

**AGENDA
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
February 19, 2014
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

REGULAR SESSION AT OR AFTER 5:00 PM

CALL TO ORDER

ROLL CALL

EXECUTIVE SESSION - Pursuant to ARS 38-431.03(A)(1) Personnel matters - Police Chief's annual performance review

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

UPCOMING MEETING ANNOUNCEMENTS

COUNCIL REPORTS

- Spotlight on Youth

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. Public Safety Providers Quarterly Reports
2. 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 - Oro Valley Historical Society
2. Presentation - Oro Valley Kiwanis Club

CONSENT AGENDA

(Consideration and/or possible action)

- A. Minutes - December 11, 2013, January 15, 2014 and February 5, 2014
- B. Request for approval to exempt Sun City from the Rancho Vistoso Planned Area Development (PAD) Sign Standards
- C. Revised Final Plat for Block 2, Innovation Corporate Center, located on the northeast corner of Innovation Park Drive and Vistoso Park Road
- D. Council Approval of M3S Sports' Request for In-Kind Support for the Arizona Distance Classic

REGULAR AGENDA

1. REQUEST FOR MODIFICATION TO A CONCEPTUAL ARCHITECTURE CONDITION OF APPROVAL FOR EL CORREDOR MULTI-FAMILY DEVELOPMENT, LOCATED ON THE NORTHEAST CORNER OF ORACLE ROAD AND LINDA VISTA BOULEVARD
2. REQUEST FOR APPROVAL OF CONCEPTUAL SITE PLAN AND CONCEPTUAL PUBLIC ART FOR A 3,600 SQUARE FOOT RETAIL BUILDING, LOCATED ON THE NORTHWEST CORNER OF ORACLE ROAD AND INA ROAD
3. PUBLIC HEARING: ORDINANCE NO. (O)14-___, REPEALING AND REPLACING ORO VALLEY TOWN CODE CHAPTER 13 - DEVELOPMENT FEES AND CHAPTER 15, ARTICLE 17 - WATER RATES, FEES AND CHARGES SETTING FORTH STANDARDS AND PROCEDURES FOR CREATING AND ASSESSING DEVELOPMENT IMPACT FEES CONSISTENT WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES (A.R.S.) SECTION 9-463.05
4. FISCAL YEAR 2013/14 MID-YEAR FINANCIAL UPDATE

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: 2/12/14 at 5:00 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: 02/19/2014

Submitted By: Arinda Asper, Town Manager's Office

Information

Subject

Public Safety Providers Quarterly Reports

Attachments

[Public Safety Providers Quarterly Reports](#)

[Public Safety Providers Quarterly Reports](#)

ORO VALLEY POLICE DEPARTMENT POLICE ACTIVITY SUMMARY

2013	TOTAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Total Calls	16876	1537	1273	1454	1399	1417	1333	1427	1386	1403	1411	1458	1378
Commercial Veh Enforcement	226	18	54	20	5	10	34	2	7	17	20	8	31
Residential Burglaries	59	5	6	8	5	4	2	4	5	8	5	3	4
Non-Residential Burglaries	25	3	3	3	4	0	2	1	2	2	1	3	1
All Burglary Attempts	13	5	0	0	0	0	4	1	1	1	0	0	1
Thefts	608	57	37	54	59	36	52	54	59	38	64	45	53
Vehicle Thefts	21	4	0	0	1	3	0	2	2	5	0	2	2
Recovered Stolen Vehicles	5	0	1	1	1	0	0	1	0	1	0	0	0
Attempted Vehicle Thefts	5	0	0	1	0	0	0	0	1	2	1	0	0
DUI	140	11	17	15	11	6	11	13	8	12	5	12	19
Liquor Laws	27	1	0	3	4	1	4	5	0	1	2	2	4
Drug Offenses	105	6	12	10	11	4	8	5	6	13	9	9	12
Homicides	2	0	1	0	1	0	0	0	0	0	0	0	0
Robbery	5	0	1	0	0	1	0	0	0	1	1	1	0
Assault	140	24	11	9	15	12	6	17	13	13	13	5	2
Total Arrests	1538	142	143	151	128	101	100	124	114	130	131	134	140
Assigned Cases	731	75	41	59	59	44	55	79	71	75	69	50	54
Alarms (Residential)	848	63	53	59	82	69	91	85	67	80	63	62	74
Alarms (Business)	475	27	22	34	30	50	41	48	50	40	40	44	49
K9 Searches	490	125	20	36	74	54	17	11	13	36	56	12	36
First Aid Calls	2685	270	214	237	197	225	223	206	193	236	199	241	244
Fatal Accidents**	0	0	0	0	0	0	0	0	0	0	0	0	0
Accidents**	534	34	46	36	55	60	34	22	44	37	53	49	64
Citations (Traffic)*	4744	487	479	424	392	386	497	452	430	391	262	544	**
Written Warnings/Repair Orders*	5319	486	474	504	383	403	468	519	585	603	296	598	**
Public Assists***	1007	87	97	84	109	79	33	45	134	99	91	78	71
Reserve Man Hours	296	27	27	35	18	36	0	0	27	9	54	36	27
Business Checks***	8036	624	625	656	517	517	515	371	520	1290	947	719	735
Drug Task Force Arrest	51	11	5	1	9	7	7	1	0	6	2	1	1
CVAP Dark House Cks	10145	238	206	308	438	1018	1108	1630	1764	1368	1172	483	412
CVAP Public Assists	610	40	45	47	38	71	75	76	54	58	44	42	20
CVAP Total Hours	14153	1220	1280	1222.5	1124	1204	1042	1094.5	1129.5	978.5	1410	1299	1149

*Traffic data delayed 30 days due to data entry backlog; this now includes the category "Written Warnings/Repair Orders". Previous monthly totals updated.

** DUI Accidents are now included in Fatal Accident and Accident totals.

***"Public Assists" numbers are now separated from CVAP Public Assist numbers. "Dark House Checks" re-categorized as "Business Checks" for officers only.

Based on further investigation, actual classifications may change resulting in small variances of counts during audits and may not match previously published numbers.

Arrest totals are subject to increase monthly. End of the year audit checking for and making appropriate adjustments conducted in January 2014.

	Jan-Dec 2011	Jan-Dec 2012	Jan-Dec 2013		December 2011	December 2012	December 2013
Total Calls	16831	16874	16876		1387	1434	1378
Commercial Veh Enforcement	286	317	226		24	28	31
Residential Burglaries	84	65	59		6	6	4
Non-Residential Burglaries	31	15	25		1	3	1
All Burglary Attempts	26	15	13		1	0	1
Thefts	576	553	608		49	35	53
Vehicle Thefts	25	31	21		1	3	2
Recovered Stolen Vehicles	7	10	5		1	1	0
Attempted Vehicle Thefts	3	4	5		0	0	0
DUI Arrests	200	196	140		17	13	19
Liquor Laws	51	27	27		2	3	4
Drug Offenses	169	137	105		14	8	12
Homicides	1	2	2		0	0	0
Robbery	6	3	5		0	1	0
Assault	143	128	140		10	12	2
Total Arrests	1995	1653	1538		135	111	140
Assigned Cases	776	683	731		48	39	54
Alarms (Residential)	835	775	848		80	73	74
Alarms (Business)	442	501	475		37	45	49
K9 Searches	268	741	490		22	211	36
First Aid Calls	2576	2692	2685		232	236	244
Fatal Accidents*	1	2	0		1	0	0
Accidents*	515	535	534		38	58	64
Citations (Traffic)**	4955	4845	**		356	406	**
Written Warnings/Repair Orders**	3110	3801	**		458	389	**
Public Assists***	1124	969	1007		78	79	71
Reserve Man Hours	0	510	296		0	52	27
Business Checks***	8602	8192	8036		902	689	735
Drug Task Force Arrest	58	19	51		0	0	1
CVAP Dark House Cks	8648	10468	10145		553	354	412
CVAP Public Assists	640	961	610		52	63	20
CVAP Total Hours	13867.5	14454.5	14153		1404.5	995	1149

**Fatal Accidents* & "Accidents" categories now include DUI-related fatal accidents & accidents.

***Written Warnings/Repair Orders" category now replaces "Warnings" and "Repair Orders" categories. Previous year totals updated to reflect the change. Traffic data delayed for data entry backlog.

***Business checks" now a separate category from "Dark House Checks". Public Assist totals no longer include CVAP numbers.

Based on further investigation, actual classifications may change resulting in small variances of counts during audits and may not match previously published numbers.

ORO VALLEY POLICE DEPARTMENT

MONTHLY BREAKDOWN OF CITATIONS BY VIOLATION

Citations November 2013	TOTAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TOWN CODE	243	17	28	15	8	24	27	37	19	12	22	34	
TITLE 28 VIOLATIONS													
SIZE, WEIGHT, LOAD	1	0	0	0	0	1	0	0	0	0	0	0	
INSURANCE VIOLATION	974	106	98	96	86	62	104	96	82	93	47	104	
REGISTRATION VIOLATION	470	52	49	41	44	37	42	51	36	46	27	45	
DRIVERS LICENSE VIOLATION	327	29	38	27	31	29	24	28	30	37	13	41	
DUI ARRESTS	121	11	17	15	11	6	11	13	8	12	5	12	
RECKLESS/AGGRESSIVE DRIVING	7	1	1	1	0	0	1	0	2	0	0	1	
SPEEDING	1969	199	169	171	134	178	257	196	197	118	110	240	
LANE VIOLATIONS	156	18	15	12	22	10	12	8	10	15	16	18	
RED LIGHT	100	11	14	7	12	12	7	11	5	11	5	5	
STOP SIGN	32	3	1	1	1	1	7	4	7	2	2	3	
FAILURE TO YIELD	77	9	10	3	5	6	6	4	4	7	11	12	
SEATBELT VIOLATION	158	20	13	19	12	17	18	9	21	11	7	11	
CHILD RESTRAINT	10	0	0	2	1	1	0	1	4	1	0	0	
EQUIPMENT VIOLATIONS	71	9	9	5	10	1	3	7	3	12	6	6	
PARKING	5	0	1	0	0	0	0	1	1	1	1	0	
LITTERING	14	3	1	3	1	2	0	2	0	0	1	1	
OTHER CITATIONS	252	16	43	21	22	23	5	21	20	25	11	45	
Total Citations	4744	487	479	424	392	386	497	452	430	391	262	544	

Based on further investigation and updating of information, actual classifications may change resulting in small variances in counts.

**DUIs are arrest counts, not citations counts*

ORO VALLEY POLICE DEPARTMENT
October through December 2013

Priority 1			# of calls	%
Total Response Time				
Goal: Total Response <5 minutes 90% of the time				
	< 5 minutes	51	78%	
	> 5 minutes	14	22%	
Total Calls	65			

Average Overall Response Time 3:56

Priority 2			# of calls	%
Total Response Time				
Goal: Total Response <8 minutes 90% of the time				
	< 8 minutes	173	84%	
	> 8 minutes	34	16%	
Total Calls	207			

Average Overall Response Time 5:17

Priority 3			# of calls	%
Total Response Time				
Goal: Total Response <15 minutes 90% of the time				
	< 15 minutes	973	96%	
	> 15 minutes	43	4%	
Total Calls	1016			

Average Overall Response Time 7:23

Priority 4			# of calls	%
Total Response Time				
Goal: Total Response <30 minutes 90% of the time				
	< 30 minutes	2266	98%	
	> 30 minutes	35	2%	
Total Calls	2301			

Average Overall Response Time 8:06

Golder Ranch Fire District - Oro Valley

Call Summary

Second Quarter FY 2013-2014 (Oct – Dec 2013)

Sun City Station 374	# of calls	%
Dispatch to At Scene <5:00 minutes -EMS	215	63%
Dispatch to At Scene <6:00 minutes -FIRE	2	100%
Average Dispatch to At Scene Time	5:27	

Woodburne Station 375	# of calls	%
Dispatch to At Scene <5:00 minutes -EMS	304	51%
Dispatch to At Scene <6:00 minutes -FIRE	1	0%
Average Dispatch to At Scene Time	4:26	

Lambert Station 376	# of calls	%
Dispatch to At Scene <5:00 minutes -EMS	194	75%
Dispatch to At Scene <6:00 minutes -FIRE	2	100%
Average Dispatch to At Scene Time	3:14	

Oracle Rd. Station 377	# of calls	%
Dispatch to At Scene <5:00 minutes -EMS	200	59%
Dispatch to At Scene <6:00 minutes -FIRE	3	66%
Average Dispatch to At Scene Time	4:04	

Average Total All Oro Valley Stations	# of calls	%
Dispatch to At Scene <5:00 minutes -EMS	913	62%
Dispatch to At Scene <6:00 minutes -FIRE	8	75%
Average Dispatch to At Scene Time	4:16	

Average Total All Oro Valley Stations -2nd Fire Unit	# of calls	%
2 nd Fire Unit Dispatch to At Scene <8:00 minutes -FIRE	6	83%
Average Dispatch to At Scene Time for 2nd Fire Unit	7:40	

Golder Ranch - Oro Valley Call Load Breakdown
Second Quarter FY 2013-2014 (Oct - Dec 2013)
Final Type Reference

CALL TYPE	Sun City	Woodburne	Lambert	Oracle	TOTAL
Aircraft					
Brush / Vegetation	1				1
Building					
Electrical / Motor	1				1
Fires - All Other		1	2	2	5
Gas Leak				1	1
Hazmat				1	1
Trash / Rubish	1		1	1	3
Unauthorized Burning			2	1	3
Vehicle		1			1
Total Fire Calls	3	2	5	6	16
Animal Problem	1	1			2
Animal Rescue					
Assist -Other	21	35	17	23	96
Battery Change	11	5	12	10	38
Bee Swarm					
Defective Appliance	3		2		5
Invalid Assist	46	11	16	18	91
Snake	48	74	62	37	221
Lockout			1	1	2
Fire Now Out			2		2
Total Service Calls	130	126	112	89	457
Alarms (Fire, Smoke, CO)	3	13	13	12	41
Cancelled / Negative Incident	9	11	9	9	38
Smoke / Odor Investagation	1	1	2	5	9
Total Good Intent Calls	13	25	24	26	88
Motor Vehicle Accident	6	9	12	11	38
Rescue (high, trench, water)					
All Other EMS Incidents	209	295	182	189	875
Total EMS Type Calls	215	304	194	200	913
TOTAL ALL CALLS	361	457	335	321	1474

Golder Ranch Fire District – Oro Valley
Detailed Fire Response Report
Second Quarter FY 2013-2014
(Oct – Dec 2013)

Date	Call#	Type	Disp. Time	Unit	Respond	On-scene	Total Resp. Time
10/25/13	21663	APTS	23:53:43	EN377	unknown	23:59:30	5:47
St.377				LT375	23:55:16	00:01:39	7:56
Reported as alarms sounding and fire sprinkler going off in an apartment. No fire problem –broken sprinkler. NEGATIVE INCIDENT							

Date	Call #	Type	Disp. time	Unit	Respond	On-scene	Total Resp. Time
10/31/13	22053	HOUSE	16:45:03	LT375	16:46:48	16:50:38	5:35
St.376				EN376	15:45:48	16:52:45	7:42
Reported as an oven that caught fire and unable to turn off gas. Upon investigation, LT375 reported fire out with no extension. NEGATIVE INCIDENT.							

Date	Call #	Type	Disp. time	Unit	Respond	On-scene	Total Resp. Time
11/7/13	22568	APTS	17:40:56	EN377	unknown	17:47:04	6:08
St.377				LT375	17:41:39	17:47:11	6:15
Reported as a large amount of flames coming from a chimney of an apartment. Nothing showing upon arrival. Incident turned out to be only a fire in the fireplace. NEGATIVE INCIDENT.							

Date	Call #	Type	Disp. time	Unit	Respond	On-scene	Total Resp. Time
11/16/13	23202	HOUSE	12:17:17	EN374	12:18:38	12:22:47	5:30
St.374							
Reported as flames coming out from under the microwave. EN374 found nothing and requested others units to code 2 response. Faulty appliance NEGATIVE INCIDENT.							

Date	Call #	Type	Disp. time	Unit	Respond	On-scene	Total Resp. Time
11/19/13	23354	HOUSE	05:41:59	LT375	05:42:58	05:48:57	7:08
St.375				EN374	05:44:01	05:52:03	10:14
Calling party heard alarm go off and “smells like heat”. LT375 on scene with nothing showing. No fire problem, a heater tuned on for the first time. NEGATIVE INCIDENT.							

Date	Call #	Type	Disp. time	Unit	Respond	On-scene	Total Resp. Time
11/19/13	23419	HOUSE	23:20:14	EN376	23:21:34	23:23:41	3:27
St.376					23:21:57	23:26:45	6:31
Calling party reports smoke inside house possibly coming from kitchen or garage. Faulty refrigerator – no fire extension. NEGATIVE INCIDENT							

Date	Call #	Type	Disp. time	Unit	Respond	On-scene	Total Resp. Time
12/14/13	25103	HOUSE	18:52:18	EN377	18:52:26	18:58:01	5:43
St.377							
Reported as a fire in a fire place that is beginning to produce a large amount of smoke inside the house.							

EN377 on scene with PM377 to find a fire isolated to the fire place. EN377 will remain on scene to clear smoke from residence. NEGATIVE INCIDENT.

