

General Government Development Fee Study

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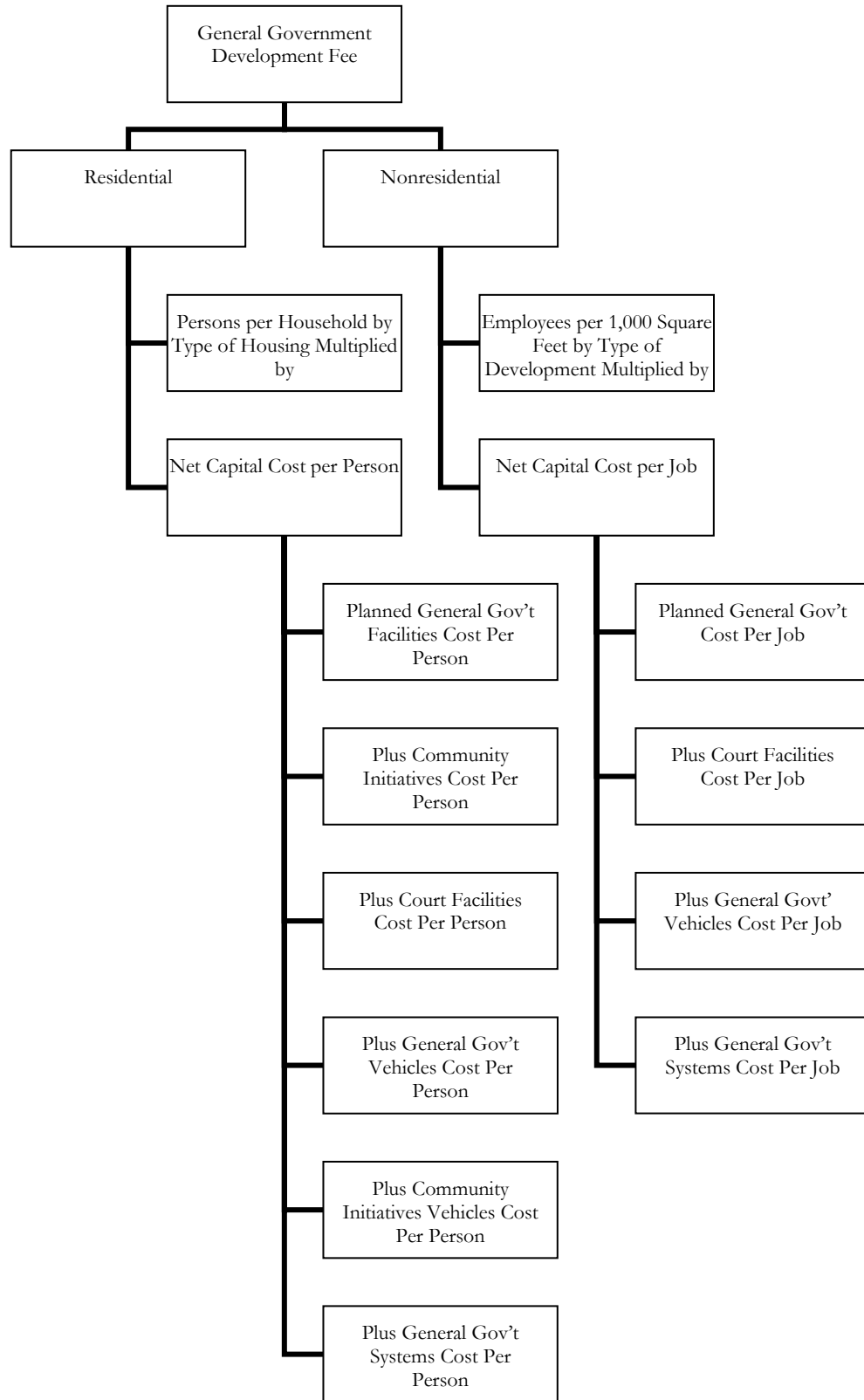
General Government

METHODOLOGY

All three development fee methodologies are used to calculate the various components of the General Government Development Fee. The plan-based approach is used for general government facilities, Community Initiatives facilities, and general government systems. The incremental expansion methodology is used for general government vehicles and Community Initiative vehicles. The buy-in methodology is used for court facilities.

