

***AMENDED (12/3/13, 12:00 PM)**
AGENDA
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
December 4, 2013
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

UPCOMING MEETING ANNOUNCEMENTS

COUNCIL REPORTS

DEPARTMENT REPORTS

The Mayor and Council may consider and/or take action on the items listed below:

ORDER OF BUSINESS: MAYOR WILL REVIEW THE ORDER OF THE MEETING

INFORMATIONAL ITEMS

1. Councilmember Snider Trip Report (Nov. 3-6, 2013)
2. Councilmember Zinkin Trip Report (Nov. 12-16, 2013)
3. Letter of Appreciation for Oro Valley Police Department

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue ***not listed on today's agenda.*** Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during "Call to Audience." In order to speak during "Call to Audience" please specify what you wish to discuss when completing the blue speaker card.

PRESENTATIONS

1. Presentation of Certificates to graduates of the Community Academy - Local Governance 101 class

CONSENT AGENDA

(Consideration and/or possible action)

- A. Minutes - November 6, 2013
- B. Approval of 2014 Regular Town Council Meeting Schedule
- C. (Re)appointments to various Boards and Commissions
- D. Approval of Model Home Architecture to Fulfill the La Reserve Planned Area Development (PAD) Standards for the Pusch Ridge Subdivision Located in La Reserve
- E. Resolution No. (R)13-68, authorizing and approving a subgrantee agreement between the Town of Oro Valley and the Arizona Department of Homeland Security to fund overtime and mileage under the Operation Stonegarden program
- F. Resolution No. (R)13-69, authorizing and approving a subgrantee agreement between the Town of Oro Valley and the Arizona Department of Homeland Security to fund the purchase of equipment under the Operation Stonegarden program

REGULAR AGENDA

- 1. PUBLIC HEARING: ADOPTING THE 2013-2023 LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENT PLANS FOR THE TOWN'S DEVELOPMENT IMPACT FEE UPDATE STUDIES COVERING PARKS, POLICE, TRANSPORTATION, ALTERNATIVE WATER SYSTEM AND POTABLE WATER SYSTEM DEVELOPMENT IMPACT FEES
- 2. *RESOLUTION NO. (R)13-70, AUTHORIZING THE EXECUTION OF A JOINDER AGREEMENT WITH THE ELECTED OFFICIALS' RETIREMENT PLAN AND PAYMENT OF THE UNFUNDED LIABILITY TO PURCHASE CREDITED SERVICE FOR CURRENT COUNCILMEMBERS

FUTURE AGENDA ITEMS (The Council may bring forth general topics for future meeting agendas. Council may not discuss, deliberate or take any action on the topics presented pursuant to ARS 38-431.02H)

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue **not listed on today's agenda**. Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during "Call to Audience." In order to speak during "Call to Audience" please specify what you wish to discuss when completing the blue speaker card.

ADJOURNMENT

POSTED: 11/27/13 at 5:00 p.m. by mrs

AMENDED AGENDA POSTED: 12/3/13 at 3:00 p.m. by mrs

When possible, a packet of agenda materials as listed above is available for public inspection at least 24 hours prior to the Council meeting in the office of the Town Clerk between the hours of 8:00 a.m. – 5:00p.m.

The Town of Oro Valley complies with the Americans with Disabilities Act (ADA). If any person with a disability needs any type of accommodation, please notify the Town Clerk's Office at least five days prior to the Council meeting at 229-4700.

INSTRUCTIONS TO SPEAKERS

Members of the public have the right to speak during any posted public hearing. However, those items not listed as a public hearing are for consideration and action by the Town Council during the course of their business meeting. Members of the public may be allowed to speak on these topics at the discretion of the Chair.

If you wish to address the Town Council on any item(s) on this agenda, please complete a speaker card located on the Agenda table at the back of the room and give it to the Town Clerk. **Please indicate on the speaker card which item number and topic you wish to speak on, or if you wish to speak during "Call to Audience", please specify what you wish to discuss when completing the blue speaker card.**

Please step forward to the podium when the Mayor announces the item(s) on the agenda which you are interested in addressing.

1. For the record, please state your name and whether or not you are a Town resident.
2. Speak only on the issue currently being discussed by Council. Please organize your speech, you will only be allowed to address the Council once regarding the topic being discussed.
3. Please limit your comments to 3 minutes.
4. During "Call to Audience" you may address the Council on any issue you wish.
5. Any member of the public speaking must speak in a courteous and respectful manner to those present.

Thank you for your cooperation.



Town Council Regular Session

Item # 1.

Meeting Date: 12/04/2013

Submitted By: Arinda Asper, Town Manager's Office

Information

Subject

Councilmember Snider Trip Report (Nov. 3-6, 2013)

Attachments

Councilmember Snider Trip Report (Nov. 3-6, 2013)



Office of the Mayor & Town Council

Trip Report

Purpose: 103rd Arizona Town Hall
Date: November 3-6, 2013
Location: South Rim of the Grand Canyon, Arizona
Attendees: Councilmember Mary Snider

Summary:

More than 170 Arizona leaders, businesspeople, educators, elected officials and students discussed a background report prepared by the Northern Arizona University and the Arizona K12 Center leading to action steps to support the state's future in early childhood education. Capitalizing on report findings, the Town Hall was critical in making key recommendations to foster improvements in our education system that ranks 48th in preschool education.

The 103rd Arizona Town Hall focused on the pivotal years of ages 0-8 and the formal teaching of young children by people outside the family or in settings outside the home. Preparations and research for this gathering reflected the current status of Arizona's young children:

- 27 percent of the state's children living in poverty, with even higher rates for Native American children
- 75 percent of Arizona 4th graders not proficient in reading, making the state 45th out of 50 states
- The only state with the number of children in foster care rising; 14,600 and counting

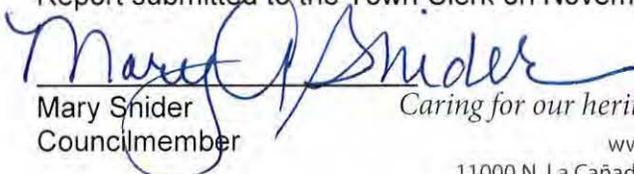
Highlights of the meeting included the following:

- Monday's luncheon program featured Adele Diamond, Professor of Psychiatry at the University of British Columbia, known for her work with the Canada Research Chair in Developmental Cognitive Neuroscience.
- Monday's evening program featured Rob Grunewald, an Associate Economist at the Federal Reserve Bank of Minneapolis, who has devoted much of his work to study and speak out on the economic impact of investment in early childhood education. Grunewald's research has shown that for every \$1 invested in early childhood, an economy can realize a \$16 return on investment with a majority of those assets accruing to taxpayers and society.

In addition, all participants received materials that will serve as a useful reference when they return to their communities.

The agenda and list of participants is attached.

Report submitted to the Town Clerk on November 8, 2013.


Mary Snider
Councilmember

Caring for our heritage, our community, our future.

www.orovalleyaz.gov

11000 N. La Cañada Drive • Oro Valley, Arizona 85737
phone: (520) 229-4700 • fax: (520) 297-0428



**103rd ARIZONA TOWN HALL
STRONG START
EARLY EDUCATION IN ARIZONA
GRAND CANYON, ARIZONA
NOVEMBER 3-6, 2013**

SUNDAY, NOVEMBER 3

3:00 – 6:00 p.m.	Registration (Lobby, El Tovar Hotel)
6:00 – 7:00 p.m.	Social hour (Lobby, El Tovar Hotel)
7:00 p.m.	Opening Dinner & Orientation (Main Dining Rm., El Tovar Hotel) Scott Rhodes , Board Chair, and Tara Jackson , President

MONDAY, NOVEMBER 4

7:00 a.m. – 8:00 a.m.	Buffet Breakfast (Maswik Lodge) Key Facts You Need to Know: Panel presentation by authors of the 103rd Arizona Town Hall Background Report
8:30 a.m. – Noon	Panel Discussions (all participants – various locations)
12:30 p.m. – 2:00 p.m.	Luncheon (Dining Room, El Tovar Hotel): Remarks by Governor Jan Brewer [tentative] Adele Diamond , Canada Research Chair Professor of Developmental Cognitive Neuroscience in the Department of Psychiatry at the University of British Columbia
2:30 p.m. – 5:00 p.m.	Continuation of panel discussions (various locations)
6:00 p.m. – 7:00 p.m.	Social hour (Maswik Lodge)
7:00 p.m.	Dinner (Santa Fe Dining Room, Maswik Lodge): Rob Grunewald , Associate Economist at the Federal Reserve Bank of Minneapolis

TUESDAY, NOVEMBER 5

8:30 a.m. – Noon	Breakfast on your own Continuation of panel discussions (various locations)
12:30 p.m. – 2:00 p.m.	Luncheon (Santa Fe Dining Room, Maswik Lodge): Presentation of the Shirley Agnos Arizona Town Hall Legacy Award to John Haeger , President of Northern Arizona University Special Entertainment by the Northern Arizona University School of Music Students
2:30 p.m. – 5:00 p.m.	Continuation of panel discussions (various locations)
6:30 p.m. – 8:00 p.m.	Wine, Cheese and Buffet Reception; presentation by Arizona Town Hall Board Members, and special recognition of student participants

WEDNESDAY, NOVEMBER 6

6:45 – 8:15 a.m.	Individual panel caucuses (various locations)
8:30 a.m. to approx. 12:30 p.m.	Plenary Session (Santa Fe Dining Room, Maswik Lodge) Adjournment

**Town Hall Participants and Observers
103rd Arizona Town Hall
"Strong Start. Early Education in Arizona"**

**Grand Canyon, Arizona
November 3-6, 2013**

Jena Akard, Associate Professor, Grand Canyon University, Phoenix

Torri Anderson, President, Maricopa Unified School District Governing Board, Chairperson, AAI Seeds of Change Gala, Maricopa

Liz C. Archuleta, County Supervisor-District 2, Coconino County Board of Supervisors, Flagstaff

Colleen M. Auer, Managing Member, Auer Law Firm PLC, Scottsdale

Nadine M. Basha, Board of Directors, First Things First, Phoenix **Background Report Author**

Jenalee Beazley, Student, Cactus Shadows High School, Carefree

Becky Benda-Dodd, Trainer/Coach, Summit Healthcare, Lakeside

Kristina (Kris) Bliss, Manager, Maricopa County Community College District, Mesa

Kathleen V. Bowman, Elementary School Teacher, Catalina Foothills School District, Tucson

Sandra (Sandy). Breece, Superintendent, Principal, Founder, Telesis Preparatory School, Lake Havasu City

Judith (Judy) Brengi, Certified Public Accountant, Brengi & Jordan, P.C., Peoria

Jill Briggs, President & CEO, United Way of Northern Arizona, Flagstaff

Kevin J. Brown, Assistant Clinical Professor, Northern Arizona University, Flagstaff

Shawn Buckhanan, Pastor, St. Paul Missionary Baptist Church, Sierra Vista

Stella Carr, Student, Northern Arizona University, Flagstaff

Jessica P. Chapman, Student, Rio Salado Community College, Scottsdale

Christopher (Chris) Chavez, Student, University of Arizona, Tucson

Gloria Chavez, Sixth Grade Teacher, Adams Elementary School, Mesa

Mayra G. Chin, Teacher, Outer Limits School; Student, Pima Community College, Tucson

Terri Clark, State Literacy Director, Read On Arizona, Phoenix

Julie Coleman, Executive Director, APS Foundation, Arizona Public Service, Phoenix

Amy Corriveau, Deputy Assistant Superintendent, Early Childhood, Arizona Department of Education, Phoenix **Background Report Author**

Marilee L. Dal Pra, Vice President of Programs, Virginia G. Piper Foundation, Phoenix **Background Report Author**

Sara T. DePinte, Graduate Student, Northern Arizona University, Flagstaff

Trinity M. Donovan, CEO, Chandler Christian Community Center; Council Member, City of Chandler

La Vonne Douville, Sr. Vice President-Community Development, United Way of Tucson & Southern Arizona, Tucson

Aubrey Durham, Student, Cactus Shadows High School

Claude S. Endfield, Early Childhood Program Chair, Northland Pioneer College, Holbrook

Laurel S. Endfield, Career & Technical Education Director-Early Childhood Coordinator, Whiteriver Unified School District-Alchesay High School-Alchesay Beginings, Whiteriver

Connie Espinoza, Program Director, Arizona Infant Toddler Institute, Child & Family Resources, Tucson

Terry E. Fenzl, Ret. Attorney; Chief of Staff, Arizona Attorney General's Office, Phoenix

Jodi K. Feuerhelm, Attorney, Partner, Perkins Coie LLP, Phoenix

John W. Field, Student, Rio Salado Community College, Goodyear

Ronda Fisk, Attorney, Osborn Maledon, Phoenix **Report Chair**

Kimberly R. Flack, Associate General Manager, Education & Outreach, Eight Arizona-PBS, Goodyear

Stephanie Fornoff, Box Office Manager, Del E. Webb Center for Performing Arts, Wickenburg

Cheryl L. Foster, Immediate Past President, Arizona Association for the Education of Young Children, Tempe **Background Report Author**

Thomas R. Franz, President & CEO, Greater Phoenix Leadership, Phoenix

Jennifer Frownfelter, Vice President, URS Corporation, Phoenix **Recorder**

Janet Garcia, Vice President, Valley of the Sun United Way, Phoenix

Tannya R. Gaxiola, Assistant Vice President of Community Relations, Interim Assistant Vice President of Marketing, University of Arizona, Tucson

Richard Gilman, Organizer, Thinking Arizona, Tucson

Elena H. Gold, Student Body Senator, Associated Students of the University of Arizona, Tucson

Susan Goldsmith, Community Builder & Volunteer, Phoenix

Barbara Gordon, Program Manager, Quality First Program & Arizona self Study Project, Assoc. for Supportive Childcare, Tempe

Richard E. Gordon, Pima County Superior Court Juvenile Judge, Tucson

Jeanette (Jaye) Grismer, Student, Rio Salado Community College, Phoenix

Emma H. Gully, Marketing & Resources Manager, Tempe Community Council, Tempe **Recorder**

Rita Hamilton, City Librarian, Phoenix Public Library, Phoenix

Edward Hamre, Student, Arizona State University, Mesa

Deb L. Hanney, Head Start Director, Western Arizona Council of Governments, Yuma

Kim Higgins, Third Grade Teacher, Hassayampa Elementary School, Wickenburg

Debra A. (Debbie) Hill, President, La Cerra Sueno, LLC, Phoenix

Geraldine A. (Gerry) Hills, Executive Director, Phoenix Public Library Foundation, Phoenix

Scott A. Holcomb, Attorney, Dickinson Wright/Mariscal, Weeks, Phoenix

David A. Howell, Regional Director, Government Relations, Wells Fargo Bank, Phoenix **Panel Chair**

Ana C. Iddings, Associate Professor of Early Childhood Language & Literacy, University of Arizona, Tucson

Charlene (Char) Imus, Data & Intake Coordinator, Hualapai Tribe Education & Wellness, Peach Springs

Michael T. (Mike) Ivers, President & CEO, Yuma Community Food Bank, Yuma

Jaymie Jacobs, Constituent Services, Office of the Pima County School Superintendent, Tucson

Susan J. Jacobs, Executive Director, Association for Supportive Child Care, Phoenix

Irene G. Jacobs Burnton, Chief, Office of Children's Health, Arizona Department of Health Services-
Bureau of Women's & Children's Health, Phoenix

Angel Jannasch-Pennell, CEO and President, Phoenix Elementary School District, Governing Board
Member, Koi Education, Phoenix

Aimee D. Johnson, Student, Chandler-Gilbert Community College, Chandler

Janet Johnson, Chair of Education, Rio Salado College, Tempe

Jennifer Johnson, Deputy Superintendent of Programs & Policy, Arizona Department of Education,
Phoenix

Sylvia A. Johnson, Director of Educational Enrichment, Flagstaff Unified School District, Flagstaff

Charles E. (Bud) Jones, Former Chief Justice, Arizona Supreme Court, Phoenix

Naomi K. Karp, Director, Early Childhood Professional Development, United Way of Tucson & Southern
Arizona, Tucson **Background Report Author**

Kimberly (Kim) Kauffman, In-House Counsel, Apollo Group, Phoenix

Danelle G. Kelling, Attorney, Stinson Morrison Hecker LLP, Phoenix

Peggy D. Kirschner, Ret. Educator, ASRA, Litchfield Park

Shanna Kukla, Program Manager, Pima Community College Center for Early Childhood Studies, Tucson

Vickey La Motte, Director, Yavapai College Family Enrichment Center, Prescott

Caroline Lutt-Owens, Director, Dependent Children's Services, Arizona Supreme Court, Phoenix

R. Michael (Mike) Lee, Principal, Pinnacle Peak Elementary School, Scottsdale

Terri Legassie, Special Education Preschool Teacher, Payson Unified School District; Gila Community
College Adjunct Instructor, Payson

Sam Leyvas, Interim CEO, First Things First, Phoenix

Bruce Liggett, Director, Maricopa County Human Services, Phoenix

Jodi R. Liggett, Senior Policy Advisor, Office of Mayor Stanton, Phoenix

Joan D. Marrs, Member, Board of Directors, Horizon Moving/Suddath Relocation, Tucson

Melanie K. Martin, Early Childhood Specialist, Children's Museum of Phoenix, Phoenix

Ann Mastergeorge, Associate Professor and Early Childhood Extension Specialist, University of Arizona,
Tucson

Mary C. Masters, Executive Officer, Laser Options Inc., Scottsdale

Elizabeth McNamee, Director, Community Development, St. Luke's Health Initiatives, Phoenix

Patricia Merk, Area Extension Agent & Regional Specialist, University of Arizona Cooperative Extension,
Phoenix

August (Sandy) Merz, Teacherpreneur, Tucson Unified School District/AZ K12 Center for Teaching
Quality, Tucson

Maria A. Messenger, Early Childhood Program Coordinator, Chandler Unified School District, Chandler

Julia Meyerson, Executive Director, Vista College Prep, Phoenix

Jenny Millinger, Director of Strategic Initiatives, Childsplay, Tempe

Geri A. Mingura, Talent Acquisition Manager, Arizona Public Service, Phoenix

Michael J. Minnaugh, Attorney, Ridenour, Hinton & Lewis P.L.L.C., Phoenix **Recorder**

George W. Miraben, Consultant, Miraben Consulting; Ret. Senior Vice President & CAO, Illinova Corp.; Former Chair, Arizona Town Hall, Tucson **Panel Chair**

Debra Mocker-Joaquim, Student, Gateway Community College, Scottsdale

Julianna D. Myers, Director, Living Outspoken, Avondale

Patricia (Pat) Nightingale, Deputy Human Services Director, City of Phoenix Headstart, Phoenix

Shanna N. Orlich, Attorney, Jennings, Strouss & Salmon PLC, Phoenix **Report Co-Chair**

Karen Ortiz, Vice President & Program Director for Early Childhood Education, Helios Foundation, Phoenix **Background Report Author**

Betsy A. Peck, Early Childhood Faculty Member, Northland Pioneer College, Lakeside

Nancy L. Philippi, Facilitator, College Bound, Capitol Elementary School, Phoenix

Debbie Pischke, Early Childhood Director, Peoria Unified School District, Peoria

Pamela Powell, Associate Professor & Chair, Department of Teaching & Learning, Northern Arizona University, Flagstaff **Background Report Editor**

Anne B. Rawlings, Ret. Educator, Yavapai College; First Things First, Prescott

Marie A. Raymond, Early Literacy Coordinator, Scottsdale Public Library, Scottsdale

Cheryl A. Redfield, NBCT Teacher, Gilbert Public Schools, Gilbert

Wendy Resnik, Children & Teen Services Coordinator, Phoenix Public Library, Phoenix

J. Scott Rhodes, Managing Attorney, Jennings, Strouss & Salmon, PLC, Phoenix **Plenary Chair**

Carrie Lynn Richardson, Law Clerk, Sandra Day O'Connor Courthouse, Chambers of Robert C. Broomfield, Phoenix

Jean Richmond-Bowman, President, FASDNA, Flagstaff

Daniela Robles, Curriculum/Instructional Coach, Balsz School District, Phoenix

Veronica V. Robles, Principal, Thompson Ranch Elementary School/Blogger, K-12 Center, Glendale

James (Casey) Rooney, Director, Economic Development, City of Cottonwood/Verde Valley **Panel Chair**

Jill E. Rosenzweig, Educational Consultant, First Things First, Tucson

Melanie Rottweiler, Math Tutor, Cochise College, Sierra Vista

George A Rushing, Educational Consultant & Community Organizer, New Beginnings, Tucson

Nicol Russell, Director of Early Childhood Education, Arizona Department of Education, Phoenix

Michael Sampson, Dean, College of Education, Northern Arizona University, Flagstaff **Background Report Author**

Todd Sanders, President & CEO, Greater Phoenix Chamber of Commerce, Phoenix

Gustavo (Gus) Schneider, Associate Banking, Bryan Cave LLP, Phoenix **Recorder**

Martin (Marty) Shultz, Senior Policy Director, Brownstein Hyatt Farber Schreck, LLP, Phoenix

Laura Sixkiller, Shareholder, Greenberg Traurig, LLP, Phoenix **Recorder**

Nina M. Slonaker, Marketing & PR, Arizona State University, Payson

Jeff J. Smith, Superintendent, Balsz School District, Phoenix

Mary Snider, Councilmember, Town of Oro Valley

Brian Spicker, Senior Vice President of Community Impact, Valley of the Sun United Way, Phoenix

Gregory D. Stafford, Educator, Desert Ridge High School, Mesa
Paul Stanton, Superintendent, Humboldt Unified School District, Prescott Valley
Jane C. Strain, Chair, Cochise College Governing Board, Sierra Vista
Dee Tamminen, Ret. Pre-School Director; Chair, Southeast Maricopa Regional Council, First Things First, Mesa
Shanna J. Tautolo, Grants & Contract Officer, Pascua Yaqui Tribe, Tucson
Alan Taylor, Vice President of Professional Education & Training, Southwest Human Development, Phoenix
Brenda Thomas, Preschool Director, Tolleson Elementary School District, Tolleson
Roxanne Thomas, Kayenta
Joanne Thomson, Senior Director of Day Services, Benevilla, Surprise
Rebecca Timmer, Corporate Relations, Dibble Engineering, Phoenix **Panel Chair**
Julie Torres, AZ K-12 Center, Oro Valley
Mary Beth Turner, Exceptional Student Service Coordinator, Yuma
Scott Turner, President & Founder, Edunuity, Phoenix
Virginia Turner, Senior Director for the Northeast Region, First Things First, Flagstaff
Thomas C. (Tom) Tyree, President, Arizona State Board of Education, Yuma
Cory A. Underhill, Build Arizona Coordinator, Build Arizona, Peoria
Barbara J. U'Ren, Superintendent, Cottonwood-Oak Creek School District, Cottonwood
Gina Villarreal, Student, Pima Community College, Tucson
Rick Wagner, Financial Planner, Ironwood Wealth Management, Chandler
Ginger Ward, Founder & CEO, Southwest Human Development, Phoenix
Lucille Watahomigie, Hualapai Educator and Linguist, Peach Springs
Howard M. Weiske, Council Member, First Things First of Arizona, Mohave & La Paz Counties, Lake Havasu City
Evelyn Whitmer, Area Agent, University of Arizona Cooperative Extension, Sierra Vista
Robert (Barry) Williams, Superintendent of Schools, Apache County Schools, St. Johns
Wanda Williams, Administrator of Special Programs, Tolleson Elementary School District, Tolleson
Tina Wilson, Director of Education, Desert Botanical Garden, Phoenix
Tina L. Wilson, Administrator, Tempe Christian PreSchool, Phoenix
Kimulet (Kim) Winzer, Compliance Officer, UnitedHealth Care Community Plan, Phoenix
James K. Zaharis, Vice-President, Education, Greater Phoenix Leadership, Phoenix

OBSERVERS

Shirley Agnos, President Emerita, Arizona Town Hall, Sun City West
Kerry Blume, President, United Way of Northern Arizona, Flagstaff
Eric Descheenie, Tribal Government Relations Director, Navajo County, Holbrook

Charlotte Harris, Retired Director of Development, Salpointe Catholic High School, Tucson

Jennifer A. Hernandez, Northern Arizona Community Mobilizer, Expect More Arizona, Flagstaff

Gene Karp, Tucson

Leonard (Len) Kirschner, President, AARP Arizona, Litchfield Park

Ethan Orr, State Representative, Arizona House of Representatives, Tucson

Thomas N. (Tom) Slonaker, Ret. Executive Vice President, First Intestate Bank, Payson

Robert (Bob) Strain, Past Mayor, Sierra Vista; Ret., Assistant Vice President, SAIC; Colonel (Ret.),
USAF, Sierra Vista

Leslie F. Turner, Faculty, Suzuki Academy, Phoenix

Kathleen Wiebke, Executive Director, Arizona K-12 Center at Northern Arizona University, Phoenix
Background Report Editor



Town Council Regular Session

Item # 2.

Meeting Date: 12/04/2013

Submitted By: Arinda Asper, Town Manager's Office

Information

Subject

Councilmember Zinkin Trip Report (Nov. 12-16, 2013)

Attachments

Councilmember Zinkin Trip Report (Nov. 12-16, 2013)



Office of the Town Council

Trip Report

Purpose: 2013 National League of Cities Congress of Cities and Exposition

Date: November 12-16, 2013

Location: Washington State Convention Center
Seattle, WA

Attendees: Councilmember Mike Zinkin

Summary:

The National League of Cities 2013 Congress of Cities and Exposition is an annual forum that brings together more than 2,500 local leaders from across the country to showcase the dynamic ways cities are driving change and finding successful solutions to the most pressing challenges in local government. This is a unique opportunity to share best practices and learn strategies to promote local economic and financial health, improve the built and natural environment, and ensure quality of life for all city residents.

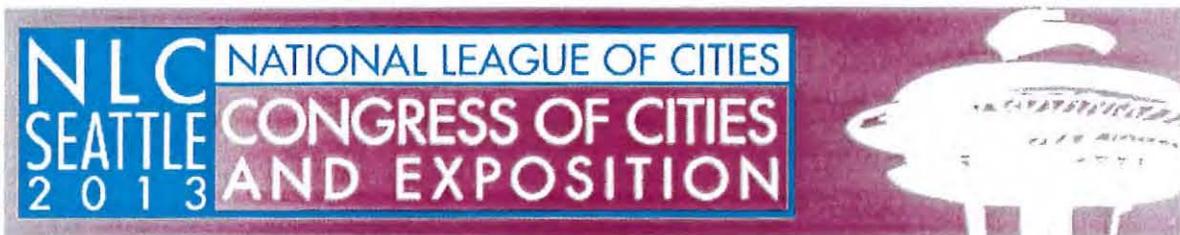
Highlights of the conference included the Annual Business Meeting; Policy and Advocacy Committee meetings; workshop sessions on economic development, public safety, civic engagement, and infrastructure; leadership training seminars providing applicable techniques and strategies to lead change and innovation; as well as member councils and constituency group meetings offering opportunities for city leaders to work together to develop and promote work plans that best help their diverse communities.

I also had the opportunity, as a Leadership Fellow, to get in on the ground floor of the new NLC University. The goal is to be able to provide educational courses to all municipal leaders to assist them in making key decisions.

Conference schedule is attached.

Report submitted to the Town Clerk on November 22, 2013

Mike Zinkin
Councilmember



DATE: November 13, 2013 - November 16, 2013
LOCATION: Washington State Convention Center - Seattle, WA
CATEGORY: Annual Conference

Schedule

Day All

Type All

Search



TUESDAY, NOVEMBER 12, 2013

3:00 pm Registration

WEDNESDAY, NOVEMBER 13, 2013

8:00 am Registration

9:30 am **Mobile Workshop: The Power of Community Engagement: Revitalizing a Neighborhood, Maintaining Its Character** [\(Show details\)](#)

9:30 am **Mobile Workshop: Making Your Community Digitally Inclusive: Strategies for Bringing Technology to Neighborhood**

9:30 am **Mobile Workshop: Community Emergency Hubs: Supporting the Community in their Resiliency** [\(Show details\)](#)

10:00 am **Walking Tour of Pike Place Market - The "Soul of Seattle"** [\(Show details\)](#)

1:00 pm **Microbrew & Distillery Tour** [\(Show details\)](#)

1:00 pm **Mobile Workshop: City of Seattle's Zero Waste Strategy: Tour of Republic Services Recycling**

Facility ([Show details](#))

- 1:00 pm **Mobile Workshop: Microsoft Campus Tour – Insight into Making Your City Safer Using the Power of Big Data** ([Show details](#))
- 1:00 pm **Mobile Workshop: Community Schools Collaborative** ([Show details](#))
- 1:00 pm **Woodinville Wine Tour** ([Show details](#))
- 2:30 pm **Mobile Workshop: LED Street Lighting Conversion: Saving Your Community Money, While Improving Public Safety** ([Show details](#))

THURSDAY, NOVEMBER 14, 2013

- 7:00 am **Registration**
- 8:00 am **Board of Directors Meeting**
- 9:00 am **Exposition Hall**
- 9:30 am **Mobile Workshop: Going Metro: Suburban Transformation in the 21st Century** ([Show details](#))
- 9:30 am **Mobile Workshop: Pathways to Careers: Public-Private Partnerships to Fill Skills Gaps** ([Show details](#))
- 9:30 am **Mobile Workshop: Microsoft Campus Tour – Modernize Your City with Connected Citizen Services** ([Show details](#))
- 10:00 am **Walking Tour of Pike Place Market - The "Soul of Seattle"** ([Show details](#))
- 10:00 am **Chocolate Tour of Seattle** ([Show details](#))
- 12:00 pm **Mobile Workshop: The Living Building Challenge: What Your City Can Learn from the Greenest Commercial Building in the World** ([Show details](#))
- 12:00 pm **Mobile Workshop: Transformation of South Lake Union Neighborhood** ([Show details](#))
- 12:00 pm **Mobile Workshop: Reaching Maximum Velocity: How the City of Kenmore is Leveraging Local Businesses to Strengthen Economic Development Efforts** ([Show details](#))
- 12:00 pm **Conference Wide Lunch in Exhibit Hall**
- 3:15 pm **Opening General Session**
- 5:30 pm **Welcome Reception in Exposition Hall**

FRIDAY, NOVEMBER 15, 2013

- 7:00 am **Registration**

9:45 am	Conference Workshops
10:00 am	Walking Tour of Pike Place Market - The "Soul of Seattle" (Show details)
10:00 am	Ferry Ride and Lunch on Bainbridge Island (Show details)
10:00 am	Exposition Hall
11:30 am	Conference Workshops
12:30 pm	Conference Wide Lunch in Exposition Hall
1:00 pm	Underground Tour of Seattle and Ride the Ducks Tour (Show details)
2:15 pm	Conference Sessions
4:30 pm	Networking Happy Hours

SATURDAY, NOVEMBER 16, 2013

7:30 am	Registration
9:00 am	Conference Workshops
9:00 am	Conference Sessions
10:45 am	Conference Workshops
12:30 pm	Closing General Session and Luncheon
2:30 pm	Annual Business Meeting



Town Council Regular Session

Item # 3.

Meeting Date: 12/04/2013

Submitted By: Catherine Hendrix, Police Department

Information

Subject

Letter of Appreciation for Oro Valley Police Department

Attachments

[AZ Post Appreciation](#)



7/4/1



**Central
Arizona
College**

November 19, 2013

Lt. Kara Riley
Oro Valley Police Department
11000 N. La Canada Drive
Oro Valley, Az 85737

Lt. Riley,

I am writing to let you know how much I appreciate the exceptional work done by Officer Jodi Stevens! During the last five years, I have had the privilege of teaching, evaluating and facilitating Az POST General Instructor (GI) Programs with Officer Stevens.

She was always willing to help me and our staff in bringing our GI Programs throughout Arizona wherever the demand and the need were.

Officer Stevens could always be depended upon to follow through with her commitment to assist me and other staff members. From facilitating the entire 40 hour program to teaching any of the six courses or evaluating the students, she could always be counted on to carry out her assignment!

Just as important as her commitment to the GI Programs was the encouragement and extensive time she gave to ensure the success of each of the students - our future instructors! Officer Stevens was described by one of the students in a recent course evaluation as being "professional, energetic and a role model for me to learn from."

Officer Steven's professionalism, her demeanor throughout each of our programs was exemplary; the pride she displayed in her work, along with her integrity should make you and Oro Valley PD very proud!

A handwritten signature in black ink, appearing to read "Jon M. Heiden".

Jon M. Heiden
Arizona Peace Officer Standards & Training Board
2643 E. University Drive
Phoenix, AZ 85034
Phone: 602.223.2514, ext 262
On the web at: <http://www.azpost.gov>
Email: jonh@azpost.gov

Central Arizona College
8470 N. Overfield Road
Coolidge, Arizona 85128
Office Phone: 520.494.5467
Email: jon.heiden@centralaz.edu

"Living a life of integrity is one of the greatest missions we can undertake". Greg Anderson



Town Council Regular Session

Item # **1.**

Meeting Date: 12/04/2013

Presentation of Certificates to graduates of the Community Academy - Local Governance 101 class

Information

Subject

Presentation of Certificates to graduates of the Community Academy - Local Governance 101 class

Summary

The Town of Oro Valley is pleased to recognize the graduates of the Town's Community Academy-Local Governance 101 class.

The classes covered a variety of topics, including:

- Oro Valley history and how the town works
- The Town's vision for the future and our place in the region
- Conservation & sustainability
- Town's Water Utility and The Town's Transportation System
- Town finances and and Economic Development in the Town
- The Strategic Plan and "Your Voice, Our Future"

The Community Academy provides residents with an opportunity to learn more about their community, including classes on Town organization, sustainability, and the role of citizens in Town governance. It serves to inform, educate, and engage residents to be active participants in building and sustaining their community. This semester's graduates includes Board and Commission members, Town residents and staff members. The 19 members of the graduating class are listed below:

Brett Archer
Debra Arrett
Thomas Drazgowski*
Chrysti Duffin
Dominic Duffin
Richard Furash
Jim Greene
Dana Hailin*
Cindy Hopkins
Thomas Kamoske
Myron Marsh
Jim Mikolaitis*
Monty Miller
Darlene Modelski
Michael Stankiewicz*
Danielle Tanner
Eric Thomaе*
Katie Tobkin

Connie Trail*

*Town Board/Commission member

Community Academy classes specialized for each Board and Commission are scheduled to begin in the Spring.



Town Council Regular Session

Item # **A.**

Meeting Date: 12/04/2013

Requested by: Julie Bower **Submitted By:** Mike Standish, Town Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

Minutes - November 6, 2013

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

N/A

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to (approve, approve with the following changes) the November 6, 2013 minutes.

Attachments

11/6/13 Draft Minutes

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
November 6, 2013
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

Mayor Hiremath called the meeting to order at 6:00 p.m.

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Lou Waters, Vice Mayor
Brendan Burns, Councilmember
Bill Garner, Councilmember (Attended by phone)
Joe Hornat, Councilmember
Mary Snider, Councilmember
Mike Zinkin, Councilmember

PLEDGE OF ALLEGIANCE

Mayor Hiremath led the audience in the Pledge of Allegiance.

UPCOMING MEETING ANNOUNCEMENTS

Communications Administrator Misti Nowak announced the upcoming Town meetings and events.

COUNCIL REPORTS

Councilmember Zinkin reported that as a member of the National League of Cities Community and Economic Development Committee, he would attend an Exposition in Seattle, Washington from November 13-16, 2013 to share best practices and learn new strategies as it relates to economic development.

Councilmember Snider attended the 103rd Arizona Town Hall at the South Rim of the Grand Canyon from November 3-6, 2013. The Town Hall event focused on the pivotal years of ages 0-8 and the formal teaching of young children by people outside the family or in settings outside the home.

Mayor Hiremath reported that Oro Valley volunteer George Royer was recognized by the League of Arizona Cities and Towns through its Arizona Cities at Work campaign for his contributions to the community.

Vice Mayor Waters reported that Councilmember Hornat, Councilmember Snider and himself assisted with the Halloween Safe Treats program at which the Oro Valley Police Department handed out bags of candy to children around the community.

DEPARTMENT REPORTS

Golder Ranch Fire Chief Randy Karrer announced that the 1st Annual Golder Ranch Fire District Awards Ceremony would be held on Friday, November 8th at 9:00 a.m. at the Golder Ranch training center and encouraged town staff and residents to attend.

ORDER OF BUSINESS

Mayor Hiremath reviewed the order of business and stated that the agenda would stand as posted.

INFORMATIONAL ITEMS

1. Letter of Appreciation for Development and Infrastructure Services Department
2. Letter of Appreciation for Oro Valley Police Department

CALL TO AUDIENCE

Oro Valley resident Robert Schumann said that the Sonoran Desert Flyers would be holding an RC plane event at Naranja Park on December 7th from 8:00 a.m. to 12:00 p.m. and encouraged everyone to attend.

Oro Valley resident Donald Bristow spoke on sign code violations and requested that the Town develop a standard procedure to help residents place temporary signs.

Oro Valley resident Bill Adler encouraged the Town to review and revise the economic development element of the General Plan in order to meet the changing needs of the community.

CONSENT AGENDA

- A. Minutes - October 9 and October 16, 2013

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Hornat to approve Consent Agenda item (A).

MOTION carried, 7-0.

REGULAR AGENDA

1. PRESENTATION AND ACCEPTANCE OF THE TOWN'S ANNUAL FINANCIAL AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2013

Finance Director Stacey Lemos introduced Mr. Corey Arvizu, CPA, Partner, and Mr. Jim Rebenar, CPA, Manager, with the firm Heinfeld, Meech and Co., P.C.

Mr. Arvizu gave an overview of the comprehensive annual financial audit report and stated that there were no audit deficiencies or irregularities found during the audit process.

Mr. Rebenar gave an overview of the audit procedures and reported another clean audit opinion for FY 12/13.

Mr. Arvizu discussed new pension standards that would be required starting in FY 14/15 and stated that pro-rata share of the liability would have to be reported.

Discussion ensued amongst Council regarding the Town's FY 12/13 annual financial audit.

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to accept the Town's annual financial audit for fiscal year ending June 30, 2013.

MOTION carried, 7-0.

2. RESOLUTION NO. (R)13-65, AUTHORIZING THE CONSTRUCTION OF NARANJA PARK IMPROVEMENTS

Town Manager Greg Caton gave an overview of item #2.

Parks and Recreation Director Kristy Diaz Trahan gave an overview of the following proposed improvements to Naranja Park:

- 2 lighted multisport athletic fields
- 180 space lighted parking lot
- 0.55 acre lighted and grass dog park (small/large divided)

Development and Infrastructure Services Director Paul Keesler gave an overview of the following infrastructure improvements to Naranja Park:

- Grading
- Access and paving
- Electricity
- Potable and reclaimed water
- IT conduit

Finance Director Stacey Lemos gave an overview of the following requested funding sources:

- Total estimated construction costs = \$2.3 million dollars
- General Fund contingency reserves up to \$1.403 million
- Parks & Recreation impact fees estimated at \$300,000
- \$400,000 from Bed Tax contingency reserves
- \$197,000 Council-designated reserves in General Fund

The following individuals spoke in support of item #2.

Oro Valley resident Mark Durfee
Larry O'Day
Oro Valley resident Robert Schumann
Oro Valley resident Don McGann
Oro Valley residents and Members of the Youth Advisory Council, Citlali Aguilar-Canamar and Joyce Cao
Oro Valley resident Lyra Done
Oro Valley resident Zane Ayers
Oro Valley resident Robert Feltes
Timothy Johnson
Bob Oropeza
Oro Valley resident Carlos De Alva
Oro Valley resident Karen Chatterton
John Ward
Erik Wolf

The following individuals were undecided on item #2.

Oro Valley resident John Musolf
Oro Valley resident Don Bristow
Oro Valley resident Bill Adler

Discussion ensued amongst Council and staff regarding the proposed improvements to Naranja Park.

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to approve Resolution No. (R)13-65, authorizing the construction of Naranja Town Park multi-use sports fields and dog park facilities as identified in Attachment 1 with the funding sources identified herein.

MOTION carried, 7-0.

FUTURE AGENDA ITEMS

No future agenda items were requested.

CALL TO AUDIENCE

No comments were received.

ADJOURNMENT

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Burns to adjourn the meeting at 7:59 p.m.

MOTION carried, 7-0.

Prepared by:

Michael Standish, CMC
Deputy Town Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular session of the Town of Oro Valley Council of Oro Valley, Arizona held on the 6th day of November, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2013.

Julie K. Bower, MMC
Town Clerk



Town Council Regular Session

Item # **B.**

Meeting Date: 12/04/2013
Submitted By: Julie Bower, Town Clerk's Office
Department: Town Clerk's Office

Information

SUBJECT:

Approval of 2014 Regular Town Council Meeting Schedule

RECOMMENDATION:

The attached document lists the proposed dates for regular meetings of the Town Council for 2014.

EXECUTIVE SUMMARY:

If the Mayor and Council approves the 2014 Regular Town Council Meeting Schedule, the Council will meet on the dates listed in the attached meeting schedule.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve the 2014 Regular Town Council Meeting Schedule as presented.

or

I MOVE to approve the schedule with the following modifications....

Attachments

Draft 2014 TC Meeting Schedule

**ORO VALLEY TOWN COUNCIL
REGULAR MEETING SCHEDULE
2014**

~~January 1, 2014~~ **HOLIDAY BREAK**

January 15, 2014

February 5, 2014

February 19, 2014

March 5, 2014

March 19, 2014

April 2, 2014

April 16, 2014

May 7, 2014

May 21, 2014

June 4, 2014

June 18, 2014

July 2, 2014

July 16, 2014

~~August 6, 2014~~ **SUMMER BREAK**

~~August 20, 2014~~ **SUMMER BREAK**

September 3, 2014

September 17, 2014

October 1, 2014

October 15, 2014

November 5, 2014

November 19, 2014

December 3, 2014

~~December 17, 2014~~ **HOLIDAY BREAK**



Town Council Regular Session

Item # **C.**

Meeting Date: 12/04/2013

Requested by: Town Council **Submitted By:** Julie Bower, Town Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

(Re)appointments to various Boards and Commissions

RECOMMENDATION:

Applications for board and commission vacancies have been solicited and reviewed. In addition, interviews have also been conducted by the various interview panels. Outlined below is information for each board and commission in regard to members who have requested reappointment, as well as new applicants that are being recommended for appointment.

Board of Adjustment (BOA)

The terms of five BOA members are set to expire on 12/31/13. The following eligible members have requested reappointment:

Bill Adler
John Bohl
Helen Dankwerth
Stephen Roach
Mike Schoepach

Conceptual Design Review Board (CDRB)

The terms of four CDRB members are set to expire on 12/31/13. The following eligible members have requested reappointment:

Kit Donley
Richard Eggerding
Harold Linton

Municipal Property Corporation (MPC)

The term of one MPC member is set to expire on 12/31/13. The following eligible member has requested reappointment:

C. Kent Russell

Parks and Recreation Advisory Board (PRAB)

The terms of three members of the PRAB are set to expire on 12/31/13. The following eligible members have requested reappointment:

Sue Bishop
Jack Stinnett

The PRAB interview panel has recommended the following appointment:

Alison Sutton-Ryan

Planning and Zoning Commission (PZC)

The terms of four PZC members are set to expire on 12/31/13; two members will reach their term limit. The following eligible members have requested reappointment:

Thomas Drzazgowski
William Rodman

The deadline to submit PZC applications was extended and the interview panel has not yet conducted interviews.

Storm Water Utility Commission (SWUC)

The terms of two SWUC members are set to expire on 12/31/13. The following eligible members have requested reappointment:

Jim Mikolaitis
David Parker

Water Utility Commission (WUC)

The terms of three WUC members are set to expire on 12/31/13; two members will reach their term limit. The following eligible member has requested reappointment:

Richard Davis

The WUC interview panel has recommended the following appointments:

Javier Arriaga
Anne Campbell

EXECUTIVE SUMMARY:

N/A

BACKGROUND OR DETAILED INFORMATION:

The requests for reappointment and the applications for the prospective new board and commission members are attached.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE that the following appointments be made:

Board of Adjustment (BOA)

Bill Adler to a term expiring December 31, 2015
John Bohl to a term expiring December 31, 2015
Helen Dankwerth to a term expiring December 31, 2015
Stephen Roach to a term expiring December 31, 2015
Mike Schoepach to a term expiring December 31, 2015

Conceptual Design Review Board (CDRB)

Kit Donley to a term expiring December 31, 2016
Richard Eggerding to a term expiring December 31, 2016
Harold Linton to a term expiring December 31, 2016

Municipal Property Corporation

C. Kent Russell to a term expiring December 31, 2016

Parks and Recreation Advisory Board (PRAB)

Sue Bishop to a term expiring December 31, 2015

Jack Stinnett to a term expiring December 31, 2015
Alison Sutton-Ryan to a term expiring December 31, 2015

Planning and Zoning Commission (PZC)

Thomas Drzazgowski to a term expiring December 31, 2015
William Rodman to a term expiring December 31, 2015

Storm Water Utility Commission (SWUC)

Jim Mikolaitis to a term expiring December 31, 2015
David Parker to a term expiring December 31, 2015

Water Utility Commission (WUC)

Richard Davis to a term expiring December 31, 2016
Javier Arriaga to a term expiring December 31, 2016
Anne Campbell to a term expiring December 31, 2016

Attachments

BOA Reappointment Requests
CDRB Reappointment Requests
MPC Reappointment Request
PRAB Reappointment Requests
PZC Reappointment Requests
SWUC Reappointment Requests
WUC Reappointment Request
PRAB Application - Alison Sutton-Ryan
WUC Application - Javier Arriaga
WUC Application - Anne Campbell

From: stfatha@aol.com
To: [Stine, Michelle](mailto:Stine_Michelle)
Subject: Re: Reappointment Email for Board Of Adjustment
Date: Friday, September 20, 2013 2:45:50 PM

Ms Stine:

Please submit my request for re appointment.

Bill

-----Original Message-----

From: Stine, Michelle <mstine@orovalleyaz.gov>
To: [stfatha](mailto:stfatha@aol.com) <stfatha@aol.com>; [debjohnb](mailto:debjohnb@earthlink.net) <debjohnb@earthlink.net>; [hdankwerth](mailto:hdankwerth@hotmail.com) <hdankwerth@hotmail.com>; [sfroach](mailto:sfroach@comcast.net) <sfroach@comcast.net>; [MichaelSchoepfach](mailto:MichaelSchoepfach@comcast.net) <MichaelSchoepfach@comcast.net>
Cc: Williams, David <dwilliams@orovalleyaz.gov>; Keesler, Paul <pkeesler@orovalleyaz.gov>
Sent: Fri, Sep 20, 2013 2:34 pm
Subject: Reappointment Email for Board Of Adjustment

Good Afternoon,

Your current terms on the BOA will expire on December 31, 2013. Your service is greatly appreciated and you are eligible to request reappointment. If you are interested in serving another term, please notify me in writing, either by responding to this email or by letter by September 30th. Requests for reappointment are tentatively scheduled to be considered by Council at their December 4th meeting. If you have any questions, please don't hesitate to contact me.

Thank You,

Michelle Stine
Senior Office Specialist
Town of Oro Valley Clerk's Office
11000 N. La Canada Dr
Oro Valley, AZ 85737
520 229-4744 (office)
520 297-0428 (fax)
mstine@orovalleyaz.gov

From:
To: Stine, Michelle
Subject: Re: Reappointment Email for Board Of Adjustment
Date: Friday, September 20, 2013 2:45:50 PM

Ms Stine:

Please submit my request for re appointment.

Bill

From: John/Debbie Bohl
To: Stine, Michelle
Subject: Re: Reappointment Email for Board Of Adjustment
Date: Friday, September 20, 2013 6:45:22 PM

Michelle Stine: Yes I would like to be reappointed for another term.

