

Proposal for Development Fee Study

City of San Luis, Arizona

January 20, 2018

Table of Contents

Section 1: Cover Letter	1
Section 2: Firm Experience and Expertise	3
Section 3: Staff Qualifications and Experience	11
Section 4: Project Understanding and Approach	15
Section 5: Project Schedule	23
Section 6: Fee Schedule	24

Section 1: Cover Letter

January 22, 2018

Ms. Kay Macuil, Esq., City Attorney
City of San Luis
1090 E. Union Street
San Luis, AZ 85349

Ms. Macuil,

TischlerBise is pleased to submit the enclosed proposal to provide an update to the City's Development Fee Study. We feel that TischlerBise is ideally suited to undertake this project based on our extensive national and Arizona development fee experience, which includes several engagements with the City of San Luis. There are several points we would like to note that make our qualifications unique:

- 1. Depth of Experience.** TischlerBise has been in business now for forty years. Our firm specializes in fiscal/economic impact analysis, development fees and infrastructure financing strategies, and market analysis. consulting firm. Our qualified team of six professionals bring an unparalleled depth of experience to this assignment. **We have prepared over 900 development fee studies across the country – more than any other firm.** We are innovators in the field, pioneering approaches for credits, impact fees by size of housing unit, and distance-related/tiered impact fees. More importantly, a TischlerBise development fee methodology has never been challenged in a court of law.
- 2. Technical Knowledge of Land Use Planning and Local Government Finance.** The City requires consulting expertise in the areas of infrastructure planning/finance, land use planning and growth management in the State of Arizona, as well as in local government finance. **Many communities overlook the fact that development fees are a land use regulation.** The TischlerBise team will apply years of development fee experience within the context of overall City financial needs, land use, and economic development policies. This will lead to a work product that is both defensible and that promotes equity.
- 3. Arizona Experience.** TischlerBise has prepared more development fees in the State of Arizona than any other firm. We also worked with the Arizona League of Cities and Towns in analyzing and suggesting amendments to SB 1525 which has dramatically changed Arizona's development fee enabling legislation.

As the President of TischlerBise, I have the authority to negotiate and contractually bind the firm. We look forward to the possibility of working again with the City of San Luis and are committed to providing cost-effective, high-quality support for this assignment.

Sincerely,



L. Carson Bise II, AICP, President
TischlerBise
4701 Sangamore Road S240
301.320.6900 x12
carson@tischlerbise.com

Section 2: Firm Experience and Expertise

TischlerBise, Inc., was founded in 1977 as Tischler, Montasser & Associates. The firm became Tischler & Associates, Inc., in 1980 and TischlerBise, Inc., in 2005. The firm is a Subchapter (S) corporation, is incorporated in Washington, D.C., and is headquartered in Bethesda, Maryland. The firm's legal address is:

Principal Office

L. Carson Bise, AICP, President
4701 Sangamore Rd, Suite 240
Bethesda, MD 20816
301.320.6900 x12 (w) | 301.320.4860 (f)
carson@tischlerbise.com

TischlerBise is a fiscal, economic, and planning consulting firm specializing in fiscal/economic impact analysis, impact fees, market feasibility, infrastructure financing studies and related revenue strategies. Our firm has been providing consulting services to public agencies for forty years. In this time, we have prepared over **700 fiscal/economic impact evaluations and over 900 impact fee/infrastructure financing studies** – more than any other firm. Through our detailed approach, proven methodology, and comprehensive product, we have established TischlerBise as the leading national expert on revenue enhancement and cost of growth strategies.

Arizona Experience

An important factor to consider related to this work effort is our relevant experience working in the State of Arizona. TischlerBise has unsurpassed experience preparing development fees and infrastructure improvements plans in the State of Arizona, particularly with Arizona's new development fee legislation, SB 1525. **We have completed or are currently engaged with the following Arizona communities to conduct SB 1525-related updates and analyses:**

- Apache Junction *
- Avondale
- Buckeye*#
- Casa Grande*
- Cave Creek*
- Coolidge*
- Eloy*
- Flagstaff*
- Gilbert*#
- Glendale*
- Goodyear*
- Maricopa*
- Payson
- Pinetop-Lakeside*
- Queen Creek*
- Safford
- Sedona*
- Show Low*
- Sierra Vista*
- San Luis
- Somerton*#
- Wellton
- Yuma*#

**Indicates multiple engagements*

#Indicates repeat client currently updating SB 1525 fee study

TischlerBise National Experience

TischlerBise is the national leader in advancing the “state of the practice.” For example, TischlerBise pioneered development fees by housing size and/or bedroom count, tiered transportation fee schedules, techniques for mitigating high fees for nonresidential development, and integrating transportation impact fees as part of an overall funding strategy. While every community is unique, this national experience provides invaluable perspective for our clients. A summary of our national development fee experience is shown below.