As shown in Figure 1, the General Government Development is allocated on a per capita basis for residential development. For nonresidential development, the fee methodology allocates the capital cost on a per employee basis. The facilities and assets associated with Community Initiatives are allocated to residential development only, as nonresidential development does not create the demand for this type of infrastructure.

Figure 1: General Government Development Fee Methodology



GENERAL GOVERNMENT FACILITIES

Figure 2 lists the City’s planned general government facilities from the CIP. These projects are the result of both new and existing residential and nonresidential development and are estimated to provide sufficient capacity for the next fifteen years. Thus the total City population and number of jobs in FY2022 (which includes both new and existing development) is used to calculate the cost per person and job. New growth will pay for its share of this project via the General Government Development Fee while existing growth’s share will have to be funded from non-development fee sources.

The planned project will cost \$193.91 per person and job. The cost per person and job is calculated as follows: \$59,693,400/307,843 persons and jobs in FY2022= \$193.91 per person and job.

Figure 2: Planned General Government Facilities

AVERAGE APPROACH

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
Surprise 11 Broadcast Center	\$1,300,000	\$0	\$0	\$0	\$0	\$1,300,000
Central Plant	\$1,570,000	\$0	\$0	\$0	\$0	\$1,570,000
City Hall	\$11,007,200	\$39,216,200	\$3,000,000	\$0	\$0	\$53,223,400
City Hall Phase II	\$0	\$0	\$0	\$0	\$3,600,000	\$3,600,000
TOTAL	\$13,877,200	\$39,216,200	\$3,000,000	\$0	\$3,600,000	\$59,693,400

* City of Surprise, *Capital Improvements Plan FY2007*.

Projected Population and Jobs in FY2022	307,843
Cost Per Person and Job	\$193.91

COMMUNITY INITIATIVES FACILITIES

Figure 3 lists the City’s planned Community Initiatives facilities from the CIP. These projects are the result of new residential development only and are estimated to provide sufficient capacity for the next ten years. Thus the net increase in the total City population between FY2007 through FY2017 is used to calculate the cost per person. New growth will pay for these projects via the General Government Development Fee.

The planned project will cost \$31.74 per person. The cost per person is calculated as follows: \$2,655,500/83,669 net new persons between FY2007 and FY2017= \$31.74 per person.

Figure 3: Planned Community Initiatives Facilities

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
Community Center Kitchen/Dining Expansion Project	\$35,600	\$415,200	\$0	\$0	\$0	\$450,800
New Senior Center	\$0	\$0	\$0	\$440,000	\$1,764,700	\$2,204,700
TOTAL	\$35,600	\$415,200	\$0	\$440,000	\$1,764,700	\$2,655,500

* City of Surprise, *Capital Improvements Plan FY2007*.

Net Population Increase FY2007-FY2017	83,669
Cost Per Person	\$31.74

COURT FACILITIES

Figure 4 lists the 8,400 square feet of court facilities. These facilities have approximately eight years of additional capacity. The buy-in methodology is used to calculate the level-of-service for these facilities when they are at capacity in FY2015.

The original cost of these facilities (\$3,007,200) is used to calculate this component of the General Government Development Fee. To calculate the cost per demand unit, the original cost is first multiplied by the proportionate share factors for residential and nonresidential development used in the Police Development Fee since the demand for Police and Court facilities is similar. This figure is then divided by the corresponding demand units for FY2015. For residential development, the cost per person is calculated as follows: $\$3,007,200 \times .82 = \$2,465,904$; $\$2,465,904 / 184,729$ persons in FY2015 = \$13.35 per person. This calculation is repeated to calculate the cost per job for nonresidential development.

Figure 4: Court Facilities Buy-in Component

<i>Building</i>	<i>Square Feet</i>	<i>Cost/SF*</i>	<i>Total</i>
Court	8,400	\$358	\$3,007,200

* Surprise Facilities Management Division.

	Proportionate Share	FY2015 Demand Units		Cost per Demand Unit
Residential	82%	184,729	Peak Population	\$13.35
Nonresidential	18%	38,846	Jobs	\$13.93

LOS Square Feet per Person	0.037
LOS Square Feet per Nonresidential Vehicle Trip	0.039

* Surprise Facilities Management Division.

