CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

WORK SESSION
February 19, 2019
6:00 PM

CALL TO ORDER BY MAYOR

1 ROLL CALL BY THE CITY CLERK

2. PARK MAINTENANCE UPDATE AND BOND DISCUSSION

City Council will receive a second update on park maintenance and begin to discuss plans for a future bond election or funding initiatives for voter consideration. This item is for information and discussion.

3. OPERATING BUDGET DISCUSSION

This presentation will give a general overview of the City's operating budget as part of the FY2020 budget preparation process.

4 ADJOURNMENT

Council Members of the City of Avondale will attend either in person or by telephone conference call.

Los miembros del Concejo de la Ciudad de Avondale participaran ya sea en persona o por medio de llamada telefonica.

Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oido, o con necesidad de impresion grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos dias habiles antes de la junta del Concejo.

Notice is hereby given that pursuant to A.R.S. 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council may be audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. 1-602.A.9 have been waived.

De acuerdo con la ley A.R.S. 1-602.A.9, y sujeto a ciertas excepciones legales, se da aviso que los padres tienen derecho a dar su consentimiento antes de que el Estado o cualquier otra entidad politica haga grabaciones de video o audio de un menor de edad. Las juntas del Concejo de la Ciudad pueden ser grabadas y por consecuencia, existe la posibilidad de que si hay menores de edad presentes estos aparezcan en estos videos o grabaciones de audio. Los padres puedan ejercitar su derecho si presentan su consentimiento por escrito a la Secretaria de la Ciudad, o pueden asegurarse que los ninos no sten presentes durante la grabacion de la junta. Si hay algun menor de edad presente durante la grabacion, la Ciudad dara por entendido que los padres han renunciado sus derechos de acuerdo a la ley contenida A.R.S. 1-602.A.9.

Category Number:
Item Number: 2.

CITY COUNCIL AGENDA

SUBJECT:
Park Maintenance Update and Bond Discussion

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Kirk Haines, Parks and Recreation Director, (623) 333-2416

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:
City Council will receive a second update on park maintenance and begin to discuss plans for a future bond election or funding initiatives for voter consideration. This item is for information and discussion.

BACKGROUND:

The 2017 Parks, Recreation, Libraries and Trails Master Plan stated that Avondale residents identified the most important park maintenance services to receive the attention from City officials in the next two years included cleanliness of parks, cleanliness of restrooms and timeliness of repairs. Those community driven objectives are the emphasis of the parks maintenance staff's priorities. In brief, the park maintenance motto is for parks to be clean, green and safe.

In early October 2018, staff provided City Council with an update of converting the park maintenance operations from primarily contracted service to in-house staff. Hiring at that time was complete. Equipment and vehicle purchases were in progress. The park's employees were making a sudden splash in a very short period of time. City Council expressed their satisfaction of the park maintenance changes and direction. At the same time, Council commented that all parks should be maintained at a consistent level of service and we want to be proud of our parks.

Mayor Weise requested two items at the end of the meeting for staff follow up:

- More information on when and where Avondale should be adding more parks
- Information requested about re-programming the Community Center after the new Resource Center is constructed

DISCUSSION:

This follow up report is divided into three categories. The first is an update on the park maintenance services and progress since October. The second is responding to the two items requested from Mayor Weise during the previous work session. And the third item is information about a potential bond election or taxing initiative and outlining a timeline to place items on a future ballot.

Park Maintenance

Park cleanliness continues to be an emphasis area for our maintenance staff seven days a week and 16 hours a day. The challenge is keeping park areas clean 16 hours per day. As one example for park restrooms, the service standard for park restrooms is to clean and sanitize from ceiling to floor every day and before 8:00 AM on most days. The challenge is keeping them clean and useable for the next 14 hours after they are cleaned. To accomplish that outcome, the community park restrooms are checked and serviced three additional times throughout the day, and the neighborhood park restroom is checked and serviced one additional time during the day.

There are some variations to these standards as park use increases on weekends and during large-scale tournaments, the frequencies increase. Staff continues to assess park use and the impact on park cleanliness. Park use also affects turf management. The key continues to being flexible beyond the basic maintenance standards, and being able to adapt and schedule staff based on several factors. Examples of those factors includes field rentals and reservations, recreational demands/needs, scientific turf management, customer service expectations, and resource management.

Over the past few months, we have continued to refine our processes to better achieve our service standards. One example was of the method of cleaning the park grills and removing debris. Staff identified and acquired the correct cleaning equipment to service these areas. We are now able to complete the cleaning schedule up to the appropriate maintenance standards.

Because park use has slowed over the past few months due to cooler temperatures, the parks staff are finding projects to improve the overall quality of the parks system. For example, staff now use pressure washing equipment to remove stains and debris from playground equipment to help rejuvenate the vibrant colors and remove germs and bacteria. Additionally, staff are spraying winter weeds in turf and granite areas. They are trimming, pruning and restructuring trees and shrubs. They also revitalized the splash pad equipment. Staff rebuilt the batter's boxes and pitching areas with a clay soil mixture for more consistent surface on baseball and softball infields in preparation for spring operation and increasing park use. Repairs to the irrigation systems continues to be a high priority. Fortunately, the parks staff are finding and correcting deficiencies throughout the system.

City Council Meeting Follow Up

During the October 7, 2018 City Council work session, the Council requested follow up information. The first item requested information about if and where to add more parks. When the Parks, Recreation, Libraries and Trails Master Plan was updated, an inventory of existing city-owned parks was plotted on the Avondale map. And because there are numerous neighborhood and pocket parks in Avondale that are maintained by various homeowner associations, we believed it was necessary to also identify those as part of a service area that is providing similar services to Avondale residents. At that time, it was determined that the park need was being met in all developed areas of the city.

As new residential areas go through an approval process with the Development and Engineering Services Department, staff from several departments discuss the needs and requirements for open space and park areas. In most circumstances, a developer is required to provide park areas to fill any voids or gaps within their development. When there are voids or gaps, staff assesses opportunities for trails, open space connectivity, and parks that provide the recreational need for new development. As development continues toward southern Avondale, the need for a future community park is being met with the 30 - 40 acre community park in the Alamar development. Staff will continue to assess the demand for youth and adult sports fields to insure those recreational demands are being achieved.

The second item requested was to address the opportunity to re-purpose the existing community center in Historic Avondale once the new Resource Center is constructed. City Council will review a request in the upcoming Capital Improvement Program to hire a consultant to look at the existing footprint of the community center, identify programming opportunities and service gaps, and provide information whether it would be an economical approach to utilize this facility for recreational programs and services.

Bond/Referendum Information

During the City Council retreat on December 10, 2018, the Council discussed the potential for a future bond election, or tax initiative to fund quality of life capital improvements. The following is information for Council to further consider potential initiatives to help plan and determine whether to proceed with voter consideration.

Bond Propositions - all bond propositions must be included on a November ballot pursuant to Arizona Revised Statute 35-453. Upcoming dates include: November 5, 2019, or November 3, 2020.

Tax Increase Propositions - Tax increase propositions may be held on any of the four permitted elections days pursuant to Arizona Revised Statute 42-6006. Upcoming dates include: August 27, 2019, November 5, 2019, March 10, 2020, May 19, 2020, August 25, 2020, and November 3, 2020. Two election dates for 2021 are included in the table shown below.

The city's cost to place an initiative on a ballot for a Special Election (August/November 2019 or March/May 2020) is approximately $113,000. The cost to place an initiative on a regularly scheduled election (August/November 2020) is approximately $43,000.

The fees are set through a contract with Maricopa County. If the city holds an election on a county-wide ballot (August/November 2020) the fee is significantly lower due to Maricopa County sharing the ballot with the city. The costs to place items on the ballot is calculated by the number of registered voters in Avondale, printing/postage of a required publicity pamphlets, legal notices, translation expenses and miscellaneous election outreach expenses.

Provided below is a list of upcoming election dates and key notes to consider.

Possible Election Dates	Bond Proposition Permitted	Tax Increase Proposition Permitted
August 27, 2019		X
November 5, 2019	X	X
March 10, 2020*		X
*Note: March 17, 2020 will be the next presidential preference election which is a separate elections from the March 10, 2020 election. Holding an election during this time could result in voter confusion due to the two separate ballots.		
May 19, 2020		X
August 25, 2020		X
November 3, 2020*	X	X
*Note: November 3, 2020 will be the next presidential election and will result in a higher voter turnout and a more dense ballot.		
March 9, 2021		X
May 18, 2021		X

Requirements for Placing an Initiative on the Ballot - a normal planning cycle for placing an initiative or bond election on a ballot is typically twelve months. Critical dates or deadlines typically occur within three to four months prior to the election date. For example, City Council directs the City Clerk to call an election four months prior to the election date. At three months prior to the election date, ballot language is required to be delivered to Maricopa County to be readied for the election ballot. Therefore, the remaining six to seven months prior to calling an election is used to seek public input and information from its residents to insure support prior to placing an item on the ballot. Often times, the public information gathering period is used to organize influential residents from the community to see if there is enough interest and support for a successful election.

BUDGET IMPACT:

This item is for information and discussion only.

RECOMMENDATION:
This item is for information and discussion.

Category Number:
Item Number: 3.

CITY COUNCIL AGENDA

SUBJECT:
Operating Budget Discussion

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Lindsey Duncan, Finance and Budget Director, (623) 333-2011

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:
This presentation will give a general overview of the City's operating budget as part of the FY2020 budget preparation process.

BACKGROUND:
This is the second in a series of presentations regarding the development of the fiscal year (FY) 2020 budget. This presentation will give a general overview of the City's operating budget. Emphasis will be placed on the general fund and other funds primarily used to fund the delivery of services.

DISCUSSION:
The information presented will lead to future discussions around the FY2020 budget. These discussions will assist the Mayor and Council in making informed decisions about the City's operations.

BUDGET IMPACT:
The information presented is intended to encourage discussion which will lead the development of the FY2020 budget.

RECOMMENDATION:
This item is for information and discussion only.

CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

REGULAR MEETING
February 19, 2019
7:00 PM

CALL TO ORDER BY MAYOR
PLEDGE OF ALLEGIANCE
MOMENT OF REFLECTION

1 ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

2 UNSCHEDULED PUBLIC APPEARANCES

(Limit three minutes per person. Please state your name.)

3 CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. **APPOINTMENT OF JAMES PLYMESSER TO THE CORRECTION OFFICERS RETIREMENT PENSION BOARD**
City Council will consider a request to approve the elected appointment of Detention Officer, James Plymesser, an eligible and interested candidate, to the Correction Officers Retirement Pension Board. The Council will take the appropriate action.

b. **PROPERTY MANAGEMENT SERVICES - KENNEDY WILSON PROPERTIES**
City Council will consider a request to approve a Professional Services Agreement with Kennedy Wilson Properties, LTD to provide property management services for the city-owned Avondale Corporate Center, located at 125 South Avondale Boulevard, and the City Center retail area in the amount of $36,749 annually, and a cumulative amount of $183,745 for a five (5) year period and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take the appropriate action.

c. **USE OF GENERAL FUND CONTINGENCY FOR IN-HOUSE LEGAL SERVICES**
City Council will consider a request for use of General Fund contingency to begin the process of transitioning from contracted legal services to an in-house legal department and the addition of an assistant director position for Finance and Budget for enhanced financial oversight and reporting. The Council will take the appropriate action.

d. **DIAZ MINOR LAND DIVISION (APPLICATION PL-18-0320)**

City Council will consider a request by Dejan Knezevic for approval of a Minor Land Division concerning an approximate 1.3 net acre property located approximately 662' south of Lower Buckeye Road; the southeast corner of Bohne Street and 127th Avenue. The proposed Minor Land Division dedicates public right-of-way and Public Utility Easements. The Council will take appropriate action.

e. **HOME DEPOT RE-PLAT OF FINAL PLAT (APPLICATION PL-18-0278)**

City Council will consider a request by Mr. Jerry Heath with Hunter Engineering, on behalf of Paul Tanner with SFL Carson LLC, for approval of a Re-Plat of Parcel 4 of the Home Depot Store #441 Final Plat in the Coldwater Plaza Commercial Center located at 1485 North Dysart Road, north of Van Buren Street. The proposed Re-Plat is specific to Parcel 4 only creating a new lot line to subdivide the parcel. The Council will take appropriate action.

f. **PL-18-0231 VERDE TRAILS UNIT I - MASTER FINAL PLAT FOR PHASE 1**

City Council will consider a request by Ms. Amy Weidman with Silver Fern Companies LLC, for approval of a master Final Plat for Phase 1 of Verde Trails Unit I located at the southwest corner of 107th Avenue and Broadway Road. Consistent with the Preliminary Plat approved by the City Council in August 2018, the proposed master Final Plat creates seven parcels for single-family residential use, one parcel for a centralized community park, and one parcel for commercial use. The proposed master Final Plat also dedicates street right-of-way and easements needed to support the future Verde Trails community. The Council will take appropriate action.

g. **RESOLUTION 3521-219 - AZWARN MUTUAL AID AGREEMENT**

City Council will consider a request to adopt Resolution 3521-219 adopting the Arizona Water and Wastewater Agency Response Network (AZWARN) Mutual Aid Agreement for the provision of mutual aid in time of emergency and authorize the Mayor, or City Manager and City Clerk to execute the appropriate documents. The Council will take appropriate action.

4 COUNCIL APPOINTMENTS TO REGIONAL AND LOCAL BOARDS, COMMISSIONS, AND COMMITTEES

City Council will consider a request to consider appointments of the Mayor and Council to various regional and local boards and committees resulting from recent changes to the City Council. Council will evaluate current appointments and vacancies and make any necessary assignments to ensure the city is adequately represented. The Council will take the appropriate action.

5 PRELIMINARY PLAT AMENDMENT - VERDE TRAILS UNIT I (APPLICATION PL-18-0229)

City Council will consider a request by Ms. Amy Weidman with Silver Fern Companies LLC, on behalf of property owner Evergreen-Hillcrest, LLC, to approve an amendment to the Preliminary Plat for Verde Trails Unit I, a proposed single-family residential subdivision located on approximately 213 acres at the southwest corner of 107th Avenue and Broadway Road. Council will take appropriate action.

6 PRELIMINARY PLAT - VERDE TRAILS UNIT I PARCEL 7 (APPLICATION PL-18-0230)

City Council will consider a request by Ms. Amy Weidman with Silver Fern Companies LLC, on behalf of property owner Evergreen-Hillcrest, LLC, to approve a Preliminary Plat for Verde Trails Unit I Parcel 7, a proposed 70-lot single-family subdivision on approximately 16.1 acres located south of the southwest corner of 107th Avenue and Broadway Road. Council will take appropriate action.

7 PRELIMINARY PLAT - VERDE TRAILS UNIT II (APPLICATION PL-18-0268)

City Council will consider a request by Ms. Carolyn Oberholtzer with Bergin, Frakes, Smalley, & Oberholtzer PLLC, on behalf of property owner Tobin Living Trust, to approve a Preliminary Plat for Verde Trails Unit II, a proposed 146-lot single-family subdivision on approximately 35.5 acres located ¼ mile east of the southeast corner of Avondale Boulevard and Broadway Road. Council will take appropriate action.

8 RESOLUTION 3522-219 - LAND USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENT PLAN AND NOTICE OF INTENT

City Council will consider a request to adopt Resolution 3522-219 adopting the Land Use Assumptions (LUA), Infrastructure Improvement Plan (IIP) and a notice of intent to adopt revised development impact fees. The Council will take the appropriate action.

9 PUBLIC HEARING AND CONDITIONAL USE PERMIT FOR DYSART COMMONS (T-MOBILE) - (PL-18-0199)

City Council will consider a request by Gary Cassel with Clearblue Services, on behalf of T-Mobile, to approve a Conditional Use Permit (CUP) for a wireless service facility on a 9.8-acre parcel owned by Dysart Investment LLC, located at the northeast corner of Dysart and Thomas roads within the Dysart Commons commercial center. The Council will take appropriate action.

10 DISCUSSION ITEMS

Council will discuss items listed below and possibly give direction to city staff to research and prepare item for future meeting.

a. 2019 LEGISLATIVE UPDATE

This is a legislative update which will allow the City Council to provide guidance on proposed state legislation.

11 EXECUTIVE SESSION

The Council may hold an executive session pursuant to Ariz. Rev. Stat. § 38-431.03(A)(4) for discussion or consultation with the City Attorney in order to consider its position and instruct the City Attorney regarding the Council's position regarding (i) the Avitia litigation and (ii) the Go Services litigation.

12 ADJOURNMENT

Council Members of the City of Avondale will attend either in person or by telephone conference call.

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De acuerdo con la ley A.R.S. 1-602.A.9, y sujeto a ciertas excepciones legales, se da aviso que los padres tienen derecho a dar su consentimiento antes de que el Estado o cualquier otra entidad politica haga grabaciones de video o audio de un menor de edad. Las juntas del Concejo de la Ciudad pueden ser grabadas y por consecuencia, existe la posibilidad de que si hay menores de edad presentes estos aparezcan en estos videos o grabaciones de audio. Los padres puedan ejercitar su derecho si presentan su consentimiento por escrito a la Secretaria de la Ciudad, o pueden asegurarse que los ninos no sten presentes durante la grabacion de la junta. Si hay algun menor de edad presente durante la grabacion, la Ciudad dara por entendido que los padres han renunciado sus derechos de acuerdo a la ley contenida A.R.S. 1-602.A.9.

Category Number: 3
Item Number: a.

Avondale

CITY COUNCIL AGENDA

SUBJECT:
Appointment of James Plymesser to the Correction Officers Retirement Pension Board

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Marcella Carrillo, City Clerk, (623) 333-1214

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:
Staff is requesting consideration to approve the elected appointment of Detention Officer, James Plymesser, an eligible and interested candidate, to the Correction Officers Retirement Pension (CORP) Board.

BACKGROUND:
Pursuant to Arizona Revised Statutes §38-893, two City of Avondale employees, who are eligible members of the CORP, are elected by secret ballot of the employees who contribute to the CORP to serve on the CORP – Local Board. There are currently seven employees who contribute to the CORP, one of which currently is serving on the board.

A previously elected member, Bradley Knight, is no longer an employee of the City of Avondale and therefore, is no longer an eligible Board Member. Therefore, an election was needed to fill the vacant position.

DISCUSSION:
On January 8, 2019, the City Clerk's Office initiated the election process to fill the position previously held by Mr. Knight. The seven eligible CORP employees were asked to notify the City Clerk's office by January 16, 2019 if any were interested in being considered as a candidate in the election and serving on the Correctional Officers Retirement Pension (CORP) – Local Board.

By the end of the day on January 16, 2019, Detention Officer, James Plymesser, was the only employee who presented interest in being a candidate on the ballot for the election. Therefore, since only one candidate existed, the election was cancelled. Detention Officer, James Plymesser, is duly elected pursuant to Arizona Revised Statutes §38-893 as a Board Member of the CORP – Local Board. The City Clerk's Office is presenting this item to City Council to formalize the elected appointment.

RECOMMENDATION:
Staff is requesting consideration of approval of the elected appointment of Detention Officer, James Plymesser, an eligible and interested candidate, to the Correction Officers Retirement Pension (CORP) Board.

Category Number: 3
Item Number: b.

CITY COUNCIL AGENDA

SUBJECT:
Property Management Services - Kennedy Wilson Properties

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Daniel Davis, Economic Development Director

THROUGH: Charles Montoya, City Manager

PURPOSE:
Staff requests that the City Council approve a Professional Services Agreement with Kennedy Wilson Properties, LTD to provide property management services for the city-owned Avondale Corporate Center, located at 125 South Avondale Boulevard, the City Center Main Street Retail located at 775 North 114th Avenue and the property at 325 North Avondale Boulevard; in the amount of $36,749 annually, and a cumulative amount of $183,745 for a five (5) year period and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

DISCUSSION:
The City issued Request for Proposals ("RFP") ED 19-012 Property Management Services for City Property, October 31, 2018. A pre-submittal conference was held on November 8, 2018. A single proposal was received by the November 29, 2018 deadline.

Kennedy Wilson submitted a complete proposal in compliance with the RFP requirements. Staff reviewed and scored the proposal in accordance with the RFP submittal requirements. Staff also completed background reference checks on the firm and believes they are qualified to perform the duties required by the City. Kennedy Wilson has provided property management services for the city for the past five (5) years. The scope of work that Kennedy Wilson will perform encompasses all duties required in connection with the operation and management of the City-owned property up to and including; monthly invoicing and collection of rent, perform monthly inspections of all properties and provide written reports, respond to tenant issues and concerns, procure routine repairs and maintenance services, and calculate annual common area maintenance (CAM) reconciliation.

BUDGET IMPACT:
Funding for this agreement is available in 101-6715-00-6101, 101-6720-00-6101, and 101-6725-00-6101 line items. The contract amount for property management services will be paid from the lease revenues collected from the tenants. The term of this agreement is one year with four (4) one year extensions.

RECOMMENDATION:

Staff recommends that the City Council approve a Professional Services Agreement with Kennedy Wilson Properties, LTD to provide property management services for Avondale Corporate Center and the City Center retail area in the amount of $36,749 annually, and a cumulative amount of $183,745 for a five (5) year period and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Description

PSA - Kennedy Wilson Property Management

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
KENNEDY-WILSON PROPERTIES OF ARIZONA LTD.

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into as of February 19, 2019, between the City of Avondale, an Arizona municipal corporation (the "City"), and Kennedy-Wilson Properties of Arizona Ltd., an Arizona corporation (the "Consultant").

RECITALS

A. The City issued a Request for Proposals, ED 19-012 "Property Management Services for City Property" (the "RFP"), a copy of which is on file in the City's Finance Office and incorporated herein by reference, seeking proposals from companies for property management services (the "Services").

B. The Consultant responded to the RFP by submitting a proposal (the "Proposal"), attached hereto as Exhibit A and incorporated herein by reference, and the City desires to enter into an Agreement with the Consultant for the Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Consultant hereby agree as follows:

1. Term of Agreement.

1.1 Initial Term. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until February18, 2020 (the "Initial Term"), unless terminated as otherwise provided in this Agreement.

1.2 Renewal Terms. After the expiration of the Initial Term, this Agreement may be renewed for up to four successive one-year terms (each, a "Renewal Term") if (i) it is deemed in the best interests of the City, subject to availability and appropriation of funds for renewal in each subsequent year, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Consultant requests, in writing, to extend this Agreement for an additional one-year term and (iii) the City approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the City Manager's signature thereon, which approval may be withheld by the City for any reason. The Consultant's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the City may, at its discretion and with the agreement of the Consultant, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the

"Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

1.3 Non-Default. By requesting extension for a Renewal Term as set forth above, or by consenting to a Renewal Term in any manner, Consultant shall be deemed to affirmatively assert that (i) the City is not currently in default, nor has been in default at any time prior to the Renewal Term, under any of the terms or conditions of the Agreement and (ii) any and all Consultant claims, known and unknown, relating to the Agreement and existing on or before the commencement date of the Renewal Term are forever waived.

2. Scope of Work. Consultant shall provide the Services as set forth in the Scope of Work attached hereto as Exhibit B and incorporated herein by reference.

3. Compensation. The City shall pay Consultant for the Initial Term and for each subsequent Renewal Term, if any, an annual amount not to exceed $36,749.00 for Services at the unit rates set forth in the Fee Proposal attached hereto as Exhibit C and incorporated herein by reference. The maximum aggregate amount for this Agreement, including all Renewal Terms, shall not exceed $183,745.00.

4. Payments. The City shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Safety Plan. Consultant shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration ("OSHA"), American National Standards Institute and National Institute for Occupational Safety and Health standards. If, in the Consultant's sole determination, the Services to be provided do not require a safety plan, Consultant shall notify the City, in writing, describing the reasons a safety plan is unnecessary. The City reserves the right to request a safety plan following such notification.

6. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the City pursuant to this Agreement shall be the property of the City.

7. Consultant Personnel. Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Consultant agrees to assign specific individuals to key positions. If deemed qualified, the Consultant is encouraged to hire City residents to fill vacant positions at all levels. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the City of same and shall, subject to the concurrence of the City, replace such personnel with personnel possessing substantially equal ability and qualifications.

8. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the City.

9. Licenses; Materials. Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The City has no obligation to provide Consultant, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The City has no obligation to provide tools, equipment or material to Consultant.

10. Performance Warranty. Consultant warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

11. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Consultant, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

12. Insurance.

12.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Agreement at the City's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Consultant. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Agreement.

E. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the City as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth above and insurance requirements set forth herein protecting the City and Consultant. Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the City with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The City shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the City 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A $25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Consultant's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Consultant under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the

phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. Consultant shall provide the City with the necessary endorsements to ensure City is provided the insurance coverage set forth in this Section.

12.2 Required Insurance Coverage.

A. Commercial General Liability. Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Consultant's owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work in any way related to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the

Consultant is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

D. Workers' Compensation Insurance. If Consultant employs anyone who is required by law to be covered by workers' compensation insurance, Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

12.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the City.

13. Termination; Cancellation.

13.1 For City's Convenience. This Agreement is for the convenience of the City and, as such, may be terminated without cause after receipt by Consultant of written notice by the City. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

13.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.3 Due to Work Stoppage. This Agreement may be terminated by the City upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The City may cancel this Agreement without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

13.5 Gratuities. The City may, by written notice to the Consultant, cancel this Agreement if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the City for the purpose of securing this Agreement. In the event this Agreement is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

13.6 Agreement Subject to Appropriation. The City is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the City's then current fiscal year. The City's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should the City elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Agreement. The parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The City shall keep Consultant informed as to the availability of funds for this Agreement. The obligation of the City to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the City. Consultant hereby waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Agreement pursuant to this section.

14. Miscellaneous.

14.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the City. Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Consultant, its employees or subcontractors. The Consultant, and not the City, shall determine the time of its performance of the services provided under this Agreement so long as Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 above and Exhibit B. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. City and Consultant do not intend to nor will they combine business operations under this Agreement.

14.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

14.3 Laws and Regulations. Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future City and County ordinances and regulations, (B) existing and future State and Federal laws and (C) existing and future OSHA standards.

14.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Consultant.

14.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

14.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Consultant without prior, written permission of the City, signed by the City Manager. Any attempted assignment or delegation by Consultant in violation of this provision shall be a breach of this Agreement by Consultant.

14.9 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior, written approval of the City. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Consultant.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

14.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Consultant any amounts Consultant owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Consultant any amounts Consultant owes to the City for delinquent fees, transaction privilege use taxes and property taxes, including any interest or penalties.

14.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the City:
City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323
Attn: Charles A. Montoya, City Manager

With copy to:
GUST ROSENFELD P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Attn: Andrew J. McGuire

If to Consultant: Kennedy-Wilson Properties of Arizona Ltd.
7375 East 6th Avenue, Suite 6
Scottsdale, Arizona 85251
Attn: Daniel J. Schmidt

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

14.15 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the City. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

14.16 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 14.17 below, Consultant's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the City, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 14.17 below. To the extent necessary for the City to audit Records as set forth in this subsection, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the City shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the City to Consultant pursuant to this Agreement. Consultant and its subcontractors shall provide the City with adequate and appropriate workspace so that the City can conduct audits in compliance with the provisions of this subsection. The City shall give Consultant or its subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

14.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the City.

14.18 Israel. Consultant certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

14.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, any City-approved Purchase Order, the Fee Proposal, the RFP and the Consultant's Proposal, the documents shall govern in the order listed herein. If the Agreement is renewed pursuant to Subsection 1.2 above and such renewal includes any conflicting terms, other than price, those terms will be null and void

14.20 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods and services from another source when necessary.

14.21 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement agreements developed by the City, at their discretion and with the agreement of the awarded Consultant. Consultant may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Consultant. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The City assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The City shall not be responsible for any disputes arising out of transactions made by others.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

"**City**"

CITY OF AVONDALE,
an Arizona municipal corporation

____
Charles A. Montoya, City Manager

ATTEST:

____
Marcella Carrillo, City Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On ____________________, 2019, before me personally appeared Charles A. Montoya, the City Manager of the CITY OF AVONDALE, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the City of Avondale.

____
Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

“**Consultant**”

KENNEDY-WILSON PROPERTIES OF ARIZONA LTD.,
an Arizona corporation

By:________________________________

Name:______________________________

Title:_______________________________

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On ___________________, 2019, before me personally appeared ____________________ ____________________, the ______________________ of KENNEDY-WILSON PROPERTIES OF ARIZONA LTD., an Arizona corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he/she claims to be, and acknowledged that he/she signed the above document on behalf of the corporation.

____
Notary Public

(Affix notary seal here)

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
KENNEDY-WILSON PROPERTIES OF ARIZONA LTD.,

[Consultant’s Proposal]

See following pages.

KENNEDY WILSON

November 29, 2018

City Clerk
11465 West Civic Drive
Suite 200
Avondale, AZ 85323

RE: Property Management Services for City Property

To Whom It May Concern:

Kennedy Wilson Properties, Ltd. is pleased to submit this proposal for Facility Management Services in response to the City of Avondale's, Economic Development Department RFP ED 19-012.

As the incumbent, Kennedy Wilson is uniquely qualified to continue to perform this work for the City of Avondale. In addition, there will be no time lost on transitional matters caused by changing management companies and all operational aspects related to proactively managing building operations will remain intact.

Kennedy Wilson, a publicly-traded NYSE company with over $59 Billion of real estate-related assets under management, provides state of the art management services for public agencies and municipalities, regional, national and global investment clients, banks and lenders. We provide a full range of development, construction and project management services to clients that typically exceeds $500 million annually.

We look forward to continuing our relationship with the City of Avondale and making a positive impact on the city's properties, tenants and visitors alike.

Sincerely,

Mary Jacobs
Managing Director
480-941-3762 phone
mjacobs@kennedywilson.com

Daniel J. Schmidt
Senior Managing Director
312-654-3975 phone
dschmidt@kennedywilson.com

CITY OF AVONDALE

Property Management Services for City Property

Prepared for:
City of Avondale
Economic Development
Response to RFP ED 19-012

Respectfully submitted:

Mary Jacobs
Managing Director

Daniel Schmidt
Senior Managing Director

November 29, 2018

Table of Contents

Section 1 – General Information

Kennedy Wilson's Company Information Worksheet is attached as Exhibit B.

Kennedy Wilson is a diversified international real estate investment and services firm with a success proven legacy. Our team is forward-thinking, entrepreneurial and relationship-oriented, and our results reflect the quality and strength of our people. Our vision is to maximize opportunities and continually create value for our clients, partners and shareholders.

Kennedy Wilson (NYSE:KW) is a real estate operating company that provides a diversified array of real estate investments and services in the United States, Europe and Japan, with over $59 billion of real estate-related assets under management as of December 31, 2017. The company was founded in 1977 as a real estate auction business and has since grown into a vertically integrated international real estate firm headquartered at 151 S. El Camino Drive, Beverly Hills, CA. Kennedy Wilson has over 500 professionals in 26 offices throughout the United States, United Kingdom, Ireland, Spain and Japan.

The City of Avondale assignment will continue to be administered by the Kennedy Wilson subsidiary doing business as Kennedy-Wilson Properties of Arizona Ltd., ("Kennedy Wilson") an Arizona corporation. Our Arizona Corporation Commission may be found in Exhibit A.

The Phoenix office will be responsible for all day to day activities and oversight for this assignment with substantial support from our regional Chicago office their addresses are as follows:

- The Phoenix Office located at 7375 E 6th Avenue #6, Scottsdale, AZ 85251
- The Chicago regional office located 150 S. Wacker, Suite 2725, Chicago, IL 60606

Kennedy Wilson's operations are defined by two core business segments: KW Services and KW Investments.

KW Investments invests our capital and our equity partners' capital in retail, residential and office properties as well as loans secured by real estate. KW Services offers a comprehensive line of real estate services for the full lifecycle of real estate ownership and investment to clients that include financial institutions, developers, builders and government agencies.

KW Services has three business lines: auction and conventional sales, property services and investment management. Property services include property and asset management for third-party and company-owned assets, brokerage (tenant/landlord representation, investment sales and financing), construction management and trust services. Kennedy Wilson manages more than 50 million square feet income properties across the U.S., Europe and Japan, managing commercial real estate for third party clients and fund investors. The company has a long track record of success in managing stabilized and value-added investments as well as new lease-ups.

Our team consistently works to increase portfolio operating efficiencies, enhance property value and produce high yield returns for investors. We evaluate each asset separately and use local market expertise in the specific area where each property is located, employing local people to round out the team. We recognize the challenges and opportunities in the proactive management of properties, tenants and vendors at each location, and in all cases, we manage as if we are the owner. Our pride of ownership approach in addition to our culture of urgency yields the highest possible results.

As is typical in the third-party commercial real estate management business several contracts were canceled because of the property being sold.

During the past five years management contracts ceased on two properties:

- Rural Kentucky apartment complex – assignment ceased after three years
- Data Center and Office research building, suburban Chicago – this contract ceased after more than five years when the client hired a specialized data center manager for construction oversight, expansion and management of a world class super computer research center.

During the past five years an Illinois claim has arisen from a contract stating that Kennedy Wilson was not in compliance with a local residential landlord tenant act and disputing the contract terms of one of the service contracts.   The cases are currently pending in litigation.

Section 2 – Experience and Qualifications

Kennedy Wilson offers a full range of customizable property services for corporate, institutional and private capital real estate owners. Working closely with each client, we identify specific needs and create innovation solutions to achieve the desired outcome. At Kennedy Wilson, senior leadership is intimately involved in third-party management, bringing decades of experience and an ownership perspective to every assignment.

Kennedy Wilson has tailored the outsourced services offered to these select clients over the years.

Avondale Corporate Center – Phoenix, AZ

- In March 2014 Kennedy Wilson took over the management of Avondale Corporate Center and City Center Main Street.
- In January 2015 the Tierra Madre building was added to the management contract.
- Working closely with the City, occupancy at Avondale Corporate Center increased from 60% at takeover to the current 100% occupancy.
- Property has experienced 100% tenant retention. Tenant satisfaction is very positive as calls/concerns are handled in a timely manner with attention to detail. Communications with tenants is on-going until issues are resolved.
- During management term, all service contracts have been put out to bid at both Avondale Corporate Center and City Center Main Street. The process has resulted in replacing and upgrading all vendors who are providing better service at reduced pricing.
- In an effort to help leasing at City Center Main Street, landscaping has been upgraded, pigeon problem resolved, and overall building cleanliness has become an ongoing management priority, coupled with routine tenant visits.
- Monthly management reports including financials, property narrative and reconciled bank statements are always sent to Dan Davis and his staff in a timely and professional manner.

City of Vallejo-Vallejo, CA

2012 - Present
Ron Gerber, Economic Development Director
555 Santa Clara Street, 2nd Floor,
Vallejo, CA 94590
(707) 648-4382 city email attendant:
ltrybull@ci.vallejo.ca.us

Since 2012, KW has managed the City of Vallejo, California's two million square foot property portfolio. Responsibilities we are charged with include:

- On-site property manager that administers the leases, coordinates real property management activity with appropriate city staff, property owners and neighboring owners.
- Rent Collection
- Title Reports Reviews
- Coordination of PG & E utility company's waterfront remediation project along with the Parks and Recreation Department.
- Ensure Federally funded acquisition projects meet federal standards.
- Providing market value studies for the City through the using national and local data bases and internal market research efforts.

Leslie Pool Headquarters – Phoenix, AZ

March 2013 - Present
Mr. Larry Hayward, Chairman
Leslie's Poolmart Inc
3925 E. Broadway, Suite #100, Phoenix, AZ 85040
602-229-5934 lhayward@lesl.com

During Kennedy Wilson's management the following occurred:

- Redeveloped a 116,168 square feet vacant Sam's Club store into office space for Leslie Pool's national headquarters including a data center.
- In 2016, a free standing, 4,500 square foot retail store for Leslie Pools was built on the 9.38-acre commercial site.
- Oversaw tenant improvement work exceeding $3.6 million
- Balance of building was leased to CCV who signed a ten-year lease.
- Assisted client with additional land assemblage efforts.

Multi-Building/Multi-State Government-Leased Portfolio

2010 - Present
Lori Moody, Director of Due Diligence
HC Government Realty Trust, Inc.
Holmwood Capital Advisors, LLC
1819 Main Street, Suite 212
Sarasota, FL 34236
208-484-5923 email: lmoody@holmwoodcapital.com

On behalf of a national single-tenant NNN lease investment client, Kennedy Wilson has provided facility management oversight for a multi-state portfolio of United States government-leased facilities since 2010.

The four building 133,000 square foot portfolio is leased to several single tenant occupants including the Drug Enforcement Agency, United States Immigration and Customs Enforcement Agency, the United States Customs and Border Protection Agency and the Social Security Administration. A fifth building totaling 28,000 square feet has been awarded to Kennedy Wilson and the new assignment tentatively will commence by early 2019.

These highly secure state-of-the art facilities require extraordinary vendor/contractor security screening and clearance given the highly confidential nature of on-site building operations conducted at each location. Kennedy Wilson's awarding of and administration of service contracts and the coordination of vendor/contractor work efforts strictly adheres to these standards while delivering best pricing and best-in-class work quality for both the owner and tenant.

Kennedy Wilson is responsible for communication and coordination of all service contracts, repairs and capital projects with on-site staff. Management also has direct communication with government contracting officers assigned to each asset providing both the owner and agency with required updates concerning building operations.

Section 3 – Key Positions

Key personnel who will dedicate time to this assignment include members of Kennedy Wilson's property services group located in Phoenix, Chicago and Houston. Resumes for these key employees are in Exhibit C.

Mary Jacobs, Managing Director: Mary is located in Phoenix and oversees Kennedy Wilson's third-party management and leasing initiatives in the Phoenix area. Mary will continue to lead her team's efforts and will be highly visible interacting with city representatives, tenants and vendors. All budgets, contracts and tenant project oversight and reporting will be coordinated through and signed off by Mary.

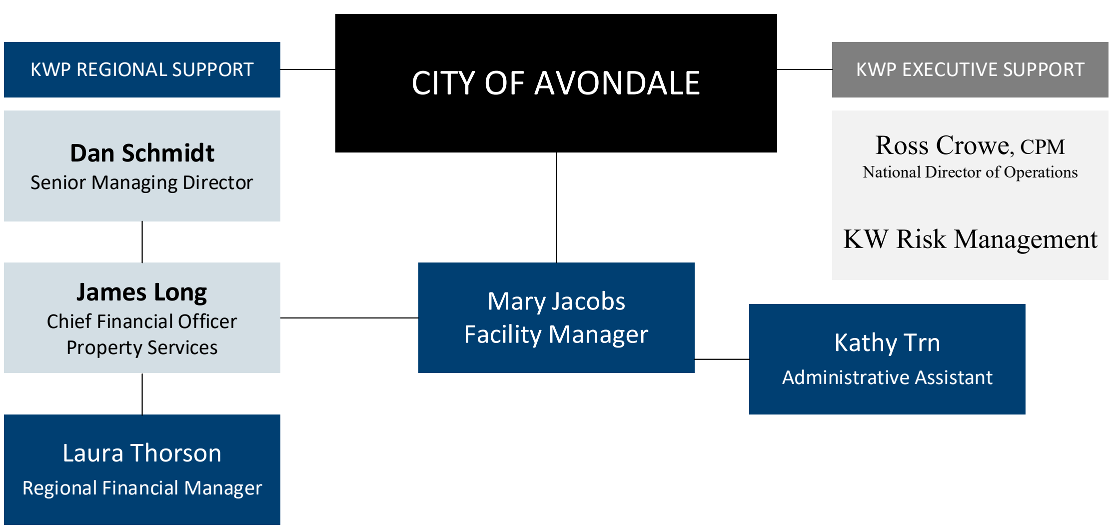
Kathy Trn, Administrative Assistant: Kathy, located in Phoenix, will assist in overseeing day-to-day property operations and interacting with tenants to address their needs and verifying that vendors are performing their duties per contract. She also will follow-up on rent collections, approve bills and monitor property conditions.

James Long, Chief Financial Officer-Property Services: James and the accounting team are responsible for all accounting functions including reviewing the monthly financial package as well as CAM reconciliation for tenants. All checks will be processed and issued by his team out of Kennedy Wilson's regional office in Chicago.

Laura Thorson, Regional Financial Manager: Laura, with the supervision of James Long and the help of the accounting team will be responsible for the day-to-day accounting functions including preparing the monthly financial package and CAM reconciliations.

Daniel J. Schmidt, Senior Managing Director: Dan will continue to provide strategic property oversight and best-in-class efforts to maximize portfolio operations. Dan interacts with the Phoenix team on weekly if not daily basis.

Ross Crowe, National Director of Operations: Ross oversees Kennedy Wilson's national property management operations providing extensive support to property-level activities with a focus on risk management and operational issues.



Section 4 – Project Approach

Kennedy Wilson's approach to property management is to manage every property from an owner's perspective. In other words, we manage with ownership's best interest in mind and strive to make sure that we maximize the owner's investment by:

Generating the maximum income

This includes increasing occupancy, charging top market rents for the property type as market conditions allow, reducing concessions whenever possible, and providing excellent customer service in an attempt to retain tenants and renew their leases. Our approach to maximize income for ownership also involves thinking outside the box for ways to increase additional income; i.e. rooftop leases for solar panels, rooftop green gardens, leasing space on sides of buildings for advertising if possible without compromising the building's architectural features, revenue sharing on ATMs, Red Boxes, etc.

Reducing expenses

When Kennedy Wilson takes over the management of a property, a very comprehensive review of the physical asset is done to determine ways of reducing operating costs. No stone is left unturned. We review insurance costs and real estate taxes first, as these are the highest costs. If applicable, and whenever advisable, real estate taxes are appealed, and insurance policies are sent to be reviewed for adequacy of coverage by an insurance broker and put out to bid for the following year's policy premiums. Furthermore, ways of reducing energy costs are also reviewed with the assistance of local energy suppliers/brokers whenever applicable. All the previous year's expenses are reviewed to better understand the property's operational requirements. All current service contracts are reviewed and compared to current invoices to verify charges are concurrent with contracted prices. Service contracts are sent out to bid on an annual basis to ensure the best pricing for the best services. All other operating procedures are reviewed to ensure that current practices are best for the asset and that they are done at reasonable costs in accordance with BOMA & IREM standards.

Maintaining asset in optimal physical condition

Kennedy Wilson is very keen on preventive maintenance and keeping each asset in optimal physical condition. Throughout the year, Kennedy Wilson's senior management visits each property and requires on-site management to keep a running list of what can be done to improve the property. Prior to producing an operating budget for the following year, bids are sought for any capital improvements and/or preventive maintenance that the asset requires. The costs of these projects are then included in the annual budget and presented to ownership with our recommendations.

In addition to our basic approach to property management as described above, whenever possible, Kennedy Wilson partners with national and/or local service providers to provide excellent service to our clients. Since our reputation is of utmost importance to us, we always require prompt service from our contractors and we also inspect what we expect of them. This is our approach to ensure that the quality of their workmanship is excellent.

We take pride in the excellent customer service that we provide to our tenants, and our staff makes regular visits to ensure their satisfaction. All work orders from tenants are taken seriously and dispatched promptly to our staff or service providers for prompt attention to the matter. Property-specific intrusive work is scheduled around hours of operation to minimize disruption to tenants, customers and shoppers.

Kennedy Wilson has Standard Operating Procedures (SOP) manuals and makes sure that our employees adhere to these standard procedures which emphasize safety, time management and quality of work.

Our experienced managers are very qualified to work under budget constraints and monitor income and expenses on a weekly basis. Our accounting software of preference is Yardi, which tracks income and expenses. After the allotted date for rent payments, reports are processed and any tenant who has not paid rent is contacted to submit rent payment immediately. Late charges are applied and bank fees for NSF payments are also applied to tenant's ledger. Furthermore, all invoices are entered Yardi to track expenses and paid within the specified due date in order to avoid late charges. Each property is assigned to a regional financial manager who will put together the financial reporting package on a monthly basis with the supervision of the director of financial services. The reporting package is then reviewed by the managing director prior to sending to client.

Section 5 – Project Description

Kennedy Wilson shall provide full service, day-to-day property management services for The City of Avondale ("City") at Avondale Corporate Center, located at 125 South Avondale Boulevard, Tierra Madre, located at 325 North Avondale Boulevard, City Center Main Street Retail, located at 735, 745, 765 and 775 North 114th Avenue, Avondale, Arizona (collectively, the "Properties").

Kennedy Wilson will coordinate with the City as it relates to other City contractors who provide services and/or supplies to the Properties, including, among other things, security services, pest control services, and any and all other services and/or supplies.

We will:

1. Furnish the services of this organization with the highest degree of professionalism and management practices, similar to those prescribed by the Institute of Real Estate Management (IREM).
2. Maximize economic returns for the City of Avondale that are consistent with private properties management practices.
3. Adhere to all applicable rules and regulations of the State of Arizona and the City of Avondale.

Management Standards and Plans as required by the City of Avondale:

- Perform daily operations and maintain tenant relations.
- Collect on behalf of the City, all rent, CAM charges and assessments.
- Respond to tenant issues and concerns in a timely manner.
- Enforce all lease terms.
- Pursue the collection of past due rent up to legal action.
- Perform monthly property inspections and submit written reports to the City representative.
- Purchase operating supplies under $5,000.
- Perform ordinary repairs, purchase decorations and oversee alterations that do not exceed $5,000 per purchase and that:

    - Do not require heavy equipment to be brought on City property.
    - Do not involve alterations to the building itself.
    - Do not involve any of the building's mechanical systems.
    - Do not involve any life/safety building component.

- Make recommendations to the City regarding capital repairs and improvements that are needed to maintain the property in good condition and increase the City's overall return on its investment.
- Make recommendations on operating improvements that would promote efficiency and cost savings and/or increase the safety and security of the Properties.
- Supervise tenant improvement construction.
- Consult with the appropriate City representative regarding issues involving City procured service contracts for the Properties.
- Provide recommendations about rental rates.

Operations

Responsibilities include:

- Positioning the property in the market place
- Increase rents and occupancy
- Selection and supervision of employees, vendors and contractors
- Procurement of supplies and materials through Kennedy Wilson's national buying strength
- Immediate responsiveness to tenants and problem resolution
- Ensure that property is safe and secure
- Emergency and after-hours response (24/7)
- Emergency Planning and Disaster Recovery
- Maintenance
- A minimum of monthly inspection of property
- Work order generation
- Supervise performance of work by employees and contractors
- Assure contractors comply with insurance requirements, including providing a certificate of insurance or obtaining lien waivers for work performed
- Supervision of on-site work, and obtaining any required permits

Accounting

Kennedy Wilson utilizes, Yardi a recognized leader in commercial real estate software. We utilize Yardi's, Payscan, allowing the electronic approval of invoices on mobile devices, thus shortening approval timelines and payments. Custom reporting packages can be developed to provide the reporting that clients need to effectively operate their investment real estate. Responsibilities include:

- Provide the property its own individual accounting, business plan, reports and bank accounts. Funds are not commingled with other property's funds.
- A consolidated overall report package will be provided monthly for multiple properties portfolio
- Invoicing, accounts receivable and rent collection
- Ensure that all rent increases go into effect when scheduled and rent is promptly collected
- Ensure that any required deposit is collected, properly accounted, deposited, and maintained in a bank account in accordance with the law
- The timely payment of invoices and maintenance of bank accounts and account reconciliation
- Preparation and calculation of additional rent/escalation rent budgets, tenant assessments, collections and annual reconciliation to actual expenses
- Propose, establish with the owner, and maintain an appropriate level of operating reserves
- Keep all records safe and secure
- Establish a loss recovery program, including providing for the back-up of records and files to ensure availability in the event of loss or destruction of the originals

Budgeting

Kennedy Wilson will prepare a comprehensive budget on an annual basis that reflects the anticipated operating performance of the property. The budget will reflect all revenues, expenses, marketing costs, capital expenditures and net income. Such budget is prepared using a zero-based philosophy, with every line item detailed and justified. The budget is prepared in accordance with each client's budget process and time table.

Reporting Package

Kennedy Wilson is committed to providing ownership with the highest quality reporting. We will remain flexible in the future by modifying the reporting packages to satisfy the needs of ownership. These would include:

- Current month operating statement with year-to-date.
- Cash flow statement.
- Tenant income detail.
- Check register.
- CAM reconciliation.
- Balance Sheet
- Income Statement

On properties Kennedy Wilson uses Yardi, to record leasing, accounts receivable and payables information. Financial information from programs is then loaded into Yardi for reporting purposes. The On- Site application is licensed through Real Page to Kennedy Wilson. Real Page hosts the database on their servers which we access through the internet. Kennedy Wilson. controls all user security in accessing the data. If a software license is required, then it will be considered an operating expense of the property and billable to the property.

Insurance and Risk Management System and Process

Kennedy Wilson carries complete general liability, business auto liability, and workman's compensation insurance. In addition, we carry errors and omissions insurance, along with fidelity employee dishonesty bonds.

Kennedy Wilson has strategic alliances with several risk management companies and is prepared to assist with the building evaluations and probable maximum loss (PML) costs related to building replacement coverage. In addition, Kennedy Wilson administers the collection and follow-up systems for all tenant, service providers, and general contractors working for each property. Insurance compliance also includes the posting and recording of Notices of Non-Responsibility for any work contracted directly by tenants of a property.

Kennedy Wilson uses a detailed accident/incident report to document all potential claims from visitors and vendors. Information regarding an incident is carefully and completely detailed to properly position each owner and minimize fault. The management team ensures that ownership's insurance carrier or risk department is notified of all incidents.

For potential losses due to damage or destruction of assets, Kennedy Wilson helps document losses, including coordinating estimates of repair or replacement.

Exhibit A – Kennedy Wilson’s Corporate Commission

Corporate Commission attached in the following pages.

Document Type:	2018 Annual Report	Document Fee:	$45.00
Entity Name:	KENNEDY-WILSON PROPERTIES OF ARIZONA LTD.	Additional Fee:	$0.00

ENTITY INFORMATION EDIT

Entity Name: KENNEDY-WILSON PROPERTIES OF ARIZONA LTD.

