



13. COST OF DEVELOPMENT

The Cost of Development Element includes policies, strategies and objectives designed to ensure that costs to the public for facilities and infrastructure associated with new development are minimized; and to require that new development provide “fair share” compensation toward the cost of additional public service needs and City infrastructure generated by the impacts of that development.

A. VISION AND FOCUS

The City of Cottonwood has a vision of prosperity and local amenities which may be enhanced by new growth and development. However, the City’s ability to finance new infrastructure, services and maintenance is very slim. The Land Use and Circulation elements support focused growth which reduces costs for infrastructure, minimizes impacts, encourages a sense of place, pedestrian orientation and opportunities to preserve open areas and other amenities. This element also encourages more focused development by attaching the costs of the supportive infrastructure to the development itself in the form of “fair share” contributions, exactions and impact fees; also discouraging sprawl which often relies on extensions of public infrastructure to more remote locations.

B. RELATED LEGISLATION AND STUDIES

The State of Arizona requires, under ARS §9-461.05.D.4, that the City of Cottonwood’s General Plan include a Cost of Development element that identifies policies and strategies the municipality will use to require development to pay its fair share toward the cost of additional public service needs generated by new development, with appropriate exceptions in the public interest. This element shall include:

(a) A component that identifies various mechanisms that are allowed by law and that can be used to fund and finance public services necessary to serve new development, including bonding, special taxing districts, development fees, in-lieu fees, facility construction, dedications and service privatization.

(b) A component that identifies policies to ensure that any mechanisms that are adopted by the municipality under this element result in a beneficial use to the development and bear a reasonable relationship to the burden imposed on the municipality to provide additional public services to the development and otherwise are imposed according to law.

C. REGIONAL SETTING

In 1998, the communities of the Verde Valley began a regional planning process by adopting a resolution which identified a series of common regional objectives. Among the most unifying concerns were the issues of open space preservation and maintaining community separation by consolidating urban development within well defined regions of the Valley. Related objectives discouraged the location of new development outside of corporate limits. Municipal regulation of service extensions can directly influence the pattern of growth in and adjacent to a community. Cost factors are primary to the extension of services and infrastructure.

As Cottonwood functions as the market center of the Verde Valley, many of the facility and service needs experienced by the City are also the product of regional influences. As yet there are no



provisions for regional revenue sharing to address the additional impacts, such as housing infrastructure, water/sewer, emergency services, shelter services, recreational impacts, transit and traffic improvements. However, the City has experienced some assistance with regional road improvements.



D. LOCAL OVERVIEW

Currently sales taxes are the largest source of revenue for the City's general fund. However, sales tax revenue is often unpredictable. It is subject to economic conditions, employment rates, stock market fluctuations, cost of living increases and tourism. However, the City of Cottonwood levies no property taxes, so any additional funding for capital projects and City services must be generated through a variety of other funding mechanisms, including sewer hook up fees and fees for improvements to streets, sidewalks and flood control facilities directly associated with new development. However, there is no comprehensive policy of development fees.

BUDGET PHILOSOPHY

The City's budget philosophy includes planning based on available information, developing financial guidelines and goals, implementation of those financial and programmatic goals and review and evaluation of the achievements of those goals.

The City Council has adopted a budget philosophy, which is the foundation for the development and establishment of programmatic guidelines and/or policies. These include a Financial Policy as follows:

- Maintain a restricted General Fund balance of 12.5% of the previous years operating revenues.
- Continue a capital project fund of 2.67% of the previous year's General Fund operating revenues.
- Develop five year revenues and expenditures projections and analyze trends.
- Ensure that operating expenditures remain within operating revenues for all funds.

The Programmatic Policy is to provide for a consistent delivery of services to the citizens of Cottonwood by shifting the budget process from a focus on dollars to a focus on issues to prioritize funding according to services, needs and demands of City residents while maintaining operating expenditures and capital acquisitions within current year revenues.

FUNDING MECHANISMS

Growth and positive City sustainability requires a range of public services and capital improvements at a citywide level. Various infrastructure requirements can be addressed within new subdivisions, planned developments and commercial development through the development application process, but this mechanism only addresses a portion of the needs of the City. Even with considerable responsibilities placed on developers to address their own impacts, there are additional impacts to citywide systems that have to be addressed by other means. Infrastructure and service upgrades, such as sewer and water systems, street circulation facilities, fire and police protection, recreational and cultural facilities and programs and general City administration must be addressed.

