

# Adoption of Draft Land Use Assumptions and Infrastructure Improvement Plans in support of Public Safety Development Fees

April 7, 2020





# Development Fees

## Background

- A Development Fee (aka Impact Fee) is a fee that is imposed by a local government on a new or proposed development project to pay for all or a portion of the costs of providing public services to the new development.
- Flagstaff adopted Police and Fire (Public Safety) development fees in 2008.
- The City of Flagstaff collects Public Safety impact fees to assist in purchasing capital items that are a result of growth.



# Development Fees

## Public Safety Development Fees

- After a 2005 study to consider the full range of Development Fees the City elected to impose **ONLY** Public Safety Development Fees.
- The first Fees went into effect in 2009.
- Since 2009 the fees have adjusted twice due to changes in Development Fee statutes.
- The City of Flagstaff currently imposes fees on all **NEW** single-family and multi-family residential, commercial, office, and industrial flex space for Police and Fire.



# Development Fees

## Every 5 Years

- State statutes require that all existing development fees be reviewed and updated every 5 years.
- The latest fees were adopted in 2014.
- Prior to updating fees the City must first adopt a new Land Use Assumptions and Infrastructure Improvement Plan (LUA and IIP).
- The draft LUA and IIP was presented to Council in a work session on January 7<sup>th</sup>. A public hearing on the draft is scheduled for February 18<sup>th</sup>. Adoption on April 7<sup>th</sup>.



# Development Fees

## Draft Land Use Assumptions

- Projections of changes in land uses, densities, intensities, and population for a specified area (entire city) over a period of at least ten years and pursuant to the General Plan.
- Key land use assumptions for the City of Flagstaff study are population, housing units and employment projections.
- During the next 10 years, citywide development projections indicate an average of approximately 560 single-family housing units and approximately 130,000 square feet of nonresidential floor area per year.

# Land Use Assumptions

**Residential:** Single-family unit growth will follow recent trends, multi-family growth based on projects in development pipeline

Flagstaff, Arizona	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10-Year Increase
	Base Year	1	2	3	4	5	6	7	8	9	10	
<b>Population</b>	<b>75,756</b>	<b>77,097</b>	<b>78,438</b>	<b>79,780</b>	<b>81,121</b>	<b>82,462</b>	<b>83,803</b>	<b>85,145</b>	<b>86,486</b>	<b>87,827</b>	<b>89,168</b>	<b>13,412</b>
Housing Units												
Single Family	14,441	14,705	14,969	15,233	15,497	15,761	16,025	16,289	16,553	16,817	17,081	2,640
Multi-Family	12,565	12,865	13,165	13,465	13,765	14,065	14,365	14,665	14,965	15,265	15,565	3,000
<b>Total Housing Units</b>	<b>27,006</b>	<b>27,570</b>	<b>28,134</b>	<b>28,698</b>	<b>29,262</b>	<b>29,826</b>	<b>30,390</b>	<b>30,954</b>	<b>31,518</b>	<b>32,082</b>	<b>32,646</b>	<b>5,640</b>
Employment												
Industrial / Flex	5,358	5,364	5,370	5,375	5,381	5,387	5,393	5,399	5,405	5,410	5,416	58
Commercial / Retail	14,122	14,294	14,467	14,640	14,812	14,985	15,158	15,331	15,503	15,676	15,849	1,727
Office / Institutional	24,692	24,841	24,989	25,138	25,286	25,435	25,583	25,731	25,880	26,028	26,177	1,484
<b>Total Employment</b>	<b>44,172</b>	<b>44,499</b>	<b>44,826</b>	<b>45,153</b>	<b>45,480</b>	<b>45,807</b>	<b>46,134</b>	<b>46,461</b>	<b>46,788</b>	<b>47,115</b>	<b>47,441</b>	<b>3,270</b>
Nonres. Floor Area (x1,000)												
Industrial / Flex	4,987	4,992	4,997	5,002	5,007	5,012	5,017	5,022	5,027	5,032	5,037	50
Commercial / Retail	7,360	7,434	7,508	7,582	7,655	7,729	7,803	7,877	7,950	8,024	8,098	737
Office / Institutional	5,344	5,394	5,444	5,494	5,544	5,594	5,644	5,694	5,744	5,794	5,844	500
<b>Total Nonres. Floor Area</b>	<b>17,691</b>	<b>17,820</b>	<b>17,949</b>	<b>18,077</b>	<b>18,206</b>	<b>18,335</b>	<b>18,464</b>	<b>18,593</b>	<b>18,721</b>	<b>18,850</b>	<b>18,979</b>	<b>1,288</b>

