development will require cooperation with public entities offering services and a more thorough understanding of private costs associated with the provision of services in the planning area. At this time the authority for services and infrastructure decisions does not reside entirely with the Town government. The General Plan is intended to establish an important basis for further cooperation between all agencies.