



UPDATING DEVELOPMENT IMPACT FEES

Focus Group Meeting #3

May 30, 2024



PURPOSE OF PRESENTATION

1. Review Calendar
2. Identify Key Assumptions
3. Discuss Updated Land Use Assumptions (LUA)
4. Discuss Updated Infrastructure Improvement Plans (IIP)
5. Preview May 30th Meeting Agenda





1. REVIEW CALENDAR

PROPOSED CALENDAR

STEP 1: *LUA AND IIP APPROVAL*

Step #	Step	Date
1	Review Land Use Assumptions and Infrastructure Improvement Plan	March 6, 2024 Town Council Meeting (1 of 6)
2	Publish Land Use Assumptions and Infrastructure Improvement Plan	March 7, 2024
	60-Day Notice Period (Public Outreach and Collaboration Period) <i>Focus Group Meetings</i>	<i>May 2 and 13</i>
3	Public Hearing #1 RE. Land Use Assumptions and Infrastructure Improvement Plan	May 15, 2024 Town Council Meeting (2 of 6)
	30 to 60-Day Waiting Period <i>Focus Group Meetings</i>	<i>May 30 and June 18</i>
4	Approve Land Use Assumptions and Infrastructure Improvement Plans	June 19, 2024 Town Council Meeting (3 of 6)

FOCUS GROUP MEETING AGENDA CALENDAR

Meeting	Agenda Topics	Date
1	<ul style="list-style-type: none"> • Purpose of Focus Group • Review Calendar • Review Land Use Assumptions • Review IIPs (Police and Fire & Medical) 	May 2
2	<ul style="list-style-type: none"> • Review Meeting #1 Follow Up Items • Review IIPs (Streets, Parks, and Trails) • Introduce Construction Sales Tax Offset • Review a Fee Calculation Example • Identify Focus Group Comments for May 15th Public Hearing 	May 13
3	<ul style="list-style-type: none"> • Identify Key Assumptions • Discuss Meeting #1 and #2 Follow Up Items • Review Revised LUA and IIPs 	May 30
4	<ul style="list-style-type: none"> • Review Draft LUA and IIP Report • Finalize LUA and IIPs • Identify Focus Group Comments for June 19th Town Council Meeting 	June 18



2. IDENTIFY KEY ASSUMPTIONS

KEY ASSUMPTIONS

1. Land Use

- Activity on State Lands

2. Infrastructure Improvement Plans

- State Land Infrastructure
- Allocation of Police Infrastructure to Existing Level of Service
- Transportation Infrastructure Does Not Include Master Plan Update



KEY ASSUMPTIONS (CONTINUED)



3. Funding Sources

1. Construction Sales Tax Projection
 - LGES and LGEES
 - State Lands
2. Title 42 State Reimbursement
3. Prop 479 0.5% Gas Tax Renewal



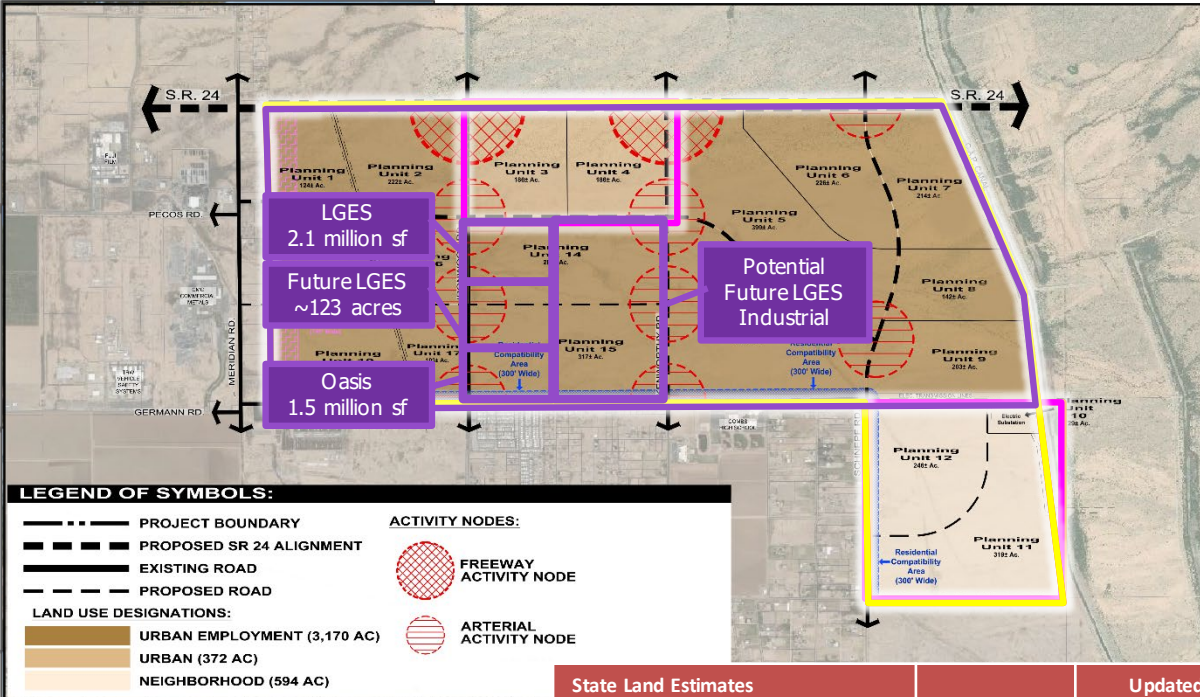
3. DISCUSS UPDATED LAND USE ASSUMPTIONS (LUA)

Updated LUAs

Land Use Category	Updated Existing	Updated 10-Year Projection	Updated 10-Year Increase	% Increase
1.Single Family Homes	24,113 23,387	35,828 35,803	11,715 11,916	49%
2.Multi-Family (Units)	2,477 2,879	6,990 6,968	4,513 4,089	182%
3.Commercial (Square Feet)	6.4M 4.6M	8.7M 6.9M	2.3M	36%
4.Office / Other (Square Feet)	1.4M	2.0M 2.2M	0.6M 0.7M	43%
5.Industrial (Square Feet)	4.2M 0.6M	11.7M 0.9M	7.5M 0.3M	179%

NOTE: Strikethrough represents initial projection. Activity increased due to State Lands.

