
Development (Impact) Fees

City of Tucson Streets Facilities Fee Report

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Introduction

The City of Tucson collects development fees to offset some of the infrastructure costs associated with growth. The City currently charges fees for four public service categories: (1) streets facilities, (2) parks and recreational facilities, (3) police and (4) fire. In order to continue assessing and collecting the fees, the City must comply with Arizona Revised Statute ARS §9-463.05, as amended. Consequently, the City is preparing new development fee studies, project lists, fee schedules, fee reports and a City ordinance.

The statute, which codifies Senate Bill 1525, includes major changes in development fee assessment procedures and programs. The statute limits the types of “necessary public services” which fees can fund. A municipality must develop two preliminary products prior to calculating the fees for each service category: a set of land use assumptions and an infrastructure improvements plan (IIP). These documents (the Land Use Assumptions report and four IIP reports) were adopted by the Mayor and Council on August 5, 2014. The adopted Streets Facilities IIP is hereby incorporated by reference.

The City has five service areas for streets improvements, as shown in Exhibit 1. This Development Fee Report identifies the development impact fees associated with projects in the Streets IIP.

Streets Components and Fundable Improvements

A list of streets improvements to be funded between 2016 and 2025 is shown in Exhibit 2, which corresponds with Exhibit 2 of the Streets IIP. The list includes projects in each of the five service areas. The total cost of improvements associated with new development is \$257,894,136. These components are eligible pursuant to the definition of necessary public services in A.R.S. §9-463.05 (T)(7)(e).