The City Council has adopted financial policies that concentrate on providing a consistent delivery of services to the citizens of Cottonwood with a focus on issues to prioritize funding according to services, needs and demands for city residents while maintaining operating expenditures and capital acquisitions within the current year revenues. Under Arizona statutes, there are a number of options available to service the City of Cottonwood growth.

General Fund

Current revenue, consisting of local sales tax, state-shared revenues, investment revenues, zoning and building department fees, waste water revenues, and fines and forfeitures and various grant sources can be used to pay for all or some parts of the City's operations and programs. State shared revenue includes a portion of state collected motor vehicle license taxes; state income tax, Highway User Funds



(HURF) and Local Transportation Assistance Funds (LTAF) and state collected sales tax.

General Obligation Bonds

General obligation bonds are funds borrowed to finance public service expansion, spreading the benefits and burdens of the fund uniformly throughout the City and can be used for any capital purpose. This mechanism is often used for capital-intensive projects such as new roads, parks, multi-use civic facilities and equipment. All General Obligation Bonds must be approved by a vote from the public.

Grant Sources

Grants are available for most public service expansion, including transportation related projects, water and sewer expansion, historic building renovation, economic development projects, police and fire vehicles, and public facility improvements. Grant sources may be federal, state, corporate or private funds. Some grants require matching funds. Grants are typically very competitive and cannot be counted upon as a guaranteed revenue source.

Improvement District

Improvement districts may be imposed by the City to finance local sewer, water or street improvements, or to acquire an existing water operation. An assessment is determined for each parcel within the district based on the share of the benefit to be derived. The assessment district may be defined as the entire City or a specific area. Assessments may be paid up front or financed through a series of bonds. This allows the contractor(s) to be paid in full for completed work while a schedule of payments is assessed to the benefited properties. Bonds are secured by a lien on property. The Improvement District requires the approval of 51% of the property owners in the affected area.

Municipal Property Corporation Bonds

These are funds borrowed for improvements to municipal facilities, such as police and library facilities. They require a pledge of all the City's excise tax revenue. Excise taxes include local and state-shared taxes, franchise taxes, licenses, permits and fines collected and the monies collected from the state revenue sharing. No vote of the public is required.

Permit Fees

Revenues from permit fees collected from building permits, zoning fees, parks and recreation fees and a variety of other programs.

Revenue Bonds

Revenue bonds are issued by a municipality and backed by a dedicated revenue stream. Improvements to existing sewer facilities are often made utilizing revenue bonds because there is a steady revenue stream from the utility users to attract bond buyers. Revenue bonds do not require voter approval and the constitutional debt cap does not apply to revenue bonds. Municipalities with a population of under 75,000 may issue revenue bonds for utilities and recreational facilities, which can include swimming pools, parks, playgrounds, municipal golf courses and ballparks.

Sales Tax Revenue

The transaction privilege tax (sales tax) is collected on the gross receipts of business activities. Until 1987, the tax rate was 1%. In 1987, the voters approved an increase of 1% to fund the construction of the wastewater collection/treatment plant. In 1992, the voters approved an additional two-tenths percent increase to construct a new library. The current tax rate is two and two tenths of a percent (2.2%)

Specialty Industry Tax

Specialty industry taxes, such as a bed tax or bar tax, can be used to fund a variety of public services. Typically these taxes are



targeted towards uses that primarily depend on non-residents. Cities do not need legislative authorization or voter approval to enact a special industry tax. Cottonwood currently has a 2% tax that is used by the Cottonwood Chamber of Commerce for economic development.

Community Facility District Bond

Allows financing of a range of public infrastructure projects through general obligation bonds, revenue bonds or assessment bonds within an improvement district. The property owners in the district and not the City bear liability if default should occur. Water and wastewater projects, street improvements, downtown redevelopment and public facilities may be financed through the issuance of Community Facility Bonds.

Community Development Block Grant (CDBG)

Every four years the CDBG program provides direct grants to the City of Cottonwood for a range of programs and facility improvements, including street and infrastructure upgrades. These grants are dispersed by the Arizona Department of Commerce. Public hearings are held on projects to be selected and rigorous criteria must be met and adhered to during the expenditure of these funds. Potential projects must qualify by meeting community needs and assisting low to moderate-income residents.

