

# **Infrastructure and Services Plan**

## **PLH Storey Annexation**



Prepared by:

Development Services

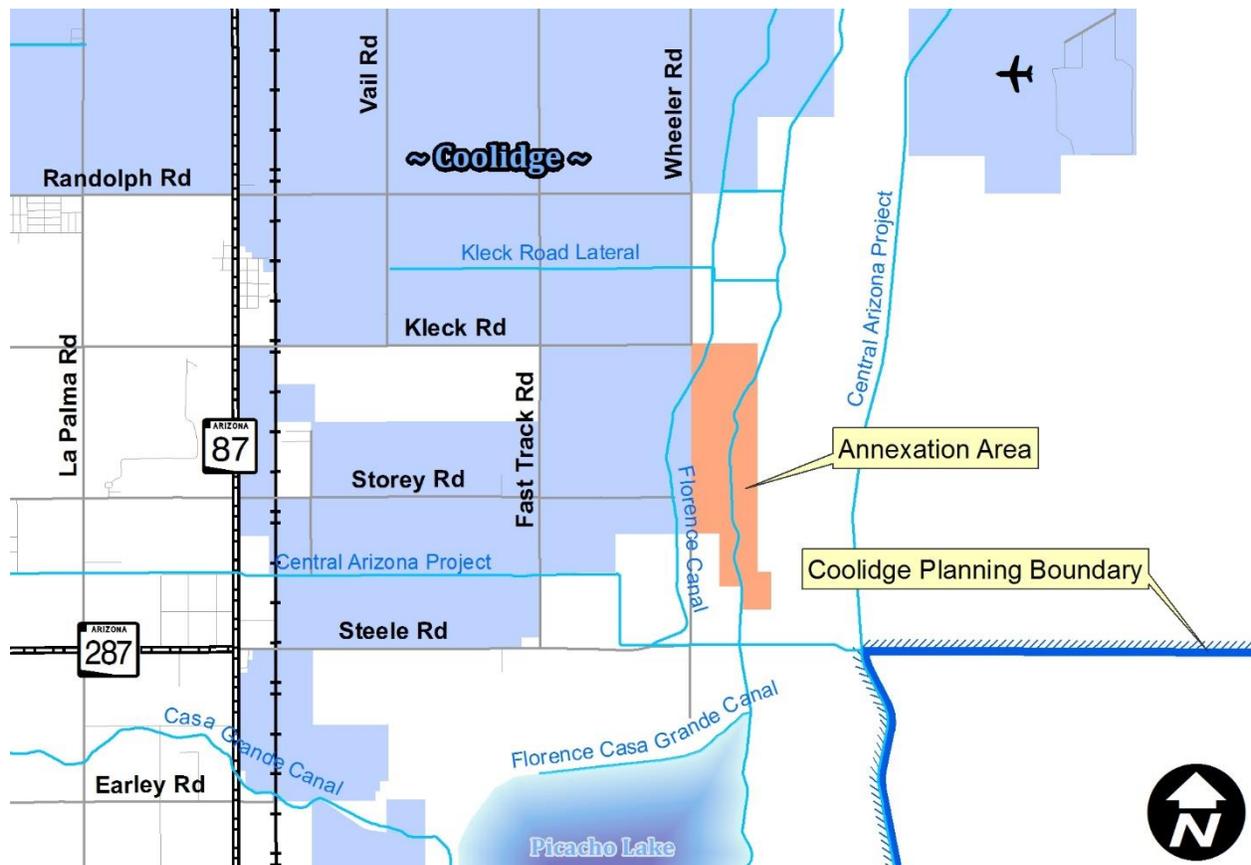
April 20, 2018

In accordance with Arizona Revised Statutes Section 9-471.O, on or before the date the governing body adopts the ordinance annexing territory, the governing body shall have approved a plan, policy or procedure to provide the annexed territory with appropriate levels of infrastructure and services to serve anticipated new development within ten years after the date when the annexation becomes final.

