



DEVELOPMENT IMPACT FEES:
ADOPTION OF LAND USE ASSUMPTIONS
AND INFRASTRUCTURE IMPROVEMENT
PLAN

Town Council Meeting

June 19, 2024

STAFF THANK YOU

- Sarah Clark
- Mindy Corpstein
- Ryan Fielder
- Gloria Moore
- Kristen Stone



PURPOSE OF PRESENTATION

1. Review Calendar
2. Discuss Revised Land Use Assumptions
3. Discuss Revised Infrastructure Improvement Plan
4. Discuss Next Steps
5. Approve Resolution No. 1597-24



DEVELOPMENT IMPACT FEES

- 5 Impact Fees are Being Updated Now

1. Police
2. Fire & Medical
3. Streets
4. Parks
5. Trails

- 2 Impact Fees Have Been Eliminated (Paid Off)

1. Town Facilities
2. Library



APPROPRIATE QUESTIONS

1. **How Much** Does It Cost?
2. **What** is Being Built?
3. **When** is It Being Built
4. **Why** is It Being Built?
 - Existing Needs vs. Needs from Growth
5. **How** is It **Paid For (Financed)?**
6. **Who** Will Pay For It?
 - Existing Needs: Operating Budget
 - Needs from Growth: Impact Fees and 2% Dedicated Construction Sales Tax



ROLES AND RESPONSIBILITIES



Staff and Consultant

- Prepare Land Use Assumptions (LUA)
- Prepare Infrastructure Improvement Plan (IIP)
- Calculate Maximum Allowable Fees

Town Council


- Adopt LUA and IIP
- Determine Allocation of 2% Dedicated Construction Sales Tax
- Set Development Impact Fee Amounts



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 Meeting</i>	<i>May 30 and June 18</i>
 4	Approve Land Use Assumptions and Infrastructure Improvement Plan	June 19, 2024 Town Council Meeting (3 of 6)



2. DISCUSS REVISED LAND USE ASSUMPTIONS

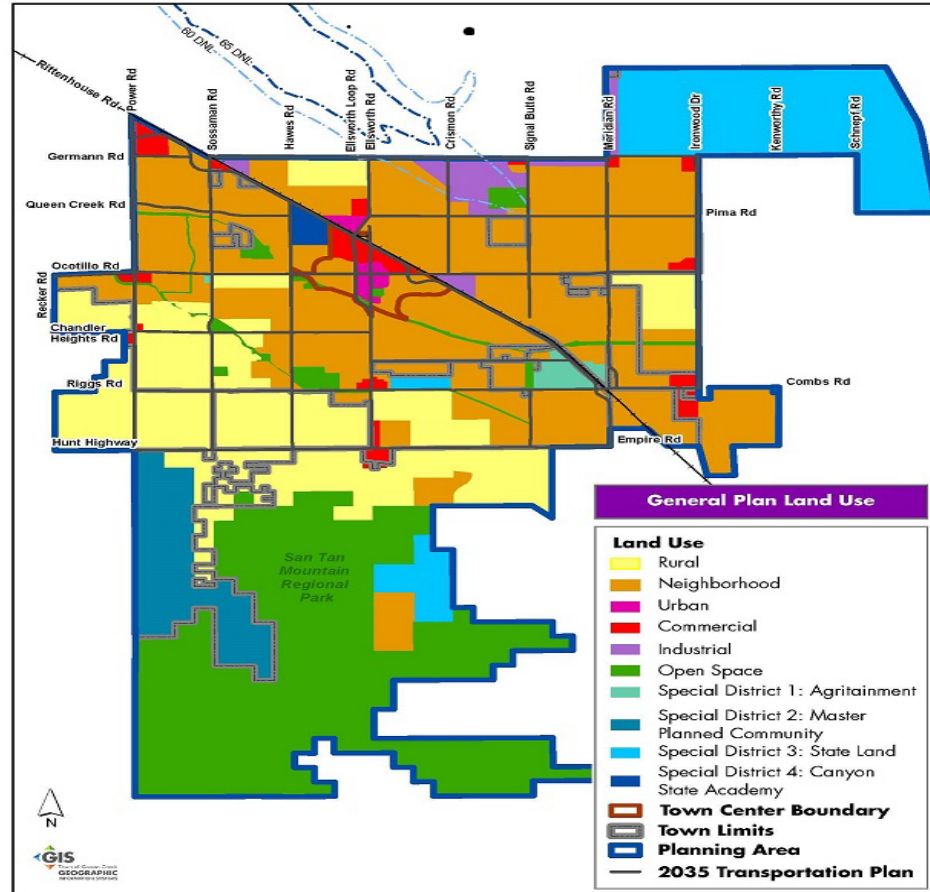
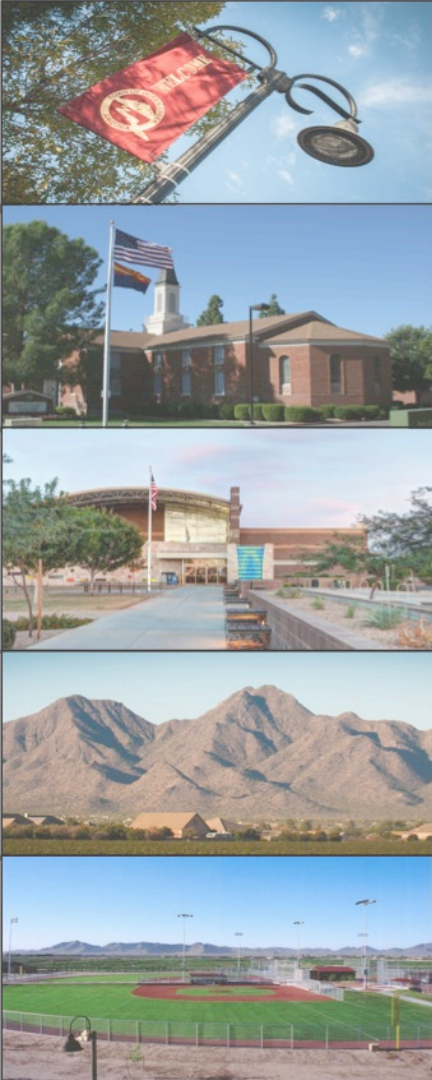
*WHO IS COMING AND
WHERE?*



5 LAND USE CATEGORIES

1. Single Family
2. Multi-Family
3. Commercial
4. Office / Other
5. Industrial

2021 GENERAL PLAN



KEY ASSUMPTIONS: LAND USE



- Amount of New Development on State Lands
 - The “LG Effect”
- Successful Resolution of Residential Subdivisions Currently Without an Assured Water Supply
- “Its QC’s Turn” for Development
 - Arizona Housing Market
 - Economy

WHAT CHANGED DURING THE PROCESS?

1. Assumptions Increased for New Development in State Lands
2. Outstanding Issues
 - Possibility that Actual Activity Levels Exceed Projections
 - Mitigated by Frequent Updates



Updated Land Use Assumptions

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.

GROWTH PROJECTIONS: CURRENT STUDY VS. PROPOSED STUDY (10-YEAR AMOUNTS)

Land Use Category	Current Study	Proposed Study
1.Single Family Homes	11,863	11,715
2.Multi-Family (Units)	1,857	4,513
3.Commercial (Square Feet)	0.9M	2.3M
4.Office / Other (Square Feet)	1.3M	0.6M
5.Industrial (Square Feet)	0.5M	7.5M