Thank you

John J. Bohl

From: [Helen Dankwerth](#)
To: [Stine, Michelle](#)
Subject: RE: Reappointment Email for Board Of Adjustment
Date: Saturday, September 21, 2013 11:56:59 AM

Hello Michelle:

Thanks for your e-mail informing me of the new/re-appointment schedule for the Board of Adjustment. I would very much like to serve a second term, having enjoyed the experience and learned a great deal - so hopefully my qualifications are enhanced!
Looking forward to hearing from you,

Helen Dankwerth

From:
To: Stine, Michelle
Subject: Re: Reappointment Email for Board Of Adjustment
Date: Friday, September 20, 2013 3:24:42 PM

Michelle,

I'd like to continue serving on the BOA.
Please consider my request for reappointment to BOA.

Regards,
Stephen Roach

From: [Michael Schoepbach](#)
To: [Stine, Michelle](#)
Subject: Re: Reappointment Email for Board Of Adjustment
Date: Friday, September 20, 2013 3:18:11 PM

Michelle,

I am, in fact, interested in being reappointed to the Board of Adjustment for a second term. Please let me know if you need anything more than this email to be included in the reappointment process.

Thank you for your assistance.

Mike Schoepbach

From: Kit Donley
To: Stine, Michelle
Subject: Re: Reappointment for CDRB
Date: Friday, September 20, 2013 2:45:09 PM

Michelle,

I would like to be considered for reappointment, but either way I was pleased to be able to serve. I hope you have a great weekend!

Regards,
Kit

" Obstacles are the things we see when we take our eyes off our goals"

Kit Donley

From: Dick Eggerding
To: Stine, Michelle
Subject: Re: Reappointment for CDRB
Date: Friday, September 20, 2013 3:01:47 PM

Michelle, please consider this to be me formal request for reappointment to the CDRB. I understand this is the final term of my eligibility.
Best, Dick Eggerding

From: Hal and Ingrid Linton
To: Stine, Michelle
Cc: Williams, David; Keesler, Paul
Subject: RE: Reappointment for CDRB
Date: Monday, September 23, 2013 7:45:42 AM

Good Morning Michelle,
I would be delighted to be considered for reappointment to the CDRB. I request
reappointment.
Thank you,
Hal Linton

Bower, Julie

From: Bower, Julie
Sent: Monday, November 25, 2013 11:47 AM
To: Bower, Julie
Subject: FW: MPC

From: Kent Russell |
Sent: Wednesday, November 20, 2013 12:55 PM
To: Bower, Julie
Subject: Re: MPC

Julie, sorry for the delay in replying. Thanks for asking and I am happy to serve another term. Kent

From: Sue
To: Stine, Michelle
Subject: Re: Parks and Recreation Advisory Board
Date: Saturday, September 21, 2013 8:39:59 AM

Michelle,
I am interested in serving another term on the Parks and Rec Advisory Board.
Thank you,
Sue Bishop

Bower, Julie

From: Jack Stinnett <jackstinnett@yahoo.com>
Sent: Saturday, September 28, 2013 10:36 AM
To: Stine, Michelle
Cc: Diaz-Trahan, Kristy
Subject: Re: Parks and Recreation Advisory Board

Michelle

I request reappointment for another term on the Parks & Recreation Advisory Board.

Thank you

Jack Stinnett

From:
To: Stine, Michelle
Subject: Re: Reappointment for Planning and Zoning Commission
Date: Saturday, September 21, 2013 9:08:29 AM

Michelle,
I am interested in being reappointed to the Planning and Zoning Commission.
Tom Drzazgowski

Sent from AOL Mobile Mail

From: [Bill Rodman](#)
To: [Stine, Michelle](#)
Subject: Re: Reappointment for Planning and Zoning Commission
Date: Friday, September 20, 2013 6:39:58 PM

I am interested in reappointment to the Planning & Zoning Commission when my term ends on December 31, 2013. Please let me know if you need anything more from me.

Thank You,
Bill Rodman

Bower, Julie

From: Jir.
Sent: Tuesday, September 24, 2013 12:52 PM
To: Stine, Michelle
Cc: Todnem, Mike; Ryan, Carmen;
Subject: Re: Storm Water Utility Commission

Hi Michelle, I would like to be considered for another term.

Thanks

Jim Mikolaitis

Bower, Julie

From:
Sent: Friday, September 20, 2013 4:36 PM
To: Stine, Michelle
Cc: Todnem, Mike; Ryan, Carmen,
Subject: Re: Storm Water Utility Commission

Hi Michelle

I am interested in serving another term. If you need anything else besides this email, please let me know.

Thank you.
David Parker

September 18 2013

Mr. Philip C. Saletta, P.E.
Water Utility Director
Town Of Oro Valley
11000 N. La Canada Drive
Oro Valley, AZ 85737

SUBJECT: Request for Reappointment to the Oro Valley Water Utility Commission

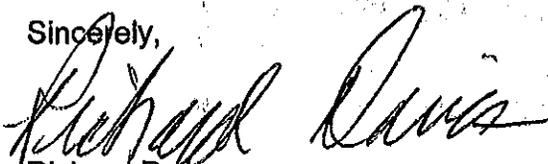
Dear Phillip:

Please consider this letter as a request for the Town Council to consider my reappointment to the Oro Valley Water Utility Commission. I understand that my current term expires on December 31, 2013. It is also my understanding that I am eligible to serve another term on the Commission.

I am interested in continuing to serve on the Commission. I currently serve on the Conservation Subcommittee and I have met my training requirements. My involvement on the Commission has been rewarding and I hope to be reappointed and participate in future activities.

Please let me know if there is any further information you need to process my request for reappointment to the Oro Valley Water Utility Commission. I look forward to hearing from you regarding my reappointment.

Sincerely,


Richard Davis

C: Robert Milkey, Chair of the OWWUC
Greg Caton, Town Manager
Julie Bower, Town Clerk



OCT 24 13AM 18:56 TOV

ORO VALLEY VOLUNTEER APPOINTMENT APPLICATION

Dear Oro Valley Citizen:

We appreciate your interest in the Town of Oro Valley. This informational form, when completed, will allow us to quickly process your application by assisting us in understanding how we can best use your talents and experience. A list describing the Town's Boards and Commissions is attached for your reference. Information reflecting the procedures surrounding the appointment process to Boards is also attached. Your application will remain on file for two years from the date of receipt. We thank you kindly for volunteering to serve the Town!

Please note: No volunteer shall serve on more than one standing Board at any time.

Return this application to the Town Clerk's Office, 11000 N. La Cañada Drive, Oro Valley, Arizona 85737.

Name Sutton-Ryan Alison Derr
Last First Middle Suffix

Address _____
Street City Oro Valley, AZ State Zip 85737

Home Phone _____ Business Phone _____ Cellular Phone _____

Number of Years in Oro Valley 15 years Email Address _____

Signature [Handwritten Signature] Date 10/22/13

Please indicate the board or commission you wish to join: Parks and Rec Advisory Board

Please list your volunteer services in Oro Valley and with other organizations including any boards or commissions on which you have served: (board/commission, civic, educational, cultural, social, etc.)

board member - Family Advisory Board Oro Valley Library (FAB)

Founding Board Member - Tucson Postpartum Depression Coalition

CDO Soccer team manager 2012-current; parent volunteer at Wilson K-8 + Basis of

How does your previous volunteer service prepare you for the board or commission appointment for which you have applied? Please describe an issue considered at a meeting of the Board or Commission for which you are applying.

I have been involved in a large variety of aspects in the community

My experience in serving on the FAB board at the library, provided me with insight

into the desires of families in OV. I am experienced as a board member and have

strong skills in communication, problem solving, community needs assessments and grant writing

Have you attended the Community Academy or CPI? NO What Year? _____ If not, are you willing to attend? yes

Briefly describe your educational/vocational background.

Licensed Clinical Social Worker and Licensed Independent

Substance Abuse Counselor; Masters Degree in Social Work - MSW
from Smith College; BSW - James Madison Univ.

IF DESIRED, ADDITIONAL INFORMATION MAY BE ATTACHED

www.orovalleyaz.gov

Psychotherapist in private practice

One issue facing parks and rec is providing programs for the families in this community. The growth of or has increased the number of families and children and the need for fields and space to participate in athletics and extracurricular activities.



ORO VALLEY VOLUNTEER APPOINTMENT APPLICATION

OCT 24 13 PM 1:52 TOU

Dear Oro Valley Citizen:

We appreciate your interest in the Town of Oro Valley. This informational form, when completed, will allow us to quickly process your application by assisting us in understanding how we can best use your talents and experience. A list describing the Town's Boards and Commissions is attached for your reference. Information reflecting the procedures surrounding the appointment process to Boards is also attached. Your application will remain on file for two years from the date of receipt. We thank you kindly for volunteering to serve the Town!

Please note: No volunteer shall serve on more than one standing Board at any time.

Return this application to the Town Clerk's Office, 11000 N. La Cañada Drive, Oro Valley, Arizona 85737.

Name Arriaga JAVIER N.
Last First Middle Suffix

Address _____ Oro Valley AZ 85737
Street City State Zip

Home Phone _____ Business Phone N/A Cellular Phone _____

Number of Years in Oro Valley 7 Email Address _____

Signature Javier N. Arriaga Date Oct. 24, 2013

Please indicate the board or commission you wish to join: Water Utility Commission

Please list your volunteer services in Oro Valley and with other organizations including any boards or commissions on which you have served: (board/commission, civic, educational, cultural, social, etc.)

Oro Valley Townhouses Improvement Assoc. - Board of Directors - Past President, Current Treasurer.

Knights of Columbus Council 12345 - Member

Tucson Camera Club - Current position as Treasurer

How does your previous volunteer service prepare you for the board or commission appointment for which you have applied? Please describe an issue considered at a meeting of the Board or Commission for which you are applying.

As HOA member - prepared Annual Budget, Reviewed & Approved Contractor Expenses and presided @ community meetings et which issues pertaining to the community were discussed and recommendations made.

Have you attended the Community Academy or CPI? No What Year? _____ If not, are you willing to attend? yes

Briefly describe your educational/vocational background.

B.S. Civil Engineering - 1962 - Held P.E. licenses in states of Arizona, Texas, California - Not currently Active.

IF DESIRED, ADDITIONAL INFORMATION MAY BE ATTACHED

www.orovalleyaz.gov

2/23/11

JAVIER N ARRIAGA

address

Oro Valley, Arizona 85737

tel

email: j

Experience Summary

I have over 48 years of experience in project engineering design and construction contract administration for a variety of municipal, state, and international design assignments in the areas of water and wastewater conveyance, transmission and treatment. My project experience also includes water reservoirs, booster pumping stations, water system hydraulic model analysis, hydrology, culvert bridge design and program management for various municipal water projects. Prior to my retirement I was in charge of the Infrastructure Group for the Tucson Office of Brown and Caldwell Environmental Consulting Engineers. In this capacity I was directly responsible for design and management of reclaimed water lines and pump station for the Town of Oro Valley Water Utility and development of a Feasibility Study for the Plant Interconnect from Roger Rd WWTP to Ina Road WPF for Pima County Regional Wastewater Reclamation Department. As Managing Engineer of the El Paso Office, I was directly responsible for the design, construction management, and program management of several projects for the El Paso Water Utilities, including the Hueco Bolson Aquifer Arsenic Removal System, Zaragosa Waterline Replacement, and Nevins Water Reservoir. As Office Manager for the EL Paso Office of John Carollo Engineers I was directly responsible for Business Development, Client negotiations and design and construction management of the Eastside and Westside Water System Improvements as well as design and construction management of several water reservoir and water booster pumping stations and their related pipelines.

Experience

Master Planning

Capital Improvement Program Expediter, EL Paso Water Utilities, El Paso, Texas

Project Expediter. Served as a loaned employee to El Paso Water Utilities under the immediate supervision of their Project Administration Officer/Chief Technical Officer with functions as an extension of their staff. Duties include Project Management Support by assisting their Project Engineer Managers (PEMs) in providing quality control, technical advice, and general oversight in development of RFP documents by developing clear scope of work, setting target milestones, and insuring budget goals were met. Held biweekly meetings with PEMs to assist in resolving project specific critical issues such as possible claims, budget overruns, schedule slippage and technical problems at hand. Assisted PEMs through meetings with outside consultants, contractors, agency or other involved personnel, to arrive at conflict resolutions.

JAVIER N ARRIAGA

Northeast Loop 375 Groundwater and Surface Supply Transmission Facilities, El Paso Water Utilities, EL Paso, Texas

Project Manager. The intent of this project was to provide bi-directional water transfer capability between the Valley and Airport Pressure Service Zones and the Northeast East High Pressure Service Zone. First task order was to evaluate the alternatives to provide transfer capabilities. An analysis of seasonal mass balances, i.e., between supply and demand was performed to determine the criteria and mode of operation. This information was used to perform hydraulic modeling analysis to determine the required improvements for transmission, distribution, storage and pumping. Within the East High and Airport pressure zones.

Water Facilities Inspection Program Study, Phase I, El Paso Water Utilities, Texas

Program Manager. Responsible for inspection of all existing water system facilities, including reservoirs and pump stations. Assessed the systems condition and needs to meet current system demands, and identified areas needing improvements and phasing them in.

Water Supply and Facility Plan For Areas Within the ETJ of East El Paso, El Paso Water Utilities

Project Manager. Project involved a water study facility plan for 43.75 sq.miles of land contiguous with the eastern city limits of the City of El Paso and located within the five mile limit of the City's extraterritorial jurisdiction (ETJ). Water demands were determined and recommendations made for infrastructure design and construction over a 20 year capital improvement program. Plant Interconnect Feasibility Analysis, Tucson, Arizona
Project Manager. Project involved performing a feasibility analysis for sizing, routing, and identification of design and construction constraints for the 26,300 LF of the Roger Road WWTP to Ina Road WPF Plant Interconnect. As part of this project, various routes through the Roger Road WWTP were evaluated. A detailed project cost estimate was developed and presented as part of the Feasibility Analysis Report.
City, State 1989-1990

Plant Interconnect Feasibility Analysis, Tucson, Arizona

Project Manager. Project involved performing a feasibility analysis for sizing, routing, and identification of design and construction constraints for the 26,300

JAVIER N ARRIAGA

LF of the Roger Road WWTP to Ina Road WPF Plant Interconnect. As part of this project, various routes through the Roger Road WWTP were evaluated. A detailed project cost estimate was developed and presented as part of the Feasibility Analysis Report.

Sewer Master Plan Study Update, Arrowhead Ranch, City of Glendale, Arizona

Project Manager. Project involved evaluating the existing collection system and recommending improvements, through a capital improvement program, over the next 20 years. As a part of this project, a computer model of the system was developed, and City personnel were trained in the use of the model.

Water Treatment

Hueco Bolson Aquifer Arsenic Removal Systems, El Paso Water Utilities, Texas

Project Manager. Project included evaluation of wellhead treatment versus centralized treatment for four major well fields within the Hueco Bolson. An implementation strategy report was prepared addressing operational issues relating to pH adjustment, partial stream versus full stream treatment, design arsenic level and non treatment mitigation options. A final basis of design report was prepared addressing the design recommendations for the recommended centralized treatment facilities. Recommendations were for the design of a 6.0 million gallons per day (mgd) partial treatment facility and two 2.0-mgd centralized treatment facilities.

Distribution and Transmission System Design (Water)

Phase II Reclamation Water System 24-inch and 16-inch Reclaimed Water Line Project, Oro Valley, Arizona

Project Manager. Responsible for the design of 3,654 LF of 24-inch ductile iron pipe and 4,066 LF of 16-inch ductile iron pipe for a reclaimed water system. Project also involved evaluating alternative route alignments and coordination with Public Works Department for parallel design and construction of roadway improvements by the Town of Oro Valley.

Northeast Loop 375 Groundwater and Surface Supply-Nevins 4 MG Reservoir, El Paso, Texas

Project Manager. Responsible for the design and construction management of a 4 million gallon above ground welded steel water storage reservoir and its

JAVIER N ARRIAGA

related piping appurtenances which included cathodic protection design, electrical and instrumentation design for motor operated valves and SCADA controls. Project included preparation of a preliminary design report.

Paisano Valley (Racetrack Dr. to Sunset Reservoir) Water Transmission Main Improvements Project, El Paso Water Utilities

Project Manager. Project involved preparation of a Basis of Design Report for the 48-inch Paisano water transmission main. Basis of Design preparation included an evaluation of seven alternative routes considering environmental, construction, design, and public acceptance costs. Water Transmission Main improvements included design of Phase I Water Line Replacement (UTEP Phase I) which included replacement of 900 LF of 36-inch concrete steel cylinder pipe with 48-inch concrete bar-wrapped pipe. Project also included design and construction of 2,615 LF of 48-inch pipe to replace an existing 36-inch concrete steel cylinder pipe.(UTEP Phase II). The remaining length of the Paisano Water Transmission Main replacement project continues to be evaluated as to the most effective route through coordination with TxDOT.

Eastside Water System Improvements, Program Management, El Paso Water Utilities

Program Manager. Project included the design and construction of three pumping stations, three 5-mgd reservoirs, 26 miles of large water transmission mains, six wells, and collector pipelines. Four consultants designed project elements and twelve separate construction contracts were utilized. Design and construction were planned to be completed in 20 months to coordinate with start up of a new water treatment plant. Engineering and construction costs were approximately \$35 Million (\$10 Million under budget).

Westside Water System Improvements, El Paso Water Utilities

Project Manager. Project involved fast-track approach for design and construction of three water reservoirs, two new water pump stations, replacement of one pump station, and 10 miles of transmission mains ranging in size from 16-inch through 24 and 30-inch diameter. Overall project was designed and constructed within one year of notice to proceed.

JAVIER N ARRIAGA

Water System Improvements, City of Mesa, Arizona

Project Engineer. Supervised the design, route selection, and right-of-way requirements for 6.5 miles of 20-inch to 42-inch diameter water supply main, a canal crossing, and a 40-mgd booster pump station.

Deer Valley Drive Water Transmission Main, City of Phoenix

Project Engineer. Responsible for the route study and design of 3 miles of the 66-inch diameter water transmission main.

Collection System Design (Wastewater)

Roger Road WRF to Ina Road WRF Plant Interconnect Interceptor (Santa Cruz Interceptor Phase IV), Tucson, Arizona

Project Engineer. Responsible for managing all subconsultants on the project and design of the 8-inch sludge force main relocation and coordination with PCRWRD staff.

Interplant Interceptor Design, CSDOC, California

Project Engineer. Responsible for the design of 5,280 linear feet of 78-inch diameter and 26,400 linear feet of 96-inch diameter interceptor sewer between Plant No. 1 and No. 2, and related meter stations and junction boxes along Ellis Avenue and Huntington Boulevard in Fountain Valley and Huntington Beach, California respectively for the County Sanitation Districts of Orange County (CSDOC).

Socorro Engineering Development Assistance Program (EDAP) Phase II Water and Wastewater Facilities Improvements, El Paso Water Utilities

Project Manager. This project provided wastewater facilities to the Colonias in the Lower Valley within the jurisdictional service area of the Lower Valley Water District Authority. Total estimated construction costs for Phase II are \$15 Million, with Phase III estimated at \$65 Million.

References

References will be furnished upon request.

RE: Application for The Town of Oro Valley Water Utility Commission Anne C Campbell.

ORO VALLEY VOLUNTEER APPOINTMENT APPLICATION

How does your previous volunteer service prepare you for the board or commission appointment for which you have applied?

The Commission serves in an advisory capacity to the Council making recommendations on water policies, water rates and fees, renewable water supplies and water conservation. These are subjects I became very involved with obtaining my MPA in Natural Resource Management at the University of Arizona. As part of that work, I served as a member on the Governors' Blue Ribbon Panel on Water Sustainability.

Please describe an issue considered at a meeting of the Board or Commission for which you are applying.

In September the Board had a report from Mr. Saletta on issues with the reclaimed water system and the IGA with Tucson. The core focus of my internship was reviewing the use of reclaimed water in the greater Tucson area. This resulted in a published article: Anne C. Campbell & Christopher A. Scott (2011): Water reuse: policy implications of a decade of residential reclaimed water use in Tucson, Arizona, *Water International*, 36:7, 908-923

Briefly describe your educational/vocational background.

In 2010, I completed the Graduate Certificate in Water Policy and a Masters in Public Administration in Natural Resource Management at the University of Arizona. My course work included the Economic Evaluation of Water and Environmental Policy which covered the application of economic concepts to evaluate water and environmental laws and policies; including benefit cost analysis, externalities, public goods and valuation methodologies> I was also fortunate to study and Arizona Water Policy Sharon Megdal, Water Management and Policy with Christopher Scott

I have an avid interest in all forms of water policy and water management particularly at the residential level.



Town Council Regular Session

Item # **D.**

Meeting Date: 12/04/2013
Requested by: David Williams
Submitted By: Patty Hayes, Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

Approval of Model Home Architecture to Fulfill the La Reserve Planned Area Development (PAD) Standards for the Pusch Ridge Subdivision Located in La Reserve

RECOMMENDATION:

The Conceptual Design Review Board recommends approval of this model home architecture without conditions.

EXECUTIVE SUMMARY:

D.R. Horton proposes to build one (1) model home on three (3) separate lots in La Reserve's twelve-lot Pusch Ridge subdivision.

The Conceptual Design Review Board (CDRB) is typically the review and approval board for conceptual model home architecture; however, the La Reserve Planned Area Development stipulates that the CDRB is to provide recommendation on the model home architecture, with a final decision by Town Council.

On November 12, 2013, the CDRB voted to recommend approval of this model home architecture. The CDRB staff report is included as Attachment 4.

BACKGROUND OR DETAILED INFORMATION:

The applicant proposes to build one (1) model home on three (3) different lots. The applicant proposes one (1) model with one (1) elevation as shown in Attachment 1.

Current Site Conditions

- Total lots in subdivision: 12
- Zoning is La Reserve PAD Area C - Residential
- Average lot size: 17,800 sq.ft.
- Maximum allowed building height: 30'

Proposed Improvements

- One (1), one-story model home Plan 6021
- Design: Territorial
- One (1) elevation option,
- Three color schemes are available with coordinating roof tile and stone accent

Related Approvals

- 1986: La Reserve PAD

- 2007: Pusch Ridge final plat

The proposed model plan is a one story territorial-style home that includes a side entry two car garage, as well as a separate single car garage and tiled overhangs. The home also provides covered front and rear porches along with stone accents. The tiled roof overhangs, located above the windows, garage doors and stone accents, create a common element with the existing homes in the subdivision. The territorial roof plane is accented with a tile cornice matching the tiled roof materials.

The PAD standards were reviewed with this model home as described in the CDRB staff report (Attachment 4) and were found to be in general conformance.

Public Notification and Comment

Public notice has been provided to the following:

- La Reserve Home Owners Association
- Post at Town Hall and on Town website

There was no public in attendance at the November 12, 2013, CDRB meeting. To date, no correspondence has been received regarding this request.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve case OV1313-09 Model Home Architecture Design for the Pusch Ridge subdivision in accordance with the La Reserve PAD.

OR

I MOVE to deny case OV1313-09 Model Home Architecture Design as it does not meet the La Reserve PAD, specifically _____.

Attachments

Attachment 1 - Applicant's Submittal

Attachment 2 - Location Map

Attachment 3 - Subdivision Map

Attachment 4 - CDRB Staff Report

Attachment 5 - Association Approval Letter

Daniel Cucci
D.R. Horton - Tucson
3580 W. Ina Rd, Ste 100
Tucson, AZ 85741

October 4, 2013

Town of Oro Valley
Planning Department
11000 N. La Canada Dr.
Oro Valley, AZ 85737

This submittal is for one model plan with three color schemes proposed to be used on three lots (2, 4 and 8) in the La Reserve Pusch Ridge subdivision – Oro Valley project number OV1286-09G.

DESIGN

The overall design of the exterior mimics design features found on the existing five houses that comprise the remainder of the eight total lots in this area. The houses will have a stucco exterior finish with a mix of parapet surrounded flat roof areas and concrete tiled pitched roof areas to break up the lines of the roof.

There is a significant amount of articulation to the elevations on all four sides of the house with extra attention given to those sides that are directly visible from the street.

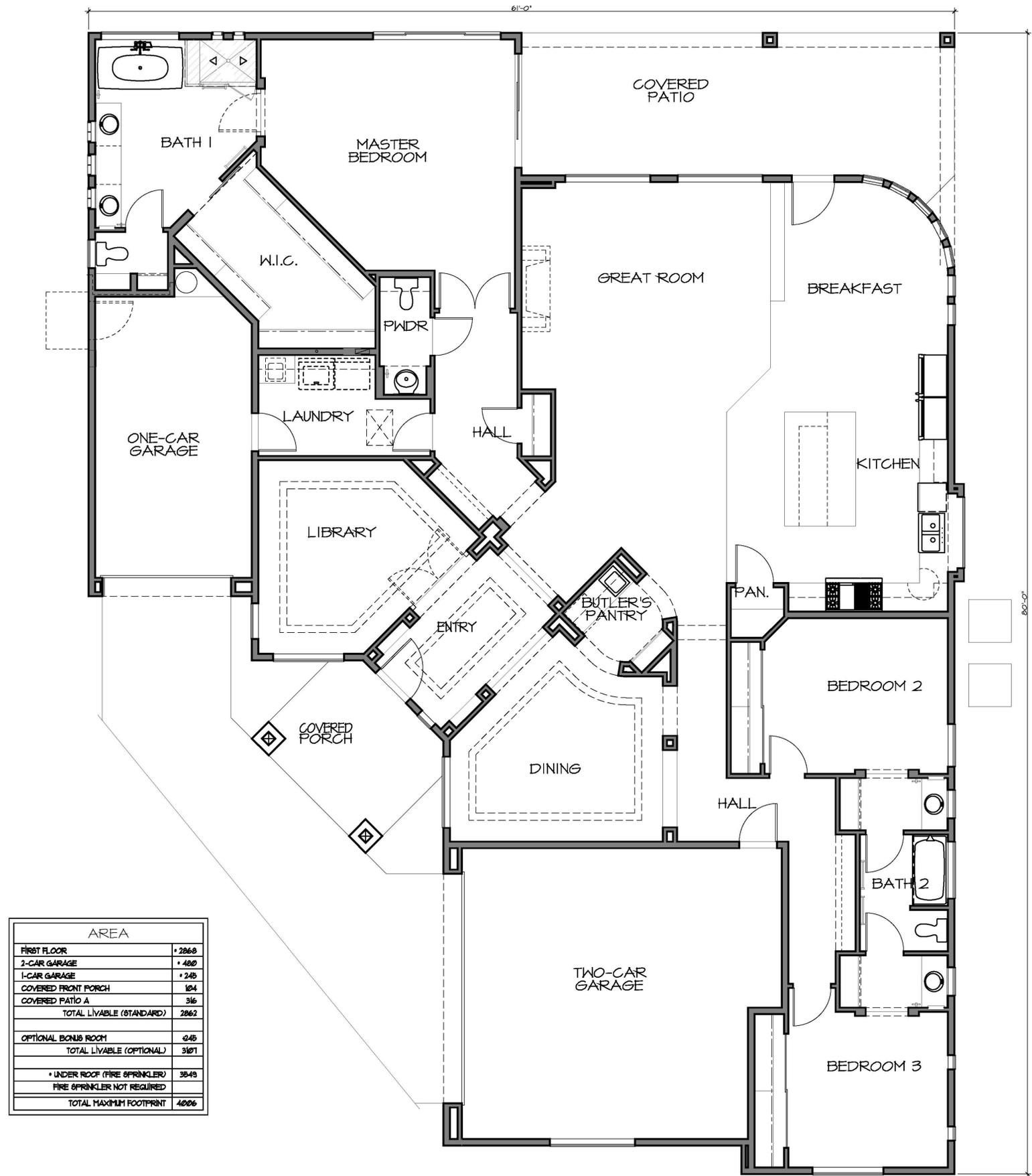
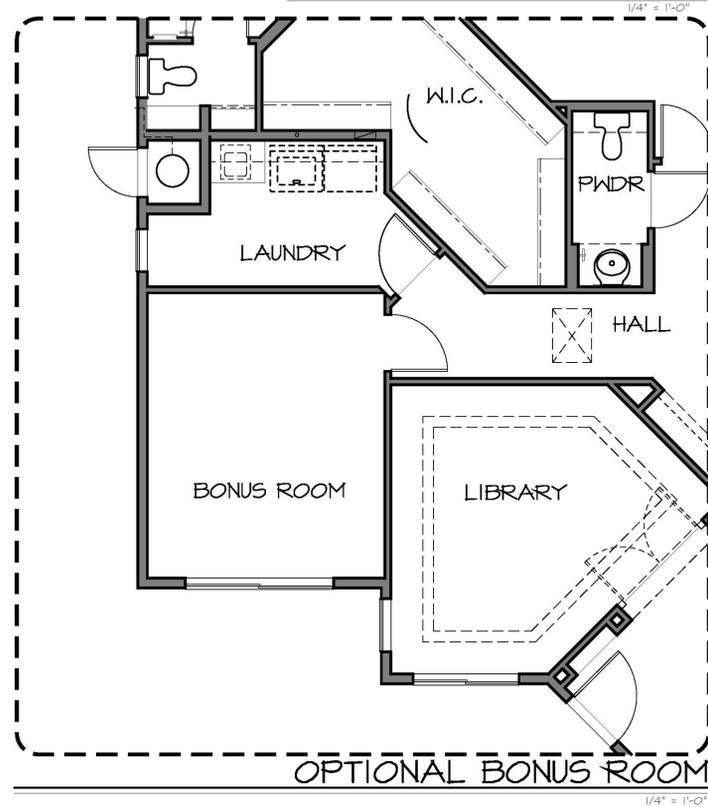
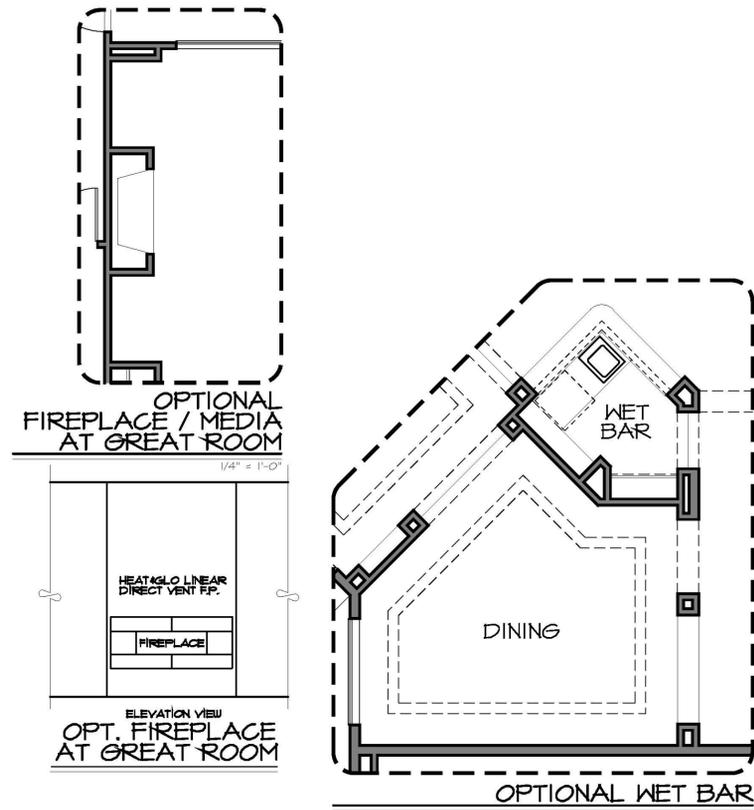
The color schemes fit in well with the existing neighboring properties and with the desert landscape and the paint colors all have reflectivity values below 50%.

Sincerely,



Daniel Cucci
Architectural Plans Coordinator

ENCLOSURE



AREA	
FIRST FLOOR	* 2868
2-CAR GARAGE	* 480
1-CAR GARAGE	* 245
COVERED FRONT PORCH	104
COVERED PATIO A	316
TOTAL LIVABLE (STANDARD)	2862
OPTIONAL BONUS ROOM	245
TOTAL LIVABLE (OPTIONAL)	3107
* UNDER ROOF (FIRE SPRINKLER)	3843
FIRE SPRINKLER NOT REQUIRED	
TOTAL MAXIMUM FOOTPRINT	4006

FLOOR PLAN - ELEVATION D

1/4" = 1'-0"



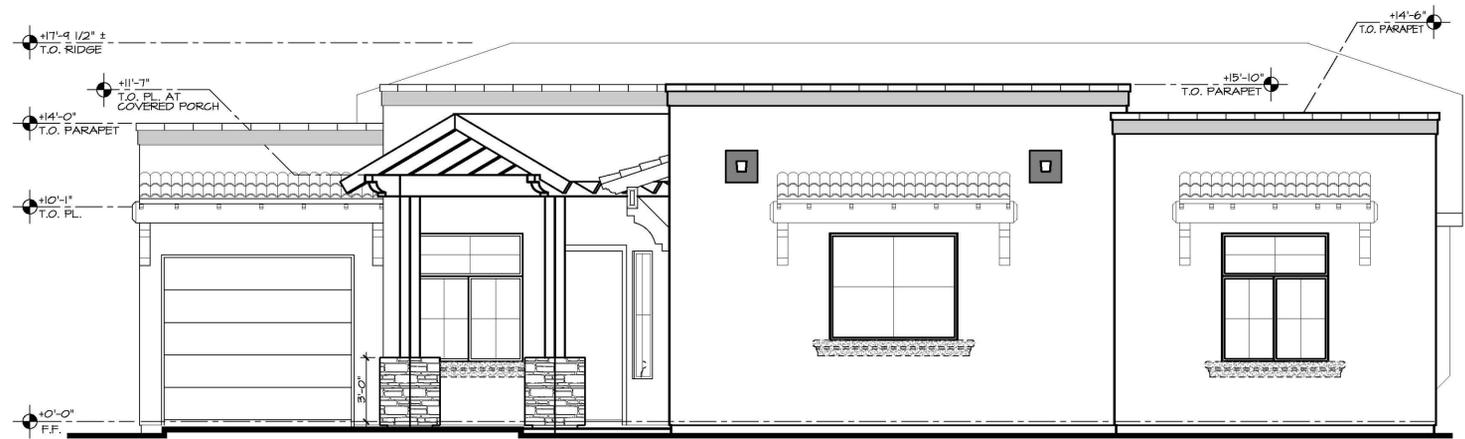
LEFT SIDE ELEVATION

1/4" = 1'-0"



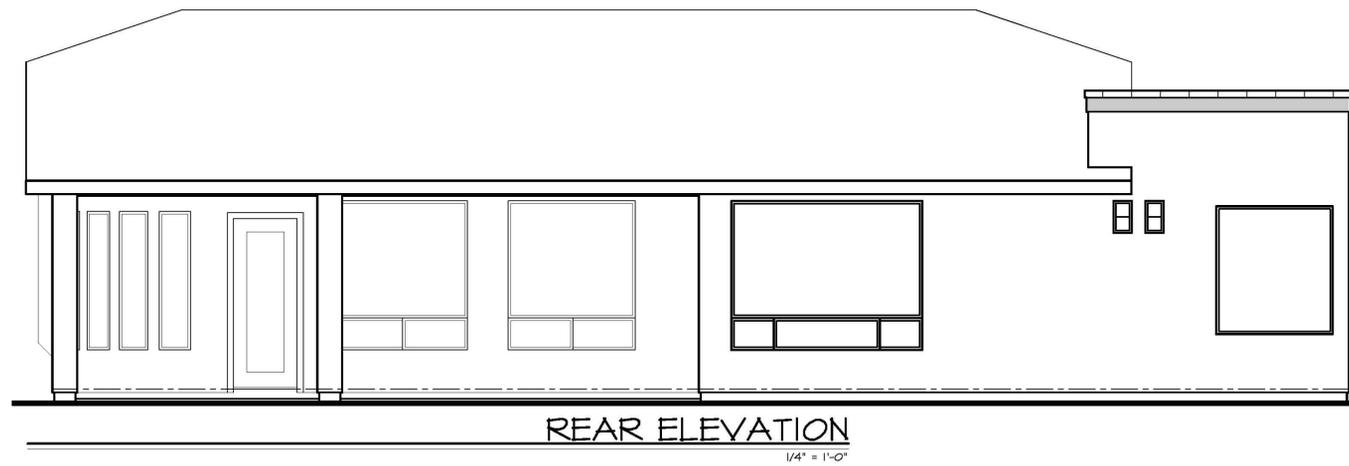
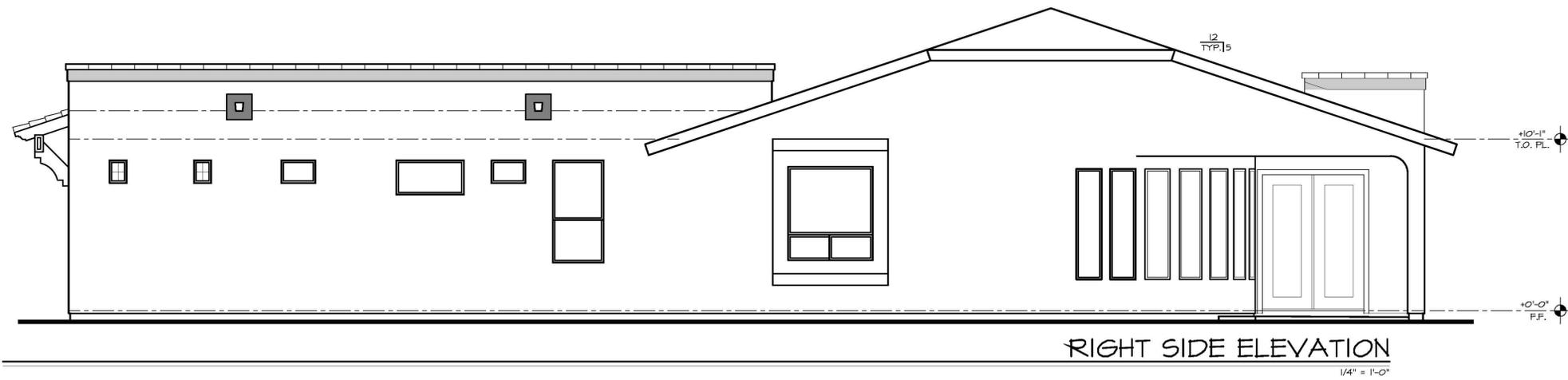
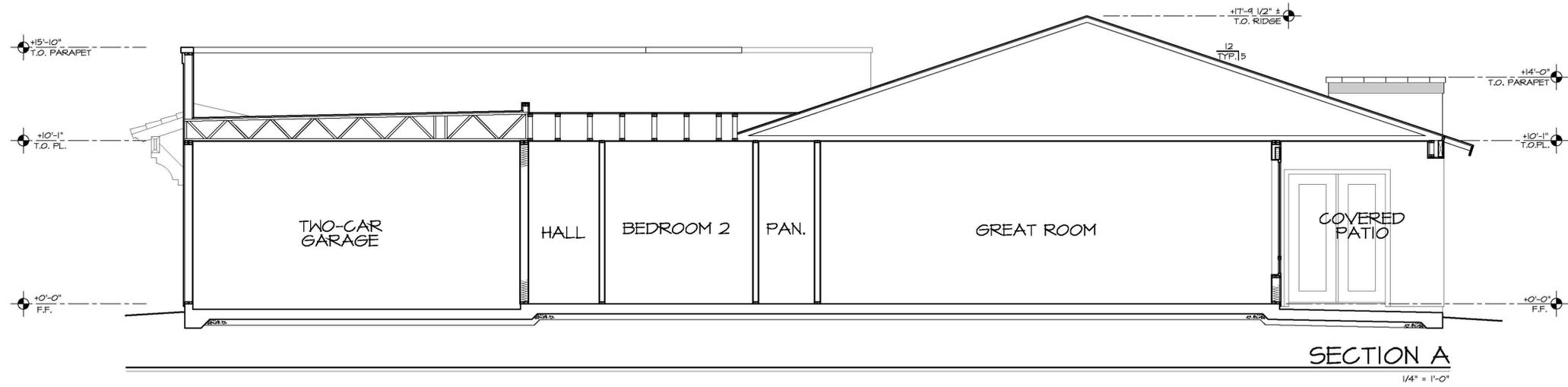
OPT. BONUS ROOM PARTIAL FRONT ELEVATION

1/4" = 1'-0"

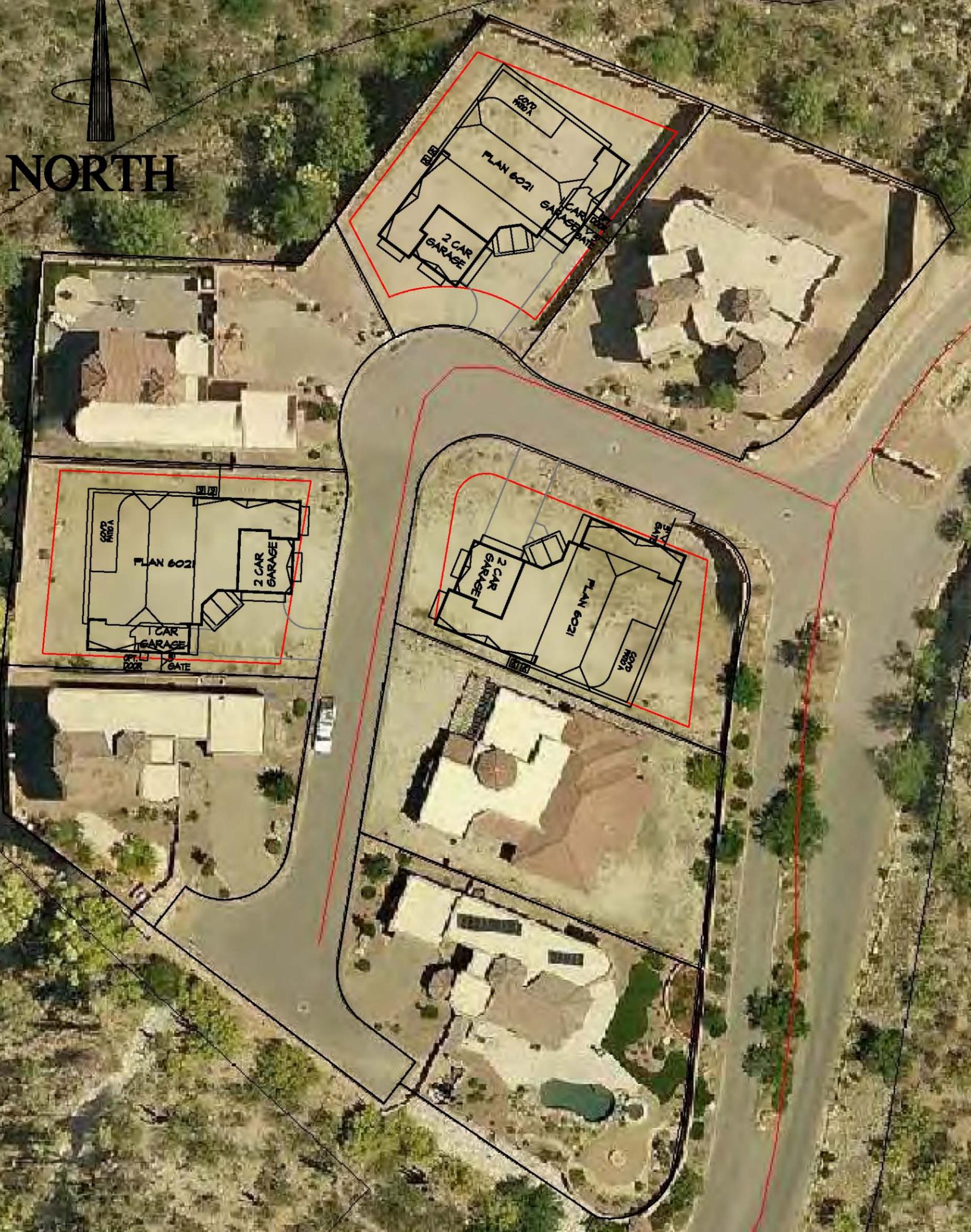


FRONT ELEVATION

1/4" = 1'-0"



NORTH











Frazer Paint Colors

Coronado Stone

Eagle Roof Tile

D.R. Horton

Scheme 1

Maple Pie - CL 2716A - LRV=21



Minnesota Fieldstone - Carmel Mountain



Capistrano Artisan - Grand Canyon 39706



All exposed wood shall have a dark walnut type stain to match the existing adjacent houses

Scheme 2

Deck Chair - CL 2684D - LRV=27



Appalachian Fieldstone - Dakota Brown



Capistrano Artisan - Sabino Canyon 39707



Scheme 3

Johnston - CL 2833M - LRV=47



Appalachian Fieldstone - Dakota Brown

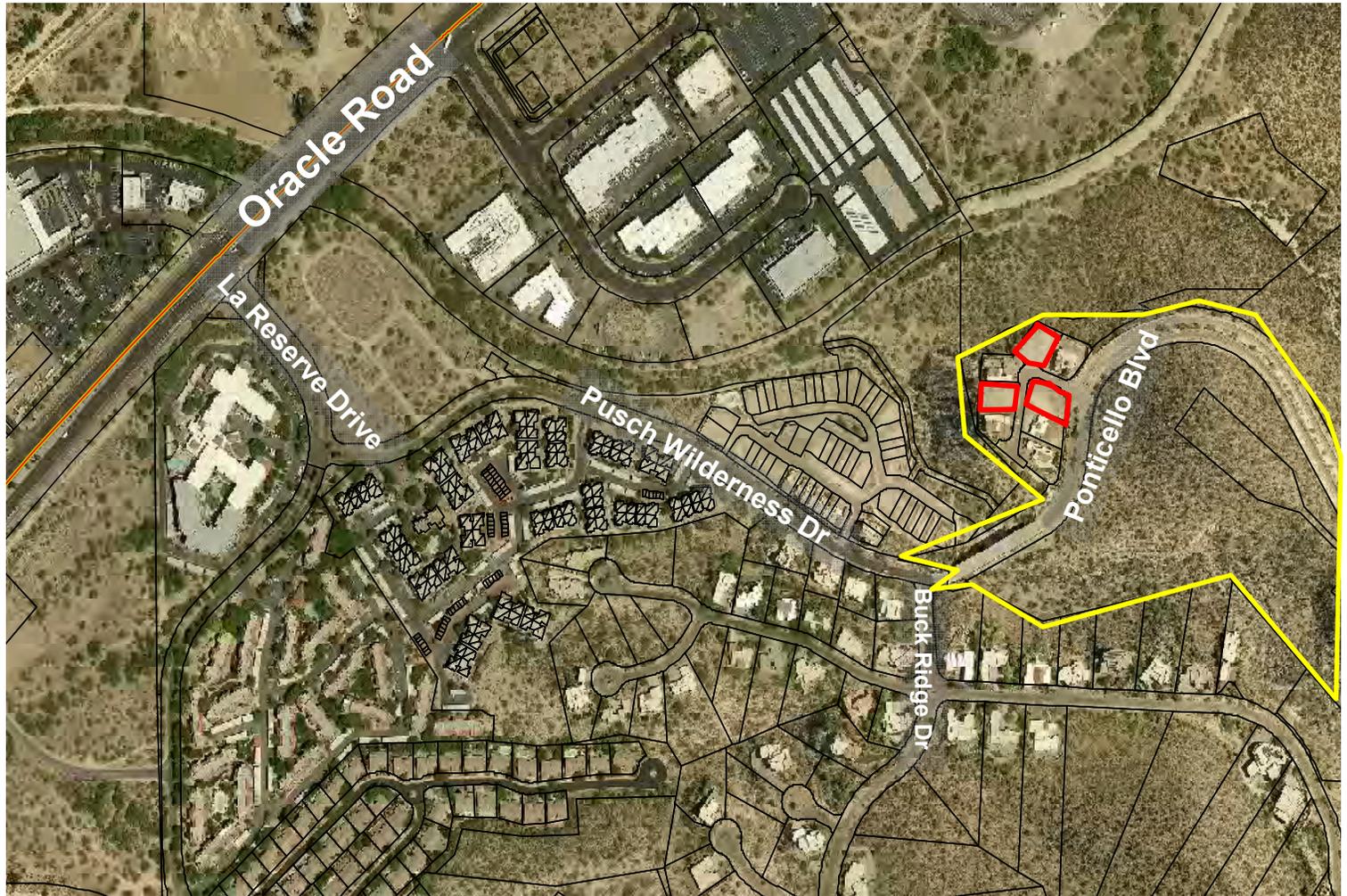


Capistrano Artisan - Cimarron Canyon 39708





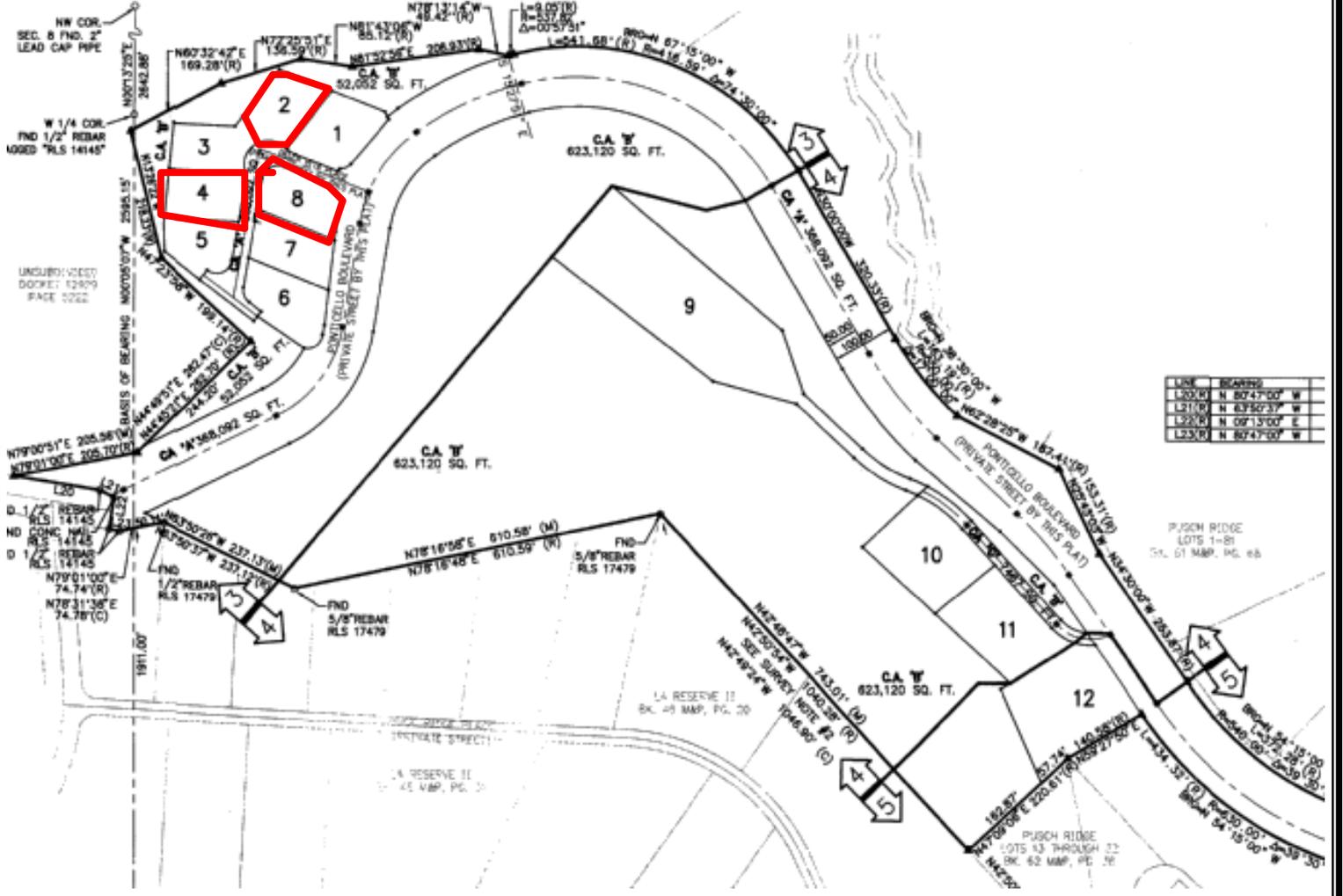




Location Map

D.R. Horton Model Home (OV1313-09)

Attachment 2



LINE	BEARING
L1024	N 80°47'00\" W
L2100	N 63°50'33\" E
L2218	N 09°13'00\" E
L2310	N 80°47'00\" W



Subdivision Map
 D.R. Horton Model Home (OV1313-09)
Attachment 3



Conceptual Architecture – Model Home Design Conceptual Design Review Board Staff Report

2

CASE NUMBER: OV1313-09 Pusch Ridge
MEETING DATE: November 12, 2013
AGENDA ITEM: 2
STAFF CONTACT: Patty Hayes, Senior Planning Technician
phayes@orovalleyaz.gov (520) 229-4819

Applicant: D.R. Horton
Request: **Conceptual Architecture – Model Home Design**
Location: Ponticello Blvd at end of Pusch Wilderness Dr. in La Reserve
Recommendation: Recommend approval of the requested Conceptual Architecture – Model Home Design

SUMMARY:

D.R. Horton proposes to build one (1) model home in the Pusch Ridge subdivision in La Reserve. This model home will be built on three lots in a twelve lot subdivision as shown in Attachments 1 and 3. The proposed model plan is a one story Territorial style home that includes a side entry two car garage and a separate third single car garage with tiled overhangs. The home also provides covered front and rear porches along with stone accents. The tiled roof overhangs located above the windows and garage doors and stone accents create a common element with the existing homes in the subdivision. The territorial roof plane is accented with a tile cornice matching the tiled roof materials.