TABLE 13.1: FISCAL YEAR 2003-04 CITY BUDGET
 Consolidated Summary of Revenues/Expenditures
 All Funds

Fund	2001-02 Actual	2002-03 Budget	2002-03 Revised	2003-04 Adopted	Percent Change
Revenues Sources:					
General Fund	7,744,300	7,451,380	7,436,580	7,838,230	5.40%
Special Revenue Funds	1,690,725	2,393,630	2,007,280	3,145,750	56.72%
Capital Projects Funds	203,064	1,526,484	339,735	2,011,099	491.96%
Debt Service Funds	3,262,520	3,274,990	3,120,070	4,482,168	43.66%
Enterprise Funds	1,214,752	1,169,110	1,275,500	3,509,080	175.11%
Internal Services Fund	103,180	99,100	99,620	94,700	-4.94%
Trust & Agency Funds	9,464	14,000	10,400	10,400	0.00%
Total Revenues	14,228,005	15,928,694	14,289,185	21,091,427	47.60%
Other Financing Sources:					
Transfers In	2,012,062	3,457,800	1,798,180	3,140,650	74.66%
Carryover	0	12,483,844	12,608,230	12,980,335	2.95%
Residual Equity Interfund Transfer	0	0	0	0	0.00%
Proceeds from Lease Purchase	0	350,000	350,000	0	-100.00%
Proceeds from Bonds	10	0	0	18,146,250	0.00%
Total Other Financing Sources	2,012,072	16,291,644	14,756,410	34,267,235	132.22%
Total Available Resources	16,240,077	32,220,338	29,045,595	55,358,662	90.59%
Expenditures:					
General Fund	5,821,258	7,048,380	6,543,540	7,501,200	14.64%
Special Revenue Funds	2,022,867	3,229,980	2,561,870	3,999,360	56.11%
Capital Projects Funds	3,467,881	3,044,694	571,730	21,459,514	3653.44%
Debt Service Funds	2,472,956	9,838,009	11,108,350	11,205,798	0.88%
Enterprise Funds	1,513,320	3,363,010	2,005,700	5,647,930	181.59%
Internal Services Fund	4,294	347,170	390,900	446,840	14.31%
Trust & Agency Funds	10,420	86,800	75,880	74,680	-1.58%
Total Expenditures	15,312,996	26,958,043	23,257,970	50,335,322	116.42%



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Other Uses:

Transfers Out	1,976,405	3,457,800	1,798,180	3,140,650	74.66%
Residual Equity Interfund Transfer	10,000	1,804,095	0	1,882,690	0.00%
Total Other Financing Uses	1,986,405	5,261,895	1,798,180	5,023,340	179.36%
Total Expenditures and Other Uses	17,299,401	32,219,938	25,056,150	55,358,662	120.94%
Net Income	(\$1,059,324)	\$400	\$3,989,445	\$0	



