

# **TOWN OF PARADISE VALLEY**

**Cost Recovery Ordinance  
Town Council Study Session  
November 21, 2019**



# Key Questions

- Does the Council wish to adopt a cost recovery ordinance?



# Arizona Statute

- Arizona Revised Statute § 9-243 (the “Statute”) provides that the Town Council may, by ordinance, require the proprietor or owner of any property within the Town at the time of the development of the property to construct sidewalks or streets within and adjacent to the property
- The Statute also provides that if the Council determines that such streets are necessary before the development of the property, the Council may order these improvements to be constructed by the Town at its expense and to assess the expense against the property



# Arizona Statute

- The Council may also provide and approve the manner of assessing the property at the time of development and the manner of collecting unpaid assessments at the time of “development” of the property
- The “development” of the property includes “construction of residential, commercial or industrial buildings or structures or major additions or alterations to existing structures and includes new buildings or structures on property having existing buildings or structures situated on such property.” However, when such property is zoned for agricultural or single family residential use at the time of assessment, development shall also require a change of use or purpose
- when such property is zoned for agricultural or single family residential use at the time of assessment, development shall also require a change of use or purpose



# Other Municipalities

- Some municipalities have adopted provisions in their municipal codes that set forth the procedures to be used by the municipality for assessing sidewalk and street improvements pursuant to the authority provided in the Statute
- Draft ordinance 2019-11, if adopted by the Council, would establish the procedures for the Town to make street and sidewalk assessments under the authority of the Statute



# The Ordinance

- The procedures in the draft ordinance closely follow the timing and processes specified in the Statute and includes a requirement that the application of an assessment to a particular property will require the adoption of an ordinance for each assessment
- The ordinance also provides for the Town Engineer or designee to prepare a map establishing the boundaries of the area to be improved that shows the width and location of the proposed streets and sidewalks, with the map to be filed in the office of the Town Clerk
- The maps prepared by the Town Engineer will contain a general description of the estimated total cost and cost per lineal foot of frontage of the proposed street and/or sidewalk improvements; and a list of all parcels depicted on the map. If any of the parcels depicted on the map engages in “Development” (as defined in the code) within ten years after the adoption of the assessment ordinance, the owner of the parcel is required to pay the assessment in full prior to the issuance of a building permit for the parcel



# The Ordinance

- If any of the parcels depicted on the map engages in “Development” (as defined in the Town Code) within ten years after the adoption of the assessment ordinance, the owner of the parcel is required to pay the assessment in full prior to the issuance of a building permit for the parcel
- The draft ordinance also contains a provision in proposed Section 5-10-3 related to extensions of water lines by the Town
- The new provision requires the repayment of a property owner’s proportionate responsibility for the cost incurred by the Town to extend a water line prior to the benefitting property being permitted to tie into the water line or obtain a building permit that relies on the use of the extended water line
- This provision is similar to the provisions in § 15-5-7 of the Town Code related to sewer line extensions. No changes to § 15-5-7 are needed at this time.



# Key Questions

- Does the Council wish to adopt a cost recovery ordinance?



# Questions/Comments?