Entity Type: Domestic For-Profit (Business) Corporation

Entity ID: 02073639

Formation Date: 08/11/1988

Entity Email Address: bboudress@kennedywilson.com

Status: Active

Effective Date: 10/31/2018

Effective Time: 4:05 PM

Character of Business: Other REAL ESTATE

Character of Business Sub Code:

State or Country of Incorporation: AZ

Class	Series	Total
COMM		10000.00

Class	Series	Total
COMM		100.00

STATUTORY AGENT INFORMATION EDIT

Name	Attention	Address	Email
C T CORPORATION SYSTEM		3800 N CENTRAL AVE SUITE 460 , PHOENIX, AZ, 85012, USA	

Attention	Address
	3800 N CENTRAL AVE SUITE 460 PHOENIX, AZ, 85012, USA

KNOWN PLACE OF BUSINESS EDIT

Attention	Address
Mary Jacobs	7375 E 6TH AVE #5 , SCOTTSDALE, AZ, 85251, USA

PRINCIPAL INFORMATION EDIT

Title	Name	Attention	Address	Email	Date Taking Office
Director	KENT MOUTON		151 S. EL CAMINO , BEVERLY HILLS, CA 90213, USA		2/1/2013
Director	EDMOND SACHSE		151 S. EL CAMINO , BEVERLY HILLS, CA 90212, USA		8/15/2017
President/CEO	EDMOND SACHSE		151 S. EL CAMINO , BEVERLY HILLS, CA 90212, USA		8/15/2017
Secretary	IN KU LEE		151 S. EL CAMINO , BEVERLY HILLS, CA 90212, USA		2/1/2013
Vice-President	KENT MOUTON		151 S. EL CAMINO , BEVERLY HILLS, CA 90212, USA		2/1/2013

CERTIFICATE OF DISCLOSURE EDIT

FELONY/JUDGEMENT QUESTIONS:

Has any person (a) who is currently an officer, director, trustee, or incorporator, or (b) who controls or holds over ten percent of the issued and outstanding common shares or ten percent of any other proprietary, beneficial or membership interest in the corporation been:

Convicted of felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the five year period immediately preceding the signing of this certificate?

○ Yes

◉ No

Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the five year period immediately preceding the signing of this certificate?

- [ ] Yes
- [x] No

Subject to an injunction, judgement, decree or permanent order of any state or federal court entered within the five year period immediately preceding the signing of this certificate, involving any of the following:

a. The violation of fraud or registration provisions of the securities law of that jurisdiction;

b.The violation of the consumer fraud laws of that jurisdiction;

c. The violation of the antitrust or restraint of trade laws of that jurisdiction?

- [ ] Yes
- [x] No

BANKRUPTCY QUESTION:

Has any person (a) Who is currently an officer, director, trustee, incorporator, or (b) who controls or holds over twenty percent of the issued and outstanding common shares or twenty percent of any other proprietary, beneficial or membership interest in the corporation, served in any such capacity or held a twenty percent interest in any other corporation (not the one filing this Certificate) on the bankruptcy or receivership of the other corporation?

- [ ] Yes
- [x] No

SIGNATURE EDIT

By typing/entering my name, I intend to affix my electronic signature acknowledging that this electronic document is submitted in compliance with Arizona law. I certify that the information on the electronic document is true, complete, and accurate as of the date the electronic filing is submitted.

☑ I Agree

Signature: IN KU LEE

Title: Secretary

Entity

The following information was retrieved from the Department's database at 11/1/2018 11:32:03 AM. The information presented reflects the database records at the time of your inquiry; however, it will not reflect pending updates which are being processed by the Department.

Legal Name: KENNEDY-WILSON PROPERTIES OF ARIZONA, LTD.
Business Name:
License Number: CO108342000
License Status: Active
License Type: Real Estate Corporation
Original License Date: 1/13/1995
Expiration Date: 6/30/2019
Business Address: 7375 E. 6th Ave, #6
Scottsdale, AZ 85251
Mailing Address: 7375 E. 6th Ave, #6
Scottsdale, AZ 85251
Phone: (480) 941-3762
Designated Broker: JACOBS, MARY
Branch Manager: None

Online System Registration

This company is registered with the Department's Real Estate Licensing web site for processing online transactions. Licensees employed at this company can renew their license online. A licensee not employed at this company can make a request to be hired by the broker.

Employees

License Number	Name	Employment Type	Hire Date	Expire Date
BR021799000	JACOBS, MARY	Designated Broker	6-20-1995	6-30-2019

Offices

License Number	Status	Address	City	Zip	Branch Manager
CO108342000	Active	7375 E. 6th Ave, #6	Scottsdale	85251	

Complaints

There are currently 0 open complaints at the Department. Open complaints represent unproven allegations. Upon investigation many complaints are found to be without merit and dismissed. **Open complaints are confidential and no information concerning them is available for release.**

Disciplinary Actions

File Number	Order Type	Order Date
No records to display.		

The Department makes every reasonable effort to ensure that all information contained in our databases is accurate. However, typographical and other errors may be present. The Department of Real Estate cannot guarantee the accuracy of the data provided on this web site and all information obtained shall be used at the sole risk of the user. The Department of Real Estate and the State of Arizona accept no liability and shall be held harmless by the user of the data obtained through this web site for any loss or damage that results from the use of the data.

Exhibit B – Company Information Form

By submitting a Proposal, the submitting Company certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

Kennedy Wilson Properties of Arizona Ltd.	36-3598200
COMPANY SUBMITTING PROPOSAL	FEDERAL TAX ID NUMBER
Daniel J. Schmidt, Senior Managing Director	
PRINTED NAME AND TITLE	AUTHORIZED SIGNATURE

7375 E. 6th Avenue, #6	(480) 941-3762	(480) 941-3769
ADDRESS	TELEPHONE	FAX #

Scottsdale	AZ	85251	November 29, 2018
CITY	STATE	ZIP	DATE

WEB SITE: www.kennedywilson.com E-MAIL ADDRESS: dschmidt@kennedywilson.com

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SMALL, MINORITY, DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s):

___ Small Business Enterprise (SBE)
___ Minority Business Enterprise (MBE)
___ Disadvantaged Business Enterprise (DBE)
___ Women-Owned Business Enterprise (WBE)

Has the Company been certified by any jurisdiction in Arizona as a minority or woman-owned business enterprise?

No

If yes, please provide details and documentation of the certification.

Exhibit C – Resumes for Key Personnel

Resumes attached in the following pages.

KENNEDY WILSON
thriving on opportunity®

MARY JACOBS
MANAGING DIRECTOR

AFFILIATIONS

IREM
(Institute of Real Estate Management)

ICSC
(International Council Shopping Centers)

Valley Partnership

Arizona Multi Housing Association

Arizona Broker License:
#BR021799000

CONTACT DETAILS

tel: (480) 941-3762
fax: (480) 941-3769
mjacobs@kennedywilson.com

PROFILE

Mary Jacobs is Kennedy Wilson's Managing Director overseeing the day to day operations and leasing for all third-party commercial and multi-family property assignments located in Arizona.

CAREER HISTORY

Ms. Jacobs responsibilities include executing property and portfolio level strategies to best position her clients real estate holdings which include apartment, industrial, land, office and retail assets. Mary prepares property budgets, negotiates lease transactions and service contracts, coordinates capital and tenant improvements and prepares monthly financial reporting packages for the properties. Ms. Jacobs oversees a team of property managers, leasing agents and maintenance and support personnel. Ms. Jacobs maintains open and proactive communication with tenants, owners and vendor and takes great pride in training and mentoring her staff.

Other responsibilities include property inspections, preparing market surveys for clients and monitoring the cost of in-house versus outsourced contract services aimed at reducing costs to maximize net operating income. She has assisted clients with site selection and negotiated purchase and sale contracts. In addition, Ms. Jacobs has served as broker on the sales on distressed properties for banks and other clients. Over her career, Ms. Jacobs has been responsible for the management of over one million square feet of office space; 400,000 square feet of open air shopping center space and 20,000 apartment units.

SELECT CLIENTS OR SELECT TRANSACTIONS

- City of Avondale, Arizona
- Pacific Western Bank
- DM Ventures I, II, III and IV, LLC
- Brookhill Corporation
- Telos Capital Funds
- Urban Endeavors
- Converted former Sam's Club to national headquarters for Leslie's Poolmart, Inc.

EDUCATION OR SPECIAL INTERESTS

Ms. Jacobs is a graduate of the University of Wisconsin with a B.A. in Business. Ms. Jacobs also holds a CPM® (Certified Property Manager) designations from the Institute of Real Estate Management, is a member of the ICSC (International Council of Shopping Centers) and holds the NCP designation for affordable housing. Ms. Jacobs is a licensed real estate broker in Arizona.

KENNEDY WILSON
thriving on opportunity®

KATHY TRN
ADMINISTATIVE ASSISTANT

CONTACT DETAILS

tel: (602) 702-8865
fax: (480) 446-0729
ktrn@kennedywilson.com

PROFILE

Kathy Trn has served as property and area manager for numerous commercial real estate companies in the Phoenix area. Her responsibilities include overseeing the day to day property operations including rent collections, negotiating contracts, supervising staff, approving bills, property inspections, acting as tenant and contractor liaison and preparing market surveys and executing marketing strategies.

CAREER HISTORY

Kathy has over thirty years commercial real estate experience starting in real estate as a leasing agent for JMB Realty Corporation. At JMB Realty Corporation and then Heitman Capital Management, she was promoted to assistant manager and then manager of numerous apartment communities overseeing thousands of units. In addition, she oversaw project leasing for SNK Management's Phoenix apartment community portfolio.

EDUCATION OR SPECIAL INTERESTS

Ms. Trn graduated from Arizona State University with a Bachelor of Science degree in liberal arts. She holds a State of Arizona salesperson's license.

JAMES LONG
CHIEF FINANCIAL OFFICE
PROPERTY SERVICES

AFFILIATIONS

Illinois Managing Broker

CONTACT DETAILS

tel: (312) 654-3964
Fax: (312) 654-3912

jlong@kennedywilson.com

PROFILE

James Long is located in Kennedy Wilson's Chicago office. He oversees accounting and reporting functions for commercial, retail and residential properties as well as corporate accounting. He controls and supervises all treasury management functions for the group. He manages all accounting systems. As Managing Broker for Kennedy Wilson in Illinois, he oversees all brokerage activity.

CAREER HISTORY

Prior to Kennedy Wilson, Mr. Long held Senior Accounting positions at Heitman Capital management.

During his career, James has demonstrated strong financial analysis skills. He served a has an asset manager overseeing a portfolio of retail properties totaling one million square feet. He has managed multiple system implementations and served two years on Yardi System's steering committee. In addition, his skills extend to systems administration, property due diligence, lease administration, receiverships, construction draws, establishing procedures, troubled assets, operational audits, tenant CAM audits, debt and loan modifications.

EDUCATION OR SPECIAL INTERESTS

Mr. Long earned a Bachelor of Science degree in Business Administration/Accounting from the University of Colorado. He is a licensed Real Estate Managing Broker in the state of Illinois.

KENNEDY WILSON
thriving on opportunity®

LAURA THORSON
REGIONAL FINANCIAL MANAGER

CONTACT DETAILS

tel: (832)886-6855
Fax: (832)886-6712
thorson@kennedywilson.com

PROFILE

Laura Thorson has a wide range of responsibilities with the overall goal of ensuring that each property's valuation cash position and operating results are protected and maximized. She ensures that all ownership objectives are met on a timely basis and in accordance with the property's business plan and operating budget. Her responsibilities include oversight and financial management of office, retail, residential and industrial properties across the country. Laura's duties include preparing annual budgets, detailed monthly financial packages and operating expense reconciliations. She is also involved in the daily accounting functions of properties (cash receipts and accounts payables) and provides support to property managers. She has also been actively involved in accounting system conversions and the training of on-site personnel.

CAREER HISTORY

Laura has over thirty year of accounting and financial management experience in the real estate industry. Previous affiliations include working with JMB Realty Corporation and Heitman Capital Management in senior related roles. In addition, Laura began her career working at Northrup a NASA contractor.

SELECT CLIENTS

- City of Avondale, Arizona
- Brookhill Corporation
- Tech Park Associates

EDUCATION OR SPECIAL INTERESTS

Laura holds a B.S. Degree in Accounting from the University of Houston. Laura is an avid long distance runner and has completed thirty marathons and volunteers at local animal shelters and local food shelters.

KENNEDY WILSON PROPERTIES

Daniel J. Schmidt
Senior Managing Director

AFFILIATIONS

Wisconsin Real Estate Alumni Association

Prior Boards or Affiliations:
The University of Michigan College of Architecture and Urban Planning
Alumni Board of Governors,
PREA and NAIOP

Illinois Broker License:
#471.008680

CONTACT DETAILS

tel: (312) 654-3975
fax: (312) 654-3912
dschmidt@kennedywilson.com

150 South Wacker Drive
Suite 2725
Chicago, IL 60606

PROFILE

Daniel Schmidt is Senior Managing Director of the Midwest and East regions for Kennedy Wilson Properties, Ltd. He oversees a large portion of the company's fee-managed portfolio, totaling approximately three million square feet of office, industrial, retail and multifamily properties. Dan's more than thirty years of hands-on, client-focused experience in the portfolio management industry encompassing all property types offers Kennedy Wilson a strategic advantage in the markets Dan covers.

CAREER HISTORY

Mr. Schmidt's extensive, national, real estate pension fund advisory experience includes working in senior-level positions at RREEF, MONY Real Estate, Prudential Realty Group and Lillibridge Healthcare Real Estate Trust. Additionally, Dan oversaw US real estate operations at privately held Reyes Holdings. During his career, Dan has guided management and leasing organizations responsible for portfolios that have exceed forty million square feet. He has acted as portfolio manager for a private REIT, served as Regional Vice President overseeing Midwest and Southwest asset management operations, developed more than two million square feet of speculative and build-to-suit office and industrial space and repositioned office, industrial, medical office, retail and apartment communities throughout the United States.

SELECT CLIENTS OR SELECT TRANSACTIONS

- Aslan Funds
- calPERS
- calSTRS
- Chevron
- Heitman
- Prudential Real Estate Investors
- State of Michigan Real Estate Investments
- Textron

Major Healthcare systems including:

- Ascension Health
- Banner Health Memorial Hospital
- Borgess Health
- Christus Santa Rosa Health System
- Northwestern Memorial Hospital
- SCL Health
- SSM Health
- Wheaton Franciscan Health

EDUCATION AND SPECIAL INTERESTS

Mr. Schmidt received his Bachelor of Science degree from University of Wisconsin and Master of Science degree from University of Michigan. He holds a real estate Managing Broker's license in Illinois and a Salesperson's license in Michigan. Dan served on the Glenview Zoning Board of Appeals, The Glenview Naval Air Base Redevelopment Committee and has been a guest lecturer at the University of Michigan Ross School of Business Real Estate Program and the University's Architecture and Urban Planning programs.

Exhibit D - Fee Proposal

Annual Management Fee

$36,749 per year or $3,062 per month for the initial year of the contract. This is based on estimated 2019 revenue of $879,101 per the attached budgets. In keeping with the market, the proposed management fee is based on receiving 4% of total revenue for Avondale Corporate Center and City Center Main Street in addition to the previously agreed upon $300 per month for Tierra Madre.

Future years will be based on the same formula of 4% of gross revenue for Avondale Corporate Center and City Center Main Street plus the fixed $300 per month for Tierra Madre. If in subsequent years, total revenue was to drop below $825,000, Kennedy Wilson will receive a management fee of $30,000 for the year or $2,500 per month.

Operating Budget

Projected 2019 Budgets for Avondale Corporate Center, City Center Main Street and Tierra Madre (are attached in order preceding this page).

Staffing Plan

Mary Jacobs, Managing Director: Mary is located in Phoenix and oversees Kennedy Wilson's third-party management and leasing initiatives in the Phoenix area. Mary will continue to lead her team's efforts and will be highly visible interacting with city representatives, tenants and vendors. All budgets, contracts and tenant project oversight and reporting will be coordinated through and signed off by Mary.

Kathy Trn, Administrative Assistant: Kathy, located in Phoenix, will assist in overseeing day-to-day property operations and interacting with tenants to address their needs and that vendors are performing their duties per contract. She also will follow-up on rent collections, approve bills and monitor property conditions.

James Long, Chief Financial Officer-Property Services: James and the accounting team are responsible for all accounting functions including reviewing the monthly financial package as well as CAM reconciliation for tenants. All checks will be processed and issued by his team out of Kennedy Wilson's regional office in Chicago

Laura Thorson, Regional Financial Manager: Laura with the supervision of James Long and the help of the accounting team will be responsible for the day-to-day accounting functions including preparing the monthly financial package and CAM reconciliations.

Daniel J. Schmidt, Senior Managing Director: Dan will continue to provide strategic property oversight and best-in-class efforts to maximize portfolio operations. Dan interacts with the Phoenix team on weekly if not daily basis.

AVONDALE CORPORATE CENTER - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Revenue														
TENANT RENT & SERVICES														
41000050	Market Rent	40,271	40,271	40,523	40,523	40,523	40,523	40,523	40,523	41,618	41,618	41,618	41,618	490,152
43000200	Late Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
47991700	Sales Tax Collected	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	16,092
51000100	Recovery - Operating Common	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	53,064
Total Revenue		46,034	46,034	46,286	46,286	46,286	46,286	46,286	46,286	47,381	47,381	47,381	47,381	559,308
Operating Expenses														
COMPENSATION & OTHER RELATED EXP														
61000100	KW Management Fee	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	22,368
'61750260	Mgmt Office-Office Supplies	10	10	10	10	10	10	10	10	10	10	10	10	120
61750270	Mgmt Office-Postage	5	5	5	5	5	5	5	5	5	5	5	5	60
61800115	Bank Charges-Fees	44	44	44	44	44	44	44	44	44	44	44	44	528
REAL ESTATE TAXES														
62000100	GPLET Taxes												59,865	59,865
INSURANCE														
63100100	Insurance - General						3,286							3,286
REPAIR & MAINTENANCE														
64000100	R&M Elevator	165	165	165	165	165	165	165	165	165	165	165	165	1,980
64100100	R&M HVAC		775	5,236	5,870	2,660	5,236	5,870	2,660	1,250		775	1,250	31,582
64250100	R&M-Roof	12,677	12,677											25,354
64400100	R&M - Electrical	185	185	185	1,635	185	185	185	185	185	1,635	185	185	5,120
64500100	R&M - Plumbing			190			190			190			190	760
64650100	R&M - Painting/Walls													0
64850100	R&M-Fire, Life & Safety	75			75			75			1,125	595		1,945
64870100	R&M Pest Control	185	185	185	185	185	185	185	185	185	185	185	185	2,220
64900105	R&M Gen Bldg - Locks & Keys		212		212		212		212		212		212	1,272
64950100	R&M Carpentry			250						250				500
65000100	R&M Parking	61	61	61	61	61	61	61	61	61	61	61	61	732
UTILITIES														
66000100	Electric	2,912	3,108	3,769	3,820	5,082	6,448	7,889	7,705	6,158	5,119	3,298	2,946	56,506
66050100	Gas													0
66100100	Water/Sewer	143	147	145	148	148	188	181	183	205	196	188	182	2,054
JANITORIAL														
67000100	Janitorial - General	2,585	2,585	2,765	2,585	2,585	2,765	2,585	2,585	2,765	2,585	2,585	2,765	31,740
67300100	Janitorial - Window Washing		520			520			520			520		2,080
67450100	Janitorial - Cleaning Supplies	282	282	282	282	282	282	282	282	282	282	282	282	3,384
67350100	Janitorial - Rubbish Removal	58	58	58	58	58	58	58	58	58	58	58	58	696

AVONDALE CORPORATE CENTER - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SECURITY														
68300100	Security	21	21	21	21	21	21	21	21	21	21	21	21	252
LANDSCAPE														
69200100	Landscape - Exterior Contract	646	646	646	646	646	646	646	646	646	646	646	646	7,752
69600100	Landscape - Supplies	0	0	3,390	0	0	0	0	0	0	0	0	0	3,390
69800100	Landscape - Irrigation		0	100	0	0	100	0	0	100	0	0	100	400
LICENSE, FEES. PERMITS														
81060200	Permits & Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
MARKETING & ADVERTISING														
81201200	Signs	0	0	0	0	0	0	0	0	0	0	0	0	0
81201600	Marketing Other	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONAL SERVICES														
83250100	Land Owner Association Fees	0	0	2,960	0	0	2,960	0	0	2,960	0	0	2,960	11,840
TOTAL OPERATING EXPENSES		21,918	23,550	22,331	17,686	14,521	24,911	20,126	17,391	17,404	14,213	11,487	73,996	277,786
TAX PROVISION														
84300100	Tax Business													0
84300800	Sales Tax													0
Total Non-Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME		24,116	22,484	23,955	28,600	31,765	21,375	26,160	28,895	29,977	33,168	35,894	(26,615)	281,522

CAM — Re-Seal roof in 2019 for $25,354
Amortize over 10 years (2019 - 2028) @ $2,535 per year

AVONDALE CORPORATE CENTER– 2019 BUDGET FOOTNOTES

41000050: Market Rent:

PIR @ 15,530 sq. ft.: - $18.30 psf 9/1/16 – 8/31/19 or $23,683/mo. $19.30 psf or $24,977 through lease expiration on 8/31/23.

Phoenix West Commercial @ 2,015 sq. ft. : $17 psf or $2,853/mo for 2019.

EPS Group @ 6,060 sq. ft.: $17.34 psf or $8,837.50 through 2/28/19. $9,090 through 2/28/21.

U of Medical Sciences @ 3,265 sq. ft.: $18 psf or $4,897.50/mo thru 8/31/20.

City of Avondale Fire & Medical Department @ 4,103 sq. ft. will not pay base rent or GPLET tax but they will pay CAM

47991700: Sales Tax: 3 % of gross rent.

51000100: Recovery - Operating Expenses: PIR will pay $2,187/mo for CAM & GPLET as they have a $6.50 stop gap in their lease. City of Avondale Fire & Medical will pay $2,138/mo for CAM only as they do not pay the GPLET tax. Phx West & EPS are both gross leases, however, if CAM/GPLET exceeds $8 psf, EPS will pay. For 2019, combined is projected at $8.19 psf so EPS will pay $97/mo. U of Medical Sciences has not reached $6.74 threshold for CAM & they do not pay GPLET tax.

61000100: Mgmt Fee – 4% of revenue in keeping with the market.

61750260: Management-Office Supplies: Supplies related to property.

61750270: Management – Postage: Fed Ex/Postage related to property.

62000100: GPLET Taxes: $59,865/Dec. Avondale Fire & Medical and U of Medical Sciences does not pay

63100100: Insurance – Per Dan David based on property's pro-rata share of City's master policy.

64000100: R&M Elevator- $107/mo to Thyssenkrupp to service elevator; $58/mo – Century Link for emergency phone line.

64100100: R&M HVAC - $775/quarter – preventative maintenance with AFR Dynamics + $1,250/quarter base for service calls/repairs. $3,985/ March & June – replace 2 heat pumps; $1,885/May & August – replace 2 compressors; $5,870 April & July – install 2 new units.

64250100: R&M Roof – $12,677/ Jan & Feb to seal roof. Initial prep work for $5,525 completed in 2018 to stop leaks in ISM.

64400100: Electric - Based on 2018 actuals. $185/mo - supplies & service to replace bulbs/fix electrical problems inside suites. $1,450 April/October to check exterior lights with boom truck & change bulbs/ballasts as needed.

64500100: R&M Plumbing – Based on 2018. $190/quarter for clogged toilets, leaky faucets etc.

64850100: R&M Fire, Life & Safety – $75/quarter – Metro Fire to monitor fire alarm. $1,050/Oct - Annual inspection of fire equipment by Sierra Fire. $300/Nov – estimated repairs to fire equipment per inspection. $295/Nov- annual testing of backflow equipment.

64870100: R&M Pest Control- $185/mo - spray interior of all suites & exterior of building.

64900105: R&M Locks & Keys – Based on 2018 service calls to program front door & repair as needed.

65000100: R&M Parking – $61/mo to sweep parking lot once a month.

66000100: Electric – Based on history. Pro-rata share of City master bill.

66100100: Water/Sewer- Based on history. Pro-rata share of City master bill.

67000100: Janitorial – General - $2,585/mo – Jani Serv for service five days per week. $180/quarter for additional weekend service for Avondale Fire & Medical.

67300100: Janitorial – Window Washing – $520/quarter to wash exterior windows.

67450100: Janitorial – Cleaning Supplies – Estimated at $282/mo for tissue, hand towels and other supplies used by tenants.

67350100: Janitorial – Rubbish - $58/mo - Pro-rata share of City bill.

68300100: Security: $22/mo through Stanley Convergent Security to monitor front door.

69200100: Landscape Exterior – $646/mo - Switched service in 2018 to Botanicare Landscape Maintenance for better pricing & service.

69600100: Landscape Supplies - $3,390/March to thin & trim 37 trees on property so they are not a hazard in strong winds.

69800100: Landscape Irrigation - $100/quarter based on history.

83250100: Avondale Owner's Association Fee - $2,960/quarter.

CITY CENTER MAIN STREET - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Revenue														
TENANT RENT & SERVICES														
41000050	Market Rent	16,236	16,236	16,236	16,236	16,236	16,236	24,736	24,816	24,816	25,440	25,440	25,440	248,104
43000200	Late Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
47991700	Sales Tax Collected	487	487	487	487	487	487	818	820	820	839	839	839	7,897
51000100	Recovery - Operating Common							967	967	967	967	967	967	5,802
52000100	Govt Property Excise Tax							1,285	1,285	1,285	1,285	1,285	1,285	7,710
Total Revenue		16,723	16,723	16,723	16,723	16,723	16,723	27,806	27,888	27,888	28,531	28,531	28,531	261,803
Operating Expenses														
COMPENSATION & OTHER RELATED EXP														
61000100	KW Management Fee	872	872	872	872	872	872	872	872	872	872	872	872	10,464
61750260	Mgmt Office- Supplies	10	10	10	10	10	10	10	10	10	10	10	10	120
61750270	Mgmt Office-Postage	5	5	5	5	5	5	5	5	5	5	5	5	60
61800115	Bank Charges-Fees													
REAL ESTATE TAXES														
62000100	GPLET Tax												48,058	48,058
INSURANCE														
63100100	Insurance - General						3,498							3,498
REPAIR & MAINTENANCE														
64100100	R&M HVAC													0
64250100	R&M-Roof			500				500				500		1,500
64400100	R&M - Electrical		950						950					1,900
64500100	R&M - Plumbing			500						500				1,000
64650100	R&M - Painting/Walls													0
64850100	R&M-Fire, Life & Safety				600					950				1,550
64870100	R&M Pest Control	85	85	85	435	85	85	85	85	435	85	85	85	1,720
64900105	R&M Gen Bldg - Locks & Keys													0
64950100	R&M Carpentry				175						175			350
65000100	R&M Parking	115	115	115	115	115	115	115	115	115	115	115	115	1,380
UTILITIES														
66000100	Electric	603	542	561	514	603	563	657	672	574	575	565	571	7,000
66050100	Gas													0
66100100	Water/Sewer	260	1,039	1,020	819	815	1,334	2,259	1,163	828	805	736	500	11,578
JANITORIAL														
67000100	Janitorial - General	240	240	240	240	240	240	240	240	240	240	240	240	2,880
67300100	Janitorial - Window Washing	280	280	280	280	280	280	280	280	280	280	280	280	3,360
67350100	Janitorial - Rubbish Removal	72	72	72	72	72	72	72	72	72	72	72	72	864

CITY CENTER MAIN STREET - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SECURITY														
68300100	Security													0
LANDSCAPE														
69200100	Landscape - Exterior Contract	494	494	494	494	494	494	494	494	494	494	494	494	5,928
69600100	Landscape - Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0
69800100	Landscape - Irrigation		0	0	70	0	0	0	0	0	70	0	0	140
LICENSE, FEES. PERMITS														
81060200	Permits & Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
MARKETING & ADVERTISING														
81201200	Signs	0	0	0	0	0	0	0	0	0	0	0	0	0
81201600	Marketing Other	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONAL SERVICES														
83250100	Land Owner Association Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES		3,036	4,704	4,754	4,701	3,591	7,568	5,589	4,958	5,375	3,798	3,974	51,302	103,350
TAX PROVISION														
84300100	Tax Business													0
84300800	Sales Tax													0
Total Non-Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME		13,687	12,019	11,969	12,022	13,132	9,155	22,217	22,930	22,513	24,733	24,557	(22,771)	158,453

CITY CENTER MAIN STREET – 2019 BUDGET FOOTNOTES

41000050: Market Rent:

Projecting vacant Carlos O'Brien space @ 5,609 sq. f. for restaurant & 1,178 sq. ft. patio will be leased to new tenant who will be paying rent by 7/1/19 @ $8,500/mo.

Cross Fit Rave @ 7,500 sq. ft. - $10,338/mo through 9/30/19 and $10,850/mo for balance of year.

Damri Muay Thai @ 4,032 sq. ft. - $3,884/mo. thru Sept & $3,995/mo. for balance of year.

2 Di 4 @ 1500 sq. ft. - $2,015 thru July & $2,095 for balance of year.

New Tenant – Projecting a new tenant in 4,200 sq. ft @ $15 psf in October but they will not start paying rent until 2020.

47991700: Sales Tax: 3 % of gross rent

51000100: Recovery - Operating Expenses: Projecting new tenant paying rent in Carlos O'Brien space in July. Square footage for CAM includes patio for total square footage of 6,787. CAM expense at $1.71 psf. = $967/mo. Common area recovery included in base rent for balance of tenants.

52000100: Recovery – Property Tax: Projecting new tenant will pay GPLET tax like Carlos O'Brien did. The tax @ $2.75 psf for 5,609 s.f. of space equals $1,285/mo. GPLET tax does not include the patio. Tax is included in base rent for balance of tenants.

61000100: Mgmt Fee – 4% of revenue in keeping with the market.

61750260: Mgmt Office – Supplies: Office supplies related to property

61750270: Management – Postage: Fed/Mail related to property.

62000100: GPLET Tax - Paid on occupied space only.

63100100: Insurance – Per Dan David based on pro-rata share from City master bill.

64100100: R&M HVAC – Tenant's responsibility to maintain & service their A/C units.

64250100: R&M Roof – Budgeted $500 every four months in 2019 as a contingency. While roof is in reasonably good shape, there was a problem in 2018 over Carlos O'Brien.

64400100: R&M Electric: $950 semi-annually to check lights with lift to replace burnt out bulbs/ballasts as needed.

64500100: R&M Plumbing: $500 semi-annually based on history for common area plumbing issues.

64850100: R&M Fire, Life & Safety – $925/Sept - annual inspection of fire equipment by Sierra Fire. $600 once a year based on history to service/repair backflow equipment.

64870100: R&M Pest Control- $85/mo for exterior service & inside vacant space through Select Pest. $350 semi-annually to trap pigeons or apply bird slope if needed.

64950100: R&M Carpentry – $175 semi-annually - miscellaneous repairs and graffiti removal as needed.

65000100: R&M Parking – $115/mo – sweep parking lot once a month.

66000100: Electric – Based on 2018 pro-rata share of City bill with a 3% increase.

66100100: Water/Sewer- Based on 2018 pro-rata share of City bill with a 3% increase.

67000100: Janitorial – General – Power wash sidewalks.

67300100: Janitorial – Window Washing – $280/mo – wash exterior windows & interior windows in vacant suites.

67350100: Janitorial – Rubbish - Dumpster for tenants at south end of retail complex @ $72/mo. through Waste Mgmt.

69200100: Landscape Exterior – $494/mo. – service switched to Botanicare Landscape Maintenance in 2018 for better service & pricing.

69800100: Landscape Irrigation - $70 semi-annually based on history.

TIERRA MADRE - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Revenue														
TENANT RENT & SERVICES														
41000050	Market Rent	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
43000200	Late Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
47991700	Sales Tax Collected	122	122	122	122	122	122	122	122	122	122	122	122	1,464
51000100	Recovery - Operating Common	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	14,424
52000100	Govt Property Excise Tax	366	366	366	366	366	366	366	366	366	366	366	366	4,392
Total Revenue		4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	50,280
Operating Expenses														
COMPENSATION & OTHER RELATED EXP														
61000100	KW Management Fee	300	300	300	300	300	300	300	300	300	300	300	300	3,600
61750260	MgmtjOffice- Supplies													0
61750270	Mgmt Office-Postage													0
61800115	Bank Charges-Fees													
REAL ESTATE TAXES														
62000100	GPLET Tax												4,392	4,392
INSURANCE														
63100100	Insurance - General						723							723
REPAIR & MAINTENANCE														
64100100	R&M HVAC													0
64250100	R&M-Roof													0
64400100	R&M - Electrical													0
64500100	R&M - Plumbing													0
64650100	R&M - Painting/Walls													0
64850100	R&M-Fire, Life & Safety													0
64870100	R&M Pest Control													0
64900105	R&M Gen Bldg - Locks & Keys													0
64950100	R&M Carpentry													0
65000100	R&M Parking													0
UTILITIES														
66000100	Electric	2,830	3,020	3,663	3,712	4,938	4,938	7,271	7,443	5,856	3,750	3,600	3,087	10,105
66050100	Gas													0
66100100	Water/Sewer													0
JANITORIAL														
67000100	Janitorial - General													
67300100	Janitorial - Window Washing													
67350100	Janitorial - Rubbish Removal													0

TIERRA MADRE - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SECURITY														
68300100	Security													0
LANDSCAPE														
69200100	Landscape - Exterior Contract													0
69600100	Landscape - Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0
69800100	Landscape - Irrigation		0	0	0	0	0	0	0	0	0	0	0	0
LICENSE, FEES. PERMITS														
81060200	Permits & Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
MARKETING & ADVERTISING														
81201200	Signs	0	0	0	0	0	0	0	0		0	0	0	0
81201600	Marketing Other	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONAL SERVICES														
83250100	Land Owner Association Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES		3,130	3,320	3,963	4,012	5,238	5,961	7,571	7,743	6,156	4,050	3,900	7,779	18,820
TAX PROVISION														
84300100	Tax Business													0
84300800	Sales Tax													0
Total Non-Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME		1,060	870	227	178	(1,048)	(1,771)	(3,381)	(3,553)	(1,966)	140	290	(3,589)	31,460

TIERRA MADRE – 2019 BUDGET FOOTNOTES

41000050:	Market Rent: Tierra Madre @ 3,000 sq. ft. pays $2,500/mo.
47991700:	Sales Tax: 3 % of revenue.
51000100:	Recovery - Operating Expenses: $1,202 per month or $4.80 psf
52000100:	Government Property Excise Tax - $1.46 psf. For industrial/warehouse
61000100:	Mgmt Fee – $300/mo.
62000100:	GPLET Taxes: $4,392/Dec.
63100100:	Insurance – Pro-rata share of City bill.
66000100:	Electric – Based on 2018 actuals plus a 3% rate increase.

EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
KENNEDY-WILSON PROPERTIES OF ARIZONA LTD.,

[Scope of Work]

See following pages.

SCOPE OF WORK

Property Management Services for City Property
ED 19-012

1. Introduction; Background. The Property Manager will perform all duties required in connection with the operation and management of the following City-owned properties (collectively, the "Properties") located in Avondale, Arizona:

1.1 Avondale Corporate Center, 125 South Avondale Boulevard. This is a Class-B office building that was built in 2004. It is the corporate home to ISM Raceway, EPS Engineering, Phoenix West Commercial, City of Avondale Emergency Management and University Medical Sciences of Arizona.

1.2 City Center Main Street Retail, 735, 745, 765 and 775 North 114th Avenue. This is a retail liner composed of four stand-alone buildings that were completed in 2011. It has the following tenants: Carlos O'Brien's, 775 North 114th Avenue, Damri Muay Thai, 735 North 114th Avenue, Cross Fit Rave, 765 North 114th Avenue, Suite 100, and 2 'Di' 4 Gourmet Kettle Korn, 765 North 114th Avenue, Suite 105. The 745 North 114th Avenue building is currently vacant.

1.3 The property at 325 North Avondale Boulevard is leased by Tierra Madre Landscape Services, who is responsible for all maintenance of the buildings and grounds. The Services for this property will primarily consist of monthly rent collection and annual reconciliation of utility bills.

The following table contains additional information on the Properties:

Property	Acreage	Gross Square Feet	Parking Spaces
125 South Avondale Boulevard	2.19±	32,236±	135±
City Center Main Street Retail Interior Space	.85±	24,449±	
City Center Main Street Retail Enclosed Patios	.85±	1,523±	
City Center Main Street Retail Alleyways	.85±	3,679±	

2. Requirements.

2.1 The Property Manager must have a real estate broker licensed in the State of Arizona who has been actively and continuously engaged for the past five years in property management of multi-tenancy commercial sites with at least 35,000 gross square feet at one site or 80,000 gross square feet at two or more sites.

2.2 The Property Manager shall have at least one Certified Property Manager (CPM®) Member in an executive position that directs and supervises the property management activity of the Property Manager.

2.3 The Property Manager shall conduct its operation in compliance with the Code of Professional Ethics as prescribed for a CPM® Member of the Institute of Real Estate Management and shall be responsible for the conduct of its employees and others over whom it has supervision or control.

2.4 The Property Manager must engage in property management on a fixed fee plus cost basis.

2.5 The Property Manager shall have sufficient personnel to ensure the capable management of the Properties, and the key personnel identified in response to Section 2.2(C)(1) of the RFP will be the personnel rendering the Services to the City.

2.6 The Property Manager shall not accept, directly or indirectly, any rebate, fee, commission, discount, or other benefit, monetary or otherwise in connection with the management of the Properties, except for fees that have been fully disclosed to and approved by the City.

2.7 The Property Manager shall not exaggerate, misrepresent or conceal material facts concerning the Properties or any related transaction. The Property Manager shall exercise due diligence in the maintenance and management of the Properties and shall make all reasonable efforts to protect them against all reasonably foreseeable contingencies and losses.

2.8 The Property Manager shall not disclose to a third party any confidential or proprietary information concerning the City's affairs without the City's prior written consent.

2.9 The Property Manager shall not permit any of its employees to make any misleading or inaccurate representations to the public concerning the City or its Properties.

2.10 The Property Manager shall not engage in any activity which could be reasonably construed as contrary to the best interests of the City and shall not represent personal or business interests divergent to or conflicting with those of the City, unless the City consents in writing to such representation.

3. <u>Scope of Services</u>.

3.1 Property Management.

A. Perform daily operations and maintain tenant relations.

B. Collect, on behalf of the City, all rent, CAM charges and assessments.

C. Respond to tenant issues and concerns in a timely manner.

D. Enforce all lease terms.

E. Pursue the collection of past due rent up to legal action.

F. Perform monthly property inspections and submit written reports to the City representative.

G. Purchase operating supplies under $5,000.00.

H. Procure ordinary repairs, decorations and alterations that do not exceed $5,000.00 per purchase and that:

1. Do not require heavy equipment to be brought on City property.

2. Do not involve alterations to the building itself.

3. Do not involve any of the building's mechanical systems.

4. Do not involve any life/safety building component.

I. Make recommendations to the City regarding capital repairs and improvements that are needed to maintain the Properties in good condition and increase the City's overall return on its investment.

J. Make recommendations on operating improvements that would promote efficiency and cost savings and/or increase the safety and security of the Properties.

K. Supervise tenant improvement construction.

L. Consult with the appropriate City representative regarding issues involving City-procured service contracts for the Properties.

M. Provide recommendations about rental rates.

3.2 Accounting; Reporting.

A. Utilize an accounts payable program that provides efficiency in the timely payment of all expenses, receiving discounts and maximizing cash flow.

B. Remit to the City by the fifth business day of each month the preceding month's detailed gross rental receipts and a detailed invoice accounting for all monthly operating expenses paid by the Property Manager. The City will reimburse the Property Manager for the operating and staff expenses, as well as 1/12 of the approved management fee, by the 15th day of each month.

C. Submit invoices for reimbursement of operating supplies, ordinary repairs, etc., with receipts and documentation substantiating each expense.

D. Prepare the following financial statements monthly and provide them to the City representative by the 20th day of the following month:

1. Current month operating statement with year-to-date.

2. Cash flow statement.

3. Tenant income detail.

4. Check register.

5. CAM reconciliation.

E. Prepare the following financial statements quarterly and provide them to the City representative as detailed in the table:

1. Balance Sheet.

2. Income Statement.

Quarter	Report Period	Due Date
1	January 1 – March 31	April 20
2	April 1 – June 30	July 20
3	July 1 – September 30	October 20
4	October 1 – December 31	January 20

F. Prepare and manage annual operating budgets.

1. The City utilizes a fiscal year operating budget, July 1st through June 30th.

2. Property Manager to provide proposed budget to the City representative by October 1 of each year.

3. Property Manager acceptance of final approved operating budget by December 1 of each year.

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
KENNEDY-WILSON PROPERTIES OF ARIZONA LTD.,

[Fee Proposal]

See following pages.

Exhibit D - Fee Proposal

Annual Management Fee

$36,749 per year or $3,062 per month for the initial year of the contract. This is based on estimated 2019 revenue of $879,101 per the attached budgets. In keeping with the market, the proposed management fee is based on receiving 4% of total revenue for Avondale Corporate Center and City Center Main Street in addition to the previously agreed upon $300 per month for Tierra Madre.

Future years will be based on the same formula of 4% of gross revenue for Avondale Corporate Center and City Center Main Street plus the fixed $300 per month for Tierra Madre. If in subsequent years, total revenue was to drop below $825,000, Kennedy Wilson will receive a management fee of $30,000 for the year or $2,500 per month.

Operating Budget

Projected 2019 Budgets for Avondale Corporate Center, City Center Main Street and Tierra Madre (are attached in order preceding this page).

Staffing Plan

Mary Jacobs, Managing Director: Mary is located in Phoenix and oversees Kennedy Wilson's third-party management and leasing initiatives in the Phoenix area. Mary will continue to lead her team's efforts and will be highly visible interacting with city representatives, tenants and vendors. All budgets, contracts and tenant project oversight and reporting will be coordinated through and signed off by Mary.

Kathy Trn, Administrative Assistant: Kathy, located in Phoenix, will assist in overseeing day-to-day property operations and interacting with tenants to address their needs and that vendors are performing their duties per contract. She also will follow-up on rent collections, approve bills and monitor property conditions.

James Long, Chief Financial Officer-Property Services: James and the accounting team are responsible for all accounting functions including reviewing the monthly financial package as well as CAM reconciliation for tenants. All checks will be processed and issued by his team out of Kennedy Wilson's regional office in Chicago

Laura Thorson, Regional Financial Manager: Laura with the supervision of James Long and the help of the accounting team will be responsible for the day-to-day accounting functions including preparing the monthly financial package and CAM reconciliations.

Daniel J. Schmidt, Senior Managing Director: Dan will continue to provide strategic property oversight and best-in-class efforts to maximize portfolio operations. Dan interacts with the Phoenix team on weekly if not daily basis.

AVONDALE CORPORATE CENTER - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Revenue														
TENANT RENT & SERVICES														
41000050	Market Rent	40,271	40,271	40,523	40,523	40,523	40,523	40,523	40,523	41,618	41,618	41,618	41,618	490,152
43000200	Late Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
47991700	Sales Tax Collected	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	16,092
51000100	Recovery - Operating Common	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	53,064
Total Revenue		46,034	46,034	46,286	46,286	46,286	46,286	46,286	46,286	47,381	47,381	47,381	47,381	559,308
Operating Expenses														
COMPENSATION & OTHER RELATED EXP														
61000100	KW Management Fee	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	22,368
'61750260	Mgmt Office-Office Supplies	10	10	10	10	10	10	10	10	10	10	10	10	120
61750270	Mgmt Office-Postage	5	5	5	5	5	5	5	5	5	5	5	5	60
61800115	Bank Charges-Fees	44	44	44	44	44	44	44	44	44	44	44	44	528
REAL ESTATE TAXES														
62000100	GPLET Taxes												59,865	59,865
INSURANCE														
63100100	Insurance - General						3,286							3,286
REPAIR & MAINTENANCE														
64000100	R&M Elevator	165	165	165	165	165	165	165	165	165	165	165	165	1,980
64100100	R&M HVAC		775	5,236	5,870	2,660	5,236	5,870	2,660	1,250		775	1,250	31,582
64250100	R&M-Roof	12,677	12,677											25,354
64400100	R&M - Electrical	185	185	185	1,635	185	185	185	185	185	1,635	185	185	5,120
64500100	R&M - Plumbing			190			190			190			190	760
64650100	R&M - Painting/Walls													0
64850100	R&M-Fire, Life & Safety	75			75			75			1,125	595		1,945
64870100	R&M Pest Control	185	185	185	185	185	185	185	185	185	185	185	185	2,220
64900105	R&M Gen Bldg - Locks & Keys		212		212		212		212		212		212	1,272
64950100	R&M Carpentry			250						250				500
65000100	R&M Parking	61	61	61	61	61	61	61	61	61	61	61	61	732
UTILITIES														
66000100	Electric	2,912	3,108	3,769	3,820	5,082	6,448	7,889	7,705	6,158	5,119	3,298	2,946	56,506
66050100	Gas													0
66100100	Water/Sewer	143	147	145	148	148	188	181	183	205	196	188	182	2,054
JANITORIAL														
67000100	Janitorial - General	2,585	2,585	2,765	2,585	2,585	2,765	2,585	2,585	2,765	2,585	2,585	2,765	31,740
67300100	Janitorial - Window Washing		520			520			520			520		2,080
67450100	Janitorial - Cleaning Supplies	282	282	282	282	282	282	282	282	282	282	282	282	3,384
67350100	Janitorial - Rubbish Removal	58	58	58	58	58	58	58	58	58	58	58	58	696

AVONDALE CORPORATE CENTER - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SECURITY														
68300100	Security	21	21	21	21	21	21	21	21	21	21	21	21	252
LANDSCAPE														
69200100	Landscape - Exterior Contract	646	646	646	646	646	646	646	646	646	646	646	646	7,752
69600100	Landscape - Supplies	0	0	3,390	0	0	0	0	0	0	0	0	0	3,390
69800100	Landscape - Irrigation		0	100	0	0	100	0	0	100	0	0	100	400
LICENSE, FEES. PERMITS														
81060200	Permits & Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
MARKETING & ADVERTISING														
81201200	Signs	0	0	0	0	0	0	0	0	0	0	0	0	0
81201600	Marketing Other	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONAL SERVICES														
83250100	Land Owner Association Fees	0	0	2,960	0	0	2,960	0	0	2,960	0	0	2,960	11,840
TOTAL OPERATING EXPENSES		21,918	23,550	22,331	17,686	14,521	24,911	20,126	17,391	17,404	14,213	11,487	73,996	277,786
TAX PROVISION														
84300100	Tax Business													0
84300800	Sales Tax													0
Total Non-Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME		24,116	22,484	23,955	28,600	31,765	21,375	26,160	28,895	29,977	33,168	35,894	(26,615)	281,522

CAM Re-Seal roof in 2019 for $25,354
Amortize over 10 years (2019 - 2028) @ $2,535 per year

AVONDALE CORPORATE CENTER– 2019 BUDGET FOOTNOTES

41000050: Market Rent:

PIR @ 15,530 sq. ft.: - $18.30 psf 9/1/16 – 8/31/19 or $23,683/mo. $19.30 psf or $24,977 through lease expiration on 8/31/23.

Phoenix West Commercial @ 2,015 sq. ft. : $17 psf or $2,853/mo for 2019.

EPS Group @ 6,060 sq. ft.: $17.34 psf or $8,837.50 through 2/28/19. $9,090 through 2/28/21.

U of Medical Sciences @ 3,265 sq. ft.: $18 psf or $4,897.50/mo thru 8/31/20.

City of Avondale Fire & Medical Department @ 4,103 sq. ft. will not pay base rent or GPLET tax but they will pay CAM

47991700: Sales Tax: 3 % of gross rent.

51000100: Recovery - Operating Expenses: PIR will pay $2,187/mo for CAM & GPLET as they have a $6.50 stop gap in their lease. City of Avondale Fire & Medical will pay $2,138/mo for CAM only as they do not pay the GPLET tax. Phx West & EPS are both gross leases, however, if CAM/GPLET exceeds $8 psf, EPS will pay. For 2019, combined is projected at $8.19 psf so EPS will pay $97/mo. U of Medical Sciences has not reached $6.74 threshold for CAM & they do not pay GPLET tax.

61000100: Mgmt Fee – 4% of revenue in keeping with the market.

61750260: Management-Office Supplies: Supplies related to property.

61750270: Management – Postage: Fed Ex/Postage related to property.

62000100: GPLET Taxes: $59,865/Dec. Avondale Fire & Medical and U of Medical Sciences does not pay

63100100: Insurance – Per Dan David based on property's pro-rata share of City's master policy.

64000100: R&M Elevator- $107/mo to Thyssenkrupp to service elevator; $58/mo – Century Link for emergency phone line.

64100100: R&M HVAC - $775/quarter – preventative maintenance with AFR Dynamics + $1,250/quarter base for service calls/repairs. $3,985/ March & June – replace 2 heat pumps; $1,885/May & August – replace 2 compressors; $5,870 April & July – install 2 new units.

64250100: R&M Roof – $12,677/ Jan & Feb to seal roof. Initial prep work for $5,525 completed in 2018 to stop leaks in ISM.

64400100: Electric - Based on 2018 actuals. $185/mo - supplies & service to replace bulbs/fix electrical problems inside suites. $1,450 April/October to check exterior lights with boom truck & change bulbs/ballasts as needed.

64500100: R&M Plumbing – Based on 2018. $190/quarter for clogged toilets, leaky faucets etc.

64850100: R&M Fire, Life & Safety – $75/quarter – Metro Fire to monitor fire alarm. $1,050/Oct - Annual inspection of fire equipment by Sierra Fire. $300/Nov – estimated repairs to fire equipment per inspection. $295/Nov- annual testing of backflow equipment.

64870100: R&M Pest Control- $185/mo - spray interior of all suites & exterior of building.

64900105: R&M Locks & Keys – Based on 2018 service calls to program front door & repair as needed.

65000100: R&M Parking – $61/mo to sweep parking lot once a month.

66000100: Electric – Based on history. Pro-rata share of City master bill.

66100100: Water/Sewer- Based on history. Pro-rata share of City master bill.

67000100: Janitorial – General - $2,585/mo – Jani Serv for service five days per week. $180/quarter for additional weekend service for Avondale Fire & Medical.

67300100: Janitorial – Window Washing – $520/quarter to wash exterior windows.

67450100: Janitorial – Cleaning Supplies – Estimated at $282/mo for tissue, hand towels and other supplies used by tenants.

67350100: Janitorial – Rubbish - $58/mo - Pro-rata share of City bill.

68300100: Security: $22/mo through Stanley Convergent Security to monitor front door.

69200100: Landscape Exterior – $646/mo - Switched service in 2018 to Botanicare Landscape Maintenance for better pricing & service.

69600100: Landscape Supplies - $3,390/March to thin & trim 37 trees on property so they are not a hazard in strong winds.

69800100: Landscape Irrigation - $100/quarter based on history.

83250100: Avondale Owner's Association Fee - $2,960/quarter.

