

AGENDA



4:30 P.M.

CITY COUNCIL MEETING

REVISED

TUESDAY, MAY 14, 2019

NOTES:

- Public Forum: Comments are generally limited to **3 minutes**.
- Consent Items: Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

PROCEDURES:

- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE/ROLL CALL

2. CITY'S VISION/MOMENT OF ART

3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT =

- a. Minutes - April 17 & 18, 2019 City Council Special Meeting.
- b. Minutes - April 23, 2019 City Council Regular Meeting.
- c. Minutes - April 24, 2019 City Council Special Meeting.
- d. Approval of Proclamation, Yavapai College Promise Program.

4. APPOINTMENTS - None.

5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER

6. PUBLIC FORUM

(This is the time for the public to comment on matters not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.)

7. PROCLAMATIONS, RECOGNITIONS & AWARDS

- a. Swearing in of Police Chief Charles Husted by Judge Mike Goimarc.
- b. Presentation of Certificates to Citizens Academy Graduates.

8. REGULAR BUSINESS

- a. AB 2457 **Public hearing/discussion/possible direction** regarding the updated draft Development Impact Fees, as required by A.R.S. § 9-463.05 for the City of Sedona to adopt updated Development Impact Fees.
- b. AB 2485 **Discussion/possible direction** regarding the policy approach in the preparation of documents to update the current fee schedule for Community Development applications.
- c. AB 2461 **Discussion/possible action** regarding proposed State legislation and its potential impact on the City of Sedona.
- d. **Reports/discussion** regarding Council assignments.
- e. **Discussion/possible action** regarding future meeting/agenda items.

9. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

10. ADJOURNMENT

**CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ**

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

AGENDA



4:30 P.M.

CITY COUNCIL MEETING

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Page 2, City Council Meeting Agenda Continued

Posted: _____

By: _____

Susan L. Irvine, CMC
City Clerk

Note: Pursuant to A.R.S. § 38-431.02 notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

Action Minutes
Special City Council Meeting – Budget Work Sessions
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Wednesday, April 17, 2019, 8:00 a.m. &
Thursday, April 18, 2019, 8:00 a.m.

1. Call to Order/Pledge of Allegiance/Moment of Silence

Mayor Moriarty called the meeting to order at 8:00 a.m.

2. Roll Call

Roll Call: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor Bill Chisholm, Councilor John Currivan, Councilor Janice Hudson, Councilor Scott Jablow, Councilor Jessica Williamson.

Staff Present: City Manager Justin Clifton, Assistant City Manager/Director of Community Development Karen Osburn, City Attorney Robert Pickels, Jr., Finance Director Cherie Wright, Budget & Accounting Supervisor Jessica Tucker, Information Technology Manager Chuck Hardy, Human Resources Manager Brenda Tammarine, Assistant Director of Community Development Warren Campbell, Community Development Administrative Assistant Donna Puckett, Chief Building Official Steve Mertes, Communications Manager Marty Macurak, Sustainability Coordinator McKenzie Jones, Arts & Culture Coordinator Nancy Lattanzi, Citizen Engagement Coordinator Lauren Browne, Interim Chief of Police Ron Wheeler, Lieutenant Lucas Wilcoxson, Police Executive Assistant Sherri O'Connor, Economic Development Director Molly Spangler, Magistrate Judge Mike Goimarac, Parks & Recreation Manager Rachel Murdoch, Recreation Coordinator II Ali Baxter, Director of Public Works & City Engineer Andy Dickey, Assistant Engineer Ryan Mortillaro, Public Works Administrative Supervisor Charlene Penfold, Wastewater Manager Roxanne Holland, City Clerk Susan Irvine.

Citizen's Budget Work Group Members Present: Charlotte Hosseini, Holli Ploog.

3. Special Business

Work Session regarding City of Sedona budget for Fiscal Year 2019/2020. The Council may take action to give direction regarding amendments or changes to the proposed City budget or Capital Improvements Plan (CIP).

a. Public Comment

Opened to the public at 8:04 a.m.

Dennis Deardon, Sedona, Superintendent of the Sedona-Oak Creek School District spoke about the difficulty in recruiting staff due to the affordability and lack of availability of housing. He asked that Council consider the opportunity to consider funding for housing.

Linda Martinez, Sedona, thanked Council for their amazing recent decisions related to housing density and height. She asked that Council consider whatever options they could to make more workforce housing available.

Brought back to Council at 8:08 a.m.

- b. **An introduction to and overview of the 2019/2020 Fiscal Year Budget process will be presented, and strategic budget issues for FY 2020 will be discussed.**

Presentation by Cherie Wright and Justin Clifton.

Questions from Council.

Introduction – Cherie gave an overview of the budget calendar and how the budget is organized. Cherie thanked the Citizens Budget Work Group: Lou Harper, Charlotte Hosseini, Anne Khoury, and Holli Ploog and the Revenue Forecasts Work Group: Cari Meyer, Molly Spangler, and Jennifer Wesselhoff for their feedback and dedication of time. This budget represents the fourth year of program and performance budgeting. The intent is to focus the decision-making process on the services and outcomes for the dollars invested. Cherie talked about program budgeting and indirect cost allocations. Departments were asked to further refine their budgets to reflect numbers closer to what would actually be expended. Decision packages were not required for replacement of existing equipment which is also now being funded through equipment replacement funds budgeted each year. There are several CIP project carryovers from FY 2019, and some flexibility is intended for CIP projects.

There are several significant process and operational areas addressed in this year's budget including:

- **Additional refinement of the performance measurements** – Meetings were held with each department to discuss the workload indicators and performance measures to provide input regarding measures reported and brainstorming of additional measures to enhance the understanding of the programs and service levels provided.
- **Linkages of departmental goals and performance measurements to Citywide goals** – Each goal and performance measure is linked to either a Council priority, Community Plan goal, or when neither of those was applicable, a generic overall City value. The generic overall City values used were good governance, fiscal sustainability, and public safety.
- **Cross-departmental reporting of program costs** – A summary of all City programs has been included in the Overall Summaries Section. This summary provides the information for program totals regardless of department. Costs are separated by ongoing and one-time expenditures and include total expenditures by program. One of the intentions of the program and performance budgeting methodology is to better evaluate if a program is providing the service levels and results desired, and, if not, provides an opportunity to determine if more resources are a worthwhile investment to achieve the desired results. If the dollars spent are one of the indicators of the importance of a program, this schedule can help

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provide some perspective of the relative overall resources allocated between programs. This will continue to be refined and more summaries will be developed in future budgets to facilitate this analysis, such as summaries of full-time equivalent (FTE) positions assigned to each program.

Budget Overview – Cherie stated that the total proposed expenditures are \$48.8 million and proposed revenues are \$43.9 million, excluding decision packages which will be considered individually. Surplus funds of \$24.2 million are available to fund decision packages, supplement reserves, use toward sunsetting the transportation sales tax early, fund Council priorities, pay down liabilities, and/or maintain rate stabilization. The contract with the Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) and the amount for fleet management services have not been fully addressed in the draft budget.

Council priorities included in the budget are:

- Complete Traffic Improvements
- Update Building Code
- Environmental Sustainability
- Housing
- Storm Water Projects
- Sedona Chamber of Commerce and Tourism Bureau
- Permanent Base Adjustment
- Political Capital & Communication
- CFA Development
- Monitor Short-term Rentals
- Economic Diversification
- Emergency Preparedness
- Parks Land Acquisition
- Complete Dells Land Use Planning
- Sense of Place.

Revenue changes from the FY 2019 budget to the FY 2020 budget total \$10,000. This is attributed to revenue for the Paid Parking Program being estimated at approximately \$255,000 lower than FY 2019 due to an anticipated suspension of the program during construction of roadway improvements in Uptown and a decrease in contingent revenues related to the removal of the SCC&TB true-up offsetting contingent revenue of \$550,000.

Salary and benefit changes include \$130,000 for wage adjustments, a \$23,000 decrease in health insurance, and a \$108,000 increase in ASRS. PSPRS contribution rates have been reduced by .40% but the contribution remains flat at \$1 million to address unfunded liabilities. There was an increase in worker's compensation of \$14,000, a \$123,000 increase for a correction of the prior year on-call pay, and \$5,000 in other adjustments.

Changes to operations expenses include: an increase of \$447,000 for tourism management & development; addition of \$330,000 for a CDBG grant; an increase of \$35,000 community services contracts; an increase of \$40,000 for Uptown holiday decorations (funded by paid parking revenues); a \$75,000 decrease in one-time costs; and \$121,000 in decreases mainly achieved through departments better aligning their budgets with anticipated actual expenditures.

Capital Improvement Project changes include: carryovers of \$6.9 million, Arts & Culture increase of \$65,000; Information Technology increase of \$100,000; Municipal Court increase of \$46,000; Parks & Recreation increase of \$254,000; Police increase of \$192,000; Public Works decrease of \$321,000; storm drainage decrease of \$2.26 million; Sedona in Motion (transportation projects) increases of \$3.64 million; streets and transportation decrease of \$388,000; and wastewater decrease of \$467,000.

Debt Service changes include: a General Fund decrease of \$378,000; a Development Impact Fund decrease of \$10,000; and a Wastewater Fund increase of \$254,000.

Contingencies changes include: a decrease of \$300,000 for the placeholder for the bed tax true-up; reinstatement of \$14,000 for the General Fund contingency used in FY 2019; reduction of the General Fund contingency of \$50,000; reinstatement of \$49,000 in the Grants & Donations contingency used in FY 2019, reduction of the \$100,000 Affordable Housing contingency not used and proposed separately in a decision package; and \$100,000 in the Wastewater Fund.

Cherie explained the methodology for indirect cost allocations. Direct costs are assigned or traced to only one specific service or purpose and indirect costs are assigned or traced to more than one service or purpose. Allocation methods were based on factors which were identified to be relevant to the program or department.

Equipment Replacement Reserves are allocated at the following amounts: Information Technology equipment of \$178,000, Wastewater equipment of \$524,000, and general equipment of \$387,000. There is also a major maintenance reserve in the Wastewater Fund of \$109,000.

Transfers between funds are budgeted as follows: General Fund to Streets Fund of \$189,130; General Fund to Affordable Housing Fund \$100,000; General Fund to Capital Improvements Fund \$1.5 million; General Fund to Development Impact Fees Fund \$31,786; General Fund to Wastewater Enterprise Fund of \$3.45 million; General Fund to Capital Improvements Fund for Paid Parking Revenues \$275,699; General Fund to Capital Improvements Fund for FY 18 Bed Tax True-up \$17,711; Transportation Sales Tax Fund to Capital Improvements Fund of \$1.12 million; and Capital Improvements Fund to Art in Public Places Fund of \$56,020.

Questions and comments from Council throughout presentation.

Break at 10:28 a.m. Reconvened at 10:45 a.m.

c. An overview of the Fund Summaries will be presented.

Presentation by Cherie Wright and Justin Clifton.

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General Fund - Ongoing revenues are budgeted at \$28.67 million and one-time & contingent revenues are budgeted at \$9,000. Ongoing expenditures are budgeted at \$19.65 million and one-time & contingent expenditures are budgeted at \$1.59 million. FY 2020 Carryovers are as follows: City Manager's Office Training \$1,250; Public Access Channel/Video Communications \$18,000; Caseware Reports \$60,000; Market Study Adjustments \$200,000; Lynx Services Expansion \$135,000; Court Furniture \$1,260; and Pool Chair Lift \$8,000.

Reserves are as follows: Operating Reserve of \$6.1 million; Equipment Replacement Reserve of \$846,000; and Parking Revenues Pledged to Uptown Improvements \$429,000. Balance available after reserves is \$5.3 million.

Decision Packages total \$327,100 in one-time costs and \$527,345 in ongoing costs for a total of \$854,445. City Manager recommended decision packages total \$514,080, and Citizens Budget Work Group recommended decision packages total \$758,345.

Streets Fund - ongoing revenues are budgeted at \$1.02 million with no one-time & contingent revenues. Ongoing expenditures are budgeted at \$1.2 million with no one-time & contingent expenditures. The Fund Balance Reserve is \$120,000, and the balance available after reserves is \$515,000.

Grants & Donations Fund - ongoing revenues are budgeted at \$58,000 and one-time & contingent revenues are budgeted at \$648,000. Ongoing expenditures are budgeted at \$27,000 and one-time & contingent expenditures are budgeted at \$924,000. There is a carryover in the amount of \$11,200. The Fund Balance is \$1.2 million.

Decision Packages total \$1.1 million in one-time costs. City Manager recommended decision packages total \$595,000 and Citizens Budget Work Group recommended decision packages total \$1.1 million.

Transportation Sales Tax Fund – revenues are budgeted at \$3.06 million and expenditures are budgeted at \$94,000. There is a capital reserve of \$4.9 million, and the balance available after reserves is \$969,000.

Capital Improvements Fund - ongoing revenues are budgeted at \$581,000 and one-time & contingent revenues are budgeted at \$50,000. There are no ongoing expenditures budgeted and one-time & contingent expenditures are budgeted at \$7.33 million. The Capital Reserves are \$4.0 million and the balance available after reserves is \$5.3 million.

Development Impact Fees Fund - ongoing revenues are budgeted at \$275 with no one-time & contingent revenues. There are no ongoing expenditures budgeted, and one-time & contingent expenditures are budgeted at \$2.21 million. The Fund Balance is \$888,000.

Art in Public Places Fund – ongoing revenues are budgeted at \$2,000 and no expenditures are budgeted. The Capital Reserves Balance is \$85,000, and the balance after reserves is \$37,000.

Wastewater Enterprise Fund - ongoing revenues are budgeted at \$7.12 million and one-time & contingent revenues are budgeted at \$409,000. Ongoing expenditures are budgeted at \$4.24 million and one-time & contingent expenditures are budgeted at \$9.35 million. Operating Reserves are \$1.8 million; Capital Reserves are \$1.7 million; Equipment Replacement Reserves \$931,000; and Major Maintenance Reserves are \$181,000. The balance available after reserves is \$10.3 million.

FY 2019 Carryovers are as follows: Uptown Pump Station Improvements \$25,000; Wetlands Cattail Cutter \$105,000; Tractor Drivetrain Repairs \$1,000; Gates for Valve Pits \$3,000; Injection Well 1 Pull Pipe to Back Flush \$30,000; Irrigation Soil Amendment \$30,000; WIMS Training & Development \$5,000; Mystic Hills Generator Replacement \$45,000; NASSCO PACP/LACP/MACP Certification Training \$8,000; Grade 3 Certification \$2,500; Wastewater Rate Study \$20,000; and Network Connectivity \$35,600.

Reserves are as follows: Operating Reserves \$1.8 million; Capital Reserves \$1.7 million; Equipment Replacement Reserves \$931,000; and Major Maintenance Reserves \$181,000. The balance available after reserves is \$10.3 million.

Decision Packages total \$217,700 in one-time costs and \$73,150 in ongoing costs for a total of \$290,850. City Manager recommended decision packages total \$270,850 and Citizens Budget Work Group recommended decision packages total \$270,850.

Information Technology Internal Service Fund - ongoing revenues are budgeted at \$1.89 million and one-time & contingent revenues are budgeted at \$114,000. Ongoing expenditures are budgeted at \$1.65 million and one-time & contingent expenditures are budgeted at \$178,000. FY 2019 Carryovers are as follows: Website Update \$3,400 and Refresh WAN Point to Point Licensed Microwave Links \$33,350. The Equipment Replacement Reserve is \$359,000 and the balance available after reserves is \$146,000.

Decision Packages total \$7,500 in ongoing costs. City Manager recommended decision packages is \$0 (pay from existing allocations), and Citizens Budget Work Group recommended decision packages total \$7,500.

Questions and comments from Council throughout presentation.

d. An overview of the Capital Improvements Plan will be presented.

Presentation by Cherie Wright and Justin Clifton.

Capital Improvement Projects (CIP) have been prioritized in the following categories: Imperative (must do), Essential (should do), Important (could do), and Desirable (other year).

There is a total of \$14.2 million in available funds with \$8.6 million in Unrestricted Capital Reserves. Restricted funding sources are as follows: Coconino County Flood Control \$232,830; Yavapai County Flood Control \$350,000; Development Impact Fees Funds \$2.21 million; Transportation Sales Tax \$1,12 million; Paid Parking Revenues \$275,699; Bed Tax Allocation \$17,711; Grants \$11,200; RICO Monies \$25,000; Court

Restricted Revenues \$232,830; 1% for Arts \$65,000; Wastewater Revenues \$4.0 million; and Community Facilities Districts \$280,000.

CIP projects, including carryovers, are budgeted at \$14.2 million as follows: Art in Public Places \$65,000; Information Technology \$100,000; Municipal Court \$271,907; Parks & Recreation \$534,634; Police \$494,008; Public Works \$215,699; Storm Drainage \$634,050; Sedona in Motion \$7.9 million; and Wastewater \$4.0 million.

Questions and comments from Council throughout presentation.

e. An overview of the following department budgets is to be presented and reviewed:

Presentation by Cherie Wright and Justin Clifton.

City Council - presentation by Susan Irvine. Workload indicators were reviewed. Budget was largely unchanged from prior year.

City Clerk's Office - presentation by Susan Irvine. Workload indicators were reviewed. Budget reflects a reduction of \$42,500 since there is no election in FY20 and the removal of the Sustainability program area due to its transfer to the City Manager's Office.

Human Resources – presentation by Brenda Tammarine. Performance indicators were discussed. Budget was largely unchanged from prior year.

City Attorney's Office – presentation by Robert Pickels, Jr. Performance indicators were reviewed. Budget was largely unchanged from prior year.

Break at 12:06 p.m. Reconvened at 12:49 p.m.

Economic Development – presentation by Molly Spangler. Performance indicators and decision packages were discussed. Budget was largely unchanged from prior year.

Financial Services – presentation by Cherie Wright. Performance indicators and decision packages were discussed. Budget was largely unchanged from prior year.

General Services – presentation by Cherie Wright. Outstanding debt as of July 1, 2019 will be \$22,250,000. The budget reflects a one-time cost of \$5,729,775 for bond payments. Community service contracts increased \$35,224 for inflation. Reduction reflects decrease in the amount for contingency. Small grants funding will be discussed by Council to set the budget amount. Decision packages were discussed.

City Manager's Office – presentation by Justin Clifton, Karen Osburn, Nancy Lattanzi, and McKenzie Jones. Budget reflects an increase of nearly \$450,000 in expenses related to the increase in bed tax revenues and the transfer of sustainability expenses from other departments. Performance indicators and decision packages were discussed.

Community Development – presentation by Karen Osburn. Expenditures increased by approximately \$240,000 largely due to the CDBG grant. Performance indicators and decision packages were discussed.

Information Technology – presentation by Chuck Hardy. Budgeted direct costs reflect a decrease of approximately \$107,000. One-time costs for FY 2020 total \$211,850 for equipment, upgrades, and projects. The decision package and CIP project were discussed.

Break at 5:26 p.m. Meeting will resume at 8:00 a.m. on Thursday, April 18, 2019.

