

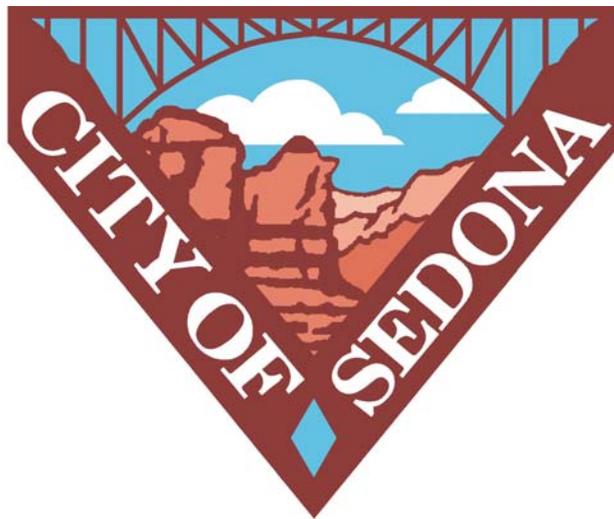
Development Fee Study

Prepared for:

City of Sedona, Arizona

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Executive Summary

The City of Sedona has contracted with TischlerBise to update its development fees for the following infrastructure categories:

- Parks & Recreation;
- General Government;
- Police;
- Transportation;
- Storm Drainage.

DEVELOPMENT FEE REQUIREMENTS

Development fees are one-time payments for public facilities based on the pro rata share of costs incurred for facilities needed to accommodate new development. Development fees relate only to capital facility expansions resulting from new development and are not to be utilized for rehabilitation efforts or operating expenses. Development fees must meet the requirements of the Arizona's Development Fees Act (Arizona Revised Statutes § 9-463.05) and restrictions that evolved from development fee case law, namely what is commonly referred to as the "rational nexus" test. The rational nexus test consists of three requirements: 1) needed capital facilities are a consequence of new development; i.e. *demand*ed by new development; 2) fees are a *proportionate* share of the government's cost; and 3) revenues are managed and expended in such a way that new development receives a substantial *benefit*.

The development fee methodologies established in this report show that the capital facilities for which the fee are prepared are a consequence of new development, the fees are proportionate and reasonably related to the capital facility service demands of new development and that development fees will substantially benefit new development.

Arizona Revised Statutes § 9-463.05 also prescribes a specific timeline for changes to the City's development fees. The City must give at least sixty days' advance notice of intention to assess a new or increased development fee and shall release to the public a written report including all documentation that supports the assessment of a new or increased development fee. The City must conduct a public hearing on the proposed new or increased development fee at any time after the expiration of the sixty day notice of intention to assess a new or increased development fee and at least fourteen days prior to the scheduled date of adoption of the new or increased fee by the City Council. The updated development fees cannot be effective until ninety days after their formal adoption by the City Council.

Another general requirement that is common to development fee methodologies is the evaluation of *credits*. There are several types of credits that have been considered in the development fee methodology. First, a **future revenue credit** has been considered to avoid potential double payment for capital facilities.

The second type of credit is a **site-specific credit** for system improvements that have been included in the development fee calculations. Project improvements normally required as part of the development approval process are not eligible for credits against development fees. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City's fees. However, the general concept is that developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the development fee calculation schedule.

METHODOLOGIES

As part of this study, TischlerBise evaluated possible methodologies and documented appropriate demand indicators by type of development, for each type of development fee. Specific capital costs have been identified using local data and current dollars. The formula used to calculate each development fee is diagrammed in a flow chart at the beginning of each section. Also, each fee category includes a summary table indicating the specific factors used to derive the development fee. These factors are also referred to as level of service (LOS) standards.

There are three basic methods used to calculate the various components of Sedona's development fees. A **plan-based method** is best suited for public facilities that have adopted plans or commonly accepted service delivery standards to guide capital improvements. Under the plan-based methodology, there are two approaches considered. The **average approach** is used for projects that are the result of *both new and existing development*. The planned costs are allocated to both new and existing development which ensures that new growth only pays its share of the costs. The **marginal approach** is used for projects that are the result of *only new growth*. The planned costs are allocated to the net increase in new growth.

The **incremental expansion** method documents the current level-of-service (LOS) for each type of public facility. LOS standards are determined using the City's current inventory of capital facilities and assets as well as current costs to construct or purchase comparable facilities or assets. However, Sedona will not use the funds for renewal and/or replacement of existing facilities. Rather the City's intent is to use development fee revenue to expand or provide additional facilities, as needed to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments, with LOS standards based on current conditions in the community.

A third method, known as the **buy-in** method is best suited for facilities that have been oversized in anticipation of growth and have excess capacity available. New development would "buy-in" to the excess capacity of the facility. The rationale for the buy-in approach is that new development will pay for its share of the useful life and remaining capacity of recently constructed facilities.

In order to meet the benefit component of the rational nexus test, communities often set up collection and expenditure zones for public facilities which have geographic service areas. The Storm Drainage Development Fees must take into account the unique natural features of the

community. Therefore, these development fees are calculated for each drainage basin to account for these unique features (shown at the top of Figure 1 below). These basins should serve as collection and expenditure zone for the Storm Drainage Development Fees. These zones are used to document where in the City the development fee money is coming from and where new facilities will be constructed that are funded, at least in part, through the use of development fees. As a result, the City will maintain detailed maps and accounting procedures for each of the zones.

The categories at the bottom of Figure 1 are citywide. In other words, there is a single citywide collection and expenditure zone for these development fee categories.

Figure 1 provides a schedule of the development fees for Sedona. Development fees for residential development will be assessed per housing unit. Nonresidential development fees for Storm Drainage will be assessed per square foot of total land development. All other nonresidential development fees will be assessed per square foot of building floor area. The City may adopt fees that are less than the amounts shown. However, a reduction in development fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures and/or a decrease in the City's LOS standards.

Figure 1: Schedule of Development Fees

Storm Drainage Development Fees (by Drainage Basin)

	<i>Dry Creek Wash</i>	<i>Coffee Pot Wash</i>	<i>Solider Wash</i>	<i>Oak Creek Wash</i>
<u>Residential (per unit)</u>				
Single Family				
Very Low Density	\$2,626	\$0	\$0	\$0
Low Density	\$2,101	\$1,229	\$297	\$369
Medium Density	\$1,313	\$768	\$186	\$230
High Density	\$657	\$384	\$0	\$115
Multi-Family	\$492	\$288	\$70	\$86
All Other Types of Housing	\$0	\$323	\$0	\$97
<u>Nonresidential (per square foot of total land development)</u>				
Nonresidential Development	\$0.16	\$0.09	\$0.02	\$0.03

Citywide Development Fees

	<i>Parks & Recreation</i>	<i>General Government</i>	<i>Police</i>	<i>Transportation</i>	<i>TOTAL</i>
<u>Residential (per unit)</u>					
Single Family Detached	\$6,249	\$246	\$291	\$1,804	\$8,589
Multi-Family	\$5,350	\$210	\$249	\$1,267	\$7,077
All Other Types of Housing	\$5,548	\$218	\$258	\$941	\$6,965
<u>Nonresidential (per square foot of building/hotel room)</u>					
Commercial 25,000 SF or less	N/A	\$0.38	\$0.66	\$9.15	\$10.20
Commercial 25,001 - 50,000 SF	N/A	\$0.33	\$0.62	\$8.49	\$9.43
Commercial 50,001 - 100,000 SF	N/A	\$0.29	\$0.54	\$7.43	\$8.25
Commercial 100,001 - 200,000 SF	N/A	\$0.25	\$0.47	\$6.43	\$7.15
Commercial over 200,000 SF	N/A	\$0.23	\$0.40	\$5.52	\$6.15
Office/Inst 10,000 SF or less	N/A	\$0.50	\$0.31	\$4.27	\$5.09
Office/Inst 10,001 - 25,000 SF	N/A	\$0.46	\$0.25	\$3.46	\$4.17
Office/Inst. 25,001-50,000 SF	N/A	\$0.43	\$0.21	\$2.95	\$3.60
Office/Inst 50,001 - 100,000 SF	N/A	\$0.41	\$0.18	\$2.52	\$3.11
Office/Inst over 100,000 SF	N/A	\$0.38	\$0.16	\$2.14	\$2.68
Business Park	N/A	\$0.36	\$0.17	\$2.41	\$2.94
Light Industrial	N/A	\$0.26	\$0.10	\$1.31	\$1.67
Warehousing	N/A	\$0.15	\$0.07	\$0.94	\$1.15
Manufacturing	N/A	\$0.21	\$0.05	\$0.72	\$0.98
Hotel (per room)	N/A	\$50	\$77	\$1,062	\$1,189

All costs in the development fee calculations are given in current dollars with no assumed inflation rate over time. If cost estimates change significantly, the fees should be recalculated. The basis of the cost adjustments may differ among development fee categories. For instance, infrastructure cost adjustments for General Government may differ from Police.

It is difficult to compare development fee amounts from community to community. Differences in fee amounts can be attributed to a variety of factors including levels-of-service, community priorities and objectives, services for which the community is responsible for providing, and how a

community procures and finances its capital improvements. Also, communities may have adopted less than 100% of the maximum, supportable development fees.

A note on rounding: Calculations throughout this report are based on analysis conducted using Excel software. Results are discussed in the report using one-and two-digit places (in most cases), which represent rounded figures. However, the analysis itself uses figures carried to their eventual decimal place; therefore the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not due to rounding in the analysis).

Parks & Recreation

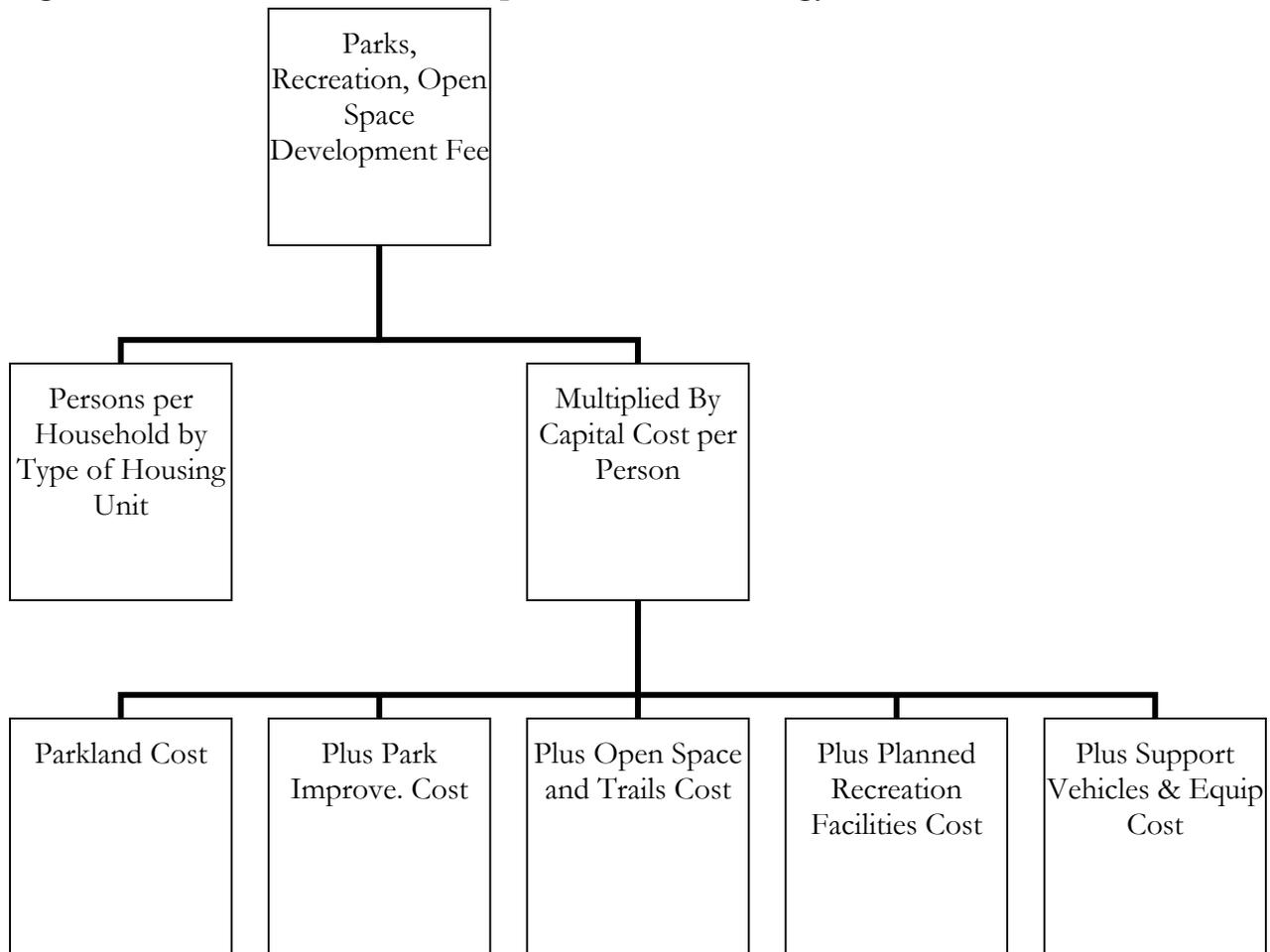
METHODOLOGY

The Parks and Recreation Development Fee is comprised of several components including parkland, park improvements, open space and trails, and support facilities and equipment. The incremental expansion methodology is used for all of these components, which will allow the City to continue to improve its parks and recreation system based on current levels-of-service.

Pocket parks have been *excluded* from the calculation of development fees as these facilities have limited geographic benefit areas. The facilities and assets that have been included in the development fee calculations have a City-wide service area because of their amenities and programming. Therefore, no collection and expenditure zones are necessary for this type of fee.

All capital costs have been allocated 100% to residential development.

Figure 2: Parks & Recreation Development Fee Methodology Chart



PARKLAND

The incremental expansion methodology is used to calculate the parkland component of the Parks & Recreation Development Fee. Figure 3 lists the City’s current inventory of 104.4 acres of parkland. The current level-of-service is 7.83 acres of parkland per 1,000 residents (104.4 acres/(13,336 persons/1,000) = 7.83 acres per 1,000 persons). The City intends to extend this current level-of-service to new residential development via the Parks & Recreation Development Fee.

To calculate the cost component of parkland, the development fee calculation uses current prices to provide comparable parkland. Based on two recent appraisals on parcels suitable for use as a park, the weighted average cost per acre was \$276,000. The total value of the City’s current inventory of parkland is \$28,814,400 (104.4 acres x \$276,000/acre = \$28,814,400). This figure is divided by the current peak population estimate of 13,336 persons, resulting in a cost per person of \$2,160.68.

Figure 3: Parkland LOS Standards

<i>Park</i>	<i>Acres</i>	<i>Cost/ Acre*</i>	<i>Total</i>
Posse Ground Community Park	92.3		
Sunset Park	7.6		
Jordan Historical Park	4.5		
TOTAL	104.4	\$276,000	\$28,814,400

Peak Population in FY2006 13,336

Cost Per Person \$2,160.68

LOS Park Acreage Per 1,000 Persons 7.83

* City of Sedona. Based on recent appraisals of two parcels suitable for use as a park.

PARK IMPROVEMENTS

The incremental expansion methodology is used to calculate the park improvements component of the Parks & Recreation Development Fee. Figure 4 lists the City's current inventory of 61.1 units of improvements. The current level-of-service is 4.58 park improvements per 1,000 residents/(61.1 improvements (13,336 persons/1,000) = 4.58 improvements per 1,000 persons). The City intends to extend this current level-of-service to new residential development via the Parks & Recreation Development Fee.

To calculate the cost component of park improvements, the development fee calculation uses current prices to provide comparable park improvements. City staff from the Parks & Recreation Department provided current cost per unit information for the various types of park improvements. The total value of the City's current inventory of park improvements is \$5,695,520. This figure is divided by the current peak population estimate of 13,336 persons, resulting in a cost per person of \$427.09.

