

# **Town of Prescott Valley**

## **2014**

# **Development Impact Fee Report**



**Raftelis Financial Consultants, Inc.**

**February 13, 2014**

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## Purpose of this Report

The Town of Prescott Valley (Town) retained Raftelis Financial Consultants (RFC) to complete an update of the Town's development impact fees for compliance with the requirements of ARS 9-463.05 effective August 1, 2014. The first step in the process of complying with ARS 9-463.05 was the preparation of a draft Land Use Assumption Report and a draft Infrastructure Improvement Plan Report. These draft reports were published by the Town on November 22, 2013. The Final Land Use Assumption and Infrastructure Improvement Plan Reports are scheduled for adoption by the Town Council on February 27, 2014.

The information contained in the Final Land Use Assumption and Infrastructure Improvement Plan Reports provide the basis for the preliminary development impact fees presented in this Development Impact Fee Report. The preliminary development impact fees are associated with the following impact fee categories:

- Circulation system (streets)
- Parks & Recreation
- Public Safety (police)
- Library

## Existing Development Impact Fees

To ensure that new development contributes its proportionate share of the cost of necessary public facilities required to support growth, the Town has enacted development impact fees for a variety of fee categories. On December 8, 2011, via Resolution No. 1775, the Town updated its development impact fees in response to ARS 9-463.05. Table 1 summarizes the current development impact fees associated with the fee categories RFC was retained to update.

<b>Land Use</b>	<b>Circulation</b>	<b>Parks</b>	<b>Public Safety</b>	<b>Library</b>	<b>Total</b>
Single Family per Dwelling Unit (DW)	\$2,986	\$1,716	\$443	\$1,589	\$6,734
Multi-Family /Mobile Home per DW	\$1,596	\$1,078	\$279	\$998	\$3,951
Retail per square foot (SF)	\$1.41	----	\$0.03	----	\$1.44
Commercial/Office per SF	\$0.66	----	\$0.03	----	\$0.69
Industrial per SF	\$0.44	----	\$0.03	----	\$0.47

## Summary of Calculated Development Fees

Table 2 presents a summary of the development impact fees calculated by RFC to assist the Town comply with the requirements of ARS 9-463.05.

<b>Table 2</b>						
<b>Summary of Calculated Development Impact Fees for Each Fee Category</b>						
<b>Land Use Category</b>	<b>Circulation</b>		<b>Parks</b>		<b>Public Safety</b>	
	<b>Existing</b>	<b>Calculated</b>	<b>Existing</b>	<b>Calculated</b>	<b>Existing</b>	<b>Calculated</b>
Residential per DU						
Single Family	\$2,986	\$1,784	\$1,716	\$1,374	\$443	\$449
Multi-Family / Mobile Home	\$1,596	\$941	\$1,078	\$1,190	\$279	\$389
Non-Residential per SF						
Retail	\$1.41	\$1.41	----	\$0.06	\$0.03	\$0.44
Commercial / Office	\$0.66	\$0.63	----	\$0.06	\$0.03	\$0.44
Industrial	\$0.44	\$0.44	----	\$0.06	\$0.03	\$0.44
<b>Land Use Category</b>	<b>Library</b>		<b>Summary Total</b>			
	<b>Existing</b>	<b>See Note 1</b>	<b>Existing</b>	<b>Calculated</b>	<b>Change</b>	
Residential per DU						
Single Family	\$1,589	\$1,589	\$6,734	\$5,196	(\$1,538)	
Multi-Family / Mobile Home	\$998	\$998	\$3,951	\$3,518	(\$433)	
Non-Residential per SF						
Retail	----	----	\$1.44	\$1.91	\$0.47	
Commercial / Office	----	----	\$0.69	\$1.13	\$0.44	
Industrial	----	----	\$0.47	\$0.94	\$0.47	

Note 1: No Library development impact fees were calculated. As allowed under ARS §9-463.05(T)(7)(h), it is the Town's intention to keep the existing Library development impact fee in place until the repayment of the debt shown in Table 24 of the Final Infrastructure Improvement Plan Report.

## Fee Calculation Methodologies Under ARS §9-463.05

There are a variety of methods that can serve as a rational basis for computing development impact fees. The most common include:

- Equity or System Buy-In
- Plan Based Incremental or Marginal Cost or Incremental
- Plan Based Average
- Hybrid Method

The **Equity Buy-in or System Buy-in** method uses a historical perspective. The original costs of the system's fixed assets are identified and escalated to current value using a nationally recognized index. System equity equals the escalated original cost less developer contributions. The development impact fee is the quotient of the system equity divided by the system capacity.

The **Plan Based Incremental or Marginal-Incremental** method is a forward-looking and considers only future growth-related capital projects and acquisitions. The development impact fee is the quotient of the growth-related cost of proposed projects for a specified time frame divided by the number of units to be served or the increase in capacity provided by those projects.

The **Plan Based Average** method is similar to the **Plan Based Incremental** method. However, the plan based average approach considers future growth-related projects that benefit new and existing development. The development impact fee is the quotient of the cost of proposed projects for a specified time frame divided by the total capacity served in the calculation year. This method will allow new customers to pay for only the growth-related costs of proposed capital projects.

