



CITY OF SURPRISE
Regular City Council Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374

Tuesday, May 21, 2019 @ 6:00 PM
COUNCIL CHAMBERS
Amended item #13 on 5/20/19 at 1:35 PM

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

- F. City Clerk Report

- 2. Consideration and action to approve appointment of John Holland to the City Audit Committee for the remainder of the term through June 30, 2020.

- 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 Meeting Agenda

CONSENT AGENDA:

- | | | | |
|----|------------|---|--|
| 1. | District 3 | Consideration and action for the maintenance of the streets and public utility improvements at Zanjero Trails Phase 2 – Parcel 16 & 17, generally located at Peoria Avenue and Perryville Road; Resolution # 2019-52. | None

Mike Gent
Public Works |
| 2. | District 3 | Consideration and action for the maintenance of the streets and public utility improvements at Sycamore Farms, Parcel 12, Phase 2; Resolution # 2019-54. | None

Mike Gent
Public Works |
| 3. | Citywide | Consideration and action pertaining to adjustment of the Fiscal Year 2019 \$50,000 Contract Authority List for Court security, vehicle repair, and public defender contracts; Resolution #2019-58. | None

Andrea Davis
Finance |
| 4. | Citywide | Consideration and action on the minutes of the Regular City Council Work Session and Regular City Council Meeting of May 7, 2019. | None

Sherry Aguilar
City Clerk |
| 5. | District 1 | Consideration and action to approve a request by Nicolas Carl Guttilla (Agent) for a series 09 Liquor Store license for Safeway #1997 located at 17049 W. Bell Road, Surprise, AZ 85374. | None

Sherry Aguilar
City Clerk |
| 6. | District 5 | Consideration and action to approve a request by Zindy Torres (Applicant) for a series 12 Restaurant Liquor License for Tacos Calafia located at 17239 N. Litchfield Road, #68, Surprise, AZ. 85374. | None

Sherry Aguilar
City Clerk |
| 7. | District 1 | Consideration and action to approve a request by Kathryn Loscheider (Agent) for a Series 12 Restaurant Liquor License for Fellowship Square Surprise located at 16477 W. Bell Road, Surprise, AZ. 85374. | None

Sherry Aguilar
City Clerk |
| 8. | Internal | Consideration and action pertaining to approval of an Intergovernmental Agreement (IGA) between the City of Surprise and City of Phoenix Phoenix for fire-medical dispatch services; Resolution # 2019-41. | Fire - Medical |

REGULAR AGENDA ITEM - PUBLIC HEARING:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- | | | | |
|-----|----------|---|--|
| 9. | Citywide | Presentation and discussion pertaining to proposed amendments to Chapter 38 of the Surprise Municipal Code, relating to parks and recreation. | Donna Miller
Community and
Recreation Svcs |
| 10. | Citywide | Consideration and action changing the name of the Community and Recreation Advisory Commission to the Parks and Recreation Advisory Commission; Ordinance #2019-13. | Donna Miller
Community and
Recreation Svcs |
| 11. | Citywide | Consideration and action pertaining to approval of an amendment to the Comprehensive Citywide Fee Schedule; Resolution # 2019-53. | None

Donna Miller
Community and
Recreation Svcs |

- | | | | |
|-----|--|--|---|
| 12. | Citywide | Consideration and action pertaining to adoption of an amendment to the Land Use Assumptions and Infrastructure Improvements Plan pursuant A.R.S. 9-463.05(D)(10); Resolution # 2019-50. | None

Andrea Davis
Holly Osborn
Finance |
| 13. | Citywide | Consideration and action pertaining to an amendment to Chapter 54, Article I, Section 54-8 of the Surprise Municipal Code relative to the use of handheld mobile devices or portable electronic devices while driving; Ordinance # 2019-15. | Police |
| 14. | Citywide | Consideration and action pertaining to the adoption of updated Development Fees; Resolution # 2019-61. | None

Andrea Davis
Holly Osborn
Finance |
| 15. | Internal | Consideration and action pertaining to disestablishing the Tourism Advisory Commission; Ordinance # 2019-17. | Mayor
City Clerk |
| 16. | Internal | Consideration and action pertaining to membership in the Surprise Regional Chamber of Commerce and the Chamber's use of City owned real property located at 16626 North Civic Center Plaza. | None

Robert Wingo
Mayor and Council |
| I. | Other Business and Future Agenda Items | | |
| J. | City Council Reports | | |
| K. | Executive Session | | |
| 17. | Citywide | Consideration and action to enter into executive session for the purpose of discussion or consultation with attorneys in order to receive legal advice, and to provide instruction regarding the Council's position pertaining to the lease of real property under the Chamber of Commerce contract(s) pursuant to A.R.S. 38-431.03(A)(3), (4), and (7). | Robert Wingo
Legal |

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));

- discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (a)(4));
- discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- discussion, consultation or consideration for international and interstate negotiations or for negotiations by a city or town, or its designated representatives, with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city or town. A.R.S. §38-401.03 (A)(6)).
- discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03(C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.

The council may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

L. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: Amended May 20, 2019 at 1:35 PM

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 Meeting

Council Meeting Date: May 21, 2019
Submitting Department: City Clerk
Staff Recommendations: None

Contact Person: Sherry Aguilar, City Clerk
District: Internal

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

Agenda Wording:

Consideration and action to approve appointment of John Holland to the City Audit Committee for the remainder of the term through June 30, 2020.

Motion:

I move to approve appointment of John Holland to the City Audit Committee for the remainder of the term through June 30, 2020.

Background:

This action follows city code for replacements to fill vacancies for all City Boards and Commissions.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. holland audit_Redacted
-

Date/Time/Initials Received by Clerk's Office: 3-31-2019



City of Surprise

APPOINTMENT APPLICATION FOR ALL SURPRISE COMMISSIONS

Name: John Holland Date Submitted: 3/31/19

Resident of Surprise: ☒ Yes ☐ No Number of Years: 6

Board/Commission(s) you are applying for? Audit & others

Education: High School, Santa College, Professional Advancement +

EMPLOYMENT BACKGROUND:

Present Employer/Position: SouthWest Products

Engine Business & Sales Manager

Previous Employer(s)/Position (Last 5 Years): Rush Enterprises

Regional Sales Manager SW

Special Qualifications (Include list of Surprise activities or organizations you have participated in and dates):

Full P&L responsibilities & inventory

Management & auditing experience. Managing multi-million dollar budgets and inventory.

(Continued on Reverse Side)

Do you currently serve, or have you previously served on any other City of Surprise Commissions? If yes, which one(s):

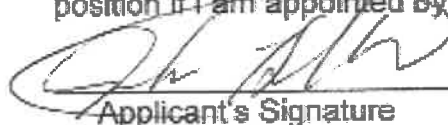
Statement as to why you want to serve as a Commission Member for the City of Surprise:

I want to take a more active role in the community we live and work.

Additional Information/Comments

Before moving to Surprise I was very involved in local government in Daphne, Alabama. I was asked to serve on the Board of zoning adjustments but was unable to do so because of the move to Arizona.

I, John W. Holland certify that to the best of my knowledge, all information given herewith is true and correct. I understand that any falsification or misrepresentation of facts will be cause for dismissal from the position if I am appointed by the City Council.


Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200

Please note that applications are accepted on an open rolling basis and shall be maintained as an active application for future vacancies.



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: Public Works
Staff Recommendations: None

Contact Person: Mike Gent, DIRECTOR - PW
District: District 3

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

Consideration and action for the maintenance of the streets and public utility improvements at Zanjero Trails Phase 2 – Parcel 16 & 17, generally located at Peoria Avenue and Perryville Road; Resolution # 2019-52.

Motion:

I move to approve Resolution # 2019-52.

Background:

The Public Works Department conducted the final inspection of the public improvements for Zanjero Trails Phase 2 – Parcel 16 & 17 on or about March 25, 2019 totaling 13,300 SY (approximately 2 lane miles) and determined that the infrastructure was compliant and acceptable to the city. The infrastructure includes asphalt pavement, storm drain and wastewater lines. Domestic water lines are located within the Epcor water jurisdiction.

Objective Analysis:

The improvements for this property provide roadways for conveyance through the property, storm drains to convey stormwater to retention basins, and sewer lines to convey wastewater from the property to the City's public system. This action will accept the required infrastructure. The domestic water serving the property is within the Epcor Water jurisdiction.

Policy Compliant:

City Code generally requires development to install public infrastructure required to serve the development. Upon completion and acceptance of such infrastructure, the infrastructure becomes the property of the City. Acceptance of this infrastructure will officially transfer ownership and future maintenance to the City.

Financial Impact:

Acceptance of streets, sewer, and storm drain infrastructure increases the city's asset base and adds to future maintenance commitments. The total acceptance value of the infrastructure included with this item is \$878,373.43.

Budget Impact:

Funding for the infrastructure maintenance now and in the future will be supported from the city's HURF, Wastewater Operations, and Stormwater Operations Funds. The anticipated incremental additional maintenance expense associated with the acceptance of these infrastructure items will be incorporated in future year budgets.

FTE Impact:

This action does not change the full time equivalent count.

ATTACHMENTS:

1. 01_Res 2019-52 Accept Infrastr Zanjero Trl Ph 2 P16-17-final
 2. 02_Notice of Completion Letter
 3. 03_Inspector Sign-Off Form
-

RESOLUTION # 2019-52

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, TO CONDITIONALLY ACCEPT THE STREET AND PUBLIC UTILITY IMPROVEMENTS AND COMMENCE MAINTENANCE AFTER TWO YEAR WARRANTY AT ZANJERO TRAILS PHASE 2 – PARCEL 16 & 17, GENERALLY LOCATED AT PEORIA AVENUE AND PERRYVILLE ROAD.

WHEREAS, the Mayor and City Council of the City of Surprise approved a final plat entitled “Zanjero Trails Phase 2 – Parcel 16 & 17” on, October 24th, 2017;

WHEREAS, Beazer Homes Holdings, LLC, a Delaware Limited Liability Company, the developer of Zanjero Trails Phase 2 – Parcel 16 & 17, dedicated to the City the street and public utility improvements, generally located at Peoria Avenue and Perryville Road;

WHEREAS, on or about March 25, 2019, the City of Surprise Public Works Department Engineering Division completed an inspection of the public improvements described in this resolution and found the improvements to be in substantial compliance with the approved plans and specifications;

WHEREAS, the City of Surprise notes that the two-year warranty period will commence upon conditional acceptance by the City; and

WHEREAS, after the conclusion of the two-year warranty period, the City of Surprise will release the warranty and begin maintenance of the street and public utility improvements.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The City of Surprise conditionally accepts the street and public utility improvements generally located as depicted on the map attached as Exhibit A and listed on Exhibit B.

Section 2. Upon final acceptance by the City Engineer, the City Council hereby directs the City to release warranty and begin maintenance of the street and public utility improvements.

[SIGNATURES ON THE FOLLOWING PAGE]

APPROVED AND ADOPTED this _____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

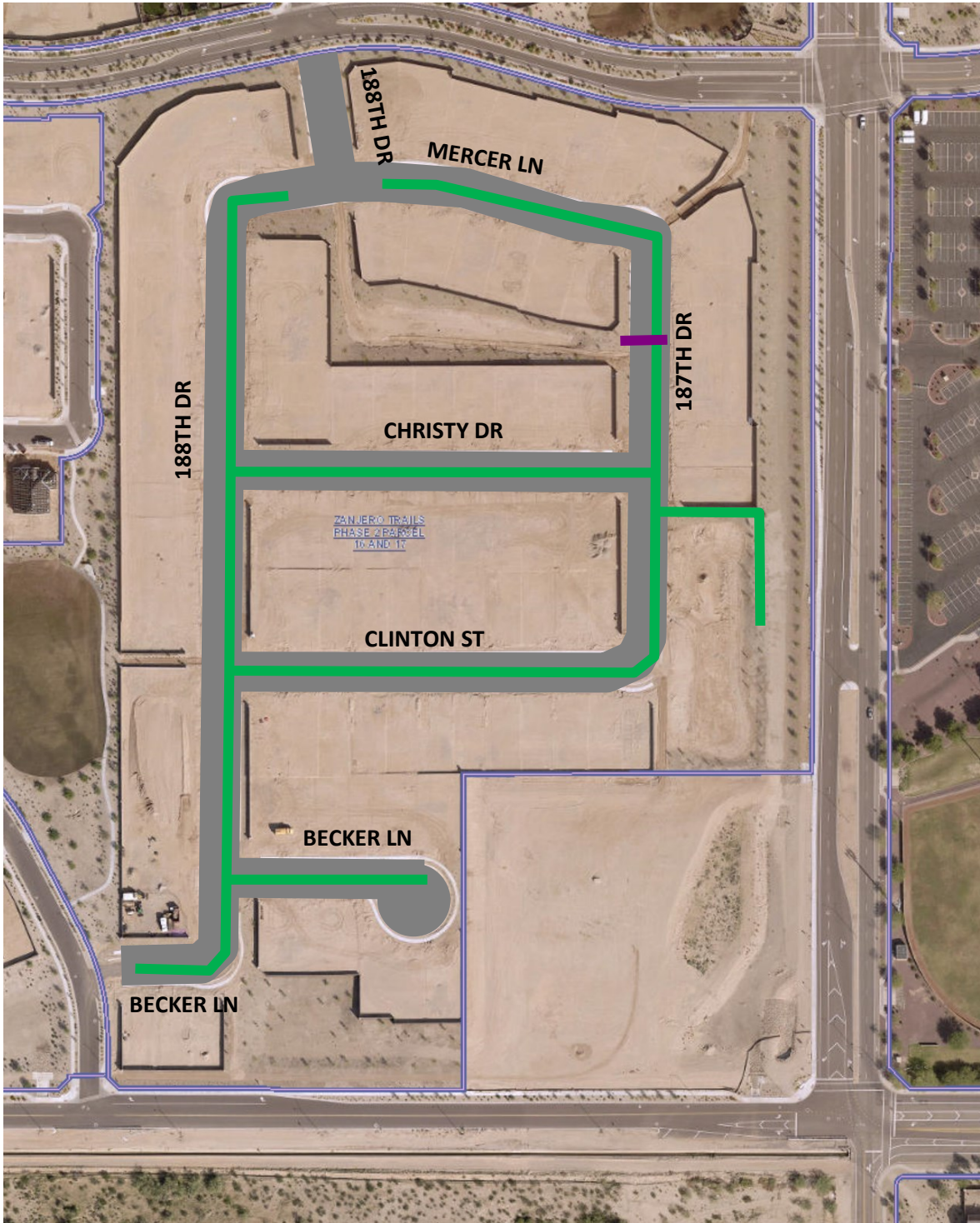
Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

EXHIBIT A

ZANJERO TRAILS

PARCELS 16 & 17



INFRASTRUCTURE TO

BE ACCEPTED:

- SEWER
- STORM DRAIN
- ROADWAY

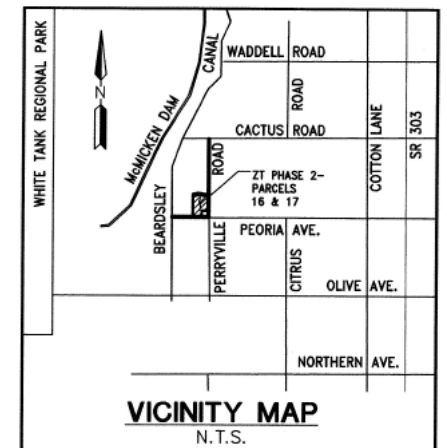


EXHIBIT B

List and Cost of Improvements



Memorandum

To: City of Surprise City Council
From: Public Works – Engineering Services
Date: 4/24/2019
Re: Zanjero Trails Phase 2 – Parcels 16 & 17

The public improvements for the above project have been completed and are on the May 21st, 2019 council agenda for acceptance. The amounts for the infrastructure have been provided by a third party and not the City of Surprise. The following are the infrastructure improvements included with this acceptance and the corresponding valuation that the City will be accepting:

- City Sewer - \$188,608.69
- City Concrete - \$319,603.92
- City Paving - \$351,892.15
- City Storm Drain - \$18,268.67
- **Total \$878,373.43**

April 18, 2019

Beazer Homes Corp
1600 N. Desert Dr. 301
Tempe, AZ 85281

**RE: NOTICE OF COMPLETION AND COUNCIL ACTION REQUIREMENT FOR ZANJERO TRAILS
PH 2 PARCELS 16 & 17 – FS17-234**

The City of Surprise Public Works Department has completed the inspection of the public utility improvements for the above referenced project. These improvements are in substantial compliance with the approved plans and specifications. Council action is required prior to conditional acceptance and the official beginning of the warranty period. The time frame for Council action is approximately 90 days after the following items have been submitted:

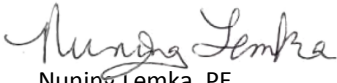
- A copy of all lien releases or a title report
- Actual construction cost for related civil permits issued
- Warranty assurance in a format acceptable by the City

A notice of the required assurance amount and acceptable formats will be sent via email once actual construction costs have been submitted by the applicant. The warranty period starts upon council acceptance for a period of two (2) years; please ensure warranty assurance will not expire prior to this date. The applicant will be notified of the council date as soon as it is scheduled and the warranty financial assurance is required to be submitted to the city 10 calendar days prior to the council date. If a warranty financial assurance is not received within 10 calendar days, council action and start of the warranty period will be delayed, at a minimum, an additional two (2) weeks.

A letter of conditional acceptance and notification that the warranty period has begun will be forwarded upon the completion of council acceptance. Also, a request to release the associated completion assurance will be made; notification will be sent when assurance document is available for pick up.

If you have any questions or concerns, you can reach me at 623-222-6148 or at nuning.lemka@surpriseaz.gov

Sincerely,



Nuning Lemka, PE
Engineering Manager

cc: Kristin Tytler, Assistant PW Director/City Engineer
David Mobley, Field Engineering Supervisor
David Kohlbeck, Public Works Business Manager
Lee Lambert, Water Services
Warren Bert, GIS

Mike Gent, Public Works Director
John McFarland, Public Works Streets Manager
Gus Garcia, Public Works Streets Supervisor
Lora Ingram, Finance
File



PROJECT SIGN OFF FORM
PUBLIC WORKS - ENGINEERING SERVICES, INSPECTIONS

Date Submitted: 3/14/2019 ☐ Commercial ☐ Commercial w/Offsite ☒ Residential

☒ COMPLETION ACCEPTANCE (End of Construction) ☐ FINAL ACCEPTANCE (End of Warranty)

2/7/2019 Date of Punch-List Walk 2/28/2019 Date Punch-List Completed

FS Number: FS17-234 Permit Number(s): E17P-0532, 0526, 0527, 0528, 0529, 0530, 0531

Project Name: Zanjero Trails Phase 2 Parcels 16 and 17

Project Developer/Builder: (Name, Address, and Phone #)

Beazer Home Corp

1600 N. Desert Dr. 301, Tempe AZ, 85281

MAG TIP Reporting:

Street Name	Classification	Begin Limits	End Limits	# Lanes	Length to nearest ¼ mi.	Features
Becker Ln	Local	189th Ave	188th Drive	2	1/4	
188th Drive	Local	Becker Ln	Mercer Lane	2	1/4	
Becker Ct	Local	188th Drive	Dul-de-sac	2	1/4	
Clinton Street	Local	188th Drive	187th Drive	2	1/4	
Christy Drive	Local	188th Drive	187th Drive	2	1/4	

MATERIALS:

Asphalt:	<u>South West Materials</u>	Supplier	<u>2</u>	Total Lane Miles	<u>13,300</u>	Total Square Yards		
Water:	<u>8" PVC</u>	Size/Type	<u>4,175'</u>	Total Linear Feet	<u>8" DIP</u>	Size/Type	<u>136'</u>	Total Linear Feet
		Size/Type		Total Linear Feet		Size/Type		Total Linear Feet
Sewer:	<u>8" PVC</u>	Size/Type	<u>3,831'</u>	Total Linear Feet	<u>6" PVC</u>	Size/Type	<u>292'</u>	Total Linear Feet
		Size/Type		Total Linear Feet		Size/Type		Total Linear Feet
Storm:	<u>18" RGRCP</u>	Size/Type	<u>35'</u>	Total Linear Feet	<u>24" RGRCP</u>	Size/Type	<u>160'</u>	Total Linear Feet
		Size/Type		Total Linear Feet		Size/Type		Total Linear Feet
Fire Ln:	<u>N/A</u>	Size/Type		Total Linear Feet		Size/Type		Total Linear Feet

Additional Comments:

SUPPORTING DOCUMENTATION REQUIRED:

☒ Copy of Punch List	☒ AOC
☐ Final Certification Letter from Engineer of Record	☒ Asphalt Concrete Ticket w/ Name of Contractor
☒ Complete Geotechnical Testing Packet	☒ Streetlight Energize Letter
☒ Sewer Pressure Testing Results	☒ As built Documents (PDF copy on CD)
☒ Sewer Manhole Vacuum Testing Certification	☒ As Built Documents in PDF format (copy on CD)
☒ Sewer Manhole Insecticide Certification	☐ Updated asbuilt CAD base files (copy on CD)
☒ Sewer Videos with Operators Notes (inc. re-videos)	
☐ Other _____ (Specify)	

APPROVAL:

Civil Inspector: David Mobley

Date: 3/14/2019

Civil Engineering Supervisor: Munira Jemra

Date: 03/25/2019



PROJECT SIGN OFF FORM

PUBLIC WORKS - ENGINEERING SERVICES, INSPECTIONS

Date Submitted: 3/14/2019 _____ Commercial _____ Commercial w/Offsite ☒ Residential

☒ COMPLETION ACCEPTANCE (End of Construction) _____ FINAL ACCEPTANCE (End of Warranty)

2/7/2019 Date of Punch-List Walk 2/28/2019 Date Punch-List Completed

FS Number: FS17-234 Permit Number(s): E17P-0532, 0526, 0527, 0528, 0529, 0530, 0531

Project Name: Zanjero Trails Phase 2 Parcels 16 and 17

Project Developer/Builder: (Name, Address, and Phone #)

Beazer Home Corp

1600 N. Desert Dr. 301, Tempe AZ, 85281

MAG TIP Reporting:

Street Name	Classification	Begin Limits	End Limits	# Lanes	Length to nearest ¼ mi.	Features
Mercer Lane	Local	188th Ave	187th Drive	2	1/4	
187th Ave	Local	Clinton Street	Mercer Lane	2	1/4	
188th Drive	Local	Desert Cove	Mercer Lane	2	1/4	

MATERIALS:

Asphalt: South West Materials Supplier 2 Total Lane Miles 13,300 Total Square Yards

Water: 8" PVC Size/Type 4,175' Total Linear Feet 8" DIP Size/Type 136' Total Linear Feet

Sewer: 8" PVC Size/Type 3,831' Total Linear Feet 6" PVC Size/Type 292' Total Linear Feet

Storm: 18" RGRCP Size/Type 35' Total Linear Feet 24" RGRCP Size/Type 160' Total Linear Feet

Fire Ln: N/A Size/Type _____ Total Linear Feet _____ Size/Type _____ Total Linear Feet

Additional Comments:

SUPPORTING DOCUMENTATION REQUIRED:

☒ Copy of Punch List

☒ Final Certification Letter from Engineer of Record

☒ Complete Geotechnical Testing Packet

☒ Sewer Pressure Testing Results

☒ Sewer Manhole Vacuum Testing Certification

☒ Sewer Manhole Insecticide Certification

☒ Sewer Videos with Operators Notes (inc. re-videos)

☒ Other _____ (Specify)

☒ AOC

☒ Asphalt Concrete Ticket w/ Name of Contractor

☒ Streetlight Energize Letter

☒ As built Documents (PDF copy on CD)

☒ As Built Documents in PDF format (copy on CD)

☒ Updated asbuilt CAD base files (copy on CD)

APPROVAL:

Civil Inspector: David Mobley

Date: 3/14/2019

Civil Engineering Supervisor: Munida Jemba

Date: 03/25/2019



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: Public Works
Staff Recommendations: None

Contact Person: Mike Gent, DIRECTOR - PW
District: District 3

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

Consideration and action for the maintenance of the streets and public utility improvements at Sycamore Farms, Parcel 12, Phase 2; Resolution # 2019-54.

Motion:

I move to approve Resolution # 2019-54.

Background:

The Public Works Department conducted the final inspection of the public improvements for Sycamore Farms, Parcel 12, Phase 2, generally located at W. Jenan Road and North 166th Drive on or about May 4, 2018, totaling 13,100 SY (approximately 2 lane miles) and determined that the infrastructure was compliant and acceptable to the city. The infrastructure includes asphalt pavement and wastewater lines. Domestic water lines are located within the Epcor water jurisdiction.

Objective Analysis:

The improvements for this property provide roadways for conveyance through the property and sewer lines to convey wastewater from the property to the City's public system. This action will accept the required infrastructure. The domestic water serving the property is within Epcor Water jurisdiction.

Policy Compliant:

City Code generally requires development to install public infrastructure required to serve the development. Upon completion and acceptance of such infrastructure, the infrastructure becomes the property of the City. Acceptance of this infrastructure will officially transfer ownership and future maintenance to the City.

Financial Impact:

Acceptance of streets and sewer infrastructure increases the city's asset base and adds to future maintenance commitments. The total acceptance value of the infrastructure included with this item is \$952,209.32.

Budget Impact:

Funding for the infrastructure maintenance now and in the future will be supported from the city's HURF and Wastewater Operations Funds. The anticipated incremental additional maintenance expense

associated with the acceptance of these infrastructure items will be incorporated in future year budgets.

FTE Impact:

This action does not change the full time equivalent count.

ATTACHMENTS:

1. 01_Res. 2019-54 Accept Infra Sycamore Farms P 12 Ph 2-FINAL
 2. 02_Notice of Completion Letter
 3. 03_Inspector Sign-off Form
-

RESOLUTION # 2019-54

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, TO CONDITIONALLY ACCEPT THE STREET AND PUBLIC UTILITY IMPROVEMENTS AND COMMENCE MAINTENANCE AFTER TWO YEAR WARRANTY AT SYCAMORE FARMS, PARCEL 12, PHASE 2, GENERALLY LOCATED AT WEST JENAN ROAD AND NORTH 166TH DRIVE.

WHEREAS, the Mayor and City Council of the City of Surprise approved a final plat entitled "Sycamore Farms, Parcel 12, Phase 2" on, March 30, 2016;

WHEREAS, KB Home Phoenix Inc., an Arizona Corporation, the developer of Sycamore Farms, Parcel 12, Phase 2, dedicated to the City the street and public utility improvements, generally located at West Jenan Road and North 166th Drive;

WHEREAS, on or about May 4, 2018, the City of Surprise Public Works Department Engineering Division completed an inspection of the public improvements described in this resolution and found the improvements to be in substantial compliance with the approved plans and specifications;

WHEREAS, the City of Surprise notes that the two-year warranty period will commence upon conditional acceptance by the City; and

WHEREAS, after the conclusion of the two-year warranty period, the City of Surprise will release the warranty and begin maintenance of the street and public utility improvements.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The City of Surprise conditionally accepts the street and public utility improvements generally located as depicted on the map attached as Exhibit A and listed on Exhibit B.

Section 2. Upon final acceptance by the City Engineer, the City Council hereby directs the City to release warranty and begin maintenance of the street and public utility improvements.

[SIGNATURES ON THE FOLLOWING PAGE]

APPROVED AND ADOPTED this _____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

EXHIBIT A

SYCAMORE FARMS PARCEL 12

NORTH PHASE 2



ACCEPTANCE INFRASTRUCTURE

- ROAD (PAVEMENT AND CONCRETE IN RIGHT-OF-WAY)
- SEWER

(NOTE: WATER IS EPCOR JURISDICTION)

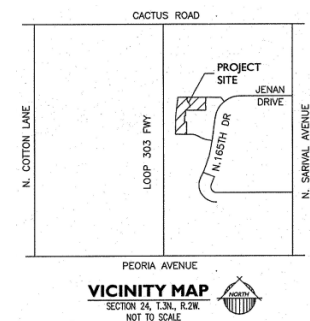


EXHIBIT B

List and Cost of Improvements



ENGINEERING DIVISION
PUBLIC WORKS
CITY OF SURPRISE
16000 N. CIVIC CENTER PLAZA
SURPRISE, AZ 85374
T. 623-222-6150

Memorandum

To: City of Surprise City Council
From: Public Works – Engineering Services
Date: 4/25/2019
Re: Sycamore Farms, Parcel 12, Phase 2

The public improvements for the above project have been completed and are on the May 21st, 2019 council agenda for acceptance. The amounts for the infrastructure have been provided by a third party and not the City of Surprise. The following are the infrastructure improvements included with this acceptance and the corresponding valuation that the City will be accepting:

- City Paving - \$123,644.04
- City Concrete - \$197,475.66
- City Sewer - \$154,984.96
- **Total - \$952,209.32**



PUBLIC WORKS
CITY OF SURPRISE
16000 N. CIVIC CENTER PLAZA
SURPRISE, AZ 85374
T. 623-222-6000

December 10, 2018

KB Homes Inc
10429 S. 51st St. 100
Phoenix, AZ 85044

RE: NOTICE OF COMPLETION AND COUNCIL ACTION REQUIREMENT FOR SYCAMORE FARMS PARCEL 12 NORTH PHASE 2 – FS15-192

The City of Surprise Public Works Department has completed the inspection of the public utility improvements for the above referenced project. These improvements are in substantial compliance with the approved plans and specifications. Council action is required prior to conditional acceptance and the official beginning of the warranty period. The time frame for Council action is approximately 90 days after the following items have been submitted:

- A copy of all lien releases or a title report
- Actual construction cost for related civil permits issued
- Warranty assurance in a format acceptable by the City

A notice of the required assurance amount and acceptable formats will be sent via email once actual construction costs have been submitted by the applicant. The warranty period starts upon council acceptance for a period of two (2) years; please ensure warranty assurance will not expire prior to this date. The applicant will be notified of the council date as soon as it is scheduled and the warranty financial assurance is required to be submitted to the city 10 calendar days prior to the council date. If a warranty financial assurance is not received within 10 calendar days, council action and start of the warranty period will be delayed, at a minimum, an additional two (2) weeks.

A letter of conditional acceptance and notification that the warranty period has begun will be forwarded upon the completion of council acceptance. Also, a request to release the associated completion assurance will be made; notification will be sent when assurance document is available for pick up.

If you have any questions or concerns, you can reach me at 623-222-6141.

Sincerely,

Nuning Lemka, PE
Engineering Manager

c: David Mobley, Civil Inspections Supervisor
Warren Bert, GIS
David Kohlbeck, Public Works
Gustavo Garcia, Public Works
Lee Lambert, Water Services

Lora Ingram, Finance
John McFarland, Public Works
Mike Gent, Public Works
Terry Lowe, Water Services
Kristin Tyler, Public Works



PROJECT SIGN OFF FORM

PUBLIC WORKS - ENGINEERING SERVICES, INSPECTIONS

Date Submitted: 5/4/2018 _____ Commercial _____ Commercial w/Offsite ☒ Residential

☒ COMPLETION ACCEPTANCE (End of Construction) _____ FINAL ACCEPTANCE (End of Warranty)

3/5/2018 Date of Punch-List Walk 5/1/2018 Date Punch-List Completed

FS Number: FS15-192

Permit Number(s): E15P-0229

Project Name: Sycamore Farms Parcel 12 Phase 2

Project Developer/Builder: (Name, Address, and Phone #)

KB Homes INC

10429 South 51st Street 100 Phoenix AZ 85044

MAG TIP Reporting:

Street Name	Classification	Begin Limits	End Limits	# Lanes	Length to nearest ¼ mi.	Features
W. Jenan Road	Local	N. 165th Lane	166th Lane	2	1/4	
N. 166th Lane	Local	N. Jenan Road	W. Sierra Street	2	1/4	
W. Sierra Street	Local	166th Lane	1/2 Street	2	1/4	
166th Drive	Local	N. Jenan	1/2 Street	2	1/4	

MATERIALS:

Asphalt: Vulcan Materials Company Supplier 2 Total Lane Miles 13,100 Total Square Yards _____

Water: _____ Size/Type _____ Total Linear Feet _____ Size/Type _____ Total Linear Feet

_____ Size/Type _____ Total Linear Feet _____ Size/Type _____ Total Linear Feet

Sewer: 8" PVC Size/Type 2,679' Total Linear Feet 6"PVC Size/Type 360' Total Linear Feet

4" PVC Size/Type 1,409' Total Linear Feet _____ Size/Type _____ Total Linear Feet

Storm: _____ Size/Type _____ Total Linear Feet _____ Size/Type _____ Total Linear Feet

_____ Size/Type _____ Total Linear Feet _____ Size/Type _____ Total Linear Feet

Fire Ln: _____ Size/Type _____ Total Linear Feet _____ Size/Type _____ Total Linear Feet

Additional Comments:

SUPPORTING DOCUMENTATION REQUIRED:

☒ Copy of Punch List

☒ Final Certification Letter from Engineer of Record _____ AOC

☒ Complete Geotechnical Testing Packet ☒ Asphalt Concrete Ticket w/ Name of Contractor

☒ Sewer Pressure Testing Results ☒ Streetlight Energize Letter

☒ Sewer Manhole Vacuum Testing Certification ☒ As built Documents (PDF copy on CD)

☒ Sewer Manhole Insecticide Certification ☒ As Built Documents in PDF format (copy on CD)

☒ Sewer Videos with Operators Notes (inc. re-videos) ☒ Updated asbuilt CAD base files (copy on CD)

☒ Other Water Belongs to EPCOR Water Company _____ (Specify)

APPROVAL:

Civil Inspector: DENNIS R. MARTINEZ, CONSTRUCTION INSPECTOR

Date: 5/4/2018

Civil Engineering Supervisor: NUNING LEMKA, P.E.