The Conceptual Design Review Board (CDRB) typically reviews and approves conceptual model home architecture for all subdivisions. However, the La Reserve Planned Area Development (PAD) establishes that the CDRB provides recommendation on the model home architecture, with final decision by Town Council.

BACKGROUND:

Existing Site Conditions

- Total lots in subdivision: 12
- Zoning is La Reserve PAD Area C - Residential
- Average lot size: 17,800 sq.ft.
- Maximum allowed building height: 30'

Proposed Improvements

- One (1), one-story model home Plan 6021
- Design: Territorial
- One (1) elevation option,

- Three color schemes are available with coordinating roof tile and stone accent

Related Approvals

- 1986: La Reserve PAD
 - 2007: Pusch Ridge final plat
-

DISCUSSION / ANALYSIS:

Based on the La Reserve PAD, the Town's Design Principals and Design Standards do not apply to the request. Therefore, the PAD standards are the only review criteria for the request.

Although the applicant proposes only one model with one elevation, the request is limited to three lots separated by five existing homes (Attachment 2). Adequate diversity in the streetscape will be accomplished with the limited number of lots proposed (three), the variety of paint schemes offered (three), and the fact that the subject three lots are separated by existing homes.

The following is a list of noteworthy criteria (*in italics*) from the La Reserve PAD, followed by staff commentary.

Architectural Design Review Standards of the La Reserve P.A.D. Section 2.5 & 2.11

- *Themes of the southwest, as well as other building types that respond appropriately to the desert surroundings, are encouraged.*

Staff comment: The proposed model plan design is common to the surrounding neighborhood as shown in the applicant's photos, Attachment 1 and meets this design standard by providing colors and textures found in the southwest.

- *A height limitation of 30' or two stories (whichever is lesser) is applicable. In general, low profile structures which are integrated into the natural terrain and vegetation is encouraged.*

Staff comment: The proposed model home is 18' in height and will be built on flat previously graded lots. The lower building height and flat lot will ensure homes do not project over the existing adjacent homes.

- *Exterior building materials shall be of natural materials which blend into and are compatible with the natural landscape. This includes brick, masonry, stucco, adobe, concrete block or other suitable material is approved by the LA PAD. Large expanses of wood surfaces are not allowed. No reflective surfaces shall be used.*

Staff comment: The primary building material is stucco accented with stone, wood trim and tile roofs. The earth tone materials are common to the area and provide compatibility with the natural landscape.

- *Generally, muted colors which do not predominate are acceptable for the use on building exteriors. These colors should reflect the hues of the ambient rock outcroppings and plant*

material and are drawn from the following ranges: brown, rusts, sepias, sands, tans and buffs. Highly reflective colors or materials are prohibited on all wall and roof surfaces.

Staff comment: Three paint and tile roof colors are offered along with two stone accents on the model home. The colors and materials are earth tones with low reflectively values.

- *Roof lines shall be compatible with the overall character of the foothill topography, flat in some areas, more pitch in others. Roof projections over windows are encouraged. Roofs shall be constructed of clay tile, slate, metal or wood shingles, all of which shall exhibit muted earth tones. No mechanical equipment of any kind will be permitted on roofs.*

Staff comment: The proposed homes include both parapet and pitched roof lines with tiled overhangs above the garage doors and selected windows which provide a variation in roof lines similar to the existing homes. The roof line is further accented with tile corncicing, adding to definition of the roof line.

Below is a list of features included in the proposed model plan:

Architectural Features	Model 1
Window sills	x
Window overhangs with tile	x
Garage overhangs with tile	x
Varied roof lines	x
Stone or brick accents	x
Recessed rear porch	x

RECOMMENDATION:

The proposed model plan meets the Architectural Design Standards of the La Reserve PAD and provides architecture compatible with the surrounding area.

It is recommended that the Conceptual Design Review Board take the following action:

Recommend approval to the Town Council of the requested Model Home Architecture Design for the Pusch Ridge subdivision.

SUGGESTED MOTIONS:

I move to recommend approval to the Town Council for the Model Home Architecture Design for the Pusch Ridge subdivision based on the findings that the proposed homes are found to be in general conformance with the La Reserve PAD.

OR

I move to deny the Model Home Architecture Design as it does not meet the La Reserve PAD, specifically _____.

ATTACHMENTS:

1. Applicants Submittal which includes
 - Architectural Elevations
 - Floor Plan and Building Sections
 - Material and Color Schemes
 - HOA Approval
2. Location Map
3. Subdivision Map


Chad Daines, AICP Principal Planner



La Reserve Community Association

D. R. Horton, Eric Montgomery, Vice President
3580 W. Ina Rd. #100
Tucson, AZ 85741

Dear Eric,

Thank you for submitting your model home plan to the Architectural Committee of Ponticello and La Reserve. We choose to call the model home "Plan 4006" as that is the maximum square footage under roof shown on the plan.

As you are aware, La Reserve has its own design review guidelines and process. La Reserve is in its own PAD district which was approved back in the 1980's. As such, you submit your plans for design approval to La Reserve and you do not submit your plan to the Oro Valley Design Review Board. The La Reserve PAD, CCRs and Design Guidelines together established a "Plan" for the town, builders, developers, and Declarants to allow for the efficient, standardized and controlled development of La Reserve. This Plan gives development authority to the original "Owner" Estes, and now the La Reserve HOA and Board as agreed upon by the Town:

Oro Valley Ordinance (0)97-24, the La Reserve PAD established and signed 4/24/1986

The La Reserve Plan delineates all allowable uses within each development area, and the standards, conditions and restrictions within the development. The Plan also prescribes the procedures for review, adoption, and enforcement.

Design guidelines have been prepared as a regulatory mechanism and information source to ensure that planning policies are carried out in an environmentally sensitive manner and that the philosophies which have guided the La Reserve Plan are followed in order to maintain a mutually beneficial relationship with this unique desert setting.

You do, however, need to receive approval from Oro Valley for code compliance and safety issues such as structural engineering and fire control before they can issue you a permit. This La Reserve approval process, speeds up the process of the town and lessens the resources that the town and a developer or land owner needs to provide for development in La Reserve.

This letter serves as notice that your model home plan "Plan 4006" has been approved by the Architectural Committee. Once a final lot has been selected for this model, the Architectural Committee would need to perform a final approval of your site plan, lighting and landscaping before Oro Valley would allow a building permit to be issued.

Sincerely,

C. John Schoof II
President

La Reserve Home Owners Association
7493 N. Oracle Road, Suite 125, Tucson, AZ 85704



Town Council Regular Session

Item # **E.**

Meeting Date: 12/04/2013

Requested by: Daniel G. Sharp **Submitted By:** Colleen Muhr, Police Department

Department: Police Department

Information

SUBJECT:

Resolution No. (R)13-68, authorizing and approving a subgrantee agreement between the Town of Oro Valley and the Arizona Department of Homeland Security to fund overtime and mileage under the Operation Stonegarden program

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

Informational Item 1 on the March 20, 2013, Town Council agenda provided information that advises the Council of the Police Department's proposal to the State of Arizona Department of Homeland Security (AZDOHS) of funding under the federal fiscal year 2013 guidelines. On November 4, 2013, the Police Department received notice of the award of funding for overtime and mileage.

The Town of Oro Valley wishes to enter into this subgrantee agreement with the AZDOHS to fund overtime and mileage for officers deployed under the Operation Stonegarden program.

This partnership between the Town, U.S. Customs and Border Protection and other federal and local law enforcement agencies brings unique benefits to the Town and the Oro Valley community.

BACKGROUND OR DETAILED INFORMATION:

The grant application was made to work in a regional partnership with other local law enforcement agencies and the U.S. Border Patrol Tucson Sector to reduce crime and improve the quality of life for the residents and visitors of Oro Valley. This grant will use targeted deployments of officers and canine units to impact the flow of smugglers transporting humans and illegal contraband, as well as possible terrorists who intend to cause harm or commit crimes against this nation.

FISCAL IMPACT:

The approved FY 2013/2014 budget includes the capacity, in the appropriate category, for this award. Fiscal impact is \$73,920.00 received by the Town through grant funding.

SUGGESTED MOTION:

I MOVE to (approve or deny) Resolution No. (R)13-68, authorizing and approving a subgrantee agreement between the Town of Oro Valley and the Arizona Department of Homeland Security to fund overtime and mileage under the Operation Stonegarden program.

Attachments

(R)13-68 Fund Overtime and Mileage
Subgrantee Agreement OT/Mileage

RESOLUTION NO. (R)13-68

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING A SUBGRANTEE AGREEMENT BETWEEN THE TOWN OF ORO VALLEY AND THE ARIZONA DEPARTMENT OF HOMELAND SECURITY TO FUND OVERTIME AND MILEAGE UNDER THE OPERATION STONEGARDEN PROGRAM

WHEREAS, the Arizona Department of Homeland Security (AZDOHS) requires participating jurisdictions to enter into a Subgrantee Agreement to receive the funds granted under the Operation Stonegarden Program; and

WHEREAS, the Town of Oro Valley's allocation under the grant is a maximum of \$72,600.00 which will be used to fund overtime and mileage under the Operation Stonegarden Program for deployments with the U.S. Department of Homeland Security Bureau of Customs and Border Protection; and

WHEREAS, it is in the best interest of the Town of Oro Valley to enter into the Subgrantee Agreement (attached hereto as Exhibit "A" and incorporated herein by this reference) in order to receive funds which will be used to fund overtime and mileage under the Operation Stonegarden Program for deployments with the U.S. Department of Homeland Security Bureau of Customs and Border Protection.

NOW THEREFORE BE IT RESOLVED by the Mayor and Town Council of the Town of Oro Valley, Arizona, that:

1. The Subgrantee Agreement between the Town of Oro Valley, for the benefit of the Oro Valley Police Department and the Arizona Department of Homeland Security, attached hereto as Exhibit "A" and incorporated herein by this reference, to fund overtime and mileage under the Operation Stonegarden Program for deployments with the U.S. Department of Homeland Security Bureau of Customs and Border Protection is hereby authorized and approved.
2. The Mayor and other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the terms of the Subgrantee Agreement.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona this 4th day of December, 2013.

TOWN OF ORO VALLEY, ARIZONA

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Sidles, Legal Services Director

Date: _____

Date: _____

EXHIBIT “A”

SUBGRANTEE AGREEMENT
Operation Stonegarden Overtime and Mileage

13-AZDOHS-OPSG- 130428-01

Enter Grant Agreement Number above (e.g., 130xxx-xx)

Between

The Arizona Department of Homeland Security
And

Oro Valley Police Department

Enter the Name of the Subrecipient Agency Above

WHEREAS, A.R.S. § 41-4254 charges the Arizona Department of Homeland Security (AZDOHS) with the responsibility of administering funds.

THEREFORE, it is agreed that the AZDOHS shall provide funding to the

Oro Valley Police Department

Enter the Name of the Subrecipient Agency Above

(subrecipient) for services under the terms of this Grant Agreement.

I. PURPOSE OF AGREEMENT

The purpose of this Agreement is to specify the responsibilities and procedures for the subrecipient's role in administering homeland security grant funds.

II. TERM OF AGREEMENT, TERMINATION AND AMENDMENTS

This Agreement shall become effective on **November 1, 2013** and shall terminate on **December 31, 2014**. The obligations of the subrecipient as described herein will survive termination of this agreement.

III. DESCRIPTION OF SERVICES

The subrecipient shall provide the services for the State of Arizona, Arizona Department of Homeland Security as approved in the grant application titled **OPSG Overtime and Mileage** and funded at \$ 72,600.00 (as may have been modified by the award letter).

Enter Funded Amount above

IV. MANNER OF FINANCING

The AZDOHS shall:

a) Provide up to \$ 72,600.00 to the subrecipient for services provided under Paragraph III. Enter Funded Amount above

b) Payment made by the AZDOHS to the subrecipient shall be on a reimbursement basis only and is conditioned upon receipt of proof of payment and applicable, accurate and complete reimbursement documents, as deemed necessary by the AZDOHS, to be submitted by the subrecipient. A listing of acceptable documentation can be found at www.azdohs.gov. Payments will be contingent upon receipt of all reporting requirements of the subrecipient under this Agreement.

V. FISCAL RESPONSIBILITY

It is understood and agreed that the total amount of the funds used under this Agreement shall be used only for the project as described in the application. Any modification to quantity or scope of work must be preapproved in writing by the AZDOHS. Therefore, should the project not be completed, the subrecipient shall reimburse said funds directly to the AZDOHS immediately. If the project is completed at a lower cost than the original budget called for, the amount reimbursed to the subrecipient shall be for only the amount of dollars actually spent by the subrecipient in accordance with the approved application. For any funds received under this Agreement for which expenditure is disallowed by an audit exemption or otherwise by the AZDOHS, the State, or Federal government, the subrecipient shall reimburse said funds directly to the AZDOHS immediately.

VI. FINANCIAL AUDIT/PROGRAMATIC MONITORING

The subrecipient agrees to terms specified in A.R.S. § 35-214 and § 35-215.

- a) In addition, in compliance with the Federal Single Audit Act (31 U.S.C. par. 7501-7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104 to 156), the subrecipient must have an annual audit conducted in accordance with OMB Circular #A-133 ("Audits of States, Local Governments, and Non-profit Organizations") if the subrecipient expends more than \$500,000 from Federal awards. If the subrecipient has expended more than \$500,000 in Federal dollars, a copy of the subrecipient's audit report for the previous fiscal year and subsequent years within the period of performance is due annually to AZDOHS by March 31st.
- b) Subrecipients will be monitored periodically by the AZDOHS staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met. Monitoring will be accomplished through a combination of office-based reviews and onsite monitoring visits. Monitoring can involve aspects of the work involved under this contract including but not limited to the review and analysis of the financial, programmatic, equipment, performance and administrative issues relative to each program and will identify areas where technical assistance and other support may be needed.

VII. APPLICABLE FEDERAL REGULATIONS

The subrecipient must comply with the Funding Opportunity Announcement (FOA), Office of Management and Budget (OMB) Circulars Code of Federal Regulations (CFR) and other Federal guidance including but not limited to:

- a) 44 CFR Chapter 1, Federal Emergency Management Agency, Department of Homeland Security at http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfrv1_07.html.
- b) 2 CFR 225 Cost Principles for State, Local & Indian Tribal Governments (A-87 OMB Circular), at http://www.access.gpo.gov/nara/cfr/waisidx_07/2cfr225_07.html. Cost Principles: 2 CFR Part 225, State and Local Governments; 2 CFR Part 220, Educational Institutions; 2 CFR Part 230, Non-Profit Organizations; Federal Acquisition Regulation Sub-part 31.2, Contracts with Commercial Organizations. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>.

- c) 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (formerly OMB Circular A-102), at http://149.168.212.15/mitigation/Library/44_CFR-Part_13.pdf. U.S. Department of Homeland Security Authorized Equipment List (AEL), at <https://www.rkb.mipt.org/ael.cfm> 2 CFR Part 215, Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.
- d) 28 CFR applicable to grants and cooperative agreements, including Part II, Applicability of Office of Management and Budget Circulars; Part 18, Administrative Review Procedure; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence System Operating Policies; Part 42, Non-discrimination Equal Employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; and Part 66, Uniform Administrative Requirements for Grants and Co-operative Agreements to State and Local Government.

Included within the above mentioned guidance documents are provisions for the following:

National Incident Management System (NIMS)

The subrecipient agrees to remain in compliance with National Incident Management System (NIMS) Implementation initiatives as outlined in the FOA.

Environmental Planning and Historic Preservation

The subrecipient shall comply with all applicable Federal, State, and Local environmental and historic preservation (EHP) requirements and shall provide any information requested by FEMA to ensure compliance with applicable laws including: National Environmental Policy Act, National Historic Preservation Act, Endangered Species Act, and Executive Orders on Floodplains (11988), Wetlands (11990) and Environmental Justice (12898). Subrecipient shall not undertake any project having the potential to impact EHP resources without the prior approval of AZDOHS/FEMA, including but not limited to communications towers, physical security enhancements, new construction, and modifications to buildings that are 50 years old or greater. Subrecipient must comply with all conditions placed on the project as the result of the EHP review. Any change to the approved project scope of work will require re-evaluation for compliance with these EHP requirements. If ground disturbing activities occur during project implementation, the subrecipient must ensure monitoring of ground disturbance and if any potential archeological resources are discovered, the subrecipient will immediately cease construction in that area and notify FEMA and the appropriate State Historic Preservation Office. Procurement and construction activities shall not be initiated prior to the full environmental and historic preservation review.

Consultants/Trainers/Training Providers

Billings for consultants/trainers/training providers must include at a minimum: a description of services; dates of services; number of hours for services performed; rate charged for services; and, the total cost of services performed. Consultant/trainer/training provider costs must be within the prevailing rates; must be obtained under consistent treatment with the procurement policies of the subrecipient and 44 CFR Chapter 1, Part 13; and shall not exceed the maximum of \$450 per day per consultant/trainer/training provider unless prior written approval is granted by the AZDOHS. In addition to the per day \$450 maximum amount, the consultant/trainer/training provider may be reimbursed

reasonable travel, lodging, and per diem not to exceed the state rate. Itemized receipts are required for lodging and travel reimbursements. The subrecipient will not be reimbursed costs other than travel, lodging, and per diem on travel days for consultants/trainers/training providers.

Contractors/Subcontractors

The subrecipient may enter into written subcontract(s) for performance of certain of its functions under the contract in accordance with terms established in the OMB Circulars, Code of Federal Regulations, DHS Guidance/FOA and DHS Program Guidance. The subrecipient agrees and understands that no subcontract that the subrecipient enters into with respect to performance under this Agreement shall in any way relieve the subrecipient of any responsibilities for performance of its duties. The subrecipient shall give the AZDOHS immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the subrecipient by any subcontractor or vendor which in the opinion of the subrecipient may result in litigation related in any way to the Agreement with the AZDOHS.

Personnel and Travel Costs

All grant funds expended for personnel, travel, lodging, and per diem must be consistent with the subrecipient's policies and procedures; and the State of Arizona Accounting Manual (SAAM); must be applied uniformly to both federally financed and other activities of the agency; and will be reimbursed at the most restrictive allowability and rate. At no time will the subrecipient's reimbursement(s) exceed the State rate established by the Arizona Department of Administration, General Accounting Office Travel Policies: <http://www.gao.state.gov>.

Procurement

The subrecipient shall comply with all internal agency procurement rules/policies and must also comply with Federal procurement rules/policies as outlined in section VII and all procurement must comply with Arizona State procurement code and rules. The Federal intent is that all Homeland Security Funds are awarded competitively. The subrecipient shall not enter into a Noncompetitive (Sole or Single Source) procurement agreement, unless prior written approval is granted by the AZDOHS. The Noncompetitive Procurement Request Form and instructions are located on the AZDOHS website, <http://www.azdohs.gov/Documents/Grants/NoncompetitiveProcurementRequestForm.xls>.

Training and Exercise

The subrecipient agrees that any grant funds used for training and exercise must be in compliance with the FOA. All training must be approved through the ADEM/AZDOHS training request process prior to execution of training contract(s). All exercises must utilize the FEMA Homeland Security Exercise and Evaluation Program (HSEEP) Toolkit for exercise design, development and scheduling. Subrecipient agrees to:

- a) Submit the HSEEP Toolkit Exercise Summary to AZDOHS with all Exercise Reimbursement Requests.
- b) Post all exercises, documentation and After Action Reports/Improvement Plans via the HSEEP Toolkit.

- c) Within 60 days of completion of an exercise, or as prescribed by the most recent HSEEP guidance, the exercise host subrecipient is required to upload the AAR/IP into the HSEEP Toolkit and email the AAR/IP to the local County Emergency Manager, the FEMA Region IX Exercise POC, HSEEP@dhs.gov, the AZDOHS Strategic Planner, and the Arizona Department of Emergency Management (ADEM) Exercise Officer.

Nonsupplanting Agreement

The subrecipient shall not use funds to supplant State or Local funds or other resources that would otherwise have been made available for this program/project. Further, if a position created by a grant is filled from within, the vacancy created by this action must be filled within thirty (30) days. If the vacancy is not filled within thirty (30) days, the subrecipient must stop charging the grant for the new position. Upon filling the vacancy, the subrecipient may resume charging for the grant position.

E-Verify

Compliance requirements for A.R.S. § 41-4401—immigration laws and E-Verify requirement.

- a) The subrecipient warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program).
- b) A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the subrecipient may be subject to penalties up to and including termination of the Agreement.
- c) The AZDOHS retains the legal right to inspect the papers of any employee who works on the Agreement to ensure that the subrecipient is complying with the warranty under paragraph (a) above.

Property Control

Effective control and accountability must be maintained for all property. The subrecipient must adequately safeguard all such property and must assure that it is used for authorized purposes as described in the FOA, grant application, and Code of Federal Regulations (CFRs). The subrecipient shall exercise caution in the use, maintenance, protection and preservation of such property.

- a) Equipment shall be used by the subrecipient in the program or project for which it was acquired as long as needed, whether or not the program or project continues to be supported by federal grant funds. Theft, destruction, or loss of property shall be reported to the AZDOHS immediately.
- b) Nonexpendable Property is property which has a continuing use, is not consumed in use, is of a durable nature with an expected service life of one or more years, has an acquisition cost of \$300 (Three Hundred Dollars) or more, and does not become a fixture or lose its identity as a component of other equipment or plant.
- c) A Capital Asset is any personal or real property, or fixture that has an acquisition cost of \$5,000 (Five Thousand Dollars) or more per unit and a useful life of more than one year. If the Capital Asset current value is equal to or greater than \$5,000 at the end of life or required project activities is discontinued, the subrecipient must request and

receive authorization from AZDOHS prior to disposition. The Equipment Disposition Request form and Guidance is located on the AZDOHS website, <http://www.azdohs.gov/Documents>.

- d) A Property Control Form (if applicable) shall be maintained for the entire scope of the program or project for which property was acquired through the end of its useful life and/or disposition. All Nonexpendable Property and Capital Assets must be included on the Property Control Form. The subrecipient shall provide AZDOHS a copy of the Property Control Form with the final reimbursement request form, or no more than **forty-five (45) calendar days** after the end of the Agreement. The Property Control Form shall be updated and a copy provided to AZDOHS no more than forty-five (45) calendar days after equipment disposition, if applicable. The disposition of equipment shall be in compliance with the AZDOHS Disposition Guidance.
- e) Upon submission of the final quarterly programmatic report the subrecipient must file with the AZDOHS a copy of the Property Control Form. The subrecipient agrees to be subject to equipment monitoring and auditing by state or federal authorized representatives to verify information.
- f) A physical inventory of the Nonexpendable Property and Capital Assets must be taken and the results reconciled with the Property Control Form at least once every two years.
 - (1) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
 - (2) Adequate maintenance procedures must be developed to keep the property in good condition.

Allowable Costs

The allowability of costs incurred under this agreement shall be determined in accordance with the general principles of allowability and standards for selected cost items as set forth in the applicable OMB Circulars, Code of Federal Regulations, authorized equipment lists and guidance documents referenced above.

- a) The subrecipient agrees that grant funds are not to be expended for any indirect costs that may be incurred by the subrecipient for administering these funds.
- b) The subrecipient agrees that grant funds are not to be expended for any Management and Administrative (M&A) costs that may be incurred by the subrecipient for administering these funds unless explicitly applied for and approved in writing by the AZDOHS and shall be in compliance with the FOA.

VIII. DEBARMENT CERTIFICATION

The subrecipient agrees to comply with the Federal Debarment and Suspension regulations as outlined in the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions."

IX. FUNDS MANAGEMENT

The subrecipient must maintain funds received under this Agreement in separate ledger accounts and cannot mix these funds with other sources. The subrecipient must manage funds according to applicable Federal regulations for administrative requirements, costs principles, and audits.

The subrecipient must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are:

- Financial Management
- Procurement
- Personnel
- Property
- Travel

A system is adequate if it is 1) written; 2) consistently followed – it applies in all similar circumstances; and 3) consistently applied – it applies to all sources of funds.

X. REPORTING REQUIREMENTS

Regular reports by the subrecipient shall include:

a) Programmatic Reports

The subrecipient shall provide quarterly programmatic reports to the AZDOHS within fifteen (15) working days of the last day of the quarter in which services are provided. The subrecipient shall use the form provided by the AZDOHS to submit quarterly programmatic reports. The report shall contain such information as deemed necessary by the AZDOHS. The subrecipient shall use the Quarterly Programmatic Report Format template, which is posted at www.azdohs.gov. If the scope of the project has been fully completed and implemented, and there will be no further updates, then the quarterly programmatic report for the quarter in which the project was completed will be sufficient as the final report. The report should be marked as final and should be inclusive of all necessary and pertinent information regarding the project as deemed necessary by the AZDOHS. Quarterly programmatic reports shall be submitted to the AZDOHS until the entire scope of the project is completed

b) Quarterly Programmatic Reports are due:

January 15 (period October 1– December 31)

April 15 (period January 1 – March 31)

July 15 (period April 1 – June 30)

October 15 (period July 1 – September 30)

c) Property Control Form – if applicable

The subrecipient shall provide AZDOHS a copy of the Property Control Form the final reimbursement request form, or no more than **forty-five (45) calendar days** after the end of the Agreement. The Property Control Form shall be updated and provide a copy to AZDOHS no more than forty-five (45) calendar days after equipment disposition, if applicable. The disposition of equipment must be in compliance with the AZDOHS Disposition Guidance.

d) The Grant Funded Typed Resource Report – if applicable

The subrecipient shall email the AZDOHS Strategic Planner a copy of the Grant Funded Typed Resource Report no more than **forty-five (45) calendar days** after the end of the Agreement

<http://www.azdohs.gov/Documents/Grants/GrantFundedTypedResourceReport.xlsx>.

e) Financial Reimbursements

The subrecipient shall provide as frequently as monthly but not less than quarterly requests for reimbursement. Reimbursements shall be submitted with the Reimbursement Form provided by the AZDOHS staff. The subrecipient shall submit a final reimbursement for expenses received and invoiced prior to the end of the termination of this Agreement no more than **forty-five (45) calendar days** after

the end of the Agreement. Requests for reimbursement received later than the forty-five (45) days after the Agreement termination will not be paid. The final reimbursement request as submitted shall be marked FINAL.

The AZDOHS requires that all requests for reimbursement are submitted via U.S. mail (United States Postal Service), FedEx, UPS, etc...or in person. Reimbursements submitted via fax or by any electronic means will not be accepted.

The AZDOHS reserves the right to request and/or require any supporting documentation it feels necessary in order to process reimbursements.

All reports shall be submitted to the contact person as described in Paragraph XXXIX, NOTICES, of this Agreement.

XI. ASSIGNMENT AND DELEGATION

The subrecipient may not assign any rights hereunder without the express, prior written consent of both parties.

XII. AMENDMENTS

Any change in this Agreement including but not limited to the Description of Services and budget described herein, whether by modification or supplementation, must be accomplished by a formal Agreement amendment signed and approved by and between the duly authorized representative of the subrecipient and the AZDOHS.

Any such amendment shall specify: 1) an effective date; 2) any increases or decreases in the amount of the subrecipient's compensation if applicable; 3) be titled as an "Amendment," and 4) be signed by the parties identified in the preceding sentence. The subrecipient expressly and explicitly understands and agrees that no other method of communication, including any other document, correspondence, act, or oral communication by or from any person, shall be used or construed as an amendment or modification or supplementation to this Agreement.

XIII. US DEPARTMENT OF HOMELAND SECURITY AGREEMENT ARTICLES

Article I – Acceptance of Post Award Changes

In the event FEMA determines that changes are necessary to the award document after an award has been made, including changes to period of performance or terms and conditions, recipients will be notified of the changes in writing. Once notification has been made, any subsequent request for funds will indicate recipient acceptance of the changes to the award.

Article II - Compliance with Funding Opportunity Announcement

The recipient agrees that all allocations and use of funds under this grant will be in accordance with the Funding Opportunity Announcement.

Article III - DHS Specific Acknowledgements and Assurances

All recipients of financial assistance must acknowledge and agree—and require any sub-recipients, contractors, successors, transferees, and assignees acknowledge and agree—to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff.

1. Recipients must cooperate with any compliance review or complaint investigation conducted by DHS.

2. Recipients must give DHS access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations and other applicable laws or program guidance.
3. Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.
4. Recipients must comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.
5. If, during the past three years, the recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties.
6. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.

Article IV - Use of DHS Seal, Logo and Flags

All recipients must obtain DHS's approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

Article V - USA Patriot Act of 2001

All recipients must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c. Among other things, the USA PATRIOT Act prescribes criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a quantity that is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose.

Article VI - Trafficking Victims Protection Act of 2000

All recipients of financial assistance will comply with the requirements of the government-wide award term which implements Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104), located at 2 CFR Part 175. This is implemented in accordance with OMB Interim Final Guidance, Federal Register, Volume 72, No. 218, November 13, 2007. In accordance with the statutory requirement, in each agency award under which funding is provided to a private entity, Section 106(g) of the TVPA, as amended, requires the agency to include a condition that authorizes the agency to terminate the award, without penalty, if the recipient or a subrecipient —

(a) Engages in severe forms of trafficking in persons during the period of time that the award is in effect;

(b) Procures a commercial sex act during the period of time that the award is in effect; or

(c) Uses forced labor in the performance of the award or subawards under the award. Full text of the award term is provided at 2 CFR § 175.15.

Article VII - Non-supplanting Requirement

All recipients must ensure that Federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-Federal sources. Applicants or award recipients may be required to demonstrate and document that a reduction in non-Federal resources occurred for reasons other than the receipt of expected receipt of Federal funds.

Article VIII - Lobbying Prohibitions

All recipients must comply with 31 U.S.C. § 1352, which provides that none of the funds provided under an award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action concerning the award or renewal.

Article IX - Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. §2225(a), all recipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225.

Article X - Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: Travel supported by U.S. Government funds requirement, which states preference for the use of U.S. flag air carriers (air carriers holding certificates under 49 U.S.C. §41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942.

Article XI - Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any Federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 and form SF-424, item number 17 for additional information and guidance.

Article XII - False Claims Act and Program Fraud Civil Remedies

All recipients must comply with the requirements of 31 U.S.C. § 3729 which set forth that no recipient of federal payments shall submit a false claim for payment. See also 38 U.S.C. § 3801-3812 which details the administrative remedies for false claims and statements made.

Article XIII - Duplication of Benefits

State, Local and Tribal Recipients must comply with 2 CFR Part §225, Appendix A, paragraph (C)(3)(c), which provides that any cost allocable to a particular Federal award or cost objective under the principles provided for in this authority may not be charged to other Federal awards to overcome fund deficiencies.

Article XIV - Drug-Free Workplace Regulations

All recipients must comply with the Drug-Free Workplace Act of 1988 (412 U.S.C. § 701 et seq.), which requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. These regulations are codified at 2 CFR 3001.

Article XV - Debarment and Suspension

All recipients must comply with Executive Orders 12549 and 12689, which provide protection against waste, fraud and abuse by debaring or suspending those persons deemed irresponsible in their dealings with the Federal government.

Article XVI - Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. § 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards, unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations).

Article XVII - Best Practices for Collection and Use of Personally Identifiable Information (PII)

All award recipients who collect PII are required to have a publically-available privacy policy that describes what PII they collect, how they use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate. Award recipients may also find as a useful resource the DHS Privacy Impact Assessments:

http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_guidance_june2010.pdf
and
http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_template.pdf, respectively.

Article XVIII - Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

Article XIX - Acknowledgement of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal funds.

Article XX - Assurances, Administrative Requirements and Cost Principles

a. Recipients of DHS federal financial assistance must complete OMB Standard Form 424B Assurances – Non-Construction Programs. Certain assurances in this form may not be applicable to your project or program, and the awarding agency may require applicants to certify to additional assurances. Please contact the program awarding office if you have any questions. The administrative requirements that apply to DHS award recipients originate from two sources:

- Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (also known as the “A-102 Common Rule”). These A-102 requirements are also located within DHS regulations at Title 44, Code of Federal Regulations (CFR) Part 13.
- OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non- Profit Organizations, relocated to 2 CFR Part 215.

b. The cost principles that apply to DHS award recipients through a grant or cooperative agreement originate from one of the following sources:

- OMB Circular A-21, Cost Principles for Educational Institutions, relocated to 2 CFR Part 220.
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225.
- OMB Circular A-122, Cost Principles for Non-Profit Organizations, relocated to 2 CFR Part 230. The audit requirements for State, Local and Tribal recipients of DHS awards originate from:
- OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

XIV. OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to security and identity protection concerns, all services under this Agreement shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by subcontractors at all tiers.

XV. AGREEMENT RENEWAL

This Agreement shall not bind nor purport to bind the AZDOHS for any contractual commitment in excess of the original Agreement period.

XVI. RIGHT TO ASSURANCE

If the AZDOHS in good faith has reason to believe that the subrecipient does not intend to, or is unable to perform or continue performing under this Agreement, the AZDOHS may demand in writing that the subrecipient give a written assurance of intent to perform. If the subrecipient fails to provide written assurance within the number of days specified in the demand, the AZDOHS at its option may terminate this Agreement.

XVII. CANCELLATION FOR CONFLICT OF INTEREST

The AZDOHS may, by written notice to the subrecipient, immediately cancel this Agreement without penalty or further obligation pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the State or its subdivisions (unit of Local Government) is an employee or agent of any other party in any capacity or a consultant to any other party to the Agreement with respect to the subject matter of the Agreement. Such cancellation shall be effective when the parties to the Agreement receive written notice from the AZDOHS, unless the notice specifies a later time.

XVIII. THIRD PARTY ANTITRUST VIOLATIONS

The subrecipient assigns the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to subrecipient toward fulfillment of this Agreement.

XIX. AVAILABILITY OF FUNDS

Every payment obligation of the AZDOHS under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligations. If the funds are not allocated and available for the continuance of this Agreement, the AZDOHS may terminate this Agreement at the end of the period for which funds are available. No liability shall accrue to the AZDOHS in the event this provision is exercised, and the AZDOHS shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph, including purchases and/or contracts entered into by the subrecipient in the execution of this Agreement.

XX. FORCE MAJEURE

If either party hereto is delayed or prevented from the performance of any act required in this Agreement by reason of acts of God, strikes, lockouts, labor disputes, civil disorder, or other causes without fault and beyond the control of the party obligated, performance of such act will be excused for the period of the delay.

XXI. PARTIAL INVALIDITY

Any term or provision of this Agreement that is hereafter declared contrary to any current or future law, order, regulation, or rule, or which is otherwise invalid, shall be deemed stricken from this Agreement without impairing the validity of the remainder of this Agreement.

XXII. ARBITRATION

In the event of any dispute arising under this Agreement, written notice of the dispute must be provided to the other party within thirty (30) days of the events giving the rise to the dispute. The subrecipient agrees to terms specified in A.R.S. § 12-1518.

XXIII. GOVERNING LAW AND CONTRACT INTERPRETATION

- a) This Agreement shall be governed and interpreted in accordance with the laws of the State of Arizona.
- b) This Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms in this document.
- c) Either party's failure to insist on strict performance of any term or condition of the Agreement shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object.

XXIV. ENTIRE AGREEMENT

This Agreement and its Exhibits constitute the entire Agreement between the parties hereto pertaining to the subject matter hereof and may not be changed or added to except by a writing signed by all parties hereto in conformity with Paragraph X, REPORTING REQUIREMENTS; provided; however, that the AZDOHS shall have the right to immediately amend this Agreement so that it complies with any new legislation, laws, ordinances, or rules affecting this Agreement. The subrecipient agrees to comply

with any such amendment within ten (10) business days of receipt of a fully executed amendment. All prior and contemporaneous agreements, representations, and understandings of the parties, oral, written, pertaining to the subject matter hereof, are hereby superseded or merged herein.

XXV. RESTRICTIONS ON LOBBYING

The subrecipient shall not use funds made available to it under this Agreement to pay for, influence, or seek to influence any officer or employee of a State or Federal government.

XXVI. LICENSING

The subrecipient, unless otherwise exempted by law, shall obtain and maintain all licenses, permits, and authority necessary to perform those acts it is obligated to perform under this Agreement.

XXVII. NON-DISCRIMINATION

The subrecipient shall comply with all State and Federal equal opportunity and non-discrimination requirements and conditions of employment, including the Americans with Disabilities Act, in accordance with A.R.S. title 41, Chapter 9, Article 4 and Executive Order 2009-09.

XXVIII. SECTARIAN REQUESTS

Funds disbursed pursuant to this Agreement may not be expended for any sectarian purpose or activity, including sectarian worship or instruction in violation of the United States or Arizona Constitutions.

XXIX. SEVERABILITY

The provisions of this Agreement are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Agreement.

XXX. ADVERTISING AND PROMOTION OF AGREEMENT

The subrecipient shall not advertise or publish information for commercial benefit concerning this Agreement without the written approval of the AZDOHS.

XXXI. OWNERSHIP OF INFORMATION, PRINTED AND PUBLISHED MATERIAL

The AZDOHS reserves the right to review and approve any publications funded or partially funded through this Agreement. All publications funded or partially funded through this Agreement shall recognize the AZDOHS and the U.S. Department of Homeland Security. The U.S. Department of Homeland Security and the AZDOHS shall have full and complete rights to reproduce, duplicate, disclose, perform, and otherwise use all materials prepared under this Agreement.

The subrecipient agrees that any report, printed matter, or publication (written, visual, or sound, but excluding press releases, newsletters, and issue analyses) issued by the subrecipient describing programs or projects funded in whole or in part with Federal funds shall contain the following statement:

"This document was prepared under a grant from U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of the U.S. Department of Homeland Security."

The subrecipient also agrees that one copy of any such publication, report, printed matter, or publication shall be submitted to the AZDOHS to be placed on file and distributed as appropriate to other potential sub-recipients or interested parties. The AZDOHS may waive the requirement for submission of any specific publication upon submission of a request providing justification from the subrecipient.

The AZDOHS and the subrecipient recognize that research resulting from this Agreement has the potential to become public information. However, prior to the termination of this Agreement, the subrecipient agrees that no research-based data resulting from this Agreement shall be published or otherwise distributed in any form without express written permission from the AZDOHS and possibly the U.S. Department of Homeland Security. It is also agreed that any report or printed matter completed as a part of this agreement is a work for hire and shall not be copyrighted by the subrecipient.

XXXII. CLOSED-CAPTIONING OF PUBLIC SERVICE ANNOUNCEMENTS

Any television public service announcement that is produced or funded in whole or in part by the subrecipient shall include closed captioning of the verbal content of such announcement.

XXXIII. INDEMNIFICATION

To the extent permitted by law, each party (as indemnitor) agrees to indemnify, defend and hold harmless the other party (as indemnitee) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as claims) arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.

XXXIV. TERMINATION

- a) All parties reserve the right to terminate the Agreement in whole or in part due to the failure of the subrecipient or the grantor to comply with any term or condition of the Agreement, to acquire and maintain all required insurance policies, bonds, licenses and permits or to make satisfactory progress in performing the Agreement. The staff of either party shall provide a written thirty (30) day advance notice of the termination and the reasons for it.
- b) If the subrecipient chooses to terminate the contract before the grant deliverables have been met then the AZDOHS reserves the right to collect all reimbursements distributed to the subrecipient.
- c) The AZDOHS may, upon termination of this Agreement, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Agreement. The subrecipient shall be liable to the AZDOHS for any excess costs incurred by the AZDOHS in procuring materials or services in substitution for those due from the subrecipient.

XXXV. CONTINUATION OF PERFORMANCE THROUGH TERMINATION

The subrecipient shall continue to perform, in accordance with the requirements of the Agreement, up to the date of termination, as directed in the termination notice.

XXXVI. PARAGRAPH HEADINGS

The paragraph headings in this Agreement are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the scope, construction, or interpretation of this Agreement or any of its provisions.

XXXVII. COUNTERPARTS

This Agreement may be executed in any number of counterparts, copies, or duplicate originals. Each such counterpart, copy, or duplicate original shall be deemed an original, and collectively they shall constitute one agreement.

XXXVIII. AUTHORITY TO EXECUTE THIS AGREEMENT

Each individual executing this Agreement on behalf of the subrecipient represents and warrants that he or she is duly authorized to execute this Agreement.

XXXIX. SPECIAL CONDITIONS

- a) The subrecipient must comply with the most recent version of the Administrative Requirements, Cost Principles, and Audit requirements
- b) The subrecipient acknowledges that U.S. Department of Homeland Security and the AZDOHS reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: (a) the copyright in any work developed under an award or sub-award; and (2) any rights of copyright to which a subrecipient purchases ownership with Federal support. The subrecipient shall consult with the AZDOHS regarding the allocation of any patent rights that arise from, or are purchased with, this funding.
- c) The subrecipient agrees that, when practicable, any equipment purchased with grant funding shall be prominently marked as follows: **"Purchased with funds provided by the U.S. Department of Homeland Security."**
- d) The subrecipient agrees to cooperate with any assessments, state/national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this agreement.
- e) The subrecipient is prohibited from transferring funds between programs (State Homeland Security Program, Urban Area Security Initiative, Citizen Corps Program, Operation Stonegarden, and Metropolitan Medical Response System).

XL. NOTICES

Any and all notices, requests, demands, or communications by either party to this Agreement, pursuant to or in connection with this Agreement shall be in writing be delivered in person or shall be sent to the respective parties at the following addresses:

Arizona Department of Homeland Security
1700 West Washington, Suite 210
Phoenix, AZ 85007

The subrecipient shall address all programmatic and reimbursement notices relative to this Agreement to the appropriate the AZDOHS staff; contact information at www.azdohs.gov.

The AZDOHS shall address all notices relative to this Agreement to:

Commander Jason Larter

Enter Title, First & Last Name above
Oro Valley Police Department

Enter Agency Name above
11000 N. LaCañada Drive

Enter Street Address
Oro Valley, AZ 85737

Enter City, State, ZIP

XLI. IN WITNESS WHEREOF

The parties hereto agree to execute this Agreement.

FOR AND BEHALF OF THE

Oro Valley Police Department

Enter Agency Name above

Authorized Signature above
Mayor Satish I. Hiremath, D.D.S.