STATE	CLIENT	Feasibility Analysis	Roads/Transportation	Sewer	Water	Stormwater	Solid Waste	Law Enforcement	Fire/EMS	Parks and Recreation	Trails/Open Space	Libraries	General Government	Schools
AZ	<i>Apache County</i>	◆												
AZ	<i>Apache Junction</i>		◆					◆	◆	◆		◆	◆	
AZ	<i>Avondale</i>		◆	◆	◆			◆	◆	◆		◆	◆	
AZ	<i>Buckeye</i>		◆	◆	◆			◆		◆		◆	◆	
AZ	<i>Bullhead City</i>		◆					◆		◆			◆	
AZ	<i>Camp Verde</i>	◆						◆		◆		◆	◆	
AZ	<i>Carefree</i>	◆	◆		◆						◆		◆	
AZ	<i>Casa Grande</i>		◆	◆				◆	◆	◆		◆	◆	
AZ	<i>Cave Creek</i>		◆	◆	◆					◆	◆		◆	
AZ	<i>Coolidge</i>		◆	◆			◆	◆	◆	◆			◆	
AZ	<i>Dewey-Humboldt</i>		◆					◆	◆	◆		◆	◆	
AZ	<i>El Mirage</i>			◆	◆			◆	◆	◆			◆	
AZ	<i>Eloy</i>			◆	◆			◆		◆		◆	◆	
AZ	<i>Flagstaff</i>	◆	◆					◆	◆	◆		◆	◆	
AZ	<i>Gilbert</i>		◆		◆			◆	◆			◆		
AZ	<i>Glendale</i>			◆	◆	◆		◆	◆	◆		◆	◆	
AZ	<i>Goodyear</i>		◆	◆	◆			◆	◆	◆		◆		
AZ	<i>Holbrook</i>			◆	◆		◆							
AZ	<i>Lake Havasu City</i>		◆											
AZ	<i>Maricopa</i>	◆	◆					◆	◆	◆	◆	◆	◆	
AZ	<i>Navajo County</i>	◆	◆						◆					
AZ	<i>Peoria</i>	◆	◆					◆	◆	◆	◆	◆	◆	
AZ	<i>Phoenix</i>		◆				◆	◆	◆	◆	◆	◆		
AZ	<i>Pinal County</i>	◆	◆					◆		◆				
AZ	<i>Pinetop-Lakeside</i>		◆					◆		◆	◆		◆	
AZ	<i>Prescott</i>	◆												

STATE	CLIENT	Feasibility Analysis	Roads/Transportation	Sewer	Water	Stormwater	Solid Waste	Law Enforcement	Fire/EMS	Parks and Recreation	Trails/Open Space	Libraries	General Government	Schools
AZ	Queen Creek		◆	◆	◆			◆	◆		◆	◆	◆	
AZ	Safford			◆	◆									
AZ	San Luis		◆	◆	◆	◆		◆	◆	◆				
AZ	Scottsdale			◆	◆									
AZ	Sedona		◆			◆		◆		◆			◆	
AZ	Show Low	◆	◆	◆	◆			◆		◆		◆		
AZ	Sierra Vista		◆					◆	◆	◆	◆	◆		
AZ	Somerton		◆	◆	◆	◆		◆	◆	◆				
AZ	Springerville	◆		◆	◆									
AZ	Surprise		◆	◆	◆			◆	◆	◆		◆	◆	
AZ	Taylor	◆	◆					◆	◆	◆			◆	
AZ	Tolleson	◆	◆	◆	◆	◆		◆	◆				◆	
AZ	Tucson		◆											
AZ	Wellton		◆	◆	◆	◆		◆	◆	◆				
AZ	Yuma		◆	◆		◆		◆	◆	◆	◆		◆	
CA	Avenal		◆	◆		◆	◆	◆	◆	◆		◆		
CA	Banning		◆					◆	◆	◆			◆	
CA	Butte County		◆					◆	◆			◆	◆	
CA	Chino Hills		◆	◆		◆				◆				
CA	Clovis			◆										
CA	Corcoran			◆	◆			◆		◆			◆	
CA	El Centro							◆	◆	◆		◆	◆	
CA	Grass Valley		◆	◆	◆	◆		◆	◆	◆			◆	
CA	Half Moon Bay		◆	◆				◆		◆	◆			
CA	Hemet		◆			◆		◆	◆	◆	◆	◆	◆	
CA	Imperial County	◆												
CA	Mammoth Lakes		◆			◆		◆		◆	◆		◆	
CA	Maywood	◆												
CA	National City							◆	◆	◆		◆		
CA	Rancho Cucamonga									◆				
CA	Suisun City		◆							◆			◆	
CA	Temecula		◆	◆	◆			◆		◆	◆	◆	◆	
CA	Tulare		◆	◆	◆	◆		◆	◆	◆	◆	◆	◆	
CA	Visalia									◆		◆	◆	
CO	Arapahoe County		◆											
CO	Boulder		◆				◆	◆	◆	◆	◆	◆		

STATE	CLIENT	Feasibility Analysis	Roads/Transportation	Sewer	Water	Stormwater	Solid Waste	Law Enforcement	Fire/EMS	Parks and Recreation	Trails/Open Space	Libraries	General Government	Schools
CO	Castle Rock		◆			◆	◆	◆	◆	◆		◆		
CO	Colorado Springs		◆											
CO	Eaton			◆	◆		◆		◆	◆		◆		
CO	Erie		◆				◆		◆	◆		◆		
CO	Evans		◆											
CO	Fort Collins		◆											
CO	Greeley		◆	◆				◆	◆					
CO	Johnstown		◆				◆	◆	◆	◆	◆	◆		
CO	Larimer County		◆											
CO	Longmont		◆					◆				◆		
CO	Louisville	◆	◆				◆		◆	◆	◆	◆		
CO	Mead		◆				◆		◆			◆		
CO	Montezuma County		◆											
CO	Pitkin County		◆											
CO	Pueblo		◆											
CO	Steamboat Springs		◆				◆	◆	◆	◆		◆		
CO	Thornton		◆				◆	◆	◆	◆		◆		
CO	Vail		◆											
FL	Islamorada								◆	◆			◆	
FL	Manatee County		◆					◆	◆	◆	◆		◆	◆
FL	Manatee County Schools													◆
FL	Miami	◆						◆	◆	◆	◆		◆	◆
FL	Naples	◆												
FL	North Miami	◆		◆	◆			◆	◆	◆	◆	◆	◆	
FL	Parkland							◆		◆				
FL	Pasco Co. School Board													◆
FL	Port St. Lucie									◆			◆	
FL	Punta Gorda		◆					◆	◆	◆		◆	◆	
FL	South Miami		◆							◆				
FL	Seminole Co. Schools													◆
FL	Stuart		◆					◆	◆	◆			◆	
FL	West Miami			◆				◆		◆			◆	
GA	Effingham County		◆	◆	◆			◆		◆		◆		
GA	Gordon County	◆							◆	◆		◆		
GA	Henry County		◆											
GA	Roswell		◆						◆	◆		◆		