Exhibit 1 Streets Facilities Service Areas

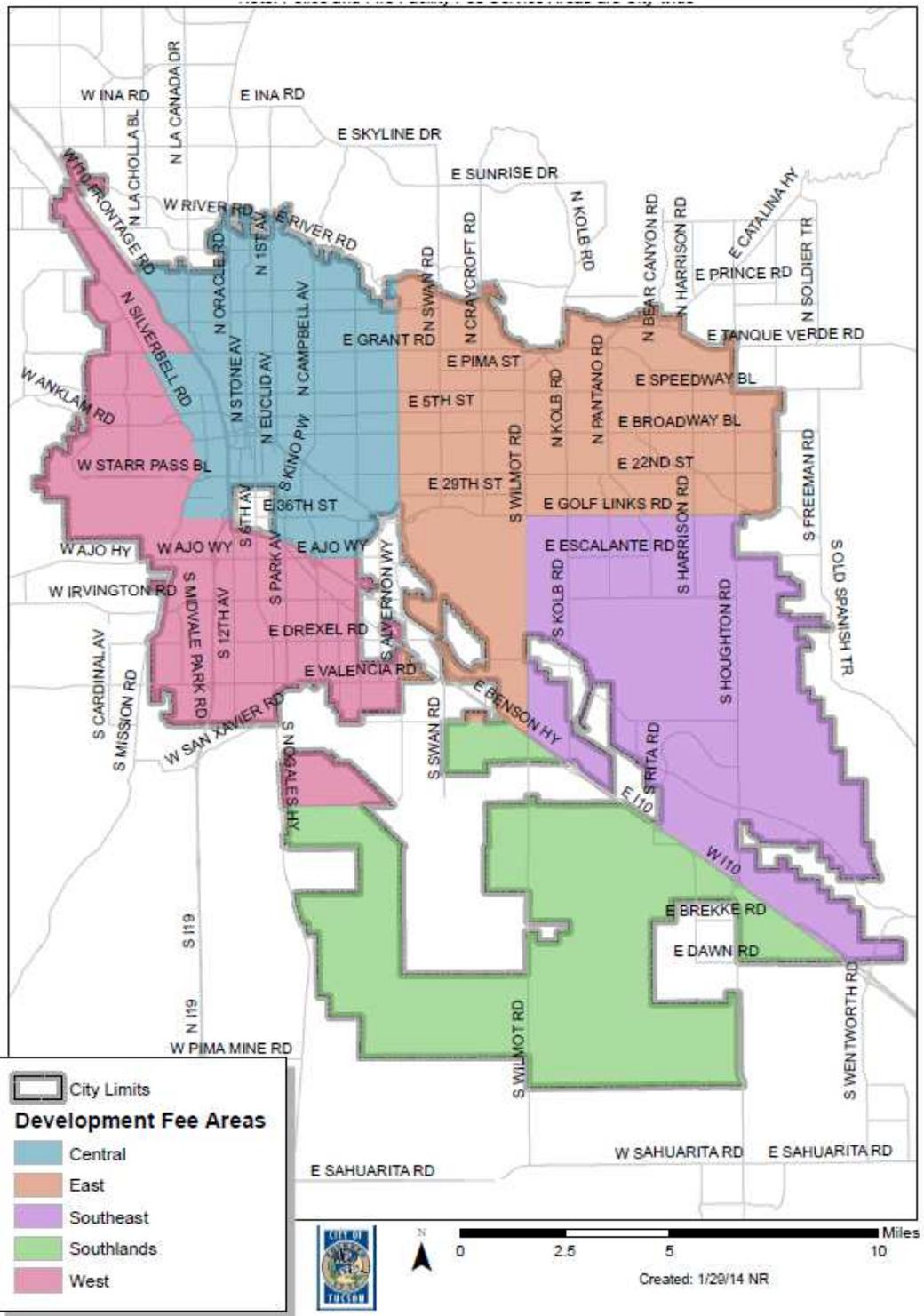


Exhibit 2 Necessary Streets Facilities for Existing and New Development

Road Project	Limits		Project	# of Existing Lanes	# of Lanes	Length (mi)/ Units	New capacity lane-miles	New sidewalk-only miles	Total Project Cost (RTA)	City Contribution to RTA Project	Non-RTA Total Project Cost (Estimated)	Non-RTA Project Cost (Attributed to New Development)	Total Attributed to New Development	Source	Notes
22nd Street	I-10	Tucson Blvd	Widen from 4 lanes to 6	4	6	2.6	5.2		\$118,532,400	\$3,000,000			\$3,000,000	RTA	Only City Contribution applied to Devel Fee Calc
Broadway Boulevard	Euclid Ave	Country Club Rd	Widen from 5 lanes to 8	5	8	1.9	7.6		\$74,760,600	\$3,000,000			\$3,000,000	RTA	Only City Contribution applied to Devel Fee Calc
First Avenue	River Rd	Grant Rd	Widen from 4 lanes to 6	4	6	3.1	6.2		\$79,372,610	\$3,000,000			\$3,000,000	RTA	Only City Contribution applied to Devel Fee Calc
Grant Road	Oracle Rd	Swan Rd	Widen from 4 lanes to 6	4	6	5.0	10.0		\$175,434,650	\$6,000,000			\$6,000,000	RTA	Only City Contribution applied to Devel Fee Calc
Country Club Road	Ft. Lowell Rd	Prince Rd	Widen to 5 lanes, add sidewalks	2	5	0.5	1.5				\$4,722,449	\$1,224,329	\$1,224,329	RSR Cost Estimation	Based on ratio of increase in volume to increase in capacity, 26% applied to new development
Campbell Avenue	Grant Rd	Ft. Lowell Rd	Right turn lanes, bus pullouts (will require ROW)	5	5	1.0					\$1,800,000	\$1,350,000	\$1,350,000	RTA Built Projects*, RSR Cost Estimation for ROW	75% Applied to New Development
Speedway Boulevard	Alvernon Wy	Wilmot Rd	Sidewalks	N/A	N/A	3.0		6.0			\$3,000,000	\$2,250,000	\$2,250,000	Comparable Sidewalk Projects in TIP	75% Applied to New Development
Speedway Boulevard	4th Ave	Park Ave	Sidewalks	N/A	N/A	0.5		1.0			\$500,000	\$375,000	\$375,000	Comparable Sidewalk Projects in TIP	75% Applied to New Development
Stone Avenue	Grant Rd	Limberlost Dr	Sidewalks	N/A	N/A	2.3		4.6			\$2,300,000	\$1,725,000	\$1,725,000	Comparable Sidewalk Projects in TIP	75% Applied to New Development
Ft. Lowell Road	Euclid Ave	Oracle Rd	Sidewalks	N/A	N/A	1.00		2.0			\$1,000,000	\$750,000	\$750,000	Comparable Sidewalk Projects in TIP	75% Applied to New Development
Campbell/Prince	Intersection		Right turn lanes, bus pullouts (will require ROW)	N/A	N/A	N/A					\$2,500,000	\$1,875,000	\$1,875,000	RTA built projects (http://www.rtamobility.com/documents/intersectionsafetyupgradesscr.pdf) - average of 14 projects	75% Applied to New Development
Alvernon/Ft. Lowell	Intersection		Right turn lanes, bus pullouts	N/A	N/A	N/A					\$2,500,000	\$1,875,000	\$1,875,000	RTA built projects (http://www.rtamobility.com/documents/intersectionsafetyupgradesscr.pdf) - average of 14 projects	75% Applied to New Development
