CITY OF SURPRISE
Regular City Council Work Session
16000 N. Civic Center Plaza
Surprise, AZ 85374
Tuesday, May 19, 2020 @ 4:00 PM
COUNCIL CHAMBERS

Amended agenda May 15, 2020 at 12:10 PM - added item #3

NOTICE: In an effort to protect health and safety of city employees, residents, and visitors, the Council Chambers will be closed to the public during this meeting. The public may access the meeting by viewing a live stream or broadcast of the meeting. To watch live, please visit www.surpriseaz.gov/surprisetv, the Surprise City Gov Facebook page at www.facebook.com/cityofsurprise. Cox channel 11 and Century Link channel 8513 will also carry the meeting live.

For instructions on how to comment on agenda items and public hearings, please go to https://bit.ly/3asyowo

A. Call To Order
B. Roll Call
C. Pledge of Allegiance
D. Proclamation and Community Acknowledgements
E. City Manager Report
F. City Clerk Report

G. Call To The Public

INSTRUCTIONS: In order to address the City Council, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the City Clerk before the meeting begins.
[Download the Call to the Public form] (PDF download requires Adobe Acrobat Reader)
[Fill out the Call to the Public form online] If submitting form electronically, please submit to City Clerk at least one hour before the meeting start time.
The Call to the Public form is also available at the front counter.

Note: A.R.S. 38-431.01(H)- During this time members of the public may address City Council only on issues within the jurisdiction of the City Council which are not an item on the agenda. At the conclusion of the open call, City Council may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

Please be aware that Council Members may not discuss or respond to matters raised during call to the public that are not specifically identified on the agenda. Council Members may however, in their discretion, discuss or respond to relevant matters raised during a noticed public hearing or agenda item.

H. Regular City Council Work Session Agenda

CONSENT AGENDA:

REGULAR AGENDA ITEM - PUBLIC HEARING:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

1.	Citywide	Presentation and discussion pertaining to the results of the Shared Active Transportation Vehicle (SATV) Pilot Program and discussion of a possible permanent SATV ordinance.	None Stephen Chang Community Development
2.	Internal	Presentation and discussion pertaining to financial policy updates.	None Andrea Davis DIRECTOR Finance
3.	Citywide	Presentation and discussion pertaining to the City's Water Resource Development Impact Fees (DIF).	None Andrea Davis Lee Lambert Water Resource Management

I. Other Business and Future Agenda Items

J. City Council Reports

K. Executive Session

For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));

L. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: May 14, 2020 at 9:50 AM
Amended agenda May 15, 2020 at 12:10 PM - added item #3

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.

CITY OF SURPRISE
Regular City Council Work Session

Council Meeting Date: May 19, 2020
Submitting Department: Community Development
Staff Recommendations: None

Contact Person: Stephen Chang
District: Citywide

Consent: No   Regular: No   Public Hearing: No   Report/Discussion: Yes

Agenda Wording:

Presentation and discussion pertaining to the results of the Shared Active Transportation Vehicle (SATV) Pilot Program and discussion of a possible permanent SATV ordinance.

Motion:

N/A; Discussion only.

Background:

The Shared Active Transportation Vehicles Pilot Program began on November 1, 2019 and ended on April 28, 2020. On December 3, 2019, City Council approved a 90-day temporary operating agreement with The Collective We, LLC to operate GOAT e-scooters in the City of Surprise. Subsequently, City Council approved an extension of the Agreement with The Collective We, LLC on March 17, 2020. A SATV Survey was created to seek community feedback on the deployment of rentable electric scooters and bicycles. This Pilot Program was administered through the Community Development Department.

Objective Analysis:

The Collective We, LLC deployed its fleet of e-scooters from January 1, 2020 to March 19, 2020. The vendor ceased its operations following the Mayor's emergency declaration in the wake of the COVID-19 pandemic. In the approximately two-and-half months of e-scooter deployment, code enforcement inspectors did not report any deployment or parking violations, and staff did not receive any complaints from the general public regarding e-scooters. The Collective We, LLC's data reports show that there were a total of 1,966 rides from January 1 to March 19, 2020. A SATV Survey was available on the City's website to gather community feedback on the deployment of rentable e-scooters and e-bikes. The Survey was available for the duration of the Pilot Program. A total of 602 responses were collected.

Policy Compliant:

This is compliant with the City of Surprise Strategic Plan under Transportation – Goal 8: Develop and maintain a balanced transportation system for alternative modes of travel, including bicycling, walking, and electric cars. This is also compliant with City of Surprise General Plan 2035 Transportation Chapter Alternative Modes Element – Goal 1: Develop and promote safe bicycle and pedestrian systems, and provide connectivity throughout Surprise. At the time these documents were prepared, shared active transportation vehicles such as e-bikes and e-scooters were not available in Phoenix metropolitan area.

Financial Impact:
While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide city services.

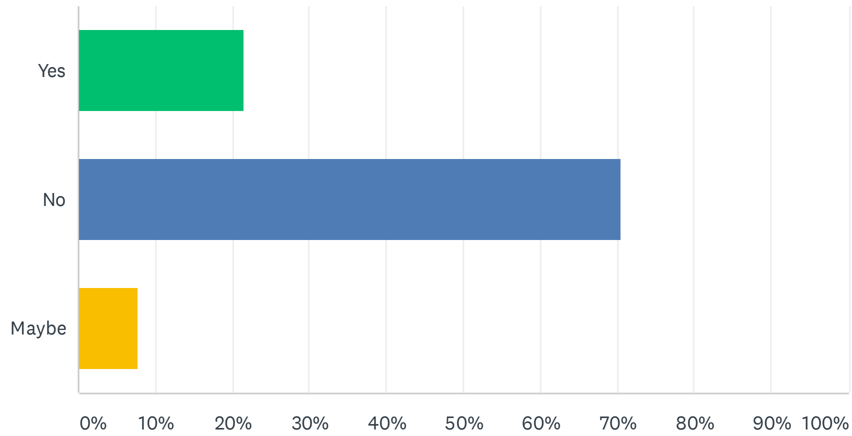
Budget Impact:
None at this time; however, topics covered in this presentation may lead to future actions which may have a budget impact.

FTE Impact:
This item does not have an impact on current staff levels.

ATTACHMENTS:
1. SATV Survey Results
2. 5-19-2020 Council Meeting Report - SATV Pilot Program Results (1)
3. 5-19-2020 SATV City Council WS Pres 04302020

Q1 Would you ride a SATV in Surprise?

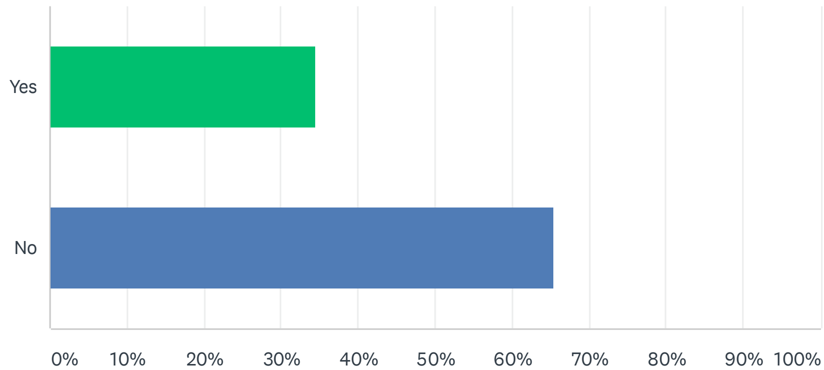
Answered: 602 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	21.59%	130
No	70.60%	425
Maybe	7.81%	47
TOTAL		602

Q2 Have you ridden a SATV in Surprise?

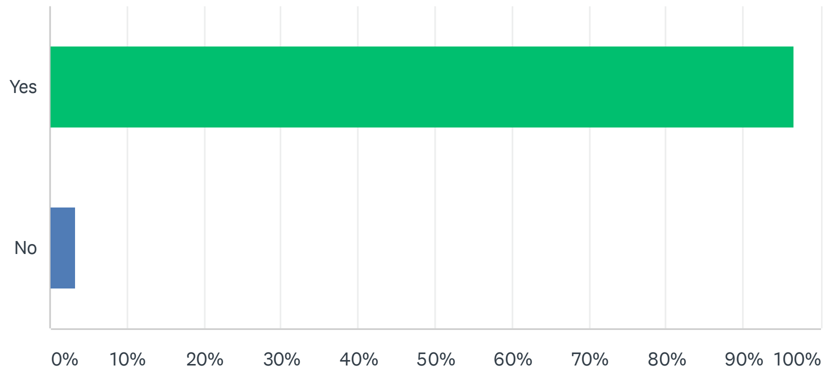
Answered: 90 Skipped: 512



ANSWER CHOICES	RESPONSES	
Yes	34.44%	31
No	65.56%	59
TOTAL		90

Q3 Did you find the SATV a convenient way to travel?

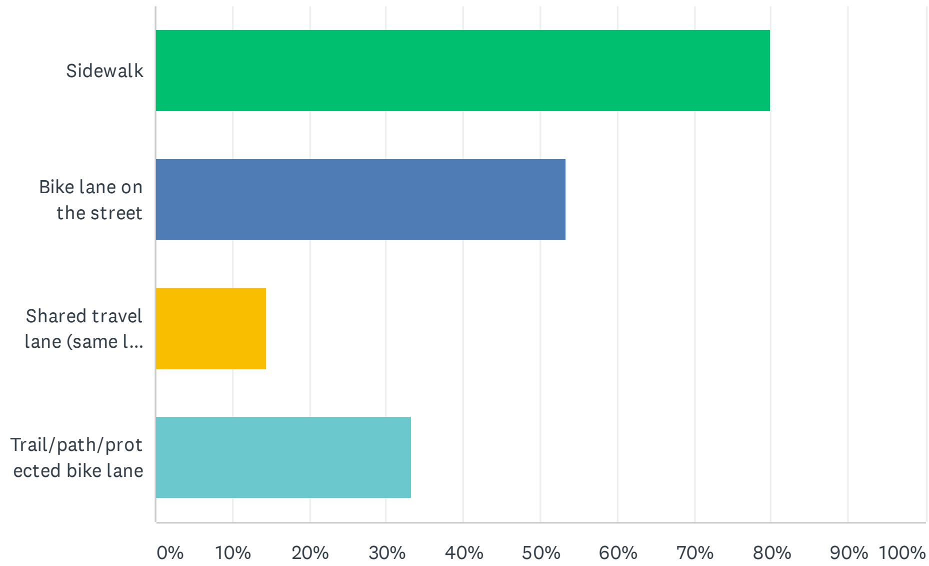
Answered: 90 Skipped: 512



ANSWER CHOICES	RESPONSES	
Yes	96.67%	87
No	3.33%	3
TOTAL		90

Q4 On what surface did you ride the SATV? Select all that apply

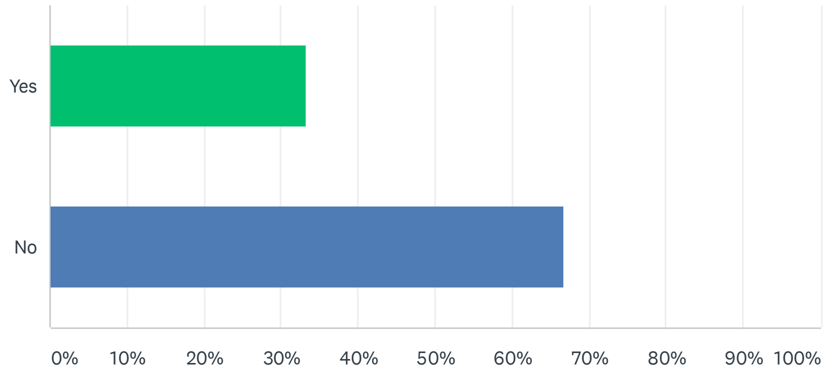
Answered: 90 Skipped: 512



ANSWER CHOICES	RESPONSES	
Sidewalk	80.00%	72
Bike lane on the street	53.33%	48
Shared travel lane (same lane used by cars)	14.44%	13
Trail/path/protected bike lane	33.33%	30
Total Respondents: 90		

Q5 Would you have any hesitation to ride a SATV on a roadway with a speed limit less than 35mph

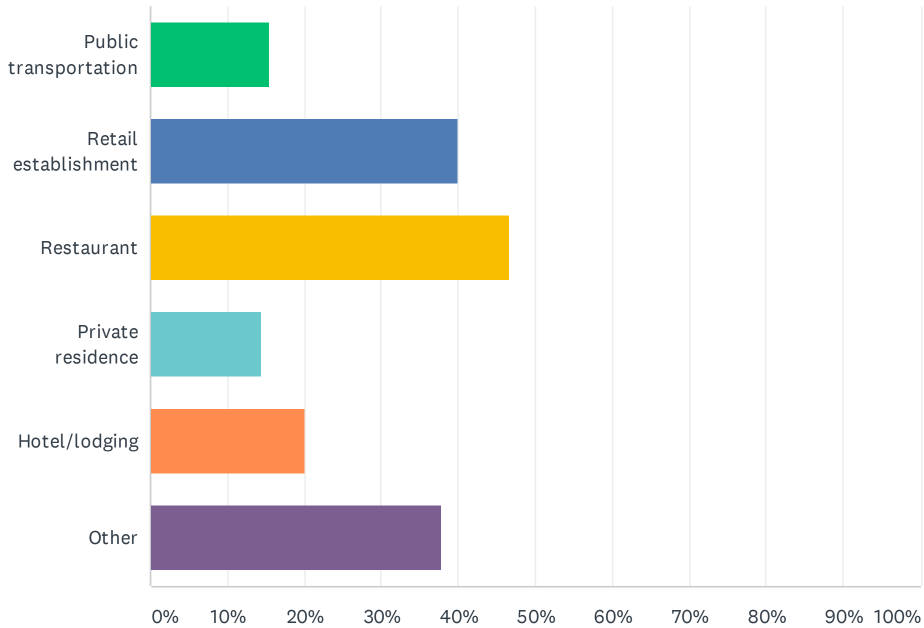
Answered: 90 Skipped: 512



ANSWER CHOICES	RESPONSES	
Yes	33.33%	30
No	66.67%	60
TOTAL		90

Q6 To what location did you ride the SATV?

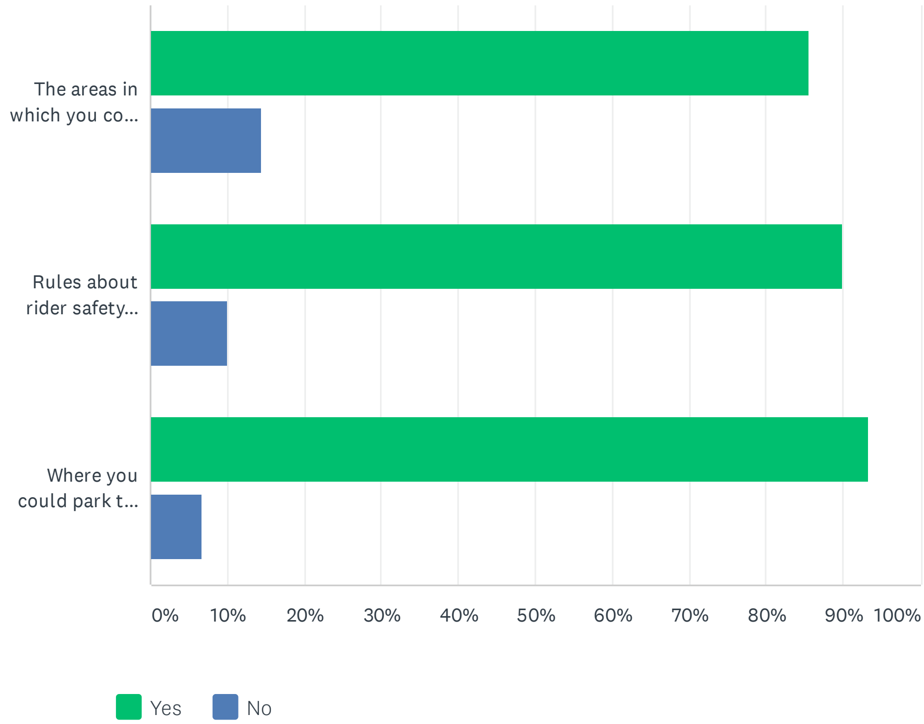
Answered: 90 Skipped: 512



ANSWER CHOICES	RESPONSES	
Public transportation	15.56%	14
Retail establishment	40.00%	36
Restaurant	46.67%	42
Private residence	14.44%	13
Hotel/lodging	20.00%	18
Other	37.78%	34
Total Respondents: 90		

Q7 6. When renting the SATV, did you receive sufficient information from the vendor regarding:

Answered: 90 Skipped: 512



	YES	NO	TOTAL	WEIGHTED AVERAGE
The areas in which you could ride	85.56% 77	14.44% 13	90	1.14
Rules about rider safety and responsible operation of the SATV	90.00% 81	10.00% 9	90	1.10
Where you could park the SATV when your ride was over	93.33% 84	6.67% 6	90	1.07

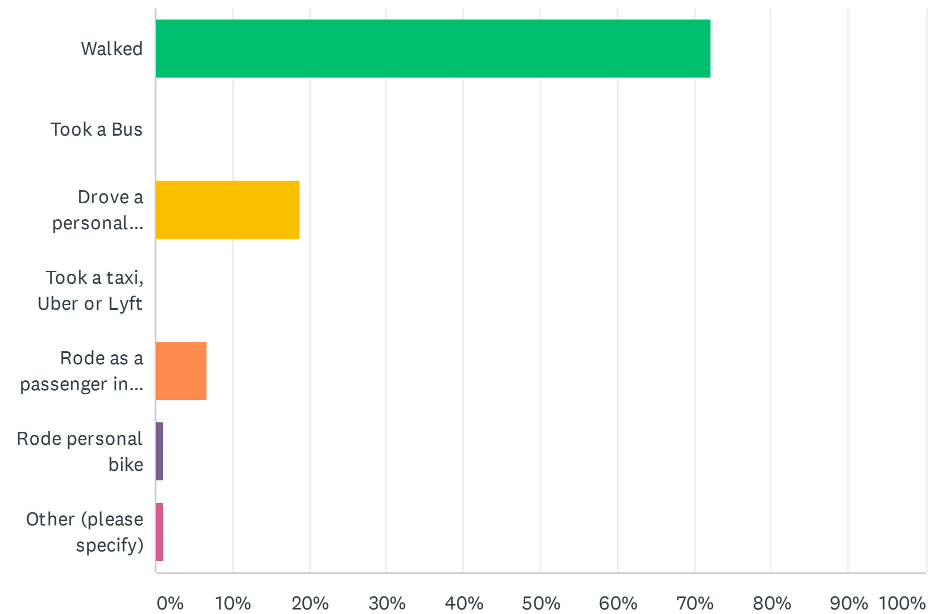
Q8 If you did not feel you received sufficient information, do you have a suggestion about how that information could be delivered to riders?

Answered: 37 Skipped: 565

#	RESPONSES	DATE
1	N/A	3/6/2020 1:07 PM
2	They were great	2/18/2020 3:16 PM
3	Sufficient	1/28/2020 1:24 PM
4	Text message	1/26/2020 5:27 AM
5	No	1/25/2020 7:21 AM
6	Na	1/25/2020 1:26 AM
7	Quick visual/audio tutorial	1/13/2020 12:35 AM
8	All the info should be available on the App used to rent the vehicle.	1/4/2020 1:35 AM
9	No	1/1/2020 1:30 PM
10	n/a (There's none in Surprise right now)	12/10/2019 10:14 PM
11	I only rode Electric scooters in California. Perhaps if operated, there should be all of the rules to read before access? But that would be obnoxious if we had to read a bunch of paragraphs before s ride	12/5/2019 10:35 PM
12	N/A	12/5/2019 8:40 PM
13	N/A	12/5/2019 7:50 PM
14	N/A	12/5/2019 5:18 PM
15	Easy access portal by cell phone to show information and have Q&A. Possibly even a voice call AI system that answers questions.	12/5/2019 1:33 PM
16	n/a	11/20/2019 2:06 PM
17	All good	11/17/2019 1:26 AM
18	NA	11/13/2019 10:31 AM
19	Na	11/8/2019 9:01 AM
20	Email or text instructions with purchase of time on the ride	11/6/2019 4:11 PM
21	no	11/6/2019 10:52 AM
22	I answered NO to the first survey question! Why is it prompting me to answer questions about rides when I CLEARLY indicated I have NOT used the service. I will continue to attempt this survey until it is fixed!	11/5/2019 7:39 AM
23	Safety warnings trough the app. Make sure is responsibility the user agrees with the responsibility of using one.	11/3/2019 4:32 PM
24	App	11/2/2019 10:29 PM
25	App	11/2/2019 10:19 PM
26	Phone App	11/2/2019 10:47 AM
27	No	11/2/2019 6:51 AM
28	Each rider should get a 15 minute informational talk before being able to take the SATV	11/1/2019 10:59 PM
29	No	11/1/2019 8:53 PM
30	N/A	11/1/2019 7:43 PM
31	No	11/1/2019 6:53 PM
32	No	11/1/2019 5:31 PM
33	Mo	11/1/2019 5:06 PM
34	no	11/1/2019 4:51 PM
35	Na	11/1/2019 3:56 PM
36	NA	11/1/2019 3:45 PM
37	Na	11/1/2019 3:29 PM

Q9 Still thinking of your most recent SATV trip, how did you get to the SATV that you rode?

Answered: 90 Skipped: 512

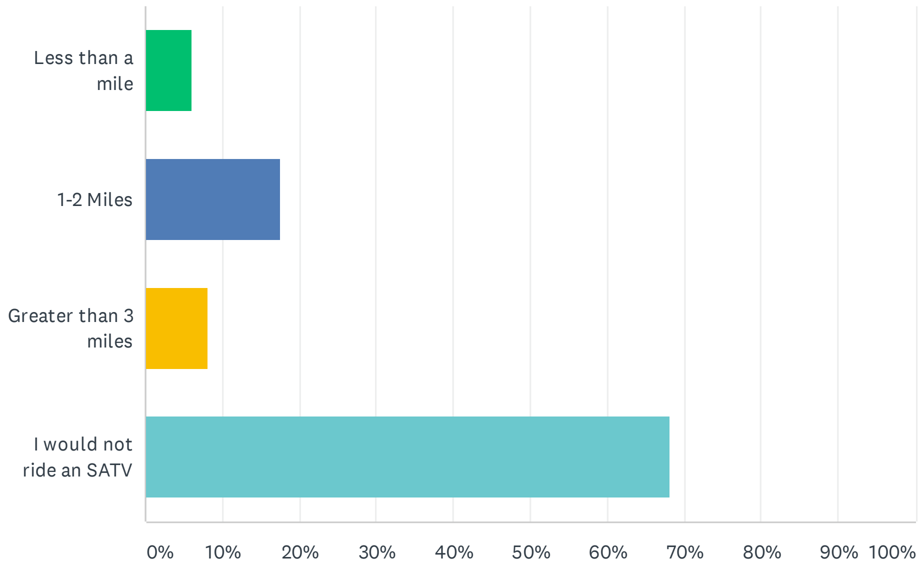


ANSWER CHOICES	RESPONSES	
Walked	72.22%	65
Took a Bus	0.00%	0
Drove a personal vehicle or other motor vehicle	18.89%	17
Took a taxi, Uber or Lyft	0.00%	0
Rode as a passenger in a vehicle and dropped off by a friend, family member, or other person	6.67%	6
Rode personal bike	1.11%	1
Other (please specify)	1.11%	1
TOTAL		90

#	OTHER (PLEASE SPECIFY)	DATE
1	Did not use SATV, survey invalid	11/5/2019 7:39 AM

Q10 How long of a distance would you consider riding a SATV?

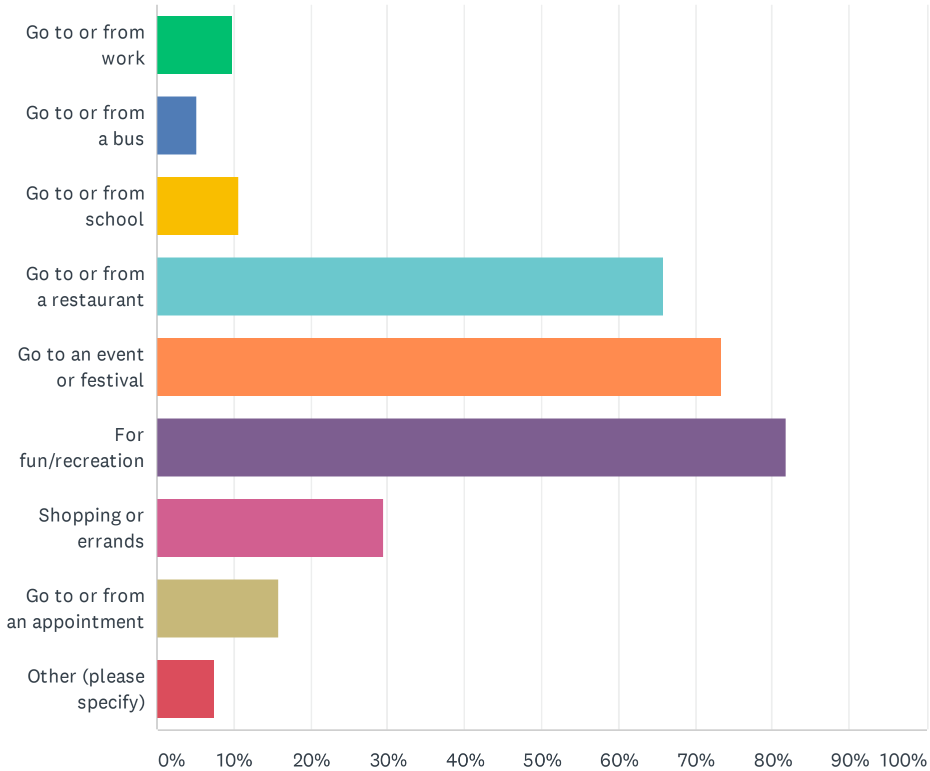
Answered: 560 Skipped: 42



ANSWER CHOICES	RESPONSES	
Less than a mile	6.07%	34
1-2 Miles	17.50%	98
Greater than 3 miles	8.21%	46
I would not ride an SATV	68.21%	382
TOTAL		560

Q11 What are the top three trip types you would use a SATV for?

Answered: 132 Skipped: 470

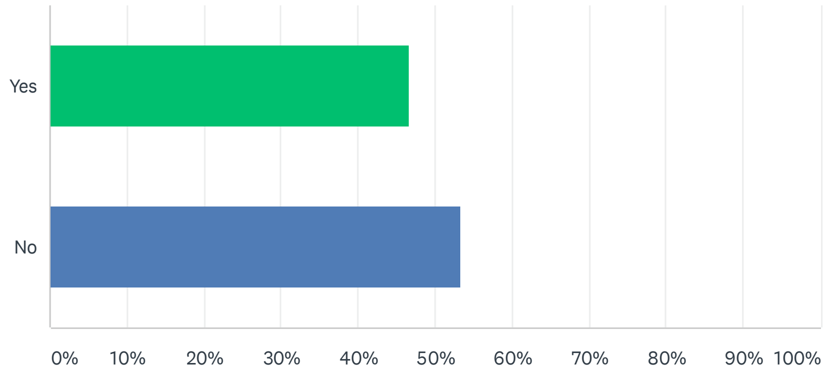


ANSWER CHOICES	RESPONSES	
Go to or from work	9.85%	13
Go to or from a bus	5.30%	7
Go to or from school	10.61%	14
Go to or from a restaurant	65.91%	87
Go to an event or festival	73.48%	97
For fun/recreation	81.82%	108
Shopping or errands	29.55%	39
Go to or from an appointment	15.91%	21
Other (please specify)	7.58%	10
Total Respondents: 132		

#	OTHER (PLEASE SPECIFY)	DATE
1	Family outdoor activities	1/25/2020 8:21 PM
2	There really isn't any other reason I can see possibly using one and the first two are highly unlikely to happen.	1/24/2020 4:52 PM
3	Just about anywhere	1/4/2020 1:45 AM
4	To and from residential events, i.e. dinner, party, etc. within community or city	12/5/2019 2:23 PM
5	for fun	11/5/2019 8:10 AM
6	None I don't want to use it unless I was being a hooligan	11/1/2019 9:49 PM
7	Church	11/1/2019 7:14 PM
8	Interviews	11/1/2019 6:16 PM
9	Whenever there is a need	11/1/2019 5:37 PM
10	Would not use. Would maybe use in a large parking lot like a stadium or in a large park for fun	11/1/2019 3:59 PM

Q12 Should Surprise designate locations for SATV parking and deployment?

Answered: 462 Skipped: 140



ANSWER CHOICES	RESPONSES	
Yes	46.75%	216
No	53.25%	246
TOTAL		462

#	IF YES, WHERE WOULD YOU SUGGEST?	DATE
1	High Traffic Areas	4/14/2020 1:21 PM
2	?	3/6/2020 1:10 PM
3	Sidewalk areas akin to bus stops	3/5/2020 9:06 AM
4	Near recreation/ downtown areas	3/5/2020 7:31 AM
5	I am not sure.	2/18/2020 3:21 PM
6	Safe intersections that are convenient	2/18/2020 9:10 AM
7	Hotels	1/26/2020 9:17 AM
8	Parking lots	1/26/2020 5:30 AM
9	Outside of Surprise!	1/25/2020 11:29 PM
10	Corner located so they are easy to find off the sidewalk so they don't block the traffic view	1/25/2020 8:21 PM
11	campus and central area of city hall, parks, ball parks	1/25/2020 5:23 PM
12	Near a side walk	1/25/2020 1:23 PM
13	at home only	1/24/2020 10:18 PM
14	only by Ottowa university	1/24/2020 8:12 PM
15	Do not allow SATVs in Surprise.	1/24/2020 7:29 PM
16	Somewhere off of the sidewalks that they are currently blocking	1/24/2020 4:52 PM
17	In a different city	1/24/2020 4:18 PM
18	I do not want them in our city.	1/24/2020 3:50 PM
19	No where. We do not want them in Surprise.	1/24/2020 3:11 PM
20	In high court traffic areas	1/24/2020 3:01 PM
21	Definitely off a sidewalk but along the curb in designated SATV parking locations. They should not be allowed to be operated on any sidewalk.	1/4/2020 2:25 PM
22	Near recreation areas where families can ride for fun. Shopping areas and schools.	1/4/2020 1:45 AM
23	Somewhere other than existing bicycle or automobile parking, that does not block sidewalks or entryways	1/2/2020 5:05 PM
24	Near shopping centers or public transport stops	12/29/2019 6:34 PM
25	Near library, parks, university, performing art centers, stadium	12/10/2019 10:19 PM
26	Park & Ride lot	12/10/2019 5:14 PM
27	City landfill	12/6/2019 12:03 PM
28	Away from all commercial areas, including parking lots	12/6/2019 9:16 AM
29	A dumpster	12/6/2019 12:52 AM
30	Glendale	12/5/2019 8:46 PM
31	Surprise park near stadium	12/5/2019 8:46 PM
32	Corners	12/5/2019 8:40 PM
33	Near Intersections	12/5/2019 5:31 PM
34	High populated areas, Parks, shopping, events. Also residential communities as well for resident to resident use, or residential home to school or work that is within a community.	12/5/2019 2:23 PM
35	Nowhere	12/5/2019 8:59 AM
36	Surprise Park/Rangers Field	11/20/2019 2:09 PM
37	don't allow.	11/19/2019 2:46 PM
38	Library	11/17/2019 1:32 AM
39	Not sure, but having moved here recently from a city thar had them, they wear an eyesore, cluttered up streets and sidewalks, were a hazard because pedestrians couldn't use sidewalks safely, and blocked business entranced	11/15/2019 2:37 PM

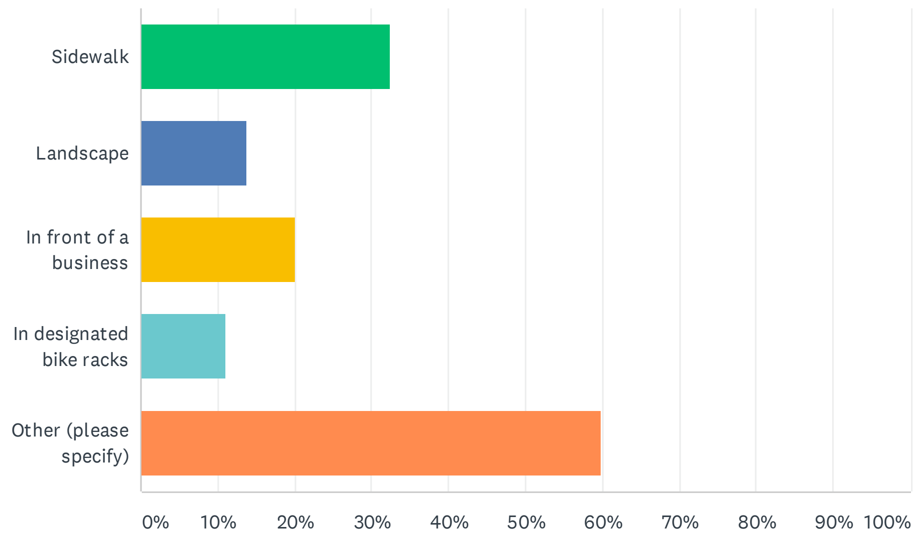
40	have no idea	11/12/2019 7:54 PM
41	University of Ottowa	11/12/2019 3:50 PM
42	Where to pick one up maybe but the beauty of this is the ability to drop them off anywhere.	11/12/2019 10:55 AM
43	In designated parking lot's of specific businesses only.	11/10/2019 3:29 PM
44	Back where they came from	11/9/2019 8:38 PM
45	They should not be allowed—period	11/9/2019 5:13 PM
46	Do not want at all	11/9/2019 4:26 PM
47	Parking lot in shopping areas	11/9/2019 2:02 PM
48	Ottawa U, Selected shopping pads,	11/9/2019 11:12 AM
49	I don't know	11/9/2019 8:17 AM
50	Far away from senior citizens	11/9/2019 8:03 AM
51	In an area away from sidewalks where they tend to end up blocking the path of peds and wheelchairs.	11/7/2019 2:41 PM
52	Seperate parking from autos	11/7/2019 6:34 AM
53	Landmarks and businesses at major intersections	11/7/2019 5:40 AM
54	near restaurants and shopping	11/6/2019 11:47 PM
55	walgreens parking lots and by the stadium and also schools	11/6/2019 7:07 PM
56	Parking lot or near bike racks	11/6/2019 4:16 PM
57	Around city hall	11/6/2019 10:54 AM
58	Recreation campus	11/6/2019 8:22 AM
59	Rack areas.	11/6/2019 8:06 AM
60	?	11/6/2019 7:20 AM
61	Owner's home	11/6/2019 2:59 AM
62	Near heavily traveled areas if we have to have them	11/5/2019 11:00 PM
63	No where in surprise. We DON'T Want THEM!!	11/5/2019 5:36 PM
64	Near the city center	11/5/2019 2:34 PM
65	Downtown area	11/5/2019 1:52 PM
66	Doesn't matter ppl will leave them all over our city like California	11/5/2019 12:27 PM
67	Not in surpise. Back in California where this idea came from.	11/5/2019 12:19 PM
68	No where near residential areas	11/5/2019 12:12 PM
69	should not allowed anywhere	11/5/2019 11:35 AM
70	Off of sidewalks in landscaped areas that are wholly contained within ROW.	11/5/2019 10:10 AM
71	Out of sight	11/5/2019 9:00 AM
72	Guidelines and markings should be clear in whatever in areas are practical	11/5/2019 8:21 AM
73	every where you can.	11/5/2019 8:10 AM
74	In the parking lot of the extremely innovative retirement home that is our city's "great idea" to improve OU.	11/4/2019 7:48 PM
75	parks, public spaces in neighborhoods, shopping areas	11/4/2019 7:33 AM
76	Albertsons	11/3/2019 8:40 PM
77	Parks, city center, and bell road	11/3/2019 4:33 PM
78	Where the main bus pick up station is at on Bell Rd	11/3/2019 1:19 PM
79	Goodyear or Buckeye not in Surprise	11/3/2019 10:36 AM
80	I am opposed to the idea. However, if they are in surprise a designated area would be best.	11/2/2019 9:00 PM
81	Nowhere near residential neighborhoods	11/2/2019 5:53 PM

82	Not on sidewalks	11/2/2019 5:27 PM
83	Bike racks	11/2/2019 3:46 PM
84	Anywhere that is designated and organized. Do not want them just scattered around town.	11/2/2019 3:00 PM
85	Nowhere .... Do not allow in our city	11/2/2019 2:47 PM
86	in designated areas of parking lots, away from motor vehicles.	11/2/2019 2:08 PM
87	Only on the college campus. I have seen first hand how they have created huge problems wherever they have been tried.	11/2/2019 1:59 PM
88	Where there's popular demand. By the college, fastfood and by nature trails	11/2/2019 11:46 AM
89	Different area near parks etc.	11/2/2019 10:34 AM
90	Near festivals, near schools/ high schools/ college/ near large shopping area with multiple restaurants and fun (movies/ fun center), mane a family type rental, bike for 4?	11/2/2019 10:31 AM
91	Away from all other parking lots	11/2/2019 10:20 AM
92	I don’t think this program is a good idea at all but if it comes in to play there should be designated parking	11/2/2019 9:37 AM
93	In non-residential areas, perhaps at the library.	11/2/2019 9:15 AM
94	Near in and out	11/2/2019 7:40 AM
95	Almost like a bike rack/or motorcycle parking but for e-scooters	11/2/2019 6:54 AM
96	City parks high commerce areas	11/2/2019 6:00 AM
97	City Center area	11/2/2019 5:35 AM
98	The dump	11/2/2019 4:00 AM
99	Surprise City hall	11/1/2019 11:07 PM
100	Surprise park, sprouts shopping center, dick mcomb park for starters.	11/1/2019 10:46 PM
101	City buildings, not in the General Publix’s way. It completely trashes the clean community seeing bikes laying everywhere.	11/1/2019 10:26 PM
102	Just 2 spots on each end of downtown?	11/1/2019 9:49 PM
103	In front of City Hall	11/1/2019 9:19 PM
104	Grocery store parking lots	11/1/2019 9:02 PM
105	Would prefer not to see them at all.	11/1/2019 8:54 PM
106	Out of sight from any road	11/1/2019 8:34 PM
107	No idea. It's not a safe idea.	11/1/2019 8:04 PM
108	Library, civic center	11/1/2019 7:14 PM
109	I’d suggest never using these things to litter our streets	11/1/2019 7:03 PM
110	In pre designated spaces only.	11/1/2019 6:58 PM
111	Not in residential areas. I really don’t know because I cannot fathom a useful place for these in Surprise.	11/1/2019 6:55 PM
112	Parks	11/1/2019 6:21 PM
113	Parks and major shopping centers	11/1/2019 6:16 PM
114	Near residential and business , so that there are provided drop off locations	11/1/2019 6:16 PM
115	Near public spa CD es, such at Library or near ball field.	11/1/2019 6:13 PM
116	not in surprise	11/1/2019 6:05 PM
117	away from sidewalks and public places	11/1/2019 6:03 PM
118	In areas near parks and businesses that would typically have bike racks available.	11/1/2019 5:59 PM
119	City Hall	11/1/2019 5:58 PM
120	Designated parking spots	11/1/2019 5:47 PM
121	In front of various city strip malls (with property owner approval, of course).	11/1/2019 5:32 PM

122	In strategic locations	11/1/2019 5:28 PM
123	By buildings, like you do a bicycle rack	11/1/2019 5:10 PM
124	Near Ottawa university	11/1/2019 5:09 PM
125	Not in surprise,az	11/1/2019 5:08 PM
126	City center.	11/1/2019 5:06 PM
127	Somewhere hidden from view- they're messy looking and create hazards when left all over the city	11/1/2019 5:00 PM
128	motor cycle parking	11/1/2019 4:58 PM
129	Only around the stadium and the hotels around it. All other places are useless	11/1/2019 4:36 PM
130	Nonresidential areas	11/1/2019 4:28 PM
131	Somewhere where they are not an eyesore. Other cities allow them to be randomly left on city side walks and it leaves the city looking trashy to me. They're an inconvenience when you have to avoid them being on the street as well.	11/1/2019 4:14 PM
132	Nowhere, there's nowhere in Surprise to ride to	11/1/2019 4:09 PM
133	Near future bus stops	11/1/2019 4:08 PM
134	Ottawa University	11/1/2019 4:06 PM
135	By major store fronts	11/1/2019 3:54 PM
136	Far corners of parking lots near theaters, restaurants, etc	11/1/2019 3:51 PM
137	Out of the way from cars	11/1/2019 3:50 PM
138	This mignt limit use cases	11/1/2019 3:48 PM
139	Local dumpsters	11/1/2019 3:46 PM
140	This is bad idea. I watched that boy die last week on the 303. People aren't attentive enough here. Too many accidents. Too few continuous commercial areas to justify this type of transportation.	11/1/2019 3:45 PM
141	My answer was I don't think Surprise should have and would not ride one, so you need a different selection than yes or no. Surprise shouldn't have scooters!	11/1/2019 3:44 PM
142	By stop lights	11/1/2019 3:44 PM
143	.	11/1/2019 3:42 PM
144	City hall, in the council chamber.	11/1/2019 3:42 PM
145	No-Surprise isn't laid out for this type of stuff	11/1/2019 3:36 PM
146	The park. You don't want those all over the sidewalks like they are in Tempe.	11/1/2019 3:16 PM
147	Library, Sports Complex, Shopping Centers	11/1/2019 3:12 PM
148	Corners	11/1/2019 3:10 PM
149	Limit them to surprise recreation and city of surprise campus	11/1/2019 3:10 PM

Q13 Where have you seen SATVs parked in Surprise? Select all that apply

Answered: 462 Skipped: 140



ANSWER CHOICES	RESPONSES	
Sidewalk	32.47%	150
Landscape	13.85%	64
In front of a business	20.13%	93
In designated bike racks	11.04%	51
Other (please specify)	59.74%	276
Total Respondents: 462		

#	OTHER (PLEASE SPECIFY)	DATE
1	Parks	4/14/2020 1:21 PM
2	Surprise Stadium	3/6/2020 10:19 AM
3	College	3/5/2020 7:31 AM
4	Tossed around and haven’t seen them actually in use	1/27/2020 4:25 PM
5	n/a	1/27/2020 2:26 PM
6	Parking lot	1/25/2020 8:21 PM
7	.	1/25/2020 7:58 PM
8	have not seen any	1/25/2020 5:23 PM
9	Nowhere.	1/25/2020 5:18 PM
10	Nowhere	1/25/2020 1:31 AM
11	Dumped everywhere	1/25/2020 12:26 AM
12	city hall	1/24/2020 10:18 PM
13	Please leave Surprise	1/24/2020 9:59 PM
14	anywhere they should not be	1/24/2020 8:12 PM
15	Do not allow SATVs in Surprise.	1/24/2020 7:29 PM
16	I am opposed this way of Transportacion	1/24/2020 7:03 PM
17	Nowhere	1/24/2020 4:45 PM
18	Do not want them in Surprise	1/24/2020 4:28 PM
19	Random places	1/24/2020 4:18 PM
20	Not observed any SATV	1/24/2020 4:03 PM
21	Please take them away	1/24/2020 3:11 PM
22	No where	1/13/2020 1:37 PM
23	I haven’t seen any	1/13/2020 12:45 AM
24	I've not seen any	1/6/2020 8:04 PM
25	I have not seen many because you limited them to a very low number under the pilot program. Should allow many more.	1/4/2020 1:45 AM
26	Nowhere	1/2/2020 5:05 PM
27	library	1/2/2020 3:32 PM
28	I have only been here since November so I have yet to notice a scooter.	1/1/2020 4:33 PM
29	I haven't seen any	12/31/2019 3:12 PM
30	no place, nothing but another annoyance to try and avoid	12/31/2019 3:02 PM
31	Haven’t seen any yet	12/29/2019 6:34 PM
32	I not seen scooters parked anywhere yet as I live in an area where the scooters are not permitted	12/19/2019 5:22 PM
33	In front of City Hall	12/10/2019 10:19 PM
34	None	12/10/2019 5:14 PM
35	Just returned from Southern CA where they litter the streets everywhere. Surprise seems to be following their path. Homeless encampments and now vehicles that can be dropped at will. Recipes for disaster. Disappointing to say the least.	12/8/2019 11:36 PM
36	None seen yet	12/7/2019 7:50 AM
37	I have not seen one so far.	12/6/2019 6:31 PM
38	@@@	12/6/2019 12:03 PM
39	I haven't	12/6/2019 11:33 AM
40	On a sidewalk where I tripped on it!	12/6/2019 12:52 AM

41	None	12/5/2019 8:46 PM
42	Haven’t seen any	12/5/2019 8:46 PM
43	Na	12/5/2019 8:42 PM
44	I havent	12/5/2019 8:27 PM
45	Haven’t seen any and hope we don’t	12/5/2019 7:49 PM
46	Don't even know what they look like, you should provide pictures and descriptions of what exactly this SATV is/looks like.	12/5/2019 5:31 PM
47	None	12/5/2019 5:20 PM
48	N/a	12/5/2019 3:22 PM
49	Been while, if i even have, but would be around the ball parks on Bullard. I have used SATV's or similar in other cities and communities.	12/5/2019 2:23 PM
50	I haven’t seen them at all.	12/4/2019 9:17 AM
51	none	11/22/2019 12:14 PM
52	Haven't seen any	11/20/2019 2:09 PM
53	none	11/19/2019 2:46 PM
54	none	11/18/2019 12:49 PM
55	Haven't seen them and hope never to. Have seen them in Phoenix and Tempe and think it's awful!	11/12/2019 8:57 PM
56	not seen any	11/12/2019 7:54 PM
57	Have not seen	11/12/2019 3:50 PM
58	I have not seen any yet	11/12/2019 10:55 AM
59	havent	11/12/2019 10:43 AM
60	Haven't seen any yet, since it has not started	11/10/2019 4:16 PM
61	I haven't seen any yet & not looking forward to seeing these eyesores.	11/10/2019 3:29 PM
62	No where	11/9/2019 5:13 PM
63	Haven’t seen any	11/9/2019 4:26 PM
64	no i haven't	11/9/2019 12:06 PM
65	Have not seen any	11/9/2019 11:12 AM
66	I have not see any SATVs parked in Surprise.	11/9/2019 10:09 AM
67	none	11/9/2019 8:21 AM
68	Have not seen	11/9/2019 8:17 AM
69	I have not seen any (thank heavens)	11/9/2019 8:03 AM
70	None	11/9/2019 7:11 AM
71	No where	11/8/2019 7:39 PM
72	Haven't seen any at all.	11/8/2019 5:59 PM
73	None seen	11/8/2019 8:44 AM
74	No where. They are useless	11/7/2019 9:33 PM
75	I haven’t.	11/7/2019 8:49 PM
76	Haven’t seen any yet	11/7/2019 2:41 PM
77	None yet	11/7/2019 6:34 AM
78	Nowhere yet	11/7/2019 5:40 AM
79	no where	11/6/2019 11:47 PM
80	I have not but I saw them laying around in Glendale when they had them on sidewalks and landscaping	11/6/2019 11:07 PM
81	Vacant lots usually where birds get dumped from Glendale	11/6/2019 7:07 PM

82	I haven't.	11/6/2019 4:53 PM
83	I havent seen any	11/6/2019 10:54 AM
84	Haven't seen any yet thankfully	11/6/2019 9:33 AM
85	Have not seen yet	11/6/2019 8:22 AM
86	Haven't	11/6/2019 7:20 AM
87	I have not seen one	11/6/2019 5:13 AM
88	Have not sen any.	11/6/2019 2:59 AM
89	Nowhere	11/5/2019 11:00 PM
90	Surprise does not have points of interest far enough to require SATV, and Surprise lacks sidewalks and appropriately designated areas for riding.	11/5/2019 8:31 PM
91	Haven't seen them	11/5/2019 6:01 PM
92	N/A	11/5/2019 5:32 PM
93	I haven't	11/5/2019 4:58 PM
94	Not available here yet	11/5/2019 4:24 PM
95	None in Surprise. Other cities have issues with them being left and stolen everywhere.	11/5/2019 3:38 PM
96	Have not seen any yet	11/5/2019 3:31 PM
97	None	11/5/2019 2:34 PM
98	Neighborhood	11/5/2019 1:52 PM
99	None	11/5/2019 1:49 PM
100	not seen any yet.	11/5/2019 1:46 PM
101	We don't have themnyet	11/5/2019 12:41 PM
102	Haven't seen any yet	11/5/2019 12:27 PM
103	Haven't seen them and don't want to! They were a disaster in every other city.	11/5/2019 12:25 PM
104	Have not seen any.	11/5/2019 12:20 PM
105	Hopefully no where	11/5/2019 12:19 PM
106	I have not seen any- we are not a city for this. Will cause accidents	11/5/2019 12:15 PM
107	Have not seen them in Surprise	11/5/2019 12:14 PM
108	In the green space near our home, it took many days for the company to come get it	11/5/2019 12:12 PM
109	Not seen in Surprise	11/5/2019 10:57 AM
110	Have not seen...yet.	11/5/2019 10:10 AM
111	No where yet since the launch is delayed.	11/5/2019 9:28 AM
112	I have not seen any parked in Surprise	11/5/2019 8:37 AM
113	Nowhere yet! Curious to observe how the pilot program unfolds.	11/5/2019 8:21 AM
114	Have not seen them	11/5/2019 8:18 AM
115	Haven't seen it	11/5/2019 7:45 AM
116	N/A	11/4/2019 3:26 PM
117	I haven't seen any	11/4/2019 7:33 AM
118	no	11/3/2019 8:40 PM
119	None	11/3/2019 5:13 PM
120	No where	11/3/2019 2:50 PM
121	No where yet	11/3/2019 1:19 PM
122	No where	11/3/2019 12:37 PM
123	Street	11/3/2019 11:48 AM
124	never noticed	11/3/2019 11:11 AM

125	Have hot seen any	11/3/2019 10:36 AM
126	Have not seen	11/2/2019 9:33 PM
127	Nowhere in Surprise	11/2/2019 8:31 PM
128	None yet	11/2/2019 5:27 PM
129	Nowhere	11/2/2019 4:43 PM
130	Have not seen any yet.	11/2/2019 3:00 PM
131	Randomly littering other communities	11/2/2019 2:47 PM
132	I have not seen any.	11/2/2019 2:08 PM
133	Have not seen one yet.	11/2/2019 1:43 PM
134	No where	11/2/2019 1:38 PM
135	Have not seen any SATVs so far.	11/2/2019 12:44 PM
136	None	11/2/2019 12:18 PM
137	Haven't seen them yet	11/2/2019 11:32 AM
138	Never seen one parked	11/2/2019 11:20 AM
139	I have not seen SATV's	11/2/2019 10:34 AM
140	I haven't seen them	11/2/2019 9:37 AM
141	I have not seen them.	11/2/2019 9:15 AM
142	Nowhere	11/2/2019 9:09 AM
143	Never saw one	11/2/2019 8:04 AM
144	Have not seen any in Surprise and would like to keep it that way!	11/2/2019 7:40 AM
145	Haven't seen them.	11/2/2019 7:31 AM
146	In another city	11/2/2019 7:01 AM
147	I haven't seen them anywhere	11/2/2019 6:54 AM
148	na	11/2/2019 6:39 AM
149	I havent seen any	11/2/2019 6:32 AM
150	I have not seen any	11/2/2019 6:20 AM
151	Haven't seen them	11/2/2019 6:00 AM
152	I have not seen any	11/2/2019 5:35 AM
153	Never seen them in Surprise	11/2/2019 5:23 AM
154	Usually street corners in the way of foot traffic	11/2/2019 4:45 AM
155	Haven't yet.	11/2/2019 4:00 AM
156	None	11/2/2019 3:52 AM
157	Have not seen	11/2/2019 3:14 AM
158	Strewn around like garbage.	11/2/2019 3:08 AM
159	None	11/2/2019 2:53 AM
160	I have not seen as of yet	11/2/2019 1:05 AM
161	Have not seen	11/1/2019 11:19 PM
162	I have not seen any in Surprise	11/1/2019 11:07 PM
163	No where. Bet they end up left all over	11/1/2019 10:55 PM
164	Nowhere	11/1/2019 10:46 PM
165	Traffic lights - intersections	11/1/2019 10:26 PM
166	No where hopefully never on sidewalk	11/1/2019 9:49 PM
167	Have not seen.	11/1/2019 9:42 PM