Reconvened at 8:01 a.m. on Thursday, April 18, 2019.

Municipal Court – presentation by Mike Goimarac and Andy Dickey. Budget reflects a small increase in direct costs of approximately \$3,000 related to an increase in professional services for interpreter services and one-time costs of \$17,075 for furniture for the new court facility. The CIP for the Sinagua Courtroom Remodel was discussed since the amount has been determined to be inadequate and needs more study.

Parks & Recreation – presentation by Rachel Murdoch. Direct costs reflect an increase of approximately \$6,600 mostly related to internal charges. One-time costs are \$1,450 for pool supplies. CIP projects for FY 2020 total \$534,634.

Police – presentation by Chief Wheeler, Lieutenant Wilcoxson, and Ron Siddoway (PD volunteer with radio expertise). Direct costs reflect an increase of approximately \$16,700 mostly related to a prior-year error in overtime calculations. One-time costs are \$199,334 for supplies and vehicle lease payments. Decision packages were reviewed. CIP projects were reviewed and for FY 2020 total \$494,008.

Break at 10:39 a.m. Reconvened at 10:54 a.m.

Wastewater – presentation by Roxanne Holland. Direct costs reflect an increase of approximately \$239,000 related to a prior-year error in on-call calculations, lab supplies, and an increase in one-time costs. One-time costs are \$601,050 for supplies, equipment replacement, upgrades, and vehicle replacement. Decision packages were reviewed. CIP projects for FY 2020 total \$4,000,000.

Break at 12:07 p.m. Reconvened at 12:46 p.m.

Public Works – presentation by Andy Dickey. Direct costs reflect a decrease of approximately \$13,200 largely related to a transfer of Sustainability expenses to the City Manager's Office. One-time costs are \$130,200 for equipment replacement and improvements. Decision packages were reviewed. CIP projects for FY 2020 were reviewed and totals are as follows for categories: Arts & Culture \$65,000; Public Works \$215,699; Storm Drainage \$634,050; and SIM \$7,892,659.

Questions and comments from Council throughout presentation.

Break at 2:45 p.m. Reconvened at 2:53 p.m.

f. Recap and review of overall budget, decision packages, capital improvement projects, and impact on long-range forecasts.

Presentation by Cherie Wright and Justin Clifton.

Break at 3:28 p.m. Reconvened at 3:36 p.m.

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By majority consensus, Council recommended funding for decision packages as follows:

Description	Council Direction	One-Time	Ongoing	Total
General Fund				
Reclass Management Analyst	Recommended with existing allocations	-	-	-
Recycling Outreach & Marketing	Need to evaluate recycling program	-	-	-
Household Hazardous Waste Collection Event		-	\$20,000	\$20,000
AmeriCorps for Sustainability Plan		\$9,500	-	\$9,500
Electric Vehicle Charging Infrastructure		\$18,000	-	\$18,000
Sustainability Plan		\$40,000	-	\$40,000
Funding Increase for Sedona Recycles	Contingent subject to evaluation	-	\$100,000	\$100,000
Transit Manager	Partial year placeholder pending Council support to move forward with transit	-	\$75,000	\$75,000
Finance Administrative Assistant	Part-time with building renovations covered through existing allocations	\$2,500	\$34,180	\$36,680
Internal Control Audit	Not recommended	-	-	-
Custodial Maintenance Workers	Recommended with existing allocations	-	-	-
Building 104 Improvement	Recommended with existing allocations	-	-	-
Dump Truck/Snowplow		\$111,500	-	\$111,500
Backhoe Attachment	Recommended with existing allocations	-	-	-
Public Pool ADA Access		\$20,000	-	\$20,000
Trail Restroom – Dry Creek Road	Item pulled	-	-	-
Entrepreneurial Assistance		-	\$10,000	\$10,000

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Description	Council Direction	One-Time	Ongoing	Total
AmeriCorps Vista Economic Development Assistance		\$9,500	-	\$9,500
Marketing		-	\$25,000	\$25,000
Police Records Clerk I	Contingent partial year pending review by Chief Husted	-	\$38,900	\$38,900
Leadership/Executive Development	Recommended with existing allocations	-	-	-
General Fund Total		\$211,000	\$303,080	\$514,080
Affordable Housing Fund				
Affordable Housing Options	Recommended with additional \$1 million funding from the FY19 bed tax "true-up" and the remained from FY18 surplus	\$2,000,000	-	\$2,000,000
Affordable Housing Fund Total		\$2,000,000	-	\$2,000,000
Grants & Donations Fund				
DUI Enforcement	Recommended if grant funded only	\$10,000	-	\$10,000
Speed & Traffic Enforcement	Recommended if grant funded only	\$15,000	-	\$15,000
ADOT TRACS Crash Program	Recommended if grant funded only	\$35,000	-	\$35,000
Traffic Related Equipment	Recommended if grant funded only	\$35,000	-	\$35,000
Grants & Donations Fund Total		\$95,000	-	\$95,000
Wastewater Fund				
Automatic Transfer Switch	Recommended with existing allocations	-	-	-
Trailer Mounted Air Curtain Burner		\$65,000	-	\$65,000

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Description	Council Direction	One-Time	Ongoing	Total
Personnel for CCTV Camera Van		\$2,700	\$73,150	\$75,850
CCTV Camera Van		\$213,000	\$(83,000)	\$130,000
Wastewater Fund Total		\$280,700	\$(9,850)	\$270,850
Information Technology Fund				
Video/Broadcast of P&Z Commission Meetings	Recommended with existing allocations	-	-	-
Information Technology Fund Total		-	-	-
Grand Total		\$2,586,700	\$293,230	\$2,879,930

By majority consensus, Council also directed staff to do the following:

- Increase Small Grants budget by \$5,000
- Increase Communications budget by \$10,000
- Increase Contract Plan Reviews by \$54,000
- Increase funding for public art by \$150,000 to complete the remaining 2 roundabouts on SR179 and repay from art DIF's.

Council also agreed that they need additional review of the ERP funding request and that the Sinagua building and Police facilities need further evaluation.

g. Items not completed at this meeting will be carried over to the Thursday April 26, 2018, 8:00 a.m. Special Budget Work Session Meeting.

4. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

No Executive Session was held.

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5. Adjournment.

Mayor Moriarty adjourned the meeting at 5:13 p.m. on Thursday, April 18, 2019.

I certify that the above are the true and correct actions of the Special City Council Meeting held on April 17 & 18, 2019.

Susan L. Irvine, CMC, City Clerk

Date

Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, April 23, 2019, 4:30 p.m.

1. Call to Order/Pledge of Allegiance/Moment of Silence/Roll Call

Mayor Moriarty called the meeting to order at 4:30 p.m.

Council Present: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor Bill Chisholm, Councilor John Currivan, Councilor Janice Hudson, Councilor Scott Jablow, Councilor Jessica Williamson.

Staff Present: City Manager Justin Clifton, Assistant City Manager/Director of Community Development Karen Osburn, City Attorney Robert Pickels, Jr., City Prosecutor/Assistant City Attorney Lisa Weiler-Parsons, Legal Administrative Assistant Katie Johnson, Chief of Police Charles Husted, Interim Chief of Police Ron Wheeler, Lieutenant Lucas Wilcoxson, Sergeant Michael Dominguez, Officer Ryan Gavin, Police Department Executive Assistant Sherri O'Connor, Records Clerk Jamie Rivero, Communications Supervisor Mark Coughlin, Communications Specialist Julia Williams, Property & Evidence Technician Larry Woodruff, Community Services Officer Rock Kurz, Director of Financial Services Cherie Wright, Budget & Accounting Supervisor Jessica Tucker, Human Resources Manager Brenda Tammarine, Human Resources Specialist JoAnne Cook, Code Enforcement Officer Stan Durkalec, Deputy City Clerk Cherise Fullbright, City Clerk Susan Irvine.

2. City's Vision

A video of the City's Vision was played.

3. Consent Items

- a. **Minutes - April 9, 2019 City Council Regular Meeting.**
- b. **Minutes - April 10, 2019 City Council Special Meeting - Executive Session.**
- c. **Minutes - April 10, 2019 City Council Special Meeting.**
- d. **Approval of Proclamation, Mental Health Awareness Month, May 2019.**

Motion: Vice Mayor Martinez moved to approve consent items 3a, 3b, 3c, and 3d. Seconded by Councilor Williamson. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Martinez, Chisholm, Currivan, Hudson, Jablow, and Williamson) and zero (0) opposed.

4. Appointments – None.

5. Summary of Current Events by Mayor/Councilors/City Manager

Councilor Chisholm advised that Hope House has found a location and is working on fundraising. He stated that Pay It Forward Day is on Sunday, April 28th and encouraged everyone to participate. Military Park inscriptions can be obtained for Sedona service members for a donation of \$100. The form is on the City website and is due by May 2nd to be in place for Memorial Day. A Memorial Day celebration will take place at the Military Park on May 27th at 9:00 a.m. Vice Mayor Martinez stated that the community pool should

be opening on May 25th, and the lack of lifeguards caused the opening delay this Spring. The Sedona Red Rockin Blues Festival is Saturday from 12:00 to 6:00 p.m. at Barbara Antonsen Park. Justin Clifton introduced and welcomed the following new Sedona team members: Chief of Police Charles Husted, Deputy City Clerk Cherise Fullbright, Code Enforcement Officer Stan Durkalec, and Communications Specialist Julia Williams.

6. Public Forum

Ernie Strauch, Sedona, spoke about the need for a sidewalk on Chapel Road and asked Council to consider this during the budget.

7. Proclamations, Recognitions, and Awards

a. Recognition of retirement of Interim Chief of Police Ron Wheeler.

Justin Clifton thanked Interim Chief of Police Ron Wheeler for filling in for the City once again. He congratulated him on his retirement and presented him with an engraved compass. Interim Chief Wheeler thanked the City for having him back again. Mayor Moriarty expressed her gratitude for his willingness to come back and serve the City.

b. Presentation of Proclamation, Mental Health Awareness Month, May 2019.

Mayor Moriarty read the Proclamation and presented it to Barbara Litrell of the Mental Health Coalition Verde Valley. Ms. Litrell thanked the Council for their recognition and support for this issue. She reviewed the importance of treatment and understanding of mental health issues and said many events are planned during the month of May.

8. Regular Business

a. AB 2483 Discussion regarding staff plans for evaluation of expenditure limitation options, including permanent base adjustment (PBA) and alternative expenditure limitation (Home Rule).

Presentation by Cherie Wright, Justin Clifton, and Robert Pickels, Jr.

Questions and comments from Council.

Discussion only. No action taken.

b. AB 2461 Discussion/possible action regarding proposed State legislation and its potential impact on the City of Sedona.

Presentation by Robert Pickels, Jr.

Questions and comments from Council.

Discussion only. No action taken.

c. Reports/discussion regarding Council assignments

Councilor Chisholm advised that Sedona Recycles held their board meeting and they continue to operate at a deficit. He will be in Flagstaff at NACOG on Thursday and five items will be voted on. Councilor Jablow stated that the Airport Board met yesterday, and they have done some improvements for ADA compliance. Airport Day will be held on October 5th.

d. Discussion/possible action on future meeting/agenda items – None.

9. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

No Executive Session was held.

10. Adjournment

Mayor Moriarty adjourned the meeting at 6:01 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on April 23, 2019.

Susan L. Irvine, CMC, City Clerk

Date

**Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Wednesday, April 24, 2019, 3:00 p.m.**

1. Call to Order/Pledge of Allegiance/Moment of Silence

Mayor Moriarty called the meeting to order at 3:00 p.m.

Roll Call: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor Bill Chisholm, Councilor John Currivan, Councilor Janice Hudson, Councilor Scott Jablow, Councilor Jessica Williamson.

Staff Present: City Manager Justin Clifton, Assistant City Manager/Community Development Director Karen Osburn, City Attorney Robert Pickels, Jr., Parks & Recreation Manager Rachel Murdoch, Deputy City Clerk Cherise Fullbright, City Clerk Susan Irvine.

2. Special Business

a. AB 2484 Discussion/possible direction regarding the Sedona Chamber of Commerce and Tourism Bureau's (SCC&TB) Destination Services Plan, plan of work, contract, and preliminary FY20 budget.

Presentation by Justin Clifton, SCC&TB Executive Board Chair Stephanie Giesbrecht, SCC&TB President & CEO Jennifer Wesselhoff, and SCC&TB Marketing Director Michelle Conway.

Questions from Council.

Opened to the public at 4:49 p.m.

The following spoke regarding this item: Tyler Barrett, Sedona, Steve Segner, Sedona, Paul Chevalier, Sedona, and Michael Sanders, Sedona.

Brought back to Council at 4:56 p.m.

Further questions and comments from Council.

By majority consensus, Council agreed:

- **that the SCC&TB's FY20 budget as presented met the expectations approved during the January retreat**
- **to have the SCC&TB manage the Uptown restroom improvements project and include those costs in their budget**
- **that the SCC&TB contract should be modified according to the recommendations of the City Attorney and include:**
 - **elimination of the requirement to fix the contract to 55% of bed tax collections but maintain reference to the 55% as a common industry standard**
 - **a fixed number to be negotiated annually**
 - **a budget built from the ground up reflective of services needed each year**
 - **annual financial audits**

- to modify the policy portion of the ordinance language in 2013-07 as recommended by the City Attorney to allow for additional flexibility but consistent with the original spirit and intent of the ordinance.

b. Discussion/possible action regarding future meeting/agenda items - None.

3. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

Executive Session was held as shown above.

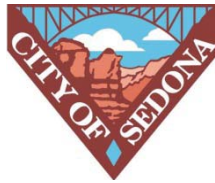
4. Adjournment

Mayor Moriarty adjourned the meeting at 6:27 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on April 24, 2019.

Susan L. Irvine, CMC, City Clerk

Date



City of Sedona Proclamation Request Form

Full Name of Contact Person	Richard Hernandez, Director of Regional Economic Development Center at Yavapai College
Contact Phone Number	(928) 776-2378
Contact Mailing Address	6955 Panther Path, Suite 208 Prescott, AZ 86301
Contact Email Address	richard.hernandez@yc.edu
Group, Organization, Activity or Event Being Recognized (Please make sure you provide complete and current information about the group or event)	Yavapai College Promise Scholarship Program
Website Address (if applicable)	https://www.yc.edu/v5content/promise/
Name of the sponsor(s) of the Proclamation (2 Council members or the City Manager)	Justin Clifton
What is the proclaimed day, days, week or month? (e.g. 10/11/12, October 11-17, 2012, October 2012)	N/A
Would you like to attend a Council meeting for formal presentation of the Proclamation or would you like to pick it up?	<input type="checkbox"/> Presentation at Meeting <input checked="" type="checkbox"/> Pick up Proclamation
If you would like the Proclamation presented at a Council meeting, please provide the full name and contact information (phone number and email address) of the party who will accept it on behalf of the group.	N/A

Provide information about the organization/event including a mission statement, founding date, location and achievements.

The Yavapai College Promise Scholarship Program ("YC Promise") was approved by the Yavapai College District Governing Board in February of 2019. This program is a promise to make earning a college degree affordable for students who complete a degree within two years (7 consecutive semesters).

YC Promise is a financial aid program offering Yavapai County residents who complete their high school diploma or Graduate Equivalency Degree (GED) in 2019 an opportunity to earn a tuition-free degree at Yavapai College, if they complete the degree by 7/29/21. It provides eligible students a last dollar scholarship, meaning the scholarship will cover tuition not otherwise covered by Federal, State, Yavapai College, or other 3rd party (egs. high school, Yavapai College Foundation, Tribe, employer) grants, discounts, or scholarships.

Please explain why this Proclamation and any events accompanying it are important to the Community and are consistent with the City's vision statement and Community Plan goals. What is the clear reason for the Proclamation and why are you requesting this honor? What activities/events are planned around this Proclamation and how do you plan to promote this to the community?

Our community plan vision for economic diversity is "Sedona has a resilient economy, provides the highest quality of service to visitors, and offers rewarding and diverse employment opportunities."

This proclamation supports the "YC Promise" - a way to to make earning a college degree more affordable. This can have a long-term impact on our future workforce. People with an Associate Degree earn \$360,000 more on average during their career than people with a high school diploma as well as contribute more to the local tax base. Further, a well educated workforce helps attract and retain businesses because 64% of jobs require a college certificate or degree.

Please include a draft of the proposed Proclamation with this request, preferably a Word file in electronic format.

*Office of the Mayor
City of Sedona, Arizona*



**Proclamation
Yavapai College Promise Program**

Whereas, studies have shown that people with an Associate's Degree earn \$360,000 more on average during their career than people with a high school diploma; and

Whereas, people with Associate's Degrees strengthen our tax base by contributing an average of \$100,000 more to the tax rolls than people with high school diplomas; and

Whereas, a well-educated workforce helps attract and retain businesses because 64% of jobs require a college certificate or degree; and

Whereas, people with a college degree are less likely to take advantage of various tax-funded services ranging from unemployment and TANF to food stamps or incarceration; and

Whereas, more than 200 other communities have already established College Promise scholarship programs, infusing millions of dollars of federal grants into their communities; and

Whereas, the City of Sedona desires to create a college-going culture within Yavapai County for the aforementioned reasons.

NOW, THEREFORE, I, SANDY MORIARTY, MAYOR OF THE CITY OF SEDONA, ARIZONA, ON BEHALF OF THE SEDONA CITY COUNCIL, do hereby proclaim our support for the Yavapai Promise Program of Yavapai College, which is a promise to make earning a college degree tuition-free for the graduating high school and GED class of 2019 who complete a degree within two years (7 consecutive semesters) at Yavapai College.

Issued this 14th day of May, 2019.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk



**CITY COUNCIL
AGENDA BILL**

**AB 2457
May 14, 2019
Regular Business**

Agenda Item: 8a

Proposed Action & Subject: Public hearing/discussion/possible direction regarding the updated draft Development Impact Fees, as required by A.R.S. § 9-463.05 for the City of Sedona to adopt updated Development Impact Fees.

Department	City Manager's Office
Time to Present	5 minutes
Total Time for Item	30 minutes
Other Council Meetings	February 12, 2019, March 26, 2019
Exhibits	A. Infrastructure Improvement Plan (IIP) and Fees

City Attorney Approval	Reviewed 5/6/19 RLP	Expenditure Required	\$ 0
City Manager's Recommendation	Hold a public hearing and discuss the proposed development impact fees.	Amount Budgeted	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: Development Impact Fees (DIFs) are one-time charges applied to new development in order that new growth will pay its fair share of infrastructure improvements needed to provide municipal services, and to ensure that existing residents are not unduly burdened to pay for improvements and services needed to accommodate new development. The City of Sedona first adopted DIFs on May 18, 1998. A.R.S. § 9-463.05 is the state statute that enables municipalities to assess, collect, and spend development fees. The City's DIFs were last updated in 2014 and became effective on August 5, 2014. They are required by statute to be updated every five years.

State statute also requires the City to follow a series of prescribed steps to develop and implement new DIFs. These steps include a minimum of 225 days and include public hearings and public comment periods. The draft schedule for the implementation of Sedona's fees is set forth below.