Figure 4: Park Improvements LOS Standards

<i>Park/Improvements</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>Total Cost</i>
Posse Ground Community Park			
Lighted Softball Field	2	\$400,000	\$800,000
Soccer Field	1	\$250,000	\$250,000
Dugouts	4	\$25,000	\$100,000
Greenhouse	1	\$5,000	\$5,000
Parcourse	1	\$10,000	\$10,000
Lighted Tennis Court	2	\$68,000	\$136,000
Tennis Shed	1	\$2,000	\$2,000
Lighted Basketball Court	1	\$73,000	\$73,000
Playground	1	\$50,000	\$50,000
Concession Stand/Restroom	1	\$150,000	\$150,000
Recreation Room	1	\$50,000	\$50,000
Soccer Field Restroom	1	\$80,000	\$80,000
Bleachers	1	\$20,000	\$20,000
Ramada	1	\$15,000	\$15,000
Wooden Ramada	1	\$30,000	\$30,000
Volleyball Court	1	\$15,000	\$15,000
Picnic Ramadas @ Soccer Field	10	\$15,000	\$150,000
Parking Lot	1	\$70,000	\$70,000
Teen Center Building	1	\$1,000,000	\$1,000,000
Skatepark	1	\$700,000	\$700,000
Landscaping/Benches	1	\$35,000	\$35,000
Sunset Park			
Grading/Drainage/Sidewalks, etc.	7.6	\$118,421	\$900,000
Todder Playground	1	\$25,000	\$25,000
Ellie's Playground	1	\$60,000	\$60,000
Restroom	1	\$80,000	\$80,000
Basketball Court	1	\$54,000	\$54,000
Tennis Court	2	\$53,160	\$106,320
Landscaping	1	\$130,000	\$130,000
Ramada	1	\$30,000	\$30,000
Trash Cans	1	\$5,000	\$5,000
Picnic Tables	1	\$2,000	\$2,000
Bike Racks	1	\$1,500	\$1,500
Benches	1	\$700	\$700
Jordan Historical Park			
Restroom	1	\$75,000	\$75,000
Tractor Shed	1	\$10,000	\$10,000
Landscaping/Bridges/ADA	4.5	\$105,556	\$475,000
TOTAL	61.1		\$5,695,520

Peak Population in FY2006 13,336

Cost Per Person \$427.09

LOS Park Improvements Per 1,000 Persons 4.58

* City of Sedona Parks & Recreation Department.

OPEN SPACE AND TRAILS

The incremental expansion methodology is used to calculate the open space and trails component of the Parks & Recreation Development Fee. Figure 5 lists the City’s current inventory of 34.95 acres of open space and trails. The current level-of-service is 2.62 acres per 1,000 residents (34.95 acres/ (13,336 persons/1,000) = 2.62 acres per 1,000 persons). The City intends to extend this current level-of-service to new residential development via the Parks & Recreation Development Fee.

To calculate the cost component of open space and trails, the development fee calculation uses current prices to provide comparable land and trail improvements. City staff from the Parks & Recreation Department provided current cost per unit information for the various types of open space and trail improvements. The total value of the City’s current inventory of open space and trails is \$3,766,000. This figure is divided by the current peak population estimate of 13,336 persons, resulting in a cost per person of \$282.40.

Figure 5: Open Space and Trails LOS Standards

<i>Open Space/Trails</i>	<i># of Acres</i>	<i>Cost/ Acre*</i>	<i>Total Cost</i>
Sugar Loaf	6.2	\$53,226	\$330,000
Sedona West Trail Link	0.75	\$146,667	\$110,000
Jordan Ridge	28	\$92,000	\$2,576,000
Misc. Trail Improvements with Forest Service (City's share)			\$750,000
TOTAL	34.95		\$3,766,000

Peak Population in FY2006	13,336
Cost Per Person	\$282.40
LOS Open Space Acreage Per 1,000 Persons	2.62

* City of Sedona Parks & Recreation Department.

SUPPORT FACILITIES, VEHICLES & EQUIPMENT

As new growth requires parks, open space, and trails infrastructure, additional support facilities, vehicles and equipment will be needed. The incremental expansion methodology is used to calculate this component.

Figure 6 lists the City’s current inventory of 2,280 square feet of support facilities for parks and recreation. The current level-of-service is .17 square feet per persons (2,280 square feet/13,336 persons = .17 square feet per person). The City intends to extend this current level-of-service to new residential development via the Parks & Recreation Development Fee.

To calculate the cost component of support facilities, the development fee calculation uses current prices to provide comparable facilities. City staff from the Parks & Recreation Department

provided current cost per square foot information for the various types of support facilities. The total value of the City's current inventory of support facilities is \$282,000. This figure is divided by the current peak population estimate of 13,336 persons, resulting in a cost per person of \$21.15.

Figure 6: Support Facilities LOS Standards

<i>Support Facility</i>	<i>Square Footage</i>	<i>Cost/SF*</i>	<i>Total Cost</i>
Administration Building	780	\$150	\$117,000
Maintenance Building/Yard	1,500	\$110	\$165,000
TOTAL	2,280		\$282,000

Peak Population in FY2006 13,336

Cost Per Person \$21.15

LOS Support Facilities SF Per Person 0.17

* City of Sedona Parks & Recreation Department.

Figure 7 lists the City's current inventory of 6 units of support vehicles and equipment for parks and recreation. The current level-of-service is .50 units per 1,000 residents (6 units/(13,336 persons/1,000) = .45 units per 1,000 persons). The City intends to extend this current level-of-service to new residential development via the Parks & Recreation Development Fee.

To calculate the cost component of support vehicles and equipment, the development fee calculation uses current prices to provide comparable assets. City staff from the Parks & Recreation Department provided current cost per unit for the various types of support vehicles and equipment. The total value of the City's current inventory of support vehicles and equipment is \$143,000. This figure is divided by the current peak population estimate of 13,336 persons, resulting in a cost per person of \$10.72.

Figure 7: Support Vehicles and Equipment

<i>Support Equipment</i>	<i># of Units</i>	<i>Cost/ Unit*</i>	<i>Total Cost</i>
Pickup Truck	4	\$25,000	\$100,000
Riding Mower	1	\$18,000	\$18,000
Kubota Tractor/Mower	1	\$25,000	\$25,000
TOTAL	6		\$143,000

Peak Population in FY2006 13,336

Cost Per Person \$10.72

LOS Park Support Vehicles/Equip Per 1,000 Persons 0.45

* City of Sedona Parks & Recreation Department.

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Parks & Recreation Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$11,400) is allocated to the projected increase in population over the next three years. This results in a consultant fee cost per demand unit of \$14.17 per person (\$11,400/805 people).

PARKS & RECREATION DEVELOPMENT FEE

Figure 8 provides a summary of the level of service standards used to calculate the Parks, & Recreation Development Fees. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Parks & Recreation Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown at the bottom of Figure 8, the total net capital cost per person is \$2,916.20.

Figure 8: Parks & Recreation Development Fee Level of Service Standard Summary

<i>Persons Per Household</i>	
Single Family Detached	2.14
Multi-Family	1.83
All Other Types of Housing	1.90
 <i>Cost Factors</i>	
Parkland	\$2,160.68
Park Improvements	\$427.09
Open Space/Trails	\$282.40
Support Facilities	\$21.15
Support Vehicles/Equipment	\$10.72
Development Fee Study	\$14.17
TOTAL COST PER PERSON	\$2,916.20

Figure 9 contains a schedule of Parks & Recreation Development Fees for Sedona. Persons per household are multiplied by the capital cost per person for each of the fee components. The fee components are then added together to for the total development fee per unit for each category of housing. Using single family detached housing units as an example, 2.14 persons per household is multiplied by the cost per person for each of the components. These amounts are then added together which yields a Parks & Recreation Development Fee of \$6,249 per single family housing unit. This calculation is repeated for the other housing categories.

Figure 9: Parks & Recreation Development Fee Schedule

<i>Development Fees</i>							
	<i>Parkland</i>	<i>Park Imp.</i>	<i>Open Space/ Trails</i>	<i>Support Facilities</i>	<i>Support Equip.</i>	<i>Dev. Fee Study</i>	<i>TOTAL</i>
Single Family Detached	\$4,630	\$915	\$605	\$45	\$23	\$30	\$6,249
Multi-Family	\$3,964	\$784	\$518	\$39	\$20	\$26	\$5,350
All Other Types of Housin	\$4,111	\$813	\$537	\$40	\$20	\$27	\$5,548

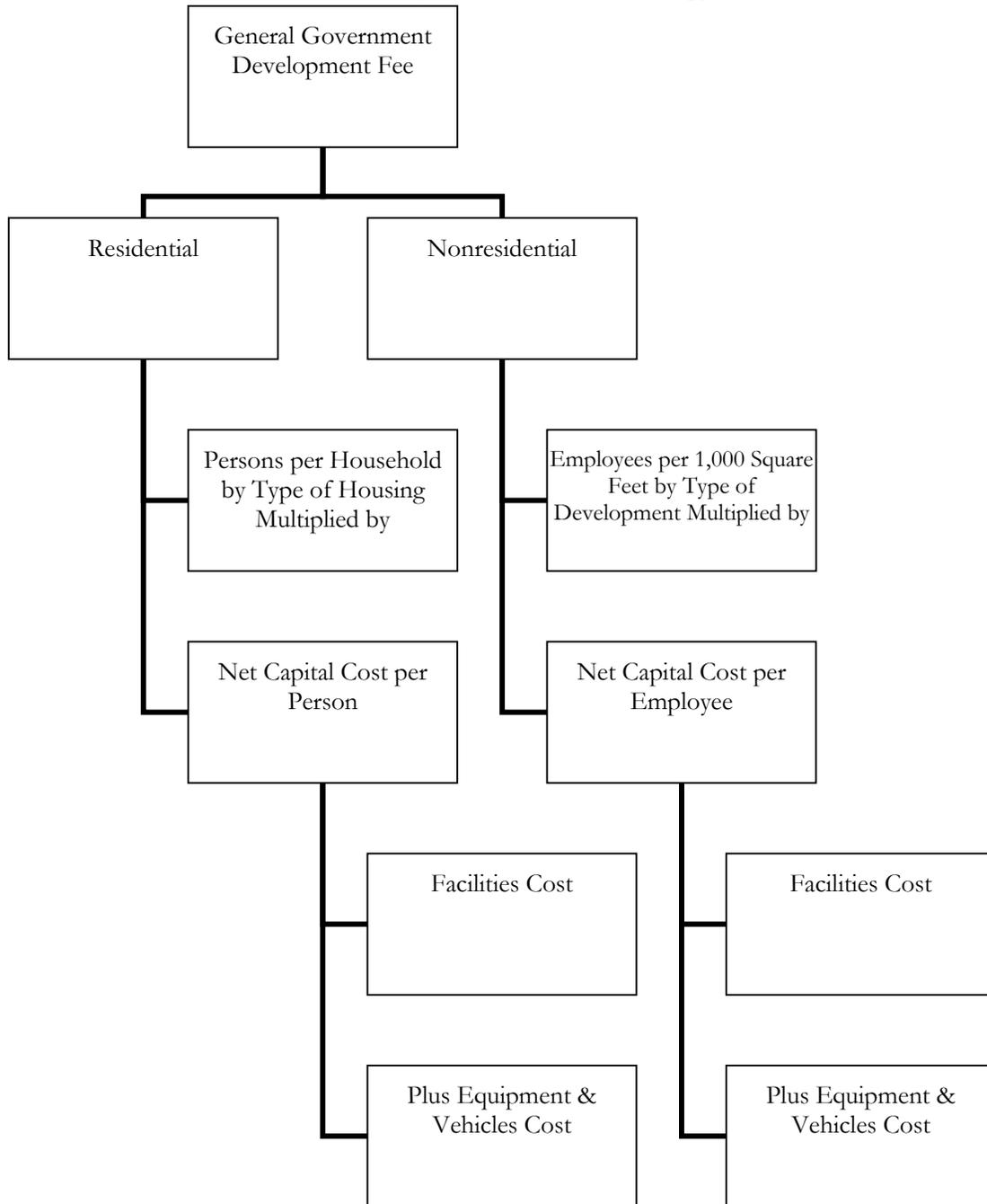
General Government

METHODOLOGY

The General Government Development Fee is comprised of facilities and vehicles. The incremental expansion methodology is used for all of these components which will allow the City to continue to improve its general government facilities and vehicles based on current levels-of-service.

As shown in Figure 10, this development fee is allocated on a per capita basis for residential development. For nonresidential development, the fee methodology allocates the capital cost on a per employee basis.

Figure 10: General Government Development Fee Methodology



GENERAL GOVERNMENT FACILITIES

The incremental expansion methodology is used to calculate the facilities component of the General Government Development Fee. Figure 11 lists the City’s current inventory of 13,535 square feet of general government facilities. This figure does not include the portion of the Grayback Building

that is being leased to private businesses. The current level-of-service is .65 square feet of general government facilities per person or job (13,535 square feet/20,975 persons and jobs = .65 square feet per person or job). The City intends to extend this current level-of-service to new residential and nonresidential development via the General Government Development Fee.

To calculate the cost component of general government facilities, the development fee calculation uses current prices to provide comparable facilities. City staff estimates comparable facilities to cost \$150 per square foot. The total value of the City's current inventory of general government facilities is \$2,030,250 (13,535 square feet x \$150/square foot = \$2,030,250). This figure is divided by the current peak population and job estimate of 20,975 persons and jobs, resulting in a cost per person or job of \$96.79.

Figure 11: General Government Facilities LOS

<i>Building</i>	<i>Square Footage</i>	<i>Cost/SF**</i>	<i>Total Cost</i>
Mogollon	5,920		
Grayback*	1,556		
Vultee	6,059		
TOTAL	13,535	\$150	\$2,030,250
Peak Population and Jobs in FY2006			20,975
Cost Per Person/Job			\$96.79
LOS General Gov't SF Per Person/Job			0.65

* The square footage of the Grayback building has been reduced reflecting the portion of the building occupied by private businesses.

** Source: City of Sedona.

GENERAL GOVERNMENT VEHICLES

The incremental expansion methodology is used to calculate the vehicle component of the General Government Development Fee. Figure 12 lists the City's current fleet of 7 of general government vehicles. The current level-of-service is .33 general government vehicles per 1,000 persons and jobs (7 vehicles/(20,975 persons and jobs/1,000) = .33 vehicles per person or job). The City intends to extend this current level-of-service to new residential and nonresidential development via the General Government Development Fee.

To calculate the cost component of general government vehicles the development fee calculation uses current prices to provide comparable vehicles. City staff provided the cost per vehicle estimates in Figure 12. The total value of the City's current inventory of general government

vehicles is \$135,000. This figure is divided by the current peak population and job estimate of 20,975 persons and jobs, resulting in a cost per person or job of \$6.44.

Figure 12: General Government Vehicle LOS Standards

<i>Department/Vehicles</i>	<i># of Units</i>	<i>Cost/Unit*</i>	<i>Total Cost</i>
General Services			
Van	2	\$17,500	\$35,000
Community Development			
Sedan	1	\$20,000	\$20,000
Pickup Truck	4	\$20,000	\$80,000
TOTAL	7		\$135,000
Peak Population and Jobs in FY2006			20,975
Cost Per Person/Job			\$6.44
LOS General Gov't Vehicles Per 1,000 Persons/Jobs			0.33

* Source: City of Sedona.

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current General Government Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$13,200) is allocated to the projected increase in population and jobs over the next three years. A three year period is used since this is the period of time at which the development fee methodology should be revisited in a growing community. This results in a consultant fee cost per demand unit of \$11.41 per person and job (\$11,900/1,157 people and jobs).

GENERAL GOVERNMENT DEVELOPMENT FEE

Figure 13 provides a summary of the costs used to calculate the General Government Development Fee. These fees are calculated for both residential and nonresidential land uses. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the General Government Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City's fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown in the bottom of Figure 13, the capital costs per demand unit are \$114.64 per person and job.