This Infrastructure and Services Plan has been prepared by the Development Services for the proposed PLH Storey Annexation. The Mayor and City Council directed City staff to record an Annexation Petition with the Pinal County Recorder's Office which was done on June 12, 2017. Within the last ten days of a thirty day waiting period, following the date of recording, the City Council held a public hearing to receive comments from affected property owners within the territory to be annexed and anyone else that wanted to comment on the proposed annexation. This Public Hearing was held on July 10, 2017.

Exhibit 1 below illustrates the boundary of the proposed annexation. This boundary is located within the City of Coolidge Planning Area Boundary as defined in the City of Coolidge General Plan 2025 which was approved by the voters in the General Election on November 4, 2014.

### EXHIBIT 1



The following pages provide a discussion about the City of Coolidge existing City services and how those services will be extended to the annexation area within ten years of the effective date of the annexation. First, it is important to provide a basic description of the proposed annexation area as it currently exists.

The PLH Storey Annexation Area Facts are as follows:

Total land area within the annexation area – 432.6 acres more or less

Number of residential dwelling units – 0

Number of non-residential structures – 0

Total number of property owners (latest County record) – 4

Miles of County maintained paved roads – 0

Miles of County maintained unpaved roads – 0

Number of Building Permit Applications last twelve months: 0

Number of Traffic Accidents reported last year – 0

Number of Crimes against Property reported last year – 0

Number of Crimes reported against persons last year – 0

Other police activity in the area last year - 0

Total Assessed Value: \$248,669

**CITY SERVICES:**

**Police**

The Coolidge Police Department is currently allotted 33 full-time sworn officers to cover all of Coolidge. When fully staffed, the agency is comprised of: 3 command staff supervisors, 6 sergeants, 17 patrol officers, 3 general detectives, 2 task force detectives, 1 school resource officer and 1 training officer. The Department has 13 full-time civilian personnel who staff dispatch, records, property and evidence and administration assistance. In 2017, the Coolidge Police Department responded to 26,422 calls for service. Currently, the police department has five patrol teams, each supervised by a sergeant and staffed by assigned officers, and a detective unit staffed by a sergeant and three detectives. The teams actively promote a Community Policing philosophy by meeting with neighborhood groups and businesses to build partnerships for solving crime and addressing quality of life issues. Gain Night, held every year in October, is a great example of this effort in action.

The proposed annexations would increase the geographic area served but the population increase resulting from the annexation would be zero as the area is active agricultural land. The proposed annexation area is located in the southern part of the Coolidge

planning area. In order to properly staff the new annexed area, the City researched the number of calls for service in the annexation area for 2017 with the number of calls for service within the current corporate limits of Coolidge. The PLH Storey annexation area had zero (0) calls for service in 2017. Assuming the number of calls for service will remain the same or increase slightly, it will add minimally to the current number of total calls for service.

## **Fire**

The Coolidge Fire Department provides Fire response with deployment resources made up of: four (4) Engines (1) Ladder Truck, (1) Light Rescue, (1) Water Tanker and (2) Command Vehicles with the staffing listed below. American Medical Response provides emergency medical transport. The Coolidge Fire units are strategically located to provide a rapid and safe response within the City limits. All emergency requests for assistance are handled through the 911 emergency call system and Coolidge emergency units are dispatched by the City of Coolidge.

The Fire Department staffs Basic Life Support (Firefighter/ EMTs) on all Coolidge units and supplements the AMR Ambulance Paramedics with Basic Life Support certified Firefighters.

Emergency service levels provided by the Fire Department include: fire suppression, emergency medical/pre-hospital care, emergency extrication, hazardous materials response, technical rescue, and assist other city agencies as requested. In 2017 the Coolidge Fire Department responded to 1635 emergency calls for service.