10-YEAR POPULATION ESTIMATE

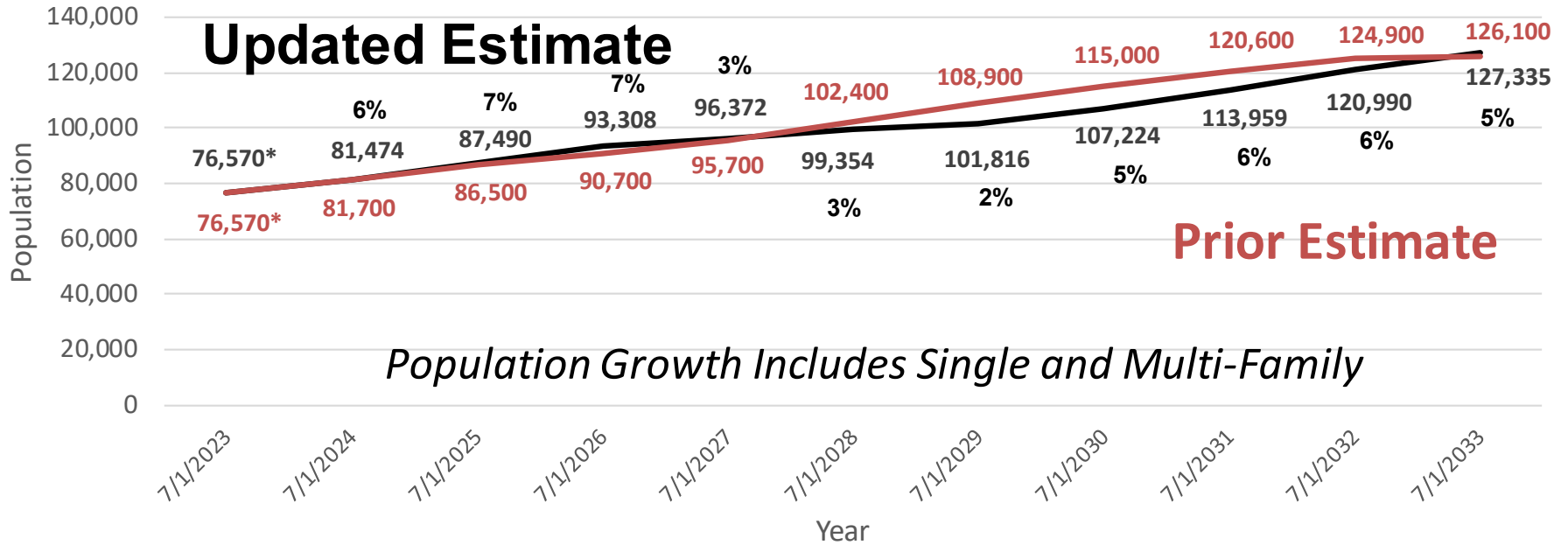
50.8K (67%) Increase

FY 2023-24	76.5K
FY 2032-33	<u>127.3K</u>
Increase	50.8K*

* Current Fee was Based on a Projection of a 40K Increase

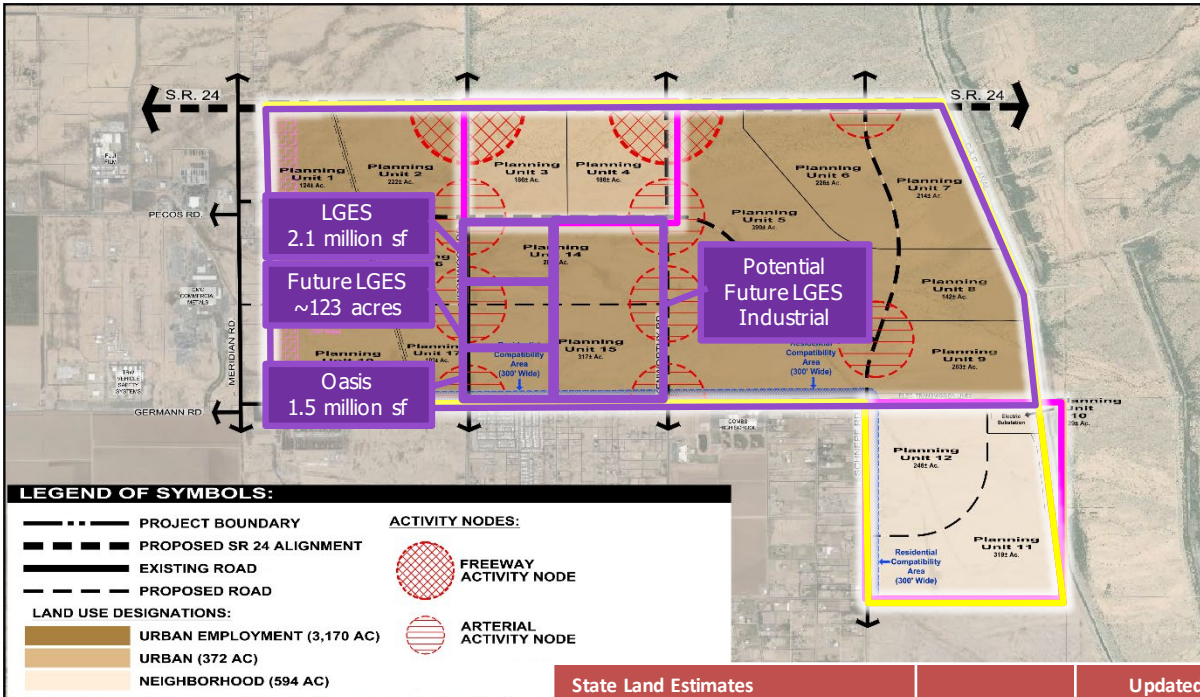
POPULATION IMPACT

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



* Updated July 2023 estimate from the Census Bureau

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

Other Symbols:

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

Exhibit 1: Supplement 3 Revised Dev

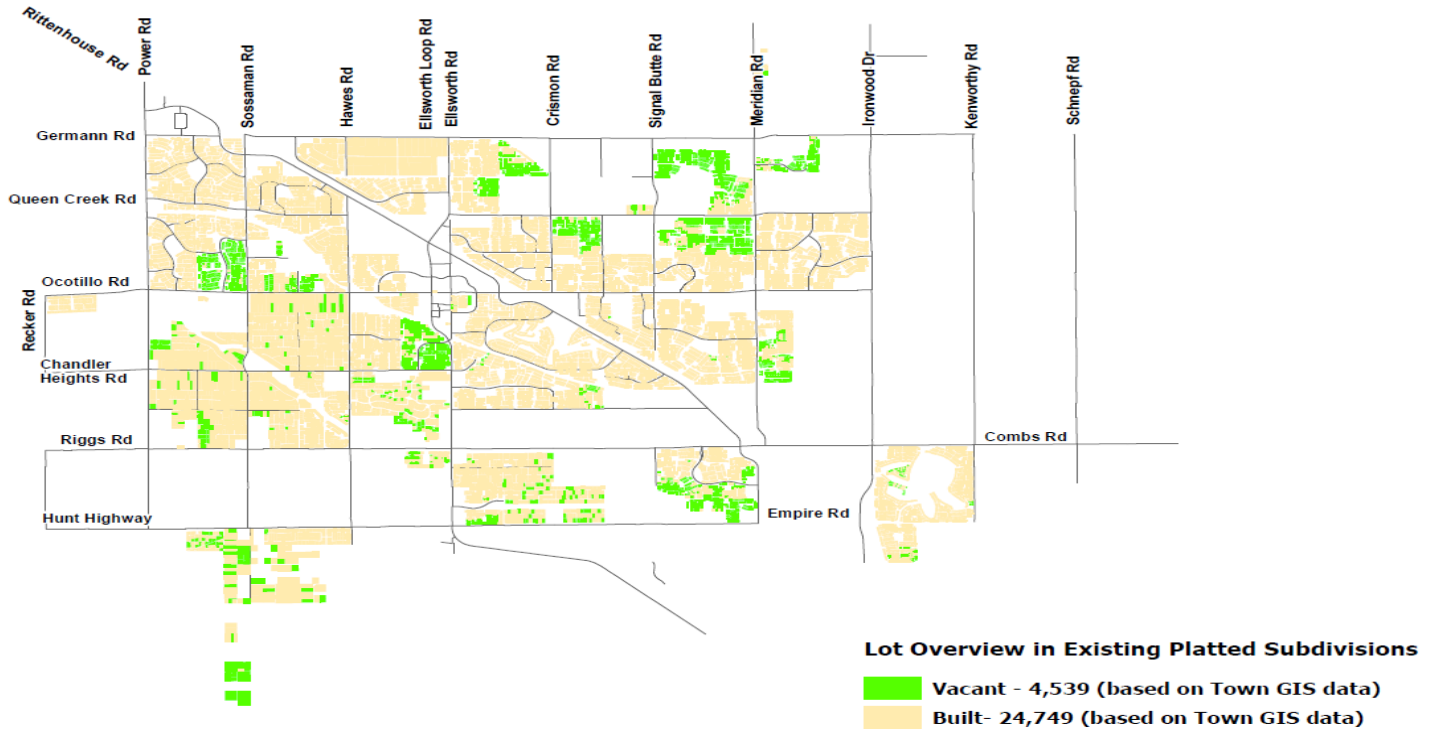


State Land Estimates	Updated Existing	Updated 10-Year Projection	Updated 10-Year Increase	% Increase	Notes
1. Single Family Homes	0	2,500	2,500	100%	
2. Multi-Family (Units)	0	1,280	1,280	100%	3 MF developments
3. Commercial (Square Feet)	0	260,000	260,000	100%	Freeway/Rail Commercial
4. Office / Other (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

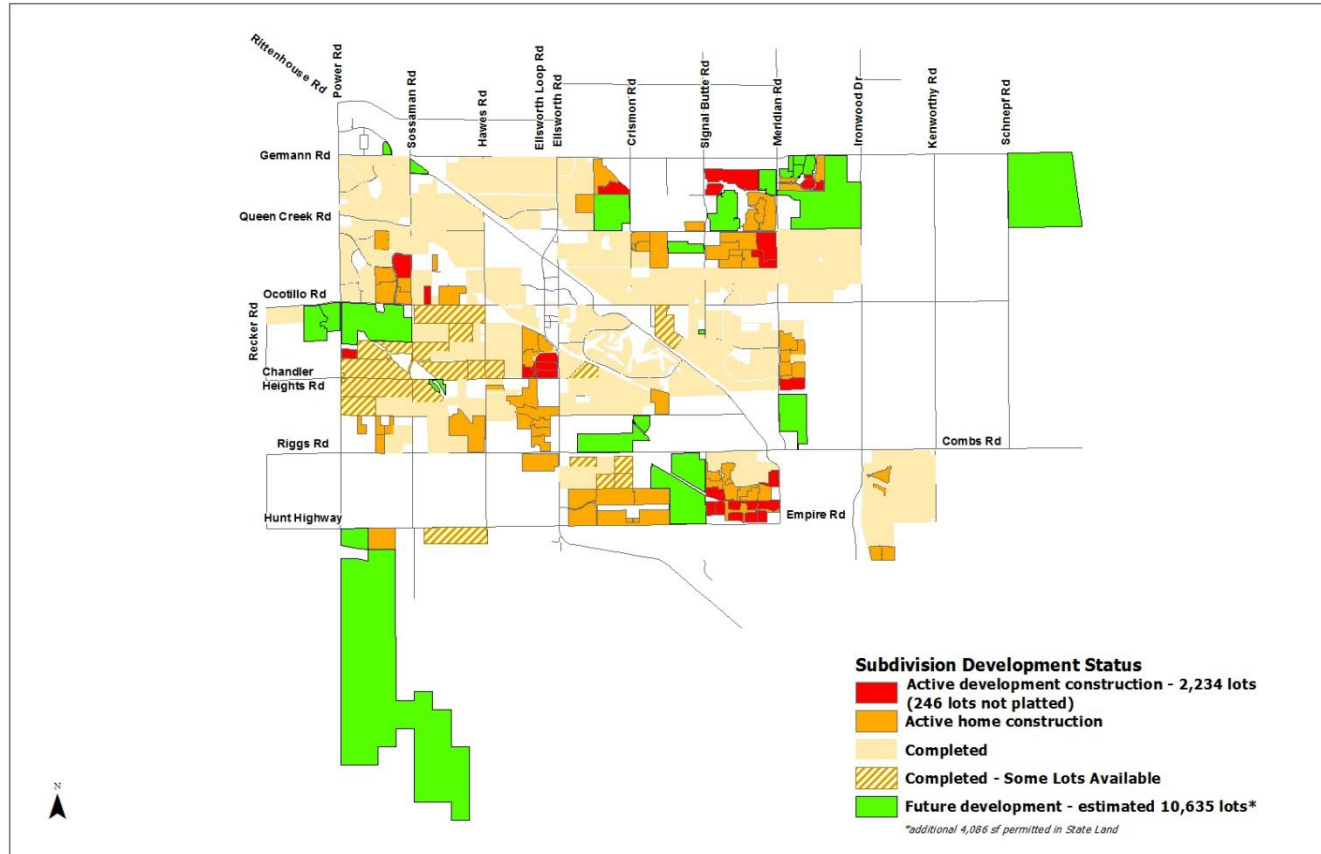


Single-Family Projections

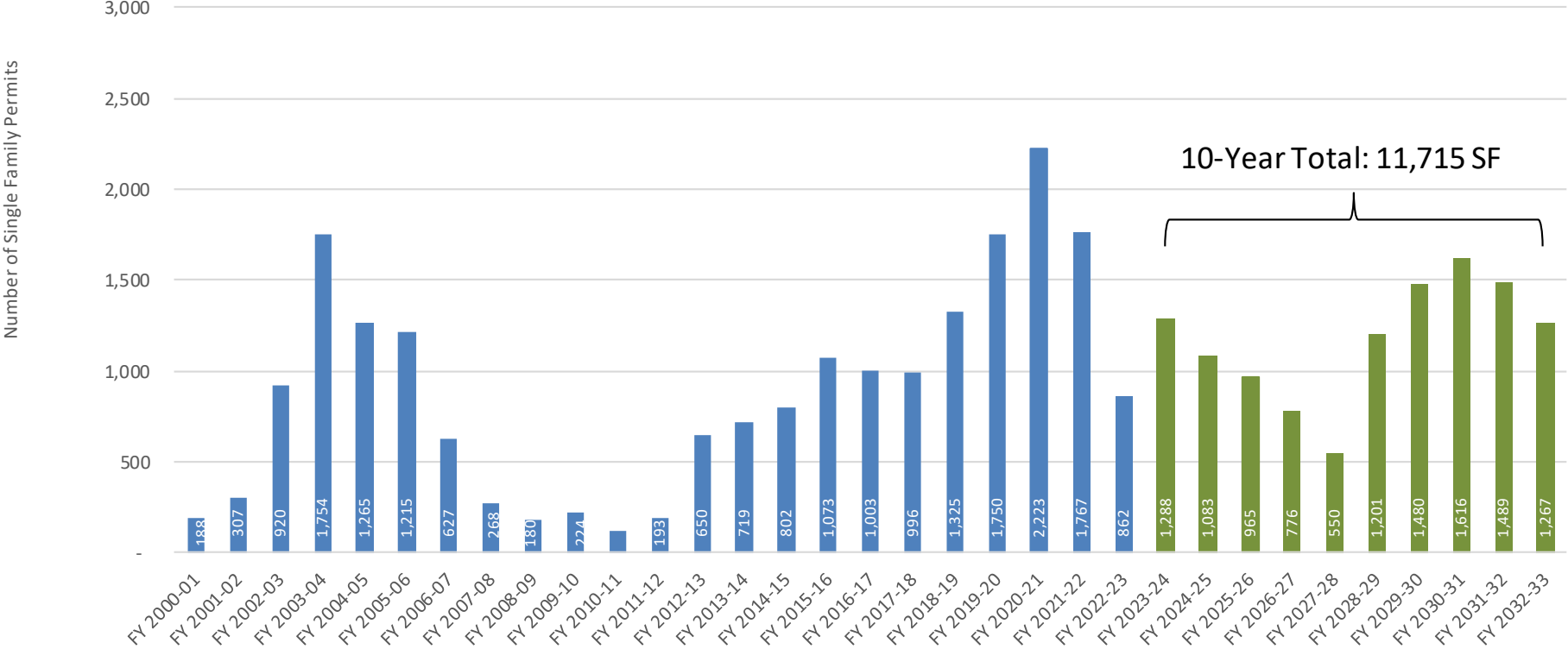
AVAILABLE LOTS (AS OF OCT. 2023)



