



# COMMUNITY DEVELOPMENT

## MEMORANDUM

**Date:** January 24, 2014

**To:** All Interested Parties

**From:** Dan Folke, Planning Director

**Subject:** Development Fee Renewal

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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 has enacted SB1525 which requires all current impact fee programs to be evaluated and subsequently updated every five years.

The process requires the City to develop and adopt Land Use Assumptions which model future growth and its impacts on Police and Fire services and an Infrastructure Improvement Plan which identifies what the fees will be used for. After accepting these, the City Council can consider adopting development fees in support of the projected growth and for the identified infrastructure.

A draft report, *City of Flagstaff Public Safety Development Fees, Infrastructure Improvement Plan, and Land Use Assumptions* has been prepared by consulting firm TischlerBise. The report was presented to City Council at meetings on December 10, 2013 and January 7, 2014. It was posted on the City website on November 7, 2013.

City Council will be asked to adopt the Land Use Assumptions and Infrastructure Improvement Plan on February 18, 2014. After these are adopted, the revised study will be posted on the City website no later than March 1, 2014 and the City will hold a public hearing on the proposed development fees on April 1, 2014. City Council will consider adoption of the new fees on May 6 and May 13, 2014.

At this time the City is soliciting public input on the Land Use Assumptions and Infrastructure Improvement Plan. If you and your organization would like to learn more about the growth projections, planned infrastructure or the current or

proposed fees, City staff is available to make a presentation on the draft plan. You will have additional opportunities to provide feedback on the proposed fees as revised on March 1, 2014. The table provided below contains preliminary information based on the assumptions included in the draft plan.

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

<http://www.flagstaff.az.gov/documentcenter/view/43419>

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

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Figure 1. City of Flagstaff Proposed Development Fees *(Subject to change based on changes to the Land Use Assumptions and Infrastructure Improvement Plan as adopted by Council on February 18, 2014.)*

		Fire	Police	TOTAL Development Fee
<b>Residential</b>		~~~~~ Per Housing Unit ~~~~~		
	<b>Number of Bedrooms</b>			
2+ Units	All Sizes	\$379	\$238	\$617
Single Unit	0-3	\$387	\$243	\$630
Single Unit	4+	\$485	\$305	\$790
Single Unit	Avg	\$406	\$255	\$661
<b>Nonresidential</b>		~~ Per Square Foot of Floor Area ~~		
Commercial		\$1.28	\$1.12	\$2.40
Office/Institutional		\$0.50	\$0.44	\$0.94
Industrial/Flex		\$0.17	\$0.15	\$0.32

Figure 2. City of Flagstaff Current Development Fees

<b>Current Development Fee Schedule</b>		Fire	Police	Current Development Fee
<b>Residential</b>		~~~~~ Per Housing Unit ~~~~~		
	<b>Number of Bedrooms</b>			
2+ Units	All Sizes	\$352	\$184	\$536
Single Unit	0-3	\$444	\$231	\$675
Single Unit	4+	\$444	\$231	\$675
Single Unit	Avg	\$444	\$231	\$675
<b>Nonresidential</b>		~~ Per Square Foot of Floor Area ~~		
Commercial		\$0.81	\$0.68	\$1.49
Office/Institutional		\$0.28	\$0.24	\$0.52
Industrial/Flex		\$0.07	\$0.06	\$0.13

\*Source: TischlerBise. (28Nov11). *January 1, 2012 Interim Development Fees*