Land Use Assumptions, IIP and Development Fees

Town of Florence, AZ

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40-year consulting practice serving local government nationwide

- Impact fees/infrastructure financing strategies
- Fiscal/economic impact analyses
- Capital improvement planning
- Infrastructure finance/revenue enhancement
- Real estate and market feasibility

Apache Junction	Maricopa
Avondale	Nogales
Buckeye	Payson
Camp Verde	Pinetop-Lakeside
Casa Grande	Queen Creek
Coolidge	Safford
Dewey-Humboldt	Sedona
Eloy	Sierra Vista
Flagstaff	Surprise
Florence	Tucson
Gilbert	Yuma
Glendale	
Goodyear	

SB1525

- Three integrated products
  - Land Use Assumptions (at least 10 years and approved by elected officials)
  - Infrastructure Improvements Plan (IIP) limited to 10 years (no build out analysis)
  - Development Fees part of broader revenue strategy
- Based on same Level-of-Service (LOS) provided to existing development
- Limitations on Necessary Public Services
  - 3,000 square feet recreational facilities
  - No regional training facilities for public safety
- Refunds can be requested if improvements are not built

Legal and Methodology

- One-time payment for growth-related infrastructure, usually collected at the time buildings permits are issued
- Can't be used for operations, maintenance, or replacement
- Not a tax but more like a contractual arrangement to build infrastructure, with three requirements
  - Need (system improvements, not project-level improvements)
  - Benefit
    - Short range expenditures
    - Geographic service areas and/or benefit districts
- Proportionate

Summary of LUA

- Population increase
  - Year round: 3,331
  - Seasonal: 1,101
- Housing unit increase
  - Single family: 1,750 units
  - Multifamily: 250 units
- Nonresidential development increase
  - 3,719 jobs
  - 1.3 million square feet

Parks and Recreation

Methodology and Components

- Consumption-based approach
- Townwide service area
- Components
  - Park and open space land
  - Park improvements

Projected Demand (IIP)

Type of Infrastructure	Level of Service			Demand Unit	Average Cost
Land	Residential	0.0083	Acres	per Person	$10,000 per Acre
	Nonresidential	0.0007		per Job	
Improvements	Residential	0.060	Units	per Person	$13,402 per Unit
	Nonresidential	0.005		per Job	

	Need for Park Infrastructure				
	Year	Peak HH Population	Jobs	Acres	Improvements
Base	2018	14,480	7,626	125	909
Year 1	2019	14,926	7,902	128	937
Year 2	2020	15,369	8,188	132	965
Year 3	2021	15,812	8,484	136	993
Year 4	2022	16,255	8,791	140	1,022
Year 5	2023	16,698	9,172	144	1,050
Year 6	2024	17,141	9,571	148	1,079
Year 7	2025	17,584	9,987	152	1,107
Year 8	2026	18,027	10,420	156	1,136
Year 9	2027	18,470	10,873	160	1,165
Year 10	2028	18,913	11,345	164	1,194
Ten-Yr Increase		4,433	3,719	**39**	**285**
Growth-Related Expenditures =>				**$390,208**	**$3,817,598**

Total Growth-Related Expenditures	**$4,207,806**

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Proposed Development Fee

Fee Component	Cost per Person	Cost per Job
Park Land	$82.55	$6.53
Park Improvements	$807.65	$63.90
Development Fee Study	$7.19	$0.43
TOTAL	**$897.39**	**$70.86**

Residential (per unit)

Development Type	Persons per Household	Proposed Fees	Current Fee	Increase / Decrease
Single-Family	2.42	**$2,175**	$1,417	$758
Multifamily	1.80	**$1,616**	$1,148	$468

**Figure A1.*

Nonresidential (per square foot)

Development Type	Jobs per 1,000 Sq. Ft.	Proposed Fees	Current Fee	Increase / Decrease
Commercial/Retail	2.34	**$0.17**	$0.17	($0.00)
Office/Institutional	2.97	**$0.21**	$0.20	$0.01
Industrial/Flex	1.63	**$0.12**	$0.13	($0.01)