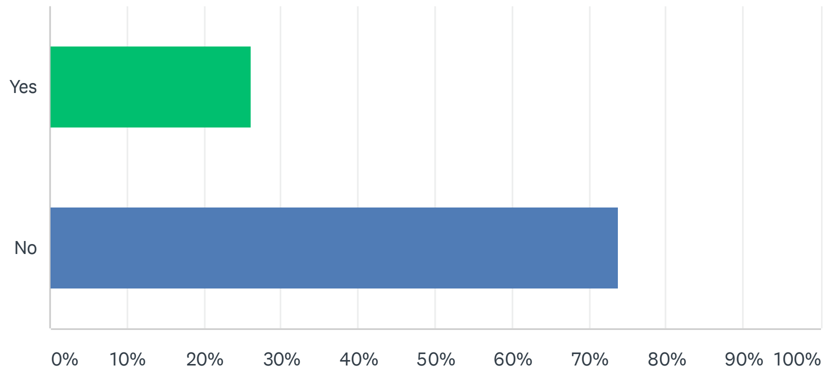
168	Not seen	11/1/2019 9:19 PM
169	Haven't seen any yet	11/1/2019 9:18 PM
170	None	11/1/2019 9:02 PM
171	Have not seen them	11/1/2019 8:55 PM
172	Na	11/1/2019 8:44 PM
173	Nowhere	11/1/2019 8:42 PM
174	None	11/1/2019 8:38 PM
175	Have not seen one	11/1/2019 8:34 PM
176	Thrown on the ground	11/1/2019 8:23 PM
177	nowhere	11/1/2019 8:21 PM
178	I haven't	11/1/2019 8:09 PM
179	None	11/1/2019 7:57 PM
180	none	11/1/2019 7:55 PM
181	I haven't	11/1/2019 7:54 PM
182	Haven't seen any yet	11/1/2019 7:54 PM
183	No where	11/1/2019 7:48 PM
184	Haven't seen them in Surprise	11/1/2019 7:47 PM
185	Nowhere	11/1/2019 7:39 PM
186	Haven't seen them	11/1/2019 7:33 PM
187	Nowhere	11/1/2019 7:32 PM
188	I haven't	11/1/2019 7:32 PM
189	None	11/1/2019 7:20 PM
190	Na	11/1/2019 7:14 PM
191	none any where	11/1/2019 7:11 PM
192	Haven't seen them	11/1/2019 7:03 PM
193	I have yet to see any in Surprise.	11/1/2019 6:58 PM
194	No where don't do it	11/1/2019 6:55 PM
195	I have never seen these in Surprise except for the ones small children ride on my Residential street.	11/1/2019 6:55 PM
196	Haven't seen any	11/1/2019 6:37 PM
197	No where	11/1/2019 6:34 PM
198	I haven't seen any	11/1/2019 6:21 PM
199	Have not seen them	11/1/2019 6:16 PM
200	N/A	11/1/2019 6:16 PM
201	Not anywhere yet	11/1/2019 6:13 PM
202	nowhere	11/1/2019 6:08 PM
203	I have seen them scattered all over OTHER cities around the valley and do NOT want them in Surprise	11/1/2019 6:06 PM
204	none	11/1/2019 6:05 PM
205	never	11/1/2019 6:03 PM
206	I have not seen any yet.	11/1/2019 5:59 PM
207	No place	11/1/2019 5:56 PM
208	Should not be in Surprise	11/1/2019 5:47 PM
209	Phoenix	11/1/2019 5:47 PM

210	None	11/1/2019 5:42 PM
211	Not seen any.	11/1/2019 5:42 PM
212	I haven't seen any.	11/1/2019 5:41 PM
213	I have not seen them in Surprise	11/1/2019 5:37 PM
214	None	11/1/2019 5:35 PM
215	I haven’t	11/1/2019 5:33 PM
216	Nowhere yet.	11/1/2019 5:32 PM
217	None	11/1/2019 5:30 PM
218	Have not seen them.	11/1/2019 5:28 PM
219	local greenbelt in my residential community	11/1/2019 5:27 PM
220	Haven’t seen any	11/1/2019 5:26 PM
221	None	11/1/2019 5:10 PM
222	No where	11/1/2019 5:09 PM
223	I haven't seen them before	11/1/2019 5:08 PM
224	Everywhere	11/1/2019 5:04 PM
225	Haven’t seen them yet	11/1/2019 5:00 PM
226	my experience is in San Diego, but I own a house and land in Surprise	11/1/2019 4:58 PM
227	Haven't	11/1/2019 4:54 PM
228	have not seen	11/1/2019 4:51 PM
229	None yet	11/1/2019 4:36 PM
230	Haven’t seen them	11/1/2019 4:29 PM
231	Havent seen them	11/1/2019 4:28 PM
232	Stupid question we don’t have them	11/1/2019 4:20 PM
233	Haven’t	11/1/2019 4:17 PM
234	Ball Parks	11/1/2019 4:16 PM
235	None	11/1/2019 4:09 PM
236	Never seen them	11/1/2019 4:09 PM
237	N/A	11/1/2019 4:09 PM
238	No where	11/1/2019 4:08 PM
239	have not seen any	11/1/2019 4:08 PM
240	haven't seen them	11/1/2019 4:07 PM
241	I havent	11/1/2019 4:07 PM
242	I haven't seen them and hope I do not see them.	11/1/2019 4:07 PM
243	no where	11/1/2019 4:07 PM
244	Never seen one in Surprise	11/1/2019 4:06 PM
245	Nowhere	11/1/2019 4:05 PM
246	Nowhere yet	11/1/2019 4:05 PM
247	Middle of the street	11/1/2019 4:03 PM
248	Have not seen	11/1/2019 3:59 PM
249	None	11/1/2019 3:58 PM
250	I'm TOO OLD TO RIDE - HOW ABOUT A BUS, TRAIN.	11/1/2019 3:56 PM
251	I haven’t seen any	11/1/2019 3:54 PM
252	Nowhere yet and dreading it	11/1/2019 3:51 PM

253	None	11/1/2019 3:50 PM
254	Not in Surprise yet	11/1/2019 3:48 PM
255	Anywhere but where they’re supposed to be.	11/1/2019 3:46 PM
256	I haven't been looking for them	11/1/2019 3:45 PM
257	Haven't seen	11/1/2019 3:44 PM
258	Have not seen them.	11/1/2019 3:43 PM
259	Do not want these here in Surprise!! Please listen to the residents and get rid of them!	11/1/2019 3:39 PM
260	Haven’t	11/1/2019 3:36 PM
261	Haven’t seen them	11/1/2019 3:36 PM
262	Haven’t seen any.	11/1/2019 3:33 PM
263	No where	11/1/2019 3:32 PM
264	No where.	11/1/2019 3:32 PM
265	Have not seen yet	11/1/2019 3:31 PM
266	Haven’t	11/1/2019 3:31 PM
267	I haven’t seen any yet	11/1/2019 3:28 PM
268	None	11/1/2019 3:28 PM
269	Nowhere	11/1/2019 3:23 PM
270	Nowhere yet - today is day-1	11/1/2019 3:17 PM
271	None yet	11/1/2019 3:16 PM
272	By city hall	11/1/2019 3:14 PM
273	Nowhere	11/1/2019 3:12 PM
274	None	11/1/2019 3:10 PM
275	Have not seen	11/1/2019 3:10 PM
276	Not seen	11/1/2019 3:09 PM

Q14 Should SATV vendors be permitted to operate in Surprise?

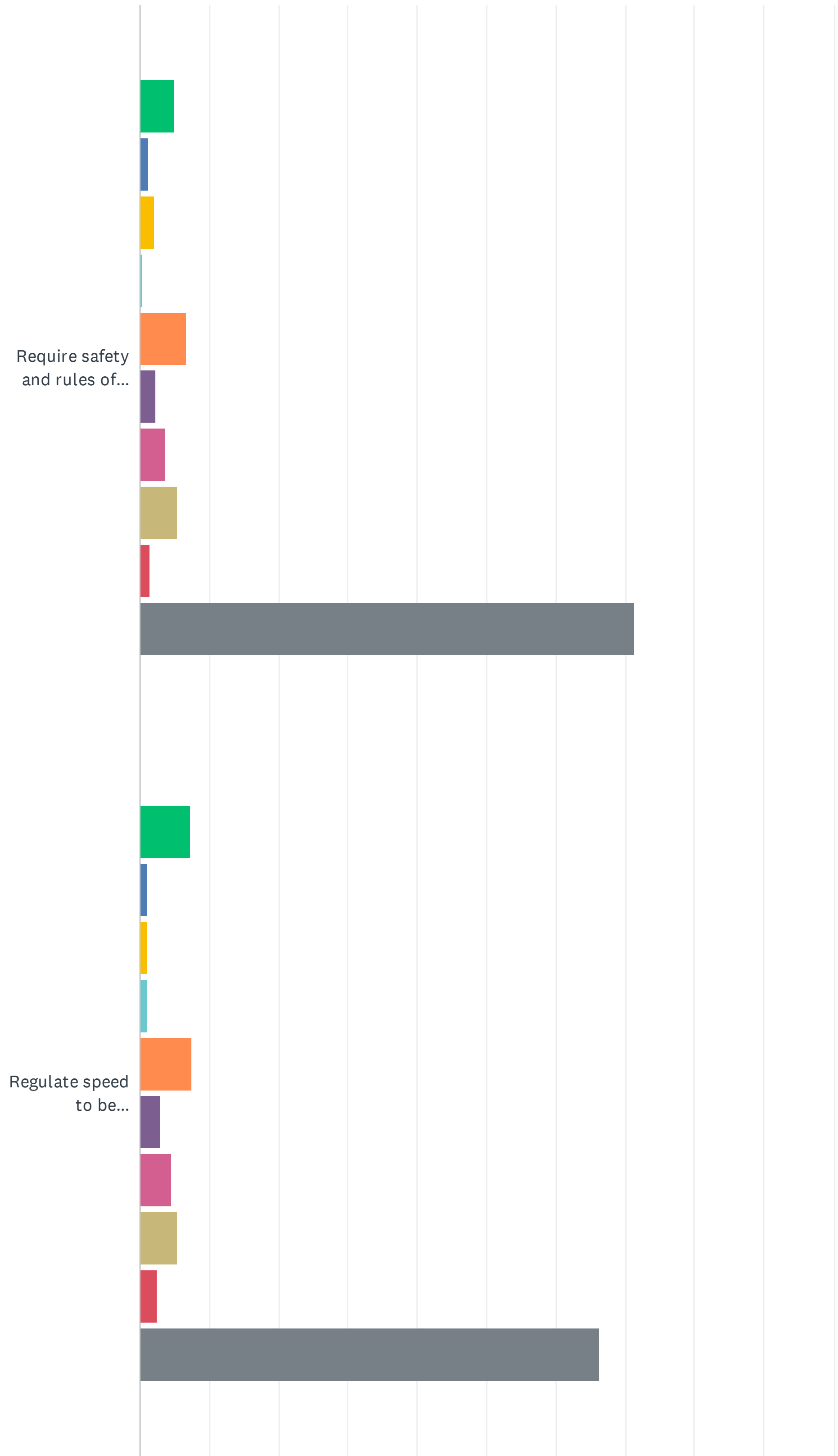
Answered: 462 Skipped: 140

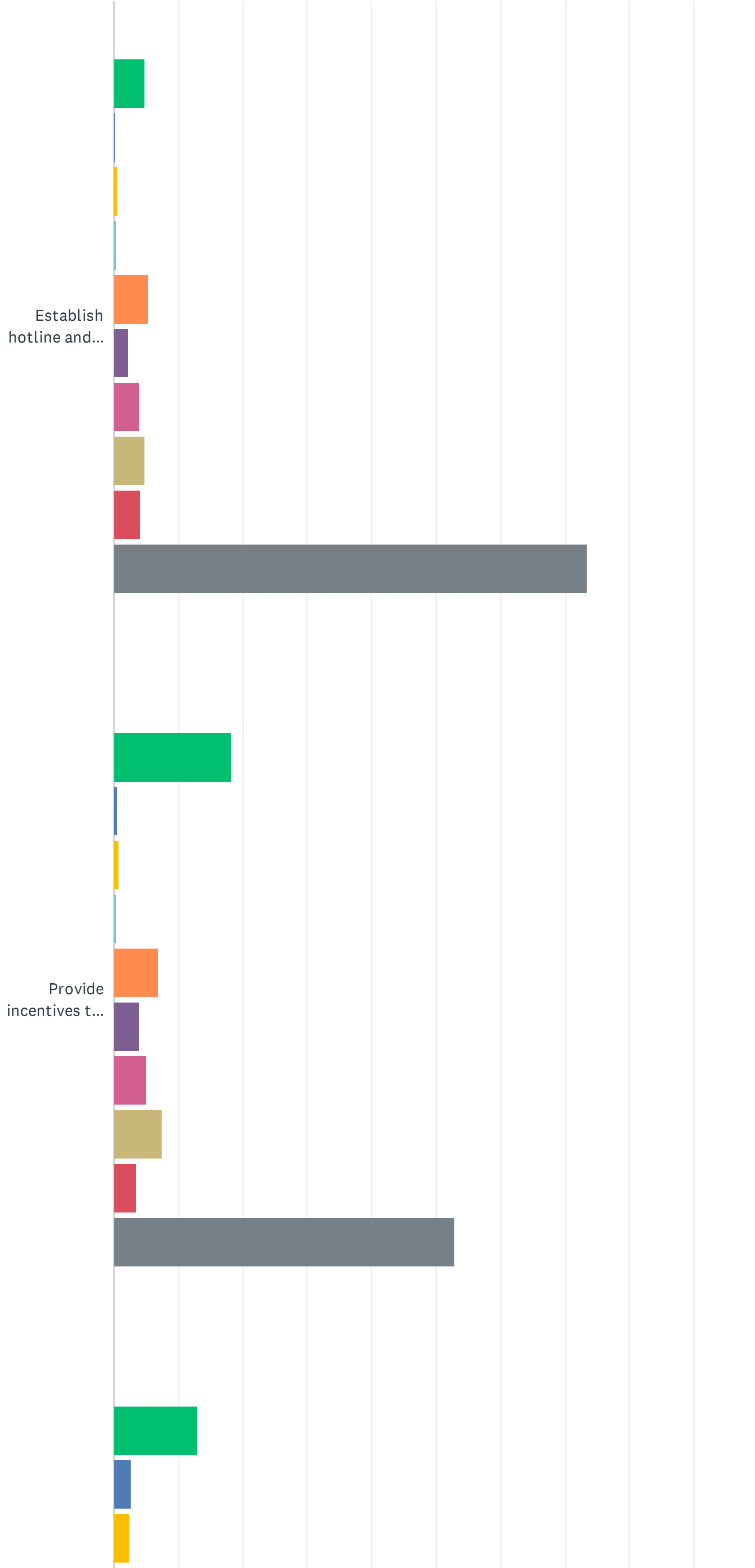


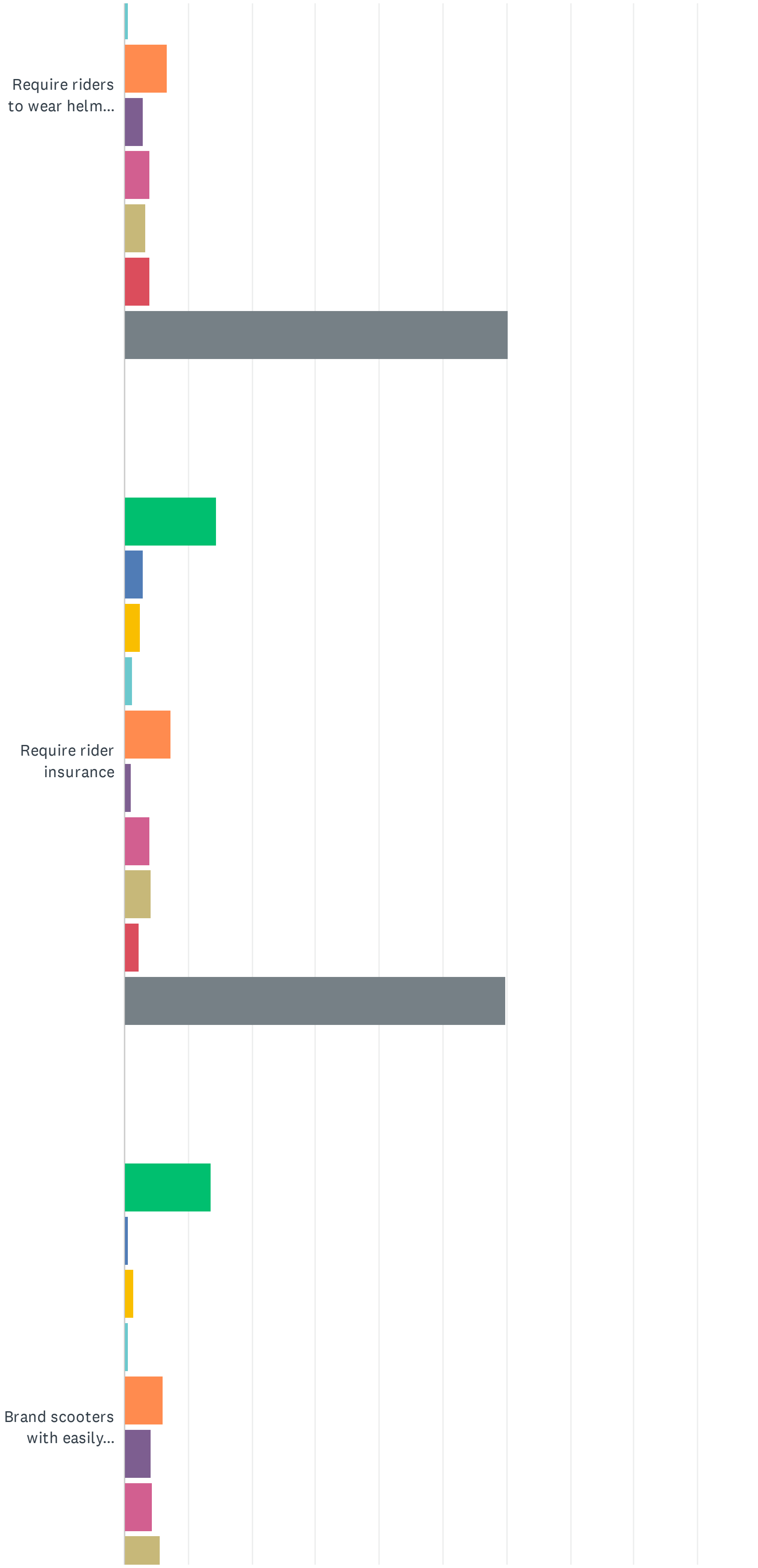
ANSWER CHOICES	RESPONSES	
Yes	26.19%	121
No	73.81%	341
TOTAL		462

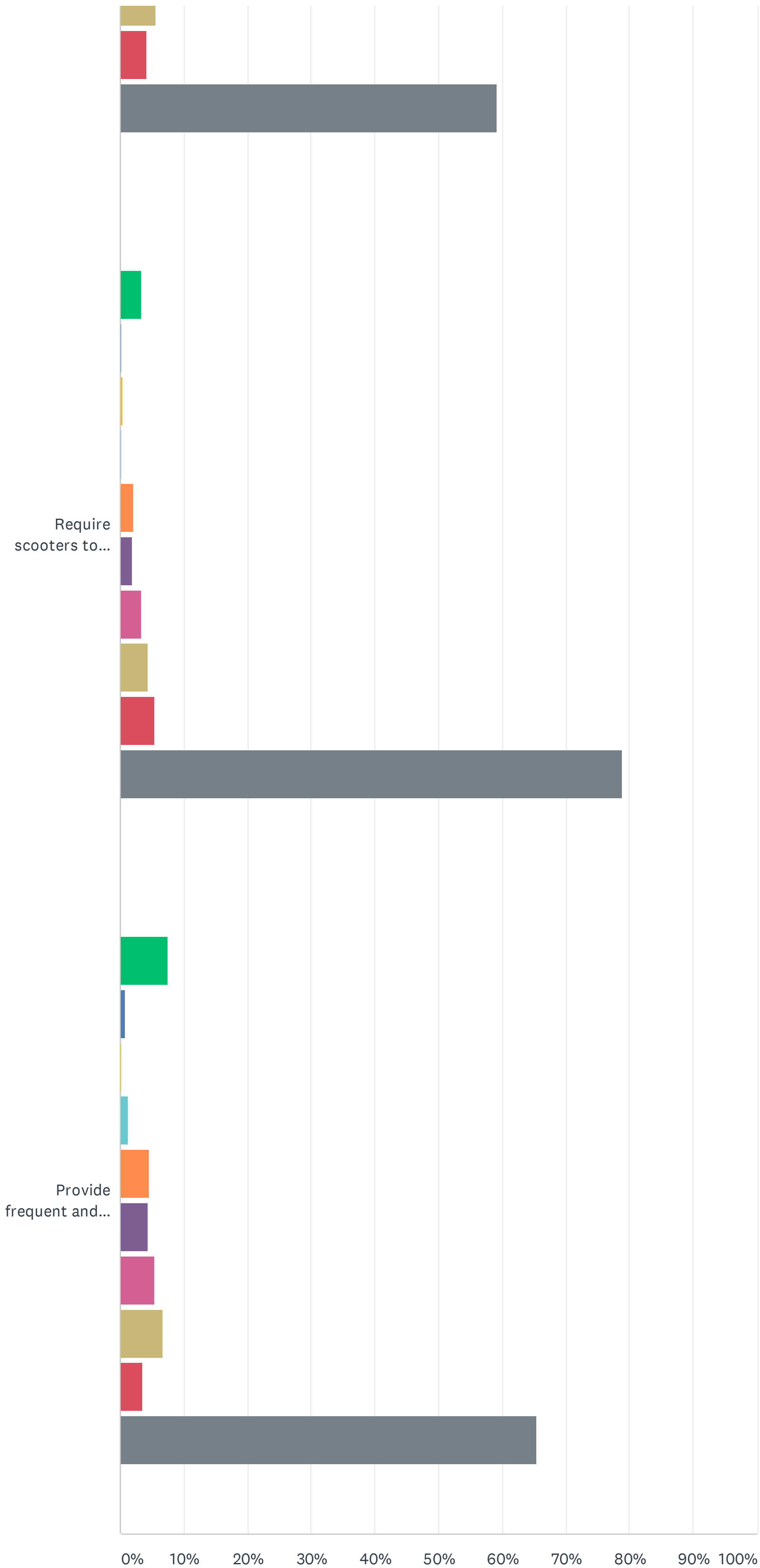
Q15 Rate the following practices that SATV vendors can do to promote safe rider behavior. (Absolutely Essential to Not Important At All on 10-point scale).

Answered: 462 Skipped: 140




Establish hotline and...
Provide incentives t...


Require riders to wear helm...
Require rider insurance
Brand scooters with easily...


Require
scooters to...
Provide
frequent and...
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

1 Not Important At All · 2 · 3 · 4 · 5 · 6 · 7 · 8 · 9 · 10 Absolutely Essential

	1 NOT IMPORTANT AT ALL	2	3	4	5	6	7	8	9	10 ABSOLUTELY ESSENTIAL	TOTAL	WEIG AVER
Require safety and rules of the road tutorials before each ride	4.98% 23	1.30% 6	2.16% 10	0.43% 2	6.71% 31	2.38% 11	3.68% 17	5.41% 25	1.52% 7	71.43% 330	462	
Regulate speed to be compatible with muscle-powered bikes	7.36% 34	1.08% 5	1.08% 5	1.08% 5	7.58% 35	3.03% 14	4.55% 21	5.41% 25	2.60% 12	66.23% 306	462	
Establish hotline and email contacts for reporting inappropriate riding or parking	4.76% 22	0.22% 1	0.65% 3	0.43% 2	5.41% 25	2.38% 11	3.90% 18	4.76% 22	4.11% 19	73.38% 339	462	
Provide incentives to encourage good rider behavior	18.18% 84	0.65% 3	0.87% 4	0.43% 2	6.93% 32	3.90% 18	4.98% 23	7.58% 35	3.46% 16	53.03% 245	462	
Require riders to wear helmets and provide a photo as verification	12.99% 60	2.81% 13	2.60% 12	0.65% 3	6.71% 31	3.03% 14	3.90% 18	3.25% 15	3.90% 18	60.17% 278	462	
Require rider insurance	14.50% 67	3.03% 14	2.60% 12	1.30% 6	7.36% 34	1.08% 5	3.90% 18	4.11% 19	2.38% 11	59.74% 276	462	
Brand scooters with easily identifiable company logos or markings	13.64% 63	0.65% 3	1.52% 7	0.65% 3	6.06% 28	4.11% 19	4.33% 20	5.63% 26	4.11% 19	59.31% 274	462	
Require scooters to have front and rear lights	3.25% 15	0.22% 1	0.43% 2	0.22% 1	2.16% 10	1.95% 9	3.25% 15	4.33% 20	5.41% 25	78.79% 364	462	
Provide frequent and thorough data on scooter use to the City	7.58% 35	0.87% 4	0.22% 1	1.30% 6	4.55% 21	4.33% 20	5.41% 25	6.71% 31	3.46% 16	65.58% 303	462	

Q16 Please share your thoughts/comments regarding SATVs in Surprise:

Answered: 391 Skipped: 211

#	RESPONSES	DATE
1	Some additional guidelines need to be created on how and where to use scooters. Here is a video of Ottawa students riding from the In-n-out area back to campus. Riding in traffic and with multiple riders on one scooter. https://www.dropbox.com/s/6vepr67886o3pc7/Scooters.mp4?dl=0	4/14/2020 1:21 PM
2	They are fun and convenient!	3/6/2020 10:19 AM
3	I think it is a wonderful service, especially to Spring Training visitors and ball players. Also great for Ottawa students needing to get from campus to various places of employment &/or to eat at restaurants on Bell.	3/5/2020 5:33 PM
4	They seem like a good thing	3/5/2020 9:06 AM
5	Think it's a wonderful idea especially for visitors and student in that area. ...as long as regulating rules are set and there is a limit as to the number of scooters that are allowed.	3/5/2020 7:31 AM
6	I believe they are great transportation for a short trips. They are great for taking one to Lunch.	2/18/2020 3:21 PM
7	Would love to see this become more available as a form of transportation.	2/18/2020 9:10 AM
8	Provider seems to be very responsible	1/28/2020 1:27 PM
9	No , no, no. Cause more problems and accidents	1/28/2020 3:53 AM
10	The city isn't designed for these, the need isn't there. The last survey indicated we didn't want them and it was done anyways. Maybe instead the city should focus on bringing businesses and money in instead of catering to older generations and failed scooters. These have overwhelmingly failed in other cities, why thinking surprise of all places they would do well when you build college dorms next to age restricted communities is beyond logic or reason.	1/27/2020 4:25 PM
11	I am a retired trauma specialist (mobile intensive care nurse), and maybe I've seen too much, but these vehicles are a recipe for disaster. Don't let it happen here....please!	1/27/2020 2:26 PM
12	I don't want to live in a liberal city	1/26/2020 6:16 PM
13	There is not a place or need for them in Surprise.	1/26/2020 3:31 PM
14	No comment	1/26/2020 1:43 PM
15	Bell Road area if Durorise and Civic Center area are not designed for SATV use. We are not Tempe it other cities with restaurant and activity amenities that larger cities are abundant with. Who needs to pay ten dollars to get to a fast food joint in Bell?	1/26/2020 9:17 AM
16	It looks trashy having these scooters parked on sidewalks. I hope we do NOT adopt these scooters in our city!!! Theres a reason they have eliminated them in other cities. Find out why	1/26/2020 8:01 AM
17	They are fun. We've used them the last two weekends and enjoyed ripping around the civic center.	1/26/2020 5:30 AM
18	Very low interest on riding them. Eye sore on the sidewalks in beautiful downtown Surprise.	1/26/2020 4:27 AM
19	I believe they are a nuisance and make cities look tacky when they are left sitting around.	1/26/2020 1:20 AM
20	Not needed, get this out of Surprise.	1/25/2020 11:45 PM
21	Hate it! Trashing our city...	1/25/2020 11:29 PM
22	Do not think they should be in surprise	1/25/2020 9:35 PM
23	Since we don't have public transportation this is a fun way of getting around town.	1/25/2020 8:21 PM
24	No. Not a dime of tax money should go to a program like this. That is a clear waste of money. This is a stupid idea. Please drop it. Fix roads and improve your police department. Not Mickey Mouse shit like this.	1/25/2020 5:58 PM
25	Not a good idea, too dangerous.	1/25/2020 5:29 PM
26	dangerous-- drivers can't see then easily; too often irresponsible people use and spoil it for the responsible ones	1/25/2020 5:23 PM
27	These should not be allowed. The drivers on the roads are horrible and this would dangerous. Also leaving vehicles lying around everywhere and no way to regulate the actual riders. Please use this money to improve our local schools. They are just horrible and under funded.	1/25/2020 5:18 PM
28	I think it's great around Ottawa and business but I don't love the look of them on our corners and sidewalks	1/25/2020 5:12 PM
29	Smart to make money for young people but not essential for transportation purposes.	1/25/2020 4:00 PM
30	With many residents being the "over 55" population I feel they are dangerous to all..	1/25/2020 8:45 AM

31	I don’t want to trip over them being left laying around in front of businesses or on sidewalks like in the city !	1/25/2020 7:59 AM
32	No way no how SATV should be allowed in Surprise. The SATV in Tempe (on baseline between the 10 get and Kyrene) make the are look trashed. Bikes and SATVs everywhere on yards, falling over,blocking sidewalk. Also the safety of a person who rents one and does not know how to ride and is hurt or worse killed is a major concern. PLEASE REVIEW AZCentral Jan 11, 2019 article "scooter accidents in metro Phoenix hit triple digits". Police have enough to do don't add more issues to there job (ie rise in car break ins in west Surprise. Big no to scooters...please.	1/25/2020 5:31 AM
33	Do it. It will help alleviate the congestion. However the drivers need to learn how to yield first... There will be fatalities...	1/25/2020 1:31 AM
34	I think they are a mess people dump them and they look bad in the city	1/25/2020 12:26 AM
35	Not on the street. And definitely not on ant street that has a speed limit above 35 mph	1/24/2020 10:18 PM
36	Surprise does not need this. Surprise is good as is. No public transportation needed. These SATVs is just lawsuits waiting to happen. Car accidents, theft, underage children usage, getaway vehicles, trashy just plain trashy.	1/24/2020 9:59 PM
37	Do not bring them to surprise. There is nothing positive about them.	1/24/2020 8:12 PM
38	I do not want to see this in surprise for safety concerns	1/24/2020 8:09 PM
39	Do not allow SATVs in Surprise. It's just another way to make look Surprise look trashy.	1/24/2020 7:29 PM
40	As long as the City has managed tax payer liability, I like the idea.	1/24/2020 7:06 PM
41	I am. It agree of this SATVs in surprise. Is not improve anything. Waste of tax money	1/24/2020 7:03 PM
42	Useless. How about critical services like recycling???	1/24/2020 6:15 PM
43	I have seen the scooters several times and all times they were on the sidewalks in groups of two or three completely blocking pedestrian access. In my opinion Surprise is a pretty place to live. Our neighborhoods are set back from the roads and landscaped well. All of the scooters randomly clustered around are ugly and look trashy.	1/24/2020 4:52 PM
44	A waste of taxpayers money and has the potential to expose the city to lawsuits from collisions that will happen. It will allow the rifraf that the city is recently allowing to take up residence in public spaces to travel around for their panhandling, petty theft and drug using activities.	1/24/2020 4:45 PM
45	Absolutely do not want them. They had them in Dallas and was a hot mess.	1/24/2020 4:28 PM
46	I don't think we can safely operate these in our city. It's dangerous in a car. I can't imagine how scooters will impact safety for drivers of either vehicle.	1/24/2020 4:18 PM
47	I and my wife are against skooters in Surprise. We are both over 70+ . There are many seniors - i.e. people over 65 and skooters are too difficult to handle. Secondly, Tempe has far too many issues with the young people and their skooter program. Suggest you review with Tempe and Scottsdale the issues they are having.	1/24/2020 4:03 PM
48	They litter the city and are a hazard. Have we not learned from other cities this is not a good idea?	1/24/2020 3:50 PM
49	These are a bad idea. I am from Seattle and once these scoots went into affect, there was a hoard of them and it made the city look trashy and unkempt. I do not reccommed them unless you want to see tbousands of ugy scooters thrown all of the city. They are ugly and trashy. I don't want Surprise to look like Seattle.	1/24/2020 3:27 PM
50	We don't want them in Surprise. They're a waste of money that could go into building up Surprise and making it better.	1/24/2020 3:11 PM
51	I do not think the City of Surprise should bring in SATVs.	1/24/2020 3:06 PM
52	Although, I love the idea I'm hesitant to say we need them into we have more of a downtown are to use them in.	1/24/2020 3:01 PM
53	Just look at the problems that other cities in the metro area have had with SATV's. danger to citizens, parking, theft,etc. I do not think they have been successful anywhere.	1/13/2020 1:37 PM
54	I believe they could be helpful and convenient to select few or the rare occasional user, though I am not convinced that this project would greatly benefit Surprise at this time. I do not believe Surprise is yet large enough to warrant a significant portion of the City budget to this type of project yet.	1/13/2020 12:45 AM
55	Unsafe, liability, eyesore, tacky, people riding them are rude and feel entitled and clueless to safety concerns	1/5/2020 11:09 AM

56	Should not be permitted. Have seen other cities where they are permitted and the riders are most inconsiderate, do not pay attention to rules and safety. Most riders I have observed pay no attention to crossing intersections, they ride side by side while conversing and on their phones not paying attention to their surroundings.	1/4/2020 2:25 PM
57	I would love to see these here. My family went to Glendale and another area to locate scooters we could ride and loved it. They are very fun to ride. I think they went about 15 - 20 MPH and was shocked to see the ones in Surprise are limited to only 12 MPH. If I worked in Surprise I would consider riding one to work. I would like to see these legal to ride in and around city parks and riding trails also. I hope this pilot program becomes permanent giving residents yet another transportation and entertainment option,	1/4/2020 1:45 AM
58	Nothing additional	1/2/2020 5:05 PM
59	I think they just litter up the sidewalks. I think people could rent from a retail store like a bike shop if they really wanted to ride one and return it there as well.	1/2/2020 3:32 PM
60	Absolutely no satv should be in Surprise!	1/2/2020 12:18 PM
61	Not wanted. Will cause more problems than it's worth. These will be laying all around the city like it is in Phoenix and other towns. Looks bad	1/1/2020 8:03 PM
62	I spend a portion of the year in a large metropolitan area where at least two scooter companies provide access to these scooter. These scooters and their riders are a menace to themselves, vehicles and pedestrians. Riders zip in and out of multilane traffic with little regard for anything but themselves. When they are finished with the scooter a rider frequently leaves it anywhere, again, without regard for consequences to others. The worst is when riders leave them in the middle of sidewalks where it can interefere with pedestrian access, particularly handicapped pedestrians. I think Surprise should carefully consider the issues before permitting these things to operate on our streets and roads. You probably recall that Tempe experimented with them and there were numerous car/pedestrian/scooter incidents.	1/1/2020 4:33 PM
63	I think it's a great idea and certain responsibility should be observed.....like setting a age for operation of said vehicle...safety and share the road... etc	1/1/2020 9:39 AM
64	They should not be permitted in Surprise at all no one would be safe in all our traffic, plus the wrong aged people would be the user of the scooter,If it did't work in larger cities it defiently won't work in Surprise and we don't need the headache and problems it will create.	12/31/2019 3:14 PM
65	please don't introduce them to our city	12/31/2019 3:12 PM
66	Nothing more than another annoyance and clutter al over the city, other cities that tried this were left with a mess.	12/31/2019 3:02 PM
67	Not desirable in this type of community. They make sense in a dense urban area, but even there they have become a menace to both drivers and pedestrians, esp. when they are driven on sidewalks.	12/29/2019 6:34 PM
68	Electric scooters are a ride novelty and provide very little actual transportation to those who need it. Those who are most likely to ride are often younger less responsible in nature and therefore do not operate these vehicles in the manner that they should be. Too fast, too reckless, and left across sidewalk impeding REAL movement. Real proven transportation initiatives should be considered over these carnival rides. Things such as dedicated bike lines, safer sidewalks, and bus service would be far more effective. The idea of the scooters is a great idea in theory but as pedestrians are pushed off of sidewalks and feel less comfortable walking or riding much more efficient pedal bikes, then we are exchanging true human powered transportation for fun gimmicks often used by people in a matter that is more fun that useful.	12/19/2019 5:22 PM
69	I'm not in favor of this program at all	12/14/2019 3:08 PM
70	None	12/10/2019 5:14 PM
71	Very upset that the city is rapidly deteriorating. Homelessness, vagrants on more and more corners, and now scooters to litter our sidewalks. Street planning poor so bikers have no lanes throughout most of the city. Sidewalks with scenic but difficult to maneuver on bikes which are forced to ride there because of a lack of bicycle lanes. Now we can dodge abandoned scooters as well. What is wrong with the decision-makers? Surprise is quickly going to pot. No scooters, please.	12/8/2019 11:36 PM
72	Should not be allowed at all. Please look into the huge problems that happened in Glendale and Peoria. Please please do not make the same mistakes. The city should not not be liable for injuries or accidents like happened in Glendale.	12/8/2019 11:31 AM
73	I am not for them, I think it will cause accidents. I also believe that the rules will not be enforced just as they aren't with bicycles; I see them all the time not following the rules of the road.	12/6/2019 6:31 PM
74	It''s the wrost think for Surprise. We dont need it. The scooters will cause more accidents and we don't have streets disegned for scooters. We will see young people riding the scooters on	12/6/2019 12:03 PM

	sidewalks or crossing the streets.	
75	Make it SO!!!!	12/6/2019 11:33 AM
76	Scooters would be a major problem.	12/6/2019 11:05 AM
77	This survey is a bit misleading, as there’s only one question about whether scooters should be allowed. The rest of the questions are about how to be regulate. I very much disapprove of the use of the scooters in Surprise. I’ve experienced them in numerous other locations (San Diego, Washington DC, Denver) and have also ridden them twice. I find them to be unsafe, and have seen the scooters parked “wherever”, even if required to be picked up by the vendor. I don’t think this is something Surprise should consider further.	12/6/2019 9:16 AM
78	They are not needed	12/5/2019 8:46 PM
79	Scooters should just be released and tested if they are wanted that way. I feel like a lot of people won’t hear about this survey.	12/5/2019 8:46 PM
80	Na	12/5/2019 8:42 PM
81	No just no should not be allowed	12/5/2019 7:49 PM
82	Neat advancement	12/5/2019 5:49 PM
83	The use map area is too limited . . . it is not convenient for residents to access/locate.	12/5/2019 5:31 PM
84	Please don't bring these to Surprise, I have seen them in Tempe. It's not good, the look like crap, the riders are rude to pedestrians, and they're left EVERYWHERE.	12/5/2019 3:22 PM
85	Should have open meetings and discussions about the topic. Have an open forum discussion about SATVs to get feedback, "hot topics". To organize, you can separate by discussion topic or by date, depending on the amount of traffic.	12/5/2019 2:23 PM
86	What is Surprise doing with this program? Why turn our city into another California? Get rid of these trashy, nusciance scooters. They are not only unsightly and ugly. But also dangerous and often contribute to clutter. Only appealing to those operators who enjoy darting in and out of traffic and breaking our traffic laws. They have NO place in Surprise. Add more busses instead and expand that service!!!	12/5/2019 8:59 AM
87	If I have to wear a helmet, which I never considered before, then I will never use one of those since I wear a hairpiece.	12/4/2019 9:17 AM
88	Every city that has tried this learned quickly that it simply does not work. With the number of elderly snowbirds in Surprise there will be numerous accidents, injuries and law suits against the city as well as the company. This may be the worst proposal I have seen with our city. Common sense please!	11/22/2019 12:14 PM
89	With Surprise contiuing to grow, especially with our youth now that Ottawa Univ is here, I think it's a great idea. Not only that but with Spring Training and other events held at the Rangers/Royals complex it would be a plus!	11/20/2019 2:09 PM
90	Surprise should not allow SATVs. They are unsafe - promote not wearing a helmet, etc. and the units can be discarded by riders all over the City. They can also cause damage to landscape when riders (and they often do in other cities) take the units off the road. Bicycyles are not to be ridden on sidewalks, nor should scooters or any other SATV. Addtionally, SATVs should not be allows to ride on streets with autos. They are unsafe and ugly.	11/19/2019 2:46 PM
91	Traffic is bad enough without adding this to the mess. Lane drops and forced merges and ridiculous speed limits are dangerous enough already.	11/18/2019 12:49 PM
92	dont want	11/18/2019 11:51 AM
93	Bring them!!!	11/17/2019 1:32 AM
94	So very disappointed they are going to invade beautiful Surprise. Especially since this isn't the type of place they start practical or the type of population that will really use them, so they'll end up being a hazard, danger, and eyesore. Plus deploying them right as the snowbirds came back seems like especially poor planning	11/15/2019 2:37 PM
95	It is a green tech that helps with parking and transit, will make downtown better.	11/13/2019 10:35 AM
96	Absolutely against it. Only encourages people to drop them off wherever they please and will become simply more litter. Sidewalks difficult enough to maneuver what with curves which look pleasing but are tough to navigate when bicycling. Since Surprise wasn't imaginative enough to create bike lanes throughout the city when it was being developed, it's only going to ad more possibilities of accidents to those riding and walking on sidewalks.	11/12/2019 8:57 PM
97	Surprise is a retirement town-- I dnt think they should e allowed I a not etired but can see a ot of problems for elderly	11/12/2019 7:54 PM

98	The idea of scooters along the Bell Road corridor is terrifying.	11/12/2019 3:50 PM
99	I don't have any problems with trying this out. We are now a college town. Not every college student has a car to get around. I know the Sun Cityer's don't like it but hey they don't like anything that involves youth.	11/12/2019 10:55 AM
100	N/A	11/12/2019 10:43 AM
101	I do not believe they are a good idea. 1: They will be left wherever. People are not responsible enough to return them to the proper location (just observe how well the no cell phone ban is working) 2: Winter, with the snow birds, increased traffic, more bike riders (that don't obey the rules of the road) is a very bad time to even think about trying to test this concept. If it is implemented, I hope the first responders staff is bulked up, because you will see a rise in accidents. Also, add a few pick up trucks, to your fleet, so you can pick these things up, after they are left wherever the rider is done. Bottom line "good luck" Stupid idea.	11/10/2019 4:16 PM
102	I do not want these scooters in Surprise, they are an eyesore, they are not needed & the cost of the damage they will cause is an expense the city can't affird. I'm in the auto & insurance claims business & see the problems everyday.	11/10/2019 3:29 PM
103	Use paint to designate parking on the street	11/10/2019 11:30 AM
104	Use of these vehicles have been tried across the nation AND FAILED MISERABLY. Penalties for irresponsible wreckless use have not been enforced and death and destruction have occured. This system of transportation would be used mainly by a younger population and not the main part of Surprise's population. A waste of money for the community just like the hazzardous bicycle lanes on Bullard!	11/10/2019 9:02 AM
105	Don't want them here period. Have seen the blight and overall shoddy appearance they bring to communities such as Glendale. They were laying everywhere and made the neighborhood look cheap.	11/10/2019 8:15 AM
106	In the city of the elderly, do we really need scooters???	11/9/2019 8:38 PM
107	We have seen these in other cities dumped wherever the rider decides to leave it. People nearly and sometimes run over pedestrians. They rude double, sometimes parents with small, children and no helmets. Not sure why Surprise needs to join this madness..	11/9/2019 5:13 PM
108	Do not want	11/9/2019 4:26 PM
109	Riders by yearly pass maybe $5 after reading rules for use and issed a key card to lock and unlock for trackong. If they misuse fine them	11/9/2019 2:02 PM
110	Vehicle pollution	11/9/2019 1:43 PM
111	I a m totally against scooters in Surprise. I am a "snow bird" and my home city is in Omaha NE and they have started these scooters around the city. They are dangerous and people are not as cautious as they should be when riding the scooters. They've even let children drive them. It will be the same thing here and with all the senior citizens driving on the streets of Surprise, it's just a disaster waiting to happen. It's a real shame when some family out there looses a loved one because of such a stupid plan to let these things on the streets and sidewalks.	11/9/2019 12:06 PM
112	Cannot see how SATVs could safely comingle with traffic on public roadways. They seem to present a different challenge than bicycles.	11/9/2019 11:12 AM
113	Don’t want them in surprise	11/9/2019 9:48 AM
114	Other locations have shown too many negative occurences.	11/9/2019 8:21 AM
115	Dangerous; accident waiting to happen. Yesterday was not the first time I saw a car drive thru a red light.	11/9/2019 8:17 AM
116	No eed	11/9/2019 8:12 AM
117	As a community with a large number of senior citizens who cannot use a grocery cart safely, I find the idea of scooters absurd. Their hearing tends to be poor so that even as walkers, they are not aware of those on scooters. Since the traffic is already poor with snowbirds arriving, adding scooters seems a poor idea.	11/9/2019 8:03 AM
118	Don't do it. If you do, all scooters must be returned to a designated bike rack. Not allowed to be dropped off anywhere. Again, don't allow them!	11/9/2019 7:36 AM
119	I do not think the city should allow them.	11/9/2019 7:30 AM
120	My greatest concern is with the immature and careless manner in which I have seen these scoters being used (in Phoenix)	11/9/2019 7:11 AM
121	Surprise should not allow them, I drive all over the valley for work and see scooters everywhere but where they should be.	11/8/2019 7:39 PM

