

# Infrastructure and Services Plan

## City of Douglas Southeastern Portion of Sunny Side Fire District Area(SEP-SSFDA) Annexation



**Prepared by:**

**City of Douglas Development Services**

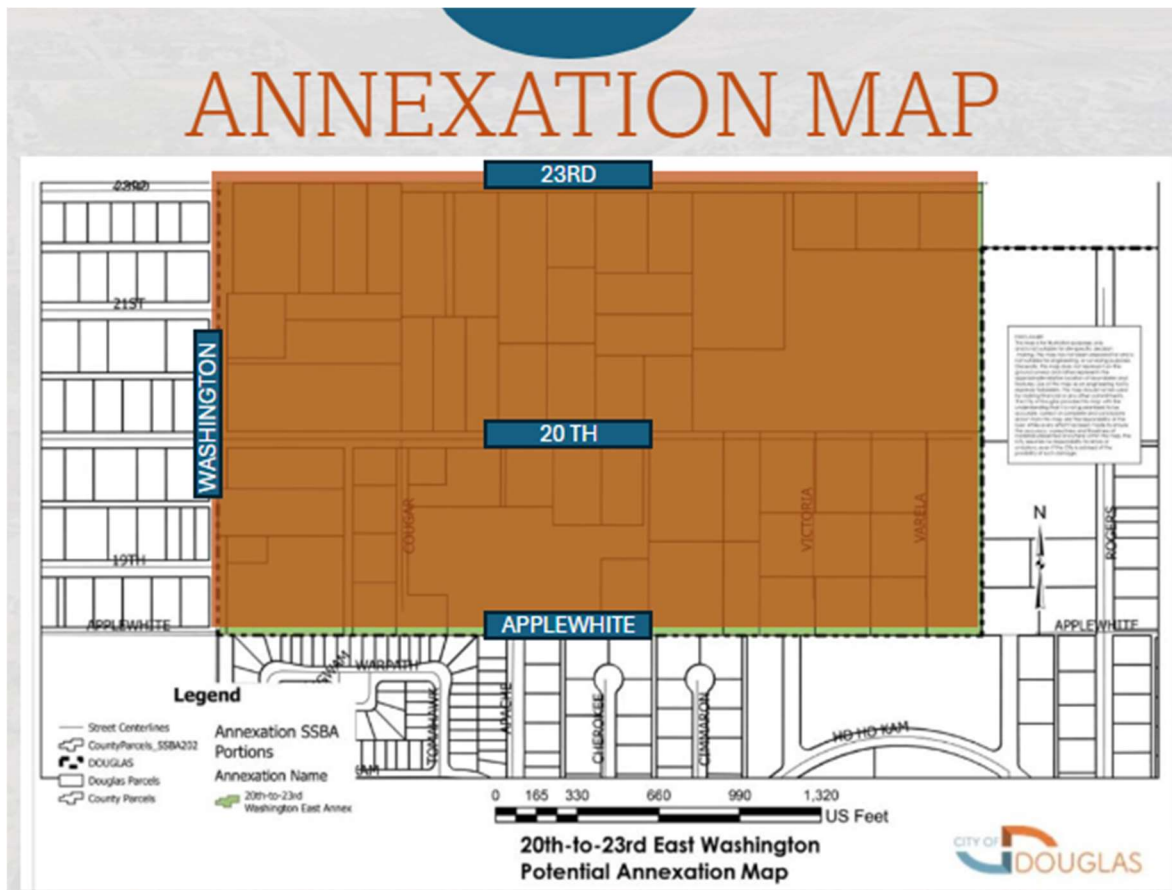
**July 9, 2025**

In accordance with Arizona Revised Statutes Section 9-471.P, 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 Department for the proposed Southeastern Portion of Sunny Side Fire District Area (SEP-SSFDA). City staff Annexation Assistant recorded an Annexation Petition with the Cochise County Recorder's Office which was done on June 2, 2025. 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 February 12, 2025.

Exhibit 1 below illustrates the boundary of the proposed annexation. This boundary is located within the City of Douglas Arizona.