STATE	CLIENT	Feasibility Analysis	Roads/Transportation	Sewer	Water	Stormwater	Solid Waste	Law Enforcement	Fire/EMS	Parks and Recreation	Trails/Open Space	Libraries	General Government	Schools
ID	Hailey		◆	◆	◆			◆	◆	◆	◆	◆	◆	
ID	Hayden		◆					◆		◆				
ID	Post Falls	◆	◆					◆		◆				
ID	Sandpoint		◆						◆	◆	◆			
ID	Shoshone Co. Fire Dept								◆					
ID	Victor		◆					◆	◆	◆				
LA	Covington			◆	◆									
MD	Carroll County					◆			◆	◆		◆	◆	◆
MD	Charles County		◆							◆				◆
MD	Cecil County		◆					◆	◆				◆	
MD	Dorchester County	◆						◆						◆
MD	Easton	◆	◆					◆	◆	◆			◆	
MD	Frederick		◆											
MD	Frederick County		◆					◆	◆	◆		◆	◆	◆
MD	Hagerstown		◆					◆		◆			◆	
MD	Hampstead				◆			◆		◆				
MT	Belgrade	◆	◆	◆	◆				◆	◆				
MT	Bozeman		◆	◆	◆				◆					
MT	Flathead County		◆						◆					
MT	Florence School District													◆
MT	Gallatin County	◆	◆						◆					
MT	Gallatin Co. Fire Districts								◆					
NC	Orange County									◆	◆			◆
NC	Pasquotank													◆
ND	Minot											◆	◆	
NM	Las Cruces			◆	◆									
NV	North Las Vegas	◆							◆					
NV	Nye County		◆			◆		◆	◆	◆				
NV	Washoe County		◆					◆						
OH	Delaware							◆	◆	◆			◆	
OH	Lebanon		◆							◆				
OH	Pickerington	◆	◆					◆		◆			◆	
OH	Sunbury							◆					◆	
RI	East Greenwich								◆	◆	◆		◆	◆
RI	Middletown			◆				◆	◆	◆			◆	◆
UT	Mapleton			◆	◆	◆			◆	◆	◆			

STATE	CLIENT	Feasibility Analysis	Roads/Transportation	Sewer	Water	Stormwater	Solid Waste	Law Enforcement	Fire/EMS	Parks and Recreation	Trails/Open Space	Libraries	General Government	Schools
UT	North Logan	◆	◆	◆	◆					◆	◆			
UT	Pleasant Grove	◆	◆	◆	◆			◆	◆	◆				
UT	Sandy City		◆			◆		◆	◆		◆			
UT	Spanish Fork	◆		◆	◆	◆				◆				
UT	West Jordan		◆	◆	◆	◆		◆	◆	◆				
VA	Stafford County		◆											
VA	Suffolk			◆	◆									
WV	Jefferson County							◆	◆	◆			◆	◆
WY	Casper	◆	◆						◆	◆				
WY	Cheyenne		◆					◆	◆	◆			◆	◆

Project Examples/References

The following project descriptions demonstrate our team’s recent and vast experience with assignments similar to the scope of services required by the City of San Luis.

City of Buckeye, Arizona – Land Use Assumptions, IIP and Development Fee Study

Project Contact: George Flores, Development Services Director

Phone: (623) 349-6209

E-mail: gflores@buckeyeaz.gov

Date of Performance: 2013 and 2017

TischlerBise Staff: Carson Bise, AICP, and Benjamin Griffin

TischlerBise is completing an update to the City’s SB1525 compliant development fees we completed in 2013. This study includes an update to parks and recreation, library, street, police, fire, water, and wastewater development fees. **Due to Buckeye’s acquisition of Global Water, and the complexity of existing development agreements related to this acquisition, Buckeye accelerated its update process.** To account for development agreements related to water and wastewater service throughout Buckeye, which often vary within individual Community Master Plan Areas and 208 Areas, **TischlerBise and Buckeye staff are designing a GIS-based development fee schedule to accurately assess fees at the parcel level.** Buckeye’s current (four) water and wastewater service areas are projected to increase to approximately ten to twenty service areas for each type of infrastructure – Buckeye’s water and wastewater development agreements do not usually have similar geographic boundaries.

City of Yuma, Arizona – Land Use Assumptions, IIP and Development Fee Study

Project Contact: Andrew McGarvie, Assistant City Engineer

Phone: (928) 373-5000 Ext. 3044

E-mail: Andrew.mcgarvie@yumaaz.gov

Date of Performance: 2000, 2005, 2011, and 2017

TischlerBise Staff: Carson Bise, AICP, and Benjamin Griffin

TischlerBise is completing an update to the City's SB1525 compliant development fees, we completed in 2011. This study includes an update to parks and recreation, library, police, fire, and transportation development fees (**this is the fourth time the City has engaged TischlerBise**). The scope of this work effort included developing land use assumptions for the service area(s) where development fees were to be assessed, determining eligible infrastructure projects under the new definition of "necessary public services," and calculating Infrastructure Improvement Plans. As part of this update, TischlerBise examined the feasibility of implementing a tiered transportation development fee structure that is designed to encourage development in the downtown area. Ultimately, the City and TischlerBise agreed this was not a supportable option for a variety of reasons.

City of Avondale, Arizona – Land Use Assumptions, IIP and Development Fee Study

Project Contact: David Vaca, CIP Manager

Phone: (623) 333-1000

E-mail: dvaca@avondale.org

Date of Performance: 2002 and 2013

TischlerBise Staff: Carson Bise, AICP, Julie Herlands, AICP, and Ben Griffin

The City of Avondale contracted with TischlerBise midway through their SB1525 compliance fee study in 2013 after parting ways with their contracted consulting firm. Since TischlerBise has a substantial staff devoted to its development fee practice, we were able to immediately bring the necessary resources to bear in order to salvage the work effort and successfully complete the assignment in order to meet the City's deadline. This study included preparing Infrastructure Improvements Plan and associated development fees for the following necessary public services: General Government, Library, Parks and Recreational, Fire, Police, Streets, Water and Wastewater.