Non-Emergency services provided by the Fire Department include: public education service, EMS prevention and education, stand by and participation in City and school events, fire prevention and safety education, blood pressure monitoring at Fire Stations, customer service and fire plan reviews and inspections.

The Coolidge Fire Department has a fulltime Fire Chief and four (4) full time Firefighter/EMTs that work 7 days a week from 8am to 8pm. During these hours we have the ability to activate a Volunteer Firefighter response. To round out a 24 hour/7 day a week response all calls for service outside the 7 days a week from 8am to 8pm are handled by a Reserve Firefighter response.

(2) Engines Companies, (1) Ladder Company, (1) Light Rescue, (1) Water Tanker and (1) Command Vehicle are housed at Fire Station #1 located next to Coolidge City Hall. Any responding unit would be backup additional responding unit(s) in the event additional units are needed. If the Ladder or second Engine is on another emergency or unavailable a Ladder or engine from a mutual aid partner will respond. EMS incidents will have an ambulance dispatched.

Fire Station #2 is staffed as needed and houses (2) Engine Companies. Station #2 will increase staff when sufficient growth occurs from additional planned development in that area.

## **Development Services**

The City's Development Services oversees many of the growth and development related aspects of the City, including: planning, zoning, building safety, building inspections, animal control, airport operations and code compliance. Growth will warrant the ultimate expansion of the Department, but since growth is cyclical, it is always good to be conservative in staffing. This Department predicts that growth in this annexation area will create the need for added plan review and building inspection services and such would be handled with the use of consultants until such time growth in these and/or other areas warrants the addition of new staff members.

## **Parks and Recreation**

The City has a full service Parks and Recreation Department with, amongst other things, abundant and diverse park facilities, recreational and educational programming, Youth Center and Adult Center. This Department plans and runs many of the City's community events, including the 4th of July event, Calvin Coolidge Days, Halloween, Electric Light Parade and other activities.

The proposed annexation should not immediately impact this Department since the area is active agriculture with no population. However, the City will need to prepare and adopt a City's Parks, Trails and Open Space Master Plan to prepare for future needs in this region in accordance with the 2025 General Plan Update recommended goals. The City should closely evaluate any potential impacts or deficiencies in service levels to ensure all facilities and programs are adequately maintained or expanded over time.

## **Library**

The Coolidge Library welcomes patrons of all ages and realizes that everyone has diverse needs, interests, value systems and reading abilities. The Library exists to help all residents and visitors: address the desire for self-directed personal and educational growth; find information about career opportunities; fulfill appetites for popular, cultural trends and satisfying recreational experiences; and locate information on an array of topics, including Coolidge's community resources.

As an affiliate library within the Pinal County Library District, the Coolidge Library allows one to access the services of 13 surrounding libraries in Pinal County and allows residents of the County to access the Coolidge Public Library.

The Library carries the following collections for the use of patrons: audiobooks, CDs, DVDs, fiction, graphic novels, juvenile, large print, magazines, newspapers, non-fiction, southwest collection and young adult.

The Library's service to children is designed to stimulate a desire for lifelong learning, to develop a love for reading, to provide opportunities for parent-child sharing and interaction, and to offer supplementary resources for school assignments. Besides the books, the library offers story time, school visits, class tours, book talks, movies, special programs and the annual Summer Reading Program.

Technology is a major component of the library and the current facility includes: 2 early literacy learning stations, 15 public access computers, 12 laptops, 27 databases, eBooks from 3M Cloud Library, audio books, downloadable magazines, music, movies, and television shows as well as Wi-Fi.

The Library has access to virtually any large or regular print book, CD, DVD, audiotape or videotape through a computerized network linking thousands of libraries worldwide.

If the proposed annexation is completed, the Library will continue to provide the services that exist today. Few services to this agricultural annexation area are anticipated at the present time.

