PUBLIC NOTICE
THE ELOY CITY COUNCIL
Meets
MONDAY, JANUARY 6, 2020
6:00 PM
ELOY CITY COUNCIL CHAMBERS
595 NORTH C STREET
ELOY, ARIZONA 85131
For a
WORK SESSION

AGENDA

I. Call to Order

II. Invocation

III. Pledge of Allegiance

IV. Roll Call

V. Business

A. Review and discuss with Carson Bise of Tischler-Bise the proposed Land Use Assumptions Report, draft Infrastructure Improvements Plan and proposed Water and Wastewater Capacity Fees.

B. Presentation, discussion and update of Eloy's Economic Development Strategic Plan activities during the 1st and 2nd quarters of FY2019-2020.

VI. Adjournment

POSTED BY FRIDAY, JANUARY 3, 2020, BY 11:30 A.M.. AT ELOY CITY HALL, ELOY POST OFFICE, TROY THOMAS COMMUNITY CENTER, TOLTEC COMMUNITY/SENIOR CENTER AND CITY WEBSITE: www.eloyaz.gov

Mary Myers

Mary Myers, CMC
City Clerk

INDIVIDUALS WITH SPECIAL ACCESSIBILITY NEEDS MAY CONTACT LORENA LaSALDE-RIOS, ADA COORDINATOR FOR THE CITY OF ELOY AT 520-466-9201 OR 520-466-7455 (TDD). IF

POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE. ONE OR MORE MEMBERS OF THE COUNCIL AND/OR STAFF MAY PARTICIPATE BY TELEPHONIC OR VIDEO MEANS.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: V.A.
Date: 1/6/2020

Date submitted:	Action:	Subject:
Date submitted: 12/11/2019 **Date requested:** 1/6/2020	**Action:** Other	**Subject: Review and discuss with Carson Bise of Tischler-Bise the proposed Land Use Assumptions Report, draft Infrastructure Improvements Plan and proposed Water and Wastewater Capacity Fees.**

TO: Mayor and City Council

FROM: Jerry Stabley, Planning Manager

RECOMMENDATION:

Council to review and discuss with Carson Bise of Tischler-Bise the proposed Land Use Assumptions Report, draft Infrastructure Improvements Plan and proposed Water and Wastewater Capacity Fees.

DISCUSSION:

The City of Eloy, like many cities and towns across the State, assesses development fees to offset infrastructure costs for necessary public services to serve future growth. These development fees must be based on an Infrastructure Improvements Plan and Land Use Assumptions. Pursuant to Arizona Revised Statutes, the City of Eloy has initiated an update of its existing land use assumptions, Infrastructure Improvements Plan (hereinafter referred to as the "IIP"), and development fees. This update of the City's Infrastructure Improvements Plan and associated update to its development fees includes the following necessary public services:

- Parks and Recreational Facilities
- Police Facilities
- Street Facilities

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.

Capacity fees are similar in design and purpose to development fees, although different in statutory authority. They are one-time charges for new development's proportionate impact on water and sewer system capacity. They are used to fund capacity improvements needed to serve new development, not maintenance and repair or operations of the existing network. New development will benefit from the capital improvements funded with capacity fees. Capacity fees have a streamlined adoption process compared to development fees: 90 days versus 225 days.

FISCAL IMPACT:

In May, the City Council approved $77,590 for consultant fees. Those expenses are being funded with development impact fees. The potential revenues from the impact fees and capacity charges could be many times greater than this expense.

Approved as to Form:

Stephen R. Cooper, City Attorney

DRAFT

Land Use Assumptions, Infrastructure Improvements Plan and Development Fee Report

Prepared for:

City of Eloy, Arizona

November 9, 2019

TischlerBise

FISCAL | ECONOMIC | PLANNING

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EXECUTIVE SUMMARY

The City of Eloy hired TischlerBise, Inc., to document land use assumptions, prepare an Infrastructure Improvements Plan (hereinafter referred to as the "IIP"), and update development fees pursuant to Arizona Revised Statutes ("ARS") § 9-436.05 (hereinafter 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 IIPs for each type of infrastructure are located in each infrastructure type's corresponding section, and the Land Use Assumptions can be found in Appendix A. The proposed development fees are displayed in the Development Fee Report chapter.

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 the City's Infrastructure Improvements Plan and associated update to its development fees includes the following necessary public services:

- Parks and Recreational Facilities
- Police Facilities
- Street Facilities

This plan also includes all necessary elements required to be in full compliance with Arizona Revised Statutes ("ARS") § 9-436.05 (SB 1525).

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, drainage, flood control, library, streets, fire and police, and neighborhood parks and recreation. Additionally, a necessary public service includes any facility, not included in the aforementioned categories (e.g., general government facilities), 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:

- 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.
- 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.
- 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.
- 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.
- 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.
- The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed 10 years.
- 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 and is licensed to do business in Arizona. 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 900 development fee studies over the past 40 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 standards, sometimes referred to as LOS. 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 improvements.

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.

DEVELOPMENT FEE REPORT

METHODOLOGY

Development fees for the necessary public services made necessary by new development must be based on the same level-of-service 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 method has advantages and disadvantages in a particular situation and can be used simultaneously for different cost components. Additionally, development fees for public services can also include the cost of professional services for preparing IIP's and the related Development Fee report.

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 methods for calculating development fees and how those methods 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 method documents current level-of-service 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 method 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).

A summary is provided in Figure 1 showing the methodology for each of the facility and fee study types, as well as the service area and cost allocation method used to develop the IIP and calculate the development fees.

Figure 1: Recommended Calculation Methodologies

Facility Type	Service Area	Incremental Expansion	Plan-Based	Cost Recovery	Cost Allocation
Parks and Recreation	Citywide [1]	Developed Park Land, Park Amenities; Recreational Facilities	Development Fee Study	N/A	Population, Jobs
Police	Citywide [2]	Communications Equipment, Vehicles and Equipment	Development Fee Study	N/A	Population, Nonres. Trips
Streets	Citywide [1]	Arterial Improvements	Development Fee Study	N/A	Vehicle Miles of Travel

[1] Citywide service area for the Parks and Recreation and Street Facilities IIP excludes the Robson Ranch subdivision, which is subject to its own development agreement.

[2] Citywide service area includes Robson Ranch

Rounding

A note on rounding: 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-digit 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).

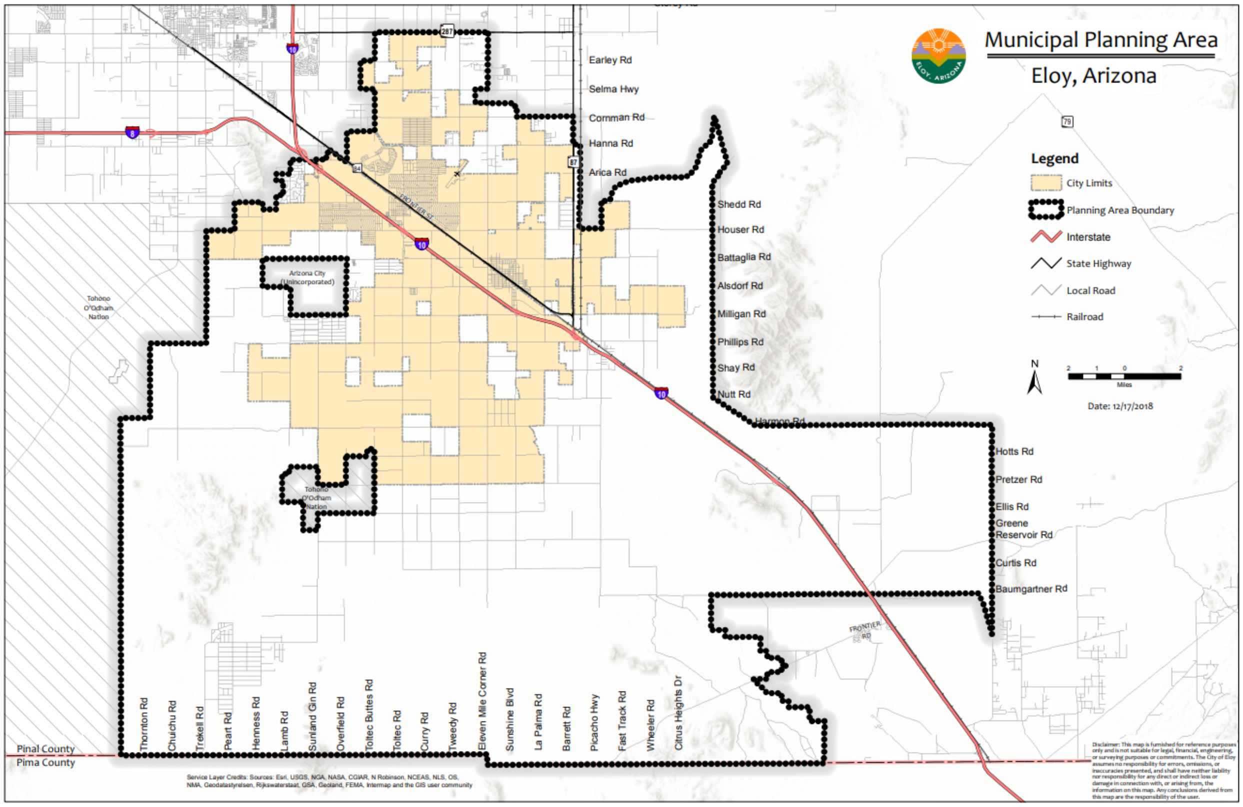
SERVICE AREAS

ARS 9-63.05 defines “service area” as follows:

> *Any specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan.*

All of Eloy’s Parks and Recreation, Police and Streets infrastructure is designed to serve the entire City as a whole, and the City strives to provide a uniform level-of-service Citywide. This includes Robson Ranch, even though new development there only pays Police Facility development fees but does not pay development fees for Parks and Recreational Facilities and Street Facilities, due to an existing development agreement. However, residents of Robson Ranch are included in estimates of current levels of service as well as in projections of demand for all infrastructure needs.

Figure 2: Development Fee Service Areas



CURRENT DEVELOPMENT FEES

Eloy's current development fees are shown below in Figure 3. Development fees are assessed based on development type – residential or nonresidential. Residential development fees are further subdivided into single-family and multi-family units, while nonresidential development fees are subdivided into Commercial, Office/Institutional, and Industrial/Flex land use types.

Figure 3: Current Development Fees

Current Development Fees				
Residential (per Housing Unit)				
Land Use Type	**Parks and Recreation**	**Police**	**Street**	**Total**
Single Unit	$895	$673	$1,348	**$2,916**
Multi-Family	$491	$370	$658	**$1,519**
Nonresidential (per 1,000 sq ft of floor area)				
Commercial	$411	$1,938	$2,165	**$4,514**
Office / Institutional	$683	$758	$937	**$2,378**
Industrial/Flex	$368	$262	$324	**$954**

PROPOSED DEVELOPMENT FEES

The proposed fees are based on the intentions of the enabling policies that development fees should fund 100 percent of growth-related infrastructure. Therefore, the fees shown below represent the maximum allowable fees. Eloy may adopt fees that are less than the amounts shown; however, a reduction in development fee revenue would require either an increase in other revenues, a decrease in planned capital improvements or a decrease in Eloy's level-of-service standards. All costs in the Development Fee Report are in current dollars with no assumed inflation rate over time. If cost estimates change significantly over time, development fees should be recalibrated.

Proposed development fees for Eloy are shown in Figure 4. The table shows the proposed fees and the total dollar changes for each housing and development type. Development fees for residential development are assessed per dwelling unit, based on the type of unit. Nonresidential development fees are assessed per 1,000 square feet of floor area based on the type of development.

Figure 4: Proposed Development Fees

Proposed Development Fees					
Land Use Type	**Parks and Recreation**	**Police**	**Street**	**Total**	**Increase / (Decrease)**
Residential (per Housing Unit)					
Single Unit	$1,852	$526	$1,671	**$4,049**	$1,133
Multi-Family	$1,444	$410	$816	**$2,671**	$1,152
Nonresidential (per 1,000 sq ft of floor area)					
Commercial	$481	$1,325	$2,425	**$4,231**	($283)
Office / Institutional	$611	$518	$924	**$2,053**	($325)
Industrial/Flex	$327	$209	$373	**$909**	($45)

PARKS AND RECREATIONAL FACILITIES INFRASTRUCTURE IMPROVEMENT PLAN

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 park land, park amenities, recreational facilities, and the cost of professional services for preparing the Parks and Recreational Facilities IIP and the related Development Fee report. The incremental expansion methodology is applied to the analysis of park land, park amenities and recreational facilities, while the plan-based methodology is used for calculating the costs of the Development Fee Report.

Service Area

The City of Eloy plans to provide a uniform level-of-service and equal access to Parks and Recreational Facilities within the City limits. Therefore, a Citywide service area is recommended for the Parks and Recreation Facilities IIP. However, development within Robson Ranch is excluded from paying a Parks and Recreational Facilities development fee due to an existing development agreement).

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. TischlerBise recommends using the daytime, non-incarcerated population to reasonably indicate the potential demand for Parks and Recreational Facilities from residential and nonresidential development. Data from the U.S. Census Bureau's OnTheMap web application allows us to derive this 'Functional Population' proportionate share for services demanded in Eloy. OnTheMap is a web-based mapping and reporting application that shows where workers are employed and where they live. It describes geographic patterns of jobs by their employment locations and residential locations as well as the connections between the two locations. OnTheMap was developed through a unique partnership between the U.S. Census Bureau and its Local Employment Dynamics (LED) partner states.

According to OnTheMap, there were 814 inflow commuters in 2017, which is the number of persons who work in Eloy but live outside the City. The Eloy population in 2017, according to the American Community Survey 5-year estimates, was 9,038 residents, excluding those in group quarters. As shown in Figure PR1, the proportionate share is based on cumulative impact hours per year from these inflow commuters and Eloy residents. Eloy residents were allocated 24 hours per day at 365 days per year. Inflow commuters were allocated 8 hours per day, 4 days per week, and 50 weeks per year. Multiplying the respective impact hours by the number of residents and inflow commuters yields the total annual impact hours for both residential and nonresidential categories. Residents' proportionate share of the total impact hours is 95%, compared to 5% for nonresidents. The proportionate share calculation uses 2017 data because this is the most recent year available for OnTheMap's inflow/outflow data.

Figure PR1: Daytime Population in 2017

		Cumulative Impact Days per Year			Cost Allocation for Parks	
Residents	Inflow Commuters	Residential[1]	Nonresidential[2]	Total	Residential	Nonresidential
9,038	814	3,298,870	162,800	3,461,670	95%	5%

1. Days per Year = 365

2. Days per Year = 200 (4 Days per Week x 50 Weeks per Year)

Source: U.S. Census Bureau, OnTheMap 6.1.1 Application, 2017.

RATIO OF SERVICE UNITS TO DEVELOPMENT UNITS

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 persons per housing unit for single units and multifamily units. For nonresidential development, the table displays the number of employees per 1,000 square feet for three different types of nonresidential development.

Figure PR2: Parks and Recreational Facilities Ratio of Service Units to Development Units

Residential (per unit)

Unit Type	Persons per Housing Unit[1]
Single Unit	2.59
2+ Unit	2.02

Nonresidential (per square foot)

Land Use Type	Jobs per 1,000 Sq Ft[2]
Industrial	0.34
Commercial	2.34
Office / Institutional	2.97

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."*

Park Land

Figure PR3 shows a table of the existing Eloy parks and their size. Currently, there is a total of 20.35 acres of park land. By applying the proportionate share to this number of acres and dividing by the total 2019 population and jobs, respectively, we find there are 0.0017 acres of park land per resident, and 0.0005 park acres per job. In addition, based on a per acre cost of approximately $55,000 for acquiring land, the cost to purchase new park land per resident is $93.37, compared to $26.82 per job.

Figure PR3: Parks Inventory and Level-of-Service and Cost Analysis

Park	Acres
Anita Park	0.2
Central (Main Street) Park	1.2
Jones Park	4.5
Maddux Park	0.3
North Toltec Park	1.0
Shumway (North) Park	7.42
Sunland Visitors' Center Park	2.0
Toltec Park	0.4
Toltec Senior Community Park	0.7
Troy Thomas/ Trekell Park	4.3
Veteran's Park	0.23
Total	20.35

Level of Service (LOS) Standards	*Residential*	*Nonresidential*	Total Acres
Number of Acres	19.33	1.02	20.35
Proportionate Share	95%	5%	
2019 Service Units (Resident Population[1]/ Jobs)	11,307	2,072	
LOS : Acres per Person/ Jobs	**0.0017**	**0.0005**	

1. Resident Population does not include 8,499 persons in group quarters. (e.g. Correctional Center population)

Cost Analysis	*Residential*	*Nonresidential*
Land Cost per Acre[2]	**$54,608**	
LOS	0.0017	0.0005
Park Land Cost per Person/ Job	**$93.37**	**$26.82**

2. City of Eloy

Park Amenities and Improvements

An inventory of Eloy's park amenities is displayed in Figure PR4. Eloy's parks have 36.5 amenities, which have a combined total replacement cost of $2.7 million. Dividing the total replacement cost by the total number of amenities yields an average cost per improvement of $74,350. The current residential level-of-service is 0.0031 amenities per resident, which was obtained by multiplying the 36.5 amenities by the residential proportionate share (95%) and dividing by the estimated 2019 population (11,307). Similarly, the nonresidential level-of-service of 0.0009 amenities per job was determined by multiplying the 36.5 amenities by the nonresidential proportional share (5%) and dividing by the estimated number of jobs in 2019 (2,072).

