

**TOWN OF FLORENCE
REGULAR MEETING
AGENDA**

PURSUANT TO A.R.S. § 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE FLORENCE TOWN COUNCIL AND TO THE GENERAL PUBLIC THAT THE FLORENCE TOWN COUNCIL WILL HOLD A MEETING OPEN TO THE PUBLIC ON MONDAY, FEBRUARY 4, 2013, AT 5:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

1. CALL TO ORDER

- 2. ROLL CALL: Mayor Rankin___; Vice-Mayor Smith___;
Councilmembers: Tom Celaya___; Bill Hawkins___;
Ruben Montaña___; Tara Walter___; Vallarie Woolridge___;**

3. ADJOURN TO EXECUTIVE SESSION

For the purpose of discussion of the public body with the Town Attorney to receive legal advice regarding providing consent for Johnson Utilities LLC to obtain a CC&N for the area south of the Central Arizona Project Canal in accordance with A.R.S. § 38-431.03(A)(4).

4. ADJOURN FROM EXECUTIVE SESSION

- 5. INVOCATION PERFORMED BY REVEREND JOHN JOHNSON, FIRST PRESBYTERIAN CHURCH.**

6. PLEDGE OF ALLEGIANCE

7. CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

8. PUBLIC HEARING AND PRESENTATIONS

- a. Public Hearing for submission of an application for FY2013 Community Development Block Grant State Special Project funds (The public hearing will be opened to receive public comment and continued to the March 4, 2013 Regularly Scheduled Council Meeting).**
- b. Discussion/Approval/Disapproval of a Proclamation dedicating the Florence Aero Modelers Park as Bohn Field.**

9. **CONSENT:** All items indicated by an (*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

- a. ***Approval of the Town** of Florence 2013 General Plan Amendment application and hearing schedule.
- b. ***Approval of Resolution No. 1379-13** A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENTS FILED WITH THE TOWN CLERK, AND ENTITLED “2013-2023 LAND USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENT PLAN AND IMPACT FEE STUDY FOR THE TOWN OF FLORENCE, ARIZONA”.
- c. ***Authorization to purchase** new SCBAs from LN Curtis to outfit the new ladder truck, in an amount not to exceed \$39,127.30.
- d. ***Authorization to dispose** of a 2000 Chevrolet Van that has outlived its useful life and rescind the action for disposal of the 1998 Ford Van from October 15, 2012.
- e. ***Appointment of Town Manager** Charles Montoya to serve as the citizen/merit system head representative Board Member on the Public Safety Personnel Retirement System – Police and Fire Local Boards for a term expiring February 4, 2017.
- f. ***Appointment of Wilbur Freeman** to serve as a citizen representative Board Member on the Public Safety Personnel Retirement System – Police and Fire Local Boards for a term expiring February 4, 2017.
- g. ***Ratification of the re-appointment** of Corey Pine to serve as an employee representative Board Member to the Public Safety Personnel Retirement System, Fire Local Board with for a term to expire February 4, 2017.
- h. ***Approval of the January 7, 9, 14, and 15, 2013** Town Council Meeting minutes.

10. UNFINISHED BUSINESS

- a. **Ordinance No. 591-13:** Discussion/Approval/Disapproval of AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE TOWN CODE TITLE 7, CHAPTER 72 BY ADDING SECTION 72.04 CONCERNING RESTRICTIONS ON VEHICLE WEIGHT (First Reading held January 22, 2013).

11. NEW BUSINESS

- a. **Discussion/Approval/Disapproval** of entering into an Operator Agreement with Southwest Environmental Utilities, LLC.

12. CALL TO THE PUBLIC


13. CALL TO THE COUNCIL

14. ADJOURNMENT

Council may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the Town's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).

POSTED THE 1st DAY OF FEBRUARY 2013, BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, 1000 SOUTH WILLOW STREET, FLORENCE, ARIZONA AND AT WWW.FLORENCEAZ.GOV.

*****PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.*****

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 8a.
MEETING DATE: February 4, 2013 DEPARTMENT: Grants Division /Finance Department STAFF PRESENTER: Lisa Padilla, Grants Coordinator SUBJECT: Continuation of Public Hearing and for FY 2013 State Special Projects (SSP) project selection.		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input checked="" type="checkbox"/> Other Continuation

RECOMMENDED MOTION/ACTION:

Staff is requesting that Council open the Public Hearing for public comment on FY 2013 State Special Project selection, and once comments have been received by the public, continue the Public Hearing to the March 4, 2013, Town Council Meeting.

Tonight’s Public Hearing has already been advertised in the Florence newspaper, as required, for submission of an application for FY2013 Community Development Block Grant (CDBG), State Special Project (SSP) funds.

BACKGROUND/DISCUSSION:

The Town is eligible to apply and compete for a maximum of \$300,000 in SSP grant funds through the Arizona Department of Housing.

In order to initiate the application process for SSP funds, the Grants Division implemented a Town “Public Participation Plan” on November 1, 2012. The plan stipulates two Public Hearings be held to obtain input by citizens, staff and elected officials for potential projects to be selected by the Town Council for application for SSP funding. The first Public Hearing was held at Town Hall on December 12, 2012. The second Public Hearing will be opened to the public, as it was advertised in the newspaper by the Grants Division, to be held during the regular Town Council meeting on February 4, 2013. The Council will open the Public Hearing, receive comments from all present wishing to talk on the item, then continue the Public Hearing to the Town Council meeting on March 4, 2013.

The following four projects were proposed, all by Town staff:

- Housing Rehabilitation – Town of Florence
- Brunenkant Building Rehabilitation – Commercial Rehabilitation or Historic Preservation
- Adamsville Road Improvements – Street Improvements
- Housing Study – Planning and Capacity Building

Town staff is proposing the Housing Rehabilitation project for selection by Town Council because it represents the best opportunity to be awarded funding. Of the four proposed

projects, it meets more criteria for state and national priority and local need than each of the other three projects. It is an ADOH/HUD high housing priority as well as being locally “shovel ready.”

The Brunkenkant Building has high commercial rehabilitation need by the Town, but is only eligible for ADA compliance funding because it is a government-owned building and leased to the Town-sponsored Chamber of Commerce. The Adamsville Road Improvements Project has both high ADOH/HUD Street Improvement priority and highly needed by the Town, but requires an Environmental Review Report (ERR) approved by the State. The Adamsville Road Improvements Project does not have an ERR completed, severely jeopardizing its potential for “shovel ready” status. Finally, a Housing Study has high ADOH/HUD priority, but low planning need by the Town.

Mayor and Council approval must be done in the form of the attached resolution.

Prior to the Public Hearing, staff requests an opportunity to make a brief presentation on the SSP process.

After the Public Hearing is closed on March 4, 2013, the Town Council will be asked to approve a single project for which it wants staff to submit an application for SSP funding. The title of Resolution No. 1374-13 should be read aloud and approved orally.

FINANCIAL IMPACT:

There is no financial impact to conduct a Public Hearing and adopt Resolution No. 1374-13 to designate a Town project for SSP grant funding.

STAFF RECOMMENDATION:

Staffs recommends Council open the Public Hearing at the February 4, 2013 Town Council Meeting and continue the Public Hearing to the March 4, 2013 Town Council Meeting.

ATTACHMENTS:

Resolution No. 1374-13
February 4, 2013 Public Hearing Notice No. 2
December 12, 2012 Public Hearing Notice No. 1
December 12, 2012 Public Hearing No. 1, SSP 2013 Minutes
CDBG Forms 1, 2 and 3 (Preliminary Grant Application)

**AUTHORIZATION TO SUBMIT APPLICATIONS
AND IMPLEMENT SSP PROJECTS**

RESOLUTION NO. 1374-13

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AUTHORIZING THE SUBMISSION OF APPLICATION FOR FY 2013 STATE SPECIAL PROJECT (SSP) GRANT FUNDS, CERTIFYING THAT SAID APPLICATION ADDRESSES ONE OF THE COMMUNITY'S PREVIOUSLY IDENTIFIED NEEDS AND MEETS THE REQUIREMENTS OF THE STATE SSP PROGRAM, AND AUTHORIZING ALL ACTIONS NECESSARY TO IMPLEMENT AND COMPLETE THE ACTIVITIES OUTLINED IN SAID APPLICATION. "TO CONDUCT OWNER OCCUPIED HOUSING REHABILITATION WITHIN THE TOWN OF FLORENCE."

WHEREAS, the Town of Florence is desirous of undertaking community development activities; and

WHEREAS, the State of Arizona administers the SSP Grant Program; and

WHEREAS, the State SSP Program requires that SSP funds requested address one of the three Congressional mandated National Objectives; and

WHEREAS, the activities within this application will address one of the community's identified urgent needs, including the needs of low and moderate income persons; and

WHEREAS, an Applicant of State SSP funds is required to comply with the program guidelines and Federal Statutes and regulations.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Town Council of the Town of Florence, Arizona authorize an application to be made to the Arizona Department of Housing for FY 2013 SSP funds for the purpose of conducting Owner Occupied Housing Rehabilitation, and authorize the Mayor to sign the application and contract or grant document for receipt and use of these funds, and hereby authorizes the Mayor to take all actions necessary to implement and complete the activities submitted in said application; and

THAT this application for State SSP funds meets the requirements of the Low-Mod Objective, Area Wide Benefit category for activities justified as benefiting low and moderate income persons; and

THAT, the Town of Florence will comply with all State SSP Program guidelines, Federal Statutes and regulations applicable to the State SSP Programs and the certifications contained in this application.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 4th day of March 2013.

Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

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TOWN OF FLORENCE PUBLIC HEARING REGARDING USE OF STATE SPECIAL PROJECTS FUNDS

The Town of Florence, Arizona intends to apply for up to \$300,000 in FY 2013 State Special Projects (SSP) funding. SSP funds must be used to benefit low-income persons and areas, alleviate slum and blight or address urgent need. Based on citizen input as well as local and state planning objectives, a potential project has been selected to be complete a grant application for funding with the State of Arizona.

A Public Hearing will be held at the regular Town Council meeting on the following date to discuss the potential project:

Date & time:
February 4, 2013 at 6:00pm

Location:
**Florence Town Council Chambers,
775 N. Main Street,
Florence, Arizona 85132**

At this meeting, it is expected that the Town Council will select the final project for which to apply for SSP funding, and adopt an applicable resolution. The proposed project is only a suggestion and the Town Council reserves the right to amend the scope of any project proposed including their quantities and suggested allocations.

AGENDA ITEMS TO BE DISCUSSED AT THE PUBLIC HEARING:

- The eligible activity that has been proposed with SSP funds to meet the CDBG national objectives
- The estimated amount of funds available from the SSP Account in FY 2013 is approximately \$1,747,502 – this is only an estimate
- The Town is eligible to apply for up to approximately \$300,000 in SSP funds – this is only an estimate

- The opportunity, including those who have requested technical assistance, to present potential SSP projects to the public and officials for funding consideration for any person, non-profit group or micro-enterprise
- A review of the community's complaint and grievance procedure
- Potential SSP project as listed below

POTENTIAL ELIGIBLE SSP PROJECT:

- Housing Rehabilitation

NOTE: Local elected officials have the authority to decide which project will be submitted to the State for SSP funding.

Persons with disabilities who require special accommodations must contact Maria Hernandez, Deputy Town Clerk, (520) 868-7574, at the above location at least 48 hours before the meeting.

The proposed application is available for review and public inspection at 775 North Main Street between 9 am and 4 pm Monday through Friday. Copies will not be provided. Written comments on the proposed projects can be submitted to: Lisa Padilla, Grants Coordinator, Town of Florence, P. O. Box 2670, Florence, Arizona 85132, (phone) 520-868-7513, (TDD) 520-868-7502, (fax) 520-868-7501, from 8 am to 5 pm, Monday through Friday until.

[This Certificate and Posting must be submitted to ADOH along with the P-2 and P-6 (if applicable)]

CERTIFICATE OF POSTINGS/DISTRIBUTION

I, Yvonne Hazelton, Administrative Assistant, Town Clerk's Office, certify that on this 30 day of

JANUARY, 2013, I posted/distributed, a Notice of Public Hearing scheduled at Town of Florence Town Hall, for Feb. 4, 2013 at 6 p.m.

Concerning the proposed use of State Special Projects (SSP) funds:

- Florence Town Hall - 775 North Main Street, Florence
- Florence Public Library - 1000 South Willow Street, Florence
- Florence Police Department - 425 North Pinal Street, Florence
- Florence Post Office - 501 North Main Street, Florence

Yvonne Hazelton

Signature

YVONNE HAZELTON

Name

1-30-2013

Date

ADMIN. ASSISTANT

Title



CDBG/SSP Funds are Available to Help Low and Moderate Income Persons

Examples: Street improvements, construction of a youth center, owner occupied housing rehabilitation, hiring additional teachers for the Head Start Program, and creating a small business assistance loan fund.

These are examples of activities that the Town of Florence can use federal Community Development Block Grant (CDBG) and State Special Project (SSP) funds for if the project primarily benefits low and moderate-income persons, reduces slums or blight or meets an urgent need or health hazard.

Hearings on Identifying Community Needs

The Town of Florence will hold a public hearing to listen to the views of interested people on identifying community needs. The meeting will be held as follows:

	<u>Hearing #1*</u>
Date:	December 12, 2012
Time:	6:00 p.m.

*Hearing will be held at Florence Town Hall Council Chambers
775 North Main Street,
Florence, Arizona 85132

Help In Preparing Proposed CDBG Projects

People who are low and moderate income, and people representing groups of low and moderate income people, who would like help in developing proposals for possible CDBG/SSP funding may get such help upon request by contacting:

Name:	Lisa Padilla, Grants Coordinator
Telephone Number:	520-868-7513 TDD: 520-868-7502
Address:	P. O. Box 2670 775 N. Main Street Florence, Arizona 85132

Days and Times Available: Monday through Friday from 9:00 am. to 4:00 p.m.

AGENDA ITEMS TO BE DISCUSSED AT THE PUBLIC HEARINGS:

- The types of activities that may be funded with CDBG/SSP funds and the CDBG national objectives, including limitations.
- The estimated amount of CDBG/SSP funds available from SSP Accounts in FY 2013. This

amount is approximately \$1,742,384 from the SSP Account. Of the total state allocation, 10% or \$1,207,824 must be provided for Colonias which are communities within 150 miles of the U.S./Mexico border. These funds may be part of a Regional Account or a SSP account.

- The identification of needs within the community.
- The community's previously funded CDBG/SSP programs and projects, and the status of each to include Disclosure Reports if applicable.
- Projects or programs proposed by local elected officials or community staff for CDBG funding from both the Regional and/or SSP Accounts.
- The opportunity for any qualified group, or person representing a qualified group that has requested technical assistance, to present potential CDBG/SSP projects to the public and officials for funding consideration.
- A discussion of the community's complaint and grievance procedure including information about the contact person, address, phone number/TDD, times for submitting such and the response time.
- A request for any other written and verbal comments relating to the community's housing and community needs, priorities or projects.

Please note that the local elected officials retain the authority to determine the activity or activities for which the community will submit a CDBG/SSP application(s).

The public will have an additional opportunity to learn about and comment on the proposed projects and applications the community intends to submit for funding. In the near future, information about the projects and the public comment process will be made available to the public through a display ad to be published in Florence Reminder and through postings around Town.

For further information about the public hearing or any other issues associated with the CDBG application process, please contact:

Name: Lisa Padilla Phone/TDD: 520-868-7513/520-868-7502
Title: Grants Coordinator Days of week/hours: Monday through Friday from 9:00 a.m. to 4:00 p.m.

NOTE: Persons with disabilities requiring reasonable accommodations, such as interpreters, should contact Maria Hernandez, Deputy Town Clerk, at 520-868-7574, TDD 520-868-7502, 775 North Main Street, Florence, Arizona 85132, as soon as possible.

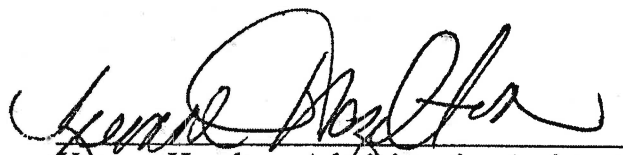
Certification of Posting of Notice
CDBG/SSP Funds

The undersigned hereby certifies that a copy of the attached posting:

CDBG/SSP Funds – Available to Help Low and Moderate Income Persons

was duly posted at the following locations on November 21, 2012, at 1:00 p.m.

Florence Town Hall - 775 N. Main Street, Florence, AZ
Florence Library – 1000 S. Willow Street, Florence, AZ
Florence Police Department – 425 N. Pinal Street, Florence, AZ
Florence Post Office – 501 N. Main Street, Florence, AZ



Yvonne Hazelton, Administrative Assistant
Town Clerk's Office

MINUTES

Public Hearing #1 – State Special Projects Funding for FY 2013 A Community Development Block Grant Program

**Town Hall, Town of Florence
Wednesday, December 12, 2012, 6 p.m.**

Persons in Attendance: Ernie Feliz – Special Districts Manager, TOF; Lisa Padilla – Grants Coordinator, TOF

1. INTRODUCTION

- a. The meeting began at 6:01 p.m.
- b. Sign-in Sheets and handouts were available at the front table

2. HEARING PROCESS

Ms. Padilla had prepared information on the following topics (a-d):

a. Program Information

- i. Federal funds from Department Housing and Urban Development
- ii. Distributed through Central Arizona Governments
 1. Revitalizing neighborhoods
 2. Economic development
 3. Providing improved community facilities and services
- iii. Deadline is typically “End of May” – actual date TBD

b. Purpose of State Special Projects – a Community Development Block Grant program: (a brochure was provided)

- i. **National Objective – Projects must meet one of three National Objectives**
 1. Low-Mod
 2. Slum/Blight
 3. Urgent Need
- ii. Available SSP Funding FY 2013 (a handout was provided in which up to \$300,000 per selected projects is estimated to be available via competitive grant funding)
- iii. Types of Eligible Activities (a handout was provided in which the types of projects were listed: revitalizing neighborhoods, economic development and providing improved community facilities and services)
- iv. Types of Ineligible Activities (the Eligible/Ineligible section of the CDBG Application Handbook was available for review)
- v. Previously Funded Projects (a handout in which several former Town of Florence CDBG and SSP projects were listed)

c. Needs Assessment – Elected Officials, Staff, Agencies, Organizations or the Public

- i. Public Input – Please state name, address and whom you represent
- ii. Elected Officials and Staff input – identified by local elected officials and staff.

Town staff identified the following projects for potential application for SSP funding:

1. Owner Occupied Housing Rehabilitation
2. Design and construction of a portion of Adamsville Road
3. Repair to the Brunenkant building at 8th and Bailey streets
4. Housing Study of the Town of Florence

Town Council of Florence retains the authority to determine Activities to be included in future proposed SSP projects.

d. File a Grievance or Complaint or Receive Technical Assistance

- i. Submit Grievance/Complaint in writing – relating to application process

3. CLOSE HEARING

- a. No members of the public were in attendance
- b. No public officials were in attendance

4. ADJOURNMENT

- a. The meeting was adjourned at 6:33 p.m.



FORM 1
FY 2012 COMMUNITY DEVELOPMENT BLOCK GRANT
APPLICATION COVER SHEET
CDBG CONTRACT NO. TBD

<input type="checkbox"/>	A. Regional Account (RA) COG: CAG	<input checked="" type="checkbox"/>	B. State Special Project (SSP) Owner Occupied Housing Rehabilitation
<input type="checkbox"/>	C. Colonias	<input type="checkbox"/>	D. NRS: Date approved: / / Approval on page:

1. Applicant and DUNS Number: Town of Florence/14437573	2. Legislative/ Congressional Districts: 23/1
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3. Address (with 9-digit zip code): 775 N. Main Street, Florence, AZ 85132 , PO Box 2670, Florence, AZ 85132-2670

4. Contact Person/Title (Grantee) Lisa Padilla, Grants Coordinator	5. Contact Person/Title (COG/Other): Ernie Feliz, Special Districts Manager
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Phone/Fax/Email: 520.868.7513/ 520.868.7501 lisa.padilla@florenciaz.gov	Phone/Fax/Email: 520.868.8300/ 520.868.7501 ernie.feliz@florenciaz.gov
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6. Complete the following information for the activities for which you are requesting funds in a single contract (maximum of 2 including Administration). Complete an additional Form 1 for each additional activity included in the application. Item d: Fund types are (1) Leverage, (2) Program Income, or (3) Other.

a. Activity Name	b. CDBG Funds	c. Non-CDBG Funds	d. Fund Type	e. Total Funds
1. Administration	\$37,000			\$37,000
2. Owner Occupied Housing	\$263,000			\$263,000

Total CDBG Funds Requested for this Project (Activities #1 and #2): **\$ 300,000**

8. List **all other** activities applied for this fiscal year. Indicate by which application includes the required general information (Certifications, Disclosure Report, etc.) and administration funds. Note that there will be a separate contract for each activity except Administration.

Activity Name	Amount (CDBG \$ only)	CDBG USE ONLY - Contract No.
<input type="checkbox"/> a.		
<input type="checkbox"/> b.		
<input type="checkbox"/> c.		
<input type="checkbox"/> d.		

9. Total CDBG Funds Requested (all activities applied for this fiscal year, including administration): **\$ 300,000**

10. Certification: To the best of my knowledge and belief, data in this application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached Certifications if the assistance is approved.

Signature of the Chief Elected Official Date:

Name (typed): **Tom J. Rankin** Title: **Mayor**



FORM 2
COMMUNITY DEVELOPMENT BLOCK GRANT
GENERAL ADMINISTRATION SUMMARY

1. **Applicant: Town of Florence**

ITEM		a. CDBG \$	b. Non-CDBG \$*	c. Total
2. TAAP. Total costs for COG Technical Assistance and Application Preparation, as per local government/COG Agreement				
3. Salaries, Wages, Fringe Benefits	% or Hours			
3.1 Position #1 Title: Grants Coordinator	44%	\$16,261		\$16,261
3.2 Position #2 Title:				
3.3 Position #3 Title:				
3.4 Position #4 Title:				
4. Professional Services (Contractual)				
4.1 For: Housing Rehab Specialist		\$19,309		\$19,309
4.2 For:				
4.3 For:				
5. Travel		\$400		\$400
6. Office Supplies and Equipment		\$375		\$375
7. Advertising/Publications		\$500		\$500
8. Indirect Costs (% documented by cost allocation plan)				
9. Other Operating Expenses (<i>specify</i>)				
9.1 Item 1:				
9.2 Item 2:				
9.3 Item 3:				
9.4 Other (Fair Housing, Section 504, etc.)		\$155		\$155
10. TOTALS		\$37,000		\$37,000

* Indicate in parentheses if the amount is Leverage (L), Program Income (PI), or Other (O). If the amount is a mixture of different types of funds, indicate the amount for each type.

11. a. Indicate who will be in charge of the financial record keeping (give name and title):

Becky Guilin, Finance Director


b. Provide the street address for the location of the financial records:

775 N. Main Street, Florence, AZ 85132



FORM 3
COMMUNITY DEVELOPMENT BLOCK GRANT
ACTIVITY BUDGET

1. Applicant: Town of Florence	2. Activity Name: State Special Funding 2013		
	a. CDBG \$	b. Non-CDBG \$	c. TOTAL \$
3. Environmental Review Record Check box if included in Administration <input checked="" type="checkbox"/>			
4. Design/Engineering/Inspection (or other Professional Services related to project) Previously Procured <input type="checkbox"/> Procure <input checked="" type="checkbox"/> In-House <input type="checkbox"/>	\$19,309		\$19,309
5. Construction Contract Work (include materials and DB wage rates)	\$263,000		\$263,000
6. Fixed Asset Equipment			
7. Land Acquisition (includes easements) (<i>must comply with the Uniform Relocation Act</i>)			
8. Rehabilitation Services (if this exceeds 20% of total activity costs, attach a rationale) Procure <input type="checkbox"/> In-House <input type="checkbox"/>			
9. Other (specify or attached as page): _____			
10. For City/Town, County or Other Construction			
10.1 Purchase of materials	\$1,430		\$1,430
10.2.a Employees (documentation attached as page C-3 regarding number of employees, wages, number of hours, etc.)	\$16,261		\$16,261
10.2.b Offenders			
10.2.c Volunteers			
10.3 Equipment (Use vs. Purchase) (documentation attached regarding rental rates, number of hours to be used, type of equipment, etc.)			
10.4 Other (attached as page) _____			
11. TOTALS	\$300,000		\$300,000

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 8b.
MEETING DATE: February 4, 2013 DEPARTMENT: Parks and Recreation STAFF PRESENTER: Lisa Garcia, Deputy Town Manager and Ray Hartzel, Parks and Recreation Director SUBJECT: Dedication of Florence Aero Modeler Park to be named Bohn Field		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Motion to adopt a proclamation dedicating Florence Aero Modeler Park in the name of Lyle Bohn, President of the Florence Aero Modelers Association, as Bohn Field.

BACKGROUND/DISCUSSION:

Lyle Bohn formed the model airplane club in 2006 known as the Florence Aero Modelers. Mr. Bohn has been the President of the Florence Aero Modelers Club since its inception. At this time, Mr. Bohn approached the Town of Florence seeking a site for an Aero Modeler Park.

The Florence Town Council shared Mr. Bohn's vision and authorized the development of an aviation park on a portion of BLM land patented for recreations purposes. Mr. Bohn worked with the Town to clear approximately 650' x 1400' area for a parking lot, runway, pit, and primal flight area.

On January 7, 2008, the Town of Florence entered into a Special Use Agreement with the Aero Modelers Club for a non-profit concessionaire to construct, maintain, and operate a facility consisting of a model airplane facility located on BLM lands. The original contract was for a five year agreement, with the concessionaire agreeing to construct and maintain improvements to the park.

On April 16, 2012 the Town of Florence approved a six year extension to the Special Use Agreement expanding the use to include a remote control car facility to bring a wider use to the Modeler Park.

Mr. Bohn has been instrumental in working to establish the Florence Air Field, as a known Field in the State of Arizona. Mr. Bohn's dedication and leadership in promoting the Aero Modelers programs and field keeps Florence's name in national publications.

In October 2012, the Florence Aero Modelers approached staff and suggested the air park be named "Bohn Field". Staff has included updates to the Council in the Manager's Report starting in October to current.

Mr. Bohn's and the Florence Aero Modelers host a number of Fly-In's that are advertised both on a local and national level.

FINANCIAL IMPACT:

In Fiscal Year 2009-2010, the Town provided \$3,500 in matching funds for improvements to the park (food tax monies collected that are earmarked for park improvements). The Club also received a \$400 grant from AMA Grant.

In Fiscal Year 2012-2013, the Town issued a runway maintenance grant to cover the costs of runway repairs. The Town procured the project for less than \$13,000, and is currently drafting a Memorandum of Understanding so that \$7,000 will be budgeted for maintenance issues in the future.

STAFF RECOMMENDATION:

Staff recommends the adoption of the Proclamation dedicating the Florence Aero Modelers Park as "Bohn Field", in appreciation of his efforts and dedication to the community.

ATTACHMENTS:

Proclamation
Pictures
Flyer

TOWN OF FLORENCE
Office of the Mayor

Proclamation

**Florence Aero Modelers Park Dedication
As Bohn Field**

WHEREAS, Lyle Bohn has played a vital role in the creation of the Florence Aero Modelers Association and the development of the air park; and through his passion and commitment that both came to fruition; and

WHEREAS, Lyle Bohn formed the model airplane club in 2006, known as the Florence Aero Modelers, and has been President since its inception; and

WHEREAS, Lyle Bohn worked with the Town Council to develop an aviation park on a portion of BLM Land which was completed with the assistance of various donations, and was dedicated in March 2008; and

WHEREAS, Lyle Bohn has worked diligently with the Town Council to continue improvements to the park, which now includes a parking lot, runway, pit and primal flight area; and is a sought after park both locally and nationally; and

WHEREAS, Lyle Bohn has maintained the principal that the association shall be a place where families can be involved in an activity together; and his continued support of and from the Town of Florence is in the forefront of all activities planned and held at the air park. Mr. Bohn's inspiration and direction as President has given many individuals and families a place to enjoy the hobby of flying model aircraft as well as involvement in the community.

NOW, THEREFORE BE IT RESOLVED that I, Tom J. Rankin, Mayor of the Town of Florence, do hereby proclaim the Florence Aero Modelers Park to be now known as "**Bohn Field**".

Dated: February 4, 2013

Tom J. Rankin, Mayor

ATTEST:

Lisa Garcia, Town Clerk







Florence Model Air Show



February 9, 2013 (10 AM until 4 PM)

Featuring: Warbirds, Helicopters, Scale, Sport, Aerobatic, Gliders, Gas or Electric powered



Superman



Turkey Vulture

OPEN FLYING, HELICOPTER & 3-D DEMONSTRATIONS

FUN FLY EVENTS THROUGHOUT THE DAY



PARKING: \$3.00 PER CAR... Bring the whole

family out for a day of flying fun.... Don't forget the lawn chair!

PILOTS: NO LANDING FEE... Come and enjoy a day of flying with us. Must have AMA OR MAAC membership to fly.

****Raffle Prizes and 50/50 Drawings*****



NEW
SLURRY SEALED
RUNWAY!

SWAP MEET

Pilots: This is a good time to bring your planes, engines, radios and other related items not being used and find another home for them. This would also help new pilots get into the hobby with some bargain prices. **Cost \$5.00 per 12'x 20' space. Bring your own table.**



Serving pulled pork from the "Rat Grill"




www.florence-aero-modelers.org

The flying site is located two miles south of Florence AZ on Hwy #79 at mile marker 130. The entrance is on the East side of the highway opposite the Rodeo Grounds. Look for the yellow windsock. For more information please contact: Lyle Bohn, President, 520-868-4691

ljohn@hickorytech.net

Also check out....www.florencemainstreet.com
[28th Annual Tour of Historic Florence](http://www.florencemainstreet.com)

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 9a.
MEETING DATE: February 4, 2013 DEPARTMENT: Community Development STAFF PRESENTER: Mark Eckhoff, AICP Community Development Director SUBJECT: 2013 General Plan Amendment Application and Hearing Schedule		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Motion to approve the Town of Florence 2013 General Plan Amendment application and hearing schedule.

BACKGROUND/DISCUSSION:

The Town Code does not specifically address the application process for General Plan Amendments; however, the Town’s General Plan does define Minor and Major Amendments to the General Plan; and thus, an application process with hearing dates is required to process such applications. An application has been created to define the process for General Plan Amendments and to set forth the 2013 schedule for such applications.

Adoption of the General Plan Amendment application will set forth an official process for hearing 2013 General Plan Amendments. Of particular importance is the process and schedule for Major General Plan Amendments, which can only be heard once per year. The Town Council will note that the Planning and Zoning Commission will have two meetings, each in a different location, to hear Major General Plan Amendments. One of the Commission’s two hearings will be at the Anthem Sun City Union Center. The State requires an increased level of public participation for Major General Plan Amendments and holding a meeting in Anthem at Merrill Ranch provides the opportunity to have a public hearing outside of the Town core. Staff notes that this will be our seventh year of conducting Major General Plan Amendment meetings at Anthem at Merrill Ranch.

FINANCIAL IMPACT:

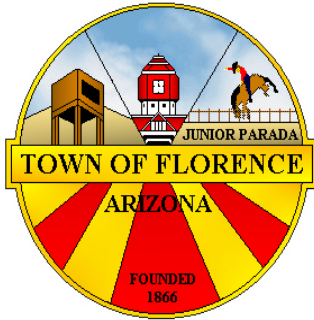
The Town pays a nominal fee to utilize the meeting space at Anthem at Merrill Ranch, which is included in the Community Development budget. For 2013, the fee is \$400.00.

RECOMMENDATION:

Motion to approve the Town of Florence 2013 General Plan Amendment application and hearing schedule.

ATTACHMENT:

Town of Florence 2013 General Plan Amendment application and hearing schedule



TOWN OF FLORENCE

GENERAL PLAN AMENDMENT PROCESS Application & Checklist

Community Development Department

P.O. Box 2670

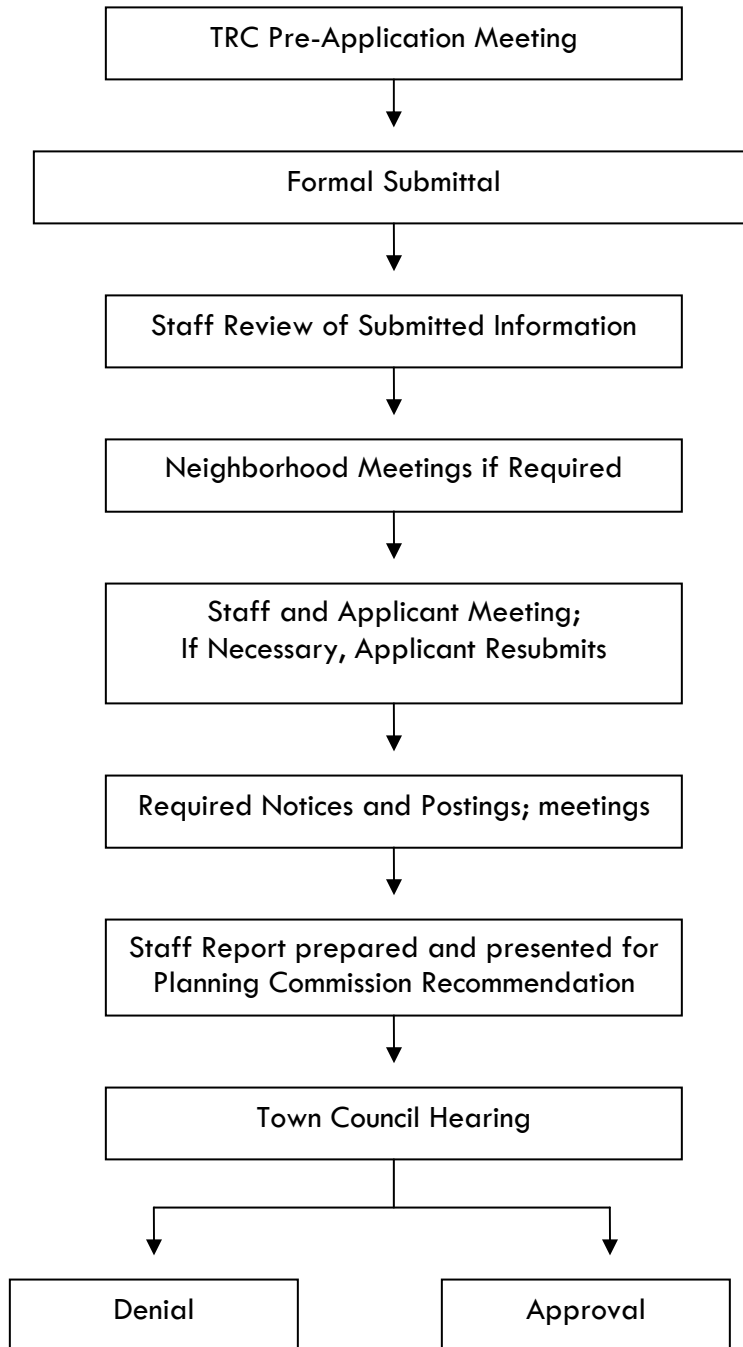
600 North Main Street

Florence, Arizona 85132

(520) 868-7575

www.florenceaz.gov

TYPICAL GENERAL PLAN AMENDMENT PROCESS



GENERAL PLAN AMENDMENT APPLICATION PROCEDURES

The following information is provided to assist in the preparation and submittal of an application for a General Plan map or text amendment for property within the Town of Florence.

It is important to note that since an amendment may affect the entire community, adjacent jurisdictions, schools and public utilities, the analysis of a General Plan Amendment request must be comprehensive in nature and address all potential impacts.

1. **Pre-Application Review Process** – Prior to filing an application for a General Plan Amendment, the applicant must participate in a Pre-Application review meeting with the Community Development Department and Technical Review Committee (TRC).
2. **Application Filing** – For an application to be accepted, the applicant must provide all of the required information described on the submittal checklist at the time of formal submittal. Ensuring the accuracy of the request is the responsibility of the applicant. Applications will not be accepted or processed without an adequate description of the "Request" being submitted. Incomplete applications will not be accepted.
 - a. **Major Amendments** – Applications for Major Amendments to the General Plan will be considered once a year. The Florence General Plan defines what constitutes a Major Amendment. Submittals are accepted based on the schedule provided in this application.
 - b. **Minor Amendments** – Minor General Plan Amendments include any change to the General Plan not defined as a Major Amendment. Applications may be filed at any time during the year per the schedule provided in this application.
3. **Staff Review** – Upon receiving a complete application, the submitted information will be routed to Town staff and applicable agencies for timely review and comment. After this review is completed, the comments are consolidated and returned to the applicant. The applicant is responsible for addressing staff comments and submitting revised plans.
4. **Neighborhood Meetings** – Neighborhood meetings beyond the required minimum Town hearings are required for certain General Plan Amendments, as deemed necessary by the Community Development Director. Applicants will be required to set up and conduct these meetings. Efforts shall be made to encourage public participation.

5. **Public Notice** – Except for requests limited to text amendments, the Town will prepare the public notice to mail to surrounding property owners and provide a copy to the applicant. The notice for the first public hearing must be mailed by the applicant at least fifteen (15) calendar days prior to the date of the hearing to the following:
- a. All property owners of record within three hundred (300) feet of the site.
 - b. To the owner, if the application is initiated by a person other than the owner; and
 - c. Any person or group who has requested notice in writing.

The Community Development Director may expand the notification area set forth in this section if it is determined that the potential impact of the project extends beyond the required notification boundary. The applicant must submit a signed affidavit of mailing prior to public hearing. Failure of the applicant to provide evidence of mailing will result in a postponement of the public hearing item. The applicant will be charged a fee for the postponement.

Minor or Major General Plan Amendments initiated by the Town for text changes or more extensive and sometimes, Town-wide, map changes may call for an adjustment of the individual notification process as approved by the Community Development Director.

The Town will send public hearing notices to the local newspaper of general circulation in accordance with State and local requirements.

6. **Property Posting (Sign)** – Notice of Public Hearing for a General Plan Amendment must be posted at least fifteen (15) calendar days prior to the date of each public hearing. The applicant is responsible for posting and maintaining the sign on the property, subject to the following specifications and requirements:
- a. Posting, maintenance, and removal of signs are the responsibility of the applicant;
 - b. Signs should not be removed until after the case is acted upon by the Town Council or, in the case of an application that is withdrawn, not until the withdrawal is officially accepted by the Town;
 - c. The applicant must remove all signs within ten (10) days after final action on the case. If the sign is not removed on time, the Town will remove the sign and charge the applicant a removal fee;
 - d. The signs must comply with the attached sign criteria, except as may be modified by the Community Development Director;

- e. The applicant must submit a signed and dated affidavit of posting, and color photos of the posted signs prior to the public hearing; and
- f. Failure of the applicant to provide evidence of posting could result in a postponement of the public hearing.

Minor or Major General Plan Amendments initiated by the Town for text changes or more extensive and sometimes, Town-wide, map changes may call for an adjustment of the sign posting requirements as approved by the Community Development Director.

7. **Public Participation Plan for Town-Initiated Application**

The Town may choose to develop a unique Public Participation Plan (PPP) for Town-initiated applications, particularly in the case of Major General Plan Amendments. Items in a PPP used by the Town could include a combination of public meetings, open houses, presentations, workshops, signs, display advertisements and other notification and participation methodologies/tools so long as minimum set State criteria is met.

- 8. **Staff Reports** – After the staff comments have been addressed and the project has been scheduled for the public hearings, the Community Development Department will prepare reports describing and evaluating the proposed project and making recommendations to the Planning and Zoning Commission and Town Council. Copies of the staff reports will be made available to the public and sent to the applicant prior to each public hearing.
- 9. **Planning and Zoning Commission Hearing** – The Planning and Zoning Commission will conduct at least one public hearing for a Minor General Plan Amendment and at least two public hearings for Major General Plan Amendments. Planning Commission hearings schedules are included in this application. Regular meetings are held at Florence Town Hall, 775 North Main Street. The applicant or a project representative should be present at the hearing. Upon hearing the case, the Commission may forward a recommendation for approval, approval with modifications, or denial of a General Plan Amendment request to the Town Council. For General Plan Amendments, a tied vote shall be considered a recommendation for denial. The Commission may continue/table a Minor General Plan Amendment case as deemed necessary.
- 10. **Town Council Hearing** – Regular Town Council hearings occur on the first and third Monday of each month at 6:00 p.m. and are held in the Council Chambers, 775 North Main Street. The applicant or project representative must be present at the hearing. The Town Council will approve, approve with modifications and/or conditions, or deny the application. Approval of any Major General Plan amendment requires an affirmative vote by at least two-thirds of the members of the Council.

11. **Withdrawals** – A General Plan Amendment application that has been acted upon by the Planning and Zoning Commission may not be unilaterally withdrawn by an applicant/property owner after such action has occurred. The Town Council shall vote on whether to accept or not accept a request to withdraw an application. If the request for withdraw is not accepted, the matter shall move forward through the Town Council’s General Plan Amendment Public Hearing process.

12. **Inactive Cases** – All applications need to be actively pursued to a decision. If no activity has occurred on an application for 180 days, the application will be determined to be inactive, deemed to be withdrawn and the file will be closed. At least thirty (30) days prior to that date the staff will notify the applicant in writing. The applicant may submit a written request that the application remain active, with an explanation for the inactivity. The Community Development Director may grant an extension for up to 180 days for good cause if there is a reasonable belief that the application will be actively pursued during the extension period.

GENERAL PLAN AMENDMENT TYPICAL MINIMUM CONTENT REQUIREMENTS

1. Project Narrative

- Description of proposed General Plan changes;
- If a Text Amendment, a detailed explanation of the proposed text changes;
- Explanation on how the proposed change is compatible with adjacent properties and other elements of the General Plan;
- An analysis/assessment of how the proposed amendment will impact the overall balance and mixture of land uses within the Town's Planning Area; and
- Explanation on the availability of public utilities and services.

2. Land Use or Circulation Exhibit

- Vicinity Map;
- Scale, north arrow, and dimensions;
- Existing roadways;
- Table indicating proposed roadway classifications.
- Proposed land use classification boundaries;
- Adjacent land use classifications within 300 feet;
- Project Data Table:
 - Gross acres;
 - Current and proposed General Plan Classification(s); and
 - Percent of total acreage in each land use classification.

3. Market Study (if applicable)

The Town may require a market study to be performed to evaluate the economic and fiscal impact of the proposed amendment on the Town and other land uses. Market studies will be the financial responsibility of the applicant and contracted by the Town to ensure objectivity.

NARRATIVE STATEMENT/PROJECT JUSTIFICATION

A narrative is required for Town evaluation of all proposed General Plan Amendments. At a minimum, the narrative must address the following questions:

1. Why is the current land use/circulation classification not suitable?
2. Does the proposal conform with land use goals? Will the proposed change in land use or circulation do the following:
 - a. Support the goals and policies of the General Plan;
 - b. Conform to the proposed range of land uses, densities, and intensity of uses, hierarchy of transportation systems; and
 - c. Avoid creation of isolated uses that will cause incompatible community form and a burden on services and circulation systems?
3. What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?
4. What is the ability and capacity of the water and sewer system to accommodate development that may occur as a result of the General Plan Amendment without system extensions or improvements?
5. What is the ability of existing police and fire department personnel to provide adequate emergency services according to acceptable response standards set by the community?
6. What is the ability of the proposed public and private open space, recreation, schools, and library facilities to meet the projected demand of future development without reducing services below community standards?
7. What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and services to accommodate projected increases or decreases in population and development that could occur as a result of the General Plan Amendment?
8. How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?
9. What changes, if any, in Federal or State laws or policies substantiate the proposed amendment?

GENERAL PLAN AMENDMENT CHECKLIST

REQUIRED MATERIALS	Applicant Checklist	Staff Verification
Application		
Fee Please review the fee schedule for applicable fees (all fees are Non-Refundable).		
Project Narrative		
Owner's Authorization Form		
4 copies – Traffic Impact Analysis (if required by Traffic Engineer)		
Market Study (if required by the Town)		
Legal Description (Metes and bounds description required for unplatted property) including total gross acreage, sealed and signed by a registered engineer or surveyor (8.5" x 11")		
Pinal County Assessor Parcel Map (8.5" x 11") (Highlight project area and provide parcel numbers)		
Documentation of the Neighborhood Meeting including:		
A typed listing of persons that attended the meeting Including their names, addresses, and telephone numbers.		
Minutes of the meeting addressing neighborhood concerns, topics discussed, and how the applicant addressed such concerns.		
Copy of the letter notifying property owners of the meeting.		
Land Use or Circulation Exhibit (N/A for text amendments):		
Initial 10 copies – Blueline, blackline or color prints (24" x 36") folded to approximately (9" x 12")		
Initial 10 copies – 11" x 17" versions of above noted exhibit		
1 copy – (8.5" x 11") laser print or photo reduction (photocopy of color rendered plan not acceptable)		
1 copy – (8.5" x 11") PMT (Photo Mechanical		

Transfer) must be submitted following an initial staff review, but prior to scheduling the item for a Planning Commission agenda. PowerPoint exhibits may be substituted.		
Neighborhood Notice (N/A for text amendments):		
A parcel map highlighting properties within 300 feet.		
Typed names and addresses of all property owners identified on highlighted parcel map.		