AVAILABLE LOTS (AS OF OCT. 2023)



Updated Single-Family Permit Projections



Now Includes 2,500 permits in State Lands



Multi-Family Projections

DEFINITION: MULTI-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.



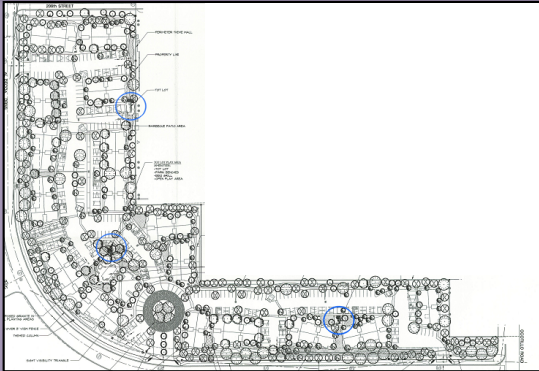
Types of Multi-Family (HDR)

Apartments

HDR

DU: ~17 du/acre

Towne Center Apartments

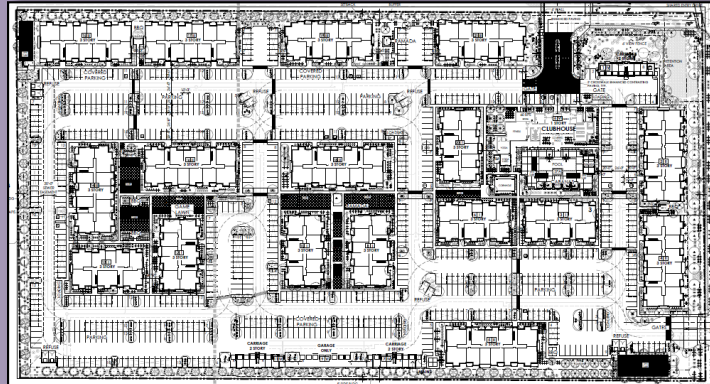


Apartments

HDR

DU: ~25 du/acre

Alexan



Types of Multi-Family (MDR)