Figure 13: General Government Development Fee Cost Summary

<i>Residential and Nonresidential Demand Indicators</i>		<i>Standards:</i>	
<i>Person's Per Household</i>			
Single Family Detached		2.14	
Multi-Family		1.83	
All Other Types of Housing		1.90	
<i>Employee's per Square Foot/Hotel Room</i>			
Commercial 25,000 SF or less			0.0033
Commercial 25,001 - 50,000 SF			0.0029
Commercial 50,001 - 100,000 SF			0.0025
Commercial 100,001 - 200,000 SF			0.0022
Commercial over 200,000 SF			0.0020
Office/Inst 10,000 SF or less			0.0044
Office/Inst 10,001 - 25,000 SF			0.0040
Office/Inst. 25,001-50,000 SF			0.0038
Office/Inst 50,001 - 100,000 SF			0.0036
Office/Inst over 100,000 SF			0.0034
Business Park			0.0032
Light Industrial			0.0023
Warehousing			0.0013
Manufacturing			0.0018
Hotel (per room)			0.4400
<i>Demand Unit Cost Factors</i>		<u>Per Person</u>	<u>Per Employee</u>
Facilities		\$96.79	\$96.79
Vehicles & Equipment		\$6.44	\$6.44
Consultant Cost		\$11.41	\$11.41
Total Capital Cost		\$114.64	\$114.64

Figure 14 contains a schedule of the development fees for general government facilities and vehicles. For residential land uses, persons per household (2.14 for a single family detached unit) are multiplied by the capital cost per person (\$114.64), for a development fee per unit of \$246. For nonresidential land uses, such as a commercial shopping center of 25,000 square feet or less, the number of employees per square foot (.0033) is multiplied by the capital cost per employee (\$114.64), for a fee of \$.38 per square foot.

Figure 14: General Government Development Fee Schedule

Development Fees

Residential

Single Family Detached

Multi-Family

All Other Types of Housing

Nonresidential

Commercial 25,000 SF or less

Commercial 25,001 - 50,000 SF

Commercial 50,001 - 100,000 SF

Commercial 100,001 - 200,000 SF

Commercial over 200,000 SF

Office/Inst 10,000 SF or less

Office/Inst 10,001 - 25,000 SF

Office/Inst. 25,001-50,000 SF

Office/Inst 50,001 - 100,000 SF

Office/Inst over 100,000 SF

Business Park

Light Industrial

Warehousing

Manufacturing

Hotel (per room)

<u>Per Housing Unit</u>	
	\$246
	\$210
	\$218
<u>Per Square Foot/Hotel Room</u>	
	\$0.38
	\$0.33
	\$0.29
	\$0.25
	\$0.23
	\$0.50
	\$0.46
	\$0.43
	\$0.41
	\$0.38
	\$0.36
	\$0.26
	\$0.15
	\$0.21
	\$50

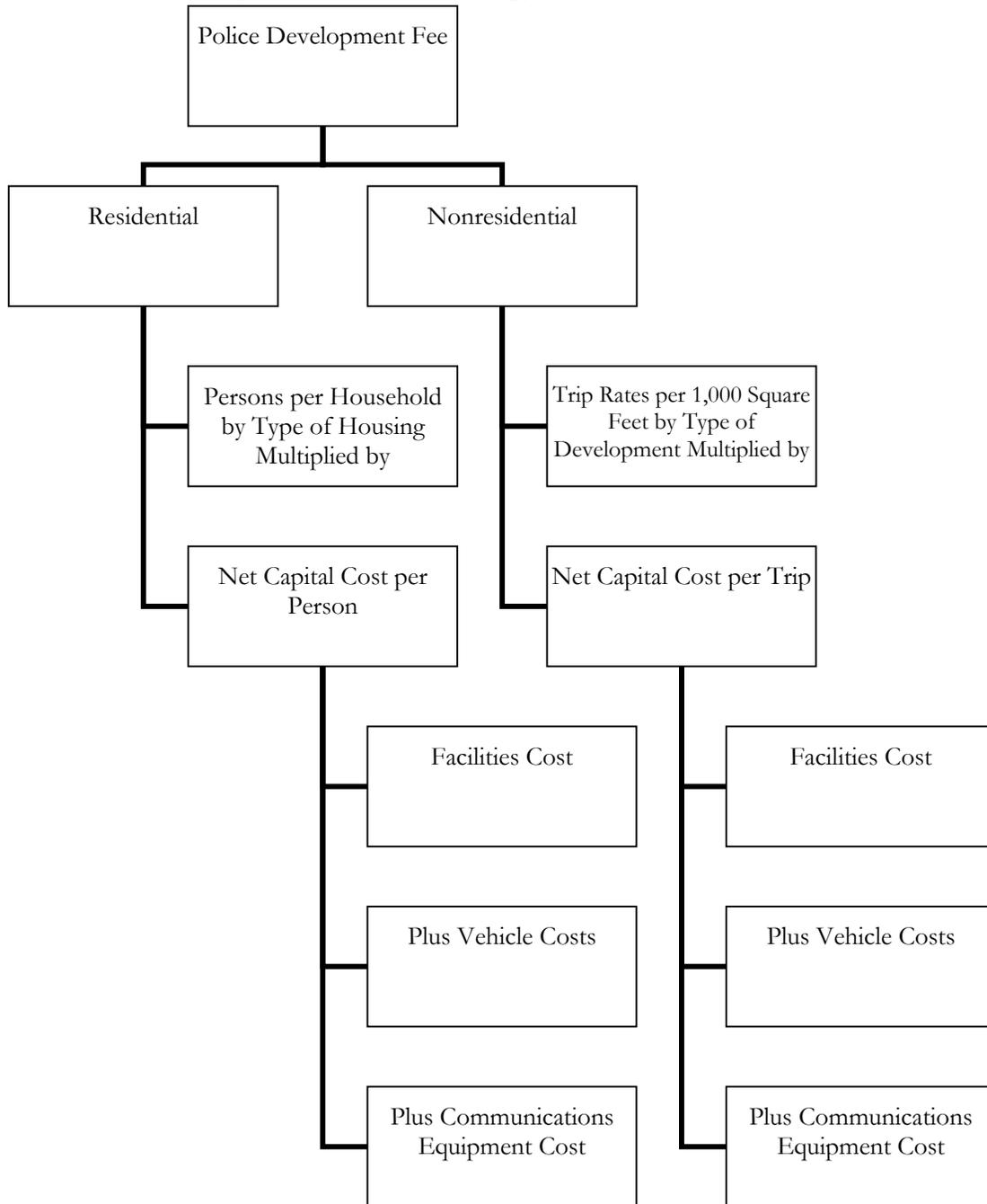
Police

METHODOLOGY

The Police Development Fee is comprised of facilities, vehicles, and communications equipment. The incremental expansion methodology is used for all of these components which will allow the City to continue to improve its police infrastructure based on current levels-of-service.

As shown in Figure 15, the Police Development Fee uses different demand generators for residential and nonresidential development. Residential development fees are calculated on a per capita basis and then converted to an appropriate amount by type of housing using household size multipliers. To calculate nonresidential development fees, nonresidential vehicle trips are the best demand indicator for police facilities as they are the best measure of the presence of people at nonresidential land uses. Trip generation rates are highest for commercial developments, such as shopping centers, and lowest for industrial/warehouse developments. Office/institutional trip rates fall between the other two categories. This ranking of trip rates is consistent with the relative demand for police protection from nonresidential development. Also, the Sedona Police Department issues traffic citations and responds to all traffic accidents, which are directly proportionate to trip generation rates.

Figure 15: Police Development Fee Methodology



PROPORTIONATE SHARE FACTORS

Calls for service data provided by the Police Department are used to determine the relative demand for service from residential and nonresidential development. As shown in Figure 16, the proportionate share factor for residential development is 57%, with nonresidential development accounting for 43% of the demand for police facilities, vehicles, and communications equipment. Road related calls are omitted because they cannot be allocated to residential or nonresidential

development in that a person could be on their way home, or to work, or passing through the City. This should not be interpreted as implying that road-related calls for service have no impact on the Police Department.

Figure 16: Proportionate Share Analysis

<i>Month</i>	<i>Calls to Residences</i>	<i>Calls to Businesses</i>	<i>TOTAL</i>
January 2005	331	189	520
February 2005	251	237	488
July 2004	356	270	626
October 2004	365	299	664
TOTAL	1,303	995	2,298

City of Sedona Police Department. These do not include road-related calls for service i.e. traffic stops, accidents, DUIs, etc.

POLICE FACILITIES

The incremental expansion methodology is used to calculate the facilities component of the Police Development Fee. Figure 17 lists the City’s current inventory of 18,226 square feet of police facilities at Headquarters and the Uptown Substation. The current level-of-service is .77 square feet of police facilities per person and .15 square feet per nonresidential vehicle trip. Using the residential level-of-service as an example, the calculation is as follows: (18,226 square feet x.57 residential proportionate share)/13,336 persons = .77 square feet per person. This calculation is repeated for nonresidential development using the nonresidential proportionate share factor. The City intends to extend this current level-of-service to new residential and nonresidential development via the Police Development Fee.

To calculate the cost component of police facilities, the development fee calculation uses current prices to provide comparable facilities. City staff from the Police Department provided the estimates to construct comparable police facilities. The total value of the City’s current police facilities of is \$2,229,200. Using residential development as an example, the cost per person is calculated as follows: (\$2,229,200 x.57 residential proportionate share)/13,336 persons = \$94.78 per person. This calculation is repeated for nonresidential development using the nonresidential proportionate share factor.

Figure 17: Police Facilities LOS Standards

<i>Facility</i>	<i>Square Feet</i>	<i>Cost/SF*</i>	<i>Total Cost</i>
Police Headquarters			
Office Area	8,642	\$200	\$1,728,400
Garage	9,440	\$50	\$472,000
Uptown Substation	144	\$200	\$28,800
TOTAL	18,226		\$2,229,200

Proportionate Share	FY2006 Demand Units	Cost/Unit
Residential 57%	13,336 Peak Population	\$94.78
Nonresidential 43%	52,023 Nonresidential Veh Trips	\$18.55

Residential LOS Square Feet Per Person 0.77
 Nonresidential LOS Square Feet Per Person 0.15

* Source: City of Sedona Police Department.

POLICE VEHICLES

The incremental expansion methodology is used to calculate the vehicles component of the Police Development Fee. Figure 18 lists the City’s current fleet of 26 police vehicles. The current level-of-service is .0011 police vehicles per person and .0002 vehicles per nonresidential vehicle trip. Using the residential level-of-service as an example, the calculation is as follows: (26 vehicles x.57 residential proportionate share)/13,336 persons = .0011 police vehicles per person. This calculation is repeated for nonresidential development using the nonresidential proportionate share factor. The City intends to extend this current level-of-service to new residential and nonresidential development via the Police Development Fee.

To calculate the cost component of police vehicles, the development fee calculation uses current prices to provide comparable vehicles. City staff from the Police Department provided the estimates to purchase comparable police vehicles. These costs include all piece of additional equipment needed to place the vehicle in service. The total value of the City’s current police fleet is \$722,000. Using residential development as an example, the cost per person is calculated as follows: (\$722,000 x.57 residential proportionate share)/13,336 persons = \$30.70 per person. This calculation is repeated for nonresidential development using the nonresidential proportionate share factor.

Figure 18: Police Vehicles LOS Standards

<i>Vehicles/Equipment</i>	<i># of Units</i>	<i>Cost/Unit*</i>	<i>Total Cost</i>
Marked Sedans	10	\$32,000	\$320,000
Marked Pickup Trucks	2	\$32,000	\$64,000
Unmarked Sedans	10	\$25,000	\$250,000
Motorcycles	4	\$22,000	\$88,000
TOTAL	26		\$722,000

<i>Proportionate Share</i>		<i>FY2006 Demand Units</i>	<i>Cost/Unit</i>
Residential	57%	13,336 Peak Population	\$30.70
Nonresidential	43%	52,023 Nonresidential Veh Trips	\$6.01

Residential LOS Vehicles Per Person 0.0011
 Nonresidential LOS Vehicles Per Person 0.0002

* Source: City of Sedona Police Department.

POLICE COMMUNICATIONS EQUIPMENT

The Sedona Police Department is interdependent with the Sedona Fire District for several pieces of its communications infrastructure including radio towers and equipment. The Police Department’s share of this shared infrastructure must first be determined in order to include it in the Police Development Fee. Figure 19 lists a sample of total 911 calls taken by the Sedona Fire District and the percentage of those calls that were for the Sedona Police Department. On average, 911 calls for the Police Department totaled 10.6% of the calls to the Fire District. This percentage is used in the Police Development Fee to calculate the Police Department’s portion of the shared communications infrastructure.

Figure 19: Police Communications Equipment Proportionate Share Analysis

	<i>911 Calls Taken by Sedona Fire District</i>	<i>911 Calls Dispatched to City of Sedona Police Dept.</i>	
April 2005	1,613	184	
May 2005	1,830	218	
July 2005	2,079	190	
August 2005	1,558	170	
September 2005	1,622	158	%
TOTAL	8,702	920	10.6%

The incremental expansion methodology is used to calculate the communications equipment component of the Police Development Fee. Figure 20 lists the communications equipment attributable to the Sedona Police Department. The current level-of-service is .0022 pieces of communications equipment per person and .0004 pieces of communications equipment per nonresidential vehicle trip. Using the residential level-of-service as an example, the calculation is as follows: $(51.16 \text{ units} \times .57 \text{ residential proportionate share}) / 13,336 \text{ persons} = .0022 \text{ pieces of communications equipment per person}$. This calculation is repeated for nonresidential development using the nonresidential proportionate share factor. The City intends to extend this current level-of-service to new residential and nonresidential development via the Police Development Fee.

To calculate the cost component for communications equipment, the development fee calculation uses current prices to provide comparable equipment. City staff from the Police Department provided the estimates to purchase comparable pieces of communications equipment. The total value of the communications infrastructure attributable to the Sedona Police Department equals \$94,223. Using residential development as an example, the cost per person is calculated as follows: $(\$94,223 \times .57 \text{ residential proportionate share}) / 13,336 \text{ persons} = \4.01 per person . This calculation is repeated for nonresidential development using the nonresidential proportionate share factor.

Figure 20: Police Communications Equipment LOS Standards

<i>Communications Equipment</i>	<i># of Units*</i>	<i>Cost/ Unit*</i>	<i>% Attrib. to SPD**</i>	<i># of Units Attrib to SPD</i>	<i>Total Cost</i>
Motorola Repeater @ Airport Mesa	1	\$7,500	10.6%	0.11	\$793
JPS Voter @ Fire Station #4	1	\$6,000	10.6%	0.11	\$634
Computer Mounting Racks	3	\$280	10.6%	0.32	\$89
Tripp Lite Smart Pro UPS	1	\$3,000	10.6%	0.11	\$317
HP Laser Jet 2200D Printer	1	\$250	10.6%	0.11	\$26
HP Deskjet 960C Printer	1	\$250	10.6%	0.11	\$26
Eventide Model VR320/Digital Audio Logger	1	\$3,000	10.6%	0.11	\$317
Computer System for Qwest/Power 911 System	1	\$72,070	10.6%	0.11	\$7,619
Computer System for NewWorld Systems	1	\$23,350	10.6%	0.11	\$2,469
Dispatch Work Stations & Equipment	2	\$15,736	100.0%	2	\$31,472
Portable Radios & Accessories	20	\$1,200	100.0%	20	\$24,000
Cell Phones & Accessories	6	\$910	100.0%	6	\$5,460
Pagers	2	\$50	100.0%	2	\$100
Laptop Computers for Mobile Computing	6	\$1,500	100.0%	6	\$9,000
Computer Workstations - CAD/RMS/Mobile	14	\$850	100.0%	14	\$11,900
TOTAL				51.16	\$94,223

Proportionate Share	FY2006 Demand Units	Cost/ Unit
Residential 57%	13,336 Peak Population	\$4.01
Nonresidential 43%	52,023 Nonresidential Veh Trips	\$0.78

Residential LOS Communications Equip. Per Person 0.0022
 Nonresidential LOS Communications Equip. Per Person 0.0004

* Source: City of Sedona Police Department.

