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Land Use Assumptions, Infrastructure Improvements Plan, and Development Fee Report

Prepared for:

San Luis, Arizona

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TischlerBise

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TABLE OF CONTENTS

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EXECUTIVE SUMMARY

The City of San Luis, Arizona, contracted with TischlerBise to document land use assumptions, prepare the Infrastructure Improvements Plan (hereinafter referred to as the "IIP"), and update development fees pursuant to Arizona Revised Statutes ("ARS") § 9-463.05 (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 new 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 San Luis' Infrastructure Improvements Plan and associated update to its development fees includes the following necessary public services:

1. Fire Facilities
2. Parks and Recreational Facilities
3. Police Facilities
4. Street Facilities
5. Water Facilities
6. Wastewater Facilities

This plan includes all necessary elements required to be in full compliance with the Enabling Legislation.

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 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 amenities.

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 is addressed in the administration and implementation of the development fee program. For ease of administration, TischlerBise normally recommends developer reimbursements for system improvements.

INTRODUCTION TO DEVELOPMENT FEES

Development fees are one-time payments used to fund capital improvements necessitated by future development. Development fees have been utilized by local governments in various forms for at least fifty years. Development fees do have limitations and should not be regarded as the total solution for infrastructure financing needs. Rather, they should be considered one component of a comprehensive portfolio to ensure adequate provision of public facilities with the goal of maintaining current levels of service in a community. Any community considering development fees should note the following limitations:

1) Fees can only be used to finance capital infrastructure and cannot be used to finance ongoing operations and / or maintenance and rehabilitation costs.
2) Fees cannot be deposited in the General Fund. The funds must be accounted for separately in individual accounts and earmarked for the capital expenses for which they were collected.
3) Fees cannot be used to correct existing infrastructure deficiencies unless there is a funding plan in place to correct the deficiency for all current residents and businesses in the community.

REQUIRED FINDINGS

There are three reasonable relationship requirements for development fees that are closely related to "rational nexus" or "reasonable relationship" requirements enunciated by a number of state courts. Although the term "dual rational nexus" is often used to characterize the standard by which courts evaluate the validity of development fees under the U. S. Constitution, we prefer a more rigorous formulation that recognizes three elements: "impact or need," "benefit," and "proportionality." The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the *Dolan* case. The reasonable relationship language of the statute is considered less strict than the rational nexus standard used by many courts. Individual elements of the nexus standard are discussed further in the following paragraphs.

Demonstrating an Impact. All future development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Development fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to development fees. In this study, the impact of development on improvement needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

Demonstrating a Benefit. A sufficient benefit relationship requires that development fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the State enabling Act authorizing development fees requires that facilities funded with fee revenues be available *exclusively* to development paying the fees. In other words, existing development may benefit from these improvements as well.

Procedures for the earmarking and expenditure of fee revenues are typically mandated by the State Enabling Legislation, as are procedures to ensure that the fees are expended expeditiously or refunded. All requirements are intended to ensure that developments benefit from the fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

Demonstrating Proportionality. The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the *Dolan* case (although the relevance of that decision to development fees has been debated) and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate development fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development.

DEVELOPMENT FEE REPORT

Development fees for the necessary public services made necessary by new 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 new development for additional infrastructure capacity. Each methodology 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 methodologies for calculating development fees and how those methodologies can be applied.

- **Cost Recovery** (past improvements) - The rationale for recoupment, often called cost recovery, is that new 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 new development can take place.
- **Incremental Expansion** (concurrent improvements) - The incremental expansion methodology 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. New 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 methodology 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

Shown below, Figure 1 summarizes service areas, methodologies, and infrastructure cost components for the proposed fees.

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

Necessary Public Service	Service Area	Cost Recovery	Incremental Expansion	Plan-Based	Cost Allocation
Fire	Citywide	N/A	Fire Facilities, Fire Apparatus	Development Fee Report	Population, Jobs
Parks and Recreational	Citywide	N/A	Community Park Land, Park Amenities	Development Fee Report	Population, Jobs
Police	Citywide	N/A	Police Facilities, Police Vehicles, Communication Equipment	Development Fee Report	Population, Vehicle Trips
Street	Citywide	N/A	Street Improvements, Intersection Improvements	Development Fee Report	VMT
Water	Citywide	N/A	N/A	Water Treatment / Production, Water Storage / Booster, Development Fee Report	Max Day Gallons
Wastewater	Citywide	N/A	N/A	Wastewater Treatment, Development Fee Report	Average Day Gallons

Calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using two, three, and four decimal places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

CURRENT DEVELOPMENT FEES

Current development fees are assessed per housing unit for residential development and per 1,000 square feet of floor area for nonresidential development. Current development fees for water and wastewater are assessed by meter size and type.

Figure 2: Current Development Fees

Residential Fees per Unit						
Development Type	Fire	General Government	Parks & Recreational	Police	Street	Current Fees
Single Family	$562	$308	$753	$446	$1,709	$3,778
Multi-Family	$363	$199	$487	$288	$799	$2,136

Nonresidential Fees per 1,000 Square feet						
Development Type	Fire	General Government	Parks & Recreational	Police	Street	Current Fees
Industrial	$433	$238	$127	$135	$378	$1,311
Commercial	$622	$341	$183	$678	$1,718	$3,542
Office & Other Services	$789	$433	$232	$265	$743	$2,462
Institutional	$247	$136	$73	$350	$982	$1,788

Figure 3: Current Development Fees

Fees per Meter			
Meter Size and Type	Water	Wastewater	Current Fees
0.75 Displacement	$542	$912	$1,454
1.00 Displacement	$905	$1,523	$2,428
1.50 Displacement	$1,804	$3,036	$4,840
2.00 Compound	$2,888	$4,860	$7,748
3.00 Compound	$5,781	$9,729	$15,510
4.00 Compound	$9,031	$15,200	$24,231
6.00 Compound	$18,058	$30,391	$48,449
8.00 Compound	$28,893	$48,628	$77,521

Proposed Development Fees

Proposed development fees will be assessed per housing unit for residential development and per 1,000 square feet of floor area for nonresidential development. Proposed development fees for water and wastewater will be assessed by meter size and type. The proposed fees represent the maximum allowable fees. San Luis 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 level-of-service standards. All costs in the Development Fee Report represent current dollars with no assumed inflation over time. If costs change significantly over time, development fees should be recalculated.

Figure 4: Proposed Development Fees

Residential Fees per Unit						
Development Type	Fire	General Government	Parks & Recreational	Police	Street	Proposed Fees
Single Family	$1,470	$0	$1,874	$1,301	$1,701	$6,346
Multi-Family	$1,232	$0	$1,571	$1,090	$1,216	$5,109

Nonresidential Fees per 1,000 Square feet						
Development Type	Fire	General Government	Parks & Recreational	Police	Street	Proposed Fees
Industrial	$1,306	$0	$316	$626	$442	$2,690
Commercial	$1,763	$0	$427	$3,130	$1,457	$6,777
Office & Other Services	$2,711	$0	$656	$1,389	$983	$5,739
Institutional	$2,520	$0	$610	$1,910	$1,352	$6,392

Figure 5: Proposed Development Fees

Fees per Meter			
Meter Size and Type	Water	Wastewater	Proposed Fees
0.75 Displacement	$1,696	$1,269	$2,965
1.00 Displacement	$2,832	$2,119	$4,951
1.50 Displacement	$5,647	$4,226	$9,873
2.00 Compound	$9,038	$6,764	$15,802
3.00 Compound	$18,094	$13,540	$31,634
4.00 Compound	$28,268	$21,154	$49,422
6.00 Compound	$56,519	$42,296	$98,815
8.00 Compound	$90,434	$67,676	$158,110

Difference Between Proposed and Current Development Fees

The differences between the proposed and current development fees are displayed below.

Figure 6: Difference Between Proposed and Current Development Fees

Residential Fees per Unit						
Development Type	Fire	General Government	Parks & Recreational	Police	Street	Difference
Single Family	$908	($308)	$1,121	$855	($8)	$2,568
Multi-Family	$869	($199)	$1,084	$802	$417	$2,973

Nonresidential Fees per 1,000 Square feet						
Development Type	Fire	General Government	Parks & Recreational	Police	Street	Difference
Industrial	$873	($238)	$189	$491	$64	$1,379
Commercial	$1,141	($341)	$244	$2,452	($261)	$3,235
Office & Other Services	$1,922	($433)	$424	$1,124	$240	$3,277
Institutional	$2,273	($136)	$537	$1,560	$370	$4,604

Figure 7: Difference Between Proposed and Current Development Fees

Fees per Meter			
Meter Size and Type	Water	Wastewater	Difference
0.75 Displacement	$1,154	$357	$1,511
1.00 Displacement	$1,927	$596	$2,523
1.50 Displacement	$3,843	$1,190	$5,033
2.00 Compound	$6,150	$1,904	$8,054
3.00 Compound	$12,313	$3,811	$16,124
4.00 Compound	$19,237	$5,954	$25,191
6.00 Compound	$38,461	$11,905	$50,366
8.00 Compound	$61,541	$19,048	$80,589

LAND USE ASSUMPTIONS

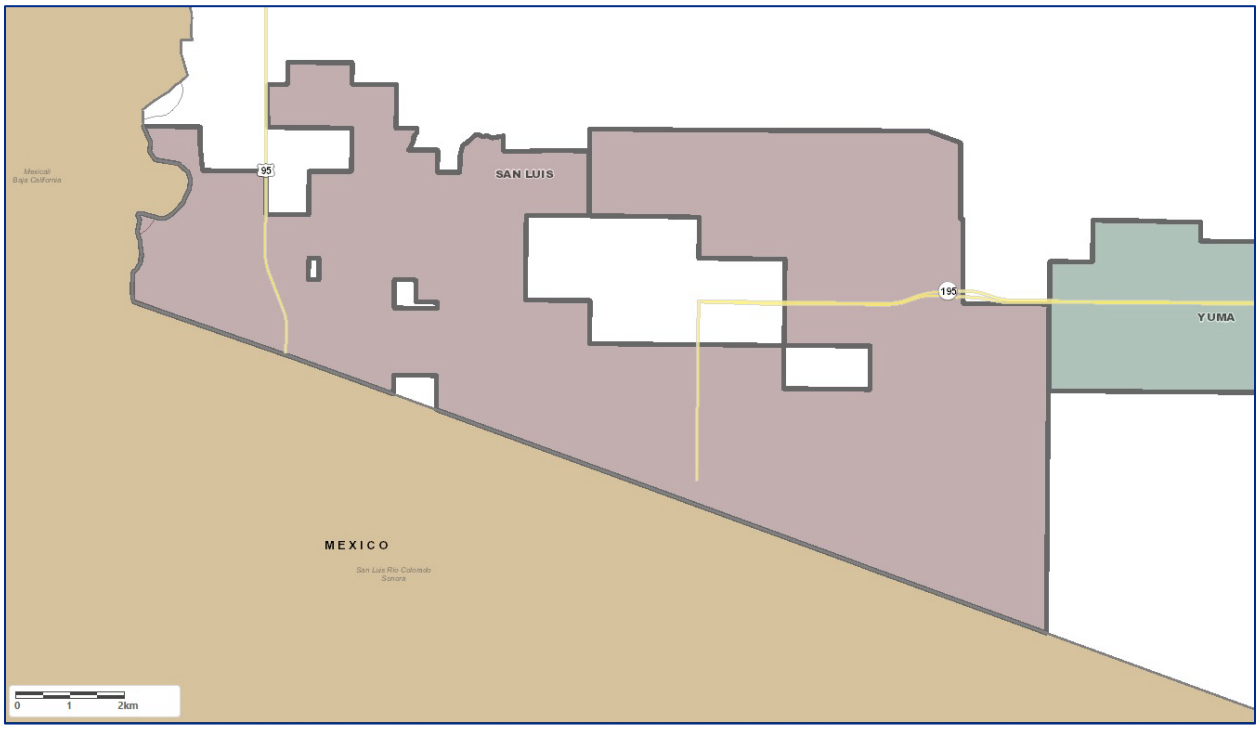
Arizona's Development Fee Act requires the preparation of Land Use Assumptions, which are defined in Arizona Revised Statutes § 9-463.05(T)(6) as:

> *"projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the General Plan of the municipality."*

The estimates and projections of residential and nonresidential development in this *Land Use Assumptions* document are for all areas within San Luis. The current demographic estimates and future development projections will be used in the Infrastructure Improvements Plan (IIP) and in the calculation of development fees. Current demographic data estimates for 2024 are used in calculating levels of service (LOS) provided to existing development in San Luis. Arizona's Enabling Legislation requires fees to be updated at least every five years and limits the IIP to a maximum of 10 years.

There is one service area for the Infrastructure Improvements Plan and the Development Fee Report, as all fees pertain to services provided citywide. The service area is shown in Figure L1.

Figure L1: Service Area



SUMMARY OF GROWTH INDICATORS

Key land use assumptions include population, housing units, employment, and nonresidential floor area projections. Based on staff recommendations, residential projections are based on 2020 through 2060 population projections published by the Arizona Office of Economic Opportunity (OEO) as well as occupancy factors derived from 2018-2022 American Community Survey data. Nonresidential projections are based on the 2021 ratio of jobs per housing unit and housing unit projections. Development projections are summarized in Figure L12.

These projections will be used to estimate fee revenue and to indicate the anticipated need for growth-related infrastructure. However, development fee methodologies are designed to reduce sensitivity to development projections in the determination of the proportionate share fee amounts. If actual development occurs at a slower rate than projected, fee revenue will decline, but so will the need for growth-related infrastructure. In contrast, if development occurs at a faster rate than anticipated, fee revenue will increase, but San Luis will also need to accelerate infrastructure improvements to keep pace with the actual rate of development. During the next 10 years, residential development projections indicate a population increase of 6,621 persons in 1,908 housing units, and nonresidential development projections indicate an employment increase of 916 jobs in approximately 383,000 square feet.

RESIDENTIAL DEVELOPMENT

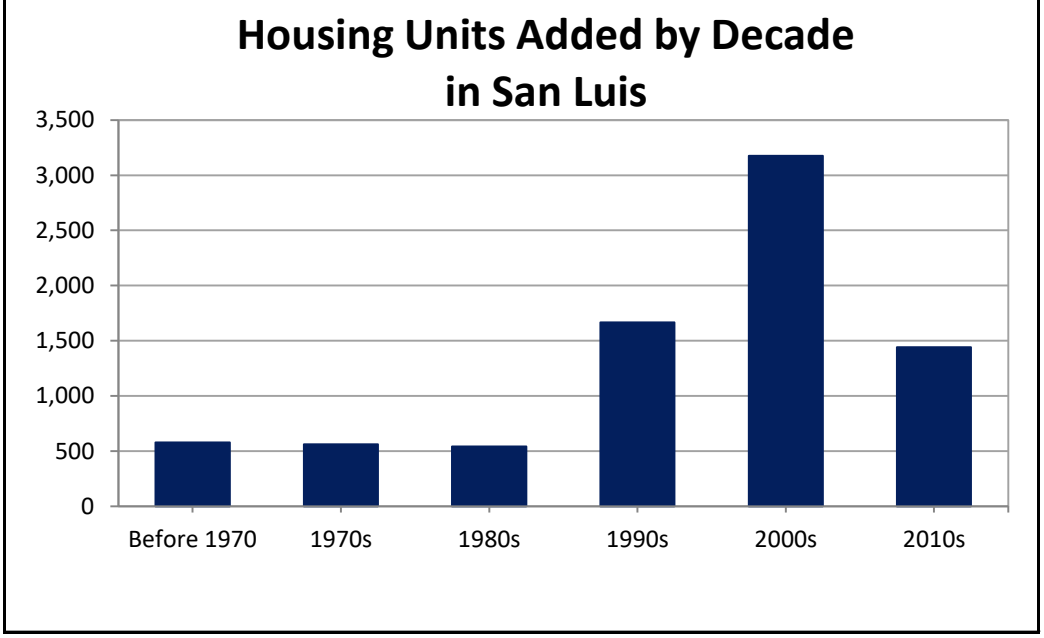
This section details current estimates and future projections of residential development including population and housing units.