Date: 5/4/2018



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019

Contact Person: Andrea Davis, DIRECTOR -
FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

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

Consideration and action pertaining to adjustment of the Fiscal Year 2019 \$50,000 Contract Authority List for Court security, vehicle repair, and public defender contracts; Resolution #2019-58.

Motion:

I move to approve Resolution # 2019-58.

Background:

Annually Council approves the \$50,000 Contract Authority List. Council approved the FY2019 list on June 5th 2018 by Council Resolution #2018-78. During the fiscal year, Court increased security hours, Public Works experienced greater vehicle maintenance cost, and Finance has seen greater demand for public defenders.

Objective Analysis:

This item is a request to amend the FY2019 \$50,000 Contract Authority List with no impact to the FY2019 adopted budget.

Policy Compliant:

This action is consistent with City of Surprise Procurement Code §2-338d.

Financial Impact:

The Surprise City Court, Public Works, and Finance have sufficient funds in the operating budget.

Budget Impact:

Approval of this action would adjust the FY2019 \$50,000 Contract Authority with no impact to the FY2019 adopted budget.

FTE Impact:

There is no FTE impact.

ATTACHMENTS:

1. Res 2019-58 FY19_Combined items 5.10.19
-

RESOLUTION 2019-58

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2019 OPERATING LIST OF ITEMS OVER \$50,000 FOR SECURITY SERVICES, PUBLIC DEFENDERS ITEM, AND OUTSIDE VEHICLE REPAIR AND OTHER SERVICES.

WHEREAS, the FY2019 adopted budget included funding in the amount of \$93,000 for Court Security Services, \$155,000 for Public Defender Services, and \$534,700 for Citywide outside vehicle repair and other services;

WHEREAS, during the fiscal year, court administration authorized additional hours for security services to maintain adequate security coverage and ensure the safety of staff and the public;

WHEREAS, the FY2019 number of defendants requesting services of public defenders is greater than anticipated;

WHEREAS, during the fiscal year, the cost of repairs needed for citywide vehicles is greater than anticipated;

WHEREAS, funding has been identified in existing budget lines to cover the additional costs, there is no need for a budget amendment for additional appropriations,

WHEREAS, it is necessary to increase the amount of the Operating List of Items Over \$50,000 by \$8,000 for Security Services, \$20,000 for Public Defender Services, and \$200,000 for Outside Vehicle Repair and Other Services, to include the estimated cost for FY2019;

WHEREAS, the FY2019 budget, including the FY2019 Operating List of Items Over \$50,000, was adopted by Council Resolution #2018-78 on June 5, 2018; and

WHEREAS, the City of Surprise Procurement Code §2-338 (d) requires the authority of the Mayor and Council when the cost to the city is greater than \$50,000.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the Fiscal Year 2019 Operating List of Items Over \$50,000 of the City of Surprise, Arizona for the fiscal year July 1, 2018 through June 30, 2019.

SIGNATURES ON THE FOLLOWING PAGE

APPROVED AND ADOPTED this _____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

Exhibit A

1. List of Operating Items Over \$50,000 – City Council approved appropriation for Court Security Services that was included in the Fiscal Year 2019 budget and Operating List of Items Over \$50,000. The line item referenced below must be increased by \$8,000 to include the estimated costs for FY2019.
2. List of Operating Items Over \$50,000 – City Council approved appropriation for Public Defender Services included in the Fiscal Year 2019 budget and Operating List of items over \$50,000. The line item referenced below must be increased by \$20,000 to include the estimated costs for FY2019.
3. List of Operating Items Over \$50,000 – City Council approved appropriation for Outside vehicle repair and other services in the Fiscal Year 2019 budget and Operating List of items over \$50,000. The line item referenced below must be increased by \$200,000 to include the estimated costs for FY2019.

Reference #	Description	Current Amount	Increase/ (Decrease)	Amended Amount
19251	Security Guard Services	\$93,000	\$8,000	\$101,000
19209	Professional Services – Public Defenders	\$155,000	\$20,000	\$175,000
19319	Outside vehicle repair and other services	\$684,700	\$200,000	\$884,700



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: City Clerk
Staff Recommendations: None

Contact Person: Sherry Aguilar, City Clerk
District: Citywide

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

Agenda Wording:

Consideration and action on the minutes of the Regular City Council Work Session and Regular City Council Meeting of May 7, 2019.

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. May 7 WKS
 2. May 7 REG
-

CITY OF SURPRISE
Regular City Council Work Session Minutes
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, May 7, 2019 @ 5:00PM

Call To Order

Roll Call

Mayor Hall called the Regular City Council Work Session to order at 05:00 p.m. at Surprise City Hall Council Chamber, 16000 North Civic Center Plaza Surprise, Arizona 85374, on Tuesday, May 7, 2019. Also in attendance with Mayor Hall were Vice Mayor Winters, Council Member Duffy; Council Member Sanders; Council Member Judd and Council Member Remley. Council Member Hayden was excused.

Staff Present:

City Manager, Michael Frazier, City Attorney, Robert Wingo and City Clerk, Sherry Ann Aguilar.

Pledge of Allegiance

Regular City Council Work Session Agenda

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

Call To The Public

1. Presentation and discussion regarding the City of Surprise becoming a Dementia Friendly City - NO ACTION

HSCV Director, Seth Dyson introduced Lori Nisson, Banner Sun Health Research Institute and Deb Richards from Sun Health to lead a powerpoint presentation on Dementia Friends Surprise.

The concept for this presentation is based on an Alzheimer's Society in the United Kingdom, a social grassroots movement.

Relevant stats were discussed. Arizona is the fastest growing state for Alzheimer's and dementia and an increase of 42.9 percent by 2025.

Council Member Sanders - How do you get the word out about this?

Ms. Nisson - Many different ways and resources available. A resource sheet was passed out to the Council.

Council Member Remley - This is a very timely topic, most of us know someone or have a family member that has this. I spent many years as a caregiver and it's tough. The Cafe's you are talking about is very helpful and a resource with others dealing with the same thing. At our Techcelerator we have a company called MAGQ, developed a test for Alzheimer's 10 years in advance to start medications early.

Ms. Nisson - Yes the disease is very long 8 to 10 years, and the caregivers go through emotionally, financially and physically, many caregivers are exhausted and feelings of guilt.

Mayor Hall - Directed to Mr. Dyson - How do you see us interfacing with the memory cafe and coordination of this effort.

Mr. Dyson - We are looking for Council direction to explore the options on how to proceed.

Mayor Hall - Benevilla and Sun Health Organizations have unbelievable resources. Can you set up tours for us?

Ms. Nisson -Yes absolutely.

Executive Session

Adjournment

Council Member Remley made the motion to adjourn the Regular City Council Work Session of May 7, 2019 at 5:29 PM. Vice Mayor Winters seconded the motion. Six yes votes, one excused (Hayden), motion carried.

Skip Hall, Mayor

ATTEST:

Sherry Ann Aguilar, City Clerk, MMC

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Work Session of **Tuesday, May 7, 2019.**

Sherry Ann Aguilar, City Clerk, MMC

CITY OF SURPRISE
Regular City Council Meeting Minutes
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, May 7, 2019 @ 6:00PM

Call To Order

Roll Call

Mayor Hall called the Regular City Council Meeting to order at 06:00 p.m. at Surprise City Hall Council Chamber, 16000 North Civic Center Plaza Surprise, Arizona 85374, on Tuesday, May 7, 2019. Also in attendance with Mayor Hall were Vice Mayor Winters, Council Member Duffy; Council Member Sanders; Council Member Judd and Council Member Remley. (Council Member Hayden - excused)

Staff Present:

City Manager, Michael Frazier, City Attorney, Robert Wingo and City Clerk, Sherry Ann Aguilar.

Pledge of Allegiance

Proclamation and Community Acknowledgements

City Manager Report

West Point Dance students introduction

Surprise Youth Council - Oath of Office

SY Council Reports:

Ian Petrow - Read a statement - an account of activities that are taking place throughout our communities.

Kaylena Madrid - Update on youth employment program - This summer. 50 applications received for 25 positions, will be assigned to departments soon. Musical, Legally Blonde.

Special Recognition - Economic Development Director, AZ Association of Economic Development - Developer of the Year for the State of Arizona - Jeanine Jerkovic.

City Clerk Report

Call To The Public

Regular City Council Meeting Agenda

CONSENT AGENDA:

1. Consideration and action pertaining to amending the Fiscal Year 2019 budget by reallocating appropriations of \$4,000 from contingency within the Grants Fund to FFY19 GOHS Buckle Up Arizona! Click It or Ticket Grant for overtime expenses to enforce seat belt and child passenger safety laws; Resolution #2019-28 - APPROVED

2. Consideration and action pertaining to the renewal of the AZ Internet Crimes Against Children (ICAC) Task Force Intergovernmental Agreement and amending the Fiscal Year 2019 budget by reallocating appropriations of \$5,000 from contingency within the Grants Fund to FY19 AZ ICAC within the Grants Fund to cover the projected expenditures associated with ICAC related travel and training; Resolution #2019-38.

3. Consideration and action pertaining to approval of an amendment to the Fiscal Year 2019 budget by reallocating appropriations in the amount of \$3,000 from Contingency to the Walmart Grant Emergency Assistance Program and \$2,000 from Contingency to the Walmart Grant Police Explorer Program; Resolution #2019-34 - APPROVED

4. Consideration and action pertaining to an Intergovernmental Agreement (IGA) authorizing Maricopa County Community College District (MCCCD) students in the medical technician program to participate in medical calls with the Surprise Fire-Medical Department (SFMD); Resolution #2019-45 - APPROVED

5. Consideration and action declaring City's intention to enlarge the "Surprise Valley Station Lighting Improvement District" an existing lighting improvement district pursuant to A.R.S. Å 48-616 for the purpose of purchasing facilities and energy for lighting the public streets and parks; Resolution #2019-35 - APPROVED

6. Consideration and action pertaining to conditional acceptance of the maintenance of the streets and public utility improvements at Austin Ranch West Parcel 6, generally located at North 183rd Avenue and West Via Montoya Drive; Resolution #2019-47 - APPROVED

7. Consideration and action pertaining to approval of an amendment to the Fiscal Year 2019 Capital and Operating List of Items Over \$50,000 to include the purchase four Citizens Patrol vehicles that were already budgeted in the existing FY2019 budget; Resolution #2019-48 - APPROVED

8. Consideration and action pertaining to approval of the Final Plat entitled "Dental Depot" dated December 21, 2018, a property generally located north of Greenway Road and east of Litchfield Road - APPROVED

9. Consideration and action pertaining to vacating the City's interest in a portion of a Public Roadway (unnamed) within Section 14, Township 4 North, Range 2 West Generally Located West of 178th Avenue, South of Williams Road; Resolution #2019-32 - APPROVED

10. Consideration and action on the April 16, 2019 Regular City Council Work Session, Regular City Council Meeting and Executive Session - APPROVED

11. Consideration and action on a Series 12 Restaurant/Interim Permit liquor license request for Bens Pizza - 16630 W Greenway Road Suite 326, Surprise, AZ. 85388 - APPROVED

12. Consideration and action on a liquor license (New-Series 12) for Ugly Tuna Sushi - 15459 W Bell Road #113, Surprise, AZ. 85374 - APPROVED

13. Consideration and action pertaining to authorizing civil litigation to redress the damages the City of Surprise has, and will sustain, due to the wrongful manufacture and distribution of prescription opiates - APPROVED

Council Member Sanders made the motion to approve the consent agenda. Vice Mayor Winters seconded the motion. Six yes votes, one excused (Hayden), motion carried.

REGULAR AGENDA ITEM - PUBLIC HEARING:

14. Consideration and action pertaining to approval of the Preliminary Plat entitled, "Desert Oasis-Parcel B9" dated February 15, 2019, a property generally located west of 163rd Avenue and north of Grand Avenue; Resolution #2019-56 - APPROVED

City Planner, Sergio Angulo reported on this item, Preliminary Plat Parcel B9.

Vice Mayor Winters - widen 163rd out?

Mr. Angulo - the plan is to have three lanes.

Council Member Sanders - pertaining to the stipulation slide at the northern most road of B9 is Desert Oasis?

Mr. Angulo - yes

Council Member Sanders - The builder is adding one additional lane south and then north and then one additional lane Prickley Pear to the end?

Mr. Angulo explained the street layout.

Public Comments:

Daniel Schrader - lives north west of 163rd. That area is a mess, he referred to merging from a 1/4 mile back all the development. There is no police presence he referred to a car wreck and car fire. I would like to see some improvements and figure out this road situation.

Charles Rhatgia - lives in unincorporated area. He referred to new developments that are coming up. We don't have the stores or shops or gas stations. He also referred to 155th Ave and feeder streets. Please consider our comments.

Daniel Zamorano - Lives in that area, was part of the construction in the '80's. He referred to safety issues, one way in and one way out. Please reconsider.

Vice Mayor Winters made the motion to approve Preliminary Plat Desert Oasis-Parcel B9. Council Member Duffy seconded the motion. Six yes votes, one excused (Hayden), motion carried.

15. Consideration and action regarding a Zone Change from Residential Ranch (RR) to approx. 18.9 acres of Medium Density Residential (RM-6) with a Planned Unit Development (PUD) Overlay; approx. 22.0 acres of Medium Density Residential (RM-9) with a Planned Unit Development (PUD) Overlay; and approx. 23.0 acres of Residential High (RH-15) with a Planned Unit Development (PUD) Overlay for Rancho TruGold Planning case # FS18-386; Ordinance 2019-06 - APPROVED

City Planner, Robert Kuhfuss gave a powerpoint presentation on this item.

No public comments were made.

Council Member Duffy made the motion to approve Ordinance 2019-06. Council Member Sanders seconded the motion. Six yes votes, one excused (Hayden), motion carried.

16. Consideration and action pertaining to approval of the Preliminary Plat entitled, "Rancho Trugold" and dated February 6, 2019, a property located in the RM-6 and RM-9 PUD zoning districts of Rancho TruGold - Resolution No. 2019-57 - APPROVED

City planner, Robert Kuhfuss gave a powerpoint presentation on this item.

Council Member Duffy - Off 175th, turning east on Sweetwater, does it have its own turn lane?

Mr. Kuhfuss – Yes.

Council Member Duffy - Ten acres on page 317 that says vacant, there only doing a half street on Sweetwater, there won't be any space for the 10 acres.

Mayor Hall - Set up as an HOA, right? Yes, there will be an HOA. How does it work when the developer turns over the HOA to the owners? How do they know if there is enough reserve to take over the amenities? Someone needs to be the oversight.

Developer - The home builder will maintain until a certain percentage of homes have been built, then they will take it over.

Kaylena - The property on 175th east on Sweetwater, is going to be developed first?

Mr. Kuhfuss - Each developer will develop their required half street improvements to a specific boundary.

Council Member Duffy made the motion to approve Resolution No. 2019-57. Council Member Judd seconded the motion. Six yes votes, one excused (Hayden), motion carried.

17. Consideration and action pertaining to approval of the Preliminary Plat entitled, "Heritage Asante -Parcel 3" dated February 8, 2019, a property generally located west of 163rd Avenue and north of Grand Avenue - APPROVED

City Planner, Sergio Angulo gave a powerpoint presentation on this item.

Vice Mayor Winters - Is this development being built by Lennar also?

Mr. Angulo - Yes correct. Only age restricted development in this area.

Mayor Hall - Are the streets going to be private? Meet City standards or be more narrow?

Mr. Angulo - Narrower than usual, but still meet code requirements.

Council Member Remley - You indicated there is emergency access on the south side, I don't see any drawings.

Public comments:

Charles Rhatgia - Another neighborhood coming in without existing infrastructure. I

highly doubt they are going to drive through the other area to get out of the area. Too much, too fast. I see a trend of developers coming in piece meal as a distraction. If we can have more feedback for the community of what is going on.

Tammy Bayne - The emergency access shown for this development, if it is flooded in the front of the ponds, they will be stuck on 163rd avenue.

Jacqueline Rae Carroll, make a point on overall basis. I don't think I need to point it out but I will do it anyways. 14, 17, 18, 19, & 20 all in which deal with the area of 63rd Avenue and Jomax roads. This is not good for the City, not what the residents want for this area. We are going to fight back and it starts tonight. When is it enough growth in this area.

Joseph Wagner, live in the area and work for SW Gas, in the 2 years we have lived there, we have seen a lot of growth. Traffic on 163rd, one lane going north to a dead end, it's a parking lot.

Ken Larsen, lives in the area since 2003, perfect spot to retire. It is started to build up too fast, beautiful area, traffic issues. I don't want to see this, devastating for the area.

Dan Zamorano - if you could please research how Awhatukee developed, and they are still struggling.

SYC - Protecting the habitat in this area?

Mr. Angulo - Preserve as much as possible the natural habitat on the properties. The General Plan speaks of the Natural life corridors to be protected.

Lloyd Abrams - 2011 went through this study and placed in the General Plan that describes the Natural habitat corridor.

Vice Mayor Winters - Is the developer here?

Yes, Representatives from Lennar and home builder.

- Vice Mayor Winters made the motion to approve Preliminary Plat Heritage Asante - Parcel 3. Council Member Duffy seconded the motion. Six yes votes, one excused (Hayden), motion carried.

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

18. Consideration and action pertaining to approval of the Final Plat entitled, Heritage Asante Parcel 3 and dated February 8, 2019, a property generally located north of Grand Avenue and west of 163rd Avenue - APPROVED

City Planner, Sergio Angulo gave a powerpoint presentation on this item.

Mayor Hall - Is that lake there? Retention basin? Where does the water come from? Irrigation/well that feeds this.

Vice Mayor Winters made the motion to approve Final Plat Heritage Asante - Parcel 3. Council Member Sanders seconded the motion. Six yes votes, one excused (Hayden), motion carried.

19. Consideration and action pertaining to the approval of a Pre-Annexation Development Agreement with Arizona State Lands Department (ASLD) for the proposed annexation of approximately 360 acres generally located at the southeast corner of N 163rd Ave and Lone Mountain Road and north of Dixileta Road, annexation case FS18-417; Resolution #2019-43 - APPROVED

Assistant Attorney, Ellen Vanriper gave a powerpoint presentation on this item.

City Planner, Joshua Mike will explain the annexation process and next steps.

Vice Mayor Winters - Marisol Ranch, work on 163rd, what kind of work and how extensive? What is the dwelling acre per County plan?

1880 dwelling units.

Council Member Judd - Road system in general for the whole area, do we have a master plan for all of the roads?

Mr. Abrams - The map depicts what is in the long range plan. Currently working with MCDOT on extending Happy Valley Road to 163rd Avenue. Long term you can see what is planned for this area for the future.

Council Member Judd - We wait for developers to come and build as needed, correct?

Yes

Council Member Judd - How many houses are platted for this area.

Lloyd - A little over 25,000 homes planned for this area.

Vice Mayor Winters - The connection for the 303 and Litchfield Road, another way in and out of this area. How long?

Council Member Remley - We have an existing entitlement for 1,882 of units, the reason they want to annex we will take care of the reclaimed water, etc., Where does this give rise to adding more units in?

Vice Mayor Winters - Interested in what is defined as commercial. What type of commercial?

Council Member Duffy - Is there a Dynamite Boulevard that goes through? How far does Lone Mountain go?

Mayor Hall - I have heard a lot of concerns tonight, I want to make sure we are asking the right questions. In a summary kind of document, address this to all the people who signed up to speak tonight. Let's talk about these issues in that document. Flooding, water, roads, traffic, police presences, all to be addressed in this summary.

Jacqueline Rae Carroll - representing the coalition group of over 1500 people. Asked that Council received the maps and letter previously handed out. Closing comment, asked that Council deny the annexation or delay.

Ann Gantz - Lots of beautiful nature, trees, washes, the roads are not big enough, potholes everywhere. No access for emergency vehicles.

Tammy Bayne - The petition is signed for all developments out in this area. Addressed the maps handed out prior to the meeting, including the flood control map.

Ken Larsen - When will the future roads accommodate to the 1,800 homes. Short cut to Lake Pleasant 74, will bring commercial traffic as well.

Dan Zamorano - This is a safety issue, the roads heading to 303, they are irrelevant. All of the work is in the City.

Christina Van Arsdale - We are here to stop this crazy idea for putting a City in our area. Instinct species, over 40% are from Arizona. Where are they going to go other than north? More people are coming in and causing more crimes and pollution.

Richard Sandow - What are you going to do about the Habitat? They clear the entire area, they will clear half of the project. How many homes are already ready to be built, 450 homes Asante and North closer to 8,000 to 10,000 dwelling units. As you vote for this thing, and they don't give you another way out, is it negligence on your part? Read an article from the newspaper by CM Remley.

Council Member Judd - I would like Surprise to be involved in the planning, we need to have a say in what happens out there.

Council Member Remley - I would like our planning department to be conscious of where they have existing entitlements, we are giving them a lot when we agree to provide City services to them.

Council Member Duffy made the motion to approve Resolution 2019-43. Council Member Sanders seconded the motion. Five yes votes, one no (Winters) and one excused (Hayden), motion carried.

20. Consideration and action pertaining to the approval of a Pre-Annexation Development Agreement with Marisol 163, LLC and FGR Property Investments V, LLC for the proposed annexation of approximately 634 acres generally located at the northeast corner of N 163rd Ave and Lone Mountain Rd, annexation case FS18-417; Resolution #2019-42 - APPROVED

Public comments:

Tammy Bayne - Planning & Zoning postponed their meeting until June to have clarification. Please take into consideration of everything discussed tonight. Marisol needs to have the studies done.

Jacqueline Carroll - Resident coalition of over 1,500 residents, at least deny the pre-annexation development agreement or delay until reports are done.

Ken Larsen - Before Asante was built ,we had a community meeting, the railroad

Dan Zamorano - Safety Issue.

Daniel Schraeder - Overhead power lines, Peoria is also dealing with this issue as well. McMicken Dam, re-evaluate the plan, these are large developers. We are just asking for more time. We don't have the resources that these developers have. This is our home, we live there, where do we go?

Council Member Remley made the motion to approve Resolution 2019-42. Council Member Sanders seconded the motion. Five yes votes, one no (Winters) and one excused (Hayden), motion carried.

21. Consideration and action pertaining to the City of Surprise affirming its support for a regional model that addresses homelessness in Surprise and throughout the far northwest valley; Resolution #2019-44 - APPROVED

HSCV Director, Seth Dyson introduced Maricopa County representatives gave a brief powerpoint presentation on this item.

Mayor Hall - Have you talked to Churches about this and their responses? A feasibility Study through Lutheran Social Services.

Council Member Remley made the motion to approve Resolution 2019-44. Council Member Judd seconded the motion. Six yes votes, one excused (Hayden), motion carried.

22. Consideration and action adopting the tentative expenditure limitation budget for FY2020 and authorizing publication of said tentative budget; Resolution # 2019-55 - APPROVED

Finance Director, Andrea Davis and Assistant Finance Director, Holly Osborn gave a powerpoint presentation on this item.

Council Member Remley - We may have restricted capital, I think it makes it a lot clearer, it was a big concern of mine. I never like to see our general fund go down if we can help it.

Mayor Hall asked for clarification on the setting the tentative expenditure limitations, not raising taxes.

Council Member Winters made the motion to approve Resolution 2019-55. Vice Mayor Winters seconded the motion. Six yes votes, one no (Hayden), motion carried.

Other Business and Future Agenda Items

Council Member Remley - Add an item for discussion and possible action for Invocation at beginning of every meeting. Seconded by Sanders.

City Council Reports

Council attended and/or reported on the following:

Joint District 5 & District 6 meeting on May 20th - Panera Bread. Veteran's Bridge; Golden Rule Breakfast;

Council Member Remley - Interesting 2 weeks since our last meeting, spending a lot of time looking at budgets, asking a lot of questions. I have my monthly meeting in District 4 on Hollyhock Street, the builder will be coming to our meeting to give an update.

Vice Mayor Winters - My district meeting Friday 7:00 p.m. at Arizona Traditions Community Center. All is welcome. Attending meeting in Peoria for dial-a-ride vans.

Mayor Hall - Veteran's Bridge; Governor attended; Golden Rule Community Breakfast; Colonnade Ribbon Cutting Facility.

Executive Session

Adjournment

Council Member Judd made the motion to adjourn the Regular City Council Meeting of May 7, 2019 at 9:23 PM. Vice Mayor Winters seconded the motion. Six yes votes, one excused (Hayden), motion carried.

Skip Hall, Mayor

ATTEST:

Sherry Ann Aguilar, City Clerk, MMC

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Meeting of **Tuesday, May 7, 2019.**

Sherry Ann Aguilar, City Clerk, MMC



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: City Clerk
Staff Recommendations: None

Contact Person: Sherry Aguilar, City Clerk
District: District 1

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

Agenda Wording:

Consideration and action to approve a request by Nicolas Carl Guttilla (Agent) for a series 09 Liquor Store license for Safeway #1997 located at 17049 W. Bell Road, Surprise, AZ 85374.

Motion:

I move to approve a request by Nicolas Carl Guttilla (Agent) for a series 09 Liquor Store license for Safeway #1997 located at 17049 W. Bell Road, Surprise, AZ. 85374.

Background:

All departmental reports are attached with no noted concerns.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. Safeway #1977 REPORT
 2. Safeway #1997 Map
 3. Safeway 17049 W Bell Liquor License
 4. safeway liq - 17049 w bell New Application
 5. SKMBT_42118042315400 safeway fire report
-



COMMUNITY DEVELOPMENT DEPARTMENT

Date: May 6, 2018
To: Sherry Aguilar, City Clerk
From: Chris Boyd, Acting Community Development Director
James Stewart, Zoning Specialist
Re: Liquor License Application for:

Safeway #1997
Series 09/New Application – Job # 63546
17049 W. Bell Road
Surprise, Arizona 85374

The number and series of licenses in close proximity to the subject site are:

1. Babbo Italian Eatery (Series 12) – 16433 W. Bell Rd.
2. Fellowship Square Surprise (New Application) – 16477 W. Bell Rd.
3. Sam's Club #4955 (Series 9) – 16573 W. Bell Rd.
4. Peter Piper Pizza (Series 12) – 16641 W. Bell Rd. (EXPIRED)
5. Winco Foods #127 (Series 9) – 16925 W Bell Rd.
6. Walgreens #6806 (Series 10) – 17088 W. Bell Rd.
7. Amuse Bouche (Series) – 17058 W. Bell Rd. #104
8. Golden Wei Chinese Cuisine (Series # 12) – 17104 W Bell Rd.
9. Eddie's European Bistro (Series 12) – 16846 W. Bell Rd. #109 (EXPIRED)
10. Mule Creek Saloon (Series 6) – 16846 W. Bell Rd. #100
11. Albertson's #1026 (Series 9) – 16750 W. Bell Rd.(EXPIRED)
12. Circle K #2741713 (Series 10) – 16794 W. Bell Rd.

The immediate area is comprised of commercial establishments. The property is zoned PAD, Surprise Farms (Commercial) which is consistent with the proposed use.

Commercial and residential growth is expected to remain static.

If managed properly, the effects of granting this liquor license on surrounding residences will be minimal. This license will have little to no affect on parking in the area. Staff believes that granting this liquor license will not directly impact the surrounding business and residential areas in a negative way.

SAFEWAY #1997

PAD
HAPPY TRAILS

RL-5, R1-5

PAD
SUN CITY GRAND

CC, C-2

SITE

WINCO

BABO'S

RR, R1-43

RH, R-3

PAD
SURPRISE VILLAGE
MARKETPLACE

PAD
SURPRISE FARMS

FELLOWSHIP
SQUARE
SURPRISE (NEW)

PAD
NORTHWEST RANCH



Surprise Fire-Medical Department
14250 W. Statler Plaza Ste. 101
Surprise, AZ 85374-7479
Phone: 623-222-5000
Fax: 623-222-5001



May 14, 2019

To: Sherry Ann Aguilar, City Clerk
From: Keith Tanner, Fire Marshal
Subject: Liquor License Application
Applicant: Safeway #1997
17049 N Bell Road

The Surprise Fire-Medical Department recently conducted a fire inspection at the above referenced location to ensure compliance with the applicable fire codes within the tenant space and building. There are no known fire code violations at this time.

Therefore fire has no comment on the application at this time.

If you have any questions feel free to contact me.

Keith Tanner
Keith Tanner, Fire Marshal
Fire Prevention Division
Surprise Fire-Medical Department

S U R P R I S E P O L I C E D E P A R T M E N T
L I Q U O R L I C E N S E A P P L I C A T I O N R E V I E W

REFERENCE:

Job Number – 63546
Series #09
New Application

May 6, 2019

APPLICANT:

Safeway #1997
17049 West Bell Road
Surprise, Arizona 85374

FINDINGS:

- 1) ***Evidence concerning the nature of the proposed business, its potential market and its likely customers.***
Safeway is an established grocery store within the City of Surprise. Its current market consists of all residents of the City of Surprise and the surrounding northwest valley.
- 2) ***Effect of vehicular traffic in close proximity.***
There is no anticipated change in the current volume of traffic at this established location.
- 3) ***The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report of such activity at least 20 days before the hearing.***
Throughout the past five years, there has been an average of only six shopliftings a year, and only one this year. Additionally, only a small percentage has been alcohol related. In 2017, the US Bank inside the store was robbed. not an unusual amount for a grocery store, and only a small percentage has been the theft of liquor. In 2017, the bank inside the store was robbed. There have also been a small percentage of disorderly conducts, unwanted guests and a few domestic related incidents, either inside the store or in the parking lot.
- 4) ***Comparison of hours of operation of the proposed premises to the existing businesses in close proximity.***
Safeway is open every day from 5 AM – Midnight. Safeway is the largest occupants of a strip center that houses smaller miscellaneous stores, including a Dunkin' Donuts which closes by 11 PM as well. The other miscellaneous businesses usually carry normal business hours and nothing into the late evening hours.
- 5) ***Appropriateness of series license requested.***
The series #9 license is appropriate for this Safeway Food & Drug.

Submitted by Officer C. E. Tovar #2059



Surprise Fire-Medical Department
14250 W. Statler Plaza Ste. 101
Surprise, AZ 85374-7479
Phone: 623-222-5000
Fax: 623-222-5001



April 23, 2018

To: Sherry Ann Aguilar, City Clerk

From: Keith Tanner, Fire Marshal

Subject: Liquor License Application

Applicant: Safeway #977
14451 W Grand
Surprise, Arizona 85374

The Surprise Fire-Medical Department recently conducted a fire inspection at the above referenced location to ensure compliance with the applicable fire codes within the tenant space and building. There are no known fire code violations at this time.