GENERAL GOVERNMENT VEHICLES

Figure 5 lists the City’s current inventory of general government vehicles. The 25 vehicles have a total replacement value of \$460,000. To calculate the cost per person and job, the total cost is multiplied by the proportionate share factors for residential and nonresidential development, and then divided by the corresponding demand units. For residential development, the cost per person is calculated as follows: $\$460,000 \times .87 = \$400,200$; $\$400,200 / 115,340$ persons = \$3.46 per person. This calculation is repeated to calculate the cost per job for nonresidential development.

Figure 5: General Government Vehicles LOS Standards

<i>Division Vehicle</i>	<i># of Units*</i>	<i>Cost/ Unit *</i>	<i>Total</i>
Budget & Management			
Van	1	\$26,000	\$26,000
City Council			
Small Sedan	1	\$16,000	\$16,000
Community Development			
Truck	20	\$17,000	\$340,000
Large Sedan	1	\$24,000	\$24,000
SUV	1	\$26,000	\$26,000
Public Information Office			
Van	1	\$28,000	\$28,000
TOTAL	25		\$460,000

* Surprise Fleet Management Division.

	Proportionate Share	FY2007 Demand Units	Cost per Demand Unit
Residential	87%	115,340 Peak Population	\$3.46
Nonresidential	13%	17,725 Jobs	\$3.46

LOS Vehicles per Person 0.0002

LOS Vehicles per Job 0.0002

COMMUNITY INITIATIVES VEHICLES

Figure 6 lists the City’s current inventory of Community Initiatives vehicles. The 14 vehicles have a total replacement value of \$906,000. To calculate the cost per person, the total cost is divided by the current population: \$906,000/115,340 persons = \$7.86 per person.

Figure 6: Community Initiatives Vehicles LOS Standards

<i>Division Vehicle</i>	<i># of Units*</i>	<i>Cost/ Unit *</i>	<i>Total</i>
Community Initiatives			
Van	6	\$55,000	\$330,000
Small Sedan	1	\$16,000	\$16,000
Truck	2	\$30,000	\$60,000
DART Vans	5	\$100,000	\$500,000
TOTAL	14		\$906,000

* Surprise Fleet Management Division.

Current Peak Population 115,340

Cost Per Person \$7.86

GENERAL GOVERNMENT SYSTEMS

Figure 7 lists \$1,993,900 in planned expenditures for general government systems from the CIP. These projects are the result of both existing and new residential and nonresidential development and are estimated to provide sufficient capacity for through the end of the CIP planning horizon in FY2011. Thus the total number of population and jobs in FY2011 is used to calculate the cost per person and job. New growth will pay its share of these projects via the General Government Development Fee while existing development’s share of these projects will have to be funded from non-development fee revenues.

The planned project will cost \$10.89 per person and job. The cost per person and job is calculated as follows: \$1,993,900/183,043 persons and jobs in FY2011= \$10.89 per person and job.

Figure 7: Planned General Government Systems

AVERAGE APPROACH

<i>Project</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>TOTAL</i>
Sales Tax Collection Software	\$0	\$0	\$850,000	\$0	\$0	\$850,000
Hansen Major Upgrade to New Version	\$0	\$0	\$250,000	\$0	\$0	\$250,000
Mobile Solutions	\$353,900	\$0	\$0	\$0	\$0	\$353,900
Call Manager 5.0 Upgrade	\$0	\$0	\$0	\$0	\$140,000	\$140,000
Replace SAN	\$0	\$0	\$0	\$0	\$300,000	\$300,000
Teleconferencing	\$0	\$0	\$100,000	\$0	\$0	\$100,000
TOTAL	\$353,900	\$0	\$1,200,000	\$0	\$440,000	\$1,993,900

* City of Surprise, Capital Improvements Plan FY2007.

Projected Population and Jobs in FY2011	183,043
Cost Per Person and Job	\$10.89

DEVELOPMENT FEE STUDY

The City should update its development fees every three years to ensure the methodologies, assumptions, and cost factors used in the calculations are still valid and accurate. As we do with many of our Arizona development fee clients, TischlerBise has included the cost of preparing the current General Government Development Fee in the fee calculations in order to create a source of funding to conduct this regular update. This cost (\$10,100) is allocated to the projected increase in population and jobs over the next three years. A three year period is used since this is the period of time at which the development fee methodology should be revisited in a growing community. This results in a consultant fee cost per demand unit of \$0.31 per person and job (\$10,100/32,832 people and jobs).