Recent Residential Construction

Development fees require an analysis of current levels of service. For residential development, current levels of service are determined using estimates of population and housing units. Shown below, Figure L2 indicates the estimated number of housing units added by decade according to data obtained from the U.S. Census Bureau. In the previous decade, San Luis' housing stock grew by an average of 144 housing units per year.

Figure L2: Housing Units by Decade

Census 2010 Housing Units	6,525	San Luis' housing stock grew by an average of 144 housing units per year from 2010 to 2020.
Census 2020 Housing Units	7,966	
New Housing Units 2010 to 2020	1,441	



Source: U.S. Census Bureau, Census 2020 Summary File 1, Census 2010 Summary File 1, 2018-2022 American Community Survey 5-Year Estimates (for 2000s and earlier, adjusted to yield total units in 2010).

Occupancy Factors

According to the U.S. Census Bureau, a household is a housing unit occupied by year-round residents. Development fees often use per capita standards and persons per housing unit (PPHU) or persons per household (PPH) to derive proportionate share fee amounts. When PPHU is used in the fee calculations, infrastructure standards are derived using year-round population. When PPH is used in the fee calculations, the development fee methodology assumes a higher percentage of housing units will be occupied, thus requiring seasonal or peak population to be used when deriving infrastructure standards. TischlerBise recommends that development fees for residential development be imposed according to the number of persons per housing unit.

Occupancy calculations require data on population and the types of units by structure. The 2010 census did not obtain detailed information using a "long-form" questionnaire. Instead, the U.S. Census Bureau switched to a continuous monthly mailing of surveys, known as the American Community Survey (ACS), which has limitations due to sample-size constraints. For example, data on detached housing units are now combined with attached single units (commonly known as townhouses, which share a common sidewall, but are constructed on an individual parcel of land). For development fees in San Luis, "Single-Family" includes detached units, attached units, and mobile home units, "Multi-Family" includes duplexes, all structures with two or more units on an individual parcel of land, and all other types of units.

Figure L3 below shows the occupancy estimates for San Luis based on 2018-2022 American Community Survey 5-Year Estimates. Single-family units averaged 3.52 persons per housing unit and multi-family units averaged 2.95 persons per housing unit. The estimates shown below are used only to calculate occupancy factors and may not match population and housing unit estimates shown throughout this report.

Figure L3: Occupancy Factors

Housing Type	Persons	Households	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single-Family[1]	29,207	7,996	3.65	8,286	**3.52**	90.5%	3.50%
Multi-Family[2]	2,581	850	3.04	874	**2.95**	9.5%	2.75%
Total	31,788	8,846	3.59	9,160	**3.47**	100.0%	3.43%

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

1. Includes detached, attached (townhouse), and mobile home units.
2. Includes dwellings in structures with two or more units, RVs, and all other units.

Residential Estimates

2020 U.S. Census Bureau population estimates include 35,573 persons, and the 2023 Arizona Office of Economic Opportunity (OEO) population estimates include 38,149 persons. To estimate the 2024 population, TischlerBise uses the increase of 723 persons from 2023 to 2024, from the OEO's 2023-2060 Sub-County Population Projections. San Luis' 2024 population estimate includes 38,872 persons.

2020 U.S. Census Bureau estimates include 7,966 housing units. To estimate housing units in the 2024 base year, the analysis divides the 2020 to 2024 population increase of 3,299 persons (38,872 persons in 2024 – 35,573 persons in 2020) by the citywide occupancy factor of 3.47 persons per housing unit shown in Figure L3. For the 2024 base year, the existing housing stock includes 8,917 total housing units (7,966 housing units in 2020 + (3,299 additional persons / 3.47 persons per housing unit = 951 additional units)). To estimate single-family units and multi-family units, the analysis uses the housing mix percentages shown in Figure L3. The existing housing stock includes 8,066 single-family units (8,917 total housing units X 90.5 percent) and 851 multi-family units (8,917 total housing units X 9.5 percent). For this study, the analysis assumes the occupancy factors shown in Figure L3 will remain constant throughout the 10-year projection period.

Residential Projections

Population and housing unit projections are used to illustrate the possible future pace of service demands, revenues, and expenditures. To the extent these factors change, the projected need for infrastructure will also change. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure will also decrease.

TischlerBise uses Arizona Office of Economic Opportunity (OEO) 2023-2060 Sub-County Population Projections to project future residential development. As shown in Figure L4, the OEO projects an increase of 6,621 persons in San Luis during the next 10 years. To convert population to housing units, the analysis divides projected population by the citywide occupancy factor of 3.47 persons per housing unit shown in Figure L3. Based on these assumptions, the 10-year projections include an increase of 1,908 housing units.

Figure L4: Residential Projections

San Luis, Arizona	2024	2025	2026	2027	2028	2029	2034	10-Year
	Base Year	1	2	3	4	5	10	Increase
Population								
Total	**38,872**	**39,597**	**40,279**	**40,954**	**41,621**	**42,279**	**45,493**	**6,621**
Housing Units								
Single Family	8,066	8,255	8,433	8,609	8,783	8,954	9,792	1,726
Multi-Family	851	871	889	908	926	944	1,033	182
Total	**8,917**	**9,126**	**9,322**	**9,517**	**9,709**	**9,899**	**10,825**	**1,908**

NONRESIDENTIAL DEVELOPMENT

This section details current estimates and future projections of nonresidential development including jobs and nonresidential floor area.

Nonresidential Demand Factors

TischlerBise uses the term jobs to refer to employment by place of work. In Figure L5, gray shading indicates the nonresidential development prototypes used to derive employment densities. For nonresidential development, TischlerBise uses data published in Trip Generation, Institute of Transportation Engineers, 11th Edition (2021). The prototype for industrial is Light Industrial (ITE 110) with 637 square feet of floor area per employee. For office & other services, the prototype is General office (ITE 710) with 307 square feet of floor area per employee. The prototype for institutional is Government Office (ITE 730) with 330 square feet of floor area per employee. For commercial, the prototype is Shopping Center (ITE 820) with 471 square feet of floor area per employee.

Figure L5: Nonresidential Demand Units

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit[1]	Wkdy Trip Ends Per Employee[1]	Emp Per Dmd Unit	Square Feet Per Emp
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
140	Manufacturing	1,000 Sq Ft	4.75	2.51	1.89	528
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
254	Assisted Living	bed	2.60	4.24	0.61	na
310	Hotel	room	7.99	14.34	0.56	na
565	Day Care	student	4.09	21.38	0.19	na
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
620	Nursing Home	bed	3.06	3.31	0.92	na
710	General Office (avg size)	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical-Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.01	17.42	2.12	471

1. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

Nonresidential Estimates

According to estimates published in the U.S. Census Bureau's OnTheMap web application, 2021 employment in San Luis included 3,907 jobs. Applying the employment multipliers shown in Figure L5 to employment estimates shown in Figure L6Figure L6 results in a nonresidential floor area estimate of 1,633,780 square feet.

Figure L6: Nonresidential Estimates

Nonresidential Category	2021 Jobs[1]	Percent of Total Jobs	Square Feet per Job[2]	2021 Estimated Floor Area[3]
Industrial[4]	765	20%	637	487,305
Commercial[5]	942	24%	471	443,682
Office & Other Services[6]	1,009	26%	307	309,763
Institutional[7]	1,191	30%	330	393,030
Total	3,907	100%		1,633,780

1. U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2021.
2. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).
3. TischlerBise calculation (2021 jobs X square feet per job).
4. Major sectors are Transportation & Warehousing; Wholesale Trade.
5. Major sectors are Retail Trade; Accommodation & Food Services.
6. Major sectors are Administration & Support; Health Care and Social Assistance.
7. Major sectors are Educational Services; Public Administration.

2021 estimates include 3,907 jobs and 8,112 housing units, or 0.48 jobs per housing unit (3,907 jobs / 8,112 housing units). To estimate employment in the 2024 base year, TischlerBise applies the 2021 ratio of jobs per housing unit to the 2024 estimate of 8,917 housing units. 2024 estimated employment includes 4,280 jobs (8,917 housing units X 0.48 jobs per housing unit). For this study, the analysis assumes the share of jobs by nonresidential category shown in Figure L6 will remain constant throughout the 10-year projection period. 2024 employment includes 838 industrial jobs, 1,032 commercial jobs, 1,105 office and other services jobs, and 1,305 institutional jobs.

Nonresidential Projections

Employment and floor area projections are used to illustrate the possible future pace of service demands, revenues, and expenditures. To the extent these factors change, the projected need for infrastructure will also change. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure will also decrease.

TischlerBise uses the 2021 ratio of 0.48 jobs per housing unit (3,907 jobs / 8,112 housing units) to project employment in subsequent years. Based on projected growth of 1,908 housing units, TischlerBise projects 916 additional jobs during the next 10 years. For this study, the analysis assumes the share of jobs by nonresidential category shown in Figure L6 will remain constant throughout the 10-year projection period. Projected employment growth includes 179 industrial jobs, 221 commercial jobs, 237 office and other services jobs, and 279 institutional jobs.

Applying the ITE square feet per employee factors shown in Figure L5 to the employment projections shown below provides the necessary conversion from jobs to nonresidential floor area. TischlerBise projects approximately 383,000 additional square feet of nonresidential floor area over the next 10 years. This includes 114,000 square feet of industrial floor area (179 industrial jobs X 637 square feet per industrial job), 104,000 square feet of commercial floor area (221 commercial jobs X 471 square feet per job), 73,000 square feet of office & other services floor area (237 office & other services jobs X 307 square feet per job), and 92,000 square feet of institutional floor area (279 institutional jobs X 330 square feet per job).

Figure L7: Nonresidential Projections

San Luis, Arizona	2024	2025	2026	2027	2028	2029	2034	10-Year
	Base Year	1	2	3	4	5	10	Increase
Employment								
Industrial	838	858	876	894	912	930	1,017	179
Commercial	1,032	1,056	1,079	1,101	1,124	1,146	1,253	221
Office & Other Services	1,105	1,131	1,156	1,180	1,204	1,227	1,342	237
Institutional	1,305	1,335	1,364	1,393	1,421	1,448	1,584	279
Total	**4,280**	**4,380**	**4,475**	**4,568**	**4,660**	**4,751**	**5,196**	**916**
Nonres. Sq. Ft. (x1,000)								
Industrial	534	546	558	570	581	593	648	114
Commercial	486	497	508	519	529	540	590	104
Office & Other Services	339	347	355	362	369	377	412	73
Institutional	431	441	450	460	469	478	523	92
Total	**1,790**	**1,832**	**1,871**	**1,910**	**1,949**	**1,987**	**2,173**	**383**

FUNCTIONAL POPULATION

Both residential and nonresidential development increase the demand on city services and facilities. Functional population can be used to calculate the proportional share between residential and nonresidential demand on service and facilities. The functional population approach allocates the cost of infrastructure to residential and nonresidential development based on the activity of residents and workers in the city through the 24 hours in a day.

Residents that do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents that work in San Luis are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside the city are assigned 14 hours to residential development, the remaining hours in the day are assumed to be spent outside of the city working. Inflow commuters are assigned 10 hours to nonresidential development. Based on the most recent functional population data (2021), residential development accounts for 82 percent of the functional population and nonresidential development accounts for 18 percent.

Figure L8: Functional Population

Demand Units in 2021					
Residential				Demand Hours/Day	Person Hours
	Population	36,081			
	Residents Not Working		26,382	20	527,640
	Employed Residents		9,699		
	Employed in San Luis		1,442	14	20,188
	Employed outside San Luis		8,257	14	115,598
				Residential Subtotal	663,426
				Residential Share	**82%**
Nonresidential					
	Non-working Residents		26,382	4	105,528
	Jobs Located in San Luis		3,907		
	Residents Employed in San Luis		1,442	10	14,420
	Non-Resident Workers (inflow commuters)		2,465	10	24,650
				Nonresidential Subtotal	144,598
				Nonresidential Share	**18%**
				Total	808,024

Source: Arizona Office of Economic Opportunity (population), U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, Version 6.23.5 (employment).

AVERAGE WEEKDAY VEHICLE TRIPS

San Luis will use average weekday vehicle trips (AWVT) in the calculation of development fees. Components used to determine AWVT include average weekday vehicle trip generation rates, adjustments for commuting patterns, and adjustments for pass-by trips.

Residential Trip Generation Rates

For residential development, TischlerBise uses trip generation rates published in Trip Generation, Institute of Transportation Engineers, 11th Edition (2021). For single-family development, the proxy is Single Family Detached Housing (ITE 210), and this type of development generates 9.43 average weekday vehicle trip ends per unit. For multi-family development, the proxy is Multifamily Housing Low-Rise (ITE 220), and this type of development generates 6.74 average weekday vehicle trip ends per unit.

Nonresidential Trip Generation Rates

For nonresidential development, TischlerBise uses trip generation rates published in Trip Generation, Institute of Transportation Engineers, 11th Edition (2021). The prototype for industrial development is Light Industrial (ITE 110) which generates 4.87 average weekday vehicle trip ends per 1,000 square feet of floor area. For office and other services development, the proxy is General Office (ITE 710), and it generates 10.84 average weekday vehicle trip ends per 1,000 square feet of floor area. The prototype for institutional development is Government Office (ITE 730) which generates 22.59 trips per 1,000 square feet of floor area. The prototype for commercial development is Shopping Center (ITE 820) which generates 37.01 average weekday vehicle trips per 1,000 square feet of floor area.

Figure L9: Average Weekday Vehicle Trip Ends by Land Use

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit[1]	Wkdy Trip Ends Per Employee[1]	Emp Per Dmd Unit	Square Feet Per Emp
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
254	Assisted Living	bed	2.60	4.24	0.61	na
310	Hotel	room	7.99	14.34	0.56	na
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
620	Nursing Home	bed	3.06	3.31	0.92	na
710	General Office (avg size)	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical-Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.01	17.42	2.12	471

1. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

Trip Rate Adjustments

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 in this section, the development fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

Commuter Trip Adjustment

Residential development has a larger trip adjustment factor of 63 percent to account for commuters leaving San Luis for work. According to the 2009 National Household Travel Survey (see Table 30) 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 L10, the U.S. Census Bureau's OnTheMap web application indicates 85 percent of resident workers traveled outside of San Luis for work in 2021. In combination, these factors (0.31 x 0.50 x 0.85 = 0.13) support the additional 13 percent allocation of trips to residential development.