CITY CENTER MAIN STREET - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Revenue														
TENANT RENT & SERVICES														
41000050	Market Rent	16,236	16,236	16,236	16,236	16,236	16,236	24,736	24,816	24,816	25,440	25,440	25,440	248,104
43000200	Late Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
47991700	Sales Tax Collected	487	487	487	487	487	487	818	820	820	839	839	839	7,897
51000100	Recovery - Operating Common							967	967	967	967	967	967	5,802
52000100	Govt Property Excise Tax							1,285	1,285	1,285	1,285	1,285	1,285	7,710
Total Revenue		16,723	16,723	16,723	16,723	16,723	16,723	27,806	27,888	27,888	28,531	28,531	28,531	261,803
Operating Expenses														
COMPENSATION & OTHER RELATED EXP														
61000100	KW Management Fee	872	872	872	872	872	872	872	872	872	872	872	872	10,464
61750260	Mgmt Office- Supplies	10	10	10	10	10	10	10	10	10	10	10	10	120
61750270	Mgmt Office-Postage	5	5	5	5	5	5	5	5	5	5	5	5	60
61800115	Bank Charges-Fees													
REAL ESTATE TAXES														
62000100	GPLET Tax												48,058	48,058
INSURANCE														
63100100	Insurance - General						3,498							3,498
REPAIR & MAINTENANCE														
64100100	R&M HVAC													0
64250100	R&M-Roof			500				500				500		1,500
64400100	R&M - Electrical		950						950					1,900
64500100	R&M - Plumbing			500						500				1,000
64650100	R&M - Painting/Walls													0
64850100	R&M-Fire, Life & Safety				600					950				1,550
64870100	R&M Pest Control	85	85	85	435	85	85	85	85	435	85	85	85	1,720
64900105	R&M Gen Bldg - Locks & Keys													0
64950100	R&M Carpentry				175						175			350
65000100	R&M Parking	115	115	115	115	115	115	115	115	115	115	115	115	1,380
UTILITIES														
66000100	Electric	603	542	561	514	603	563	657	672	574	575	565	571	7,000
66050100	Gas													0
66100100	Water/Sewer	260	1,039	1,020	819	815	1,334	2,259	1,163	828	805	736	500	11,578
JANITORIAL														
67000100	Janitorial - General	240	240	240	240	240	240	240	240	240	240	240	240	2,880
67300100	Janitorial - Window Washing	280	280	280	280	280	280	280	280	280	280	280	280	3,360
67350100	Janitorial - Rubbish Removal	72	72	72	72	72	72	72	72	72	72	72	72	864

CITY CENTER MAIN STREET - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SECURITY														
68300100	Security													0
LANDSCAPE														
69200100	Landscape - Exterior Contract	494	494	494	494	494	494	494	494	494	494	494	494	5,928
69600100	Landscape - Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0
69800100	Landscape - Irrigation		0	0	70	0	0	0	0	0	70	0	0	140
LICENSE, FEES. PERMITS														
81060200	Permits & Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
MARKETING & ADVERTISING														
81201200	Signs	0	0	0	0	0	0	0	0	0	0	0	0	0
81201600	Marketing Other	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONAL SERVICES														
83250100	Land Owner Association Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES		3,036	4,704	4,754	4,701	3,591	7,568	5,589	4,958	5,375	3,798	3,974	51,302	103,350
TAX PROVISION														
84300100	Tax Business													0
84300800	Sales Tax													0
Total Non-Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME		13,687	12,019	11,969	12,022	13,132	9,155	22,217	22,930	22,513	24,733	24,557	(22,771)	158,453

CITY CENTER MAIN STREET – 2019 BUDGET FOOTNOTES

41000050: Market Rent:

Projecting vacant Carlos O'Brien space @ 5,609 sq. f. for restaurant & 1,178 sq. ft. patio will be leased to new tenant who will be paying rent by 7/1/19 @ $8,500/mo.

Cross Fit Rave @ 7,500 sq. ft. - $10,338/mo through 9/30/19 and $10,850/mo for balance of year.

Damri Muay Thai @ 4,032 sq. ft. - $3,884/mo. thru Sept & $3,995/mo. for balance of year.

2 Di 4 @ 1500 sq. ft. - $2,015 thru July & $2,095 for balance of year.

New Tenant – Projecting a new tenant in 4,200 sq. ft @ $15 psf in October but they will not start paying rent until 2020.

47991700: Sales Tax: 3 % of gross rent

51000100: Recovery - Operating Expenses: Projecting new tenant paying rent in Carlos O'Brien space in July. Square footage for CAM includes patio for total square footage of 6,787. CAM expense at $1.71 psf. = $967/mo. Common area recovery included in base rent for balance of tenants.

52000100: Recovery – Property Tax: Projecting new tenant will pay GPLET tax like Carlos O'Brien did. The tax @ $2.75 psf for 5,609 s.f. of space equals $1,285/mo. GPLET tax does not include the patio. Tax is included in base rent for balance of tenants.

61000100: Mgmt Fee – 4% of revenue in keeping with the market.

61750260: Mgmt Office – Supplies: Office supplies related to property

61750270: Management – Postage: Fed/Mail related to property.

62000100: GPLET Tax - Paid on occupied space only.

63100100: Insurance – Per Dan David based on pro-rata share from City master bill.

64100100: R&M HVAC – Tenant's responsibility to maintain & service their A/C units.

64250100: R&M Roof – Budgeted $500 every four months in 2019 as a contingency. While roof is in reasonably good shape, there was a problem in 2018 over Carlos O'Brien.

64400100: R&M Electric: $950 semi-annually to check lights with lift to replace burnt out bulbs/ballasts as needed.

64500100:	R&M Plumbing: $500 semi-annually based on history for common area plumbing issues.
64850100:	R&M Fire, Life & Safety – $925/Sept - annual inspection of fire equipment by Sierra Fire. $600 once a year based on history to service/repair backflow equipment.
64870100:	R&M Pest Control- $85/mo for exterior service & inside vacant space through Select Pest. $350 semi-annually to trap pigeons or apply bird slope if needed.
64950100:	R&M Carpentry – $175 semi-annually - miscellaneous repairs and graffiti removal as needed.
65000100:	R&M Parking – $115/mo – sweep parking lot once a month.
66000100:	Electric – Based on 2018 pro-rata share of City bill with a 3% increase.
66100100:	Water/Sewer- Based on 2018 pro-rata share of City bill with a 3% increase.
67000100:	Janitorial – General – Power wash sidewalks.
67300100:	Janitorial – Window Washing – $280/mo – wash exterior windows & interior windows in vacant suites.
67350100:	Janitorial – Rubbish - Dumpster for tenants at south end of retail complex @ $72/mo. through Waste Mgmt.
69200100:	Landscape Exterior – $494/mo. – service switched to Botanicare Landscape Maintenance in 2018 for better service & pricing.
69800100:	Landscape Irrigation - $70 semi-annually based on history.

TIERRA MADRE - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Revenue														
TENANT RENT & SERVICES														
41000050	Market Rent	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
43000200	Late Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
47991700	Sales Tax Collected	122	122	122	122	122	122	122	122	122	122	122	122	1,464
51000100	Recovery - Operating Common	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	14,424
52000100	Govt Property Excise Tax	366	366	366	366	366	366	366	366	366	366	366	366	4,392
Total Revenue		4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	50,280
Operating Expenses														
COMPENSATION & OTHER RELATED EXP														
61000100	KW Management Fee	300	300	300	300	300	300	300	300	300	300	300	300	3,600
61750260	MgmtjOffice- Supplies													0
61750270	Mgmt Office-Postage													0
61800115	Bank Charges-Fees													
REAL ESTATE TAXES														
62000100	GPLET Tax												4,392	4,392
INSURANCE														
63100100	Insurance - General						723							723
REPAIR & MAINTENANCE														
64100100	R&M HVAC													0
64250100	R&M-Roof													0
64400100	R&M - Electrical													0
64500100	R&M - Plumbing													0
64650100	R&M - Painting/Walls													0
64850100	R&M-Fire, Life & Safety													0
64870100	R&M Pest Control													0
64900105	R&M Gen Bldg - Locks & Keys													0
64950100	R&M Carpentry													0
65000100	R&M Parking													0
UTILITIES														
66000100	Electric	2,830	3,020	3,663	3,712	4,938	4,938	7,271	7,443	5,856	3,750	3,600	3,087	10,105
66050100	Gas													0
66100100	Water/Sewer													0
JANITORIAL														
67000100	Janitorial - General													
67300100	Janitorial - Window Washing													
67350100	Janitorial - Rubbish Removal													0

TIERRA MADRE - 2019 BUDGET

Acct #	Acct Description	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SECURITY														
68300100	Security													0
LANDSCAPE														
69200100	Landscape - Exterior Contract													0
69600100	Landscape - Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0
69800100	Landscape - Irrigation		0	0	0	0	0	0	0	0	0	0	0	0
LICENSE, FEES. PERMITS														
81060200	Permits & Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
MARKETING & ADVERTISING														
81201200	Signs	0	0	0	0	0	0	0	0		0	0	0	0
81201600	Marketing Other	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFESSIONAL SERVICES														
83250100	Land Owner Association Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES		3,130	3,320	3,963	4,012	5,238	5,961	7,571	7,743	6,156	4,050	3,900	7,779	18,820
TAX PROVISION														
84300100	Tax Business													0
84300800	Sales Tax													0
Total Non-Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME		1,060	870	227	178	(1,048)	(1,771)	(3,381)	(3,553)	(1,966)	140	290	(3,589)	31,460

TIERRA MADRE – 2019 BUDGET FOOTNOTES

41000050:	Market Rent: Tierra Madre @ 3,000 sq. ft. pays $2,500/mo.
47991700:	Sales Tax: 3 % of revenue.
51000100:	Recovery - Operating Expenses: $1,202 per month or $4.80 psf
52000100:	Government Property Excise Tax - $1.46 psf. For industrial/warehouse
61000100:	Mgmt Fee – $300/mo.
62000100:	GPLET Taxes: $4,392/Dec.
63100100:	Insurance – Pro-rata share of City bill.
66000100:	Electric – Based on 2018 actuals plus a 3% rate increase.

Category Number: 3
Item Number: c.

CITY COUNCIL AGENDA

SUBJECT:
Use of General Fund Contingency for In-house Legal Services

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Lindsey Duncan, Finance and Budget Director, (623) 333-2011

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:
Staff is requesting Council consider a request for use of General Fund contingency to begin the process of transitioning from contracted legal services to an in-house legal department and the addition of an assistant director position in Finance and Budget for enhanced financial oversight and reporting.

BACKGROUND:
On December 17, 2018, Council directed staff to begin the process of transitioning from contracted legal services to in-house legal department.

On February 4, 2019, staff presented the Comprehensive Annual Report and annual external audit and a recommendation for areas of improvement in financial reporting and accounting.

DISCUSSION:
In an effort to meet the Council's not-to-exceed date of July 1, 2019 for this transition, the City has begun the recruitment process for the City Attorney. As the City may not experience budgetary savings during the transition period, staff is asking Council to approve the use of General Fund contingency in the current fiscal year in the amount of $221,750. This amount includes pro-rated salaries and wages as well as equipment and supplies. Establishment of all other base budget items will be requested through the FY2020 budgetary process.

Below is a breakdown of the requested funding:

	FTE	5.0
Object	**Description**	**Amount**
5000	Salaries/Wages & Benefits Sub-total	152,300
6180	Recruitment Svcs	43,750
7010	General Office Supplies	2,000
7080	Office Equipment	3,000
7081	Technology Hardware	6,600
7085	Technology Software	3,500
7140	Office Furnishings	600
7990	Other Supplies	10,000

	Supplies/Equip. Sub-total	69,450
	Total Request:	221,750

In addition to the request of contingency funding, staff is also requesting Council approve five full-time equivalent positions (FTE) to enable the positions to be filled in the current fiscal year. The 5 positions include City Attorney, Deputy City Attorney, Assistant City Attorney, Legal Assistant/Paralegal, and Finance and Budget Assistant Director.

BUDGET IMPACT:
Staff is requesting Council approve a one-time transfer of General Fund contingency (101-5300-00-9900) to the various line-items as described above in the newly established Legal Services division (5180) and in the Finance and Budget Department (5610). Funding for all other base budget items will be requested during the FY2020 budgetary process.

RECOMMENDATION:
Staff recommends Council consider approving a request for use of General Fund contingency to begin the process of transitioning from contracted legal services to in-house legal department and the addition of an assistant director position in Finance and Budget for enhanced financial oversight and reporting.

Category Number: 3
Item Number: d.

CITY COUNCIL AGENDA

SUBJECT:
Diaz Minor Land Division (Application PL-18-0320)

MEETING DATE:
2/19/2019

TO:	Mayor and Council
FROM:	Tracy Stevens, Development & Engineering Services Director, (623) 333-4012
THROUGH:	Charles A. Montoya, City Manager, (623) 333-1016

REQUEST:	City Council will consider a request by Dejan Knezevic for approval of a Minor Land Division concerning an approximate 1.3 net acre property located approximately 662' south of Lower Buckeye Road; the southeast corner of Bohne Street and 127th Avenue. The proposed Minor Land Division dedicates public right-of-way and Public Utility Easements. The Council will take appropriate action.
PARCEL SIZE:	Approximately 1.3 Net Acre
LOCATION:	Southeast corner of Bohne Street and 127th Ave. (Exhibits A & B)
APPLICANT:	Dejan Knezevic (602) 243-7193
OWNER:	Erika Fuentes Diaz (623) 628-1875

BACKGROUND:

The subject property was annexed into the City of Avondale corporate limits in 1990. Currently, the property is vacant and undeveloped. A previous property owner split the property through Maricopa County into five parcels without City approval. The City recognizes the property as one parcel.

The subject site is designated by the General Plan 2030 Land Use Map as Estate Low Density Residential. The residences in this designation are typically one- or two-stories in height and large detached estate or executive type homes with significant privacy and open space along open areas. The property's zoning district is R1-6 (Urban Residential) which allows for single-family home development.

This Minor Land Division application is being processed to divide an approximate 1.3 net acre (1.48 gross acre) property into three (3) parcels, to dedicate 40’ of right-of-way on 127th Avenue to meet the City’s half-street right-of-way standards for collector streets and to dedicate eight (8) foot Public Utility Easements (PUEs) abutting Bohne Street, 127th Avenue, and County Line Road right-of-ways to accommodate future utilities.

The subject property has frontage on three (3) streets; Bohne Street to the north, 127th Avenue to the west, and County Line Road to the south. The existing uses and surrounding properties are as follows:

- NORTH of Bohne Street: One lot developed with a single-family residence zoned R1-6 (Urban Residential).
- SOUTH of County Line Road: One lot developed with a single-family residence zoned R1-6 (Urban Residential).
- EAST: Three lots zoned R1-6 (Urban Residential). One is developed with a single-family residence and two are undeveloped.
- WEST of 127th Avenue: One undeveloped lot zoned A-1 (General Industrial).

SUMMARY OF REQUEST:

The applicant is requesting approval of a Minor Land Division (Exhibit C) to divide an approximately 1.3 net acre subject property into three (3) parcels, as follows:

- Lot 1 – 28,618 square foot parcel with 204.61’ of street frontage on Bohne Street and 139.86’ of street frontage on 127th Avenue.
- Lot 2 – 14,342 square foot parcel with 140.13’ of street frontage on 127th Avenue and 102.48’ of street frontage on County Line Road.
- Lot 3 – 14,329 square foot parcel with 102.48’ of street frontage on County Line Road.

The proposed Minor Land Division dedicates 40’ of right-of-way adjacent to 127th Avenue, totaling 279.99 linear feet. The proposed Minor Land Division also dedicates eight (8)' Public Utility Easements (PUEs) adjacent to Bohne Street, 127th Avenue, County Line Road for future utilities.

PARTICIPATION:
Public notification is not required for Minor Land Division applications.

PLANNING COMMISSION ACTION:
The Planning Commission does not review Minor Land Division applications.

ANALYSIS:

- The proposed Minor Land Division has been reviewed by the City’s contracted Registered Land Surveyor and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property.

- The proposed Minor Land Division is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations.

- Approval of the proposed Minor Land Division will dedicate right-of-way and an easement necessary to serve the future development of the property.

STRATEGIC PLAN

INITIATIVE: Foster sustainable community development

• STRATEGIC GOAL: Maintain and expand quality infrastructure and improve connectivity to City amenities.

FINDINGS:
The proposed request complies with all applicable City documents, including but not limited to, the Avondale Subdivision Regulations, Avondale Zoning Ordinance, Avondale General Plan 2030, and the General Engineering Requirements Manual.

RECOMMENDATION:
Staff recommends that City Council **APPROVE** application PL-18-0320.

PROPOSED MOTION:
I move that City Council **APPROVE** application PL-18-0320, a request for approval of a Minor Land Division for property located at the southeast corner of Bohne Street and 127th Avenue.

ATTACHMENTS:

Description
Exhibits

PROJECT MANAGER
Michelle Pelishek, Planner (623) 333-4022

DIAZ MINOR LAND DIVISION – PL-18-0320

Please click on the link below to view the
documents associated with this Council Report.

EXHIBIT A – AERIAL PHOTOGRAPH
https://www.avondaleaz.gov/Home/ShowDocument?id=12268

EXHIBIT B – ZONING VICINITY MAP
https://www.avondaleaz.gov/Home/ShowDocument?id=12266

EXHIBIT C – MINOR LAND DIVISION MAP
https://www.avondaleaz.gov/Home/ShowDocument?id=12270

Category Number: 3
Item Number: e.

Avondale

CITY COUNCIL AGENDA

SUBJECT: Home Depot Re-Plat of Final Plat (Application PL-18-0278)	**MEETING DATE:** 2/19/2019

TO:	Mayor and Council
FROM:	Tracy Stevens, Development & Engineering Services Director (623) 333-4012
THROUGH:	Charles A. Montoya, City Manager (623) 333-1016

REQUEST:	City Council will consider a request by Mr. Jerry Heath with Hunter Engineering, on behalf of Paul Tanner with SFL Carson LLC, for approval of a Re-Plat of Parcel 4 of the Home Depot Store #441 Final Plat in the Coldwater Plaza Commercial Center located at 1485 North Dysart Road, north of Van Buren Street. The proposed Re-Plat is specific to Parcel 4 only creating a new lot line to subdivide the parcel into two lots (Lots 1 & 2). The Council will take appropriate action.
PARCEL SIZE:	Approximately 1.38 Net Acres
LOCATION:	1485 North Dysart Road, north of Van Buren Street (Exhibits A & B)
APPLICANT:	Mr. Jerry Heath, Hunter Engineering Inc. (480)991-3985
OWNER:	Paul Tanner, SFL Carson, LLC (562) 354-9227

BACKGROUND:

On December 11th, 2000, City Council approved a Final Plat application (Z00-452-C Home Depot) for the Home Depot in the Coldwater Plaza Commercial Center.

The parcel was platted in April 2001 as Home Depot Store #441. The two buildings that exist on the parcel, a Long John Silvers and an A & W All American Food, were constructed between December 2003 and January 2005.

All private on-site improvements within the development have been completed including paving, retention, landscaping, dust proofing, and site lighting. All perimeter off-site improvements adjacent to the Coldwater Plaza have been completed.

SUMMARY OF REQUEST:

The proposed Re-Plat subdivides the existing parcel into two new lots. The lot split alters the parcel as follows:

· Lot 1: Establishment of a 27,051 square foot, 0.62-acre parcel.

· Lot 2: Establishment of a 33,402 square foot, 0.77-acre parcel.

There are no additional dedications proposed with this application.

PARTICIPATION:

Public notification is not required for Final Plat applications.

PLANNING COMMISSION ACTION:

The Planning Commission does not review Final Plat applications.

ANALYSIS:

- The proposed Re-Plat has been reviewed by the City's Contracted Registered Land Surveyor and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property.
- The proposed Re-Plat is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations.
- Approval of the proposed Re-Plat will create two lots within the subject property.

STRATEGIC PLAN

INITIATIVE: Foster sustainable community development

- STRATEGIC GOAL: Maintain and expand quality infrastructure and improve connectivity to City amenities.

FINDINGS:
The proposed request complies with all applicable City documents including, but not limited to, the Avondale Subdivision Regulations, Avondale Zoning Ordinance, Avondale General Plan 2030, and the General Engineering Requirements Manual.

RECOMMENDATION:
Staff recommends that City Council APPROVE application PL-18-0278.

PROPOSED MOTION:
I move that City Council APPROVE application PL-18-0278, a request for approval of the Re-Plat of Parcel 4 of the Home Depot Store #441 Final Plat in the Coldwater Plaza Commercial Center.

ATTACHMENTS:

Description

Attachments Document

PROJECT MANAGER
Byron Easton, Senior Planner (623) 333-4020

Home Depot Re-Plat PL-18-0278

Please click on the link below to view the
documents associated with this Council Report.

EXHIBIT A – AERIAL PHOTOGRAPH
https://www.avondaleaz.gov/Home/ShowDocument?id=12290

EXHIBIT B – AERIAL ZONING MAP
https://www.avondaleaz.gov/Home/ShowDocument?id=12292

EXHIBIT C – PROPOSED SITE PLAN
https://www.avondaleaz.gov/Home/ShowDocument?id=12294

Category Number: 3
Item Number: f.

CITY COUNCIL AGENDA

SUBJECT:	**MEETING DATE:**
PL-18-0231 Verde Trails Unit I - Master Final Plat for Phase 1	2/19/2019

TO:	Mayor and Council
FROM:	Tracy Stevens, Development & Engineering Services Director, (623) 333-4012
THROUGH:	Charles A. Montoya, City Manager, (623) 333-1016

REQUEST:	City Council will consider a request by Ms. Amy Weidman with Silver Fern Companies, LLC, for approval of a master Final Plat for Phase 1 of Verde Trails Unit I located at the southwest corner of 107th Avenue and Broadway Road. Consistent with the Preliminary Plat approved by the City Council in August 2018, the proposed master Final Plat creates seven parcels for single-family residential use, one parcel for a centralized community park, and one parcel for commercial use. The proposed master Final Plat also dedicates street right-of-way and easements required to serve the future Verde Trails community.
PARCEL SIZE:	Approximately 181 gross acres
LOCATION:	Southwest corner of 107th Avenue and Broadway Road (Exhibits A, B, & C)
APPLICANT:	Ms. Amy Weidman, Silver Fern Companies, LLC (480) 820-8590
OWNER:	Mr. Tim Brislin, Hillcrest Residential 1, LP, Hillcrest-H, LP, and Hillcrest Residential 4, LP (480) 515-3255

BACKGROUND:

The approximately 181-acre subject property (Exhibits A, B, & C) is the first phase of the planned 213-acre Verde Trails Unit I master development. The property is part of the larger 310-acre Verde Trails Planned Area Development (PAD) zoning originally approved by City Council in 2007 and amended by the Council in May 2018. The subject property does not include the 97 acres of Verde Trails located south of Roeser Road, located within the anticipated alignment of the State Route 30 freeway. Additionally, the proposed plat excludes the approximately 33 acres of Verde Trails located north of Broadway Road that will be the second phase of the project. The City Council approved a Preliminary Plat for Verde Trails Unit I in August 2018.

The 181-acre Phase 1 site is divided into nine parcels, as follows:

- **Parcel 3:** 27.2 acres to be developed with 113 single-family residential lots with a minimum area of 6,000 square feet.
- **Parcel 4:** 25.8 acres to be developed with 115 single-family residential lots with a minimum area of 5,175 square feet.
- **Parcel 5:** 6.4 acres to be developed with commercial use(s).
- **Parcel 6:** 13.8 acres reserved for future development of cluster homes on minimum 2,200 square foot lots. Future Council approval of a Preliminary Plat for Parcel 6 will be required to evaluate the lot layout of this parcel prior to development.
- **Parcel 7:** 16.1 acres to be developed with 70 single-family residential lots with a minimum area of 5,175 square feet, pending approval of the Verde Trails Unit I Parcel 7 Preliminary Plat scheduled for Council approval on this same agenda. The approved Preliminary Plat reserved this site for a Littleton Elementary School District school site, which the District subsequently declined purchasing in favor of a donation agreement with the developer of Verde Trails.
- **Parcel 8:** 26.4 acres to be developed with 100 single-family residential lots with a minimum area of 6,000 square feet, pending approval of the Verde Trails Unit I Preliminary Plat Amendment scheduled for Council approval on this same agenda. The approved Preliminary Plat planned for 101 lots in Parcel 8; the amendment under consideration eliminates one lot in order to allow a new street and sidewalk connection into Parcel 7.
- **Parcel 9:** 4.4 acres to be developed with the community's central park/recreation area.
- **Parcel 10:** 19.2 acres to be developed with 68 single-family residential lots with a minimum area of 8,105 square feet.
- **Parcel 11:** 33.7 acres to be developed with 139 single-family residential lots with a minimum area of 5,175 square feet.

The majority of the subject property features a General Plan Land Use Map designation of Medium Density Residential (MDR). The MDR designation accommodates development of suburban detached single-family residential at a density range of 2.5 to 4.0 dwelling units per acre, and a target density of 2.5. The northeast corner of the site, located at the southwest corner of 107th Avenue and Broadway Road, is designated as Local Commercial. The Local Commercial designation provides for the daily needs of goods and services for people residing in surrounding areas, and may include retail, office, and service type uses. Lastly, the portion of the site surrounding the commercial parcel is designated High Density Residential (HDR). The HDR designation accommodates development of patio homes, apartments, condominiums, and/or townhomes at a density of 12 to 30 dwelling units per acre. The property's approved Planned Area Development (PAD) zoning supersedes the current General Plan designations that are applied to the site.

Directly south of the subject property is the Terra Mobile Ranchettes community, an 83-lot single-family residential subdivision located in the City of Avondale and zoned Manufactured Home Park (MH). The property is surrounded on the north and west by properties located in unincorporated Maricopa County and on the east by properties located either within the City of Phoenix or unincorporated Maricopa County. Existing land uses on these sides are mostly rural in nature and include a combination of large scale agricultural/farming operations and large lot, single-family residences with livestock privileges. The approximately 35 acres located west of the northwest corner of Unit I is the proposed Verde Trails Unit II site, currently located in Maricopa County and scheduled for annexation and rezoning to PAD on February 4, 2019. The Verde Trails Unit II will further expand the overall Verde Trails development by providing for approximately 146 additional single-family detached lots and open space amenities that are fully integrated with Verde Trails Unit I.

SUMMARY OF REQUEST:
The applicant is requesting approval of the Verde Trails Unit I, Phase 1 Master Final Plat (Exhibit E) in order to create the overall parcel boundaries for the subdivision as described in the

background section of this report. It should be noted that the proposed master plat does not create any individual residential lots within the master parcels. Instead, all individual residential lots and open space tracts will be created by separate Final Plats processed for each parcel. Final Plats for five of the parcels (Parcels 3, 4, 8, 10, and 11) are in review by City Staff and it is anticipated that they will be brought forward for Council approval in the near future.

In addition to creating the overall parcel boundaries, the proposed Master Final Plat dedicates right-of-way and easements along the three major roadways serving this project: Broadway Road, a City of Avondale Minor Arterial located to the north, 107th Avenue, a Maricopa County Arterial to the east, and Wier Avenue, a City of Avondale Minor Collector that bisects the property, running east/west. It is anticipated that the 107th Avenue right-of-way dedicated to the City as part of this plat will be de-annexed in the upcoming months to allow the road to be fully maintained by Maricopa County, reducing cost to the City of Avondale. Dedication of rights-of-way and easements along local streets in each individual parcel will be dedicated as part of the Final Plat for each parcel.

PARTICIPATION:
Public notification is not required for Final Plat applications.

PLANNING COMMISSION ACTION:
The Planning Commission does not review Final Plat applications.

ANALYSIS:

- The proposed Final Plat has been reviewed by the City's Registered Land Surveyor and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property.

- The proposed Final Plat is in conformance with the City of Avondale Zoning Ordinance, Subdivision Regulations and Verde Trails Planned Area Development (PAD) and meets all stipulations of these prior approvals.

- The proposed Master Final Plat creates parcel boundaries in conformance with the approved Preliminary Plat for Verde Trails Unit I, dedicating arterial and collector street rights-of-way and easements as necessary to serve the future development. Individual Final Plats for each master parcel creating residential lots, tracts, and dedicating local street right-of-way will be processed separately.

- As stipulated at the time of preliminary plat approval, the applicant is required to extinguish the property's groundwater rights and pledge those rights to the City's assured water supply account prior to issuance of any permits for the project. This requirement ensures that the City will have an adequate water supply in the future. Staff will ensure that no permits are issued for the development until rights are transferred as required.

STRATEGIC PLAN:

INITIATIVE: Foster sustainable community development

- STRATEGIC GOAL: Encourage build-out in residential housing opportunities that support diverse housing options.

INITIATIVE: Create and support diverse recreation and education opportunities.

- STRATEGIC GOAL: Provide multi-generational recreation events and programs.

FINDINGS:

1. The proposed Master Final Plat is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations.
2. The proposed Master Final Plat is in conformance with the Verde Trails PAD Development Plan, including any conditions of approval.
3. The proposed Final Plat is in conformance with the approved Verde Trails Unit I Preliminary Plat, including any conditions of approval.
4. The conditions of approval are reasonable to ensure conformance with the provisions as outlined in the Avondale Zoning Ordinance and all other applicable City codes, ordinances, and policies.

RECOMMENDATION:
Staff recommends that City Council **APPROVE** application PL-18-0231, a Master Final Plat for Verde Trails Unit I Phase 1 subject to two (2) recommended conditions of approval, as follows:

1. The recorded plat shall be in conformance with the Master Plat for Verde Trails Unit I Phase 1, date stamped January 17, 2019.
2. Extinguishment of Groundwater Rights and pledging of those rights to the City's assured water supply account shall be required prior to issuance of any permits for this project.

PROPOSED MOTION:

I move that City Council **APPROVE** application PL-18-0231, a request for approval of a Master Final Plat for Verde Trails Unit I Phase 1, subject to two (2) recommended conditions of approval.

ATTACHMENTS:

Description

Exhibit List

PROJECT MANAGER
Ken Galica, Division Lead Planner (623) 333-4019

Verde Trails Unit I Phase 1 Master Final Plat - PL-18-0231

Please click on the link below to view the
documents associated with this Council Report.

EXHIBIT A – AERIAL PHOTOGRAPH
https://www.avondaleaz.gov/Home/ShowDocument?id=12236

EXHIBIT B – GENERAL PLAN LAND USE MAP
https://www.avondaleaz.gov/Home/ShowDocument?id=12238

EXHIBIT C – ZONING VICINITY MAP
https://www.avondaleaz.gov/Home/ShowDocument?id=12240

EXHIBIT D – SUMMARY OF RELATED FACTS
https://www.avondaleaz.gov/Home/ShowDocument?id=12242

EXHIBIT E – PROPOSED MASTER FINAL PLAT
https://www.avondaleaz.gov/Home/ShowDocument?id=12244

Avondale

CITY COUNCIL AGENDA

SUBJECT:
Resolution 3521-219 - AZWARN Mutual Aid Agreement

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Cindy Blackmore, Public Works Director, (623) 333-4410

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:
Staff is requesting City Council approve a resolution to adopt the Arizona Water and Wastewater Agency Response Network (AZWARN) Mutual Aid Agreement for the provision of mutual aid in time of emergency and authorize the Mayor, or City Manager and City Clerk to execute the appropriate documents.

BACKGROUND:
The Arizona Water and Wastewater Agency Response Network AZWARN was created by its member agencies in March of 2008. The mission of the AZWARN is disaster response and mutual aid assistance for water and wastewater utilities during natural and human caused emergencies.

AZWARN developed its original mutual aid compact setting procedures for notification of a need for emergency assistance; identifying available resources, and providing a mechanism for compensation for shared resources. On June 6, 2016 Avondale City Council approved Resolution 3322-616 adopting the Arizona Mutual Aid Compact developed by AZWARN which authorized Avondale to participate with Local, County, Tribal, and State agencies within Arizona for the provision of mutual aid in time of emergency. The agreement had an initial ten year term, with second ten years upon renewal.

DISCUSSION:
The previous agreement was a compact available only to public entities and tribes. The members entities desired to enter into a new agreement to provide a mechanism whereby additional entities, including private water and wastewater utilities, can join the AZWARN, pursuant to A.R.S.§26-301 and to further clarify the relationship among members.

This remains a voluntary agreement for necessary physical or human resources to be requested and shared during an emergency where single or multiple entities become overwhelmed. There is no requirement that the City of Avondale provide requested resources if not possible or if a situation exists within the City that would cause a hardship. The agreement also contains a mechanism for entities to obtain reimbursement for resources when those costs are agreed upon in advance, although entities may provide resources at no cost at their sole discretion.

Staff believes continued participation in AZWARN and adoption of the new agreement remains in the best interest of the City, positioning us to partner with other utility providers to maintain or restore services in the event of an emergency.

BUDGET IMPACT:

There is no budgetary impact by signing this agreement and there are no fees associated with its signing. In the event of the City of Avondale requests resources from another signatory agency, the expenses for those resources could be invoiced back to the City. Conversely, if the City of Avondale were to agree to share its resources with another signatory agency, those expenses could be invoiced to the receiving agency.

RECOMMENDATION:

Staff recommends that the City Council approve a resolution to adopt the Arizona Water and Wastewater Agency Response Network (AZWARN) Mutual Aid Agreement for the provision of mutual aid in time of emergency and authorize the Mayor, or City Manager and City Clerk to execute the appropriate documents.

ATTACHMENTS:

Description

Resolution 3521-219 and AZWARN Mutual Aid Agreement

RESOLUTION NO. 3521-219

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING A MUTUAL AID AGREEMENT WITH THE MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK RELATING TO WATER AND WASTEWATER UTILITY EMERGENCIES.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That the Mutual Aid Agreement with members of the Arizona Water and Wastewater Agency Response Network relating to water and wastewater utility emergencies (the "Agreement") is hereby approved in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 2. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, February 19, 2019.

____
Kenneth Weise, Mayor

ATTEST:

____
Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

____
Andrew J. McGuire, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 3521-219

[Mutual Aid Agreement]

See following pages.

AZWARN MUTUAL AID AGREEMENT (AZWARN MAA) AMONG MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK

(Effective March 30, 2019 - Supersedes all prior versions and AZWARN Agreements)

This Agreement is made and entered into by and among Municipalities, Municipal Corporations, Counties, Districts, Public Agencies and Private Water and Wastewater Utilities that have executed this Agreement to better respond to water and wastewater emergencies.

RECITALS

WHEREAS, the Arizona Water and Wastewater Agency Response Network ("AZWARN") was created by its member agencies on or about March, 2008; and

WHEREAS, the Members desire to enter into a new agreement to further clarify the relationship among them and to provide a mechanism whereby additional entities, including private water and wastewater utilities, can join the AZWARN, pursuant to A.R.S.§26-301 et seq.; and

WHEREAS, Members of the AZWARN recognize the value of cooperative efforts in responding to water and wastewater utility emergencies and intend to cooperate to meet the need for mutual aid in emergencies; and;

WHEREAS, the signatories to this Agreement recognize that it would be beneficial to have established a plan and procedures in case of emergencies; and

WHEREAS, the signatories to this Agreement are authorized to enter into mutual aid agreements pursuant to A.R.S. §26-301 et seq.; and

WHEREAS, one or more members to this Agreement may find it necessary to utilize all of their own resources to cope with an emergency and may require the assistance of another member or other members; and

WHEREAS, pursuant to A.R.S. §26-309, this Agreement is required to address the manner of financing such cooperative undertakings in advance of such emergency; and

NOW, THEREFORE, IT IS HEREBY AGREED by and between each and all of the Members hereto as follows:

AGREEMENT

Article 1. Purpose and Scope

1.1 Purpose: The Members recognize that emergencies may overwhelm the ability of a water and or wastewater utility to provide services to its customers. These emergencies may require assistance in the form of personnel, equipment, services, and supplies from outside the area of the impact of the emergency. Therefore, the Arizona Water and Wastewater Agency Response

Network ("AZWARN") Member utilities hereby re-establish within the State of Arizona an Intrastate Program for Mutual Assistance ("Mutual Assistance Program") and create a statewide Arizona Water and Wastewater Agency Response Network ("AZWARN"). Through the Mutual Assistance Program and AZWARN, the Members will coordinate response activities and may share resources during emergencies. This Agreement sets forth the procedures for the administration of this Mutual Assistance Agreement and AZWARN.

1.2 Scope: The scope of this Agreement is to (1) provide procedures to notify Members of the need for assistance; (2) provide procedures for Members to request assistance; (3) provide a mechanism for compensation for resources; and (4) continue AZWARN as redefined herein to implement this Agreement.

Article 2. Definitions

2.1 **Agreement** means this Mutual Aid Agreement, among Members of AZWARN and amendments of the agreement as approved by its Members.

2.2 **Associate:** Any non-utility participant, approved by the AZWARN Board, which provides a support role for the AZWARN program. These participants are nonvoting and are not a Party to this Agreement.

2.3 **Authorized Designee** means an employee of a Member that is authorized by the Member's governing body to request assistance, offer assistance, or declare emergencies under this Agreement.

2.4 **Authorized Executive** means the Member official or officer with the authority to enter into contracts and agreements.

2.5 **AZWARN (Arizona Water and Wastewater Agency Response Network)** means an organizational body of Member representatives. Each Member has one representative.

2.6 **AZWARN Board** means the Chairperson and eight other Member representatives elected at large among AZWARN Member representatives.

2.7 **AZWARN Chairperson** means the Member Representative elected by a majority vote of AZWARN. This person is responsible for chairing AZWARN meetings, giving notices as required by this Agreement and is authorized to execute actions approved by Resolutions of AZWARN.

2.8 **Backfill** means the salary of replacement personnel who perform the regular duties of other personnel who are deployed under this mutual aid agreement.

2.9 **Coordinator** means a person assigned by AZWARN to provide services as directed by AZWARN such as managing a website, special communication hub, or grant management.

2.10 **Costs** mean the actual expenditures of funds by Responding Member, including backfill and indirect costs.

2.11 **Emergency** means any event, natural or man-made, that is, or is likely to be, beyond the available services, personnel, equipment and facilities of an AZWARN Member.

2.12 **Governing Body** means the authoritative body (e.g., city or town council, board of supervisors, district board, state agencies, or board of directors) elected, appointed, or hired to manage the affairs of the Member with appropriate authority to enter into this Agreement.

2.13 **Indirect Costs** means 10% of the total expenditures of funds by the Responding Member.

2.15 **Member** means a participating entity or agency in the AZWARN.

2.16 **National Incident Management System (NIMS)** means the national, standardized approach to incident management and response that sets uniform processes and procedures for emergency response operations.

2.17 **Period of Assistance** means a specified period of time when a Responding Member assists a Requesting Member. It begins with the Requesting Members' notice of acceptance of aid and ends when either the Responding Member or Requesting Member terminates the aid pursuant to notice provisions of this Agreement.

2.18 **Requesting Member** means a Member who requests assistance in accordance with the terms and conditions of this Agreement.

2.19 **Responding Member** means a Member that responds to a request for assistance in accordance with the terms and conditions of this Agreement.

Article 3. Implementation

3.1 This Agreement will be implemented through AZWARN. Each Member to the Agreement will select a Member representative who will each have one vote. The Member representatives will elect a Chairperson and eight (8) Board Members. The existing Board and Chairperson under the original AZWARN agreement shall act as the Board and Chairperson under this Agreement until such time as the Members meet and elect a new Board and Chairperson. Provided, no person shall serve as a Board Member or Chairperson unless the Agency or Entity which he or she represents has adopted this Agreement. The Chairperson and each AZWARN Board Member will have one vote for Board business. At any time that membership in AZWARN does not exceed twenty (20) Members, a representative from each of the existing Members of AZWARN will serve as the Board instead.

3.2 AZWARN Member representatives will meet annually to elect a Chairperson, Board and Officers, review this Agreement as well as facilitate, plan and coordinate emergency planning, response activities, and training exercises under this agreement.

3.3 The AZWARN Board, will adopt resolutions, policies, procedures, operational plans and by-laws. Any existing resolutions, policies, procedures, operational plans, or by-laws from the original AZWARN shall be automatically adopted for this Agreement until changed or modified as provided herein.

3.4 Whenever the Governor declares a State emergency or disaster, or if a request for assistance is made to DEMA under this Agreement, notwithstanding the language herein, the Deputy Director of the Arizona Department of Emergency and Military Affairs (DEMA) may at his or her discretion assume complete command and control over the response to the event in issue, as well as complete control over the training, coordinating, and planning in preparation for the same, to the extent allowed and authorized in A.R.S. §§26-301-308. Said authority supersedes any grant of authority or decision making as set forth in this Agreement.

Article 4. Funding

4.1 The AZWARN Board will be responsible for developing and adopting an annual budget and establishing funding sources.

4.2 The AZWARN Board may authorize a Member or Associate to accept grants, gifts and other sources of funds on behalf of the interests of AZWARN. Implementation of this Agreement may be funded by voluntary annual contributions necessary to meet costs of administration and sustaining this Agreement.

Article 5. Procedures for Requesting Assistance

5.1 Member Responsibility. Each Member will identify an Authorized Designee or the Authorized Designee's delegate to provide contact information, including 24 hour contact, and maintain relatively current resource information made available by the utility for mutual assistance response.

5.2 Requests for Assistance. In the event of an Emergency, a Member's Authorized Designee may request mutual assistance from any other Participating Member(s). The request for assistance may also be transmitted to the AZWARN Coordinator. Requests for assistance may be made orally or in writing. When made orally, the request for assistance shall be followed by a written request as soon as practicable but no more than (10) working days after the oral request was made. Specific protocols for requesting assistance will be provided in the AZWARN Operational Plan approved by the AZWARN Board.

5.3 Response to a Request for Assistance. After a Member receives a request for assistance, the Authorized Designee evaluates whether resources are available to respond to the request for assistance. Following the evaluation, the Authorized Designee will notify, as soon as possible, the Requesting Member whether it has the resources to respond. If the Member is willing and able to provide assistance, the Member will: (1) notify the Requesting Member about the type of available resources; (2) notify the Requesting Member of the approximate arrival time of such assistance; (3) inform the Requesting Member of any special requirements needed to utilize the resources; and (4) inform the Requesting Member if there are any variations from the reimbursement provisions of this Agreement. Acceptance of this offer of assistance by the Requesting Member commences the Period of Assistance.

5.3.1 Any Period of Assistance commencing prior to the effective date of this Agreement but continuing until after the effective date of this Agreement shall be considered to be subject to the terms of this Agreement for the entire period unless either the Requesting Member or the Member receiving assistance has not adopted this Agreement in which case the agreement in place between the Members at the time of commencement of the Period of Assistance shall be controlling. Whenever the Governor declares a State emergency or disaster, or if a request for assistance is made to DEMA under this Agreement, all requests for assistance to DEMA and associated procedures/plans must conform to A.R.S. § 26-301 *et. seq.*

5.4 Discretion of Responding Member. Execution of this Agreement does not create any duty to provide assistance. When a Member receives a request for assistance, the Authorized Designee will have absolute discretion as to the availability of resources and choice of providing assistance. An Authorized Designee's decisions on the availability of resources will be final and not subject to legal challenge.

5.5 Right to Withdraw. The Responding Member's Authorized Designee retains the right to withdraw some or all of its resources upon 24 hours' notice. Notice of intention to withdraw must be communicated to the Requesting Member's Authorized Designee. In the event any unsafe conditions pose a threat to personnel or equipment, the Responding Member may withdraw any or all of its resources upon notice.

Article 6. Responding Member Personnel

6.1 National Incident Management System. Assistance provided under this Agreement will be consistent with the National Incident Management System (NIMS).

6.2 Control. Personnel sent by a Responding Member will remain under the direct supervision and control of the Responding Member. The Requesting Member's Authorized Designee will coordinate response activities with the designated supervisor(s) of the Responding Member(s). Under no circumstances shall an employee of a Responding Member be considered an employee of a Requesting Member.

6.3 Food and Shelter. The Requesting Member will supply reasonable food and shelter for Responding Member personnel. If the Requesting Member fails to provide food and shelter to Responding personnel, the Responding Member's designated supervisor is authorized to purchase the resources necessary to meet the needs of its personnel. The cost for such resources must not exceed the per diem rates established by the State of Arizona. The Requesting Member remains responsible for reimbursing Responding Member for all costs associated with providing food and shelter, if such resources are not provided by the Requesting Member.

6.4 Communication. The Requesting Member will provide or make arrangements for appropriate communication equipment for Responding Member personnel.

6.5 Status. Unless otherwise provided by law, the Responding Member's officers and employees retain the same privileges, immunities, rights, duties, and benefits as provided in their respective jurisdictions.

Article 7. Reimbursement

7.1 Unless otherwise mutually agreed in whole or in part, the Requesting Member will reimburse the Responding Member for costs as outlined in 7.2 through 7.4 that Responding Member incurred while providing aid during the specified Period of Assistance.

7.2 Personnel. Requesting Member will pay Responding Member for work completed by Responding Member personnel during a specified Period of Assistance according to the terms provided in their employment contracts or other conditions of employment. The supervisor(s) designated by the Responding Member must keep accurate records of work performed by personnel during the specified Period of Assistance. Reimbursement must include all personnel costs, including salaries or hourly wages (including overtime and backfill), costs of fringe benefits, and indirect costs when reimbursing Responding Member.

7.3 Equipment. The Requesting Member will reimburse the Responding Member for the use of equipment during a specified Period of Assistance. Requesting Member will use equipment rates based on the Federal Emergency Management Agency's (FEMA) Schedule of Equipment Rates. In the event of the use of equipment not included in the schedule of equipment rates, the Responding Member must provide such rates in writing to the Requesting Member prior to supplying resources. The Requesting Member and Responding Member must mutually agree, in writing, on rates prior to Responding Member's dispatch of equipment.

7.4 Materials and Supplies. The Requesting Member must reimburse the Responding Member in kind or at actual replacement cost, plus handling charges, for use of expendable or non-returnable supplies. The Responding Member will not charge direct fees or rental charges to the Requesting Member for other supplies and reusable items that are returned to the Responding Member in a clean, damage-free condition. The Responding Member and Requesting Member will treat reusable supplies that are returned to the Responding Member with damage as expendable supplies for purposes of cost reimbursement.

7.5 Reimbursement Procedures. The Responding Member must provide an itemized invoice to the Requesting Member for all expenses it incurred as a result of providing assistance under this Agreement. The Responding Member will submit the itemized invoice to the Requesting Member no later than ninety (90) days following the end of the Period of Assistance. The Requesting Member will pay the full amount due no later than forty-five (45) days following the invoice date. Any amount that Responding Member leaves unpaid after 45 days will accrue interest at the statutory annual interest rate of 10% pursuant to A.R.S. § 44-1201.

7.6 Personnel Compensation and Insurance. The Requesting Member and the Responding Member will be responsible for all compensation and insurance coverage of their respective employees and equipment, if any, involved with mutual aid and consistent with A.R.S. § 26-314.B.

Article 8. Water Rights

8.1 This Agreement will not affect water rights nor create any transfer of water rights. Members do not intend for this Agreement to serve as a means of drought relief. Drought will not be considered an emergency under the terms of this Agreement.

Article 9. Protected Information, Statewide Critical Infrastructure and Disclosure

9.1 To the extent permitted by the Statewide Critical Infrastructure Information System Disclosure Law, A.R.S. § 41-1803 et seq., the Arizona Public Records Law, A.R.S. § 39-101 et seq., and other applicable laws, all Members will maintain the strictest confidence and will take all reasonable steps necessary to prevent the disclosure of any protected information disclosed under this Agreement. It is the responsibility of the owner of the protected information to mark, label, or otherwise identify what is protected information. If any Member, or other entity requests or demands, by subpoena or otherwise, that a Member disclose any protected information disclosed under this Agreement, the Member will immediately notify the owner of the protected information giving the owner the opportunity to take necessary steps to protect the information. The Member will take all reasonable steps necessary to prevent the disclosure of this information by asserting all applicable rights and privileges with respect to such information and will cooperate fully in any judicial or administrative proceeding relating thereto.

Article 10. Dispute Resolution

10.1 If any controversy or claim arises out of or relating to the Agreement, including but not limited to an alleged breach of the Agreement, Members are encouraged to first resolve the dispute amongst themselves through informal dispute resolution and then non-binding mediation if necessary. Members may agree on other escalating forms of dispute resolution. This provision does not waive any right of any party to file the claim in the appropriate court having Jurisdiction.

Article 11. Indemnification

11.1 Each Member (as "Indemnitor") agrees to indemnify, defend and hold harmless the other Member (as "Indemnitee") from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage (hereinafter collectively referred to as "claims"), but only to the extent that such claims both which (a) result in vicarious or derivative liability to the Indemnitee, and (b) are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees or volunteers. This indemnification shall survive termination of this Agreement or the termination of the participation of any of its Members. Except as otherwise provided in this paragraph 11.1, each Member will bear the risk of its own actions, as it does with its operations.

Article 12. Worker's Compensation Claims

12.1 Each Member is responsible for providing Workers' Compensation benefits and administering Workers' Compensation for its own personnel as it would in the normal course of business. Each Member will be responsible for any injuries which may occur to their own personnel during the course of rendering mutual assistance pursuant to this Agreement. A.R.S. §23-1022 shall apply where applicable.

Article 13. Notice of Claim or Suit

13.1 A Member who becomes aware of a claim or suit that in any way, directly or indirectly, contingently or otherwise, affects or might affect other Members of this Agreement will provide prompt and timely notice to the Members who may be affected by the suit or claim. Each Member reserves the right to participate in the defense of such claims or suits as necessary to protect its own interests.

Article 14. Insurance

14.1 Each Member will determine for itself what kinds of insurance, (including self-insurance), and in what amounts, it should carry. Nothing herein will act or be construed as a waiver of any sovereign immunity or other exemption or limitation on liability that a Member may enjoy.

Article 15. Effective Date

15.1 **Effective Date**. This Agreement will become effective for each Member upon the effective date set forth above or after approval by its Governing Body or Authorized Executive, whichever comes later.

15.2 Term. Except as otherwise provided in this Agreement, this Agreement will terminate June 30, 2030 unless extended. Upon termination any involved property shall revert to the original owner unless conveyed to another participant pursuant to the terms of this Agreement.

Article 16. Withdrawal

16.1 Any Member may terminate its participation in this Agreement through written instrument of its Governing Body or Authorized Executive which gives notice of termination of participation in this Agreement and providing a copy to the AZWARN Chairperson. This Agreement is terminated as to such Member twenty (20) days after the date received by the AZWARN Chair. The termination by one or more of the Members of its participation in this Agreement will not affect the operation of this Agreement as between the other Members thereto.