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Methodology and Components

- Consumption-based approach
- Townwide service area
- Credit for existing debt
- Components
  - Station square footage
  - Apparatus

Projected Demand

Type of Infrastructure	Level of Service			Demand Unit	Average Cost
Facilities	Residential	1.21	Square Feet	per Person	$292 per SF
	Nonresidential	0.89		per Job	
Vehicles	Residential	0.0005	Vehicles	per Person	$459,583 per Vehicle
	Nonresidential	0.0004		per Job	

	Need for Fire Infrastructure				
	Year	Peak HH Population	Jobs	Facilities (SF)	Vehicles
Base	2018	14,480	7,626	24,300	11
Year 1	2019	14,926	7,902	25,085	11
Year 2	2020	15,369	8,188	25,875	12
Year 3	2021	15,812	8,484	26,675	12
Year 4	2022	16,255	8,791	27,484	12
Year 5	2023	16,698	9,172	28,359	13
Year 6	2024	17,141	9,571	29,250	13
Year 7	2025	17,584	9,987	30,156	14
Year 8	2026	18,027	10,420	31,078	14
Year 9	2027	18,470	10,873	32,017	14
Year 10	2028	18,913	11,345	32,974	15
Ten-Yr Increase		4,433	3,719	**8,674**	**4**
Growth-Related Expenditures =>				**$2,529,907**	**$1,804,548**

Total Growth-Related Expenditures	$4,334,455

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Proposed Development Fee

Fee Component	Cost per Person	Cost per Job
Fire Facilities	$248.90	$183.80
Fire Vehicles	$251.37	$185.62
Development Fee Study	$5.84	$2.36
Credit	($106.72)	($71.09)
TOTAL	**$399.39**	**$300.68**

Residential (per unit)

Development Type	Persons per Household	Proposed Fees	Current Fee	Increase / Decrease
Single-Family	2.42	**$968**	$917	$51
Multifamily	1.80	**$719**	$743	($24)

**Figure A1.*

Nonresidential (per square foot)

Development Type	Jobs per 1,000 Sq. Ft.	Proposed Fees	Current Fee	Increase / Decrease
Commercial/Retail	2.34	**$0.70**	$0.66	$0.04
Office/Institutional	2.97	**$0.89**	$0.61	$0.29
Industrial/Flex	1.63	**$0.49**	$0.20	$0.29

Police

Methodology and Components

- Consumption-based approach
- Townwide service area
- Components
  - Police space
  - Police vehicles

Projected Demand (IIP)

Type of Infrastructure	Level of Service			Demand Unit	Average Cost
Facilities	Residential	0.70	Square Feet	per Person	$292 per SF
	Nonresidential	0.26		per Trip End	
Vehicles	Residential	0.0021	Vehicles	per Person	$47,744 per Vehicle
	Nonresidential	0.0008		per Trip End	

	Need for Police Infrastructure				
	Year	Peak HH Population	Trip Ends	Facilities (SF)	Vehicles
Base	2018	14,480	14,830	14,016	43
Year 1	2019	14,926	15,366	14,469	44
Year 2	2020	15,369	15,922	14,925	46
Year 3	2021	15,812	16,498	15,386	47
Year 4	2022	16,255	17,095	15,852	49
Year 5	2023	16,698	17,837	16,357	50
Year 6	2024	17,141	18,612	16,871	52
Year 7	2025	17,584	19,420	17,394	53
Year 8	2026	18,027	20,264	17,926	55
Year 9	2027	18,470	21,144	18,467	57
Year 10	2028	18,913	22,063	19,019	58
	Ten-Yr Increase	4,433	7,233	**5,003**	**15**
			Growth-Related Expenditures =>	**$1,460,893**	**$732,825**

Total Growth-Related Expenditures	**$2,193,718**

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Proposed Development Fee

Fee Component	Cost per Person	Cost per Vehicle Trip
Police Facilities	$203.50	$77.27
Police Vehicles	$102.08	$38.76
Development Fee Study	$5.39	$1.55
TOTAL	**$310.97**	**$117.58**

Residential (per unit)

