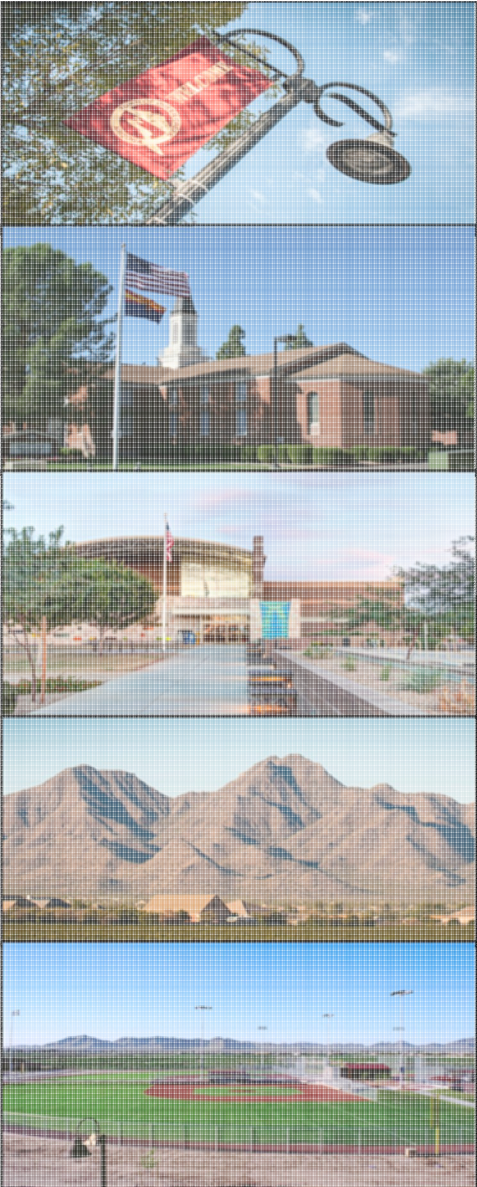


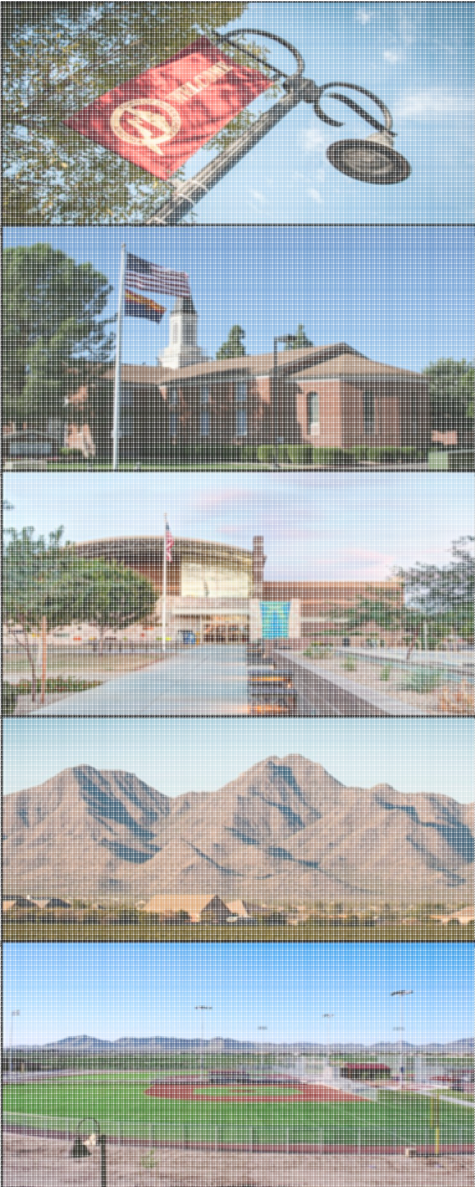
Development Impact Fees: Adoption of Land Use Assumptions and Infrastructure Improvement Plan

Town Council Meeting
June 19, 2024

Staff Thank You

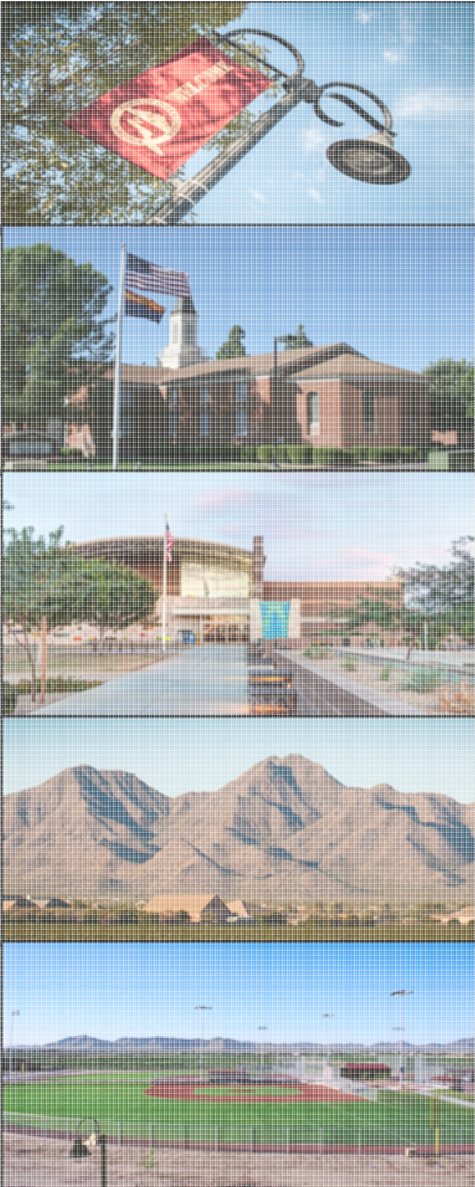
- Sarah Clark
- Mindy Corpstein
- Ryan Fielder
- Gloria Moore
- Kristen Stone





Purpose of Presentation

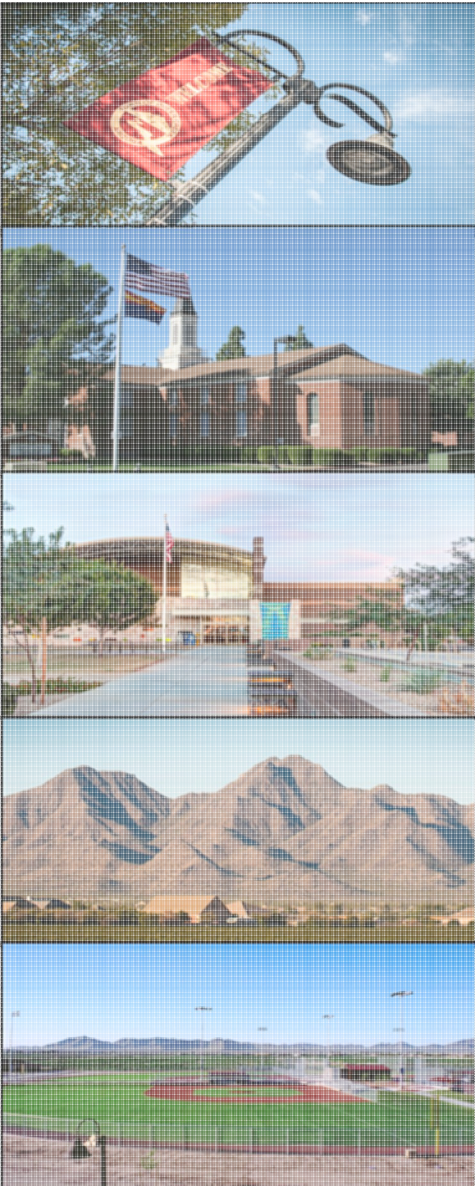
1. Review Calendar
2. Discuss Revised Land Use Assumptions
3. Discuss Revised Infrastructure Improvement Plan
4. Discuss Next Steps
5. Approve Resolution No. 1597-24



Development Impact Fees

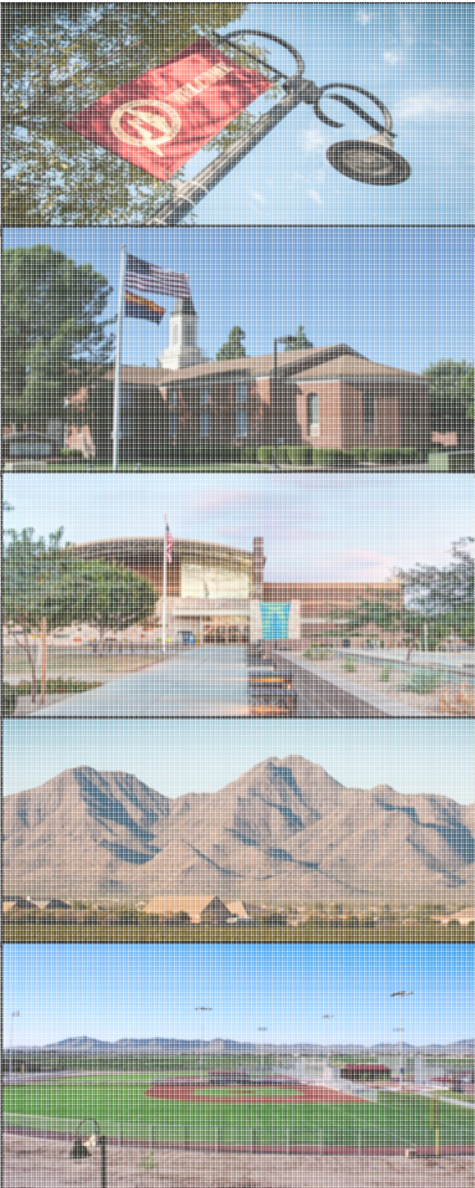
- 5 Impact Fees are Being Updated Now
 1. Police
 2. Fire & Medical
 3. Streets
 4. Parks
 5. Trails

- 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



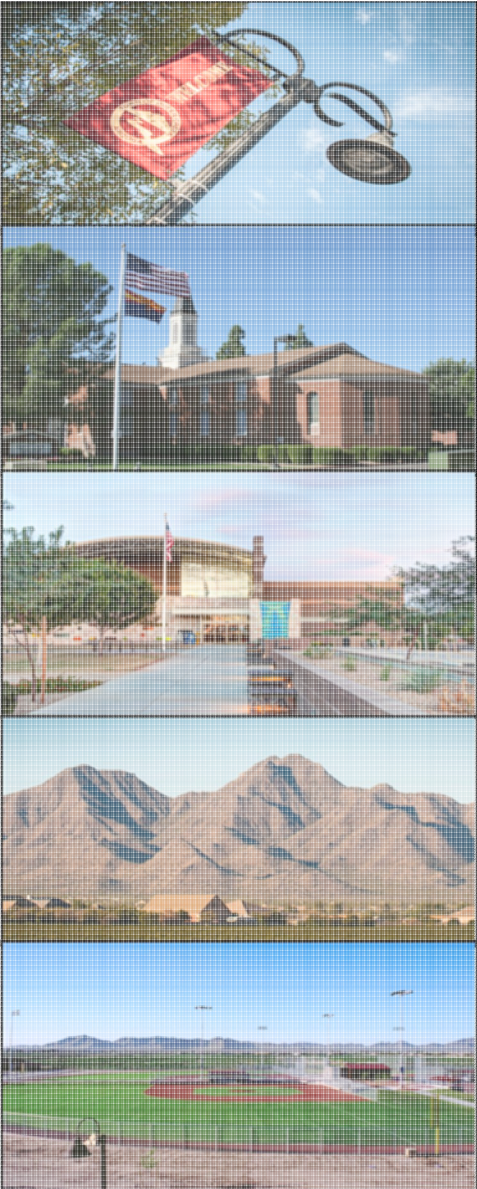
Roles and Responsibilities

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



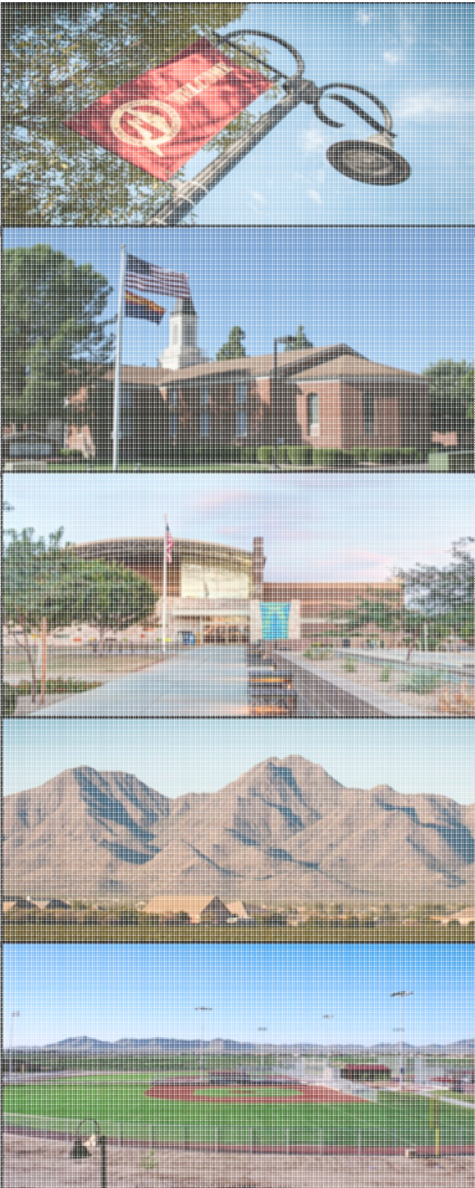
1. Review Calendar

Proposed Calendar

Step 1: *LUA and IIP Approval*

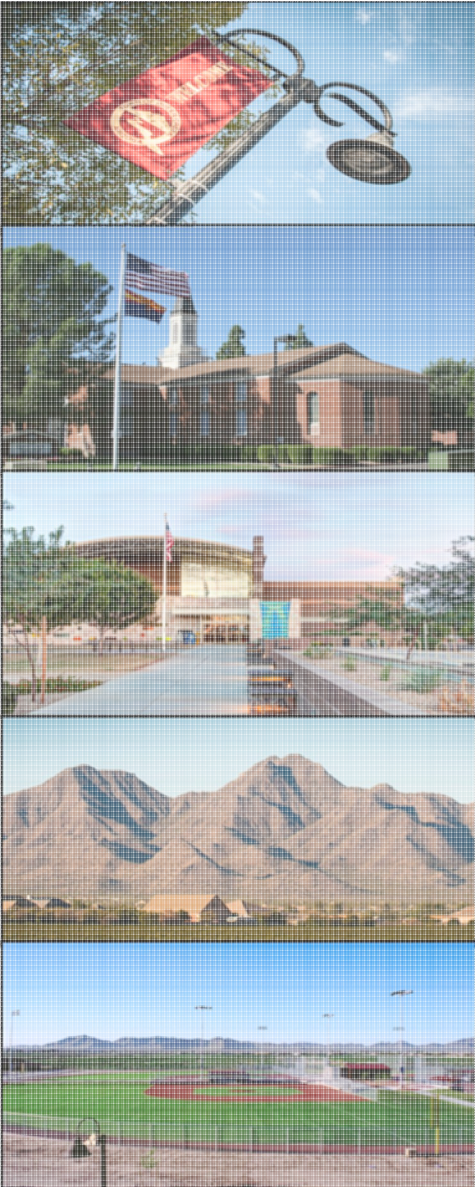
Step #	Step	Date
1	Review Land Use Assumptions and Infrastructure Improvement Plan	March 6, 2024 Town Council Meeting (1 of 6)
2	Publish Land Use Assumptions and Infrastructure Improvement Plan	March 7, 2024
	60-Day Notice Period (Public Outreach and Collaboration Period) Focus Group Meetings	May 2 and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