City of Tempe, Arizona – Land Use Assumptions, IIP and Development Fee Study

Project Contact: Julie Hietter, Public Works Manager

Phone: (480) 350-8371

E-mail: julie_hietter@tempe.gov

Date of Performance: 2014 and 2017

TischlerBise Staff: Carson Bise, AICP, and Benjamin Griffin

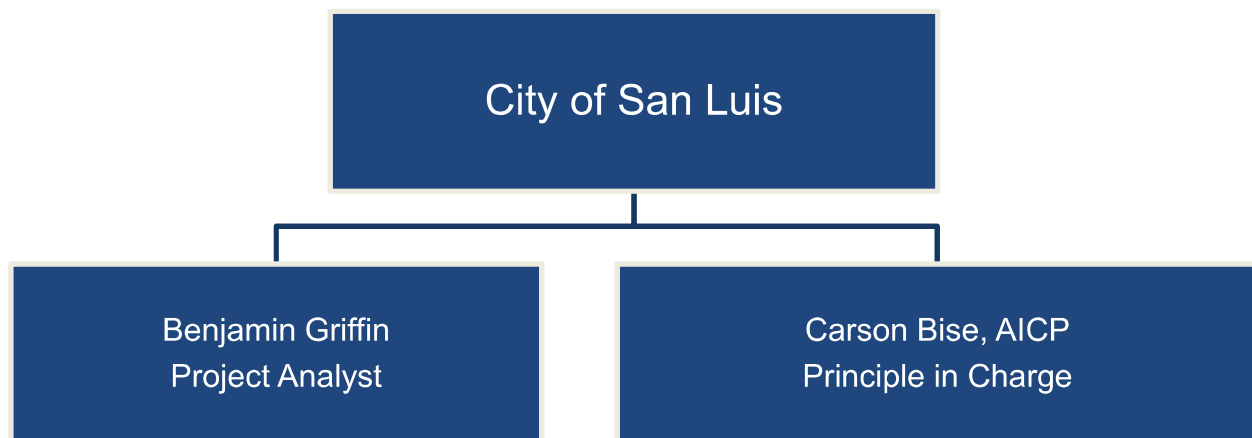
The City of Tempe hired TischlerBise in 2013 to prepare SB1525 compliant Land Use Assumptions, Infrastructure Improvements Plan and Development Fee Study for Police, Libraries, Streets, Fire and Parks. As part of this effort, TischlerBise prepared several iterations of the fees (e.g., plan-based versus incremental expansion) for the City's consideration. A primary consideration as part of this assignment was the City's ability to fund the operating expenses associated with various planned facilities. TischlerBise also prepared the residential fees using a progressive fee structure (e.g., fees vary by size of house),

which helps with housing equity and affordability issues. **TischlerBise** was recently retained to update the **Streets fees** as well as redo the existing **Water and Wastewater development fees**.

Section 3: Staff Qualifications and Experience

Consulting Team Roles and Responsibilities

To successfully navigate your Infrastructure Improvements Plan and Development Fee Study, the consultant must possess specific, detailed and customized knowledge of not only the technical analysis, but the context of the development fee structures and implementation in achieving City fiscal, economic, transportation and land use policies goals. Our proposed Project Team of Carson Bise, AICP and Benjamin Griffin has unsurpassed experience performing projects requiring the same expertise as that needed to serve the City of San Luis. Our Project Team brings over 35 years of development fee calculation, infrastructure finance, demographic and market analysis, and development fee implementation experience to the City's assignment. In summary, our Principal in Charge and Project Manager are considered national thought leaders in the areas of impact fees, exactions, infrastructure finance, impact fee program administration, and implementation. The organizational chart below shows our project team for this assignment.



Carson Bise, AICP, President of TischlerBise, will serve as Principal-In-Charge and coordinate our Project Team's interaction with the City of San Luis to ensure that all work is completed properly, on time, and within budget. He will work closely with Benjamin Griffin, developing and reviewing all aspects of the project and providing overall quality assurance for the project.

Benjamin Griffin, Senior Fiscal/Economic Analyst, has been selected as Project Manager for this project because of his substantial experience preparing development fees and financing strategies, as well as his strong project management skills. Mr. Griffin will be responsible for controlling the work in progress, providing feedback to project team members and staff, and will be responsible for the technical requirements of the project. Mr. Griffin has been with TischlerBise for five years and is the Project Manager for our current Land Use Assumptions, IIP and Development Fee studies in Casa Grande, Tempe and Buckeye.

Consulting Team Resumes

L. Carson Bise, II, AICP, President

Mr. Bise has 25 years of fiscal, economic and planning experience, and **has conducted fiscal and infrastructure finance evaluations in 37 states**. Mr. Bise is a leading national figure in the calculation of impact fees, having completed over 250 impact fees for the following categories: parks and recreation, open space, police, fire, schools, water, sewer, roads, municipal power, and general government facilities. In his seven years as a planner at the local government level he coordinated Capital Improvement Plans, conducted market analyses and business development strategies, and developed comprehensive plans. Mr. Bise has also written and lectured extensively on fiscal impact analysis and infrastructure financing. His most recent publications are *Next Generation Transportation Impact Fees* and *Fiscal Impact Analysis: Methodologies for Planners* published by the American Planning Association, a chapter on fiscal impact analysis in the book *Planning and Urban Design Standards* also published by the American Planning Association, and the ICMA IQ Report, *Fiscal Impact Analysis: How Today's Decisions Affect Tomorrow's Budgets*. Mr. Bise was also the principal author of the fiscal impact analysis component for the Atlanta Regional Commission's Smart Growth Toolkit and is featured in the recently released AICP CD-ROM Training Package entitled *The Economics of Density*. Mr. Bise is currently on the Board of Directors of the Growth and Infrastructure Finance Consortium and **recently Chaired the American Planning Association's Paying for Growth Task Force. He was also recently named an Affiliate of the National Center for Smart Growth Research & Education.**