### **EXHIBIT 1**



The following pages provide a discussion about the City of Douglas 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 SEP-SSFDA area facts are as follows:**

- ◆ Total land area within the annexation area – 89.05 acres +/-
- ◆ Total number of property owners (latest County record) : 50
- ◆ Miles of County maintained paved roads – .63 of 1 mile
- ◆ Miles of County maintained unpaved roads – .37 of 1 mile
- ◆ Total Assessed Value: \$873,014.00

**CITY SERVICES:**

***Police***

The City of Douglas Police Department is currently allotted 33 full-time sworn officers to cover Douglas. When fully staffed, the agency is comprised of 2 command staff supervisors, 5 sergeants, 20 patrol officers, 5 general detectives, 1 task force detective, 1 school resource officer and 2 reserve officers employed by the school district as school resource officers. The Department has 18 full-time professional personnel who work in Communications, Records, Property and Evidence, Animal Control, Community Service Officer, and administration assistance. Additionally, the Department has 3 part-time professional staff consisting of a crime analyst and two kennel aides at the Animal Shelter. In 2024, the City of Douglas Police Department responded to 3,510 calls for service. Currently, the police department has 4 patrol teams, each supervised by a sergeant and staffed by assigned officers, and a detective unit staffed by 1 sergeant and 4 detectives. The teams actively promote a Community Policing philosophy by speaking with neighbors when a crime happens in the neighborhood, providing training and presentation to schools, and host meetings with businesses in the past to address crime trends happening in the district.

The proposed annexation would increase the geographic area served but the population increase resulting from the annexation is minimal. Based on our average call load for the City and without understanding the neighborhood dynamics, we can expect an additional 50 calls per year with the addition of this area.

***Fire***

The City of Douglas Fire Department provides Fire response with deployment resources made up of: 3 Engines, 1 Ladder Truck, 6 Ambulances, 1 Medium Rescue, 1 Air and Power Support Unit, 1

Hazardous Material Response Trailer, 2 Command Vehicles, and 3 Support Units. Department also has a Fire Chief, Assistant Fire Chief, 27 Full Time Personnel, 12 Paramedics, and 4 Part-Time Personnel. All emergency requests for assistance are handled through the 911 emergency call system and Douglas emergency units are dispatched by the City of Douglas.

The Fire Department staffs Basic Life Support (Firefighter/ EMTs) on all Douglas units and supplements the 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, structure fire, wildland firefighting, technical rescue, and assist other city agencies as requested. Currently Douglas Fire Department responds to over 3,000 incidents per year. All members of Douglas Fire Department are Firefighter I and II certified and the department has an Insurance Services Organization rating of 3X. Non-Emergency services provided by the Fire Department include: public education, business inspections, CPR/First Aid Classes, home inspections, EMS prevention and education, stand by service and participation in City and school events, fire prevention and safety education, blood pressure monitoring, and fire plan reviews and inspections.

Douglas Fire currently has Joint Aid Agreements with Sunnyside Fire and Pirtleville Fire to assist in incidents in the respective service areas. Douglas Fire currently already covers the Pirtleville, Sunnyside Fire, that includes the proposed annexation area, and beyond as part of its EMS response area.

### ***Development Services***

The City's Development Services oversees many of the growth and development related aspects of the City, including planning and zoning, building safety, building inspections, 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 and budget allowing. Due to the increase in homes and developable vacant land, in this annexation area, it is projected to create the need for added plan review and building inspection services and such would be handled with staff and potentially the use of our county partners and/or 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. City of Douglas offers well-planned, clean, and safe parks like 17<sup>th</sup> Street Park, Airport Park, Castro Park, Causey Park, Neighborhood Parks, Pan Am Linear Park, Placita Del Sol Park, Speer Park, Pizza Hut Park, Termite Field Park, and Veteran's Park. This Department plans and runs many of the City's community events, including the 4th of July event, Douglas Days, Halloween, Christmas Light Parade and other events and activities. The Parks and Recreation division welcomes residents from the

surrounding areas to its programs and expects little to no impact with the annexation of this property.

### ***Library***

The City of Douglas 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 City of Douglas community resources.