Attached & Detached for Rent
Avanterra at Madera

MDR

DU: ~8 du/acre



Single-Story For Rent

EVR at Spur Cross

MDR

DU: ~10-12 du/acre



Condominiums/Townhomes

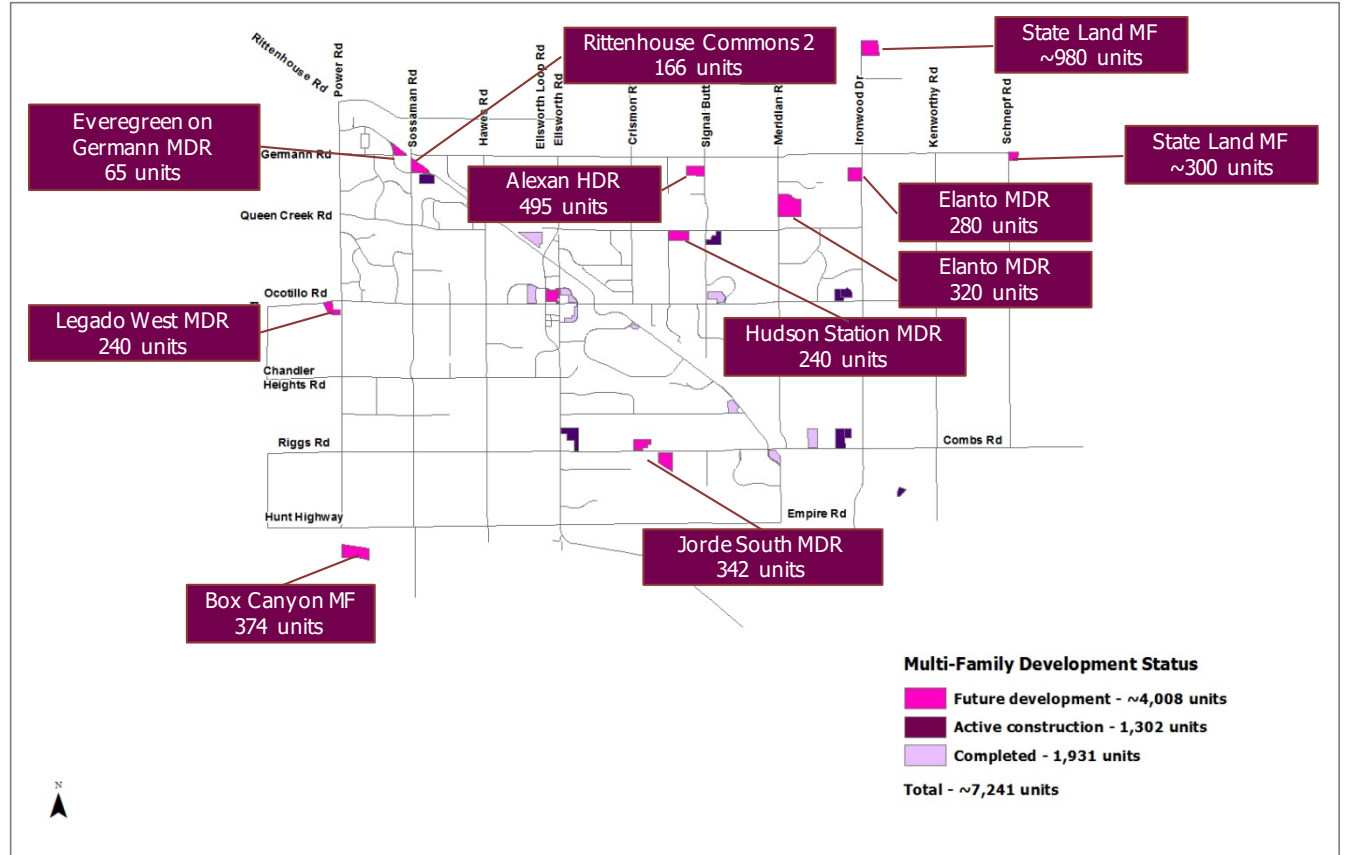
Encanterra Resort Casitas

MDR

DU: ~8-11 du/acre



MULTI-FAMILY DEVELOPMENT STATUS





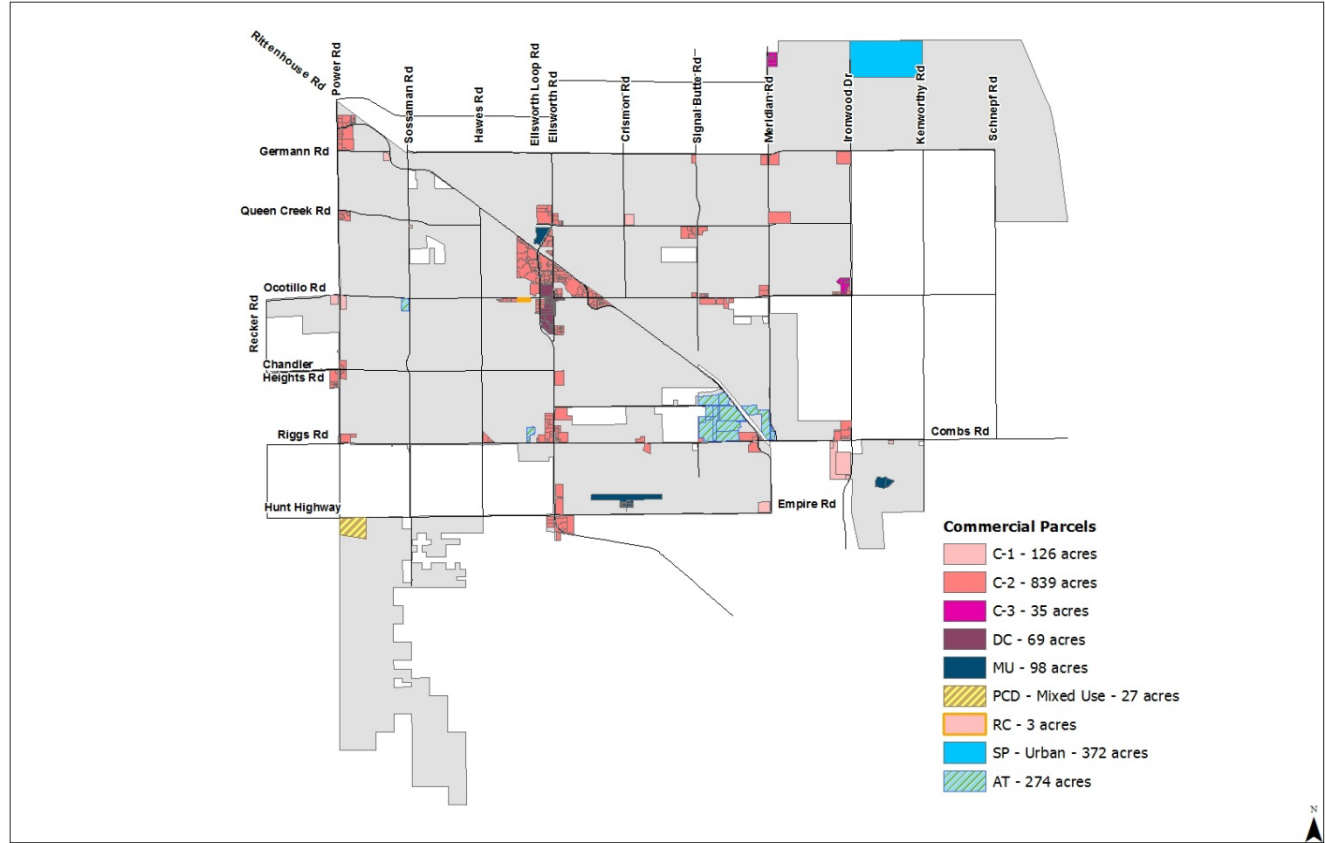
Commercial Projections

EXAMPLES: COMMERCIAL LAND USE

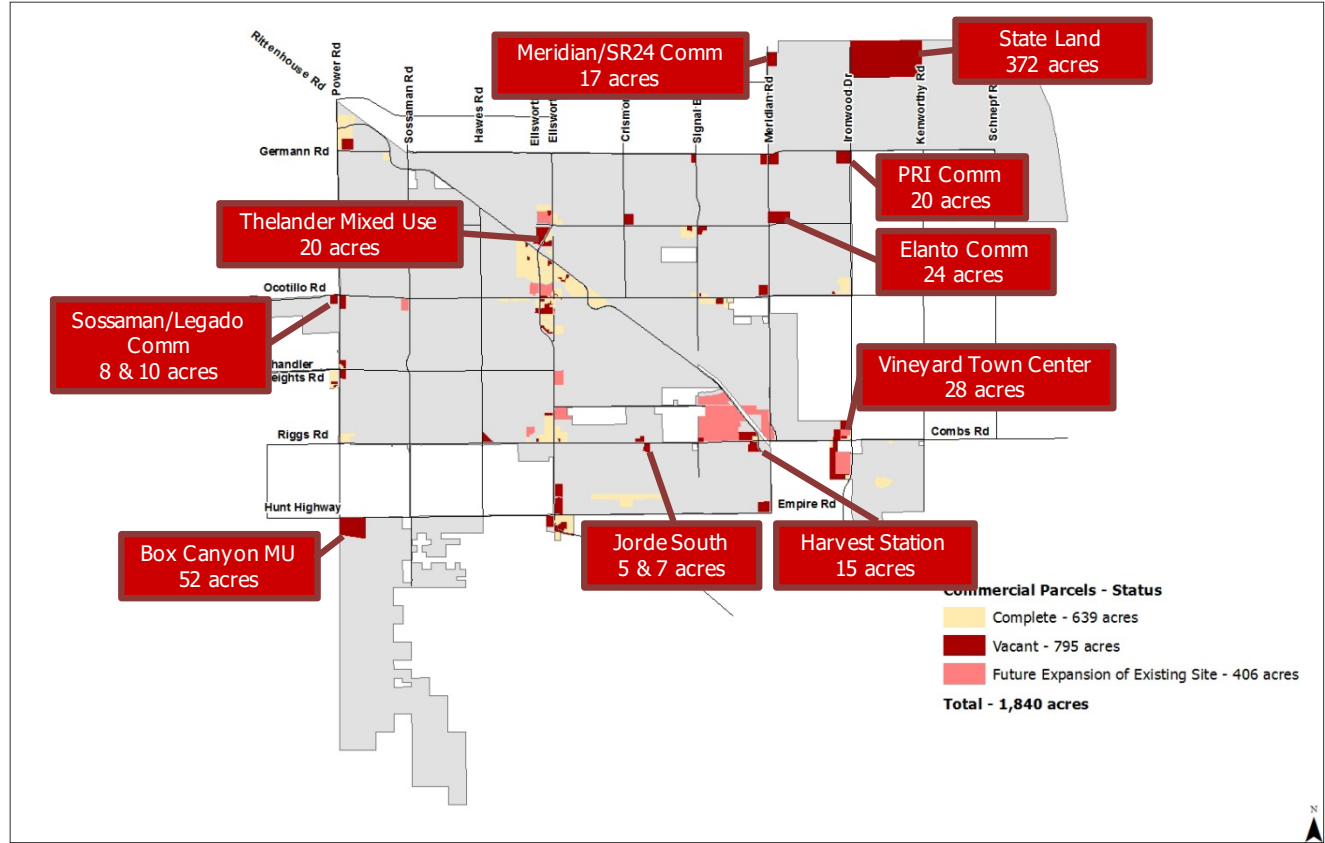
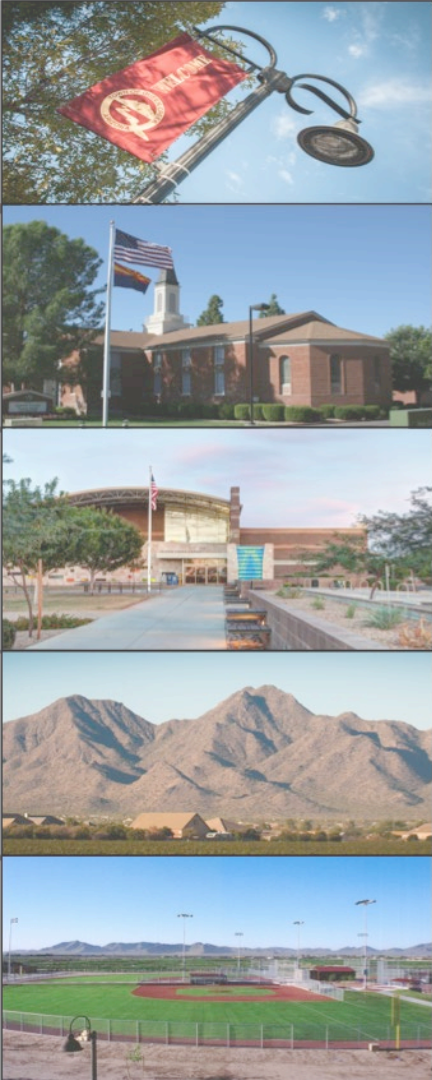


- Athletic Club
- Automotive Dealer
- Bar/Restaurant
- Department Store
- Health Club
- Hotel
- Movie Theater
- Golf Course
- Bowling Alley
- Barber/Beauty Shop
- Retail Strip Center
- Retail Shop
- Drug Store

COMMERCIAL PARCELS



COMMERCIAL PARCELS – VACANT SITES



COMMERCIAL PROJECTIONS: OBSERVATIONS

- Where we are:
 - 640 acres of commercial acreage developed
- Where we're going:
 - 795 acres vacant commercial property (including State Lands)
 - 800K 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 Projections