STAFF TRANSMITTAL (Potential list of application recipients)

- | | |
|---|---|
| <input type="checkbox"/> Florence Administration | <input type="checkbox"/> Florence Unified School District |
| <input type="checkbox"/> Florence Community Development | <input type="checkbox"/> Bureau of Land Management |
| <input type="checkbox"/> Florence Public Works | <input type="checkbox"/> City of Coolidge |
| <input type="checkbox"/> Florence Parks and Recreation | <input type="checkbox"/> CAAG |
| <input type="checkbox"/> Florence Fire and Police | <input type="checkbox"/> Arizona State Land Department |
| <input type="checkbox"/> Pinal County | <input type="checkbox"/> Arizona Department of Commerce |
| <input type="checkbox"/> Town of Queen Creek | |
| <input type="checkbox"/> Gila River Indian Community | |
| <input type="checkbox"/> Tohono O'odham Indian Nation | |

APPLICATION FOR GENERAL PLAN AMENDMENT

PROJECT NAME: _____

APPLICATION TYPE: Major Minor Text (Major)

1. Property Owner: Name: _____
 Address: _____

 Phone: _____ Fax: _____
 Email: _____

2. Applicant/Developer: Name: _____
 Address: _____

 Phone: _____ Fax: _____
 Email: _____

3. Address or Location of Property: _____

4. Legal Description of Property: If applicable, include Lot(s), Block(s), and Subdivision Name:

Tax Parcel Numbers: _____

Gross Acres: _____

5. Current Land Use Classification(s): _____

6. Proposed Land Use Classification(s): _____

 SIGNATURE OF PROPERTY OWNER or REPRESENTATIVE DATE

FOR STAFF USE ONLY:

CASE NO. _____	APPLICATION DATE AND TIME _____
PERMIT NO. _____	FEE \$ _____
PZ HEARING DATES _____	REVIEWED BY: _____
TC HEARING DATE _____	

OWNER'S AUTHORIZATION FORM

This sheet must be completed if the applicant for an Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat, is **not** the owner of the property.

I/we, the Undersigned, do hereby grant permission to: _____

to act on my/our behalf for the purpose of obtaining one or more of the following: Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat on the following described property:

Owner(s)

Signature

Print or Type Name

Address

Telephone

STATE OF ARIZONA)
)
County of _____)

ss

On this _____ day of _____, 20 ____, before me, the undersigned Notary Public, personally appeared _____, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that _____ executed the same.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

My commission expires:

Notary Public

POSTING REQUIREMENTS

Florence Code requires posting of a sign (or signs) announcing a Public Hearing regarding certain land-use actions a minimum of fifteen (15) days before the date of the Hearing. These actions include General Plan Amendments, Conditional Use Permits, Special Use Permits, Rezoning and Variance Requests. It shall be the responsibility of the applicant to erect and maintain the sign on the subject property as well as maintain the current public hearing information on the sign until formal decision of the case has been made by Town Council. It shall also be the responsibility of the applicant to remove the sign after final disposition of the case. The attached Affidavit of Sign Posting must be provided to the Community Development Department within twenty-four (24) hours of the posting. A general sign format to follow is provided below.

	TOWN OF FLORENCE]- 3"
	(Planning & Zoning) or (Town Council)]- 3"
	Public Hearing Notice]- 4"
	(space)	
3" -[(Action Requested)	
	(space)	
2" -[(Project description and location)	
	(space)	
2" -[(Time of Hearing),]- 2"
2" -[(Date of Hearing),]- 2"
	600 North Main	More Information: Town of Florence Community Development Department
2" -[Street]- 2"
2" -[Florence, Arizona]- 2"
	520-868-7575	

- Contact the Community Development Department regarding number and placement of signs.
- Body of sign to be brilliant yellow and lettering to be black.
- Minimum Sign dimensions shall be 4' X 8' with lettering as noted above.
- Height of sign shall be at least 6 feet from finished grade to the top of the sign.
- Sign shall be made of weather resistant material.
- Placement and maintenance of sign is applicant's responsibility.
- Applicant must post sign at least 15 calendar days prior to the hearing date.
- Applicant must remove sign within 10 working days of final action.
- The Community Development Director may allow changes to sign format so long as all sign content requirements are met.

AFFIDAVIT OF SIGN POSTING

Applicant Name: _____

Project Name/Location: _____

I confirm that the site has been posted as required by Town of Florence Community Development Department. A picture of the sign(s) posted on the subject site has also been submitted.

Applicant/Representative Signature

Date

STATE OF ARIZONA)
)
County of _____) ss

On this _____ day of _____, 20 ____, before me, the undersigned Notary Public, personally appeared _____, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that _____ executed the same.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

My commission expires:

Notary Public

Return completed notarized affidavit and picture to the Community Development Department within twenty-four (24) business hours of the posting.

MINOR GENERAL PLAN AMENDMENT PLANNING AND ZONING COMMISSION

2013 MEETING SCHEDULE

Minor General Plan Amendments will be heard and acted upon by the Planning and Zoning Commission at one of their regularly scheduled meetings that occur on the first and third Thursday of the month. Meetings are held in the Town Hall Council Chambers (775 N. Main St.) starting at 6:00 p.m. Meeting dates, times, and/or locations may be changed if deemed necessary by the Town. Proper notice of such changes will be provided.

All meetings of the Planning and Zoning Commission are open to the Public.

Complete applications and fees are due to the Community Development Department by 12:00 p.m. (noon) on the deadline date.

Scheduling of your request for consideration by the Planning and Zoning Commission is contingent upon receipt of a complete application. Additional factors, such as review periods and minimum public notification requirements, will determine when your request is heard by the Planning and Zoning Commission. The applicant will be notified of their application's status.

A pre-application meeting with the Town's Technical Review Committee is required for most development applications. Applicant must set a meeting time with the Community Development Department prior to the submittal deadline.

A separate Planning and Zoning meeting schedule is provided for the consideration of Major General Plan Amendments.

MAJOR GENERAL PLAN AMENDMENT PLANNING AND ZONING COMMISSION

2013 MEETING SCHEDULE

Special meeting dates, times and locations have been set for the consideration of Major Amendments to the Town's General Plan by the Planning and Zoning Commission as stated below. Meeting dates, times, and/or locations may be changed if deemed necessary by the Town. Proper notice of such changes will be provided.

All meetings of the Planning and Zoning Commission are open to the Public.

The following is the 2013 Planning and Zoning Commission meeting schedule for Major General Plan Amendments (contact the Town Clerk for Town Council meeting information):

Submittal Deadline	Notice in Newspaper	*First Meeting Date
May 6, 2013	August 15, 2013	September 4, 2013 (Wednesday)
	Notice in Newspaper	*Second Meeting Date
	August 29, 2013	September 19, 2013 (Thursday)

Complete applications and fees are due to the Community Development Department by 12:00 p.m. (noon) on the deadline date.

Scheduling of your request for consideration by the Planning and Zoning Commission is contingent upon receipt of a complete application. The applicant will be notified of their application's status.

A pre-application meeting with the Town's Technical Review Committee is required for Major General Plan Amendment applications. If you are submitting for a Major General Plan Amendment the applicant must set a meeting time with Community Development Department prior to the submittal deadline. Application materials will be distributed to meet 60-day review and comment requirements.

*Two Planning and Zoning Commission meetings are required to promote public participation. The first meeting will be held at a location other than Florence Town Hall unless otherwise noticed by the Town. The second meeting will be held in the Town Hall Council Chambers at 775 N. Main St. unless otherwise noticed by the Town. Both meetings to be held at 5:30pm unless otherwise noticed. The Town reserves the right to adjust meeting dates, times and/or locations so long as proper notice is provided.



TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 9b.

MEETING DATE: February 4, 2013

DEPARTMENT: Finance

STAFF PRESENTER: Becki Guilin, Finance Director

SUBJECT: Adoption of Resolution No. 1379-13, 2013-2023 Land use assumptions, infrastructure improvements plan and impact fee study for the Town of Florence resolution declaring December 2013 Study a public record.

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other

RECOMMENDED MOTION/ACTION:

Adopt Resolution No. 1379-13 A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENTS FILED WITH THE TOWN CLERK AND ENTITLED "2013-2023 LAND USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENT PLAN AND IMPACT FEE STUDY FOR THE TOWN OF FLORENCE, ARIZONA.

BACKGROUND/DISCUSSION:

The Town Council has authorized a study to develop land use assumptions, an infrastructure improvement plan and impact fee study that comply with the new development impact fee legislation reflected in ARS §9-463.05. Staff engaged Duncan/Associates to provide this study for the Town of Florence.

After several months working with the town staff, that have provided certain development related assumptions, growth factors, assets, projects and have reviewed their specific areas, the consultant's study is now complete and ready to present to the Town Council on February 11, 2013.

FINANCIAL IMPACT:

The cost of the study is \$89,100

STAFF RECOMMENDATION:

Staff recommends adoption of Resolution No. 1379-13

ATTACHMENTS:

Resolution No. 1379-13
DIF Study

RESOLUTION NO. 1379-13

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENTS FILED WITH THE TOWN CLERK AND ENTITLED “2013-2023 LAND USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENT PLAN AND IMPACT FEE STUDY FOR THE TOWN OF FLORENCE, ARIZONA”.

BE IT RESOLVED by the Mayor and Council of the Town Of Florence, Arizona:

THAT certain document entitled “2013-2023 Land Use Assumptions, Infrastructure Improvement Plan and Impact Fee Study for the Town of Florence, Arizona”, prepared by Duncan/Associates, a copy of which is on file in the office of the Town Clerk, is hereby declared to be a public record and said copies are ordered to remain on file with the Town Clerk.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 4 day of February, 2013.

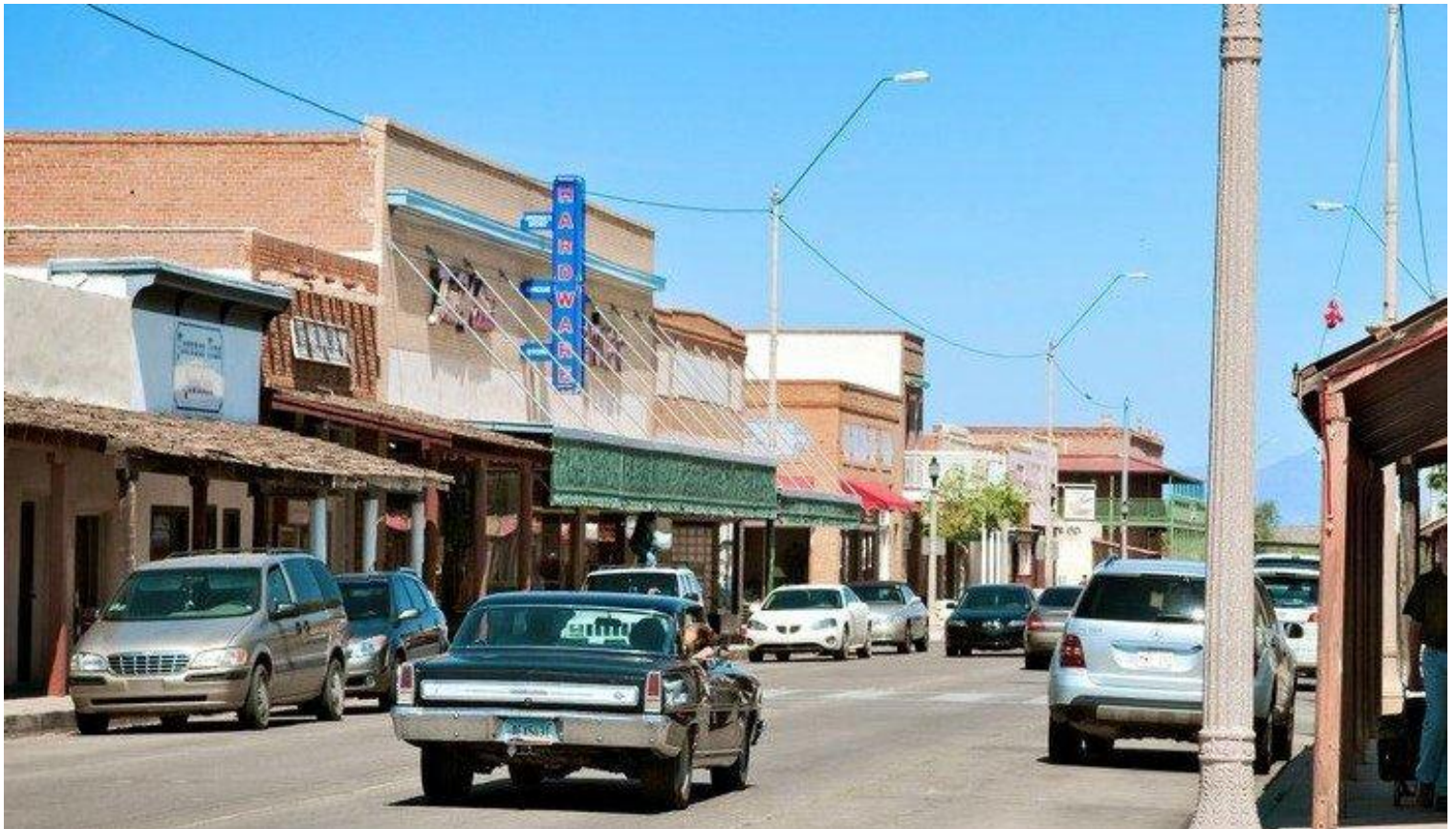
Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney



**2013-2023
Land Use Assumptions,
Infrastructure Improvements Plan
and Impact Fee Study
for the Town of Florence, Arizona**

prepared by

duncan | associates

**Public Review Draft
January 2013**

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EXECUTIVE SUMMARY

This study provides the land use assumptions, infrastructure improvements plans and impact fee analysis required to update the Town's impact fees for roads, parks, libraries, fire, police, water and wastewater facilities in compliance with the newly-revised State impact fee enabling act.

Background

The Town of Florence originally adopted water and wastewater impact fees in 2003. Impact fees for roads, general government, fire, police, parks, library and sanitation were adopted in 2005. The most recent comprehensive update of the fees occurred in 2007, based on a study by MuniFinancial. The fees were updated for inflation in 2008 and 2009.

The Arizona Legislature imposed a moratorium on any new or increased impact fees beginning September 1, 2009. In 2011, the legislature passed Senate Bill (SB) 1525, which was signed by the governor on April 26, 2011. SB 1525 constituted a major overhaul of Arizona's enabling act for municipalities. Among the most salient provisions of relevance to Florence, the amended enabling act:

- Prohibits the collection of impact fees for the following after January 1, 2012:
 - general government facilities;
 - sanitation facilities;
 - library materials and equipment;
 - fire and police “administrative equipment and vehicles;”
 - parks over 30 acres;
- Mandates that service areas provide a “substantial nexus” between the facilities and development in the area;
- Requires that impact fees be reduced to account for any “excess” construction tax; and
- Requires that fees be updated by August 1, 2014 to be in compliance with all of the provisions of SB 1525.

To comply with the immediate requirements of SB 1525, the Town ceased collecting library, general government and sanitation fees, and reduced fire and police fees, on January 1, 2012. While library fees are still authorized, the Town does not currently own a library facility, and had based its fees on its existing level of service for circulation materials and equipment. Since those cost components are no longer authorized, the Town suspended the collection of library fees until they could be updated with a new study.

This study is intended to bring the Town's impact fees into full compliance with all of the requirements of SB 1525.

Major Changes

The major recommended changes to the Town's impact fee system are briefly described as follows.

Parks. The limitation of park impact fees to parks no larger than 30 acres and the requirement that service areas demonstrate a “substantial nexus” basically rule out the continuation of a Town-wide service area for parks. This study proposes the creation of one park service area, encompassing approximately 23 square miles. The Town would cease collecting park impact fees in areas outside this service area.

Library. The exclusion of library materials and equipment by SB 1525 means that the Town has no existing level of service for eligible library facilities, since it does not currently have a Town-owned library (the current library is temporarily located in a school building). This creates an existing deficiency. In order to reinstate a library impact fee, the Town would need to commit to funding the deficiency and providing a library facility over the next ten years. This study assumes that the Town will construct a library of at least 10,000 square foot facility (the maximum size that can be paid for with impact fees). Projected impact fees, along with the current library impact fee account balance, would cover about 46% of the cost, and the remaining cost would need to come from non-impact fee revenues.

Roads. The updated road impact fees have been limited to arterials and major collectors. Since these facilities are designed to move traffic long distances, a single Town-wide service area meets the “substantial nexus” requirement and continues to be appropriate for the Town's road impact fees. In addition, the fees are reduced to account for “excess” construction tax revenues anticipated to be generated by new development. While the Town does not currently earmark these revenues for road improvements, this is the only fee that is potentially large enough to absorb the reduction. The Town will need to commit its excess construction tax revenue, estimated at about \$18 million over the next ten years, or an equivalent account of other non-impact fee revenue, to roadway capacity improvements in order to maintain the existing level of service. Because of the major road improvements already funded by the Merrill Ranch Community Facilities Districts (CFDs), lower road impact fees would be charged to new development in the CFDs.

Fire. Fire fees would be lower in the Merrill Ranch CFDs, due to the fact that the Town plans to fund a portion of a new fire station with CFD bonds, which would be retired by property owners in the CFDs.

Water and Wastewater. Water and wastewater have been divided into two service areas, North and South of the Gila River. Meter capacity ratios have been updated, resulting in higher fees for larger meters (the fees for the typical single-family connection are largely unchanged). The cost of most master planned lines have been included, so that developers who build such lines (16” or larger water transmission lines and 10” or larger wastewater interceptors) to serve their projects will need to be given credit for the full cost of the line, not just the over-sizing beyond what is required to serve their projects. No fees would be charged for new customers in the North Florence Improvement District, since these properties are paying off the debt for the Town's purchase of the North Florence water and wastewater systems. Ten-year revenue projections of \$1.69 million for water and \$0.58 million for wastewater have been based on historical customer growth over the last ten years, which implicitly assumes that the Anthem/Merrill Ranch area will continue to be served

by Johnson Utilities rather than the Town. Even if the Town does begin to provide utility service to that area, revenues are not likely to be much higher, since water and wastewater fees will likely need to be reduced or eliminated to provide offsets for improvements funded by the Community Facilities Districts.

Comparative Fees

Current and updated non-utility fees are shown in Table 1. As noted above, park fees would no longer be assessed outside the park service area. Road and fire fees would be lower within the Merrill Ranch CFDs to account for CFD funding of major road and fire improvements. Development in the CFDs would also not pay park fees, since the area is outside the park service area.

Table 1. Current and Updated Non-Utility Fees

Land Use	Roads		Parks*	Fire		Police	Lib**	Total Non-Utility	
	non-CFD	in CFD		non-CFD	in CFD			non-CFD	in CFD
Current Fees									
Single-Family (unit)	\$583	\$583	\$857	\$1,096	\$1,096	\$913	\$407	\$3,856	\$3,856
Multi-Family (unit)	\$410	\$410	\$617	\$788	\$788	\$657	\$293	\$2,765	\$2,765
Commercial (1000 sf)	\$2,618	\$2,618	\$162	\$629	\$629	\$171	\$60	\$3,640	\$3,640
Institutional (1,000 sf)	\$2,618	\$2,618	\$162	\$629	\$629	\$171	\$60	\$3,640	\$3,640
Industrial (1000 sf)	\$425	\$425	\$92	\$362	\$362	\$98	\$34	\$1,011	\$1,011
Updated Fees									
Single-Family (unit)	\$2,086	\$641	\$1,417	\$930	\$620	\$607	\$203	\$5,243	\$2,071
Multi-Family (unit)	\$1,313	\$403	\$1,148	\$753	\$502	\$492	\$164	\$3,870	\$1,561
Commercial (1000 sf)	\$3,141	\$964	\$170	\$670	\$446	\$437	\$24	\$4,442	\$1,871
Institutional (1,000 sf)	\$1,733	\$532	\$198	\$614	\$409	\$401	\$28	\$2,974	\$1,370
Industrial (1000 sf)	\$1,015	\$312	\$128	\$205	\$136	\$134	\$18	\$1,500	\$600
Percent Change									
Single-Family (unit)	258%	10%	65%	-15%	-43%	-34%	-50%	36%	-46%
Multi-Family (unit)	220%	-2%	86%	-4%	-36%	-25%	-44%	40%	-44%
Commercial (1000 sf)	20%	-63%	5%	7%	-29%	156%	-60%	22%	-49%
Institutional (1,000 sf)	-34%	-80%	22%	-2%	-35%	135%	-53%	-18%	-62%
Industrial (1000 sf)	139%	-27%	39%	-43%	-62%	37%	-47%	48%	-41%

* updated park fees would not be charged outside of the park service area

** "current" library fees are those that were in place prior to being suspended on January 1, 2012

Source: Current fees from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees from Table 28 (roads), Table 40 (parks), Table 48 (libraries), Table 61 (fire), and Table 71 (police).

Current and updated utility fees are compared in Table 2. Updated water and wastewater impact fees would not be charged in the North Florence Improvement District. The combined updated water and wastewater fees would be lower than current fees for most meter sizes and types.

Table 2. Current and Updated Utility Fees

Meter Size	Type	Water			Wastewater			Total Change
		Current	Updated	Change	Current	Updated	Change	
5/8"x3/4"	Disc-Resid.	\$3,330	\$1,980	-41%	\$4,105	\$2,140	-48%	-45%
5/8"x3/4"	Disc-Other	\$3,330	\$1,980	-41%	\$4,105	\$2,782	-32%	-36%
1"	Disc	\$5,550	\$4,950	-11%	\$6,841	\$7,062	3%	-3%
1 1/2"	Disc	\$11,101	\$9,900	-11%	\$13,684	\$14,338	5%	-2%
2"	Disc	\$22,201	\$15,840	-29%	\$27,369	\$22,898	-16%	-22%
3"	Compound	\$35,522	\$31,680	-11%	\$43,789	\$45,582	4%	-3%
3"	Turbine	\$35,522	\$34,650	-2%	\$43,789	\$49,862	14%	7%
4"	Compound	\$55,503	\$49,500	-11%	\$68,422	\$71,262	4%	-3%
4"	Turbine	\$55,503	\$59,400	7%	\$68,422	\$85,600	25%	17%
6"	Compound	\$111,007	\$99,000	-11%	\$136,843	\$142,738	4%	-2%
6"	Turbine	\$111,007	\$123,750	11%	\$136,843	\$178,262	30%	22%
8"	Turbine	\$266,415	\$178,200	-33%	\$328,422	\$256,800	-22%	-27%
10"	Turbine	\$421,825	\$287,100	-32%	\$522,154	\$413,662	-21%	-26%
12"	Turbine	\$555,031	\$425,700	-23%	\$684,213	\$613,538	-10%	-16%

Notes: Updated fees are not charged in the North Florence Improvement District

Source: Current fees from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees from Table 86 (water) and Table 103 (wastewater).

For a new single-family unit that is also a Town utility customer located outside the North Florence Improvement District (which pays no utility impact fees), the total of both utility and non-utility impact fees would be lower than current fees. The amount of the reduction depends on whether the development is located in the park service area, as shown in Table 3.

Table 3. Total Fees for New Single-Family Utility Customer

	Within Park Service Area	Outside Park Service Area
Updated Total Impact Fees	\$9,363	\$7,946
- Current Total Impact Fees	-\$11,291	-\$11,291
Fee Change	-\$1,928	-\$3,345
Percent Change	-17%	-30%

Source: Table 1 and Table 2.

LEGAL FRAMEWORK

Impact fees are a way for local governments to require new developments to pay a proportionate share of the infrastructure costs they impose on the community. In contrast to traditional “negotiated” developer exactions, impact fees are charges that are assessed on new development using a standard formula based on objective characteristics, such as the number and type of dwelling units constructed. The fees are one-time, up-front charges, with the payment usually made at the time of building permit issuance. Impact fees require each new development project to pay its pro-rata share of the cost of new capital facilities required to serve that development.

Arizona’s enabling act for municipalities is codified in Sec. 9-463.05, Arizona Revised Statutes (ARS). In 2011, the legislature passed SB 1525, which was signed by the governor on April 26, 2011. SB 1525 constituted a major overhaul of Arizona’s enabling act for municipalities. This section summarizes some of the major provisions of the new state act.

Eligible Facilities

Prior to SB 1525, municipalities could assess impact fees for any “necessary public services” (which was not defined) that constituted “costs to the municipality.” SB 1525 amended the statute to limit the types of facilities for which impact fees can be assessed. Authorized facilities for which impact fees can be assessed, after January 1, 2012, are limited to the following defined “necessary public services:”

"Necessary public service" means any of the following facilities that have a life expectancy of three or more years and that are owned and operated by or on behalf of the municipality:

- (a) Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities.*
- (b) Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities.*
- (c) Storm water, drainage and flood control facilities, including any appurtenances for those facilities.*
- (d) Library facilities of up to ten thousand square feet that provide a direct benefit to development, not including equipment, vehicles or appurtenances.*
- (e) Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.*
- (f) Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.*

(g) *Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.*

(h) *Any facility that was financed and that meets all of the requirements prescribed in subsection R of this section. (Sec. 9-463.05.S.5, ARS)*

No longer authorized are fees for general government facilities, sanitation facilities, library buildings larger than 10,000 square feet and library books or equipment, parks larger than 30 acres and community centers larger than 3,000 square feet. No changes were made to authorized improvements for road, stormwater drainage, water or wastewater facilities, other than the new requirement that eligible facilities must have a life expectancy of at least three years.

Compliance Deadlines

Municipalities may continue to collect fees for unauthorized facilities after January 1, 2012 if the fees were pledged to retire debt for such facilities prior to June 1, 2011. However, the Town of Florence had not pledged fee revenue in this sense for any of its development impact fees. Consequently, the Town ceased collecting general government, sanitation and library fees, and reduced its fire and police impact fees to remove unauthorized components on January 1, 2012.

SB 1525 added numerous new requirements related to how impact fees are calculated. Land use assumptions (growth projections) must be prepared for each service area, covering at least a ten-year period. Many new requirements were added for the infrastructure improvements plan (IIP) and the impact fee analysis. However, compliance with these is not required until August 1, 2014:

A development fee that was adopted before January 1, 2012 may continue to be assessed only to the extent that it will be used to provide a necessary public service for which development fees can be assessed pursuant to this section and shall be replaced by a development fee imposed under this section on or before August 1, 2014. (9-463.05K, ARS)

Significant changes were made to the requirements for adopting updated infrastructure improvements plans and fee schedules. These requirements are effective as of January 1, 2012, but only apply to the updated IIP and impact fee schedules that must be in place by August 1, 2014.

Provisions were also added relating to refunds. However, these provisions only apply to fees collected after August 1, 2014.

Other changes, however, are effective as of January 1, 2012. These include new provisions or amendments to previous provisions related to developer credits, the locking-in of fee schedules for 24 months following development approval, and annual reporting requirements. In addition, the expenditure of impact fees collected after January 1 is restricted to facilities authorized by SB 1525

(and repayment of pledged debt for unauthorized facilities, although this is not an option for Florence).

Service Areas

Service areas are a key requirement for impact fees under SB 1525. A service area is defined as “any specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan.” Land use assumptions (growth projections) and an infrastructure improvements plan (list of capital improvements and impact fee analysis) must be prepared for each service area.

It should be noted that multiple service areas are not mandated by SB 1525. A service area may include all of the area within the Town limits, or within the Town’s water and wastewater service area, as long as it can be shown that developments located anywhere within the service area will be served by or benefit from improvements in the service area.

Service Units

In impact fee analysis, demand for facilities must be expressed in terms of a common unit of measurement, called a “service unit.” SB 1525 defines a service unit as “a standardized measure of consumption, use, generation or discharge attributable to an individual unit of development calculated pursuant to generally accepted engineering or planning standards for a particular category of necessary public services or facility expansions.” The service units used in the Town’s 2007 impact fee study are compared with the recommended service units in Table 4. The recommended service units are described in the individual facility sections of this report. All of the service units can be translated into Equivalent Dwelling Units (EDUs), based on the demand relative to that generated by a typical single-family dwelling unit.

Table 4. Current and Recommended Service Units

Type of Fee	Current	Recommended
Transportation	Daily Trips	Daily Vehicle-Mile of Travel (VMT) and EDUs
Water	Dwelling Unit Equivalents (DUEs)	Gallons per Day (gpd) and EDUs
Wastewater	Dwelling Unit Equivalents (DUEs)	Gallons per Day (gpd) and EDUs
Fire	Service Population (1)	Functional Population and EDUs
Police	Service Population (2)	Functional Population and EDUs
Parks	Service Population (2)	Equivalent Dwelling Units (EDUs)
Library	Service Population (3)	Equivalent Dwelling Units (EDUs)

Notes: (1) resident population plus 0.73 times number of workers; (2) resident population plus 0.24 times number of workers; (3) resident population plus 0.19 times number of workers.

Methodologies

SB 1525 is sometimes misunderstood to dictate a particular methodology for calculating impact fees. Because cities must forecast anticipated growth over a fixed time period and identify improvements over the same time period, some are lead to think that a “plan-based” methodology is required, where the cost per service unit is calculated by dividing planned costs by anticipated new service units. In fact, however, SB 1525 does not dictate this methodology, and most impact fees in the

state have not been calculated in this way. The reason is that, to support a plan-based methodology, the list of planned improvements must be developed using a rigorous analysis, such as the modeling used to develop a transportation master plan, in order to establish the required nexus between the anticipated growth and the specific list of improvements required to serve that growth.

The principal alternative to the plan-based methodology is “standards-based.” The key difference is that the plan-based approach is based on a complex level of service (LOS) standard, such as “every road shall function at LOS D or better,” or “the average fire response time shall not exceed three minutes,” that requires projecting growth by small areas and using sophisticated modeling or analysis to determine the specific improvements needed to maintain the desired LOS. In contrast, a standards-based approach uses a generalized LOS standard, such as the ratio of park acres to population, that does not require an extensive master planning effort in order to determine the improvements and costs that are attributable to a specific quantity of growth.

There are advantages and disadvantages to the two methodologies. The major advantage of a standards-based methodology is that it is more flexible, since the fees are not dependent on the specific projects included in the list of improvements, only on the average cost to construct a unit of capacity. Changing the list of planned projects typically does not require recalculation of standards-based impact fees, since a single project is likely to have an insignificant impact on the average cost of capacity added by all of the improvements. This allows the capital plan to change in response to unforeseen development without triggering the need for an impact fee update.

That flexibility can also be seen as a major disadvantage of the standards-based approach, although we disagree. Many people, particularly developers and builders, tend to like the certainty of knowing which projects will be funded with their impact fees. This advantage of plan-based fees can be over-rated, however. SB 1525 requires that there be a list of planned improvements, and that the impact fees be spent only on listed projects, regardless of the methodology on which the fees are based. In addition, the impact fee capital plan must be updated at least every five years, and many communities find it necessary to modify their plan even between updates. The real difference between the methodologies is that any change to the capital plan for a plan-based fee would require a new master plan and impact fee update. There may not be as much more certainty with a plan-based fee as appears to be commonly believed, but there definitely is more rigidity.

The Town’s 2007 impact fee study used the plan-based approach for roads and the standards-based approach for the other facilities. We generally prefer the standards-based approach because of its greater flexibility and the fact that its soundness is not dependent on the availability and quality of a master plan. However, we have relied on the Town’s 2008 water and wastewater master plans to determine appropriate unit costs for some components of those fees.

Level of Service (LOS) Standards

SB 1525 does not define the term “level of service,” nor does it require the formal adoption of LOS standards. It does require, however, that impact fees be based on the same LOS provided to existing development in the service area. This reflects a basic principle of impact fees, which is that new development should not be charged for a higher LOS than existing development. This does not mean that impact fees cannot be based on a higher standard than is currently actually provided to existing development in a service area. If the fees are based on a higher-than-existing LOS, however, there must be a plan to use non-impact fee funds to remedy the existing deficiency.

The level of service standards used in the Town’s 2007 study are compared with the recommended LOS measures in Table 5. The recommended LOS standards are described in the individual facility sections of this report.

Table 5. Current and Recommended Level of Service Standards

Type of Fee	Current	Recommended
Transportation	Unclear	1.00 Ratio of Vehicle-Miles of Capacity (VMC) to VMT
Water	Existing Cost per DUE	1.00 Ratio of Capacity to Demand (gpd)
Wastewater	Existing Cost per DUE	1.00 Ratio of Capacity to Demand (gpd)
Fire	Existing Cost per Service Population	Existing Cost per Functional Population
Police	Future Cost per Service Population	Existing Cost per Functional Population
Parks	Existing Cost per Service Population	Existing Cost per EDU
Library	Existing Cost per Service Population	Future Cost per EDU

Notes: VMT stands for vehicle-miles of travel, DUE stands for dwelling unit equivalent (same as EDU), gpd stands for gallons per day, and EDU stands for equivalent dwelling unit

Land Use Assumptions

An impact fee update must now include the development of land use assumptions (growth projections) for each service area. SB 1525 defines land use assumptions as “projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the general plan of the municipality.” Since the infrastructure improvements plan (IIP) that must be prepared for each service area must identify improvement needs for a period not to exceed 10 years, a 10-year time-frame would seem to be the most appropriate for both the land use assumptions and the IIP.

Infrastructure Improvements Plan

The infrastructure improvements plan (IIP) that is required to be prepared for each service area is often confused with a list of planned capital improvements. While the IIP must include such a list, it must also contain much more analysis. The IIP is basically the impact fee study. To avoid confusion, we suggest referring to the list of improvements that must be included in the IIP as the “capital plan.” This report represents a single, consolidated document that includes land use assumptions, infrastructure improvement plans and impact fee analyses for all of the Town’s impact fee facilities.

As noted above, the IIP must identify planned projects over a period of not more than 10 years, and it is suggested that the Town’s IIPs and capital plans cover a 10-year period. Of course, the impact

fee analysis could cover a longer period, such as to build-out, which may be required if the fees are based on build-out master plans.

The cost of the projects listed in the capital plan will not determine the impact fee amounts. As noted in the methodology section above, there are two basic methodologies. Under a plan-based approach, the fee will be determined by the projects listed in the applicable master plan, some but not all of which will be listed in the impact fee capital plan. Under the standards-based approach, the fees will be based on the existing level of service and the average cost per unit of capacity (e.g., for roads, the average cost to build an additional vehicle-mile of capacity). So the impact fee capital plan basically functions as a list of improvements that are eligible to be funded with impact fees.

Eligible improvements are those that add capacity to accommodate future growth. Replacing an existing fire truck or an existing fire station, or remodeling or repairing an existing building, are examples of improvements that do not add capacity. Some projects may be partially eligible. For example, replacing an existing two-bay fire station with a larger three-bay fire station would be partially eligible for impact fee funding.

Refunds

A common and understandable misinterpretation of SB 1525 is that a municipality may be required to refund fees collected if any improvement listed in the IIP is not completed within the timeframe of the IIP. Section 9-463.05.B.7 provides that collection of impact fees is allowed only to pay for a project that is identified in the IIP, “and the municipality plans to complete construction and have the service available within the time period established in the infrastructure improvements plan, but in no event longer than the time period provided in subsection H, paragraph 3 of this section [i.e., 15 years for water and wastewater, and 10 years for other facilities].” The key terms in this section are “plans to complete” and “have the service available.” No community has a crystal ball that allows them to know with certainty how much development is going to occur over a 10-15 year period in the future. While the Town may plan to complete an improvement in this time period in order to serve anticipated growth, if the anticipated growth does not materialize and the need for the improvement is not required to serve the growth that does occur, it is highly unlikely that a court would find that the Town is compelled to refund the fees that it did collect.

The refund provisions in the referenced refund subsection (H) reinforce this interpretation. The first two subparagraphs refer to the collection of fees when “service is not provided” (H.1) or when “service is not available” and the municipality has failed to complete construction within the time period identified in the IIP (H.2), a clear echo of the “have the service available” phrase in subsection B.7. In general, impact fees are not collected when services are not available. Service are generally available immediately upon development, even if a planned facility could provide service from a closer location. An exception would be if Florence reinstates library impact fees to build its first library, but fails to complete construction within the required time period.

Section 9-463.05.B.7 directly references only the final paragraph of subsection H (H.3), which does not refer to services being available. The third paragraph simply requires that the impact fees be spent within a certain time period (15 years for water and wastewater, and 10 years for other facilities) from the date they were collected. It is reasonable to conclude that this is the only refund provision that will likely be applicable, as long as the Town does not collect impact fees without

providing services (as could happen in the case of library fees). However, there is always the possibility that refunds could be required if a construction project comes in significantly lower than its estimated cost.

Offsets

A fundamental principle of impact fees is that new development should not be required to pay twice for the cost of new facilities – once through impact fees and again through other taxes or fees that are used to fund the same facilities. To avoid such potential double-payment, impact fees must be reduced, and such a reduction is referred to as an “offset.” Typically, offsets are incorporated into the impact fee calculation, although they can also be addressed through an independent fee study for an individual development project. While this has long been a part of impact fee practice in Arizona, SB 1525 amended the state enabling act to add the following provision (Section 9-463.05.B.12):

The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection.

In general, offsets are only required for funding that is dedicated for capacity-expanding improvements of the type addressed by the impact fee. A municipality is not required to use general fund or utility rate revenue to pay for growth-related improvements. If, for example, a municipality decides that the existing level of service on which impact fees are based is lower than what is desired, and opts to use general revenue to raise the level of service for both existing and new development, no offset would be required.

The clearest situation that requires an offset is when there is outstanding debt on the facilities that are providing existing development with the level of service that new development will be expected to pay for through impact fees. In this case, new development will be paying for the facilities that will serve them, while also paying for a portion of the cost of facilities serving existing development through property or other taxes. Consequently, the impact fees should be reduced to avoid this potential double-payment.

Another clear case requiring offsets is when the impact fees for a particular service area have been adopted based on a level of service that is higher than what is currently provided to existing development in the service area. In such a case, the cost of remedying the existing deficiency will almost always be funded by future revenue sources to which new development in the service area will contribute. To the extent that this is the case, an offset is required.

As noted above, an offset will generally be warranted when new development will be contributing toward a funding source that is dedicated to fund the same growth-related improvements addressed by the impact fee. Offsets are also often provided for anticipated grant funding that may be available to help fund growth-related improvements, although the uncertainty of such funding and the fact that it is not paid for by property owners make this type of offset discretionary.

The new language inserted in the state enabling act by SB 1525, cited above, now requires municipalities to provide offsets for the excess portion of any construction contracting excise tax. The Town charges a construction excise tax of 4%, compared to a 2% excise tax rate on other types of business activities. The Town does not dedicate construction excise tax revenues for growth-related capital improvements, nor does it allocate them for specific types of capital improvements. Consequently, there is no rational basis for assigning offsets to specific types of facilities. Nevertheless, state law now requires that such an offset be provided. It would appear to be at the discretion of the Town to determine which fees should be offset to account for the excess construction tax. It is recommended that the Town provide the offset for the excess construction excise tax payments against the road impact fee. Unlike water and wastewater fees, which are not assessed in areas of town that are not served by Town utilities, the road impact fee is assessed against all new development in the town. In addition, the park, fire and police impact fees are not sufficiently large to absorb the offset. Consequently, the calculation and application of the construction excise tax offset is addressed in the road impact fee section of this report.

Finally, SB 1525 not only requires that other revenues generated by new development be considered in determining the extent of the burden imposed, it also specifically requires that certain types of revenue be forecast. This is made more specific in Sec. E.7, which specifies that the IIP should include:

A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.

Revenues projected to be generated by new development over the next ten years are provided in Appendix D. However, it would not be reasonable to infer that all revenue generated by new development must be used to offset capital costs for which impact fees are charged, since much of this revenue is required to pay for increased operations and maintenance needs, as well as capital needs not addressed by impact fees. The methodology for including these contributions in determining the extent of the burden imposed by new development is guided by the principles outlined above. The following offsets are provided in this study:

- Community Facilities District taxes generated by new development in the Merrill Ranch CFDs and used to retire debt on major road improvements funded by the CFDs.
- Community Facilities District taxes generated by new development in the Merrill Ranch CFDs and used to retire debt on CFD bonds used to partially fund the new fire station.

- Assessments paid by property in the North Florence Improvement District and used to retire debt related to the Town's purchase of the water and wastewater system serving the Florence Gardens area.
- Excess construction sales taxes paid by new development (this required offset is applied against the road impact fees).
- Ad valorem and other general fund revenue generated by new development that will be used to remedy the existing deficiency for libraries.
- Federal, State and tribal grant revenue for fire and police capital improvements that, while not directly generated by new development and not assured in the future, might be anticipated based on historical trends and could be, in part, attributable to new development.
- Wastewater utility rate revenue generated by new development and used to retire debt on the existing wastewater system.

Developer Credits

In keeping with the principle that impact fees should not require developers to pay twice for the same facilities, national impact fee case law also requires that developers be given credits for improvements required as a condition of development approval that are of the same type for which impact fees are charged. This principle is now codified in Arizona's enabling act (as modified per SB 1525) in Section 9-463.05.B.7(c), which provides that development fees may be collected if:

“The municipality requires or agrees to allow the owner of a development to construct or finance the necessary public service or facility expansion and any of the following apply:

- (i) The costs incurred or money advanced are credited against or reimbursed from the development fees otherwise due from a development.*
- (ii) The municipality reimburses the owner for those costs from the development fees paid from all developments that will use those necessary public services or facility expansions.*
- (iii) For those costs incurred the municipality allows the owner to assign the credits or reimbursement rights from the development fees otherwise due from a development to other developments for the same category of necessary public services in the same service area.”*

The provision cited above does not clearly state whether credits are required for any improvements of the same type as addressed by the applicable impact fee, or whether credits are only required for planned improvements identified in the IIP. However, Section 9-463.05.B.11 makes clear that credit should be given in some instances for improvements that are not listed in the IIP:

If a municipality requires as a condition of development approval the construction or improvement of, contributions to or dedication of any facilities that were not included in a previously adopted infrastructure improvements plan, the municipality shall cause the infrastructure improvements plan to be amended to include the facilities and shall provide a credit toward the payment of a development fee for the construction,

improvement, contribution or dedication of the facilities to the extent that the facilities will substitute for or otherwise reduce the need for other similar facilities in the infrastructure improvements plan for which development fees were assessed.

State law now provides (pursuant to Section 9-463.05.B.7(c), cited above) three options for providing developer credits: (1) fee reductions within the subdivision for which the improvement was made; (2) reimbursements to the developer who made the improvement; or (3) allowing the developer to transfer fee-reduction credits or reimbursement rights to other developments in the same service area. Presumably, a municipality may utilize one or more of these options. Historically, the Town has utilized only the first option, which is to reduce the fees for development within the affected subdivision.

An important consideration is that Arizona law generally prohibits the use of impact fees to reimburse developers unless the improvement was publicly bid. This makes the exclusive use of reimbursements as the method for providing developer credits somewhat problematic. The consultant's recommendation is to utilize only the first two options for any new credit agreements. Utilizing the third option and allowing transfers of credits or reimbursements would impose significant administrative burdens on the Town to track credit eligibility. It is recommended that the Town continue its current practice of providing for fee reductions within the affected development for credits up to the amount of the impact fees that would otherwise be due. The excess value of any developer credits beyond that could be dealt with as reimbursements to the developer from the appropriate impact fee account, limited by the extent to which unencumbered balances in such accounts are available.

SERVICE AREAS

The starting point for the identification of service areas is the current Town limits. The Town has annexed aggressively in recent years, including annexing some areas since the 2010 census. However, it is anticipated that little additional annexation of already-developed areas will occur in the next ten years.

Roads

The types of improvements covered by the Town’s current road impact fees are not well defined. It is recommended that the revised road impact fees be restricted to the cost of Town-owned arterials and major collectors, and exclude the cost of State roads, minor collectors and local streets. One advantage of this approach is that an arterial/major collector impact fee is consistent with a Town-wide service area, since the purpose of these facilities is to move traffic throughout the community. Another advantage is that the Town will not need to provide credits against the fees for minor collector improvements, which will generally be made by developers. The extent of the Town’s existing and planned major road network is illustrated in the functional classification map from the 2008 *Coolidge-Florence Regional Transportation Plan* (Figure 1). Existing Town-maintained roadways are shown in Figure 2.