2. Discuss Revised Land Use Assumptions

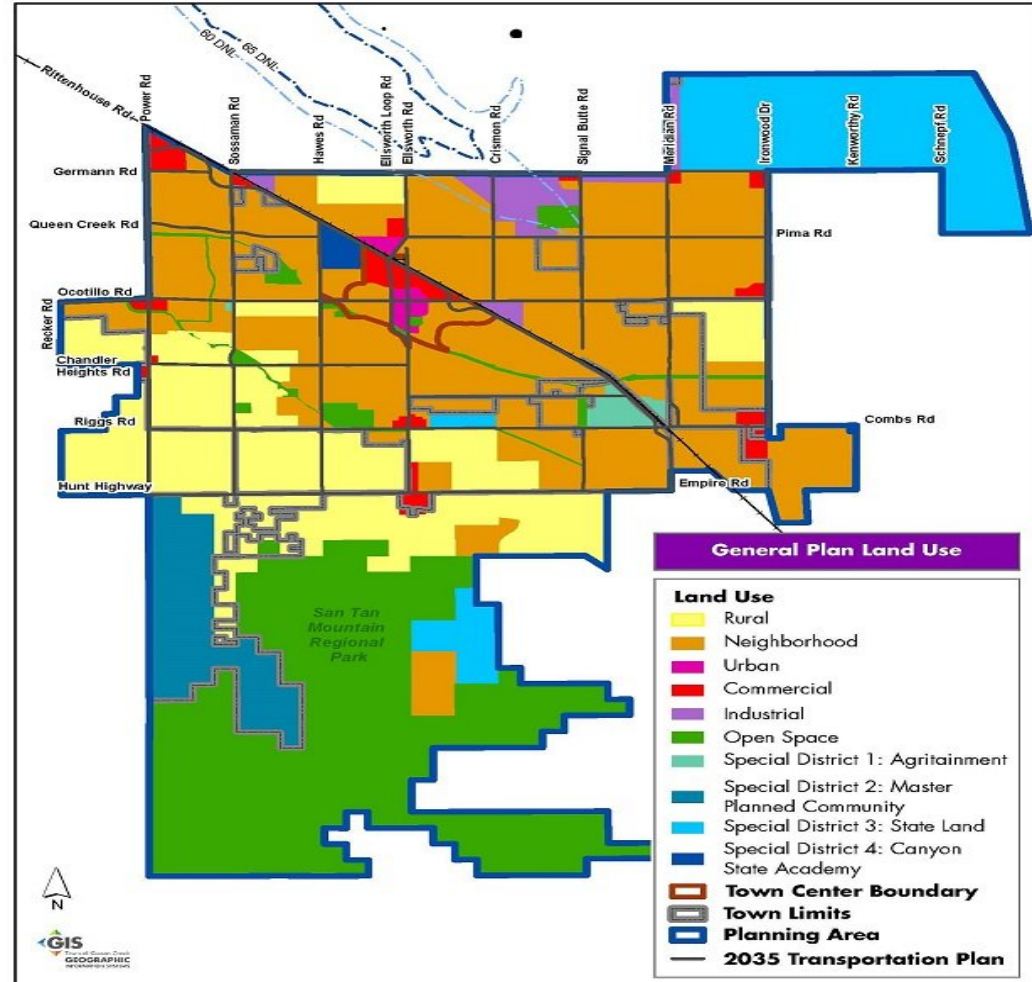
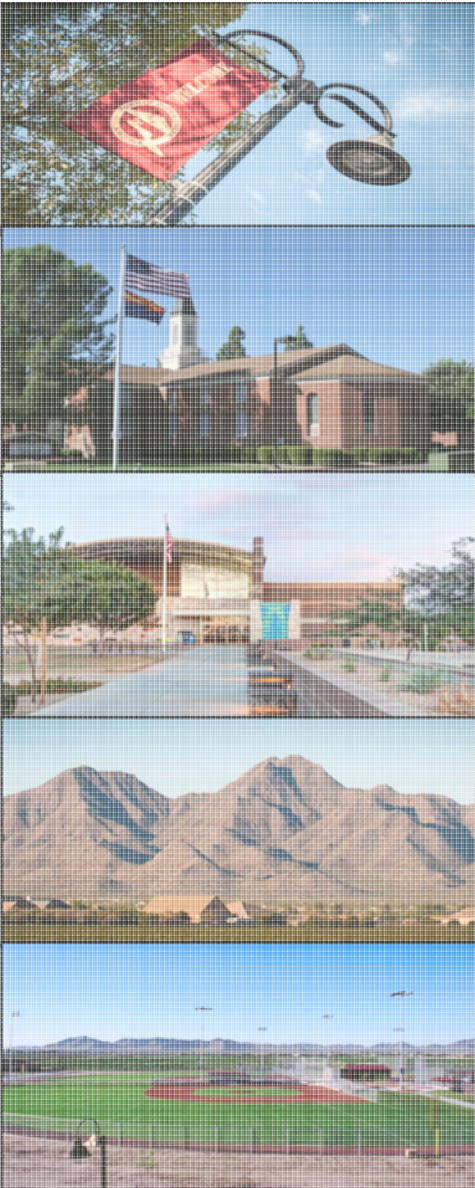
Who is Coming and Where?

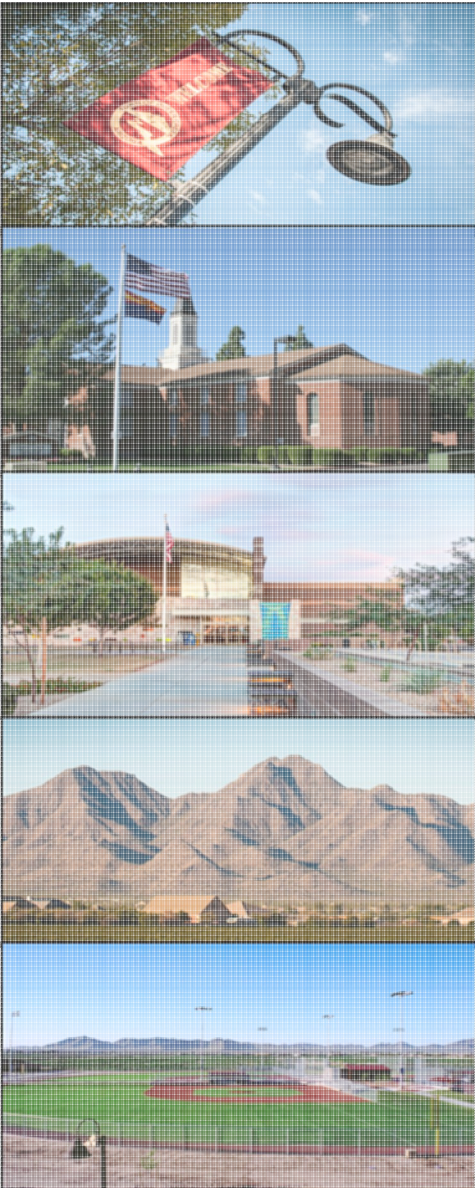


5 Land Use Categories

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

2021 General Plan



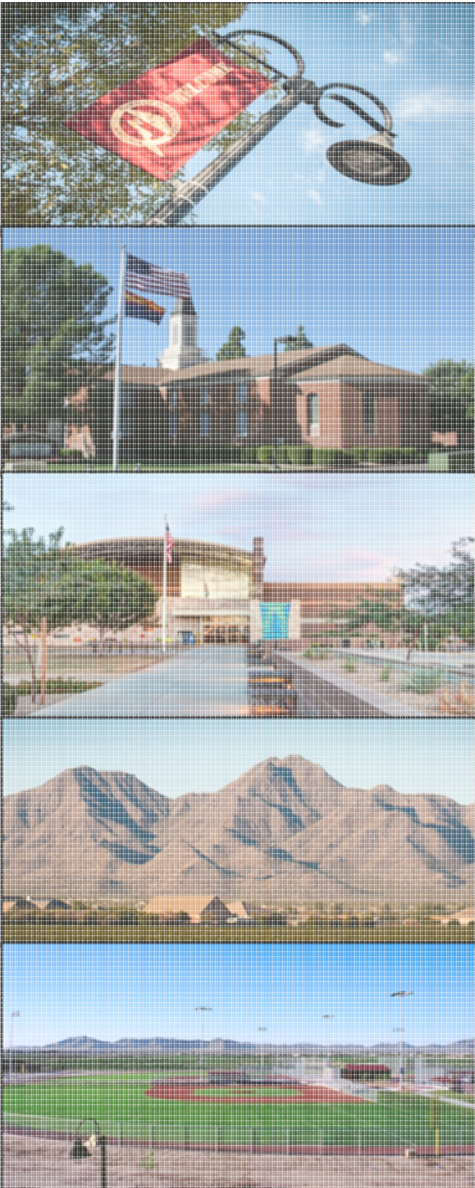


Key Assumptions: Land Use

- 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



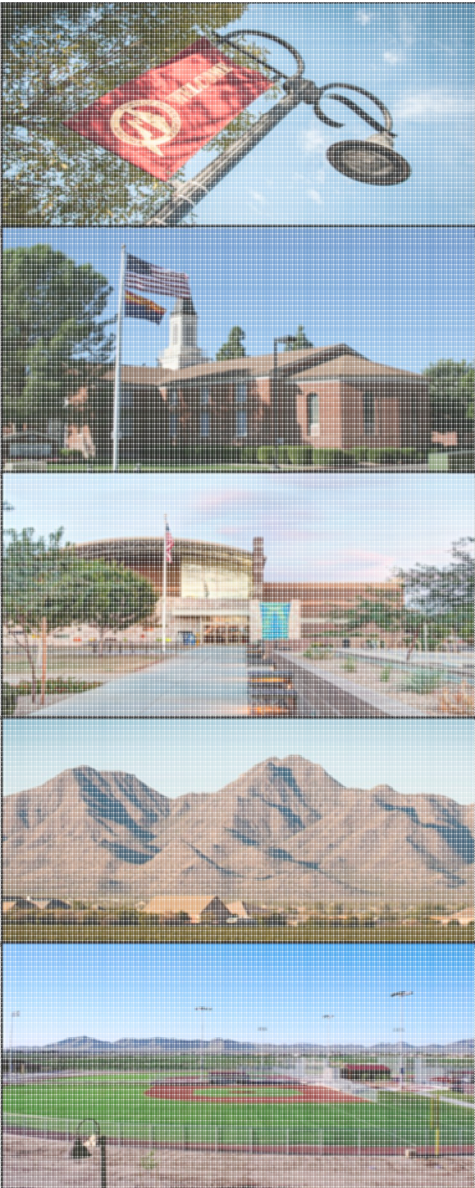
Updated Land Use Assumptions

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

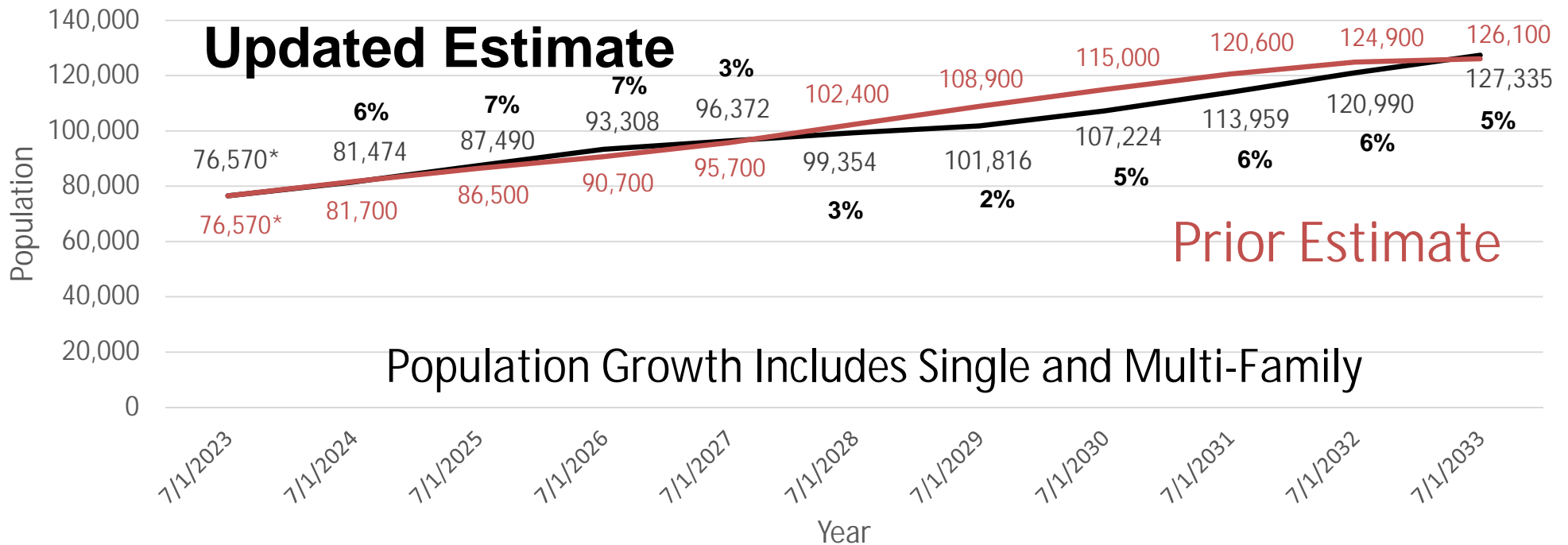
50.8K (67%) Increase

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

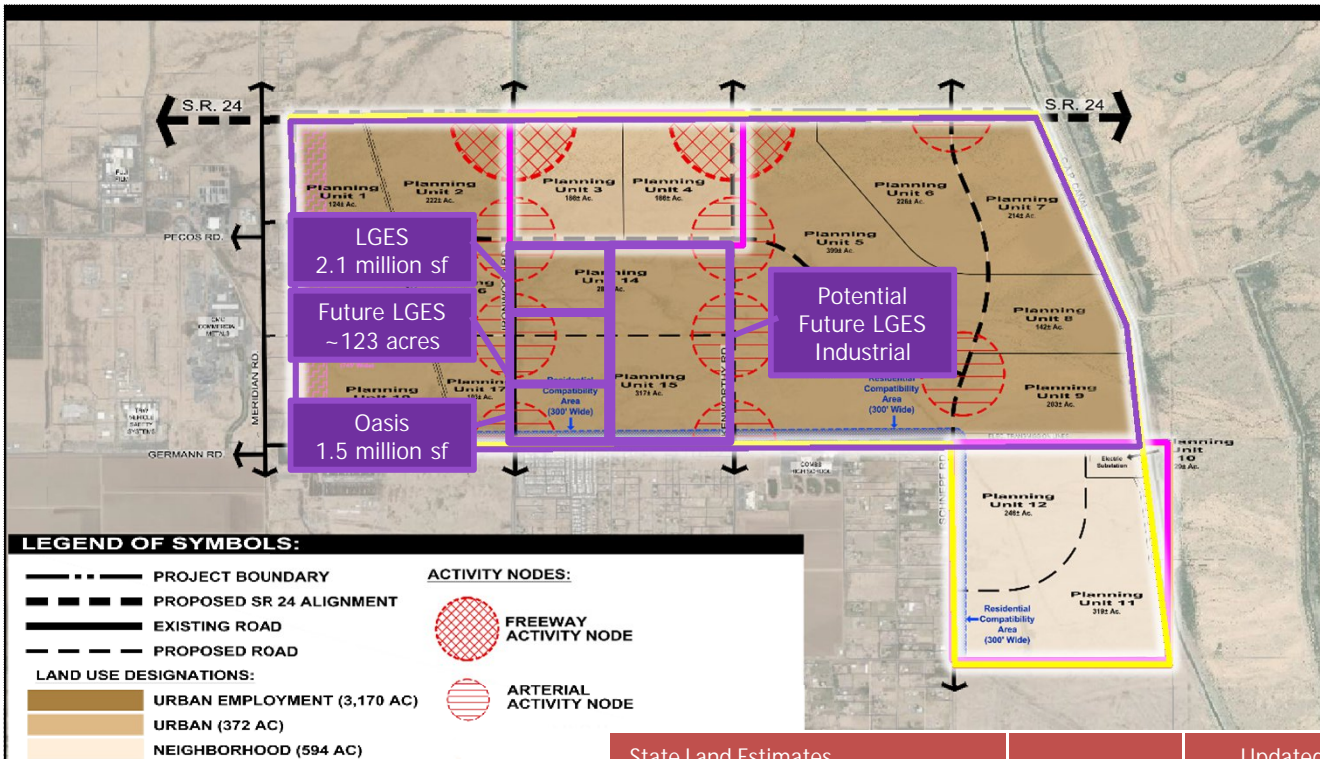
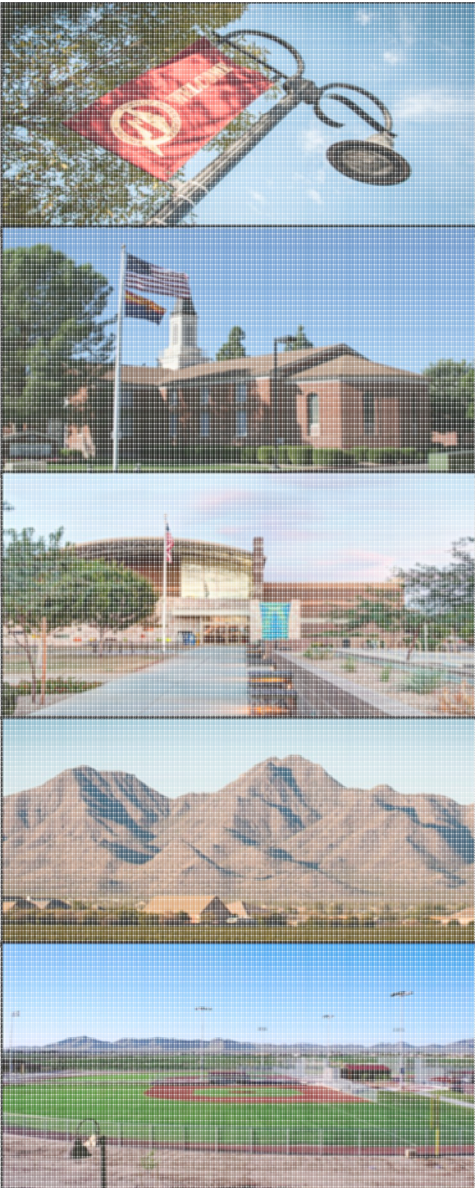