Figure L10: Commuter Trip Adjustment

Trip Adjustment Factor for Commuters	
Employed Residents	9,699
Residents Living and Working in San Luis	1,442
Residents Commuting Outside San Luis for Work	8,257
Percent Commuting out of San Luis	85%
Additional Production Trips[1]	13%
Residential Trip Adjustment Factor	63%

Source: U.S. Census Bureau, OnTheMap Application (version 6.23.5) and LEHD Origin-Destination Employment Statistics, 2021.

1. According to the National Household Travel Survey (2009)*, published in December 2011 (see Table 30), home-based work trips are typically 30.99 percent of "production" trips, in other words, out-bound trips (which are 50 percent of all trip ends). Also, LED OnTheMap data from 2021 indicate that 85 percent of San Luis' workers travel outside the city for work. In combination, these factors (0.3099 x 0.50 x 0.85 = 0.13) account for 13 percent of additional production trips. The total adjustment factor for residential includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (13 percent of production trips) for a total of 63 percent.
*http://nhts.ornl.gov/publications.shtml ; Summary of Travel Trends - Table "Daily Travel Statistics by Weekday vs. Weekend"

Adjustment for Pass-By Trips

For commercial and institutional development, the trip adjustment factor is less than 50 percent because these types of development attract 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 approximately 33 percent of the trip ends (66 percent X 50 percent).

Average Weekday Vehicle Trips

Shown below in Figure L11, multiplying average weekday vehicle trip ends and trip adjustment factors by existing development units provides the average weekday vehicle trips generated by existing development. As shown below, existing development generates 63,817 average weekday vehicle trips.

Figure L11: Average Weekday Vehicle Trips by Land Use

Development Type	Development Unit	ITE Code	Avg Wkday VTE	Trip Adjustment	2024 Dev Units	2024 Veh Trips
Single Family	HU	210	9.43	63%	8,066	47,919
Multi-Family	HU	220	6.74	63%	851	3,613
Industrial	KSF	130	4.87	50%	534	1,300
Commercial	KSF	820	37.01	33%	486	5,936
Office & Other Services	KSF	710	10.84	50%	339	1,839
Institutional	KSF	610	22.59	33%	431	3,210
Total						63,817

DEVELOPMENT PROJECTIONS

Provided below is a summary of development projections used in the Development Fee Report. Base year estimates for 2024 are used in the fee calculations. Development projections are used to illustrate a possible future pace of demand for service units and cash flows resulting from revenues and expenditures associated with those demands.

Figure L12: Development Projections Summary

San Luis, Arizona	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10-Year
	Base Year	1	2	3	4	5	6	7	8	9	10	Increase
Population	**38,872**	**39,597**	**40,279**	**40,954**	**41,621**	**42,279**	**42,928**	**43,569**	**44,211**	**44,853**	**45,493**	**6,621**
Housing Units												
Single Family	8,066	8,255	8,433	8,609	8,783	8,954	9,123	9,290	9,458	9,625	9,792	1,726
Multi-Family	851	871	889	908	926	944	962	980	998	1,015	1,033	182
Total	**8,917**	**9,126**	**9,322**	**9,517**	**9,709**	**9,899**	**10,086**	**10,270**	**10,455**	**10,640**	**10,825**	**1,908**
Employment												
Industrial	838	858	876	894	912	930	948	965	983	1,000	1,017	179
Commercial	1,032	1,056	1,079	1,101	1,124	1,146	1,167	1,189	1,210	1,231	1,253	221
Office & Other Services	1,105	1,131	1,156	1,180	1,204	1,227	1,250	1,273	1,296	1,319	1,342	237
Institutional	1,305	1,335	1,364	1,393	1,421	1,448	1,476	1,503	1,530	1,557	1,584	279
Total	**4,280**	**4,380**	**4,475**	**4,568**	**4,660**	**4,751**	**4,841**	**4,930**	**5,019**	**5,107**	**5,196**	**916**
Nonres. Sq. Ft. (x1,000)												
Industrial	534	546	558	570	581	593	604	615	626	637	648	114
Commercial	486	497	508	519	529	540	550	560	570	580	590	104
Office & Other Services	339	347	355	362	369	377	384	391	398	405	412	73
Institutional	431	441	450	460	469	478	487	496	505	514	523	92
Total	**1,790**	**1,832**	**1,871**	**1,910**	**1,949**	**1,987**	**2,024**	**2,061**	**2,099**	**2,136**	**2,173**	**383**

Average Weekday Vehicle Trips

TischlerBise uses the projections shown below for the police and street facilities fees.

Figure L13: Average Weekday Vehicle Trips Summary

San Luis, Arizona	Base	1	2	3	4	5	6	7	8	9	10	10-Year
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Increase
Single Family Units	8,066	8,255	8,433	8,609	8,783	8,954	9,123	9,290	9,458	9,625	9,792	1,726
Multi-Family Units	851	871	889	908	926	944	962	980	998	1,015	1,033	182
Industrial KSF	534	546	558	570	581	593	604	615	626	637	648	114
Commercial KSF	486	497	508	519	529	540	550	560	570	580	590	104
Office & Other Services KSF	339	347	355	362	369	377	384	391	398	405	412	73
Institutional KSF	431	441	450	460	469	478	487	496	505	514	523	92
Single Family Trips	47,919	49,042	50,098	51,143	52,176	53,196	54,201	55,194	56,188	57,181	58,173	10,253
Multi-Family Trips	3,613	3,697	3,777	3,856	3,934	4,010	4,086	4,161	4,236	4,311	4,386	773
Residential Trips	51,532	52,739	53,875	54,999	56,110	57,206	58,287	59,355	60,424	61,492	62,558	11,026
Industrial Trips	1,300	1,330	1,359	1,387	1,415	1,443	1,470	1,497	1,524	1,551	1,578	278
Commercial Trips	5,936	6,075	6,206	6,336	6,464	6,590	6,714	6,837	6,961	7,084	7,206	1,270
Office & Other Services Trips	1,839	1,882	1,923	1,963	2,003	2,042	2,080	2,118	2,157	2,195	2,233	394
Institutional Trips	3,210	3,285	3,356	3,426	3,495	3,563	3,630	3,697	3,764	3,830	3,896	687
Nonresidential Trips	12,285	12,573	12,844	13,112	13,376	13,638	13,895	14,150	14,405	14,659	14,914	2,629
Total Vehicle Trips	**63,817**	**65,312**	**66,719**	**68,110**	**69,486**	**70,844**	**72,183**	**73,505**	**74,829**	**76,151**	**77,472**	**13,655**

FIRE FACILITIES IIP

ARS § 9-463.05 (T)(7)(f) defines the eligible facilities and assets for the Fire 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 Fire Facilities IIP includes components for fire facilities, fire apparatus, and the cost of preparing the Fire Facilities IIP and related development fee report. The incremental expansion methodology is used for fire facilities and fire apparatus. The plan-based methodology is used for the development fee report.

SERVICE AREA

The San Luis Fire Department strives to provide a uniform response time within the city limits; therefore, there is a single service area for the Fire Facilities IIP.

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 Fire Facilities IIP and development fees allocate fire capital costs between residential and nonresidential development based on functional population. Both residential and nonresidential development increase the demand on city services and facilities. Functional population can be used to calculate the proportional share between residential and nonresidential demand for services and facilities. The functional population approach allocates the cost of infrastructure to residential and nonresidential development based on the activity of residents and workers in the city through the 24 hours in a weekday.

Residents that do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents that work in San Luis are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside the city are assigned 14 hours to residential development, the remaining hours in the day are assumed to be spent outside of the city working. Inflow commuters are assigned 10 hours to nonresidential development. Based on the most recent functional population data (2021), residential development accounts for 82 percent of the functional population and nonresidential development accounts for 18 percent.

Figure F1: Proportionate Share

Demand Units in 2021					
Residential				Demand Hours/Day	Person Hours
	Population	36,081			
	Residents Not Working		26,382	20	527,640
	Employed Residents		9,699		
	Employed in San Luis		1,442	14	20,188
	Employed outside San Luis		8,257	14	115,598
				Residential Subtotal	663,426
				Residential Share	**82%**
Nonresidential					
	Non-working Residents		26,382	4	105,528
	Jobs Located in San Luis		3,907		
	Residents Employed in San Luis		1,442	10	14,420
	Non-Resident Workers (inflow commuters)		2,465	10	24,650
				Nonresidential Subtotal	144,598
				Nonresidential Share	**18%**
				Total	808,024

Source: Arizona Office of Economic Opportunity (population), U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, Version 6.23.5 (employment).

The proportionate share of costs attributable to residential development will be allocated to population and then converted to an appropriate amount by housing type. Since nonresidential calls for service were unavailable by specific nonresidential use, TischlerBise recommends using jobs as the demand indicator for nonresidential demand. Employment density is highest for office and institutional development and lowest for industrial development. Commercial densities fall between the other categories. This ranking of employment densities is consistent with the relative demand for fire services from nonresidential development.

Ratio of Service Unit to Development Unit

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 F2 displays the demand indicators for residential and nonresidential land uses. For residential development, the table displays the number of persons per housing unit. For nonresidential development, the table displays the number of jobs per thousand square feet of floor area.

Figure F2: Ratio of Service Unit to Development Unit

Residential Development per Housing Unit	
Development Type	Persons per Housing Unit[1]
Single Family	3.52
Multi-Family	2.95

Nonresidential Development per 1,000 Square Feet	
Development Type	Jobs[1]
Industrial	1.57
Commercial	2.12
Office & Other Services	3.26
Institutional	3.03

1. See Land Use Assumptions

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."*

Fire Facilities – Incremental Expansion

San Luis currently provides 16,966 square feet of fire facilities to existing development, and San Luis plans to construct additional fire facilities to serve future development. To allocate the proportionate share of demand for fire facilities to residential and nonresidential development, this analysis uses functional population shown in Figure F1. San Luis' existing level of service for residential development is 0.3579 square feet per person (16,966 square feet X 82 percent residential share / 38,872 persons). The existing nonresidential level of service is 0.7135 square feet per job (16,966 square feet X 18 percent nonresidential share / 4,280 jobs).

The San Luis Fire Department provided a construction cost of $600 per square foot, and the analysis uses this as a proxy for future growth-related fire facility costs. For fire facilities, the cost is $214.74 per person (0.3579 square feet per person X $600 per square foot) and $428.11 per job (0.7135 square feet per job X $600 per square foot).

Figure F3: Existing Level of Service

Description	Square Feet
Fire Station 1	14,466
Fire Station 2	2,500
Total	16,966

Cost Factors	
Cost per Square Foot	$600

Level-of-Service (LOS) Standards	
Existing Square Feet	16,966
Residential	
Residential Share	82%
2024 Population	38,872
Square Feet per Person	0.3579
Cost per Person	$214.74
Nonresidential	
Nonresidential Share	18%
2024 Jobs	4,280
Square Feet per Job	0.7135
Cost per Job	$428.11

Source: San Luis Fire Department

Fire Apparatus – Incremental Expansion

San Luis currently serves existing development with 13 fire apparatus and plans to acquire additional fire apparatus to serve future development. Based on 2024 dollars, the total cost of the existing fleet is $9,495,000. The weighted average cost of the existing fleet is $730,385 per unit, and the analysis uses this as a proxy for future growth-related fire apparatus costs. To allocate the proportionate share of demand for fire apparatus to residential and nonresidential development, this analysis uses functional population outlined in Figure F1. San Luis' existing level of service for residential development is 0.0003 units per person (13 units X 82 percent residential share / 38,872 persons). The existing nonresidential level of service is 0.0005 units per job (13 units X 18 percent nonresidential share / 4,280 jobs).

The weighted average cost of the existing fleet is $730,385 per unit ($9,495,000 total cost / 13 units), and the analysis uses this as a proxy for future growth-related fire apparatus costs. San Luis may use development fees to expand its fire apparatus fleet. For fire apparatus, the cost is $200.29 per person (0.0003 units per person X $730,385 per unit) and $399.32 per job (0.0005 units per job X $730,385 per unit).

Figure F4: Existing Level of Service

Description	Units	Unit Cost	Total Cost
Pumper	2	$1,450,000	$2,900,000
Ladder Truck	2	$1,850,000	$3,700,000
Rescue Vehicle	2	$110,000	$220,000
Special Ops Truck	1	$275,000	$275,000
Ambulance	6	$400,000	$2,400,000
Total	13	$730,385	$9,495,000

Cost Factors	
Weighted Average per Unit	$730,385

Level-of-Service (LOS) Standards	
Existing Units	13
Residential	
Residential Share	82%
2024 Population	38,872
Units per Person	0.0003
Cost per Person	$200.29
Nonresidential	
Nonresidential Share	18%
2024 Jobs	4,280
Units per Job	0.0005
Cost per Job	$399.32

Source: San Luis Fire Department

Development Fee Report – Plan-Based

The cost to prepare the Fire Facilities IIP and related development fee report equals $11,000. San Luis 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 $2.65 per person and $4.20 per job.

Figure F5: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Fire	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Jobs	471	$4.20
Parks and Recreational	$11,000	Residential	96%	Population	3,407	$3.10
		Nonresidential	4%	Jobs	471	$0.93
Police	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Vehicle Trips	1,353	$1.46
Street	$13,000	All Development	100%	VMT	17,976	$0.72
Water	$14,360	All Development	100%	Max Gallons	640,286	$0.02
Wastewater	$14,360	All Development	100%	Avg Gallons	212,650	$0.07
Total	$74,720					

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."*

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."*

As shown in the *Land Use Assumptions* document, projected development during the next 10 years includes population growth of 6,621 persons and employment growth of 916 jobs. To maintain existing levels of service, San Luis needs to construct approximately 3,023 square feet of fire facilities and acquire approximately 2.3 fire apparatus over the next 10 years. The following pages include a more detailed projection of demand for services and costs for the Fire Facilities IIP.

Fire Facilities – Incremental Expansion

San Luis plans to maintain its existing level of service for fire facilities over the next 10 years. Based on a projected population increase of 6,621 persons, future residential development demands approximately 2,369 square feet of fire facilities (6,621 additional persons X 0.3579 square feet per person). With projected nonresidential growth of 916 jobs, future nonresidential development demands approximately 653 additional square feet of fire facilities (916 additional jobs X 0.7135 square feet per job). Future development demands approximately 3,023 square feet of fire facilities at a cost of $1,813,731 (3,022.9 square feet X $600 per square foot). San Luis may use development fees to construct new fire facilities or expand existing fire facilities.

Figure F6: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Sq Ft
Fire Facilities	0.3579 Square Feet	per Person	$600
	0.7135 Square Feet	per Job	

Demand for Fire Facilities					
Year	Population	Jobs	Square Feet		
			Residential	Nonresidential	Total
2024	38,872	4,280	13,912.1	3,053.9	16,966.0
2025	39,597	4,380	14,171.5	3,125.4	17,296.9
2026	40,279	4,475	14,415.6	3,192.7	17,608.3
2027	40,954	4,568	14,657.1	3,259.3	17,916.4
2028	41,621	4,660	14,895.8	3,325.2	18,221.0
2029	42,279	4,751	15,131.4	3,390.1	18,521.5
2030	42,928	4,841	15,363.7	3,454.2	18,817.9
2031	43,569	4,930	15,593.2	3,517.5	19,110.6
2032	44,211	5,019	15,822.9	3,580.8	19,403.8
2033	44,853	5,107	16,052.4	3,644.1	19,696.5
2034	45,493	5,196	16,281.6	3,707.3	19,988.9
10-Yr Increase	6,621	916	2,369.4	653.4	3,022.9
Growth-Related Expenditures			$1,421,667	$392,065	$1,813,731

Fire Apparatus – Incremental Expansion

San Luis plans to maintain its existing level of service for fire apparatus over the next 10 years. Based on a projected population increase of 6,621 persons, future residential development demands approximately 1.8 fire apparatus (6,621 persons X 0.0003 units per person). With projected nonresidential growth of 916 jobs, future nonresidential development demands approximately 0.5 fire apparatus (916 additional jobs X 0.0005 units per job). Future development demands approximately 2.3 fire apparatus at a cost of $1,691,754 (2.3 units X $730,385 per unit). San Luis may use development fees to expand its existing fire apparatus fleet.

