

**Development (Impact) Fee Program Update
LIST OF PUBLIC COMMENTS and RESPONSES
August 5, 2014**

The following public comments regarding the draft Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP) Reports were submitted for the Public Hearing held June 30, 2014 and/or were raised at one of the stakeholder meetings held during June -July 2014. Responses are indicated.

Comments from Summary Submitted by SAHBA Consultant DPGF, June 30, 2014

1. Service Areas/Levels of Service for Streets and Parks IIP Report (CHANGE MADE)

Comment: Level of service analysis was performed on a city-wide basis rather than for individual service areas as called for in state statute.

Response: After review by the City Attorney's office, it was determined that the level of service should be calculated by the five service areas rather than city-wide for parks and streets. This changes the maximum fees that can be charged for each district (in some cases increasing them, and other cases lowering them) as reflected on pages 20 and 21 of the Streets IIP, and page 20 of the Parks IIP (see Updated Impact Fee portion of table).

2. Streets IIP – Sidewalks (CHANGE MADE)

Comment: Proposed sidewalk projects in the Streets IIP appear to be a correction of existing deficiencies and it is not clear how they benefit new development.

Response: Staff has provided a more detailed list of sidewalk projects that are part of roadway capacity enhancements. In addition, maps are included that show all of the planned streets projects relative to projected growth areas (see pages 5 and 6 and Appendix C of the Streets IIP).

3. Streets IIP – RTA Contribution (NO CHANGE MADE but new credit included)

Comment: Why is new development being charged the entire portion of the City's contribution to RTA projects?

Response: New development is being charged approximately 8 percent overall for the RTA roadway widening projects included in the Streets IIP, and 15% for the modern streetcar extension (proposed RTA project). The RTA projects included in the Streets IIP consist mostly of major cross town arterials that are being widened and will help support new growth; 8 percent of the total cost of these projects is seen as a reasonable portion to be charged to new development. Based on the Plan Tucson Future Growth Scenario Map, new development is expected along several segments of the proposed modern streetcar extension, and there are major activity centers at each end; 15% charged to infill development along that route is reasonable. In addition, a credit is being applied for the projected sales tax amount that new development will pay toward the RTA-funded portion of these projects to ensure new development is not being double charged (see response #28 below).

4. Parks and Recreation IIP – Non-Residential Charge (CHANGE MADE)

Comment: Request to charge a portion of the Parks fee to non-residential development as required in state statute.

Response: While no readily apparent data exists to substantiate a quantifiable nexus between the construction of new non-residential development and the need for parks facilities, upon consultation with the City Attorney, it was determined that an incidental charge of 1 percent (1%) is appropriate to charge to non-residential development to ensure compliance with the state statute. See page 20 (Updated Impact Fee portion of Exhibit 15) of the Parks IIP where this change has been made.

5. Parks and Recreation IIP – Parks over 30 Acres (NO CHANGE MADE)

Comment: The state statute does not allow charging development impact fees for parks in excess of 30 acres *unless they provide a direct benefit to the new development.*

Response: Page 2 of the Parks IIP provides evidence of the direct benefit that parks over 30 acres have to new development.

6. Police and Fire IIP – Valuation of Existing Facilities and Land (CHANGE MADE)

Comment: Uniform square footage replacement costs were used for police and fire facilities, regardless of type, which is not reflective of the variation in the type of facilities (e.g. warehouse vs. headquarters)

Response: Additional analysis of replacement costs and land values was conducted by the City's General Service Department and Real Estate Office, and new, more specific valuation numbers have been used in the IIPs. See page 6 of the Police IIP, and page 7 of the Fire IIP for the updated figures.