** The Sedona Police Department is interdependent on the Sedona Fire District/ Verde Valley radio towers and equipment.

DEVELOPMENT FEE STUDY

The cost of preparing the Police Development Fee is also included in the fee calculations. The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Police Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$8,800) is allocated over the projected increase in population and nonresidential vehicles trips over the next three years using the residential and nonresidential proportionate share factors. This results in a consultant fee cost per demand unit of \$6.20 per person and \$2.02 per trip.

POLICE DEVELOPMENT FEE

Figure 31 provides a summary of the level of service standards used to calculate the Police Development Fee. These fees are calculated for both residential and nonresidential land uses. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Police Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown in the bottom of Figure 21, the capital costs per demand unit are \$135.60 per person and \$27.37 per trip.

Figure 21: Police Development Fee Cost Summary

<i>Persons Per Household</i>	<i>Standards:</i>	
Single Family Detached	2.14	
Multi-Family	1.83	
All Other Types of Housing	1.90	
<i>Weekday Vehicle Trip Ends per Square Foot/Hotel Room</i>		
Com / Shop Ctr 25,000 SF or less		0.11032
Com / Shop Ctr 25,001-50,000 SF		0.08656
Com / Shop Ctr 50,001-100,000 SF		0.06791
Com / Shop Ctr 100,001-200,000 SF		0.05328
Com / Shop Ctr over 200,000 SF		0.0418
Office / Inst 10,000 SF or less		0.02266
Office / Inst 10,001-25,000 SF		0.01835
Office / Inst 25,001-50,000 SF		0.01565
Office / Inst 50,001-100,000 SF		0.01334
Office / Inst over 100,000 SF		0.01137
Business Park		0.01276
Light Industrial		0.00697
Warehousing		0.00496
Manufacturing		0.00382
Hotel (per room)		5.63
<i>Trip Adjustment Factors</i>		
Com / Shop Ctr 25,000 SF or less		22%
Com / Shop Ctr 25,001-50,000 SF		26%
Com / Shop Ctr 50,001-100,000 SF		29%
Com / Shop Ctr 100,001-200,000 SF		32%
Com / Shop Ctr over 200,000 SF		35%
All Other Nonresidential Development		50%
<i>Level of Service</i>	<u>Per Person</u>	<u>Per Trip</u>
Police Facilities	\$94.78	\$18.55
Police Vehicles	\$30.70	\$6.01
Communications Equipment	\$4.01	\$0.78
Development Fee Study	\$6.20	\$2.02
Total Net Capital Cost	\$135.69	\$27.37

Figure 22 contains a schedule of the Police Development Fee. For residential land uses, persons per household (2.14 for a single family detached unit) are multiplied by the capital cost per person (\$135.69 for a development fee per unit of \$291. For nonresidential land uses, such as a commercial shopping center less of 25,000 square feet or less, the number of trips per square foot (.11032) is multiplied by the capital cost per nonresidential vehicle trip (\$27.37), for a fee of \$.66 per square foot.

Figure 22: Police Development Fee Schedule

Development Fees

<u>Residential</u>	<u>Per Housing Unit</u>
Single Family Detached	\$291
Multi-Family	\$249
All Other Types of Housing	\$258
<u>Nonresidential</u>	<u>Per Square Foot/Hotel Room</u>
Com / Shop Ctr 25,000 SF or less	\$0.66
Com / Shop Ctr 25,001-50,000 SF	\$0.62
Com / Shop Ctr 50,001-100,000 SF	\$0.54
Com / Shop Ctr 100,001-200,000 SF	\$0.47
Com / Shop Ctr over 200,000 SF	\$0.40
Office / Inst 10,000 SF or less	\$0.31
Office / Inst 10,001-25,000 SF	\$0.25
Office / Inst 25,001-50,000 SF	\$0.21
Office / Inst 50,001-100,000 SF	\$0.18
Office / Inst over 100,000 SF	\$0.16
Business Park	\$0.17
Light Industrial	\$0.10
Warehousing	\$0.07
Manufacturing	\$0.05
Hotel (per room)	\$77

Transportation

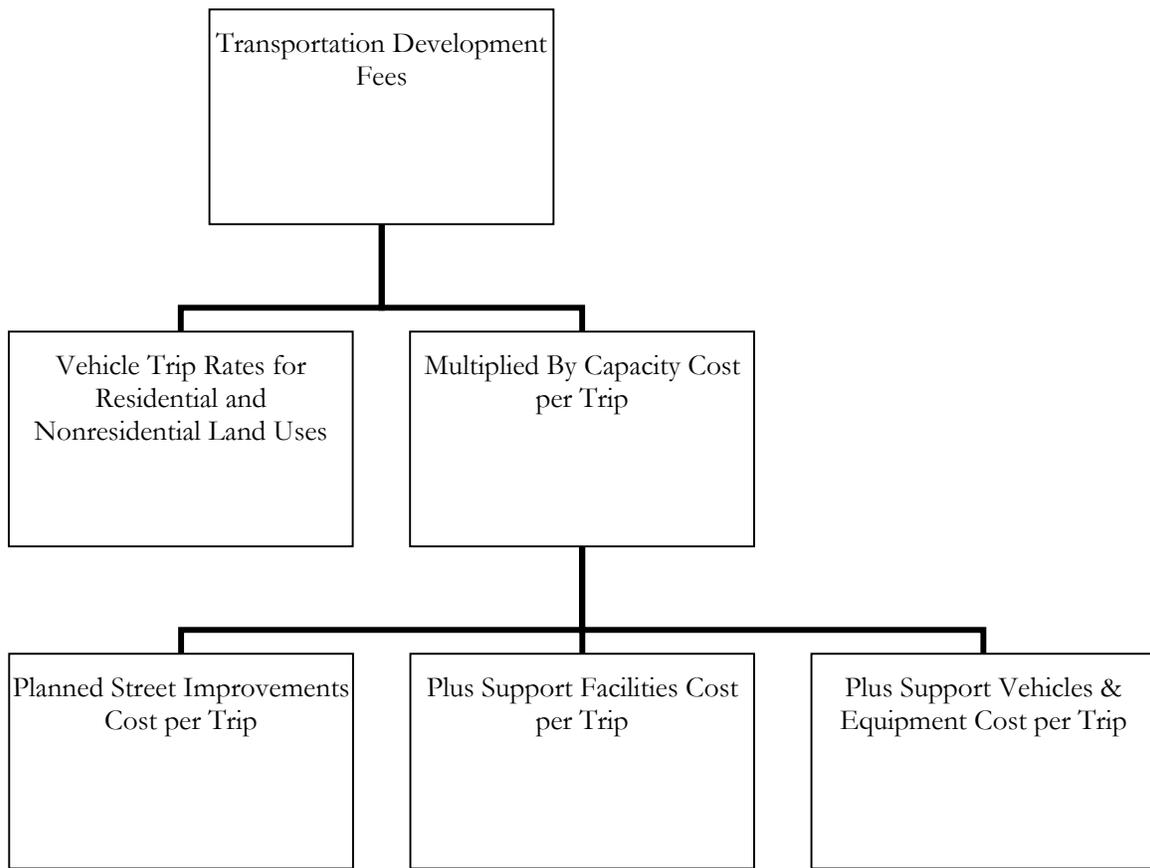
METHODOLOGY

Development fees for transportation are determined utilizing the plan-based and incremental expansion methodologies. As shown in Figure 23, average weekday vehicle trip generation rates by type of development are multiplied by the net capital cost per unit of trip capacity to yield the development fees.

The plan-based methodology is used to calculate the street improvements component. The Transportation plan assumes a local cost share (City paid) and grant funded (Federal and State payments). The costs for these projects included in the development fee calculations reflect only the local share of costs (i.e., paid by the City). This approach of using only the local costs in the Transportation Development Fee calculations ensures that new growth is not being charged more than existing development. This approach also ensures that the Transportation Development Fees are proportionate to the demand of new development in the City as pass-through trips (trips which are not attributable to development in the City but pass through the City) are assumed to be funded from non-City sources (Federal and State payments).

The incremental expansion methodology is used to calculate the support vehicles and equipment component of the Transportation Development Fee.

Figure 23: Transportation Development Fee Methodology Chart



PLANNED STREET IMPROVEMENTS

The demand for additional street improvements will be generated by vehicle trips. Figure 24 lists \$35.5 million of street improvements planned over the next five years in Sedona through FY2010. These improvements will serve both existing and new development. The cost shown in Figure 24 lists the City share of these projects.

To derive the plan-based cost component used in the development fee calculations, the total cost of improvements was divided by the projected number of total average weekday vehicle trips in FY2020. It is reasonable to assume an average useful life of 20 years for the street improvements if routine maintenance needs are met. Therefore, a ten-year time frame represents the mid-point of the average useful life for transportation improvements. Based on the estimated completion date of FY2010 for the planned projects listed in Figure 24, the ten year mid-point of these projects would be FY2020. The projected number of vehicle trips on an average weekday in FY2020 from new and existing development (95,752) is used to calculate the cost per trip of \$370.75 ($\$35,500,000/95,752 = \370.75).

Figure 24: Planned Street Improvements

<i>Project</i>	<i>FY2006</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>TOTAL</i>
Intersection @ 89A & Solider Pass Road	\$0	\$0	\$0	\$10,000,000	\$0	\$10,000,000
179 Improvements (turn lanes, roundabouts, medians)*	\$0	\$12,200,000	\$0	\$0	\$0	\$12,200,000
89A Medians	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
89A Uptown Improvements (pedestrian imp., ADA imp., parking imp., circulation imp.)	\$3,300,000	\$0	\$0	\$0	\$0	\$3,300,000
Alternative Route Road** (City share)	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
TOTAL	\$3,300,000	\$12,200,000	\$5,000,000	\$10,000,000	\$5,000,000	\$35,500,000

Projected Trips in FY2020 95,752

Cost per Trip \$370.75

Source: City of Sedona Public Works Department.

* Includes financing costs. The City intends to repay new growth's share of the debt service with development fees.

** Assumes the City will be responsible for funding 25% of the total cost with the remaining 75% coming from other entities. The funding from other entities will fund those trips which are the result of existing development within the City as well as trip originating outside of the City, but pass through the City's transportation infrastructure.

SUPPORT FACILITIES

As new growth requires additional transportation infrastructure, additional facilities will be needed. The incremental expansion methodology is used to calculate the support facilities component of the Transportation Development Fee. Figure 25 lists the City's current inventory of 300 square feet of support facilities dedicated to transportation activities. The current level-of-service is 3.76 square feet of support facilities per 1,000 vehicle trips. The City intends to extend this current level-of-service to new residential and nonresidential development via the Transportation Development Fee.

To calculate the cost component of support facilities, the development fee calculation uses current prices to provide comparable facilities. City staff from the Public Works Department provided the estimates to construct comparable facilities. The total value of the City's current transportation support facilities is \$45,000. The cost per trip is calculated as follows: (\$45,000/79,886 trips = \$.56 per trip.

Figure 25: Support Facilities LOS Standards

<i>Support Facility</i>	<i>Square Footage</i>	<i>Cost/SF*</i>	<i>Total Cost*</i>
Maintenance Building	300	\$150	\$45,000
		Trips in FY2006	79,886
		Cost Per Trip	\$0.56
		LOS Street Support Facilities Per 1,000 Trips	3.76

* City of Sedona Public Works Department.

SUPPORT VEHICLES & EQUIPMENT

The LOS standards for transportation-related vehicles and equipment are based on the City's current fleet. The 9 vehicles and pieces of equipment have a total replacement value of \$155,000. This cost is divided by the current number of vehicle trips which results in a cost per trip of \$1.94 (\$155,000/79,886 trips = \$1.94).

Figure 26: Support Vehicles & Equipment LOS Standards

<i>Support Equipment</i>	<i># of Units</i>	<i>Cost/Unit*</i>	<i>Total Cost</i>
Sedan	2	\$20,000	\$40,000
Pickup Truck	4	\$25,000	\$100,000
Trailer	3	\$5,000	\$15,000
TOTAL	9		\$155,000
		Trips in FY2006	79,886
		Cost Per Person	\$1.94
		LOS Street Support Vehicles Per 1,000 Trips	0.11

* City of Sedona Public Works Department.

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current Transportation Development Fee is included in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$18,600) is allocated to the projected

increase in trips over the next three years. A three year period is used since this is the period of time at which the development fee methodology should be revisited in a growing community. This results in a consultant fee cost per demand unit of \$3.85 per trip (\$18,600/4,825 trips).

TRANSPORTATION DEVELOPMENT FEE

Factors used to derive the Transportation Development Fee are shown in Figure 27.

Future revenue credits have been considered to avoid potential double payment for capital facilities and are not needed for this fee category. HURF credits are not necessary since the City uses HURF funds for routine maintenance and replacement of existing streets and not for capacity improvements to serve new growth

Developers may be eligible for site-specific credits or reimbursements only if they provide improvements that have been included in the Transportation Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City's fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

A summary of the components and costs used in the calculation of the Transportation Development Fee are shown in the boxed area at the top of Figure 27 and include average weekday vehicle trip rates. These factors, commonly known as trip generation rates, are from the reference book *Trip Generation*, published by the Institute of Transportation Engineers (ITE, 7th edition, 2003). For development types not shown below, Sedona staff may use the most appropriate rates from the ITE manual, or rates from approved local transportation studies.

Figure 27: Transportation Development Fee Cost Summary

Weekday Vehicle Trip Ends per Unit	Standards:	
Single Family Detached	9.57	
Multi-Family	6.72	
All Other Types of Housing	4.99	
Weekday Vehicle Trip Ends per Square Foot/Hotel Room		
Com / Shop Ctr 25,000 SF or less		0.11032
Com / Shop Ctr 25,001-50,000 SF		0.08656
Com / Shop Ctr 50,001-100,000 SF		0.06791
Com / Shop Ctr 100,001-200,000 SF		0.05328
Com / Shop Ctr over 200,000 SF		0.0418
Office / Inst 10,000 SF or less		0.02266
Office / Inst 10,001-25,000 SF		0.01835
Office / Inst 25,001-50,000 SF		0.01565
Office / Inst 50,001-100,000 SF		0.01334
Office / Inst over 100,000 SF		0.01137
Business Park		0.01276
Light Industrial		0.00697
Warehousing		0.00496
Manufacturing		0.00382
Hotel (per room)		5.63
Trip Adjustment Factors		
All Residential Development	50%	
Com / Shop Ctr 25,000 SF or less		22%
Com / Shop Ctr 25,001-50,000 SF		26%
Com / Shop Ctr 50,001-100,000 SF		29%
Com / Shop Ctr 100,001-200,000 SF		32%
Com / Shop Ctr over 200,000 SF		35%
All Other Nonresidential Development		50%
Level of Service		Per Trip
Planned Transportation Projects		\$370.75
Support Vehicles & Equipment		\$1.94
Support Facilities		\$0.56
Development Fee Study		\$3.85
Total Net Capital Cost		\$377.11

Figure 28 contains the schedule of Transportation Development Fees for Sedona. The fees are calculated by multiplying the trip generation rate by the corresponding trip adjustment factor and then multiplying by the total capital cost per trip. Using single family detached units as an example, $9.57 \times .50 \times \$377.11 = \$1,804$ per unit.