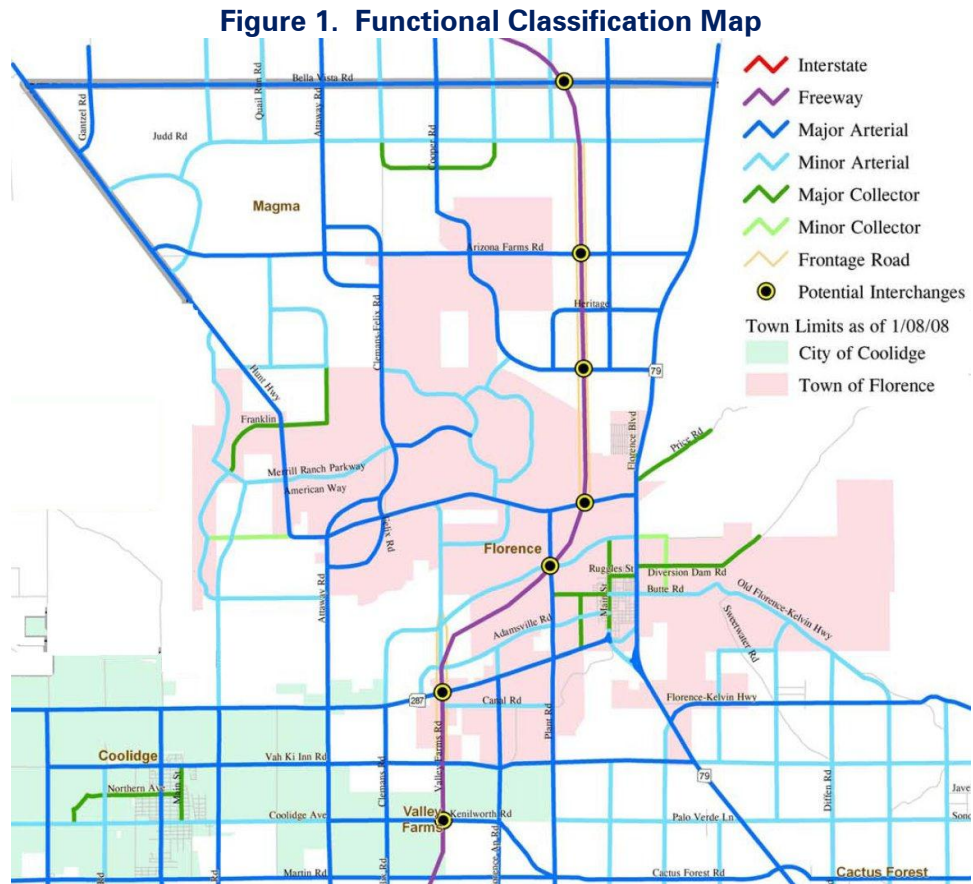
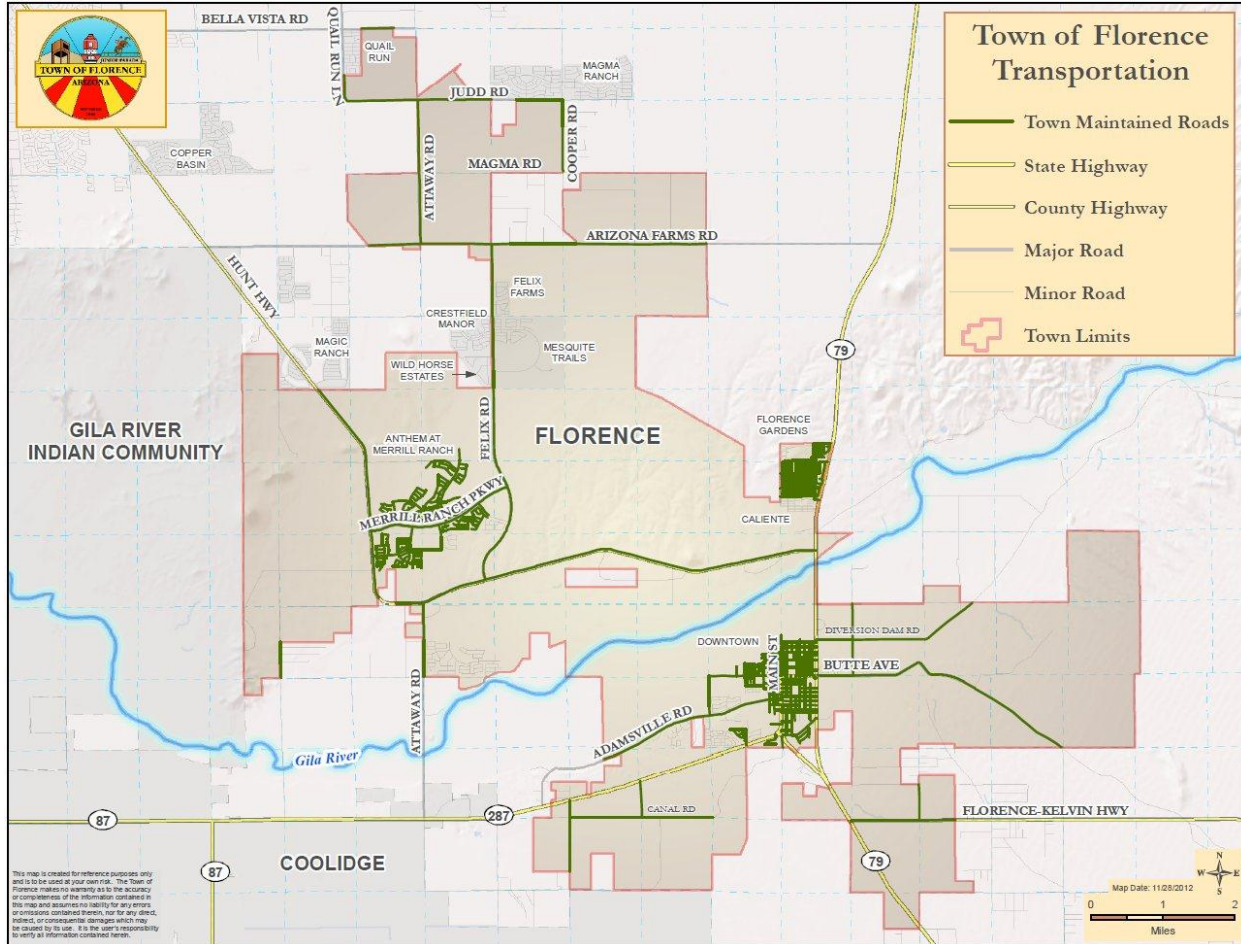


Figure 2. Existing Town-Maintained Roads

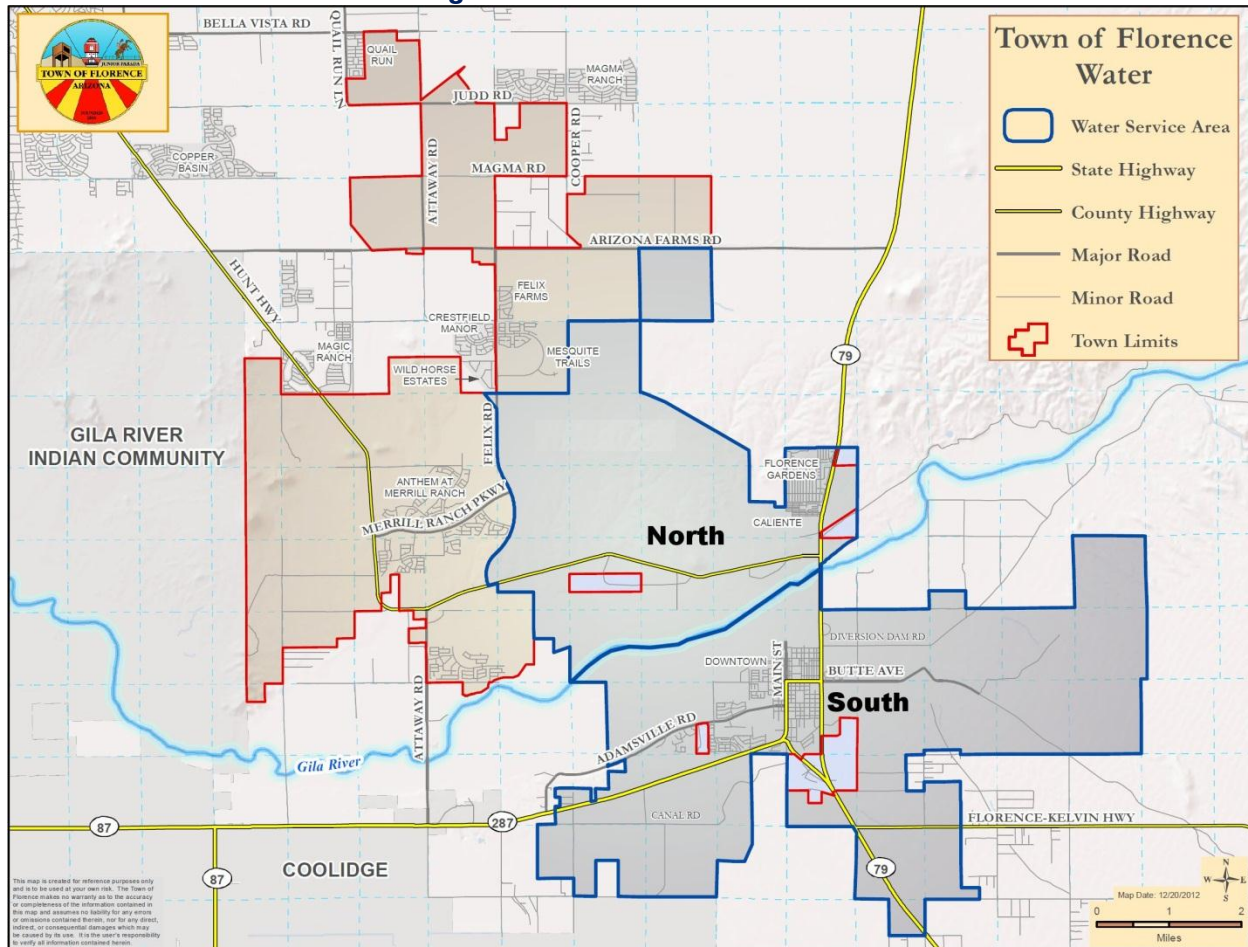


Water

The Town’s current *Water Master Plan*, prepared by Fluid Solutions in 2008, uses a future planning area that does not cover the entire incorporated area of the Town, even as it existed in 2008, and on the other hand extends beyond the Town limits in other areas. The planning area also excludes the area that is currently served by Johnson Utilities, which includes a portion of Anthem at Merrill Ranch. The Town’s water system currently serves the downtown and surrounding “Old Florence” area, as well as the Florence Gardens area located north of the Gila River.

The *Water Master Plan* divides the planning area into a number of pressure zones. Water “campuses,” which will include a well, booster pump and storage tank, will be located between pressure zones, and will be interconnected for redundancy. These characteristics result in an integrated, pressurized water system. However, there will be limited if any interconnections across the Gila River. There will essentially be two water systems, one north and one south of the Gila River. It is recommended that there should be two water service areas: North and South of the Gila River, as illustrated in Figure 3.

Figure 3. Water Service Areas

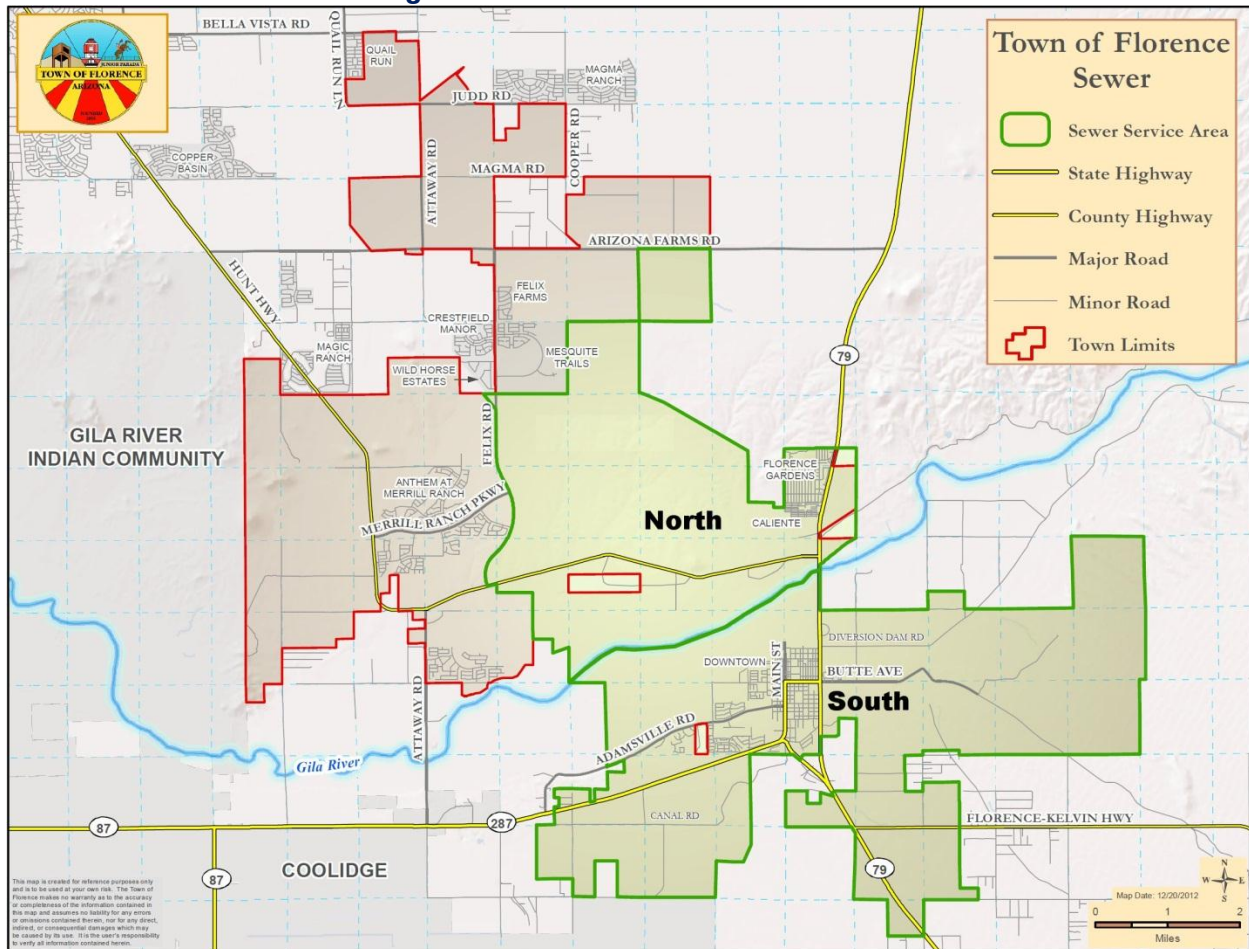


Wastewater

The Town's current *Wastewater Master Plan*, prepared by Fluid Solutions in 2008, uses a future planning area that does not cover the entire incorporated area of the Town, even as it existing in 2008, and on the other hand extends beyond the Town limits in other areas. The planning area also excludes the area that is currently served by Johnson Utilities. The Town's wastewater system currently serves the downtown and surrounding "Old Florence" area, as well as the Florence Gardens area located north of the Gila River. The downtown area is served by the 2.5 million gallons per day (mgd) Florence Wastewater Treatment Plant, while the Florence Gardens area is served by the 0.42 mgd North Florence Wastewater Treatment Plant.

The *Wastewater Master Plan* divides the planning area into five basins. Wastewater flows from south of the Gila River will be conveyed to the existing Florence Wastewater Treatment Plant, which will be expanded on the same site to accommodate the additional flows. Flows from north of the River will be conveyed to the proposed Merrill Ranch Wastewater Reclamation Facility. There will essentially be two wastewater systems, one north and one south of the Gila River. It is recommended that there should be two wastewater service areas: North and South of the Gila River, as illustrated in Figure 4.

Figure 4. Wastewater Service Areas

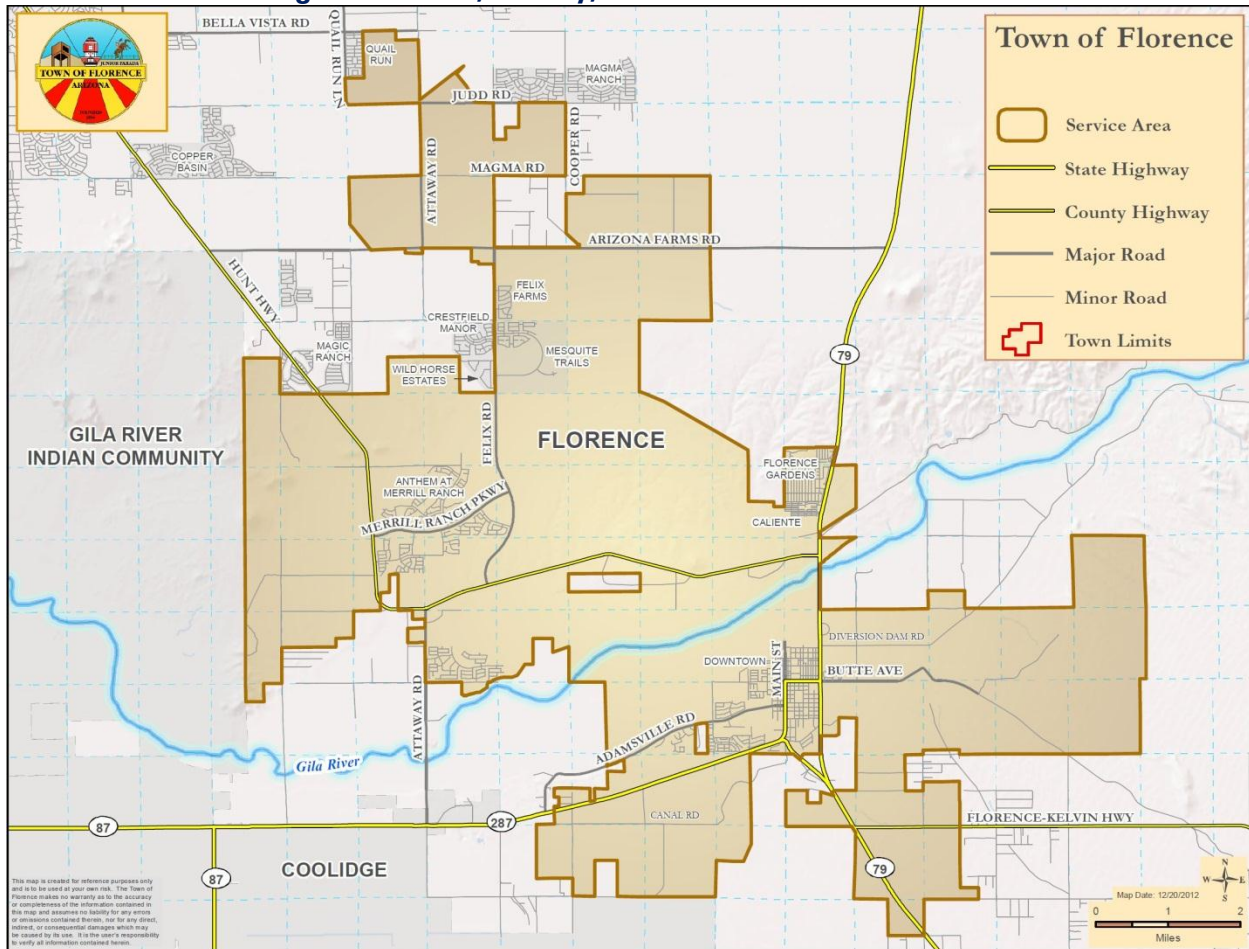


Fire/Police and Libraries

The recommended service areas for fire protection, police protection and libraries are all Town-wide. Police protection is provided throughout the Town from roving patrol cars based in a central police station. Only a single library facility is currently planned to serve the entire Town, which is typical for communities the size of Florence. While fire protection is provided by equipment located in multiple stations (currently two), equipment from multiple stations may be dispatched to a single incident, or if the equipment from one station is on another call, equipment may be dispatched from another station. Fire protection thus forms an integrated system, and a Town-wide service area is appropriate.

The recommended Town-wide service area for roads, fire, police and library impact fees is shown in Figure 5.

Figure 5. Road, Library, Fire and Police Service Area



Parks

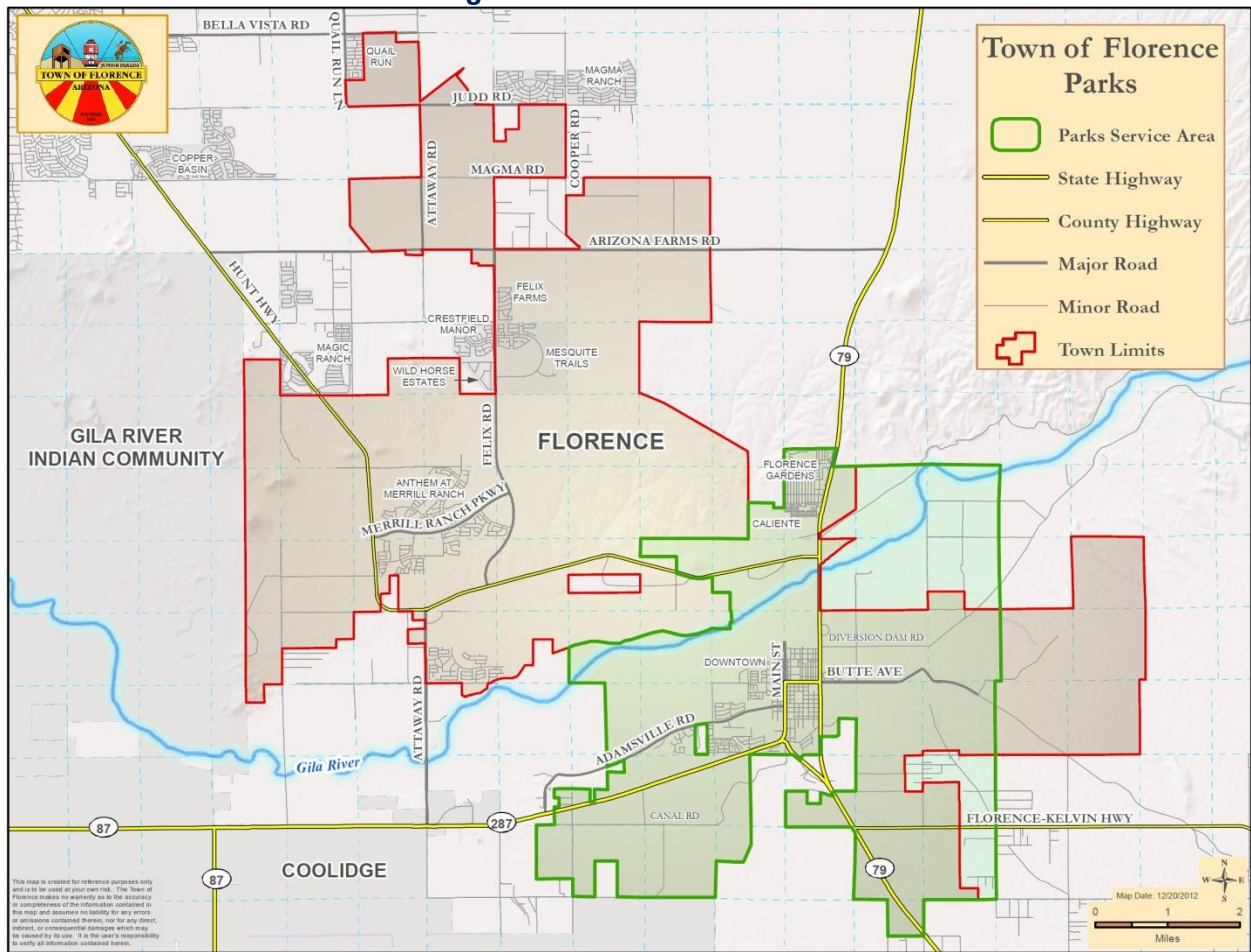
SB 1525, the bill that rewrote the State development impact fee enabling act for municipalities, limits park impact fees to “neighborhood parks,” an undefined term that excludes parks larger than 30 acres in size, unless a larger park can be shown to provide a “direct benefit” to development. Excluded from the definition of a neighborhood park are a number of improvements, including aquatic centers, theme parks and community or recreational centers larger than 3,000 square feet.

The Town’s 2008 *Parks, Trails and Open Space Master Plan* defines neighborhood parks as 10-acre sites serving development within a one-half mile radius, and community parks as sites with a minimum size of 50 acres serving development within a 3-mile radius. It is recommended that park impact fee service areas for sites with up to 30 acres should be limited to approximately a 2.5 mile radius, or areas that are roughly 25 square miles (5 miles x 5 miles).

Since each service area designated essentially commits the Town to spend the funds collected in that service area within 10 years, it is recommended that park service areas should be defined only in areas where there are existing parks (e.g., Old Florence), or where there is significant near-term development potential (e.g., Anthem at Merrill Ranch). Since it is likely that the Merrill Ranch

developments will provide their own private parks, a single service area is recommended for the central area of the town, as illustrated in Figure 6.

Figure 6. Park Service Area



LAND USE ASSUMPTIONS

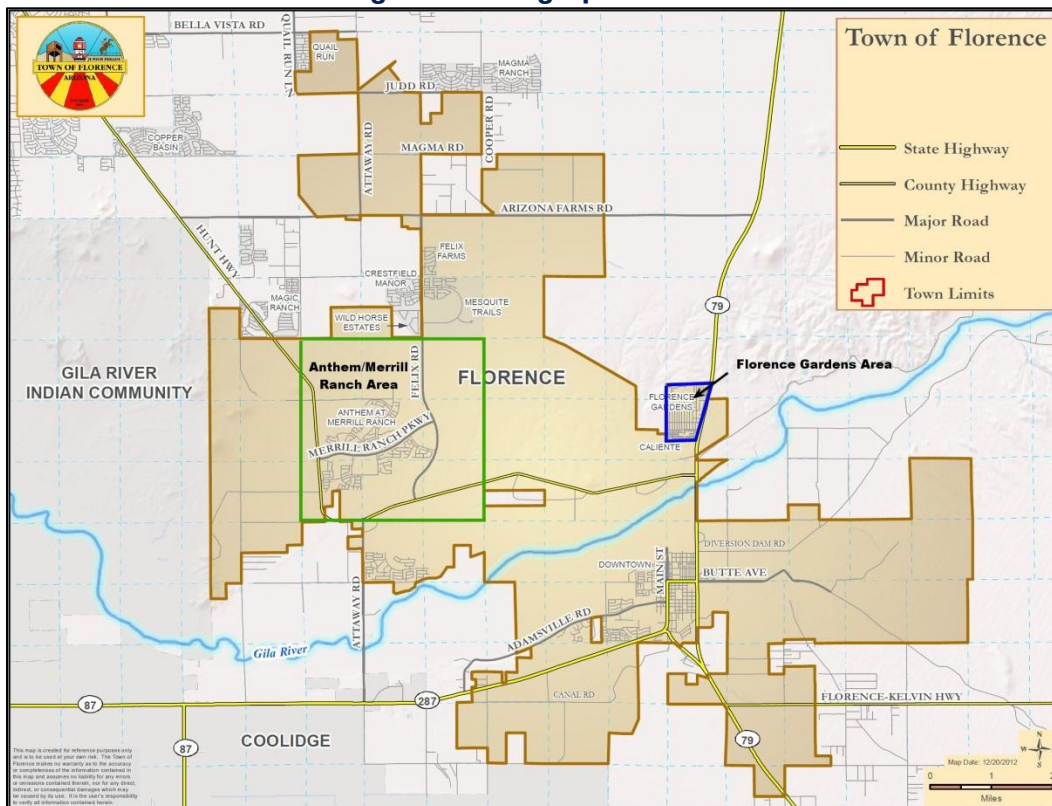
This section presents land use assumptions covering a ten-year period (2013-2023) to serve as the basis for the updated IIP and impact fee calculations for the Town's water, wastewater, road, parks, library, fire and police impact fees. While SB 1525 requires that land use assumptions be developed "pursuant to the general plan," the *Town of Florence 2020 General Plan* provides only build-out projections. Consequently, the development of land use assumptions relies primarily on other sources.

It should be noted that the land use assumptions will not have a significant effect on the amount of the calculated impact fees. This is because the fees will reflect the unit cost of accommodating future growth, and the unit cost will be largely unaffected by either the rate of growth or the total cost of planned improvements to serve the anticipated growth over the planning period. A higher growth projection will necessitate more planned improvement costs than a lower growth projection, but will not necessarily require a higher fee per unit of development.

Geographic Areas

In addition to service areas, growth projections have been developed for various subareas of the Town, as illustrated in Figure 7.

Figure 7. Geographic Areas



Existing Development

The starting point for developing land use assumptions is to determine the amount of existing development. There are two primary sources for population, housing and land use data for small geographic areas that can be aggregated to service areas. These are the 2010 U.S. Census block data (housing units, household population and group quarters population) and Central Arizona Governments (CAG) estimates and projections by Traffic Analysis Zone (TAZ). The TAZ data, which were updated in 2010, include housing units, household population, group quarters population and employment (retail, office, industrial, public and other), and have projections by five-year increments from 2005-2040. In Florence, residents of group quarters are inmates at criminal detention or Homeland Security facilities (referred to here as “prisoners”).

U.S. Census and CAG estimates for 2010 by subarea of the town are compared in Table 6. Note that the 2010 Census housing and population estimates are slightly higher than what is reported by the Census for the Town. That is because the area included in the Town’s corporate limits has changed since the 2010 Census. The consultant has aggregated block data to determine the 2010 units and population in the area now included in the Town limits.

The CAG data appear to undercount housing units and population north of the Gila River, particularly in Merrill Ranch, while over-counting south of the River. These balance out somewhat, but the CAG data still undercount by about 300 housing units compared to the Census. Despite the housing undercount, the household population estimate overshoots the Census estimate by about 900 persons, suggesting that CAG is using somewhat inflated person per unit ratios.

In terms of prisoner counts, the Census completely overlooks the Homeland Security facility just south of Florence Gardens and undercounts prisoners south of the River, resulting in an overall count that is about 1,800 short of the Town’s 2010 survey. The CAG estimates include the Homeland Security facility, but overestimates by about two-fold the number of prisoners (the facility has a capacity of only 697). Overall, the CAG undercounts prisoners even more than the Census.

Table 6. Housing, Household Population and Prisoner Estimates, 2010

Geographic Area	Housing Units		HH Population		Prisoners		
	Census	CAG	Census	CAG	Census	CAG	Survey
Florence Gardens Area	1,783	1,719	1,382	1,707	0	1,281	621
Anthem/Merrill Ranch Area	1,542	682	2,753	1,278	0	0	0
Park Service Area - North*	38	3	37	5	0	0	0
Other	120	530	235	1,083	0	0	0
Subtotal, North of River	3,483	2,934	4,407	4,073	0	1,281	621
N Water/WW Service Area	1,827	1,739	1,393	1,771	0	1281	621
Park Service Area - South	1,779	2,025	3,497	4,730	17,700	14,713	18,915
Other	2	0	0	0	0	0	0
Subtotal, South of River	1,781	2,025	3,497	4,730	17,700	14,713	18,915
Total, Town of Florence	5,264	4,959	7,904	8,803	17,700	15,994	19,536

Source: 2010 U.S. Census block data; CAG 2010 projections by TAZ; 2010 prisoner survey from Town of Florence Planning Department (Census and TAZ prisoner counts are group quarters residents).

Residential Projections

Residential growth projections must start with an estimate of the existing housing stock. The current estimate of dwelling units by housing type is provided in Table 7.

Table 7. Existing Dwelling Units, 2012

Housing Type	2000 Units	2010 Units	2012 Units
Single-Family Detached/MH	2,688	4,736	5,046
Multi-Family	528	528	528
Total	3,216	5,264	5,574

Source: 2000 & 2010 from Census (no multi-family permits issued since 2000 per Town Planning Department); 2012 adds units permitted in 2010 and 2011 from Table 8.

Projections of future growth are always difficult, but are especially difficult for small jurisdictions like Florence, where a single large residential subdivision can make a big difference. Recent building permit activity provides one of the few guides to future growth. Residential building permits issued by the Town since 2005 are summarized in Table 8. During the housing boom years of 2006-2008, the Town was issuing over 400 permits annually. That has since fallen to a little over 100 permits last year.

The Town issued 285 single-family permits and 25 manufactured home permits in 2010 and 2011. Town staff notes that virtually all the single-family permits were in Merrill Ranch and virtually all of the manufactured home permits were in Florence Gardens.

Table 8. Building Permits, 2005-2011

Year	Single-Family	Mfg. Home	Total
2005	100	28	128
2006	407	62	469
2007	411	36	447
2008	467	15	482
2009	201	12	213
2010	173	13	186
2011	112	12	124

Source: Town of Florence Planning Department, March 28, 2012.

The CAG housing unit projections for 2010-2020 are summarized in Table 9. They indicate that most of the growth over the next ten years will be north of the River, which is consistent with the Town's recent experience. However, they project annual growth from 2010-2015 of over 600 units per year, which is 50% higher than what the Town experienced during the housing boom of 2006-2008, and even more rapid growth in the following five years. As noted earlier, the Town issued 124 permits last year, which is less than one-fourth of the projected annual average for the 2010-2015 period. The CAG projections would thus appear to be highly optimistic.

Table 9. CAG Housing Unit Projections, 2010-2020

Geographic Area	2010	2015	2020	Annual Growth	
				2010-15	2015-20
Florence Gardens Area	1,719	1,736	1,767	3	6
Anthem/Merrill Ranch Area	682	2,383	5,421	340	608
Park Service Area - North*	3	3	3	0	0
Other	530	1,688	3,760	232	414
Subtotal, North of River	2,934	5,810	10,951	575	1,028
N Water/WW Service Area	1,739	2,750	4,557	202	361
Park Service Area - South	2,025	2,367	2,091	68	-55
Other	0	0	856	0	171
Subtotal, South of River	2,025	2,367	2,947	68	116
Total, Town of Florence	4,959	8,177	13,898	644	1,144

* excluding the Florence Gardens area

Source: CAG demographic datasets by TAZ, 2010.

It would be more reasonable to anticipate that the Town would experience the housing unit increase projected by CAG over the 2010-2015 period during the 2010-2023 period. This would mean that the Town would add an average of about 250 units annually over the 13-year period. This would appear to be more in line with the current housing market and recent trends. The housing unit projections are shown in Table 10. The projections indicate an increase of 3,242 units from 2010-2023, which is slightly higher than the CAG’s projected 2010-2015 increase of 3,218.

Table 10. Projected Housing Units, 2013-2023

Geographic Area	2010	2012	2013	2023
Florence Gardens Area	1,783	1,799	1,819	2,019
Anthem/Merrill Ranch Area	1,542	1,725	1,825	4,075
Park Service Area - North*	38	38	45	115
Other	120	120	128	208
Subtotal, North of River	3,483	3,682	3,817	6,417
North Water/WW Service Area	1,827	1,843	1,874	2,894
Park Service Area - South	1,779	1,779	1,807	2,087
Other	2	2	2	2
Subtotal, South of River	1,781	1,781	1,809	2,089
Total, Town	5,264	5,463	5,626	8,506

* excluding the Florence Gardens area

Source: 2010 units from U.S. Census block data; 2012 adds building permits from 2010 and 2011; 2013-2023 projections assume 20 units per year in Florence Gardens area, 100 per year from 2011-2013 and 225 per year from 2013-2023 in Anthem/Merrill Ranch area, 7 per year in the Park Service Area-North, 8 per year in other areas north of the river, 28 per year in the Park Service Area-South, and none in other area south of the river; North wastewater service area for 2012 is 2010 plus growth in Florence Gardens area, 2013 is sum of Florence Gardens area and Park Service Area-North, plus 10 units; North wastewater service area for 2023 assumes one-third of growth in Anthem/Merrill Ranch area will be in the Town’s service area..

Household population projections can be derived from the housing unit projections, using the person per unit ratios by area from the 2010 U.S. Census. These are shown in Table 11.

Table 11. Projected Household Population, 2013-2023

Geographic Area	Persons/ Unit	Household Population			
		2010	2012	2013	2023
Florence Gardens Area	0.78	1,382	1,394	1,410	1,565
Anthem/Merrill Ranch Area	1.79	2,753	3,080	3,258	7,275
Park Service Area - North*	0.97	37	37	44	112
Other	1.96	235	235	251	407
Subtotal, North of River	1.27	4,407	4,746	4,963	9,359
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North Water/WW Service Area	0.76	1,393	1,401	1,424	2,199
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Park Service Area	1.96	3,497	3,493	3,548	4,098
Other	1.96	0	4	4	4
Subtotal, South of River	1.96	3,497	3,497	3,552	4,102
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Total, Town	1.50	7,904	8,243	8,515	13,461

* excluding the Florence Gardens area

Source: 2010 data from U.S. Census block data; projections based on housing projections from Table 10 and persons per unit ratios by area from 2010 Census (2010 household population shown above divided by total 2010 units from Table 6).

Nonresidential Projections

Florence is home to ten correctional facilities, which along with County and other governmental facilities provide the foundation for the Town’s economy. The projected growth in the prisoner population from 2010-2023 is based on the CAG’s projected 2010-2015 increase in group quarters residents. The results are summarized in Table 12. The projected prisoner population for 2023 exceeds the capacity of existing correctional facilities south of the River (18,983 according to the Town’s 2011 survey), indicating some anticipated expansion over the planning period.

Table 12. Projected Prisoner Population, 2013-2023

Geographic Area	2010	2011	2013	2023
Florence Gardens Area	621	395	402	442
Anthem/Merrill Ranch Area	0	0	0	0
Park Service Area - North*	0	0	0	0
Other	0	0	0	0
Subtotal, North of River	621	395	402	442
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North Water/WW Service Area	621	395	402	442
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Park Service Area - South	18,915	18,831	18,915	19,374
Other	0	0	0	0
Subtotal, South of River	18,915	18,831	18,915	19,374
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Total, Town	19,536	19,226	19,317	19,816

* excluding the Florence Gardens area

Source: 2010 and 2011 prisoner counts from Town surveys; 2023 projections based on CAG projected increase from 2010-2015; 2013 projections are straight-line interpolations of 2011-2023 projections.

Employment projections to 2023 are also based on CAG’s projected increases from 2010-2015. These are shown in Table 13.

Table 13. Projected Employment, 2013-2023

	Florence Gardens Area	Anthem/Merrill Ranch	Park Area North*	Other North	Subtotal North of River	North W/WW Area	Park Area South	Other South	Subtotal South of River	Town Wide Total
Retail										
2010	0	81	0	0	81	0	646	23	669	750
2013	0	127	0	34	161	3	754	23	777	938
2023	0	684	0	440	1,124	37	2,050	23	2,073	3,197
Office										
2010	1	0	0	0	1	1	393	0	393	394
2013	1	0	0	7	8	1	494	0	494	502
2023	1	0	0	87	88	1	1,701	0	1,701	1,789
Industrial										
2010	0	33	0	3	36	33	468	0	468	504
2013	0	42	0	5	47	35	468	0	468	515
2023	0	149	0	23	172	53	468	0	468	640
Prison										
2010	124	0	0	0	124	124	3,783	0	3,783	3,907
2013	124	0	0	0	124	124	3,806	0	3,806	3,930
2023	124	0	0	0	124	124	4,079	0	4,079	4,203
Other Public										
2010	0	0	0	0	0	0	2,906	0	2,906	2,906
2013	0	0	0	0	0	0	2,923	0	2,923	2,923
2023	0	0	0	0	0	0	3,133	0	3,133	3,133
Total										
2010	125	114	0	3	242	158	8,196	23	8,219	8,461
2013	125	169	0	46	340	163	8,445	23	8,468	8,808
2023	125	833	0	550	1,508	215	11,431	23	11,454	12,962

* excluding the Florence Gardens area

Source: 2010 estimates from Central Arizona Governments TAZ dataset (see Appendix Table 107); 2023 is CAG 2015 projection; 2013 is based on 1/13th of projected 2010-2023 growth; with the exception that 2010 prison workers estimated based on Town prisoner count and 0.20 workers per prisoner, which is the average ratio in federal prisons per Matthew Harwood, "Prison Overcrowding," *Security Management*, July 21, 2009, and other public being the remainder of public workers (both prison and other public assumed to grow at the same pace as total public workers).

Employment estimates and projections can be used to estimate nonresidential building square footage. This can be done using ratios of employees per 1,000 square feet of building floor area, shown in Table 14.

Table 14. Employees/1,000 Sq. Ft. Ratios

Retail	1.23
Office	3.11
Industrial	0.91
Prison	1.40
Other Public	2.32

Source: Retail and office from Central Arizona Governments, *Pinal County Build-Out*, October 2003; industrial from Institute of Transportation Engineers (ITE), *Trip Generation*, 8th edition, 2009 based on warehouse; public is average from ITE for public/institutional uses.

Applying these ratios to the employment estimates and projections yields the following estimates of existing and future nonresidential building floor area (see Table 15).

Table 15. Projected Nonresidential Building Square Footage (1,000s), 2013-2023

	Florence Gardens Area	Anthem/Merrill Ranch	Park Area North*	Other North	Subtotal North of River	North W/WW Area	Park Area South	Other South	Subtotal South of River	Town Wide Total
Retail										
2010	0	66	0	0	66	0	525	19	544	610
2013	0	103	0	28	131	2	613	19	632	763
2023	0	556	0	358	914	30	1,667	19	1,686	2,600
Office										
2010	0	0	0	0	0	0	126	0	126	126
2013	0	0	0	2	2	0	159	0	159	161
2023	0	0	0	28	28	0	547	0	547	575
Industrial										
2010	0	36	0	3	39	36	514	0	514	553
2013	0	46	0	5	51	38	514	0	514	565
2023	0	164	0	25	189	58	514	0	514	703
Prison										
2010	89	0	0	0	89	89	2,702	0	2,702	2,791
2013	89	0	0	0	89	89	2,719	0	2,719	2,808
2023	89	0	0	0	89	89	2,914	0	2,914	3,003
Other Public										
2010	0	0	0	0	0	0	1,253	0	1,253	1,253
2013	0	0	0	0	0	0	1,260	0	1,260	1,260
2023	0	0	0	0	0	0	1,350	0	1,350	1,350
Total										
2010	89	102	0	3	194	125	5,120	19	5,139	5,333
2013	89	149	0	35	273	129	5,265	19	5,284	5,557
2023	89	720	0	411	1,220	177	6,992	19	7,011	8,231

* excluding the Florence Gardens area

Source: Square footage for all but prisons is product of employment from Table 13 divided by employees/1,000 sq. ft. ratios from Table 14; prison square footage based on prison employee per inmate ratio cited in preceding table and 120 sq. ft. per prisoner, which is ratio for ASP-Florence West (GEO) unit per Arizona Department of Corrections, *Biennial Comparison of Private versus Public Provision of Services*, December 21, 2011.

ROADS

This section calculates updated road impact fees for the Town of Florence.

Service Unit

A service unit creates the link between supply (roadway capacity) and demand (traffic generated by new development). An appropriate service unit basis for road impact fees is vehicle-miles of travel (VMT). Vehicle-miles is a combination of the number of vehicles traveling during a given time period and the distance (in miles) that these vehicles travel.

The two time periods most often used in traffic analysis are the 24-hour day (average daily trips or ADT) and the single hour of the day with the highest traffic volume (peak hour trips or PHT). Due to the fact that available traffic counts are in terms of ADT and to be consistent with the Town's current fees, which are based on ADT, daily VMT will be used as the service unit for the road impact fees.

For some purposes, it will be useful to compare service units for the different types of impact fees. Consequently, an alternative service unit will be calculated in terms of Equivalent Dwelling Units, or EDUs. An EDU is a unit of demand expressed in terms of the demand represented by a typical single-family detached dwelling unit.

Methodology

The standards-based methodology for road impact fees is called the “consumption-based” approach. In the standard consumption-based approach, the total cost of a representative set of improvements is divided by the capacity added by those improvements in order to determine an average cost per vehicle-mile of capacity (VMC). This cost per VMC is then multiplied by the vehicle-miles of travel (VMT) generated by a unit of development of a particular land use type to determine the gross impact fee. The level of service (LOS) standard in the consumption-based approach is a system-wide ratio of VMC to VMT of 1.00. A variant is the modified consumption-based approach, which uses a system-wide VMC/VMT ratio higher than 1.00.