Sedona Adoption Process Schedule

- December 3, 2018 - provide notice of public hearing on Land Use Assumptions document (LUA) and Infrastructure Improvements Plan (IIP) and publish draft on municipal website
 - Minimum 60-day comment period
- February 12, 2019 - public hearing on LUA & IIP
 - Minimum 30-day comment period to follow
- March 26, 2019 - adopt LUA & IIP, provide notice of public hearing on development fees, and publish draft fee report on municipal website
 - Minimum 30-day comment period to follow
- May 14, 2019 - public hearing on fees
 - Minimum 30-day comment period to follow
- June 25, 2019 adopt fees
 - Minimum 75-day wait until fees can take effect
- September 9, 2019 - fees become effective

The first three steps have been completed. There has been another 30-day public comment period after noticing this public hearing and making the draft development available to the public. No comments on the fees have been received during the comment period.

The purpose of this meeting is to conduct a public hearing on the draft development fees. This meeting is for public hearing and discussion only; no Council action is required at this time. After the May 14th meeting, there will be an additional 30-day comment period, after which the fees can be adopted. The fees will become effective 75 days after Council adoption, currently planned for June 25, 2019.

The categories under consideration for assessment of DIF are Streets, Police, and Parks. While the current DIF schedule also assesses fees for Drainage and General Government, these categories are proposed to be removed in this update. Although drainage is a permitted category, the City’s current drainage issues are existing and only an extremely small portion of the costs of improvements could reasonably be attributable to new growth. As a result, new development should not be required to contribute financially to solving the existing drainage issues. Further, any impacts a new development might have on drainage issues are required to be mitigated prior to the City approving the project. For these reasons, the consultant is recommending that the City not adopt development impact fees for drainage. The existing General Government fees are based exclusively on Sedona’s debt service payments for the purchase of its City Hall complex. Since that debt will be retired before the adoption of this IIP, there is no longer any basis for the adoption of a General Government fee and it cannot be included.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for discussion and public hearing only. No action is required.

DRAFT
**Infrastructure Improvements Plan
and Development Fee Report**

Prepared for:
Sedona, Arizona

November 27, 2018



4701 Sangamore Road

Suite S240

Bethesda, MD 20816

301.320.6900

www.TischlerBise.com

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EXECUTIVE SUMMARY

The City of Sedona, Arizona, contracted with TischlerBise to document land use assumptions, prepare the Infrastructure Improvements Plan (hereinafter referred to as the “IIP”), and update development fees within the Sedona Service Area pursuant to Arizona Revised Statutes (“ARS”) § 9-436.05 (hereafter referred to as the “Enabling Legislation”). Municipalities in Arizona may assess development fees to offset infrastructure costs to a municipality for necessary public services. The development fees must be based on an Infrastructure Improvements Plan and Land Use Assumptions. The IIP for each type of infrastructure is in the middle section of this document. The proposed development fees are displayed in the Development Fee Report in the next section.

Development fees are one-time payments used to construct system improvements needed to accommodate future development. The fee represents future development’s proportionate share of infrastructure costs. Development fees may be used for infrastructure improvements or debt service for growth related infrastructure. In contrast to general taxes, development fees may not be used for operations, maintenance, replacement, or correcting existing deficiencies.

This update of Sedona’s Infrastructure Improvements Plan and associated update to its development fees includes the following necessary public services:

1. Parks and Recreational Facilities
2. Police Facilities
3. Street Facilities

Sedona will retire debt related to its City Hall before the adoption of this IIP. Since that was the only component in the General Government Facilities development fee, TischlerBise excluded General Government Facilities from this update. Sedona decided to end collection of its Storm Drainage Facilities development fees due to future development’s limited demand for storm drainage projects. This plan includes all necessary elements required to be in full compliance with SB 1525.

ARIZONA DEVELOPMENT FEE ENABLING LEGISLATION

The Enabling Legislation governs how development fees are calculated for municipalities in Arizona.

Necessary Public Services

Under the requirements of the Enabling Legislation, development fees may only be used for construction, acquisition or expansion of public facilities that are necessary public services. “Necessary public service” means any of the following categories of facilities that have a life expectancy of three or more years and that are owned and operated on behalf of the municipality: water, wastewater, storm water, library, street, fire, police, and neighborhood parks and recreational. Additionally, a necessary public service includes any facility that was financed before June 1, 2011 and that meets the following requirements:

1. Development fees were pledged to repay debt service obligations related to the construction of the facility.
2. After August 1, 2014, any development fees collected are used solely for the payment of principal and interest on the portion of the bonds, notes, or other debt service obligations issued before June 1, 2011 to finance construction of the facility.

Infrastructure Improvements Plan

Development fees must be calculated pursuant to an IIP. For each necessary public service that is the subject of a development fee, by law, the IIP shall include the following seven elements:

1. A description of the existing necessary public services in the service area and the costs to update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.
2. An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.
3. A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved Land Use Assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.
4. A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, and industrial.
5. The total number of projected service units necessitated by and attributable to new development in the service area based on the approved Land Use Assumptions and calculated pursuant to generally accepted engineering and planning criteria.
6. The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.
7. A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved Land Use Assumptions and a plan to include these contributions in determining the extent of the burden imposed by the development.

Qualified Professionals

The IIP must be developed by qualified professionals using generally accepted engineering and planning practices. A qualified professional is defined as “a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person’s license, education, or experience.” TischlerBise is a fiscal, economic, and planning consulting firm specializing in the cost of growth services. Our services include development fees, fiscal impact analysis, infrastructure financing analyses, user fee/cost of service studies, capital improvement plans, and fiscal software. TischlerBise has prepared over 800 development fee studies over the past 30 years for local governments across the United States.

Conceptual Development Fee Calculation

In contrast to project-level improvements, development fees fund growth-related infrastructure that will benefit multiple development projects, or the entire service area (usually referred to as system improvements). The first step is to determine an appropriate demand indicator for the particular type of infrastructure. The demand indicator measures the number of service units for each unit of development. For example, an appropriate indicator of the demand for parks is population growth and the increase in population can be estimated from the average number of persons per housing unit. The second step in the development fee formula is to determine infrastructure improvement units per service unit, typically called level-of-service (LOS) standards. In keeping with the park example, a common LOS standard is improved park acres per thousand people. The third step in the development fee formula is the cost of various infrastructure units. To complete the park example, this part of the formula would establish a cost per acre for land acquisition and/ or park improvements.

Evaluation of Credits/Offsets

Regardless of the methodology, a consideration of credits/offsets is integral to the development of a legally defensible development fee. There are two types of credits/offsets that should be addressed in development fee studies and ordinances. The first is a revenue credit/offset due to possible double payment situations, which could occur when other revenues may contribute to the capital costs of infrastructure covered by the development fee. This type of credit/offset is integrated into the fee calculation, thus reducing the fee amount. The second is a site-specific credit or developer reimbursement for dedication of land or construction of system improvements. This type of credit/offset is addressed in the administration and implementation of the development fee program. For ease of administration, TischlerBise normally recommends developer reimbursements for system improvements.

DEVELOPMENT FEE REPORT

METHODOLOGY

Development fees for the necessary public services made necessary by future development must be based on the same level of service (“LOS”) provided to existing development in the service area. There are three basic methodologies used to calculate development fees. They examine the past, present, and future status of infrastructure. The objective of evaluating these different methodologies is to determine the best measure of the demand created by future development for additional infrastructure capacity. Each method has advantages and disadvantages in a particular situation and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating development fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of development fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss basic methods for calculating development fees and how those methods can be applied.

- **Cost Recovery** (past improvements) - The rationale for recoupment, often called cost recovery, is that future development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before future development can take place.
- **Incremental Expansion** (concurrent improvements) - The incremental expansion method documents current LOS standards for each type of public facility, using both quantitative and qualitative measures. This approach assumes there are no existing infrastructure deficiencies or surplus capacity in infrastructure. Future development is only paying its proportionate share for growth-related infrastructure. Revenue will be used 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 to keep pace with development.
- **Plan-Based** (future improvements) - The plan-based method allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development potential is identified by a land use plan. There are two basic options for determining the cost per demand unit: (1) total cost of a public facility can be divided by total demand units (average cost), or (2) the growth-share of the public facility cost can be divided by the net increase in demand units over the planning timeframe (marginal cost).

DEVELOPMENT FEE COMPONENTS

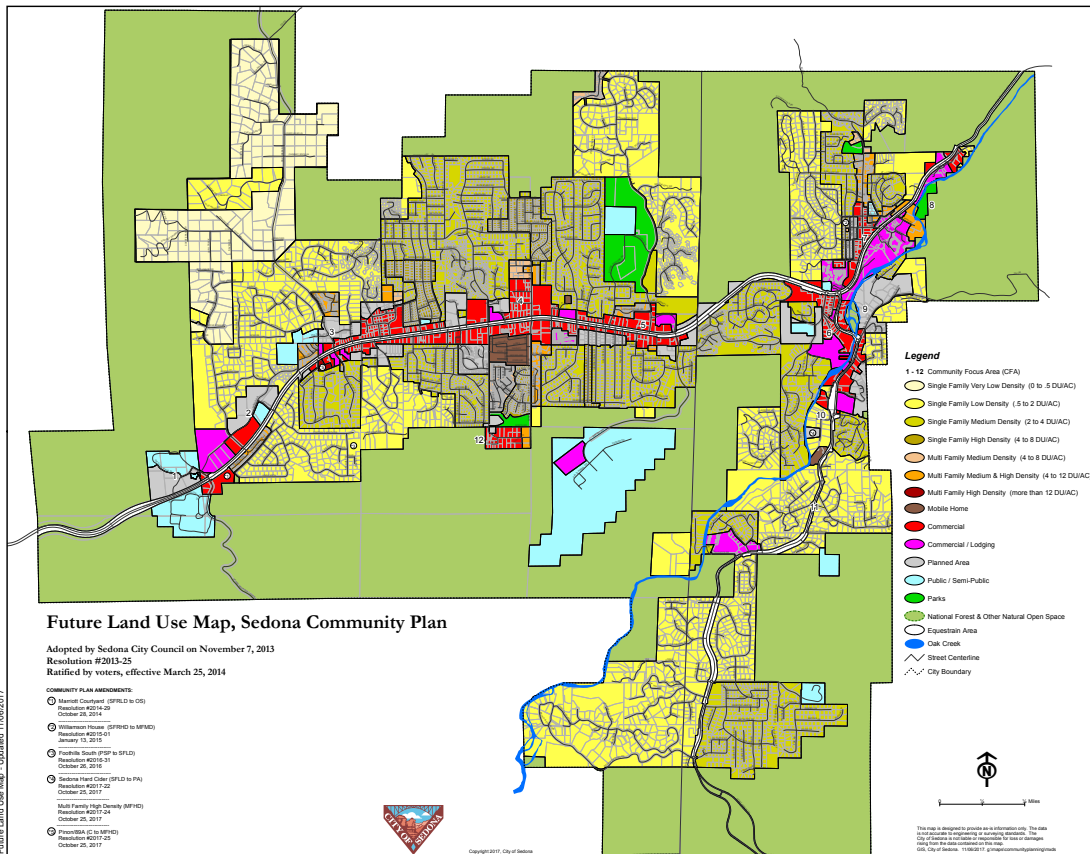
Figure 1 summarizes service areas, methodology, and infrastructure cost components for each development fee. Because Sedona plans to provide a uniform level of service for all types of infrastructure included in this infrastructure improvements plan, the service area for all fee components is the City of Sedona.

Figure 1: Proposed Development Fee Service Areas, Methods, and Cost Components

Facility Type	Service Area	Cost Recovery	Incremental Expansion	Plan-Based	Cost Allocation
Parks and Recreation	Citywide	N/A	Land, Improvements, Facilities	Development Fee Report	Parks Population, Jobs
Police	Citywide	N/A	Facilities, Vehicles, Communications Equipment	Development Fee Report	Peak Population, Vehicle Trips
Street	Citywide	N/A	Arterial Street Improvements	Other Street Improvements, Development Fee Report	Vehicle Miles of Travel

SERVICE AREA

The map below illustrates the area within Sedona’s service area.



PROPOSED DEVELOPMENT FEES

Development fees for residential development will be assessed per dwelling unit, based on the square footage of the unit. Nonresidential development fees will be assessed per square foot of floor area. Fees shown below represent the maximum allowable fees – development fees fund 100 percent of growth-related infrastructure.

Sedona 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 improvements and/or a decrease in Sedona’s LOS standards. All costs in the development fee study are in current dollars with no assumed inflation rate over time. If cost estimates change significantly over time, development fees should be recalibrated.

Figure 2: Proposed Development Fees

Residential Development		Development Fees per Unit			
Square Feet	General Government	Parks and Recreational	Police	Street	Proposed Fees
700 or Less	\$0	\$717	\$468	\$2,088	\$3,273
701 to 1,200	\$0	\$1,004	\$656	\$2,831	\$4,491
1,201 to 1,700	\$0	\$1,363	\$890	\$3,580	\$5,832
1,701 to 2,200	\$0	\$1,578	\$1,030	\$4,134	\$6,741
2,201 to 2,700	\$0	\$1,721	\$1,124	\$4,574	\$7,419
2,701 to 3,200	\$0	\$1,865	\$1,218	\$4,943	\$8,025
3,201 to 3,700	\$0	\$2,008	\$1,311	\$5,256	\$8,575
3,701 to 4,200	\$0	\$2,151	\$1,405	\$5,526	\$9,082
4,201 to 4,700	\$0	\$2,223	\$1,452	\$5,767	\$9,442
4,701 or More	\$0	\$2,295	\$1,498	\$5,985	\$9,778

Nonresidential Development		Development Fees per Square Foot			
Development Type	General Government	Parks and Recreational	Police	Street	Proposed Fees
Industrial	\$0.00	\$0.74	\$0.16	\$1.18	\$2.09
Commercial	\$0.00	\$1.07	\$0.83	\$5.36	\$7.25
Office / Other Services	\$0.00	\$1.36	\$0.32	\$2.32	\$4.00
Institutional	\$0.00	\$0.42	\$0.43	\$3.07	\$3.92
Lodging (per room)	\$0	\$1,434	\$278	\$1,990	\$3,702

Figure 3: Proposed Storm Drainage Development Fees

Residential Development	Development Fees per Unit			
Development Type	Dry Creek Wash	Coffepot Wash	Soliders Pass Wash	Oak Creek Wash
Single Family				
Very Low Density	\$0	\$0	\$0	\$0
Low Density	\$0	\$0	\$0	\$0
Medium Density	\$0	\$0	\$0	\$0
High Density	\$0	\$0	\$0	\$0
Multi-Family	\$0	\$0	\$0	\$0
All Other Types	\$0	\$0	\$0	\$0

Nonresidential Development	Development Fees per Square Foot			
Development Type	Dry Creek Wash	Coffepot Wash	Soliders Pass Wash	Oak Creek Wash
Industrial	\$0.00	\$0.00	\$0.00	\$0.00
Commercial	\$0.00	\$0.00	\$0.00	\$0.00
Office/ Other Services	\$0.00	\$0.00	\$0.00	\$0.00
Institutional	\$0.00	\$0.00	\$0.00	\$0.00
Lodging (per room)	\$0	\$0	\$0	\$0

CURRENT DEVELOPMENT FEES

Sedona’s current development fees are displayed below in Figure 4 and Figure 5.

Figure 4: Current Development Fees

Residential Development		Development Fees per Unit			
Development Type	General Government	Parks and Recreational	Police	Street	Current Fees
Single Family	\$194	\$3,627	\$511	\$1,216	\$5,548
Multi-Family	\$173	\$3,236	\$466	\$954	\$4,829

Nonresidential Development		Development Fees per Square Foot			
Development Type	General Government	Parks and Recreational	Police	Street	Current Fees
Industrial	\$0.10	\$0.00	\$0.16	\$0.72	\$0.98
Commercial	\$0.08	\$0.00	\$0.63	\$2.66	\$3.37
Office / Other Services	\$0.14	\$0.00	\$0.25	\$1.15	\$1.54
Institutional	\$0.04	\$0.00	\$0.23	\$1.06	\$1.33
Lodging (per room)	\$18	\$2,329	\$127	\$580	\$3,054

Figure 5: Current Storm Drainage Development Fees

Residential Development		Development Fees per Unit			
Development Type	Dry Creek Wash	Coffepot Wash	Soliders Pass Wash	Oak Creek Wash	
Single Family					
Very Low Density	\$107	\$0	\$0	\$0	
Low Density	\$85	\$1,642	\$1,989	\$0	
Medium Density	\$53	\$1,026	\$1,243	\$0	
High Density	\$27	\$513	\$0	\$0	
Multi-Family	\$20	\$385	\$466	\$0	
All Other Types	\$0	\$432	\$0	\$0	

Nonresidential Development		Development Fees per Square Foot			
Development Type	Dry Creek Wash	Coffepot Wash	Soliders Pass Wash	Oak Creek Wash	
Nonresidential	\$0.01	\$0.13	\$0.15	\$0.00	
Lodging (per room)	\$13	\$251	\$304	\$0	

DIFFERENCE BETWEEN PROPOSED AND CURRENT DEVELOPMENT FEES

The differences between the proposed and current development fees are displayed below in Figure 6 and Figure 7.