Modern Streetcar Line Extension (In-Pavement Components, Proposed)	UMC to Tohono T'adai Center		Streetcar Line Extension (Proposed)			4.7			\$188,000,000 (Proposed)	\$28,000,000			\$28,000,000	CLA	15% Applied to New Development
Bus Pullout Program	19 Locations*		New bus pullouts	N/A	N/A	19					\$2,850,000	\$2,137,500	\$2,137,500	RTA built projects (http://www.rtamobility.com/documents/pdfs/RTACART/2013/RTACART-2013-07-31-Presentation-BusPulloutReport.pdf)	75% Applied to New Development
Central Benefit Area Totals:									\$448,100,260	\$43,000,000	\$21,172,449	\$13,561,829	\$56,561,829		
Silverbell Road	Ina Rd	Grant Rd	Widen from 2 lanes to 4	2	4	7.6	15.2		\$61,955,610	\$8,000,000			\$8,000,000	RTA	Only City Contribution applied to Devel Fee Calc
Sunset Road	Silverbell Rd	I-10/River Rd	New 3-lane roadway	N/A	3	0.9	2.7		\$39,062,010	\$5,000,000			\$5,000,000	RTA	Only City Contribution applied to Devel Fee Calc
Grant Road	Silverbell Rd	I-10	Widen from 4 lanes to 6	4	6	1.4	2.8				\$11,760,000	\$4,014,739	\$4,014,739	COT Staff	Based on ratio of increase in volume to increase in capacity, 34% applied to new development
Ironwood Hill	Shannon	Silverbell Rd	Widen from 2 lanes to 4, includes 1 HAWK	2	4	1	2				\$15,000,000	\$5,508,078	\$5,508,078	COT Staff	Based on ratio of increase in volume to increase in capacity, 37% applied to new development
Ajo Way	Park Ave	Mission Rd	Right turn lanes, bus pullouts, sidewalks, access control	N/A	N/A	2.0		4.0			\$4,550,000	\$3,412,500	\$3,412,500	RTA Built Projects^	Excludes Holiday Isle to 16th Street 75% Applied to New Development
Irvington Road	Mission Rd	I-19	Right turn lanes, bus pullouts, sidewalks, access control	N/A	N/A	1.3		2.6			\$2,950,000	\$2,212,500	\$2,212,500	RTA Built Projects^	75% Applied to New Development
12th Avenue	Ajo Wy	Drexel Rd	Right turn lanes, bus pullouts, sidewalks, access control	N/A	N/A	2.0		4.0			\$4,250,000	\$3,187,500	\$3,187,500	RTA Built Projects^	75% Applied to New Development
Campbell Avenue	Irvington Rd	Valencia Rd	2 HAWKS, pedestrian refuges	N/A	N/A	N/A					\$400,000	\$300,000	\$300,000	COT Staff	75% Applied to New Development
Park Avenue	Irvington Rd	Valencia Rd	Bus pullouts	N/A	N/A	N/A					\$500,000	\$375,000	\$375,000	COT Staff	75% Applied to New Development
Drexel Road	12th Ave	Campbell Ave	Curb, sidewalk, bike lanes	N/A	N/A	2.0		4.0			\$5,080,000	\$3,810,000	\$3,810,000	RSR per mile costs plus sidewalk costs	75% Applied to New Development
West Benefit Area Totals:									\$101,017,620	\$13,000,000	\$44,490,000	\$22,820,318	\$35,820,318		

Streets Facilities Development Fee Report
Final Final

Exhibit 2 (continued) Necessary Streets Facilities for Existing and New Development