Print Name & Title above

Enter Date above

FOR AND BEHALF OF THE

Arizona Department of Homeland Security

Gilbert M. Orrantia
Director

Date

(Please be sure to complete and mail two original documents to the Arizona Department of Homeland Security.)



Town Council Regular Session

Item # **F.**

Meeting Date: 12/04/2013

Requested by: Daniel G. Sharp **Submitted By:** Colleen Muhr, Police Department

Department: Police Department

Information

SUBJECT:

Resolution No. (R)13-69, authorizing and approving a subgrantee agreement between the Town of Oro Valley and the Arizona Department of Homeland Security to fund the purchase of equipment under the Operation Stonegarden program

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

Informational Item 1 on the March 20, 2013, Town Council agenda provided information advising the Council of the Police Department's proposal to the State of Arizona Department of Homeland Security (AZDOHS) for funding under the federal fiscal year 2013 guidelines. On November 4, 2013, the Police Department was awarded funding to purchase the proposed equipment.

The Town of Oro Valley wishes to enter into a subgrantee agreement with the AZDOHS to fund the purchase of equipment to support officers deployed under the Operation Stonegarden program.

This partnership between the Town, U.S. Customs and Border Protection and other federal and local law enforcement agencies brings unique benefits to the Town and its community.

BACKGROUND OR DETAILED INFORMATION:

The grant application was made to work in a regional partnership with other local law enforcement agencies and the U.S. Border Patrol Tucson Sector to reduce crime and improve the quality of life for the residents and visitors of Oro Valley. This grant will provide equipment for officers assigned to deployments which is intended to impact the flow of smugglers transporting humans and illegal contraband, as well as possible terrorists who intend to cause harm or commit crimes against this nation.

As a result, AZDOHS has awarded funding for hand held thermal imaging equipment, helmets for night vision goggles, infra-red flashlights, and radio microphone earpieces to support officers deployed under the Operation Stonegarden program.

FISCAL IMPACT:

The approved FY 2013/2014 budget includes the capacity, in the appropriate category, for this award. Fiscal impact is \$11,550.00 received by the Town through grant funding.

SUGGESTED MOTION:

I MOVE to (approve or deny) Resolution No. (R)13-69, authorizing and approving a subgrantee agreement between the Town of Oro Valley and the Arizona Department of Homeland Security to fund the purchase of equipment under the Operation Stonegarden program.

Attachments

(R)13-69 Funding Purchase of Equipment
Equipment Subgrantee Agreement

RESOLUTION NO. (R)13-69

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING A SUBGRANTEE AGREEMENT BETWEEN THE TOWN OF ORO VALLEY AND THE ARIZONA DEPARTMENT OF HOMELAND SECURITY TO FUND THE PURCHASE OF EQUIPMENT UNDER THE OPERATION STONEGARDEN PROGRAM

WHEREAS, the Arizona Department of Homeland Security requires participating jurisdictions to enter into a Subgrantee Agreement to receive the funds granted under the Operation Stonegarden Program; and

WHEREAS, the Town of Oro Valley's allocation under the grant is a maximum of \$11,550.00 which will be used to fund the purchase of equipment under the Operation Stonegarden Program for deployments with the U.S. Department of Homeland Security Bureau of Customs and Border Protection; and

WHEREAS, it is in the best interest of the Town of Oro Valley to enter into the Subgrantee Agreement (attached hereto as Exhibit "A" and incorporated herein by this reference) in order to receive funds which will be used to fund the purchase of equipment under the Operation Stonegarden Program for deployments with the U.S. Department of Homeland Security Bureau of Customs and Border Protection.

NOW THEREFORE BE IT RESOLVED by the Mayor and Town Council of the Town of Oro Valley, Arizona, that:

1. The Subgrantee Agreement between the Town of Oro Valley, for the benefit of the Oro Valley Police Department and the Arizona Department of Homeland Security, attached hereto as Exhibit "A" and incorporated herein by this reference, to fund the purchase of equipment under the Operation Stonegarden Program for deployments with the U.S. Department of Homeland Security Bureau of Customs and Border Protection is hereby authorized and approved.
2. The Mayor and other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the terms of the Subgrantee Agreement.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona this 4th day of December, 2013.

TOWN OF ORO VALLEY, ARIZONA

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Sidles, Legal Services Director

Date: _____

Date: _____

EXHIBIT “A”

SUBGRANTEE AGREEMENT
Operation Stonegarden Equipment

13-AZDOHS-OPSG- 130428-02

Enter Grant Agreement Number above (e.g., 130xxx-xx)

Between

The Arizona Department of Homeland Security
And

Oro Valley Police Department

Enter the Name of the Subrecipient Agency Above

WHEREAS, A.R.S. § 41-4254 charges the Arizona Department of Homeland Security (AZDOHS) with the responsibility of administering funds.

THEREFORE, it is agreed that the AZDOHS shall provide funding to the

Oro Valley Police Department

Enter the Name of the Subrecipient Agency Above

(subrecipient) for services under the terms of this Grant Agreement.

I. PURPOSE OF AGREEMENT

The purpose of this Agreement is to specify the responsibilities and procedures for the subrecipient's role in administering homeland security grant funds.

II. TERM OF AGREEMENT, TERMINATION AND AMENDMENTS

This Agreement shall become effective on **November 1, 2013** and shall terminate on **October 31, 2014**. The obligations of the subrecipient as described herein will survive termination of this agreement.

III. DESCRIPTION OF SERVICES

The subrecipient shall provide the services for the State of Arizona, Arizona Department of Homeland Security as approved in the grant application titled **OPSG Equipment** and funded at \$ 11,550 (as may have been modified by the award letter).

Enter Funded Amount above

IV. MANNER OF FINANCING

The AZDOHS shall:

- a) Provide up to \$ 11,550 to the subrecipient for services provided under Paragraph III. Enter Funded Amount above
- b) Payment made by the AZDOHS to the subrecipient shall be on a reimbursement basis only and is conditioned upon receipt of proof of payment and applicable, accurate and complete reimbursement documents, as deemed necessary by the AZDOHS, to be submitted by the subrecipient. A listing of acceptable documentation can be found at www.azdohs.gov. Payments will be contingent upon receipt of all reporting requirements of the subrecipient under this Agreement.

V. FISCAL RESPONSIBILITY

It is understood and agreed that the total amount of the funds used under this Agreement shall be used only for the project as described in the application. Any modification to quantity or scope of work must be preapproved in writing by the AZDOHS. Therefore, should the project not be completed, the subrecipient shall reimburse said funds directly to the AZDOHS immediately. If the project is completed at a lower cost than the original budget called for, the amount reimbursed to the subrecipient shall be for only the amount of dollars actually spent by the subrecipient in accordance with the approved application. For any funds received under this Agreement for which expenditure is disallowed by an audit exemption or otherwise by the AZDOHS, the State, or Federal government, the subrecipient shall reimburse said funds directly to the AZDOHS immediately.

VI. FINANCIAL AUDIT/PROGRAMATIC MONITORING

The subrecipient agrees to terms specified in A.R.S. § 35-214 and § 35-215.

- a) In addition, in compliance with the Federal Single Audit Act (31 U.S.C. par. 7501-7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104 to 156), the subrecipient must have an annual audit conducted in accordance with OMB Circular #A-133 ("Audits of States, Local Governments, and Non-profit Organizations") if the subrecipient expends more than \$500,000 from Federal awards. If the subrecipient has expended more than \$500,000 in Federal dollars, a copy of the subrecipient's audit report for the previous fiscal year and subsequent years within the period of performance is due annually to AZDOHS by March 31st.
- b) Subrecipients will be monitored periodically by the AZDOHS staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met. Monitoring will be accomplished through a combination of office-based reviews and onsite monitoring visits. Monitoring can involve aspects of the work involved under this contract including but not limited to the review and analysis of the financial, programmatic, equipment, performance and administrative issues relative to each program and will identify areas where technical assistance and other support may be needed.

VII. APPLICABLE FEDERAL REGULATIONS

The subrecipient must comply with the Funding Opportunity Announcement (FOA), Office of Management and Budget (OMB) Circulars Code of Federal Regulations (CFR) and other Federal guidance including but not limited to:

- a) 44 CFR Chapter 1, Federal Emergency Management Agency, Department of Homeland Security at http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfrv1_07.html.
- b) 2 CFR 225 Cost Principles for State, Local & Indian Tribal Governments (A-87 OMB Circular), at http://www.access.gpo.gov/nara/cfr/waisidx_07/2cfr225_07.html. Cost Principles: 2 CFR Part 225, State and Local Governments; 2 CFR Part 220, Educational Institutions; 2 CFR Part 230, Non-Profit Organizations; Federal Acquisition Regulation Sub-part 31.2, Contracts with Commercial Organizations. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>.

- c) 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (formerly OMB Circular A-102), at http://149.168.212.15/mitigation/Library/44_CFR-Part_13.pdf. U.S. Department of Homeland Security Authorized Equipment List (AEL), at <https://www.rkb.mipt.org/ael.cfm> 2 CFR Part 215, Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.
- d) 28 CFR applicable to grants and cooperative agreements, including Part II, Applicability of Office of Management and Budget Circulators; Part 18, Administrative Review Procedure; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence System Operating Policies; Part 42, Non-discrimination Equal Employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; and Part 66, Uniform Administrative Requirements for Grants and Co-operative Agreements to State and Local Government.

Included within the above mentioned guidance documents are provisions for the following:

National Incident Management System (NIMS)

The subrecipient agrees to remain in compliance with National Incident Management System (NIMS) Implementation initiatives as outlined in the FOA.

Environmental Planning and Historic Preservation

The subrecipient shall comply with all applicable Federal, State, and Local environmental and historic preservation (EHP) requirements and shall provide any information requested by FEMA to ensure compliance with applicable laws including: National Environmental Policy Act, National Historic Preservation Act, Endangered Species Act, and Executive Orders on Floodplains (11988), Wetlands (11990) and Environmental Justice (12898). Subrecipient shall not undertake any project having the potential to impact EHP resources without the prior approval of AZDOHS/FEMA, including but not limited to communications towers, physical security enhancements, new construction, and modifications to buildings that are 50 years old or greater. Subrecipient must comply with all conditions placed on the project as the result of the EHP review. Any change to the approved project scope of work will require re-evaluation for compliance with these EHP requirements. If ground disturbing activities occur during project implementation, the subrecipient must ensure monitoring of ground disturbance and if any potential archeological resources are discovered, the subrecipient will immediately cease construction in that area and notify FEMA and the appropriate State Historic Preservation Office. Procurement and construction activities shall not be initiated prior to the full environmental and historic preservation review.

Consultants/Trainers/Training Providers

Billings for consultants/trainers/training providers must include at a minimum: a description of services; dates of services; number of hours for services performed; rate charged for services; and, the total cost of services performed. Consultant/trainer/training provider costs must be within the prevailing rates; must be obtained under consistent treatment with the procurement policies of the subrecipient and 44 CFR Chapter 1, Part 13; and shall not exceed the maximum of \$450 per day per consultant/trainer/training provider unless prior written approval is granted by the AZDOHS. In addition to the per day \$450 maximum amount, the consultant/trainer/training provider may be reimbursed

reasonable travel, lodging, and per diem not to exceed the state rate. Itemized receipts are required for lodging and travel reimbursements. The subrecipient will not be reimbursed costs other than travel, lodging, and per diem on travel days for consultants/trainers/training providers.

Contractors/Subcontractors

The subrecipient may enter into written subcontract(s) for performance of certain of its functions under the contract in accordance with terms established in the OMB Circulars, Code of Federal Regulations, DHS Guidance/FOA and DHS Program Guidance. The subrecipient agrees and understands that no subcontract that the subrecipient enters into with respect to performance under this Agreement shall in any way relieve the subrecipient of any responsibilities for performance of its duties. The subrecipient shall give the AZDOHS immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the subrecipient by any subcontractor or vendor which in the opinion of the subrecipient may result in litigation related in any way to the Agreement with the AZDOHS.

Personnel and Travel Costs

All grant funds expended for personnel, travel, lodging, and per diem must be consistent with the subrecipient's policies and procedures; and the State of Arizona Accounting Manual (SAAM); must be applied uniformly to both federally financed and other activities of the agency; and will be reimbursed at the most restrictive allowability and rate. At no time will the subrecipient's reimbursement(s) exceed the State rate established by the Arizona Department of Administration, General Accounting Office Travel Policies: <http://www.gao.state.gov>.

Procurement

The subrecipient shall comply with all internal agency procurement rules/policies and must also comply with Federal procurement rules/policies as outlined in section VII and all procurement must comply with Arizona State procurement code and rules. The Federal intent is that all Homeland Security Funds are awarded competitively. The subrecipient shall not enter into a Noncompetitive (Sole or Single Source) procurement agreement, unless prior written approval is granted by the AZDOHS. The Noncompetitive Procurement Request Form and instructions are located on the AZDOHS website, <http://www.azdohs.gov/Documents/Grants/NoncompetitiveProcurementRequestForm.xls>.

Training and Exercise

The subrecipient agrees that any grant funds used for training and exercise must be in compliance with the FOA. All training must be approved through the ADEM/AZDOHS training request process prior to execution of training contract(s). All exercises must utilize the FEMA Homeland Security Exercise and Evaluation Program (HSEEP) Toolkit for exercise design, development and scheduling. Subrecipient agrees to:

- a) Submit the HSEEP Toolkit Exercise Summary to AZDOHS with all Exercise Reimbursement Requests.
- b) Post all exercises, documentation and After Action Reports/Improvement Plans via the HSEEP Toolkit.

- c) Within 60 days of completion of an exercise, or as prescribed by the most recent HSEEP guidance, the exercise host subrecipient is required to upload the AAR/IP into the HSEEP Toolkit and email the AAR/IP to the local County Emergency Manager, the FEMA Region IX Exercise POC, HSEEP@dhs.gov, the AZDOHS Strategic Planner, and the Arizona Department of Emergency Management (ADEM) Exercise Officer.

Nonsupplanting Agreement

The subrecipient shall not use funds to supplant State or Local funds or other resources that would otherwise have been made available for this program/project. Further, if a position created by a grant is filled from within, the vacancy created by this action must be filled within thirty (30) days. If the vacancy is not filled within thirty (30) days, the subrecipient must stop charging the grant for the new position. Upon filling the vacancy, the subrecipient may resume charging for the grant position.

E-Verify

Compliance requirements for A.R.S. § 41-4401—immigration laws and E-Verify requirement.

- a) The subrecipient warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program).
- b) A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the subrecipient may be subject to penalties up to and including termination of the Agreement.
- c) The AZDOHS retains the legal right to inspect the papers of any employee who works on the Agreement to ensure that the subrecipient is complying with the warranty under paragraph (a) above.

Property Control

Effective control and accountability must be maintained for all property. The subrecipient must adequately safeguard all such property and must assure that it is used for authorized purposes as described in the FOA, grant application, and Code of Federal Regulations (CFRs). The subrecipient shall exercise caution in the use, maintenance, protection and preservation of such property.

- a) Equipment shall be used by the subrecipient in the program or project for which it was acquired as long as needed, whether or not the program or project continues to be supported by federal grant funds. Theft, destruction, or loss of property shall be reported to the AZDOHS immediately.
- b) Nonexpendable Property is property which has a continuing use, is not consumed in use, is of a durable nature with an expected service life of one or more years, has an acquisition cost of \$300 (Three Hundred Dollars) or more, and does not become a fixture or lose its identity as a component of other equipment or plant.
- c) A Capital Asset is any personal or real property, or fixture that has an acquisition cost of \$5,000 (Five Thousand Dollars) or more per unit and a useful life of more than one year. If the Capital Asset current value is equal to or greater than \$5,000 at the end of life or required project activities is discontinued, the subrecipient must request and

receive authorization from AZDOHS prior to disposition. The Equipment Disposition Request form and Guidance is located on the AZDOHS website, <http://www.azdohs.gov/Documents>.

- d) A Property Control Form (if applicable) shall be maintained for the entire scope of the program or project for which property was acquired through the end of its useful life and/or disposition. All Nonexpendable Property and Capital Assets must be included on the Property Control Form. The subrecipient shall provide AZDOHS a copy of the Property Control Form with the final reimbursement request form, or no more than **forty-five (45) calendar days** after the end of the Agreement. The Property Control Form shall be updated and a copy provided to AZDOHS no more than forty-five (45) calendar days after equipment disposition, if applicable. The disposition of equipment shall be in compliance with the AZDOHS Disposition Guidance.
- e) Upon submission of the final quarterly programmatic report the subrecipient must file with the AZDOHS a copy of the Property Control Form. The subrecipient agrees to be subject to equipment monitoring and auditing by state or federal authorized representatives to verify information.
- f) A physical inventory of the Nonexpendable Property and Capital Assets must be taken and the results reconciled with the Property Control Form at least once every two years.
 - (1) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
 - (2) Adequate maintenance procedures must be developed to keep the property in good condition.

Allowable Costs

The allowability of costs incurred under this agreement shall be determined in accordance with the general principles of allowability and standards for selected cost items as set forth in the applicable OMB Circulars, Code of Federal Regulations, authorized equipment lists and guidance documents referenced above.

- a) The subrecipient agrees that grant funds are not to be expended for any indirect costs that may be incurred by the subrecipient for administering these funds.
- b) The subrecipient agrees that grant funds are not to be expended for any Management and Administrative (M&A) costs that may be incurred by the subrecipient for administering these funds unless explicitly applied for and approved in writing by the AZDOHS and shall be in compliance with the FOA.

VIII. DEBARMENT CERTIFICATION

The subrecipient agrees to comply with the Federal Debarment and Suspension regulations as outlined in the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions."

IX. FUNDS MANAGEMENT

The subrecipient must maintain funds received under this Agreement in separate ledger accounts and cannot mix these funds with other sources. The subrecipient must manage funds according to applicable Federal regulations for administrative requirements, costs principles, and audits.

The subrecipient must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are:

- Financial Management
- Procurement
- Personnel
- Property
- Travel

A system is adequate if it is 1) written; 2) consistently followed – it applies in all similar circumstances; and 3) consistently applied – it applies to all sources of funds.

X. REPORTING REQUIREMENTS

Regular reports by the subrecipient shall include:

a) Programmatic Reports

The subrecipient shall provide quarterly programmatic reports to the AZDOHS within fifteen (15) working days of the last day of the quarter in which services are provided. The subrecipient shall use the form provided by the AZDOHS to submit quarterly programmatic reports. The report shall contain such information as deemed necessary by the AZDOHS. The subrecipient shall use the Quarterly Programmatic Report Format template, which is posted at www.azdohs.gov. If the scope of the project has been fully completed and implemented, and there will be no further updates, then the quarterly programmatic report for the quarter in which the project was completed will be sufficient as the final report. The report should be marked as final and should be inclusive of all necessary and pertinent information regarding the project as deemed necessary by the AZDOHS. Quarterly programmatic reports shall be submitted to the AZDOHS until the entire scope of the project is completed

b) Quarterly Programmatic Reports are due:

January 15 (period October 1– December 31)

April 15 (period January 1 – March 31)

July 15 (period April 1 – June 30)

October 15 (period July 1 – September 30)

c) Property Control Form – if applicable

The subrecipient shall provide AZDOHS a copy of the Property Control Form the final reimbursement request form, or no more than **forty-five (45) calendar days** after the end of the Agreement. The Property Control Form shall be updated and provide a copy to AZDOHS no more than forty-five (45) calendar days after equipment disposition, if applicable. The disposition of equipment must be in compliance with the AZDOHS Disposition Guidance.

d) The Grant Funded Typed Resource Report – if applicable

The subrecipient shall email the AZDOHS Strategic Planner a copy of the Grant Funded Typed Resource Report no more than **forty-five (45) calendar days** after the end of the Agreement

<http://www.azdohs.gov/Documents/Grants/GrantFundedTypedResourceReport.xlsx>

e) Financial Reimbursements

The subrecipient shall provide as frequently as monthly but not less than quarterly requests for reimbursement. Reimbursements shall be submitted with the Reimbursement Form provided by the AZDOHS staff. The subrecipient shall submit a final reimbursement for expenses received and invoiced prior to the end of the termination of this Agreement no more than **forty-five (45) calendar days** after

the end of the Agreement. Requests for reimbursement received later than the forty-five (45) days after the Agreement termination will not be paid. The final reimbursement request as submitted shall be marked FINAL.

The AZDOHS requires that all requests for reimbursement are submitted via U.S. mail (United States Postal Service), FedEx, UPS, etc...or in person. Reimbursements submitted via fax or by any electronic means will not be accepted.

The AZDOHS reserves the right to request and/or require any supporting documentation it feels necessary in order to process reimbursements.

All reports shall be submitted to the contact person as described in Paragraph XXXIX, NOTICES, of this Agreement.

XI. ASSIGNMENT AND DELEGATION

The subrecipient may not assign any rights hereunder without the express, prior written consent of both parties.

XII. AMENDMENTS

Any change in this Agreement including but not limited to the Description of Services and budget described herein, whether by modification or supplementation, must be accomplished by a formal Agreement amendment signed and approved by and between the duly authorized representative of the subrecipient and the AZDOHS.

Any such amendment shall specify: 1) an effective date; 2) any increases or decreases in the amount of the subrecipient's compensation if applicable; 3) be titled as an "Amendment," and 4) be signed by the parties identified in the preceding sentence. The subrecipient expressly and explicitly understands and agrees that no other method of communication, including any other document, correspondence, act, or oral communication by or from any person, shall be used or construed as an amendment or modification or supplementation to this Agreement.

XIII. US DEPARTMENT OF HOMELAND SECURITY AGREEMENT ARTICLES

Article I – Acceptance of Post Award Changes

In the event FEMA determines that changes are necessary to the award document after an award has been made, including changes to period of performance or terms and conditions, recipients will be notified of the changes in writing. Once notification has been made, any subsequent request for funds will indicate recipient acceptance of the changes to the award.

Article II - Compliance with Funding Opportunity Announcement

The recipient agrees that all allocations and use of funds under this grant will be in accordance with the Funding Opportunity Announcement.

Article III - DHS Specific Acknowledgements and Assurances

All recipients of financial assistance must acknowledge and agree—and require any sub-recipients, contractors, successors, transferees, and assignees acknowledge and agree—to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff.

1. Recipients must cooperate with any compliance review or complaint investigation conducted by DHS.

2. Recipients must give DHS access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations and other applicable laws or program guidance.
3. Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.
4. Recipients must comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.
5. If, during the past three years, the recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties.
6. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.

Article IV - Use of DHS Seal, Logo and Flags

All recipients must obtain DHS's approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

Article V - USA Patriot Act of 2001

All recipients must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c. Among other things, the USA PATRIOT Act prescribes criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a quantity that is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose.

Article VI - Trafficking Victims Protection Act of 2000

All recipients of financial assistance will comply with the requirements of the government-wide award term which implements Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104), located at 2 CFR Part 175. This is implemented in accordance with OMB Interim Final Guidance, Federal Register, Volume 72, No. 218, November 13, 2007. In accordance with the statutory requirement, in each agency award under which funding is provided to a private entity, Section 106(g) of the TVPA, as amended, requires the agency to include a condition that authorizes the agency to terminate the award, without penalty, if the recipient or a subrecipient —

(a) Engages in severe forms of trafficking in persons during the period of time that the award is in effect;

(b) Procures a commercial sex act during the period of time that the award is in effect; or

(c) Uses forced labor in the performance of the award or subawards under the award. Full text of the award term is provided at 2 CFR § 175.15.

Article VII - Non-supplanting Requirement

All recipients must ensure that Federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-Federal sources. Applicants or award recipients may be required to demonstrate and document that a reduction in non-Federal resources occurred for reasons other than the receipt of expected receipt of Federal funds.

Article VIII - Lobbying Prohibitions

All recipients must comply with 31 U.S.C. § 1352, which provides that none of the funds provided under an award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action concerning the award or renewal.

Article IX - Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. §2225(a), all recipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225.

Article X - Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: Travel supported by U.S. Government funds requirement, which states preference for the use of U.S. flag air carriers (air carriers holding certificates under 49 U.S.C. §41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942.

Article XI - Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any Federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 and form SF-424, item number 17 for additional information and guidance.

Article XII - False Claims Act and Program Fraud Civil Remedies

All recipients must comply with the requirements of 31 U.S.C. § 3729 which set forth that no recipient of federal payments shall submit a false claim for payment. See also 38 U.S.C. § 3801-3812 which details the administrative remedies for false claims and statements made.

Article XIII - Duplication of Benefits

State, Local and Tribal Recipients must comply with 2 CFR Part §225, Appendix A, paragraph (C)(3)(c), which provides that any cost allocable to a particular Federal award or cost objective under the principles provided for in this authority may not be charged to other Federal awards to overcome fund deficiencies.

Article XIV - Drug-Free Workplace Regulations

All recipients must comply with the Drug-Free Workplace Act of 1988 (412 U.S.C. § 701 et seq.), which requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. These regulations are codified at 2 CFR 3001.

Article XV - Debarment and Suspension

All recipients must comply with Executive Orders 12549 and 12689, which provide protection against waste, fraud and abuse by debarment or suspending those persons deemed irresponsible in their dealings with the Federal government.

Article XVI - Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. § 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards, unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations).

Article XVII - Best Practices for Collection and Use of Personally Identifiable Information (PII)

All award recipients who collect PII are required to have a publically-available privacy policy that describes what PII they collect, how they use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate. Award recipients may also find as a useful resource the DHS Privacy Impact Assessments:

http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_guidance_june2010.pdf
and
http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_template.pdf, respectively.

Article XVIII - Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

Article XIX - Acknowledgement of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal funds.

Article XX - Assurances, Administrative Requirements and Cost Principles

a. Recipients of DHS federal financial assistance must complete OMB Standard Form 424B Assurances – Non-Construction Programs. Certain assurances in this form may not be applicable to your project or program, and the awarding agency may require applicants to certify to additional assurances. Please contact the program awarding office if you have any questions. The administrative requirements that apply to DHS award recipients originate from two sources:

- Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (also known as the "A-102 Common Rule"). These A-102 requirements are also located within DHS regulations at Title 44, Code of Federal Regulations (CFR) Part 13.

- OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, relocated to 2 CFR Part 215.

b. The cost principles that apply to DHS award recipients through a grant or cooperative agreement originate from one of the following sources:

- OMB Circular A-21, Cost Principles for Educational Institutions, relocated to 2 CFR Part 220.

- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225.

- OMB Circular A-122, Cost Principles for Non-Profit Organizations, relocated to 2 CFR Part 230. The audit requirements for State, Local and Tribal recipients of DHS awards originate from:

- OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

XIV. OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to security and identity protection concerns, all services under this Agreement shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by subcontractors at all tiers.

XV. AGREEMENT RENEWAL

This Agreement shall not bind nor purport to bind the AZDOHS for any contractual commitment in excess of the original Agreement period.

XVI. RIGHT TO ASSURANCE

If the AZDOHS in good faith has reason to believe that the subrecipient does not intend to, or is unable to perform or continue performing under this Agreement, the AZDOHS may demand in writing that the subrecipient give a written assurance of intent to perform. If the subrecipient fails to provide written assurance within the number of days specified in the demand, the AZDOHS at its option may terminate this Agreement.

XVII. CANCELLATION FOR CONFLICT OF INTEREST

The AZDOHS may, by written notice to the subrecipient, immediately cancel this Agreement without penalty or further obligation pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the State or its subdivisions (unit of Local Government) is an employee or agent of any other party in any capacity or a consultant to any other party to the Agreement with respect to the subject matter of the Agreement. Such cancellation shall be effective when the parties to the Agreement receive written notice from the AZDOHS, unless the notice specifies a later time.

XVIII. THIRD PARTY ANTITRUST VIOLATIONS

The subrecipient assigns the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to subrecipient toward fulfillment of this Agreement.

XIX. AVAILABILITY OF FUNDS

Every payment obligation of the AZDOHS under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligations. If the funds are not allocated and available for the continuance of this Agreement, the AZDOHS may terminate this Agreement at the end of the period for which funds are available. No liability shall accrue to the AZDOHS in the event this provision is exercised, and the AZDOHS shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph, including purchases and/or contracts entered into by the subrecipient in the execution of this Agreement.

XX. FORCE MAJEURE

If either party hereto is delayed or prevented from the performance of any act required in this Agreement by reason of acts of God, strikes, lockouts, labor disputes, civil disorder, or other causes without fault and beyond the control of the party obligated, performance of such act will be excused for the period of the delay.

XXI. PARTIAL INVALIDITY

Any term or provision of this Agreement that is hereafter declared contrary to any current or future law, order, regulation, or rule, or which is otherwise invalid, shall be deemed stricken from this Agreement without impairing the validity of the remainder of this Agreement.

XXII. ARBITRATION

In the event of any dispute arising under this Agreement, written notice of the dispute must be provided to the other party within thirty (30) days of the events giving the rise to the dispute. The subrecipient agrees to terms specified in A.R.S. § 12-1518.

XXIII. GOVERNING LAW AND CONTRACT INTERPRETATION

- a) This Agreement shall be governed and interpreted in accordance with the laws of the State of Arizona.
- b) This Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms in this document.
- c) Either party's failure to insist on strict performance of any term or condition of the Agreement shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object.

XXIV. ENTIRE AGREEMENT

This Agreement and its Exhibits constitute the entire Agreement between the parties hereto pertaining to the subject matter hereof and may not be changed or added to except by a writing signed by all parties hereto in conformity with Paragraph X, REPORTING REQUIREMENTS; provided; however, that the AZDOHS shall have the right to immediately amend this Agreement so that it complies with any new legislation, laws, ordinances, or rules affecting this Agreement. The subrecipient agrees to comply

with any such amendment within ten (10) business days of receipt of a fully executed amendment. All prior and contemporaneous agreements, representations, and understandings of the parties, oral, written, pertaining to the subject matter hereof, are hereby superseded or merged herein.

XXV. RESTRICTIONS ON LOBBYING

The subrecipient shall not use funds made available to it under this Agreement to pay for, influence, or seek to influence any officer or employee of a State or Federal government.

XXVI. LICENSING

The subrecipient, unless otherwise exempted by law, shall obtain and maintain all licenses, permits, and authority necessary to perform those acts it is obligated to perform under this Agreement.

XXVII. NON-DISCRIMINATION

The subrecipient shall comply with all State and Federal equal opportunity and non-discrimination requirements and conditions of employment, including the Americans with Disabilities Act, in accordance with A.R.S. title 41, Chapter 9, Article 4 and Executive Order 2009-09.

XXVIII. SECTARIAN REQUESTS

Funds disbursed pursuant to this Agreement may not be expended for any sectarian purpose or activity, including sectarian worship or instruction in violation of the United States or Arizona Constitutions.

XXIX. SEVERABILITY

The provisions of this Agreement are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Agreement.

XXX. ADVERTISING AND PROMOTION OF AGREEMENT

The subrecipient shall not advertise or publish information for commercial benefit concerning this Agreement without the written approval of the AZDOHS.

XXXI. OWNERSHIP OF INFORMATION, PRINTED AND PUBLISHED MATERIAL

The AZDOHS reserves the right to review and approve any publications funded or partially funded through this Agreement. All publications funded or partially funded through this Agreement shall recognize the AZDOHS and the U.S. Department of Homeland Security. The U.S. Department of Homeland Security and the AZDOHS shall have full and complete rights to reproduce, duplicate, disclose, perform, and otherwise use all materials prepared under this Agreement.

The subrecipient agrees that any report, printed matter, or publication (written, visual, or sound, but excluding press releases, newsletters, and issue analyses) issued by the subrecipient describing programs or projects funded in whole or in part with Federal funds shall contain the following statement:

"This document was prepared under a grant from U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of the U.S. Department of Homeland Security."

The subrecipient also agrees that one copy of any such publication, report, printed matter, or publication shall be submitted to the AZDOHS to be placed on file and distributed as appropriate to other potential sub-recipients or interested parties. The AZDOHS may waive the requirement for submission of any specific publication upon submission of a request providing justification from the subrecipient.

The AZDOHS and the subrecipient recognize that research resulting from this Agreement has the potential to become public information. However, prior to the termination of this Agreement, the subrecipient agrees that no research-based data resulting from this Agreement shall be published or otherwise distributed in any form without express written permission from the AZDOHS and possibly the U.S. Department of Homeland Security. It is also agreed that any report or printed matter completed as a part of this agreement is a work for hire and shall not be copyrighted by the subrecipient.

XXXII. CLOSED-CAPTIONING OF PUBLIC SERVICE ANNOUNCEMENTS

Any television public service announcement that is produced or funded in whole or in part by the subrecipient shall include closed captioning of the verbal content of such announcement.

XXXIII. INDEMNIFICATION

To the extent permitted by law, each party (as indemnitor) agrees to indemnify, defend and hold harmless the other party (as indemnitee) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as claims) arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.

XXXIV. TERMINATION

- a) All parties reserve the right to terminate the Agreement in whole or in part due to the failure of the subrecipient or the grantor to comply with any term or condition of the Agreement, to acquire and maintain all required insurance policies, bonds, licenses and permits or to make satisfactory progress in performing the Agreement. The staff of either party shall provide a written thirty (30) day advance notice of the termination and the reasons for it.
- b) If the subrecipient chooses to terminate the contract before the grant deliverables have been met then the AZDOHS reserves the right to collect all reimbursements distributed to the subrecipient.
- c) The AZDOHS may, upon termination of this Agreement, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Agreement. The subrecipient shall be liable to the AZDOHS for any excess costs incurred by the AZDOHS in procuring materials or services in substitution for those due from the subrecipient.

XXXV. CONTINUATION OF PERFORMANCE THROUGH TERMINATION

The subrecipient shall continue to perform, in accordance with the requirements of the Agreement, up to the date of termination, as directed in the termination notice.

XXXVI. PARAGRAPH HEADINGS

The paragraph headings in this Agreement are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the scope, construction, or interpretation of this Agreement or any of its provisions.

XXXVII. COUNTERPARTS

This Agreement may be executed in any number of counterparts, copies, or duplicate originals. Each such counterpart, copy, or duplicate original shall be deemed an original, and collectively they shall constitute one agreement.

XXXVIII. AUTHORITY TO EXECUTE THIS AGREEMENT

Each individual executing this Agreement on behalf of the subrecipient represents and warrants that he or she is duly authorized to execute this Agreement.

XXXIX. SPECIAL CONDITIONS

- a) The subrecipient must comply with the most recent version of the Administrative Requirements, Cost Principles, and Audit requirements
- b) The subrecipient acknowledges that U.S. Department of Homeland Security and the AZDOHS reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: (a) the copyright in any work developed under an award or sub-award; and (2) any rights of copyright to which a subrecipient purchases ownership with Federal support. The subrecipient shall consult with the AZDOHS regarding the allocation of any patent rights that arise from, or are purchased with, this funding.
- c) The subrecipient agrees that, when practicable, any equipment purchased with grant funding shall be prominently marked as follows: **"Purchased with funds provided by the U.S. Department of Homeland Security."**
- d) The subrecipient agrees to cooperate with any assessments, state/national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this agreement.
- e) The subrecipient is prohibited from transferring funds between programs (State Homeland Security Program, Urban Area Security Initiative, Citizen Corps Program, Operation Stonegarden, and Metropolitan Medical Response System).

XL. NOTICES

Any and all notices, requests, demands, or communications by either party to this Agreement, pursuant to or in connection with this Agreement shall be in writing be delivered in person or shall be sent to the respective parties at the following addresses:

Arizona Department of Homeland Security
1700 West Washington, Suite 210
Phoenix, AZ 85007

The subrecipient shall address all programmatic and reimbursement notices relative to this Agreement to the appropriate the AZDOHS staff; contact information at www.azdohs.gov.

The AZDOHS shall address all notices relative to this Agreement to:

Commander Jason Larter
Enter Title, First & Last Name above
Oro Valley Police Department

Enter Agency Name above
11000 N. LaCañada Drive

Enter Street Address
Oro Valley, AZ 85737

Enter City, State, ZIP

XLI. IN WITNESS WHEREOF

The parties hereto agree to execute this Agreement.

FOR AND BEHALF OF THE

Oro Valley Police Department

Enter Agency Name above

Authorized Signature above
Mayor Satish I. Hiremath, D.D.S.

Print Name & Title above

Enter Date above

FOR AND BEHALF OF THE

Arizona Department of Homeland Security

Gilbert M. Orrantia
Director

Date

(Please be sure to complete and mail two original documents to the Arizona Department of Homeland Security.)



Town Council Regular Session

Item # 1.

Meeting Date: 12/04/2013

Requested by: Stacey Lemos

Submitted By: Stacey Lemos, Finance

Department: Finance

Information

SUBJECT:

PUBLIC HEARING: ADOPTING THE 2013-2023 LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENT PLANS FOR THE TOWN'S DEVELOPMENT IMPACT FEE UPDATE STUDIES COVERING PARKS, POLICE, TRANSPORTATION, ALTERNATIVE WATER SYSTEM AND POTABLE WATER SYSTEM DEVELOPMENT IMPACT FEES

RECOMMENDATION:

There is no formal action required at this public hearing. Staff recommends Mayor and Council hear a presentation and receive public comment on the draft development impact fees, infrastructure improvement plans (IIPs) and land use assumptions sections of the Development Impact Fees Studies prepared for parks, police, transportation, alternative water system and potable water system impact fees. These reports serve as the basis for the updated development impact fees to be effective by August 1, 2014.

EXECUTIVE SUMMARY:

In order to comply with the requirements of the new impact fee legislation as prescribed in Arizona Revised Statutes (ARS) Section 9-463.05, the Town and Oro Valley Water Utility have hired Duncan Associates and CH2M HILL, respectively, to prepare updated impact fee studies for its parks, police, transportation, alternative water resources system and potable water system development impact fees. The law states that prior to the updated fees becoming effective on August 1, 2014, a public hearing must be held on the land use assumptions and IIPs that serve as the basis for the updated fees. This agenda item serves as the public hearing on the land use assumptions and IIPs for both studies. In accordance with the statute, the studies have been posted on the Town website since October 4, 2013.

BACKGROUND OR DETAILED INFORMATION:

Development impact fees are fees assessed by the Town to fund infrastructure improvements required due to new growth. These fees are accumulated to construct specific improvements or portions of improvements within the Town based on development fee studies.

In the 2011 legislative session, the Arizona Legislature passed Senate Bill (SB) 1525 which updated Arizona Revised Statutes (ARS) Section 9-463.05. This new law restricts the types of facilities for which impact fees may be charged and requires jurisdictions to prepare new impact fee studies to include land use assumptions and IIPs (defined below) that must be approved prior to the updated fees being effective on August 1, 2014:

1. Land Use Assumptions - Projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten (10) years and pursuant to the general plan of the municipality.
2. Infrastructure Improvement Plan (IIP) - A written plan that identifies each necessary public service or

facility expansion that is proposed to be the subject of a development fee that complies with the requirements of ARS. This is based on the Town's capital improvements plan.

The last comprehensive update of the Town's impact fees was completed in 2008. At that time, the Town adopted fees for parks, police, general government, and library. The transportation and water utility impact fees were already in place at that time. On January 1, 2012, the Town eliminated its general government impact fees and significantly reduced its park and police fees to comply with the January 1, 2012, requirements of SB 1525. On July 1, 2012, the Town discontinued collecting library impact fees due to the transfer of library operations to the Pima County Library District.

In March of this year, the Town hired Duncan Associates to prepare the update of its remaining non-utility development impact fees for parks, police and transportation. In addition, the Water Utility hired CH2M HILL to prepare the update of its alternative water resources system and potable water system development impact fees.

The draft public review reports from each consultant are attached to this communication. These reports have been on file with the Town Clerk's Office and made available on the Town's website for public review. Copies of the draft reports have also been sent to the Southern Arizona Home Builders Association (SAHBA) and Metropolitan Pima Alliance (MPA). Staff also met with members of MPA on November 13, 2013, to review the draft reports and solicit feedback. At this time, no formal feedback has been received from these agencies regarding the draft reports.

Land Use Assumptions

Both draft impact fee reports are consistent in their ten-year land use assumptions and growth projections. The consultants utilized population and employment projection data from the U.S. Census Bureau and Pima Association of Governments. Based on these sources, it is projected that the Town's population will grow from an estimation of 43,070 in 2013 to 47,735 in 2023. Total anticipated housing units (single-family and multi-family) are expected to grow from 21,361 in 2013 to 22,749 in 2023. More details relating to the land use assumptions for the non-utility impact fees can be found on pages 13 - 14 of the Duncan Associates report.

For the water utility service area, total service units are expected to grow from 23,200 in 2013 to 27,758 in 2023. This includes residential and commercial development with an annual growth rate ranging from 1.3% to 1.9% over the 10-year period. To determine service units, a GIS database with land use assumptions consistent with the Town's General Plan was used. Details on the land use assumptions for the Water Utility impact fees can be found on pages 2-4 and 2-5 of the CH2M HILL report.

The Water Utility service area does not include the entire Town since part of the Town is served by other water providers. The water service area also includes Countryside, which is located outside of Town boundaries (Appendix A of CH2M HILL report).

Infrastructure Improvement Plans

The new impact fee law requires that an IIP be prepared for each category of fee in each service area. Both reports assume a single service area for the collection of fees. For the non-utility impact fees, the service area is defined as the incorporated boundaries of the Town. The water utility service area is defined in the section above. Impact fees may only be collected for improvements identified in the IIP. Therefore, the IIPs must identify planned projects over a period of not more than 10 years and are limited to include those improvements that add capacity to accommodate future growth. The impact fee law requires that the IIPs be updated at a minimum of once every five (5) years.

For reference, the Duncan Associates report contains tables listing the planned projects in each non-utility fee category on the following pages:

Transportation - Table 24, page 24

Parks - Table 32, page 28

Police - Table 40, page 34

The CH2M HILL report contains a list and description of the planned projects in each water utility impact fee category on the following pages:

Alternative Water Resources - Table 3-6, page 3-7 and Appendix C

Potable Water System - Table 3-7, page 3-7 and Appendix D

Next Steps

The below schedule of public hearings and Town Council meeting dates has been established in order to comply with the timeframes mandated in the impact fee law and accommodate implementation of the new development impact fees prior to August 1, 2014:

Date	Description
December 4, 2013	Public hearing on land use assumptions and IIPs
January 15, 2014	Town Council meeting to consider adoption of land use assumptions and IIPs
February 19, 2014	Public hearing on updated impact fees
April 2, 2014	Town Council meeting to consider adoption of updated impact fees
July 1, 2014	Effective date of new impact fees
August 1, 2014	Legal deadline to have new impact fees effective

FISCAL IMPACT:

There is no fiscal impact as a result of this specific public hearing; however, in April, Council will consider adoption of the fees which would change as described below.

Based on the Duncan Associates draft report, the combined total of the three non-utility fees would be approximately 12% higher for residential uses, approximately 19% lower for most retail/commercial uses and a range from 47% to 95% higher for most office and industrial/warehouse uses, depending on the specific use. Table 2 on page 2 of the Duncan Associates report compares the Town's current impact fees to the proposed updated fees for parks, police and transportation.

Based on the CH2M HILL draft report, the combined water utility development impact fees for alternative water resources and the potable water system would be 20% lower for residential customer classes, 13% lower for the commercial customer class and 17% higher for irrigation uses.

In conclusion, when the proposed utility and non-utility impact fees are combined, the results are overall decreases in most land use categories.

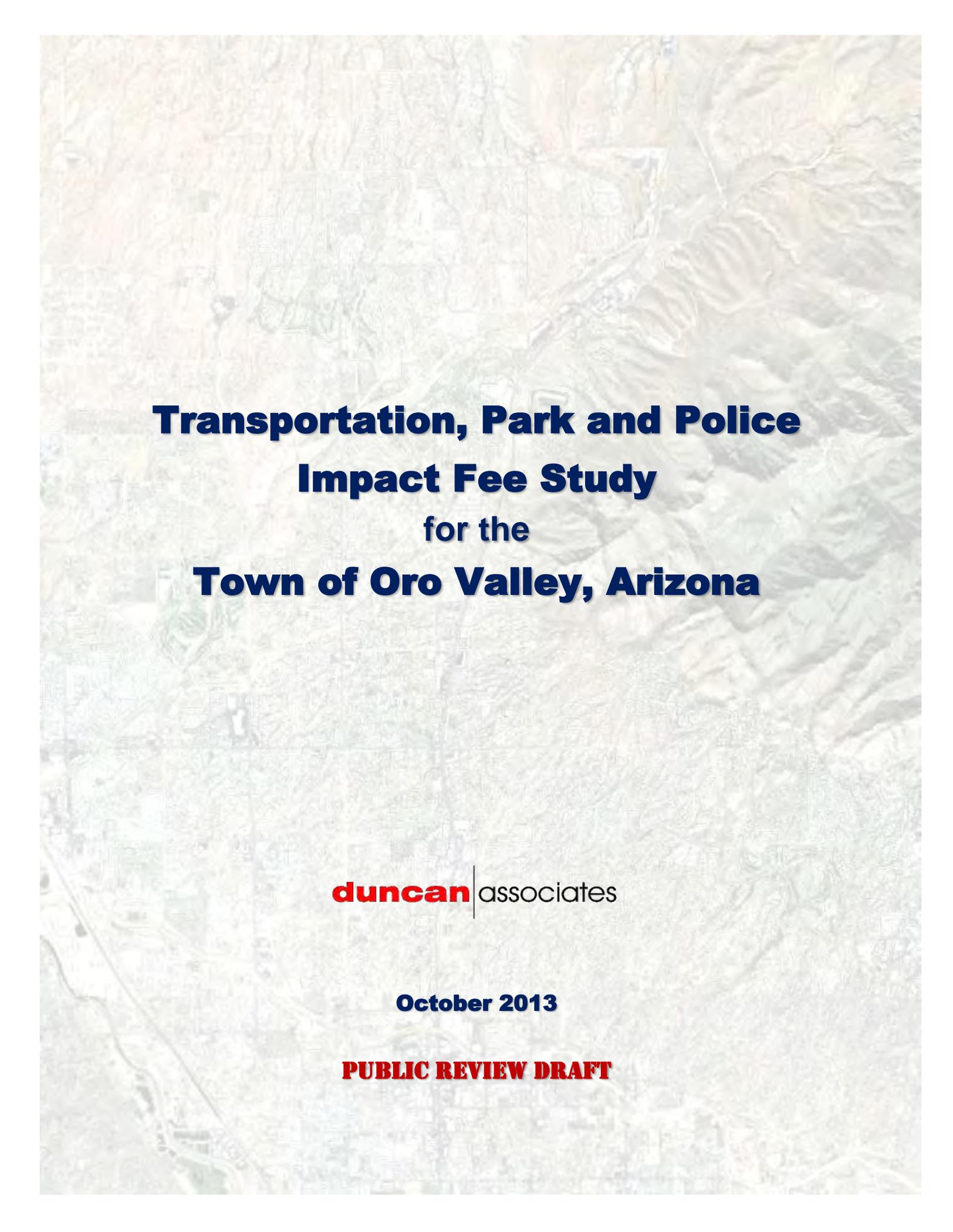
SUGGESTED MOTION:

N/A

Attachments

Duncan Assoc Non Utility Impact Fee Draft Study

CH2M HILL Water Impact Fee Draft Study



**Transportation, Park and Police
Impact Fee Study
for the
Town of Oro Valley, Arizona**

duncan | associates

October 2013

PUBLIC REVIEW DRAFT

prepared by

Duncan Associates

Clancy Mullen, Vice President, Project Manager

for the

Town of Oro Valley, Arizona

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EXECUTIVE SUMMARY

Duncan Associates has been retained by the Town of Oro Valley to update the Town's development impact fees for transportation, parks and police facilities in compliance with the new State impact fee enabling act. The Town's water impact fees are being updated separately. This report provides all of the analysis required by the new State act prior to the adoption of new or updated impact fees, including land use assumptions, infrastructure improvements plan and impact fee calculations.