The **Hybrid** method combines the equity buy-in and incremental methods. The development impact fee is the quotient of the sum of the current system equity and future growth-related capital costs divided by of the sum of existing system capacity and the increase in capacity provided by the future growth-related projects.

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## Circulation Development Impact Fees

### Infrastructure Improvement Plan Projects

The Town's circulation development impact fee was calculated using a plan-based incremental approach that considers only future growth-related capital projects and acquisitions. As shown in Table 7 of the Final Infrastructure Improvement Plan Report, the total cost of circulation projects during the ten-year infrastructure improvement plan period from 2013 – 2023 is \$15,009,008. Table 3 shows these projects which are forecast to add 67,351 vehicle miles of capacity to the Town's existing circulation system.

<b>Table 3</b> <b>Growth-Related Circulation System Additions</b> <b>During the 2013 – 2023 Infrastructure Improvement Plan</b> <b>(From Table 7 of the Final Infrastructure Improvement Plan Report)</b>				
Project	Type of Project	Development Impact Fee Related-Cost	Vehicle Miles of Capacity	Growth Portion
Long Look / GHR Traffic Signal	Intersection Signal	\$266,841	0	100%
Pav Way & Centre Court Intersection Signal	Intersection Signal	266,841	0	100%
Lake Valley, Florentine to Lakeshore, as a Major Arterial (2 Lanes Added to Existing 2 Lanes)	4-lane major collector	565,602	3,242	100%
Santa Fe Loop, Glassford Hill Road to Viewpoint Drive, as a Major Arterial	4-lane major collector	3,762,613	21,097	100%
Santa Fe Loop, Viewpoint Drive to Robert Road, as a Major Arterial	4-lane major collector	1,194,395	6,697	100%
Lakeshore Drive, Robert Road to Navajo, as a Minor Arterial	2-lane minor collector	2,054,817	5,665	100%
Santa Fe Loop, Robert to Fain, as a Major Arterial	4-lane major collector	4,081,749	22,886	100%
Lakeshore Drive, Navajo to Badger, as a Minor Arterial	2-lane minor collector	2,816,150	7,764	100%
		<b>\$15,009,008</b>	<b>67,351</b>	<b>100%</b>

## Average Vehicle Miles Traveled by Land Use Category

Table 9 of the Final Infrastructure Improvement Plan Report provided the estimated average vehicle miles traveled for each land use category. Table 4 shows these values.

Land Use Category	Estimated Average Vehicle Miles Traveled
Residential	
Single Family	41.19 miles per dwelling unit
Multi-Family / Mobile Home	21.73 miles per dwelling unit
Non-Residential	
Retail	32.66 miles per 1,000 square feet
Commercial / Office	14.49 miles per 1,000 square feet
Industrial	10.11 miles per 1,000 square feet

## Estimated Growth-Related Total Vehicle Miles Traveled

As shown in Table 6 of the Final Infrastructure Improvement Plan Report, growth during the ten-year infrastructure improvement plan period is estimated to cause the need for circulation system capacity equivalent to 330,844 vehicle miles traveled. Table 5 shows the derivation of this value.

Land Use	Units	Col. A	Col. B	Col. C	Col. D	Col. E = (C * D)
		2013	2023	2013 - 2023 Change	Estimated Vehicle Miles Traveled	Estimated 2013 - 2023 Additional Growth-Related Vehicle Miles Traveled
Single Family	Equiv. DU	12,712	17,921	5,208	41.19	214,521
MF / Mobile Home	Equiv. DU	5,112	9,076	3,965	21.73	86,168
Retail	1,000 Sq. Feet	1,314	1,907	594	32.66	19,400
Commercial / Office	1,000 Sq. Feet	536	779	242	14.49	3,513
Industrial	1,000 Sq. Feet	3,271	3,988	716	10.11	7,243
Note 1: Totals in this table may vary slightly due to rounding.						330,844

## Costs to Be Recovered by the Circulation Development Impact Fee

At the start of the Town's 2013 - 2014 fiscal year (July 1, 2013 - June 30, 2014), the Town had a beginning balance of \$682,588 in its Circulation Impact Fee Fund. Therefore, the total costs to be recovered via the circulation impact fee are \$14,326,420. Table 6 shows the derivation of this amount.

<b>Table 6</b>	
<b>Total Costs Included in the Preliminary Circulation Impact Fee Calculation</b>	
<b>Item</b>	<b>Cost</b>
Beginning Balance in the Circulation Impact Fee Fund	(\$682,588)
Project Costs During the Ten-Year Infrastructure Improvement Plan Period (from Table 3 above)	15,009,008
Less: Outstanding Principal – Total	0
Add: Outstanding Interest – Total	0
Add: Interest on New Debt	0
<b>Total Costs to Be Recovered by the Circulation Development Impact Fee</b>	<b>\$14,326,420</b>

### Circulation Development Impact Fee Calculation

Table 7 shows the calculation of the circulation development impact fee based on the data discussed above.