Article 17. Non-Appropriation

17.1 Notwithstanding any other provision in this Agreement, any Member may withdraw from this Agreement if for any reason the Member's Governing Body does not appropriate sufficient monies for the purposes of this Agreement. In such event, a withdrawing Member will have no further obligation to the other Members other than for payment for services rendered prior to withdrawal.

Article 18. Prohibition of Third Parties and Assignment of Rights and Duties

18.1 This Agreement is for the sole benefit of the Members and no person or entity may have any rights under this Agreement as a third-Member beneficiary. Assignments of benefits and delegations of duties created by this Agreement are prohibited.

18.2 Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties who are not Members or affect the legal liability of any Member by imposing any standard of care different from the standard of care imposed by law.

Article 19. Other Mutual Aid and Assistance Agreements

19.1 Nothing in this Agreement will limit any Member's ability to continue with, or enter into, other mutual aid or assistance agreements.

Article 20. Americans with Disabilities Act

20.1 Each Member will comply with applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.

Article 21. Non-Discrimination

21.1 No Member will discriminate against any employee, client, or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out Member duties pursuant to this Agreement. Each Member will comply with the provisions of Executive Order 2009-9, which is incorporated into this Agreement by reference, as if set forth in full herein.

Article 22. Compliance with Laws

22.1 Each Member will comply with all federal, state and local laws, rules regulations, standard and Executive Orders, without limitation to those designated within this Agreement. The laws and regulations of the State of Arizona will govern the rights of the Members, the performance of the Agreement and any disputes hereunder. Any changes in the governing laws, rules and regulations during the terms of this Agreement will apply but do not require an amendment of this Agreement. Unless preempted by applicable law, any Member entering this Agreement hereby certifies that it is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Israel as set forth in A.R.S. § 35-393.01; however, the District Court of Arizona recently enjoined A.R.S. § 35-393.01 and until such time as the Court's injunction is stayed or otherwise lifted, the Anti-Israel Boycott Provision is unenforceable and no signatory to this Agreement will take action to enforce it.

Article 23. Entire Agreement

23.1 This document constitutes the entire agreement among the Members pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Agreement will not be modified, amended, altered or extended except through a written amendment approved by the Members' Governing Bodies, or Authorized Executives.

Article 24. Jurisdiction

24.1 Nothing in this Agreement will be construed as otherwise limiting or extending the legal jurisdiction of any Member. Nothing in this Agreement is intended to confer any rights or remedies to any person or entity that is not a Member under this Agreement.

Article 25. Conflict of Interest

25.1 This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.

Article 26. Severability

26.1 If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions will continue to be valid and enforceable to the fullest extent permitted by law.

Article 27. Responsibility of the State of Arizona

27.1 Nothing within this Agreement limits or restricts the duties and obligations of the State of Arizona to respond to the Emergency of any Member.

MUTUAL AGREEMENT AMONG MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK

County Signature Page

______________________ COUNTY

IN WITNESS WHEREOF, the Members hereto each sign this Mutual Aid Agreement, among members of the Arizona Water and Wastewater Agency Response Network, on a separate signature page. The signor warrants that he or she has been duly authorized to commit the jurisdiction in the Agreement by formal approval of the jurisdiction's Governing Body.

__________________________________ Date:____________________________

Chair County Board of Supervisors

ATTEST:_________________________ Date:____________________________

Clerk of the Board

Date of formal approval Governing Body: _________________________

The attorney for the above entitled has determined that the foregoing Agreement is in proper form and is within the powers and authority of the entity as granted under the laws of the State.

_____________________________________ Date:_________________________

Deputy County Attorney

____________________County

MUTUAL AID AGREEMENT AMONG MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK
City Signature Page

City of ___________________

IN WITNESS WHEREOF, the Members hereto each sign this Mutual Aid Agreement, among members of the Arizona Water and Wastewater Agency Response Network, on a separate signature page. The signor warrants that he or she has been duly authorized to commit the jurisdiction in the Agreement by formal approval of the jurisdiction's Governing Body.

________________________________ Date:________________________
Mayor, City of____________________

ATTEST:________________________ Date:__________________________
City Clerk

Date of formal approval Governing Body: _______________________

The attorney for the above entitled has determined that the foregoing Agreement is in proper form and is within the powers and authority of the entity as granted under the laws of the State.

___________________________________ Date:_______________________
City Attorney

City of______________________________

MUTUAL AID AGREEMENT AMONG MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK
Town Signature Page

Town of ________________

IN WITNESS WHEREOF, the Members hereto each sign this Mutual Aid Agreement, among members of the Arizona Water and Wastewater Agency Response Network, on a separate signature page. The signor warrants that he or she has been duly authorized to commit the jurisdiction in the Agreement by formal approval of the jurisdiction's Governing Body.

______________________________ Date:______________________________
Mayor, Town of __________________

ATTEST:______________________ Date:______________________________
Town Clerk

Date of formal approval Governing Body: ______________________

The attorney for the above entitled has determined that the foregoing Agreement is in proper form and is within the powers and authority of the entity as granted under the laws of the State.

__________________________________ Date:______________________
Town Attorney

Town of ___________________________

MUTUAL AID AGREEMENT AMONG MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK
Political Subdivision Signature Page

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IN WITNESS WHEREOF, the Members hereto each sign this Mutual Aid Agreement, among members of the Arizona Water and Wastewater Agency Response Network, on a separate signature page. The signor warrants that he or she has been duly authorized to commit the jurisdiction in the Agreement by formal approval of the jurisdiction's Governing Body.

______________________________ Date:__________________________
______________, Board of Directors

ATTEST:_______________________ Date:__________________________
Clerk of the Board

Date of formal approval Governing Body: ______________________

The attorney for the above entitled has determined that the foregoing Agreement is in proper form and is within the powers and authority of a political subdivision under the laws of the State.

________________________________ Date:______________________
General Counsel

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MUTUAL AID AGREEMENT AMONG MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK
District Signature Page

______________________**District**

IN WITNESS WHEREOF, the Members hereto each sign this Mutual Aid Agreement, among members of the Arizona Water and Wastewater Agency Response Network, on a separate signature page. The signor warrants that he or she has been duly authorized to commit the jurisdiction in the Agreement by formal approval of the jurisdiction's Governing Body.

________________________________ Date:__________________________
Chairman, Board of Directors

ATTEST:________________________ Date:__________________________
Clerk of the Board

Date of formal approval Governing Body: _______________________

the attorney for the above entitled has determined that the foregoing Agreement is in proper form and is within the powers and authority of the entity as granted under the laws of the State.

__________________________________ Date:_______________________
General Counsel

________________________District

MUTUAL AID AGREEMENT AMONG MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK
Public Agency Signature Page

State of Arizona

IN WITNESS WHEREOF, the Members hereto each sign this Mutual Aid Agreement, among members of the Arizona Water and Wastewater Agency Response Network, on a separate signature page. The signor warrants that he or she has been duly authorized to commit the jurisdiction in the Agreement by formal approval of the jurisdiction's Governing Body.

______________________________ Date: ______________________
Director, Department of ________________

ATTEST: ______________________________ Date: ______________________
Deputy Director

Date of formal approval Governing Body: ______________________

The attorney for the above entitled has determined that the foregoing Agreement is in proper form and is within the powers and authority of the entity as granted under the laws of the State.

______________________________ Date: ______________________
Attorney General
State of Arizona

MUTUAL AID AGREEMENT AMONG MEMBERS OF THE ARIZONA WATER AND WASTEWATER AGENCY RESPONSE NETWORK
Private Water or Wastewater Utility

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IN WITNESS WHEREOF, the Members hereto each sign this Mutual Aid Agreement, among members of the Arizona Water and Wastewater Agency Response Network, on a separate signature page. The signor warrants that he or she has been duly authorized to commit the Utility in the Agreement by formal approval of the Utilities' Governing Body.

BY:________________________________ Date:________________________

Title: ______________________________

Category Number:
Item Number: 4

CITY COUNCIL AGENDA

SUBJECT:
Council Appointments to Regional and Local Boards, Commissions, and Committees

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Jessica Blazina, Intergovernmental Affairs Administrator, (623) 333-1612

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:
The Avondale City Council will consider appointments of the Mayor and Council to various regional and local boards and committees resulting from recent changes to the City Council. Council will evaluate current appointments and vacancies and make any necessary assignments to ensure the city is adequately represented.

BACKGROUND:
Regional and local representation on behalf of the City Council is beneficial to the City in maintaining a strong presence valley-wide. Serving on committees within the Maricopa Association of Governments (MAG), WESTMARC, the Arizona Municipal Water Users Association (AMWUA) and other regional organizations is paramount to the City staying abreast of regional initiatives. This allows the City of Avondale to maintain a regional presence and assures that the City's best interests are represented. In addition to the regional committees, the Council Subcommittees for Boards, Commissions and Committees Appointments and the Risk Management Trust Board also need to be filled.

As mentioned above, the Council will determine the appropriate representation for each of the following:

- Maricopa Association of Governments (MAG)
- WESTMARC
- Arizona Municipal Water Users Association (AMWUA)
- Council Subcommittee for Boards, Commissions and Committees Appointments (3 members)
- Risk Management Trust Board (1 member)

DISCUSSION:
After the recent city election, there have been changes in the make-up of the Council which has resulted in vacancies on various regional and local boards, commissions and committees. Staff will brief council regarding the current assignments and vacancies. Based on the information provided, Council will determine the appropriate representative to fill each of the vacancies and may make changes to current assignments as they deem appropriate.

BUDGET IMPACT:
There is no budgetary impact.

RECOMMENDATION:
The Council will determine the appropriate representation for each of the boards and committees.

ATTACHMENTS:
Description

Avondale Council Assignments

Avondale Council Assignments – Feb 2019

Boards/Committee	Meeting Frequency	Representative
Valley Metro RPTA Board of Directors	Monthly (3rd Thurs – 11 am)	Vice Mayor Dennis
AZ Municipal Water Users Assoc.	Monthly (4th Thurs – 11 am)	Vice Mayor Dennis
SW Valley Chamber of Commerce BOD	Monthly (2nd Wed – 7:30 am)	Councilmember Malone
Luke West Valley Council	Quarterly (3rd Thurs – 8:30 am)	Councilmember Kilgore
Maricopa County Human Services Commission	Monthly (4th Mon – 6:00 pm)	Councilmember Malone
WESTMARC Board of Directors	Monthly	
MAG Human Services Coordinating Comm.	Quarterly (4th Wed – 10 am)	Councilmember Pineda
MAG Economic Development Council	Monthly (1st Tues – 11:30 am)	Councilmember Pineda
Southwest Lending Closet	Monthly (2nd Monday – 9:00 am)	Vice Mayor Dennis

Boards/Committee	Meeting Frequency	Representative
Interfaith Council	Bi-Monthly (3rd Tues – 8:30 am)	Councilmember Conde

Subcommittee	Meeting Frequency	Representatives
Boards and Commissions	Approx. 2 meetings annually	Vice Mayor Dennis, Councilmembers Kilgore & Pineda
Contributions Assistance Program	Review meeting & Award Ceremony	Councilmembers Malone, Pineda, Sierra

Category Number:
Item Number: 5

CITY COUNCIL AGENDA

SUBJECT:	MEETING DATE:
Preliminary Plat Amendment - Verde Trails Unit I (Application PL-18-0229)	2/19/2019

TO:	Mayor and Council
FROM:	Tracy Stevens, Development & Engineering Services Director, (623) 333-4012
THROUGH:	Charles A. Montoya, City Manager, (623) 333-1016

REQUEST:	City Council will consider a request by Ms. Amy Weidman with Silver Fern Companies LLC, on behalf of property owner Evergreen-Hillcrest, LLC, to approve an amendment to the Preliminary Plat for Verde Trails Unit I, a proposed single-family residential subdivision located on approximately 213 acres at the southwest corner of 107th Avenue and Broadway Road.
PARCEL SIZE:	Approximately 213 Net Acres
LOCATION:	Southwest corner of 107th Avenue and Broadway Road (Exhibits A, B, & C)
APPLICANT:	Ms. Amy Weidman, Silver Fern Companies, LLC (480) 820-8590
OWNER:	Mr. Doug Leventhal, Evergreen-Hillcrest, LLC (602) 808-8600

BACKGROUND:

The subject property (Exhibits A & C), which is currently vacant and in agricultural use, is comprised of approximately 213 net acres generally located at the southwest corner of 107th Avenue and Broadway Road. The property is part of the larger 310-acre Verde Trails Planned Area Development (PAD) zoning, formerly known as Hillcrest, originally approved by City Council in 2007. Council approved a zoning amendment and Preliminary Plat in May and August 2018, respectively. The Preliminary Plat does not include the 97 acres of Verde Trails located south of Roeser Road since most of this land will be part of the future State Route 30 freeway.

The Verde Trails PAD and approved Preliminary Plat allocate several different land uses across the subject property, as follows:

- 95.1 acres; minimum 45' wide, 5,175 square foot standard single-family lots
- 55.0 acres; minimum 50' wide, 6,000 square foot standard single-family lots
- 19.9 acres; minimum 68' wide, 8,100 square foot standard single-family lots
- 16.2 acres; minimum 58' wide, 6,900 square foot standard single-family lots

- 14.8 acres; minimum 40’ wide, 2,200 square foot auto-court/cluster lots
- 6.6 acres for a commercial parcel
- 4.4 acres for the community’s central park

The PAD and approved Verde Trails Unit I Preliminary Plat reserved an approximately 16.1-acre site (i.e. “Parcel 7” at the southwest corner of 107th Avenue and Wier Avenue) for a Littleton Elementary School District (LESD) school site. The PAD also contained language that, in the event that LESD opted not to develop this site with a school, the developer would be allowed to develop the parcel with additional 45’ wide, 5,175 square foot single-family lots. LESD decided against developing a school on the site and entered into a donation agreement with the developer in lieu of providing the site to the district.

In total, the approved Preliminary Plat allowed for development of 675 detached single-family residential lots, excluding Parcel 6 (2,200 square foot cluster home lots to be planned at a later date) and Parcel 7 (for additional 5,175 square foot lots in lieu of the school site, as noted previously).

The majority of the subject property features a General Plan Land Use Map (Exhibit B) designation of Medium Density Residential (MDR). The MDR designation accommodates development of suburban detached single-family residential at a density range of 2.5 to 4.0 dwelling units per acre, and a target density of 2.5. The northeast corner of the site, located at the southwest corner of 107th Avenue and Broadway Road, is designated as Local Commercial. The Local Commercial designation provides for the daily needs of goods and services for people residing in surrounding areas, and may include retail, office, and service type uses. Lastly, the portion of the site surrounding the commercial parcel is designated High Density Residential (HDR). The HDR designation accommodates development of patio homes, apartments, condominiums, and/or townhomes at a density of 12 to 30 dwelling units per acre. The property’s approved Planned Area Development (PAD) zoning supersedes the current General Plan designations that are applied to the site.

Directly south of the subject property is the Terra Mobile Ranchettes community, an 83-lot single-family residential subdivision located in the City of Avondale and zoned Manufactured Home Park (MH). The property is surrounded on the north and west by properties located in unincorporated Maricopa County and on the east by properties located either within the City of Phoenix or unincorporated Maricopa County. Existing land uses on these sides are mostly rural in nature and include a combination of large scale agricultural/farming operations and large lot single-family residences with livestock privileges. The approximately 35 acres located west of the northwest corner of Unit I is the proposed Verde Trails Unit II site, currently located in Maricopa County and in process for annexation and rezoning. The Verde Trails Unit II will further expand the overall Verde Trails development by providing for approximately 146 additional single-family detached lots and open space amenities that are fully integrated with Verde Trails Unit I.

SUMMARY OF REQUEST:

On behalf of property owner Evergreen-Hillcrest LLC, the applicant is requesting approval of an amendment to the approved Verde Trails Unit I Preliminary Plat (Exhibits E, F, & G). The purpose of the amendment is to improve both pedestrian and vehicular connectivity between the residential lots approved as part of the Verde Trails Unit I Preliminary Plat and new lots being planned adjacent to the Unit I site.

As previously noted, LESD is not pursuing development of an elementary school on Verde Trails Unit I Parcel 7. The approved Verde Trails PAD zoning allows for Parcel 7 to be platted with additional 5,175 square foot (45’x115’) lots to accommodate development of detached single-family residential lots. A Preliminary Plat is being processed to allow 70 additional lots on Parcel 7. This proposed amendment to the Unit I Preliminary Plat is needed to allow for a street and sidewalk connection between the approved Verde Trails Unit I Parcel 8 and the planned Verde Trails Unit I Parcel 7. Specifically, the proposed amendment eliminates one lot in Parcel 8 to allow a new Bloch Road extension east into Parcel 7.

As also noted above, the developer of Verde Trails Unit I is pursuing annexation and rezoning for a 35-acre property abutting the northwest corner of the Verde Trails I development, a property that is being called Verde Trails Unit II. Approval of the Verde Trails II PAD zoning will allow for expansion of the overall Verde Trails development by allowing an additional 146 single-family homes. The proposed Unit I amendment reconfigures 111th Lane, previously planned as a cul-du-sac, into a through street and sidewalk that will connect to Wier Avenue and ultimately into the Unit II development. Lots in the vicinity of this new connection have been reconfigured and an additional lot has been added in order to recapture the lot that was lost in Parcel 8.

Except as noted above, no additional modifications to the approved Verde Trails Unit I Preliminary Plat are proposed as part of this amendment. The total lot count remains the same as previously approved (675 lots) and lots outside of Parcels 8 and 11 are entirely unaffected.

PARTICIPATION:

Preliminary Plats are not public hearing items; thus, no public notifications are required. However, as is the City's policy, all property owners within 1,000 feet of the project boundaries were notified that the proposed development was in for City review. No residents contacted Staff regarding the proposed Preliminary Plat Amendment.

PLANNING COMMISSION ACTION:

The Planning Commission reviewed this item on January 17, 2019 and voted 6-0 to recommend approval of the Preliminary Plat amendment subject to the following two (2) Staff recommended conditions of approval:

1. The Preliminary Plat for Verde Trails Unit I shall be amended to improve vehicular and pedestrian connectivity as reflected in the following documents:

a. The Verde Trails Preliminary Plat amendment to Parcels 8 and 11, date stamped November 12, 2018 and attached to Staff Report, Exhibit F.

b. The Verde Trails Preliminary Landscape/Open Space Plan amendment, date stamped November 12, 2018 and attached to Staff Report, Exhibit G.

2. All conditions of the August 13, 2018 City Council approval of the Verde Trails Unit I Preliminary Plat (Application PL-18-0083) shall remain in full force and effect, except as modified by this amendment.

The Commission had no questions or comments on the item. There was no comment on the proposal from members of the audience.

ANALYSIS:

The purpose of the proposed amendment is to increase both vehicular and pedestrian connectivity within the community, a key goal of both the General Plan 2030 and Single-Family Residential Design Manual. While some adjustments to lot and open space tract configurations are necessary to accommodate the proposed new street and sidewalk connections, both the total lot count and usable open space within the community remains consistent with the previous approval. The result is a community that will be more safely connected, reducing the need for future residents to travel circuitous routes in order to reach destinations within other parts of the

Verde Trails master development. Furthermore, the proposed amendment is in conformance with the Verde Trails PAD, the Subdivision Ordinance, and the Zoning Ordinance.

Certificates of Adequate School Facilities

The property is in the catchment areas of the Littleton Elementary School District and the Tolleson Union High School District.

The LESD no longer assigns students to particular elementary schools based upon geographical location. As such, elementary age students living in the future Verde Trails development will have the opportunity to choose which school they will attend within the LESD system. Quentin Elementary School, generally located at the northwest corner of 107th Avenue and Lower Buckeye Road, is geographically closest to the Verde Trails property. High school aged students will attend La Joya Community High School located at the southwest corner of Avondale Boulevard and Durango Street.

Both the LESD and TUHSD have provided the City with signed certificates (Exhibit H). Dr. Roger Freeman, Superintendent for the LESD, has indicated that LESD does not have existing capacity but that a "donation agreement is in place to mitigate the impact of added enrollment." Mr. Jeremy Calles, Chief Financial Officer for the TUHSD, indicates that TUHSD has adequate school facilities to accommodate the projected number of new students within the school district's attendance area that will be generated by the proposed development.

STRATEGIC PLAN:

INITIATIVE: Foster sustainable community development

- STRATEGIC GOAL: Maintain and expand quality infrastructure and improve connectivity to City amenities.

INITIATIVE: Foster sustainable community development

- STRATEGIC GOAL: Maintain community safety for businesses and residents.

FINDINGS:

1. The proposed Preliminary Plat amendment is in conformance with the Verde Trails PAD (Planned Area Development) zoning.
2. The proposed Preliminary Plat amendment is in conformance with the City of Avondale Zoning Ordinance, Subdivision Regulations, and Single-Family Residential Design Manual.
3. The proposal achieves City objectives related to vehicular and pedestrian connectivity.

RECOMMENDATION:
Staff recommends Council **APPROVE** Application PL-18-0229, a request for an amendment to the Verde Trails Unit I Preliminary Plat, subject to the following two (2) conditions of approval:

1. The Preliminary Plat for Verde Trails Unit I shall be amended to improve vehicular and pedestrian connectivity as reflected in the following documents:
a. The Verde Trails Preliminary Plat amendment to Parcels 8 and 11, date stamped November 12, 2018 and attached to Staff Report, Exhibit F.
b. The Verde Trails Preliminary Landscape/Open Space Plan amendment, date stamped November 12, 2018 and attached to Staff Report, Exhibit G.

2. All conditions of the August 13, 2018 City Council approval of the Verde Trails Unit I Preliminary Plat (Application PL-18-0083) shall remain in full force and effect, except as modified by this amendment.

PROPOSED MOTION:

I move that City Council accept the findings and **APPROVE** Application PL-18-0229, a request for an amendment to the Verde Trails Unit I Preliminary Plat, subject to two (2) conditions as outlined in the Staff report.

ATTACHMENTS:

Description

Exhibit List

PROJECT MANAGER

Ken Galica, Division Lead Planner (623) 333-4019

(Verde Trails Unit I Preliminary Plat Amendment – PL-18-0229)

Please click on the link below to view the
documents associated with this Council Report.

EXHIBIT A – AERIAL PHOTOGRAPH

https://www.avondaleaz.gov/Home/ShowDocument?id=12186

EXHIBIT B – GENERAL PLAN LAND USE MAP

https://www.avondaleaz.gov/Home/ShowDocument?id=12188

EXHIBIT C – ZONING VICINITY MAP

https://www.avondaleaz.gov/Home/ShowDocument?id=12190

EXHIBIT D – SUMMARY OF RELATED FACTS

https://www.avondaleaz.gov/Home/ShowDocument?id=12192

EXHIBIT E – PRELIMINARY PLAT AMENDMENT NARRATIVE

https://www.avondaleaz.gov/Home/ShowDocument?id=12194

EXHIBIT F – PROPOSED AMENDED PRELIMINARY PLAT

https://www.avondaleaz.gov/Home/ShowDocument?id=12196

EXHIBIT G – PROPOSED AMENDED LANDSCAPE & OPEN SPACE PLAN

https://www.avondaleaz.gov/Home/ShowDocument?id=12198

EXHIBIT H – CERTIFICATES OF ADEQUATE SCHOOL FACILITIES

https://www.avondaleaz.gov/Home/ShowDocument?id=12200

Category Number:
Item Number: 6

CITY COUNCIL AGENDA

SUBJECT:
Preliminary Plat - Verde Trails Unit I Parcel 7 (Application PL-18-0230)

MEETING DATE:
2/19/2019

TO:	Mayor and Council
FROM:	Tracy Stevens, Development & Engineering Services Director (623) 333-4012
THROUGH:	Charles A. Montoya, City Manager (623) 333-1016

REQUEST:	City Council will consider a request by Ms. Amy Weidman with Silver Fern Companies LLC, on behalf of property owner Evergreen-Hillcrest, LLC, to approve a Preliminary Plat for Verde Trails Unit I Parcel 7, a proposed 70-lot single-family subdivision on approximately 16.1 acres located south of the southwest corner of 107th Avenue and Broadway Road.
PARCEL SIZE:	Approximately 16.1 Net Acres
LOCATION:	South of the southwest corner of 107th Avenue and Broadway Road (Exhibits A, B, & C)
APPLICANT:	Ms. Amy Weidman, Silver Fern Companies, LLC (480) 820-8590
OWNER:	Mr. Doug Leventhal, Evergreen-Hillcrest, LLC (602) 808-8600

BACKGROUND:

The subject property (Exhibits A & C), which is currently vacant and in agricultural use, is comprised of approximately 16.1 net acres generally located south of the southwest corner of 107th Avenue and Broadway Road. The property is part of the larger 310-acre Verde Trails Planned Area Development (PAD), formerly known as Hillcrest, originally approved by the City Council in 2007, and amended by action of the City Council on May 21, 2018. A Preliminary Plat for Verde Trails Unit I, in conformance with the approved PAD zoning, was approved by City Council in August 2018. Per the approved Preliminary Plat, the subject property is known as Verde Trails Unit I Parcel 7.

The PAD zoning and approved Verde Trails Unit I Preliminary Plat reserved Parcel 7 for a future Littleton Elementary School District (LESD) school site. However, the PAD also contained language that, if LESD opted not to develop this site with a school, the developer would be allowed to develop the parcel with additional 45’ wide, 5,175 square foot single-family lots. LESD decided not to develop a school on the site and entered into a donation agreement with the developer in lieu of providing the site to the district. Since LESD will not be constructing a school on the property, the applicant is proposing a Preliminary Plat for Parcel 7 to develop the site with additional single-family residential lots as allowed by the PAD zoning.

The majority of the subject property features a General Plan Land Use Map (Exhibit B) designation of Medium Density Residential (MDR). The MDR designation accommodates development of suburban detached single-family residential at a density range of 2.5 to 4.0 dwelling units per acre, and a target density of 2.5. The northern quarter of the 16.1-acre property is designated High Density Residential (HDR). The HDR designation accommodates development of patio homes, apartments, condominiums, and/or townhomes at a density of 12 to 30 dwelling units per acre. The property's approved Planned Area Development (PAD) zoning supersedes the current General Plan designations that are applied to the site allowing for development of the entire property with detached single-family residences.

The subject site is surrounded on two sides by other parcels within the Verde Trails Unit I master planned community. To the north, across the alignment of Wier Avenue, Verde Trails Unit I Parcel 6 will accommodate future development of high-density single-family homes, such as cluster homes, on minimum 2,200 square foot lots. Directly west, Verde Trails Unit I Parcel 8 will be comprised of 99 single-family lots with a minimum area of 6,000 square feet (50'x120'), along with open space amenities for residents within the community.

South of the subject property is Terra Mobile Ranchettes, a fully developed 83-lot single-family residential manufactured home community zoned Manufactured Home Park (MH). Properties to the east, across 107th Avenue, are located within the jurisdiction of the City of Phoenix or Maricopa County and are predominantly used for farming.

SUMMARY OF REQUEST:

On behalf of property owner Evergreen-Hillcrest LLC, the applicant is requesting approval of a Preliminary Plat (Exhibits E & F) to allow for development of Parcel 7 with 70 lots featuring a minimum lot area of 5,175 square feet (45'x115'). Rear lot lines of lots backing to 107th Avenue are staggered at regular intervals to create movement in the community's theme wall and add to the aesthetic of the streetscape.

Parcel 7 will feature access from Wier Avenue, the collector roadway that will serve all of Verde Trails. Additionally, a local street connection into Verde Trails Unit I Parcel 8, via Bloch Road, is proposed pending approval of the Preliminary Plat Amendment considered separately this evening.

In addition to the 70 lots noted above, common open space and landscape areas will be provided in Parcel 7 totaling approximately 3.4 acres or 20.9 percent. Tract D, a 0.6-acre open space tract, will feature a large turfed open play area and open-air outdoor chess tables, adding another unique amenity to the overall master development that already will feature a large central park and a multitude of themed parkettes throughout. Future residents of Parcel 7 will have access to all amenities contained within the full master planned development and vice versa.

PARTICIPATION:

Preliminary Plats are not public hearing items; thus, no public notifications are required. However, as is the City's policy, all property owners within 1,000 feet of the project boundaries were notified that the proposed development was in for City review. No residents contacted Staff regarding the proposed Preliminary Plat Amendment.

PLANNING COMMISSION ACTION:

The Planning Commission reviewed this item on January 17, 2019 and voted 6-0 to recommend approval of the Preliminary Plat subject to the following four (4) staff recommended conditions of approval:

1. Development of Verde Trails Unit I Parcel 7 shall conform to the following documents, except as modified by these conditions of approval:

    a. The Verde Trails Unit I Parcel 7 Preliminary Plat narrative date stamped November 14, 2018 and attached as Staff report Exhibit E.

    b. The Verde Trails Unit I Parcel 7 Preliminary Plat date stamped December 18, 2018 and attached as Staff report Exhibit F.

    c. The Verde Trails Conceptual Landscape, Amenity, and Wall Plan date stamped December 11, 2018 and attached as Staff report Exhibit G.

2. In accordance with the City of Avondale Subdivision Regulations, approval of the Preliminary Plat shall expire in two (2) years from the date of approval unless a Final Plat has been approved and recorded.

3. Development shall be completed in accordance with the City of Avondale General Engineering Requirements (GER) Manual and the City of Avondale Supplement to the MAG Uniform Standard Specifications and Details.

4. To the extent allowed by law, all Type 1 and Irrigation Grandfathered Groundwater Rights shall be properly extinguished, and the resulting Assured Water Supply credits pledged to the City of Avondale's account at the Arizona Department of Water Resources prior to recordation of the Final Plat.

The Commission had the following questions or comments for staff or the applicant regarding the proposal:

- Vice Chairwoman Amos asked where the State Route 30 alignment was in comparison to the subject parcel. Staff used an aerial photograph to denote the anticipated alignment south of the Terra Ranchettes property.

- Chairman Van Leuven asked where children within the proposed development would be attending elementary school. Staff explained that Littleton Elementary School District is a "school of choice" district, meaning that students are not assigned to particular schools and are instead able to select which elementary school within the district they wish to attend based on the various special services a school provides. The nearest district school to the Verde Trails site is Quentin Elementary School, located in the Sanctuary subdivision at the northwest corner of Lower Buckeye Road and 107th Avenue.

No members of the audience commented on the proposal.

ANALYSIS:

The proposed Preliminary Plat is in conformance with the Verde Trails PAD zoning as well as the City's Subdivision Ordinance, Zoning Ordinance and Single-Family Residential Design Manual. The 70 lots proposed will join the 675 previously approved single-family residential lots to create a 745-lot single-family residential subdivision (creating 891 total lots in conjunction with Verde Trails Unit II).

The planned 45’x115’ lots adhere to the requirements of the Verde Trails PAD and will result in development of a community consistent with the desired character for development in the General Plan’s Medium Density Residential land use category.

Open space proposed for the development (21 percent) exceeds PAD requirements. The proposed open space, which includes a half-acre parkette, combines with the open spaces provided in the remainder of Verde Trails Unit I to provide a significant variety of amenities in order to encourage multi-generational use. A trail along the south edge of the property is provided, continuing the trail provided in Parcel 8 directly to the west and parcels beyond. Residents of Verde Trails Parcel 7 will have full access to the amenities in other portions of Verde Trails. All trails and amenity areas noted above feature pedestrian- scale lighting to encourage evening use. Landscape themes, wall designs, entry monuments, and all site furnishings will match other portions of Verde Trails to create a seamless aesthetic throughout the entirety of the master planned community. All open space within the development will be owned and maintained by the future Verde Trails HOA.

The development will be served by public streets. Access to Parcel 7 will be from Wier Avenue, the primary collector street serving the Verde Trails master planned community. A secondary access point into Parcel 7 is provided via Bloch Road, connecting into Verde Trails Unit I Parcel 8 (pending approval of the separate Preliminary Plat Amendment). All water, sewer and street improvements required for the new development will be completed by the developer unless otherwise specified in the Development Agreement.

Floor plans and elevations for single-family house product will require City administrative approval. As with all new residential development, the City will expect any proposed products to meet requirements of the PAD and the City’s Design Manual to ensure variety, reduce garage dominance and create visually interesting streetscapes.

Certificates of Adequate School Facilities

The property is in the service areas of the Littleton Elementary School District and the Tolleson Union High School District (TUHSD).

The LESD no longer assigns students to elementary schools based upon geographical location. As such, elementary age students living in the future Verde Trails development will have the opportunity to choose which school they will attend within the LESD system. Quentin Elementary School, generally located at the northwest corner of 107th Avenue and Lower Buckeye Road, is geographically closest to the Verde Trails property. High school aged students will attend La Joya Community High School located at the southwest corner of Avondale Boulevard and Durango Street.

Both the LESD and TUHSD have provided the City with signed certificates (Exhibit H). Dr. Roger Freeman, Superintendent for the LESD, has indicated that LESD does not have existing capacity but that a “donation agreement is in place to mitigate the impact of added enrollment.” It should also be noted that LESD had the option, but declined, to purchase Parcel 7 to construct a new elementary school within the Verde Trails community. Mr. Jeremy Calles, Chief Financial Officer for the TUHSD, indicates that TUHSD has adequate school facilities to accommodate the projected number of new students within the school district’s attendance area that will be generated by the proposed development.

STRATEGIC PLAN:

INITIATIVE: Foster sustainable community development

- STRATEGIC GOAL: Encourage build-out in residential housing opportunities that support diverse housing options.

INITIATIVE: Create and support diverse recreation and education opportunities

- STRATEGIC GOAL: Provide multi-generational recreation events and programs.

FINDINGS:

1. The proposed Preliminary Plat is in conformance with the Verde Trails PAD (Planned Area Development).
2. The proposed Preliminary Plat is in conformance with the City of Avondale Zoning Ordinance, Subdivision Regulations, and Single-Family Residential Design Manual.

RECOMMENDATION:

Staff recommends City Council **APPROVE** Application PL-18-0230, a request for Preliminary Plat approval for the proposed 70-lot Verde Trails Unit I Parcel 7 subdivision, subject to the following four (4) conditions of approval:

1. Development of Verde Trails Unit I Parcel 7 shall conform to the following documents, except as modified by these conditions of approval:

   a. The Verde Trails Unit I Parcel 7 Preliminary Plat narrative date stamped November 14, 2018 and attached as Staff report Exhibit E.

   b. The Verde Trails Unit I Parcel 7 Preliminary Plat date stamped December 18, 2018 and attached as Staff report Exhibit F.

   c. The Verde Trails Conceptual Landscape, Amenity, and Wall Plan date stamped December 11, 2018 and attached as Staff report Exhibit G.

2. In accordance with the City of Avondale Subdivision Regulations, approval of the Preliminary Plat shall expire in two (2) years from the date of approval unless a Final Plat has been approved and recorded.

3. Development shall be completed in accordance with the City of Avondale General Engineering Requirements (GER) Manual and the City of Avondale Supplement to the MAG Uniform Standard Specifications and Details.

4. To the extent allowed by law, all Type 1 and Irrigation Grandfathered Groundwater Rights shall be properly extinguished, and the resulting Assured Water Supply credits pledged to the City of Avondale's account at the Arizona Department of Water Resources prior to recordation of the Final Plat.

PROPOSED MOTION:

I move that City Council accept the findings and APPROVE Application PL-18-0230, a request for Preliminary Plat approval for the proposed 70-lot Verde Trails Unit I Parcel 7 subdivision, subject to four (4) conditions as outlined in the staff report.

ATTACHMENTS:

Description

Exhibit List

PROJECT MANAGER

Ken Galica, Division Lead Planner (623) 333-4019

(Verde Trails Unit I PARCEL 7 Preliminary Plat – PL-18-0230)

Please click on the link below to view the documents associated with this Council Report.

EXHIBIT A – AERIAL PHOTOGRAPH

https://www.avondaleaz.gov/Home/ShowDocument?id=12212

EXHIBIT B – GENERAL PLAN LAND USE MAP

https://www.avondaleaz.gov/Home/ShowDocument?id=12202

EXHIBIT C – ZONING VICINITY MAP

https://www.avondaleaz.gov/Home/ShowDocument?id=12214

EXHIBIT D – SUMMARY OF RELATED FACTS

https://www.avondaleaz.gov/Home/ShowDocument?id=12216

EXHIBIT E – PRELIMINARY PLAT NARRATIVE

https://www.avondaleaz.gov/Home/ShowDocument?id=12204

EXHIBIT F – PROPOSED PRELIMINARY PLAT

https://www.avondaleaz.gov/Home/ShowDocument?id=12206

EXHIBIT G – PROPOSED LANDSCAPE & OPEN SPACE PLAN

https://www.avondaleaz.gov/Home/ShowDocument?id=12208

EXHIBIT H – CERTIFICATES OF ADEQUATE SCHOOL FACILITIES

https://www.avondaleaz.gov/Home/ShowDocument?id=12210

Category Number:
Item Number: 7

CITY COUNCIL AGENDA

SUBJECT: Preliminary Plat - Verde Trails Unit II (Application PL-18-0268)	**MEETING DATE:** 2/19/2019

TO:	Mayor and Council
FROM:	Tracy Stevens, Development & Engineering Services Director (623) 333-4012
THROUGH:	Charles A. Montoya, City Manager (623) 333-1011

REQUEST:	City Council will consider a request by Ms. Carolyn Oberholtzer with Bergin, Frakes, Smalley, & Oberholtzer PLLC, on behalf of property owner Tobin Living Trust, to approve a Preliminary Plat for Verde Trails Unit II, a proposed 146-lot single-family subdivision on approximately 35.5 acres located 1/4 mile east of the southeast corner of Avondale Boulevard and Broadway Road.
PARCEL SIZE:	Approximately 35.5 net acres
LOCATION:	Approximately 1/4 mile east of the southeast corner of Avondale Boulevard and Broadway Road (Exhibits A, B, & C)
APPLICANT:	Ms. Carolyn Oberholtzer, Bergin, Frakes, Smalley, and Oberholtzer, PLLC (602) 888-7860
OWNER:	Tobin Living Trust

BACKGROUND:

The 35.5 net acre subject property is located approximately one-quarter (1/4) mile east of the southeast corner of Avondale Boulevard and Broadway Road (Exhibit A). The property is currently in the jurisdiction of Maricopa County and zoned RU-43 (Rural-43), Exhibit C. The site is undeveloped and currently used for farming.

The process of annexing the subject property into the City of Avondale is underway. City Council approved proceeding with annexation on November 19, 2018. A public hearing for the proposed annexation was held during January 14, 2019 City Council meeting, with final approval expected to occur by adoption of an Ordinance at the Council’s February 4, 2019 meeting. Upon annexation, the property will be eligible for City water, sewer, police, and fire services. An application to rezone the property to Planned Area Development is scheduled to be heard by the Council on February 4, 2019 immediately following the annexation of the property.

The property is designated by the General Plan 2030 Land Use Map (Exhibit B) as Medium Density Residential (MDR). The MDR designation accommodates development of suburban detached single-family residential within a density range of 2.5 to 4.0 dwelling units per acre, with a target density of 2.5. Because the proposed Verde Trails II PAD and Preliminary Plat will accommodate a single-family residential community with a density of 3.7 units per acre, no General Plan Amendment is necessary to process this Preliminary Plat request.

The property is surrounded on the south and east by Verde Trails Unit I, an approved master planned community zoned PAD. Verde Trails Unit I is comprised of 745 single-family residential lots (pending approval of a Preliminary Plat for Parcel 7 being considered separately), a 6.6-acre commercial site at the southwest corner of 107th Avenue and Broadway Road, and a 14.8-acre parcel south of the southwest corner of 107th Avenue and Broadway Road reserved for future development of a single-family "cluster-home" type product. The master developer of Verde Trails Unit I, Harvard Investments, will also be the developer of Verde Trails Unit II.

Properties to the north, across Broadway Road, and to the west, are unincorporated and zoned Maricopa County Rural-43. The majority of the properties to the north are over 1-acre in area and developed with single-family residential homes and related accessory structures. Properties to the west are used for a mix of agricultural/farming and large lot, rural residential uses.

SUMMARY OF REQUEST:

On behalf of property owner Tobin Living Trust, the applicant is requesting approval of a Preliminary Plat (Exhibits E & F) to allow for development of the Verde Trails Unit II property with 146 single-family residential lots. The community is designed to be fully integrated into the Verde Trails master planned community, with pedestrian and vehicular connectivity provided so that there are no distinguishing breaks between the previously approved Verde Trails I and proposed Verde Trails II sections. The proposed Preliminary Plat (Exhibit F) includes four lot types:

- 78 lots with a minimum area of 5,750 square feet, featuring minimum widths of 50' and minimum depths of 115'
- 68 lots with a minimum area of 6,325 square feet, featuring minimum widths of 55' and minimum depths of 115'

Verde Trails Unit II will feature access from the arterial Broadway Road to the north as well as from Wier Avenue, a new collector street to be constructed immediately to the south. Minimum landscape setbacks of 30' from Broadway Road and 15' from Wier Avenue will be provided to enhance the streetscape and buffer lots that back up to these roadways. Furthermore, rear lot lines of lots backing to Broadway Road are staggered at regular intervals to create movement in the community's theme wall and add to the aesthetic of the streetscape. The developer will be responsible for the construction of all water, sewer, and street infrastructure needed to serve the planned development.

A Landscape, Amenity, and Wall Plan is included with this application (Exhibit G). A total of 6.84 acres of open space is provided, equating to approximately 19 percent of the site area, exceeding Zoning Ordinance requirements and meeting PAD requirements. A significant portion of this open space takes the form of usable, amenitized/programmed open space that connects to other planned open spaces in Verde Trails I by a series of trails that crisscross the planned community. Foremost among the open spaces planned in Verde Trails II is a 1.3-acre parkette that will feature turf areas for open play, shaded picnic tables, benches, grills, and playground equipment such as swing sets, tetherball stations, and other accessories. Future residents of Unit II will have access to all amenities contained within the full Verde Trails master planned development (and vice versa); a common HOA will maintain amenities across the full project boundary.

PARTICIPATION:

Preliminary Plats are not public hearing items; thus, no public notifications are required. However, as is the City's policy, all property owners within 1,000 feet of the project boundaries were notified that the proposed development was in for City review. No residents contacted Staff regarding the proposed Preliminary Plat Amendment.

PLANNING COMMISSION ACTION:

The Planning Commission reviewed this item on January 17, 2019 and voted 6-0 to recommend approval of the Preliminary Plat subject to the following five (5) Staff recommended conditions of approval:

1. Development of Verde Trails Unit II shall conform to the following documents, except as modified by these conditions of approval:

a. The Verde Trails Unit II Preliminary Plat narrative date stamped November 14, 2018 and attached as Staff report Exhibit E.

b. The Verde Trails Unit II Preliminary Plat date stamped December 18, 2018 and attached as Staff report Exhibit F.

c. The Verde Trails Conceptual Landscape, Amenity, and Wall Plan date stamped December 10, 2018 and attached as Staff report Exhibit G.

2. In accordance with the City of Avondale Subdivision Regulations, approval of the Preliminary Plat shall expire in two (2) years from the date of approval unless a Final Plat has been approved and recorded.

3. Development shall be completed in accordance with the City of Avondale General Engineering Requirements (GER) Manual and the City of Avondale Supplement to the MAG Uniform Standard Specifications and Details.

4. To the extent allowed by law, all Type 1 and Irrigation Grandfathered Groundwater Rights shall be properly extinguished, and the resulting Assured Water Supply credits pledged to the City of Avondale's account at the Arizona Department of Water Resources prior to recordation of the Final Plat.

5. In the event that Verde Trails II develops prior to Wier Avenue being constructed with Verde Trails I, a secondary access into the development will be required in accordance with Fire Code requirements.

The Commission had the following questions or comments for Staff or the applicant regarding the proposal:

- Commissioner Warren inquired about the nearest police and fire stations to the Verde Trails II site. Staff responded that the nearest fire station is located at the northwest corner of Avondale Boulevard and Durango Street a little over 1.5 miles northwest of the property. The nearest police station is located at the Civic Center campus about 2.5 miles northwest. The Alamar (formerly Lakin Ranch) development will include a future public safety site for both police and fire and when that joint facility is built, it will then be the closest.

No members of the audience commented on the proposal.

ANALYSIS:

The proposed Preliminary Plat is in conformance with the proposed Verde Trails II PAD schedule for Council approval on February 4, 2019, as well as the City's Subdivision Ordinance, Zoning Ordinance, and Single-Family Residential Design Manual. The 146 lots proposed will join the 675 previously approved Verde Trails I single-family residential lots to create an 821-lot single-family residential subdivision (891 lots with approval of the Preliminary Plat for Verde Trails Unit I Parcel 7).

The planned 50'x115' and 55'x115' lots adhere to the requirements of the Verde Trails II PAD and will result in development of a community consistent with the desired character for development in the General Plan's Medium Density Residential land use category.

Open space proposed for the development (19 percent) meets PAD zoning requirements. The proposed open space, which includes a 1.3-acre parkette, in conjunction with the open spaces provided in the remainder of Verde Trails Unit I, provide a significant variety of amenities in order to encourage multi-generational use. A north/south trail corridor runs through the site to provide safe pedestrian and cyclist connections to the approved trail system in Verde Trails Unit I Parcel 11, and beyond. Residents of Unit II will have full access to the amenities in other portions of the full Verde Trails community. All trails and amenity areas noted above feature pedestrian-scale lighting to encourage evening use. Landscape themes, wall designs, entry monuments, and all site furnishings will match other portions of Verde Trails to create a seamless aesthetic throughout the entirety of the master planned community. All open space within the development will be owned and maintained by the future Verde Trails HOA.

The development will be served by public streets. Access to Unit II will be from Broadway Road, an arterial street located immediately north of the property. Secondary access to the site will come from Wier Avenue, the primary collector street serving the Verde Trails master planned community. All water, sewer and street improvements required for the new development will be completed by the developer.

Floor plans and elevations for single-family house products in the development will require City administrative approval. As with all new residential development, the City will expect any proposed housing product to meet requirements of the PAD and the City's Design Manual to ensure variety, reduce garage dominance, and create visually interesting streetscapes.

Certificates of Adequate School Facilities

The property is in the service areas of the Littleton Elementary School District (LESD) and the Tolleson Union High School District (TUHSD).

The LESD no longer assigns students to elementary schools based upon geographical location. As such, elementary age students living in the future Verde Trails development will have the opportunity to choose which school they will attend within the LESD system. Quentin Elementary, generally located at the northwest corner of Lower Buckeye Road and 107th Avenue within the Sanctuary neighborhood, is geographically closest to the Verde Trails property. High school aged students will attend La Joya Community High School located at the southwest corner of Avondale Boulevard and Durango Street.

LESD has indicated that they do not have adequate capacity to accommodate the future enrollment generated by this development but that the developer and District have entered into a donation agreement to assist the District in providing that additional capacity. The District also indicated that they do not desire a school site on the subject property.

TUHSD has provided the City with a Certificate of Adequate School Facilities signed by Superintendent Nora Gutierrez stating that the district has adequate capacity and no school site within the development is needed.

The signed certificates from LESD and TUHSD are included for reference (Exhibit H).

STRATEGIC PLAN:

INITIATIVE: Foster sustainable community development

- STRATEGIC GOAL: Encourage build-out in residential housing opportunities that support diverse housing options.

INITIATIVE: Create and support diverse recreation and education opportunities

- STRATEGIC GOAL: Provide multi-generational recreation events and programs.

FINDINGS:

1. The proposed Preliminary Plat is in conformance with the proposed Verde Trails II PAD (Planned Area Development) scheduled for Council approval on February 4, 2019.
2. The proposed Preliminary Plat is in conformance with the City of Avondale Zoning Ordinance, Subdivision Regulations, and Single-Family Residential Design Manual.
3. The proposal achieves City objectives related to provision of open space, trails, and parks.

RECOMMENDATION:

Staff recommends City Council **APPROVE** Application PL-18-0268, a request for Preliminary Plat approval for the proposed 146-lot Verde Trails Unit II subdivision, subject to the following five (5) conditions of approval:

1. Development of Verde Trails Unit II shall conform to the following documents, except as modified by these conditions of approval:

a. The Verde Trails Unit II Preliminary Plat narrative date stamped November 14, 2018 and attached as Staff report Exhibit E.

b. The Verde Trails Unit II Preliminary Plat date stamped December 18, 2018 and attached as Staff report Exhibit F.

c. The Verde Trails Conceptual Landscape, Amenity, and Wall Plan date stamped December 10, 2018 and attached as Staff report Exhibit G.

2. In accordance with the City of Avondale Subdivision Regulations, approval of the Preliminary Plat shall expire in two (2)years from the date of approval unless a Final Plat has been approved and recorded.

3. Development shall be completed in accordance with the City of Avondale General Engineering Requirements (GER) Manual and the City of Avondale Supplement to the MAG Uniform Standard Specifications and Details.

4. To the extent allowed by law, all Type 1 and Irrigation Grandfathered Groundwater Rights shall be properly extinguished, and the resulting Assured Water Supply credits pledged to the

City of Avondale's account at the Arizona Department of Water Resources prior to recordation of the Final Plat.

5. In the event that Verde Trails II develops prior to Wier Avenue being constructed with Verde Trails I, a secondary access into the development will be required in accordance with Fire Code requirements.

PROPOSED MOTION:

I move that City Council accept the findings and **APPROVE** Application PL-18-0268, a request for Preliminary Plat approval for the proposed 146-lot Verde Trails Unit II subdivision, subject to five (5) conditions as outlined in the Staff report.

ATTACHMENTS:

Description

Exhibit List

PROJECT MANAGER

Ken Galica, Division Lead Planner (623) 333-4019

(Verde Trails Unit II Preliminary Plat – PL-18-0268)

Please click on the link below to view the
documents associated with this Council Report.

EXHIBIT A – AERIAL PHOTOGRAPH

https://www.avondaleaz.gov/Home/ShowDocument?id=12218

EXHIBIT B – GENERAL PLAN LAND USE MAP

https://www.avondaleaz.gov/Home/ShowDocument?id=12220

EXHIBIT C – ZONING VICINITY MAP

https://www.avondaleaz.gov/Home/ShowDocument?id=12222

EXHIBIT D – SUMMARY OF RELATED FACTS

https://www.avondaleaz.gov/Home/ShowDocument?id=12224

EXHIBIT E – PRELIMINARY PLAT NARRATIVE

https://www.avondaleaz.gov/Home/ShowDocument?id=12226

EXHIBIT F – PROPOSED PRELIMINARY PLAT

https://www.avondaleaz.gov/Home/ShowDocument?id=12228

EXHIBIT G – PROPOSED LANDSCAPE & OPEN SPACE PLAN

https://www.avondaleaz.gov/Home/ShowDocument?id=12230

EXHIBIT H – CERTIFICATES OF ADEQUATE SCHOOL FACILITIES

https://www.avondaleaz.gov/Home/ShowDocument?id=12232

Category Number:
Item Number: 8

CITY COUNCIL AGENDA

SUBJECT:
Resolution 3522-219 - Land Use Assumptions, Infrastructure Improvement Plan and Notice of Intent

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Lindsey Duncan, Finance and Budget Director, (623) 333-2011

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:
Staff is requesting that Council consider approving a Resolution adopting the Land Use Assumptions (LUA), Infrastructure Improvement Plan (IIP) and a notice of intent to adopt revised development impact fees.