TABLE 13.2

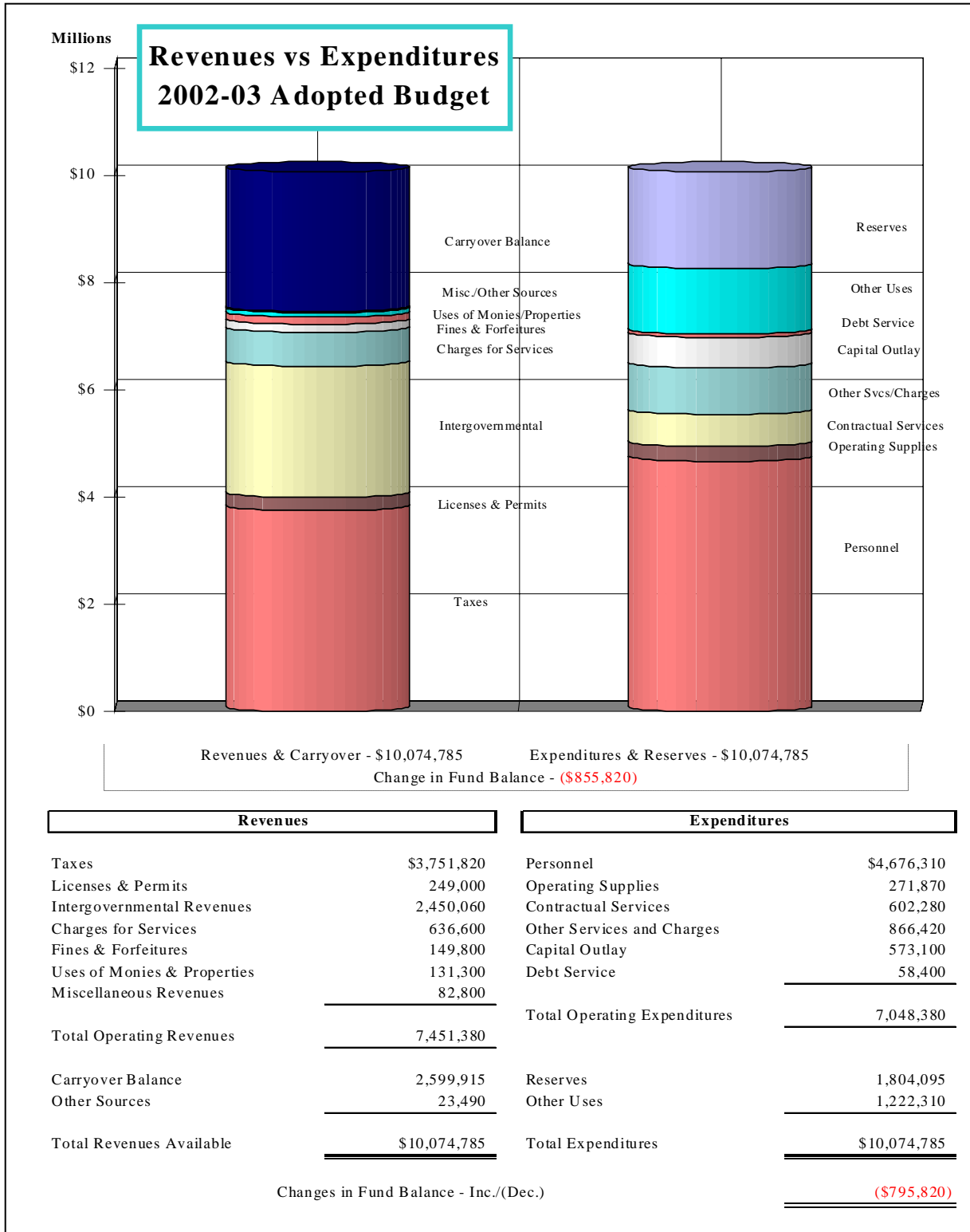




TABLE 13.3: GENERAL FUND

REVENUES

Account		Fiscal Year					Five Year Total
Number	Description	2003-04	2004-05	2005-06	2006-07	2007-08	
By Source							
	Taxes	\$3,610,470	\$3,718,784	\$3,830,348	\$3,980,985	\$4,174,726	\$19,315,313
	Licenses & Permits	292,500	301,275	310,313	319,623	329,211	1,552,922
	Intergovernmental Revenue	1,414,910	1,471,366	1,533,597	1,606,516	1,690,815	7,717,205
	Charges for Services	564,370	557,896	589,657	591,969	624,854	2,928,746
	Fines & Forfeitures	150,570	155,572	160,209	164,986	169,905	801,242
	Uses of Monies & Properties	145,700	148,674	152,235	155,884	157,936	760,429
	Micellaneous Revenues	1,172,530	1,205,344	1,239,996	1,286,355	1,345,626	6,249,851
	Other Financing Sources	18,250	18,798	19,361	19,942	20,541	96,892
	Total GF Revenues	\$7,369,300	\$7,577,709	\$7,835,716	\$8,126,260	\$8,513,615	\$39,422,600