Date	Call #	Type	Disp. time	Unit	Respond	On-scene	Total Resp. Time
12/24/13	25727	HOUSE	19:02:23	EN376	19:04:21	19:10:13*	7:50*
St.377							

Next door neighbor called to report a stable with hay and fencing on fire. EN376 in the area searching. Upon arrival, EN376 reports an illegal burn, other units can cancel. NEGATIVE INCIDENT. *Unable to initially locate as nothing was showing. Not counted against response times*

Date	Call #	Type	Disp. time	Unit	Respond	On-scene	Total Resp. Time
12/31/13	26159	HOUSE	16:45:50	EN374	16:46:24	16:51:28	5:38
St.374				EN370	16:47:45	16:53:16	7:26

Calling party reports sparks coming from electrical outlet inside home. On scene units can handle – electrical issue contained to a single outlet. NEGATIVE INCIDENT

Golder Ranch Fire District - Second Quarter FY 2013-2014 (Oct - Dec 2013) - Oro Valley Report Summary

All GRFD Oro Valley Stations		Time	#of Calls	Adopted Standard %	Actual %	Description of Variance
Dispatch to At Scene - FIRE		< 6:00	8	90%	75%	
Time to achieve Adopted Standard of 90%		6:08				
Average Dispatch to At Scene Time		5:34				

Dispatch to At Scene - EMS		< 5:00	913	90%	62%	Night time response
Time to achieve Adopted Standard of 90%		7:09				Long distance
						Steep winding hills
						Speed bumps
						Very edge of first due
						La Canada and Moore area
						Narrow road -low hanging trees
						In Stone Canyon
						25 MPH speed limit street
Average Dispatch to At Scene Time		4:16				

2nd Fire Unit Dispatch to At Scene		< 8:00	6	90%	83%	
Time to achieve Adopted Standard of 90%		10:14				
Average Dispatch to At Scene Time		7:40				

SWA - Oro Valley Transport Units	Time	#of Calls	Adopted %	Actual %	Description of Variance
Dispatch to At Scene - ALS Transport Unit	< 8:00	350	90%	94%	Calls are in compliance
Time to achieve Adopted Standard of 90%	Achieved				
Average Dispatch to At Scene Time	7:34				

**Mountain Vista Fire District - Oro Valley
Call Summary
Second Quarter FY 2013 – 2014 (Oct – Dec 2013)**

MVFD Station 610	# of calls	%
Dispatch to At Scene <5:00 minutes -EMS	49	82%
Dispatch to At Scene <6:00 minutes -FIRE	0	100%
Average Dispatch to At Scene Time	4:29	

Average Total All Oro Valley Stations -2nd Fire Unit	# of calls	%
2 nd Fire Unit Dispatch to At Scene <8:00 minutes -FIRE	0	100%
Average Dispatch to At Scene Time for 2nd Fire Unit	0:00	

Other Miscellaneous Fire Calls – Oro Valley Stations	# of calls	%
Dispatch to At Scene <6:00 minutes -FIRE	0	0%
Average Dispatch to At Scene Time	0:00	

**Mountain Vista Fire District – Oro Valley
Detailed Fire Response Report
Second Quarter FY 2013 – 2014 (Oct – Dec 2013)**

No fire call in the Town of Oro Valley for quarter 2

MVFD Second Quarter FY 2013-2014 (Oct - Dec 2014) - Oro Valley Report Summary

MVFD				Time	#of Calls	Adopted Standard %	Actual %	Description of Variance
Dispatch to At Scene - FIRE				< 6:00	N/A	90%		
Time to achieve Adopted Standard of 90%								
Average Dispatch to At Scene Time				4:29				

Dispatch to At Scene - EMS				< 5:00	49	90%	82%	
Time to achieve Adopted Standard of 90%				6:47	5			
Average Dispatch to At Scene Time				4:15				

2nd Fire Unit Dispatch to At Scene				< 8:00	N/A	90%		
Time to achieve Adopted Standard of 90%				N/A				
Average Dispatch to At Scene Time								



Town Council Regular Session

Item # 2.

Meeting Date: 02/19/2014

Submitted By: Catherine Hendrix, Police Department

Information

Subject

Letter of Appreciation for Oro Valley Police Department

Attachments

[Appreciation Letter 012814](#)

Phillip L & Patricia D Gibbs



January 28, 2014

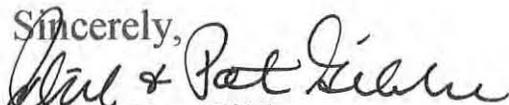
Daniel G. Sharp, Police Chief
Oro Valley Police Department
11000 North La Canada Drive
Oro Valley, AZ 85737

Reference: Officer M. Kleinberg

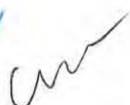
Dear Sir:

On December 12, 2013 we were involved in an auto accident at North Oracle and Pusch View Lane. Your officers responded within minutes of the accident and took control of the situation.

We were impressed by the courtesy and professionalism of Officer M. Kleinberg and his brother. They were very helpful to us in this stressful situation.

Sincerely,

Phil & Pat Gibbs

Received by

JAN 28 2014 

Oro Valley Police Dept.



Town Council Regular Session

Item # 1.

Meeting Date: 02/19/2014
Presentation - Oro Valley Historical Society

Information

Subject
Presentation - Oro Valley Historical Society

Summary
N/A



Town Council Regular Session

Item # 2.

Meeting Date: 02/19/2014
Oro Valley Kiwanis Club

Information

Subject

Presentation - Oro Valley Kiwanis Club

Summary

N/A



Town Council Regular Session

Item # A.

Meeting Date: 02/19/2014

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

Department: Town Clerk's Office

Information

SUBJECT:

Minutes - December 11, 2013, January 15, 2014 and February 5, 2014

RECOMMENDATION:

N/A

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 December 11, 2013, January 15, 2014 and February 5, 2014 minutes.

Attachments

Draft Minutes - December 11, 2013

Draft Minutes - January 15, 2014

Second Revised Draft Minutes - February 5, 2014

**MINUTES
ORO VALLEY TOWN COUNCIL
SPECIAL SESSION
December 11, 2013
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

SPECIAL SESSION AT OR AFTER 5:00 PM

CALL TO ORDER

Mayor Hiremath called the meeting to order at 5:02 p.m.

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Lou Waters, Vice Mayor
Brendan Burns, Councilmember
Bill Garner, Councilmember
Joe Hornat, Councilmember
Mary Snider, Councilmember
Mike Zinkin, Councilmember

Mayor Hiremath led the audience in the Pledge of Allegiance

ORDER OF BUSINESS

Mayor Hiremath moved item # 1 to the end of the Regular Agenda.

REGULAR AGENDA

- 2. PUBLIC HEARING: RESOLUTION NO. (R)13-71, AMENDING THE GENERAL PLAN FUTURE LAND USE MAP TO CHANGE THE LAND USE DESIGNATIONS FROM LOW DENSITY RESIDENTIAL AND OPEN SPACE TO MEDIUM DENSITY RESIDENTIAL AND OPEN SPACE FOR A 39.1 ACRE PROPERTY KNOWN AS THE OLSON PROPERTY**

Planning Division Manager, David Williams gave an overview of the following:

- Major General Plan Amendment Time Line
- Public Participation Program Highlights
- Land Development Stages: Planning, Zoning, Development
- Planning Stage is concerned with Land Use, Density / Intensity, Open Space,
- Compatibility
- Entitlement Stage Tool: Zoning

-Design Stage Tool: Site Plan

Sr. Planner Matt Michels gave an overview of item #2.

Keri Silvyn, with Lazarus, Silvyn & Bangs, P.C., spoke on item #2.

Mayor Hiremath opened the public hearing.

The following individuals spoke on item #2:

Oro Valley resident Art Wiese
Oro Valley resident Bill Adler
Oro Valley resident Linden Elwood
Oro Valley resident Mike Hoss

Mayor Hiremath closed the public hearing.

Discussion ensued amongst Council regarding the Olson Property.

MOTION: A motion was made by Councilmember Burns and seconded by Councilmember Hornat to adopt Resolution No. (R)13-71, approving the General Plan Amendment from Low Density Residential and Open Space to Medium Density Residential and Open Space with a limit of no more than 3.75 residents per acre, finding that it meets the General Plan Amendment criteria.

MOTION carried, 7-0.

3. PUBLIC HEARING: RESOLUTION NO. (R)13-72, AMENDING THE GENERAL PLAN FUTURE LAND USE MAP FROM NEIGHBORHOOD COMMERCIAL / OFFICE TO MEDIUM DENSITY RESIDENTIAL FOR VISTOSO HIGHLANDS (RANCHO VISTOSO PARCEL 10J), AN 18 ACRE PROPERTY LOCATED AT THE NORTHWEST CORNER OF RANCHO VISTOSO BOULEVARD AND VISTOSO HIGHLANDS DRIVE

Steve Hagedorn, representative from the Planning Center, spoke on item #3 and requested a continuance from Council.

Mayor Hiremath opened the public hearing.

The following individuals spoke on item #3:

Oro Valley resident Carol Surowiec
Oro Valley resident Roy Hoff
Oro Valley resident Bill Adler
Oro Valley resident Patricia Brink
Oro Valley resident Helge Carson
Oro Valley resident Paul Moffett

Oro Valley resident Mike Parr
Oro Valley resident Carol Ann Small
Oro Valley resident Judith Sklavos
Oro Valley resident Dick Surowiec
Oro Valley resident Jim Bands

Mayor Hiremath closed the public hearing.

Mr. Hagedorn withdrew his request for a continuance and proceeded with the presentation.

Planning Division Manager, David Williams spoke on item #3.

Senior Planner Chad Daines presented Council with an overview of item #3 which included the following items:

- General Plan Use
- General Plan Amendment Four Criteria
- Public Participation
- Neighborhood and Commission Discussion Issues
- Reasons to Retain Commercial
- Factors For
- Factors Against
- Recommendation

Mr. Hagar, representative for The Planning Center, gave a presentation on item #3.

Discussion ensued amongst Council regarding the proposed Vistoso Highlands property.

MOTION: A motion was made by Councilmember Hornat and seconded by Vice Mayor Waters to approve the General Plan Amendment finding that it meets the evaluation criteria for a General Plan Amendment and direct staff that the zoning case shall be consistent, to the extent possible, with the conditions that the applicant has set forth in his presentation.

MOTION: failed, 4-3 with Councilmembers Burns, Garner and Zinken opposed.

- 4. PUBLIC HEARING: RESOLUTION NO. (R)13-73, AMENDING THE GENERAL PLAN FUTURE LAND USE MAP FROM RURAL LOW DENSITY RESIDENTIAL AND LOW DENSITY RESIDENTIAL TO MEDIUM DENSITY RESIDENTIAL FOR MILLER RANCH, ON 16 ACRES LOCATED NORTH OF THE NORTHWEST CORNER OF TANGERINE ROAD AND LA CANADA DRIVE AND AMENDING THE URBAN SERVICES BOUNDARY TO INCLUDE THE ENTIRE PROPERTY**

Senior Planner Chad Daines gave an overview of item #4 which included the following:

- General Plan Use
- Proposed General Plan
- Application Description
- Urban Services Boundary
- General Plan Amendment Evaluation Criteria
- Public Participation
- Neighborhood and Commission Discussion Issue
- Previous Applications
- Factors For
- Factors Against
- Recommendation

Stacy Weeks, with Norris Design, presented the following overview of item #4:

- Miller Ranch / Entitlement Timeline
- Approved Development Plan
- General Plan Application
- Development Patterns
- Planning Area
- General Plan Elements
- Development Transition
- Viewshed Study
- Evaluation Criteria
- General Plan Elements

Mayor Hiremath opened the public hearing.

The following individuals spoke on item #4:

Oro Valley resident Bill Adler
Scott Christy
Pat McGowan
Oro Valley resident and President of the Greater Oro Valley Chamber of Commerce,
Dave Perry

Mayor Hiremath closed the public hearing.

Discussion ensued amongst Council regarding the General Plan Amendment.

MOTION: A motion was made by Mayor Hiremath and seconded by Councilmember Snider to continue item #4 to the February 5th, 2014 Regular Council meeting.

MOTION carried, 7-0.

1. DISCUSSION AND POSSIBLE ACTION TO INITIATE THE 60-DAY PUBLIC NOTICE PROCESS FOR A FUTURE DISCUSSION REGARDING REVENUE OPTIONS

The following individual spoke on item #1.

Oro Valley resident Bill Adler

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Hornat t not to initiate the 60-day Public Notice process for a Future Discussion regarding revenue options.

MOTION carried, 5-2 with Councilmember Garner and Councilmember Zinkin opposed.

FUTURE AGENDA ITEMS

No future agenda items were requested.

ADJOURNMENT

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Burns to adjourn the meeting at 8:46 p.m.

MOTION carried, 7-0.

Prepared by:

Michelle Stine
Senior Office Specialist

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special session of the Town of Oro Valley Council of Oro Valley, Arizona held on the 11th day of December 2013. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2014.

Julie K. Bower, MMC
Town Clerk

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
January 15, 2014
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
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 Snider recognized Alicia Cordova, 5th grader at Copper Creek Elementary School, for her outstanding achievements.

Vice Mayor Waters noted that he and Councilmember's Hornat, Snider and Zinkin attended the ribbon cutting for the new Sun City activity and fitness center.

Councilmember Snider reported that on Monday, January 13th, the Your Voice, Our Future team attended the Youth Advisory Council meeting and received their input regarding the General Plan Update.

Councilmember Zinkin encouraged residents to complete the Your Voice, Our Future community survey.

Councilmember Hornat attended the Sun City Government Affairs Board meeting at which he discussed water issues as they related to the Town.

DEPARTMENT REPORTS

Finance Director Stacey Lemos announced the release of the second annual edition of the Town's Popular Annual Financial Report (PAFR) for FY ending June 30, 2013 and noted that the PAFR was available on the Town's website.

Planning Manager David Williams outlined the Town's upcoming public outreach events for the Your Voice, Our Future project. Mr. Williams announced that public outreach events would take place at the Village Bakehouse on Saturday, January 18th from 12:00 p.m. to 2:00 p.m. and at Jerry Bob's on Saturday, February 1st from 3:00 p.m. to 5:00 p.m. and encouraged all residents to attend.

Parks and Recreation Director Kristi Diaz Trahan announced that the Naranja Park groundbreaking ceremony would be held on Monday, January 27th at 4:00 p.m.

Ms. Nowak announced the launch of the Town's first ever art contest for students kindergarten through 12th grade to mark the Town's 40th anniversary. Contest guidelines and entry form were available on the Town's website. Submissions would be accepted through March 14, 2014.

ORDER OF BUSINESS

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

CALL TO AUDIENCE

Oro Valley resident Don Bristow spoke on the wall signs at L.A. Fitness and was concerned with the intensity of the light and light pollution that they created.

PRESENTATIONS

1. Presentation of Plaques of Appreciation to Outgoing Board and Commission Members

Mayor Hiremath presented plaques of appreciation to the following outgoing Board and Commission members:

Conceptual Design Review Board (CDRB)
David Adler

Planning and Zoning Commission (PZC)
D. Alan Caine
Robert E. Swope

Water Utility Commission (WUC)
John Hoffman
Winston Tustison

2. Proclamation - Beat Back Buffelgrass Day

Mayor Hiremath proclaimed January 25, 2014 as Beat Back Buffelgrass Day and encouraged all citizens to strongly support volunteer efforts to eradicate this invasive and dangerous plant wherever possible.

CONSENT AGENDA

Councilmember Zinkin requested that items (H) and (I) be removed from the Consent Agenda for discussion.

- A. Minutes - November 20 and December 4, 2013
- B. Fiscal Year 2013/14 Financial Update through October 2013
- C. Fiscal Year 2013/14 Financial Update through November 2013
- D. Final Plat for the Rancho Vistoso Parcel 10-N North residential subdivision, located on the southwest corner of Rancho Vistoso Boulevard and Vistoso Highlands Drive
- E. Appointments to the Planning and Zoning Commission
- F. Resolution No. (R)14-01, providing notice of intent to increase certain development impact fees for the Town of Oro Valley
- G. Resolution No. (R)14-02, approving the annual Legislative Agenda of the Town and protocols guiding the Town's priorities for the upcoming legislative session and any lobbying activities

MOTION: A motion was made by Councilmember Snider and seconded by Councilmember Hornat to approve Consent Agenda items (A)-(G).

MOTION carried, 7-0.

- H. Resolution No. (R)14-03, approving a loan in the amount not to exceed \$5,000,000.00 from the Water Infrastructure Finance Authority of Arizona for Oro Valley Water Utility Phases 2, 3 & 4 of the Advanced Metering**

Infrastructure and Meter Replacement Project; authorizing the execution and delivery of Loan Agreement No. 920246-14; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency

Councilmember Zinkin requested clarification regarding debt service fees and interest rates.

Water Utility Director Philip Saletta stated that the rates analysis included the debt service fees.

Water Utility Administrator Shirley Seng outlined the benefits of a WIFA loan versus bonding.

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Hornat to approve Resolution No. (R)14-03, approving a loan in the amount not to exceed \$5,000,000.00 from the Water Infrastructure Finance Authority of Arizona for Oro Valley Water Utility Phases 2, 3 & 4 of the Advanced Metering Infrastructure and Meter Replacement Project; authorizing the execution and delivery of Loan Agreement No. 920246-14; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency.

MOTION carried, 7-0.

I. Resolution No. (R)14-04, authorizing and approving an easement agreement between the Town of Oro Valley and the Oro Valley Country Club Inc.

Councilmember Zinkin asked if the Town charged for the easement agreement.

Development and Infrastructure Services Director Paul Keesler stated that the Town would not charge for the easement.

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Burns to approve Resolution No. (R)14-04, authorizing and approving an easement agreement between the Town of Oro Valley and the Oro Valley Country Club Inc. and directing the Town Attorney to revise paragraph No. 13 to make it a specific indemnification.

MOTION carried, 7-0.

REGULAR AGENDA

1. NOMINATION AND ELECTION OF VICE MAYOR

Councilmember Hornat nominated Vice Mayor Lou Waters to serve as Vice Mayor for 2014, seconded by Councilmember Snider.

Councilmember Garner nominated Councilmember Burns to serve as Vice Mayor for 2014, seconded by Councilmember Zinkin.

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Snider to approve the nomination of Vice Mayor Lou Waters as Vice Mayor for 2014.

MOTION carried, 4-3 with Councilmember Burns, Councilmember Garner, and Councilmember Zinkin opposed.

2. PUBLIC HEARING - DISCUSSION AND POSSIBLE ACTION REGARDING AN APPLICATION FOR A SERIES 7 (BEER & WINE BAR) LIQUOR LICENSE FOR QUALITY INN & SUITES LOCATED AT 7411 N ORACLE ROAD

Mayor Hiremath opened the public hearing.

No comments were received.

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Councilmember Snider and seconded by Councilmember Zinkin to recommend approval of the issuance of a Series 7 Liquor License to the Arizona Department of Liquor Licenses and Control for Kevin Kramber and principals of Quality Inn & Suites located at 7411 N. Oracle Road.

MOTION carried, 7-0.

3. PUBLIC HEARING - DISCUSSION AND POSSIBLE ACTION REGARDING AN APPLICATION FOR A SERIES 9S (LIQUOR STORE W/SAMPLING PRIVILEGES) LIQUOR LICENSE FOR FRY'S FOOD & DRUG #18 LOCATED AT 10661 N ORACLE ROAD AND FRY'S FOOD & DRUG #117 LOCATED AT 10450 N LA CANADA DRIVE

Mayor Hiremath opened the public hearing.

No comments were received.

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Councilmember Burns and seconded by Councilmember Garner to recommend approval of the issuance of a Series 9S Liquor License to the Arizona Department of Liquor Licenses and Control for Robert Nelson and principals for Fry's Food & Drug #18 located at 10661 N. Oracle Road, license #'s

09100008 and #09100112 and Fry's Food & Drug #117 located at 10450 N. La Canada Drive, license #09100012.

MOTION carried, 7-0.

4. PUBLIC HEARING: RESOLUTION NO. (R)14-06, AUTHORIZING AND APPROVING INCREASES IN WATER RATES, FEES AND CHARGES FOR THE TOWN OF ORO VALLEY WATER UTILITY

Water Utility Commission Chair, Bob Milkey, gave an overview of the proposed water rate, fees and charges increase and stated that the Water Utility Commission unanimously recommended adoption of the rates as presented.