Figure 28: Transportation Development Fee Schedule

Development Fees

Residential

Single Family Detached

Multi-Family

All Other Types of Housing

Nonresidential

Com / Shop Ctr 25,000 SF or less

Com / Shop Ctr 25,001-50,000 SF

Com / Shop Ctr 50,001-100,000 SF

Com / Shop Ctr 100,001-200,000 SF

Com / Shop Ctr over 200,000 SF

Office / Inst 10,000 SF or less

Office / Inst 10,001-25,000 SF

Office / Inst 25,001-50,000 SF

Office / Inst 50,001-100,000 SF

Office / Inst over 100,000 SF

Business Park

Light Industrial

Warehousing

Manufacturing

Hotel (per room)

Per Housing Unit

\$1,804

\$1,267

\$941

Per Square Foot/Hotel Room

\$9.15

\$8.49

\$7.43

\$6.43

\$5.52

\$4.27

\$3.46

\$2.95

\$2.52

\$2.14

\$2.41

\$1.31

\$0.94

\$0.72

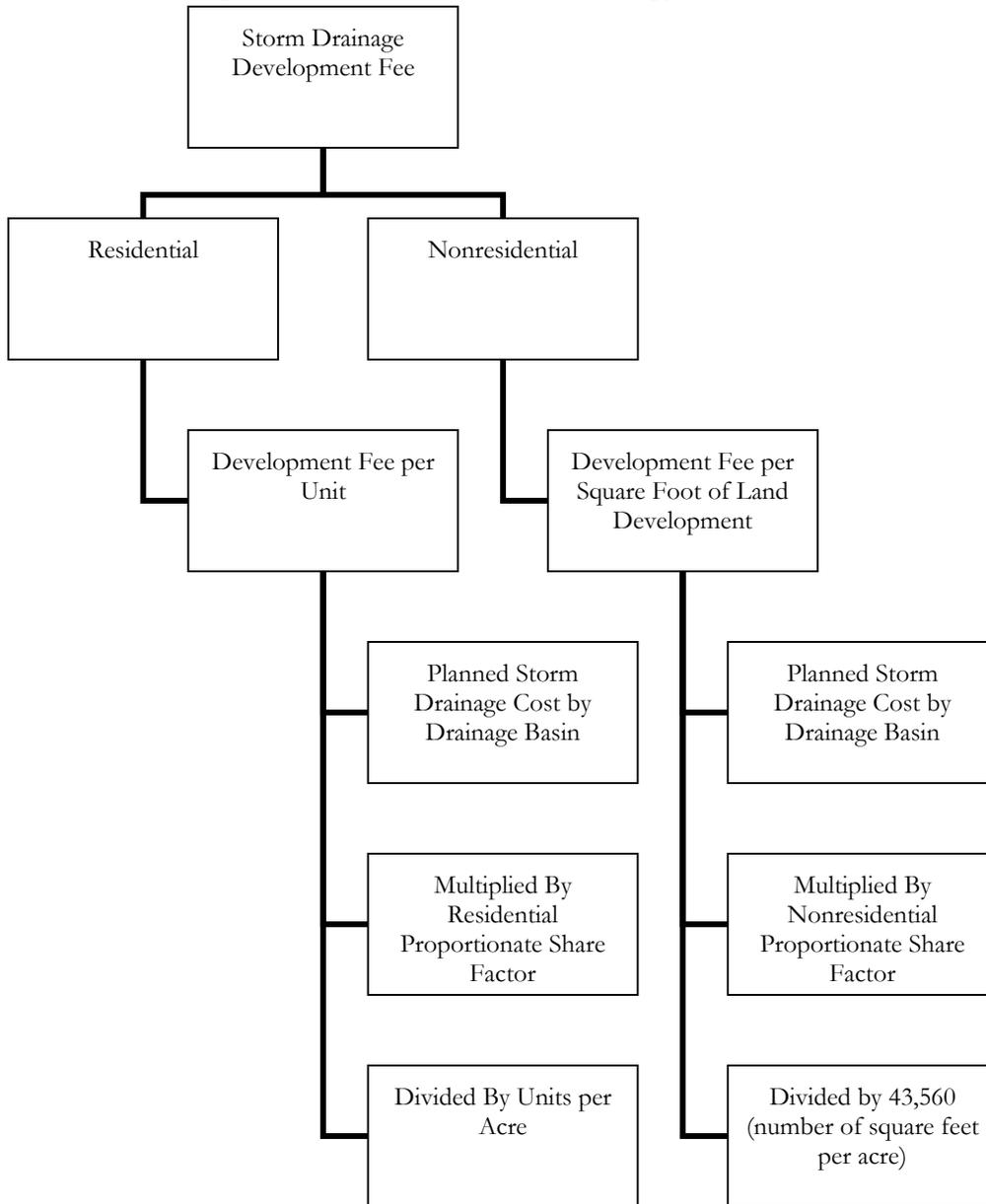
\$1,062

Storm Drainage

METHODOLOGY

The Storm Drainage Development Fee is derived using the plan-based methodology. A build out analysis of each drainage basin is used, based on each basin's land use percentage, to calculate the development fees. The planned projects are based on the City's *Storm Water Master Plan*, completed in March 2005. As shown in Figure 29, the capital costs of the planned improvements for each drainage basin is multiplied by proportionate share factors for each type of land use, and then divided by the amount of land area by type of land use. Residential fees per housing unit are based on the average number of dwelling units allowed by current zoning regulations. The capital cost per acre for nonresidential land uses is converted to a fee per square foot by dividing by 43,560 square feet per acre.

Figure 29: Storm Drainage Development Fee Methodology



COLLECTION & EXPENDITURE ZONES

Storm Drainage Development Fees must take into account the unique natural features of the community. Therefore, these development fees are calculated for each drainage basin to account for these unique features (see Figure 30 below for the list of basins). These basins should serve as collection and expenditure zones for the Storm Drainage Development Fees. These zones are used to document where in the City the development fee money is coming from and where new facilities will be constructed that are funded, at least in part, through the use of development fees. As a result, the City will maintain detailed maps and accounting procedures for each of the zones.

Figure 30: Drainage Basins

	<i>CIP</i>
	<i>Cost*</i>
Dry Creek	\$3,918,730
Coffee Pot	\$3,862,876
Mormon Wash**	\$0
Solider Pass	\$423,158
Oak Creek	\$1,508,648
TOTAL	\$9,713,412

* Source: City of Sedona *Storm Water Management Plan*, Table 7-1.

** Mormon Wash not included in CIP because proposed drainage improvements were found to be either sufficient or located in private development areas.

DRY CREEK WASH

Figure 31 shows the level-of-service (LOS) standards for the Dry Creek Wash. The total cost of storm drainage projects is estimated to be \$3,918,730 while the total acreage in the basin is 2,712 acres. Based on the estimate of ultimate land use acreage and run-off coefficient ratios, impervious acres are determined for each land use, which totals 448 acres for the entire basin. Impervious acres are then used to determine the proportionate share for each land use.

Figure 31: Dry Creek Wash LOS Standards

DRY CREEK WASH

CIP Cost => \$3,918,730

<i>Land Use</i>	<i>Ultimate Land Use Acreage of Basin*</i>	<i>Run-off Coefficient*</i>	<i>Impervious Acreage</i>	<i>Proportionate Share</i>	<i>Share of CIP</i>
Single Family					
Very Low Density	41	15%	6	1%	\$53,837
Low Density	303	30%	91	20%	\$795,739
Medium Density	246	45%	111	25%	\$969,068
High Density	32	45%	14	3%	\$126,058
Multi-Family	52	45%	23	5%	\$204,844
All Other Types of Housing	0	45%	0	0%	\$0
Commercial	57	80%	46	10%	\$399,183
Lodging	11	80%	9	2%	\$77,035
Public/Semi-Public	49	80%	39	9%	\$343,157
Open Space/Parks	0	0%	0	0%	\$0
Vacant	0	0%	0	0%	\$0
Transitional	1	50%	1	0%	\$4,377
US Forest Service	1,812	0%	0	0%	\$0
Roads	108	100%	108	24%	\$945,432
TOTAL	2,712		448	100%	\$3,918,730

* Source: City of Sedona *Storm Water Management Plan*.

Storm Drainage Development Fees are calculated for both residential and nonresidential land uses. Figure 32 lists the fees for the Dry Creek Wash.

The first step of the calculation is to multiply the total basin cost by the proportionate share factor for each land use then dividing by the acreage to be developed to determine the cost per acre for each land use.

Residential development fees per housing unit are based on average lot sizes, expressed in units per acre. The numbers of units per acre are based on the average number of dwelling units currently allowed for each land use category under existing zoning regulations. The development fees for nonresidential land uses are calculated per square foot of floor area using an average floor area ratio of .25.

For residential land uses, the capital cost per acre is divided by the number of units per acre. Using the single family – very low density category as an example, the calculation is as follows: \$1,313 per acre/.50 units per acre = \$2,626 per unit. For nonresidential land uses, the capital cost per acre is divided by the number of square feet in one acre. The calculation is as follows: (\$7,003/43,560 square feet) = \$.16 per square foot.

Figure 32: Storm Drainage Development Fees for Dry Creek Wash

<i>Land Use</i>	<i>Share of CIP</i>	<i>Cost per Acre</i>	<i>Units/Acre or Square Feet/Acre*</i>	<i>Development Fees</i>
Single Family				
Very Low Density	\$53,837	\$1,313	0.50	\$2,626 per unit
Low Density	\$795,739	\$2,626	1.25	\$2,101 per unit
Medium Density	\$969,068	\$3,939	3.00	\$1,313 per unit
High Density	\$126,058	\$3,939	6.00	\$657 per unit
Multi-Family	\$204,844	\$3,939	8.00	\$492 per unit
All Other Types of Housing	\$0	\$0	7.13	\$0 per unit
Nonresidential Development	\$399,183	\$7,003	43,650	\$0.16 per total sf

* Residential densities based on average number of units per acre allowed by existing zoning regulations.

"All Other Types of Housing" density based on existing number of units on existing acres (342 units on 48 acres = 7.13 units per acre).

COFFEE POT WASH

Figure 33 shows the level-of-service (LOS) standards for the Coffee Pot Wash. The total cost of storm drainage projects is estimated to be \$3,862,876 while the total acreage in the basin is 1,929 acres. Based on the estimate of ultimate land use acreage and run-off coefficient ratios, impervious acres are determined for each land use, which totals 755 acres for the entire basin. Impervious acres are then used to determine the proportionate share for each land use.

Figure 33: Coffee Pot Wash LOS Standards

COFFEE POT WASH

CIP Cost => \$3,862,876

<i>Land Use</i>	<i>Ultimate Land Use Acreage of Basin</i>	<i>Run-off Coefficient*</i>	<i>Impervious Acreage</i>	<i>Proportionate Share</i>	<i>Share of CIP</i>
Single Family					
Very Low Density	0	15%	0	0%	\$0
Low Density	31	30%	9	1%	\$47,608
Medium Density	598	45%	269	36%	\$1,377,551
High Density	71	45%	32	4%	\$163,555
Multi-Family	61	45%	27	4%	\$140,519
All Other Types of Housing	32	45%	14	2%	\$73,715
Commercial	143	80%	114	15%	\$585,626
Lodging	32	80%	26	3%	\$131,049
Public/Semi-Public	83	80%	66	9%	\$339,909
Open Space/Parks	39	0%	0	0%	\$0
Vacant	0	0%	0	0%	\$0
Transitional	0	50%	0	0%	\$0
US Forest Service	643	0%	0	0%	\$0
Roads	196	100%	196	26%	\$1,003,344
TOTAL	1,929		755	100%	\$3,862,876

* Source: City of Sedona *Storm Water Management Plan* .

Storm Drainage Development Fees are calculated for both residential and nonresidential land uses. Figure 34 lists the fees for the Coffee Pot Wash.

The first step of the calculation is to multiply the total basin cost by the proportionate share factor for each land use then dividing by the acreage to be developed to determine the cost per acre for each land use.

Residential development fees per housing unit are based on average lot sizes, expressed in units per acre. The numbers of units per acre are based on the average number of dwelling units currently allowed for each land use category under existing zoning regulations. The development fees for nonresidential land uses are calculated per square foot of floor area using an average floor area ratio of .25.

For residential land uses, the capital cost per acre is divided by the number of units per acre. Using the single family – low density category as an example, the calculation is as follows: \$1,536 per acre/1.25 units per acre = \$1,229 per unit. For nonresidential land uses, the capital cost per acre is divided by the number of square feet in one acre. The calculation is as follows: (\$4,095/43,560 square feet) = \$.09 per square foot.

Figure 34: Storm Drainage Development Fees for Coffee Pot Wash

<i>Land Use</i>	<i>Share of CIP</i>	<i>Cost per Acre</i>	<i>Units/Acre or Square Feet/Acre*</i>	<i>Development Fees</i>
Single Family				
Very Low Density	\$0	\$0	0.50	\$0 per unit
Low Density	\$47,608	\$1,536	1.25	\$1,229 per unit
Medium Density	\$1,377,551	\$2,304	3.00	\$768 per unit
High Density	\$163,555	\$2,304	6.00	\$384 per unit
Multi-Family	\$140,519	\$2,304	8.00	\$288 per unit
All Other Types of Housing	\$73,715	\$2,304	7.13	\$323 per unit
Nonresidential Development	\$585,626	\$4,095	43,650	\$0.09 per total sf

* Residential densities based on average number of units per acre allowed by existing zoning regulations.
 "All Other Types of Housing" density based on existing number of units on existing acres (342 units on 48 acres = 7.13 units per acre).

SOLIDER WASH

Figure 35 shows the level-of-service (LOS) standards for the Solider Wash. The total cost of storm drainage projects is estimated to be \$423,158 while the total acreage in the basin is 2,224 acres. Based on the estimate of ultimate land use acreage and run-off coefficient ratios, impervious acres are determined for each land use, which totals 342 acres for the entire basin. Impervious acres are then used to determine the proportionate share for each land use.

Figure 35: Solider Wash LOS Standards

SOLIDER WASH

CIP Cost => \$423,158

<i>Land Use</i>	<i>Ultimate Land Use Acreage of Basin</i>	<i>Run-off Coefficient*</i>	<i>Imperious Acreage</i>	<i>Proportionate Share</i>	<i>Share of CIP</i>
Single Family					
Very Low Density	0	15%	0	0%	\$0
Low Density	346	30%	104	30%	\$128,507
Medium Density	166	45%	75	22%	\$92,481
High Density	0	45%	0	0%	\$0
Multi-Family	10	45%	5	1%	\$5,571
All Other Types of Housing	0	45%	0	0%	\$0
Commercial	49	80%	39	11%	\$48,531
Lodging	16	80%	13	4%	\$15,847
Public/Semi-Public	51	80%	41	12%	\$50,512
Open Space/Parks	55	0%	0	0%	\$0
Vacant	0	0%	0	0%	\$0
Transitional	0	50%	0	0%	\$0
US Forest Service	1,465	0%	0	0%	\$0
Roads	66	100%	66	19%	\$81,710
TOTAL	2,224		342	100%	\$423,158

* Source: City of Sedona *Storm Water Management Plan* .

Storm Drainage Development Fees are calculated for both residential and nonresidential land uses. Figure 36 lists the fees for the Solider Wash.

The first step of the calculation is to multiply the total basin cost by the proportionate share factor for each land use then dividing by the acreage to be developed to determine the cost per acre for each land use.

Residential development fees per housing unit are based on average lot sizes, expressed in units per acre. The numbers of units per acre are based on the average number of dwelling units currently allowed for each land use category under existing zoning regulations. The development fees for nonresidential land uses are calculated per square foot of floor area using an average floor area ratio of .25.

For residential land uses, the capital cost per acre is divided by the number of units per acre. Using the single family – low density category as an example, the calculation is as follows: \$371 per acre/1.25 units per acre = \$297 per unit. For nonresidential land uses, the capital cost per acre is divided by the number of square feet in one acre. The calculation is as follows: (\$990/43,560 square feet) = \$.02 per square foot.

Figure 36: Storm Drainage Development Fees for Solider Wash

<i>Land Use</i>	<i>Share of CIP</i>	<i>Cost per Acre</i>	<i>Units/Acre or Square Feet/Acre*</i>	<i>Development Fees</i>
Single Family				
Very Low Density	\$0	\$0	0.50	\$0 per unit
Low Density	\$128,507	\$371	1.25	\$297 per unit
Medium Density	\$92,481	\$557	3.00	\$186 per unit
High Density	\$0	\$0	6.00	\$0 per unit
Multi-Family	\$5,571	\$557	8.00	\$70 per unit
All Other Types of Housing	\$0	\$0	7.13	\$0 per unit
Nonresidential Development	\$48,531	\$990	43,650	\$0.02 per total sf

* Residential densities based on average number of units per acre allowed by existing zoning regulations.

