



COMMUNITY DEVELOPMENT

MEMORANDUM

Date: March 18, 2014

To: All Interested Parties

From: Dan Folke, Planning Director

Subject: Development Fee Renewal

The City of Flagstaff began collecting development fees, also known as impact fees, in 2009. The City currently collects fees for public safety purposes, limited to capital projects for the Police and Fire Departments. Fees can only be used to fund service level demands that have increased directly as a result of community growth. The State of Arizona enacted SB1525 which requires all current impact fee programs to be evaluated and subsequently updated every five years.

On February 18, 2014 the City Council adopted the Land Use Assumptions, which model future growth, and an Infrastructure Improvement Plan, which identifies what the fees will be used for. On April 1, 2014 at 6 p.m. the City Council will hold a public hearing on the proposed development fees for Police and Fire capital programs. City Council will consider adoption of the new fees on May 6, and May 13, 2014.

A draft report, *City of Flagstaff Public Safety Development Fees, Infrastructure Improvement Plan, and Land Use Assumptions* was updated on February 7, 2014 by consulting firm TischlerBise. The proposed fees have been revised since the November 1, 2013 report, primarily due to a change in the methodology of assigning public safety calls for service between residential and non-residential. While the residential fees have increased, the commercial fees have decreased from the November, 2013 draft. A summary of the current and proposed fees is found in Table 1. The report also includes the projected expenses and revenues over the next ten years for Police and Fire capital programs. (Attached to this memo)

At this time the City is encouraging all interested parties to review the report and proposed fees and provide public comment, either at the April 1 public hearing or in writing to staff. If you and your organization would like to learn more about

the growth projections, planned capital program or the current or proposed fees, City staff is available to make a presentation.

The complete report can be viewed on the City website at:

<http://www.flagstaff.az.gov/DocumentCenter/View/43920>

Table 1. Comparison of City of Flagstaff Public Safety Development Fees

	Current Fee (Jan. 1, 2012)	Proposed November 2013 (+/- current)	Proposed February 2014 (+/- current)
Residential			
2+ Units	\$536	\$617 (+ \$81)	\$836 (+ \$300)
Single Unit (0-3 bedrooms)	\$675	\$630 (- \$45)	\$854 (+ \$179)
Single Unit (4+ bedrooms)	\$675	\$790 (+ \$115)	\$1,071 (+ \$396)
Nonresidential			
Commercial	\$1.49/SF	\$2.40/SF (+ \$0.91)	\$1.52/SF (+ \$0.03)
Office/Institutional	\$0.52/SF	\$0.94/SF (+ \$0.42)	\$0.59/SF (+ \$0.07)
Industrial/Flex	\$0.13/SF	\$0.32/SF (+ \$0.19)	\$0.21/SF (+ \$0.08)

Important Dates to remember:

- April 1, 2014: Public Hearing on proposed fees, City Hall, 6 p.m.
- May 6, 2014: First Reading of Ordinance to adopt fees, City Hall, 6 p.m.
- May 13, 2014: Second Reading of Ordinance to adopt fees, City Hall, 6 p.m.

To schedule a presentation, submit questions or provide comments please contact:

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