EXPENDITURES

Account		Fiscal Year					Five Year Total
Number	Description	2003-04	2004-05	2005-06	2006-07	2007-08	
01-10-00	Administration	\$306,910	\$328,746	\$342,363	\$356,747	\$371,950	\$1,706,716
01-10-01	Personnel	127,250	121,983	126,504	131,279	136,326	643,342
01-11-00	City Council	452,330	454,330	454,930	454,930	454,930	2,271,450
01-11-01	Natural Resources	16,280	18,409	18,991	19,596	20,226	93,503
01-12-00	Finance	220,870	233,092	242,170	251,791	261,994	1,209,917
01-13-00	Planning & Zoning	348,030	361,201	379,732	399,071	418,402	1,906,436
01-13-01	Building Inspection	139,980	147,770	155,134	162,951	171,145	776,980
01-14-00	Police	1,920,170	2,035,570	2,134,733	2,226,647	2,321,969	10,639,088
01-14-01	Animal Control	68,820	73,275	77,676	80,506	81,820	382,097
01-14-02	Communications	467,430	482,543	508,836	532,712	558,132	2,549,653
01-16-00	Fire	908,760	953,651	1,001,258	1,051,783	1,105,448	5,020,900
01-17-00	Court	201,130	203,107	211,874	221,157	230,477	1,067,744
01-18-00	Legal	142,000	149,000	156,351	164,070	172,174	783,594
01-19-00	Engineering	217,310	231,839	243,447	255,793	268,391	1,216,779
01-20-00	Parks & Recreation	368,370	394,582	411,085	429,882	443,879	2,047,797
01-20-01	Pool	91,680	94,772	110,103	116,181	119,814	532,551
01-20-02	Weightroom	49,450	51,832	54,849	57,509	60,174	273,813
01-21-00	Building Maintenance	414,600	412,398	434,236	456,897	476,046	2,194,176
01-21-01	Custodial	113,000	114,450	117,550	120,550	120,551	586,101
01-23-00	Non-Departmental	269,950	293,107	312,128	332,841	354,909	1,562,934
01-24-00	Transfers Out	879,950	897,848	916,368	935,532	955,362	4,585,060
	Total General Fund M&O	\$7,724,270	\$8,053,505	\$8,410,316	\$8,758,424	\$9,104,118	\$42,050,633
	Revenues over / (under) expenditures	(\$354,970)	(\$475,796)	(\$574,599)	(\$632,165)	(\$590,504)	(\$2,628,033)



Dedications

A dedication is the conveyance of land by a private owner in the nature of a gift or grant and the acceptance of that land by the City. Streets in a subdivided development are usually acquired through a dedication to the public of the property comprising the streets. Rights of way for future City road construction are often granted to the city by the developer through the enactment of City Ordinance #144. Other dedications may include land for parks trails, recreational facilities, school sites, bike paths or transit facilities.

Development Agreements

Development agreements are permitted under A.R.S. 9-500.5 for municipalities. Development agreements permit contractual arrangements between the City and property owner(s) regulating the permitted land uses, density, heights, open space and other aspects of the land subject to the agreement. The advantages of development agreements are that they are voluntary and, therefore, mutually agreeable to all the parties involved in the negotiations. Development agreements can enable the City to attain planning goals and gain needed infrastructure at a minimum or without costs.

Development Impact Fees

In 1982, the Arizona State legislature passed specific legislation permitting the cities and counties to impose development impact fees on landowners in a "benefit area" to offset cost incurred by municipalities in providing the necessary infrastructure needs and public services for new development. A "benefit area" is a geographic area in which public facilities are of a direct benefit to development within the area. For a development fee to be imposed, three standards must be met under Arizona Statues.

1. There must be a reasonable relationship between the cost of the public facilities for which the development fee is assessed and the service demands of the benefit area.

2. The development fees must not exceed a proportionate share of the costs incurred or to be incurred in providing a public facility.
3. Development fees must be used within five years for a project of direct benefit to the development that paid the fees.

Exactions

An exaction is a payment or dedication made by a developer for the right to proceed with a project requiring government approval. They can be paid in the form of a fee, the dedication of public land, the construction of or maintenance of public infrastructure, or the provision of public services. The purpose of the exaction must be directly related to a need caused by the development. In addition, the amount charged must be proportional to the cost of the improvement.

Enterprise Fund

The Enterprise Fund is used to account for operations of the City's wastewater fund. The fund is financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Franchise Tax

The franchise tax is based on the gross sales of local utility companies that serve Cottonwood customers.

User Fees

User fees are assessed for the specific use of a service or activity. A user fee can be utilized to defray a portion or the total cost of the project. One advantage of the user fee is that the people using the specific service or activity pay for the fee.