State Lands Development



LEGEND OF SYMBOLS:

- PROJECT BOUNDARY
- - - PROPOSED SR 24 ALIGNMENT
- EXISTING ROAD
- - - PROPOSED ROAD

LAND USE DESIGNATIONS:

- URBAN EMPLOYMENT (3,170 AC)
- URBAN (372 AC)
- NEIGHBORHOOD (594 AC)

ACTIVITY NODES:

- FREEWAY ACTIVITY NODE
- ARTERIAL ACTIVITY NODE

COMPATIBILITY AREAS:

- Residential Compatibility Area (300' Wide)
- Commercial Compatibility Area (300' Wide)

Exhibit 1: Supplement 3 Revised Dev

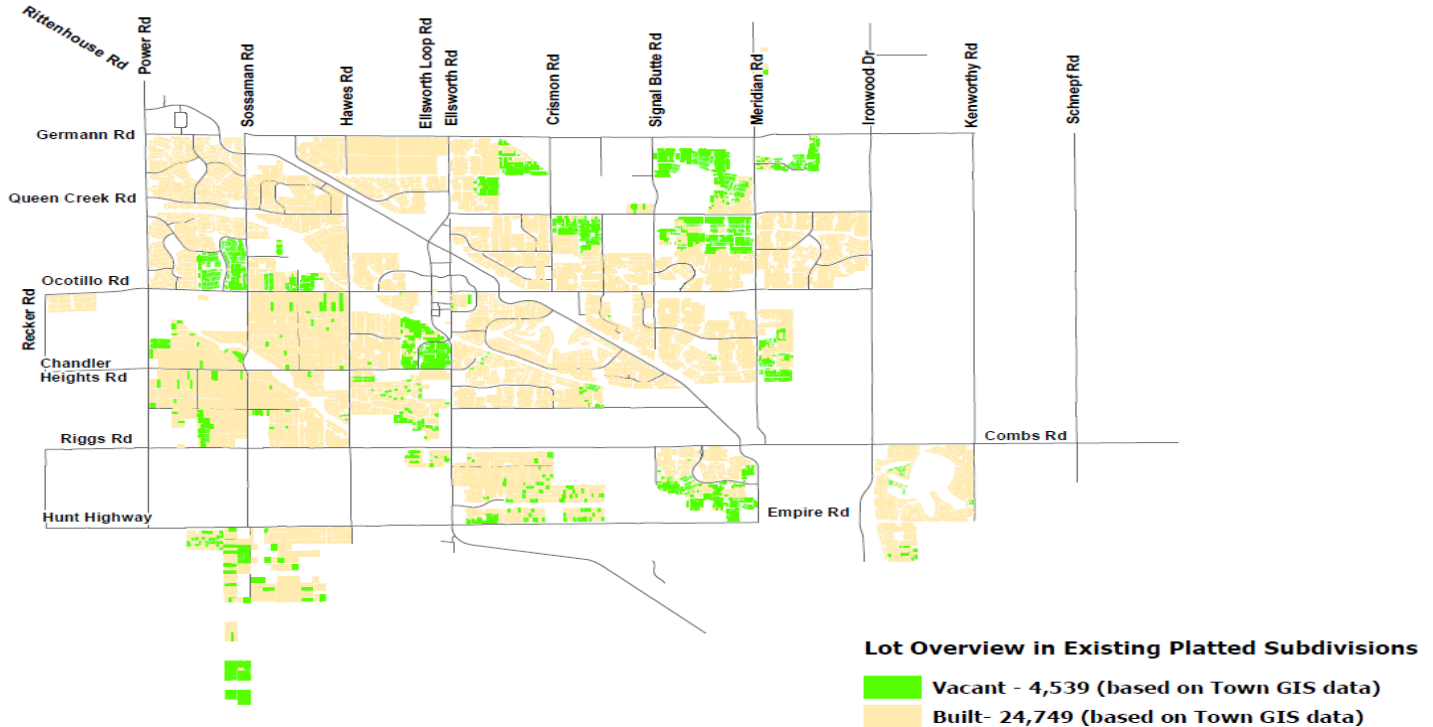


State Land Estimates	Updated Existing	Updated 10-Year Projection	Updated 10-Year Increase	% Increase	Notes
1. Single Family Homes	0	2,500	2,500	100%	
2. Multi-Family (Units)	0	1,280	1,280	100%	3 MF developments
3. Commercial (Square Feet)	0	260,000	260,000	100%	Freeway/Rail Commercial
4. Office / Other (Square Feet)	0	30,000	30,000	100%	
5. Industrial (Square Feet)	2,100,000 (LGES)	5,400,000 (LGES) 600,000 (other)	3,300,000 (LGES) 600,000 (other)	186%	Development of remaining LGES units and new industrial along UPRR