Figure F7: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Fire Apparatus	0.0003 Units	per Person	$730,385
	0.0005 Units	per Job	

Demand for Fire Apparatus					
Year	Population	Jobs	Units		
			Residential	Nonresidential	Total
2024	38,872	4,280	10.7	2.3	13.0
2025	39,597	4,380	10.9	2.4	13.3
2026	40,279	4,475	11.0	2.4	13.5
2027	40,954	4,568	11.2	2.5	13.7
2028	41,621	4,660	11.4	2.5	14.0
2029	42,279	4,751	11.6	2.6	14.2
2030	42,928	4,841	11.8	2.6	14.4
2031	43,569	4,930	11.9	2.7	14.6
2032	44,211	5,019	12.1	2.7	14.9
2033	44,853	5,107	12.3	2.8	15.1
2034	45,493	5,196	12.5	2.8	15.3
10-Yr Increase	6,621	916	1.8	0.5	2.3
Growth-Related Expenditures			$1,326,057	$365,697	$1,691,754

FIRE FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because San Luis' construction transaction privilege tax rate is equal to the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Fire Facilities Development Fees

Figure F8 includes infrastructure components and cost factors for fire facilities development fees. The cost per service unit is $417.68 per person and $831.63 per job.

Residential development fees are calculated per housing unit, based on housing type, and vary proportionately according to the number of persons per housing unit. For a single-family unit, the fee of $1,470 is calculated using a cost of $417.68 per person multiplied by 3.52 persons per housing unit.

Nonresidential development fees are calculated per 1,000 square feet and vary proportionately according to the number of jobs. For industrial development, the fee of $1,306 per 1,000 square feet is calculated using a cost of $831.63 per job multiplied by 1.57 jobs per 1,000 square feet.

Figure F8: Fire Facilities Development Fees

Fee Component	Cost per Person	Cost per Job
Fire Facilities	$214.74	$428.11
Fire Apparatus	$200.29	$399.32
Development Fee Report	$2.65	$4.20
Total	$417.68	$831.63

Residential Fees per Unit				
Development Type	Persons per Housing Unit[1]	Proposed Fees	Current Fees	Difference
Single Family	3.52	$1,470	$562	$908
Multi-Family	2.95	$1,232	$363	$869

Nonresidential Fees per 1,000 Square Feet				
Development Type	Jobs per 1,000 Sq Ft[1]	Proposed Fees	Current Fees	Difference
Industrial	1.57	$1,306	$433	$873
Commercial	2.12	$1,763	$622	$1,141
Office & Other Services	3.26	$2,711	$789	$1,922
Institutional	3.03	$2,520	$247	$2,273

1. See Land Use Assumptions

Fire 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 fire facilities needed to accommodate future development. Projected fee revenue shown in Figure F9 is based on the development projections in the *Land Use Assumptions* document and the updated development fees for fire facilities shown in Figure F8. 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 projected, the demand for infrastructure will also decrease, along with development fee revenue. Projected development fee revenue equals $3,512,900 and projected expenditures equal $3,516,485.

Figure F9: Fire Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Fire Facilities	$1,813,731	$0	$1,813,731
Fire Apparatus	$1,691,754	$0	$1,691,754
Development Fee Report	$11,000	$0	$11,000
Total	$3,516,485	$0	$3,516,485

	Single Family $1,470 per unit	Multi-Family $1,232 per unit	Industrial $1,306 per 1,000 sq ft	Commercial $1,763 per 1,000 sq ft	Office & Other $2,711 per 1,000 sq ft	Institutional $2,520 per 1,000 sq ft
Year	Hsg Unit	Hsg Unit	KSF	KSF	KSF	KSF
Base 2024	8,066	851	534	486	339	431
Year 1 2025	8,255	871	546	497	347	441
Year 2 2026	8,433	889	558	508	355	450
Year 3 2027	8,609	908	570	519	362	460
Year 4 2028	8,783	926	581	529	369	469
Year 5 2029	8,954	944	593	540	377	478
Year 6 2030	9,123	962	604	550	384	487
Year 7 2031	9,290	980	615	560	391	496
Year 8 2032	9,458	998	626	570	398	505
Year 9 2033	9,625	1,015	637	580	405	514
Year 10 2034	9,792	1,033	648	590	412	523
10-Year Increase	1,726	182	114	104	73	92
Projected Revenue	$2,529,653	$223,618	$148,774	$182,909	$196,369	$231,577

Projected Fee Revenue	$3,512,900
Total Expenditures	$3,516,485

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 community park land, park amenities, and the cost of preparing the Parks and Recreational Facilities IIP and related Development Fee Report. The incremental expansion methodology is used for community park land and park amenities. The plan-based methodology is used for the Development Fee Report.

SERVICE AREA

San Luis provides citywide access to parks and recreational facilities; therefore, there is a single service area for the Parks and Recreational Facilities IIP.

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 allocate the capital cost of necessary public services between residential and nonresidential development based on functional population. The Arizona Office of Economic Opportunity estimates San Luis' 2021 population equal to 36,081 persons. Based on 2021 estimates from the U.S. Census Bureau's OnTheMap web application, 2,465 inflow commuters traveled to San Luis for work in 2021. The proportionate share is based on cumulative impact days per year. Potential impact to parks and recreational facilities equals 365 days per year per resident and 250 days per year per inflow commuter. For parks and recreational facilities, residential development generates 96 percent of demand and nonresidential development generates the remaining four percent of demand.

Figure PR1: Proportionate Share

Development Type	Service Unit	Impact Days per Year	Cumulative Impact Days per Year	Proportionate Share
Residential	36,081 persons[1]	365	13,169,565	96%
Nonresidential	2,465 inflow commuters[2]	250	616,250	4%
Total			13,785,815	100%

1. Arizona Office of Economic Opportunity, 2021.

2. U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, Version 6.23.4, 2021.

Residential Impact: 365 days per year

Nonresidential Impact: 5 days per week X 50 weeks per year

Ratio of Service Unit to Development Unit

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 PR2 displays the demand indicators for residential and nonresidential land uses. For residential development, the table displays the number of persons per housing unit. For nonresidential development, the table displays the number of jobs per thousand square feet of floor area.

Figure PR2: Ratio of Service Unit to Development Unit

Residential Development per Housing Unit	
Development Type	Persons per Housing Unit[1]
Single Family	3.52
Multi-Family	2.95

Nonresidential Development per 1,000 Square Feet	
Development Type	Jobs[1]
Industrial	1.57
Commercial	2.12
Office & Other Services	3.26
Institutional	3.03

1. See Land Use Assumptions

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."*

Community Park Land – Incremental Expansion

San Luis currently provides 45.1 acres of community park land to existing development and plans to acquire additional community park land to serve future development. To allocate the proportionate share of demand for park land to residential and nonresidential development, this analysis uses the proportionate share shown in Figure PR1. San Luis' existing LOS for residential development is 0.00111 acres per person (45.1 acres X 96 percent residential share / 38,872 persons). For nonresidential development, the existing LOS is 0.00042 acres per job (45.1 acres X four percent nonresidential share / 4,280 jobs).

San Luis city staff provided a cost estimate of $54,000 per acre, and the analysis uses this as a proxy for future land acquisition costs. San Luis may use development fees to purchase additional community park land. For community park land, the cost is $60.15 per person (0.00111 acres per person X $54,000 per acre) and $22.76 per job (0.00042 acres per job X $54,000 per acre).

Figure PR3: Existing Level of Service

Description	Acres
East Community Park	18.0
Joe Orduño Community Park	27.1
Total	45.1

Cost Factors	
Cost per Acre	$54,000

Level-of-Service (LOS) Standards	
Existing Acres	45.10
Residential	
Residential Share	96%
2024 Population	38,872
Acres per Person	0.00111
Cost per Person	$60.15
Nonresidential	
Nonresidential Share	4%
2024 Jobs	4,280
Acres per Job	0.00042
Cost per Job	$22.76

Source: San Luis Parks and Recreation Department

Park Amenities – Incremental Expansion

San Luis currently provides 155.5 park amenities and plans to construct additional park amenities to serve future development. Based on costs provided by city staff, the total cost of existing park amenities is $18,999,500. The analysis uses the weighted average cost of $122,183 per unit as a proxy for future growth-related park amenity costs.

Figure PR4: Existing Park Amenities

Description	Units	Unit Cost	Total Cost
Baseball / Softball Field	3	$421,000	$1,263,000
Basketball Court	6	$102,000	$612,000
Bench	26	$3,000	$78,000
Grill	21	$1,000	$21,000
Playground	26	$217,000	$5,642,000
Ramada	29	$47,000	$1,363,000
Restroom	4	$330,000	$1,320,000
Skate Park	2	$120,000	$240,000
Soccer Field	18.5	$361,000	$6,678,500
Tennis Court	3	$132,000	$396,000
Volleyball Court	3	$24,000	$72,000
Walking Path	6	$123,000	$738,000
Lighting	8	$72,000	$576,000
Total	155.5	$122,183	$18,999,500

Source: San Luis Parks and Recreation Department

To allocate the proportionate share of demand for park amenities to residential and nonresidential development, this analysis uses the proportionate share shown in Figure PR1. San Luis' existing LOS for residential development is 0.00384 units per person (155.5 units X 96 percent residential share / 38,872 persons). For nonresidential development, the existing LOS is 0.00145 units per job (155.5 units X four percent nonresidential share / 4,280 jobs).

Based on the total cost of San Luis' existing park amenities, the weighted average cost for park amenities is $122,183 per unit ($18,999,500 total cost / 155.5 units). San Luis may use development fees to construct additional park amenities in existing or future parks. For park amenities, the cost is $469.22 per person (0.00384 units per person X $122,183 per unit) and $177.56 per job (0.00145 units per job X $122,183 per unit).

Figure PR5: Existing Level of Service

Cost Factors	
Weighted Average per Unit	$122,183

Level-of-Service (LOS) Standards	
Existing Units	155.5
Residential	
Residential Share	96%
2024 Population	38,872
Units per Person	0.00384
Cost per Person	$469.22
Nonresidential	
Nonresidential Share	4%
2024 Jobs	4,280
Units per Job	0.00145
Cost per Job	$177.56

Source: San Luis Parks and Recreation Department

Development Fee Report – Plan-Based

The cost to prepare the Parks and Recreational Facilities IIP and development fees totals $11,000. San Luis plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new development from the *Land Use Assumptions* document, the cost is $3.10 per person and $0.93 per job.

Figure PR6: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Fire	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Jobs	471	$4.20
Parks and Recreational	$11,000	Residential	96%	Population	3,407	$3.10
		Nonresidential	4%	Jobs	471	$0.93
Police	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Vehicle Trips	1,353	$1.46
Street	$13,000	All Development	100%	VMT	17,976	$0.72
Water	$14,360	All Development	100%	Max Gallons	640,286	$0.02
Wastewater	$14,360	All Development	100%	Avg Gallons	212,650	$0.07
Total	$74,720					

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."*

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."*

As shown in the *Land Use Assumptions* document, projected development during the next 10 years includes population growth of 6,621 persons and employment growth of 916 jobs. To maintain the existing levels of service, San Luis needs to purchase approximately 7.8 acres of community park land and construct approximately 27 park amenities. The following pages include a more detailed projection of demand for services and costs for the Parks and Recreational Facilities IIP.

Community Park Land – Incremental Expansion

San Luis plans to maintain its existing level of service for community park land over the next 10 years. Based on a projected population increase of 6,621 persons, future residential development demands approximately 7.4 acres of community park land (6,621 additional persons X 0.00111 acres per person). With projected employment growth of 916 jobs, future nonresidential development demands approximately 0.4 acres of community park land (916 additional jobs X 0.00042 acres per job). Future development demands approximately 7.8 acres of community park land at a cost of $419,038 (7.8 acres X $54,000 per acre). San Luis may use development fees to purchase additional community park land.

Figure PR7: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Acre
Community Park Land	0.00111 Acres	per Person	$54,000
	0.00042 Acres	per Job	

Demand for Community Park Land					
Year	Population	Jobs	Acres		
			Residential	Nonresidential	Total
2024	38,872	4,280	43.3	1.8	45.1
2025	39,597	4,380	44.1	1.8	45.9
2026	40,279	4,475	44.9	1.9	46.7
2027	40,954	4,568	45.6	1.9	47.5
2028	41,621	4,660	46.4	2.0	48.3
2029	42,279	4,751	47.1	2.0	49.1
2030	42,928	4,841	47.8	2.0	49.9
2031	43,569	4,930	48.5	2.1	50.6
2032	44,211	5,019	49.2	2.1	51.4
2033	44,853	5,107	50.0	2.2	52.1
2034	45,493	5,196	50.7	2.2	52.9
10-Yr Increase	6,621	916	7.4	0.4	7.8
Growth-Related Expenditures			$398,194	$20,844	$419,038

Park Amenities – Incremental Expansion

San Luis plans to maintain its existing level of service for park amenities over the next 10 years. Based on a projected population increase of 6,621 persons, future residential development demands approximately 25.4 park amenities (6,621 additional persons X 0.00384 units per person). With projected employment growth of 916 jobs, future nonresidential development demands approximately 1.3 park amenities (916 additional jobs X 0.00145 units per job). Future development demands approximately 27.4 additional park amenities at a cost of $3,269,080 (27.4 units X $122,183 per units). San Luis may use development fees to construct additional park amenities in existing or future parks.

Figure PR8: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Park Amenities	0.00384 Units	per Person	$122,183
	0.00145 Units	per Job	

Demand for Park Amenities					
Year	Population	Jobs	Units		
			Residential	Nonresidential	Total
2024	38,872	4,280	149.3	6.2	155.5
2025	39,597	4,380	152.1	6.4	158.4
2026	40,279	4,475	154.7	6.5	161.2
2027	40,954	4,568	157.3	6.6	163.9
2028	41,621	4,660	159.8	6.8	166.6
2029	42,279	4,751	162.4	6.9	169.3
2030	42,928	4,841	164.9	7.0	171.9
2031	43,569	4,930	167.3	7.2	174.5
2032	44,211	5,019	169.8	7.3	177.1
2033	44,853	5,107	172.2	7.4	179.7
2034	45,493	5,196	174.7	7.6	182.3
10-Yr Increase	6,621	916	25.4	1.3	26.8
Growth-Related Expenditures			$3,106,466	$162,614	$3,269,080

PARKS AND RECREATIONAL FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because San Luis' construction transaction privilege tax rate is equal to the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Parks and Recreational Facilities Development Fees

Figure PR9 includes infrastructure components and cost factors for parks and recreational facilities development fees. The cost per service unit is $532.47 per person and $201.25 per job.

Residential development fees are calculated per housing unit, based on unit type, and vary proportionately according to the number of persons per housing unit. For a single-family unit, the fee of $1,874 is calculated using a cost of $532.47 per person multiplied by 3.52 persons per housing unit.