Development Type	Persons per Household	Proposed Fees	Current Fee	Increase / Decrease
Single-Family	2.42	**$754**	$607	$147
Multifamily	1.80	**$560**	$492	$68

**Figure A1.*

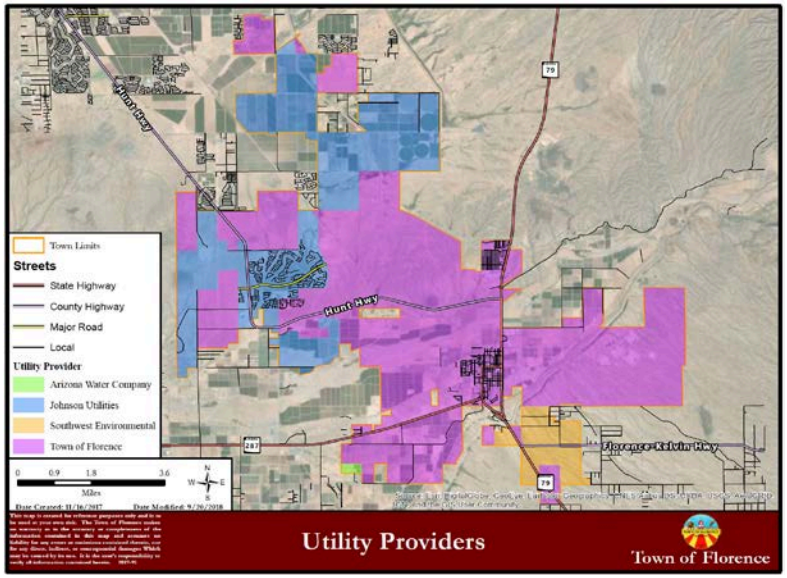
Nonresidential (per square foot)

Development Type	Trips per 1,000 Sq. Ft.	Trip Rate Adjustment	Proposed Fees	Current Fee	Increase / Decrease
Commercial/Retail	37.75	33%	**$1.46**	$0.44	$1.03
Office/Institutional	9.74	50%	**$0.57**	$0.40	$0.17
Industrial/Flex	4.96	50%	**$0.29**	$0.13	$0.16

Water

Methodology and Components

- Plan-based approach
- Florence utility service area
- Components
  - Transmission
  - Storage
  - Supply



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Water IIP

Description	*FY18-19*	*FY19-20*	*FY20-21*	*FY21-22*	*FY22-23*	*Years 6-10*	***Total Project***
Centennial Park Road 8" Loop		$80,000	$145,000				**$225,000**
Adamsville Rd water line (12 inch)						$250,000	**$250,000**
Water line infrastructure to serve North Florence (16 inch)			$1,000,000				**$1,000,000**
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,475,000**
						Ten-Year Increase in Gallons of Peak Demand per Day =>	1,241,411
						Cost per Gallon of Demand =>	**$1.19**

Description	*FY18-19*	*FY19-20*	*FY20-21*	*FY21-22*	*FY22-23*	*Years 6-10*	*Total Project*
North Florence Storage Tank			$1,250,000				**$1,250,000**
Total	**$0**	**$0**	**$1,250,000**	**$0**	**$0**	**$0**	**$1,250,000**
						Gallons of Capacity per Day =>	1,000,000
						Cost per Gallon of Capacity =>	**$1.25**

Description	*FY18-19*	*FY19-20*	*FY20-21*	*FY21-22*	*FY22-23*	*Years 6-10*	*Total Project*
Future Wells (1000 gallons a minute)			$1,250,000			$1,500,000	**$2,750,000**
Total	**$0**	**$0**	**$1,250,000**	**$0**	**$0**	**$1,500,000**	**$2,750,000**
						Gallons of Capacity per Day =>	1,440,000
						Cost per Gallon of Capacity =>	**$1.91**

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Proposed Development Fee

Input Variables	*Cost per Gallon of Capacity*
Transmission Projects	$1.19
Storage Projects	$1.25
Supply Projects	$1.91
Development Fee Study	$0.03
Capital Cost per Gallon of Capacity =>	**$4.38**
Peak Day Gallons of Demand per ERU =>	243