Background

In 2011, the legislature passed SB 1525, which was signed by the governor on April 26, 2011. SB 1525 constituted a major overhaul of Arizona's impact fee enabling act for municipalities. Among other things, SB 1525 restricts the types of facilities for which impact fees may be charged and mandates the preparation of land use assumptions and an infrastructure improvements plan.

The last comprehensive update of the Town's impact fees was based on a 2008 study.¹ On January 1, 2012, the Town reduced its park and police fees to remove unauthorized components in compliance with the January 1, 2012 requirements of SB 1525. The current non-utility impact fees that have been effective since January 1, 2012 are summarized in Table 1.

Table 1. Current Non-Utility Impact Fee Schedule

Land Use Type	Unit	Roads	Parks	Police	Total
Single-Family*	Dwelling	\$1,933	\$555	\$296	\$2,784
All Other Housing	Dwelling	\$1,331	\$336	\$176	\$1,843
Lodging	Room	\$556	n/a	\$14	\$570
Commercial 25,000 sf or less	1,000 sf	\$5,533	n/a	\$146	\$5,679
Commercial, 25,001-50,000 sf	1,000 sf	\$4,807	n/a	\$126	\$4,933
Commercial, 50,001-100,000 sf	1,000 sf	\$4,014	n/a	\$105	\$4,119
Commercial, 100,001-200,000 sf	1,000 sf	\$3,436	n/a	\$91	\$3,527
Commercial, >200,000 sf	1,000 sf	\$2,921	n/a	\$76	\$2,997
Office/Institutional, 25,000 sf or less	1,000 sf	\$1,812	n/a	\$43	\$1,855
Office/Institutional, 25,001-50,000 sf	1,000 sf	\$1,547	n/a	\$37	\$1,584
Office/Institutional, 50,001-100,000 sf	1,000 sf	\$1,318	n/a	\$32	\$1,350
Office/Institutional, 100,000 sf+	1,000 sf	\$1,123	n/a	\$27	\$1,150
Business Park	1,000 sf	\$1,260	n/a	\$30	\$1,290
Light Industrial	1,000 sf	\$689	n/a	\$16	\$705
Manufacturing	1,000 sf	\$378	n/a	\$9	\$387
Warehousing	1,000 sf	\$490	n/a	\$12	\$502

* includes single-family attached

Source: Town of Oro Valley, Development Fee Summary, July 1, 2012.

The Town must now update its fees to be in full compliance with all provisions of the new enabling act by August 1, 2014. Assisting the Town in this endeavor for the non-utility fees is the purpose of this project.

¹ TischlerBise, *Development Fee Study and Infrastructure Improvements Plan prepared for Town of Oro Valley, Arizona*, April 7, 2008.

Summary of Findings

One of the recommendations of this study is to combine some of the current land use categories. Specifically, the current five commercial size categories are recommended to be combined, as well as the current four office/institutional size categories. In addition, business park, light industrial and manufacturing are proposed to be combined into a single industrial category. These consolidations are consistent with available demand data (e.g., higher trip generation size categories also tend to have shorter trip lengths and more pass-by traffic) and will simplify impact fee administration.

The updated transportation, park and police impact fees are summarized in Table 2, along with a comparison to current fees. The combined total of the three non-utility fees would be about 12% higher for residential uses, lower for most retail/commercial uses, and higher for most office and industrial/warehouse uses.

Table 2. Updated and Current Non-Utility Impact Fees

Land Use Type	Unit	Roads	Parks	Police	Total
Updated Fees					
Single-Family Detached	Dwelling	\$1,990	\$856	\$310	\$3,156
Multi-Family	Dwelling	\$1,231	\$599	\$215	\$2,045
Mobile Home Park	Space	\$649	\$651	\$234	\$1,534
Hotel/Motel	Room	\$758	\$0	\$200	\$958
Retail/Commercial	1,000 sq ft	\$2,412	\$0	\$447	\$2,859
Office	1,000 sq ft	\$1,822	\$0	\$156	\$1,978
Industrial	1,000 sq ft	\$983	\$0	\$65	\$1,048
Warehouse	1,000 sq ft	\$915	\$0	\$63	\$978
Public/Institutional	1,000 sq ft	\$1,379	\$0	\$118	\$1,497
Current Fees					
Single-Family Detached	Dwelling	\$1,933	\$555	\$296	\$2,784
Multi-Family	Dwelling	\$1,331	\$336	\$176	\$1,843
Mobile Home Park	Space	\$1,331	\$336	\$176	\$1,843
Hotel/Motel	Room	\$556	\$0	\$14	\$570
Retail/Commercial	1,000 sq ft	\$3,436	\$0	\$91	\$3,527
Office	1,000 sq ft	\$1,318	\$0	\$32	\$1,350
Industrial	1,000 sq ft	\$689	\$0	\$16	\$705
Warehouse	1,000 sq ft	\$490	\$0	\$12	\$502
Public/Institutional	1,000 sq ft	\$1,318	\$0	\$32	\$1,350
Percent Change					
Single-Family Detached	Dwelling	3%	54%	5%	13%
Multi-Family	Dwelling	-8%	78%	22%	11%
Mobile Home Park	Space	-51%	94%	33%	-17%
Hotel/Motel	Room	36%	n/a	1329%	68%
Retail/Commercial	1,000 sq ft	-30%	n/a	391%	-19%
Office	1,000 sq ft	38%	n/a	388%	47%
Industrial	1,000 sq ft	43%	n/a	306%	49%
Warehouse	1,000 sq ft	87%	n/a	425%	95%
Public/Institutional	1,000 sq ft	5%	n/a	269%	11%

Source: Updated fees from Table 21 (transportation), Table 29 (parks), and Table 37 (police); current fees from Table 1 (retail/commercial based on 100,001-200,000 sq. ft., office and institutional based on 50,001-100,000 sq. ft., industrial based on light industrial).

Average annual revenues anticipated over the next ten years, assuming the updated fees are adopted at 100%, are compared to actual revenues in recent years in Table 3.

Table 3. Historical and Projected Annual Impact Fee Revenues

Year	Roads	Parks	Police	Total
FY 07-08	\$910,741	n/a	n/a	\$910,741
FY 08-09	\$316,954	\$43,186	\$8,206	\$368,346
FY 09-10	\$341,034	\$162,756	\$37,044	\$540,834
FY 10-11	\$263,302	\$117,584	\$28,061	\$408,947
FY 11-12	\$238,733	\$99,542	\$30,618	\$368,893
Avg. 2013-2023	\$494,909	\$109,654	\$72,770	\$677,333

Source: Historical revenues from Town of Oro Valley Finance Department, March 19, 2013; average annual revenues for 2013-2023 from Table 23 (transportation), Table 31 (parks) and Table 39 (police).

Anticipated impact fee revenues are compared with the costs of planned capital improvements in Table 4. The updated impact fees will cover approximately one-fifth of the Town costs for planned transportation, park and police capital improvements over the next ten years.

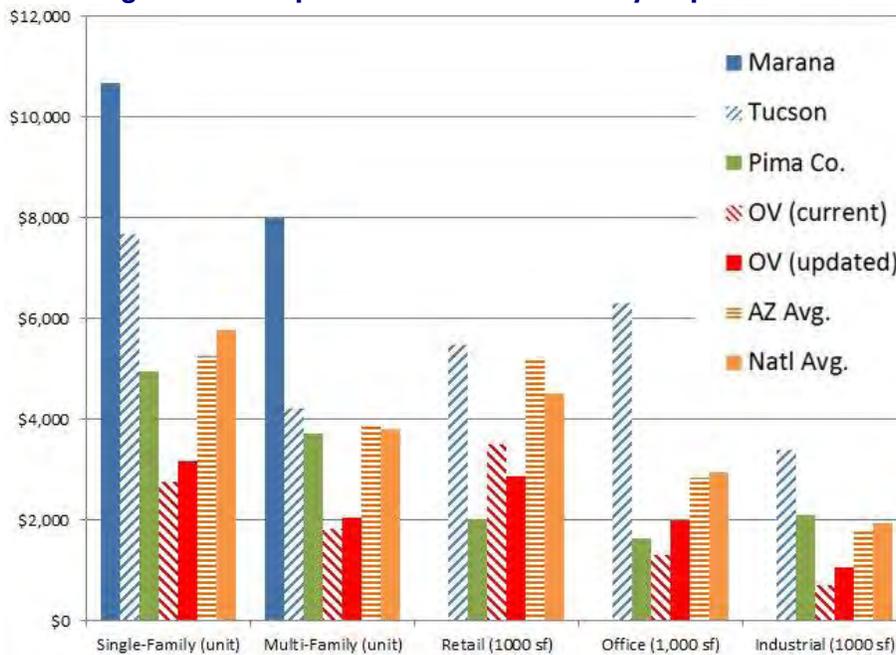
Table 4. Planned Costs and Fee Revenue, 2013-2023

Fee Type	Planned Costs	Potential Revenue	Share of Costs
Transportation	\$27,189,600	\$4,949,094	18.2%
Parks	\$5,025,000	\$1,096,536	21.8%
Police	\$2,225,000	\$727,700	32.7%
Total	\$34,439,600	\$6,773,330	19.7%

Source: Transportation costs and revenues from Table 24 and Table 23, respectively; parks from Table 32 and Table 31; police from Table 40 and Table 39.

The Town’s current and proposed total non-utility fees are compared with those currently charged by Marana, Tucson and Pima County, as well as the Arizona average, in Figure 1. This comparison shows that the Town’s current and updated fees are relatively low compared to nearby communities and the state and national averages.

Figure 1. Comparative Total Non-Utility Impact Fees



Source: Duncan Associates survey, May 2013 (national average excludes California)

LEGAL FRAMEWORK

Impact fees are a way for local governments to require new developments to pay a proportionate share of the infrastructure costs they impose on the community. In contrast to traditional “negotiated” developer exactions, impact fees are charges that are assessed on new development using a standard formula based on objective characteristics, such as the number and type of dwelling units constructed. The fees are one-time, up-front charges, with the payment usually made at the time of building permit issuance. Impact fees require each new development project to pay its pro-rata share of the cost of new capital facilities required to serve that development.

Arizona’s enabling act for municipalities is codified in Sec. 9-463.05, Arizona Revised Statutes (ARS). In 2011, the legislature passed SB 1525, which was signed by the governor on April 26, 2011. SB 1525 constituted a major overhaul of Arizona’s enabling act for municipalities. This section summarizes some of the major provisions of the new state act.

Eligible Facilities

Prior to SB 1525, municipalities could assess impact fees for any “necessary public services” (which was not defined) that constituted “costs to the municipality.” SB 1525 amended the statute to limit the types of facilities for which impact fees can be assessed. Authorized facilities for which impact fees can be assessed, after January 1, 2012, are limited to the following defined “necessary public services:”

"Necessary public service" means any of the following facilities that have a life expectancy of three or more years and that are owned and operated by or on behalf of the municipality:

- (a) Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities.*
- (b) Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities.*
- (c) Storm water, drainage and flood control facilities, including any appurtenances for those facilities.*
- (d) Library facilities of up to ten thousand square feet that provide a direct benefit to development, not including equipment, vehicles or appurtenances.*
- (e) Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.*
- (f) Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.*

(g) Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.

(h) Any facility that was financed and that meets all of the requirements prescribed in subsection R of this section. (Sec. 9-463.05.S.5, ARS)

No longer authorized are fees for general government facilities, sanitation facilities, library buildings larger than 10,000 square feet and library books or equipment, fire and police administrative and training facilities and aircraft, parks larger than 30 acres and community centers larger than 3,000 square feet. No changes were made to authorized improvements for road, stormwater drainage, water or wastewater facilities, other than the new requirement that eligible facilities must have a life expectancy of at least three years.

Compliance Deadlines

Municipalities may continue to collect fees for unauthorized facilities after January 1, 2012 if the fees were pledged to retire debt for such facilities prior to June 1, 2011. However, the Town of Oro Valley had not pledged fee revenue in this sense for any of its development impact fees.

SB 1525 added numerous new requirements related to how impact fees are calculated. Land use assumptions (growth projections) must be prepared for each service area, covering at least a ten-year period. Many new requirements were added for the infrastructure improvements plan (IIP) and the impact fee analysis. However, compliance with these is not required until August 1, 2014:

A development fee that was adopted before January 1, 2012 may continue to be assessed only to the extent that it will be used to provide a necessary public service for which development fees can be assessed pursuant to this section and shall be replaced by a development fee imposed under this section on or before August 1, 2014. (9-463.05K, ARS)

Significant changes were made to the requirements for adopting updated infrastructure improvements plans and fee schedules. These requirements are effective as of January 1, 2012, but only apply to the updated IIP and impact fee schedules that must be in place by August 1, 2014.

Provisions were also added relating to refunds. However, these provisions only apply to fees collected after August 1, 2014.

Other changes, however, are effective as of January 1, 2012. These include new provisions or amendments related to developer credits, the locking-in of fee schedules for 24 months following development approval, and annual reporting requirements. In addition, the expenditure of impact fees collected after January 1 is restricted to facilities authorized by SB 1525 (and repayment of pledged debt for unauthorized facilities, although this is not an option for Oro Valley).

Service Areas

Service areas are a key requirement for impact fees under SB 1525. A service area is defined as “any specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan.” Land use assumptions (growth projections) and an infrastructure improvements plan (list of capital improvements and impact fee analysis) must be prepared for each service area.

It should be noted that multiple service areas are not mandated by SB 1525. A service area may include all of the area within the Town limits, as long as it can be shown that developments located anywhere within the service area will be served by or benefit from improvements located in the service area.

Service Units

In impact fee analysis, demand for facilities must be expressed in terms of a common unit of measurement, called a “service unit.” SB 1525 defines a service unit as “a standardized measure of consumption, use, generation or discharge attributable to an individual unit of development calculated pursuant to generally accepted engineering or planning standards for a particular category of necessary public services or facility expansions.” The recommended service units are described in the individual facility sections of this report.

Methodologies

SB 1525 is sometimes misunderstood to dictate a particular methodology for calculating impact fees. Because cities must forecast anticipated growth over a fixed time period and identify improvements over the same time period, some are lead to think that a “plan-based” methodology is required, where the cost per service unit is calculated by dividing planned costs by anticipated new service units. In fact, however, SB 1525 does not dictate this methodology, and most impact fees in the state have not been calculated in this way. The reason is that, to support a plan-based methodology, the list of planned improvements must be developed using a rigorous analysis, such as the modeling used to develop a transportation master plan, in order to establish the required nexus between the anticipated growth and the specific list of improvements required to serve that growth. In many cases, such a master plan is not available.

The principal alternative to the plan-based methodology is “standards-based.” The key difference is that the plan-based approach is based on a complex level of service (LOS) standard, such as “every road shall function at LOS D or better,” or “the average fire response time shall not exceed three minutes,” that requires projecting growth by small areas and using sophisticated modeling or analysis to determine the specific improvements needed to maintain the desired LOS. In contrast, a standards-based approach uses a generalized LOS standard, such as the ratio of park acres to population, which does not require an extensive master planning effort in order to determine the improvements and costs that are attributable to a specific quantity of growth.

There are advantages and disadvantages to the two methodologies. The major advantage of a standards-based methodology is that it is more flexible, since the fees are not dependent on the

specific projects included in the list of improvements, only on the average cost to construct a unit of capacity. Changing the list of planned projects typically does not require recalculation of standards-based impact fees, since a single project is likely to have an insignificant impact on the average cost of capacity added by all of the improvements. This allows the capital plan to change in response to unforeseen development without triggering the need for an impact fee update.

Level of Service (LOS) Standards

SB 1525 does not define the term “level of service” (LOS), nor does it require the formal adoption of LOS standards. It does require, however, that impact fees be based on the same LOS provided to existing development in the service area. This reflects a basic principle of impact fees, which is that new development should not be charged for a higher LOS than existing development. This does not mean that impact fees cannot be based on a higher standard than is currently actually provided to existing development in a service area. If the fees are based on a higher-than-existing LOS, however, there must be a plan to use non-impact fee funds to remedy the existing deficiency.

Land Use Assumptions

An impact fee update must now include the development of land use assumptions (growth projections) for each service area. SB 1525 defines land use assumptions as “projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the general plan of the municipality.” Since the infrastructure improvements plan (IIP) that must be prepared for each service area must identify improvement needs for a period not to exceed 10 years, a 10-year time-frame would seem to be the most appropriate for both the land use assumptions and the IIP.

Infrastructure Improvements Plan

SB 1525 requires that an infrastructure improvements plan (IIP) be prepared for facility type for each service area. Impact fees may only be collected to pay for improvements identified in the IIP. By implication, impact fees can only be spent on improvements listed in the IIP.

The IIP is often confused with a list of planned capital improvements. While the IIP must include such a list, it must also contain much more analysis. The IIP is basically the impact fee study. To avoid confusion, we suggest referring to the list of improvements that must be included in the IIP as the “capital plan.” The consultant proposes to prepare a single, consolidated document that includes land use assumptions, infrastructure improvement plans and impact fee analyses for the Town’s transportation, parks and police impact fees.

As noted above, the IIP must identify planned projects over a period of not more than 10 years, and it is suggested that the Town’s IIPs and capital plans cover a 10-year period. Of course, the impact fee analysis could cover a longer period, such as to build-out, which may be required if the fees are based on build-out master plans.

The cost of the projects listed in the capital plan will not necessarily determine the impact fee amounts. As described earlier, there are two basic methodologies. Under a plan-based approach, the fee will be determined by the projects listed in the applicable master plan, some but not all of which will be listed in the impact fee capital plan. Under the standards-based approach, the fees will

be based on the existing level of service and the average cost per unit of capacity. Consequently, under the standards-based approach, the impact fee capital plan is primarily a list of improvements that are eligible to be funded with impact fees.

Eligible improvements are those that add capacity to accommodate future growth. Replacing an existing police patrol vehicle or remodeling or repairing an existing building are examples of improvements that do not add capacity. Some projects may be partially eligible. In addition, existing facilities that have outstanding debt that is to be repaid with impact fees should be listed in the capital plan.

Refunds

A common and understandable misinterpretation of SB 1525 is that a municipality may be required to refund fees collected if any improvement listed in the IIP is not completed within the timeframe of the IIP. Section 9-463.05.B.7 provides that collection of impact fees is allowed only to pay for a project that is identified in the IIP, “and the municipality plans to complete construction and have the service available within the time period established in the infrastructure improvements plan, but in no event longer than the time period provided in subsection H, paragraph 3 of this section [i.e., 15 years for water and wastewater, and 10 years for other facilities].” The key terms in this section are “plans to complete” and “have the service available.” No community has a crystal ball that allows them to know with certainty how much development is going to occur over a 10-15 year period in the future. While the Town may plan to complete an improvement in this time period in order to serve anticipated growth, if the anticipated growth does not materialize and the need for the improvement is not required to serve the growth that does occur, it is highly unlikely that a court would find that the Town is compelled to refund the fees that it did collect.

The refund provisions in the referenced refund subsection (H) reinforce this interpretation. Section 9-463.05.B.7 directly references only the final paragraph of subsection H (H.3), which simply requires that the impact fees be spent within a certain time period (15 years for water and wastewater, and 10 years for other facilities) from the date they were collected. It is reasonable to conclude that this is the only refund provision that will likely be applicable, as long as the Town does not collect impact fees and deny access to services. However, there is always the possibility that refunds could be required if a construction project comes in significantly lower than its estimated cost.

Offsets

A fundamental principle of impact fees is that new development should not be required to pay twice for the cost of new facilities – once through impact fees and again through other taxes or fees that are used to fund the same facilities. To avoid such potential double-payment, impact fees may be reduced, and such a reduction is referred to as an “offset.” Typically, offsets are incorporated into the impact fee calculation, although they can also be addressed through an independent fee study for an individual development project. While this has long been a part of impact fee practice in Arizona, SB 1525 amended the state enabling act to add the following provision (Section 9-463.05.B.12):

The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public

service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection.

The revenue forecast required by Section 9-463.05.B.12 is provided in Appendix C.

In general, offsets are only required for funding that is dedicated for capacity-expanding improvements of the type addressed by the impact fee. A municipality is not required to use general fund revenue to pay for growth-related improvements. If, for example, a municipality decides that the existing level of service on which impact fees are based is insufficient, and opts to use general revenue to raise the level of service for both existing and new development, no offset would be required.

The clearest situation that requires an offset is when there is outstanding debt on the facilities that are providing existing development with the level of service that new development will be expected to pay for through impact fees. In this case, new development will be paying for the facilities that will serve them, while also paying for a portion of the cost of facilities serving existing development through property or other taxes. Consequently, the impact fees should be reduced to avoid this potential double-payment.

Another clear case requiring offsets is when the impact fees have been adopted based on a level of service that is higher than what is currently provided to existing development in the service area. In such a case, the cost of remedying the existing deficiency will almost always be funded by future revenue sources to which new development will contribute. To the extent that this is the case, an offset is required.

As noted above, an offset will generally be warranted when new development will be contributing toward a funding source that is dedicated to fund the same growth-related improvements addressed by the impact fee. Offsets are also often provided for anticipated grant funding that may be available to help fund growth-related improvements, although the uncertainty of such funding and the fact that it is not paid for by property owners make this type of offset discretionary.

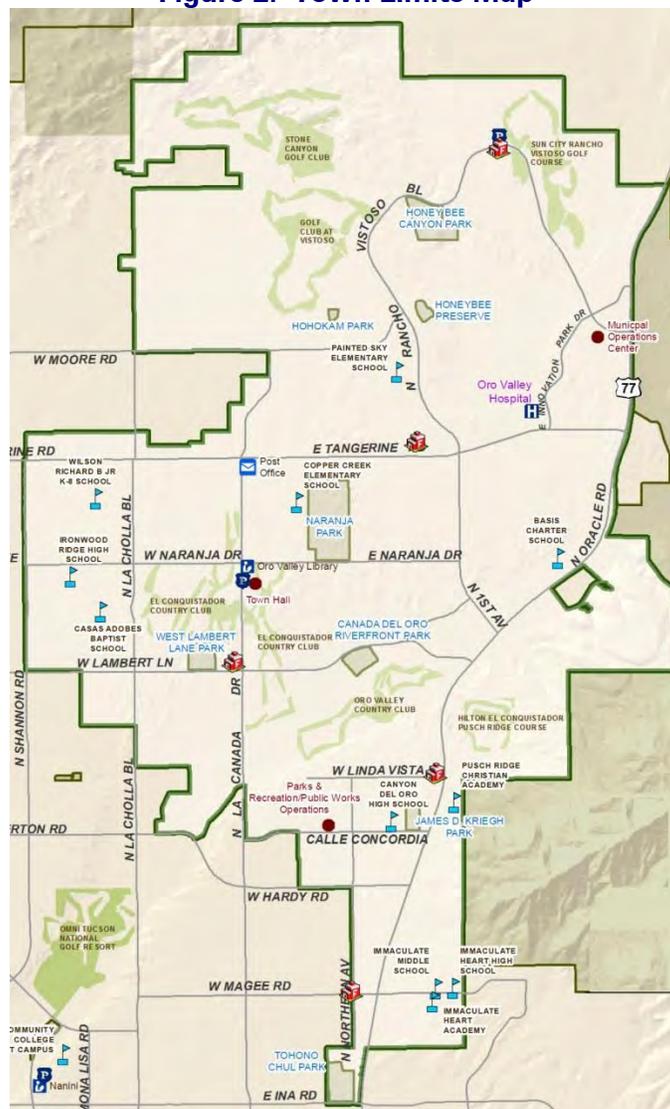
Finally, the new language inserted in the state enabling act by SB 1525, cited above, now requires municipalities to provide offsets for the excess portion of any construction contracting excise tax. Oro Valley has five classifications: Privilege Tax (2%), Hotel/Motel (6%), Construction Contracting (4%), Utilities (4%) and Pre-Existing Contracts (2%). Construction is higher than two of the other four categories, but two is not a majority of four. However, the Town has received a legal opinion that the word “classification” in the statute refers to the “taxable activities” on the Arizona Department of Revenue (“ADOR”) chart. This includes all taxable activities, such as bars/restaurants, transportation, commercial lease, amusement, job printing etc. Based on this interpretation, the transaction privilege tax on most of the Oro Valley classifications (taxable activities) is 2%. Consequently, an offset is provided for half of the construction sales tax against the transportation impact fees.

SERVICE AREAS

As noted in the Legal Framework section, service areas are a key requirement for impact fees under SB 1525. Land use assumptions (growth projections) and an infrastructure improvements plan (list of capital improvements and impact fee analysis) must be prepared for each service area. Multiple service areas are not mandated by SB 1525, as long as it can be shown that developments located anywhere within the service area will be served by or benefit from improvements anywhere in the service area – which is another way of saying that a “substantial nexus” can be demonstrated.

Oro Valley currently charges non-utility impact fees for transportation, parks and police facilities. The Town currently has a single, town-wide service area for all three fee types. The current Oro Valley town limits are shown in Figure 2 below.

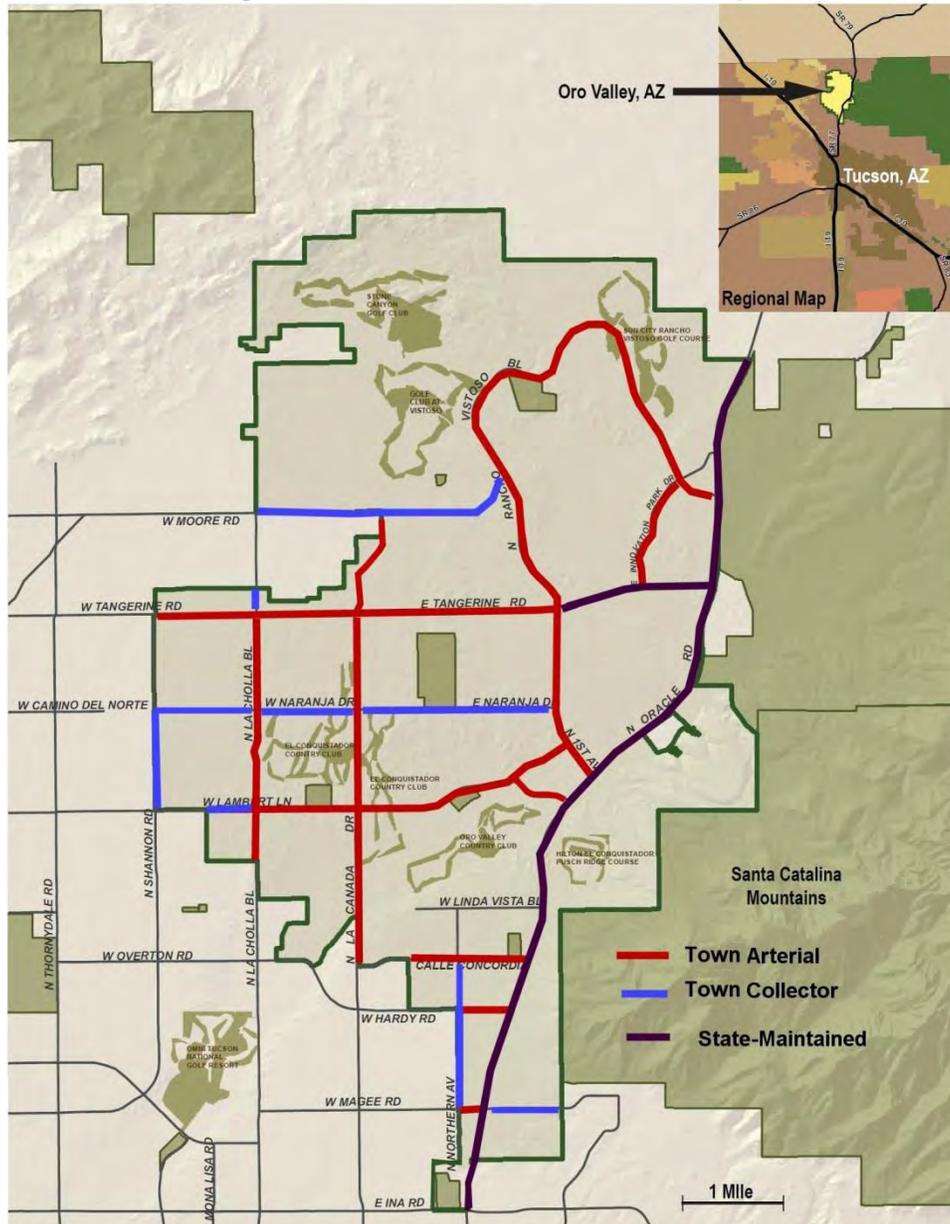
Figure 2. Town Limits Map



Transportation

Transportation planners classify roadways according to function. Local streets primarily function to provide access to adjacent development. Collector roads serve a dual function, providing both access and a way for traffic to get to the arterial. Arterial roadways also provide some access to adjacent properties, but their primary function is to move traffic long distances with a community. The functional classifications of the Town’s existing major roadways are shown in Figure 3.

Figure 3. Functional Classification Map



The Town’s transportation impact fees are limited to arterials and major collectors. Since these roadway classifications are designed to move traffic throughout the community, a town-wide service area continues to be appropriate.

Parks

SB 1525 authorizes fees for “neighborhood parks,” although the term is undefined except for certain restrictions. The most important restriction is that neighborhood parks cannot not exceed 30 acres, unless a “direct benefit” (another undefined term) can be demonstrated.

While the Town’s does not have a park master plan, typical standards are that a neighborhood park should be 5-10 acres and have a service area of about a one-half mile radius, while a community park should be 30-80 acres in size and have a service area of about a three-mile radius. The 30-acre park size authorized for impact fees falls somewhere between a neighborhood and community park.

Park impact fee service areas can reasonably be larger than the service area of a single park. Residents do not always use the park closest to them. A park impact fee system where each existing or potential park has its own service area would be unworkable. The entire town limits is roughly the size of two community park areas, and is recommended for the park impact fees.

Police

The current and recommended service area for police impact fees is town-wide. Most police facilities are centralized in the Main Police Station, and police protection is provided throughout the city from roving patrol cars.

LAND USE ASSUMPTIONS

This section presents land use assumptions covering a ten-year period (2013-2023) to serve as the basis for the infrastructure improvements plan and impact fee calculations for the Town of Oro Valley’s transportation, park and police impact fees.

SB 1525 requires that land use assumptions be developed for each service area. All of the Town’s impact fees will continue to be based on a single town-wide service area.

SB 1525 requires that land use assumptions be developed “pursuant to the general plan.” The *Oro Valley General Plan*, adopted in 2005, does not include projections of future population or land use. Consequently, other data sources will be used to develop projections.

The 2010 U.S. Census provides a total count of housing units, but no information on units by housing type. Information on housing type is available from sample data collected by the Census Bureau as part of the annual American Housing Survey. The most recent available data is a weighted 5% sample, which consist of five annual 1% samples taken in 2007 through 2011. These figures are adjusted to match the 2010 total housing count from the 2010 Census. Adding the number of units for which building permits were issued by the Town over the last three years yields an estimate of existing housing units by type for 2013, as shown in Table 5.

Table 5. Existing Housing Units by Type, 2013

	2007-11 ACS	2010 Census	2010-12 Permits	2013 Est.
Single-Family Detached	14,677	15,285	264	15,549
Multi-Family	4,486	4,672	757	5,429
Mobile Home	368	383	0	383
Total Housing Units	19,531	20,340	1,021	21,361

Source: 2007-2011 ACS data is from the U.S. Census Bureau’s American Community Survey, based on a 5% sample taken over five years; 2010 total units from 2010 U.S. Census, SF1 100% count data; 2010 units by type based on distribution of units from ACS data; building permits issued in calendar years 2010 through 2012 from Town of Oro Valley Development and Infrastructure Services Department, March 22, 2013 (includes an additional 750 multi-family units per Town, August 20, 2013).

The best available source of information on growth projections for Oro Valley is the small area population, housing and employment estimates and projections prepared by the Pima Association of Governments (PAG). The boundaries of these small areas, called Traffic Analysis Zones (TAZ), coincide very closely with the Town’s boundaries, and can be aggregated to the Town limits. Current PAG data sets are available for 2005 estimates and 2040 projections. 2013 estimates for housing and population are based on current housing unit estimates derived in Table 5 above. Employment estimates for 2013 are derived from 2005 PAG employment estimates, which are adjusted upward by the 2005-2013 growth in housing units. 2023 population, housing and employment estimates are based on a straight-line interpolation between 2013 estimates and 2040 PAG projections. The resulting 2013-2023 forecasts are presented in Table 6.

Table 6. Population, Housing and Employment, 2013-2023

	2005	2013	2023	2040
Total Population	39,028	43,070	47,735	55,666
Total Housing Units	18,509	21,361	22,749	25,109
Retail/Commercial Employment	3,367	3,886	4,941	6,736
Office Employment	2,487	2,870	4,083	6,145
Industrial Employment	2,405	2,776	3,042	3,493
Warehouse Employment	130	150	121	71
Public Employment	1,016	1,173	1,787	2,832

Source: 2005 estimates and 2040 projections for Traffic Analysis Zones consistent with Town of Oro Valley town limits from Pima Association of Governments; 2013 housing units from Table 5; 2013 population based on 2013 housing and 2010 ratio of population to housing from 2010 U.S. Census; 2013 employment based on 2005 estimates and 2013 to 2005 housing unit ratio; 2023 population, housing and employment is straight-line interpolation between 2013 and 2040.

The number of employees can be converted to building square footage estimates using the employee density ratios shown in Table 7.

Table 7. Employee Density Ratios

Land Use Type	Sq. Feet/ Employee	Employees/ 1,000 Sq. Ft.
Retail/Commercial	487	2.05
Office	205	4.88
Industrial	460	2.17
Warehouse	1,236	0.81
Public	800	1.25

Source: Sample survey data collected by City of Chandler, Arizona, Economic Development Department, 2005.

Land use assumptions for 2013-2023 are summarized in Table 8 below for population, housing units by type and nonresidential building square footage by land use type.

Table 8. Population, Housing and Nonresidential Sq. Ft., 2013-2023

	2013	2023
Total Population	43,070	47,735
Single-Family Detached Units	15,549	16,578
Multi-Family Units	5,429	5,788
Mobile Home Units	383	383
Total Housing Units	21,361	22,749
Retail/Commercial Sq. Ft. (1,000s)	1,892	2,406
Office Sq. Ft. (1,000s)	588	837
Industrial Sq. Ft. (1,000s)	1,277	1,399
Warehouse Sq. Ft. (1,000s)	185	150
Public Sq. Ft. (1,000s)	938	1,430
Total Nonresidential Sq. Ft. (1,000s)	4,880	6,222

Source: 2013 and 2023 population and total housing units from Table 6; 2013 housing units by type from Table 5; 2023 housing units by type assumes no growth in mobile homes and new units distributed according to 2013 distribution of non-mobile home units; nonresidential square fee based on employment from Table 6 and employee density ratios from Table 7.

TRANSPORTATION

This section updates the Town's transportation impact fees in compliance with the new Arizona impact fee enabling act for municipalities.

There are two basic transportation impact fee methodologies: consumption-based and plan-based. In the standard consumption-based approach, the total cost of a representative set of improvements is divided by the capacity added by those improvements in order to determine an average cost per vehicle-mile of capacity (VMC). This cost per VMC is then multiplied by the vehicle-miles of travel (VMT) generated by a unit of development of a particular land use type to determine the gross impact fee. A variant is the modified consumption-based approach, which uses a system-wide VMC/VMT ratio higher than the 1:1 ratio implicit in the standard approach.

The alternative is the plan-based approach. The key to a defensible plan-based methodology is a well-designed transportation master plan that establishes a strong nexus between anticipated growth over a 10-20 year period and the improvements that will be required to accommodate growth over that planning horizon. The cost per VMT (or per trip) is determined by dividing the cost of the planned improvements by the growth in VMT. The cost per VMT is then multiplied by the vehicle-miles of travel (VMT) generated by a unit of development of a particular land use type to determine the gross impact fee. The level of service standard under the plan-based approach is facility-specific (e.g., "all major road segments and intersections shall function at LOS D or better").

There are advantages and disadvantages to the two methodologies. The consumption-based approach, at least in its standard form, tends to be conservative and generally results in lower impact fees than the plan-based approach. This is because most roadway systems need more than one unit of capacity (VMC) for each unit of travel demand (VMT) in order to function at an acceptable level of service (the modified consumption-based approach addresses this issue and is less conservative). Plan-based fees using a transportation plan that identifies all of the improvements needed to provide acceptable levels of service on all roadways will almost always result in higher fees.

The major advantage of a consumption-based methodology is that it is more flexible, since the fees are not dependent on the specific projects included in the list of improvements, only on the average cost to construct a vehicle-mile of capacity. Changing the list of planned projects typically does not require recalculation of consumption-based road impact fees, since a single project is likely to have an insignificant impact on the average cost of capacity added by all of the improvements. This allows the capital plan to change in response to unforeseen development without triggering the need for an impact fee update. This update uses the consumption-based methodology.

Existing Level of Service

As described above, the level of service used in the consumption-based methodology is a system-wide capacity/demand (VMC/VMT) ratio of one. This section demonstrates that the existing level of service exceeds this standard.

An inventory of the existing arterial/major collector road network is summarized in Table 9 below. For each roadway segment, information was gathered on segment length in miles, number of through lanes, and current traffic volumes (annualized average daily trips or AADT). The number

of vehicle-miles of travel (VMT) is the product of segment miles and AADT. The number of vehicle-miles of capacity (VMC) is the product of segment miles and roadway capacity.

Table 9. Existing Major Road Inventory

Street	From	To	Class	Miles	Lns.	AADT	VMT	VMC
1st Ave	Oracle Rd	Lambert Ln	Minor Art	0.414	4	24,340	10,077	10,350
1st Ave	Lambert Ln	Naranja Dr	Minor Art	0.365	4	15,746	5,747	9,125
1st Ave	Naranja Dr	Tangerine Rd	Minor Art	0.997	4	15,746	15,699	24,925
Calle Buena Vista	Calle Concordia	Hardy	Collector	1.000	2	3,533	3,533	10,000
Calle Concordia	Calle Loma Linda	Calle Buena Vista	Minor Art	0.499	2	4,300	2,146	4,990
Calle Concordia	Calle Buena Vista	Overlook	Minor Art	0.708	2	4,300	3,044	7,080
Calle Concordia	Overlook	Hwy 77	Minor Art	0.708	2	4,300	3,044	7,080
Hardy Rd	Calle Loma Linda	Calle Buena Vista	Minor Art	0.501	2	5,384	2,697	5,010
Hardy Rd	Calle Buena Vista	Oracle Rd	Minor Art	0.534	2	5,384	2,875	5,340
Innovation Park	SR -989	Rancho Vistoso	Minor Art	1.248	2	6,000	7,488	12,480
La Canada Dr	Oro Valley TB	Calle Concordia	Minor Art	0.505	4	11,749	5,933	12,625
La Canada Dr	Oro Valley TB	Rancho Sonora	Minor Art	0.647	4	11,750	7,602	16,175
La Canada Dr	Rancho Sonora Dr	Lambert lane	Minor Art	0.414	4	11,750	4,865	10,350
La Canada Dr	Lambert Ln	Naranja Dr	Minor Art	0.997	4	14,658	14,614	24,925
La Canada Dr	Naranja Dr	Tangerine Rd	Minor Art	0.971	4	10,382	10,081	24,275
La Canada Dr	Tangerine Rd	Moore Rd	Minor Art	1.000	4	5,058	5,058	25,000
La Cholla Blvd	0.5 mi. S of Lambert	Lambert Ln	Minor Art	0.500	2	14,246	7,123	5,000
La Cholla Blvd	Lambert Ln	Naranja Dr	Minor Art	1.007	2	10,669	10,744	10,070
La Cholla Blvd	Naranja Dr	Tangerine Rd	Minor Art	0.966	2	9,870	9,534	9,660
La Cholla Blvd	Tangerine Rd	Oro Valley TB	Collector	0.258	2	2,798	722	2,580
Lambert Ln	0.5 mi. E of Shannon	La Cholla Blvd	Collector	0.496	2	7,178	3,560	4,960
Lambert Ln	La Cholla Blvd	Rancho Sonora	Minor Art	0.625	2	9,437	5,898	6,250
Lambert Ln	Rancho Sonora Dr	La Canada Dr	Minor Art	0.369	2	9,437	3,482	3,690
Lambert Ln	La Canada Dr	Highlands Dr	Minor Art	1.290	2	11,938	15,400	12,900
Lambert Ln	Pusch View	1st Ave	Minor Art	1.017	2	11,931	12,134	10,170
Magee Road	Northern Ave	Oracle Rd	Minor Art	0.219	2	14,146	3,098	2,190
Magee Road	Oracle Rd	Town Limits	Collector	0.787	2	1,888	1,486	7,870
Moore Road	La Cholla Blvd	Copper Spring Trl	Collector	1.558	2	3,621	5,642	15,580
Moore Road	Copper Spring Trl	Woodburne Ave.	Collector	0.804	2	3,621	2,911	8,040
Moore Road	Woodburne Ave.	Rancho Vistoso Bd	Collector	0.286	2	3,621	1,036	2,860
Naranja Dr	Shannon Road	La Cholla Blvd	Collector	1.000	2	2,000	2,000	10,000
Naranja Dr	La Cholla Blvd	La Canada Dr	Collector	0.998	2	7,883	7,867	9,980
Naranja Dr	La Canada Dr	1st Ave	Collector	2.020	2	3,977	8,034	20,200
Northern Ave.	Magee Road	Camino Cortaro	Collector	0.496	2	8,440	4,186	4,960
Northern Ave.	Camino Cortaro	Hardy Road	Collector	0.507	2	8,440	4,279	5,070
Pusch View Lane	Lambert Lane	Oracle Road	Minor Art	0.644	4	5,926	3,816	16,098
Rancho Vistoso	Tangerine Rd	Moore Rd	Minor Art	1.466	4	18,566	27,218	36,650
Rancho Vistoso	Moore Rd	Sun City Blvd	Minor Art	2.447	4	3,481	8,518	61,175
Rancho Vistoso	Sun City Blvd	Del webb Blvd	Minor Art	1.117	4	8,209	9,169	27,925
Rancho Vistoso	Del webb Blvd	Innovation Park	Minor Art	0.815	4	12,938	10,544	20,375
Rancho Vistoso	Innovation Park Dr	SR-77	Minor Art	0.414	4	12,932	5,354	10,350
Shannon Rd	Lambert Ln	Naranja	Collector	0.985	2	2,582	2,543	9,850
Tangerine Rd	Shannon Rd	La Cholla Blvd	Prin Art	0.981	2	11,242	11,028	9,810
Tangerine Rd	La Cholla Blvd	La Canada Dr	Prin Art	1.007	2	13,316	13,409	10,070
Tangerine Rd	La Canada Dr	Mandarin Ln	Prin Art	1.580	4	18,640	29,451	39,500
Vistoso Comm Lp	Rancho Vistoso Bd	Oracle Road	Collector	0.444	4	1,538	682	11,094
Total Vehicle-Miles							335,371	614,657

Source: Segment descriptions, miles, lanes and AADT from Town of Oro Valley, March 27, 2013; VMT is product of miles and AADT; VMC is product of miles and 25,000 vehicles per day for 4-lane and 10,000 for 2-lane.

The results of the existing level of service analysis are shown in Table 10. While some individual road segments are operating at a level of service worse than LOS D, the appropriate level of service measurement for a consumption-based road fee is the overall ratio of capacity to demand for the service area. As shown below, existing level of service exceeds the minimum VMC/VMT ratio of one.

Table 10. Existing Transportation Level of Service

Total Vehicle-Miles of Capacity (VMC)	614,657
÷ Total Vehicle-Miles of Travel (VMT)	335,371
Existing VMC/VMT Ratio	1.83

Source: Vehicle-miles of capacity (VMC) and vehicle-miles of travel (VMT) from Table 9.

Service Units

A service unit creates the link between supply (roadway capacity) and demand (traffic generated by new development). An appropriate service unit basis for road impact fees is vehicle-miles of travel (VMT). Vehicle-miles is a combination of the number of vehicles traveling during a given time period and the distance (in miles) that these vehicles travel.

The two time periods most often used in traffic analysis are the 24-hour day (average daily trips or ADT) and the single hour of the day with the highest traffic volume (peak hour trips or PHT). Due to the fact that available traffic counts are in terms of ADT and to be consistent with the Town’s current fees, which are based on ADT, daily VMT will be used as the service unit for the transportation impact fees.

Transportation service units are defined in terms of vehicle travel. The travel demand generated by a specific land use is a product of three factors: 1) trip generation, 2) percent primary trips and 3) average trip length.

Trip Generation

Trip generation rates are based on information published in the most recent edition of the Institute of Transportation Engineers’ (ITE) Trip Generation manual. Trip generation rates represent trip ends, or driveway crossings at the site of a land use. Thus, a single-one way trip from home to work counts as one trip end for the residence and one trip end for the work place, for a total of two trip ends. To avoid over counting, all trip rates have been divided by two. This places the burden of travel equally between the origin and destination of the trip and eliminates double charging for any particular trip.

Primary Trip Factor

Trip rates must also be adjusted by a “primary trip factor” to exclude pass by and diverted-linked trips. This adjustment is intended to reduce the possibility of over-counting by only including primary trips generated by the development. Pass by trips are those trips that are already on a particular route for a different purpose and simply stop at a development on that route. For example, a stop at a convenience store on the way home from the office is a pass by trip for the convenience store. A pass by trip does not create an additional burden on the street system and therefore should not be counted in the assessment of impact fees. A diverted-linked trip is similar

to a pass by trip, but a diversion is made from the regular route to make an interim stop. The reduction for pass by and diverted-linked trips was drawn from ITE and other published information.

Average Trip Length

In the context of a transportation impact fee based on a consumption-based methodology, it is necessary to determine the average length of a trip on the major roadway system within Oro Valley. The point of departure in developing local trip lengths is to utilize national data. The U.S. Department of Transportation’s 2009 National Household Travel Survey identifies average trips lengths for specific trip purposes. However, these trip lengths are unlikely to be representative of travel on the major roadway system in Oro Valley, since the national data includes travel on Federal and State highways, minor collectors and local streets, as well as travel outside any one jurisdiction. An adjustment factor for local trip lengths can be derived by dividing the vehicle-miles of travel (VMT) that is actually observed on the major roadway system by the VMT that would be expected using national average trip lengths and trip generation rates.

The first step is to estimate the total VMT that would be expected to be generated by existing development in Oro Valley based on national travel demand characteristics. This can be accomplished by multiplying existing development in each land use category by the appropriate national trip generation rate, primary trip factor and trip length, and summing for all land use types, as shown in Table 11. The expected VMT is considerably higher than the actual estimated VMT on the Town’s major roadway system. This is not surprising, since the major roadway system does not include State roads, minor collectors, local streets or any portion of a trip that occurs outside the Town limits. Consequently, it is necessary to develop an adjustment factor to account for this variation. The local adjustment factor is the ratio of actual to projected VMT on the major roadway system. The national average trip length for each land use type should be multiplied by a local adjustment factor of 0.311.

Table 11. Local Trip Length Adjustment Factor

Land Use Type	ITE Code	Unit	2013 Units	Trip Rate	Primary Trips	Daily Trips	Length (miles)	Daily VMT
Single-Family Detached	210	Dwelling	15,549	4.76	100%	74,013	9.75	721,627
Multi-Family	220	Dwelling	5,429	3.33	100%	18,079	8.62	155,841
Mobile Home Park	240	Space	383	2.50	100%	958	6.03	5,777
Retail/Commercial	820	1,000 sq ft	1,892	21.35	42%	16,966	6.27	106,377
Office	710	1,000 sq ft	588	5.52	80%	2,597	9.61	24,957
Industrial	140	1,000 sq ft	1,277	1.91	100%	2,439	11.98	29,219
Warehouse	150	1,000 sq ft	185	1.78	100%	329	11.98	3,941
Public/Institutional	620	1,000 sq ft	938	3.80	100%	3,564	8.47	30,187
Total Expected VMT								1,077,926
÷ Total Actual VMT								335,371
Ratio of Actual to Expected VMT								0.311

Source: Existing 2013 units from Table 8; trip rates are one-half daily trip ends during a weekday from Institute of Transportation Engineers (ITE), *Trip Generation*, 9th ed., 2012 (commercial based on shopping center, office on general office, industrial on manufacturing, public/institutional on nursing home); primary trip percentage from ITE, *Trip Generation Handbook*, June 2004; daily trips is product of units, trip rate and primary trip percentage; national average trip lengths from Table 12; daily VMT is product of daily trips and average trip length; actual city-wide VMT from Table 9.