"All Other Types of Housing" density based on existing number of units on existing acres (342 units on 48 acres = 7.13 units per acre).

OAK CREEK WASH

Figure 37 shows the level-of-service (LOS) standards for the Oak Creek Wash. The total cost of storm drainage projects is estimated to be \$1,508,648 while the total acreage in the basin is 13,601 acres. Based on the estimate of ultimate land use acreage and run-off coefficient ratios, impervious acres are determined for each land use, which totals 982 acres for the entire basin. Impervious acres are then used to determine the proportionate share for each land use.

Figure 37: Oak Creek Wash LOS Standards

OAK CREEK WASH

CIP Cost => \$1,508,648

<i>Land Use</i>	<i>Ultimate Land Use Acreage of Basin</i>	<i>Run-off Coefficient*</i>	<i>Impervious Acreage</i>	<i>Proportionate Share</i>	<i>Share of CIP</i>
Single Family					
Very Low Density	0	15%	0	0%	\$0
Low Density	941	30%	282	29%	\$433,698
Medium Density	414	45%	186	19%	\$286,213
High Density	8	45%	4	0%	\$5,531
Multi-Family	18	45%	8	1%	\$12,444
All Other Types of Housing	14	45%	6	1%	\$9,679
Commercial	59	80%	47	5%	\$72,513
Lodging	99	80%	79	8%	\$121,675
Public/Semi-Public	210	80%	168	17%	\$258,099
Open Space/Parks	1	0%	0	0%	\$0
Vacant	0	0%	0	0%	\$0
Transitional	0	50%	0	0%	\$0
US Forest Service	11,636	0%	0	0%	\$0
Roads	201	100%	201	20%	\$308,797
TOTAL	13,601		982	100%	\$1,508,648

* Source: City of Sedona *Storm Water Management Plan* .

Storm Drainage Development Fees are calculated for both residential and nonresidential land uses. Figure 38 lists the fees for the Solider Wash.

The first step of the calculation is to multiply the total basin cost by the proportionate share factor for each land use then dividing by the acreage to be developed to determine the cost per acre for each land use.

Residential development fees per housing unit are based on average lot sizes, expressed in units per acre. The numbers of units per acre are based on the average number of dwelling units currently allowed for each land use category under existing zoning regulations. The development fees for nonresidential land uses are calculated per square foot of floor area using an average floor area ratio of .25.

For residential land uses, the capital cost per acre is divided by the number of units per acre. Using the single family – low density category as an example, the calculation is as follows: \$461 per acre/1.25 units per acre = \$369 per unit. For nonresidential land uses, the capital cost per acre is divided by the number of square feet in one acre. The calculation is as follows: (\$1,229/43,560 square feet) = \$.03 per square foot.

Figure 38: Storm Drainage Development Fee for Oak Creek Wash

<i>Land Use</i>	<i>Share of CIP</i>	<i>Cost per Acre</i>	<i>Units/Acre or Square Feet/Acre*</i>	<i>Development Fees</i>
Single Family				
Very Low Density	\$0	\$0	0.50	\$0 per unit
Low Density	\$433,698	\$461	1.25	\$369 per unit
Medium Density	\$286,213	\$691	3.00	\$230 per unit
High Density	\$5,531	\$691	6.00	\$115 per unit
Multi-Family	\$12,444	\$691	8.00	\$86 per unit
All Other Types of Housing	\$9,679	\$691	7.13	\$97 per unit
Nonresidential Development	\$72,513	\$1,229	43,650	\$0.03 per total sf

* Residential densities based on average number of units per acre allowed by existing zoning regulations.

"All Other Types of Housing" density based on existing number of units on existing acres (342 units on 48 acres = 7.13 units per acre).

STORMWATER DRAINAGE DEVELOPMENT FEE

Future revenue credits have been considered to avoid potential double payment for capital facilities and no such credits are needed. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the Storm Drainage Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are addressed in the ordinance that establishes the City's fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

Figure 39 provides a summary of the Storm Drainage Development Fees for each of the drainage basins.

Figure 39: Storm Drainage Development Fee Summary

Development Fees

<i>Land Use</i>	<i>Dry Creek Wash</i>	<i>Coffee Pot Wash</i>	<i>Solider Wash</i>	<i>Oak Creek Wash</i>
Single Family (per unit)				
Very Low Density	\$2,626	\$0	\$0	\$0
Low Density	\$2,101	\$1,229	\$297	\$369
Medium Density	\$1,313	\$768	\$186	\$230
High Density	\$657	\$384	\$0	\$115
Multi-Family (per unit)	\$492	\$288	\$70	\$86
All Other Types of Housing (per unit)	\$0	\$323	\$0	\$97
Nonresidential Development	\$0.16	\$0.09	\$0.02	\$0.03

Implementation and Administration

As specified in the Development Fees Act, there are certain accounting requirements that must be met by the City. Monies received shall be placed in a separate fund and accounted for separately and may only be used for the purposes authorized by ARS 9-463.05. Interest earned on monies in the separate fund shall be credited to the fund.

Pursuant to ARS 9-463.05, the City will prepare an annual report that will keep government and private sector leaders informed of the performance of development fees. The report will contain basic information such as the revenue generated by each type of public facility. At the time of the annual report, suggested improvements can be acted upon and necessary updates incorporated in the adopted ordinance.

The Storm Drainage Development Fees must take into account the unique natural features of the community. Therefore, these development fees are calculated for each drainage basin to account for these unique features (see Figure 30 for the list of basins). These basins should serve as collection and expenditure zones for the Storm Drainage Development Fees. These zones are used to document where in the City the development fee money is coming from and where new facilities will be constructed that are funded, at least in part, through the use of development fees. As a result, the City will maintain detailed maps and accounting procedures for each of the zones.

All costs in the development fee calculations are given in current dollars with no assumed inflation rate over time. Necessary cost adjustments can be made as part of the recommended annual evaluation and update of development fees. One approach is to adjust for inflation in construction costs by means of an index like the one published by Engineering News Record (ENR). This index could be applied against the calculated development fee. If cost estimates change significantly the City should redo the fee calculations in accordance with the requirements of state law.

Residential development categories are based on data from the 2000 U.S. Census Summary File 3 for Sedona. Specifically:

Single Family – units in structure: 1-detached and 1-attached, owner and renter occupied.

Multi-Family – units in structure: 2, 3 - 4, 5 – 9, 10 – 19, 20 – 49, 50 or more, owner and renter occupied. This category also contains timeshare units since these units have similar demand characteristics as multi-family units. This is discussed in Appendix A below.

All Other Housing Types – units in structure: mobile homes, other, owner and renter occupied.

Nonresidential development categories are based on land use classifications from the book Trip Generation (TTE, 2003). A summary description of each development category is provided below.

Shopping Center (820) – A shopping center is an integrated group of commercial establishments that is planned, developed, owned and managed as a unit. A shopping center provides on-site parking facilities sufficient to serve its own parking demands. Shopping centers may contain non-merchandizing facilities, such as office

buildings, movie theaters, restaurants, post offices, banks, health clubs and recreational facilities. In addition to the integrated unit of shops in one building or enclosed around a mall, many shopping centers include out-parcels. For smaller centers without an enclosed mall or peripheral buildings, the Gross Leasable Area (GLA) may be the same as the Gross Floor Area (GFA) of the building.

General Office (710) – A general office building houses multiple tenants including, but not limited to, professional services, insurance companies, investment brokers and tenant services such as banking, restaurants and service retail facilities. In the development fees study, this category is used as a proxy for institutional uses that may have more specific land use codes.

Business Park (770) – Business parks consist of a group of flex-type buildings served by a common roadway system. The tenant space lends itself to a variety of uses, with the rear side of the building usually served by a garage door. The tenant space includes a variety of uses with an average mix of 20 to 30 percent office/commercial and 70 to 80 percent industrial/warehousing.

Light Industrial (110) – Light industrial facilities usually employ fewer than 500 persons and have an emphasis on activities other than manufacturing. Typical light industrial activities include, but are not limited to printing plants, material-testing laboratories and assembling of data processing equipment.

Warehousing (150) – Warehouses are primarily devoted to the storage of materials.

Manufacturing (140) – In manufacturing facilities, the primary activity is the conversion of raw materials or parts into finished products.

Hotel (320) – A place of lodging that provide sleeping accommodations and often a restaurant. They offer free on-site parking and provide little or no meeting space and few (if any) supporting facilities.

For development types not shown above, staff may use the most appropriate rates from the ITE manual or rates from approved local transportation studies or observed data.

Appendix A: Demographic and Development Memo

As specified in Task 1 of our Work Scope, TischlerBise has prepared documentation on current demographic *estimates* and development *projections* that will be used in the development fee study. The demographic data estimates are for July 1, 2005 (the beginning of Fiscal Year 2006) and are used in calculating current levels-of-service (LOS). The development projections are used primarily for the purpose of having an understanding of future LOS, development fee revenues, and capital expenditures. Our recommended approach is to forecast housing units and employment (by place of work) and then derive all other demand factors from these key demand indicators.

A note on rounding: Calculations throughout this report are based on analysis conducted using Excel software. Results are discussed in the report using one-and two-digit places (in most cases), which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not due to rounding in the analysis).

PERSONS PER HOUSEHOLD

A differentiation by type of housing is necessary to make residential development fees proportionate and reasonably related to the demand for public facilities. Household size is an important demographic factor that helps account for variations in service demand by type of housing. The best source of this data is the 2000 U.S. Census, Summary File 3. The data for the City of Sedona is shown in Figure A-1 below.

Figure A-1: Estimated Household Size in Sedona

Units in Structure	Owner-Occupied			Renter-Occupied			Combined			Hsg Units	Vacant Units
	Persons	Hsehllds	PPH	Persons	Hsehllds	PPH	Persons	Hsehllds	PPH		
1-Detached	5,620	2,720	2.07	1,526	615	2.48	7,146	3,335	2.14	3,882	547
1-Attached	305	168	1.82	259	134	1.93	564	302	1.87	399	97
Two	32	15	2.13	77	44	1.75	109	59	1.85	82	23
3-4	33	25	1.32	137	91	1.51	170	116	1.47	116	0
5-9	10	10	1.00	281	143	1.97	291	153	1.90	192	39
10-19	0	0	0.00	123	65	1.89	123	65	1.89	65	0
20-49	16	9	1.78	36	25	1.44	52	34	1.53	54	20
50 or more	40	13	3.08	27	8	3.38	67	21	3.19	21	0
Mobile Homes	959	587	1.63	603	224	2.69	1,562	811	1.93	857	46
Other	52	33	1.58	7	8	0.88	59	41	1.44	41	0
Total	7,067	3,580	1.97	3,076	1,357	2.27	10,143	4,937	2.05	5,709	772

Source: 2000 US Census data from Summary File 3

Vacancy Rate 13.5%

Persons Per Household by Type April 1, 2000

	Persons	Hsehllds	PPH	Hhld Mix
Single Family Detached*	7,146	3,335	2.14	67.6%
Multi-Family**	1,376	750	1.83	15.2%
All Other Residential***	1,621	852	1.90	17.3%
Total Less Group Quarters	10,143	4,937	2.05	100.0%
Group Quarters	35			
TOTAL SUMMARY FILE 3 (SF3)	10,178			
100% Census Count	10,192			

* Includes 1-Detached; Owner-Occupied and Renter-Occupied.

** Includes 1-Attached, Two, 3-4, 5-9, 10-19, 20-49, 50 or more; Owner-Occupied and Renter-Occupied.

*** Includes Mobile Homes, Other; Owner-occupied and Renter-Occupied.

HOUSING UNIT ESTIMATES AND PROJECTIONS

The City’s Department of Community Development estimates the total number of housing units in the City on July 1, 2005 was 6,009. Of these 6,009 units, single family detached units totaled 4,786 units. There were also 881 multi-family units and 342 housing units in the category of “All Other Types of Housing”. In addition to these housing units, the City also had 715 timeshare units. The City considers the demand characteristics of timeshare units to be similar to multi-family units. The City’s wastewater capacity fee uses the same flow per unit figures for residential units and timeshare units. The City will also be adopting the 2006 International Building Code which considers timeshares as multi-family units. Thus for purposes of the development fee study, timeshare units are considered to be the same as multi-family units and are included in the current estimates and projections of multi-family units, households, and population. Likewise, timeshares will be assessed the multi-family development fee.

To project future housing units, TischlerBise assumed an average of 104 housing units would be added annually. This is the average number of units that have been permitted per year from FY2001 to FY2005 shown in Figure A-2 below. Of the 104 housing units to be added annually, 87% are projected to be single family detached units, 6% multi-family units, and 7% all other types of units. This distribution is based the average annual housing distribution from FY2001 to FY2005.

Figure A-2: Residential Building Permit Activity FY2001-FY2005

RESIDENTIAL BUILDING PERMITS ISSUED	FY2001	FY2002	FY2003	FY2004	FY2005	Average Annual	Average Annual
						Res. Permits FY2001-FY2005	Housing Distribution FY2001-FY2005
Single Family Detached	88	92	89	90	92	90	87%
Multi-Family	11	8	4	6	4	7	6%
All Other Types of Housing	5	7	8	9	6	7	7%
TOTAL	104	106	101	105	102	104	100%

The projected 104 units per year are added to the July 1, 2005 housing unit estimates. In addition to these projected housing units, the City's Department of Community Development projects an additional 81 timeshare units to be constructed in the next fiscal year. Figure A-3 lists housing projections for the next twenty fiscal years.

Figure A-3: Housing Unit Projections

NEW HOUSING UNITS

Annual
Permits => 104

Future Housing Allocation	5 Year Increments									
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2015	FY2020	FY2025	FY2026	
Single Family	90	90	90	90	90	90	90	90	90	
Multi-Family	7	7	7	7	7	7	7	7	7	
All Other Types of Housing	7	7	7	7	7	7	7	7	7	
Timeshare Units*	81	0	0	0	0	0	0	0	0	
TOTAL	185	104								

TOTAL HOUSING UNITS

	5 Year Increments									
	FY2006**	FY2007	FY2008	FY2009	FY2010	FY2015	FY2020	FY2025	FY2026	
Single Family	4,786	4,876	4,966	5,057	5,147	5,598	6,049	6,500	6,590	
Multi-Family	881	888	894	901	907	940	973	1,006	1,013	
Timeshare Units	715	796	796	796	796	796	796	796	796	
All Other Types of Housing	342	349	356	363	370	405	440	475	482	
TOTAL	6,724	6,909	7,013	7,116	7,220	7,739	8,258	8,777	8,880	

* City of Sedona, Department of Community Development.

** City of Sedona, Department of Community Development, "Status Report - Land Use and Population, July 1, 2005".

POPULATION ESTIMATE & PROJECTIONS

Sedona has a large number of homes for seasonal use. A peak population figure should be used in the development fee calculations since it is this peak population to which the City must provide and plan services. The July 1, 2005 peak population is estimated to be 13,386.

For future peak population projections, TischlerBise multiplied the person per household from the 2000 Census for each category of housing (in Figure 1) by the projected number of housing units for each category of housing (in Figure 3). Using single family housing units in FY2006 as an example, 90 housing units times 2.14 persons per household equals 193 persons. This calculation is repeated

for each category of housing for each year. These figures are added to the July 1, 2005 peak population estimate to determine the peak population projections.

The results are shown in Figure A-4 below.

Figure A-4: Estimated Peak Population July 1, 2005 & Population Projections

	<i>Persons</i>		<i>5 Year Increments</i>							
	<i>Per Household</i>	<i>FY2006</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2015</i>	<i>FY2020</i>	<i>FY2025</i>	<i>FY2026</i>
Single Family	2.14	193	193	193	193	193	193	193	193	193
Multi-Family*	1.83	161	12	12	12	12	12	12	12	12
All Other Types of Housing	1.90	13	13	13	13	13	13	13	13	13
POPULATION FROM NEW HOUSING		367	219	219	219	219	219	219	219	219
		<i>July 1, 2005 **</i>								
PEAK POPULATION	13,336	13,703	13,922	14,140	14,359	14,578	15,671	16,764	17,857	18,076

* Multi-family includes timeshare units.