Certificate of Participation



Under this method of financing, private parties purchase Certificate of Participations (COP), which are the equivalent of tax-exempt bonds and represent an ownership interest in the property that belongs to the City. The property is then leased back to the City, which makes lease payments to the COP holders to cover the bond program.

Property Taxes

A property tax is a tax levied on land and improvements on a specific parcel. For many communities, it is their primary source of revenue. While Yavapai County does levy a property tax, which can be used to fund operating expenses, the City of Cottonwood does not. Cities can levy primary property taxes to fund operating expenses and maintenance of municipal government facilities and services.

FINANCING AUTHORITIES

Greater Arizona Development Authority (GADA)

Through the GADA Fund, bonds to finance infrastructure can be issued. Additionally, they provide a range of professional assistance in securing financing for infrastructure development and construction. The GADA Fund was utilized by the City of Cottonwood for partial funding of the new Public Safety Building.

Rural Economic Development Initiative (REDI)

Arizona Department of Commerce Program provides direct assistance to rural communities for economic development programs. Qualified programs can be recognized through accreditation. REDI provides technical support and matching grant assistance.

Water Infrastructure Financing Authority (WIFA)

An independent entity authorized to finance water, waste water, reclaimed water and other water projects, WIFA offers Water Quality Bonds that allow municipalities to borrow money at lower interest rates and lower financing costs for water-related infrastructure development. Typically, they offer 20-year terms with simple interest payments. The City's wastewater treatment plant and collection city was partially financed through the WIFA.

USDA Rural Development (USDA/RD)

The US Department of Agriculture program provides assistance to rural towns in the form of direct grants, technical assistance, guaranteed loans, research and educational materials to address water, sewer and waste disposal, electricity, housing and business development.



E. KEY ISSUES

As the City grows there will be a continuing need to provide more services and facilities for the public, including road and sidewalk improvements, sewer lines, waste water treatment, police and fire protection, parks and recreational programs, cultural programs, libraries, schools, general municipal administration and facility maintenance. These programs must all be financed through some source of funding. It is important that the City establish specific objectives, plans and policies that can be implemented with community support to address financial needs and achieve stated community objectives. It is the intent of this element to address the cost of development issues that continue to impact the citizens of Cottonwood. It is the vision of the City to fairly apportion the costs of development and growth by ensuring that development pays its "fair share" of the costs of additional public service facilities and needs generated by new development and re-development. The following issues were identified in this element:

1. Cost efficient land use

The General Plan can reduce infrastructure costs related to new development by encouraging focused development and development of the highest densities in locations where infrastructure is already available.

correlate them with the City's budgeting process and a regularly updated Capital Improvements Plan.

2. Meeting public service expectations

The City's requirement to provide public facilities and services changes over time with changes in local attitudes and expectations, often influenced by changes in technology which enable better facilities and a higher level of service. However, providing improved services is contingent upon local ability to administer the necessary infrastructure. The City should monitor capacity and use of public facilities as well as regularly survey local residents regarding the quality of City facilities, services and programs. The City should also develop comprehensive strategies for redevelopment and enhancement of local services which help to guide the programming of funding.

4. Evaluating impact and "fair share."

Statutes provide the City with the ability to require fair share contributions from new developers to offset the cost of infrastructure, facilities and services necessary to the support of new development. However, the amount of the contribution is limited by the impact of the development. The City should derive means to demonstrate the level of impact associated with new development. The City should also define what a fair share contribution is by identifying facilities and services affected by the new development; to what degree the various components of those facilities and services are affected, and whether costs associated with each component must be fully recaptured, or recaptured only in part. To ensure fairness, the City should also develop a fiscal impact analysis which considers how new development contributes toward capital finance; and any other possible exceptions to the fair share standard. Fee-recovery policies should also differentiate between on-site and off-site improvements; to what degree each is required to be recaptured; who is subject to these standards and at what stage they are determined (rezoning, subdivision, permits, etc.). Such policies should also give credit to developers for the value of land and

3. Monitoring cost of operations and services

The City's ability to address needs for public facilities and services is directly affected by the cost of those facilities and services and how those costs are anticipated to change over time. It is essential the City maintain a detailed inventory of costs; devise policies and methods for measuring and forecasting those costs; and



infrastructure installed at their expense. The City should also institute a formal appeal process for all development related fees.