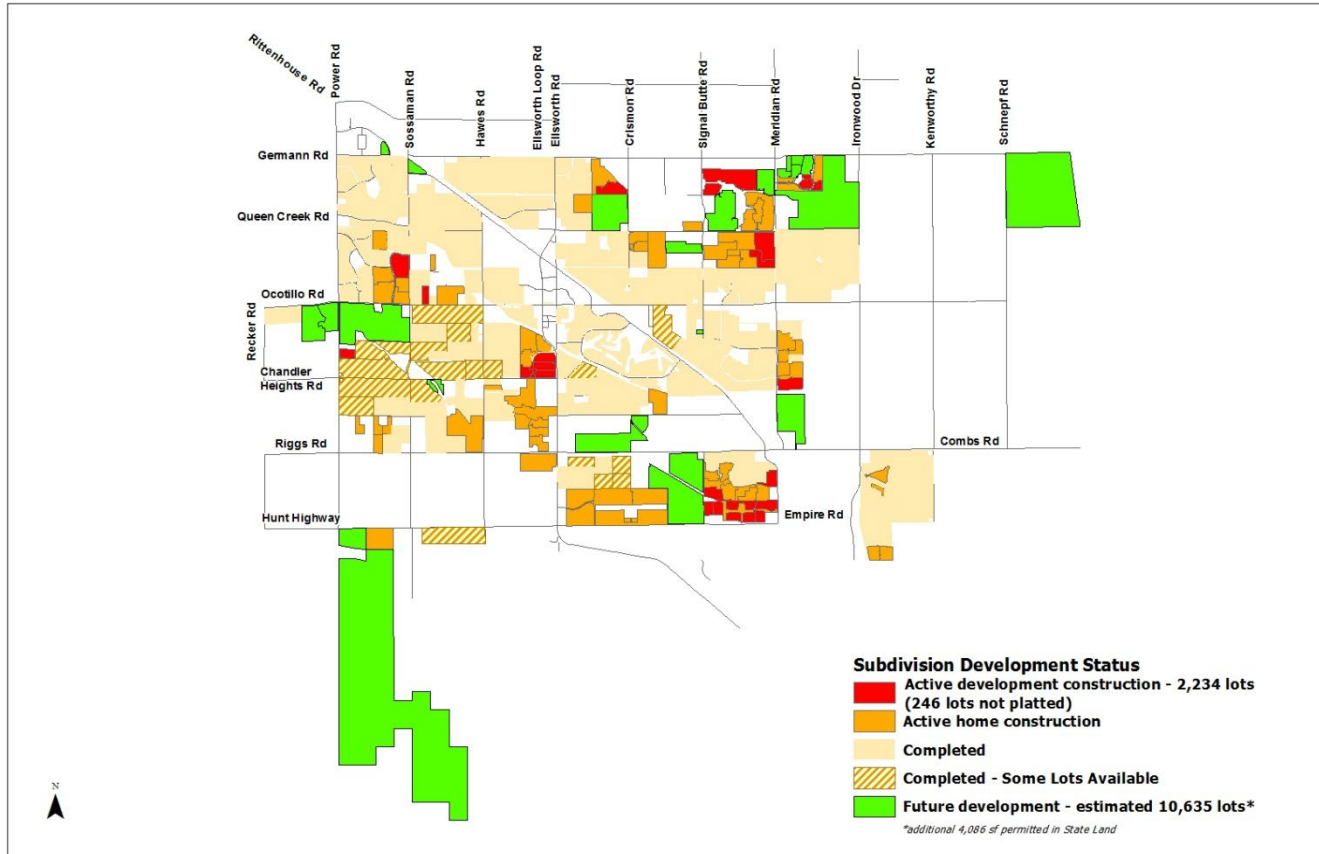


Single-Family

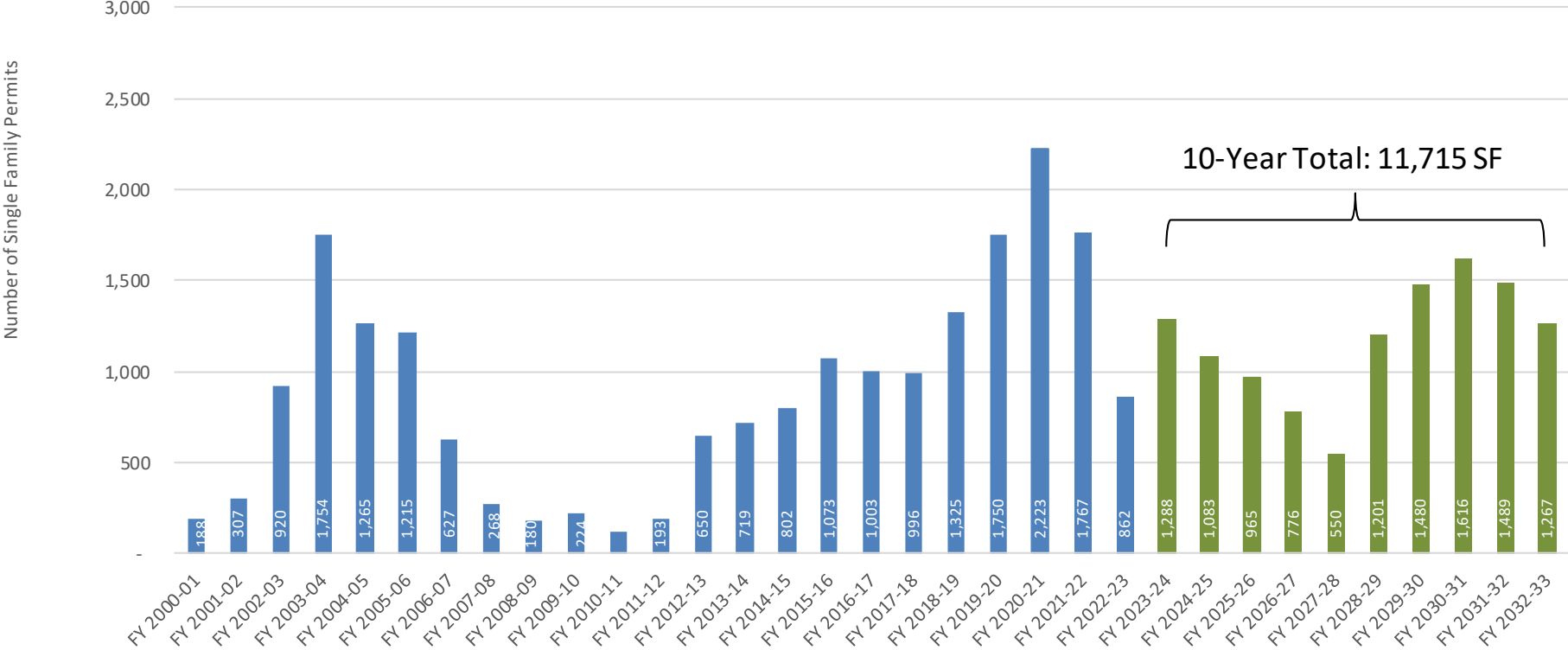
AVAILABLE LOTS (AS OF OCT. 2023)



AVAILABLE LOTS (AS OF OCT. 2023)



Updated Single Family Projections



Single Family Projections: Original vs. Updated

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Total
Original Projection	800	1,060	1,250	1,530	1,593	1,477	1,244	1,022	985	955	11,916
Updated Projection	1,288	1,083	965	776	550	1,201	1,480	1,616	1,489	1,267	11,715
Difference	488	23	(285)	(754)	(1,043)	(276)	236	594	504	312	(201)

- Added 2,500 units in State Lands
- Shifted timing of some subdivision development



Multi-Family

DEFINITIONS

Residential (per dwelling unit)

- Single Family – A structure containing cooking and bathing facilities that is arranged, designed, and intended to be the residence of one (1) family.
- Multi-Family (2+) – A structure arranged, designed, and intended to be the residence of more than one (1) family, with each family having independent cooking and bathing facilities.



