

# Development Impact Fee (DIF) Update

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## Council Workshop

April 9, 2019

Presented by City Staff

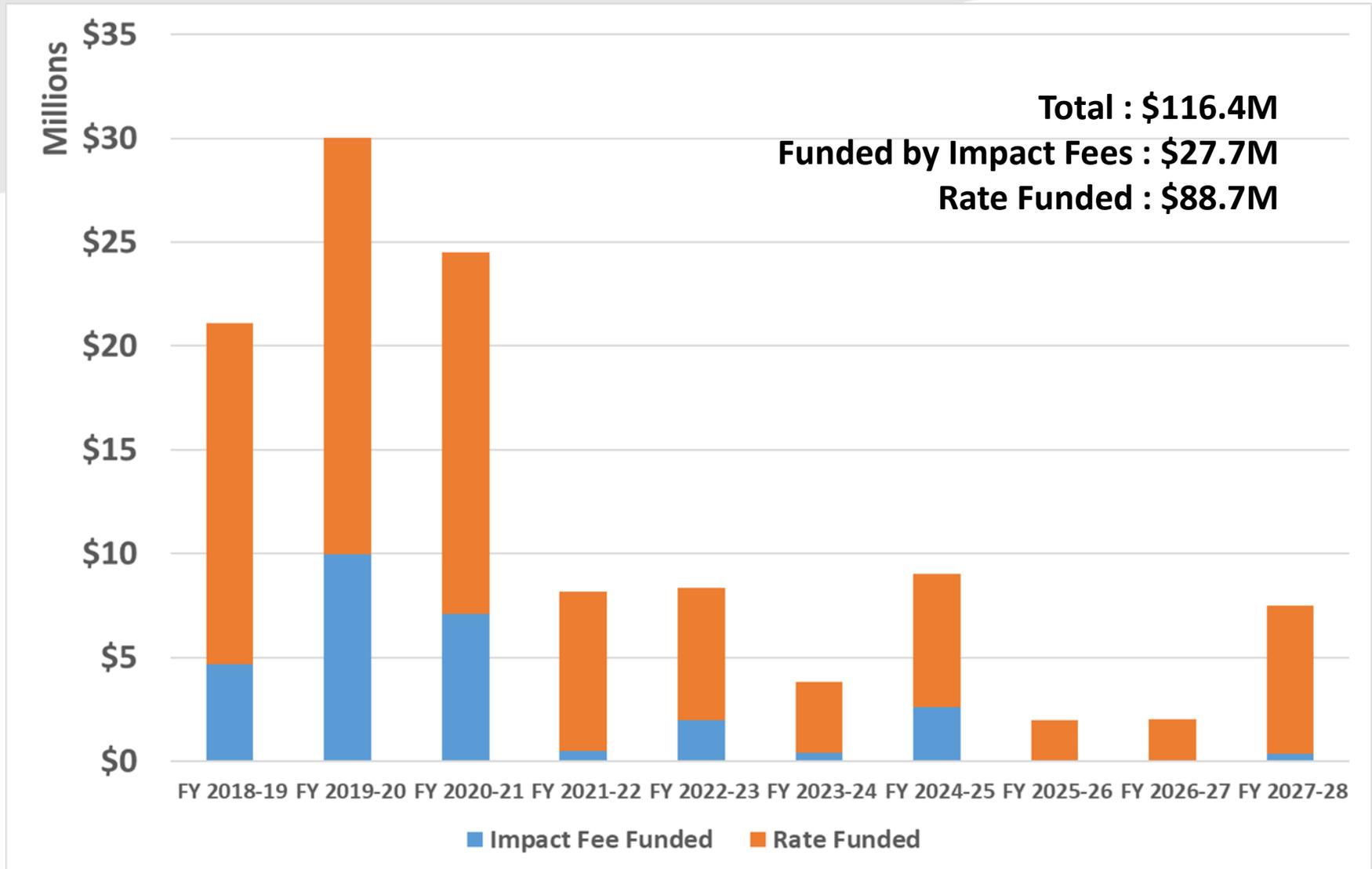
FOR INFORMATION

# DIF Recommendations

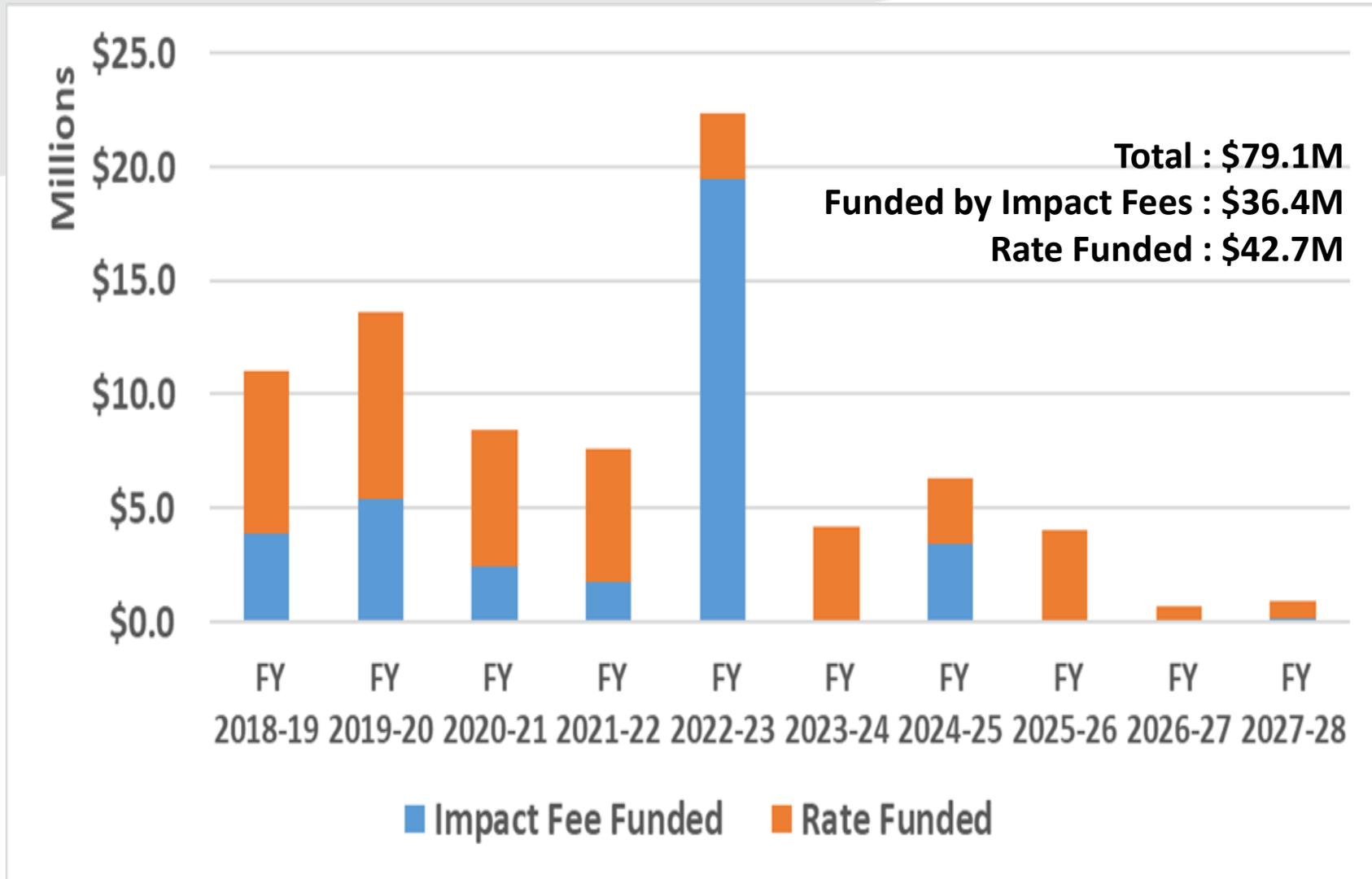
- Utility DIF service areas
  - › Water System DIF consolidate from 10 to 2
  - › Wastewater System DIF consolidate from 9 to 1
  - › Maintain 1 Water Resource DIF
- Proposed non-utility DIFs for:
  - › Streets
  - › Police
  - › Fire



