

City of Prescott

Non-Utility Impact Fees

Land Use Assumptions and Infrastructure Improvements Plan

May 14, 2024





Agenda



Legislative requirements



Methodologies

**Infrastructure improvement plan and
proposed development impact fees**



- **Streets**
- **Fire**
- **Police**



Legislative process

Adoption Process

- Land Use Assumptions
- Development Impact Fees

LUA/IIP Requirements

- Projected service units
 - Residents, jobs, vehicle miles of travel
- Existing facilities and level of service
- Project demand for facility expansions and costs based on same level of service

Level of Service Defined

- The standard/quality of public services a community aims to provide residents
- Benchmark for infrastructure provision

LOS Metrics

- Sq. ft. of facilities or vehicles per person (residential)
- Sq. ft. of facilities or vehicles per vehicle trip end (non-residential)
- Lane miles or intersections per vehicle mile traveled

Adoption Process for Arizona Development Fees

Land Use Assumptions and Infrastructure Improvements Plan	
# of Days*	Task
START	Publish documents on website and provide notice of Public Hearing on land use assumptions and infrastructure improvements plan
60	
Public Hearing	
minimum 30	Decision by elected officials
maximum 60	
Development Fees	
# of Days*	Task
	Publish adopted land use assumptions, infrastructure improvements plan, and proposed fees on website and provide notice of Public Hearing on development fees
30	
Public Hearing	
minimum 30	Decision by elected officials
maximum 60	
minimum 75	
FINISH	Fees become effective

* At least 225 days are required from start to the effective date.



Non-utility fees study milestones

Streets, fire, and police

Milestone	Date	Description
Public Notice	March 26, 2024	Publish Infrastructure Improvement Plan and the Land Use Assumptions for the Development Impact Fees
Council Workshop	May 14, 2024	Study session for impact fees (Infrastructure Improvement Plan and Land Use Assumptions)
Council Meeting	May 28, 2024	Public hearing on the Infrastructure Improvement Plan and Land Use Assumptions
Council Workshop	July 9, 2024	Study session on development impact fees
Council Meeting	July 9, 2024	Adoption of the Infrastructure Improvement Plan and the Land Use Assumptions Adopt Notice of Intent and set public hearing on impact fees
Council Meeting	August 27, 2024	Public hearing on development impact fees
Council Meeting	October 8, 2024	Adoption of impact fees
Effective Date for Fees	January 1, 2025	New impact fees in effect



Industry-accepted development impact fee valuation methodologies

Cost Recovery *Historical*

- Oversized and unique facilities
- Funds typically used for debt service

Incremental Expansion *Current*

- Formula-based approach documents level-of-service with both quantitative and qualitative measures

Plan-Based *Future*

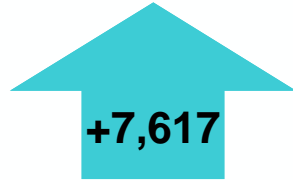
- Common for utilities but can also be used for other public facilities



Land use assumptions

Population

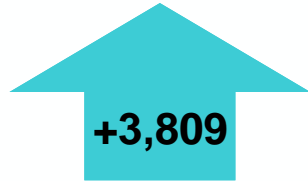
2024: 47,446



- US Census Data Quick Facts
- 1.5% annual growth rate (CYMPO 2045 Transportation Update)

Housing Units

2024: 23,723



- 2.0 person per household (US Census Data Quick Facts)

Jobs

2024: 23,737



- Census Bureau ('On the Map' database)

Non-res Sq Ft

2024: 8,090



- Jobs (US Census 'On the Map')
- Jobs per square foot (Institute of Transportation Engineers)

Streets





Streets assumptions

IIP Projects

- Includes growth share for the 10-year study period

Current Infrastructure

- 101.4 lane miles of arterials (two or more lanes which connect to other cities through a major arterial)
- 14 intersections

Current Level of Service

- 1.33 lane miles per 10,000 vehicle miles traveled (VMT)
- 0.18 intersections per 10,000 VMT

Service Area

- Includes only city portion of growth-related arterials
- Excludes arterials associated with regional growth



Components of the streets fee



- Residential population growth
- Nonresidential growth in jobs and sq ft of building space



- Projected number of adjusted residential and nonresidential trips
- Projected number of total vehicle miles traveled