BACKGROUND:
On October 15, 2018, the LUA and IIP were presented to Council with an overview of the service area land uses and projected growth assumptions prepared by TischlerBise as well as the proposed methodology for the development fees to be calculated for eligible necessary public service categories.

On November 15, 2018, a notice of public hearing on the Land Use Assumptions and Infrastructure Improvement Plan was posted on the City's website. Copies of the documents were released and also posted on the website for inspection by interested parties.

On January 14, 2019, City Council conducted a public hearing on the proposed LUA and IIP. During the public hearing no representatives from the development community approached Council with inquiries.

DISCUSSION:
In keeping with the statutory timeline, adoption of the Land Use Assumptions and Infrastructure Improvement Plan is required to ensure the City may impose the revised impact fees effective August 1, 2019. The proposed impact fees shall be posted prominently on the City's website after approval of the LUA, IIP and notice of intent.

The draft development impact fees are included in the attached report. The public hearing on the proposed development impact fees is scheduled for March 25, 2019. Adoption of the final development impact fees will be scheduled on May 6, 2019. The fees shall not be effective for at least 75 days.

RECOMMENDATION:

Staff requests that Council approve a Resolution adopting the Land Use Assumptions, Infrastructure Improvement Plan, and adopting a notice of intent to assess development impact fees in compliance with state law.

ATTACHMENTS:

Description

Resolution 3522-219

RESOLUTION NO. 3522-219

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, ADOPTING THE LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS PLAN AND ADOPTING A NOTICE OF INTENT TO ASSESS 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 City of Avondale (the "City") to produce three integrated documents prior to assessing development fees: (i) the 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, the LUA and IIP were released to the public, and the Council of the City of Avondale (the "City Council") held a public hearing on January 14, 2019, to receive public comment on the LUA/IIP; and

WHEREAS, the City Council desires to (i) conclude the first phase of the development fee adoption process by approving the IIP and the LUA and (ii) initiate the second phase by issuing a notice of intent to assess development fees.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE, as follows:

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

SECTION 2. The Land Use Assumptions and Infrastructure Improvements Plan are hereby adopted in substantially the form and substance of Exhibit A, attached hereto and incorporated herein by reference.

SECTION 3. The City Council hereby gives notice of its intent to assess development fees and directs the City Manager or his authorized designee to: (i) release to the public and post on the City's website the adopted LUA/IIP, in substantially the form and substance attached as Exhibit A and (ii) set a public hearing on the proposed development fees in accordance with applicable law.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City 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 Council of the City of Avondale, February 19, 2019.

____
Kenneth Weise, Mayor

ATTEST:

____
Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

____
Andrew J. McGuire, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 3522-219

[Land Use Assumptions and Infrastructure Improvements Plan]

See following pages.

DRAFT

Land Use Assumptions

Prepared for:

Avondale, Arizona

October 9, 2018

TischlerBise
FISCAL | ECONOMIC | PLANNING

4701 Sangamore Road

Suite S240

Bethesda, MD

(301) 320-6900

www.TischlerBise.com

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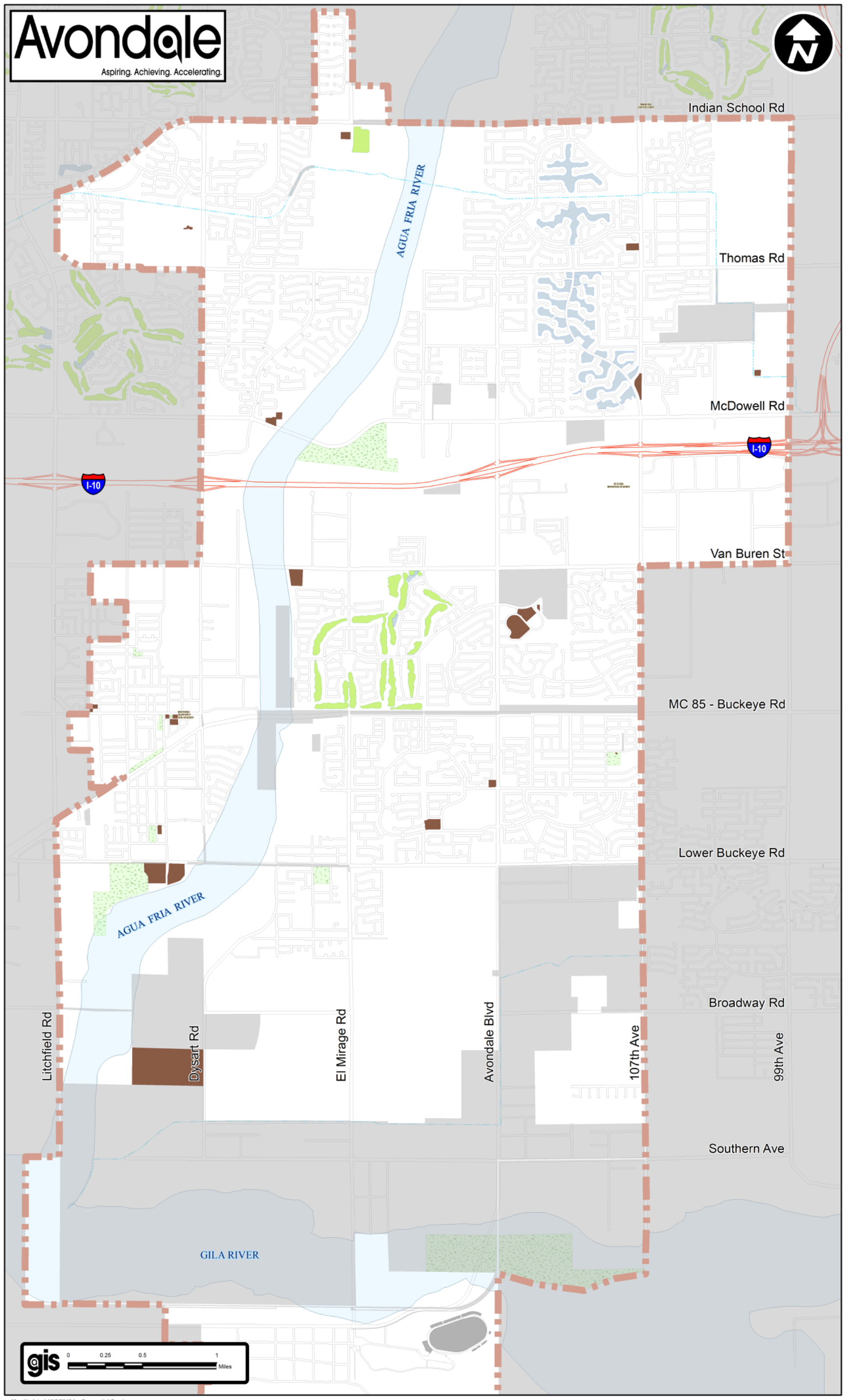
TABLE OF CONTENTS

LAND USE ASSUMPTIONS

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 Avondale. The map below illustrates the area within the City of Avondale Service Area boundaries.



AVONDALE PLANNING AREA

Arizona Revised Statutes (ARS) 9-463.05 (T) (7) 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."

The City of Avondale, Arizona retained TischlerBise to analyze the impacts of development on its capital facilities and to calculate development impact fees based on that analysis. TischlerBise prepared current demographic estimates and future development projections for both residential and nonresidential development that will be used in the Infrastructure Improvements Plan (IIP) and calculation of the development fees. Current demographic data estimates for 2018 are used in calculating levels of service (LOS) provided to existing development in the City of Avondale. Although long-range projections are necessary for planning infrastructure systems, a shorter time frame of five to ten years is critical for the development fee analysis.

Arizona's Development Fee Act requires fees to be updated at least every five years and limits the IIP to a maximum of ten years. Therefore, the use of a very long-range "build-out" analysis is no longer acceptable for deriving development fees in Arizona municipalities.

Summary of Growth Indicators

Key land use assumptions for the City of Avondale development fee study are population, housing units, and employment projections. Based on discussions with staff, TischlerBise estimates housing units by combining building permit data with Maricopa Association of Governments (MAG) 2015-2030 projections. TischlerBise derives population estimates by converting annual housing unit increases to population using persons per housing unit factors. For nonresidential development, the base year employment estimate is calculated based on MAG 2015 and 2020 estimates. The MAG 2015-2030 average annual growth rates are applied to the base year employment estimate to project future employment by industry sector. The employment estimate is converted into floor area based on average square feet per job multipliers. Four nonresidential development prototypes are discussed further below (see Figure A4 and related text). The projections contained in this document provide the foundation for the development impact fee study. These metrics are the service units and demand indicators used in the development impact fee study.

Development projections and growth rates are summarized in Figure A10. These projections will be used to estimate development fee revenue and to indicate the anticipated need for growth-related infrastructure. However, development fees methodologies are designed to reduce sensitivity to development projections in the determination of the proportionate-share fee amounts. If actual development is slower than projected, fee revenue will decline, but so will the need for growth-related infrastructure. In contrast, if development is faster than anticipated, Avondale will receive an increase in fee revenue, but will also need to accelerate infrastructure improvements to keep pace with the actual rate of development.

During the next five years, land use assumptions indicate an average increase of 565 housing units per year, and an average increase of approximately 232,000 nonresidential square feet per year.

Residential Development

Current estimates and future projections of residential development are detailed in this section including population and housing units by type.

Recent Residential Construction

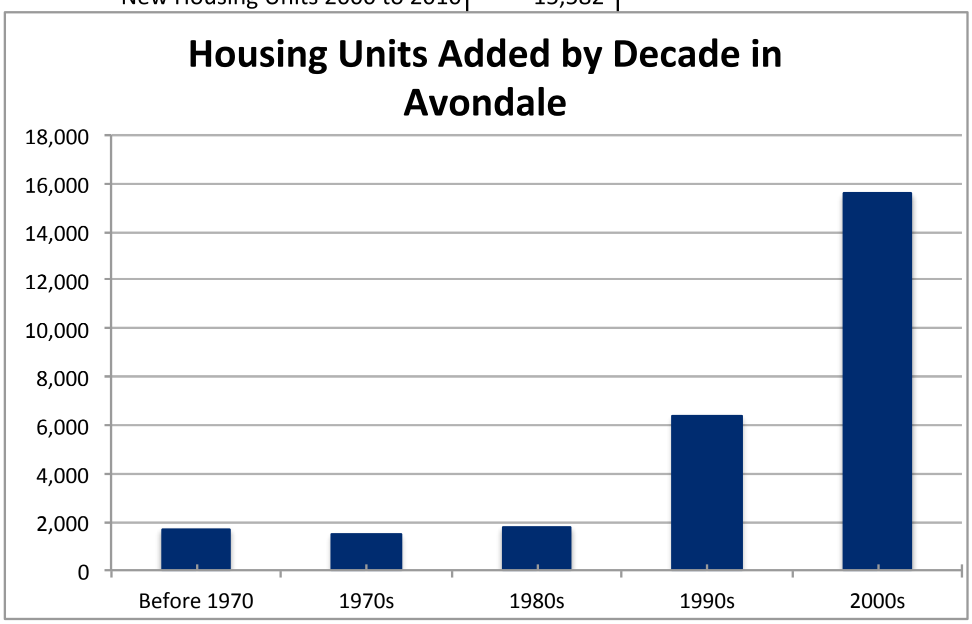
Development fees require an analysis of current levels of service. For residential development, current levels of service are determined using estimates of population and housing units.

Shown below, Figure A1 indicates the estimated number of housing units added by decade according to data obtained from the U.S. Census Bureau. Avondale experienced strong growth in the 1990s and 2000s. From 2000 to 2010, Avondale's housing inventory increased by an average of 1,558 units per year.

Figure A1: Housing Units by Decade

Census 2010 Population	76,238
Census 2010 Housing Units	27,001
Census 2000 Housing Units	11,419
New Housing Units 2000 to 2010	15,582

Avondale added an average of 1,558 housing units per year from 2000 to 2010.



Source: U.S. Census Bureau, Census 2010 Summary File 1, Census 2000 Summary File 1, 2011-2015 5-Year American Community Survey (for 1990s and earlier, adjusted to yield total units in 2000).

Household Size

According to the U.S. Census Bureau, a household is a housing unit occupied by year-round residents. Development fees often use per capita standards and persons per housing unit (PPHU) or persons per household (PPH) to derive proportionate share fee amounts. When PPHU is used in the fee calculations, infrastructure standards are derived using year-round population. When PPH is used in the fee calculations, the development fee methodology assumes a higher percentage of housing units will be occupied, thus requiring seasonal or peak population to be used when deriving infrastructure standards. TischlerBise recommends that development fees for residential development in Avondale be imposed according to the number of year-round residents per housing unit. This methodology assumes some portion of the housing stock will be vacant during the course of a year. According to the U.S. Census Bureau American Community Survey, Avondale's vacancy rate was eleven percent in 2015.

Persons per housing unit (PPHU) calculations require data on population and the types of units by structure. The 2010 census did not obtain detailed information using a "long-form" questionnaire. Instead, the U.S. Census Bureau switched to a continuous monthly mailing of surveys, known as the American Community Survey (ACS), which has limitations due to sample-size constraints. For example, data on detached housing units are now combined with attached single units (commonly known as townhouses). For development fees in Avondale, detached stick-built units and attached units (commonly known as townhouses, which share a common sidewall, but are constructed on an individual parcel of land) are included in the "Single-Family Unit" category. The second residential category includes duplexes and all other structures with two or more units on an individual parcel of land. This category is referred to as "Multi-Family Unit." (Note: housing unit estimates from ACS will not equal decennial census counts of units. These data are used only to derive the custom PPHU factors for each type of unit).

Figure A2 below shows the 2011-2015 5-year ACS estimates for Avondale. Single-family units averaged 3.18 persons per housing unit (68,254 persons / 19,267 housing units) and multi-family units averaged 2.13 persons per housing unit (10,445 persons / 4,249 housing units). In 2015, Avondale's housing stock averaged 2.98 persons per housing unit.

Figure A2: Persons per Housing Unit

Units in Structure	Persons	Households	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single-Family Unit[1]	68,254	19,267	3.54	21,492	3.18	81.5%	10%
Multi-Family Unit[2]	10,445	4,249	2.46	4,894	2.13	18.5%	13%
TOTAL	78,699	23,516	3.35	26,386	2.98		11%

Source: TischlerBise analysis and calculation based on U.S. Census Bureau, 2011-2015 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 Estimates

To accurately determine current and future population in Avondale, TischlerBise compared population estimates and growth rates from American Community Survey data, Arizona Department of Administration (ADOA), the Avondale General Plan, and Maricopa Association of Governments (MAG). MAG released population projections through 2050 for jurisdictions in 2016, along with annual updates of housing unit and population estimates. TischlerBise uses MAG's 2016 Socioeconomic Projections in conjunction with Avondale staff-provided building permit data to derive the base year estimates of population and housing units. Staff provided building permit data is used to estimate the increase in housing units in 2016 and 2017. 355 single-family units, and 66 multi-family units were added in 2016. 198 single-family units and 400 multi-family units were added in 2017. This results in a base year housing unit estimate of 28,639. TischlerBise converts estimated housing units to population using persons per housing unit factors detailed in Figure A2 – 3.18 persons per single-family housing unit and 2.13 persons per multi-family housing unit – which results in a base year population of 83,080 persons.

Population Projections

Based on recent building permit trends and discussions with Avondale staff, TischlerBise projects an average annual increase of 600 housing units (360 single-family and 240 multi-family units) between 2018 and 2022. TischlerBise projects housing growth beyond 2022 using MAG's 2015-2030 household compound average annual growth rate of 1.34%. The housing units are distributed by type based on the housing mix detailed in Figure A2. Therefore, between 2023 and 2027, 81.5% of projected new units are single-family and 18.5% are multi-family. To project future population between 2017 and 2027, the annual housing unit increase is converted using the persons per housing unit factors of 3.18 for single-family units and 2.13 for multi-family units. For this study, it is assumed that the household size will remain constant. TischlerBise projects a 10-year increase of 14,490 persons, or an average of 1,449 persons annually, and a corresponding 10-year increase of 5,034 housing units, or an average of 503 units annually. Based on projections provided by Avondale's Development and Engineering Department, anticipated buildout will occur in 2050 at an annual growth rate of 1.2 percent. Using the 2028 projected population of 99,226, the projected population in 2050 (buildout) will be approximately 129,000.

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

Figure A3: Residential Development Projections

	2018	2019	2020	2021	2022	2023	2028	10-Year
Cumulative Increase	*Base*	*1*	*2*	*3*	*4*	*5*	*10*	*Increase*
Population	84,736	86,392	88,048	89,704	91,360	92,626	99,226	14,490
Housing Units	29,239	29,839	30,439	31,039	31,639	32,063	34,273	5,034

Nonresidential Development

Current estimates and future projections of nonresidential development are detailed in this section including jobs and nonresidential floor area.

Employment Estimates

In addition to data on residential development, the calculation of development impact fees requires data on employment (number of jobs) and nonresidential square footage in Avondale. TischlerBise uses the term "jobs" to refer to employment by place of work. TischlerBise analyzed recent employment trends, reviewed data published by MAG, the U.S. Census Bureau, and Esri Business Analyst, and had discussions with City staff.

TischlerBise uses a four step process to calculate base year job and nonresidential footage estimates, and projections for ten years past the base year. First, 2017 employment estimates are derived using 2015 and 2020 MAG employment estimates. Second, job estimates are organized by type: Industrial, Commercial/Retail, and Office / Institutional. Third, the MAG 2015-2030 annual employment growth rate is applied to the 2015 MAG employment estimate to project future citywide jobs. The last step allocates jobs by type based on the 2017 share of total jobs. This process is detailed below in Figure A4.

Figure A4: Estimated Employment and Distribution by Industry Type

Nonresidential Category	2017 Jobs [1]	Percent of Total Jobs	Sq. Ft. per Job	2017 Estimated Floor Area [2]	Jobs per 1,000 Sq. Ft. [2]
Industrial	837	5.0%	3,199	2,677,901	0.31
Commercial / Retail	8,153	48.9%	475	3,875,162	2.10
Office / Institutional	7,687	46.1%	528	4,059,752	1.89
TOTAL	**16,677**	**100%**		**10,612,815**	

1. TischlerBise calculation based on Maricopa Association of Governments 2015 and 2020 estimates.
2. Costar, 2017 (industrial, comercial, and office). Insitutional based on jobs and ITE 10th Edition (2017) multiplier.

Nonresidential Square Footage Estimates

TischlerBise uses 2017 ITE data as a proxy for future institutional nonresidential floor area (Figure A5). The prototype for institutional development is an elementary school (ITE 520), with an average of 1,076 square feet per job. Costar does not gather data on institutional development, so floor area estimates for institutional development are estimated based on current jobs and Institute of Transportation Engineers building area ratios discussed below. TischlerBise uses Costar square footage estimates for industrial, commercial / retail, and office and other services floor area. As shown in Figure A4, existing industrial development averages 3,199 square feet per job, existing commercial / retail development averages 475 square feet per job, and existing office / institutional development averages 528 square feet per job. TischlerBise estimates Avondale has approximately 10.585 million square feet of nonresidential space.

Figure A5: The Institute of Transportation Engineers, 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).

Employment and Nonresidential Floor Area Projections

Future employment growth and nonresidential development in Avondale are based on Maricopa Association of Governments data. To project employment, TischlerBise applies MAG 2015-2030 annual employment growth rates to the 2015 MAG employment estimate of 15,892 total jobs.

To project growth in nonresidential square footage, TischlerBise applies the previously discussed square feet per employee factors to the projected increase in employment. The results of these calculations are shown in Figure A6. Over the next ten years, Avondale is projected to gain 4,739 jobs and add an estimated 2.49 million square feet of nonresidential development.

Figure A6: Nonresidential Development Projections

Cumulative Increase	*2015*	*2018 Base*	*2019 1*	*2020 2*	*2021 3*	*2022 4*	*2023 5*	*2028 10*	*10-Year Increase*
Jobs									
Industrial	797	858	879	901	924	947	970	1,097	**239**
Commercial / Retail	7,656	8,414	8,683	8,960	9,246	9,542	9,847	11,524	**3,110**
Office / Institutional	7,439	7,814	7,943	8,074	8,207	8,343	8,481	9,204	**1,390**
Total Jobs	**15,892**	**17,086**	**17,505**	**17,935**	**18,377**	**18,832**	**19,298**	**21,825**	**4,739**
Nonresidential Floor Area (x 1,000)									
Industrial KSF		2,739	2,800	2,864	2,930	2,997	3,064	3,432	**694**
Commercial / Retail KSF		3,987	4,101	4,220	4,342	4,468	4,599	5,315	**1,328**
Office / Institutional KSF		4,103	4,146	4,190	4,235	4,281	4,327	4,571	**468**
Total Nonresidential KSF		**10,828**	**11,047**	**11,274**	**11,507**	**11,746**	**11,990**	**13,318**	**2,490**

Average Weekday Vehicle Trips

Average Weekday Vehicle Trips are used as a measure of demand by land use. Vehicle trips are estimated using average weekday vehicle trip ends from the reference book, *Trip Generation, 10th Edition*, published by the Institute of Transportation Engineers (ITE) in 2017. A vehicle trip end represents a vehicle entering or exiting a development (as if a traffic counter were placed across a driveway).

Trip Rate Adjustments

To calculate road 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 percent. As discussed further below, the development impact fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

Commuter Trip Adjustment

Residential development has a larger trip adjustment factor of 65 percent to account for commuters leaving Avondale for work. According to the 2009 National Household Travel Survey (see Table 30) weekday work trips are typically 31 percent of production trips (i.e., all out-bound trips, which are 50 percent of all trip ends). As shown in Figure A7, the U.S. Census Bureau's OnTheMap web application indicates that 96 percent of resident workers traveled outside of Avondale for work in 2015. In combination, these factors (0.31 x 0.50 x 0.96 = 0.148) support the additional 15 percent allocation of trips to residential development.

Figure A7: Commuter Trip Adjustment

Trip Adjustment Factor for Commuters [1]	
Employed Residents	36,444
Residents Working in Avondale	1,596
Residents Working Outside Avondale (Commuters)	34,848
Percent Commuting out of Avondale	**96%**
Additional Production Trips [2]	**15%**
Residential Trip Adjustment Factor	**65%**

1. U.S. Census Bureau, OnTheMap Application (version 6.1.1) and LEHD Origin-Destination Employment Statistics, 2015.

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 2015 indicate that 96 percent of Avondale's workers travel outside the city for work. In combination, these factors (0.3099 x 0.50 x 0.96 = 0.14816) account for 15 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 (15 percent of production trips) for a total of 65 percent.*
**http://nhts.ornl.gov/publications.shtml ; Summary of Travel Trends - Table "Daily Travel Statistics by Weekday vs. Weekend"*

Adjustment for Pass-By Trips

For commercial development, the trip adjustment factor is less than 50 percent because retail development attracts vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For the average shopping center, ITE data indicate 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66 percent multiplied by 50 percent, or approximately 33 percent of the trip ends.

Estimated 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 American Community Survey data. Shown in Figure A8, custom trip generation rates for Avondale vary slightly from the national averages. For example, single-family residential development is expected to generate 10.00 average weekday vehicle trip ends per dwelling – compared to the national average of 9.44 (ITE 210). Multi-family residential development is expected to generate 5.20 average weekday vehicle trip ends per dwelling, which is lower than the national average of 5.44 (ITE 221).

Figure A8: Average Weekday Vehicle Trip Ends by Housing Type

		Households by Structure Type[2]			
	Vehicles Available[1]	Single-Family	Multi-Family	Total	Vehicles per HH by Tenure
Owner-occupied	26,252	12,646	28	12,674	2.07
Renter-occupied	17,212	6,621	4,221	10,842	1.59
TOTAL	**43,464**	**19,267**	**4,249**	**23,516**	**1.85**

	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	
							Avondale	ITE[7]
Single-Family	68,254	190,047	36,705	239,232	214,640	21,492	10.00	9.44
Multi-Family	10,445	23,838	6,759	26,924	25,381	4,894	5.20	5.44
TOTAL	**78,699**	**213,885**	**43,464**	**266,156**	**240,020**	**26,386**	**9.10**	

1. Vehicles available by tenure from Table B25046, American Community Survey, 2011-2015 5-Year Estimates.
2. Households by tenure and units in structure from Table B25032, American Community Survey, 2011-2015 5-Year Estimates.
3. Total population in households from Table25033, American Community Survey, 2011-2015 5-Year Estimates.
4. Vehicle trips ends based on persons using formulas from Trip Generation (ITE 2017). For single-family housing (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 multi-family housing (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, 2011-2015 5-Year Estimates.
7. Trip Generation, Institute of Transportation Engineers, 10th Edition (2017).

Functional Population

TischlerBise recommends functional population to allocate the cost of certain facilities to residential and nonresidential development. As shown in Figure A9, functional population accounts for people living and working in a jurisdiction. 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 four hours per day to nonresidential development (annualized averages). Residents that work in Avondale are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside Avondale are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2015 functional population data for Avondale, the cost allocation for residential development is 82 percent while nonresidential development accounts for 18 percent of the demand for municipal facilities.

Figure A9: Functional Population

Demand Units in 2015				Demand Hours/Day	Person Hours	Proportionate Share
Residential						
Estimated Residents	80,329					
Residents Not Working		43,885		20	877,700	
Employed Residents		36,444				
Employed in Service Area			1,596	14	22,344	
Employed outside Service Area			34,848	14	487,872	
				Residential Subtotal	1,387,916	**82%**
Nonresidential						
Non-working Residents		43,885		4	175,540	
Jobs in Service Area		13,656				
Residents Employed in Service Area			1,596	10	15,960	
Non-Resident Workers (inflow Commuters)			12,060	10	120,600	
				Nonresidential Subtotal	312,100	**18%**
				TOTAL	1,700,016	**100%**

Source: Maricopa Association of Governments 2015 Population Estimate; U.S. Census Bureau, OnTheMap 6.1.1 Application, 2015.

Development Projections

Provided below is a summary of cumulative development projections used in the development impact fee study. Base year estimates for 2018 are used in the development impact fee calculations. Development projections are used to illustrate a possible future pace of demand for service units and cash flows resulting from revenues and expenditures associated with those demands.

Figure A10: Development Projections Summary

	2015	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10-Year
Cumulative Increase		Base	1	2	3	4	5	6	7	8	9	10	Increase
Population	**80,329**	**84,736**	**86,392**	**88,048**	**89,704**	**91,360**	**92,626**	**93,910**	**95,212**	**96,532**	**97,870**	**99,226**	**14,490**
Housing Units	**27,620**	**29,239**	**29,839**	**30,439**	**31,039**	**31,639**	**32,063**	**32,493**	**32,929**	**33,371**	**33,819**	**34,273**	**5,034**
Jobs													
Industrial	797	858	879	901	924	947	970	994	1,019	1,044	1,070	1,097	**239**
Commercial / Retail	7,656	8,414	8,683	8,960	9,246	9,542	9,847	10,161	10,486	10,821	11,167	11,524	**3,110**
Office / Institutional	7,439	7,814	7,943	8,074	8,207	8,343	8,481	8,621	8,763	8,908	9,055	9,204	**1,390**
Total Jobs	**15,892**	**17,086**	**17,505**	**17,935**	**18,377**	**18,832**	**19,298**	**19,776**	**20,268**	**20,773**	**21,292**	**21,825**	**4,739**
Nonresidential Floor Area (x 1,000)													
Industrial KSF		2,739	2,800	2,864	2,930	2,997	3,064	3,134	3,206	3,279	3,354	3,432	**694**
Commercial / Retail KSF		3,987	4,101	4,220	4,342	4,468	4,599	4,733	4,871	5,014	5,162	5,315	**1,328**
Office / Institutional KSF		4,103	4,146	4,190	4,235	4,281	4,327	4,375	4,422	4,471	4,521	4,571	**468**
Total Nonresidential KSF		**10,828**	**11,047**	**11,274**	**11,507**	**11,746**	**11,990**	**12,241**	**12,500**	**12,764**	**13,037**	**13,318**	**2,490**

Appendix A: Land Use Definitions

Residential Development

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

Single-Unit:

1. Single-family detached is a one-unit structure detached from any other house, that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached as long as the building has open space on all four sides.
2. Single-family attached (townhouse) is a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.
3. Mobile home includes both occupied and vacant mobile homes, to which no permanent rooms have been added, are counted in this category. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

2+ Units:

1. 2+ units (duplexes and apartments) are units in structures containing two or more housing units, further categorized as units in structures with "2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more apartments."

2. Boat, RV, Van, Etc. includes any living quarters occupied as a housing unit that does not fit the other categories (e.g., houseboats, railroad cars, campers, and vans). Recreational vehicles, boats, vans, railroad cars, and the like are included only if they are occupied as a current place of residence.

Nonresidential Development

The proposed general nonresidential development categories (defined below) can be used for all new construction within Avondale. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates and employment densities (i.e., jobs per thousand square feet of floor area).

Commercial / Retail: Establishments primarily selling merchandise, eating/drinking places, and entertainment uses. By way of example, *Commercial / Retail* includes shopping centers, supermarkets, pharmacies, restaurants, bars, nightclubs, automobile dealerships, and movie theaters, hotels, and motels.

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

Office / Institutional: Establishments providing management, administrative, professional, or business services; personal and health care services. By way of example, *Office and Other Services* includes banks, business offices, assisted living facilities, nursing homes, hospitals, medical offices, and veterinarian clinics. Establishments including public and quasi-public buildings providing educational, social assistance, or religious services. By way of example, *Institutional* includes schools, universities, churches, daycare facilities, government buildings, and prisons.

DRAFT

Infrastructure Improvements Plan and Development Fee Report

Prepared for:

Avondale, Arizona

January 7, 2019

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EXECUTIVE SUMMARY

The City of Avondale, Arizona, contracted with TischlerBise to document land use assumptions, prepare the Infrastructure Improvements Plan (hereinafter referred to as the "IIP"), and update development fees within the Avondale Service Area pursuant to Arizona Revised Statutes ("ARS") § 9-436.05 (hereafter referred to as the "Enabling Legislation"). Municipalities in Arizona may assess development fees to offset infrastructure costs to a municipality for necessary public services. The development fees must be based on an Infrastructure Improvements Plan and Land Use Assumptions. The IIP for each type of infrastructure is in the middle section of this document. The proposed development fees are displayed in the Development Fee Report in the next section.

Development fees are one-time payments used to construct system improvements needed to accommodate new development. The fee represents future development's proportionate share of infrastructure costs. Development fees may be used for infrastructure improvements or debt service for growth related infrastructure. In contrast to general taxes, development fees may not be used for operations, maintenance, replacement, or correcting existing deficiencies.

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

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

Avondale retired debt related to its Civic Center. Since that was the only component in the General Government Facilities development fee, TischlerBise excluded General Government Facilities from this update. This plan includes all necessary elements required to be in full compliance with 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, library, street, fire, police, and neighborhood parks and recreational. Additionally, a necessary public service includes any facility that was financed before June 1, 2011 and that meets the following requirements:

1. Development fees were pledged to repay debt service obligations related to the construction of the facility.
2. After August 1, 2014, any development fees collected are used solely for the payment of principal and interest on the portion of the bonds, notes, or other debt service obligations issued before June 1, 2011 to finance construction of the facility.

Infrastructure Improvements Plan

Development fees must be calculated pursuant to an IIP. For each necessary public service that is the subject of a development fee, by law, the IIP shall include the following seven elements:

1. A description of the existing necessary public services in the service area and the costs to update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.
2. An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.
3. A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved Land Use Assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.
4. A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, and industrial.
5. The total number of projected service units necessitated by and attributable to new development in the service area based on the approved Land Use Assumptions and calculated pursuant to generally accepted engineering and planning criteria.
6. The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.

7. A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved Land Use Assumptions and a plan to include these contributions in determining the extent of the burden imposed by the development.

Qualified Professionals

The IIP must be developed by qualified professionals using generally accepted engineering and planning practices. A qualified professional is defined as "a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person's license, education, or experience." TischlerBise is a fiscal, economic, and planning consulting firm specializing in the cost of growth services. Our services include development fees, fiscal impact analysis, infrastructure financing analyses, user fee/cost of service studies, capital improvement plans, and fiscal software. TischlerBise has prepared over 800 development fee studies over the past 30 years for local governments across the United States.

Conceptual Development Fee Calculation

In contrast to project-level improvements, development fees fund growth-related infrastructure that will benefit multiple development projects, or the entire service area (usually referred to as system improvements). The first step is to determine an appropriate demand indicator for the particular type of infrastructure. The demand indicator measures the number of service units for each unit of development. For example, an appropriate indicator of the demand for parks is population growth and the increase in population can be estimated from the average number of persons per housing unit. The second step in the development fee formula is to determine infrastructure improvement units per service unit, typically called level-of-service (LOS) standards. In keeping with the park example, a common LOS standard is improved park acres per thousand people. The third step in the development fee formula is the cost of various infrastructure units. To complete the park example, this part of the formula would establish a cost per acre for land acquisition and/ or park 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 ("LOS") provided to existing development in the service area. There are three basic methodologies used to calculate development fees. They examine the past, present, and future status of infrastructure. The objective of evaluating these different methodologies is to determine the best measure of the demand created by new development for additional infrastructure capacity. Each method has advantages and disadvantages in a particular situation and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating development fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of development fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss basic 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 LOS standards for each type of public facility, using both quantitative and qualitative measures. This approach assumes there are no existing infrastructure deficiencies or surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments to keep pace with development.
- **Plan-Based** (future improvements) - The plan-based 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).

Development Fee Components

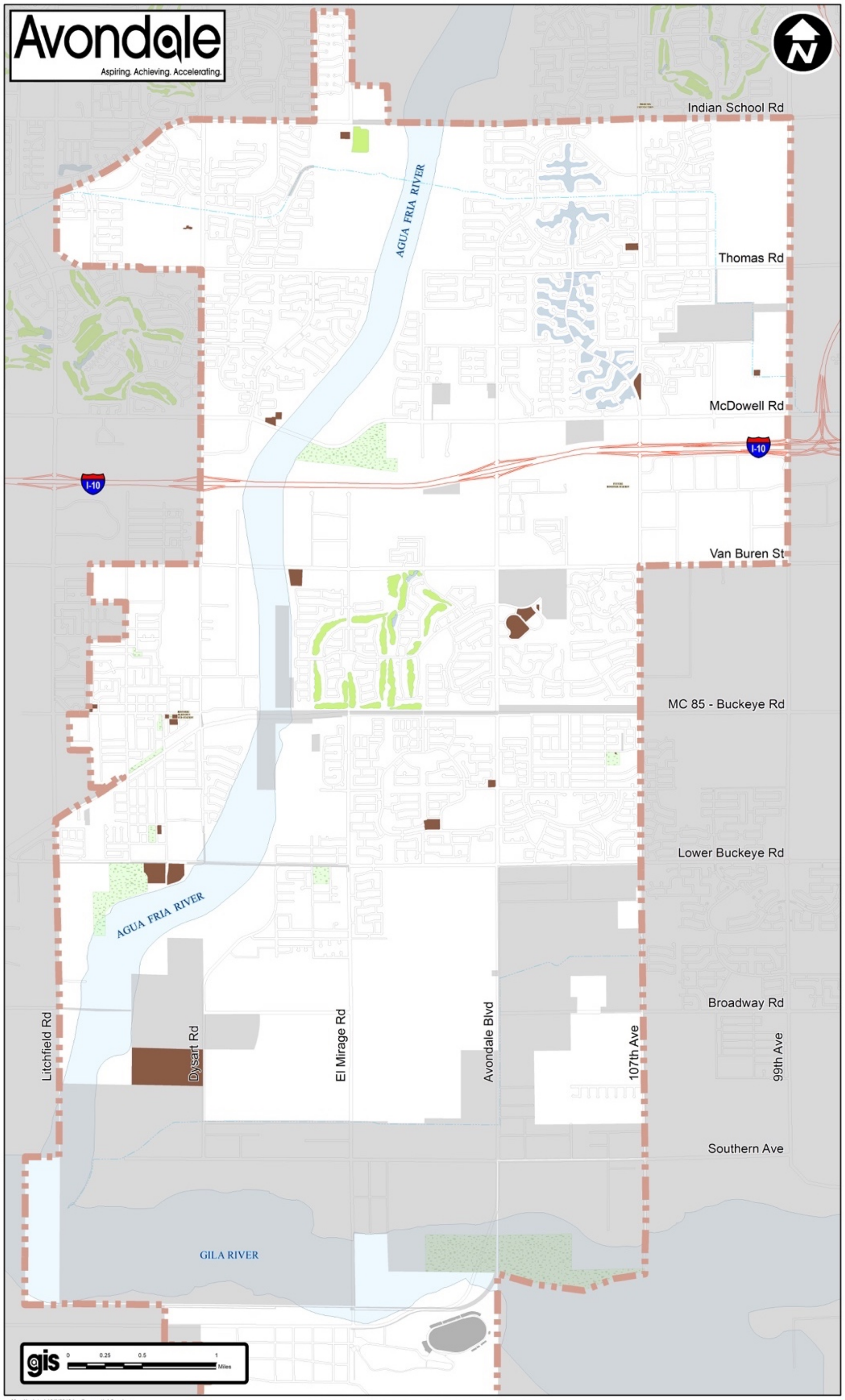
Figure 1 summarizes service areas, methodology, and infrastructure cost components for each development fee. Because Avondale plans to provide a uniform level of service for all types of infrastructure included in this infrastructure improvements plan, the service area for all fee components is the City of Avondale.

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

Facility Type	Service Area	Incremental Expansion	Plan-Based	Cost Recovery	Cost Allocation
Fire	Citywide	Stations, Apparatus and Equipment	Development Fee Study	N/A	Population, Nonres. Trips
Library	Citywide	N/A	Development Fee Study	Library Debt	Population, Jobs
Parks and Recreational	Citywide	Developed Park Land, Park Amenities	Development Fee Study	N/A	Population, Jobs
Police	Citywide	Stations, Vehicles and Equipment, Comm. Equipment	Property and Evidence Facility, Development Fee Study	N/A	Population, Nonres. Trips
Street	Citywide	Signalized Intersections	Arterial Improvements, Development Fee Study	N/A	VMT
Wastewater	Citywide	N/A	Development Fee Study	Treatment, Collection System	Gallons
Water	Citywide	N/A	Water Facilities, Water Recharge, Development Fee Study	Water Facilities	Gallons

Service Area

The map below illustrates the area within Avondale's service area.



AVONDALE PLANNING AREA

PROPOSED DEVELOPMENT FEES

Development fees for residential development will be assessed per dwelling unit, based on the type of unit. Nonresidential development fees will be assessed per square foot of floor area (non-utility) or per meter (utility). Fees shown below represent the maximum allowable fees – development fees fund 100 percent of growth-related infrastructure.

Avondale may adopt fees that are less than the amounts shown; however, a reduction in development fee revenue will necessitate an increase in other revenues, a decrease in planned capital improvements and/or a decrease in Avondale's LOS 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.

Figure 2: Proposed Non-Utility Development Fees

Residential Development	Development Fees per Unit					
Development Type	Fire	Library	Parks and Recreational	Police	Street	Total
Single Unit	$775	$119	$1,497	$832	$3,171	$6,394
2+ Unit	$519	$80	$1,002	$557	$1,649	$3,807

Nonresidential Development	Development Fees per Square Foot					
Development Type	Fire	Library	Parks and Recreational	Police	Street	Total
Industrial	$0.05	$0.01	$0.08	$0.06	$0.25	$0.45
Commercial	$0.78	$0.09	$0.54	$0.83	$3.31	$5.55
Office / Institutional	$0.31	$0.11	$0.68	$0.32	$1.43	$2.85

Figure 3: Proposed Utility Development Fees

Residential Development	Development Fees per Unit		
Development Type	Wastewater	Water	Total
Residential	$5,808	$3,822	$9,630

Nonresidential Development	Development Fees per Meter		
Meter Size (inches)	Wastewater	Water	Total
0.75	$5,808	$3,822	$9,630
1.00	$9,700	$6,383	$16,083
1.50	$19,342	$12,728	$32,070
2.00	$30,959	$20,372	$51,331
3.00	$61,976	$40,782	$102,758
4.00	$96,826	$63,715	$160,541
6.00	$193,595	$127,392	$320,987

Current Development Fees

Avondale's current development fees are displayed below in Figure 4 and Figure 5.

Figure 4: Current Non-Utility Development Fees

Residential Development	Development Fees per Unit						
Unit Type	Fire	General Government	Library	Parks and Recreational	Police	Street	Total
Single Unit	$607	$357	$179	$796	$499	$2,945	$5,383
2+ Unit	$501	$295	$148	$658	$412	$2,058	$4,072

Nonresidential Development	Development Fees per Square Foot						
Land Use Type	Fire	General Government	Library	Parks and Recreational	Police	Street	Total
Industrial	$0.10	$0.06	$0.03	$0.13	$0.08	$1.00	$1.40
Commercial	$0.62	$0.37	$0.18	$0.82	$0.51	$3.66	$6.16
Office / Institutional	$0.18	$0.10	$0.05	$0.24	$0.15	$1.58	$2.30

Figure 5: Current Utility Development Fees

Residential Development	Development Fees per Unit		
Development Type	Wastewater	Water	Total
Residential	$7,673	$4,651	$12,324

Nonresidential Development	Development Fees per Meter		
Meter Size (inches)	Wastewater	Water	Total
0.75	$7,673	$4,651	$12,324
1.00	$12,814	$7,767	$20,581
1.50	$25,551	$15,488	$41,039
2.00	$40,898	$24,790	$65,688
3.00	$81,873	$49,627	$131,500
4.00	$127,812	$77,533	$205,345
6.00	$255,748	$155,021	$410,769

Difference Between Proposed and Current Development Fees

The differences between the proposed and current development fees are displayed below in Figure 6 and Figure 7.

Figure 6: Difference Between Proposed and Current Non-Utility Development Fees

Residential Development	Development Fees per Unit						
Unit Type	Fire	General Government	Library	Parks and Recreational	Police	Street	Total
Single Unit	$168	($357)	($60)	$701	$333	$226	$1,011
2+ Unit	$18	($295)	($68)	$344	$145	($409)	($265)

Nonresidential Development	Development Fees per Square Foot						
Land Use Type	Fire	General Government	Library	Parks and Recreational	Police	Street	Total
Industrial	($0.05)	($0.06)	($0.02)	($0.05)	($0.02)	($0.75)	($0.95)
Commercial	$0.16	($0.37)	($0.09)	($0.28)	$0.32	($0.35)	($0.61)
Office / Institutional	$0.13	($0.10)	$0.06	$0.44	$0.17	($0.15)	$0.55

Figure 7: Difference Between Proposed and Current Utility Development Fees

Residential Development	Development Fees per Unit		
Development Type	Wastewater	Water	Total
Residential	($1,865)	($829)	($2,694)

Nonresidential Development	Development Fees per Meter		
Meter Size (inches)	Wastewater	Water	Total
0.75	($1,865)	($829)	($2,694)
1.00	($3,114)	($1,384)	($4,498)
1.50	($6,209)	($2,760)	($8,969)
2.00	($9,939)	($4,418)	($14,357)
3.00	($19,897)	($8,845)	($28,742)
4.00	($30,986)	($13,818)	($44,804)
6.00	($62,153)	($27,629)	($89,782)

FIRE FACILITIES IIP

ARS § 9-463.05 (T)(7)(f) defines the facilities and assets that can be included in the Fire Facilities IIP:

> *"Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training police and firefighters from more than one station or substation."*

The Fire Facilities IIP includes components for fire stations, apparatus and equipment, and the cost of preparing the Fire Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current level of service, is used to calculate both the stations and the apparatus and equipment components of the Fire Facilities IIP and Development Fees. A plan-based methodology is used for the Development Fee Report.

Service Area

Avondale's Fire Department strives to provide a uniform response time citywide, and its fire stations operate as an integrated network. Depending on the number and type of calls, apparatus can be dispatched citywide from any of the stations. As a result, the service area for the Fire Facilities IIP is citywide.

Proportionate Share

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Fire Facilities IIP and related Development Fee Report will allocate the cost of public services between residential and nonresidential based on functional population.

For certain infrastructure facilities TischlerBise often uses "functional population" to establish the relative demand for infrastructure from both residential and nonresidential development. As shown in Figure 8, functional population accounts for people living and working in a jurisdiction. Residents who do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents who work in Avondale are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents who work outside Avondale are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2015 functional population data, the resulting proportionate share is 82 percent residential and 18 percent nonresidential.

Figure 8: Functional Population

Demand Units in 2015				Demand Hours/Day	Person Hours	Proportionate Share
Residential						
Estimated Residents	80,329					
Residents Not Working		43,885		20	877,700	
Employed Residents		36,444				
Employed in Service Area			1,596	14	22,344	
Employed outside Service Area			34,848	14	487,872	
				Residential Subtotal	1,387,916	82%
Nonresidential						
Non-working Residents		43,885		4	175,540	
Jobs in Service Area		13,656				
Residents Employed in Service Area			1,596	10	15,960	
Non-Resident Workers (inflow Commuters)			12,060	10	120,600	
				Nonresidential Subtotal	312,100	18%
				TOTAL	1,700,016	100%

Source: Maricopa Association of Governments 2015 Population Estimate; U.S. Census Bureau, OnTheMap 6.1.1 Application, 2015.

Ratio of Service Unit to Development Unit

ARS § 9-463.05(E)(4) requires:

> *"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."*

Figure 9 displays the demand indicators for residential and nonresidential land uses. For residential development the table displays the persons per housing unit. For nonresidential development the table displays the number of vehicle trips generated per thousand square feet of floor area.

Figure 9: Fire Facilities Ratio of Service Unit to Development Unit

Residential Development	per Unit
Development Type	**Persons per Housing Unit[1]**
Single Unit	3.18
2+ Unit	2.13

Nonresidential Development	per 1,000 Sq Ft
Development Type	**Avg Wkdy Veh Trips[2]**
Industrial	0.87
Commercial	12.46
Office / Institutional	4.87

1. See Land Use Assumptions
2. Average Weekday Vehicle Trip Ends X Trip Rate Adjustment.

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

ARS § 9-463.05(E)(1) requires:

> *"A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable."*

ARS § 9-463.05(E)(2) requires:

> *"An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable."*

Fire Stations – Incremental Expansion

The City of Avondale plans to expand its current inventory of fire stations. Shown below in Figure 10, Avondale's existing fire stations include 44,054 square feet.

Figure 10: Existing Fire Stations

Description	Square Feet
Fire Station 171	6,620
Fire Station 172	16,974
Fire Station 173	12,000
NW Public Safety Facility (Fire Share)	8,460
Total	44,054

Fire Stations Level of Service

To allocate the proportionate share of demand for fire stations to residential and nonresidential development, this analysis uses functional population. Avondale's existing level of service for residential development is 0.4263 square feet per person (44,054 square feet X 82 percent residential share / 84,736 persons). The nonresidential level of service is 0.1101 square feet per vehicle trip (44,054 square feet X 18 percent nonresidential share / 72,025 vehicle trips). Based on estimates for the planned Lakin Ranch Fire Station, the cost per square foot is $377 ($4.0 million / 10,600 square feet). The cost per person is $160.87 (0.4263 square feet per person X $377 per square foot) and the cost per vehicle trip is $41.55 (0.1101 square feet per vehicle trip X $377 per square foot).

Figure 11: Existing Level of Service

Cost Allocation Factors	
Cost per Square Foot	$377

Level-of-Service Standards	
Existing Square Feet	44,054
Residential	
Residential Share	82%
2018 Population	84,736
Square Feet per Person	0.4263
Cost per Person	**$160.87**
Nonresidential	
Nonresidential Share	18%
2018 Vehicle Trips	72,025
Square Feet per Vehicle Trip	0.1101
Cost per Vehicle Trip	**$41.55**

Planned Cost of Lakin Ranch Fire Station

Description	Square Feet	Cost per SF	Total Cost
Lakin Ranch Fire Station	10,600	$377	$4,000,000

Fire Apparatus and Equipment – Incremental Expansion

Development fees will be used to expand Avondale's inventory of fire apparatus and equipment. Figure 12 lists the current apparatus used by Avondale's Fire Department. The current inventory includes 129 units of apparatus and equipment with a total replacement cost of approximately $8.4 million. The replacement cost per unit is $65,178 ($8,408,000 / 129 units).

Figure 12: Existing Fire Apparatus and Equipment

Description	Number of Units	Cost per Unit	Replacement Cost
Engines	6	$500,000	$3,000,000
Light and Air Truck	1	$500,000	$500,000
Heavy Rescue	2	$700,000	$1,400,000
Ladder	1	$1,500,000	$1,500,000
Brush Truck	1	$350,000	$350,000
Command Vehicle	4	$70,000	$280,000
Sedan / SUV	10	$35,000	$350,000
Safety Trailer	1	$35,000	$35,000
Light Pickup Truck	2	$30,000	$60,000
Large Van	1	$70,000	$70,000
Medium Pickup Truck	2	$50,000	$100,000
Utility Van	1	$40,000	$40,000
Trailer / Light Tower	2	$10,000	$20,000
Trailer - Flatbed	1	$10,000	$10,000
ATV - EMS rescue	1	$12,000	$12,000
ATV - Brush Truck	1	$12,000	$12,000
Golf Carts	2	$10,000	$20,000
Portable Radios	64	$7,500	$480,000
Mobile Radios	26	$6,500	$169,000
Total	129	$65,178	$8,408,000

Fire Apparatus and Equipment Level of Service

As previously discussed, functional population is used to allocate the proportionate share of demand to residential and nonresidential development. Avondale's existing LOS for residential development is 0.00125 apparatus per person (129 apparatus X 82 percent residential share / 84,736 persons). The nonresidential level of service is 0.00032 apparatus per vehicle trip (129 apparatus X 18 percent nonresidential share / 72,025 vehicle trips). The cost per person is $81.36 (0.00125 units per person X $65,178 per unit) and the cost per vehicle trip is $21.01 (0.00032 units per vehicle trip X $65,178 per unit).