GENERAL GOVERNMENT DEVELOPMENT FEE

Figure 8 provides a summary of the level of service standards used to calculate development fees for general government. General Government Development Fees are calculated for both residential and nonresidential land uses. Developers may be eligible for site-specific credits or reimbursements only if they provide system improvements that have been included in the General Government Development Fee calculation schedule. Specific policies and procedures related to site-specific credits for system improvements are

addressed in the ordinance that establishes the City’s fees. Project improvements normally required as part of the development approval process are not eligible for credits against development fees.

As shown in the bottom of Figure 8, the capital costs per demand unit are \$261.51 per person and \$222.50 per job.

Figure 8: General Government Development Fee Cost Summary

		<i>Standards:</i>	
<i>Persons Per Household</i>			
	Single Family Detached	2.53	
	Single Family Attached; Multi-family, 1-9 Units In Structure	2.36	
	Multi-family, 10 Or More Units in Structure	1.87	
	All Other Housing Types	2.24	
<i>Employees Per 1,000 Square Feet</i>			
	Com / Shop Ctr 25,000 SF or less	3.33	
	Com / Shop Ctr 25,001-50,000 SF	2.86	
	Com / Shop Ctr 50,001-100,000 SF	2.50	
	Com / Shop Ctr 100,001-200,000 SF	2.22	
	Com / Shop Ctr over 200,000 SF	2.00	
	Office / Inst 10,000 SF or less	4.48	
	Office / Inst 10,001-25,000 SF	4.15	
	Office / Inst 25,001-50,000 SF	3.91	
	Office / Inst 50,001-100,000 SF	3.69	
	Office / Inst over 100,000 SF	3.35	
	Business Park	3.16	
	Light Industrial	2.31	
	Warehousing	1.28	
	Manufacturing	1.79	
	Hotel (per room)	0.44	
<i>Cost Summary</i>		<u>Per Person</u>	<u>Per Employee</u>
	Planned General Government Facilities	\$193.91	\$193.91
	Planned Community Initiative Facilities	\$31.74	\$0.00
	Court Facilities Buy-in	\$13.35	\$13.93
	General Government Vehicles	\$3.46	\$3.46
	Community Initiative Vehicles	\$7.86	\$0.00
	Planned General Government Systems	\$10.89	\$10.89
	Development Fee Study	\$0.31	\$0.31
	Total Capital Cost	\$261.51	\$222.50

Figure 9 contains a schedule of the General Government Development Fees. For residential land uses, persons per household (2.53 for a single family detached unit) are multiplied by the capital cost per person (\$261.51), for a development fee per unit of \$661. For nonresidential land uses, such as a commercial shopping center less than 25,000 square feet, the number of employees per 1,000 square feet (3.33) is multiplied by the capital cost per employee (\$222.50), for a fee of \$740 per 1,000 square feet.

Figure 9: General Government Development Fee Schedule

Development Fees

<u>Residential</u>	<u>Per Housing Unit</u>
Single Family Detached	\$661
Single Family Attached; Multi-family, 1-9 Units In Structure	\$616
Multi-family, 10 Or More Units in Structure	\$489
All Other Housing Types	\$584
<u>Nonresidential</u>	<u>Per 1,000 Sq Ft</u>
Com / Shop Ctr 25,000 SF or less	\$740
Com / Shop Ctr 25,001-50,000 SF	\$636
Com / Shop Ctr 50,001-100,000 SF	\$556
Com / Shop Ctr 100,001-200,000 SF	\$493
Com / Shop Ctr over 200,000 SF	\$445
Office / Inst 10,000 SF or less	\$996
Office / Inst 10,001-25,000 SF	\$923
Office / Inst 25,001-50,000 SF	\$869
Office / Inst 50,001-100,000 SF	\$821
Office / Inst over 100,000 SF	\$745
Business Park	\$703
Light Industrial	\$513
Warehousing	\$284
Manufacturing	\$398
Hotel (per room)	\$97