The alternative is the plan-based approach. The LOS standard for the plan-based approach is a desired LOS, such as LOS C or LOS D, which is applied to each individual road segment or intersection. The key to a defensible plan-based methodology is a well-designed transportation master plan that establishes a strong nexus between anticipated growth over a 10-20 year period and the improvements that will be required to accommodate growth over that planning horizon. The cost per VMT (or per trip) is determined by dividing the cost of the planned improvements by the growth in VMT (or trips). The cost per VMT (or trip) is then multiplied by the VMT (or trips) generated by a unit of development of a particular land use type to determine the gross impact fee.

The consumption-based approach, at least in its standard form, tends to be conservative and generally results in lower impact fees than the plan-based approach. This is because most roadway systems need more than one unit of capacity (VMC) for each unit of travel demand (VMT) in order to function at an acceptable level of service (the modified consumption-based approach addresses

this issue and is less conservative). Plan-based fees using a transportation plan that identifies all of the improvements needed to provide acceptable levels of service on all roadways will almost always result in higher fees.

The 2007 road impact fee study used the plan-based approach. It divided the Town's share of the total cost of a list of planned improvements by the projected number of new trips that were expected to be generated by new development over a ten-year period (2006-2015) to derive the cost per trip. The problem with this approach is that no analysis was provided to demonstrate the connection between the amount of growth anticipated over the ten-year period and the need for the planned improvements. No LOS standard was stated, nor was there any attempt to identify existing facilities that already fell below the desired LOS (these would be considered existing deficiencies).

In 2008, the Town completed a transportation master plan¹ that could serve as the foundation for a plan-based impact fee calculation. The master plan used LOS D as the desired LOS standard, modeled daily traffic volumes for 2005 and 2025 based on existing and projected development by traffic analysis zones, and identified needed improvements and costs required to accommodate projected development. No existing capacity deficiencies were identified. The master plan identified approximately \$426 million in needed Town arterial road improvements.

Even though the Town generally uses LOS C as its standard, under the plan-based approach the fees would be based on the cost to maintain LOS D, since this was the standard used by the master planning process to identify improvement needs. However, the Town would not be tied to the standard used in the master plan if it uses a consumption-based approach.

The alternative to a plan-based methodology would be to use the consumption-based approach. The Town's arterial/major collector road system currently has a VMC/VMT ratio of about 2:1 (see Table 18 in the next section). Since this is twice as high as the 1:1 ratio used in the standard consumption-based approach, there are no existing deficiencies. Under the modified consumption-based approach, the Town could choose to use a VMC/VMT ratio higher than 1:1 as its LOS, as long as it does not exceed 2:1.

Although the Town's most recent transportation master plan is more than four years old, it could provide the basis for a plan-based road impact fee. However, the consumption-based approach is recommended because of its greater flexibility and the fact that its soundness is not dependent on the availability and quality of a transportation master plan.

Major Roadway System

A road impact fee program should include a clear definition of the major roadway system that will be funded with the impact fees. As noted in the Service Area section of this report, the types of improvements covered by the Town's current road impact fees are not well defined. It is recommended that the revised road impact fees be restricted to the cost of Town-owned arterials and major collectors, and exclude the cost of State roads, minor collectors and local streets. One advantage of this approach is that an arterial/major collector impact fee is consistent with a Town-wide service area, since the purpose of these facilities is to move traffic throughout the community.

¹ Lima & Associates, Kimley-Horn and Associates and Economic and Real Estate Consulting, *Coolidge-Florence Regional Transportation Plan*, Final Report, February 2008

Another advantage is that the Town will not need to provide credits against the fees for minor collector road improvements, which will generally be made by developers. The Town’s functional classification map showing the location of existing and planned major roadways is included in the Service Area section of this report (see Figure 1).

This update includes a detailed inventory of the major roadway system, which consists of all the existing arterial and major collector roads. The inventory compares demand and capacity on existing facilities. The capacity of an individual roadway depends on a number of factors, including number of lanes, lane width, topography, percent of truck traffic, etc. In impact fee analysis, generalized capacity estimates are typically used based strictly on number of lanes. The Florida Department of Transportation has done extensive work developing generalized capacity estimates to be used for planning purposes based on Highway Capacity Manual procedures, and their work will be used to develop planning-level capacity estimates for use in this analysis. These estimates are shown in Table 16.

Table 16. Average Daily Capacities

Lanes	Capacity
2-Lane	7,520
3-Lane	9,870
4-Lane	22,700
6-Lane	35,700

Source: 2009 FDOT Quality/Level of Service Handbook, Table 2: Generalized Annual Average Daily Volumes for Areas Transitioning into Urbanized Areas or Areas over 5,000 not in Urbanized Areas, Class II (2-4.5 signalized intersections per mile) at LOS C.

The inventory of the existing major roadway system is presented in Table 17. The principal objective of the inventory is to calibrate national travel demand factors to local conditions by comparing the actual vehicle-miles of travel (VMT) on the major road system to expected VMT based on existing development. This is addressed in the Travel Demand section below.

Table 17. Existing Major Roadway System

Road	From-To	Class	Miles	Lns	Cap.	VMC	ADT	VMT	Lane-Miles	
									Total	w/cts
Adamsville Rd	Main St-WTL	Min Art	2.64	2	7,520	19,853	1,072	2,830	5.28	5.28
American Way	Hunt Hwy-Const Way	Maj Col	0.95	2	7,520	7,144			1.90	0.00
Anthem Way	American Way-MRP	Maj Col	0.31	2	7,520	2,331			0.62	0.00
Arizona Farms Rd	ETL-RR tracks	Maj Art	4.72	2	7,520	35,494	2,964	13,990	9.44	9.44
Attaway Rd	AZ Farms-Judd Rd	Maj Art	2.00	2	7,520	15,040			4.00	0.00
Attaway Rd	Palmer Rd-Hunt Hwy	Maj Art	1.07	2	7,520	8,046	7,270	7,779	2.14	2.14
Bella Vista	Quail Run-Attaway (pt.)	Maj Art	0.45	2	7,520	3,384			0.90	0.00
Butte Ave	Plant Rd-Main St	Maj Col	1.00	2	7,520	7,520	2,287	2,287	2.00	2.00
Butte Ave	Main St- Old F-K Hwy	Min Art	1.98	2	7,520	14,890	3,898		3.96	3.96
Canal Rd	Valley Fms-Plant Rd	Min Art	1.95	2	7,520	14,664			3.90	0.00
Centennial Park Av	Butte Ave-16th St	Maj Col	0.13	2	7,520	978			0.26	0.00
Constitution Way	American Way-MRP	Maj Col	0.34	2	7,520	2,557			0.68	0.00
Cooper Rd	Magma Rd-Judd Rd	Maj Art	1.00	2	7,520	7,520	317	317	2.00	2.00
Diversion Dam Rd	Bowling Rd-TL	Maj Col	1.84	2	7,520	13,837			3.68	0.00
Diversion Dam Rd	Pinal Pkwy-Bowling Rd	Min Art	0.50	2	7,520	3,760	3,096	1,548	1.00	1.00
Dogwood Rd	Flor-Kelvin-Sunaire Dr	Min Art	0.50	2	7,520	3,760			1.00	0.00
Felix Rd	Hunt Hwy-RR tracks	Maj Art	2.62	2	9,870	25,859			5.24	0.00
Felix Rd	RR tracks-Crestfield Mr	Maj Art	0.70	2	7,520	5,264			1.40	0.00
Felix Rd	Crestfield-Heritage Rd	Maj Art	0.50	3	9,870	4,935			1.50	0.00
Felix Rd	Heritage-Az Farms Rd	Maj Art	1.00	2	7,520	7,520			2.00	0.00
Florence Hts Dr	Main St-SR 79	Min Art	0.56	2	7,520	4,211	3,678	2,060	1.12	1.12
Flor.-Kelvin Hwy	SR 79-TL	Maj Art	1.44	2	7,520	10,829	1,529	2,202	2.88	2.88
Hiscox Lane	Canal Rd-Hwy 287	Maj Art	0.51	2	7,520	3,835			1.02	0.00
Hunt Hwy	SR 79-TL	Maj Art	5.90	2	7,520	44,368	5,473	32,291	11.80	11.80
Hunt Hwy	TL-S end 6 lane	Maj Art	0.20	2	35,700	7,140	8,154	1,631	0.40	0.40
Hunt Hwy	S end 6ln-N end 6ln	Maj Art	1.52	6	7,520	11,430	8,469	12,873	9.12	9.12
Hunt Hwy	N end 6ln-TL	Maj Art	1.42	2	7,520	10,678	8,469	12,026	2.84	2.84
Judd Rd	CAP Canal-Cooper (pt.)	Min Art	1.12	3	9,870	11,054			3.36	0.00
Judd Rd	Quail Run-CAP Canal	Min Art	1.54	2	7,520	11,581	3,742	5,763	3.08	3.08
Main St	SR 287-Butte Ave	Maj Col	0.64	2	7,520	4,813	4,079	2,611	1.28	1.28
Main St	Butte Ave-N end	Maj Col	0.53	2	7,520	3,986	4,079	2,162	1.06	1.06
Merrill Ranch Pky	Hunt Hwy-Felix Rd	Min Art	2.06	4	22,700	46,762	3,510	7,231	8.24	8.24
Old Flor-Kelvin	Butte Av-Diffen Rd	Min Art	2.34	2	7,520	17,597	3,898	9,121	4.68	4.68
Plant Rd	Adamsville-Butte Ave	Maj Art	0.56	2	7,520	4,211			1.12	0.00
Quail Run	Judd Rd-NTL	Min Art	0.36	2	7,520	2,707			0.72	0.00
Ruggles St	Main St-SR 79	Maj Col	0.48	2	7,520	3,610	2,339	1,123	0.96	0.96
Sun City Blvd	MRP-Franklin Rd	Maj Col	0.93	3	7,520	6,994			2.79	0.00
Valley Farms Rd	N of Vah Ki Inn-Hwy 287	Maj Art	0.99	2	7,520	7,445	1,415	1,401	1.98	1.98
Total			49.30			417,607		121,246	111.35	75.26

Source: Town of Florence, November 10, 2011; "Class" is functional classification; "Miles" is length of segment; "Lns" is existing number of through travel lanes; "Cap." is capacity in vehicles per day from Table 16; "VMC" is vehicle-miles of capacity, which is product of miles and capacity; "ADT" is average daily traffic counts taken 2009-2011; "VMT" is vehicle-miles of travel, which is product of miles and ADT; "Lane-Miles" is miles times number of lanes; "Total" is total number of lane-miles; "w/cts" is number of lane-miles with traffic counts.

A secondary objective of the road inventory is to ensure that the level of service (LOS) implicit in the standard consumption-based road impact fee methodology does not exceed the actual LOS on the major roadway system. The implicit LOS in the standard consumption-based methodology is a system-wide ratio of 1.00 between vehicle-miles of capacity (VMC) and vehicle-miles of travel (VMT) on the major roadway system. As can be seen in Table 18, the current VMC/VMT ratio exceeds 1.00.

Table 18. Existing Road Capacity/Demand Ratio

Daily VMT on Segments with Counts	121,246
÷ Lane-Miles of Segments with Counts	75.26
Average Volume per Lane on Segments with Counts	1,611
x Total Lane-Miles	111.35
Estimated Total Daily Vehicle-Miles of Travel (VMT)	179,385
Existing Vehicle-Miles of Capacity (VMC)	417,607
÷ Existing Vehicle-Miles of Travel (VMT)	179,385
Existing VMC/VMT Ratio	2.33

Source: VMT on segments with counts, lane-miles and VMC from Table 17.

Service Units

Road service units are defined in terms of vehicle travel. The travel demand generated by specific land use types in Florence is a product of three factors: 1) trip generation, 2) percent primary trips and 3) average trip length.

Trip Generation

Trip generation rates are based on information published in the most recent edition of the Institute of Transportation Engineers' (ITE) *Trip Generation* manual. Trip generation rates represent trip ends, or driveway crossings at the site of a land use. Thus, a single-one way trip from home to work counts as one trip end for the residence and one trip end for the work place, for a total of two trip ends. To avoid over counting, all trip rates have been divided by two. This places the burden of travel equally between the origin and destination of the trip and eliminates double charging for any particular trip.

Primary Trip Factor

Trip rates must also be adjusted by a "primary trip factor" to exclude pass by and diverted-linked trips. This adjustment is intended to reduce the possibility of over-counting by only including primary trips generated by the development. Pass by trips are those trips that are already on a particular route for a different purpose and simply stop at a development on that route. For example, a stop at a convenience store on the way home from the office is a pass by trip for the convenience store. A pass by trip does not create an additional burden on the street system and therefore should not be counted in the assessment of impact fees. However, since the fees for the consolidated "commercial" category (retail and office) are based on the travel demand factors for general office, no primary trip adjustment is warranted.

Average Trip Length

In the context of a road impact fee based on a consumption-based methodology, it is necessary to determine the average length of a trip on the major roadway system within Florence. The point of departure in developing local trip lengths is to utilize national data. The U.S. Department of Transportation's 2009 National Household Travel Survey identifies average trips lengths for specific trip purposes. However, these trip lengths are unlikely to be representative of travel on the major roadway system in Florence. An adjustment factor for local trip lengths can be derived by dividing the vehicle-miles of travel (VMT) that is actually observed on the major roadway system by the VMT that would be expected using national average trip lengths and trip generation rates.

The first step is to estimate the total VMT that would be expected to be generated by existing development in Florence based on national travel demand characteristics. This can be accomplished by multiplying existing development in each land use category by the appropriate national trip generation rates, primary trip factors and trip lengths. The expected VMT is considerably higher than the actual estimated VMT on the Town’s major roadway system that was calculated earlier. This is not surprising, since the major roadway system does not include State roads, minor collectors, local streets or any portion of a trip that occurs outside the Town limits. Consequently, it is necessary to develop an adjustment factor to account for this variation. The local adjustment factor is the ratio of actual to projected VMT on the major roadway system. As shown in Table 19, the national average trip length for each trip type should be multiplied by a local adjustment factor of 0.417.

Table 19. Local Trip Length Adjustment Factor

Land Use Type	ITE Code	Unit	2010 Units	Trip Rate	Primary Trips	Daily Trips	Length (miles)	Daily VMT
Single-Family Detached	210	Dwelling	4,736	4.79	100%	22,685	9.16	207,795
Multi-Family	220	Dwelling	528	3.33	100%	1,758	8.30	14,591
Commercial	710	1,000 sq ft	736	5.51	100%	4,055	11.98	48,579
Public/Institutional	620	1,000 sq ft	4,044	3.79	100%	15,327	9.61	147,292
Industrial/Warehouse	150	1,000 sq ft	553	1.78	100%	984	11.98	11,788
Total Expected VMT								430,045
Total Actual VMT								179,385
Ratio of Actual to Total VMT								0.417

Source: Existing 2010 units from Table 10 and Table 15; trip rates are one-half daily trip ends during a weekday from Institute of Transportation Engineers (ITE), *Trip Generation*, 8th ed., 2008 (commercial based on general office, public/institutional based on nursing home and industrial/warehouse based on warehouse); daily trips is product of units, trip rate and primary trip percentage; average trip lengths from U.S. Department of Transportation, National Household Travel Survey, 2009; daily VMT is product of daily trips and average trip length; actual VMT from Table 18.

National average trip lengths derived from the U.S. Department of Transportation’s 2009 National Household Travel Survey are available for a variety of trip types and purposes, including single-family detached, multi-family, home-to-work and medical/dental. These have been adjusted by the local adjustment factor, as shown in Table 20 below.

Table 20. Average Trip Lengths

Trip Type/Purpose	National Trip Length	Local Adjustment Factor	Local Trip Length
Single-Family	9.16	0.417	3.82
Multi-Family	8.30	0.417	3.46
To or From Work	11.98	0.417	5.00
Medical/Dental	9.61	0.417	4.01

Source: National average trip lengths from U.S. Department of Transportation, National Household Travel Survey, 2009 (office/institutional based on doctor/dentist); local adjustment factor from Table 19.

Service Unit Summary

The result of combining trip generation rates, primary trip factors and localized average trip lengths is a travel demand schedule that establishes the daily VMT during the average weekday on the major roadway system generated by various land use types per unit of development for Florence. The recommended road demand schedule is presented in Table 21. Service units are expressed in both VMT per unit and EDUs per unit (an EDU is a single-family equivalent).

Table 21. Road Demand Schedule

Land Use Type	ITE Code	Unit	Trip Rate	Primary Trips	Length (miles)	VMT/Unit	EDUs/Unit
Single-Family Detached	210	Dwelling	4.79	100%	3.82	18.30	1.000
Multi-Family	220	Dwelling	3.33	100%	3.46	11.52	0.630
Commercial	710	1,000 sq ft	5.51	100%	5.00	27.55	1.505
Public/Institutional	620	1,000 sq ft	3.79	100%	4.01	15.20	0.831
Industrial/Warehouse	150	1,000 sq ft	1.78	100%	5.00	8.90	0.486

Source: Trip rates and primary trip percentages from Table 19; average trip lengths from Table 20; daily VMT per unit is product of trips, percent primary trips and trip length; EDUs/unit is ratio of VMT to single-family detached VMT per unit.

Road service units are expressed in terms of both vehicle-miles of travel (VMT) and equivalent dwelling units (EDUs). Projections for both service unit measurements for the 2013-2023 planning period are shown in Table 22.

Table 22. Road Service Units, 2013-2023

Land Use Type	Unit	Units		EDUs/Unit	EDUs		VMT/Unit	VMT	
		2013	2023		2013	2023		2013	2023
Single-Family Detached	Dwelling	3,273	3,903	1.000	3,273	3,903	18.30	59,896	71,425
Multi-Family	Dwelling	528	528	0.630	528	528	11.52	6,083	6,083
Commercial	1,000 sq ft	821	2,619	1.505	821	2,619	27.55	22,619	72,153
Public/Institutional	1,000 sq ft	4,068	4,353	0.831	4,068	4,353	15.20	61,834	66,166
Industrial/Warehouse	1,000 sq ft	519	539	0.486	519	539	8.90	4,619	4,797
Total Service Units Outside Merrill Ranch CFDs								155,051	220,624
Single-Family Detached	Dwelling	1,825	4,075	1.000	1,825	4,075	18.30	33,398	74,573
Multi-Family	Dwelling	0	0	0.630	0	0	11.52	0	0
Commercial	1,000 sq ft	103	556	1.505	103	556	27.55	2,838	15,318
Public/Institutional	1,000 sq ft	0	0	0.831	0	0	15.20	0	0
Industrial/Warehouse	1,000 sq ft	46	164	0.486	46	164	8.90	409	1,460
Total Service Units Within Merrill Ranch CFDs								36,645	91,351
Total Town-Wide Service Units								191,696	311,975

Source: Units from Table 10 and Table 15; EDUs per unit and VMT per unit from Table 21; EDUs is product of units and EDUs per unit; VMT is product of units and VMT per unit.

Cost per Service Unit

The cost per service unit is derived from the cost estimates in the Town's transportation master plan. As shown in Table 23, the average cost per vehicle-mile of capacity (VMC) from the master plan is \$289. To take into account reduced right-of-way costs and possibly reduced construction from 2008, the cost estimates have been reduced by 10 percent to \$260 per VMC.

Table 23. Road Cost per Vehicle-Mile of Capacity

Road	From-To	Class	Miles	Lanes		Cost	New VMC	Cost per VMC
				Ex	Fut			
Adamsville Rd	Town Lim-Main St	Min Art	2.64	2	4	\$13,272,344	40,075	\$331
Arizona Farms Rd	Felix Rd-Town Limit	Maj Art	3.22	2	6	\$24,104,186	90,740	\$266
Attaway Rd	Palmer-Hunt Hwy	Maj Art	1.07	2	6	\$7,766,562	30,153	\$258
Attaway Rd	Hunt Hwy-Felix Rd	Maj Art	1.28	0	6	\$8,233,972	45,696	\$180
Attaway Rd	Hunt Hwy-Hiller Rd	Maj Col	1.81	0	3	\$10,239,599	17,865	\$573
Butte Ave	Plant Rd-Main St	Maj Col	1.00	2	3	\$5,346,776	2,350	\$2,275
Butte Ave	Main St-SR 79	Min Art	0.49	2	4	\$2,463,428	7,438	\$331
Butte Rd	SR 79-Old F-K Hwy	Min Art	1.49	2	4	\$8,630,831	22,618	\$382
Carrell Lane	Vah Ki Inn-SR 79	Min Art	0.75	0	4	\$3,770,552	17,025	\$221
Clemans-RanchView	Town Limit-SR 79	Min Art	3.38	0	4	\$18,132,623	76,726	\$236
Desert Color Pkwy	Hunt Hwy-Felix Rd	Min Art	3.76	0	4	\$20,043,036	85,352	\$235
Diversion Dam Rd	SR 79-end	Maj Col	2.35	2	3	\$8,616,924	5,523	\$1,560
Florence Hts Dr	Main St-SR 79	Min Art	0.56	2	4	\$2,815,346	8,501	\$331
Flor-Kelvin Hwy	SR 79-Quail Run	Maj Art	2.00	2	6	\$16,100,116	56,360	\$286
Franklin	MR Pkwy-Hunt Hwy	Maj Col	1.49	0	3	\$7,743,497	14,706	\$527
Main St	SR 287-Butte Rd	Maj Col	0.64	2	4	\$2,346,737	9,715	\$242
Merrill Ranch Pkwy	Walter Butte-Hunt	Min Art	1.05	0	4	\$5,278,773	23,835	\$221
Merrill Ranch Pkwy	Hunt Hwy-Felix Rd	Min Art	2.08	0	4	\$8,580,556	47,216	\$182
Merrill Ranch Pkwy	Felix-Desert Color	Maj Art	1.48	0	6	\$15,016,998	52,836	\$284
Old Flor-Kelvin Hwy	Butte Ave-Diffen Rd	Min Art	2.34	2	4	\$17,320,123	35,521	\$488
Poston Butte Pkwy	Desert Color Loop	Min Art	3.10	0	4	\$17,864,950	70,370	\$254
Poston Butte-Coope	Poston Butte-Hiller	Min Art	0.72	0	4	\$6,397,730	16,344	\$391
Quail Run Rd	Mayfield-Old F-K Hwy	Min Art	0.60	0	4	\$4,156,442	13,620	\$305
Ranchview Rd	Valley Farms-Hunt	Min Art	1.76	0	4	\$8,848,230	39,952	\$221
Ruggles St	Main St-SR 79	Maj Col	0.48	2	4	\$1,760,053	7,286	\$242
Vah Ki Inn Rd	Fulson Rd-SR 79	Maj Art	0.52	0	6	\$3,094,030	18,564	\$167
W Canal Rd	Valley Farms-Plant	Min Art	1.95	2	4	\$9,803,436	29,601	\$331
Walker Butte Pkwy	Christensen-Merrill R	Min Art	2.56	0	4	\$15,150,152	58,112	\$261
Total						\$272,898,002	944,100	\$289
x Factor for Reduced ROW/Construction Costs								90%
Estimated Current Average Cost per Vehicle-Mile of Capacity (90%)								\$260

Source: Lima & Associates, *Coolidge-Florence Regional Transportation Plan*, April 2008, Table 29; new VMC based on segment lengths, number of lanes and capacities from Table 16.

The cost per service unit is the product of the cost per VMC and the level of service (LOS). The existing LOS is 2.33 VMC per VMT (see Table 18), and this represent the full cost to maintain existing levels of service on the Town's major roadways. The standard consumption-based approach, however, is extremely conservative, and is based on a 1.00 ratio of capacity to demand. Under the standard consumption-based approach, the cost per VMT is the same as the cost per VMC, plus the cost of future impact fee studies per VMT, as shown in Table 24.

Table 24. Road Cost per Service Unit

Cost per Vehicle-Mile of Capacity	\$260
x Assumed Capacity/Demand Ratio	1.00
Cost per Vehicle-Mile of Travel	\$260
Study Cost per VMT	\$1
Total Cost per VMT	\$261

Source: Cost per VMC from Table 23; capacity/demand ratio is implicit in the standard consumption-based methodology; study cost per VMT is study cost per EDU from Table 114 divided by VMT per single-family unit from Table 21.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements. The road impact fees calculated in this report are based on a system-wide level of service that is lower than the existing level of service, so there are no existing deficiencies. The Town has no outstanding debt on past road improvements, nor any revenue sources that are dedicated for future capacity-expanding road improvements. Consequently, no offsets against the road impact fee are required based on these criteria.

However, the Arizona impact fee enabling act also requires that new development be given an offset against the impact fees for the value of any “excess” construction contracting excise tax payments beyond that required of most other types of business activities. The Town charges a construction excise tax of 4%, compared to a 2% excise tax rate on other types of business activities. Since the Town does not dedicate construction excise tax revenues for growth-related capital improvements, nor does it allocate them for specific types of capital improvements, there is no rational basis for assigning this offset to specific types of facilities. Nevertheless, State law now requires that such an offset be provided. It would appear to be at the discretion of the Town to determine which fees should be offset to account for the excess construction tax. It is recommended that the Town provide the offset for the excess construction excise tax payments against the road impact fee. Unlike water and wastewater fees, which are not assessed in areas of town that are not served by Town utilities, the road impact fee is assessed against all new development in the town. In addition, the park, fire and police impact fees are not sufficiently large to absorb the offset. Consequently, an offset for the excess construction excise tax is provided against the road impact fees.

To determine the appropriate amount of the offset, data was compiled on total construction excise tax payments for single-family detached units constructed over the five-year period from July 1, 2006 through June 30, 2011 (fiscal years 2007 through 2011). This was divided by the number of single-family permits issued over the same period to determine the average construction excise tax payment per unit. Since the excise tax on construction contracting is twice the rate on other business activities, half of the construction tax is the “excess” payment. This amounts to an average offset of \$2,682 per single-family unit, as shown in Table 25. The offset per single-family unit is divided by the VMT per single-family unit to determine the offset of \$147 per VMT.

Table 25. Construction Tax Offset per Service Unit

Residential Construction Tax Receipts, FY 06/07-10/11	\$7,712,632
÷ New Single-Family Permits Issued, FY 06/07-10/11	1,438
Average Construction Tax per Unit	\$5,363
x Percent "Excess" Construction Excise Tax	50%
Construction Excise Tax Offset per Single-Family Unit	\$2,682
÷ VMT per Single-Family Unit	18.30
Construction Excise Tax Offset per VMT	\$147

Source: Residential construction tax receipts from Town of Florence Finance Department, November 9, 2012; building permits from Town of Florence Planning Department, March 28, 2012; VMT per single-family unit from Table 21.

In addition, an offset should be calculated for the Merrill Ranch Community Facility Districts #1 and #2. Properties in the CFDs are paying property taxes to retire bonds used to construct major roadway improvements in the area. A simple way to calculate an offset is to divide the outstanding bond debt by future service units that will be retiring the debt. Merrill Ranch CFDs #1 and #2 are retiring bonds issued in 2006 and 2010 that were used to fund improvements to major Town roads, including Merrill Ranch Parkway, Hunt Highway, American Way, Constitution Way, Felix Road and Sun City Boulevard. Dividing the amount of outstanding road debt by estimated 2023 service units results in a debt offset of \$79 per VMT, as shown in Table 26.

Table 26. Merrill Ranch CFD Debt Offset per Service Unit

Bond Issue	Issue Date	Maturity	Orig. Amt.	Retired	Balance
CFD #1, 2008A Bond Issue	6/28/2006	7/1/2030	\$4,390,000	\$345,000	\$4,045,000
CFD #2, 2010 Bond Issue	11/19/2010	7/15/2035	\$3,560,000	\$425,000	\$3,135,000
Total Debt Principal			\$7,950,000	\$770,000	\$7,180,000
÷ 2023 Merrill Ranch CFD VMT					91,351
Debt Offset per VMT					\$79

Source: Debt information from Town of Florence Finance Department, July 30, 2012; 2023 VMT from Table 22.

The offsets per VMT are subtracted from the cost per VMT to determine the net costs per VMT in the Merrill Ranch DFDs and the rest of the town, as shown in Table 27.

Table 27. Road Net Cost per Service Unit

	Merrill Ranch CFD 1 & 2	Rest of Town
Cost per VMT	\$261	\$261
- Construction Sales Tax Offset per VMT	-\$147	-\$147
- Community Facility District Offset per VMT	-\$79	\$0
Net Cost per VMT	\$35	\$114

Source: Cost per VMT from Table 24; construction sales tax offset per VMT from Table 25; Merrill Ranch CFD offset per VMT from Table 26.

Potential Impact Fees

The maximum road impact fees that may be adopted by the Town based on this study is the product of the number of vehicle-miles of travel (VMT) generated by a unit of development and the net cost per VMT calculated above. The resulting fee schedules for the Merrill Ranch CFDs and the rest of the town are presented in Table 28.

Table 28. Potential Road Impact Fees

Land Use Type	Unit	VMT/ Unit	Net Cost/VMT		Net Cost/Unit	
			Non-CFD	CFD	Non-CFD	CFD
Single-Family Detached	Dwelling	18.30	\$114	\$35	\$2,086	\$641
Multi-Family	Dwelling	11.52	\$114	\$35	\$1,313	\$403
Commercial	1,000 sq ft	27.55	\$114	\$35	\$3,141	\$964
Public/Institutional	1,000 sq ft	15.20	\$114	\$35	\$1,733	\$532
Industrial/Warehouse	1,000 sq ft	8.90	\$114	\$35	\$1,015	\$312

Source: VMT per unit from Table 21; net cost per VMT from Table 27.

The updated road impact fees are compared to the Town's current fees in Table 29.

Table 29. Comparative Road Impact Fees

Land Use Type	Unit	Current Fee	Updated Fee		Percent Change	
			Non-CFD	CFD	Non-CFD	CFD
Single-Family Detached	Dwelling	\$583	\$2,086	\$641	258%	10%
Multi-Family	Dwelling	\$410	\$1,313	\$403	220%	-2%
Commercial	1,000 sq ft	\$2,618	\$3,141	\$964	20%	-63%
Public/Institutional	1,000 sq ft	\$2,618	\$1,733	\$532	-34%	-80%
Industrial/Warehouse	1,000 sq ft	\$425	\$1,015	\$312	139%	-27%

Source: Current fees from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees from Table 28.

Capital Plan

Potential road impact fee revenue over the next ten years, based on anticipated new development within and outside the Merrill Ranch CFDs, is estimated to be about \$9.4 million, as shown in Table 30.

Table 30. Potential Road Impact Fee Revenue, 2013-2023

	Merrill	Rest of	Total
	Ranch CFDs	Town	
New VMT, 2013-2023	54,706	65,573	120,279
x Net Cost per VMT	\$35	\$114	n/a
Potential Revenue, 2013-2023	\$1,914,710	\$7,475,322	\$9,390,032

Source: New VMT from Table 22; net cost per unit from Table 28.

Anticipated costs and revenues for growth-related road improvements over the next ten years are summarized in Table 31. Most of the potential revenue is shown as coming from construction sales tax revenue. While the Town does not currently earmark "excess" construction tax revenues for road improvements, SB 1525 requires an offset from impact fees, and this offset has been applied to the road impact fees for reasons articulated above. In order to maintain the level of service on which the fees are based, it will be necessary for the Town to either utilize this revenue source for

capacity-expanding road improvements, or find another revenue source to supplement road impact fees by a comparable amount.

Table 31. Road Costs and Revenues, 2013-2023

New VMT, 2013-2023	120,279
x Cost per VMT	\$260
Growth Cost, 2013-2023	\$31,272,540
Anticipated Impact Fee Revenue	\$9,390,032
Potential Construction Tax Revenue	\$17,681,013
Anticipated CFD Improvements	\$4,201,495
Total Revenues, 2013-2023	\$31,272,540

Source: New VMT and anticipated impact fee revenue from Table 30; cost per VMT from Table 23; potential construction tax revenue is new VMT times offset per VMT from Table 25; anticipated CFD improvements is remainder; total revenues is same as growth cost.

Over the next ten years, the Town has plans to complete approximately \$31 million in growth-related improvement to the major road system, as summarized in Table 32. However, the timing of individual improvements will be dependent on the pace and location of development that actually occurs, and not all of the planned improvements will necessarily be completed in the next ten years. Some of the improvements may be constructed by the CFD or developers in return for offsets or credits against the road impact fees. The list of projects may also change to reflect changes from anticipated development patterns.

Table 32. Road Capital Plan, 2013-2023

Roadway	From-To	Description	Est. Cost
Main Street Ext	Across River	Planning/feasibility study	\$650,000
Florence Hts Rd	Main-SR 79	Improve 2-lane chip seal to minor arterial	\$2,170,000
Felix Rd	Attaway-AZ Farms	Improve 2-3 lane road, except 1/2-rd impmts	\$2,385,000
SR 79B/SR 287	Roundabout	Roundabout	\$2,150,000
Diversion Dam Rd	SR 79-Bowling Rd	2-ln chip seal to minor arterial w/signalization	\$1,559,000
Desert Color Pkwy	Hunt-Felix Rd	Minor arterial, ph 1	\$1,298,000
Hunt Hwy/SR 79	Intersection	Turn lanes & signalization	\$1,334,000
AZ Farms Rd	Felix-ETL	Complete 1/2-rd adj to Co area to min art (n half)	\$2,806,000
Attaway	Palmer-Hunt	Complete 1/2-rd adj to Co area to major arterial	\$3,577,000
Adamsville Rd	Central-Cent Park	Drain imp, ped access & imp to min art	\$796,000
Walker-Butte	Franklin to Tn Lmts	New minor art for init ph assoc w/project	\$4,400,000
Adamsville Rd	Main-Central	Imp drain, ped acces & imp to minor arterial	\$2,000,000
Centennial Park Av	SR 287-Butte	New major collector	\$1,827,000
W Canal Rd	Vally Farms-1 mi E	New road	\$2,200,000
Flor-Kelvin Hwy	SR 79-Quail Run	Major arterial	\$1,724,000
Hunt Hwy	TL to Comm Fac. Area	Access control for CFA and emer signalization	\$355,000
Road Impact Fee Studies (2)			\$25,458
Total			\$31,256,458

Source: Town of Florence, May 24, 2012; road impact fee study cost from Table 113.

PARKS

The Town provides a number of public park facilities for the benefit of residents. This section calculates updated park impact fees.

Service Units

The demand for Town park facilities is generated by people, including both residents and employees. Non-resident employees may make use of Town parks during breaks, before or after work, or when participating in company-sponsored events. The number of people associated with a multi-family unit or 1,000 square feet of nonresidential building are divided by the number of people associated with a single-family dwelling to determine park equivalent dwelling unit (EDU) multipliers for each land use type.

The best available data on average household size by housing type is still the 2000 Census. The 2000 Census recorded information on occupied housing units and residents for 16.7% of the dwelling units in the Town. The Census Bureau has since restricted such data to 1% annual samples, and the most recent compilation of such data is a 5% sample from the last five years (2006 through 2010). Since Florence has only an estimated 528 multi-family units, a 5% sample would include only about 26 such units, which would have a very large margin of error. Consequently, average household sizes are based on 2000 Census data, as summarized in Table 33.

Table 33. Average Household Size

Housing Type	Household		Average
	Population	Households	HH Size
Single-Family Detached	4,401	1,777	2.48
Multi-Family	849	422	2.01

Source: 2000 U.S. Census, SF-3 (1-in-6 sample data).

A single-family home is by definition one park service unit (equivalent dwelling unit or EDU). The numbers of service units associated with a multi-family unit or 1,000 square feet of nonresidential building floor area are determined by dividing the number of persons by the average household size of a single-family unit (2.48 people). The resulting service unit multipliers are presented in Table 34.

Table 34. Park Service Unit Multipliers

Land Use	Unit	Pop./Emp. per Unit	Occupancy Factor	Occupants/Unit	EDUs/Unit
Single-Family Detached	Dwelling	2.48	1.00	2.48	1.00
Multi-Family	Dwelling	2.01	1.00	2.01	0.81
Commercial	1,000 sf	1.23	0.24	0.30	0.12
Industrial/Warehouse	1,000 sf	0.91	0.24	0.22	0.09
Public/Institutional	1,000 sf	1.40	0.24	0.34	0.14

Source: Population per dwelling unit is average household size from Table 33; employment per 1,000 square feet from Table 14 (commercial based on retail, public/institutional based on prison); occupancy factor for nonresidential uses based on ratio of typical 40-hour work week to 168 total hours per week.

The number of service units in an area can be determined by multiplying the number of development units (housing units and 1,000 square feet of nonresidential) by the service unit multipliers for each land use type and summing for the area. Existing and projected service units (EDUs) in the park service area and town-wide are calculated in Table 35.

Table 35. Park Service Units, 2013-2023

Land Use	Dev't Unit	Dev't Units		EDUs/ Unit	EDUs	
		2013	2023		2013	2023
Park Service Area						
Single-Family Detached	Dwelling	1,324	1,674	1.00	1,324	1,674
Multi-Family	Dwelling	528	528	0.81	428	428
Commercial	1,000 sf	772	2,214	0.12	93	266
Industrial/Warehouse	1,000 sf	514	514	0.09	46	46
Public/Institutional	1,000 sf	3,979	4,264	0.14	557	597
Total, Park Service Area					2,448	3,011
Town-Wide						
Single-Family Detached	Dwelling	5,098	7,978	1.00	5,098	7,978
Multi-Family	Dwelling	528	528	0.81	428	428
Commercial	1,000 sf	924	3,175	0.12	111	381
Industrial/Warehouse	1,000 sf	565	703	0.09	51	63
Public/Institutional	1,000 sf	4,068	4,353	0.14	570	609
Total, Town-Wide					6,258	9,459

Source: Development units from Table 10 and Table 15; EDUs per unit from Table 34/ EDUs is product of development units and EDUs per unit.

Cost per Service Unit

SB 1525 limits park impact fees to “neighborhood parks,” an undefined term that excludes parks larger than 30 acres in size, unless a larger park can be shown to provide a “direct benefit” to development. SB 1525 also excludes a number of park improvements from being funded with park impact fees, including “that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.” Since the Aero Modeler Park and rodeo grounds could be construed to fall within a prohibited category, those facilities will be excluded in determining the existing level of service.

In general, impact fees should be based on the current level of service being provided to existing development. All of the Town’s existing parks are located in the proposed park service area. The inventory of existing eligible park facilities in the park service area is provided in Table 36.

Table 36. Existing Park Facilities

Improvement	Heritage	Little League	Main Street	Jacques Square	Arriola Square	Poston Butte*	Total
Land (acres)	25.17	1.75	1.25	0.25	0.25	30.00	58.67
Parking Spaces	200	0	15	10	12	0	237
Restrooms	1	1	0	1	0	0	3
Basketball Courts w/lighting	2	0	0	0	0	0	2
Picnic Ramadas	5	0	3	0	0	0	8
Picnic Tables	0	0	8	0	0	0	8
Volleyball Courts	1	0	0	0	0	0	1
Softball Fields w/lighting	3	0	0	0	0	0	3
Baseball Fields w/lighting	1	0	0	0	0	0	1
Soccer Fields	1	0	0	0	0	0	1
Play Structures w/shade	2	0	0	0	0	0	2
Park Benches	0	3	0	2	4	0	9
Bleachers (25')	0	2	0	0	0	0	2
Dugouts	0	2	0	0	0	0	2
Scoreboards	0	1	0	0	0	0	1

* eligible 30 acres of 160-acre site

Source: Town of Florence Parks Department, December 8, 2011; Duncan Associates.

The replacement cost of existing facilities in the park service area can be determined based on current unit costs. Park land costs are estimated to be \$30,000 per acre. This is lower than the \$40,000 per acre cost used in the 2007 impact fee study, and it is likely to be conservative. The Town purchased the 30.45-acre Giles property across the street from the Town Hall in 2007 for \$1,370,700, or \$45,015 per acre. Road right-of-way dedicated to the Town by Pulte Homes and Anthem in 2007-2009 was valued by the developer at an average of \$47,935 per acre. Unit costs for park amenities were drawn from actual recent purchases from the Town's fixed asset listings, adjusted for inflation, from Town Parks Department staff and from the consultant's experience. The total replacement value of existing park land and facilities serving the park service area is estimated to be about \$3.36 million, as shown in Table 37.

Table 37. Existing Park Facility Replacement Costs

Improvement	Units	Unit Cost	Total Cost
Park Land (acres)	58.67	\$30,000	\$1,760,100
Parking Spaces	237	\$2,500	\$592,500
Restrooms	3	\$22,000	\$66,000
Basketball Courts w/lighting	2	\$65,000	\$130,000
Picnic Ramadas	8	\$5,000	\$40,000
Picnic Tables	8	\$4,000	\$32,000
Volleyball Courts	1	\$60,000	\$60,000
Softball Fields (fencing/lighting)	3	\$96,000	\$288,000
Baseball Fields (fencing/lighting)	1	\$96,000	\$96,000
Soccer Fields	1	\$96,000	\$96,000
Play Structures w/shade	2	\$76,754	\$153,508
Park Benches	9	\$1,627	\$14,640
Bleachers (25')	2	\$4,000	\$8,000
Dugouts	2	\$9,000	\$18,000
Scoreboards	1	\$4,000	\$4,000
Total			\$3,358,748

Source: Units from Table 36; unit costs from Town of Florence Parks Department, Town of Florence fixed asset listings and Duncan Associates.

The existing level of service in the park service area can be expressed in terms of current cost per service unit, as shown in Table 38.

Table 38. Existing Park Level of Service, Park Service Area

Total Existing Park Value, Park Service Area	\$3,358,748
÷ Existing Park EDUs, Park Service Area	2,448
Existing Cost per EDU, Park Service Area	\$1,372

Source: Total park value from Table 37; existing EDUs in the park service area from Table 35.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements. The Town has no outstanding debt on past park improvements, nor any revenue sources that are dedicated for future capacity-expanding park improvements. The Town has not received any grant funding for parks in the last five years, and has no reasonable expectation of future grant funding. Since the fees are based on the existing level of service for the park service area, there are no deficiencies. Consequently, no offsets against the park impact fee are required based on these criteria, and the net cost per service unit is the same as the cost per service unit calculated above, plus the cost per service unit for future impact fee studies.

Table 39. Park Net Cost per Service Unit

Existing Park Cost per EDU	\$1,372
Park Impact Fee Study Cost per EDU	\$45
Park Net Cost per EDU	\$1,417

Source: Cost per EDU from Table 38; study cost from Table 114.

Potential Impact Fees

The maximum park impact fees that may be adopted by the Town based on this study is the product of the number of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 40.

Table 40. Potential Park Impact Fees, Park Service Area

Land Use Type	Unit	EDUs/ Unit	Net Cost/ EDU	Net Cost/ Unit
Single-Family Detached	Dwelling	1.00	\$1,417	\$1,417
Multi-Family	Dwelling	0.81	\$1,417	\$1,148
Commercial	1,000 sq ft	0.12	\$1,417	\$170
Public/Institutional	1,000 sq ft	0.14	\$1,417	\$198
Industrial/Warehouse	1,000 sq ft	0.09	\$1,417	\$128

Source: EDUs per unit from Table 34; net cost per EDU from Table 39.

The updated park fees are compared to current fees in Table 41. It should be noted that park fees outside the park service area would be eliminated when the updated fees are adopted.

Table 41. Comparative Park Impact Fees

Land Use Type	Unit	Current Fee	Updated Fee*	Percent Change
Single-Family Detached	Dwelling	\$857	\$1,417	65%
Multi-Family	Dwelling	\$617	\$1,148	86%
Commercial	1,000 sq ft	\$162	\$170	5%
Public/Institutional	1,000 sq ft	\$162	\$198	22%
Industrial/Warehouse	1,000 sq ft	\$92	\$128	39%

* applies to park service area only

Source: Current fee from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees from Table 40.

Capital Plan

Potential park impact fee revenue over the next ten years, based on anticipated new development in the park service area, is estimated to be about \$0.80 million, as shown in Table 42.

Table 42. Potential Park Impact Fee Revenue, 2013-2023

New EDUs, Park Service Area, 2013-2023	563
x Net Cost per EDU	\$1,417
Projected Impact Fee Revenue	\$797,771

Source: New EDUs from Table 35; net cost per EDU from Table 39.

Over the next ten years, the Town plans to construct a new community center and provide new playground equipment in Main Street Park, as shown in Table 43. However, the timing of individual improvements will be dependent on the pace and location of development that actually occurs, and not all of the planned improvements will necessarily be completed in the next ten years. Anticipated impact fees will cover approximately 64% of eligible planned costs.

Table 43. Park Capital Plan, 2013-2023

	Total Cost	Eligible Cost
New 40,000 sq. ft. Community Center*	\$14,607,055	\$1,095,529
Main Street Park Playground Equipment	\$125,000	\$125,000
Park Impact Fee Studies (2)	\$25,458	\$25,458
Total	\$14,757,513	\$1,245,987

* Eligible share is 3,000 square feet of 40,000 sq. ft. building

Source: Town of Florence, May 22, 2012; study cost from Table 113.