EXAMPLES: OFFICE / OTHER LAND USE



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

OFFICE / OTHER PROJECTIONS: OBSERVATIONS

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



Industrial Projections

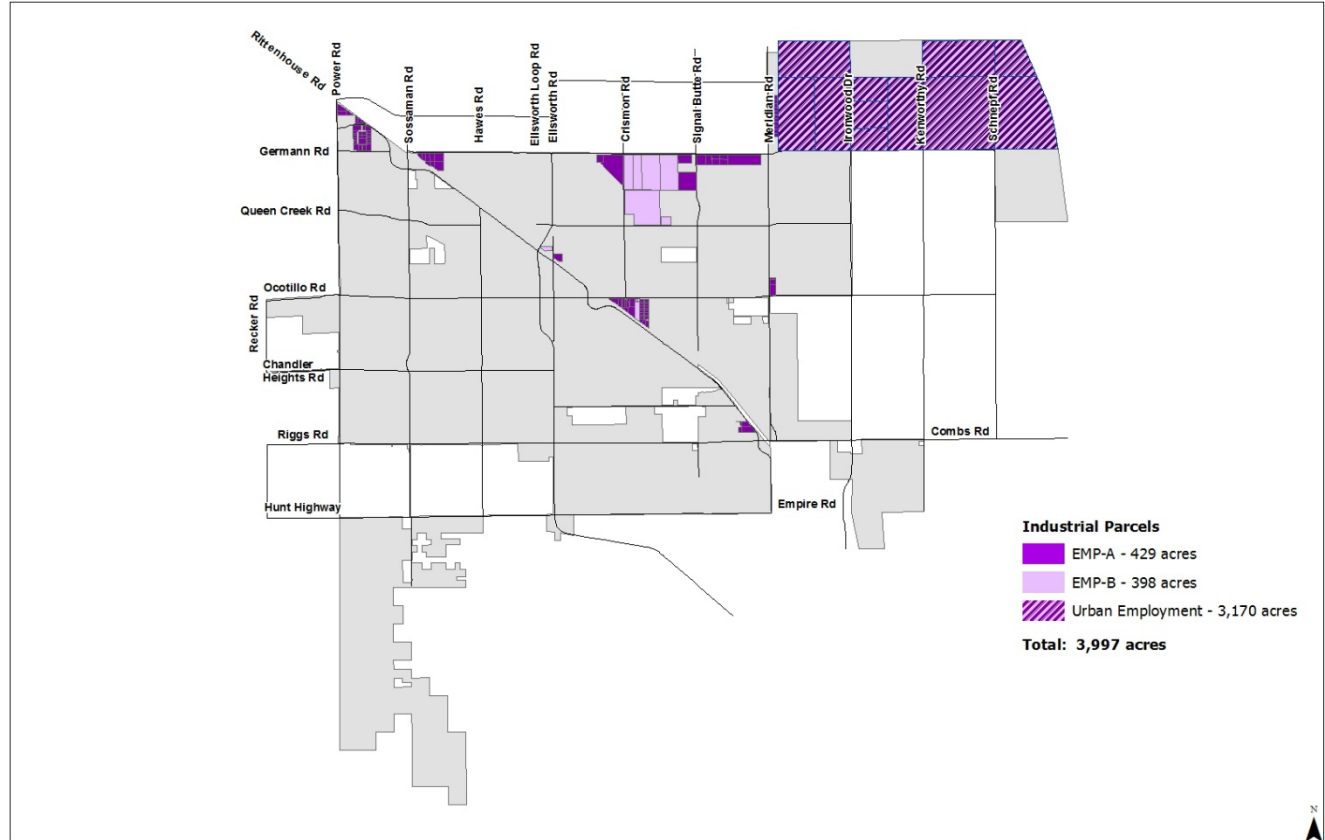
EXAMPLES: INDUSTRIAL LAND USE

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

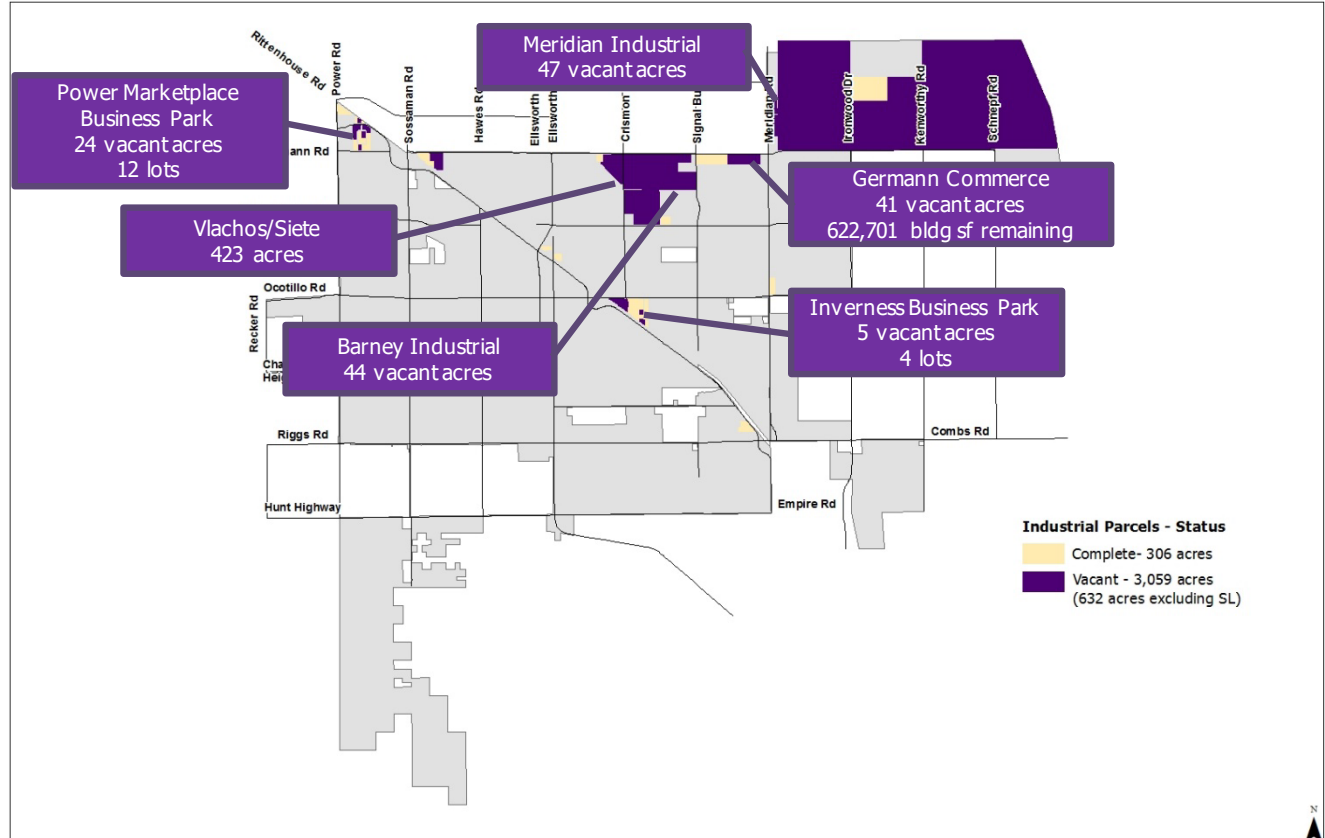
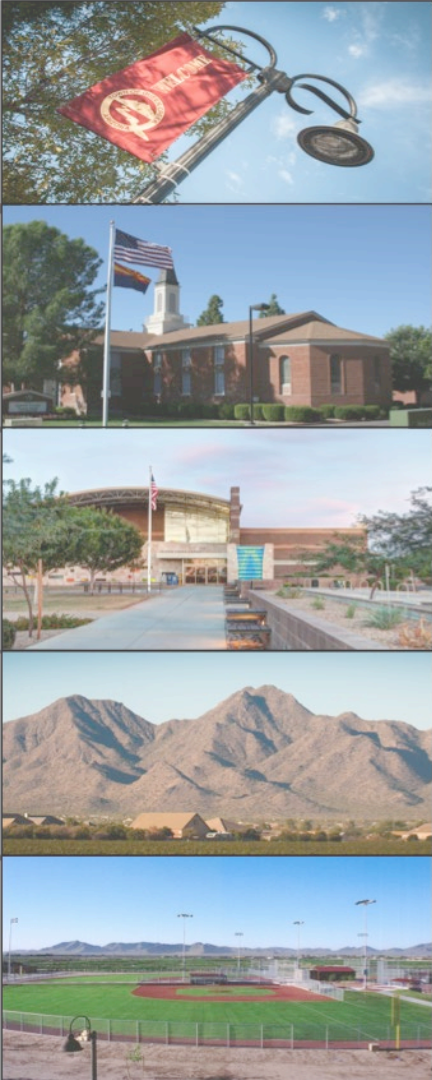




INDUSTRIAL PARCELS



INDUSTRIAL PARCELS – VACANT SITES



INDUSTRIAL PROJECTIONS: 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



3. DISCUSS REVISED INFRASTRUCTURE IMPROVEMENT PLANS

*WHAT NEEDS TO BE
BUILT?*

INFRASTRUCTURE IMPROVEMENT PLANS

- 10-Year Project List Needed to **MAINTAIN THE SAME LEVEL OF SERVICE**
 - Police and Fire & Medical Response Times
 - Traffic Flow / Congestion
- Costs are Allocated Between Existing and New Residents / Businesses
- Specific Types of Infrastructure is Not Impact Fee Eligible
 - Public Safety Training Facilities
 - Parks Greater than 30 Acres
 - Recreation and Aquatic Centers



KEY ASSUMPTIONS: IIPs

1. Amount of New Infrastructure Required in State Lands
2. Construction of 3 New Parks
3. Limited Amount of New Street Projects Because Master Plan Update Ongoing



WHAT CHANGED DURING THE PROCESS?

1. Streets IIP
 - Added New Streets in State Lands
 - Other Project Additions and Deletions
2. Remaining Outstanding Issues
 - Police Infrastructure Evaluation for Existing Level of Service



TOTAL PROJECT COSTS: \$829.1M

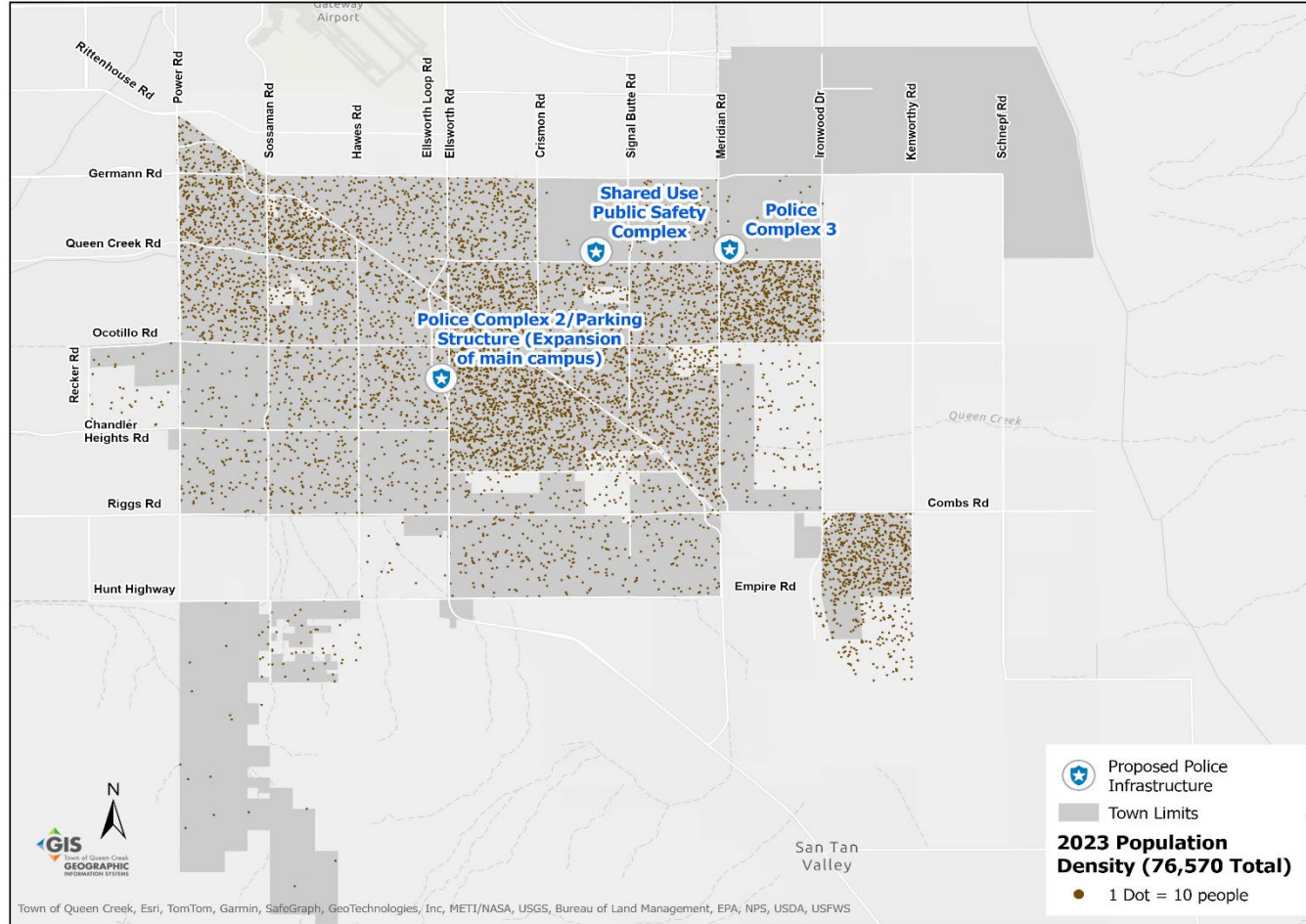


	Project Cost
Police	\$157.7M
Fire	\$73.5M
Streets	\$291.4M
Parks	\$295.0M
Trails	<u>\$11.5M</u>
TOTAL	\$829.1M