122	I didn't like them when I worked in Scottsdale. People using them seem to have no respect for pedestrians or motor vehicles. Here in Surprise we don't have a big need for them. Most of our entertainment areas are all in one location already.	11/8/2019 5:59 PM
123	We do not need these nusances in the City of Surprise.	11/8/2019 8:44 AM
124	It's a stupid idea since everybody and their mother drives in Surprise. The snowbirds would not give 2 shits to even look out for these people that ride these things. It's ridiculous to even think this would be worth while in Surprise. Are you going to unban electric bicycles then or just let these businesses do their thing since it brings in revenue for you. Screw this type of transportation in Surprise. We all have 2 legs. Walk or call an Uber	11/7/2019 9:33 PM
125	I suppose that if scooters were required to remain in the OUAZ area, it would be okay to have in Surprise. The distance needs to be limited, and they should not appear in West Surprise or be allowed to cross Bell or Greenway.	11/7/2019 8:49 PM
126	Electric scooters will have a negative effect on the city of Surprise. They will be left everywhere, stolen and dumped. They are a nuisance and a very large safety concern for the general public.	11/7/2019 6:15 PM
127	This plan is a mistake. Having recently moved here permanently via San Diego I can attest to the nuisance these scooters have become. They are dangerous and a blight on the landscape. They are everywhere and most of the time are blocking a sidewalk. They were parked in our neighborhoods and on every street corner. A study and consideration should have been undertaken in regards to the amount of injury that are associated with these scooters. Look at the statistics on the internet for yourselves. Put assurances in place that riders cannot sue the city for injuries that occur to them when they crash on a sidewalk. And they WILL crash.	11/7/2019 2:41 PM
128	Too dangerous. The city is surrounded by senior citizens. Combining young people on scooters with many people with questionable driving skills is a dangerous combination.	11/7/2019 8:25 AM
129	Allowing SATV's is a disaster waiting to happen. They are too small for the road and too big for the side walks.	11/7/2019 6:34 AM
130	N/A	11/7/2019 5:40 AM
131	SATVs should obey the rules of the road and be picked and returned at designated locations only.	11/6/2019 11:47 PM
132	I don't like this idea.	11/6/2019 11:07 PM
133	Having several e scooters in my household we ride around the city occasionally. I feel riding on the sidewalk is the safer option for scooters in this area as pedestrian traffic is minimal usually. I think it would be a great way for tourists to get around. The economy is strong here and think they would get enough use as well.	11/6/2019 7:07 PM
134	I've heard this program failed in Phoenix.	11/6/2019 6:56 PM
135	Where, exactly, are folks going to ride electric scooters in Surprise? If, the answer is ‘on the road’, you’re begging for serious accidents. If the answer is ‘on sidewalks’, it’s very doubtful they’ll stay there. Perhaps if Surprise had a real plan for public transportation, then need for motorized vehicles - used by a very specific, young, demographic - wouldn’t be necessary in order for those folks to ‘get around’. Instead, a city sanctioned motorized alternative, just isn’t the smart - or safe - way to go. Surprise has a tendency to say yes to any business venture that pops up; anything to get tax revenue. Just as a tire store behind In-N-Out is outrageously moronic (welcome to City Center!), this idea of motorized scooters is equally questionable. Say no. You have a lot more power than you think or use.	11/6/2019 4:53 PM
136	We need to let people use them at their own risk. Provide the ability for companies to market and store in designated areas.	11/6/2019 4:16 PM
137	I think we need them.	11/6/2019 10:54 AM
138	Ridiculous idea! These have been tried in several other cities and don’t work. They are found all over the city, thrown in bushes and are just a plain eyesore	11/6/2019 9:33 AM
139	Stupid, stupid, stupid idea! They are nothing but an eyesore and there is nowhere here to really utelize them. Maybe if we had a downtown area or they can be used in that stupid bike lane on Bullard.	11/6/2019 8:22 AM
140	Think the area they want to put them in will be very beneficial to those in the area.... sports players/fans, hotel guests, etc.	11/6/2019 8:06 AM
141	Totally unnecessary to offer this type product in Surprise. Traffic is already difficult n scooters will be another distraction as users will no doubt abuse rules of use.	11/6/2019 7:20 AM
142	We have seen other cities that have these programs. The scooters and bikes are a sore eye. They are laying on the ground, laying on the sidewalks blocking the path for others and especially blocking the way for our handicapped citizens. We love our city Surprise. Let’s keep it clean and not have these programs that we know have failed and made the other cities look	11/6/2019 5:42 AM

	ran down and dirty. Let's keep our streets and sidewalks safe for everyone driving and especially for our disabled citizens.	
143	I'm worried that the SATVs will end up littering our neighborhoods by being left in our front yards, on sidewalks, or tossed into the ponds.	11/6/2019 5:13 AM
144	Too dangerous	11/6/2019 2:59 AM
145	I dont think we should allow them. They become litter and a hazard	11/5/2019 11:00 PM
146	Scooters are very needed in surprise.	11/5/2019 8:39 PM
147	I do not feel our city has a need for these scooters. Surprise needs more points of interest, more activities and more reasons to need the use of a scooter.	11/5/2019 8:31 PM
148	I vote no we don't need them. This isn't a scooter community.	11/5/2019 6:01 PM
149	We don't want them in our city. They'll make our city look trashy.	11/5/2019 5:36 PM
150	Dumb idea looking for a lawsuit	11/5/2019 5:32 PM
151	I think it is a terrible idea. Every city these things have been implemented in has been a disaster. They just end up thrown around every place like trash and become a huge eye sore. Riders never seem to follow rules of the road and drive carelessly.	11/5/2019 4:24 PM
152	Do not want them at all!	11/5/2019 3:56 PM
153	This is a stupid, completely ridiculous plan for Surprise. Just like the golf cart lane. Mayor Shaffer would be pissed.	11/5/2019 3:38 PM
154	Traffic is crazy already. I don't even ride a bike in bike lanes anymore...too unsafe.	11/5/2019 3:31 PM
155	If Surprise allows (indirectly or directly) scooters, he first and continuous lawsuits which will occur may well drain our limited city's coffers.	11/5/2019 3:14 PM
156	With the city trying to encourage younger people to be here, with the college and recreation facilities I think it is important to give people an alternative to driving everywhere. It's not like the city has public transportation so this would be a step in the right direction.	11/5/2019 2:34 PM
157	Provide more sidewalks/bike lanes for this to happen.	11/5/2019 1:52 PM
158	These should not be allowed i Surprise. Have you seen them in Tempe or around the colleges? disgusting!	11/5/2019 1:46 PM
159	Useless. I frequently travel toTempe where these scooters are laying everywhere but I hardly ever see someone riding them. This is a gimmick that sounds as if it is a good idea however very few people will ever use them.	11/5/2019 1:09 PM
160	There's no need. It's not like we have destinations to ride these too	11/5/2019 12:41 PM
161	Not necessary at all!	11/5/2019 12:34 PM
162	It's a bad idea. Not safe and riders pretty much drop them wherever they feel like. We had to walk over and around them in CA. It's trashy	11/5/2019 12:27 PM
163	It's a waste of money and didn't work in other cities. Spend money on education!	11/5/2019 12:25 PM
164	Worse idea possible. Just more accidents. Horrible.	11/5/2019 12:20 PM
165	Why didn't they come out with a vote on this waste of money??? I WANT TO VOTE HELL NO!!!! keep your liberal crazy leftie idea in those crazy, high taxed states. And if you can't please just move back. Thanks	11/5/2019 12:19 PM
166	Silliest idea. This will cause unnecessary accidents. Please cannot drive here- not you add scooters to this.... folks can't understand how cross walks work. if we had a better downtown area maybe this would be a option.	11/5/2019 12:15 PM
167	I do not like the look of scooters just being dumped everywhere	11/5/2019 12:14 PM
168	I don't like them. I don't think they're needed here. They are dangerous and an eye sore.	11/5/2019 12:13 PM
169	Personally I think they should never be allowed in Surprise.	11/5/2019 12:12 PM
170	should not be allowed, learn from Tempe.	11/5/2019 11:35 AM
171	I don't want them clogging the sidewalks in Surprise.	11/5/2019 10:57 AM
172	The biggest concern, as can be seen in other municipalities, is safety of the rider, safety of those around the rider, and the location in which the SATV is left.	11/5/2019 10:10 AM
173	I don't want them. They are a menace and nuisance in any city I have been in with them.	11/5/2019 9:28 AM
174	This is a stupid idea. Distracted driving is still a major danger here, along with	11/5/2019 9:00 AM

	dangerous/aggressive driving, and adding kids on scooters to the mix will definitely result in some serious injuries. Also, look at all the towns and cities where these things have been dumped all over the place. Stupid idea that won't make the city "cool."	
175	I think this is a terrible idea and will result in many injuries and legal lawsuits against the city. Please do not move forward with the pilot and program. Thank you.	11/5/2019 8:37 AM
176	1. Surprise should be both tourist friendly and resident friendly. I cautiously agree with a trial period as long as residents and visitors are protected physically and financially. 2. This program could be a little premature because the city center is not built out yet. (Tumbleweeds!) Surprise could use more engaging dining, entertainment and shopping options. 3. I hope that the activity of scooters and bikes will not become a pesky nuisance to motor vehicle traffic flow as well as a danger to to pedestrians. -- Also hope that Surprise police won't be overburdened with new traffic control issues and impounding scooters. 4. On a recent San Diego visit it seemed that scooters were littered on downtown sidewalks day and night. Even our scooter riding son mentioned the same issue in DC area. It is fun, however a lot of guests just don't respect the guidelines.	11/5/2019 8:21 AM
177	these have to be safe.	11/5/2019 8:10 AM
178	FIX THE survey for accurate data! I should be able to provide feedback as someone who supports the program but hasn’t used it!	11/5/2019 7:45 AM
179	I’m shocked that the city is open to do something that all the elderly and snow birds aren’t pushing for. It gives me hope.	11/4/2019 7:48 PM
180	This could be a great option for people to get around town.	11/4/2019 3:26 PM
181	Why?	11/4/2019 10:20 AM
182	Let's try it for a probationary period and see how it goes	11/4/2019 7:33 AM
183	there is no public transportation in the outer areas of Surprise maybe this can help?	11/3/2019 8:40 PM
184	Surprise is too spread out for scooters. In addition, every city that has tried this end up with a nightmare. Don't do it!	11/3/2019 5:13 PM
185	Safety is an issue. I don't need yet another thing to worry about while I'm driving.	11/3/2019 4:45 PM
186	.	11/3/2019 4:33 PM
187	They are no appropriate for Surprise. They should not be here.	11/3/2019 2:50 PM
188	No SATVs in Surprise - there enough traffic around Surprise already to the point when its congested, these scooters are an accident waiting to happen	11/3/2019 1:19 PM
189	None	11/3/2019 12:37 PM
190	Every other city is littered with them so far Surprise isn’t any different. This idea is as ducking great as the stupid idea of putting a lane protected by cement curb along Bullard after it was done for years with just a painted line and know one used it then and know one uses it now. Great waste of money and a traffic lane.	11/3/2019 11:48 AM
191	I don't see a need for these, Surprise is not that big. Other city have complained about the irresponsible behavior of the renters leaving anywhere	11/3/2019 10:36 AM
192	Where I have seen them the renters were very careless with the usage	11/3/2019 12:17 AM
193	Please bring them	11/2/2019 10:32 PM
194	There is no use for them in Surprise. We do not have a large college/downtown district like other cities who use them now.	11/2/2019 8:31 PM
195	In any city I’ve been in, scooters are a detriment to the city. Ebikes on the other hand would be good and much more safe	11/2/2019 8:24 PM
196	We should absolutely not have them. They are a huge safety hazard. I work in public safety in another city and have seen multiple cases where people die or have been severely injured.	11/2/2019 5:53 PM
197	I think it's a horrible idea.	11/2/2019 5:27 PM
198	We shouldn't do this.	11/2/2019 4:43 PM
199	Not sure where they would ride, the 'downtown' isn't built yet. So that means on regular streets and will probably turn into a safety issue.	11/2/2019 3:48 PM
200	Bad idea they end up everywhere and they look trashy where ever they are for rent	11/2/2019 3:23 PM
201	Not something I would use personly, but I am not opposed to others who want to use them in a reasonable, thoughtful way.	11/2/2019 3:00 PM
202	Do not allow. Not needed in Surprise. Will become an eyesore in our community just like every	11/2/2019 2:47 PM

	other community these have come to.	
203	Just the thought of having SATVs riding in traffic on Bell Road is scary - it is already dangerous enough!	11/2/2019 2:08 PM
204	I do NOT want these in our community! I do NOT see the benefit of these to our city. They are dangerous, unsightly and expensive. Surprise can surly allocate the money these would take towards some other use. It is a failed system in other states that is now here! Why. If a person were in need of transportation, they can buy a bike or a scooter for their own personal use.	11/2/2019 1:59 PM
205	These will detract from the wholesome "vibe" that the city is known for. These will signal the beginning of the end of Surprise, AZ we know it. While it may seem unimportant in the scheme of things, it is actually VERY important as it conveys a downgraded image. To me, that image, which is very valuable to a city, will begin to tarnish. It conveys to me, a lowering of standards....the start of a downtrend that things in Surprise are being downgraded. Our current image is worth millions of dollars in goodwill and potential additional business. Change that to a downgrade like this and it will seal our fate, and not in a good way. Other businesses are watching the city officials and the decisions that are being made and deciding if their own upgraded image would be at risk in a city like Surprise if this were to allowed on our city streets. I'm sure this business promised the city plenty of incentives, but,please, do not do this. For the seniors and the parents of the young, SAFETY is paramount. Add this, and perceived quality of life goes down. Don't put our population at risk.....don't invite people to move away from here. Remember, you may not be able to monetize quality of life, but you can certainly destroy it with the stroke of a pen. This is a bad thing for all of us!	11/2/2019 1:43 PM
206	There a mess I've seen them in Scottsdale and their end up all over in landscape, in front of business's. Ppl are rude and just dump them everywhere.	11/2/2019 1:40 PM
207	They are a nuisance they're also a hazard and a liability. We don't have the areas and needs like Scottsdale does.	11/2/2019 1:38 PM
208	Please record my vote for NO SATVs in Surprise.	11/2/2019 1:16 PM
209	In my opinion SATVs are unnecessary and potentially dangerous to riders, pedestrians and motorists. Who bears responsibility and liability for potential injuries and/or property damage?	11/2/2019 12:44 PM
210	None	11/2/2019 12:42 PM
211	Other cities look so trashy with scooters everywhere! Please not in Surprise too!	11/2/2019 12:18 PM
212	They have been a mess in Denver. Don’t get them started here.	11/2/2019 11:20 AM
213	I think it a long time coming since we can never get bus service its one way to get around	11/2/2019 10:51 AM
214	I believe that all of these are great however should be something th at is sold by the Company ie insurance and such and the ability for such high schoolers to use with parental permission and them taking all responsibility for their actions!	11/2/2019 10:31 AM
215	Must be over 18 years old to rent one and same rules apply as operating a motor vehicle.	11/2/2019 10:20 AM
216	Are you serious in a city of senior citizens. What is going through minds?	11/2/2019 9:47 AM
217	I do not think this is a good idea. You end up with inexperienced people riding them and injuries/accidents occur. Check with local ERs where these programs exist. Accidents happen often.	11/2/2019 9:37 AM
218	Do mot do this. Very dangerous. Will cause many more accixents. Protect our city and keep this program away!	11/2/2019 9:33 AM
219	This is a very bad idea. A teen was killed on a scooter just last weekend. We do not need them in the mix with out of town (snowbird) drivers who don't know what they are doing.	11/2/2019 9:15 AM
220	It's a bogus idea. I'm really baffled and appalled such an idea was even thrown out there! You took a survey a few months ago about what the city wants and needs. People voted for batting cages, mini golf, go karts. Not dumb ass scooters to travel around. Where they going to travel to?? This is a small city yes, but not small enough to justify these stupid things. Everyone has cars and street legal can ams. This is a bonehead move by a bonehead city council. If you continue down this nonsense road, you WILL be voted out this coming election, and I WILL take your place.	11/2/2019 9:09 AM
221	I have SEEN how many of these riders just park the scooters ANYWHERE. Speeding down sidewalks--going into traffic lanes, and NOT abiding by stop signs etc. DANGEROUS. Messy. Something the police do not have time to mess with	11/2/2019 9:05 AM
222	Dangerous idea for the city and public. Accident attorney's will get rich suing the city.	11/2/2019 8:48 AM
223	It’s just absolutely dangerous	11/2/2019 8:45 AM
224	Lawsuits and bodily harm... stupid idea...	11/2/2019 8:15 AM

225	What data is supporting a need for this in Surprise ?	11/2/2019 8:04 AM
226	We don’t have a “downtown.” The locations of businesses and restaurants are very spread out. I don’t see these as an effective mode of transportation. Teenagers would most likely be the main users, and I don’t see that ending well.	11/2/2019 7:40 AM
227	Horrible idea!	11/2/2019 7:40 AM
228	I think it's a horrible idea. What is the point?	11/2/2019 7:31 AM
229	Good intermediate distance transportation solution.	11/2/2019 7:27 AM
230	I think it's a waste of money at this time. Surprise is not ready for them yet.	11/2/2019 7:01 AM
231	I think it’s a great idea to help people get around and take some vehicle traffic off the roads	11/2/2019 6:54 AM
232	I do not think Surprise is a city designed for this, the area proposed just does not require this. I think this is a bad idea	11/2/2019 6:39 AM
233	I dont think we have a densely populated area to really add value to having scooters available.	11/2/2019 6:32 AM
234	I prefer that the City not provide this service. All you have to do is look at the problems in Tempe and Scottsdale.	11/2/2019 5:35 AM
235	They are dangerous and people will not follow the rules. Check data in other cities.	11/2/2019 5:23 AM
236	This is a ridiculous program, a waste of money, and there are far too many things Surprise needs to be spending money on than damn scooters.	11/2/2019 5:02 AM
237	I think they make Scottsdale look trashy, I’m sure they’ll do the same here. They get left everywhere. But it is going to happen eventually. Just not a fan of them.	11/2/2019 4:00 AM
238	Waste of money. Kids ruin them. Left in places. Hazards	11/2/2019 3:52 AM
239	Surprise must do something to ensure scooters are not left all over the city like they are abandoned	11/2/2019 3:14 AM
240	These are a terrible idea and have already failed miserable around the Phoenix Metro area. Several places that previously authorized them have already banned them. P83 is one example.	11/2/2019 3:08 AM
241	I don't see the purpose as there is not enough congestion of people and/or business to make any place a viable option for picking up and then riding to your desired destination.	11/2/2019 2:53 AM
242	Not a good idea	11/2/2019 1:43 AM
243	I think until the downtown area is built out and Ottawa University completed SATVs should not be permitted in the city. Once that is done, the only areas they should be able to be operated in is within the center. There will be far too many accidents on high traveled roads, SATVs littered around like other cities (Scottsdale) and will increase congestion and traffic in the city due to frivolous useage.	11/2/2019 1:05 AM
244	SATVs are not worth it in Surprise	11/1/2019 11:48 PM
245	I work in tempe and see them everywhere. I dont think we should lower ourselves to have them here. They are just headaches and lawsuits..	11/1/2019 11:19 PM
246	My husband and I are both disabled and could not do a lot of walking. We both would like to be able to attend different events in the city of Surprise. If these areas going to be offered at a reasonable price to rent in Surprise, we both would be able to enjoy the different events at the city parks! Way to think about these disabled community's needs!	11/1/2019 11:07 PM
247	Waist of money	11/1/2019 10:55 PM
248	It would be nice to see if residents would use them and possibly cut down on traffic on Bell road. Need to have rules regarding leaving SATVs strewn about/must be maintained in an orderly manner.	11/1/2019 10:46 PM
249	No thank you	11/1/2019 10:26 PM
250	N/A	11/1/2019 9:59 PM
251	I lived in the San Francisco Bay Area. Scooters came and went fast. They are seldom used now. Best that worked for them are bike rentals with different drop offs on racks. But scooters were bad for pedestrians and those driving people acted very irresponsible and I’m a 23 year old Homeowner in surprise. I know we want to stay modern for continued growth but this one is a little sensitive.	11/1/2019 9:49 PM
252	I am a senior citizen and would not be using anything like this. Surprise is already loaded with traffic and some irresponsible drivers to begin with. I cannot support this program. Why create one more problem?	11/1/2019 9:42 PM

253	DO NOT ALLOW THEM!!!	11/1/2019 9:19 PM
254	Big mistake	11/1/2019 9:18 PM
255	I'm not sure how useful they would be I. surprise. I also have a big concern in seeing the scooters all over the streets and in random places like Tempe. It made the town look dirty and Surprise is nice and clean - lets keep it that way!	11/1/2019 9:02 PM
256	I do not think that we should add these to our city. I personally think the clutter and devalue the sidewalks. Cities that have these services look trashy	11/1/2019 8:55 PM
257	Pedestrians are being killed by autos. Do we really need more people injured riding the SATVs?	11/1/2019 8:54 PM
258	Stupid idea. Surpise has no place for these. They will eventually be ridden down Bell Road and be scattered all over the city.	11/1/2019 8:44 PM
259	We don't need here. Very dangerous we have to many different types of drivers coming into Surprise in the winter we have enough to deal with. Seniors will panic for sure!	11/1/2019 8:42 PM
260	No scooters!	11/1/2019 8:38 PM
261	I'd rather SATVs not be here in Surprise. The city's current attractions don't support the need for them, either.	11/1/2019 8:34 PM
262	Not a good idea.	11/1/2019 8:27 PM
263	Terrible idea. No matter what city, state or area these scooters get thrown down and littered everywhere.	11/1/2019 8:23 PM
264	despise the notion	11/1/2019 8:21 PM
265	Surprise should NOT have these as other cities have gotten rid of them due to many accidents.	11/1/2019 8:21 PM
266	Don't do it. It doesn't make sense for the way our city is set up. Our downtown is non-existent. We have no entertainment district. We also need a bus system first.	11/1/2019 8:09 PM
267	In Surprise we have very little public transportation, were need something, especially with the new college. Please bring regulated scooters here.	11/1/2019 8:02 PM
268	Waste of time money and resources. The city is not a safe place for this type of transportation	11/1/2019 7:57 PM
269	I have many concerns. 1. I have seen some crazy things living by a retirement community for the last 18+ years, some should not be driving. I know for a fact that they disregard rules for drinking and driving. I would hate for someone not to make it home because they had to share the road with self-entitled drivers. 2. They get left everywhere. Primarily these will be used by youth (licensed or non-licensed). 3. There is nothing wrong with earning your own transportation. Using any City funds for this would be a terrible investment. 4. Traffic is bad enough in this city. To get stuck behind a scooter is a danger to all involved. It slows the flow of traffic if they cannot use the sidewalk. that is enough for now	11/1/2019 7:55 PM
270	Please do not bring these to our neighborhood. They haven't worked anywhere so they won't work here. They're going to cause more issues in this area and money would be better spent elsewhere.	11/1/2019 7:54 PM
271	I don't want them here, I expect a lot of accidents with their use and teenagers destroying them for fun.	11/1/2019 7:54 PM
272	With the speed of the drivers and the elderly ages of residents this is a terrible idea. Many accidents and deaths have the potential of happening.	11/1/2019 7:48 PM
273	Great we need it	11/1/2019 7:47 PM
274	I think it's a poor idea. Although public transportation is non existent in surprise bring in scooters with snow birds already struggling to drive and arrogant people using these scooters is not a good combination. We have enough accidents and don't need more by providing arrogant self centered entitled people to add to it.	11/1/2019 7:39 PM
275	Do not want these SATV's in Surprise. We will gave them lying abandon all over. If you rent, do not return, charge them the cost of the unit.	11/1/2019 7:37 PM
276	Don't do it!	11/1/2019 7:35 PM
277	Horrible idea. Surprise doesn't have sideways to safely ride these. They will clutter the existing sidewalks. Businesses are too far apart to accommodate easy scootering.	11/1/2019 7:33 PM
278	Take them out of the city!	11/1/2019 7:32 PM
279	We have enough problems with bicycle riders riding on streets AND sidewalks. And then there are motorcycles! Don't know how you would regulate satisfactorily. I've seen then in a few cities already and when it's a downtown area it can work. Find out who your audience will be first.	11/1/2019 7:32 PM

280	Its Stupid!!!	11/1/2019 7:29 PM
281	Mistake that will deteriorate our walkways.	11/1/2019 7:20 PM
282	I think they are great!	11/1/2019 7:15 PM
283	Do not want them. I would rather see more local inexpensive or free rides offered.	11/1/2019 7:14 PM
284	I have seen them in other cities. They do' not do well. The renters leave them everywhere	11/1/2019 7:11 PM
285	Don’t make the same mistake Tempe did. These things are garbage on wheels.	11/1/2019 7:03 PM
286	I feel like its kinda silly here. Buses on a regular schedule would be more functional and more people could utilize.	11/1/2019 7:03 PM
287	I don’t want them !	11/1/2019 7:02 PM
288	Thank you for your consideration.	11/1/2019 7:01 PM
289	Surprise is to rural of a community. We are not a city setting such as Phoenix, Mesa, Scottsdale,Tempe, etc. Our roadways are dangerous enough for cars, trucks and other motor vehicles. SATVs would not be safe in Surprise. It would be like allowing them on the highways.	11/1/2019 6:58 PM
290	I like them	11/1/2019 6:57 PM
291	I think this is a complete waste of money completely stupid and Surprise should not do it. It’s going to make Surprise look like a ghetto nobody needs these damn things	11/1/2019 6:55 PM
292	How long after this is launched before the first child or adult is killed in a motor accident? Among myriad other concerns. This is such a terrible idea.	11/1/2019 6:55 PM
293	I do not believe having these scooters will be a benefit to the city. I believe there will be an increase in accidents and scooters will be left everywhere.	11/1/2019 6:37 PM
294	do not participate!!	11/1/2019 6:35 PM
295	Everywhere else these have been used it turned into a problem and the program was shut down right away. I do not support these scooters coming to surprise.	11/1/2019 6:34 PM
296	Too dangerous . Saw rider cross Litchfield at Bell. Was in crosswalk but did not slow down before crossing. Hard to see him and the risk seemed very scary	11/1/2019 6:27 PM
297	NA	11/1/2019 6:16 PM
298	I think it’s great since Surprise has no bus systems or other means of ways to get around .	11/1/2019 6:16 PM
299	I do not like the idea of having them. Bus service would be better	11/1/2019 6:15 PM
300	I see no need for them in Surprise. We have no small shops, or attractions within reach, and no colleges or schools close by. They have been a nuisance in other cities, and dont belong in Surprise.	11/1/2019 6:13 PM
301	I think it would bring something new to the community	11/1/2019 6:08 PM
302	I think its a ridiculously STUPID idea. It has FAILED in other cities and is a waste of time and money. It looks like litter. Who does this help? I can't see this helping anyone worthwhile. People who need transportation actually need RIDES in cars, not scooters. Especially when there are limits to where they can go. This is one of the most ridiculous ideas Surprise has put together, other than the Bullard Road Situation which is right up there in utter stupidity. I love Surprise in general, but these two ideas make me really wonder who is making the decisions and if there is ANY research being done. Absolutely ridiculous waste of resources, time and money	11/1/2019 6:06 PM
303	Please not here	11/1/2019 6:05 PM
304	I don't see how there is a real need for this in Surprise. It makes since for large downtown areas and college campuses.	11/1/2019 5:59 PM
305	Bad idea, too dangerous	11/1/2019 5:58 PM
306	No need look what is done to other cities	11/1/2019 5:56 PM
307	These are a waste of time and resources	11/1/2019 5:49 PM
308	I travel all over the country in several major cities. Surprise is not set up to safely accommodate this mode of transportation nor is it needed. Most cities that deployed these methods already had a strong pedestrian/bike presence with drivers having a historic awareness for riders/walkers. Surprise does not have that history. I think there would be many safety concerns with these on the road. Simply put, Surprise drivers are not aware of anything on the road unless it’s a traditional vehicle. Also, we do not have the density of pedestrians that would benefit from this mode. Like the Bullard protected bike lane, this is a novel idea but serves no actual need for the city.	11/1/2019 5:48 PM

309	SATVs should not be operated within the city of Surprise.	11/1/2019 5:47 PM
310	Should be available near stadium and civic center.	11/1/2019 5:47 PM
311	Never!	11/1/2019 5:47 PM
312	If these are allowed after consuming alcohol, I would consider changing the hours to later than 10pm to encourage people to not drive home. If they are not allowed to be operated then disregard.	11/1/2019 5:42 PM
313	Just might be a hazard for sidewalks and regular traffic lanes. Will bike racks be supplied by vendor?	11/1/2019 5:42 PM
314	Waste of resources. Most people in the city have their own transportation or can provide a scooter to their children or themselves. We don't live in an area where scooters are a convenient method of transportation.	11/1/2019 5:41 PM
315	I want them in Surprise.	11/1/2019 5:37 PM
316	We don't have enough shopping centers that this would be useful for. Build up the downtown with shops and nice restaurants (NOT FAST FOOD) then people would love to use scooters for nights on the town.	11/1/2019 5:35 PM
317	Not needed	11/1/2019 5:33 PM
318	How many accidents will it take for the City to realize what a bad idea this is?	11/1/2019 5:30 PM
319	These should be meant to reduce the use of cars. Many studies have proved that this is not correct. Surprise is not laid out correctly to do this sort of activity.	11/1/2019 5:28 PM
320	Surprise is not a city/town/community that lends it's self to riding scooters. Scooters are more suited to university towns and cities and where there is a centralized commercial district.	11/1/2019 5:27 PM
321	Bad idea	11/1/2019 5:26 PM
322	Not in Surprise! Tempe looks run down and they are very unsafe for rides and motorists	11/1/2019 5:19 PM
323	None	11/1/2019 5:10 PM
324	I think they become more of an eye sore as people are lazy and lack responsibility. They would just leave them laying wherever just like in Tempe because it’s to much work to walk them to the appropriate place. Then you have the kids/people that think it’s “cool” to damage people’s property as it is not theirs so they don’t care. In this case it would be the company losing money on damaged scooters. They are a nice concept for the college but anywhere else in the city it is just not worth it and makes no sense.	11/1/2019 5:09 PM
325	I am against them in the city area.	11/1/2019 5:08 PM
326	Dont trash our city wth this the people here cant drive the way it is how many more kids need to get ran over and yes I said kid because no matter what you do they will be riding them open your eyes I cant wait for the election So many have lost our house holds vote this city need to stop kissing the butts of the 55 and up group and start working with the families	11/1/2019 5:08 PM
327	I don't like the idea of SATV.	11/1/2019 5:06 PM
328	They will be left all over city.	11/1/2019 5:04 PM
329	No	11/1/2019 5:01 PM
330	It’s a ridiculous program in this in this city	11/1/2019 5:00 PM
331	Surprise has good bike lanes, keep building those, and require SATVs be operated there.	11/1/2019 4:58 PM
332	Bad idea	11/1/2019 4:54 PM
333	Stupid idea and waste of money...scooters are ok for college towns and beach cities but not for cities with lots of traffic and visiting senior citizens.	11/1/2019 4:51 PM
334	I have seen these scooters in other city's and quickly they have been removed as they are left everywhere and makes the area look trashy.	11/1/2019 4:40 PM
335	This has not worked well elsewhere, why would it be different here?	11/1/2019 4:39 PM
336	Please stop. Sustainable development is a globalist scheme	11/1/2019 4:38 PM
337	This is not something we need. We do not have enough close places that these make sense. I work in Tempe and see these things laying everywhere	11/1/2019 4:36 PM
338	I don’t think we need them, and I think they will cause more problems with accidents and misuse.	11/1/2019 4:28 PM

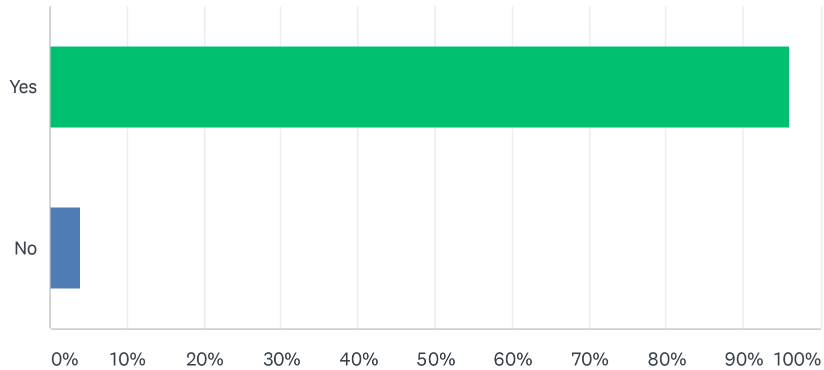
339	Dont like them...Tempe is LITTERED with them...they are an i sore on the streets. BAD IDEA I will not be voting for people who support them.	11/1/2019 4:28 PM
340	We just this past week had a young man killed riding a scooter. You are risking the chances of more accidents, even death, buy adding these scooters to our roads.	11/1/2019 4:27 PM
341	Stupid idea. Far too early for Surprise. Concentrate on more important things. Parks, walking paths, a real downtown. Oh just forget it you don’t listen anyway	11/1/2019 4:20 PM
342	I think they would be great for the city of Surprise. But the downfall is that the city would have random bikes everywhere.	11/1/2019 4:17 PM
343	They pollute the city with people leaving them everywhere. Theft.	11/1/2019 4:17 PM
344	Cost?	11/1/2019 4:16 PM
345	Please do not allow them in Surprise. It is an impoverished way of commuting that I do not want encouraged in our city. People can buy themselves a bike to get around, and if they are permitted only allow them in the downtown area of the city to get around once it is more developed.	11/1/2019 4:14 PM
346	I honestly don’t think Surprise is the right city for these scooters. Also they are a huge liability. They are a ton of fun however I ended up in the hospital riding one and almost ended up losing my finger when riding one at a park. A little girl was in my lane (there were clear lines) and we were on a Blind corner. I was so glad she wasn’t hurt but I was bleeding all over after the impact as I couldn’t swerve to miss her as it happened so quickly and I think she speed up. Please be careful considering this as I’m sure there will be deaths with people flying of sidewalks into traffic. I used these in St George UT and the roads are mostly wider and speed limits are much lower then here in surprise. I love the thought of it but I don’t think this is the place for them. I think it will be a really bad mistake to get them here.	11/1/2019 4:13 PM
347	I believe it’s pointless and honestly dumb	11/1/2019 4:09 PM
348	We aren’t a place where these are appropriate. I see them in cities with lots of places to walk to but we don’t have those.	11/1/2019 4:09 PM
349	A waste of money	11/1/2019 4:09 PM
350	Sadly there are too many traffic accidents in Surprise. Teens in scooters with snowbirds driving is a terrible combination. There was a fatal accident on my son’s birthday. This is not a good idea.	11/1/2019 4:09 PM
351	No. Didn't work in other cities in valley not gonna work here	11/1/2019 4:08 PM
352	My experience with SATVs are in large urban areas where many people don't have cars or there is too much traffic to use a car for routine transportation due to congestion or no place to park. I don't see Surprise as fitting that description.	11/1/2019 4:08 PM
353	I am not a fan of this and if I am ask to vote on this I will vote no. I am a Surprise resident and have seen others cities have problems with these types of things .	11/1/2019 4:07 PM
354	We don't need them. There is no reason to have them. There is nowhere to ride them to. You are wasting taxpayer money even worrying about them. Concentrate on more important issues like recycling !!	11/1/2019 4:07 PM
355	Seen them in Tempe laying all over the place. Dangerous and an eyesore	11/1/2019 4:06 PM
356	They should not be allowed. Surprise already has bikers and cars that don’t obey the law	11/1/2019 4:05 PM
357	I'm from Portland, Oregon where I have seen many tragic accidents involving these types of scooters. There not very many people that walk Surprise roads. Drivers are not used to people walking the roads, which in turn will cause more tragic accidents. Especially if the scooter rider does not follow rules. Scooters are for smaller cities with a larger population, where driving your own vehicle is more rare. Surprise is not lacking in space for cars to drive on the roads. We lack businesses that bring people to the city of Surprise. However, until we have more people in our city...there is no reason to sprinkle scooters all over Surprise.	11/1/2019 4:05 PM
358	They are a plague upon the city. We should outright ban them.	11/1/2019 4:03 PM
359	I think these are not compatible with Arizona drivers. Especially here in Surprise where we have a wide range of different driving habits. We just had a kid killed last week on a non motorized scooter these are going to cause a lit more pedestrian injuries and deaths. We don’t need that.	11/1/2019 3:59 PM
360	Just say no	11/1/2019 3:58 PM
361	Seniors and disabled people are not going to ride these. Why can't we have city buses and why cant we have rapid transit? The bus, #571 takes 2 HOURS EACH WAY. It's exhausting when you work in Phoenix everyday. If you really care about the climate and public safety like you claim you would not implement these useless silly scooters.	11/1/2019 3:56 PM

362	Terrible idea.	11/1/2019 3:51 PM
363	Waste of money. Theres not enough thungs to do that would necessitate this This will just be a safety issue. Its failed many places.	11/1/2019 3:50 PM
364	Great for tourist and recreational use in entertainment areas. I think around the Municipal and College campus and as City Center is developed SATVs will be well utilized	11/1/2019 3:48 PM
365	They are a cancer in every city they are located. Go hang out in Tempe. Go to San Diego. Go anywhere.	11/1/2019 3:46 PM
366	This is a disaster waiting to happen. Thanks to city planning, we don't have areas like Mill Ave where these would be useful. We have undeveloped sidewalks. We have really bad drivers. We have areas of impaired visibility because of overgrown landscaping. Oh, and a boy died because people didn't see him on his scooter.	11/1/2019 3:45 PM
367	The City is putting the horse before the carriage. How about getting some roads completed with lights for drivers before allowing scooters on the road. My gosh! A teen just died last week on a scooter probably due to the lack of adequate roads we have. So focus on getting our car drivers safe before allowing scooters.	11/1/2019 3:44 PM
368	I think this will be another great tool for tourism if done correctly	11/1/2019 3:44 PM
369	I am adamantly opposed to introducing motorized scooters and bikes due to safety concerns. These roads are designed for cars and cannot be safely traversed by vehicles other than cars.	11/1/2019 3:43 PM
370	Don’t like em	11/1/2019 3:42 PM
371	I personally don't want them in our city. Can't wait for the first accident and the law suit that will follow and our city paying out big bucks.	11/1/2019 3:42 PM
372	I do not want these scooters in Surprise. It’s bad enough we have to put up with the awful snowbird drivers for half the year but these scooters are just a horrible idea. Fix the roads instead of wasting time and taxpayer dollars on these stupid scooters. Can’t wait until election time so these idiot council members can be voted out!!!!!	11/1/2019 3:39 PM
373	I don’t want to see them in surprise!	11/1/2019 3:36 PM
374	Surprise isn’t laid out properly for this. When we get a true city center it will make more sense. We aren’t ready yet	11/1/2019 3:36 PM
375	Would seem unnecessary until we have a true downtown area- but should we have something like that finally come to Surprise I think they’re a fantastic and forward thinking idea.	11/1/2019 3:35 PM
376	I don’t agree with it. There hasn’t been any talk about where they are allowed. I’d hate to have them in the bike lanes not knowing the laws and adding more frustration to a already very frustrated drivers with cyclists in the road legally. Add these which the rider may or may not know the laws of riding in the road	11/1/2019 3:33 PM
377	Not a good option for pur community. It is a fad and has not performed well in other areas and further adds to the decline to the laziness to our society.	11/1/2019 3:32 PM
378	I think they would be a great addition.	11/1/2019 3:32 PM
379	Do not do it. It will only cause more problems. There will be a higher number of accidents, more property damage and petty theft. No one will follow the regulations, just like they don't in Scottsdale, San Diego, Tempe, and everywhere else they are deployed. This is the worst thing that can happen to this city.	11/1/2019 3:32 PM
380	Cities that allowed the satvs are laid all around. Does not look good for Surprise.	11/1/2019 3:31 PM
381	Irresponsible kids and young adults will ruin it by being dumbasses and getting hurt or damaging property	11/1/2019 3:31 PM
382	Lame, dangerous	11/1/2019 3:28 PM
383	Don't want them in Surprise at all. They are tacky. I don't think we have enough places that are insured enough distances to one another for them to be practical in our city anyway. The only place I see a use for them is on the Ottawa campus. The way the city is laid out is only practical for transportation via car. We are not set up like Tempe or Gilbert where these might have a more practical use. They seem more useful in areas where there are teens and young adults and lower-income individuals who cannot afford a car. Surprise is not that type of community and I hope you don't change it to be that type of community. Maybe the vendor for these little scooters can take them to the city of El Mirage instead.	11/1/2019 3:28 PM
384	I dont feel like Surprise is a place that would benefit from SATVs. They would cause more concerns for safety and leave the city looking messy.	11/1/2019 3:23 PM
385	This is a bad idea. Our streets, sidewalks & parking lots were not made for these scooters.	11/1/2019 3:17 PM

386	I think it's a mistake. You have too many kids smoking pot and once they get on these all the rules will be thrown out the window. I don't think it's good for the city. I think someone is going to get hurt and there are tooooooo mannnnnny cars around. Someone is going to get hit. Not a good idea just because someone wants to make money.	11/1/2019 3:16 PM
387	You better allow them on sidewalks because Surprise is not set up to allow for safely riding a bike across town let alone a scooter.	11/1/2019 3:14 PM
388	It seems to be a mess in Tempe, with scooters abandoned everywhere. Why bring the mess here?	11/1/2019 3:12 PM
389	Ok	11/1/2019 3:10 PM
390	I am absolutely against these vehicles and believe they are hazardous to Riders and drivers given current road and driving conditions.	11/1/2019 3:10 PM
391	SATV'S should not be allowed at all. We have enough careless drivers on the roads as it is.	11/1/2019 3:09 PM

Q17 Is this your first time taking this survey?

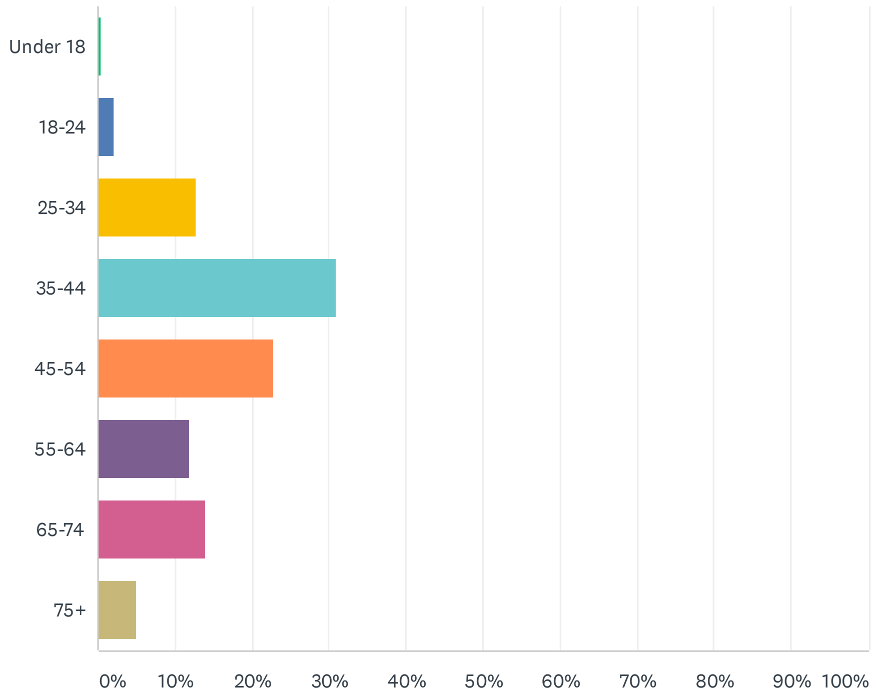
Answered: 462 Skipped: 140



ANSWER CHOICES	RESPONSES	
Yes	96.10%	444
No	3.90%	18
TOTAL		462

Q18 What is your age?

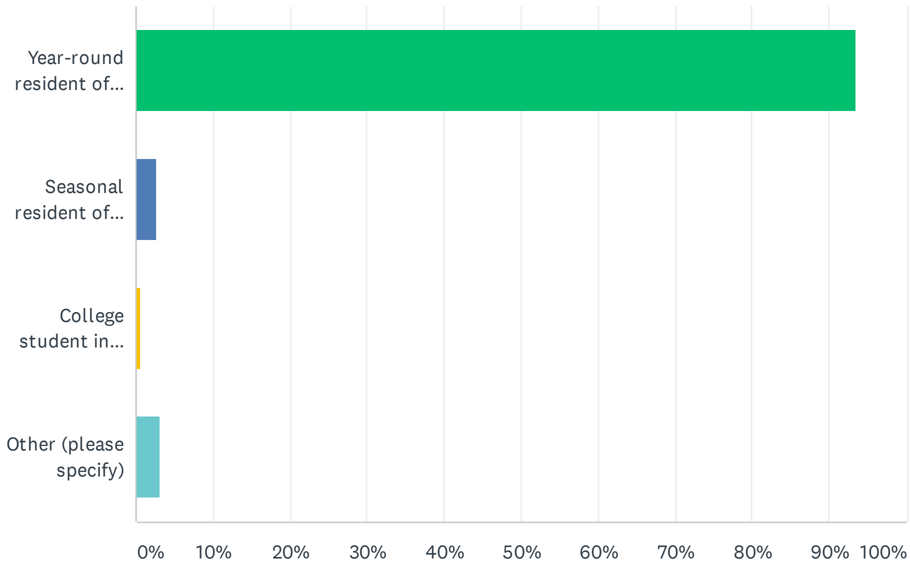
Answered: 460 Skipped: 142



ANSWER CHOICES	RESPONSES	
Under 18	0.43%	2
18-24	2.17%	10
25-34	12.83%	59
35-44	30.87%	142
45-54	22.83%	105
55-64	11.96%	55
65-74	13.91%	64
75+	5.00%	23
TOTAL		460

Q19 Please complete the statement: I am a

Answered: 461 Skipped: 141



ANSWER CHOICES	RESPONSES	
Year-round resident of Surprise	93.49%	431
Seasonal resident of Surprise	2.82%	13
College student in Surprise	0.65%	3
Other (please specify)	3.04%	14
TOTAL		461

#	OTHER (PLEASE SPECIFY)	DATE
1	Shop, work, and attend Surprise events.	3/5/2020 7:31 AM
2	I work in the Surprise Area	2/18/2020 3:21 PM
3	Business owner in surprise	2/18/2020 10:36 AM
4	Frequent visitor and shopper in surprise	1/25/2020 1:23 PM
5	Sun City	12/5/2019 8:40 PM
6	Work in surprise	11/10/2019 11:30 AM
7	Buckeye resident	11/9/2019 9:48 AM
8	Year round resident in Sun City West	11/7/2019 8:25 AM
9	Work and do life in surprise. Live in festival ranch.	11/6/2019 8:06 AM
10	Resident of El mirage very near surprise	11/2/2019 2:53 AM
11	Resident of Waddell but use Surprise for kid sports, all shopping and work there.	11/1/2019 7:32 PM
12	I own a house in Surprise, my grand kids live there, I have a room there. I visit 2 or three times per month.	11/1/2019 4:58 PM
13	Concerned	11/1/2019 4:38 PM
14	Live at the city limits	11/1/2019 3:33 PM

SURPRISE
ARIZONA

COMMUNITY DEVELOPMENT

Date: May 19, 2020

To: Mayor and City Council

From: Stephen Chang, Senior Transportation Planner

Chris Boyd, Community Development Director

Re: Shared Active Transportation Vehicles Pilot Program Results

Background

The Shared Active Transportation Vehicles Pilot Program began on November 1, 2019 and lasted 180 days, ending on April 28, 2020. On December 3, 2019, City Council approved a 90-day temporary operating agreement with The Collective We, LLC to operate GOAT SATVs in the City of Surprise. City staff issued a Notice to Proceed on December 24, 2019 authorizing The Collective We, LLC to deploy its e-scooters. The vendor began deploying its fleet of e-scooters on January 1, 2020. The temporary operating agreement was extended for The Collective We, LLC on March 17, 2020. The City also signed a temporary operating agreement with Slidr, LLC on December 17, 2019, however, Slidr did not deploy any SATVs during the pilot program.

SATV Operations Data

The Code Enforcement Division is tasked with enforcing the deployment and parking requirements of the operating agreement. Due to the coronavirus pandemic, the Mayor declared a local state of emergency on March 19, 2020. The Collective We, LLC removed its e-scooters immediately, therefore, data reporting ended on March 19, 2020. During the shortened Pilot Program period, Code Enforcement Inspectors did not report any violations and staff did not receive any complaints regarding SATVs. Monthly operations data submitted by the vendor for the months of January, February, and 19 days of March show the following:

- 1,966 total rides. Average duration of ride is 13 minutes. Average distance is 1.6 miles.
- 28 scooters in service in January and February, 29 scooters in service in March.
- 1 scooter removed from service due to a malfunctioning rear light.

- 1 scooter damaged or lost in January. It was reported stolen to Surprise Police Department by the vendor on January 2, 2020. The scooters GPS unit was also damaged.
- 6 vandalism incidents in January. Vandals had broken the kickstands off of 6 scooters. Kickstands were replaced and scooters were put back in service.
- 0 crashes reported.

End of Ride location heat map shows that during the Pilot Program, hotspot locations include:

- Hotels on Bullard
- Surprise Stadium
- Ottawa University on Tierra Buena Lane
- In-n-Out, Starbucks, Raising Cane's commercial center on Bell Road, and
- Christopher Todd Communities on Greenway Road

<u>SATV Survey Results</u>

The SATV Survey was available on the City's website from November 1, 2019 through April 28, 2020. A total of 602 responses were recorded. Based on the date of the response comments, approximately 83% of the responses were recorded prior to the deployment of e-scooters on January 1, 2020. Some of the most salient findings are noted below:

- 21% of respondents would ride a SATV in Surprise, 71% would not, and 8% might ride a SATV in Surprise.
- 66% of respondents have not ridden a SATV in Surprise, 34% have. Of those who've ridden a SATV in Surprise:
    - 97% said it was a convenient way to travel
    - 67% said they do not have any hesitation to ride on a roadway with a speed limit less than 35 mph
- Nearly all riders said they received sufficient information from the vendor regarding:
    - The areas in which to ride: 86%
    - Rider safety and responsible operations of the SATV: 90%
    - Permitted parking locations: 93%
- The top three trip types (purpose and/or destinations) on a SATV:
    - For fun/recreation: 82% of respondents
    - Go to an event or festival: 73% of respondents

  - Go to or from a restaurant: 66% of respondents
- Respondents are nearly equally split on whether there should be designated SATV parking and deployment areas:
  - 53% NO vs 47% YES
  - Most frequently suggested SATV parking and deployment areas include:
    - Park, recreation areas, Surprise Stadium
    - Near restaurants and shopping centers
    - Civic center and Ottawa University
    - Near intersections
    - Library
- The survey asked where respondents have seen SATVs parking in Surprise. Since 90% of the responses to this question were before SATV deployment, a significant majority commented “have not seen any”.
  - Sidewalk: 32%
  - In front of business: 20%
  - Landscape: 14%
  - Other comments include:
    - “tossed around”, “dumped everywhere”
    - Surprise Stadium
    - City Hall and Ottawa University
- 26% were in favor of allowing SATV vendors to operate in Surprise, while 74% opposed the idea.
- When asked to share their thoughts and comments regarding SATVs in Surprise, 17% of comments were positive, 78% were negative, and 5% were neutral/no comment.
  - Some of the positive comments were:
    - General support of SATV deployment
    - Good for Ottawa University Students
    - Good transportation option
    - Good for visitors and tourism
    - Convenient and fun
  - Some of the negative comments were:

        - General opposition to SATVs in Surprise
        - Eyesore, trashy, nuisance
        - Dangerous, accident prone
        - No need for SATVs in Surprise
        - Waste of tax payer money
        - Does not mix well with senior citizens
- Demographics of the respondents are as follows:
    - Approximately 2.5% are 24 or under
    - Over 78% are adults between the ages of 25 and 64
    - Approximately 19% are 65 or over
    - 93% are year-round residents of Surprise

The Future of SATVs in Surprise

Staff seeks direction from the City Council regarding the future of SATVs in Surprise. Options for the Council's consideration include:

- Discontinue SATV operations in Surprise
- Establish a permanent SATV ordinance and operating agreement
- Begin another Pilot Program for the full 180 days when business operations return to normal
- Any other options City Council may wish to provide to staff

The Collective We, the only vendor to participate in the pilot suggested the following changes to the SATV ordinance:

- Expand the SATV operating boundary south to Cactus Road and include all the commercial corners along the boundary edge
- Extend the SATV operating hours on certain days to accommodate nighttime Spring Training games and other special events. Prior notification will be required

Shared Active Transportation Vehicles Pilot Program Data / Survey Results

City Council Work Session, May 19, 2020

Community Development Department

Background

- October 1, 2019: Council approved Ordinance #2019-26
- December 3: City signed the Temporary Operating Agreement with The Collective We, LLC.
- December 17, 2020: City signed the Temporary Operating Agreement with Slidr, LLC.
- April 28, 2020: SATV Pilot Program ends.

SATV Operations

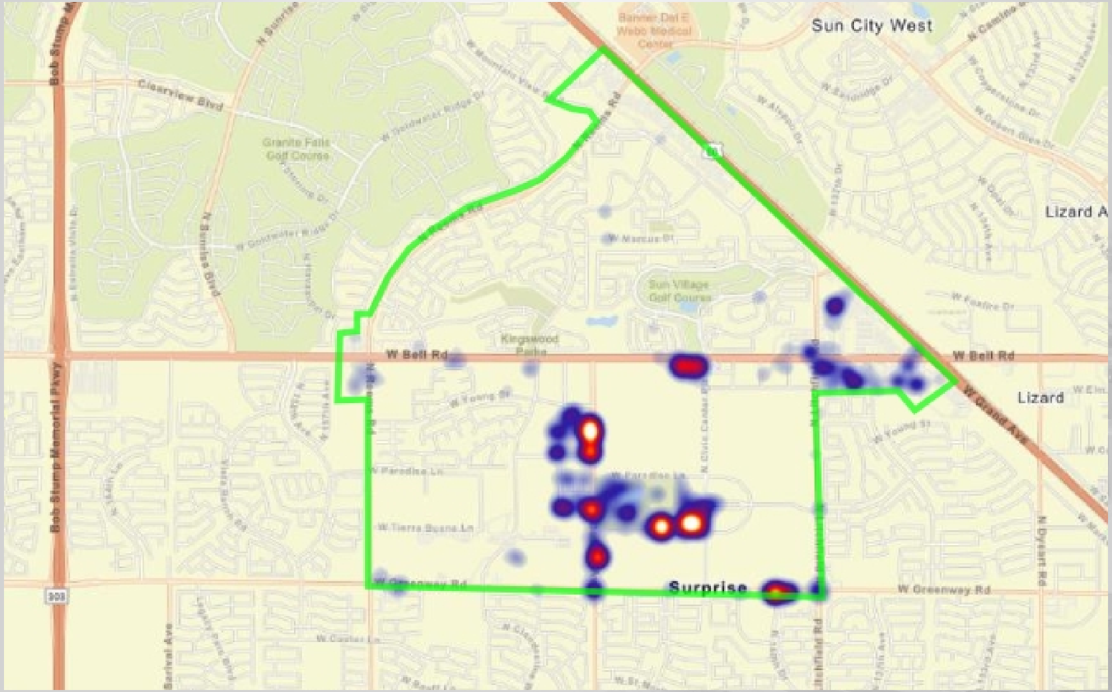
	January	February	March (1st-19th) **	TOTAL
Code Enforcement Violations	0	0	0	0
Scooters in Service	28	28	29	29
Rides	753	838	375	1,966
Removed from Service	1	1	0	1
Damaged/Lost	1*	0	0	1
Vandalism Incidents	6	0	0	6

* Reported stolen on 1/2/2020, recovered by SPD.