Therefore fire has no comment on the application at this time.

If you have any questions feel free to contact me.

Keith Tanner, Fire Marshal
Fire Prevention Division
Surprise Fire-Medical Department



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: City Clerk
Staff Recommendations: None

Contact Person: Sherry Aguilar, City Clerk
District: District 5

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

Agenda Wording:

Consideration and action to approve a request by Zindy Torres (Applicant) for a series 12 Restaurant Liquor License for Tacos Calafia located at 17239 N. Litchfield Road, #68, Surprise, AZ. 85374.

Motion:

I move to approve a request by Zindy Torres (Applicant) for a series 12 Restaurant Liquor License for Tacos Calafia located at 17239 N. Litchfield Road, #68, Surprise, AZ. 85374.

Background:

This is a new liquor license/interim permit request. All departmental reports are attached with no noted concerns.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. Tacos Calafia
 2. Tacos Calafia REPORT
 3. Tacos Calafia_Memo to Clerk_20190502
 4. Tacos Cilifia MAP
-

S U R P R I S E P O L I C E D E P A R T M E N T
L I Q U O R L I C E N S E A P P L I C A T I O N R E V I E W

REFERENCE:

DATE: May 6, 2019

JOB NUMBER - 63732
Series #12 – New Application

APPLICANT:

Tacos Calafia

17239 N. Litchfield Road #68
Surprise, Arizona 85374

FINDINGS:

- 1) *Evidence concerning the nature of the proposed business, its potential market and its likely customers.*

Tacos Calafia is a new fast casual style restaurant, serving mainly tacos and some other Mexican food dishes. The market should be patrons of all ages throughout Surprise and the greater Northwest Valley. There is seating for 83 customers in the main dining area.

- 2) *Effect of vehicular traffic in close proximity.*

There should be no change to traffic in the area since the restaurant is already in existence. There remains adequate ingress and egress into the shopping plaza which contains Tacos Calafia.

- 3) *The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report of such activity at least 20 days before the hearing.*

In 2014, there was one report of an intoxicated individual leaving the restaurant. He had to be transported to the hospital, but no charges were filed. .

- 4) *Comparison of hours of operation of the proposed premises to the existing businesses in close proximity.*

The restaurant's opens every day at 10 AM and closes at 10 PM from Monday to Thursday, at 11 PM on Fridays and Saturdays, and at 9 PM on Sundays. The same plaza contains other restaurants with series 12 licenses in use. Richi's Diner 2 closes every evening at 8 PM. Uni Sushi Restaurant, also with a series 12 license closed most nights at 10 PM and at 11 PM on Fridays and Saturdays. Further to the south in the adjacent plaza, Buffalo Wild Wings closes at midnight except for Fridays and Saturdays, which it closes at 2 AM.

- 5) *Appropriateness of series license requested.*

A series 12 license is appropriate and applicable for the Tacos Calafia, per state guidelines for restaurants.

Submitted by Officer C. E. Tovar #2059

Date: May 6, 2018

To: Sherry Aguilar, City Clerk

From: Chris Boyd, Acting Community Development Director

By: James Stewart, Zoning Specialist

Re: Liquor License Application for:
Tacos Califia
Series 12/New Application – Job # 637320
17239 N. Litchfield Road #68, Surprise, Arizona 85374

The number and series of licenses in close proximity to the subject site are:

1. Wal-Mart Supercenter #2777 (Series 9) – 13770 W. Bell Rd.
2. Applebee's (Series 12) – 13756 W. Bell Rd.
3. Streets of New York #23 (Series 12) – 13736 W. Bell Rd.
4. Tom Yum (Series 12) – 13736 W. Bell Rd. #2
5. Fresh Wasabi Sushi & Grill (Series 12) – 13732 W. Bell Rd. #2
6. China Buffet #17119 (Series 12) – 17119 N. Litchfield Rd. #20
7. Uni Sushi & Steak (Series 12) – 17191 N. Litchfield Rd.
8. Richi's Diner (Series 12) – 17221 N. Litchfield Rd.
9. Buffalo Wild Wings (Series 12) – 13882 W. Bell Rd.
10. Target #1335 (Series 10) – 13731 W. Bell Rd.
11. Sprouts Farmers Market # 12 (Series 10) – 13759 W. Bell Rd.
12. Chili's Grill & Bar #1153 (Series 12) – 13765 W. Bell Rd.
13. Cobblestone Auto Spa & Market (Series 10) – 13811 W. Bell Rd.
14. State 48 Brewery (Series 3 & 12) – 13823 W. Bell Rd.
15. Irish Wolfhound Restaurant (Series 6) – 16811 N. Litchfield Rd. #102-104
16. Rio Mirage Cafe (Series 12) – 13863 W. Bell Rd.
17. Chipotle Mexican Grill #0898 (Series 12) – 13869 W. Bell Rd. #107
18. Red Robin (Series 12) – 14015 W. Bell Rd.
19. Carrabba's Italian Grill (Series 12) – 14043 W. Bell Rd.
20. Frank-N-Steins (Series 12) – 14071 W. Bell Rd. (Expired)
21. Saigon Kitchen (Series 12) – 14071 W. Bell Rd.
22. Long Horn Steakhouse (Series 12) – 14127 W. Bell Rd.
23. New York Pizza Dept. (Series 12) – 13980 W. Bell Rd.
24. Circle K Store #2741641 (Series 10) – 13908 W. Bell Rd.

The immediate area is composed of commercial establishments. The property is zoned PAD C-2 which is consistent with the proposed use.

Residential population will most likely remain static. Commercial growth will likely remain static.

If managed properly, the effects of granting this liquor license on surrounding residences will be minimal. This license will have little to no effect on parking in the area. Staff believes that granting this liquor license will not directly impact the surrounding business and residential areas in a negative way.



MEMO

Date: 05/02/2019

To: Sherry Aguilar, City Clerk
Linda Stevens, Deputy City Clerk
From: Stacie McQuarrie, Fiscal Support Specialist

RE: Liquor License Application – Tacos Calafia Surprise

Business License Status:

A Business License application was received on 2/27/19, License #1022063. The application is in a pending status until missing documentation is received.

TACOS CALIFIA

IG, I-2

PAD - KINGSWOOD
PARK / SUN VILLAGE

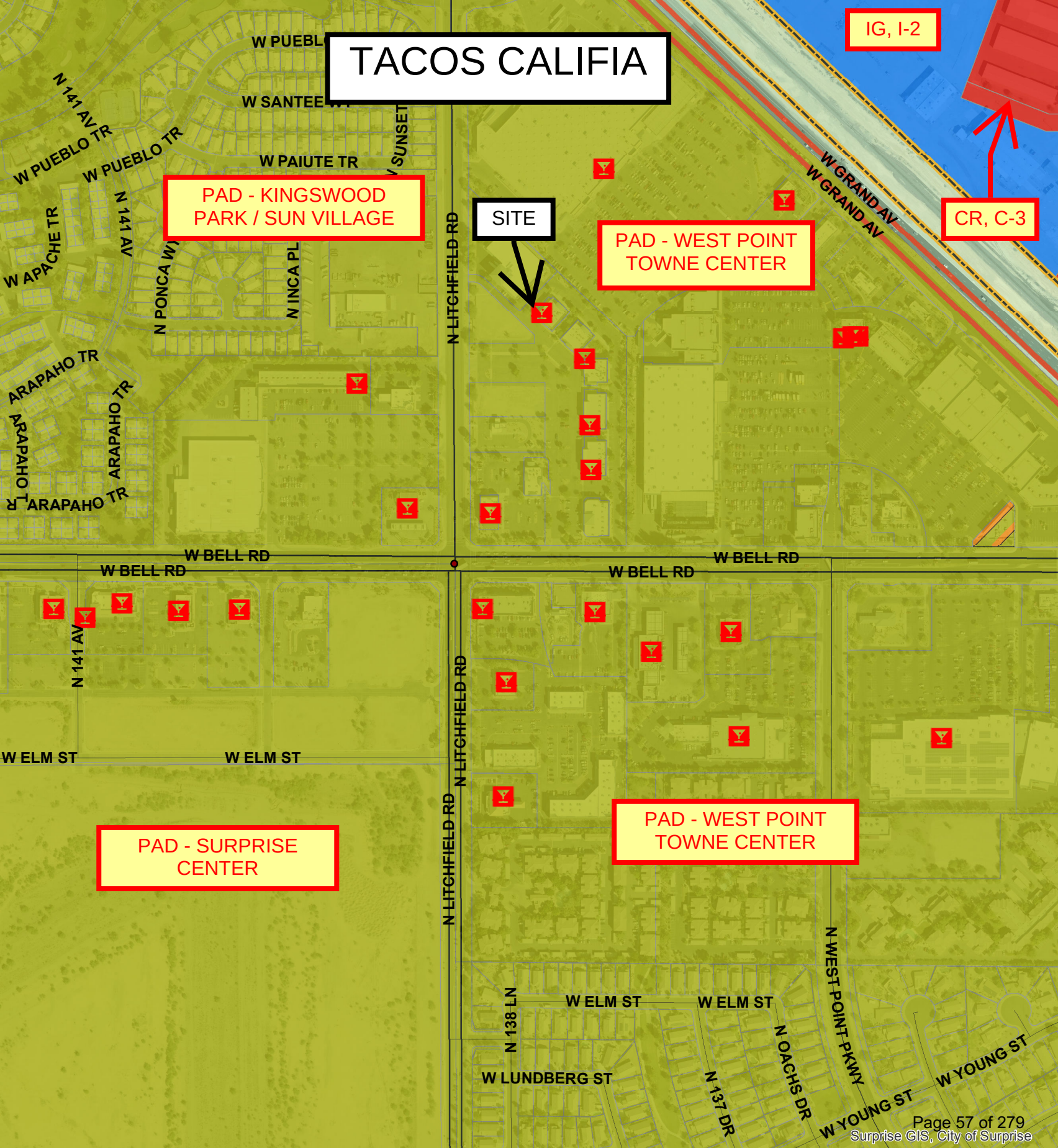
SITE

PAD - WEST POINT
TOWNE CENTER

CR, C-3

PAD - SURPRISE
CENTER

PAD - WEST POINT
TOWNE CENTER





CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: City Clerk
Staff Recommendations: None

Contact Person: Sherry Aguilar, City Clerk
District: District 1

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

Agenda Wording:

Consideration and action to approve a request by Kathryn Loscheider (Agent) for a Series 12 Restaurant Liquor License for Fellowship Square Surprise located at 16477 W. Bell Road, Surprise, AZ. 85374.

Motion:

I move to approve a request by Kathryn Loscheider (Agent) for a Series 12 Restaurant Liquor License for Fellowship Square Surprise located at 16477 W. Bell Road, Surprise, AZ. 85374.

Background:

This request is for a new license. All departmental reports are attached with no noted concerns.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. 16477 W Bell Fellowship Square Liquor License
 2. Fellowship Square 16477 W Bell Road Liq Lic Rev
 3. Fellowship Square Liquor License Zoning Map
 4. Fellowship Square Report
 5. Fellowship Square Surprise_Memo to Clerk_20190426
-



Surprise Fire-Medical Department

14250 W. Statler Plaza Ste. 101
Surprise, AZ 85374-7479
Phone: 623-222-5000
Fax: 623-222-5001



April 29, 2019

To: Sherry Ann Aguilar, City Clerk

From: Keith Tanner, Fire Marshal

Subject: Liquor License Application

Applicant: FELLOWSHIP SQUARE SURPRISE
16477 W Bell Rd
Surprise, Arizona 85374

The Surprise Fire-Medical Department recently reviewed plans included with the Liquor License Request for the above referenced location to ensure compliance with the applicable fire codes within the tenant space. Based on the plans submitted we have no comments at this time.

If you have any questions feel free to contact me.

Keith Tanner, Fire Marshal
Community Risk Reduction Division

S U R P R I S E P O L I C E D E P A R T M E N T
L I Q U O R L I C E N S E A P P L I C A T I O N R E V I E W
F e l l o w s h i p S q u a r e

REFERENCE:

May 6, 2019

Job Number: 63161
New Application / Series 12 - Restaurant License

APPLICANT:

Fellowship Square Surprise
16477 W. Bell Road
Surprise, Arizona 85374

FINDINGS:

- 1) ***Evidence concerning the nature of the proposed business, its potential market and its likely customers.***
Fellowship Square Surprise offers Independent & Assisted senior living, Memory Care & Home Health Services. It has a restaurant and patio seating within the large campus. The main restaurant/dining area has seating for 303 people. It should be noted the application states the 40 people are for the designated bar area, but that is incorrect. The 40 people is for the smaller café area, which will serve fast casual food. Both areas will serve either beer or wine. The potential market should mostly consist of the residents and their guests, although the area is also open to the general public. There's no live entertainment, but there are two large screen televisions on site.
- 2) ***Effect of vehicular traffic in close proximity.***
There is no evidence of any negative effect to the established traffic in this area. There are adequate areas for ingress and egress. The main entrance accessed with a regulated traffic signal off of Bell Road, just west of Sarival, in addition to a smaller entrance into the adjacent shopping plaza to the north. There is also access to Fellowship Square from the east side of the property off of Sarival Avenue.
- 3) ***The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report of such activity at lest 20 days before the hearing.***
Fellowship Square has been open for approximately one year. In this time, there have been no reports of criminal activity involving alcohol. There was one report in 2018 of a theft, where new residents said some items came up missing after they were moved in.
- 4) ***Comparison of hours of operation of the proposed premises to the existing businesses in close proximity.***
Fellowship Square is an around the clock operation where there are various levels of living as mentioned previously. There is mostly commercial development to the west, north and northeast, and residential to the south and southeast. The largest retailer is the Sam's Club to the west, which closes by 8 PM. There is also a Sakura Japanese Restaurant to the northwest, which has a series 12 license. They are open for lunch and

S U R P R I S E P O L I C E D E P A R T M E N T
L I Q U O R L I C E N S E A P P L I C A T I O N R E V I E W
F e l l o w s h i p S q u a r e

dinner and close by 10 PM during the week and at 11 PM on Fridays and Saturdays. There is also a Denny's Restaurant, north of Fellowship Square, that is open 24 hours and has a series 12. The hours of the main dining room are from 11 AM to 7 PM every day and the café is open from 7 AM to 7 PM.

5) *Appropriateness of series license requested.*

The Series 12 license request is appropriate for Fellowship Square's request.

Submitted by Officer C. E. Tovar #2059

FELLOWSHIP SQUARE SURPRISE

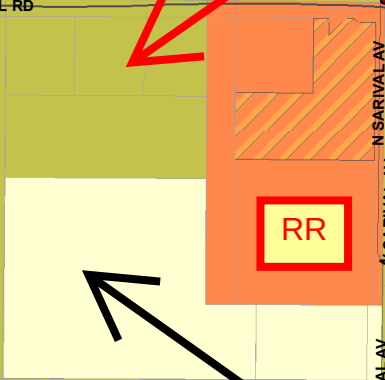
RL-5

CC (C-2)

PAD
SUN CITY GRAND

BABBO ITALIAN
EATERY

PAD
SURPRISE
VILLAGE
MARKETPLACE



WINCO FOODS

PAD
SURPRISE FARMS

PAD
NORTHWEST RANCH

PAD
MOUNTAIN VISTA RANCH



COMMUNITY DEVELOPMENT DEPARTMENT

Date: May 6, 2019
To: Sherry Aguilar, City Clerk
From: Chris Boyd, Acting Community Development Director
James Stewart, Zoning Specialist
Re: Liquor License Application for:

**Fellowship Square Surprise
New Application – Job # 63161
16477 W. Bell Road
Surprise, Arizona 85374**

The number and series of licenses in close proximity to the subject site are:

1. Babbo Italian Eatery (Series 12) – 16433 W. Bell Rd
2. Sam's Club #4955 (Series 9) – 16573 W. Bell Rd.
3. Peter Piper Pizza (Series 12) – 16641 W. Bell Rd. (Expired)
4. Winco Foods #127 (Series 9) – 16925 W. Bell Rd.
5. Eddie's European Bistro (Series12) – 16846 W. Bell Rd. #109 (Expired)
6. Mule Creek Saloon (Series 6) – 16846 W. Bell Rd. #100
7. Albertson's #1026 (Series 9) – 16750 W. Bell Rd.(Expired)
8. Circle K #2741713 (Series 10) – 16794 W. Bell Rd.
9. Circle K #3395 (Series 10) – 16247 W. Bell Rd.

The immediate area is comprised of commercial establishments. The property is zoned RH which is consistent with the proposed use.

Commercial and residential growth is expected to remain static.

If managed properly, the effects of granting this liquor license on surrounding residences will be minimal. This license will have little to no affect on parking in the area. Staff believes that granting this liquor license will not directly impact the surrounding business and residential areas in a negative way.



MEMO

Date: 4/26/2019

To: Sherry Aguilar, City Clerk
Linda Stevens, Deputy City Clerk
From: Stacie McQuarrie, Accounting Support Specialist

RE: Liquor License Application – Fellowship Square Surprise/Christian Care Surprise Inc –
16477 W Bell Rd

Business License Status:

License #1021073, exempt from licensing but registered through 12/31/19.



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: Fire - Medical
Staff Recommendations:

Contact Person:
District: Internal

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

Consideration and action pertaining to approval of an Intergovernmental Agreement (IGA) between the City of Surprise and City of Phoenix Phoenix for fire-medical dispatch services; Resolution # 2019-41.

Motion:

I move to approve Resolution # 2019-41.

Background:

The City of Surprise Fire-Medical Department has been a member of the Regional Metropolitan Phoenix Fire Service Automatic Aid Agreement and the Central Arizona Life Safety Council for years. These agreements are a commitment from the various involved agencies to send the nearest appropriate fire and medical equipment and personnel to an incident based upon their proximity to the incident regardless of political boundaries. The IGA with Phoenix for which we are asking Council approval is the agreement through which the cost and necessary infrastructure are shared by the participating agencies. More explicitly, the IGA sets standards for the infrastructure and specifies what parts of the infrastructure are the responsibility of the City of Surprise and what parts of the infrastructure are the responsibility of other agencies. In addition, the agreement also provides for costs when the City services are expanded or contracted (e.g., annexation) or when there are planned events.

Objective Analysis:

The Phoenix Fire Automatic Aid System is very efficient because the nearest appropriate equipment and personnel is sent to an incident, thereby allowing the participating agencies to most efficiently staff and provide equipment to handle fire and medical incidents. This IGA provides for a central dispatch center, rather than each agency having to staff its own dispatch center, also providing for greater efficiencies.

The negative to having Phoenix provide the dispatch services is that it would be very difficult to ever field those services as a City if the circumstances were to arise where that action were a plausible alternative.

Policy Compliant:

The policy of the City of Surprise has always been to provide the best service possible for our citizens in

as economic of a manner as possible. This IGA accomplishes that by minimizing the costs of dispatching while providing an outstanding dispatch system for our Fire-Medical Department and for our citizens.

Financial Impact:

The ongoing costs incurred through this IGA are part of the current Fire-Medical budget. Future costs will be dictated by the City's usage of the system and thus cannot accurately be predicted at this time, but will be included in future budgets as necessary.

Budget Impact:

The costs for this IGA are funded out of the City's general fund. Any infrastructure necessary to operate future fire stations will be addressed through the bond monies or CIP funds used to fund the fire station itself.

FTE Impact:

No FTE impact.

ATTACHMENTS:

1. SFMD IGA - Regional Dispatch System
 2. Res 2019-41-Acceptance of IGA with Phx for Dispatch Services
-

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF PHOENIX
AND
THE CITY OF SURPRISE
FOR THE PHOENIX FIRE DEPARTMENT REGIONAL DISPATCH SYSTEM**

AGREEMENT NO. _____

This Intergovernmental Agreement (“IGA”) is entered into this ____ day of _____, 2019, by and between the City of Phoenix, for and on behalf of the Phoenix Fire Department (“the City”), and the City of Surprise, for and on behalf of the Surprise Fire-Medical Department (“the Agency”). Throughout this Agreement, the City and the Agency individually may be referred to as “Party” and may be referred to collectively as “Parties” to this Agreement. All entities that enter into an agreement with the Phoenix Fire Department for dispatch services, as listed herein in Exhibit A, will form the “Phoenix Fire Department Regional Dispatch System”.

RECITALS

WHEREAS, the City Manager of Phoenix, is authorized and empowered by provisions of the City Charter to execute contracts; and,

WHEREAS, the City is authorized and empowered to enter into intergovernmental agreements for the provision of services or for joint or cooperative action pursuant to Arizona Revised Statutes (A.R.S.) §11-952. The City is also authorized and empowered pursuant to Chapter 2, Section 2 (i), of the Charter of the City of Phoenix; and,

WHEREAS, agreements for mutual assistance and intergovernmental cooperation in public safety areas, including operations and management of fire and police, or the public safety related agencies have existed between municipalities and governmental jurisdictions; and,

WHEREAS, it is the desire of the municipalities, governmental jurisdictions, agencies and fire districts participating in this Agreement, to work together for mutual benefit of the public, Agency’s community and all of the Agency’s personnel; and,

WHEREAS, the Agency desires to participate in the Phoenix Fire Department Regional Dispatch System in order to more effectively provide emergency fire, medical and other services; and,

WHEREAS, the City desires the participation of the Agency to more effectively provide emergency fire, medical and other services; and,

WHEREAS, Ordinance No. _____ dated _____ authorized the City to enter into an agreement with the City of Surprise for participation in the Phoenix Fire Department Regional Dispatch System.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, inducements, covenants, agreements, conditions and other good and valuable consideration, the receipt and sufficiency which is acknowledged, the Parties agree as follows:

ARTICLE I. PURPOSE

1. This Agreement is to enhance the effectiveness of public safety through consistency in emergency dispatch of fire department resources throughout the region.
2. The purpose of this Agreement is to define the dispatch service and support that will be provided by the Phoenix Fire Department ("PFD") to the Agency. The Phoenix Fire Department Regional Dispatch Center ("PFDRDC") utilizes a Computer Aided Dispatch ("CAD") and Global Positioning System to process and dispatch requests for assistance to fire, medical and other non-police emergencies. The PFDRDC is a secondary Public Safety Answering Point ("PSAP") for the metropolitan Phoenix region that can receive information from multiple primary PSAP locations within the region.
3. Agencies choosing to be dispatched by the PFDRDC and have likewise chosen to participate in the separately agreed to Regional Metropolitan Phoenix Fire Service Automatic Aid Agreement, will comprise the Central Arizona Life Safety Council (CASLSC).
4. The objective of CALSC is to provide the most effective and efficient use of all participant's fire department resources within the Phoenix Metropolitan region. This objective is met by the automatic dispatch of the closest, most appropriate resources meeting the needs of requested emergency responses, regardless of jurisdictional boundaries of those jurisdictions that choose to participate in the Regional Metropolitan Phoenix Fire Service Automatic Aid Agreement.
5. Agencies choosing to be dispatched by the PFDRDC and are not a member of the CASLSC will be viewed as a mutual aid jurisdiction and dispatched accordingly.

ARTICLE II. STATEMENT OF SERVICES

1. Dispatch Services:

- 1.1 The City agrees to provide dispatching services for Agency's fire department apparatus, and vehicles for emergency responses within that Agency's jurisdiction.

- 1.2** Any request by the Agency for the support of a planned event or other activities that will require additional personnel or resources beyond the standard service provided by the City will be evaluated for the impact to the system. If, after evaluation, it is determined that the request will have a negative impact on standard operations and will require additional personnel or materials to adequately support the request, the requesting Agency will be responsible for all costs. A thirty (30) day notice is required for any request for support of a planned event.
- 1.3** Pursuant to this Agreement and as a condition of participation, Agency is required to participate in the Regional Metropolitan Phoenix Fire Service Automatic Aid Agreement, or participate in a Mutual Aid Agreement with neighboring jurisdictions, and agrees to comply with all requirements of those respective agreements.
- 1.4** Pursuant to this Agreement and as a condition of participation, Agency agrees to conform to the Phoenix Regional Standard Operating Procedures also known as Volume II made available as described in Exhibit B.

2. Technical Services:

- 2.1** The System utilizes a CAD system, which in turn utilizes standardized components consisting of Mobile Computer Terminals (“MCTs”), a station alerting package and direct network connections over dedicated circuits among each Agencies’ fire stations and the PFDRDC. To facilitate dispatch, and as a condition of participation, Agency is required to provide for all needed infrastructure compatible with the System. Any agency currently receiving dispatch services will be required to provide direct network connection.
 - 2.1.1** Acceptable forms of direct network connections include: dedicated leased-line, microwave, metro-optical Ethernet.
 - 2.1.2** Non-acceptable forms of direct network connections include: wireless connections, such as LTE, cable modem, DSL, satellite, and/or dial up telephone.
 - 2.1.3** Agencies currently receiving dispatch services on a non-acceptable form of a direct network connection will have 12-months to remedy the situation with an acceptable direct network connection.
- 2.2** Upon entering into an agreement the City will provide a technical assessment of Agency’s initial equipment needs. After the assessment, Agency will be provided a written requirements document and will further be responsible to provide all equipment assessed as needed for all of Agency’s stations, apparatus and vehicles to facilitate dispatching. If the Agency, for any reason, cannot provide

for all the initial and ongoing needed equipment as required by the City, the Agency cannot participate in this Agreement.

Further, if any future expansion or alteration to existing services are requested, a written request must be submitted to Phoenix Fire Department Technical Services. After receipt of request, the City will perform an assessment to determine equipment requirements. After the assessment is complete, Agency will be provided a written requirements document, Agency must provide all equipment assessed before any services will be provided.

- 2.3** The City will assist the Agency with coordination and installation of initial and any future equipment needs for Agency's fire stations, apparatus or vehicles. Installation services will be billed on a Time and Materials cost structure. All new additions to Agency's initial base equipment inventory will require a 180-day written notice prior to equipment being placed in service. Additionally, outside vendors approved by the Phoenix Fire Technical Services Section may be utilized by either Phoenix or the Agency. All equipment provided by an outside vendor must meet the Phoenix Fire Departments Technical Services specifications.
- 2.4** Beginning January 1, 2020 all initial and subsequent purchases of equipment will be the responsibility of the Agency.
- 2.5** Agency shall not, without the prior written consent of the City and the system hardware/software providers, copy or reproduce the hardware, software or firmware used within the System, or make such items available to others in whole, or in part.
- 2.6** Agency agrees that the requirements of this Section will be incorporated into all subcontractor/sub consultant agreements entered into by the Agency. It is further agreed that a violation of this Section will be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.
- 2.7** The obligations of Agency under this Section will survive the termination of this Agreement.
- 2.8** Other communications equipment, including, but not limited to, apparatus radios, portable radios and system infrastructure, which may be necessary for Agency's deployed apparatus to function within the System, but not defined within this Agreement and not necessarily needed by the City to conduct dispatch, are the sole responsibility of the Agency. Purchase and maintenance of such equipment to ensure interoperable communications consistent with Standard Operating Procedure Phoenix Fire Department Volume 2 are required of the Agency.

3. Other Items:

- 3.1** If Agency intends to expand its original geographical and/or jurisdictional boundaries, that will require a change in service, that Agency is required to provide a 180-day written notice to allow for programming changes to the CAD system.

It is understood that such an expansion may necessitate a new assessment as described in Section 2–Technical Services. It is further understood by the Agency that an increase to the geographical and/or jurisdictional boundary may lead to an increase to the charges and fees as determined by the City.

- 3.2** The City agrees to install and maintain the Agency's geographical databases, necessary for processing dispatches. Agency is responsible to provide any geographical database information, including updates to the Phoenix Fire Department's Technical Services section, within one-hundred eighty (180) days of receipt.
- 3.3** Dispatch equipment covered under this Agreement that is damaged or rendered unserviceable by the City through improper repair, or otherwise, shall be repaired/replaced at no cost to the Agency.
- 3.4** Dispatch equipment covered under this Agreement that is damaged or rendered unserviceable by the Agency through improper repair, or otherwise, shall be repaired/replaced at no cost to the City.
- 3.5** The Agency will be responsible for any lost, stolen, or damaged equipment to City of Phoenix owned equipment installed on a temporary or permanent basis at the Agency's facilities.
- 3.6** The City will provide management information reports to the Agency that are consistent with Phoenix Fire Department reporting.
- 3.7** CAD Agencies will receive the following PCMSS licenses:

3.7.1 one (1) free PCMSS license for each fire station

3.7.2 one (1) free PCMSS license for each battalion office

3.7.3 one (1) free administrative license

Any additional PCMSS licenses requested and installed at a CAD Agency facility will be billed \$200/license per year.

- 3.8** Any costs associated with utility company circuits, connections and monthly services, as a result of participation in this Agreement, shall be borne by Agency as necessary.
- 3.9** In the event that this Agreement is terminated, all devices and related equipment provided by the City and not originally purchased by the Agency, shall be returned as the sole property of the City. The City will not be obligated to reimburse monies already collected under this Agreement.
- 3.10** Upon the Agency's request, the City will provide an electronic copy of the Phoenix Fire Department Hydrant Map and Street Guide Book for Agency's emergency response unit.
- 3.11** The Parties are aware that other jurisdictions may enter into an agreement with the City and be added to the System at the sole discretion of the City.
- 3.12** During the course of this Agreement, the underlying technology supporting systems and equipment covered under this Agreement may become obsolete as a result of advances in technology ("Technology Obsolescence"). In the case of Technology Obsolescence, the evolution of a newer technology generation and the associated costs will be the subject of amendments to this Agreement.

ARTICLE III. TERM OF THE AGREEMENT

1. Term:

This Agreement shall commence on the Effective Date referenced above, regardless of the date of recordation with the Maricopa County Recorder's Office, and shall continue in force through December 31, 2027, or until terminated by formal act of the Parties.

2. Termination:

Pursuant to the provisions of A.R.S § 38-511, either party may terminate this Agreement by providing one hundred eighty days (180) written notice to the other parties Fire Chief.

ARTICLE IV. GENERAL TERMS AND CONDITIONS

1. Governing Law; Forum; Venue:

This Agreement is executed and delivered in the State of Arizona, and the substantive laws of the State of Arizona (without reference to choice of law principles) will govern their interpretation and enforcement. Any action brought to interpret or enforce any provision of this Agreement that cannot be administratively resolved, or otherwise related to or arising from this Agreement, will be commenced and maintained in the state or federal courts of the State of Arizona, Maricopa County, and each of the

Parties, to the extent permitted by law, consents to jurisdiction and venue in such courts for such purposes.

2. Implied Contract Terms:

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

3. Parol Evidence:

This Contract is intended by the undersigned Parties as the final expression of their agreement and is intended to be the complete and exclusive statement of the terms of the agreement between the Parties. No course of prior dealings between the Parties and no usage in the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing Party has knowledge of the nature of the performance and the opportunity to object.

4. Confidentiality and Data Security:

4.1 All data, regardless of form, including originals, images and reproductions, prepared by, obtained by, or transmitted to the Agency in connection with this Agreement is confidential, proprietary information owned by the City. Except as specifically provided in this Agreement, the Agency will not disclose data generated in the performance of the Services to any third person without the prior written consent of the City Manager, or his/her designee.

4.2 Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times to avoid unauthorized access. At a minimum, Agency must encrypt and/or password protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed.

4.3 In the event that data collected or obtained by the Agency in connection with this Agreement is believed to have been compromised, Agency will notify the City Privacy Officer immediately. Agency agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach.

4.4 Agency agrees that the requirements of this Section will be incorporated into all subcontractor/sub consultant agreements entered into by the Agency. It is further agreed that a violation of this Section will be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

4.5 The obligations of Agency under this Section will survive the termination of this Agreement.

5. Third-Party Beneficiary Clause:

The Parties expressly agree that this Agreement is neither intended by any of its provisions to create any right of the public or any member thereof as a third Party beneficiary, nor to authorize anyone not a Party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

6. Agreement Cancellation:

All Parties acknowledge that this Agreement is subject to cancellation by the City pursuant to the provisions of A.R.S. § 38-511.