Nonresidential development fees are calculated per 1,000 square feet and vary proportionately according to the number of jobs. For industrial development, the fee of $316 per 1,000 square feet is calculated using a cost of $201.25 per job, multiplied by 1.57 jobs per 1,000 square feet.

Figure PR9: Parks and Recreational Facilities Development Fees

Fee Component	Cost per Person	Cost per Job
Community Park Land	$60.15	$22.76
Park Amenities	$469.22	$177.56
Development Fee Report	$3.10	$0.93
Total	$532.47	$201.25

Residential Fees per Unit				
Development Type	Persons per Housing Unit[1]	Proposed Fees	Current Fees	Difference
Single Family	3.52	$1,874	$753	$1,121
Multi-Family	2.95	$1,571	$487	$1,084

Nonresidential Fees per 1,000 Square Feet				
Development Type	Jobs per 1,000 Sq Ft[1]	Proposed Fees	Current Fees	Difference
Industrial	1.57	$316	$127	$189
Commercial	2.12	$427	$183	$244
Office & Other Services	3.26	$656	$232	$424
Institutional	3.03	$610	$73	$537

1. See Land Use Assumptions

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 new development. Projected fee revenue shown in Figure PR10 is based on the development projections in the *Land Use Assumptions* document and the updated development fees for parks and recreational facilities shown in Figure PR9. 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 projected, the demand for infrastructure will also decrease, along with development fee revenue. Projected development fee revenue equals $3,694,704 and projected expenditures equal $3,699,118.

Figure PR10: Parks and Recreational Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Community Park Land	$419,038	$0	$419,038
Park Amenities	$3,269,080	$0	$3,269,080
Development Fee Report	$11,000	$0	$11,000
Total	$3,699,118	$0	$3,699,118

	Single Family $1,874 per unit	Multi-Family $1,571 per unit	Industrial $316 per 1,000 sq ft	Commercial $427 per 1,000 sq ft	Office & Other $656 per 1,000 sq ft	Institutional $610 per 1,000 sq ft
Year	Hsg Unit	Hsg Unit	KSF	KSF	KSF	KSF
Base 2024	8,066	851	534	486	339	431
Year 1 2025	8,255	871	546	497	347	441
Year 2 2026	8,433	889	558	508	355	450
Year 3 2027	8,609	908	570	519	362	460
Year 4 2028	8,783	926	581	529	369	469
Year 5 2029	8,954	944	593	540	377	478
Year 6 2030	9,123	962	604	550	384	487
Year 7 2031	9,290	980	615	560	391	496
Year 8 2032	9,458	998	626	570	398	505
Year 9 2033	9,625	1,015	637	580	405	514
Year 10 2034	9,792	1,033	648	590	412	523
10-Year Increase	1,726	182	114	104	73	92
Projected Revenue	$3,225,692	$285,147	$36,010	$44,272	$47,530	$56,052

Projected Fee Revenue	$3,694,704
Total Expenditures	$3,699,118

POLICE FACILITIES IIP

ARS § 9-463.05 (T)(7)(f) defines the eligible facilities and assets for 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 police facilities, police vehicles, communication equipment, and the cost of preparing the Police Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current level of service, is used for police facilities, police vehicles, and communication equipment. The plan-based methodology is used for the Development Fee Report.

SERVICE AREA

The San Luis Police Department strives to provide a uniform response time within the city limits; therefore, there is a single service area for the Police Facilities IIP.

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 allocate police capital costs between residential and nonresidential development based on functional population. Both residential and nonresidential development increase the demand on city services and facilities. Functional population can be used to calculate the proportional share between residential and nonresidential demand on service and facilities. The functional population approach allocates the cost of infrastructure to residential and nonresidential development based on the activity of residents and workers in the city through the 24 hours in a day.

Residents that do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents that work in San Luis are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside the city are assigned 14 hours to residential development, and the remaining hours in the day are assumed to be spent outside of the city working. Inflow commuters are assigned 10 hours to nonresidential development. Based on the most recent functional population data (2021), residential development accounts for 82 percent of the functional population and nonresidential development accounts for 18 percent.

Figure P1: Proportionate Share

Demand Units in 2021					
Residential				Demand Hours/Day	Person Hours
	Population	36,081			
	Residents Not Working		26,382	20	527,640
	Employed Residents		9,699		
	Employed in San Luis		1,442	14	20,188
	Employed outside San Luis		8,257	14	115,598
				Residential Subtotal	663,426
				Residential Share	**82%**
Nonresidential					
	Non-working Residents		26,382	4	105,528
	Jobs Located in San Luis		3,907		
	Residents Employed in San Luis		1,442	10	14,420
	Non-Resident Workers (inflow commuters)		2,465	10	24,650
				Nonresidential Subtotal	144,598
				Nonresidential Share	**18%**
				Total	808,024

Source: Arizona Office of Economic Opportunity (population), U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, Version 6.23.5 (employment).

The proportionate share of costs attributable to residential development will be allocated to population and then converted to an appropriate amount by housing unit type. Since nonresidential calls for service were unavailable by specific nonresidential use, TischlerBise recommends using vehicle trips as the demand indicator for nonresidential demand. Vehicle trip generation rates are highest for commercial development and lowest for industrial development. Office and institutional trip generation rates fall between the other two categories. This ranking of vehicle trip generation factors is consistent with the relative demand for police services from nonresidential development.

Ratio of Service Unit to Development Unit

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 P2 displays the demand indicators for residential and nonresidential land uses. For residential development, the table displays the number of persons per housing unit. For nonresidential development, the table displays the number of vehicle trips per thousand square feet of floor area.

Figure P2: Ratio of Service Unit to Development Unit

Residential Development per Housing Unit	
Development Type	Persons per Housing Unit[1]
Single Family	3.52
Multi-Family	2.95

Nonresidential Development per 1,000 Square Feet			
Development Type	Avg Weekday Veh Trip Ends[1]	Trip Rate Adjustment	Avg Weekday Veh Trips[1]
Industrial	4.87	50%	2.44
Commercial	37.01	33%	12.21
Office & Other Services	10.84	50%	5.42
Institutional	22.59	33%	7.45

1. See Land Use Assumptions

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."*

Police Facilities – Incremental Expansion

San Luis currently provides 19,856 square feet of police facilities to existing development and plans to construct additional police facilities to serve future development. The San Luis Police Department plans to construct police station 2 for $7,198,523 with a total floor area of 11,300 square feet. The analysis uses $637 per square foot ($7,198,523 / 11,300 square feet) as a proxy for growth-related police facility costs. San Luis may use development fees to construct police station 2 or to construct other growth-related police facilities.

To allocate the proportionate share of demand for police facilities to residential and nonresidential development, this analysis uses the proportionate share outlined in Figure P1. San Luis' existing level of service for residential development is 0.4189 square feet per person (19,856 square feet X 82 percent residential share / 38,872 persons). The existing nonresidential level of service is 0.2909 square feet per vehicle trip (19,856 square feet X 18 percent nonresidential share / 12,285 vehicle trips).

Using the planned construction costs for police station 2, the analysis uses $637 per square foot as a proxy for growth-related police facility costs. For police facilities, the cost is $266.83 per person (0.4189 square feet per person X $637 per square foot) and $185.33 per vehicle trip (0.2909 square feet per vehicle trip X $637 per square foot).

Figure P3: Existing Level of Service

Description	Square Feet
Police Station	19,856
Total	19,856

Cost Factors	
Police Station 2 Cost	$7,198,523
Planned Square Feet	11,300
Cost per Square Foot	$637

Level-of-Service (LOS) Standards	
Existing Square Feet	19,856
Residential	
Residential Share	82%
2024 Population	38,872
Square Feet per Person	0.4189
Cost per Person	$266.83
Nonresidential	
Nonresidential Share	18%
2024 Vehicle Trips	12,285
Square Feet per Vehicle Trip	0.2909
Cost per Vehicle Trip	$185.33

Source: San Luis Police Department

Police Vehicles – Incremental Expansion

San Luis has a fleet of 49 police vehicles and plans to acquire additional police vehicles to serve future development. To allocate the proportionate share of demand for police vehicles to residential and nonresidential development, this analysis uses the proportionate share outlined in Figure P1. San Luis' existing level of service for residential development is 0.0010 units per person (49 units X 82 percent residential share / 38,872 persons). The existing nonresidential level of service is 0.0007 units per vehicle trip (49 units X 18 percent nonresidential share / 12,285 vehicle trips).

Based on the cost of San Luis' existing police vehicles, the weighted average cost is $72,306 per unit ($3,543,000 total cost / 49 units). San Luis may use development fees to expand its police vehicle fleet. For police vehicles, the cost is $74.4 per person (0.0010 units per person X $72,306 per unit) and $51.91 per vehicle trip (0.0007 units per vehicle trip X $72,306 per unit).

Figure P4: Existing Level of Service

Description	Units	Unit Cost	Total Cost
Patrol	30	$92,500	$2,775,000
Motor Unit	3	$32,000	$96,000
K-9	4	$36,000	$144,000
Detective	4	$42,000	$168,000
Command Staff	4	$43,000	$172,000
Transit Enforcement	4	$47,000	$188,000
Total	49	$72,306	$3,543,000

Cost Factors	
Weighted Average per Unit	$72,306

Level-of-Service (LOS) Standards	
Existing Units	49
Residential	
Residential Share	82%
2024 Population	38,872
Units per Person	0.0010
Cost per Person	$74.74
Nonresidential	
Nonresidential Share	18%
2024 Vehicle Trips	12,285
Units per Vehicle Trip	0.0007
Cost per Vehicle Trip	$51.91

Source: San Luis Police Department

Communication Equipment – Incremental Expansion

San Luis currently serves existing development with 134 units of communication equipment, and San Luis plans to acquire additional communication equipment to serve future development. To allocate the proportionate share of demand for communication equipment to residential and nonresidential development, this analysis uses the proportionate share outlined in Figure P1. San Luis' existing level of service for residential development is 0.0028 units per person (134 units X 82 percent residential share / 38,872 persons). The existing nonresidential level of service is 0.0020 units per vehicle trip (134 units X 18 percent nonresidential share / 12,285 vehicle trips).

Based on the weighted average cost of existing communication equipment, the analysis uses $8,993 per unit ($1,205,000 total cost / 134 units) as a proxy for future communication equipment. San Luis may use development fees to acquire additional communication equipment to serve future development. For communication equipment, the cost is $25.42 per person (0.0028 units per person X $8,993 per unit) and $17.66 per vehicle trip (0.0020 units per vehicle trip X $8,993 per unit).

Figure P5: Existing Level of Service

Description	Units	Unit Cost	Total Cost
Mobile Radio	65	$7,000	$455,000
Portable Radio	64	$5,000	$320,000
Radio Console 7500	4	$50,000	$200,000
Communication Tower	1	$230,000	$230,000
Total	134	$8,993	$1,205,000

Cost Factors	
Weighted Average per Unit	$8,993

Level-of-Service (LOS) Standards	
Existing Units	134
Residential	
Residential Share	82%
2024 Population	38,872
Units per Person	0.0028
Cost per Person	$25.42
Nonresidential	
Nonresidential Share	18%
2024 Vehicle Trips	12,285
Units per Vehicle Trip	0.0020
Cost per Vehicle Trip	$17.66

Source: San Luis Police Department

Development Fee Report – Plan-Based

The cost to prepare the Police Facilities IIP and related Development Fee Report equls $11,000. San Luis 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 $2.65 per person and $1.46 per vehicle trip.

Figure P6: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Fire	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Jobs	471	$4.20
Parks and Recreational	$11,000	Residential	96%	Population	3,407	$3.10
		Nonresidential	4%	Jobs	471	$0.93
Police	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Vehicle Trips	1,353	$1.46
Street	$13,000	All Development	100%	VMT	17,976	$0.72
Water	$14,360	All Development	100%	Max Gallons	640,286	$0.02
Wastewater	$14,360	All Development	100%	Avg Gallons	212,650	$0.07
Total	$74,720					

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."*

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."*

As shown in the *Land Use Assumptions* document, projected development during the next 10 years includes population growth of 6,621 persons and vehicle trip growth of 2,629 vehicle trips. To maintain the existing levels of service, San Luis needs to construct approximately 3,538 square feet of police facilities, acquire approximately 9 police vehicles, and acquire approximately 24 units of communication equipment over the next 10 years. The following pages include a more detailed projection of demand for services and costs for the Police Facilities IIP.

Police Facilities – Incremental Expansion

San Luis plans to maintain the existing level of service for police facilities over the next 10 years. Based on a projected population increase of 6,621 persons, future residential development demands approximately 2,773 square feet of police facilities (6,621 additional persons X 0.4189 square feet per person). With projected nonresidential growth of 2,629 vehicle trips, future nonresidential development demands approximately 765 square feet of police facilities (2,629 additional vehicle trips X 0.2909 square feet per vehicle trip). Future development demands approximately 3,538 square feet of police facilities at a cost of $2,253,715 (3,537.8 square feet X $637 per square foot).

Figure P7: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Sq Ft
Police Facilities	0.4189 Square Feet	per Person	$637
	0.2909 Square Feet	per Vehicle Trip	

Demand for Police Facilities					
Year	Population	Vehicle Trips	Square Feet		
			Residential	Nonresidential	Total
2024	38,872	12,285	16,281.9	3,574.1	19,856.0
2025	39,597	12,573	16,585.4	3,657.8	20,243.2
2026	40,279	12,844	16,871.1	3,736.6	20,607.7
2027	40,954	13,112	17,153.8	3,814.5	20,968.3
2028	41,621	13,376	17,433.2	3,891.6	21,324.8
2029	42,279	13,638	17,708.9	3,967.6	21,676.5
2030	42,928	13,895	17,980.8	4,042.6	22,023.4
2031	43,569	14,150	18,249.3	4,116.6	22,365.9
2032	44,211	14,405	18,518.2	4,190.8	22,709.0
2033	44,853	14,659	18,786.8	4,264.9	23,051.6
2034	45,493	14,914	19,055.0	4,338.8	23,393.8
10-Yr Increase	6,621	2,629	2,773.1	764.7	3,537.8
Growth-Related Expenditures			$1,766,541	$487,174	$2,253,715

Police Vehicles – Incremental Expansion

San Luis plans to maintain its existing level of service for police vehicles over the next 10 years. Based on a projected population increase of 6,621 persons, future residential development demands an additional 6.8 units (6,621 additional persons X 0.0010 units per person). With projected nonresidential growth of 2,629 vehicle trips, future nonresidential development demands an additional 1.9 units (2,629 additional vehicle trips X 0.0007 units per vehicle trip). Future development demands approximately 9 police vehicles at a cost of $631,267 (8.7 units X $72,306 per unit). San Luis may use development fees to expand its police vehicle fleet.