### **Sanitation**

The City of Coolidge contracts with Right Away Disposal (RAD) to provide residential & commercial trash services. These services include once a week pickup of residential trash and recycling. Residents will also have the opportunity to self-haul and dispose of solid waste at a City drop-off yard for a fee. Commercial enterprises also pay for trash service through RAD. These services will be offered to the property located in the annexation area.

### **Transportation**

Major section line arterial roadways within the annexation area include Storey Road (alignment) and Wheeler Road (alignment), and Kleck Road. These roads are not in built out condition today, but additional right-of-way will be dedicated and roadways widened upon adjacent development occurring and/or as expansion occurs via future, long-term capital projects. Such projects also are typically tied to notable increases in average daily traffic counts. At build-out conditions, these roadways will be designed and constructed according to the City of Coolidge Comprehensive Transportation Study approved in 2012. Such improvements are, of course, subject to proper right-of-way acquisition, development activities, cooperation from other governmental agencies, funding and other factors. Arterial roadways connect to collector roadways and collector roadways connect to local streets. Public roads will be dedicated to the City of Coolidge and the City will maintain public roads to City standards. It is noted that the City will not maintain unpaved (dirt) roads where right-of-way has not been dedicated and the roads have not been maintained by Pinal County.

The CAG Regional Transportation Plan, Sun Corridor Regional Transportation Plan, Safety Plan and Transit Plan will have some effect on the required improvements in this area. As such, the transportation requirements are continuing to be developed. Future roadway classifications, cross-sections and alignments are being refined as these studies continue to not only develop a good working roadway system for the City of Coolidge but also the interconnections within the region. City staff continues to be a part of the final development of these plans.

The Public Works Director estimates an annual cost of about \$15,000 a mile (Being refined) on our unpaved roadway system. For the PLH Storey annexation, no additional roadway would be added to the street department for road maintenance. Operationally

we currently grade over 50 miles of road about every 6 weeks utilizing 2 to 3 folks for two weeks (No inmates).

### **Water**

Private wells exist for irrigation and farming purposes. The City and future developers within the annexation area will coordinate the extension of water services to the area as it develops.

### **Sewer**

The City of Coolidge will be the designated wastewater provider for the annexation area upon annexation. The City will collect Development Impact Fees for future wastewater treatment expansion according to the adopted Infrastructure Improvement Plan. This Plan is evaluated every few years as the City continues to address infrastructure needs throughout the planning area as growth occurs. While the current Infrastructure Improvement Plan addresses the future expansion of the wastewater treatment facility, it may be necessary to evaluate future collection system capacity needs as the City continues to build outward.

### **Dry Utilities**

The following companies have current facilities within the area of the annexation and will be able to meet the development needs for the annexation area: APS, Southwest Gas, El Paso Gas, and CenturyLink. Additional companies may provide similar services as applicable.

### **City Clerk**

The Clerk's office provides many valuable services. As it pertains to this annexation, the impact on the Clerk's office will be minimal as no new residents will be added.

### **Courts**

This Department includes the Municipal Court. The City contracts for its legal service needs. Caseloads handled by this Department are expected to grow proportionally with population increases. Over time, this will result in associated increases in personnel and operating costs.

### **Finance**

The Finance Department provides many essential services such as budget management, payroll, accounts payable, business license, purchasing, fixed assets, accounting, debt management, investments, utility billing, financial reporting and accounts receivable. Payment for City services and fees can be paid at City Hall, online, ACH or by phone with a credit or debit card. No increase to grocery or other retail sales was projected for areas currently within the City of Coolidge as the annexation is not expected to alter shopping behaviors. If the proposed annexation is completed, the Finance Department will continue to provide the services that exist today. Few services to this predominately vacant annexation area are anticipated at the present time. Additional growth occurring to the City of Coolidge might create the demand for additional staffing and would be reviewed annually as part of the budget process. As it pertains to the annexation, the following areas are most relevant:

## **Revenues**

A conservative and probable (“most likely”) baseline was used for all development and revenue projections contained within this report.