# Water System Capital Projects



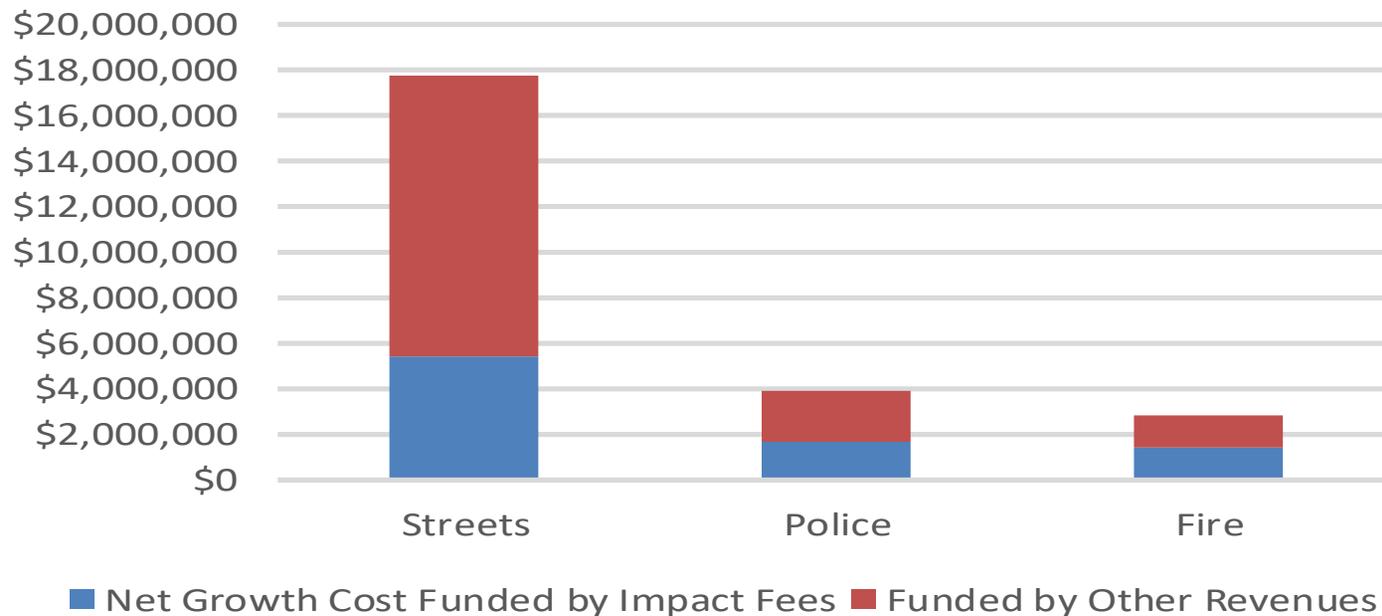
# Wastewater System Capital Projects



# Non-Utility Capital Projects

	<i>Streets</i>	<i>Police</i>	<i>Fire</i>
Net Growth Cost Funded by Impact Fees	\$5,437,000	\$1,648,000	\$1,455,000
Funded by Other Revenues	\$12,335,000	\$2,240,000	\$1,408,000

Ten-Year IIP Costs for Non-Utility  
Facilities in Prescott, AZ



# Proposed Utility DIFs

## Base Meter Size Fee

Utility	Service Area	Current	Proposed
Water System	A	\$827	<b>\$ 862</b>
	B	\$2,263 to \$4,090	<b>\$ 5,292</b>
Water Resource		\$1,481	<b>\$ 1,441</b>
Wastewater System		\$1,989 to \$3,562	<b>\$ 3,020</b>

- Fees increase by water meter size using the same ratios for 1-inch and larger meter sizes as is used for equivalent demand units



# Non-Utility DIFs Proposed

## Fees by Residential Size and Nonresidential Type of Development

	<i>Streets</i>	<i>Police</i>	<i>Fire</i>	<i>Total</i>
<b><i>Residential (per dwelling by livable square feet)</i></b>				
1800 or less	\$672	\$212	\$187	<b>\$1,071</b>
1801 to 2600	\$1,040	\$328	\$291	<b>\$1,659</b>
2601 or more	\$1,222	\$388	\$343	<b>\$1,953</b>
<b><i>Nonresidential (per Sq Ft)</i></b>				
Industrial	\$0.51	\$0.14	\$0.19	<b>\$0.84</b>
Office & Other Services	\$1.01	\$0.28	\$0.35	<b>\$1.64</b>
Retail & Restaurants	\$2.33	\$0.72	\$0.28	<b>\$3.33</b>



