

RESOLUTION NO. 2014-24

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, ADOPTING DEVELOPMENT FEES IN COMPLIANCE WITH STATE LAW.

WHEREAS, Arizona's enabling legislation for development fees, ARIZ. REV. STAT. § 9-463.05 (the "Development Fee Statute") requires the Town to produce three integrated documents prior to assessing development fees: (i) land use assumptions ("LUA"), (ii) an infrastructure improvements plan ("IIP"), and (iii) a development fee study based upon the LUA/IIP. The Development Fee Statute also requires a two-phase adoption process, whereby the LUA and IIP are reviewed, refined and adopted before the development fee study is addressed; and

WHEREAS, in accordance with the Development Fee Statute, (i) the LUA and IIP were released to the public, (ii) the Town Council held a public hearing on February 6, 2014, to receive public comment on the LUA/IIP and (iii) The Town Council approved Resolution 2014-14 on March 10, 2014, adopting the LUA/IIP and giving notice of its intent to assess development fees; and

WHEREAS, in accordance with the Development Fee Statute, the Town Council held a public hearing on April 9, 2014, on the document entitled Development Impact Fee Report, dated March 11, 2014, prepared by Raftelis Financial Consultant, Inc. (the "Preliminary Development Fee Study"); and

WHEREAS, the Preliminary Development Fee Study has been updated to include comments received from the public, including representatives of the development community (the updated document is referred to as the "Final Development Fee Study"); and

WHEREAS, the Town Council desires to conclude the second phase of the development fee adoption process by approving the Final Development Fee Study.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Final Development Fee Study is hereby adopted in substantially the form and substance of Exhibit A, attached hereto and incorporated herein by reference.

SECTION 3. In accordance with the Development Fee Statute, the development fees are set forth in the Final Development Fee Report shall not be effective until 75 days after the date of this Resolution.

SECTION 4. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

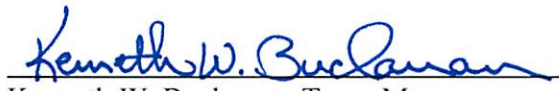
PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills,
May 15, 2014.

FOR THE TOWN OF FOUNTAIN HILLS:



Linda M. Kavanagh, Mayor

REVIEWED BY:



Kenneth W. Buchanan, Town Manager

ATTESTED TO:



Bevelyn J. Bender, Town Clerk

APPROVED AS TO FORM:



Andrew J. McGuire, Town Attorney

EXHIBIT A
TO
RESOLUTION NO. 2014-24

[Final Development Fee Study]

See following pages.



Town of Fountain Hills **ARIZONA**

Development Impact Fee Report

Final | May 7, 2014

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Abbreviations and Acronyms

ARS – Arizona Revised Statutes
CIP – Capital Improvements Plan
DIFs, Impact Fees, or Development Fees – Development Impact Fees
EDU – Equivalent Development Unit
EMS – Emergency Medical Services
ENR-CCI – Engineering News Record Construction Cost Index
Fee Report – Development Impact Fee Report
FY – Fiscal Year
IIP – Infrastructure Improvements Plan
LOS – Level of Service
LUA – Land Use Assumptions
MPC – Municipal Property Corporation
NPV – Net Present Value
NPS – Necessary Public Services
RCN – Replacement Cost New
RFC – Raftelis Financial Consultants
SB – Senate Bill
SFR – Single-Family Residential
Sq. Ft. – Square Foot or Feet

Introduction and Overview

The Town of Fountain Hills (Town) retained the team of Raftelis Financial Consultants, Inc. (RFC or Raftelis)¹, to complete an update of the Town's development impact fees for compliance with the requirements of Arizona Revised Statutes (ARS) § 9-463.05.

Under the updated requirements of ARS § 9-463.05 a development impact fee study is segmented into three major components as follows:

1. Land Use Assumptions (LUA) identify the current and projected service units by service area. The Town LUA is summarized in the Final LUA and IIP Report dated March 10, 2014. This report outlines the projected growth in residential population and housing units and non-residential employment and square feet.
2. Infrastructure Improvements Plan (IIP) identifies the current and future facilities to serve the projected growth in service units identified within the Final LUA and IIP Report dated March 10, 2014.
3. Development Impact Fee report (Fee Report), the subject of this document, outlines the proposed development impact fee by fee category and service area based on the eligible facilities and service units identified in the separate Final LUA and IIP Report dated March 10, 2014. The Fee Report incorporates capital funding analyses, offset calculations (if any) and cash flow projections for the proposed development impact fees.

To ensure that new development contributes its proportionate share towards the cost of public facilities, the Town has enacted development impact fees for a variety of fee categories. The fees were most recently updated in December 2011 with elimination of the Open Space and General Government fees and reductions to the Parks and Recreation, and Library and Museum fee areas as a result of changes to ARS § 9-463.05, enacted in April 2011. The purpose of this study is to update the Town's development impact fee categories:

- Fire and Emergency Medical Services (EMS)
- Law Enforcement
- Parks and Recreation
- Streets
- Open Space
- Library and Museum

Appendix C includes a summary of the Town's current non-utility development impact fees.

¹ The Town initially retained Red Oak Consulting, an ARCADIS group, to complete this study and the contract was subsequently assigned to RFC in July 2013.

Table 1 summarizes the proposed residential and non-residential Fire and Emergency development impact fees to be assessed Town-wide.

Table 1
Fire and Emergency Development Impact Fees

Fee Category	Residential per Dwelling Unit	Commercial /Industrial per Sq. Ft.
Fire and Emergency	\$300	\$0.243

Table 2 summarizes the proposed residential Parks and Recreation development impact fees to be assessed Town-wide.

Table 2
Parks and Recreation Development Impact Fees

Fee Category	Residential per Dwelling Unit
Parks and Recreation	\$1,301

The draft development impact fees discussed in this report are proposed to be effective August 1, 2014. Tables 3 and 4 summarize the Town's current non-utility development impact fees. The Streets development impact fee summarized in Table 4 includes different fees assessed to single-family and multi-family residential and commercial, office, hotel and industrial categories.

Table 3
Current Development Impact Fees (Except Streets)

Fee Category	Residential per Dwelling Unit	Commercial/ Industrial per Sq. Ft.
Law Enforcement	\$112	\$0.070
Parks and Recreation	2,118	0.000
Fire and Emergency	207	0.129
Library and Museum	79	0.000

Table 4
Current Streets Development Impact Fees

Development Type	Residential per Dwelling Unit	Commercial/ Industrial per Sq. Ft.
Residential (Single Family)	\$5,614	
Residential (Multi-Family)	3,942	
Commercial		\$3.835
Office		2.835
Hotel		2.258
Industrial		1.235

The Town's Library and Museum, Streets and Law Enforcement development impact fees will be phased out by August 1, 2014, with existing fund balance being used to fund eligible capital improvements and/or pledged debt as outlined within the balance of the report. If warranted after future updates to the Town's long-term capital plan and IIP, the Town may reinstate these and other development impact fees that recover the proportional impact of the identified facilities from new development.