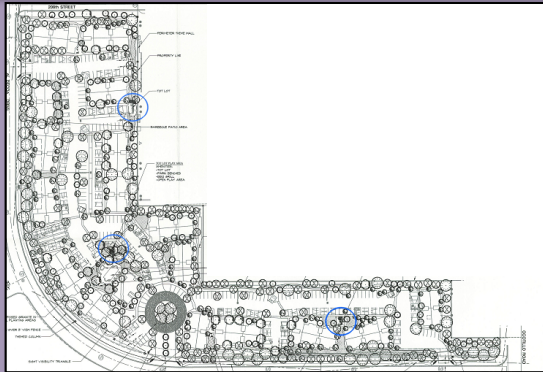
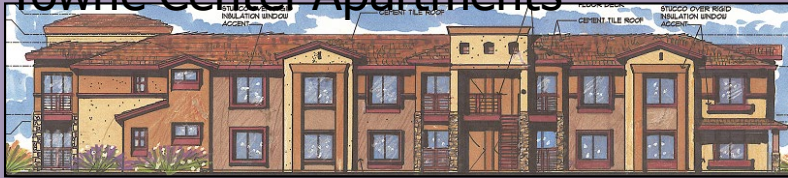
Types of Multi-Family (HDR)

Apartments

HDR

DU: ~17 du/acre

Towne Center Apartments

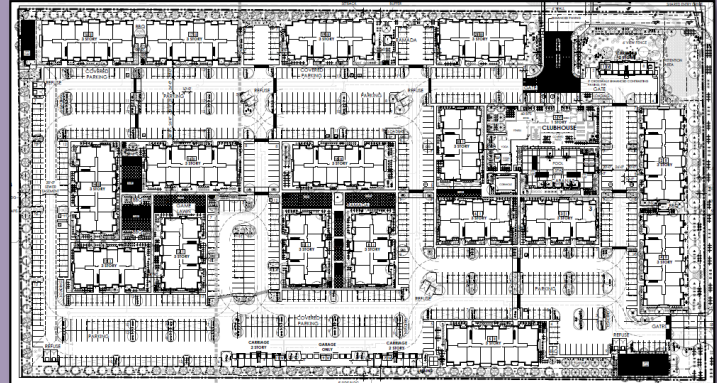


Apartments

HDR

DU: ~25 du/acre

Alexan



Types of Multi-Family (MDR)

Attached & Detached for Rent
Avanterra at Madera



Single-Story For Rent
EVR at Spur Cross
MDR

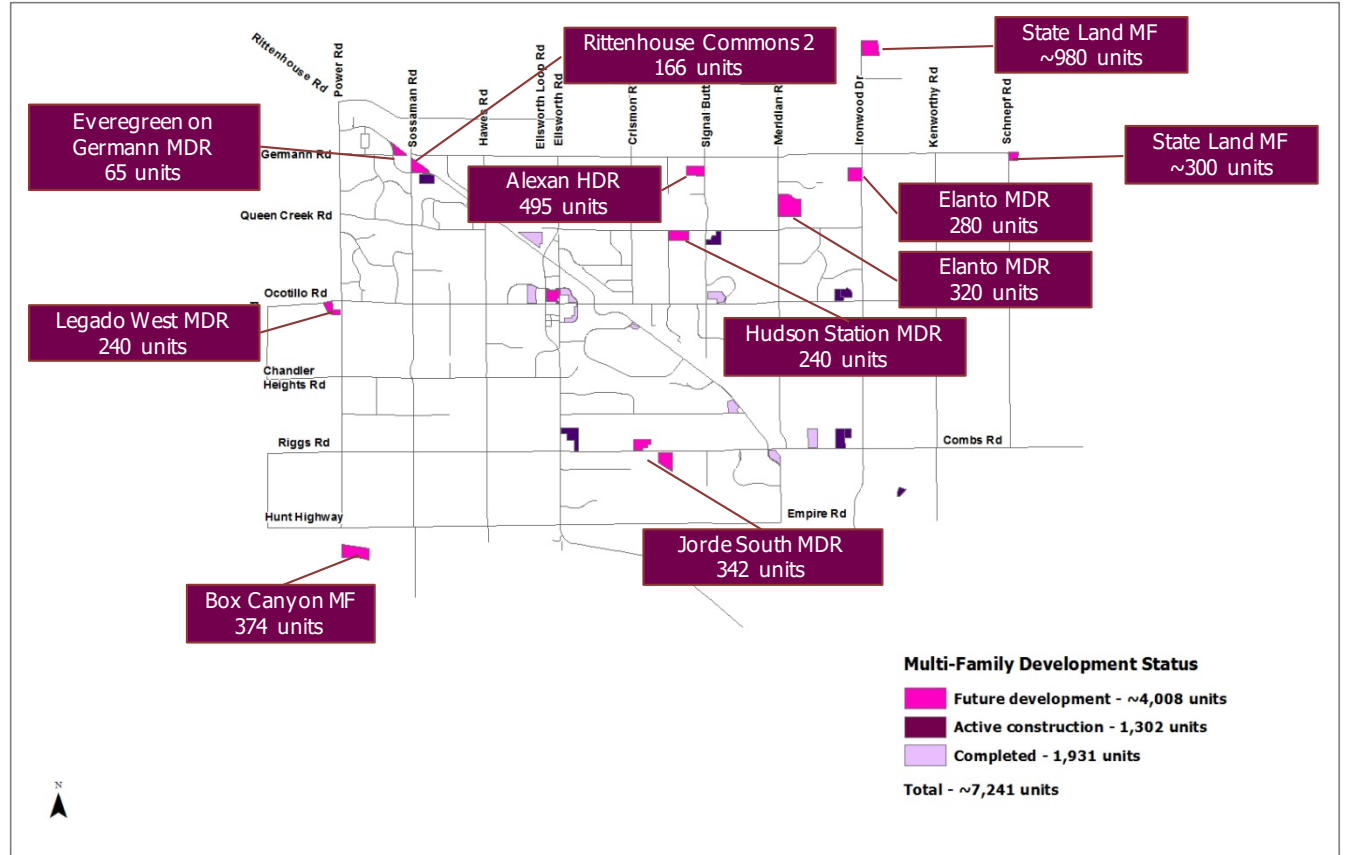
DU: ~10-12 du/acre



Condominiums/Townhomes
Encanterra Resort
Casitas



MULTI FAMILY DEVELOPMENT STATUS



MULTI-FAMILY PROJECTIONS UPDATES AND OBSERVATIONS

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Total
Original Projection	686	240	253	536	436	460	496	322	400	260	4,089
Updated Projection	698	855	0	206	110	482	662	660	580	260	4,513
Difference	12	615	(253)	(330)	(326)	22	166	338	180	0	424

- Significant increase in permitting since 2022
- Updated multi-family projections only include properties zoned for MDR/HDR
- Downzoned HDR property
- Removed proposed zoning cases
- Added projections for State Land