Figure 6: Difference Between Proposed and Current Development Fees

Residential Development		Development Fees per Unit			
Square Feet	General Government	Parks and Recreational	Police	Street	Fee Change
700 or less	(\$173)	(\$2,519)	\$2	\$1,134	(\$1,556)
701 to 1,200	(\$173)	(\$2,232)	\$190	\$1,877	(\$338)
1,201 to 1,700	(\$173)	(\$1,873)	\$424	\$2,626	\$1,003
1,701 to 2,200	(\$194)	(\$2,049)	\$519	\$2,918	\$1,193
2,201 to 2,700	(\$194)	(\$1,906)	\$613	\$3,358	\$1,871
2,701 to 3,200	(\$194)	(\$1,762)	\$707	\$3,727	\$2,477
3,201 to 3,700	(\$194)	(\$1,619)	\$800	\$4,040	\$3,027
3,701 to 4,200	(\$194)	(\$1,476)	\$894	\$4,310	\$3,534
4,201 to 4,700	(\$194)	(\$1,404)	\$941	\$4,551	\$3,894
4,701 or more	(\$194)	(\$1,332)	\$987	\$4,769	\$4,230

Nonresidential Development		Development Fees per Square Foot			
Development Type	General Government	Parks and Recreational	Police	Street	Fee Change
Industrial	(\$0.10)	\$0.74	\$0.00	\$0.46	\$1.11
Commercial	(\$0.08)	\$1.07	\$0.20	\$2.70	\$3.88
Office / Other Services	(\$0.14)	\$1.36	\$0.07	\$1.17	\$2.46
Institutional	(\$0.04)	\$0.42	\$0.20	\$2.01	\$2.59
Lodging (per room)	(\$18)	(\$895)	\$151	\$1,410	\$648

Figure 7: Difference Between Proposed and Current Storm Drainage Development Fees

Residential Development	Development Fees per Unit			
Square Feet	Dry Creek Wash	Coffepot Wash	Soliders Pass Wash	Oak Creek Wash
700 or less	(\$20)	(\$385)	(\$466)	\$0
701 to 1,200	(\$20)	(\$385)	(\$466)	\$0
1,201 to 1,700	(\$85)	(\$1,642)	(\$1,989)	\$0
1,701 to 2,200	(\$85)	(\$1,642)	(\$1,989)	\$0
2,201 to 2,700	(\$85)	(\$1,642)	(\$1,989)	\$0
2,701 to 3,200	(\$85)	(\$1,642)	(\$1,989)	\$0
3,201 to 3,700	(\$85)	(\$1,642)	(\$1,989)	\$0
3,701 to 4,200	(\$85)	(\$1,642)	(\$1,989)	\$0
4,201 to 4,700	(\$85)	(\$1,642)	(\$1,989)	\$0
4,701 or more	(\$85)	(\$1,642)	(\$1,989)	\$0

Nonresidential Development	Development Fees per Square Foot			
Development Type	Dry Creek Wash	Coffepot Wash	Soliders Pass Wash	Oak Creek Wash
Industrial	(\$0.01)	(\$0.13)	(\$0.15)	\$0.00
Commercial	(\$0.01)	(\$0.13)	(\$0.15)	\$0.00
Office / Other Services	(\$0.01)	(\$0.13)	(\$0.15)	\$0.00
Institutional	(\$0.01)	(\$0.13)	(\$0.15)	\$0.00
Lodging (per room)	(\$13)	(\$251)	(\$304)	\$0

PARKS AND RECREATIONAL FACILITIES IIP

ARS § 9-463.05 (T)(7)(g) defines the facilities and assets that can be included in the Parks and Recreational Facilities IIP:

“Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.”

The Parks and Recreational Facilities IIP includes components for land, improvements, and the cost of preparing the Parks and Recreational Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current level of service, is used to calculate the land and improvement components. A plan-based methodology is used for the development fee study.

Service Area

Sedona plans to provide a uniform level of service and equal access to parks and recreational facilities within the city limits. The parks and recreation programs are structured and provided to make full use of Sedona’s total inventory of facilities. As a result, the service area for the Parks and Recreational Facilities IIP is citywide.

Proportionate Share

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Parks and Recreational Facilities IIP and development fees will allocate the cost of public services between residential and nonresidential based on daytime population. Based on 2015 estimates from the U.S. Census Bureau’s OnTheMap web application applied to 2018 employment, 7,136 inflow commuters traveled to Sedona for work in 2018. The proportionate share is based on cumulative impact days per year with residents and visitors potentially impacting parks and recreational facilities 365 days per year. Inflow commuters potentially impact park and recreational facilities 250 days per year, assuming 5 workdays per week multiplied by 50 weeks per year. For parks and recreational facilities, residential development generates 78 percent of demand and nonresidential development generates the remaining 22 percent of demand.

Figure 8: Daytime Population

Development Type	Demand Unit	2018	Days per Week	Weeks per Year	Days per Year	Impact Days per Year	Proportionate Share
Residential	Peak Population	12,541	7	52	365	4,577,629	
Lodging	Lodging Population	5,053	7	52	365	1,844,172	
					Subtotal	6,421,801	78%
Nonresidential	Inflow Commuters ¹	7,136	5	50	250	1,783,910	22%
					Total	8,205,711	100%

1. 2018 total jobs multiplied by percentage of non-resident workers from OnTheMap, 2015.

ANALYSIS OF CAPACITY, USAGE, AND COSTS OF EXISTING PUBLIC SERVICES

ARS § 9-463.05(E)(1) requires:

“A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.”

ARS § 9-463.05(E)(2) requires:

“An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Park Land – Incremental Expansion

Sedona will use development fees to expand its inventory of park land. Shown below in Figure 9, Sedona’s existing parks include 141.49 acres of land. The new definition of necessary public services for parks and recreational facilities includes parks or facilities on real property up to 30 acres in area, or parks and facilities larger than 30 acres if the facilities provide a direct benefit to the development. One of Sedona’s parks, Posse Grounds Park, is larger than 30 acres. The LOS analysis includes more than 30 acres since Posse Grounds Park provides a direct benefit to all future development.

Figure 9: Existing Park Land

Description	Acres
Brewer Road Park	3.45
Jordan Historical Park	4.80
Jordan Ridge	28.00
Posse Grounds Park	78.63
Sedona Wetlands Preserve	12.20
Sugar Loaf	6.20
Sunset Park	8.21
Total	141.49

Existing Park Land Level of Service

To allocate the proportionate share of demand for park land to residential and nonresidential development, this analysis uses daytime population shown in Figure 8. Sedona’s existing LOS for residential development is approximately 0.0063 acres per person (141.49 acres X 78 percent residential share / 17,594 persons). For nonresidential development, the existing LOS is approximately 0.0033 acres per job (141.49 acres X 22 percent nonresidential share / 9,507 jobs). If Sedona maintained its current LOS, it would need to acquire 11.81 additional acres of park land over the next 10 years.

Level-of-Service Standards	
Existing Acres	141.49
Residential	
Proportionate Share	78%
2018 Parks Population	17,594
Acres per Person	0.0063
Nonresidential	
Proportionate Share	22%
2018 Employment	9,507
Acres per Job	0.0033

1. Parks and Recreation Department, City of Sedona

Planned Park Land Level of Service

As Sedona reaches buildout, fewer opportunities to acquire additional land for parks and recreational facilities exist. Since it is unlikely Sedona will acquire 11.81 acres of park land during this period, Sedona staff included four acres of park land in the IIP. This analysis allocates the four acres of planned park land to the 10-year increase in parks population and employment. Sedona’s planned LOS for future residential development is approximately 0.0020 acres per person (4.0 acres X 78 percent residential share / 1,586 additional persons). For future nonresidential development, the planned LOS is approximately 0.0016 acres per job (4.00 acres X 22 percent nonresidential share / 567 additional jobs). The planned levels of service represent a lower LOS than Sedona currently provides to existing development; therefore, future development’s share of planned park land is 100 percent.

Sedona’s current cost to acquire park land is \$151,000 per acre, and Sedona will pay \$604,000 to acquire the planned four acres of park land. The cost to acquire park land is \$297.14 per person (0.0020 acres per person X \$151,000 per acre) and \$234.36 per job (0.0016 acres per job X \$151,000 per acre).

Figure 10: Planned Level of Service

Cost Allocation Factors	
Acquisition Cost per Acre ¹	\$151,000

Level-of-Service Standards	
Planned Acres	4.00
Residential	
Proportionate Share	78%
10-Year Parks Population Increase	1,586
Acres per Person	0.0020
Cost per Person	\$297.14
Nonresidential	
Proportionate Share	22%
10-Year Employment Increase	567
Acres per Job	0.0016
Cost per Job	\$234.36

1. Parks and Recreation Department, City of Sedona

Park Improvements – Incremental

Sedona will use development fees to expand its inventory of park improvements. The current inventory of park improvements, shown below in Figure 11, includes 40 improvements with a total replacement cost of \$9.25 million—approximately \$231,238 per improvement.

Figure 11: Existing Park improvements

Description	Units	Unit Cost	Total Cost
Baseball / Softball Fields	2	\$825,000	\$1,650,000
Basketball Courts	2	\$120,000	\$240,000
Bike Park	1	\$280,000	\$280,000
Concession Buildings	1	\$165,000	\$165,000
Dog Park	1	\$277,000	\$277,000
Fitness Park	1	\$78,000	\$78,000
Parking Lot	10	\$140,000	\$1,400,000
Playgrounds	3	\$230,000	\$690,000
Restrooms	5	\$225,000	\$1,125,000
Shade Structure	5	\$26,000	\$130,000
Skate Parks	1	\$852,000	\$852,000
Soccer Field	1	\$530,000	\$530,000
Splash Pad	1	\$240,000	\$240,000
Teen Center	1	\$1,130,500	\$1,130,500
Tennis Courts	4	\$108,000	\$432,000
Volleyball Courts (sand)	1	\$30,000	\$30,000
Total	40	\$231,238	\$9,249,500

Park Improvements Level of Service

As previously discussed, daytime population is used to allocate the proportionate share of demand to residential and nonresidential development. Sedona’s existing LOS for residential development is 0.0018 improvements per person (40 improvements X 78 percent residential share / 17,594 persons). The nonresidential LOS is 0.0009 improvements per job (40 improvements X 22 percent nonresidential share / 9,507 jobs). The cost of park improvements is \$410.06 per person (0.0018 improvements per person X \$231,238 per improvement) and \$214.04 per job (0.0009 improvements per job X \$231,238 per improvement).

Figure 12: Existing Level of Service

Cost Allocation Factors	
Cost per Improvement	\$231,238

Level-of-Service (LOS) Standards	
Existing Improvements	40
Residential	
Proportionate Share	78%
2018 Parks Population	17,594
Improvements per Person	0.0018
Cost per Person	\$410.06
Nonresidential	
Proportionate Share	22%
2018 Employment	9,507
Improvements per Job	0.0009
Cost per Job	\$214.04

Development Fee Report – Plan-Based

The cost to prepare the Parks and Recreational Facilities IIP and development fees totals \$10,000, and Sedona plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of future development from the *Land Use Assumptions* document, the cost is \$9.93 per person and \$7.91 per job.

Figure 13: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Parks and Recreational	\$10,000	Residential	78%	Parks Population	17,594	18,380	786	\$9.93
		Nonresidential	22%	Jobs	9,507	9,785	278	\$7.91
Police	\$10,000	Residential	72%	Peak Population	12,541	12,927	386	\$18.68
		Nonresidential	28%	Vehicle Trips	34,462	35,475	1,014	\$2.76
Streets	\$17,000	Residential	100%	VMT	219,441	225,870	6,430	\$2.64
		Nonresidential						
Total	\$37,000							

PROJECTED DEMAND FOR SERVICES AND COSTS

ARS § 9-463.05(E)(5) requires:

“The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.”

As shown in the *Land Use Assumptions* document, Sedona’s parks population is expected to increase by an additional 1,586 persons and employment is expected to increase by 567 jobs over the next 10 years.

ARS § 9-463.05(E)(6) requires:

“The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.”

The projected service units (1,586 persons and 567 jobs) are multiplied by the existing levels of service for each IIP component. Future development will demand an additional 11.81 acres of land and 3.33 park improvements.

ARS § 9-463.05(E)(3) requires:

“A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

The 10-year demand for each IIP component is multiplied by the unit cost to determine the 10-year cost. For example, projected development requires 3.33 additional park improvements. This is multiplied by the cost per unit of \$231,238 for a total cost of approximately \$770,000.

Park Land

Figure 14 projects future development’s demand for park land based on Sedona’s current LOS. Based on a projected parks population increase of 1,586 persons, Sedona’s future residential development demands 9.95 additional acres of park land (1,586 additional persons X 0.0063 acres per person) over the next 10 years. Future nonresidential development demands 1.86 additional acres of park land (567 additional jobs X 0.0033 acres per job) over the next 10 years. In total, future development demands approximately 11.81 additional acres of park land over the next 10 years at a cost of approximately \$1.78 million.

Due to the scarcity of land within the city limits, Sedona plans to reduce its current park land level of service over the next 10 years. As shown in Figure 10, Sedona plans to acquire four acres of park land within the next 10 years at a cost of \$604,000 (\$151,000 per acre X 4.0 acres).

Figure 14: Projected Demand for Park Land

Type of Infrastructure	Level of Service	Demand Unit	Cost per Acre
Park Land	0.0063 Acres	per Person	\$151,000
	0.0033 Acres	per Job	

Demand for Park Land					
Year	Parks Population	Jobs	Residential	Nonresidential	Total Acres
2018	17,594	9,507	110.36	31.13	141.49
2019	17,750	9,562	111.34	31.31	142.65
2020	17,907	9,616	112.32	31.48	143.81
2021	18,064	9,672	113.31	31.67	144.98
2022	18,221	9,729	114.30	31.85	146.15
2023	18,380	9,785	115.29	32.04	147.33
2024	18,538	9,842	116.29	32.22	148.51
2025	18,698	9,900	117.29	32.41	149.70
2026	18,858	9,958	118.29	32.60	150.89
2027	19,018	10,015	119.30	32.79	152.09
2028	19,180	10,074	120.31	32.98	153.29
10-Yr Increase	1,586	567	9.95	1.86	11.81

Park Improvements

Sedona plans to maintain its current park improvements LOS over the next 10 years. Based on a projected parks population increase of 1,586 persons, Sedona’s future residential development demands 2.81 additional park improvements (1,586 additional persons X 0.0018 park improvements per person) over the next 10 years. Future nonresidential development demands 0.52 additional park improvements (567 additional jobs X 0.0009 park improvements per job) over the next 10 years. In total, future development demands approximately 3.33 additional park improvements over the next 10 years at a cost of \$771,716.

Figure 15: Projected Demand for Park Improvements

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Park Improvements	0.0018 Units	per Person	\$231,238
	0.0009 Units	per Job	

Demand for Park Improvements					
Year	Parks Population	Jobs	Residential	Nonresidential	Total Units
2018	17,594	9,507	31.20	8.80	40.00
2019	17,750	9,562	31.48	8.85	40.33
2020	17,907	9,616	31.75	8.90	40.66
2021	18,064	9,672	32.03	8.95	40.99
2022	18,221	9,729	32.31	9.01	41.32
2023	18,380	9,785	32.59	9.06	41.65
2024	18,538	9,842	32.87	9.11	41.99
2025	18,698	9,900	33.16	9.16	42.32
2026	18,858	9,958	33.44	9.22	42.66
2027	19,018	10,015	33.73	9.27	43.00
2028	19,180	10,074	34.01	9.32	43.33
10-Yr Increase	1,586	567	2.81	0.52	3.33

Growth-Related Expenditures	\$650,355	\$121,361	\$771,716
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PARKS AND RECREATIONAL FACILITIES IIP

Projects in the Sedona CIP that are eligible for Parks and Recreational Facilities development fees are listed in Figure 16. Sedona will acquire park land and make improvements at existing parks to accommodate future development over the next 10 years. These projects total \$4.4 million and a portion of this total can be funded with development fees.

Figure 16: Parks and Recreational Facilities IIP

Project	Total Cost	Other Funding	DIF Eligible
Park Land			
Four Acres	\$604,000	\$0	\$604,000
Park Improvements			
Posse Grounds Park Improvements	\$565,000	\$30,000	\$535,000
Improvements at Ranger Station	\$2,511,729	\$286,729	\$2,225,000
Toddler Pool	\$75,000	\$0	\$75,000
Bike Skills Park - Phase III	\$290,000	\$0	\$290,000
Dog Park Improvements	\$360,000	\$0	\$360,000
Total	\$4,405,729	\$316,729	\$4,089,000

PARKS AND RECREATIONAL FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for Parks and Recreational Facilities development fees, since costs generated by projected development exceed revenues generated by projected development and fee calculations exclude dedicated funding sources. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Parks and Recreational Facilities Development Fees

ARS § 9-463.05(E)(4) requires:

“A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.”

Infrastructure components and cost factors for Parks and Recreational Facilities are summarized in the upper portion of Figure 17. The cost per service unit for Parks and Recreational Facilities is \$717.13 per person and \$456.31 per job. Figure 17 displays the ratio of a service unit to various types of land uses for residential and nonresidential development.

Parks and Recreational Facilities development fees for residential development are assessed according to the number of persons per household. For example, a residential unit totaling 1,800 square feet will pay a fee of \$1,578. This fee is calculated using a cost per service unit of \$717.13 per person multiplied by a demand unit of 2.20 persons per household. Nonresidential development fees are calculated using jobs as the service unit. The fee of \$1.07 per square foot of commercial development is derived from a cost per service unit of \$456.31 per job multiplied by a demand unit of 2.34 jobs per 1,000 square feet, divided by 1,000 square feet.

Figure 17: Schedule of Parks and Recreational Facilities Development Fees

Fee Component	Cost per Person	Cost per Job
Park Land	\$297.14	\$234.36
Park Improvements	\$410.06	\$214.04
Development Fee Report	\$9.93	\$7.91
Total	\$717.13	\$456.31

Residential Development	Development Fees per Unit			
Square Feet	Persons per Household ¹	Proposed Fees	Current Fees	Increase / Decrease
700 or Less	1.00	\$717	\$3,236	(\$2,519)
701 to 1,200	1.40	\$1,004	\$3,236	(\$2,232)
1,201 to 1,700	1.90	\$1,363	\$3,236	(\$1,873)
1,701 to 2,200	2.20	\$1,578	\$3,627	(\$2,049)
2,201 to 2,700	2.40	\$1,721	\$3,627	(\$1,906)
2,701 to 3,200	2.60	\$1,865	\$3,627	(\$1,762)
3,201 to 3,700	2.80	\$2,008	\$3,627	(\$1,619)
3,701 to 4,200	3.00	\$2,151	\$3,627	(\$1,476)
4,201 to 4,700	3.10	\$2,223	\$3,627	(\$1,404)
4,701 or More	3.20	\$2,295	\$3,627	(\$1,332)

Nonresidential Development	Development Fees per Square Foot			
Development Type	Jobs per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Increase / Decrease
Industrial	1.63	\$0.74	\$0.00	\$0.74
Commercial	2.34	\$1.07	\$0.00	\$1.07
Office / Other Services	2.97	\$1.36	\$0.00	\$1.36
Institutional	0.93	\$0.42	\$0.00	\$0.42
Lodging (persons per room)	2.00	\$1,434	\$2,329	(\$895)

1. See Land Use Assumptions

PROJECTED PARKS AND RECREATIONAL FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains the forecast of revenues required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)). In accordance with state law, this report includes an IIP for Parks and Recreational Facilities needed to accommodate future development. Projected fee revenue shown in Figure 18 is based on the development projections in the *Land Use Assumptions* document and the updated development fees for Parks and Recreational Facilities. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase and development fee revenue will increase at a corresponding rate. If development occurs at a slower rate than is projected, the demand for infrastructure will also decrease, along with development fee revenue. Projected development fee revenue of \$1.39 million is approximately equal to the projected growth-related cost of parks and recreational facilities (\$1.39 million).