Water Utility Director Philip Saletta gave an overview of the following items:

- Mayor & Council Water Policies
- Cost of Service Study
- Importance of Change in Rate Structure
- Preferred Financial Scenario
- Water Rates Analysis Customer Impacts
- Water Rates Analysis Review of Schedule
- Water Rates Recommendation

Mayor Hiremath opened the public hearing.

The following individual spoke on item #4.

Oro Valley resident Bill Adler

The following individual spoke in support of item #4.

Oro Valley resident and President of the Greater Oro Valley Chamber of Commerce, Dave Perry

Mayor Hiremath closed the public hearing.

Discussion ensued amongst Council regarding the proposed water rates, fees and charges increases.

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Zinkin to approve Resolution No. (R)14-06, authorizing and approving increases in water rates, fees and charges for the Town of Oro Valley Water Utility.

MOTION carried, 7-0.

5. RESOLUTION NO. (R)14-07, ADOPTING THE 2013-2023 LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENT PLANS DATED OCTOBER 4, 2013, FOR THE TOWN OF ORO VALLEY

Finance Director Stacey Lemos gave an overview of item #5 and discussed the following topics:

- Overview of Impact Fee Law Changes
- Town and Water Utility Impact Fees Approval Process - Schedule
- Land Use Assumptions & Infrastructure Improvements Plan
- Capital Plans - Based on 15-Year Town CIP
- Comparison of Combined Fees Parks, Police and Transportation

Mr. Saletta gave an overview of the following topics:

- Water Utility Impact Fees Compliance with New Requirements
- Water Utility Impact Fees Land Use Assumptions
- Water Utility Impact Fees Infrastructure Improvements Plan
- Comparison of Combined Fees Potable and Alternative Water

MOTION: A motion was made by Councilmember Hornat and seconded by Vice Mayor Waters to approve Resolution No. (R)14-07, adopting the 2013-2023 land use assumptions and infrastructure improvement plans for the Town of Oro Valley dated October 4, 2013.

MOTION carried, 7-0.

6. PUBLIC HEARING: ORDINANCE NO. (O)14-01, AMENDING THE RANCHO VISTOSO PLANNED AREA DEVELOPMENT ZONING FOR A 4.9 ACRE PROPERTY, LOCATED AT THE NORTHEAST CORNER OF LA CANADA DRIVE AND MOORE ROAD FROM COMMERCIAL (C-1) TO MEDIUM DENSITY RESIDENTIAL (MDR)

Planner Rosevelt Arellano gave an overview of item #6.

Applicant Paul Oland, representative for WLB, gave an overview of the proposed PAD amendment.

Mayor Hiremath opened the public hearing.

The following individuals spoke in opposition to item #6.

- Oro Valley resident Art Wiese
- Oro Valley resident Erica Wiese
- Oro Valley resident Les Soldani
- Oro Valley resident Bill Adler

Mayor Hiremath closed the public hearing.

Discussion ensued amongst Council and the Applicant regarding the proposed PAD amendment.

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Zinkin to approve Ordinance No. (O)14-01, rezoning 4.9 acres on the northeast corner of Moore Road and La Canada Drive from PAD Commercial (C-1) to Medium Density Residential (MDR), subject to the conditions in Attachment 1, finding that the request is consistent with the General Plan and adding the condition that lots 14, 15 and 16 shall be single story.

MOTION carried, 7-0.

7. DISCUSSION AND POSSIBLE ACTION REGARDING EXTENSION OF THE TEMPORARY USE OF A-FRAMES, NON-PROFIT SIGNS AND OUTDOOR DISPLAYS UNTIL FEBRUARY 2, 2015

Economic Development Manager Amanda Jacobs gave an overview of item #7.

The following individuals spoke in opposition to item #7:

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

The following individual spoke in favor of item #7:

Oro Valley resident and President of the Greater Oro Valley Chamber of Commerce, Dave Perry

Discussion ensued amongst Council regarding the extension of the temporary use of A-frames, non-profit signs and outdoor displays.

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Garner to approve extending the temporary use of A-frame signs, non-profit signs and outdoor displays until February 2, 2015.

MOTION failed, 3-4 with Mayor Hiremath, Vice Mayor Waters, Councilmember Hornat, and Councilmember Snider opposed.

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to approve the temporary use of A-frame signs, non-profit signs and outdoor displays until February 1, 2016.

MOTION carried, 5-2 with Councilmember Garner and Councilmember Zinkin opposed.

8. **AMENDING SECTION 27.3 AND CHAPTER 31 OF THE ZONING CODE RELATIVE TO PUBLIC ART**
 - a. **RESOLUTION NO. (R)14-08, DECLARING THE PROPOSED AMENDMENTS TO THE ORO VALLEY ZONING CODE REVISED SECTION 27.3 AND CHAPTER 31 RELATING TO PUBLIC ART, PROVIDED AS EXHIBIT "A" WITHIN THE ATTACHED RESOLUTION AND FILED WITH THE TOWN CLERK, A PUBLIC RECORD**

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Zinkin to approve Resolution No. (R)14-08, declaring the proposed amendments to the Oro Valley Zoning Code Revised Section 27.3 and Chapter 31 relating to Public Art, provided as Exhibit "A" within the attached resolution and filed with the Town Clerk, a public record.

MOTION carried, 7-0.

- b. **PUBLIC HEARING: ORDINANCE NO. (O)14-02, AMENDING SECTION 27.3 AND CHAPTER 31 OF THE ZONING CODE RELATIVE TO PUBLIC ART**

Principal Planner Chad Daines gave an overview of item #8b.

Mr. Daines outlined the following topics:

- Public Art Program Background
- Amendment Summary
- Call for Artist Overview
- In-lieu Fee Threshold
- Revised Design Principles
- Public Art Guidelines
- Additional Amendments
- Amendment Review
- Commission Recommendation

Mayor Hiremath opened the public hearing.

The following individuals spoke in opposition to item #8b.

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

Mayor Hiremath closed the public hearing.

Discussion ensued amongst Council regarding the proposed public art amendments.

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Snider to adopt Ordinance No. (O)14-02, amending Section 27.3 and Chapter 31 of the Oro Valley Zoning Code Revised relative to public art, finding that the amendment will encourage diversity in public art through the addition of a Call For Artists process and updated Design Review Principles.

MOTION failed, 3-4 with Councilmember Burns, Councilmember Garner, Councilmember Hornat, and Councilmember Zinkin opposed.

MOTION: A motion was made by Councilmember Hornat and seconded by Mayor Hiremath to adopt Ordinance No. (O)14-02, amending Section 27.3 and Chapter 31 of the Oro Valley Zoning Code Revised relative to public art, finding that the amendment will encourage diversity in public art through the addition of a Call For Artists process and updated Design Review Principles and to include the following changes:

1. Amend Section 27.3D.Fee in Lieu of Public Art, to allow the Conceptual Design Review Board (CDRB) to review the Planning and Zoning Administrator's decision and issue a final determination.
2. Re-instate old Review Criteria #4 as it relates to logos.
3. Change "shall" to "may" under Section 27.3I.Installation and Maintenance, #1. Change "shall" to "may" under Section 27.3F.Process, #6.

MOTION carried, 4-3 with Councilmember Burns, Councilmember Garner, and Councilmember Zinkin opposed.

9. RESOLUTION NO. (R)14-05, REPEALING AND REPLACING PERSONNEL POLICIES 2, DEFINITIONS OF TERMS; 9, PROBATIONARY PERIODS; 10, ATTENDANCE AND LEAVES; 11, DISCIPLINE; 16, NEPOTISM; 23, DRUG FREE WORKPLACE; 26, COMPUTER USAGE; E-MAIL USE, RETENTION, & STORAGE; AND INTERNET POLICY; AND, 29, CONFLICT OF INTEREST

Human Resources Director Ron Corbin gave an overview of the following proposed personnel policy changes.

- Policy 2 - Definition of Terms
- Policy 9 - Introductory Evaluation Period
- Policy 10 - Attendance and Leaves
- Policy 11 - Discipline
- Policy 23 - Drug Free Workplace
- Policy 26 - Computer Usage...
- Policy 29 - Conflict of Interest

Discussion ensued amongst Council and staff regarding the proposed personnel policies.

MOTION: A motion was made by Mayor Hiremath and seconded by Vice Mayor Waters to approve Resolution No. (R)14-05, repealing and replacing Personnel Policies 2, 9, 10, 11, 16, 23, 26, and 29 and to include changes as discussed.

MOTION failed, 3-4 with Councilmember Burns, Councilmember Hornat, Councilmember Snider, and Councilmember Zinkin opposed.

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Snider to continue item #9 to a future study session.

MOTION carried, 6-1 with Mayor Hiremath opposed.

10. DISCUSSION AND POSSIBLE ACTION REGARDING WAIVER OF THE ATTORNEY-CLIENT PRIVILEGE IN ORDER TO MAKE PUBLIC THE TOWN ATTORNEY'S OPINION DATED DECEMBER 5, 2013 REGARDING OPEN MEETING LAW

Discussion ensued regarding waiving the attorney-client privilege to the opinion dated December 5, 2013 regarding an alleged open meeting law violation.

No action was taken on item #10.

FUTURE AGENDA ITEMS

Vice Mayor Waters requested a future agenda item to consider marginally increasing licensing fees for animal care to offset future deficits as projected by Pima County, seconded by Councilmember Snider.

Councilmember Zinkin requested to place the Desert Springs General Plan Amendment agenda item on the February 5, 2014 Town Council agenda for consideration and possible action, seconded by Councilmember Garner.

CALL TO AUDIENCE

No comments were received.

ADJOURNMENT

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Snider to adjourn the meeting at 10:38 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 15th day of January 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2014.

Julie K. Bower, MMC
Town Clerk

DRAFT

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
February 5, 2014
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 6:02 p.m.

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Lou Waters, Vice Mayor
Brendan Burns, Councilmember
Bill Garner, Councilmember
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

Vice Mayor Waters reported on the Public Art Tour that was provided by the Town's Economic Development Department, and encouraged everyone to partake in the tour.

Councilmember Hornat reported that he and Vice Mayor Waters attended the 76th Tohono O'odham Parade and Rodeo event held in Sells, Arizona.

Councilmember Zinkin outlined the duties of the Town Manager and Town Council as they pertained to adopting and/or amending the Town budget and said that all department line items/programs should be identified in the budget for appropriate Council oversight.

Mayor Hiremath reiterated that Councilmember Zinkin's comments were strictly his own and not those of the Town Council.

DEPARTMENT REPORTS

Town Clerk Julie Bower announced that new artwork was on display in the Council Chambers by artist Kay Mitman.

Planning Director David Williams gave an update on the "Your Voice Our Future" project.

ORDER OF BUSINESS

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

INFORMATIONAL ITEMS

1. Letter of Appreciation for Oro Valley Police Department

CALL TO AUDIENCE

Fire Chief Randy Karrer introduced the new Assistant Fire Chief for Golder Ranch Fire District, Mr. Tom Brandhuber.

Oro Valley resident John Musolf spoke regarding his incident at Steam Pump Ranch.

CONSENT AGENDA

Councilmember Snider requested that item (C) be removed from the Consent Agenda for discussion.

Councilmember Zinkin requested that item (D) be removed from the Consent Agenda for discussion.

- A. Greater Oro Valley Chamber of Commerce Quarterly Report: October 1, 2013 - December 31, 2013
- B. Visit Tucson Quarterly Report: October 1, 2013 - December 31, 2013

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

MOTION carried, 7-0.

C. Reappointment to the Tucson-Pima County Bicycle Advisory Committee

Councilmember Snider acknowledged Mr. Wade for his volunteer service to the Tucson-Pima County Bicycle Advisory Committee.

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to approve the reappointment of Adam Wade to the Tucson-Pima County Bicycle Advisory Committee for a term ending December 31, 2015.

MOTION carried, 7-0.

D. Resolution No. (R)14-09, authorizing IGA / JPA 13-00003433-I Master Electrical Operation and Maintenance Agreement

Councilmember Zinkin requested clarification regarding the signal timing portion of the IGA / JPA Master Electrical Operation and Maintenance Agreement.

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to approve Resolution No. (R)14-09, authorizing IGA / JPA 13-00003433-I Master Electrical Operation and Maintenance Agreement.

MOTION carried, 7-0.

REGULAR AGENDA

1. PUBLIC HEARING - DISCUSSION AND POSSIBLE ACTION REGARDING AN APPLICATION FOR A SERIES 12 (RESTAURANT) LIQUOR LICENSE FOR LA HACIENDA #10 LOCATED AT 11931 N. FIRST AVE. SUITE 104

Town Clerk Julie Bower gave an overview of item #1.

Mayor Hiremath opened the public hearing.

No comments were received.

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Snider to recommend approval of the issuance of a Series 12 liquor license to the Arizona Department of Liquor Licenses and Control for Paul Allen Sr. and principals for La Hacienda #10 located at 11931 N. First Ave. Suite 104.

MOTION carried, 7-0.

2. PUBLIC HEARING: RESOLUTION NO. (R)14-10, AMENDING THE GENERAL PLAN FUTURE LAND USE MAP FROM RURAL LOW DENSITY RESIDENTIAL AND LOW DENSITY RESIDENTIAL TO MEDIUM DENSITY RESIDENTIAL FOR MILLER RANCH, ON 16 ACRES LOCATED NORTH OF THE NORTHWEST CORNER OF TANGERINE ROAD AND LA CANADA DRIVE, AND AMENDING THE URBAN SERVICES BOUNDARY TO INCLUDE THE ENTIRE PROPERTY

Senior Planner Chad Daines gave an overview of item #2 which included the following items:

- Applicant Proposed Alternatives
- Original Request

Stacey Weeks, representative for Norris Design, presented the following overview of Miller Ranch:

- General Plan Application
- Planning Studies

Mayor Hiremath opened the public hearing.

The following individual spoke:

Oro Valley resident Bill Adler

Mayor Hiremath closed the public hearing.

Discussion ensued amongst Council regarding the General Plan Amendment.

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Snider to approve Resolution No. (R)14-10, approving the requested amendment from Rural Low Density Residential and Low Density Residential to Medium Density Residential, limiting the density to 2.5 dwelling units per acre and modifying the Urban Services Boundary to include the entire property, finding that the modified density meets the General Plan amendment evaluation criteria.

Mayor Hiremath requested a roll call vote.

MOTION carried, 6-1 with Councilmember Hornat opposed.

3. DISCUSSION AND POSSIBLE DIRECTION ON A ZONING CODE AMENDMENT RELATED TO DEFINITIONS, ZONING DISTRICTS AND STANDARDS FOR SENIOR CARE USES AND RELATED AMENDMENTS

Senior Planner Chad Daines gave an overview of item #3 which included the following:

- Background
- Scope of Amendment
- Definitions
- Zoning Districts
- Development Standards
- Tentative Schedule
- Amendment Summary

The following individuals spoke on item #3.

Oro Valley resident John Musolf
Oro Valley resident Bill Adler

Discussion ensued among Council regarding standards for senior care uses and related amendments.

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to direct staff to proceed with drafting the amendment related to definitions, zoning districts and standards for senior care uses and related amendments.

MOTION carried, 7-0.

FUTURE AGENDA ITEMS

Councilmember Snider requested a Future Agenda Item to have Elizabeth Kempshall, Executive Director for the High Intensity Drug Trafficking Area (HIDTA), give a presentation to Oro Valley Town Council, seconded by Councilmember Hornat.

Councilmember Garner requested a future agenda item to discuss Councilmember Zinkin's Council report item regarding his request to identify all department line items/programs in the budget, seconded by Councilmember Zinkin.

Councilmember Hornat directed staff to verify the traffic light timing at Suffolk Hills and Oracle Roads.

CALL TO AUDIENCE

No comments were received.

ADJOURNMENT

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Snider to adjourn the meeting at 7:42 p.m.

MOTION carried, 6-1 with Councilmember Garner opposed.

Prepared by:

Michelle Stine
Senior Office Specialist

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 5th day of February 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2014

Julie K. Bower, MMC
Town Clerk

DRAFT



Town Council Regular Session

Item # **B.**

Meeting Date: 02/19/2014
Requested by: Patty Hayes
Submitted By: Patty Hayes, Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

Request for approval to exempt Sun City from the Rancho Vistoso Planned Area Development (PAD) Sign Standards

RECOMMENDATION:

The Conceptual Design Review Board recommends approval of the proposed PAD sign exemption.

EXECUTIVE SUMMARY:

Sun City is requesting to utilize the Town's sign code standards instead of the Rancho Vistoso PAD sign standards for all Sun City controlled properties by requesting a PAD Sign Exemption.

A PAD Sign Exemption is reviewed by the Conceptual Design Review Board (CDRB) and forwarded to Town Council for final decision.

On January 14, 2014, the Conceptual Design Review Board voted to recommend approval of the PAD Sign Exemption.

BACKGROUND OR DETAILED INFORMATION:

Background/Detailed info

The applicant has requested to be exempted from the Rancho Vistoso PAD sign standards in order to use the Oro Valley Sign Code as the governing document for all temporary and permanent signs on Sun City Association-controlled properties. Properties controlled by Sun City include three separate recreation areas, a golf course, dog park and maintenance facility, along with neighborhood entryways. This PAD Exemption does not apply to the privately owned commercial properties in the Sun City area as shown in Attachment 2.

ANALYSIS OF PAD EXEMPTION:

The sign that became the catalyst for this request is the small directional sign as shown in Attachment 3. The proposed PAD Sign Exemption would allow Sun City to use the sign standards set forth in the Oro Valley Sign Code and therefore allowing the use of the directional signs.

In addition to allowing the directional sign type for use in the Sun City area, the proposed change would allow Sun City a broader choice of sign types, colors and materials that are available in the Town's Sign Code. As a result, the Town's Sign Code would regulate the colors and materials through the Design Standards which promote using colors, materials and design features from the architectural elements of

the buildings within the development.

Current Site Conditions

- The entire Sun City area encompasses approximately 1,000 acres
- The Sun City common area includes three recreation facilities and neighborhood entryways
- Zoning is PAD with residential and commercial designations

Proposed Improvements

- Install small directional signs as shown in Attachment 3
- Allow Sun City to install or update signage within the allowances of the Zoning Code

Related Approvals

- 1986: Development Began
- 1987: Annexed by Oro Valley
- 1987: RV PAD Sign System Guidelines Adopted
- 1996 & 2011: Revisions to the RV PAD Sign System Guidelines

Public Outreach

Notice to the public was provided consistent with Town-adopted noticing procedures which includes the following:

- Posting at Town Hall
- Sun City Association Board
- Rancho Vistoso HOA -Lewis Management

To date, staff has not received comments on the request.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve case OV313-006 PAD Sign Exemption, based on the finding that the proposed exemption is consistent with the intent of the Town's Sign Code and Design Standards.

OR

I MOVE to deny case OV313-006 PAD Sign Exemption, based on the finding that the proposal is not consistent with the Town's Sign Code, specifically _____.