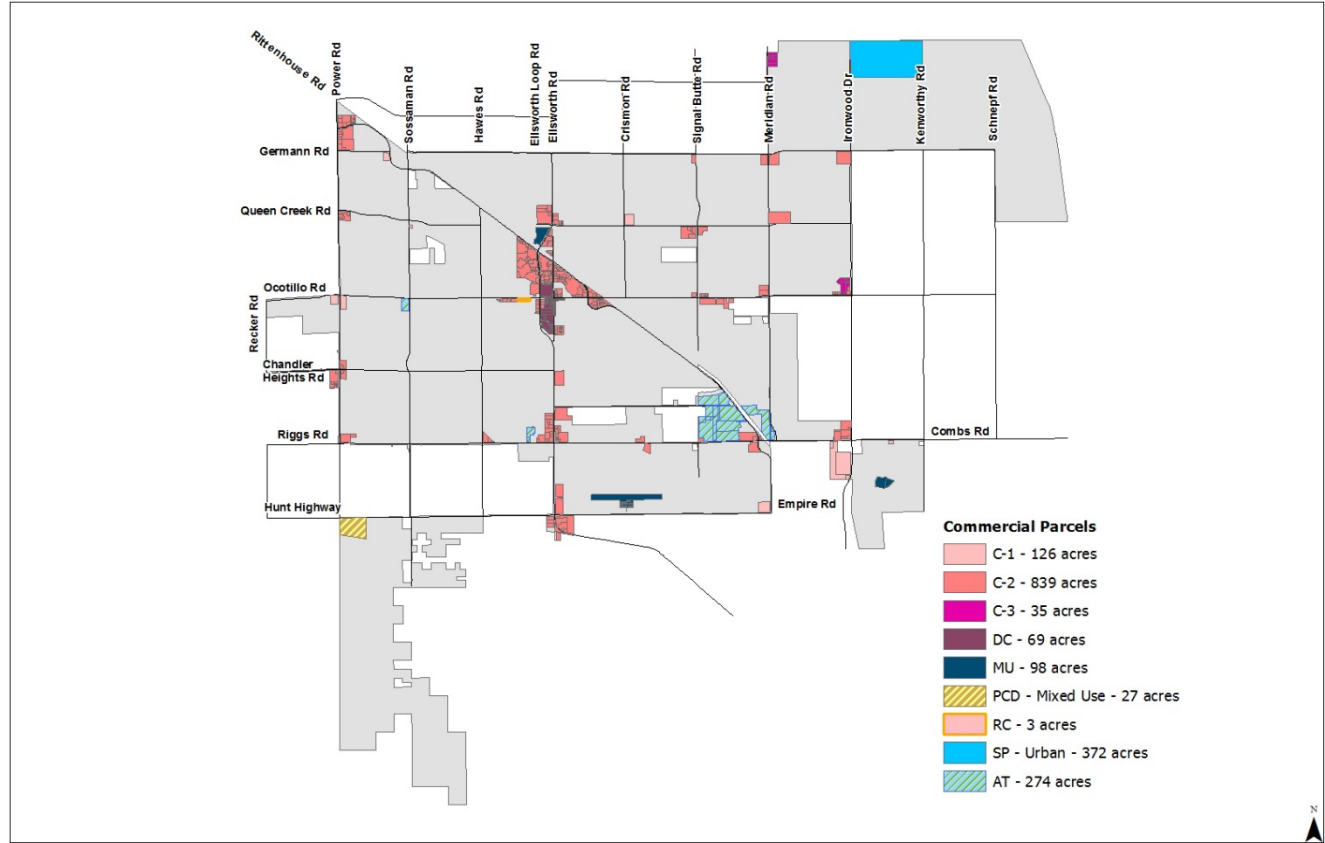
Commercial

EXAMPLES: COMMERCIAL LAND USE

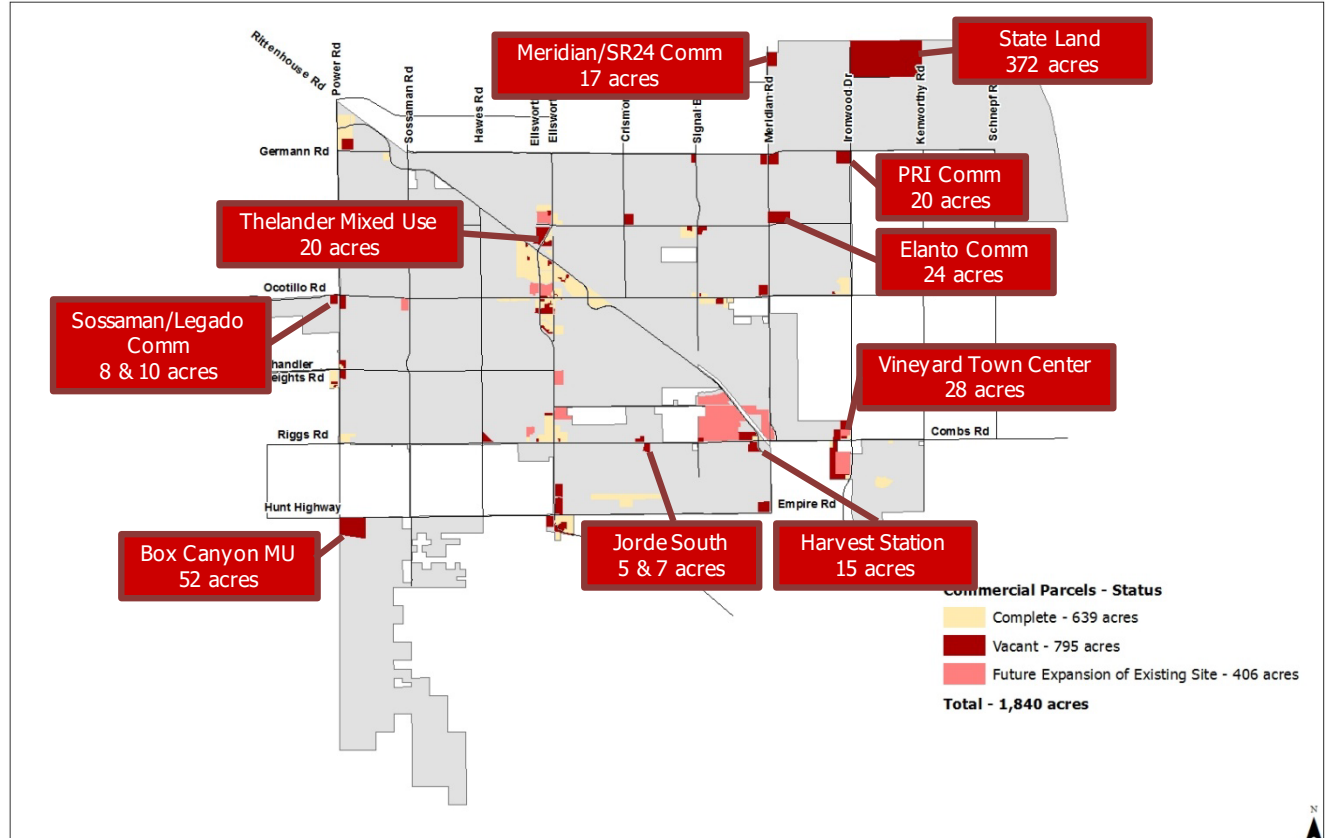


- Athletic Club
- Automotive Dealer
- Bar/Restaurant
- Department Store
- Health Club
- Hotel
- Movie Theater
- Golf Course
- Bowling Alley
- Barber/Beauty Shop
- Retail Strip Center
- Retail Shop
- Drug Store

COMMERCIAL PARCELS



COMMERCIAL PARCELS – VACANT SITES



COMMERCIAL PROJECTION: UPDATES AND OBSERVATIONS

- Original Projection (Sq. Ft.): 2.3M
- Updated Projection (Sq. Ft.): 2.3M
- Where we are:
 - 640 acres of commercial acreage developed
- Where we're going:
 - 795 acres vacant commercial property (including State Lands)
 - 800,000 sq. ft. (90 acres) of commercial with site plan approval or in for permitting