<b>Table 7</b>						
<b>Circulation Development Impact Fee Calculation</b>						
	<b>Column A</b>	<b>Column B</b>	<b>Column C</b>	<b>Column D</b>	<b>Column E</b>	<b>Column F</b>
<b>Land Use</b>	<b>Total Cost (from Tables 2 and 5 above)</b>	<b>Total Vehicle Miles Travelled (from Table 4 above)</b>	<b>Capacity Cost per Vehicle Mile (C = A / B)</b>	<b>Avg. Vehicle Miles Travelled by Land Use (from Table 5 above)</b>	<b>Calculated Fee (E = C x D)</b>	<b>Existing Fee</b>
Residential						
Single Family	\$14,326,420	330,844	\$43.30	41.19	\$1,784	\$2,986
MF / Mobile Home	\$14,326,420	330,844	\$43.30	21.73	\$941	\$1,596
Non-Residential						
Retail	\$14,326,420	330,844	\$43.30	32.66	\$1.41	\$1.41
Commercial / Office	\$14,326,420	330,844	\$43.30	14.49	\$0.63	\$0.66
Industrial	\$14,326,420	330,844	\$43.30	10.11	\$0.44	\$0.44

### Circulation Impact Fee Fund Cash Flow Forecast

A ten-year forecast of the cash flows in the Circulation Impact Fee Fund is presented in Appendix A. This cash flow forecast is based on the costs, units of demand, and the calculated development impact fees illustrated above.

## Parks, Recreation and Open Space Development Impact Fees

### Infrastructure Improvement Plan Projects

The Town’s parks, recreation and open space (parks) development impact fee was calculated using a plan-based incremental approach that considers only future growth-related capital projects and acquisitions. As shown in Table 14 of the Final Infrastructure Improvement Plan Report, the total cost of parks projects during the ten-year infrastructure improvement plan period from 2013 – 2023 is \$13,067,394. Table 8 shows these projects.

<b>Table 8</b>				
<b>Growth-Related Park Acreage Additions</b> <small>(see Note 1)</small>				
<b>During the 2013 – 2023 Infrastructure Improvement Plan</b>				
<b>(From Table 14 of the Final Infrastructure Improvement Plan Report)</b>				
<b>Park</b>	<b>Acres</b>	<b>Cost per Acre</b>	<b>Total Cost</b>	<b>Growth Portion</b>
Bob Edwards Park Improvements	9.5	\$192,872	\$1,832,284	100%
Agua Fria Park Phase 1	50.00	\$192,872	9,643,599	100%
Agua Fria Park Phase 2	8.25	\$192,872	1,591,510	100%
<b>Total Costs</b>	<b>67.75</b>	<b>\$192,872</b>	<b>\$13,067,394</b>	<b>100%</b>

Note 1: Totals in this table may vary slightly due to rounding.

### Conceptual Issues Related to the Parks Development Impact Fee Calculation

ARS 9-463.05(B)(13) requires that all land use types contribute to the recovery of growth-related necessary public services required support new development. To comply with this requirement for the parks development impact fee, RFC completed the “functional population” adjustment shown in Table 9 below. This calculation allows the low level of demand placed on the park system by non-residential land uses to be reflected in the parks development impact fee calculation. The assumptions underlying the functional population adjustment are that residents of the Town have the potential to use parks facilities up to 168 hours per week. In contrast, employees working in the Town are assumed to have the potential to use parks facilities up to a maximum of only 5 hours per week.

<b>Table 9</b>						
<b>Functional Population Adjustment</b> <small>(see Note 1)</small>						
<b>For the Parks Development Impact Fee Calculation</b>						
<b>Population / Employees</b>	<b>Pre-Adjustment</b>		<b>Adjustment for Potential Weekly Hours of Park Usage</b>	<b>Post-Adjustment</b>		
	<b>2013</b>	<b>2023</b>		<b>2013</b>	<b>2023</b>	<b>Incremental Change 2013 - 2023</b>
Population	40,445	58,734	168	40,445	58,734	18,289
Employment						
Retail	2,740	3,979	5	82	118	37
Commercial/Office Employees	8,416	12,222	5	250	364	113
Industrial	1,849	2,685	5	55	80	25
<b>Total Employment</b>	<b>13,005</b>	<b>18,886</b>		<b>387</b>	<b>562</b>	<b>175</b>
<b>Total Population and Employment</b>	<b>53,450</b>	<b>77,620</b>		<b>40,832</b>	<b>59,296</b>	<b>18,464</b>

Note 1: Totals in this table may vary slightly due to rounding.

## Single Family Residential Equivalencies

Table 15 of the Final Infrastructure Improvement Plan Report provides the derivation of the single family residential equivalencies for all land uses *before the functional population adjustment shown Table 9*. This information is presented in Table 10 with additional detail to better illustrate the calculations.

<b>Table 10</b>						
<b>Single Family Residential Equivalencies Before the Functional Population Adjustment</b>						
<b>(From Table 15 of the Final Infrastructure Improvement Plan Report) (see Note 1)</b>						
	Column A	Column B	Column C	Column D	Column E	Column F
Land Use	Non-Residential Square Feet	Employees	Square Feet per Employee	Employees per 1,000 Square Feet	Residential Average Household Size	Single Family Residential Dwelling Unit Equivalency (F = D or E / 2.62)
Residential						
Single Family	----	----	----	----	2.62	1.00
MF / Mobile Home	----	----	----	----	2.27	0.87
Non-Residential						
Retail	1,313,523	2,740	479.38	2.09	2.62	0.80
Commercial / Office	536,255	8,416	63.72	15.69	2.62	6.00
Industrial	3,271,461	1,849	1,769.23	0.57	2.62	0.22
Total	5,121,239	13,005	393.78	2.54	2.62	0.97

Note 1: Totals in this table may vary slightly due to rounding.