In addition, this Agreement may be terminated at any time by mutual written consent, or by either Party, with or without cause, upon giving one hundred and eighty-days (180) written notice to the other Party. The City at its convenience, by written notice, may terminate this Agreement, in whole or in part. If this Agreement is terminated, the Agency will be liable under the provisions of this contract for services and material rendered and accepted. All devices and related equipment provided by the City and not originally purchased by the Agency, shall be returned as the sole property of the City. The City will not be obligated to reimburse monies already collected under this Agreement.

The City reserves the right to cancel the whole or any part of this Agreement due to failure of the Agency to carry out any term, promise, or condition of the agreement. The City will issue a written notice of default to the agency for acting or failing to act as in any of the following:

- In the opinion of the City, the Agency provides personnel who do not meet the requirements of the contract;
- In the opinion of the City, the Agency fails to perform adequately the stipulations, conditions or services/specifications required in this agreement;
- In the opinion of the City, the Agency attempts to impose on the City personnel or materials, products or workmanship, which is of an unacceptable quality.

- In the opinion of the City, the Agency fails to make progress in the performance of the requirements of the agreement and/or gives the City a positive indication that the Agency will not or cannot perform to the requirements of the agreement.

7. Fund Appropriation Contingency:

The Parties understand that the continuation of this Agreement is subject to the budget of the Parties providing for the contract item as an expenditure. The Parties cannot assure that the budget item for funding this Agreement will be approved in the future. In such event, either Party may terminate this Agreement.

8. No Joint Venture:

No term or provision in this Agreement is intended to create a partnership, joint venture or agency arrangement between any of the Parties.

9. Assignment and Delegation:

Neither this Agreement, nor any of its rights or obligations, may be transferred or assigned by either Party without the prior written consent of both Parties. Any attempt to assign this Agreement without prior written consent will be void and may result in penalties up to and including termination of the Agreement.

10. Entire Contract; Amendment, No Oral Modification:

This Agreement constitutes the complete agreement of the Parties. It supersedes all previous representations, understandings, and agreements, written or oral, relating to the subject matter of this Agreement. This Agreement and its terms may not be modified or changed except in writing signed by both Parties.

11. Invalidity of Any Provisions:

This Agreement will remain in effect even if one or more of its terms or provisions have been held to be invalid or unenforceable. Such a holding will result in the offending term or provision being ineffective to the extent of this Agreement, which would subsequently be construed as though the invalid or unenforceable term or provision never existed. Upon discovery by either Party of invalid terms or provisions, written notice will be given to the other Party within ten (10) business days.

12. Independent Contractor Status:

The Parties agree that neither Party shall be deemed to be an employee or agent of the other Party to this Agreement and that the relationship created by this Agreement is that of independent contractors. Neither Agency nor any of Agency's agents, employees or helpers will be deemed to be the employee, agent, or servant of the City. Agency, its employees and subcontractors are not entitled to worker's compensation benefits from the City.

13. Workers' Compensation:

The Parties agree that it is the responsibility of each Party to ensure that its employees are notified in accordance with the provision of Arizona Workers' Compensation Law, specifically, A.R.S. § 23-1022, or any amendment thereto, and that all such notices, as required by such laws, shall be posted accordingly. That by signing this Agreement and to ensure compliance with the notice posting requirements, each Party grants consent to all other Parties to inspect that Party's respective premises and work places upon request of any of the other Parties. However, nothing in this Agreement should be construed as imposing a duty to inspect another Party's respective premises and work places, and this agreement does not create a joint or employer/employee relationship between a Party and another Party's employees.

14. Severability:

The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which shall remain in effect without the invalid provision or application.

15. Non-Waiver:

Any City delay or failure to exercise or enforce any right, power, privilege, or remedy under this Agreement may not be deemed a waiver, release, or modification of the requirements of this Agreement or any of its terms or provisions.

16. Compliance with Laws:

The Agency will comply with all existing and subsequently enacted federal, state and local laws, ordinances, codes, and regulations that are, or become applicable to this Agreement. If a subsequently enacted law imposes substantial additional costs, a request for an amendment may be submitted pursuant to this Agreement.

17. Transactional Conflict of Interest:

The Parties acknowledge that this Agreement is subject to cancellation provisions pursuant to Arizona Revised Statutes (A.R.S.) §38-511, the provision of which are incorporated herein and made a part hereof.

18. Compliance with Non-Discrimination Laws:

The Parties agree to comply with all applicable state and federal laws, rules, regulations and executive orders governing equal employment opportunity, non-discrimination and affirmative action.

19. Equal Employment Opportunity and Equal Pay:

In order to do business with the City, the Agency must comply with Phoenix City Code, 1969, Chapter 18, Article V, as amended, Equal Employment Opportunity Requirements. Contractor will direct any questions in regard to these requirements to the Equal Opportunity Department, (602) 262-6790.

20. Drug Free Workplace:

The Parties will comply with the Drug Free Workplace Act of 1988 and will permit inspection of its personnel records to verify such compliance. A Party's breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement.

21. Immigration Requirements:

The Parties will comply with the Immigration Reform and Control Act of 1986 ("IRCA") and will permit inspection of its personnel records to verify such compliance. To the extent applicable under A.R.S. § 41-4401, each Party warrants compliance with all federal immigration laws and regulations that relate to its employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Each Party has the right to inspect the papers of the other Parties participating in this Agreement to ensure compliance with this paragraph. A Party's breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement.

22. Legal Worker Requirements:

The City is prohibited by Arizona Revised Statutes § 41-4401 from awarding an agreement to any organization who fails, or whose subcontractors fail, to comply with Arizona Revised Statutes § 23-214(A). Therefore, the Agency agrees that:

22.1 Each subcontractor the Agency uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with Arizona Revised Statutes § 23-214,

22.2 A breach of warranty will be deemed a material breach of the Agreement and is subject to penalties up to and including termination of the Agreement.

22.3 Only through an audit with the Agency, will the City retain the legal right to inspect the papers of the Agency or subcontractor employee(s) who work(s) on this Agreement to ensure that the Agency or subcontractor is complying with the warranty.

23. Lawful Presence Requirement:

Pursuant to A.R.S. §§ 1-501 and 1-502, the City of Phoenix is prohibited from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement **does not** apply to business organizations such as corporations, partnerships or limited liability companies.

24. No Israel Boycott:

By entering into this Agreement, the Parties certify that they are not currently engaged in, and agree for the duration of the Contract to not engage in, a boycott of Israel.

25. Arbitration:

In accordance with A.R.S. § 12-1518, where applicable, the Parties agree to resolve all disputes arising out of or relating to this Agreement through arbitration as required by A.R.S. § 12-133.

ARTICLE V. PAYMENTS

1. Total Charges and Fees:

Agency understands the System is based upon a one hundred percent (100%) cost recovery model and agrees to pay the City the following service fee structure as referenced in Exhibit C titled "Fees and Charges".

- 1.1** An Initial Technology Expenses Service Fee for all costs for all initial installation for stations, apparatus and equipment needed to provide the dispatch service.
- 1.2** An Additional Technology Expenses Service Fee for all costs for any additional (a) fire stations, (b) apparatus and (c) equipment added after initial purchase.
- 1.3** An Annual Dispatch Service Fee which will be based on the previous fiscal year's annual costs to operate the PFDRDC, this fee will be calculated as a per dispatch cost and charged to the Agency based on the Agency's previous Fiscal Year dispatch totals.
- 1.4** An annual General Maintenance Service Fee for the maintenance and support associated with parts and materials for each specific piece of equipment in the Agency's inventory. This fee will be calculated on a per unit charge. Each Agency will be charged based on the total number of units of equipment assigned to the Agency.
- 1.5** An annual Network System Fee for ongoing circuit costs, support, and maintenance of the Phoenix Fire CAD and Dispatch Network. Each customer will be charged based on the number of connections to the CAD and Dispatch Network.
- 1.6** An annual CAD System Fee that will include the following;
 - 1.6.1** CAD Modernization Service Fee to allow for the future development and implementation of an upgraded CAD operating system will be charged. This charge will be assessed per each dispatch received by the Agency in the previous Fiscal Year. This fee will accrue until such time as needed for a CAD system replacement.

1.6.2 CAD Maintenance Service Fee for the ongoing support and maintenance specific to the CAD system. This charge will be assessed per each dispatch received by the Agency in the previous Fiscal Year.

1.7 An annual GIS and Data Analytics fee for the ongoing maintenance of the GIS records and for data requests. This charge will be assessed per each dispatch received by the Agency in the previous Fiscal Year.

1.8 A Planned Event fee will be charged on a time and materials basis for any support of events outside the standard dispatch services provided by the City. The requesting Agency will be provided a quote for services that are required to support the event. Prior to any services rendered, the requesting Agency must provide to the City an approved and signed quote for service.

2. Billing:

2.1 The City will invoice the Agency quarterly in accordance with the Schedule A contained in Exhibit C of this Agreement. Exhibit C will be annually revised and will become effective on July 1, of each year.

2.2 The City will advise the Agency of the estimated total fees and charges for the coming fiscal year no later than December 1, of the previous calendar year. The Agency is responsible to verify its equipment counts and notify the City of any discrepancies in counts by December 31, of the previous calendar year. The City will provide written notice to the Agency of the finalized total fees and charges by July 1 of each year.

2.3 The Initial or Additional technology fees will be invoiced upon completion of requested project.

2.4 The Planned Event fees will be invoiced upon completion of the event.

2.5 All fees associated with the dispatch or support of private entities contracted by the Agency, i.e. private ambulance service or air ambulance service, will be the responsibility of the Agency. These fees' will be included in the Agency's annual schedule A and will be invoiced accordingly.

ARTICLE VI. INDEMNIFICATION

1. Indemnification:

To the extent permitted by law, each party shall indemnify, defend, save and hold harmless the other party and its officers, officials, agents, and employees from and against any and all claims, actions liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily or personal injury (including death), or

loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of each party or any of its respective owners, officers, directors, agents, employees or subcontractors.

ARTICLE VII. NOTICES

1. Any notice, consent, or other communication ("notice") required or permitted under this Agreement must be in writing and either delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or deposited with any commercial air courier or express service addressed as follows:

If to CITY:

Phoenix Fire Department
150 South 12th Street
Phoenix, AZ 85034

Attn: Kara Kalkbrenner
Phoenix Fire Chief
Telephone: (602) 256-3189
Fax: (602) 262-4429

If to Agency:

Surprise Fire-Medical Department
14250 West Statler Plaza, Suite 101
Surprise, AZ 85374

Attn: Tom Abbott
Surprise Fire Chief
Telephone: (623) 222-5000
Fax: (623) 222-5001

Notice will be deemed received at the time it is personally served or, on the day it is sent by facsimile transmission or, upon deposit with any commercial air courier or express service or, if mailed, ten (10) days after the notice is deposited in the United States mail as provided above. Either Party may change its mailing address, fax number, or the contact information for the person to receive notice by notifying the other Party as provided herein. Notice sent by facsimile transmission must also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by facsimile transmission.

IN WITNESS WHEREOF, this Agreement is executed as provided below. Further, in signing this Agreement, the signatories below affirm and attest that they are authorized to execute this Agreement on behalf of their respective Party.

CITY OF PHOENIX, a municipal corporation
ED ZUERCHER, City Manager

By: _____
Kara Kalkbrenner
Fire Chief

ATTEST:

City Clerk

APPROVED AS TO FORM:

Acting City Attorney

CITY OF SURPRISE, a municipal corporation

By: _____
Michael Frazier
City Manager

ATTEST:

City Clerk, Surprise

APPROVED AS TO FORM:

City Attorney, Surprise

EXHIBIT A
PHOENIX FIRE DEPARTMENT REGIONAL DISPATCH SYSTEM AGENCIES
(2019 – 2020)

1	Arizona Fire and Medical (Sun City West Fire District, North County Fire District, Wittmann Fire District, Sun Lakes Fire District and Tonopah Fire District)
2	Avondale, City of
3	Buckeye, City of
4	Buckeye Valley Fire District
5	Chandler, City of
6	Daisy Mountain Fire District
7	El Mirage, City of
8	Glendale, City of (Luke Air Force Base)
9	Goodyear, City of (Litchfield Park)
10	Guadalupe, Town of
11	Harquahala Fire District
12	Maricopa, City of
13	Peoria, City of
14	Phoenix, City of (Laveen Fire District, Paradise Valley)
15	Scottsdale, City of
16	Sun City Fire District (Youngtown)
17	Surprise, City of
18	Tempe, City of
19	Tolleson, City of

EXHIBIT B
PHOENIX REGIONAL STANDARD OPERATING PROCEDURE

Please call (602) 256-3189, or e-mail firechief.pfd@phoenix.gov to request “Phoenix Regional Standard Operating Procedures”, also known as “Volume II”.

EXHIBIT C FEES AND CHARGES

EXAMPLE

City of Phoenix Fire Department
Regional Dispatch Center Partners
Computer Aided Dispatch Consortium
Annual Dispatch, Equipment, System, and CAD Fees
Fiscal Year 2019/2020
EXHIBIT A
INTERGOVERNMENTAL AGREEMENT
TBD

Schedule A Example

I. Dispatch Service Fee

	<u>Per Dispatch Fee</u>	<u>Dispatch Count *</u>	<u>Total</u>
FD Dispatches	\$22.47	5,000	\$112,350.00
Private Ambulance Dispatches	\$13.64	100	\$1,364.00
Helicopter Dispatches	\$13.64	10	\$136.40
Total Dispatch Service Fees:			\$113,850.40

II. General Maintenance Service Fees

	<u>\$ / Unit</u>	<u># Units</u>	<u>Ext \$</u>
Station Pack Maint. - FD	\$9,300	5	\$46,500.00
Temp Station Pack Maint. - FD	\$9,300	1	\$9,300.00
MCT/AVL Maint. - FD	\$4,100	10	\$41,000.00
Airmobile Maint. - FD	\$4,100	5	\$20,500.00
Total Specific Maintenance Service Fees:			\$117,300.00

III. Network System Fees

	<u>\$ / Unit</u>	<u># Units</u>	<u>Ext \$</u>
Temp Station Pack Rental - FD	\$8,500	1	\$8,500.00
Network System Fee - FD	\$17,400	1	\$17,400.00
Additional PCMS licenses - FD	\$200	1	\$200.00
MCT Lite - FD	\$480	1	\$480.00
Total Network System Fees:			\$8,500.00

IV. CAD System Fees

	<u>Per Dispatch Fee</u>	<u>Dispatch Count *</u>	<u>Total</u>
CAD Modernization Service Fee - FD	\$5.00	5,000	\$25,000.00
CAD Maintenance Service Fee - FD	\$1.00	5,000	\$5,000.00
Total CAD System Fees:			\$30,000.00

V. GIS & Data Analytics Fees

	<u>Per Dispatch Fee</u>	<u>Dispatch Count *</u>	<u>Total</u>
GIS & Data Analytics Fee - FD	\$1.00	5,000	\$5,000.00
Total GIS & Data Analytics Fees:			\$5,000.00

Total Schedule A: \$274,650.40

The Dispatch Service, Specific Maintenance, Network System, CAD System, and GIS & Data Analytics fees for the [Name of Agency] are \$274,650.40. The City of Phoenix will invoice the Name of Jurisdiction on a quarterly basis in the amount of \$68,662.60.

Dispatch counts are calculated from the total number of dispatches occurring from July 2017 through June 2018.

RESOLUTION # 2019-41

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY
OF SURPRISE, ARIZONA APPROVING AN
INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF
PHOENIX FOR FIRE-MEDICAL DISPATCH SERVICES.**

WHEREAS, pursuant to Arizona Revised Statute §11-951, *et seq.*, the City of Surprise has the authority to enter into intergovernmental agreement with other governmental entities for the purposes set forth within;

WHEREAS, the parties desire to enter into an Intergovernmental Agreement (IGA) in order to facilitate the delivery of dispatch services to the Surprise Fire-Medical Department and to determine the costs therefore; and

WHEREAS, entering into this Intergovernmental Agreement provides the best services to our Surprise Fire-Medical Department and to our citizens.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The Intergovernmental Agreement for dispatch services for the Surprise Fire-Medical Department between the City of Surprise and the City of Phoenix, attached as Exhibit A, is approved.

Section 2. The City Manager, or his designee, is hereby authorized to execute and submit all documents and other necessary or desirable instruments in connection with said agreement.

APPROVED AND ADOPTED this ____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

EXHIBIT A

INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF SURPRISE AND CITY OF PHOENIX



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: Community and
Recreation Svcs
Staff Recommendations:

Contact Person: Donna Miller, DIRECTOR - CRS
District: Citywide

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

Presentation and discussion pertaining to proposed amendments to Chapter 38 of the Surprise Municipal Code, relating to parks and recreation.

Motion:

Discussion only. Staff will bring an final Ordinance before Council in the future to implement the amendments.

Background:

The purpose of this ordinance update is to refine the responsibilities of the park ranger and also adding dog park rules as specified in Chapter 38 Section 28. These proposed dog park rules were updated and approved by the Community and Recreation Services Advisory Commission on August 27, 2018.

Objective Analysis:

The safe and enjoyable use of the park and recreation areas by all of our citizens is a high priority. This amendment will refine the responsibilities of the park ranger and enhance the ordinance by including the dog park rules. Additionally the amendment will allow a peace officer to enforce a park rule without the rule being specifically mentioned in the city ordinances.

Policy Compliant:

This is compliant with city and council policy.

Financial Impact:

Signage will be updated with city ordinance as they are replaced per asset replacement program.

Budget Impact:

Signage replacement is budgeted within current operational budget.

FTE Impact:

No FTE impact

ATTACHMENTS:

1. Updates to Parks and Recreation Ordinance



Draft Updates to Parks and Recreation Ordinance

City Council Work Session | May 21, 2019



Update to Parks Ordinance

Background & Purpose

- Allow for safe and enjoyable park and recreation areas.
- Help with City's ability to limit disruptive and harmful uses in those areas.

Update to Parks Ordinance

Summary of Changes

- Amending chapter 38, article II, section 38-19 definitions by adding dog park.
- Amending chapter 38, article II, sections 38-21 relating to emergency park closures , section 38-25 relating to fishing regulations and interfering with enforcement officials, 38-28 relating to enforcement official's authority, and 38-30 relating to displaying permits;



Update to Parks Ordinance

Summary of Changes, cont'd

- Adding chapter 38, article II, section 38-32 relating to animals in the parks and dog parks; including severability; establishing an effective date; and repealing conflicting ordinances



Update to Parks Ordinance

Definitions:

- Dog Park - “Dog Park” means an enclosed area of a city park which has been designated by the City as a dog exercise area.

Update to Parks Ordinance

- Amended
Sec 38-21
- b. The public works director, **THE PARKS AND RECREATION DIRECTOR**, and city engineer are authorized to post appropriate signage, set appropriate speed limits and install appropriate devices to restrict access into parks during closing hours.

Update to Parks Ordinance

- Amended

Sec 38-21

- The city manager may direct that a park be closed for a temporary period where a situation exists that the public health and safety require that the premises be closed. A copy of the closure order shall be posted at the entrance to the park. **IN ADDITION, IN EMERGENCY CIRCUMSTANCES INVOLVING PUBLIC HEALTH AND SAFETY, ANY PEACE OFFICER, PARK RANGER, PARK ATTENDANT OR THE DIRECTOR SHALL HAVE THE AUTHORITY TO TEMPORARILY CLOSE ALL OR ANY PORTION OF A PARK AND RECREATION AREA.**

Update to Parks Ordinance

- Amended

Sec 38-25 – Miscellaneous rules of conduct; violations

- **FISH WITHOUT A VALID FISHING LICENSE ISSUED BY THE ARIZONA GAME AND FISH DEPARTMENT FOR THE PURPOSE OF URBAN FISHING OR TO EXCEED THE LEGAL BAG LIMIT FOR A SPECIES AS DETERMINED BY THE FISHING REGULATIONS OF THE ARIZONA GAME AND FISH DEPARTMENT.**
- **FISH IN A BODY OF WATER WHICH IS NOT APPROVED FOR FISHING BY THE CITY OF SURPRISE.**
- **TAKE ANY FISH BY ANY MEANS OTHER THAN A FISHING ROD.**

Update to Parks Ordinance

- Amended

Sec 38-25 – Miscellaneous rules of conduct; violations cont'd

- It shall be unlawful to knowingly **INTIMIDATE**, obstruct, interfere, impair, **PREVENT, RESIST, DELAY**, or hinder any **PEACE OFFICER**, park ranger, **PARK ATTENDANT** or city employee in the performance of such person's official duties in a park by threatening to or using violence or physical force. Violation of this subsection is a class 1 misdemeanor.

Update to Parks Ordinance

- Amended

Sec 38-28 – Enforcement; violations.

- Any peace officer, park ranger, or the director shall have the authority to order any person acting in violation of this article to leave the park or recreation area **AND SEIZE AND CONFISCATE ANY PROPERTY, THING OR DEVICE POSSESSED IN A PARK AND RECREATION FACILITY IN VIOLATION OF THIS CHAPTER:**
- ~~(d) Any peace officer, park ranger, director shall have the authority to temporarily detain any individual in a park or recreation area for the purposes of obtaining and inspecting identification of the individual~~

Update to Parks Ordinance

- Amended

Sec 38-28 – Enforcement; violations cont'd

- **ANY PEACE OFFICER OR PARK RANGER SHALL HAVE THE AUTHORITY TO ISSUE A CITATION FOR A VIOLATION OF THIS CHAPTER AND IT SHALL BE UNLAWFUL FOR ANY PERSON TO FAIL TO FOLLOW THE CLEAR AND DIRECT ORDER OF A PEACE OFFICER OR PARK RANGER ENFORCING PARK RULES OR MAINTAINING THE PEACE. THE CITY MANAGER, OR DESIGNEE, SHALL APPROVE THE WORDING OF ALL PARK RULES PRIOR TO THEM BEING POSTED.**

Update to Parks Ordinance

Added Section 38-32 Dogs and Animals in the parks.

- **While in a park, it shall be a violation of this article for a person to:**
- **Fail to keep an animal under control at all times. When not in a Dog Park, an animal shall either be restrained in a kennel or restrained on a leash not to exceed six feet in length.**
- **Fail to have a dog on a leash when entering or leaving a Dog Park.**
- **Fail to clean up after and properly dispose of their animal's excrement in a receptacle.**

Update to Parks Ordinance

Added Section 38-32 Dogs and Animals in the parks cont'd.

- **Allow an animal to cause an injury or damage to a park, personal property, or person.**
- **Fail to render aid if their animal has injured any person.**
- **With the exception of a service animal or prior written permission of the Director, allow an animal to be present on a sports field, recreational field or other place where animals are prohibited by a written posted notice.**



Update to Parks Ordinance

Added Section 38-32 Dogs and Animals in the parks cont'd.

- **Possess a dog that is not currently licensed.**
- **Possess a dog that is not wearing its license tags.**
- **Possess more than 3 animals at one time.**



Update to Parks Ordinance

Added Section 38-32 Dogs and Animals in the parks cont'd.

- **It shall be a violation of this article for a person while in a Dog Park to:**
 - **Possess an animal other than a dog**
 - **Possess a dog younger than 4 months old.**
 - **Possess a dog in heat.**
 - **Possess a dog with a communicable disease.**



Update to Parks Ordinance

Added Section 38-32 Dogs and Animals in the parks cont'd.

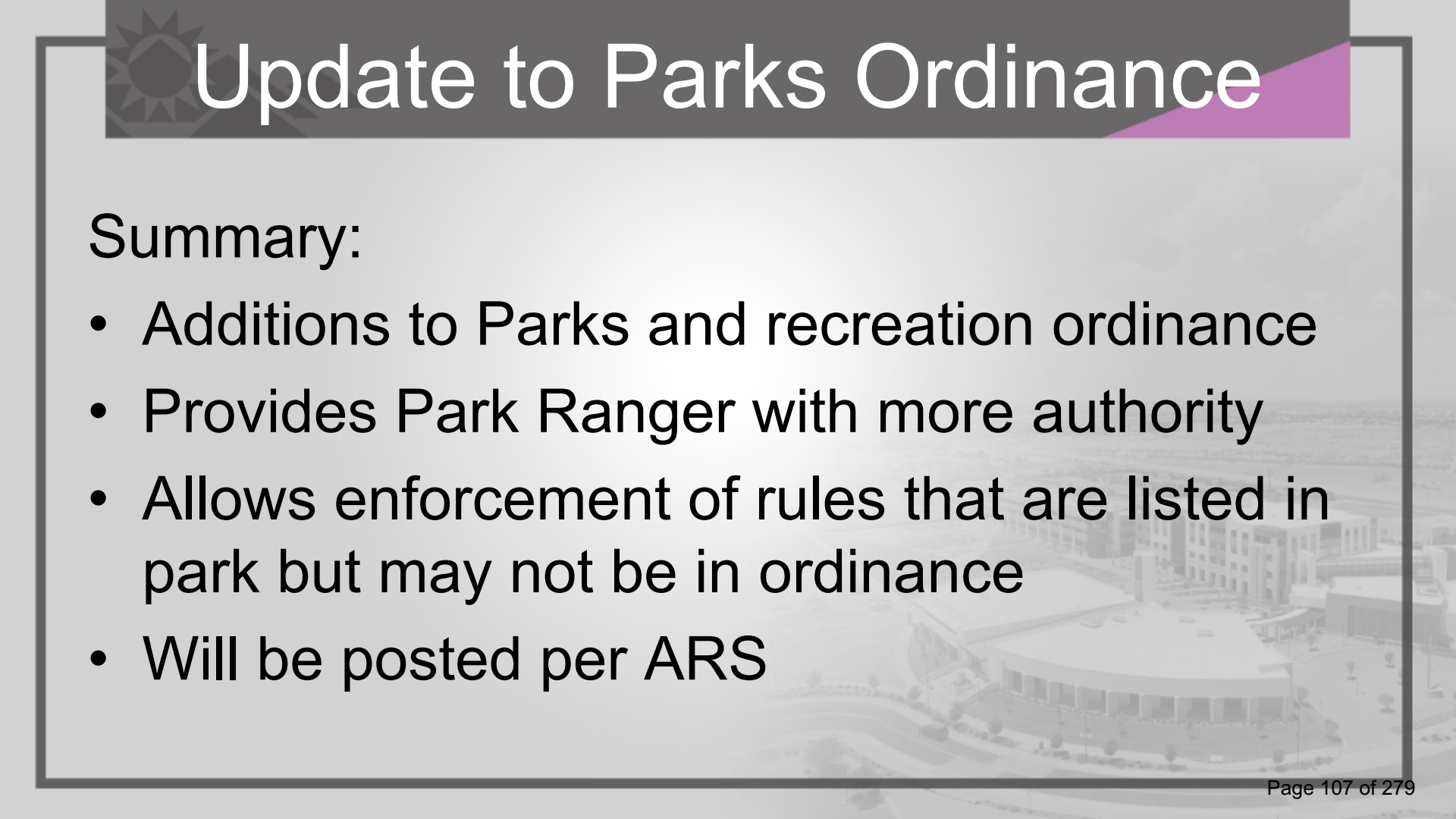
- To fail to maintain direct supervision of a child under 13 years of age in the person's custody.**
- To fail to immediately remove a dog exhibiting aggressive behavior.**



Update to Parks Ordinance

Added Section 38-32 Dogs and Animals in the parks cont'd.

- Possess dog treats or dog food**
- Possess food**
- Smoke or vape**
- Service animals must be under the control of its owner or custodian at all times.**



Update to Parks Ordinance

Summary:

- Additions to Parks and recreation ordinance
- Provides Park Ranger with more authority
- Allows enforcement of rules that are listed in park but may not be in ordinance
- Will be posted per ARS



QUESTIONS OR COMMENTS?

Thank You

ORDINANCE # 2019-14

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING CHAPTER 38, ARTICLE II, SECTIONS 38-19 DEFINITIONS, 38-21 HOURS OF OPERATION, 38-24 THROUGH 26 PERTAINING TO VARIOUS RULES OF CONDUCT, 38-28, ENFORCEMENT, AND 38-30, PERMITS; ADDING CHAPTER 38, ARTICLE II, SECTION 38-32 RELATING TO DOG PARKS; INCLUDING SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE; AND REPEALING CONFLICTING ORDINANCES.

WHEREAS, the City of Surprise has initiated the process of changing the title of the Community and Recreation Services Department to the Parks and Recreation Department;

WHEREAS, the safe and enjoyable use of the City's park and recreation areas by all citizens is a primary priority and requires rules of park use and enforcement of same; and

WHEREAS, the City desires to discourage disruptive and harmful uses and thereby provide all citizens the opportunity to enjoy the City's park and recreation areas.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. Chapter 38, Article II, Section 38-19, definitions of *City Manager Designee*, *Director*, and *Permit* are amended, and *Dog Park* is added, to read:

City manager designee means the director of the PARKS ~~community~~ and recreation ~~services~~ department.

Director means the director of the PARKS ~~community~~ and recreation ~~services~~ department, or his designee.

Permit means any written license issued by or under the authority of the PARKS ~~community~~ and recreation ~~services~~ department or other approving governing agency pursuant to section 38-30 permitting a special event or activity on park and recreation area facilities.

DOG PARK MEANS AN ENCLOSED AREA OF A CITY PARK WHICH HAS BEEN DESIGNATED BY THE CITY AS A DOG EXERCISE AREA.

Section 2. Chapter 38, Article II, Sections 38-21(b) and (c) of the Surprise Municipal Code are amended to read:

(b) The public works director, THE PARKS AND RECREATION DIRECTOR, and city engineer are authorized to post appropriate signage, set appropriate speed limits and install appropriate devices to restrict access into parks during closing hours.

(c) The city manager may direct that a park be closed for a temporary period where a situation exists that the public health and safety require that the premises be closed. A copy of the closure order shall be posted at the entrance to the park. IN ADDITION, IN EMERGENCY CIRCUMSTANCES INVOLVING PUBLIC HEALTH AND SAFETY, ANY PEACE OFFICER, PARK RANGER, PARK ATTENDANT OR THE DIRECTOR SHALL HAVE THE AUTHORITY TO TEMPORARILY CLOSE ALL OR ANY PORTION OF A PARK AND RECREATION AREA.

Section 3. Chapter 38, Article II, Section 38-24(a)(4) of the Surprise Municipal Code is amended to read:

(4) Construct or erect any building or structure of whatever kind, whether permanent or temporary, or run or string any public service utility into, upon, or across such lands, except on special written permit issued by the PARKS ~~community~~ and recreation ~~services~~ department and approved by the city engineer.

Section 4. Chapter 38, Article II, Section 38-25(a)(8)(a) and 38-25(c) are amended and (a)(12), (a)(13), (a)(14) are added to read:

(a) Shade canopies are limited to spectator viewing areas immediately surrounding sports fields, courts and skate parks for the purpose of providing temporary shade for spectators and participants when such areas have been reserved for use through the PARKS ~~community~~ and recreation ~~services~~ department or when such areas are being used as part of a city-sponsored event.

(12) FISH WITHOUT A VALID FISHING LICENSE ISSUED BY THE ARIZONA GAME AND FISH DEPARTMENT FOR THE PURPOSE OF URBAN FISHING OR TO EXCEED THE LEGAL BAG LIMIT FOR A SPECIES AS DETERMINED BY THE FISHING REGULATIONS OF THE ARIZONA GAME AND FISH DEPARTMENT.

(13) FISH IN A BODY OF WATER WHICH IS NOT APPROVED FOR FISHING BY THE CITY OF SURPRISE.

(14) TAKE ANY FISH BY ANY MEANS OTHER THAN A FISHING ROD.

(c) It shall be unlawful to knowingly INTIMIDATE, obstruct, interfere, impair, PREVENT, RESIST, DELAY, or hinder any PEACE OFFICER, park ranger, PARK ATTENDANT or city employee in the performance of such person's official duties in a park by threatening to or using violence or physical force. Violation of this subsection is a class 1 misdemeanor.

Section 5. Chapter 38, Article II, Section 38-26(b)(6) is amended to read:

(6) Offer for sale any article in any park or recreation area, without obtaining a city business or sales tax license and permit from the PARKS ~~community~~ and recreation ~~services~~ department as a concessionaire and paying all required fees.

