# Development (Impact) Fees

## City of Tucson

## Parks and Recreation Facilities

## Fee Report

**Prepared by:**

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## Introduction

The City of Tucson is committed to delivering parks and recreation facilities to meet the community's needs and enhance the quality of life in Tucson. Development fees have been an important source of funding for capital projects in Tucson for many years, and are key to providing an acceptable level of service. The City collects development fees to offset some of the infrastructure costs associated with growth. Currently, the City charges fees for four public services categories: streets, parks and recreation, fire, and police facilities. 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 reports, fee schedules, and a development fee ordinance.

Prior to calculating the fees, municipalities must prepare a set of land use assumptions and an infrastructure improvements plan (IIP) for each fee service category. The Land Use Assumptions and the IIP Reports were adopted by the Mayor and Council on August 5, 2014. This document is the Fee Report for Parks and Recreation Facilities.

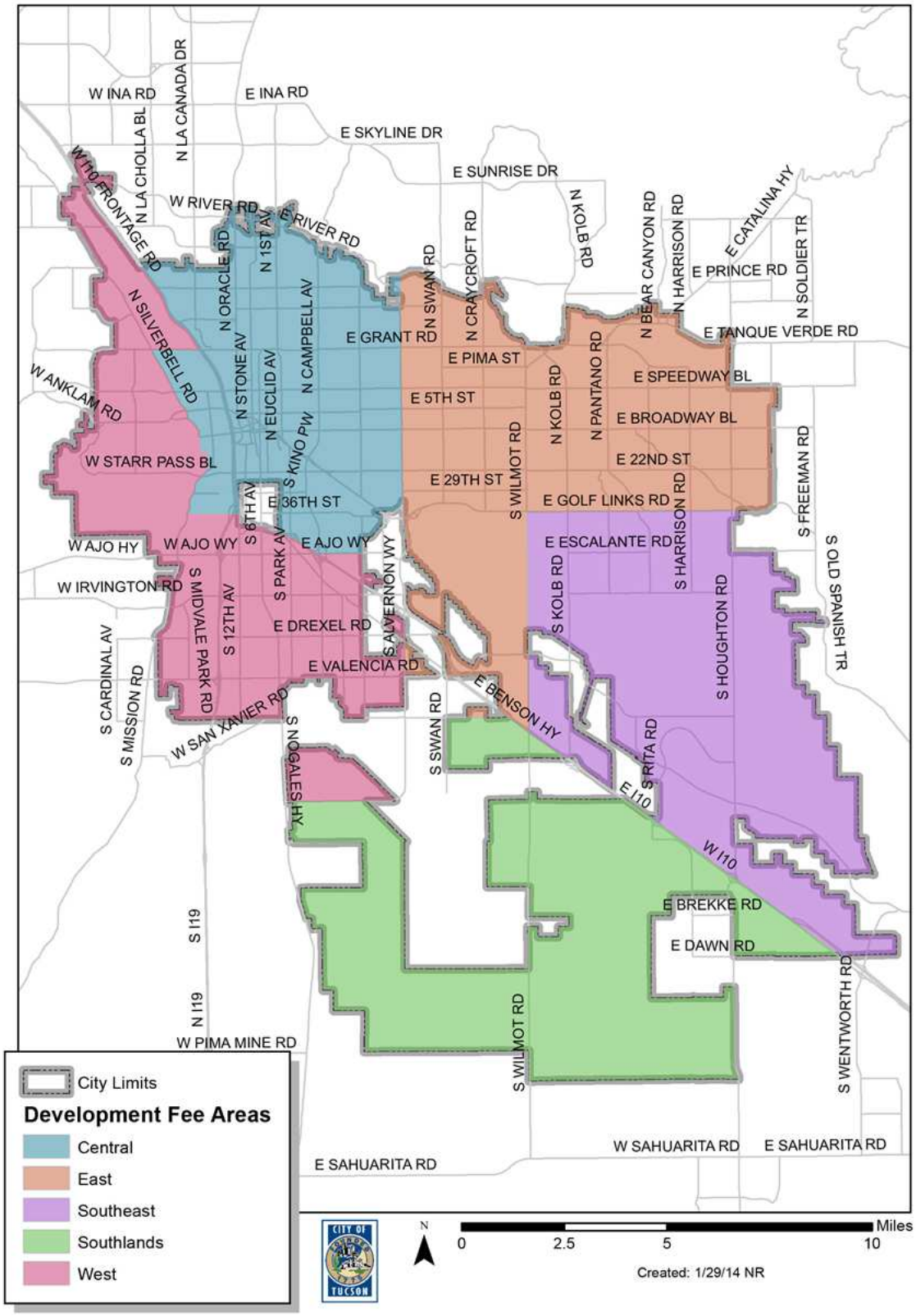
Prior to this update, a single City-wide service area has been used to calculate park impact fees, but the fees have been collected and spent in five benefit districts, to ensure the fees are spent in reasonable proximity to where they are collected. This fee study update includes calculations for fees in each of the five benefit districts (service areas), based on the existing level of service in each respective service area. Fees will be collected and spent within the same service area. The service area boundaries will remain unchanged, except for minor adjustments to account for annexed areas. The boundaries of the Central, East, Southeast, Southlands, and West Service Areas are shown in Exhibit 1.