**Nonresidential:** Floor area growth based on recent trends, jobs projected use ITE multipliers

# Demand Factors – Residential

## Option 1: Vary fees by unit type and number of bedrooms

Development Type	Persons per Household
Single Family	
0-1 Bedrooms	1.91
2 Bedrooms	2.19
3 Bedrooms	2.63
4+ Bedrooms	3.33
Multi-Family	
0-1 Bedrooms	1.58
2 Bedrooms	2.20
3+ Bedrooms	3.32

This makes units with fewer bedrooms more affordable.

## Option 2: Vary fees by unit type

Development Type	Persons per Household
Single Family	2.66
Multi-Family	2.13

Smaller units subsidize larger units

# Demand Factors – Nonresidential

Used for Fire

Used for Police

Development Type	Jobs per 1,000 Sq Ft	AWVTE per 1,000 Sq Ft	Trip Adjustment
Industrial / Flex	1.16	3.37	50%
Commercial / Retail	2.34	37.75	33%
Office / Institutional	2.97	9.74	50%
Hotel (per room)	0.58	8.36	50%
Nursing Home (per bed)	1.05	3.06	50%
Assisted Living (per bed)	0.61	2.60	50%

- **Service Area: Citywide**
- **Components**
  - Facilities (incremental)
  - Apparatus (incremental)
  - Communications Equipment (incremental)
- **10-Year Demand**
  - Facilities: 8,000 sq ft, \$4.1 million
  - Apparatus: 6 units, \$2.3 million
  - Communications Equipment: 34 units, \$230k

# Proposed Fire Fees

Fee Component	Cost per Person	Cost per Job
Facilities	\$252.05	\$212.91
Apparatus	\$139.17	\$117.56
Communications Equipment	\$14.04	\$11.86
Development Fee Report	\$2.25	\$4.54
Total	\$407.51	\$346.87

Residential Development		Fees per Unit		
Development Type	Persons per Household <sup>1</sup>	Proposed Fees	Current Fees	Change
Single-Family Units				
0-1 Bedrooms	1.91	\$778	\$366	\$412
2 Bedrooms	2.19	\$892	\$366	\$526
3 Bedrooms	2.63	\$1,071	\$366	\$705
4+ Bedrooms	3.33	\$1,357	\$366	\$991
Multi-Family Units				
0-1 Bedrooms	1.58	\$643	\$342	\$301
2 Bedrooms	2.20	\$896	\$342	\$554
3+ Bedrooms	3.32	\$1,352	\$342	\$1,010

**Alternative:**  
 Single-Family \$1,083  
 Multi-Family \$868

Nonresidential Development		Fees per Square Foot		
Development Type	Jobs per 1,000 Sq Ft <sup>1</sup>	Proposed Fees	Current Fees	Change
Industrial / Flex	1.16	\$0.40	\$0.08	\$0.32
Commercial / Retail	2.34	\$0.81	\$0.59	\$0.22
Office / Institutional	2.97	\$1.03	\$0.23	\$0.80
Hotel (per room)	0.58	\$202	N/A	N/A
Nursing Home (per bed)	1.05	\$364	N/A	N/A
Assisted Living (per bed)	0.61	\$212	N/A	N/A