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: 1 early literacy learning station, 24 STEM To-Go science kits; five digital camera kits; 48 Wonder books; 1 mobile Kitchen; 10 telehealth Medi-Pac kits, 6 Playaway Launchpad Tablets, 27 public access computers, 10 laptops, 20 iPad, 31 databases, 50 mobile hotspots; downloadable eBooks eAudiobooks, and eMagazines from Overdrive; downloadable music, movies, and television shows from Kanopy; and free on-site Wi-Fi service. 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. No increase in services is projected since the Library already serves the proposed annexation area.

### ***Sanitation***

The City of Douglas operates a curbside pickup system for all residents and businesses in the City limits. These services include twice a week pickup of residential trash using a City provided 96-gallon can and twice a week pickup for businesses using a 300 gallon can. Residents also have the option to request special pickups on Wednesdays for bulk or construction trash currently at a cost of \$15.00 plus tipping fees.

These services will be offered on day one to the property located in the annexation area. It is estimated that an additional 47 homes and 2 commercial accounts will be picked up utilizing existing route, vehicles and drivers. The impacts to operations would be the additional cost to pickup the garbage (transfer station tipping fees), fuel, wear and tear of the vehicle which will be offset by additional revenue generated by providing the service. These homes can be picked up within the existing route and no additional personnel costs are expected at this time.

### ***Transportation***

Public Transit services are currently being offered in the area through the Bay Acres/Pirtleville Douglas Rides route. The route has pickup points in Washington Avenue and another one at the Palo Verde Stop n Go convenience store. The route operates Monday through Friday from 8-4pm

with 8 daily loops. Additionally, there is the Dial-a-Ride system for special pickups for qualifying disabled or elderly (60+) participants.

No impact is expected as a result of the annexation area since this area is already part of the Douglas Rides route.

### ***Water***

City of Douglas is the water provider for the area and currently provides water for all homes and businesses in the annexation area. Residents outside of the Douglas City limits pay a higher water rate. Upon annexation, residents will receive the inside City limit water rates. As an example a single family home, typically on a ¾" meter would pay \$22.50 per month but under the City limits they would pay a reduced \$17.88 pe month, not including consumption.

### ***Sewer***

The area is currently not served with City sewer. Homes and business are currently on septic tanks inspected by the County. Upon annexation, residents have the option to keep existing functional septic tanks. However, the City will designate \$500,000 in the FY 25/26 budget to install a main sewer service line along both 20<sup>th</sup> and 23<sup>rd</sup> Streets that would allow the connection of homes and businesses to the sanitary sewer system. The City has 10 years to install sewer services to the existing homes and businesses within reasonable circumstances. The City charges sewer impact fees for existing homes connecting to the sanitary sewer system. City also charges Impact Fees for new home construction. The impact fee varies on the size of meter, however, for a typical single family home with a ¾" meter, the sewer impact fee is \$2,100.

### ***Other 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, Cox Communications 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 few new residents will be added. The City Clerk will undertake the task to assign the annexation area to the corresponding Ward.

### ***Courts***

This Department includes the Municipal Court. The City collaborates with Cochise County through a Co-Location agreement for court processing. Caseloads handled by this Department may grow proportionally with population increases. Over time, this may result in associated increases in operating costs.

## ***Finance***

The Finance Department provides many essential services such as budget management, payroll, accounts payable, business license, purchasing, 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 Douglas 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 industrial annexation area are anticipated at the present time. Additional growth occurring to the City of Douglas 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***

As mentioned, the City will collect on homes connecting to sewer once the sewer main is installed. In addition, City staff anticipates some residential development within the proposed annexation area in the next several years. New home construction would yield both water and sewer impact fee revenue at \$1,400 and \$2,100 respectively per typical single family home.

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

\$1.00-\$500.00	\$23.50, plus \$10.00 filing fee
\$501.00 to \$2,000.00	\$23.50 for the first \$500 plus \$3.05 for each additional \$100, or fraction thereof, up to and including \$2,000, plus a \$10.00 filing fee
\$2,001.00-\$25,000.00	\$69.25 for the first \$2,000 plus \$14 for each additional \$1,000, or fraction thereof, to and including \$25,000 .00, plus \$15.00 filing fee
\$25,001.00 -\$50,000.00	\$391.25 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00, or fraction thereof, to and including \$50,000.00, plus \$15.00 filing fee