 - Many of the future commercial corners are 5-15 acres
 - Commercial development in State Lands (260k sq. ft. in 10 yrs.)



Office/Other

EXAMPLES: OFFICE / OTHER LAND USE



- Administrative Offices
- Banks
- School Buildings
- Hospitals
- Recreation Center
- Fire Station
- Police Station
- Daycare
- Animal Hospital

OFFICE/OTHER PROJECTIONS

- Original Projection (Sq. Ft.): 700K
- Updated Projection (Sq. Ft.): 556K
- Current projections do not include traditional office development
- Projection Includes medical office, schools, and churches



Industrial

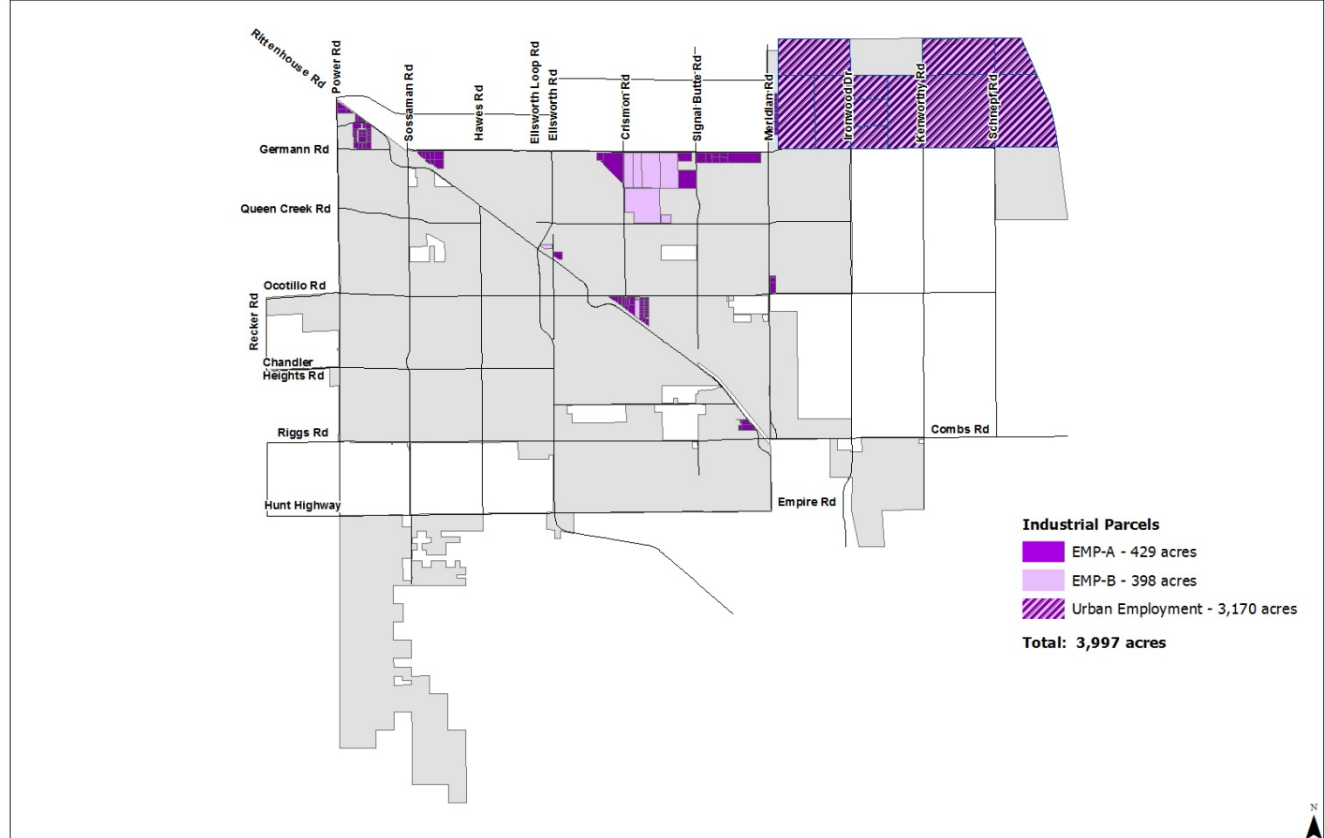
EXAMPLES: INDUSTRIAL LAND USE

- Light Assembly
- General Manufacturing
- Warehousing & Storage
- Airport & Aircraft
- Custom Manufacturing