### **Development Impact Fee Revenue**

It is noted that the current Development Impact Study will need to be updated to account for this new annexed area in order to collect the applicable impact fees for future new development within the proposed annexation area. City staff does not anticipate much, if any, residential development within the proposed annexation area in the next several years. Industrial development could generate some development impact fees in the next few years.

### **Construction Revenues**

Projections for construction related revenues were developed using the service units. An average home valuation was received from Community Development and then drilled down to a total home price value to be utilized for property tax computation. Initially, housing values are conservatively projected to be similar, though perhaps slightly lower, to current housing values within other master planned communities in the City. Cost to build was estimated at 75% of home price value. This factor is based upon a national average of 25% gross profit. A factor of 65% was used to calculate the value of the property for construction tax calculation (amount allowed by tax code).

The construction tax of 4% was applied to the total of the service units, times the value of the property used to calculate construction tax.

Building permits are calculated using the current fee schedule set for in the City’s building permit fees based on the estimated “cost to build”.

### **Building Permit Fees (Based on Total Valuation)**

\$1-\$500	\$24
\$501 to \$2,000	\$24 for the first \$500 plus \$3 for each additional \$100, or fraction thereof, to and including \$2,000
\$2,001-\$40,000	\$69 for the first \$2,000 plus \$11 for each additional \$1,000, or fraction thereof, to and including \$25,000
\$40,001 to \$100,000	\$487 for the first \$40,000 plus \$9 for each additional \$1,000, or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	\$1,027 for the first \$100,000 plus \$7 for each additional \$1,000, or fraction thereof, to and including \$500,000

\$500,001 to \$1,000,000	\$3,827 for the first \$500,000 plus \$5 for each additional \$1,000, or fraction thereof, to and including \$1,000,000
\$100,001 to \$5,000,000	\$6,327 for the first \$1,000,000 plus \$3 for each additional \$1,000, or fraction thereof, to and including \$5,000,000
\$5,000,001 and up	\$18,327 for the first \$5,000,000 plus \$1 for each additional \$1,000, or fraction thereof

### **Planning and Zoning Fees**

No additional revenue is projected for General Plan Amendments, zoning changes, subdivisions and other planning and zoning applications in the proposed annexation area. Other revenues would be expected for building, fire, and engineering plan reviews and inspections.

### **Property Tax**

Levy of Property Tax: Starting with this year's rate of \$1.9273/\$100 of NAV, this is increased by 2%, the maximum allowable each year. New construction is added in at price of NAV for year from construction revenues. These were staggered using prior year adds in the next fiscal year.

Based upon Net Assessed Valuation on the Pinal County Tax Bill, the proposed Levy for Fiscal Year 2016/2017 is \$1.9273 per \$100 net assessed valuation (NAV). This equates to:

- Approximately \$96.37 per year on a \$50,000 home
- Approximately \$192.73 per year on a \$100,000 home

### **Local Transaction Privilege Tax (City Sales Tax)**

This is tax on retail sales and other activities such as contracting per the City's adopted Model City Tax Code. The current tax rate is 3% of gross sales within the incorporated boundaries of the City. There is limited business in the annexation area as of this report, though this will change over time.

- Retail transactions are taxable at 3%

(Includes lease and rental)

- Construction related transactions are taxable at 4%

Total tax rate for retail is as follows:

- City of Coolidge 3%
- State of Arizona 5.6%
- Pinal County 1.1%
- Total Tax 9.7%

### **Franchise Fees**

The City has exclusive control over all rights-of-way dedicated to the municipality. This enables the City to grant franchise agreements to utilities using the city's streets for utility services. In conjunction with the agreement, a franchise fee can be charged by placing the question before the voters for approval. The current franchise fee is 2% of gross revenues. This tax is in addition to the transaction privilege tax.