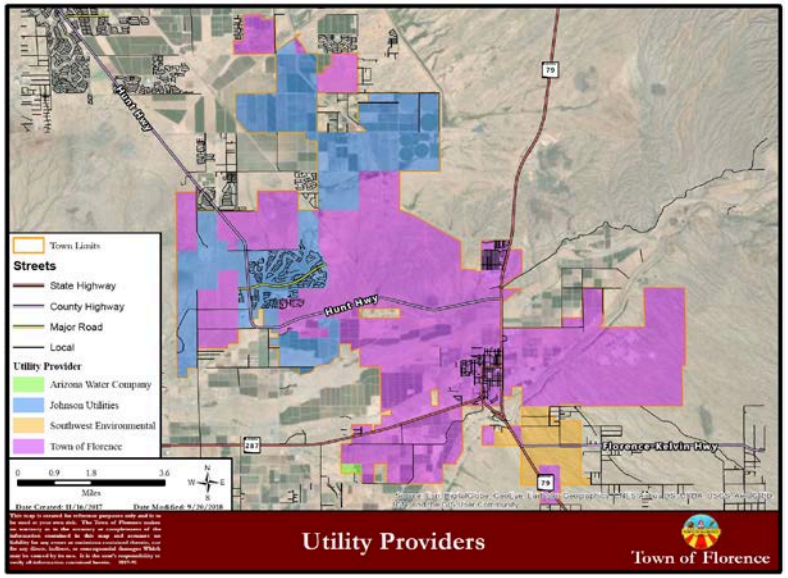
All Development (per meter)

Meter Size (inches)	*Meter Type*	*Capacity Ratio*	***Proposed Water Fee***	*Current Fee*	*$ Change*
0.625	Displacement	1.00	**$1,065**	$1,980	($915)
0.75	Displacement	1.50	**$1,597**	$4,950	($3,353)
1.00	Displacement	2.50	**$2,662**	$4,950	($2,288)
1.50	Displacement	5.00	**$5,324**	$9,900	($4,576)
2.00	Displacement	8.00	**$8,519**	$15,840	($7,321)
3.00	Compound	16.00	**$17,038**	$31,680	($14,642)
3.00	Turbine	17.50	**$18,636**	$34,650	($16,014)
4.00	Compound	25.00	**$26,623**	$49,500	($22,877)
4.00	Turbine	31.50	**$33,544**	$59,400	($25,856)
6.00	Turbine	65.00	**$69,219**	$123,750	($54,531)
8.00	Turbine	140.00	**$149,088**	$178,200	($29,112)
10.00	Turbine	210.00	**$223,633**	$287,100	($63,467)
12.00	Turbine	265.00	**$282,203**	$425,700	($143,497)

Wastewater

Methodology and Components

- Plan-based approach
- Florence utility service area
- Credit for future debt service
- Components
  - Collection system
  - Wastewater treatment



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Wastewater IIP

Description	*Prior Years*	*FY18-19*	*FY19-20*	*FY20-21*	*FY21-22*	*FY22-23*	*Years 6-10*	***Total Project***
West Main extension Adamsville to Dobson Property (36 inch)							$600,000	**$600,000**
South Sewer Main Extensions 287/SR79 (12 inch)							$1,000,000	**$1,000,000**
Lift Station at Hunt Highway & SR79				$40,000	$330,000			**$370,000**
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,970,000**

Ten-Year Increase in Gallons of Peak Demand per Day => 931,058

Cost per Gallon of Demand => **$2.12**

Description	*Prior Years*	*FY18-19*	*FY19-20*	*FY20-21*	*FY21-22*	*FY22-23*	*Years 6-10*	*Total Project*
Florence S. - WWTP Expansion				$2,000,000	$15,150,000			**$17,150,000**
South WWTP Expansion Headworks	$150,000	$2,000,000	$1,500,000					**$3,650,000**
SWWTP disinfection system upgrade			$30,000	$3,000,000				**$3,030,000**
S. WWTP odor control / dust abatement			$300,000					**$300,000**
Total	**$150,000**	**$2,000,000**	**$1,830,000**	**$5,000,000**	**$15,150,000**	**$0**	**$0**	**$24,130,000**