# Streets IIP

	<i>Project Description</i>	<i>Location</i>	<i>Total Cost</i>	<i>Growth Share</i>	<i>Growth Cost Funded by Impact Fees</i>	<i>Funded by Other Revenues</i>	<i>Component of Medium Residential Impact Fee</i>
1	Construct Granite Creek Crossing (4 lanes)	Phippen Trail	\$1,900,000	100%	\$1,900,000	\$0	\$366
2	SR 89 Widening (2 to 4 lanes)	Willow Lake Rd to Phippen Trail	\$8,620,000	20%	\$1,724,000	\$6,896,000	\$328
3	Turn Lanes on Willow Lake Rd	SR 89 to Willow Lake Rd	\$3,090,000	25%	\$772,500	\$2,317,500	\$148
4	Intersection Improvements	Willow Creek Rd & Willow Lake Rd	\$1,580,000	25%	\$395,000	\$1,185,000	\$75
5	Roundabout or Signalization with turn lanes	Four Points	\$1,320,000	25%	\$330,000	\$990,000	\$63
6	Intersection Improvements	Prescott Lakes Pkwy & Willow Lake Rd	\$600,000	25%	\$150,000	\$450,000	\$28
7	Intersection Improvements	Prescott Lakes Pkwy & Sundog Ranch Rd)	\$400,000	25%	\$100,000	\$300,000	\$20
8	Traffic Signal Coordination	Willow Creek Rd (Pioneer Pkwy to Four Points)	\$262,000	25%	\$65,500	\$196,500	\$12
<b>Total</b>			<b>\$17,772,000</b>	<b>31%</b>	<b>\$5,437,000</b>	<b>\$12,335,000</b>	<b>\$1,040</b>



# Police IIP

Description	Infrastructure Units	Growth Quantity Over Ten Years	Requested Quantity	Growth Share	Cost Factor	Total Cost (rounded)	Growth Cost (rounded)	Component of Medium Residential Impact Fee
Police Buildings [1]	square feet	5,758	12,157	47%	\$350	\$4,250,000	\$2,010,000	\$230
Police Vehicles	count	6	6	100%	\$83,000	\$500,000	\$500,000	\$98

Total => \$4,750,000    \$2,510,000    \$328

Impact Fee Fund Balance => \$862,000

Funded by Other Revenues => \$2,240,000

Net Growth Cost => **\$1,648,000**

[1] Square feet of new police headquarters is based on

from Otwell Associates Architects (2014) and the police building cost factor is from 2009 LUA.

- Growth Share = Growth Quantity Over Ten Years divided by Requested Quantity
- Total Cost = Cost Factor Per Unit multiplied by Requested Quantity
- Growth Cost = Total Cost multiplied by Growth Share



# Fire IIP

Description	Infrastructure Units	Growth Quantity	Requested Quantity	Growth Share	Cost Factor	Total Cost	Growth Cost (rounded)	Component of Medium Residential Impact Fee
Relocate FS-73	square feet	5,600	10,000	56%	\$320	\$3,200,000	\$1,792,000	\$198
Vehicles	count	1	1	100%	\$471,000	\$471,000	\$471,000	\$93

Total => \$3,671,000    \$2,263,000    \$291

Impact Fee Fund Balance => \$808,000

Funded by Other Revenues => \$1,408,000

Net Growth Cost => **\$1,455,000**

- Growth Share = Growth Quantity Over Ten Years divided by Requested Quantity
- Total Cost = Cost Factor Per Unit multiplied by Requested Quantity
- Growth Cost = Total Cost multiplied by Growth Share



# DIF Comparisons



# Office DIF Comparison (1)

Fee Category	Prescott Current Max. (2)	Prescott 4/9/19	Prescott Valley
Water	\$4,090	<b>\$5,292</b>	\$1,491
Water Resources	1,480	<b>1,441</b>	1,526
Wastewater	3,562	<b>3,020</b>	3,014
Street	0	<b>5,050</b>	3,150
Park & Rec	0	<b>0</b>	300
Police (3)	0	<b>1,400</b>	2,200
Fire (3)	<u>0</u>	<u><b>1,750</b></u>	<u>0</u>
<b>Total</b>	<b>\$9,132</b>	<b>\$17,953</b>	<b>\$11,681</b>

(1) Assumes 5,000 sq. ft. developed building with 5/8-inch water meter and 25 fixture units.

(2) Current maximum reflects new development within Water Service Area E and Wastewater Service Area G.

(3) Prescott Valley has a public safety fee with fire services provided by a fire district.