Attachments

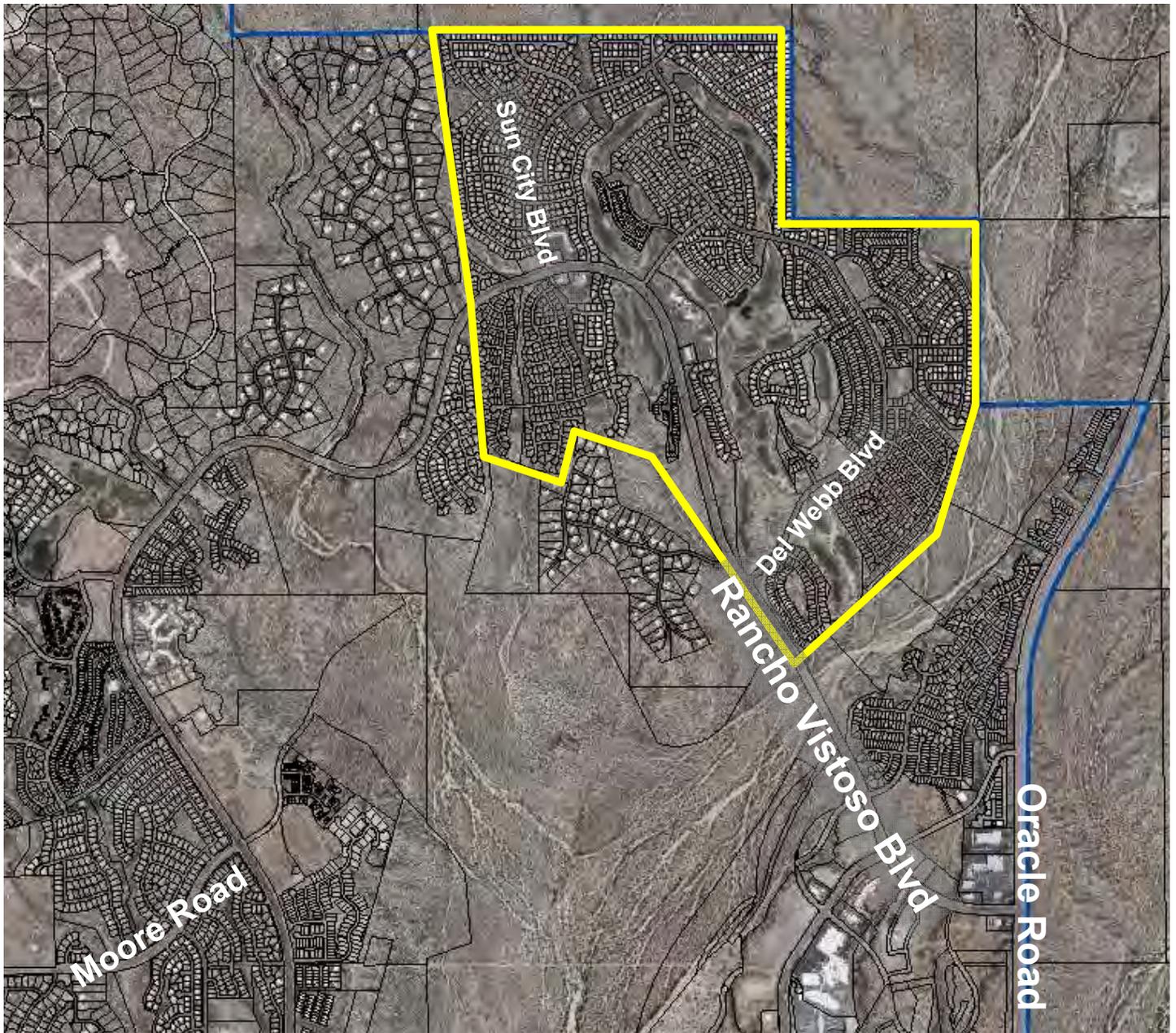
Location Map

Sun City Boundary

Applicant's Submittal

Site Photos

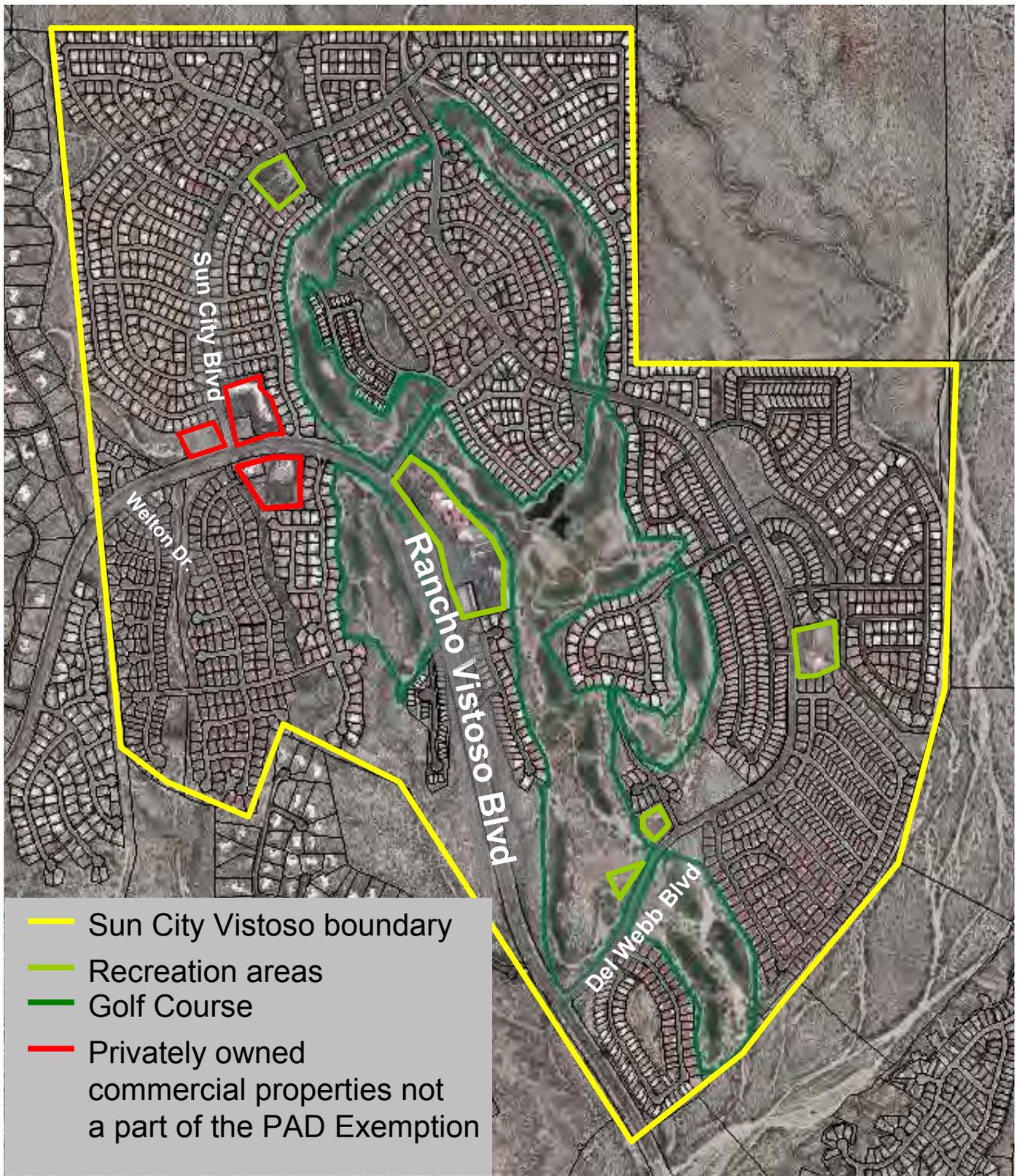
CDRB Report



 Sun City boundary



Location Map
Sun City (OV313-006)
Attachment 1



Sun City Property Boundary

Sun City (OV313-006)
Attachment 2





1565 E. Rancho Vistoso Blvd. • Oro Valley, AZ 85755-9120
T (520) 825-3711 • F (520) 825-0432 • www.scovaz.com

November 19, 2013

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

NOV 20 2013

RE: Exemption from Rancho Vistoso PAD Sign Regulation

Sun City Oro Valley is requesting exemption from all the temporary and permanent sign regulations of the Rancho Vistoso PAD Sign System Guidelines which covers Sun City Oro Valley along Rancho Vistoso Blvd. from our west to east entrances. (See east and west boundaries noted in green on attached map).

Reasons for request:

We are a unique, 27-year old community within Rancho Vistoso. Because of the age of our community, we have recently implemented a marketing program which included considerable time updating signage and way finding.

The RV PAD Sign Regulations that were originally adopted July 29, 1987 and revised in 1996 reflect a very outdated look. We feel the RV PAD may work well for RV HOA, but its outdated design, color and intent is difficult, if not impossible to follow.

Our expansive rebranding program desires to represent a more vibrant and active community. Materials were updated from wood panels to rusted steel. Colors were changed from burgundy, teal and tan to rust, brushed aluminum and copper.

We request exemption from this agreement and desire to follow the Town code for signage.

Sub HOAs with Subject Planning Area

Green Tree

Amber Ridge

(Both of these HOAs are subs to the Sun City Oro Valley HOA and follow our Development Standards. They do not have any signage.)

Sincerely,

Bob Mariani, General Manager
Sun City Oro Valley Association (Property Owner)

Attachment 3

SUN CITY VISTOSO (Oro Valley)

Lone Wolf Ln.....A,2-3
Lost Arrow DrA-B,2-3

Agapanthus St.....C,4
Ageratum Wy.....B,4
Alamo Canyon Dr.....A-B,1
Alyssum Wy.....B,4; C,4
Amaranth St.....B,3-4
Anza Wy.....A,3
Ashbrook Dr.....C,1-2

Mellow Trl.....B-C,3
Meteorite Trl.....B,3
Mingus Ln.....B,3
Montrose Canyon Dr.....C,4
Mule Train Dr.....A,2
Nasturtium St.....C,4

Balmoral Pl.....C,1-2
Batamote Wash Wy.....D,4
Big Wash Wy.....D,3
Bighorn Mt Dr.....C-D,3
Biltmore Dr.....B-C,2
Boulder Pass Dr.....A-B,1-2
Bright Angel Dr.....A,2
Broken Bow Wy.....B,2-3
Buckingham Dr.....B-C,1-2
Burntwood Dr.....A,3
Buster Mountain Dr.....C-D,3-4
Buster Spring Wy.....C-D,3-4

Oracle Rd.....D,4
Palm Desert.....C,4
Palm Ridge Dr.....A,1
Palmwood Dr.....A,2
Pennystone Dr.....B,3
Pima Springs Wy.....D,3
Rancho Vistoso Blvd..B-D,1-3
Regent Dr.....B,1-2
Rising Sun Dr.....B,1-2
Ritz Ct.....C,1-2
Rock Springs Ln.....A,2
Romero Canyon Dr..C-D,3-4
Royal Oak Rd.....C,1-2
Royal Ridge Dr.....A,1; A,2
Royal Ridge Wy.....A,3
Ruellia Dr.....B,3-4
Rusty Gate Trl.....B,3

Cargondera Canyon Dr ..C,4
Carissa Dr.....B,4
Caryota Wy.....B,3
Celosia Wy.....B,4
Chalk Creek Ct.....B,3
Chalk Creek

Rancho Vistoso Blvd..B-D,1-3
Regent Dr.....B,1-2
Rising Sun Dr.....B,1-2
Ritz Ct.....C,1-2
Rock Springs Ln.....A,2
Romero Canyon Dr..C-D,3-4
Royal Oak Rd.....C,1-2
Royal Ridge Dr.....A,1; A,2
Royal Ridge Wy.....A,3
Ruellia Dr.....B,3-4
Rusty Gate Trl.....B,3

Dr.....A-B,2-3; B,3
Chisholm Ln.....A-B,2-3
Choctaw Dr.....A-B,2
Chrysanthemum St.....C,4
Cirrus Hill Dr.....B-C,3
Cirrus View Dr.....B,3
Clamatus Wy.....B,4
Clarion Wy.....C,1
Clarion Wy.....C,3
Clearwind Pl.....B,2
Coachwood Dr.....A,1
Copperstone Dr.....B,2-3
Coreopsis Wy.....B,4
Coyote Canyon Dr.....B,1
Crossbow Dr.....C,2-3
Crown Point Dr.....A-B,2
Crown Ridge Dr.....A,1-2; A,2
Crown Ridge Wy.....A,2-3

Sahuarita Wash Wy.....D,4
Sausalito Trl.....C,4
Sedona Pl.....B-C,1
Seven Palms Dr.....A,1
Shotgun Pl.....A,2
Silkwind Wy.....B,3
Silver Hawk Dr.....A,3
Silverton Av.....B,2-3
Singing Bow Wy.....B,3
Sky Trl.....A-B,1
Somnolent Wy.....C,3
Spanish Garden Ln ..A-B,1-2
Stratus Wy.....B,3
Summerstar Blvd.....A,1-2
Sun City Blvd.....A-B,1-2
Sunset Ridge.....A,2
Sunup Ct.....A,2
Sutherland Wash Wy ..C,3-4

Dawn Ridge Wy.....B-C,2
Deerhaven Ln.....C,2
Del Webb Blvd.....A-D,2-4
Desert Butte Dr.....C,2-3
Desert Glen Dr.....A,1-2
Desert Rock Dr.....A,3

Tom Ryans Wy.....D,3
Topock Wy.....B,3
Trade Winds Wy.....B-C,3
Tumble Brook Wy.....C,3
Versailles Dr.....C,1-2

Embassy Dr.....C,1
Ember Wy.....B,2
Engle Hill Dr.....C,3
Engle Hill Pl.....C,3

Waldorf Ct.....B,1
Welton Dr.....B,1
Willow Bend Dr.....B-C,1
Willow Bend Pl.....C,1
Windshade Dr.....A,1-2
Wisteria Wy.....B,4
Wondervue Dr.....A,2

Fawnbrooke Dr.....B-C,2
Fawnbrooke Pl.....C,2
Firefly Ct.....B,3
Flagstone Dr.....A,2
Forthcamp Ct.....B-C,4

Versailles Dr.....C,1-2
Waldorf Ct.....B,1
Welton Dr.....B,1
Willow Bend Dr.....B-C,1
Willow Bend Pl.....C,1
Windshade Dr.....A,1-2
Wisteria Wy.....B,4
Wondervue Dr.....A,2

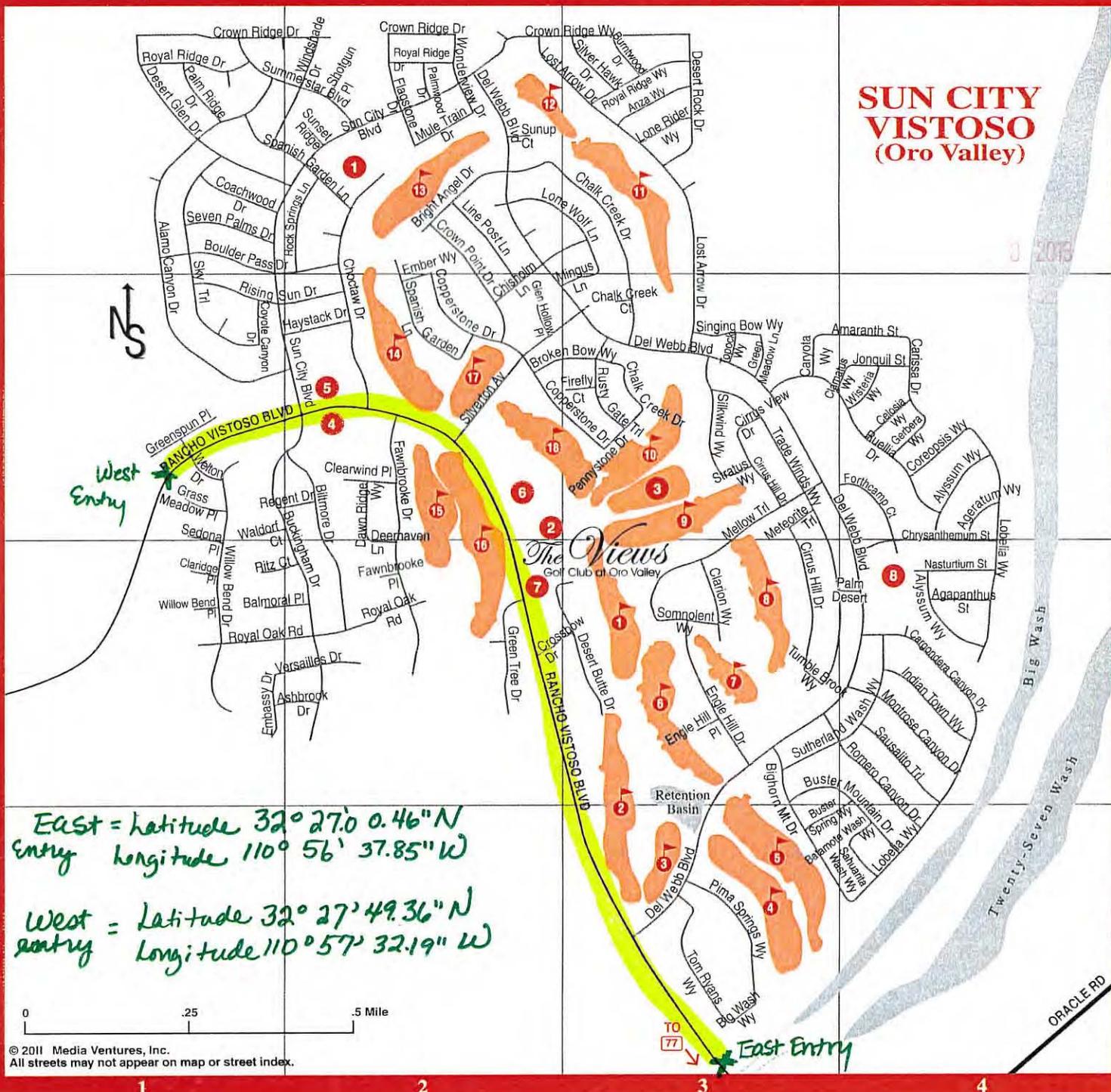
Haystack Dr.....B,2
Indian Town Wy.....C,4
Jonquil St.....B,4

Waldorf Ct.....B,1
Welton Dr.....B,1
Willow Bend Dr.....B-C,1
Willow Bend Pl.....C,1
Windshade Dr.....A,1-2
Wisteria Wy.....B,4
Wondervue Dr.....A,2

Line Post Ln.....A-B,2
Lobelia Wy.....B-C,4; C-D,4
Lone Rider Wy.....A,3

Waldorf Ct.....B,1
Welton Dr.....B,1
Willow Bend Dr.....B-C,1
Willow Bend Pl.....C,1
Windshade Dr.....A,1-2
Wisteria Wy.....B,4
Wondervue Dr.....A,2

SUN CITY VISTOSO (Oro Valley)



East = latitude 32° 27' 0.46" N
Entry longitude 110° 56' 37.85" W

West = Latitude 32° 27' 49.36" N
Entry Longitude 110° 57' 32.19" W

© 2011 Media Ventures, Inc.
All streets may not appear on map or street index.