LIBRARY

The Town suspended its library impact fee on January 1, 2012, because it was no longer authorized as originally calculated under revisions to State law that went into effect on that date. This section calculates a potential library impact fee for the Town.

Service Units

In the Town's 2007 impact fee study, the service unit for libraries was defined in terms of service population, in which a resident was counted as a full person and a worker was counted as 0.19 persons. The weighting factor for workers was derived from a library usage study conducted by the City of Phoenix in 1998.

An alternative to the use of population as the service unit for library impact fees is equivalent dwelling units, or EDUs. An EDU represents the demand for library facilities from a typical single-family dwelling unit, based on average household size. Using EDUs as the service unit has the advantage of eliminating the effects of occupancy rates, which can change significantly over time. Multi-family dwelling units typically represent a fraction of an EDU, since they typically have fewer occupants per unit. Rather than relying on a 14-year-old study conducted in Phoenix, nonresidential development could be converted into EDUs based on the 0.24 factor for workers used in the 2007 study for parks (based on the ratio of a typical 40-hour work week to 168 total hours per week). This approach is retained for the updated park fees, and is used for the updated library fees as well.

The demand for library facilities is generated by people, including both residents and employees. Non-resident employees may make use of library facilities during breaks, for work-related purposes or before or after work. The number of people associated with a multi-family unit or 1,000 square feet of nonresidential building are divided by the number of people associated with a single-family dwelling to determine park equivalent dwelling unit (EDU) multipliers for each land use type. The service unit multipliers by land use for libraries are the same as for parks (see previous section).

Cost per Service Unit

SB 1525 prohibits the use of impact fees after January 1, 2012 for libraries over 10,000 square feet that do not provide a direct benefit, or for "equipment, vehicles or appurtenances." Presumably appurtenances would include books, furniture and fixtures. The League of Cities and Towns is interpreting the size threshold to allow cities to pay for the first 10,000 square feet of a library with impact fees.

The Town does not currently own a library facility, but provides library services out of the high school. The 2007 study calculated the fee using a standards-based methodology, based on the existing level of service. The study divided the cost of existing vehicles, equipment and books owned by the Town by the existing service units to determine the cost per service unit. Since none of these capital items are currently eligible for library impact fees, it was not possible to recalculate an impact fee for adoption by January 1, 2012 based on the previous study. However, a new library impact fee can now be calculated that would be consistent with SB 1525.

The Town plans to construct a library building of approximately 35,000 square feet. The Town has purchased a parcel of land near the Town Hall that it plans to use for several facilities, including a library. While the Town-owned library books and equipment are no longer impact fee eligible, the portion of the cost of the land that is attributable to 10,000 square feet of the planned library building is eligible and could be used as the basis to determine the existing LOS. However, since the property was purchased with loan proceeds, there is very little equity in the property. If the full value of the land attributable to the library is used as the basis of the LOS, an offset for the outstanding debt would need to be calculated, offsetting most of the fee amount. Consequently, basing the fees on the existing level of service, whether only on the equity amount or on the full value less an offset for the outstanding debt, will likely result in very low library impact fees. The alternative is to base the library fees on a future level of service, with a plan to fund the deficiency and with an offset provided for the portion of the deficiency that would be paid by future development.

The Town estimates is that the planned library will cost per square foot for architectural/engineering fees and construction (excluding furniture, fixtures and equipment, which are not eligible for impact fees), based on the average cost for libraries built in Arizona over the last four years, as shown in Table 44.

Table 44. Library Cost per Square Foot

Year	City	Construction Cost	Gross Sq. Feet	Cost per Sq. Foot
2008	Scottsdale	\$7,771,987	20,000	\$389
2008	Tucson (Marana)	\$5,251,000	20,000	\$263
2008	Tucson	\$1,300,000	5,000	\$260
2008	Wellton	\$2,200,000	8,675	\$254
Average Cost per Sq. Ft., 2008				\$291
	Peoria	\$8,470,000	22,500	\$376
2009	Phoenix	\$8,189,340	25,000	\$328
2009	Phoenix	\$5,409,950	12,400	\$436
2009	Queen Creek	\$13,695,733	47,000	\$291
2009	Yuma	\$5,200,000	22,398	\$232
2009	Yuma	\$18,042,381	79,491	\$227
Average Cost per Sq. Ft., 2009				\$315
2010	Prescott Valley	\$17,650,000	55,000	\$321
2010	Scottsdale	\$7,265,000	21,000	\$346
Average Cost per Sq. Ft., 2010				\$333
2011	Phoenix	\$16,821,504	53,500	\$314
2011	Waddell	\$8,686,984	29,000	\$300
Average Cost per Sq. Ft., 2011				\$307
Average Cost per Sq. Ft., 2008-2011				\$310

Source: Town library staff, based on data from the *Library Journal*.

If the Town is to reinstate the collection of library impact fees, it will need to construct an eligible facility (up to 10,000 square feet) within ten years. Based on projected growth in the land use assumptions, this would result in a level of service of \$328 per EDU by 2023 (see Table 45 below). Assuming that the Town uses its current library impact fee account balance for this purpose, the

Town would need to commit about \$1.26 million in non-impact fee funds to fund the construction of the library.

Table 45. Library Level of Service and Deficiency Cost

Impact Fee Eligible Square Feet	10,000
x Construction Cost per Square Foot	\$310
Impact Fee Eligible Cost	\$3,100,000
÷ 2023 Town-Wide EDUs	9,459
2023 LOS (Cost per EDU)	\$328
x Town-Wide 2013 EDUs	6,258
Potential Deficiency Cost	\$2,052,624
– Existing Library Impact Fee Fund Balance	-\$792,122
Unfunded Deficiency Cost	\$1,260,502

Source: Construction cost per square foot from Table 44; 2013 and 2023 town-wide EDUs from Table 35; existing park impact fee fund balance as of June 30, 2010 from Florence Finance Director, July 26, 2012.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements. The Town has no outstanding debt on past library improvements, although it does have debt on the Giles property, a portion of which may be used for a future library. However, since it is not known how much of the land may be used for a library, no land costs have been included in the fee calculations. The Town does not have any revenue sources that are dedicated for future capacity-expanding library improvements. Consequently, no offsets against the library impact fees are required based on these two criteria.

Since the Town does not currently have a Town-owned library building to serve existing residents, there is an existing deficiency. Since the unfunded portion of the deficiency will be funded from non-impact fee revenue generated by all development in the Town, a revenue offset should be provided. The simplest way to calculate such an offset is to divide the unfunded deficiency amount by the number of future town-wide service units. More complicated techniques could be used to calculate a somewhat lower offset, based on growth projections and assumptions about how the deficiency would be funded over time, but the simpler, more conservative approach is used here.

Table 46. Library Deficiency Offset per Service Unit

Unfunded Deficiency Amount	\$1,260,502
÷ 2023 Town-Wide EDUs	9,459
Deficiency Offset per EDU	\$133

Source: Unfunded deficiency amount from Table 45; 2023 EDUs from Table 35.

The cost per EDU is the sum of the future improvement cost per EDU and the cost of library impact fee studies required over the next ten years per EDU. The net cost per EDU is determined

by subtracting the deficiency offset, resulting in a net cost of \$203 per service unit, as shown in Table 47.

Table 47. Library Net Cost per Service Unit

Future Cost per EDU	\$328
Study Cost per EDU	\$8
- Deficiency Offset per EDU	-\$133
Net Cost per EDU	\$203

Source: Future cost per EDU from Table 45; existing EDUs from Table 35.

Potential Impact Fees

The maximum library impact fees that may be adopted by the Town based on this study is the product of the number of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 48.

Table 48. Potential Library Impact Fees

Land Use Type	Unit	EDUs/ Unit	Net Cost/ EDU	Net Cost/ Unit
Single-Family Detached	Dwelling	1.00	\$203	\$203
Multi-Family	Dwelling	0.81	\$203	\$164
Commercial	1,000 sq ft	0.12	\$203	\$24
Public/Institutional	1,000 sq ft	0.14	\$203	\$28
Industrial/Warehouse	1,000 sq ft	0.09	\$203	\$18

Source: EDUs per unit from Table 34; net cost per EDU from Table 47.

Table 49 compares the library impact fees that were in place prior to January 1, 2012 with the updated library fees.

Table 49. Comparative Library Fees

Land Use Type	Unit	Previous Fee	Updated Fee	Percent Change
Single-Family Detached	Dwelling	\$407	\$203	-50%
Multi-Family	Dwelling	\$293	\$164	-44%
Commercial	1,000 sq ft	\$60	\$24	-60%
Public/Institutional	1,000 sq ft	\$60	\$28	-53%
Industrial/Warehouse	1,000 sq ft	\$34	\$18	-47%

Source: Previous fees from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees from Table 48.

Capital Plan

Potential library impact fee revenue over the next ten years, based on anticipated new development, is estimated to be about \$0.65 million, as shown in Table 50.

Table 50. Potential Library Impact Fee Revenue, 2013-2023

New EDUs, 2013-2023	3,201
x Net Cost per EDU	\$203
Projected Impact Fee Revenue	\$649,803

Source: New EDUs from Table 35; net cost per EDU from Table 47.

Anticipated costs and revenues for a new 10,000 square foot library building over the next ten years are summarized in Table 51 (the sum of costs and revenues do not quite match due to rounding). In order to achieve the future level of service on which the fees are based, it will be necessary for the Town to use the current \$0.79 million library impact fee account balance to partially address the existing deficiency. In addition, the Town will need to identify \$1.68 million in additional, non-impact fee revenue to fund the rest of the existing deficiency, as well as to supplement impact fees in order to make up for the impact fee revenue lost due to the deficiency offset.

Table 51. Library Costs and Revenues, 2013-2023

New EDUs, 2013-2023	3,201
x Cost per EDU	\$328
Growth Cost, 2013-2023	\$1,049,928
Existing Deficiency Cost	\$2,052,624
Study Cost	\$25,458
Total Cost, 2013-2023	\$3,128,010

Anticipated Future Impact Fee Revenue	\$649,803
Existing Impact Fee Account Balance	\$792,122
Non-Impact Fee Funding Needed	\$1,683,533
Projected Revenue	\$3,125,458

Source: New EDUs Table 35; cost per EDU, existing deficiency cost and impact fee account balance from Table 45; anticipated impact fee revenue from Table 50; non-impact fee funding is difference between total costs and other projected revenue.

Over the next ten years, the Town plans to construct a new library of at least 10,000 square feet. It is estimated that the portion of the future library eligible for impact fee funding (10,000 square feet) will cost approximately \$3.1 million to construct. Library impact fees are anticipated to cover approximately 21% of the eligible costs.

Table 52. Library Capital Plan, 2013-2023

New 10,000 Sq. Ft. Library	\$3,100,000
Library Impact Fee Studies (2)	\$25,458
Total	\$3,125,458

Source: Library cost from Table 45; study cost from Table 113.

FIRE

The Town provides fire protection service throughout the town from two existing fire stations – one located in downtown Florence and the other in the Merrill Ranch area. This section calculates updated fire impact fees.

Service Units

The two most common methodologies used in calculating public safety (fire and police) service units and impact fees are the “calls-for-service” approach and the “functional population” approach. The 2007 study used a less common approach, which relied on limited residential-versus-nonresidential call data from one year to weight workers as the equivalent of 0.73 persons. The consultant’s experience is that fees based on call data will fluctuate significantly between updates because the distribution of calls is relatively unstable over time, especially for smaller communities.

This update utilizes the “functional population” approach to calculate and assess the fire impact fees. This approach is a generally-accepted methodology for both fire and police impact fee types, and is based on the observation that demand for public safety facilities tends to be proportional to the presence of people. This approach generates service unit multipliers that are similar to those based on call data, but are more stable over time.²

The service unit for the fire and police impact fee updates is an Equivalent Dwelling Unit, or EDU. The functional population-based multipliers by land use type for fire and police impact fees are converted into EDUs. The description of the functional population methodology, the calculation of the service unit multipliers and the determination of existing and projected fire and police service units are presented in Appendix B.

Cost per Service Unit

The cost per service unit to provide fire protection to new development is based on the existing level of service provided to existing development. The level of service is quantified as the ratio of the replacement cost of existing fire capital facilities to existing fire service units.

The Town has two existing fire stations, as summarized in Table 53. While the Anthem station is currently in a temporary building, funding is in place and construction will be completed by October 2013, so it is appropriately included in the existing level of service.

Table 53. Existing Fire Facilities

Facility	Acres	Sq. Ft.
Fire Station # 1 (Central)	2.39	10,000
Fire Station # 2 (Anthem)	3.00	12,000
Total	5.39	22,000

Source: Town of Florence, November 9, 2012.

² See Clancy Mullen, *Fire and Police Demand Multipliers: Calls-for-Service versus Functional Population*, proceedings of the National Impact Fee Roundtable, Arlington, VA, October 5, 2006 http://growthandinfrastructure.org/proceedings/2006_proceedings/fire%20police%20multipliers.pdf

The permanent Anthem fire station is estimated to cost \$2.5 million to build. The building will cost about \$206 per square foot, as shown in Table 54.

Table 54. Fire Station Cost per Square Foot

Grading Engineering	\$90,000
CLOMAR	\$5,000
Grading Engineering	\$100,000
Project Management	\$140,000
Civil Engineering	\$25,000
Geo Tech	\$10,000
Survey	\$10,000
Station Design	\$150,000
Construction	\$1,500,000
Inspection	\$20,000
Permits	\$50,000
Off Site Improvements	\$275,000
Contingency	\$100,000
Total	\$2,475,000
÷ Building Square Feet	12,000
Fire Station Cost per Square Foot	\$206

Source: Town of Florence, October 15, 2012.

The replacement cost of existing fire equipment is based on original purchase price, inflated to current dollars, as shown in Table 55.

Table 55. Existing Fire Equipment Cost

Equipment	Year	Original Cost	Inflation Factor	Current Cost	Eligible Cost
Mobile Mini Storage Unit	1999	\$6,981	1.374	\$9,592	\$9,592
Air Bag Lift Syst (136-ton)	2000	\$5,318	1.326	\$7,052	\$7,052
12-Lead Biphasic Monitor	2001	\$23,489	1.291	\$30,324	\$30,324
2001/02 New Fire Sta-FFE	2001	\$69,196	1.291	\$89,332	\$89,332
AMKUS Extrication Tool	2002	\$14,168	1.272	\$18,022	\$18,022
Exercise Equipment	2003	\$20,602	1.246	\$25,670	\$25,670
Thermal Imaging Camera	2005	\$9,529	1.172	\$11,168	\$11,168
Light Tower Trailer	2005	\$10,497	1.172	\$12,302	\$12,302
Air/Light Trailer	2006	\$64,050	1.126	\$72,120	\$72,120
Extrication Tool	2007	\$19,977	1.100	\$21,975	\$21,975
Thermal Imaging Camera	2007	\$7,469	1.100	\$8,216	\$8,216
Debibrillator/Heart Monitor	2007	\$15,568	1.100	\$17,125	\$17,125
Voice Data System Station	2007	\$33,465	1.100	\$36,812	\$36,812
Emergency Generators	2008	\$276,648	1.042	\$288,267	\$288,267
Zoll Heart Monitor	2008	\$16,826	1.042	\$17,533	\$17,533
Wireless Upgrade-Anthem	2008	\$11,655	1.042	\$12,145	\$12,145
Mask Tester	2010	\$7,894	1.051	\$8,297	\$8,297
Heart Monitor for Engine 549	2010	\$19,135	1.051	\$20,111	\$20,111
Verticon Breathing Appar	2011	\$37,065	1.014	\$37,584	\$37,584
Posi Tester	n/a	\$12,000	1.000	\$12,000	\$12,000
Turnout Gear	n/a	\$52,500	1.000	\$52,500	\$52,500
Self-Contained Breathing App	n/a	\$10,500	1.000	\$10,500	\$10,500
Access Control System	n/a	\$6,108	1.000	\$6,108	\$6,108
Helicopter Landing Pad	n/a	\$40,000	1.000	\$40,000	\$0
Total		\$790,640		\$864,755	\$824,755

Source: Fixed Asset Listings, Year End October 31, 2011, November 10, 2011 and Fire Department, October 31, 2012; inflation factor is ratio of Consumer Price Index for July 2012 to July of acquisition year.

As with equipment, the replacement cost of existing fire apparatus and vehicles is based on original purchase price, inflated to current dollars, as shown in Table 56.

Table 56. Existing Fire Vehicle Cost

Vehicle	Year	Original Cost	Inflation Factor	Current Cost
1996 Ferrera Fire Truck	1996	\$168,818	1.459	\$246,305
1998 Pierce Fire Truck	1998	\$438,869	1.404	\$616,172
2002 Pierce Fire Truck #126	2002	\$213,150	1.272	\$271,127
2005 Ford S-Duty F45	2005	\$42,578	1.172	\$49,901
Ford Super Duty F-550	2006	\$88,340	1.126	\$99,471
2004 Ford F-150 Truck (Used)	2008	\$10,650	1.042	\$11,097
2007 Chev G3500 AEV Trauma	2008	\$115,676	1.064	\$123,079
1987 Ford Water Tender (Used)	2011	\$13,500	1.014	\$13,689
2012 Ford F-150 FWD	2012	\$37,511	1.000	\$37,511
2012 Pierce Velocity Pumper Fire Engine	2012	\$670,000	1.000	\$670,000
Total		\$1,799,092		\$2,138,352

Source: Fixed Asset Listings, Year End October 31, 2011, November 10, 2011 and Fire Department, October 31, 2012; inflation factor is ratio of Consumer Price Index for July 2012 to July of acquisition year.

The Town’s existing fire facilities have a total estimated replacement cost of \$7.66 million, as summarized in Table 57. Dividing the total cost of existing capital facilities and equipment by the existing number of service units (EDUs) results in a cost of \$1,039 per EDU.

Table 57. Existing Fire Cost per Service Unit

	Existing Units	Unit Cost	Total Cost
Fire Station Land (acres)	5.39	\$30,000	\$161,700
Fire Station Building (square feet)	22,000	\$206	\$4,532,000
Fire Vehicles			\$2,138,352
Fire Equipment			\$824,755
Total Existing Fire Facility Value			\$7,656,807
Current Fire Impact Fee Account Balance			\$1,691,836
Total Current Fire Capital Investment			\$9,348,643
÷ Existing Town-Wide EDUs			9,000
Cost per EDU			\$1,039

Source: Existing acres and building square feet from Table 53; land value per acre same as park cost per acre from Table 37; building cost per square foot from Table 54; vehicle cost from Table 56; equipment cost from Table 55; existing EDUs from Table 111.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements. There are no existing deficiencies, since the fees are based on the existing town-wide level of service, and the Town does not have any revenue sources that are dedicated for future capacity-expanding fire improvements. While the Town has no town-wide debt on past fire improvements, it has issued bonds via the Merrill Ranch Community Facilities Districts to help fund the construction of the permanent Anthem fire station. Consequently, fire impact fees in the Merrill Ranch CFDs should be reduced to take into account that new development in that area will be paying a portion of its share of fire capital costs through CFD property taxes. The amount of the offset is calculated by dividing the amount of the CFD debt by the projected future service units that will be paying off the debt, as shown in Table 58.

Table 58. Fire CFD Debt Offset

Bond Issue	Amount
CFD #1 Bond Issue	\$900,000
CFD #2 Bond Issue	\$500,000
Total Debt Principal	\$1,400,000
÷ 2023 Merrill Ranch EDUs	4,511
Debt Offset per EDU	\$310

Source: CFD debt issues from Town of Florence, November 9, 2012; 2023 EDUs from Table 112.

The Town has received some grant funding for fire facilities over the last five years. Federal, State and tribal grants for the types of facilities and equipment included in calculating the existing level of service are summarized in Table 59. Over the last five years, the Town received an average of

\$74,144 in Federal, State and tribal grants. Offsets against impact fees for grant funding are not required. Grant funding is not generated by new development, allows the Town to raise the level of service for existing development, and is not guaranteed for the future. Nevertheless, an offset will be provided for potential grant funding, based on the assumption that future grants will follow the historical trend.

Table 59. Fire Grant Funding Offset

Fiscal Year	Grant	Description	Source	Amount
2007-08	None	n/a	n/a	\$0
2008-09	2009 GOHS	Extrication Equipment	State	\$11,425
2008-09	2006 SSP Grant	Firetruck and EMS vehicle	Federal	\$300,000
2009-10	2009 GOHS	Extrication Equipment	Federal	\$19,794
2009-10	FEMA-AFG	Mask Fit Tester	Federal	\$8,000
2010-11	None	n/a	n/a	\$0
2011-12	Gila River Indian Comm. Gaming Grant	Public Safety Vehicles (1 fire)	Tribal	\$31,500
Total Five-Year Funding				\$370,719
÷ Years				5
Annual Historical Funding				\$74,144
÷ Existing EDUs				9,000
Annual Funding per EDU				\$8
x Present Value Factor (20 Years)				14.24
Grant Funding Credit per EDU				\$114

Source: Historical grant funding from Town Finance Department, November 9, 2012; existing EDUs from Table 111; present value factor based on discount rate of 3.48%, which is the December 2012 average interest rate on state and local bonds from the U.S. Federal Reserve at <http://www.federalreserve.gov/datadownload/Build.aspx?rel=H15>.

The cost of future fire impact fee studies must be added to the facility and equipment costs. The offset for future CFD debt service payments is subtracted to determine the net cost per service unit in the Merrill Ranch CFDs. The grant funding offset is subtracted from the cost per service unit for all areas. The net costs per service unit are shown in Table 60.

Table 60. Fire Net Cost per Service Unit

	Merrill Ranch CFD 1 & 2	Rest of Town
Cost per EDU	\$1,039	\$1,039
Fire Impact Fee Study Cost per EDU	\$5	\$5
– Community Facility District Offset per EDU	-\$310	\$0
– Grant Funding Offset per EDU	-\$114	-\$114
Net Cost per EDU	\$620	\$930

Source: Cost per EDU from Table 57; study cost from Table 113; CFD offset from Table 58; grant funding offset from Table 59.

Potential Impact Fees

The maximum fire impact fees that may be adopted by the Town based on this study is the product of the number of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedules for the areas within and outside of the Merrill Ranch community facilities districts are presented in Table 61.

Table 61. Potential Fire Impact Fees

Land Use	Unit	EDUs/ Unit	Net Cost/EDU		Net Cost/Unit	
			Non-CFD	CFD	Non-CFD	CFD
Single-Family Detached/MH	Dwelling	1.00	\$930	\$620	\$930	\$620
Multi-Family	Dwelling	0.81	\$930	\$620	\$753	\$502
Commercial	1,000 sq. ft.	0.72	\$930	\$620	\$670	\$446
Public/Institutional	1,000 sq. ft.	0.66	\$930	\$620	\$614	\$409
Industrial/Warehouse	1,000 sq. ft.	0.22	\$930	\$620	\$205	\$136

Source: EDUs per unit from Table 110; net cost per EDU from Table 60.

Table 62 compares the current fire impact fees with the updated fire impact fees.

Table 62. Comparative Fire Fees

Land Use	Unit	Current Fee	Updated Fee		Percent Change	
			Non-CFD	CFD	Non-CFD	CFD
Single-Family Detached/MH	Dwelling	\$1,096	\$930	\$620	-15%	-43%
Multi-Family	Dwelling	\$788	\$753	\$502	-4%	-36%
Retail/Commercial	1,000 sq. ft.	\$629	\$670	\$446	7%	-29%
Public/Institutional	1,000 sq. ft.	\$629	\$614	\$409	-2%	-35%
Industrial/Warehouse	1,000 sq. ft.	\$362	\$205	\$136	-43%	-62%

Source: Current fees from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees from Table 61.

Capital Plan

Potential fire impact fee revenue over the next ten years, based on anticipated new development, is estimated to be about \$3.6 million, as shown in Table 63.

Table 63. Potential Fire Impact Fee Revenue, 2013-2023

Land Use Type	Unit	New Units	Net Cost/ Unit	Potential Revenue
Single-Family Detached	Dwelling	630	\$930	\$585,900
Multi-Family	Dwelling	0	\$753	\$0
Commercial	1,000 sq ft	1,798	\$670	\$1,204,660
Public/Institutional	1,000 sq ft	285	\$614	\$174,990
Industrial/Warehouse	1,000 sq ft	20	\$205	\$4,100
Subtotal, Outside Merrill Ranch CFDs				\$1,969,650
Single-Family Detached	Dwelling	2,250	\$620	\$1,395,000
Multi-Family	Dwelling	0	\$502	\$0
Commercial	1,000 sq ft	453	\$446	\$202,038
Public/Institutional	1,000 sq ft	0	\$409	\$0
Industrial/Warehouse	1,000 sq ft	118	\$136	\$16,048
Subtotal, Merrill Ranch CFDs				\$1,613,086
Total Potential Revenue				\$3,582,736

Source: New units from Table 10 and Table 15; net cost per unit from Table 61.

Over the next ten years, the Town plans to construct a new fire station and purchase an aerial ladder truck and two fire engines, as shown in Table 64. However, the timing of individual improvements will be dependent on the pace and location of development that actually occurs, and not all of the

planned improvements will necessarily be completed in the next ten years. Some of the improvements may be constructed by the CFD or developers in return for offsets or credits against the fire impact fees. The list of projects may also change to reflect changes from anticipated development patterns. Projected fire impact fees over the next ten years will cover approximately 57% of the planned capital expenditures.

Table 64. Fire Capital Plan, 2013-2023

New 110' Aerial Ladder Truck	\$1,420,000
New Fire Engine Tanker/Pumper	\$630,000
New Fire Engine Tanker/Pumper	\$630,000
Fire Station 546 (Hwy 287/Valley Farms)	\$3,570,000
Development Fee Update Studies (2)	\$25,458
Total	\$6,275,458

Source: Town of Florence, May 22, 2012 and October 31, 2012; study cost from Table 113.

POLICE

The Town provides police protection throughout the town. This section calculates updated police impact fees.

Service Units

The two most common methodologies used in calculating public safety (fire and police) service units and impact fees are the “calls-for-service” approach and the “functional population” approach. The 2007 study used a less common approach, which relied on limited residential versus nonresidential call data from one year to weight workers as the equivalent of 0.73 persons. The consultant’s experience is that fees based on call data will fluctuate significantly between updates because the distribution of calls is relatively unstable over time, especially for smaller communities.

This update utilizes the “functional population” approach to calculate and assess the police impact fees. This approach is a generally-accepted methodology for both fire and police impact fee types, and is based on the observation that demand for public safety facilities tends to be proportional to the presence of people. This approach generates service unit multipliers that are similar to those based on call data, but are more stable over time.

The service unit for the fire and police impact fee updates is an Equivalent Dwelling Unit, or EDU. The functional population-based multipliers by land use type for fire and police impact fees are converted into EDUs. The description of the functional population methodology, the calculation of the service unit multipliers and the determination of existing and projected fire and police service units are presented in Appendix B.

Cost per Service Unit

The cost per service unit to provide fire protection to new development is based on the existing level of service provided to existing development. The level of service is quantified as the ratio of the replacement cost of existing police capital facilities to existing police service units.

The Town has a central police station and a recently-completed evidence building in the downtown area. Details are shown in Table 65.

Table 65. Existing Police Facilities

Facility	Address	Sq. Ft.	Acres
Police Station	425 N Pinal St	8,400	0.89
Evidence Building	425 N Pinal St	4,416	n/a
Total		12,816	0.89

Source: Town of Florence, November 15, 2011.

The evidence building, completed in June 2012 except for final finish-out, cost \$331 per square foot, as shown in Table 66.

Table 66. Police Station Cost per Square Foot

Total Evidence Building Cost	\$1,664,388
– Portion to be Occupied by IT Dept. (15%)	-\$202,629
Eligible Cost of Police Portion	\$1,461,759
÷ Police Square Feet	4,416
Cost per Square Foot	\$331

Source: Town of Florence, March 16, 2012.

The replacement cost of existing police vehicles is based on the most recent purchase price, as shown in Table 67.

Table 67. Existing Police Vehicle Cost

Vehicle Type	Number	Unit Cost	Total Cost
Patrol Sedans	25	\$36,500	\$912,500
Vans/SUVs	10	\$36,937	\$369,370
Pick-up Trucks	6	\$36,047	\$216,282
Motorcycles	1	\$26,244	\$26,244
Total	42		\$1,524,396

Source: Fixed Asset Listings, Year End October 31, 2011, November 10, 2011; unit costs based on most recent purchases.

Besides vehicles, the major equipment relied upon by the Police Department is its communications system. The Town is nearing completion to upgrades to the public safety communication system. The upgrades to the system will enhance the communication exchange between dispatch operations, fire operations, police operations and regional public safety partners. Upgraded equipment includes radios, dispatch consoles, repeaters, upgrades to the existing communication tower in the Florence Gardens area, and the construction of a new communication tower in the vicinity of Hunt Highway and Attaway Road. As of June 30, 2012, \$1,179,724 has been spent. An additional amount of \$415,000 has been budgeted to complete the project with a total cost estimated at \$1,594,724.

The Town's existing police facilities have a total estimated replacement cost of \$7.39 million, as summarized in Table 68. Dividing the total cost of existing capital facilities and equipment by the existing number of service units (EDUs) results in a cost of \$821 per EDU.

Table 68. Existing Police Cost per Service Unit

	Existing Units	Unit Cost	Total Cost
Police Station Land (acres)	0.89	\$30,000	\$26,700
Police Station Building (square feet)	8,400	\$331	\$2,780,400
Evidence Building (square feet)	4,416	\$331	\$1,461,696
Police Vehicles			\$1,524,396
Communications System			\$1,594,724
Total Existing Police Facility Value			\$7,387,916
÷ Existing Town-Wide EDUs			9,000
Cost per EDU			\$821

Source: Existing acres and building square feet from Table 65; land value per acre same as park cost per acre from Table 37; building cost per square foot from Table 66; vehicle cost from Table 67; communications system cost from Town Finance Department, November 9, 2012; existing EDUs from Table 111.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements. The Town has no outstanding debt on past police improvements, nor does the Town have any revenue sources that are dedicated for future capacity-expanding police improvements. Consequently, no offsets against the police impact fee are required based on these criteria.

The Town has received considerable grant funding for police facilities over the last five years. Federal, State and tribal grants for the types of facilities and equipment included in calculating the existing level of service are summarized in Table 69. Over the last five years, the Town received \$119,250 annually in Federal, State and tribal grants (additional grants for types of equipment not included in the level of service calculations, such as in-car laptops, radar guns, uniforms and bullet-proof vests, are not shown in the table). Offsets against impact fees for grant funding are not required. Grant funding is not generated by new development, allows the Town to raise the level of service for existing development, and is not guaranteed for the future. Nevertheless, an offset will be provided for potential grant funding, based on the assumption that future grants will follow the historical trend.

Table 69. Police Grant Funding Offset

Fiscal Year	Grant	Description	Source	Amount
2007-08	None	n/a	n/a	\$0
2008-09	2008 GADA (Match Grant)	Police Evidence Bldg	State	\$36,000
2008-09	FEMA-AFG	Public Safety Communication Project	Federal	\$65,400
2008-09	Dept of Homeland Security	Communications System Upgrades	Federal	\$280,000
2009-10	2009 Tohono O'odham 12% Gaming Grant	Motorcycle for PD	Tribal	\$30,000
2010-11	2010 FEMA-AFG	Public Safety Communication Project	Federal	\$65,331
2011-12	Gila River Indian Comm. Gaming Grant	Public Safety Vehicles (3 police)	Tribal	\$94,500
2011-12	Town PSSG -Police	Patrol Car	Federal	\$25,020
Total				\$596,251
÷ Years				5
Annual Grant Funding				\$119,250
÷ Existing EDUs				9,000
Annual Grant Funding per EDU				\$13.25
x Present Value Factor (25 Years)				16.52
Grant Offset per EDU				\$219

Source: Grant funding from Town Finance Department, November 9, 2012; existing EDUs from Table 111; present value factor based on discount rate of 3.48%, which is the December 2012 average interest rate on state and local bonds from the U.S. Federal Reserve at <http://www.federalreserve.gov/datadownload/Build.aspx?rel=H15>.

The cost of future police impact fee studies must be added to the facility and equipment costs. The offset for future grant funding is subtracted to determine the net cost per service unit (see Table 70 below).

Table 70. Police Net Cost per Service Unit

Cost per EDU	\$821
Police Impact Fee Study Cost per EDU	\$5
– Grant Offset per EDU	-\$219
Net Cost per EDU	\$607

Source: Cost per EDU from Table 68; study cost from Table 114; grant offset from Table 69.

Potential Impact Fees

The maximum police impact fees that may be adopted by the Town based on this study is the product of the number of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 71.

Table 71. Potential Police Impact Fees

Land Use	Unit	EDUs/ Unit	Net Cost/ EDU	Net Cost per Unit
Single-Family Detached/MH	Dwelling	1.00	\$607	\$607
Multi-Family	Dwelling	0.81	\$607	\$492
Commercial	1,000 sq. ft.	0.72	\$607	\$437
Public/Institutional	1,000 sq. ft.	0.66	\$607	\$401
Industrial/Warehouse	1,000 sq. ft.	0.22	\$607	\$134

Source: EDUs per unit from Table 110; net cost per EDU from Table 70.

Table 72 compares the current police impact fees with the updated police impact fees.

Table 72. Comparative Police Fees

Land Use	Unit	Current Fee	Revised Fee	Percent Change
Single-Family Detached/MH	Dwelling	\$913	\$607	-34%
Multi-Family	Dwelling	\$657	\$492	-25%
Retail/Commercial	1,000 sq. ft.	\$171	\$437	156%
Public/Institutional	1,000 sq. ft.	\$171	\$401	135%
Industrial/Warehouse	1,000 sq. ft.	\$98	\$134	37%

Source: Previous fees from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees from Table 71.

Capital Plan

Potential police impact fee revenue over the next ten years, based on anticipated new development, is estimated to be about \$2.87 million, as shown in Table 73.

Table 73. Potential Police Impact Fee Revenue, 2013-2023

New EDUs, 2013-2023	4,720
x Net Cost per EDU	\$607
Projected Impact Fee Revenue	\$2,865,040

Source: New EDUs from Table 111; net cost per EDU from Table 70.

Over the next ten years, the Town plans to acquire land for and construct a new 19,000 square-foot police station with an estimated cost of \$8 million, as shown in Table 74. Projected police impact fees over the next ten years will cover approximately 36% of the eligible planned capital expenditures.

Table 74. Police Capital Plan, 2013-2023

New Police Station	\$8,000,000
Impact Fee Update Studies (2)	\$25,458
Total	\$8,025,458

Source: Town of Florence, May 22, 2012; study update cost from Table 113.

WATER

The Town has charged new water customers a water impact fee since 2003. The fees were originally based on a study by Black and Veatch. The water impact fees were updated in 2007 based on a study by MuniFinancial. This study represents the second update of the water impact fees.

Service Units

To calculate water and wastewater impact fees, the demand associated with different types of customers must be expressed in a common unit of measurement, called a “service unit.” The service unit for the Town’s water and wastewater impact fees is an “equivalent dwelling unit” (EDU). An EDU is a single-family detached dwelling unit or its equivalent in terms of water demand. The number of service units associated with different customers is determined by the capacity of the water meter relative to the capacity of the smallest meter size, which is typically used by a single-family unit. Table 75 below presents recommended EDU multipliers for various meter sizes based on meter capacities from the American Water Works Association.

Table 75. Meter Capacity Ratios

Meter Size	Type	Capacity (gpm)	EDU Multiplier
5/8"x3/4"	Disc	10	1.0
1"	Disc	25	2.5
1 1/2"	Disc	50	5.0
2"	Disc	80	8.0
3"	Compound	160	16.0
3"	Turbine	175	17.5
4"	Compound	250	25.0
4"	Turbine	300	30.0
6"	Compound	500	50.0
6"	Turbine	625	62.5
8"	Turbine	900	90.0
10"	Turbine	1,450	145.0
12"	Turbine	2,150	215.0

Source: Meter capacities in gallons per minute (gpm) represent the recommended maximum rates for continuing operations from the American Water Works Association for disc meters (AWWA C700), compound meters (AWWA C702) and vertical shaft and low-velocity horizontal turbine meters (AWWA C701).

The original EDU multipliers used in the 2007 impact fee study are shown in Table 76 below for comparison. The meter ratios for larger meters should be increased based on current AWWA meter capacity standards.

Table 76. Comparative Meter Capacity Ratios

Meter Size	Type	Meter Ratios		Percent Change
		Current	Updated	
5/8"x3/4"	Disc	1.00	1.00	0%
1"	Disc	1.67	2.50	50%
1 1/2"	Disc	3.33	5.00	50%
2"	Disc	6.67	8.00	20%
3"	Compound	10.67	16.00	50%
3"	Turbine	10.67	17.50	64%
4"	Compound	16.67	25.00	50%
4"	Turbine	16.67	30.00	80%
6"	Compound	33.33	50.00	50%
6"	Turbine	33.33	62.50	88%
8"	Turbine	80.00	90.00	13%
10"	Turbine	126.67	145.00	14%
12"	Turbine	166.67	215.00	29%

Source: Current meter capacity ratios from MuniFinancial, *Town of Florence Development Impact Fee Study*, May 2007, Table 9-5; updated ratios from Table 75.

Town water billing records for 2002 and 2012 provide the number of annual active meters by size and type. Multiplying the number of active meters by the EDUs per meter yields the number of customers, expressed in terms of service units (EDUs), over this recent ten-year period, as shown in Table 77.

Table 77. Water Service Units, 2002-2012

Meter Size	Type	2002 Meters		2012 Meters		EDUs/ Meter	2002 EDUs		2012 EDUs	
		South	North	South	North		South	North	South	North
5/8"x3/4"	Disc	1,178	1,726	1,350	1,981	1.00	1,178	1,726	1,350	1,981
1"	Disc	75	2	81	3	2.50	188	5	203	8
1 1/2"	Disc	0	0	0	2	5.00	0	0	0	10
2"	Disc	37	8	60	13	8.00	296	64	480	104
3"	Compound	0	3	5	1	16.00	0	48	80	16
3"	Turbine	0	0	1	3	17.50	0	0	18	53
4"	Compound	28	1	2	0	25.00	700	25	50	0
4"	Turbine	0	0	2	0	30.00	0	0	60	0
6"	Compound	0	0	0	0	50.00	0	0	0	0
6"	Turbine	0	0	6	1	62.50	0	0	375	63
8"	Turbine	0	0	1	0	90.00	0	0	90	0
10"	Turbine	0	0	1	0	145.00	0	0	145	0
12"	Turbine	0	0	0	0	215.00	0	0	0	0
Total		1,318	1,740	1,509	2,004		2,362	1,868	2,851	2,235

Source: Meters by size for 2001-2002 fiscal year and as of June 30, 2012 City of Florence water billing records, September 28, 2012; EDUs/meter from Table 75; EDUs is product of meter count and EDUs/meter.

The growth in water service units over this recent ten-year period provides a reasonable basis for projecting growth over the next ten years. These projections are shown in Table 78.

Table 78. Water Service Units, 2013-2023

	South	North	Total
2012 EDUs	2,851	2,235	5,086
- 2002 EDUs	2,362	1,868	4,230
New EDUs, 2002-2012	489	367	856
÷ Years	10	10	10
Annual New EDUs	49	37	86
Estimated 2013 EDUs	2,900	2,272	5,172
Estimated New EDUs, 2013-2023	489	367	856
Estimated 2023 EDUs	3,389	2,639	6,028

Source: 2002 and 2012 EDUs from Table 77; 2013 and 2023 EDUs based on annual growth from 2002-2012.

Current water demands from existing customers are evaluated based on recent water demand. For the one-year period from September 2010 through August 2011, the Town's wells produced an average of 1.925 million gallons per day (mgd), as shown in Table 79.

Table 79. Water Production, 9/2010 through 8/2011

Month	Year	Gallons	MGD
September	2010	57,972,151	1.932
October	2010	72,866,801	2.351
November	2010	49,288,222	1.643
December	2010	57,069,544	1.841
January	2011	47,557,953	1.534
February	2011	48,418,200	1.729
March	2011	53,726,313	1.733
April	2011	60,474,687	2.016
May	2011	69,187,943	2.232
June	2011	58,206,764	1.940
July	2011	61,849,778	1.995
August	2011	65,851,229	2.124
Total Produced		702,469,585	1.925

Source: Town of Florence, May 31, 2012.

A water system must be able to meet peak day demand. The Town uses a peak day factor of 2.0 times average day demand. Based on this factor, current peak day demand is estimated to be 756 gallons per day (gpd) per service unit.

Table 80. Water Demand per Service Unit

Average Day Demand (gpd), 2011	1,925,000
÷ 2012 Water EDUs	5,086
Average Day Demand (gpd) per EDU	378
x Peaking Factor	2.0
Peak Day Demand (gpd) per EDU	756

Source: 2011 average day demand from Table 79; 2012 EDUs from Table 77; peaking factor from Town of Florence Public Works Department, November 1, 2012.

Cost per Service Unit

According to SB 1525, impact fees “shall be based on the same level of service provided to existing development.” The capacity of a water system is based on firm capacity, which is typically calculated at 75% of full capacity, or for smaller systems with the largest well out of service. The Town’s water production facilities provide adequate capacity to accommodate the peak water demands of existing water customers, as shown in Table 81. In addition, the Town’s Water Master Plan states that all components of the water system, including wells, storage facilities and transmission lines, are adequate to accommodate existing customers.

Table 81. Existing Water Level of Service

Facility	gpm	mgd
Well No. 1	1,500	2.160
Well No. 3*	2,500	3.600
Well No. 4	1,000	1.440
Well No. 5	1,500	2.160
Total Capacity	6,500	9.360
– Capacity of Largest Well	-2,500	-3.600
Total, Firm Capacity	5,000	5.760
Existing Peak Demand		3.850

* planned to be in service in July 2013

Source: Well capacities from Town of Florence Public Works Department, November 10, 2011; firm capacity is with largest well out of service; peak demand from Table 80.

While the Town’s water system is adequate to accommodate existing customers, there is little excess capacity to accommodate growth. The cost to serve new customers will be based on new facilities identified in the Water Master Plan. These new facilities consist primarily of new water campuses, each containing a well, pump and storage tank, and transmission lines. The cost of a water campus is estimated by the Town to be \$3 million, as shown in Table 82. Dividing the cost by the capacity results in a water campus cost of \$1.11 per gallon per day (gpd).

Table 82. Water Campus Cost

Well Drilling	\$750,000
Pump (2,500 gpm)	\$1,150,000
Storage (1 MG)	\$1,100,000
Total	\$3,000,000
÷ Water Campus Firm Capacity (gpd)	2,700,000
Water Cost per gpd	\$1.11

Source: Town of Florence Public Works Department, September 20, 2012; firm capacity is 75% of capacity per Water Master Plan.

The need for new water transmission lines to serve new customers is derived from the Water Master Plan. Lines 12” in diameter and smaller are excluded, because those smaller lines will typically be installed by developers. As shown in Table 83, future transmission lines will cost \$1.47 per gallon per day of additional water customer demand.

Table 83. Water Transmission Line Cost

Pipe Size	Planned Linear Feet	Cost/ Foot	Cost
16" Pipe	387,500	\$156	\$60,450,000
20" Pipe	91,820	\$197	\$18,088,540
24" Line	85,200	\$227	\$19,340,400
30" Pipe	15,880	\$281	\$4,462,280
Total Cost			\$102,341,220
÷ Projected New Peak Day Demand (gpd)			69,737,760
Transmission Line Cost per gpd			\$1.47

Source: Planned lines, costs and projected demand from Fluid Solutions, *Town of Florence Water Master Plan*, 2008, except that cost per foot for 16" reduced per Town Public Works Department, October 1, 2012.

Adding water campus and transmission line costs to derive a total cost per gallon per day of demand, and multiplying that sum by the peak day demand per service unit results in a cost of \$1,950 per service unit to provide the capital facilities needed to accommodate additional water customers, as shown in Table 84.

Table 84. Water Cost per Service Unit

Water Campus Cost per Gallon/Day	\$1.11
Transmission Line Cost per Gallon/Day	\$1.47
Total Cost per Gallon/Day	\$2.58
x Peak Day Demand per EDU (gpd)	756
Water Cost per EDU	\$1,950

Source: Water campus cost from Table 82; transmission line cost from Table 83; peak day demand per EDU from Table 80.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements. The Town’s water system does not have any existing deficiencies, there are no revenue sources dedicated for future capacity-expanding water improvements, and no grants have been received in the recent past or are anticipated to be received in the future to help defray growth-related capital costs of expanding the water system. Consequently, no offsets against the water impact fees are required based on those criteria.