Methodologies

There are a variety of methods that can serve as a rational basis for computing non-utility and utility development impact fees. The most common include:

- System Buy-In
- Plan Based Incremental or Incremental
- Plan Based Average
- Hybrid Method

The **System Buy-in** method uses a historical perspective. The original costs of the system's fixed assets are identified and escalated to current value using a nationally-recognized index. System equity equals the escalated original cost less developer contributions as well as growth-

related interest costs. The development impact fee is the quotient of the system value divided by the system capacity.

The **Plan Based Incremental or Incremental** method is forward-looking and considers only future growth-related capital projects and acquisitions. The development impact fee is the quotient of the growth-related cost of proposed projects for a specified time frame plus growth-related debt interest costs divided by the increase in capacity provided by those projects.

The **Plan Based Average** method is similar to the **Plan Based Incremental** method. However, the plan based average approach considers future growth-related projects that benefit new and existing development. The development impact fee is the quotient of the cost of proposed projects for a specified time frame divided by the total capacity served in the calculation year.

The **Hybrid** method combines the system buy-in and incremental methods. The development impact fee is the quotient of the sum of the current system value and future growth-related capital costs divided by the sum of existing system capacity and the increase in capacity provided by the future growth-related projects.

The Town must create an IIP to reflect the costs required to provide necessary public services for new growth. In developing the costs in the IIP, the Town considered what was needed so the burden of providing services to new development did not lower the service level for existing citizens or charge new development exclusively to increase the level of service provided to existing residents. The Town may increase the level of service for current and future residents; however, the development impact fee will reflect only the portion of the facility benefiting new development, with funding for the increased level of service portion of the improvement benefiting existing development funded by alternative sources.

In all fee categories, projects are based on facility needs to serve future development. Proposed fee calculations recognize the proportional cost of current and future facilities benefiting new development. Funding for the portion of facilities benefiting existing development will need to be from another source, which may include general fund revenues, debt and/or future dedicated tax-based funding sources documented in the Fee Report. However, the IIP eligible facilities documented in this report are fully allocated to growth without a benefit to existing development with no offset required.

Fire and Emergency Development Impact Fee

Fire and Emergency development impact fees will be assessed Town-wide. Table 5 summarizes proposed Fire and Emergency development impact fees by type of development.

Table 5
Fire and Emergency Development Impact Fees

Fee Category	Residential per Dwelling Unit	Commercial /Industrial per Sq. Ft.
Fire and Emergency	\$300	\$0.243

Residential developments are assessed fees per housing unit while non-residential commercial, public, lodging and industrial development categories are assessed per 1,000 square feet of development. Fees are proposed to be effective August 1, 2014.

The Town's Fire and Emergency development impact fee was calculated using the hybrid approach that considers:

- Replacement value of constructed and eligible facilities.
- Current cost of future growth-related IIP projects.
- Increase reflecting net present value (NPV) of future interest of growth-related portion of projected debt issues.

Appendix A summarizes the calculated Fire and Emergency development impact fees per residential housing unit and non-residential square feet. The eligible costs are allocated between residential and non-residential development types based on projected square feet of development at FY 2034-35. Service units reflect existing and projected housing units and non-residential square feet detailed in the Final LUA IIP Report. The capacity of planned facilities will be exceeded in FY 2034-35 and the total current and projected FY 2034-35 square feet are used to allocate costs before calculating draft development impact fees by type of development.

The components of the calculated Fire and Emergency development impact fee and associated cash flow projection is discussed in the following sections.

Eligible Assets Replacement Value

The replacement value of current eligible Fire and Emergency facilities is approximately \$1.6 million excluding grant funded and donated assets as detailed in the Final LUA and IIP Report and supporting worksheets in Appendix A. The asset value includes existing fire stations, land, specialized vehicles, apparatus, equipment and miscellaneous assets and excludes administrative vehicles, grant funded or donated assets.

Infrastructure Improvements Plan Projects

The total cost of the proposed fire station number 3 is \$2.8 million anticipated to be constructed from FY 2021-22 through FY 2022-23 as detailed in the Final LUA and IIP Report and summarized in Appendix A to this report. The new fire station is allocated fully to future

development (growth) benefiting future residential and non-residential developments. Based on the timing of the projects, an annual capital project inflation rate of 3%, compounded annually, is applied to project cost estimates and illustrated in the cash flow and supporting worksheet also provided in Appendix A.

Cash Flow

A cash flow analysis has been compiled to summarize the sources and uses and funding requirements of Fire and Emergency development impact fee fund included in Appendix A. The sections below outline projects and cash flow uses of IIP projects, debt issuance and reserve requirements, debt service funded through development impact fee revenues, interest income, and debt proceeds. This section summarizes the assumptions and projections outlined in Appendix A.

The Fire and Emergency development impact fee fund has a fund balance of \$43,624 as of June 30, 2013 available to fund future growth-related improvements.

Debt Proceeds, Issuance Costs and Debt Service

Debt is projected to be issued to fund the proposed IIP eligible capital improvements. Debt projections reflect availability of revenues generated from development impact fees balanced against the timing of the project and availability of cash to partially fund anticipated capital projects. Assumptions regarding the term, interest rate, debt service requirement and issuance expenses are also summarized in Appendix C.

NPV of Future Growth-Related Debt Interest

The NPV of future interest payments associated with future development's portion of debt funded Fire and Emergency IIP facilities is projected to be approximately \$1.6 million. The NPV interest reflects today's value associated with funding the growth-related facilities and is eligible for inclusion as assessed development impact fees are anticipated to repay the growth-related debt service. The annual debt service and NPV associated with projected debt issues are detailed in Appendix A.

Revenue Projections

Projected Fire and Emergency development impact fee revenues are based on the proposed fees by residential and non-residential development type, indexed for inflation, applied to projected development for the following development types:

- Residential
 - Single-family residential
 - Multi-family residential
- Non-residential
 - Commercial / lodging
 - Industrial

Residential developments are assessed fees per housing unit while non-residential development categories are assessed per 1,000 square feet of development. The fee increases are delayed 24 months after the August 1, 2014 effective date or two years to FY 2016-17 to conservatively project revenues for plats that have already been approved and will be assessed the current Fire and Emergency development impact fee. Plats that have been approved will be assessed the current Fire and Emergency development impact fee since the fee is increasing while plats approved after August 1, 2014 may be assessed the proposed fees. Appendix A summarizes the projected development impact fee revenues by type of development.

Parks and Recreation Development Impact Fee

Parks and Recreation development impact fees will be assessed Town-wide. Table 6 summarizes the proposed Parks and Recreation development impact fees for residential development.

Table 6
Parks and Recreation Development Impact Fees

Fee Category	Residential per Dwelling Unit
Parks and Recreation	\$1,301

Residential developments are assessed fees per housing unit. Fees are proposed to be effective August 1, 2014.

The Town's Parks and Recreation development impact fee was calculated using the hybrid approach that considers:

- Replacement value of constructed and eligible facilities.
- Current cost of future growth-related IIP projects.

Appendix B summarizes the calculated Parks and Recreation development impact fees per housing unit. The components of the calculated Parks and Recreation development impact fee and associated cash flow projection is discussed in the following sections.