- Points of Interest**
- 1 Desert Oasis Recreation Center
 - 2 Cafe in Sun City/Pro Shop
 - 3 Driving Range
 - 4 Golder Ranch Fire Station
 - 5 Mountain View Plaza
 - 6 Mountain Vista Recreation Center
Crafts Complex
Outdoor Pool
Outdoor Tennis Courts
Social Hall
Sports Complex
 - 7 Vistoso Center, Administration
 - 8 Catalina Vista Recreation Center





Recently updated existing signs



Existing sign designed under the RV PAD Standards





Conceptual Design Review Board Staff Report PAD Sign Exemption

3

CASE NUMBER: OV313-006 Sun City
MEETING DATE: January 14, 2014
AGENDA ITEM: 3
STAFF CONTACT: Patty Hayes, Senior Planning Technician
phayes@orovalleyaz.gov (520) 229-4819

Applicant: Sun City Home Owner's Association
Request: Exempt Sun City from the Rancho Vistoso Sign Standards
Location: Rancho Vistoso Blvd from Welton Drive to Big Wash Way
Recommendation: Recommend Approval of the PAD Exemption

SUMMARY:

Sun City is located in the northeast portion of Rancho Vistoso on Rancho Vistoso Blvd, west of Oracle Road as shown in Attachment 1. Sun City has been subject to the Rancho Vistoso Planned Area Development (PAD) sign standards since the area was developed in the 1980's. The applicant proposes to exempt Sun City controlled properties, as shown in Attachment 2, from the sign standards of the Rancho Vistoso PAD due to a rebranding of the community. The proposed exemption would allow Sun City to use the sign standards set forth in the Oro Valley Sign Code thus allowing the use of the small directional signs as shown in Attachment 3.

BACKGROUND:

The Rancho Vistoso PAD Sign Standards were created in 1987 and provides ten (10) permanent sign types and four (4) temporary sign types for use in the Rancho Vistoso area including Sun City. The applicant has expressed their desire to rebrand the Sun City community and has requested to exempt the properties controlled by the Sun City Association from all the Rancho Vistoso PAD sign types and designs.

The sign type that became the catalysts for the PAD Exemption was Sun City's desire to install the smaller directional signs near their entryway signs as shown in the applicant's proposal Attachment 3. The proposed smaller directional signs will use similar materials and colors found in the larger entryway signs as shown in Attachment 3.

A PAD Sign Exemption is required to be reviewed by the CDRB with recommendation to the Town Council for final review and approval. The PAD Exemption will allow Sun City to utilize the Oro Valley Sign Code as the governing document for all permanent and temporary signs in the community.

Existing Site Conditions

- The entire Sun City area encompasses approximately 1,000 acres
- The Sun City common area includes three recreation facilities
- Zoning is PAD with residential and commercial designations

Related Approvals

1986: Development Began
1987: Annexed by Oro Valley
1987: RV PAD Sign System Guidelines Adopted
1996 & 2011 Revisions to the RV PAD Sign System Guidelines

ANALYSIS OF PAD EXEMPTION:

The PAD Exemption proposes using the Oro Valley sign code as the governing document for all permanent and temporary signs. Sun City controlled properties include three separate recreation areas, a golf course, dog park and maintenance facility along with neighborhood entryways. This PAD Exemption does not apply to the privately owned commercial properties in the Sun City area as shown in Attachment 2. The applicant proposes to exempt Sun City from the RV PAD Sign standards as a way to allow the smaller directional signs as proposed in Attachment 3.

Sign Types

The proposed exemption would allow Sun City a broader choice of sign types available in the Town's sign code such as the proposed directional signs. Sun City could also choose to use other allowed sign types such as awning signs and under canopy signs for their recreational facilities. A broader selection of temporary signs would also be available such as Seasonal Signs and Human Signs. The Sun City community was completed many years ago and does not have vacant parcels for future development. Therefore certain sign types such as model home complex signs will most likely not be used in the area.

Sign Color and Materials

The RV PAD identifies specific colors and materials for the use in many of the monument signs such as green, maroon and tan with sandstone, stucco and wood. The Town's Sign Code would regulate the colors and materials through the Design Standards which promote using colors, materials and design features from the architectural elements of the buildings within the development.

Monument Signs

The RV PAD allows for monument signs up to 60 square feet in size while the Town's sign standards would allow monument signs up to 72 square feet. The 12 square foot difference may allow Sun City clearer identification and directional signs if they choose to rebuild their existing monument signs in the future.

Wall signs

The RV PAD allows for wall signs but with ambiguous standards such as allowing subdued colors, maximum of 10% of wall area and has unclear limitations on the number of exterior signs for tenants. The Town's sign standards have clear measurement standards and will allow a broader selection of colors within the parameters of the Design Standards.

PUBLIC NOTIFICATION AND COMMENT:

Summary of Public Notice

Notice to the public was provided consistent with Town-adopted noticing procedures, which includes the following:

- Posting at Town Hall
- All affected HOAs

To date, staff has not received any comments on the request.

RECOMMENDATION:

Based on a finding that the proposed PAD Exemption will allow permanent and temporary signs that are consistent with the Town's Sign Code and Design Standards, it is recommended that the Conceptual Design Review Board take the following action:

Recommend approval of the requested PAD Exemption.

SUGGESTED MOTIONS:

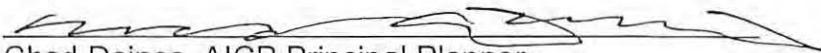
I move to recommend approval to the Town Council for the PAD Sign Exemption, based on the finding that the proposed Exemption is consistent with the intent of the Town's Sign Code and Design Standards.

OR

I move to recommend denial of the PAD Sign Exemption based on the finding that the proposal is not consistent with the Town's Sign Code, specifically_____.

ATTACHMENTS:

1. Location Map
2. Sun City Boundary
3. Applicant's Proposal
4. Site Photos


Chad Daines, AICP Principal Planner



Town Council Regular Session

Item # **C.**

Meeting Date: 02/19/2014
Requested by: David Williams
Submitted By: Rosevelt Arellano
Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

Revised Final Plat for Block 2, Innovation Corporate Center, located on the northeast corner of Innovation Park Drive and Vistoso Park Road

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

The applicant requests approval of a revised final plat for Block 2, Innovation Corporate Center. The revised plat proposes to divide the block into two lots for future developments. The revised plat meets the Town requirements and is ready for approval.

BACKGROUND OR DETAILED INFORMATION:

The revised plat requires a Town Council approval prior to being recorded with Pima County.

The revised plat does not affect the existing site conditions (i.e. sidewalks and driveways) or design components approved as part of the Development Plan. The sole purpose of the revised plat is to divide the 11.7 acre parcel into one 9.2 acre lot and one 2.5 acre lot.

A pre-application meeting held on October 4, 2013, suggests that an assisted living facility will be developed on the proposed 9.2 acre lot. The prospective facility requires a Conceptual Design Review application, which can be administratively approved using the Economic Expansion Zone (EEZ) Innovation Park Overlay District process.

Previous Approvals

December 2006: Development Plan Approved for Innovation Corporate Center
August 2007: Final Plat Approved for Blocks 1-8, Innovation Corporate Center

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve the revised final plat for Block 2, Innovation Corporate Center, finding that it meets Town requirements.

OR

I MOVE to deny the revised final plat for Block 2, Innovation Corporate Center, finding that

_____.

Attachments

Attachment 1 - Revised Final Plat

GENERAL NOTES

1. GROSS AREA OF SUBDIVISION IS 508,743 S.F (11.68 ACRES)
2. TOTAL NUMBER OF LOTS IS 2.
3. TOTAL MILES OF NEW PUBLIC STREET IS 0.0 MILES.
4. THE MAXIMUM BUILDING HEIGHT IS THREE (3) STORIES OR THIRTY SIX (36) FEET. MAX BUILDING HEIGHT ON 15%-25% SLOPES IS 44' FOR LOT 1. THE MAXIMUM BUILDING HEIGHT IS THREE (3) STORIES OR THIRTY FOUR (34) FEET FOR LOT 2.
5. BUILDING SETBACKS ARE TWENTY FIVE (25) FEET FRONT, TWENTY (20) FEET SIDE OR COMMON WALL, AND THIRTY (30) FEET REAR FOR LOT 1. BUILDING SETBACKS ARE TWENTY (20) FEET FRONT, TWENTY FIVE (25) FEET REAR FOR LOT 2.
6. LOT 1 IS ZONED RANCHO VISTOSO P.A.D. (CPI; OFFICE/RESEARCH PARK) LOT 2 IS ZONED RANCHO VISTOSO P.A.D. (C-1; COMMUNITY COMMERCIAL)
7. NO FURTHER SUBDIVISION OF ANY LOT OR PARCEL SHOWN WILL BE DONE WITHOUT THE WRITTEN APPROVAL OF THE ORO VALLEY TOWN COUNCIL.
8. THE BASIS OF BEARING FOR THIS PROJECT IS THE CENTER LINE OF VISTOSO PARK ROAD AS RECORDED IN BOOK 63 OF MAPS AND PLATS AT PAGE 17, SECTION 31, TOWNSHIP 11 SOUTH, RANGE 14 EAST, GILA AND SALT RIVER BASE & MERIDIAN, TOWN OF ORO VALLEY, PIMA COUNTY, ARIZONA. BEARING BEING N60°00'00"W.
9. THE PROPERTY OWNER, HIS SUCCESSORS, ASSIGNS OR A DESIGNATED HOMEOWNERS ASSOCIATION AGREES TO 1) KEEP ALL REQUIRED LANDSCAPED AREAS MAINTAINED IN A WEED FREE, TRASH FREE CONDITION, 2) REPLACE ANY DEAD PLANT MATERIALS WITHIN 90 DAYS AND 3) MAINTAIN THE IRRIGATION SYSTEM IN PROPER WORKING ORDER.
10. MAXIMUM BUILDING SITE COVERAGE CANNOT EXCEED 50% FOR LOT 1.
11. NO OPEN SPACE IS REQUIRED FOR THIS PROJECT FOR LOT 1. THERE SHALL BE A MINIMUM OF 10 PERCENT OF THE TOTAL AREA RETAINED AS OPEN SPACE FOR LOT 2.
12. A MINIMUM OF 10' IS REQUIRED BETWEEN BUILDINGS FOR BOTH LOTS.
13. ORO VALLEY WATER WILL BE THE WATER SERVICE PROVIDER FOR BOTH LOTS.

DEDICATION

WE, THE UNDERSIGNED, HEREBY WARRANT THAT WE ARE ALL AND THE ONLY PARTIES HAVING ANY RECORD TITLE INTEREST IN THE LAND SHOWN ON THIS PLAT AND WE CONSENT TO THE SUBDIVISION OF SAID LAND IN THE MANNER SHOWN HEREON.

WE, THE UNDERSIGNED, OUR SUCCESSORS AND ASSIGNS, DO HEREBY SAVE THE TOWN OF ORO VALLEY, ITS SUCCESSORS AND ASSIGNS, THEIR EMPLOYEES, OFFICERS AND AGENTS HARMLESS FROM ANY AND ALL CLAIMS FOR DAMAGES RELATED TO THE USE OF SAID LANDS, NOW AND IN THE FUTURE, BY REASON OF FLOODING, FLOWAGE, EROSION OR DAMAGE CAUSED BY WATER, WHETHER SURFACE, FLOOD, OR RAINFALL. IT IS FURTHER UNDERSTOOD AND AGREED THAT NATURAL DRAINAGE SHALL NOT BE ALTERED, DISTURBED OR OBSTRUCTED WITHOUT APPROVAL OF THE ORO VALLEY TOWN COUNCIL.

VMI/VISTOSO DEVELOPMENT INC., AN ARIZONA CORPORATION

BY: _____

NOTARY

STATE OF ARIZONA)
)SS
COUNTY OF PIMA)

ON THIS THE ____ DAY OF _____, 2013, BEFORE ME, THE UNDERSIGNED OFFICER, PERSONALLY APPEARED _____ WHO ACKNOWLEDGED HIMSELF (HERSELF) TO BE THE _____ OF VMI/VISTOSO DEVELOPMENT INC., AN ARIZONA CORPORATION BEING AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE THEREIN CONTAINED, BY SIGNING AS _____.

NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

WATER ADEQUACY

THE TOWN OF ORO VALLEY HAS BEEN DESIGNATED BY THE ARIZONA DEPARTMENT WATER RESOURCES AS HAVING AN ASSURED WATER SUPPLY, PURSUANT TO ARS §45-576 AND HERBY CERTIFIES IN WRITING TO SUPPLY WATER TO THIS SUBDIVISION.

BY: _____ DATE: _____
WATER UTILITY DIRECTOR

RECORDING DATA

STATE OF ARIZONA) NO: _____
)SS FEE: _____
COUNTY OF PIMA)

THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF THE WLB GROUP, INC., ON THIS ____ DAY OF _____, 20____, AT _____ M. IN SEQ. NO. _____ THEREOF.
F. ANN RODRIGUEZ, PIMA COUNTY RECORDER

BY: _____
DEPUTY FOR PIMA COUNTY RECORDER

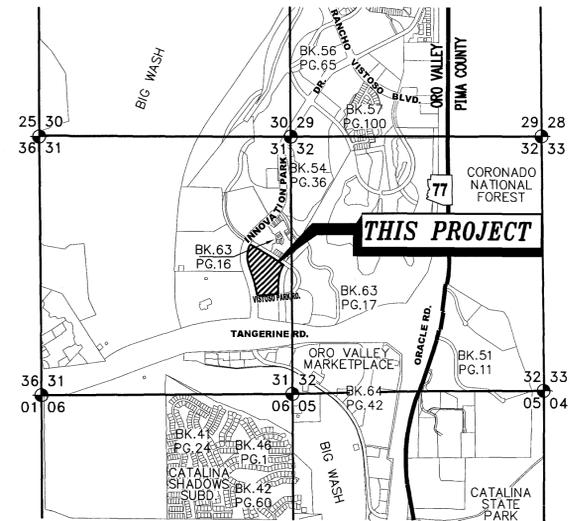
APPROVALS

I _____, CLERK OF THE TOWN OF ORO VALLEY, HEREBY CERTIFY THAT THIS PLAT WAS APPROVED BY THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY ON THE ____ DAY OF _____, 20____.

_____ CLERK, TOWN OF ORO VALLEY	_____ DATE
_____ PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPT.	_____ DATE
_____ TOWN ENGINEER	_____ DATE
_____ PLANNING & ZONING ADMINISTRATOR	_____ DATE
_____ WATER UTILITY DIRECTOR	_____ DATE

LEGEND

- FOUND 1/2" IRON PIN, OR AS NOTED
- SET 1/2" IRON PIN TAGGED LS 12214
- △ FOUND BRASS CAP SURVEY MONUMENT STAMPED "RLS 12214"
- _____ BOUNDARY LINE OR LOT LINE
- _____ CENTERLINE
- EASEMENT
- SECTION LINE
- TIE LINE



3" = 1 MILE

LOCATION MAP

A PORTION OF SECTION 31
TOWNSHIP 11 SOUTH, RANGE 14 EAST, G. & S.R.M.,
TOWN OF ORO VALLEY, PIMA COUNTY, ARIZONA

ASSURANCES

ASSURANCES IN THE FORM OF _____ FROM _____ AS RECORDED IN SEQ. NO. _____, HAS BEEN PROVIDED TO GUARANTEE DRAINAGE AND STREET IMPROVEMENTS (INCLUDING MONUMENTS) AND UTILITY IMPROVEMENTS (ELECTRIC, TELEPHONE, GAS, SEWER, WATER) IN THIS SUBDIVISION.

BY: _____ DATE: _____
MAYOR - TOWN OF ORO VALLEY

ASSURANCES IN THE FORM OF _____ FROM _____ IN THE AMOUNT OF \$ _____ HAVE BEEN PROVIDED TO GUARANTEE THE RESEEDING OF THIS SUBDIVISION IN THE EVENT THE PROJECT IS ABANDONED.

CERTIFICATION

I HEREBY CERTIFY THAT THE BOUNDARY SURVEY SHOWN ON THIS PLAT WAS PERFORMED UNDER MY DIRECTION AND THAT ALL EXISTING AND/OR PROPOSED SURVEY MONUMENTS AND MARKERS SHOWN ARE CORRECTLY DESCRIBED. I FURTHER CERTIFY THAT THIS PLAT WAS PREPARED UNDER MY DIRECTION.