1. See Land Use Assumptions

- **Service Area: Citywide**
- **Components**
  - Facilities (incremental)
  - Vehicles (incremental)
  - Communications Equipment (incremental)
- **10-Year Demand**
  - Facilities: 6,400 sq ft, \$2.4 million
  - Vehicles: 14 units, \$670k
  - Communications Equipment: 37 units, \$335k

# Proposed Police Fees

Fee Component	Cost per Person	Cost per Veh Trip
Facilities	\$141.05	\$43.64
Vehicles	\$39.13	\$12.11
Communications Equipment	\$19.67	\$6.09
Development Fee Report	\$2.19	\$1.29
<b>Total</b>	<b>\$202.04</b>	<b>\$63.13</b>

Residential Development	Fees per Unit			
Development Type	Persons per Household <sup>1</sup>	Proposed Fees	Current Fees	Change
<b>Single-Family Units</b>				
0-1 Bedrooms	1.91	\$385	\$182	\$203
2 Bedrooms	2.19	\$442	\$182	\$260
3 Bedrooms	2.63	\$531	\$182	\$349
4+ Bedrooms	3.33	\$672	\$182	\$490
<b>Multi-Family Units</b>				
0-1 Bedrooms	1.58	\$319	\$170	\$149
2 Bedrooms	2.20	\$444	\$170	\$274
3+ Bedrooms	3.32	\$670	\$170	\$500

**Alternative:**  
 Single-Family \$537  
 Multi-Family \$430

Nonresidential Development	Fees per Square Foot			
Development Type	AWVT per 1,000 Sq Ft <sup>1</sup>	Proposed Fees	Current Fees	Change
Industrial / Flex	1.69	\$0.10	\$0.03	\$0.07
Commercial / Retail	12.46	\$0.78	\$0.29	\$0.49
Office / Institutional	4.87	\$0.30	\$0.11	\$0.19
Hotel (per room)	4.18	\$263	N/A	N/A
Nursing Home (per bed)	1.53	\$96	N/A	N/A
Assisted Living (per bed)	1.30	\$82	N/A	N/A

1. See Land Use Assumptions

# Fee Comparison

## Current Fees

Residential Development	Fees per Unit		
Development Type	Fire	Police	Total
Single Family	\$366	\$182	\$548
Multi-Family	\$342	\$170	\$512

Nonresidential Development	Fees per Square Foot		
Development Type	Fire	Police	Total
Industrial Flex	\$0.08	\$0.03	\$0.11
Commercial	\$0.59	\$0.29	\$0.88
Office	\$0.23	\$0.11	\$0.34

## Proposed Fees

Residential Development	Fees per Unit		
Development Type	Fire	Police	Total
<b>Single-Family Units</b>			
0-1 Bedrooms	\$778	\$385	\$1,163
2 Bedrooms	\$892	\$442	\$1,334
3 Bedrooms	\$1,071	\$531	\$1,602
4+ Bedrooms	\$1,357	\$672	\$2,029
<b>Multi-Family Units</b>			
0-1 Bedrooms	\$643	\$319	\$962
2 Bedrooms	\$896	\$444	\$1,340
3+ Bedrooms	\$1,352	\$670	\$2,022

Nonresidential Development	Fees per Square Foot		
Development Type	Fire	Police	Total
Industrial / Flex	\$0.40	\$0.10	\$0.50
Commercial / Retail	\$0.81	\$0.78	\$1.59
Office / Institutional	\$1.03	\$0.30	\$1.33
Hotel (per room)	\$202	\$263	\$465
Nursing Home (per bed)	\$364	\$96	\$460
Assisted Living (per bed)	\$212	\$82	\$294

**Alternative:**  
 Single-Family \$1,620  
 Multi-Family \$1,298



# Adoption Timeline

**January 7:** Council Work Session

**Feb 18:** Public Hearing, LUA/IIP

**Apr 7:** Adoption, LUA/IIP

**May 19:** Public Hearing, Development Fees

**July 7:** Adoption, Development Fees

**Sept 21:** Fees Effective

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