Figure 13: Existing Level of Service

Cost Allocation Factors	
Cost per Apparatus	$65,178

Level-of-Service Standards	
Existing Apparatus	129
Residential	
Residential Share	82%
2018 Population	84,736
Apparatus per Person	0.00125
Cost per Person	**$81.36**
Nonresidential	
Nonresidential Share	18%
2018 Vehicle Trips	72,025
Apparatus per Vehicle Trip	0.00032
Cost per Vehicle Trip	**$21.01**

IIP and Development Fee Report – Plan-Based

The cost to prepare the Fire Facilities IIP and development fees totals $14,323. Avondale plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new residential and nonresidential development from the *Land Use Assumptions* document, the cost is $1.49 per person and $0.29 per vehicle trip.

Figure 14: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Fire	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Library	$15,118	Residential	82%	Population	84,736	92,626	7,890	$1.57
		Nonresidential	18%	Jobs	17,086	19,298	2,212	$1.23
Parks and Recreational	$14,323	Residential	91%	Population	84,736	92,626	7,890	$1.65
		Nonresidential	9%	Jobs	17,086	19,298	2,212	$0.58
Police	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Street	$25,065	Residential Nonresidential	100%	VMT	498,794	545,990	47,196	$0.53
Wastewater	$21,484	Residential Nonresidential	100%	Gallons	5,926,764	6,547,057	620,293	$0.03
Water	$28,644	Residential Nonresidential	100%	Gallons	11,289,122	12,534,726	1,245,605	$0.02
Total	$133,280							

PROJECTED SERVICE UNITS AND PROJECTED DEMAND FOR SERVICES

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."*

The *Land Use Assumptions* document projects an additional 14,490 persons and 19,428 nonresidential trips over the next 10 years, as shown in Figure 15.

ARS § 9-463.05(E)(6) requires:

> *"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."*

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Fire Stations

Shown in Figure 15, Avondale's population is projected to increase by 14,090 persons by 2028, and nonresidential vehicle trips are projected to increase by 19,428 during the same period. Using the 2018 LOS, future development will demand 8,316 additional square feet of fire stations. Based on the average cost of $377 per square foot, the growth-related expenditure on fire stations is $3.14 million (8,316 square feet X $377 per square foot).

Figure 15: Projected Demand for Fire Stations

Type of Infrastructure	Level of Service		Demand Unit	Cost per Sq. Ft.
Fire Stations	0.4263	Square Feet	per Person	$377
	0.1101	Square Feet	per Vehicle Trip	

Demand for Fire Stations					
Year	Population	Vehicle Trips	Residential	Nonresidential	Total Square Feet
2018	84,736	72,025	36,124	7,930	44,054
2019	86,392	73,721	36,830	8,116	44,947
2020	88,048	75,465	37,536	8,309	45,845
2021	89,704	77,262	38,242	8,506	46,749
2022	91,360	79,118	38,948	8,711	47,659
2023	92,626	81,026	39,488	8,921	48,409
2024	93,910	82,986	40,035	9,137	49,172
2025	95,212	85,011	40,590	9,359	49,950
2026	96,532	87,094	41,153	9,589	50,742
2027	97,870	89,241	41,724	9,825	51,549
2028	99,226	91,453	42,302	10,069	52,370
10-Yr Increase	14,490	19,428	6,177	2,139	8,316

Fire Apparatus and Equipment

Shown in Figure 16, population is projected to increase by 14,090 persons by 2028, and nonresidential vehicle trips are projected to increase by 9,163 during the same period. Using the 2018 LOS, future development will demand 24.4 additional units of apparatus and equipment. Based on the average cost of $65,178 per unit, the growth-related expenditure on apparatus and equipment is $1.59 million (24.4 units X $65,178).

Figure 16: Projected Demand for Apparatus and Equipment

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Apparatus and Equipment	0.00125 Units	per Person	$65,178
	0.00032 Units	per Vehicle Trip	

Need for Fire Apparatus and Equipment					
Year	Population	Vehicle Trips	Residential	Nonresidential	Total Units
2018	84,736	72,025	105.8	23.2	129.0
2019	86,392	73,721	107.9	23.8	131.6
2020	88,048	75,465	109.9	24.3	134.2
2021	89,704	77,262	112.0	24.9	136.9
2022	91,360	79,118	114.1	25.5	139.6
2023	92,626	81,026	115.6	26.1	141.8
2024	93,910	82,986	117.2	26.8	144.0
2025	95,212	85,011	118.9	27.4	146.3
2026	96,532	87,094	120.5	28.1	148.6
2027	97,870	89,241	122.2	28.8	151.0
2028	99,226	91,453	123.9	29.5	153.4
10-Yr Increase	14,490	19,428	18.1	6.3	24.4
		Growth-Related Expenditures	**$1,178,906**	**$408,182**	**$1,587,088**

Fire Facilities Development Fees

Revenue Credit/Offset

A revenue credit/offset is not necessary for Fire Facilities development fees, because costs generated by projected development exceed revenues generated by projected development. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Fire Facilities Development Fees

Infrastructure components and cost factors for Fire Facilities are summarized in the upper portion of Figure 17. The cost per service unit is $243.72 per person and $62.85 per vehicle trip. Figure 17 displays the ratio of a service unit to various types of land uses for residential and nonresidential development.

Fire Facilities development fees for residential development are assessed according to the number of persons per housing unit. The single-family fee of $775 is calculated using a cost per service unit of $243.72 per person multiplied by a demand unit of 3.18 persons per housing unit.

Nonresidential development fees are calculated using vehicle trips as the service unit. The fee of $0.78 per square foot of commercial development is derived from a cost per service unit of $62.85 per vehicle trip multiplied by a demand unit of 37.75 average weekday vehicle trip ends per 1,000 square feet, multiplied by a trip rate adjustment factor of 33 percent, divided by 1,000 square feet.

Figure 17: Schedule of Fire Development Fees

Fee Component	Cost per Person	Cost per Vehicle Trip
Fire Stations	$160.87	$41.55
Apparatus and Equipment	$81.36	$21.01
Development Fee Report	$1.49	$0.29
Total	$243.72	$62.85

Residential Development	Development Fees per Unit			
Development Type	Persons per Housing Unit[1]	Proposed Fees	Current Fees	Increase / Decrease
Single Unit	3.18	$775	$607	$168
2+ Unit	2.13	$519	$501	$18

Nonresidential Development	Development Fees per Square Foot				
Development Type	Avg Wkdy Veh Trip Ends[1]	Trip Rate Adjustment	Proposed Fees	Current Fees	Increase / Decrease
Industrial	1.74	50%	$0.05	$0.10	($0.05)
Commercial	37.75	33%	$0.78	$0.62	$0.16
Office / Institutional	9.74	50%	$0.31	$0.18	$0.13

1. See Land Use Assumptions

Projected Fire Facilities Development Fee Revenue

Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Projected Fire Facilities Development Fee Revenue

Projected fee revenue shown in Figure 18 is based on the development projections in the *Land Use Assumptions* document and the updated Fire Facilities development fees. If development occurs faster than projected, the demand for infrastructure will increase along with development fee revenue. If development occurs slower than projected, the demand for infrastructure will decrease and development fee revenue will decrease at a similar rate. Anticipated development fee revenue of approximately $4.74 million over the next 10 years is approximately equal to the projected growth-related cost of fire infrastructure ($4.74 million).

Figure 18: Projected Fire Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Fire Stations	$3,138,239	$0	$3,138,239
Apparatus and Equipment	$1,587,088	$0	$1,587,088
Development Fee Report	$14,323	$0	$14,323
Total	$4,739,650	$0	$4,739,650

		Single Unit $775 per unit	2+ Unit $519 per unit	Industrial $0.05 per sq. ft.	Commercial $0.78 per sq. ft.	Office / Inst $0.31 per sq. ft.
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF
Base	2018	23,423	5,816	2,739	3,987	4,103
Year 1	2019	23,783	6,056	2,800	4,101	4,146
Year 2	2020	24,143	6,296	2,864	4,220	4,190
Year 3	2021	24,503	6,536	2,930	4,342	4,235
Year 4	2022	24,863	6,776	2,997	4,468	4,281
Year 5	2023	25,209	6,854	3,064	4,599	4,327
Year 6	2024	25,559	6,934	3,134	4,733	4,375
Year 7	2025	25,914	7,015	3,206	4,871	4,422
Year 8	2026	26,275	7,096	3,279	5,014	4,471
Year 9	2027	26,640	7,179	3,354	5,162	4,521
Year 10	2028	27,010	7,263	3,432	5,315	4,571
10-Year Increase		3,587	1,447	694	1,328	468
Projected Revenue		$2,771,272	$750,025	$37,832	$1,037,152	$143,033

Projected Fee Revenue	$4,739,314
Total Expenditures	$4,739,650

LIBRARY FACILITIES IIP

ARS § 9-463.05 (T)(7)(d) defines the facilities and assets that can be included in the Library Facilities IIP:

> *"library facilities of up to ten thousand square feet that provide a direct benefit to development, not including equipment, vehicles or appurtenances."*

The Library Facilities IIP includes components for facilities and the cost of preparing the Library Facilities IIP and Development Fees. The cost recovery method is used to repay debt issued to build Avondale's library, and a plan-based methodology is used for the Development Fee Report.

Service Area

Avondale provides a uniform level of service and equal access to library facilities within the city limits. As a result, the service area for the Library Facilities IIP is citywide.

Proportionate Share

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Library Facilities IIP and development fees will allocate the cost of public services between residential and nonresidential based on functional population. As previously shown in Figure 8, residential development generates 82 percent of demand and nonresidential development generates the remaining 18 percent of demand.

Ratio of Service Unit to Development Unit

ARS § 9-463.05(E)(4) requires:

> *"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."*

Figure 19 displays the demand indicators for residential and nonresidential land uses. For residential development the table displays the persons per housing unit. For nonresidential development the table displays the number of employees per thousand square feet of floor area.

Figure 19: Library Facilities Ratio of Service Unit to Development Unit

Residential Development	per Unit
Development Type	Persons per Housing Unit[1]
Single Unit	3.18
2+ Unit	2.13

Nonresidential Development	per 1,000 Sq Ft
Development Type	Jobs per 1,000 Sq Ft[1]
Industrial	0.34
Commercial	2.34
Office / Institutional	2.97

1. See Land Use Assumptions

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

ARS § 9-463.05(E)(1) requires:

> *"A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable."*

ARS § 9-463.05(E)(2) requires:

> *"An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable."*

Library Facilities – Cost Recovery

The City of Avondale has two libraries with a combined floor area of 43,200 square feet. Civic Center Library has excess capacity to serve future development through 2027, and Avondale plans to recover future development's share of debt issued in 2006 to construct the library.

Figure 20: Existing Libraries

Description	Square Feet
Civic Center Library	30,500
Sam Garcia Library	12,700
Total	43,200

Level of Service

Avondale plans to retire the Civic Center Library debt in 2027. This library is projected to serve both existing and future development; therefore, costs are allocated to total projected residential and nonresidential development in 2027. Avondale's population in 2027 is projected to be 97,870 persons of whom 84,736 are from existing development with the remaining 13,134 persons coming from future development. Total employment in 2027 is projected to be 21,292 jobs. Existing employment is estimated to equal 17,086, and the projected employment increase equals 4,206 jobs from future development. Based on total debt of $4.3 million, the cost per person is $36.00 ($4,296,721 X 82 percent residential share / 97,870 population) and the cost per job is $36.32 ($4,296,721 X 18 percent nonresidential share / 21,292 jobs).

Figure 21: Planned Level of Service

Facility	Total Debt	Year of Final Debt Payment	Type of Development	Demand Unit	Proportionate Share	2027 Development
Civic Center Library	$4,296,721	2027	Residential	person	82%	97,870
			Nonresidential	job	18%	21,292

Cost per Person	$36.00
Cost per Job	$36.32

Development Fee Report – Plan-Based

The cost to prepare the Library Facilities IIP and related Development Fee Report totals $15,118. Avondale plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new development from the *Land Use Assumptions* document, the cost per person is $1.57 and the cost per job is $1.23.

Figure 22: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Fire	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Library	$15,118	Residential	82%	Population	84,736	92,626	7,890	$1.57
		Nonresidential	18%	Jobs	17,086	19,298	2,212	$1.23
Parks and Recreational	$14,323	Residential	91%	Population	84,736	92,626	7,890	$1.65
		Nonresidential	9%	Jobs	17,086	19,298	2,212	$0.58
Police	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Street	$25,065	Residential Nonresidential	100%	VMT	498,794	545,990	47,196	$0.53
Wastewater	$21,484	Residential Nonresidential	100%	Gallons	5,926,764	6,547,057	620,293	$0.03
Water	$28,644	Residential Nonresidential	100%	Gallons	11,289,122	12,534,726	1,245,605	$0.02
Total	$133,280							

Projected Demand for Services and Costs

ARS § 9-463.05(E)(5) requires:

> *"The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria."*

As shown in the *Land Use Assumptions* document, population is expected to increase by an additional 13,134 persons and employment is expected to increase by 4,206 jobs over the next nine years.

ARS § 9-463.05(E)(6) requires:

> *"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."*

Library Facilities Development Fees

Revenue Credit/Offset

A revenue credit/offset is not necessary for Library Facilities development fees, because costs generated by projected development exceed revenues generated by projected development. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Projected Library Facilities Development Fees

Infrastructure components and cost factors for Library Facilities are summarized in the upper portion of Figure 23. The cost per service unit for Library Facilities is $37.57 per person and $37.55 per job. Figure 23 displays the ratio of a service unit to various types of land uses for residential and nonresidential development.

Library Facilities development fees for residential development are assessed according to the number of persons per housing unit. The single-family fee of $119 is calculated using a cost per service unit of $37.57 per person multiplied by a demand unit of 3.18 persons per housing unit.

Nonresidential development fees are calculated using jobs as the service unit. The fee of $0.09 per square foot of commercial development is derived from a cost per service unit of $37.55 per job multiplied by a demand unit of 2.34 jobs per 1,000 square feet, divided by 1,000 square feet.

Figure 23: Schedule of Library Facilities Development Fees

Fee Component	Cost per Person	Cost per Job
Library Debt	$36.00	$36.32
Development Fee Report	$1.57	$1.23
Total	$37.57	$37.55

Residential Development	Development Fees per Unit			
Development Type	Persons per Housing Unit[1]	Proposed Fees	Current Fees	Increase / Decrease
Single Unit	3.18	$119	$179	($60)
2+ Unit	2.13	$80	$148	($68)

Nonresidential Development	Development Fees per Square Foot			
Development Type	Jobs per 1,000 Sq Ft[1]	Proposed Fees	Current Fees	Increase / Decrease
Industrial	0.34	$0.01	$0.03	($0.02)
Commercial	2.34	$0.09	$0.18	($0.09)
Office / Institutional	2.97	$0.11	$0.05	$0.06

1. See Land Use Assumptions

Projected Library Facilities Development Fee Revenue

Appendix A contains the forecast of revenues required by Arizona's enabling legislation (ARS § 9-463.05(E)(7)).

In accordance with state law, this report includes an IIP for Library Facilities needed to accommodate new development. Projected fee revenue shown in Figure 24 is based on the development projections in the *Land Use Assumptions* document and the updated development fees for Library Facilities. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase and development fee revenue will increase at a corresponding rate. If development occurs at a slower rate than is projected, the demand for infrastructure will also decrease, along with development fee revenue. Anticipated development fee revenue of $640,703 is approximately equal to the projected growth-related cost of library facilities ($640,704). Existing development's share of $3.67 million will need to be funded with other sources of revenue.

Figure 24: Projected Library Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Library Debt	$625,586	$3,671,135	$4,296,721
Development Fee Report	$15,118	$0	$15,118
Total	$640,704	$3,671,135	$4,311,839

		Single Unit $119 per unit	2+ Unit $80 per unit	Industrial $0.01 per sq. ft.	Commercial $0.09 per sq. ft.	Office / Inst $0.11 per sq. ft.
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF
Base	2018	23,423	5,816	2,739	3,987	4,103
Year 1	2019	23,783	6,056	2,800	4,101	4,146
Year 2	2020	24,143	6,296	2,864	4,220	4,190
Year 3	2021	24,503	6,536	2,930	4,342	4,235
Year 4	2022	24,863	6,776	2,997	4,468	4,281
Year 5	2023	25,209	6,854	3,064	4,599	4,327
Year 6	2024	25,559	6,934	3,134	4,733	4,375
Year 7	2025	25,914	7,015	3,206	4,871	4,422
Year 8	2026	26,275	7,096	3,279	5,014	4,471
Year 9	2027	26,640	7,179	3,354	5,162	4,521
9-Year Increase		3,217	1,363	615	1,176	418
Projected Revenue		$377,163	$107,973	$7,837	$101,810	$45,921

Projected Fee Revenue	$640,703
Total Expenditures	$4,311,839
Existing Development Share	$3,671,137

Parks and Recreational Facilities IIP

ARS § 9-463.05 (T)(7)(g) defines the facilities and assets that can be included in the Parks and Recreational Facilities IIP:

> *"Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools."*

The Parks and Recreational Facilities IIP includes components for land, amenities, and the cost of preparing the Parks and Recreational Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current level of service, is used to calculate the land and amenity components. A plan-based methodology is used for the development fee study.

Service Area

Avondale plans to provide a uniform level of service and equal access to parks and recreational facilities within the city limits. The parks and recreation programs are structured and provided to make full use of Avondale's total inventory of facilities. As a result, the service area for the Parks and Recreational Facilities IIP is citywide.

Proportionate Share

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Parks and Recreational Facilities IIP and development fees will allocate the cost of public services between residential and nonresidential based on daytime population. According to the U.S. Census Bureau's OnTheMap web application, there were 12,060 inflow commuters traveling to Avondale for work in 2015. The proportionate share is based on cumulative impact days per year with residents potentially impacting parks and recreational facilities 365 days per year. Inflow commuters potentially impact park and recreational facilities 250 days per year, assuming 5 workdays per week multiplied by 50 weeks per year. For parks and recreational facilities, residential development generates 91 percent of demand and nonresidential development generates the remaining nine percent of demand.

Figure 25: Daytime Population

		Cumulative Impact Days per Year			Cost Allocation for Parks	
Residents	Inflow Commuters	Residential[1]	Nonresidential[2]	Total	Residential	Nonresidential
80,329	12,060	29,320,085	3,015,000	32,335,085	91%	9%

1. Days per Year = 365

2. Days per Year = 250 (5 Days per Week x 50 Weeks per Year)

Source: Arizona Department of Administration 2014 Population Estimate; U.S. Census Bureau, OnTheMap 6.1.1 Application, 2015.

Ratio of Service Unit to Development Unit

ARS § 9-463.05(E)(4) requires:

> *"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."*

Figure 26 displays the demand indicators for residential and nonresidential land uses. For residential development the table displays the persons per housing unit. For nonresidential development the table displays the number of employees per thousand square feet of floor area.

Figure 26: Parks and Recreational Facilities Ratio of Service Unit to Development Unit

Residential Development	per Unit
Development Type	Persons per Housing Unit[1]
Single Unit	3.18
2+ Unit	2.13

Nonresidential Development	per 1,000 Sq Ft
Development Type	Jobs per 1,000 Sq Ft[1]
Industrial	0.34
Commercial	2.34
Office / Institutional	2.97

1. See Land Use Assumptions

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

ARS § 9-463.05(E)(1) requires:

> *"A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable."*

ARS § 9-463.05(E)(2) requires:

> *"An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable."*

Developed Park Land – Incremental Expansion

Avondale plans to develop a 30-acre park at Lakin Ranch over the next 10 years. Shown below in Figure 27, Avondale's existing parks include 85.1 acres of developed land. The definition of necessary public services for parks and recreational facilities includes parks or facilities on real property up to 30 acres in area, or parks and facilities larger than 30 acres if the facilities provide a direct benefit to the development. Two of Avondale's parks, Friendship Community Park and Festival Fields, are larger than 30 acres, however, the LOS analysis uses only 30 acres for both parks.

Figure 27: Existing Developed Park Land

Description	Developed Acres
Fred Campbell Neighborhood Park	1.5
Dennis DeConcini Neighborhood Park	2.0
Las Ligas Neighborhood Park	8.1
Mountain View Neighborhood Park	3.6
Dessie Lorenz Neighborhood Park	4.6
Donnie Hale Neighborhood Park	5.3
Friendship Community Park	30.0
Festival Fields	30.0
Total	85.1

Developed Park Land Level of Service

To allocate the proportionate share of demand for developed park land to residential and nonresidential development, this analysis uses daytime population shown in Figure 25. Avondale's existing LOS for residential development is approximately 0.00091 developed acres per person (85.1 acres X 91 percent residential share / 84,736 persons). For nonresidential development, the existing LOS is approximately 0.00045 developed acres per job (85.1 acres X 9 percent nonresidential share / 17,086 jobs).

The cost to develop an acre of park land is $175,000 and includes two components: infrastructure improvements and site improvements. Infrastructure improvements include earthwork, utilities, drainage, electrical distribution, and irrigation and cost $125,000 per acre. Site improvements include area lighting, lighted walking paths, and furnishings (benches, trash receptacles, drinking fountains, pet waste dispensers, signage, etc.) at a cost of $50,000 per acre. Avondale plans to use land donated by developers, so the cost per acre does not include the cost to acquire land.

The cost per person for developed park land is $159.93 (0.00091 developed acres per person X $175,000 per developed acre) and the cost per job is $78.45 (0.00045 developed acres per job X $175,000 per developed acre).

Figure 28: Existing Level of Service

Cost Allocation Factors	
Cost per Acre - Infrastructure[1]	$125,000
Cost per Acre - Site Improvements[1]	$50,000
Developed Cost per Acre	$175,000

Level-of-Service Standards	
Existing Developed Acres	85.1
Residential	
Residential Share	91%
2018 Population	84,736
Developed Acres per Person	0.00091
Cost per Person	**$159.93**
Nonresidential	
Nonresidential Share	9%
2018 Jobs	17,086
Developed Acres per Job	0.00045
Cost per Job	**$78.45**

1. Parks and Recreation Department, City of Avondale.

Park Amenities – Incremental Expansion

Avondale will use development fees to expand its inventory of park amenities. The current inventory of park amenities, shown below in Figure 29, includes 83 amenities with a total replacement cost of $28.78 million—approximately $346,729 per amenity.

Figure 29: Existing Park Amenities

Description	Units	Unit Cost	Replacement Cost
Softball Field - Adult	8	$825,000	$6,600,000
Softball Field - Youth	3	$625,000	$1,875,000
Soccer Field	11	$530,000	$5,830,000
Multi-Use Field	2	$475,000	$950,000
Tennis Court	2	$108,000	$216,000
Basketball Court	9	$120,000	$1,080,000
Volleyball Court	1	$24,000	$24,000
Playground (2 - 5 years old)	3	$125,000	$375,000
Playground (5 - 12 years old)	8	$230,000	$1,840,000
Ramada	19	$84,000	$1,596,000
Restroom	6	$420,000	$2,520,000
Parking Lots	8	$525,938	$4,207,500
Dog Park	1	$650,000	$650,000
Football Field	1	$535,000	$535,000
Splash Pad	1	$480,000	$480,000
Total	83	$346,729	$28,778,500

Park Amenities Level of Service

As previously discussed, daytime population is used to allocate the proportionate share of demand to residential and nonresidential development. Avondale's existing level of service for residential development is 0.00089 amenities per person (83 amenities X 91 percent residential share / 84,736 persons). The nonresidential level of service is 0.00044 amenities per job (83 amenities X 9 percent nonresidential share / 17,086 jobs). The cost per person is $309.06 (0.00089 amenities per person X $346,729 per amenity) and the cost per job is $151.59 (0.00044 amenities per job X $346,729 per amenity).

Figure 30: Existing Level of Service

Cost Allocation Factors	
Cost per Amenity	$346,729

Level-of-Service Standards	
Existing Amenities	83
Residential	
Residential Share	91%
2018 Population	84,736
Amenities per Person	0.00089
Cost per Person	**$309.06**
Nonresidential	
Nonresidential Share	9%
2018 Jobs	17,086
Amenities per Job	0.00044
Cost per Job	**$151.59**

Development Fee Report – Plan-Based

The cost to prepare the Parks and Recreational Facilities IIP and development fees totals $14,323. Avondale plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new development from the *Land Use Assumptions* document, the cost per person is $1.65 and the cost per job is $0.58.

Figure 31: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Fire	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Library	$15,118	Residential	82%	Population	84,736	92,626	7,890	$1.57
		Nonresidential	18%	Jobs	17,086	19,298	2,212	$1.23
Parks and Recreational	$14,323	Residential	91%	Population	84,736	92,626	7,890	$1.65
		Nonresidential	9%	Jobs	17,086	19,298	2,212	$0.58
Police	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Street	$25,065	Residential Nonresidential	100%	VMT	498,794	545,990	47,196	$0.53
Wastewater	$21,484	Residential Nonresidential	100%	Gallons	5,926,764	6,547,057	620,293	$0.03
Water	$28,644	Residential Nonresidential	100%	Gallons	11,289,122	12,534,726	1,245,605	$0.02
Total	$133,280							

Projected Demand for Services and Costs

ARS § 9-463.05(E)(5) requires:

> *"The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria."*

As shown in the *Land Use Assumptions* document, Avondale's population is expected to increase by an additional 14,490 persons and employment is expected to increase by 4,739 jobs over the next 10 years.

ARS § 9-463.05(E)(6) requires:

> *"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."*

Developed Park Land

Avondale plans to maintain its current developed park land level of service over the next 10 years. Based on a projected population increase of 14,490 persons, Avondale's future residential development demands 13.2 additional acres of developed park land (14,490 additional persons X 0.00091 developed acres per person). Future nonresidential development demands 2.1 additional acres of developed park land (4,739 additional jobs X 0.00045 developed acres per job) over the next 10 years. Future development demands approximately 15.3 additional acres of developed park land over the next 10 years at a cost of approximately $2.7 million.

Figure 32: Projected Demand for Developed Park Land

Type of Infrastructure	Level of Service		Demand Unit	Cost per Acre
Developed Park Land	0.00091	Developed Acres	per Person	$175,000
	0.00045	Developed Acres	per Job	

Need for Developed Park Land					
Year	**Population**	**Jobs**	**Residential Acres**	**Nonresidential Acres**	**Total Acres**
2018	84,736	17,086	77.4	7.7	85.1
2019	86,392	17,505	79.0	7.8	86.8
2020	88,048	17,935	80.5	8.0	88.5
2021	89,704	18,377	82.0	8.2	90.2
2022	91,360	18,832	83.5	8.4	91.9
2023	92,626	19,298	84.7	8.7	93.3
2024	93,910	19,776	85.8	8.9	94.7
2025	95,212	20,268	87.0	9.1	96.1
2026	96,532	20,773	88.2	9.3	97.5
2027	97,870	21,292	89.4	9.5	99.0
2028	99,226	21,825	90.7	9.8	100.5
10-Yr Increase	14,490	4,739	13.2	2.1	15.3
	Growth-Related Expenditures		$2,317,386	$371,775	$2,689,161

Park Amenities

Avondale also plans to maintain its current park amenities level of service over the next 10 years. Based on a projected population increase of 14,490 persons, Avondale's future residential development demands 13 additional park amenities (14,490 additional persons X 0.00089 park amenities per person). Future nonresidential development demands two additional park amenities (4,739 additional jobs X 0.00044 park amenities per job) over the next 10 years. Future development demands approximately 15 additional park amenities over the next 10 years at a cost of approximately $5.20 million.

Figure 33: Projected Demand for Park Amenities

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Park Amenities	0.00089 Units	per Person	$346,729
	0.00044 Units	per Job	

Need for Park Amenities					
Year	**Population**	**Jobs**	**Residential Units**	**Nonresidential Units**	**Total Units**
2018	84,736	17,086	76	7	83
2019	86,392	17,505	77	8	85
2020	88,048	17,935	78	8	86
2021	89,704	18,377	80	8	88
2022	91,360	18,832	81	8	90
2023	92,626	19,298	83	8	91
2024	93,910	19,776	84	9	92
2025	95,212	20,268	85	9	94
2026	96,532	20,773	86	9	95
2027	97,870	21,292	87	9	97
2028	99,226	21,825	88	10	98
10-Yr Increase	14,490	4,739	13	2	15
	Growth-Related Expenditures		$4,478,279	$718,385	$5,196,664

PARKS AND RECREATIONAL FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for parks and recreational facilities development fees, because costs generated by projected development exceed revenues generated by projected development. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Parks and Recreational Facilities Development Fees

Infrastructure components and cost factors for Parks and Recreational Facilities are summarized in the upper portion of Figure 34. The cost per service unit for Parks and Recreational Facilities is $470.64 per person and $230.62 per job. Figure 34 displays the ratio of a service unit to various types of land uses for residential and nonresidential development.

Parks and Recreational Facilities development fees for residential development are assessed according to the number of persons per housing unit. For example, the single-family fee of $1,497 is calculated using a cost per service unit of $470.64 per person multiplied by a demand unit of 3.18 persons per housing unit. Nonresidential development fees are calculated using jobs as the service unit. The fee of $0.54 per square foot of commercial development is derived from a cost per service unit of $230.62 per job multiplied by a demand unit of 2.34 jobs per 1,000 square feet, divided by 1,000 square feet.

Figure 34: Schedule of Parks and Recreational Facilities Development Fees

Fee Component	Cost per Person	Cost per Job
Developed Park Land	$159.93	$78.45
Park Amenities	$309.06	$151.59
Development Fee Report	$1.65	$0.58
Total	$470.64	$230.62

Residential Development	Development Fees per Unit			
Development Type	Persons per Housing Unit[1]	Proposed Fees	Current Fees	Increase / Decrease
Single Unit	3.18	$1,497	$796	$701
2+ Units	2.13	$1,002	$658	$344

Nonresidential Development	Development Fees per Square Foot			
Development Type	Jobs per 1,000 Sq Ft[1]	Proposed Fees	Current Fees	Increase / Decrease
Industrial	0.34	$0.08	$0.13	($0.05)
Commercial	2.34	$0.54	$0.82	($0.28)
Office / Institutional	2.97	$0.68	$0.24	$0.44

1. See Land Use Assumptions

Projected Parks and Recreational Facilities Development Fee Revenue

Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

In accordance with state law, this report includes an IIP for Parks and Recreational Facilities needed to accommodate new development. Projected fee revenue shown in Figure 35 is based on the development projections in the *Land Use Assumptions* document and the updated development fees for Parks and Recreational Facilities. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase and development fee revenue will increase at a corresponding rate. If development occurs at a slower rate than is projected, the demand for infrastructure will also decrease, along with development fee revenue. Anticipated development fee revenue of $7.9 million is approximately equal to the projected growth-related cost of parks and recreational facilities ($7.9 million).

Figure 35: Projected Parks and Recreational Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Developed Park Land	$2,689,161	$0	$2,689,161
Park Amenities	$5,196,664	$0	$5,196,664
Development Fee Report	$14,323	$0	$14,323
Total	$7,900,148	$0	$7,900,148

		Single Unit $1,497 per unit	2+ Unit $1,002 per unit	Industrial $0.08 per sq. ft.	Commercial $0.54 per sq. ft.	Office / Inst $0.68 per sq. ft.
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF
Base	2018	23,423	5,816	2,739	3,987	4,103
Year 1	2019	23,783	6,056	2,800	4,101	4,146
Year 2	2020	24,143	6,296	2,864	4,220	4,190
Year 3	2021	24,503	6,536	2,930	4,342	4,235
Year 4	2022	24,863	6,776	2,997	4,468	4,281
Year 5	2023	25,209	6,854	3,064	4,599	4,327
Year 6	2024	25,559	6,934	3,134	4,733	4,375
Year 7	2025	25,914	7,015	3,206	4,871	4,422
Year 8	2026	26,275	7,096	3,279	5,014	4,471
Year 9	2027	26,640	7,179	3,354	5,162	4,521
Year 10	2028	27,010	7,263	3,432	5,315	4,571
10-Year Increase		3,587	1,447	694	1,328	468
Projected Revenue		$5,358,546	$1,449,418	$55,039	$716,667	$320,375

Projected Fee Revenue	$7,900,044
Total Expenditures	$7,900,148

POLICE FACILITIES IIP

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 includes components for police stations, vehicles and equipment, communications equipment, a property and evidence facility, and the cost of preparing the Police Facilities IIP and Development Fees. The incremental expansion methodology, based on the current level of service, is used to calculate the components for stations, vehicles and equipment, and communications equipment. A plan-based methodology is used for the property and evidence facility and the development fee study.

Service Area

Avondale's Police Department strives to provide a uniform response time citywide. As a result, the service area for the Police Facilities IIP is citywide.

Proportionate Share

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Police Facilities IIP and development fees are assessed on both residential and nonresidential development based on functional population shown in Figure 8. Based on 2015 functional population data, residential development accounts for approximately 82 percent of demand for police services and nonresidential development is responsible for the remaining 18 percent.

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

ARS § 9-463.05(E)(4) requires:

> *"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."*

Figure 36 displays the demand indicators for residential and nonresidential land uses. For residential development the table displays the persons per housing unit. For nonresidential development the table displays the number of vehicle trips generated per thousand square feet of floor area.

Figure 36: Police Facilities Ratio of Service Unit to Development Unit

Residential Development	per Unit
Development Type	**Persons per Housing Unit[1]**
Single Unit	3.18
2+ Unit	2.13

Nonresidential Development	per 1,000 Sq Ft
Development Type	**Avg Wkdy Veh Trips[2]**
Industrial	0.87
Commercial	12.46
Office / Institutional	4.87

1. See Land Use Assumptions
2. Average Weekday Vehicle Trip Ends X Trip Rate Adjustment.

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 Stations – Incremental Expansion

Avondale plans to use development fees to expand its current inventory of police stations. Shown below in Figure 37, Avondale's existing police stations include 41,738 square feet.

Figure 37: Existing Police Stations

Description	Square Feet
Main Police Station	24,758
Police Substation	6,480
Cashion Police Substation	3,000
NW Public Safety Facility (Police Share)	7,500
Total	41,738

Police Stations Level of Service

Functional population provides the proportionate share of demand for police stations from residential and nonresidential development. Avondale's existing level of service for residential development is 0.4039 square feet per person (41,738 square feet X 82 percent residential share / 84,736 persons). The nonresidential level of service is 0.1043 square feet per vehicle trip (41,738 square feet X 18 percent / 72,025 vehicle trips). Using estimates for the planned Lakin Ranch substation, the cost per square foot is $353 ($3.0 million / 8,500 square feet). The cost per person is $142.55 (0.4039 square feet per person X $353 per square foot) and the cost per vehicle trip is $36.81 (0.1043 square feet per vehicle trip X $353 per square foot).

Figure 38: Existing Level of Service

Cost Allocation Factors	
Cost per Square Foot	$353

Level-of-Service Standards	
Existing Square Feet	41,738
Residential	
Residential Share	82%
2018 Population	84,736
Square Feet per Person	0.4039
Cost per Person	**$142.55**
Nonresidential	
Nonresidential Share	18%
2018 Vehicle Trips	72,025
Square Feet per Vehicle Trip	0.1043
Cost per Vehicle Trip	**$36.81**

Description	Square Feet	Cost per SF	Total Cost
Lakin Ranch Substation	8,500	$353	$3,000,000

Property and Evidence Facility – Plan-Based

Avondale plans to construct a 12,500-square-foot property and evidence facility within the next 10 years at a total cost of $5,000,000 ($400 per square foot). This planned facility will serve both existing and future development; therefore, costs are allocated to total projected residential and nonresidential development in 2028. Avondale's population in 2028 is projected to be 99,226 persons of whom 84,736 are from existing development with the remaining 14,490 persons coming from future development. Total nonresidential trips in 2028 are projected to equal 91,453 trips on an average weekday. Existing nonresidential vehicle trips are estimated to equal 72,025, and the projected trip increase equals 19,428 vehicle trips from future development.

The planned LOS to be provided to residential development in 2028 is 0.1033 square feet per person (12,500 square feet X 82 percent residential share / 99,226 persons). Nonresidential development's planned LOS in 2028 is 0.0246 square feet per vehicle trip (12,500 square feet X 18 percent nonresidential share / 91,453 vehicle trips). Based on the planned cost of $400 per square foot, the cost per person is $41.32 ($400 per square foot X 0.1033 square feet per person) and the cost per vehicle trip is $9.84 ($400 per square foot X 0.0246 square feet per vehicle trip).

Figure 39: Planned Property and Evidence Facility

Description	Square Feet	Total Cost
Property & Evidence Facility	12,500	$5,000,000

Cost Allocation Factors	
Cost per Square Foot	$400

Level-of-Service Standards	
Planned Square Feet	12,500
Residential	
Residential Share	82%
2028 Population	99,226
Square Feet per Person	0.1033
Cost per Person	**$41.32**
Nonresidential	
Nonresidential Share	18%
2018 Vehicle Trips	91,453
Square Feet per Vehicle Trip	0.0246
Cost per Vehicle Trip	**$9.84**

Police Vehicles and Equipment – Incremental Expansion

Development fees will be used to expand Avondale's inventory of police vehicles and equipment. Figure 40 lists the current vehicles and equipment used by Avondale's Police Department – 115 units representing a replacement cost of approximately $5.86 million.

Figure 40: Existing Police Vehicles and Equipment

Description	Units	Unit Cost	Replacement Cost
Patrol Vehicles	62	$43,389	$2,690,119
Non-Patrol Vehicles	24	$25,038	$600,920
Motorcycles	6	$28,974	$173,846
Trucks	9	$29,753	$267,775
Large Vans	3	$58,752	$176,255
Small Vans	3	$24,688	$74,064
Armored Truck	1	$350,000	$350,000
Command Vehicle	1	$800,000	$800,000
Trailers	5	$3,212	$16,062
Computer Hardware	1	$710,000	$710,000
Total	115	$50,948	$5,859,041

Police Vehicles and Equipment Level of Service

Functional population is used to allocate the proportionate share of demand to residential and nonresidential development. Avondale's existing level of service for residential development is 0.00111 units per person (115 units X 82 percent residential share / 84,736 persons). The nonresidential level of service is 0.00029 units per vehicle trip (115 units X 18 percent nonresidential share / 72,025 vehicle trips). The cost per person is $56.70 ($50,948 per unit X 0.00111 units per person) and the cost per vehicle trip is $14.64 ($50,948 per unit X 0.00029 units per vehicle trip).

Figure 41: Existing Level of Service

Cost Allocation Factors	
Cost per Unit	$50,948

Level-of-Service Standards	
Existing Vehicles and Equipment	115
Residential	
Residential Share	82%
2018 Population	84,736
Units per Person	0.00111
Cost per Person	**$56.70**
Nonresidential	
Nonresidential Share	18%
2018 Vehicle Trips	72,025
Units per Vehicle Trip	0.00029
Cost per Vehicle Trip	**$14.64**

Communications Equipment – Incremental Expansion

Development fees will be used to expand Avondale's inventory of communications equipment. Figure 42 lists the current communications equipment used by Avondale's Police Department. Avondale currently has 265 units of communications equipment representing a replacement cost of $2.02 million – $7,630 per unit ($2,022,055 replacement cost / 265 units).

Figure 42: Existing Communications Equipment

Description	Units	Unit Cost	Replacement Cost
Consoles	4	$152,960	$611,841
Database Manager	1	$85,000	$85,000
Radios	260	$5,097	$1,325,214
Total	265	$7,630	$2,022,055

Communications Equipment Level of Service

Communications equipment costs are allocated according to functional population – 82 percent to residential development and 18 percent to nonresidential development. Avondale's existing level of service for residential development is 0.00256 units per person (265 units X 82 percent residential share / 84,736 persons). The nonresidential level of service is 0.00066 units per vehicle trip (265 units X 18 percent nonresidential share / 72,025 vehicle trips). The cost per person is $19.57 ($7,630 per unit X 0.00256 units per person) and the cost per vehicle trip is $5.05 ($7,630 per unit X 0.00066 units per vehicle trip).

Figure 43: Existing Level of Service

Cost Allocation Factors	
Cost per Unit	$7,630

Level-of-Service Standards	
Existing Units	265
Residential	
Residential Share	82%
2018 Population	84,736
Units per Person	0.00256
Cost per Person	**$19.57**
Nonresidential	
Nonresidential Share	18%
2018 Vehicle Trips	72,025
Units per Vehicle Trip	0.00066
Cost per Vehicle Trip	**$5.05**

Development Fee Report – Plan-Based

The cost to prepare the Police Facilities IIP and related Development Fee Report totals $14,323. Avondale plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new residential and nonresidential development from the *Land Use Assumptions* document, the cost per person is $1.49 and the cost per vehicle trip is $0.29.

Figure 44: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Fire	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Library	$15,118	Residential	82%	Population	84,736	92,626	7,890	$1.57
		Nonresidential	18%	Jobs	17,086	19,298	2,212	$1.23
Parks and Recreational	$14,323	Residential	91%	Population	84,736	92,626	7,890	$1.65
		Nonresidential	9%	Jobs	17,086	19,298	2,212	$0.58
Police	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Street	$25,065	Residential Nonresidential	100%	VMT	498,794	545,990	47,196	$0.53
Wastewater	$21,484	Residential Nonresidential	100%	Gallons	5,926,764	6,547,057	620,293	$0.03
Water	$28,644	Residential Nonresidential	100%	Gallons	11,289,122	12,534,726	1,245,605	$0.02
Total	$133,280							

Projected Service Units and Projected Demand for Services

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 the *Land Use Assumptions* document, Avondale expects an additional 14,490 persons and 19,428 nonresidential trips over the next 10 years.

ARS § 9-463.05(E)(6) requires:

> *"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."*

Police Stations

Over the next 10 years, Avondale's population is projected to increase by 14,490 persons and nonresidential vehicle trips are projected to increase by 19,428. Using the 2018 LOS standards shown at the top of Figure 45, future residential development generates demand for 5,853 additional square feet of police stations (0.4039 square feet per person X 14,490 additional persons), and future nonresidential development generates demand for 2,027 additional square feet of police stations (0.1043 square feet per vehicle trip X 19,428 additional vehicle trips). The 10-year demand for additional police stations equals 7,879 square feet at a cost of approximately $2.78 million. This is approximately 93 percent of the planned Lakin Ranch substation (8,500 square feet and $3.0 million).

Figure 45: Projected Demand for Police Stations

Type of Infrastructure	Level of Service	Demand Unit	Cost per Sq. Ft.
Police Stations	0.4039 Square Feet	per Person	$353
	0.1043 Square Feet	per Vehicle Trip	

Need for Police Stations					
Year	**Population**	**Vehicle Trips**	**Residential**	**Nonresidential**	**Total Square Feet**
2018	84,736	72,025	34,225	7,513	41,738
2019	86,392	73,721	34,894	7,690	42,584
2020	88,048	75,465	35,563	7,872	43,435
2021	89,704	77,262	36,232	8,059	44,291
2022	91,360	79,118	36,901	8,253	45,153
2023	92,626	81,026	37,412	8,452	45,864
2024	93,910	82,986	37,931	8,656	46,587
2025	95,212	85,011	38,457	8,867	47,324
2026	96,532	87,094	38,990	9,085	48,074
2027	97,870	89,241	39,530	9,309	48,839
2028	99,226	91,453	40,078	9,539	49,617
10-Yr Increase	14,490	19,428	5,853	2,027	7,879

Growth-Related Expenditures	**$2,065,550**	**$715,145**	**$2,780,695**

Vehicles and Equipment

Shown in Figure 46, population is projected to increase by 14,490 persons by 2028, and nonresidential trips will increase by 19,428 trips during the same period. Using the 2018 LOS standards shown in Figure 46, future residential development generates demand for approximately 16 additional units (0.00111 units per person X 14,490 additional persons), and future nonresidential development generates demand for approximately six additional units (0.00029 units per vehicle trip X 19,428 additional vehicle trips). The 10-year demand for additional police vehicles and equipment equals 22 units at a cost of approximately $1.11 million.

Figure 46: Projected Demand for Police Vehicles and Equipment

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Vehicles and Equipment	0.00111 Units	per Person	$50,948
	0.00029 Units	per Vehicle Trip	

Need for Police Vehicles and Equipment					
Year	Population	Vehicle Trips	Residential	Nonresidential	Total Units
2018	84,736	72,025	94	21	115
2019	86,392	73,721	96	21	117
2020	88,048	75,465	98	22	120
2021	89,704	77,262	100	22	122
2022	91,360	79,118	102	23	124
2023	92,626	81,026	103	23	126
2024	93,910	82,986	105	24	128
2025	95,212	85,011	106	24	130
2026	96,532	87,094	107	25	132
2027	97,870	89,241	109	26	135
2028	99,226	91,453	110	26	137
10-Yr Increase	14,490	19,428	16	6	22
	Growth-Related Expenditures		$821,583	$284,426	$1,106,009

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Communications Equipment

As shown in Figure 47, population and nonresidential trips drive the need for communications equipment. Based on the development projections in the *Land Use Assumptions* document, Avondale will need approximately 50 additional units of communications equipment over the next 10 years [(0.00256 units per person X 14,490 additional persons) + (0.00066 units per vehicle trip X 19,428 additional vehicle trips). The 10-year, growth-related capital cost associated with these additional units of communications equipment is $381,680.

Figure 47: Projected Demand for Communications Equipment

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Communications Equipment	0.00256 Units	per Person	$7,630
	0.00066 Units	per Vehicle Trip	

Need for Police Communications Equipment					
Year	Population	Vehicle Trips	Residential	Nonresidential	Total Units
2018	84,736	72,025	217	48	265
2019	86,392	73,721	222	49	270
2020	88,048	75,465	226	50	276
2021	89,704	77,262	230	51	281
2022	91,360	79,118	234	52	287
2023	92,626	81,026	238	54	291
2024	93,910	82,986	241	55	296
2025	95,212	85,011	244	56	300
2026	96,532	87,094	248	58	305
2027	97,870	89,241	251	59	310
2028	99,226	91,453	254	61	315
10-Yr Increase	14,490	19,428	37	13	50
	Growth-Related Expenditures		$283,569	$98,111	$381,680

POLICE FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for Police Facilities development fees, because costs generated by projected development exceed revenues generated by projected development. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Police Facilities Development Fees

Figure 48 displays the ratio of a service unit to various types of land uses for residential and nonresidential development. Police Facilities development fees for residential development are assessed according to the number of persons per housing unit. Nonresidential development fees are calculated using vehicle trips as the service unit. The multipliers for each land use, which include average weekday vehicle trips ends per thousand square feet and a trip adjustment factor, are shown below. The cost per service unit for Police Facilities is $261.63 per person and $66.63 per vehicle trip.

Trip generation rates are 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 percent.

For commercial development, the trip adjustment factor is less than 50 percent 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 indicate 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66 percent multiplied by 50 percent, or approximately 33 percent of the trip ends. These factors are shown to derive inbound vehicle trips for each type of nonresidential land use.

Development fees for residential development are determined by type of housing unit. For example, the single-family fee of $832 is calculated using a cost per service unit of $261.63 per person multiplied by the demand unit of 3.18 persons per housing unit. Nonresidential development fees are stated per square foot of floor area unless otherwise noted. The fee of $0.83 per square foot of commercial development is derived from a cost per service unit of $66.63 per vehicle trip multiplied by a demand unit of 37.75 average weekday vehicle trip ends per 1,000 square feet, multiplied by a trip rate adjustment factor of 33 percent, divided by 1,000 square feet.

Figure 48: Schedule of Police Facilities Development Fees

Fee Component	Cost per Person	Cost per Vehicle Trip
Police Stations	$142.55	$36.81
Property and Evidence Facility	$41.32	$9.84
Vehicles and Equipment	$56.70	$14.64
Communications Equipment	$19.57	$5.05
Development Fee Report	$1.49	$0.29
Total	$261.63	$66.63

Residential Development	Development Fees per Unit			
Development Type	Persons per Housing Unit[1]	Proposed Fees	Current Fees	Increase / Decrease
Single Unit	3.18	$832	$499	$333
2+ Unit	2.13	$557	$412	$145

Nonresidential Development	Development Fees per Square Foot				
Development Type	Avg Wkdy Veh Trip Ends[1]	Trip Rate Adjustment	Proposed Fees	Current Fees	Increase / Decrease
Industrial	1.74	50%	$0.06	$0.08	($0.02)
Commercial	37.75	33%	$0.83	$0.51	$0.32
Office / Institutional	9.74	50%	$0.32	$0.15	$0.17

1. See Land Use Assumptions

PROJECTED POLICE FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains revenue forecasts required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Projected Police Facilities Development Fee Revenue

Projected fee revenue shown in Figure 49 is based on the development projections in the *Land Use Assumptions* document and the updated Police Facilities development fees. If development occurs faster than projected, the demand for infrastructure will increase along with development fee revenue. If development occurs slower than projected, the demand for infrastructure will decrease and development fee revenue will decrease at a similar rate. Anticipated development fee revenue of approximately $5.07 million over the next 10 years is approximately equal to the projected growth-related cost of police facilities ($5.07 million). Existing development's share equals approximately $4.21 million and must be paid with other sources of revenue.

Figure 49: Projected Revenue from Police Facilities Development Fees

Fee Component	Growth Share	Existing Share	Total
Police Stations	$2,780,695	$0	$2,780,695
Property and Evidence Facility	$789,917	$4,210,083	$5,000,000
Vehicles and Equipment	$1,106,009	$0	$1,106,009
Communications Equipment	$381,680	$0	$381,680
Development Fee Report	$14,323	$0	$14,323
Total	$5,072,624	$4,210,083	$9,282,707

		Single Unit $832 per unit	2+ Unit $557 per unit	Industrial $0.06 per sq. ft.	Commercial $0.83 per sq. ft.	Office / Inst $0.32 per sq. ft.
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF
Base	2018	23,423	5,816	2,739	3,987	4,103
Year 1	2019	23,783	6,056	2,800	4,101	4,146
Year 2	2020	24,143	6,296	2,864	4,220	4,190
Year 3	2021	24,503	6,536	2,930	4,342	4,235
Year 4	2022	24,863	6,776	2,997	4,468	4,281
Year 5	2023	25,209	6,854	3,064	4,599	4,327
Year 6	2024	25,559	6,934	3,134	4,733	4,375
Year 7	2025	25,914	7,015	3,206	4,871	4,422
Year 8	2026	26,275	7,096	3,279	5,014	4,471
Year 9	2027	26,640	7,179	3,354	5,162	4,521
Year 10	2028	27,010	7,263	3,432	5,315	4,571
10-Year Increase		3,587	1,447	694	1,328	468
Projected Revenue		$2,975,549	$805,236	$40,112	$1,099,686	$151,656

Projected Fee Revenue	$5,072,239
Total Expenditures	$9,282,707
Existing Development Share	$4,210,468

STREET FACILITIES IIP

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 improvements, signalized intersections, and the cost of professional services for preparing the Street Facilities IIP and related Development Fee Report. The plan-based methodology is used for arterial improvements and the related Development Fee Report. The incremental expansion methodology is used for signalized intersections.