\$50,001.00 to \$100,000.00	\$643.75 for the first \$50,000 plus \$5.70 for each additional \$1,000, or fraction thereof, up to and including \$100,000, plus \$20.00 filing fee
\$100,001.00 to \$500,000.00	\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00, plus \$30.00 filing fee
\$500,001.00 to \$1,000,000.00	\$3,233.75 for the for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00, plus \$40.00 filing fee
\$100,001.00 and up	\$5,608.75 for the first \$1,000,000.00 plus \$3.65 for each additional \$1,000.00, or fraction thereof, plus \$40.00 filing fee
	\$5,608.75 for the first \$1,000,000.00 plus \$3.65 for each additional \$1,000.00, or fraction thereof, plus \$40.00 filing fee

### ***Planning and Zoning Fees***

Small additional revenue is projected for General Plan Amendments, zoning changes, 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:* The current City of Douglas property tax rate is \$1.0783/\$100 of Net Assessed Value (NAV). The properties in the proposed annexation area are currently under the Sunnyside Fire District Service Area. With the annexation, the Fire District tax (currently at \$3.1164/\$100 of NAV) would be replaced by the City of Douglas \$1.0783/\$100 of NAV. This equates to:

- Approximately \$107.83 per year on a \$100,000 home
- Under Sunny Side Fire District homeowners on a \$100,000 are paying \$311.64 per year



### ***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 sales tax rate is 3.8% of gross sales within the incorporated boundaries of the City. There is limited business in the annexation area as of the date of this report, however, utilities and telecommunications (cell phones) sales taxes would be subject to the City Sales tax in the annexation area.

Total tax rate for retail is as follows:

- ◆ City of Douglas 3.8%
- ◆ State of Arizona 5.6%
- ◆ Cochise County 0.5%
- ◆ Cochise County Jail District 0.5%
- ◆ Total Tax 10.4%

### ***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. The current franchise fee is 2% of gross revenues for APS and Southwest Gas and 5% for Cox Communications. The franchise fee is in addition to the transaction privilege (sales) 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 normally 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. A recent change in the type of tax collected resulted in an increase to 18% for a few years. 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 Cochise 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 Cochise County. These revenues may be expended for any municipal public purpose.

### ***Operating Fees***

**Business License:** this is a license fee that is placed on professions, occupations or businesses within the City. Anyone doing business within the municipal boundaries must have a business license. There is a license application fee of \$20 and license fees of \$75 plus an additional \$20 per additional employee after the third employee. There are currently no commercial designated areas in the annexation area as of this report.

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

### **Solid Waste User Fees: Residential and Commercial Accounts**

Every residential premise is required to establish a residential account and every commercial premise is required to establish a commercial account. Residential premises will be supplied with a 96 gallon individual container and commercial premise with a 300 gallon container by the City for twice\* a week pick up at the following charges:

### **Solid Waste Collection by City: Fees and Charges**

96 gallon individual container	Twice a week pickup*	\$20/month
300 gallon individual container	Twice a week pickup	\$45/month
Deposit	Varies by Account and Services	
96 gallon extra or container replacement	\$19/container	
300 gallon extra or container replacement	\$30/container	
Bulk trash special pickup	Minimum \$15.00 plus tipping fees .	
Delivery Fee	\$15.00	
Replacement Fee	Equal to the current replacement City costs.	

### ***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.

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 water and sewer (user fee), streets (HURF) and sanitation (user fee) services as well as Airport, vehicle maintenance and building maintenance through user and 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.

The area is in need of street paving, sidewalks & curbing & street lighting. After sewer installation, City street crews will schedule pavement and plan appropriate curb, sidewalks and lighting.

#### **OPPORTUNITIES:**

If the City annexes this area now, the City can manage the land use, capitalize on permit revenues, sales taxes, property taxes, user fees and Impact Fees as the area continues to develop.

Municipal planning and development standards, as well as increased services provided by the City of Douglas, 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 the Mayor and Council's Vision 2032 Strategic Plan and the annexation policies of the Mayor and Council of the City of Douglas.

#### **CHALLENGES:**

Depending upon growth, development and service scenarios, the City will need to utilize its Fund Balance, specifically sewer and streets fund balance supported by the General Fund as needed upon the effective date of the annexation.

**CONCLUSION:**

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