SELECTED IMPACT FEE AND INFRASTRUCTURE FUNDING STRATEGY EXPERIENCE

- City of Apache Junction, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Avondale, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Buckeye, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- Town of Camp Verde, Arizona – *Impact Fee Study*
- City of Coolidge, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Glendale, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Eloy, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Flagstaff, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- Town of Payson, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- Town of Pinetop-Lakeside, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Safford, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of San Luis, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Sedona, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Sierra Vista, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Somerton, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- Town of Wellton, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Yuma, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Avenal, California – *Impact Fee Study*

- City of National City, California – *Impact Fee Study*
- City of Temecula, California – *Impact Fee Study*
- City of Tulare, California – *Impact Fee Study*
- City of Boulder, Colorado – *Impact Fee/Excise Tax Study*
- City of Evans, Colorado – *Impact Fee Study*
- City of Greeley, Colorado – *Impact Fee Study*
- City of Longmont, Colorado – *Impact Fee Study*
- City of Louisville, Colorado – *Impact Fee Study*
- City of Steamboat Springs, Colorado – *Impact Fee Study*
- City of Thornton, Colorado – *Impact Fee Study*
- Town of Vail, Colorado – *Impact Fee Study*
- DeSoto County, Florida – *Impact Fee Study*
- Manatee County, Florida – *Impact Fee Study*
- City of North Miami, Florida – *Impact Fee Study*
- Pasco County, Florida – *School Impact Fee Study*
- City of Hagerstown, Maryland – *Impact Fee Study*
- Town of Hampstead, Maryland – *Impact Fee Study*
- City of Salisbury, Maryland – *Impact Fee Study*
- Talbot County, Maryland – *Impact Fee Study*
- Washington County, Maryland – *Impact Fee Study*
- Worcester County, Maryland – *Impact Fee Study*
- Broadwater County, Montana – *Impact Fee Feasibility Study*
- Gallatin Canyon/Big Sky, Montana – *Capital Improvement and Funding Plan*
- City of Great Falls, Montana – *Impact Fee Feasibility Study*
- City of Las Cruces, New Mexico – *Water and Sewer Impact Fee Study*

EDUCATION

M.B.A., Economics, Shenandoah University

B.S., Geography/Urban Planning, East Tennessee State University

B.S., Political Science/Urban Studies, East Tennessee State University

PUBLICATIONS

- “Next Generation Transportation Impact Fees,” American Planning Association, Planners Advisory Service.
- “Fiscal Impact Analysis: Methodologies for Planners,” American Planning Association.
- “Planning and Urban Design Standards,” American Planning Association, Contributing Author on Fiscal Impact Analysis.
- “Fiscal Impact Analysis: How Today’s Decisions Affect Tomorrow’s Budgets,” ICMA Press.
- “The Cost/Contribution of Residential Development,” Mid-Atlantic Builder.

Benjamin Griffin, Senior Fiscal/Economic Analyst

Benjamin Griffin is a Senior Fiscal and Economic Analyst at TischlerBise and has 6 years of experience, specializing in development fees, fiscal impact analysis and economic development planning. Prior to

joining TischlerBise, Mr. Griffin worked on real estate and economic development projects for the New Orleans Business Alliance. During this time, he conducted field surveys to determine the economic health of key retail corridors, researched real estate development projects, and analyzed economic development initiatives. Prior to his real estate and economic development experience, Mr. Griffin worked with the New Orleans Redevelopment Authority, where he gained experience in performance-based funding sources, title clearance, and GIS. This position provided practical experience with issues concerning the redevelopment process, title clearance of properties received and acquired through various means, and analysis of property data for redevelopment projects. Mr. Griffin also possesses professional experience with the Jefferson Parish Planning Department, where he worked in the Current Planning Division.

SELECTED IMPACT FEE AND INFRASTRUCTURE FUNDING STRATEGY EXPERIENCE

- City of Buckeye, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Maricopa, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Sierra Vista, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Tempe, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- City of Yuma, Arizona – *Land Use Assumptions, IIP and Development Fee Study*
- Pinal County, Arizona – *Development Fee Study*
- City of Lemoore, California – *Development Fee Study*
- City of Tulare, California – *Development Fee Study*
- City of Boulder, Colorado – *Impact Fee Study*
- City of Durango, Colorado – *Housing and Transit Linkage Fees*
- City of Erie, Colorado – *Impact Fee Study*
- City of Louisville, Colorado – *Development Fee Study*
- Town of Mead, Colorado – *Impact Fee Study*
- City of Coral Gables, Florida – *Impact Fee Study*
- Village of Islamorada, Florida – *Impact Fee Study*
- Manatee County, Florida – *Impact Fee Study*
- Manatee County School District, Florida – *Impact Fee Study*
- City of Covington, Louisiana – *Impact Fee Study*
- City of Sandy, Utah – *Impact Fee Study*
- City of West Jordan, Utah – *Impact Fee Study*

EDUCATION

Master of Urban and Regional Planning, Economic Development, University of New Orleans
Bachelor of Business Administration, Finance, University of Mississippi

Section 4: Project Understanding and Approach

Project Approach

Development fees are fairly simple in concept, but complex in delivery. Generally, the jurisdiction imposing the fee must: (1) identify the purpose of the fee, (2) identify the use to which the fee is to be put, (3) show a reasonable relationship between the fee's use and the type of development project, (4) show a reasonable relationship between the facility to be constructed and the type of development, and (5) account for and spend the fees collected only for the purpose(s) used in calculating the fee.

Reduced to its simplest terms, the process of calculating impact fees involves the following two steps:

1. Determine the cost of development-related improvements, and
2. Allocate those costs equitably to various types of development.