Table 11 below shows the derivation of the single family residential equivalencies for all land uses *after the functional population adjustment shown in Table 9*. The estimated average single family residential equivalency for non-residential land uses declines to 0.04 from 0.97 (Column F of Table 10) and the average estimated number of employees per 1,000 square feet declines to 0.11 from 2.54 (Column D of Table 10).

<b>Table 11</b>						
<b>Single Family Residential Equivalencies After the Functional Population Adjustment (see Note 1)</b>						
	Column A	Column B	Column C	Column D	Column E	Column F
Land Use	Non-Residential Square Feet	Employees	Square Feet per Employee	Employees per 1,000 Square Feet	Residential Average Household Size	Single Family Residential Dwelling Unit Equivalency (F = D or E / 2.62)
Residential						
Single Family	----	----	----	----	2.62	1.00
MF/ Mobile Home	----	----	----	----	2.27	0.87
Non-Residential						
Retail	1,313,523	118	11,091.63	0.09	2.62	0.03
Commercial / Office	536,255	364	1,474.24	0.68	2.62	0.26
Industrial	3,271,461	80	40,935.55	0.02	2.62	0.01
Total	5,121,239	562	9,111.04	0.11	2.62	0.04

Note 1: Totals in this table may vary slightly due to rounding.

## Equivalent Service Units

Table 16 of the Final Infrastructure Improvement Plan Report presents the estimated number of equivalent service units (i.e., equivalent single family residential dwelling units) for all land uses *before the functional population adjustment shown in Table 9*. Table 12 shows this information along with the addition of Town population and employment data for the period 2013 to 2023.

<b>Table 12</b>			
<b>Equivalent Service Units Before the Functional Population Adjustment</b> <small>(see Note 1)</small>			
<b>(From Table 16 of the Final Infrastructure Improvement Plan)</b>			
<b>Land Use</b>	<b>2013 Equivalent Service Units</b>	<b>2023 Equivalent Service Units</b>	<b>Incremental Growth 2013 - 2023</b>
Residential Single Family Equivalent Service Units			
Residential Single Family	12,712	17,921	5,208
Multi-Family / Mobile Home	5,112	9,076	3,965
Total Residential	17,824	26,997	9,173
Non-Residential SF Equivalent Service Units (per 1,000 SF)			
Retail	1,048	1,522	474
Commercial / Office	3,218	4,674	1,455
Industrial	707	862	155
Total Non-Residential	4,973	7,057	2,084
Total Single Family Equivalent Service Units	22,798	34,054	11,257
Total Population	40,445	58,734	18,289
Total Employees	13,005	18,886	5,881
Total Population and Employees	53,450	77,620	24,170
Note 1: Totals in this table may vary slightly due to rounding.			

Table 13 presents the estimated number of equivalent service units for all land uses *after the functional population adjustment shown in Table 9*. The revised number of equivalent single family residential dwelling units shown for non-residential land uses is caused by the lower single family residential equivalences resulting from the functional population adjustment.

<b>Table 13</b>			
<b>Equivalent Service Units After the Functional Population Calculation</b> (see Note 1)			
<b>Land Use</b>	<b>2013 Equivalent Service Units</b>	<b>2023 Equivalent Service Units</b>	<b>Incremental Growth 2013 - 2023</b>
Residential Single Family Equivalent Service Units			
Residential Single Family	12,712	17,921	5,208
Multi-Family / Mobile Home	5,112	9,076	3,965
Total Residential	17,824	26,997	9,173
Non-Residential SF Equivalent Service Units (per 1,000 SF)			
Retail	45	66	20
Commercial / Office	139	202	63
Industrial	31	37	7
Total Non-Residential	215	305	90
Total Single Family Equivalent Service Units	18,039	27,302	9,263
Total Population	40,445	58,734	18,289
Total Employees	13,005	18,886	5,881
Total Population and Employees	53,450	77,620	24,170

Note 1: Totals in this table may vary slightly due to rounding.

### Costs to Be Recovered by the Parks Development Impact Fee

At the start of the Town's 2013 – 2014 fiscal year (July 1, 2013 – June 30, 2014), the Town had a beginning balance of \$682,588 in its Parks, Recreation and Open Space Impact Fee Fund. Therefore, the total costs to be recovered via the parks development impact fee are \$12,675,725. Table 14 shows the derivation of this amount.

<b>Table 14</b>	
<b>Total Costs Included in the Preliminary Parks Development Impact Fee Calculation</b> (see Note 1)	
<b>Item</b>	<b>Cost</b>
Beginning Balance in the Parks, Recreation and Open Space Impact Fee Fund	(\$391,669)
Project Costs During the Ten-Year Infrastructure Improvement Plan Period (from Table 8 above)	13,067,394
Less: Outstanding Principal - Total	0
Add: Outstanding Interest - Total	0
Add: Interest on New Debt	0
Total Costs to Be Recovered by the Parks Development Impact Fee	\$12,675,725

Note 1: Totals in this table may vary slightly due to rounding.