Figure 18: Projected Parks and Recreational Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Park Land	\$604,000	\$0	\$604,000
Park Improvements	\$771,716	\$0	\$771,716
Development Fee Report	\$10,000	\$0	\$10,000
Total	\$1,385,716	\$0	\$1,385,716

		Residential \$1,417 per unit	Industrial \$0.74 per sq. ft.	Commercial \$1.07 per sq. ft.	Office / Other \$1.36 per sq. ft.	Institutional \$0.42 per sq. ft.	Lodging \$1,434 per room
Year		Hsg Unit	KSF	KSF	KSF	KSF	Room
Base	2018	6,602	520	1,938	1,243	462	2,525
Year 1	2019	6,640	524	1,950	1,251	463	2,565
Year 2	2020	6,678	527	1,961	1,258	465	2,605
Year 3	2021	6,717	530	1,972	1,265	470	2,645
Year 4	2022	6,756	533	1,983	1,273	472	2,685
Year 5	2023	6,795	536	1,995	1,280	475	2,725
Year 6	2024	6,835	539	2,006	1,287	478	2,765
Year 7	2025	6,875	542	2,018	1,295	481	2,805
Year 8	2026	6,915	545	2,030	1,302	484	2,845
Year 9	2027	6,955	548	2,042	1,310	486	2,885
Year 10	2028	6,996	552	2,054	1,317	489	2,925
10-Year Increase		394	32	116	74	27	400
Projected Revenue		\$558,301	\$23,595	\$122,769	\$99,419	\$11,355	\$569,732

Projected Fee Revenue	\$1,385,170
Total Expenditures	\$1,385,716

POLICE FACILITIES IIP

ARS § 9-463.05 (T)(7)(f) defines the facilities and assets that can be included in the Police Facilities IIP:

“Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.”

The Police Facilities IIP includes components for facilities, vehicles, communications equipment, and the cost of preparing the Police Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current LOS, is used to calculate the components for facilities, vehicles, and communications equipment. A plan-based methodology is used for the related Development Fee Report.

Service Area

Sedona’s Police Department strives to provide a uniform response time citywide. As a result, the service area for the Police Facilities IIP is citywide.

Proportionate Share

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Police Facilities IIP and development fees are assessed on both residential and nonresidential development based on functional population shown in Figure 19. Based on 2015 functional population data, residential development accounts for approximately 72 percent of demand for police services and nonresidential development is responsible for the remaining 28 percent.

Figure 19: Functional Population

	Demand Units in 2015	Demand Hours/Day	Person Hours	Proportionate Share
Residential				
Peak Population	12,076			
Residents Not Working	8,603	20	172,056	
Employed Residents	3,473			
Employed in Service Area	1,320	14	18,480	
Employed outside Service Area	2,153	14	30,142	
	Residential Subtotal		220,678	72%
Nonresidential				
Non-working Residents	8,603	4	34,411	
Jobs in Service Area	5,292			
Residents Employed in Service Area	1,320	10	13,200	
Non-Resident Workers (inflow Commuters)	3,972	10	39,720	
	Nonresidential Subtotal		87,331	28%
		Total	308,009	100%

Source: U.S. Census Bureau, OnTheMap 6.1.1 Application, 2015.

ANALYSIS OF CAPACITY, USAGE, AND COSTS OF EXISTING PUBLIC SERVICES

ARS § 9-463.05(E)(1) requires:

“A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.”

ARS § 9-463.05(E)(2) requires:

“An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Facilities – Incremental Expansion

Sedona plans to use development fees to expand its current inventory of police facilities. Shown below in Figure 20, Sedona’s existing inventory includes 16,000 square feet of police facilities.

Figure 20: Existing Police Facilities

Description	Square Feet
Police Station	5,900
Parking Garage	9,600
Shooting Range	500
Total	16,000

Facilities Level of Service

Functional population provides the proportionate share of demand for police stations from residential and nonresidential development. Sedona’s existing LOS for residential development is 0.9186 square feet per person (16,000 square feet X 72 percent residential share / 12,541 persons). The nonresidential LOS is 0.1300 square feet per vehicle trip (16,000 square feet X 28 percent / 34,462 vehicle trips). Using cost estimates for the planned police station expansion, the cost per square foot is \$245 (\$270,000 / 1,100 square feet). The cost of police facilities is \$225.46 per person (0.9186 square feet per person X \$245 per square foot) and \$31.91 vehicle trip (0.1300 square feet per vehicle trip X \$245 per square foot).

Figure 21: Existing Level of Service

Cost Allocation Factors	
Police Station Expansion Cost	\$270,000
Additional Square Feet	1,100
Cost per Square Foot	\$245

Level-of-Service Standards	
Existing Square Feet	16,000
Residential	
Proportionate Share	72%
2018 Peak Population	12,541
Square Feet per Person	0.9186
Cost per Person	\$225.46
Nonresidential	
Proportionate Share	28%
2018 Vehicle Trips	34,462
Square Feet per Vehicle Trip	0.1300
Cost per Vehicle Trip	\$31.91

Vehicles – Incremental Expansion

Development fees will be used to expand Sedona’s inventory of police vehicles. Figure 22 lists the current vehicles used by Sedona’s Police Department – 28 units representing a replacement cost of approximately \$1.74 million.

Figure 22: Existing Police Vehicles

Description	Units	Unit Cost	Replacement Cost
Patrol Vehicles	25	\$65,000	\$1,625,000
Pickup Trucks	2	\$30,000	\$60,000
Motorcycle	1	\$56,000	\$56,000
Total	28	\$62,179	\$1,741,000

Vehicles Level of Service

Functional population is used to allocate the proportionate share of demand to residential and nonresidential development. Sedona’s existing LOS for residential development is 0.0016 units per person (28 units X 72 percent residential share / 12,541 persons). The nonresidential LOS is 0.0002 units per vehicle trip (28 units X 28 percent nonresidential share / 34,462 vehicle trips). The cost of police vehicles is \$99.95 per person (\$62,179 per unit X 0.0016 units per person) and \$14.15 per vehicle trip (\$62,179 per unit X 0.0002 units per vehicle trip).

Figure 23: Existing Level of Service

Cost Allocation Factors	
Replacement Cost	\$1,741,000
Cost per Unit	\$62,179

Level-of-Service Standards	
Existing Units	28
Residential	
Proportionate Share	72%
2018 Peak Population	12,541
Units per Person	0.0016
Cost per Person	\$99.95
Nonresidential	
Proportionate Share	28%
2018 Vehicle Trips	34,462
Units per Vehicle Trip	0.0002
Cost per Vehicle Trip	\$14.15

Communications Equipment – Incremental Expansion

Development fees will be used to expand Sedona’s inventory of communications equipment. Figure 24 lists the current communications equipment used by Sedona’s Police Department. Sedona currently has 46 units of communications equipment with a total replacement cost of \$2.16 million – \$47,022 per unit.

Figure 24: Existing Communications Equipment

Description	Units	Unit Cost	Replacement Cost
Radio Infrastructure	1	\$1,200,000	\$1,200,000
Radios - Handheld	40	\$2,500	\$100,000
Dispatch Center Equipment	1	\$50,000	\$50,000
Dispatch Work Station	2	\$20,000	\$40,000
New World Systems	1	\$550,000	\$550,000
Qwest / 911	1	\$223,000	\$223,000
Total	46	\$47,022	\$2,163,000

Communications Equipment Level of Service

Communications equipment costs are allocated according to functional population – 72 percent to residential development and 28 percent to nonresidential development. Sedona’s existing LOS for residential development is 0.0026 units per person (46 units X 72 percent residential share / 12,541 persons). The nonresidential level of service is 0.0004 units per vehicle trip (46 units X 28 percent nonresidential share / 34,462 vehicle trips). The cost of communications equipment is \$124.18 per person (\$47,022 per unit X 0.0026 units per person) and \$17.57 per vehicle trip (\$47,022 per unit X 0.0004 units per vehicle trip).

Figure 25: Existing Level of Service

Cost Allocation Factors	
Replacement Cost	\$2,163,000
Cost per Unit	\$47,022

Level-of-Service Standards	
Existing Units	46
Residential	
Proportionate Share	72%
2018 Peak Population	12,541
Units per Person	0.0026
Cost per Person	\$124.18
Nonresidential	
Proportionate Share	28%
2018 Vehicle Trips	34,462
Units per Vehicle Trip	0.0004
Cost per Vehicle Trip	\$17.57

Development Fee Report – Plan-Based

The cost to prepare the Police Facilities IIP and development fees totals \$10,000, and Sedona plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new residential and nonresidential development from the *Land Use Assumptions* document, the cost is \$18.68 per person and \$2.76 per vehicle trip.

Figure 26: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Parks and Recreational	\$10,000	Residential	78%	Parks Population	17,594	18,380	786	\$9.93
		Nonresidential	22%	Jobs	9,507	9,785	278	\$7.91
Police	\$10,000	Residential	72%	Peak Population	12,541	12,927	386	\$18.68
		Nonresidential	28%	Vehicle Trips	34,462	35,475	1,014	\$2.76
Streets	\$17,000	Residential	100%	VMT	219,441	225,870	6,430	\$2.64
		Nonresidential						
Total	\$37,000							

PROJECTED SERVICE UNITS AND PROJECTED DEMAND FOR SERVICES

ARS § 9-463.05(E)(5) requires:

“The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.”

As shown in the *Land Use Assumptions* document, Sedona expects an additional 785 persons and 2,059 nonresidential vehicle trips over the next 10 years.

ARS § 9-463.05(E)(6) requires:

“The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.”

The projected service units (785 persons and 2,059 nonresidential vehicle trips) are multiplied by the existing LOS for each IIP component. Future development will demand an additional 989 square feet of facilities, 1.7 vehicles, and 2.8 units of communications equipment.

ARS § 9-463.05(E)(3) requires:

“A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

The 10-year demand for each IIP component is multiplied by the unit cost to determine the 10-year cost. For example, projected development requires 989 additional square feet of police facilities. This is multiplied by the cost per square foot of \$245 for a total cost of approximately \$243,000.

Police Facilities

Over the next 10 years, Sedona’s population is projected to increase by 785 persons and nonresidential vehicle trips are projected to increase by 2,059 trips. Using the 2018 LOS standards shown at the top of Figure 27, future residential development generates demand for 721 additional square feet of police facilities (0.9186 square feet per person X 785 additional persons), and future nonresidential development generates demand for 268 additional square feet of police facilities (0.1300 square feet per vehicle trip X 2,059 additional vehicle trips). The 10-year demand for additional police facilities equals 989 square feet at a cost of approximately \$243,000. This is approximately 90 percent of the planned police station expansion (1,100 square feet and \$270,000).

Figure 27: Projected Demand for Police Facilities

Type of Infrastructure	Level of Service	Demand Unit	Cost per Square Foot
Facilities	0.9186 Square Feet	per Person	\$245
	0.1300 Square Feet	per Vehicle Trip	

Demand for Police Facilities					
Year	Peak Population	Vehicle Trips	Residential	Nonresidential	Total Square Feet
2018	12,541	34,462	11,520	4,480	16,000
2019	12,617	34,666	11,590	4,507	16,096
2020	12,694	34,858	11,660	4,532	16,192
2021	12,771	35,069	11,731	4,559	16,290
2022	12,849	35,265	11,802	4,584	16,387
2023	12,927	35,475	11,874	4,612	16,486
2024	13,006	35,673	11,946	4,638	16,584
2025	13,085	35,888	12,019	4,665	16,685
2026	13,165	36,099	12,093	4,693	16,786
2027	13,246	36,308	12,167	4,720	16,887
2028	13,327	36,520	12,241	4,748	16,989
10-Yr Increase	785	2,059	721	268	989

Growth-Related Expenditures	\$177,021	\$65,692	\$242,713
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Police Vehicles

Shown in Figure 28, population is projected to increase by 785 persons by 2028, and nonresidential vehicle trips will increase by 2,059 trips during the same period. Using the 2018 LOS standards shown in Figure 28, future residential development generates demand for approximately 1.3 additional units (0.0016 units per person X 785 additional persons), and future nonresidential development generates demand for approximately 0.5 additional units (0.0002 units per vehicle trip X 2,059 additional vehicle trips). The 10-year demand for additional police vehicles equals 1.7 units at a cost of approximately \$108,000.

Figure 28: Projected Demand for Police Vehicles

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Vehicles	0.0016 Units	per Person	\$62,179
	0.0002 Units	per Vehicle Trip	

Demand for Police Vehicles					
Year	Peak Population	Vehicle Trips	Residential	Nonresidential	Total Units
2018	12,541	34,462	20.2	7.8	28.0
2019	12,617	34,666	20.3	7.9	28.2
2020	12,694	34,858	20.4	7.9	28.3
2021	12,771	35,069	20.5	8.0	28.5
2022	12,849	35,265	20.7	8.0	28.7
2023	12,927	35,475	20.8	8.1	28.9
2024	13,006	35,673	20.9	8.1	29.0
2025	13,085	35,888	21.0	8.2	29.2
2026	13,165	36,099	21.2	8.2	29.4
2027	13,246	36,308	21.3	8.3	29.6
2028	13,327	36,520	21.4	8.3	29.7
10-Yr Increase	785	2,059	1.3	0.5	1.7

Growth-Related Expenditures	\$78,475	\$29,122	\$107,597
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Communications Equipment

As shown in Figure 29, population and nonresidential vehicle trips drive the need for communications equipment. Based on the development projections in the *Land Use Assumptions* document, Sedona will grow by 785 persons and nonresidential development will generate 2,059 additional vehicle trips over the next 10 years. Using the 2018 LOS standards shown below, future residential development generates demand for approximately 2.1 additional units (0.0026 units per person X 785 additional persons), and future nonresidential development generates demand for approximately 0.8 additional units (0.0004 units per vehicle trip X 2,059 additional vehicle trips). The 10-year, growth-related capital cost associated with these additional units of communications equipment is \$133,678.

Figure 29: Projected Demand for Communications Equipment

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Communications Equipment	0.0026 Units	per Person	\$47,022
	0.0004 Units	per Vehicle Trip	

Demand for Communications Equipment					
Year	Peak Population	Vehicle Trips	Residential	Nonresidential	Total Units
2018	12,541	34,462	33.1	12.9	46.0
2019	12,617	34,666	33.3	13.0	46.3
2020	12,694	34,858	33.5	13.0	46.6
2021	12,771	35,069	33.7	13.1	46.8
2022	12,849	35,265	33.9	13.2	47.1
2023	12,927	35,475	34.1	13.3	47.4
2024	13,006	35,673	34.3	13.3	47.7
2025	13,085	35,888	34.6	13.4	48.0
2026	13,165	36,099	34.8	13.5	48.3
2027	13,246	36,308	35.0	13.6	48.5
2028	13,327	36,520	35.2	13.6	48.8
10-Yr Increase	785	2,059	2.1	0.8	2.8

Growth-Related Expenditures	\$97,497	\$36,181	\$133,678
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POLICE FACILITIES IIP

Projects in the Sedona CIP that are eligible for Police Facilities development fees are listed in Figure 30. The police station will be expanded for the purpose of increasing capacity. The City will also purchase new vehicles to accommodate future development over the next 10 years. Additionally, the radio communications system will be expanded to accommodate future development. These projects total \$883,354 and a portion of this total can be funded with development fees.

Figure 30: Police Facilities IIP

Project	Total Cost	Other Funding	DIF Eligible
Police Facilities			
Police Station Expansion	\$270,000	\$0	\$270,000
Shooting Range Improvements	\$166,354	\$0	\$166,354
Police Vehicles			
Motorcycles	\$112,000	\$0	\$112,000
Communications Equipment			
Handheld Radios	\$75,000	\$64,300	\$10,700
In-Car Video System	\$260,000	\$224,138	\$35,862
Total	\$883,354	\$288,438	\$594,916

POLICE FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for Police Facilities Development Fees, since costs generated by projected development exceed revenues generated by projected development and fee calculations exclude dedicated funding sources. Appendix A contains the forecast of revenues required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Police Facilities Development Fees

ARS § 9-463.05(E)(4) requires:

“A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, and industrial.”

Figure 31 displays the ratio of a service unit to various types of land uses for residential and nonresidential development. Police Facilities development fees for residential development are assessed according to the number of persons per household. Nonresidential development fees are calculated using nonresidential vehicle trips as the service unit. The multipliers for each land use, which include average weekday vehicle trips ends per thousand square feet and a trip adjustment factor, are shown below. The cost per service unit for Police Facilities is \$468.27 per person and \$66.39 per vehicle trip.

Development fees for residential development are determined by the number of persons per household. For example, the fee of \$1,030 for a residential unit with 1,800 square feet is calculated using a cost per service unit of \$468.27 per person multiplied by the demand unit of 2.20 persons per household. Nonresidential development fees are stated per square foot of floor area unless otherwise noted. The fee of \$0.83 per square foot of commercial development is derived from a cost per service unit of \$66.39 per vehicle trip multiplied by a demand unit of 37.75 average weekday vehicle trip ends per 1,000 square feet, multiplied by a trip rate adjustment factor of 33 percent, divided by 1,000 square feet.

Figure 31: Schedule of Police Facilities Development Fees

Fee Component	Cost per Person	Cost per Vehicle Trip
Facilities	\$225.46	\$31.91
Vehicles	\$99.95	\$14.15
Communications Equipment	\$124.18	\$17.57
Development Fee Report	\$18.68	\$2.76
Total	\$468.27	\$66.39

Residential Development	Development Fees per Unit			
Square Feet	Persons per Household ¹	Proposed Fees	Current Fees	Increase / Decrease
700 or Less	1.00	\$468	\$466	\$2
701 to 1,200	1.40	\$656	\$466	\$190
1,201 to 1,700	1.90	\$890	\$466	\$424
1,701 to 2,200	2.20	\$1,030	\$511	\$519
2,201 to 2,700	2.40	\$1,124	\$511	\$613
2,701 to 3,200	2.60	\$1,218	\$511	\$707
3,201 to 3,700	2.80	\$1,311	\$511	\$800
3,701 to 4,200	3.00	\$1,405	\$511	\$894
4,201 to 4,700	3.10	\$1,452	\$511	\$941
4,701 or More	3.20	\$1,498	\$511	\$987

Nonresidential Development	Development Fees per Square Foot				
Development Type	Avg Wkdy Veh Trip Ends ¹	Trip Rate Adjustment	Proposed Fees	Current Fees	Increase / Decrease
Industrial	4.96	50%	\$0.16	\$0.16	\$0.00
Commercial	37.75	33%	\$0.83	\$0.63	\$0.20
Office / Other Services	9.74	50%	\$0.32	\$0.25	\$0.07
Institutional	19.52	33%	\$0.43	\$0.23	\$0.20
Lodging (per room)	8.36	50%	\$278	\$127	\$151

1. See Land Use Assumptions

PROJECTED POLICE FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains revenue forecasts required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)). Projected fee revenue shown in Figure 32 is based on the development projections in the *Land Use Assumptions* document and the updated Police Facilities development fees. If development occurs faster than projected, the demand for infrastructure will increase along with development fee revenue. If development occurs slower than projected, the demand for infrastructure will decrease and development fee revenue will decrease at a similar rate. Anticipated development fee revenue of approximately \$493,000 over the next ten years is approximately equal to the projected growth-related cost of police facilities (\$493,988).