** No deployment after the Mayor declared local state of emergency on March 19th.

SATV Operations

End Ride Locations (Jan - March)



SATV Survey Results

- Total Responses: 602
- Survey period: Nov. 1, 2019 – April 28, 2020
- 83% responses before SATV deployment
- 71% would not ride a SATV in Surprise
- 34% have ridden a SATV in Surprise
  - 97% found it to be a convenient way to travel
  - 67% would ride on a roadway with less than 35 mph

SATV Survey Results

- Riders who say they received sufficient information from the vendor regarding:
  - Areas to ride: 86%
  - Safety rules and operations: 90%
  - Permitted parking locations: 93%
- Top 3 Purposes/Destinations on a SATV:
  - Fun/Recreation – 82%
  - Event or Festival – 73%
  - Restaurant – 66%

SATV Survey Results

- Should there be designated parking and deployment locations?
  - 53%: No
  - 47%: Yes
    - Surprise Stadium, parks, recreation areas
    - Restaurants and shopping centers
    - Civic Center and Ottawa University campus
    - Near intersections
    - Library

SATV Survey Results

- Where have you seen them parked in Surprise?
  - 90% of responses were before SATV deployment
    - “Have not seen any”
  - 10% of responses were after SATV deployment
    - Sidewalk: 32%
    - In front of business: 20%
    - Landscape: 14%
    - “Tossed around”, “dumped”
    - Surprise Stadium
    - City Hall and Ottawa University

SATV Survey Results

- Should SATV vendors be permitted to operate in Surprise?
  - Yes: 26%
  - No: 74%
- Please share your thoughts and comments
  - Positive comments regarding SATVs: 17%
  - Negative comments regarding SATVs: 78%
  - Neutral/No comment: 5%

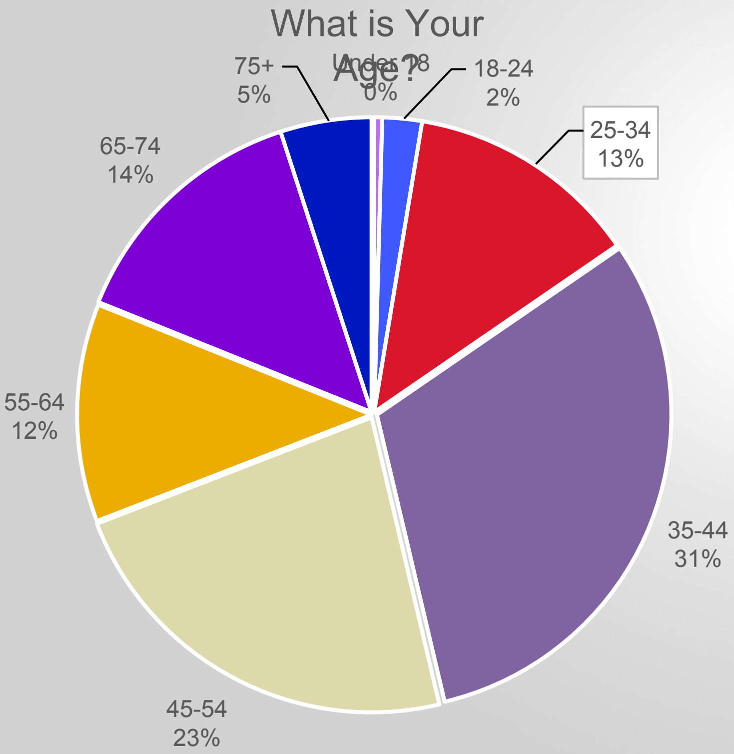
SATV Survey Results

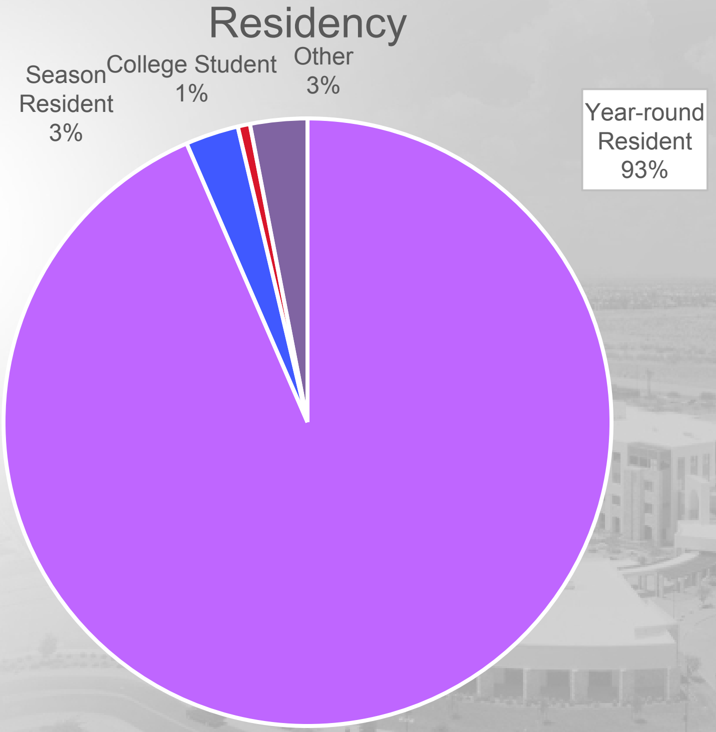
- In favor of SATV deployment
  - General support
  - Good for Ottawa University students
  - Good transportation option
  - Good for visitors and tourism
  - Convenient and fun

SATV Survey Results

- Opposed to SATV deployment
  - General opposition
  - Eyesore, trashy, nuisance
  - Dangerous, accident prone
  - No need for SATVs in Surprise
  - Waste of tax payer money
  - Does not mix well with senior citizens

SATV Survey Results





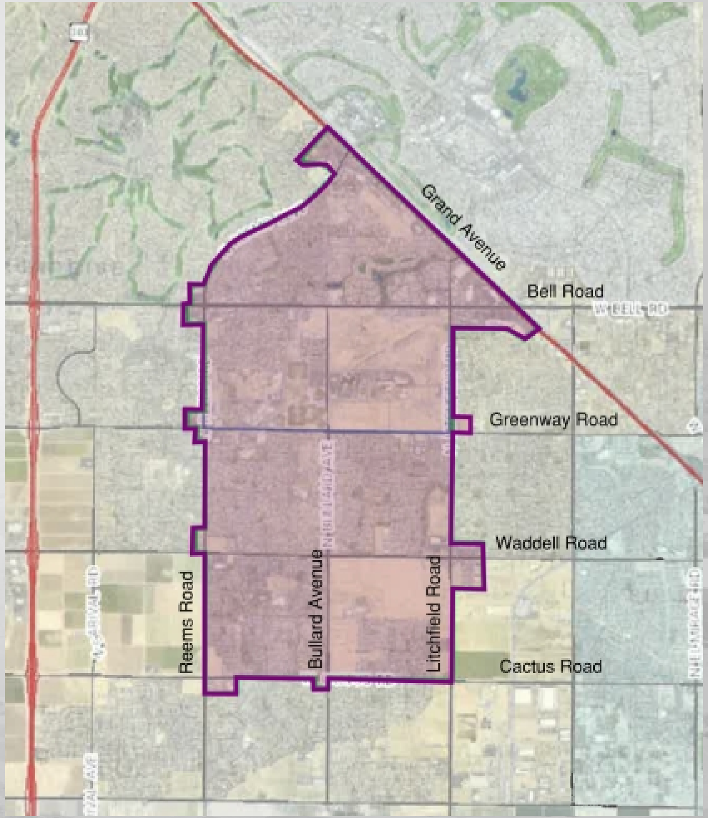
The Future of SATVs

- Staff seeks Council direction on the future of SATVs in Surprise
  - Discontinue SATV operations
  - Establish permanent SATV ordinance and operating agreement
  - Another Pilot Program when businesses return to normal
  - Other options

Possible Permanent Ordinance

- The Collective We offered suggestedchanges to the SATV Ordinance

1. Operating Boundary
   - Expand to south to Cactus Road
   - Include commercial corners



Possible Permanent Ordinance

2. Operating Hours
   - Extend operating hours to accommodate nighttime Spring Training games and other special events
   - Vendor is required to notify staff prior to event day

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE
Regular City Council Work Session

Council Meeting Date: May 19, 2020

Contact Person: Andrea Davis, DIRECTOR - FINANCE, DIRECTOR

Submitting Department: Finance

District: Internal

Staff Recommendations: None

Consent: No   Regular: Yes   Public Hearing: No   Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to financial policy updates.

Motion:

None; discussion only.

Background:

Comprehensive Financial Management Policies

Comprehensive financial policies are an important element of solid financial structure and long-term financial planning. These policies, which are reviewed and updated annually, cover the areas of Operating Management, Capital Management, Debt Management, Minimum Fund Balance, and Financial Reporting. For FY2021, staff is recommending the following revisions:

Operating Management Policies

- Remove detailed budget amendment authorization levels and replace with reference to the Budget Amendment Policies and Procedures which will be approved separately by City Council resolution. This will minimize the potential for conflict that may arise when policy statements are maintained in multiple locations.

- Remove the requirement to retain the first $1.25 million received from transaction privilege tax on construction in the General Fund. Instead, 100% of this revenue source will be retained in the General Capital Fund.

- Replaced reference to the 'Tourism Advisory Board' with the 'Tourism Fund Subcommittee'.

Capital Management Policies

- Removed restriction that prevented unspent asset replacement funding from rolling over to subsequent years. This will allow departments the ability to efficiently plan for asset replacement activities.

- Remove the requirement to retain the first $1.25 million received from transaction privilege tax on construction in the General Fund. Instead, 100% of this revenue source will be retained in the General Capital Fund.

- Addition of a new policy stating that a sustainable and consistent revenue source should be identified for asset replacement which will be increased incrementally each year until an adequate amount has been established. This will allow for the availability of funding to support the City's growing asset replacement needs.

- Addition of a new policy establishing separate asset replacement funds in the areas including, but not limited to, Information Technology/Communications, Fleet, Facilities, Roads, and Community Services. Funding will be allocated during annual budget process and each department will manage the funds accordingly. Unspent funds will carryover year to year.

Minimum Fund Balance Policies

- Removed redundancy in the General Fund minimum fund balance policy and clarified the intent to maintain 10% for an Emergency Reserve, 60% for an Operating Reserve, and 30% for a Stabilization Reserve. This does not change the reserve requirements or amount.

- Increased the reserve requirement in the Workers' Compensation Self-Insurance Trust Fund from $1.5 million to $3.0 million based on regulatory requirements and industry standards.

- Revised the Rate Stabilization Reserve within the Solid Waste Fund, Wastewater Fund, and Water Fund and establish a Rate Stabilization Reserve within the Stormwater Fund. This reserve will be calculated in an amount equal to 5% of revenue generated from charges for services and can be withdrawn to address revenue shortfalls or unforeseen expenditure increases. If used, the reserve must be fully replenished within four years.

- Health Benefit Trust Fund transfer employer contributions necessary to cover actual claims incurred while maintaining the Fund's reserve requirements.

Budget Amendment Policy and Procedures

The formal adoption of this policy coincides with the removal of budget amendment authority detail from the Comprehensive Financial Management Policies. Beginning in FY2021, staff has recommended the Comprehensive Financial Management Policies include reference to the Budget Amendment Policy and Procedures which will be approved by City Council resolution. This will minimize the potential for conflict that may arise when policy statements are maintained in multiple locations.

In addition, staff is recommending clarification only - each budget amendment requiring City Council authorization is accomplished by resolution.

Public Safety Personnel Retirement System Pension Funding Policy

Qualifying City of Surprise Police and Fire-Medical employees participate in the Public Safety Personnel Retirement System (PSPRS). PSPRS is a pension plan in which each participating agency has an individual trust fund reflecting their assets and liabilities. The City has two trust funds, one for Police employees and one for Fire-Medical employees. Each fund has its own funded ratio, contribution rate, and annual actuarial evaluation. In accordance with A.R.S. § 38-863.01, the City is required to adopt an annual pension funding policy to communicate how the City will maintain stability and meet the funding requirements. The policy must be published on the City's website and it must include formal acceptance of the City's assets and liabilities.

According to the actuarial valuations dated June 30, 2019, the City of Surprise PSPRS funds have $97,076,691 in assets, $138,230,608 in accrued liability, $41,153,917 in unfunded actuarial accrued liability, and a funded ratio of 70.2%. For FY2021, staff is recommending the following:

- Establish a goal to attain a 100% fully funded ratio by June 30, 2036.

- Maintain the full Annual Required Contribution (ARC) from operating funds. The FY2021 ARC is estimated at $6,779,159.

- Fund the annual pension cost at the beginning of each fiscal year with the budgeted contribution amount.

- Base the budgeted contribution on the highest potential cost to the City assuming each qualifying position is fully staffed.

- If, during the course of the year, the required contribution exceeds the original budget amount, contribute additional funds on a per pay period basis to meet funding obligations.

Objective Analysis:

The City's financial policies provide the road map for financial operations and demonstrate the City's commitment to sound financial management practices.

Policy Compliant:

This item is compliant with City and Council policies.

Financial Impact:

None at this time, however, topics covered in this presentation could lead to future actions which may have a fiscal impact.

Budget Impact:

None at this time, however, topics covered in this presentation could lead to future actions which may have budgetary impact.

FTE Impact:

This item does not impact the overall full-time equivalent count.

ATTACHMENTS:

1. FY2021 Financial Policies redline 05112020
2. FY2021 Budget Amendment Policy redline 04162020
3. Finance SOP- Pension Funding redline 04282020
4. HBTF Agreement Redline 04292020

CITY OF SURPRISE, ARIZONA
COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES
EFFECTIVE JULY 1, ~~2019~~2020

Introduction

The City Council's Strategic Plan Framework, goals, and objectives provide the foundation for the comprehensive financial management policies. The City's comprehensive financial policies provide the roadmap to achieve financial resiliency and demonstrate the City's commitment to sound financial management practices. As defined by the Government Finance Officers Association (GFOA), the City Council strives to build a financially resilient government through financial policies and long-term financial planning. The GFOA has identified eight characteristics of a financially resilient government:

1. Diversity: Avoid reliance on a single solution.
2. Redundancy: Avoid having only one path of rescue.
3. Decentralization: Centralized systems look strong, but failure is catastrophic.
4. Transparency: Make it easier to figure out where a problem may lie. Share plans and listen when people point out flaws.
5. Collaboration: Working together to become stronger.
6. Fail Gracefully: Failure happens. Make sure failure won't make things worse.
7. Flexibility: Be ready to change when plans aren't working. Don't expect stability.
8. Foresight: Think and prepare.

Financial policies contribute to increased public confidence and trust as well as provide clear direction to City staff concerning the diligence and stewardship with which public monies are to be managed. Adopted financial policies show our citizens, the credit rating industry, and prospective investors (bond buyers) the City's commitment to financial resiliency. These policies are presented in the following five areas:

1. Operating Management
2. Capital Management
3. Debt Management
4. Minimum Fund Balance
5. Financial Reporting

Operating Management Policies

1. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial resiliency.

2. The budget shall be considered balanced if revenues plus use of fund balance are equal to or exceed total expenses, by fund. The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints.

3. The City Budget is adopted by department within each fund and by project in the capital funds.

4. The full-time equivalent (FTE) count and number of full-time positions are adopted by department within each fund.

~~4.~~5. Budget amendments will be done in accordance with the Budget Amendment Policies and Procedures.

5. ~~City Council has the authority to amend the adopted budget for movement between funds or departments; movement from full-time personnel to any other category; any change to the full-time equivalent (FTE) count or number of full-time positions; any change to grant or major Capital Improvement Plan (CIP) projects; and all use of contingency.~~

6. ~~The City Manager has the authority to amend the adopted budget for use of the Emergency Reserve; movement between part-time personnel and full-time personnel; movement of part-time personnel to or from any other category; movement of overtime personnel to or from any other category; and movement to full-time personnel from any other category. The City Manager shall provide a summary report to the City Council on any use of the Emergency Reserve who will then take action on the necessary budget amendment by Resolution.~~

7. ~~The Finance Director has the authority to amend the adopted budget related to targeted savings; carryforward; and development agreements or debt service obligations when the agreement has been previously approved by City Council. The Finance Director shall provide a summary report to the City Council on the movement of these funds who will then take action on the necessary budget amendment by Resolution.~~

8. ~~Department Directors have the authority to amend the adopted budget for the movement of supplies, services, non-CIP capital, and personnel between divisions.~~

~~9.~~6. Long-range financial plans will be prepared to guide the City and ensure the delivery of needed services due to changes in the economy, service demands, and capital improvements.

~~10.~~7. Regional considerations and intergovernmental relationships will be evaluated to fund both operating services and capital projects.

~~11.~~8. The City Council will consider citizen input and review the operating and capital budget recommendations from an outcome and goals perspective.

~~12.~~9. A diversified revenue system will be developed to protect City services.

~~13.~~10. The City Council will set the amount to be received from primary property taxes annually. The amount is limited to one-hundred and two percent (102%) of the prior fiscal year's maximum allowable levy plus new construction and reimbursement for the prior calendar year's tort liability payments.

14. ~~To ensure that the City does not become overly reliant on "one-time" revenues for operating needs, the first $1.25 million received in revenues from the two and two-tenths percent (2.2%) transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in the General Capital Fund and will be used to fund the Capital Improvement Plan.~~

~~15.~~11. The City currently imposes an additional one and one-half percent (1.5%) transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the Transportation Improvement Fund and will be used to fund transportation projects in the Capital Improvement Plan.

~~16.~~12. The City currently imposes a four and fifty-two hundredths percent (4.52%) transaction privilege tax on transient lodging. The four and fifty-two hundredths percent (4.52%) tax rate is then split, with three and fifty-two hundredths percent (3.52%) recorded in the Tourism Fund to be used for promoting tourism and one percent (1.0%) recorded in the General Fund. The three and fifty-two hundredths percent (3.52%) recorded in the Tourism Fund has been committed by City Council to be used for promoting tourism. Of the amount recorded in the Tourism Fund, the Tourism ~~Advisory Board~~Fund Subcommittee has designated that seventy-five percent (75%) is spent for sports tourism facility development and improvement and twenty-five percent (25%) on marketing, studies, and special events.

13. Water, Wastewater, Stormwater, and Solid Waste user fees and charges will be examined annually to ensure they recover all direct and indirect costs of service and will be approved by the City Council.

~~17.~~14. All user fees (excluding water, wastewater, stormwater, and solid waste) will be examined periodically to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.

~~18.~~15. Grant funding will be considered to leverage City funds and requires City Council approval prior to acceptance.

~~19.~~16. Cash balances identified for investments will be maintained in accordance with state law and the adopted investment policy to ensure that proper controls and safeguards are maintained. City funds will be managed with an emphasis on safety of principal, liquidity, and yield, in that order.

~~20.~~17. Employee compensation and benefits will be administered in accordance with the policy given by the City Council. Healthcare costs will be shared between the City and employees and this allocation will be evaluated annually.

~~21.~~18. The Healthcare Self-Insurance Trust Fund was created under the authority of Arizona Revised Statute § 11-981. The Board of Trustees is charged to administer the trust fund and "make recommendations to the City Council regarding trust fund programs, including amount of appropriations to assure stability and security of the trust fund."

~~22.~~19. An actuarial evaluation will be performed annually to determine the Incurred but Not Reported (IBNR) claim liability. This amount is required by accounting practices and represents the cost of unpaid claims (claims run-out), assuming the City stops being self-insured.

~~23.~~20. The City will optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.

~~24.~~21. The City will maintain a methodology for allocating the City's indirect costs to service departments. A consultant may be hired to update the plan periodically.

~~25.~~22. All cash transfers between funds must be approved by City Council. Transfers to record capital assets within operating and capital funds are not presented to the City Council as these are administrative in nature.

~~26.~~23. All initial inter-fund loans must be approved by City Council.

~~27.~~24. All use of budgetary contingency accounts must be approved in accordance with the Budget Amendment Policies and Procedures ~~by City Council~~ prior to being expended.

Capital Management Policies

~~28.~~25. The City shall use an integrated approach to capital planning and financing in preparing a five-year Capital Improvement Plan. Only the first year of the plan will be adopted by the City Council.

~~29.~~26. The Capital Improvement Plan will include funding to support repair and replacement of capital equipment and infrastructure. ~~If not fully expended within the fiscal year it is appropriated, funding to support repair and replacement of capital equipment and infrastructure will not rollover to subsequent years.~~ A high priority should be placed on those items where deferring maintenance will result in greater cost to restore or replace. Proposed capital projects will be prioritized based on the City Council's goals and objectives, the General Plan, and master plans.

~~30.~~27. Future operating, maintenance, and replacement costs associated with new capital improvements will be included as a schedule within the annual budget document. Capital projects will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

28. ~~The first $1.25 million received in~~All revenues from the two and two-tenths percent (2.2%) transaction privilege tax on construction will be retained in the ~~the General Fund. Any additional amount will be recorded in the General Capital Fund and will be used to fund the Capital Improvement Plan~~General Capital Fund.

29. A sustainable and consistent revenue source should~~will~~ be identified so that a portion of this source may be dedicated to ~~additional~~ asset replacement funding. ~~Beginning in FY2021, a~~A ~~portion~~ ~~n amount from~~ ~~of dedicated~~~~retainedin the~~ The amount dedicated to asset replacement ~~Fund to be~~~~and~~ will be incrementally increased each year until an adequate amount has been established ~~within the Asset Replacement Fund~~ as determined during the annual budget process.

~~31.~~

30. Separate asset replacement funds will be established in the areas including, but not limited to, Information Technology/Communications, Fleet, Facilities, Roads, and Community Services. ~~and t~~The budget of each asset replacement fund will be managed ~~maintained~~by the appropriate ~~each~~ department in order to meet the needs of ~~department for~~~~to~~ their asset replacement program~~: address the following areas of n~~. As part of the annual budget process, asset replacement funding will be allocated across these funds and any unspent amount will carryover year to year.

~~32.~~31. The City currently imposes an additional one and one-half percent (1.5%) transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the Transportation Improvement Fund and will be used to fund transportation projects in the Capital Improvement Plan.

32. As permitted by state law, the City shall maintain a financial structure to ensure future development pays for itself and is not a burden on existing residents (i.e. "growth pays for growth"). Elements of this financial structure include impact fees, development agreements, Improvement Districts (IDs) and Community Facility Districts (CFDs).

33. Impact fees for infrastructure attributable to new development will be reviewed at least every other year to ensure that fees recover all direct and indirect development-related expenses, as permitted by state law, and will be approved by the City Council.

34. Any capital assets dedicated or donated to the City such as infrastructure, land, right-of-ways, easements, etc. must be approved by the City Council which must include a valuation of the assets.

Debt Management Policies

~~34.~~35. The City shall periodically report measurable steps taken in striving towards achieving and maintaining the highest possible bond ratings. This will minimize borrowing costs, optimize access to credit, and demonstrate excellent financial stewardship on behalf of our residents.

~~35.~~36. An analysis showing how a new debt issue combined with current outstanding debt impacts the City's debt capacity and conformance with City debt policies will accompany every proposal.

~~36.~~37. General Obligation debt, which is supported by property tax revenues, will be utilized as authorized by voters. Other types of voter-approved debt (e.g. water and wastewater) may also be utilized when they are supported by dedicated revenue sources (e.g. fees and user charges).

~~37.~~38. Municipal Property Corporation, trust agreements, and contractual debt, all of which are non-voter approved, will be utilized only when approved by City Council.

~~38.~~39. Improvement District (ID) and Community Facility District (CFD) bonds shall be permitted only when there is a general City benefit as defined and approved by the City Council.

~~39.~~40. Utility rates will be established to ensure the ratio of net revenues to debt service meets bond indenture requirements.

~~40.~~41. The Arizona Constitution provides that the general obligation bonded indebtedness for a city may not exceed twenty percent (20%) of the net secondary assessed valuation of the taxable property of the city for projects for purposes of water, wastewater, artificial light, open space preserves, parks and recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities. Outstanding general obligation bonded indebtedness for all other purposes may not exceed six percent (6%) of the City's net secondary assessed valuation.

~~41.~~42. The City will follow appropriate procedures with regard to obligations under continuing disclosure undertakings as identified by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

~~42.~~43. The City will follow appropriate procedures with regard to tax exempt obligations as identified by the Internal Revenue Code of 1986.

Minimum Fund Balance Policies

~~43.~~44. Minimum fund balances are not intended to be spent. The purpose of the minimum fund balance is to ensure the City has adequate resources to meet its needs. If the necessity arises to draw down a fund balance below the minimum requirements that have been set, a plan to replenish the minimum fund balance will be presented to the City Council for approval.

~~44.~~45. Minimum fund balance requirements will be evaluated annually for long-term adequacy and use requirements.

~~45.~~46. The City has formally adopted a minimum fund balance policy for the following governmental funds:

a. The General Fund will maintain a reserve equal to two months of budgeted personnel, supplies, and services for the General Fund, Ground Ambulance Fund, and Highway User Revenue Fund. This amount will be allocated across ~~have~~ a three-part reserve as follows:

i. ~~The City will maintain~~Ten percent (10%) will be dedicated to an Emergency Reserve ~~in the General Fund of one and sixty-seven hundredths percent (1.67%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund, Ground Ambulance Fund, and the Highway User Revenue Fund. The Emergency Reserve is~~ for unexpected, large-scale expenses resulting from events where immediate, remedial action must be taken to protect the health and safety of residents, all unassigned fund balance has been exhausted, and no amount previously appropriated by the City Council is otherwise available. Any use of the Emergency Reserve must be approved by the City Manager or designee. When this occurs, the City Manager shall provide a summary report to the City Council as soon as practical on the usage of these funds and have City Council approve any necessary budget amendments. At that time, the City Manager will also present a plan to restore the Emergency Reserve ~~to the one and sixty-seven hundredths percent (1.67%) level~~ within the next fiscal year following the fiscal year in which the event occurred.

ii. ~~The City will maintain an additional~~Sixty percent (60%) will be dedicated to an ~~General Fund~~ Operating Reserve ~~in the amount of ten percent (10%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund, Ground Ambulance Fund, and the Highway User Revenue Fund. The Operating Reserve is~~ for unexpected events such as failure of the state to remit revenues to the City, loss of state shared revenues, or other impairment of a significant funding source for the remainder of the fiscal year. The Operating Reserve may also be used for unexpected mandates or other events that cause the City to incur unplanned expenses. The Operating Reserve allows for the continuance of critical City services due to these unanticipated events and is done so after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available. Any use of the Operating Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan that projects to restore the Operating Reserve ~~to the ten percent (10%) level~~ within two fiscal years following the fiscal year in which the event occurred.

iii. ~~The City will maintain an additional~~ Thirty percent (30%) will be dedicated to a~~General Fund Budget~~ Stabilization Reserve ~~in the amount of five percent (5%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund, Ground Ambulance Fund, and the Highway User Revenue Fund. The Budget Stabilization Reserve is used~~ to provide funding to offset reductions in revenues resulting from fluctuations in the economic cycle that cannot be otherwise absorbed by the operating budget. The reserve funds will provide time for the City to restructure its operations in a deliberate manner to ensure continuance of critical City activities and is used after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available. Any use of the Budget Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Budget Stabilization Reserve ~~to the five percent (5%) level~~ within the three fiscal years following the fiscal year in which the event occurred.

b. General Capital Fund of $1.0M

c. Transportation Improvement Fund of $0.5M

d. Street Light Improvement Districts (SLIDs). SLIDs have a maximum levy limit of $1.20 per $100 of assessed valuation in accordance with A.R.S. § 48-616. To the extent that the levy limit has not been exceeded, taxes will be levied at a rate that will approach an individual ending fund balance reserve of five percent (5%) of its budgeted annual expenses.

e. Tourism Fund of $5,000.

f. The Spring Training Ticket Surcharge Fund will have a minimum fund balance of $600,000. Any excess fund balance remaining as of June 30 shall be remitted to the General Fund.

g. The Water Fund will have a four-part reserve as follows:

i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Water Fund.

ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year.

iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total charges for services revenue. ~~budgeted operating sources for that year's Council Adopted Budget for the Water Fund.~~ Monies may be withdrawn from this reserve to supplement operating revenue shortfalls caused by various economic factors which may cause either reduced revenues or an unforeseen increase in expenses. Any use of the Rate Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Rate Stabilization Reserve within the four fiscal years following the fiscal year in which the event occurred.

iv. The City will maintain a Resource Portfolio Reserve equal to fifteen percent (15%) of the total cost of delivery and capital charges for Municipal and Industrial plus the Phoenix Active Management Area (AMA) Underground Storage charges multiplied by the total amount of the City's Central Arizona Project (CAP) allocation.

h. The Wastewater Fund will have a three-part reserve as follows:

i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Wastewater Fund.

ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year.

iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total charges for services revenue ~~budgeted operating sources for that year's Council Adopted Budget for the Wastewater Fund.~~ Monies may be withdrawn from this reserve to supplement operating revenue shortfalls caused by various economic factors which may cause either reduced revenues or an unforeseen increase in expenses. Any use of the Rate Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Rate Stabilization Reserve within the four fiscal years following the fiscal year in which the event occurred.

i. The Stormwater Fund will have a ~~two~~three-part reserve as follows:

i. The City will maintain an amount equal to the average budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the Stormwater Fund.

ii. The City will maintain an amount equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year for repair and replacement.

iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total revenues collected through charges for services. Monies may be withdrawn from this reserve to supplement operating revenue shortfalls caused by various economic factors which may cause either reduced revenues or an unforeseen increase in expenses. Any use of the Rate Stabilization Reserve, and associated budget amendments, must be approved by the City

Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Rate Stabilization Reserve within the four fiscal years following the fiscal year in which the event occurred.

j. The Solid Waste Fund will have a four-part reserve as follows:

i. The City will maintain an Operating Reserve equal to the average of budgeted personnel, supplies, and services expenses over a three-month period for that year's Council Adopted Budget for the Solid Waste Fund.

ii. The City will maintain an Asset Reserve equal to two percent (2%) of tangible capital assets of the system as of June 30 from the previous fiscal year.

iii. The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total charges for services revenue~~budgeted operating sources for that year's Council Adopted Budget for the Solid Waste Fund.~~ ~~The City will maintain a Rate Stabilization Reserve equal to five percent (5%) of the total revenues collected through charges for services.~~ Monies may be withdrawn from this reserve to supplement operating revenue shortfalls caused by various economic factors which may cause either reduced revenues or an unforeseen increase in expenses. Any use of the Rate Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Rate Stabilization Reserve within the four fiscal years following the fiscal year in which the event occurred.

~~ii.~~iv. As the Solid Waste Utility has excess revenues, the City will maintain a phased Contingency Reserve equal to one-half percent (0.5%) beginning in FY2022 and increased to one percent (1%) for each subsequent year through FY2024.

~~k.~~ The Risk Management Fund will maintain an amount that, together with purchased insurance policies, will adequately indemnify the City. The appropriate funding level will be set at three times the maximum annual loss of $250,000 which is equal to $750,000, which will be approved by the City Council.

k.

~~2.~~

~~b.~~ The Healthcare Self-Insurance Trust Fund ("Trust Fund") will maintain an amount at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The City has established an Adverse Times Reserve. The purpose of this reserve is to address cash flow needs caused by periods in which claim payments exceed projections. The target amount of this reserve is at least twenty-five percent (25%) of expected annual claims. If, at any time prior to the end of the fiscal year, the Trust Fund's target reserve is met and fully funded for the entire fiscal year based on the original budget projections approved by the City Council, the Finance Director shall document such funding and, after consulting with the City Manager, may conduct an evaluation of the claims incurred by the Trust Fund year to date, and if fiscally and financially prudent based on the claims incurred, Transfer from the City's various operating funds only that portion of the Employer premium necessary to cover actual claims incurred, such that the Trust Fund revenues are equal to the Trust Fund expenses, and the Trust Fund account experiences a zero change in net position. At all times the City will continue to transfer and deposit into the Trust Fund 100% of the monthly employee premiums collected.

~~b.~~l.

~~c.~~m. The Workers' Compensation Self-Insurance Trust Fund will maintain an amount which, together with the purchased excess insurance policy will adequately indemnify the City. ~~The Industrial~~

~~Commission required reserve is $1,500,000.~~ The City has established an Adverse Times Reserve of $3,000,000. The purpose of this reserve is to maintain the regulatory required reserve and industry standard reserve

Financial Reporting Policies

~~46.~~47. The City's Finance Director will develop standard operating procedures to ensure the City's accounting and financial reporting systems are maintained in conformance with all state and federal laws, Generally Accepted Accounting Principles (GAAP) and the standards of the Governmental Accounting Standards Board (GASB).

~~47.~~48. An annual audit will be performed by an independent public accounting firm. The City will prepare a Comprehensive Annual Financial Report (CAFR) with the objective of receiving an unmodified ("clean") audit opinion. The independent auditor will present and discuss audit findings regarding internal controls and operational issues to the Audit Committee at a public meeting.

CAFR Fund Balance Reporting

1. The hierarchy from least spendable to most spendable fund balance for governmental funds of the City shall be: non-spendable, restricted, committed, assigned and unassigned. When funds are available from multiple classifications, it is the City's policy to utilize the most restrictive funding first.

2. Non-spendable fund balances are determined solely by their form.

~~2.~~

3. Restricted fund balances are determined solely by the constraints placed on the use of the resources.

4. Committed fund balance represents amounts that have been constrained to a specific use by the formal action of the City's highest level of decision-making authority, the City Council. A majority vote of the City Council is necessary to establish, modify, or rescind a fund balance commitment.

5. The City has elected the following commitments of fund balance to be standardized from year to year.

   a. A commitment for repair and replacement of general government vehicles and other rolling stock will be maintained based upon lifecycle replacement plans prepared annually. This commitment shall be maintained in the Vehicle Replacement Fund.

   b. A commitment of a one and one-half percent (1.5%) construction sales tax to be used solely for the purposes of paying costs related to new roadways and to refurbish existing transportation corridors, to be maintained in the Transportation Improvement Fund (Ordinance No. 05-13).

   c. In addition to the two and fifty-two hundredths percent (2.52%) transient lodging tax restricted by state statute, a commitment of an additional 1.0% transient lodging tax for a total of three and fifty-two hundredths percent (3.52%) will be used to promote tourism and be maintained in the Tourism Fund (Ordinance No. 2010-04).

6. In order to be reported as committed fund balance in the CAFR the City Council must approve the commitments prior to June 30th. However, the amount of the commitment may be determined after June 30th.

7. Amounts that have been constrained by the City's intent to be used for a specific purpose and are neither restricted nor committed are reported as assigned fund balance. The City Council has designated the authority to assign amounts to be used for specific purposes to the Chief Financial Officer (CFO).

~~48.~~49. The City's CAFR will be submitted annually to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.

~~49.~~50. The City's Budget will be submitted to the Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.

~~50.~~51. A financial report will be presented to the City Council no less than quarterly.

BUDGET AMENDMENT POLICIES AND PROCEDURES

A. Purpose

The following policy and procedures are established to implement a consistent and efficient process by which the adopted city budget may be amended.

B. Policy

Throughout the course of the fiscal year, amendments to the budget are necessary to address new issues, increased prices, and changes in scope of existing projects. This policy applies to all budget amendments initiated by the Mayor and City Council, the City Manager's Office, and/or departments. The Finance Department shall finalize budget amendments following appropriate authorization per the schedule in Section D of this document and in accordance with the City's Comprehensive Financial Management Policies.

Adopted Level of Budgetary Control
The budget is appropriated by department within each fund. The Capital Improvement Plan (CIP) is appropriated by project.

C. Procedure

1. The requesting department shall prepare and submit to the Finance Department:

   a. The draft Budget Amendment Resolution (if Council approval is required), and

   b. A budget amendment journal with attached Budget Amendment Request form within the financial management system that has been approved by the Department Director or his/her designee.

   The Finance Department budget point of contact shall review the request for availability of budget to be amended, appropriate authorization level, accuracy, and general reasonableness. The budget point of contact shall communicate any questions or comments to the department and recommend revisions as necessary. The budget point of contact shall then advance the budget amendment journal within the financial management system to the Assistant Finance Director if approved. If applicable, the draft Budget Amendment Resolution will be updated by the budget point of contact and returned to the department to initiate a Request for Legal Services and City Council agenda item.

2. The Assistant Finance Director or his/her designee shall review and approve the budget amendment journal. The journal shall then be advanced for the next approval as appropriate.

   a. Amendments requiring Finance Director approval shall be reviewed and approved within the financial management system.

   b. Amendments requiring City Manager approval shall be reviewed and approved within the financial management system.

   c. Amendments requiring City Council approval shall be held within the financial management system by the Finance Department until City Council action is complete, if approved by City Council, then the Assistant Finance Director or his/her designee will approve.

3. The Assistant Finance Director or his/her designee will post budget amendments in the financial management system, following appropriate authorization per the schedule in Section D of this document.

D. Authorization Levels:

Type of Amendment	Category	Sub-Category	Authorization
Between Funds	All	All	City Council Resolution
Between Departments	All	All	City Council Resolution
Grants	Revenue Expense	Establishment/revision of a grant budget	City Council Resolution
Personnel	Full-time, part-time, overtime personnel	Between divisions	Department Director
	Part-time or overtime personnel	To/from any other category	City Manager
	Full-time Personnel	To/from part-time	City Manager
		From any other category	City Manager
		To any other category	City Council
		Any change in FTE count or count of FT positions	City Council Resolution
Commodities/Supplies/ Contractual Services/Non-CIP Capital	Within a Department	Between divisions or within a division	Department Director
Capital	Major CIP (including change in total amount and/or change in scope)	All	City Council Resolution
Contingency	All	All	City Council Resolution
Targeted Savings	All	All	Finance Director*
Carryforward	All	All	Finance Director*
Development Agreements and Debt Service Obligations	All	All	Finance Director*
Emergency Reserve	All	All	City Manager*

*The level of authorization for these types of amendments is based on the need to immediately restrict or allow expenses or reimbursements. The authorized approver shall provide a summary report to the City Council on the movement of these funds who will then take action on the necessary budget amendments by Resolution.

E. Relationship to Previously Established Policy

No qualifying statement, previously established rules or procedures shall be used to negate the spirit or intent of this statement of policy.

SURPRISE ARIZONA	**Standard Operating Procedure** **PUBLIC SAFETY PENSION FUNDING**
PROCESS: Funding Ratio Goals for the City's Public Safety Pension Funds	
POLICY REFERENCE: Arizona Revised Statutes (A.R.S.) § 38-863.01	

ISSUE DATE:	**LAST AMENDED DATE:**	**EFFECTIVE DATE:**
June 4, 2019 Resolution 2019-049	N/A	July 1, 20~~19~~20 Resolution 2020-xx
FINANCE DIRECTOR APPROVAL:		

GENERALLY

Qualifying City of Surprise police and fire-medical employees participate in the Public Safety Personnel Retirement System (PSPRS). PSPRS is administered as an agent multiple-employer pension plan and health insurance premium benefit known as an OPEB. An agent multiple-employer plan has two main functions: 1) to comingle assets of all plans under its administration, thus achieving economy of scale for more cost efficient investments, and invest those assets for the benefit of all members under its administration and 2) serve as the statewide uniform administrator for the distribution of benefits.

Under an agent multiple-employer plan, each agency participating in the plan has an individual trust fund reflecting that agencies' assets and liabilities. Under this plan, all contributions are deposited to and distributions are made from that fund's assets, each fund has its own funded ratio and contribution rate, and each fund has a unique annual actuarial valuation. The City of Surprise has two trust funds, one for police employees and one for fire-medical employees.

PURPOSE

The intent of this document is to demonstrate the Surprise City Council's commitment to clearly communicate pension funding objectives, prudently manage the City's financial resources, and comply with new statutory requirements of Laws 2018, Chapter 112. This document will be reviewed and approved by City Council on an annual basis.

DEFINITIONS

Unfunded Actuarial Accrued Liability (UAAL) – the difference between trust assets and the estimated future cost of pensions earned by employees. This UAAL results from actual results (interest earnings, member mortality, disability rates, etc.) being different from the assumptions used in previous actuarial valuations.

Annual Required Contribution (ARC) – the annual amount required to pay into the pension funds, as determined through annual actuarial valuations. It is comprised of two primary components: normal pension cost – which is the estimated cost of pension benefits earned by employees in the current year; and, amortization of UAAL – which is the cost needed to cover the unfunded portion of pensions earned by employees in previous years. The UAAL is collected over a period of time referred to as the amortization period. The ARC is a percentage of the current payroll.

Funded Ratio – a ratio of fund assets to actuarial accrued liability. The higher the ratio the better funded the pension is with 100% being fully funded.

Intergenerational equity – ensures that no generation is burdened by substantially more or less pension costs than past or future generations.

POLICY

1. City Council formally accepts by Resolution 20~~19~~20-~~49~~xx the assets, liabilities, and current funding ratio of the City's PSPRS trust funds from the June 30, 201~~8~~9 actuarial valuation, which are detailed below.

Trust Fund	Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
Surprise Police	$46,472,444 ~~$40,576,043~~	$74,766,358~~$65,680,544~~	$28,293,914~~$25,104,501~~	62.2% ~~61.8%~~
Surprise Fire	$50,604,247 ~~$44,040,428~~	$63,464,250~~$55,772,934~~	$12,860,003~~$11,732,506~~	79.7% ~~79.0%~~
City of Surprise Totals	$97,076,691 ~~$84,616,471~~	$138,230,608~~$121,453,478~~	$41,153,917~~$36,837,007~~	70.2% ~~69.7%~~

2. PSPRS Funding Goal

   A. The City Council's PSPRS funding ratio goal is 100% (fully funded) by June 30, 2036. City Council has established this goal for the following reasons:

      i. The PSPRS trust funds represent only the City of Surprise's liability.

      ii. A fully funded pension is the best way to achieve taxpayer and member intergenerational equity.

PROCEDURES

1. City Council plans to take the following actions to achieve this goal:

   A. Maintain full Annual Required Contribution (ARC) payment (normal cost and Unfunded Actuarial Accrued Liability (UAAL) amortization) from operating funds. The estimated combined ARC for FY202~~0~~1 is $~~6,226,353~~6,779,159.

   B. Fund the fiscal year annual pension cost at the beginning of each fiscal year with the budgeted contribution amounts as estimated based on actuarial reports.

i. The budgeted contribution amount will be based on the highest potential cost assuming that each qualifying position participating in PSPRS is fully staffed.

ii. If, during the course of the year, the required contribution amount exceeds the original budgeted amount, the City will contribute the additional funds on a per pay period basis to meet its funding obligations.

C. The City Council plans to achieve its goal of 100% funding by June 30, 2036, in accordance with the amortization timeline set forth by the PSPRS June 30, 201~~8~~9 Actuarial Valuation.

D. Finance Department staff will provide an annual update on the financial position of the PSPRS trust funds to City Council.

HEALTH BENEFITS TRUST AGREEMENT

THIS HEALTH BENEFITS TRUST AGREEMENT (the "Trust Agreement") is made as of the ___ day of ___________, by THE CITY OF SURPRISE, ARIZONA, as Trustor, and the Surprise Board of Trustees for the benefit of plan participants.

ARTICLE I. GENERAL PROVISIONS

A. The trust created by this Agreement shall be known as the CITY OF SURPRISE HEALTH BENEFITS TRUST.

B. The Boards shall conduct business and act on behalf of the Trust in such name.

C. The Trust may sue or be sued in such name.

ARTICLE II. PURPOSE

The Trust is intended to provide a distinct legal entity into which monies may be contributed by plan participants and the City of Surprise, Arizona, as the participating employer, for the exclusive purpose of administering the self-funded health insurance program created pursuant to Surprise Municipal Code Chapter 4, Claims Management.

ARTICLE III. DEFINITIONS

As used in this Agreement, the following terms shall have the indicated meanings:

"Board" means the initial Board of Trustees, and any individual that becomes a successor trustee pursuant to the Surprise Municipal Code Section 4-5.

"Health Benefits Program" means the program for the provision of health benefits, including medical, dental, vision and wellness, established by the City Manager pursuant to Surprise Municipal Code Chapter 4, Claims Management.

"Plan Participant" means any individual enrolled in the Health Benefits Program.

"Trust" means the Health Benefits Program Trust formed hereby under the laws of the State of Arizona.

ARTICLE IV. DUTIES OF TRUSTOR

The Trustor shall:

A. Open an account for the assets of the Trust.

B. Deposit into the Trust Fund Account, all employee ~~all~~ premiums ~~or appropriations~~ for and related to the Health Benefits Program collected by the Trustor, and those budgeted and allocated~~including all~~ Trustor contributions~~,~~ necessary to pay health benefit claims incurred, while maintaining the City's target reserve of 25% of projected expenses~~into the Trust account~~.

C. Provide City staff as necessary to help the Board with the day-to-day operations of the Trust.

D. Maintain the bond for Boards as required by Arizona Revised Statute 11-981(B)(3) and Municipal Code Section 4-5(c)(3).

ARTICLE V. POWERS AND DUTIES OF THE BOARD

In furtherance of the purpose of the Trust, as set forth in this Trust Agreement, the Board shall:

A. Observe the standard in dealing with the assets of the Trust that would be observed by a prudent man dealing with the property of another.

B. Comply with all applicable requirements of local, state and federal law relating to municipal self-insurance programs for the management and administration of employee health care benefits, including but not limited to acquiring stop-loss insurance.

C. Cause the Trust funds to be maintained by a bank or other financial institution with a Uniform Financial Institutions Ratings System (UFIRS) composite rating of 1, as the Board may reasonably require, consistent with the requirements of this Trust.

D. Cause the bank or other financial institution that maintains the Trust funds to make available to the Board a daily and a monthly statement, which identifies all Trust transactions made as of the date of the statement (in the case of a daily statement for the preceding business day, or in the case of a monthly statement for the preceding month) including such supporting documentation or detail as the Board or its authorized designee may reasonably request.

E. Have an annual audit of the Trust administered by the Board, and for such interim audits as the Board deems necessary and appropriate. The cost of any such audit shall be paid by the Fund. Results of any audits shall be provided to the City Council and copies of such audits shall be provided to the City Clerk.

F. Delegate in writing the power and authority to staff made available by the Trustor to carry out the day-to-day administration of the Trust and to prepare the financial statement for the annual audit required by the State law and provide to such staff all information necessary to prepare such statement in accordance with generally accepted accounting principles, and to otherwise comply with the oversight provisions set forth in this Trust Agreement and the Surprise Municipal Code, or as otherwise required by law.

G. Engage and oversee competent professionals and other staff to accomplish the purposes of the Trust as set forth in this Trust Agreement, in compliance with local, state or federal law, including professionals to provide accounting and auditing services, financial advisory services, and health care advisory services as the Board deems necessary and appropriate, and to delegate such administrative authority deemed necessary or convenient by the Board. ~~Employ such other professionals~~

H. Provide input and recommendations to the City Council, along with City staff and consultants, regarding Trust funding levels in order to establish and maintain, from contributions or other appropriations, reserves necessary to provide stability and security of the Trust, in accordance with sound actuarial and underwriting principles.

I. Without further specific action of the Board, disburse or authorize disbursement of moneys from the Trust for any of the following purposes:

1. Payment to Health Benefits Program third party administrators by wire or other transfer to the designated accounts of each such administrator, in accordance with the federal, state and local law and any agreement between the Trustor and such administrator.

2. Payment of money due and owing by reason of contract, bond, benefit plan, policy of insurance (including stop loss insurance), obtained pursuant to the Health Benefit Program or state law.

3. Payment of contributions or premiums due on fidelity, performance, errors and omissions, or other bonds and insurance which the Board is required to maintain.

4. Reasonable and necessary expenses incurred by the Board for such items as travel, meals, lodging, telephone calls, and other out-of-pocket expenses incurred in performing their duties shall be compensated in accordance

Except as specifically provided in this section, Trust funds administered by the Board shall not be disbursed, expended or obligated without express approval of the Board.

J. Maintain accurate records and accounts of all transactions, consistent with generally accepted accounting practices, which shall be available at all reasonable times for inspection by trustees, and Plan Participants.

K. Have such other powers and authority necessary to implement all other obligations of the Board under this Trust Agreement, in compliance with local, state or federal law.

L. Return all assets in the Trust Fund to the Trustor for deposit in its general fund upon dissolution of the Trust Fund as set forth in this Trust Agreement.

M. Cause all other appropriate actions to be taken in connection with the Trust and this Trust Agreement that is necessary to carry out its obligations hereunder.

ARTICLE VI. INDEMNIFICATION

The Trustor agrees to and does, to the extent permitted by law, hereby indemnify and hold the Board harmless for, from and against any and all claims, expenses, liens, judgments, liability or loss whatsoever, including reasonable legal fees and expenses relating to, or in any way arising in connection with this Trust Agreement and Trust. The right of the Board to indemnification from the Trustor shall not extend to claims, suits and actions successfully brought against the Board for, or losses, liabilities or expenses incurred as a result of, any of the Board's own bad faith, willful misconduct or breach of trust. The Trustor shall give notice to the Board of any event or condition that requires indemnification by the Trustor hereunder, or of any allegation of such event or condition, promptly upon obtaining knowledge thereof. To the extent that the Trustor makes or provides for payment to the satisfaction of the Board under the indemnity provisions hereof, the Trustor shall be subrogated to the rights of the Board with respect to such event or condition and shall have the right to determine the settlement of claims thereon, it being agreed that except to the foregoing extent, the Board shall have the right to determine such settlement. The Trustor shall pay all amounts due hereunder promptly upon notice thereof from the Board. In case any action, suit or proceeding is brought against the Board, by reason of any act or condition which requires indemnification by the Trustor hereunder, the Board shall notify the Trustor promptly of such action, suit or proceeding, and the Board may (and will upon the request of the Board), at the Trustor's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by the Trustor and approved by the Board. If the Board desires to participate in the defense of such action, suit or proceeding through its own counsel, it may do so at its own expense. These indemnity provisions shall survive dissolution of the Trust Fund and termination of this Trust Agreement.

ARTICLE VII. DISSOLUTION AND TERMINATION

In accordance with state and local law, if the Trustor determines that it will no longer provide the Health Benefits Program, any other fully self-insured or direct pay health care plan for the Beneficiaries, or a trust is no longer required by law for such plans, the Trustor may dissolve the Trust and terminate this Trust Agreement after payment of all valid outstanding liabilities or obligations, and upon notice of such dissolution and termination , the Board shall cause any remaining funds in the Trust to be transferred to the Trustor for deposit in its general fund.

ARTICLE VIII. MISCELLANEOUS

A. Waiver. No waiver of any of the provisions of this Trust Agreement by the parties shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. No waiver by either party of any provision hereof shall be binding unless executed in writing by the Board or the Trustor, as appropriate.

B. Further Assurances. The parties agree in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Trust Agreement.

C. Amendments. This Trust Agreement may be amended at any time; provided, that, such amendment must be in writing and otherwise comply with applicable law.

D. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

E. Conflicts. In the event of a conflict among the terms of this Trust Agreement, the Surprise Municipal Code or state law, state law shall control. In the event of a conflict between the Surprise Municipal Code and this Trust Agreement, the Surprise Municipal Code shall control.

IN WITNESS THEREOF, the parties have executed this Trust Agreement on the date set forth above.

"Trustor"
CITY OF SURPRISE, a municipal corporation

By: _________________________
Michael Frazier, City Manager

ATTEST:

APPROVED AS TO FORM:

State of Arizona)

) SS.

County of Maricopa)

The forgoing instrument was acknowledged before me this __ day of ______, ___by Michael Frazier, City Manager of the City of Surprise, Arizona, a municipal corporation, on behalf of the City.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

State of Arizona)
) ss.
County of Maricopa)

The forgoing instrument was acknowledged before me this ___ day of ______, by XXX, the Chairman of the SURPRISE BOARD OF TRUSTEES, as Trustee under this Healthcare Benefits Trust Agreement.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

CITY OF SURPRISE
Regular City Council Work Session

Council Meeting Date: May 19, 2020

Submitting Department: Water Resource Management

Staff Recommendations: None

Contact Person: Andrea Davis, DIRECTOR - FINANCE, Lee Lambert

District: Citywide

Consent: No   Regular: Yes   Public Hearing: No   Report/Discussion: Yes

Agenda Wording:

Presentation and discussion pertaining to the City's Water Resource Development Impact Fees (DIF).