## Parks Development Impact Fee Calculation

Table 15 shows the calculation of the preliminary parks development impact fee based on the data discussed above.

<b>Table 15 Parks Development Impact Fee Calculation</b>				
<b>Input</b>	<b>Inputs in the Calculated Fee</b>	<b>Calculated Fee</b>	<b>Existing Fee</b>	<b>Change</b>
Total Cost		\$12,675,725		
Total Service Units		24,170		
Cost per Service Unit	\$12,675,725 / 24,170	\$524.44		
<b>Calculated Fee</b>				
Residential per DU				
Single Family	\$524.44 * 2.62 Avg. Household Size	\$1,374	\$1,716	(\$342)
MF / Mobile Home	\$524.44 * 2.27 Avg. Household Size	\$1,190	\$1,078	\$112
Non-Residential per SF				
Retail	\$524.44 * 0.11 Employees per 1,000 SF /1,000	\$0.06	\$0.00	\$0.06
Commercial / Office	\$524.44 * 0.11 Employees per 1,000 SF /1,000	\$0.06	\$0.00	\$0.06
Industrial	\$524.44 * 0.11 Employees per 1,000 SF /1,000	\$0.06	\$0.00	\$0.06
<b>Calculated Single Family Residential Fee Equivalency</b>				
Residential per DU				
Single Family	\$1,374 / \$1,374	1.00		
MF / Mobile Home	\$1,190 / \$1,374	0.87		
Non-Residential per 1,000 SF				
Retail	\$0.06 / \$1,374 * 1,000	0.04		
Commercial / Office	\$0.06 / \$1,374 * 1,000	0.04		
Industrial	\$0.06 / \$1,374 * 1,000	0.04		

## Parks Impact Fee Fund Cash Flow Forecast

A ten-year forecast of the cash flows in the Parks, Recreation and Open Space Impact Fee Fund is presented in Appendix B. This cash flow forecast is based on the costs, units of demand, and the development impact fees illustrated above.

## Public Safety Development Impact Fees

### Infrastructure Improvement Plan Projects

The Town’s preliminary public safety development impact fee was calculated using a plan-based incremental approach that considers only future growth-related capital projects and acquisitions. As shown in Table 21 of the Final Infrastructure Improvement Plan Report, the total cost of public safety projects during the ten-year infrastructure improvement plan period from 2013 – 2023 is \$15,009,008. Table 16 shows these projects.

<b>Table 16</b> <b>Growth-Related Public Safety Additions</b> <b>During the 2013 – 2023 Infrastructure Improvement Plan</b> <b>(From Table 21 of the Final Infrastructure Improvement Plan Report)</b>			
Development Growth-Related Additions	Cost	% Growth	\$ Growth
Police Operation Building Expansion	\$3,259,284	100.00%	\$3,259,284
Police Operating Building Parking Lot Expansion	200,000	100.00%	200,000
Police Vehicles	1,166,592	100.00%	1,166,592
<b>Total</b>	<b>\$4,625,876</b>	<b>100.00%</b>	<b>\$4,625,876</b>

### Single Family Residential Equivalencies

Table 22 of the Final Infrastructure Improvement Plan Report provides the derivation of the single family residential equivalencies for all land uses. This information is shown in Table 17 with additional detail to illustrate the calculations.

<b>Table 17</b> <b>Single Family Residential Equivalencies</b> <small>(see Note 1)</small> <b>(From Table 22 of the Final Infrastructure Improvement Plan Report)</b>						
Land Use	Column A Non-Residential Square Feet	Column B Employees	Column C Square Feet per Employee	Column D Employees per 1,000 Square Feet	Column E Residential Average Household Size	Column F Single Family Residential Dwelling Unit Equivalency (F = D or E / 2.62)
Residential Single Family	----	----	----	----	2.62	1.00
MF / Mobile Home	----	----	----	----	2.27	0.87
Non-Residential Retail	1,313,523	2,740	479.38	2.09	2.62	0.80
Commercial / Office	536,255	8,416	63.72	15.69	2.62	6.00
Industrial	3,271,461	1,849	1,769.23	0.57	2.62	0.22
<b>Total</b>	<b>5,121,239</b>	<b>13,005</b>	<b>393.78</b>	<b>2.54</b>	<b>2.62</b>	<b>0.97</b>

Note 1: Totals in this table may vary slightly due to rounding.

## Equivalent Service Units

Table 23 of the Final Infrastructure Improvement Plan Report presents the estimated number of equivalent service units (i.e., equivalent single family residential dwelling units) for all land uses as used in the public safety development impact fee calculation. Table 18 shows this information along with the addition of Town population and employment data for the period 2013 to 2023.

<b>Table 18</b>			
<b>Equivalent Service Units</b> <small>(see Note 1)</small>			
<b>(From Table 23 of the Final Infrastructure Improvement Plan Report)</b>			
<b>Land Use</b>	<b>2013 Equivalent Service Units</b>	<b>2023 Equivalent Service Units</b>	<b>Incremental Growth 2013 - 2023</b>
Residential Single Family Equivalent Service Units			
Single Family	12,712	17,921	5,208
Multi-Family / Mobile Home	5,112	9,076	3,965
Total Residential	17,824	26,997	9,173
Non-Residential SF Equivalent Service Units (per 1,000 SF)			
Retail	1,048	1,522	474
Commercial / Office	3,218	4,674	1,455
Industrial	707	862	155
Total Non-Residential	4,973	7,057	2,084
Total Single Family Equivalent Service Units	22,798	34,054	11,257
Total Population	40,445	58,734	18,289
Total Employees	13,005	18,886	5,881
Total Population and Employees	53,450	77,620	24,170
Note 1: Totals in this table may vary slightly due to rounding.			

## Costs to Be Recovered by the Public Safety Development Impact Fee

At the start of the Town's 2013 – 2014 fiscal year (July 1, 2013 – June 30, 2014), the Town had a beginning balance of \$483,731 in its Public Safety Impact Fee Fund. Therefore, the total costs to be recovered via the circulation impact fee are \$4,142,145. Table 19 shows the derivation of this amount.

<b>Table 19</b>	
<b>Total Costs Included in the Public Safety Impact Fee Calculation</b>	
<b>Item</b>	<b>Cost</b>
Beginning Balance in the Public Safety Impact Fee Fund	(\$483,731)
Project Costs During the Ten-Year Infrastructure Improvement Plan Period (from Table 14 above)	4,625,876
Less: Outstanding Principal – Total	0
Add: Outstanding Interest – Total	0
Add: Interest on New Debt	0
Total Costs to Be Recovered in the Public Safety Impact Fee	\$4,142,145

## Public Safety Development Impact Fee Calculation

Table 20 shows the calculation of the public safety development impact fee based on the data discussed above.

Table 20 Public Safety Development Impact Fee Calculation				
Input	Inputs in Calculated Fee	Calculated Fee	Existing Fee	Change
Total Cost		\$4,142,145		
Total Service Units		24,170		
Cost per Service Unit	\$4,142,145 / 24,170	\$171.38		
<b>Calculated Fee</b>				
Residential per DU				
Single Family	\$171.38 * 2.62 Avg. Household Size	\$449	\$443	\$6
MF / Mobile Home	\$171.38 * 2.27 Avg. Household Size	\$389	\$279	\$110
Non-Residential per SF				
Retail	\$171.38 * 2.54 Employees per 1,000 SF / 1,000	\$0.44	\$0.03	\$0.41
Commercial / Office	\$171.38 * 2.54 Employees per 1,000 SF / 1,000	\$0.44	\$0.03	\$0.41
Industrial	\$171.38 * 2.54 Employees per 1,000 SF / 1,000	\$0.44	\$0.03	\$0.41
<b>Calculated Single Family Residential Fee Equivalency</b>				
Residential per DU				
Single Family	\$449 / \$449	1.00		
MF / Mobile Home	\$389 / \$449	0.87		
Non-Residential per 1,000 SF				
Retail	\$0.44 / \$449 * 1,000	0.98		
Commercial / Office	\$0.44 / \$449 * 1,000	0.98		
Industrial	\$0.44 / \$449 * 1,000	0.98		

## Public Safety Impact Fee Fund Cash Flow Forecast

A ten-year forecast of the cash flows in the Public Safety Impact Fee Fund is presented in Appendix B. This cash flow forecast is based on the costs, units of demand, and the development impact fees illustrated above.

## **Library Development Impact Fees**

The Town's new library was completely funded with Series 2007 Certificates of Participation debt. The term of this debt runs through 2027. There are no development growth-related library additions included in the ten-year infrastructure improvement plan period from 2013 – 2023. As allowed under ARS §9-463.05(T)(7)(h), it is the Town's intention to keep its existing Library Development Impact Fee in place without change until the repayment of the debt.

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**Appendix A**  
**Circulation Impact Fee Fund Forecast Cash Flows**