Figure 32: Projected Revenue from Police Facilities Development Fees

Fee Component	Growth Share	Existing Share	Total
Facilities	\$242,713	\$0	\$242,713
Vehicles	\$107,597	\$0	\$107,597
Communications Equipment	\$133,678	\$0	\$133,678
Development Fee Report	\$10,000	\$0	\$10,000
Total	\$493,988	\$0	\$493,988

		Residential \$913 per unit	Industrial \$0.16 per sq. ft.	Commercial \$0.83 per sq. ft.	Office / Other \$0.32 per sq. ft.	Institutional \$0.43 per sq. ft.
Year		Hsg Unit	KSF	KSF	KSF	KSF
Base	2018	6,602	520	1,938	1,243	462
Year 1	2019	6,640	524	1,950	1,251	463
Year 2	2020	6,678	527	1,961	1,258	465
Year 3	2021	6,717	530	1,972	1,265	470
Year 4	2022	6,756	533	1,983	1,273	472
Year 5	2023	6,795	536	1,995	1,280	475
Year 6	2024	6,835	539	2,006	1,287	478
Year 7	2025	6,875	542	2,018	1,295	481
Year 8	2026	6,915	545	2,030	1,302	484
Year 9	2027	6,955	548	2,042	1,310	486
Year 10	2028	6,996	552	2,054	1,317	489
10-Year Increase		394	32	116	74	27
Projected Revenue		\$359,680	\$5,159	\$93,908	\$23,428	\$11,298

Projected Fee Revenue	\$493,473
Total Expenditures	\$493,988

STREET FACILITIES IIP

ARS § 9-463.05 (T)(7)(e) defines the facilities and assets that can be included in the Street Facilities IIP:

“Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.”

The Street Facilities IIP includes components for arterial street improvements, other street improvements, and the cost of professional services for preparing the Street Facilities IIP and related Development Fee Report. The plan-based methodology is used for other street improvements and the related Development Fee Report. The incremental expansion methodology is used for the arterial street improvements.

Service Area

Sedona’s arterial street network is designed to efficiently move traffic throughout the city; therefore, the service area for the Street Facilities IIP and Development Fees is citywide.

Proportionate Share

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to provide necessary public services to the development. Trip generation rates and trip adjustment factors are used to determine the proportionate impact of residential, commercial, office, and industrial land uses Sedona’s street network.

ANALYSIS OF CAPACITY, USAGE, AND COSTS OF EXISTING PUBLIC SERVICES

ARS § 9-463.05(E)(1) requires:

“A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.”

The existing public services included in the Street Facilities IIP are 27.43 lane miles of minor arterials and one city-owned improved intersection.

ARS § 9-463.05(E)(2) requires:

“An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

The daily lane capacity used in this analysis is 8,000, which is the minor arterial lane capacity standard for Gila County. A standard provided by Yavapai County or Coconino County is not available.

LEVEL OF SERVICE AND RATIO OF SERVICE UNIT TO LAND USE

Service Units

Sedona will use Vehicle Miles of Travel (VMT) as the service units for documenting existing LOS standards and allocating the costs of future improvements. Components used to determine the service units and input variables are discussed, including trip generation rates, adjustments for commuting patterns and pass-by trips, and trip length weighting factors.

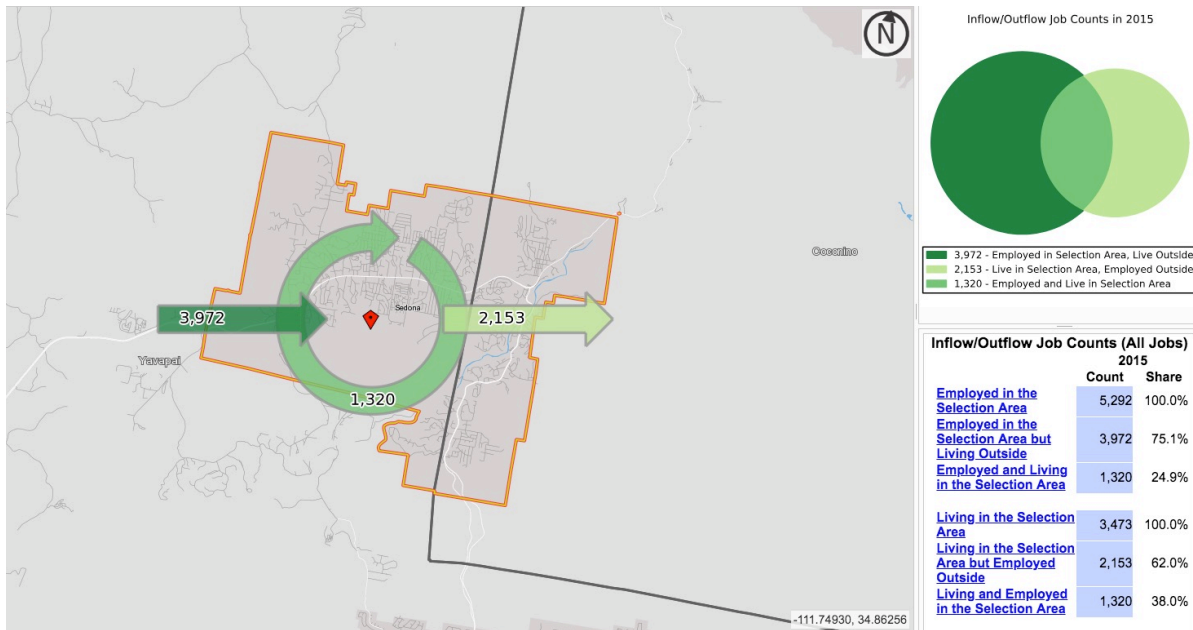
Trip Rate Adjustments

Sedona’s Street Facilities Development Fees use average weekday trip generation rates from the reference book *Trip Generation* published by the Institute of Transportation Engineers (ITE 2017). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate Street Facilities Development Fees, trip generation rates require an adjustment factor to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50 percent. As discussed further below, the development fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

Adjustment for Commuting Patterns

Residential development has a trip adjustment factor of 60 percent to account for commuters leaving Sedona for work. According to the 2009 National Household Travel Survey, weekday work trips are typically 31 percent of production trips (i.e., all out-bound trips, which are 50 percent of all trip ends). As shown in Figure 33, the Census Bureau’s web application OnTheMap indicates 62 percent of resident workers traveled outside Sedona for work in 2015. In combination, these factors ($0.31 \times 0.50 \times 0.62 = 0.10$) support the additional 10 percent allocation of trips to residential development.

Figure 33: Inflow / Outflow Analysis



Adjustment for Pass-By Trips

For commercial development, the trip adjustment factor is less than 50 percent because retail development attracts vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For the average shopping center, ITE data indicate 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66 percent multiplied by 50 percent, or approximately 33 percent of the trip ends.

Trip Length Weighting Factor by Type of Land Use

The Street Facilities Development Fees methodology includes a percentage adjustment, or weighting factor, to account for trip length variation by type of land use. As documented in Table 6 of the 2009 National Household Travel Survey, vehicle trips from residential development are approximately 121 percent of the average trip length. The residential trip length adjustment factor includes data on home-based work trips, social, and recreational purposes. Conversely, shopping trips associated with commercial development are roughly 66 percent of the average trip length while other nonresidential development typically accounts for trips that are 73 percent of the average for all trips.

PROJECTED SERVICE UNITS, DEMAND, AND COSTS FOR SERVICES

TischlerBise created an aggregate travel model to convert development units within Sedona to project vehicle trips and vehicle miles of travel. Figure 34 summarizes the input variables used in the aggregate travel demand model.

Figure 34: Input Variables for Travel Demand Model

Development Type	Development Unit	ITE Code	Weekday VTE	Trip Adj	Trip Length Wt Factor	Weekday VMT
Residential	HU		8.26	60%	121%	20.87
Industrial	KSF	110	4.96	50%	73%	6.30
Commercial	KSF	820	37.75	33%	66%	28.61
Office / Other Services	KSF	710	9.74	50%	73%	12.37
Institutional	KSF	520	19.52	33%	73%	16.36

Avg Trip Length (miles)	3.480
Vehicle Capacity Per Lane	8,000

ARS § 9-463.05(E)(5) requires:

“The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.”

Projected development in Sedona over the next 10 years, and the corresponding need for additional lane miles of arterial street improvements and other street improvements, are shown in Figure 35. Trip generation rates and trip adjustment factors convert projected development into average weekday vehicle trips and VMT. As shown in Figure 35, future development in Sedona will generate 13,100 additional VMT.

ARS § 9-463.05(E)(6) requires:

“The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.”

The travel demand model inputs are used to derive the current LOS in VMT and future needs of street improvements. A VMT is a measurement unit equal to one vehicle traveling one mile. In the aggregate, VMT is the product of vehicle trips multiplied by the average trip length. Based on estimates shown in Figure 35, existing infrastructure standards using the average trip length of 3.48 miles in Sedona are 1.25 lane miles per 10,000 VMT (27.43 arterial lane miles / (219,441 VMT / 10,000)).

As shown on the lower right side of Figure 35, future development generates an additional 13,100 VMT over the next 10 years. To maintain the existing infrastructure standards, Sedona needs 1.64 additional lane miles of arterials to accommodate projected development over the next 10 years (13,100 additional VMT / 10,000 X 1.25 lane miles per 10,000 VMT = 1.64 additional lane miles). The 10-year VMT increase is six percent.

Figure 35: Projected Travel Demand

Development Type	Development Unit	ITE Code	Weekday VTE	Trip Adj	Trip Length Wt Factor	Weekday VMT
Residential	HU		8.26	60%	121%	20.87
Industrial	KSF	110	4.96	50%	73%	6.30
Commercial	KSF	820	37.75	33%	66%	28.61
Office / Other Services	KSF	710	9.74	50%	73%	12.37
Institutional	KSF	520	19.52	33%	73%	16.36

Avg Trip Length (miles)	3.480
Vehicle Capacity Per Lane	8,000

		Base	1	2	3	4	5	10	10-Year Increase
		2018	2019	2020	2021	2022	2023	2028	
Development	Residential Units	6,602	6,640	6,678	6,717	6,756	6,795	6,996	394
	Industrial KSF	520	524	527	530	533	536	552	32
	Commercial KSF	1,938	1,950	1,961	1,972	1,983	1,995	2,054	116
	Office / Other Services KSF	1,243	1,251	1,258	1,265	1,273	1,280	1,317	74
	Institutional KSF	462	463	465	470	472	475	489	27
Avg Wkday Vehicle Trips	Residential Trips	32,720	32,908	33,096	33,289	33,483	33,676	34,672	1,953
	Residential Trips	32,720	32,908	33,096	33,289	33,483	33,676	34,672	1,953
	Industrial Trips	1,290	1,300	1,307	1,314	1,322	1,329	1,369	79
	Commercial Trips	24,143	24,292	24,429	24,566	24,703	24,853	25,588	1,445
	Office / Other Services Trips	6,053	6,092	6,126	6,161	6,200	6,234	6,414	360
	Institutional Trips	2,976	2,982	2,995	3,028	3,040	3,060	3,150	174
	Nonresidential Trips	34,462	34,666	34,858	35,069	35,265	35,475	36,520	2,059
Total Vehicle Trips	67,181	67,574	67,954	68,358	68,748	69,151	71,193	4,011	
VMT	Vehicle Miles of Travel (VMT)	219,441	220,717	221,963	223,279	224,559	225,870	232,541	13,100
	Annual Increase		1,277	1,246	1,316	1,279	1,312	1,360	
Demand	Arterial Lane Miles	27.43	27.59	27.75	27.91	28.07	28.23	29.07	1.64
	Annual Increase		0.16	0.16	0.16	0.16	0.16	0.17	0.16
	Improved Intersections	1.00	1.01	1.01	1.02	1.02	1.03	1.06	0.06
	Annual Increase		0.01	0.00	0.01	0.00	0.01	0.01	0.01
									6.0%

ARS § 9-463.05(E)(3) requires:

“A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Arterial Street Improvements – Incremental Expansion

Sedona’s current level of service for arterial street improvements is 1.25 lane miles per 10,000 VMT (27.43 lane miles of arterials / (219,441 VMT / 10,000)), and Sedona plans to maintain this level of service over the next 10 years. As shown in Figure 35, Sedona needs to construct 1.64 additional lane miles to maintain this standard over the next 10 years ((13,100 additional VMT / 10,000) X 1.25 lane miles per 10,000 VMT).

Shown below in Figure 36, Sedona’s staff identified potential arterial street improvements totaling 4.36 lane miles and a total cost of \$8,860,490. After deducting other funding sources from the total cost, the DIF eligible cost per lane mile is \$1,385,433 (\$6,040,490 / 4.36 lane miles). Sedona may use development fees to fund any 1.64 lane miles of the 4.36 lane miles of arterial street improvements included in Figure 36. The cost per VMT for arterial street improvements is \$173.44 (\$1,385,433 per lane mile X 1.64 additional lane miles / 13,100 additional VMT).

Figure 36: Planned Arterial Street Improvements

Arterial Street Improvements	New Lane Miles	Total Cost	Other Funding	DIF Eligible Cost
SIM-01 Uptown Roadway Improvements	0.50	\$2,582,090	\$0	\$2,582,090
SIM-05a Portal Lane to Ranger Road Connection	0.20	\$743,400	\$0	\$743,400
SIM-05b Forest Road Connection	0.66	\$1,322,200	\$800,000	\$522,200
SIM-06 Neighborhood Street Connections	3.00	\$4,212,800	\$2,020,000	\$2,192,800
Total	4.36	\$8,860,490	\$2,820,000	\$6,040,490

DIF-Eligible Cost	\$6,040,490
New Lane Miles	4.36
Cost per Lane Mile	\$1,385,433

10-Year Lane Mile Demand	1.64
Cost per Lane Mile	\$1,385,433
10-Year Lane Mile Cost	\$2,272,110
10-Year VMT Increase	13,100
Cost per VMT	\$173.44

Other Street Improvements – Plan-Based

Sedona plans to make improvements to the Ranger Road and Brewer Road intersection and to make improvements to its Travel Information System within the next 10 years. As shown in Figure 35, projected future development generates an additional 13,100 VMT over the next 10 years, and this represents a 10-year VMT increase of six percent. Shown below in Figure 37, the DIF eligible cost of the planned improvements is \$2,473,500. To ensure future development receives the same LOS as existing development, this analysis uses a growth share of six percent to allocate costs to future development. Existing development’s share of the planned projects equals 94 percent. Based on a growth cost of \$148,410 (\$2,473,300 DIF eligible cost X six percent growth share) and a 10-year increase of 13,100 VMT, the cost per VMT is \$11.33 (\$148,410 growth cost / 13,100 additional VMT).

Figure 37: Planned Other Street Improvements

Other Street Improvements		DIF Eligible Cost	Growth Share	Growth Cost
ST-03	Ranger Road / Brewer Road Intersection	\$1,565,000	6.0%	\$93,900
SIM-12	Travel Information System	\$908,500	6.0%	\$54,510
Total		\$2,473,500	6.0%	\$148,410

10-Year Growth Cost	\$148,410
10-Year VMT Increase	13,100
Cost per VMT	\$11.33

Development Fee Report – Plan-Based

The cost to prepare the Street Facilities IIP and related Development Fee Report totals \$17,000, and Sedona plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of future development from the *Land Use Assumptions* document, the cost per VMT is \$2.64.

Figure 38: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Parks and Recreational	\$10,000	Residential	78%	Parks Population	17,594	18,380	786	\$9.93
		Nonresidential	22%	Jobs	9,507	9,785	278	\$7.91
Police	\$10,000	Residential	72%	Peak Population	12,541	12,927	386	\$18.68
		Nonresidential	28%	Vehicle Trips	34,462	35,475	1,014	\$2.76
Streets	\$17,000	Residential	100%	VMT	219,441	225,870	6,430	\$2.64
		Nonresidential						
Total	\$37,000							

STREET FACILITIES IIP

Projects in the Sedona CIP that are eligible for Street Facilities development fees are listed in Figure 39. Sedona will make street improvements to accommodate future development over the next 10 years. These projects have a DIF eligible total of \$8.5 million and a portion of this total can be funded with development fees.

Figure 39: Street Facilities IIP

Project	Total Cost	Other Funding	DIF Eligible
Uptown Roadway Improvements	\$2,582,090	\$0	\$2,582,090
Portal Lane to Ranger Road Connection	\$743,400	\$0	\$743,400
Forest Road Connection	\$1,322,200	\$800,000	\$522,200
Neighborhood Street Connections	\$4,212,800	\$2,020,000	\$2,192,800
Ranger Road / Brewer Road Intersection	\$1,565,000	\$0	\$1,565,000
Travel Information System	\$908,500	\$0	\$908,500
Total	\$11,333,990	\$2,820,000	\$8,513,990

STREET FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for the Street Facilities development fees, since costs generated by projected development exceed revenues generated by projected development and fee calculations exclude dedicated funding sources. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Street Facilities Development Fees

ARS § 9-463.05(E)(4) requires:

“A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.”

Infrastructure standards and cost factors for Street Facilities are summarized in the upper portion of Figure 40. The cost per service unit is \$187.41 per VMT.

Street Facilities development fees for residential development are assessed per housing unit. The fee of \$4,134 for a residential unit with 1,800 square feet is calculated using a cost per service unit of \$187.41 per VMT multiplied by 8.73 average weekday vehicle trip ends, multiplied by a 60-percent trip adjustment factor, multiplied by 3.48 miles per trip, multiplied by a 121-percent trip length adjustment.

Nonresidential development fees are stated per square foot of floor area unless otherwise noted. The fee of \$5.36 per square foot of commercial development is derived from a cost per service unit of \$187.41 per VMT multiplied by 37.75 average weekday vehicle trip ends, multiplied by a 33-percent trip adjustment factor, multiplied by 3.48 miles per trip, multiplied by a 66-percent trip length adjustment, divided by 1,000 square feet.

Figure 40: Schedule of Street Facilities Development Fees

Fee Component	Cost per VMT
Arterial Street Improvements	\$173.44
Other Street Improvements	\$11.33
Development Fee Report	\$2.64
Total	\$187.41

Average Trip Length (miles)	3.48
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Residential Development	Development Fees per Unit					
Square Feet	Avg Wkdy Vehicle Trip Ends ¹	Trip Rate Adjustment	Trip Length Weight Factor	Proposed Fees	Current Fees	Increase / Decrease
700 or Less	4.41	60%	121%	\$2,088	\$954	\$1,134
701 to 1,200	5.98	60%	121%	\$2,831	\$954	\$1,877
1,201 to 1,700	7.56	60%	121%	\$3,580	\$954	\$2,626
1,701 to 2,200	8.73	60%	121%	\$4,134	\$1,216	\$2,918
2,201 to 2,700	9.66	60%	121%	\$4,574	\$1,216	\$3,358
2,701 to 3,200	10.44	60%	121%	\$4,943	\$1,216	\$3,727
3,201 to 3,700	11.10	60%	121%	\$5,256	\$1,216	\$4,040
3,701 to 4,200	11.67	60%	121%	\$5,526	\$1,216	\$4,310
4,201 to 4,700	12.18	60%	121%	\$5,767	\$1,216	\$4,551
4,701 or More	12.64	60%	121%	\$5,985	\$1,216	\$4,769

Nonresidential Development	Development Fees per Square Foot					
Development Type	Avg Wkdy Vehicle Trip Ends ¹	Trip Rate Adjustment	Trip Length Weight Factor	Proposed Fees	Current Fees	Increase / Decrease
Industrial	4.96	50%	73%	\$1.18	\$0.72	\$0.46
Commercial	37.75	33%	66%	\$5.36	\$2.66	\$2.70
Office / Other Services	9.74	50%	73%	\$2.32	\$1.15	\$1.17
Institutional	19.52	33%	73%	\$3.07	\$1.06	\$2.01
Lodging (per room)	8.36	50%	73%	\$1,990	\$580	\$1,410

1. See Land Use Assumptions

PROJECTED STREET FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains the forecast of revenues required by Arizona’s Enabling Legislation (ARS §9-463.05(E)(7)).