There is, however, a fair degree of latitude granted in constructing the actual fees, as long as the outcome is "proportionate and equitable." Fee construction is both an art and a science, and it is in this convergence that TischlerBise excels in delivering products to clients.

Any one of several legitimate methods may be used to calculate impact fees for the City. Each method has advantages and disadvantages given a particular situation, and to some extent they are interchangeable because they all allocate facility costs in proportion to the needs created by development. In practice, 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 capital facilities. The following paragraphs discuss the three basic methods for calculating development fees and how those methods can be applied.

Plan-Based Fee Calculation - The plan-based method allocates costs for a specified set of future improvements to a specified amount of development. The improvements are identified by a CIP. In this method, the total cost of relevant facilities is divided by total demand to calculate a cost per unit of demand. The plan-based method is often the most advantageous approach for facilities that require engineering studies, such as roads and utilities.

Cost Recovery Fee Calculation - The rationale for the cost recovery approach is that new development is paying for its share of the useful life and remaining capacity of facilities from which new growth will benefit. To calculate a development fee using the cost recovery approach, facility cost is divided by the ultimate number of demand units the facility will serve. An oversized arterial roadway is an example.

Incremental Fee Calculation - The incremental expansion method documents the current level-of-service (LOS) for each type of public facility in both quantitative and qualitative measures, based on an existing service standard such as square feet per capita or park acres per capita. The LOS standards are determined in a manner similar to the current replacement cost approach used by property insurance companies. However, in contrast to insurance practices, clients do not use the funds for renewal and/or replacement of existing facilities. Rather, the jurisdiction uses the impact fee revenue to expand or provide additional facilities as needed to accommodate new development. An

incremental expansion cost method is best suited for public facilities that will be expanded in regular increments with LOS standards based on current conditions in the community.

Growth Projections and Demographic Trends. Projecting future residential and nonresidential development is more difficult now than in the past due to the lingering effects of the Great Recession. This is compounded by shifting trends in the housing market as a result of changing demographics and lifestyle choices. Changes in the retail sector combined with existing surpluses of retail space in many communities are also a concern. **TischlerBise's extensive national experience conducting market analysis and real estate feasibility studies is invaluable in determining the appropriate development projections used in the IIP and development fee calculations.** This includes both the amount of development and the geographic location. Depending on the methodology employed, overly optimistic development projections can increase the City's financial exposure, if projected development fee revenue is less than expected.

Work Scope

TASK 1: PROJECT INITIATION / DATA ACQUISITION

During this task, we will meet with City staff to establish lines of communication, review and discuss project goals and expectations related to the project, review (and revise if necessary) the project schedule, request data and documentation related to new proposed development, and discuss City staff's role in the project. The objectives of this initial discussion are outlined below:

- Obtain and review current demographics and other land use information for the City of San Luis
- Review and refine work plan and schedule
- Discuss current and previous work efforts related to this topic
- Assess additional information needs and required staff support
- Identify and collect data and documents relevant to the analysis
- Identify any major relevant policy issues

Meetings:

One (1) on-site visit to meet with City project management team/City staff as appropriate.

Deliverables:

Data request memorandum.

TASK 2: DEVELOP LAND USE ASSUMPTIONS

TischlerBise will review and update annual projections of population, employment, housing, commercial, industrial and other nonresidential square footage data for at least fifteen (15) years for utilities and ten (10) year for all other development fee categories. The Consultant will prepare a memorandum discussing the recommended land use projections (Land Use Assumptions Document) that will serve as the basis for the IIP and development impact fee schedule. TischlerBise will prepare a plan that includes

projections of changes in land uses, densities, intensities, and population for a specific service area. A map of the area(s) to which the land use assumptions apply will also be included in this task.

Meetings:

Discussions with the Department of Planning and Zoning will be held as part of Task 1, as well as conference calls as needed.

Deliverables:

TischlerBise will prepare a draft technical memorandum discussing the recommended Land Use Assumptions. After review and sign-off by the City, a final memorandum will be issued, which will become part of the final Development Fee Report.

TASK 3: ASCERTAIN DEMAND FACTORS AND LEVELS-OF-SERVICE FOR “NECESSARY PUBLIC SERVICES”

Communities in Arizona may assess development fees for “necessary public services” which have a useful life of more than three years and that are owned and operated on behalf of the City and within the incorporated boundary.

There are several important subtasks that are outlined below:

- **Proportionate Share** – Determine the proportionate share of the cost of “necessary public services,” based on service units needed to provide such services to new development.
- **Determine Existing Levels-of-Service** – The costs for the “necessary public services” required to serve new development are based on the same level-of-service being provided to existing development in the service area. We will determine the existing level-of-service by conducting onsite interviews, evaluating the appropriate studies, and analyzing relevant local data. These onsite interviews will also include discussions about and defining of the infrastructure components to be included in the IIP and development fees.
- **Determine Service Areas** – Specify the area(s) within the City’s boundaries in which development will be served by the “necessary public services” or facility expansions and that a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the IIP.

The above subtasks will enable us to ensure that three important development fee requirements are met, collectively referred to as rational nexus requirements: demonstration of impact, benefit, and proportionality.

Meetings:

Two (2) meetings with City staff to discuss capital facility needs and levels-of-service.

Deliverables:

Technical Memorandum Discussing Recommended Service Areas by Fee Category (if applicable).

TASK 4: IDENTIFY CAPITAL NEEDS AND COSTS

This task will determine the relevant capital needs and costs due to growth.