Finally, the average cost per person and per job for park amenities is calculated by multiplying the average cost per amenity ($74,350) by the residential and nonresidential levels of service, producing a cost per capita of $228.01 and cost per job of $65.49. Note that while the LOS standards shown are rounded to the fourth decimal place, the analysis does not round these figures. Therefore, the cost analysis calculations may not produce the same result if the reader replicates the calculations using the factors shown.

Figure PR4: Park Amenities and Improvement Inventory and Level-of-Service and Cost Analysis

Park	Basketball Courts	Concession Stands	Picnic Area	Playgrounds	Skate Park	Softball Fields	Total
Central (Main Street) Park			3				3
Shumway (North) Park	1	1	3	1		1	7
Troy Thomas/ Trekell Park	1		3	1		0.5	5.5
Jones Park	1	1	8	1	1	1	13
North Toltec Park	0.5		1	1			2.5
Toltec Park	0.5		1	1			2.5
Anita Park			1				1
Maddux Park			1	1			2
Veteran's Park							
Total	**4**	**2**	**21**	**6**	**1**	**2.5**	**36.5**
Unit Price[1]	$43,768	$76,595	$33,120	$90,272	$164,131	$525,000	
Units x Cost	$175,073	$153,189	$695,510	$541,633.21	$164,131	$1,312,500	**$2,713,774**
Average Cost per Improvement		**$74,350**					

1. City of Eloy.

Number of Improvements	**37**
Number of Improved Acres	**20.35**
Improvements per Acre	**1.79**

Level of Service (LOS) Standards	*Residential*	*Nonresidential*	Total
Number of Improvements	34.7	1.8	37
Proportionate Share	95%	5%	
2019 Service Units (Resident Population[1]/ Jobs)	11,307	2,072	
LOS : Improvements per Person/ Jobs	**0.0031**	**0.0009**	

1. Resident Population does not include 8,499 persons in group quarters. (e.g. Correctional Center population)

Cost Analysis	*Residential*	*Nonresidential*
Average Cost per Improvement	**$74,350**	**$74,350**
LOS	0.0031	0.0009
Park Improvement Cost per Person/ Job	**$228.01**	**$65.49**

Recreational Facilities

There are three recreational facilities in Eloy, totaling 12,980 square feet in size. Applying the residential proportionate share of 95% and nonresidential proportionate share of 5% to the total square footage and dividing by the 2019 population and number of jobs respectively results in the LOS for recreational facilities. There are 1.1 square feet of recreational facilities per resident, and 0.3 square feet per job. The average cost per square foot for a recreational facility is approximately $356, which is based on the cost to construct the Community Recreation Center in Casa Grande, Arizona. Multiplying the LOS by the cost per square foot results in a $388.23 per person and $111.50 per job. This is summarized in Figure PR5.

Figure PR5: Recreational Facilities Level-of-Service and Cost Analysis

Recreational Facility	Square Feet
Troy Thomas Center	5,800
Toltec Center	3,180
Main St Recreation Center	4,000
Total	**12,980**
Average Cost per Square Foot[1]	**$356**

1. Based on the average cost per square foot of the Casa Grande Community Recreation Center

Level of Service (LOS) Standards	*Residential*	*Nonresidential*	Total
Total Square Feet	12,331	649	12,980
Proportionate Share	95%	5%	
2019 Service Units (Resident Population[1]/ Jobs)	11,307	2,072	
LOS : Sq Ft per Person/ Job	**1.0906**	**0.3132**	

1. Resident Population does not include 8,499 persons in group quarters. (e.g. Correctional Center population)

Cost Analysis	*Residential*	*Nonresidential*
Average Cost per Square Foot	**$356**	**$356**
LOS	1.0906	0.3132
Recreational Facility Cost per Person/ Job	**$388.23**	**$111.50**

Development Fee Report

The cost to prepare the Parks and Recreational Facilities Development Fees and IIP is $9,699. The development fee report costs per capita and per job are obtained by applying the proportionate share to this cost and dividing by the five-year projections for population and jobs. This equals $5.39 per person and $1.76 per job, as shown in Figure PR6.

Figure PR6: Development Fee Report Cost Allocation

Necessary Public Service	Cost	Assessed Against	Prop. Share	Service Units	FY2019	FY2024	Change	Cost per Service Unit
Parks and Recreation	$9,699	Residential	95%	Persons	11,307	13,016	1,709	$5.39
		Nonresidential	5%	Jobs	2,072	2,347	275	$1.76

PROJECTED DEMAND FOR SERVICES AND COSTS (IIP)

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."*

As shown in Figure PR6, the Land Use Assumptions projects an additional 3,696 persons and 630 jobs over the next 10 years. The demand projection includes Robson Ranch, as nothing precludes those residents from using existing or future City parks. As discussed earlier, development within Robson Ranch does not pay development fees due to an existing development agreement.

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 10 years."*

These projected service units over the next 10 years are multiplied by the current parks and recreation level-of-service for the IIP components analyzed in this report. By 2029, 6.63 new developed park acres, 12 new amenities and 4,229 additional square feet of recreational facilities will be needed to maintain levels of service. As shown in Figure PR7, the total cost of this growth is approximately $2.8 million.

Figure PR7: Projected Demand for Improved Park and Recreational Facility Infrastructure

Level of Service		Demand Unit	Unit Cost
0.0017	Park Land (acres)	per Person	$54,608
0.0005		per Job	
0.0031	Amenities	per Person	$74,350
0.0009		per Job	
1.0906	Recreational Facilities (sq ft)	per Person	$356
0.3132		per Job	

	Need for Amenities and Recreational Facilities						
	Year	Population	Jobs	Park Land (acres)	Amenities	Recreational Facilities (square feet)	
Base	2019	11,307	2,072	20.35	37	12,980	
Year 1	2020	11,760	2,125	21.15	38	13,490	
Year 2	2021	12,058	2,177	21.69	39	13,832	
Year 3	2022	12,369	2,232	22.24	40	14,188	
Year 4	2023	12,679	2,287	22.80	41	14,544	
Year 5	2024	13,016	2,347	23.41	42	14,930	
Year 6	2025	13,363	2,409	24.03	43	15,328	
Year 7	2026	13,710	2,471	24.65	44	15,725	
Year 8	2027	14,134	2,546	25.42	46	16,212	
Year 9	2028	14,569	2,624	26.20	47	16,710	
Year 10	2029	15,003	2,702	26.98	48	17,208	
	10-Yr Increase	3,696	630	6.63	12	4,229	Total Cost
		Growth-Related Expenditures		$362,015	$884,063	$1,505,290	$2,751,368

PARKS AND RECREATIONAL FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for the Parks and Recreation development fees because 10-year growth costs exceed the amount of revenue that is projected to be generated by development fees according to the Land Use Assumptions, as shown in Figure PR9.

Proposed Parks and Recreational Facilities Development Fees

The cost factors for Parks and Recreational Facilities, which include park amenities, recreational facilities, trails, and the professional services cost for the IIP and Development Fee Report, are summarized at the top of Figure PR8. The total cost per person is $714.99 and the total cost per job is $205.57. The proposed Parks and Recreational Facilities development fees are calculated by multiplying the cost factors by the residential and nonresidential service unit ratios from Figure PR2.

Figure PR8: Proposed Parks and Recreational Facilities Development Fees

Fee Component	Cost per Person	Cost per Job
Park Land	$93.37	$26.82
Amenities	$228.01	$65.49
Recreational Facilities	$388.23	$111.50
Development Fee Report	$5.39	$1.76
Total	**$714.99**	**$205.57**

Residential Development	Development Fees per Unit			
Development Type	**Persons per Housing Unit[1]**	**Proposed Fees**	**Current Fees**	**Increase / (Decrease)**
Single Unit	2.59	$1,852	$895	$957
Multi-Family	2.02	$1,444	$491	$953

Nonresidential Development	Development Fees per 1,000 Square Foot			
Development Type	**Jobs per 1,000 Sq Ft[1]**	**Proposed Fees**	**Current Fees**	**Increase / (Decrease)**
Commercial	2.34	$481	$411	$70
Office / Institutional	2.97	$611	$683	($72)
Industrial/Flex	1.59	$327	$368	($41)

1. See Land Use Assumptions

FORECAST OF REVENUES

Appendix B contains the forecast of revenues required by Arizona's Enabling Legislation.

Parks and Recreational Facilities Development Fee Revenue

The top of Figure PR9 summarizes the growth-related cost of infrastructure in Eloy over the next 10 years (approximately $2.8 million for Parks and Recreational Facilities). Eloy should only expect to receive $641,630 in development fee revenue over the next 10 years if actual development matches the Land Use Assumptions. This is because new development in Robson Ranch is considered to be part of the service population for all Eloy parks, even though new development there will not contribute Parks and Recreational Facilities development fees, as Robson Ranch is subject to its own development agreement. As a result, in order to maintain the existing level-of-service over the next 10 years, other revenue would have to be used to meet the over $2.1 million gap between projected costs and revenues.

Figure PR9: Projected Parks and Recreational Facilities Development Fee Revenue

Fee Component	Growth Share
Park Land	$362,015
Amenities	$884,063
Recreational Facilities	$1,505,290
Development Fee Report	$9,699
Total	**$2,761,066**

		Single Unit $1,852 per unit	Multi-Family Unit $1,444 per unit	Commercial $481 per KSF	Office / Institutional $611 per KSF	Industrial / Flex $327 per KSF
Year		Total Units [1]	Total Units	Total KSF	Total KSF	Total KSF
Base	2019	4,081	442	177	402	464
Year 1	2020	4,086	442	182	412	476
Year 2	2021	4,091	442	186	422	487
Year 3	2022	4,101	442	191	433	500
Year 4	2023	4,111	442	196	444	512
Year 5	2024	4,131	442	201	455	525
Year 6	2025	4,151	447	206	467	539
Year 7	2026	4,171	452	211	479	553
Year 8	2027	4,221	457	218	494	570
Year 9	2028	4,271	467	224	509	587
Year 10	2029	4,321	477	231	524	605
10-Year Increase		240	35	54	122	141
Projected Revenue		$444,439	$50,550	$25,923	$74,628	$46,090

Projected Fee Revenue	$641,630
Surplus / (Deficit)	**(2,119,437)**

1. Single Units do not include new development in Robson Ranch

POLICE FACILITIES INFRASTRUCTURE IMPROVEMENT PLAN

ARS § 9-463.05 (T)(7)(f) defines the facilities and assets that can be included in 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 and Development Fees includes components for police vehicles and equipment, communications equipment, and the cost of professional services for preparing the Police Facilities IIP and related Development Fee Report. An incremental expansion methodology is used for police vehicles and equipment; communications equipment; and, a plan-based methodology is used for the Development Fee Report.

Service Area

The City of Eloy's Police Department strives to provide a uniform response time Citywide. Therefore, a Citywide service area is recommended 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. TischlerBise recommends using daytime population to reasonably indicate the potential demand for Police Facilities from residential and nonresidential development. Data from the U.S. Census Bureau's OnTheMap web application allows us to derive this 'Functional Population' proportionate share for services demanded in Eloy. OnTheMap is a web-based mapping and reporting application that shows where workers are employed and where they live. It describes geographic patterns of jobs by their employment locations and residential locations as well as the connections between the two locations. OnTheMap was developed through a unique partnership between the U.S. Census Bureau and its Local Employment Dynamics (LED) partner states.

Residents that do not work are assigned 20 hours per day to residential development and 4 hours per day to nonresidential development (annualized averages). Residents that work in Eloy are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside Eloy are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2017 functional population data for the City, the cost allocation for residential development is 82 percent while nonresidential development accounts for 18 percent of the demand for police facilities.

Figure P1: Police Proportionate Share

Demand Units in 2017				Demand Hours/Day	Person Hours	Proportionate Share
Residential						
Estimated Residents	9,038					
Residents Not Working		5,726		20	114,520	
Employed Residents		3,312				
Employed in Service Area			330	14	4,620	
Employed outside Service Area			2,982	14	41,748	
				Residential Subtotal	160,888	82%
Nonresidential						
Non-working Residents		5,726		4	22,904	
Jobs in Service Area		1,144				
Residents Employed in Service Area			330	10	3,300	
Non-Resident Workers (inflow Commuters)			814	10	8,140	
				Nonresidential Subtotal	34,344	18%
				TOTAL	195,232	100%

Source: U.S. Census Bureau, OnTheMap 6.1.1 Application, 2017.

RATIO OF SERVICE UNITS TO DEVELOPMENT UNITS

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/retail, industrial, and office/other services."*

Figure P2 displays the ratio of service units to various types of land uses for residential and nonresidential development. The residential development table displays the persons per housing unit for single-family and multi-family units.

TischlerBise recommends using nonresidential vehicle trips as the best demand indicator for Police Facilities for nonresidential land development. This is because vehicle trips vary; they are highest for commercial/retail developments, such as shopping centers, and lowest for industrial development. Office and institutional trip rates fall between the other two categories. This ranking of trip rates is consistent with the relative demand for police services from nonresidential development, since it is driven by the presence of people. Other possible nonresidential demand indicators, such as employment or floor area, will not accurately reflect the demand for service. For example, if employees per 1,000 square feet were used as the demand indicator, Police Facilities development fees would be too high for office and institutional development because offices typically have more employees per 1,000 square feet than retail uses.

Trip generation rates per average weekday come from the reference book Trip Generation published by the Institute of Transportation Engineers (ITE 10th Edition 2017). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). To calculate development 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%.

For commercial and institutional land uses, the trip adjustment factor is less than 50% because retail development and some services 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, the ITE data indicates that 34% of the vehicles that enter are passing by on their way to some other primary destination. In other words, 34% of trips to the average shopping center are already being counted because the shopping center is not their final destination, and therefore these trips must be discounted. The remaining 66% 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% multiplied by 50%, or approximately 33% of the vehicle trips. These factors are shown to derive inbound vehicle trips for each type of nonresidential land use.

The ratio of service unit to development unit for each type of nonresidential development is calculated by multiplying the ITE trip generation rate by the trip rate adjustment factor to avoid double-counting trips, as discussed above. For example, the service unit to development unit ratio for an Office development is found by multiplying the ITE trip generation rate of 9.74 trips (per 1,000 square feet) by the trip rate adjustment factor of 50%, yielding an adjusted trip rate of 4.87 trips per 1,000 square feet.

Figure P2: Police Facilities Ratio of Service Units to Development Units

Residential Service Units

Housing Type	Persons per Housing Unit
Single Unit	2.59
Multi-Family	2.02

Source: Land Use Assumptions

Nonresidential Service Units

Development Type	Weekday Trip Ends (per KSF)	Trip Adjustment	Adjusted Vehicle Trips (per KSF)
Commercial	37.75	33%	12.46
Office / Institutional	9.74	50%	4.87
Industrial / Flex	3.93	50%	1.97

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 Vehicles and Equipment

The City of Eloy has 29 vehicles and associated items of equipment. The total replacement cost of the City's inventory is $2,290,036, averaging $78,967. In order to calculate the level of service per person and per trip, the proportional share is applied to the number of vehicles/equipment, which is then divided by the population for the residential level-of-service and by nonresidential vehicle trips for the nonresidential level-of-service. As shown in Figure P3, Multiplying the level-of-service by the average vehicle cost results in a cost of $166.08 per person and $87.00 per nonresidential vehicle trip.

Figure P3: Police Vehicles Inventory and Level-of-Service and Cost Analysis

Description	Units	Unit Cost	Replacement Cost
Patrol Vehicles	26	$87,386	$2,272,036
Radar Trailer	1	$8,872	$8,872
Polaris	1	$7,500	$7,500
Utility Trailer	1	$1,628	$1,628
Total	29		$2,290,036
Average Vehicle Cost	**$78,967**		

Level of Service (LOS) Standards	*Residential*	*Nonresidential*	Total Vehicles
Vehicles per Person/Trips per KSF	23.78	5.22	29
Proportionate Share	82%	18%	
Population/Trips per KSF	11,307	4,738	
LOS : Vehicles per Person/ Trips per KSF	**0.0021**	**0.0011**	

Cost Analysis	*Residential*	*Nonresidential*
Average Cost per Square Foot	**$78,967**	**$78,967**
LOS	0.0021	0.0011
Vehicles Cost per Person/ Trips per KSF	**$166.08**	**$87.00**

Police Communications Equipment – Incremental Expansion

The City of Eloy Police Department maintains 63 items of communication equipment, which total $446,431 in replacement costs and average $7,086 each. Applying the proportionate share factors to the number of units and dividing by population and nonresidential trips determines the residential and nonresidential level-of-service. Multiplying the level-of-service by the average costs results in a cost of $32.37 per person and $16.96 per nonresidential vehicle trip. This is summarized in Figure P4.