Motion:

N/A

Background:

In accordance with Arizona Revised Statutes (A.R.S.) § 9-436.05, municipalities in Arizona may assess development impact fees (DIF) to offset growth-related infrastructure costs for necessary public services. The development fees must be based on an Infrastructure Improvements Plan (IIP) and Land Use Assumptions (LUA).

The City adopted new fees to be levied by Development Services in August of 2019 through Resolution 2019-61, that schedule included development impact fees for water resources associated with the City's water service areas.

After the adoption developers had requested a review of the development fees associated with water resource fee. The City has gone back to consultant with various issues raised by the developers related to the water resource fee. Based on revisions in options to obtain water resources additional calculations were performed and it has been determined that the adopted fees could be adjusted lower.

This item tonight sets the table to inform Council of the proposed changes and with agreement and direction the department will return on June 16th with the revised water resource fee schedule to take effect on August 31, 2020.

Objective Analysis:

Updating development impact fees ensures compliance with state mandates and provides the City with resources to meet the demand for public services and infrastructure as the City grows.

Policy Compliant:

This item is policy compliant as it relates to Council adopted fees related to the land use studies associated with water resources.

Financial Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have a financial impact.

Budget Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have a budgetary impact.

FTE Impact:

There are no FTE's associated with this item.

ATTACHMENTS:

1. Public Notice WR DIF
2. Amend Utility DIF 04282020
3. Surprise IIP & Fees 05.19.20 Redline

Notice of Public Hearing on Development Impact Fees

posted (04/17/2020)

Pursuant to Arizona Revised Statutes (A.R.S) § 9-463.05, public notice is hereby given that the City of Surprise intends to assess and discuss a decrease to utility development impact fees charged by the City and will hold a public hearing on the proposed development fees at the Regular City Council Meeting on Tuesday, June 16, 2020 at 6:00 p.m. in the Surprise City Council Chambers, 16000 N. Civic Center Plaza Surprise, AZ 85374. To protect the health and safety of our employees, residents and visitors, the Council Chambers will be closed to the public during City Council Work Sessions and Regular Meetings until further notice. The City of Surprise streams and broadcasts its City Council meetings. To watch live, please visit www.surpriseaz.gov/surprisetv, the Surprise City Gov Facebook page at www.facebook.com/cityofsurprise or tune into Cox channel 11 or Century Link channel 8513. Public comment will be taken through several technology solutions. More information can be found at https://www.surpriseaz.gov/Archive.aspx?ADID=10021. Check the agenda for up-to-date information related to the closure of Council Chambers closer to the meeting date. Agendas are posted at least 48 hours in advance of the meeting at www.surpriseaz.gov/agendas.

A copy of the Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP) adopted by City Council on May 21, 2019 and a copy of the proposed changes are attached to this notice and also published on the City of Surprise website https://www.surpriseaz.gov/3204/Development-Impact-Fees.

Surprise IIP & Fees | Surprise IIP & Fees Redline

Development Impact Fee Study Amendment
Water Resource Fee

City Council Work Session

May 19, 2020

DEVELOPMENT IMPACT FEE (DIF)

- Arizona Revised Statutes (ARS) §9-463.05 provides a framework for cities and towns to assess, collect and administer development fees.

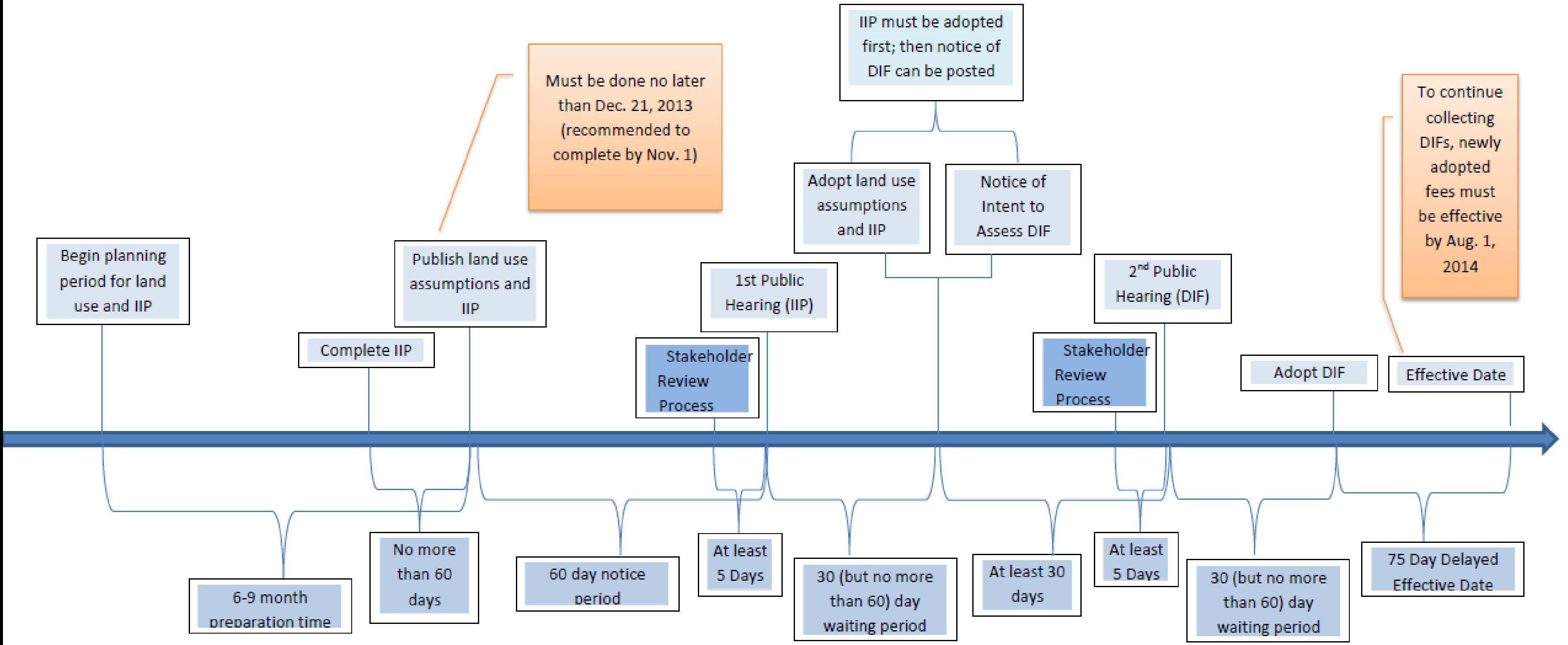
- What are they?
  - Fees charged to new development
  - Growth pays for growth

- Restricted by Statute - can only be used for
  - Projects identified in IIP
  - Within development category

DEVELOPMENT IMPACT FEE (DIF)

- Infrastructure Improvement Plan (IIP)
  - Capital projects needed to meet growth demands
- Land Use Assumption (LUA)
  - Growth projections by service area
- Impact Fee Study
  - Calculates fee based on project costs and population growth

ARIZONA DEVELOPMENT FEE ADOPTION PROCESS UNDER A.R.S. § 9-463.05, as amended in 2011.



IIP & DIF AMENDMENTS

- Development Impact Fees (DIF) adopted by Council May 2019

- Stakeholder feedback
  - Request to review and reduce water resource fee

IIP & DIF AMENDMENTS

Water Resource Fee

- Acquisition of water rights

Current fee set using:

- Central Arizona Groundwater Replenishment District (CAGRD)
  - Established fee schedule
- Conservative approach, set and published amount

IIP & DIF AMENDMENTS

Amended fee using:

- Water Resource Market Study
  - Performed by third party
  - Established market value rate

- Ability to make purchases in open market
- Market value less than CAGRD rate
- Mutually agreed upon market rate

PROPOSED & CURRENT WATER RESOURCE DIF

Current Rate Adopted May 2019		Proposed Rate	Difference Inc/(Dec)
SPA 1	$3,023	$2,279	($744)
SPA 2	$3,023	$2,279	($744)
SPA 3	$3,023	$2,279	($744)

WATER RESOURCE COST PER SERVICE UNIT & NET COST PER EDU

Cost per EDU	
Annual Water Resource Demand per EDU (AFY)	0.2621
x Years	20
Long-Term Water Resource Demand per EDU (AF)	5.242
x Water Credit Rate per AF	$562
Water Rights Cost per EDU	$2,946
Report Cost per EDU	$5
Water Resource Cost per EDU	**$2,951**
Source: Agreement between City of Surprise and AZ Homebuilders Association	

Cost per EDU	
Annual Water Resource Demand per EDU (AFY)	0.2621
x Years	20
Long-Term Water Resource Demand per EDU (AF)	5.242
~~x Current CAGRD Replenishment Rate per AF~~	~~$704~~
Water Rights Cost per EDU	~~$3,690~~
Report Cost per EDU	$5
Water Resource Cost per EDU	~~**$3,695**~~
~~Source: current cost per AF from CAGRD, Final 2017/18 – 2020-22 Rate Schedule.~~	

Net Cost per EDU	
Cost per Equivalent Dwelling Unit (EDU)	$2,951
– Excess Construction Sales Tax Offset per EDU*	($672)
Net Cost per EDU	**$2,279**
*Excess construction tax offset from Appendix G.	

Net Cost per EDU	
Cost per Equivalent Dwelling Unit (EDU)	~~$3,695~~
– Excess Construction Sales Tax Offset per EDU*	($672)
Net Cost per EDU	~~**$3,023**~~
*Excess construction tax offset from Appendix G.	

NEXT STEPS

- 60-day notice of public hearing
  - April 17
- Public hearing and Council action
  - June 16
- New fees effective
  - August 31

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

Land Use Assumptions and Infrastructure Improvements Plan

Prepared for:

Surprise, Arizona

~~April 9, 2019~~

Amended May 19, 2020

TischlerBise

FISCAL | ECONOMIC | PLANNING

4701 Sangamore Road

Suite S240

Bethesda, MD 20816

301.320.6900

www.TischlerBise.com

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

The City of Surprise hired TischlerBise to document land use assumptions, prepare an Infrastructure Improvements Plan (hereinafter referred to as the "IIP"), and update development fees pursuant to Arizona Revised Statutes ("ARS") § 9-436.05 (hereinafter referred to as the "Enabling Legislation"). Municipalities in Arizona may assess development fees to offset infrastructure costs to a municipality for necessary public services. The development fees must be based on an Infrastructure Improvements Plan and Land Use Assumptions. The IIPs for each type of infrastructure are located in each infrastructure type's corresponding section, and the Land Use Assumptions can be found in the Appendix. The proposed development fees are displayed in the Development Fee Report chapter.

Development fees are one-time payments used to construct system improvements needed to accommodate new development. The fee represents future development's proportionate share of infrastructure costs. Development fees may be used for infrastructure improvements or debt service for growth related infrastructure. In contrast to general taxes, development fees may not be used for operations, maintenance, replacement, or correcting existing deficiencies.

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

1. Parks and Recreation
2. Police
3. Fire
4. Water
5. Water Resource
6. Wastewater

This plan also 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, 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.

Land Use Assumptions

A development fee study must include land use assumptions (growth projections) for each service area. The Enabling Legislation defines land use assumptions 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." Since the IIP that must be prepared for each service area must identify improvement needs for a period not to exceed 10 years, and the land use assumptions must cover a minimum of 10 years, a 10-year time-frame would seem to be the most appropriate for both the land use assumptions and the IIP. This study uses 2019-2029 as the planning horizon for both land use assumptions and IIP.

The proposed service areas are not the Special Planning Areas (SPAs), but the areas within the SPAs that are either within the city limits or the area served by City utilities, as those areas may be expanded in the future. Consequently, projections of growth by SPA are not the same as projections of service units using City infrastructure by service area. For this update, the land use assumptions are based on U.S. Census data, property assessor data, 2016 Maricopa Association of Governments (MAG) estimates of dwelling units and employment by small areas, and land use projections by SPA prepared by the City. The land use assumptions portion of this report consists of the Land Use Assumptions chapter, including supporting appendices, and the Service Unit sections of the chapters for each facility category.

Methodology

Development fees for the necessary public services made necessary by future 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 future 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 future 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 future 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. Future 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).

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/offset is addressed in the administration and implementation of the development fee program. For ease of administration, TischlerBise normally recommends developer reimbursements for system improvements.

Outstanding Debt

The clearest situation that requires an offset is when there is outstanding debt or similar obligations on the facilities that are providing existing development with the level of service that future development will be expected to pay for through development fees. In this case, future development will be paying for the facilities that will serve them, while also paying for a portion of the cost of facilities serving existing development through property or utility rates. Consequently, the development fees should be reduced to avoid this potential double-payment. However, this does not mean that all debt on existing facilities is eligible for an offset. To the extent that the debt is attributable to excess capacity available to serve future development, development fees can be used to retire that debt, and no offset is warranted. This is the case for the City's water, water resource, and wastewater fees.

State/Federal Funding

The need to provide an offset for anticipated State/Federal funding is not clear-cut. Local development activity does not directly generate such funding, although it will generate additional State/Federal tax revenue through State sales taxes and State/Federal motor fuel excise taxes that may come back to the locality through such funding. This update will provide offsets for State/Federal funding where applicable.

General Funds

In general, revenue offsets are not required for local funding sources that are used for capacity-expanding improvements of the type addressed by the development fee. A municipality is not required to use general fund revenue to pay for growth-related improvements. The use of non-development fee revenue for capacity improvements, over and above available development fee revenue, will raise the level of service for both existing and future development. Even though future development will contribute some of the funding, it will receive a proportionate benefit from the overall increase in the level of service.

Excess Construction Tax

Finally, the Enabling Legislation requires municipalities to provide an offset for the excess portion of any construction contracting excise tax. The City's transaction privilege tax rate for building contracting is 3.7 percent, compared to 2.2 percent charged for the majority of the business activity classifications. How the excess construction tax is actually spent does not seem to be a relevant consideration. This language appears to require the excess portion (1.5 percent) of the construction contracting privilege tax be treated as if it were dedicated to fund development fee facilities. The excess amount of construction tax should be allocated among the various fees categories, and this allocation is at the discretion of the City. This report provides a construction tax offset against all fee categories except the grandfathered fees.

DEVELOPMENT FEE REPORT

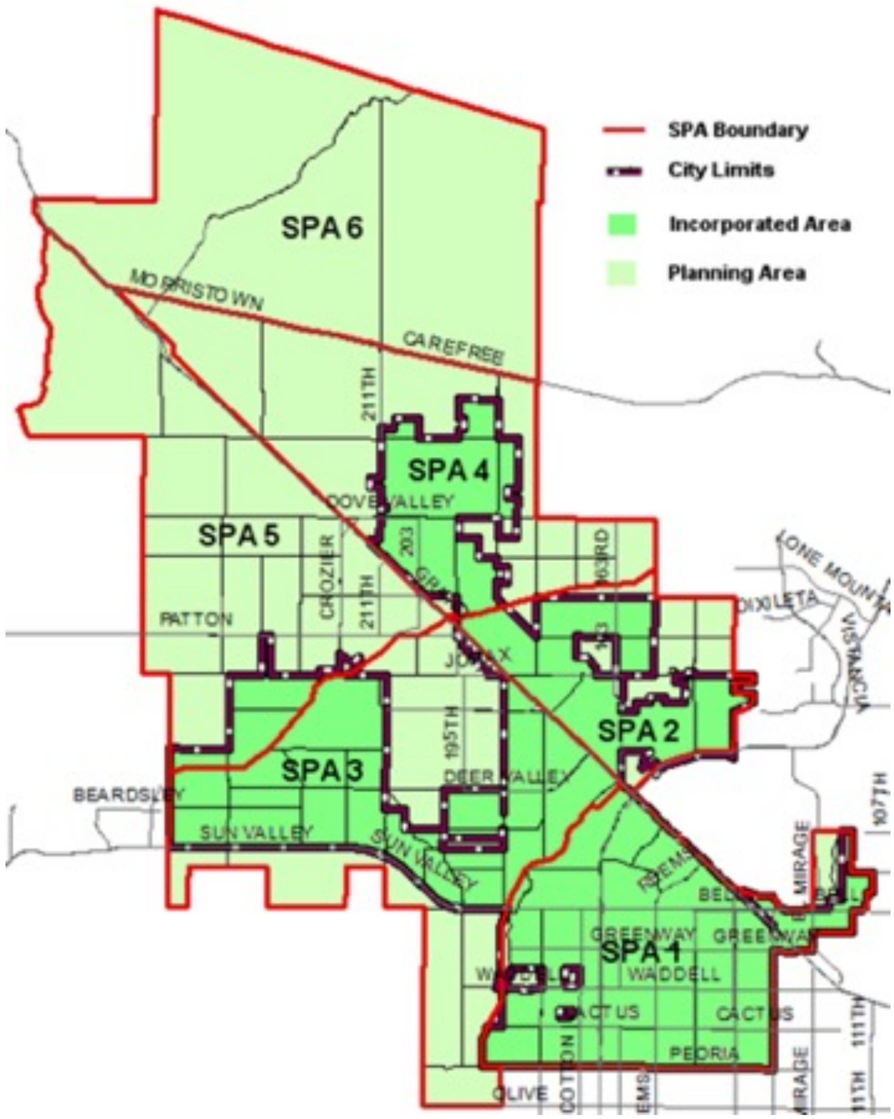
SERVICE AREAS

ARS § 9-463.05(T)(9) defines "service area" as:

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

Multiple service areas are not mandated by the Enabling Legislation. As long it can be shown that development located anywhere within the service area will be served by or benefit from improvements in the service area – which is another way of saying that a "substantial nexus" can be demonstrated – a single service area may be permitted.

Figure 1: Special Planning Area (SPA) Map



The current City boundaries incorporate 108 square miles. The City also has planning jurisdiction over a larger Municipal Planning Area (MPA), which encompasses 302 square miles. As shown in Figure 1, the Surprise MPA is divided into six Special Planning Areas (SPAs), delineated by Grand Avenue, the Beardsley Canal, the Central Arizona Project (CAP) Canal, and SR 74. The SPAs are currently used as service areas for the City's water and wastewater fees. The current City limits incorporate most of SPA 1, the majority of SPAs 2 and 3, and portions of SPAs 4 and 5, as summarized in Figure 2.

Figure 2: Acres by Planning Area

SPA	Total Acres	Incorporated Acres	Percent Incorporated
1	27,517	26,114	95%
2	15,352	10,428	68%
3	37,692	20,563	55%
4	30,167	8,782	29%
5	36,863	3,130	8%
6	45,565	0	0%
Total MPA	193,156	69,017	36%

The designation of an appropriate service area must first address the distinction between the incorporated and unincorporated areas that are within the City's planning area. In general, the City only provides services to and collects fees from development within the incorporated area. The incorporated area expands over time as the City enters into annexation agreements with land owners and developers. The City does not provide water and wastewater services to all its incorporated area – some areas are served by private providers, or rely on individual wells and/or septic tanks. The City also may extend service into unincorporated areas prior to annexation.

Estimating existing development and projecting future development by service area is a requirement of the Enabling Legislation. For parks, fire, and police facilities, the development within a service area that is being provided service by City facilities is all development located within the incorporated area, because there are no alternative providers of those facilities operating within the city limits. However, there are alternative providers of water and wastewater within the city limits, and City utility services are sometimes extended to areas outside the incorporated area. Consequently, the utility service area is the area served by the utility system, and the amount of development served reflected in its customer base.

Projecting future development within the service area involves estimates of how much of the projected growth in the planning area will occur within areas subject to future annexation agreements and/or utility system expansions. The recommended service area definition is the incorporated area for the citywide facilities (parks and recreational, police, and fire), and the area within the SPAs served by City utilities, as those areas will grow in the future.

CURRENT DEVELOPMENT FEES

The City's current non-utility fees are summarized in Figure 3. Four of the fees are "grandfathered," which means they are not required to comply with current state law because they were adopted before the current statute and were pledged to retire debt for improvements that are no longer authorized. These fees have not been updated since they were adopted in 2006, although they were revised in 2011. The "new" fire fee was adopted in 2014 in compliance with the current development fee statute for municipalities. The City recently repealed a fee for 163rd Avenue improvements. The current non-utility fees are all assessed citywide.

Figure 3: Current Non-Utility Development Fees

Land Use Type	Unit	Grandfathered Fees				New	Total
		Parks	Fire	Police	Govt	Fire	
Single-Family Detached	Dwelling	$785	$688	$371	$235	$680	$2,759
Multi-Family, <10 Units	Dwelling	$732	$641	$346	$616	$499	$2,834
Multi-Family, 10+ Units	Dwelling	$580	$508	$274	$489	$499	$2,350
All Other Housing	Dwelling	$695	$609	$328	$584	$499	$2,715
Hotel	Room	$0	$119	$23	$97	n/a	n/a
Hotel	1,000 sq. ft.	$0	n/a	n/a	n/a	$799	n/a
Commercial, 25,000 sf or less	1,000 sq. ft.	$0	$906	$689	$740	$779	$3,114
Commercial, 25,001-50,000 sf	1,000 sq. ft.	$0	$778	$599	$636	$779	$2,792
Commercial, 50,001-100,000 sf	1,000 sq. ft.	$0	$680	$500	$556	$779	$2,515
Commercial, 100,001-200,000 sf	1,000 sq. ft.	$0	$604	$428	$493	$779	$2,304
Commercial, >200,000 sf	1,000 sq. ft.	$0	$544	$363	$445	$779	$2,131
Office, 10,000 sf or less	1,000 sq. ft.	$0	$1,219	$252	$996	$1,247	$3,714
Office, 10,001-25,000 sf	1,000 sq. ft.	$0	$1,129	$204	$923	$1,247	$3,503
Office, 25,001-50,000 sf	1,000 sq. ft.	$0	$1,064	$174	$869	$1,247	$3,354
Office, 50,001-100,000 sf	1,000 sq. ft.	$0	$1,004	$148	$821	$1,247	$3,220
Office, >100,000 sf	1,000 sq. ft.	$0	$911	$126	$745	$1,247	$3,029
Public/Inst., 10,000 sf or less	1,000 sq. ft.	$0	$1,219	$252	$996	$1,247	$3,714
Public/Inst., 10,001-25,000 sf	1,000 sq. ft.	$0	$1,129	$204	$923	$1,247	$3,503
Public/Inst., 25,001-50,000 sf	1,000 sq. ft.	$0	$1,064	$174	$869	$1,247	$3,354
Public/Inst., 50,001-100,000 sf	1,000 sq. ft.	$0	$1,004	$148	$821	$1,247	$3,220
Public/Inst., >100,000 sf	1,000 sq. ft.	$0	$911	$126	$745	$1,247	$3,029
Business Park	1,000 sq. ft.	$0	$860	$142	$703	$519	$2,224
Light Industrial	1,000 sq. ft.	$0	$628	$77	$513	$519	$1,737
Warehousing	1,000 sq. ft.	$0	$348	$55	$284	$519	$1,206
Manufacturing	1,000 sq. ft.	$0	$487	$42	$398	$519	$1,446

Source: City of Surprise, Development Services Fee Schedule and Resolution No. 2018-105, effective 7/1/2018.

The City's current water, water resource, and wastewater development fees are summarized in Figure 4. The utility fees apply in only two of the six Special Planning Areas (SPAs), because these are the only areas where the City currently provides service. Fees are slightly higher in SPA 2 than in SPA 1. Utility fees are assessed based on water meter size, because potential water and wastewater demand is proportional to the capacity of the meter.

Figure 4: Current Utility Development Fees

Water Meter Size (inches)	SPA 1				SPA 2			
	Water	Water Resource	Waste-water	Total	Water	Water Resource	Waste-water	Total
0.75	$1,733	$353	$3,265	$5,351	$2,064	$353	$3,361	$5,778
1.00	$2,889	$589	$5,442	$8,920	$3,441	$589	$5,601	$9,631
1.50	$5,778	$1,178	$10,884	$17,840	$6,881	$1,178	$11,202	$19,261
2.00	$9,245	$1,885	$17,414	$28,544	$11,010	$1,885	$17,923	$30,818
3.00	$17,335	$3,534	$32,651	$53,520	$20,644	$3,534	$33,606	$57,784
4.00	$28,891	$5,891	$54,408	$89,190	$34,407	$5,891	$56,010	$96,308
6.00	$57,783	$11,781	$108,836	$178,400	$68,814	$11,781	$112,019	$192,614
8.00	$92,452	$18,850	$174,138	$285,440	$110,102	$18,850	$179,231	$308,183

Grandfathered Fees

The grandfathered parks, fire, police, and general government fees were pledged to repay debt on improvements that are no longer authorized. While they may continue to be charged and used to retire the pledged debt without complying with the current statute, they may not be updated or increased without complying with the Enabling Legislation.

Parks. The grandfathered park fee will be retained until the remaining debt service related to park improvements that are no longer eligible has been retired. This currently amounts to $733,848 more than the current fund balance. The new park fees will be charged in addition to the grandfathered fee until the remaining debt service is paid.

Fire/EMS. The City currently assesses both a grandfathered fire fee and a new Fire/EMS fee that was adopted in compliance with the Enabling Legislation. The grandfathered fee should be retained only if was used to fund facilities that are ineligible under the new statute for which the fees per pledged to retire debt. The only portion of the grandfathered fire fee's pledged debt for improvements not authorized under the Enabling Legislation is that some administrative vehicles may have been purchased with the pledged debt, but that is likely to be a very small part of the outstanding debt. The consultant's recommendation is to eliminate the grandfathered fee and update the "new" fire/EMS fee. Debt and interfund loan obligations and the fund balance of the grandfathered fee account should be transferred to the updated "new" Fire/EMS fee account.

Police. The City currently assesses only a grandfathered police fee, which is used to retire debt on the police share of the Public Safety Building. The current fund balance is sufficient to repay all the remaining debt service. The grandfathered fee should be replaced with an updated fee that is in compliance with the Enabling Legislation.

General Government. The grandfathered general government fee cannot be updated as part of this report, because general government facilities are not eligible for development fees under the Enabling Legislation. The City has $45 million in outstanding pledged debt and interfund loans, and may retain the grandfathered general government fee until those obligations have been repaid. The single-family fees were reduced in 2018 to comply with the terms of a settlement agreement with the Home Builders Association of Central Arizona.

PROPOSED DEVELOPMENT FEES

The updated non-utility fees are compared to current fees in Figure 5. The grandfathered "old park" fee is unchanged and will be retained until the applicable pledged debt has been retired. Since single-family fees for the grandfathered general government fee were reduced in 2018 to comply with the terms of a settlement agreement with the Home Builders Association of Central Arizona, the proposed general government fees for all other land uses were reduced proportionately. The non-utility fees are all citywide.

Figure 5: Proposed and Current Non-Utility Development Fees

Land Use Type	Unit	Parks and Recreation			Fire/EMS			Police	Gen Govt	Total
		Old	New	Total	Old	New	Total			
Proposed Fees										
Single-Family Detached	Dwelling	$785	$1,060	$1,845	$0	$789	$789	$385	$235	$3,254
Multi-Family	Dwelling	$580	$647	$1,227	$0	$481	$481	$235	$143	$2,086
Mobile Home	Dwelling	$695	$594	$1,289	$0	$442	$442	$216	$132	$2,079
Retail/Commercial	1,000 sq ft	$0	$32	$32	$0	$876	$876	$427	$261	$1,596
Office	1,000 sq ft	$0	$74	$74	$0	$497	$497	$243	$148	$962
Industrial	1,000 sq ft	$0	$32	$32	$0	$166	$166	$81	$49	$328
Warehouse	1,000 sq ft	$0	$32	$32	$0	$95	$95	$46	$28	$201
Public/Institutional	1,000 sq ft	$0	$85	$85	$0	$308	$308	$150	$92	$635
Current Fees										
Single-Family Detached	Dwelling	$785	$0	$785	$688	$680	$1,368	$371	$235	$2,759
Multi-Family	Dwelling	$580	$0	$580	$508	$499	$1,007	$274	$489	$2,350
Mobile Home	Dwelling	$695	$0	$695	$609	$499	$1,108	$328	$584	$2,715
Retail/Commercial	1,000 sq ft	$0	$0	$0	$604	$779	$1,383	$428	$493	$2,304
Office	1,000 sq ft	$0	$0	$0	$911	$1,247	$2,158	$126	$745	$3,029
Industrial	1,000 sq ft	$0	$0	$0	$628	$519	$1,147	$77	$513	$1,737
Warehouse	1,000 sq ft	$0	$0	$0	$348	$519	$867	$55	$284	$1,206
Public/Institutional	1,000 sq ft	$0	$0	$0	$911	$1,247	$2,158	$126	$745	$3,029
Percent Change										
Single-Family Detached	Dwelling	0%	n/a	135%	-100%	16%	-42%	4%	0%	18%
Multi-Family	Dwelling	0%	n/a	112%	-100%	-4%	-52%	-14%	-71%	-11%
Mobile Home	Dwelling	0%	n/a	85%	-100%	-11%	-60%	-34%	-77%	-23%
Retail/Commercial	1,000 sq ft	n/a	n/a	n/a	n/a	12%	-37%	0%	-47%	-31%
Office	1,000 sq ft	n/a	n/a	n/a	n/a	-60%	-77%	93%	-80%	-68%
Industrial	1,000 sq ft	n/a	n/a	n/a	n/a	-68%	-86%	5%	-90%	-81%
Warehouse	1,000 sq ft	n/a	n/a	n/a	n/a	-82%	-89%	-16%	-90%	-83%
Public/Institutional	1,000 sq ft	n/a	n/a	n/a	n/a	-75%	-86%	19%	-88%	-79%

Note: "Old" fee refers to grandfathered fee; "New" fee is fee adopted in compliance with SB 1525
Source: Current fees from Figure 3 (multi-family with 10+ units, and 100,001 sq. ft. retail, office, and public/institutional buildings).

10-year revenue projections for the non-utility fees, based on the land use assumptions, are presented in Figure 6 below for updated and current fees. Total non-utility fee revenue over the next 10 years of approximately $59.3 million represents an increase of $22.7 million when compared to revenue that would be derived from the current fees. The consultant recommends eliminating the grandfathered fire fee to ensure no overlap with the proposed fire fee. The grandfathered police fee must be updated to comply with the Enabling Legislation, because the current fund balance is sufficient to repay all the pledged debt obligations. The grandfathered general government fee, which was reduced to comply with the terms of a settlement agreement with the Home Builders Association of Central Arizona, may be retained until all the pledged debt is repaid.

Figure 6: Proposed and Current Non-Utility Fee Revenue, 2019-2029

Facility Type	Proposed Fees	Current Fees	Change	Percent Change
Grandfathered Parks	($733,848)	$1,121,839	($1,855,687)	-165%
New Parks	$22,097,820	$0	$22,097,820	n/a
Subtotal, Parks	$21,363,972	$1,121,839	$20,242,133	1804%
Grandfathered Fire *	$0	$1,553,681	($1,553,681)	-100%
New Fire/EMS	$21,233,568	$22,742,188	($1,508,620)	-7%
Subtotal, Fire/EMS	$21,233,568	$24,295,869	($3,062,301)	-13%
Grandfathered Police **	$0	$0	$0	n/a
New Police	$10,361,120	$0	$10,361,120	n/a
Subtotal, Police	$10,361,120	$0	$10,361,120	n/a
Grandfathered General Government	$6,325,100	$11,212,085	($4,886,985)	-44%
Total, Non-Utility Fees	$59,283,760	$36,629,793	$22,653,967	62%

*Consultant recommends this fee be discontinued to ensure no overlap between grandfathered and new fire fee.

**Remaining pledged debt to repay is less than fund balance – fee must be updated.

Proposed and current utility fees for the smallest meter size (typically used for a single-family unit and referred to as an Equivalent Dwelling Unit or EDU) are compared in Figure 7. The fees for larger meters would change by the same percentages. Updated water and water resource fees are higher than current fees, while wastewater fees are lower. The total utility fee per EDU would increase in SPA 1 and SPA 2. The City does not currently assess utility fees in SPA 3.

Figure 7: Proposed and Current Utility Development Fees

Fee Type*	SPA 1	SPA 2	SPA 3
Proposed Fee per EDU			
Water	$2,985	$2,836	$2,486
~~Water Resource~~	~~$3,023~~	~~$3,023~~	~~$3,023~~
Wastewater	$2,192	$2,544	n/a
Total	**~~$8,200~~**	**~~$8,403~~**	**~~$5,509~~**
Current Fee per EDU			
Water	$1,733	$2,064	n/a
Water Resource	$353	$353	n/a
Wastewater	$3,265	$3,361	n/a
Total	**$5,351**	**$5,778**	**n/a**
Change			
Water	$1,252	$772	n/a
Water Resource	~~$2,670~~	~~$2,670~~	n/a
Wastewater	($1,073)	($817)	n/a
Total	**~~$2,849~~**	**~~$2,625~~**	**n/a**
Percent Change			
Water	72%	37%	n/a
Water Resource	~~756%~~	~~756%~~	n/a
Wastewater	-33%	-24%	n/a
Total	**~~53%~~**	**~~45%~~**	**n/a**

* Fee amounts shown are for 0.75-inch meters. Fees for larger meter sizes are obtained by multiplying the above fees by the AWWA capacity ratios (see Figure W2 in the Water Facilities chapter).

Figure 7 redacted and replaced by Figure 7A on the following page

Proposed fees for water and wastewater represent the proposed amounts in the 2019 IIP and Development Fee Report, while the "proposed" water resource fees represent the amended water resource fees for 2020. The current fees represent the current fees prior to adoption of the 2019 IIP and Development Fee Report.

Figure 7A: Proposed and Current Utility Development Fees

Fee Type*	SPA 1	SPA 2	SPA 3
Proposed Fee per EDU			
Water	$2,985	$2,836	$2,486
Water Resource (amended)	$2,279	$2,279	$2,279
Wastewater	$2,192	$2,544	n/a
Total	**$7,456**	**$7,659**	**$4,765**
Current Fee per EDU			
Water	$1,733	$2,064	n/a
Water Resource	$353	$353	n/a
Wastewater	$3,265	$3,361	n/a
Total	**$5,351**	**$5,778**	**n/a**
Change			
Water	$1,252	$772	n/a
Water Resource	$1,926	$1,926	n/a
Wastewater	($1,073)	($817)	n/a
Total	**$2,105**	**$1,881**	**n/a**
Percent Change			
Water	72%	37%	n/a
Water Resource	546%	546%	n/a
Wastewater	-33%	-24%	n/a
Total	**39%**	**33%**	**n/a**

* Fee amounts shown are for 0.75-inch meters. Fees for larger meter sizes are obtained by multiplying the above fees by the AWWA capacity ratios (see Figure W2 in the Water Facilities chapter).

The increase in overall utility fee revenue will be much lower than would be indicated by the large increases in water and water resource fee amounts. The City does not provide water service in most of SPA 1, where the majority of future development is projected to occur. Based on projected growth of water and wastewater demand by SPA, translated into EDUs, the updated fees would generate about ~~four~~ two percent ~~more~~ less total utility fee revenue than current fees, as shown in Figure 8.

Figure 8: Proposed and Current Utility Fee Revenue, 2019-2029

Facility Type	SPA 1	SPA 2	SPA 3	Total
New EDUs				
Water/Water Resource	6,281	5,302	634	12,217
Wastewater	34,865	2,862	1,187	38,914
Proposed Fee Revenue				
Water	$18,748,785	$15,036,472	$1,576,124	$35,361,381
Water Resource	~~$18,987,463~~	~~$16,027,946~~	~~$1,916,582~~	~~$36,931,991~~
Wastewater	$76,424,080	$7,280,928	$0	$83,705,008
Total, Proposed Fee Revenue	~~$114,160,328~~	~~$38,345,346~~	~~$3,492,706~~	~~$155,998,380~~
Current Fee Revenue				
Water	$10,884,973	$10,943,328	$0	$21,828,301
Water Resource	$2,217,193	$1,871,606	$0	$4,088,799
Wastewater	$113,834,225	$9,619,182	$0	$123,453,407
Total, Current Fee Revenue	$126,936,391	$22,434,116	$0	$149,370,507
Percent Change				
Water	72%	37%	n/a	62%
Water Resource	~~756%~~	~~756%~~	n/a	~~803%~~
Wastewater	-33%	-24%	n/a	-32%
Total	~~-10%~~	~~71%~~	n/a	~~4%~~

Figure 8 redacted and replaced by Figure 8A on the following page

Proposed fee revenues for water and wastewater represent the proposed amounts in the 2019 IIP and Development Fee Report, while the "proposed" water resource fee revenues represent the amended water resource fee revenues for 2020. The current fee revenues represent the current fee revenues prior to adoption of the 2019 IIP and Development Fee Report.

Figure 8A: Proposed and Current Utility Fee Revenue, 2019-2029

Facility Type	SPA 1	SPA 2	SPA 3	Total
New EDUs				
Water/Water Resource	6,281	5,302	634	12,217
Wastewater	34,865	2,862	1,187	38,914
Proposed Fee Revenue				
Water	$18,748,785	$15,036,472	$1,576,124	$35,361,381
Water Resource (amended)	$14,314,399	$12,083,258	$1,444,886	$27,842,543
Wastewater	$76,424,080	$7,280,928	$0	$83,705,008
Total, Proposed Fee Revenue	$109,487,264	$34,400,658	$3,021,010	$146,908,932
Current Fee Revenue				
Water	$10,884,973	$10,943,328	$0	$21,828,301
Water Resource	$2,217,193	$1,871,606	$0	$4,088,799
Wastewater	$113,834,225	$9,619,182	$0	$123,453,407
Total, Current Fee Revenue	$126,936,391	$22,434,116	$0	$149,370,507
Percent Change				
Water	72%	37%	n/a	62%
Water Resource	546%	546%	n/a	581%
Wastewater	-33%	-24%	n/a	-32%
Total	-14%	53%	n/a	-2%

PARKS AND RECREATION FACILITIES IIP

The City currently charges a "grandfathered" park fee that was enacted prior to SB 1525. This update proposes to retain the grandfathered fee, but to use the revenues to cover only those costs attributable to improvements that are no longer authorized by the current act. It also proposes to create a new park fee that will cover only costs authorized by SB 1525.

ARS § 9-463.05 (T)(7)(g) defines the facilities and assets that can be included in the Parks and Recreation 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 Recreation Facilities IIP includes components for land, amenities, recreation facilities, and the cost of preparing the Parks and Recreation Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current level of service, is used to calculate the land, amenity, and recreation facility components. A plan-based methodology is used for the Development Fee Report.

Service Area

Surprise 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 Surprise's total inventory of facilities. As a result, the service area for the Parks and Recreation Facilities IIP is citywide.

Grandfathered Fee

A grandfathered fee can be retained as long as it does not overlap with a similar fee adopted in compliance with SB 1525. To the extent that they overlap, in the sense of charging for the same types of improvements, the combination of the two should not exceed the cost to maintain the existing level of service. The clearest way to avoid such overlap is to have the grandfathered fee pay only for outstanding debt that is no longer authorized, while adopting a new fee in compliance with SB 1525 that pays only for costs that are currently authorized under SB 1525.

The grandfathered park fee, based on a study prepared in 2006, was calculated to include some improvements that are no longer eligible facilities under the current Enabling Legislation. The improvements for which there are debt pledges include the Surprise Recreation Campus, the Surprise Stadium, and the Aquatic Center. The Recreation Campus and Stadium could be considered ineligible – the Recreation Campus is well over 30 acres in size, and the statute prohibits "arenas." On the other hand, it is not clear whether the Aquatic Center would be ineligible under SB 1525, which prohibits “aquatic centers,” but specifically allows “swimming pools.” The City’s Aquatic Center consists of outdoor swimming pools, which could be authorized under SB 1525, but it has been excluded from the fee calculations under the presumption that it is an ineligible facility.

The outstanding debt service attributable to the Recreation Campus and Stadium facilities and the Aquatics Center for which debt is pledged to be retired by the grandfathered park fee amounts to $2,235,344. The City should discontinue collecting the grandfathered park fee as soon as it has accumulated enough funds to pay this remaining debt service, which is $733,848 more than the current fund balance, as shown in Figure PR1.

Figure PR1: Grandfathered Parks & Recreation Fee Debt Pledge

Grandfathered Parks and Recreation Fee	Total
Current Fund Balance, FYE 2018	$1,501,496
– Outstanding Debt Service, FYE 2018	($2,235,344)
Remaining Debt Service Obligation	($733,848)

Service Units

ARS § 9-463.05(C)(12) states:

> *“… the fees shall be assessed against commercial, residential and industrial development, except that the municipality may distinguish between different categories of residential, commercial and industrial development in assessing the costs to the municipality of providing necessary public services to future development and in determining the amount of the development fee applicable to the category of development.”*

Park development fees are traditionally only assessed on residential development, because there is a much clearer nexus between the number of residents and the demand for park facilities than is the case for nonresidential development. Any additional demand on park facilities attributable to nonresidential development would come from nonresidents who work in the city using parks during their lunch breaks, before or after work, or on company-sponsored events. While this impact is likely to be small, this study calculates park fees for nonresidential uses.

The recommended service unit for the new park development fees is the Equivalent Dwelling Unit, or EDU. An EDU represents the number of people residing in a typical single-family detached dwelling unit. For nonresidential development, the number of employees per unit is adjusted by two factors to estimate equivalent persons per unit. The “occupancy factor” adjusts for the fact that nonresident workers are in Surprise about one-quarter of the total number of hours in a week, assuming a typical 40-hour work week. The “nonresident factor” takes into account the fact that about a third of jobs in Surprise are filled by nonresidents. The resulting park service unit multipliers are presented in Figure PR2.

Figure PR2: Parks and Recreation Service Unit Multipliers

Land Use	Unit	Pop/Emp Per Unit	Occupancy Factor	Nonresident Factor	Equivalent Pop/Unit	EDUs/Unit
Single-Family Detached	Dwelling	2.36	1.00	1.00	2.36	1.00
Multi-Family	Dwelling	1.43	1.00	1.00	1.43	0.61
Mobile Home	Dwelling	1.31	1.00	1.00	1.31	0.56
Retail/Commercial	1,000 sq. ft.	0.84	0.24	0.32	0.06	0.03
Office	1,000 sq. ft.	2.11	0.24	0.32	0.16	0.07
Industrial	1,000 sq. ft.	0.81	0.24	0.32	0.06	0.03
Warehouse	1,000 sq. ft.	0.81	0.24	0.32	0.06	0.03
Public/Institutional	1,000 sq. ft.	2.54	0.24	0.32	0.20	0.08

Source: Nonresidential employees per 1,000 sq. ft. from U.S. Department of Energy, Commercial Buildings Energy Consumption Survey, 2012; occupancy factor for nonresidential is ratio of 40 hour work week to 168 hours in a week; nonresident factor is percent of jobs in Surprise filled by nonresidents derived by subtracting the number of residents who work in Surprise from the 2011-2015 American Community Survey (12,265) from the total number of jobs in Surprise in 2015 from Maricopa Association of Governments (MAG), Socioeconomic Projections of Population, Housing, and Employment, 2016 (18,022), then dividing by the total number of jobs.

Applying the service unit multipliers to the number of existing and projected units over the next 10 years by land use type results in the estimates of 2019 and 2029 park service units shown in Figure PR3.

Figure PR3: Parks and Recreational Service Units, 2019-2029

Land Use Type	Unit	2019 Units	2029 Units	EDUs/Unit	2019 EDUs	2029 EDUs	New EDUs
Single-Family Detached	Dwelling	49,171	67,709	1.00	49,171	67,709	18,538
Multi-Family	Dwelling	5,718	8,027	0.61	3,488	4,896	1,408
Mobile Home	Dwelling	2,751	3,554	0.56	1,541	1,990	449
Retail/Commercial	1,000 sq. ft.	7,009	11,211	0.03	210	336	126
Office	1,000 sq. ft.	1,925	2,874	0.07	135	201	66
Industrial	1,000 sq. ft.	830	1,039	0.03	25	31	6
Warehouse	1,000 sq. ft.	4,390	5,496	0.03	132	165	33
Public/Institutional	1,000 sq. ft.	6,155	8,917	0.08	492	713	221
				Total	55,194	76,041	20,847

Source: 2019 and 2029 Units from 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."*

Park Land and Amenities

The inventory of existing park facilities that is eligible under the Enabling Legislation is presented in Figure PR4. The new definition of necessary public services for parks and recreation 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. This analysis includes total acreage up to 30 acres for each community and neighborhood park, and it excludes pocket parks since these smaller parks have a limited benefit area. Excluded from the inventory are the 96-acre Surprise Recreation Complex, Surprise Stadium, and Aquatics Center.

Figure PR4: Existing Park Land and Amenities

Park Name	Acres	Baseball, Lit	Softball, Unlit	Softball, Lit	Multi-Purpose, Unlit	Multi-Purpose, Lit	Soccer, Lit	Basketball Ct, Lit	Basketball Ct, Unlit	Tennis Court	Pickleball Court	Sand Volleyball Ct	Ramada, Small	Ramada, Large	Ramada, Pavillion	Playground, Small	Playground, Large	Dog Park	Restroom	Restroom/Concession	Splash Pad	Pool	Skate Park	Parking Space
Bicentennial Park/Lizard Run	17.94			1				0.5						2		2			1					74
DreamCatcher Park	4.14	1																	1	1				
Gaines Park	5.00			1	1									1		1			1			1		65
Heritage (Marley) Park-North	12.01			2									2	1		1				1	1			66
Heritage (Marley) Park-South	15.61												2	0	1									67
Mark Coronado Park	7.55					8													1					359
Sierra Montana Park	9.42				1				2			2	2			1								58
Surprise Community Park*	23.73							2			16	2	8	4			1	1		1				603
Dick McComb West Park	30.00			4														1						152
Dick McComb East Park	21.94							1					2				2		1		1		1	45
Surprise Tennis/Racquet Complex	22.76									25														130
Veramonte Park	8.58		1		1									1			1		1		1			48
Youth Baseball Complex	4.60	3																		1				250
Asante Community Park	30.00			2	2		2	2					3	2			2		2					140
Total	213.28	4	1	10	5	8	2	5.5	2	25	16	4	19	11	1	5	6	2	8	4	3	1	1	2,057

Source: City of Surprise Parks and Recreation Department, July, 2018.
*Excludes land occupied by the lake, library, and aquatics center.

Based on planned park improvements included in the Capital Improvement Plan (CIP), Surprise spends approximately $6,500,000 to develop a 25-acre park ($260,000 per acre). The current cost to acquire park land is $100,000 per acre, therefore, Surprise spends $360,000 per acre on park development.

Figure PR5: Park Development Costs

Park Asset	Existing Acres	Cost per Acre*	Total Cost
Park Land	213.28	$100,000	$21,328,000
Park Amenities	213.28	$260,000	$55,452,800
Total	213.28	$360,000	$76,780,800

Source: City of Surprise Parks and Recreation Department, November, 2018.
*Cost per acre based on Prasada Community Park from Surprise CIP 2019-2023.

Recreation Facilities

The definition of necessary public services for parks and recreational facilities excludes community centers greater than 3,000 square feet. The table below includes total square footage for each facility, but the analysis includes only 3,000 eligible square feet for each recreation facility. Excluded from the inventory are the Surprise Recreation Complex, Surprise Stadium, and Aquatics Center.

The current replacement costs of existing recreation facilities are summarized in the middle column of Figure PR6, and the eligible costs, based on 3,000 eligible square feet per facility, are summarized in the far right column. The cost of each facility represents the original construction cost inflated to 2017 dollars (the most recent year available) using Engineering News Record's Construction Cost Index.

Figure PR6: Existing Recreation Facilities

Recreation Facility Name	Total		Eligible	
	Square Feet	Cost*	Square Feet	Cost**
Villanueva Gym	10,100	$2,066,789	3,000	$613,898
Tennis and Racquet Complex	9,300	$3,231,346	3,000	$1,042,370
Countryside Recreation Center	14,000	$2,127,657	3,000	$455,926
Sierra Montana Recreation Center	10,000	$2,310,427	3,000	$693,128
Total	43,400	$9,736,218	12,000	$2,805,322

Source: City of Surprise Parks and Recreation Department, November, 2018.

*Original construction cost inflated using ENR Construction Cost Index, 2017.

**TischlerBise calculation using total cost per square foot applied to 3,000 square feet.

COST PER EQUIVALENT DWELLING UNIT

The existing parks and recreation cost per equivalent dwelling unit is summarized in Figure PR7. The outstanding developer credits for Heritage Park and Asante Park are deducted from the existing replacement costs, because they can't be counted in the existing level of service, while at the same time being paid for with future development fees. It is also necessary to add the cost of the required Development Fee Report. The total cost per equivalent dwelling unit is $1,296.

Figure PR7: Parks and Recreational Cost per EDU

Cost per EDU	
Park Land Cost	$21,328,000
Park Amenity Cost	$55,452,800
Recreation Facility Cost	$2,805,322
– Outstanding Obligations	($8,162,355)
Net Park and Recreational Cost	$71,423,767
÷ Existing Park EDUs	55,194
Parks and Recreation Cost per EDU	$1,294
Report Cost per EDU	$2
Total Cost per EDU	**$1,296**

Source: Report Cost per EDU from Appendix H.

As described in the Executive Summary, fee calculations need to include revenue offsets for (1) outstanding debt, interfund loans, and other types of obligations related to existing facilities that serve existing development, (2) existing deficiencies, (3) State/Federal funding, and (4) the excess portion of the construction sales tax.

While there are some outstanding debt and developer credits on existing facilities, those obligations will be retired with park development fees, not other sources of revenue, and have been excluded from the existing cost per service unit and fee calculations. The City has not received any grants from the State for park improvements in the last five years and does not anticipate receiving them in the future.

The City needs to provide an offset for the park share of the excess construction sales tax offset, as described in Appendix G. Subtracting the offset from the cost per service unit yields a net cost of $1,060 per equivalent dwelling unit (EDU), as shown in Figure PR8.

Figure PR8: Parks and Recreation Net Cost per EDU

Net Cost per EDU	
Parks and Recreation Cost per EDU	$1,296
– Excess Construction Tax Offset per EDU	($236)
Net Cost per EDU	**$1,060**

Source: Excess construction sales tax credit from Appendix G.

Net Cost Schedule

Proportionate share Parks and Recreation Development Fees by land use type are determined by multiplying the net cost per service unit calculated in Figure PR8 by the service units represented by a unit of development. The proposed fee schedule in Figure PR9 represents the maximum fees that may be charged by the City of Surprise for park-related capital improvements, based on the data, analysis, and recommendations provided in this report.

Figure PR9: Parks and Recreation Net Cost Schedule

Land Use Type	Unit	Net Cost/ EDU	EDUs/ Unit	Net Cost/ Unit	Grandfath. Fee/ Unit	Total Cost/ Unit
Single-Family Detached	Dwelling	$1,060	1.00	$1,060	$785	$1,845
Multi-Family	Dwelling	$1,060	0.61	$647	$580	$1,227
Mobile Home	Dwelling	$1,060	0.56	$594	$695	$1,289
Retail/Commercial	1,000 sq. ft.	$1,060	0.03	$32	n/a	$32
Office	1,000 sq. ft.	$1,060	0.07	$74	n/a	$74
Industrial	1,000 sq. ft.	$1,060	0.03	$32	n/a	$32
Warehouse	1,000 sq. ft.	$1,060	0.03	$32	n/a	$32
Public/Institutional	1,000 sq. ft.	$1,060	0.08	$85	n/a	$85

If the new Parks and Recreation Development Fees are adopted, the grandfathered park fee can be retained, as long as the revenues are spent only to retire outstanding pledged debt for currently-ineligible facilities. The City should cease collecting the grandfathered fee when sufficient funds have been collected to repay the remaining debt service, which is currently $733,848 more than the current fund balance.

10-Year Capital Plan

Planned parks and recreational improvements over the next 10 years are summarized in Figure PR10.