Road Project	Limits		Project	# of Existing Lanes	# of Lanes	Length (mi)/ Units	New capacity lane-miles	New sidewalk-only miles	Total Project Cost (RTA)	City Contribution to RTA Project	Total Project Cost (Estimated)	Project Cost (Attributed to New Development)	Source	Notes	
22nd Street	Camino Seco	Old Spanish Tr	Widen from 2 lanes to 4	2	4	1.2	2.4		\$15,144,000	\$3,000,000		\$3,000,000	RTA	Only City Contribution applied to Devel Fee Calc	
22nd Street	Old Spanish Tr	Houghton Rd	Widen from 2 lanes to 3	2	3	0.8	0.8					\$0	RTA	Only City Contribution applied to Devel Fee Calc	
Broadway Boulevard	Camino Seco	Houghton Rd	Widen from 3 lanes to 4	3	4	2.0	2.0		\$16,086,800	\$3,000,000		\$3,000,000	RTA	Only City Contribution applied to Devel Fee Calc	
Houghton Road	Golf Links Rd	Tanque Verde Rd	Widen from 2 lanes to 4	2	4	4.1	8.2		\$62,290,133	\$5,676,923		\$5,676,923	RTA	Cost of Houghton Road project is \$197,505,300. This represents proportional cost based on length (4.1 of 13 miles).	
Speedway Boulevard	Camino Seco	Houghton Rd	Widen from 2/3 lanes to 4	2/3	4	2.0	4.0		\$17,127,000	\$3,000,000		\$3,000,000	RTA	Only City Contribution applied to Devel Fee Calc	
Valencia Road	Alvernon Wy	Kolb Rd	Widen from 4 lanes to 6	4	6	4.3	8.6		\$51,124,970	\$5,676,923		\$5,676,923	RTA	Only City Contribution applied to Devel Fee Calc	
Camino Seco	Wrightstown Rd	Speedway Blvd	Widen from 2 lanes to 4	2	4	0.6	1.2				\$5,000,000	\$993,803	\$993,803	COT Staff	Based on ratio of increase in volume to increase in capacity, 20% applied to new development
Pantano Road	22nd St	Golf Links Rd	Sidewalks	N/A	N/A	1.3		2.6			\$1,300,000	\$975,000	\$975,000	RTA Built Projects	75% Applied to New Development
22nd Street	Alvernon Wy	Wilmot Rd	Sidewalks	N/A	N/A	3.0		6.0			\$3,000,000	\$2,250,000	\$2,250,000	RTA Built Projects	75% Applied to New Development
Wilmot Road	22nd St	Speedway Blvd	Sidewalks, 2 HAWKS	N/A	N/A	2.0		4.0			\$2,240,000	\$1,680,000	\$1,680,000	RTA Built Projects	75% Applied to New Development
Speedway Boulevard	Alvernon Wy	Wilmot Rd	Sidewalks with ROW	N/A	N/A	3.0		6.0			\$4,500,000	\$3,375,000	\$3,375,000	RTA Built Projects, RSR Cost Estimation for ROW	75% Applied to New Development
Rosemont Boulevard	Speedway Blvd	Broadway Blvd	Right turn lanes, sidewalks, 2 HAWKS	3	3	1.0		2.0			\$2,350,000	\$1,762,500	\$1,762,500	RTA Built Projects^	75% Applied to New Development
Pima Street	Alvernon Wy	Swan Rd	Sidewalks	N/A	N/A	1.0		2.0			\$1,000,000	\$750,000	\$750,000	RTA Built Projects	75% Applied to New Development
Speedway Boulevard/Craycroft Road	Intersection		Intersection Improvements	N/A	N/A	N/A					\$5,000,000	\$3,750,000	\$3,750,000	COT Staff	75% Applied to New Development
Speedway Boulevard/Swan Road	Intersection		Intersection Improvements	N/A	N/A	N/A					\$5,000,000	\$3,750,000	\$3,750,000	COT Staff	75% Applied to New Development
Golf Links Road/Swan Road	Intersection		Intersection Improvements	N/A	N/A	N/A					\$5,000,000	\$3,750,000	\$3,750,000	COT Staff	75% Applied to New Development