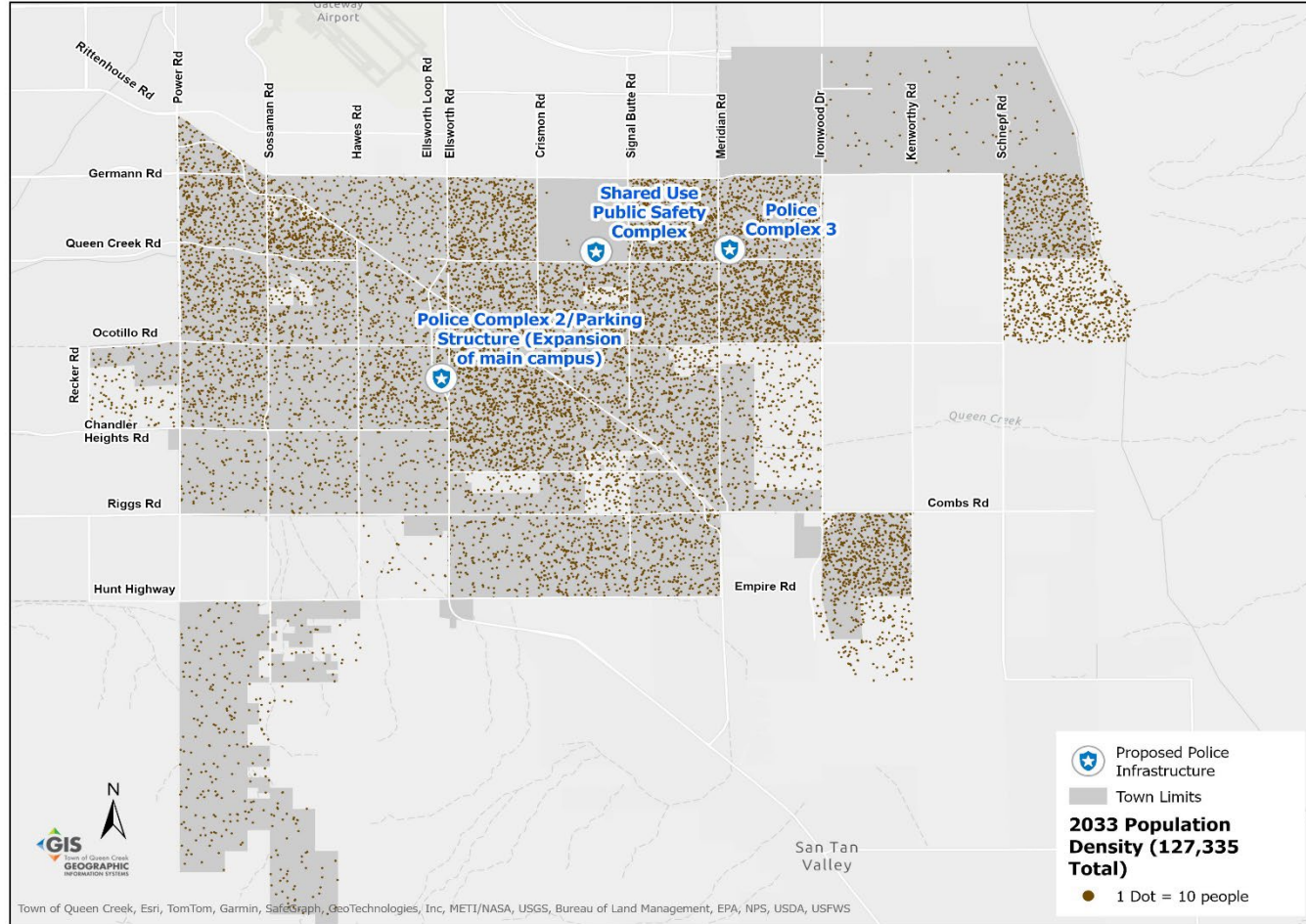
PROJECT COSTS SUBJECT TO CONSTRUCTION SALES TAX AND IMPACT FEES

	Police	Fire	Streets	Parks	Trails	Total
All Projects	\$157.7M	\$73.5M	\$291.4M	\$295.0M	\$11.5M	\$829.1M
Reduce For:						
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)	(\$78.7M)	(\$146.2M)	-	(\$244.1M)
Project Costs Eligible to be Paid by Construction Sales Taxes and Impact Fees	\$144.1M	\$67.9M	\$212.7M	\$148.8M	\$11.5M	\$585.0M

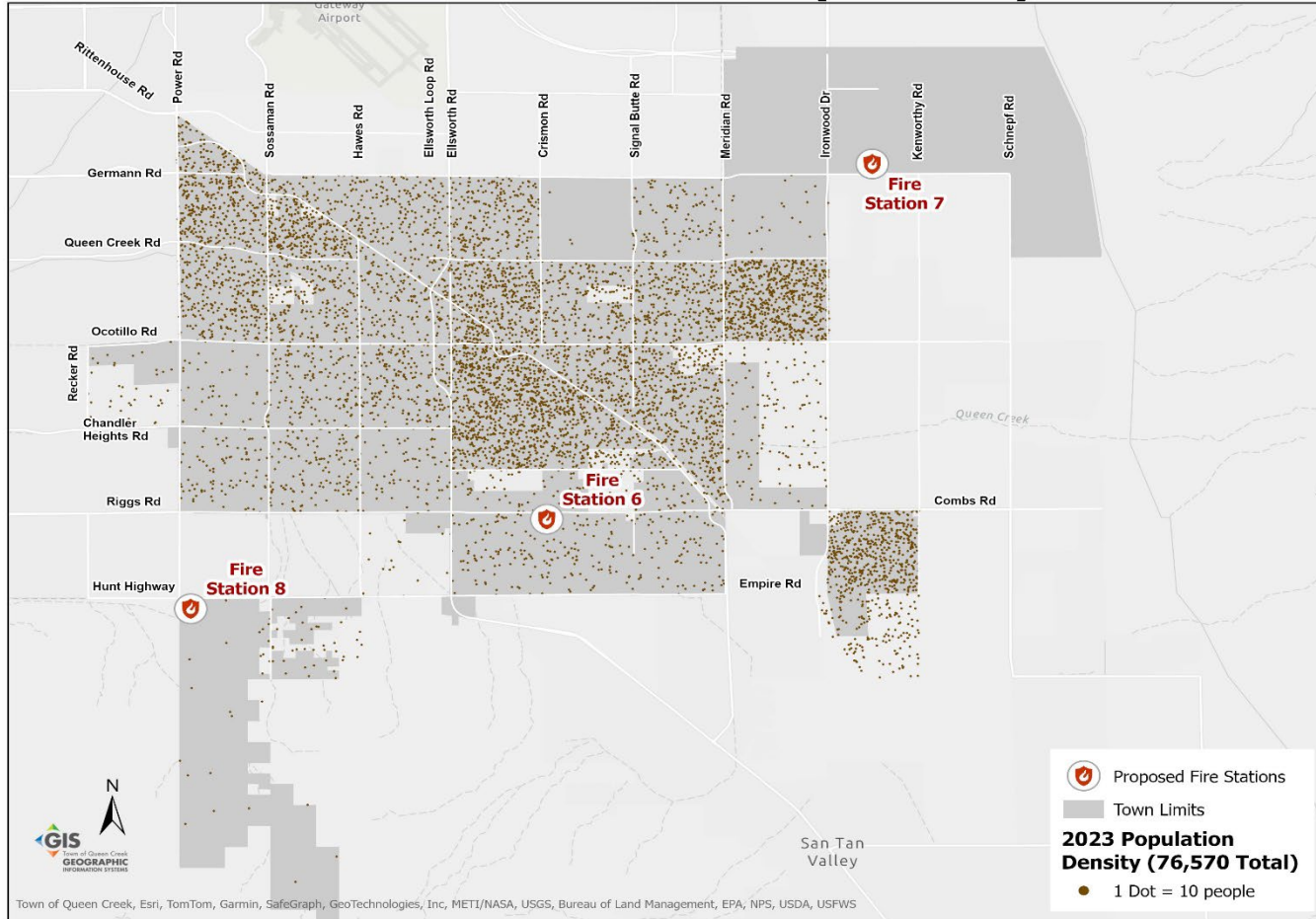
Police: \$144.1M (2023)



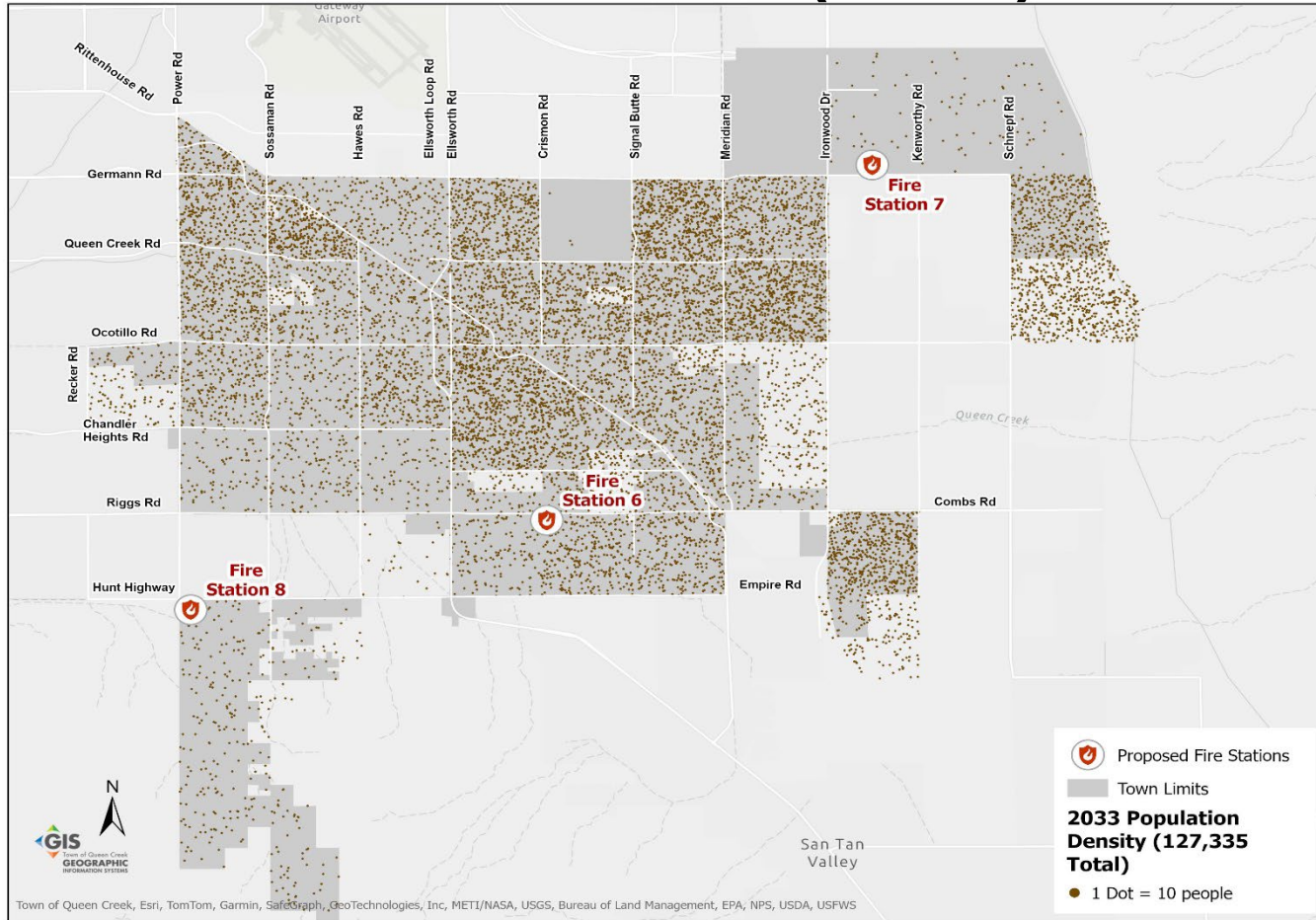
Police: \$144.1M (2033)