Section 6. Chapter 38, Article II, Section 38-28(b), (c), and (d) are amended to read:

(b) The police department and PARKS ~~community~~ and recreation ~~services~~ department shall, in connection with their duties imposed by law, diligently enforce the provisions of this article.

(c) Any peace officer, park ranger, or the director shall have the authority to order any person acting in violation of this article to leave the park or recreation area AND SEIZE AND CONFISCATE ANY PROPERTY, THING OR DEVICE POSSESSED IN A PARK AND RECREATION FACILITY IN VIOLATION OF THIS CHAPTER.

(d) ~~Any peace officer, park ranger, director shall have the authority to temporarily detain any individual in a park or recreation area for the purpose of obtaining and inspecting identification of the individual~~ ANY PEACE OFFICER OR PARK RANGER SHALL HAVE THE AUTHORITY TO ISSUE A CITATION FOR A VIOLATION OF THIS CHAPTER AND IT SHALL BE UNLAWFUL FOR ANY PERSON TO FAIL TO FOLLOW THE CLEAR AND DIRECT ORDERS OF A PEACE OFFICER OR PARK RANGER ENFORCING PARK RULES OR MAINTAINING THE PEACE. THE CITY MANAGER, OR DESIGNEE, SHALL APPROVE THE WORDING OF ALL PARK RULES PRIOR TO THE RULES BEING POSTED.

Section 7. Chapter 38, Article II, Section 38-30(a)(1) and (h) are amended to read:

(a)(1) A person seeking issuance of a permit hereunder shall file an application on a form promulgated by the PARKS ~~community~~ and recreation ~~services~~ department stating:

(h) It shall be presumed for purposes of this ~~section~~ CHAPTER that absent presentation of a permit that a required permit has not been issued.

Section 8. Chapter 38, Article II, Section 38-32 is added to read:

38-32 DOGS AND ANIMALS IN THE PARKS.

(a) WHILE IN A PARK, IT SHALL BE A VIOLATION OF THIS ARTICLE FOR A PERSON TO:

(1) FAIL TO KEEP THEIR ANIMAL UNDER CONTROL AT ALL TIMES. WHEN NOT IN A DOG PARK, AN ANIMAL SHALL EITHER BE RESTRAINED IN A KENNEL OR RESTRAINED ON A LEASH NOT TO EXCEED SIX FEET IN LENGTH.

- (2) FAIL TO HAVE THEIR DOG ON A LEASH WHEN ENTERING OR LEAVING THE DOG PARK.
- (3) FAIL TO CLEAN UP AFTER AND PROPERLY DISPOSE OF THEIR ANIMAL'S EXCREMENT IN A RECEPTACLE.
- (4) ALLOW AN ANIMAL TO CAUSE INJURY OR DAMAGE TO THE PARK, PERSONAL PROPERTY, OR PERSONS.
- (5) FAIL TO RENDER AID IF THEIR ANIMAL HAS INJURED ANY PERSON.
- (6) WITH THE EXCEPTION OF A SERVICE ANIMAL OR PRIOR WRITTEN PERMISSION OF THE DIRECTOR, ALLOW THEIR ANIMAL TO BE PRESENT ON A SPORTS FIELD, RECREATIONAL FIELD OR OTHER PLACE WHERE ANIMALS ARE PROHIBITED BY A WRITTEN POSTED NOTICE.
- (7) POSSESS A DOG THAT IS NOT CURRENTLY LICENSED.
- (8) POSSESS A DOG THAT IS NOT WEARING ITS LICENSE TAGS.
- (9) POSSESS MORE THAN 3 ANIMALS AT ONE TIME.
- (b) IT SHALL BE A VIOLATION OF THIS ARTICLE FOR A PERSON WHILE IN A DOG PARK TO:
 - (1) POSSESS AN ANIMAL OTHER THAN A DOG.
 - (3) POSSESS A DOG YOUNGER THAN 4 MONTHS OLD.
 - (4) POSSESS A DOG IN HEAT.
 - (5) POSSESS A DOG WITH A COMMUNICABLE DISEASE.
 - (6) FAIL TO MAINTAIN DIRECT SUPERVISION OF A CHILD UNDER 13 YEARS OF AGE IN THE PERSON'S CUSTODY.
 - (7) FAIL TO IMMEDIATELY REMOVE A DOG EXHIBITING AGGRESSIVE BEHAVIOR.
 - (8) POSSESS DOG TREATS OR DOG FOOD.
 - (9) POSSESS FOOD.
 - (10) SMOKE OR VAPE.
- (c) A SERVICE ANIMAL SHALL BE UNDER THE CONTROL OF ITS OWNER OR CUSTODIAN AT ALL TIMES.

Section 9. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of these amendments to the municipal code adopted herein is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision will not be read to affect the validity of the remaining portions thereof.

Section 10. This ordinance will become effective at the time and manner prescribed by law.

Section 11. All ordinances, resolutions or codes in conflict with the provisions of this Ordinance or Code adopted by this Ordinance are repealed.

[SIGNATURES ON THE FOLLOWING PAGE]

PASSED AND ADOPTED this _____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: Community and
Recreation Svcs
Staff Recommendations:

Contact Person: Donna Miller, DIRECTOR - CRS
District: Citywide

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

Consideration and action changing the name of the Community and Recreation Advisory Commission to the Parks and Recreation Advisory Commission; Ordinance #2019-13.

Motion:

I move to approve Ordinance #2019-13.

Background:

In May of 2019, the City chose to rename its Community and Recreation Services Department to the Parks and Recreation Department. The City now wishes to change the name of the Community and Recreation Advisory Commission to the Parks and Recreation Advisory Commission to reflect the Departmental name change.

Objective Analysis:

This action will align the names the Parks and Recreation Department and its respective Commission. It should alleviate any potential confusion and is beneficial for the sake of uniformity.

Policy Compliant:

N/A.

Financial Impact:

None.

Budget Impact:

None.

FTE Impact:

None.

ATTACHMENTS:

1. Ordinance #2019-13
-

ORDINANCE 2019-13

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING CHAPTER 2, ARTICLE VIII, SECTION 2-300, RENAMING THE COMMUNITY AND RECREATION ADVISORY COMMISSION TO THE PARKS AND RECREATION ADVISORY COMMISSION; INCLUDING SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE; AND REPEALING CONFLICTING ORDINANCES.

WHEREAS, the City currently has a commission, named the Community and Recreation Advisory Commission, that advises City Council on matters pertaining to the City's parks facilities, recreation programs, special events, library operations and open space development;

WHEREAS, the City's Community and Recreation Services Department is being renamed the Parks and Recreation Department; and

WHEREAS, the City wishes to change the name of the Community and Recreation Advisory Commission to the Parks and Recreation Advisory Commission in order to be reflective of the Department name change.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. Chapter 2, Article VIII. Section 2-300 of the Surprise Municipal Code is hereby amended to read as follows:

Sec. 2-300. – ~~Community~~ **PARKS** and recreation advisory commission.

- (a) *Mission.* To act as advisor to the city council on matters pertaining to the city's parks, facilities, recreation programs, special events, library operations and open space development.
- (b) *Bylaws.* Unless otherwise delineated within this section, the city ~~community~~ **PARKS** and recreation advisory commission will operate under the generally applicable bylaws contained in section 2-295.
- (c) *Composition.* Members will represent a cross section of stakeholders in the community, including residents with experience in real estate, business, finance, education, and parents. In addition, up to three delegates from the Surprise Youth Council will act as non-voting members.

(d) *Powers, duties and responsibilities.* The commission will:

- (1) Provide general advice on parks, recreation and library issues, including the Park and Trails Master Plan.
- (2) Make recommendations to city council on design plans for recreation projects the funding of which has been approved or the design is necessary to procure funding.

Section 2. All ordinances, resolutions or codes in conflict with the provisions of this Ordinance or Code adopted by this Ordinance are repealed.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of these amendments to the municipal code adopted herein is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision will not be read to affect the validity of the remaining portions thereof.

Section 4. This ordinance will become effective at the time and manner prescribed by law.

PASSED AND ADOPTED this ____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: Community and
Recreation Svcs
Staff Recommendations: None

Contact Person: Donna Miller, DIRECTOR - CRS
District: Citywide

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

Consideration and action pertaining to approval of an amendment to the Comprehensive Citywide Fee Schedule; Resolution # 2019-53.

Motion:

I move to approve Resolution # 2019-53.

Background:

The Community and Recreation Services Department (CRS) is requesting approval of Resolution #2019-53 for the approval of fee updates. The fees were discussed at the March 5, 2019 Council Work Session and have been published pursuant to Arizona Revised Statutes A.R.S. 9-499.

The CRS Department collects various fees for recreation programs, services, and rentals. Recreation fees for registration programs established pursuant to state law are exempt from municipal public notice requirements per Arizona Revised Statutes A.R.S. 9-499.15 (F). It is the intent of the CRS Department to only list fees that are subject to municipal public notice requirements on the Comprehensive Citywide Fee Schedule. The resolution includes the removal of registration fees from the Comprehensive Citywide Fee Schedule as well as the addition of rentals and equipment fees as presented. Also included in the resolution is an update to the Insufficient Fund Fee and ground ambulance transport fees.

Objective Analysis:

The Comprehensive Citywide Fee Schedule lists very specific recreation programs which limits flexibility and quickly gets outdated as programs are consistently evolving. The CRS Department wishes to remove recreation program fees from the schedule pursuant to A.R.S. 9-499.15 (F) to allow for a greater opportunity to adjust programming that meets the needs of patrons while still ensuring cost recovery goals are met. The CRS Department will still continue to post a fee schedule on the City's website for recreation programs and will be reviewed annually. In addition, the fees associated with Stadium rentals and tournaments will be removed from the Comprehensive Citywide Fee Schedule. These fees will be charged in accordance with a Facility Use Agreement with the Sports & Tourism Department, therefore it is no longer necessary to include a listing of the fees on the Comprehensive Citywide Fee Schedule.

Policy Compliant:

This action is compliant with the City of Surprise Comprehensive Financial Management Policies.

Financial Impact:

The financial impact will include increased revenue to the City as staff will be able to revise fees and programs as needed rather than having to go through the public notice requirement process. It is the intent of the CRS Department to increase the youth sports leagues and adult softball fees once the Comprehensive Citywide Fee Schedule has been updated to no longer include registration- based programs. Youth Sport League fees and Adult Softball fees have not been increased since 2006, however there are annual increases to expenses for uniforms, officials and equipment. By increasing youth sport leagues by \$10 per registration, it is anticipated that approximately \$60,000 in revenue will be realized. The updates for fees included on the Comprehensive Citywide Fee Schedule will have minimal financial impact as they are minor additions.

Budget Impact:

There is no budget impact at this time. All fees associated with existing programs are currently budgeted. Requests for new programs that require general fund subsidy will be included in the annual budget process.

FTE Impact:

There is no FTE impact.

ATTACHMENTS:

1. 19.4.29 Res 2019-53 CRS Fees-Final
 2. Council Fees Presentation 05 21 19
-

RESOLUTION # 2019-53

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, ADOPTING NEW FEES FOR THE COMMUNITY AND RECREATION SERVICES DEPARTMENT, AND AMENDING THE COMPREHENSIVE CITYWIDE FEE SCHEDULE.

WHEREAS, per the City of Surprise Comprehensive Financial Management Policies, user fees and charges will be examined periodically;

WHEREAS, the Comprehensive Citywide Fee Schedule was last adopted on November 20, 2018, via Resolution #2018-115, as amended;

WHEREAS, the City has statutory authority to assess these fees and charges, and notice has been provided consistent with state law;

WHEREAS, it is necessary that the City of Surprise establish various fees related to the Community and Recreation Services Department facilities;

WHEREAS, the establishment of the fees related to providing these services allows the affected department to recover operational and supply costs;

WHEREAS, the City of Surprise wishes to update the Comprehensive Citywide Fee Schedule with the new fees identified in Exhibit A, remove all registration- based fees per A.R.S 9-499.15, remove fees that will be assessed though a Facility Use Agreement by the Sports and Tourism Department, update the name of the Insufficient Funds Fee, and update ground ambulance transport fees.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The fees are authorized and established as identified in Exhibit A and shall become effective May 21, 2019 and the Comprehensive Citywide Fee Schedule will be updated accordingly.

APPROVED AND ADOPTED this ____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

RESOLUTION # 2019-53
Exhibit A

Fees to be added to Comprehensive Citywide Fee Schedule

Fee Description	Current Amount	Proposed Amount	Unit of Measure
Non- Resident Beer Permit Fee	\$0.00	\$20.00	Per Reservation
Lap Lane Rental	\$0.00	\$30.00	Per Hour
Diving Well Rental	\$0.00	\$30.00	Per Hour
Field Rentals- Mon-Thur.- Before 3pm	\$0.00	\$7.50	Per Hour
Dance Room at Countryside Rec Center- Category II (A)	\$0.00	\$50.00	Per Hour
Dance Room at Countryside Rec Center- Category III	\$0.00	\$50.00	Per Hour
Sierra Montana Basic Rental Package	\$0.00	\$150.00	Per 3 Hour Block
SM Basic Rental Package- Additional Time	\$0.00	\$50.00	Per Hour
Sierra Montana Ultimate Rental Package	\$0.00	\$300.00	Per 3 Hour Block
SM Ultimate Rental Package- Additional Time	\$0.00	\$50.00	Per Hour
Racquet Stringing Services	\$0.00	\$15.00-\$35.00	Per Item
Goggle Rental	\$0.00	\$2.00	Per Reservation
Demo Racquet Rental	\$0.00	\$3.00	Per Reservation
Backboard Rental	\$0.00	\$1.00	Per Person/Per 30 Minutes
Tennis League Group Rates- Day- 2 Hour	\$0.00	\$14.00	Per 2 Hour
Tennis League Group Rates- After 4pm- 2 Hour	\$0.00	\$18.00	Per 2 Hour
SAC Birthday Party Rental- 2 Hours- Less than 15 persons	\$0.00	\$100.00	Per 2 Hour Rental
SAC Birthday Party Rental- 2 Hours- 16-20 persons	\$0.00	\$120.00	Per 2 Hour Rental
SAC Birthday Party Rental- 2 Hours- 21-25 persons	\$0.00	\$140.00	Per 2 Hour Rental
SAC Birthday Party Rental- 2 Hours- 26-30 persons	\$0.00	\$160.00	Per 2 Hour Rental
SAC Birthday Party Rental- 2 Hours- 31-50 persons	\$0.00	\$220.00	Per 2 Hour Rental
HH Pool Birthday Party Rental- 2 Hours 26-30 persons	\$0.00	\$45.00	Per 2 Hour Rental
HH Pool Birthday Party Rental- 2 Hours 31-50 persons	\$0.00	\$65.00	Per 2 Hour Rental

RFLS #6774
Resolution 2019-53
04/2019

Fees to be removed from Comprehensive Citywide Fee Schedule

Fee Description	Current Amount on Fee Schedule	Unit of Measure
Art Classes- Resident	\$125.00	Per Person/Per Course
Art Classes- Non-Resident	\$135.00	Per Person/Per Course
Aikido/Karate/Tae Kwon Do-Intermediate/Football Skills/T-Ball Skills/Soccer Intro/Basketball Into/Zumba Fitness- Resident	\$35.00	Per Person/Per Course
Aikido/Karate/Tae Kwon Do-Intermediate/Football Skills/T-Ball Skills/Soccer Intro/Basketball Into/Zumba Fitness- Non-Resident	\$55.00	Per Person/Per Course
Ballet Tap Dance Combo II/Gymnastics Beginning & Intermediate/Hip Hop Cheer/Preschool Tumbling/Parent Tot Tumbling/Parent Tot Ballet & Jazz/We Can Dance Two-Resident	\$50.00	Per Person/Per Course
Ballet Tap Dance Combo II/Gymnastics Beginning & Intermediate/Hip Hop Cheer/Preschool Tumbling/Parent Tot Tumbling/Parent Tot Ballet & Jazz/We Can Dance Two- Non-Resident	\$70.00	Per Person/Per Course
Brazilian Jiu-Jitsu/Korean Swordsmanship/Little Dragons Martial Arts/Tigers Martial Arts- Resident	\$110.00	Per Person/Per Course
Brazilian Jiu-Jitsu/Korean Swordsmanship/Little Dragons Martial Arts/Tigers Martial Arts- Non-Resident	\$115.00	Per Person/Per Course
Cheerleading Beginning & Intermediate/Guitar/Tiny Tot Dance (Ballet/Tap/Hip Hop)- Resident	\$100.00	Per Person/Per Course
Cheerleading Beginning & Intermediate/Guitar/Tiny Tot Dance (Ballet/Tap/Hip Hop)- Non-Resident	\$120.00	Per Person/Per Course
Childcare & Babysitting- Resident	\$60.00	Per Person/Per Course
Childcare & Babysitting- Non-Resident	\$80.00	Per Person/Per Course
Cheer and Hip Hop/Dance Combo- Resident	\$50.00	Per Person/Per Course
Cheer and Hip Hop/Dance Combo- Non-Resident	\$65.00	Per Person/Per Course
Gymnastics Advanced- Resident	\$65.00	Per Person/Per Course
Gymnastics Advanced- Non-Resident	\$75.00	Per Person/Per Course
Golf- Resident	\$70.00	Per Person/Per Course
Golf- Non-Resident	\$90.00	Per Person/Per Course
Golf Camp- Resident	\$85.00	Per Person/Per Course
Golf Camp-Non-Resident	\$95.00	Per Person/Per Course
Hip Hop Dance Troupe/Yoga- Resident	\$50.00	Per Person/Per Course
Hip Hop Dance Troupe/Yoga- Non-Resident	\$60.00	Per Person/Per Course
Fitness Boot Camp- Resident	\$30.00	Per Person/Per Course
Fitness Boot Camp-Non-Resident	\$65.00	Per Person/Per Course
Kids in the Kitchen- Resident	\$35.00	Per Person/Per Course
Kids in the Kitchen- Non-Resident	\$45.00	Per Person/Per Course
Intro to Orchestra- Resident	\$80.00	Per Person/Per Course
Intro to Orchestra- Non-Resident	\$100.00	Per Person/Per Course
Little Learners/Music & Movement- Resident	\$25.00	Per Person/Per Course

RFLS #6774
Resolution 2019-53
04/2019

Fee Description	Current Amount on Fee Schedule	Unit of Measure
Little Learners/Music & Movement- Non-Resident	\$45.00	Per Person/Per Course
Martial Arts Summer Camp- Resident	\$250-\$350	Per Person/Per Course
Martial Arts Summer Camp- Non-Resident	\$260-\$360	Per Person/Per Course
Musical Theater- Resident	\$150.00	Per Person/Per Course
Musical Theater-Non-Resident	\$160.00	Per Person/Per Course
Piloxing- Resident	\$30.00	Per Person/Per Course
Piloxing- Non-Resident	\$50.00	Per Person/Per Course
Paint, Paste and Pour- Resident	\$25.00	Per Person/Per Course
Paint, Paste and Pour-Non-Resident	\$55.00	Per Person/Per Course
Tae Kwon Do-Beginning- Resident	\$40.00	Per Person/Per Course
Tae Kwon Do-Beginning- Non-Resident	\$50.00	Per Person/Per Course
Track N Field & Cross Country- Resident	\$20.00	Per Person/Per Course
Track N Field & Cross Country- Non-Resident	\$30.00	Per Person/Per Course
Tumbling- Resident	\$40.00	Per Person/Per Course
Tumbling- Non-Resident	\$60.00	Per Person/Per Course
Wrestling Youth- Resident	\$10.00	Per Person/Per Course
Wrestling Youth- Non-Resident	\$20.00	Per Person/Per Course
Youth Horsemanship Camp Youth-Resident	\$200.00	Per Person/Per Course
Youth Horsemanship Camp Youth-Non-Resident	\$210.00	Per Person/Per Course
Youth Camps- Resident	\$70-\$200	Per Person/Per Course
Youth Camps- Non-Resident	\$90-\$210	Per Person/Per Course
Future/Unknown Classes	\$30-\$300	Varies
Summer Camp Registration- Resident	\$30.00	Per Person/Per Course
Summer Camp Registration- Non-Resident	\$50.00	Per Person/Per Course
Summer Camp 1 Day- Resident	\$35.00	Per Person/Per Day
Summer Camp 1 Day- Non-Resident	\$45.00	Per Person/Per Day
Summer Camp 3 Day- Resident	\$85.00	Per Person/Per Week
Summer Camp 3 Day- Non-Resident	\$105.00	Per Person/Per Week
Summer Camp 5 Day- Resident	\$110.00	Per Person/Per Week
Summer Camp 5 Day- Non-Resident	\$130.00	Per Person/Per Week
Swim Lessons Adaptive/Preschool/Levels 1-5/Parent Tot/Diving- Resident	\$25.00	Per Person/Per Course
Swim Lessons Adaptive/Preschool/Levels 1-5/Parent Tot/Diving- Resident	\$45.00	Per Person/Per Course
CPR/First Aid- Resident	\$35.00	Per Person/Per Course
CPR/First Aid- Non-Resident	\$55.00	Per Person/Per Course

Fee Description	Current Amount on Fee Schedule	Unit of Measure
Guard Start/Junior Lifeguard- Resident	\$40.00	Per Person/Per Course
Guard Start/Junior Lifeguard- Non-Resident	\$60.00	Per Person/Per Course
Lifeguard Cert- Resident	\$100.00	Per Person/Per Course
Lifeguard Cert- Non-Resident	\$120.00	Per Person/Per Course
Water Safety Instruction- Resident	\$120.00	Per Person/Per Course
Water Safety Instruction- Non-Resident	\$140.00	Per Person/Per Course
Private Swim Lessons- Resident	\$40.00	Per Person/Per Course
Private Swim Lessons- Non-Resident	\$50.00	Per Person/Per Course
Aqua Aerobics- Resident	\$35.00	Per Person/Per Course
Aqua Aerobics- Non-Resident	\$55.00	Per Person/Per Course
Intro to Kids Water Sports/Wet & Wild Kids- Resident	\$30.00	Per Person/Per Course
Intro to Kids Water Sports/Wet & Wild Kids- Non-Resident	\$50.00	Per Person/Per Course
Fitness Swimming/Aqua Fitness for Kids- Resident	\$25.00	Per Person/Per Course
Fitness Swimming/Aqua Fitness for Kids- Non-Resident	\$45.00	Per Person/Per Course
Swim Passes- Adult Individual	\$40.00	Per Season
Swim Passes- Family (Up to 5)	\$80.00	Per Season
Swim Passes- Family add on Additional Child	\$10.00	Per Season
Swim Passes- Youth Individual	\$20.00	Per Season
Competitive Swim Team- Resident	\$80-\$120	Per Person/Per Month
Competitive Swim Team- Non-Resident	\$80-\$120	Per Person/Per Month
Recreational Dive/Swim Team- Resident	\$80.00	Per Person/Per Course
Recreational Dive/Swim Team- Non-Resident	\$100.00	Per Person/Per Course
Recreational Swim School- Resident	\$45.00	Per Person/Per Course
Recreational Swim School- Non-Resident	\$65.00	Per Person/Per Course
Battle of the Bands	\$7.00	Per Person/Per Admission
Teen Tournaments	\$30.00	Per Team/Per Tournament
Dances/Themed Parties- Individual- Resident	\$10.00	Per Person/Per Event
Dances/Themed Parties- Individual- Non-Resident	\$15.00	Per Person/Per Event
Dances/Themed Parties- Family- Resident	\$12.00	Per Person/Per Family
Dances/Themed Parties- Family- Non-Resident	\$20.00	Per Person/Per Family
Family Fishing Clinic- March- Non-Resident	\$5.00	Per Person/Per Clinic
Tot Time Countryside/SMRC- Resident	\$50.00	Per Person/Per Week
Tot Time Countryside/SMRC- Non-Resident	\$70.00	Per Person/Per Week
Tot Time- Registration Fee- Resident	\$30.00	Per Person/Per Session
Tot Time- Registration Fee- Non-Resident	\$50.00	Per Person/Per Session

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Fee Description	Current Amount on Fee Schedule	Unit of Measure
Teen Field Trips	Varies	Per Person/Per Event
Youth Sports Tee Ball /Baseball/ Softball /Soccer/ Basketball/ Kickball /Volleyball/ Flag Football- Resident	\$50.00	Per Person/Per League
Youth Sports Tee Ball /Baseball/ Softball /Soccer/ Basketball/ Kickball /Volleyball/ Flag Football- Non-Resident/Late Resident	\$70.00	Per Person/Per League
Youth Sports Tee Ball /Baseball/ Softball /Soccer/ Basketball/ Kickball /Volleyball/ Flag Football- Late Non-Resident	\$90.00	Per Person/Per League
Fall & Spring Baseball 50/70 Div. /Fall Competitive Baseball- Resident	\$65.00	Per Person/Per League
Fall & Spring Baseball 50/70 Div. /Fall Competitive Baseball- Non-Resident/Late Resident	\$85.00	Per Person/Per League
Babe Ruth Baseball- Resident	\$80.00	Per Person/Per League
Babe Ruth Baseball- Non-Resident/Late Resident	\$100.00	Per Person/Per League
Babe Ruth- Team	\$2,000.00	Per Team/Per League
Competitive Sports Basketball/Volleyball/Soccer	\$1,200.00	Per Team/Per League
Competitive Sports- Girls Fast pitch	\$500.00	Per Team/Per League
Competitive Sports Baseball	\$650.00	Per Team/Per League
Sport Camps Basketball/Volleyball/Baseball/Softball/Soccer- Resident	\$50.00	Per Person/Per Session
Sport Camps Basketball/Volleyball/Baseball/Softball/Soccer- Non-Resident/Late Resident	\$70.00	Per Person/Per Session
Adult Sports- Flag Football	\$300.00	Per Person/Per League
Adult Sports- Coed Softball/Men's Softball/Basketball	\$400.00	Per Person/Per League
Adult Sports- Sand Coed Volleyball	\$110.00	Per Person/Per League
Adult Sports- Coed Kickball	\$150.00	Per Person/Per League
Adult Sports- Coed Volleyball	\$175.00	Per Person/Per League
Adult Sports-Adult Baseball	\$900.00	Per Person/Per League
Buddy Baseball- Resident	\$25.00	Per Person/Per League
Buddy Baseball- Non-Resident/Late Resident	\$35.00	Per Person/Per League
Buddy Basketball/Buddy Soccer/Buddy Tennis- Resident/Late Resident	\$25.00	Per Person/Per League
Buddy Basketball/Buddy Soccer/Buddy Tennis- Non-Resident	\$35.00	Per Person/Per League
Adaptive –SIC Cooking- Resident/Late Resident	\$40.00	Per Person/Per Course
Adaptive –SIC Cooking- Non- Resident	\$50.00	Per Person/Per Course
Adaptive –SIC Fitness/SIC Arts- Resident/Late Resident	\$35.00	Per Person/Per Course
Adaptive –SIC Fitness/SIC Arts- Non-Resident	\$45.00	Per Person/Per Course
Adaptive- SIC Summer Camp- Resident/Late Resident	\$50.00	Per Person/Per Course
Adaptive- SIC Summer Camp- Non-Resident	\$60.00	Per Person/Per Course
Adaptive- SIC Friday Nights- Resident/Late Resident	\$25.00	Per Person/Per Event
Adaptive- SIC Friday Nights- Non-Resident	\$35.00	Per Person/Per Event
Adaptive- SIC Father/Daughter Dance- Resident/Late Resident	\$10.00	Per Person/Per Event

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Fee Description	Current Amount on Fee Schedule	Unit of Measure
Adaptive- SIC Father/Daughter Dance- Non-Resident	\$15.00	Per Person/Per Event
Adaptive- SIC Swim 1 Spring- Resident/Late Resident	\$25.00	Per Person/Per Course
Adaptive- SIC Swim 1 Spring- Non-Resident	\$45.00	Per Person/Per Course
Adaptive- SIC Hip Hop	\$35.00	Per Person/Per Course
Adaptive- SIC Social Dances	\$4.00	Per Person/Per Event
Adaptive Swim Party- Resident	\$5.00	Per Person/Per Event
Adaptive Swim Party- Non-Resident/Late Resident	\$6.00	Per Person/Per Event
Adaptive Fall Fest Dance- Resident	\$5.00	Per Person/Per Event
Adaptive Fall Fest Dance- Non-Resident/Late Resident	\$6.00	Per Person/Per Event
SO Bocce/SO Track/SO Swim/SO Basketball Resident/Late Resident	\$10.00	Per Person/Per Session
SO Bocce/SO Track/SO Swim/SO Basketball- Non-Resident	\$20.00	Per Person/Per Session
Adult QuickStart/ Adult Quickstart II/ Matchmakers/ Drills and Skills/ Monday Night Tennis League/ Intermediate Instructional Play- Resident	\$55.00	Per Person/Per Course
Adult QuickStart/ Adult Quickstart II/ Matchmakers/ Drills and Skills/ Monday Night Tennis League/ Intermediate Instructional Play- Non-Resident	\$75.00	Per Person/Per Course
Mommy & Me- Resident	\$44.00	Per Person/Per Course
Mommy & Me- Non-Resident	\$64.00	Per Person/Per Course
10 and Under- Orange- Resident	\$50/\$95/\$140	Per Person/Per Course
10 and Under- Orange- Non-Resident	\$70/\$115/\$160	Per Person/Per Course
10 and Under- Red- Resident	\$50/\$95/\$140	Per Person/Per Course
10 and Under- Red- Non-Resident	\$70/\$115/\$160	Per Person/Per Course
10 and Under- Green- Resident	\$50/\$95	Per Person/Per Course
10 and Under- Green- Non-Resident	\$70/\$115	Per Person/Per Course
6 and Under- Resident	\$44/\$80	Per Person/Per Course
6 and Under- Non-Resident	\$64/\$100	Per Person/Per Course
Futures- Resident	\$75/\$115	Per Person/Per Course
Futures- Non-Resident	\$95/\$135	Per Person/Per Course
Surprise Jr. Excellence- Resident	\$115.00	Per Person/Per Course
Surprise Jr. Excellence- Non-Resident	\$135.00	Per Person/Per Course
Challengers- Resident	\$75/\$115	Per Person/Per Session
Challengers-Non-Resident	\$95/\$135	Per Person/Per Session
Drop-In Fee- Jr. Excellence- Resident	\$15.00	Per Person/Per Course
Drop-In Fee- Jr. Excellence- Non-Resident	\$20.00	Per Person/Per Course
Drop In Fee- Futures/Challengers- Resident	\$20.00	Per Person/Per Course
Drop In Fee- Futures/Challengers- Non-Resident	\$25.00	Per Person/Per Course

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Fee Description	Current Amount on Fee Schedule	Unit of Measure
Drills and Skills- Resident	\$55.00	Per Person/Per Session
Drills and Skills- Non-Resident	\$75.00	Per Person/Per Session
Surprise Tennis University- Resident	\$99.00	Per Person/Per Course
Surprise Tennis University- Non-Resident	\$119.00	Per Person/Per Course
Intermediate Instructional Play- Resident	\$69.00	Per Person/Per Course
Intermediate Instructional Play- Non-Resident	\$89.00	Per Person/Per Course
Drop In Fee-Drills and Skills	\$20.00	Per Person/Per Course
Play Day/Junior Drop-In	\$2.00	Per Person/Per Day
Slicers Teen Drop-In	\$5.00	Per Person/Per Day
Supertennisize/Dynamic Tennis	\$15.00	Per Person/Per Course
Tennisize	\$10.00	Per Person/Per Course
6 Month Tennis Pass- Adult	\$180.00	Per Person/Per Session
6 Month Tennis Pass- Junior	\$120.00	Per Person/Per Session
6 Month Tennis Pass- Senior	\$150.00	
6 Month Tennis Pass- Senior Couple	\$180.00	Per Couple/Per Session
6 Month Tennis Pass- Family of 2	\$240.00	Per Family/Per Session
6 Month Tennis Pass- Family of 3-4	\$300.00	Per Family/Per Session
6 Month Racquetball Pass- Adult	\$210.00	Per Person/Per Session
6 Month Racquetball Pass- Junior	\$150.00	Per Person/Per Session
6 Month Racquetball Pass- Senior	\$180.00	Per Person/Per Session
6 Month Racquetball Pass- Senior Couple	\$220.00	Per Couple/Per Session
6 Month Racquetball Pass- Family of 2	\$270.00	Per Family/Per Session
6 Month Tennis Pass- Full Family	\$330.00	Per Family/Per Session
Pickleball Leagues- Resident	\$20.00	Per Person/Per League
Pickleball Leagues- Non-Resident	\$30.00	Per Person/Per League
Pickleball Classes- Resident	\$30.00	Per Person/Per Course
Pickleball Classes- Non-Resident	\$35.00	Per Person/Per Course
Events & Promotions- Food Vendor Fee	\$50-\$200	Per Vendor/Per Event
Events & Promotions- Business Vendor	\$500-\$1,000	Per Vendor/Per Event
Events & Promotions- Arts & Crafts Booth	\$60-\$80	Per Vendor/Per Event
Events & Promotions- Car Show Entry	\$20-\$30	Per Entry/Per Event
Surprise Recreation Campus- Category I (No Charges Apply)		
Surprise Stadium Category II (A) (B)	\$700.00	Per Day
Surprise Stadium Category III	\$1,300.00	Per Day
Concourse Only/Field Only Category II (A) (B)	\$300.00	Per Day