National average trip lengths derived from the U.S. Department of Transportation’s 2009 National Household Travel Survey are available for a variety of trip types and purposes. These have been

adjusted downward by the local adjustment factor to determine local trip lengths, as shown in Table 12 below.

Table 12. Average Trip Lengths

Land Use	Trip Type	National Trip Length	Local Adjustment Factor	Local Trip Length
Single-Family Detached	Single-Family	9.75	0.311	3.03
Multi-Family	Multi-Family	8.62	0.311	2.68
Mobile Home	Mobile Home	6.03	0.311	1.88
Retail/Commercial	Shopping	6.27	0.311	1.95
Office	Medical/Dental	9.61	0.311	2.99
Industrial/Warehouse	To or From Work	11.98	0.311	3.73
Public/Institutional	School/Church	8.47	0.311	2.63

Source: National average trip lengths from U.S. Department of Transportation, National Household Travel Survey, 2009; local adjustment factor from Table 11; local trip length is product of national trip length and local adjustment factor.

Service Unit Summary

The result of combining trip generation rates, primary trip factors and localized average trip lengths is a travel demand schedule that establishes the daily VMT during the average weekday on the major roadway system generated by various land use types per unit of development for Oro Valley. The recommended travel demand schedule is presented in Table 13.

Table 13. Transportation Service Unit Multipliers

Land Use Type	ITE Code	Unit	Trip Rate	Primary Trips	Length (miles)	VMT/Unit
Single-Family Detached	210	Dwelling	4.76	100%	3.03	14.42
Multi-Family	220	Dwelling	3.33	100%	2.68	8.92
Mobile Home Park	240	Space	2.50	100%	1.88	4.70
Hotel/Motel	320	Room	2.82	100%	1.95	5.49
Retail/Commercial	820	1,000 sq ft	21.35	42%	1.95	17.48
Office	710	1,000 sq ft	5.52	80%	2.99	13.20
Industrial	140	1,000 sq ft	1.91	100%	3.73	7.12
Warehouse	150	1,000 sq ft	1.78	100%	3.73	6.63
Public/Institutional	620	1,000 sq ft	3.80	100%	2.63	9.99

Source: Trip rates are one-half daily trip ends during a weekday from Institute of Transportation Engineers (ITE), *Trip Generation*, 9th ed., 2012; retail primary trip percentage from ITE, *Trip Generation Handbook*, June 2004 (office estimated); average trip lengths from Table 12; daily VMT per unit is product of trip rate, primary trip percentage and average trip length.

Transportation service units are expressed in terms of vehicle-miles of travel (VMT). VMT projections for the 2013-2023 planning period are shown in Table 14 below. Note that using existing land uses and the transportation service unit multipliers under-estimates actual town-wide VMT by about three-tenths of a percent. This indicates that the calibration worked well and that the multipliers are slightly conservative in terms of reflecting actual demand.

Table 14. Transportation Service Units, 2013-2023

Land Use Type	Unit	Units		VMT/ Unit	VMT	
		2013	2023		2013	2023
Single-Family Detached	Dwelling	15,549	16,578	14.42	224,217	239,055
Multi-Family	Dwelling	5,429	5,788	8.92	48,427	51,629
Mobile Home Park	Space	383	383	4.70	1,800	1,800
Retail/Commercial	1,000 sq ft	1,892	2,406	17.48	33,072	42,057
Office	1,000 sq ft	588	837	13.20	7,762	11,048
Industrial	1,000 sq ft	1,277	1,399	7.12	9,092	9,961
Warehouse	1,000 sq ft	185	150	6.63	1,227	995
Public/Institutional	1,000 sq ft	938	1,430	9.99	9,371	14,286
Total Service Units (VMT)					334,968	370,831

Source: 2013 and 2023 units from Table 8; VMT per unit from Table 13; VMT is product of units and VMT per unit.

Cost per Service Unit

The cost per service unit is derived from the actual cost of one soon-to-be-completed project and three planned major road projects in Oro Valley. The descriptions and costs of these projects are summarized in Table 15. The average cost per new lane-mile added by these projects is \$4.29 million.

Table 15. Cost of Planned Major Road Projects

Project Description	Lanes			Miles	New Ln-Mi.	Total Cost	Cost per Lane-Mile
	Ex	Fut	New				
Tangerine Rd, Shannon to La Canada	2	4	2	2.0	4.0	\$19,896,770	\$4,974,193
Naranja Drive, La Cholla to Shannon	2	3	1	1.0	1.0	\$4,187,000	\$4,187,000
Lambert Lane, La Canada-Rancho Sonora	2	4	2	0.5	1.0	\$4,700,000	\$4,700,000
Lambert Lane, Pusch View Ln-La Canada	2	4	2	1.6	3.2	\$10,700,000	\$3,343,750
Total					9.2	\$39,483,770	\$4,291,714

Source: Town of Oro Valley, April 15, 2013.

To determine the cost per service unit, it is necessary to divide the cost by the capacity added by the improvements. As shown in Table 16, the four projects will add 69,000 vehicle-miles of capacity.

Table 16. Capacity Added by Planned Major Road Projects

Project Description	Daily Capacity (LOS D)			Miles	New VMC
	Before	After	New		
Tangerine Rd, Shannon to La Canada	10,000	25,000	15,000	2.0	30,000
Naranja Drive, La Cholla to Shannon	10,000	17,500	7,500	1.0	7,500
Lambert Lane, La Canada-Rancho Sonora	10,000	25,000	15,000	0.5	7,500
Lambert Lane, Pusch View Ln-La Canada	10,000	25,000	15,000	1.6	24,000
Total Vehicle-Miles of Capacity (VMC) Added					69,000

Source: Project descriptions and miles from Table 15; daily capacities at LOS D assumed; new VMC is product of new capacity and miles.

The cost per service unit is the product of the cost per VMC and the level of service (LOS). The standard consumption-based approach is based on a 1.00 ratio of capacity to demand. Under the standard consumption-based approach, the cost per VMT is the same as the cost per VMC, as shown in Table 17.

Table 17. Transportation Cost per Service Unit

Total Cost of Planned Improvements	\$39,483,770
÷ Total Vehicle-Miles of Capacity (VMC) Added	69,000
Average Cost per Vehicle-Mile of Capacity (VMC)	\$572
x VMC/VMT Ratio	1.00
Average Cost per Vehicle-Mile of Travel (VMT)	\$572

Source: Total cost from Table 15; new VMC added from Table 16; average cost per VMC is ratio of total cost to VMC added.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.

The transportation impact fees calculated in this report are based on a system-wide level of service that is lower than the existing level of service, so there are no existing deficiencies. The Town has no debt associated with previous capacity-expanding major road system improvements. Other than impact fees, the Town has no dedicated source of revenue to fund growth-related road capacity improvements. Non-local revenues sources, such as Highway User Revenue Funds, are used solely for road maintenance.

The draft FY 2014-2018 Transportation Improvement Program (TIP) shows \$15.04 million in regional transportation funding programmed for major road improvements in Oro Valley. While not necessarily generated locally, this funding comes at least partially from motor fuel taxes, some of which will be generated by new development. The amount that is attributable to new development in Oro Valley over the next 25 years equates to a net present value of \$166 per daily VMT, as shown in Table 18. This represents an appropriate offset to account for new development’s contribution to regional funding for major road improvements in Oro Valley.

Table 18. Transportation Outside Funding Offset per Service Unit

5-Year TIP Capacity Funding for Town Major Roads	\$15,037,000
÷ Number of Years	5
Annual TIP Capacity Funding	\$3,007,400
÷ Existing Vehicle-Miles of Travel (VMT)	335,371
Annual TIP Capacity Funding per VMT	\$8.97
x Present Value Factor, 25 Years	18.47
Outside Funding Offset per VMT	\$166

Source: Five-year TIP funding from Pima Association of Governments, 2014-2018 TIP, 5-Year Regional Transportation Improvement Program, March 2013 draft; existing VMT from Table 9; 25-year present value factor based on 2.48% discount rate, which is the average inflation rate over the last ten years, from U.S Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers (average annual change in annual index for 2002-2012).

As noted in the Legal Framework section, SB 1525 requires that an offset be provided for any “excess” construction sales tax, and it has been determined that one-half of the 4% construction sales tax meets the description of an excess tax. Even though the Town’s construction sales tax revenues are not earmarked to be used for any specific purpose, SB 1525 apparently requires that an offset be provided against one or more of the Town’s impact fees. It has been determined that the offset will be provided against the transportation impact fee. The excess construction sales tax offset is calculated in Table 19.

Table 19. Excess Construction Sales Tax Offset per Service Unit

Average Construction Sales Tax per Single-Family Unit	\$7,800
x Percent Excess	50%
Excess Construction Sales Tax per Single-Family Unit	\$3,900
÷ Daily VMT per Single-Family Detached Unit	14.42
Excess Construction Sales Tax Offset per VMT	\$270

Source: Average tax per single-family unit based on a \$300,000 home from Town of Oro Valley Finance Department, March 16, 2013; daily VMT per single-family unit from Table 13.

The net cost per service unit (VMT), after deducting the offsets for outside funding and excess construction sales tax and adding the cost of impact fee updates, is \$138 per VMT, as shown in Table 20.

Table 20. Transportation Net Cost per Service Unit

Cost per VMT	\$572
– Outside Funding Offset per VMT	-\$166
– Excess Construction Sales Tax Offset per VMT	-\$270
Impact Fee Study Cost per VMT	\$2
Net Cost per VMT	\$138

Source: Cost per VMT from Table 17; outside funding offset from Table 18; excess construction sales tax offset from Table 19; study cost from Table 47.

Potential Impact Fees

The maximum transportation impact fees that may be adopted by the Town based on this study is the product of the number of vehicle-miles of travel (VMT) generated by a unit of development and the net cost per VMT calculated above. The resulting fee schedule is presented in Table 21.

Table 21. Transportation Net Cost Schedule

Land Use Type	Unit	VMT/ Unit	Net Cost/ VMT	Net Cost/ Unit
Single-Family Detached	Dwelling	14.42	\$138	\$1,990
Multi-Family	Dwelling	8.92	\$138	\$1,231
Mobile Home Park	Space	4.70	\$138	\$649
Hotel/Motel	Room	5.49	\$138	\$758
Retail/Commercial	1,000 sq ft	17.48	\$138	\$2,412
Office	1,000 sq ft	13.20	\$138	\$1,822
Industrial	1,000 sq ft	7.12	\$138	\$983
Warehouse	1,000 sq ft	6.63	\$138	\$915
Public/Institutional	1,000 sq ft	9.99	\$138	\$1,379

Source: VMT per unit from Table 13; net cost per VMT from Table 20.

The updated transportation impact fees are compared to the Town’s current fees in Table 22. Note that the current land use categories differ from the proposed land use categories in that the proposed land use categories (a) separate office and institutional uses, and (b) do not vary commercial, office and institutional fees by the size of the development. The updated fees are higher for single-family, office, industrial/warehouse and larger institutional uses, and lower for multi-family, commercial and smaller institutional uses.

Table 22. Current and Updated Transportation Impact Fees

Current Land Use Type	Unit	Current Fee	Updated Fee	Percent Change
Single-Family	Dwelling	\$1,933	\$1,990	3%
All Other Housing	Dwelling	\$1,331	\$1,231	-8%
Lodging	Room	\$556	\$758	36%
Commercial, 25,000 sf or less	1,000 sq. ft	\$5,533	\$2,412	-56%
Commercial, 25,001-50,000 sf	1,000 sq. ft	\$4,807	\$2,412	-50%
Commercial, 50,001-100,000 sf	1,000 sq. ft	\$4,014	\$2,412	-40%
Commercial, 100,001-200,000 sf	1,000 sq. ft	\$3,436	\$2,412	-30%
Commercial, >200,000 sf	1,000 sq. ft	\$2,921	\$2,412	-17%
Office, 25,000 sf or less	1,000 sq. ft	\$1,812	\$1,822	1%
Office, 25,001-50,000 sf	1,000 sq. ft	\$1,547	\$1,822	18%
Office, 50,001-100,000 sf	1,000 sq. ft	\$1,318	\$1,822	38%
Office, 100,000 sf+	1,000 sq. ft	\$1,123	\$1,822	62%
Institutional, 25,000 sf or less	1,000 sq. ft	\$1,812	\$1,379	-24%
Institutional, 25,001-50,000 sf	1,000 sq. ft	\$1,547	\$1,379	-11%
Institutional, 50,001-100,000 sf	1,000 sq. ft	\$1,318	\$1,379	5%
Institutional, 100,000 sf+	1,000 sq. ft	\$1,123	\$1,379	23%
Business Park	1,000 sq. ft	\$1,260	\$983	-22%
Light Industrial	1,000 sq. ft	\$689	\$983	43%
Manufacturing	1,000 sq. ft	\$378	\$983	160%
Warehousing	1,000 sq. ft	\$490	\$915	87%

Source: Current fees from Town of Oro Valley, Development Fee Summary, July 1, 2012; updated fees from Table 21.

Capital Plan

Assuming that the updated fees are adopted at 100%, potential transportation impact fee revenue over the next ten years, based on new development anticipated by the land use assumptions, could be as much as \$4.9 million, as shown in Table 23. This revenue projection also includes the value of developer-constructed improvements, for which developers are given credit against their transportation impact fees.

Table 23. Potential Transportation Impact Fee Revenue

New Vehicle-Miles of Travel (VMT), 2013-2023	35,863
x Net Cost per Vehicle-Mile of Travel (VMT)	\$138
Potential Revenue at 100%, 2013-2023	\$4,949,094

Source: New VMT from Table 14; net cost per VMT from Table 20.

Assuming that growth occurs as projected in the land use assumption, the Town plans to complete approximately \$27.2 million in growth-related improvement to the major road system over the next ten years, as summarized in Table 24. Anticipated transportation impact fee revenues will cover

approximately 18% of the Town’s cost of planned improvements if adopted at 100%. The timing of individual improvements will be dependent on the pace and location of development that actually occurs, and not all of the planned improvements will necessarily be completed in the next ten years. Some portions of the improvements may be constructed by developers in return for credits against their impact fees.

Table 24. Transportation Capital Plan, 2013-2023

Improvement Location	Planned Improvement	Town Cost
Tangerine Rd, Shannon Rd-La Canada Dr	Widen to four lanes, drainage facilities, & landscaping	\$1,000,000
La Cholla Blvd, Tangerine Rd-Lambert Ln	Widen to 4 lanes, drainage, landscaping, retaining walls	\$800,000
Shannon Rd, Tangerine Rd-Naranja Dr	New three lane road	\$4,200,000
Lambert Ln, 0.5 mi. E of Shannon-Rancho Sonora	Widen to four lanes, drainage facilities, & landscaping	\$17,280,000
Moore Rd, Yellow Orchard-Mystic View	Construct two lanes of new road (north side)	\$1,440,000
Rancho Vistoso & Woodburne Intersection	Traffic Signal	\$750,000
Oracle Rd & Rams Field Intersection	Traffic Signal	\$750,000
Moore Rd La Cholla Blvd Intersection	Traffic Signal	\$900,000
Transportation Fee Update Study Costs (2)	Impact Fee Study	\$69,600
Total		\$27,189,600

Source: Planned improvements from Town of Oro Valley, July 3, 2013; study cost from Table 47.

PARKS

This section updates the Town’s park impact fees in compliance with the new Arizona impact fee enabling act for municipalities.

Service Units

The demand for Town park facilities is generated by people. However, the use of population directly as the service unit would pose some issues, since a community’s total population includes people in group quarters (primarily nursing homes), who do not typically generate much demand for public park facilities. A preferable service unit, for the purposes of park impact fees, is the single-family Equivalent Dwelling Unit, or EDU. A single-family detached unit is by definition one park service unit (equivalent dwelling unit or EDU). The numbers of service units associated with other housing types are determined by dividing the average household size by the average household size of a single-family unit. Average household size (the ratio of household population to occupied units) is preferable as the basis of the service unit to persons per unit (the ratio of household population to total units), because it eliminates the volatile factor of occupancy rates. The resulting service unit multipliers are presented in Table 25.

Table 25. Park Service Unit Multipliers

Housing Type	Avg. HH Size	EDUs/ Unit
Single-Family Detached	2.43	1.00
Multi-Family	1.69	0.70
Mobile Home	1.84	0.76

Source: Average household size (AHHS) from Table 43; EDUs per unit is ratio of AHHS to single-family detached AHHS.

The number of service units in Oro Valley can be determined by multiplying the number of housing units by the service unit multipliers for each housing type and summing for all housing types. Existing and projected service units (EDUs) are calculated in Table 26.

Table 26. Park Service Units, 2013-2023

Housing Type	Housing Units	EDUs/ Unit	EDUs
Single-Family Detached	15,549	1.00	15,549
Multi-Family	5,429	0.70	3,800
Mobile Home	383	0.76	291
Total EDUs, 2013	21,361		19,640
Single-Family Detached	16,578	1.00	16,578
Multi-Family	5,788	0.70	4,052
Mobile Home	383	0.76	291
Total EDUs, 2023	22,749		20,921

Source: 2013 and 2023 units from Table 8; EDUs per unit from Table 25.

Cost per Service Unit

SB 1525 limits park impact fees to “neighborhood parks,” an undefined term that excludes parks larger than 30 acres in size, unless a larger park can be shown to provide a “direct benefit” to development. SB 1525 also excludes a number of park improvements from being funded with park impact fees, including “that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.”

In general, impact fees should be based on the current level of service being provided to existing development. The inventory of existing eligible park facilities is provided below. The replacement cost of existing facilities in the park service area can be determined based on current unit costs. The total replacement value of eligible land and facilities is estimated to be about \$16 million, as shown in Table 27.

Table 27. Existing Park Facilities

Park Name	West		Honey		Total	Unit Cost	Total Cost	
	Canada del Oro	Jame D. Kriegh	Lambert Lane	Naranja Bee Canyon				
Total Acres	30.0	20.0	40.0	213.0	77.0	380.0	n/a	n/a
Eligible Acres	30.0	20.0	30.0	30.0	30.0	140.0	\$49,000	\$6,860,000
Eligible Developed Acres	30.0	20.0	0.2		8.0	58.2	\$68,769	\$4,002,356
Restrooms (lighted)	2	2			1	5	\$215,000	\$1,075,000
Playground (shaded)	1	1				2	\$150,000	\$300,000
Accessible Playground (shaded)		1				1	\$150,000	\$150,000
Covered Ramada (lighted)	3	1				4	\$90,000	\$360,000
Covered Ramada					2	2	\$50,000	\$100,000
Soccer Fields (lighted)	2					2	\$210,000	\$420,000
Softball Fields (lighted)	2	2				4	\$250,000	\$1,000,000
Baseball Fields (lighted)		3				3	\$250,000	\$750,000
Sand Volleyball	1	1				2	\$25,000	\$50,000
Horseshoe Pits	2					2	\$1,000	\$2,000
Concession Stand	1	1				2	\$150,000	\$300,000
Tennis Court (lighted)	1					1	\$140,000	\$140,000
Basketball Court (lighted)	1					1	\$100,000	\$100,000
Performance Stage	1					1	\$50,000	\$50,000
Walking Path	1					1	\$54,400	\$43,520
Raquetball Courts (lighted)		4				4	\$50,000	\$200,000
Dog Park		1				1	\$150,000	\$150,000
Archery Range (fixed)				1		1	\$150,000	\$150,000
Archery Range (walk around)				1		1	\$75,000	\$75,000
Total Replacement Cost								\$16,277,876

Source: Town of Oro Valley, March 25, 2013; eligible park acres limited to 30 acres of larger parks.

The existing level of service in the park service area can be expressed in terms of current cost per service unit. Including the cost of impact fee update studies that will be required over the next ten years, the park cost per service unit is \$856 per EDU, as shown in Table 28.

Table 28. Existing Park Cost per Service Unit

Total Existing Eligible Park Capital Cost	\$16,277,876
÷ Total Existing Park Service Units	19,640
Direct Park Cost per Service Unit	\$829
Impact Fee Study Cost per Service Unit	\$27
Existing Park Cost per Service Unit	\$856

Source: Total park cost from Table 27; existing (2013) EDUs from Table 26; study cost from Table 47.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.

The park impact fees calculated in this report are based on the existing level of service, so there are no existing deficiencies. There is no outstanding debt for existing park facilities. Other than impact fees, the Town has no dedicated source of revenue to fund growth-related park improvements. The Town has not received any grant funding for park improvements in recent years, and does not anticipate any grants over the next ten years. Consequently, no offsets against the park impact fees are warranted, and the net cost per service unit is the same as the cost per service unit calculated above.

Potential Impact Fees

The maximum park impact fees that may be adopted by the Town based on this study are the product of the number of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 29.

Table 29. Park Net Cost Schedule

Housing Type	Unit	EDUs/ Unit	Net Cost/ EDU	Net Cost/ Unit
Single-Family Detached	Dwelling	1.00	\$856	\$856
Multi-Family	Dwelling	0.70	\$856	\$599
Mobile Home Park	Space	0.76	\$856	\$651

Source: EDUs per unit from Table 25; net cost per EDU is cost per EDU from Table 28.

The updated park fees are compared to current fees in Table 30. The updated park fees are significantly higher than the current fees.

Table 30. Current and Updated Park Impact Fees

Current Land Use Type	Unit	Current Fee	Updated Fee	Percent Change
Single-Family Detached	Dwelling	\$555	\$856	54%
Multi-Family	Dwelling	\$336	\$599	78%
Mobile Home Park	Space	\$336	\$651	94%

Source: Current fees from Town of Oro Valley, Development Fee Summary, July 1, 2012; updated fees from Table 29.

Capital Plan

Assuming that the updated fees are adopted at 100%, potential park impact fee revenue over the next ten years, based on new development anticipated by the land use assumptions, could be as much as \$1.1 million, as shown in Table 31.

Table 31. Potential Park Impact Fee Revenue, 2013-2023

New Park EDUs, 2013-2023	1,281
x Net Cost per EDU	\$856
Potential Revenue, 2013-2023	\$1,096,536

Source: New EDUs from Table 26; net cost per EDU is cost per EDU from Table 28.

Assuming that growth occurs as projected in the land use assumption, the Town plans to complete approximately \$5 million in growth-related improvement to the park system over the next ten years, as summarized in Table 32. Anticipated park impact fee revenues will cover approximately 22% of the total cost of planned improvements. The timing of individual improvements will be dependent on the pace and location of development that actually occurs, and not all of the planned improvements will necessarily be completed in the next ten years.

Table 32. Park Capital Plan, 2013-2023

Naranja Park Development - 30 acres	\$4,000,000
James D. Kriegh Park Expansion	\$1,000,000
Impact Fee Update Studies (2)	\$34,800
Total	\$5,025,000

Source: Planned park improvements, Town of Oro Valley, July 1, 2013; study cost from Table 47.

POLICE

This section updates the Town’s police impact fees in compliance with the new Arizona impact fee enabling act for municipalities.

Service Units

Disparate types of development must be translated into a common unit of measurement that reflects the impact of new development on the demand for police facilities. This unit of measurement is called a “service unit.” The 2008 study used population as the residential service unit and vehicle trips as the nonresidential service unit, while allocating costs between residential and nonresidential land uses based on call volumes. A problem with relying on call data is that it is unstable over time. This means that fees can go up or down significantly for individual land uses each time the fees are updated.

The most commonly-used alternative to call data in police impact fees is based on a concept called “functional population.” Similar to the concept of full-time equivalent employees, functional population represents the number of “full-time equivalent” people present at the site of a land use. Functional population represents the average number of equivalent persons present at the site of a land use for an entire 24-hour day. For residential development, functional population is simply average household size times the percent of time people spend at home. For nonresidential development, functional population is based on a formula that includes square foot per employee ratios, trip generation rates, average vehicle occupancy and average number of hours spent by employees and visitors at a land use. These all tend to be stable characteristics that do not change significantly over short periods of time. Functional population multipliers by land use are calculated in Appendix B.

The number of police service units can be determined by multiplying the amount of existing development by the service unit multipliers for each land use type and summing for the area. Existing and projected service units (functional population) are calculated in Table 33 for the 2013-2023 planning horizon.

Table 33. Police Service Units, 2013-2023

Land Use Type	Unit	Units		Func. Pop. per Unit	Func. Population	
		2013	2023		2013	2023
Single-Family Detached	Dwelling	15,549	16,578	1.63	25,345	27,022
Multi-Family	Dwelling	5,429	5,788	1.13	6,135	6,540
Mobile Home Park	Space	383	383	1.23	471	471
Retail/Commercial	1,000 sq ft	1,892	2,406	2.35	4,446	5,654
Office	1,000 sq ft	588	837	0.82	482	686
Industrial	1,000 sq ft	1,277	1,399	0.34	434	476
Warehouse	1,000 sq ft	185	150	0.33	61	50
Public/Institutional	1,000 sq ft	938	1,430	0.62	582	887
Total Service Units (VMT)					37,956	41,786

Source: 2013 and 2023 units from Table 8; functional population per unit from Table 44 (residential) and Table 45 (nonresidential) in Appendix B.

Cost per Service Unit

The cost per service unit to provide police protection to new development is based on the existing level of service provided to existing development. The level of service is quantified as the ratio of the replacement cost of existing police capital facilities to existing police service units. The inventory of the Town’s existing police facilities is provided in Table 34.

Table 34. Existing Police Facilities

	Building Sq. Feet	Acres
Main Police Station	15,165	1.58
Impound Facility	n/a	0.55
Total	15,165	2.13

Source: Main police station data from Town of Oro Valley, April 10, 2013 and Deutsch Associates, *Town-Wide Space Needs Study, Phase I*, May 16, 2007; impound facility acres from Town Police Department, April 2, 2013..

In addition to land and buildings, police services require vehicles and equipment. The Town’s current police vehicles have a total replacement cost, based on current unit costs, of \$4.21 million, as summarized in Table 35 on the following page.

Table 35. Existing Police Vehicles

Make	Model	Year	Life	Repl. Cost	Make	Model	Year	Life	Repl. Cost
Police Department - Field Operations					Chevrolet	Tahoe	2012	6	\$55,000
Ford	Crown Vic	2007	10	\$49,500	Chevrolet	Tahoe	2012	6	\$55,000
Ford	Crown Vic	2007	6	\$48,000	Chevrolet	Tahoe	2012	6	\$55,000
Ford	Crown Vic	2007	6	\$48,000	Chevrolet	Tahoe	2012	6	\$55,000
Ford	Crown Vic	2007	6	\$48,000	Toyota	Camry	2012	6	\$33,000
Toyota	Tacoma	2007	8	\$24,000	Police Department - Motorcycle				
Ford	Crown Vic	2007	6	\$48,000	BMW	R1150RT-P	2006	10	\$26,000
Ford	Expedition	2007	6	\$48,000	BMW	R1150RT-P	2006	10	\$26,000
Ford	Crown Vic	2007	6	\$48,000	BMW	R1200RT-P	2007	10	\$27,000
Ford	Crown Vic	2007	6	\$48,000	BMW	R1200RT-P	2007	10	\$27,000
Dodge	Magnum	2007	8	\$51,000	BMW	R1200RT-P	2007	10	\$27,000
Ford	Crown Vic	2005	7	\$48,000	BMW	R1150RT-P	2004	9	\$25,000
Ford	F250 4x4	2006	8	\$48,000	BMW	R1150RT-P	2004	9	\$25,000
Ford	Crown Vic	2008	5	\$48,000	BMW	R1200RT-P	2009	8	\$27,000
Ford	Crown Vic	2008	8	\$51,000	BMW	R1200RT-P	2009	8	\$27,000
Ford	Crown Vic	2008	5	\$48,000	BMW	R1200RT-P	2009	10	\$28,000
Ford	Crown Vic	2008	8	\$51,000	Police Department - Support Services				
Ford	Crown Vic	2008	6	\$49,500	Toyota	Camry	2007	8	\$30,000
Ford	Crown Vic	2008	5	\$48,000	Ford	Taurus	2004	9	\$25,500
Ford	Crown Vic	2008	6	\$49,500	Dodge	Van	2007	10	\$34,000
Ford	Crown Vic	2008	8	\$51,000	Ford	Crown Vic	2005	12	\$52,500
Ford	Crown Vic	2008	5	\$48,000	Ford	Crown Vic	2005	8	\$48,000
Ford	Crown Vic	2008	8	\$51,000	Ford	Crown Vic	2005	8	\$48,000
Ford	Crown Vic	2008	8	\$51,000	Ford	Crown Vic	2006	7	\$48,000
Ford	Crown Vic	2008	5	\$48,000	Ford	Crown Vic	2006	8	\$49,500
Ford	F350 4x4	2008	10	\$52,000	Ford	Crown Vic	2006	9	\$51,000
Ford	Crown Vic	2008	5	\$48,000	Ford	Crown Vic	2006	9	\$51,000
Toyota	Camry	2007	7	\$27,000	Ford	Crown Vic	2006	7	\$48,000
Nissan	Altima	2005	8	\$25,500	Ford	Crown Vic	2006	8	\$49,500
Toyota	Camry	2006	7	\$25,500	Toyota	Camry	2006	10	\$31,000
Ford	Crown Vic	2009	7	\$51,000	Toyota	Camry	2006	10	\$31,000
Ford	Crown Vic	2009	6	\$51,000	Ford	E250 Van	2006	8	\$34,000
Ford	Crown Vic	2009	5	\$49,500	Dodge	Peace Keeper	1986	40	\$100,000
Ford	Crown Vic	2009	5	\$49,500	Toyota	Camry	2003	13	\$31,000
Ford	Crown Vic	2009	6	\$51,000	Toyota	Camry	2003	10	\$25,500
Ford	Crown Vic	2009	6	\$51,000	Nissan	Altima	2004	10	\$30,000
Ford	Crown Vic	2009	6	\$51,000	Ford	E150 8 Pass	2001	15	\$38,000
Ford	Crown Vic	2009	6	\$51,000	Ford	E150 8 Pass	2001	15	\$38,000
Toyota	Camry	2009	8	\$32,000	Ford	Motor Home	1999	20	\$200,000
Ford	Expedition	2008	6	\$52,000	Toyota	Camry	2008	7	\$31,000
Ford	Crown Vic	2011	6	\$52,500	Ford	F250 4x4	2008	10	\$53,000
Ford	Crown Vic	2011	6	\$52,500	Chevrolet	Silverado	2007	8	\$25,000
Ford	Crown Vic	2011	6	\$52,500	Ford	Crown Vic	2009	6	\$51,000
Nissan	Maxima	2005	10	\$31,000	Chrysler	Chrysler 300	2006	7	\$25,500
Ford	Crown Vic	2011	6	\$52,500	Pontiac	Van LUX	2003	12	\$32,000
Chevrolet	Silverado	2007	10	\$30,000	Police Department - Courts				
Chevrolet	Tahoe	2012	6	\$55,000	Ford	E250 Cargo	2001	15	\$35,000
Chevrolet	Tahoe 4x4	2012	6	\$57,500	Police Department - Professional Development				
Chevrolet	Tahoe	2012	6	\$55,000	Dodge	Van	2007	12	\$35,000
Chevrolet	Tahoe	2012	6	\$55,000	Total				
									\$4,210,000

Source: Town of Oro Valley Fleet Management Schedule, March 19, 2013.

The replacement cost of existing facilities can be determined based on current unit costs. The total replacement value of existing police land and facilities is estimated to be about \$6.9 million, as shown in Table 36. The resulting police cost per service unit is \$190 per functional population.

Table 36. Police Cost per Service Unit

	Units	Cost/Unit	Total Cost
Building Square Feet	15,165	\$143	\$2,166,429
Acres of Land	2.13	\$199,367	\$424,652
Vehicles	n/a	n/a	\$4,210,000
Impound Facility Improvements	n/a	n/a	\$84,000
Total Replacement Cost			\$6,885,081
– Outstanding Debt on MOC Impound Facility Land			-\$106,256
Net Replacement Cost			\$6,778,825
÷ Existing Functional Population			37,956
Direct Cost per Functional Population			\$181
Study Cost per Functional Population			\$9
Total Cost per Functional Population			\$190

Source: Building sq. ft. and acres from Table 34; cost per square foot from Town of Oro Valley Police Department, March 14, 2013 based on cost of planned property and evidence facility; cost per acre is actual cost per acre for 2005 MOC land purchase from Town of Oro Valley, March 19, 2013; outstanding debt on police MOC land is ratio of acres for police impound facility from Table 34 to total 23.7 acre purchase times outstanding debt of \$4,580,000 prior to July 1, 2013 payment from Town of Oro Valley, March 20, 2013; existing (2013) functional population from Table 33; study cost per service unit from Table 47.

Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.

The police impact fees calculated in this report are based on the existing level of service, so there are no existing deficiencies. The Town’s only outstanding debt for existing police facilities is the small portion of the Municipal Operations Center land that was purchased with 2006 bonds. The outstanding debt related to that land used for the existing impound facility has already been excluded from the cost per service unit, and no further offset is warranted. Other than impact fees, the Town has no dedicated source of revenue to fund growth-related police improvements. The Town has not received any grant funding for police improvements in recent years, and does not anticipate any grants over the next ten years. Given that no offsets against the police impact fees are required, the net cost per service unit is the same as the cost per service unit calculated above.

Potential Impact Fees

The maximum police impact fees that may be adopted by the Town based on this study is the product of the number of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 37.

Table 37. Police Net Cost Schedule

Land Use Type	Unit	Func. Pop./ Unit	Net Cost/ Func. Pop.	Net Cost/ Unit
Single-Family Detached	Dwelling	1.63	\$190	\$310
Multi-Family	Dwelling	1.13	\$190	\$215
Mobile Home Park	Space	1.23	\$190	\$234
Hotel/Motel	Room	1.05	\$190	\$200
Retail/Commercial	1,000 sq. ft.	2.35	\$190	\$447
Office	1,000 sq. ft.	0.82	\$190	\$156
Industrial	1,000 sq. ft.	0.34	\$190	\$65
Warehouse	1,000 sq. ft.	0.33	\$190	\$63
Public/Institutional	1,000 sq. ft.	0.62	\$190	\$118

Source: Functional population per unit from Table 44 and Table 45 in Appendix B; net cost per functional population is cost per functional population from Table 36.

The updated police fees are compared to current fees in Table 38. The updated fees are slightly higher than current fees for residential uses, and are significantly higher for nonresidential uses.

Table 38. Current and Updated Police Impact Fees

Current Land Use Type	Unit	Current Fee	Updated Fee	Percent Change
Single-Family	Dwelling	\$296	\$310	5%
All Other Housing	Dwelling	\$176	\$215	22%
Lodging	Room	\$14	\$200	1329%
Commercial, 25,000 sf or less	1,000 sq. ft.	\$146	\$447	206%
Commercial, 25,001-50,000 sf	1,000 sq. ft.	\$126	\$447	255%
Commercial, 50,001-100,000 sf	1,000 sq. ft.	\$105	\$447	326%
Commercial, 100,001-200,000 sf	1,000 sq. ft.	\$91	\$447	391%
Commercial, >200,000 sf	1,000 sq. ft.	\$76	\$447	488%
Office/Institutional, 25,000 sf or less	1,000 sq. ft.	\$43	\$156	263%
Office/Institutional, 25,001-50,000 sf	1,000 sq. ft.	\$37	\$156	322%
Office/Institutional, 50,001-100,000 sf	1,000 sq. ft.	\$32	\$156	388%
Office/Institutional, 100,000 sf+	1,000 sq. ft.	\$27	\$156	478%
Business Park	1,000 sq. ft.	\$30	\$156	420%
Light Industrial	1,000 sq. ft.	\$16	\$65	306%
Manufacturing	1,000 sq. ft.	\$9	\$65	622%
Warehousing	1,000 sq. ft.	\$12	\$63	425%

Source: Current fees from Town of Oro Valley, *Development Fee Utilization Report*, FY 2011-2012, September 25, 2012; updated fees from Table 37.

Capital Plan

Assuming that the updated fees are adopted at 100%, potential police impact fee revenue over the next ten years, based on new development anticipated by the land use assumptions, could be as much as \$0.7 million, as shown in Table 39.

Table 39. Potential Police Impact Fee Revenue, 2013-2023

New Functional Population, 2013-2023	3,830
x Net Cost per Functional Population	\$190
Potential Revenue, 2013-2023	\$727,700

Source: New functional population from Table 33; net cost per functional population is total cost per functional population from Table 36.

Assuming that growth occurs as projected in the land use assumption, the Town plans to complete approximately \$2.2 million in growth-related police improvements over the next ten years, as summarized in Table 40. Anticipated police impact fee revenues would cover approximately 33% of the total cost of planned improvements. The timing of individual improvements will be dependent on the pace and location of development that actually occurs, and not all of the planned improvements will necessarily be completed in the next ten years. Some of the improvements may be constructed by developers in return for credits against their impact fees.

Table 40. Police Capital Plan, 2013-2023

Property and Evidence Facility	\$1,000,000
South Police Substation	\$1,200,000
Impact Fee Update Studies (2)	\$34,800
Total	\$2,225,000

Source: Planned projects and estimated costs from Town Police Department, July 3, 2013; study cost from Table 47.

APPENDIX A: AVERAGE HOUSEHOLD SIZE

A key input into impact fee analysis is the average number of people residing in different types of dwelling units. This statistic, known as average household size, is the ratio of household population to households (which is the same as occupied dwelling units).

The most reliable data on average household size comes from the decennial census counts. Unfortunately, these 100%-count data are only available for all housing units, with no distinction by housing type. Overall, there was a 4.6% decline in Oro Valley between the 2000 and 2010 census in the average size of a household (ratio of household population to occupied units), as shown in Table 41.

Table 41. Average Household Size, 2000 and 2010

	Household Population	Occupied Units	Avg. HH Size
2010 Census	40,943	17,804	2.30
2000 Census	29,541	12,249	2.41
AHHS Ratio: 2010/2000			0.954

Source: 2000 and 2010 U.S. Census for Oro Valley, AZ, SF1 data (100% counts).

The 2000 census provided data on average household size by housing type for a 1-in-6 sample (about 17%). Those data are shown in Table 42. Household population and occupied units are weighted estimates designed to approximate the 100% counts.

Table 42. Average Household Size by Housing Type, 2000

Housing Type	Household Population	Occupied Units	Avg. HH Size
Single-Family Detached	25,025	9,814	2.55
Multi-Family	4,064	2,298	1.77
Mobile Home	435	225	1.93
Total	29,524	12,337	2.39

Source: 2000 U.S. Census for Oro Valley, AZ, SF3 data (1-in-6 sample)

An estimate of current average household size by housing type starts with the data from the 2000 census. The average household sizes from the 2000 census are adjusted downward for all housing types by the overall decline, as shown in Table 43.

Table 43. Current Average Household Size by Housing Type

Housing Type	2000 AHHS	2010/2000 Ratio	2010 AHHS
Single-Family Detached	2.55	0.954	2.43
Multi-Family	1.77	0.954	1.69
Mobile Home	1.93	0.954	1.84

Source: 2000 average household size (AHHS) by housing type from Table 42; 2010/2000 ratio from Table 41; 2010 AHHS by housing type is product of 2000 AHHS and ratio.

APPENDIX B: FUNCTIONAL POPULATION

The two most common methodologies used in calculating public safety service units and impact fees are the “calls-for-service” approach and the “functional population” approach. This update utilizes the “functional population” approach to calculate and assess the police impact fees. This approach is a generally-accepted methodology for these impact fee types and is based on the observation that demand for public safety facilities tends to be proportional to the presence of people at a particular site.

Functional population is analogous to the concept of “full-time equivalent” employees. It represents the number of “full-time equivalent” people present at the site of a land use, and it is used for the purpose of determining the impact of a particular development on the need for facilities. For residential development, functional population is simply average household size times the percent of time people spend at home. For nonresidential development, functional population is based on a formula that factors in trip generation rates, average vehicle occupancy, employee density and average number of hours spent by employees and visitors at a land use.

Residential Functional Population

For residential land uses, the impact of a dwelling unit on the need for police capital facilities is generally proportional to the number of persons residing in the dwelling unit. This can be measured for different housing types in terms of either average household size (average number of persons per occupied dwelling unit) or persons per unit (average number of persons per dwelling unit, including vacant as well as occupied units). In this analysis, average household size is used to develop the functional population multipliers, as it avoids the need to make assumptions about occupancy rates.

Determining residential functional population multipliers is considerably simpler than the nonresidential component. It is estimated that people, on average, spend 16 hours, or 67 percent, of each 24-hour day at their place of residence and the other 33 percent away from home. A similar approach is used for the hotel/motel category. The functional population per unit for these uses is shown in Table 44.

Table 44. Functional Population per Unit for Residential Uses

Housing Type	Unit	Average HH Size	Occupancy Factor	Func. Pop. per Unit
Single-Family Detached	Dwelling	2.43	0.67	1.63
Multi-Family	Dwelling	1.69	0.67	1.13
Mobile Home	Dwelling	1.84	0.67	1.23
Hotel/Motel	Room	1.57	0.67	1.05

Source: Average household size for dwelling units from Table 43; hotel/motel room occupancy based on one-half of average vehicle occupancy on vacation trips from U.S. Department of Transportation, National Household Travel Survey, 2009.

Nonresidential Functional Population

The functional population methodology for nonresidential land uses is based on trip generation data utilized in developing the transportation demand schedule prepared for the updated transportation impact fees. Functional population per 1,000 square feet is derived by dividing the total number of

hours spent by employees and visitors during a weekday by 24 hours. Employees are estimated to spend 8 hours per day at their place of employment, and visitors are estimated to spend one hour per visit. The formula used to derive the nonresidential functional population estimates is summarized in Figure 4.

Figure 4. Nonresidential Functional Population Formula

FUNCPOP/UNIT	=	(employee hours/1000 sf + visitor hours/1000 sf) ÷ 24 hours/day
<u>Where:</u>		
Employee hours/1000 sf	=	employees/1000 sf x 8 hours/day
Visitor hours/1000 sf	=	visitors/1000 sf x 1 hour/visit
Visitors/1000 sf	=	weekday ADT/1000 sf x avg. vehicle occupancy – employees/1000 sf
Weekday ADT/1000 sf	=	one-way avg. daily trips (total trip ends ÷ 2)

Using this formula and information on trip generation rates, vehicle occupancy rates from the National Household Travel Survey and other sources and assumptions, nonresidential functional population estimates per 1,000 square feet of gross floor area are calculated in Table 45.

Table 45. Functional Population per Unit for Nonresidential Uses

Land Use	Unit	Trip Rate	Persons/ Trip	Employee/ Unit	Visitors/ Unit	Func. Pop./ Unit
Retail/Commercial	1,000 sq. ft.	21.47	1.96	2.04	40.04	2.35
Office	1,000 sq. ft.	5.51	1.24	1.82	5.01	0.82
Industrial	1,000 sq. ft.	1.91	1.24	0.82	1.55	0.34
Warehouse	1,000 sq. ft.	1.78	1.24	0.82	1.39	0.33
Public/Institutional	1,000 sq. ft.	3.79	1.86	1.11	5.94	0.62

Source: Trip rates from Table 13; persons/trip is average vehicle occupancy from Federal Highway Administration, Nationwide Household Travel Survey, 2009; employees/unit from Table 7; visitors/unit is trips times persons/trip minus employees/unit; functional population/unit calculated based on formula in Figure 4.

APPENDIX C: REVENUE FORECAST

SB 1525 requires that the infrastructure improvements plan include (Section 9-463.05.E.7):

A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.

The total revenues from these sources that can be attributed to new development over the next ten years are summarized in Table 46. However, most of this revenue will be used for ongoing operations and maintenance purposes.

Only revenue generated by new development that is dedicated to growth-related capital improvements needs to be considered in determining the extent of the burden imposed by new development. As discussed in greater detail in the Legal Framework section, offsets against impact fees are warranted in the following cases: (a) new development will be paying taxes or fees used to retire debt on existing facilities serving existing development; (b) new development will be paying taxes or fees used to fund an existing deficiency, (c) new development will be paying taxes or fees that are dedicated to be used for growth-related improvements, or (d) excess construction sales tax.

The analyses provided in the legal framework, transportation, parks and police sections of this report have identified that the only need for offsets is against the transportation impact fees for future Federal and State funding for major road improvements and excess construction sales tax. The reasons for this conclusion are, in the order listed above, as follows.

(a) The Town has no debt for past capacity-expanding transportation or park facilities. The only Town debt for police facilities is for the portion of the Municipal Operations Center that is used for the new police impound facility. That debt has been excluded from the value of existing police facilities on which the existing level of service and the impact fees are based; consequently, no additional offsets for future contributions from new development to retire that debt are warranted.

(b) The transportation, parks and police impact fees are all calculated on the basis of the existing, system-wide level of service (actually, a lower level of service in the case of transportation impact fees). Consequently, there are no existing deficiencies, and no offsets for deficiencies are warranted.

(c) The only funding the Town has that is dedicated to capacity-expanding capital improvements is future regional funding for major road improvements. An offset against the transportation impact fees is provided for anticipated future regional funding.

(d) The Town appears to assess an excess construction sales tax as defined by State law, and the offset is provided against the transportation impact fee.

Revenues that will be generated by new development and dedicated for eligible capital improvements are identified in Table 46.

Table 46. Revenue Attributable to New Development, 2013-2023

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Local Sales Tax	\$1,096,969	\$1,231,211	\$1,358,745	\$1,490,825	\$1,623,419
Licenses & Permits	\$15,819	\$35,468	\$44,929	\$56,419	\$64,464
State & Federal Grants	\$22,097	\$39,419	\$65,679	\$87,949	\$110,447
State Shared Revenues	\$102,311	\$211,659	\$329,397	\$446,438	\$567,336
Other Intergovernmental	\$318	\$629	\$934	\$1,232	\$1,524
Charges for Services	\$15,289	\$30,290	\$44,964	\$59,337	\$73,417
Fines	\$2,013	\$3,983	\$5,912	\$7,802	\$9,653
Interest Income	\$660	\$1,363	\$2,063	\$2,777	\$3,505
Miscellaneous	\$1,208	\$2,411	\$3,578	\$4,722	\$5,843
Bed Tax General Fund Alloc.	\$1,960	\$3,878	\$5,757	\$7,597	\$9,399
Total Growth Revenues	\$1,258,644	\$1,560,311	\$1,861,958	\$2,165,098	\$2,469,007
State/Federal Highway Funds	\$22,097	\$39,419	\$65,679	\$87,949	\$110,447
Excess Construction Sales Tax	\$968,220	\$968,220	\$968,220	\$968,220	\$968,220
Total Dedicated Growth Revenues	\$990,317	\$1,007,639	\$1,033,899	\$1,056,169	\$1,078,667

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Local Sales Tax	\$1,106,623	\$1,245,753	\$1,385,654	\$1,526,368	\$1,667,939	\$13,733,506
Licenses & Permits	\$70,718	\$75,430	\$78,822	\$81,088	\$82,404	\$605,561
State & Federal Grants	\$133,165	\$156,112	\$179,296	\$202,725	\$226,425	\$1,223,314
State Shared Revenues	\$692,206	\$821,183	\$954,405	\$1,092,015	\$1,234,250	\$6,451,200
Other Intergovernmental	\$1,811	\$2,091	\$2,367	\$2,636	\$2,901	\$16,443
Charges for Services	\$87,215	\$100,737	\$113,993	\$126,990	\$139,746	\$791,978
Fines	\$11,468	\$13,246	\$14,989	\$16,698	\$18,375	\$104,139
Interest Income	\$4,247	\$5,003	\$5,775	\$6,562	\$7,365	\$39,320
Miscellaneous	\$6,941	\$8,017	\$9,072	\$10,106	\$11,122	\$63,020
Bed Tax General Fund Alloc.	\$11,166	\$12,897	\$14,594	\$16,258	\$17,891	\$101,397
Total Growth Revenues	\$2,125,560	\$2,440,469	\$2,758,967	\$3,081,446	\$3,408,418	\$23,129,878
State/Federal Highway Funds	\$133,165	\$156,112	\$179,296	\$202,725	\$226,425	\$1,223,314
Excess Construction Sales Tax	\$968,220	\$968,220	\$968,220	\$968,220	\$968,220	\$9,682,200
Total Dedicated Growth Revenues	\$1,101,385	\$1,124,332	\$1,147,516	\$1,170,945	\$1,194,645	\$10,905,514

Source: Based on FY 2014-FY 2018 revenue forecasts from Town of Oro Valley Finance Department, April 24, 2013, with revenue forecasts for FY 2019-FY 2023 based on FY 2017-FY 2018 revenue growth; total growth revenues based on growth share of total transportation service units from Table 14 (assuming linear growth in VMT between 2013 and 2023); sales tax based on annual growth in transportation service units and construction sales tax per service unit estimated at \$270 per VMT; excess construction sales tax based on annual growth in transportation service units and excess construction sales tax per service unit from Table 19.