Exhibit 1: Supplement 3 Revised Dev

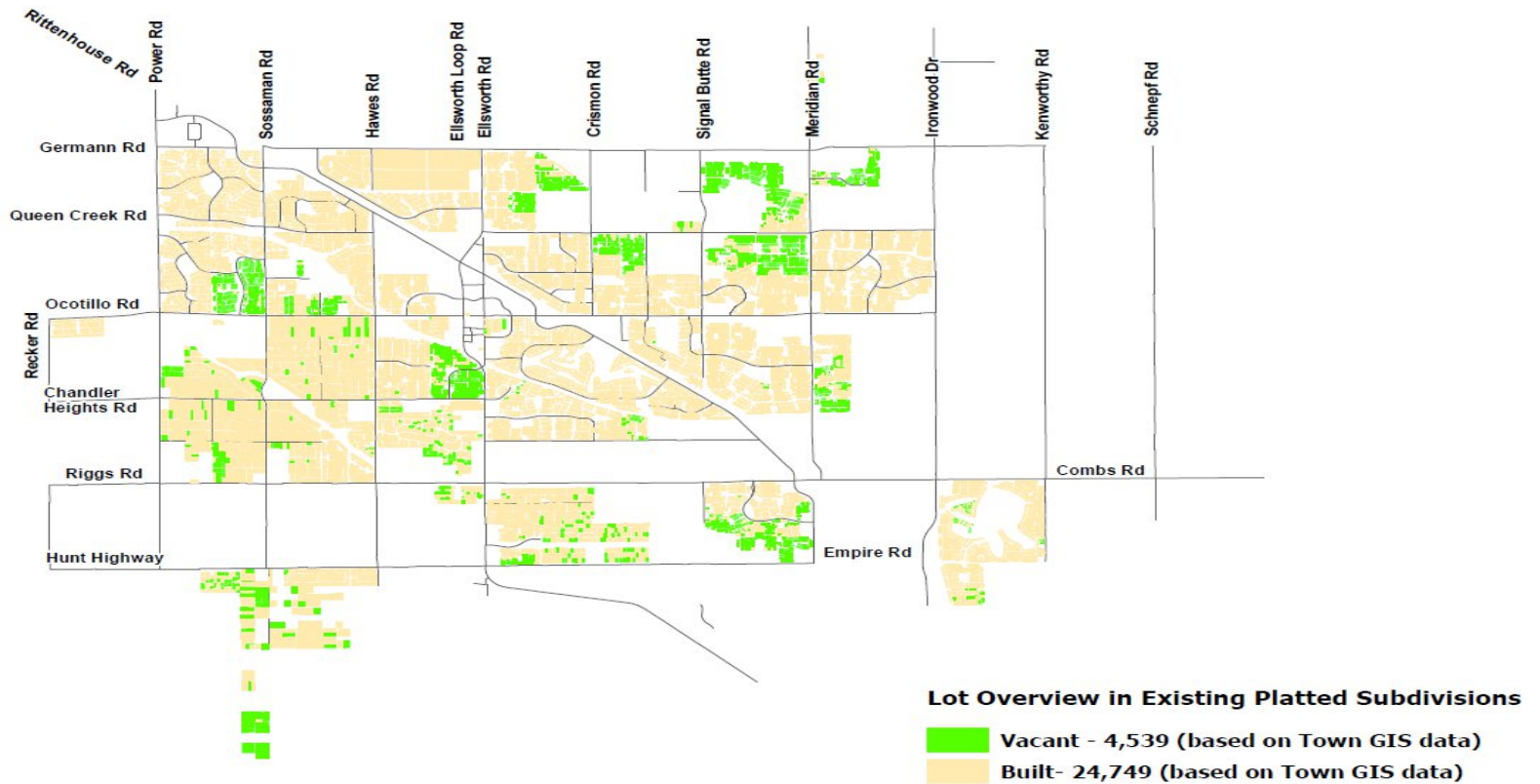
WLB

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

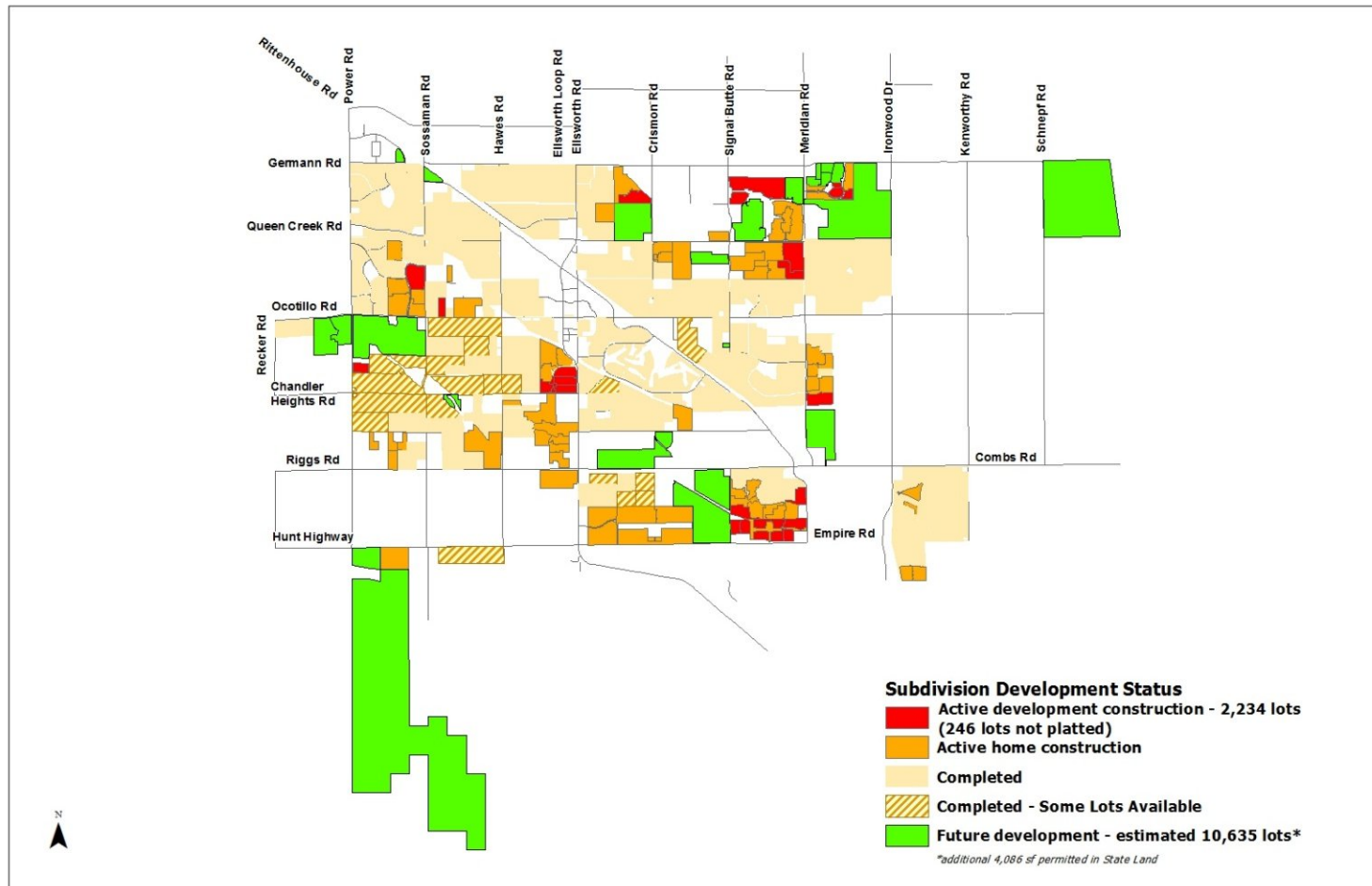


Single-Family Projections

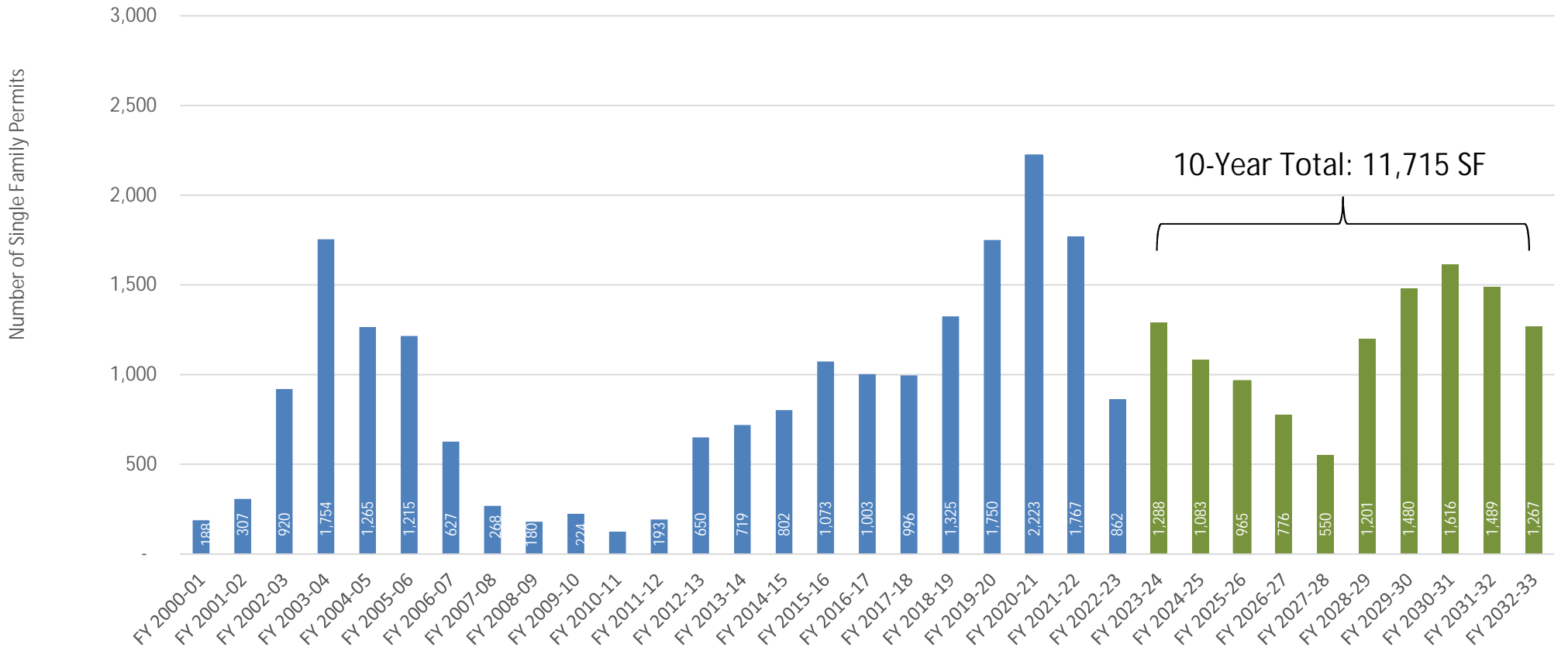
Available Lots (as of Oct. 2023)



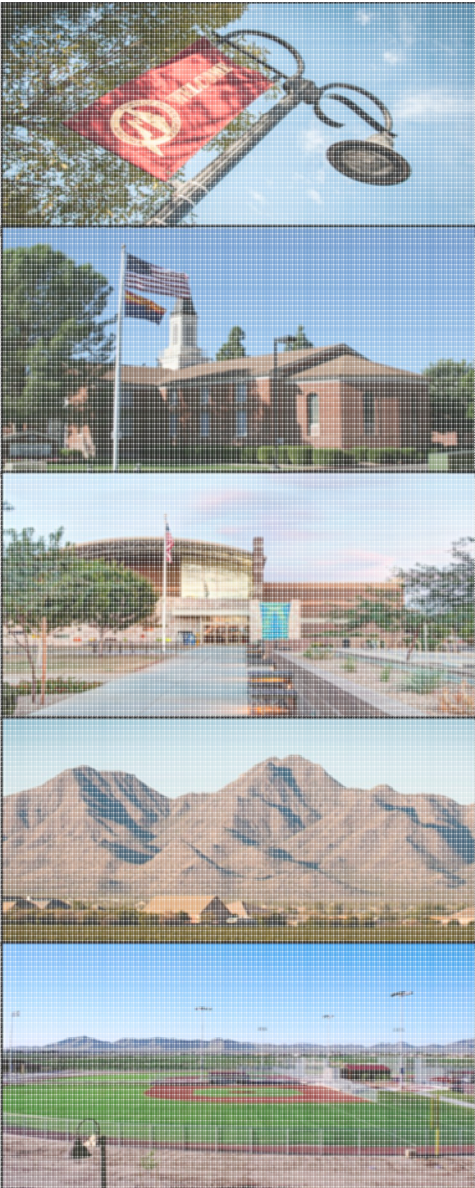
Available Lots (as of Oct. 2023)