Eligible Assets Replacement Value

The replacement value of current eligible Parks and Recreation facilities is approximately \$21.3 million excluding grant funded assets as detailed in the Final LUA and IIP Report and Appendix B. The asset value includes existing parks and improvements, land, equipment and miscellaneous assets and excludes grant funded assets.

Infrastructure Improvements Plan Projects

The total cost of the planned Town funded Parks and Recreation IIP eligible improvements is \$0.7 million anticipated to be constructed in FY 2022-23 as detailed in the Final LUA and IIP Report and summarized in Appendix B to this report. The future park improvements are allocated fully to future development (growth) benefiting future residential developments. Based on the timing of the projects, an annual capital project inflation rate of 3%, compounded annually, is applied to project cost estimates and illustrated in the cash flow and supporting worksheets also provided in Appendix B.

Cash Flow

A cash flow analysis has been compiled to summarize the sources and uses of the Parks and Recreation development impact fee fund. Appendix B details the cash flow analysis. The sections below outline projects and cash flow uses of IIP projects funded through development impact fee revenues and interest income. The Town does not have outstanding debt repaid through Parks and Recreation development impact fees and additional debt is not projected to be required to fund future IIP eligible facilities. This section summarizes the assumptions and projections outlined in Appendix B.

The Parks and Recreation development impact fee fund has a fund balance of approximately \$47,859 as of June 30, 2013 available to fund future eligible Park and Recreation facilities.

Revenue Projections

Projected Parks and Recreation development impact fee revenues are based on the draft fee by residential housing unit, indexed for inflation, applied to projected single-family and multi-family residential development. Residential developments are assessed fees per housing unit. The fee decrease is effective in FY 2014-15 assessed to all plats, including those already approved, as the 24 month delay applies only to fee increases. The fee is not recommended to be assessed to non-residential development categories as outlined in the Final LUA and IIP Report. Appendix B summarizes the projected development impact fee revenues by type of development.

APPENDIX A

Fire and Emergency

**TOWN OF FOUNTAIN HILLS
FIRE & EMERGENCY SERVICES
FEE CALCULATION**

Description	Hybrid Approach
<u>Capital Assets</u>	
Existing Assets	\$4,289,257
Add/Less: Beginning Fund Balance [1]	0
Add: CIP	2,767,000
Add: Study Cost	9,286
Less: Grant Funds	(59,789)
Less: Donated Assets	(2,644,859)
Subtotal	<u>\$4,360,895</u>
<u>Financing Costs</u>	
Less: Outstanding Principal - Total	\$0
Add: Outstanding Interest - Total	0
Add: Interest on New Debt	1,560,139
Subtotal	<u>1,560,139</u>
Applicable Capital & Financing	<u>\$5,921,033</u>
 Residential FY 2034-35	 85.8%
Residential Allocation	\$5,080,179
Residential Units	<u>16,924</u>
Fee per dwelling Unit	<u><u>\$300</u></u>
 Commercial FY 2034-35	 14.2%
Non-residential Allocation	\$840,854
Non-residential Units	<u>3,455,653</u>
Fee per s.f.	<u><u>\$0.243</u></u>

[1] Hybrid method assumes a beginning balance of \$0.

**TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
FIRE & EMERGENCY REVENUE**

Hybrid Revenue	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<i>Fees [1] [2] [3]</i>													
All Residential per dwelling	\$207	\$207	\$207	\$300	\$309	\$318	\$328	\$338	\$348	\$358	\$369	\$380	\$391
Non-Residential per s.f.	0.129	\$0.129	\$0.129	\$0.243	0.250	0.258	0.266	0.274	0.282	0.290	0.299	0.308	0.317
<i>Revenue</i>													
All Residential	\$4,347	\$5,382	\$10,350	\$16,500	\$15,450	\$17,490	\$172,200	\$92,950	\$113,100	\$132,460	\$108,855	\$134,900	\$113,390
Non-Residential	1,498	1,498	1,498	2,821	2,903	2,996	3,088	3,181	3,274	3,367	25,897	3,576	3,681
Interest Income	1,146	1,622	1,951	2,477	3,117	3,793	6,843	11,120	14,072	7,973	1,610	0	0
Total Revenue	<u>\$6,990</u>	<u>\$8,501</u>	<u>\$13,799</u>	<u>\$21,799</u>	<u>\$21,469</u>	<u>\$24,278</u>	<u>\$182,132</u>	<u>\$107,251</u>	<u>\$130,446</u>	<u>\$143,800</u>	<u>\$136,362</u>	<u>\$138,476</u>	<u>\$117,071</u>
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,893	\$295,293	\$295,293	\$295,293
Other Cash In-Flows/(Out-Flows)													
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$353,594)	(\$3,354,415)	\$0	\$0	\$0
Development Fee Study Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Proceeds	0	0	0	0	0	0	0	0	350,000	3,000,000	0	0	0
Debt Service Reserve Deposit	0	0	0	0	0	0	0	0	(30,863)	(264,536)	0	0	0
Debt Issuance Costs	0	0	0	0	0	0	0	0	(3,500)	(30,000)	0	0	0
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(37,956)</u>	<u>(648,951)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase/(Decrease) in Cash Balance	\$6,990	\$8,501	\$13,799	\$21,799	\$21,469	\$24,278	\$182,132	\$107,251	\$92,490	(\$536,044)	(\$158,931)	(\$156,817)	(\$178,222)
Beginning Balance	<u>\$43,624</u>	<u>\$50,614</u>	<u>\$59,116</u>	<u>\$72,915</u>	<u>\$94,714</u>	<u>\$116,183</u>	<u>\$140,461</u>	<u>\$322,593</u>	<u>\$429,844</u>	<u>\$522,334</u>	<u>(\$13,711)</u>	<u>(\$172,642)</u>	<u>(\$329,459)</u>
Ending Balance	<u>\$50,614</u>	<u>\$59,116</u>	<u>\$72,915</u>	<u>\$94,714</u>	<u>\$116,183</u>	<u>\$140,461</u>	<u>\$322,593</u>	<u>\$429,844</u>	<u>\$522,334</u>	<u>(\$13,711)</u>	<u>(\$172,642)</u>	<u>(\$329,459)</u>	<u>(\$507,681)</u>

- [1] New fees are assumed effective 8/1/14.
[2] Fee increases are delayed 24 months for plats that are already approved. Delay is assumed to apply to all development to conservatively project revenues.
[3] Fees indexed for inflation of 3% per year.

**TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
FIRE & EMERGENCY REVENUE**

Hybrid Revenue	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
<i>Fees [1] [2] [3]</i>									
All Residential per dwelling	\$403	\$415	\$427	\$440	\$453	\$467	\$481	\$495	\$510
Non-Residential per s.f.	0.327	0.337	0.347	0.357	0.368	0.379	0.390	0.402	0.414
<i>Revenue</i>									
All Residential	\$106,795	\$87,150	\$111,020	\$169,400	\$0	\$0	\$0	\$0	\$0
Non-Residential	3,797	3,913	4,029	4,145	4,273	4,400	4,528	205,668	4,807
Interest Income	0	0	0	0	0	0	0	0	0
Total Revenue	<u>\$110,592</u>	<u>\$91,063</u>	<u>\$115,049</u>	<u>\$173,545</u>	<u>\$4,273</u>	<u>\$4,400</u>	<u>\$4,528</u>	<u>\$205,668</u>	<u>\$4,807</u>
Debt Service	\$295,293	\$295,293	\$295,293	\$295,293	\$295,293	\$295,293	\$295,293	\$295,293	\$295,293
Other Cash In-Flows/(Out-Flows)									
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Development Fee Study Costs	0	0	0	0	0	0	0	0	0
Debt Proceeds	0	0	0	0	0	0	0	0	0
Debt Service Reserve Deposit	0	0	0	0	0	0	0	0	0
Debt Issuance Costs	0	0	0	0	0	0	0	0	0
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase/(Decrease) in Cash Balance	(\$184,701)	(\$204,230)	(\$180,244)	(\$121,748)	(\$291,020)	(\$290,892)	(\$290,765)	(\$89,625)	(\$290,486)
Beginning Balance	<u>(\$507,681)</u>	<u>(\$692,382)</u>	<u>(\$896,612)</u>	<u>(\$1,076,855)</u>	<u>(\$1,198,603)</u>	<u>(\$1,489,623)</u>	<u>(\$1,780,515)</u>	<u>(\$2,071,280)</u>	<u>(\$2,160,905)</u>
Ending Balance	<u>(\$692,382)</u>	<u>(\$896,612)</u>	<u>(\$1,076,855)</u>	<u>(\$1,198,603)</u>	<u>(\$1,489,623)</u>	<u>(\$1,780,515)</u>	<u>(\$2,071,280)</u>	<u>(\$2,160,905)</u>	<u>(\$2,451,391)</u>

[1] New fees are assumed effective 8/1/14.

[2] Fee increases are delayed 24 months for plats that are already approved. Delay is assumed to apply to all development to conservatively project revenues.

[3] Fees indexed for inflation of 3% per year.

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
CAPITAL IMPROVEMENTS PROGRAM

		Non-													
PROJECT/PROGRAM DESCRIPTION		Growth	Growth	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Parks & Recreation - INFLATED [1]															
P3008	Four Peaks Neighborhood Park Phase II & III	0.0%	100.0%	0	0	0	0	0	0	0	0	0	0	0	0
P3011	Fountain Park, Phase VI	0.0%	100.0%	825,000	716,108	0	0	0	0	0	0	0	0	0	0
P3014	Community Park - Ellman Property	100.0%	0.0%	0	0	0	0	0	10,985,281	22,629,679	0	0	0	0	0
P3022	Fountain Lake Water Quality Improvements	0.0%	100.0%	300,000	0	0	0	0	0	0	0	0	0	0	0
P3023	New Pocket Park-West	100.0%	0.0%	0	0	0	0	0	0	0	0	0	958,212	0	0
P3024	Urban Trail Improvements	0.0%	100.0%	20,000	21,218	21,855	22,510	0	0	0	0	0	0	0	0
Total Parks & Recreation				1,145,000	737,326	21,855	22,510	0	10,985,281	22,629,679	0	0	958,212	0	0
Parks & Recreation Improvements Growth Related CIP				\$0	\$0	\$0	\$0	\$0	\$10,985,281	\$22,629,679	\$0	\$0	\$958,212	\$0	\$0
Parks & Recreation Improvements Non-Growth Related CIP				\$1,145,000	\$737,326	\$21,855	\$22,510	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parks & Recreation Improvements Ellman Funded CIP				\$0	\$0	\$0	\$0	\$0	\$10,985,281	\$22,629,679	\$0	\$0	\$0	\$0	\$0

[1] CIP is inflated at a 3% rate, compounded annually.

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
CAPITAL IMPROVEMENTS PROGRAM

										ALL YEARS		
PROJECT/PROGRAM DESCRIPTION		Non-Growth	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Growth	Non-Growth	FY 2013-32
Parks & Recreation - INFLATED [1]												
P3008	Four Peaks Neighborhood Park Phase II & III	0.0%	100.0%	0	0	0	0	0	0	0	50,000	50,000
P3011	Fountain Park, Phase VI	0.0%	100.0%	0	0	0	0	0	0	0	1,541,108	1,541,108
P3014	Community Park - Ellman Property	100.0%	0.0%	0	0	0	0	0	0	33,614,960	0	33,614,960
P3022	Fountain Lake Water Quality Improvements	0.0%	100.0%	0	0	0	0	0	0	0	300,000	300,000
P3023	New Pocket Park-West	100.0%	0.0%	0	0	0	0	0	0	958,212	0	958,212
P3024	Urban Trail Improvements	0.0%	100.0%	0	0	0	0	0	0	0	135,583	135,583
Total Parks & Recreation				0	0	0	0	0	0	34,573,173	2,026,690	36,599,863
Parks & Recreation Improvements Growth Related CIP				\$0	\$0	\$0	\$0	\$0	\$0			
Parks & Recreation Improvements Non-Growth Related CIP				\$0	\$0	\$0	\$0	\$0	\$0			
Parks & Recreation Improvements Ellman Funded CIP				\$0	\$0	\$0	\$0	\$0	\$0			

[1] CIP is inflated at a 3% rate, compounded annually.

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
CAPITAL IMPROVEMENTS PROGRAM

PROJECT/PROGRAM DESCRIPTION		Non-											
Growth	Growth	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Fire & Emergency Services - INFLATED [1]													
F4013	Fire Station 3 Construction	100.0%	0.0%	0	0	0	0	0	0	353,594	3,354,415	0	0
F4015	Fire Station 1 Renovation	0.0%	100.0%	420,000	0	0	0	0	0	0	0	0	0
F4025	Portable Live Fire Training Unit	0.0%	100.0%	160,000	0	0	0	0	0	0	0	0	0
F4027	Assistance to Fire Fighters Grants - Radios	0.0%	100.0%	120,000	0	0	0	0	0	0	0	0	0
F4005	Fire Station 2 Relocation	0.0%	100.0%										
Total Fire & Emergency Services			700,000	0	0	0	0	0	0	353,594	3,354,415	0	0
Fire & Emergency Services Growth Related CIP			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$353,594	\$3,354,415	\$0	\$0
Fire & Emergency Services Non-Growth Related CIP			\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

[1] CIP is inflated at a 3% rate, compounded annually.