Figure P8: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Police Vehicles	0.0010 Units	per Person	$72,306
	0.0007 Units	per Vehicle Trip	

Demand for Police Vehicles					
Year	Population	Vehicle Trips	Units		
			Residential	Nonresidential	Total
2024	38,872	12,285	40.2	8.8	49.0
2025	39,597	12,573	40.9	9.0	50.0
2026	40,279	12,844	41.6	9.2	50.9
2027	40,954	13,112	42.3	9.4	51.7
2028	41,621	13,376	43.0	9.6	52.6
2029	42,279	13,638	43.7	9.8	53.5
2030	42,928	13,895	44.4	10.0	54.3
2031	43,569	14,150	45.0	10.2	55.2
2032	44,211	14,405	45.7	10.3	56.0
2033	44,853	14,659	46.4	10.5	56.9
2034	45,493	14,914	47.0	10.7	57.7
10-Yr Increase	6,621	2,629	6.8	1.9	8.7
Growth-Related Expenditures			$494,810	$136,458	$631,267

Communication Equipment – Incremental Expansion

San Luis plans to maintain its existing level of service for communication equipment over the next 10 years. Based on a projected population increase of 6,621 persons, future residential development demands an additional 18.7 units (6,621 additional persons X 0.0028 units per person). With projected nonresidential growth of 2,629 vehicle trips, future nonresidential development demands an additional 5.2 units (2,629 additional vehicle trips X 0.0020 units per vehicle trip). Future development demands approximately 24 units at a cost of $214,699 (23.9 units X $8,993 per unit).

Figure P9: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Communication Equipment	0.0028 Units	per Person	$8,993
	0.0020 Units	per Vehicle Trip	

Demand for Communication Equipment					
Year	Population	Vehicle Trips	Units		
			Residential	Nonresidential	Total
2024	38,872	12,285	109.9	24.1	134.0
2025	39,597	12,573	111.9	24.7	136.6
2026	40,279	12,844	113.9	25.2	139.1
2027	40,954	13,112	115.8	25.7	141.5
2028	41,621	13,376	117.6	26.3	143.9
2029	42,279	13,638	119.5	26.8	146.3
2030	42,928	13,895	121.3	27.3	148.6
2031	43,569	14,150	123.2	27.8	150.9
2032	44,211	14,405	125.0	28.3	153.3
2033	44,853	14,659	126.8	28.8	155.6
2034	45,493	14,914	128.6	29.3	157.9
10-Yr Increase	6,621	2,629	18.7	5.2	23.9
Growth-Related Expenditures			$168,288	$46,410	$214,699

POLICE FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because San Luis' construction transaction privilege tax rate is equal to the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Police Facilities Development Fees

Figure P10 includes infrastructure components and cost factors for police facilities development fees. The cost per service unit is $369.64 per person and $256.36 per vehicle trip.

Residential development fees are calculated per housing unit, based on unit type, and vary proportionately according to the number of persons per housing unit. For a single-family unit, the fee of $1,301 is calculated using a cost of $369.64 per person multiplied by 3.52 persons per housing unit.

Nonresidential development fees are calculated per 1,000 square feet and vary proportionately according to the number of vehicle trips. For industrial development, the fee of $626 per 1,000 square feet is calculated using a cost of $256.36 per vehicle trip, multiplied by 2.44 vehicle trips per 1,000 square feet.

Figure P10: Police Facilities Development Fees

Fee Component	Cost per Person	Cost per Trip
Police Facilities	$266.83	$185.33
Police Vehicles	$74.74	$51.91
Communication Equipment	$25.42	$17.66
Development Fee Report	$2.65	$1.46
Total	$369.64	$256.36

Residential Fees per Unit				
Development Type	Persons per Housing Unit[1]	Proposed Fees	Current Fees	Difference
Single Family	3.52	$1,301	$446	$855
Multi-Family	2.95	$1,090	$288	$802

Nonresidential Fees per 1,000 Square Feet				
Development Type	AWVT per 1,000 Sq Ft[1]	Proposed Fees	Current Fees	Difference
Industrial	2.44	$626	$135	$491
Commercial	12.21	$3,130	$678	$2,452
Office & Other Services	5.42	$1,389	$265	$1,124
Institutional	7.45	$1,910	$350	$1,560

1. See Land Use Assumptions

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 P11 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. Projected development fee revenue equals $3,107,587 and projected expenditures equal $3,110,681.

Figure P11: Police Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Police Facilities	$2,253,715	$0	$2,253,715
Police Vehicles	$631,267	$0	$631,267
Communication Equipment	$214,699	$0	$214,699
Development Fee Report	$11,000	$0	$11,000
Total	$3,110,681	$0	$3,110,681

		Single Family $1,301 per unit	Multi-Family $1,090 per unit	Industrial $626 per 1,000 sq ft	Commercial $3,130 per 1,000 sq ft	Office & Other $1,389 per 1,000 sq ft	Institutional $1,910 per 1,000 sq ft
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF	KSF
Base	2024	8,066	851	534	486	339	431
Year 1	2025	8,255	871	546	497	347	441
Year 2	2026	8,433	889	558	508	355	450
Year 3	2027	8,609	908	570	519	362	460
Year 4	2028	8,783	926	581	529	369	469
Year 5	2029	8,954	944	593	540	377	478
Year 6	2030	9,123	962	604	550	384	487
Year 7	2031	9,290	980	615	560	391	496
Year 8	2032	9,458	998	626	570	398	505
Year 9	2033	9,625	1,015	637	580	405	514
Year 10	2034	9,792	1,033	648	590	412	523
10-Year Increase		1,726	182	114	104	73	92
Projected Revenue		$2,237,803	$197,819	$71,253	$324,637	$100,610	$175,466

Projected Fee Revenue	$3,107,587
Total Expenditures	$3,110,681

STREET FACILITIES IIP

ARS § 9-463.05 (T)(7)(e) defines the eligible facilities and assets for 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 improvements, intersection improvements, and the cost of preparing the Street Facilities IIP and related Development Fee Report. The incremental expansion methodology is used for street improvements and intersection improvements, and the plan-based methodology is used for the Development Fee Report.

SERVICE AREA

San Luis provides a transportation network within the city limits; therefore, there is a single service area for the Street Facilities IIP.

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 Street Facilities IIP and development fees will allocate the cost of necessary public services between residential and nonresidential based on trip generation rates, trip adjustment factors, and trip lengths.

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

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."*

San Luis will use vehicle miles traveled (VMT) as the demand units for street facilities development fees. Components used to determine VMT include average weekday vehicle trip generation rates, adjustments for commuting patterns and pass-by trips, and trip length weighting factors.

Residential Trip Generation Rates

For residential development, TischlerBise uses trip generation rates published in Trip Generation, Institute of Transportation Engineers, 11th Edition (2021). For single-family development, the proxy is Single Family Detached Housing (ITE 210), and this type of development generates 9.43 average weekday vehicle trip ends per unit. For multi-family development, the proxy is Multifamily Housing Low-Rise (ITE 220), and this type of development generates 6.74 average weekday vehicle trip ends per unit.

Nonresidential Trip Generation Rates

For nonresidential development, TischlerBise uses trip generation rates published in Trip Generation, Institute of Transportation Engineers, 11th Edition (2021). The prototype for industrial development is Light Industrial (ITE 110) which generates 4.87 average weekday vehicle trip ends per 1,000 square feet of floor area. For office and other services development, the proxy is General Office (ITE 710), and it generates 10.84 average weekday vehicle trip ends per 1,000 square feet of floor area. The prototype for institutional development is Government Office (ITE 730) which generates 22.59 average weekday vehicle trips per 1,000 square feet of floor area. The prototype for commercial development is Shopping Center (ITE 820) which generates 37.01 average weekday vehicle trips per 1,000 square feet of floor area.

Figure S1: Average Weekday Vehicle Trip Ends by Land Use

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit[1]	Wkdy Trip Ends Per Employee[1]	Emp Per Dmd Unit	Square Feet Per Emp
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
254	Assisted Living	bed	2.60	4.24	0.61	na
310	Hotel	room	7.99	14.34	0.56	na
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
620	Nursing Home	bed	3.06	3.31	0.92	na
710	General Office (avg size)	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical-Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.01	17.42	2.12	471

1. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

Trip Rate Adjustments

To calculate street facilities 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 in this section, the development fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

Commuter Trip Adjustment

Residential development has a larger trip adjustment factor of 63 percent to account for commuters leaving San Luis for work. According to the 2009 National Household Travel Survey (see Table 30) 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 S2, the U.S. Census Bureau's OnTheMap web application indicates 85 percent of resident workers traveled outside of San Luis for work in 2021. In combination, these factors (0.31 x 0.50 x 0.85 = 0.13) support the additional 13 percent allocation of trips to residential development.

Figure S2: Commuter Trip Adjustment

Trip Adjustment Factor for Commuters	
Employed Residents	9,699
Residents Living and Working in San Luis	1,442
Residents Commuting Outside San Luis for Work	8,257
Percent Commuting out of San Luis	85%
Additional Production Trips[1]	13%
Residential Trip Adjustment Factor	63%

Source: U.S. Census Bureau, OnTheMap Application (version 6.23.5) and LEHD Origin-Destination Employment Statistics, 2021.

1. According to the National Household Travel Survey (2009)*, published in December 2011 (see Table 30), home-based work trips are typically 30.99 percent of "production" trips, in other words, out-bound trips (which are 50 percent of all trip ends). Also, LED OnTheMap data from 2021 indicate that 85 percent of San Luis' workers travel outside the city for work. In combination, these factors (0.3099 x 0.50 x 0.85 = 0.13) account for 13 percent of additional production trips. The total adjustment factor for residential includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (13 percent of production trips) for a total of 63 percent. *http://nhts.ornl.gov/publications.shtml ; Summary of Travel Trends - Table "Daily Travel Statistics by Weekday vs. Weekend"

Adjustment for Pass-By Trips

For commercial and institutional development, the trip adjustment factor is less than 50 percent because this type of development attract 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.

Average Weekday Vehicle Trips

Shown below in Figure S3, multiplying average weekday vehicle trip ends and trip adjustment factors by San Luis' existing development units provides the average weekday vehicle trips generated by existing development. As shown below, San Luis' existing development generates 63,817 vehicle trips on an average weekday.

Figure S3: Average Weekday Vehicle Trips by Land Use

Development Type	Dev Unit	ITE Code	Avg Wkday VTE	Trip Adjustment	2024 Dev Units	2024 Veh Trips
Single Family	HU	210	9.43	63%	8,066	47,919
Multi-Family	HU	220	6.74	63%	851	3,613
Industrial	KSF	110	4.87	50%	534	1,300
Commercial	KSF	820	37.01	33%	486	5,936
Office & Other Services	KSF	710	10.84	50%	339	1,839
Institutional	KSF	610	22.59	33%	431	3,210
Total						63,817

Trip Length Weighting Factor

The street facilities development fee methodology includes a percentage adjustment, or weighting factor, to account for trip length variation by type of land use. As documented in Table 3-4, Table 3-5, and Table 3-6 of the 2022 National Household Travel Survey, vehicle trips from residential development are approximately 120 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 50 percent of the average trip length while other nonresidential development typically accounts for trips that are 76 percent of the average for all trips.

Local Trip Lengths

According to recent estimates, San Luis provides 21.0 lane miles of arterials citywide. Using a capacity standard of 7,775 vehicles per lane mile, the existing arterial network provides 163,275 vehicle miles of capacity (21.0 lane miles X 7,775 vehicles per lane mile). To derive the average utilization (i.e., average trip length expressed in miles) of the major streets, divide vehicle miles of capacity by vehicle trips attracted to development in San Luis. As shown in Figure S3, citywide development currently attracts 63,817 average weekday vehicle trips. Dividing 163,259 vehicle miles of capacity by existing average weekday vehicle trips yields an unweighted-average trip length of approximately 2.5582 miles. The calibration of average trip length includes the same adjustment factors used in the development fee calculations (i.e., commuter trip adjustment, pass-by trip adjustment, and average trip length adjustment). With these refinements, the weighted-average trip length is 2.3446 miles.

Average Weekday Vehicle Miles Traveled

Shown below in Figure S5, multiplying average weekday vehicle trips, average trip length, and trip length adjustment factors by existing development units provides the average weekday VMT generated by existing development. Existing development generates 163,259 VMT on an average weekday.

Figure S4: Average Weekday Vehicle Miles Traveled by Land Use

Development Type	Dev Unit	Avg Wkday Veh Trips	Avg Trip Length	Trip Length Adjustment	2024 Dev Units	2024 VMT
Single Family	HU	5.94	2.3446	120%	8,066	134,822
Multi-Family	HU	4.25	2.3446	120%	851	10,164
Industrial	KSF	2.44	2.3446	76%	534	2,316
Commercial	KSF	12.21	2.3446	50%	486	6,959
Office & Other Services	KSF	5.42	2.3446	76%	339	3,277
Institutional	KSF	7.45	2.3446	76%	431	5,719
Total						163,259

Travel Demand Indicators

Shown below are the demand indicators for residential and nonresidential land uses related to vehicle miles traveled (VMT). For residential development, the table displays VMT per housing unit. For nonresidential development, the table displays VMT generated per 1,000 square feet of floor area.

Figure S5: Ratio of Service Unit to Development Unit

Residential Development per Housing Unit					
Development Type	Avg Weekday Veh Trip Ends[1]	Trip Adjustment[1]	Average Trip Length (miles)	Trip Length Adjustment	Avg Weekday VMT
Single Family	9.43	63%	2.3446	120%	16.71
Multi-Family	6.74	63%	2.3446	120%	11.95

Nonresidential Development per 1,000 Square Feet					
Development Type	Avg Weekday Veh Trip Ends[1]	Trip Adjustment[1]	Average Trip Length (miles)	Trip Length Adjustment	Avg Weekday VMT
Industrial	4.87	50%	2.3446	76%	4.34
Commercial	37.01	33%	2.3446	50%	14.32
Office & Other Services	10.84	50%	2.3446	76%	9.66
Institutional	22.59	33%	2.3446	76%	13.28

1. See Land Use Assumptions

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."*

Street Improvements – Incremental Expansion

San Luis plans to construct additional street improvements to serve future development. The San Luis Public Works Department provided construction cost estimates representative of future growth-related street improvements. The eligible cost (excludes the cost to repair or replace existing lanes) of these proxy projects is $2,700,000 for 5.28 lane miles. The analysis uses $511,364 per lane mile ($2,700,000 / 5.28 lane miles) as a proxy for growth-related street improvement costs. The list of proxy projects is representational of future growth-related street improvement costs, and it does not represent a plan-based approach. San Luis may use development fees to construct these projects or to construct other growth-related street improvements.

Figure S6: Cost Factors

Project	Lane Miles	Eligible Cost
Co. 22nd Widening (Main St. to Sidewinder Rd)	3.28	$1,500,000
10th Ave. Widening (Cesar Chavez Blvd. to Co. 22nd St.)	2.00	$1,200,000
Total	5.28	$2,700,000

Source: San Luis Public Works Department

San Luis currently provides 21.0 lane miles of street improvements to existing development, and the existing LOS is 1.2863 lane miles per 10,000 VMT (21.0 lane miles / (163,259 VMT / 10,000 VMT)). Based on a weighted average cost of $511,364 per lane mile, the street improvements cost is $65.78 per VMT (21.0 lane miles / 163,259 VMT X $511,364 per lane mile).

Figure S7: Existing Level of Service

Cost Factors	
Eligible Cost per Lane Mile	$511,364

Level-of-Service (LOS) Standards	
Existing Lane Miles	21.00
2024 VMT	163,259
Lane Miles per 10,000 VMT	1.2863
Cost per VMT	$65.78

Source: San Luis Public Works Department

Intersection Improvements – Incremental Expansion

San Luis plans to construct additional intersection improvements to serve future development. The San Luis Public Works Department provided construction cost estimates representative of future growth-related intersection improvements. The total cost of these proxy projects is $1,920,000 for 3.0 intersections, and the weighted average cost is $640,000 per intersection ($1,920,000 / 3.0 intersections). The analysis uses $640,000 per intersection as a proxy for growth-related intersection improvement costs. The list of proxy projects is representational of future growth-related intersection improvement costs, and it does not represent a plan-based approach. San Luis may use development fees to construct these projects or to construct other growth-related intersection improvements.