Service Area

Avondale's arterial street network is designed to efficiently move traffic throughout the city; therefore, the service area for the Street Facilities IIP and Development Fees is citywide.

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 generation rates and trip adjustment factors are used to determine the proportionate impact of residential, commercial, office, and industrial land uses Avondale's street network.

Ratio of Service Unit to Development Unit

ARS § 9-463.05(E)(4) requires:

> *"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."*

Figure 50 displays the demand indicators for residential and nonresidential land uses. For residential development the table displays VMT generated per housing unit. For nonresidential development the table displays VMT generated per thousand square feet of floor area.

Figure 50: Street Facilities Ratio of Service Unit to Development Unit

Residential Development	per Unit				
Development Type	Avg Wkdy Veh Trip Ends[1]	Trip Rate Adjustment	Trip Length Adjustment	Average Miles per Trip	VMT
Single Unit	10.00	65%	121%	1.940	15.258
2+ Unit	5.20	65%	121%	1.940	7.934

Nonresidential Development	per 1,000 Square Feet				
Development Type	Avg Wkdy Veh Trip Ends[1]	Trip Rate Adjustment	Trip Length Adjustment	Average Miles per Trip	VMT
Industrial	1.74	50%	73%	1.940	1.232
Commercial	37.75	33%	66%	1.940	15.951
Office / Institutional	9.74	50%	73%	1.940	6.897

1. TischlerBise Land Use Assumptions

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

ARS § 9-463.05(E)(1) requires:

> *"A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable."*

The existing public services included in the Street Facilities IIP are 212.8 lane miles of arterials and 47 signalized intersections.

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."*

The daily lane capacity used in this analysis is 9,800, which is the roadway capacity of a two-lane arterial, found in the 2017 Maricopa Association of Governments Regional Transportation Model.

LEVEL OF SERVICE AND RATIO OF SERVICE UNIT TO LAND USE

Service Units

Avondale will use average weekday vehicle trip ends as the service units for documenting existing level-of-service standards and allocating the costs of future improvements. Components used to determine the service units and input variables are discussed, including trip generation rates, adjustments for commuting patterns and pass-by trips, and trip length weighting factors.

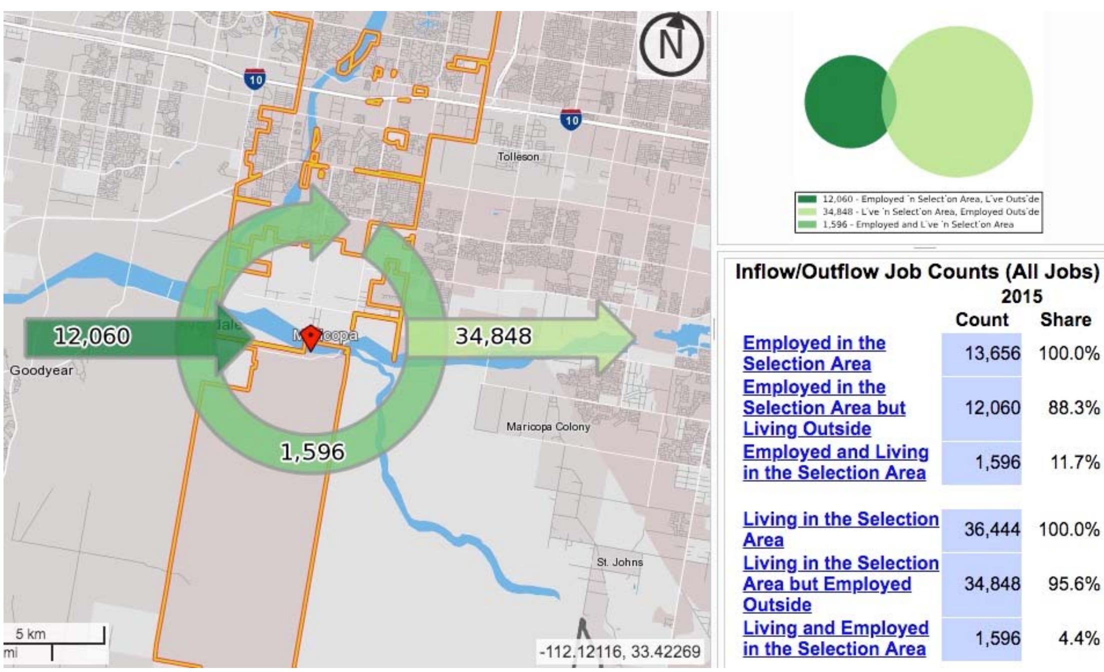
Trip Rate Adjustments

Avondale's Street Facilities Development Fees use average weekday trip generation rates from the reference book *Trip Generation* published by the Institute of Transportation Engineers (ITE 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 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 percent. 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.

Adjustment for Commuting Patterns

Residential development has a trip adjustment factor of 65 percent to account for commuters leaving Avondale for work. According to the 2009 National Household Travel Survey, weekday work trips are typically 31 percent of production trips (i.e., all out-bound trips, which are 50 percent of all trip ends). As shown in Figure 51, the Census Bureau's web application OnTheMap indicates 95.6 percent of resident workers traveled outside Avondale for work in 2015. In combination, these factors (0.31 x 0.50 x 0.956 = 0.15) support the additional 15 percent allocation of trips to residential development.

Figure 51: Inflow / Outflow Analysis



Inflow/Outflow Job Counts (All Jobs)
2015

	Count	Share
Employed in the Selection Area	13,656	100.0%
Employed in the Selection Area but Living Outside	12,060	88.3%
Employed and Living in the Selection Area	1,596	11.7%
Living in the Selection Area	36,444	100.0%
Living in the Selection Area but Employed Outside	34,848	95.6%
Living and Employed in the Selection Area	1,596	4.4%

Adjustment for Pass-By Trips

For commercial development, the trip adjustment factor is less than 50 percent because retail development attracts vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For the average shopping center, ITE data indicate 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66 percent multiplied by 50 percent, or approximately 33 percent of the trip ends.

Trip Length Weighting Factor by Type of Land Use

The Street Facilities Development Fees methodology includes a percentage adjustment, or weighting factor, to account for trip length variation by type of land use. As documented in Table 6 of the 2009 National Household Travel Survey, vehicle trips from residential development are approximately 121 percent of the average trip length. The residential trip length adjustment factor includes data on home-based work trips, social, and recreational purposes. Conversely, shopping trips associated with commercial development are roughly 66 percent of the average trip length while other nonresidential development typically accounts for trips that are 73 percent of the average for all trips.

PROJECTED SERVICE UNITS, DEMAND, AND COSTS FOR SERVICES

TischlerBise created an aggregate travel model to convert development units within Avondale to project vehicle trips and vehicle miles of travel. Figure 52 summarizes the input variables used in the aggregate travel demand model.

Figure 52: Input Variables for Travel Demand Model

Development Type	ITE Code	Weekday VTE	Dev Unit	Trip Adj	Trip Length Wt Factor
Single Family	210	10.00	HU	65%	121%
Multi-Family	220	5.20	HU	65%	121%
Industrial	150	1.74	KSF	50%	73%
Commercial / Retail	820	37.75	KSF	33%	66%
Office / Institutional	710	9.74	KSF	50%	73%

Avg Trip Length (miles)	8.11
Vehicle Capacity Per Lane	9,800

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 Avondale over the next 10 years, and the corresponding need for additional lane miles of arterials and signalized intersections, are shown in Figure 53. Trip generation rates and trip adjustment factors convert projected development into average weekday vehicle trips. As shown in Figure 53, new development in Avondale will generate 47,633 additional trips.

ARS § 9-463.05(E)(6) requires:

> *"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."*

The travel demand model inputs are used to derive level of service in Vehicle Miles of Travel and future needs of lane miles and signalized intersections. A Vehicle Mile of Travel (VMT) is a measurement unit equal to one vehicle traveling one mile. In the aggregate, VMT is the product of vehicle trips multiplied by the average trip length. Based on estimates shown in Figure 53, existing infrastructure standards using the average trip length of 8.11 miles in Avondale are 1.02 lane miles per 10,000 VMT (212.83 arterial lane miles / (2,085,166 VMT / 10,000)).

As shown on the lower right side of Figure 53, future development generates an additional 382,407 VMT over the next 10 years. To maintain the existing infrastructure standards, Avondale needs 39.0 additional lane miles of arterials and 8.6 additional signalized intersections to accommodate projected development over the next 10 years.

Figure 53: Projected Travel Demand

Development Type	ITE Code	Weekday VTE	Dev Unit	Trip Adj	Trip Length Wt Factor
Single Family	210	10.00	HU	65%	121%
Multi-Family	220	5.20	HU	65%	121%
Industrial	150	1.74	KSF	50%	73%
Commercial / Retail	820	37.75	KSF	33%	66%
Office / Institutional	710	9.74	KSF	50%	73%

Avg Trip Length (miles)	8.11
Vehicle Capacity Per Lane	9,800

		Base	1	2	3	4	10	10-Year
		2018	2019	2020	2021	2022	2028	Increase
Development	Single Family Units	23,423	23,783	24,143	24,503	24,863	27,010	3,587
	Multi-Family Units	5,816	6,056	6,296	6,536	6,776	7,263	1,447
	Industrial / Flex KSF	2,739	2,800	2,864	2,930	2,997	3,432	694
	Commercial / Retail KSF	3,987	4,101	4,220	4,342	4,468	5,315	1,328
	Office / Institutional KSF	4,103	4,146	4,190	4,235	4,281	4,571	468
Avg Wkday Vehicle Trips	Single Family Trips	152,250	154,590	156,930	159,270	161,610	175,563	23,313
	Multi-Family Trips	19,658	20,469	21,280	22,092	22,903	24,550	4,892
	Residential Trips	171,908	175,059	178,210	181,362	184,513	200,113	28,205
	Industrial / Flex Trips	2,383	2,436	2,491	2,549	2,607	2,986	603
	Commercial / Retail Trips	49,663	51,094	52,568	54,089	55,663	66,206	16,543
	Office / Institutional Trips	19,979	20,191	20,406	20,624	20,848	22,261	2,282
	Nonresidential Trips	72,025	73,721	75,465	77,262	79,118	91,453	19,428
	Total Vehicle Trips	243,933	248,780	253,675	258,624	263,631	291,566	47,633
VMT	Vehicle Miles of Travel	2,085,166	2,125,316	2,165,725	2,206,431	2,247,447	2,467,573	382,407
	Annual Increase		40,150	40,409	40,706	41,016	38,405	
Demand	Arterial Lane Miles	212.8	216.9	221.0	225.1	229.3	251.8	39.0
	Annual Increase		4.1	4.1	4.1	4.2	3.9	3.9
	Signalized Intersections	47.0	47.9	48.8	49.7	50.7	55.6	8.6
	Annual Increase		0.9	0.9	0.9	1.0	0.8	0.9
								15.5%

Avondale plans to construct 9.3 lane miles of arterials over the next 10 years to serve future development. Since Avondale plans to build fewer than 39 lane miles, the average trip length of 8.11 miles is adjusted until the 10-year demand for arterial lane miles equals 9.3 lane miles. This results in an average trip length of 1.94 miles on the planned arterial improvements. The 10-year increase in VMT on the planned arterial improvements equals 91,476 VMT.

Figure 54: Revised Travel Demand

		Base	1	2	3	4	5	10	10-Year
		2018	2019	2020	2021	2022	2023	2028	Increase
Development	Single Family Units	23,423	23,783	24,143	24,503	24,863	25,209	27,010	3,587
	Multi-Family Units	5,816	6,056	6,296	6,536	6,776	6,854	7,263	1,447
	Industrial KSF	2,739	2,800	2,864	2,930	2,997	3,064	3,432	694
	Commercial KSF	3,987	4,101	4,220	4,342	4,468	4,599	5,315	1,328
	Office / Institutional KSF	4,103	4,146	4,190	4,235	4,281	4,327	4,571	468
Avg Wkday Vehicle Trips	Single Family Trips	152,250	154,590	156,930	159,270	161,610	163,856	175,563	23,313
	Multi-Family Trips	19,658	20,469	21,280	22,092	22,903	23,168	24,550	4,892
	Residential Trips	171,908	175,059	178,210	181,362	184,513	187,024	200,113	28,205
	Industrial Trips	2,383	2,436	2,491	2,549	2,607	2,666	2,986	603
	Commercial Trips	49,663	51,094	52,568	54,089	55,663	57,286	66,206	16,543
	Office / Institutional Trips	19,979	20,191	20,406	20,624	20,848	21,074	22,261	2,282
	Nonresidential Trips	72,025	73,721	75,465	77,262	79,118	81,026	91,453	19,428
	Total Vehicle Trips	243,933	248,780	253,675	258,624	263,631	268,050	291,566	47,633
VMT	Vehicle Miles of Travel	498,794	508,399	518,065	527,802	537,614	545,990	590,270	91,476
	Annual Increase		9,605	9,666	9,737	9,812	8,376	9,187	
Demand	Arterial Lane Miles	50.9	51.9	52.9	53.9	54.9	55.7	60.2	9.3
	Annual Increase		1.0	1.0	1.0	1.0	0.8	0.9	0.9
	Signalized Intersections	47.0	47.9	48.8	49.7	50.7	51.4	55.6	8.6
	Annual Increase		0.9	0.9	0.9	1.0	0.7	0.8	0.9

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."*

Arterial Improvements – Plan-Based

Avondale plans to construct 9.82 lane miles of arterials over the next 10 years. Shown below in Figure 55, Avondale's staff identified the share of each project attributable to future development. This results in a growth share of 9.4 lane miles. Based on the construction of 9.4 lane miles, the growth-related cost of arterial improvements equals $14.54 million. The cost per VMT for arterial improvements is $158.93 ($14,538,600 / 91,476 additional VMT).

Figure 55: Planned Arterial Improvements

		Total		Growth		
Number	Description	Lane Miles	Cost	Share	Lane Miles	Cost
ST1021	Dysart Road Extension - Whyman Ave to Lower Buckeye Rd	1.40	$1,810,000	100%	1.4	$1,810,000
ST1125	Avondale Blvd - McDowell Rd to Thomas Rd	1.00	$1,708,000	100%	1.0	$1,708,000
ST1146	Van Buren St (North Half) - Fairway Dr to 121st Ave	0.50	$974,500	100%	0.5	$974,500
ST1166	Avondale Blvd - Lower Buckeye Rd to Miami Ave	0.34	$561,600	50%	0.2	$280,800
ST1172	El Mirage - Lower Buckeye Rd to Calle Hermosa	0.40	$937,000	50%	0.2	$468,500
ST1224	107th Avenue/McDowell Rd Widening and Well Relocation	0.50	$2,735,000	100%	0.5	$2,735,000
ST1334	Van Buren - 107th Ave to Avondale Blvd	2.00	$1,863,000	100%	2.0	$1,863,000
ST1336	Fairway Drive - Van Buren St to Garfield	1.80	$3,029,000	100%	1.8	$3,029,000
ST1382	McDowell Road & 107th Avenue - Dual Left-turn Lanes	0.48	$500,000	80%	0.4	$400,000
ST1459	El Mirage Rd & Buckeye Rd - Install NBR Turn Lane	0.10	$320,000	75%	0.1	$240,000
ST1600	Dysart Rd Widening - Whyman Ave to Buckeye Rd	1.30	$1,029,800	100%	1.3	$1,029,800
Total		9.82	$15,467,900	94%	9.3	$14,538,600

Growth Cost	$14,538,600
10-Year VMT Increase	91,476
Cost per VMT	$158.93

Signalized Intersections – Incremental Expansion

Avondale's current level of service for signalized intersections is 0.94 signalized intersections per 10,000 VMT (47 intersections / (498,794 VMT / 10,000)), and Avondale plans to maintain this level of service over the next 10 years. As shown in Figure 54, Avondale needs to construct 8.6 additional signalized intersections to maintain this standard over the next 10 years ((91,476 additional VMT / 10,000) X 0.94 signalized intersections per 10,000 VMT). Shown below in Figure 56, Avondale's staff identified 12 potential intersection improvements with an average cost per intersection of $514,583 ($6,175,000 / 12 intersections). Avondale may use development fees to fund any of the 8.6 intersection projects included in Figure 56. The cost per VMT for signalized intersections is $48.38 ($514,583 per intersection X 8.6 additional intersections / 91,476 additional VMT).

Figure 56: Planned Signalized Intersections

Number	Description	Total
ST1127	Traffic Signal at 107th and Pierce	$475,000
ST1170	Traffic Signal at Avondale & Lower Buckeye	$600,000
ST1171	Traffic Signal at El Mirage & Lower Buckeye	$575,000
ST1180	Traffic Signal - 107th Ave and Dealer Dr	$475,000
ST1181	Traffic Signal - 107th Ave and Roosevelt St	$475,000
ST1187	Traffic Signal - 119th Ave and McDowell Rd	$475,000
ST1188	Traffic Signal - 119th Ave and Lower Buckeye Rd	$475,000
ST1195	Traffic Signal - Central Ave and Lower Buckeye Rd	$475,000
ST1248	Traffic Signal - Dysart Rd and Lower Buckeye Rd	$475,000
ST1381	Traffic Signal - Maricopa St & Avondale Blvd	$470,000
ST1383	Traffic Signal - Broadway Rd & Avondale Blvd	$730,000
ST1437	Traffic Signal - Thomas Rd & 137th Ave	$475,000
Total Development Fee Eligible Projects		$6,175,000

Cost per Intersection	**$514,583**
2018-2028 VMT Increase	**91,476**
Cost per VMT	**$48.38**

Development Fee Report – Plan-Based

The cost to prepare the Street Facilities IIP and related Development Fee Report totals $25,065. Avondale plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new development from the *Land Use Assumptions* document, the cost per VMT is $0.53.

Figure 57: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Fire	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Library	$15,118	Residential	82%	Population	84,736	92,626	7,890	$1.57
		Nonresidential	18%	Jobs	17,086	19,298	2,212	$1.23
Parks and Recreational	$14,323	Residential	91%	Population	84,736	92,626	7,890	$1.65
		Nonresidential	9%	Jobs	17,086	19,298	2,212	$0.58
Police	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Street	$25,065	Residential Nonresidential	100%	VMT	498,794	545,990	47,196	$0.53
Wastewater	$21,484	Residential Nonresidential	100%	Gallons	5,926,764	6,547,057	620,293	$0.03
Water	$28,644	Residential Nonresidential	100%	Gallons	11,289,122	12,534,726	1,245,605	$0.02
Total	$133,280							

Street Facilities Development Fees

Revenue Credit/Offset

A revenue credit/offset is not necessary for the Street Facilities development fees, because costs generated by projected development exceed revenues generated by projected development. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Street Facilities Development Fees

Infrastructure standards and cost factors for Street Facilities are summarized in the upper portion of Figure 58. The cost per service unit is $207.84 per vehicle mile of travel. Figure 58 displays the ratio of a service unit to various types of land uses for residential and nonresidential development.

Street Facilities development fees for residential development are assessed according to VMT generated per unit. The single-family fee of $3,171 is calculated using a cost per service unit of $207.84 per VMT multiplied by 10.0 average weekday vehicle trip ends, multiplied by 65 percent trip adjustment factor, multiplied by 1.94 miles per trip, multiplied by 121 percent trip length adjustment.

Nonresidential development fees are calculated using VMT as the service unit. The fee of $3.31 per square foot of commercial development is derived from a cost per service unit of $207.84 per VMT multiplied by 37.75 average weekday vehicle trip ends, multiplied by 33 percent trip adjustment factor, multiplied by 1.94 miles per trip, multiplied by 66 percent trip length adjustment, divided by 1,000 square feet.

Figure 58: Schedule of Street Facilities Development Fees

Fee Component	Cost per VMT
Arterial Improvements	$158.93
Signalized Intersections	$48.38
Development Fee Report	$0.53
Total	$207.84

Average Miles per Trip	1.940

Residential Development	Development Fees per Unit					
Development Type	Avg Wkdy Veh Trip Ends[1]	Trip Rate Adjustment	Trip Length Adjustment	Proposed Fees	Current Fees	Increase / Decrease
Single Unit	10.00	65%	121%	$3,171	$2,945	$226
2+ Unit	5.20	65%	121%	$1,649	$2,058	($409)

Nonresidential Development	Development Fees per Square Foot					
Development Type	Avg Wkdy Veh Trip Ends[1]	Trip Rate Adjustment	Trip Length Adjustment	Proposed Fees	Current Fees	Increase / Decrease
Industrial	1.74	50%	73%	$0.25	$1.00	($0.75)
Commercial	37.75	33%	66%	$3.31	$3.66	($0.35)
Office / Institutional	9.74	50%	73%	$1.43	$1.58	($0.15)

1. TischlerBise Land Use Assumptions

PROJECTED STREET FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Projected Street Facilities Development Fee Revenue

Projected fee revenue shown in Figure 59 is based on the development projections in the *Land Use Assumptions* document and the updated Street Facilities development fees. If development occurs at a faster rate than projected, the demand for infrastructure will increase along with development fee revenue. If development occurs at a slower rate than projected, the demand for infrastructure will decrease and development fee revenue will decrease at a similar rate. Anticipated development fee revenue of approximately $18.98 million over the next 10 years is approximately equal to the projected growth-related cost of street facilities ($18.99 million). Existing development share of planned improvements must be funded with other sources of revenue.

Figure 59: Projected Street Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Arterial Improvements	$14,538,600	$929,300	$15,467,900
Signalized Intersections	$4,425,414	$0	$4,425,414
Development Fee Report	$25,065	$0	$25,065
Total	$18,989,079	$929,300	$19,918,379

		Single Unit $3,171 per unit	2+ Unit $1,649 per unit	Industrial $0.25 per SF	Commercial $3.31 per SF	Office / Inst $1.43 per SF
Year		Hsg Unit	Hsg Unit	KSF	KSF	KSF
Base	2018	23,423	5,816	2,739	3,987	4,103
Year 1	2019	23,783	6,056	2,800	4,101	4,146
Year 2	2020	24,143	6,296	2,864	4,220	4,190
Year 3	2021	24,503	6,536	2,930	4,342	4,235
Year 4	2022	24,863	6,776	2,997	4,468	4,281
Year 5	2023	25,209	6,854	3,064	4,599	4,327
Year 6	2024	25,559	6,934	3,134	4,733	4,375
Year 7	2025	25,914	7,015	3,206	4,871	4,422
Year 8	2026	26,275	7,096	3,279	5,014	4,471
Year 9	2027	26,640	7,179	3,354	5,162	4,521
Year 10	2028	27,010	7,263	3,432	5,315	4,571
10-Year Increase		3,587	1,447	694	1,328	468
Projected Revenue		$11,359,765	$2,384,929	$173,154	$4,389,527	$668,964

Projected Fee Revenue	$18,976,340
Total Expenditures	$19,918,379
Existing Development Share	$942,039

WASTEWATER FACILITIES IIP

ARS § 9-463.05 (T)(7)(b) defines facilities and assets that can be included in the Wastewater Facilities IIP:

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

The Wastewater Facilities IIP includes components for treatment, collection, and the cost of preparing the Wastewater Facilities IIP and development fees. The cost recovery methodology is used for the treatment and collection components, and the plan-based methodology is used for the Development Fee Report.

Service Area

The service area for the Wastewater Facilities IIP is citywide.

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. The Wastewater Facilities IIP is based, and development fees are assessed, on both residential and nonresidential development. City staff provided wastewater flows to differentiate demand for wastewater facilities from residential and nonresidential development. In 2017, residential wastewater customers accounted for approximately 97 percent of total customers and 76 percent of average day flows. Nonresidential customers accounted for approximately 3 percent of total customers and 24 percent of average day flows.

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

ARS § 9-463.05(E)(4) requires:

> *"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."*

Residential Wastewater Facilities development fees are assessed on a per unit basis, based on average day gallons per connection. Development fees assume a residential unit in a multi-unit structure with a single meter would be served by a 0.75-inch meter. If not, then the corresponding meter size and capacity ratio shown below would be used to establish a ratio of service unit to land use.

For nonresidential Wastewater Facilities development fees, capacity ratios by meter size are the appropriate demand indicator for Wastewater Facilities. Capacity ratios equate 0.75-inch meters to the average day gallons per average single-family residential unit. Utilizing average day gallons is the most efficient way to show a direct relationship between development units, usage, and system capacity. The nonresidential Wastewater Facilities development fees are calculated by multiplying the number of gallons per unit by the capacity ratio for the corresponding size and type of water meter, which are provided by the American Water Works Association (2017) and shown below in Figure 60.

Figure 60: Wastewater Facilities Ratio of Service Unit to Development Unit

Demand Indicators	
Residential Gallons per Average Day	207

Meter Size (inches)		Capacity Ratio
0.75	Displacement	1.00
1.00	Displacement	1.67
1.50	Displacement	3.33
2.00	Compound	5.33
3.00	Compound	10.67
4.00	Compound	16.67
6.00	Compound	33.33

Source: AWWA Manual of Water Supply Practices M-1, 7th Edition.

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."*

Avondale has one wastewater treatment plant with excess capacity to serve growth. The current capacity of the Charles M. Wolf plant is 9.00 million gallons per day (MGD), but Avondale can only use 80 percent (7.20 MGD) of the total capacity under existing Arizona law. According to the City of Avondale Utilities Department, current usage is approximately 5.93 MGD, leaving 1.27 MGD of excess capacity to serve growth.

Figure 61: Wastewater Plant Capacity

Description	Total Capacity	Eligible Capacity	Current Demand	Available Capacity
Charles M. Wolf Wastewater Treatment Plant, 2018	9.00	7.20	5.93	1.27
Total	9.00	7.20	5.93	1.27

Average Day Flows

The following factors are used to differentiate the demand for wastewater infrastructure between residential and nonresidential development. The existing level of service for wastewater infrastructure is based on average flows in 2016 and 2017. The current level of service for residential development for wastewater service is 207 average day gallons per connection. For nonresidential connections, wastewater flows average 2,092 average day gallons per connection. Each nonresidential connection averages approximately 25 jobs, and the projected increase in jobs drives the demand for wastewater capacity from nonresidential development.

Figure 62: Wastewater Flow Factors

Unit Type	2016 Average Gallons per Day[1]	2016 Connections[1]	Gallons per Connection per Day
Residential	4,281,122	21,089	203
Nonresidential	1,318,878	640	2,061
Total	5,600,000	21,728	

Unit Type	2017 Average Gallons per Day[1]	2017 Connections[1]	Gallons per Connection per Day
Residential	4,434,019	21,347	208
Nonresidential	1,365,981	652	2,094
Total	5,800,000	21,999	

Unit Type	Average Gallons per Day[1]	Connections[1]	Gallons per Connection per Day
Residential	4,357,571	21,083	207
Nonresidential	1,342,429	642	2,092
Total	5,700,000	21,724	

1. 2017 Integrated Utility Master Plan Update, City of Avondale, Arizona.
2. Gallons per day per capita based on average persons per housing unit of 2.98.

PROJECTED SERVICE UNITS AND PROJECTED DEMAND FOR SERVICES

ARS § 9-463.05(E)(5) requires:

> *"The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria."*

ARS § 9-463.05(E)(6) requires:

> *"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."*

Over the next 10 years, it is projected there will be an increase of 3,964 connections. Accordingly, the projected wastewater flows increase by 1,171,341 gallons during the same period.

Figure 63: Projected Wastewater Flows

Year		Avg. Gallons per Day	Total Connections	Annual Increase		Cumulative Increase	
				Connections	Avg. Gallons per Day	Connections	Avg. Gallons per Day
	2016	5,600,000	21,728				
	2017	5,800,000	21,999				
Base	2018	5,926,764	22,466				
1	2019	6,054,352	22,932	467	127,588	467	127,588
2	2020	6,182,847	23,399	467	128,495	934	256,083
3	2021	6,312,331	23,867	468	129,484	1,401	385,567
4	2022	6,442,887	24,335	468	130,556	1,869	516,123
5	2023	6,547,057	24,672	336	104,170	2,206	620,293
6	2024	6,653,147	25,013	341	106,090	2,547	726,383
7	2025	6,761,321	25,360	347	108,174	2,894	834,557
8	2026	6,871,498	25,711	352	110,177	3,245	944,734
9	2027	6,983,759	26,068	357	112,261	3,602	1,056,995
10	2028	7,098,105	26,429	362	114,346	3,964	1,171,341

Source: TischlerBise, using Average Day Demand factors and projected development shown in the *Land Use Assumptions* .

Wastewater Treatment

The cost per gallon of capacity for the Wastewater Facilities development fee includes the most recent wastewater treatment plant expansion. This expansion added 3.0 MGD of capacity, of which 80 percent (2.40 MGD) was available for use under existing Arizona law. Avondale's wastewater treatment plant expansion had a total cost of $48,930,315 and added 2.40 MGD of usable capacity. Dividing the total cost by the usable capacity of the expansion results in a cost per gallon of capacity of $20.39 ($48,930,315 total cost / 2.40 MGD).

Development fee contributions to date include Avondale's existing wastewater development fee balance of $717,972 and allocated development fees totaling $29,479,223. Based on a cost per gallon of $20.39, development fee contributions to date represent capacity paid with development fees of 1,481,153 ($30,197,195 development fee contributions / $20.39 per gallon). This leaves 918,847 gallons of treatment capacity available to serve future development (2,400,000 usable capacity – 1,481,153 capacity paid with development fees).

Based on a cost per gallon of capacity of $20.39, the cost of the wastewater treatment plant expansion attributable to future development is $18,733,120 ($20.39 per gallon X 918,847 gallons of treatment capacity available to serve future development). As shown in Figure 63, wastewater flows are projected to increase by 1.17 MGD over the next 10 years, however, less than 1.00 MGD is available. This results in $18.73 million in fee revenue generated over approximately eight years to repay future development's share of the wastewater treatment plant expansion ($20.39 per gallon of capacity X 918,847 gallons of available capacity). Avondale should collect the wastewater treatment component of the wastewater development fee until it recovers all eligible costs associated with the expansion.

Figure 64: Wastewater Treatment Cost Allocation Factors

Wastewater Treatment Facility	Cost of Capacity
Charles M. Wolf WWTP, Phase I Expansion	$48,930,315
÷ Additional Capacity (gpd)	2,400,000
Cost per Gallon of Capacity	**$20.39**
Existing Fund Balance[1]	$717,972
Allocated Development Fees[1]	$29,479,223
Development Fee Contributions to Date	$30,197,195
Capacity Paid with Development Fees to Date	1,481,153
Remaining Capacity Eligible for Development Fees	918,847
Remaining Cost to be Recovered	$18,733,120
Projected Eight-Year Increase in Wastewater Flows[2]	918,847
Projected Eight-Year Cost Recovery	$18,733,120
Remaining Cost	$0

1. City of Avondale, Finance and Budget Department.
2. Projected wastewater flows use unpaid capacity within 8 years.

Wastewater Collection

The cost per gallon of capacity for the Wastewater Facilities development fee includes the value of the wastewater collection system. Avondale's staff provided the value of existing wastewater collection lines, lift stations, land, and equipment. This excludes the value of any collection system improvements provided by developers, and results in a collection system value of $91,694,951. Avondale's collection system has a capacity of 12.0 MGD, and Avondale expects its collection system to meet wastewater flows at buildout.

Dividing this collection system value by the total collection system capacity results in a cost per gallon of capacity of $7.64 ($91,694,951 collection system value / 12.0 MGD). At present the wastewater collection system has 12.0 MGD of capacity, of which 6.07 MGD remains as unused capacity available to serve future development (12.0 MGD total capacity – 5.93 MGD current flows). Based on a cost per gallon of capacity of $7.64 and 6.07 MGD of available capacity, the value of the wastewater collection system attributable to future development is $46,374,800. As shown in Figure 63, wastewater flows are projected to increase by 1.17 MGD over the next 10 years. This results in $8.95 million in fee revenue generated over the next 10 years to repay future development's share of the wastewater collection system ($7.64 per gallon of capacity X 1,171,341 additional gallons of wastewater flows).

Figure 65: Wastewater Collection Cost Allocation Factors

Wastewater Collection Facilities	Cost of Capacity
Wastewater Collection Lines	$88,200,404
Lift Stations	$247,603
Land	$2,443,202
Equipment	$803,742
Total Wastewater Collection Sytem Value	$91,694,951
÷ Total Capacity (gpd)	12,000,000
Cost per Gallon of Capacity	**$7.64**
x Available Capacity (gpd)	6,070,000
Cost to be Recovered	$46,374,800
Projected 10-Year Increase in Wastewater Flows	1,171,341
Projected 10-Year Cost Recovery	$8,949,047
Remaining Cost (Year 11+)	$37,425,753

IIP and Development Fee Report – Plan-Based

The cost to prepare the Wastewater Facilities IIP and related Development Fee Report totals $21,484. Avondale plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new residential and nonresidential development from the *Land Use Assumptions* document, the cost per gallon is $0.03.

Figure 66: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Fire	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Library	$15,118	Residential	82%	Population	84,736	92,626	7,890	$1.57
		Nonresidential	18%	Jobs	17,086	19,298	2,212	$1.23
Parks and Recreational	$14,323	Residential	91%	Population	84,736	92,626	7,890	$1.65
		Nonresidential	9%	Jobs	17,086	19,298	2,212	$0.58
Police	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Street	$25,065	Residential Nonresidential	100%	VMT	498,794	545,990	47,196	$0.53
Wastewater	$21,484	Residential Nonresidential	100%	Gallons	5,926,764	6,547,057	620,293	$0.03
Water	$28,644	Residential Nonresidential	100%	Gallons	11,289,122	12,534,726	1,245,605	$0.02
Total	$133,280							

WASTEWATER FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for the Wastewater Facilities development fees, because costs generated by projected development exceed revenues generated by projected development. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Wastewater Facilities Development Fees

Infrastructure components and cost factors for Wastewater Facilities are summarized in the upper portion of Figure 67. The cost per service unit is $28.06 per gallon. Figure 67 displays the ratio of a service unit to various types of land uses for residential and nonresidential development.

Residential Wastewater Facilities development fees are assessed on a per unit basis, based on average day flows – approximately 207 gallons. Development fees assume a residential unit in a multi-unit structure with a single meter would be served by a 3/4" meter. If not, then the corresponding meter size and capacity ratio shown below would be used to establish a ratio of service unit to land use. The single-family fee of $5,808, is calculated using a cost per service unit of $28.06 per gallon multiplied by average day flows per residential unit of approximately 207 gallons.

For nonresidential Wastewater Facilities development fees, capacity ratios by meter size are the appropriate demand indicator for Wastewater Facilities. Capacity ratios equate 5/8" and 3/4" meters to the average day flows per residential unit. Utilizing average day flows is the most efficient way to show a direct relationship between development units, usage, and system capacity. The nonresidential Wastewater Facilities development fees are calculated by multiplying the average day flows per residential unit by the capacity ratio for the corresponding size and type of water meter, which are provided by the American Water Works Association (2017) and shown in Figure 67. The fee for a one-inch meter, $9,700, is calculated using a cost per service unit of $28.06 per gallon multiplied by average day flows per residential unit of approximately 207 gallons, multiplied by the capacity ratio of 1.67.

Figure 67: Schedule of Wastewater Facilities Development Fees

Demand Indicators	
Residential Gallons per Average Day	207
Cost Factors per Gallon of Capacity	
Treatment Facility Cost Recovery	$20.39
Collection Facilities Cost Recovery	$7.64
Development Fee Report	$0.03
Capital Cost per Gallon of Capacity	**$28.06**

Residential Development	Development Fees per Unit		
Development Type	Proposed Fees	Current Fees	Increase / Decrease
Residential	**$5,808**	$7,673	($1,865)

Nonresidential Development			Development Fees per Meter		
Meter Size (inches)		Capacity Ratio[1]	Proposed Fees	Current Fees	Increase / Decrease
0.75	Displacement	1.00	**$5,808**	$7,673	($1,865)
1.00	Displacement	1.67	**$9,700**	$12,814	($3,114)
1.50	Displacement	3.33	**$19,342**	$25,551	($6,209)
2.00	Compound	5.33	**$30,959**	$40,898	($9,939)
3.00	Compound	10.67	**$61,976**	$81,873	($19,897)
4.00	Compound	16.67	**$96,826**	$127,812	($30,986)
6.00	Compound	33.33	**$193,595**	$255,748	($62,153)

1. AWWA Manual of Water Supply Practices M-1, 7th Edition.

Projected Wastewater Facilities Development Fee Revenue

Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Projected Wastewater Facilities Development Fee Revenue

Projected fee revenue shown in Figure 68 is based on the development projections in the *Land Use Assumptions* document and the updated Wastewater Facilities development fees. If development occurs at a faster rate than projected, the demand for infrastructure will increase along with development fee revenue. If development occurs at a slower rate than projected, the demand for infrastructure will decrease and development fee revenue will decrease at a similar rate. Anticipated development fee revenue of approximately $27.70 million over the next 10 years is approximately equal to the projected growth-related cost of wastewater facilities ($27.70 million).

Figure 68: Projected Wastewater Facilities Development Fee Revenue

Fee Component	Growth Share
Treatment Facility	$18,733,120
Collection Facilities	$8,949,047
Development Fee Report	$21,484
Total	$27,703,651

		$28.06 per gallon
Year		Gallons
Base	2018	5,926,764
Year 1	2019	6,054,352
Year 2	2020	6,182,847
Year 3	2021	6,312,331
Year 4	2022	6,442,887
Year 5	2023	6,547,057
Year 6	2024	6,653,147
Year 7	2025	6,761,321
Year 8	2026	6,871,498
Year 9	2027	6,983,759
Year 10	2028	7,098,105
10-Year Increase		1,171,341
Projected Revenue		$27,702,952

WATER FACILITIES IIP

ARS § 9-463.05 (T)(7)(a) defines facilities and assets that can be included in the Water Facilities IIP:

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

The Water Facilities IIP includes components for existing water facilities, planned water facilities, planned water recharge, and the cost of preparing the Water Facilities IIP and development fees. The cost recovery methodology is used for the existing water facilities component. The plan-based methodology is used for the planned water facilities, planned water recharge, and the Development Fee Report.

Service Area

The service area for the Water Facilities IIP is citywide.

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. The water fees assessed pursuant to the Water Facilities IIP and related Development Fee Report are assessed on both residential and nonresidential development. City staff provided water demand to differentiate demand for water facilities from residential and nonresidential development. In 2017, residential water customers accounted for approximately 95 percent of total customers and 64 percent of average day demand. Nonresidential customers accounted for approximately five percent of total customers and 36 percent of average day demand.

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

ARS § 9-463.05(E)(4) requires:

> *"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."*

Residential Water Facilities development fees are assessed on a per unit basis, based on average day gallons per connection. Development fees assume a residential unit in a multi-unit structure with a single meter would be served by a 0.75-inch meter. If not, then the corresponding meter size and capacity ratio shown below would be used to establish a ratio of service unit to land use.

For nonresidential Water Facilities development fees, capacity ratios by meter size are the appropriate demand indicator for water facilities. Capacity ratios equate 0.75-inch meters to the average day gallons per average single-family residential unit. Utilizing average day gallons is the most efficient way to show a direct relationship between development units, usage, and system capacity. The nonresidential Water Facilities development fees are calculated by multiplying the number of gallons per residential unit by the capacity ratio for the corresponding size and type of water meter, which are provided by the American Water Works Association (2017) and shown below in Figure 69.

Figure 69: Water Facilities Ratio of Service Unit to Development Unit

Demand Indicators	
Residential Gallons per Average Day	322

Meter Size (inches)		Capacity Ratio
0.75	Displacement	1.00
1.00	Displacement	1.67
1.50	Displacement	3.33
2.00	Compound	5.33
3.00	Compound	10.67
4.00	Compound	16.67
6.00	Compound	33.33

Source: AWWA Manual of Water Supply Practices M-1, 7th Edition.

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."*

Existing Capacity and Usage

Avondale has 15 wells with a total capacity of 30.66 MGD and a firm capacity of 18.6 MGD. Production facilities for the water system should have sufficient capacity to meet the demands of the maximum day of the year. For systems served with groundwater wells, it is standard practice to evaluate production capabilities based on firm capacity, or the capacity with the largest well out of service in each pressure zone. Avondale's firm water supply is 18.6 MGD which is 1.89 MGD less than the maximum daily demand of 20.49 MGD. Therefore, maximum day demands are currently being supplied by running wells more than 18 hours per day and running all wells on a daily basis. This analysis assumes there is no excess capacity in Avondale's water production facilities, however, there is excess capacity in Avondale's water distribution, storage, and treatment facilities.

According to the City of Avondale Utilities Department, current max day consumption is approximately 20.49 MGD, leaving 10.18 MGD of excess capacity in Avondale's water distribution, storage, and treatment facilities to serve future development (30.66 MGD – 20.49 MGD). In addition, Avondale has a 10-year capital improvement plan to increase the capacity of its water facilities by 6.80 MGD.

Figure 70: Well Capacity

Water Source	Total Capacity (MGD)	Usage (MGD)	Remaining
Existing Wells	30.66	20.49	10.18
Planned Wells	6.80	0.00	6.80
Total	**37.46**	**20.49**	**16.98**

Average Day Demand

The following factors are used to differentiate the demand for water infrastructure between residential and nonresidential development. The existing level of service for water infrastructure is based on average demand in 2015, 2016, and 2017. The current level of service for residential development for water service is approximately 322 gallons per connection per day. For nonresidential connections, water demand averages 3,220 gallons per connection per day. Each nonresidential connection averages approximately 13 jobs, and the projected increase in jobs drives the demand for water capacity from nonresidential development.

Figure 71: Water Demand Factors

Unit Type	2015 Average Gallons per Day[1]	2015 Connections[1]	Gallons per Connection per Day
Residential	6,908,937	21,580	320
Nonresidential	3,855,485	1,212	3,181
Total	10,764,422	22,792	

Unit Type	2016 Average Gallons per Day[1]	2016 Connections[1]	Gallons per Connection per Day
Residential	7,150,890	21,866	327
Nonresidential	4,050,849	1,226	3,304
Total	11,201,740	23,092	

Unit Type	2017 Average Gallons per Day[1]	2017 Connections[1]	Gallons per Connection per Day
Residential	7,069,079	22,134	319
Nonresidential	3,970,219	1,250	3,176
Total	11,039,299	23,384	

Unit Type	Weighted Average Gallons per Day[1]	Connections[1]	Gallons per Connection per Day
Residential	7,042,969	21,860	322
Nonresidential	3,958,851	1,229	3,220
Total	11,001,820	23,089	

1. 2017 Integrated Utility Master Plan Update, City of Avondale, Arizona.
2. Gallons per day per capita based on average persons per housing unit of 2.98.

Projected Service Units and Projected Demand for Services

ARS § 9-463.05(E)(5) requires:

> *"The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria."*

ARS § 9-463.05(E)(6) requires:

> *"The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years."*

Over the next 10 years, it is projected there will be an increase of 4,274 connections. Accordingly, the projected water demand increases by 2,413,902 gallons during the same period.

Figure 72: Projected Water Demand

Year		Avg. Gallons per Day	Total Connections	Annual Increase		Cumulative Increase	
				Connections	Avg. Gallons per Day	Connections	Avg. Gallons per Day
	2016	11,201,740	23,092				
	2017	11,039,299	23,384				
Base	2018	11,289,122	23,882				
1	2019	11,541,376	24,380	498	252,254	498	252,254
2	2020	11,796,305	24,879	499	254,929	998	507,183
3	2021	12,054,151	25,379	500	257,846	1,498	765,029
4	2022	12,315,158	25,881	501	261,007	1,999	1,026,036
5	2023	12,534,726	26,246	365	219,569	2,364	1,245,605
6	2024	12,758,716	26,616	371	223,990	2,734	1,469,595
7	2025	12,987,614	26,992	376	228,898	3,111	1,698,493
8	2026	13,221,176	27,374	382	233,562	3,493	1,932,055
9	2027	13,459,646	27,762	388	238,470	3,880	2,170,525
10	2028	13,703,024	28,156	393	243,377	4,274	2,413,902

Source: TischlerBise, using Average Day Demand factors and projected development shown in the *Land Use Assumptions* .

Existing Water Facilities

The cost per gallon of capacity for the Water Facilities development fee includes the value of existing water facilities capacity available to serve future development—this excludes the value of existing water production facilities where no excess capacity is available to future development. Avondale's staff provided the value of existing water distribution lines, pumping stations, reservoirs, land, and equipment. This excludes the value of any water facilities provided by developers, and results in a water facilities system value of $158,503,483. Currently, the existing water facilities have 30.66 MGD of capacity, of which 10.18 MGD, or 33.2 percent, remains as unused capacity available to serve future development. Applying the share of available capacity to the water facilities system value results in an available capacity value of $52,596,379 (33.2 percent available capacity X $158,503,483 water facilities system value).

Avondale's water development fee fund includes a fund balance of $467,788, and this balance is deducted from the total value of the water facilities system resulting in a value of $52,128,591. Dividing this by the available capacity of the water facilities system results in a cost per gallon of capacity of $5.12 ($52,128,591 / 10.18 MGD). As shown in Figure 72, water demand is projected to increase by 2.41 MGD over the next 10 years. This results in $12.36 million in fee revenue generated over the next 10 years to repay future development's share of the water facilities system ($5.12 per gallon of capacity X 2,413,902 additional gallons of water demand).

Figure 73: Existing Water Facilities Cost Allocation Factors

Existing Water Facilities	System Value
Water Distribution Lines	$136,266,525
Pumping Stations	$900,768
Reservoir	$7,200,058
Land	$13,071,859
Equipment	$1,064,273
Total Water Facilities Sytem Value	$158,503,483
x Available Capacity	33.2%
Value of Available Capacity	$52,596,379
Less: Existing Fund Balance	*$467,788*
Cost to be Recovered	$52,128,591
÷ Available Capacity (gpd)	10,175,533
Cost per Gallon of Capacity	**$5.12**
Projected 10-Year Increase in Water Demand	2,413,902
Projected 10-Year Cost Recovery	$12,359,178
Remaining Cost (Year 11+)	$39,769,413

Planned Water Facilities

Avondale plans to construct four new wells with 6.80 MGD of capacity to serve future development. Shown below in Figure 74 are planned water facility improvements including wells, waterlines, booster stations, and treatment needed to serve future development. Avondale's staff identified growth-related water facilities with a total cost of $40,588,000. When allocated to the planned capacity of 6.80 MGD, the cost per gallon of capacity is $5.97.

As shown in Figure 72, water demand is projected to increase by 2.41 MGD over the next 10 years. This results in $14.41 million in fee revenue generated over the next 10 years to fund future development's share of planned water facilities ($5.97 per gallon of capacity X 2,413,902 additional gallons of water demand).

Figure 74: Planned Water Facilities Cost Allocation Factors

Description	CIP No.	Total Cost	Growth Share	Growth Cost
99th Avenue Waterline, Thomas-McDowell	WA1133	$800,000	100%	$800,000
Future Well	WA1318	$2,700,000	100%	$2,700,000
Dysart Rd Waterline, Roeser Align-Southern	WA1302	$1,000,000	100%	$1,000,000
Dysart Rd Waterline, Whyman-Lower Buckeye	WA1231	$400,000	100%	$400,000
Future Well, North of I-10	WA1131	$4,400,000	100%	$4,400,000
Future Well, North of Van Buren	WA1142	$2,900,000	100%	$2,900,000
McDowell Rd Waterline, 117th-Avondale	WA1135	$300,000	100%	$300,000
Well #27 Corporate/El Mirage	WA1214	$2,500,000	100%	$2,500,000
Wellhead Treatment	WA1068	$1,500,000	100%	$1,500,000
Nitrate Removal System for Coldwater Booster Station	WA1340	$5,545,000	100%	$5,545,000
McDowell Rd 16-Inch Waterline - Avondale to 99th Ave	WA1468	$2,650,000	100%	$2,650,000
Phoenix Water Connection to Garden Lakes Booster	WA1469	$6,860,000	100%	$6,860,000
107th and Roosevelt Treatment Site - Land Purchase	WA1470	$600,000	100%	$600,000
Garden Lakes Site - 2nd Reservoir & Booster Improvements	WA1471	$8,358,000	100%	$8,358,000
Northside Booster Well Site - Land Purchase & DCR	WA1472	$75,000	100%	$75,000
Total		$40,588,000		$40,588,000

Growth-Related Cost	$40,588,000
÷ Additional Gallons of Capacity	6,800,000
Cost per Gallon of Capacity	**$5.97**
Projected 10-Year Increase in Water Demand	2,413,902
Projected 10-Year Share of Cost	$14,408,155
Remaining Cost (Year 11+)	$26,179,845

Planned Water Recharge

Avondale's available and unused capacity to recharge water at the New River-Agua Fria Underground Storage Project ("NAUSP") is the basis for the water recharge component. Because the NAUSP is currently unused, the entire 2.14 MGD capacity of the NAUSP is available for new service units. The obligation is valued at $1,620,139; with a capacity of 2.14 MGD, the water recharge component cost is $0.76 per gallon.

As shown in Figure 72, water demand is projected to increase by 2.41 MGD over the next 10 years, however, NAUSP adds only 2.14 MGD of recharge capacity. To more closely match revenue projections with added capacity, Figure 75 includes projected demand of 2.17 MGD over the next nine years. This results in $1.65 million in fee revenue generated over the next nine years ($0.76 per gallon of capacity X 2,170,525 additional gallons of water demand). Avondale may expand its McDowell Road Facility to meet demand from future development not met by the NAUSP, but the McDowell Road Facility is not included in this update of Avondale's Water IIP.

Figure 75: Planned Water Recharge Cost Allocation Factors

Planned Water Recharge	Planned Cost
New River-Agua Fria River USP	$1,620,139
÷ Water Recharge Capacity (gpd)	2,140,000
Cost per Gallon of Capacity	**$0.76**

Projected Nine-Year Increase in Water Demand	2,170,525
Projected Nine-Year Share of Cost	$1,649,599

IIP and Development Fee Report – Plan-Based

The cost to prepare the Water Facilities IIP and development fees totals $28,644. Avondale plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new residential and nonresidential development from the *Land Use Assumptions* document, the cost per gallon is $0.02.

Figure 76: IIP and Development Fee Report

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Fire	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Library	$15,118	Residential	82%	Population	84,736	92,626	7,890	$1.57
		Nonresidential	18%	Jobs	17,086	19,298	2,212	$1.23
Parks and Recreational	$14,323	Residential	91%	Population	84,736	92,626	7,890	$1.65
		Nonresidential	9%	Jobs	17,086	19,298	2,212	$0.58
Police	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Street	$25,065	Residential Nonresidential	100%	VMT	498,794	545,990	47,196	$0.53
Wastewater	$21,484	Residential Nonresidential	100%	Gallons	5,926,764	6,547,057	620,293	$0.03
Water	$28,644	Residential Nonresidential	100%	Gallons	11,289,122	12,534,726	1,245,605	$0.02
Total	$133,280							

WATER FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for the Water Facilities development fees, because costs generated by projected development exceed revenues generated by projected development. Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Proposed Water Facilities Development Fees

Infrastructure components and cost factors for Water Facilities are summarized in the upper portion of Figure 77. The cost per service unit is $11.87 per gallon. Figure 77 displays the ratio of a service unit to various types of land uses for residential and nonresidential development.