** City of Sedona, Department of Community Development, "*Status Report - Land Use and Population, July 1, 2005*". Includes 715 timeshare units multiplied by 1.83 persons per household for multi-family units.

NONRESIDENTIAL MULTIPLIERS

In addition to data on residential development, the calculation of development fees requires data on nonresidential construction in Sedona. To convert employment projections to gross floor area of nonresidential development, average square feet per employee multipliers are used. The multipliers shown in Figure A-5 are derived from national data published by the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI).

These multipliers are also used to calculate the number of average weekday vehicle trips from nonresidential development in Sedona.

Figure A-5: Floor Area per Employee and Nonresidential Trip Rates

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit*	Wkdy Trip Ends Per Employee*	Emp Per Dmd Unit**	Sq Ft Per Emp
Commercial / Shopping Center						
820	25K gross leasable area	1,000 Sq Ft	110.32	na	3.33	300
820	50K gross leasable area	1,000 Sq Ft	86.56	na	2.86	350
820	100K gross leasable area	1,000 Sq Ft	67.91	na	2.50	400
820	200K gross leasable area	1,000 Sq Ft	53.28	na	2.22	450
820	400K gross leasable area	1,000 Sq Ft	41.80	na	2.00	500
General Office						
710	10K gross floor area	1,000 Sq Ft	22.66	5.06	4.48	223
710	25K gross floor area	1,000 Sq Ft	18.35	4.43	4.15	241
710	50K gross floor area	1,000 Sq Ft	15.65	4.00	3.91	256
710	100K gross floor area	1,000 Sq Ft	13.34	3.61	3.69	271
Industrial						
770	Business Park***	1,000 Sq Ft	12.76	4.04	3.16	317
151	Mini-Warehouse	1,000 Sq Ft	2.50	56.28	0.04	22,512
150	Warehousing	1,000 Sq Ft	4.96	3.89	1.28	784
140	Manufacturing	1,000 Sq Ft	3.82	2.13	1.79	558
110	Light Industrial	1,000 Sq Ft	6.97	3.02	2.31	433
Other Nonresidential						
720	Medical-Dental Office	1,000 Sq Ft	36.13	8.91	4.05	247
730	Government Office Building	1,000 Sq Ft	68.93	11.95	5.77	173
620	Nursing Home	bed	2.37	6.55	0.36	na
610	Hospital	1,000 Sq Ft	17.57	5.20	3.38	296
565	Day Care	student	4.48	28.13	0.16	na
530	High School	student	1.71	19.74	0.09	na
520	Elementary School	student	1.29	15.71	0.08	na
520	Elementary School	1,000 Sq Ft	14.49	15.71	0.92	1,084
320	Lodging	room	5.63	12.81	0.44	na

* Trip Generation, Institute of Transportation Engineers, 2003.

** Employees per demand unit calculated from trip rates, except for Shopping Center data, which are derived from Development Handbook and Dollars and Cents of Shopping Centers, published by the Urban Land Institute.

*** According to ITE, a Business Park is a group of flex-type buildings served by a common roadway system. The tenant space includes a variety of uses with an average mix of 20-30% office/commercial and 70-80% industrial/warehousing.

JOB & NONRESIDENTIAL SQUARE FOOTAGE ESTIMATES

The most recent estimate of jobs for each major category of nonresidential development in Sedona is shown in Figure A-6 below from ESRI, Inc. The estimated 7,639 jobs are multiplied by the employment density multipliers in the far right column of Figure A-5 to convert the number of jobs for each category into nonresidential square footage. TischlerBise estimates there are 2,501,000 square feet of nonresidential development in Sedona.

Figure A-6: Job and Nonresidential Square Footage Estimates

	<i>Jobs</i>	<i>%</i>	<i>SF/ Job</i>	<i>Nonres SF (Rounded)</i>
<i>Commercial</i>				
Home Improvement	81			
General Merchandise Stores	2			
Food Stores	300			
Auto Dealers, Gas Stations, Auto Aftermarket	25			
Apparel & Accessory Stores	125			
Furniture & Home Furnishings	132			
Eating & Drinking Places	1,086			
Miscellaneous Retail	620			
Hotels & Lodging	1,603			
Automotive Services	117			
Motion Pictures & Amusements	260			
Other Services	764			
Commercial Subtotal	5,115	67%	350	1,790,000
<i>Office</i>				
Banks, Savings & Lending Institutions	103			
Securities Brokers	18			
Insurance Carriers & Agents	46			
Real Estate, Holding, Other Investment Offices	390			
Health Services	462			
Legal Services	33			
Office Subtotal	1,052	14%	223	235,000
<i>Institutional</i>				
Education Institutions & Libraries	179		1,084	194,000
Government	122		173	21,000
Institutional Subtotal	301	4%	714	215,000
<i>Industrial/Flex</i>				
Agriculture & Mining	32			
Construction	489			
Manufacturing	230		558	128,000
Transportation	267		317	85,000
Communication	24		317	8,000
Electric, Gas, Water, Sanitary Services	33		317	10,000
Wholesale Trade	96		317	30,000
Industrial/Flex Subtotal	1,171	15%	223	261,000
Totals	7,639			2,501,000

Source: ESRI.

JOB & NONRESIDENTIAL SQUARE FOOTAGE PROJECTIONS

Figure A-7 lists the projected number and type of jobs as well and projected nonresidential square footage over the next twenty fiscal years.

To project the future amount and type of nonresidential development in the City, TischlerBise used the City's nonresidential acreage projections and held constant the current floor-to-area (FAR) ratio of .08. The FAR is calculated by dividing the estimated amount of nonresidential floor area (2,501,000 square feet) by the estimated amount of nonresidential acreage (692 acres, 924 acres less 232 acres at the airport which have no associated building space, which equals 30,143,520 square feet). The results are shown at the top of Figure A-7. It is important to note that nonresidential build out is projected to be 1,049 acres which would occur in FY2021.

The annual increase in nonresidential floor area is then allocated among the broad categories of commercial, office, government/institutional, and industrial/flex. The City will likely not increase its inventory of government/institutional floor area. To project the future distribution of new nonresidential floor area, TischlerBise held the floor area of institutional/government constant and recalculated the distribution percentages in Figure 6 for commercial, office, and industrial/flex. The annual increase in nonresidential square footage is then allocated to these three categories.

Using the employment density multipliers from Figure A-5, the projected number and type of future nonresidential square footage are converted into the number of jobs by type. This is shown at the bottom of Figure A-7.

Figure A-7: Job and Nonresidential Square Footage Projections

	FY2006	FY2007	FY2008	FY2009	5 Year Increments				
					FY2010	FY2015	FY2020	FY2025	
Total Nonresidential Acres Developed*	924	934	943	953	962	1,001	1,042	1,049	
Sqaure Feet Per Acre	43,560	43,560	43,560	43,560	43,560	43,560	43,560	43,560	
Total Square Feet Nonresidential Land Uses**	30,143,520	30,561,696	30,979,872	31,398,048	31,816,224	33,488,928	35,290,535	35,588,520	
Floor-to-Area-Ratio (FAR)***	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	
Total Square Feet Nonresidential Floor Area (Rounded)	2,501,000	2,536,000	2,570,000	2,605,000	2,640,000	2,779,000	2,928,000	2,953,000	
Annual Increase in Nonresidential Floor Area	35,000	34,000	35,000	35,000	34,000	26,000	25,000	0	

* City of Sedona, Department of Community Development, "Status Report - Land Use and Population, July 1, 2005".

** Does not include 232 acres of vacant land at the airport.

** FAR = nonresidential floor area/total square feet of nonresidential land uses.

	Job Distribution	FY2006	FY2007	FY2008	FY2009	5 Year Increments			
						FY2010	FY2015	FY2020	FY2025
Commercial	68.3%	1,790	1,814	1,837	1,861	1,885	1,980	2,082	2,099
Office	15.1%	235	240	245	251	256	277	299	303
Government/Institutional	0.0%	215	215	215	215	215	215	215	215
Industrial/Flex	16.6%	261	267	272	278	284	307	332	336
TOTAL JOBS	100.0%	2,501	2,536	2,570	2,605	2,640	2,779	2,928	2,953

AVERAGE DAILY VEHICLE TRIP ESTIMATES

Figure A-8 below provides a summary of the residential and nonresidential vehicle trip calculations used in this analysis.

Average Weekday Vehicle Trip Ends are from the reference book, Trip Generation, published by the Institute of Transportation Engineers (ITE), in 2003. A “trip end” represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). Trip rates have been adjusted to avoid over estimating the number of actual trips because one vehicle trip is counted in the trip rates of both the origination and destination points. A simple factor of 50% has been applied to the residential, government/institutional, office and goods production categories. The commercial category has a trip factor of less than 50% because this type of development attracts vehicles as they pass-by on arterial and collector roads. For example, when someone stops at a convenience store on their way home from work, the convenience store is not their primary destination. The ITE Manual indicates that on average 48% of the vehicles entering shopping centers are passing by on the way to some other primary destination and 52% of the attraction trips has the shopping center as their primary destination. Therefore, the adjusted trip factor is 26% (0.52 x 0.50).

There is an average of 79,886 vehicle trips generated by existing development in Sedona on an average weekday. As the table below indicates, residential development generates 27,864 vehicle trips compared to 52,023 vehicle trips generated by nonresidential development.

Figure A-8: Average Daily Trips

Residential Vehicle Trips Average Weekday

<i>Residential Units</i>	<i>Assumptions</i>	
Single Family Detached	4,786	
Multi-Family	1,223	
All Other Residential	342	
<i>Average Weekday Vehicle Trip Ends per Unit**</i>	<i>Trip Rate</i>	<i>Adj. Factor</i>
Single Family Detached	9.57	50%
Multi-Family	6.72	50%
All Other Residential	4.99	50%
<i>Residential Vehicle Trip Ends Average Weekday</i>		
Single Family Detached	22,901	
Multi-Family	4,109	
All Other Residential	853	
Total Residential Trips	27,864	

Nonresidential Vehicle Trips Average Weekday

<i>Nonresidential Gross Floor Area (1,000 sq. ft.)*</i>	<i>Assumptions</i>	
Commercial	1,790	
Office	235	
Government/Institutional	215	
Industrial/Flex	261	
<i>Average Weekday Vehicle Trips Ends per 1,000</i>	<i>Trip Rate</i>	<i>Adj. Factor</i>
Commercial	86.56	26%
Office	22.66	50%
Government/Institutional	68.93	50%
Industrial/Flex	12.76	50%
<i>Nonresidential Vehicle Trips Average Weekday</i>		
Commercial	40,285	
Office	2,663	
Government/Institutional	7,410	
Industrial/Flex	1,665	
Total Nonresidential Trips	52,023	
TOTAL TRIPS	79,886	

*Floor area estimates were derived using sq. ft. per employee factors from ULI and ITE

**Trip rates are from the Institute of Transportation Engineers(ITE) Trip Generation Manual (2003)

SUMMARY OF DEVELOPMENT PROJECTIONS FY2006-FY2015

Annual demographic and development projections for the development fee study are summarized in Figure A-9 below. The FY2006 (July 1, 2005) demographic estimates will be used to derive current levels-of-service (LOS). The development *projections* are used primarily for the purpose of having an understanding of the future LOS, pace of service demands, and cash flows resulting from revenues and expenditures associated with those service demands.

Sedona is projected to add approximately 113 housing units and 235 persons per year over the next ten years. From FY2006 to FY2015, TischlerBise projects an average annual increase in employment of 104 jobs and approximately 31,000 square feet of nonresidential floor area. However, actual nonresidential construction is often built in irregular intervals compared to residential development, with minor construction followed by large-scale projects.

Figure A-9: Development Projections FY2006-FY2015

	Fiscal Year =>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total Increase	Ave. Annual Increase
SUMMARY													
PEAK POPULATION		13,336	13,703	13,922	14,140	14,359	14,578	14,796	15,015	15,234	15,452	2,116	235
HOUSING UNITS		6,724	6,909	7,013	7,116	7,220	7,324	7,428	7,531	7,635	7,739	1,015	113
JOBS		7,639	7,758	7,873	7,991	8,109	8,224	8,315	8,403	8,490	8,578	939	104
NONRES SF (1,000's)		2,501	2,536	2,570	2,605	2,640	2,674	2,701	2,727	2,753	2,779	278	31
VEHICLE TRIPS		79,886	82,518	83,605	84,711	85,817	86,905	87,866	88,809	89,751	90,694	10,808	1,201
NONRESIDENTIAL TRIPS		52,023	52,657	53,274	53,909	54,544	55,160	55,650	56,121	56,593	57,065	5,042	560
HOUSING UNITS													
Single Family Detached		4,786	4,876	4,966	5,057	5,147	5,237	5,327	5,417	5,508	5,598	812	90
Multi-Family		1,596	1,684	1,690	1,697	1,703	1,710	1,716	1,723	1,730	1,736	140	16
All Other Types of Housing		342	349	356	363	370	377	384	391	398	405	63	7
JOBS													
Commercial		5,114	5,183	5,249	5,317	5,385	5,452	5,504	5,555	5,606	5,657	542	60
Office		1,054	1,077	1,100	1,124	1,148	1,171	1,189	1,207	1,224	1,242	188	21
Government/Institutional		301	301	301	301	301	301	301	301	301	301	0	0
Industrial/Flex		1,171	1,197	1,223	1,249	1,275	1,300	1,320	1,340	1,359	1,379	208	23
NONRESIDENTIAL SQUARE FOOTAGE (1,000's)													
Commercial		1,790	1,814	1,837	1,861	1,885	1,908	1,927	1,944	1,962	1,980	190	21
Office		235	240	245	251	256	261	265	269	273	277	42	5
Government/Institutional		215	215	215	215	215	215	215	215	215	215	0	0
Industrial/Flex		261	267	272	278	284	290	294	299	303	307	46	5
AVERAGE WEEKDAY VEHICLE TRIPS													
Single Family Detached		22,901	23,333	23,764	24,196	24,627	25,059	25,491	25,922	26,354	26,785	3,884	432
Multi-Family		5,363	5,657	5,679	5,701	5,723	5,745	5,767	5,790	5,812	5,834	471	52
All Other Types of Housing		853	871	888	906	923	941	958	975	993	1,010	157	17
Commercial		40,285	40,823	41,345	41,883	42,421	42,943	43,358	43,758	44,157	44,557	4,272	475
Office		2,663	2,722	2,780	2,840	2,900	2,958	3,004	3,049	3,093	3,138	475	53
Government/Institutional		7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	7,410	0	0
Industrial/Flex		1,665	1,702	1,738	1,776	1,813	1,849	1,878	1,905	1,933	1,960	295	33

Appendix B: Cash Flow Analysis

This cash flow analysis is based on the proposed development fees, costs per demand unit, and methodologies in the City's development fee report and demographic and development projections in Appendix A of the development fee report.

This cash flow analysis is based on several assumptions:

- 100% of all future residential and nonresidential development will pay 100% of the proposed development fees.
- Future development will occur at the pace and magnitude outlined in the demographic and development projects in Appendix A of the development fee report.

To the extent these assumptions change, the cash flow analysis will change correspondingly. Also, the cash flow analysis is based on the proposed fees and LOS over a six-year time frame. TischlerBise recommends that rapidly growing communities review and recalibrate their fees every three years. Thus, it is likely the fee amounts, LOS, and methodologies will change over the course of the six year cash flow analysis.