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Fee Description	Current Amount on Fee Schedul	Unit of Measure
Concourse Only/Field Only Category III	\$500.00	Per Day
Berm Only Category II (A) (B)	\$50.00	Per Day
Berm Only Category III	\$150.00	Per Day
Party Deck w/ Club Seats Category II (A) (B)	\$100.00	Per Side/Per Day
Party Deck w/ Club Seats Category III	\$200.00	Per Side/Per Day
Suites (3 hr. min) Category II (A) (B)	\$50.00	Per Hour/Per Suite
Suites (3 hr. min) Category III	\$75.00	Per Hour/Per Suite
Writing Press (3 hr. min) Category II (A) (B)	\$25.00	Per Hour
Writing Press (3 hr. min) Category III	\$50.00	Per Hour
Visitor's Clubhouse Category II (A) (B)	\$60.00	Per Day
Visitor's Clubhouse Category III	\$80.00	Per Day
North Paved Parking Lot Category II (A) (B)	\$600.00	Per Day
North Paved Parking Lot Category III	\$1,000.00	Per Day
8 Acres Turf Area w/o Lights Category II (A) (B)	\$500.00	Per Day
8 Acres Turf Area w/o Lights Category III	\$900.00	Per Day
8 Acres Turf Area Lights	\$40.00	Per Hour
Practice Field Category II (A) (B)	\$45.00	Per Game or Per 3 Hr. Block
Practice Field Category III	\$150.00	Per Game or Per 3 Hr. Block
Electric Access Category II (A) (B)	\$100.00	Per Day/Per 200 Amps
Electric Access Category III	\$200.00	Per Day/Per 200 Amps
Hitting Tunnels/Shooting Gallery Mounds	\$100.00	Per Set/Per Day
Practice Field Concession Stand	\$50.00	Per Stand/Per Day
Practice Field Lights	\$80.00	Per Hour
Stadium Lights	\$135.00	Per Hour
Team Clubhouse	\$350.00	Per Day
Sound System/Baseball Scoreboard (2 hr min. Includes staff to operate)	\$40.00	Per Hour
Stadium Videoboard (2 hr min. Includes staff to operate)	\$50.00	Per Hour
Stadium Field Prep Category II (A) (B)	\$15.00	Per Hour
Stadium Field Prep Category III	\$25.00	Per Hour
Cleaning/Janitorial	\$15.00	Per Hour
Field Drying Agents		
Municipal Pools Birthday Party- Surprise Aquatic Center ≤ 15	\$150.00	Every 3 Hours
Municipal Pools Birthday Party- Surprise Aquatic Center 16-20	\$175.00	Every 3 Hours
Municipal Pools Birthday Party- Surprise Aquatic Center 21-25	\$200.00	Every 3 Hours
Municipal Pools Birthday Party- Surprise Aquatic Center 26-30	\$225.00	Every 3 Hours

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Fee Description	Current Amount on Fee Schedule	Unit of Measure
Municipal Pools Birthday Party- Hollyhock Community Pool 5+/-	\$5.00	Per Group
Accessories- Category I (no charges apply)		
TV/VCR	\$15.00	Per Item
Whiteboard/Markers/Easel	\$3.00	Per Item
Folding Chair	\$1.00	Per Item
Folding Table Category II (A) (B)	\$3.00	Per Item
Folding Table Category III	\$5.00	Per Item
Tennis Manager	\$45.00	Per Hour/Per Staff member
Sporting Event Pre-Clean- Complete Stadium	\$4,055.00	Per Event
Sporting Event Pre-Clean- Full Stadium	\$2,990.00	Per Event
Sporting Event Pre-Clean- Medium	\$1,920.00	Per Event
Sporting Event Pre-Clean- Minor	\$1,350.00	Per Event
Sporting Event Post Clean- 200 or less patrons	\$210.00	Per Event
Sporting Event Post Clean- 201-500 patrons	\$310.00	Per Event
Sporting Event Post Clean- 501-800 patrons	\$520.00	Per Event
Sporting Event Post Clean- 801 or more patrons	\$940.00	Per Event
Sporting Event Post Clean- 500 or less patrons	\$300.00	Per Event
Sporting Event Post Clean- 501-3,500 patrons	\$1,240.00	Per Event
Sporting Event Post Clean- 3,501-6,500 patrons	\$1,610.00	Per Event
Sporting Event Post Clean- 6,501-9,500 patrons	\$2,075.00	Per Event
Sporting Event Post Clean- 9,501 or more patrons	\$2,260.00	Per Event
Special Event w/o Stadium Field Post Clean- 500 or less patrons	\$300.00	Per Event
Special Event w/o Stadium Field Post Clean- 501-3,500 patrons	\$1,240.00	Per Event
Special Event w/o Stadium Field Post Clean- 3,501-6,500 patrons	\$1,610.00	Per Event
Special Event w/o Stadium Field Post Clean- 6,501- 9,500 patrons	\$2,075.00	Per Event
Special Event w/o Stadium Field Post Clean- 9,501 or more patrons	\$2,260.00	Per Event
Special Event w/o Stadium Field Post Clean- 500 or less patrons	\$300.00	Per Event
Tennis & Racquet Complex Cleaning Fees- 1,500 or less patrons	\$300.00	Per Event
Tennis & Racquet Complex Cleaning Fees- 1,501-2,000 patrons	\$400.00	Per Event
Tennis & Racquet Complex Cleaning Fees- 2,001- 2,500, patrons	\$500.00	Per Event
Tennis & Racquet Complex Cleaning Fees- 2,501-3,000 patrons	\$600.00	Per Event
Tennis & Racquet Complex Cleaning Fees- 3,001 or more patrons	\$700.00	Per Event

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Fee Name to be Revised on the Comprehensive Citywide Fee Schedule

Fee Description	Current Amount on Fee Schedule	Unit of Measure
<i>Current:</i> Insufficient Funds Fee Returned Payment Fee <i>Proposed:</i> Returned Payment Fee	\$15.00	Per Transaction

Fees to be Revised on the Comprehensive Citywide Fee Schedule

Fee Description	Current Amount on Fee Schedule	Proposed Amount	Unit of Measure
Ground Ambulance Transports			
ALS Emergency Transport Level 1 & 2/ ALS Non-Emergency Transport Level 1*	\$952.81	\$965.67	Per Transport
BLS Emergency Transport/BLS Non-Emergency Transport/BLS*	\$848.73	\$860.19	Per Transport
Mileage*	\$19.75	\$20.02	Per Load Mile
Wait Time*	\$212.18	\$215.04	Per Hour

*This fee is established by a federal, state, or county agency and is subject to change.



CRS Fee Schedule Changes

City Council Meeting – May 21, 2019

Comprehensive Citywide Fee Schedule Update

- Removing all registration-based fees per Arizona Revised Statutes (A.R.S.) 9-499.15.
- Removing stadium rentals and tournament fees that will be handled by the Sports & Tourism Department through a Facility Use Agreement.
- Proposed fee changes for Public Notice.

Proposed Fee Changes for Public Notice

New Fee Requests	Proposed Fee	Justification
Non-Resident Beer Permit Fee	\$20	Currently beer permits are not available to non-residents for ramada rentals
Lap Lane & Diving Well Rental	\$30/hr	Requests have been made for lanes and diving well for training classes.
Field Rentals Mon-Thur. Before 3pm	\$7.50/hr	Discounted rate for field rentals during off peak times
Rental Packages at Sierra Montana Rec Center	\$150-\$300/ 3 hours	Combines areas of Rec Center to accommodate various rental activities
Dance Room at Countryside	\$50-\$70/hr	Requests have been made for area.
Equipment Rentals at STRC	\$1-\$10	Racquets, goggles, balls, back board.

Proposed Fee Changes for Public Notice

- Tennis League Group Rental Rates: Adding a 2 hour group rental rate

90 Minute Rental	Current Resident Rate
Day	\$10
After 4pm	\$14

New 2 hour Rental	Proposed Resident Rate
Day	\$14
After 4pm	\$18

- Birthday Party Packages at pools
 - Changing rates at Surprise Aquatic Center from a 3 hour rental to a 2 hour rental and adjusting fee accordingly
 - Adding rates for 31-50 attendees at Surprise Aquatic Center
 - Adding rates for 26-30 and 31-50 attendees at Hollyhock Pool



QUESTIONS OR COMMENTS?

Thank You



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 21, 2019

Contact Person: Andrea Davis, DIRECTOR -
FINANCE, Holly Osborn, AD - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to adoption of an amendment to the Land Use Assumptions and Infrastructure Improvements Plan pursuant A.R.S. 9-463.05(D)(10); Resolution # 2019-50.

Motion:

I move to approve Resolution # 2019-50.

Background:

A.R.S. §9-463.05(D)(3) requires that a city update its Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP) at least every five years. In accordance with that statute, the City adopted an updated LUA and IIP on March 11, 2019, after holding the public hearing on February 5, 2019, and publishing the updated LUA and IIP for at least 60 days prior to the public hearing, all in accordance with A.R.S. 9-465.05 et seq.

Since the adoption of the updated LUA and IIP, the City has identified beneficial minor amendments to the updated LUA and IIP. A.R.S. 9-463.05(D)(10) provides for an abbreviated procedure without the necessity of additional public hearings for minor amendments to a LUA and IIP so long as the amendment addresses only elements of necessary public service in the existing IIP and the changes to the plan will not, individually or cumulatively with other amendments, increase the level of service or cause the development fee increase of greater than five percent. This amendment meets these criteria and actually decrease the related development impact fees. In accordance with A.R.S. 9-463.05(D)(10), the City properly publish notice and the proposed amendments for thirty days prior to this amendment adoption.

Objective Analysis:

Adoption of the amended LUA and IIP will ensure harmony between the LUA/ IIP and the updated development impact fees which have been properly noticed and are scheduled to be adopted in accordance with A.R.S. §9-463.05, after adoption of this amendment.

Policy Compliant:

This action is consistent with City and Council Policy to ensure development and the growth experienced thereby pays for itself and also complies with the procedural and substantive legal requirements of A.R.S. § 9-463.05.

Financial Impact:

The fiscal impact of the amended LUA and IIP have been incorporated as part of the FY2020 City Manager's Recommended Budget.

Budget Impact:

The budgetary impact of the amended LUA and IIP have been incorporated as part of the FY2020 City Manager's Recommended Budget.

FTE Impact:

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

ATTACHMENTS:

1. Public Notice
 2. Resolution 2019-50 Adoption of Amended LUA_ IIP 052119
-

Notice of Intent to Amend Land Use Assumptions

posted (04/08/2019)

Pursuant to Arizona Revised Statutes (A.R.S) § 9-463.05, public notice is hereby given that the City of Surprise intends to amend the Land Use Assumptions and Infrastructure Improvement Plan which were adopted by City Council on March 11, 2019. City Council will approve or disapprove the amendments and the City's development impact fees at the [Regular City Council Meeting on May 21, 2019](#) at 6:00 p.m. in the Surprise City Council Chambers, 16000 N. Civic Center Plaza Surprise, AZ 85374.

A copy of the Land Use Assumptions and Infrastructure Improvements Plan adopted by City Council on March 11, 2019 and the proposed amendments are attached to this notice and also published on the City of Surprise website. [View Development Impact Fees](#).

RESOLUTION # 2019-50

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY
OF SURPRISE, ARIZONA, AMENDING THE LAND USE
ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS
PLAN PURSUANT TO A.R.S. § 9-463.05(D)(10).**

WHEREAS, in accordance with A.R.S. § 9-463.05, the City of Surprise adopted an updated Land Use Assumptions and Infrastructure Improvements Plan by Resolution # 2019-31 on March 11, 2019;

WHEREAS, since adoption the City has identified beneficial amendments to the updated Land Use Assumptions and Infrastructure Improvements Plan;

WHEREAS, A.R.S. § 9-463.05(D)(10) provides for an abbreviated procedure [a thirty day notice and publication without a public hearing] for amendments to a Land Use Assumptions/Infrastructure Improvements Plan when the amendments address only elements of necessary public services in an existing Infrastructure Improvements Plan and will not, individually or cumulatively with other amendments, increase the level of service or cause a development fee increase greater than five percent;

WHEREAS, the proposed amendment addresses only necessary public services already existing in the updated Infrastructure Improvements Plan and does not increase, but rather decreases, the development fee; and

WHEREAS, in accordance with A.R.S. § 9-463.05(D)(10), the City published notice and the proposed amendment for at least thirty days before this adoption.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The amended Land Use Assumptions and Infrastructure Improvement Plan set forth in *Exhibit A* is hereby adopted.

APPROVED AND ADOPTED this ____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

Resolution #2019-50
RFLS #6770
Rev 01/19

Exhibit A
Land Use Assumptions and Infrastructure Improvements Plan (as amended)

Land Use Assumptions and Infrastructure Improvements Plan

**Prepared for:
Surprise, Arizona**

March 29, 2019



4701 Sangamore Road

Suite S240

Bethesda, MD 20816

301.320.6900

www.TischlerBise.com

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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

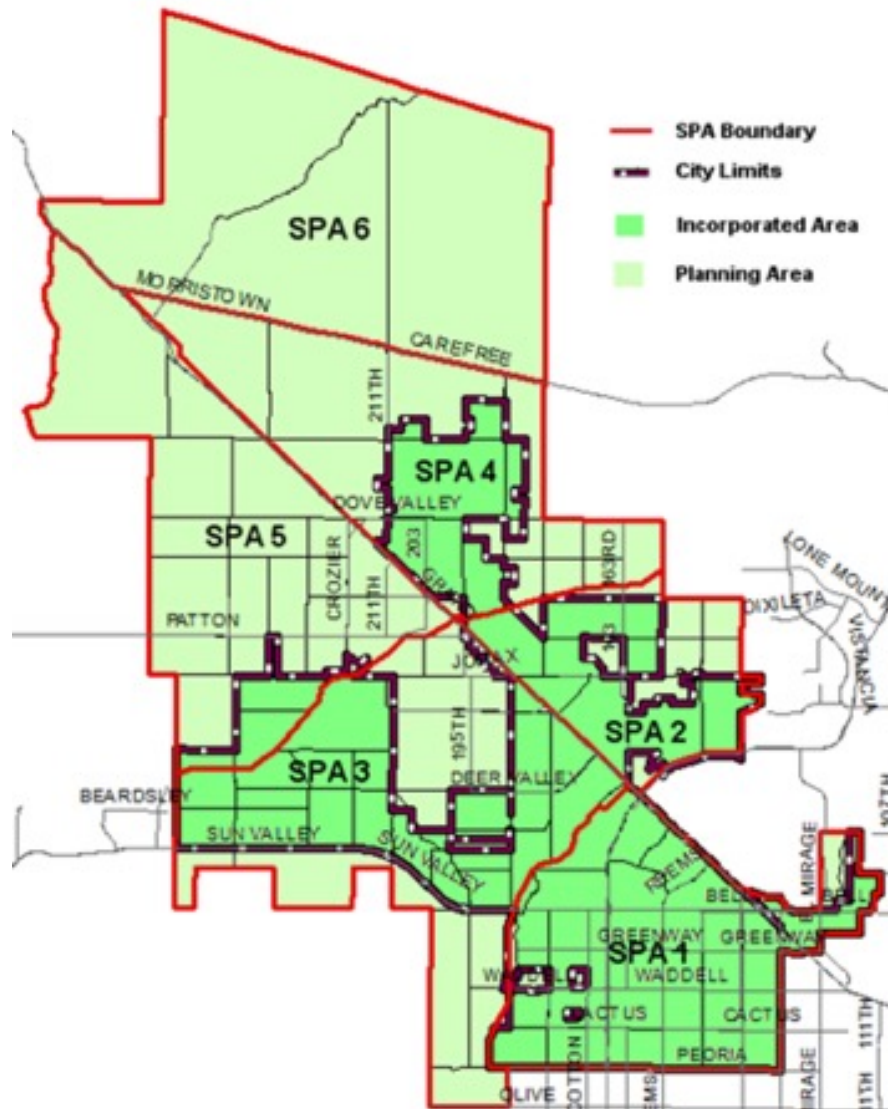
SERVICE AREAS

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 Fire	Total
		Parks	Fire	Police	Govt		
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” and general government fees are unchanged and will be retained until the applicable pledged debt has been retired. 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	\$489	\$2,432
Mobile Home	Dwelling	\$695	\$594	\$1,289	\$0	\$442	\$442	\$216	\$584	\$2,531
Retail/Commercial	1,000 sq ft	\$0	\$32	\$32	\$0	\$876	\$876	\$427	\$493	\$1,828
Office	1,000 sq ft	\$0	\$74	\$74	\$0	\$497	\$497	\$243	\$745	\$1,559
Industrial	1,000 sq ft	\$0	\$32	\$32	\$0	\$166	\$166	\$81	\$703	\$982
Warehouse	1,000 sq ft	\$0	\$32	\$32	\$0	\$95	\$95	\$46	\$513	\$686
Public/Institutional	1,000 sq ft	\$0	\$85	\$85	\$0	\$308	\$308	\$150	\$745	\$1,288
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	\$703	\$1,927
Warehouse	1,000 sq ft	\$0	\$0	\$0	\$348	\$519	\$867	\$55	\$513	\$1,435
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%	0%	3%
Mobile Home	Dwelling	0%	n/a	85%	-100%	-11%	-60%	-34%	0%	-7%
Retail/Commercial	1,000 sq ft	n/a	n/a	n/a	n/a	12%	-37%	0%	0%	-21%
Office	1,000 sq ft	n/a	n/a	n/a	n/a	-60%	-77%	93%	0%	-49%
Industrial	1,000 sq ft	n/a	n/a	n/a	n/a	-68%	-86%	5%	0%	-49%
Warehouse	1,000 sq ft	n/a	n/a	n/a	n/a	-82%	-89%	-16%	0%	-52%
Public/Institutional	1,000 sq ft	n/a	n/a	n/a	n/a	-75%	-86%	19%	0%	-57%

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 \$64.5 million represents an increase of \$27.5 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. No change is recommended for the grandfathered general government fee, which 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	\$11,505,069	\$11,505,069	\$0	0%
Total, Non-Utility Fees	\$64,463,729	\$36,922,777	\$27,540,952	75%

*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).

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 percent more 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%

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, Pavilion	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 Substation Land (3 acres)	2019	\$562,500
CIP Project	Police Substation	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 it 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 Blvd	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 Bldg (fire share)	2019-2024	\$420,109
Debt Service	Fire Station #3	2019-2024	\$40,335
Interfund Loan	Public Safety Bldg (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

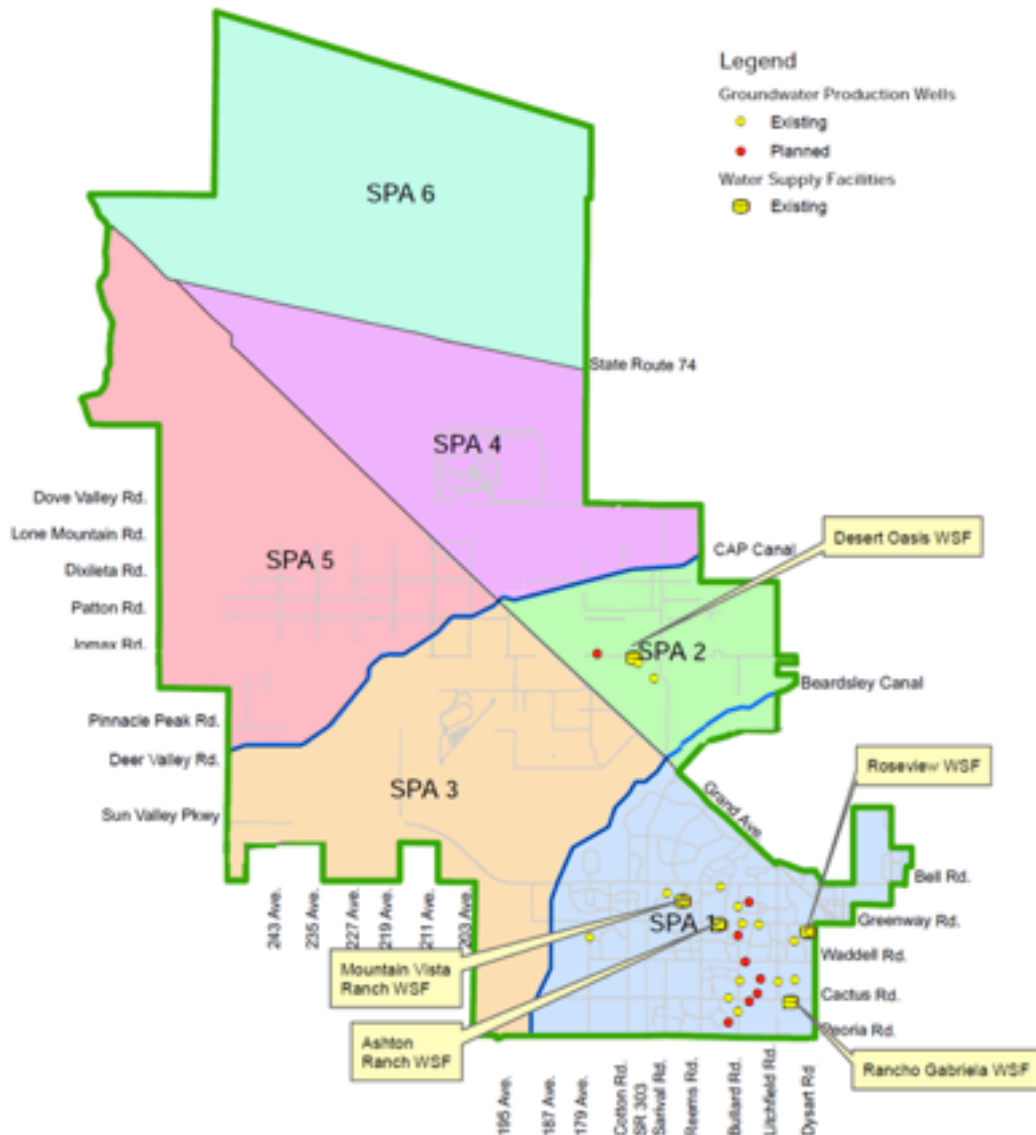
Description	Total
Fire/EMS Net Cost per EDU	\$789
x New EDUs, 2019-2029	26,912
Projected Revenue, 2019-2029	\$21,233,568
– Planned Expenditures, 2019-2029	(\$32,403,697)
Projected Revenue Surplus / (Deficit)	(\$11,170,129)

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 capacity 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		Firm Capacity (mgd)
	(gpm)	(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 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 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.

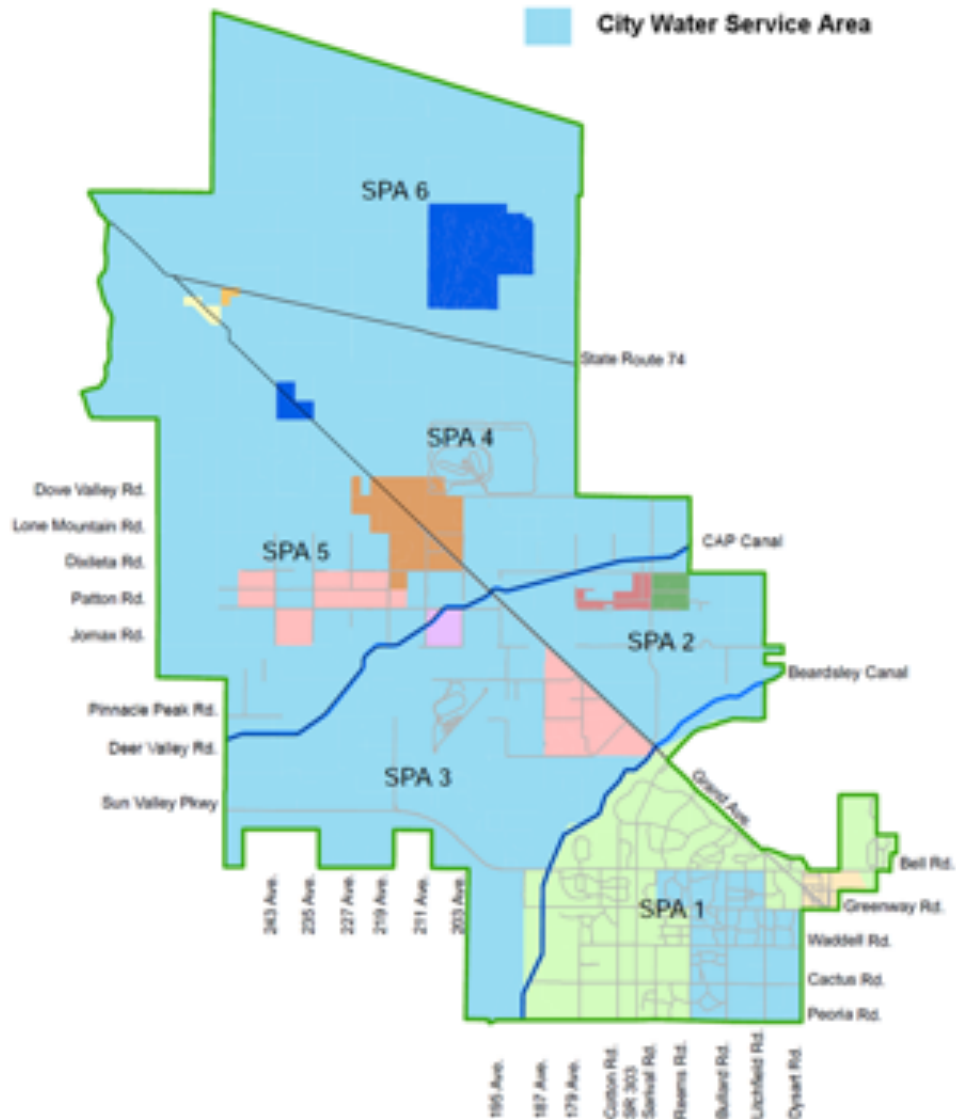
Service Area

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.

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%
Average 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 will be based on the cost of a 20-year water supply, which is \$3,695 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 CAGRDR 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 CAGRDR, Final 2017/18 – 2020-22 Rate Schedule.

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.

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, 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.

Net Cost Schedule

The net cost schedule for the water resource fee is determined by multiplying the 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

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 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 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)

WASTEWATER FACILITIES IIP

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

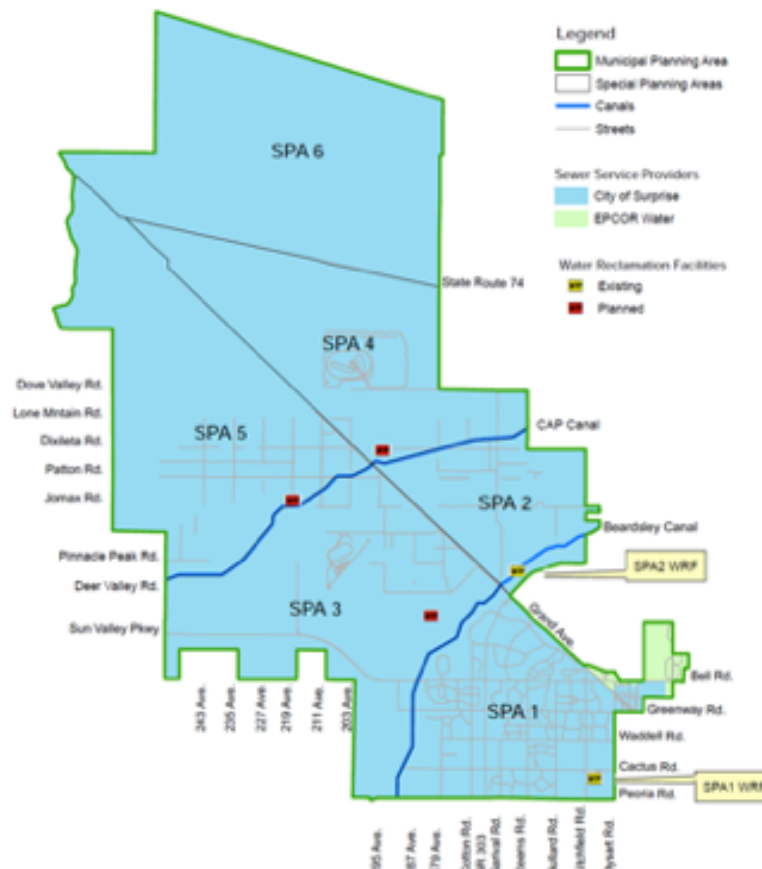
“Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities”

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
Interfund 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
Interfund 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

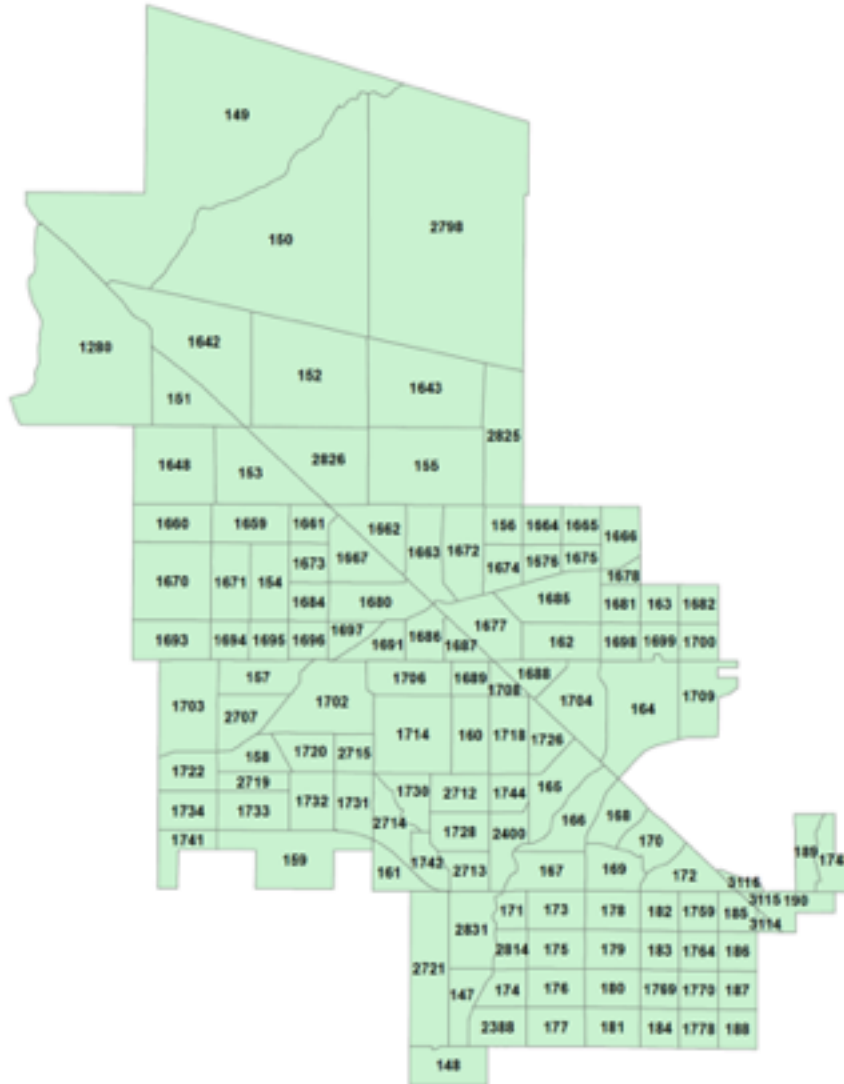


Figure LU2: Share of Development in Incorporated Area by Land Use, 2015

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 – Single-Family Units in City	53,300 -45,857	1,363 -1,052	953 -712	60 -60	19 -19	0 0	55,695 -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

$$\text{FUNCPOP/UNIT} = (\text{employee hours}/1000 \text{ sf} + \text{visitor hours}/1000 \text{ sf}) \div 24 \text{ hours/day}$$

Where:

$$\text{Employee hours}/1000 \text{ sf} = \text{employees}/1000 \text{ sf} \times 8 \text{ hours/day}$$

$$\text{Visitor hours}/1000 \text{ sf} = \text{visitors}/1000 \text{ sf} \times 1 \text{ hour/visit}$$

$$\text{Visitors}/1000 \text{ sf} = \text{weekday ADT}/1000 \text{ sf} \times \text{avg. vehicle occupancy} - \text{employees}/1000 \text{ sf}$$

$$\text{Weekday ADT}/1000 \text{ sf} = \text{one-way avg. daily trips} (\text{total trip ends} \div 2)$$

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	EDUs/
		Pop./Unit	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/ Unit	Equivalent Dwelling Units		
		2019	2029		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%
Subtotal, 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 Ottawa 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,

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 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.