Figure PR10: Parks and Recreation Capital Plan, 2019-2029

Project	Description	Fiscal Year	Cost
Prasada Community Park*	New 25-Acre Park	2020-21	$9,000,000
White Tanks Community Park*	New 25-Acre Park	2023	$9,000,000
Surprise Community Park	Lighting, Parking, Restrooms	2022-23	$2,110,000
Tennis & Racquet Complex	Lighting for 8 Tennis Courts	2019	$300,000
Sierra Montana Park	Restrooms & Lighting	2023	$770,000
Heritage Park	Developer Credit	2019-29	$3,153,318
Various Parks	Debt Service	2019-24	$387,991
Rancho Mercado Nhood Park	New 13-Acre Park	2020-21	$2,200,000
Community Pool	Community Pool	2022-23	$6,500,000
Tribly Wash Community Park*	New 25-Acre Park	2028-29	$9,000,000
Asante Park	Developer Credit	2019-29	$4,777,882
Two West Community Park*	New 25-Acre Park	2026-27	$9,000,000
Recreation Facility	Recreation Facility	2019-29	$10,000,000
Development Fee Report Updates	Fee Updates	2019-29	$48,990
Total Planned Expenditures			$66,248,181

Source: CIP projects from City of Surprise, Adopted Budget, Fiscal Year 2019, Capital Improvement Plan, June 2018; debt service from Appendix F; report cost from Appendix H.

The comparison of planned parks and recreation expenditures and projected revenues is provided in Figure PR11. The projected revenues over the next 10 years, based on the Land Use Assumptions, would not be sufficient to fully fund all of the planned expenditures.

Figure PR11: Parks and Recreation Capital Plan Summary, 2019-2029

Description	Total
Park Net Cost per EDU	$1,060
x New EDUs, 2019-2029	20,847
Projected Revenue, 2019-2029	$22,097,820
– Planned Expenditures, 2019-2029	($66,248,181)
Projected Revenue Surplus / (Deficit)	($44,150,361)

POLICE FACILITIES IIP

The City currently charges a "grandfathered" police fee that was adopted in 2007 and revised in 2011, prior to the January 1, 2012 effective date of SB 1525. This update proposes to replace the grandfathered fee with an updated fee that is in full compliance with the Enabling Legislation.

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 patrol vehicles, equipment, stations, evidence storage facilities, and the cost of preparing the Police Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current LOS, is used to calculate the components for patrol vehicles, equipment, stations, and evidence storage facilities. A plan-based methodology is used for the related Development Fee Report.

Service Area

The current and proposed service area for the Police Facilities Development Fees is citywide. Police protection is provided throughout the city and police facilities support an integrated public safety response system, for which the entire city is the appropriate service area.

Grandfathered Fee

A grandfathered fee can be retained as long as it does not overlap with a similar fee adopted in compliance with the Enabling Legislation. To the extent that they overlap, the combination of the two should not exceed the cost to maintain the existing level of service. The clearest way to avoid such an overlap is to have the grandfathered fee pay for outstanding debt that is no longer authorized, while adopting a new fee that pays for costs that are currently authorized under the Enabling Legislation.

All the grandfathered police fee debt is attributable to the police share of the space in the Public Safety Building. The City has collected sufficient funds to pay the remaining debt service attributable to the shooting range, which is the only portion of the Public Safety Building that is no longer authorized under the Enabling Legislation. The consultant recommends that the City replace the grandfathered police fee with a fee in compliance with the Enabling Legislation. Any surplus fund balance beyond what is needed to retire the debt attributable to the shooting range should be transferred to the new Police Development Fee account and spent in compliance with the Enabling Legislation.

Figure P1: Grandfathered Police Fee Pledge

Grandfathered Police Fee	Total
Current Fund Balance, FYE 2018	$2,357,189
– Outstanding Debt Service for Police Shooting Range	($141,259)
Surplus Fund Balance for Eligible Facilities	$2,215,930

Source: Fund balance and outstanding debt service as of 6/30/2018 from Appendix F.

Service Units

ARS § 9-463.05(C)(12) states:

> *"… the fees shall be assessed against commercial, residential and industrial development, except that the municipality may distinguish between different categories of residential, commercial and industrial development in assessing the costs to the municipality of providing necessary public services to future development and in determining the amount of the development fee applicable to the category of development."*

The fee calculations in the 2006 Police Development Fee Report employed a dual service unit – population for residential development and vehicle trips for nonresidential development. Costs were allocated between residential and nonresidential development based on percentage of calls, with the residential costs divided by residential population and the nonresidential cost by nonresidential vehicle trips. The alternative proposed for this update is to use "functional population" as the service unit for the Police Facilities Development Fee. Functional population is a measure of the presence of people at the site of a land use, based on the average number of full-time equivalent people residing, shopping, or visiting the site. The concept of functional population and the calculation of functional population multipliers for various land use types are described in Appendix D.

Figure P2: Police Service Unit Multipliers

Land Use	Unit	Functional Pop/Unit	EDUs/Unit
Single-Family Detached	Dwelling	1.58	1.00
Multi-Family	Dwelling	0.96	0.61
Mobile Home	Dwelling	0.88	0.56
Retail/Commercial	1,000 sq. ft.	1.75	1.11
Office	1,000 sq. ft.	0.99	0.63
Industrial	1,000 sq. ft.	0.33	0.21
Warehouse	1,000 sq. ft.	0.19	0.12
Public/Institutional	1,000 sq. ft.	0.62	0.39

Applying the service unit multipliers to the number of existing and projected units over the next 10 years results in the estimates of 2019 and 2029 police equivalent dwelling units shown in Figure P3.

Figure P3: Police Equivalent Dwelling Units

Land Use Type	Unit	2019 Units	2029 Units	EDUs/Unit	2019 EDUs	2029 EDUs	New EDUs
Single-Family Detached	Dwelling	49,171	67,709	1.00	49,171	67,709	18,538
Multi-Family	Dwelling	5,718	8,027	0.61	3,488	4,896	1,408
Mobile Home	Dwelling	2,751	3,554	0.56	1,541	1,990	449
Retail/Commercial	1,000 sq. ft.	7,009	11,211	1.11	7,780	12,444	4,664
Office	1,000 sq. ft.	1,925	2,874	0.63	1,213	1,811	598
Industrial	1,000 sq. ft.	830	1,039	0.21	174	218	44
Warehouse	1,000 sq. ft.	4,390	5,496	0.12	527	660	133
Public/Institutional	1,000 sq. ft.	6,155	8,917	0.39	2,400	3,478	1,078
				Total	66,294	93,206	26,912

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."*

The inventory of existing police infrastructure that is eligible under the Enabling Legislation is presented in Figure P4. Values represent estimated replacement costs based on the number and current unit cost of patrol vehicles, the inflation-adjusted original amounts paid for existing equipment from fixed asset listings, current building square footage and the cost per square foot of the planned substation and the Property and Evidence Building, an estimated land cost of $100,000 per acre.

Figure P4: Existing Police Infrastructure

Police Asset	Existing Units		Cost/Unit	Replacement Cost
Patrol Vehicles	75	vehicles	$65,000	$4,875,000
Other Equipment	n/a	units	$5,772,889	$5,772,889
Public Safety Building	42,500	square feet	$364	$15,458,383
Police Facility Land	7.82	acres	$100,000	$782,000
Property and Evidence Building	8,500	square feet	$310	$2,637,931
Total				$29,526,203

Source: Patrol vehicle cost from Surprise Police Department; equipment costs from fixed asset listings, original costs adjusted by the U.S. Bureau of Labor Statistics, Consumer Price Index (CPI-U), ratio of July 2018 index to annual average index; building square feet and acres from Surprise Police Department; building cost based on planned substation and planned Property and Evidence Building; land cost based on estimated cost of $100,000 per acre.

Cost per Equivalent Dwelling Unit

The capital cost per equivalent dwelling unit for existing eligible patrol vehicles, equipment, police facilities, and land is calculated in Figure P5. The net cost adds the current fund balance, after subtracting outstanding debt, interfund loans, and developer credits, and represents the value of the investment that has been made by existing development to provide the existing level of service. It is also necessary to add the cost of the required Development Fee Report. The total cost per equivalent dwelling unit is $471.

Figure P5: Police Cost per EDU

Cost per EDU	
Patrol Vehicle Cost	$4,875,000
Police Equipment Cost	$5,772,889
Police Facility Cost	$15,458,383
Police Facility Land	$782,000
Evidence Storage Facility Cost	$2,637,931
+ Fund Balance after Grandfathered Fee Obligations	$1,545,356
Net Police Cost	$31,071,559
÷ Existing Police EDUs	66,294
Police Cost per EDU	$469
Report Cost per EDU	$2
Total Cost per EDU	**$471**

Source: Fund balance after Grandfathered Fee Obligations from Appendix F.
Report Cost per EDU from Appendix H.

As described in the Executive Summary, fee calculations need to include revenue offsets for (1) outstanding debt, interfund loans, and other types of obligations related to existing facilities that serve existing development, (2) existing deficiencies, (3) State/Federal funding, and (4) the excess portion of the construction sales tax.

While there is some outstanding debt on eligible existing facilities, those obligations can be repaid from the current Police Development Fee fund balance. The fees are based on the existing level of service, so there are no existing deficiencies. The City has not received any State or Federal grant funding for police capital facilities in recent years. The City does assess an excess construction sales tax, and the police share of the offset is described in Appendix G. Deducting the excess construction sales tax offset, the net cost per service unit is $385 per EDU, as shown in Figure P6.

Figure P6: Police Net Cost per EDU

Net Cost per EDU	
Police Cost per EDU	$471
– Excess Construction Sales Tax Offset per EDU	($86)
Net Cost per EDU	**$385**

Source: Excess construction sales tax credit from Appendix G.

Net Cost Schedule

Proportionate share police development fees by land use type are determined by multiplying the net cost per equivalent dwelling unit calculated in Figure P6 by the service units represented by a unit of development. The proposed fee schedule in Figure P7 represents the maximum fees that may be charged by the City of Surprise for police capital improvements, based on the data and analysis provided in this report.

Figure P7: Police Net Cost Schedule by Land Use

Land Use Type	Unit	Net Cost/ EDU	EDUs/ Unit	Net Cost/ Unit
Single-Family Detached	Dwelling	$385	1.00	$385
Multi-Family	Dwelling	$385	0.61	$235
Mobile Home	Dwelling	$385	0.56	$216
Retail/Commercial	1,000 sq ft	$385	1.11	$427
Office	1,000 sq ft	$385	0.63	$243
Industrial	1,000 sq ft	$385	0.21	$81
Warehouse	1,000 sq ft	$385	0.12	$46
Public/Institutional	1,000 sq ft	$385	0.39	$150

10-Year Capital Plan

One of the police improvements programmed in the City’s adopted five-year Capital Improvement Plan is a new and expanded Evidence and Readiness Center. Based on the increase in building square footage, 43.3 percent of the cost is attributable to capacity-expansion, as shown in Figure P8.

Figure P8: Growth Share of Evidence and Readiness Facility

Planned Facility Description	Square Feet	Estimated Cost
New Evidence and Readiness Center	15,000	$4,655,172
– Existing Property and Evidence Building	-8,500	n/a
Additional Square Feet	6,500	n/a
Capacity-Expanding Share	43.3%	$2,015,690

Source: Square feet from City of Surprise, June 21, 2017; cost from City of Surprise, Adopted Budget, Fiscal Year 2019, Capital Improvement Plan, June 2018.

Planned police expenditures over the next 10 years are summarized in Figure P9.

Figure P9: Police Capital Plan, 2019-2029

Expenditure Type	Project Description	Fiscal Year	Cost
CIP Project	Evidence and Readiness Center	2020-2022	$2,015,690
CIP Project	Police Subtation Land (3 acres)	2019	$562,500
CIP Project	Police Subtation	2021-2022	$9,573,800
Debt Service	Public Safety Building	2019-2024	$811,833
CIP Project	Public Safety Vehicles	2019-2028	$1,700,000
CIP Project	Public Safety Equipment	2019-2028	$2,800,000
Fee Updates	Development Fee Report Updates	2019-2028	$40,760
Total Planned Expenditures			$17,504,583

Source: CIP projects from City of Surprise, Adopted Budget, Fiscal Year 2019, Capital Improvement Plan, June 2018; debt service from Appendix F; study cost from Appendix H.

The comparison of planned police expenditures and projected revenues is provided in Figure P10. The projected revenues over the next 10 years, based on the Land Use Assumptions, will be insufficient to fund all of the planned expenditures.

Figure P10: Police Capital Plan Summary, 2019-2029

Description	Total
Police Net Cost per EDU	$385
x New EDUs, 2019-2029	26,912
Projected Revenue, 2019-2029	$10,361,120
– Planned Expenditures, 2019-2029	($17,504,583)
Projected Revenue Surplus / (Deficit)	($7,143,463)

Source: New EDUs and new units from Appendix D.

FIRE FACILITIES IIP

Fire protection, rescue, and emergency medical services (EMS) are provided by the City to all development in the incorporated area. The City currently charges two development fees for fire/EMS facilities – a "grandfathered" fee that was enacted prior to the current Enabling Legislation, and a "new" fee calculated in 2014. This update proposes eliminating the grandfathered fire fee, and moving the associated debt being retired by that fee to the updated new Fire/EMS fee.

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 firefighters or officers from more than one station or substation."*

The Fire Facilities IIP includes components for apparatus, facilities, land, evidence storage facilities, and the cost of preparing the Fire Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current LOS, is used to calculate the components for apparatus, facilities, and land. A plan-based methodology is used for evidence storage facilities and the related Development Fee Report.

Service Area

The current and proposed service area for the Fire/EMS development fees is citywide and will be defined as the entire incorporated area. Fire protection, rescue, and emergency medical services (EMS) are provided by the City through a central administrative facility, a warehouse, and apparatus housed in fire stations. Apparatus at each station respond to incidents outside the station's primary response area when required for coverage or backup. In this way, the Fire/EMS facilities and equipment form an integrated response system, for which the entire city is the appropriate service area.

Grandfathered Fee

A grandfathered fee can be retained as long as it does not overlap with a similar fee adopted in compliance with the Enabling Legislation. To the extent that they overlap, the combination of the two should not exceed the cost to maintain the existing level of service. The clearest way to avoid such overlap is to have the grandfathered fee pay only for outstanding debt that is no longer authorized, while adopting a new fee that pays only for costs that are currently authorized by the Enabling Legislation.

The grandfathered fee should be retained only if was used to fund improvements that now are ineligible under the Enabling Legislation. The only portion of the debt attributed to the grandfathered fire fee that was for improvements not authorized under the Enabling Legislation is that some administrative vehicles might have been purchased with the pledged debt, but any such expenditure has not been documented, and in any case is likely to be a very small part of the outstanding debt. The consultant's recommendation is to eliminate the grandfathered fee, and update the "new" Fire/EMS fee based on a standards-based methodology. Debt and interfund loan obligations, as well as the fund balance of the grandfathered fee account, should be transferred to the updated "new" Fire/EMS fee account. The City should discontinue collecting the grandfathered fee with the adoption of the updated fee.

Service Units

ARS § 9-463.05(C)(12) states:

> *"… the fees shall be assessed against commercial, residential and industrial development, except that the municipality may distinguish between different categories of residential, commercial and industrial development in assessing the costs to the municipality of providing necessary public services to future development and in determining the amount of the development fee applicable to the category of development."*

The fee calculations in the 2014 Fire/EMS Development Fee Report used a dual service unit – population for residential and employees for nonresidential. Costs were allocated between residential development and nonresidential development based on percentage of calls, with the residential costs divided by population and the nonresidential cost by employees.

The alternative proposed for this update is to use "functional population" as the basis for the Fire Facilities Development Fee. Functional population is a measure of the presence of people at the site of a land use, based on the average number of full-time equivalent people residing, shopping, or visiting the site. Functional population more accurately represents the demand for service at nonresidential land uses by taking more than employees into consideration. Functional population multipliers are then converted into equivalent dwelling units (EDUs), which is the recommended service unit for Fire Facilities Development Fees. The concept of functional population, the calculation of functional population multipliers for various land use types, and the number of existing and projected service units, are shown in Appendix D. Applying the service unit multipliers to the number of existing and projected units over the next 10 years results in the estimates of 2019 and 2029 Fire/EMS equivalent dwelling units shown in Figure F1.

Figure F1: Fire/EMS Equivalent Dwelling Units

Land Use Type	Unit	2019 Units	2029 Units	EDUs/Unit	2019 EDUs	2029 EDUs	New EDUs
Single-Family Detached	Dwelling	49,171	67,709	1.00	49,171	67,709	18,538
Multi-Family	Dwelling	5,718	8,027	0.61	3,488	4,896	1,408
Mobile Home	Dwelling	2,751	3,554	0.56	1,541	1,990	449
Retail/Commercial	1,000 sq. ft.	7,009	11,211	1.11	7,780	12,444	4,664
Office	1,000 sq. ft.	1,925	2,874	0.63	1,213	1,811	598
Industrial	1,000 sq. ft.	830	1,039	0.21	174	218	44
Warehouse	1,000 sq. ft.	4,390	5,496	0.12	527	660	133
Public/Institutional	1,000 sq. ft.	6,155	8,917	0.39	2,400	3,478	1,078
				Total	66,294	93,206	26,912

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."*

The capital facilities and equipment required to support Fire/EMS service include apparatus, fire stations, administrative and warehouse space, land, and specialized equipment. Current unit costs for new Fire/EMS apparatus, excluding administrative vehicles, are shown in Figure F2. The total replacement cost of existing apparatus is about $16.71 million.

Figure F2: Existing Fire/EMS Apparatus

Apparatus Description	Existing Units	Replacement Cost/Unit	Replacement Cost
Engine	11	$770,000	$8,470,000
Ladder Truck	2	$1,400,000	$2,800,000
Staff Vehicle	14	$60,000	$840,000
Brush Truck	2	$450,000	$900,000
Tanker	1	$350,000	$350,000
Support Vehicle	4	$65,000	$260,000
Utility Truck	1	$525,000	$525,000
Ambulance	5	$315,000	$1,575,000
BC Response Vehicle	2	$95,000	$190,000
HazMat Vehicle	1	$800,000	$800,000
Total	43	$388,605	$16,710,000

Source: Existing units and replacement cost per unit from City of Surprise, November 7, 2018.

Current unit costs for new Fire/EMS facilities and land are shown in Figure F3. Costs represent estimated replacement costs, based on the cost per square foot of new fire stations and the current unit costs to acquire additional land. The total replacement cost of existing facilities is about $42.0 million, and the total cost of land is approximately $4.0 million.

Figure F3: Existing Fire/EMS Facilities and Land

Facility Description	Address	Existing Sq. Ft.	Existing Acres	Building Cost	Land Cost	Total Cost
Fire Station 301	16750 N Village Dr E	15,531	1.98	$7,299,570	$371,250	$7,670,820
Fire Station 302	18600 N Reems Rd	7,000	3.00	$3,290,000	$562,500	$3,852,500
Fire Station 303	15440 N Cotton Ln	13,632	2.57	$6,407,040	$481,875	$6,888,915
Fire Station 304	24900 N 163rd Ave	n/a	2.99	n/a	$560,625	$560,625
Fire Station 305	15517 N Parkview Pl	16,472	2.72	$7,741,840	$510,000	$8,251,840
Fire Station 306	16645 W Clearview Bvd	10,145	2.11	$4,768,150	$395,625	$5,163,775
Fire Station 307	16171 W Cactus Rd	10,145	1.52	$4,768,150	$285,000	$5,053,150
Public Safety Admin.*	142500 W Statler Plaza, Ste 101	16,500	4.51	$7,755,000	$845,625	$8,600,625
Total		89,425	21.40	$42,029,750	$4,012,500	$46,042,250

* share of Public Safety Building square feet occupied, and share of acres based on square feet occupied
Source: Existing square feet, acres, and replacement cost per unit from City of Surprise, November 7, 2018.

One of the Fire/EMS improvements programmed in the City's adopted five-year Capital Improvement Plan is a new Evidence and Readiness Center with 14,000 square feet of floor area. Once complete, Surprise's Fire/EMS storage facilities will total 15,350 square feet of floor area. Based on the increase in fire service units, 49.7 percent of the cost is attributable to future development, as shown in Figure F4. Existing development's share of planned Fire/EMS storage facilities is 8,398 square feet with a replacement cost of approximately $2.6 million. This includes the existing warehouse totaling 1,350 square feet of floor area with a replacement cost of $418,966 and the remaining 50.3 percent of the Evidence and Readiness Center. Existing development's contribution required to raise the existing level of service is $2,187,445 ($4,344,828 Evidence and Readiness Center total cost - $2,157,383 future development share).

Figure F4: Growth Share of Evidence and Readiness Facility

Planned Facility Description	Square Feet	Estimated Cost
New Evidence and Readiness Center	14,000	$4,344,828
+ Existing Warehouse	1,350	$418,966
Planned Square Feet	15,350	$4,763,794
Existing Development Share	8,398	$2,606,411
Future Development Share	6,952	$2,157,383
Capacity-Expanding Share	49.7%	$2,157,383

Source: Square feet from City of Surprise, June 21, 2017; cost from City of Surprise, Adopted Budget, Fiscal Year 2019, Capital Improvement Plan, June 2018.

COST PER EQUIVALENT DWELLING UNIT

The capital cost per equivalent dwelling unit for existing eligible apparatus, facilities, land, evidence storage facilities is calculated in Figure F5 to be $964 per service unit (EDU). Costs represent estimated replacement costs, based on the cost per square foot of new fire stations and the current unit costs to acquire additional land or purchase additional Fire/EMS apparatus.

The net Fire/EMS cost, after subtraction of outstanding net obligations, represents the value of the planned level of service. This value includes existing development's share of the planned Evidence and Readiness Center needed to increase the existing level of service. Future development will need to make the same investment per service unit, either through development fees or other taxes or fees, if the existing level of service is to be maintained without placing an additional burden on existing development.

Figure F5: Fire/EMS Cost per EDU

Cost per EDU	
Fire Apparatus Cost	$16,710,000
Fire Facility Cost	$42,029,750
Fire Facility Land	$4,012,500
Fire Storage Facility Cost	$2,606,410
– Outstanding Obligations	($1,553,681)
Net Fire/EMS Cost	$63,804,979
÷ Existing Fire EDUs	66,294
Fire/EMS Cost per EDU	$962
Report Cost per EDU	$2
Total Cost per EDU	**$964**

Source: Fund balance after Grandfathered Fee Obligations from Appendix F.
Report Cost per EDU from Appendix H.

As described in the Executive Summary, fee calculations need to include revenue offsets for (1) outstanding debt, interfund loans, and other types of obligations related to existing facilities that serve existing development, (2) existing deficiencies, (3) State/Federal funding, and (4) the excess portion of the construction sales tax.

While there is some outstanding debt and there are interfund loans on existing facilities, those obligations will be repaid with Fire/EMS development fees, not other sources of revenue, and have been excluded from the fee calculations. The fees have been calculated based on the existing level of service, so there are no deficiencies. The City has not received any grants over the last eight years for anything other than replacement equipment or operations, and does not anticipate receiving growth-related grants in the future.

The City needs to provide an offset for the Fire/EMS share of the excess construction sales tax offset, as described in Appendix G. Subtracting the excess construction sales tax offset from the cost per service unit yields a net cost of $789 per EDU, as shown in Figure F6.

Figure F6: Fire/EMS Net Cost per EDU

Net Cost per EDU	
Fire/EMS Cost per EDU	$964
– Excess Construction Sales Tax Offset per EDU	($175)
Net Cost per EDU	**$789**

Source: Excess construction sales tax credit from Appendix G.

Net Cost Schedule

Proportionate share Fire Facilities Development Fees by land use type are determined by multiplying the net cost per service unit calculated in Figure F6 by the service units represented by a unit of development. The proposed fee schedule in Figure F7 represents the maximum fees that may be charged by the City of Surprise for Fire/EMS capital improvements, based on the data and analysis provided in this report.

Figure F7: Fire/EMS Net Cost Schedule

Land Use Type	Unit	Net Cost/ EDU	EDUs/ Unit	Net Cost/ Unit
Single-Family Detached	Dwelling	$789	1.00	$789
Multi-Family	Dwelling	$789	0.61	$481
Mobile Home	Dwelling	$789	0.56	$442
Retail/Commercial	1,000 sq ft	$789	1.11	$876
Office	1,000 sq ft	$789	0.63	$497
Industrial	1,000 sq ft	$789	0.21	$166
Warehouse	1,000 sq ft	$789	0.12	$95
Public/Institutional	1,000 sq ft	$789	0.39	$308

10-Year Capital Plan

The City's planned Fire/EMS expenditures over the next 10 years are summarized in Figure F8.

Figure F8: Fire/EMS Capital Plan, 2019-2029

Expenditure Type	Project Description	Fiscal Year	Cost
CIP Project	District Fire Station 304	2019-2021	$8,598,400
CIP Project	Fire Station 308	2019-2022	$7,098,600
CIP Project	New Fire Station	2024-2028	$7,098,600
CIP Project	Fire Station Land (3 acres)	2019	$562,500
CIP Project	Evidence & Readiness Center	2020-2022	$2,157,383
CIP Project	Type 3 Fire Engine	2020	$560,000
CIP Project	Ambulance	2019	$375,500
CIP Project	Ambulance	2019	$375,500
CIP Project	Ambulance	2020	$375,300
CIP Project	Fire Engine	2021	$775,000
CIP Project	Ambulance	2022	$375,300
CIP Project	Utility Truck	2021	$600,000
CIP Project	Water Tender	2020	$300,000
Debt Service	Public Safety Bdlg (fire share)	2019-2024	$420,109
Debt Service	Fire Station #3	2019-2024	$40,335
Interfund Loan	Public Safety Bdlg (fire share)	2019-2028	$233,533
Interfund Loan	Fire Station #5	2019-2028	$806,670
Interfund Loan	Fire Station #6	2019-2028	$610,495
Interfund Loan	Fire Station #7	2019-2028	$789,496
Interfund Loan	Misc. Equipment	2019-2028	$66,005
Developer Credits	3-Acre Asante Site	2019-2028	$144,211
Fee Updates	Development Fee Report Updates	2019-2028	$40,760
Total			$32,403,697

The comparison of planned Fire/EMS expenditures and projected revenues is provided in Figure F9. The City has more than enough planned expenditures to use all the revenue that would be collected over the next 10 years, based on the Land Use Assumptions.

Figure F9: Fire/EMS Capital Plan Summary, 2019-2029

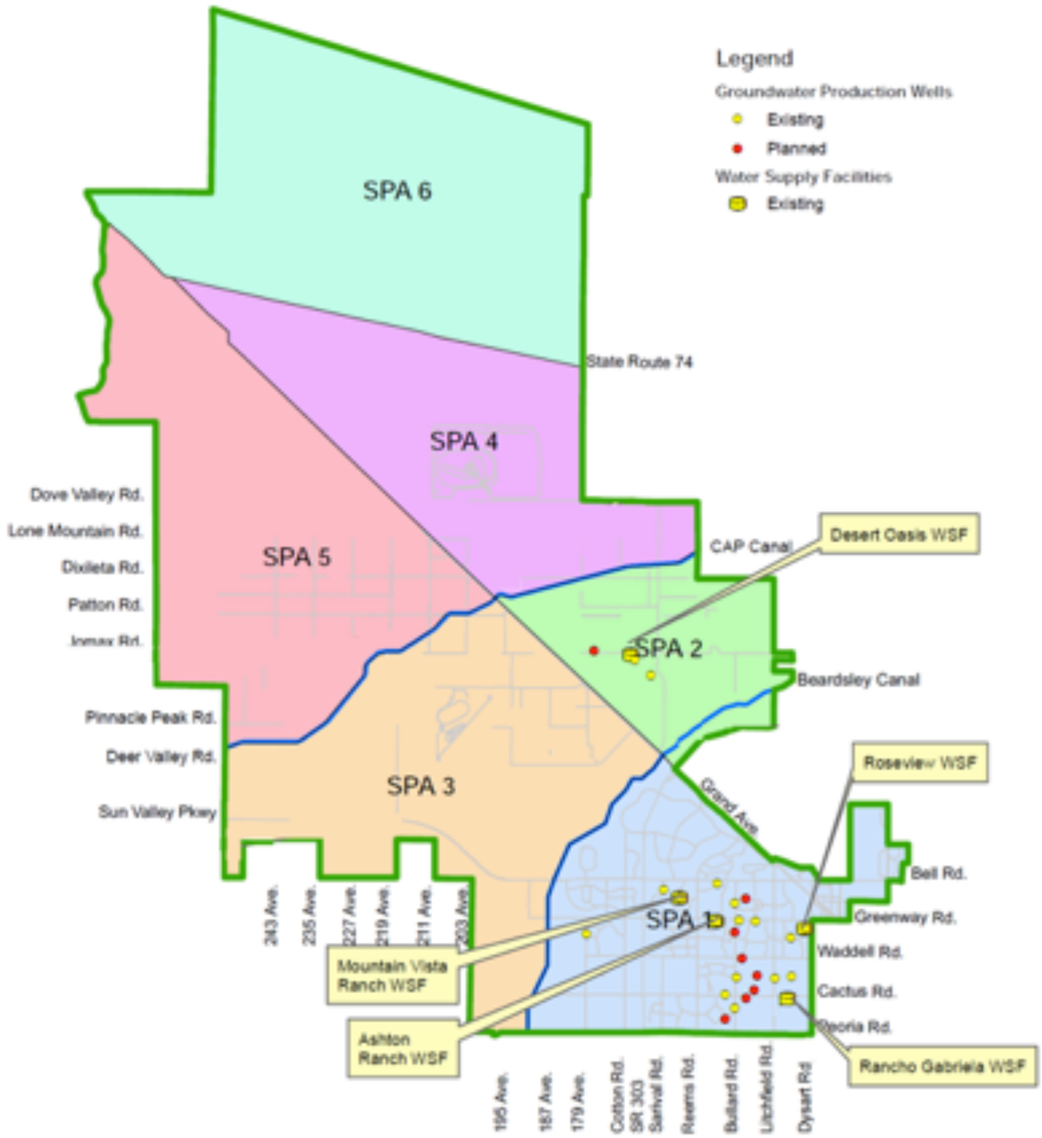
Description	Total
Fire/EMS Net Cost per EDU	$789
x New EDUs, 2019-2029	26,912
Projected Revenue, 2019-2029	$21,233,568
– Planned Expenditures, 2019-2029	($32,403,697)
Projected Revenue Surplus / (Deficit)	($11,170,129)

Source: New EDUs and new units from Appendix D.

WATER FACILITIES IIP

This chapter updates the City's Water Facilities Development Fees in compliance with the Enabling Legislation. The location of existing water facilities is illustrated in Figure W1.

Figure W1: Existing Water Facilities



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, 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 and the Development Fee Report.

Service Area

The City's Municipal Planning Area (MPA) is divided into six Special Planning Areas (SPAs). The SPAs are separated by major geographic barriers - Grand Avenue/BNSF Railroad line, the Beardsley Canal, the Central Arizona Project (CAP) Canal, and SR 74. The SPA borders form natural boundaries for the water service areas.

The City's existing water and water facilities basically consist of two separate systems located in SPA 1 and SPA 2 with limited potential for interconnection. The two existing service areas are acceptable for these facilities as they are defined as the incorporated area, or City utility service area, and may be expanded in the future within the respective SPAs. The City also has planned facilities over the next 10 years in SPA 3.

The City's water system relies on groundwater, which is pumped to the surface by wells. The wells are connected by transmission lines that convey the water to a water supply facility (WSF), where the water is treated, stored in tanks, and pumped into a system of pressurized distribution lines. The WSFs are interconnected within SPAs where practical to provide emergency backup. It is reasonable to use the SPAs as water service areas.

The City is not the only water provider in its planning area. In addition to individual developments that rely on on-site wells and do not connect to the City's distribution system, there are also several private water providers. In particular, EPCOR serves much of SPA 1 (see Figure WR1).

Service Units

To calculate water and wastewater fees, the demand associated with different types of customers must be expressed in a common unit of measurement, called a service unit. The service unit for the City's water and wastewater fees is an equivalent dwelling unit (EDU). An EDU is a single-family dwelling unit or its equivalent in terms of water demand, defined as the potential demand resulting from a 0.75-inch diameter or smaller meter.

The number of water service units associated with a nonresidential customer is determined by the capacity of the water meter relative to the capacity of a 0.75-inch meter. Figure W2 presents EDU multipliers for various meter sizes based on meter capacities from the American Water Works Association.

Figure W2: Meter Capacity Ratios

Meter Size (inches)	EDUs/Unit Ratio*
0.75	1.00
1.00	1.67
1.50	3.33
2.00	5.33
3.00	10.67
4.00	16.67
6.00	33.33
8.00	53.33

* AWWA Manual of Water Supply Practices M1, 7th Edition.

The number of existing water service units are estimated based on the number of current City water customers and the service unit multipliers described in Figure W2. As shown in Figure W3, the City's current water customer base amounts to 18,167 service units (EDUs). The majority (92 percent) of existing service units are in SPA 1.

Figure W3: Existing Water Service Units

Meter Size (inches)	Customers		EDUs/Unit	Equivalent Dwelling Units		
	SPA 1	SPA 2		SPA 1	SPA 2	Total
0.75	11,240	733	1.00	11,240	733	11,973
1.00	2,307	343	1.67	3,853	573	4,426
1.50	119	8	3.33	396	27	423
2.00	196	13	5.33	1,045	69	1,114
3.00	6	0	10.67	64	0	64
4.00	6	0	16.67	100	0	100
6.00	2	0	33.33	67	0	67
Total	13,876	1,097		16,765	1,402	18,167

Source: City of Surprise Finance Department, July 19, 2017.

The number of service units should increase proportionately with the increase in water demand. As shown in Figure W4, system-wide total average daily water demand and service units are projected to increase by about 61 percent over the next 10 years.

Figure W4: Water Demand and Service Units, 2019-2029

	Year	Average Daily Demand (mgd)				Service Units (EDUs)			
		SPA 1	SPA 2	SPA 3	Total	SPA 1	SPA 2	SPA 3	Total
Actual	2013	6.35	0.39	0.00	6.74	n/a	n/a	n/a	n/a
	2014	6.46	0.45	0.00	6.91	n/a	n/a	n/a	n/a
	2015	6.39	0.43	0.00	6.82	n/a	n/a	n/a	n/a
	2016	7.06	0.56	0.00	7.62	n/a	n/a	n/a	n/a
	2017	6.54	0.60	0.00	7.14	16,765	1,402	0	18,167
Projected	2018	6.74	0.80	0.00	7.54	17,278	1,869	0	19,147
	2019	6.95	0.96	0.00	7.91	17,816	2,243	0	20,059
	2020	7.17	1.15	0.00	8.32	18,380	2,687	0	21,067
	2021	7.39	1.38	0.20	8.97	18,944	3,224	509	22,677
	2022	7.62	1.66	0.21	9.49	19,534	3,878	534	23,946
	2023	7.86	1.83	0.21	9.90	20,149	4,275	534	24,958
	2024	8.10	2.01	0.22	10.33	20,764	4,695	559	26,018
	2025	8.35	2.21	0.23	10.79	21,405	5,162	584	27,151
	2026	8.61	2.43	0.24	11.28	22,072	5,676	609	28,357
	2027	8.88	2.67	0.24	11.79	22,764	6,237	609	29,610
	2028	9.16	2.94	0.24	12.34	23,482	6,868	609	30,959
	2029	9.40	3.23	0.25	12.88	24,097	7,545	634	32,276
10-Year Change		2.45	2.27	0.25	4.97	6,281	5,302	634	12,217

Source: City of Surprise Water Resource Management, May 11, 2018.

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."*

Level of service (LOS) generally refers to the ratio of capacity to demand. One of the principles of development fee analysis is that future development should not be required to pay for a higher LOS than existing development currently receives. Consequently, it is important to determine the existing LOS.

For water facilities, the capacity of water production facilities is generally used as reflective of the capacity of the entire water system. However, some components of the system may have more or less capacity than needed for full utilization of production facilities. The City's water system consists of wells, water supply facilities (WSFs) consisting of pumping stations, storage tanks, and water treatment facilities serving a group of wells, transmission lines from wells to WSFs, distribution lines from WSFs to customers, and land for wells and WSFs.

Wells

Existing well production capacity is summarized in Figure W5. Total capacity of individual wells is shown in gallons per minute (GPM) and millions of gallons per day (MGD). The City's design criteria indicate the capacity of a system of wells should be measured in terms of firm capacity (total capacity less the capacity of the largest well), to account for the eventuality that a well may be out of service. Firm capacity is determined at the level of the group of wells served by a water supply facility, and is shown in MGD.

The use of firm capacity to determine the existing well capacity in SPA 2 and SPA 3, however, may not be appropriate. These water systems are in the very early stages of development, and it takes more wells to provide firm capacity than in a more mature area like SPA 1. For example, a system with only two identically-sized wells will be able to count only one well as firm capacity, whereas an additional third well would add its full capacity to firm capacity.

To analyze this effect, the ratio of firm to total well compacity is computed in Figure W6. SPA 2 has only two existing wells, one of which has significantly more capacity than the other. With the larger well out of service, firm capacity is only 34 percent of total capacity, compared to 68 percent for the SPA 1 system. Two additional wells are planned over the next 10 years in the SPA 2 Desert Oasis WSF, which will bring the firm-to-total capacity ratio of that WSF to 74 percent, which is virtually identical to the system-wide ratio in SPA 1. Still, for SPA 2 as a whole, the planned ratio with three new wells, will only be 58 percent (the new Rancho Mercado WSF will only have one well, which adds nothing to firm capacity). The planned ratio would be similar in SPA 3, which will have only two wells over the next 10 years.

Figure W5: Existing Well Production Capacity

Site Name	Total Capacity (gpm)	Total Capacity (mgd)	Firm Capacity (mgd)
Mountain Vista Ranch Water Supply Facility			
Mountain Vista Ranch 1	1,260	1.81	1.81
Mountain Vista Ranch 2	1,350	1.94	n/a
Subtotal, Mountain Vista Ranch WSF	2,610	3.75	1.81
Ashton Ranch Water Supply Facility			
Ashton Ranch 1	1,180	1.70	1.70
Orchards	1,780	2.56	n/a
Surprise Center	1,700	2.45	2.45
Royal Ranch	1,470	2.12	2.12
Sierra Verde	1,270	1.83	1.83
Subtotal, Ashton Ranch WSF	7,400	10.66	8.10
Roseview Water Supply Facility			
Roseview	1,900	2.74	n/a
Litchfield Manor	800	1.15	1.15
Subtotal, Roseview WSF	2,700	3.89	1.15
Rancho Gabriela Water Supply Facility			
Rancho Gabriela 1	1,250	1.80	1.80
Rancho Gabriela 2	1,270	1.83	1.83
Surprise Pointe	1,390	2.00	n/a
Summit	1,270	1.83	1.83
Marley Park 1	1,150	1.66	1.66
Marley Park 2	1,150	1.66	1.66
Subtotal, Rancho Gabriela WSF	7,480	10.78	8.78
Total, SPA 1	**20,190**	**29.08**	**19.84**
Desert Oasis Water Supply Facility			
Desert Oasis 1	1,400	2.02	n/a
Desert Oasis 2	900	1.30	1.30
Total, SPA 2	**2,300**	**3.86**	**1.30**
System Total	**22,490**	**32.94**	**21.14**

Source: City of Surprise Water Resource Management, August 11, 2018.

Figure W6: Ratio of Firm to Total Well Capacity

	SPA 1 (existing)	SPA 2 (existing)	SPA 2 Desert Oasis WSF (planned)	SPA 2 Total (planned)	SPA 3 (planned)
Well Firm Capacity (mgd)*	19.84	1.30	6.02	6.02	2.02
÷ Well Total Capacity (mgd)	29.08	3.86	8.18	10.34	4.04
Ratio of Firm to Total Capacity	68%	34%	74%	58%	50%

*Firm capacities for SPA 2 and SPA 3 based on approach described above.

Over time, the ratio of firm to total capacity in the SPA 2 and SPA 3 will increase to approximately the existing ratio in SPA 1. To reflect longer-term costs, existing long-term firm capacity in SPA 2 and planned firm capacity in SPA 3 will be determined using the existing 68 percent ratio of firm-to-total capacity for the more developed SPA 1 system, as shown in Figure W7. It is worth noting the City's design criteria prior to the 2009 water master plan update did not use firm capacity, but instead required a minimum 1.25 ratio of capacity to demand, which would be equivalent to an 80 percent ratio of firm to total capacity.

Figure W7: Long-Term Firm Well Capacity

	SPA 1 (existing)	SPA 2 (existing)	SPA 2 (planned)	SPA 3 (planned)
Total Capacity (mgd)	29.08	3.86	10.34	4.04
x Firm to Total Capacity Ratio, SPA 1	68%	68%	68%	68%
Long-Term Firm Capacity	19.84	2.62	7.03	2.75

Long-term firm capacity deals with the reliability of the well system to produce water. That capacity must be adequate to accommodate periods of peak water demand. The City's water design criteria require firm capacity be adequate to accommodate two times average day demand. The existing levels of service for wells in SPA 1 and SPA 2 are summarized in Figure W8. Both SPAs have enough capacity to accommodate current peak day demand. The fees, however, are based on average day demand.

Figure W8: Existing Well Level of Service

	SPA 1	SPA 2	Total
Annual Average Day Demand (mgd), 2017	6.54	0.60	7.14
x Peaking Factor*	2.00	2.00	2.00
Peak Day Demand (mgd)	13.08	1.20	14.28
Long-Term Firm Capacity (mgd)	19.84	2.62	22.46
– Peak Day Demand (mgd)	(13.08)	(1.20)	(14.28)
Excess Capacity (mgd)	6.76	1.42	8.18
Excess Capacity (mgd)	6.76	1.42	8.18
÷ Total Production Capacity (mgd)	19.84	2.62	22.46
Percent Excess Capacity	34.1%	54.2%	36.4%

*Peaking factor from Malcolm Pirnie, Integrated Water Master Plan – Water Infrastructure, July 2009, Table A-1.

Other System Components

SPA 1 is the service area with the most developed water system, while SPA 2 has a very small system, and SPA 3 has an even smaller initial planned system that has been partially built by the developer (wells have been drilled) but not yet turned over to the City. In SPA 1, all components should generally be in balance, and well capacity should be reasonably representative of the capacity of the other components of the water system. To evaluate whether long-term firm capacity of the wells is a reasonable measure of the capacity of other components of the SPA 2 and SPA 3 system, the quantities of different components per MGD of well capacity can be compared to those in the more mature SPA 1 system.

In Figure W9, quantities for different components of the existing water systems in the three SPAs are shown (line costs per foot generally increase proportionally with the inches of pipe diameter, making inch-feet a reasonable summary unit for comparison). The quantities are then converted into quantities per MGD of well capacity. The final two columns compute the ratio of quantities per MGD of well capacity in SPA 2 and SPA 3 to the quantity per MGD in SPA 1. The ratios of SPA 2 and SPA 3 component quantities per MGD to those of SPA 1 are indicative of the amounts by which those components in SPA 2 and SPA 3 have more or less capacity relative to their well systems.

In the existing SPA 2 system, lines and land are oversized. In SPA 3, there is more land relative to the well capacity, while other components are undersized. These ratios will be used to determine the equivalent well capacities of these components in computing the cost per gallon per day of water capacity. Arsenic treatment has been omitted from this analysis, because the need for treatment varies by location.

Figure W9: Level of Service Analysis for Non-Well Components, SPA 2 and SPA 3

System Component	Unit	Existing Quantity			Quantity per Well MGD			SPA 2/ SPA 1	SPA 3/ SPA 1
		SPA 1	SPA 2	SPA 3	SPA 1	SPA 2	SPA 3		
Wells	mgd	19.84	2.62	2.75	1.00	1.00	1.00	1.00	1.00
Pump Stations	mgd	18.24	2.16	1.00	0.92	0.82	0.36	0.89	0.39
Storage Tanks	mg	14.10	1.75	1.50	0.71	0.67	0.55	0.94	0.77
Water Lines	in.-ft (000s)	5,644	1,525	255	284	582	93	2.05	0.33
Land	acres	31.56	5.05	5.00	1.59	1.93	1.82	1.21	1.14

Source: Existing quantities from City of Surprise Water Resource Management, August 11, 2017.

COST PER EQUIVALENT DWELLING UNIT

This report uses the cost recovery, or buy-in, methodology for water, because the existing system has significant excess capacity available to serve new customers. Existing water facilities in the three SPAs are summarized in Figure W10. Unit costs for the system components are based on estimates in the City's 2009 Water Master Plan. Current system value is the product of existing quantity times the unit cost.

Figure W10: System Value of Existing Water Facilities

Water System Component	Unit	Existing Quantity			Unit Cost	System Value		
		SPA 1	SPA 2	SPA 3		SPA 1	SPA 2	SPA 3
Wells	each	15.00	2.00	2.00	$2,181,136	$32,717,040	$4,362,272	$4,362,272
Arsenic Treatment	mgd	19.30	1.73	0.00	$1,294,512	$24,978,904	$2,236,917	$0
Pump Stations	mgd	18.24	2.16	1.00	$359,764	$6,562,095	$777,090	$359,764
Storage Tanks, <2.5 mg	mg	5.60	1.75	1.50	$1,507,584	$8,442,470	$2,638,272	$2,261,376
Storage Tanks, 2.5-<4.0 mg	mg	3.50	0	0	$1,326,496	$4,642,736	$0	$0
Storage Tanks, 4.0-<7.5 mg	mg	5.00	0	0	$1,024,806	$5,124,030	$0	$0
Water Lines, 10"	linear ft.	22,695	2,644	20	$169	$3,835,455	$446,836	$3,380
Water Lines, 12"	linear ft.	217,035	38,358	108	$202	$43,841,070	$7,748,316	$21,816
Water Lines, 16"	linear ft.	89,911	63,934	9,343	$270	$24,275,970	$17,262,180	$2,522,610
Water Lines, 20"	linear ft.	39,032	0	0	$392	$15,300,544	$0	$0
Water Lines, 24"	linear ft.	14,521	659	4,080	$416	$6,040,736	$274,144	$1,697,280
Water Lines, 30"	linear ft.	8,178	0	192	$516	$4,219,848	$0	$99,072
Land	acres	31.56	5.05	5.00	$42,270	$1,334,041	$213,464	$211,350
			Total System Value			$181,314,939	$35,959,491	$11,538,920

Source: Existing quantities from City of Surprise Water Resource Management Department, August 11, 2017; unit costs from Malcolm Pirnie, Integrated Water Master Plan - Water Infrastructure, July 2009, Appendix G.

With the cost recovery methodology, the cost per service unit is calculated as system value divided by the capacity of the facilities. System values in Figure W11 are from Figure W10. Well capacity for other components is well capacity times the adjustment factor calculated earlier. The final three columns compute the costs per gallon per day of well capacity for each of the three SPAs.

Figure W11: Water Cost per Gallon per Day

Water System Component	System Value			Well Capacity (mgd)			Cost per Gallon		
	SPA 1	SPA 2	SPA 3	SPA 1	SPA 2	SPA 3	SPA 1	SPA 2	SPA 3
Wells	$32,717,040	$4,362,272	$4,362,272	19.84	2.62	2.75	$1.65	$1.66	$1.59
Arsenic Treatment	$24,978,904	$2,236,917	$0	19.84	2.62	2.75	$1.26	$0.85	$0.00
Pump Stations	$6,562,095	$777,090	$359,764	19.84	2.34	1.08	$0.33	$0.33	$0.33
Storage Tanks	$18,209,236	$2,638,272	$2,261,376	19.84	2.47	2.13	$0.92	$1.07	$1.06
Water Lines	$97,513,623	$25,731,476	$4,344,158	19.84	5.37	0.90	$4.92	$4.79	$4.83
Land	$1,334,041	$213,464	$211,350	19.84	3.18	3.15	$0.07	$0.07	$0.07
Total	$181,314,939	$35,959,491	$11,538,920	n/a	n/a	n/a	$9.15	$8.77	$7.88

Average water demand per service unit is determined by dividing average day water demand by existing water service units (EDUs). The result is 393 gallons per day per service unit, as shown in Figure W12.

Figure W12: Water Demand per Service Unit

Demand per Service Unit Calculation	
Total Average Day Demand (gpd), 2017	7,140,000
÷ Total Equivalent Dwelling Units (EDUs), 2017	18,167
Average Day Demand per EDU (gpd)	393

The cost per service unit is the product of cost per gallon per day of capacity and average day demand per service unit (EDU). The cost per service unit is relatively similar among the three systems, ranging from a low of $3,102 in SPA 3 to a high of $3,601 in SPA 1, as shown in Figure W13.

Figure W13: Water Cost per Service Unit

	SPA 1	SPA 2	SPA 3
Cost per gpd of Water System Capacity	$9.15	$8.77	$7.88
x Average Day Demand per EDU (gpd)	$393	$393	$393
Improvement Cost per EDU	$3,596	$3,447	$3,097
Update Study Cost per EDU	$5	$5	$5
Cost per EDU	**$3,601**	**$3,452**	**$3,102**

As described in the Executive Summary, fee calculations need to include revenue offsets for (1) outstanding debt, interfund loans, and other types of obligations related to existing facilities that serve existing development, (2) existing deficiencies, (3) State/Federal funding, and (4) the excess portion of the construction sales tax.

The City has no bond debt related to water facilities, but the SPA 1 and SPA 2 water development fee funds have outstanding developer credits for some wells, water supply facilities, and lines. As shown in Figure W14, outstanding obligations amount to less than eight percent of the total system value of existing facilities in the each of these two service areas. Using well capacity as a reasonable proxy for total water system capacity, the excess capacity percentages in both SPAs are higher than the obligation percentages. This indicates that the outstanding obligations can be entirely attributed to excess capacity, and do not warrant a revenue offset.

Figure W14: Water Excess Capacity Analysis

	SPA 1	SPA 2
Outstanding Net Obligations on Existing Facilities	$12,175,092	$2,683,874
÷ Existing Water Facility System Value	$181,314,939	$35,959,491
Net Obligations as Percent of Existing Facility Value	6.7%	7.5%
Existing Excess Well Capacity (mgd)	6.76	1.42
÷ Total Existing Well Capacity (mgd)	19.84	2.62
Excess Capacity Percentage	34.1%	54.2%

There are no existing deficiencies because the water costs per service unit are based on the existing level of service. State/Federal funding for capacity improvements has not historically been available to the City, and no future funding is anticipated. The City does assess an excess construction sales tax, and the offset for this is subtracted from the cost per service unit. The net cost per service unit is shown in Figure W15 for each of the three SPAs.

Figure W15: Water Net Cost per Service Unit

	SPA 1	SPA 2	SPA 3
Cost per EDU	$3,601	$3,452	$3,102
– Excess Construction Tax Offset per EDU*	($616)	($616)	($616)
Net Cost per EDU	**$2,985**	**$2,836**	**$2,486**

* Excess construction tax offset from Appendix G.

Net Cost Schedule

The net cost schedules for the Water Facilities Development Fees are determined by multiplying the service units (EDUs) for each meter size by the net cost per service unit in each SPA. The resulting fee schedules are presented in Figure W16.

Figure W16: Water Facilities Development Fees

Meter Size (inches)	EDUs/ Meter	Development Fees		
		SPA 1	SPA 2	SPA 3
Net Cost per EDU		**$2,985**	**$2,836**	**$2,486**
0.75	1.00	$2,985	$2,836	$2,486
1.00	1.67	$4,985	$4,736	$4,152
1.50	3.33	$9,940	$9,444	$8,278
2.00	5.33	$15,910	$15,116	$13,250
3.00	10.67	$31,850	$30,260	$26,526
4.00	16.67	$49,760	$47,276	$41,442
6.00	33.33	$99,490	$94,524	$82,858
8.00	53.33	$159,190	$151,244	$132,578

10-YEAR CAPITAL PLAN

Planned water infrastructure improvements over the next 10 years are summarized in Figure W17. Planned improvements for SPA 3 represent existing improvements that have been partially completed by the developer but not yet dedicated to the City per the developer agreement in return for developer credits.