River Road/Craycroft Road	Intersection		Intersection Improvements	N/A	N/A	N/A					\$1,000,000	\$750,000	\$750,000	COT Staff	75% Applied to New Development
Broadway Boulevard/Pantano Road	Intersection		Intersection Improvements	N/A	N/A	N/A					\$5,000,000	\$3,750,000	\$3,750,000	COT Staff	75% Applied to New Development
Bus Pullout Program	20 Locations*		New bus pullouts	N/A	N/A	20					\$3,000,000	\$2,250,000	\$2,250,000	RTA Built Projects	75% Applied to New Development
East Benefit Area Totals:									\$161,772,903	\$20,353,846	\$43,390,000	\$29,786,303	\$50,140,149		
Houghton Road	I-10	Old Vail Rd	Widen from 2 lanes to 4	2	4	1.8	3.6						RTA	Cost of Houghton Road project is \$197,505,300. This represents proportional cost based on length (8.9 of 13 miles).	
Houghton Road	Old Vail Rd	Golf Links Rd	Widen from 2 lanes to 6	2	6	7.2	28.8		\$135,215,167	\$12,323,077			RTA		
Valencia Road	Kolb Rd	Houghton Rd	Widen from 2 lanes to 6	2	6	4.6	18.4		\$38,251,000	\$5,000,000			RTA	Only City Contribution applied to Devel Fee Calc	
Poorman Road	Houghton Rd	Valencia Rd	New 4-lane roadway	2**	4	2.0	6.7				\$12,595,455	\$12,595,455	\$12,595,455	COT Staff	All Applied to new development
Valencia Road	Houghton Rd	City Limits	New 4-lane roadway	N/A	4	2.0	8.0				\$12,303,136	\$7,449,447	\$7,449,447	Designer Cost Estimate	Only City Contribution applied to Devel Fee Calc
Val Vista	Valencia Rd	Mary Ann Cleveland Wy	New 4-lane roadway	N/A	4	4.5	18.0				\$29,922,955	\$29,922,955	\$29,922,955		All Applied to new development
Rita Road	Houghton Rd	Val Vista	New 4-lane roadway	N/A	4	2.5	10.0				\$18,722,727	\$18,722,727	\$18,722,727		All Applied to new development
Old Vail Road	Rita Road	Houghton Rd	Widen from 2 lanes to 4	2	4	1.6	3.2				\$8,960,000	\$4,823,996	\$4,823,996		Based on ratio of increase in volume to increase in capacity, 54% applied to new development
Mary Ann Cleveland Way	Houghton Rd	City Limits	Widen from 2 lanes to 4	2	4	3.0	6.0				\$16,800,000	\$8,980,237	\$8,980,237		Based on ratio of increase in volume to increase in capacity, 44% applied to new development
Irvington Road	Pantano Rd	Camino Seco	Widen from 2 lanes to 4	2	4	2.0	4.0				\$11,200,000	\$3,267,122	\$3,267,122		Based on ratio of increase in volume to increase in capacity, 29% applied to new development
Irvington Road	Camino Seco	Houghton Rd	Widen from 2 lanes to 4	2	4	2.0	4.0				\$11,200,000	\$5,986,825	\$5,986,825		Based on ratio of increase in volume to increase in capacity, 53% applied to new development
Southeast Benefit Area Totals:									\$173,466,167	\$17,323,077	\$121,704,272	\$91,748,764	\$109,071,841		
Wilmot Road	I-10	End of Road (1.5 Miles)	Widen from 2 lanes to 4	2	4	1.5	3.0				\$8,400,000	\$6,300,000	\$6,300,000	COT Staff	75% Applied to new development
Southlands Benefit Area Totals:									\$0	\$0	\$8,400,000	\$6,300,000	\$6,300,000		
TOTALS							194.12	50.80	\$1,072,356,950	\$93,676,923	\$239,156,721	\$164,217,213	\$257,894,136		