Projected Street Facilities Development Fee Revenue

Projected fee revenue shown in Figure 41 is based on the development projections in the *Land Use Assumptions* document and the updated Street Facilities development fees. If development occurs at a faster rate than projected, the demand for infrastructure will increase along with development fee revenue. If development occurs at a slower rate than projected, the demand for infrastructure will decrease and development fee revenue will decrease at a similar rate. Anticipated development fee revenue of approximately \$2.44 million over the next ten years is approximately equal to the projected growth-related cost of street facilities (\$2.44 million). Existing development’s share of planned improvements must be funded with other sources of revenue.

Figure 41: Projected Street Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Arterial Street Improvements	\$2,272,110	\$0	\$2,272,110
Other Street Improvements	\$148,410	\$2,325,090	\$2,473,500
Development Fee Report	\$17,000	\$0	\$17,000
Total	\$2,437,520	\$2,325,090	\$4,762,610

		Residential \$3,911 per unit	Industrial \$1.18 per sq. ft.	Commercial \$5.36 per sq. ft.	Office / Other \$2.32 per sq. ft.	Institutional \$3.07 per sq. ft.
Year		Hsg Unit	KSF	KSF	KSF	KSF
Base	2018	6,602	520	1,938	1,243	462
Year 1	2019	6,640	524	1,950	1,251	463
Year 2	2020	6,678	527	1,961	1,258	465
Year 3	2021	6,717	530	1,972	1,265	470
Year 4	2022	6,756	533	1,983	1,273	472
Year 5	2023	6,795	536	1,995	1,280	475
Year 6	2024	6,835	539	2,006	1,287	478
Year 7	2025	6,875	542	2,018	1,295	481
Year 8	2026	6,915	545	2,030	1,302	484
Year 9	2027	6,955	548	2,042	1,310	486
Year 10	2028	6,996	552	2,054	1,317	489
10-Year Increase		394	32	116	74	27
Projected Revenue		\$1,529,853	\$37,517	\$617,560	\$170,366	\$82,199

Projected Fee Revenue	\$2,437,495
Total Expenditures	\$4,762,610
Existing Development Share	\$2,325,115

APPENDIX A: FORECAST OF REVENUES OTHER THAN FEES

ARS § 9-463.05(E)(7) requires:

“A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved Land Use Assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.”

Sedona’s Financial Services Department projected revenues based on recent trends, characteristics of future development, and Sedona’s current revenue structure and rates (Fiscal Year 2018). The 10-year forecast of revenues is shown in Figure A1 and includes projected revenues generated by existing and future development.

Figure A1: Projected Revenue (Cumulative)

General Fund Revenues	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
City Sales Tax (General)	\$17,175,600	\$17,861,600	\$17,257,700	\$16,384,800	\$17,230,300	\$18,183,300
City Sales Tax (Transportation)	\$1,097,700	\$2,976,900	\$2,876,283	\$2,730,800	\$2,871,717	\$3,030,550
Recovery Of Sales Taxes -Audit	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Bed Tax	\$4,298,500	\$4,446,000	\$4,281,900	\$4,079,200	\$4,343,900	\$4,591,300
In-Lieu Fees - Summit	\$456,100	\$456,100	\$442,400	\$442,400	\$449,000	\$455,700
Franchise Fees	\$797,200	\$771,800	\$748,700	\$748,700	\$760,000	\$771,400
State Sales Tax	\$989,400	\$996,500	\$881,900	\$867,500	\$887,500	\$894,900
Urban State Revenue Sharing	\$1,287,800	\$1,297,000	\$1,147,900	\$1,129,200	\$1,155,200	\$1,164,800
Vehicle License Tax - Coconino	\$131,500	\$133,500	\$129,500	\$129,500	\$131,400	\$133,400
Vehicle License Tax - Yavapai	\$501,600	\$509,100	\$493,800	\$493,800	\$501,200	\$508,700
HURF Revenue	\$919,400	\$933,200	\$905,200	\$905,200	\$918,800	\$932,600
Total	\$27,744,800	\$30,471,700	\$29,255,283	\$28,001,100	\$29,339,017	\$30,756,650

General Fund Revenues	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
City Sales Tax (General)	\$18,607,000	\$19,040,400	\$19,483,700	\$19,937,100	\$20,400,900
City Sales Tax (Transportation)	\$3,101,167	\$3,173,400	\$3,247,283	\$3,322,850	\$3,400,150
Recovery Of Sales Taxes -Audit	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Bed Tax	\$4,683,100	\$4,776,800	\$4,872,300	\$4,969,700	\$5,069,100
In-Lieu Fees - Summit	\$462,500	\$469,400	\$476,400	\$483,500	\$490,800
Franchise Fees	\$783,000	\$794,700	\$806,600	\$818,800	\$831,000
State Sales Tax	\$902,500	\$910,300	\$918,500	\$926,900	\$935,500
Urban State Revenue Sharing	\$1,174,700	\$1,184,900	\$1,195,500	\$1,206,400	\$1,217,600
Vehicle License Tax - Coconino	\$135,400	\$137,400	\$139,500	\$141,600	\$143,700
Vehicle License Tax - Yavapai	\$516,300	\$524,000	\$531,900	\$539,900	\$548,000
HURF Revenue	\$946,600	\$960,800	\$975,200	\$989,800	\$1,004,600
Total	\$31,402,267	\$32,062,100	\$32,736,883	\$33,426,550	\$34,131,350

Source: Financial Services Department, City of Sedona, Arizona.

Using the revenue projections provided by Sedona’s Financial Services Department, Figure A2 projects the annual change in non-development fee revenue compared to the 2018 base year. As Sedona approaches buildout, state shared revenues distributed based on population are expected to decrease due to Sedona’s slower population growth compared to other Arizona cities. Other revenues, including sales tax and bed tax, are projected to increase based on future development. These funds are available for capital investments; however, Sedona directs these revenues to non-development fee eligible capital needs including maintenance, repair, and replacement. Although the projected revenues represent an increase, these revenues will be offset by an increase in operating, maintenance, and replacement capital costs, so they will not be available to fund capital projects to accommodate new growth.

Figure A2: Projected Revenue (Difference from Base Year)

General Fund Revenues	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
City Sales Tax (General)	\$686,000	\$82,100	(\$790,800)	\$54,700	\$1,007,700
City Sales Tax (Transportation)	\$1,879,200	\$1,778,583	\$1,633,100	\$1,774,017	\$1,932,850
Recovery Of Sales Taxes -Audit	\$0	\$0	\$0	\$0	\$0
Bed Tax	\$147,500	(\$16,600)	(\$219,300)	\$45,400	\$292,800
In-Lieu Fees - Summit	\$0	(\$13,700)	(\$13,700)	(\$7,100)	(\$400)
Franchise Fees	(\$25,400)	(\$48,500)	(\$48,500)	(\$37,200)	(\$25,800)
State Sales Tax	\$7,100	(\$107,500)	(\$121,900)	(\$101,900)	(\$94,500)
Urban State Revenue Sharing	\$9,200	(\$139,900)	(\$158,600)	(\$132,600)	(\$123,000)
Vehicle License Tax - Coconino	\$2,000	(\$2,000)	(\$2,000)	(\$100)	\$1,900
Vehicle License Tax - Yavapai	\$7,500	(\$7,800)	(\$7,800)	(\$400)	\$7,100
HURF Revenue	\$13,800	(\$14,200)	(\$14,200)	(\$600)	\$13,200
Total	\$2,726,900	\$1,510,483	\$256,300	\$1,594,217	\$3,011,850

General Fund Revenues	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10-Yr Change
City Sales Tax (General)	\$1,431,400	\$1,864,800	\$2,308,100	\$2,761,500	\$3,225,300	\$12,630,800
City Sales Tax (Transportation)	\$2,003,467	\$2,075,700	\$2,149,583	\$2,225,150	\$2,302,450	\$19,754,100
Recovery Of Sales Taxes -Audit	\$0	\$0	\$0	\$0	\$0	\$0
Bed Tax	\$384,600	\$478,300	\$573,800	\$671,200	\$770,600	\$3,128,300
In-Lieu Fees - Summit	\$6,400	\$13,300	\$20,300	\$27,400	\$34,700	\$67,200
Franchise Fees	(\$14,200)	(\$2,500)	\$9,400	\$21,600	\$33,800	(\$137,300)
State Sales Tax	(\$86,900)	(\$79,100)	(\$70,900)	(\$62,500)	(\$53,900)	(\$772,000)
Urban State Revenue Sharing	(\$113,100)	(\$102,900)	(\$92,300)	(\$81,400)	(\$70,200)	(\$1,004,800)
Vehicle License Tax - Coconino	\$3,900	\$5,900	\$8,000	\$10,100	\$12,200	\$39,900
Vehicle License Tax - Yavapai	\$14,700	\$22,400	\$30,300	\$38,300	\$46,400	\$150,700
HURF Revenue	\$27,200	\$41,400	\$55,800	\$70,400	\$85,200	\$278,000
Total	\$3,657,467	\$4,317,300	\$4,992,083	\$5,681,750	\$6,386,550	\$34,134,900

Sedona does not have a higher than normal construction excise tax rate, so the offset required by the Enabling Legislation is not applicable. Only revenue generated by future development that is dedicated to growth-related capital improvements needs to be considered in determining the extent of the burden imposed by future development. Offsets against development fees are warranted in the following cases: (1) future development will be paying taxes or fees used to retire debt on existing facilities serving existing development; (2) future development will be paying taxes or fees used to fund an existing deficiency; or (3) future development will be paying taxes or fees that are dedicated for growth-related improvements. The analysis provided in the individual sections of this report identified no need for offsets against the proposed development fees.

APPENDIX B: PROFESSIONAL SERVICES

As stated in ARS § 9-463.05(A):

“a municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvements plan.”

Because development fees must be updated at least every five years, the cost of professional services is allocated to the projected increase in service units over five years (see Figure B1). Qualified professionals must develop the IIP, using generally accepted engineering and planning practices.

As stated in ARS § 9-463.05(T)(8):

“Qualified Professional means a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person's license, education or experience.”

Figure B1: Cost of Professional Services

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Parks and Recreational	\$10,000	Residential	78%	Parks Population	17,594	18,380	786	\$9.93
		Nonresidential	22%	Jobs	9,507	9,785	278	\$7.91
Police	\$10,000	Residential	72%	Peak Population	12,541	12,927	386	\$18.68
		Nonresidential	28%	Vehicle Trips	34,462	35,475	1,014	\$2.76
Streets	\$17,000	Residential	100%	VMT	219,441	225,870	6,430	\$2.64
		Nonresidential						
Total	\$37,000							

APPENDIX C: IMPLEMENTATION AND ADMINISTRATION

As specified in ARS § 9-463.05, there are certain accounting requirements that must be met by the City:

“Monies received from development fees assessed pursuant to this section shall be placed in a separate fund and accounted for separately and may only be used for the purposes authorized by this section. Monies received from a development fee identified in an infrastructure improvements plan adopted or updated pursuant to subsection D of this section shall be used to provide the same category of necessary public services or facility expansions for which the development fee was assessed and for the benefit of the same service area, as defined in the infrastructure improvements plan, in which the development fee was assessed. Interest earned on monies in the separate fund shall be credited to the fund.”

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 City should update the fee calculations.

RESIDENTIAL DEVELOPMENT

As discussed below, residential development categories are based on data from the U.S. Census Bureau, American Community Survey. Sedona will collect development fees from all new residential units, including mobile homes and Recreational Vehicles (RV). For a parcel intended for occupancy by multiple mobile homes and/or RVs, the landowner will pay a development fee for each site than can accommodate a residential unit. One-time development fees are determined by site capacity (i.e. number of residential units) and will not be imposed on replacement units.

Single Unit: includes Single-Family and Mobile Home

Single-Family: includes fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses. In the case of attached units, each must be separated from the adjacent unit by a ground-to-roof wall in order to be classified as a single-family structure. Also, these units must not share heating/air-conditioning systems or utilities.

Mobile Home: includes both occupied and vacant mobile homes, to which no permanent rooms have been added. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

2+ Unit: includes Multi-Family and All Other Types

Multi-Family: includes residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.).

All Other Types: includes boats, RVs, vans, etc., occupied as a housing unit or units that do not fit into the other categories. Recreational vehicles, boats, vans, railroad cars, and the like are included only if they are occupied as a current place of residence.

NONRESIDENTIAL DEVELOPMENT

The proposed general nonresidential development categories (defined below) can be used for all new development. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates and employment densities (i.e., jobs per thousand square feet of floor area).

Commercial: Establishments primarily selling merchandise, eating/drinking places, and entertainment uses. By way of example, *Commercial* includes shopping centers, supermarkets, pharmacies, restaurants, bars, nightclubs, automobile dealerships, and movie theaters.

Industrial: includes Light Industrial, Warehousing, and Manufacturing

Light Industrial: A light industrial facility is a free-standing facility devoted to a single use. The facility has an emphasis on activities other than manufacturing and typically has minimal office space. Typical light industrial activities include printing, material testing, and assembly of data processing equipment.

Warehousing: A warehouse is primarily devoted to the storage of materials, but it may also include office and maintenance areas.

Manufacturing: A manufacturing facility is an area where the primary activity is the conversion of raw materials or parts into finished products. Size and type of activity may vary substantially from one facility to another. In addition to the actual production of goods, manufacturing facilities generally also have office, warehouse, research, and associated functions.

Institutional: Public and quasi-public buildings providing educational, social assistance, or religious services. By way of example, *Institutional* includes facilities such as schools, universities, churches, daycare facilities, and government buildings.

Lodging: A place of lodging that provides sleeping accommodations and supporting facilities such as restaurants, cocktail lounges, meeting and banquet rooms or convention facilities, limited recreational facilities (pool, fitness room), and/or other retail and service shops.

Office / Other Services: Establishments providing management, administrative, professional, or business services, and personal and health care services. By way of example, *Office / Other Services* includes banks, business offices, hospitals, medical offices, and veterinarian clinics.



**CITY COUNCIL
AGENDA BILL**

**AB 2485
May 14, 2019
Regular Business**

Agenda Item: 8b
Proposed Action & Subject: Discussion/possible direction regarding the policy approach in the preparation of updates to the current fee schedule for Community Development applications.

Department	Community Development
Time to Present	20 minutes
Total Time for Item	90 minutes
Other Council Meetings	N/A
Exhibits	A. Development Fee Matrix B. Benchmark Fee Comparisons C. Redline of Existing Fee Schedule/Proposed Changes

City Attorney Approval	Reviewed 5/6/19 RLP	Expenditure Required	
			\$ 0
City Manager's Recommendation	Discuss and give direction on revised fees for Community Development applications.	Amount Budgeted	
			\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: The established fee schedule for the review processes associated with Community Development applications is intended to cover the costs and expenses associated with examining, processing, conducting field inspections, publishing legal notices, and meeting with developer and builder applicants. These fees were last updated in August 2003.

In 2018, the Assistant Director of Community Development embarked upon an effort to update these fees. The City's Finance Department provided support in conducting a cost of service study to quantify the staff hours and costs associated with each application/review. Average time spent on various applications/processes was identified and associated personnel costs were calculated based on a percentage (typically 80%) of the maximum hourly rate from the FY19 salary schedule plus the average fringe benefit rate for each position involved. Program-specific overhead costs were calculated based on the percentage of the FY19 program-specific supplies and services budget to the FY19 program-specific personnel budget and applied the percentage to the total personnel costs identified above. Indirect costs related to the citywide central services departments were calculated based on

the percentage of the FY19 program-specific internal charges budget to the FY19 program-specific personnel budget and applied to the total personnel costs identified above.

A benchmark study was also completed to assess what other communities are charging for the various types of applications/reviews. The benchmark data is included as Exhibit B.

Exhibit A includes a matrix of application/review type, actual cost of service, current fee for service, percent of cost recovery based on current fees, what the fees would be if simply adjusted for inflation (2003 to 2019), percent of cost recovery based on that that fee, proposed fee for service, and percent of cost recovery based on the proposed fees.

Staff is seeking policy guidance from the City Council regarding the appropriate levels of cost-recovery and fee adjustments moving forward. Once Council identifies the desired cost-recovery thresholds for the various fee categories, a schedule of proposed fees will be publicly posted for a minimum of 60 days in accordance with state statute and brought back to City Council for final adoption.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for discussion and possible direction only.