Figure W17: Water Capital Plan, 2019-2029

Improvement/Expenditure	Fiscal Year	Cost
CIP Project, Water Transmission Line, Ashton Ranch/Roseview	2019-2028	$2,750,000
CIP Project, Arsenic Treatment, Rancho Gabriela	2019-2028	$1,030,000
CIP Project, Surprise Downtown Waterline Loop	2019-2028	$1,150,000
CIP Project, Operations Expansion*	2020-2023	$1,132,863
CIP Project, SPA1 Drinking Water Well	2022-2023	$3,000,000
SPA 1 Developer Obligation for Well (Marley Park #3)	2018-2027	$2,500,000
SPA 1 Developer Obligation for WSF Expansion 2B (Shared)	2019-2028	$1,785,998
SPA 1 Developer Obligation for Sec. 15 Arsenic (Shared)	2019-2028	$4,773,515
SPA 1 Developer Obligation for Well, WSF Exp., Lines	2019-2028	$5,780,501
SPA 1 Share of Two Development Fee Reports	2019-2028	$33,521
SPA 1 Total Planned Expenditures, 2019-2029		**$23,936,398**
CIP Project, Arsenic Treatment, Desert Oasis WSF	2019-2028	$1,400,000
CIP Project, SPA 2 Rancho Mercado WSF	2019-2028	$8,700,000
CIP Project, SPA 2 Rancho Mercado Well	2019-2028	$3,000,000
CIP Project, Operations Expansion*	2020-2023	$956,287
SPA 2 Developer Credits for WSF, 2 Wells (Desert Oasis)	2019-2028	$2,683,874
SPA 2 Share of Two Development Fee Reports	2019-2028	$28,296
SPA 2 Total Planned Expenditures, 2019-2029		**$16,768,457**
CIP Project, Operations Expansion*	2020-2023	$114,350
SPA 3 Developer Credits for WSF, Wells, Lines	2019-2028	$12,000,000
SPA 3 Share of Two Development Fee Reports	2019-2028	$3,384
SPA 3 Total Planned Expenditures, 2019-2029		**$12,117,734**

*Total cost of $4.407 million split evenly between water and wastewater; water share allocated among SPAs based on projected new EDUs from Figure W4.
Source: CIP projects from City of Surprise, Adopted Budget, Fiscal Year 2019, Capital Improvement Plan, June 2018.

Projected growth in water service units over the next 10 years is expected to generate the amounts of revenue in each SPA shown in Figure W18, assuming the proposed fees are adopted at the maximum rates calculated in this report. This projected revenue will only cover part of the planned expenditures.

Figure W18: Water Capital Plan Summary, 2019-2029

	SPA 1	SPA 2	SPA 3
Net Cost per EDU	$2,985	$2,836	$2,486
x Projected New EDUs, 2019-2029	6,281	5,302	634
Projected Revenue, 2019-2029	$18,748,785	$15,036,472	$1,576,124
– Planned Expenditures, 2019-2029	($23,936,398)	($16,768,457)	($12,117,734)
Funding Surplus (Deficit)	($5,187,613)	($1,731,985)	($10,541,610)

WATER RESOURCE FACILITIES IIP

This chapter ~~updates~~ amends the City's Water Resource Facilities Development Fees in compliance with the Enabling Legislation. Prior to mid-2017, the water resource fee covered the cost of both water wells and water rights. Currently, it addresses only water rights.

ARS § 9-463.05 (T)(7)(a) defines facilities and assets that can be included in the Water Resource Facilities IIP:

> *"Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities."*

The ~~Water Resource Facilities IIP~~ amended Water Resource Facilities IIP includes components for water resources and the cost of preparing the Water Resource Facilities IIP and development fees. The cost recovery methodology is used for the water resources and the plan-based methodology is used for and the Development Fee Report.

Service Area

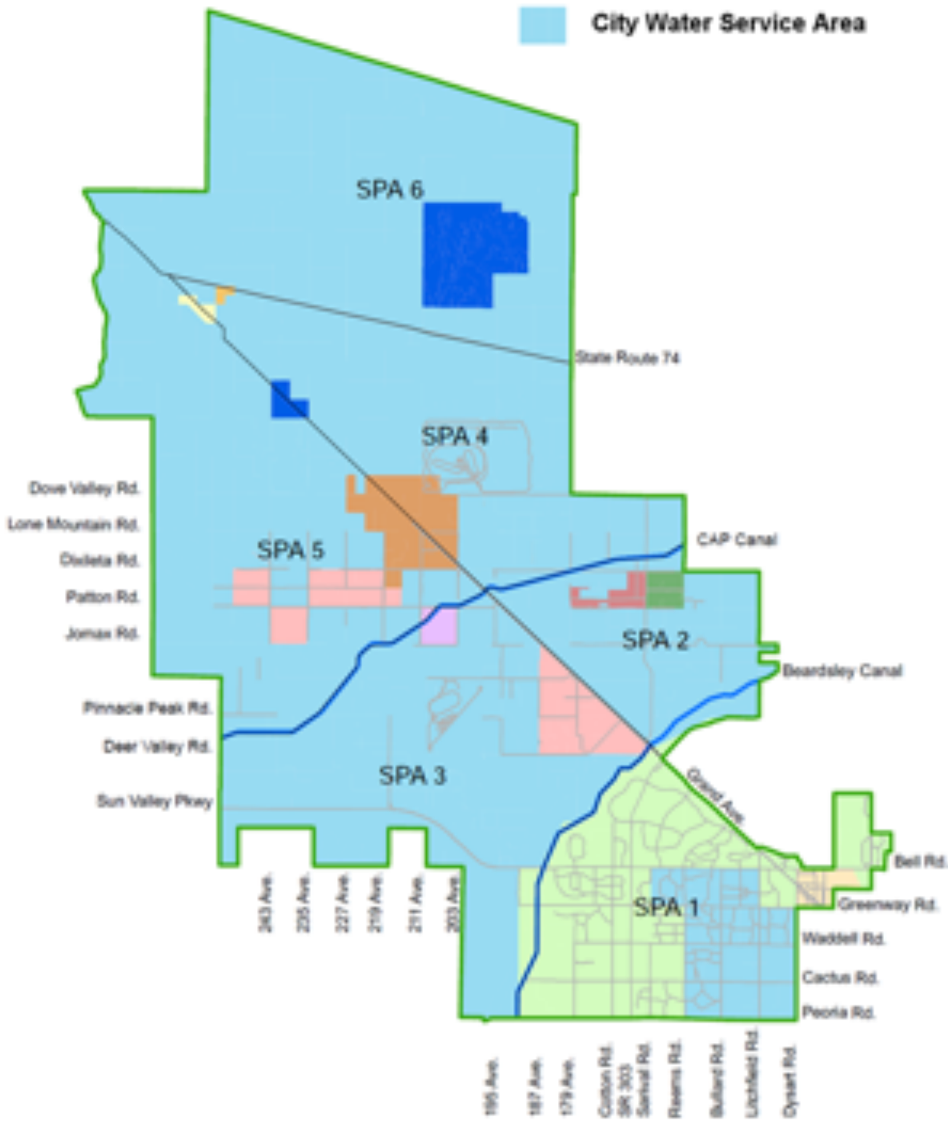
The City of Surprise is an assured water service provider within its water service area, which is shown in Figure WR1. The City is allowed to treat and deliver no more than its total demonstrated 100-year supply. Because this requirement applies to the entire area served by the City water system, a single, citywide service area is appropriate for its Water Resource Facilities Development Fee. Although the City currently earmarks water resource fees in SPA 1 and SPA 2, the entire area served by the City will be the service area for the updated Water Resource Facilities Development Fees.

Service Units

The service unit for the Water Resources Development Fee is the Equivalent Dwelling Unit (EDU), as described and quantified in the Water chapter.

Based on an agreement with the Arizona Homebuilders Association, the City of Surprise updated and amended the Water Resource Facilities IIP and development fees adopted in 2019. The agreement decreases the cost of water rights from $704 per acre-foot to $562 per acre-foot.

Figure WR1: Water Resource Service Area



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."*

In Arizona, a utility must prove that it has the right to specific types and amounts of water to deliver service to its customers. These water rights must be from renewable sources, as dictated by the 1980 Groundwater Management Act. As a municipal utility, the City of Surprise is required to follow the Designation of Assured Water Supply (DAWS) requirements. This Designation identifies the City's available renewable water supplies. The City is allowed to treat and deliver no more than its total supply of resources. The DAWS forecasts the City's water supplies for 100 years, and this is evaluated and adjusted every 10 years based on portfolio assets and current and projected growth demands.

Its current Designation of Assured Water Supply was signed by the Arizona Department of Water Resources on September 29, 2010. The Designation recognized that Surprise demonstrated that after withdrawing an average of 16,718 acre-feet per year (AFY) of groundwater and stored water recovered outside the area of hydrologic impact over 100 years, the depth to static water level within Surprise's service area is not expected to exceed 1,000 feet below land surface. The City's current long-term water supply portfolio considerably exceeds current and committed water demand by 2020, as summarized in Figure WR2 in both AFY and millions of gallons per day (MGD).

Figure WR2: Existing Water Supply

Water Supply Source	Acre-Feet per Year	MGD
Groundwater	1,032	0.92
Surface Water	0	0.00
CAP Water	10,249	9.15
Reclaimed Water	5,403	4.82
Long-Term Storage Credits	33	0.03
Total Available Supply	16,718	14.92
÷ Existing and Committed Demand	11,513	10.28
Capacity/Demand Ratio	1.45	1.45

Source: Arcadis-US, Inc. Integrated Water Master Plan, Water Resources Update, June 2015 (data as of September 2010).

The sole source of wet water for the City of Surprise is groundwater. In order to use groundwater as its potable source, the City must utilize its credits or its renewable water supplies as recharge to offset the water mined from the ground. The City has determined that at build out it will need to have a DAWS of approximately 145,000 AFY of water to meet its demand. Current demand projections show that Surprise will have a shortfall of approximately 49,000 AFY.

COST PER EQUIVALENT DWELLING UNIT

This report uses the cost recovery, or buy-in, approach for the Water Resource Facilities Development Fee, because the City has excess capacity available to serve new customers. Future development places demand on the City's available supplies. However, some of the water used by new customers is returned to the City in the form of wastewater influent flows to its water reclamation facilities (WRFs). The City plans to ultimately reclaim all the treated effluent for either direct reuse, for recharge, or for long-term storage credits. City Water Resource Management staff estimates 45 percent of water use is returned in the form of wastewater influent, with the remainder used for irrigation or other uses. The percent of water returned to the City and able to be reclaimed or recharged is the ratio of influent to effluent flows. The product of these two factors is the estimate that 40.5 percent of water use can be reclaimed or recharged, as shown in Figure WR3. The remaining 59.5 percent of water use that is not recoverable for reuse or recharge is used to determine the water resource demand of a new customer.

Figure WR3: Water Recovery Factor

	Total
Percent of Water Demand Returned as Wastewater Influent	45.0%
x Efficiency Factor (Effluent/Influent Ratio)	90.0%
Percent of Water Demand Reclaimed/Recharged	40.5%
Percent of Water Demand Not Reclaimed/Recharged	59.5%
Total Water Use	100.0%

Source: Returned water percentage from City of Surprise Water Resource Management; efficiency factor based on 2016 influent and effluent flows from City of Surprise Water Resource Management Department, June 7, 2017.

Current demand per service unit for water resources is estimated in Figure WR4.

Figure WR4: Water Resource Demand per Service Unit

	Total
Average Daily Water Demand per EDU (gpd)	393
x Percent of Water Use Not Reclaimed/Recharged	59.5%
Averge Daily Water Resource Demand per EDU (gpd)	234
x Days per Year	365
Annual Water Resource Demand per EDU (gpd)	85,410
÷ Gallons per Acre-Foot	325,851
Annual Water Resource Demand per EDU (AFY)	0.2621

The water resource cost per service unit depends on the definition of long-term in number of years. To deliver water, the City must be able to demonstrate sufficient 100-year renewable supply to accommodate existing and 10-year demand. The City currently has a demonstrated 100-year supply for current customers, as well as some excess capacity, but will need to dramatically expand its water resource portfolio in the future to accommodate growth. If growth is to pay for its share of water resources, new customers will pay a development fee sufficient to acquire their own 100-year supply. However, the City's adopted Water Acquisition Policy states that "To ensure enough reserves are in place to meet present and future water demands … the City will maintain a minimum balance … equal to 20 years of net demand." Based on the City's adopted policy, the ~~water resource fees~~ amended water resource fees will be based on the cost of a 20-year water supply, which is ~~$3,695~~ $2,951 per EDU, as shown in Figure WR5.

~~**Figure WR5: Water Resource Cost per Service Unit**~~

~~Cost per EDU~~	
Annual Water Resource Demand per EDU (AFY)	0.2621
x Years	20
Long-Term Water Resource Demand per EDU (AF)	5.242
~~x Current CAGRD Replenishment Rate per AF~~	~~$704~~
Water Rights Cost per EDU	~~$3,690~~
Report Cost per EDU	$5
~~**Water Resource Cost per EDU**~~	~~**$3,695**~~

~~Source: current cost per AF from CAGRD, Final 2017/18 – 2020-22 Rate Schedule.~~

Figure WR5 redacted and replaced by Figure WR5A on the following page

As described in Executive Summary, fee calculations need to include revenue offsets for (1) outstanding debt, interfund loans, and other types of obligations related to existing facilities that serve existing development, (2) existing deficiencies, (3) State/Federal funding, and (4) the excess portion of the construction sales tax.

The City has no bond debt related to water resources, but the SPA 1 water resource development fee fund has an outstanding interfund load of about $2.0 million for an earlier Central Arizona Project (CAP) investment. However, a revenue offset is not required, because the amount of the obligation on existing assets does not exceed the value of existing excess capacity, as shown in Figure WR6. Because these obligations represent a portion of the excess capacity available to serve future customers, these obligations are eligible expenditures of the water resource development fee fund.

Figure WR6: Water Resource Capacity Analysis

Excess Capacity Calculations	
Outstanding Net Obligations	$2,005,063
÷ Current Cost per Acre-Foot/Year (AFY)*	~~$70,400~~
Outstanding Obligations in AFY	~~28~~
÷ Existing Excess AFY	5,205
Obligations as Percent of Excess Capacity Cost	~~0.5%~~

*Current cost per AFY is cost per AF from Figure WR5 times 100-year supply.

Figure WR6 redacted and replaced by Figure WR6A on the following page

Figure WR5A: Amended Water Resource Cost per Service Unit

Amended Cost per EDU	
Annual Water Resource Demand per EDU (AFY)	0.2621
x Years	20
Long-Term Water Resource Demand per EDU (AF)	5.242
x Water Credit Rate per AF	$562
Water Rights Cost per EDU	$2,946
Report Cost per EDU	$5
Amended Water Resource Cost per EDU	**$2,951**

Source: Agreement between City of Surprise and AZ Homebuilders Association

Figure WR6A: Water Resource Capacity Analysis

Excess Capacity Calculations	
Outstanding Net Obligations	$2,005,063
÷ Current Cost per Acre-Foot/Year (AFY)*	$56,200
Outstanding Obligations in AFY	36
÷ Existing Excess AFY	5,205
Obligations as Percent of Excess Capacity Cost	0.7%

*Current cost per AFY is cost per AF from Figure WR5 times 100-year supply.

There are no existing deficiencies in water rights, because the City has more than enough to provide a 100-year water supply for existing customers. The City has not historically received State/Federal funding for water resource acquisition, and does not anticipate receiving such funding in the future. The City does have an excess construction sales tax, and the offset for this is subtracted from the ~~cost per service unit~~ amended cost per service unit, as shown in Figure WR7.

~~Figure WR7: Water Resource Net Cost per Service Unit~~

~~Net Cost per EDU~~	
~~Cost per Equivalent Dwelling Unit (EDU)~~	~~$3,695~~
– Excess Construction Sales Tax Offset per EDU*	($672)
~~Net Cost per EDU~~	~~$3,023~~

*Excess construction tax offset from Appendix G.

Figure WR7 redacted and replaced by Figure WR7A on the following page

~~Net Cost Schedule~~
Amended Net Cost Schedule

The ~~net cost schedule~~ amended net cost schedule for the water resource fee is determined by multiplying the ~~net cost per service unit~~ amended net cost per service unit presented in Figure WR8 by the service units (EDUs) for each meter size.

~~Figure WR8: Water Resource Facilities Development Fees~~

Meter Size (inches)	~~Net Cost/ EDU~~	EDUs/ Meter	~~Net Cost/ Meter~~
0.75	~~$3,023~~	1.00	~~$3,023~~
1.00	~~$3,023~~	1.67	~~$5,048~~
1.50	~~$3,023~~	3.33	~~$10,067~~
2.00	~~$3,023~~	5.33	~~$16,113~~
3.00	~~$3,023~~	10.67	~~$32,255~~
4.00	~~$3,023~~	16.67	~~$50,393~~
6.00	~~$3,023~~	33.33	~~$100,757~~
8.00	~~$3,023~~	53.33	~~$161,217~~

Figure WR8 redacted and replaced by Figure WR8A on the following page

Figure WR7A: Amended Water Resource Net Cost per Service Unit

Amended Net Cost per EDU	
Amended Cost per Equivalent Dwelling Unit (EDU)	$2,951
– Excess Construction Sales Tax Offset per EDU*	($672)
Amended Net Cost per EDU	**$2,279**

*Excess construction tax offset from Appendix G.

Figure WR8A: Amended Water Resource Facilities Development Fees

Meter Size (inches)	Amended Net Cost/ EDU	EDUs/ Meter	Amended Net Cost/ Meter
0.75	$2,279	1.00	**$2,279**
1.00	$2,279	1.67	**$3,806**
1.50	$2,279	3.33	**$7,589**
2.00	$2,279	5.33	**$12,147**
3.00	$2,279	10.67	**$24,317**
4.00	$2,279	16.67	**$37,991**
6.00	$2,279	33.33	**$75,959**
8.00	$2,279	53.33	**$121,539**

10-Year Capital Plan

The bulk of the existing water resource portfolio is in the form of Central Arizona Project (CAP) water rights, which it was able to acquire at relatively low cost. Additional CAP water rights are difficult to acquire, and the marginal cost of expanding the water portfolio is very high. The City estimates that it will have a shortfall of 49,000 acre-feet per year at buildout. In addition to planned expenditures on expanding the portfolio, the City has some outstanding obligations on existing water rights, and will need to update its Development Fee Report every five years. Total planned expenditures, net of the current fund balance, equal approximately $53.2 million over the next 10 years, as summarized in Figure WR9.

Figure WR9: Water Resource Capital Plan, 2019-2029

Description	Fiscal Year	Cost
CIP Project, Water Acquisitions	2020-2023	$2,738,600
CIP Project, Circle City Water Acquisition	2019	$16,034,300
Long Term Storage Credit Purchase	2019-2028	$14,000,000
Wet Water Recharge Basins	2020-2021	$2,200,000
Wet Water Recharge Basins	2025-2026	$2,200,000
Wet Water Leases	2020-2028	$14,000,000
Total Planned Improvement Cost	2019-2028	$51,172,900
Interfund Loan for Central Arizona Project	2019-2028	$2,005,063
Development Fee Report Cost	2019-2028	$65,200
Total Planned Expenditures		$53,243,163

Assuming the ~~updated~~ amended fees are adopted at the maximum rates calculated in this study, projected growth in water service units over the next 10 years would generate about ~~$36.9~~ $27.84 million of revenue, as shown in Figure WR10. This projected revenue would only cover part of the planned expenditures.

Figure WR10: Water Resource Capital Plan Summary, 2019-2029

Description	Total
~~Net Cost per EDU~~	~~$3,023~~
x Projected New EDUs, 2019-2029	12,217
Projected Revenue, 2019-2029	~~$36,931,991~~
– Planned Expenditures, 2019-2029	($53,243,163)
Projected Revenue Surplus / (Deficit)	~~($16,311,172)~~

Figure WR10 redacted and replaced by Figure WR10A below

Figure WR10A: Amended Water Resource Capital Plan Summary, 2019-2029

Description	Total
Amended Net Cost per EDU	$2,279
x Projected New EDUs, 2019-2029	12,217
Projected Revenue, 2019-2029	$27,842,543
– Planned Expenditures, 2019-2029	($53,243,163)
Projected Revenue Surplus / (Deficit)	($25,400,620)

WASTEWATER FACILITIES IIP

ARS § 9-463.05 (T)(7)(b) defines facilities and assets that can be included in the Wastewater Facilities IIP:

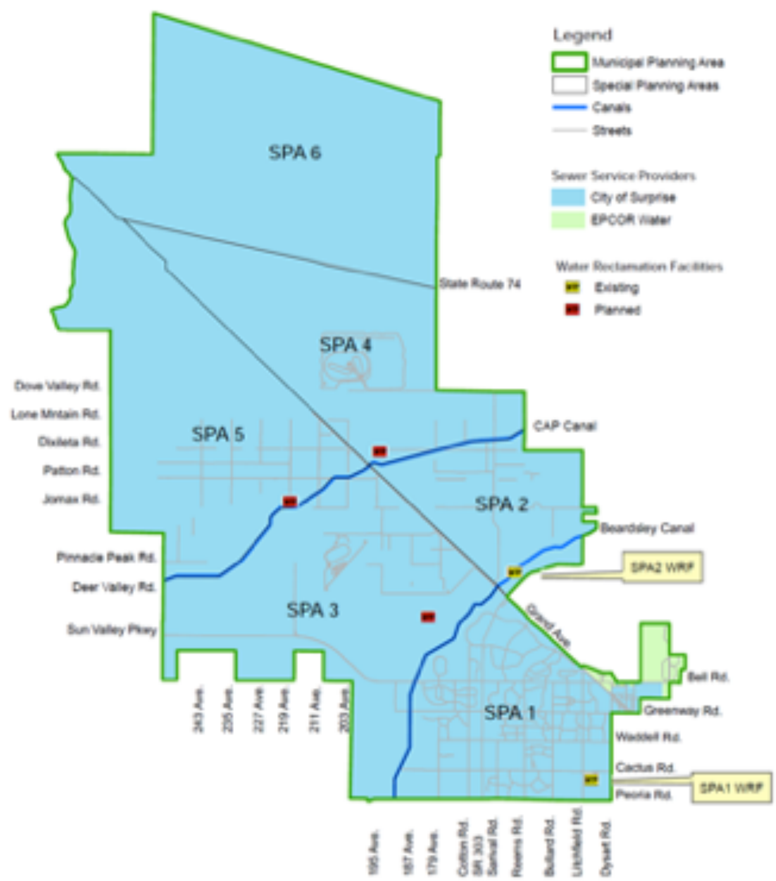
> *"Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities"*

The Wastewater Facilities IIP includes components for water reclamation, collection, recharge, and the cost of preparing the Wastewater Facilities IIP and development fees. The plan-based methodology is used for the Development Fee Report, and the cost recovery methodology is used for all other components.

Service Areas

The City is the primary service provider for all its Municipal Planning Area (MPA), except for a small area that is served by EPCOR, a private utility (see Figure WW1). Surprise currently provides wastewater service to most of the developed areas of SPA 1 and SPA 2. The City entered into an annexation development agreement with a developer in SPA 3. The developer built a wastewater treatment plant that has not yet been dedicated to the City and is currently inactive due to lack of sufficient demand. Based on the terms of the annexation development agreement, parties subject to the agreement will not pay development fees related to wastewater infrastructure. Since there is no other wastewater infrastructure in SPA 3, the analysis does not include a wastewater development fee for SPA 3.

Figure WW1: Wastewater Service Areas



The six SPAs are separated by major geographic barriers - Grand Avenue/BNSF Railroad line, the Beardsley Canal, the Central Arizona Project (CAP) Canal, and SR 74. The SPA borders are topographic boundaries as well, making them well-suited for designation as the wastewater development fee service areas.

Service Units

To calculate Wastewater Facilities Development Fees, the demand associated with different types of customers must be expressed in a common unit of measurement, called a service unit. The service unit for the City's wastewater fees is an equivalent dwelling unit (EDU). An EDU is a single-family dwelling unit or its equivalent in terms of wastewater flows, which designated to be the potential flows associated with a 0.75-inch diameter or smaller water meter.

The number of water service units associated with a customer is determined by the capacity of the water meter relative to the capacity of a 0.75-inch meter. EDU multipliers for various meter sizes based on meter capacities from the American Water Works Association are presented in Figure W2 in the Water chapter.

Existing wastewater service units are estimated based on the number of existing City wastewater customers and the service unit multipliers described in the Water section of this report. As shown in Figure WW2, the City's current wastewater customer base amounts to 54,563 service units (EDUs). The majority (97 percent) of existing service units are in SPA 1.

Figure WW2: Existing Wastewater Service Units

Meter Size (inches)	Customers		EDU Multiplier	Equivalent Dwelling Units		
	SPA 1	SPA 2		SPA 1	SPA 2	Total
0.75	11,186	732	1.00	11,186	732	11,918
1.00	2,291	341	1.67	3,826	569	4,395
1.50	111	8	3.33	370	27	397
2.00	192	13	5.33	1,023	69	1,092
3.00	3	0	10.67	32	0	32
4.00	5	0	16.67	83	0	83
6.00	2	0	33.33	67	0	67
Metered	13,790	1,094	1.21	16,587	1,397	17,984
Non-Metered	30,216	15	1.21	36,561	18	36,579
Total	44,006	1,109		53,148	1,415	54,563

Source: Customers from Utility Billing, Surprise Finance Department, July 19, 2017; EDUs for customers without water meters estimated based on average EDU multiplier for metered customers.

The number of service units should increase proportionately with the increase in wastewater flows. As shown in Figure WW3, system-wide total average daily wastewater flows and service units are projected to increase by 38,914 EDUs over the next 10 years. Most of the new service units will be in SPA 1.

Figure WW3: Wastewater Demand and Service Units, 2019-2029

	Year	WRF Influent Flows (mgd)				Service Units (EDUs)			
		SPA 1	SPA 2	SPA 3	Total	SPA 1	SPA 2	SPA 3	Total
Actual	2013	7.990	0.110	--	8.100	n/a	n/a	n/a	n/a
	2014	8.070	0.130	--	8.200	n/a	n/a	n/a	n/a
	2015	8.340	0.140	--	8.480	n/a	n/a	n/a	n/a
	2016	8.100	0.159	--	8.259	n/a	n/a	n/a	n/a
	2017	8.200	0.170	0.020	8.390	53,148	1,415	131	54,694
Projected	2018	8.761	0.201	0.024	8.986	56,784	1,673	157	58,614
	2019	9.111	0.218	0.029	9.358	59,053	1,814	190	61,057
	2020	9.476	0.234	0.035	9.745	61,419	1,947	229	63,595
	2021	9.855	0.253	0.043	10.151	63,876	2,105	281	66,262
	2022	10.249	0.274	0.053	10.576	66,430	2,280	346	69,056
	2023	10.659	0.299	0.064	11.022	69,087	2,488	418	71,993
	2024	11.085	0.327	0.078	11.490	71,848	2,721	509	75,078
	2025	11.529	0.361	0.095	11.985	74,726	3,004	620	78,350
	2026	11.990	0.399	0.116	12.505	77,714	3,320	757	81,791
	2027	12.470	0.445	0.142	13.057	80,822	3,703	927	85,452
	2028	13.490	0.499	0.173	14.162	87,436	4,152	1,129	92,717
	2029	14.490	0.562	0.211	15.263	93,918	4,676	1,377	99,971
10-Year Change		5.379	0.344	0.182	5.91	34,865	2,862	1,187	38,914

Source: Historical and projected demand from Surprise Water Resource Management, July 24, 2017 and May 12, 2018; 2017 service units for SPA 3 based on estimated demand and system-wide average day gpd per EDU from Figure WW5.

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."*

Level of service (LOS) generally refers to the ratio of capacity to demand. One of the principles of development fee analysis is that future development should not pay for a higher LOS than existing development receives. Consequently, it is important to determine the existing LOS.

The capacity of wastewater treatment facilities (the City calls its treatment plants water reclamation facilities, or WRFs) is generally used as reflective of the capacity of the entire wastewater system. However, other components of the system may have more or less capacity than needed for full utilization of treatment facilities, and will be evaluated separately. The capacities of the existing water reclamation facilities are summarized in Figure WW4. The SPA 3 facility has been constructed by the developer, but has not been accepted by the City because it is not yet sufficiently utilized.

Figure WW4: Existing Water Reclamation Facilities

Facility	Status	Capacity (mgd)
Plant 11	Existing (Inactive)	0.8
Plant 21	Existing (Inactive)	2.7
Plant 3	Existing	4.8
Plant 4	Existing	4.0
Plant 5	Existing	4.0
Plant 6	Planned	TBD
Plant 7	Planned	TBD
Total, SPA 1 Water Reclamation Facility		16.3
Plant 1	Existing	1.2
Plant 2	Existing	2.0
Total, SPA 2 Water Reclamation Facility		3.2
Plant 1	Existing (Inactive)	1.8
Total, SPA 3 Water Reclamation Facility		1.8

Source: City of Surprise, Integrated Water Master Plan – Water Resources Update, June 2015, Table 4-2.

The existing LOS for water reclamation facilities in SPA 1 and SPA 2 are summarized in Figure WW5. Both SPAs have enough wastewater treatment capacity to accommodate current average day flows. Average day flows per service unit for the two SPAs combined is 153 gallons per day per equivalent dwelling unit.

Figure WW5: Existing Water Reclamation Facility LOS

	SPA 1	SPA 2	Total
Existing Treatment Capacity (mgd)	16.30	3.20	19.50
– Average Day Influent Flow (mgd), 2017	(8.20)	(0.17)	(8.37)
Excess Capacity (mgd)	8.10	3.03	11.13
Excess Capacity (mgd)	8.10	3.03	11.13
÷ Total Treatment Capacity (mgd)	16.30	3.20	19.50
Percent Excess Capacity	49.7%	94.7%	57.1%
Average Day Flows (gpd)	8,200,000	170,000	8,370,000
÷ 2017 EDUs	53,148	1,415	54,563
Wastewater Flows per EDU (gpd)	154	120	153

SPA 1 is the service area with the most developed wastewater system. Only a small portion (about 5 percent) of the capacity of the SPA 2 WRF is currently utilized. In SPA 1, all components should generally be in balance, and treatment capacity should be reasonably representative of the capacity of the other components of the wastewater system. To evaluate whether the capacity of the WRFs is a reasonable measure of the capacity of other components of the SPA 2 system, the quantities of different components per MGD of WRF capacity can be compared to those in the more mature SPA 1 system.

In Figure WW6, quantities for water reclamation facilities and non-WRF components are shown for SPA 1 and SPA 2. Line costs per foot generally increase proportionally with the inches in diameter of the pipe, making inch-feet a reasonable summary unit for comparison. The component quantities are then converted into quantities per MGD of WRF capacity. The final column computes the ratio of the quantities of other components per MGD of WRF capacity in SPA 2 to the quantity per MGD in SPA 1. These ratios are indicative of the amounts by which those components in SPA 2 have more or less than long-term capacity relative to their treatment plants.

Figure WW6: LOS Analysis for Non-WRF Components, SPA 2 and SPA 3

System Component	Unit	Existing Quantity		Quantity per WRF mgd		SPA 2/ SPA 1
		SPA 1	SPA 2	SPA 1	SPA 2	
WRFs	mgd	16.30	3.20	1.00	1.00	1.00
WRF land	acres	174.45	23.94	11	7	0.64
Wastewater Lines	1,000 in.-ft	8,593	1,209	527	378	0.72
Reclaimed Lines	1,000 in.-ft	1709	476	105	149	1.42
Recharge Basins	acres	23.00	2.33	1.41	0.73	0.52

Source: Existing quantities from City of Surprise Water Resource Management Department, August 11, 2017.

In the existing SPA 2 system, WRF land, wastewater collection lines, and recharge basins are somewhat undersized for full utilization of existing WRF capacity, while reclaimed lines are oversized. These ratios will be used to determine the equivalent WRF capacities of these other components in computing the cost per gallon per day of wastewater system capacity.

COST PER EQUIVALENT DWELLING UNIT

This report uses the cost recovery, or buy-in, approach, because the existing wastewater system has excess capacity available to serve new customers. Existing facilities for SPA 1 and SPA 2 are summarized in Figure WW7. Unit costs for the different system components are based on estimates in the City's 2009 Wastewater Master Plan. Current system value is the product of existing quantity times unit cost.

Figure WW7: System Value of Existing Wastewater Facilities

Improvement Type	Unit	Existing Quantity		Unit Cost	System Value	
		SPA 1	SPA 2		SPA 1	SPA 2
WRFs, <7 mgd	mgd	0.00	3.20	$10,460,000	$0	$33,472,000
WRFs, 7<13 mgd	mgd	0.00	0.00	$9,310,000	$0	$0
WRFs, 13<18 mgd	mgd	16.30	0.00	$8,070,000	$131,541,000	$0
Lift Stations	mgd	4.70	0.00	$1,116,979	$5,249,801	$0
WRF Land	acres	174.45	23.94	$42,270	$7,374,002	$1,011,944
Wastewater Lines, 10"	lin. ft.	111,230	7,351	$135	$15,016,050	$992,385
Wastewater Lines, 12"	lin. ft.	125,705	5,605	$159	$19,987,095	$891,195
Wastewater Lines, 15"	lin. ft.	81,631	12,157	$186	$15,183,366	$2,261,202
Wastewater Lines, 18"	lin. ft.	45,970	9,329	$223	$10,251,310	$2,080,367
Wastewater Lines, 21"	lin. ft.	16,195	0	$265	$4,291,675	$0
Wastewater Lines, 24"	lin. ft.	48,572	11,679	$287	$13,940,164	$3,351,873
Wastewater Lines, 27"	lin. ft.	23,196	0	$314	$7,283,544	$0
Wastewater Lines, 30"	lin. ft.	30,656	13,921	$342	$10,484,352	$4,760,982
Wastewater Lines, 36"	lin. ft.	4,843	558	$397	$1,922,671	$221,526
Wastewater Lines, 42"	lin. ft.	10,645	0	$452	$4,811,540	$0
Wastewater Lines, 48"	lin. ft.	5,138	0	$507	$2,604,966	$0
Reclaimed Lines, 10"	lin. ft.	554	0	$169	$93,626	$0
Reclaimed Lines, 12"	lin. ft.	20,483	12,813	$202	$4,137,586	$2,588,246
Reclaimed Lines, 16"	lin. ft.	21,593	20,158	$270	$5,830,110	$5,442,606
Reclaimed Lines, 18"	lin. ft.	33,488	0	$278	$9,309,747	$0
Reclaimed Lines, 24"	lin. ft.	12,273	0	$416	$5,105,610	$0
Reclaimed Lines, 30"	lin. ft.	7,169	0	$516	$3,698,998	$0
Reclaimed Booster Stations, 1-3	mgd	3.00	0.00	$359,764	$1,079,292	$0
Vadose Zone Wells	each	20	5	$350,000	$7,000,000	$1,750,000
Monitoring Well	each	2	2	$495,713	$991,426	$991,426
Recharge Basins	acre	23.00	2.33	$102,152	$2,349,496	$238,014
		Total System Value			$289,537,427	$60,053,766

Source: Existing quantities from City of Surprise Water Resource Management Department, August 11, 2017; unit costs from Malcolm Pirnie, Integrated Water Master Plan - Water Infrastructure, July 2009, Appendix G.

With the cost recovery methodology used for this update, the cost per service unit is calculated as system value divided by the capacity of the facilities. System values in the first two columns of Figure WW9 are from Figure WW8. Capacities for other components are current WRF capacity multiplied by the adjustment factors calculated in the previous level of service section. The final two columns compute the costs per gallon per day of wastewater system capacity for both of the SPAs.

Figure WW8: Wastewater Cost per Gallon per Day

Wastewater System Component	System Value		WRF Capacity (mgd)		Cost per gpd	
	SPA 1	SPA 2	SPA 1	SPA 2	SPA 1	SPA 2
WRFs	$131,541,000	$33,472,000	16.30	3.20	$8.07	$10.46
WRF land	$7,374,002	$1,011,944	16.30	2.04	$0.45	$0.50
Wastewater Lines	$105,776,733	$14,559,530	16.30	2.30	$6.49	$6.33
Reclaimed Lines	$28,175,677	$8,030,852	16.30	4.54	$1.73	$1.77
Recharge Basins	$2,349,496	$238,014	16.30	1.66	$0.14	$0.14
Other*	$14,320,519	$2,741,426	16.30	3.20	$0.88	$0.86
Total	$289,537,427	$60,053,766	n/a	n/a	$17.76	$20.06

*Includes lift stations, reclaimed booster stations, and zone/monitoring wells.

Source: WRF capacity used for all SPA 1 system components; for other components in SPA 2, WRF capacity is multiplied by the ratios in the last two columns of Figure WW6; cost per gpd is system value divided by capacity.

The cost per service unit (EDU) is the product of the cost per gallon per day of capacity and average day flows per EDU, plus the cost per EDU of the Development Fee Reports. The cost per service unit is relatively similar among both systems, ranging from $2,719 in SPA 1 to $3,071 in SPA 2, as shown in Figure WW9.

Figure WW9: Wastewater Cost per Service Unit

	SPA 1	SPA 2
Cost per gallon of Wastewater System Capacity	$17.76	$20.06
x Average Day Flows per EDU (gpd)	153	153
Improvement Cost per EDU	$2,717	$3,069
Report Cost per EDU	$2	$2
Total Cost per EDU	**$2,719**	**$3,071**

Source: Report Cost per EDU from Appendix H.

As described in the Executive Summary, fee calculations need to include revenue offsets for (1) outstanding debt, interfund loans, and other types of obligations related to existing facilities that serve existing development, (2) existing deficiencies, (3) State/Federal funding, and (4) the excess portion of the construction sales tax.

There are no existing deficiencies because the wastewater costs per service unit are based on the existing level of service. The City has bond debt related to the SPA 1 water reclamation facility, as well as interfund loans and developer credits for existing wastewater facilities in both SPA 1 and SPA 2. As shown in Figure WW10, outstanding obligations amount to less than half of the total system value of existing facilities in the each of these two service areas.

More than half of the existing capacity in both SPAs is excess capacity that will serve future customers. This indicates that the outstanding obligations can be entirely attributed to excess capacity, and do not warrant a revenue offset.

Figure WW10: Wastewater Excess Capacity Analysis

	SPA 1	SPA 2
Outstanding Net Obligations on Existing Facilities	$93,300,100	$26,357,100
÷ Existing Wastewater Facility System Value	$289,537,427	$60,053,766
Net Obligations as % of Existing Facility System Value	32.2%	43.9%
Existing Excess Water Reclamation Facility Capacity (mgd)	8.10	3.03
÷ Total Existing Water Reclamation Facility Capacity (mgd)	16.30	3.20
Excess Capacity Percentage	49.7%	94.7%

The City has an excess construction sales tax, and the offset amount applicable to the wastewater fee is calculated in Appendix G. Subtracting the offset yields the net costs per service unit shown in Figure WW11.

Figure WW11: Wastewater Net Cost per Service Unit

	SPA 1	SPA 2
Total Cost per EDU	$2,719	$3,071
– Excess Construction Sales Tax Offset per EDU	($527)	($527)
Net Cost per EDU	**$2,192**	**$2,544**

Source: Excess construction tax offset from Appendix G.

Net Cost Schedule

The net cost schedules for the Wastewater Facilities Development Fees are determined by multiplying the service units (EDUs) for each meter size by the net cost per service unit in each SPA. The updated fee schedules are presented in Figure WW12.

Figure WW12: Wastewater Facilities Development Fees

Meter Size (inches)	EDUs/ Meter	Development Fees	
		SPA 1	SPA 2
Net Cost per EDU		**$2,192**	**$2,544**
0.75	1.00	$2,192	$2,544
1.00	1.67	$3,661	$4,248
1.50	3.33	$7,299	$8,472
2.00	5.33	$11,683	$13,560
3.00	10.67	$23,389	$27,144
4.00	16.67	$36,541	$42,408
6.00	33.33	$73,059	$84,792
8.00	53.33	$116,899	$135,672

10-YEAR CAPITAL PLAN

Planned capacity-expanding wastewater infrastructure improvements and other growth-related expenditures over the next 10 years are summarized in Figure WW13.

Figure WW13: Wastewater Capital Plan, 2019-2029

Description	Fiscal Year	Cost
CIP Project, Digester Modifications	2019-2020	$5,500,000
Debt Service on SPA 1 WRF	2019-2028	$41,259,841
Interfund Loan for WRF Debt Service	2019-2028	$36,359,767
Intefund Loan for SPA 1 WRF 8 MGD Expansion	2019-2028	$1,075,950
Interfund Loan for 16" Reclaimed Line, Statler-Bell	2019-2028	$1,315,299
Inrterfund Loan for SPA 1 Sewer Developer Reimbursements	2019-2028	$1,218,949
Interfund Loan for SPA 1 Wastewater Improvements	2019-2028	$1,526,273
Developer Obligations for Surprise Pte Sewer/Reclaimed Lines	2019-2028	$856,676
SPA 1 Share of Two Development Fee Reports	2019-2028	$60,254
SPA 1 Total Planned Expenditures		$89,173,009
CIP Project, SPA 2 Connecting Influent Pipeline	2023	$250,000
CIP Project, SPA 2 Additional Land	2022	$3,288,500
Interfund Loan for SPA 2 Water Reclamation Facility	2019-2028	$32,156
Developer Obligations for SPA 2 WRF (Shared Agreement)	2019-2028	$26,620,391
SPA 2 Share of Two Development Fee Reports	2018-2027	$4,946
SPA 2 Total Planned Expenditures		$30,195,993

Source: CIP projects from City of Surprise, Adopted Budget, Fiscal Year 2019, Capital Improvement Plan, June 2018; debt service due over next 10 years, interfund loans, and developer credits from Appendix F.

Projected growth in wastewater service units over the next 10 years will generate the revenue in each SPA shown in Figure WW14, assuming the proposed fees are adopted at the maximum rates calculated in this study. Projected revenues do not exceed planned expenditures in any service area.

Figure WW14: Wastewater Capital Plan Summary, 2019-2029

Description	SPA 1	SPA 2
Net Cost per EDU	$2,192	$2,544
x Projected New EDUs, 2019-2029	34,865	2,862
Projected Revenue, 2019-2029	$76,424,080	$7,280,928
Planned Expenditures, 2019-2029	($89,173,009)	($30,195,993)
Projected Revenue Surplus / (Deficit)	($12,748,929)	($22,915,065)

Land Use Assumptions

The Enabling Legislation requires the preparation of land use assumptions (growth projections) for each service area. The statute defines land use assumptions 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." Since the IIP for each service area must identify improvement needs for a period not to exceed 10 years, and the land use assumptions must cover a minimum of 10 years, a 10-year time-frame would seem to be the most appropriate for both the land use assumptions and the IIP. For this update, the land use assumptions will be based on the 2019-2029 period.

In this update, the proposed service areas are a combination of incorporated area, utility service areas, and Special Planning Areas (SPAs). The service area for parks, fire, and police fees is the City's total incorporated area. The service areas for water and wastewater fees are the areas served by the City utilities within SPAs 1, 2, and 3. The service area for the water resources fee is the entire utility service area.

The service areas largely correspond with the incorporated area of the City, broken down by planning area for SPAs 1-3 for water and wastewater. Most utility customers are in the incorporated area, although some portions of the incorporated area, particularly for water in SPA 1, are served by private providers. However, it is not necessary to develop separate population and land use projections for the utility service areas, because utility customer data and water/wastewater demand projections are better sources of information on future growth in utility service units.

Projections into the future are always difficult, because there are so many factors that cannot be predicted with any certainty. Fortunately, the calculation of development fees does not depend on the accuracy of these projections. The projections are used in this study only to ensure that the City has enough planned improvements over the next ten years to be able to spend the revenues that will be generated if the projections prove to be accurate.

Incorporated Area Shares

Growth projections for the planning areas, including development within and outside the City limits, are presented in Appendix A. This section estimates the distribution of development in the planning areas attributable to incorporated and unincorporated areas. To develop projections for the incorporated area, it is necessary (at least for residential) to estimate how much of existing development is located within the current City limits. The percentage of incorporated development by land use in each SPA was estimated using Maricopa Association of Government (MAG) estimates of 2015 dwelling units and retail, office, industrial, and public/institutional employment by small area. The small areas are referred to as Traffic Analysis Zones (TAZs).

The first step was to overlay the TAZ map (see Figure LU1 below) and the current City limit map, and visually estimate the percentage of the land area in each TAZ that is within the City limits. The TAZ percentages were then multiplied by each of the land uses for the TAZ, the total and incorporated amounts were summed by SPA, and the SPA incorporated area portion was divided by the total to develop the percentages summarized in Figure LU2 below.

Figure LU1: Traffic Analysis Zones

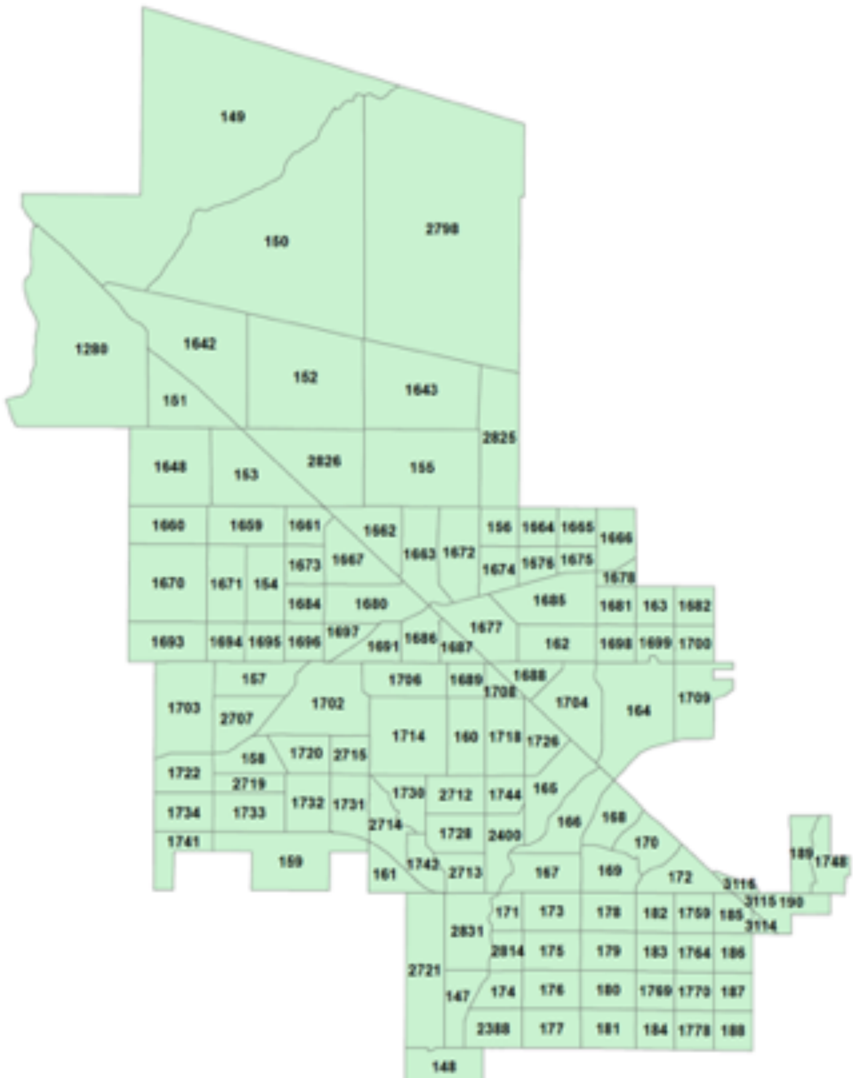


Figure LU2: Share of Development in Incorporated Area by Land Use, 2015

SPA	Units	Retail	Office	Indust.	Public
1	98.1%	97.8%	99.6%	99.8%	99.2%
2	68.4%	60.9%	54.4%	50.0%	72.5%
3	67.2%	93.5%	97.9%	100.0%	0.0%
4	10.9%	23.5%	3.6%	0.0%	51.8%
5	0.8%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%
Total	91.5%	97.2%	96.1%	98.0%	96.1%

Source: TischlerBise, utilizing 2015 estimates of residential units and retail, office, industrial and public/institutional employment by traffic analysis zones from Maricopa Association of Governments (MAG), *Socioeconomic Projections of Population, Housing, and Employment*, 2016, city limits map. and map of traffic analysis zones.

EXISTING DEVELOPMENT

This section documents existing development in the incorporated area. Unlike growth projections, the amount of existing development is a factor that is critical to the development fee calculations for the non-utility fees. This is because of the central role of the existing level of service in development fee analysis.

Residential

Starting with residential development, authoritative data sources include the 2010 census (which provides a 100% count of total dwelling units in the City in 2010), the Census's most recent 5% survey of housing units (which provides information on the mix of existing dwelling units by housing type), and the City's building permit records (which provide the number of dwelling units by housing type added over the last 7 years. These data can be used to develop the most reliable estimates of existing total city-wide dwelling units by housing type.

Let's begin by reviewing the City's recent building permit history. Over the last seven years, the City has issued permits for the construction of 3,109 new dwelling units. The vast majority of permits have been in SPA 1, while a modest number has been in SPA 2, virtually none were in SPA 3, and none were in SPAs 4-6, as summarized in Figure LU3.

Figure LU3: Residential Building Permits, 2010-2016

Housing Type	SPA 1	SPA 2	SPA 3	Total
Single-Family Detached	2,523	370	4	**2,897**
Multi-Family	166	0	0	**166**
Mobile Home	46	0	0	**46**
Total	**2,735**	**370**	**4**	**3,109**

Source: City of Surprise, Community Development Department, May, 2017.

The 2010 U.S. Census provides a 100% count of the total number of dwelling units in Surprise seven years ago. Estimates of the number of 2010 units by housing type are based on 5%-sample Census data on the distribution of units by housing type. Adding the number of residential permits by housing type over the last seven years should provide a reasonably accurate estimate of existing city-wide dwelling units by housing type, as shown in Figure LU4.

Figure LU4: Citywide Housing Units by Type, 2017

Housing Type	% of Units	2010 Units	2010-16 Permits	2017 Units
Single-Family Detached	85.2%	44,803	2,897	47,700
Multi-Family	9.9%	5,206	166	5,372
Mobile Home	4.9%	2,577	46	2,623
Total	**100.0%**	**52,586**	**3,109**	**55,695**

Source: Percent of units from U.S. Census, 2011-2015 American Community Survey for City of Surprise; total 2010 units from 2010 U.S. Census; 2010 units by housing type based on percentage distribution.

Figure LU5 presents estimates of existing dwelling units within the City limits, by housing type and SPA. The estimates were developed using data from U.S. Census Bureau, the Maricopa Association of Government, and the planning area projections prepared for the City.