### **State Shared Revenues**

These are revenues passed through from the State to the City largely based on the City's population as it relates to the total population of all incorporated Cities and towns in the State. There are four State revenue sources:

State Transaction Privilege Tax (Sales Tax) – the City receives our share based on our population in relation to the total population of all incorporated Cities and towns in the State, according to the census. These revenues may be expended for any municipal public purpose.

State Income Tax – the City receives a 15% share of the State income tax based on our population in relation to the total population of all incorporated Cities and Towns in the State, according to the census. These revenues may be expended for any municipal public purpose.

Highway User Revenues – the City receives 27.5% of the highway user revenues based on our population in relation to the total population of all incorporated Cities and Towns in the State, according to the census; and fuel sales in Pinal County and the City's relation to the population of all incorporated Cities and Towns in the County. There is a State constitutional restriction which requires that these funds be used solely for street and highway purposes.

Vehicle License Tax – the City receives its share of approximately 20% of the revenues collected for the licensing of motor vehicles distributed to the City based on our population in relation to the total incorporated population of Pinal County. These revenues may be expended for any municipal public purpose.

### **Pinal County Transportation Excise Tax**

Pinal County distributes a portion of this tax revenue to the City based on our population in relation to the total population of all incorporated Cities and Towns in the County.

## Operating Fees

Business License – this is a license tax that is placed on professions, occupations or businesses within the City. Anyone doing business within the municipal boundaries must have a business license. Fees vary based on the type of business. There is limited business in the annexation area as of this report, though this will change over time.

User Fees – fees collected from residents for use of City facilities or services. i.e. recreation fees, library fees, rental fees, airport fees, and more specifically:

Liquid Waste User Fees - The City of Coolidge provides a Sanitary Sewage System to owners of each premise having a sewer connection of discharging sewage or industrial wastes. The following are the sewer service rates:

1. The minimum quarterly wastewater usage charge for all users shall be increased from the current \$37.75 to \$41.53 per quarter in the first year (January 1, 2009) and to \$45.68 per quarter in the second year (January 1, 2010) for 8,700 gallons or less of water used per month.
2. The variable charge for wastewater usage over 8,700 gallons per month for all users shall be increased from the current \$0.14466 to \$0.15912 per 100 gallons of water used per month in excess of 8,700 gallons in the first year and to \$0.17503 per 100 gallons of water used per month in excess of 8,700 gallons in the second year.
3. Out of City Customers - a 30% surcharge will be added to the rates as listed above for customers outside the City limits of Coolidge.

Solid Waste User Fees - Residential and Non-Commercial Accounts  
Every residential premise is required to establish a residential account and every non-commercial premise is required to establish a noncommercial account. Residential premises and non-commercial premises will each be supplied with a 96 gallon individual container by the City for twice\* a week pick up at the following charges:

96-gallon individual container	\$24/month
Delinquent charges	1.5%/month
Setup fee	\$25
Non-payment container re-establishment fee	\$30

Deposit	\$115
96-gallon extra or container replacement	\$50/container
Bulk trash special non-compliant pickup	Minimum \$200 plus tipping fees beyond 1 ton.

\* There is a weekly pickup for the solid waste container and another for the recycling container, which results in two containers picked up once a week.

### **Expenditures**

A conservative and probable (“most likely”) baseline was used for all development and expenditure projections in this report.

### **Development Services**

Though the annexation by itself will not trigger the need for additional full-time staffing, additional growth occurring throughout the City of Coolidge might create the demand for additional staffing and such would be reviewed annually as part of the budget process.

### **Fire**

The City will always seek grant opportunities to fund additional personnel and/or equipment. Long-term, the City will experience growth throughout the community and this will create the demand for additional stations and staffing in order to maintain the high level of service provided today. Under any scenario, existing service levels are projected to remain consistent or improve.

### **Parks and Recreation**

Consideration of expenditures was limited to costs related to before and after school and Senior Center programming. The current assumption is that there would be no costs for additional facilities directly tied to the proposed annexation. Upon annexation, the City will need to better evaluate the needs for parks and recreational opportunities to ensure no impacts to current services and that new residents will have equal access to programs available to existing residents.