6. Establishing financing mechanisms

Statutes provide that expenditures may not legally exceed the expenditure limitation of all fund types as a whole. Therefore, the City must look to alternate sources of funding as described in the previous section to equitably assess and manage the fiscal and capital impacts resting from development and growth while maintaining the current community development standards for public services and facilities. In view of limited local revenues, the

City should actively pursue opportunities to incorporate developer contributions toward new infrastructure in the form of impact fees, exactions, dedications, etc. As developer contributions may only be applied toward the impacts of new development, the City should also consider a comprehensive approach to financing facilities and services for older areas of the City in need of revitalization. Special improvement districts may work in some instances. As funding mechanisms change over time, the City should also continue to monitor funding sources, take a closer look at user fees, as well as to investigate the potential for regional participation in local improvements which benefit the Verde Valley.



F. GOALS & OBJECTIVES

GOAL COD-1 MEET LOCAL EXPECTATIONS FOR PUBLIC FACILITIES AND SERVICES IN A COST EFFICIENT, FAIR AND EQUITABLE MANNER.

OBJECTIVE 1.1 Ensure that development occurs in a fiscally sound and equitable manner.

- 1.1.A Encourage new and higher density development and re-development in areas already served by existing infrastructure and public facilities.

OBJECTIVE 1.2 Establish a reasonable threshold of public facilities and services.

- 1.2.A Conduct "quality of lifestyle surveys," and conduct town meetings and other activities to ascertain resident and visitor satisfaction with the current services, facilities, equipment and infrastructure serving the City.

- 1.2.B Develop a comprehensive strategy of redevelopment which addresses facilities and service needs for older portions of the City.

OBJECTIVE 1.3 Identify the costs of City operations and facilities to maintain current and preferred service level standards.

- 1.3.A Maintain an inventory of costs associated with City facilities and services.

- 1.3.B Study activities which affect the cost of facilities, such as facility usage; baseline traffic counts of major roadways and intersections, police and fire department response times.

- 1.3.C Coordinate planning with non-municipal utility providers to ensure that future community needs are being addressed.

OBJECTIVE 1.4 Establish an equitable assessment of capital impacts which result from new development within the study area.

- 1.4.A Perform a fiscal impact analysis and identify other methods to measure the actual impacts of development on existing services and facilities to ascertain reasonable requirements and fees to be imposed on new development and re-development. The analysis and policy should also acknowledge how new development helps to fund or attain capital improvements.

- 1.4.B Encourage policies which require and define "fair share" contributions from developers toward development costs which also bear a reasonable relationship to the burden imposed by the development. Policies should also inventory all affected facilities and services; identify what portion of each facility or service improvement is subject to reimbursement or contribution, a breakdown of on-site vs. off-site improvements;



identify who is subject to fees and contributions as part of the fair share standard; at what stage fees are determined (zoning, subdivision, permits); allowable exceptions to fair share requirements (in the interest of the community); and an appeal process associated with the administration of development fees.

OBJECTIVE 1.5 Identify legal mechanisms and funding sources similar to other jurisdictions which better enable funding of public services, facilities, equipment and infrastructure necessary to meet the City's needs and to accommodate growth.

- 1.5.A Develop and implement an impact fee ordinance that is equitable and fair to both the developer and the City and is in line with other impact fees ordinances in surrounding or similar communities.
- 1.5.B Encourage dedication of open space, parks, and park sites in conjunction with development.
- 1.5.C Identify funding strategies for street improvements and park facilities for existing neighborhoods.
- 1.5.D Form special improvement districts to provide for improvements such as burying utility underground, storm drainage, sidewalks, trails and street enhancements.
- 1.5.E Explore opportunities for public / private partnerships and foundations which may help to provide financing for facilities and services.
- 1.5.F Annually review user fees and other funding mechanisms to pay for the expansion of operations and facilities to meet the requirements of growth.
- 1.5.G Annually evaluate the City's Capital Improvement Plan to ensure maximum usefulness and affordability to the citizens and future citizens of Cottonwood.
- 1.5.H Investigate the possibility of revenue sharing to offset costs for facilities and services which may be associated with regional impacts and which provide for regional benefit.
- 1.5.I Continue to develop and investigate mechanisms for funding public improvements and for relieving the public of any financial burdens which may be associated with new development.
- 1.5.J Investigate the feasibility of using Community Facilities Districts to address infrastructure needs.