Figure LU5: Incorporated Housing Units by Type and Planning Area, 2017

	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	Total
Total Dwelling Units in MPA	53,549	1,963	1,398	538	2,421	164	60,033
x % Incorporated	98.1%	68.4%	67.2%	10.9%	0.8%	0.0%	91.4%
Total Dwelling Units in City	**52,532**	**1,343**	**939**	**59**	**19**	**0**	**54,892**
Adjusted Incorp. Dwelling Units	53,300	1,363	953	60	19	0	55,695
x % Single-Family Detached	86.0%	77.2%	74.7%	100%	100%	100%	85.6%
Single-Family Units in City	**45,857**	**1,052**	**712**	**60**	**19**	**0**	**47,700**
Adjusted Incorp. Dwelling Units	53,300	1,363	953	60	19	0	55,695
– Single-Family Units in City	-45,857	-1,052	-712	-60	-19	0	-47,700
Multi-Family/Mobile Home Units in City	**7,443**	**311**	**241**	**0**	**0**	**0**	**7,995**
Multi-Family Units in City	**5,372**	**0**	**0**	**0**	**0**	**0**	**5,372**
Mobile Home Units in City	**2,071**	**311**	**241**	**0**	**0**	**0**	**2,623**

Source: percent single-family for SPAs 2-6 derived from Appendix A (SPA 1 and city-wide simply represent the ratio of incorporated to total units); all non-single-family in SPAs 2-6 assumed to be mobile homes, SPA 1 is remainder.

An important residential characteristic for the park, fire, and police development fee calculations is the number of residents per dwelling unit by housing type. Based on the most recent data available from the U.S. Census Bureau, dwelling units in Surprise have the number of persons per unit by housing type shown in Figure LU6.

Persons per unit should not be confused with average household size, which is the average number of persons in occupied units. Persons per unit takes into consideration that some units are unoccupied at any time, and is calculated as the ratio of household population to total units.

Figure LU6: Person per Unit by Housing Type

Housing Type	Household Population	Total Units	Persons/ Unit	Adjusted Pop./Unit
Single-Family Detached	113,402	47,431	2.39	2.36
Multi-Family	6,513	4,483	1.45	1.43
Mobile Home	3,561	2,671	1.33	1.31
Total	**123,476**	**54,585**	**2.26**	**2.23**

Source: U.S. Census Bureau, American Community Survey (weighted 5% sample data for the City of Surprise collected in 2011-2015); total adjusted persons/unit from 2010 U.S. Census.

Nonresidential

Information from the Maricopa Assessor's Office on existing nonresidential building square feet within the incorporated area by land use type and planning area is summarized in Figure LU7. No existing nonresidential development is currently within the City limits in SPA 5, and no part of SPA 6 has yet been annexed.

LU7: Incorporated Nonresidential Square Feet by Type and Planning Area, 2017

Land Use	SPA 1	SPA 2	SPA 3	SPA 4	City-Wide
Retail/Commercial	6,402,776	7,462	49,804	39,293	**6,499,335**
Office	1,790,686	0	0	0	**1,790,686**
Industrial	766,441	0	614	0	**767,055**
Warehousing	4,055,963	0	2,448	0	**4,058,411**
Public/Institutional	5,593,511	208,478	7,672	0	**5,809,661**
Total	**18,609,377**	**215,940**	**60,538**	**39,293**	**18,925,148**

Source: Maricopa Assessor's Office tax parcel data provided by City of Surprise Community Development Department, May 8, 2017.

Summary of Growth Projections

This section summarizes the growth projections that will be used in the development fee analysis. Annual growth projections in the incorporated area for population, units by housing type, and nonresidential square feet by land use, can be found in Appendix B, broken down by planning area.

Residential growth projections by housing type for the incorporated area by planning area are summarized in Figure LU8. The projections were developed based on 2017 units and the projected increase in the number of single-family and multi-family units by SPA prepared for the City by Applied Economics (see Appendix A), adjusting for the percent of the growth expected to occur within the incorporated area.

LU8: Summary of Residential Growth, 2019-2029

Housing Type/ Planning Area	2017 Units	2019 Units	2029 Units	New Units	Percent Increase
Single-Family Detached	45,857	46,748	53,969	7,221	15%
Multi-Family	5,372	5,718	8,027	2,309	40%
Mobile Home	2,071	2,199	2,466	267	12%
Total, SPA 1	**53,300**	**54,665**	**64,462**	**9,797**	**18%**
Single-Family Detached	1,052	1,450	8,219	6,769	467%
Multi-Family	0	0	0	0	n/a
Mobile Home	311	311	585	274	88%
Total, SPA 2	**1,363**	**1,761**	**8,804**	**7,043**	**400%**
Single-Family Detached	712	894	4,127	3,233	362%
Multi-Family	0	0	0	0	n/a
Mobile Home	241	241	503	262	109%
Total, SPA 3	**953**	**1,135**	**4,630**	**3,495**	**308%**
Single-Family Detached	79	79	97	18	23%
Multi-Family	0	0	0	0	n/a
Mobile Home	0	0	0	0	n/a
Total, SPA 4-6	**79**	**79**	**97**	**18**	**23%**
Single-Family Detached	47,700	49,171	66,412	17,241	35%
Multi-Family	5,372	5,718	8,027	2,309	40%
Mobile Home	2,623	2,751	3,554	803	29%
Total, City-Wide	**55,695**	**57,640**	**77,993**	**20,353**	**35%**

Source: 2019 and 2029 units from Appendix B.

Nonresidential growth projections by land use type are summarized in Figure LU9. Detailed projections by planning area are provided in Appendix B. The projections have been developed by increasing the 2017 square footage in the incorporated area by the growth rates derived from the nonresidential planning area projections of growth in square footage by land use type.

Figure LU9: Summary of Nonresidential Growth, 2019-2029

Land Use Type/ Planning Area	2017 Sq. Feet	2019 Sq. Feet	2029 Sq. Feet	New Sq. Feet	Percent Increase
Retail/Commercial	6,402,776	6,887,394	9,912,785	3,025,391	44%
Office	1,790,686	1,925,439	2,874,418	948,979	49%
Industrial	766,441	828,985	1,056,840	227,855	27%
Warehouse	4,055,963	4,386,941	5,592,731	1,205,790	27%
Public/Institutional	5,593,511	5,891,463	7,662,775	1,771,312	30%
Total, SPA 1	**18,609,377**	**19,920,222**	**27,099,549**	**7,179,327**	**36%**
Retail/Commercial	7,462	14,869	754,554	739,685	4975%
Office	0	0	0	0	n/a
Industrial	0	0	0	0	n/a
Warehouse	4,386,941	0	0	0	n/a
Public/Institutional	5,891,463	253,393	1,187,051	933,658	368%
Total, SPA 2	**10,285,866**	**268,262**	**1,941,605**	**1,673,343**	**624%**
Retail/Commercial	49,804	64,768	443,001	378,233	584%
Office	0	0	0	0	n/a
Industrial	614	755	2,807	2,052	272%
Warehouse	2,448	3,013	11,202	8,189	272%
Public/Institutional	253,393	9,879	66,924	57,045	577%
Total, SPA 3	**306,259**	**78,415**	**523,934**	**445,519**	**568%**
Retail/Commercial	6,499,335	7,009,422	11,210,854	4,201,432	60%
Office	1,790,686	1,925,439	2,874,418	948,979	49%
Industrial	767,055	829,740	1,059,647	229,907	28%
Warehouse	4,058,411	4,389,954	5,603,933	1,213,979	28%
Public/Institutional	5,809,661	6,154,735	8,916,750	2,762,015	45%
Total, City-Wide	**18,925,148**	**20,309,290**	**29,665,602**	**9,356,312**	**46%**

Source: 2019 and 2029 sq. ft. from Appendix B.

APPENDIX A: PLANNING AREA PROJECTIONS

This appendix provides development projections by planning area. Because the unincorporated area and utility service areas will expand over time as the City annexes and extends utility service to new areas, growth projections for the Municipal Planning Area (MPA), broken down by Special Planning Area (SPA), are a necessary starting point for developing growth projections for the service areas.

Growth projections for the MPA, broken down by SPA, have been prepared for the City by Applied Economics. The firm analyzed recent local and regional development trends, tax assessor and development permit data, regional forecasts, and a variety of other sources in preparing the projections. The projections are summarized in the following tables. They are important inputs into the Land Use Assumptions.

Figure A1: Population by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	MPA Total
2017	124,984	5,289	3,950	1,277	5,682	412	**141,594**
2018	126,773	6,010	4,224	1,283	5,694	411	**144,395**
2019	129,207	6,747	4,665	1,292	5,706	411	**148,028**
2020	131,872	7,981	5,504	1,296	5,725	410	**152,788**
2021	134,128	9,876	6,738	1,293	5,734	409	**158,178**
2022	136,224	12,347	8,120	1,296	5,741	408	**164,136**
2023	138,623	15,247	9,540	1,301	5,774	408	**170,893**
2024	141,439	18,643	11,033	1,303	5,811	407	**178,636**
2025	144,048	21,929	12,756	1,300	5,849	406	**186,288**
2026	146,421	25,120	14,557	1,305	5,880	405	**193,688**
2027	148,513	28,716	16,289	1,305	5,887	404	**201,114**
2028	150,473	32,802	17,968	1,705	5,891	403	**209,242**
2029	152,457	36,825	19,703	2,225	5,905	403	**217,518**

** as of July 1.*

Source: Applied Economics, City of Surprise Land Use Assumptions, Final Report, August 14, 2017, Figure B-1.

Figure A2: Housing Units by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	MPA Total
2017	53,549	1,963	1,398	538	2,421	164	**60,033**
2018	54,095	2,249	1,502	539	2,421	164	**60,970**
2019	54,940	2,544	1,668	541	2,421	164	**62,278**
2020	55,834	3,032	1,982	541	2,424	164	**63,977**
2021	56,814	3,751	2,444	541	2,427	164	**66,141**
2022	57,718	4,686	2,962	543	2,429	164	**68,502**
2023	58,738	5,780	3,495	546	2,442	164	**71,165**
2024	59,997	7,057	4,056	548	2,457	164	**74,279**
2025	61,194	8,288	4,708	548	2,472	164	**77,374**
2026	62,320	9,479	5,392	551	2,484	164	**80,390**
2027	63,273	10,817	6,067	552	2,486	164	**83,359**
2028	64,203	12,366	6,719	715	2,487	164	**86,654**
2029	65,168	13,884	7,382	927	2,492	164	**90,017**

** as of July 1.*

Source: Applied Economics, City of Surprise Land Use Assumptions, Final Report, August 14, 2017, Figure B-2.

Figure A3: Single Family Increase by Planning Area, 2019-2029

Fiscal Yr.	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	MPA
2017/18	390	286	104	1	0	0	**781**
2018/19	518	295	166	2	0	0	**981**
2019/20	660	488	314	0	3	0	**1,465**
2020/21	834	719	462	0	3	0	**2,018**
2021/22	804	935	518	2	2	0	**2,261**
2022/23	920	1,094	533	3	13	0	**2,563**
2023/24	921	1,277	561	2	15	0	**2,776**
2024/25	810	1,231	626	0	15	0	**2,682**
2025/26	686	1,191	648	3	12	0	**2,540**
2026/27	713	1,338	546	1	2	0	**2,600**
2027/28	610	1,349	552	163	1	0	**2,675**
2028/29	570	1,331	628	212	5	0	**2,746**

Source: Applied Economics, City of Surprise Land Use Assumptions, Final Report, August 14, 2017, Figure B-2A.

Figure A4: Multi-Family Increase by Planning Area, 2019-2029

Fiscal Yr.	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	MPA
2017/18	156	0	0	0	0	0	**156**
2018/19	327	0	0	0	0	0	**327**
2019/20	234	0	0	0	0	0	**234**
2020/21	146	0	0	0	0	0	**146**
2021/22	100	0	0	0	0	0	**100**
2022/23	100	0	0	0	0	0	**100**
2023/24	338	0	0	0	0	0	**338**
2024/25	387	0	26	0	0	0	**413**
2025/26	440	0	36	0	0	0	**476**
2026/27	240	0	129	0	0	0	**369**
2027/28	320	200	100	0	0	0	**620**
2028/29	320	200	100	0	0	0	**620**

Source: Applied Economics, City of Surprise Land Use Assumptions, Final Report, August 14, 2017, Figure B-2A.

Figure A5: Retail Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	MPA Total
2017	5,102,699	7,462	57,507	7,903	38,178	6026	**5,219,775**
2018	5,279,585	10,598	64,533	8,201	41,144	6026	**5,410,087**
2019	5,488,916	14,869	74,785	8,526	44,341	6026	**5,637,463**
2020	5,714,538	21,983	92,594	8,830	47,846	6026	**5,891,817**
2021	5,928,953	33,998	118,950	9,099	51,535	6026	**6,148,561**
2022	6,142,425	53,121	150,433	9,412	55,486	6026	**6,416,903**
2023	6,376,004	81,983	185,468	9,754	60,014	6026	**6,719,249**
2024	6,636,066	125,280	225,077	10,089	64,964	6026	**7,067,502**
2025	6,894,049	184,170	273,081	10,396	70,320	6026	**7,438,042**
2026	7,148,243	263,674	327,037	10,773	76,022	6026	**7,831,775**
2027	7,395,848	376,711	384,014	11,122	81,849	6026	**8,255,570**
2028	7,643,795	537,788	444,525	15,003	88,088	6,026	**8,735,225**
2029	7,900,006	754,554	511,515	20,217	94,957	6,026	**9,287,275**

** as of July 1.*
Source: Applied Economics, City of Surprise Land Use Assumptions, Final Report, August 14, 2017, Figure B-6.

Figure A6: Office Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	MPA Total
2017	1,310,464	22,499	13,985	4,350	9,235	1525	**1,362,058**
2018	1,355,198	26,972	15,299	4,418	9,531	1552	**1,412,970**
2019	1,409,079	31,956	17,286	4,496	9,842	1580	**1,474,239**
2020	1,468,071	39,916	20,866	4,559	10,186	1610	**1,545,208**
2021	1,525,234	52,180	26,134	4,598	10,529	1639	**1,620,314**
2022	1,583,323	68,953	32,225	4,656	10,889	1668	**1,701,714**
2023	1,647,899	90,045	38,739	4,723	11,322	1698	**1,794,426**
2024	1,720,795	116,489	45,842	4,783	11,791	1729	**1,901,429**
2025	1,794,799	145,049	54,235	4,824	12,289	1760	**2,012,956**
2026	1,869,612	175,987	63,338	4,894	12,804	1791	**2,128,426**
2027	1,944,648	213,190	72,528	4,947	13,297	1824	**2,250,434**
2028	2,021,872	258,194	81,876	6,533	13,816	1,858	**2,384,149**
2029	2,103,562	307,489	91,885	8,618	14,391	1,892	**2,527,837**

** as of July 1.*

Source: Applied Economics, City of Surprise Land Use Assumptions, Final Report, August 14, 2017, Figure B-7.

Figure A7: Industrial Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	MPA Total
2017	3,551,949	0	81,373	0	0	0	**3,633,322**
2018	3,711,550	0	89,773	0	0	0	**3,801,323**
2019	3,841,798	0	100,141	0	0	0	**3,941,939**
2020	3,949,070	0	111,647	0	0	0	**4,060,717**
2021	4,044,448	0	124,584	0	0	0	**4,169,032**
2022	4,142,298	0	140,703	0	0	0	**4,283,001**
2023	4,234,544	0	158,652	0	0	0	**4,393,196**
2024	4,324,742	0	178,963	0	0	0	**4,503,705**
2025	4,425,704	0	204,867	0	0	0	**4,630,571**
2026	4,532,187	0	235,616	0	0	0	**4,767,803**
2027	4,621,713	0	264,424	0	0	0	**4,886,137**
2028	4,804,554	0	332,650	0	0	0	**5,137,204**
2029	4,897,749	0	372,353	0	0	0	**5,270,102**

** as of July 1.*

Source: Applied Economics, City of Surprise Land Use Assumptions, Final Report, August 14, 2017, Figure B-8.

Figure A8: Public/Institutional Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	MPA Total
2017	4,965,042	208,477	25,186	152,252	19,416	0	**5,370,373**
2018	5,083,169	231,114	28,115	152,297	19,536	0	**5,514,231**
2019	5,229,517	253,392	32,433	152,360	19,656	0	**5,687,358**
2020	5,387,972	293,097	40,002	152,388	19,848	0	**5,893,307**
2021	5,532,488	355,123	51,223	152,369	19,938	0	**6,111,141**
2022	5,672,961	435,324	64,618	152,385	20,004	0	**6,345,292**
2023	5,828,749	527,902	79,518	152,420	20,334	0	**6,608,923**
2024	6,005,151	634,879	96,382	152,435	20,712	0	**6,909,559**
2025	6,175,953	735,795	116,870	152,417	21,090	0	**7,202,125**
2026	6,339,795	831,997	139,965	152,451	21,398	0	**7,485,606**
2027	6,494,423	940,620	164,455	152,451	21,466	0	**7,773,415**
2028	6,646,126	1,064,744	190,603	155,251	21,510	0	**8,078,234**
2029	6,801,810	1,187,050	219,725	158,892	21,650	0	**8,389,127**

** as of July 1.*

Source: Applied Economics, City of Surprise Land Use Assumptions, Final Report, August 14, 2017, Figure B-9 and B-10.

APPENDIX B: INCORPORATED AREA PROJECTIONS

Figure B1: Incorporated Household Population by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	118,617	2,890	1,996	142	45	0	**123,690**
2018	119,735	3,353	2,161	142	45	0	**125,436**
2019	121,383	3,829	2,426	142	45	0	**127,825**
2020	123,232	4,618	2,924	142	45	0	**130,961**
2021	125,364	5,779	3,655	142	45	0	**134,985**
2022	127,363	7,289	4,476	142	45	0	**139,315**
2023	129,633	9,054	5,321	142	45	0	**144,195**
2024	132,234	11,115	6,211	142	45	0	**149,747**
2025	134,647	13,102	7,227	142	45	0	**155,163**
2026	136,849	15,025	8,285	142	45	0	**160,346**
2027	138,833	17,185	9,265	142	45	0	**165,470**
2028	140,693	19,542	10,228	184	45	0	**170,692**
2029	142,076	20,163	10,399	184	45	0	**172,867**

** as of July 1.*

Source: Residential units from Figures B2 through B4, multiplied by persons per unit from Appendix A.

Figure B2: Incorporated Single Family Units by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	45,857	1,052	712	60	19	0	**47,700**
2018	46,240	1,248	782	60	19	0	**48,349**
2019	46,748	1,450	894	60	19	0	**49,171**
2020	47,395	1,784	1,105	60	19	0	**50,363**
2021	48,213	2,276	1,415	60	19	0	**51,983**
2022	49,002	2,916	1,763	60	19	0	**53,760**
2023	49,905	3,664	2,121	60	19	0	**55,769**
2024	50,809	4,537	2,498	60	19	0	**57,923**
2025	51,604	5,379	2,919	60	19	0	**59,981**
2026	52,277	6,194	3,354	60	19	0	**61,904**
2027	52,976	7,109	3,721	60	19	0	**63,885**
2028	53,574	8,032	4,092	78	19	0	**65,795**
2029	53,969	8,219	4,127	78	19	0	**66,412**

** as of July 1.*

Source: projections based on annual single-family increases from Appendix A, adjusted for the percentages of units in the incorporated area by SPA from the Land Use Assumptions.

Figure B3: Incorporated Multi-Family Units by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	5,372	0	0	0	0	0	**5,372**
2018	5,482	0	0	0	0	0	**5,482**
2019	5,718	0	0	0	0	0	**5,718**
2020	5,895	0	0	0	0	0	**5,895**
2021	6,008	0	0	0	0	0	**6,008**
2022	6,087	0	0	0	0	0	**6,087**
2023	6,167	0	0	0	0	0	**6,167**
2024	6,442	0	0	0	0	0	**6,442**
2025	6,771	0	0	0	0	0	**6,771**
2026	7,164	0	0	0	0	0	**7,164**
2027	7,390	0	0	0	0	0	**7,390**
2028	7,702	0	0	0	0	0	**7,702**
2029	8,027	0	0	0	0	0	**8,027**

** as of July 1.*
Source: projections based on annual multi-family increases from Appendix A, adjusted for the percentages of units in the incorporated area by SPA from the Land Use Assumptions.

Figure B4: Incorporated Mobile Home Units by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	2,071	311	241	0	0	0	**2,623**
2018	2,114	311	241	0	0	0	**2,666**
2019	2,199	311	241	0	0	0	**2,751**
2020	2,252	311	241	0	0	0	**2,804**
2021	2,282	311	241	0	0	0	**2,834**
2022	2,301	311	241	0	0	0	**2,853**
2023	2,319	311	241	0	0	0	**2,871**
2024	2,376	311	241	0	0	0	**2,928**
2025	2,427	311	258	0	0	0	**2,996**
2026	2,466	311	282	0	0	0	**3,059**
2027	2,475	311	369	0	0	0	**3,155**
2028	2,477	448	436	0	0	0	**3,361**
2029	2,466	585	503	0	0	0	**3,554**

** as of July 1.*
Source: projections based on annual multi-family increases from Appendix A, adjusted for the percentages of units in the incorporated area by SPA from the Land Use Assumptions.

Figure B5: Incorporated Retail Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	6,402,776	7,462	49,804	39,293	0	0	**6,499,335**
2018	6,624,729	10,598	55,889	40,775	0	0	**6,731,991**
2019	6,887,394	14,869	64,768	42,391	0	0	**7,009,422**
2020	7,170,500	21,983	80,192	43,902	0	0	**7,316,577**
2021	7,439,544	33,998	103,018	45,239	0	0	**7,621,799**
2022	7,707,405	53,121	130,284	46,795	0	0	**7,937,605**
2023	8,000,496	81,983	160,626	48,495	0	0	**8,291,600**
2024	8,326,817	125,280	194,930	50,161	0	0	**8,697,188**
2025	8,650,529	184,170	236,504	51,687	0	0	**9,122,890**
2026	8,969,487	263,674	283,233	53,561	0	0	**9,569,955**
2027	9,280,177	376,711	332,578	55,296	0	0	**10,044,762**
2028	9,591,296	537,788	384,984	74,591	0	0	**10,588,659**
2029	9,912,785	754,554	443,001	100,514	0	0	**11,210,854**

** as of July 1.*
Source: projections based on percent increase in projected retail square feet by SPA from Appendix A.

Figure B6: Incorporated Office Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	1,790,686	0	0	0	0	0	**1,790,686**
2018	1,851,813	0	0	0	0	0	**1,851,813**
2019	1,925,439	0	0	0	0	0	**1,925,439**
2020	2,006,049	0	0	0	0	0	**2,006,049**
2021	2,084,160	0	0	0	0	0	**2,084,160**
2022	2,163,536	0	0	0	0	0	**2,163,536**
2023	2,251,776	0	0	0	0	0	**2,251,776**
2024	2,351,385	0	0	0	0	0	**2,351,385**
2025	2,452,508	0	0	0	0	0	**2,452,508**
2026	2,554,736	0	0	0	0	0	**2,554,736**
2027	2,657,269	0	0	0	0	0	**2,657,269**
2028	2,762,792	0	0	0	0	0	**2,762,792**
2029	2,874,418	0	0	0	0	0	**2,874,418**

** as of July 1.*
Source: projections based on percent increase in projected square feet by SPA from Appendix A.

Figure B7: Incorporated Industrial Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	766,441	0	614	0	0	0	**767,055**
2018	800,880	0	677	0	0	0	**801,557**
2019	828,985	0	755	0	0	0	**829,740**
2020	852,132	0	842	0	0	0	**852,974**
2021	872,713	0	940	0	0	0	**873,653**
2022	893,827	0	1,062	0	0	0	**894,889**
2023	913,732	0	1,197	0	0	0	**914,929**
2024	933,195	0	1,350	0	0	0	**934,545**
2025	954,981	0	1,545	0	0	0	**956,526**
2026	977,958	0	1,777	0	0	0	**979,735**
2027	997,276	0	1,994	0	0	0	**999,270**
2028	1,036,730	0	2,508	0	0	0	**1,039,238**
2029	1,056,840	0	2,807	0	0	0	**1,059,647**

** as of July 1.*
Source: projections based on percent increase in projected square feet by SPA from Appendix A.

Figure B8: Incorporated Warehouse Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	4,055,963	0	2,448	0	0	0	**4,058,411**
2018	4,238,211	0	2,701	0	0	0	**4,240,912**
2019	4,386,941	0	3,013	0	0	0	**4,389,954**
2020	4,509,435	0	3,359	0	0	0	**4,512,794**
2021	4,618,347	0	3,748	0	0	0	**4,622,095**
2022	4,730,082	0	4,233	0	0	0	**4,734,315**
2023	4,835,418	0	4,773	0	0	0	**4,840,191**
2024	4,938,415	0	5,384	0	0	0	**4,943,799**
2025	5,053,703	0	6,163	0	0	0	**5,059,866**
2026	5,175,296	0	7,088	0	0	0	**5,182,384**
2027	5,277,526	0	7,955	0	0	0	**5,285,481**
2028	5,486,312	0	10,008	0	0	0	**5,496,320**
2029	5,592,731	0	11,202	0	0	0	**5,603,933**

** as of July 1.*
Source: projections based on percent increase in projected square feet by SPA from Appendix A.

Figure B9: Incorporated Public/Institutional Square Feet by Planning Area, 2019-2029

Year*	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	City Total
2017	5,593,511	208,478	7,672	0	0	0	**5,809,661**
2018	5,726,590	231,115	8,564	0	0	0	**5,966,269**
2019	5,891,463	253,393	9,879	0	0	0	**6,154,735**
2020	6,069,975	293,098	12,184	0	0	0	**6,375,257**
2021	6,232,784	355,124	15,602	0	0	0	**6,603,510**
2022	6,391,038	435,325	19,682	0	0	0	**6,846,045**
2023	6,566,545	527,903	24,220	0	0	0	**7,118,668**
2024	6,765,276	634,880	29,357	0	0	0	**7,429,513**
2025	6,957,698	735,796	35,597	0	0	0	**7,729,091**
2026	7,142,279	831,998	42,631	0	0	0	**8,016,908**
2027	7,316,480	940,621	50,090	0	0	0	**8,307,191**
2028	7,487,385	1,064,745	58,054	0	0	0	**8,610,184**
2029	7,662,775	1,187,051	66,924	0	0	0	**8,916,750**

** as of July 1.*

Source: projections based on percent increase in projected square feet by SPA from Appendix A.

APPENDIX D: FUNCTIONAL POPULATION

The two most common methodologies used in calculating public safety service units and development fees are the "calls-for-service" approach and the "functional population" approach. This study utilizes the "functional population" approach to calculate and assess the fire and police development fees. This approach is a generally-accepted methodology for these development fee types and is based on the observation that demand for public safety facilities tends to be proportional to the presence of people at the site of a land use.

Functional population is analogous to the concept of "full-time equivalent" employees. It represents the number of "full-time equivalent" people present at the site of a land use, and it is used to estimate the impact of a particular development on the need for facilities. For residential development, functional population is simply the number of residents times the percent of time people spend at home. For nonresidential development, functional population is based on a formula that factors trip generation rates, average vehicle occupancy and average number of hours spent by visitors at a land use.

RESIDENTIAL FUNCTIONAL POPULATION

For residential land uses, the impact of a dwelling unit on the need for capital facilities is generally proportional to the number of persons residing in the dwelling unit. Determining residential functional population multipliers is considerably simpler than the nonresidential component. It is estimated that people, on average, spend 16 hours, or 67 percent, of each 24-hour day at their place of residence and the other 33 percent away from home. The functional population per unit for these uses is shown in Figure D1.

Figure D1: Functional Population per Unit for Residential Uses

Housing Type	Unit	Persons/ Unit	Occupancy Factor	Func. Pop./Unit
Single-Family Detached	Dwelling	2.36	0.67	1.58
Multi-Family	Dwelling	1.43	0.67	0.96
Mobile Home	Dwelling	1.31	0.67	0.88

Source: Average household size from Land Use Assumptions; residential occupancy factor estimated.

NONRESIDENTIAL FUNCTIONAL POPULATION

The functional population methodology for nonresidential land uses is based on trip generation data utilized in developing the transportation demand schedule prepared for the updated transportation development fee update. Functional population per 1,000 square feet is derived by dividing the total number of hours spent by employees and visitors during a week day by 24 hours. Employees are estimated to spend 8 hours per day at their place of employment, and visitors are estimated to spend one hour per visit. The formula used to derive the nonresidential functional population estimates is summarized in Figure D2.

Figure D2: Nonresidential Functional Population Formula

FUNCPOP/UNIT = (employee hours/1000 sf + visitor hours/1000 sf) ÷ 24 hours/day

<u>Where:</u>

Employee hours/1000 sf = employees/1000 sf x 8 hours/day

Visitor hours/1000 sf = visitors/1000 sf x 1 hour/visit

Visitors/1000 sf = weekday ADT/1000 sf x avg. vehicle occupancy – employees/1000 sf

Weekday ADT/1000 sf = one-way avg. daily trips (total trip ends ÷ 2)

Using this formula and information on trip generation rates, vehicle occupancy rates from the National Household Travel Survey and other sources, nonresidential functional population estimates per 1,000 square feet of gross floor area are calculated in Figure D3.

Figure D3: Functional Population per Unit for Nonresidential Uses

Land Use	Unit	Trip Rate	Persons/ Trip	Employee/ Unit	Visitors/ Unit	Functional Pop./ Unit
Retail/Commercial	1,000 sq. ft.	18.87	1.91	0.84	35.20	1.75
Office	1,000 sq. ft.	4.87	1.84	2.11	6.85	0.99
Industrial	1,000 sq. ft.	1.68	1.27	0.81	1.32	0.33
Warehouse	1,000 sq. ft.	0.87	1.27	0.49	0.61	0.19
Public/Institutional	1,000 sq. ft.	3.32	2.54	0.91	7.52	0.62

Source: Trip rates based on one-half of average daily trip rate from ITE, Trip Generation, 10th ed., 2017 (retail/commercial based on shopping center, institutional based on nursing home, industrial based on manufacturing); persons/trip is average vehicle occupancy from Federal Highway Administration, Nationwide Household Travel Survey, 2017; employees/unit from U.S. Department of Energy, Commercial Buildings Energy Consumption Survey, 2012.

FUNCTIONAL POPULATION SUMMARY

The functional population multipliers for residential and nonresidential land use categories are summarized in Figure D4. They have been converted into equivalent dwelling units (EDUs) based on the ratio to a single-family detached unit.

Figure D4: Functional Population Multipliers

Land Use	Unit	Functional Pop./Unit	EDUs/ Unit
Single-Family, Detached	Dwelling	1.58	1.00
Multi-Family	Dwelling	0.96	0.61
Mobile Home/RV Park	Pad	0.88	0.56
Shopping Center/Commercial	1,000 sq. ft.	1.75	1.11
Office	1,000 sq. ft.	0.99	0.63
Industrial	1,000 sq. ft.	0.33	0.21
Warehouse	1,000 sq. ft.	0.19	0.12
Public/Institutional	1,000 sq. ft.	0.62	0.39

Existing and projected fire and police service units (EDUs) are based on the land use assumptions and are shown in Figure D5.

Figure D5: Fire & Police Service Units, 2019-2029

Land Use Type	Unit	Units		EDUs/	Equivalent Dwelling Units		
		2019	2029	Unit	2019	2029	New
Single-Family Detached	Dwelling	49,171	66,412	1.00	49,171	66,412	17,241
Multi-Family	Dwelling	5,718	8,027	0.61	3,488	4,896	1,408
Mobile Home	Dwelling	2,751	3,554	0.56	1,541	1,990	449
Retail/Commercial	1,000 sq ft	7,009	11,211	1.11	7,780	12,444	4,664
Office	1,000 sq ft	1,925	2,874	0.63	1,213	1,811	598
Industrial	1,000 sq ft	830	1,060	0.21	174	223	49
Warehouse	1,000 sq ft	4,390	5,604	0.12	527	672	145
Public/Institutional	1,000 sq ft	6,155	8,917	0.39	2,400	3,478	1,078
		Total Service Units			**66,294**	**91,926**	**25,632**

APPENDIX E: PUBLIC SAFETY BUILDING

The City of Surprise Public Safety Building is occupied by fire/EMS, police, and general government functions. The square footage of the building occupied by each function is used to allocate costs between the three development fee funds. These percentage allocations are shown in Figure E1.

Figure E1: Public Safety Building Occupancy

Service Area	Facility Component	Building Sq. Feet	Share
Fire & EMS	Offices	9,000	9.38%
Fire & EMS	Meeting Rooms	7,500	7.81%
	Subtotal, Fire/EMS	**16,500**	**17.19%**
Police	Indoor Shooting Range	3,500	3.65%
	Subttotal, Grandfathered Police	**3,500**	**3.65%**
Police	Offices	35,000	36.45%
Police	Meeting Rooms	7,500	7.81%
	Subtotal, New Police	**42,500**	**44.26%**
Gen Govt	Court	22,000	22.92%
Gen Govt	Prosecution	5,500	5.73%
Gen Govt	Surprise 11 Broadcast Center	6,000	6.25%
	Subtotal, General Government	**33,500**	**34.90%**
Total		**96,000**	**100.00%**

Source: Malcolm Pirnie, Development Fee and MPC Bond Fund Analysis, February 2011, Table 4-1 (percentages sum to more than 100% due to rounding).

The land attributable to the fire and police portions of the Public Safety Building are based on the land directly occupied by the building shares and associated parking, as well as a proportional share of the open space in the Surprise Civic Center based on acreage directly occupied, as shown in Figure E2.

Figure E2: Fire and Police Public Safety Building Land

Use of Property	Total Acres	Fire Acres	Police Acres
Courts	0.765		
Courts Parking Lots	1.540		
Police Dept. (excl. indoor shooting range)	0.984		0.984
Police Indoor Shooting Range	0.088		*
Police Outdoor Shooting Range	0.099		*
Police Parking Lots	2.150		2.150
Fire Administration	0.865	0.865	
Fire Parking	0.940	0.940	
City Hall	1.061		
Parking Structure	0.876		
CUP	0.123		
Ottawa and Ottowa Parking	1.727		
Chamber	0.046		
WV Arts	0.013		
Chamber & WV Arts Parking	2.150		
Civic Center Open Space**	20.083	2.700	4.688
Total Acreage Civic Center	33.510	4.505	7.822

** ineligible per SB 1525*
*** allocated proportional to eligible acres directly occupied*
Source: Total acres by use from City of Surprise, July 21, 2017.

APPENDIX F: DEVELOPMENT FEE OBLIGATIONS

This appendix identifies the outstanding amounts owed by the development fee funds for existing facilities that have excess capacity to accommodate new development. These obligations include portions of the debt service for the 2007 revenue and 2015 refunding issues of Municipal Property Corporation (MPC) bonds, loans from other City funds, and developer credits. These are offset by the outstanding balances of the development fee funds to determine the net obligation attributable to each fund.

The outstanding net obligations of the individual development fee funds at the end of FY 2017 are the sum of debt, interfund loan, and developer credit obligations, less the current fund balance, as summarized in Figure F1 below. Details on capital projects funded by debt, interfund loans, and developer credits are provided on the following pages.

Figure F1: Outstanding Net Obligations, FYE 2018

Development Fee Fund	Debt Service	Interfund Loans	Developer Credits	Total Obligations	Fund Balance	Net Obligations
Parks, Grandfathered	$2,235,344	$0	$0	$2,235,344	$1,501,496	$733,848
Parks, SPA 1 (new)	$387,991	$0	$3,153,318	$3,541,309	$0	$3,541,309
Parks, SPA 2 (new)	$0	$0	$4,621,046	$4,621,046	$0	$4,621,046
Library	$0	$0	$0	$0	$4,652,559	($4,652,559)
Fire/EMS	$460,444	$2,506,199	$144,211	$3,110,854	$1,557,173	$1,553,681
Police (new)	$811,833	$0	$0	$811,833	$2,357,189	($1,545,356)
Water, SPA 1	$0	$0	$14,840,014	$14,840,014	$2,664,922	$12,175,092
Water, SPA 2	$0	$0	$2,683,874	$2,683,874	$0	$2,683,874
Water Resource	$0	$2,005,063	$0	$2,005,063	$0	$2,005,063
Wastewater, SPA 1	$50,947,186	$41,496,238	$856,676	$93,300,100	$0	$93,300,100
Wastewater, SPA 2	$0	$32,156	$26,620,391	$26,652,547	$295,447	$26,357,100
General Government	$2,201,501	$5,993,321	$0	$8,194,822	$428,297	$7,766,525
Total	**$57,044,299**	**$52,032,977**	**$52,919,530**	**$161,996,806**	**$13,457,083**	**$148,539,723**

Source: Fund balance as of June 30, 2018 from City of Surprise Finance Department.

Figure F2: Outstanding MPC Debt, Series 2007 and 2015, FYE 2018

Development Fee Fund	Improvement	Original Principal	Percent	Outstanding on FYE 2018	
				Principal	Total
New Fire	Fire Station #3	$94,005	8.76%	$35,140	$40,335
New Fire	Public Safety Bldg. (Fire Share)	$978,692	91.24%	$366,001	$420,109
Total, Fire		**$1,072,697**	**100.00%**	**$401,141**	**$460,444**
Parks, SPA 1 New	SPA 1 Parks – Average Approach	$1,603,144	14.79%	$330,632	$387,991
Subtotal, Parks, SPA 1		$1,603,144		$330,632	$387,991
Grandfathered Parks	Surprise Recreation Campus	$4,051,637	37.39%	$835,857	$980,864
Grandfathered Parks	Aquatics Center	$3,906,083	36.04%	$805,679	$945,451
Grandfathered Parks	Stadium	$1,276,263	11.78%	$263,343	$309,029
Subtotal, Grandfathered Parks		$9,233,983		$1,904,879	$2,235,344
Total, Parks		**$10,837,127**	**100.00%**	**$2,235,512**	**$2,623,335**
General Government	Public Safety Building (Court)	$3,174,409	34.90%	$654,738	$768,324
General Government	Surprise Center	$5,345,491	58.76%	$1,102,361	$1,293,602
General Government	County Court Infrastructure	$576,783	6.34%	$118,941	$139,575
Total, General Government		**$9,096,683**	**100.00%**	**$1,876,039**	**$2,201,501**
Wastewater, SPA 1	SPA 1 WRF (MPC 2015 Refunding)	$19,896,294	100.00%	$4,103,413	$4,815,286
Wastewater, SPA 1	SPA 1 WRF (MPC 2007 Revenue)	$50,675,000	100.00%	$33,770,000	$46,131,900
Total, Wastewater, SPA 1				**$37,873,413**	**$50,947,186**
Grandfathered Police	Public Safety Bldg. (Shooting Range Share)	$584,823	17.40%	$120,376	$141,259
Police	Public Safety Bldg. (Other Police Share)	$2,768,022	82.60%	$571,439	$670,574
Total, Police		**$3,352,845**	**100.00%**	**$691,815**	**$811,833**

Source: Original debt cost allocation from Red Oak Consulting, "MPC Bond Fund Analysis," p. A-1 of Malcolm Pirnie, Development Fee and MPC Bond Fund Analysis, February 2011.

Figure F3: Debt Service, 2015 MPC Refunding Bonds

Date	General Government		Police		Parks and Recreation		Fire/EMS		Wastewater, SPA 1	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1/1/19	$0	$42,558	$0	$15,694	$0	$50,713	$0	$7,755	$0	$93,087
7/1/19	$282,132	$42,558	$104,040	$15,694	$336,192	$50,713	$51,408	$7,755	$617,100	$93,087
1/1/20	$0	$36,916	$0	$13,613	$0	$43,989	$0	$6,727	$0	$80,745
7/1/20	$293,196	$36,916	$108,120	$13,613	$349,376	$43,989	$53,424	$6,727	$641,300	$80,745
1/1/21	$0	$32,518	$0	$11,991	$0	$38,749	$0	$5,925	$0	$71,125
7/1/21	$302,185	$32,518	$111,435	$11,991	$360,088	$38,749	$55,062	$5,925	$660,963	$71,125
1/1/22	$0	$24,963	$0	$9,206	$0	$29,746	$0	$4,549	$0	$54,601
7/1/22	$316,707	$24,963	$116,790	$9,206	$377,392	$29,746	$57,708	$4,549	$692,725	$54,601
1/1/23	$0	$17,045	$0	$6,286	$0	$20,312	$0	$3,106	$0	$37,283
7/1/23	$332,611	$17,045	$122,655	$6,286	$396,344	$20,312	$60,606	$3,106	$727,513	$37,283
1/1/24	$0	$8,730	$0	$3,219	$0	$10,403	$0	$1,591	$0	$19,095
7/1/24	$349,207	$8,730	$128,775	$3,219	$416,120	$10,403	$63,630	$1,591	$763,813	$19,095
Total	**$1,876,039**	**$325,461**	**$691,815**	**$120,018**	**$2,235,512**	**$387,824**	**$341,838**	**$59,303**	**$4,103,413**	**$711,873**

Source: City of Surprise Finance Department, Series 2015 Pledged Revenue Obligations- Amortization Table by Fund Source.

Figure F4: Debt Service, 2007 MPC Wastewater Utility Revenue Bonds

Date	Principal	Interest	Total
10/1/18	$2,045,000	$818,595	$2,863,595
4/1/19	$0	$770,538	$770,538
10/1/19	$2,140,000	$770,538	$2,910,538
4/1/20	$0	$720,248	$720,248
10/1/20	$2,240,000	$720,248	$2,960,248
4/1/21	$0	$667,608	$667,608
10/1/21	$2,345,000	$667,608	$3,012,608
4/1/22	$0	$612,500	$612,500
10/1/22	$1,990,000	$612,500	$2,602,500
4/1/23	$0	$563,745	$563,745
10/1/23	$2,085,000	$563,745	$2,648,745
4/1/24	$0	$512,663	$512,663
10/1/24	$2,195,000	$512,663	$2,707,663
4/1/25	$0	$458,885	$458,885
10/1/25	$2,300,000	$458,885	$2,758,885
4/1/26	$0	$402,535	$402,535
10/1/26	$2,420,000	$402,535	$2,822,535
4/1/27	$0	$343,245	$343,245
10/1/27	$2,540,000	$343,245	$2,883,245
4/1/28	$0	$281,015	$281,015
10/1/28	$2,660,000	$281,015	$2,941,015
Total, FY 2019-2028	**$24,960,000**	**$11,484,555**	**$36,444,555**
4/1/29	$0	$215,845	$215,845
10/1/29	$2,795,000	$215,845	$3,010,845
4/1/30	$0	$147,368	$147,368
10/1/30	$2,935,000	$147,368	$3,082,368
4/1/31	$0	$75,460	$75,460
10/1/31	$3,080,000	$75,460	$3,155,460
Total	**$33,770,000**	**$12,361,900**	**$46,131,900**

Source: City of Surprise, Finance Department, Municipal Property Corporation Wastewater Utility Revenue Bonds, Series 2007, Amortization Schedule.

Figure F5: Outstanding Interfund Loans, FYE 2018

Development Fee Fund	Improvement	Amount
Wastewater, SPA 1	SPA 1 WRF 8 MGD Expansion-Plants 4 & 5	$1,075,950
Wastewater, SPA 1	SPA 1 16" Reclaimed Line, Statler-Bell Rd Lake	$1,315,299
Wastewater, SPA 1	SPA 1 Sewer Developer Reimbursements	$1,218,949
Wastewater, SPA 1	Debt Service Related to SPA 1 WRF Expansion	$36,359,767
Wastewater Dev't Fee	SPA 1 Wastewater Improvements	$1,526,273
Subtotal, SPA 1 Wastewater		**$41,496,238**
Fire/EMS	Public Safety Building	$233,533
Fire/EMS	Fire Station 5	$806,670
Fire/EMS	Fire Station 6	$610,495
Fire/EMS	Fire Station 7	$789,496
Fire/EMS	Misc. Fire/EMS Projects	$66,005
Subtotal, Fire/EMS		**$2,506,199**
General Government	Infrastructure Technology Unit	$7,119
General Government	Public Safety Building - Courts	$392,633
General Government	Central Plant	$599,046
General Government	City Hall	$4,640,874
General Government	Streetscape	$344,477
General Government	Mobile Solutions	$9,173
Subtotal, General Government		**$5,993,321**
Wastewater, SPA 2	SPA 2 Water Reclamation Facility	$32,156
Water Resource	Central Arizona Project	$2,005,063
Total		**$52,032,977**

Source: Total amounts outstanding by fund from City of Surprise Finance Department, February 15, 2019; costs allocated by project based on original amounts by project from City of Surprise Finance Department, Annual Report for Impact Fees for the fiscal year ended June 30, 2018, Note 5.

Figure F6: Outstanding Developer Credits, FYE 2018

Development Fee Fund	Improvement	Agreement	Amount
Water, SPA 1	1 Well	Marley Park	$2,500,000
Water, SPA 1	WSF Expansion 2B	Shared Agreement	$1,785,998
Water, SPA 1	Section 15 Arsenic Treatment	Shared Agreement	$4,773,515
Water, SPA 1	Well, WSF exp, lines	Surprise Pointe	$5,780,501
Subtotal, SPA 1 Water			**$14,840,014**
Parks, SPA 1	Heritage Park Construction	Marley Park	$3,153,318
Parks, SPA 2	Asante Park	Asante	$4,621,046
Subtotal, Parks			**$7,774,364**
Fire/EMS	Fire Station (3-acre site)	Asante	$144,211
Water, SPA 2	Desert Oasis WSF & 2 wells	Desert Oasis	$2,683,874
Wastewater, SPA 1	Sewer and Reclaimed Water Lines	Surprise Pointe	$856,676
Wastewater, SPA 2	SPA 2 WRF	Shared Agreement	$26,620,391
Total			**$52,919,530**

Source: City of Surprise Finance Department, October 6, 2017.

APPENDIX G: EXCESS CONSTRUCTION SALES TAX

The City of Surprise currently assesses an excess construction sales tax, as defined by SB 1525. While most types of goods and services transactions are subject to a sales tax rate of 2.2 percent, building contracting is assessed 3.7%, so the excess construction sales tax rate is 1.5 percent. The offset for the excess construction sales tax is based on the average tax collected in recent years from a new single-family detached unit or its equivalent, which is the service unit for all fee categories – referred to as an equivalent dwelling unit (EDU). The amount of excess construction sales tax paid for a new single-family home based on a review of recent single-family building permits is $2,312. This is the amount that will be used to offset the City's development fees per service unit. The offset is allocated among all the fees, other than the grandfathered fees, proportional to the cost per service unit. The offsets by fee category are shown in Figure G1.

Figure G1: Excess Construction Sales Tax Offset

Fee Category	Cost/EDU	Offset/EDU
Water	$3,385	$616
Water Resource	~~$3,695~~	$672
Wastewater	$2,895	$527
Parks	$1,296	$236
Fire	$964	$175
Police	$471	$86
Total	**~~$12,706~~**	**$2,312**

Source: total offset is average excess sales tax per new single-family unit from data provided by City of Surprise Finance Department, June 11,

Figure G1 redacted and replaced by Figure G1A below

Figure G1A: Excess Construction Sales Tax Offset

Fee Category	Cost/EDU	Offset/EDU
Water	$3,385	$616
Water Resource	$2,951	$672
Wastewater	$2,895	$527
Parks	$1,296	$236
Fire	$964	$175
Police	$471	$86
Total	**$11,962**	**$2,312**

Source: total offset is average excess sales tax per new single-family unit from data provided by City of Surprise Finance Department, June 11, 2018.

Appendix H: Development Fee Study Cost

The cost of studies to update the fees every five years, as required by SB 1525, is a cost that is attributable entirely to future development. The future update costs are based on the actual cost of the current update. Given SB 1525's requirement that the fees be updated at least every five years, a minimum of two updates will be required over the next 10 years. The update study costs are summarized in Figure H1.

Figure H1: Update Study Costs per Service Unit

Fee Type	Service Unit	Current Report Cost	10-Year Cost	New Service Units	Cost/Service Unit
Water System	EDU	$32,600	$65,200	12,792	$5.10
Water Resource	EDU	$32,600	$65,200	12,792	$5.10
Wastewater	EDU	$32,600	$65,200	29,962	$2.18
Parks and Recreation	EDU	$24,480	$48,960	20,847	$2.35
Fire/EMS	EDU	$20,380	$40,760	26,912	$1.51
Police	EDU	$20,380	$40,760	26,912	$1.51
Total		$163,040	$326,080		

Source: Current total update cost from City of Surprise purchase order 217006579, dated June 12, 2017; 10-year cost is twice current cost.

APPENDIX I: GROWTH REVENUE FORECAST

The Enabling Legislation requires that the infrastructure improvements plan include:

> *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 as required in subsection B, paragraph 12 of this section. (ARS 9-463.05.E.7)*

The projected revenue from these sources that may be attributed to new development over the next ten years is based on the land use assumptions. Several simplifying assumptions were used to develop the projections: total revenue growth attributable to new development is based on projected population growth, revenue by type will increase consistent with the trend over the last seven years, and revenue growth will be linear over the 10-year period. As shown in in Figure I1, new development is projected to generate about $14.5 million in total revenue over the next 10 years. Not all the revenue increase attributable to new development activity is available for capacity-expanding capital improvements. Most of it will be needed to pay for increases in annual operations and maintenance costs.

Figure I1: Revenues Attributable to Growth, FY 2018-2027

Revenue Source	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Property Tax	$109,200	$109,200	$109,200	$109,200	$109,200
City Sales Tax*	$711,700	$711,700	$711,700	$711,700	$711,700
State Sales Tax	$538,500	$538,500	$538,500	$538,500	$538,500
State Revenue Sharing	$81,600	$81,600	$81,600	$81,600	$81,600
Charges for Services	$12,800	$12,800	$12,800	$12,800	$12,800
Total	**$1,453,800**	**$1,453,800**	**$1,453,800**	**$1,453,800**	**$1,453,800**

Revenue Source	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Property Tax	$109,200	$109,200	$109,200	$109,200	$109,200
City Sales Tax*	$711,700	$711,700	$711,700	$711,700	$711,700
State Sales Tax	$538,500	$538,500	$538,500	$538,500	$538,500
State Revenue Sharing	$81,600	$81,600	$81,600	$81,600	$81,600
Charges for Services	$12,800	$12,800	$12,800	$12,800	$12,800
Total	**$1,453,800**	**$1,453,800**	**$1,453,800**	**$1,453,800**	**$1,453,800**

Revenue Source	Total
Property Tax	$1,092,000
City Sales Tax*	$7,117,000
State Sales Tax	$5,385,000
State Revenue Sharing	$816,000
Charges for Services	$128,000
Total	**$14,538,000**

** includes construction sales tax*

Source: Based on FY 2010-2017 revenue from City of Surprise Finance Department.

As discussed in greater detail in the Legal Framework chapter, offsets against development fees are warranted in the following cases: (1) new development will be paying taxes or fees used to retire debt on existing facilities serving existing development; (2) new development will be paying taxes or fees used to fund an existing deficiency, (3) new development will be paying taxes or fees that are dedicated for growth-related improvements, or (4) the City assesses a construction contracting sales tax rate that is higher than the rate charged for the majority of sales tax categories (excess construction sales tax). In this study, offsets against the fees have been accounted for in the following manner:

Outstanding Debt. Only debt for past capacity-expanding improvements that are currently authorized to be funded with development fees needs to be considered. For all the facility types, the eligible debt is attributable to existing excess capacity available for future development. Consequently, the eligible debt amount has been excluded from the calculation of the existing level of service, and has been included in the calculation of 10-year and buildout costs per service unit.

Existing Deficiencies. The fees are based on the existing level of service (LOS) for the service area. These fees comply the requirement of SB 1525 that fees be based on the existing LOS, and there are no existing deficiencies that need to be addressed.

Dedicated Future Funding. There is no local funding source that is dedicated for growth-related capacity improvements. No State or Federal funding is anticipated to be available to fund the growth-related capacity improvements that will be needed over the next ten years. Consequently, no offset has been provided for dedicated funding.