Gallons of Capacity per Day => 1,500,000

Cost per Gallon of Capacity => **$16.09**

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Proposed Development Fee

Input Variables	*Cost per Gallon of Capacity*
Transmission Projects	$2.12
Treatment Projects	$16.09
Principal Payment Credit per Gallon =>	($5.04)
Capital Cost per Gallon of Capacity =>	$13.17
Peak Day Gallons of Demand per ERU =>	182

All Development (per meter)

Meter Size (inches)	*Meter Type*	*Capacity Ratio*	***Proposed Wastewater Fee***	*Current Fee*	*$ Change*
0.625	Displacement	1.00	**$2,400**	$2,140	$260
0.75	Displacement	1.50	**$3,600**	$2,782	$818
1.00	Displacement	2.50	**$6,001**	$7,062	($1,061)
1.50	Displacement	5.00	**$12,002**	$14,338	($2,336)
2.00	Displacement	8.00	**$19,202**	$22,898	($3,696)
3.00	Compound	16.00	**$38,405**	$45,852	($7,447)
3.00	Turbine	17.50	**$42,005**	$49,862	($7,857)
4.00	Compound	25.00	**$60,008**	$71,262	($11,254)
4.00	Turbine	31.50	**$75,610**	$85,600	($9,990)
6.00	Compound	50.00	**$120,015**	$142,738	($22,723)
6.00	Turbine	65.00	**$156,020**	$178,262	($22,242)
8.00	Turbine	140.00	**$336,043**	$256,800	$79,243
10.00	Turbine	210.00	**$504,065**	$413,662	$90,403
12.00	Turbine	265.00	**$636,082**	$613,538	$22,544

Transportation

Methodology and Components

- Hybrid consumption/plan-based approach
- Townwide service area
- Components
  - » Arterial road capacity

Road IIP

Improvement	Segment	New Lanes	Miles	Lane Miles	Func Class	Per lane mile	Project Cost
Florence Heights Drive	SR 79 to SR 79B	2	1	2	Minor Arterial	$915,000	$1,830,000
Adamsville Road	3/4 Mile Extension to Plant Road	2	3	6	Principal Arterial	$1,013,000	$6,078,000
Butte Avenue	Main to Plant	2	1	2	Major Collector	$757,000	$1,514,000
Plant Road	Butte to River	2	0.6	1.2	Minor Arterial	$915,000	$1,098,000
Diversion Dam Road	SR79 to Bowling	2	0.5	1	Minor Arterial	$915,000	$915,000
Main Street Extension	1st to 79th	2	1	2	Minor Arterial	$915,000	$1,830,000
River Road	N/S Corridor to Main	4	1.5	6	Principal Arterial	$1,013,000	$6,078,000
Hunt Highway	SR79 to Town Limits	2	4.25	8.5	Principal Arterial	$1,013,000	$8,610,500
Hunt Highway	Franklin to Hiller	2	1	2	Principal Arterial	$1,013,000	$2,026,000
Attaway Road	Palmer to Hunt	2	1	2	Principal Arterial	$1,013,000	$2,026,000
Felix Road	Copper Basin to AZ Farms	2	2	4	Principal Arterial	$1,013,000	$4,052,000
Arizona Farms Road	Copper Basin to Hersoth	2	4.5	9	Principal Arterial	$1,013,000	$9,117,000
Attaway Road	AZ Farms to Judd	2	2	4	Principal Arterial	$1,013,000	$4,052,000
N/S Corridor Alignment	287 to N. Town Limits	4	13	52	Az Parkway	$1,215,600	$63,211,200
				101.7		**$1,105,582**	**$112,437,700**

Source: Town of Florence.

These are potential projects for which to use the development fees. Also used to derive weighted average cost per lane mile for the fee calculation.