# Restaurant DIF Comparison (1)

Fee Category	Prescott Current Max. (2)	Prescott 4/9/19	Prescott Valley
Water	\$3,595	<b>\$5,292</b>	\$1,491
Water Resources	1,481	<b>1,441</b>	1,526
Wastewater	3,325	<b>3,020</b>	3,014
Street	0	<b>11,650</b>	7,550
Park & Rec	0	<b>0</b>	300
Police (3)	0	<b>3,600</b>	2,200
Fire (3)	<u>0</u>	<u><b>1,400</b></u>	<u>0</u>
<b>Total</b>	<b>\$8,401</b>	<b>\$26,403</b>	<b>\$16,081</b>

(1) Assumes 5,000 sq. ft. retail developed building with 5/8-inch water meter and 30 fixture units.

(2) Current maximum reflects new development within Water Service Area E and Wastewater Service Area G.

(3) Prescott Valley has a public safety fee with fire services provided by a fire district.



# Retail DIF Comparison (1)

Fee Category	Prescott Current Max. (2)	Prescott 4/9/19	Prescott Valley
Water	\$13,610	<b>\$8,838</b>	\$3,757
Water Resources	2,473	<b>2,401</b>	3,846
Wastewater	11,861	<b>5,033</b>	7,596
Street	0	<b>23,300</b>	14,100
Park & Rec	0	<b>0</b>	600
Police (4)	0	<b>7,200</b>	4,400
Fire (4)	<u>0</u>	<u><b>2,800</b></u>	<u>0</u>
<b>Total</b>	<b>\$27,944</b>	<b>\$49,572</b>	<b>\$34,299</b>

(1) Assumes 10,000 sq. ft. retail developed building with 1-inch water meter and 100 fixture units.

(2) Current maximum reflects new development within Water Service Area E and Wastewater Service Area G.

(3) Prescott Valley has a public safety fee with fire services provided by a fire district.



# Residential DIF Comparison (1)

Fee Category	Prescott Current Max. (2)	Prescott 4/9/19	Prescott Valley
Water	\$4,090	<b>\$5,292</b>	\$1,491
Water Resources	1,480	<b>1,441</b>	1,526
Wastewater	3,562	<b>3,020</b>	3,014
Street	0	<b>1,041</b>	1,784
Park & Rec.	0	<b>0</b>	1,374
Police (3)	0	<b>328</b>	449
Fire (3)	0	<b>291</b>	0
Library/Cultural	<u>0</u>	<u>0</u>	<u>1,589</u>
<b>Total</b>	<b>\$9,132</b>	<b>\$11,413</b>	<b>\$11,227</b>



(1) Assumes “Medium” sized residential development with 5/8 x 3/4-inch meter.

(2) Current maximum reflects new development within Water Service Area E and Wastewater Service Area G.

(3) Prescott Valley has a public safety fee with fire services provided by a fire district.

# Multi-Unit Residential DIF Comparison (1)

Fee Category	Prescott Current Max. (2)	Prescott 4/9/19	Prescott Valley
Water	\$13,620	<b>\$17,622</b>	\$7,455
Water Resources	4,932	<b>4,803</b>	7,630
Wastewater	11,861	<b>10,057</b>	15,071
Street	0	<b>6,720</b>	9,410
Park & Rec	0	<b>0</b>	11,900
Police (3)	0	<b>2,120</b>	3,890
Fire (3)	0	<b>1,870</b>	0
Library/Cultural	<u>0</u>	<u>0</u>	<u>9,980</u>
<b>Total</b>	<b>\$30,413</b>	<b>\$43,192</b>	<b>\$65,336</b>

(1) Assumes "Small" sized residential development with 1 1/2-inch and 10 dwelling units and 320 fixture units.

(2) Current maximum reflects new development within Water Service Area E and Wastewater Service Area G.

(3) Prescott Valley has a public safety fee with fire services provided by a fire district.



# Impact Fee Timeline

Study Milestone	Timeline
Publish Draft LUA and IIP (utility and non-utilities)	November 13, 2018
LUA and IIP Public Hearing	January 22, 2019
Adopt Final LUA and IIPs	February 26, 2019
Provide Notice of Intent and set DIF Public Hearing	February 26, 2019
Publish Draft DIF Study Reports	Before March 10, 2019
<b>DIF Public Hearing</b>	<b>April 9, 2019</b>
<b>Post Amended LUA and IIP</b>	<b>Before April 14, 2019</b>
<b>Post Final DIF Study Reports and Proposed DIFs</b>	<b>Before April 14, 2019</b>
<b>Approve Amended IIPs</b>	<b>May 14, 2019</b>
<b>Vote on proposed DIFs</b>	<b>May 14, 2019</b>
<b>Modified DIFs Effective</b>	<b>August 1, 2019</b>