Letter dated June 25, 2014 from Gallagher & Kennedy, Legal Counsel for SAHBA

7. Service Areas for Streets and Parks (CHANGE MADE)

See #1 Above

8. Streets IIP – Sidewalks (CHANGE MADE)

See #2 Above

9. Streets IIP – RTA Contribution (NO CHANGE MADE but new credit included)

See #3 Above

10. Parks and Recreation IIP – Non-Residential Charge (CHANGE MADE)

See #4 Above

11. Parks and Recreation IIP – Parks over 30 Acres (NO CHANGE MADE)

See #5 Above

12. Parks and Recreation IIP – Eligible improvements (NO CHANGE MADE)

Comment: Specialized items included in the valuation of existing parks facilities are beyond “necessary services” as defined in state statute.

Response: State statute includes a very specific list of parks and recreation facilities that must be excluded from the studies. These facilities have been excluded from the Parks IIP. Beyond this, the statute defines “necessary services” to include a variety of facilities that have a life expectancy of three or more years and that are owned and operated by or on behalf of the city. The City Attorney has reviewed the list of facilities that has been included in the City’s Parks IIP and believes it is compliant with the state statute.

Additional Items from full Report Submitted by SAHBA Consultant DPCG, June 25, 2014 (Only includes items not already covered above)

13. Streets IIP – Roadway Construction Cost

Comment: Cost of street construction should be \$1.2 million per lane mile rather than the \$1.4 million used.

Response: Engineering staff and the consultant team have reviewed the cost figures used and feel that \$1.4 million is the most accurate figure. An explanation is provided on page 19 of the Streets IIP.

14. All IIPs – Licensed Professionals (CHANGE MADE)

Comment: Provide evidence that all cost estimates in each report were prepared by licensed professionals.

Response: The Streets IIP, including the cost estimates therein, have been prepared by civil engineers registered in the State of Arizona (Curtis Lueck and Marcos Esperza of CLA, working with Andrew McGovern of the COT Transportation Department). The Parks and Recreation IIP and the cost estimates therein have been reviewed and the report has been sealed by a landscape architect registered in the State of Arizona (Stacey Weaks, PLA). The building and land valuations in the Police and Fire IIPs have been reviewed by a mechanical engineer registered in the State of Arizona (Vinnie Hunt, COT General Services Department/Architecture and Engineering Division). The vehicle and equipment valuations in the Fire IIP have been reviewed by a Certified Public Accountant licensed in the State of Arizona (Karen Tenace, COT Finance Department).

15. Streets IIP – Source Information (CHANGE MADE)

Comment: Provide additional source information to clarify data in Streets IIP.

Response: Clarification has been made throughout the report to address questions raised.

16. Parks IIP – Eligibility of Recreation Centers (NO CHANGE MADE)

Comment: The state statute does not allow “community centers greater than three thousand square feet in floor area” to be included as necessary public services in the Parks IIP.

Response: The centers included in the Parks IIP are all *recreation* centers, used for recreation purposes including gymnasiums, basketball courts, workout rooms, and recreation class space. They are not *community* centers, but rather have a *recreational* purpose, which is allowed under the statute.

17. Parks IIP – Swimming Pool Costs (CHANGE MADE)

Comment: The same replacement cost was used for all swimming pools, which does not seem accurate.

Response: Pools have been categorized as small, medium, and large and the replacement costs have been adjusted accordingly (see page 13 of the Parks IIP).

18. Parks IIP – Parks Construction Costs (NO CHANGE MADE)

Comment: The average cost of construction of a typical park should be approximately \$100,000/acre rather than the \$173,453/acre used in the City report.

Response: The replacement costs for all of the elements that make up the parks and recreation system are detailed in the Parks IIP on pages 13, 15 and 16, substantiating the \$159,584 average cost per acre for the system overall (less land cost). Changes that resulted in this reduction included removing park acreage for the rodeo grounds; removing recreation centers that have been sold or closed, and the aquatic center and maintenance facility, which are not “necessary facilities”; and the revised, reduced swimming pool costs, as described in #17 above.

19. Present Value Cost Indexing (CHANGES MADE)

Comment: Utilize the Engineering News Record Construction Cost Index rather than the Consumer Price Index to determine present value of grant funding and outstanding debt.