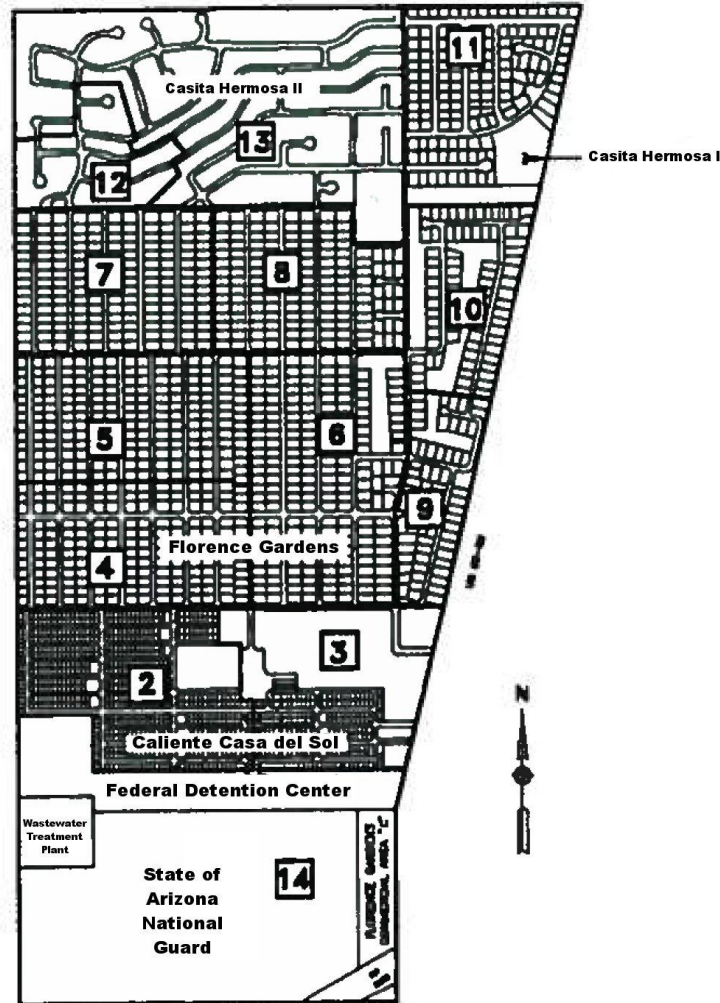
There is some debt on the water system, stemming from the purchase of the Arizona Sierra Water Utility, which is being retired with assessments on property in the North Florence Improvement District (see Figure 8). Since these properties will not be subject to the water impact fees, no additional offset is required. Since no offsets are required, the net cost per service unit is the sum of the facility cost per service unit and the study cost per service unit, as shown in Table 85 below.

Table 85. Water Net Cost per Service Unit

Water Cost per EDU	\$1,950
Water Study Cost per EDU	\$30
Water Net Cost per EDU	\$1,980

Source: Cost per EDU from Table 84; study cost from Table 114.

Figure 8. North Florence Improvement District



Potential Impact Fees

The maximum water impact fees that may be adopted by the Town based on this study is the product of the number of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 86.

Table 86. Potential Water Impact Fees

Meter Size	Type	EDUs per Meter	Net Cost/ EDU	Net Cost/ Meter
5/8"x3/4"	Disc	1.0	\$1,980	\$1,980
1"	Disc	2.5	\$1,980	\$4,950
1 1/2"	Disc	5.0	\$1,980	\$9,900
2"	Disc	8.0	\$1,980	\$15,840
3"	Compound	16.0	\$1,980	\$31,680
3"	Turbine	17.5	\$1,980	\$34,650
4"	Compound	25.0	\$1,980	\$49,500
4"	Turbine	30.0	\$1,980	\$59,400
6"	Compound	50.0	\$1,980	\$99,000
6"	Turbine	62.5	\$1,980	\$123,750
8"	Turbine	90.0	\$1,980	\$178,200
10"	Turbine	145.0	\$1,980	\$287,100
12"	Turbine	215.0	\$1,980	\$425,700

Note: Fees will not be assessed in North Florence Improvement District.

Source: EDUs per meter from Table 75; net cost per EDU from Table 85.

Table 87 compares the current water impact fees with the updated impact fees. The updated fees would apply to all new customers outside the North Florence Improvement District. The updated fees are lower for most meter sizes and types.

Table 87. Comparative Water Fees

Meter Size	Type	Current Fee	Updated Fee	Percent Change
5/8"x3/4"	Disc	\$3,330	\$1,980	-41%
1"	Disc	\$5,550	\$4,950	-11%
1 1/2"	Disc	\$11,101	\$9,900	-11%
2"	Disc	\$22,201	\$15,840	-29%
3"	Compound	\$35,522	\$31,680	-11%
3"	Turbine	\$35,522	\$34,650	-2%
4"	Compound	\$55,503	\$49,500	-11%
4"	Turbine	\$55,503	\$59,400	7%
6"	Compound	\$111,007	\$99,000	-11%
6"	Turbine	\$111,007	\$123,750	11%
8"	Turbine	\$266,415	\$178,200	-33%
10"	Turbine	\$421,825	\$287,100	-32%
12"	Turbine	\$555,031	\$425,700	-23%

Source: Current fees from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees for all new customers except those in the North Florence Improvement District from Table 86.

Capital Plan

Potential water impact fee revenue over the next ten years, based on anticipated new customers, is estimated to be about \$1.69 million, as shown in Table 88. Since the new customer projections are based on historical trends, they implicitly assume that the Merrill Ranch area in the North service area will continue to be served by Johnson Utilities. Even if the Town does begin to provide water service to that area, revenues may not be much higher, since water fees may need to be reduced to provide offsets for water improvements funded by the Community Facilities Districts.

Table 88. Potential Water Impact Fee Revenue, 2013-2023

	South	North	Total
New Water Customers, 2013-2023 (EDUs)	489	367	856
x Net Cost per EDU (Outside N Florence Imp. District)	\$1,980	\$1,980	\$1,980
Potential Water Impact Fee Revenue, 2013-2023	\$968,220	\$726,660	\$1,694,880

Source: New EDUs from Table 78; net cost per EDU outside the North Florence Improvement District from Table 85.

Over the next ten years, the Town anticipates the need for a number of improvements totaling an estimated \$13.44 million, as shown in Table 89. However, the timing of individual improvements will be dependent on the pace and location of development that actually occurs, and not all of the planned improvements will necessarily be completed in the next ten years. Some of the improvements may be constructed by developers in return for offsets or credits against the water impact fees. The list of projects may also change to reflect changes from anticipated development patterns. Projected water impact fees over the next ten years will cover approximately 13% of the planned capital expenditures.

Table 89. Water Capital Plan, 2013-2023

Planned Improvement	Description	Total
Prison Complex Water Line (NE)	4,680' of 16" water line	\$732,000
Water Transmission Line Ext (Well 5 to 4)	5,653' of 12" water line	\$968,000
Valley Farms Area Well #1	New water campus, w/o storage tank	\$1,930,000
New Well, SE (Majestic Ranch)	Provide water to annexed areas SE of Town	\$1,120,000
Water Storage Tank, SE	Water tank on improved site to supply SE area	\$1,050,000
Impact Fee Studies (2)		\$14,543
Subtotal, South Service Area		\$5,814,543
N Florence Water Storage Transmission Line	Looped line from Well #1 to storage tank at FG	\$1,150,000
Water Transmission Line Ext (Caliente-Calif)	8,700' of 12" line extension	\$1,665,000
Felix Road Well (Zone A1)	Prove out existing well	\$980,000
Merrill Ranch Well #1 and Storage Tank	Shallow well, 0.50 mg tank	\$1,900,000
Merrill Ranch Well #2		\$1,920,000
Impact Fee Studies (2)		\$10,915
Subtotal, North Service Area		\$7,625,915
Total		\$13,440,458

Source: Town of Florence, March 18, 2012; total study cost from Table 113, allocated between service areas based on projected new EDUs from Table 78.

WASTEWATER

The Town has charged new wastewater customers a wastewater impact fee since 2003. The fees were originally based on a study by Black and Veatch. The wastewater impact fees were updated in 2007 based on a study by MuniFinancial. This study represents the second update of the wastewater impact fees.

Service Units

To calculate wastewater impact fees, the demand associated with different types of customers must be expressed in a common unit of measurement, called a “service unit.” The service unit for the Town’s water and wastewater impact fees is an “equivalent dwelling unit” (EDU). An EDU is a single-family detached dwelling unit or its equivalent in terms of water or wastewater demand. For water, the number of service units associated with different customers is determined by the capacity of the water meter relative to the capacity of the smallest meter size, which is typically used by a single-family unit. For wastewater, an adjustment is warranted to take into account that more of the water consumed by non-single-family customers is returned to the wastewater system (that is, less is used for lawn watering and irrigation). According to the Town’s Public Works Department, approximately 25% of single-family water usage is for irrigation, compared to a de minimus percentage for other customers. Consequently, the wastewater service unit multipliers for non-single-family customers are derived by dividing the water multipliers by 0.75, as shown in Table 90.

Table 90. Wastewater Service Unit Multipliers

Meter Size	Type	Water	Wastewater
5/8"x3/4"	Disc-Resid.	1.0	1.0
5/8"x3/4"	Disc-Other	1.0	1.3
1"	Disc	2.5	3.3
1 1/2"	Disc	5.0	6.7
2"	Disc	8.0	10.7
3"	Compound	16.0	21.3
3"	Turbine	17.5	23.3
4"	Compound	25.0	33.3
4"	Turbine	30.0	40.0
6"	Compound	50.0	66.7
6"	Turbine	62.5	83.3
8"	Turbine	90.0	120.0
10"	Turbine	145.0	193.3
12"	Turbine	215.0	286.7

Source: Water service unit multipliers from Table 75; wastewater service unit multiplier for non-single-family customers are water multipliers divided by 0.75.

The original EDU multipliers used in the 2007 impact fee study are shown in Table 91 below for comparison. The service unit multipliers for non-single-family meters should be increased significantly to better reflect actual wastewater demand.

Table 91. Comparative Wastewater Service Unit Multipliers

Meter Size	Type	Meter Ratios		Percent Change
		Current	Updated	
5/8"x3/4"	Disc-Resid.	1.00	1.00	0%
5/8"x3/4"	Disc-Other	1.00	1.30	30%
1"	Disc	1.67	3.30	98%
1 1/2"	Disc	3.33	6.70	101%
2"	Disc	6.67	10.70	60%
3"	Compound	10.67	21.30	100%
3"	Turbine	10.67	23.30	118%
4"	Compound	16.67	33.30	100%
4"	Turbine	16.67	40.00	140%
6"	Compound	33.33	66.70	100%
6"	Turbine	33.33	83.30	150%
8"	Turbine	80.00	120.00	50%
10"	Turbine	126.67	193.30	53%
12"	Turbine	166.67	286.70	72%

Source: Current meter capacity ratios from MuniFinancial, *Town of Florence Development Impact Fee Study*, May 2007, Table 9-5; updated ratios from Table 90Table 75.

Determining the number of service units is more difficult for wastewater than it is for water, since some wastewater customers are not water customers, and the Town's records for wastewater customers do not include information on water meter size. However, data on average water service units per customer can be used to estimate the same for wastewater. As shown in Table 92, non-single-family customers can be expected to use 4.89 times as much water as a single-family customer. However, as noted above, it is estimated that only 75% of single-family water use returns to the wastewater system, since the rest is used for lawn watering. As a result, the number of wastewater service units per customer for non-single-family customers is 30% higher ($1.00 \div 0.75 = 1.30$) than the water service units per customer.

Table 92. Wastewater Service Unit Multipliers by Customer Class

Customer Class	2012 Water Customers	2012 Water EDUs	Water EDUs/ Customer	Wastewater EDUs/ Customer
Single-Family	3,101	3,101	1.00	1.00
Other	406	1,985	4.89	6.36
Total	3,507	5,086	1.45	n/a

Source: 2012 water customers by class from Town billing records as of June 30, 2012; 2012 total water EDUs from Table 77; single-family water EDUs are the same as single-family customers by definition; other water EDUs is the difference between single-family and total water EDUs; water EDUs/customer is ratio of EDUs to customers; wastewater EDUs per non-single-family customer is 1.30 times water EDUs per non-single-family customer, as described in the preceding text.

The current number of wastewater service units is estimated in Table 93. It is estimated that existing wastewater customers generate 4,242 equivalent dwelling units (EDUs) of wastewater demand Town-wide.

Table 93. Wastewater Service Units, 2012

	South	North	Total
2012 Single-Family Customers	943	1,671	2,614
x EDUs per Single-Family Customer	1.00	1.00	1.00
2012 Single-Family EDUs	943	1,671	2,614
2012 Other Customers	214	42	256
x EDUs per Other Customer	6.36	6.36	6.36
2012 Other Customer EDUs	1,361	267	1,628
2012 Total EDUs	2,304	1,938	4,242
÷ 2012 Total Customers	1,157	1,713	2,870
Average EDUs per Customer	1.99	1.13	1.48

Source: 2012 wastewater customers by class from Town billing records as of June 30, 2012; wastewater EDUs per customer from Table 92.

The growth in wastewater service units over the last ten years (2002-2012) provide a reasonable basis for projecting growth over the 2013-2023 period, as shown in Table 94.

Table 94. Wastewater Service Units, 2013-2023

	South	North	Total
2002 Customers	1,116	1,550	2,666
x EDUs per Customer	1.99	1.13	
2002 EDUs	2,221	1,752	3,973
2012 EDUs	2,304	1,938	4,242
- 2002 EDUs	-2,221	-1,752	-3,973
New EDUs, 2002-2012	83	186	269
÷ Years	10	10	10
Annual New EDUs	8	19	27
Estimated 2013 EDUs	2,312	1,957	4,269
Estimated New EDUs, 2013-2023	83	186	269
Estimated 2023 EDUs	2,395	2,143	4,538

Source: 2002 wastewater customers from Town utility billing records as of June 30, 2012; EDUs per customer and 2012 EDUs from Table 93; 2013 and 2023 EDUs based on annual EDU growth from 2002-2012.

Average day water demand for a single-family unit is estimated to be 378 gallons per day (gpd). Single-family customers typically return only 75% of their water use to the wastewater system, with the remainder used for outdoor watering. This indicates that the average wastewater demand is 284 gpd per service unit, as shown in Table 95.

Table 95. Wastewater Demand per Service Unit

Average Daily Water Demand (gpd) per EDU	378
x % of Single-Family Water Returned	75%
Average Daily Wastewater Demand per EDU (gpd)	284

Source: Average daily water demand per EDU from Table 80.

Cost per Service Unit

According to SB 1525, impact fees “shall be based on the same level of service provided to existing development.” The Town’s wastewater production facilities provide adequate capacity to accommodate the peak wastewater demands of existing wastewater customers, as shown in Table 96. In addition, the Town’s Wastewater Master Plan states that all components of the wastewater system, including wells, storage facilities and transmission lines, are adequate to accommodate existing customers.

Table 96. Existing Wastewater Level of Service

Existing Capacity (mgd)	2.920
– Existing Demand (mgd)	2.095
Existing Excess Capacity (mgd)	0.825

Source: Treatment capacity from Town of Florence Public Works Department, November 10, 2011; existing demand is average daily influent flows from September 2010 through August 2011 from Public Works, November 15, 2011.

While the Town’s wastewater system is adequate to accommodate existing customers, there is little excess capacity to accommodate growth. The cost to serve new customers will be based on new facilities identified in the Wastewater Master Plan and the Town’s capital plan. These new facilities consist primarily of wastewater treatment plant expansions, interceptors and lift stations, and sewer cleaning equipment.

The cost of adding new wastewater treatment plant capacity varies by service area, as shown in Table 97. In the south, the existing 2.5 mgd treatment plant is planned to be expanded to 4.0 mgd. At an estimated cost of \$12.5 million, the cost of the additional capacity is \$8.35 per gpd. In the north, the initial temporary package plant will cost an estimated \$4.0 million and have a capacity of 200,000 gpd, for a cost of \$20.00 per gpd. The plan is for the initial package plant to be replaced by a Phase II membrane plant with a cost of \$14.95 per gpd. It is anticipated that the northern plants will be constructed by the Merrill Ranch community facilities district, and that the Town will purchase approximately 0.50 mgd of capacity in the Phase II plant to replace the current 0.42 mgd Florence Gardens treatment plant and add some capacity to accommodate growth. To be conservative, treatment plant costs will be based on the cost to add capacity to the southern plant.

Table 97. Wastewater Treatment Plant Cost per Service Unit

	South	North, Ph I	North, Ph II
Treatment Plant Cost	\$12,525,000	\$4,000,000	\$14,950,000
÷ New Treatment Capacity (gpd)	1,500,000	200,000	1,000,000
Treatment Cost per gpd	\$8.35	\$20.00	\$14.95

Source: Town of Florence Public Works Department, March 28, 2012.

The need for new wastewater interceptors and lift stations to serve new customers to build-out is derived from the Wastewater Master Plan. As shown in Table 98, future interceptor and lift station costs will vary somewhat by service area. To be conservative, the interceptor and lift station cost per service unit will be based on the lower cost of \$2.64 per gallon per day of additional wastewater customer demand for the south service area.

Table 98. Wastewater Interceptor/Lift Station Cost per Service Unit

	Planned Quantities		Cost/ Unit	Planned Costs		
	South	North		South	North	Total
10" PVC (feet)	60,000	11,000	\$55	\$3,300,000	\$605,000	\$3,905,000
12" PVC (feet)	29,400	17,300	\$65	\$1,911,000	\$1,124,500	\$3,035,500
15" PVC (feet)	29,500	7,000	\$76	\$2,242,000	\$532,000	\$2,774,000
18" PVC (feet)	17,600	0	\$91	\$1,601,600	\$0	\$1,601,600
21" PVC (feet)	29,800	700	\$105	\$3,129,000	\$73,500	\$3,202,500
24" PVC (feet)	28,900	17,300	\$121	\$3,496,900	\$2,093,300	\$5,590,200
30" PVC (feet)	43,000	2,500	\$177	\$7,611,000	\$442,500	\$8,053,500
36" PVC (feet)	34,900	0	\$192	\$6,700,800	\$0	\$6,700,800
48" Manhole (each)	517	193	\$5,600	\$2,895,200	\$1,080,800	\$3,976,000
60" Manhole (each)	173	45	\$7,700	\$1,332,100	\$346,500	\$1,678,600
72" Manhole (each)	1	0	\$9,300	\$9,300	\$0	\$9,300
84" Manhole (each)	19	2	\$10,900	\$207,100	\$21,800	\$228,900
Lift Station B-1 (mgd)	7.92	0.00	\$0.50	\$3,960,000	\$0	\$3,960,000
Lift Station C-1 (mgd)	12.96	0.00	\$0.50	\$6,480,000	\$0	\$6,480,000
Lift Station D-1 (mgd)	0.00	5.04	\$0.50	\$0	\$2,520,000	\$2,520,000
Lift Station D-2 (mgd)	0.00	10.37	\$0.50	\$0	\$5,185,000	\$5,185,000
Lift Station D-3 (mgd)	0.00	4.71	\$0.50	\$0	\$2,355,000	\$2,355,000
Lift Station D-4 (mgd)	0.00	0.60	\$0.50	\$0	\$300,000	\$300,000
Lift Station D-5 (mgd)	0.00	0.40	\$0.50	\$0	\$200,000	\$200,000
Total Build-Out Cost				\$44,876,000	\$16,879,900	\$61,755,900
Build-Out Growth in Demand (gpd)				16,996,133	5,938,560	22,934,693
Cost per gpd				\$2.64	\$2.84	\$2.69

Source: Planned lines, manholes and lift station quantities from Fluid Solutions, *Town of Florence Wastewater Master Plan*, 2008; costs per unit from Town of Florence Public Works Department, September 14, 2012.

A final cost component is the equipment required to clean the wastewater lines. The Town's existing equipment will need to be replaced with updated equipment to maintain the larger interceptors required to accommodate anticipated growth. The growth-related share of this cost is determined using an incremental expansion approach based on the existing level of service. This is calculated in Table 99.

Table 99. Wastewater Equipment Cost per Service Unit

Replacement Value of Existing Equipment	\$58,000
÷ Existing Wastewater Demand (gpd)	2,095,000
Cleaning Equipment Cost per gpd	\$0.03

Source: Replacement value of existing sewer cleaning equipment from Town of Florence Public Works Department, September 19, 2012; existing wastewater demand from Table 96.

Adding wastewater treatment, interceptor/lift station and cleaning equipment costs results in the total cost per gallon per day of demand. Multiplying that sum by the demand per service unit results in a cost of \$3,130 per service unit to provide the capital facilities needed to accommodate additional wastewater customers, as shown in Table 100.

Table 100. Wastewater Cost per Service Unit

Treatment Plant Cost per gpd	\$8.35
Interceptor/Lift Station Cost per gpd	\$2.64
Cleaning Equipment Cost per gpd	\$0.03
Total Cost per gpd	\$11.02
x Demand per EDU (gpd)	284
Wastewater Cost per EDU	\$3,130

Source: Treatment plant cost per gpd from Table 97; interceptor/lift station cost per gpd from Table 98; cleaning equipment cost per gpd from Table 99; demand per EDU from Table 95.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements. The Town’s wastewater system does not have any existing deficiencies, there are no revenue sources dedicated for future capacity-expanding wastewater improvements, and no grants have been received in the recent past or are anticipated to be received in the future to help defray growth-related capital costs of expanding the wastewater system. Consequently, no offsets against the wastewater impact fees are required based on those criteria.

There is some system-wide debt on the wastewater system, outstanding from the \$7.5 million loan from the Water Infrastructure Authority of Arizona (WIFA) for improvements to the south Florence treatment plant. A second WIFA loan for \$1.3 million taken out in 2009 and to be used for the future expansion of the south Florence treatment plan has not been spent, and no offset is required for this debt. A simple way to calculate an offset is to divide the outstanding debt by existing service units. This puts new customers on equal terms with current wastewater customers in terms of the portion of the capital costs needed to serve them that will be borne by general utility system debt. The offset for the system-wide debt is \$1,085 per service unit, as shown in Table 101.

Table 101. Wastewater System-Wide Debt Offset

Water Infrastructure Authority of Arizona Loan 1	\$4,601,318
÷ Existing Wastewater EDUs	4,242
Debt Offset per EDU	\$1,085

Source: Outstanding debt as of July 30, 2012 from Town of Florence Finance Department; existing EDUs from Table 93.

In addition, there is some debt stemming from the purchase of the Arizona Sierra Water Utility, which is being retired with assessments on property in the Florence Gardens area. Since these properties will not be subject to the wastewater impact fees, no additional offset is required. The net cost per service unit is the sum of the facility cost and the impact fee study per service unit, less the system-wide debt offset per service unit (see Table 102 below).

Table 102. Wastewater Net Cost per Service Unit

Facility Cost per EDU	\$3,130
Study Cost per EDU	\$95
– System-Wide Debt Offset per EDU	-\$1,085
Net Cost per EDU	\$2,140

Source: Facility cost per EDU from Table 100; study cost from Table 114; offset from Table 101.

Potential Impact Fees

The maximum wastewater impact fees that may be adopted by the Town based on this study is the product of the number of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 103.

Table 103. Potential Wastewater Impact Fees

Meter Size	Type	EDUs per Meter	Net Cost/EDU	Net Cost/Meter
5/8"x3/4"	Disc-Resid.	1.0	\$2,140	\$2,140
5/8"x3/4"	Disc-Other	1.3	\$2,140	\$2,782
1"	Disc	3.3	\$2,140	\$7,062
1 1/2"	Disc	6.7	\$2,140	\$14,338
2"	Disc	10.7	\$2,140	\$22,898
3"	Compound	21.3	\$2,140	\$45,582
3"	Turbine	23.3	\$2,140	\$49,862
4"	Compound	33.3	\$2,140	\$71,262
4"	Turbine	40.0	\$2,140	\$85,600
6"	Compound	66.7	\$2,140	\$142,738
6"	Turbine	83.3	\$2,140	\$178,262
8"	Turbine	120.0	\$2,140	\$256,800
10"	Turbine	193.3	\$2,140	\$413,662
12"	Turbine	286.7	\$2,140	\$613,538

Source: EDUs per meter from Table 90; net cost per EDU from Table 102.

Table 104 compares the current wastewater impact fees with the updated impact fees. The updated fees would apply to all new customers outside the North Florence Improvement District. The updated fees are generally lower for the smallest and largest meter sizes.

Table 104. Comparative Wastewater Fees

Water Meter Size	Type	Current Fee	Updated Fee*	Percent Change
5/8"x3/4"	Disc-Resid.	\$4,105	\$2,140	-48%
5/8"x3/4"	Disc-Other	\$4,105	\$2,782	-32%
1"	Disc	\$6,841	\$7,062	3%
1 1/2"	Disc	\$13,684	\$14,338	5%
2"	Disc	\$27,369	\$22,898	-16%
3"	Compound	\$43,789	\$45,582	4%
3"	Turbine	\$43,789	\$49,862	14%
4"	Compound	\$68,422	\$71,262	4%
4"	Turbine	\$68,422	\$85,600	25%
6"	Compound	\$136,843	\$142,738	4%
6"	Turbine	\$136,843	\$178,262	30%
8"	Turbine	\$328,422	\$256,800	-22%
10"	Turbine	\$522,154	\$413,662	-21%
12"	Turbine	\$684,213	\$613,538	-10%

* for customers outside North Florence Improvement District

Source: Current fees from Town of Florence, *Annual Report of Development Impact Fees, Reported as of June 30, 2012*; updated fees from Table 103.

Capital Plan

Potential wastewater impact fee revenue over the next ten years, based on anticipated new development, is estimated to be about \$0.58 million, as shown in Table 105.

Table 105. Potential Wastewater Impact Fee Revenue, 2013-2023

	South	North	Total
New Wastewater Customers, 2013-2023 (EDUs)	83	186	269
x Net Cost per EDU (Outside FG Assessment District)	\$2,140	\$2,140	\$2,140
Potential Wastewater Impact Fee Revenue, 2013-2023	\$177,620	\$398,040	\$575,660

Source: New EDUs from Table 94; net cost per EDU from Table 102.

Over the next ten years, the Town plans to make some major capital investments in its wastewater system, as shown in Table 106. However, the timing of individual improvements will be dependent on the pace and location of development that actually occurs, and not all of the planned improvements will necessarily be completed in the next ten years. Some of the improvements may be constructed by the CFD or developers in return for offsets or credits against the wastewater impact fees.

It is likely that only a small portion of these costs will be paid for with impact fees, due to relatively slow projected growth in new wastewater customers. In the North service area, about half of the total costs are not eligible for impact fee funding, since they are related to the replacement of the temporary Phase I Merrill Ranch package plants or the replacement of the existing North Florence treatment plant. In addition, it is anticipated that the Merrill Ranch treatment plant phases will be funded primarily with Community Facilities District (CFD) bonds, although the Town may contribute roughly half of the funds to construct the Phase II facility in order to replace the capacity of the North Florence plant as well as to purchase some additional capacity to serve future growth outside the CFD. The projections of new customers in the North service area are based on historical trends, which implicitly assume that the Anthem/Merrill Ranch development continues to

be served to non-Town providers. In the event that the area becomes served by the Town wastewater system, it is unlikely that new customers within the CFD would pay a wastewater impact fee, due to offsets or credits for their CFD taxes to pay off CFD-funded wastewater infrastructure.

Table 106. Wastewater Capital Plan, 2013-2023

Planned Improvement	Total Cost	Eligible Cost	Potential Impact Fee Revenue
Sewer Cleaning Equipment (1)	\$187,500	\$187,500	
1 mgd Lift Station at Valley Farms	\$920,000	\$920,000	
10" Sewer Main Extension, Eliz-Adamsville	\$144,000	\$144,000	
S Florence WWTP Expansion to 4 mgd	\$12,525,000	\$12,525,000	
Main Interceptor from CCA-WWTP	\$4,679,400	\$4,679,400	
Impact Fee Study Cost	\$7,855	\$7,855	
Subtotal, South Service Area	\$18,463,755	\$18,463,755	\$177,620
Sewer Cleaning Equipment (1)	\$187,500	\$187,500	
Lift Station at Hunt Hwy/SR 79	\$370,000	\$370,000	
Merrill Ranch WRF, Ph I	\$4,000,000	\$4,000,000	
Merrill Ranch WRF, Ph II (2)	\$14,950,000	\$6,351,000	
18" Bore across SR 79	\$100,000	\$100,000	
N Florence WWTP Expansion (3)	\$2,549,000	\$407,840	
N Florence Lift Station (3)	\$850,000	\$136,000	
Impact Fee Study Cost	\$17,603	\$17,603	
Subtotal, North Service Area	\$23,024,103	\$11,569,943	\$398,040
Total	\$41,487,858	\$30,033,698	\$575,660

Notes: (1) cost split evenly between service areas; (2) eligible cost reduced by \$4 million because it will replace Phase I facility, and remaining cost reduced by 42% because the 1.00 mgd facility will replace the existing 0.42 mgd North Florence treatment plant; (3) these improvements are related to the conversion of the existing North Florence treatment plant to a lift station to convey flows to the Merrill Ranch Ph. II facility, which will replace the current 0.42 mgd North Florence plant with a Town-owned 0.50 mgd share of the Merrill Ranch facility.

Source: Town of Florence, March 28, 2012; total impact fee study cost from Table 113, allocated by service area based on projected new EDUs from Table 94; potential impact fee revenue from Table 105.

APPENDIX A: CAG PROJECTIONS

Table 107. CAG Projections, 2010-2015

Geographic Area	Housing Household			Employees					Total
	Units	Population	Prisoners	Retail	Office	Indust.	Public	Other	
Florence Gardens Area, 2010	1,719	1,707	1,281	0	1	0	0	65	66
Anthem/Merrill Ranch Area, 2010	682	1,278	0	81	0	33	0	109	223
Park Service Area - N, 2010	3	5	0	0	0	0	0	0	0
Other, 2010	530	1,083	0	0	0	3	0	100	103
Subtotal, N of River, 2010	2,934	4,073	1,281	81	1	36	0	274	392
Park Service Area - S, 2010	2,025	4,730	14,713	646	393	61	6,689	172	7,961
Other, 2010	0	0	0	23	0	0	0	0	23
Subtotal, S of River, 2010	2,025	4,730	14,713	669	393	61	6,689	172	7,984
Town of Florence, 2010	4,959	8,803	15,994	750	394	97	6,689	446	8,376
North Water/WW Service Area	1,739	1,771	1,281	0	1	33	0	123	157
Florence Gardens Area, 2015	1,736	1,742	1,328	0	1	0	0	65	66
Anthem/Merrill Ranch Area, 2015	2,383	4,793	0	684	0	149	0	578	1,411
Park Service Area - N, 2015	3	6	0	0	0	0	0	0	0
Other, 2015	1,688	3,472	0	440	87	23	0	635	1,185
Subtotal, N of River, 2015	5,810	10,013	1,328	1,124	88	172	0	1,278	2,662
Park Service Area - S, 2015	2,367	5,435	15,256	2,050	1,701	468	7,212	1,020	12,451
Other, 2015	0	0	0	23	0	0	0	2	25
Subtotal, S of River, 2015	2,367	5,435	15,256	2,073	1,701	468	7,212	1,022	12,476
Town of Florence, 2015	8,177	15,448	16,584	3,197	1,789	640	7,212	2,300	15,138
North Water/WW Service Area	2,750	3,830	1,328	37	1	53	0	423	514
Florence Gardens Area, 2010-15	17	35	47	0	0	0	0	0	0
Anthem/Merrill Ranch Area, 2010-15	1,701	3,515	0	603	0	116	0	469	1,188
Park Service Area - N, 2010-15	0	1	0	0	0	0	0	0	0
Other, 2010-15	1,158	2,389	0	440	87	20	0	535	1,082
Subtotal, N of River, 2010-15	2,876	5,940	47	1,043	87	136	0	1,004	2,270
Park Service Area - S, 2010-15	342	705	543	1,404	1,308	407	523	848	4,490
Other, 2010-15	0	0	0	0	0	0	0	2	2
Subtotal, S of River, 2010-15	342	705	543	1,404	1,308	407	523	850	4,492
Town of Florence, 2010-15	3,218	6,645	590	2,447	1,395	543	523	1,854	6,762
North Water/WW Service Area	1,011	2,059	47	37	0	20	0	300	357

Source: Central Arizona Governments, demographic dataset by Traffic Analysis Zone, 2010.

APPENDIX B: FUNCTIONAL POPULATION

The two most common methodologies used in calculating public safety (fire and police) service units and impact fees are the “calls-for-service” approach and the “functional population” approach. For the reasons discussed in the “service unit” section of the fire portion of this report, this update utilizes the “functional population” approach to calculate and assess the fire and police impact fees. This approach is a generally-accepted methodology for these impact fee types and is based on the observation that demand for public safety facilities tends to be proportional to the presence of people at a particular site.

Functional population is analogous to the concept of “full-time equivalent” employees. It represents the number of “full-time equivalent” people present at the site of a land use, and it is used for the purpose of determining the impact of a particular development on the need for facilities. For residential development, functional population is simply average household size times the percent of time people spend at home. For nonresidential development, functional population is based on a formula that factors trip generation rates, average vehicle occupancy and average number of hours spent by visitors at a land use.

Residential Functional Population

For residential land uses, the impact of a dwelling unit on the need for capital facilities is generally proportional to the number of persons residing in the dwelling unit. This can be measured for different housing types in terms of either average household size (average number of persons per occupied dwelling unit) or persons per unit (average number of persons per dwelling unit, including vacant as well as occupied units). In this analysis, average household size is used to develop the functional population multipliers, as it avoids the need to make assumptions about occupancy rates.

Determining residential functional population multipliers is considerably simpler than the nonresidential component. It is estimated that people, on average, spend 16 hours, or 67 percent, of each 24-hour weekday at their place of residence and the other 33 percent away from home. The functional population per unit for these uses is shown in Table 108.

Table 108. Functional Population per Unit for Residential Uses

Housing Type	Unit	Average HH Size	Occupancy	Func. Pop./Unit
Single-Family Detached/MH	Dwelling	2.48	0.67	1.66
Multi-Family	Dwelling	2.01	0.67	1.35

Source: Average household size from Table 33.

Nonresidential Functional Population

The functional population methodology for nonresidential land uses is based on trip generation data utilized in developing the road demand schedule prepared for the updated road impact fee update. Functional population per 1,000 square feet is derived by dividing the total number of hours spent by employees and visitors during a week day by 24 hours. Employees are estimated to spend 8 hours

per day at their place of employment, and visitors are estimated to spend one hour per visit. The formula used to derive the nonresidential functional population estimates is summarized in Figure 9.

Figure 9. Nonresidential Functional Population Formula

FUNCPOP/UNIT	=	(employee hours/1000 sf + visitor hours/1000 sf) ÷ 24 hours/day
<u>Where:</u>		
Employee hours/1000 sf	=	employees/1000 sf x 8 hours/day
Visitor hours/1000 sf	=	visitors/1000 sf x 1 hour/visit
Visitors/1000 sf	=	weekday ADT/1000 sf x avg. vehicle occupancy – employees/1000 sf
Weekday ADT/1000 sf	=	one-way avg. daily trips (total trip ends ÷ 2)

Using this formula and information on trip generation rates, vehicle occupancy rates from the *National Household Travel Survey* and other sources and assumptions, nonresidential functional population estimates per 1,000 square feet of gross floor area are calculated in Table 109.

Table 109. Functional Population per Unit for Nonresidential Uses

Land Use	Unit	Trip Rate	Persons/ Trip	Employee/ Unit	Visitors/ Unit	Functional Pop./Unit
Commercial	1,000 sq. ft.	5.51	1.24	3.11	3.72	1.19
Industrial/Warehouse	1,000 sq. ft.	1.78	1.24	0.91	1.30	0.36
Public/Institutional	1,000 sq. ft.	3.79	2.59	2.32	7.50	1.09

Source: Trip rates based on one-half of average daily trip rate from ITE, *Trip Generation*, 8th ed., 2008 (commercial based on office, industrial based on warehousing, institutional based on nursing home); persons/trip is average vehicle occupancy from Federal Highway Administration, *Nationwide Household Travel Survey*, 2009; employees/unit from Table 14; visitors/unit is trips times persons/trip minus employees/unit; functional population/unit calculated based on formula from Figure 9.

Fire and Police Service Unit Summary

The functional population multipliers for the recommended residential and nonresidential land use categories are summarized in Table 110 and converted into equivalent dwelling units (EDUs).

Table 110. Fire and Police Service Unit Multipliers

Land Use	Unit	Functional Pop./Unit	EDUs/ Unit
Single-Family Detached/MH	Dwelling	1.66	1.00
Multi-Family	Dwelling	1.35	0.81
Commercial	1,000 sq. ft.	1.19	0.72
Industrial/Warehouse	1,000 sq. ft.	0.36	0.22
Public/Institutional	1,000 sq. ft.	1.09	0.66

Source: Residential dwelling unit functional population per unit from Table 108; nonresidential functional population per unit from Table 109; EDUs/unit is ratio of functional population per unit to functional population per single-family unit.

Town-wide fire and police service units are expressed in terms of equivalent dwelling units (EDUs). Multiplying existing and projected development units in each land use category by the service unit multipliers calculated in the previous table yields the total number of existing and projected fire and police service units, as summarized in Table 111.

Table 111. Fire and Police Service Units, Town-Wide, 2013-2023

Land Use	Dev't Unit	Dev't Units		EDUs/Unit	EDUs	
		2013	2023		2013	2023
Single-Family Detached	Dwelling	5,098	7,978	1.00	5,098	7,978
Multi-Family	Dwelling	528	528	0.81	428	428
Commercial	1,000 sf	924	3,175	0.72	665	2,286
Industrial/Warehouse	1,000 sf	565	703	0.22	124	155
Public/Institutional	1,000 sf	4,068	4,353	0.66	2,685	2,873
Total					9,000	13,720

Source: Development units from Table 10 and Table 15; EDUs per unit from Table 110.

For the purpose of calculating offsets, it is necessary to estimate the number of service units in the Merrill Ranch Community Facilities Districts. This is estimated based on the land use assumptions developed for the Anthem/Merrill Ranch area, as shown in Table 112.

Table 112. Fire and Police Service Units, Merrill Ranch CFDs, 2013-2023

Land Use	Dev't Unit	Dev't Units		EDUs/Unit	EDUs	
		2013	2023		2013	2023
Single-Family Detached	Dwelling	1,825	4,075	1.00	1,825	4,075
Multi-Family	Dwelling	0	0	0.81	0	0
Commercial	1,000 sf	103	556	0.72	74	400
Industrial/Warehouse	1,000 sf	46	164	0.22	10	36
Public/Institutional	1,000 sf	0	0	0.66	0	0
Total					1,909	4,511

Source: Development units from Table 10 and Table 15; EDUs per unit from Table 110.

APPENDIX C: IMPACT FEE STUDY COST

According to State law, impact fees may be used to pay for the costs of “professional services required for the preparation or revision of a development fee” (Sec. 9-463.05.A, ARS). This impact fee study cost the Town \$89,100 for the update of road, water, wastewater, park, library, fire and police impact fees, or \$12,729 per facility type. Since SB 1525 requires impact fees to be updated every five years, two additional studies will be required over the next ten years, which indicates a future cost of \$25,458 per facility type.

Table 113. Study Cost per Facility, 2013-2023

Cost of 2012 Impact Fee Study	\$89,100
÷ Number of Facilities	7
Cost per Facility	\$12,729
x Number of Studies Needed, 2013-2023	2
Study Cost per Facility, 2013-2023	\$25,458

Source: Cost of 2012 study from Duncan Associates contract.

Dividing the cost of the study for each facility by the new EDUs projected over the next ten years results in the following study costs per EDU.

Table 114. Study Cost per EDU by Facility, 2013-2023

Facility Type	Study Cost	New EDUs	Cost per EDU
Roads	\$25,458	2,733	\$9
Water	\$25,458	856	\$30
Wastewater	\$25,458	269	\$95
Parks	\$25,458	563	\$45
Library	\$25,458	3,201	\$8
Fire	\$25,458	4,720	\$5
Police	\$25,458	4,720	\$5

Source: Study cost per facility from Table 113; new EDUs from Table 22 (roads), Table 35 (parks); Table 50 (library), Table 61 (fire), Table 71 (police), Table 78 (water) and Table 94 (wastewater).

APPENDIX D: REVENUE PROJECTIONS


SB 1525 requires a projection of future revenues anticipated to be generated by new development. These projections are provided in Table 115.

Table 115. Growth-Related Revenues, 2013-2023

Funding Type	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
State-Shared Revenue	\$172,784	\$345,568	\$518,352	\$691,136	\$863,920
Federal Grants	\$739	\$1,478	\$2,217	\$2,956	\$3,695
Highway User Revenue	\$81,229	\$162,458	\$243,687	\$324,916	\$406,145
Ad Valorem Property Tax	\$21,580	\$43,160	\$64,740	\$86,320	\$107,900
Construction Excise Tax	\$364,684	\$364,684	\$364,684	\$364,684	\$364,684
Wastewater Rates - Debt	\$3,886	\$7,720	\$11,504	\$15,239	\$18,924
Total	\$644,902	\$925,068	\$1,205,184	\$1,485,251	\$1,765,268

Funding Type	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
State-Shared Revenue	\$1,036,704	\$1,209,488	\$1,382,272	\$1,555,056	\$1,727,840	\$9,503,120
Federal Grants	\$4,434	\$5,173	\$5,912	\$6,651	\$7,390	\$40,645
Highway User Revenue	\$487,374	\$568,603	\$649,832	\$731,061	\$812,290	\$4,467,595
Ad Valorem Property Tax	\$129,480	\$151,060	\$172,640	\$194,220	\$215,800	\$1,186,900
Construction Excise Tax	\$364,684	\$364,684	\$364,684	\$364,684	\$364,684	\$3,646,840
Wastewater Rates - Debt	\$22,561	\$26,150	\$29,693	\$33,190	\$36,659	\$205,526
Total	\$2,045,237	\$2,325,158	\$2,605,033	\$2,884,862	\$3,164,663	\$19,050,626

Source: Based on FY 2013 projected revenue from Town of Florence Official Budget, Fiscal Year 2012-2013; state-shared revenue, federal grants, highway user revenue and property tax revenue projections based on FY 2013 revenue per EDU and EDU projections from Table 22; excess construction excise tax revenue projections based on excess construction excise tax per single-family unit from Table 25 and projected road EDUs from Table 22; wastewater debt service revenue projections based on wastewater debt service per wastewater EDU and projected wastewater EDUs from Table 94.

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 9c.
MEETING DATE: February 4, 2013 DEPARTMENT: Fire STAFF PRESENTER: Mike Duran, Interim Fire Chief SUBJECT: SCBAs for new platform ladder truck		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Motion to award the purchase of new fire equipment to L.N. Curtis & Sons in an amount not to exceed \$39,127.30

BACKGROUND/DISCUSSION:

As part of the budget for Fiscal Year 2012-2013, funds were allocated for the purchase of a new apparatus along with equipment for that apparatus. Attached, you will find a detailed list of the SCBA equipment needed to outfit this ladder with new air packs spare bottles, face pieces for each member, and quick disconnect adapters for the spare bottles. The equipment that is on the existing apparatus will remain on that apparatus so it can stay in service as a back-up unit.

FINANCIAL IMPACT:

L.N. Curtis & Sons is the sole source for these SCBA units and staff is using the Mohave Co-Op Contract # 11H-0916 to make this purchase.

STAFF RECOMMENDATION:

The Florence Fire Department recommends the approval to L.N. Curtis & Sons, for the purchase of new SCBAs to outfit the new ladder truck. The amount is not to exceed \$39,127.30.

ATTACHMENTS:

- Sole Source Form
- Purchase Requisition Form
- Price Quote from L.N. Curtis

Town of Florence
Sole Source/Emergency Purchase Justification
Purchases over \$1,000

Note: Exemption from competitive bidding is allowed only in the existence of an emergency or when it is clearly determined to be impractical to procure through the competitive bidding process. The department director shall submit this form to the Town Manager for approval before procuring materials or services.

Vendor Name: L.N.Curtis & Sons Date January 28, 2012

Commodity (general description) SCBA equipment

Dollar Amount \$39,127.30 (If over \$10,000, must go to Town Council for approval)

Competitive Bid from Mohave Contract No. 11H-LNCS-1201

Sole Source

Check all entries that apply:

- Purchase Request is made to the original manufacturer or provider; There are no regional distributors. (Item * must also be checked.)
- Purchase Request is made to the only area distributor of the original manufacturer or provider. (Item * must also be checked.)
- * This is the only known item that will meet the specialized needs of the department or perform the intended functions.
- Parts/equipment are not interchangeable with similar parts of another manufacturer.
- Parts/equipment are required from this vendor to provide standardization.
- The elements of time and, therefore, cost to the town override the potential cost savings realized through standard purchasing procedures.
- None of the above apply. Detailed explanation for sole source request is contained in the attached memorandum.