San Luis currently provides 9.0 improved intersections to existing development, and the existing LOS is 0.5513 improved intersections per 10,000 VMT (9.0 improved intersections / (163,259 VMT / 10,000 VMT)). Based on a weighted average cost of $640,000 per intersection, the intersection improvements cost is $35.28 per VMT (9.0 intersections / 163,259 VMT X $640,000 per intersection).

Figure S8: Existing Level of Service

Cost Factors	
Co. 22nd and 4th Ave	$1,200,000
Co. 22nd and Sidewinder Rd	$220,000
Avenue F and Co. 24th St	$500,000
Total	$1,920,000
Average	**$640,000**

Level-of-Service (LOS) Standards	
Existing Improved Intersections	9.00
2024 VMT	163,259
Intersections per 10,000 VMT	0.5513
Cost per VMT	$35.28

Source: San Luis Public Works Department

Development Fee Report – Plan-Based

The cost to prepare the Street Facilities IIP and related Development Fee Report totals $13,000. San Luis 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 $0.72 per VMT.

Figure S9: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Fire	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Jobs	471	$4.20
Parks and Recreational	$11,000	Residential	96%	Population	3,407	$3.10
		Nonresidential	4%	Jobs	471	$0.93
Police	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Vehicle Trips	1,353	$1.46
Street	$13,000	All Development	100%	VMT	17,976	$0.72
Water	$14,360	All Development	100%	Max Gallons	640,286	$0.02
Wastewater	$14,360	All Development	100%	Avg Gallons	212,650	$0.07
Total	$74,720					

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."*

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."*

As shown in the *Land Use Assumptions* document, 10-year projected growth includes 1,908 housing units and 383,000 square feet of nonresidential floor area. Based on the travel demand factors discussed in this section, projected development generates an additional 34,933 VMT over the next 10 years. Shown below in Figure S10, San Luis needs to construct approximately 4.49 lane miles of street improvements with a growth-related cost of $2,297,525 (4.49 lane miles X $511,364 per lane mile) and 1.93 intersection improvements with a growth-related cost of $1,232,472 (1.93 intersection improvements X $640,000 per intersection improvement) to maintain the existing LOS over the next 10 years.

Figure S10: Projected Travel Demand

San Luis, Arizona	Base	1	2	3	4	5	10	10-Year Increase
	2024	2025	2026	2027	2028	2029	2034	
Single-Family Units	8,066	8,255	8,433	8,609	8,783	8,954	9,792	1,726
Multi-Family Units	851	871	889	908	926	944	1,033	182
Industrial KSF	534	546	558	570	581	593	648	114
Commercial KSF	486	497	508	519	529	540	590	104
Office & Other KSF	339	347	355	362	369	377	412	73
Institutional KSF	431	441	450	460	469	478	523	92
Single Family Trips	47,919	49,042	50,098	51,143	52,176	53,196	58,173	10,253
Multi-Family Trips	3,613	3,697	3,777	3,856	3,934	4,010	4,386	773
Residential Trips	51,532	52,739	53,875	54,999	56,110	57,206	62,558	11,026
Industrial Trips	1,300	1,330	1,359	1,387	1,415	1,443	1,578	278
Commercial Trips	5,936	6,075	6,206	6,336	6,464	6,590	7,206	1,270
Office & Other Trips	1,839	1,882	1,923	1,963	2,003	2,042	2,233	394
Institutional Trips	3,210	3,285	3,356	3,426	3,495	3,563	3,896	687
Nonresidential Trips	12,285	12,573	12,844	13,112	13,376	13,638	14,914	2,629
Total Vehicle Trips	**63,817**	**65,312**	**66,719**	**68,110**	**69,486**	**70,844**	**77,472**	**13,655**
VMT	**163,259**	**167,082**	**170,681**	**174,242**	**177,761**	**181,234**	**198,191**	**34,933**
Lane Miles	21.00	21.49	21.95	22.41	22.86	23.31	25.49	4.49
Lane Miles Cost		$251,475	$236,683	$234,206	$231,480	$228,418	$222,220	$2,297,525
Intersections	9.00	9.21	9.41	9.61	9.80	9.99	10.93	1.93
Intersections Cost		$134,900	$126,965	$125,636	$124,174	$122,531	$119,207	$1,232,472

STREET FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because San Luis' construction transaction privilege tax rate is equal to the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Street Facilities Development Fees

Figure S11 includes infrastructure components and cost factors for street facilities development fees. The cost per service unit is $101.78 per VMT.

Residential development fees are calculated per housing unit and vary proportionately according to VMT per housing unit. For a single-family unit, the fee of $1,701 is calculated using a cost of $101.78 per VMT multiplied by 16.71 VMT per housing unit.

Nonresidential development fees are calculated per 1,000 square feet and vary proportionately according to VMT. For industrial development, the fee of $442 per 1,000 square feet is calculated using a cost of $101.78 per VMT multiplied by 4.34 VMT per 1,000 square feet.

Figure S11: Street Facilities Development Fees

Fee Component	Cost per VMT
Street Improvements	$65.78
Intersection Improvements	$35.28
Development Fee Report	$0.72
Total	$101.78

Residential Fees per Unit				
Development Type	Avg Wkdy VMT per Unit[1]	Proposed Fees	Current Fees	Difference
Single Family	16.71	$1,701	$1,709	($8)
Multi-Family	11.95	$1,216	$799	$417

Nonresidential Fees per 1,000 Square Feet				
Development Type	Avg Wkdy VMT per 1,000 Sq Ft[1]	Proposed Fees	Current Fees	Difference
Industrial	4.34	$442	$378	$64
Commercial	14.32	$1,457	$1,718	($261)
Office & Other Services	9.66	$983	$743	$240
Institutional	13.28	$1,352	$982	$370

1. See Land Use Assumptions

Street 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 S12 is based on the development projections in the *Land Use Assumptions* document and the updated street 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. Projected development fee revenue equals $3,541,910 and projected expenditures equal $3,543,227.

Figure S12: Street Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Street Improvements	$2,297,756	$0	$2,297,756
Intersection Improvements	$1,232,472	$0	$1,232,472
Development Fee Report	$13,000	$0	$13,000
Total	$3,543,227	$0	$3,543,227

	Single Family $1,701 per unit	Multi-Family $1,216 per unit	Industrial $442 per 1,000 sq ft	Commercial $1,457 per 1,000 sq ft	Office & Other $983 per 1,000 sq ft	Institutional $1,352 per 1,000 sq ft
Year	Hsg Unit	Hsg Unit	KSF	KSF	KSF	KSF
Base 2024	8,066	851	534	486	339	431
Year 1 2025	8,255	871	546	497	347	441
Year 2 2026	8,433	889	558	508	355	450
Year 3 2027	8,609	908	570	519	362	460
Year 4 2028	8,783	926	581	529	369	469
Year 5 2029	8,954	944	593	540	377	478
Year 6 2030	9,123	962	604	550	384	487
Year 7 2031	9,290	980	615	560	391	496
Year 8 2032	9,458	998	626	570	398	505
Year 9 2033	9,625	1,015	637	580	405	514
Year 10 2034	9,792	1,033	648	590	412	523
10-Year Increase	1,726	182	114	104	73	92
Projected Revenue	$2,925,224	$220,601	$50,131	$150,885	$71,144	$123,924

Projected Fee Revenue	$3,541,910
Total Expenditures	$3,543,227

WATER FACILITIES IIP

ARS § 9-463.05 (T)(7)(a) defines the eligible facilities and assets for the Water Facilities IIP:

> *"Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities."*

The Water Facilities IIP includes components for water treatment / production, water storage / booster, and the cost of preparing the Water Facilities IIP and related Development Fee Report. The plan-based methodology is used for all components.

SERVICE AREA

San Luis provides a water network within the city limits; therefore, there is a single service area for the Water Facilities IIP.

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 Water Facilities IIP and development fees will allocate the cost of necessary public services between both residential and nonresidential development using max day demand factors.

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

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."*

According to the 2022 Water Rate Study, average day demand from single-family units is 317 gallons. San Luis builds water infrastructure to serve max day demand, so this analysis applies a peaking factor of 1.5 from the 2016 Water System Master Plan to convert average day demand of 317 gallons to max day demand of 475 gallons.

Figure W1: Water Demand Factors

Account Type	Accounts	Annual Gallons	Average Day Gallons	Avg Day Gallons per Account
Residential	7,690	889,359,357	2,436,601	317
Nonresidential	413	492,242,690	1,348,610	3,265
Total	8,103	1,381,602,047	3,785,211	467

Source: San Luis 2022 Water/Wastewater/Sanitation Rate Study

Account Type	Accounts	Average Day Gallons	Max Day Gallons[1]	Max Day Gallons per Account
Residential	7,690	2,436,601	3,654,901	475
Nonresidential	413	1,348,610	2,022,915	4,898
Total	8,103	3,785,211	5,677,817	701

1. Max Day Demand = Average Day Demand X 1.5, San Luis Water System Master Plan 2016.

Water development fees are assessed by meter size, and the analysis uses max day demand from single-family units of 475 gallons per day as the demand factor for a 0.75-inch meter. The base 0.75-inch meter is equivalent to a single-family unit, and a capacity ratio is used to convert the base meter fee proportionately for larger meters. For larger meters, max day demand is calculated by multiplying max day demand from existing single-family units by the capacity ratio for the corresponding meter size. The capacity ratios are calculated based on data published in *AWWA Principles of Water Rates, Fees, and Charges M-1, 7th Edition*.

Figure W2: Water Ratio of Service Unit to Development Unit

Max Day Demand by Meter Size			
Meter Size and Type		Capacity Ratio[1]	Max Day (Gallons)
0.75	Displacement	1.00	475
1.00	Displacement	1.67	793
1.50	Displacement	3.33	1,582
2.00	Compound	5.33	2,532
3.00	Compound	10.67	5,068
4.00	Compound	16.67	7,918
6.00	Compound	33.33	15,832
8.00	Compound	53.33	25,332

1. AWWA, Principles of Water Rates, Fees, and Charges, M1.

Analysis of Capacity, Usage, and Costs of Existing Public Services

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."*

Existing Demand

Applying the water demand factors shown in Figure W1 to existing development estimates, average day demand in 2024 is 3,876,809 gallons and max day demand is 5,815,214 gallons.

Figure W3: Existing Demand

Year		Average Day Gallons	Max Day Gallons
Base	2024	3,876,809	5,815,214

PROJECTED DEMAND FOR SERVICES AND COSTS

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)(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."*

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."*

Projected Demand

Shown below, Figure W4 includes projected average day demand and max day demand over the next 10 years. To project future water demand, the analysis applies water demand factors shown in Figure W1 to citywide development projections. Based on this analysis, projected average day demand increases by 829,524 gallons over the next 10 years and projected max day demand increases by 1,244,286 gallons over the next 10 years.

Figure W4: Projected Demand

Year		Accounts	Average Day Gallons	Max Day Gallons
	2023	8,103	3,785,211	5,677,817
Base	2024	8,297	3,876,809	5,815,214
1	2025	8,491	3,967,605	5,951,407
2	2026	8,674	4,053,059	6,079,589
3	2027	8,855	4,137,620	6,206,430
4	2028	9,034	4,221,196	6,331,794
5	2029	9,211	4,303,666	6,455,500
6	2030	9,385	4,385,006	6,577,508
7	2031	9,556	4,465,325	6,697,987
8	2032	9,729	4,545,770	6,818,655
9	2033	9,901	4,626,100	6,939,151
10	2034	10,072	4,706,333	7,059,500
10-Yr Increase		1,775	829,524	1,244,286

Water Treatment / Production – Plan-Based

The City of San Luis plans to construct water treatment and production infrastructure to meet demand from future development. The gross cost of planned water infrastructure is $7,200,000, and these planned improvements provide 3,400,000 gallons of capacity. The analysis includes credits of $1,234,000 for ARPA funding and $1,464,000 for water rate revenue used to fund construction of these improvements, so the net cost of planned improvements is $4,502,000. As shown in Figure W5, dividing the net cost of $4,502,000 by 3,400,000 gallons results in a cost of $1.32 per gallon. Based on a 10-year max day demand increase of 1,244,286 gallons, projected development during the next 10 years demands approximately 37 percent of planned capacity (1,244,286 max day gallons / 3,400,000 gallons) and generates development fee revenue of approximately $1,642,457 (1,244,286 max day gallons X $1.32 per gallon).

Figure W5: Cost Factors

Treatment / Production	Cost	Gallons	Cost per Gallon
Well Site 5 - Treatment	$2,000,000	1,700,000	$1.18
Well Site 5 - Well	$1,200,000		$0.71
Well Site 7 - Treatment	$2,500,000	1,700,000	$1.47
Well Site 7 - Well	$1,500,000		$0.88
Gross Cost	$7,200,000	3,400,000	$2.12
ARPA Funding Credit	($1,234,000)	3,400,000	($0.36)
Rate Funding Credit[1]	($1,464,000)	3,400,000	($0.43)
Net Cost	$4,502,000	3,400,000	$1.32

Source: San Luis Public Works Department
1. 2022 Water/Wastewater/Sanitation Rate Study

Water Storage / Booster – Plan-Based

The City of San Luis plans to construct water storage and booster infrastructure to meet demand from future development. The gross cost of planned water infrastructure is $9,900,000, and these planned improvements provide 4,000,000 gallons of capacity. The analysis includes a credit of $999,000 for water rate revenue used to fund construction of these improvements, so the net cost of planned improvements is $8,901,000. As shown in Figure W6, dividing the net cost of $8,901,000 by 4,000,000 gallons results in a cost of $2.23 per gallon. Based on a 10-year max day demand increase of 1,244,286 gallons, projected development during the next 10 years demands approximately 31 percent of planned capacity (1,244,286 max day gallons / 4,000,000 gallons) and generates development fee revenue of approximately $2,774,757 (1,244,286 max day gallons X $2.23 per gallon).

Figure W6: Cost Factors

Storage / Booster	Cost	Gallons	Cost per Gallon
Well Site 5 - Storage	$5,000,000	2,000,000	$2.50
Well Site 7 - Storage	$4,000,000	2,000,000	$2.00
Well Site 7 - Booster Pump	$900,000		$0.45
Gross Cost	$9,900,000	4,000,000	$2.48
Rate Funding Credit[1]	($999,000)	4,000,000	($0.25)
Net Cost	$8,901,000	4,000,000	$2.23

Source: San Luis Public Works Department
1. 2022 Water/Wastewater/Sanitation Rate Study

Development Fee Report – Plan-Based

The cost to prepare the Water Facilities IIP and related Development Fee Report totals $14,360. San Luis 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 $0.02 per gallon.