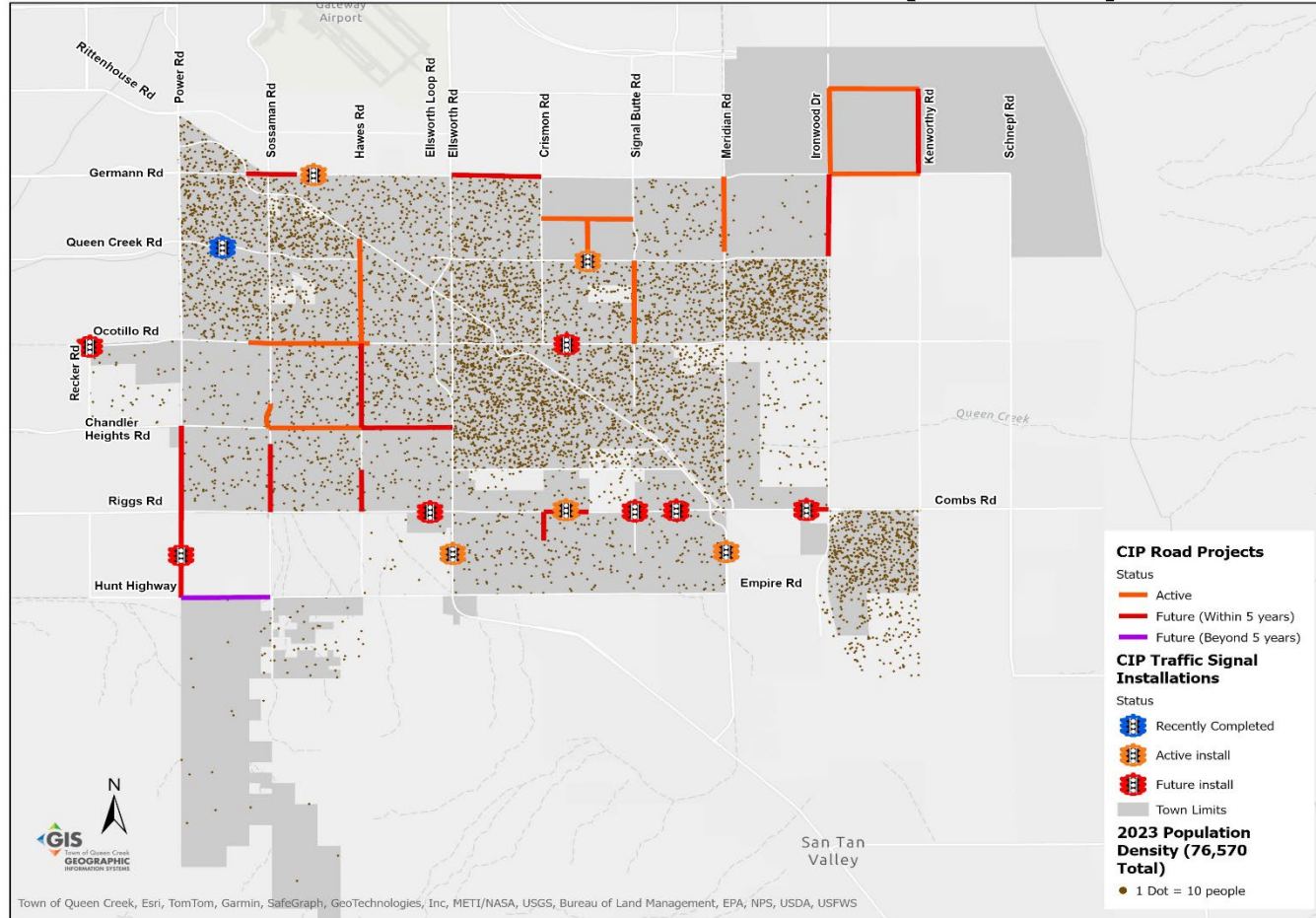
Fire: \$67.9M (2023)



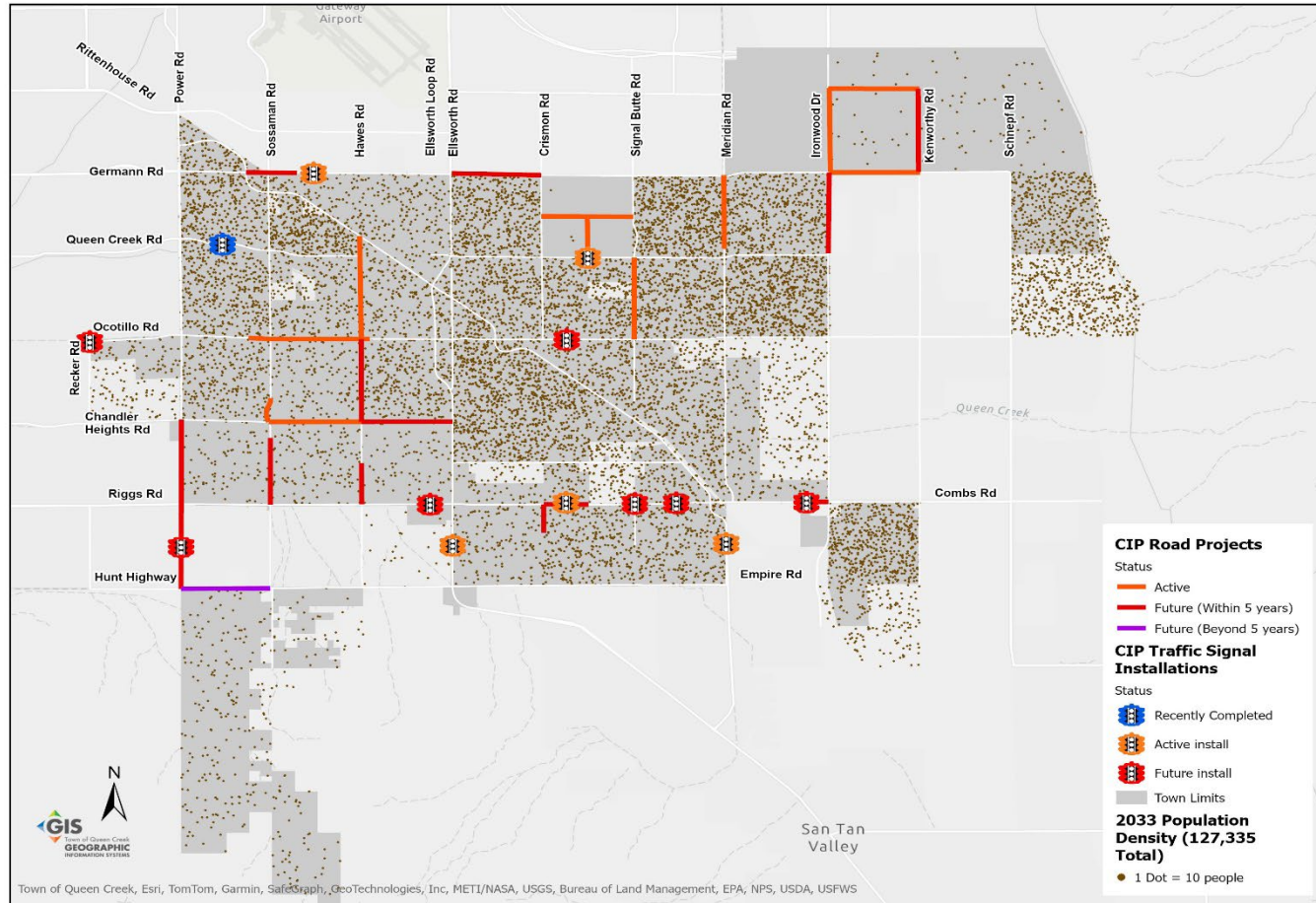
Fire: \$67.9M (2033)



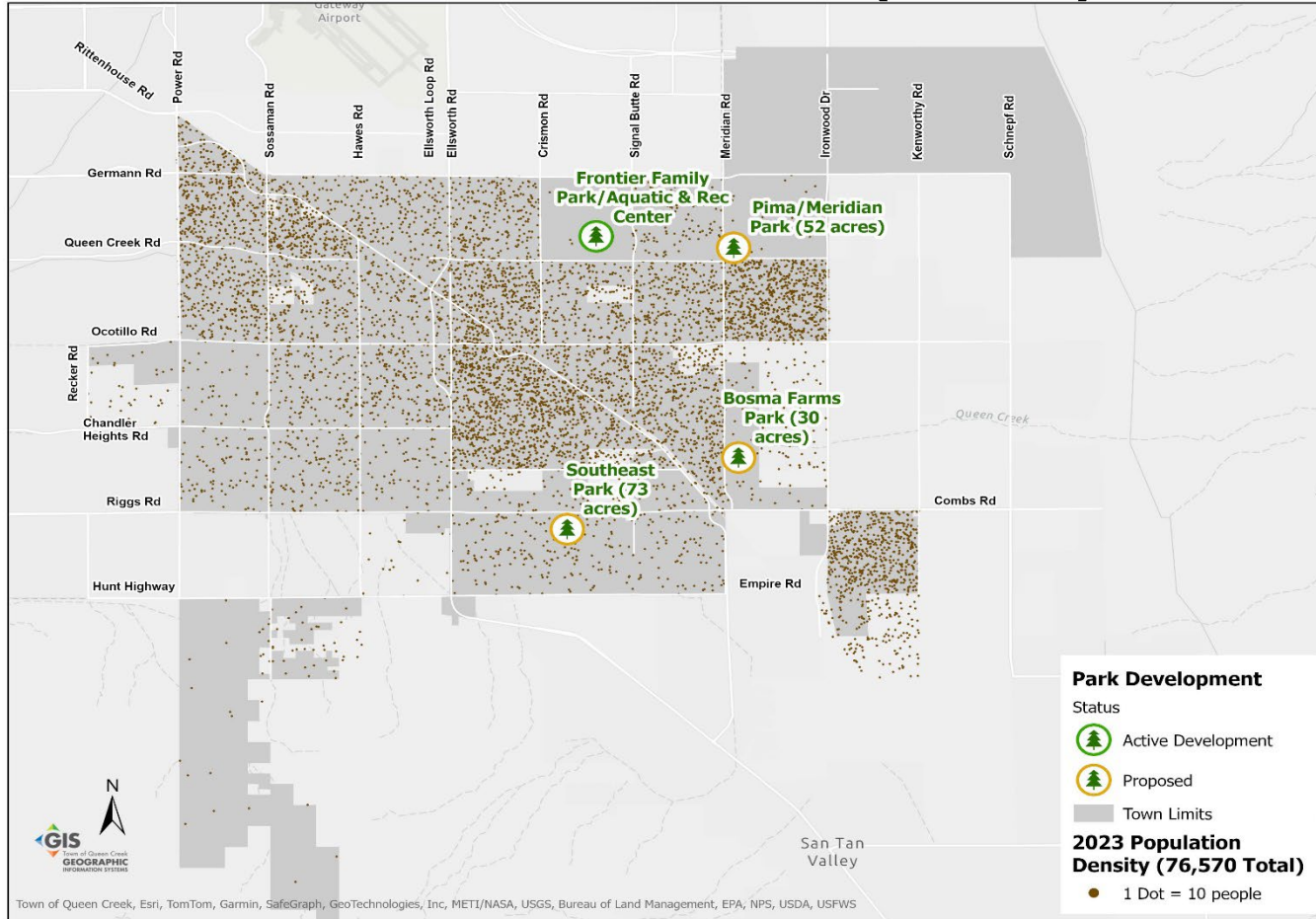
Streets: \$212.7M (2023)