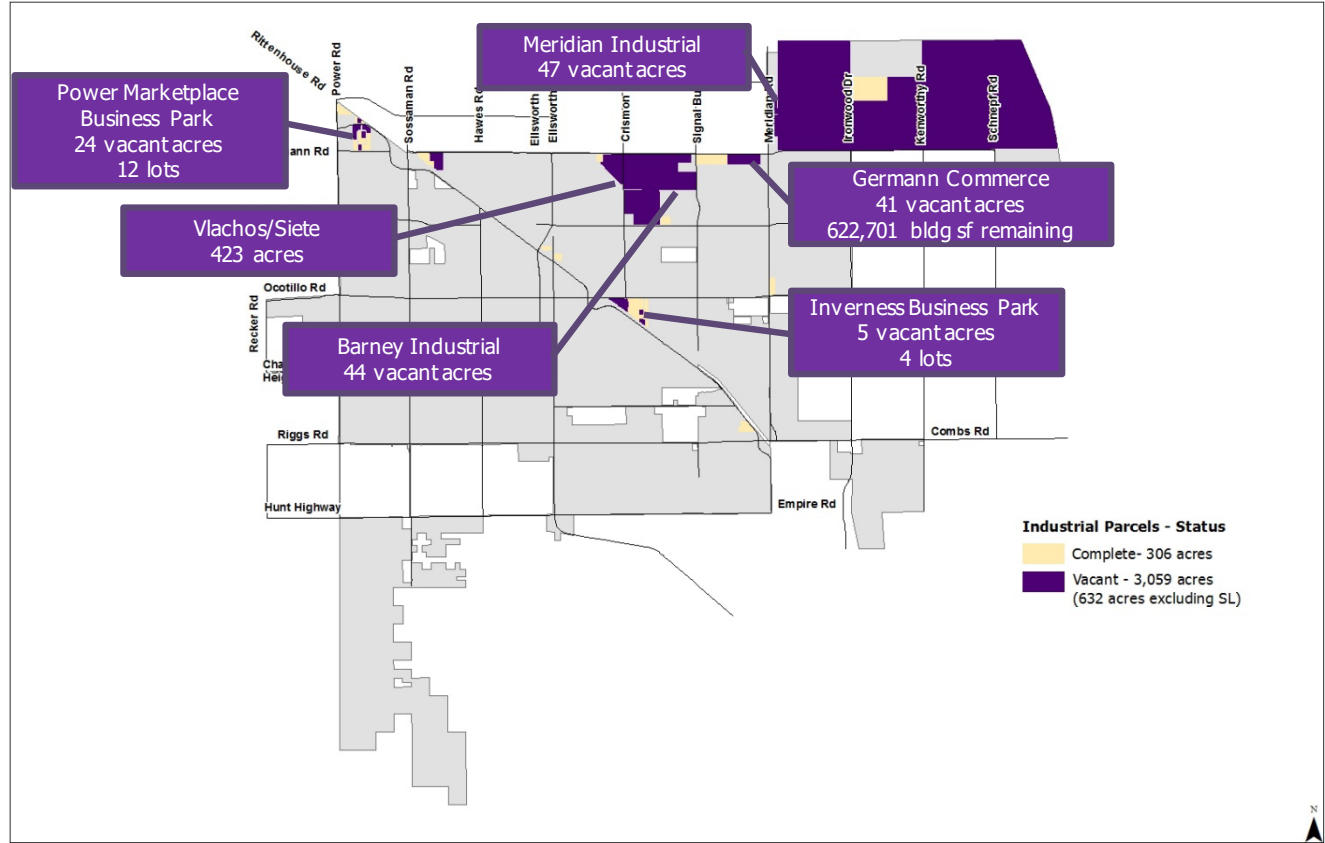




INDUSTRIAL PARCELS



INDUSTRIAL PARCELS – VACANT SITES



INDUSTRIAL PROJECTIONS: THOUGHTS AND OBSERVATIONS

- Original Projection (Sq. Ft.): 300K
 - Did not include LGES project
- Updated Projection (Sq. Ft.): 7.5M
 - Total Industrial Sq. Ft. Outside of State Lands: 3.6M
 - Total Industrial Sq. Ft. Related to LGES: 3.3M
 - Total Industrial Sq. Ft. Within State Lands (Not LGES): 600K
- Added square footage for State Lands Industrial Development
- Added square footage for new large-scale industrial projects outside of State Lands
- Projects include some anticipated larger manufacturing development and smaller industrial buildings in existing centers



4. DISCUSS UPDATED INFRASTRUCTURE IMPROVEMENT PLANS (IIP)

PROJECT COSTS SUBJECT TO CONSTRUCTION SALES TAX AND IMPACT FEES

	Police	Fire	Streets	Parks	Trails	Total
All Projects	\$157.7M	\$73.5M	\$291.4M	\$295.0M	\$11.5M	\$829.1M
Reduce For:						
Title 42 Reimbursement			(\$35.4M)			(\$35.4M)
3 rd Party Reimbursements			(\$25.6M)			(\$25.6M)
Prop 479 0.5% Sales Tax			(\$53.1M)			(\$53.1M)
Ineligible Impact Fee Costs	<u>(\$13.6M)</u>	<u>(\$5.6M)</u>	=	<u>(\$146.2M)</u>	=	<u>(\$165.4M)</u>
Reductions	(\$13.6M)	(\$5.6M)	(\$114.1M)	(\$146.2M)	-	(\$279.5M)
Project Costs Eligible to be Paid by Construction Sales Taxes and Impact Fees	\$144.1M	\$67.9M	\$177.3M	\$148.8M	\$11.1M	\$549.6M



STREETS IIP UPDATES: -\$19.5M

- Nine Projects Removed/Reduced, -\$29.8M
 - Not within Town Limits: 1 project, -\$8.4M
 - 2020 Fee/CST Sufficient to Complete Funding of Projects: 5 projects, -\$11.7M
 - 2020 Fee/CST will Offset Portion of Fee, reducing amount needed from New Fee: 3 Projects, -\$9.7M
- Three Projects Increased/Added, +\$10.2M
 - Timing delay, pushed project into new fee, +\$1.3M
 - Corrected MAG Project, +\$0.1M
 - Added ASLD Roadway Infrastructure, +\$8.8M

STREETS IIP BREAKOUT



Category of Projects	Town's Net Amount
Projects in Transportation Master Plan	\$101.0M
Projects in MAG Regional Transportation Plan (RTP)	\$32.8M
Projects not in Town's Master Plan or MAG's RTP (NEW Projects, Expected to be in Updated Master Plan)	\$24.9M
ASLD Roadway Projects (net of Title 42 Funding)	\$8.8M
Project Management Costs	<u>\$9.8M</u>
Total Streets IIP	\$177.3M

PARKS REVISED IIP: \$148.8M

Projects	Initial IIP	Updated IIP 30 Acre Costs Only
1. Frontier Family Park (85 Acres)	\$72.8M*	\$15.1M**
2. Southeast Park Land Only (73 Acres)	\$22.1M	\$9.0M
3. Pima / Meridian Park Land Only (52 Acres)	\$23.4M	\$13.5M
4. Bosma Park Land Only (30 Acres)	\$15.0M	\$15.0M
5. Project Management	\$6.2M	\$6.2M
6. Southeast Park – Construction (73 Acres)	\$73.5M	\$30.0M
7. Pima / Meridian Park – Construction (52 Acres)	\$52.0M	\$30.0M
8. Bosma – Construction (30 Acres)	<u>\$30.0M</u>	<u>\$30.0M</u>
Total	\$295.0M	\$148.8M

*Noted to be Potentially reduced or eliminated because in current fee.