Application Type	Actual Cost	Current Fee (2003)	Recovery Current Fee	Adjusted for Inflation (37.2%)	Recovery Inflation Fee	Proposed Fee	Recovery Proposed Fee
Major CPA	\$ 17,364.00	\$ 1,800.00	10%	\$ 2,469.60	14%	\$ 5,000.00	29%
Minor CPA	n/a	\$ 1,800.00	n/a	\$ 2,469.60	n/a	\$ 3,500.00	n/a
ZC - Commercial	\$ 6,676.00	\$ 2,200.00	33%	\$ 3,018.40	45%	\$ 5,000.00	75%
ZC - Residential	\$ 6,676.00	\$ 2,200.00	33%	\$ 3,018.40	45%	\$ 3,500.00	52%
Subdivision	\$ 7,849.00	\$ 3,300.00	42%	\$ 4,527.60	58%	\$ 4,000.00	51%
Minor Plat Amend (3- lots)	\$ 2,432.00	\$ 150.00	6%	\$ 205.80	8%	\$ 500.00	21%
Minor Plat Amend (4+ lots)	\$ 2,432.00	\$ 150.00	6%	\$ 205.80	8%	\$ 1,500.00	62%
Land Divison Permit	\$ 480.00	\$ 50.00	10%	\$ 68.60	14%	\$ 300.00	63%
Land Combination Permit	\$ 350.00	\$ 50.00	14%	\$ 68.60	20%	\$ 200.00	57%
Development Review	\$ 7,330.00	\$ 1,500.00	20%	\$ 2,058.00	28%	\$ 2,500.00	34%
Conditional Use Permit	\$ 2,999.00	\$ 1,500.00	50%	\$ 2,058.00	69%	\$ 2,000.00	67%
CUP Minor (Time Extension, Renewal)	\$ 1,500.00	n/a	n/a	n/a	n/a	\$ 1,000.00	67%
Development Agreement New	\$ 3,000.00	\$ 3,000.00	100%	\$ 4,116.00	137%	\$ 3,000.00	100%
Development Agreement Amendment	\$ 1,500.00	\$ 3,000.00	200%	\$ 4,116.00	274%	\$ 1,500.00	100%
Conceptual Review	\$ 2,942.00	n/a	n/a	n/a	n/a	\$ 1,500.00	51%
Time Extension	50% base fee	n/a	n/a	n/a	n/a	50% base fee	
Additional Public Hearing Notice	\$ 500.00	\$ 300.00	60%	\$ 411.60	82%	\$ 500.00	100%
Additonal Public Hearing No Notice	\$ 400.00	\$ 250.00	63%	\$ 343.00	86%	\$ 400.00	100%
Variance - Commercial	\$ 2,714.00	\$ 780.00	29%	\$ 1,070.16	39%	\$ 2,500.00	92%
Variance - Residential	\$ 2,714.00	\$ 780.00	29%	\$ 1,070.16	39%	\$ 850.00	31%
Minor Modification	\$ 885.00	\$ 150.00	17%	\$ 205.80	23%	\$ 400.00	45%
Temporary Use Permit - General & Film	\$ 109.00	\$ 50.00	46%	\$ 68.60	63%	\$ 100.00	92%
TUP - Organized Outdoor Community Event	\$ 575.00	\$ 400.00	70%	\$ 548.80	95%	\$ 400.00	70%
Temporary Sound Control Permit	\$ 109.00	\$ 50.00	46%	\$ 68.60	63%	\$ 100.00	92%
Sign - Permanent	\$ 157.00	\$ 75.00	48%	\$ 102.90	66%	\$ 150.00	96%
Temporary Sign Permit	\$ 30.00	\$ 25.00	83%	\$ 34.30	114%	\$ 30.00	100%
Master Sign Program - Admin Review	\$ 476.00	n/a	n/a	n/a	n/a	\$ 100.00	21%
Master Sign Program - Commission Review	\$ 874.00	\$ 450.00	51%	\$ 617.40	71%	\$ 450.00	51%
Appeal - Director Determination to BOA	\$ 2,266.00	\$ 150.00	7%	\$ 205.80	9%	\$ 150.00	7%
Appeal - P&Z to Council	\$ 2,266.00	\$ 150.00	7%	\$ 205.80	9%	\$ 750.00	33%
Certificate of Appropriateness	\$ 1,384.00	\$ 75.00	5%	\$ 102.90	7%	no fee	0%
Certificate of No Effect	\$ 428.00	\$ 75.00	18%	\$ 102.90	24%	no fee	0%
Road Abandonment	\$ 2,000.00	\$ 300.00	15%	\$ 411.60	21%	\$ 1,000.00	50%
Written Interpretation of Code	\$ 368.00	\$ 100.00	27%	\$ 137.20	37%	\$ 350.00	95%
Zoning Verification Letter	\$ 268.00	\$ 100.00	37%	\$ 137.20	51%	\$ 250.00	93%
Chicken-Bee Permit	\$ 109.00	n/a	n/a	n/a	n/a	\$ 50.00	46%

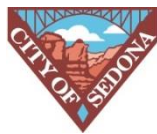
Application type

Community	Administrative Applications				Board of Adjustment				Conditional Use		Development Review		
	Permanent Signs	Temporary Signs	Temporary Use Permits	Zoning Verification	Appeal	Residential Variance	Commercial Variance	Administrative Waiver	Major CUP	Minor CUP	Major Subdivision	Lot Split /Combo	New Construction
Sedona	100	25	50	100 per lot	150	780	780	150	1500		3300 +50 per lot	50	1500
Camp Verde	~50				500	500	800		1800		3900+10 per lot	200	
Cottonwood	~40		150	60	90/350	90	350		350	90	1750+20 per lot	50	
Yavapai	180	145		50	1040		530	530			1930+20 per lot		
Coconino	72		72		432		576	72	864	864	3159+10 per lot	Free	
Scottsdale	87				160	160	1310		2550	650	2540+20 per lot		1600
Gilbert	115 (Wall)- 265(monument)	220	615	245	305	245	1220	615	1590		6100		3660
Tempe	259+89 for each additional	129		325	388	451	1291		1291	451 (SF)	2583+26 per lot	388	1938
Flagstaff	90	65	345	190	1090		1140		3000			565	
Mesa	120+3% of valuation	110	110	100	648	259	1037	648			3240+65 lot	648	
Fountain Hills	190	25	100	200	1000		1000+300 each requested		500		1500+50 lot	500	500+200 for each 5,000sf
Prescott Valley	~30				53.5	214			267.5	133.75	321+10.71 per acre	214	
Prescott	104.86		157.28	77.1	157.28	1022.35		141.56	1022.35		3145.68		

Community	Development Review Minor (Sta	Community Plan		Zoning Map Amendment		Zoning Text Amendments
	Master Sign Program	Major	Minor	Residential	Commercial	Major

Sedona		1800+100 per acre over 5	Same	2200+100 per acre	2200+100 per acre	
Camp Verde		1800	1800	1700+55 per acre	1700+85 per acre	1800
Cottonwood	150	2500	1500	750+35 per acre	750+35 per acre	
Yavapai				600+20 per acre	1000+20 per acre	1000+10 per acre
Coconino				576	720	576
Scottsdale	325	4130	2065	1205	2265	2585
Gilbert	615 Admin/1220 (Board Approval)	5495	3860	5495	5495	
Tempe	388	2583+129 per acre		2583+129 per acre		2583
Flagstaff	700	4290+160 per acre		3265+155 per acre	5010+155 per acre	
Mesa		15000	3000		2400	
Fountain Hills	200	5000+100 acre	3000+100 acre	2000+100 per acre		2000
Prescott Valley		535	321	428+16.50 per acre	1605+37.45 per acre	
Prescott	681.56	3145.68	838.85	1876.92+23.07 per acre		524.28

Community Development Fee Schedule



City Of Sedona Community
Development Department
102 Roadrunner Drive Sedona, AZ 86336
(928) 282-1154 • Fax: (928) 204-7124

Summary of Ordinance 201903-~~XX11~~ of the City of Sedona, Arizona, amending ordinance no. ~~0395-1411~~, by revising the fee schedule for Community Development applications. Adopted by the Sedona City Council on ~~XXJuly 9XX~~, 200319. Effective date ~~XXAugust 8XX~~, 200319.

Purpose and Intent

There is an established fee schedule for the review process associated with Community Development applications in order to cover the costs and expenses associated with examining, processing, conducting field inspections, publishing legal notices and meeting with developer and builder applicants, which fees shall be paid to the Community Development Department at the time of filing an application.

Other Considerations:

- All fees doubled for review of application(s) for work performed or use/occupancy without permits.
- Application fees may be reduced pursuant to the Developer Incentives and Guidelines for Affordable Housing for those projects meeting the adopted affordable housing policies of the City of Sedona.
- Upon the approval of the Community Development Director, fees for any of the following applications may be reduced or waived for organizations possessing tax exemption under Section 501(c)(3) of the Internal Revenue Code and are proposing a project/development that provides a direct community benefit as identified in the Community Plan and/or City Council's adopted priorities.
- State licensed day care facilities and pre-schools, and public schools with classes from kindergarten to 12th grade (including charter schools) pay 50% of the calculated fees of each application type requested.

AR. Annexation: \$500.00 base fee

~~\$500.00 base fee~~ Additional charges apply as follows:

1. Projects over five (5) acres

- \$100.00 per additional acre or portion thereof, for first five (5) acres plus \$100.00 for each additional acre
- Maximum total fee of \$3,000.00. (maximum of \$3,000.00).

BG. Community Plan Amendments:

Major Amendment

~~\$1,800~~ \$5,000.00 base fee, plus the proportionate share of legal notice costs and ~~city wide~~ required property owner notifications.

~~Assumes only one public hearing with the Planning and Zoning Commission and one public hearing with the City Council.~~

Minor Amendment

\$3,500.00 base fee.

~~Additional charges may apply as follows:~~

~~a) Community Plan amendment requests for all projects over 5 acres:~~

~~\$100.00 per acre or portion thereof over 5 acres.~~

CD. Zone change: \$2,2005,000.00 base fee for commercial/mixed-use/community facilities \$2,500.00 base fee for residential/open space

Includes Assumes one work session and one public hearing with the Planning and Zoning Commission and one public hearing with the City Council.

Additional charges may apply as follows:

- a) Zone change requests for all projects over 2 acres ~~\$100.00~~200.00 per additional acre or portion thereof.

~~DH.~~ Subdivisions: ~~\$3,300.00~~ base fee

~~Includes Assumes~~ two public hearings with the Planning and Zoning Commission (conceptual and preliminary plat) and one public hearing with the City Council (preliminary plat) and an administrative approval by the City Council (final plat).

~~Subdivision~~ \$4,000 base fee

Additional charges may apply as follows:

- a) Subdivisions over ~~30~~10 lots ~~\$50.00~~250.00 per additional lot.

~~Applicant initiated amendment to an approved final plat~~ b) Minor Plat Amendment ~~\$150.00 per lot~~500.00 three (3) lots or fewer
\$1500.00 for four (4) or more lots

~~Land Division / Lot Line Adjustment~~ \$300.00

~~Land Combination~~ \$200.00

~~K.~~ Land Division Permit: ~~\$50.00~~

~~F.~~ Conceptual Development Review: ~~50% of the total calculated fee for the project.~~
~~one with the Planning and Zoning Commission~~

~~(submitted should an application(s) be submitted within six (6) months of the completion of the Conceptual Review public hearing.~~

~~EG.~~ Development Review: ~~\$1,500-2,500.00~~ base fee

~~Includes Assumes only one work session and one~~ public hearing with the Planning and Zoning Commission. ~~If a project has elements that are captured by multiple categories below the additional charges from each category are added to the base fee. For example a mixed-use project with 15,000 square feet of commercial, 20,000 square feet of lodging and 20 multi-family units would pay a fee of \$18,300 (\$2,500 base fee +\$15,000 for square footage exceeding base +\$800 for the 8 units above the base)~~

Additional charges may apply as follows:

- a) Commercial/lodging projects over 5,000 sq.ft. ~~\$45.00~~500.00 per 1,000 sq.ft. of gross floor area or portion thereof over 5,000 sq.ft.

- b) Group dwellings and multi-family over 12 units ~~\$25-100.00~~ per additional unit

- ~~c) All lodging over 6 units~~ \$25.00-50.00 per additional unit

- ~~d) State licensed daycare facilities and pre-schools, and public schools with classes from kindergarten to 12th grade (including charter schools) pay 50% of the base fee, i.e \$750.00.~~

- ~~e) Fee for landscape plan review and site inspection for projects that are not tied to a Development Review application \$150.00.~~

FA. Conditional Use Permit: \$1,500.00~~2,000.00~~ base fee

~~Includes Assumes only~~ one public hearing with the Planning and Zoning Commission.

~~1. State licensed day care facilities and pre-schools, and public schools with classes from kindergarten to 12th grade (including charter schools) pay 50% of the base fee, i.e. \$750.00.~~

~~2. Upon the recommendation of the Community Development Director and upon the approval by the City Manager, service charges related to the review process for Conditional Use Permit applications for activities related to non-profit fund raising purposes not conducted within permanent structures, and which occur on a more frequent basis than as defined in the Temporary Use provisions of the Land Development Code, Section 407, may be waived for those organizations possessing an exemption under Section 501(c)(3) of the Internal Revenue Code. The applicant shall bear the costs directly attributable to publication of the legal notice required for a public hearing.~~

~~Any person or entity aggrieved by a decision to deny the fee waiver for issuance of the permit may appeal to the City Council within fifteen (15) days for the decision by filing a written notice of appeal with the City Clerk. The City Clerk shall notify the City Council of the appeal, cause a hearing to be set within thirty (30) days of the filing of the notice, and give written notice to such person or entity of the time and place of the hearing by first class mail.~~

GB. Minor Conditional Use Permit (Time Extension or Renewal): 50% of current base fee~~\$1,000.00~~

~~Assumes only one public hearing with the Planning and Zoning Commission.~~

H. Development Agreement: \$3,000.00

~~Includes Assumes one review at a public hearing by the Planning and Zoning Commission and one public hearing with the City Council. (\$1,500 to be paid up front, the balance is due when the agreement is signed)~~

- ~~1. New development agreement \$3,000.00~~
- ~~2. Amendment to existing development agreement \$1,500.00~~

Z. Development Agreement Amendment:

~~50% of the current approved Development Agreement fee.~~

I. Conceptual Review: \$1500.00

~~Includes one public hearing with the Planning and Zoning Commission~~

~~\$500.00 of fee will be applied to fee total of application(s) submitted for formal review should an application(s) be submitted within six (6) months of the completion of the Conceptual Review public hearing.~~

J. Time Extension or Amendment of Previous Approval:

50% of current base fee

~~Includes one public hearing with the Planning and Zoning Commission, and if previous application required City Council approval, one public hearing with the City Council.~~

K. Additional Public Hearings:

~~If a new legal notice is required \$300.00500.00~~

~~If no new legal notice is required \$250.00400.00~~

~~Fee may be waived by Community Development Director if the hearing is continued at the request of the Commission, due to a lack of quorum, or for new information requested beyond that which is typically required with each application.~~

L. Variance: \$780.00

~~Includes Assumes only~~ one public hearing with the Board of Adjustment.

Commercial/Mixed-use/Multi-family/Community Facility variance	\$2,500.00
Residential variance	\$850.00

~~1. State licensed daycare facilities and pre schools, and public schools with classes from kindergarten to 12th grade (including charter schools) pay 50% of the base fee, i.e. \$390.00.~~

M. ~~Administrative Waiver~~Minor Modification: \$150.00~~400.00~~

N. Temporary Use Permit:

General	\$100.00
Organized Outdoor Community Event	\$400.00
Category A	\$ 50.00
Category B	\$400.00
Category C	\$ 50.00
Category D	\$ 50.00
Category E	\$ 50.00
Category F	\$ 50.00

~~Fee doubled if permit submitted less than 30 calendar days in advance of event.~~

O. Sign Permit:

1. Temporary Sign Permit	\$ 25.00 <u>30.00</u>
2. Permanent Signs 12 square feet or less	\$ 75.00 <u>150.00 per sign</u>
3. Signs over 12 square feet	\$100.00
4. Lighted signs	\$ 18.00 (In addition to other applicable sign permit fees)
5. Double fees shall be payable where signs are erected prior to issuance of an approved Sign Permit.	
6. Master sign Kiosk plan requiring Planning and Zoning Commission approval	\$450.00
7. Amendment to a master sign Kiosk plan requiring Planning and Zoning Commission approval	\$225.00
8. Individual Kiosk Permit	\$100.00
39. Individual Kiosk placard sign <u>Directory Sign Panel replacement</u>	 <u>\$75</u> <u>50.00</u>
4. Master Sign Plan	
a. Administrative Review	\$100.00
b. P&Z Review (one meeting)	\$450.00
c. Sign permit for property with Master Sign Plan adopted after October 2017	\$75.00 for all signs

P. Appeal: \$150.00

1. Appeal of Director's determination to BOA	\$150.00
2. Appeal of P&Z to City Council	\$750.00

Q. Historic Preservation Fees: No fees

1. Historic District Designation	\$300.00
2. Landmark Designation	\$150.00
3. Certificate of Appropriateness/No Effect	\$75.00

R. Art In Private Development

Fee for July 2018 through June 2019 - \$0.5236 per gross square foot.

a. This fee is adjusted annually by the Western Regions CPI released in June/July.

~~E. Time Extension of Conditional Use Permit, Development Review or Zone Change of previous Approval:~~

~~50% of current base fee~~

~~Assumes only one public hearing with the Planning and Zoning Commission, and if a zone change previous application required City Council approval, one public hearing with the City Council.~~

~~SQ. Road Abandonment: \$31,000.00 base fee plus \$25.00 for each abutting property.~~

~~Additional charges apply as follows:~~

- ~~1. \$25.00 for each abutting property~~

~~T. City Consultant Fees:~~

~~100% percent of the City's cost associated with outside consultant review fees. Staff will provide applicants with an estimate of any fees to be charged by an outside consultant prior to engag~~

~~aU. Expert Review Fees for Wireless Communications Facilities:~~

- | | |
|---|---------------------------|
| 1. Stealth Wireless Communications Facility | not to exceed \$3,000.00 |
| 2. Attached Wireless Communications Facility | not to exceed \$3,500.00 |
| 3. Collocation on Existing Antenna Support Structure | not to exceed \$4,000.00 |
| 4. Replacement of Existing Antenna Supporting Structure | not to exceed \$4,500.00 |
| 5. New Antenna Support Structure | not to exceed \$7,500.00 |
| 6. AM/FM/TV/DTV Antenna Support Structure | not to exceed \$10,000.00 |

~~UV. Non-commercial Amateur Wireless Facility: \$100.00~~

~~VW. Written Interpretation of the Land Development Code: \$100.00350.00~~

~~WX. Zoning Verification Letter: \$100.00250.00 per parcel~~

~~X. Bee/Chicken Permits \$50.00 each~~

~~If both bees and chickens are proposed, the \$50.00 fee shall apply to each (total of (\$100)~~

~~YI. Multiple Applications Approvals:~~

~~In instances where more than one review process involving a public hearing areis required and applications are filed at the same time and processed concurrently (for example, a zone change and development review or subdivision approval and a zone change), there shall be a full charge for the highest priced application and a 1085% charge for the lower priced application(s).~~

~~Annexation Documents~~

~~At the time of filing an annexation application, an applicant shall provide to the Community Development Department the following documents in addition to the fee for the annexation review process:~~

- ~~1. A legal description and map of the proposed annexation~~
- ~~2. A location map~~

~~3. The necessary signatures supporting the annexation~~

~~4. Evidence of the filing of the annexation petition with the County Recorder~~



**CITY COUNCIL
AGENDA BILL**

**AB 2461
May 14, 2019
Regular Business**

Agenda Item: 8c
Proposed Action & Subject: Discussion/possible action regarding proposed State legislation and its potential impact on the City of Sedona.

Department	Legal
Time to Present	10 Minutes
Total Time for Item	15 Minutes
Other Council Meetings	January 22, 2019, February 12, 2019, February 26, 2019, March 12, 2019, March 26, 2019, April 9, 2019, April 23, 2019
Exhibits	None

City Attorney Approval	Reviewed 5/6/19 RLP	Expenditure Required	\$ 0
City Manager's Recommendation	None.	Amount Budgeted	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: During the course of the State Legislative Session, many bills are introduced that have a potential impact on the City of Sedona. The Arizona League of Cities and Towns and City staff routinely monitor bills of interest as they progress through the legislative process.

This item is scheduled to provide a summary update on relevant bills, to answer questions that the City Council may have regarding any individual bill, and to consider the need for the City Council to take a formal position in support or opposition of any particular bill.

In the past, Council has allowed staff and the Mayor to weigh in on issues at the Legislature on behalf of the City through a process established on February 11, 2014. Council will be notified via email of issues on which the City takes a position. Such a practice is a very effective method of ensuring appropriate City involvement with legislative issues when the timing of weighing in on an issue often cannot be delayed until the next Council meeting.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for informational purposes only, unless there is a preference to take a position on a particular bill.