Figure W7: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Fire	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Jobs	471	$4.20
Parks and Recreational	$11,000	Residential	96%	Population	3,407	$3.10
		Nonresidential	4%	Jobs	471	$0.93
Police	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Vehicle Trips	1,353	$1.46
Street	$13,000	All Development	100%	VMT	17,976	$0.72
Water	$14,360	All Development	100%	Max Gallons	640,286	$0.02
Wastewater	$14,360	All Development	100%	Avg Gallons	212,650	$0.07
Total	$74,720					

WATER FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because San Luis' construction transaction privilege tax rate is equal to the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Water Facilities Development Fees

The cost per service unit is $3.57 per gallon for water facilities development fees, and San Luis will assess water facilities development fees by meter size. The base 0.75-inch meter is equivalent to a single-family unit, and a capacity ratio is used to convert the base meter fee proportionately for larger meters. The capacity ratios are calculated based on data published in *AWWA Principles of Water Rates, Fees, and Charges M-1, 7th Edition*.

Water facilities development fees are calculated by multiplying the cost per gallon by max day gallons per EDU (single-family unit) and the associated capacity ratio. The 0.75-inch fee (single-family fee) of $1,696 is calculated using a cost per service unit of $3.57 per gallon, multiplied by 475 max day gallons, multiplied by a capacity ratio of 1.00. For a 1.50-inch meter, the fee of $5,647 is calculated using a cost per service unit of $3.57 per gallon, multiplied by 475 max day gallons, multiplied by a capacity ratio of 3.33.

Figure W8: Water Facilities Development Fees

Demand Indicator	
Residential Gallons per Max Day	475
Cost per Gallon	
Water Treatment / Production	$1.32
Water Storage / Booster	$2.23
Development Fee Report	$0.02
Total	$3.57

Fees per Meter					
Meter Size and Type		Capacity Ratio[1]	Proposed Fees	Current Fees	Difference
0.75	Displacement	1.00	$1,696	$542	$1,154
1.00	Displacement	1.67	$2,832	$905	$1,927
1.50	Displacement	3.33	$5,647	$1,804	$3,843
2.00	Compound	5.33	$9,038	$2,888	$6,150
3.00	Compound	10.67	$18,094	$5,781	$12,313
4.00	Compound	16.67	$28,268	$9,031	$19,237
6.00	Compound	33.33	$56,519	$18,058	$38,461
8.00	Compound	53.33	$90,434	$28,893	$61,541

1. AWWA, Principles of Water Rates, Fees, and Charges, M1.

WATER 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 W9 is based on the development projections in the *Land Use Assumptions* document and the updated water 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. Projected development fee revenue during the next 10 years equals $4,482,029 and total projected expenditures equal $17,114,360 ($13,417,360 after credits). For nonresidential development, the analysis uses a 3.00-inch meter. Based on the actual mix of meter sizes used by future nonresidential accounts, the projected development fee revenue shown below will change.

Figure W9: Water Facilities Development Fees Revenue

Fee Component	Total
Water Treatment / Production	$7,200,000
Water Storage / Booster	$9,900,000
Development Fee Report	$14,360
Subtotal	$17,114,360
ARPA Funding Credit	($1,234,000)
Rate Funding Credit	($2,463,000)
Total	$13,417,360

		Single Family $1,696 per meter	Nonresidential $18,094 per meter
Year		Accounts	Accounts
Base	2024	7,874	423
Year 1	2025	8,058	433
Year 2	2026	8,232	442
Year 3	2027	8,404	451
Year 4	2028	8,574	460
Year 5	2029	8,741	469
Year 6	2030	8,906	478
Year 7	2031	9,069	487
Year 8	2032	9,233	496
Year 9	2033	9,396	505
Year 10	2034	9,559	513
10-Year Increase		1,685	90
Projected Revenue		$2,849,271	$1,632,758

Projected Fee Revenue	$4,482,029
Total Expenditures	$17,114,360

WASTEWATER FACILITIES IIP

ARS § 9-463.05 (T)(7)(b) defines the eligible facilities and assets for the Wastewater Facilities IIP:

> *"Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities."*

The Wastewater Facilities IIP includes components for wastewater treatment and the cost of preparing the Wastewater Facilities IIP and related Development Fee Report. The plan-based methodology is used for wastewater treatment and the Development Fee Report.

SERVICE AREA

San Luis provides a wastewater network within the city limits; therefore, there is a single service area for the Wastewater Facilities IIP.

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 Wastewater Facilities IIP and development fees will allocate the cost of necessary public services between both residential and nonresidential development using average day flow factors.

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

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."*

According to the 2022 Water Rate Study, average day flow from single-family units is 188 gallons.

Figure WW1: Wastewater Flow Factors

Account Type	Accounts	Annual Gallons	Average Day Gallons	Avg Day Gallons per Account
Residential	7,685	526,887,000	1,443,526	188
Nonresidential	287	161,138,000	441,474	1,538
Total	7,972	688,025,000	1,885,000	236

Source: San Luis 2022 Water/Wastewater/Sanitation Rate Study

Wastewater development fees are assessed by meter size, and the analysis uses average day flow from single-family units of 188 gallons per day as the demand factor for a 0.75-inch meter. The base 0.75-inch meter is equivalent to a single-family unit, and a capacity ratio is used to convert the base meter fee proportionately for larger meters. For larger meters, average day flow is calculated by multiplying average day flow from existing single-family units by the capacity ratio for the corresponding meter size. The capacity ratios are calculated based on data published in *AWWA Principles of Water Rates, Fees, and Charges M-1, 7th Edition*.

Figure WW2: Wastewater Ratio of Service Unit to Development Unit

Average Day Flow by Meter Size			
Meter Size and Type		Capacity Ratio[1]	Average Day (Gallons)
0.75	Displacement	1.00	188
1.00	Displacement	1.67	314
1.50	Displacement	3.33	626
2.00	Compound	5.33	1,002
3.00	Compound	10.67	2,006
4.00	Compound	16.67	3,134
6.00	Compound	33.33	6,266
8.00	Compound	53.33	10,026

1. AWWA, Principles of Water Rates, Fees, and Charges, M1.

Analysis of Capacity, Usage, and Costs of Existing Public Services

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."*

Existing Flow

As shown below, San Luis currently provides wastewater treatment capacity of 2,500,000 gallons per day. According to San Luis Public Works Department estimates, average day flow in 2023 was 1,885,000 gallons. Applying the wastewater flow factors shown in Figure WW1 to existing development estimates, average day flow in 2024 is 1,931,338 gallons.

Figure WW3: Existing Flow

Existing Wastewater Treatment Capacity (Gallons)			
Description	Total Capacity	2023 Flow	Available
East WWTP	1,000,000	585,000	415,000
West WWTP	1,500,000	1,300,000	200,000
Total	2,500,000	1,885,000	615,000

Source: San Luis Public Works Department

Existing Wastewater Treatment Capacity (Gallons)			
Description	Total Capacity	2024 Flow	Available
East WWTP	1,000,000	599,381	400,619
West WWTP	1,500,000	1,331,957	168,043
Total	2,500,000	1,931,338	568,662

Source: TischlerBise calculation

Projected Demand for Services and Costs

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)(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."*

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."*

Projected Flow

Shown below, Figure WW4 includes projected average day flow over the next 10 years. To project future wastewater flow, the analysis applies wastewater flow factors shown in Figure WW1 to citywide development projections. Based on this analysis, projected average day flow increases by 413,250 gallons over the next 10 years.

Figure WW4: Projected Flow

Year		Accounts	Average Day Gallons
	2023	7,972	1,885,000
Base	2024	8,163	1,931,338
1	2025	8,354	1,976,570
2	2026	8,534	2,019,142
3	2027	8,712	2,061,268
4	2028	8,888	2,102,903
5	2029	9,062	2,143,988
6	2030	9,233	2,184,510
7	2031	9,402	2,224,523
8	2032	9,571	2,264,599
9	2033	9,741	2,304,618
10	2034	9,909	2,344,588
10-Yr Increase		1,747	413,250

Wastewater Treatment – Plan-Based

The City of San Luis plans to expand the current wastewater treatment facilities to meet demand from future development. The gross cost of planned wastewater infrastructure is $40,000,000, and these planned improvements provide 4,000,000 gallons of treatment capacity. The analysis includes credits of $198,215 for ARPA funding for the West WWTP expansion and $13,073,000 for wastewater rate revenue used to fund construction of these improvements, so the net cost of planned improvements is $26,728,785. As shown below, dividing the net cost of $26,728,785 by 4,000,000 gallons results in a cost of $6.68 per gallon. Based on a 10-year average day flow increase of 413,250 gallons, projected development during the next 10 years demands approximately 10 percent of planned capacity (413,250 average day gallons / 4,000,000 gallons) and generates development fee revenue of approximately $2,760,509 (413,250 average day gallons X $6.68 per gallon).

Figure WW5: Cost Factors

Treatment	Cost	Gallons	Cost per Gallon
East WWTP Expansion	$10,000,000	1,000,000	$10.00
West WWTP Expansion	$30,000,000	3,000,000	$10.00
Gross Cost	$40,000,000	4,000,000	$10.00
ARPA Funding Credit	($198,215)	4,000,000	($0.05)
Rate Funding Credit[1]	($13,073,000)	4,000,000	($3.27)
Net Cost	$26,728,785	4,000,000	$6.68

Source: San Luis Public Works Department

1. 2022 Water/Wastewater/Sanitation Rate Study

Development Fee Report – Plan-Based

The cost to prepare the Wastewater Facilities IIP and related Development Fee Report totals $14,360. San Luis 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 $0.07 per gallon.

Figure WW6: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Fire	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Jobs	471	$4.20
Parks and Recreational	$11,000	Residential	96%	Population	3,407	$3.10
		Nonresidential	4%	Jobs	471	$0.93
Police	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Vehicle Trips	1,353	$1.46
Street	$13,000	All Development	100%	VMT	17,976	$0.72
Water	$14,360	All Development	100%	Max Gallons	640,286	$0.02
Wastewater	$14,360	All Development	100%	Avg Gallons	212,650	$0.07
Total	$74,720					

WASTEWATER FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because San Luis' construction transaction privilege tax rate is equal to the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Wastewater Facilities Development Fees

The cost per service unit is $6.75 per gallon for wastewater facilities development fees, and San Luis will assess wastewater facilities development fees by meter size. The base 0.75-inch meter is equivalent to a single-family unit, and a capacity ratio is used to convert the base meter fee proportionately for larger meters. The capacity ratios are calculated based on data published in *AWWA Principles of Water Rates, Fees, and Charges M-1, 7th Edition*.

Wastewater facilities development fees are calculated by multiplying the cost per gallon by average day gallons per EDU (single-family unit) and the associated capacity ratio. The 0.75-inch fee (single-family fee) of $1,269 is calculated using a cost per service unit of $6.75 per gallon, multiplied by 188 average day gallons, multiplied by a capacity ratio of 1.00. For a 1.50-inch meter, the fee of $4,226 is calculated using a cost per service unit of $6.75 per gallon, multiplied by 188 average day gallons, multiplied by a capacity ratio of 3.33.

Figure WW7: Wastewater Facilities Development Fees

Demand Indicator	
Residential Gallons per Average Day	188
Cost per Gallon	
Wastewater Treatment	$6.68
Development Fee Report	$0.07
Total	$6.75

Fees per Meter				
Meter Size and Type	Capacity Ratio[1]	Proposed Fees	Current Fees	Difference
0.75 Displacement	1.00	$1,269	$912	$357
1.00 Displacement	1.67	$2,119	$1,523	$596
1.50 Displacement	3.33	$4,226	$3,036	$1,190
2.00 Compound	5.33	$6,764	$4,860	$1,904
3.00 Compound	10.67	$13,540	$9,729	$3,811
4.00 Compound	16.67	$21,154	$15,200	$5,954
6.00 Compound	33.33	$42,296	$30,391	$11,905
8.00 Compound	53.33	$67,676	$48,628	$19,048

1. AWWA, Principles of Water Rates, Fees, and Charges, M1.

WASTEWATER 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 WW8 is based on the development projections in the *Land Use Assumptions* document and the updated wastewater facilities development fees in Figure WW7. 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. Projected development fee revenue during the next 10 years equals $2,973,015 and total projected expenditures equal $40,014,360 ($26,743,145 after credits). For nonresidential development, the analysis uses a 3.00-inch meter. Based on the actual mix of meter sizes used by future nonresidential accounts, the projected development fee revenue shown below will change.

Figure WW8: Wastewater Facilities Development Fees Revenue

Fee Component	Total
Wastewater Treatment	$40,000,000
Development Fee Report	$14,360
Subtotal	$40,014,360
ARPA Funding Credit	($198,215)
Rate Funding Credit	($13,073,000)
Total	$26,743,145

		Single Family $1,269 per meter	Nonresidential $13,540 per meter
Year		Accounts	Accounts
Base	2024	7,869	294
Year 1	2025	8,053	301
Year 2	2026	8,227	307
Year 3	2027	8,398	314
Year 4	2028	8,568	320
Year 5	2029	8,735	326
Year 6	2030	8,900	332
Year 7	2031	9,064	338
Year 8	2032	9,227	345
Year 9	2033	9,390	351
Year 10	2034	9,553	357
10-Year Increase		1,684	63
Projected Revenue		$2,125,896	$847,119

Projected Fee Revenue	$2,973,015
Total Expenditures	$40,014,360

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."*

ARS § 9-463.05(B)(12) states,

> *"The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection."*

REVENUE PROJECTIONS

San Luis does not have a higher-than-normal construction excise tax rate; therefore, the required offset described above is not applicable. Shown in Figure A1, San Luis provided the required forecast of non-development fee revenue from identified sources that can be attributed to future development over a period of five years. San Luis directs the revenues shown below to non-development fee eligible capital needs including maintenance, repair, and replacement.

Figure A1: Revenue Projections

APPENDIX B: PROFESSIONAL SERVICES

As stated in Arizona's development fee enabling legislation, "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" (see ARS § 9-463.05.A). 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. 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."

Figure B1: Cost of Professional Services

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Fire	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Jobs	471	$4.20
Parks and Recreational	$11,000	Residential	96%	Population	3,407	$3.10
		Nonresidential	4%	Jobs	471	$0.93
Police	$11,000	Residential	82%	Population	3,407	$2.65
		Nonresidential	18%	Vehicle Trips	1,353	$1.46
Street	$13,000	All Development	100%	VMT	17,976	$0.72
Water	$14,360	All Development	100%	Max Gallons	640,286	$0.02
Wastewater	$14,360	All Development	100%	Avg Gallons	212,650	$0.07
Total	$74,720					

APPENDIX C: LAND USE DEFINITIONS

RESIDENTIAL DEVELOPMENT

As discussed below, residential development categories are based on data from the U.S. Census Bureau, American Community Survey. Development fees will be assessed to all new residential units. One-time development fees are determined by site capacity (i.e., number of residential units).

Single Family:

1. Single-family detached is a one-unit structure detached from any other house, that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached if the building has open space on all four sides.
2. Single-family attached (townhouse) is a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.
3. 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.

Multi-Family:

1. Includes units in structures containing two or more housing units, further categorized as units in structures with "2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more apartments."
2. Includes any living quarters occupied as a housing unit that does not fit the other categories (e.g., houseboats, railroad cars, campers, and vans). 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 construction. 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, entertainment uses, and lodging. By way of example, commercial includes shopping centers, supermarkets, pharmacies, restaurants, bars, nightclubs, automobile dealerships, movie theaters, and lodging.

Industrial: Establishments primarily engaged in the production, transportation, or storage of goods. By way of example, industrial includes manufacturing plants, distribution warehouses, trucking companies, utility substations, power generation facilities, and telecommunications buildings.

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

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