

**CITY OF BUCKEYE
Regular Council Meeting
COUNCIL ACTION REPORT**

MEETING DATE: 10/20/26	AGENDA ITEM: 4.C. DS - Farallon Sewer Line Development Impact Fee Credit and Reimbursement Agreement
DATE PREPARED: 10/15/26	DISTRICT NO.: 3
STAFF LIAISON: Ron Moll, City Engineer, rmoll@buckeyeaz.gov, (480) 997-1702	
DEPARTMENT: Development Services	AGENDA ITEM TYPE: Consent Agenda Items / New Business

ACTION/MOTION: (This language identifies the formal motion to be made by the Council) Council to take action on Resolution No. 96-26 approving the Development Impact Fee Credit and Reimbursement Agreement between the City of Buckeye, an Arizona municipal corporation and D.R. Horton, Inc., a Delaware corporation; and authorizing the City Manager to execute and deliver said Agreement on behalf of the City; and authorize a budget transfer of \$2,663,500 from the General Fund to the Wastewater Impact Fee Fund for the reimbursement of the remaining cost of the project.

GOALS AND OBJECTIVES FOR THE STRATEGIC PLAN FOCUS AREAS:
Infrastructure

SUMMARY

PROJECT DESCRIPTION:

D.R. Horton, Inc. (Horton) is the owner of the existing lots within the Farallon Property described in the Development Agreement (Farallon) between Forestar (USA) Real Estate Group Inc. (Forestar) and the City of Buckeye (City) dated February 21, 2023 and is the successor in interest to Forestar with respect to the original agreement. This Agreement supersedes and replaces the original agreement only with respect to the Farallon Offsite Sewer, as defined in Section 5(m) in the original agreement. Horton designed, constructed, and installed an offsite 18-inch and 24-inch sewer line between Southern Avenue and Beloit Road at a cost of \$4,639,213.16. The Farallon Sewer Line Development Impact Fee Credit and Reimbursement Agreement between the City and Horton, outlines the terms for a credit against the Wastewater Development Impact Fees for the Farallon Unit 3 development and a reimbursement amount of the difference between credits and varified costs of the sewer lines. Horton is eligible for a credit against the wastewater development impact fees 882 lots of residential development totaling of \$1,975,746.01. The remaining \$2,663,467.15 will be reimbursed by the City within 60 days after the effective date of this Agreement.

BENEFITS:

Additional wastewater infrastructure will ensure a reliable wastewater collections system.

FINANCIAL IMPACT STATEMENT:

According to the agreement, \$1,975,746.01 will be credited from wastewater development impact fees for 882 lots of residential development and \$2,663,467.15 will be paid for the remaining cost of the project. The reimbursement was originally budgeted from the General Fund in FY2026 and carried forward into FY2027. This expense is allowable from the Wastewater Impact Fee Fund and there is sufficient balance in the fund for the expense. Therefore, the Wastewater Impact Fee Fund should be utilized in accordance with the financial policy of using the most restricted funds first.

CURRENT FISCAL YEAR TOTAL COST:

\$1,975,746.01 will be credited from wastewater development impact fees for 882 lots of residential development and \$2,663,467.15 will be paid from the Wastewater Impact Fee Fund.

BUDGETED:

Yes

FISCAL YEAR:

2026

FUND/DEPARTMENT:

1000

Items related to a project or facility location must include an attached vicinity map for Council Review.

ATTACHMENTS:

[Development Impact Fee Credit and Reimbursement Agreement \(Farallon Sewer\).pdf](#)

[Resolution No. 96-26.Farallon Impact Fee Credit and Reimbursement Agreement.pdf](#)