G. ACTION PLAN

COST OF DEVELOPMENT ELEMENT			
	DO-ITEM	AGENCY	TIMELINE
CD-1	MEET LOCAL EXPECTATIONS FOR PUBLIC FACILITIES AND SERVICES IN A COST EFFICIENT, FAIR AND EQUITABLE MANNER.		
1.1	Ensure that development occurs in a fiscally sound and equitable manner.		
1.1.A	Encourage new and higher density development and re-development in areas already served by existing infrastructure and public facilities.	Cottonwood Community Development	On-Going
1.2	Establish a reasonable threshold of public facilities and services.		
1.2.A	Conduct "quality of lifestyle surveys," and conduct town meetings and other activities to ascertain resident and visitor satisfaction with the current services, facilities, equipment and infrastructure serving the City.	Cottonwood City Management	ST
1.2.B	Develop a comprehensive strategy of redevelopment which addresses facilities and service needs for older portions of the City.	Cottonwood Community Development	LT
1.3	Identify the costs of City operations and facilities to maintain current and preferred service level standards.		
1.3.A	Maintain an inventory of costs associated with City facilities and services.	Cottonwood City Management	On-Going
1.3.B	Study activities which affect the cost of facilities, such as facility usage; baseline traffic counts of major roadways and intersections, police and fire department response times.	Cottonwood City Management	ST
1.3.C	Coordinate planning with non-municipal utility providers to ensure that future community needs are being addressed.	Cottonwood City Management	ST
1.4	Establish an equitable assessment of capital impacts which result from new development within the study area.		
1.4.A	Perform a fiscal impact analysis and identify other methods to measure the actual impacts of development on existing services and facilities to ascertain reasonable requirements and fees to be imposed on new development and re-development. The analysis and policy should also acknowledge how new development helps to fund or attain capital improvements.	Cottonwood City Management	ST
1.4.B	Encourage policies which require and define "fair share" contributions from developers toward development costs which also bear a reasonable relationship to the burden imposed by the development. Policies should also inventory all affected facilities and services; identify what portion of each facility or service improvement is subject to reimbursement or contribution, a breakdown of on-site vs. off-site improvements; identify who is subject to fees and contributions as part of the fair share standard; at what stage fees are determined (zoning, subdivision, permits); allowable exceptions to fair share requirements (in the interest of the community); and an appeal process associated with the administration of development fees.	Cottonwood City Management	ST
1.5	Identify legal mechanisms and funding sources similar to other jurisdictions which better enable funding of public services, facilities, equipment and infrastructure necessary to meet the City's needs and to accommodate growth.		
1.5.A	Develop and implement an impact fee ordinance that is equitable and fair to both the developer and the City and is in line with other impact fees ordinances in surrounding or similar communities.	Cottonwood City Management	ST
1.5.B	Encourage dedication of open space, parks, and park sites in conjunction with development.	Cottonwood Community Development / City Management	On-Going



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1.5.C	Identify funding strategies for street improvements and park facilities for existing neighborhoods.	Cottonwood Community Development / City Management	ST
1.5.D	Form special improvement districts to provide for improvements such as burying utility underground, storm drainage, sidewalks, trails and street enhancements.	Cottonwood City Management / Public Works	LT
1.5.E	Explore opportunities for public / private partnerships and foundations which may help to provide financing for facilities and services.	Cottonwood City Management	ST
1.5.F	Annually review user fees and other funding mechanisms to pay for the expansion of operations and facilities to meet the requirements of growth.	Cottonwood City Management	On-Going
1.5.G	Annually evaluate the City's Capital Improvement Plan to ensure maximum usefulness and affordability to the citizens and future citizens of Cottonwood.	Cottonwood City Management	On-Going
1.5.H	Investigate the possibility of revenue sharing to offset costs for facilities and services which may be associated with regional impacts and which provide for regional benefit.	Cottonwood City Management	LT
1.5.I	Continue to develop and investigate mechanisms for funding public improvements and for relieving the public of any financial burdens which may be associated with new development.	Cottonwood City Management	On-Going
1.5.J	Investigate the feasibility of using Community Facilities Districts to address infrastructure needs.	Community Development	ST