



City Council Work Session: Draft Development Fees

Sierra Vista, Arizona
May 26, 2020

Bethesda, MD | 301.320.6900

TischlerBise.com

- **Development Fee Overview**
- **Current Fees**
- **Land Use Assumptions**
- **Infrastructure Improvements Plan**
 - Fire
 - Parks and Recreational
 - Police
 - Street
- **Proposed Fees**
- **Fee Comparison**

Overview of Adoption Process

Round One

- Land Use Assumptions
- Infrastructure Improvement Plans

Round Two

- Development Fees
- Modify Based on Round One Input/Decisions
 - Revenue Projections
 - Required Offsets



Eligible Costs

- Facilities / improvements required to serve new development - **Yes**
- Maintenance and repairs – **No**
- Excess capacity in existing facilities – **Yes**
- Improvements required to correct existing deficiencies – **No, Unless there is a funding plan**

Current Fee Summary (with Police, Fire and Streets at 75%)

Residential Development		Fees per Unit			
Development Type	Fire	Parks & Recreational	Police	Street	Total
Single-Family Unit	\$263	\$624	\$359	\$1,981	\$3,227
Multi-Family Unit	\$155	\$368	\$212	\$1,159	\$1,894
Manufactured Housing	\$163	\$386	\$222	\$1,232	\$2,003

Nonresidential Development		Fees per Square Foot			
Development Type	Fire	Parks & Recreational	Police	Street	Total
Industrial	\$0.04	\$0.00	\$0.17	\$0.77	\$0.98
Commercial	\$0.19	\$0.00	\$0.74	\$3.14	\$4.07
Office & Other Services	\$0.09	\$0.00	\$0.34	\$1.53	\$1.96
Hotel (per room)	\$39	\$0	\$153	\$688	\$880

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

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.

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

Proposed Fire Fees

Fee Component	Cost per Person	Cost per Trip
Fire Facilities	\$176.26	\$62.21
Fire Apparatus	\$130.72	\$46.13
Development Fee Report	\$7.42	\$2.43
Total	\$314.41	\$110.77

Residential Development	Fees per Unit			
Development Type	Persons per Housing Unit ¹	Proposed Fees	Current Fees	Increase / Decrease
Single Family	2.37	\$745	\$263	\$482
Multi-Family	1.31	\$412	\$155	\$257
All Other	1.04	\$327	\$163	\$164

Nonresidential Development	Fees per Square Foot			
Development Type	Avg Weekday Vehicle Trips ¹	Proposed Fees	Current Fees	Increase / Decrease
Industrial	2.48	\$0.27	\$0.04	\$0.23
Commercial	12.46	\$1.38	\$0.19	\$1.19
Office & Other Services	4.87	\$0.54	\$0.09	\$0.45
Hotel (per room)	4.18	\$463	\$39	\$424
Nursing Home (per bed)	1.53	\$169	N/A	N/A

1. See Land Use Assumptions

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

Proposed Parks and Rec. Fees

Fee Component	Cost per Person	Cost per Job
Park Improvements	\$1,133.44	\$115.03
Development Fee Report	\$14.14	\$0.86
Total	\$1,147.58	\$115.89

Residential Development	Fees per Unit			
Development Type	Persons per Housing Unit ¹	Proposed Fees	Current Fees	Increase / Decrease
Single Family	2.37	\$2,720	\$624	\$2,096
Multi-Family	1.31	\$1,503	\$368	\$1,135
All Other	1.04	\$1,193	\$386	\$807

Nonresidential Development	Fees per Square Foot			
Development Type	Jobs per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Increase / Decrease
Industrial	1.63	\$0.19	\$0.00	\$0.19
Commercial	2.34	\$0.27	\$0.00	\$0.27
Office & Other Services	2.97	\$0.34	\$0.00	\$0.34
Hotel (per room)	0.58	\$68	\$0	\$68
Nursing Home (per bed)	1.05	\$122	N/A	N/A

1. See Land Use Assumptions

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

Proposed Police Fees

Fee Component	Cost per Person	Cost per Trip
Police Facilities	\$217.45	\$128.54
Development Fee Report	\$5.94	\$3.25
Total	\$223.39	\$131.80

Residential Development	Fees per Unit			
Development Type	Persons per Housing Unit ¹	Proposed Fees	Current Fees	Increase / Decrease
Single Family	2.37	\$529	\$359	\$170
Multi-Family	1.31	\$293	\$212	\$81
All Other	1.04	\$232	\$222	\$10

Nonresidential Development	Fees per Square Foot			
Development Type	Avg Weekday Vehicle Trips ¹	Proposed Fees	Current Fees	Increase / Decrease
Industrial	2.48	\$0.33	\$0.17	\$0.16
Commercial	12.46	\$1.64	\$0.74	\$0.90
Office & Other Services	4.87	\$0.64	\$0.34	\$0.30
Hotel (per room)	4.18	\$551	\$153	\$398
Nursing Home (per bed)	1.53	\$202	N/A	N/A

1. See Land Use Assumptions

- **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

Proposed Street Fees

Fee Component	Cost per VMT
Arterials	\$171.43
Improved Intersections	\$85.73
Development Fee Report	\$12.10
Total	\$269.25

Residential Development	Fees per Unit			
Development Type	Avg Wkdy VMT per Unit ¹	Proposed Fees	Current Fees	Increase / Decrease
Single Family	2.77	\$746	\$1,981	(\$1,235)
Multi-Family	1.10	\$296	\$1,159	(\$863)
All Other Types	0.97	\$260	\$1,232	(\$972)

Nonresidential Development	Fees per Square Foot			
Development Type	Avg Wkdy VMT per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Increase / Decrease
Industrial	0.81	\$0.22	\$0.77	(\$0.55)
Commercial	4.16	\$1.12	\$3.14	(\$2.02)
Office & Other Services	1.58	\$0.43	\$1.53	(\$1.10)
Hotel (per room)	1.36	\$366	\$688	(\$322)
Nursing Home (per bed)	0.50	\$134	N/A	N/A

1. See Land Use Assumptions

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

Proposed Fee Summary (100%)

Residential Development	Fees per Unit				
Development Type	Fire	Parks & Recreational	Police	Street	Total
Single Family	\$745	\$3,353	\$529	\$746	\$5,373
Multi-Family	\$412	\$1,853	\$293	\$296	\$2,854
All Other Types	\$327	\$1,471	\$232	\$260	\$2,291

Nonresidential Development	Fees per Square Foot				
Development Type	Fire	Parks & Recreational	Police	Street	Total
Industrial	\$0.27	\$0.23	\$0.33	\$0.22	\$1.05
Commercial	\$1.38	\$0.34	\$1.64	\$1.12	\$4.48
Office & Other Services	\$0.54	\$0.42	\$0.64	\$0.43	\$2.03
Hotel (per room)	\$463	\$83	\$551	\$366	\$1,463
Nursing Home (per bed)	\$169	\$150	\$202	\$134	\$655

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	<u>\$ 1,853</u>	<u>\$ 2,500</u>	<u>\$ 2,641</u>	<u>\$ 746</u>
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