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: Police
Staff Recommendations:

Contact Person:
District: Citywide

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

Consideration and action pertaining to an amendment to Chapter 54, Article I, Section 54-8 of the Surprise Municipal Code relative to the use of handheld mobile devices or portable electronic devices while driving; Ordinance # 2019-15.

Motion:

I move to approve Ordinance # 2019-15.

Background:

On August 7, 2018, City Council approved Ordinance No. 2018-025, which prohibited use of mobile devices while driving. The Ordinance as codified was an effort to deter distracted driving within the City of Surprise. The Arizona State Legislature has since passed a distracted driving law which purports to preempt any local laws pertaining to distracted driving, such as Surprise's, beginning January 1, 2021.

At this time, Surprise Police Chief Terry Young recommends an amend to the language in the current Surprise Municipal Code, Chapter 54, Article I, Section 54-8 by replacing the current distracted driving provisions with a law comparable to the new state law. This will enable the Surprise Police Department to immediately begin operating and enforcing a law that is consistent throughout the state and which will be the only law pertaining to distracted driving in 2021, thereby facilitating a flawless transition to the State law at that juncture.

This Ordinance contains a sunset provision and will, by operation of law, have no effect after December 31, 2020 at 11:59 p.m.

Objective Analysis:

The State Legislature recently passed a new state law prohibiting the use of handheld devices that will go into effect January 1, 2021. At that time, all local ordinances related to this violation will be preempted and superseded by the state law. In order to minimize confusion for motorists, the City wishes to amend the current ordinance to reflect the language of the new state law.

Policy Compliant:

This amendment is compliant with City and Council policy, especially the City policy pursuing safer driving and roadways

Financial Impact:

This amendment would decrease the penalty for a person who violates Section 54-8, Subsection B, from a civil penalty of up to two hundred fifty dollars plus any other assessments authorized by law to the following schedule:

- \$75 - \$149 (plus additional surcharges) for the first offense
- \$150 - \$250 (plus additional surcharges) for the second or subsequent offense

The revenue decrease created through this amendment is expected to be negligible.

Budget Impact:

There is no impact to the Police Department budget.

FTE Impact:

There is no FTE impact.

ATTACHMENTS:

1. A.R.S. 28-914
 2. Ord 2019-15 Driving with Portable Electronic Device (3)
 3. Hands Free Driving State Law Recommendation
-

A.R.S. 28-914

Sec. 2. Title 28, chapter 3, article 15, Arizona Revised Statutes, is amended by adding section 28-914, to read:

~~28-914. Use of portable wireless communication device while driving; prohibition; civil penalty; state preemption; definitions~~

A. UNLESS A MOTOR VEHICLE IS PARKED OR STOPPED PURSUANT TO SECTION 28-645, SUBSECTION A, PARAGRAPH 3 OR SECTION 28-851, A PERSON MAY NOT OPERATE A MOTOR VEHICLE ON A STREET OR HIGHWAY IF THE PERSON DOES EITHER OF THE FOLLOWING:

1. PHYSICALLY HOLDS OR SUPPORTS WITH ANY PART OF THE PERSON'S BODY EITHER OF THE FOLLOWING:

(a) A PORTABLE WIRELESS COMMUNICATION DEVICE, EXCEPT THAT A PERSON MAY USE A PORTABLE WIRELESS COMMUNICATION DEVICE WITH AN EARPIECE, HEADPHONE DEVICE OR DEVICE WORN ON A WRIST TO CONDUCT A VOICE-BASED COMMUNICATION.

(b) A STAND-ALONE ELECTRONIC DEVICE.

2. WRITES, SENDS OR READS ANY TEXT-BASED COMMUNICATION, INCLUDING A TEXT MESSAGE, INSTANT MESSAGE, E-MAIL OR INTERNET DATA, ON A PORTABLE WIRELESS COMMUNICATION DEVICE OR STAND-ALONE ELECTRONIC DEVICE. THIS PARAGRAPH DOES NOT APPLY TO EITHER OF THE FOLLOWING:

(a) THE USE OF VOICE-BASED COMMUNICATIONS, INCLUDING THROUGH THE USE OF A PORTABLE WIRELESS COMMUNICATION DEVICE OR STAND-ALONE ELECTRONIC DEVICE, TO DIRECT THE WRITING, SENDING, READING OR OTHER COMMUNICATING OF ANY TEXT-BASED COMMUNICATION.

(b) THE USE OF A PORTABLE WIRELESS COMMUNICATION DEVICE OR STAND-ALONE DEVICE WHEN USED IN A HANDS-FREE MANNER FOR:

(i) NAVIGATION OF THE MOTOR VEHICLE.

(ii) USE OF A GLOBAL POSITIONING SYSTEM.

(iii) OBTAINING MOTOR VEHICLE INFORMATION OR INFORMATION RELATED TO DRIVING A MOTOR VEHICLE.

B. THIS SECTION DOES NOT PROHIBIT THE OPERATION OF A MOTOR VEHICLE WHILE USING A DEVICE, INCLUDING A DEVICE THAT IS ACCESSIBLE THROUGH AN INTERFACE THAT IS EMBEDDED IN A MOTOR VEHICLE, THAT ALLOWS COMMUNICATION WITHOUT THE USE OF EITHER OF THE DRIVER'S HANDS, EXCEPT TO ACTIVATE OR DEACTIVATE A FUNCTION OF THE DEVICE.

C. THIS SECTION DOES NOT APPLY TO:

1. AN OPERATOR OF AN AUTHORIZED EMERGENCY, LAW ENFORCEMENT OR PROBATION VEHICLE WHO USES A PORTABLE WIRELESS COMMUNICATION DEVICE WHILE ACTING IN AN OFFICIAL CAPACITY.

2. AN OPERATOR WHO IS LICENSED BY THE FEDERAL COMMUNICATIONS COMMISSION WHILE OPERATING A RADIO FREQUENCY DEVICE OTHER THAN A PORTABLE WIRELESS COMMUNICATION DEVICE.

3. AN OPERATOR WHO USES A TWO-WAY RADIO OR PRIVATE LAND MOBILE RADIO SYSTEM, WITHIN THE MEANING OF 47 CODE OF FEDERAL REGULATIONS PART 90, WHILE IN THE PERFORMANCE AND SCOPE OF THE OPERATOR'S WORK-RELATED DUTIES AND WHO IS OPERATING A FLEET VEHICLE OR WHO POSSESSES A COMMERCIAL DRIVER LICENSE.

4. AN OPERATOR WHO USES A PORTABLE WIRELESS COMMUNICATION DEVICE EITHER:

- (a) TO REPORT ILLEGAL ACTIVITY OR SUMMON EMERGENCY HELP.
- (b) THAT WAS PERMANENTLY OR TEMPORARILY AFFIXED TO THE MOTOR VEHICLE TO RELAY INFORMATION IN THE COURSE OF THE OPERATOR'S OCCUPATIONAL DUTIES BETWEEN THE OPERATOR AND EITHER:
 - (I) A DISPATCHER.
 - (II) A DIGITAL NETWORK OR SOFTWARE APPLICATION SERVICE.

D. BEGINNING JANUARY 1, 2021, A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY AS FOLLOWS:

- 1. AT LEAST \$75 BUT NOT MORE THAN \$149 FOR A FIRST VIOLATION.
- 2. AT LEAST \$150 BUT NOT MORE THAN \$250 FOR A SECOND OR SUBSEQUENT VIOLATION.

E. THE DEPARTMENT SHALL POST A SIGN AT EACH POINT AT WHICH AN INTERSTATE HIGHWAY OR UNITED STATES HIGHWAY ENTERS INTO THIS STATE THAT INFORMS AN OPERATOR THAT BOTH:

- 1. THE USE OF A PORTABLE WIRELESS COMMUNICATION DEVICE WHILE OPERATING A MOTOR VEHICLE IS PROHIBITED IN THIS STATE.
- 2. THE OPERATOR IS SUBJECT TO A CIVIL PENALTY IF THE OPERATOR USES A PORTABLE WIRELESS COMMUNICATION DEVICE IN VIOLATION OF THIS SECTION WHILE OPERATING A MOTOR VEHICLE IN THIS STATE.

F. A PEACE OFFICER WHO STOPS A MOTOR VEHICLE FOR AN ALLEGED VIOLATION OF THIS SECTION MAY NOT:

- 1. TAKE POSSESSION OF OR OTHERWISE INSPECT A PORTABLE WIRELESS COMMUNICATION DEVICE IN THE POSSESSION OF THE OPERATOR UNLESS OTHERWISE AUTHORIZED BY LAW.
- 2. ISSUE A CITATION FOR A VIOLATION OF THIS SECTION BEFORE JANUARY 1, 2021 AND MAY ISSUE ONLY A WARNING BEGINNING ON THE EFFECTIVE DATE OF THIS SECTION THROUGH DECEMBER 31, 2020.

G. EXCEPT AS PROVIDED IN SECTION 28-3312, A DEPARTMENT OR AGENCY OF THIS STATE MAY NOT CONSIDER A VIOLATION OF THIS SECTION FOR THE PURPOSE OF DETERMINING WHETHER THE PERSON'S DRIVER LICENSE SHOULD BE SUSPENDED OR REVOKED.

H. THE REGULATION AND USE OF PORTABLE WIRELESS COMMUNICATION DEVICES WHILE OPERATING A MOTOR VEHICLE ARE OF STATEWIDE CONCERN. FROM AND AFTER DECEMBER 31, 2020, THE REGULATION OF PORTABLE WIRELESS COMMUNICATION DEVICES PURSUANT TO THIS SECTION AND THEIR USE WHILE OPERATING A MOTOR VEHICLE IS NOT SUBJECT TO FURTHER REGULATION BY A COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THIS STATE. FROM AND AFTER DECEMBER 31, 2020, A REGULATION BY A COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION THAT VIOLATES THIS SUBSECTION, WHETHER ENACTED BEFORE OR AFTER JANUARY 1, 2021, IS VOID.

I. FOR THE PURPOSES OF THIS SECTION:

- 1. "PORTABLE WIRELESS COMMUNICATION DEVICE":
 - (a) MEANS A CELLULAR TELEPHONE, A PORTABLE TELEPHONE, A TEXT-MESSAGING DEVICE, A PERSONAL DIGITAL ASSISTANT, A STAND-ALONE COMPUTER, A GLOBAL POSITIONING SYSTEM RECEIVER OR A SUBSTANTIALLY SIMILAR PORTABLE WIRELESS DEVICE THAT IS USED TO INITIATE OR RECEIVE COMMUNICATION, INFORMATION OR DATA.
 - (b) DOES NOT INCLUDE A RADIO, CITIZENS BAND RADIO, CITIZENS BAND RADIO HYBRID, COMMERCIAL TWO-WAY RADIO COMMUNICATION DEVICE OR ITS FUNCTIONAL EQUIVALENT, SUBSCRIPTION-BASED EMERGENCY COMMUNICATION DEVICE, PRESCRIBED MEDICAL DEVICE, AMATEUR OR HAM RADIO DEVICE OR IN-VEHICLE SECURITY, NAVIGATION OR REMOTE DIAGNOSTICS SYSTEM.
- 2. "STAND-ALONE ELECTRONIC DEVICE" MEANS A PORTABLE DEVICE OTHER THAN A PORTABLE WIRELESS COMMUNICATION DEVICE THAT STORES AUDIO OR VIDEO DATA FILES TO BE RETRIEVED ON DEMAND BY A USER.

ORDINANCE # 2019-15

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, REPEALING SURPRISE MUNICIPAL CODE CHAPTER 54, ARTICLE I, SECTION 54-8, *USE OF HANDHELD MOBILE TELEPHONE OR PORTABLE ELECTRONIC DEVICE; PROHIBITED CONDUCT; EXCEPTIONS; PENALTIES*; ADOPTING SURPRISE MUNICIPAL CODE CHAPTER 54, ARTICLE 1, SECTION 54-8, *USE OF PORTABLE WIRELESS COMMUNICATION DEVICE WHILE DRIVING*; SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE AND PENALTIES; AND REPEALING CONFLICTING ORDINANCES.

WHEREAS, the City of Surprise adopted Ordinance No. 2018-025 on August 7, 2018, establishing Section 54-8 of the Surprise Municipal Code in an effort to deter distracted driving within the City of Surprise;

WHEREAS, the Arizona State Legislature has since adopted a state law pertaining to distracted driving, codified at Arizona Revised Statutes § 28-91, that will preempt and supersede Ordinance No. 2018-025 on January 1, 2021; and

WHEREAS, it is advantageous to adopt and implement a law comparable with the new state law to ensure an efficient and effective transition to the state law on January 1, 2021;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. Surprise Municipal Code, Chapter 54, Article I, Section 54-8, *Use of Handheld Mobile Telephone or Portable Electronic Device; Prohibited Conduct; Exceptions; Penalties* is repealed in its entirety.

Section 2. Surprise Municipal Code, Chapter 54, Article I, Section 54-8, *Use of Portable Wireless Communication Device While Driving* is hereby created as set forth in Exhibit A.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of these amendments to the municipal code adopted herein is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision will not be read to affect the validity of the remaining portions thereof.

Section 4. This ordinance will become effective on and after July 1, 2019 and shall remain in effect only until December 31, 2020, 11:59 p.m. at which time it shall be repealed by operation of law without further action by City Council.

Section 5. Any person found guilty of violating any provision of this code shall be guilty of a civil offense and subject to a civil penalty of at least \$75.00 but not more than \$149.00 for a first violation, and at least \$150.00, but not more than \$250.00 for a second or subsequent violation.

Section 6. All ordinances, resolutions or codes in conflict with the provisions of this Ordinance or Code adopted by this Ordinance are repealed.

PASSED AND ADOPTED this ____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

**ORDINANCE # 2019-15
EXHIBIT A**

**SEC. 54-8. USE OF PORTABLE WIRELESS COMMUNICATION DEVICE
WHILE DRIVING**

A. UNLESS A MOTOR VEHICLE IS PARKED OR STOPPED PURSUANT TO ARIZONA REVISED STATUTES, SECTION 28-645, SUBSECTION A, PARAGRAPH 3 OR SECTION 28-851, A PERSON MAY NOT OPERATE A MOTOR VEHICLE ON A STREET OR HIGHWAY IF THE PERSON DOES EITHER OF THE FOLLOWING:

1. PHYSICALLY HOLDS OR SUPPORTS WITH ANY PART OF THE PERSON'S BODY EITHER OF THE FOLLOWING:

- (a) A PORTABLE WIRELESS COMMUNICATION DEVICE, EXCEPT THAT A PERSON MAY USE A PORTABLE WIRELESS COMMUNICATION DEVICE WITH AN EARPIECE, HEADPHONE DEVICE OR DEVICE WORN ON A WRIST TO CONDUCT A VOICE-BASED COMMUNICATION.**
- (b) A STAND-ALONE ELECTRONIC DEVICE.**

2. WRITES, SENDS OR READS ANY TEXT-BASED COMMUNICATION, INCLUDING A TEXT MESSAGE, INSTANT MESSAGE, E-MAIL OR INTERNET DATA, ON A PORTABLE WIRELESS COMMUNICATION DEVICE OR STAND-ALONE ELECTRONIC DEVICE. THIS PARAGRAPH DOES NOT APPLY TO EITHER OF THE FOLLOWING:

- (a) THE USE OF VOICE-BASED COMMUNICATIONS, INCLUDING THROUGH THE USE OF A PORTABLE WIRELESS COMMUNICATION DEVICE OR STAND-ALONE ELECTRONIC DEVICE, TO DIRECT THE WRITING, SENDING, READING OR OTHER COMMUNICATING OF ANY TEXT-BASED COMMUNICATION.**
- (b) THE USE OF A PORTABLE WIRELESS COMMUNICATION DEVICE OR STAND-ALONE DEVICE WHEN USED IN A HANDS-FREE MANNER FOR:
 - (i) NAVIGATION OF THE MOTOR VEHICLE.**
 - (ii) USE OF A GLOBAL POSITIONING SYSTEM.**
 - (iii) OBTAINING MOTOR VEHICLE INFORMATION OR INFORMATION RELATED TO DRIVING A MOTOR VEHICLE.****

B. THIS SECTION DOES NOT PROHIBIT THE OPERATION OF A MOTOR VEHICLE WHILE USING A DEVICE, INCLUDING A DEVICE THAT IS ACCESSIBLE THROUGH AN INTERFACE THAT IS EMBEDDED IN A MOTOR VEHICLE, THAT ALLOWS COMMUNICATION WITHOUT THE USE OF EITHER OF THE DRIVER'S HANDS, EXCEPT TO ACTIVATE OR DEACTIVATE A FUNCTION OF THE DEVICE.

C. THIS SECTION DOES NOT APPLY TO:

- 1. AN OPERATOR OF AN AUTHORIZED EMERGENCY, LAW ENFORCEMENT OR PROBATION VEHICLE WHO USES A PORTABLE WIRELESS COMMUNICATION DEVICE WHILE ACTING IN AN OFFICIAL CAPACITY.**
- 2. AN OPERATOR WHO IS LICENSED BY THE FEDERAL COMMUNICATIONS COMMISSION WHILE OPERATING A RADIO FREQUENCY DEVICE OTHER THAN A PORTABLE WIRELESS COMMUNICATION DEVICE.**
- 3. AN OPERATOR WHO USES A TWO-WAY RADIO OR PRIVATE LAND MOBILE RADIO SYSTEM, WITHIN THE MEANING OF 47 CODE OF FEDERAL**

REGULATIONS PART 90, WHILE IN THE PERFORMANCE AND SCOPE OF THE OPERATOR'S WORK-RELATED DUTIES AND WHO IS OPERATING A FLEET VEHICLE OR WHO POSSESSES A COMMERCIAL DRIVER LICENSE.

4. AN OPERATOR WHO USES A PORTABLE WIRELESS COMMUNICATION DEVICE EITHER:

- (a) TO REPORT ILLEGAL ACTIVITY OR SUMMON EMERGENCY HELP.
- (b) THAT WAS PERMANENTLY OR TEMPORARILY AFFIXED TO THE MOTOR VEHICLE TO RELAY INFORMATION IN THE COURSE OF THE OPERATOR'S OCCUPATIONAL DUTIES BETWEEN THE OPERATOR AND EITHER:
 - (i) A DISPATCHER.
 - (ii) A DIGITAL NETWORK OR SOFTWARE APPLICATION SERVICE.

D. A PEACE OFFICER WHO STOPS A MOTOR VEHICLE FOR AN ALLEGED VIOLATION OF THIS SECTION MAY NOT TAKE POSSESSION OF OR OTHERWISE INSPECT A PORTABLE WIRELESS COMMUNICATION DEVICE IN THE POSSESSION OF THE OPERATOR UNLESS OTHERWISE AUTHORIZED BY LAW.

E. A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY AS FOLLOWS:

- 1. AT LEAST \$75 BUT NOT MORE THAN \$149 FOR A FIRST VIOLATION.
- 2. AT LEAST \$150 BUT NOT MORE THAN \$250 FOR A SECOND OR SUBSEQUENT VIOLATION.

F. FOR THE PURPOSES OF THIS SECTION:

1. "PORTABLE WIRELESS COMMUNICATION DEVICE":

- (a) MEANS A CELLULAR TELEPHONE, A PORTABLE TELEPHONE, A TEXT-MESSAGING DEVICE, A PERSONAL DIGITAL ASSISTANT, A STAND-ALONE COMPUTER, A GLOBAL POSITIONING SYSTEM RECEIVER OR A SUBSTANTIALLY SIMILAR PORTABLE WIRELESS DEVICE THAT IS USED TO INITIATE OR RECEIVE COMMUNICATION, INFORMATION OR DATA.
- (b) DOES NOT INCLUDE A RADIO, CITIZENS BAND RADIO, CITIZENS BAND RADIO HYBRID, COMMERCIAL TWO-WAY RADIO COMMUNICATION DEVICE OR ITS FUNCTIONAL EQUIVALENT, SUBSCRIPTION-BASED EMERGENCY COMMUNICATION DEVICE, PRESCRIBED MEDICAL DEVICE, AMATEUR OR HAM RADIO DEVICE OR IN-VEHICLE SECURITY, NAVIGATION OR REMOTE DIAGNOSTICS SYSTEM.

- 2. "STAND-ALONE ELECTRONIC DEVICE" MEANS A PORTABLE DEVICE OTHER THAN A PORTABLE WIRELESS COMMUNICATION DEVICE THAT STORES AUDIO OR VIDEO DATA FILES TO BE RETRIEVED ON DEMAND BY A USER.



HANDS-FREE DRIVING

Change Existing City Ordinance Language to
Mirror New State Law

HANDS-FREE DRIVING



- On August 07, 2018, City Council approved Ordinance 2018-025, Prohibiting the Use of Handheld Mobile Telephones or Portable Electronic Devices While Operating A Motor Vehicle on a roadway within the City of Surprise.
- On April 22, 2019, the Governor signed HB2318, Prohibiting the Use of Portable Wireless Devices While Driving – As and Emergency Measure, the new state law became effective immediately – ARS 28-914

OPTIONS



- Municipalities that adopted an ordinance prohibiting this activity prior to April 22nd may:
 - Continue to enforce the existing ordinance and issue citations; or
 - Amend their existing ordinance to mirror HB2318 and levy penalties established by the bill. The warning period does not apply to cities and towns that had a hands-free ordinance in effect prior to April 22.

COMPARISON



- **City Code** – penalizes “use of mobile communication device” while operating a motor vehicle.
- **State Law** – penalizes while operating a motor vehicle:
 - Physically holding or supporting either a wireless communication device OR a stand-alone electronic device;
AND
 - Writing, sending or reading a text based communication
- **Both are Primary Offenses**

EXEMPTIONS - Same



- Both city ordinance and state law exempt:
 - Hands free activities
 - Parked at side of the road
 - Official use by fire, medical and law enforcement
 - Reporting illegal activity or summoning emergency assistance

EXEMPTIONS - Differences



- State exempts FCC operators and work related two-way radio or private land mobile radio; this is an affirmative defense under city code
- State law exempts drivers stopped at a red light or railroad crossing. City code currently DOES NOT exempt this.

PENALTIES



- Both state law and city code are civil violations; however, state law mandates a civil penalty in the amount of:
 - 1st violation – at least \$75 and no more than \$149
 - 2nd and subsequent violation – at least \$150 but no more than \$250
- City code civil penalties are in the amount of:
 - a civil penalty of up to \$250.00 plus any other penalty assessments authorized by law, all in accordance with the provisions of [chapter 2](#), article VI of the Code.



Comments & Questions

Thank you!



CITY OF SURPRISE Regular City Council Meeting

Council Meeting Date: May 21, 2019

Contact Person: Andrea Davis, DIRECTOR -
FINANCE, Holly Osborn, AD - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the adoption of updated Development Fees; Resolution # 2019-61.

Motion:

I move to approve Resolution # 2019-61.

Background:

A.R.S. § 9-463.05 provides in pertinent part that:

A municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development, including costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of a development fee

A.R.S. §9-463.05 further provides that Land Use Assumptions (LUA) and Infrastructure Improvements Plans (IIP) must be updated at least every five years.

The City has complied with all of the notice, publication, and public hearing requirements set forth in A.R.S. § 9-463.05(C) and (D) for updating the City's development fees. Similarly, the City has complied with the substantive legal requirement of, among other things, A.R.S. § 9-463.05(B) in calculating the updated development fees. With this item, City Council will be adopting the updated Development Impact Fees (DIF).

Objective Analysis:

Updates to the City's development fees is required by law and ensures an offset of the costs to the city associated with providing necessary public services to development. t

Policy Compliant:

This action is in compliance with the procedural and substantive legal requirements of A.R.S. § 9-463.05 and is consistent with City and Council Policy which provides that development must offset the

costs to the City associated with providing necessary public services to development.

Financial Impact:

The updated DIF will become effective August 5, 2019.

Budget Impact:

The updated DIF have been incorporated as part of the FY2020 City Manager's Recommended Budget.

FTE Impact:

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

ATTACHMENTS:

1. Resolution 2019-61 Adoption of DIF 052119
-

RESOLUTION # 2019-61

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY
OF SURPRISE, ARIZONA, ADOPTING DEVELOPMENT FEES
PURSUANT TO A.R.S. § 9-463.05.**

WHEREAS, in accordance with A.R.S. § 9-463.05(D)(3), the City of Surprise adopted an updated Land Use Assumptions and Infrastructure Improvement Plan by Resolution # 2019-31 on March 11, 2019;

WHEREAS, in accordance with A.R.S. § 9-463.05(C), the City published a notice of intent to assess development impact fees and the Land Use Assumptions/Infrastructure Improvements Plan adopted pursuant to Section D of A.R.S. § 9-463.05, on March 11, 2019, and a public hearing on development fees was held on April 16, 2019, more than thirty days after the notice of intent and Land Use Assumptions and Infrastructure Improvements Plan was published;

WHEREAS, in accordance with A.R.S. § 9-463.05(C), at least thirty days has elapsed between the public hearing and the adoption of the proposed development fees by this action; and

WHEREAS, the Mayor and Council of the City of Surprise desire to assess development fees to offset costs to the City associated with providing necessary public services to development in accordance with A.R.S. § 9-463.05.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The Development Fees set forth in *Exhibit A* are hereby adopted and will become effective August 5, 2019.

APPROVED AND ADOPTED this ____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

Exhibit A

DEVELOPMENT IMPACT FEES

Grandfathered Facilities are Capital Facilities included in an Infrastructure Improvement Plan or other City planning document, and Impact Fee Study prepared pursuant to applicable law prior to June 1, 2011, and constructed through Financing or Debt for which development impact fees were pledged for repayment prior to June 1, 2011. These previously established development impact fees will continue to be assessed and collected until the associated finance and debt is repaid.

The new Development Impact Study establishes the new development impact fees pursuant to ARS §9-463.05.

Therefore, both Grandfathered and New Impact Fees are assessed and due at the time of building permit issuance for each category listed below.

Land Use Type	Parks		Fire	Police	General Government
	Grandfathered	New			

Residential - Fee Per Dwelling

Single Family Detached	\$785	\$1,060	\$789	\$385	\$235
Multi-Family	\$580	\$647	\$481	\$235	\$143
Mobile Home	\$695	\$594	\$442	\$216	\$132

Nonresidential - Fee per 1,000 sq. ft.

Retail/Commercial		\$32	\$876	\$427	\$261
Office		\$74	\$497	\$243	\$148
Industrial		\$32	\$166	\$81	\$49
Warehouse		\$32	\$95	\$46	\$28
Public/Institutional		\$85	\$308	\$150	\$92

Water System				
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Meter Size (inches)	EDUs/ Meter	SPA 1	SPA 2	SPA 3
0.75	1.00	\$2,985	\$2,836	\$1,865
1.00	1.67	\$4,985	\$4,736	\$2,486
1.50	3.33	\$9,940	\$9,444	\$3,729
2.00	5.33	\$15,910	\$15,116	\$4,972
3.00	10.67	\$31,850	\$30,260	\$7,458
4.00	16.67	\$49,760	\$47,276	\$9,944
6.00	33.33	\$99,490	\$94,524	\$14,916
8.00	53.33	\$159,190	\$151,244	\$19,888

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

Wastewater			
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Meter Size (inches)	EDUs/ Meter	SPA 1	SPA 2
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

Resolution 2011-149, Effective January 1, 2012, Resolution 2014-59, Effective August 1, 2014, Resolution 2017-38, Effective July 10, 2017, Resolution 2019-61, Effective August 5, 2019.



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019
Submitting Department: City Clerk
Staff Recommendations:

Contact Person: Mayor
District: Internal

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

Agenda Wording:

Consideration and action pertaining to disestablishing the Tourism Advisory Commission; Ordinance # 2019-17.

Motion:

I move to approve Ordinance # 2019-17.

Background:

Mayor Skip Hall requested this item be placed on the agenda pursuant to authority granted under Surprise Municipal Code 2-61(c)(1).

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. ORDINANCE 2019-17 Tourism
-

ORDINANCE 2019-17

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, REPEALING CHAPTER 2, ARTICLE VIII, SECTION 2-305, TOURISM ADVISORY COMMISSION; DISESTABLISHING THE TOURISM ADVISORY COMMISSION; AND RESERVING SECTION 2-305 FOR FUTURE USE.

WHEREAS, the Mayor and Council have the authority to establish and disestablish boards, commissions, and committees; and

WHEREAS, the Mayor and Council have determined that a Commission on Tourism, at least in its current form and function, is no longer an imperative Commission of the City of Surprise.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. Surprise Municipal Code Chapter 2, Article VIII, Section 2-305 Tourism Advisory Commission, is repealed in its entirety.

Section 2. The Tourism Advisory Commission is hereby disestablished.

Section 3. Surprise Municipal Code Chapter 2, Article VIII, Section 2-305 is adopted and Reserved for future use.

PASSED AND ADOPTED this ____ day of _____, 2019.

Skip Hall, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019

Contact Person: Robert Wingo, CITY
ATTORNEY

Submitting Department: Mayor and Council

District: Internal

Staff Recommendations: None

Consent: No

Regular: Yes

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to membership in the Surprise Regional Chamber of Commerce and the Chamber's use of City owned real property located at 16626 North Civic Center Plaza.

Motion:

A motion, if any, will be dependent on the conclusions reached by City Council after consideration and discussion.

Background:

The current annual Membership and Services Agreement between the City of Surprise and Surprise Regional Chamber of Commerce expires **June 30, 2019**. Under the current Agreement the City pays annual Membership Dues in the amount of \$25,000. The City has also granted a License to the Chamber for use of approx. 2654 sq. ft. of City owned real property located at 16126 North Civic Center Drive which also expires **June 30, 2019**.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. Chamber Agreement

2. City of Surprise Tiers for 2019

**Annual Membership and Services Agreement
Surprise Regional Chamber of Commerce**

This Annual Membership and Services Agreement ("Agreement") is made by and between the City of Surprise, Arizona (the "City") and the Surprise Regional Chamber of Commerce (the "Chamber").