ROBERT L. LARSON, R.L.S. NO. 26923



FINAL PLAT
RANCHO VISTOSO NEIGHBORHOOD 3
INNOVATION CORPORATE CENTER-BLOCK 2
LOTS 1 THROUGH 2

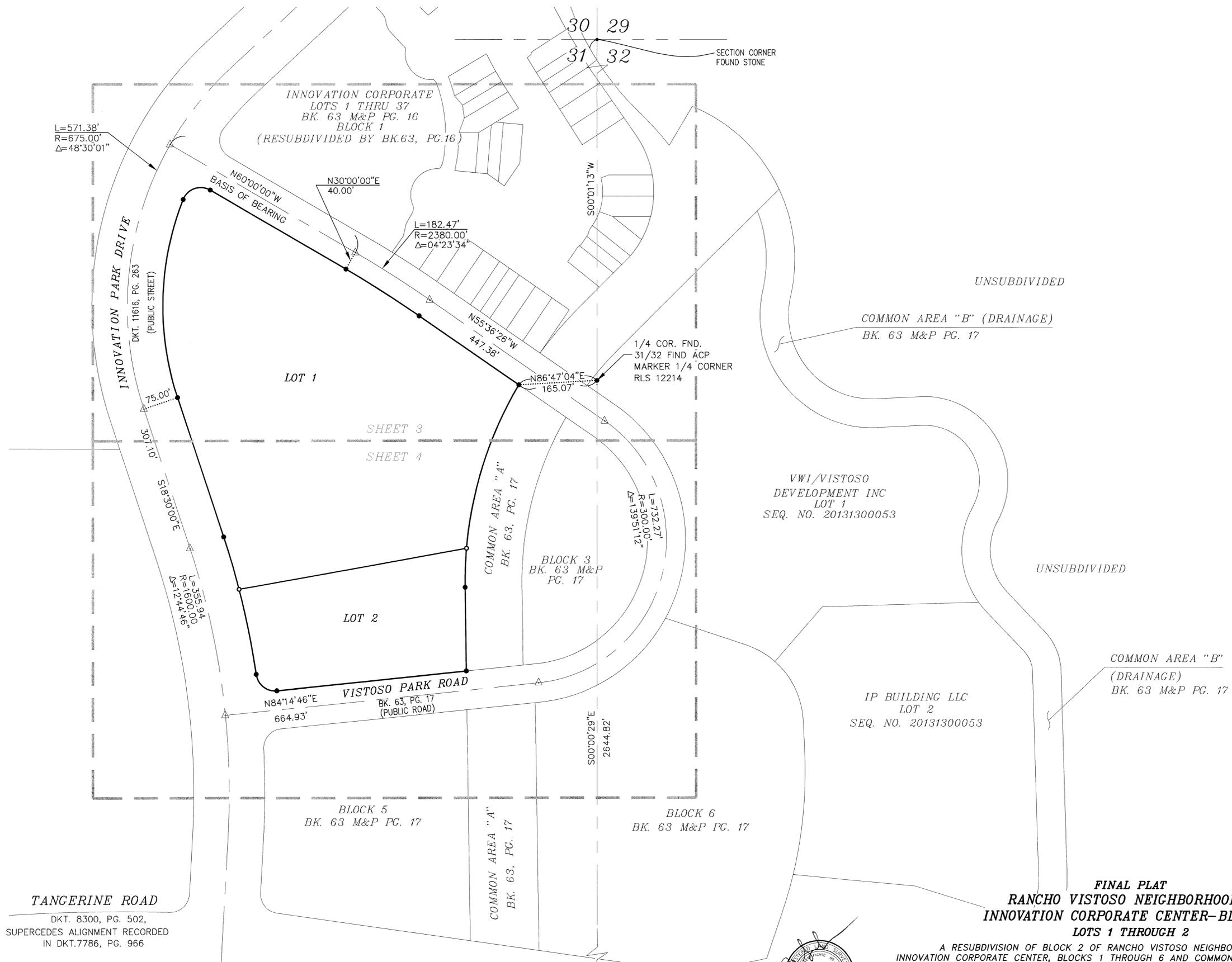
A RESUBDIVISION OF BLOCK 2 OF RANCHO VISTOSO NEIGHBORHOOD 3 INNOVATION CORPORATE CENTER, BLOCKS 1 THROUGH 6 AND COMMON AREAS A AND B, RECORDED IN BOOK 63 M&P, PAGE 17. WITHIN SECTION 31, TOWNSHIP 11 SOUTH, RANGE 14 EAST GILA & SALT RIVER MERIDIAN, TOWN OF ORO VALLEY, PIMA COUNTY, ARIZONA

OV1213-29
SCALE: AS NOTED

SEPTEMBER 2013
WLB NO. 185050-VW-05-0106

REF: OV112-025
OV12-06-14B
OV09-07-07
SHEET 1 OF 4

The WLB Group Inc. Engineering Planning Surveying Landscape Architecture Urban Design Offices located in Tucson, Phoenix, Flagstaff, AZ, and Las Vegas, NV. 4444 East Broadway Tucson, Arizona (520) 881-7480



UNSUBDIVIDED

UNSUBDIVIDED

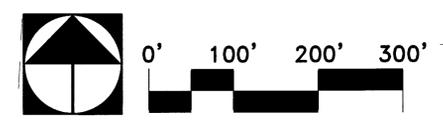
COMMON AREA "B" (DRAINAGE) BK. 63 M&P PG. 17

FINAL PLAT
RANCHO VISTOSO NEIGHBORHOOD 3
INNOVATION CORPORATE CENTER-BLOCK 2
LOTS 1 THROUGH 2

A RESUBDIVISION OF BLOCK 2 OF RANCHO VISTOSO NEIGHBORHOOD 3 INNOVATION CORPORATE CENTER, BLOCKS 1 THROUGH 6 AND COMMON AREAS A AND B, RECORDED IN BOOK 63 M&P, PAGE 17. WITHIN SECTION 31, TOWNSHIP 11 SOUTH, RANGE 14 EAST GILA & SALT RIVER MERIDIAN, TOWN OF ORO VALLEY, PIMA COUNTY, ARIZONA



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 Landscape Architecture Urban Design
 Offices located in Tucson, Phoenix, Flagstaff, AZ, and Las Vegas, NV.
 4444 East Broadway
 Tucson, Arizona (520) 881-7480



OV1213-29
 SCALE: 1"=100'
 SEPTEMBER 2013
 WLB NO. 185050-VW-05-0106
 REF: OV112-025
 OV12-06-14B
 OV09-07-07
SHEET 2 OF 4

N:\185050\RV3\BLOCK 2\FP\FP-SHT 02.dwg Plotted: Dec. 02, 2013

INNOVATION CORPORATE
CENTER EAST
LOTS 1 THRU 37
BK. 63 M&P PG. 16
BLOCK 1
(RESUBDIVED BY BK.63, PG.16)

469,810 sq. ft.
10.79 acres

GRADING AND
DRAINAGE EASEMENT
DKT. 12617, PG. 2186

20.00'
PUBLIC SEWER EASEMENT
DKT. 13047, PG. 1683

COMMON AREA "A"
(BK. 63, PG. 17)
122,992 sq. ft.
2.82 acres

VWI/VISTOSO
DEVELOPMENT
LOT 1
SEQ. NO. 20131300053
360,430 sq. ft.
8.27 acres

W 1/4 COR. FND.
31/32 FIND ACP
MARKER 1/4 CORNER
RLS 12214

LOT 1
400,723 sq. ft.
9.20 acres

COMMON
AREA "A"
(BK. 63, PG. 17)
89,049 sq. ft.
2.03 acres

FINAL PLAT
RANCHO VISTOSO NEIGHBORHOOD 3
INNOVATION CORPORATE CENTER-BLOCK 2
LOTS 1 THROUGH 2

A RESUBDIVISION OF BLOCK 2 OF RANCHO VISTOSO NEIGHBORHOOD 3
INNOVATION CORPORATE CENTER, BLOCKS 1 THROUGH 6 AND COMMON AREAS A AND B,
RECORDED IN BOOK 63 M&P, PAGE 17.
WITHIN SECTION 31, TOWNSHIP 11 SOUTH, RANGE 14 EAST
GILA & SALT RIVER MERIDIAN, TOWN OF ORO VALLEY, PIMA COUNTY, ARIZONA

REF: OV112-025
OV12-06-14B
OV09-07-07

OV1213-29
SCALE: 1"=40'

SEPTEMBER 2013
WLB NO. 185050-VW-05-0106

SHEET 3 OF 4

INNOVATION PARK DRIVE
(PUBLIC STREET)
DKT. 11616, PG. 263

VISTOSO PARK ROAD
(PUBLIC STREET)
(BK. 63, PG. 17)
188,062 sq. ft.
4.32 acres

SEE SHEET 4

The WLB Group Inc. Engineering Planning Surveying Landscape Architecture Urban Design Offices located in Tucson, Phoenix, Flagstaff, AZ, and Las Vegas, NV. 4444 East Broadway Tucson, Arizona (520) 881-7480



Plotted: Dec. 02, 2013
N:\185050\DR3\BLOCK 2\FPP-SHT 03.dwg



Town Council Regular Session

Item # D.

Meeting Date: 02/19/2014

Requested by: Amanda Jacobs **Submitted By:** Amanda Jacobs, Town Manager's Office

Department: Town Manager's Office

Information

SUBJECT:

Council Approval of M3S Sports' Request for In-Kind Support for the Arizona Distance Classic

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

In fall 2010, Council expressed an interest in establishing a funding policy, apart from the Town's Community Funding policy, for special events that stimulate local economic development. To address this request, staff enhanced the Town's existing Special Events Policy to include requests for in-kind support from event coordinators up to 50%. Council directed staff to provide flexibility and 100% in-kind support for major/signature events that have a significant economic impact in Oro Valley.

BACKGROUND OR DETAILED INFORMATION:

The 10th Annual Arizona Distance Classic will be held in Oro Valley on Sunday, March 23, 2014. The event includes the Valley of Gold Half Marathon (13.1 miles), the Quarter Marathon (6.55 miles), the Splendido 5k, Splendido Super Mile and the Town of Oro Valley Kids Fun Run. The start and finish for all events will be at the Ventana Medical Systems/Roche campus. Organizers estimate the event will attract 2,000 people. The total tourism based direct spending per day is \$75,408.66 and the total tourism based economic impact is \$150,817.32

The purpose of the Arizona Distance Classic is to provide a world class event to celebrate the active lifestyle in Oro Valley and all residents are encouraged to participate or volunteer at the event. The Hilton El Conquistador Golf & Tennis Resort is the host resort and is an event partner with Ventana Medical Systems/Roche, Splendido, Northwest Medical Center, All About Running & Walking, the Explorer Newspaper, the Town of Oro Valley and the Greater Oro Valley Chamber of Commerce.

FISCAL IMPACT:

The total in-kind support for the Arizona Distance Classic is estimated to be \$8,914.

SUGGESTED MOTION:

I MOVE to (approve or deny) 100% in-kind support for the Arizona Distance Classic.



Town Council Regular Session

Item # **1.**

Meeting Date: 02/19/2014
Requested by: David Williams
Submitted By: Matt Michels, Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

REQUEST FOR MODIFICATION TO A CONCEPTUAL ARCHITECTURE CONDITION OF APPROVAL FOR EL CORREDOR MULTI-FAMILY DEVELOPMENT, LOCATED ON THE NORTHEAST CORNER OF ORACLE ROAD AND LINDA VISTA BOULEVARD

RECOMMENDATION:

Staff recommends denial of the request to amend the Town Council condition of approval.

EXECUTIVE SUMMARY:

On July 3, 2013, the Town Council conditionally approved the Conceptual Site Plan and Conceptual Architecture for the El Corredor multi-family development, located on the northeast corner of Oracle Road and Linda Vista Boulevard (see Attachment 1)

Since that time, the Final Site Plan, Final Landscape and Irrigation Plan, and Rainwater Harvesting Plan have been approved. The applicant now requests modification to the Town Council-approved architecture condition of approval requiring stone veneer wainscot on all building elevations visible from the periphery of the project (see Attachment 2, Architecture Condition #7).

As an alternative, the applicant proposes to provide stone veneer on the corners of the buildings visible from the periphery of the project instead of a continuous band of stone veneer along the perimeters. Exhibits depicting the areas of proposed stone veneer deletion on representative elevations are provided as Attachments 3 and 4. The applicant's submittal is included as Attachment 5.

BACKGROUND OR DETAILED INFORMATION:

Applicant's Request

According to the applicant, the proposed change to the location of the stone veneer wainscot is an improvement "because it accentuates building elements, by breaking up the mass, while creating a 'specialness' or 'uniqueness' about the elements." Furthermore, the applicant states that, "having the stone veneer wainscot only where visible from the periphery would create an odd appearance and awkward transitions if it were not continued around the entire building."

Staff Analysis

The community expectation for this project is for upscale buildings utilizing high quality materials and at a minimum, a continuous stone veneer wainscot around all elevations visible from the periphery of the project, as represented in public meetings and depicted on Attachment 6. The condition requiring stone veneer wainscot on all building elevations visible from the periphery of the project is intended to require a continuous band rather than a partial treatment, as now proposed. Other similar projects in the

community, including HSL's *Encantada at Steam Pump* apartment project, utilize a continuous stone veneer wainscot on all elevations of all buildings.

In staff's opinion, the reduction of stone veneer on elevations visible from the project periphery results in a loss of design quality and negatively impacts the buildings' appearance, which is not consistent with the upscale, luxury image represented to the community through the Major General Plan, PAD and Conceptual Design public processes.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve the proposed modification to Conceptual Architecture Condition #7, as proposed by the applicant and depicted in Attachment 5.

OR

I MOVE to deny the proposed modification to Conceptual Architecture Condition #7, as proposed by the applicant and depicted in Attachment 5.

Attachments

Attachment 1 - Location Map

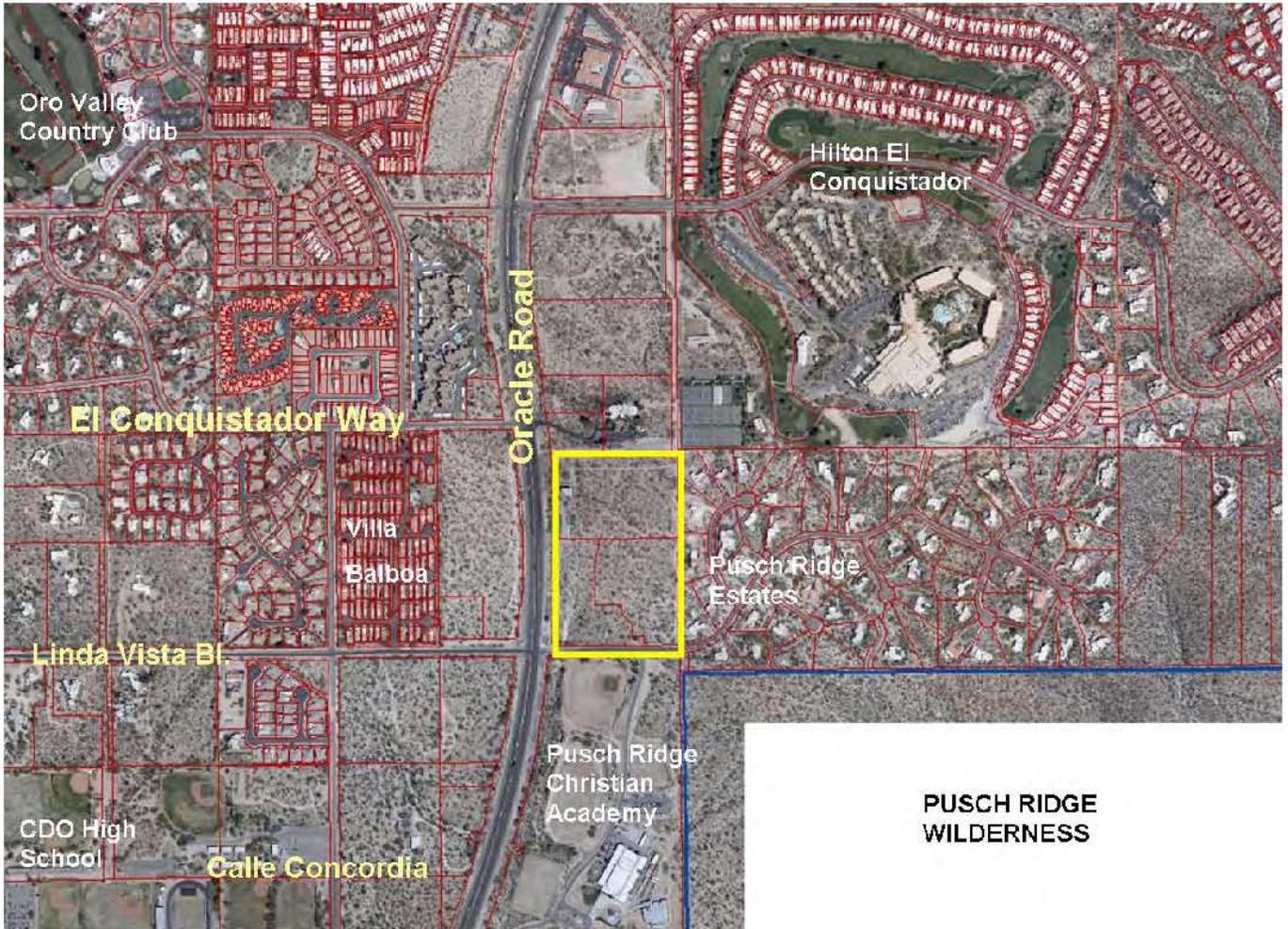
Attachment 2 - Town Council Approved Conditions of Approval

Attachment 3 - Proposed Stone Veneer Deletion

Attachment 4 - Detail of Proposed Stone Veneer

Attachment 5 - Applicant's Proposal

Attachment 6 - Applicant's Previous Submittal



PUSCH RIDGE
WILDERNESS



LOCATION MAP

El Corredor (OV1213-14)

Attachment 2
Conditions of Approval
EI Corredor Conceptual Site Plan & Conceptual Architecture
OV1213-14
July 3, 2013, Town Council

Part I: Conceptual Site Plan

Planning:

1. Provide at least three (3) shaded seating areas, in locations acceptable to the Planning and Zoning Administrator, along pathways within the apartment development.
2. Provide at least one (1) canopy tree as well as shrubs and understory in the roundabout located at the east end of the main entry drive.

Engineering:

3. The developer shall coordinate with ADOT regarding the proposed north driveway along Oracle Road. Separate ADOT approval is required for the proposed location.

Part II: Conceptual Architecture

1. All refuse enclosures located in proximity to Oracle Road must be screened with vegetation to shield them from view from the roadway.
2. Provide awnings or other shade devices approved by the Planning and Zoning Administrator on all west facades.
3. Provide additional architectural elements to the front and rear facades of the garage buildings to break up the building mass, vary the roof plane and add appropriate materials, colors and treatments to match the level of architectural detailing found on the apartment and clubhouse buildings.
4. Provide decorative wrought iron features above all stairwell entries.
5. Extend the stone veneer to the top of the columns at the stairwell entries.
6. A plan depicting the view of the rooftop mechanical equipment from the adjacent neighborhood, with appropriate screening to conceal the equipment must be submitted for review and approval by the Planning and Zoning Administrator.
7. Stone veneer wainscot shall be provided on all building elevations visible from the periphery of the project.
8. An additional color scheme shall be added and colors shall be reviewed to ensure adequate variety.



CORREDOR BUILDING B



Stone Veneer to be
deleted from exterior
elevation



Detail of Proposed Stone Veneer Removal from Exterior Building Elevation



CORREDOR BUILDING B

January 24, 2014

Matt Michels, AICP
Senior Planner
Development & Infrastructure Services Department
Town of Oro Valley
(520) 229-4822

RE: Amendment of Conditions of Approval of El Corredor Final Architecture (OV1213-14)

Dear Matt,

Thank you and the Town of Oro Valley for working with us during the approval process of the El Corredor project at Oracle Road and Linda Vista Road. Since addressing the Conditions of Approval of the Final Architecture submittal, we have continued to review the project for ways to make improvements on the aesthetics of the buildings.

One of the conditions has caused us considerable concern. The condition requested that we provide a continuous wainscot of stone veneer where visible from the periphery of the project.

We respectfully request that this condition be amended to allow the stone veneer wainscot locations to be only at the areas of the apartment buildings where there are gable-ended roofs and at the stair columns. Please see the accompanying renderings for examples of these locations.

We feel that the change of stone veneer wainscot locations is an improvement because it accentuates building elements, by breaking up the mass, while creating a "specialness" or "uniqueness" about the elements. The building forms are also differentiated by the stone veneer wainscot and stucco wainscot. Similarly, we would have the stone veneer wainscot at the same locations on all apartment buildings, where the condition requests the stone veneer only where visible from the periphery. Having the stone veneer wainscot only where visible from the periphery would create an odd appearance and awkward transitions if it were not continued around the entire building.