Updated Single-Family Permit Projections



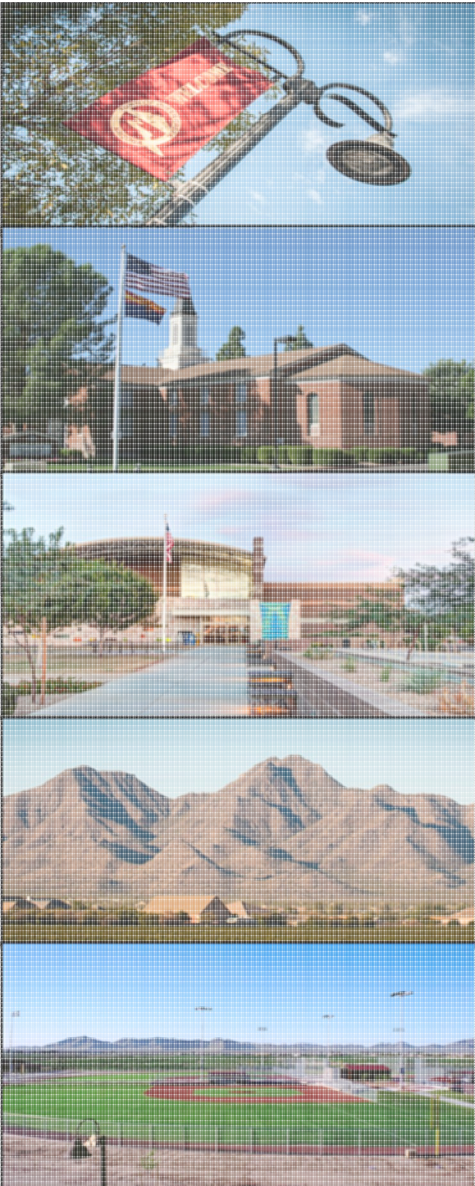
Now Includes 2,500 permits in State Lands



Multi-Family Projections

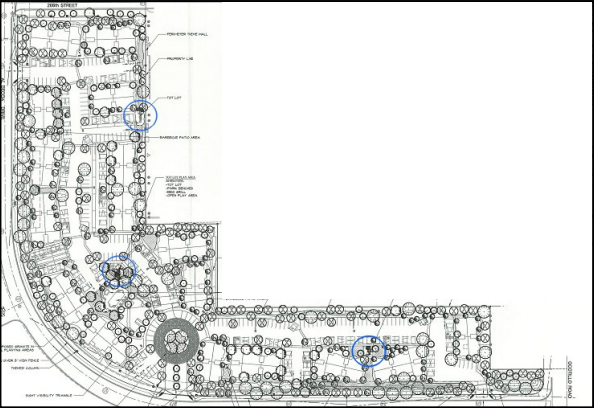
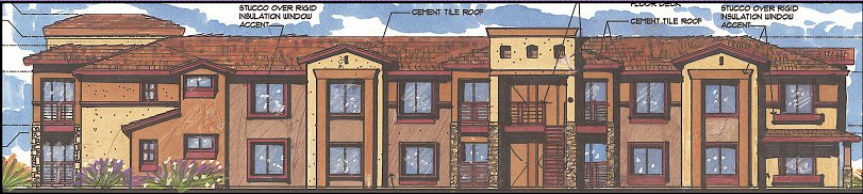
Definition: Multi-Family

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.

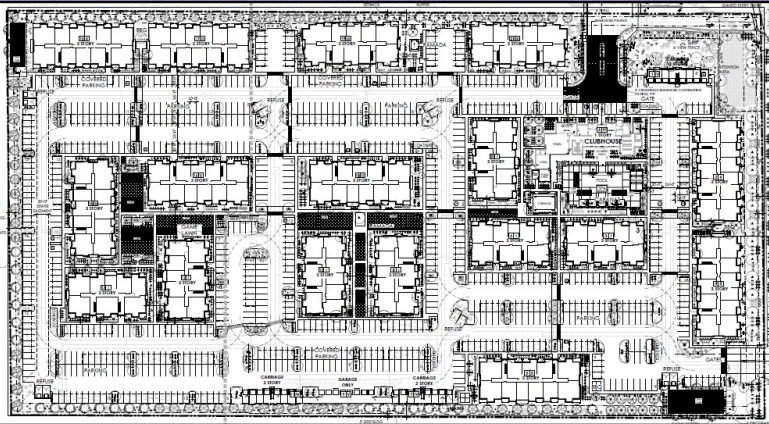


Types of Multi-Family (HDR)

Apartments
HDR
DU: ~17 du/acre
Towne Center Apartments



Apartments
HDR
DU: ~25 du/acre
Alexan



Types of Multi-Family (MDR)

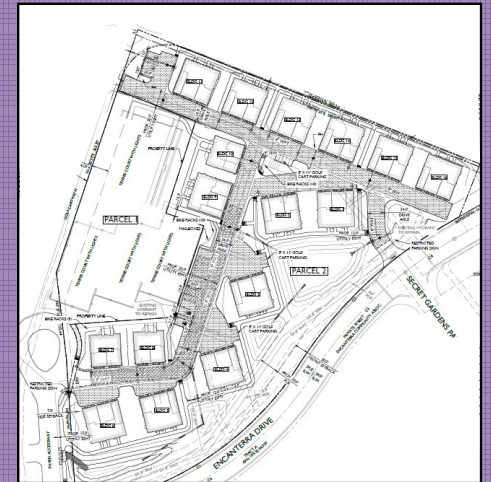
Attached & Detached for Rent
Avanterra at Madera
MDR
DU: ~8 du/acre

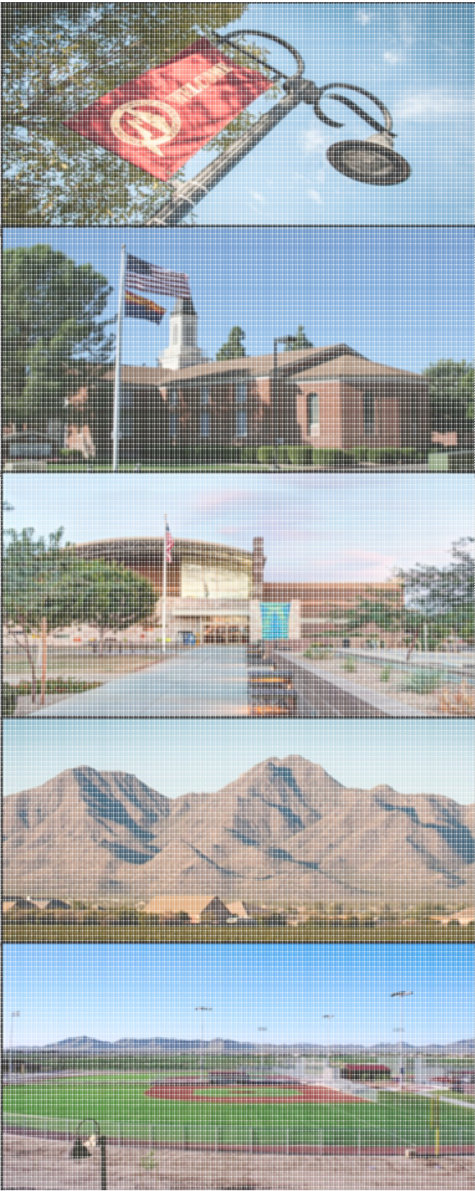


Single-Story For Rent
EVR at Spur Cross
MDR
DU: ~10-12 du/acre

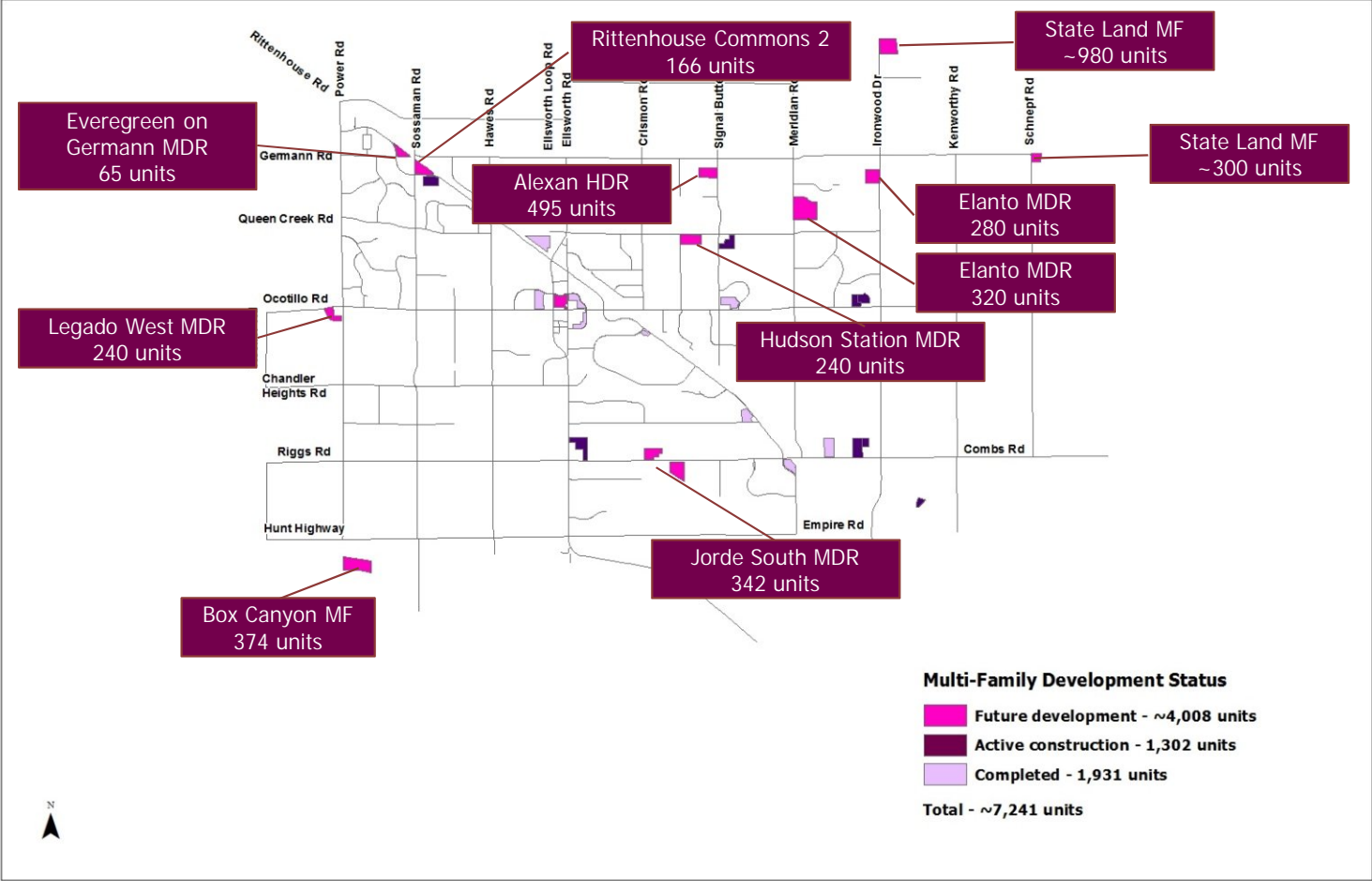


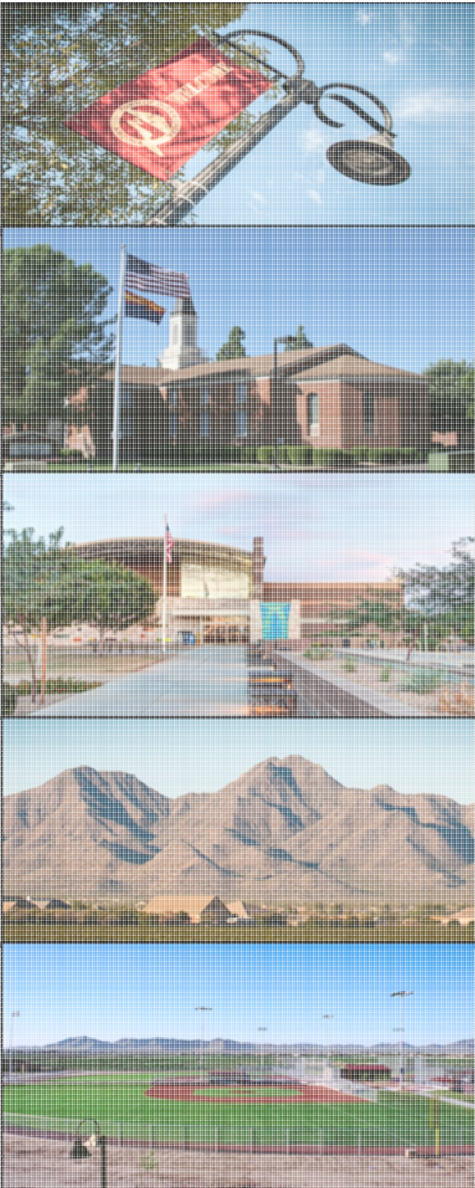
Condominiums/Townhomes
Encanterra Resort Casitas
MDR
DU: ~8-11 du/acre