** Amount needed from New Fee



5. REVIEW CALENDAR

JUNE 18TH FOCUS GROUP MEETING - AGENDA

1. Finalize LUA and IIP
2. Review Draft LUA and IIP Report
3. Review Dot Maps with Projects





APPENDIX

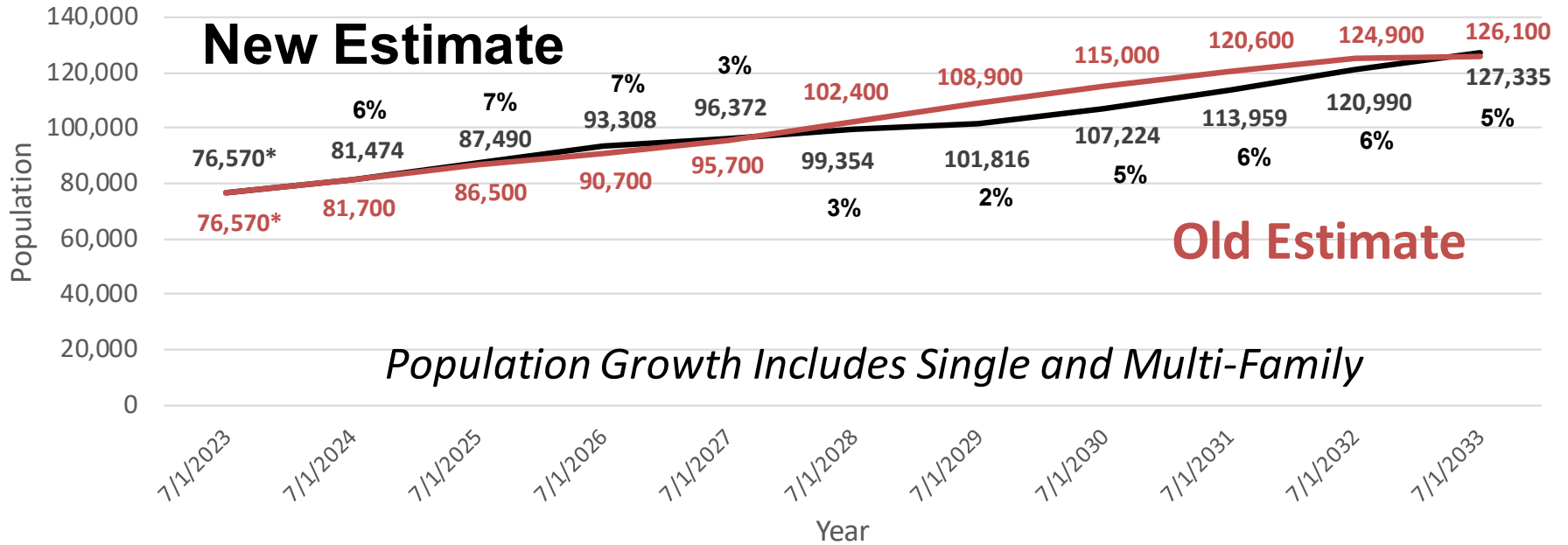
1. INITIAL LUA
2. REVISED POPULATION PROJECTIONS
3. IIP CHANGES

Initial LUAs

Land Use Category	Existing	10-Year Projection	10-Year Increase	% Increase
1.Single Family Homes	23,387	35,803	11,916	50%
2.Multi-Family (Units)	2,879	6,968	4,089	142%
3.Commercial (Square Feet)	4.6M	6.9M	2.3M	50%
4.Office / Other (Square Feet)	1.4M	2.2M	0.7M	50%
5.Industrial (Square Feet)	0.6M	0.9M	0.3M	50%

POPULATION IMPACT

- 10-year population growth similar between two projections
 - Original projection: +49,530
 - Updated projection: +50,765



* Updated July 2023 estimate from the Census Bureau

STREETS PROJECTS REMOVED FOR NEW FEE

Project Not in Town Limits	Amount
Sossaman: Riggs to Empire (Unincorporated Maricopa County)	<u>(\$8.4M)</u>
Total	(\$8.4M)

Projects Funded with 2020 Fee/CST	Amount
Town Center: Aldecoa-Munoz-Summers	(\$10.2M)
Ocotillo Road: 226th to Ironwood	(\$0.1M)
Queen Creek Road: Ellsworth to Crismon	(\$0.9M)
Power Road: Brooks Farms to Chandler Heights	(\$0.3M)
Meridian Road: Combs to Queen Creek Wash	<u>(\$0.2M)</u>
Total	(\$11.7M)

STREETS PROJECTS REDUCED FOR NEW FEE



Project	Amount Reduced
Ocotillo Road: West of Sossaman Rd to Hawes Rd	(\$6.8M)
Hawes Road: Ocotillo to Rittenhouse	(\$1.7M)
Power Road: Riggs to Hunt Hwy	<u>(\$1.2M)</u>
Total	(\$9.7M)

STREETS PROJECTS INCREASED/ADDED FOR NEW FEE



Project	Amount Added
Ryan Road: Crismon to Signal Butte	\$1.4M
Hunt Hwy: Power to Sossaman (MAG RTP-038)	\$0.1M
ASLD Roadway Infrastructure	<u>\$8.8M</u>
Total	\$10.3M

STREETS IIP NEW PROJECTS



Category of Projects	Town's Net Amount
Ironwood Road Improvements	\$0.9M
Hawes: Riggs North to Sunset Dr (1/2 mile, 3 lanes)	\$6.5M
Southeast Park - Riggs Road (1/4 mile, 3 lanes)	\$3.2M
Southeast Park - Crismon Road to cul-de-sac (1/4 mile, 3 lanes)	\$3.2M
12 New Traffic Signals	<u>\$11.1M</u>
Total Streets IIP	\$24.9M