APPENDIX D: UPDATE STUDY COST

According to State law, impact fees may be used to pay for the costs of “professional services required for the preparation or revision of a development fee” (Sec. 9-463.05.A, ARS). This impact fee study cost the Town \$69,600 for the update of the transportation, park and police impact fees. Since SB 1525 requires impact fees to be updated every five years, two additional studies will be required over the next ten years. Dividing the 10-year cost of the required update studies for each facility by the new EDUs projected over the next ten years results in the following study costs per service unit.

Table 47. Update Study Cost per Service Unit

Type of Fee	Share	Cost/ Update	Updates Required	10-Year Cost	New Service Units	Cost per Serv. Unit
Transportation	50%	\$34,800	2	\$69,600	35,863	\$2
Park	25%	\$17,400	2	\$34,800	1,281	\$27
Police	25%	\$17,400	2	\$34,800	3,830	\$9
Total	100%	\$69,600		\$139,200	na	na

Source: Shares estimated by Duncan Associates; total update cost is actual cost of this impact fee study update; other update costs based on shares; updates required based on State law requirement that fees be updated at least every five years; new service units from Table 14 (transportation), Table 26 (parks) and Table 33 (police); cost per service unit is 10-year cost times new service units.

PUBLIC REVIEW DRAFT

Oro Valley Water Utility Development Impact Fees Study

October 2013

Prepared for



Prepared by



1840 E. River Road, Suite 200
Tucson, Arizona

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Appendix C: Alternative Water Resources Expansion Related Projects

C-1 Alternative Water Resources Development Impact Fee
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Appendix D: Potable Water System Expansion Related Projects

D-1 Potable Water System Development Impact Fee Project Descriptions

D-2 Potable Water System Development Impact Fee Projects Map

Appendix E: Expansion Related Capital Improvements

E-1 Alternative Water Resources Expansion Related
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Executive Summary

The Town of Oro Valley Water Utility (Water Utility) contracted with CH2M HILL to prepare this development impact fee study in order to comply with recent amendments to the Arizona Revised Statutes, which require existing impact fee programs in Arizona to be replaced with new fees prior to August 1, 2014.¹

Based on CH2M HILL's review and analysis of the Water Utility's customer characteristics, growth projections, and capital improvements plan projects and costs, adjustments are proposed to the existing Alternative Water Resources Development Impact Fee (AWRDIF) and Potable Water System Development Impact Fee (PWSDIF). Adjustments to the Water Utility's existing development impact fees are provided in Table ES-1 for the base (5/8-inch) meter size and for a multifamily unit.

TABLE ES-1
Existing and Proposed Development Impact Fees

Customer Class	Existing AWRDIF	Proposed AWRDIF	Percent Variance	Existing PWSDIF	Proposed PWSDIF	Percent Variance	Net Change
Single Family (5/8-inch meter)	\$4,982	\$4,045	-19%	\$2,567	\$2,015	-22%	-20%
Multi-Family (per unit)	\$2,390	\$1,941	-19%	\$1,230	\$967	-21%	-20%
Commercial (5/8-inch meter)	\$4,982	\$5,258	6%	\$4,110	\$2,619	-36%	-13%
Irrigation (5/8-inch meter)	\$4,982	\$7,280	46%	\$4,360	\$3,626	-17%	17%

The proposed development impact fees would result in decreases across all customer classes with the exception of the commercial and industrial AWRDIF and the irrigation AWRDIF. On a combined basis, the net change in proposed Water Utility development impact fees would be a decrease for all customer classes except irrigation, which would increase 17 percent. The complete schedule of AWRDIF and PWSDIF fees is provided in Section 4 of this report.

¹ Arizona Revised Statutes §9-463.05(K)

1.0 Introduction

Recent amendments to ARS §9-463.05 require existing impact fee programs in Arizona to be replaced with fees adopted under the new statute by August 1, 2014.² The Town of Oro Valley Water Utility (Water Utility) retained CH2M HILL to assist with its update to the Alternative Water Resources Development Impact Fee (AWRDIF) and Potable Water System Development Impact Fee (PWSIDIF) in order to meet the August 2014 deadline. This report contains CH2M HILL's findings and recommendations for both the AWRDIF and PWSIDIF. The development impact fee analysis and the associated infrastructure improvements plan (IIP) span a 10-year period beginning in year 2014 and ending in year 2023 - hereinafter referred to as the study period.

Calculations throughout this report are based on analysis conducted using Microsoft Excel® software. Calculation results may use rounded figures, but the analysis itself uses figures carried to their ultimate decimal places. As such, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report due to the rounding.

1.1 Objectives

The objectives of the analysis were to develop fair and equitable impact fees that recover the average cost to construct a unit of capacity for a customer connecting to the Water Utility system, and to comply with Town policies, Arizona State Statutes, and impact fee case law.

1.2 Background

Development impact fees in Arizona must meet the requirements of the Arizona Revised Statutes (ARS §9-463.05, as amended) and impact fee case law, namely the rational nexus criterion. The rational nexus criterion in essence means that development impact fees must be administered in a nondiscriminatory manner and must bear a reasonable and proportionate relationship to the burden imposed upon the municipality to provide additional necessary public facilities.

While the most recent changes in ARS §9-463.05 tightened the standards for demonstrating compliance with the rational nexus test, the underlying purpose and intent of the law remains the same - that development impact fees should reflect the average cost to construct a unit of capacity required to serve new development. Based on our review and analysis of the Water Utility's customer characteristics, growth projections, and capital improvements plan projects and costs, CH2M HILL designed the PWSIDIF and AWRDIF to recover the average cost of Water Utility infrastructure required to serve a new customer.

² Arizona Revised Statutes §9-463.05(k)

This development impact fee analysis follows and makes frequent reference to the recently amended ARS §9-463.05. The requirements defined in this statute include a detailed analysis of the land use and growth assumptions, level of service, and infrastructure required to serve new growth.

1.2.1 Water Utility Policies

The Town of Oro Valley Water Policies establish “the Valley Water Utility as a financially self-supporting enterprise.”³ As such, all costs associated with the operation of the Water Utility are funded from revenues derived from the sale of water and other water-related income sources, including development impact fees. Furthermore, “water revenues in excess of operating needs of the Water Utility shall be carried forward for future operating or future bond funding requirements and shall not be transferred to the Town’s General Fund.”⁴

1.2.2 Structure of Funds

The Water Utility manages three separate funds; the Operating Fund, the AWRDIF Fund, and the PWSDIF Fund. Each fund is briefly discussed below:

- **Operating Fund** - The primary fund for the Utility which includes management of O&M and labor expenditures for the potable and reclaimed water systems, and non-growth capital expenditures related to the existing water system. Revenue for this fund is generated through potable and reclaimed water sales, service fees and charges, groundwater preservation fees, investment income, and other miscellaneous revenue.
- **AWRDIF Fund** - This fund includes capital expenditures related to alternative water resource projects such as Central Arizona Project (CAP), and the related debt service. Revenue for this fund is generated from impact fees collected at the time new water meters are purchased, and interest income on AWRDIF fund cash reserves.
- **PWSDIF Fund** - This fund includes capital expenditures related to expansion or growth projects for the potable water system and related debt service. Revenue for this fund is generated through impact fees collected when new water meters are purchased and through interest income on PWSDIF fund cash reserves.

Revenues and expenses from these funds are segregated and managed separately. The forecasted impact fee revenue generated for the AWRDIF and PWSDIF Funds are based on the growth projections and the proposed impact fees described herein. Development impact fee revenue is restricted to pay for new infrastructure and water acquisitions to serve future customers only.

³ Town of Oro Valley Mayor and Town Council Water Policies, Adopted October 23, 1996, as amended.

⁴ Ibid, Section II, A.1.c.

1.3 Impact Fee Methodologies

For the purposes of the AWRDIF and PWSDIF development, CH2M HILL evaluated industry-standard impact fee calculation methodologies defined by the American Water Works Association (AWWA) M1 Manual “*Principles of Water Rates, Fees, and Charges*” These methods include:

- Equity Buy-In method
- Incremental Cost method
- Hybrid method

The goal of the **equity buy-in method** is to achieve an equity position between new and existing customers of the system. This approach is best suited for existing facilities that have been oversized and have excess capacity available. It utilizes the original cost of existing assets, escalated to current value using a standard cost index such as Engineering News-Record Construction Cost Index. Adjustments are made to account for outstanding debt, developer contributions, and accumulated depreciation. The resulting estimate of current system equity is divided by the number of system service units (SUs) connected to the system to compute an average cost per SU.

The **incremental cost method** assigns to new development the incremental cost of system expansion needed to serve new development. This approach is best suited for communities that have limited existing capacity, and have prepared detailed growth-related capital project plans and acquisition plans. The cost of recently completed and proposed projects, including interest and financing costs, for a specified time frame (i.e., 10 years per Arizona State Statutes) is divided by the number of equivalent customers that will be served by the additional capital projects to compute an average cost per SU.

Incremental average costs per SU may be additive for separate infrastructure components or may be combined on a weighted-average basis for similar infrastructure components.

The **hybrid method** applies principles from both methods and is appropriate where some existing reserve capacity for growth is available and new capacity is planned.

CH2M HILL primarily utilized the incremental cost method to compute both the AWRDIF and PWSDIF using both recently-completed and proposed infrastructure projects as the basis for the incremental average cost per SU calculation.

2.0 Legal Framework

2.1 Necessary Public Services

Recent amendments to ARS §9-463.05 include a new definition of “necessary public services” for which development impact fees may be assessed. “Necessary public service” means facilities that have a life expectancy of 3 or more years and that are owned and operated by or on behalf of the municipality. For the purpose of the Water Utility, necessary public services include:

“Water facilities, including the supply, transportation, treatment, purification, and distribution of water, and any appurtenances to those facilities.”⁵

CH2M HILL designed the PWSDF and AWRDF to include the infrastructure components defined in statute, as further described below:

- **Water Facilities**

- Supply – means infrastructure related to sources of supply, including but not limited to groundwater and CAP water, and any appurtenances and engineering services related to such water supply facilities.
- Transportation – means infrastructure related to the transportation, pumping, and storage of water, and any appurtenances to such facilities.
- Treatment – means infrastructure related to water treatment and any appurtenances and engineering services related to such facilities. Oro Valley does not include any of its Water Utility assets in this category for the purposes of determining development impact fees.
- Purification – means infrastructure related to purification of water and any appurtenances and engineering services related to such facilities. Oro Valley does not include any of its Water Utility assets in this category for the purposes of determining development impact fees.
- Distribution – means local distribution pipelines (typically less than 12 inches diameter) and main extensions and any appurtenances and engineering services related to such facilities. Oro Valley does not include any of its Water Utility assets in this category for the purposes of determining development impact fees.
- Appurtenances – appurtenances are included together with the categories described above for the purposes of determining development impact fees.

⁵ ARS §9-463.05.T.7(a)

- **Real Property** – includes real property required for location of the infrastructure facilities described above.
- **Engineering Services** – engineering services are included together with the water infrastructure categories described above for the purposes of determining development impact fees.
- **Financing** – includes interest and other finance costs related to the portion of the bonds issued to finance construction of necessary public services and/or facility expansions identified in the IIP.
- **Development Impact Fee Study** – includes the cost of conducting the development impact fee study in accordance with ARS §9-463.05.

This impact fee analysis demonstrates that the required capital facilities are a consequence of new development and necessary for new development to occur, and that the AWRDIF and PWSDIF are proportionate to and a result of the additional demands of new development. These capital facilities as defined in the IIP will result in a beneficial use to new development.

In addition, CH2M HILL conducted an evaluation of credits for exactions or other dedications, as described in this report. This impact fee analysis also compares the new fees to Water Utility's current fee schedule, and recommends adjustments, where needed, to comply with ARS 9-463.05 and fulfill the rational nexus criterion.

2.2 Service Area

ARS 9-463.05 defines the "Service area" as the specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the IIP.⁶ The Water Utility has chosen to define its water service area for the AWRDIF and PWSDIF, as shown in Figure 1 below. This figure is also provided in 11x17 size in Appendix A: Water Utility Service Area Map.

⁶ ARS 9-463.05.T.(9)

If adopted, the Water Utility development impact fees would only apply to future growth and development within the Water Utility's defined service area and as it may change in the future due to annexations or other inclusions in the service area. Any development not located within, annexed into or included in the service area would not be entitled to or eligible to receive water service from the Water Utility.

2.3 Land Use Assumptions

The land use assumptions serve as the basis for the IIP and subsequent impact fee calculations for the Water Utility. ARS 9-463.05 defines "Land use assumptions" as the projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least 10 years and pursuant to the general plan of the municipality.⁷ The *Oro Valley General Plan*, adopted in 2005, does not include projections of future population, land use, or Water Utility SUs. As such, land use assumptions were derived using GIS mapping according to current zoning and consistent with the Town's General Plan, as well as recent population growth forecasts submitted to the Arizona Department of Water Resources.⁸

When considering future Water Utility infrastructure investments (or utilization of existing capacity), it is difficult to provide an exact matching between the population and/or other measures of development growth and the necessary capital investment within a given timeframe due to such factors as:

- Water Utility infrastructure investments are made to serve long-term needs and require large, one-time financial commitments to serve growth over a period that may exceed the 10-year study period.
- Capacity utilization depends on the actual rate of development growth and new connections to the water system rather than the study period.
- Capacity must be available to serve new customers immediately upon connection to the Water Utility, requiring up-front investment and project construction prior to having exact certainty over the timing of those connections.

As such, the Water Utility performed an analysis of future land use using GIS based mapping to determine the SUs remaining in the existing water service area boundary depicted in Figure 1. The land use assumptions were based on current zoning for each remaining undeveloped and/or unserved parcel. The results of the analysis indicate a total of 4,131 new SUs in the Water Utility service area. These GIS land use maps are available electronically from the Water Utility upon request. The Water Utility service area land use assumptions are detailed in Table 2-1.

⁷ ARS 9-463.05.T.(6)

⁸ ADWR Annual Water Withdrawal and Use Report-Provider Summary 2012– March 25, 2013 – Schedule AWS – Part 2, page 7.

TABLE 2-1
Service Area Land Use Assumptions

	Current (2013)*	Future (2023)	Future Buildout	Increase
Single Family	18,710	NA	21,184	2,474
Multi-Family	1,860	NA	2,472	612
Commercial	830	NA	1,596	766
Irrigation	1,540	NA	1,819	279
Other	<u>260</u>	NA	=	=
Total SUs (Buildout)	23,200	NA	27,331	4,131
Total Population	43,062	47,182	NA	4,120

* Calendar year-end projection

Future growth within the service area in total SUs is anticipated at buildout - a period of at least 10 years and pursuant to the general plan of the Town. Future growth is comprised of single family, multi-family, commercial and irrigation SUs. The Water Utility anticipates an increase of 4,131 total SUs at buildout. The population is estimated to increase by 4,120 persons over the 10-year study period.

2.4 Changes in Growth and Development

ARS §9-463.05 requires that the municipality perform one of the following to monitor and respond to changes in growth and development over time:

- Appoint an infrastructure advisory committee to inform and monitor the municipality on a number of issues related to the land use assumptions and IIP, or
- Provide for a biennial certified audit of the municipality's land use assumptions, IIP, and development impact fees.

The Water Utility will conduct the biennial certified audit in order to comply with this requirement.

2.5 Credits

"If a municipality requires as a condition of development approval the construction or improvement of, contributions to or dedication of any facilities that were not included in a previously adopted IIP, the municipality shall cause the IIP to be amended to include the facilities and shall provide a credit toward the payment of a development impact fee for the construction, improvement, contribution or dedication of the facilities to the extent that the facilities will substitute for or otherwise reduce the need for other similar facilities in the IIP for which development impact fees were assessed."⁹

⁹ §9-463.05, B 11.

The Water Utility expects to enter into line extension agreements with developers to provide for water system expansion through pipelines and local distribution infrastructure to meet future demands for their specific development. Since this infrastructure is not included in the IIP, it is therefore not eligible for a credit toward development impact fee payments. Because the Water Utility is a financially self-supporting enterprise, impact fee credits, if any, may not be transferred between Water Utility and non-Water Utility sources. Furthermore, Town water policy prohibits entering into a “development agreement for any purpose that permits the developer to pay reduced water rates and/or reduced development impact fees.”¹⁰

Developers or other private parties may offer (but are not required as a condition of development approval) to provide or develop water infrastructure (transmission, distribution, storage, or pumping facilities) that may exceed the water demand and/or supply for proposed commercial or residential development. In these instances, it may be appropriate to offer an offset to the proposed PWSDF, if such infrastructure is included in the IIP. Such offsets would depend upon the ability to integrate with the Town’s existing water system and would be subject to review and acceptance by the Town. In addition, the developer and Water Utility could enter into an over-sizing agreement consistent with Town Water Code. In this case the Water utility would pay for the incremental cost of over sizing and there would be no eligible credits to offset impact fees.

¹⁰ Town of Oro Valley Mayor and Town Council Water Policies, Section II, A.1.f, adopted October 23, 1996, as amended.

3.0 Infrastructure Improvements Plan

A written plan that identifies each necessary public service or facility expansion that is proposed to be the subject of the development impact fee and complies with the specific requirements of ARS 9-463.05.(E) is provided in the following sections. These sections follow and comply with the seven subchapters of ARS 9-463.05.(E), which define the infrastructure improvements requirements. Engineering analysis and capacity calculations in this report were prepared by qualified professionals licensed in the State of Arizona, as applicable.

3.1 Description of Existing Necessary Public Services

The Water Utility has approximately 18,800 customer connections serving a population of 43,000, which includes customers within the Town boundaries and the Countryside service area. The Water Utility currently delivers water from three sources of supply:

- Groundwater is pumped from wells in the aquifer below the Town and delivered through the potable water distribution system.
- CAP water is delivered to the Oro Valley potable water system through Tucson Water's distribution system. Oro Valley also uses its CAP water indirectly through groundwater storage credits.
- Reclaimed water is used for irrigation of turf, predominantly for golf courses, and is delivered through a separate reclaimed water distribution system.

In 2012, a total of 7,444 acre feet of potable water was produced to deliver water supply to Water Utility customers. The wells in the Oro Valley Water Service Area produced 5,415 acre feet (1.76 billion gallons) and the wells in the Countryside Water Service Area produced 746 acre feet (243 million gallons) to deliver water supply to our customers. In addition, 1,283 acre feet of CAP water was delivered to the potable water system in accordance with an intergovernmental agreement with the City of Tucson. The total pumped from Water Utility wells in 2012 was 1,573 acre feet (513 million gallons) less than in 2011 primarily due to the Water Utility's CAP deliveries and ongoing water conservation efforts.

In 2012, the Water Utility also stored CAP water to obtain groundwater storage credits within the Tucson Active Management Area. The use of groundwater storage credits for recovery wells reduces the Water Utility's financial obligations to the Central Arizona Groundwater Replenishment District.

Groundwater levels continue to decline in the Oro Valley aquifer but to a significantly lesser extent than in previous years due to reductions in groundwater pumping. Well water levels declined an average of 1.29 feet in the Oro Valley Water Service Area and declined 2.75 feet in the Countryside Water Service Area in 2012. Operation of the reclaimed water system and the delivery of CAP water have slowed the groundwater decline, thus conserving, preserving and protecting the aquifer and groundwater supply. The Water Utility plans to

continue to utilize a mix of source water, including its remaining CAP water allocation, in the foreseeable future.

The following are some of the Water Utility's existing resources and assets as of December 31, 2012:

- Water Resources:
 - Groundwater Supply (Assured Water Supply): 13,384 acre feet per year
 - Groundwater Supply (Sustainable Supply Target) 5,500 acre feet per year
 - Reclaimed Water: 2,300 acre feet per year
 - Effluent Water: 1,500 acre feet per year
 - CAP Water: 10,305 acre feet per year

- Assets:
 - Water Distribution Storage Reservoirs: 19
 - Potable Water Reservoir Capacity: 11,600,000 gallons
 - Reclaimed Water Reservoir Capacity: 1,500,000 gallons
 - Potable Water Mains: 343 miles
 - Reclaimed Water Mains: 12 miles
 - Potable Water Booster Stations: 25
 - Reclaimed Water Booster Stations: 2
 - Operating Wells: 22

The Water Utility has budgeted capital expenditures to repair, replace, and upgrade existing water facilities. These non-growth-related capital expenditures are funded with Operating Fund revenue (predominantly from water rates) and therefore are not considered in the AWRDIF and PWSDF analysis.

3.2 Service Unit Characteristics

In order to present water demands using a standardized measure of consumption, average consumption attributable to an individual unit of development (calculated pursuant to generally accepted engineering and planning standards) is expressed in terms of SUs. A Water Utility SU is represented by a residential customer with a 5/8-inch (or 5/8 x 3/4 inch) meter, which is the most common meter size in Oro Valley. Based on an examination of historic billing statistics and water system characteristics, the Water Utility's current SU demand characteristics are 110,790 gallons per year (9,232 gallons per month) or 0.34 AF annually.

If development impact fees are assessed, they must be assessed against commercial, industrial and residential development.¹¹ As such, the Water Utility will continue to charge proportionate fees across development categories based on the relative burdens imposed by and differential cost of providing water to specific categories of development. The level of consumption for each development category is provided in Table 3-1.

¹¹ ARS 9-463.05.B.(13)

TABLE 3-1
Oro Valley Water Utility Service Unit Characteristics and Capacity Factors

Development Category	Water Demand (gallons/year/SU)	Water Demand (acre feet/year/SU)	Service Unit Capacity Factor
Residential	110,790	0.34	1.00
Multifamily	53,180	0.16	0.48
Commercial and Industrial	144,000	0.44	1.30
Irrigation	199,400	0.61	1.80

The capacity factors express water demand on a SU basis and were determined based on an analysis of the Town’s water billing data. Capacity factors indicate that commercial, industrial, and irrigation categories demand more water per SU than the residential category, while the multifamily SU demands less water than all other categories.

3.3 Projected Service Units

The Water Utility installed 171 new water connections in year 2012 (or 245 SUs), approximately a 1.0 percent growth rate, and expects to add 300 new SUs in 2013. The projected number of SUs necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering criteria are provided in Table 3-2.

TABLE 3-2
Projected Annual Growth in Number of Service Units

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013 System SUs	23,200									
Projected Additional SUs	300	400	400	400	450	450	450	500	500	500
Total System SUs	23,500	24,208	24,608	25,008	25,458	25,908	26,358	26,808	27,258	27,758
Annual Growth (percent)	1.3%	1.7%	1.7%	1.6%	1.8%	1.8%	1.7%	1.9%	1.9%	1.8%

Annual growth is forecasted to increase from the current level of approximately 300 SUs in 2013 to 500 SUs annually by the end of the forecast period. The total number of additional SUs forecasted over the 10-year period is 4,050 SUs – just under the 4,131 SUs anticipated at buildout. The annual growth rate in SUs ranges from 1.3 to 1.9 percent, averaging 1.7 percent over the study period.

3.4 Projected Water Demands

The projected demand for water services required by new SUs over the 10-year forecast period is provided in Table 3-3.

TABLE 3-3
Projected Potable Water Demands

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013 System SUs	23,200									
Projected Additional SUs	300	400	400	400	450	450	450	500	500	500
Total System SUs	23,500	24,208	24,608	25,008	25,458	25,908	26,358	26,808	27,258	27,758
Potable Water System Demand (AF/year)	7,990	8,130	8,260	8,400	8,550	8,700	8,860	9,030	9,200	9,370

Annual growth in water demand is forecasted to increase from the current level of approximately 7,990 acre-feet to 9,370 acre-feet by the end of the study period. The annual growth rate in potable water system demand ranges from 1.3 to 1.9 percent, averaging 1.7 percent over the study period.

3.5 Analysis of Excess Available Capacity

3.5.1 Alternative Water Resources Excess Available Capacity

Since the 1940's groundwater levels have declined within the Water Utility's service area and it is anticipated that levels will continue to decline in the future without proactive measures. Based on the Town's 2002 *Assured Water Supply Hydrology Report*¹² and 2004 *Groundwater Action Plan*¹³, the Town has established a target "sustainable groundwater supply" of 5,500 AF per year. In 2005, the Water Utility pumped 10,520 acre feet, which represents the Water Utility's highest groundwater pumpage. In 2012, the Water Utility's total deliveries dropped to 9,543 AF (potable and reclaimed combined). Of that amount, 6,160 AF was groundwater pumpage and 1,283 AF was CAP water delivered to the potable system. The remaining amount was reclaimed water deliveries of 2,100 AF.

Until year 2005 the Water Utility's only source of water supply was groundwater from existing wells. In October 2005, the Water Utility began operation of the first phase of its reclaimed water system. The Water Utility current water supplies include:

- Groundwater from Town wells – groundwater from Town wells is limited to a "sustainable groundwater supply" of approximately 5,500 AF per year.
- Reclaimed Water – reclaimed water includes the delivery of treated wastewater effluent to irrigation customers. The total capacity of reclaimed water is approximately 2,300 AF.
- Colorado River water delivered through the CAP - The Town currently has a subcontract with CAWCD for 10,305 AF of CAP water rights. Of this amount, 1,283 AF was delivered in 2012 through a wheeling agreement with Tucson Water. It is

¹² Assured Water Supply Hydrology Report for the Oro Valley Water Utility, Brown and Caldwell, June 2002.

¹³ Groundwater Action Plan, Oro Valley Water Utility, Oro Valley, Arizona; Brown and Caldwell, August 2004.

anticipated that CAP water delivery capacity will increase to a cumulative total of 3,500 AF over the 10-year study period.

The Town will increasingly rely on renewable reclaimed water and CAP water to meet its needs as existing groundwater production is reduced to approximately 5,500 AF per year in the future to protect and preserve the aquifer and minimize groundwater mining.

Existing customers use 6,160 AF per year of groundwater, which is 660 AF per year greater than the sustainable groundwater production flow rate of 5,500 AF per year. In early 2014, the Water Utility will complete its development of an additional 500 AF of the 660 AF of CAP water for existing customers. This leaves an additional amount of 160 AF needed for existing customers from the proposed infrastructure in the IIP for the AWRDIF projects.

Total water demand is expected to increase from the current 9,543 AF per year to approximately 11,760 AF by 2023. It is anticipated that this demand will be met via 5,870 AF of groundwater; 2,300 AF of reclaimed water; and 3,500 AF of CAP water. Of the 3,500 AF of CAP water, 2,000 AF has been developed for and paid by existing (current) customers. Of the remaining 1,500 (and the basis for this AWRDIF analysis), 1,340 AF will be allocated to and paid by new development and 160 AF will be allocated to and paid by existing customers. The 160 AF will be funded with revenue collected from existing customers through the Water Utility's groundwater preservation fee (GPF), which is included in the monthly bills to existing customers.

The source of supply for the AWRDIF is the Town's allocation of CAP water. In 2007, the Town acquired 3,557 acre feet of additional CAP water to meet the water demands for future growth and development. The total acquisition cost including finance charges was \$2,607,471 for a cost of approximately \$733 per acre foot (or \$249 per SU). An analysis of the alternative water resources excess capacity available for new development is provided in Table 3-4.

TABLE 3-4
Water Facilities - Alternative Water Resources Excess Available Capacity

Project Category	Project Costs	Additional Capacity (acre-feet)	Service Units	Cost per Service Unit
Water Facilities				
Source of Supply	\$ 2,362,129	3,557	10,462	\$226
Financing	<u>245,342</u>	3,557	10,462	<u>23</u>
TOTAL	\$2,607,471	3,557	10,464	\$249

The Water Utility's investment in its source of supply water facilities results in an average cost per SU of \$249, including financing expenses. Detailed calculations are provided in Appendix B: Excess Available Capacity Tables.

3.5.2 Potable Water System Excess Available Capacity

The potable water system consists of the resources and assets as described in Section 3.1. All of the Water Utility's resources and assets work together to provide consistent water

pressure and flow to approximately 18,800 customer accounts (or approximately 23,200 SUs). Estimating network system capacity is subjective, so the potable water system excess available capacity was estimated using:

- Pumping capacity
- Normalized pipe capacity per SU
- Hydraulic flow modeling

The results from all three estimates were consistent and demonstrated that the 2000 and 2003 bond projects were constructed with excess capacity of approximately 40 percent, or 4,300 SUs versus the 10,524 SUs designed to be served those projects. The excess available capacity analysis indicates that the current system therefore has sufficient capacity to serve a total of 27,500 SUs (or an additional 4,300 SUs more than the 2013 system SUs). However, it should be noted that capacity is determined based on a network basis for the entire water system, which does not preclude the need for additional capacity investments in certain portions of the system where capacity may be constrained.

An analysis of the potable water system excess available capacity to meet the water demands of future growth and development is provided in Table 3-5 below.

TABLE 3-5
Water Facilities - Potable Water System Excess Available Capacity

Project Category	Project Costs	Additional Capacity (acre-feet)	Service Units	Cost per Service Unit
Water Facilities				
Transportation and Appurtenances	\$13,104,410	3,578	10,524	\$1,245
Financing	<u>4,688,669</u>	3,578	10,524	<u>446</u>
TOTAL	\$17,793,079	3,578	10,524	\$1,691

The Water Utility’s previous investment in its potable water system water transportation facilities provides excess available capacity with an average cost per SU of \$1,691, including financing expenses. Detailed calculations are provided in Appendix B: Excess Available Capacity Tables.

3.6 Description of Infrastructure Attributable to New Development

The Water Utility provided a description of the necessary facility expansions and their costs necessitated by and attributable to new development in the service area based on the approved land use assumptions. These include the alternative water expansion projects funded via AWRDIF revenue, and the potable water expansion projects funded via PWSDIF revenue.

Necessary facility expansions are described in Appendix C: Alternative Water Resources Expansion Related Projects and Appendix D: Potable Water System Expansion Related Projects. Detailed calculations of the AWRDIF and PWSDIF are provided in Appendix E: Expansion Related Capital Improvements.

3.6.1 Alternative Water Resources Expansion Projects

A summary of the alternative water facilities expansion projects and their costs necessitated by and attributable to new development in the service area is provided in Table 3-6 below.

TABLE 3-6
Water Facilities - Alternative Water Resources Expansion Projects

Project Category	Project Costs	Additional Capacity (acre-feet)	Service Units	Cost per Service Unit
Water Facilities				
Transportation and Appurtenances	\$12,660,000	1,500	4,412	\$2,870
Financing	<u>4,051,200</u>	1,500	4,412	<u>918</u>
TOTAL	\$16,771,200	1,500	4,412	\$3,788

The Water Utility's future investment in its alternative water resources transportation projects will provide additional capacity with an average cost per SU of \$3,788, including financing expenses.

3.6.2 Potable Water System Expansion Projects

A summary of the potable water facilities expansion projects and their costs necessitated by and attributable to new development in the service area is provided in Table 3-7 below.

TABLE 3-7
Water Facilities - Potable Water System Expansion Projects

Project Category	Project Costs	Additional Capacity (acre-feet)	Service Units	Cost per Service Unit
Water Facilities				
Transportation and Appurtenances	\$3,750,000	386	1,135	\$3,304
Real Property	500,000	386	1,135	581
Financing	<u>1,360,000</u>	386	1,135	<u>1,198</u>
TOTAL	\$5,610,000	386	1,135	\$4,943

The Water Utility's future investment in its potable water system transportation projects and real property will provide additional capacity with an average cost per SU of \$4,943, including financing expenses.

3.7 Forecast of Non-Development Impact Fee Revenue

The Town of Oro Valley Water Policies establish the “the Oro Valley Water Utility as a financially self-supporting enterprise”¹⁴ and therefore new SUs connecting to the Water Utility potable water system are subject to both the PWSIDIF and AWRDIF will not generate any additional revenues through state-shared revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes that would inure to the benefit of the Water Utility. Construction sales taxes collected by the Town of Oro Valley will inure to the benefit of the Town’s general fund, not to the Water Utility. The Water Utility may collect certain taxes on behalf of the Town of Oro Valley or other taxing authorities, but the associated revenues are transferred to the Town or other authorities and the Water Utility does not receive any tax revenue. The capital recovery portion of the Water Utility’s current rates and fees are recovered for repair and replacement capital costs, not new growth. As such, a forecast of non-development impact fee revenue is not applicable and associated non-development impact fee credits are not applicable to the Water Utility.

In addition, PWSIDIF and AWRDIF fund debt is paid with impact fee revenue and therefore no debt-service credit is provided.

3.8 Interest Charges and Finance Costs

The Water Utility will fund all or a portion of the potable water system or alternative water resources projects by issuing revenue bonds. Projected interest charges and other finance costs may be included in determining the amount of development impact fees if the monies are used for the payment of principal and interest on the portion of the bonds issued to finance the construction of the necessary public services or facility expansions identified in the IIP.

For the purposes of this analysis, CH2M HILL assumed a 3.75 percent interest rate, 2 percent debt issuance expense, and 0.5 percent bond insurance expense. Based on these assumptions, interest and financing added approximately 32 percent to the cost of the future improvements. Actual interest charges and finance costs incurred were included for existing infrastructure with excess capacity.

3.9 Subfund Accounting

Monies received from the proposed AWRDIF and PWSIDIF will be placed in separate funds (the AWRDIF Fund and PWSIDIF Fund) and accounted for separately from the Water Utility Operating Fund. Interest earned on monies in these funds will be credited back to the respective fund.

¹⁴ Town of Oro Valley Mayor and Town Council Water Policies, Adopted October 23, 1996, as amended.

3.10 Summary and Conclusions

CH2M HILL computed the infrastructure and finance cost per SU for the water utility's IIP using the project categories defined by ARS §9-463.05. Both excess available capacity and expansion projects were included in the calculation of an average cost to construct a new unit of capacity (or to utilize an existing unit of capacity). This methodology arrives at an average cost to construct a new unit of capacity (or utilize an existing unit of capacity) at the same level of service; it does not rely on the timing of new development, but applies the cost of new capacity across all SUs that will be served by that capacity regardless of when growth may occur. Minor changes to the list of projects (or existing infrastructure) that provide capacity for new development should not require recalculation of the development impact fee since a single project is likely to have an insignificant impact on the average cost of capacity across all necessary system infrastructure.

4.0 Determination of Development Impact Fees

Based on the foregoing analysis in the IIP presented in Section 3, the development impact fees were determined according to the project categories defined by ARS §9-463.05. The results of the analysis and cost per SU for both the AWRDIF and PWSDIF are summarized in Tables 4-1 and 4-2, respectively.

TABLE 4-1
Water Facilities - Alternative Water Resources Infrastructure Summary

Project Category	Project Costs	Additional Capacity (acre-feet)	Service Units	Cost per Service Unit
Water Facilities				
Source of Supply	\$ 2,362,129	3,557	10,462	\$ 226
Transportation and Appurtenances	12,660,000	1,500	4,412	2,870
Treatment	-	-	-	-
Purification	-	-	-	-
Distribution	-	-	-	-
Real Property	-	-	-	-
Engineering Services	Included above	Included above	Included above	Included above
Financing	245,342	3,557	10,462	23
	4,051,200	1,500	4,412	918
Development impact fee Study ¹	<u>30,028</u>	-	4,050	<u>7</u>
TOTAL	\$19,348,699	-	-	\$4,045

1. The Development Impact Fee Study was conducted for \$60,056 in total and was evenly applied to the Water Utility's two impact fees.

The total cost per SU and the basis for the AWRDIF is \$4,045.

TABLE 4-2
Water Facilities - Potable Water System Infrastructure Summary

Project Category	Project Costs	Additional Capacity (acre-feet)	Service Units	Capital Cost per Service Unit
Water Facilities				
Source of Supply	-	-	-	-
Transportation and Appurtenances	\$16,854,410	3,964	11,659	\$1,446
Treatment	-	-	-	-
Purification	-	-	-	-
Distribution	-	-	-	-
Real Property	500,000	-	11,659	43
Engineering Services	Included above	Included above	Included above	Included above
Financing	6,048,669	-	11,659	519
Development impact fee Study ¹	<u>30,028</u>	-	4,050	<u>7</u>
TOTAL	\$23,433,107	-	-	\$2,015

1. The Development Impact Fee Study was conducted for \$60,056 in total and was evenly applied to the Water Utility's two impact fees.

The total cost per SU and the basis for the PWSDIF is \$2,015.

4.1 Proposed Development Impact Fees Schedule

The Water Utility's development impact fees are a one-time payment by new customers to recover costs required to support growth. The proposed AWRDIF and PWSDIF are applicable to new single-family residential; multifamily residential; commercial and industrial; and irrigation meters. New connections with meter sizes larger than 5/8 inch are adjusted based on their relative meter capacities currently utilized by the Water Utility (originally derived from capacity ratios published by the AWWA) such that the fee assessment schedule is proportionate, fair and equitable. Tables 4-3 through 4-5 provide the proposed impact fee assessment schedules.

TABLE 4-3
Alternative Water System Development Impact Fee Schedule

ORO VALLEY WATER UTILITY					
ALTERNATIVE WATER RESOURCES DEVELOPMENT IMPACT FEES					
Customer Class	Existing Demand Adjustment Factor	Proposed Demand Adjustment Factor	AWWA Meter Capacity Ratio	Existing AWRDIF	Proposed AWRDIF
Single Family Residential (per meter)					
5/8-inch	1.0	1.0	1.0	\$ 4,982	\$ 4,045
3/4-inch	1.0	1.0	1.5	\$ 7,470	\$ 6,067
1-inch	1.0	1.0	2.5	\$ 12,450	\$ 10,111
1.5-inch	1.0	1.0	5.0	\$ 24,910	\$ 20,223
2-inch	1.0	1.0	8.0	\$ 39,850	\$ 32,356
Multifamily Residential (per unit)					
Per Unit	0.48	0.48	NA	\$ 2,390	\$ 1,941
Commercial and Industrial (per meter)					
5/8-inch	1.0	1.3	1.0	\$ 4,982	\$ 5,258
3/4-inch	1.0	1.3	1.5	\$ 7,470	\$ 7,887
1-inch	1.0	1.3	2.5	\$ 12,450	\$ 13,145
1.5-inch	1.0	1.3	5.0	\$ 24,910	\$ 26,289
2-inch	1.0	1.3	8.0	\$ 39,850	\$ 42,063
3-inch	1.0	1.3	16	\$ 79,710	\$ 84,126
4-inch	1.0	1.3	25	\$ 124,550	\$ 131,447
6-inch	1.0	1.3	50	\$ 249,100	\$ 262,894
8-inch	1.0	1.3	80	\$ 398,560	\$ 420,631
Irrigation (per meter)					
5/8-inch	1.0	1.8	1.0	\$ 4,982	\$ 7,280
3/4-inch	1.0	1.8	1.5	\$ 7,470	\$ 10,920
1-inch	1.0	1.8	2.5	\$ 12,450	\$ 18,200
1.5-inch	1.0	1.8	5.0	\$ 24,910	\$ 36,401
2-inch	1.0	1.8	8.0	\$ 39,850	\$ 58,241
3-inch	1.0	1.8	16	\$ 79,710	\$ 116,482
4-inch	1.0	1.8	25	\$ 124,550	\$ 182,004
6-inch	1.0	1.8	50	\$ 249,100	\$ 364,007
8-inch	1.0	1.8	80	\$ 398,560	\$ 582,412

TABLE 4-4

Potable Water System Development Impact Fee Schedule

ORO VALLEY WATER UTILITY					
POTABLE WATER SYSTEM DEVELOPMENT IMPACT FEES					
Customer Class	Existing Demand Adjustment Factor	Proposed Demand Adjustment Factor	AWWA Meter Capacity Ratio	Existing PWSDIF	Proposed PWSDIF
Single Family Residential (per meter)					
5/8-inch	1.0	1.0	1.0	\$ 2,567	\$ 2,015
3/4-inch	1.0	1.0	1.5	\$ 3,850	\$ 3,022
1-inch	1.0	1.0	2.5	\$ 6,420	\$ 5,037
1.5-inch	1.0	1.0	5.0	\$ 12,840	\$ 10,074
2-inch	1.0	1.0	8.0	\$ 20,540	\$ 16,118
Multifamily Residential (per unit)					
Per Unit	0.48	0.48	NA	\$ 1,230	\$ 967
Commercial and Industrial (per meter)					
5/8-inch	1.6	1.3	1.0	\$ 4,110	\$ 2,619
3/4-inch	1.6	1.3	1.5	\$ 6,170	\$ 3,929
1-inch	1.6	1.3	2.5	\$ 10,280	\$ 6,548
1.5-inch	1.6	1.3	5.0	\$ 20,550	\$ 13,096
2-inch	1.6	1.3	8.0	\$ 32,880	\$ 20,953
3-inch	1.6	1.3	16	\$ 65,760	\$ 41,906
4-inch	1.6	1.3	25	\$ 102,750	\$ 65,478
6-inch	1.6	1.3	50	\$ 205,500	\$ 130,956
8-inch	1.6	1.3	80	\$ 328,800	\$ 209,530
Irrigation (per meter)					
5/8-inch	1.7	1.8	1.0	\$ 4,360	\$ 3,626
3/4-inch	1.7	1.8	1.5	\$ 6,540	\$ 5,440
1-inch	1.7	1.8	2.5	\$ 10,900	\$ 9,066
1.5-inch	1.7	1.8	5.0	\$ 21,800	\$ 18,132
2-inch	1.7	1.8	8.0	\$ 34,880	\$ 29,012
3-inch	1.7	1.8	16	\$ 69,760	\$ 58,024
4-inch	1.7	1.8	25	\$ 109,000	\$ 90,662
6-inch	1.7	1.8	50	\$ 218,000	\$ 181,324
8-inch	1.7	1.8	80	\$ 348,800	\$ 290,118

TABLE 4-5
Comparison of Existing and Proposed AWRDIF and PWSDIF

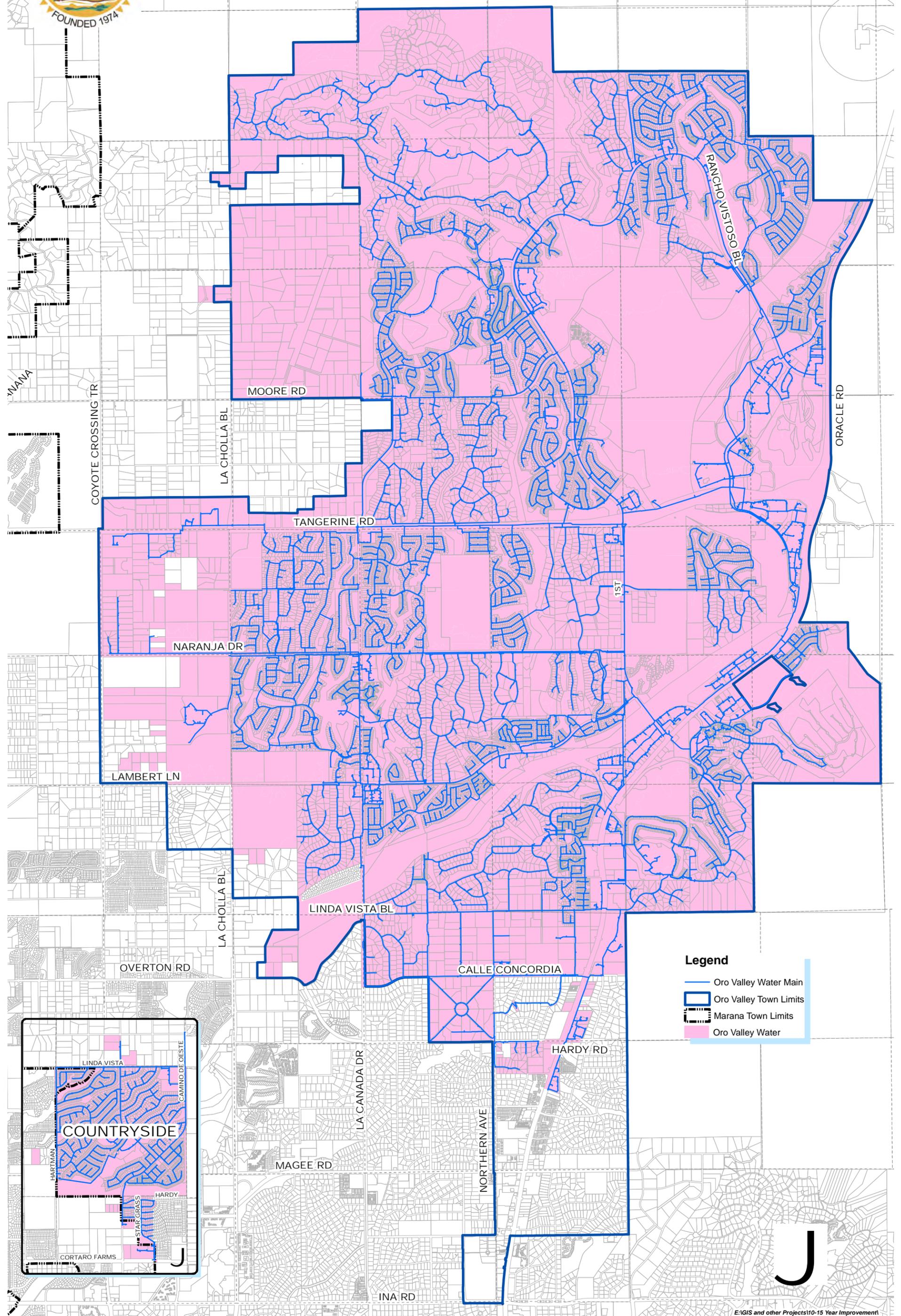
ORO VALLEY WATER UTILITY									
EXISTING AND PROPOSED DEVELOPMENT IMPACT FEES									
Customer Class	Existing AWRDIF	Proposed AWRDIF	Percent Variance	Existing PWSDIF	Proposed PWSDIF	Percent Variance	Existing Fees (combined)	Proposed Fees (combined)	Net Change
Single Family Residential (per meter)									
5/8-inch	\$ 4,982	\$ 4,045	-19%	\$ 2,567	\$ 2,015	-22%	\$ 7,549	\$ 6,059	-20%
3/4-inch	\$ 7,470	\$ 6,067	-19%	\$ 3,850	\$ 3,022	-22%	\$ 11,320	\$ 9,089	-20%
1-inch	\$ 12,450	\$ 10,111	-19%	\$ 6,420	\$ 5,037	-22%	\$ 18,870	\$ 15,148	-20%
1.5-inch	\$ 24,910	\$ 20,223	-19%	\$ 12,840	\$ 10,074	-22%	\$ 37,750	\$ 30,296	-20%
2-inch	\$ 39,850	\$ 32,356	-19%	\$ 20,540	\$ 16,118	-22%	\$ 60,390	\$ 48,474	-20%
Multifamily Residential (per unit)									
Per Unit	\$ 2,390	\$ 1,941	-19%	\$ 1,230	\$ 967	-21%	\$ 3,620	\$ 2,908	-20%
Commercial and Industrial (per meter)									
5/8-inch	\$ 4,982	\$ 5,258	6%	\$ 4,110	\$ 2,619	-36%	\$ 9,092	\$ 7,877	-13%
3/4-inch	\$ 7,470	\$ 7,887	6%	\$ 6,170	\$ 3,929	-36%	\$ 13,640	\$ 11,816	-13%
1-inch	\$ 12,450	\$ 13,145	6%	\$ 10,280	\$ 6,548	-36%	\$ 22,730	\$ 19,693	-13%
1.5-inch	\$ 24,910	\$ 26,289	6%	\$ 20,550	\$ 13,096	-36%	\$ 45,460	\$ 39,385	-13%
2-inch	\$ 39,850	\$ 42,063	6%	\$ 32,880	\$ 20,953	-36%	\$ 72,730	\$ 63,016	-13%
3-inch	\$ 79,710	\$ 84,126	6%	\$ 65,760	\$ 41,906	-36%	\$ 145,470	\$ 126,032	-13%
4-inch	\$ 124,550	\$ 131,447	6%	\$ 102,750	\$ 65,478	-36%	\$ 227,300	\$ 196,925	-13%
6-inch	\$ 249,100	\$ 262,894	6%	\$ 205,500	\$ 130,956	-36%	\$ 454,600	\$ 393,850	-13%
8-inch	\$ 398,560	\$ 420,631	6%	\$ 328,800	\$ 209,530	-36%	\$ 727,360	\$ 630,161	-13%
Irrigation (per meter)									
5/8-inch	\$ 4,982	\$ 7,280	46%	\$ 4,360	\$ 3,626	-17%	\$ 9,342	\$ 10,907	17%
3/4-inch	\$ 7,470	\$ 10,920	46%	\$ 6,540	\$ 5,440	-17%	\$ 14,010	\$ 16,360	17%
1-inch	\$ 12,450	\$ 18,200	46%	\$ 10,900	\$ 9,066	-17%	\$ 23,350	\$ 27,267	17%
1.5-inch	\$ 24,910	\$ 36,401	46%	\$ 21,800	\$ 18,132	-17%	\$ 46,710	\$ 54,533	17%
2-inch	\$ 39,850	\$ 58,241	46%	\$ 34,880	\$ 29,012	-17%	\$ 74,730	\$ 87,253	17%
3-inch	\$ 79,710	\$ 116,482	46%	\$ 69,760	\$ 58,024	-17%	\$ 149,470	\$ 174,506	17%
4-inch	\$ 124,550	\$ 182,004	46%	\$ 109,000	\$ 90,662	-17%	\$ 233,550	\$ 272,666	17%
6-inch	\$ 249,100	\$ 364,007	46%	\$ 218,000	\$ 181,324	-17%	\$ 467,100	\$ 545,331	17%
8-inch	\$ 398,560	\$ 582,412	46%	\$ 348,800	\$ 290,118	-17%	\$ 747,360	\$ 872,530	17%