STORM DRAINAGE CASH FLOW ANALYSIS

The Storm Drainage Development Fee encompasses four separate collection and expenditure basins. For purposes of the cash flow analysis, the characteristics and costs of the four basins have been combined using the same methodology as the fee calculations to derive a “summary” development fee to illustrate the potential revenues that could be expected from new residential and nonresidential development through development. This assumes that all future development will occur somewhere within these basins and pay the Storm Drainage Development Fee. The cash flow assumptions are shown below:

Figure B-1: Storm Drainage Cash Flow Assumptions

TOTAL

Total CIP Cost => \$9,713,412

<i>Land Use</i>	<i>Ultimate Land Use Acreage of Basin*</i>	<i>Run-off Coefficient*</i>	<i>Imperious Acreage</i>	<i>Proportionate Share</i>	<i>Share of CIP</i>
Single Family					
Very Low Density	41	15%	6	0%	\$23,649
Low Density	1,621	30%	486	19%	\$1,869,968
Medium Density	1,424	45%	641	25%	\$2,464,066
High Density	111	45%	50	2%	\$192,073
Multi-Family	141	45%	63	3%	\$243,984
All Other Types of Housing	46	45%	21	1%	\$79,598
Commercial	308	80%	246	10%	\$947,481
Lodging	158	80%	126	5%	\$486,046
Public/Semi-Public	393	80%	314	12%	\$1,208,961
Open Space/Parks	95	0%	0	0%	\$0
Vacant	0	0%	0	0%	\$0
Transitional	1	50%	1	0%	\$1,923
US Forest Service	15,556	0%	0	0%	\$0
Roads	571	100%	571	23%	\$2,195,664
TOTAL	20,466		2,526	100%	\$9,713,412

* Source: City of Sedona Storm Water Management Plan .

<i>Land Use</i>	<i>Share of CIP</i>	<i>Cost per Acre</i>	<i>Units/Acre or Square Feet/Acre*</i>	<i>"Average" Development Fees</i>
Single Family				
Very Low Density	\$23,649	\$577	0.50	\$1,154 per unit
Low Density	\$1,869,968	\$1,154	1.25	\$923 per unit
Medium Density	\$2,464,066	\$1,730	3.00	\$577 per unit
High Density	\$192,073	\$1,730	6.00	\$288 per unit
Multi-Family	\$243,984	\$1,730	8.00	\$216 per unit
All Other Types of Housing	\$79,598	\$1,730	7.13	\$243 per unit
Nonresidential Development	\$947,481	\$3,076	43,650	\$0.07 per total sf

* Residential densities based on average number of units per acre allowed by existing zoning regulations.

"All Other Types of Housing" density based on existing number of units on existing acres (342 units on 48 acres = 7.13 units per acre).

The projected amount of development fee revenues are based on the remaining number of housing units and nonresidential square footage available to be developed through build out and the weighted average development fee. The projected amount of development fee revenue totals \$1,718,599, which is approximately 18% of the total storm drainage CIP.

Approximately 82% of the storm drainage CIP will have to be funded from non-development fee sources. This represents the amount of the CIP that is the result of existing development as well as the costs associated with public areas, roads, parks, etc. that cannot be funded with the development fee revenues.

Figure B-2: Storm Drainage Cash Flow Analysis

<i>Land Use</i>	<i>Estimated # New Units/Square Feet*</i>	<i>Weighted Ave. Development Fee</i>	<i>Total DIF Revenue at Buildout</i>
Single Family (per unit)			
Very Low Density	56	\$1,154	\$64,601
Low Density	395	\$923	\$364,534
Medium Density	1,425	\$577	\$821,932
High Density	28	\$288	\$8,075
Multi-Family (per unit)	492	\$216	\$106,419
All Other Types of Housing (per unit)	0	\$243	\$0
Nonresidential Development	5,009,400	\$0.07	\$353,038

* City of Sedona, Department of Community Development, "*Status Report - Land Use and Population, July 1, 2005*".

TOTAL STORM DRAINAGE DIF REVENUES	\$1,718,599
TOTAL STORM DRAINAGE CIP COSTS	\$9,713,412
TOTAL TO BE FUNDED FROM NON-DIF SOURCES	\$7,994,813
% FUNDED WITH DIF REVENUES	18%
% FUNDED WITH NON-DIF REVENUES	82%

PARKS & RECREATION CASH FLOW ANALYSIS

Development fee revenues for parks and recreation are projected to average approximately \$710,000 per year over the next six years.

To maintain the existing LOS standards for parks and recreation, the City will have to spend approximately \$4,259,000 over the next six years. Because the LOS standards for the Parks & Recreation Development Fee were calculated using an incremental expansion methodology, the development fees may be used to expand the City's parks and recreation infrastructure as needed to accommodate new development. The City may not use development fee revenue for routine maintenance and replacement of existing parks and recreation infrastructure.

Figure B-3: Parks & Recreation Cash Flow Analysis

PARKS & RECREATION									
	<i>Fiscal Year =></i>	2006	2007	2008	2009	2010	2011	TOTAL	<i>Ave Annual</i>
IMPACT FEE REVENUES (\$1,000's)									
Single Family		\$564	\$564	\$564	\$564	\$564	\$564	\$3,382	\$564
Multi-Family		\$469	\$35	\$35	\$35	\$35	\$35	\$645	\$107
All Other		\$39	\$39	\$39	\$39	\$39	\$39	\$233	\$39
TOTAL REVENUE		\$1,071	\$638	\$638	\$638	\$638	\$638	\$4,259	\$710
CAPITAL COSTS (\$1,000's)									
Parkland		\$794	\$472	\$472	\$472	\$472	\$472	\$3,156	\$526
Park Improvements		\$157	\$93	\$93	\$93	\$93	\$93	\$624	\$104
Open Space/Trails		\$104	\$62	\$62	\$62	\$62	\$62	\$412	\$69
Support Facilities		\$8	\$5	\$5	\$5	\$5	\$5	\$31	\$5
Support Vehicles & Equipment		\$4	\$2	\$2	\$2	\$2	\$2	\$16	\$3
Dev Fee Study		\$5	\$3	\$3	\$3	\$3	\$3	\$21	\$3
TOTAL EXPENDITURES		\$1,071	\$638	\$638	\$638	\$638	\$638	\$4,259	\$710
Annual Surplus/(Deficit)		\$0	\$0	\$0	\$0	\$0	\$0		
Cumulative Surplus/(Deficit)		\$0	\$0	\$0	\$0	\$0	\$0		

GENERAL GOVERNMENT CASH FLOW ANALYSIS

Over the next six years, development fees for General Government are projected to yield total revenue of approximately \$239,000 or approximately \$40,000 annually.

Because the LOS standards were calculated using an incremental expansion methodology, the development fees may be used to expand the City's facilities and fleet as needed to accommodate new development. The City may not use development fee revenue to maintain or replace existing facilities or vehicles.

The small deficits shown at the bottom of the tables are the result of rounding.

Figure B-4: General Government Cash Flow Analysis

GENERAL GOVERNMENT									
	Fiscal Year =>	2006	2007	2008	2009	2010	2011	TOTAL	Ave Annual
IMPACT FEE REVENUES (\$1,000's)									
Single Family		\$22	\$22	\$22	\$22	\$22	\$22	\$133	\$22
Multi-Family		\$18	\$1	\$1	\$1	\$1	\$1	\$25	\$4
All Other		\$2	\$2	\$2	\$2	\$2	\$2	\$9	\$2
Commercial		\$8	\$8	\$8	\$8	\$8	\$6	\$45	\$7
Office		\$3	\$3	\$3	\$3	\$3	\$2	\$15	\$3
Industrial/Flex		\$2	\$2	\$2	\$2	\$2	\$2	\$12	\$2
TOTAL REVENUE		\$55	\$37	\$38	\$38	\$37	\$35	\$239	\$40
CAPITAL COSTS (\$1,000's)									
Buildings		\$47	\$32	\$33	\$33	\$32	\$30	\$207	\$34
Vehicles & Equipment		\$3	\$2	\$2	\$2	\$2	\$2	\$14	\$2
Development Fee Study		\$6	\$4	\$4	\$4	\$4	\$4	\$24	\$4
TOTAL EXPENDITURES		\$56	\$38	\$39	\$39	\$38	\$36	\$245	\$41
Annual Surplus/(Deficit)		(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)		
Cumulative Surplus/(Deficit)		(\$1)	(\$2)	(\$3)	(\$4)	(\$5)	(\$5)		

POLICE CASH FLOW ANALYSIS

Development fee revenues for police are projected to average approximately \$50,000 per year over the next six years.

To maintain the existing LOS standards for police facilities and equipment, the City will have to spend approximately \$297,000 over the next six years. Because the LOS standards for the Police Development Fee were calculated using an incremental expansion methodology, the development fees may be used to expand the City's police infrastructure as needed to accommodate new development. The City may not use development fee revenue for routine maintenance and replacement of existing police infrastructure.

Figure B-5: Police Cash Flow Analysis

POLICE	<i>Fiscal Year =></i>	2006	2007	2008	2009	2010	2011	TOTAL	<i>Ave Annual</i>
IMPACT FEE REVENUES (\$1,000's)									
Single Family		\$26	\$26	\$26	\$26	\$26	\$26	\$157	\$26
Multi-Family		\$22	\$2	\$2	\$2	\$2	\$2	\$30	\$5
All Other		\$2	\$2	\$2	\$2	\$2	\$2	\$11	\$2
Commercial		\$15	\$14	\$15	\$15	\$14	\$11	\$84	\$14
Office		\$2	\$2	\$2	\$2	\$2	\$1	\$9	\$2
Industrial/Flex		\$1	\$1	\$1	\$1	\$1	\$1	\$6	\$1
TOTAL REVENUE		\$67	\$47	\$47	\$47	\$47	\$43	\$297	\$50
CAPITAL COSTS (\$1,000's)									
Facilities-Residential		\$35	\$21	\$21	\$21	\$21	\$21	\$138	\$23
Facilities-Res-Nonresidential		\$12	\$11	\$12	\$12	\$11	\$9	\$67	\$11
Vehicles-Residential		\$11	\$7	\$7	\$7	\$7	\$7	\$45	\$7
Vehicles-Nonresidential		\$4	\$4	\$4	\$4	\$4	\$3	\$22	\$4
Communications Equip-Residential		\$1	\$1	\$1	\$1	\$1	\$1	\$6	\$1
Communications Equip-Nonresidential		\$0	\$0	\$0	\$0	\$0	\$0	\$3	\$0
Development Fee Study-Residential		\$2	\$1	\$1	\$1	\$1	\$1	\$9	\$2
Development Fee Study-Nonresidential		\$1	\$1	\$1	\$1	\$1	\$1	\$7	\$1
TOTAL EXPENDITURES		\$67	\$47	\$47	\$47	\$47	\$43	\$297	\$50
Annual Surplus/(Deficit)		\$0	\$0	\$0	\$0	\$0	\$0		
Cumulative Surplus/(Deficit)		\$0	\$0	\$0	\$0	\$0	\$0		

TRANSPORTATION CASH FLOW ANALYSIS

The cash flow summary below indicates total revenues of \$2.5 million over the next six years or approximately \$423,000 annually.

The costs of the planned improvements are shown below. The annual deficits indicated in the table below are the result of the planned projects resulting from both new and existing development. The portion resulting from existing growth must be funded with non-development fee revenues. This accounts for the annual deficits shown at the bottom of the table.

Figure B-7: Transportation Cash Flow Analysis

TRANSPORTATION		<i>Fiscal Year =></i>							<i>Ave</i>
		2006	2007	2008	2009	2010	2011	TOTAL	Annual
IMPACT FEE REVENUES (\$1,000's)									
Single Family		\$163	\$163	\$163	\$163	\$163	\$163	\$977	\$163
Multi-Family		\$111	\$8	\$8	\$8	\$8	\$8	\$153	\$25
All Other		\$7	\$7	\$7	\$7	\$7	\$7	\$39	\$7
Commercial		\$203	\$197	\$203	\$203	\$197	\$156	\$1,159	\$193
Office		\$23	\$22	\$23	\$23	\$22	\$17	\$129	\$21
Industrial/Flex		\$14	\$14	\$14	\$14	\$14	\$11	\$80	\$13
TOTAL REVENUE		\$520	\$410	\$417	\$417	\$410	\$362	\$2,537	\$423
CAPITAL COSTS (\$1,000's)									
Planned Street Improvements		\$3,300	\$12,200	\$0	\$10,000	\$5,000	\$0	\$30,500	\$5,083
Support Facilities		\$5	\$2	\$2	\$2	\$2	\$2	\$15	\$3
Support Vehicles & Equipment		\$1	\$1	\$1	\$1	\$1	\$1	\$4	\$1
Development Fee Study		\$10	\$4	\$4	\$4	\$4	\$4	\$31	\$5
TOTAL EXPENDITURES		\$3,317	\$12,207	\$7	\$10,007	\$5,007	\$6	\$30,551	\$5,092
Annual Surplus/(Deficit)		(\$2,797)	(\$11,797)	\$410	(\$9,590)	(\$4,597)	\$356		
Cumulative Surplus/(Deficit)		(\$2,797)	(\$14,594)	(\$14,184)	(\$23,774)	(\$28,370)	(\$28,014)		

Appendix C: New Growth Capital Improvements Plan (CIP)

To help the City prepare its Capital Improvements Plan (CIP) and meet the “direct benefit” requirement of development fees, TischlerBise has prepared a CIP for new development that incorporates the methodologies and levels-of-service used in the development fee study. The CIP shown in Figure C-1 translates the capital expenditures shown in Appendix B into units of infrastructure.

SEDONA, ARIZONA DEVELOPMENT FEE STUDY

Figure C-1: New Growth CIP

PARKS, RECREATION, OPEN SPACE

	<i>Fiscal Year</i>	2006	2007	2008	2009	2010	2011	<i>TOTAL</i>	<i>Ave Annual</i>
INFRASTRUCTURE	<i>Level-of-Service</i>								
Parkland	0.00783 acres per person	2.88	1.71	1.71	1.71	1.71	1.71	11.43 acres	1.91 acres
Park Improvements	0.0046 imp per person	1.68	1.00	1.00	1.00	1.00	1.00	6.69 imp	1.12 imp
Open Space/Trails	0.0026 acres per person	0.96	0.57	0.57	0.57	0.57	0.57	3.83 acres	0.64 acres
Support Facilities	0.17 sf per person	63	37	37	37	37	37	249.70 sf	### sf
Support Vehicles & Equipment	0.0004 units per person	0.17	0.10	0.10	0.10	0.10	0.10	0.66 units	0.11 units

POLICE

	<i>Fiscal Year</i>	2006	2007	2008	2009	2010	2011	<i>TOTAL</i>	<i>Ave Annual</i>
INFRASTRUCTURE	<i>Level-of-Service</i>								
Facilities-Residential	0.7749 sf per person	285	169	169	169	169	169	1,132 sf	189 sf
Facilities-Res-Nonresidential	0.1517 sf per nonres trip	96	94	96	96	94	74	550 sf	92 sf
Vehicles-Residential	0.0011 units per person	0.41	0.24	0.24	0.24	0.24	0.24	1.61 units	0.27 units
Vehicles-Nonresidential	0.0002 units per nonres trip	0.14	0.13	0.14	0.14	0.13	0.11	0.78 units	0.13 units
Communications Equip-Residential	0.0022 units per person	0.80	0.48	0.48	0.48	0.48	0.48	3.18 units	0.53 units
Communications Equip-Nonresidential	0.0004 units per nonres trip	0.27	0.26	0.27	0.27	0.26	0.21	1.54 units	0.26 units

GENERAL GOVERNMENT

	<i>Fiscal Year</i>	2006	2007	2008	2009	2010	2011	<i>TOTAL</i>	<i>Ave Annual</i>
INFRASTRUCTURE	<i>Level-of-Service</i>								
Buildings	0.65 sf per person/job	314	215	217	217	215	200	1,379 sf	230 sf
Vehicles & Equipment	0.0003 units per person/job	0.16	0.11	0.11	0.11	0.11	0.10	0.71 units	0.12 units

TRANSPORTATION

	<i>Fiscal Year =></i>	2006	2007	2008	2009	2010	2011	<i>TOTAL</i>	<i>Ave Annual</i>
INFRASTRUCTURE									
Planned Street Improvements	See List of Planned Projects in Fee Study								
Support Facilities	0.0038 sf per trip	10	4	4	4	4	4	30 sf	5 sf
Support Vehicles & Equipment	0.0001 units per trip	0.30	0.12	0.12	0.12	0.12	0.11	0.90 units	0.15 units