Response: All outstanding debt (bond and Certificates of Participation) is current as of the beginning of FY14. Grant funding received for Parks facilities was adjusted to 2014 dollars using the Construction Cost Index.

20. Police Call Data (NO CHANGE MADE)

Comment: The Police IIP uses 2007 call data to estimate the residential/non-residential call split at 60%/40%. This information is outdated.

Response: Police has reviewed recent call data and confirms that the split used in 2007 is still accurate.

21. Eligible Police Vehicles/Equipment (CHANGE MADE)

Comment: Provide additional detail on police vehicles and equipment replacement costs and establish present value for outstanding bond indebtedness.

Response: Additional information has been provided in the Police IIP, Exhibit 3 on pages 7 & 8, and in the Appendix. Bond debt is provided in current FY 14 dollars.

22. Persons per Household (CLARIFICATION PROVIDED)

Comment: Provide back-up documentation for persons per dwelling unit utilized in the reports.

Response: Local census data was used as provided by Pima Association of Governments.

23. Inclusion of Communication Center project in Police/Fire IIPs (CHANGE MADE)

Comment: It appears the Communication Center Expansion may not be eligible for the amount of funding allocated.

Response: This project has been removed from the Police and Fire IIP project lists.

24. Fire Call Data to Determine Residential/Non-residential Split (CHANGE MADE)

Comment: Provide types of calls included in the “residential, other” category and move non-residential calls to the non-residential category.

Response: Call data are tracked in accordance with the National Fire Incident Reporting System. TFD staff uses the ‘Residential Other’ category for most residential calls. Three call categories were moved from the ‘Residential Calls’ category to the ‘Non-Residential Calls’ category. See the Fire IIP page 5.

25. Fire Vehicles/Equipment

Comment: Verify replacement costs of fire vehicles; describe “truck fire prevention vehicles”; ensure replacement costs are in 2014 dollars; describe “special resource stations and equipment”

Response: Fire vehicle costs have been reviewed and verified by a CPA (see the response to #14). The fire prevention trucks are used by fire inspectors and fire cause investigators, all of whom are uniformed firefighters and must be available to respond to a scene at a moment’s notice. All replacement costs are in 2014 dollars. “Special resource stations and equipment” have been removed from the projects list.

Letter from Pedestrian Advisory Committee

26. Pedestrian Projects (CLARIFICATION PROVIDED)

Comment: Support expressed for inclusion of pedestrian projects in the Streets IIP because new development creates the need for enhanced sidewalks.

Response: Pedestrian improvement projects have been maintained in the IIP and are included within Plan Tucson-designated growth areas and in conjunction with roadway capacity enhancements.

Letter from Living Streets Alliance

27. Pedestrian Projects (CLARIFICATION PROVIDED)

Comment: Support expressed for sidewalk expansion program in the Streets IIP and support for maximum amount of funding from development impact fees going toward these projects.

Response: Pedestrian improvement projects have been maintained in the IIP and are included within Plan Tucson-designated growth areas and in conjunction with roadway capacity enhancements.

Additional Comments from Developer Stakeholder Meeting of July 15, 2014

28. Streets IIP – RTA Sales Tax Offset (CHANGE MADE)

Comment: The Streets IIP should provide an offset for future RTA sales tax contributions new development will by paying toward RTA projects included in the IIP.

Response: Upon review by the City Attorney, it was determined that an offset should be provided. This is reflected on page 18 of the Streets IIP.

Comments from City of Tucson Pedestrian Advisory Committee Mtg. of July 16, 2014

29. Streets and Parks IIP – Inclusion of Pedestrian Facilities and Maximizing Revenue (CLARIFICATION PROVIDED)

Comment: Committee discussed the importance of including projects that benefit pedestrians in the impact fee program and maximizing the revenue collected.

Response: Staff clarified how impact fees can be used and described the specific pedestrian projects being proposed in the new Streets IIP.