Emergency

Check all entries that apply. At least two of the following conditions must be met:

- Human life is in danger
- A natural disaster or act of God requires immediate action.
- An unanticipated circumstance poses a threat to city property.
- A situation exists where work on a specific project will stop or be adversely affected unless immediate action is taken.

Justification: This request is for the purchase of the SCBA equipment for the new ladder the equipment which consists of air packs, face pieces and quick disconnects for these units.

On the basis of the foregoing, I recommend competitive procedures be waived and the material or service be procured as a sole source or emergency purchase as indicated above.

Signature of Department Director

Mike Alvarado

Date 1/29/2013

Review by Finance Director

Bibi

Date 1/29/2013

Approved by Town Manager

As Sares on behalf of Charles Montoya

Date 1/29/2013

Florence Fire Department Purchase Request Form

Date: 01/25/2013 Name: Mathew Kennedy Position: Captain
 Shift: A Station Name & #: Florence Fire Station 2

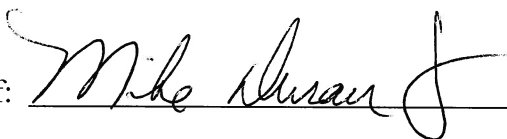
Requested Item: SCBA's and spare bottles

Brief Description of Why This Item is Needed: To outfit new Ladder with all new breathing apparatus to allow SCBA's in service now to remain with assigned truck to keep reserve trucks fully stocked and functional.
 Vendor Name & Vendor #: LN Curtis

If the Town does not currently have an account set up with this vendor, an account will need to be established for the purchase request will be approved.

Vendor Address: 4647 S. 33rd St. Phoenix, AZ 85040

Vendor Phone #: 877-453-3911 Vendor Fax #: 602-453-3910

Approved Denied Supervisor: _____ Date: _____
 Approved Denied Chief:  Date: 1/29/2013

Total \$39,127.30 Including tax.
estimated shipping

All Purchases

Approved Purchase Request Form	Requisition
--------------------------------	-------------

All Purchases over \$500

Approved Purchase Request Form	Requisition	Purchase Order
--------------------------------	-------------	----------------

All Purchases over \$1,000

Approved Purchase Request Form	Requisition	Purchase Order	Bid Tabulation Sheet with (3) Price Quotes*
--------------------------------	-------------	----------------	---

All Purchases Over \$10,000

Approved Purchase Request Form	Requisition	Purchase Order	Bid Tabulation Sheet with (3) Price Quotes*	Town Council Approval
--------------------------------	-------------	----------------	---	-----------------------

* For any purchase over \$1,000, (3) price quotes must be attached to the Purchase Request Form. The Bid Tabulation Sheet will be completed by the Administrative Assistant once the request is approved.

Please submit the approved Purchase Request Form and any other required paperwork to the Administrative Assistant to begin the Requisition process. Once the Requisition is obtained, the Administrative Assistant will give you the paperwork needed to make the requested purchase.

L.N.CURTIS & SONS

TOOLS FOR HEROES®

since 1929

QUOTATION

XBNQ IP BQ

DATE: January 18 th , 2013	TERMS: NET 30	F.O.B: Destination	Delivery: 6-8 Weeks
Florence Fire Department Matt Kennedy 72 East 1st Street Florence, AZ 85132 Email: Mathew.kennedy@florenceaz.gov		This quotation subject to acceptance within 30 days. Shipment contingent upon strikes, fires, accidents or other delays beyond reasonable control of the company. L. N. CURTIS and Sons retains ownership and title to all equipment until fully paid for in legal money of the United States of America. All prices quoted are subject to applicable Federal, State, County or City Taxes and Licenses. <p style="text-align: center;">L.N. CURTIS AND SONS</p> <p style="text-align: right;">By: Cory McNair</p>	

THANK YOU FOR THE OPPORTUNITY TO QUOTE. WE ARE PLEASED TO OFFER REQUESTED ITEMS AS FOLLOWS. IF YOU HAVE QUESTIONS, NEED ADDITIONAL INFORMATION, OR WOULD LIKE TO PLACE AN ORDER, PLEASE CONTACT Cory McNair or Travis Sparks

QTY	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL
10	4058622	Dräger PSS7000 SCBA complete with the following: - Quick disconnect cylinder attachment - Sentinel 7000 PASS system - Lung demand 2 nd stage valve - 4058601 40" Buddy Breather w/pouch - 45/45 cylinder, Blue - Medium Facepiece with HUD	\$2,567.42	\$25,674.20
11	4058672	Dräger FPS Hairnet for facepieces above in lieu of spider strap, add:	\$41.95	\$461.45
17	4055698	Dräger Spare 45/45 45 minute cylinder, Blue	\$437.67	\$7,440.39
3	4055699	Dräger Spare 45/60 60 minute cylinder, Blue	\$544.28	\$1,632.84
20	3357114	Dräger Quick Disconnect Adapter for above spare cylinders	\$29.46	\$589.20
MOHAVE COOP CONTRACT NUMBER :11H-LNCS-1201			Sub-Total	\$35,798.08
PRICING VALID THROUGH 1/31/13			9.3% Tax	\$3,329.22
			Total	\$39,127.30

4647 South 33rd Street • Phoenix, AZ 85040 • Phone 877-453-3911 • Fax 602-453-3910

www.LNCURTIS.com



TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 9d.

MEETING DATE: February 4, 2013

DEPARTMENT: Finance

STAFF PRESENTER: Becki Guilin, Finance Director

SUBJECT: Disposal of Assets

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other

RECOMMENDED MOTION/ACTION:

Authorization to dispose of a 2000 Chevrolet Van that has outlived its useful life and rescind the action for disposal of the 1998 Ford Van from October 15, 2012.

BACKGROUND/DISCUSSION:

The departments have a number of vehicles, equipment, and small assets that are no longer needed and/or have outlived their useful life.

Item	Year	VIN#	Location
Chevy Van	2000	1GCFC15W7Y1245120	Police Evidence

The department has asked that we rescind the request to dispose of the 1998 Ford Van, VIN# 1FTNE2422WHB20536, (approved for disposal at the October 15, 2012 Council Meeting) as it costs less to repair than the Chevy van listed above.

The Town will dispose of the vehicles, equipment and small assets, as per Policy, and the proceeds will be returned to the Town.

FINANCIAL IMPACT:

The total salvage value of the items is estimated at \$1,791.00.

STAFF RECOMMENDATION:

Staff recommends approval for disposal of all vehicles, equipment and miscellaneous small assets, as listed.

ATTACHMENTS:

Disposed Asset Forms and Title

Disposed Asset Form

Capital Asset No. Small Asset *No ASSET #* Date: 10/26/12

Description of Asset: 2000 Chevrolet Van VIN# 1GCFC15W7Y1245120

Department: Police Department Division: Support

Location of Disposition: Evidence Yard

Was Asset Lost Stolen Destroy Outlived Useful Life
 Other _____

Give a detailed account of what happened to asset including witnesses, other employees, or your facts including a copy of the police report attached (if applicable).

This vehicle is in need of extensive repairs to the tune of \$2,000. It is asked that the Council approve the disposal of this asset and in addition we would like to rescind the disposal approval for the 1998 Ford Van VIN# 1FTNE2422WGH20536; as the repairs for this vehicle were only \$300 and the engine is in usable condition.

Department Manager: *Daniel Hayes* Date: 10/26/12

Authorized by: *[Signature]* Date: 10/31/12
Town Manager or Representative

Prepared by: Sgt. William Tatlock *[Signature]* Entered by: _____

ARIZONA CERTIFICATE OF TITLE



Motor Vehicle Division
ADOT

48-7200 R10/08 www.azdot.gov

Inventory Control
15806286

Vehicle Identification Number 1GCPG1SW7Y1245120	Year 2000	Make CHEV	Model VAN	Body Style 12VN
First Registered 03/2000	List Price 021950	Mobile Home Manufacturer	Unit Number	

TOWN OF FLORENCE POLICE DEPT
PO BOX 988
FLORENCE AZ 85232-0988

Title Number M049010194003	Issue Date 07132010	Film Number K194M04901	Odometer Miles (no tenths) * 000000 C
Previous Title Number AX47010074013	State AZ	Issue Date 03152010	Previous Film Number K074AX4704

* A - Actual Mileage
B - Mileage in excess of the odometer mechanical limits
C - NOT Actual Mileage, WARNING ODOMETER DISCREPANCY

Arizona Brands

Previous Brand	State	Previous Brand	State	Previous Brand	State	Other States With Brands
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Owners/Lesseees

TOWN OF FLORENCE POLICE DEPT

See good next page

Lienholders

LIEN RELEASE

Lienholder Name		Acknowledged before me this date.		Notary Public Signature	
Lien Amount	Lienholder Signature	Date	County	State	Commission Expires

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2000 Chevrolet Express 2500 Cargo

Style: Van

edit options | change style

Mileage: 144000 change

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Trade-In Value
when trading in at a dealership

Private Party Value
when selling the car yourself

Print Report

Excellent
\$2,641

Very Good
\$2,416

Good
\$2,316

Fair
\$1,791

Verify Condition

Values valid until
01/31/2013
(updated weekly)

Shop for your next car

price a new car

Instant Trade-In Offer

get the offer

Sell your current car

place an ad

Be the first to know
when values change

follow this car

advertisement

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Own it? Love it? Tell us.

Check Specs
Know your car inside
and out.

Sell Your Car
Use our Tips & Tools.

Search Cars for Sale near Florence

Chevrolet Express Van search

Get a Used Car Report

Get the Information You Need on This
2000 Chevrolet Before You Buy

Enter VIN (optional) go

No VIN? No Problem! Buy an UNLIMITED
report today and run VINs as you research.

New Cars You Might Like



2013 Chevrolet Express
2500 Cargo

view



2013 GMC Savana 2500
Cargo

view



2012 Nissan NV2500 HD
Cargo

view

Disposed Asset Form

Capital Asset No. ~~NONE~~ Confiscated New Rico Date: 09/05/2012

Description of Asset: 1998 FORD VAN 1FTNE2422WHB20536

Department: POLICE Division: SUPPORT

Location of Disposition: 425 N PINAL STREET

Was Asset Lost Stolen Destroy Outlived Useful Life
 Other _____

Give a detailed account of what happened to asset including witnesses, other employees, or your facts including a copy of the police report attached (if applicable).

THIS VEHICLE IS NO LONGER NEEDED AND COST TO MUCH TO REPAIR FOR USE. THIS VEHICLE WILL ALSO BE USED TO PACK OTHER ITEMS FROM EVIDENCE FOR AUCTION PLEASE CALL TOM CLIFFORD. THE VEHICLE WILL BE TRANSPORTED WITH THE HONDA PASSPORT.


Department Manager: *Daniel R. Hughes* Date: 9-6-2012

Authorized by: *Mark P... [Signature]* Date: 9/7/12
Town Manager or Representative

Prepared by: _____ Entered by: _____

[Signature] 9/5/12

*Requested to return to fleet on active duty.
Request to void!*

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 9e.
MEETING DATE: February 4, 2013 DEPARTMENT: Human Resources STAFF PRESENTER: Scott Barber, HR Director SUBJECT: Public Safety Personnel Retirement System – Police and Fire Local Board Membership – Charles Montoya		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

A motion to approve the appointment of Charles Montoya to serve as the citizen/merit system head representative board member on the Public Safety Personnel Retirement System – Police and Fire Local Boards for a period of four years.

BACKGROUND/DISCUSSION:

State Law requires our regular Police and Fire Department employees to be enrolled in the Public Safety Personnel Retirement (PSPR) System for retirement and disability benefits, and vests in the Local Boards the administration of the system and the responsibility for making the provisions of the system effective for the Town. Two of the five members of each Board must be “citizens”, and one of those must be the head of the Town’s merit system (or his/her designee). Law requires these individuals to serve on both the Police and Fire Boards. The former Town Manager served in this capacity on both Boards and it is now necessary to appoint Mr. Montoya to fill those Board seats.

FINANCIAL IMPACT:

No impact

STAFF RECOMMENDATION:

Staff recommends the appointment of Town Manager Charles Montoya to serve as the citizen/merit system head representative Board Member on the Public Safety Personnel Retirement System – Police and Fire Local Boards for a term expiring February 4, 2017.

ATTACHMENTS:

None



TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 9f.

MEETING DATE: February 4, 2013

DEPARTMENT: Human Resources

STAFF PRESENTER: Scott Barber, HR Director

SUBJECT: Public Safety Personnel Retirement
System – Police & Fire Local Board
Membership – Wilbur Freeman

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other

RECOMMENDED MOTION/ACTION:

A motion to approve the re-appointment of Wilbur Freeman to serve as a citizen Representative board member on the Public Safety Personnel Retirement System – Police and Fire Local Boards for a period of four years.

BACKGROUND/DISCUSSION:

State Law requires our regular Police and Fire Department employees to be enrolled in the Public Safety Personnel Retirement (PSPR) System for retirement and disability benefits, and vests in the Local Boards the administration of the system and the responsibility for making the provisions of the system effective for the Town. Two of the five members of each Board must be “citizens”, and one of those must be the head of the Town’s merit system (or his/her designee). Law requires these individuals to serve on both the Police and Fire Boards. Mr. Freeman has served in this capacity for the past four years and has agreed to continue his service.

FINANCIAL IMPACT:


No impact

STAFF RECOMMENDATION:

Staff recommends the re-appointment of Wilbur Freeman to serve as a citizen representative Board Member on the Public Safety Personnel Retirement System – Police and Fire Local Boards for a term expiring February 4, 2017.

ATTACHMENTS:

None

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 9g.
MEETING DATE: February 4, 2013 DEPARTMENT: Human Resources STAFF PRESENTER: Scott Barber, HR Director SUBJECT: Public Safety Personnel Retirement System - Fire Local Board Membership – Corey Pine		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

A motion to ratify the re-appointment of Corey Pine to serve as an employee representative board member on the Public Safety Personnel Retirement System - Fire Local Board for a period of four years with a term expiring February 4, 2017.

BACKGROUND/DISCUSSION:

State Law requires our regular Fire Department employees to be enrolled in the Public Safety Personnel Retirement (PSPR) System for retirement and disability benefits, and vests in the Local Board the administration of the system and the responsibility for making the provisions of the system effective for the Town. Two of the five Board members must be elected by secret ballot by our Fire Department employees. We opened the nomination process but did not receive any nominations. We then contacted Fire Captain Corey Pine, the current member whose term is expiring, as to his willingness to continue to serve and he agreed to continue his Local Board service.

FINANCIAL IMPACT:

No impact

STAFF RECOMMENDATION:

Staff recommends ratification of the appointment of Fire Captain Corey Pine to serve as an employee representative Board Member on the Public Safety Personnel Retirement System – Fire Local Board for a term ending February 4, 2017.

ATTACHMENTS:

None

MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, JANUARY 7, 2013, AT 5:30 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Rankin called the meeting to order at 5:30 p.m.

ROLL CALL:

Present: Rankin, Smith, Celaya, Hawkins, Montaña, Walter, Woolridge

ADJOURN TO EXECUTIVE SESSION

For the purpose of discussion of the public body regarding Town Manager selection process, in accordance with A.R.S. §38-431.03 (A)(1).

On motion of Councilmember Woolridge, seconded by Councilmember Celaya and carried to adjourn to Executive Session.

ADJOURN FROM EXECUTIVE SESSION

On motion of Councilmember Hawkins, seconded by Vice-Mayor Smith and carried to adjourn from Executive Session.

INVOCATION PERFORMED BY PASTOR WAYNE DOUGLAS, GILA RIVER COMMUNITY CHAPEL.

Pastor Wayne Douglas, Gila River Community Chapel performed the invocation.

PLEDGE OF ALLEGIANCE

Mayor Rankin led the Pledge of Allegiance.

CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

Ms. Ruth Harrison, Resident, stated that she is submitting petitions signed by residents and business owners requesting the Council rescind its December 3, 2012, decision to install an electronic message center on the northeast corner of Main Street and Butte Avenue. They are requesting Option A be considered, which more properly reflects the historic character.

Ms. Harrison said a poll was published on December 27, 2012, in the Florence Reminder, asking the public opinion about putting a multi-color bulletin board at the entrance to the Florence Downtown Historic District. She said the poll results stated that 57.9% of those who responded thought it was a dreadful idea. She said a recent study down by the National Highway Traffic Safety Administration, focused on the increase in the number of pedestrian traffic fatalities found throughout the country. The study concluded that drivers and pedestrians are increasingly distracted by electronic devices. She said drivers entering the intersection at Main and Butte, need to avoid any distractions, and must drive the area with caution, or it could prove deadly. She said this is why it would be better to install a simple monument sign.

Ms. Elizabeth Kizer introduced herself to the Council as she is on the Redevelopment Commission. She stated that she is a doctoral student at the University of Arizona, with an emphasis on public health. She is facilitating a project in the Town of Florence and explained that public health looks for solutions on issues that affect the general public, such obesity. She explained various diseases and their precursors affected by diet. She is forming a coalition to ask the Florence residents the following:

- Do you feel the environment in Florence offers healthy alternatives?
- Do you feel that the food environment is adequate?

Ms. Kizer will host meetings to get the public onboard. She will survey the public and identify and consolidate the result in a report that will be available to the public. She provided a flyer to the Council.

Mr. Jim Knapp, spoke on behalf of Congressman Paul Gossar, who is proud to continue to serve for Florence, under Arizona's 4th Congressional District. He said their office can assist with the following:

- Social Security benefits
- Veteran's Affairs benefits
- Passports
- Can assist with those who are having issues with Federal agencies

Mr. Knapp provided his contact information to the Clerk's Office.

PUBLIC HEARING AND PRESENTATIONS

Public Hearing on ORDINANCE NO. 590-13:

Ms. Lisa Garcia, Interim Town Manager, read Ordinance No. 590-13 by title only.

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE TOWN OF FLORENCE CODE OF ORDINANCES, TITLE XV LAND USAGE, CHAPTER 150 DEVELOPMENT CODE, SECTIONS 150.059 DOWNTOWN COMMERCIAL (DC) AND 150.047 DISTRICT USE REGULATIONS TABLES (B) (First Reading).

Mr. Mark Eckhoff, Community Development Director, said the DC Zoning District encompasses the historic area. Staff is proposing multiple text changes to the DC

Zoning District to improve reinvestment opportunities and enhance economic development in the District. These include: eliminating the prohibition of a drive through for banks; changes to allow hotels, bed and breakfast facilities, movie theaters and grocery stores as principally permitted uses in the DC Zone; providing consistency in setback requirements for commercial and residential uses; and eliminating most parking requirements in the District.

Mr. Eckhoff said the setback requirements for commercial and residential uses are not consistent in the DC Zoning District. Since the District is intended to be mixed use—with both residential and commercial uses ideally existing within the same building—it is not necessary to differentiate setbacks between commercial and residential uses. This text amendment proposes the same setbacks for commercial and residential uses in the DC Zoning District.

Mr. Eckhoff said the properties within the DC Zoning District are built up to or close to the property line. Properties within the DC Zoning District are generally unable to provide on-site parking. The DC Zoning District currently requires on-site parking which makes it difficult for a new business to locate within the District because they often cannot meet the parking requirement. This amendment proposes to eliminate the parking requirement, with the exception of ADA requirements and some loading requirements, within the DC Zoning District. Such can be done since the supply of nearby public parking is adequate within and surrounding the District.

Mayor Rankin opened the Public Hearing, there being no comment, and Mayor Rankin closed the Public Hearing.

Introduction and acknowledgement of promotions within the Police Department: David Peterson, Sergeant and Steve Geib, Lead Dispatcher.

Daniel Hughes, Police Chief, introduced Steve Geib and David Peterson. He said both will provide coaching and mentoring for the staff and will be good additions to the Department. They are both being promoted into supervisor positions.

CONSENT: All items indicated by an (*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

***Reappointment of Sheree Berger and Eugene Horan to the Library Advisory Board with a term to expire December 31, 2014.**

***Reappointment of Don Pinson to the Parks and Recreation Board with a term to expire December 31, 2015.**

***Reappointment of Barry Reed, James Petty, and Larry Putrick to the Planning and Zoning Commission with a term to expire December 31, 2015.**

***Reappointment of Elizabeth Kizer and Sharon Speck to the Redevelopment Commission with terms to expire December 31, 2016.**

***Reappointment of Jorganne Cochran, Chris Reid, Lynn Smith, and Betty Wheeler to the Historic District Advisory Commission with a term to expire December 31, 2015; Appointment of Cathy Adam to the Historic Advisory Commission with a term to expire December 31, 2014.**

***Authorization to forward a favorable recommendation to the Arizona Department of Liquor Licenses and Control regarding the Caliente Casa De Sol's application for a Special Event Liquor License for the following dates: February 15, 19, 20, 22, and 24, 2013 for the 2013 Spring Fling Events.**

***Authorization to forward a favorable recommendation to the Arizona Department of Liquor Licenses and Control regarding the Florence Gardens Mobile Home Association's application for a Special Event Liquor License for Three Parks Wine and Micro Brew Fund Raiser on January 29, 2013.**

***Acceptance of the public improvement for the Anthem at Merrill Ranch Subdivision Units 17B and 18.**

***Approval of the December 3, 10, and 11, 2012 Town Council Meeting minutes.**

***Receive and file the following Board and Commission minutes:**

- September 19, and November 28, 2012 Joint-Use Library Advisory Board minutes**
- August 16, 2012 Planning and Zoning Commission minutes**
- October 30, 2012 Redevelopment Commission minutes**

On motion of Vice-Mayor Smith, seconded by Councilmember Montañó and carried to approve all items on the Consent Agenda, excluding Item F.

Mayor Rankin stated that he understood that an organization is allowed a maximum of three events per year.

Ms. Lisa Garcia, Interim Town Manager, stated that the organization is allowed a cumulative total of ten events per calendar year. She stated they are using five of their days, and will have five days remaining.

On motion of Councilmember Montañó, seconded by Councilmember Hawkins and carried to approve Item F on the Consent Agenda.

UNFINISHED BUSINESS

Reconsideration (Discussion/Approval/Disapproval) of the Design Review application for a Town of Florence downtown historic district monument sign located at the northeast corner of Main Street and Butte Avenue in Florence, Arizona, (HDAC-08-12-DR).

Mr. Eckhoff stated that five options for a monument sign have been presented to Council for consideration. He provided a detail description of each of the signs. He said the Council previously chose Option F. There is momentum happening in Florence

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and the sign would continue to keep the momentum moving. He said each of the options presented to Council will be acceptable. Public Works made a mock-up of the sign to provide a visual to ensure it will be viewable from all areas.

Councilmember Walter said she has received phone calls and requested that it be brought back before the Council. She has heard that an electronic message center might be better on State Highway 79, and for the downtown area to maintain its historical nature.

Vice-Mayor Smith inquired if the Council had the option to choose a different sign.

Ms. Garcia said the intent is to allow the Council to discuss the monument sign further and to choose whichever option they would prefer.

Vice-Mayor Smith said he would prefer this item be brought back to Council at a later time so that the Council may consider the other options because the electronic message center and the height of the sign do not comply with the Historic District Advisory Commission's guidelines. The Town should comply with the codes that they have approved and not allow something for themselves that they didn't allow a business to do, such as rejecting True Value's request for a digital sign.

Councilmember Celaya asked for clarification on the Code with regards to the electronic message center and height of the sign.

Mr. Eckhoff stated the height of the Option F sign is 6 ½ feet. He said per HDAC guidelines, the sign cannot exceed four feet.

Vice-Mayor Smith said he can understand a variance for a non-digital sign because of the entrance into the downtown historic area. He can also understand not doing a digital sign and opting to do two signs on both ends of the downtown historic district, specifically because of the cost of the electronic message sign.

Mr. Eckhoff said the height of the sign for Option A is 5 ½ feet. He said because the sign will be placed at a key intersection, they wanted to ensure that the sign would be visible. With regards to the cost, Option A would be included with the streetscape improvements that National Bank will do. The Town is obtaining bids to do an Option A type sign for the opposite entrance into the downtown area to be placed on the Silver King property. The Town would have funds to do the second sign.

Vice-Mayor Smith said the electronic message center sign is costly.

Councilmember Celaya said the intent of the electronic message center sign was for public announcements to the community. He said with regards to comparison of the True Value sign and Option F sign, there is no comparison. True Value is an already existing historic building that should hold its historical integrity, where the National Bank building will be a newly erected building with no historical value. He said the intersection is a transitional point on Main Street.

Councilmember Montañó said that a motion needs to be made to rescind the previous vote that the Council previously made if the Council chooses to look at other options.

Councilmember Hawkins said the Council may need to reconsider other options.

Mayor Rankin said that there were 19 votes casted on the Florence Reminder's poll regarding the sign.

Councilmember Woolridge stated that there are no members from the Historic District Advisory Commission present.

Councilmember Walter said that one resident questioned the visibility and who they are trying to communicate with. They said one option may to place the sign on State Highway 79, as it may be more appropriate location for an electronic message center with all the commuters that come to and leave from our community each day. She said it can promote tourism and have more people come into the Historic District.

Vice-Mayor Smith stated that staff needs to comply with its guidelines and codes.

Mayor Rankin stated that there are things to consider: cost of the sign; which is expensive, ability to advertise the Historic District on a new sign with a new building, and electronic signs on Main Street. He said there are lit/neon signs within businesses on Main Street. He said that businesses are allowed to put up the signs because they received variances.

Mr. Eckhoff stated that National Bank will incorporate their sign on the building so they will not need a free standing sign.

Mayor Rankin stated that he made a mistake in voting for the sign when it was against the Town Code. He suggested that the Code be changed to reflect what is needed.

On motion of Vice-Mayor Smith, seconded by Councilmember Montañó and carried to rescind the Design Review application for a Town of Florence Downtown Historic District monument sign located at the northeast corner of Main Street and Butte Avenue.

NEW BUSINESS

Mayor appointment of Chair Elizabeth Kizer and Vice Chair Anne Cartier-Bresson to the Redevelopment Commission with a term to expire December 31, 2013.

Mayor Rankin appointed Elizabeth Kizer as Chair, and Ann Cartier-Bresson as Vice-Chair to the Redevelopment Commission with a term to expire December 31, 2013.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL

Councilmember Celaya expressed his appreciation to all of the Town's volunteers.

Councilmember Montaña stated the Council has done a great job for 2012, and he looks forward to 2013.

Councilmember Walter stated the Library has new e-readers and has a great selection of e-books available. She also thanked the volunteers.

Vice-Mayor Rankin invited everyone to the Pinal County Historical Museum on Sunday, January 13, 2013, at 2:00 p.m. They will have a guest speaker who will discuss foods in Arizona.

Mayor Rankin wished everyone a Happy New Year. He said the work session for January 14, 2013 has been postponed. He said they will have an Executive Session on January 14, 2013 for the Manager position. He said the Town has tough decisions coming in the near future and requests everyone's supports. The Council is dedicated in improving the quality of life for its citizens. He said they want to improve shopping opportunities in Florence. He said he doesn't plan to run for re-election and would like to accomplish a few things during this term.

ADJOURN TO EXECUTIVE SESSION

For the purpose of discussion of the public body with the Town Attorney regarding contract negotiations relating to the Sunaire Ranch and Majestic Ranch development agreements in accordance with A.R.S. § 38-431.03(A)(4).

On motion of Councilmember Hawkins, seconded by Councilmember Walter and carried to adjourn to Executive Session.

ADJOURN FROM EXECUTIVE SESSION

On motion of Vice-Mayor Smith, seconded by Councilmember Montaña and carried to adjourn from Executive Session.

ADJOURNMENT

On Motion of Councilmember Celaya, seconded by Councilmember Walter and carried to adjourn the meeting at 8:45 p.m.

Tom J. Rankin, Mayor

ATTEST:

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on January 7, 2013, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

MINUTES OF THE FLORENCE TOWN COUNCIL WORK SESSION HELD ON WEDNESDAY, JANUARY 9, 2013, AT 5:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Rankin called the meeting to order at 5:12 p.m.

ROLL CALL:

Present: Rankin, Smith, Celaya, Hawkins, Montaña, Walter, Woolridge

WORK SESSION TO DISCUSS A WATER AND WASTEWATER SOLUTION FOR THE AREA SOUTH OF THE CENTRAL ARIZONA PROJECT CANAL.

Those in attendance included:

Daniel Hodges, Johnson Companies

George Johnson, Johnson Companies

Ellen Babbitt, Johnson Utilities

Gary Drummond, Legal Counsel for Johnson Utilities

Rob Longaker, Planner, WLB Group

Matt Warner, Property Owner

Mark Eckhoff, Community Development Director, TOF

James E. Mannato, Town Attorney, TOF

Wayne J. Costa, Town Engineer/Public Works Director, TOF

Jess Knudson, Deputy Town Manager, TOF

Ms. Lisa Garcia, Interim Town Manager, stated that on Monday, January 7, 2013, a meeting was held with Mayor Rankin, Vice-Mayor Smith, Town Staff, Mr. George Johnson, and Mr. Johnson's team to discuss the possibility of the Town providing Mr. Johnson with a Certificate of Convenience and Necessity (CC&N), for the area south of the Central Arizona Project (CAP) Canal. She said that as Interim Town Manager, she does not have the authority or the ability to move forward with those types of negotiations without the Town Council's authorization to proceed. It was determined that staff should come forward with an Executive Session.

Ms. Garcia stated the following has been provided to those in attendance:

- Draft Section 208 Areawide Water Quality Management Plan Amendment Pre-Application, that Southwest Environmental Utilities, LLC has to issue to Central Arizona Governments (CAG)
- Maps
- Exhibits
- Owner's Authorization Form from Ron McCray that shows he is working with Johnson Companies
- Letter from Gammage & Burnham, asking that this meeting be postponed to a later date because they felt that the 24 hour notice was not viable for their

attendance. They have also included, in the letter, considerations that they are asking Council to consider.

Mr. George Johnson, Johnson Companies, stated that Kelvin Highway will remain straight for as long as ADOT will allow. There are approximately 6,000 people who commute daily to Florence. He created Johnson Ranch and they built a better community than anyone and want to do the same on the proposed site. They want those who come to Florence from the south to feel that they are coming into a good community, and not a prison town. They would like to incorporate into the development a boutique spa that will be marketed across the country, along with a dude ranch, such as "Caballeros". He said the dude ranch will include trail rides, cookouts, steak fry, food and beverage facilities, and an area for children to learn how to rope in the arenas. They would like to work with the Town on their ranch. They will also include senior living and assisted-living. It will be more of a suburban with white fences, larger lots, and better setbacks. It will also contain various types of orchards. Arrangements are being made for super financing for the development that will be available to the builders in which there will be no down payments for those who qualify. He said the economy is not that good and won't be for a few years.

Mr. Johnson said that families deserve to be in good housing in a decent neighborhood. They are working with Zion Bank of Utah, and National Bank of Arizona. He said the prices need to be affordable and he is working hard to keep the costs down. He said they need to include the water and sewer. He said the utility company will have a new name, but it will be a Johnson company and will maintain the guarantees that go with it.

Mr. Johnson said the impact fees will be \$900 for water and \$1,000 for sewer. He said Florence's impact fees are \$7,435. This will result in a savings of approximately \$5,535. He said they have done a good job in Florence and have served Anthem well, and will continue to do so. The rate request will be the maximum the Corporation Commission will allow. He said their proposal is reasonable. He would like to continue to work with Florence. It has to be a win-win situation for everyone and they hope to create momentum where they can get approximately 500 homes built.

Mr. Johnson said currently there is no water or sewer available to the area and they are willing to service the area. He said the Town has a good water and sewer department but are unable to serve the area now. They have already drilled their well and it is a good well. They also have two sewage treatment plants at Hunt Highway. It will take some time to go through the 208 process and get the Corporation Commission's approval. It will help them time wise if the Town sees fit and supports them.

Mr. Johnson said they have agreed to service the area next to the cemetery with potable water. The families in that area have made a second request to Johnson Utilities to have them service them with water and sewer. He said ultimately, it is the Town's decision if they will service that area.

Mr. Johnson said they will pay the Town 5% franchise fee, and it may be more than if they ran the systems themselves.

Ms. Garcia reminded Council that in considering the development agreements, the Town has to consider if it is in the Town's best interest to provide water and sewer in that area; or if the Town does not have the resources or the adequate staffing and ability to be able to put in the infrastructure, they must determine how the area is to be provided water and sewer. She said Mr. Johnson has come to the table to say that he is ready to move his project forward. She said with regards to Anthem, the Council had to decide if they could put in the infrastructure or if they were going to use a third party to put in the infrastructure.

Ms. Garcia said staff is inquiring from the Council what it wants to do. It is a policy decision of how the Town moves forward.

Mayor Rankin reminded everyone that the discussion is for water and sewer only, and not the development itself.

Mr. Eckhoff outlined the owners of each of the properties. He said he spoke with Mr. Ron McCray, one of the property owners, and he fully supports what Johnson Utilities is doing and is a willing participant in working with them on the utility solution and zoning modifications for the project. He identified the other owners, but was unable to attend the meeting.

Ms. Garcia stated that a regional solution is necessary.

Mayor Rankin inquired if Mr. Johnson is requesting from the Arizona Corporation Commission for the impact fees to remain the same as those in the Johnson Ranch area. He also inquired if they will be asking for the maximum fees for water and wastewater.

Mr. Johnson confirmed that they will be requesting for the impact fees to remain the same as those in Johnson Ranch and in Anthem. He said they will be asking for the maximum fees for water and wastewater. Their fees will be slightly lower than the Town's fees. They will be able to serve everyone south of the CAP Canal. He said in order to supply the area in its current state, there will need to be a \$3,000,000 lift station plus other substantial costs for pipes, etc. He said there isn't a builder who would be able to afford such expenses. He said they are confident that they are able to provide water and wastewater and build a great development.

Mr. Wayne Costa, Public Works Director, stated that the Town of Florence Development Impact Fees are \$7,400. He said staff has been looking for a regional approach for the area, specifically in the master plans that the Town conducted, approximately, seven years ago. The Town proposed a regional wastewater treatment plant in the Majestic Ranch area because that is the lowest gradient that will support that area. The Town has investigated the use of a well, and a well in the Majestic area is the best location for a well, as determined by the hydrogeologist. The Town has always looked for a regional approach, and the area is extremely difficult for water and specifically sewer because sewer is gravity fed system. He explained in detail the system needed to

supply the area. He said the estimated cost for capital improvements necessary to build a full backbone, which includes five wells and a 2.0 mgd plant, is approximately \$38 million. He said the Town can delete two wells, based on how the Town services areas, and would provide a \$5 million credit, resulting in an adjusted cost of approximately \$33 million.

Mr. James E. Mannato, Town Attorney, inquired what the proposed 2.0 mgd plant was based on.

Mr. Costa stated that the 2.0 mgd plant was based on the 208 plan that Mr. Johnson is proposing, which will cover the entire annexed area within the CC&N area, which will include the Florence Ranch area and Majestic Ranch area. He gave a detailed description of the entire area. The area encompasses Mayfield Road; the northern boundary, which is Sun Aire; the cemetery; Majestic Ranch to the west; Florence Ranch; the rodeo grounds; and the Aero Modelers Park to the south.

Mr. Mannato asked Mr. Costa if it was necessary and desirable to build a plant that large, right in the beginning before the development is there to utilize it.

Mr. Costa responded that they agree with the concept that Johnson has proposed which would be one or two package plants at the start. The reason for that is that you don't get enough effluent stream into the plant; henceforth, you need to build it up at least 15-20% (200,000-300,000 gallons) before you can consider a large enough, permanent plant in order to accommodate the sewage flow.

Mr. Mannato inquired about the size of the package plants and what would the estimated cost be.

Mr. Costa stated the Town would put in two 100,000 gallon plants and would cost approximately \$500,000 each. He briefly explained what would be included for the cost.

Mr. Mannato said the initial capital cost would be significantly lower and modifications could be made once the growth starts.

Mr. Costa stated that Mr. Johnson would be taking the same approach.

Mayor Rankin inquired if the Town were to provide water and sewer to the area, how long would it take before Mr. Johnson can proceed with the development.

Mr. Costa stated the design would take approximately five months for planning and nine months for construction. Water could be produced within 14 months. He said it is more problematic for sewer because ADEQ has a 310 administrative review time built into their APP. You can proceed with construction on day one at risk. It would take nine months to design, and up to twelve months for construction. The timeline is based upon the type of plant that Mr. Johnson stated, which is an extended aeration plant. It would take approximately 21 months before influent could be introduced into the plant.

Mayor Rankin inquired how many additional staff would need to be hired.

Mr. Costa stated they would need approximately eight to nine people for water and sewer.

Mayor Rankin discussed Lewis Farms.

Mayor Rankin stated that he would like to have Johnson Utilities on the left side of the CAP Canal.

Councilmember Hawkins inquired if Johnson Utilities were allowed to proceed, would they have rights for water and sewer for all developments south of the CAP Canal.

Mayor Rankin said it would only include those that are part of the CC&N.

Mr. Costa said that the existing homes have their own wells or are serviced by a small water company. He said a regional approach was considered for water and sewer. The area included the area to Biznaga Road and south to Bartlett Road. He said the land use was very rural density and it was determined that the build out of the plant, that was mentioned earlier, was approximately 7.1 mgd. Staff indicated that their intent was to provide a regional solution in the Majestic Ranch area because they felt that it was the best area for gravity flow.

Mayor Rankin stated that the Council will have to meet again if they wanted to expand the CC&N.

Mr. Costa stated that if the Town decides to utilize Johnson Utilities, the Town will have to provide Johnson Utilities a letter of support for both the 208 Plan and the CC&N.

Discussion continued on the various land owners surrounding the Florence Cemetery and their requests to be serviced by Johnson Utilities.

Mr. Johnson stated that the Town will receive revenue from the permits, bed tax revenue from the dude ranch and spa, and the economic dollars that come from the project.

Councilmember Montaña inquired how close the Town is to being maxed out and if they could handle another 400 bed facility.

Mr. Costa said the Town is at 80% capacity. He said the Town can handle up to a 1,000 bed facility. The Town is close to engineering the next phase to increase the plant to 4.0 mgd, which is another 60% or doubling the capacity merely by changing the process of the plant. He briefly explained what changes would be made. He said the Florence plant can handle up to 27 mgd, if necessary.

Mayor Rankin said financing would be necessary and the water rates would be different from what currently exists for the Town. It would result in three different water rates.

Ms. Garcia said that the Town would have two rates.

Mayor Rankin inquired how long it would take Mr. Johnson to get started on the project, if the Town approved the CC&N.

Mr. Johnson said he doesn't have an exact date, but they start soon as they don't have to secure financing.

Mayor Rankin inquired about the name change from Johnson Utilities to Southwest Environmental Utilities.

Mr. Johnson said the name change is strictly personal because of his estate planning. His children will be listed as the owners of the company. The company will maintain the same level of service, commitment, and guarantees as Johnson Utilities.

Councilmember Celaya inquired if there would be any reason(s) for them to stop construction and not complete the project.

Mr. Johnson said their intent is to fully complete the project. There are things that slow the process; however, if they are allowed to control the entire project, they will be able to control the costs.

Councilmember Celaya inquired if the Council allowed Mr. Johnson to proceed, how large of a risk would be willing to take since he is financing the project.

Mr. Johnson said that the surveys they have done are based on the current market. He said he can build the project with small wells and septic systems; however, that is something he doesn't want to do. He said he wouldn't be able to do it with the Town controlling the water and wastewater. The project will take years to complete.

Councilmember Celaya inquired if Mr. Johnson will run the project all the way through without hesitation, or will he phase it based on the economy.

Mr. Johnson said the project is approximately 6,000 units and it will take some time to complete.

Discussion occurred on various scenarios that could cause the project to slow down, or stop intermittently.

Councilmember Woolridge inquired if the Town did not provide Johnson Utilities the CC&N, would they continue with the project.

Mr. Johnson said they would not be able to do the project. He said if they were given the CC&N, they would do the project.

Mr. Matt Werner, Florence Crossings owner, stated that he is in support of the CC&N application and the proposed project. He provided his reasons for support.

Councilmember Celaya inquired if the first region is successful, is there a potential for a second region.

Mr. Johnson said there is always a potential. He is partial to Florence and would continue to work with Florence. He said they work as a master developer. He said they work with several developers and they have to work within several price points. There are approximately 6,000 people who come through Florence and it is important for them to be afforded the opportunity for housing.

Mr. Mannato said the Mr. Johnson is requesting that the Town relinquish its water and sewer service in a specified area. The Town does not make money on their utility system and there is no profit built into the rates. He said if the Town retains its right to provide service, the Town secures the belief that they will ensure that the people that receive service will have the best possible service at the lowest possible rate. Florence has a very good track record of providing service to our community.

Mr. Mannato gave a brief history of when Florence relinquished its rights to Anthem area because the market was hot and Pulte was ready to go. They have placed approximately \$200 million into the project. They were anticipating selling 400 homes per month and now currently selling approximately 10 homes per month. He said this tells the Town what is really going on with the market and what the absorption figures are.

Mr. Mannato said Florence is not in the same situation as it was in when the Anthem area started. He said Florence needs to consider those figures when contemplating if this is the right time. He said the Town needs to consider what it will receive for relinquishing its rights. He said Johnson Utilities provides its service at the most reasonable cost that they can. They also have to make a reasonable return on their investment, and they are allowed to make a profit per the CC&N.

Mayor Rankin asked what Florence has done to stimulate growth. He said rooftops are needed to bring a grocery store, and there aren't enough rooftops to bring a grocery store to this part of Town. He said Johnson Utilities is willing to start a project when the market is not booming to provide the Town with housing and employment. In his opinion, relinquishing their rights on the small parcel of land is a small price to pay for what the Town can receive in the future. He said if Florence doesn't do something, they are stagnant and will continue to go down. He said the Town has seen what Mr. Johnson has done with Johnson Ranch, San Tan Valley, and Queen Creek.

Mr. Mannato said that Pulte is the only one selling homes in Florence. They are offering everything amenity to get people to buy home. He said you can't sell when people aren't buying.

Councilmember Hawkins said that with the minimal sale of homes are still bringing new residents into Florence.

Discussion occurred on current home sales in Florence, the current market, and the probability of home sales in the future.

Councilmember Celaya said that by Mr. Johnson putting in the infrastructure for future growth is an asset to Florence.

Councilmember Woolridge said that in her opinion, they need to take care of their residents and provide a consistent service. She inquired why Florence should relinquish their rights to a private company who will make a profit at the residents' expense.

Councilmember Hawkins said it is economically unrealistic for Florence to be able to put in the infrastructure. He said the Council needs to consider if they want to see the south entrance of Florence developed. He said any improvements close to the core is a plus. He said people will know what the rates will be when they purchase a home.

Councilmember Woolridge inquired if it is really necessary to rush into the project. She asked the Council to look at the big picture.

Councilmember Celaya said Mr. Johnson is the primary owner of the property and he is the driver of the project and he will not do the project if he is not issued the CC&N. The Town has to come to some type of agreement that is beneficial to everyone. The south side of Florence needs stimulation.

Discussion occurred on various scenarios if the Town issues Mr. Johnson the CC&N or not.

Mr. Gary Drummond, Attorney, stated that the Town may not want to risk their capital in building infrastructure where homes may or may not sell. It would be wise to allow Mr. Johnson to risk his capital and credit to put the facilities out there as a landowner. He said otherwise the Town has to figure out a way to put in \$3.5 million in site improvements for the regional facility, float the bonds, pay for the package plant, and hire people to operate it.

Councilmember Walter said if the homes don't sell, Florence would have to pass the burden on the taxpayers to pay for the bonds.

Vice-Mayor Smith said the Town is required to supply water and sewer to anyone building in the town limits.

Ms. Garcia stated that the Council may want time to consider the proposition and have it brought back to the Council on the January 22, 2013, Town Council meeting under an Executive Session for legal advice and bring a draft provider agreement. The 208 letter of approval is not the only thing that will come before Council. If the Council chooses to

move forward, it will also have to enter into an agreement with Mr. Johnson to be the utility provider as well.

Mayor Rankin said timing is very important. He said if 1/5 to 1/3 of the commutes were to reside in Florence, it will help Florence. He said Florence took a chance on the Anthem project, and it has been good for Florence.

Mr. Johnson said Florence will receive a 5% franchise fee on the gross for water and sewer utility bills. Florence will be gaining and not losing anything. He said they provide water and sewer to Anthem, and if they hadn't, Anthem wouldn't have come to Florence. Daniel Bonow is also speaking to Mr. Johnson about another subdivision. There will be subsidies available through grants.

Mr. Johnson said Anthem has been very good for Florence and they will want to do something similar on the south end.