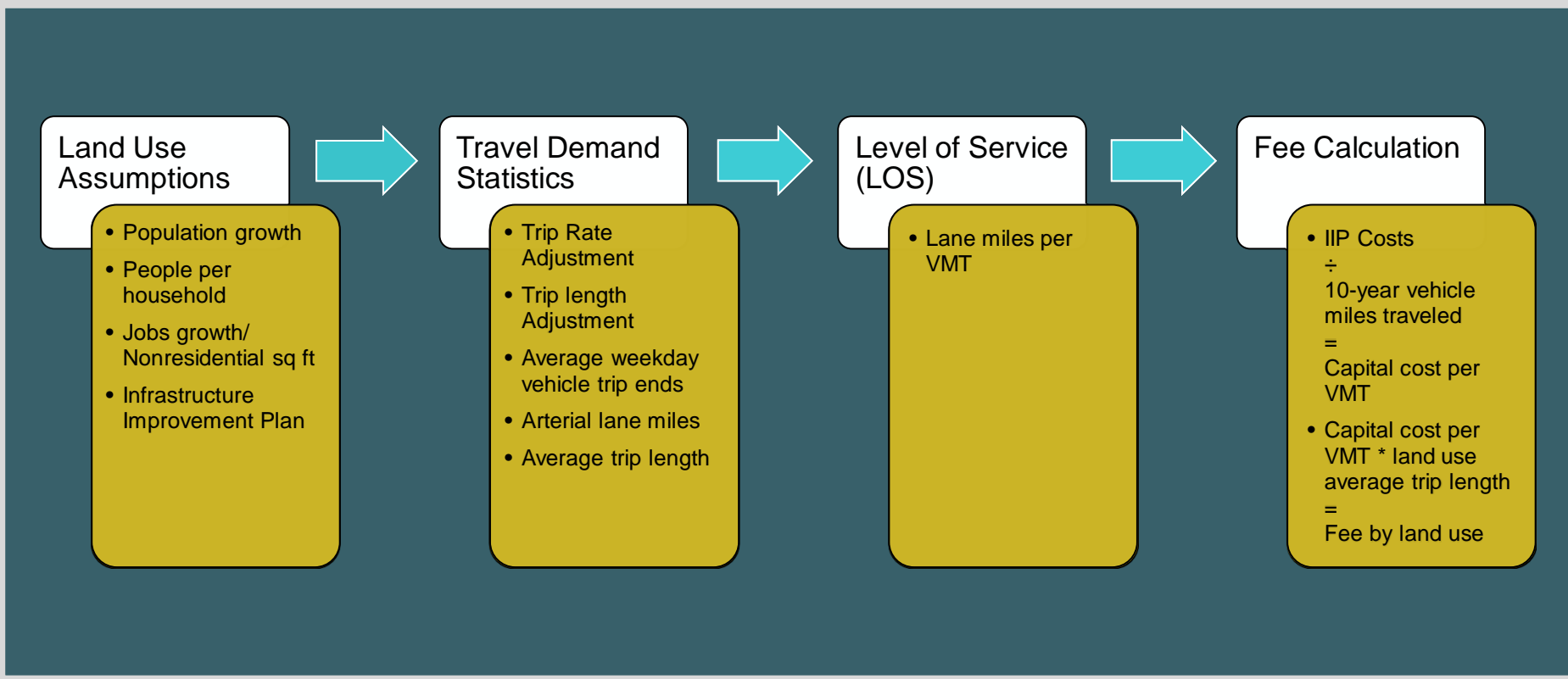
- IIP (new lands and intersections)
- Capacity (in lane miles) of new lanes and intersections
- Cost per Vehicle Miles Traveled (VMT)