RECITALS

- A. The Chamber is an independent 501 c(6) not-for-profit organization managed by a volunteer board of directors which is solely charged with developing strategies, programming, and advocacy priorities of the business community, is accountable to its members, and acts in the best interest of the business community.
- B. The Chamber plays an important role in enhancing the image and prosperity of the community through its many activities.
- C. The Chamber represents the business community, particularly the small business community, and other key stakeholders of the City.
- D. The Chamber has unique skills and resources necessary to assist the City in accomplishing its goal of projecting a positive business image of the City of Surprise.
- E. The City understands the value of being a member of the Chamber and wishes to remain a member through this Agreement.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

- 1. **Effective Date; Term.** This Agreement is effective upon execution of the Agreement by the last Party to execute the Agreement and will remain in effect until June 30, 2019, subject to available appropriations for such purpose on an annual basis.
- 2. **Membership Dues.** The City agrees to pay the annual Chamber Membership Dues in the amount of Twenty Five Thousand Dollars (\$25,000) for a Chairman's Circle Gold Membership, and in consideration of the Chamber providing select services as further specified in this Agreement. Membership Dues are payable within 30 days of the effective date of this Agreement.
- 3. **Chamber Obligations; Select Services.** The Chamber will provide the City with Chairman's Circle Gold membership as well as selected Sponsorship support services and perform activities designed to assist the City in maintaining a positive business image. As part of this

support, the Chamber will, subject to City Manager approval provide the following select Membership and Sponsorship services:

a. Chairman's Circle Gold Membership is inclusive of the following services and benefits to the City of Surprise:

- i. **Shop Chamber/Buy Local Campaign.** Per the Chairman's Circle Gold Membership, and in the interest of promoting and stimulating a strong and vibrant local economy, the Chamber will promote City and encourage visitors and residents to support local businesses and provide logo placement on the Chairman's Circle sponsor page of the website.
- ii. **Chamber Events.** Per the Chairman's Circle Gold Membership, the Chamber will permit the City of Surprise to sponsor, at no cost, up to three Chamber membership events and, depending upon the event, will provide the City one table or ten tickets, at the City's election, to these events. The City will be permitted to present to the Chamber membership during up to three (3) events, including a breakfast, lunch, Women in Business event, seminar or other business education program during the term of this Agreement. The Chamber will handle all event registration and event promotion, and will solicit sponsors and partners for each such event. The Chamber and City will jointly select business seminar presenters to insure quality and value to the City and Chamber members.
- iii. **Chamber Business Directory.** Per the Chairman's Circle Gold Membership, the Chamber will include the City in the Chamber Business Directory and provide City of Surprise logo placement on the Chairman's Circle sponsor page, all at no additional cost to the City.
- iv. **Visitor and Tourism Center.** Per the Chairman's Circle Gold Membership, the Chamber will provide the opportunity for the City to display flyers and brochures provided by the City at the Visitor Center, at the election of the City. This is inclusive of Chairman's Circle logo placement provided for the City of Surprise on the sponsor page for the Visitor Guide and Visitor Map.
- v. **Misc. Programs and Activities.** In addition to the above, the Chamber will provide the City access to additional programs and activities including, but is not limited to, the following:
 1. The City, at its election, will have the opportunity for City staff to actively engage and participate in Chamber events and committees as part of the City's membership.
 2. The Chamber will maintain a close working relationship with the City to identify needs in the business community, provide input for business-related legislation, and foster and support legislation that is mutually beneficial to the business community and the City.

3. The Chamber will refer inquiries it receives from businesses interested in locating to or expanding within the City to the City's Economic Development Department.

b. Sponsorships in which the City of Surprise will be participating include:

- i. **State of the City Event Sponsorship.** The City of Surprise will partner with the Chamber in the implementation of the City's annual State of the City event. The Chamber will assist in the city's annual State of the City event by providing volunteers to assist with event registration, staffing, and event promotion, in addition to other reasonable event requests as needed.
 - ii. **Ribbon Cutting Assistance for Surprise Businesses Sponsorship.** The Chamber will assist the City with ribbon cutting events as requested by the City by directing the event (providing ribbon and scissors, etc.) and providing volunteers to assist with directing and enrolling guests. The Chamber will promote each ribbon cutting event to Chamber membership and Chamber event registration services at no additional cost to the City.
 - iii. **Sale of City Merchandise / City Store Sponsorship.** The Chamber will continue its current practice of displaying and selling City merchandise at the Chamber main office, allocating no less than 15 square feet for this purpose. City merchandise will be available for sale during the Chamber's normal business hours. All City merchandise will be supplied by the City. The parties anticipate expanding and modifying the current sale of merchandise and anticipate negotiating a more specific vendor agreement in the future.
 - iv. **Additional Sponsorship Services:** On a mutually agreed upon basis up to three (3) times per year, the Chamber will provide periodic roundtables, mixers, special meetings, community outreach, and other activities, programs, and initiatives as needed and requested in a timely fashion by the City. City will provide sponsorship fees, both cash and in-kind, to cover these events.
- c. Reporting.** The Chamber will provide at least quarterly business updates to City staff and annual business updates to the City Council.
4. **City Support; Obligations:** The City will support Chamber programs and activities to promote the success of the Chamber as more specifically set forth below.

- a. **Facility Use License:** The City will grant the Chamber a license to use 2,654 square feet of City owned property located at 16126 N. Civic Center Drive as set forth in the License Agreement attached hereto as Exhibit A. The duration of any license granted under this paragraph is at the City's sole discretion and may be terminated by the City at any time and for any reason.
- b. **Promotional Tables:** The City will provide the Chamber access to space for no more than two (2) promotional tables, booths or other mutually agreeable method of participation at City-managed Signature Events, and space for a single table or booth at mutually agreeable Spring Training games subject to availability.
 - i. "Signature Events" for purposes of this paragraph means the Surprise Party, the Surprise Fiesta Grande, 4th of July Party, Spring Eggstravaganza, or similarly sized City event, but does not include Spring Training games. The City will provide the Chamber with Signature Event information for participation no less than 30 days in advance of an event.
 - ii. A minimum of 15 Spring Training games will be selected by the Chamber for participation and distribution of visitor guides and chamber literature. The City agrees to provide the Spring Training schedule to the Chamber no less than 30 days in advance of the first game of the season.
 - iii. Promotional tables may be used to promote the Chamber, Surprise Visitor Center, Buy Local Campaign, and Chamber membership. Promotional tables may not be used by local businesses to occupy, host, promote, or distribute sample products, collateral, coupons, etc.
 - iv. The Chamber will be solely responsible for all costs associated with the promotional table under this subsection, including, but not limited to the cost of promotional material and staffing of the booth/table.
- c. **Spring Training Mixer:** Subject to availability, the City will provide without cost to the Chamber 150 plaza tickets, 150 non-alcoholic drink tickets, and one (1) suite (no food) to a single mutually agreed upon Spring Training game. Tickets will be held at Will Call on the day of the event. The City will provide no food, beverage or other amenity. Except as specifically provided in this subsection, all costs will be borne exclusively by the Chamber, including all event food and beverage. Any caterers used for the event must be mutually agreed upon by the parties and comply with any catering agreements applicable to the facility.
- d. **Spring Training Breakfast:** An annual Spring Training Breakfast with the Chamber will be held at the Surprise Recreation Campus during the month of March. The date and time during the month of March will be mutually agreed upon and may not conflict with other Spring Training events. The Community Recreation Services (CRS) Department will provide a catered breakfast for no more than 200 attendees at no cost to the Chamber. Costs associated with additional attendees will be paid by the

Chamber in an amount mutually agreed by the parties. The Chamber will provide appropriate staff for check-in, raffle table, or similar Chamber activity. The Chamber will operate the raffle and other Chamber activities at its sole cost.

- e. **Use of the AZ TechCelerator:** Subject to availability, the Chamber is invited to use the presentation room at the AZ TechCelerator located at 12425 West Bell Road, Surprise, for no more than four (4) small business and start-up business education events at no venue cost. All other costs will be borne exclusively by the Chamber.
 - f. **Chamber Legacy Event:** City will sponsor a single table at the Chamber annual Legacy event at its cost.
 - g. **Directional Signage:** Within City Hall, the City will install signs that direct customers to the City Store managed by the Chamber.
5. **Notification:** Communications and notifications regarding this Agreement and performance of its terms by the parties must be in writing. Notices will be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section.

To the City: City Manager
 City of Surprise
 16000 North Civic Center Plaza
 Surprise, Arizona 85374

With copies to: Office of Economic Development
 City of Surprise
 16000 North Civic Center Plaza
 Surprise, Arizona 85374

 City Attorney's Office
 City of Surprise
 16000 North Civic Center Plaza
 Surprise, Arizona 85374

Chamber: President
 Surprise Regional Chamber of Commerce
 16126 North Civic Center Drive
 Surprise, Arizona 85374

6. **Miscellaneous Provisions:**

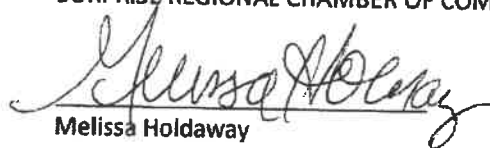
- a. **Relationship of the Parties.** It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other for any purpose whatsoever.
- b. **Indemnification.** To the fullest extent permitted by law, the Chamber will indemnify, defend and hold harmless the City and each council member, officer, board, commission, officers, officials, employee, volunteer, or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, claims processing, investigation, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or in connection with the negligent or willful acts or omissions of work or professional services of the Chamber, its officers, employees, agents, volunteers or any tier of subcontractor in the performance of this Agreement.
- c. **Applicable Law; Venue.** The Chamber will abide by and conform to any and all laws of the United States, State of Arizona and City of Surprise, including but not limited to, federal and state executive orders providing for equal employment, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this Agreement. This Agreement is governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in the State of Arizona. Venue will be in Maricopa County, AZ proper.
- d. **Termination:** Either party may terminate this Agreement, with or without cause, upon thirty (30) days written notice to the other Party.
- e. **Conflict of Interest.** This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511.
- f. **Assignment.** No right or interest in this Agreement may be assigned by the Chamber without prior, written permission of the City, approved by the City Council.
- g. **Rights and Remedies.** No provision in this Agreement may be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law will not release the Chamber from any responsibilities or obligations imposed by this Agreement or by law, and will not be

deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

- h. **Conflicting Terms.** In the event of a conflict between the Exhibits and this Agreement, the terms of the Exhibit will govern.
- i. **Attorneys' Fees.** In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party is entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which will accrue on the commencement of such action and will be enforced whether or not such action is prosecuted through judgment.
- j. **Compliance with Federal Immigration Laws and Regulations.** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214.A. Contractor acknowledges that pursuant to A.R.S. § 41-4401, a breach of this warranty is a material breach of this Agreement subject to penalties up to and including termination of this Agreement, and that the City retains the legal right to inspect the papers of any employee who works on the Agreement to ensure compliance with this warranty.

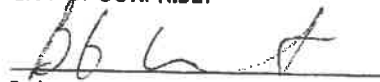
IN WITNESS WHEREOF, the parties have entered into this Agreement on the date first written above.

SURPRISE REGIONAL CHAMBER OF COMMERCE:

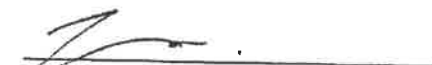

Melissa Holdaway
2015 Chairman of the Board


Raoul Sada
President & CEO

CITY OF SURPRISE:


Bob Wingenroth
City Manager

APPROVED AS TO FORM:


Interim City Attorney

LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into this _____ day of _____, 20____, by and between the City of Surprise, a political subdivision of the state of Arizona ("City") and the Surprise Regional Chamber of Commerce, an Arizona Corporation ("Chamber").

1) DEFINITIONS.

Activity means the operation of a not for profit entity organized under IRS Code §501(c) providing an association or network of businesses dedicated to furthering the interest of local business and engagement within the community.

Chamber means the Surprise Regional Chamber of Commerce.

Common Area means those areas in and on the Premises intended by the City to be available for the use, benefit, and enjoyment of all occupants of the Premises.

License means permission from the City to occupy the Premises, subject to the terms and conditions of this Agreement.

City means the City of Surprise, Arizona.

Premises means the City owned property located at 16126 N. Civic Center Drive, Surprise, Arizona depicted in the attached Exhibit A.

User/occupant means an individual or entity having permission by the City to be on, in and around the Premises.

2) LICENSE GRANTED.

a) The Chamber is hereby granted a License to the exclusion of all others except the City, as detailed herein, to two thousand six hundred and fifty four (2654) square feet of the Premises (collectively, the "Licensed Area"), as depicted in Exhibit A. More specifically, the Licensed area consists of the following:

a) The one thousand eight hundred and seventy (1870) square foot space referred to as the Classroom"; and

b) The seven hundred and eighty four (784) square foot space referred to as the "Office Space".

- b) The Chamber is hereby granted a non-exclusive License to use the Common Areas in common with all other occupants and authorized users of the Premises.
 - c) Nothing in this Agreement may be construed as granting the Chamber the authority to use any property that is owned by any person or entity other than the City.
 - d) The Chamber's rights in the Licensed Area are limited to those created by this Agreement, which creates only a revocable license in the Premises. The parties do not by this instrument intend to create a lease, easement, or other real property interest. The Chamber has no real property interest in the Premises whatsoever.
 - e) The License under this Agreement will expire at midnight, June 30, 2019.
- 3) **"AS IS".** The Chamber has studied and inspected the Licensed Area and accepts the same "AS IS" without any express or implied warranties of any kind, including any warranties or representations by the City as to its condition or fitness for any use. The Chamber has inspected the Licensed Area and its environs and obtained such information and professional advice as the Chamber has determined to be necessary related to this Agreement.
- 4) **Limitations of Use.**
- a) The Chamber must:
 - i) Comply with all directions and conditions given by the City.
 - ii) Ensure that the use of the premises conforms to the Activity described in this Agreement.
 - iii) Provide adequate security, traffic, and safety measures for its Activity, including any measures identified by the City.
 - iv) Keep the Licensed Area in a neat, sanitary, and orderly condition, free of debris, and not deposit or allow others to deposit trash, waste, or debris within Common Areas except within designated receptacles.
 - v) Sweep and keep free of refuse the sidewalks and areas immediately adjacent to the Premises.
 - vi) Adequately supervise the Activity.
 - vii) Obtain and pay for any necessary business licenses and permits, including licenses and permits required to distribute food, sell goods, and conduct business, as applicable.

- viii) Comply with all applicable federal, state, and local laws, rules, regulations, and guidelines, including regulations and guidelines issued by the City, and includes compliance with all applicable federal, state, and local nondiscrimination laws, including Title VII of the 1964 Civil Rights Act and the Americans with Disabilities Act of 1990.
- ix) Pay any and all applicable taxes, exactions, licensing/regulatory fees or similar costs.
- b) The Activity must not:
 - i) Present a clear and present danger to public safety or to the peace and welfare of the community, the county and/or the state.
 - ii) Present a danger of damage to public or private property.
 - iii) Constitute a public nuisance.
 - iv) Provoke or add to a public riot or breach of peace.
 - v) Damage or otherwise reduce the fair market value of the Premises.
- 5) **Posting and Distribution of Signs.** The Chamber must not post temporary or permanent signs, banners, pennants, etc. on the Premises without prior written consent of the City. All expenses in connection with the operation and maintenance of any sign approved by the City must be paid by the Chamber. Any signs of the Chamber not in conformity with this Agreement, and any signs remaining at the termination of the License must, upon City's demand, be immediately removed by the Chamber at its expense, and the Chamber must promptly repair any damage to the Premises resulting from such removal. The Chamber should report all maintenance needs and maintenance emergencies to the Facilities Help line at (623) 512-2308.
- 6) **Building Maintenance, Repair of Premises by City; Inspection.** The Chamber must permit the City to inspect the Premises at any time to (a) ensure compliance with this Agreement, and/or (b) evaluate building maintenance and repair needs. The Chamber must cooperate with the inspection. The City may enter the Premises upon reasonable notice to perform building maintenance and repairs of the Premises. Reasonable notice under this section means at least 2 business days. The City will have the right, but not the duty, to make repairs to the Premises. Notwithstanding the above, building maintenance or repairs requested by the Chamber will be at the City's sole discretion.
- 7) **Liens.** The Chamber must keep the Premises, and any improvements and fixtures thereon, free from any liens arising out of work performed, material

furnished, or obligations incurred due to the Chamber's actions, or the failure of the Chamber to comply with any law. However, the Chamber may execute security interests in personal property subordinate to any City's lien rights. In the event any such lien does attach against the Premises, building, or land, and the Chamber does not discharge the lien or post bond (which under law would prevent foreclosure or execution under the lien) within ten (10) days after demand by the City, such event shall be a default by the Chamber under this License and, in addition to the City's other rights and remedies, the City may take any action necessary to discharge the lien. The Chamber must pay the City upon demand all costs or expenses (including reasonable attorney's fees and costs, whether or not suit be instituted) incurred by the City by reason of attachment or discharge of such lien and must indemnify, defend and hold the City harmless for, from, and against any and all liability, claims, or losses arising out of attachment of such lien.

8) Operating Costs

- a) Utilities. The City will furnish heat, air conditioning, electricity and water. All other utilities costs for the Licensed Area will be furnished by the Chamber.
- b) Landscape. The City is responsible for the maintenance and replacement of Trees and other vegetation on the Premises.

9) Premises Improvements by Chamber.

- a) The Chamber may make improvements to the Premises under the following limitations:
 - i. All improvements, repairs, installation and other construction, removal, demolition or similar work of any description by the Chamber to the Premises ("Improvements") must be designed, purchased, installed, constructed and completed at the Chamber's sole expense. In no event will the City be obligated to compensate the Chamber in any manner for any Improvements to or on the Premises.
 - ii. All Improvements must be authorized by the City in writing prior to any work being performed; such authorization will not be unreasonably withheld, conditioned or delayed. The Chamber must submit plans, as directed by the City. No plans are be deemed approved until stamped "APPROVED, " dated and signed by the Surprise City Manager.
 - iii. Improvements must be high quality, safe and attractive in appearance, and designed so as to present uniformity of design, function, and consistency with other improvements located on the Premises.

- iv. Improvement plans must include all improvements, equipment, fixtures, paint, and other construction work of any description. All such plans and construction are subject to inspection and final approval by the City as to colors, materials, site plan, design, function, and appearance.
 - v. All Improvements must be done in a workmanlike manner, as reasonably determined by the City, and must be diligently pursued to completion and in conformance with all building codes and similar regulations.
 - vi. The Chamber is responsible to secure all necessary regulatory approvals and to satisfy all governmental requirements pertaining to the Improvements. The City's issuance of building permit/s does not constitute approval of any plans for purposes of this Agreement. This approval is in addition to the approval required in § 9(a)(ii) of this Agreement.
- b) Prior to the commencement of any construction or installation of any Improvement on the Premises, the Chamber must provide the City with payment and performance bonds in amounts equal to the full amount of the written construction contract/bid pursuant to which such construction or installation is to be done. The payment bond is solely for the protection of claimants supplying labor or materials for the required work and the City, conditioned upon the faithful performance of the required work. Each bond must be executed by a surety company duly authorized to do business in Arizona and acceptable to the City.
 - c) Chamber acknowledges that as of the effective date of this Agreement, the City has not approved or promised to approve any Improvements.
 - d) A copy of as-built records of Improvements must be provided to the City, at no cost to the City, upon completion of the Improvements, and a separate copy kept and maintained by the Chamber.
 - e) All Improvements become the property of the City.

10) Fixtures; Personal Property.

- a) All personal property that is not permanently affixed to the Premises, remain the property of the Chamber and must be removed by the Chamber, at the Chamber's sole expense, not later than: (i) the expiration date of this License; or (ii) within 10 business days of the termination of this Agreement, whichever is earlier, provided the Chamber is not in default of this Agreement. Upon failure of the Chamber to remove its

personal property, the same will be deemed abandoned and will become the property of the City.

- b) Movement personal property by the Chamber, its employees, officers or agents in, around, into, or out of the Premises are entirely at the risk of the Chamber.
- c) All cabinetry, built-in appliances, wall coverings, floor coverings, window coverings, electrical and plumbing fixtures and conduits, lighting, and other special fixtures that may be placed upon, installed in, or attached to the Premises is the property of the City and must remain upon and be surrendered with the Premises, without disturbance, molestation, or injury unless designated by the City to be removed, in which case the Chamber must remove the same at the Chamber's own cost without injury to the Premises not later than: (i) the expiration date of this License; or (ii) within 10 business days of the termination of this Agreement, whichever is earlier, provided the Chamber is not in default of this Agreement. Upon failure of the Chamber to remove its personal property, trade fixtures, and moveable furniture, the same will be deemed abandoned and will become the property of the City.

11) Use Restrictions. The following are prohibited at all times on the Premises:

- a) Use of the Premises for other than the Activity;
- b) Use of the Premises by others for any purpose;
- c) Use or possession of alcohol or other intoxicants, except pursuant to a lawfully obtained permit or license;
- d) Gambling, bingo, lotteries, etc.;
- e) Smoking; fires, grills, open flames or flammable material (other than flammable material used for the Activity);
- f) Weapons/firearms/ammunition;
- g) Personal or private celebrations (birthday/anniversary celebrations, wedding receptions, and other similar activities);
- h) Excessive noise.

12) Termination/Modification. Upon written notice to the Chamber, the City may (1) deny the requested use; (2) unilaterally terminate or modify this

Agreement; and/or, (3) preclude the Chamber from future use of the Premises for any of the following reasons:

- a) the Chamber, or any person acting under the Chamber's authority, misused, damaged, or destroyed property on the Premises;
- b) the Chamber or any person acting under the Chamber's authority provided false or misleading information to the City, including false or misleading information about the Chamber or the proposed Activity;
- c) the City assessed damages against the Chamber or any person acting under the Chamber's authority;
- d) the City deems the Activity inappropriate for the Premises, inconsistent with the size, location, and available services at the Premises, or inconsistent with public health, safety, or welfare standards;
- e) The Chamber or any person acting under the Chamber's authority failed to fully complete or comply with the Agreement or a previous Agreement.

Modification or termination of this Agreement is effective 30 business days after the notice is issued, unless a different time is given in the notice. The City is not responsible for the Chamber's losses as a result of termination or modification under this section.

13) Surrender of Premises; Restoration of Premises. Upon expiration of this Agreement, or upon the earlier termination of this Agreement, the Chamber must surrender the Premises in good order and condition, reasonable wear and tear and casualty damage excepted, and deliver all keys to the City. The Chamber must restore the Premises, at the Chamber's sole expense, to its prior condition upon completion of its use and prevent the waste or deterioration of the Premises.

14) Accidents or Damage.

- a) The Chamber must give the City prompt written notice of any accidents or injury upon, or damage to, the Premises as soon as practicable, but no later than 3 business days after the occurrence necessitating the notice. Notice under this section must be delivered to the City Manager.
- b) The Chamber is financially responsible for any loss, personal injury, death, or any other damage (including incidental and consequential) arising from the exercise by it, or any person acting under the Chamber's authority, of the right of access under this Agreement, or arising out of a breach of this Agreement by the Chamber. The City will determine the dollar amount in the case of property damage to the Premises and will charge the Chamber

accordingly. The Chamber must reimburse the City for any damage to the Premises within 30 calendar days after notice from the City.

15) Indemnification. The Chamber agrees to indemnify, defend, and hold harmless the City, its elected or appointed officials, agents, boards, commissions, employees, volunteers and agents (hereinafter referred to collectively as the "City" in this section) from any claim, loss, injury, liability, damage, lien, cost or expense, including reasonable attorneys' fees and litigation costs, arising from the use of the Premises by the Chamber, by any person acting under the Chamber's authority, or by any person on the Premises in relation to the Activity the Chamber conducts in or on the Premises, or arising out of a breach of this Agreement by the Chamber. The Chamber's foregoing responsibility to indemnify, defend, and hold harmless the City extends to any incidents resulting from the failure to use caution while on the Premises. The City must in all instances, except for loss, damages, or claims resulting from the sole negligence or fault of the City, be indemnified by the Chamber against all such loss, damages, or claims, regardless of whether the loss, damages, or claims are caused in part by the negligence or fault of the City. The City will give the Chamber prompt notice of any claim made or suit instituted that may subject the Chamber to liability under this section, and the Chamber will have the right to compromise and defend the same to the extent of its own interest. The City will have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of the City's selection without relieving the Chamber of any obligations hereunder. This agreement to indemnify and hold harmless will survive expiration and termination of this Agreement.

16) Insurance. The Chamber must procure and at all times maintain the following types and amounts of insurance for its Activity on the Premises:

- a) Commercial general liability and property damage insurance in the amount of \$1,000,000 combined single limit and \$2,000,000 aggregate.
- b) Such other insurance as the City determines to be necessary for the Chamber Activity.

Such insurance must be in a form, from a company, and with deductibles acceptable to the City; must name the City as an additional insured; and must require 30 days written notice to the City before modification or termination. The insurance must also include contractual liability coverage for the obligation of indemnity assumed in this Agreement. The Chamber must provide appropriate certificates of insurance to the City for all insurance policies required by this Section. This insurance section will survive expiration and termination of this Agreement.

17) Release. The Chamber releases the City from all claims and demands of any kind which the Chamber has had, claims to have had, or might subsequently accrue, arising from the exercise by the Chamber, or any person acting under the Chamber's authority, of the right of access under this Agreement or arising out of a breach of this Agreement by the Chamber. The City does not accept responsibility for any equipment or personal property left, stored, or used on the Premises. This release does not include any claim arising out of the intentional misconduct of the City, elected or appointed officials, agents, boards, commissions, employees, volunteers, and agents. This release will survive the termination of this Agreement.

18) Notice. All notices required or permitted to be given under this Agreement may be personally delivered or mailed by certified mail, return receipt requested, postage prepaid, to the following addresses:

To the City: City Manager
 City of Surprise
 16000 North Civic Center Plaza
 Surprise, Arizona 85374

With a copies to: Office of Economic Development
 City of Surprise
 16000 North Civic Center Plaza
 Surprise, Arizona 85374

 City Attorney's Office
 City of Surprise
 16000 North Civic Center Plaza
 Surprise, Arizona 85374

Chamber: President
 Surprise Regional Chamber of Commerce
 16126 North Civic Center Drive
 Surprise, Arizona 85374

19) Other Important Provisions.

- a) Modification. Any amendment of this Agreement must be in writing, signed by the parties.
- b) Severability. Whenever possible, each provision of this Agreement must be interpreted in such a manner as to be valid under applicable law. But if any provision of this Agreement is deemed invalid by a court of competent jurisdiction, that provision must be severed, and the remaining provisions must otherwise remain in full force and effect.

- c) Entire Agreement. This Agreement constitutes the entire agreement between the parties. All terms and conditions contained in any other writings previously executed by the parties, and all prior and contemporaneous arrangements and understandings between the parties, are superseded by this Agreement. No agreements, statements, or promises about the subject matter of this Agreement are binding or valid unless they are contained in this Agreement.
- d) Applicable Law; Litigation Costs. This Agreement is to be governed by, and construed and enforced in accordance with, the laws of the State of Arizona without regard to its conflict of laws principles. For purposes of litigation involving this Agreement, exclusive venue and jurisdiction must be in the Maricopa County Superior Court. In the event of any litigation between the parties arising under this Agreement, each party will bear its own cost of attorney's fees, expert witness fees, and other costs incurred in connection with such litigation.
- e) Headings and Construction. Descriptive headings are inserted only for convenience and do not affect the meaning of any provision. Where the context requires, the singular must be construed as the plural, and neuter pronouns must be construed as masculine and feminine pronouns, and vice versa. This Agreement must be construed according to its fair meaning and any rule of construction to the effect that ambiguities are to be resolved against the drafting party do not apply in the interpretation of this Agreement.
- f) No Agency. This Agreement does not make either one of the parties, its officers, employees or agents, an officer, employee or agent of the other party.
- g) No Partnership; Third Parties. This Agreement does not create any partnership, joint venture or other arrangement between the parties. This Agreement is not for the benefit of any non-party, and no third party has any right or cause of action under this Agreement.
- h) Warranty of Authority. The persons executing this Agreement warrant that they are authorized by the respective Party whom they represent to execute this Agreement.
- i) Effective Date. This Agreement is effective after it is signed by all Parties.
- j) Transfer. The Chamber may not transfer this Agreement by assignment, sublease, or otherwise without the express written consent of the City.
- k) No Encumbrances. The Chamber cannot encumber the Premises or any Improvement to the Premises/Premises in any way.

- l) Prior Appropriations. Chamber understands that the continuation of this Agreement is subject to the budget of the City providing for the contract item as expenditure. The City cannot assure that the budget item for funding this Agreement will be approved in the future. In such event, the City may terminate this Agreement.

By signing below, the undersigned affirms that he/she has the authority to sign on behalf of the Chamber and the City, and that the undersigned has read, understands, and agrees to the provisions of this Agreement. The undersigned further declares that all of the information provided is true and complete and authorizes City to verify this information. The undersigned understands that if any information provided to the City regarding the Activity to be conducted on the premises is false, City may immediately terminate the use, and preclude the Chamber from future use of the Premises. It is further understood and agreed that any other person scheduling space on behalf of the Chamber agrees to abide by the terms and conditions of this Agreement.

On behalf of the Chamber:

On behalf of the City:

Raul E. Seda, CEO 12/7/2015
Signature date

[Signature] R. Wolcott 12-01-15
Signature date

Raul E. Seda
Printed name

Sharon Ryan Wolcott 12-01-15
Printed name

City of Surprise Membership Packages

	Community Stakeholder	Community Investor	Community Partner	Community Benefactor	Community Sponsor	
Investment Level	\$50,000	\$25,000	\$15,000	\$5,000	\$2,500	Pro Bono Rent
Membership Dues						
Included in Package (Community Stakeholder)	Yes	Yes	Yes	Yes	Yes	
Department Level Memberships: Includes two complimentary tickets to every Chamber Convener event, a separate listing in the Chamber's on-line directory, search engine optimization services for the listing and more. Best for Parks & Rec., Sports and Tourism, etc.	5	3	1			
Board						
Nomination submitted for ex-officio board position	Yes	Yes	Yes	Yes	Yes	
Branding						
Logo on Chamber website	Yes	Yes	Yes			
Logo on Chairman Circle banner displayed at Convener events	Yes	Yes	Yes			
Chamber Online Gift Shop						
Online Gift Shop co-branded as City Store with separate collection of merchandise displaying City logo						Yes
Number of City merchandise items for display in the online store. (No inventory requirements, no staffing requirements, no monthly fees, and 100% of the royalties support the mission of the Chamber)	40	20	10	5	3	20
Online Gift Shop: Signage and website directing visitors to other locations for gifts and souvenirs as identified by City.						Yes
Convener Events for Community Investors and Stakeholders						
Convener Events: VIP Reserved Tables	2					
Convener Events: Complimentary tickets per event for elected officials and staff (typically have 4-6 events per year)	20	10	5	2		
Shop Surprise (BRE Program)						
Shop Surprise Presenting Sponsor: The City acquires the ability to place the "Presented by" within the name of the award-winning program. For example: "Shop Surprise presented by the City of Surprise"	Yes					
Shop Surprise Partner Sponsorship: Logo on Shop Surprise Webpage and promotional material		Yes				
SMS broadcast privileges for community surveys, general announcements, and signature event promotions	15	8	4			
Grand Openings						
New Business Opening Notifications: Every time a business completes a Chamber grand opening form, up to three city departments will be electronically notified.	Yes	Yes	Yes	Yes	Yes	
Free use of grand opening/ribbon cutting equipment (banners, ceremonial shovels/hardhats, PA system, etc.) as requested by Economic Development (for non-chamber members)	25	10	5	3	2	
Economic Development Office						
Chamber will attend visitations to companies with Economic Development staff (BRE calls, climate surveys, etc.)	25	10	5	2		
Tourism and Visitor Center						
www.VisitNWValley webpage will contain hyper-text link taking user from Chamber's website to the City.						Yes
NW Valley Visitor Center: Promotional materials/brochures displayed in Visitor Center	5	4	3			Yes
Rev 5/3/2019						



CITY OF SURPRISE
Regular City Council Meeting

Council Meeting Date: May 21, 2019

Contact Person: Robert Wingo, CITY
ATTORNEY

Submitting Department: Legal

District: Citywide

Staff Recommendations:

Consent: No	Regular: No	Public Hearing: No	Report/Discussion: No
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Agenda Wording:

Consideration and action to enter into executive session for the purpose of discussion or consultation with attorneys in order to receive legal advice, and to provide instruction regarding the Council's position pertaining to the lease of real property under the Chamber of Commerce contract(s) pursuant to A.R.S. 38-431.03(A)(3), (4), and (7).

Motion:

I move to recess into executive session for the purpose noticed.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:
