



City Council Public Hearing: IIP & LUA Assumptions

Sierra Vista, Arizona
September 11, 2020

Bethesda, MD | 301.320.6900

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Buy-In Approach (Past)

- New growth is “buying in” to the cost the community has already incurred to provide growth-related capacity
- When Applicable
 - Near build-out
 - Community has oversized facilities in anticipation of growth
- Other Common Names
 - Recoupment
 - Cost Recovery

Plan-Based Approach (Future)

- Usually reflects an adopted CIP or master plan
- Growth-related costs are more refined
- Will be scrutinized more closely by development community

- **Components**
 - Facilities (cost recovery)
 - Apparatus (cost recovery)
- **10-Year Repayment**
 - Facilities: \$593,000
 - Apparatus: \$440,000

- **Components**
 - Park Improvements (cost recovery)
- **10-Year Repayment**
 - Park Improvements: \$3.1 million

- **Components**
 - Police Facilities (cost recovery)
- **10-Year Repayment**
 - Police Facilities: \$921,000

- **Components**
 - Arterials (plan-based)
 - Improved Intersections (plan-based)
- **10-Year Demand**
 - Arterials: 0.5 lane miles, \$600,000
 - Improved Intersections: 1.0 additional, \$300,000

IIP Summary

Description	Total Cost	Remaining	Growth Share
Fire Station Cost Recovery	\$8,560,534	\$766,052	\$592,940
Fire Apparatus Cost Recovery	\$3,951,016	\$568,136	\$439,749
Park Improvement Cost Recovery	\$13,694,175	\$3,346,352	\$3,104,227
Police Station Cost Recovery	\$8,560,534	\$917,421	\$920,582
Arterials	\$599,911	\$599,911	\$599,911
Improved Intersections	\$300,000	\$300,000	\$300,000
Development Fee Study	\$59,850	\$59,850	\$59,850
Total	\$35,726,021	\$6,557,722	\$6,017,259

Development Fee Fund	Balance	10-Yr Revenue
Fire Development Fees	(\$1,334,188)	\$1,044,659
Park Development Fees	(\$3,346,352)	\$3,119,190
Police Development Fees	(\$917,421)	\$932,552
Street Development Fees	\$123,159	\$920,858
Total	(\$5,474,802)	\$6,017,259

Land Use Assumptions

Projections based on recent development and projects in the development process.

Sierra Vista, Arizona	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10-Year Increase
	Base Year	1	2	3	4	5	6	7	8	9	10	
Population	45,527	45,696	45,907	46,119	46,331	46,543	46,755	46,967	47,179	47,391	47,603	2,076
Housing Units												
Single Family	15,808	15,879	15,950	16,021	16,092	16,163	16,234	16,305	16,376	16,447	16,518	710
Multi-Family	5,101	5,101	5,135	5,168	5,201	5,235	5,268	5,301	5,335	5,368	5,401	300
All Other Units	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	0
Total Housing Units	22,236	22,307	22,412	22,516	22,620	22,725	22,829	22,933	23,038	23,142	23,246	1,010
Employment												
Industrial	1,754	1,765	1,776	1,787	1,797	1,808	1,819	1,830	1,841	1,852	1,863	109
Commercial	5,633	5,670	5,708	5,746	5,783	5,821	5,859	5,896	5,934	5,972	6,009	377
Office & Other Services	10,769	10,859	10,950	11,040	11,130	11,220	11,311	11,401	11,491	11,581	11,672	902
Total Employment	18,156	18,295	18,433	18,572	18,711	18,850	18,989	19,127	19,266	19,405	19,544	1,388
Nonres. Floor Area (x1,000)												
Industrial	899	906	913	919	926	933	939	946	953	959	966	67
Commercial	3,404	3,420	3,437	3,453	3,469	3,485	3,501	3,517	3,533	3,549	3,565	161
Office & Other Services	6,351	6,381	6,412	6,442	6,473	6,503	6,533	6,564	6,594	6,625	6,655	304
Total Nonres. Floor Area	10,655	10,708	10,761	10,814	10,867	10,920	10,974	11,027	11,080	11,133	11,186	532

New development includes:

2,076 people in 1,010 new housing units

1,388 jobs in 532,000 square feet of new nonresidential development.

Proposed Fee Comparison

<u>Classification</u>	<u>2006</u>	<u>2006 in 2019 dollars</u>	<u>Current (100%)</u>	<u>Proposed</u>
Parks	\$ 1,804	\$ 2,434	\$ 624	\$ 3,353
Library	\$ 553	\$ 746	\$ -	\$ -
Police	\$ 615	\$ 830	\$ 479	\$ 529
Fire	\$ 529	\$ 714	\$ 351	\$ 745
Infrastructure	\$ 1,853	\$ 2,500	\$ 2,641	\$ 746
Total Single Family	\$ 5,354	\$ 7,223	\$ 4,095	\$ 5,373

Estimated tax savings on a \$325,000 house from removing excess construction sales tax: \$1,056

Timeline

- **11 June 2020**
 - Public Hearing on IIP & LAU
- **11 September 2020**
 - Council votes to Adopt IIP & LUA
- **22 October 2020**
 - Public Hearing on proposed fees
- **10 December 2020**
 - Council votes on proposed fees
 - Council votes on proposed new tax rate
- **1 March 2021**
 - New fees and tax rate go into effect