Circulation Impact Fee Fund	Existing Fee	Calculated Fee	Forecast										
			FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Sources of Funds</b>													
Impact Fee Receipts													
Single Family	\$2,986	\$1,784	\$721,902	\$945,927	\$867,031	\$883,957	\$901,214	\$918,808	\$936,746	\$955,033	\$973,678	\$992,686	\$1,012,066
Multifamily	\$1,596	\$941	\$137,960	\$251,926	\$231,940	\$238,313	\$244,861	\$251,589	\$258,502	\$265,605	\$272,903	\$280,402	\$288,107
Mobile Home	\$1,596	\$941	\$69,534	\$164,943	\$153,072	\$158,535	\$164,194	\$170,055	\$176,125	\$182,411	\$188,922	\$195,665	\$202,649
Retail	\$1	\$1	\$18,337	\$70,581	\$73,301	\$76,087	\$78,979	\$81,982	\$85,098	\$88,333	\$91,690	\$95,176	\$98,793
Commercial / Office	\$1	\$1	\$3,504	\$12,898	\$13,272	\$13,777	\$14,301	\$14,844	\$15,409	\$15,994	\$16,602	\$17,233	\$17,888
Industrial	\$0	\$0	\$14,252	\$28,666	\$29,215	\$29,799	\$30,395	\$31,003	\$31,623	\$32,255	\$32,901	\$33,559	\$34,230
Total Impact Fee Revenue			\$965,490	\$1,474,940	\$1,367,831	\$1,400,469	\$1,433,945	\$1,468,281	\$1,503,502	\$1,539,632	\$1,576,696	\$1,614,721	\$1,653,733
Debt Proceeds													
New Bond Issue													
Total Sources of Funds			\$965,490	\$1,474,940	\$1,367,831	\$1,400,469	\$1,433,945	\$1,468,281	\$1,503,502	\$1,539,632	\$1,576,696	\$1,614,721	\$1,653,733
<b>Uses of Funds</b>													
CIP Expenditures													
Various		\$187,500											
Long Look / GHR Traffic Signal				\$266,841									
Pav Way & Centre Court Intersection Signal					\$266,841								
Lake Valley, Florentino to Lakeshore, as a Major Arterial (2 Lanes Added to Existing 2 Lanes)			\$28,280	\$186,649	\$350,673								
Santa Fe Loop, Glassford Hill Road to Viewpoint Drive, as a Major Arterial				\$188,131	\$1,241,662		\$2,332,820						
Santa Fe Loop, Viewpoint Drive to Robert Road, as a Major Arterial					\$59,720		\$394,150	\$740,525					
Lakeshore Drive, Robert Road to Navajo, as a Minor Arterial							\$102,741	\$678,090	\$1,273,987				
Santa Fe Loop, Robert to Fain, as a Major Arterial								\$204,087	\$1,346,977	\$2,530,684			
Lakeshore Drive, Navajo to Badger, as a Minor Arterial										\$140,808	\$929,330	\$1,746,013	
Total CIP Expenditures			\$187,500	\$28,280	\$641,621	\$1,918,896	\$2,829,711	\$1,622,702	\$2,620,964	\$2,671,492	\$929,330	\$1,746,013	\$0
Debt Service													
Bond Issuance Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds			\$187,500	\$28,280	\$641,621	\$1,918,896	\$2,829,711	\$1,622,702	\$2,620,964	\$2,671,492	\$929,330	\$1,746,013	\$0
<b>Annual Surplus / (Deficit)</b>			\$777,990	\$1,446,660	\$726,210	(\$518,427)	(\$1,395,766)	(\$154,420)	(\$1,117,462)	(\$1,131,860)	\$647,366	(\$131,293)	\$1,653,733
<b>Beginning Balance</b>			\$682,588	\$1,460,578	\$2,907,238	\$3,633,448	\$3,115,021	\$1,719,255	\$1,564,835	\$447,373	(\$684,487)	(\$37,120)	(\$168,413)
<b>Add: Surplus / (Deficit)</b>			\$777,990	\$1,446,660	\$726,210	(\$518,427)	(\$1,395,766)	(\$154,420)	(\$1,117,462)	(\$1,131,860)	\$647,366	(\$131,293)	\$1,653,733
<b>Ending Balance</b>			\$1,460,578	\$2,907,238	\$3,633,448	\$3,115,021	\$1,719,255	\$1,564,835	\$447,373	(\$684,487)	(\$37,120)	(\$168,413)	\$1,485,320

**Appendix B**  
**Parks, Recreation, and Open Space Impact Fee Fund Forecast Cash Flows**

Metric	Existing Fee	Calculated Impact	Forecast										
			FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Sources of Funds</b>													
Impact Fee Receipts													
Single Family	\$1,716	\$1,374	\$414,864	\$682,154	\$667,769	\$680,806	\$694,097	\$707,647	\$721,462	\$735,547	\$749,906	\$764,546	\$779,472
Multit-Family	\$1,078	\$1,190	\$93,184	\$280,992	\$293,314	\$301,374	\$309,655	\$318,163	\$326,905	\$335,888	\$345,117	\$354,600	\$364,343
Mobile Home	\$1,078	\$1,190	\$46,966	\$183,973	\$193,576	\$200,486	\$207,642	\$215,053	\$222,729	\$230,679	\$238,913	\$247,441	\$256,272
Retail	\$0.00	\$0.06	\$0	\$2,496	\$3,110	\$3,228	\$3,351	\$3,478	\$3,610	\$3,747	\$3,890	\$4,038	\$4,191
Commercial / Office	\$0.00	\$0.06	\$0	\$1,019	\$1,270	\$1,318	\$1,368	\$1,420	\$1,474	\$1,530	\$1,588	\$1,648	\$1,711
Industrial	\$0.00	\$0.06	\$0	\$3,271	\$4,004	\$4,084	\$4,166	\$4,249	\$4,334	\$4,421	\$4,509	\$4,600	\$4,692
Total Impact Fee Revenue			\$555,014	\$1,153,907	\$1,163,044	\$1,191,295	\$1,220,278	\$1,250,011	\$1,280,515	\$1,311,812	\$1,343,923	\$1,376,872	\$1,410,682
Debt Proceeds													
New Bond Issue													
Total Sources of Funds			\$555,014	\$1,153,907	\$1,163,044	\$1,191,295	\$1,220,278	\$1,250,011	\$1,280,515	\$1,311,812	\$1,343,923	\$1,376,872	\$1,410,682
<b>Uses of Funds</b>													
Developer Credit			\$198,000	\$198,000	\$198,000								
CIP Expenditures			\$431,500										
Various			\$431,500										
Bob Edwards Park							\$87,000	\$1,745,284					
Agua Fria Phase 1									\$3,214,533	\$3,214,533	\$3,214,533		
Agua Fria Phase 2												\$795,755	\$795,755
Total CIP Expenditures			\$431,500	\$0	\$0	\$0	\$87,000	\$1,745,284	\$3,214,533	\$3,214,533	\$3,214,533	\$795,755	\$795,755
Debt Service													
Bond Issuance Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds			\$629,500	\$198,000	\$198,000	\$0	\$87,000	\$1,745,284	\$3,214,533	\$3,214,533	\$3,214,533	\$795,755	\$795,755
<b>Annual Surplus / (Deficit)</b>			(\$74,486)	\$955,907	\$965,044	\$1,191,295	\$1,133,278	(\$495,273)	(\$1,934,018)	(\$1,902,721)	(\$1,870,610)	\$581,117	\$614,926
<b>Beginning Balance</b>			\$391,669	\$317,183	\$1,273,090	\$2,238,134	\$3,429,429	\$4,562,707	\$4,067,433	\$2,133,415	\$230,694	(\$1,639,916)	(\$1,058,799)
<b>Add: Surplus / (Deficit)</b>			(\$74,486)	\$955,907	\$965,044	\$1,191,295	\$1,133,278	(\$495,273)	(\$1,934,018)	(\$1,902,721)	(\$1,870,610)	\$581,117	\$614,926
<b>Ending Balance</b>			\$317,183	\$1,273,090	\$2,238,134	\$3,429,429	\$4,562,707	\$4,067,433	\$2,133,415	\$230,694	(\$1,639,916)	(\$1,058,799)	(\$443,872)