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Proposed Development Fee

Average Miles per Trip =>	3.82
Cost per Additional Lane Mile =>	$1,105,582
Planned Lane Miles Needed to Maintain LOS =>	6.10
Ten-Year Growth Cost Funded by Fees	$6,744,051
VMT Increase Over Ten Years	54,532
Capital Cost per VMT#	$124.32

Residential (per unit)

Development Type	*Avg Wkdy Veh Trip Ends**	*Trip Rate Adjustment*	*Trip Length Adjustment*	*Proposed Fees*	*Current Fee*	*Increase / Decrease*
Single-Family Unit	6.20	63%	121%	**$2,250**	$2,086	$164
Multi-Family Unit	4.30	63%	121%	**$1,560**	$1,313	$247

Nonresidential (per square foot)

Development Type	*Avg Wkdy Veh Trip Ends***	*Trip Rate Adjustment*	*Trip Length Adjustment*	*Proposed Fees*	*Current Fee*	*Increase / Decrease*
Commercial/Retail	37.75	33%	66%	**$3.90**	$3.14	$0.76
Office/Institutional	9.74	50%	73%	**$1.68**	$1.73	($0.05)
Industrial/Flex	4.96	50%	73%	**$0.85**	$1.02	($0.17)

#Includes cost per VMT of $0.65 for the development fee study

**Current nonresidential fees adjusted from per 1,000 square feet to per square foot.*

Proposed vs. Existing Fees

Residential (per unit)

Type	Police	Fire and Rescue	Parks and Open Space	Roads	Proposed Fee	Current Fee	Difference
Single-Family	$754	$955	$2,175	$2,250	**$6,133**	$5,027	$1,106
Multi-Family	$560	$710	$1,616	$1,560	**$4,446**	$3,696	$750

Nonresidential (per 1,000 square feet)

Type	Police	Fire and Rescue	Parks and Open Space	Roads	Proposed Fee	Current Fee	Difference
Commercial/Retail	$1,465	$694	$166	$3,900	**$6,225**	$5,423	$802
Industrial	$292	$482	$115	$850	**$1,739**	$464	$1,275
Office/Other Services	$292	$880	$210	$1,680	**$3,061**	$2,937	$124

Meter Size (inches)	*Meter Type*	*Proposed Water Fee*	*Current Fee*	*$ Change*	*Proposed Wastewater Fee*	*Current Fee*	*$ Change*
0.625	Displacement	**$1,065**	$1,980	($915)	**$2,400**	$2,140	$260
0.750	Displacement	**$1,597**	$4,950	($3,353)	**$3,600**	$2,782	$818
1.000	Displacement	**$2,662**	$4,950	($2,288)	**$6,001**	$7,062	($1,061)
1.500	Displacement	**$5,324**	$9,900	($4,576)	**$12,002**	$14,338	($2,336)
2.000	Displacement	**$8,518**	$15,840	($7,322)	**$19,202**	$22,898	($3,696)
3.000	Displacement	**$17,037**	$31,680	($14,643)	**$38,405**	$45,582	($7,177)
3.000	Compound	**$17,037**	$31,680	($14,643)	**$38,405**	$45,852	($7,447)
3.000	Turbine	**$18,635**	$34,650	($16,015)	**$42,005**	$49,862	($7,857)
4.000	Compound	**$26,621**	$49,500	($22,879)	**$60,008**	$71,262	($11,254)
4.000	Turbine	**$33,543**	$59,400	($25,857)	**$75,610**	$85,600	($9,990)
6.000	Compound	**$53,243**	$99,000	($45,757)	**$120,015**	$142,738	($22,723)
6.000	Turbine	**$69,216**	$123,750	($54,534)	**$156,020**	$178,262	($22,242)
8.000	Compound	**$85,189**	$178,200	($93,011)	**$192,025**	$0	$192,025
8.000	Turbine	**$149,082**	$178,200	($29,118)	**$336,043**	$256,800	$79,243
10.000	Turbine	**$223,623**	$287,100	($63,477)	**$504,065**	$413,662	$90,403
12.000	Turbine	**$282,191**	$425,700	($143,509)	**$636,082**	$613,538	$22,544