APPENDIX A

Water Utility Service Area Map



WATER SERVICE AREA MAP



IVANA

COYOTE CROSSING TR

LA CHOLLA BL

MOORE RD

RANCHO NISTOSOL BL

ORACLE RD

TANGERINE RD

1ST

NARANJA DR

LAMBERT LN

LA CHOLLA BL

LINDA VISTA BL

OVERTON RD

CALLE CONCORDIA

HARDY RD

LA CANADA DR

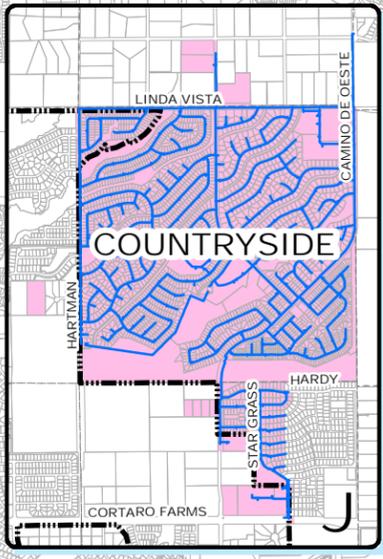
NORTHERN AVE

MAGEE RD

INA RD

Legend

- Oro Valley Water Main
- Oro Valley Town Limits
- Marana Town Limits
- Oro Valley Water



J

APPENDIX B

Excess Available Capacity Tables

APPENDIX B

Town of Oro Valley Water Utility

Table B-1: Alternative Water Resources Excess Available Capacity

Project No.	Project Name	Project Type	Completion Year	Capital Cost	Interest and Financing Cost	Total Project Cost	Additional Capacity (acre-feet)	Additional Service Units	Development Impact Fee per Service Unit
	CAP Water Acquisition	Source of Supply	2007	\$ 2,362,129	\$ 245,342	\$ 2,607,471	3,557	10,462	\$ 249
	TOTAL			\$ 2,362,129	\$ 245,342	\$ 2,607,471	3,557	10,462	\$ 249

APPENDIX B

Town of Oro Valley Water Utility

Table B-2: Potable Water System Excess Available Capacity

Project No.	Project Name	Project Type	Completion Year	Capital Cost	Interest and Financing Cost	Total Project Cost	Additional Capacity (acre-feet)	Additional Service Units	Development Impact Fee per Service Unit
<u>Series 2000 Bond Expansion Related Projects</u>									
1	WP 4 Well, Booster and Reservoir	Transportation	2003	\$ 1,678,816	\$ 698,937	\$ 2,292,149	3,578	10,524	\$777
2	WP1 D Zone Booster	Transportation	2003	415,587	173,020	567,416			
3	WP 14 "H & I" Zone Booster	Transportation	2002	1,155,169	480,928	1,577,194			
4	12 Inch Steam Pump Mains	Transportation	2001	467,196	194,506	637,879			
5	16" South "C" Zone Main	Transportation	2004	428,542	178,414	585,104			
6	CDO Crossing to WP1	Transportation	2004	596,023	248,141	813,772			
7	16" WP1 to WP4 Main	Transportation	2003	661,725	275,494	903,478			
8	12" El Con Main NO COSTS	Transportation	NA	NA	NA	NA			
9	12" Well Feed Main NO COSTS	Transportation	NA	NA	NA	NA			
10	16" Oracle Main (20%) Ventana	Transportation	2001	256,356	106,728	350,011			
11	12" Moore Rd Interconnect	Transportation	2003	113,297	47,169	154,688			
Subtotal - Series 2000 Bond				\$ 5,772,710	\$ 2,403,337	\$ 8,176,047			
<u>Series 2003 Bond - Expansion Related Projects</u>									
12	South Oracle "D" Zone 16" Main	Transportation	2004	\$ 741,245	\$ 231,050	\$ 943,996	3,578	10,524	\$914
13	New Well - TW C-99	Transportation	2005	500,074	155,876	636,859			
14	North La Canada E-Zone 16" Main	Transportation	2004	413,284	128,823	526,329			
15	Shadow Mountain Estates 12" Main	Transportation	2005	505,001	157,412	643,133			
16	WP 15 Reservoir	Transportation	2007	1,828,736	570,027	2,328,947			
17	Stone Canyon H-Zone 12" Main	Transportation	2007	257,530	80,274	327,972			
18	La Canada E-Zone Reservoir 3.0 MG	Transportation	2011	2,792,137	870,325	3,555,866			
19	La Canada E-Zone 24" Main	Transportation	2011	293,693	91,546	374,026			
Subtotal Series 2003 Bond				\$ 7,331,700	\$ 2,285,332	\$ 9,617,032			
TOTAL				\$ 13,104,410	\$ 4,688,669	\$ 17,793,079	3,578	10,524	\$ 1,691

APPENDIX C

Alternative Water Resources Expansion Related Projects

Appendix C-1
Town of Oro Valley Water Utility
Alternative Water Resources Development Impact Fee Project Descriptions

New water infrastructure is needed to meet demands in the water service area served by the Oro Valley Water Utility. These demands will be met by the development of the Town of Oro Valley's Central Arizona Project water. The Town of Oro Valley Water Utility is regulated by the Arizona Department of Water Resources (ADWR) and is a member of the Tucson Active Management Area (TAMA). The Town needs to develop and use alternative renewable water resources, including its CAP water, to reduce ground water mining and reach safe yield in TAMA in 2025.

The following projects are part of the Infrastructure Improvements Plan to be built over the next 10 years to develop and deliver water supply to meet future demands.

1- La Cholla D-E Blending Booster Station (Transportation)

Infrastructure improvements associated with blending groundwater with CAP water will be located on Naranja Drive near La Cholla Blvd. Blending is necessary for water quality and reducing total dissolved solids (TDS) in the water system prior to delivering additional CAP water to meet future demands. A new booster pump facility will deliver groundwater to mix with CAP water. The facility will consist of booster pumps, flow meters, valves, electrical controls, telemetry and security wall. Engineering services will be required and are included in the project cost.

Total cost: **\$ 300,000**

2 – Wheeling of 1,000 Acre Feet of CAP Water to Oro Valley (Transportation)

This project will wheel (deliver) an additional 1,000 acre feet per year through the Tucson Water Naranja Reservoir facility to the Oro Valley water system. Construction of a booster station and associated pipelines at the Tucson Water Oasis reservoir site is required. This project is required to increase flow and provide adequate pressure to deliver additional CAP water. Engineering services will be required and are included in the project cost.

Total cost: **\$ 930,000**

3 – 24-Inch Pipeline – Naranja to La Cholla to Tangerine. (Transportation)

The addition of a new 24-inch pipeline from the Tucson Water Naranja reservoir facility to La Cholla north to Tangerine Road is required to deliver Oro Valley CAP water into the Oro Valley Water Utility's distribution system. Engineering services will be required and are included in the project cost.

Total cost: **\$ 2,800,000**

4 – Oro Valley Water Utility Naranja CAP Booster Station Upgrade. (Transportation)

Installation of a new pump at the Tucson Water Naranja facility and an upgrade of electrical service and controls is required to deliver Oro Valley CAP water into our distribution system.

Engineering services will be required and are included in the project cost.

Total cost: **\$ 1,200,000**

5 – E to C PRV Naranja Reservoir (OV). (Transportation)

Installation of a new pressure reducing valve (PRV) at Naranja Reservoir on the Oro Valley system to efficiently deliver additional CAP water to meet future demands.

Engineering services will be required and are included in the project cost.

Total cost: **\$ 100,000**

6 – Oro Valley Water Utility CAP 12-Inch Pipeline. (Transportation)

Installation of a new 12-inch CAP water main located on W. Camino Alto. The new main will reduce water velocity and excessive pressure for the efficient delivery of additional CAP water. Engineering services will be required and are included in the project cost.

Total cost: **\$ 880,000**

7 – Oro Valley Water Utility CAP 16-Inch Pipeline. (Transportation)

Installation of a new 16-inch pipeline from the Tucson Water Oasis booster station to the Tucson Water Naranja reservoir facility for delivery of additional CAP water to the Oro Valley water system. Engineering services will be required and are included in the project cost.

Total cost: **\$ 1,100,000**

8 – Wheeling of 500 Acre Feet of CAP Water to Oro Valley. (Transportation).

This project will wheel (deliver) an additional 500 acre feet per year of Oro Valley's CAP water through the Tucson Water Naranja reservoir facility to the Oro Valley water system. This project includes system improvements and the extension of a new 24-inch pipeline on Tangerine Road from La Cholla to La Canada. This is required to transport and convey the additional 500 acre feet per year of CAP water. On the west end, it will connect to the 24-inch pipeline that will be constructed to La Cholla and Tangerine. On

the east end, it will connect the existing main at the intersection of La Canada and Tangerine. Engineering services will be required and are included in the project cost.

Total cost: **\$ 3,300,000**

9 – Steam Pump C-D Booster Station. (Transportation)

Installation of a new C to D zone Booster Station at Steam Pump Ranch. The new pump is required to efficiently deliver additional CAP water to meet future demands. Engineering services will be required and are included in the project cost.

Total cost: **\$ 1,200,000**

10– Big Wash D-E Booster Station. (Transportation)

Installation of a new D to E zone Booster Station at the Big Wash reservoir facility located at the Oro Valley Marketplace. This new pump station will efficiently deliver CAP water to meet future demands. Engineering services will be required and are included in the project cost.

Total cost: **\$ 800,000**

11 – Inlet/Outlet Modifications at Allied Signal Reservoir. (Transportation)

Installation of a new level control valve to prevent overflowing at the Oro Valley Allied Signal reservoir. This project is required as additional CAP water is delivered to meet future demands. Engineering services will be required and are included in the project cost.

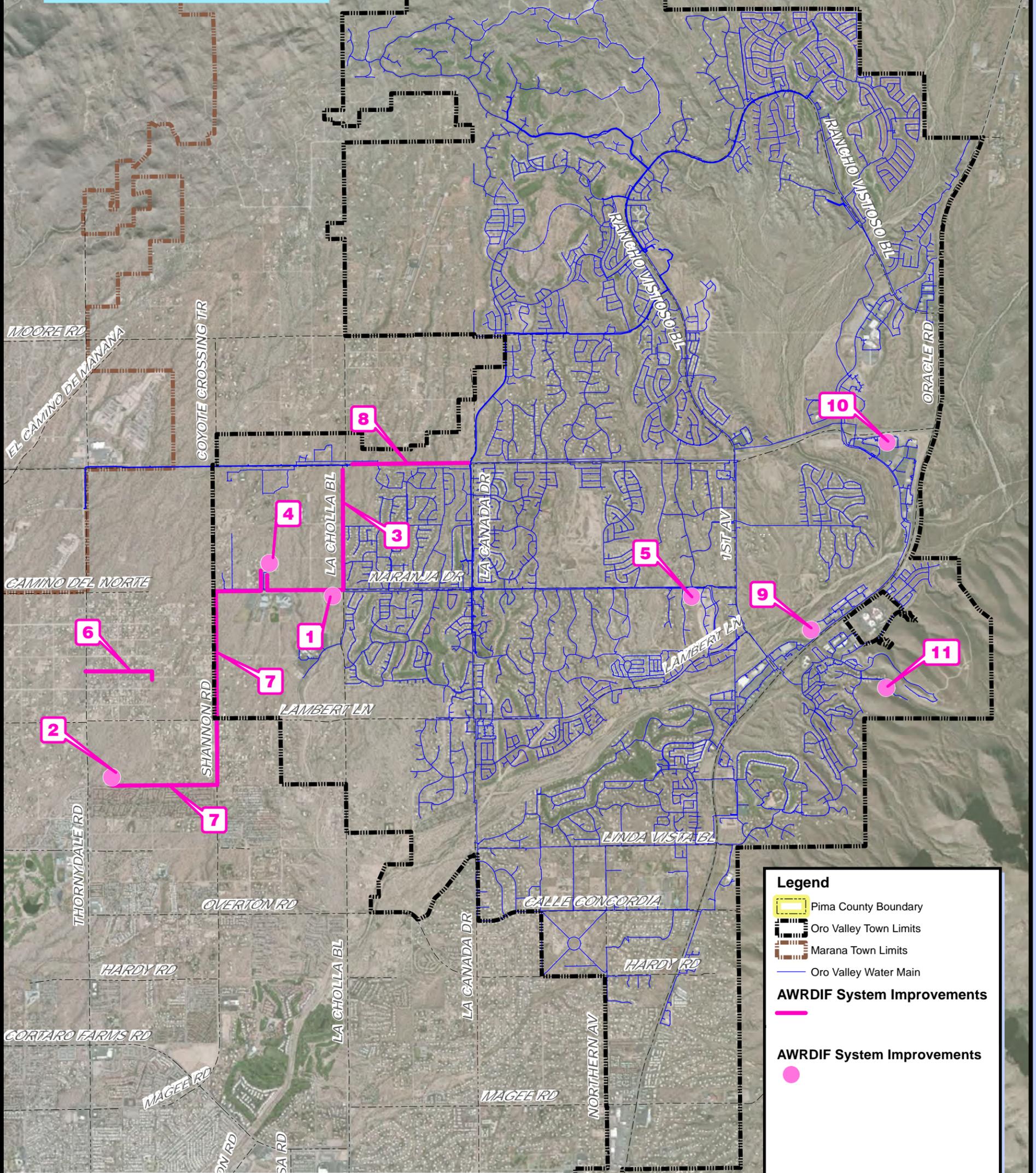
Total cost: **\$ 50,000**

PINAL COUNTY

PIMA COUNTY



- ALTERNATIVE WATER RESOURCES DEVELOPMENT IMPACT FEE PROJECTS**
- 1 La Cholla D-E Blending Booster Station
 - 2 Wheeling OVWU CAP 1000 AF/Year
 - 3 24" Pipe - Naranja La Cholla to Tangerine
 - 4 OVWU CAP Naranja Booster Station Upgrade
 - 5 E to C PRV Naranja Reservoir
 - 6 OVWU CAP 12" Pipe
 - 7 OCWU CAP 16-Inch Pipe Oasis
 - 8 Wheeling OVWU CAP 500 AF/Year
 - 9 Steam Pump C-D Booster Station
 - 10 Big Wash D-E Booster Station
 - 11 Inlet Outlet Modifications at Allied Signal Reservoir



Legend

- Pima County Boundary
- Oro Valley Town Limits
- Marana Town Limits
- Oro Valley Water Main
- AWRDIF System Improvements**
- AWRDIF System Improvements
- AWRDIF System Improvements



**TOWN OF ORO VALLEY WATER UTILITY
10 YEAR ALTERNATIVE
WATER RESOURCES IMPROVEMENTS**

Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, Swisstopo, and the GIS User Community

APPENDIX D

Potable Water System Expansion Related Projects

Appendix D-1
Town of Oro Valley Water Utility
Potable Water System Development Impact Fee Project Descriptions

1 – Property Acquisition. (Real Property)

Acquisition of property for a new Palisades Reservoir. The property is located in the vicinity of First Ave. and Palisades. The property is required for a new 1.0 million gallon reservoir and future booster station to meet future demands.

Total cost: \$ **500,000**

2 – Palisade Reservoir Facility C-E Booster Station. (Transportation)

Installation of a new C-E zone booster station at the Palisades reservoir site. This includes new electrical service, telemetry, controls and piping system to meet future demands. Engineering services will be required and are included in the project cost.

Total cost: \$ **450,000**

3 – 1.0 Million Gallon Palisades Reservoir. (Transportation)

Construct a new 1.0 million gallon potable water reservoir, control building and security wall at the new Palisades site to meet future demands. Engineering services will be required and are included in the project cost.

Total cost: \$ **1,650,000**

4 – New 16-Inch Pipeline. (Transportation)

Installation of a new 16-inch main from the Palisades reservoir site to First Ave. The main will connect to an existing C zone pipe to meet future demands. Engineering services will be required and are included in the project cost.

Total cost: \$ **1,650,000**

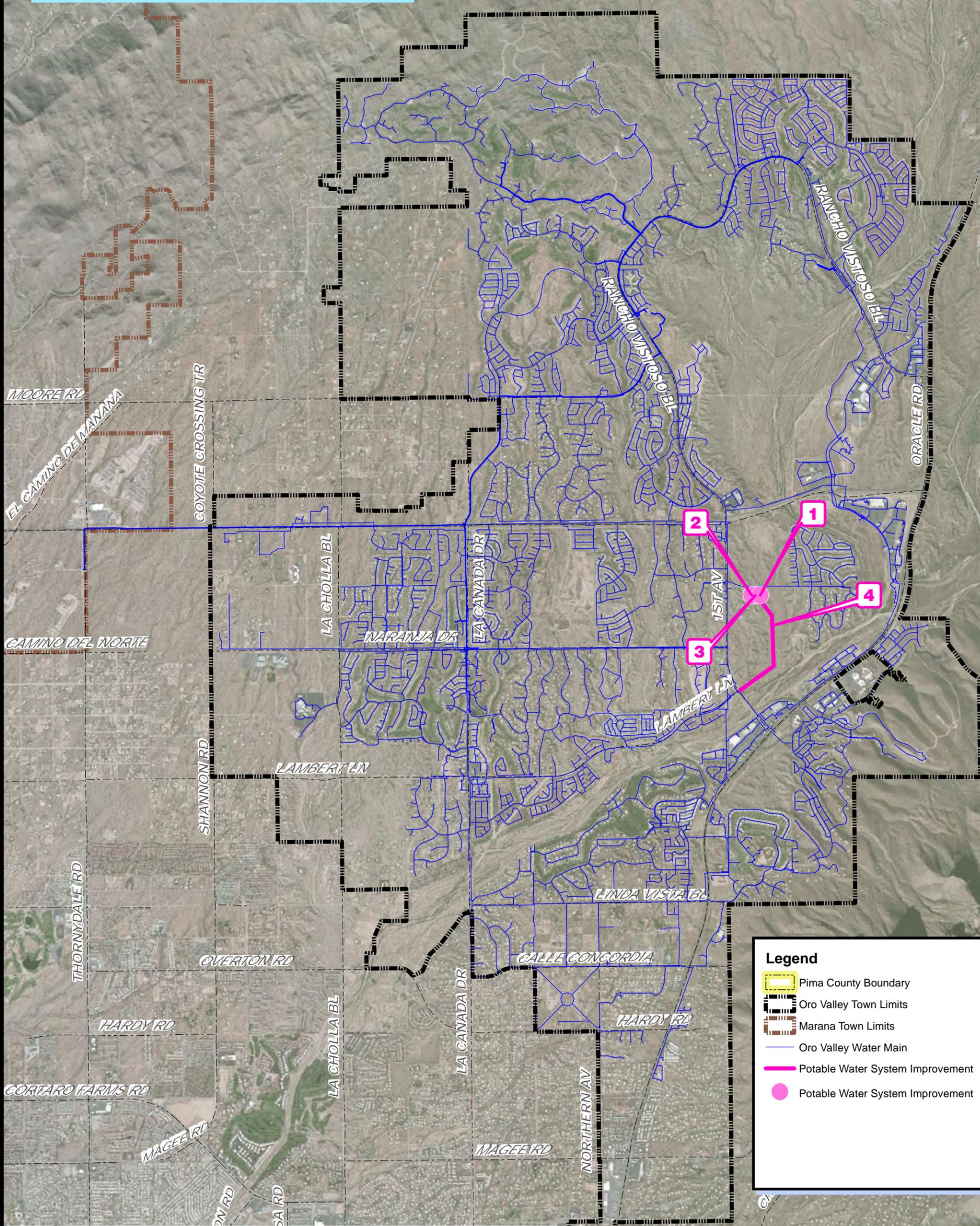
PINAL COUNTY

PIMA COUNTY



POTABLE WATER SYSTEM DEVELOPMENT IMPACT FEE FUND PROJECTS

- 1** Property Acquisition C Zone Reservoir
- 2** Booster Station C to E Zone
- 3** 1.0 MG Reservoir C Zone
- 4** New 16" Main C Zone



Legend

- Pima County Boundary
- Oro Valley Town Limits
- Marana Town Limits
- Oro Valley Water Main
- Potable Water System Improvement
- Potable Water System Improvement



TOWN OF ORO VALLEY WATER UTILITY 10 YEAR POTABLE WATER SYSTEM IMPROVEMENTS

Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, Swisstopo, and the GIS User Community

APPENDIX E

Expansion Related Capital Improvements

APPENDIX E

Town of Oro Valley Water Utility

Table E-1: Alternative Water Resources Expansion Related Capital Improvements

Project No.	Project Name	Project Type	Completion Year	Capital Cost	Interest and Financing Cost	Total Project Cost	Additional Capacity (acre-feet)	Additional Service Units	Development Fee per Service Unit
<u>Phase 1 Projects (1,000 AF/Year)</u>									
1	CAP La Cholla D-E Blending Booster Station	Transportation	2014	\$ 300,000	\$ 96,000	\$ 396,000	1,000	2,941	3,281
2	Wheeling of 1000 Acre Feet CAP Water to Oro Valley	Transportation	2016	930,000	297,600	1,227,600			
3	24-Inch Pipeline - Naranja to La Cholla to Tangerine	Transportation	2018	2,800,000	896,000	3,696,000			
4	Oro Valley Water Utility Naranja CAP Booster Station Upgrade	Transportation	2018	1,200,000	384,000	1,584,000			
5	E to C PRV Naranja Reservoir	Transportation	2018	100,000	32,000	132,000			
6	Oro Valley Water Utility CAP 12-Inch Pipeline	Transportation	2018	880,000	281,600	1,161,600			
7	Oro Valley Water Utility CAP 16-inch Pipeline	Transportation	2019	1,100,000	352,000	1,452,000			
<u>Phase 2 Projects (500 AF/Year)</u>									
8	Wheeling of 500 Acre Feet of CAP Water to Oro Valley	Transportation	2019	3,300,000	1,056,000	4,356,000	500	1,471	4,802
9	Steam Pump C-D Booster Station	Transportation	2021	1,200,000	384,000	1,584,000			
10	Big Wash D-E Booster Station	Transportation	2021	800,000	256,000	1,056,000			
11	Inlet/Outlet Mod. at Allied Signal Reservoir.	Transportation	2021	50,000	16,000	66,000			
TOTAL				\$ 12,660,000	\$ 4,051,200	\$ 16,711,200	1,500	4,412	\$ 3,788

APPENDIX E

Town of Oro Valley Water Utility

Table E-2: Potable Water System Expansion Related Capital Improvements

Project No.	Project Name	Project Type	Completion Year	Capital Cost	Interest and Financing Cost	Total Project Cost	Additional Capacity (acre-feet)	Additional Service Units	Development Fee per Service Unit
1	Property Acquisition	Real Property	2019	\$ 500,000	\$ 160,000	\$ 660,000			
2	Palisade Reservoir Facility C-E Booster Station	Transportation	2021	\$ 450,000	\$ 144,000	\$ 594,000			
3	1.0 Million Gallon Palisades Reservoir	Transportation	2022	\$ 1,650,000	\$ 528,000	\$ 2,178,000	386	1,135	\$ 4,943
4	New 16-Inch Pipeline	Transportation	2022	\$ 1,650,000	\$ 528,000	\$ 2,178,000			
TOTAL				\$ 4,250,000	\$ 1,360,000	\$ 5,610,000	386	1,135	\$ 4,943



Town Council Regular Session

Item # 2.

Meeting Date: 12/04/2013

Requested by: Ron Corbin **Submitted By:** Ron Corbin, Human Resources

Department: Human Resources

Information

SUBJECT:

*RESOLUTION NO. (R)13-70, AUTHORIZING THE EXECUTION OF A JOINDER AGREEMENT WITH THE ELECTED OFFICIALS' RETIREMENT PLAN AND PAYMENT OF THE UNFUNDED LIABILITY TO PURCHASE CREDITED SERVICE FOR CURRENT COUNCILMEMBERS

RECOMMENDATION:

Staff does not have a recommendation.

EXECUTIVE SUMMARY:

Effective January 1, 2014, there will be several significant changes to the Elected Officials' Retirement Plan (EORP), which is a defined benefit retirement plan offered to elected officials by the State. As a result, Town Council requested that staff research the possibility of the Town joining the EORP. This resolution is the final action needed by the Council to request membership of the Board of Trustees of the Elected Officials' Retirement Plan of the State of Arizona.

BACKGROUND OR DETAILED INFORMATION:

On September 18, 2013, the Town Council approved a resolution authorizing an actuarial study by the Elected Official's Retirement Plan (EORP). This report outlines the results of that study, costs associated with joining EORP, ongoing costs associated with membership, and the benefits that members will receive at retirement.

The Town would have an initial liability of \$44,495 which funds the Town Council's membership into the EORP, as well as funds each Councilmember's credited service as an elected official. Please see the attached report for individual start dates. There are also ongoing contributions and as of January 1, 2014, the Town's contribution rate will be 25.7% of each member's salary, which totals \$18,784 annually. In addition, each elected official would contribute 7% of their salary to the retirement plan.

In regard to retirement eligibility, normal retirement may occur after the elected official either reaches 65 years of age with 5 or more years of credited service or reaches 62 years of age with 10 or more years of credited service. Early retirement is not permitted. The amount of received retirement is 3% of the member's average annual salary, multiplied by the member's credited service which is not to exceed 75% of the member's average annual salary. Please note that this plan will not be available to any newly elected officials.

FISCAL IMPACT:

The initial cost to join EORP is \$44,495. The expected annual cost will be \$18,784 (25.7% of the elected officials' annual payroll).

SUGGESTED MOTION:

I MOVE to (approve or deny) Resolution No. (R)13-70, authorizing the execution of a joinder agreement with the Elected Officials' Retirement Plan and payment of the unfunded liability to purchase credited service for current Councilmembers.

Attachments

(R)13-70 Elected Officials Retirement Plan

Joinder Agreement

Actuarial Study

RESOLUTION NO. (R)13-70

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING THE EXECUTION OF A JOINDER AGREEMENT WITH THE ELECTED OFFICIALS' RETIREMENT PLAN OF THE STATE OF ARIZONA, EFFECTIVE DECEMBER 4, 2013, AND PAYMENT OF THE UNFUNDED LIABILITY TO PURCHASE CREDITED SERVICES FOR CURRENT COUNCIL MEMBERS

WHEREAS, the Elected Officials' Retirement Plan has been created by the State of Arizona to provide retirement and other benefits for elected officials; and

WHEREAS, the Town did on September 18, 2013, pass Resolution (R) 13-57, authorizing an actuarial survey to be made to determine the estimated cost of participation in the Elected Officials' Retirement Plan, and

WHEREAS, the payment for the unfunded liability to purchase credited services for current council members is in the amount of \$44,495.00;

WHEREAS, the preliminary actuarial survey had been made, and after considering its cost requirements to provide retirement and other benefits to its current and future Council members, it has been deemed in the best interest of the Town to include all current and future Council members under the Elected Officials' Retirements Plan as set forth by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes as amended;

WHEREAS, it is in the best interest of the Town of Oro Valley to include its' elected officials under the Arizona Elected Officials' Retirement Plan as prescribed by Title 38, Chapter 5, Article 3, of the Arizona Revised Statutes as amended;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona, that:

1. That the Town Manager be authorized to sign and execute a Joinder Agreement with the Elected Officials' Retirement Plan Board of Trustees, attached hereto as exhibit "A" and incorporated herein by this reference, to be effective as of December 4, 2013, for the current and future Council members to be participants under said Plan;
2. That payment for the unfunded liability to purchase credited services for current elected officials is authorized in an amount of \$44,495.00;

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona this 4th day of December, 2013.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Sidles, Legal Services Director

ELECTED OFFICIALS' RETIREMENT PLAN
of the State of Arizona

JOINER AGREEMENT

THIS AGREEMENT, entered into this _____ day of _____, _____, effective as of the _____ day of _____, 20____, by and between the Employer and the Board of Trustees of the Arizona Elected Officials' Retirement Plan.

WITNESSETH:

WHEREAS, the Employer is an incorporated city or town of the State of Arizona which employs certain employees in the designated position of **ELECTED OFFICIALS' OF AN INCORPORATED CITY OR TOWN**, and

WHEREAS, the Employer, after considering its cost requirements to provide retirement and other benefits to its elected officials through the Arizona Elected Officials' Retirement Plan, has determined to provide benefits for such elected officials through the Arizona Elected Officials' Retirement Plan and has adopted a resolution and followed such other procedures as are necessary to elect to join such Plan, and

WHEREAS, the Board of Trustees of the Arizona Elected Officials' Retirement Plan has considered the request of the undersigned Employer to join the Plan and has approved the participation in the Plan of such Employer;

NOW THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, the Employer and the Board of Trustees hereby agree as follows:

1. By execution of this Joinder Agreement, the undersigned Employer unconditionally adopts, accepts and agrees to be bound by all the terms and conditions of the Arizona Elected Officials' Retirement Plan with respect to the designated class of employees: **ELECTED OFFICIALS' OF AN INCORPORATED CITY OR TOWN**.
2. The undersigned Employer will make contributions to the Plan for those designated employees in accordance with the terms and provisions of the Plan which are sufficient to meet the normal cost of benefits, on a level cost method, and to meet the amount required to amortize the unfunded accrued liability over a rolling period of at least twenty (20) and not more than thirty (30) years as provided in Arizona Revised Statutes Title 38, chapter 5, article 3, as amended.
3. The undersigned Employer further agrees that the Plan's actuary shall actuarially determine the unfunded liability for the Employer as of the effective date of participation of the Employer which the Employer shall pay on the effective date of participation.
4. The Board of Trustees, by execution of this Joinder Agreement, accepts the Employer for participation in the Plan.
5. The undersigned Employer hereby agrees that all assets in an existing public employee defined benefit retirement program attributable to those designated employees shall be transferred to the Board of Trustees of the Arizona Elected Officials' Retirement Plan. The Employer agrees to provide a statement of the accumulated employee contribution accounts in the prior program. The Employer shall deliver possession of those assets within sixty (60) days after the effective date of this Agreement.

IN WITNESS WHEREOF, the Employer has caused to be executed in its behalf by a duly authorized officer and the Board of Trustees has executed this Joinder Agreement this _____ day of _____, 20____.

Board of Trustees:

EMPLOYER:

Town of Oro Valley

Chair, Board of Trustees
Elected Officials' Retirement Plan

BY: _____

(Official Position or Title)

November 8, 2013

Mr. Robert Ortega
Local Board Training Consultant/Human Resources
Arizona Public Safety Personnel Retirement System
3010 E. Camelback Rd, Ste. 200
Phoenix, Arizona 85016

Re: Town of Oro Valley – Valuation Results Associated with Participation in the Arizona Elected Officials’ Retirement Plan (EORP)

Dear Mr. Ortega:

This report contains the results of an actuarial valuation prepared as of December 1, 2013 for the Town of Oro Valley. The report includes determination of the actuarial accrued liabilities if the employer becomes a member of EORP.

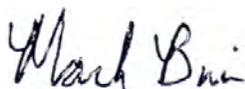
The calculations were based on the following:

- Demographic data provided by Town of Oro Valley. The data was checked for reasonableness, but was not otherwise audited. This data is summarized on page 2.
- The benefit provisions for EORP under the new Tier of benefits. These are summarized on pages 4 through 9.
- The actuarial methods and assumptions that were used in the last annual actuarial valuation of EORP. These are summarized on page 3.

This report may be provided to other interested parties only in its entirety and only with the permission of PSPRS and the employer.

To the best of our knowledge, this report is complete and accurate and was prepared in accordance with generally recognized actuarial methods. Mark Buis and Francois Pieterse are independent of the Plan Sponsor and are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Mark Buis, FSA, MAAA



Francois Pieterse, ASA, MAAA

MB:mrh
Enclosures

TOWN OF ORO VALLEY VALUATION
IMPORTANT COMMENTS

1. The results in this report were based on information provided to the actuary by the employer and PSPRS. The actuary is unaware of any additional information that would impact these results.
2. This report should not be relied upon for any purpose other than the purpose described in the primary communication.
3. In the event that more than one plan change is being considered, it is very important to remember that the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effect of all of the changes. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.
4. The calculations in this report are based upon assumptions regarding future events, which may or may not materialize. If you have reason to believe that conditions have changed since the calculations were made, that the information provided in this report is inaccurate or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision or relying on information in the report.
5. The reader(s) of this report should keep in mind that actuarial calculations are mathematical estimates based on current data and assumptions about future events (which may or may not materialize). Please note that actuarial calculations can and do vary from one valuation to the next, sometimes significantly if the group valued is very small (less than 30 lives). As a result, the cost impact of a benefit provision may fluctuate over time, as the demographics of the group changes.
6. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.
7. The results in this report do not show the employer contribution for the Post-Retirement Health Insurance Subsidy. On average the employer contribution requirement for this benefit is 2.20% of pay as of June 30, 2013. The actual cost will vary for each employer based on the demographics of the group.

**TOWN OF ORO VALLEY VALUATION
AS OF DECEMBER 1, 2013**

Summary of Covered Population Data

	Date of Birth	Date of Entry	Credited Service	Accrued Liability
Council Member William Garner	08/14/64	06/04/08	5 yrs. 6 mos.	\$10,575
Council Member Mary Snider	09/22/50	03/24/10	3 yrs. 8 mos.	7,970
Council Member Lou Waters	07/07/38	06/02/10	3 yrs. 6 mos.	6,473
Council Member Joseph Hornat	10/28/43	06/02/10	3 yrs. 6 mos.	7,592
Council Member Brendan Burns	12/27/78	06/07/12	1 yrs. 5 mos.	1,848
Council Member Michael Zinkin	09/17/45	06/07/12	1 yrs. 5 mos.	2,203
Mayor Satish Hiremath	07/14/63	06/02/10	3 yrs. 6 mos.	7,834
Total				\$44,495

Valuation Results

In accordance with the provisions of the Plan, as amended effective January 1, 2012, the town's contribution would consist of the annual normal cost payment computed for the entire Plan, plus, in the first year, the amount required to fully finance the unfunded actuarial accrued liability for the town's active elected officials.

The normal cost for the Plan for Fiscal Year 2013/2014 has been computed to be the following:

	<u>Level Percent of Active Elected Officials' Payroll</u>
Normal Cost	24.73%
Elected Officials' Member Contribution	
Total Employee Rate	13.00%
Less portion not used to reduce employer's contribution	<u>6.00%</u>
Net employee rate	7.00%
Employer Normal Cost	17.73%

**TOWN OF ORO VALLEY VALUATION
AS OF DECEMBER 1, 2013**

The actuarial accrued liability associated with participation of the Town of Oro Valley elected officials in the Arizona Elected Officials' Retirement Plan was computed to be \$44,495.

Any assets transferred to the Arizona Elected Officials' Retirement Plan would decrease the unfunded actuarial accrued liability by an equal amount.

**TOWN OF ORO VALLEY VALUATION
BRIEF SUMMARY OF ACTUARIAL ASSUMPTIONS**

Investment Return	7.85% per annum, compounded annually, net of expenses, including a wage inflation component of 4.00%.
Payroll Growth	4.00% per annum, compounded annually. Membership is assumed to remain constant.
Retirement Rates	Rates varying by age and sex. See table below for sample values.
Mortality for Actives/Retirees	RP 2000 Mortality Table projected to 2025 using projection scale AA. See table below for sample values.
Mortality for Disabled Cases	RP 2000 Mortality Table projected to 2025 using projection scale AA were used with a ten year set forward for males and females.
Disability & Separation	Graduated rates by age and service. See table below for sample values.
Salary Increases	Graduated rates by age. See table below.
Asset Valuation Method	Market Related Value that reflects seven-year averaging of investment gains and losses.

Sample Annual Rates per 100 Employees				
Age	Retiree Mortality		Disability	
	Male	Female		Pay Increase Next Year
20	N/A	N/A	0.01%	4.25%
30	N/A	N/A	0.01%	4.25%
40	0.09%	0.05%	0.02%	4.25%
50	0.14%	0.11%	0.03%	4.25%
60	0.45%	0.45%	0.04%	4.25%
70	1.52%	1.48%	N/A	N/A
80	5.01%	3.85%	N/A	N/A

Service	Separation
0	6.00%
5	6.00%
10	2.00%
15	2.00%

Age	Retirement
62	40%
65	15%
70	100%

TOWN OF ORO VALLEY VALUATION
SUMMARY OF PLAN PROVISIONS

Normal Retirement (no reduction for age). An elected official may retire upon meeting one of the following age and service requirements:

- ❖ Age 60 years with 25 or more years of credited service;
- ❖ Age 62 years with 10 or more years of credited service; and
- ❖ Age 65 years with 5 or more years of credited service.

The amount of a normal retirement pension is four percent of average yearly salary multiplied by years of credited service. The maximum is 80 percent of average yearly salary. Effective July 17, 1994, average yearly salary is the elected official's highest average salary during a three-consecutive year period within the final 10 years of service. For elected officials whose membership commenced before July 17, 1994, average yearly salary will generally be final salary at termination of service.

Effective August 6, 1999, a member may retire at any age with 20 or more years of credited service.

Early Retirement (reduction for age). An elected official who is at least 50 years and has 10 or more years of credited service may retire before meeting an age and service requirement for normal retirement. The amount of an early retirement pension is computed by determining the amount of accrued normal retirement pension and then reducing the amount determined by three-twelfths of one percent for each month early retirement precedes the member's normal retirement age.

Effective August 6, 1999, a member with at least five years of credited service may retire early at any age. For those members who retire under this August 6, 1999 provision, their benefits are calculated using a three-year average salary, and the reduction for early retirement is capped at 30%.

Vested Termination (deferred retirement). An elected official with five or more years of credited service retains entitlement to a deferred pension upon ceasing to be an elected official if the official's accumulated contributions are left on deposit in the Retirement Plan. The amount of pension is determined in the same manner as a normal or early pension, whichever is applicable.

Disability Retirement. An elected official who becomes incapacitated for the duties of office may be retired by the Board of Trustees. The amount of pension is 80 percent of three-year average salary if the elected official has at least 10 years of credited service, 40 percent of three-year average salary if the elected official has five but less than 10 years of credited service, and 20 percent of three-year average salary if the elected official has less than five years of credited service.

Survivor Pensions. Payable to the eligible beneficiary of a retired elected official or an active and inactive elected official. An eligible beneficiary is a surviving spouse who was married to the retired active or inactive elected official for at least two years; or, if there is no eligible spouse, a minor child. A surviving spouse's pension terminates upon death. A surviving child's pension terminates upon attainment of age 18 years, marriage, adoption or death, unless the child is a full time student under the age of 23 or was disabled prior to age 18. The amount of a surviving spouse's pension is 75% of the pension being paid the deceased retired elected official or the disability pension accrued by the deceased active elected official. The amount of a surviving child's pension is an equal share of the amount of a surviving spouse's pension.

Other Terminations. The elected official is paid a refund of accumulated member contributions, plus an additional amount if the member has at least five years of service credit. The amount is a percent of the member contribution amount, ranging from 25% to 100% (with at least 10 years of service credit).

Post-Retirement Adjustments. Contingent upon the excess investment earnings, effective July 1 of each year, eligible retired members or survivors may be entitled to a permanent benefit increase in their base benefit. To be eligible for the increase, the retired member or survivor must be either age 55 or older on July 1 of the current year and receiving benefits on or before July 31 of the previous year, or the retired member or survivor has been receiving benefits on or before July 31 of the previous two years. The maximum amount of the increase is 4% of the average normal benefit being received on the preceding June 30.

Prior to July 1, 2013 a COLA reserve is maintained and used to pay for the post-retirement adjustment. The investment return on the COLA reserve is the same as the return on the market value of assets (whether the return is positive or negative). Additional amounts are added to the COLA reserve in years when the investment return on the market value of assets exceeds 9.0%. Each year the present value of that year's post-retirement adjustment is subtracted from COLA reserve. A post-retirement adjustment is paid as long as there is a positive balance in the COLA reserve.

Post-Retirement Health Insurance Subsidy. Payable on behalf of retired members and survivors who elect coverage provided by the state or participating employer. The monthly amounts cannot exceed:

Member Only		With Dependents		
Not Medicare Eligible	Medicare Eligible	All Not Medicare Eligible	All Medicare Eligible	One With Medicare
\$150	\$100	\$260	\$170	\$215

Retired members or survivors who have between five and eight years of credited service are eligible for a proportionate share of the full subsidy.

Employer Contributions. A designed portion of court docket fees. Municipal employers contribute the computed normal cost rate plus a payment to amortize their unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years (a lump sum payment for UAAL is required for municipal employers entering after September 15, 1989). Pursuant to 1989 legislation, state and county employers contribute the difference between the actuarially determined contribution requirement and designated docket fees.

Changes in Plan Provisions for Existing Members and New Hires effective January 1, 2012

Existing Members

- Member contribution rates are shown in the schedule below. Additional member contributions DO NOT reduce the employer contribution; this means there is a “maintenance of effort” provision.
 - FY 2010-2011 – 7.0%
 - FY 2011-2012 – 10.0%
 - FY 2012-2013 – 11.5%
 - FY 2013-2014 and after: 13.0%
- Employer will contribute to System when members retire and return to work.

New Hires on or after January 1, 2012 and prior to January 1, 2014

- Average salary is the elected official's highest average salary during a five-consecutive year period within the last 10 years of service
- Normal retirement: 65 years of age with 5 or more years of credited service or 62 years of age with 10 or more years of service.
- Multiplier of 3% of average monthly compensation multiplied by years of credited service; maximum benefit is 75% of average monthly compensation.
- No early retirement.
- Survivor benefit is equal to 50% of the member's benefit at time of death; may elect a higher survivor benefit but with actuarial reduction.
- Disability benefit:
 - 75% of average salary if member has 10 or more years of service
 - 37.5% of average salary if member has between 5 and 9 years of service
 - 18.75% of average salary if member has less than 5 years of service
- If ceases to hold office for any reason other than death or retirement, member can withdraw their accumulated contributions less any benefit payments already received or any amount the member owes the plan (no employer match of refund contributions) with interest at rate set by Board.

- Member contribution rates are shown in the schedule below. Additional member contributions DO NOT reduce the employer contribution; this means there is a “maintenance of effort” provision.
 - FY 2010-2011 – 7.0%
 - FY 2011-2012 – 10.0%
 - FY 2012-2013 – 11.5%
 - FY 2013-2014 and after: 13.0.
- Employer will contribute to System when members retire and return to work.

Existing Members and New Hires prior to January 1, 2014

- COLA provision – effective July 1, 2013
 - Effective May 31, 2011 no more excess investment earnings will be transferred to the current COLA reserve. Any remaining COLA reserve will be used to pay future COLA increases until the COLA reserve is depleted.
 - A COLA is only paid in a year when the return on the market value of assets exceeds 10.5% and the plan is at least 60% funded. 100% of the excess earnings is used to determine whether a COLA can be paid and the size of the COLA for that year.
 - No COLA reserve accumulates. The present value of that year's COLA for eligible retirees cannot exceed 100% of the earnings in excess of 10.5%. If the excess earnings is high enough to exceed the present value of that year's COLA, the excess stays in the fund.
 - To be eligible for an increase the retiree or the survivor must be:
 - In the case of a retired member who became a member of the plan before January 1, 2012, the retired member or survivor was receiving benefits on or before July 31 of the two previous years or
 - In the case of a retired member who became a member of the plan before January 1, 2012, the retired member or survivor was 55 or older on July 1 of the current year and was receiving benefits on or before July 31 of the previous year
 - In the case of a retired member who became a member of the plan on or after January 1, 2012, the retired member or survivor was at least 55 or older on July 1 and receiving benefits
 - The amount of the COLA to be paid is determined as follows:
 - Funded ratio is 60-64%, COLA is 2.0%
 - Funded ratio is 65-69%, COLA is 2.5%
 - Funded ratio is 70-74%, COLA is 3.0%
 - Funded ratio is 75-79%, COLA is 3.5%
 - Funded ratio is 80% or more, COLA is 4.0%

TOWN OF ORO VALLEY VALUATION
GLOSSARY OF TERMS

<i>Actuarial Accrued Liability</i>	The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability”.
<i>Accrued Service</i>	The service credited under the plan which was rendered before the date of the actuarial valuation.
<i>Actuarial Assumptions</i>	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
<i>Actuarial Cost Method</i>	A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method”.
<i>Actuarial Equivalent</i>	A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.
<i>Actuarial Present Value</i>	The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
<i>Amortization</i>	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.
<i>Experience Gain (Loss)</i>	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
<i>Normal Cost</i>	The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost”. Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

TOWN OF ORO VALLEY VALUATION
GLOSSARY OF TERMS

<i>Reserve Account</i>	An account used to indicate that funds have been set aside for a specific purpose and is not generally available for other uses.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability”.
<i>Valuation Assets</i>	The value of current plan assets recognized for valuation purposes. Generally based on market value plus a portion of unrealized appreciation or depreciation.