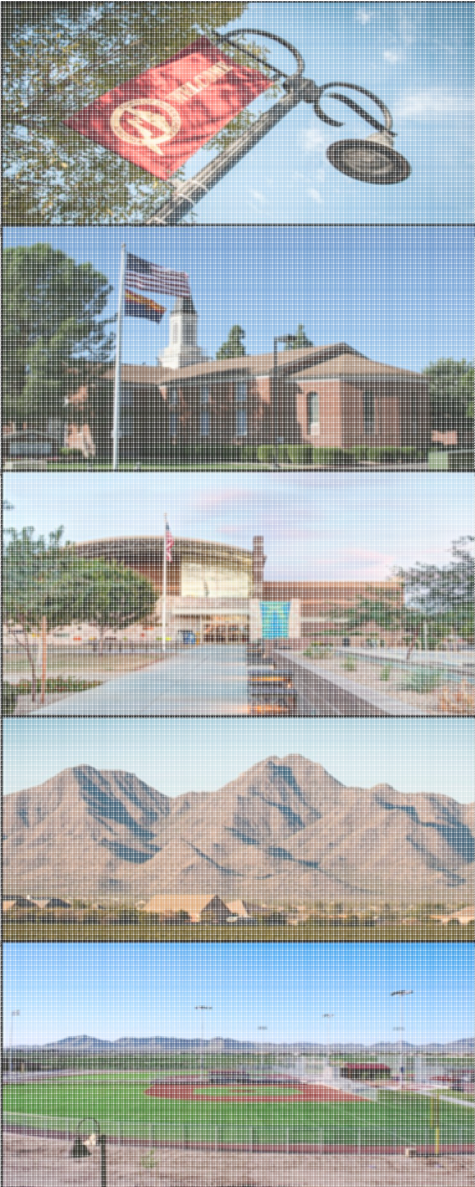


Multi-Family Development Status



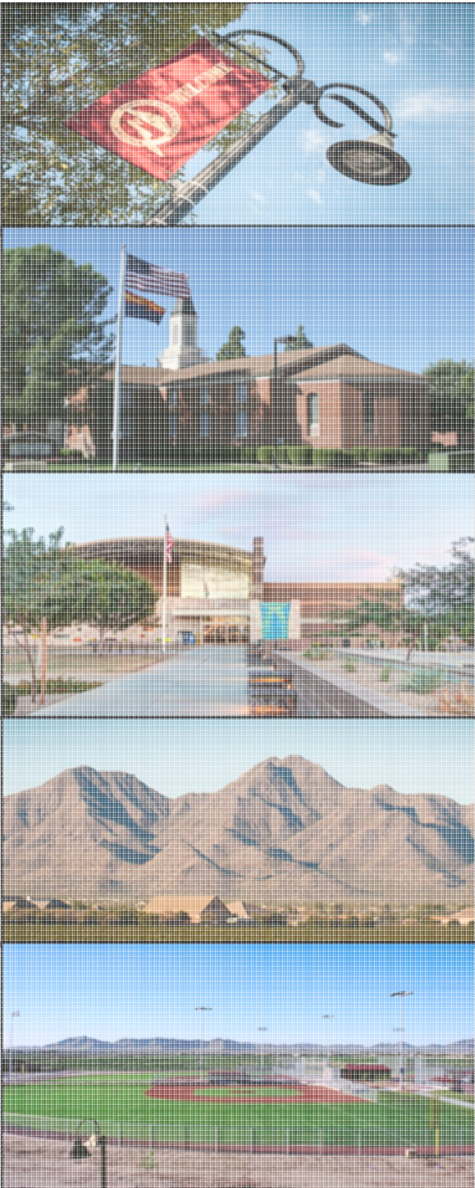


Commercial Projections

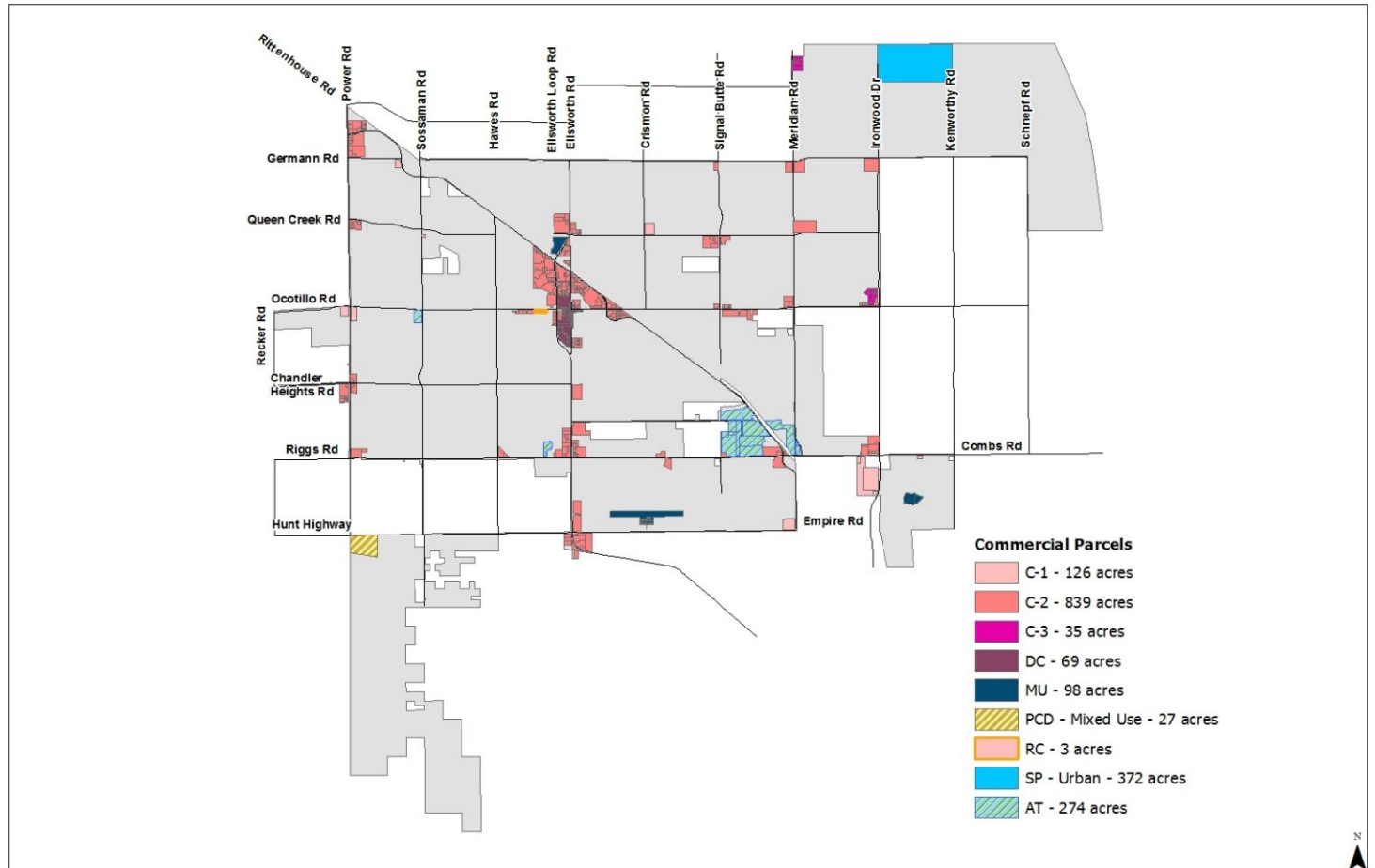


Examples: Commercial Land Use

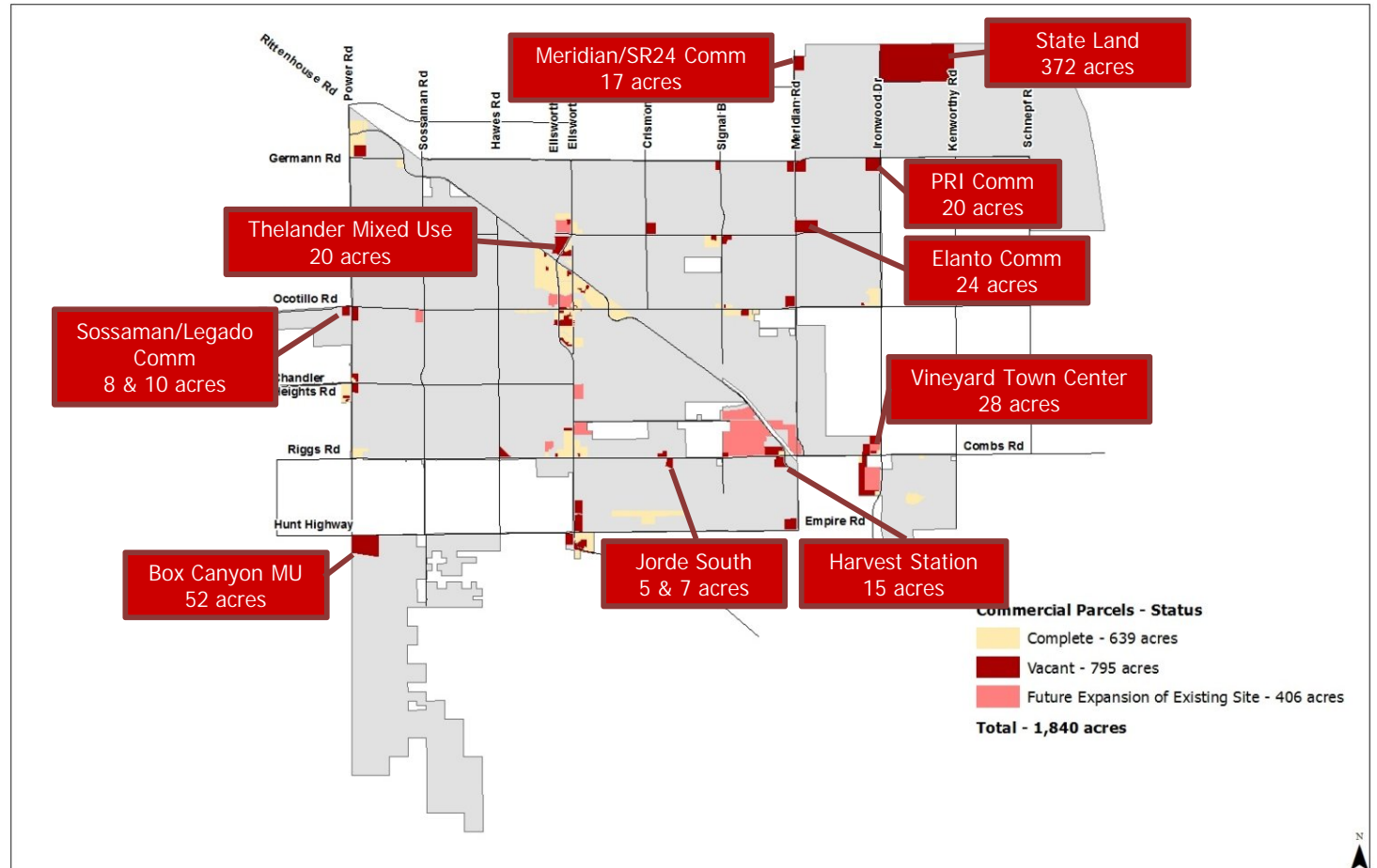
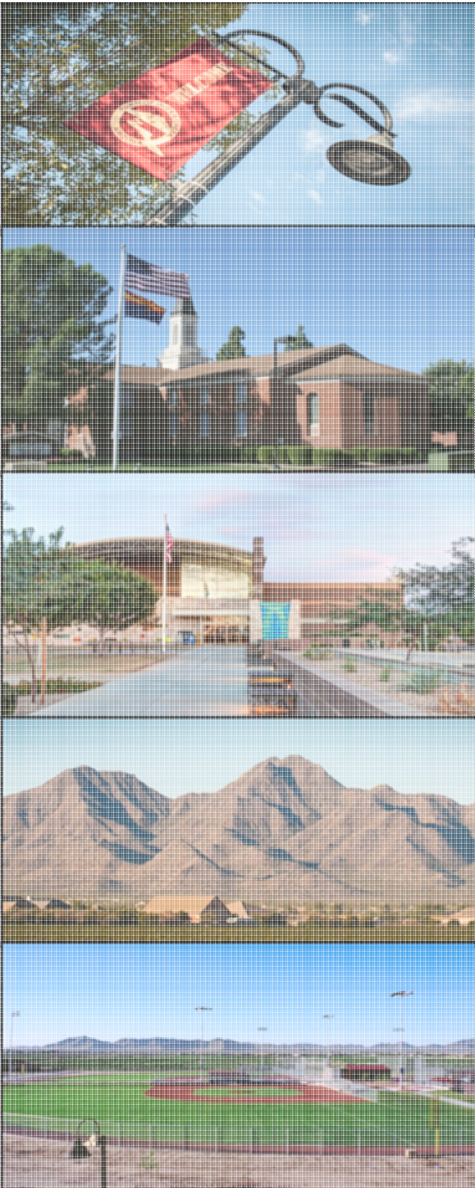
- Athletic Club
- Automotive Dealer
- Bar/Restaurant
- Department Store
- Health Club
- Hotel
- Movie Theater
- Golf Course
- Bowling Alley
- Barber/Beauty Shop
- Retail Strip Center
- Retail Shop
- Drug Store



Commercial Parcels

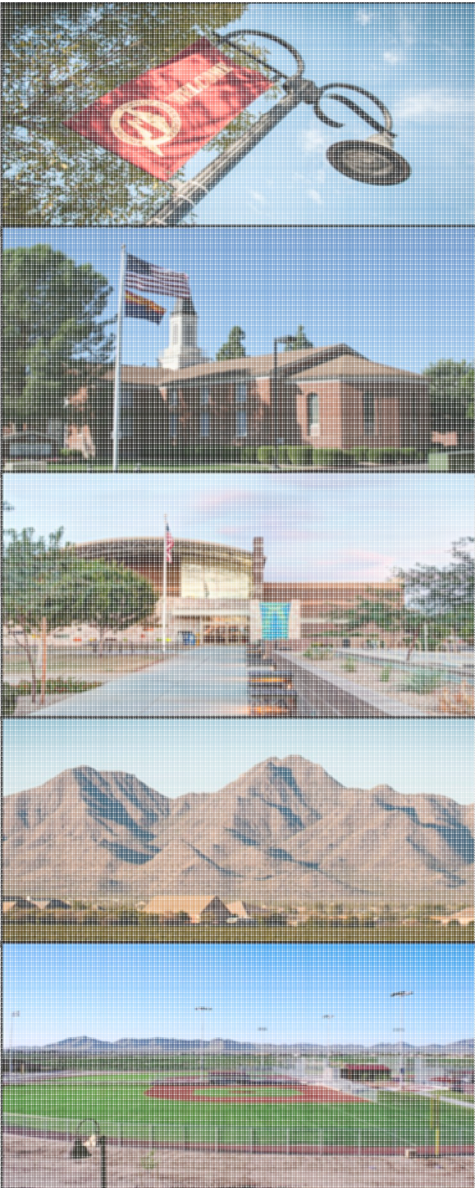


Commercial Parcels – Vacant Sites



Commercial Projections: Observations

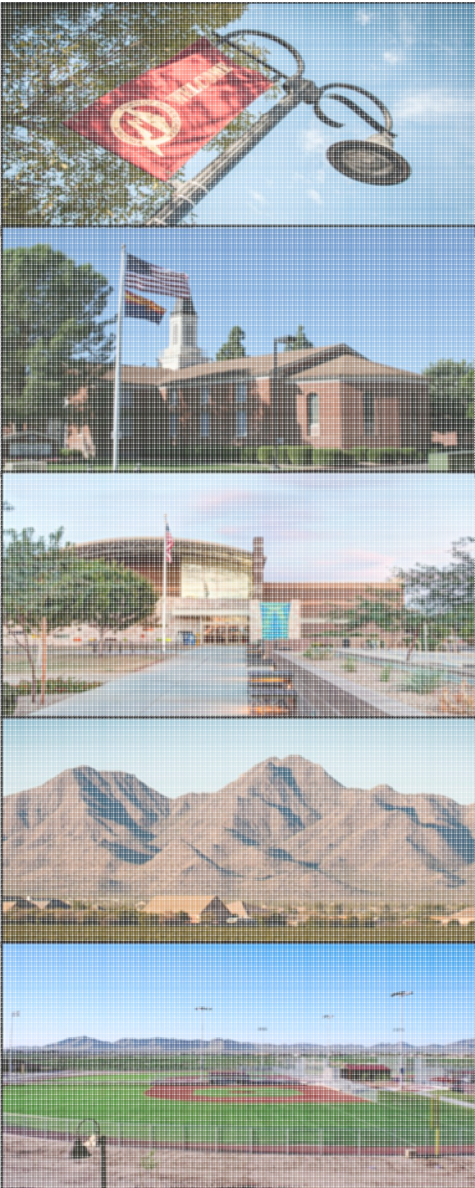
- Where we are:
 - 640 acres of commercial acreage developed
- Where we're going:
 - 795 acres vacant commercial property (including State Lands)
 - 800K sq. ft. (90 acres) of commercial with site plan approval or in for permitting
 - Many of the future commercial corners are 5-15 acres
 - Commercial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