- 1) **Long-Range Capital Need** – TischlerBise will focus on relevant documents such as the General Plan, any relevant master plans, the current Capital Improvements Plan, and other mapping and data that is available. Discussions will aim not only to understand the specific costs, but also to assess the size and scope of projects and whether capital facility needs are due to normal replacement, catch-up, or new demand.
- 2) **Service Units** – TischlerBise will define the standardized measures of consumption, use, or generation attributable to an individual unit of development for each category of “necessary public services” or facility expansions.
- 3) **Review Cost Estimates** – TischlerBise will review the costs of infrastructure improvements, real property, financing, engineering, and architectural services associated with the “necessary public services” to be included in the IIP and development fees.
- 4) **Financing Costs** – TischlerBise will identify projected interest charges and other financial costs which are to be used for repayment of principal and interest of debt used to finance construction of “necessary public services” identified in the IIP.
- 5) **Identify Ineligible Costs** – TischlerBise will identify costs that are not eligible for inclusion in the IIP and development fees. Ineligible costs include projects not included in the IIP; repair, maintenance, or operation of existing facilities; projects which serve existing development in order to meet stricter regulatory requirements; projects which provide a higher level-of-service to existing development; and administrative, maintenance, and operating costs.

As part of calculating the fee, costs for infrastructure improvements, real property, financing, engineering, and architectural services will be considered. TischlerBise will consider all of these components in developing an equitable allocation of costs.

Meetings:

Two (2) meetings with City staff.

Deliverables:

See Task 7.

TASK 5: DETERMINE NEED FOR “CREDITS” TO BE APPLIED AGAINST CAPITAL COSTS

A consideration of “credits” is integral to the development of a legally valid impact fee methodology. There is considerable confusion among those who are not immersed in impact fee law about the definition of a credit and why it may be required.

There are two types of “credits” that are included in the calculation of impact fees, each with specific, distinct characteristics. The first is a credit due to possible double payment situations. This could occur when a property owner will make future contributions toward the capital costs of a public facility covered by an impact fee. The second is a credit toward the payment of an impact fee for the required dedication of public sites and improvements provided by the developer and for which the impact fee is imposed. Both types of credits will be considered and addressed in the development fee study.

Deliverables:

Memoranda as appropriate. See Task 10.

TASK 6: DISCUSS PRELIMINARY METHODOLOGIES AND POLICY OPTIONS

The requirement that development fees be based on an IIP does not equate to a requirement that only the plan-based methodology can be used in the calculations. The IIP can reflect the past capacity investments in infrastructure that will be repaid by new development with development fee revenue. Likewise, the City can plan to provide new development the same level-of-service being currently provided to existing development.

TischlerBise will evaluate different allocation methodologies for each IIP and development fee component to determine which methodology is the most appropriate measure of the demand created by new development. These methodologies include:

Cost Recovery Methodology – This methodology is best suited for infrastructure which has already been built and has excess capacity available to be utilized for new development.

Incremental Expansion Methodology – Under this approach, new development will receive the current level-of-service being provided to existing development by the existing inventory of infrastructure.

Plan-Based Methodology – This methodology primarily evaluates the CIP for new development’s proportionate share of planned capital projects. It is important to note, however, that CIP’s are often fiscally constrained and may not reflect the true requirements of new development. TischlerBise will therefore also evaluate master plans for different categories of infrastructure.

This comprehensive approach and consideration of alternative methodologies will allow maximization of the development fees. TischlerBise to prepare draft levels-of-service tables and methodology recommendations for each infrastructure category and component. We will discuss this information with City staff to ensure understanding and acceptance. Policy alternatives will be discussed as appropriate. This should help ensure “sign-off” and prevent time delays in finalizing the analysis.

Meetings:

One (1) meeting with City staff and elected officials (if desired) to discuss and explain the preliminary findings, assumptions, and results.

Deliverables:

TischlerBise will prepare a “story board” for staff review and comment detailing proposed levels-of-service, cost estimates, service areas, credits and recommended calculation methodologies.

TASK 7: PREPARE DRAFT INFRASTRUCTURE IMPROVEMENT PLAN (IIP)

In this task, TischlerBise’s qualified professionals will prepare an IIP using generally accepted engineering and planning practices for each “necessary public service” for which a development fee can be assessed. Development of the IIP will include the following subtasks:

- **Reserve Capacity** – The IIP will identify infrastructure capacity to be reserved to serve future development.

- **Description of Existing Necessary Public Services in the Service Area(s)** – The IIP will include a description of the existing “necessary public services” in the service area(s) and the costs to upgrade, update, improve, expand, correct, or replace those services to meet existing needs and usage and stricter safety, efficiency, environmental, and regulatory standards.
- **Analysis of Total Capacity** – The IIP will identify the current usage and commitments for usage of capacity of the existing “necessary public services.”
- **Description of “Necessary Public Services” Attributable to New Development** – The IIP will describe all parts of the “necessary public services” of facility expansions and their costs necessitated by and attributable to development in the service area(s) based on the approved land use assumptions. Cost forecasts will include the costs of infrastructure improvements, real property, financing, engineering, and architectural services.
- **Equivalency/Conversion Table** – The IIP will include a table establishing the specific level or quantity of use, consumption, or generation of a service unit for each category of “necessary public services” or facility expansions. The table will include the ratio of a service unit to various types of residential, commercial, and industrial land uses.
- **Projected Service Units** – The IIP will include the total number of projected service units necessitated by and attributable to new development in the service area(s), based on the approved land use assumptions.
- **Projected Demand for Necessary Public Services** – The IIP will include a ten-year projection of the demand for “necessary public services” or facility expansions required by new service units.
- **Forecast of Non-Development Fee Revenues from New Service Units** – The IIP will forecast revenues other than development fees generated by new service units, such as state-shared revenue, highway user 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. This subtask will include a plan to include these contributions in determining the extent of the burden created by new development.

These subtasks will result in a written plan that identifies each “necessary public service” or facility expansion that is to be the subject of a development fee and complies with the requirements of State law.

Meetings:

None.

Deliverables:

Draft Infrastructure Improvement Plan.