The Parks and Recreation IIP adopted on August 5, 2014 is hereby incorporated by reference. It describes the history of parks development fees assessed by the City, defines terminology, and calculates the maximum recommended fees on a Service Unit basis. This fee report is based on the adopted IIP and includes the Parks and Recreation fees by land use category and service area.

## Parks and Recreation Facilities Fee

Both residential and non-residential development generate a demand for park service, however, the bulk of the demand is created by residential development. At the time of this study, the proportionate non-residential cost-share is believed to be comparatively low. Also, there is no readily accepted method to quantify the non-residential demand for parks and recreation facilities. Consequently, parks and recreation development fees will continue to apply primarily to new residential development, with a contribution of 1% of the net Parks and Recreation Facilities value from non-residential uses.

# Exhibit 1 Parks and Recreation Facilities Service Areas



Fees are calculated based on an incremental expansion method described in the IIP. The methodology considers the present worth of allowable existing facilities on a per capita basis, provides offsets for debt service and other credits, and calculates the new fee per development unit based on these factors. Total estimated revenues are projected based on the growth trends documented in the approved Land Use Assumptions report. The net present value of park facilities per service unit is shown in Exhibit 2. Future fee study updates should revisit the non-residential cost-share of public park facilities as additional information on this topic becomes available.

## Exhibit 2 Net Park Facilities Value per Service Unit

| | Gross Facilities Value/SU's | Gross Facilities Value/SU's minus Debt Offset | Grant Funded Facilities Offset* | Net Facilities Value/SU | Net Facilities Value/SU (Residential Proportion) |
|---|---|---|---|---|---|
| City Wide | $3,247 | $2,977 | $205 | $2,772 | $2,744 |
| Central | $3,552 | $3,281 | $307 | $2,974 | $2,945 |
| East | $2,239 | $1,968 | $124 | $1,844 | $1,826 |
| Southeast | $3,261 | $2,990 | $188 | $2,803 | $2,775 |
| Southlands | $490 | $220 | $0 | $220 | $218 |
| West | $4,471 | $4,201 | $208 | $3,993 | $3,953 |

*The City Wide Grant funded Facilities offset is a simple average and does not account for the non-uniform distribution of grant funds within the service areas

## Recommended Fee by Land Use Category

The fee per service unit shown above is translated into fee by land use category by incorporating the weighting factors shown in Exhibit 3.

## Exhibit 3 Service Units by Land Use Type (Weighting Factors)

| Land Use Type | Unit Size | SU's/Unit |
|---|---|---|
| Single Family Detached (persons/HH) | 2.8 | 1.00 |
| Condo/Townhome (persons/HH) | 1.9 | 0.68 |
| Multi-Family Residential/Apartment (persons/HH) | 1.7 | 0.61 |
| Non-Residential (square feet) | 1,000 | 0.013* |

*See Parks and Recreation Facilities IIP, Appendix F, for an explanation of how the Non-Residential fee multiplier was determined.

Reference: US Census Bureau 2010

Exhibit 4 shows the fees for the three residential categories and a non-residential category, by each service area. The fees shown have been rounded to the nearest dollar. 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 will be effective beginning December 23, 2014. Fees are expected to increase to the full adopted fee on July 1, 2016.

## Exhibit 4 Fee for Parks and Recreation Facilities (Rounded)

PARKS AND RECREATION DEVELOPMENT IMPACT FEES - ADOPTED

| | Single-Family Residential | Condo/ Townhome | Multi-Family/ Apartments | Non-Residential (ALL) |
|---|---|---|---|---|
| CENTRAL | $2,945 | $1,998 | $1,788 | $38 |
| WEST | $3,953 | $2,683 | $2,400 | $51 |
| EAST | $1,826 | $1,239 | $1,108 | $23 |
| SOUTHEAST | $2,775 | $1,883 | $1,685 | $36 |
| SOUTHLANDS | $218 | $148 | $132 | $3 |

**FEE SCHEDULE – PARKS AND RECREATION DEVELOPMENT IMPACT FEES, Effective beginning December 23, 2014**

| | Single-Family Residential | Condo/ Townhome | Multi-Family/ Apartments | Non-Residential (ALL) |
|---|---|---|---|---|
| CENTRAL | $1,935 | $1,591 | $1,032 | $38 |
| WEST | $1,935 | $1,591 | $1,032 | $51 |
| EAST | $1,826 | $1,239 | $1,032 | $23 |
| SOUTHEAST | $1,935 | $1,591 | $1,032 | $36 |
| SOUTHLANDS | $218 | $148 | $132 | $3 |

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

# APPENDIX

## List of Preparers

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