Office / Other Projections

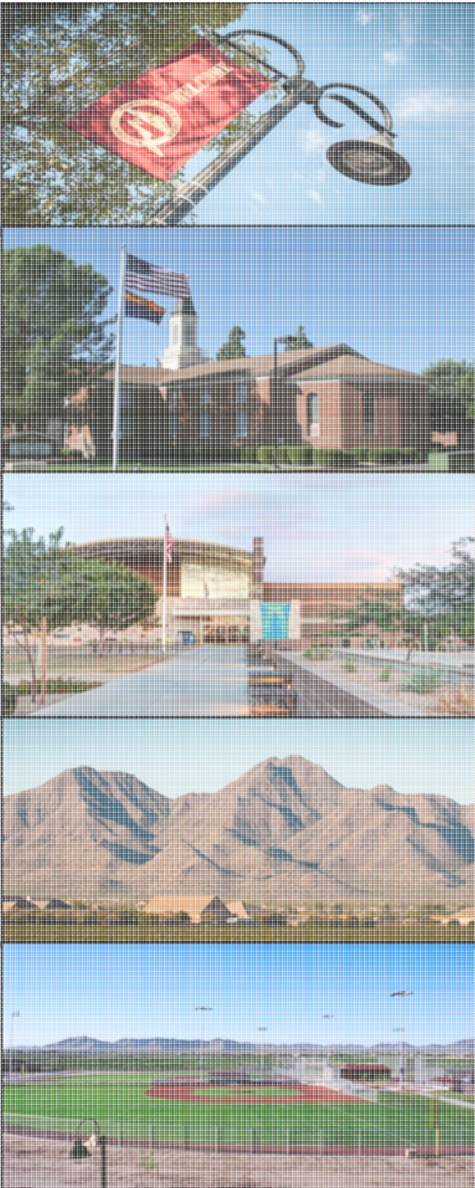
Examples: Office / Other Land Use

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



Office / Other Projections: Observations

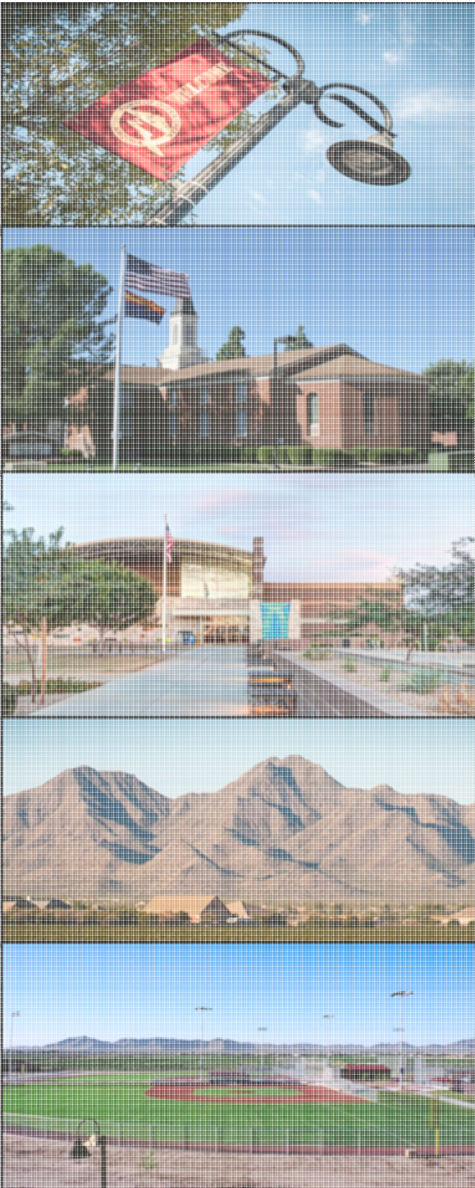
- Updated Projection (Sq. Ft.): 556K
- Original Projection (Sq. Ft.): 700K
- Current projections do not include traditional office development
- Projection Includes medical office, schools, and churches

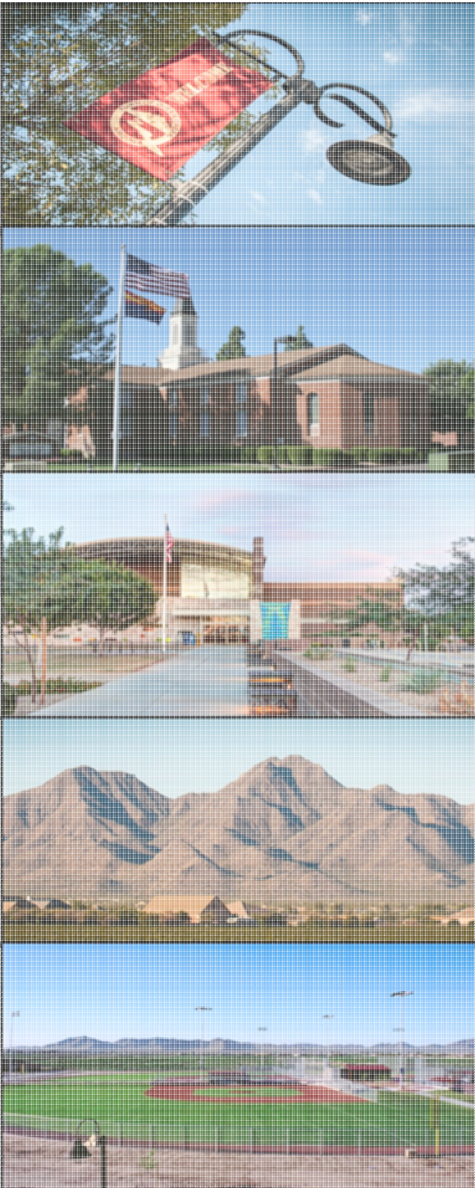


Industrial Projections

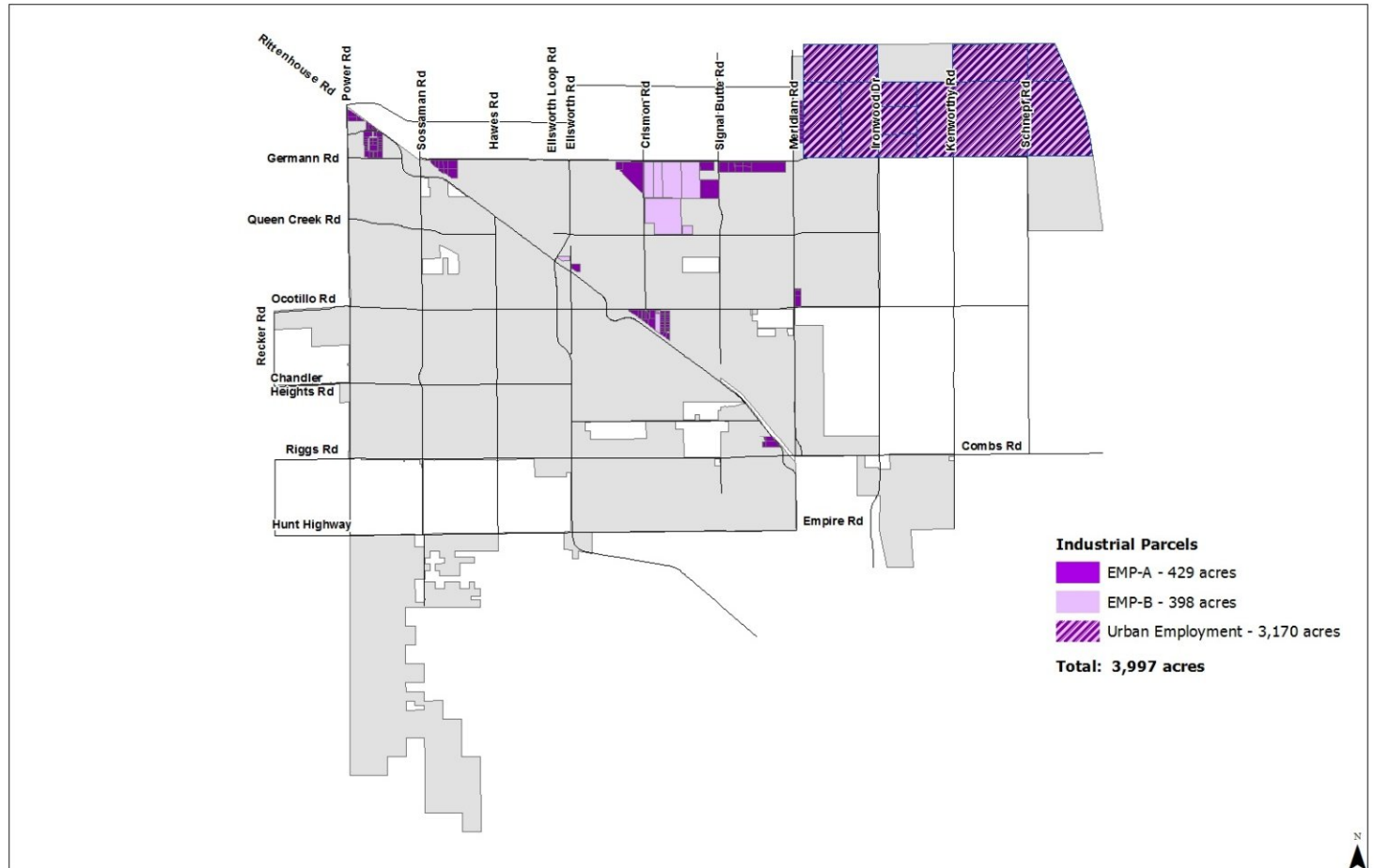
Examples: Industrial Land Use

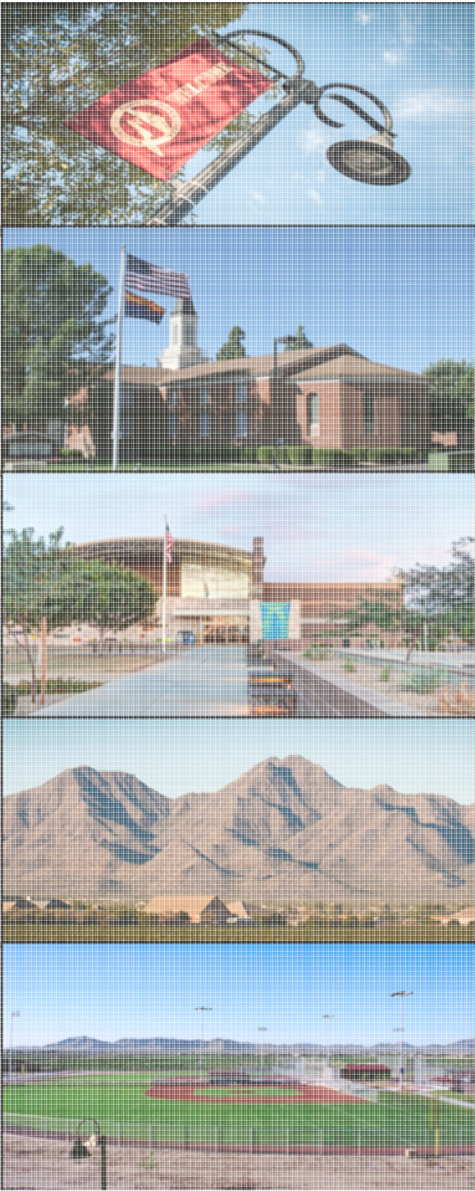
- Light Assembly
- General Manufacturing
- Warehousing & Storage
- Airport & Aircraft
- Custom Manufacturing



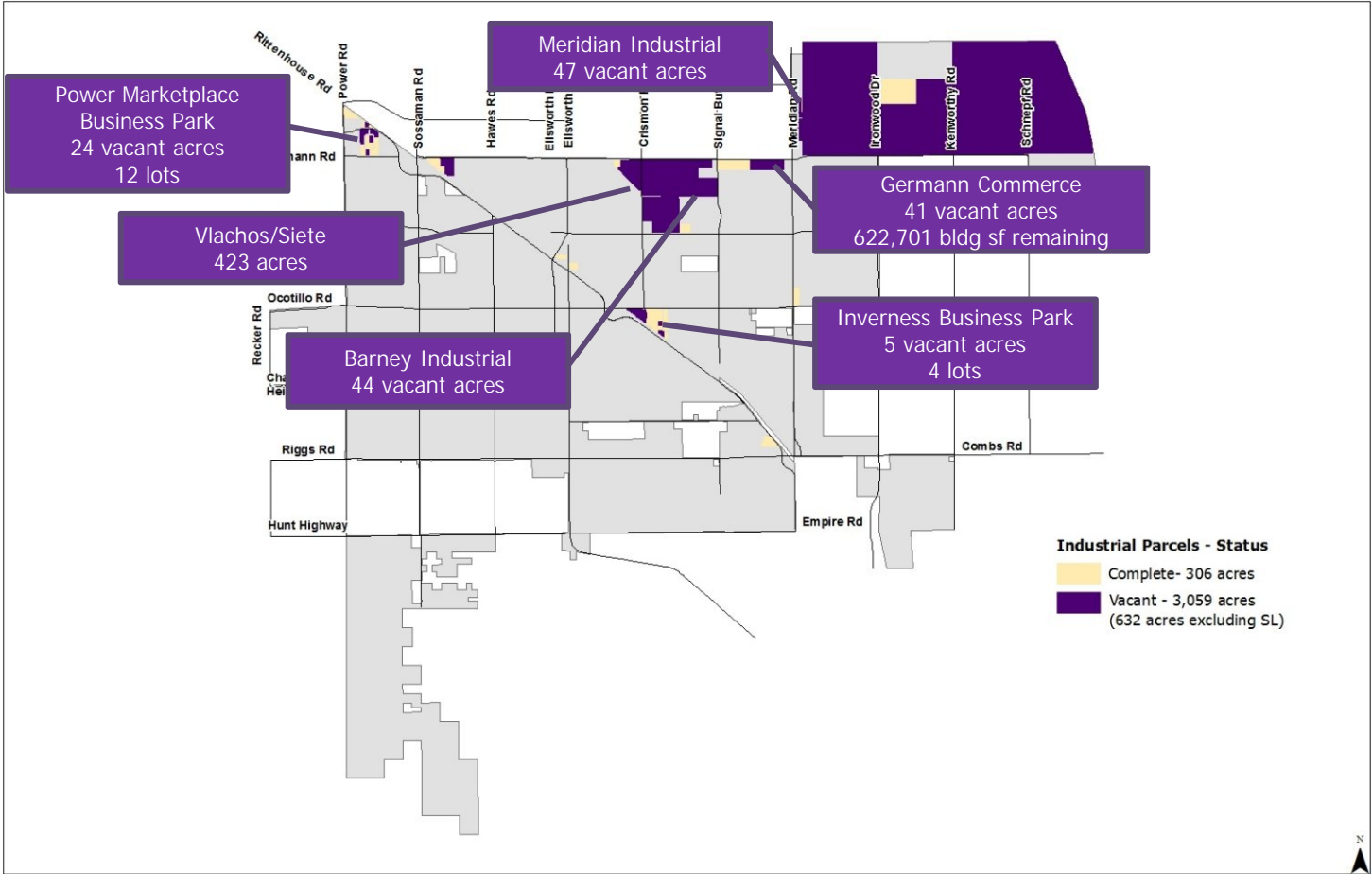


Industrial Parcels



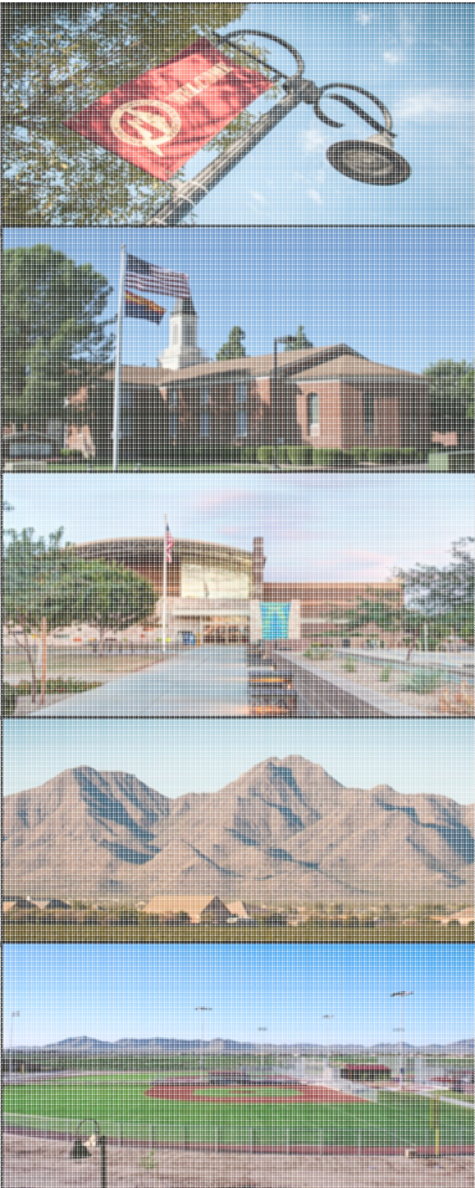


Industrial Parcels – Vacant Sites



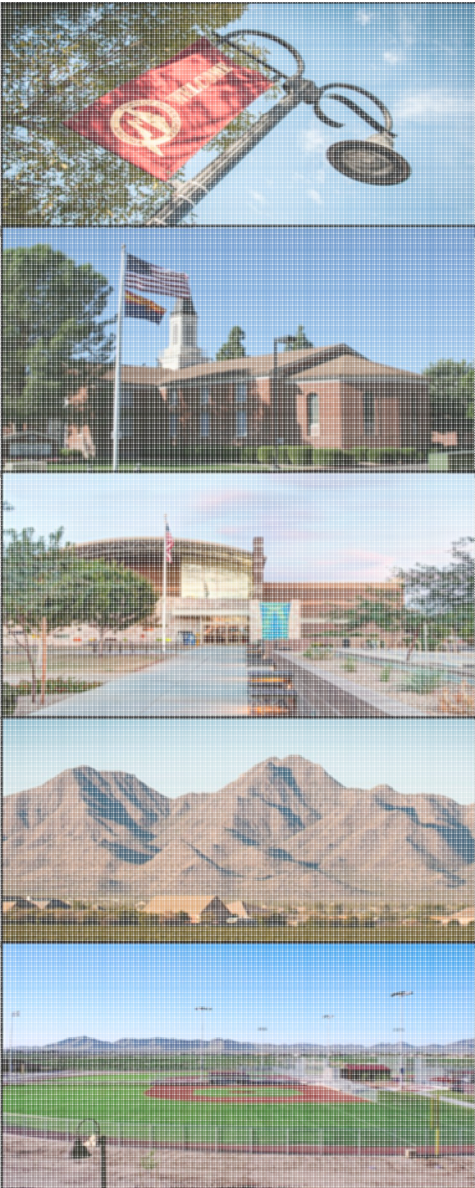
Industrial Projections: Observations

- 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?