TASK 8: CONDUCT FUNDING AND CASH FLOW ANALYSIS; ESTIMATE ANNUAL OPERATING COSTS

In order to prepare a meaningful IIP, it is important to evaluate the anticipated funding sources. In this task, TischlerBise will prepare a ten-year cash flow analysis. This calculation will allow the City to better

understand the revenue potential of the development fees and the amount which would be needed if the fees were discounted. It will also provide a good understanding of the cash flow needed to cover the infrastructure costs for new development. The cash flow analysis will indicate whether additional funds might be needed or whether the IIP might need to be altered. This could also affect the total credits calculated in the previous task. Therefore, it is likely that a number of iterations will be conducted in order to refine the cash flow analysis reflecting the capital improvement needs. Development fee revenues can only be spent on capital projects that add capacity. Operating and maintenance costs associated with these capital improvements will have to be funded from other revenue sources, mostly likely from the General Fund. To estimate the annual operational and maintenance costs of the projected infrastructure, TischlerBise will utilize several data sources, including:

- Most recently adopted operating budget.
- Most recently adopted CIP.
- Capital project/program submittal sheets from departments.

Meetings:

None.

Deliverables:

See Task 10.

TASK 9: COMPLETE DEVELOPMENT FEE METHODOLOGY AND CALCULATIONS

The completion of the previous task will enable the development fee methodology and calculations to be finalized. TischlerBise will calculate the maximum justifiable fee for commercial, residential, and industrial development that can be charged and conform to fee requirements.

Meetings:

None.

Deliverables:

Draft Development Fee Report.

TASK 10: PREPARE FINAL LAND USE ASSUMPTIONS, IIP AND DEVELOPMENT FEE REPORT, PUBLIC PRESENTATIONS

TischlerBise will prepare a written report for the City that summarizes the need for development fees for the “necessary public services” category and the relevant methodologies employed, as well as documentation for all assumptions and cost factors. The report will include at a minimum the following information:

- Executive Summary.
- A detailed description of the methodologies used during the study.
- A detailed description of all level-of-service standards and cost factors used and accompanying rationale.
- An IIP spanning a maximum ten-year planning horizon (15-year for utilities), listing projects, costs, timing, and financing.
- A detailed schedule of all proposed fees listed by land use type and activity.

- Other information which adequately explains and justifies the resulting recommended fee schedule.
- A ten-year cash flow analysis of development fees and estimate of operating costs.

Meetings:

Two (2) presentations/worksessions with the City Council to present and discuss final and Use Assumptions, Development Fee Report and IIP as part of the legislatively required adoption process.

Deliverables:

Final Land Use Assumptions, IIP and Development Fee Report and presentation materials for meetings.

Section 5: Project Schedule

The table below indicates our proposed schedule for this assignment. Given that both TischlerBise and the City have navigated an SB1525 fee study previously, we have found with other clients, the second update doesn't take as long given the previous experience under the new law. Completion of the Final Reports in by late September should provide enough lead time for a timely adoption.

PROPOSED SCHEDULE- LAND USE ASSUMPTIONS, IIP AND DEVELOPMENT FEE STUDY			
Tasks	Anticipated Dates	Meetings*	Meetings/Deliverables
Task 1: Project Initiation	February, 2018	1	Data Request Memorandum
Task 2: Develop Land Use Assumptions	February - March, 2018	1*	Land Use Assumptions Document
Task 3: Ascertain Demand Factors and Levels-of-Service for "Necessary Public Services"	March - April, 2018	2	Technical Memorandum Discussing Recommended Service Areas by Fee Category
Task 4: Identify Capital Needs and Costs	March - June, 2018	2*	See Task 7
Task 5: Determine Need for Credits	June, 2018	0	See Task 10
Task 6: Discuss Preliminary Methodologies and Policy Options	June, 2018	1	"Storyboard" Presentation Outlining Preliminary Methodologies and Policy Options
Task 7: Prepare Draft Infrastructure Improvement Plan	June - July, 2018	0	Draft Infrastructure Improvement Plan
Task 8: Conduct Funding and Cash Flow Analysis; Estimate Annual Operating Costs	July, 2018	0	See Task 10
Task 9: Complete Development Fee Methodologies and Calculations	August, 2018	0	Draft Development Fee Report
Task 10: Prepare Final Land Use Assumptions, IIP and Development Fee Report	September, 2018	3	Final Land Use Assumptions, IIP and Development Fee Reports

*In several cases it is assumed meetings are held with multiple departments over one (1) trip.

Section 6: Fee Schedule

The table below indicates the fixed fee consulting costs for this assignment. TischlerBise invoices monthly on a percentage complete basis.

PROPOSED FEE - DEVELOPMENT FEE STUDY					
Project Team Member:	Bise	Griffin	Total		
	Hourly Rate*	\$200	\$165	Hours	Cost
Task 1: Project Initiation	8	8	16	\$2,920	
Task 2: Develop Land Use Assumptions	6	32	38	\$6,480	
Task 3: Ascertain Demand Factors and Levels-of-Service for "Necessary Public Services"	8	36	44	\$7,540	
Task 4: Identify Capital Needs and Costs	12	48	60	\$10,320	
Task 5: Determine Need for Credits	4	8	12	\$2,120	
Task 6: Discuss Preliminary Methodologies and Policy Options	16	20	36	\$6,500	
Task 7: Prepare Draft Infrastructure Improvement Plan	8	60	68	\$11,500	
Task 8: Conduct Funding and Cash Flow Analysis; Estimate Annual Operating Costs	4	16	20	\$3,440	
Task 9: Complete Development Fee Methodologies and Calculations	6	32	38	\$6,480	
Task 10: Prepare Final Land Use Assumptions, IIP and Development Fee Report	12	24	36	\$6,360	
Subtotal	76	276	352	\$60,740	
Expenses:				\$5,800	
Total Cost:				\$66,540	

Principal Office

4701 Sangamore Road, Suite S240 |

Bethesda, MD 20816

301.320.6900 x12 (w) | 301.320.4860 (f) |

carson@tischlerbise.com