- Fees = \$/VMT x Trip Ends x Trip Rate Adj x Trip Length Adj x Avg Trip Length



Development of streets fee





Streets infrastructure improvement plan

Project Description	Additional Lane Miles	Total Cost	Growth within City (Future)	Growth Cost Funded by Prescott Impact Fees	Funded by Other Revenues
Intersection Signalization Program	0.00	\$3,150,000	80%	\$2,520,000	\$630,000
PLP & Sundog Ranch Road Intersection Imp.	0.00	\$40,000	20%	\$2,000	\$38,000
Centralization - SR89 Improvements	4.00	\$15,750,000	30%	\$2,835,000	\$12,915,000
Street Maintenance Admin Building		\$1,672,504	10%	\$17,000	\$1,655,504
Arterial Traffic Signal Coordination	0.00	\$634,000	25%	\$40,000	\$594,000
Street Maintenance Snow Facility		\$3,350,000	10%	\$34,000	\$3,316,000
Willow Lake Rd Turn Lane Project	0.00	\$3,725,613	50%	\$1,118,000	\$2,607,613
Willow Lake Rd & Willow Creek Rd Intersection Improv	0.00	\$1,591,524	60%	\$716,000	\$875,524
Four Points Intersection Improvements	0.00	\$1,591,524	20%	\$80,000	\$1,511,524
Granite Creek Crossing Project	0.60	\$2,290,830	100%	\$2,291,000	-\$170
Phippen Trail Construction Projects	1.40	\$8,080,000	100%	\$8,080,000	\$0
Total	6.00	\$41,875,995	42%	\$17,733,000	\$24,142,995



Existing and proposed streets fees

Description	Proposed Fee	Current Fee	Change - \$
Residential, \$ per Dwelling Unit			
1,800 sq ft or less	\$3,184	\$672	\$2,512
1,801-2,600 sq ft	\$3,568	\$1,040	\$2,528
Over 2,600 sq ft	\$3,754	\$1,222	\$2,532
Non-Residential, \$ per Square Foot			
Industrial	\$1.81	\$0.51	\$1.30
Office & Other Services	\$4.04	\$1.01	\$3.03
Retail & Restaurants	\$6.69	\$2.33	\$4.36

Fire





Fire assumptions

IIP Projects

- Includes growth share
- Excludes portion of facilities that will service population/jobs beyond the 10-year study period

Service Demand Allocation

- Functional population basis - proportional distribution of demand by land use
 - 70% residential
 - 30% nonresidential

Level of Service: Vehicles

- Based on current inventory of 41 vehicles and average replacement cost
- Average cost: \$517,966

Level of Service: Buildings

- Based on current inventory of fire stations (38,594 sq ft)
- Average cost per square foot: \$700



Fire assumptions

2024 Methodology Change #1

- Allocation of vehicle inventory and building square feet based on functional population
- Previous study used calls for service
- Functional population is more stable over time
- Calls for service has more variability between residential and nonresidential calls

2024 Methodology Change #2

- Nonresidential level of service based on vehicle trip ends
- Previous study used jobs

Impact

- Updates better reflect level of service demands for residential and nonresidential land uses
- Changes should produce more predictable results for the residential and nonresidential land use types



Components of the fire fee



- Inventory of existing building square feet
- Inventory of existing vehicles



- Residential functional population
- Nonresidential functional population



- Average unit cost of building (\$ per sq ft)
- Inventory of existing vehicles (\$ per vehicle)