Residential Water Facilities development fees are assessed on a per unit basis, based on average day demand – approximately 322 gallons. Development fees assume a residential unit in a multi-unit structure with a single meter would be served by a 3/4" meter. If not, then the corresponding meter size and capacity ratio shown below would be used to establish a ratio of service unit to land use. The single-family fee of $3,822, is calculated using a cost per service unit of $11.87 per gallon multiplied by average day demand per residential unit of approximately 322 gallons.

For nonresidential Water Facilities development fees, capacity ratios by meter size are the appropriate demand indicator for Water Facilities. Capacity ratios equate 5/8" and 3/4" meters to the average day demand per residential unit. Utilizing average day demand is the most efficient way to show a direct relationship between development units, usage, and system capacity. The nonresidential Water Facilities development fees are calculated by multiplying the average day demand per residential unit by the capacity ratio for the corresponding size and type of water meter, which are provided by the American Water Works Association (2017) and shown below in Figure 77. The fee for a one-inch meter, $6,383, is calculated using a cost per service unit of $11.87 per gallon multiplied by average day demand per residential unit of approximately 322 gallons, multiplied by the capacity ratio of 1.67.

Figure 77: Schedule of Water Facilities Development Fees

Demand Indicators	
Residential Gallons per Average Day	322
Cost Factors per Gallon of Capacity	
Existing Water Facilities	$5.12
Planned Water Facilities	$5.97
Planned Water Recharge	$0.76
Development Fee Report	$0.02
Capital Cost per Gallon of Capacity	**$11.87**

Residential Development	Development Fees per Unit		
Development Type	**Proposed Fees**	**Current Fees**	**Increase / Decrease**
Residential	**$3,822**	$4,651	($829)

Nonresidential Development			Development Fees per Meter		
Meter Size (inches)		**Capacity Ratio[1]**	**Proposed Fees**	**Current Fees**	**Increase / Decrease**
0.75	Displacement	1.00	**$3,822**	$4,651	($829)
1.00	Displacement	1.67	**$6,383**	$7,767	($1,384)
1.50	Displacement	3.33	**$12,728**	$15,488	($2,760)
2.00	Compound	5.33	**$20,372**	$24,790	($4,418)
3.00	Compound	10.67	**$40,782**	$49,627	($8,845)
4.00	Compound	16.67	**$63,715**	$77,533	($13,818)
6.00	Compound	33.33	**$127,392**	$155,021	($27,629)

1. AWWA Manual of Water Supply Practices M-1, 7th Edition.

PROJECTED WATER FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains the forecast of revenues required by Arizona's Enabling Legislation (ARS § 9-463.05(E)(7)).

Projected Water Facilities Development Fee Revenue

Projected fee revenue shown in Figure 78 is based on the development projections in the *Land Use Assumptions* document and the updated Water Facilities development fees. If development occurs at a faster rate than projected, the demand for infrastructure will increase along with development fee revenue. If development occurs at a slower rate than projected, the demand for infrastructure will decrease and development fee revenue will decrease at a similar rate. Anticipated development fee revenue of approximately $28.44 million over the next 10 years is approximately equal to the projected growth-related cost of water facilities ($28.45 million).

Figure 78: Projected Water Facilities Development Fee Revenue

Fee Component	Growth Share
Existing Water Facilities	$12,359,178
Planned Water Facilities	$14,408,155
Planned Water Recharge	$1,649,599
Development Fee Report	$28,644
Total	$28,445,577

		$11.87 per gallon
Year		Gallons
Base	2018	11,289,122
Year 1	2019	11,541,376
Year 2	2020	11,796,305
Year 3	2021	12,054,151
Year 4	2022	12,315,158
Year 5	2023	12,534,726
Year 6	2024	12,758,716
Year 7	2025	12,987,614
Year 8	2026	13,221,176
Year 9	2027	13,459,646
Year 10	2028	13,703,024
10-Year Increase		2,413,902
Projected Revenue		$28,444,685

APPENDIX A: FORECAST OF REVENUES OTHER THAN FEES

APPENDIX B: PROFESSIONAL SERVICES

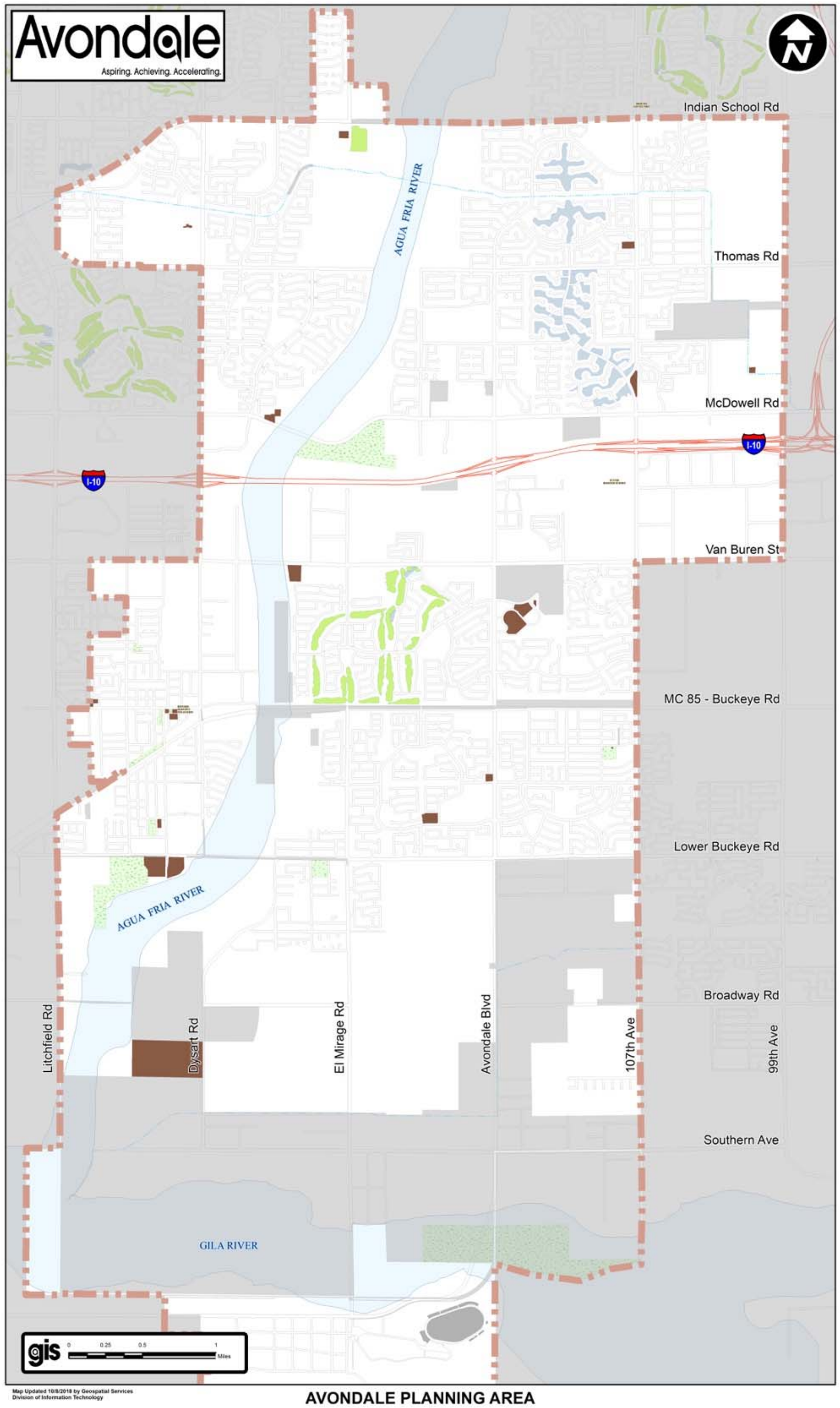
As stated in Arizona's development fee enabling legislation, "a municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvements plan" (see ARS § 9-463.05.A). Because development fees must be updated at least every five years, the cost of professional services is allocated to the projected increase in service units, over five years (see Figure B1). Qualified professionals must develop the IIP, using generally accepted engineering and planning practices. A qualified professional is defined as "a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person's license, education or experience".

Figure B1: Cost of Professional Services

Necessary Public Service	Cost	Assessed Against	Proportionate Share	Demand Unit	2018	2023	Change	Cost per Demand Unit
Fire	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Library	$15,118	Residential	82%	Population	84,736	92,626	7,890	$1.57
		Nonresidential	18%	Jobs	17,086	19,298	2,212	$1.23
Parks and Recreational	$14,323	Residential	91%	Population	84,736	92,626	7,890	$1.65
		Nonresidential	9%	Jobs	17,086	19,298	2,212	$0.58
Police	$14,323	Residential	82%	Population	84,736	92,626	7,890	$1.49
		Nonresidential	18%	Vehicle Trips	72,025	81,026	9,001	$0.29
Street	$25,065	Residential Nonresidential	100%	VMT	498,794	545,990	47,196	$0.53
Wastewater	$21,484	Residential Nonresidential	100%	Gallons	5,926,764	6,547,057	620,293	$0.03
Water	$28,644	Residential Nonresidential	100%	Gallons	11,289,122	12,534,726	1,245,605	$0.02
Total	$133,280							

APPENDIX C: LAND USE ASSUMPTIONS

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 Avondale. The map below illustrates the area within the City of Avondale Service Area boundaries.



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

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

The City of Avondale, Arizona retained TischlerBise to analyze the impacts of development on its capital facilities and to calculate development impact fees based on that analysis. TischlerBise prepared current demographic estimates and future development projections for both residential and nonresidential development that will be used in the Infrastructure Improvements Plan (IIP) and calculation of the development fees. Current demographic data estimates for 2018 are used in calculating levels of service (LOS) provided to existing development in the City of Avondale. Although long-range projections are necessary for planning infrastructure systems, a shorter time frame of five to ten years is critical for the development fee analysis.

Arizona's Development Fee Act requires fees to be updated at least every five years and limits the IIP to a maximum of 10 years. Therefore, the use of a very long-range "build-out" analysis is no longer acceptable for deriving development fees in Arizona municipalities.

Summary of Growth Indicators

Key land use assumptions for the City of Avondale development fee study are population, housing units, and employment projections. Based on discussions with staff, TischlerBise estimates housing units by combining building permit data with Maricopa Association of Governments (MAG) 2015-2030 projections. TischlerBise derives population estimates by converting annual housing unit increases to population using persons per housing unit factors. For nonresidential development, the base year employment estimate is calculated based on MAG 2015 and 2020 estimates. The MAG 2015-2030 average annual growth rates are applied to the base year employment estimate to project future employment by industry sector. The employment estimate is converted into floor area based on average square feet per job multipliers. Four nonresidential development prototypes are discussed further below (see Figure C5 and related text). The projections contained in this document provide the foundation for the Development Fee Report. These metrics are the service units and demand indicators used in the Development Fee Report.

Development projections and growth rates are summarized in Figure C11. These projections will be used to estimate development fee revenue and to indicate the anticipated need for growth-related infrastructure. However, development fees methodologies are designed to reduce sensitivity to development projections in the determination of the proportionate-share fee amounts. If actual development is slower than projected, fee revenue will decline, but so will the need for growth-related infrastructure. In contrast, if development is faster than anticipated, Avondale will receive an increase in fee revenue, but will also need to accelerate infrastructure improvements to keep pace with the actual rate of development.

During the next five years, land use assumptions indicate an average increase of 565 housing units per year, and an average increase of approximately 232,000 nonresidential square feet per year.

Residential Development

Current estimates and future projections of residential development are detailed in this section including population and housing units by type.

Recent Residential Construction

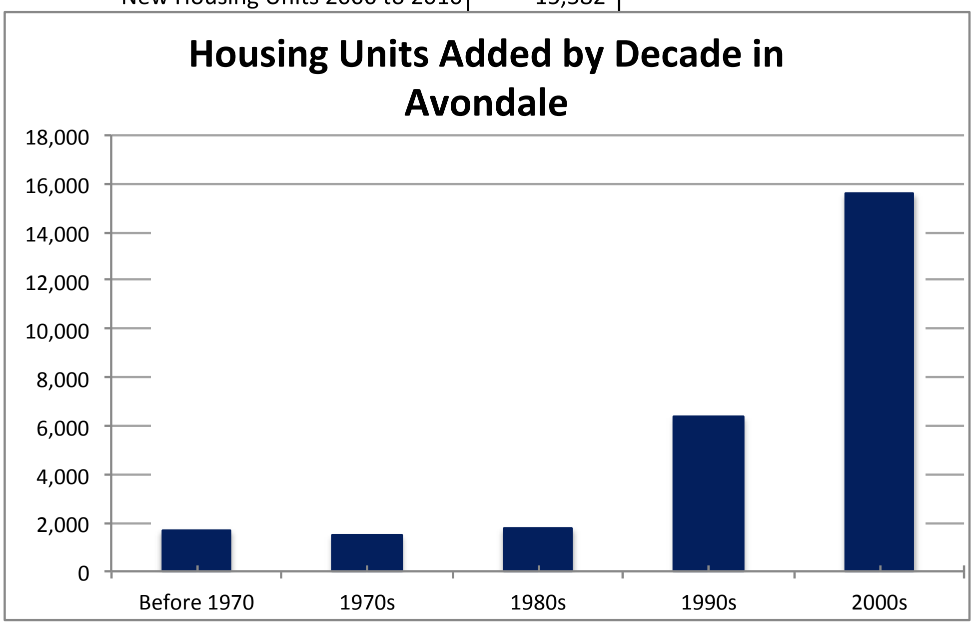
Development fees require an analysis of current levels of service. For residential development, current levels of service are determined using estimates of population and housing units.

Shown below, Figure C2 indicates the estimated number of housing units added by decade according to data obtained from the U.S. Census Bureau. Avondale experienced strong growth in the 1990s and 2000s. From 2000 to 2010, Avondale's housing inventory increased by an average of 1,558 units per year.

Figure C2: Housing Units by Decade

Census 2010 Population	76,238
Census 2010 Housing Units	27,001
Census 2000 Housing Units	11,419
New Housing Units 2000 to 2010	15,582

Avondale added an average of 1,558 housing units per year from 2000 to 2010.



Source: U.S. Census Bureau, Census 2010 Summary File 1, Census 2000 Summary File 1, 2011-2015 5-Year American Community Survey (for 1990s and earlier, adjusted to yield total units in 2000).

Household Size

According to the U.S. Census Bureau, a household is a housing unit occupied by year-round residents. Development fees often use per capita standards and persons per housing unit (PPHU) or persons per household (PPH) to derive proportionate share fee amounts. When PPHU is used in the fee calculations, infrastructure standards are derived using year-round population. When PPH is used in the fee calculations, the development fee methodology assumes a higher percentage of housing units will be occupied, thus requiring seasonal or peak population to be used when deriving infrastructure standards. TischlerBise recommends that development fees for residential development in Avondale be imposed according to the number of year-round residents per housing unit. This methodology assumes some portion of the housing stock will be vacant during the course of a year. According to the U.S. Census Bureau American Community Survey, Avondale's vacancy rate was 11 percent in 2015.

PPHU calculations require data on population and the types of units by structure. The 2010 census did not obtain detailed information using a "long-form" questionnaire. Instead, the U.S. Census Bureau switched to a continuous monthly mailing of surveys, known as the American Community Survey (ACS), which has limitations due to sample-size constraints. For example, data on detached housing units are now combined with attached single units (commonly known as townhouses). For development fees in Avondale, detached stick-built units and attached units (commonly known as townhouses, which share a common sidewall, but are constructed on an individual parcel of land) are included in the "Single-Family Unit" category. The second residential category includes duplexes and all other structures with two or more units on an individual parcel of land. This category is referred to as "Multi-Family Unit." (Note: housing unit estimates from ACS will not equal decennial census counts of units. These data are used only to derive the custom PPHU factors for each type of unit).

Figure C3 below shows the 2011-2015 five-year ACS estimates for Avondale. Single-family units averaged 3.18 persons per housing unit (68,254 persons / 19,267 housing units) and multi-family units averaged 2.13 persons per housing unit (10,445 persons / 4,249 housing units). In 2015, Avondale's housing stock averaged 2.98 persons per housing unit.

Figure C3: Persons per Housing Unit

Units in Structure	Persons	Households	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single-Family Unit[1]	68,254	19,267	3.54	21,492	3.18	81.5%	10%
Multi-Family Unit[2]	10,445	4,249	2.46	4,894	2.13	18.5%	13%
TOTAL	78,699	23,516	3.35	26,386	2.98		11%

Source: TischlerBise analysis and calculation based on U.S. Census Bureau, 2011-2015 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 Estimates

To accurately determine current and future population in Avondale, TischlerBise compared population estimates and growth rates from ACS data, Arizona Department of Administration (ADOA) data, the Avondale General Plan, and Maricopa Association of Governments (MAG) data. MAG released population projections through 2050 for jurisdictions in 2016, along with annual updates of housing unit and population estimates. TischlerBise uses MAG's 2016 Socioeconomic Projections in conjunction with Avondale staff-provided building permit data to derive the base year estimates of population and housing units. Staff-provided building permit data is used to estimate the increase in housing units in 2016 and 2017: 355 single-family units and 66 multi-family units were added in 2016; 198 single-family units and 400 multi-family units were added in 2017. This results in a base year housing unit estimate of 28,639. TischlerBise converts estimated housing units to population using persons per housing unit factors detailed in Figure C3 – 3.18 persons per single-family housing unit and 2.13 persons per multi-family housing unit – which results in a base year population of 83,080 persons.

Population Projections

Based on recent building permit trends and discussions with Avondale staff, TischlerBise projects an average annual increase of 600 housing units (360 single-family and 240 multi-family units) between 2018 and 2022. TischlerBise projects housing growth beyond 2022 using MAG's 2015-2030 household compound average annual growth rate of 1.34%. The housing units are distributed by type based on the housing mix detailed in Figure A2. Therefore, between 2023 and 2027, 81.5% of projected new units are single-family and 18.5% are multi-family. To project future population between 2017 and 2027, the annual housing unit increase is converted using the persons per housing unit factors of 3.18 for single-family units and 2.13 for multi-family units. For this study, it is assumed that the household size will remain constant. TischlerBise projects a 10-year increase of 14,490 persons, or an average of 1,449 persons annually, and a corresponding 10-year increase of 5,034 housing units, or an average of 503 units annually. Based on projections provided by Avondale's Development and Engineering Services Department, anticipated buildout will occur in 2050 at an annual growth rate of 1.2 percent. Using the 2028 projected population of 99,226, the projected population in 2050 (buildout) will be approximately 129,000.

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

Figure C4: Residential Development Projections

	2018	2019	2020	2021	2022	2023	2028	10-Year
Cumulative Increase	*Base*	*1*	*2*	*3*	*4*	*5*	*10*	*Increase*
Population	84,736	86,392	88,048	89,704	91,360	92,626	99,226	14,490
Housing Units	29,239	29,839	30,439	31,039	31,639	32,063	34,273	5,034

NONRESIDENTIAL DEVELOPMENT

Current estimates and future projections of nonresidential development are detailed in this section including jobs and nonresidential floor area.

Employment Estimates

In addition to data on residential development, the calculation of development impact fees requires data on employment (number of jobs) and nonresidential square footage in Avondale. TischlerBise uses the term “jobs” to refer to employment by place of work. TischlerBise analyzed recent employment trends, reviewed data published by MAG, the U.S. Census Bureau, and Esri Business Analyst, and had discussions with City staff.

TischlerBise uses a four step process to calculate base year job and nonresidential footage estimates, and projections for 10 years past the base year. First, 2017 employment estimates are derived using 2015 and 2020 MAG employment estimates. Second, job estimates are organized by type: Industrial, Commercial/Retail, and Office / Institutional. Third, the MAG 2015-2030 annual employment growth rate is applied to the 2015 MAG employment estimate to project future citywide jobs. The last step allocates jobs by type based on the 2017 share of total jobs. This process is detailed below in Figure C5.

Figure C5: Estimated Employment and Distribution by Industry Type

Nonresidential Category	2017 Jobs [1]	Percent of Total Jobs	Sq. Ft. per Job	2017 Estimated Floor Area [2]	Jobs per 1,000 Sq. Ft. [2]
Industrial	837	5.0%	3,199	2,677,901	0.31
Commercial / Retail	8,153	48.9%	475	3,875,162	2.10
Office / Institutional	7,687	46.1%	528	4,059,752	1.89
TOTAL	**16,677**	**100%**		**10,612,815**	

1. TischlerBise calculation based on Maricopa Association of Governments 2015 and 2020 estimates.
2. Costar, 2017 (industrial, comercial, and office). Insitutional based on jobs and ITE 10th Edition (2017) multiplier.

Nonresidential Square Footage Estimates

TischlerBise uses 2017 Institute of Transportation Engineers (ITE) data as a proxy for future institutional nonresidential floor area (Figure C6). The prototype for institutional development is an elementary school (ITE 520), with an average of 1,076 square feet per job. Costar does not gather data on institutional development, so floor area estimates for institutional development are estimated based on current jobs and ITE building area ratios discussed below. TischlerBise uses Costar square footage estimates for industrial, commercial / retail, and office and other services floor area. As shown in Figure C5, existing industrial development averages 3,199 square feet per job, existing commercial / retail development averages 475 square feet per job, and existing office / institutional development averages 528 square feet per job. TischlerBise estimates Avondale has approximately 10.585 million square feet of nonresidential space.

Figure C6: The Institute of Transportation Engineers, 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).

Employment and Nonresidential Floor Area Projections

Future employment growth and nonresidential development in Avondale are based on MAG data. To project employment, TischlerBise applies MAG 2015-2030 annual employment growth rates to the 2015 MAG employment estimate of 15,892 total jobs.

To project growth in nonresidential square footage, TischlerBise applies the previously discussed square feet per employee factors to the projected increase in employment. The results of these calculations are shown in Figure C7. Over the next 10 years, Avondale is projected to gain 4,739 jobs and add an estimated 2.49 million square feet of nonresidential development.

Figure C7: Nonresidential Development Projections

Cumulative Increase	2015	2018 Base	2019 1	2020 2	2021 3	2022 4	2023 5	2028 10	10-Year Increase
Jobs									
Industrial	797	858	879	901	924	947	970	1,097	**239**
Commercial / Retail	7,656	8,414	8,683	8,960	9,246	9,542	9,847	11,524	**3,110**
Office / Institutional	7,439	7,814	7,943	8,074	8,207	8,343	8,481	9,204	**1,390**
Total Jobs	**15,892**	**17,086**	**17,505**	**17,935**	**18,377**	**18,832**	**19,298**	**21,825**	**4,739**
Nonresidential Floor Area (x 1,000)									
Industrial KSF		2,739	2,800	2,864	2,930	2,997	3,064	3,432	**694**
Commercial / Retail KSF		3,987	4,101	4,220	4,342	4,468	4,599	5,315	**1,328**
Office / Institutional KSF		4,103	4,146	4,190	4,235	4,281	4,327	4,571	**468**
Total Nonresidential KSF		**10,828**	**11,047**	**11,274**	**11,507**	**11,746**	**11,990**	**13,318**	**2,490**

AVERAGE WEEKDAY VEHICLE TRIPS

Average Weekday Vehicle Trips are used as a measure of demand by land use. Vehicle trips are estimated using average weekday vehicle trip ends from the reference book, *Trip Generation, 10th Edition*, published by the ITE in 2017. A vehicle trip end represents a vehicle entering or exiting a development (as if a traffic counter were placed across a driveway).

Trip Rate Adjustments

To calculate road 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 percent. As discussed further below, the development impact fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

Commuter Trip Adjustment

Residential development has a larger trip adjustment factor of 65 percent to account for commuters leaving Avondale for work. According to the 2009 National Household Travel Survey (see Table 30) weekday work trips are typically 31 percent of production trips (i.e., all out-bound trips, which are 50 percent of all trip ends). As shown in Figure C8, the U.S. Census Bureau's OnTheMap web application indicates that 96 percent of resident workers traveled outside of Avondale for work in 2015. In combination, these factors (0.31 x 0.50 x 0.96 = 0.148) support the additional 15 percent allocation of trips to residential development.

Figure C8: Commuter Trip Adjustment

Trip Adjustment Factor for Commuters [1]	
Employed Residents	36,444
Residents Working in Avondale	1,596
Residents Working Outside Avondale (Commuters)	34,848
Percent Commuting out of Avondale	**96%**
Additional Production Trips [2]	**15%**
Residential Trip Adjustment Factor	**65%**

1. U.S. Census Bureau, OnTheMap Application (version 6.1.1) and LEHD Origin-Destination Employment Statistics, 2015.

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 2015 indicate that 96 percent of Avondale's workers travel outside the city for work. In combination, these factors (0.3099 x 0.50 x 0.96 = 0.14816) account for 15 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 (15 percent of production trips) for a total of 65 percent.*
**http://nhts.ornl.gov/publications.shtml ; Summary of Travel Trends - Table "Daily Travel Statistics by Weekday vs. Weekend"*

Adjustment for Pass-By Trips

For commercial development, the trip adjustment factor is less than 50 percent because retail development attracts vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For the average shopping center, ITE data indicate 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66 percent multiplied by 50 percent, or approximately 33 percent of the trip ends.

Estimated Residential Vehicle Trip Rates

As an alternative to simply using the national average trip generation rate for residential development, the 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 American Community Survey data. Shown in Figure C9, custom trip generation rates for Avondale vary slightly from the national averages. For example, single-family residential development is expected to generate 10.00 average weekday vehicle trip ends per dwelling – compared to the national average of 9.44 (ITE 210). Multi-family residential development is expected to generate 5.20 average weekday vehicle trip ends per dwelling, which is lower than the national average of 5.44 (ITE 221).

Figure C9: Average Weekday Vehicle Trip Ends by Housing Type

		Households by Structure Type[2]			
	Vehicles Available[1]	Single-Family	Multi-Family	Total	Vehicles per HH by Tenure
Owner-occupied	26,252	12,646	28	12,674	2.07
Renter-occupied	17,212	6,621	4,221	10,842	1.59
TOTAL	**43,464**	**19,267**	**4,249**	**23,516**	**1.85**

	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	
							Avondale	ITE[7]
Single-Family	68,254	190,047	36,705	239,232	214,640	21,492	10.00	9.44
Multi-Family	10,445	23,838	6,759	26,924	25,381	4,894	5.20	5.44
TOTAL	**78,699**	**213,885**	**43,464**	**266,156**	**240,020**	**26,386**	**9.10**	

1. Vehicles available by tenure from Table B25046, American Community Survey, 2011-2015 5-Year Estimates.
2. Households by tenure and units in structure from Table B25032, American Community Survey, 2011-2015 5-Year Estimates.
3. Total population in households from Table25033, American Community Survey, 2011-2015 5-Year Estimates.
4. Vehicle trips ends based on persons using formulas from Trip Generation (ITE 2017). For single-family housing (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 multi-family housing (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, 2011-2015 5-Year Estimates.
7. Trip Generation, Institute of Transportation Engineers, 10th Edition (2017).

Functional Population

TischlerBise recommends functional population to allocate the cost of certain facilities to residential and nonresidential development. As shown in Figure C10, functional population accounts for people living and working in a jurisdiction. 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 who do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents who work in Avondale are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents who work outside Avondale are assigned 14 hours to residential development. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2015 functional population data for Avondale, the cost allocation for residential development is 82 percent while nonresidential development accounts for 18 percent of the demand for municipal facilities.

Figure C10: Functional Population

Demand Units in 2015				*Demand Hours/Day*	*Person Hours*	*Proportionate Share*
Residential						
Estimated Residents	80,329					
Residents Not Working		43,885		20	877,700	
Employed Residents		36,444				
Employed in Service Area			1,596	14	22,344	
Employed outside Service Area			34,848	14	487,872	
				Residential Subtotal	1,387,916	**82%**
Nonresidential						
Non-working Residents		43,885		4	175,540	
Jobs in Service Area		13,656				
Residents Employed in Service Area			1,596	10	15,960	
Non-Resident Workers (inflow Commuters)			12,060	10	120,600	
				Nonresidential Subtotal	312,100	**18%**
				TOTAL	1,700,016	**100%**

Source: Maricopa Association of Governments 2015 Population Estimate; U.S. Census Bureau, OnTheMap 6.1.1 Application, 2015.

DEVELOPMENT PROJECTIONS

Provided below is a summary of cumulative development projections used in the development impact fee study. Base year estimates for 2018 are used in the development impact fee calculations. Development projections are used to illustrate a possible future pace of demand for service units and cash flows resulting from revenues and expenditures associated with those demands.

Figure C11: Development Projections Summary

	2015	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10-Year
Cumulative Increase		Base	1	2	3	4	5	6	7	8	9	10	Increase
Population	**80,329**	**84,736**	**86,392**	**88,048**	**89,704**	**91,360**	**92,626**	**93,910**	**95,212**	**96,532**	**97,870**	**99,226**	**14,490**
Housing Units	**27,620**	**29,239**	**29,839**	**30,439**	**31,039**	**31,639**	**32,063**	**32,493**	**32,929**	**33,371**	**33,819**	**34,273**	**5,034**
Jobs													
Industrial	797	858	879	901	924	947	970	994	1,019	1,044	1,070	1,097	**239**
Commercial / Retail	7,656	8,414	8,683	8,960	9,246	9,542	9,847	10,161	10,486	10,821	11,167	11,524	**3,110**
Office / Institutional	7,439	7,814	7,943	8,074	8,207	8,343	8,481	8,621	8,763	8,908	9,055	9,204	**1,390**
Total Jobs	**15,892**	**17,086**	**17,505**	**17,935**	**18,377**	**18,832**	**19,298**	**19,776**	**20,268**	**20,773**	**21,292**	**21,825**	**4,739**
Nonresidential Floor Area (x 1,000)													
Industrial KSF		2,739	2,800	2,864	2,930	2,997	3,064	3,134	3,206	3,279	3,354	3,432	**694**
Commercial / Retail KSF		3,987	4,101	4,220	4,342	4,468	4,599	4,733	4,871	5,014	5,162	5,315	**1,328**
Office / Institutional KSF		4,103	4,146	4,190	4,235	4,281	4,327	4,375	4,422	4,471	4,521	4,571	**468**
Total Nonresidential KSF		**10,828**	**11,047**	**11,274**	**11,507**	**11,746**	**11,990**	**12,241**	**12,500**	**12,764**	**13,037**	**13,318**	**2,490**

APPENDIX D: LAND USE DEFINITIONS

RESIDENTIAL DEVELOPMENT

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

Single-Unit:

1. **Single-family detached** is a one-unit structure detached from any other house, that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached as long as the building has open space on all four sides.
2. **Single-family attached (townhouse)** is a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.
3. **Mobile home** includes both occupied and vacant mobile homes, to which no permanent rooms have been added. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

2+ Units:

1. **2+ units (duplexes and apartments)** are units in structures containing two or more housing units, further categorized as units in structures with “2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more apartments.”

2. **Boat, RV, Van, Etc.** includes any living quarters occupied as a housing unit that does not fit the other categories (e.g., houseboats, railroad cars, campers, and vans). Recreational vehicles, boats, vans, railroad cars, and the like are included only if they are occupied as a current place of residence.

Nonresidential Development

The proposed general nonresidential development categories (defined below) can be used for all new construction within Avondale. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates and employment densities (i.e., jobs per thousand square feet of floor area).

Commercial / Retail: Establishments primarily selling merchandise, eating/drinking places, and entertainment uses. By way of example, *Commercial / Retail* includes shopping centers, supermarkets, pharmacies, restaurants, bars, nightclubs, automobile dealerships, and movie theaters, hotels, and motels.

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

Office / Institutional: Establishments providing management, administrative, professional, or business services; personal and health care services. By way of example, *Office and Other Services* includes banks, business offices, assisted living facilities, nursing homes, hospitals, medical offices, and veterinarian clinics. Establishments including public and quasi-public buildings providing educational, social assistance, or religious services. By way of example, *Institutional* includes schools, universities, churches, daycare facilities, government buildings, and prisons.

Category Number:
Item Number: 9

CITY COUNCIL AGENDA

SUBJECT:
Public Hearing and Conditional Use Permit for Dysart Commons (T-Mobile) - (PL-18-0199)

MEETING DATE:
2/19/2019

TO:	Mayor and Council
FROM:	Tracy Stevens, Development & Engineering Services Director, (623) 333-4012
THROUGH:	Charles A. Montoya, City Manager, (623) 333-1016

REQUEST:	City Council will consider a request by Gary Cassel with Clearblue Services, on behalf of T-Mobile, to approve a Conditional Use Permit (CUP) for a wireless service facility on a 9.8-acre parcel owned by Dysart Investment LLC, located at the northeast corner of Dysart and Thomas roads within the Dysart Commons commercial center.
PARCEL SIZE:	822 square feet of a 9.8-acre parcel
LOCATION:	2935 North Dysart Rd; northeast corner of Dysart and Thomas roads within the Dysart Commons commercial center
APPLICANT:	Gary Cassel, Clearblue Services LLC (602) 762-8809
OWNER:	Hooman Davoodi, Dysart Investment LLC (602) 468-6110

BACKGROUND:

Clearblue Services, on behalf of T-Mobile, is requesting approval of a Conditional Use Permit (CUP) for a 70-foot tall wireless service facility located within a 9.8-acre parcel owned by Dysart Investment LLC at 2935 North Dysart Rd. The wireless facility is proposed on an 822 square foot area at the commercial center's northeast corner adjacent to an existing retention basin. The wireless facility is a monopalm designed as a bearded Date Palm tree.

The subject property (Exhibit A) was re-platted in December 2013 and is zoned PAD for commercial (Exhibit B). The property is designated by the General Plan 2030 Land Use Map as Local Commercial. The commercial center is mostly developed with four pads remaining along the arterial street frontages.

The existing uses and zoning of the surrounding properties are as follows:

• **NORTH:** The Las Palmeras West residential community, a fully developed single-family residential subdivision consisting of 126 single-family homes. Las Palmeras West is zoned PAD.

• **SOUTH:** Across Thomas Road, commercial uses including a QuikTrip convenience store and gas station. The parcel is zoned PAD.

• **EAST:** The Las Palmeras West residential community, a fully developed single-family residential subdivision consisting of 126 single-family homes. Las Palmeras West is zoned PAD.

• **WEST:** Across Dysart Road, Estrella Mountain Community College. The parcel is zoned PAD.

SUMMARY OF REQUEST:

The applicant has submitted a request for the installation of a new 70-foot tall monopalm which has associated ground equipment within an 822 square foot enclosed area bounded by an 8-foot high CMU wall. The monopalm wireless facility meets the "stealth" criteria per the City of Avondale's Zoning Ordinance Sections 708 A, B, & C. The pole will be concealed in faux clad bark and all coaxial cables will be concealed within the pole. There will be one parking space for a service vehicle designated adjacent to the walled-in area. The pole is co-locatable.

The proposed facility site area will encompass three existing parking spaces east of the existing planter which currently contains an electrical box, light pole, and a tree. In addition, the site area will extend into the existing retention basin several feet requiring the removal and re-construction of the retaining wall. The monopalm will be located slightly south of the existing wall's alignment.

Two (2) new live Date Palm trees will be planted at a minimum of 45 feet in height in close proximity to the monopalm. The new trees will be planted in the adjacent retention basin. The addition of live Date Palm trees is intended to satisfy the need for the facility to blend in with its surroundings. The center of the monopalm pole is setback 94'-3" from the east property line and 98'-4" from the north property line.

The request is in conformance with the Avondale Zoning Ordinance, which requires approval of a Conditional Use Permit for any Freestanding Wireless Facilities thirty-five (35) feet or greater in height.

The applicant has provided information attached in the narrative (Exhibit C) detailing the evaluation of other sites in the surrounding area. Each site was considered as stated; however, there was either not adequate space on the properties or the property owner was not interested in securing a leasable area. Staff spoke with Estrella Mountain Community College regarding the option to locate the facility on their property. The college is open to having a wireless facility on their property; however, after discussing multiple locations on the college property with the applicant several months ago, they ultimately could not agree on a mutual location. Although the chosen site is just slightly outside the Search Ring Map as shown on Exhibit D, it remains the most viable site to provide the best service to the area and remain within the needed distance from the existing wireless facilities as shown on the attachment.

PARTICIPATION:

The applicant conducted a neighborhood meeting to discuss the proposed wireless facility on Monday, October 22, 2018 at Estrella Mountain Community College. The neighborhood meeting was advertised in the Southwest Valley Republic and a notification sign was erected on the subject property. Additionally, property owners within 1,000 feet of the subject site were notified of the meeting by postcards sent by the City.

Two residents from the adjacent single-family residential subdivision and one Councilmember attended the Neighborhood Meeting, and the Citizen Participation Report is attached (Exhibit H). Discussion topics included the following:

• Health risks and whether the proposed tower will have harmful effects on the health of the residents in the immediate vicinity. The residents stated their research online showed potential health risks from wireless facilities.

• Financial impact to home property values once the tower is constructed. The residents stated their research indicated a 5% to 20% decrease in property values after wireless facility is constructed.

• Location of the pole near homes. The residents and Councilmember asked if there were other locations for the monopalm that would be farther away from residential properties. The applicant responded that he did explore other possible locations for the monopalm including Estrella Mountain Community College located west of Dysart Rd. Other possible locations included the CVS Pharmacy, the Goddard School, the Church of Latter Day Saints and the Primavera Technical Learning Center; all located southwest of the intersection of Thomas and Dysart roads. The search also included three parcels located south of Thomas Rd.; the QuikTrip and two parcels owned by Avondale Senior Living.

As of the writing of this report, Staff has received email correspondence from the two residents who attended the neighborhood meeting. The emails re-emphasized their concerns expressed at the neighborhood meeting and stated that they would start a petition that will oppose the project (Exhibit I). Follow up emails included a copy of the petition signed by surrounding property owners (Exhibit J).

The two residents from the adjacent subdivision attended Planning Commission and spoke during the public hearing. The residents reiterated their concerns voiced in their emails. These concerns included detrimental effects on property values and potential adverse effects on the health and well-being of adjacent residents. The two residents were advised of Staff's recommendation of approval for the application.

On December 17, 2018, at the request of the Applicant, City Council approved a continuance of this request. The Applicant was advised by Council to conduct additional outreach with residents and Council regarding the proposed wireless facility. The Applicant's outreach included a site visit with two councilmembers, the Applicant's representatives, and City Staff. The Applicant also reached out to other councilmembers to discuss this request. On January 29, 2019, the Applicant met with six residents from the Las Palmeras West neighborhood, one councilmember, and City Staff to further discuss the proposal. Residents conveyed concerns for the monopalm's health effects and asked that it not be built at this location. The meeting summary and sign-in sheet are attached, Exhibits L & M.

PLANNING COMMISSION ACTION:

The Planning Commission conducted a hearing on this item on November 15, 2018 (Exhibit K). Commission had the following questions and comments during the question and answer portion of the meeting:

· Chairman Amos asked if the Applicant had addressed the homeowner’s concerns related to potential harm to health. The question was directed to the City Attorney. The Attorney explained that the application was reviewed based on the five conditions of a CUP and as long as the applicant met the requirements of the FCC, it was considered acceptable.

· Commissioner Amos asked what kind of material the beard (covering the co-locatable housing) was made of. The applicant explained that the material would be plastic so that it would not block the performance of the co-locatable sections.

· Commissioner Osborne asked how long the lease is for this facility. The applicant responded that he believed the lease was 35 to 40 years long.

· Commissioner Osborne asked how many homes were in the Las Palmeras subdivision. 126 homes are in the subdivision.

· Commissioner Stanfield asked why the current location was chosen. Staff stated that the applicant provided the required list of co-locatable verticality's in the area and a detailed explanation of why they would not suffice for the project. The applicant was also required to submit a list and explanation of alternative sites.

· Vice Chair Van Leuven asked if there were existing towers in the City that where directly adjacent to residential areas. The majority of towers are located adjacent to industrial areas.

Upon conclusion of the public hearing, the Commission voted 3-2 to recommend denial of the Dysart Commons (T-Mobile) Conditional Use Permit, for a wireless facility located at 2935 North Dysart Rd.; the northeast corner of Dysart and Thomas roads within the Dysart Commons commercial center, subject to the two (2) recommended conditions of approval.

ANALYSIS:

The Avondale Zoning Ordinance requires approval of a Conditional Use Permit for any Freestanding Wireless Facilities thirty-five (35) feet or greater in height. In order to grant a Conditional Use Permit, Section 108.B of the Zoning Ordinance lists five findings that must be met. The burden of proof is upon the applicant. The findings and analysis are as follows:

1. That the proposed use (a) is consistent with the land use designation set forth in the General Plan, (b) will further the City's general guidelines and objectives for development of the area, as set forth in the General Plan and (c) will be consistent with the desired character for the surrounding area.

(a) The proposed use in consistent with the site's General Plan designation of Local Commercial and is an allowed use in all designated areas within the City. The development of this site with a wireless facility will not affect the current land use designation and all appropriate measures will be taken to conceal and disguise the proposed monopalm site.

(b) The proposed use will further the City's general guidelines and objectives for development of the area as set forth in the General Plan. A wireless facility that uses alternative "stealth" design, such as the monopalm design, is in conformance with the Zoning Ordinance to minimize adverse impacts on the surrounding area. The proposed height is mitigated by the pole's design as a Date Palm tree along with the planting of two (2) new live Date Palms on opposite sides of the site.

(c) The proposed wireless facility will be consistent with the desired character for the surrounding area and is proposed as a monopalm structure to blend with the existing area characteristics and landscaping. There will be minimal effect, other than visual, on the surrounding area with this proposed design which includes a perimeter wall to enclose the monopalm and associated ground equipment along with parking to maintain the facility as well as new palm trees and plantings. The monopalm is adjacent to an existing landscaped retention basin and set back over 90 feet from residential lots which exceeds the Zoning Ordinance distance requirement.

2. That the use will be (a) compatible with other adjacent and nearby land uses and (b) will not be detrimental to persons residing or working in the area, adjacent property, the neighborhood or the public welfare in general.

(a) The site is compatible with other adjacent and nearby commercial land uses and exceeds the minimum setback from residential lots to the East and North.

(b) The proposed use will be located behind commercial buildings at the northeast corner of the commercial center and will not be detrimental to persons residing or working in the area. The tower and associated equipment will meet the Radio Frequency offload objectives set forth by the FCC as well as the structural capacity needs to ensure there will be no detriment to the public. The proposed site will not generate excess noise as there will not be a generator. There will be no smoke, odors, dust, vibration, or illumination.

3. That the site is adequate in size and shape to accommodate the proposed use, allow safe on-site circulation, and meet all required development standards including, but not limited to, setbacks, parking, screening, and landscaping.

The lease area of the site is 822 square feet which will accommodate all the required associated equipment. The site has appropriate access for entry and exit including one designated parking space for the service provider which will be located within the site's walled-in area. The site provides required site improvements including two (2) live Date Palm trees, screening, and landscaping.

4. That the site has appropriate access to public streets with adequate capacity to carry the type and quantity of traffic generated by the proposed use.

Primary access to the site is available from the existing commercial center's on-site drive aisles and parking areas. The proposed use has a low amount of traffic generated which will not impact the adjacent commercial center and arterial streets which are designed to accommodate the negligible traffic.

5. That adequate conditions have been incorporated into the approval to ensure that any potential adverse effects will be mitigated.

The wireless monopalm facility meets all the development standards and requirements contained in the Avondale Zoning Ordinance and no additional conditions of approval are required to mitigate potential adverse effects.

FINDINGS:

Staff recommends approval of this request for the following reasons:

- The proposal meets the five required findings for approval of a CUP found in Section 108 of the Zoning Ordinance.
- The proposed CUP conforms to the intent and requirements of the Zoning Ordinance.

RECOMMENDATION:

Planning Commission recommends that the City Council **DENY** application PL-18-0199.

Staff recommends that City Council **APPROVE** application PL-18-0199 with two (2) recommended conditions of approval as follows:

1. The Dysart Commons (T-Mobile) wireless service facility shall conform to the project narrative dated November 6, 2018, Site Plan, and Planting Plan date stamped October 16, 2018.

2. The Conditional Use Permit approval shall expire two (2) years from the approval date if a permit for construction is not obtained.

PROPOSED MOTION:

I move that City Council accept the findings and **APPROVE** application PL-18-0199 Dysart Commons (T-Mobile), a request for a Conditional Use Permit for a wireless facility located at 2935 North Dysart Rd.; the northeast corner of Dysart and Thomas roads within the Dysart Commons commercial center, subject to the two (2) recommended conditions of approval.

ATTACHMENTS:

Description

Link to Exhibits

PROJECT MANAGER

Byron Easton, Senior Planner (623) 333-4020

PUBLIC HEARING – PL-18-0199 Dysart Commons

Please click on the links below to view the documents

EXHIBIT A – Aerial Photograph

https://www.avondaleaz.gov/Home/ShowDocument?id=11723

EXHIBIT B – Zoning Vicinity Map

https://www.avondaleaz.gov/Home/ShowDocument?id=11725

EXHIBIT C – Narrative/Applicant's Evaluation of Sites

https://www.avondaleaz.gov/Home/ShowDocument?id=11727

EXHIBIT D – Search Ring with Possible Candidates Map

https://www.avondaleaz.gov/Home/ShowDocument?id=11729

EXHIBIT E – Site Plan

https://www.avondaleaz.gov/Home/ShowDocument?id=11731

EXHIBIT F – Landscape Plan

https://www.avondaleaz.gov/Home/ShowDocument?id=11733

EXHIBIT G – Elevations

https://www.avondaleaz.gov/Home/ShowDocument?id=11735

EXHIBIT H – Citizen Participation Report

https://www.avondaleaz.gov/Home/ShowDocument?id=11737

EXHIBIT I – Citizen Emails in Opposition

https://www.avondaleaz.gov/Home/ShowDocument?id=11739

EXHIBIT J – Petition in Opposition

https://www.avondaleaz.gov/Home/ShowDocument?id=11741

EXHIBIT K – Planning Commission Minutes

https://www.avondaleaz.gov/Home/ShowDocument?id=11743

EXHIBIT L – Additional Resident/Council Outreach Summary

https://www.avondaleaz.gov/Home/ShowDocument?id=12320

EXHIBIT M – Additional Resident Outreach Meeting Minutes

https://www.avondaleaz.gov/Home/ShowDocument?id=12322

Category Number: 10
Item Number: a.

CITY COUNCIL AGENDA

SUBJECT:
2019 Legislative Update

MEETING DATE:
2/19/2019

TO: Mayor and Council

FROM: Jessica Blazina, Intergovernmental Affairs Administrator

THROUGH: Charles Montoya, City Manager

PURPOSE:
This is a legislative update which will allow the City Council to provide guidance on proposed state legislation.

BACKGROUND:
Legislation enacted at the state level often has significant effects on the ability of municipal government to serve its citizens. Therefore, it is important to identify the city of Avondale's Legislative priorities regarding potential or pending legislative actions.

DISCUSSION:
With the deadline for bill introduction passed, and the deadline for action in the house of origin looming, the Legislature continues to work in committee hearing proposed legislation. The next deadline we are focused on is February 22nd - the last day for consideration of bills in the house of origin, pending an extension by either the Senate President or Speaker of the House.

The first priority of business was action on the Drought Contingency Plan. The State acted on this legislation meeting the federally imposed deadline of January 31st.

BUDGET IMPACT:
Staff will closely monitor any legislation that may have a budgetary impact on the City.

RECOMMENDATION:
Staff recommendations have been included with bills discussed and seeks input from City Council regarding the 2019 Legislative priorities.

ATTACHMENTS:

Description

2019 Legislative Update

2019 Legislative Bill Report

SB1460: TPT; digital goods and services (Ugenti-Rita) states that the purpose of transaction privilege and use taxes and local excise taxes, the gross income, gross receipts, gross proceeds, purchase price or sales price from selling, leasing, licensing, purchasing or using "digital services" (defined)is excluded from tax. Does not apply to an online lodging marketplace. Establishes the digital goods classification of transaction privilege taxes, which is comprised of the business of selling, leasing or licensing the use of "prewritten computer software" or providing "specified digital goods" (both defined). Establishes a list of exemptions from the digital goods classification. Levies an excise tax on using or consuming prewritten computer software and specified digital goods in Arizona as a percentage of the acquisition price, which applies to any purchaser that purchases these items for resale but that subsequently uses or consumes the items. Some exceptions. Prewritten computer software and specified digital goods must be sourced to the seller's business location if the seller receives the order at a business location in Arizona and the items are to be used in Arizona, and to the purchaser's location in Arizona if the seller receives the order at a business location outside Arizona but the items are to be used in Arizona. Contains a legislative intent section. Applies to taxable periods beginning on or after the first day of the month following the effective date of this legislation. This bill has significant fiscal to cities, the State, and Prop 301. Recommended position: Oppose

SB1515: digital goods & services; taxation (Quezada) states that for the purpose of transaction privilege and use taxes, the definition of "tangible personal property" which is subject to taxation is expanded to include prewritten "computer software" and "digital goods" (both defined). The gross receipts from leasing digital goods must be apportioned to the location of the user of the digital goods. A legislative intent section states that this act is to clarify statutory intent and ratify historical administrative interpretation, and not to provide any substantive change in the law. This bill is revenue neutral. Recommended position: Support

SB1165: prohibition; texting while driving (Brophy McGee) allows for texting while driving to be a primary offense, allowing offices to stop and cite for this behavior. League Executive committee voted on February 8th to support this bill even though it would preempt those cities with existing ordinances. Allows for varying levels of fines based upon number of times cited for offense and has increasing levels of penalties if bodily harm is cause for this behavior. Recommended position: Support

HB2638: municipal tax; exemption; food (Bolick) states that municipalities and other taxing jurisdictions with a population of 625,000 persons or more are prohibited from levying a transaction privilege, sales, use or other similar tax or fee on the sale of food items intended for human consumption in the home as defined by Department of Revenue rules. Recommended position: Oppose

HB2201: partisan offices; cities; towns (Carroll) would require municipalities to print on the ballot the party designation for all candidates for the office of mayor or city or town council, and statute authorizing municipalities to provide for nonpartisan primary election victories are deleted. Applies to elections held on or after January 1, 2020. Recommended position: Oppose