**Appendix C**  
**Public Safety Impact Fee Fund Forecast Cash Flows**

Metric	Existing Fee	Calculated Impact	Forecast										
			FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Sources of Funds</b>													
Impact Fee Receipts													
Single Family	\$443	\$449	\$107,101	\$213,561	\$218,216	\$222,476	\$226,819	\$231,247	\$235,762	\$240,364	\$245,057	\$249,841	\$254,718
Mult-Family	\$279	\$389	\$24,117	\$88,920	\$95,882	\$98,516	\$101,223	\$104,005	\$106,862	\$109,799	\$112,816	\$115,915	\$119,100
Mobile Home	\$279	\$389	\$12,155	\$58,218	\$63,278	\$65,537	\$67,876	\$70,299	\$72,808	\$75,407	\$78,098	\$80,886	\$83,773
Retail	\$0	\$0	\$390	\$18,557	\$22,804	\$23,671	\$24,571	\$25,505	\$26,474	\$27,480	\$28,525	\$29,609	\$30,735
Commercial / Office	\$0	\$0	\$159	\$7,576	\$9,310	\$9,664	\$10,031	\$10,412	\$10,808	\$11,219	\$11,646	\$12,088	\$12,548
Industrial	\$0	\$0	\$972	\$24,318	\$29,365	\$29,952	\$30,551	\$31,162	\$31,785	\$32,421	\$33,069	\$33,731	\$34,405
Total Police Impact Fee Revenue			\$144,894	\$411,149	\$438,854	\$449,816	\$461,071	\$472,630	\$484,500	\$496,690	\$509,211	\$522,070	\$535,280
Debt Proceeds													
New Bond Issue													
Total Sources of Funds			\$144,894	\$411,149	\$438,854	\$449,816	\$461,071	\$472,630	\$484,500	\$496,690	\$509,211	\$522,070	\$535,280
<b>Uses of Funds</b>													
CIP Expenditures													
Evidence Storage Freezer			\$15,000										
Climate Control System - Evidence			\$10,000										
Parking Lot Expansion					\$200,000								
Police Operations Building Expansion						\$362,143	\$362,143	\$2,534,999					
Vehicles				\$116,659	\$116,659	\$116,659	\$116,659	\$116,659	\$116,659	\$116,659	\$116,659	\$116,659	\$116,659
Total CIP Expenditures			\$25,000	\$116,659	\$316,659	\$478,802	\$478,802	\$2,651,658	\$116,659	\$116,659	\$116,659	\$116,659	\$116,659
Debt Service													
Bond Issuance Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds			\$25,000	\$116,659	\$316,659	\$478,802	\$478,802	\$2,651,658	\$116,659	\$116,659	\$116,659	\$116,659	\$116,659
<b>Annual Surplus / (Deficit)</b>			\$119,894	\$294,490	\$122,195	(\$28,986)	(\$17,731)	(\$2,179,028)	\$367,840	\$380,031	\$392,551	\$405,411	\$418,621
<b>Beginning Balance</b>			\$483,731	\$603,626	\$898,116	\$1,020,311	\$991,325	\$973,594	(\$1,205,434)	(\$837,594)	(\$457,563)	(\$65,011)	\$340,400
<b>Add: Surplus / (Deficit)</b>			\$119,894	\$294,490	\$122,195	(\$28,986)	(\$17,731)	(\$2,179,028)	\$367,840	\$380,031	\$392,551	\$405,411	\$418,621
<b>Ending Balance</b>			\$603,626	\$898,116	\$1,020,311	\$991,325	\$973,594	(\$1,205,434)	(\$837,594)	(\$457,563)	(\$65,011)	\$340,400	\$759,021