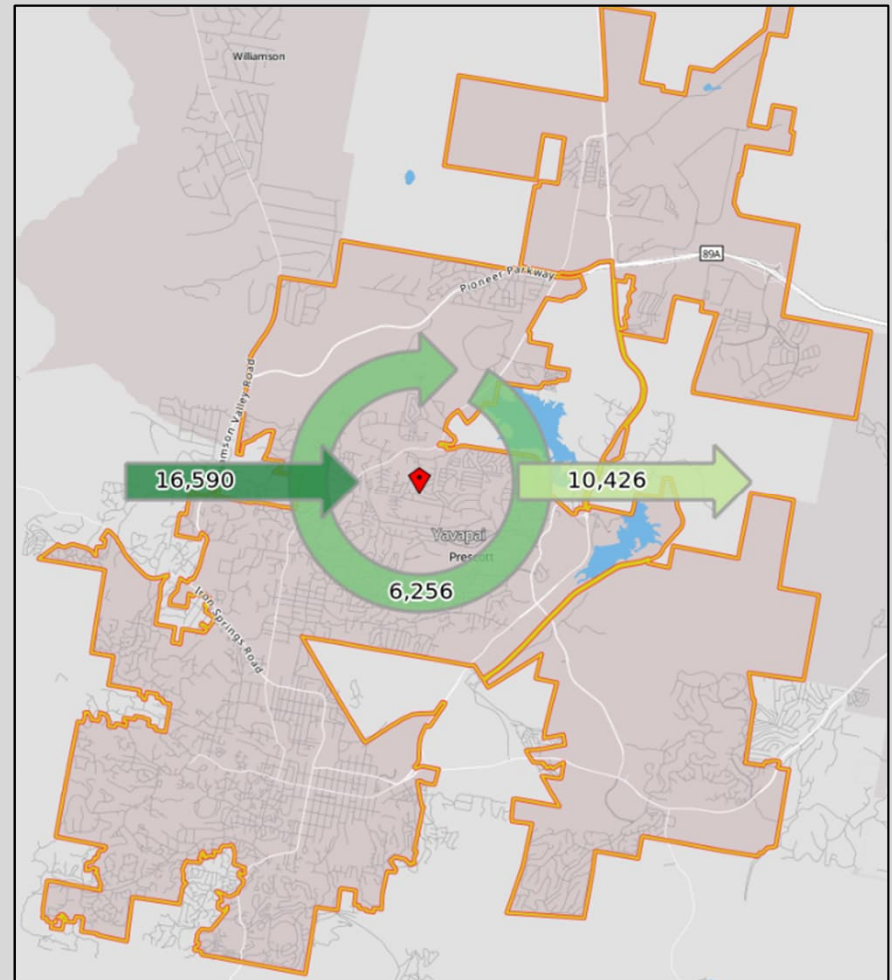


- Residential population growth
- Nonresidential growth in stated in vehicle trips