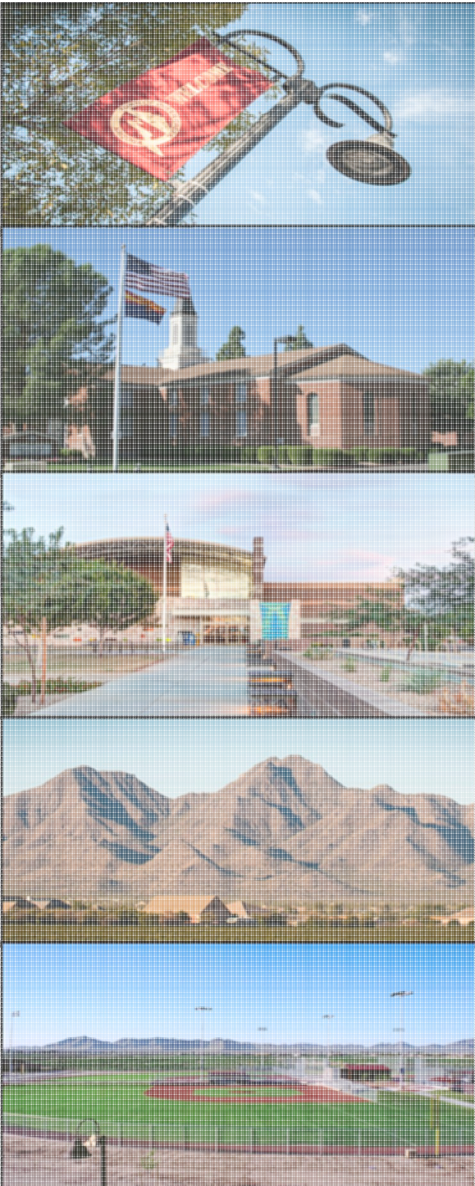


Infrastructure Improvement Plans

- 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

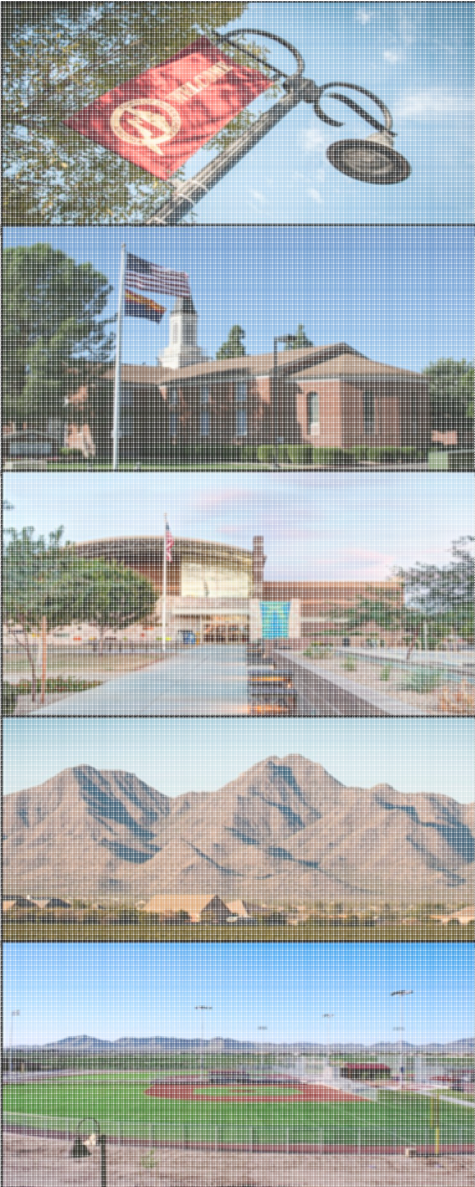
Key Assumptions: IIPs

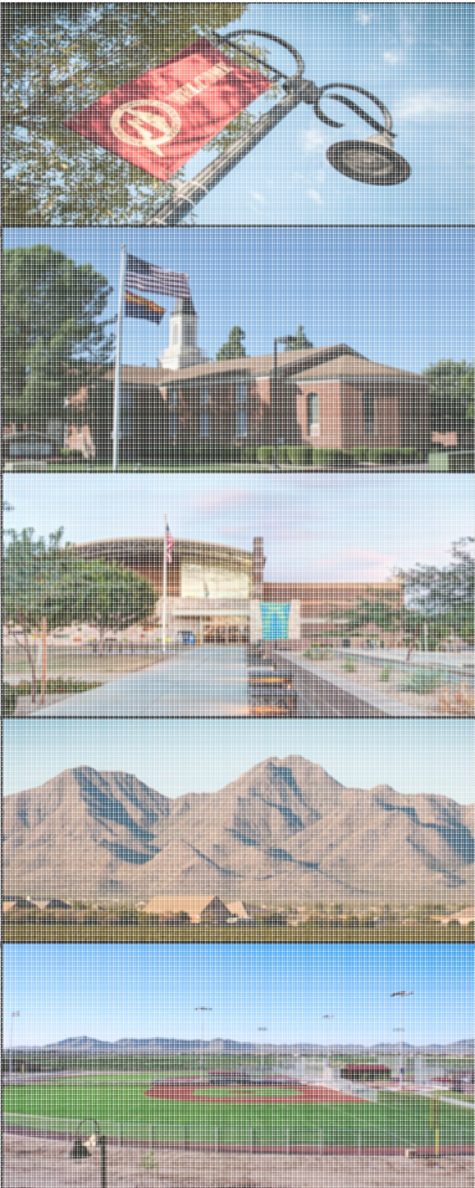
1. Amount of New Infrastructure Required in State Lands
2. Construction of 3 New Parks
3. Limited Amount of New Street Projects Because Master Plan Update Ongoing



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





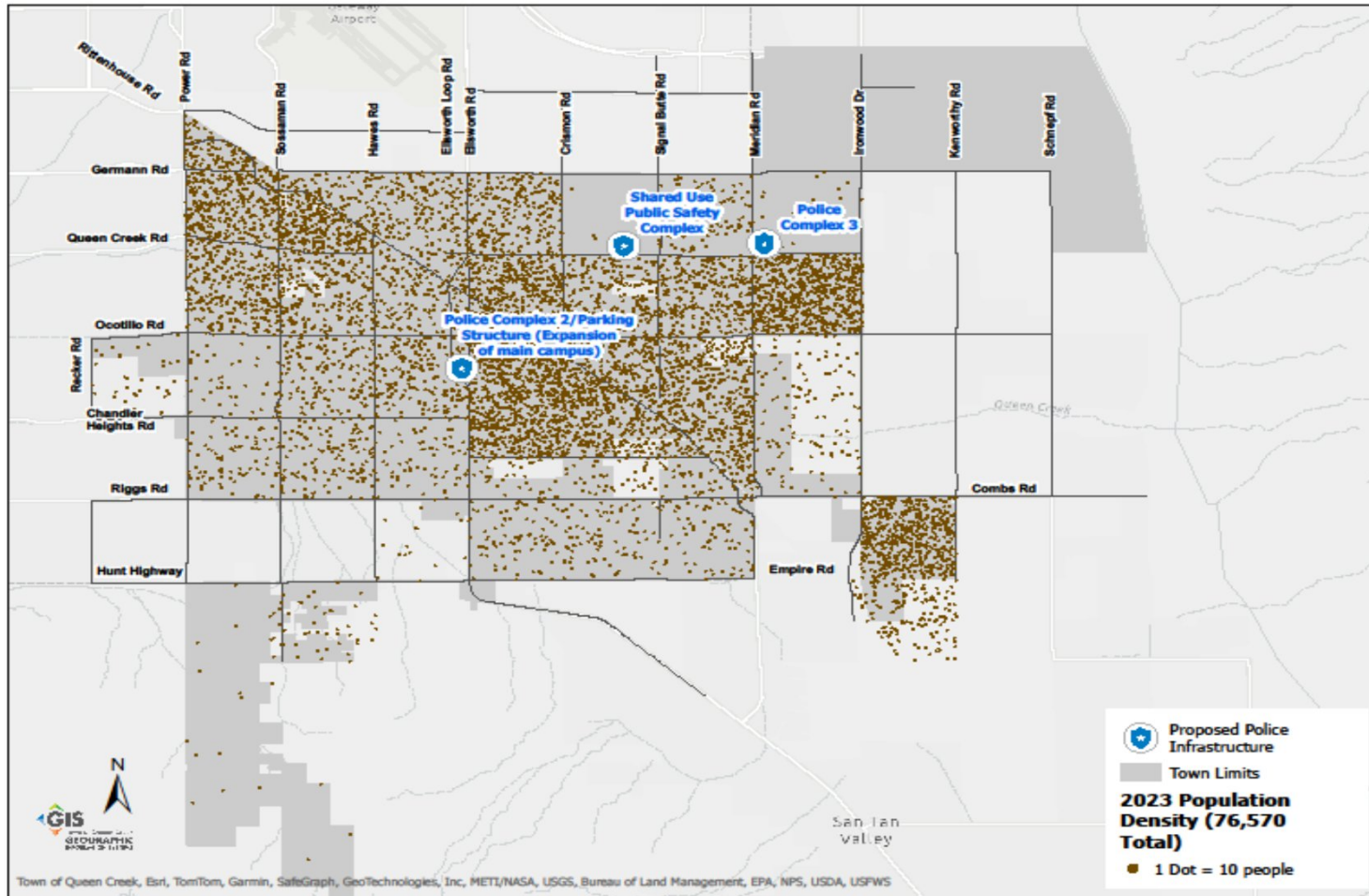
Total Project Costs: \$829.1M

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

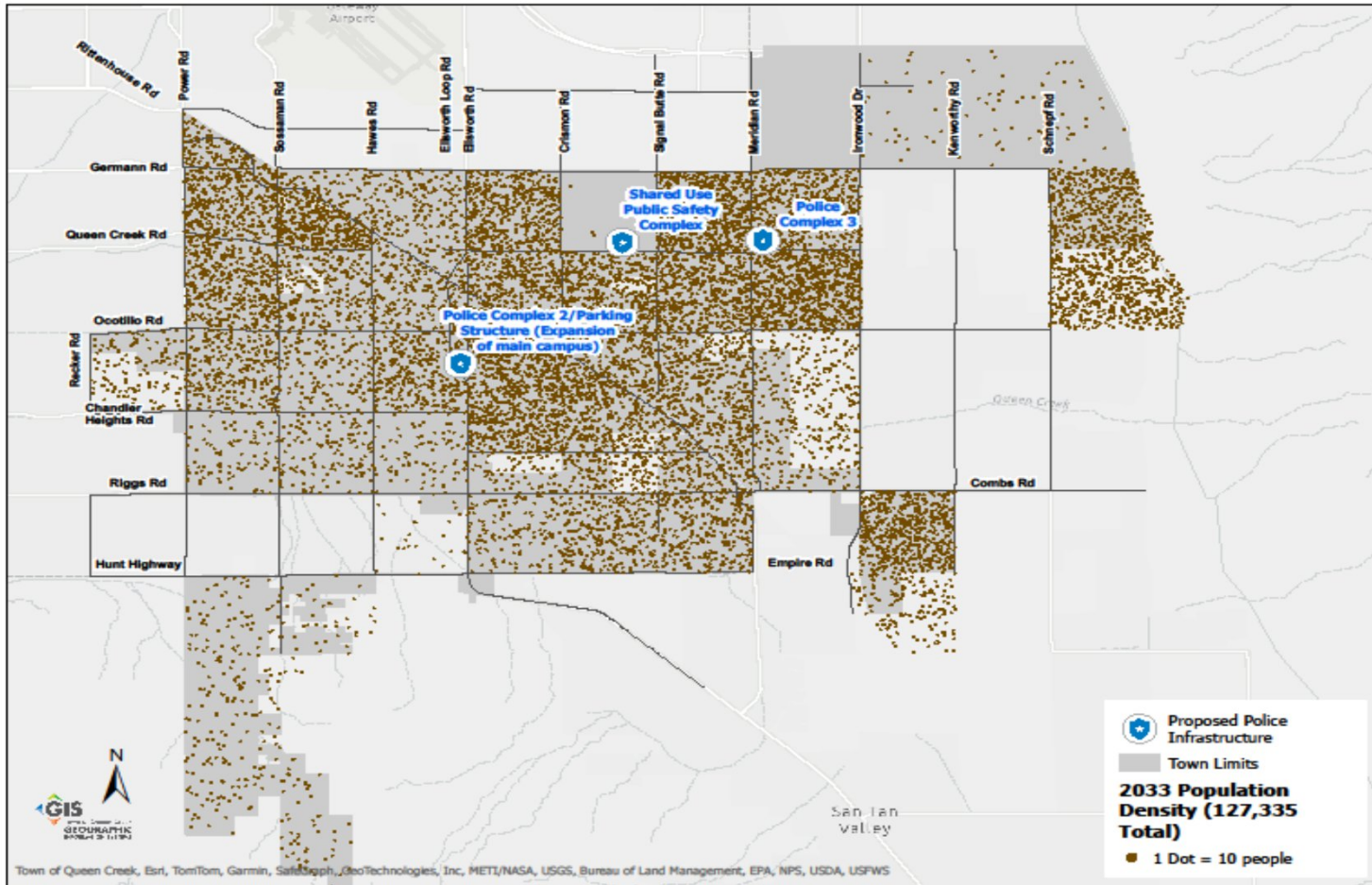
Project Costs Subject to Construction Sales Tax and Impact Fees