We hope that you will reconsider the condition we've discussed above and will grant our request for the amendment. Additionally, we understand we will have to appear before Mayor and Town Council to discuss this request. We request that this happen at the next Mayor and Town Council meeting as contracting with the masonry contractor can not be completed until the full scope of the work is finalized.

Respectfully,



Leon Westerbeck, RA
Associate Principal
STG Design, Inc.



AUSTIN
HOUSTON
NASHVILLE
TUCSON

1820 E River Road
Suite 230
Tucson Arizona 85718

www.stgdesign.com





Scale:
January 23rd 2014

EL CORREDOR - BUILDING DESIGN

EL CORREDOR





EL CORREDOR BUILDING A



EL CORREDOR BUILDING A, B, C



EL CORREDOR BUILDING B



EL CORREDOR BUILDING C

Scale:
January 22, 2014

EL CORREDOR



LINDA VISTA BOULEVARD



INDICATES LOCATION OF
STONE VENEER WAINSCOT

EL CORREDOR APARTMENTS - BUILDING C

01/22/14

STONE VENEER WAINSCOT -
SITE REFERENCE PLAN





EL CORREDOR BUILDING A



EL CORREDOR BUILDING A, B, C



EL CORREDOR BUILDING B



EL CORREDOR BUILDING C

Scale:

November 26, 2013

EL CORREDOR

LINDA VISTA BOULEVARD



- CONTINUOUS STONE VENEER WAINSCOT
- STONE VENEER WAINSCOT AT GABLE ENDS ONLY

EL CORREDOR APARTMENTS

11/26/13

STONE VENEER WAINSCOT -
SITE REFERENCE PLAN





Town Council Regular Session

Item # **2.**

Meeting Date: 02/19/2014
Requested by: David Williams
Submitted By: Matt Michels, Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

REQUEST FOR APPROVAL OF CONCEPTUAL SITE PLAN AND CONCEPTUAL PUBLIC ART FOR A 3,600 SQUARE FOOT RETAIL BUILDING, LOCATED ON THE NORTHWEST CORNER OF ORACLE ROAD AND INA ROAD

RECOMMENDATION:

The Conceptual Design Review Board (CDRB) has recommended approval of the Conceptual Site Plan and Conceptual Public Art subject to the conditions in Attachment 1.

EXECUTIVE SUMMARY:

This project includes the redevelopment of a 0.45 acre property from a fuel station to a 3,600 square foot retail building on the northwest corner of Oracle Road and Ina Road. The property is zoned C-2 (Community Commercial), which permits retail sales. In addition, the applicant proposes a freestanding contemporary steel sculpture for the retail building. The proposed artwork will be installed on the south end of the sidewalk in front of the building which is in proximity to the building entrance. The Conceptual Architecture is still under review with the CDRB and will be presented at a later meeting.

On January 14, 2014, the CDRB voted to recommend approval of the Conceptual Site Plan (Attachment 2) and Conceptual Public Art (Attachment 3). The staff reports to the CDRB are included as Attachments 4 and 5. The draft CDRB minutes are included as Attachment 6.

BACKGROUND OR DETAILED INFORMATION:

Current Site Conditions

- Zoning is C-2 (Commercial)
- Site is 0.45 acres
- Property was developed as a fuel station with one building, gas pumps, canopies and associated improvements, which will be removed as part of this project

Proposed Conceptual Site Plan

The Conceptual Site Plan (Attachment 2) depicts a single 3,600 square foot building and associated improvements. There are two existing points of egress/ingress; one from Oracle Road on the northeast portion of the property, and one from Ina Road on the southwest portion of the property. Pedestrian sidewalks will be provided on Oracle Road and Ina Road, with pedestrian connections to the site from each street frontage.

The required courtyard or pedestrian area is proposed at the front (west side) of the building in proximity

to the building entrance. To better meet code intent for a pedestrian amenity, a condition to require a bench with shade trees in proximity to the public art has been added. The public art will be located on the south side of the enhanced pedestrian area.

Please refer to the January 14th CDRB staff report (Attachment 4) for discussion of conformance to the Design Principles and Design Standards.

Art Proposal

The applicant proposes to install one (1) 8-foot tall freestanding steel sculpture set in a concrete pedestal on the southwestern side of the building (see Attachment 3). The sculpture is of a contemporary design and will be constructed of ½" plate steel with a rusted finish.

Please refer to the January 14th CDRB staff report (Attachment 5) for discussion of conformance to the Design Principles and Design Standards.

Approvals to Date

- Fuel station approved by Pima County in 1965
- Property annexed into Oro Valley and zoning translated to Oro Valley C-2 in 2013

Public Notification and Comment

Notice was provided to the following:

- Residents within 600 feet
- Posting at Town Hall
- All registered HOAs

One (1) resident spoke at the January 14th CDRB meeting regarding the Conceptual Site Plan. The speaker felt the building was too large for the site and that it should be reduced in size. The CDRB found that with the Conditions of Approval, the Conceptual Site Plan and Conceptual Public Art are in substantial conformance with the Design Principles and applicable Design Standards, and has recommended approval subject to the conditions in Attachment 1.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

CONCEPTUAL SITE PLAN

I MOVE to approve the Conceptual Site Plan for the Coxco Property Retail Building subject to the condition in Attachment 1, finding that the Conceptual Site Plan meets applicable Design Principles and Standards.

OR

I MOVE to deny the Conceptual Site Plan for the Coxco Property Retail Building, finding that the Conceptual Site Plan does not meet applicable Design Principles and Standards, specifically

CONCEPTUAL PUBLIC ART

I MOVE to approve the Conceptual Public Art for the Coxco Property Retail Building subject to the condition in Attachment 1, finding that the Conceptual Public Art meets applicable Design Principles and

Standards.

OR

I MOVE to deny the Conceptual Public Art for the Coxco Property Retail Building, finding that the Conceptual Public Art does not meet applicable Design Principles and Standards, specifically

Attachments

Attachment 1 - Conditions of Approval

Attachment 2 - Conceptual Site Plan

Attachment 3 - Conceptual Public Art

Attachment 4 - Conceptual Site Plan 1/14/14 CDRB Report

Attachment 5 - Conceptual Public Art 1/14/14 CDRB Report

Attachment 6 - Draft CDRB Minutes

**Attachment 1
Conditions of Approval
Coxco Property Retail Building
OV1213-14
January 19, 2014, Town Council**

The Final Site Plan and Final Public Art shall be modified to incorporate the following conditions:

Conceptual Site Plan

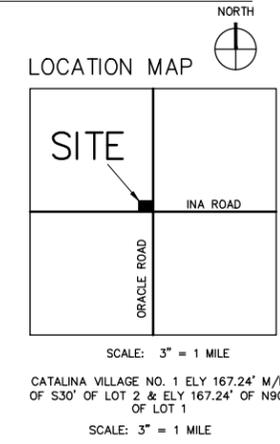
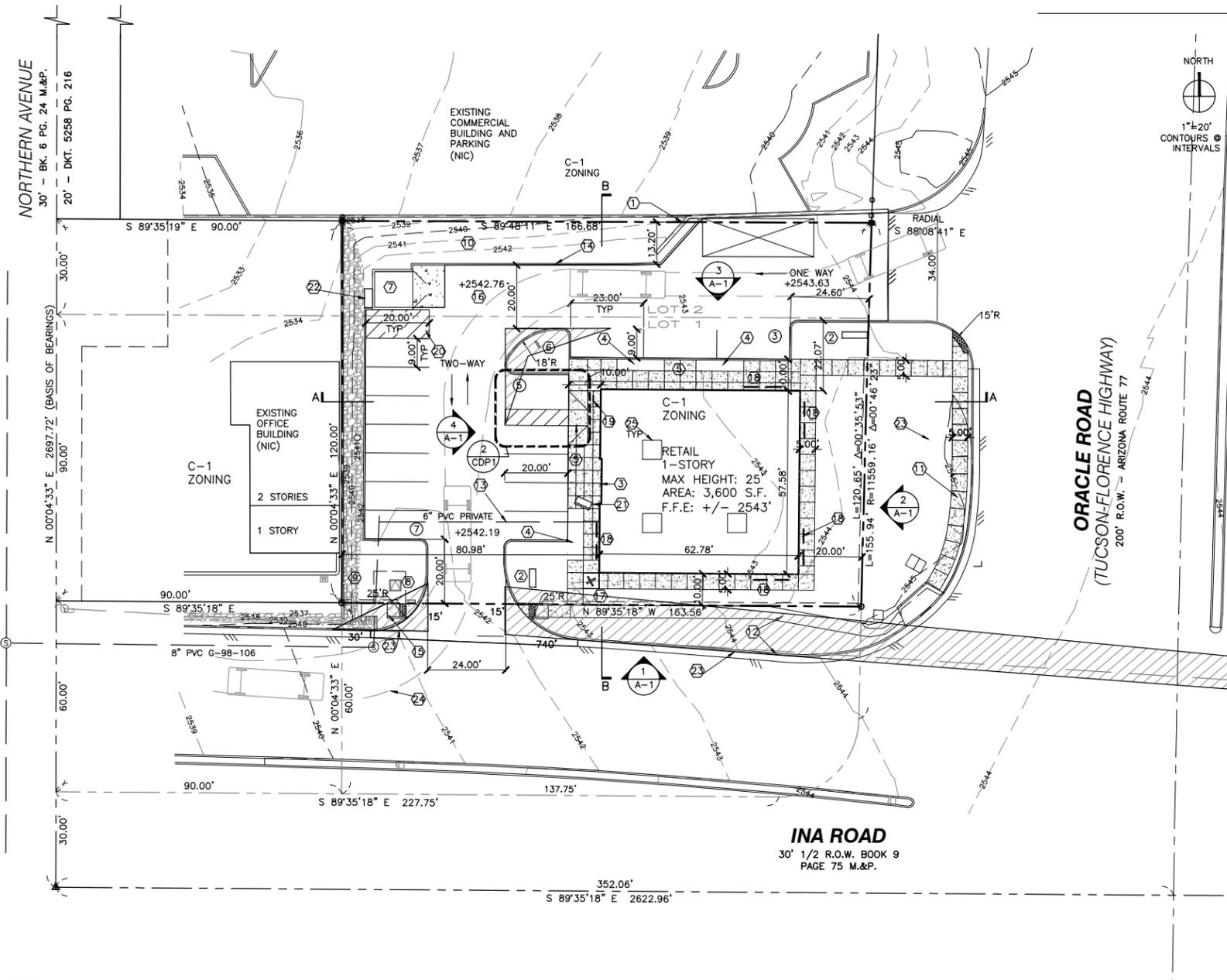
1. Provide at least two (2) shaded seating areas, in locations acceptable to the Planning and Zoning Administrator, along the front of the building.

Conceptual Public Art

2. The applicant shall install a small metal plaque containing the artist's name, name of the artwork, installation date, and recognition of the Town's Public Art requirement.

GENERAL NOTES

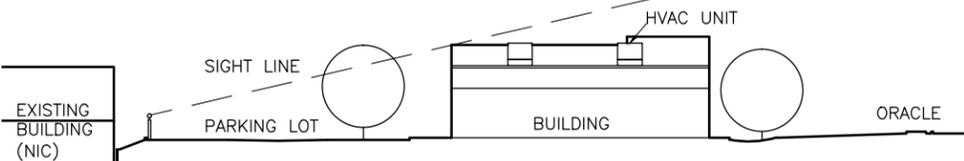
- THE GROSS AREA OF THE DEVELOPMENT SITE IS .45 ACRE.
- THE GROSS FLOOR AREA FOR COMMERCIAL IS 3,600 SF.
- THE MAXIMUM FLOOR AREA RATIO (FAR) IS .30. THE FAR PROVIDED IS 0.18.
- THE GROSS AREA OF ALL IMPERVIOUS SURFACES IS 11,789 SF.
- TOTAL MILES OF NEW PUBLIC STREETS IS 0 MILES.
- TOTAL MILES OF NEW PRIVATE STREETS IS 0 MILES.
- NO ZONING VARIANCES OR MODIFICATIONS ARE APPLICABLE TO THIS PROJECT.
- ASSURANCES FOR SITE IMPROVEMENTS, LANDSCAPING AND RE-VEGETATION BONDS MUST BE POSTED PRIOR TO ISSUANCE OF GRADING PERMITS.
- THE MAXIMUM ALLOWABLE BUILDING HEIGHT IS 25', 2 STORIES. A 25' BUILDING HEIGHT, 1 STORY BUILDING IS PROPOSED.
- TOTAL AREA OF OPEN SPACE REQUIRED = 20%. TOTAL AREA OF OPEN SPACE PROVIDED = 40%.
- LANDSCAPED BUFFER-YARDS REQUIRED:
NORTH = 0'
EAST = B 30' (20' REQUESTED FOR THIS PROJECT)
SOUTH = B 30' (20' REQUESTED FOR THIS PROJECT)
WEST = 0'
- REQUIRED BUILDING SETBACKS:
NORTH - 0 FEET REQUIRED, 52' FEET PROVIDED
EAST - 20 FEET REQUIRED, 20 FEET PROVIDED
SOUTH - 0 FEET REQUIRED, 10 FEET PROVIDED
WEST - 0 FEET REQUIRED, 81 FEET PROVIDED
- EXISTING ZONING IS C-1 (COMMERCIAL DISTRICT).
- ALL PUBLIC ART REQUIREMENTS MUST BE MET PRIOR TO FINAL CERTIFICATE OF OCCUPANCY ISSUANCE PER ORO VALLEY ZONING CODE REVISED SECTION 27.3.
- ALL SIGNAGE AND LIGHTING TO BE ADDRESSED AS PART OF A SEPARATE REVIEW AND APPROVAL PROCESS.
- THE DESIGN VEHICLE IS SU-30.
- ALL NEW PUBLIC ROADS, IF ANY, WITHIN AND ADJACENT TO THIS PROJECT, WILL BE CONSTRUCTED IN ACCORDANCE WITH APPROVED PLANS. SEPARATE PUBLIC IMPROVEMENT AND CONSTRUCTION PLANS WILL BE SUBMITTED TO THE TOWN ENGINEER'S OFFICE FOR REVIEW AND APPROVAL.
- ANY RELOCATION OR MODIFICATION OF EXISTING UTILITIES AND/OR PUBLIC IMPROVEMENTS NECESSITATED BY THE PROPOSED DEVELOPMENT WILL BE AT NO EXPENSE TO THE PUBLIC.
- THIS DEVELOPMENT MUST COMPLY WITH THE ORO VALLEY WATER UTILITY SPECIFICATIONS MANUAL DURING ALL PHASES OF CONSTRUCTION.
- THIS PROJECT WILL BE SERVED BY ORO VALLEY WATER UTILITY WHICH HAS BEEN DESIGNATED AS HAVING AN ASSURED 100 YEAR WATER SUPPLY BY THE DIRECTOR OF WATER RESOURCES. ANY AND ALL WELLS MUST BE ABANDONED PER ADWR REGULATIONS.
- A LINE EXTENSION AGREEMENT MUST BE IN PLACE PRIOR TO ANY WORK ON THE WATER INFRASTRUCTURE BEFORE THIS PROJECT BEGINS.
- ALL METERS SHALL HAVE A BACKFLOW PROTECTION DEVICE INSTALLED ON THE CUSTOMER SIDE OF THE METER.
- ALL FIRE SERVICES SHALL HAVE A BACKFLOW PROTECTION DEVICE INSTALLED ON THEM.
- SHOULD AN EASEMENT BE IN CONFLICT WITH ANY PROPOSED BUILDING LOCATION, VACATION OF THE EASEMENT IS TO OCCUR PRIOR TO ISSUANCE OF BUILDING PERMITS.
- FIRE HYDRANTS CONNECTED TO AN APPROVED WATER SUPPLY OF 1500 GPM FOR FIRE PROTECTION MUST BE INSTALLED AND IN SERVICE PRIOR TO COMBUSTIBLE MATERIAL DELIVERY TO THE SITE. TEMPORARY CONSTRUCTION OFFICE TRAILERS ARE CONSIDERED COMBUSTIBLE MATERIAL.
- APPROVED FIRE APPARATUS ACCESS ROADS MUST BE INSTALLED AND IN SERVICE PRIOR TO COMBUSTIBLE MATERIAL DELIVERY TO THE SITE.
- APPROVED AUTOMATIC SPRINKLER SYSTEMS IN NEW BUILDINGS AND STRUCTURES SHALL BE PROVIDED THROUGHOUT EACH BUILDING.
- TEMPORARY STREET SIGNS MUST BE INSTALLED AT EACH STREET INTERSECTION WHEN CONSTRUCTION OF NEW ROADWAYS ALLOWS PASSAGE OF VEHICLES. ALL STRUCTURES UNDER CONSTRUCTION MUST BE CLEARLY IDENTIFIED WITH AN APPROVED ADDRESS.
- THE INSTALLATION OF TRAFFIC CONTROL SIGNALING DEVICES AND/OR ELECTRICALLY OPERATED GATES ON FIRE APPARATUS ACCESS ROADS SHALL INCLUDE PREEMPTIVE CONTROL EQUIPMENT COMPATIBLE WITH THE FIRE DEPARTMENT'S EXISTING SYSTEM.
- THE FOLLOWING CODES AND STANDARDS SHALL BE APPLICABLE TO THIS DEVELOPMENT:
A. 2006 INTERNATIONAL CODES WITH LOCAL AMMENDMENTS.
B. 2005 NATIONAL ELECTRICAL CODE.
C. 2010 AMERICAN DISABILITIES ACT ACCESSIBILITY GUIDELINES.
D. 2006 GOLDER RANCH FIRE DISTRICT STANDARDS AND FORMS.
E. 2008 TOWN OF ORO VALLEY POOL CODE.
F. 2003 PC/COT STANDARD SPECIFICATIONS & DETAILS FOR PUBLIC IMPROVEMENTS.
G. 2010 TOWN OF ORO VALLEY DRAINAGE CRITERIA MANUAL.
H. 2004 TOWN OF ORO VALLEY SUBDIVISION STREET STANDARDS AND POLICIES MANUAL.
I. TOWN OF ORO VALLEY ZONING CODE, CURRENT REVISED.
J. ORO VALLEY TOWN CODE, CURRENT REVISED.
K. 2010 ADA STANDARDS FOR ACCESIBLE DESIGN.