*See Appendix for list of locations

**Poorman Rd is currently paved from Houghton Rd approximately 3,500 feet east

^Right turn lane cost was estimated based on bus pullout costs due to similar project type.

New Dev Cost = \$257,894,136

Development Fees for Streets Facilities

The analysis of recommended fees for the various land use categories, as applied to the five service areas, takes into consideration several factors. These include the trip generation rates, percent of primary trips, length of travel on the major collector/arterial system, and the current expected cost of roadway capacity. These factors are inherent in the summary matrix provided in Exhibit 3, which defines the fees for each land use. This table also includes credits for the Regional Transportation Authority sales tax (RTA) and HURF, as appropriate, which were detailed in the Streets Facilities IIP.

LOS D is the typical standard for urban areas. As discussed in the Streets IIP, the existing system performance varies by service area. Continuing to provide the existing LOS B and C in the West, Southeast, and Southlands areas would result in a significantly higher fee than the average fee calculated for LOS D performance. Exhibit 4 shows the implications of maintaining the existing LOS in those areas. The fee estimates in the table are based on cost per lane-mile of arterial capacity at LOS D, factored by the ratio of arterial capacity at LOS C and LOS B. As indicated, fees would more than double in the West and Southeast areas, and triple in the Southlands area.

Exhibit 3 Derivation of Fees

Land Use Category	Unit	Gross Fees (based on SFR)* All Service Areas	SUs per Unit	Residential/Non-Residential Factor	Net Fees prior to Offsets	Offsets		Base Fees** All Service Areas
						HURF Credit	RTA Credit	
Residential								
<i>Single Family Residential</i>	Dwelling Unit	\$9,496	1.0	65%	\$6,173	\$156	\$326	\$5,691
<i>Condo/Townhouse</i>	Dwelling Unit	\$9,496	0.7	65%	\$4,321	\$109	\$153	\$4,059
<i>Multi-Family/Apartment</i>	Dwelling Unit	\$9,496	0.6	65%	\$3,704	\$94	\$153	\$3,457
Non Residential								
<i>Retail</i>	1000 sf	\$9,496	2.0	35%	\$6,647	\$0	\$140	\$6,507
<i>Office</i>	1000 sf	\$9,496	1.2	35%	\$3,988	\$0	\$191	\$3,797
<i>Industrial</i>	1000 sf	\$9,496	0.3	35%	\$997	\$0	\$191	\$806

*Gross fees are the impact fees before res/non-res factors and RTA and HURF credits are applied

**Base fees are the raw fees after applying the RTA and HURF credits.

Gross Fees based on \$1,400,000 per lane mile; 8,000 vehicles per lane-mile per day (Capacity at LOS D); and thus, \$175 per vehicle mile travelled (VMT)

For a single family unit, the trip rate is 9.52 trips/day, average trip length is 9.5 miles, with 60% travel on the arterial network.

The product of the Cost/VMT, trip rate, trip length, and arterial travel results in a gross fee of \$9496.20 per single family residential unit.

SU per unit and residential/non-residential factors are applied to calculate net fees. Subtracting offsets results in recommended base fees.

Exhibit 4 Fee by Benefit Area and LOS Standard

Service Area	Proposed Streets Fee with LOS D (per SU)	Existing LOS	Estimated Fee With Current LOS (per SU)	Increase (Per SU)
Central	\$5,691	D	\$5,691	\$0
West	\$5,691	C	\$12,716	\$7,025
East	\$5,691	D	\$5,691	\$0
Southeast	\$5,691	C	\$12,716	\$7,025
South Lands	\$5,691	B	\$18,439	\$12,748

The recommended development fee for single family residences is \$5,691 for each service area. The recommended fees for other uses are proportional to their relative intensity and allowable credits.

The fees for specific land uses shall be determined by the City utilizing the land use intensity factors contained in the fee tables, i.e., number of dwelling units or 1000s of square feet of non-residential building area. Portions of a development that do not generate traffic impacts may be excluded from the calculation of fees at the discretion of the City. Examples of such ancillary uses include maintenance and storage facilities on a golf course or an outdoor car wash at an auto dealership.

The Streets Facilities development impact fees, including the fee schedule, are provided in Exhibit 5. The top table shows the full fees adopted by the Mayor and Council. In some cases the fees in the top table are more than the initial phase-in fees, which are shown in the bottom table. The phase-in fees are effective beginning December 23, 2014. Fees are expected to increase to the full adopted fee on July 1, 2016.

Exhibit 5 Fees for Streets Facilities

STREETS DEVELOPMENT IMPACT FEES – Adopted

<u>RESIDENTIAL LAND USES</u>	<u>Fees per Residential Unit</u>
Single-Family Residential	\$5,691
Condo/Townhomes	\$4,059
Multi-Family/Apartments	\$3,457

<u>NON-RESIDENTIAL LAND USES</u>	<u>Fees per 1000 sq. ft. of Building Area</u>
Retail	\$6,507
Office	\$3,797
Industrial	\$ 806

**FEE SCHEDULE – STREETS DEVELOPMENT IMPACT FEES
Effective beginning December 23, 2014**

<u>RESIDENTIAL LAND USES</u>	<u>Fees per Residential Unit</u>
Single-Family Residential	\$4,838
Condo/Townhomes	\$3,978
Multi-Family/Apartments	\$2,580

<u>NON-RESIDENTIAL LAND USES</u>	<u>Fees per 1000 sq. ft. of Building Area</u>
Retail	\$4,282
Office	\$3,797
Industrial	\$ 806

Note: The tables above don't include an administrative fee.

Appendices

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