	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

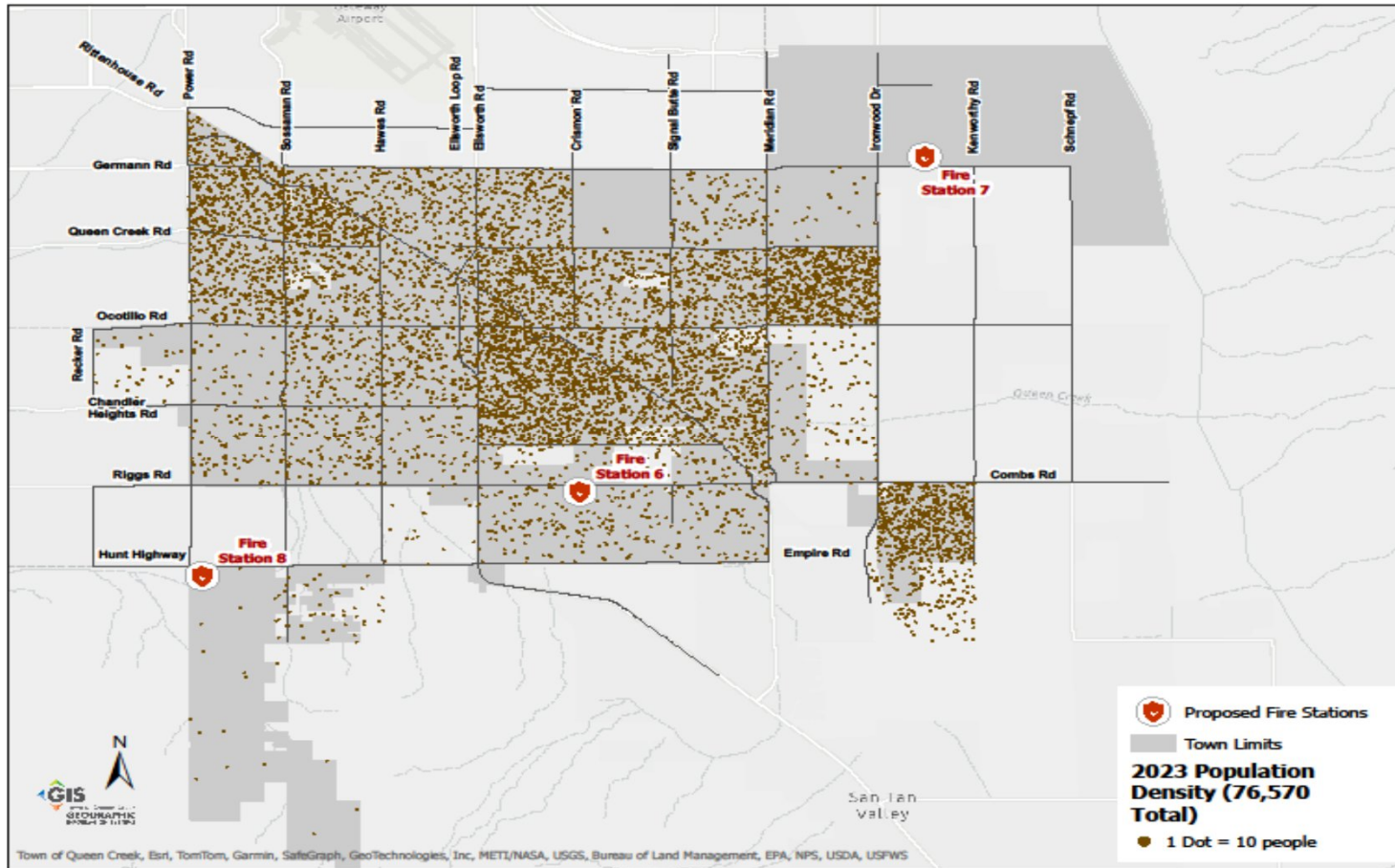
Police: \$144.1M (2023)



Police: \$144.1M (2033)



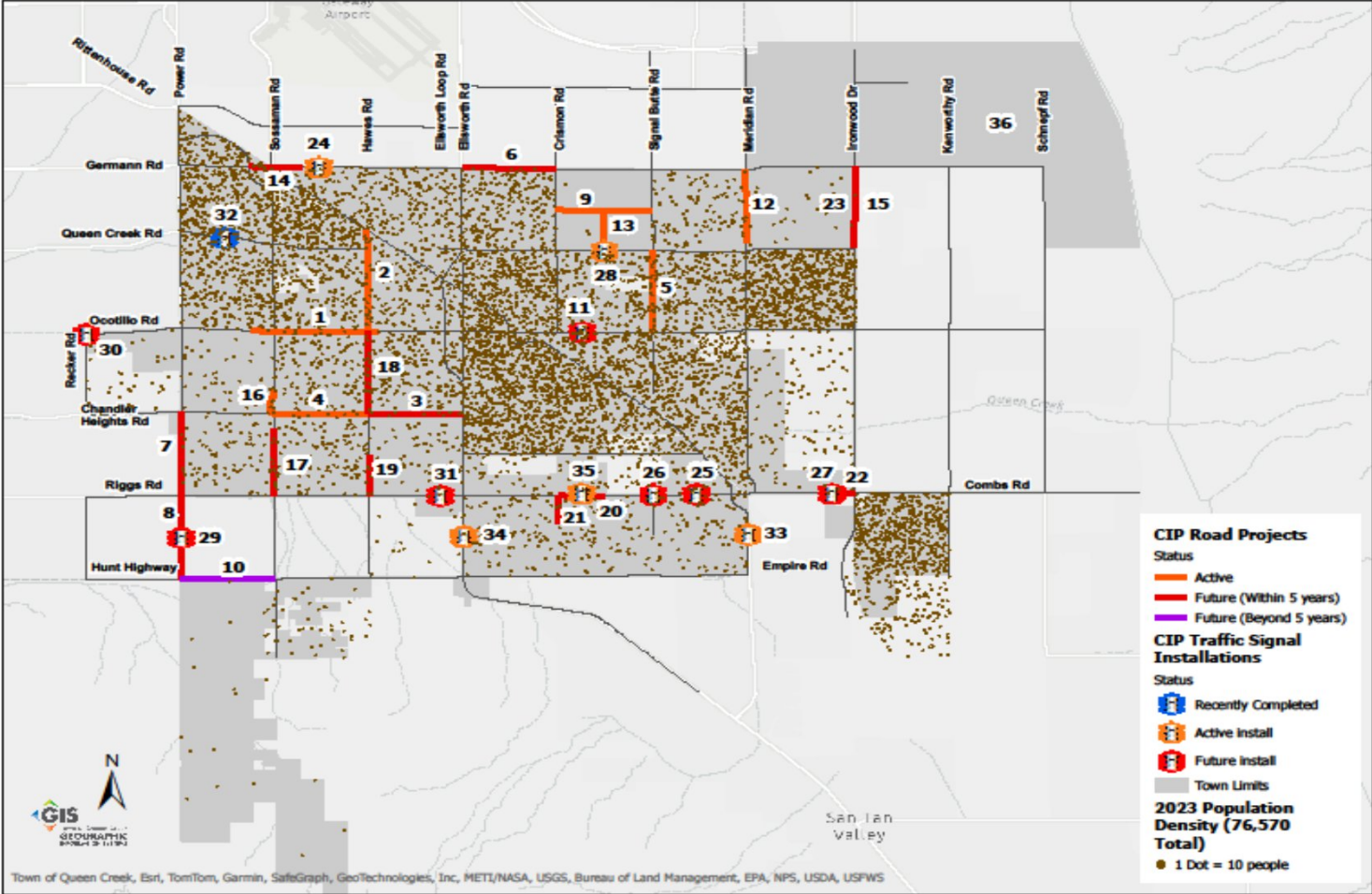
Fire: \$67.9M (2023)



Fire: \$67.9M (2033)



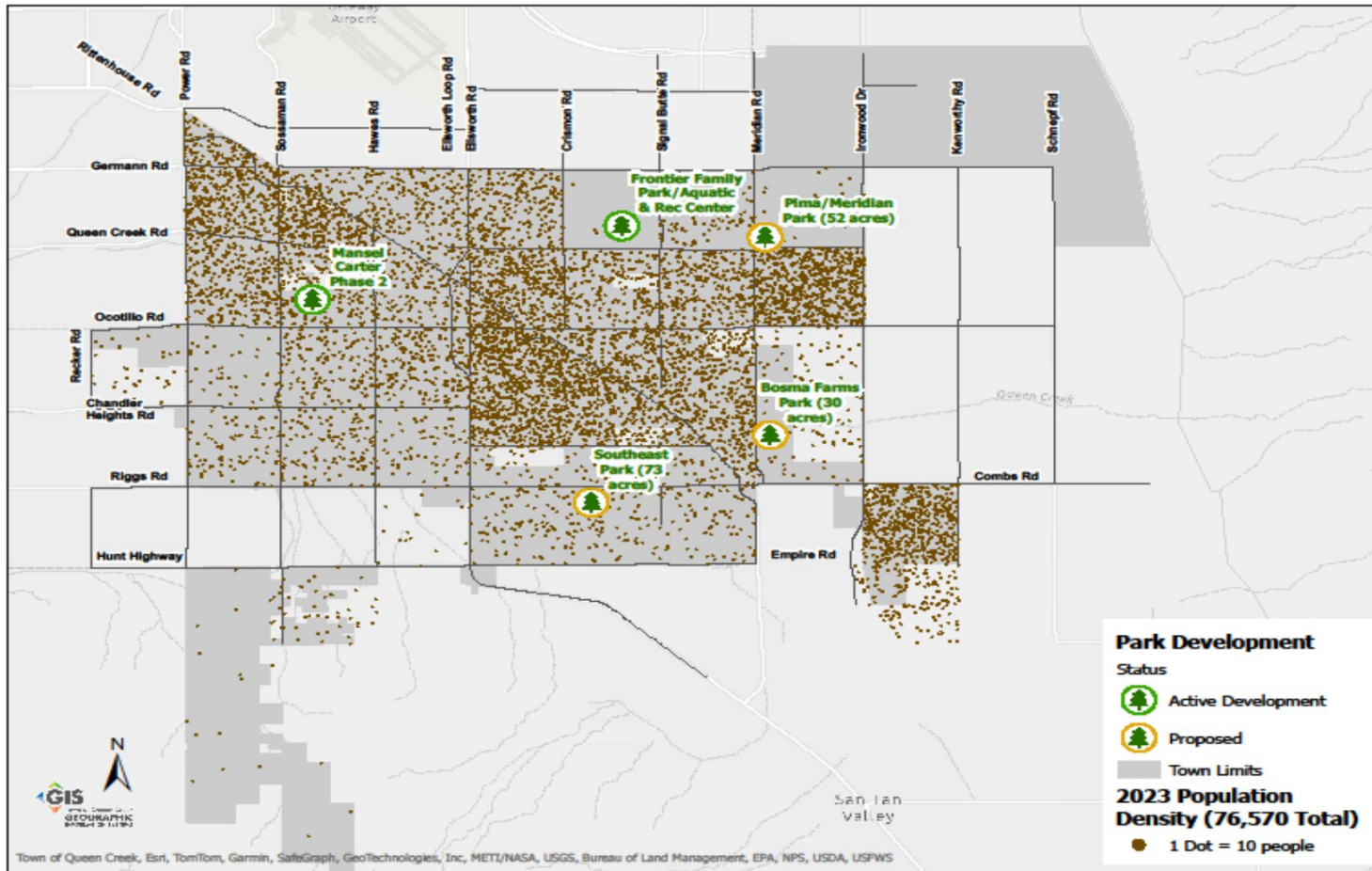
Streets: \$212.7M (2023)



Streets: \$212.7M (2033)

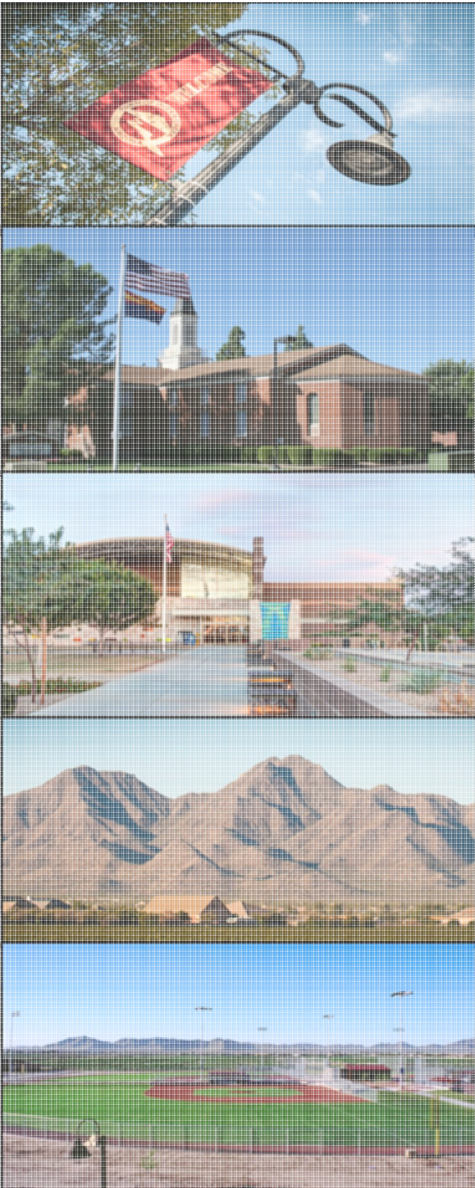


Parks: \$148.8M (2023)

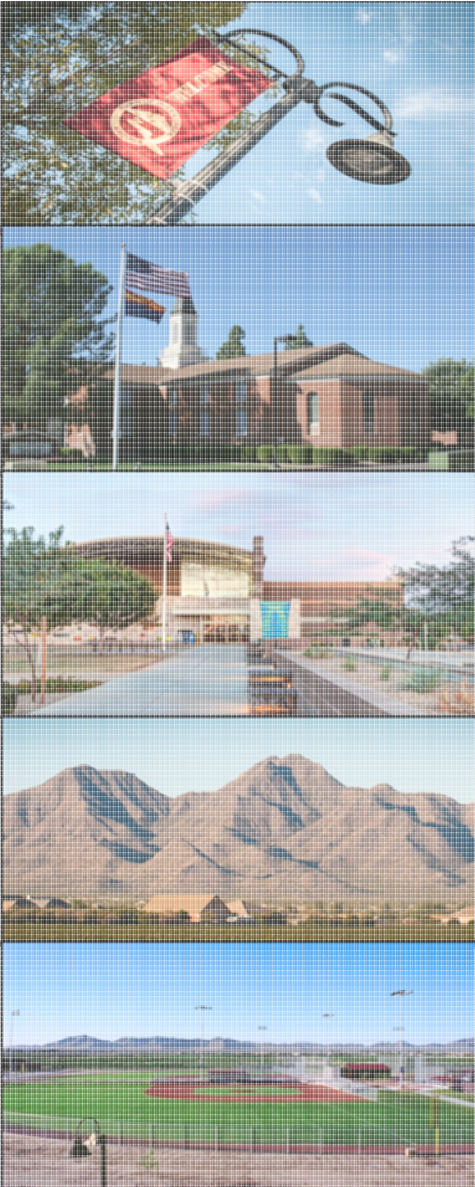


Parks: \$148.8M (2033)



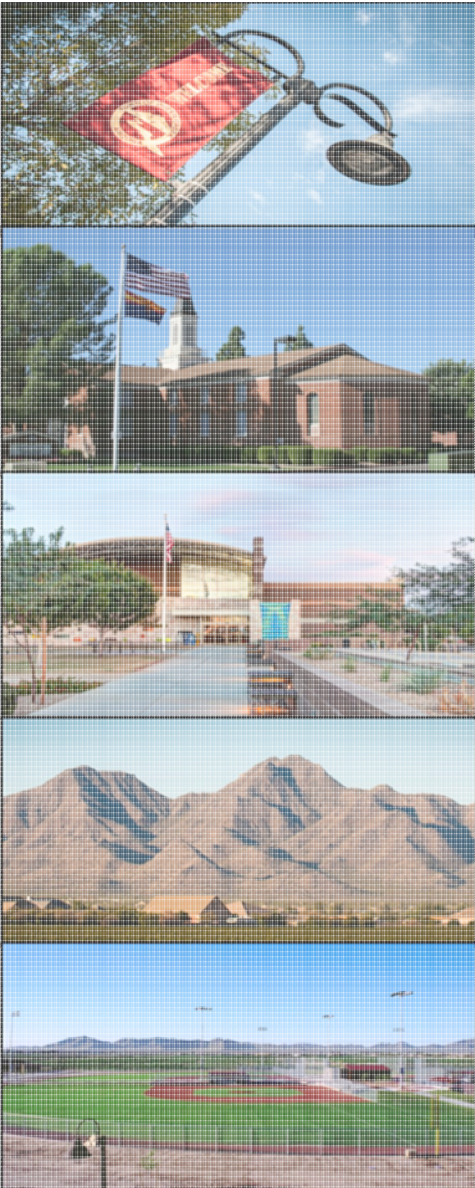


4. Discuss Next Steps



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