Mr. Jess Knudson, Deputy Town Manager, stated that the Town of Florence has a franchise agreement in place, but specifies the Anthem area, and is not town-wide. The agreement will need to be updated if the Council chooses to proceed forward. Negotiations will be need to be done, and Council should be directing staff with possible changes to the agreement. He said timing is important, and once you relinquish your rights, you relinquish your negotiating power on how the land is developed. It is also the time to outline what you would want in the development agreement.

Mr. Johnson stated that changes can be made up to the last day on the agreement. They will not change anything on their agreement with Anthem. He thinks Florence's word is good and will stand behind what they say.

Mr. Knudson said the franchise agreement does not allow for Johnson Utilities to operate in the proposed area so the agreement will need to be expanded to include the proposed area.

Ms. Garcia said a secondary agreement could be done as well.

Councilmember Woolridge said she will need time to review all of the documentation and does not think it is feasible to bring the item to the next meeting.

Councilmember Hawkins requested to go into Executive Session to discuss this further.

Mr. Knudson said there is an agreement in place that allows Johnson Utilities to serve the Anthem area. The agreement will need to be modified or a second agreement will need to be drafted to allow for proposed area. He said Florence received \$50,000 last year in franchise fees from the Anthem area.

Ms. Garcia would recommend a second agreement be done identifying the name of the new utility company.

Mr. Johnson said they could draft the agreement and the Town could make modifications as needed.

Mayor Rankin inquired when the development agreement needs to be completed.

Mr. Mannato said a development agreement was done with Mr. McCray, the previous owner, on the property. He said negotiations for the development agreement need to take place with Mr. Johnson. He said a development agreement should be in place before the Town provides its consent for the relinquishment of the utility rights.

Mayor Rankin said that the item will be brought before Council on January 22, 2013.

Mr. Werner said that he would like to be included in the development agreement conversations. There are others who would want to be involved in the discussions as well. He said he is in agreement for the CC&N.

Ms. Garcia requested more time to allow Council to review the documentation and requested guidance from the Council on what they want.

Councilmember Celaya said he is concerned about the time frame of bringing this back to the Council on January 22, 2013. He said they need more time to review the documents. He said they need to negotiate the development agreement.

Mayor Rankin said Johnson Utilities has been working on the project for six months and it is time sensitive for the grants.

Mayor Rankin said they will have an Executive Session on January 22, 2013. The Council needs to direct staff to get the agreement done.

Councilmember Woolridge said the Council should not be rushed. It is their job to protect the citizens of the Town. It is an important decision that Council is making and it does not need to be rushed.

Councilmember Hawkins agreed with Councilmember Woolridge.

Mayor Rankin said they were elected to protect the Town, as well as progress the Town.

Councilmember Hawkins asked for a meeting prior to January 22, 2013, to discuss this further.

Mayor Rankin said they will have an Executive Session on January 15, 2013.

Mr. Johnson said the water and sewer agreement will be separate from the development agreement. He said there are ordinances in place for infrastructure. He said they have a CC&N for the Anthem area. He said timing is very important and it is the difference between failure and success. He said he has to know that as long as he

meets the conditions of the Town, he is fine. He said his track record should speak for itself.

ADJOURNMENT

On motion of Vice-Mayor Smith, seconded by Councilmember Hawkins and carried to adjourn the meeting at 6:57 p.m.

Tom J. Rankin, Mayor

ATTEST:

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on January 7, 2013, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, JANUARY 14, 2013, AT 4:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Councilmember Woolridge called the meeting to order at 4:05 p.m.

ROLL CALL:

Present: Rankin, Smith, Celaya, Hawkins, Montañó, Walter, Woolridge

ADJOURN TO EXECUTIVE SESSION

For the purpose of discussion of the public body regarding interviews with candidates for the position of Town Manager and discussions on the selection process, in accordance with A.R.S. §38-431.03 (A)(1).

On motion of Councilmember Montañó, seconded by Councilmember Walters and carried to adjourn to Executive Session.

ADJOURN FROM EXECUTIVE SESSION

On motion of Councilmember Montañó, seconded by Councilmember Walters and carried to adjourn from Executive Session.

ADJOURNMENT

On motion of Councilmember Montañó, seconded by Councilmember Walters and carried to adjourn the meeting at 10:00 p.m.

Tom J. Rankin, Mayor

ATTEST:

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on January 14, 2013, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING OPEN TO THE PUBLIC
ON TUESDAY, JANUARY 15, 2013, AT 5:00 P.M., IN THE CHAMBERS OF TOWN
HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.**

CALL TO ORDER

Vice-Mayor Smith called the meeting to order at 5:00 p.m.

ROLL CALL:

Present: Rankin, Smith, Celaya, Hawkins, Montañó, Walter, Woolridge

ADJOURN TO EXECUTIVE SESSION

For the purpose of discussion of the public body with the Town Attorney to receive legal advice regarding providing consent for Johnson Utilities LLC to obtain a CCN for the area south of the Central Arizona Project Canal in accordance with A.R.S. § 38-431.03(A)(4).

On motion of Councilmember Celaya, seconded by Councilmember Walter, and carried to adjourn to Executive Session.

ADJOURN FROM EXECUTIVE SESSION

On motion of Councilmember Walter, seconded by Councilmember Celaya, and carried to adjourn from Executive Session.

ADJOURNMENT

On motion of Councilmember Celaya, seconded by Councilmember Hawkins, and carried to adjourn the meeting at 8:00 p.m.


Tom J. Rankin, Mayor

ATTEST:

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on January 15, 2013, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 10a.
MEETING DATE: February 4, 2013 DEPARTMENT: Florence Municipal Court STAFF PRESENTER: Town Magistrate/Town Attorney SUBJECT: Ordinance 591-13:Vehicle Weight Restrictions		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input checked="" type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Motion to adopt Ordinance No. 591-13: An Ordinance of the Town of Florence, Pinal County, Arizona, amending the Town Code Title 7, Chapter 72 by adding Section 72.04 concerning restrictions on vehicle weight.

BACKGROUND/DISCUSSION:

Although commercial vehicle weight restrictions are codified in the Arizona Revised Statutes at A.R.S. § 28-1091 et seq., by adding such provisions to the Town of Florence Code of Ordinances, the Florence Municipal Court would be able to retain the fines associated with such violations locally. Currently, drivers found responsible of Title 28 weight violations are fined according to the statutory fine schedule; however, the majority of the fine imposed must be sent to the State of Arizona.

Enforcement

The Florence Police Department (PD) has two officers who are certified commercial vehicle inspectors through the Department of Public Safety. The PD also has portable weight scales that are also certified through the Department of Public Safety. The PD conducts truck inspections and weight inspections on all highways and roadways within the Town of Florence. These inspections are conducted at random times when staffing levels will allow our commercial vehicle inspection officers to stop and inspect these vehicles. PD also set up specific times, internally, to run a truck inspection detail. Lastly, the PD does participate in regional departmental truck inspection details. Our past experience has found numerous safety violations in the large number of trucks driving through the Town of Florence, as well a good number of weight violations.

FISCAL IMPACT:

The forgoing minimum fines include an 83% State Surcharge, a \$13.00 State Surcharge, a \$20.00 probation surcharge, and a \$36.60 Court processing fee (Florence Court retains \$20.00, and \$16.60 goes to the State).

The 83% surcharge is based on the amount the Court sets as their “base fine”. In the first example on the chart, the base fine is \$100.00. When you include all of the above applicable surcharges and Court Processing Fee, the amount for this fine is \$252.60, leaving the \$100.00 base Fine to the Court.

Under the current structure, the Court transmits the entire fine amount to the State. Per Sgt. Tatlock, a Federal Motor Carrier Enforcement Officer, the average over weight vehicle is overweight by 2500 pounds. If Council chooses to adopt this ordinance the Town would keep \$400.00 out of the \$801.60 fine.

ALTERNATIVES:

Do not adopt Ordinance 591-13.

RECOMMENDATION:

Town staff recommends that the Council adopt Ordinance No. 591-13 as a local protective measure for Town rights-of-way, and to allow for the local retention of fines imposed.

ATTACHMENTS:

Ordinance 591-13
Sliding Scale

ORDINANCE NO. 591-13

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE TOWN CODE TITLE 7, CHAPTER 72 BY ADDING SECTION 72.04 CONCERNING RESTRICTIONS ON VEHICLE WEIGHT.

WHEREAS, the Town of Florence (the "Town") desires to prevent damage to Town ways and bridges which may be caused by vehicles of excessive weight, to lessen safety hazards and the risk of injury to the traveling public, to extend the life expectancy of Town ways and bridges, and to reduce the public expense of their maintenance and repair; and

WHEREAS the Town of Florence has determined that an ordinance to such effect would be beneficial to the citizens of the Town of Florence.

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Florence, Arizona, that the Code of Ordinances of The Town of Florence, Arizona, Title 7, Chapter 72 is amended by adding Section 72.04 to read as follows:

Definitions.

Vehicle means a device in, on or by which a person or property is or may be transported or drawn on a public highway, excluding devices moved by human power or used exclusively on stationary rails or tracks.

Violation of Ordinance.

(A) A person shall not drive or move and the owner of a vehicle shall not knowingly cause or permit to be driven or moved on a highway a vehicle or vehicles of a weight exceeding the limitations set forth in Arizona Revised Statutes title 28, chapter 3, article 199 (A.R.S. § 28-1091 et seq.), the provisions of which are adopted by reference as though fully contained in this Ordinance.

(B) The weight and load provisions of this article do not apply to:

- (1) Fire apparatus.
- (2) Urban public transit transportation system vehicles.
- (3) Implements of husbandry, including farm tractors, that are temporarily moved on a highway.
- (4) Emergency vehicles.
- (5) School buses.
- (6) Personal use pickup trucks and recreational vehicles.
- (7) Vehicles operated under the terms of a special permit issued pursuant to this Ordinance.

(8) Users of highways within the Town limits that are within the state highway system and under the jurisdiction of the state that are in compliance with weight requirements of state law.

(C) Escort vehicle operators are not responsible for violations of this section committed by the operator of the escorted vehicle or the owner of the escorted vehicle.

Weighing of Vehicles.

(A) Any Town police officer having reason to believe that the weight of a vehicle or vehicle and load does not conform to the requirements set forth in this article has the same powers and authority to stop and weigh and to direct the driver or operator as any police or peace officer has under the authority of A.R.S. § 28-1102 concerning state roads.

(B) A Town police officer may require the weighing of a commercial vehicle by means of portable scales at any time.

(C) A driver or operator of a vehicle shall not knowingly fail or refuse to stop and submit the vehicle and load to a weighing or knowingly fail or refuse to drive or move the vehicle as requested by a Town police officer to the nearest public scales, if the scales are within two miles.

Unlawful Weight.

If, on weighing a vehicle and load, a Town police officer determines that the weight does not conform to the requirements set forth in this section, the officer may require the driver or operator to stop the vehicle in a suitable place and remain standing until the portion of the load is removed as necessary to reduce the gross weight to the limit permitted by law. A driver or operator of a vehicle shall not knowingly fail to refuse the direction of the officer to stop the vehicle in a suitable place remain standing until the portion of the load is removed as necessary to reduce the gross weight to the limit permitted by law.

Damage to the Street.

(A) Any person driving any vehicle, object or contrivance upon any street, highway or highway structure shall be liable for all damage which the street, highway or structure may sustain as a result of any illegal operation, driving or moving of the vehicle, object or contrivance, or as a result of operating, driving or moving any vehicle, object or contrivance weighing in excess of the maximum weight in this article, even if authorized by a special permit issued as provided in this article.

(B) When the driver is not the owner of the vehicle, object or contrivance, but is so operating, driving or moving the same with the express or implied permission of the owner, than the owner and driver shall be jointly and severally liable for any damage.

Overweight Permits.

The Town Manager, or his designee, upon application in writing and good cause shown, may issue a special permit in writing authorizing the applicant to operate a vehicle or load exceeding the maximum specified in this article on any street under the jurisdiction of the Town.

Penalties.

(A) A person who violates any provision of this article is subject to a civil penalty as follows:

If the excess weight is:	The minimum fine is (in dollars):
1 to 1,250 pounds	100.00
1,251 to 1,500 pounds	200.00
1,501 to 2,000 pounds	300.00
2,001 to 2,500 pounds	400.00
2,501 to 3,000 pounds	500.00
3,001 to 3,500 pounds	840.00
3,501 to 4,000 pounds	980.00
4,001 to 4,500 pounds	1,120.00
4,501 to 4,750 pounds	1,260.00
4,751 to 5,000 pounds	1,400.00
5,001 pounds and over	1,400.00 plus an additional \$100.00 for each 1,000 pounds of excess weight to the maximum fine of \$2,000.00

(B) The forgoing minimum fines do not include all applicable state and local enhancement fees, surcharges and assessments, which shall be charged in addition to these minimum fines.

(C) A person who commits a second violation of this article within three months of a preceding judgment is guilty of a class 1 misdemeanor.

(D) A person who commits a second violation of this article within six months of a preceding judgment is guilty of a class 2 misdemeanor.

(E) A person who commits a second violation of this article within one year of a preceding judgment is guilty of a class 3 misdemeanor.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 4th day of February 2013.

Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:


Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

Overweight Penalties

(A) A person who violates any provision of this article is subject to a civil penalty as follows:

If the excess weight is:	BOND	TOTAL FINE	BASE FINE 7F	83% SURCHARGE 1S	COURT PROCESSING FEE X1	STATE SURCHARGE \$13 1X	PROBATION SURCHARGE 6E
1 TO 1,250	252.60	252.60	100.00	83.00	36.60	13.00	20.00
1,251 TO 1,500	435.60	435.60	200.00	166.00	36.60	13.00	20.00
1,501 TO 2,000	618.60	618.60	300.00	249.00	36.60	13.00	20.00
2,001 TO 2,500	801.60	801.60	400.00	332.00	36.60	13.00	20.00
2,501 TO 3,000	984.60	984.60	500.00	415.00	36.60	13.00	20.00
3,001 TO 3,500	1606.80	1606.80	840.00	697.20	36.60	13.00	20.00
3,501 TO 4,000	1863.00	1863.00	980.00	813.40	36.60	13.00	20.00
4,001 TO 4,500	2119.20	2119.20	1120.00	929.60	36.60	13.00	20.00
4,501 TO 4,750	2375.40	2375.40	1260.00	1045.80	36.60	13.00	20.00
4,751 TO 5,000	2631.60	2631.60	1400.00	1162.00	36.60	13.00	20.00
5,001 AND OVER			1400.00 PLUS AND ADDITIONAL \$100.00 FOR EACH 1,000 LBS OF EXCESS WEIGHT TO THE MAXIMUM BASE FINE OF 2,000.00 PLUS SURCHARGES AND ASSESSMENTS.				

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 11a.
MEETING DATE: February 4, 2013 DEPARTMENT: Administration STAFF PRESENTER: Charles Montoya Town Manager SUBJECT: Utility Operating Agreement for Southwest Environmental Utilities, LLC		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other

RECOMMENDED MOTION/ACTION:

Consideration of entering into a utility operating agreement with Southwest Environmental Utilities, LLC.

BACKGROUND/DISCUSSION:

Recently, developer George Johnson approached the Town of Florence regarding his plans for the development of a tract of land known as Florence Ranch, which was formerly owned by developer Ron McCrae. This 1,276 acre property was the subject of a pre-annexation development agreement and PUD Narrative approved by the Town in December 2008, which resulted in the recordation of that agreement and the Town's annexation of the property.

Included in Mr. Johnson's plans for the residential and commercial development of this property is a proposal to provide water, effluent water and wastewater treatment services to the property through a new utility company, Southwest Environmental Utilities, LLC ("Southwest"). To do so, the consent of the Town is required, which would be demonstrated by an operating agreement to be entered into between the Town and Southwest.

Mr. Johnson, on behalf of Southwest, has provided a draft Operating Agreement which is based upon the prior operating agreement which the Town entered into in 2005, with Johnson Utilities, LLC, as a means of providing utility services to Anthem at Merrill Ranch.

The highlights of the proposed Operating Agreement are as follows:

- Utility would provide water, effluent water and wastewater treatment services to those areas of Town within its CC&N (Area of CC&N to be determined at a later date through application to AZ Corporation Commission).

- Utility would provide the Town 120 days advance notice of its intent to drill any well or construct any well site and would agree not to undertake construction until approval was received from the Town.
- Town will receive a fee equal to 5% of utility's retail revenues, excluding sales tax and CAGR charges.
- The 5% fee can be renegotiated after 1-1-2023.
- Agreement is for 25 years.
- Town retains right to condemn utility system.
- Town has a right of "first refusal" to purchase the utility system should the utility offer for sale any or all of its facilities.
- Utility agrees to indemnify and hold harmless the Town as to claims resulting from its negligent, reckless or intentional conduct in the construction or operation of its facilities.

FISCAL IMPACT

The Town would receive 5% of the retail revenues of the utility. The amount, in dollars, is dependant upon the number of customers of the utility.

ALTERNATIVES:

Do not enter into the proposed operating agreement.

RECOMMENDATION:

Town staff presents the proposed operating agreement to Council for discussion, approval or disapproval.

ATTACHMENTS:

Draft Operating Agreement for Southwest Environmental Utilities, LLC

WHEN RECORDED RETURN TO:

**Town Clerk
Town of Florence
PO Box 2670
Florence, AZ 85232**

OPERATING AGREEMENT

DATE: January __, 2013

PARTIES: (1) SOUTHWEST ENVIRONMENTAL UTILITIES, L.L.C.
an Arizona limited liability company
5230 East Shea Boulevard
Suite 200
Scottsdale, AZ 85254

TOWN OF FLORENCE, ARIZONA
an Arizona municipal corporation
PO Box 2670
Florence, AZ 85232

DEFINITIONS:

The following terms used in this Operating Agreement shall have the following meanings:

- A. Town: Town of Florence, Arizona, an Arizona municipal corporation.
- B. Utility: Southwest Environmental Utilities, L.L.C., an Arizona limited liability company, its successors and assigns.
- C. Utility's Facilities: Water, effluent, and wastewater lines and related appurtenances.

RECITALS:

1. Pursuant to the Agreement, Utility will commence providing public utility water, effluent water, and wastewater services to those areas of Town within Utility's Certificate of Convenience and Necessity (CC&N) and Central Arizona Governments 208 Plan, more particularly depicted on Exhibit "A" attached hereto and by this reference incorporated herein, including but not limited to those areas within the Johnson Ranch

Estates Planned Unit Development which are located in the immediate vicinity of State Route 79 and Florence Kelvin Highway, Florence, Arizona.

2. Pursuant to the Agreement, Town has agreed that, Utility shall be permitted the use of public streets and ways for water and wastewater utility service.

3. Accordingly, the parties hereto desire to enter into this Operating Agreement.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Operating Agreement. Town hereby grants Utility, its successors and assigns, the right and privilege to construct, maintain, and operate upon, over, along, across, and under the present and future public rights-of-way (including but not limited to streets, alleys, ways, highways and bridges) located within the present and any future corporate limits of Town, a domestic wastewater collection system as well as a potable water and effluent water delivery system, together with all necessary or desirable appurtenances (including but not limited to wells, well sites, storage, water pumping facilities, wastewater pumping facilities, manholes, transmission mains, distribution mains, collection mains, service lines, fire hydrants, meters and equipment for its own use), for the purpose of supplying potable water, effluent water, and wastewater collection services to Town, its successors, the inhabitants thereof, and all individuals and entities either within or beyond the limits thereof, for all purposes.

- A. Notwithstanding the foregoing operating grant, Utility agrees that prior to the construction of any well or well site within the area subject to this Agreement, it will notify the Town of its intent to construct such well or well site and will not commence construction of such well or well site unless and until it has received the approval of Town, which approval shall not be unreasonably withheld. Town shall have 120 days from notification by Utility of its intent to commence construction of any well or well site to issue the Town's approval or disapproval of the proposed well or well site. Utility agrees to protect, indemnify and hold harmless the Town from and against any and all claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders and judgments arising out of, resulting from or alleged to have resulted from a violation of the Gila River Indian Community Water Rights Settlement Agreement, the Gila River General Adjudications, or any Federal, State or local law enacted pursuant thereto, as a result of the construction or operation by Utility or its agents, employees or contractors, of any well or well site in violation of this paragraph or after a written notice disapproving such construction or operation has been issued by the Town.

Section 2. Compliance with Town Practice; Map Submitted for Approval; Town Construction Near Utility's Facilities. All construction hereunder shall be performed in

accordance with established practices of Town with respect to such public rights-of-way. Before Utility makes any installations in the public rights-of-way, Utility shall submit for approval a map showing the location of such proposed installations to Town. If Town undertakes either directly or through a contractor any construction project adjacent to or near Utility's facilities operated pursuant hereto, Town shall include in all such construction specifications, bids, and contracts a requirement that, as part of the cost of the project, the contractor or his designee obtain from Utility the temporary removal, relocation, barricading or depressurization of Utility's facilities or equipment, the location of which may create an unsafe condition in view of the equipment to be utilized or the methods of construction to be followed by the contractor. Town shall indemnify and hold Utility harmless from any and all claims, costs, losses, or expenses incurred by Utility as a result of the failure of Town, or its contractors to comply with said requirements.

Section 3. Construction and Relocation of Utility's Facilities; Payment. All facilities installed or constructed pursuant hereto shall be so located or relocated and so erected as to minimize the interference with traffic, or other authorized uses over, under or through the public rights-of-way. Those phases of construction of Utility's facilities relating to traffic control, backfilling, compaction and paving, as well as the location or relocation of facilities herein provided for shall be subject to regulation by the Town. Utility shall keep accurate records of the location of all facilities in the public right-of-way and furnish them to Town upon request. Upon completion of new or relocation construction of underground facilities in the public right-of-way, Utility shall provide the Town with as-built drawings showing the actual location of the underground facilities in those cases where the actual location differs significantly from the proposed location approved in the permit plans.

- A. If Town requires Utility to relocate Utility's facilities, which were located in private easements or rights-of-way obtained by Utility prior to Town's acquisition of the public right-of-way from which the facilities must be relocated, the entire cost of relocating Utility's facilities (including the cost of purchasing a new private easement or right-of-way, if necessary) shall be borne by Town. Town shall also bear the entire cost of all subsequent relocations of the relocated facilities required by Town, until such time as Town condemns or otherwise purchases Utility's private easement or right-of-way. Notwithstanding the last two foregoing sentences, the Town shall only be required to purchase a replacement private easement if the Utility's facilities being relocated cannot reasonably be located within the rights-of-way of the Town or other governmental entity or a free private easement cannot be acquired by the Utility.
- B. Except as covered in Paragraph A above, Utility shall bear the entire cost of relocating its facilities, located on public rights-of-way, the relocation of which is necessary for Town's carrying out of a function in the interest of the public health, safety or welfare. Utility's right to retain its facilities in their original location is subject to the paramount right to Town to use its public rights-of-way for all governmental purposes. Notwithstanding the foregoing, if Utility is requested to perform work of a temporary nature on a governmental project to relieve construction problems which could be relieved by other means, the cost of

said temporary work will be borne by Town or the contractor working on the governmental project. Governmental purposes include, but are not limited to, the following functions of Town: (1) Any and all improvements to Town streets, alleys and avenues; (2) establishing and maintaining sanitary sewers, storm drains, and related facilities; (3) establishing and maintaining municipal parks, parking, parkways, pedestrian malls, or grass, shrubs, trees and other vegetation for the purposes of landscaping any street or public property; (4) providing fire protection; (5) collection and disposal of garbage.

- C. Town will bear the entire cost of relocating any facilities, the relocation of which is necessitated by the construction of improvements by or on behalf of Town in furtherance of a proprietary function.
- D. Where Town's facilities or other facilities occupying a right-of-way under authority of a Town permit or license are already located in the right-of-way and a conflict between Utility potential facilities and the existing facilities can only be resolved expeditiously as determined by the Town's Public Works Director by relocating the existing Town or permittee facilities, Utility shall bear the entire cost of relocating the existing facilities, irrespective of the function they served.
- E. If Town participates in the cost of relocating Utility's facilities for any reason, the cost of relocation to Town shall not include any upgrade or improvement of Utility's facilities, as they existed prior to relocation. If required by Federal or State grant guidelines, the cost of relocation of Utility's facilities may be put out for bid by Utility in accordance with Utility's requirements. For the purpose of verifying amounts charged to Town for relocating Utility's facilities, relevant books and records of Utility shall be subject to inspection by duly authorized officers or representatives of the Town at reasonable times.
- F. Town will not exercise its right to require Utility's facilities to be relocated in an unreasonable or arbitrary manner, or to avoid its obligations under Section 2. Utility and Town may agree to cooperate on the location and relocation of other facilities at Utility's expense in the public rights-of-way.

Section 4. Restoration of Rights-of-Way. Whenever Utility shall cause any opening or alteration whatever to be made for any purpose in any public right-of-way the work shall be completed with due diligence within a reasonably prompt time, and Utility shall, upon completion of such work, restore the property disturbed to as good condition as it was prior to such openings or alteration. Utility shall bear the full cost of any barricades, signing, rerouting of traffic, or other action or expense which Town shall consider necessary or desirable in the interest of public safety during any such opening or alteration within the public right-of-way. Should Utility fail to restore the property to such condition, Town may make such repairs and Utility shall be responsible for the actual cost of such work. The Town shall give the Utility first right to correct substandard restoration or replacement. If Utility does not proceed with its necessary correction within 30 days, the Town shall have the right to perform the necessary restoration, repair, or replacement, either through its own forces or through a hired contractor,

and the Utility agrees to reimburse the Town for *reasonable* expenses in so doing within thirty (30) days after its receipt of the Town's invoice.

Section 5. Operating Agreement Fee. Utility shall pay Town in consideration of the grant of this agreement a sum equal to five percent (5%) of the retail revenues of Utility (excluding governmental impositions such as sales taxes, CAGR charges) from the sale by it of water, effluent water, and wastewater services within the present and any future corporate limits of Town, as shown by Utility's billing records (the "Fee") This Operating Agreement Fee shall be due and payable quarterly. For the purpose of verifying the amounts payable hereunder, the books and records of Utility shall be subject to inspection by duly authorized officers or representatives of Town at reasonable times. Notwithstanding the above, Town and Utility agree that on or after January 1, 2023, Town may request that the Operating Agreement Fee be increased and Utility will agree to such increase, provided however that Utility shall pay no higher percentage of its retail revenues as and for such fee than the highest fee paid by any other utility provider within the Town as of the time of such request.

Payment as described in the preceding paragraphs shall be payable in quarterly amounts within 30 days after the end of each calendar quarter.

Notwithstanding any provision of this Section 5 to the contrary, if at any time during the term of this agreement (1) the Town Council takes action to acquire Utility's facilities or (2) an initiative petition is approved by the voters which would result in the Town's acquisition of Utility's facilities, Utility's obligation to pay the fee provided for in this Section 5 shall immediately terminate, and Utility shall have no further obligation to pay such fees from that date forward; however, this agreement shall in all other respects remain in full force and effect. If Town thereafter officially abandons its efforts to condemn Utility's water and wastewater system, Utility shall resume the payment of fees pursuant to this Section 5 and shall retroactively pay those fees that would have otherwise been payable during the period payments were terminated.

Section 6. Additional Fees. Notwithstanding any provision contained herein to the contrary, Utility shall, in addition to the payment provided in Section 5, pay any occupation tax established by Town, provided the tax is a flat fee per year and that the annual amount of such fee does not exceed the amount of similar fees paid by any other business operated within Town.

Section 7. Term And Effectiveness. This Agreement shall become effective upon acceptance by Utility and Town, and the term of the agreement shall be for a period of twenty-five (25) years commencing from January 1, 2013.

Section 8. Nature of Agreement. This Agreement is exclusive only as to those geographic areas within Utility's CC&N, and shall not be construed to prevent the Town from granting other like or similar grants or privileges to any other person, firm or corporation which may possess a Certificate of Convenience and Necessity within the boundaries of the Town. Utility may not assign this Agreement to any other person, firm or corporation without the prior written consent of Town, which consent shall not be unreasonably withheld.

Section 9. Conflicting Ordinances. To the extent the terms of this Agreement conflict with any ordinance, or any portion of any ordinance, of Town, the terms of this Agreement shall control.

Section 10. Independent Provision. If any section, paragraph, clause, phrase or provision shall be adjudged invalid or unconstitutional, the same shall not affect the validity hereof as a whole or any part of the provisions hereof other than the part so adjudged invalid or unconstitutional.

Section 11. Condemnation; Right Reserved by Town. Town reserves the right and power to purchase and condemn the plant and distribution facilities of Utility within the corporate limits of the Town or any additions thereto, as provided by law. Should Utility offer for sale any or all of its operations and facilities which are subject to this agreement, the Town shall have a right of first refusal with regard to the sale and purchase of such operations and facilities, with the purchase price to be determined by a fair market valuation study conducted by the Town. In the event Utility and Town cannot agree on the fair market valuation, such valuation shall be determined in the manner described by Arizona Revised Statutes (“A.R.S.”) 9-515.

Section 12. Indemnification and Hold Harmless.

- A. Utility shall defend Town against all claims for injury to any person or property caused by the negligent, reckless or intentional conduct of Utility in the construction or operation of its property and in the event of a determination of liability shall indemnify Town. More particularly Utility, its successors and assigns, does hereby agree to indemnify and hold harmless Town from and against any and all liability, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, including judgments, remedial actions of any kind and all costs of cleanup actions of any kind, together with expenses related thereto (including but not limited to attorney fees, court costs, cost of appellate proceedings and all claim handling and administrative expenses) relating to, arising out of or resulting from or alleged to have resulted from Utility’s acts, errors, mistakes, omissions, work or services of Utility’s agents, employees, contractors, subcontractors or anyone for whose acts they or Utility may be liable in the performance of this Operating Agreement, and whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, including judgments, remedial actions of any kind and all costs of cleanup actions of any kind, together with expenses related thereto are caused in part by the passive negligence of the Town, its Council members, agents, officers, officials and employees.
- B. This paragraph 12 shall survive the termination or expiration of this Operating Agreement for a period of two (2) years.

Section 13. Insurance Requirements. The Utility, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Utility under this Agreement. The Utility's insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials, and employees as Additional Insured.

- A. General Liability. The Utility shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093(October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG2O101185 (October 2001 version).
- B. Automobile Liability. The Utility shall, at its expense, maintain a Commercial/Business Automobile Liability Insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Utility's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, "any auto", Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.

Section 14. Miscellaneous. Town and Utility hereby expressly agree that the following provision shall survive the termination or expiration of this Agreement.

Upon the termination or expiration of this Agreement, if Utility shall not have acquired and accepted an extension or renewal hereof, it may remove its facilities and system within Town or at its option, may continue operating its facilities and system within additional extension upon, over, along, across and under the public right-of-way within Town, but it shall continue to pay the "Fee" as required in Section 5 until a new

agreement can be effected with the Town or until Utility provides notice to Town that a new agreement will not be pursued or until Utility's facilities are acquired by Town through the exercise of its powers of eminent domain.

Section 15. Town and Utility agree that Town shall provide all solid waste services to all portions of the Johnson Ranch Estates Planned Unit Development and to any future areas annexed into the Town.

Section 16. Notices. Any notice required or permitted to be given hereunder shall be in writing, unless otherwise expressly permitted or required, and shall be deemed effective either (i) upon hand delivery to the person then holding the office shown on the attention line of the address below, or, if such office is vacant or no longer exists, to a person holding a comparable office, or (ii) on the third business day following its deposit with the United States Postal Service, first class and certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

To the Town of Florence:

Town of Florence
P.O. Box 2670
775 North Main Street
Florence, AZ 85232
Attn: Town Manager

To the Utility:

Southwest Environmental Utilities, L.L.C.
5230 East Shea Boulevard
Suite 200
Scottsdale, AZ 85254
Attn: George H. Johnson
Manager

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

Town of Florence, an Arizona municipal corporation

Tom J. Rankin, Mayor

January __, 2013
Date

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James Mannato, Town Attorney

Southwest Environmental Utilities, L.L.C., an Arizona limited liability company

George H. Johnson, Manager

January __, 2013
Date

STATE OF ARIZONA)
) ss.
County of Pinal)

On this _____ day of _____, 2013, before me, the undersigned officer, personally appeared _____ who acknowledged himself to be the mayor of the TOWN OF FLORENCE, an Arizona municipal corporation, and that he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this _____ day of _____, 2013, before me, the undersigned officer, personally appeared George H. Johnson who acknowledged himself to be the Manager of Southwest Environmental Utilities, L.L.C., an Arizona limited liability company, and that he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

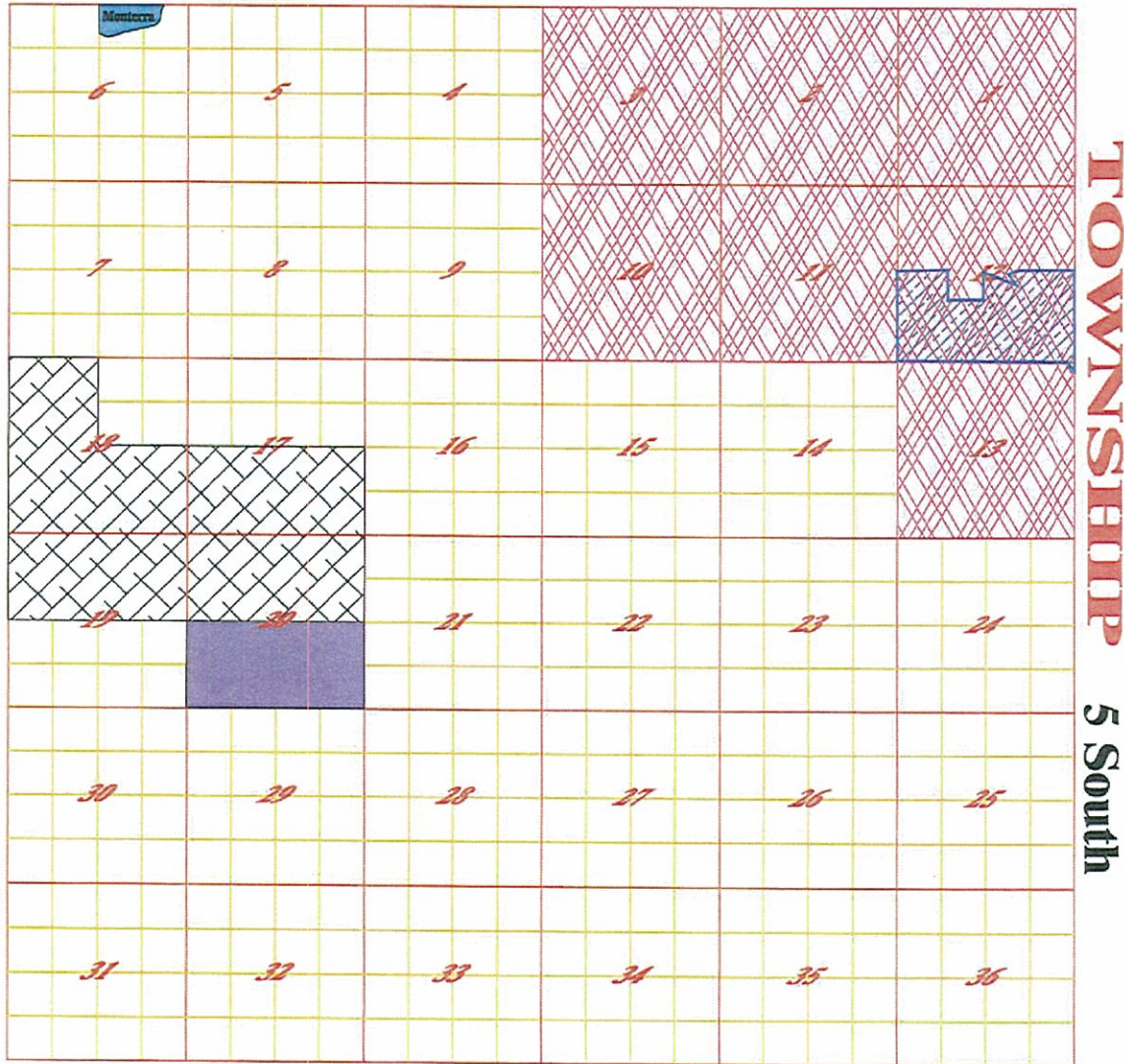
Notary Public

My Commission Expires:


EXHIBIT "A"


COUNTY: Pinal


RANGE 9 East



 W-1445 (39)(3)
Arizona Water Company (Coolidge)

 C-0005 (4)
City of Florence (Nonjurisdictional)

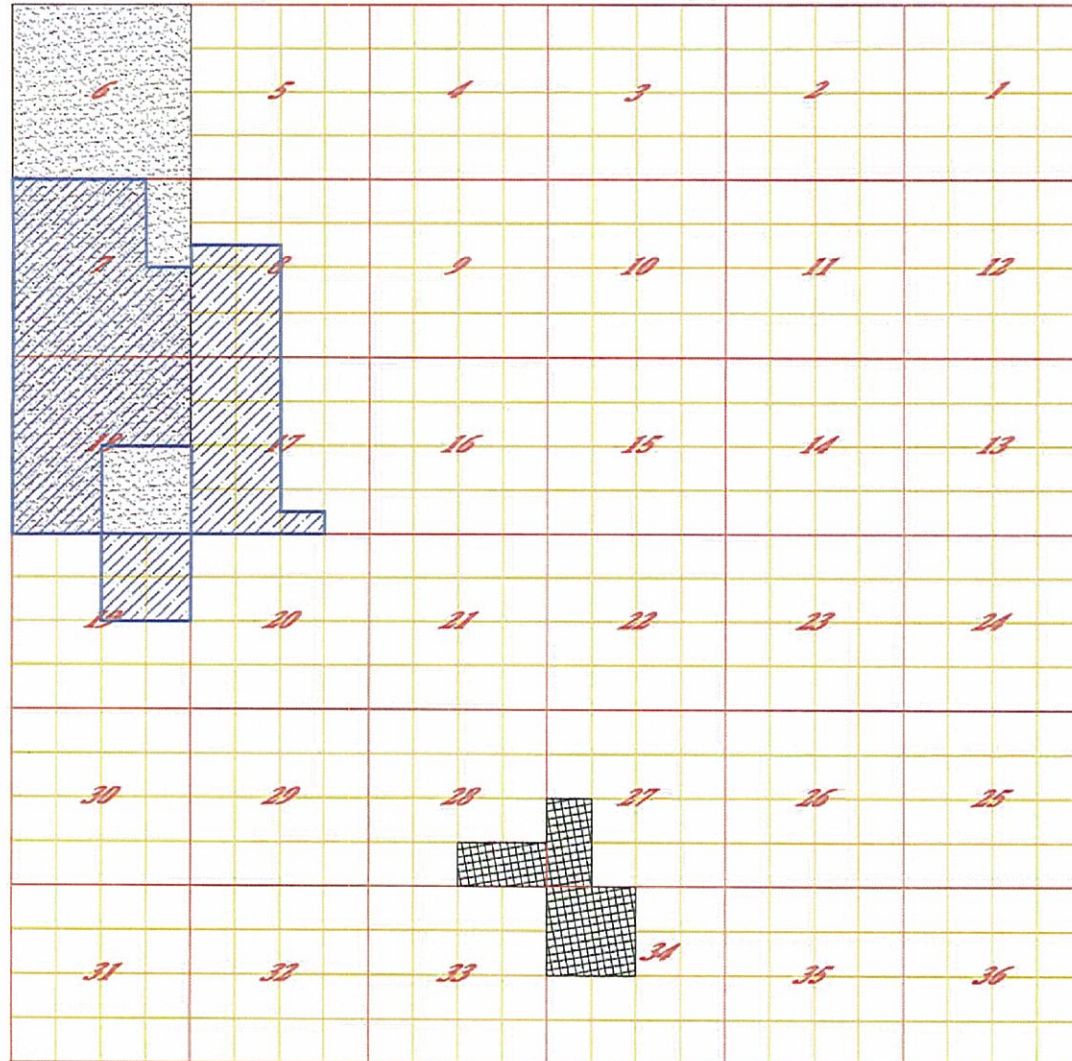
 (3)
Arizona Water Company
Docket No. W-1445-05-389
Application for Extension

 (4)
Johnson Utilities Company
Docket No. WS-02987A-06-0667
Application for Extension for Water & Sewer




 Southwest environmental utilities
CC&N Requested Area

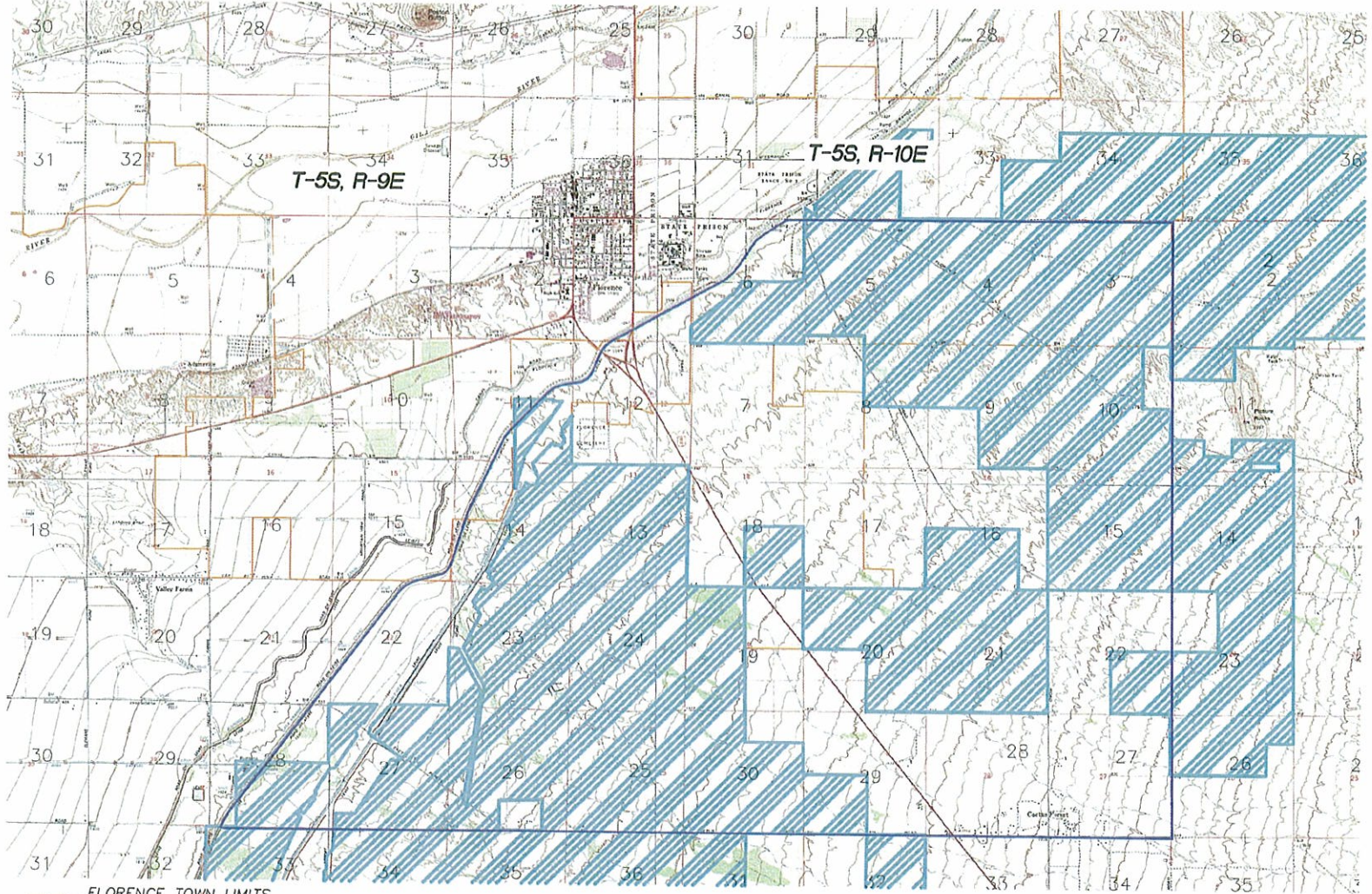
COUNTY: Pinal

RANGE 10 East



TOWNSHIP 5 South

-  U-1993 (1)
United Utilities (Florence/Cactus System)
-  (4)
City of Florence (Nonjurisdictional)
-  Southwest environmental utilities
CC&N Requested Area



- FLORENCE TOWN LIMITS
- SOUTHWEST ENVIRONMENTAL UTILITIES REQUESTED AREA
- ▨ STATE LAND

SOUTHWEST ENVIRONMENTAL UTILITIES CAAG 208 REQUESTED AREA	DRAWN FRB	SPECIFIC ENGINEERING, LLC. 3000 E. 50th AVE. SUITE 200 DENVER, COLORADO 80216 PHONE (303) 426-4427 FAX (303) 426-4427
	DATE 1/2013	