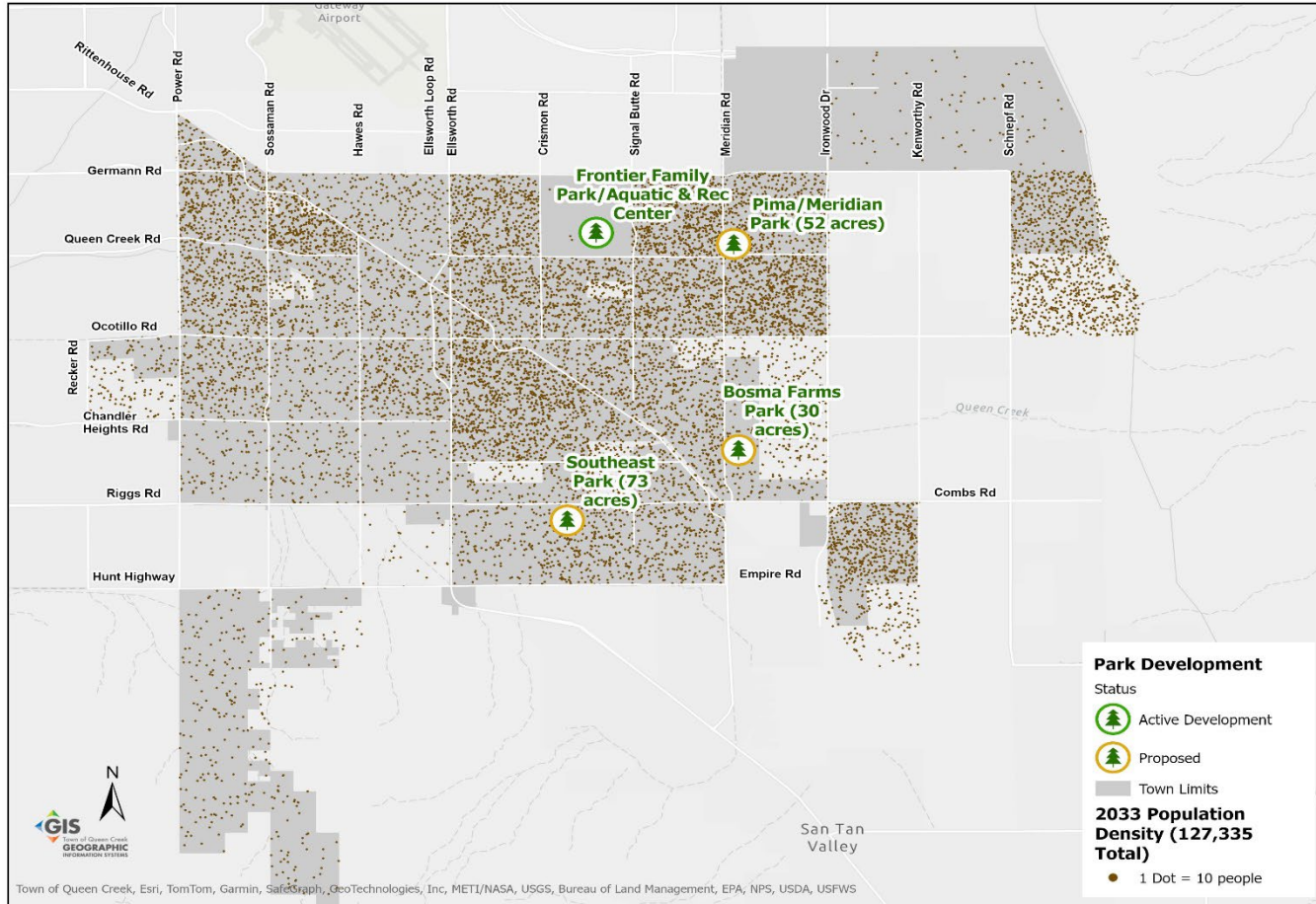
Streets: \$212.7M (2033)



Parks: \$148.8M (2023)



Parks: \$148.8M (2033)





4. DISCUSS NEXT STEPS

NEXT STEPS

- Development Impact Fees
 1. Complete Development Impact Fee Calculations
 - Key Elements
 - Construction Sales Taxes Projection and Allocation to Fees
 - Payoff of Outstanding Debt
 - Third Party Funding Amounts



NEXT STEPS (CONCLUDED)

- Water and Wastewater Capacity Fees
 1. Prepare Land Use Assumptions and Infrastructure Improvement Plans
 2. Prepare Capacity Fee Calculations



RECOMMENDED MOTION

Approve Resolution No. 1597-24 Adopting the Land Use Assumptions and Infrastructure Improvement Plan in Compliance with State Law





APPENDIX

- 1. SINGLE-FAMILY PROJECTIONS (BY YEAR)*
- 2. MULTI-FAMILY PROJECTIONS (BY YEAR)*
- 3. INFRASTRUCTURE IIPS*

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 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

POLICE IIP: \$144.1M

Projects	Years 1-5	Years 6 - 10
1. Police Vehicles and Equipment	\$8.8M	
2. Public Safety Complex (with Fire)	\$31.2M	
3. Complex #2 (Town Center Location Expansion)	\$29.8M	
4. Parking Structure	\$15.0M	
5. Police Fleet Facility	\$13.0M	
6. Radio Tower and Infrastructure	\$4.0M	
7. Complex #3 – Land Acquisition	\$2.3M	
8. Project Management	\$6.7M	
9. Complex #3 - Building	=	<u>\$33.3M</u>
Total	\$110.8M	\$33.3M

FIRE IIP: \$67.9M

Projects	Years 1-5	Years 6 - 10
1. Public Safety Complex (with Police)	\$9.1M	
2. Fire Station #6 Apparatus	\$1.9M	
3. Fire Station #6	\$13.7M	
4. Fire Station #7 Apparatus	\$6.0M	
5. Project Management	\$3.2M	
6. Fire Station #7 (Includes Land)	-	\$15.1M
7. Fire Station #8 (Land, Building and Apparatus)	-	<u>\$18.9M</u>
Total	\$33.9M	\$34.0M

STREETS IIP: \$212.7M

Map ID #	Projects	Years 1-5	Years 6 - 10
1	Ocotillo Road: West of Sossaman Rd to Hawes Rd	\$9.8M	
2	Hawes Road: Ocotillo to Rittenhouse	\$3.3M	
3	Chandler Heights: Hawes to Ellsworth	\$3.3M	
4	Chandler Heights: Sossaman to Hawes	\$10.5M	
5	Signal Butte: Ocotillo to Queen Creek	\$1.4M	
6	Germann Rd: Ellsworth to Crismon	\$3.2M	
7	Power Road: Chandler Heights to Riggs	\$11.7M	
8	Power Road: Riggs to Hunt Hwy	\$5.2M	
9	Ryan Road: Crismon to Signal Butte	\$6.1M	
10	Hunt Hwy: Power to Sossaman		\$3.3M
11	Traffic Signal: Ocotillo & Scotland Court		\$1.0M
12	Meridian Road: Queen Creek Road to Germann	\$7.6M	

STREETS IIP: \$212.7M (CONTINUED)

Map ID #	Projects	Years 1-5	Years 6 - 10
13	220th: Queen Creek to Ryan	\$3.3M	
14	Sossaman Railroad Crossing @ Germann	\$4.6M	
15	Ironwood Road Improvements	\$0.9M	
16	Sossaman: Sonoqui Wash to Chandler Heights	\$10.6M	
17	Sossaman: Chandler Heights to Riggs	\$3.6M	
18	Hawes: Chandler Heights to Ocotillo	\$14.0M	
19	Hawes: Riggs North to Sunset Drive (1/2 mile, 3 lanes) NEW	\$6.5M	
20	Southeast Park - Riggs Road (1/4 mile, 3 lanes)	\$3.2M	
21	Southeast Park - Crismon Road to cul-de-sac (1/4 mile, 3 lanes)	\$3.2M	
22	Combs: Meridian to Gantzel - West of Sangria	\$1.3M	
23	Ironwood: Pima to Germann	\$30.0M	

STREETS IIP: \$212.7M (CONTINUED)

Map ID #	Projects	Years 1-5	Years 6 - 10
24	Traffic Signal: Germann Road and 196th Street	\$1.8M	
25	Traffic Signal: Harvest: Harvest @ Riggs Road	\$1.2M	
26	Traffic Signal: Harvest: Signal Butte & Riggs	\$1.4M	
27	Traffic Signal : Combs @ Sangria	\$1.4M	
28	Traffic Signal: 220th @Queen Creek Road	\$1.3M	
29	Traffic Signal: Power Road @ San Tan	\$0.4M	
30	Traffic Signal: Ocotillo @ Recker (IGA with Gilbert) (1/2 Third Party Removed)	\$0.8M	

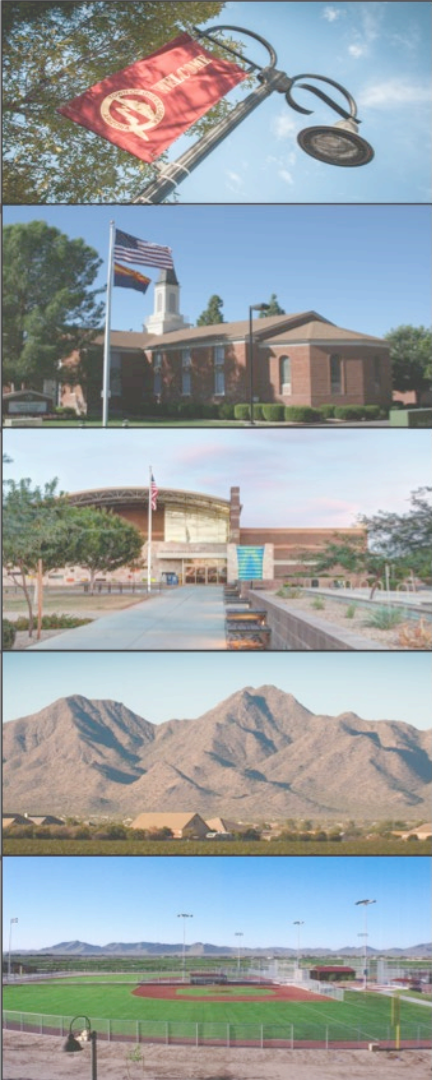
STREETS IIP: \$212.7M (CONCLUDED)

Map ID #	Projects	Years 1-5	Years 6 - 10
31	Traffic Signal: Riggs @206th	\$1.5M	
32	Traffic Signal: Queen Creek @ 188th	\$0.3M	
33	Traffic Signal: Gary Road and Grange Parkway	\$0.3M	
34	Traffic Signal: Ellsworth @ San Tan Blvd	\$0.4M	
35	Traffic Signal: Riggs @ Crismon High School	\$0.3M	
36	ASLD Roadway Infrastructure	\$44.2M	
	Project Management	<u>\$9.8M</u>	
	Total	\$212.7M	

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 Pinal Funding)	\$44.2M
Project Management Costs	<u>\$9.8M</u>
Total Streets IIP	\$212.7M



STREETS IIP UPDATES: +\$15.8M

- 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, +\$45.6M
 - Timing delay, pushed project into new fee, +\$1.3M
 - Corrected MAG Project, +\$0.1M
 - Added ASLD Roadway Infrastructure, +\$44.2M

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>\$44.2M</u>
Total	\$45.6M

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 – New Projects	\$24.9M

PARKS IIP: \$148.8M



Projects	Amount
1. Family Frontier Park (85 Acres)	\$15.1M
2. Southeast Park (73 Acres)	\$39.0M
3. Pima / Meridian Park (52 Acres)	\$43.5M
4. Bosma Park (30 Acres)	\$45.0M
5. Project Management	<u>\$6.2M</u>
Total	\$148.8M

TRAILS IIP: \$11.5M

Projects	Years 1-5	Years 6 - 10
1. QC Wash Trail – Rittenhouse to Meridian	\$4.8M	
2. Sonoqui Wash – Power to Recker	\$1.3M	
3. SRP Utility Easement Trail – Ellsworth to Signal Butte	\$1.5M	
4. Trail by Southeast Park Site		\$3.4M
5. Project Management	<u>\$0.5M</u>	
Total	\$8.1M	\$3.4M