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
CAPITAL IMPROVEMENTS PROGRAM

										ALL YEARS			
PROJECT/PROGRAM DESCRIPTION		Non-Growth		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Growth	Non-Growth	FY 2013-32
		Growth											
Fire & Emergency Services - INFLATED [1]													
F4013	Fire Station 3 Construction	100.0%	0.0%	0	0	0	0	0	0	0	3,708,009	0	3,708,009
F4015	Fire Station 1 Renovation	0.0%	100.0%	0	0	0	0	0	0	0	0	495,000	495,000
F4025	Portable Live Fire Training Unit	0.0%	100.0%	0	0	0	0	0	0	0	0	160,000	160,000
F4027	Assistance to Fire Fighters Grants - Radios	0.0%	100.0%	0	0	0	0	0	0	0	0	120,000	120,000
F4005	Fire Station 2 Relocation	0.0%	100.0%										
Total Fire & Emergency Services				0	0	0	0	0	0	0	3,708,009	775,000	4,483,009
Fire & Emergency Services Growth Related CIP				\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Fire & Emergency Services Non-Growth Related CIP				\$0	\$0	\$0	\$0	\$0	\$0	\$0			

[1] CIP is inflated at a 3% rate, compounded annually.

**TOWN OF FOUNTAIN HILLS
FIRE & EMERGENCY SERVICES
FUTURE GROWTH-RELATED DEBT
FY 2021-22**

	<u>FY 2021-22</u>
Principal	385,000
Interest	5.0%
Period	20
Payment	30,893
Interest	232,868
Discount Interest	163,221
Start Year	2022

Series 2022 (1)				
Fiscal Year				
Ending	Principal	Interest	Principal	Total P&I
2022	385,000		0	0
2023	373,357	19,250	11,643	30,893
2024	361,131	18,668	12,226	30,893
2025	348,294	18,057	12,837	30,893
2026	334,816	17,415	13,479	30,893
2027	320,663	16,741	14,153	30,893
2028	305,803	16,033	14,860	30,893
2029	290,199	15,290	15,603	30,893
2030	273,816	14,510	16,383	30,893
2031	256,613	13,691	17,203	30,893
2032	238,551	12,831	18,063	30,893
2033	219,585	11,928	18,966	30,893
2034	199,671	10,979	19,914	30,893
2035	178,761	9,984	20,910	30,893
2036	156,805	8,938	21,955	30,893
2037	133,752	7,840	23,053	30,893
2038	109,546	6,688	24,206	30,893
2039	84,130	5,477	25,416	30,893
2040	57,444	4,207	26,687	30,893
2041	29,422	2,872	28,021	30,893
2042	(0)	1,471	29,422	30,893
Subtotal		\$ 232,868	\$ 385,000	\$ 617,868

NPV of Interest Payments \$163,221

(1) Equal amortized debt payments

**TOWN OF FOUNTAIN HILLS
FIRE & EMERGENCY SERVICES
NPV FUTURE GROWTH-RELATED DEBT
FY 2022-23**

	<u>FY 2022-23</u>
Principal	3,295,000
Interest	5.0%
Period	20
Payment	264,399
Interest	1,992,987
Discount Interest	1,560,139
Start Year	2023

Series 2023 (1)				
Fiscal Year				
Ending	Principal	Interest	Principal	Total P&I
2023	3,295,000		0	0
2024	3,195,351	164,750	99,649	264,399
2025	3,090,719	159,768	104,632	264,399
2026	2,980,855	154,536	109,863	264,399
2027	2,865,499	149,043	115,357	264,399
2028	2,744,375	143,275	121,124	264,399
2029	2,617,194	137,219	127,181	264,399
2030	2,483,654	130,860	133,540	264,399
2031	2,343,438	124,183	140,217	264,399
2032	2,196,210	117,172	147,227	264,399
2033	2,041,622	109,811	154,589	264,399
2034	1,879,303	102,081	162,318	264,399
2035	1,708,869	93,965	170,434	264,399
2036	1,529,913	85,443	178,956	264,399
2037	1,342,010	76,496	187,904	264,399
2038	1,144,711	67,100	197,299	264,399
2039	937,547	57,236	207,164	264,399
2040	720,025	46,877	217,522	264,399
2041	491,627	36,001	228,398	264,399
2042	251,809	24,581	239,818	264,399
2043	0	12,590	251,809	264,399
Subtotal		\$ 1,992,987	\$ 3,295,000	\$ 5,287,986

NPV of Interest Payments \$1,396,918

(1) Equal amortized debt payments

APPENDIX B

Parks and Recreation

**TOWN OF FOUNTAIN HILLS
PARKS & RECREATION
FEE CALCULATION**

Description	Hybrid Method
<u>Capital Assets</u>	
Existing Assets	\$24,303,533
Add/Less: Beginning Fund Balance [1]	0
Add: CIP	28,313,000
Add: Study Cost	9,286
Less: Grant Funds	(3,001,637)
Less Developer Funded Improvements	(27,600,000)
Less: Donated Assets	0
Subtotal	<u>22,024,182</u>
<u>Financing Costs</u>	
Less: Outstanding Principal - Total	0
Add: Outstanding Interest - Total	0
Add: Interest on New Debt [2]	0
Subtotal	<u>0</u>
Applicable Capital & Financing	<u>\$22,024,182</u>
Residential Units	<u>16,924</u>
Fee per dwelling Unit	<u><u>\$1,301</u></u>

[1] Hybrid method assumes a beginning balance of \$0.

[2] Consists of NPV of interest on new debt issued for Growth Related CIP projects.

**TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
PARKS & RECREATION REVENUE**

Hybrid Revenue	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<i>Fees [1]</i>													
All Residential per dwelling	\$2,118	\$1,301	\$1,340	\$1,380	\$1,421	\$1,464	\$1,508	\$1,553	\$1,600	\$1,648	\$1,697	\$1,748	\$1,800
<i>Revenue</i>													
All Residential	\$44,478	\$33,826	\$67,000	\$75,900	\$71,050	\$80,520	\$791,700	\$427,075	\$520,000	\$609,760	\$500,615	\$620,540	\$522,000
Development Fee Credits	0	0	0	0	0	0	(226,200)	(232,950)	(320,000)	(329,600)	(296,975)	(305,900)	(180,000)
Interest Income	1,587	3,325	4,937	7,229	9,650	12,213	25,663	37,928	46,284	40,645	34,259	43,195	52,452
Total Revenue	\$46,065	\$37,151	\$71,937	\$83,129	\$80,700	\$92,733	\$591,163	\$232,053	\$246,284	\$320,805	\$237,899	\$357,835	\$394,452
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Cash In-Flows/(Out-Flows)													
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	(\$10,985,281)	(\$22,629,679)	\$0	\$0	(\$958,212)	\$0	\$0	\$0
Development Fee Study Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Constructed	0	0	0	0	0	10,985,281	22,629,679	0	0	0	0	0	0
Debt Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Reserve Deposit	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Issuance Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	(958,212)	0	0	0
Increase/(Decrease) in Cash Balance	\$46,065	\$37,151	\$71,937	\$83,129	\$80,700	\$92,733	\$591,163	\$232,053	\$246,284	(\$637,407)	\$237,899	\$357,835	\$394,452
Beginning Balance	\$47,859	\$93,924	\$131,075	\$203,013	\$286,141	\$366,841	\$459,575	\$1,050,737	\$1,282,790	\$1,529,074	\$891,667	\$1,129,567	\$1,487,402
Ending Balance	\$93,924	\$131,075	\$203,013	\$286,141	\$366,841	\$459,575	\$1,050,737	\$1,282,790	\$1,529,074	\$891,667	\$1,129,567	\$1,487,402	\$1,881,854

[1] New fees are assumed effective 8/1/14.
[2] Fees are credited for development within Ellman property in lieu of completing park projects.

**TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
PARKS & RECREATION REVENUE**

Hybrid Revenue	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
<i>Fees [1]</i>									
All Residential per dwelling	\$1,854	\$1,910	\$1,967	\$2,026	\$2,087	\$2,150	\$2,215	\$2,281	\$2,349
<i>Revenue</i>									
All Residential	\$491,310	\$401,100	\$511,420	\$780,010	\$0	\$0	\$0	\$0	\$0
Development Fee Credits	(148,320)	(95,500)	(49,175)	(50,650)	0	0	0	0	0
Interest Income	63,825	74,677	87,740	108,268	121,697	125,348	129,108	132,981	136,971
Total Revenue	<u>\$406,815</u>	<u>\$380,277</u>	<u>\$549,985</u>	<u>\$837,628</u>	<u>\$121,697</u>	<u>\$125,348</u>	<u>\$129,108</u>	<u>\$132,981</u>	<u>\$136,971</u>
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Cash In-Flows/(Out-Flows)									
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Development Fee Study Costs	0	0	0	0	0	0	0	0	0
Developer Constructed	0	0	0	0	0	0	0	0	0
Debt Proceeds	0	0	0	0	0	0	0	0	0
Debt Service Reserve Deposit	0	0	0	0	0	0	0	0	0
Debt Issuance Costs	0	0	0	0	0	0	0	0	0
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase/(Decrease) in Cash Balance	\$406,815	\$380,277	\$549,985	\$837,628	\$121,697	\$125,348	\$129,108	\$132,981	\$136,971
Beginning Balance	<u>\$1,881,854</u>	<u>\$2,288,669</u>	<u>\$2,668,945</u>	<u>\$3,218,930</u>	<u>\$4,056,558</u>	<u>\$4,178,255</u>	<u>\$4,303,603</u>	<u>\$4,432,711</u>	<u>\$4,565,692</u>
Ending Balance	<u>\$2,288,669</u>	<u>\$2,668,945</u>	<u>\$3,218,930</u>	<u>\$4,056,558</u>	<u>\$4,178,255</u>	<u>\$4,303,603</u>	<u>\$4,432,711</u>	<u>\$4,565,692</u>	<u>\$4,702,663</u>

[1] New fees are assumed effective 8/1/14.

[2] Fees are credited for development within Ellman property in lieu of completing park projects.

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
CAPITAL IMPROVEMENTS PROGRAM

		Non-													
PROJECT/PROGRAM DESCRIPTION		Growth	Growth	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Parks & Recreation - 2013 Dollars															
P3008	Four Peaks Neighborhood Park Phase II & III	0.0%	100.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P3011	Fountain Park, Phase VI	0.0%	100.0%	825,000	675,000	0	0	0	0	0	0	0	0	0	0
P3014	Community Park - Ellman Property	100.0%	0.0%	0	0	0	0	0	9,200,000	18,400,000	0	0	0	0	0
P3022	Fountain Lake Water Quality Improvements	0.0%	100.0%	300,000	0	0	0	0	0	0	0	0	0	0	0
P3023	New Pocket Park-West	100.0%	0.0%	0	0	0	0	0	0	0	0	0	713,000	0	0
P3024	Urban Trail Improvements	0.0%	100.0%	20,000	20,000	20,000	20,000	0	0	0	0	0	0	0	0
Total Parks & Recreation				1,145,000	695,000	20,000	20,000	0	9,200,000	18,400,000	0	0	713,000	0	0
Parks & Recreation Growth Related CIP				0	0	0	0	0	0	0	0	0	713,000	0	0
Parks & Recreation Non-Growth Related CIP				1,145,000	695,000	20,000	20,000	0	0	0	0	0	0	0	0
Parks & Recreation Improvements Developer Funded CIP				0	0	0	0	0	9,200,000	18,400,000	0	0	0	0	0

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
CAPITAL IMPROVEMENTS PROGRAM

										ALL YEARS		
PROJECT/PROGRAM DESCRIPTION		Non-Growth	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Growth	Non-Growth	FY 2013-32
Parks & Recreation - 2013 Dollars												
P3008	Four Peaks Neighborhood Park Phase II & III	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000
P3011	Fountain Park, Phase VI	0.0%	0	0	0	0	0	0	0	0	1,500,000	1,500,000
P3014	Community Park - Ellman Property	100.0%	0	0	0	0	0	0	0	27,600,000	0	27,600,000
P3022	Fountain Lake Water Quality Improvements	0.0%	0	0	0	0	0	0	0	0	300,000	300,000
P3023	New Pocket Park-West	100.0%	0	0	0	0	0	0	0	713,000	0	713,000
P3024	Urban Trail Improvements	0.0%	0	0	0	0	0	0	0	0	130,000	130,000
Total Parks & Recreation			0	0	0	0	0	0	0	28,313,000	1,980,000	30,293,000
Parks & Recreation Growth Related CIP			0	0	0	0	0	0	0	0		
Parks & Recreation Non-Growth Related CIP			0	0	0	0	0	0	0	0		
Parks & Recreation Improvements Developer Funded CIP			0	0	0	0	0	0	0	0		

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
CAPITAL IMPROVEMENTS PROGRAM

		Non-													
PROJECT/PROGRAM DESCRIPTION		Growth	Growth	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Parks & Recreation - INFLATED [1]															
P3008	Four Peaks Neighborhood Park Phase II & III	0.0%	100.0%	0	0	0	0	0	0	0	0	0	0	0	0
P3011	Fountain Park, Phase VI	0.0%	100.0%	825,000	716,108	0	0	0	0	0	0	0	0	0	0
P3014	Community Park - Ellman Property	100.0%	0.0%	0	0	0	0	0	10,985,281	22,629,679	0	0	0	0	0
P3022	Fountain Lake Water Quality Improvements	0.0%	100.0%	300,000	0	0	0	0	0	0	0	0	0	0	0
P3023	New Pocket Park-West	100.0%	0.0%	0	0	0	0	0	0	0	0	0	958,212	0	0
P3024	Urban Trail Improvements	0.0%	100.0%	20,000	21,218	21,855	22,510	0	0	0	0	0	0	0	0
Total Parks & Recreation				1,145,000	737,326	21,855	22,510	0	10,985,281	22,629,679	0	0	958,212	0	0
Parks & Recreation Improvements Growth Related CIP				\$0	\$0	\$0	\$0	\$0	\$10,985,281	\$22,629,679	\$0	\$0	\$958,212	\$0	\$0
Parks & Recreation Improvements Non-Growth Related CIP				\$1,145,000	\$737,326	\$21,855	\$22,510	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parks & Recreation Improvements Ellman Funded CIP				\$0	\$0	\$0	\$0	\$0	\$10,985,281	\$22,629,679	\$0	\$0	\$0	\$0	\$0

[1] CIP is inflated at a 3% rate, compounded annually.