Costs are not yet projected for the maintenance of parks within the annexation area. Upon establishing a level of service in this region for municipal parks, the City will be able to modify the Development Impact Fee Study to commence the collection of Development Impact Fees for this region, which in turn would off-set the capital costs of park construction. Added operational costs for new parks will be evaluated as part of the annual budget process.

### **Police**

As with the Fire Department, the City will seek grant opportunities to fund new officers/equipment. At this time the calls for service in the annexation area do not warrant

additional staffing, however, that will change as the area develops. Substantial, long term growth in the area would warrant additional staffing and potentially a police sub-station.

### **Public Works**

Maintenance projects would come out of the HURF fund and are primarily related to repair and maintenance of roadways as with any other similar projects. An attempt has been made to cash flow projects on a needs-based approach.

Capital Improvement Projects are construction projects that are the City's responsibility or perceived responsibility as they are either regional improvements or needed to be done to support roadway, drainage and/or streetlights. Full funding sources for these projects are not always known. In some cases, projects could be accomplished via an Improvement or Assessment District.

Infrastructure Improvement Projects are generally driven and funded by development. Development Impact Fees, developer contributions and possibly other City revenue sources might assist with funding due to over-sizing.

Public Works provides sewer (user fee), streets (HURF and PCRT) and sanitation (user fee) services as well as vehicle maintenance and building maintenance through General Fund revenues.

All projects are generally funded through the above referenced funding sources, Impact fees or Grant funding based upon Federal or State requirements. Development driven improvements are paid by the developer for those items not included in the IIP.

### **Opportunities:**

If the City annexes this area now, the City can manage the land use, capitalize on permit revenues, sales taxes and the collection of Development Impact Fees when the area begins to develop. The annexation area is also part of a development agreement relating to approximately 11,500 acres of land previously adopted by Council.

This area will develop whether it is incorporated or not, as seen by the recent history of the San Tan Valley area and Maricopa prior to it being incorporated. If this area develops outside of the City's corporate limits, the City would have to face the challenging issues that come with growth, while not being able to appreciate the positive fiscal benefits of the new development. For example, the City would experience increasing pressures on municipal facilities from new development in this area that did not pay development fees to support municipal services to the area.

The area is expected to develop for commercial and industrial uses. The control of major arterial corridors, adds to the City's ability to plan for and encourage non-residential land uses along these critical arterial corridors.

Municipal planning and development standards, as well as increased services provided by the City of Coolidge, for the new growth occurring in the annexation area should assist

in raising property values over time. This helps from a fiscal standpoint and also makes for more sustainable and marketable developments over time.

Overall, this annexation is consistent with the growth plans envisioned by a City initiated Major Amendment to the City's General Plan and the annexation policies of the Mayor and Council of the City of Coolidge. The annexation will allow Coolidge to grow into its Planning Area, something that could be constrained over time as areas such as these build out and adjacent areas incorporate. The annexation area is also within CAG and the Sun Corridor Municipal Planning Areas. These are factors that help Coolidge have a greater say in regional growth issues and play a greater role in issues pertaining to transportation, air quality and governance.

**Challenges:**

Depending upon growth, development and service scenarios, the City will need to utilize its Fund Balance to provide services supported by the General Fund upon the effective date of the annexation. The City transfers 25% of its sales tax revenues from the Fund Balance to the CIP budget on an annual basis to supplement the funds available for capital projects.

The proposed annexation area is agricultural land today and the need for City services will be minimal until such time the property is developed.

**Conclusion:**

This report should assist the Mayor and Council of the City of Coolidge to make informed decisions on how to proceed with the proposed annexation.

Possible directions on these annexations could include:

1. Proceed with the proposed annexation as presented.
2. Do not go forward with the annexation at this time.