Figure P4: Police Communications Equipment Inventory and Level-of-Service Standards

Description	Units	Unit Cost	Replacement Cost
Microwave Tower	1	$53,659	$53,659
Repeater	2	$13,161	$26,322
Vehicle Radios	30	$6,614	$198,420
Handheld Radios	30	$5,601	$168,030
Total	**63**		**$446,431**
Average Equipment Cost	**$7,086**		

Level of Service (LOS) Standards	*Residential*	*Nonresidential*	
Equipment Units per Person/Trips per KSF	51.66	11.34	Total Units of Equipment
Proportionate Share	82%	18%	
Population/Trips per KSF	11,307	4,738	63
LOS : Units per Person/ Trips per KSF	**0.0046**	**0.0024**	

Cost Analysis	*Residential*	*Nonresidential*
Average Cost per Unit	**$7,086**	**$7,086**
LOS	0.0046	0.0024
Equipment Cost per Person/ Trips per KSF	**$32.37**	**$16.96**

Development Fee Report – Plan-Based

The cost to prepare the Police Development Fees and IIP is $9,699. The development fee report costs per capita and per nonresidential trip are obtained by applying the proportionate share to this cost and dividing by the five-year projections for population and nonresidential vehicle trips. This equals $4.65 per person and $2.43 per nonresidential vehicle trip.

Figure P5: Development Fee Report Cost Allocation

Necessary Public Service	Cost	Assessed Against	Prop. Share	Service Units	FY2019	FY2024	Change	Cost per Service Unit
Police	$9,699	Residential	82%	Persons	11,307	13,016	1,709	$4.65
		Nonresidential	18%	Nonres Trips	4,738	5,455	717	$2.43

PROJECTED SERVICE UNITS AND PROJECTED DEMAND FOR SERVICES (IIP)

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."*

Based on the Land Use Assumptions, there will be an estimated increase of 3,696 residents and 1,549 nonresidential vehicle trips over the next 10 years. These 10-year projections are used to calculate the demand for police vehicles and equipment.

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 10 years."*

The 10-year total of the projected demand for new police vehicles/equipment and communications equipment is multiplied by the cost to determine the total cost to accommodate new growth over the next 10 years. As shown in Figure P6, maintaining the current level-of-service will generate a growth-related cost of approximately $894,000 in total.

Figure P6: Projected Demand for Communications Equipment

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Communications Equipment	0.0046	per Person	$7,086
	0.0024	per Trip	
Vehicles	0.0021	per Person	$78,967
	0.0011	per Trip	

Need for Police Vehicles & Equipment				
Year	**Population**	**Nonres. Vehicle Trips**	**Equipment**	**Vehicles**
2019	11,307	4,738	63	29
2020	11,760	4,928	66	30
2021	12,058	5,053	67	31
2022	12,369	5,184	69	32
2023	12,679	5,314	71	33
2024	13,016	5,455	73	33
2025	13,363	5,600	74	34
2026	13,710	5,745	76	35
2027	14,134	5,923	79	36
2028	14,569	6,105	81	37
2029	15,003	6,287	84	38
10-Yr Increase	3,696	1,549	21	9
Cost per Component			**$145,942**	**$748,651**

Growth-Related Expenditures	**$894,593**

POLICE FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for the Police Facilities development fees because projected revenues do not substantially exceed the 10-year growth costs projected according to the Land Use Assumptions, as shown in Figure P8.

Proposed Police Facilities Development Fees

Proposed development fees for Police Facilities are shown in Figure P7. Infrastructure costs per service unit and converted into costs per development unit as well, as required by ARS 9-463.05(E)(4). The proposed fees and the change from the existing development fee are also shown. The residential development fees are calculated by multiplying the $203.10 cost per person by the service unit ratios (persons per housing unit) for each housing type. Nonresidential development fees are calculated by multiplying the $106.39 per nonresidential vehicle trip by the average weekday vehicle trips per 1,000 square feet ratios and the trip adjustment factors for each nonresidential development type.

Figure P7: Proposed Police Facilities Development Fees

Fee Component	Cost per Person	Cost per Vehicle Trip
Vehicles	$166.08	$87.00
Equipment	$32.37	$16.96
Development Fee Report	$4.65	$2.43
Total	**$203.10**	**$106.39**

Residential Development	Development Fees per Unit			
Development Type	Persons per Housing Unit[1]	Proposed Fees	Current Fees	Increase / (Decrease)
Single Unit	2.59	$526	$673	($147)
Multi-Family	2.02	$410	$370	$40

Nonresidential Development	Development Fees per KSF				
Development Type	Avg Wkdy Veh Trip Ends[1]	Trip Rate Adjustment	Proposed Fees	Current Fees	Increase / (Decrease)
Commercial	37.75	33%	$1,325	$1,938	($613)
Office / Institutional	9.74	50%	$518	$758	($240)
Industrial	3.93	50%	$209	$262	($53)

1. See Land Use Assumptions

FORECAST OF REVENUES

Appendix B contains the forecast of revenues required by Arizona's Enabling Legislation.

Development Fee Revenues for Police Facilities

Revenue projections shown below assume implementation of the proposed Police Facilities development fees and that development over the next 10 years is consistent with the Land Use Assumptions. Since police development fees are charged to new development in Robson Ranch, the projected development there is included in this revenue analysis. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in the development fee revenue. Revenues are summarized in Figure P8, showing that new growth will pay for its own police needs.

Figure P8: Projected Police Development Fee Revenue

Fee Component	Growth Share
Vehicles	$748,651
Communications Equipment	$145,942
Development Fee Report	$9,699
Total	**$904,291**

		Single Unit $526 per unit	Multi-Family Unit $410 per unit	Commercial $1,325 per KSF	Office / Institutional $518 per KSF	Industrial / Flex $209 per KSF
Year		Total Units [1]	Total Units	Total KSF	Total KSF	Total KSF
Base	2019	4,311	442	177	402	291
Year 1	2020	4,426	442	182	412	299
Year 2	2021	4,541	442	186	422	306
Year 3	2022	4,661	442	191	433	314
Year 4	2023	4,781	442	196	444	322
Year 5	2024	4,911	442	201	455	330
Year 6	2025	5,041	447	206	467	339
Year 7	2026	5,171	452	211	479	347
Year 8	2027	5,331	457	218	494	358
Year 9	2028	5,491	467	224	509	369
Year 10	2029	5,651	477	231	524	380
10-Year Increase		1,340	35	54	122	89
Projected Revenue		$704,879	$14,359	$71,422	$63,330	$18,513

Projected Fee Revenue	$872,503
Surplus / (Deficit)	**($31,789)**

1. Housing units include new development in Robson Ranch, which are all assumed to be single units

STREET FACILITIES INFRASTRUCTURE IMPROVEMENT PLAN

ARS § 9-463.05 (T)(7)(e) defines the facilities and assets that can be included in 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 street improvements and the cost of professional services for preparing the Street Facilities IIP and related Development Fee Report. An incremental methodology is used for both the arterial street improvements and Development Fee Report.

Service Area

The City of Eloy strives to provide a uniform level-of-service for street facilities throughout the City. Because the arterial street network serves the entire population and workforce relatively evenly, a Citywide service area is recommended for the Street Facilities IIP. However, development within Robson Ranch is excluded from paying a Street Facilities development fee due to an existing development agreement).

METHODOLOGY

Street Facilities development fees use an incremental expansion methodology and allocate capital costs to residential and nonresidential development based on vehicle miles of travel using average weekday vehicle trips and average trip lengths. Development fee revenue collected using this methodology may not be used to replace or rehabilitate existing improvements.

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 provide necessary public services to the development. Trip length, trip generation rates and trip adjustment factors are used to determine the proportionate impact of residential and the various nonresidential land uses on the City's arterial street network.

RATIO OF SERVICE UNITS TO DEVELOPMENT UNITS

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."*

Service Units

The appropriate service unit for the Street Facilities development fees is vehicle miles of travel (VMT). VMT creates the link between supply (roadway capacity) and demand (traffic generated by new development). Components used to determine VMT are discussed further in this section, including trip generation rates, adjustments for commuting patterns and pass-by trips and trip length weighting factors.

Figure S1: Summary of Service Units

Development Type	ITE Code	Weekday VTE	Trip Adj	Adj Trip Rate	Local Trip Length	VMT per Service Unit
Single Unit	210	8.60	64%	5.50	9.58	52.70
Multi-family	220	4.20	64%	2.69	9.58	25.74
Commercial	820	37.75	33%	12.46	6.14	76.49
Office/Institutional	710	9.74	50%	4.87	5.98	29.14
Industrial/Flex	110	3.93	50%	1.97	5.98	11.76

Trip Generation Rates

The trip generation rates for nonresidential development are obtained from the 10th edition of the reference book 'Trip Generation' published by the Institute of Transportation Engineers (2017). A vehicle trip end represents a vehicle either entering or exiting a development (as if a traffic counter were placed across a driveway). As an alternative to using the national average trip generation rate for residential development, the Institute of Transportation Engineers (ITE) publishes regression curve formulas that may be used to derive custom trip generation rates using local demographic data. This is explained in more detail in Appendix A: Land Use Assumptions.

Adjustments for Commuting Patterns and Pass-By Trips

To calculate Street Facilities Development 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%. As discussed further below, the development fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

Residential development has a larger trip adjustment factor of 64% to account for commuters leaving Eloy for work. According to the 2009 National Household Travel Survey, weekday work trips are typically 31% of production trips (i.e., all out-bound trips, which are 50% of all trips). As shown in Figure S2, the Census Bureau's web application OnTheMap indicates that 90% of resident workers traveled outside the City for work in 2017. In combination, these factors (0.31 X 0.50 X 0.90 = .14) support the additional 14% allocation of trips to residential development.

Figure S2: Inflow/Outflow Analysis

Trip Adjustment Factor for Commuters[1]	
Employed Residents	3,312
Residents Working in Eloy	330
Residents Working Outside Eloy (Commuters)	2,982
Percent Commuting out of Eloy	**90%**
Additional Production Trips[2]	**14%**
Residential Trip Adjustment Factor	**64%**

1. U.S. Census Bureau, OnTheMap Application (version 6.1.1) and LEHD Origin-Destination Employment Statistics, 2017.

2. 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 2017 indicate that 90 percent of Eloy's workers travel outside the city for work. In combination, these factors (0.3099 x 0.50 x 0.90 = 0.13951) account for 14 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 64 percent. *http://nhts.ornl.gov/publications.shtml ; Summary of Travel Trends - Table "Daily Travel Statistics by Weekday vs. Weekend"

For commercial and institutional land uses, the trip adjustment factor is less than 50% because retail, institutions, and other services 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, the ITE data indicates that 34% of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66% 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% multiplied by 50%, or approximately 33% of the trips. These factors are shown to derive inbound vehicle trips for each type of nonresidential land use.

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."*

The level-of-service for streets is based on an inventory of Eloy's arterial road segments, including segment lengths, lane quantities and overall annual average daily traffic counts. Multiplying road segment lengths by the number of lanes and taking the sum yields a total road network length of 274.4 lane miles. In addition, the Sun Corridor Metropolitan Planning Organization (SCMPO) collects regional traffic data, including in Eloy. According to SCMPO, the total VMT on Eloy's arterial network is 234,622. This is summarized in Figure S3.

Figure S3 also documents the capacity of Eloy's arterial road network. Generally, the City's arterial streets operate at a Level-of-Service A or B, indicating free flow conditions. According to the Pinal County Transportation Plan, the daily per-lane capacity of a minor arterial is 8,700 vehicles at LOS C. Based on this capacity, the total capacity of Eloy's arterial road network of 274.4 miles is approximately 2.4 million vehicle miles of capacity (VMC).

As noted above, current daily volume on Eloy's arterial network is 234,622 VMT. The resulting VMC to VMT ratio is 10.2. The baseline VMC/VMT ratio for any incremental expansion method is 1.0 (i.e., VMC=VMT). Given that the VMC/VMT ration in Eloy is greater than 1, any incremental expansion would ensure that new capacity built with development fee funds will be at or below the current level-of-service.

Figure S3: Arterial Road Network Capacity and Usage

Total Vehicle Lane Miles	274.4
Capacity per Lane Mile (LOS C)	8,700
Total Capacity (Vehicle Miles)	2,387,280
Existing Vehicle Miles of Travel	234,622
VMC/VMT Ratio	10.2

Cost per VMT

The average cost per lane mile is assumed to be $841,800. This figure is based on an analysis by Wilson & Company for the City of Maricopa's Transportation Plan. Based on discussions with staff from Eloy, this was also deemed an appropriate estimate for the cost of constructing a lane mile in Eloy.

A cost per vehicle mile of capacity (VMC) is calculated by dividing the average cost per lane mile of $841,800 and the average lane capacity of 8,700 average daily vehicle trips (per 1 lane mile). As shown in Figure S4, this results in a $96.76 cost per VMC. The incremental expansion methodology assumes the ratio of VMC to VMT is 1, therefore the cost per VMT is also $96.76.

Figure S4: Cost per VMT Factors

Cost per Lane Mile	$841,800
Vehicle Miles of Capacity per Lane Mile	8,700
Cost per VMC	$96.76

Source: Maricopa Transportation Plan;Wilson & Company Analysis

Vehicle Trips

Figure S5 shows the calculation of vehicle trips generated by existing development. When the average weekday VTE and Trip Adjustment percentages (shown in Figure S1) are multiplied by the development unit quantities for Eloy from the Land Use Assumptions in Appendix A (housing units and nonresidential KSF), the total number of vehicle trips generated by existing development is determined. As shown in Figure S5, this totals 26,244 adjusted vehicle trips.

Figure S5: Vehicle Trips

Development Type	ITE Code	Weekday VTE	Dev Unit	Trip Adj	Development Units	2019 Vehicle Trips Units
Single Unit	210	8.60	HU	64%	3,320	18,272
Multi-Family	220	4.20	HU	64%	1,203	3,234
Commercial	820	37.75	KSF	33%	177	2,208
Office/Institutional	710	9.74	KSF	50%	402	1,958
Industrial/Flex	110	3.93	KSF	50%	291	572
					Total	**26,244**

Average Trip Length

For the incremental expansion methodology, it is necessary to determine the average trip length on the City's arterial network. To do this, national trip generation rates and average trip lengths from the *2017 National Household Travel Survey*[1], summarized in Figure S6, are used to calculate the *expected* VMT on the City's transportation network.

Figure S6: National Average Trip Lengths

Land Use	National Average Trip Length (miles)
Residential	12.32
Retail/Commercial	7.9
All Other Nonresidential	7.7

Source: U.S. Department of Transportation, Federal Highway Administration, 2017 National Household Transportation Survey, adjusted for land use

The national average trip length needs to be adjusted to reflect actual local demand on the City's arterial network. To do this, TischlerBise first determines expected demand (VMT) on the City's complete

[1] U.S. Department of Transportation, Federal Highway Administration, 2017 National Household Travel Survey. URL: http://nhts.ornl.gov

transportation network using the above national travel demand characteristics by multiplying the average daily trips from existing development in each land use category by the applicable average trip lengths. This is shown in Figure S7.

Figure S7. Expected VMT in the City of Eloy

Land Use	AADT	National Average Trip Length (miles)	Expected VMT
Single Unit	18,272	12.32	225,113
Multi-Family	3,234	12.32	39,839
Commercial	2,208	7.9	17,445
Office/Institutional	1,958	7.7	15,077
Industrial/Flex	572	7.7	4,407
		Total	**301,880**

The expected VMT reflects anticipated travel on the entire roadway system. However, this study is primarily concerned with determining demand on system's arterial network only and thus the expected VMT is greater than the actual, observed VMT in the City. As a result, we calibrate demand projections of VMT on the entire network to the arterial network by applying the ratio of expected to actual VMT to our trip length assumptions. As shown in Figure S8, the ratio of expected to actual VMT is 0.777.

Figure S8. Local Trip Length Adjustment Factor

Actual Local VMT on Arterials	234,622
Expected Local VMT	301,880
Actual to Expected VMT	**0.777**

** Sun Corridor Metropolitan Planning Organization (SCMPO), 2019*

Figure S9 provides the adjusted national average trip lengths based on local trip length adjustment factor.

Figure S9. Local Average Trip Lengths by Land Use

Land Use	National Average Trip Length (miles)	Local Adj. Trip Factor	Local Trip Length
Residential	12.32	0.777	9.58
Retail/Commercial	7.9	0.777	6.14
All Other Nonresidential	7.7	0.777	5.98

VMT per service unit is calculated using the above factors and are summarized below in Figure S10.

Figure S10. VMT per Service Unit on Arterial Network

Development Type	ITE Code	Weekday VTE	Trip Adj	Adj Trip Rate	Local Trip Length	VMT per Service Unit
Single Unit	210	8.60	64%	5.50	9.58	52.70
Multi-Family	220	4.20	64%	2.69	9.58	25.74
Commercial	820	37.75	33%	12.46	6.14	76.49
Office/Institutional	710	9.74	50%	4.87	5.98	29.14
Industrial/Flex	110	3.93	50%	1.97	5.98	11.76

SERVICE UNITS, DEMAND, AND COST FOR SERVICES (IIP)

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."*

TischlerBise built an aggregate travel model to convert development units within Eloy to vehicle trips and vehicle miles of travel. This includes the factors discussed above, as well as average trip length.

Travel Demand Model

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."*

Projected development in Eloy over the next 10 years, and the corresponding need for additional lane miles is shown in Figure S11. Trip generation rates and trip adjustment factors convert project development into average weekday vehicle trips. As shown in Figure S11, new development in Eloy will generate 8,910 additional trips daily by 2029.

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 10 years."*

The travel demand model inputs above are used to derive the level-of-service in Vehicle Miles of Travel and future arterial street needs. A Vehicle Mile of Travel (VMT) is a measurement unit equal to one vehicle traveling one mile.

As shown in Figure S11, based on the increase in vehicle miles of travel (80,245), the City of Eloy would need to construct an additional 9.2 lane miles of arterial streets to accommodate projected development over the next 10 years at the existing level-of-service.

Figure S11: Projected Travel Demand Model

		Base	1	2	3	4	10	10-Year
		2019	2020	2021	2022	2023	2029	Increase
Development	Single Units	4,081	4,196	4,311	4,431	4,551	5,421	1,340
	Multi-Family Units	442	442	442	442	442	477	35
	Commercial KSF	177	182	186	191	196	231	54
	Office/Institutional KSF	402	412	422	433	444	524	122
	Industrial/Flex KSF	291	299	306	314	322	380	89
Avg Wkday Vehicle Trips	Single Unit Trips	22,461	23,094	23,727	24,387	25,048	29,836	7,375
	Multi-Family Trips	1,188	1,188	1,188	1,188	1,188	1,282	94
	Residential Trips	23,649	24,282	24,915	25,575	26,236	31,118	7,469
	Commercial Trips	2,208	2,264	2,320	2,379	2,438	2,880	672
	Office/Institutional Trips	1,958	2,008	2,058	2,110	2,161	2,553	595
	Industrial/Flex Trips	572	587	601	617	632	746	174
	Nonresidential Trips	4,738	4,859	4,979	5,106	5,231	6,179	1,441
	Total Vehicle Trips	28,387	29,141	29,894	30,681	31,467	37,297	8,910
VMT	Vehicle Miles of Capacity	255,140	261,934	268,722	275,811	282,897	335,385	**80,245**
	Annual Increase		6,794	6,788	7,089	7,086	9,766	
Need	Arterial Lane Miles	29.3	30.1	30.9	31.7	32.5	38.6	**9.2**
	Annual Increase		0.8	0.8	0.8	0.8	1.1	
	Growth Related Cost		$ 657,378	$ 656,798	$ 685,922	$ 685,632	$ 944,945	**$7,764,396**

ARS § 9-463.05(E)(3) requires:

> *"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."*

Multiplying the 9.2-mile increase in number of lane miles by the $814,800 cost per lane mile results in a 10-year cost of approximately $7.8 million. However, the City of Eloy does not expect to build roads to this standard over the next 10 years. The City estimates it will likely spend $2.5 million on 2.9 lane miles of streets improvements for growth-related needs over the next 10 years, which yields a cost per VMT of $31.15. This is shown in Figure S12.

Figure S12: Adjusted Cost per VMT/VMC

IIP Cost	$2,500,000
10-Year Increase in VMT/VMC	80,245
Cost per VMC	**$31.15**

Development Fee Report – Plan-Based

The cost to prepare the Street Facilities IIP and Development Fee Report totals $19,398. Eloy plans to update its report every five years. Based on this cost and five-year projections of new residential and nonresidential development from the Land Use Assumptions document, the cost per average weekday VMT is $0.55.

Figure S13: Development Fee Report Cost Allocation

Necessary Public Service	Cost	Assessed Against	Prop. Share	Service Units	FY2019	FY2024	Change	Cost per Service Unit
Streets	19,398	Residential Nonresidential	-	VMT	255,140	290,567	35,427	$0.55

STREET FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for the Street Facilities development fees because revenues do not exceed the amount 10-year growth costs that are projected to be generated by development fees according to the Land Use Assumptions, as shown in Figure S16.

Proposed Street Facilities Development Fees

The proposed development fees for Street Facilities are shown in Figure S14. Cost factors for street improvements and the development fee study are summarized at the top of the figure. Residential development fees are expressed per housing unit. Nonresidential development fees are expressed per 1,000 square feet (KSF) of floor area. The Street Facilities development fees are calculated by multiplying the $31.71 net cost per VMT/VMC by the VMT per development unit for each land use type.

Figure S14: Proposed and Existing Fees Comparison

Fee Component	Cost per VMT
Cost per VMT/VMC	$31.16
Development Fee Study	$0.55
Net Cost per VMT	**$31.71**

Residential Development (per Housing Unit)

Development Type	VMT per Development Unit	Proposed Fees	Current Fee	Increase/ (Decrease)
Single Units	52.70	$1,671	$1,348	$323
Multi-Family Units	25.74	$816	$658	$158

Nonresidential Development (per 1,000 Sq. ft.)

Development Type	VMT per Development Unit	Proposed Fees	Current Fee	Increase/ (Decrease)
Commercial	76.49	$2,425	$2,165	$260
Office/Institutional	29.14	$924	$937	($13)
Industrial/Flex	11.76	$373	$324	$49

PROJECTED STREET FACILITIES DEVELOPMENT FEE REVENUE

Revenue projections shown below assume implementation of the proposed Street Facilities development fees and that development over the next 10 years is consistent with the Land Use Assumptions. To the extent the rate of development either accelerates or slows down, there will be a corresponding change in the development fee revenue. As shown in Figure S15, the 10-year growth costs of Streets Facilities total $2.5 million, while $706,320 will be collected from development fees. The approximately $1.8 million gap between revenues and costs exists because, due to an existing development agreement, new development in Robson Ranch does not contribute Street Facility development fees, but the residents of Robson Ranch cannot be excluded from travel demand as there is no restriction on their use of Eloy streets. Thus, only the new housing units built in the City of Eloy are shown in S15, as only these units will pay development fees.

Figure S15: Projected Street Facilities Development Fee Revenue

Fee Component	Growth Share
Arterial Improvements	$2,500,000
Development Fee Report	$19,398
Total	$2,519,398

		Single Unit $1,671 per unit	Multifamily Unit $816 per unit	Commercial $2,425 per KSF	Office/Inst $924 per KSF	Industrial/Flex $373 per KSF
Year		Total Units [1]	Total Units	Overall KSF	Overall KSF	Overall KSF
Base	2019	4,081	442	177	402	291
Year 1	2020	4,086	442	182	412	299
Year 2	2021	4,091	442	186	422	306
Year 3	2022	4,101	442	191	433	314
Year 4	2023	4,111	442	196	444	322
Year 5	2024	4,131	442	201	455	330
Year 6	2025	4,151	447	206	467	339
Year 7	2026	4,171	452	211	479	347
Year 8	2027	4,221	457	218	494	358
Year 9	2028	4,271	467	224	509	369
Year 10	2029	4,321	477	231	524	380
10-Year Increase		240	35	54	122	89
Projected Revenue		$401,074	$28,565	$130,703	$112,959	$33,020

Projected Fee Revenue	**$706,320**
Surplus / (Deficit)	($1,813,077)

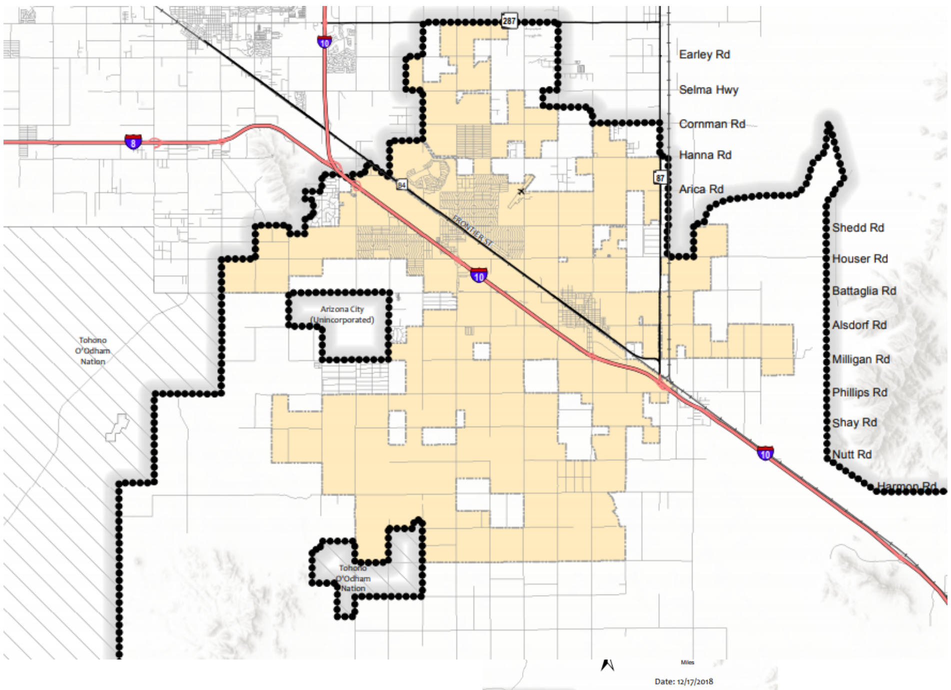
1. Single Unit projections do not include new development in Robson Ranch

APPENDIX A: LAND USE ASSUMPTIONS

SERVICE AREA

The estimates and projections of residential and nonresidential development in this *Land Use Assumptions* document are for areas within the boundaries of the City of Eloy. The map below illustrates the area within the City's boundaries, highlighted in orange.

Figure A1: Map of City of Eloy Service Area



SUMMARY OF GROWTH INDICATORS

Arizona Revised Statutes (ARS) 9-463.05 (T)(6) requires the preparation of a *Land Use Assumptions* document which shows:

> *"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."*

TischlerBise has prepared this *Land Use Assumptions* document which details current demographic ***estimates*** and future development ***projections*** for both residential and nonresidential development that will be used in the infrastructure improvement plan (IIP) and calculation of the development fees. The development projections are used for calculating the level-of-service to be provided to future development by planned capital projects or existing infrastructure that was oversized in anticipation of new development. The development projections are also used in forecasting the amount and cost of infrastructure required by new development that will be documented in the cash flow analysis.

Development fee methodologies are designed to reduce sensitivity to accurate development projections in the determination of the proportionate-share fee amounts. If actual development is slower than projected, development fee revenues will also decline, but so will the need for growth-related infrastructure. In contrast, if development is faster than anticipated, the City will receive an increase in development fee revenue, but will also need to accelerate the capital improvements program to keep pace with development.

Development projections are summarized in Figure A2. Eloy specific base data for the demographic analysis and development projections include 2017 American Community Survey (ACS) tables and estimates from OnTheMap, the U.S. Census Bureau's web application. The projected increase in housing units and nonresidential development are also based on conversations with City of Eloy staff. The Arizona Revised Statutes (ARS) 9-463.05 requires that "a municipality shall update the land use assumptions and infrastructure improvements plan at least every five years." Therefore, the development fee study did not vary the persons per housing unit ratio over time, nor assume any change to the residential vacancy rate in Eloy. For housing units, the development fee study assumes a staggered growth rate of 115, 120, 130 and 160 new housing units from 2019 to 2029 – an average annual increase of 2.63%. Of these new homes, we assume that 110 new units are built each year in Robson Ranch, with the remainder constructed elsewhere in the City of Eloy. Nonresidential development also assumes this same rate of growth.

Figure A2: Development Projections

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10-Year
	Base	1	2	3	4	5	6	7	8	9	10	Increas
Population	11,307	11,760	12,058	12,369	12,679	13,016	13,363	13,710	14,134	14,569	15,003	3,696
Housing Units	4,523	4,638	4,753	4,873	4,993	5,123	5,258	5,393	5,558	5,728	5,898	1,375
Jobs	2,072	2,125	2,177	2,232	2,287	2,347	2,409	2,471	2,546	2,624	2,702	630

CURRENT ESTIMATES OF RESIDENTIAL DEVELOPMENT

The 2010 census did not obtain detailed information using a "long-form" questionnaire. Instead, the U.S. Census Bureau has switched to a continuous monthly mailing of surveys, known as the American Community Survey (ACS) which is limited by sample-size constraints in areas with relatively few residents. For cities like Eloy, data on detached housing units are now combined with attached single units (commonly known as townhouses). One way to address this limitation is to derive fees by housing unit size, as discussed further below. Since townhouses and mobile homes generally have less floor area than detached units, fees by housing would ensure proportionality and facilitate construction of affordable units.

According to the U.S. Census Bureau, a household is a housing unit that is occupied by year-round residents. Development fees often use per capita standards and persons per housing unit or persons per household to derive proportionate-share fee amounts. When persons per housing unit are used in the fee calculations, infrastructure standards are derived using year-round population. When persons per household are used in the fee calculations, the development fee methodology assumes all 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 in the City of Eloy be imposed according to the number of year-round residents per housing unit.

ACS data indicates that Eloy had 3,618 housing units in 2017. As shown in Figure A3, in 2017, dwellings with a single unit per structure (detached, attached, and mobile homes) averaged 2.59 persons per housing unit. Dwellings in structures with two or more units (including boats, RVs, and vans) averaged 2.02 year-round residents per unit. The total persons per housing unit, including all single and multiple family units, not including persons in group quarters, is 2.50.

Figure A3: Person per Housing Unit by Type of Housing Unit

2017 American Community Survey

Units in Structure	Persons	Households	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single Unit[1]	7,835	2,483	3.16	3,021	**2.59**	83.5%	18%
Multi-Family Units[2]	1,203	442	2.72	597	**2.02**	16.5%	26%
Total	9,038	2,925	3.09	3,618	**2.50**		19%

Source: Tables B25024, B25032, and B25033. U.S. Census Bureau, 2013-2017 American Community Survey 5-year Estimates

1. Includes detached, attached (townhouse), and manufactured units.

2. Includes duplexes, structures with two or more units, and all other units.

POPULATION FORECAST

The Eloy population in 2017 for the non-prison and prison populations is from the American Community Survey. Based on TischlerBise analysis and conversations from Eloy City staff, an increasing growth-rate of 5, 10, to 20 new single-family units is projected over the next 10 years. No multi-family units are expected to be constructed until 2025; thereafter, 5 to 10 new units are projected to be built annually until 2029. A flat growth rate of 110 new single-family homes are projected over the next 10 years in Robson Ranch.

The population forecast is based on multiplying the number of single-family units by the estimated 2.79 persons per housing unit and the multiplying the number of multi-family units by the estimated 2.02 persons per housing unit, and adding them together. The total population is the non-prison population plus 8,499 persons for each year, which was the estimated prison population in 2017. Figure A4 shows the current estimate of the non-prison and prison population in the City of Eloy as well as the projected number of housing units to 2029.

Figure A4: City of Eloy Population and Housing Unit Increase

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10-Year
	Base	1	2	3	4	5	6	7	8	9	10	Increas
Population	**11,307**	**11,760**	**12,058**	**12,369**	**12,679**	**13,016**	**13,363**	**13,710**	**14,134**	**14,569**	**15,003**	**3,696**
Housing Units	**4,523**	**4,638**	**4,753**	**4,873**	**4,993**	**5,123**	**5,258**	**5,393**	**5,558**	**5,728**	**5,898**	**1,375**
New Single-Family Housing Units		*5*	*5*	*10*	*10*	*20*	*20*	*20*	*50*	*50*	*50*	*240*
New Multi-Family Housing Units		*0*	*0*	*0*	*0*	*0*	*5*	*5*	*5*	*10*	*10*	*35*
New Housing Units - Robson Ranch		*110*	*110*	*110*	*110*	*110*	*110*	*110*	*110*	*110*	*110*	*1,100*

EXISTING EMPLOYMENT AND NONRESIDENTIAL FLOOR AREA BY TYPE OF DEVELOPMENT

In addition to data on residential development, the calculation of development fees requires data on nonresidential development. TischlerBise uses the term "jobs" to refer to employment by place of work. Jobs and non-residential land uses are broken down into three categories: Commercial, Office/Institutional and Industrial/Flex. A baseline estimate of jobs in Eloy is provided by OnTheMap, the U.S. Census Bureau's web application. OnTheMap estimates journey-to-work jobs used to analyze commuting patterns, and the most recent estimate is from 2017. A baseline estimate for jobs in 2019 was obtained by calculating the ratio of jobs to housing units in 2017 and applying that to the 2019 housing units estimate. The numbers of jobs by category was similarly calculated using the ratio of each job type to the overall number of jobs, and applying that to the 2019 estimate for total jobs.

Figure A5 displays this estimate of the City's 2019 jobs as well as the nonresidential floor area, which are based on the square feet per employee multipliers obtained from the Institute of Transportation Engineers (ITE, 2017). The prototype for Commercial land uses is an average-size shopping center. For Office/ Institutional, the development prototype is an average-sized office. The prototype development for Industrial/ Flex jobs is manufacturing. General land use types are based on two-digit industry sectors.

Figure A5: Jobs and Floor Area Estimate

	2019 Jobs	*% of Total*	*Sq Ft per Job*	*Floor Area*
Commercial	415	20.0%	**427**	177,259
Office/ Institutional	1,193	57.6%	**337**	402,051
Industrial/ Flex	464	22.4%	**628**	291,279
Total	**2,072**	**100%**		**870,589**

*Percentages are rounded.

The gray shading in Figure A6 indicates the three nonresidential development prototypes used by TischlerBise to estimate floor area in Eloy.

Figure A6: Employee and Building Area Ratios

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit[1]	Wkdy Trip Ends Per Employee[1]	Emp Per Dmd Unit	Sq Ft Per Emp
110	Light Industrial	1,000 Sq Ft	4.96	3.05	1.63	615
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
140	**Manufacturing**	**1,000 Sq Ft**	**3.93**	**2.47**	**1.59**	**628**
150	Warehousing	1,000 Sq Ft	1.74	5.05	0.34	2,902
520	Elementary School	1,000 Sq Ft	19.52	21.00	0.93	1,076
610	Hospital	1,000 Sq Ft	10.72	3.79	2.83	354
710	**General Office (average size)**	**1,000 Sq Ft**	**9.74**	**3.28**	**2.97**	**337**
720	Medical-Dental Office	1,000 Sq Ft	34.80	8.70	4.00	250
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
760	Research & Dev Center	1,000 Sq Ft	11.26	3.29	3.42	292
820	**Shopping Center (average size)**	**1,000 Sq Ft**	**37.75**	**16.11**	**2.34**	**427**

1. Trip Generation, Institute of Transportation Engineers, 10th Edition (2017).

JOBS FORECAST

Jobs in Eloy from 2019 to 2029 are calculated using the same staggered growth rate of 115-170 new housing units applied to the population forecast. Based on the OnTheMap jobs estimate, there were 0.46 jobs per housing unit in Eloy in 2017. This ratio was maintained to calculate the number of jobs in 2019 based on the 2019 population estimate. This same ratio is also used to project the number of jobs from 2019-2029, and the ratios of job types to the total number of jobs is held constant and is used to estimate jobs by category. Figure A7 shows both the housing unit estimates provided earlier as well as the resulting jobs forecast. Jobs are divided into three separate categories in order to differentiate the associated square feet per employee to obtain a more accurate estimate of nonresidential development.

Figure A7: City of Eloy Housing Units and Jobs Forecast

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10-Year
	Base	1	2	3	4	5	6	7	8	9	10	Increas
Population	**11,307**	**11,760**	**12,058**	**12,369**	**12,679**	**13,016**	**13,363**	**13,710**	**14,134**	**14,569**	**15,003**	**3,696**
Housing Units	**4,523**	**4,638**	**4,753**	**4,873**	**4,993**	**5,123**	**5,258**	**5,393**	**5,558**	**5,728**	**5,898**	**1,375**
Jobs												
Commercial	415	426	436	447	458	470	483	495	510	526	541	**126**
Office/Institutional	1,193	1,223	1,254	1,285	1,317	1,351	1,387	1,423	1,466	1,511	1,556	**363**
Industrial/Flex	464	476	487	500	512	525	539	553	570	587	605	**141**
Total Jobs	**2,072**	**2,125**	**2,177**	**2,232**	**2,287**	**2,347**	**2,409**	**2,471**	**2,546**	**2,624**	**2,702**	**630**

AVERAGE DAILY VEHICLE TRIPS

Residential Vehicle Trip Rates

As an alternative to simply using the national average trip generation rate for residential development, the Institute of Transportation Engineers (ITE) publishes regression curve formulas that may be used to derive custom trip generation rates using local demographic data. Key independent variables needed for the analysis (i.e., vehicles available, housing units, households, and persons) are available from the U.S. Census Bureau American Community Survey (ACS) 2017 data for the City of Eloy. This data was used to derive custom average weekday vehicle trip ends by type of housing, as shown in Figure A8. A vehicle trip end represents a vehicle either entering or exiting development, as if a traffic counter were placed across a driveway.

Figure A8: Average Weekday Vehicle Trip Ends by Housing Type in City of Eloy

	Vehicles Available[1]	Households by Structure Type[2]			Vehicles per HH by Tenure
		Single-Family	Multi-Family	Total	
Owner-occupied	3,872	1,805	28	1,833	2.11
Renter-occupied	1,196	678	414	1,092	1.10
TOTAL	**5,068**	**2,483**	**442**	**2,925**	**1.73**

	Persons in Households[3]	Trip Ends[4]	Vehicles by Type of Unit	Trip Ends[5]	Average Trip Ends	Housing Units[6]	Trip Ends per Unit	
							Eloy	ITE[7]
Single Unit	7,835	22,357	4,555	29,695	26,026	3,021	8.60	9.44
Multi-Family Units	1,203	2,674	513	2,313	2,493	597	4.20	5.44
TOTAL	**9,038**	**25,031**	**5,068**	**32,008**	**28,520**	**3,618**	**7.90**	

1. Vehicles available by tenure from Table B25046, American Community Survey, 2013-2017 5-Year Estimates.
2. Households by tenure and units in structure from Table B25032, American Community Survey, 2013-2017 5-Year Estimates.
3. Total population in households from Table25033, American Community Survey, 2013-2017 5-Year Estimates.
4. Vehicle trips ends based on persons using formulas from Trip Generation (ITE 2017). For single units (ITE 210), the fitted curve equation is EXP(0.89*LN(persons)+1.72). To approximate the average population of the ITE studies, persons were divided by 122 and the equation result multiplied by 122. For 2+ units (ITE 221), the fitted curve equation is (2.29*persons)-81.02.
5. Vehicle trip ends based on vehicles available using formulas from Trip Generation (ITE 2017). For single-family housing (ITE 210), the fitted curve equation is EXP(0.99*LN(vehicles)+1.93). To approximate the average number of vehicles in the ITE studies, vehicles available were divided by 143 and the equation result multiplied by 143. For multi-family housing (ITE 221), the fitted curve equation is (3.94*vehicles)+293.58.
6. Housing units from Table B25024, American Community Survey, 2013-2017 5-Year Estimates.
7. Trip Generation, Institute of Transportation Engineers, 10th Edition (2017).

SUMMARY OF DEVELOPMENT PROJECTIONS

Demographic estimates for the base year 2019 and development projections for the next 10 years are summarized in Figure A9, providing key inputs for updating development fees in the City of Eloy. These figures will serve as the basis for determining the level-of-service needed to accommodate future development as well as the corresponding costs of infrastructure needs.

Figure A9: Land Use Assumptions Summary

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10-Year
	Base	1	2	3	4	5	6	7	8	9	10	Increas
Population	**11,307**	**11,760**	**12,058**	**12,369**	**12,679**	**13,016**	**13,363**	**13,710**	**14,134**	**14,569**	**15,003**	**3,696**
Housing Units	**4,523**	**4,638**	**4,753**	**4,873**	**4,993**	**5,123**	**5,258**	**5,393**	**5,558**	**5,728**	**5,898**	**1,375**
New Single-Family Housing Units		*5*	*5*	*10*	*10*	*20*	*20*	*20*	*50*	*50*	*50*	*240*
New Multi-Family Housing Units		*0*	*0*	*0*	*0*	*0*	*5*	*5*	*5*	*10*	*10*	*35*
New Housing Units - Robson Ranch		*110*	*110*	*110*	*110*	*110*	*110*	*110*	*110*	*110*	*110*	*1,100*
Jobs												
Commercial	415	426	436	447	458	470	483	495	510	526	541	**126**
Office/Institutional	1,193	1,223	1,254	1,285	1,317	1,351	1,387	1,423	1,466	1,511	1,556	**363**
Industrial/Flex	464	476	487	500	512	525	539	553	570	587	605	**141**
Total Jobs	**2,072**	**2,125**	**2,177**	**2,232**	**2,287**	**2,347**	**2,409**	**2,471**	**2,546**	**2,624**	**2,702**	**630**
Nonresidential Floor Area (x 1,000)												
Commercial KSF	177	182	186	191	196	201	206	211	218	224	231	**54**
Office/Institutional KSF	402	412	422	433	444	455	467	479	494	509	524	**122**
Industrial/Flex KSF	291	299	306	314	322	330	339	347	358	369	380	**89**
Total Nonresidential KSF	**871**	**893**	**915**	**938**	**961**	**986**	**1,012**	**1,038**	**1,070**	**1,103**	**1,135**	**265**

APPENDIX B: FORECAST OF REVENUES OTHER THAN FEES

To be determined after adoption of the Land Use Assumptions and Infrastructure Improvements Plan as part of the adoption of the Development Fees chapter of this report.

DRAFT

Capacity Charges

Prepared for:

City of Eloy, Arizona

December 18, 2019

TischlerBise
FISCAL | ECONOMIC | PLANNING

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EXECUTIVE SUMMARY

The City of Eloy, Arizona, retained TischlerBise to calculate water and wastewater capacity fees. Eloy currently assesses water and wastewater development fees. Eloy plans to discontinue its water and wastewater development fees and adopt capacity fees in their place. The suspension of water and wastewater development fees and implementation of capacity fees should ensure there is neither a gap nor an overlap of the two programs. Eloy should maintain current water and wastewater development fee funds and follow the state requirements for accounting and reporting until those fees are fully expended and all development fee payers have received their substantial benefit. Eloy should also create new, separate funds for water and wastewater capacity fees to deposit and account for these revenues.

Capacity charges are one-time payments used to defray the cost impacts of facilities necessary to accommodate new development. The payment amount represents new growth's fair share of capital facility needs.

TischlerBise evaluated potential methodologies and documented appropriate demand indicators by type of development for the fee amounts. Specific capital costs have been identified using local data and current dollars. Level of Service (LOS) standards and cost factors are presented in this report and are the basis for the calculations. It should be noted that although growth affects both capital and operating expenses, the capacity charge analysis addresses new development's impact on capital facilities only. It is further limited to capital improvements that provide additional capacity as opposed to maintenance or rehabilitation.

ARIZONA CAPACITY FEE ENABLING LEGISLATION

The Enabling Legislation governs how capacity fees are calculated for municipalities in Arizona. Eloy will assess its water and sewer capacity fees under the authority of ARS § 9-511.01.

A) A municipality engaging in a domestic water or wastewater business shall not increase any water or wastewater rate or rate component, fee or service charge without complying with the following:
   1) Prepare a written report or supply data supporting the increased rate or rate component, fee or service charge. The report or supporting data shall include cash flow projections that indicate all anticipated revenues from residential and nonresidential customers and the overall expenses for providing water or wastewater service. A copy of the report and cash flow projections shall be made available to the public by filing a copy in the office of the clerk of the municipality governing board and posting the report and cash flow projections on the municipality's website or the website of an association of cities and towns if the municipality does not have a website at least thirty days before the public hearing described in paragraph 2 of this subsection.
   2) Adopt a notice of intention by motion at a regular council meeting to increase water or wastewater rates or rate components, fees or service charges and set a date for a public hearing on the proposed increase that shall be held at least sixty days after adoption of the notice of intention. A copy of the notice of intention showing the date, time and place of the

hearing shall be published one time in a newspaper of general circulation within the boundaries of the municipality not less than twenty days before the public hearing date.

B) After holding the public hearing, the governing body may adopt, by ordinance or resolution, the proposed rate or rate component, fee or service charge increase or any lesser increase.

C) Notwithstanding section 19-142, subsection B, the increased rate or rate component, fee or service charge shall become effective thirty days after adoption of the ordinance or resolution.

D) Any proposed water or wastewater rate or rate component, fee or service charge adjustment or increase shall be just and reasonable.

E) Rates and charges demanded or received by municipalities for water and wastewater service shall be just and reasonable. Every unjust or unreasonable rate or charge demanded or received by a municipality is prohibited and unlawful.

F) A municipality may not assess or collect a fee on new water or wastewater service connections at the time of the establishment of service to those connections for the purpose of recovering the municipality's costs of acquiring, whether by purchase or by eminent domain, the utility plant, facilities, system or other property of a public service corporation or another municipality engaged in the business of providing water or wastewater service. This subsection does not apply to water or wastewater fees adopted before January 1, 2016 or to water or wastewater fees included in a notice of intent to adopt or increase water or wastewater rates and fees adopted before January 1, 2016.

G) For residential property of four or fewer units, a municipality shall not require payment of unpaid water and wastewater service rates and charges by anyone other than the person who the municipality has contracted with to provide the service, who physically resides or resided at the property and who receives or received the service. A property owner, an immediate family member of the person who does not reside at the property or any other entity, at its sole discretion, may contract for water and wastewater service with a municipality and shall provide payment.

H) For residential property of four or fewer units, a municipality shall not refuse service within the municipality's service area for the unpaid water and wastewater rates and charges to anyone other than the person who physically resided and received the service at the property. A property owner, at the owner's sole discretion, may contract for water and wastewater service with a municipality and shall provide payment for that service.

APPROACH AND METHODOLOGY

For the purposes of the capacity charge, TischlerBise evaluated industry-standard impact fee calculation methodologies defined by the American Water Works Association (AWWA) M1 Manual, "Principles of Water Rates, Fees, and Charges." These methods include:

- Equity Buy-In method
- Incremental Cost method
- Hybrid method

The goal of the equity buy-in method is to achieve an equity position between new and existing customers of the system. This approach is best suited for existing facilities that have been oversized and have excess capacity available. It utilizes the original cost of existing assets, escalated to current value using a standard cost index such as the Engineering News-Record Construction Cost Index. Adjustments are made to account for outstanding debt, developer contributions, and accumulated depreciation.

The incremental cost method assigns to new development the incremental cost of system expansion needed to serve new development. This approach is best suited for communities that have limited existing capacity and have prepared detailed growth-related capital project plans and acquisition plans. The cost of recently completed and projects proposed over a specified time frame (i.e. 10 years per Arizona State Statutes) including interest and financing costs, is divided by the number of equivalent customers that will be served by the additional capital projects to compute an average cost per 'service unit' (SU).

Incremental average costs per SU may be additive for separate infrastructure components or may be combined on a weighted-average basis for similar infrastructure components.

Figure 1 shows the method used to derive each component of the charges in the City of Eloy.

Figure 1: Proposed Capacity Charges: Methodologies

Type of Fee	Method
Water	Equity Buy-In
Wastewater	

MAXIMUM SUPPORTABLE CAPACITY CHARGES

Figure 2 displays the current development fees for the City of Eloy. (The development fees will be retired and capacity charges will be implemented.)

Figure 2: Current Development Fees

Current Utility Development Fees			
Per Meter	Water	Wastewater	Total
0.75	$1,556	$906	**$2,462**
1.00	$2,519	$1,392	**$3,911**
1.50	$4,905	$2,596	**$7,501**
2.00	$7,780	$4,048	**$11,828**
3.00	$15,455	$7,923	**$23,378**

Figure 3 provides the schedule of *Maximum Supportable Capacity Charges* for Eloy Water and Wastewater. The amounts shown are "maximum supportable" amounts based on the methodologies, level of service, and costs for the capital improvements identified in this report. The charges represent the highest amount feasible for each type of applicable development, which represent new growth's fair share of the capital costs as detailed in this report. The City of Eloy can adopt amounts that are lower than the maximum amounts shown. However, a reduction in capacity charge revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in the City's level of service.

Figure 3: Maximum Supportable Capacity Charges

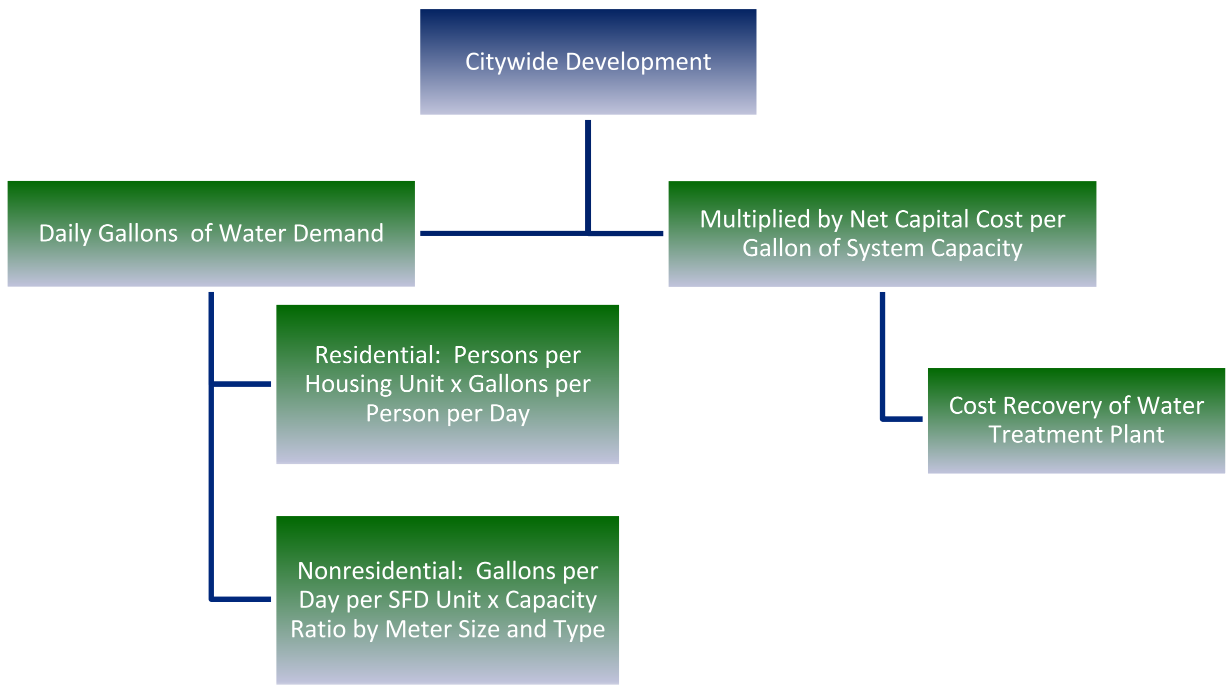
Proposed Utility Development Fees				
Per Meter	Water	Wastewater	Total	*Change*
0.75	$1,870	$1,965	**$3,835**	*$723*
1.00	$2,883	$2,882	**$5,765**	*$727*
1.50	$5,395	$5,155	**$10,550**	*$740*
2.00	$8,421	$7,892	**$16,313**	*$753*
3.00	$16,501	$15,201	**$31,702**	*$792*

WATER

OVERVIEW

Water capacity charges are derived using an equity buy-in approach. As shown in Figure W1, the capacity charges are based on the average daily gallons of water flow demand for a single-family housing unit and the net capital cost per gallon of system capacity. Capacity charges paid by nonresidential development are derived from capacity ratios according to the size of the new customer's water meter. Capacity ratios were obtained from the American Water Works Association (AWWA).

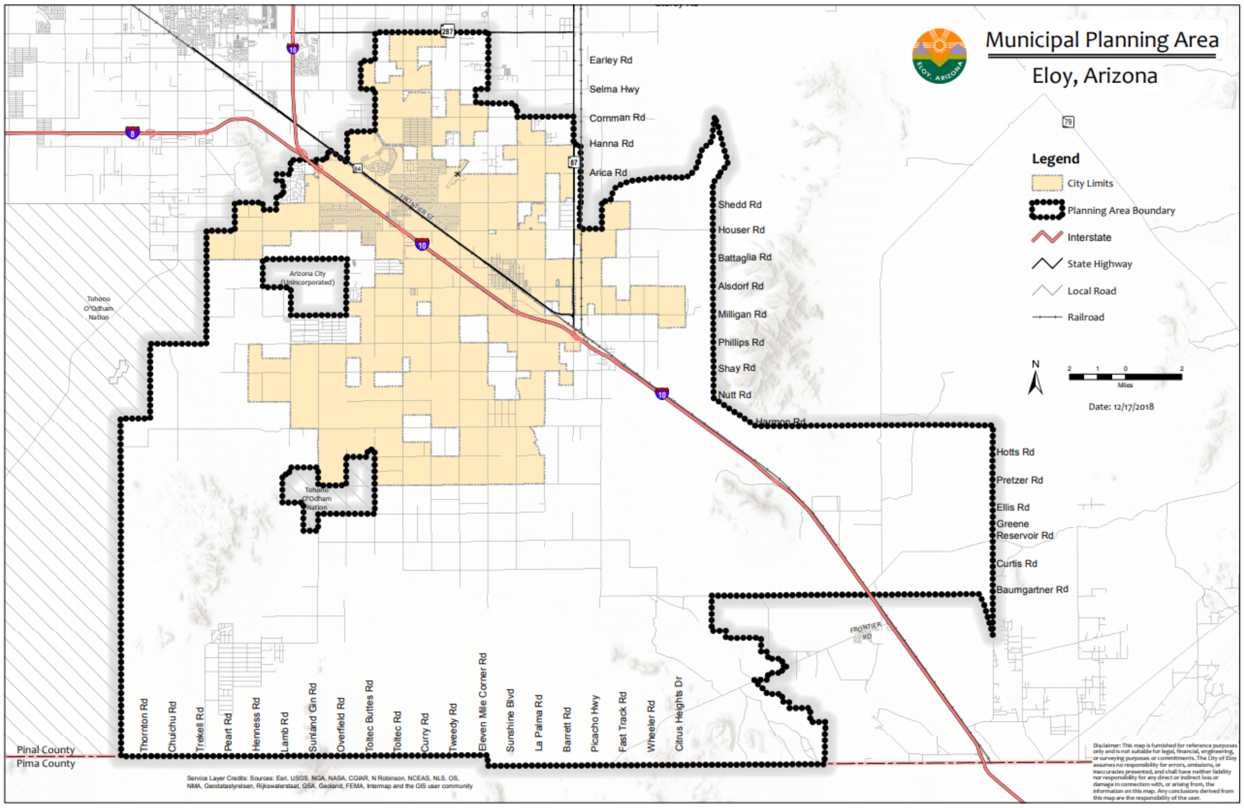
Figure W1: Water Capacity Charge Methodology



SERVICE AREA

The Water Service Area includes the City of Eloy. A map of the service area is shown in Figure W2. Water service is not extended to Robson Ranch, which has its own water utility.

Figure W2: Water Service Area



WATER DEMAND

Eloy provided water billing records for 2018, which showed an average daily demand of 1,058,101 gallons per day. The Water Capacity Charge is assessed on both residential and nonresidential development as both types of development create a burden for additional water facilities. Customers by land use are used to determine the proportionate share of this burden. In 2018, approximately 93% of connections were residential units, while 7% were nonresidential. Moreover, residential units accounted for 60% of the water demand, compared to 40% for nonresidential development.

Water demand is based on gallons per connection per day. Using the factors discussed above, the current demand from residential development for water service is calculated to be 260 gallons per connection per day. For nonresidential connections, water demand averages 2,296 gallons per day.

The average gallons per day per capita is 104, which is found by dividing the residential demand of 260 gallons per connection per day by the average persons per housing unit standard of 2.50. (260 / 2.50 = 104). This is summarized in Figure W3.

Figure W3: Water Demand Factors for Eloy

	Avg Gallons per Day [1]	*% Total*	2018 Customers [1]	*% Total*
Residential	633,433	*60%*	2,433	*93%*
Nonresidential	424,668	*40%*	185	*7%*
TOTAL	**1,058,101**		**2,618**	

Level of Service (LOS) Standards	*Residential*	*Gallons per Day per Capita [2]*
Average Residential Gallons Per Day	633,433	
2018 Service Units (residential customers)	2,433	
Level of Service: Gallons per Customer per Day	**260**	**104**

	Nonresidential
Average Nonresidential Gallons Per Day	424,668
2018 Service Units (nonresidential/other customers)	185
Level of Service: Gallons per Customer per Day	**2,296**

1. City of Eloy Water Billing and Usage Records, 2018.
2. Gallons per day per capita based on average persons per housing unit of 2.50

PROJECTED DEMAND AND SERVICE UNITS

Projected water demand is shown in Figure W4 alongside the projected growth in residential and nonresidential connections. Based on discussions with City of Eloy staff, a staggered, increasing growth rate of residential development from 5 to 50 new units per year by 2029 is used to project the growth in residential connections. Nonresidential connections are based on the same growth rate, as the growth of nonresidential development is tied directly to the rate of residential development, using the ratio of jobs to housing units in Eloy. TischlerBise projects an increase of 204 total customers, generating an additional demand of 0.18 million gallons of water per day.

Figure W4: Projected Water Demand

		Service Units: Customers			MGD		
		Single Unit Customers	Nonres/Other Customers	Total Customers	Res MGD	Nonres/Other MGD	Total MGD
Base	2019	2,433	185	2,618	0.63	0.42	1.06
1	2020	2,436	192	2,628	0.63	0.44	1.08
2	2021	2,439	197	2,636	0.63	0.45	1.09
3	2022	2,445	202	2,647	0.64	0.46	1.10
4	2023	2,451	207	2,658	0.64	0.48	1.11
5	2024	2,463	213	2,676	0.64	0.49	1.13
6	2025	2,475	219	2,693	0.64	0.50	1.15
7	2026	2,487	224	2,711	0.65	0.51	1.16
8	2027	2,516	231	2,748	0.66	0.53	1.19
9	2028	2,546	238	2,785	0.66	0.55	1.21
10	2029	2,576	245	2,822	0.67	0.56	1.23
Ten Yr Increase		**143**	**60**	**204**	**0.04**	**0.14**	**0.18**

By 2029, the total MGD of water generated in Eloy will be 1.23 MGD, out of an overall capacity of 3.00 MGD. Thus, the increase in water generated will not require any additional capacity and the capacity charges will not collect more in fees than the recovery of costs to construct the water facilities.

COSTS PER GALLON OF WATER GENERATED

According to the 2018 Water Fund asset depreciation report provided by the City of Eloy, the cost to build the 3.00 MGD of water capacity was approximately $17.4 million. A breakdown of costs is shown in Figure W5. The costliest component of the water facility is the water system itself, which cost over $16.5 million, including the cost of water lines and pump stations.

Figure W5: Water Fund Asset Costs

System Component	Cost
Land	$0.00
Buildings	$32,704.00
Vehicles & Equipment	$546,104.90
Sewer System	$16,579,318.60
CIP (Engineering & Design)	$258,124.46
Development Fee Report	$19,397.50
Total	**$17,435,649.46**

Dividing the costs by the 3 million gallon capacity of the system results in a $5.81 cost per gallon. This is demonstrated in Figure W6.

Figure W6: Water Treatment Plant Cost Recovery

Cost of Water Assets	$17,435,649.46
Total Capacity (MGD)	3.00
Cost per Gallon	**$5.81**

Source: City of Eloy Water Fund Asset Depreciation Report

PROPOSED WATER CAPACITY CHARGES

Input variables for the Water Capacity Charges for Eloy are shown in Figure W7. Residential charges are calculated by multiplying the number of persons per housing unit by type of housing unit by the average number of gallons per person per day. The average number of gallons per housing unit is then multiplied by the net capital cost per gallon of system capacity. For example, the charge calculation for a new residential unit is the 2.50 persons per housing unit multiplied by 104 gallons per person per day, which equals 260 gallons per day per housing unit. This figure is then multiplied by the net capital cost per gallon of $5.81. Then, each customer pays the cost of professional services ($356.88), resulting in a proposed capacity charge of $1,870.

Nonresidential charges are based on size and type of meter and their restrictive capacity. The capacity ratios by meter size and type are from the American Water Works Association (AWWA). The culinary wastewater demands of an average single-family housing unit are used as the basis of the calculation.

Figure W7: Proposed Water Capacity Charge

	Standards:
Demand Indicators	
ERU Gallons per Average Day	260
Cost Factors per Gallon of Capacity	
Cost Recovery Cost per Gallon	$5.81
Cost Factors per Customer	
Professional Services	$356.88

Maximum Supportable Water Facilities Charge						
Residential						
Residential (per dwelling unit)			**$1,870**			
Nonresidential						
Meter Size (inches)		*Capacity Ratio* [1]	*Per Meter*	*Current Fees*	*Increase (Decrease)*	*% Change*
0.75	Displacement	1.00	**$1,870**	$1,556	$314	20%
1.00	Displacement	1.67	**$2,883**	$2,519	$364	14%
1.50	Displacement	3.33	**$5,395**	$4,905	$490	10%
2.00	Compound	5.33	**$8,421**	$7,780	$641	8%
3.00	Compound	10.67	**$16,501**	$15,455	$1,046	7%

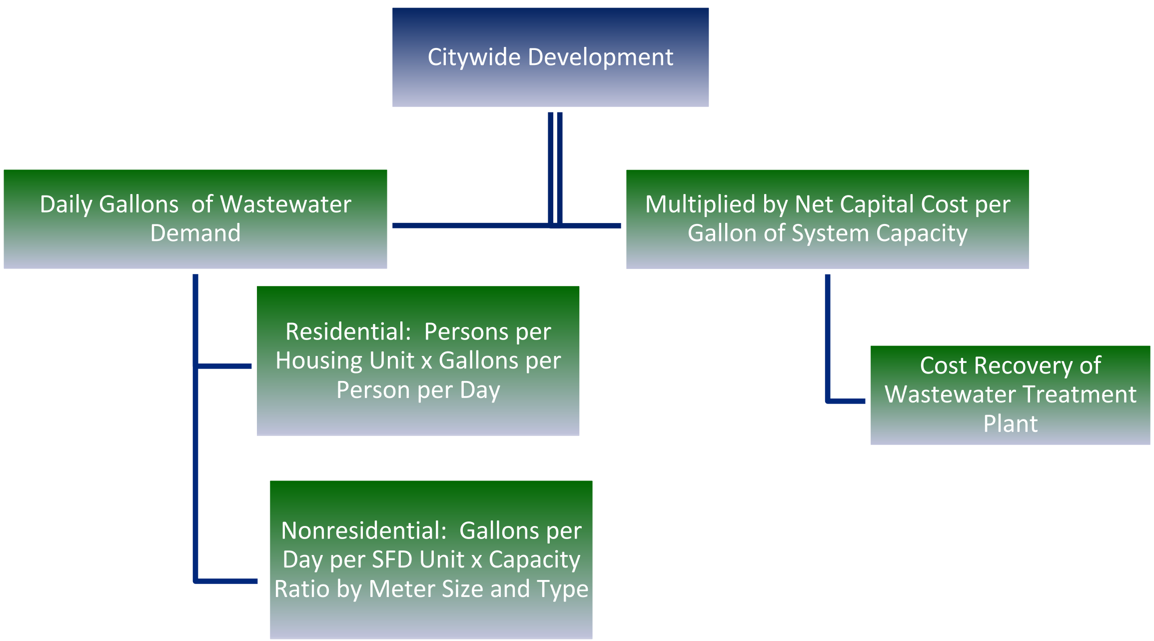
1. AWWA. (2012). M6 Water Meters–Selection, Installation, Testing and Maintenance, Fifth Edition.

WASTEWATER

OVERVIEW

Wastewater capacity charges are derived using an equity buy-in approach for the Wastewater Treatment Plant. As shown in Figure WW1, the capacity charges are based on the average daily gallons of wastewater flow demand for a single-family housing unit and the net capital cost per gallon of system capacity. Capacity charges paid by nonresidential development are derived from capacity ratios according to the size of the new customer's wastewater meter. Capacity ratios were obtained from the American Water Works Association (AWWA).

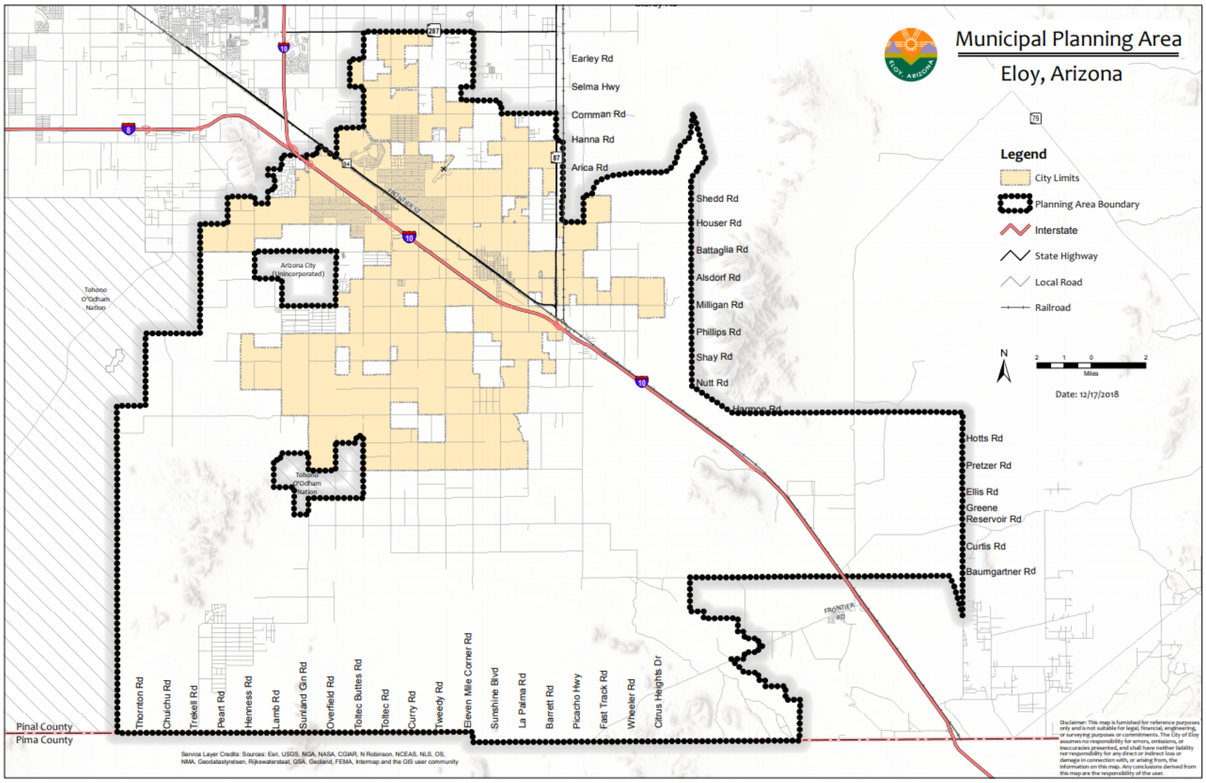
Figure WW1: Wastewater Capacity Charge Methodology



SERVICE AREA

The Wastewater Service Area includes the City of Eloy. A map of the service area is shown in Figure WW2.

Figure WW2: Map of Service Area



WASTEWATER DEMAND

TischlerBise estimated current wastewater demand by pegging wastewater generation as a percentage of water, as wastewater generation data was unavailable for 2018. Furthermore, the ratio used to peg wastewater generation as a percentage of the City's water usage is based on the ratio of wastewater generation and water usage in Eloy in 2012, which is the most recent available data on wastewater generation in the City.

In 2012, 168 million gallons of wastewater entered treatment plan compared to 412 million gallons of water usage. Thus, the ratio of wastewater generated to water used in 2012 was 168 million gallons divided by 412 million gallons, which equals 40.1%. As a result, 2018 wastewater generation is assumed to be 40.1% of the water used in 2018. Based on water billing records from 2018 provided by the City and applying this ratio, Eloy had an average daily usage of 430,500 gallons per day and a total of 1,733 connections.

The wastewater capacity charge is assessed on both residential and nonresidential development as both types of development create a burden for additional wastewater facilities. Customers by land use are used to determine the proportionate share of this burden. In 2018, approximately 93% of Eloy wastewater connections were residential units, accounting for 60% of the average daily demand. Approximately 7% of the connections was nonresidential development, accounting for 40% of the average daily demand.

Wastewater demand is based on gallons per connection per day. Based on the factors discussed above, the current demand for residential development for wastewater service is 168 gallons per connection per day. For nonresidential connections, wastewater demand averages 1,498 gallons per day.

The average gallons per day per capita is 67, which is found by dividing the residential demand of 168 gallons per connection per day by the average persons per housing unit standard of 2.50. (168 / 2.50 = 67).

Figure WW3: Wastewater Demand

	Avg Gallons per Day	*% Total*	2018 Connections	*% Total*
Residential	257,719	*60%*	1,538	*93%*
Nonresidential	172,781	*40%*	115	*0%*
TOTAL	**430,500**		**1,653**	

Source: Billing Records for Water provided by City of Eloy; usage and connection pegged to ratio of water usage and connections to wastewater usage and connections from 2014 study

Level of Service (LOS) Standards	*Residential*	*Gallons per Day per Capita**
Average Residential Gallons Per Day	257,719	
2018 Service Units (residential connections)	1,538	
Level of Service: Gallons per Connection per Day	**168**	**67**
	Nonresidential	
Average Nonresidential Gallons Per Day	172,781	
2018 Service Units (nonresidential connections)	115	
Level of Service: Gallons per Connection per Day	**1,498**	

*Gallons per day per capita based on average persons per housing unit of 2.50

PROJECTED DEMAND AND SERVICE UNITS

Wastewater demand is also projected as a percentage of water demand projections, applying the same ratio of 40.1%. Projected wastewater demand is shown in Figure WW4. By 2029, we project an increase of 116 total connections, generating 0.06 additional millions of gallons per day.

Figure WW4: Projected Wastewater Demand

		Service Unit: Connections			MGD		
	Year	Residential Connections	Nonres Connections	Total Connections	Res MGD	Nonres MGD	Total MGD
Base	2019	1,538	115	1,653	0.26	0.17	0.43
1	2020	1,540	118	1,658	0.26	0.18	0.44
2	2021	1,541	121	1,663	0.26	0.18	0.44
3	2022	1,545	124	1,669	0.26	0.19	0.45
4	2023	1,548	127	1,675	0.26	0.19	0.45
5	2024	1,555	131	1,686	0.26	0.20	0.46
6	2025	1,562	134	1,696	0.26	0.20	0.46
7	2026	1,569	137	1,706	0.26	0.21	0.47
8	2027	1,586	141	1,727	0.27	0.21	0.48
9	2028	1,603	145	1,748	0.27	0.22	0.49
10	2029	1,620	150	1,769	0.27	0.22	0.50
Ten Yr Increase		**82**	**34**	**116**	**0.01**	**0.05**	**0.06**

By 2029, the total MGD of wastewater generated in Eloy will be 0.50 out of an overall capacity 2.00 MGD. Thus, the increase in wastewater generated will not require any additional capacity and the capacity charges will not collect more in fees than the recovery of costs to construct the wastewater facilities.

COSTS PER GALLON OF WASTEWATER GENERATED

According to the 2018 Sewer Fund asset depreciation report provided by the City of Eloy, the costs to build the 2.00 MGD of wastewater capacity were $16,333,640.22. A breakdown of costs is shown in Figure WW5 The costliest component on the wastewater facility is the sewer system itself, which cost $14.8 million, which includes the cost of sewer lines, force mains, and headworks.

Figure WW5: Sewer Fund Asset Costs

System Component	Cost
Land	$456,825.84
Vehicles & Equipment	$897,655.97
Sewer System	$14,830,952.60
CIP (Engineering & Design)	$148,205.81
Total	**$16,333,640.22**

Dividing the costs by the 2-million-gallon capacity of the system results in a $8.17 cost per gallon. This is demonstrated in Figure WW6.

Figure WW6: Wastewater Treatment Plant Cost Recovery

Cost of Sewer Assets	$16,333,640
Total Capacity (MGD)	2.00
Cost per Gallon	**$8.17**

Source: 2018 Sewer Fund Asset Depreciation Report, City of Eloy

PROPOSED WASTEWATER CAPACITY CHARGES

Input variables for the Wastewater Capacity Charges for Eloy are shown in Figure WW7. Residential charges are calculated by multiplying the number of persons per housing unit by type of housing unit by the average number of gallons per person per day. The average number of gallons per housing unit is then multiplied by the net capital cost per gallon of system capacity. For example, the charge calculation for a single unit housing unit is 2.50 persons per housing unit multiplied by 67 gallons per person per day, which equals 168 gallons per day per housing unit. This figure is then multiplied by the net capital cost per gallon of $8.17. Then, each customer pays the cost of professional services ($596.65), resulting in a proposed fee of $1,965.

Nonresidential charges are based on size and type of meter and their restrictive capacity. The capacity ratios by meter size and type are from the American Water Works Association (AWWA). The culinary wastewater demands of an average single-family housing unit are used as the basis of the calculation.

Figure WW7: Proposed Wastewater Capacity Charges

	Standards:
Demand Indicators	
ERU Gallons per Average Day	168
Cost Factors per Customer	
Cost per Gallon	$8.17
Professional Services	$596.65

Maximum Supportable Wastewater Facilities Charge						
Residential						
Residential (per dwelling unit)			**$1,965**			
Nonresidential						
Meter Size (inches)		*Capacity Ratio* [1]	***Per Meter***	*Current Fees*	*Increase/ (Decrease)*	*% Change*
0.75	Displacement	1.00	**$1,965**	$906	$1,059	117%
1.00	Displacement	1.67	**$2,882**	$1,392	$1,490	107%
1.50	Displacement	3.33	**$5,155**	$2,596	$2,559	99%
2.00	Compound	5.33	**$7,892**	$4,048	$3,844	95%
3.00	Compound	10.67	**$15,201**	$7,923	$7,278	92%

1. AWWA. (2012). M6 Water Meters–Selection, Installation, Testing and Maintenance, Fifth Edition.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: V.B.

Date: 1/6/2020

Date submitted: 12/31/2019 Date requested: 1/6/2020	Action: Other	Subject: Presentation, discussion and update of Eloy's Economic Development Strategic Plan activities during the 1st and 2nd quarters of FY2019-2020.

TO: Mayor and City Council

FROM:

RECOMMENDATION:
Council to receive an update on the progress toward the 2019 Economic Development Strategic Plan adopted by City Council in July, 2019 for information and discussion.

DISCUSSION:
On July 22,2019, the Eloy City Council adopted an Economic Development Strategic Plan with a 3-5 year horizon. The culmination of this Plan were four goals, 28 specific and strategic actions and 87 tactics to accomplish those actions and ultimately achieve the stated goals. This is an all encompassing plan that although is most specific to the Community and Economic Development of Eloy, many other inside and outside agencies have roles in the successful completion of this plan. In those cases, the role of Community Development is to shepherd these activities and assist in their completion whenever possible. The purpose tonight is to update City Council on progress to date including activities that have been completed, are underway or waiting to be addressed.

FISCAL IMPACT:
The impact is hoped to be considerable as the plan is implemented and new investment is an integral part of Eloy's future.

Approved as to Form:

Stephen R. Cooper, City Attorney

Building Block: Downtown

Goal - Main street exudes a hip vibe of restaurants, shops and activities supported by quality neighborhoods that offer housing choice.

Strategic Action	Tactics	*Lead and Support	Timeframe		Performance Metric	Activities and Progress
			Years 1-3	Year 4 plus		
1. Prepare Downtown Master Plan and Implementation Strategy	Define land use categories and locations	CD, DAC, CoC	•		Plan completed and adopted	Timing dependent on council priorities and funding availability. Effort could be initiated by mid-2020.
	Identify key vehicular access and circulation corridors from I-10 to Main Street	PW,CD	•		Completed detailed circulation plan for downtown with roadway standards, parking regulations and standard cross sections	See Above
	Identify key water, sewer, gas, electrical improvements and extensions to enhance shovel readiness/revitalization	PW, CD	•		Completed CIP for Downtown	See Above
	Establish workable downtown boundaries	CD	•		Defined area for increased city participation	See Above
2. Adopt supportive development regulations	Prepare and adopt Adaptive Reuse Ordinance	CD, DAC		•	Regulations completed and adopted	Timing dependent on council priorities and funding availability. Effort could be initiated by mid-2020. Ideally, this effort should be done in concert with Item 1 above to ensure supportive efforts.
	Design Guidelines	CD, DAC		•	"	See Above
	• Signage	CD, DAC		•	"	See Above
	• Landscaping/Outdoor Spaces	CD, DAC		•	"	See Above
	• Lighting	CD, DAC		•	"	See Above
	• Materials/Massing	CD, DAC		•	"	See Above
	Prepare and adopt infill Ordinance	CD, DAC		•	"	See Above
3. Aggressively Market and Manage Assets	Develop a cohesive community brand	CD, DAC	•		Design and adopt new Eloy logo	Reinitiated discussion of logo and design options, project has been assigned to Jillian-Jon and CD staff to provide support. Effort expected to be complete in Q2/2020
	Create one FTE staff position, responsibilities could include, events and event marketing, grants writing and management, PIO duties and asset acquisition and management	CD	•		Make strategic hire	Include discussion with City Council for FY 20-21 budget. Position location still to be determined.
	Increase palette of event offerings	CD, DAC, CS		•	Number of new events	To be initiated when the FTE position is funded and filled.
	Revise and administer Facade/Building Maintenance/Enhancement Grant program	CD, DAC	•		Number of buildings enhanced	Effort underway and submitted to the DAC in December 2019. Proposed program will be submitted to City Council in late January 2020' with next draft to be submitted to the DAC for consideration at the December meeting. Reviewing programs in other communities and revise initial concept for Council consideration.
	Continue to prepare for and conduct Vacant Building Tour	CD, DAC	•		Reduced vacant building rate on Main Street	Tour was held on November 8, 2019. Included interior view of Theater, new discussions have evolved from that visit. Next Tour Q2/ 2020.
	Continue to auction surplus City owned properties	CD	•		Number of properties back on the tax rolls and actively being planned/ redeveloped	A total of three auction properties still available. Staff may consider another auction in 2020.
	Confirm direction for Dustbowl Theater/adjacent lot	CD, DAC		•	Implement council directive (renovation or demolition)	Part of DAC agenda, discussion/direction may occur late 2019 and carry into 2020-move strategic approach to Council for consideration.
	Continue to lease and administer CORR building	CD	•		Maintained and leased for community benefit	On-going, project successful and returning resources to Eloy youth.
	Assess strategic asset acquisition	CD		•	Amount of square feet owned or managed by City in downtown	To be initiated when the FTE position is funded and filled.

	Finalize design and construct the approved Arcade Renovation program for Main Street	CD, DAC	•		Number of building facades renovated	Effort underway and submitted to the DAC in December 2019. Proposed program will be submitted to City Council in late January 2020 with next draft to be submitted to the DAC for consideration at the December meeting. Reviewing programs in other communities and revise initial concept for Council consideration.
	Approve a cohesive design and then implement Landscape Improvements on Main Street	CD		•	Total square feet of new streetscape improvements designed and constructed	Under consideration as a future phase of the Down Town revitalization,
4. Revitalize Main Street Park and add public landscaped areas throughout downtown	Enhance functionality and increase drought tolerant plantings	CS, CD, PW		•	Park redesigned, redeveloped and operational	Determine if this project will supersede the Shedd Road improvements with Council budgeting for FY 20-21. CD will support CS as this project moves forward.
	Increase additional landscaping in public areas with attention paid to drought tolerant native species	CS, CD		•	Number of established landscaped areas along Main Street and Frontier Street	Determine if this project will supersede the Shedd Road improvements with Council budgeting for FY 20-21. CD will support CS as this project moves forward.
	Leverage overall Eloy investment in new construction, arcade/façade, landscape and park improvements for additional special events	CD,CS, PW		•	Increased number of annual community events	Dependent on staff availability.

Building Block: Infrastructure and Housing

Goal - Eloy has adequate infrastructure, utilities, amenities and housing that attracts business and residents.

Strategic Action	Tactics	*Lead and Support	Timeframe Years 1-3	Timeframe Year 4 Plus	Performance Metric	Activities and Progress
1. Bring top five industrial sites to shovel ready status	Develop a team approach to the development process utilizing resources of the property owner, the City of Eloy and various funding sources to accelerate targeted infrastructure development	CD	•		Increase number of shovel ready sites	Site #1: Sunshine Industrial Park-Completely Shovel Ready-Market aggressively through PIF's. Site #2:Toltec Business Park-Extend sewer within close proximity-incorporate project in City CIP. Site #3: Houser Road Industrial Park-Extend sewer within close proximity-incorporate project in City CIP. Site #4: Interstate 10|8-complete development agreement, raze existing structure and initiate first phase entry improvements.
	Develop an incentive program to encourage the development of off-site infrastructure	CD, Finance	•		Number of companies interested in participation	Consider designating a fixed percentage of the 2% food tax money as an infrastructure deal closing fund, dedicated to the cost of off-site infrastructure. Another consideration would be to dedicate construction sales tax dollars toward the cost of off-site infrastructure improvements.. Discuss with Council for FY 20-21 budget.
	Prepare report on the option of hiring independent grant writers to support design and construction of employment related infrastructure	CD	•		Report completed	Work with Finance Department and City Manager to fill this position with grants that would extend to economic development efforts. Discuss with Council for FY 20-21
	Use freelance grant writers to access any and all grant opportunities suited to Eloy's demographics	CD	•		Number of grants applied for and number of successful applications	Determine need based on outcome of the action above.
	Initiate rezoning on properties with the best chance for commercial development activity	CD	•		Number of rezoning and number of interested parties post rezoning	Initial conversation with Kirk McCarville regarding 9 industrial parcels near the Eloy industrial park. Effort will need to be initiated and supported by the property owner. City has agreed to support these efforts, so far no one has made the commitment to initiate the rezoning.
2. Prepare and adopt an infrastructure improvements plan and complete a development impact study	Prioritize infrastructure improvement plan to support key growth areas over outward expansion	CD, PW, Finance, CM	•		Total number of commercial/ industrial parcels served	Work on IIP with Tischler Bice, currently in draft form. Work nearing completion, results seem to indicate fees will increase, but only nominally in most areas which will be beneficial to community development efforts., a win for EcoDev. Jerry Stabley heading effort-anticipated to be complete in FY 19-20
	Work with City Council to adopt fees that are the most competitive in Eloy's market area.	CD, Finance, EHA	•		Council adopts lowest fees in Pinal County	IIP/DIF anticipated to go be heard by Council in late February 2020, adoption by late April
3. Prepare and adopt a residential attraction plan	Identify key sites best suited for residential development	CD, PW	•		Inventory complete	Site #1: Phase II of Picacho Heights-shovel ready subdivision of 90 lots-Wade Journey Homes has shown modest interest)Site #2: the Esperanza area (north of Main Street)-infrastructure was installed, but may be antiquated from non use. Site #3: A 320 acre parcel near the airport to build a sustainable residential community and Marriott Hotel/indoor free flight facility-a highly evolved green footprint. Site #4: PALEF owns 90-acres east of Downtown and is interested in subdividing-property has water, but no sewer currently.
	Determine necessary incentives and standards necessary to attract affordable and move up housing	CM, CD	•		Increased number of housing units proposed and permitted	Communicate with developer and broker community to arrive at appropriate development standards or incentives that may induce added single/multi-family residential units. Staff will also support the Eloy housing authority providing units for low income residents.
	Initiate rezoning's on properties with the best chance for residential development activity	CD		•	Number of acres immediately available for development	Dependent on the completion of a housing study, possibly in FY 20-21. Currently Eloy has an excessive supply of residentially entitled properties-which are typically not shovel ready.

Building Block: Jobs

Goal - New jobs are available in Eloy by quality employers with focus on diversity and multiple salary levels.

Strategic Action	Tactics	*Lead and Support	Timeframe Years 1-3	Timeframe Year 4 Plus	Performance Metric	Activities and Progress
1. Implement an industrial/business recruitment program	Participate in trade shows, forums and other events to showcase and promote Eloy	CD	•		Number of events attended	Following up from 2019 ICWSC trade show, attendance resulted in one site visit from Cobblestone Hotels and the hiring of H&DA to complete a hotel feasibility analysis which is underway and expected to be completed in late January 2020. Providing a positive outcome from the analysis, staff will distribute to hoteliers and developers deemed a good fit also based on the results. ISCS also provided a contact with Circle K Corporation. Staff has been working with them for the last 6 months resulting in several site visits and a decision by Circle K to replace the store at 11 mile Corner and Frontier with a new full service store in the same general location. Circle K has requested a pre-app for January 2020. Store could be open by end of year 2020. Scheduling efforts have begun on ICSC 2020.
	Maintain frequent communications with the real estate brokerage community	CD	•		Keep log of interactions and set up calling schedule	Log established and maintained weekly. In Q4/2019 each had 30 exchanges with real estate professionals, developers, land owners and economic development professionals. In the second half of 2019, staff responded to 6 ACA Pif's with one resulting in a site visit on October 24th. Project Jos toured the Sunshine Industrial Park as part of a 5 state tour including 5 sites in AZ. Next communication is expected in late January 2020.
	Attract business amenities to support non-service/retail employers	CD	•		Number of new restaurant/service businesses	Work continues with Circle K and Xpress Fuel regarding new facilities. Circle K is in escrow for 3.5 acres on the NWC of 11 Mile Corner and Frontier and has requested a pre-app meeting from CD and anticipated to start construction mid 2020.
	Identify and promote realistic incentives to foster quality economic development	CM, CD, Finance	•		Preparation and maintenance of incentive options for general discussion with prospects	Staff will set an internal meeting in Q1/2020 to begin discussions on a range of incentive options, funding resources anticipated to be available, and type of qualified prospects that could request such assistance. Amount and scope of possible incentives will be partial based on the type and quality of jobs to be offered.
	Prepare a cost of doing business comparison of Eloy with key competitors and source cities	CD	•		Comparison complete with schedule for updates	Comparison will follow the adoption of the IIP-expected in late Q1/2020.
2. Collaborate to retain and expand existing businesses	Continue to implement a business outreach program	CofC, CD	•		Number of businesses visited	Discussions have been held with the Chamber to institute and complete an annual BRE program-anticipated to commence in Q2/2020.
	Establish and conduct industry roundtables	CofC, CD		•	Eloy industry roundtable conducted	Chamber to take the lead with support from EcoDev. Speakers will include City officials and select outside resources.
3. Work collaboratively to create a repository of entrepreneurship information and programs	Understand and promote available micro-loan programs to support home occupations	CAC-SBDC, GWB, PCFCU	•		Inventory and list of human resources completed	Identify and monitor such lending entities and SBDC resources with contact information that can be made available upon request.
	Work with local financial institutions to understand and promote Community Reinvestment Act (CRA) programs	CD, GWB, PCFCU,	•		Number of successful applications and amount of CRA attributable funding	Discussions to be held with Great Western Bank, Pinal County Federal Credit Union, Western State Bank, Local Investment Support Corporation, Arizona Community Foundation, etc. to highlight their funding objectives in the next 3-5 years and investment opportunities available in Eloy.
	Investigate other federally-related Economic Development support programs	CD, Finance, USDA, FHA,		•	Inventory or programs and successes and list of human resources completed	Reestablish/establish relationships with local/regional representatives from USDA, HUD, etc.. to keep up to date on funding/grant opportunities.
4. Work collaboratively to prepare youth for success in school and work	Support the work of Achieve Pinal Committee to create early childhood career pathways in partnership with K-12, business and higher education resources	CD, Achieve Pinal, Arizona@Work, CofC	•	•	Attend meetings and conferences as possible, have working knowledge of programs and resources	Support the Pinal Reading Initiative and work to bring it to our Elementary School Districts after the two year Pilot Program is complete.
	Focus resources on youth engagement, education programs and internships	CD, Achieve Pinal, Arizona@Work, CofC	•	•	Understand local resources and provide local assistance as possible	Chamber to consider an internship program for their membership. Early discussion related to this as part of the BRE program have begun.
	Continue to leverage the work led by Arizona at Work, Achieve Pinal and other career initiatives	CD, Achieve Pinal, Arizona@Work, CofC	•	•	Inventory of programs and successes and list of human resources completed	City Staff to actively participate in Achieve Pinal and assist Eloy youth. Support Careertopia and coordinate with Santa Cruz High School to conduct them in Eloy

5. Promote adult workforce and skill development program	Help training providers to link workforce responding to the needs of local employers	CD, Achieve Pinal, Arizona@Work, CofC	•	•	Number of successful referrals	Conducted Job Fair in Fall of 2019, and schedule next Job Fair for Law Enforcement, Military and Corrections in April 2020 at City Hall; Conduct full Job Fair in the Fall of 2020
	Utilize the findings of the Pinal County Occupational Skills survey to promote skills that benefit Eloy employers	CD, Achieve Pinal, Arizona@Work, CofC	•	•	Utilize and reference the report to enhance location opportunities	A review of the findings supports several of key Eloy economic targets including manufacturing, distribution and freeway related services. Staff has also been in contact with representatives from Santa Cruz High School and CAC to understand their programs and discuss potential ways to partner with new industry.
6. Attract a satellite facility for post-secondary education	Identify potential post-secondary sites	CD	•		Inventory of potential locations	Consider in conjunction with the preparation of the Downtown Master Plan.
	Determine the type of curriculum most in demand	CD, Arizona@Work, CofC	•		Employer needs identified and documented	To Be Determined.
	Engage with ASU, UA, CAC and other higher learning institutions to strengthen connections and resources to benefit new and existing businesses	CD	•		Have active list of resources and communicate on a regular basis	Make contact and start building relationships with interested parties. Staff visited ASU
7. In collaboration with Skydive Arizona, support the Eloy Airport as an international skydiving center and future aviation employment center	Support and participate in national and international sky diving competitions and other events at the airport that bring attention to the City of Eloy	CD, CS, CofC	•		Established partnership to attract and promote sky diving competitions and events, number of events held	Staff supported SkyDive Arizona in hosting the International Championship of formation jumping which by all accounts was a success and the first time the public was invited to attend. Staff held a Mayor's reception with 60 or so in attendance to thank them for participating, and to promote Eloy as a site for related business location.
8. Design and adopt a Municipal Airport Specific Plan	Develop long range plan for the ultimate development of the airport for aviation and aeronautical related industries or industries that rely on airport convenience and services	CD		•	Plan complete and adopted	Staff is working on an Eloy Airport Economic Benefit study to be completed in Q2/2020. The study will help us support the skydiving industry and find other ways to increase airport related employment as well as find ways to market the airport location. Support efforts to Update the Master Plan for the Eloy Municipal Airport with funding from the FAA. (See Item 15)
9. Prepare and adopt an airport business plan	Integrate three primary components, one is the current utilization as a destination sky diving facility, two is the eventual transformation in to a multiple use facility and the third is the final transformation into a full service general aviation airport	CD, PW		•	Plan complete and adopted	Please see above.
10. Develop and implement a plan to encourage and enhance Eloy's potential to attract international employers	Work with international trade organizations such as the Arizona Mexico Commission, ACA, MAG, the Arizona Hispanic Chamber, and other trade related organizations	CD, CofC	•		Active participation in programs encouraging trade with Mexico	Attended the Annual Datos presentation by the Arizona Hispanic Chamber, reconnected with Monica Villalobos, recently named the President and CEO. Ms. Villalobos has agreed to assist in developing relationships valuable in accessing Mexican markets. Meetings and other efforts are scheduled for early 2020.
11. Market and encourage vacant land purchases	Maintain site inventory of key vacant parcels with site attributes such as FTZ , O-Zones or other value added amenities	CD	•		Inventory and marketing materials complete	Completed as part of the Economic Development Strategic Plan effort.
	Regularly communicate with site selectors and real estate brokerage houses about the benefits of an Eloy location	CD, CBRE, JLL, ALA, NA,	•		Include complete list of active site selectors, land owners and brokers in all mailing lists and social media mailings, present Eloy opportunities to no less than 6 firms per year.	Regular and ongoing including the Eloy Excellence newsletter, phone calls, meetings and connections through professional events. This is a regular part of Eco Dev's efforts weekly.
12. Attract a full service hotel with meeting, conference and food service	Identify potential locations	CD	•		Complete inventory of appropriate sites	Hotel sites have been identified
	Conduct a hotel market feasibility study	CD		•	Feasibility analysis complete	Hotel Feasibility Study now underway, complete document expected by the end of January 2020.
	Develop relationships with hotel developers and site selectors	CD		•	New hotel complex located in Eloy	Upon completion of the analysis, the results will be distributed to the hotels in the data base and part of our updates to hotels at the 2020 ICES trade show in May, 2020.

13. Promote Eloy as a location for shooting film and video production	Prepare and see through adoption of a commercial film ordinance to encourage and support filming in Eloy	CD		•	Ordinance adopted, marketed and on file with the Film office at the ACA	Staff has met with the ACA Film director on two occasions and staff has attended a film seminar held by the ACA in Tucson. Inventory efforts have begun, and will be submitted to the ACA in Q2/2020
	Create film sites photo library	CD		•	Inventory complete and on file with the Film office at the ACA	Staff has met with the ACA Film director on two occasions and staff has attended a film seminar held by the ACA in Tucson. Inventory efforts have begun, and will be submitted to the ACA in Q2/2020
	Annually prepare tour for the ACA film office and film site selectors	CD		•	Tour scheduled and completed	Identify sites on tour slated for Q1/2020.
	Provide assistance with scouting sites and support industries i.e. construction, catering etc.	CD		•	Complete list of supporting industries including incentives or deals provided by Eloy hotels, restaurant, etc.	As requested by the ACA Film Director.
	Act as liaison to government agencies and individual property owners to coordinate film industry needs	CD		•	Successful attraction of at least one film or other media production	As requested by the ACA Film Director.
14. Encourage a County wide approach to a full service Economic development agency to provide leads and research to Pinal County economic development agencies	Support and participate in discussions to increase competitiveness with areas of the state with existing regional agencies	CM, CD		•	County-wide program adopted providing leads and research services	Met with County Manager and community ED officials to begin conversation in Q4/2019. This appears to be a dedicated long-term process led by the County with support from the communities and ED professionals. City should actively support County efforts to form regional agency for economic development.
	Support efforts of the County to provide national marketing services resulting in direct acquisition of leads suited for Pinal County communities	CM, CD, PC		•	"	"
	Support efforts of the County to provide research necessary to attract and encourage new investment in Pinal County	CM, CD, PC		•	"	"
15. Position the Eloy Airport as a long-term asset for aviation and aeronautical related employment	Update airport master plan	PW, CD, CM		•	Update complete	The Airport Capital Improvement Plan (ACIP) has identified the update for the Airport Master Plan for FY 2022
	Expand the supply the supply of T-Hangars	PW, CM	•		Number of T-Hangars added	City is currently evaluating the construction of T-hangars at the Airport.
	Pursue grants for key airport expansion projects and improvements	PW, Finance		•	Potential grants identified, application complete and funding secured	Determine appropriate grants with new grants employee, when hired.
	Provide direct collector street connection between Downtown and Airport	PW, CD,		•	New street designed and constructed	Identify a special collector corridor and incorporate in the Circulation Element of the General Plan as a first step.

Building Block: Image

Goal - Eloy brands itself as a prime regional location for business, community growth and capital investment

Strategic Action	Tactics	*Lead and Support	Timeframe Years 1-3	Timeframe Year 4 Plus	Performance Metric	Activities and Progress
1. Develop and implement an updated Eloy brand and image	Conduct series of branding exercises to align Eloy with a common vision	CM, CD	•		Branding, image and logo complete and implemented	Project has been assigned to Jillian Childress, City Manager's office. CD staff will provide assistance as necessary
	Implement a marketing strategy to embed the brand in all market strategies and product development programs	CM, CD	•		All marketing materials updated	Economic Development marketing materials scheduled for major update in Q4/2020
2. Develop an ongoing marketing plan that promotes and image and opportunities in Eloy	Adopt new logo and tagline, rebrand all related Eloy City materials	Cm, CD	•		All marketing materials updated	Project has been assigned to Jillian Childress, City Manager's office. CD staff will provide assistance as necessary
	Continually update Eloy economic development marketing brochure	CD	•	•	All marketing materials kept recent applicable in print and electronic format	Electronic version was completed and received an update in 2019. Changes will be made as necessary. A limited hard copy run will be printed once every two years starting in Q4/2020.
	Utilize existing I-10 billboards to tell Eloy story	CM, CD		•	At lease two billboards utilized to tell Eloy story to interstate travelers	Coordinate with Pinal County billboard marketing effort. starting in Q2/2021
	Continue and expand the Eloy Opportunity newsletter to a monthly or bi-weekly output	CD, CofC		•	Newsletter monthly with special editions throughout the year to mark location announcements, adoption of new economic policies etc	Newsletter is currently quarterly with the exception of special events that will be distributed through the Eloy website and the LinkedIn account. Work loads may prohibit going monthly for the foreseeable future.
	Establish robust Eloy economic development specific website	CD	•		Eloy economic development website active	Complete and ongoing with updating by Community Development Department staff
	Aggressively integrate social media into Eloy's economic development marketing mix	CD	•		Eloy has a presence on LinkedIn to support economic development efforts	LinkedIn account established, efforts to enhance connections and update content are ongoing.
3. Expand the community beautification programs relating to commercial and residential maintenance, clean up, fight blight, recycling etc.	Work with ADOT in visually enhance I-10 overpasses, interchanges and signage	CM, CD, CofC		•	Number of faces of improved interchanges in Eloy	Set up meeting with ADOT by Q2 of 2020
	Implement ROW streetscape beautification projects	CD, PW, CS		•	Main Street landscape plan implemented	Create master streetscape plan subsequent to the completion of the Main Street Arcade Renovation Program
	Institute neighborhood and commercial beautification awards program	CD, PW, CS		•	Program instituted and awarded annually	Early discussions have been initiated, maybe best as a Chamber initiative.
	Continue Eloy "Operation Clean-Up"	CD	•		Number of pounds of material collected and disposed of annually	Coordinating with Code Compliance Staff to schedule the next clean up in the Spring of 2020.
	Continue "adopt a street" clean up program	CD, CofC	•		Event held twice annually with continued increase in participation	Last event completed in October 2019. Effort on track and successful. 1,650 pounds of trash were collected.
	Continue aggressive code compliance program	CD	•		Second code compliance officer hired, number of inquiry's and cased closed doubled from current levels	Complete and ongoing, two person staff has increased adherence to the City Code and already have a solid track record of encouraging events such as Operation Eloy Clean Up and Adopt A Street

4. Develop community art program	Encourage public art through creative landscaping, public sculpture, murals etc.	CD, CofC		•	Square feet of public art designed and installed	Currently considering key end cap walls on Main Street for mural accommodation-Dust Bowl Theatre, Main and 4th Street, Main and 5th Street. Mural and public art are to be considered as part of the proposed downtown update.
	Establish public art and community beautification advisory commission	CM, CD, CofC		•	AAC established with adopted goal and mission statements completed	Will be presented to the DAC as a part of the Main Street revitalization effort.
5. Promote Eloy "Quality of Life"	Implement an active social media program for "bragging stories" highlighting commercial, residential and personal success stories	CM, CD	•		Weekly social media presence, Facebook, LinkedIn etc.	Newsletters on track and very well received. Distribution is roughly 3,000 through LinkedIn and Mail Chimp. Staff is investigating ways to integrate these two e-messaging platforms.
6. Design and implement wayfinding signage for key city destinations	Include all City signage as part of the rebranding and logo design package	CD	•		Signage standards adopted and new signs installed	Incrementally implement upon City Council approval of new or revised City logo.
	Encourage ADOT to include Eloy freeway wayfinding signage	CD		•	Number of wayfinding signs in ADOT right of way	Two new signs were installed as part of the SR84/I-10 overpass. Coordinate to locate new wayfinding at all three interchanges-Sunland Gin, Toltec Road, and Sunshine Boulevard.

*__Lead and Support Legend:__ CM, City Manager's office; CD, Community Development; CS, Community Services; Finance, Eloy Finance Department; DAC, Downtown Advisory Commission; CofC, Chamber of Commerce; EHP, Eloy Housing Authority; CAC-SBDC) Central Arizona College-Small Business Development Council); PCFCU-Pinal County Federal Credit Union); PC-Pinal County