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
CAPITAL IMPROVEMENTS PROGRAM

										ALL YEARS		
PROJECT/PROGRAM DESCRIPTION		Non-Growth	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Growth	Non-Growth	FY 2013-32
Parks & Recreation - INFLATED [1]												
P3008	Four Peaks Neighborhood Park Phase II & III	0.0%	100.0%	0	0	0	0	0	0	0	50,000	50,000
P3011	Fountain Park, Phase VI	0.0%	100.0%	0	0	0	0	0	0	0	1,541,108	1,541,108
P3014	Community Park - Ellman Property	100.0%	0.0%	0	0	0	0	0	0	33,614,960	0	33,614,960
P3022	Fountain Lake Water Quality Improvements	0.0%	100.0%	0	0	0	0	0	0	0	300,000	300,000
P3023	New Pocket Park-West	100.0%	0.0%	0	0	0	0	0	0	958,212	0	958,212
P3024	Urban Trail Improvements	0.0%	100.0%	0	0	0	0	0	0	0	135,583	135,583
Total Parks & Recreation				0	0	0	0	0	0	34,573,173	2,026,690	36,599,863
Parks & Recreation Improvements Growth Related CIP				\$0	\$0	\$0	\$0	\$0	\$0			
Parks & Recreation Improvements Non-Growth Related CIP				\$0	\$0	\$0	\$0	\$0	\$0			
Parks & Recreation Improvements Ellman Funded CIP				\$0	\$0	\$0	\$0	\$0	\$0			

[1] CIP is inflated at a 3% rate, compounded annually.

APPENDIX C

Assumptions and Supporting Worksheets

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
GENERAL INPUT SCHEDULE

	ITEM	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
1.	Escalation Factors														
	General Inflation	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Capital Outlay - Parks & Recreation	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Capital Outlay - Fire & Emergency Services	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Fee Index - Escalation for Inflation														
	Fire & Emergency	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Parks & Recreation	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Growth - Non-Residential	0.44%	0.44%	0.44%	0.44%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	3.16%	0.41%	0.41%	0.41%
	Growth - Residential	0.16%	0.20%	0.38%	0.42%	0.38%	0.41%	3.93%	1.98%	2.29%	2.55%	1.98%	2.34%	1.87%	1.68%
	Bond / Loan Parameters														
	Length of Term / Repayment Period (years)	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	Annual Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
	Issuance Costs	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	Fiscal Year Month of Issue (1=Jul)	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Debt Service Reserve Deposit Factor	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91

TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
GENERAL INPUT SCHEDULE

	ITEM	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
1.	Escalation Factors								
	General Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Capital Outlay - Parks & Recreation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Capital Outlay - Fire & Emergency Services	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Fee Index - Escalation for Inflation								
	Fire & Emergency	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Parks & Recreation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Growth - Non-Residential	0.41%	0.40%	0.40%	0.40%	0.40%	0.40%	17.45%	0.34%
	Growth - Residential	1.31%	1.60%	2.33%	0.00%	0.00%	0.00%	0.00%	0.00%
	Bond / Loan Parameters								
	Length of Term / Repayment Period (years)	20	20	20	20	20	20	20	20
	Annual Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
	Issuance Costs	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	Fiscal Year Month of Issue (1=Jul)	1	1	1	1	1	1	1	1
	Debt Service Reserve Deposit Factor	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91

**TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
GENERAL INPUT SCHEDULE**

2a.	Building Data [1]		FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
	Single-Family Dwellings Units		8,293	8,318	8,343	8,373	8,403	8,438	8,938	9,188	9,488	9,838	10,113	10,438	10,713	10,968
	Single-Family Dwellings, Permits		20	25	25	30	30	35	500	250	300	350	275	325	275	255
	Multi-Family Dwellings (2.5 units each permit)		4,840	4,841	4,866	4,891	4,911	4,931	4,956	4,981	5,006	5,026	5,046	5,076	5,091	5,101
	Multi-Family Dwellings, Permits		0	0	10	10	8	8	10	10	10	8	8	12	6	4
	Multi-Family Dwellings, New Units		1	1	25	25	20	20	25	25	25	20	20	30	15	10
	Total Dwelling Units		13,133	13,159	13,209	13,264	13,314	13,369	13,894	14,169	14,494	14,864	15,159	15,514	15,804	16,069
	Percentage Increase		0.16%	0.20%	0.38%	0.42%	0.38%	0.41%	3.93%	1.98%	2.29%	2.55%	1.98%	2.34%	1.87%	1.68%
	State Trust Land (included in SF Dwelling Units)		0	0	0	0	0	0	150	150	200	200	175	175	100	80
2b.	Square Feet															
Avg.s.f./unit:	1,930	Single Family, New Square Feet	38,600	48,250	48,250	57,900	57,900	67,550	965,000	482,500	579,000	675,500	530,750	627,250	530,750	492,150
		Cumulative S.F. [2]	16,005,490	16,053,740	16,101,990	16,159,890	16,217,790	16,285,340	17,250,340	17,732,840	18,311,840	18,987,340	19,518,090	20,145,340	20,676,090	21,168,240
Avg.s.f./unit:	1,002	Multi-Family, New Square Feet	1,002	1,002	25,050	25,050	20,040	20,040	25,050	25,050	25,050	20,040	20,040	30,060	15,030	10,020
		Cumulative S.F. [2]	4,849,680	4,850,682	4,875,732	4,900,782	4,920,822	4,940,862	4,965,912	4,990,962	5,016,012	5,036,052	5,056,092	5,086,152	5,101,182	5,111,202
		Industrial Square Feet	313,274	313,766	314,259	314,751	315,243	315,735	316,227	316,719	317,211	317,703	318,196	318,688	319,180	319,672
		New Square Feet [3]	492	492	492	492	492	492	492	492	492	492	492	492	492	492
		Commercial / Lodging Square Feet	2,323,554	2,334,673	2,345,791	2,356,910	2,368,028	2,379,147	2,390,266	2,401,384	2,412,503	2,423,621	2,509,740	2,520,858	2,531,977	2,543,096
		New Square Feet [4]	11,119	11,119	11,119	11,119	11,119	11,119	11,119	11,119	11,119	11,119	86,119	11,119	11,119	11,119
		Subtotal	2,636,828	2,648,439	2,660,050	2,671,661	2,683,271	2,694,882	2,706,493	2,718,103	2,729,714	2,741,325	2,827,935	2,839,546	2,851,157	2,862,768
		Total New Square Feet	11,611	11,611	11,611	11,611	11,611	11,611	11,611	11,611	11,611	11,611	86,611	11,611	11,611	11,611
			0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	3.2%	0.4%	0.4%	0.4%
		Total Residential SF	20,855,170	20,904,422	20,977,722	21,060,672	21,138,612	21,226,202	22,216,252	22,723,802	23,327,852	24,023,392	24,574,182	25,231,492	25,777,272	26,279,442
		Total Residential and Commercial SF	23,491,998	23,552,861	23,637,772	23,732,333	23,821,883	23,921,084	24,922,745	25,441,905	26,057,566	26,764,717	27,402,117	28,071,038	28,628,429	29,142,210
		Residential Percentage	88.8%	88.8%	88.7%	88.7%	88.7%	88.7%	89.1%	89.3%	89.5%	89.8%	89.7%	89.9%	90.0%	90.2%
		Commercial Percentage	11.2%	11.2%	11.3%	11.3%	11.3%	11.3%	10.9%	10.7%	10.5%	10.2%	10.3%	10.1%	10.0%	9.8%

[1] Projected dwelling units timing provided by Town.

[2] Based on average of national median sq. ft. figures from 1989 to 1998 to develop assumed single family sq. ft. of 1,930 and multi-family units average of 1,002.

[3] Projected average annual square footage growth through FY 2049-50 based on 2 acres to be developed and 9,105 square feet per acre.

[4] Projected average annual square footage growth through FY 2049-50 build-out based on 129.7 commercial / lodging acres to be developed and ratio of 7,605 developed square feet per acre. Average annual growth is adjusted for 75,000 square feet developed in FY 2023-24 and 500,000 square feet developed in FY 2033-34.

**TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
GENERAL INPUT SCHEDULE**

2a. Building Data [1]			FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
		Single-Family Dwellings Units	11,168	11,418	11,793	11,793	11,793	11,793	11,793	11,793
		Single-Family Dwellings, Permits	200	250	375	0	0	0	0	0
		Multi-Family Dwellings (2.5 units each permit)	5,111	5,121	5,131	5,131	5,131	5,131	5,131	5,131
		Multi-Family Dwellings, Permits	4	4	4	0	0	0	0	0
		Multi-Family Dwellings, New Units	10	10	10	0	0	0	0	0
		Total Dwelling Units	16,279	16,539	16,924	16,924	16,924	16,924	16,924	16,924
		Percentage Increase	1.31%	1.60%	2.33%	0.00%	0.00%	0.00%	0.00%	0.00%
		State Trust Land (included in SF Dwelling Units)	50	25	25	0	0	0	0	
2b. Square Feet										
Avg.s.f./unit:	1,930	Single Family, New Square Feet	386,000	482,500	723,750	0	0	0	0	0
		Cumulative S.F. [2]	21,554,240	22,036,740	22,760,490	22,760,490	22,760,490	22,760,490	22,760,490	22,760,490
Avg.s.f./unit:	1,002	Multi-Family, New Square Feet	10,020	10,020	10,020	0	0	0	0	0
		Cumulative S.F. [2]	5,121,222	5,131,242	5,141,262	5,141,262	5,141,262	5,141,262	5,141,262	5,141,262
		Industrial Square Feet	320,164	320,656	321,148	321,641	322,133	322,625	323,117	323,609
		New Square Feet [3]	492	492	492	492	492	492	492	492
		Commercial / Lodging Square Feet	2,554,214	2,565,333	2,576,451	2,587,570	2,598,688	2,609,807	3,120,925	3,132,044
		New Square Feet [4]	11,119	11,119	11,119	11,119	11,119	11,119	511,119	11,119
		Subtotal	2,874,378	2,885,989	2,897,600	2,909,210	2,920,821	2,932,432	3,444,042	3,455,653
		Total New Square Feet	11,611	11,611	11,611	11,611	11,611	11,611	511,611	11,611
			0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	17.4%	0.3%
		Total Residential SF	26,675,462	27,167,982	27,901,752	27,901,752	27,901,752	27,901,752	27,901,752	27,901,752
		Total Residential and Commercial SF	29,549,840	30,053,971	30,799,352	30,810,962	30,822,573	30,834,184	31,345,794	31,357,405
		Residential Percentage	90.3%	90.4%	90.6%	90.6%	90.5%	90.5%	89.0%	89.0%
		Commercial Percentage	9.7%	9.6%	9.4%	9.4%	9.5%	9.5%	11.0%	11.0%

[1] Projected dwelling units timing provided by Town.

[2] Based on average of national median sq. ft. figures from 1989 to 1998 to develop assumed single family sq.ft. of 1,930 and multi-family units average of 1,002.

[3] Projected average annual square footage growth through FY 2049-50 based on 2 acres to be developed and 9,105 square feet per acre.

[4] Projected average annual square footage growth through FY 2049-50 build-out based on 129.7 commercial / lodging acres to be developed and ratio of 7,605 developed square feet per acre. Average annual growth is adjusted for 75,000 square feet developed in FY 2023-24 and 500,000 square feet developed in FY 2033-34.

**TOWN OF FOUNTAIN HILLS
NON-UTILITY DEVELOPMENT FEE STUDY
ENR-CCI**

Area	Year	Period	Index Source	ENR-CCI	ENR-CCI
				Index	Ratio
United States	2013	Annual	ENR Construction Cost Index	9552	1.000
United States	2012	Annual	ENR Construction Cost Index	9308	1.026
United States	2011	Annual	ENR Construction Cost Index	9070	1.053
United States	2010	Annual	ENR Construction Cost Index	8802	1.085
United States	2009	Annual	ENR Construction Cost Index	8570	1.115
United States	2008	Annual	ENR Construction Cost Index	8310	1.149
United States	2007	Annual	ENR Construction Cost Index	7966	1.199
United States	2006	Annual	ENR Construction Cost Index	7751	1.232
United States	2005	Annual	ENR Construction Cost Index	7446	1.283
United States	2004	Annual	ENR Construction Cost Index	7115	1.343
United States	2003	Annual	ENR Construction Cost Index	6695	1.427
United States	2002	Annual	ENR Construction Cost Index	6538	1.461
United States	2001	Annual	ENR Construction Cost Index	6334	1.508
United States	2000	Annual	ENR Construction Cost Index	6221	1.535
United States	1999	Annual	ENR Construction Cost Index	6059	1.576
United States	1998	Annual	ENR Construction Cost Index	5920	1.614
United States	1997	Annual	ENR Construction Cost Index	5826	1.640
United States	1996	Annual	ENR Construction Cost Index	5620	1.700
United States	1995	Annual	ENR Construction Cost Index	5471	1.746
United States	1994	Annual	ENR Construction Cost Index	5408	1.766
United States	1993	Annual	ENR Construction Cost Index	5210	1.833
United States	1992	Annual	ENR Construction Cost Index	4985	1.916
United States	1991	Annual	ENR Construction Cost Index	4835	1.976
United States	1990	Annual	ENR Construction Cost Index	4732	2.019
United States	1989	Annual	ENR Construction Cost Index	4615	2.070
United States	1988	Annual	ENR Construction Cost Index	4519	2.114
United States	1987	Annual	ENR Construction Cost Index	4406	2.168
United States	1986	Annual	ENR Construction Cost Index	4295	2.224
United States	1985	Annual	ENR Construction Cost Index	4195	2.277
United States	1984	Annual	ENR Construction Cost Index	4146	2.304
United States	1983	Annual	ENR Construction Cost Index	4066	2.349
United States	1982	Annual	ENR Construction Cost Index	3825	2.497
United States	1981	Annual	ENR Construction Cost Index	3535	2.702
United States	1980	Annual	ENR Construction Cost Index	3237	2.951