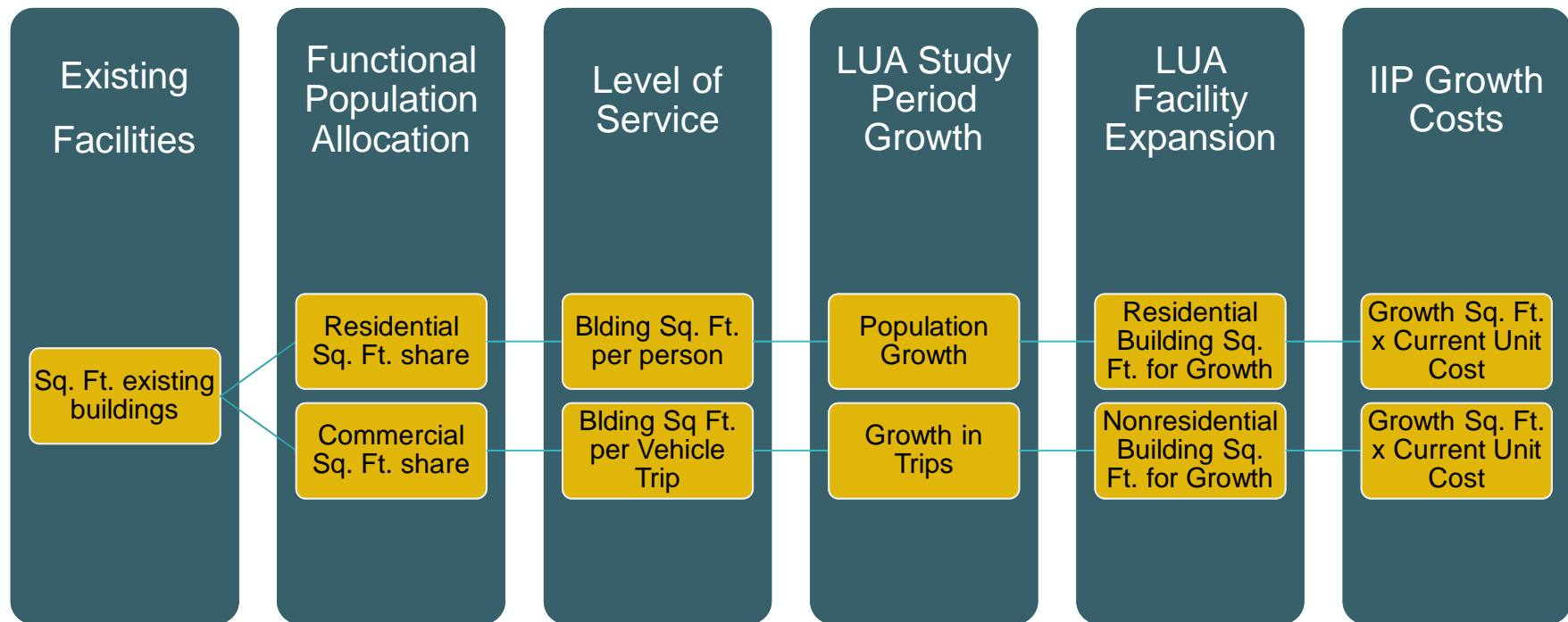


Building and vehicle allocation using functional population

- From Census Bureau's 'On the Map'
- Stable method of allocating buildings/vehicles between residential and nonresidential
- Premised on daytime population
 - › Employed in the City but living outside the City (16,590)
 - › Employed and living in the City (6,256)
 - › Living in the Selection Area but Employed Outside (10,426)



Development fire IIP cost Incremental method



***Process applies to police fees**



Fire infrastructure improvement plan

Description	Infrastructure Units	Growth Quantity	Growth Share	Unit Cost	Total Cost	Growth Cost (rounded)
Buildings	Sq Ft	5,807	100%	\$700	\$4,065,019	\$4,065,000
Vehicles	Count	6	100%	517,966	3,166,228	3,166,200
				Total		\$7,231,200
				Impact Fee Fund Balance		(1,469,000)
				Net Growth Cost		\$5,762,200



Existing and proposed fire fees

Description	Proposed Fee	Current Fee	Change - \$
Residential, \$ per Dwelling Unit			
1,800 sq ft or less	\$1,062	\$187	\$875
1,801-2,600 sq ft	\$1,189	\$291	\$898
Over 2,600 sq ft	\$1,253	\$343	\$910
Non-Residential, \$ per Square Foot			
Industrial	\$0.54	\$0.19	\$0.35
Office & Other Services	\$1.21	\$0.35	\$0.86
Retail & Restaurants	\$2.94	\$0.28	\$2.66

Police





Police assumptions

IIP Projects

- Includes growth share
- Excludes portion of facilities that will service population/jobs beyond the 10-year study period

Service Demand Allocation

- Functional population basis - proportional distribution of demand by land use
 - 70% residential
 - 30% nonresidential

Level of Service: Vehicles

- Based on current inventory of 70 vehicles and average replacement cost
- Average cost: \$100,000

Level of Service: Buildings

- Based on current inventory of fire stations (39,516 sq ft)
- Average cost per square foot: \$700



Police assumptions

2024 Methodology Change

- Allocation of vehicle inventory and building square feet based on functional population
- Previous study used calls for service
- Functional population is more stable over time
- Calls for service has more variability between residential and nonresidential calls

Impact

- Update better reflects level of service demands for residential and nonresidential land uses
- Change should result more predictable results for the residential and nonresidential land use types in future studies



Components of the police fee



- Inventory of existing building square feet
- Inventory of existing vehicles



- Residential functional population
- Nonresidential functional population



- Average unit cost of building (\$ per sq ft)
- Inventory of existing vehicles (\$ per vehicle)



- Residential population growth
- Nonresidential growth in stated in vehicle trips



Infrastructure Improvement Plan: Police

Description	Infrastructure Units	Quantity Requested	Growth Quantity	Growth Share	Cost Factor	Total Cost	Growth Cost (rounded)
Buildings	Square Feet	39,643	5,925	15%	\$700	\$27,750,000	\$4,150,000
Vehicles	Count	10	10	100%	100,000	1,000,000	1,000,000
						Total	\$5,150,000
						Impact Fee Fund Balance	1,466,000
						Net Growth Cost	\$3,684,000

Existing and proposed police fees

Description	Proposed Fee	Current Fee	Change - \$
Residential, \$ per Dwelling Unit			
1,800 sq ft or less	\$680	\$212	\$468
1,801-2,600 sq ft	\$761	\$328	\$433
Over 2,600 sq ft	\$802	\$338	\$464
Non-Residential, \$ per Square Foot			
Industrial	\$0.35	\$0.14	\$0.21
Office & Other Services	\$0.78	\$0.28	\$0.50
Retail & Restaurants	\$1.89	\$0.72	\$1.17



Thank you!

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