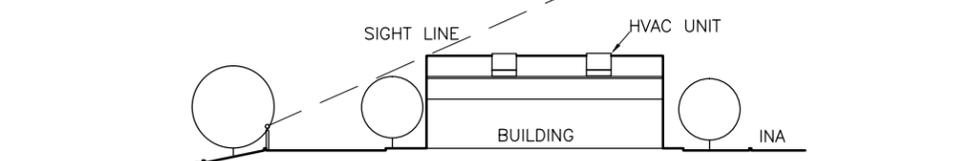
- KEYNOTES**
- EXISTING MAS WALL TO REMAIN
 - NEW MONUMENT SIGN
 - ENTRANCE PLANTER
 - COURTYARD/MALL
 - ONE WAY/DO NOT ENTER SIGN
 - TRASH ENCLOSURE
 - EXISTING TRANSFORMER
 - EXISTING RIP RAP SLOPE
 - EXISTING LANDSCAPED SLOPE
 - NEW SIDEWALK
 - EXISTING CURB AND SIDEWALK
 - CONNECT TO EXISTING HCS
 - REALIGN CURB
 - EXISTING BUS STOP
 - NEW ASPHALT PAVING
 - SCULPTURE
 - WALL-MTD SIGN
 - CLASS II BICYCLE PARKING (2)
 - STRIPED VEHICLE TURNAROUND
 - BENCH
 - CLASS I BICYCLE LOCKER (1 SPACE)
 - SITE VISIBILITY TRIANGLE
 - S30 TRUCK MANEUVERING
 - MECHANICAL UNIT

- LEGEND**
- EXISTING GRADE
 - EXISTING PAVEMENT
 - NEW SIDEWALK
 - EXISTING SIDEWALK
 - NEW BUILDING
 - BUILDING ELEVATION
 - LOADING ZONE (12'X35')
 - WALL MTD. SIGN

1 CONCEPTUAL SITE PLAN
1"=20'



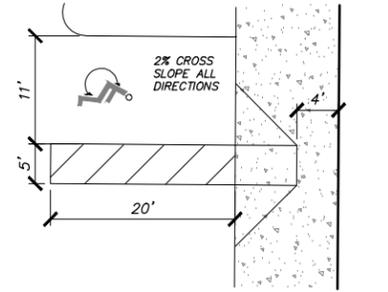
3 SITE SECTION A-A



4 SITE SECTION B-B

CALCULATIONS/NOTES

SITE AREA:	19,852.45 S.F. (.45 ACRE)
BUILDING AREA:	3,600 S.F.
ZONING:	C-1
FAR:	.18 (MAX .30 ALLOWED)
OPEN SPACE:	33% (20% REQUIRED)
PARKING REQUIRED (4:1000):	14
PARKING PROVIDED:	15
MALL AREA REQUIRED:	397 S.F.
MALL AREA PROVIDED:	±1,258 S.F.



2 ACCESSIBLE PARKING NTS

CONCEPTUAL SITE PLAN

DEVELOPER:
VINTAGE PARTNERS
2400 E. AZ Biltmore Circle, #1170
Phoenix, AZ 85016

CONTACT: CASEY TREADWELL 602-626-8992

RETAIL BUILDING DEVELOPMENT
7201 N. ORACLE ROAD,
ORO VALLEY, ARIZONA

Project Description

CATALINA VILLAGE NO. 1 ELY 167.24' M/L OF S30' OF LOT 2 & ELY 167.24' OF N90' OF LOT 1, T12S, R13E, S36, G&SRM, TOWN OF ORO VALLEY, PIMA COUNTY, ARIZONA

SBBL Architecture + Planning
3001 North Alhambra Way #105, Tucson, Arizona 85711
t: 520.630.0255 f: 520.630.0535
TSAYLERBROWN@SBBL.BZ

Scale: 1" = 20'
Contour Interval: 1 FOOT
Date: 10-11-13
Revised: 11-20-13
Proj. #: 13029
Sheet 1 of 1
CDP-1



SBBL Architecture + Planning

1301 North Alvernon Way #105 Tucson, Arizona 85711-1019
t: 520.620.0255 f: 520.620.0535 e: sbbbl@sbbbl.biz

November 20, 2013

Public Art Narrative OV1213-30

For this project, we are proposing a free standing contemporary steel sculpture fashioned by local artist, Steven Derks. The concept for the sculpture is illustrated on the following pages. The intent for the project is to create a modern retail building and site with an edgy feel. The sculpture will be constructed of ½ inch plate steel with a rusted finish.

Steven is a celebrated artist who specializes in creating sculptures using reclaimed materials. See his Artist Statement, a brief resume and exhibitions since 2011 following this narrative.

The sculpture will be located at the south end of the sidewalk that fronts the west entry point of the building off the parking lot. This helps to create a sense of closure to the plaza-like entry to the store. It will be set up on a concrete pedestal that extends beyond the lines of the sculpture defining the sidewalk/plaza pedestrian path.

Timing: It will take 60 days for fabrication and one additional week for sand blasting. The sand blasting must be scheduled one week prior to delivery. The sculpture will be installed after completion of driveway pavement and sidewalks are installed.

Cost: The sculpture will cost approximately \$3,200.00 (plus site prep and installation) which is approximately 1% of the projected cost of construction of the building.

Safety: The sculpture will be fabricated by established industry standards and practices for placement in public settings. The installation will be preformed by a licensed contractor using anchoring methods and materials of the highest standard. Placement will consider traffic patterns, as to optimize safety and manage how the public will engage the artwork. The surface treatment and the form will consider tactile engagement, accommodating anyone wanting a safe up close art experience.

Statement of Compliance: We will comply with the criteria included in the Oro Valley Zoning Code Section 27.3.G.

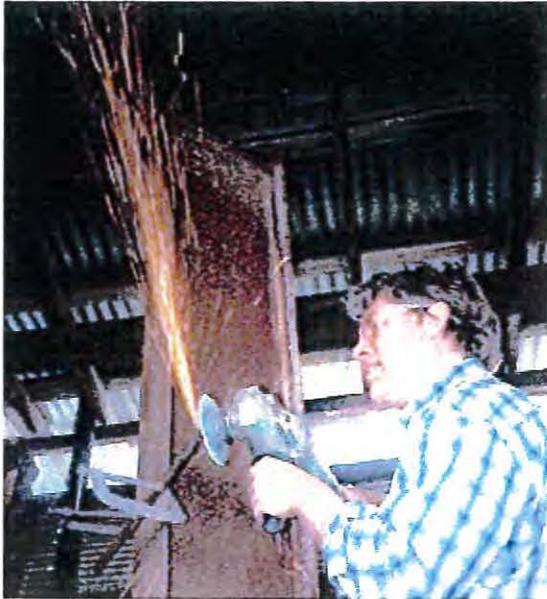
Sincerely,

A handwritten signature in black ink that reads "Sayler-Brown".

Thomas Sayler-Brown, AIA

Steven Derks

Bio & Resume



Artist Statement

Finding and collecting curiosities in thrift stores and junkyards is a lifelong preoccupation and a passionate experience for me, rather like going to church. Three or four times a month I visit one of Tucson's four junkyards. I walk around alone, looking at the forlorn piles of bent, twisted and rusted metal lying all over the place. Now things start to happen very fast: everywhere I look I begin to see metal transformed into finished sculptures.

Most of my sculptures are conceived right there in the scrap metal yards where I find both the vision and the ingredients for my work. I just see a piece of metal and immediately imagine the completed sculpture it suggests. Most of the time, during one visit I am able to locate all of the actual metal parts that will be necessary to complete many sculptures, but occasionally an exciting piece of rusted metal will languish in my studio yard for months, waiting for the day I will find the piece or pieces that are missing.

I like the immediacy of welding; it is glue that sets up rapidly, in seconds. This makes metal become either plastic or rigid. But I never bend or cut the metal I use. This self-imposed limitation forces me to respond to the object as it actually is. My art lies in the assemblage, not the cutting and shaping of its individual parts.

I like my work to remain unfinished, even when I have carried out my initial vision for it. I resist signing the work for this reason. If it remains unsigned, it is a piece in process, and more things can continue to happen to transform it after it is sold.

Co-incidentally I hate to say goodbye either to my work or to people. The work and human relationships always have the potential for new life, and more redemption. I always expect that.

Making art allows me to have a spiritual and a psychological life without being directly involved in any theology or ideology. Through art I can engage my life deeply, and can impact other people's lives through how they experience my work.

The Catholic Apostle Jude is a figure of special significance to me, and to my work. The patron saint of a small Tarahumara Indian village in Mexico, his life was the manifestation of betrayal and redemption, twin themes that are central to my own experience.

When I discard something, I betray it. When I find it, conceive a vision of it renewed, and make art from it, I redeem it. All objects have the potential to be redeemed through art, to be transformed through human vision. So do all people. If a person were to be discarded like a piece of rusted steel, it would be a profound experience. But if it happens to an object, everyone takes it to be insignificant. I can't accept that. Art makes my own personal redemption possible.

Steven G. Derks

Education

1996 Tucson Museum of Art Mentor Program

1. Desert Crucible-Tucson

Arizona Internship

1993 Tucson Museum of Art-Art Training Workshops

1992 Arizona Commission of the Arts-Arts Business Training

1979 Pima Community College-Arts

Exhibitions – 2011 to 2012

2012

LGOCA Gallery, Laguna Beach, CA.

RBC Wealth Management, Tucson AZ.

Shidoni Gallery, Santa Fe, NM.

Noel Baza Gallery , San Diego ,CA.

Gallery 801, Tucson AZ.

Flux Gallery , Tucson, AZ

Biosphere 2 , Oracle, AZ

James Ratliff Gallery, Sedona AZ.

Sotheby's International Realty Tucson AZ

Tucson Museum of Art Crush Show, Tucson AZ

2011

Shidoni Gallery, Santa Fe, NM.

Noel Baza Gallery , San Diego ,CA.

Coda Gallery, Palm Desert ,CA.

Biosphere 2, Oracle AZ.

Gallery 801, Tucson AZ.

Raices Taller 222 Art Gallery, Tucson AZ

Flux Gallery , Tucson, AZ

JCC Gallery, Tucson, AZ.

Tucson Museum of Art Crush Show, Tucson AZ

Loveland Sculpture Show, Loveland,CO.

James Ratliff Gallery, Sedona, AZ.

Sotheby's International Realty Tucson AZ

Etherton Temple Gallery, Tucson, AZ.

Selected Publications and

Articles

Arizona Daily Star

Arizona Illustrated News Magazine

Art in America

Art Life

Art Now Gallery Guide

Art Talk

Compendium Magazine

Desert Leaf

Gallery Guide

New Mexico Magazine

Oracle Magazine

Sedona Magazine

Southwest Art Magazine

Southwest Profile Magazine

Sunset Magazine

The Magazine

The Santa Fean

Tucson Citizen

Tucson Guide

Tucson Weekly

Tucson Home

Corporate Collections

AMCEP Metals, Steven Kipper, Tucson, AZ.

American Heart Association, Tucson, AZ.

Beyond Bread, Restaurant, Tucson, AZ

Big Brothers Big Sisters, Tucson, AZ

Café Terra Cotta, Tucson, AZ

Caterpillar Memorial, Tucson, AZ

Davis Bilingual School, Tucson, AZ

DeGrazia Foundation, Tucson, AZ

Dell Webb, Tucson, AZ

Gallery Golf Resort, Marana, AZ

Hacienda Del Sol Resort, Tucson, AZ

Mertis, Scottsdale, AZ

Microsoft, Seattle, WA

P.A.C.T. for Life, Tucson, AZ

Phantom Project, Bank of America, Tucson, AZ

Print Expressions Inc., Tucson, AZ

R.A.S., Tucson, AZ

Regal Company, Inc., Sonora, Mexico

Sterling Institute of Men's Studies, Oakland, CA

Streich Lang, Tucson, AZ

Switch and Data, Tucson, AZ

Tucson Art District Partnership, Tucson, AZ

Tucson Botanical Gardens, Tucson, AZ

Triumph Builders, Tucson, AZ

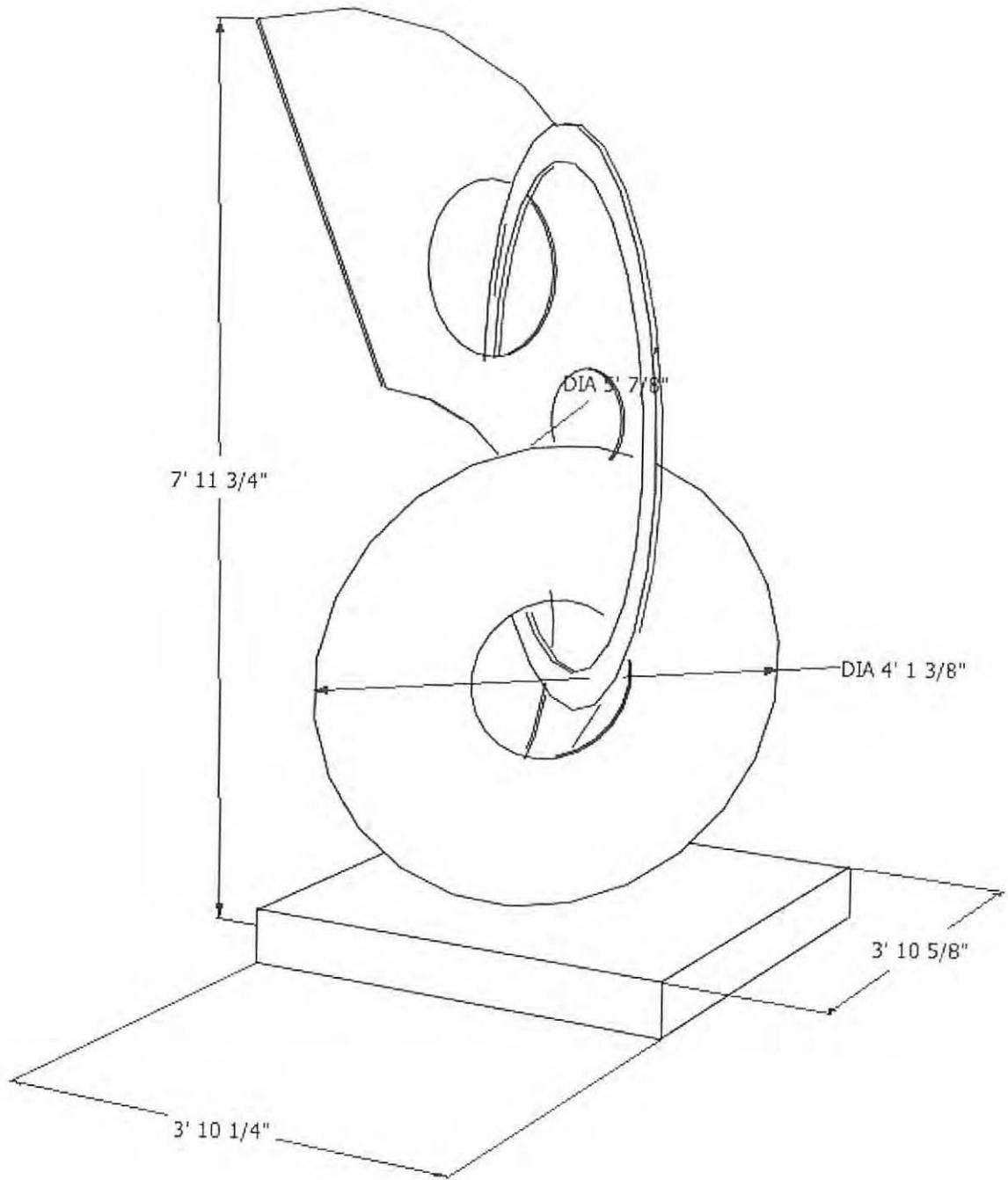
Boran Properties, Tucson, AZ

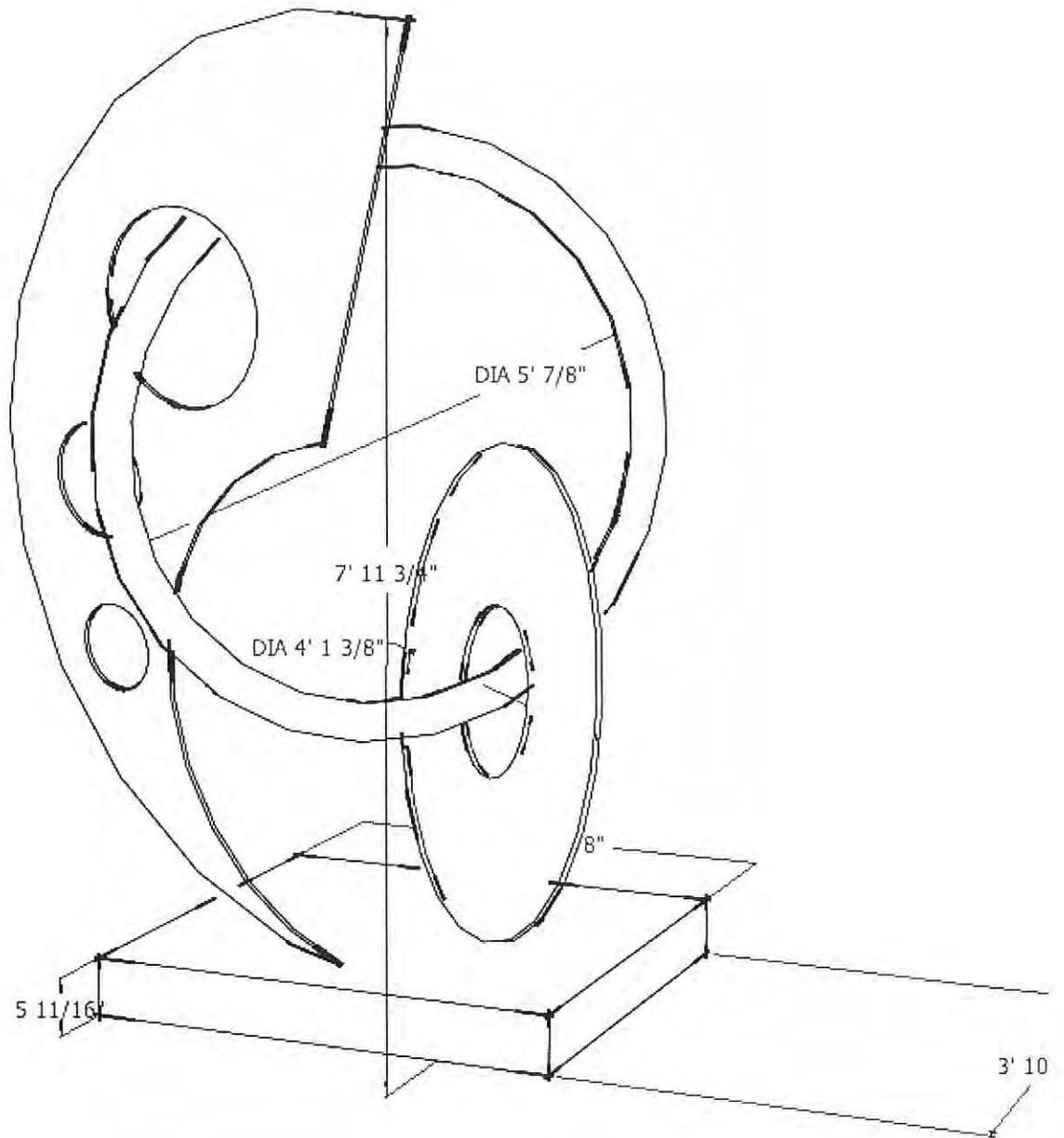
Tucson Museum of Art, Tucson, AZ

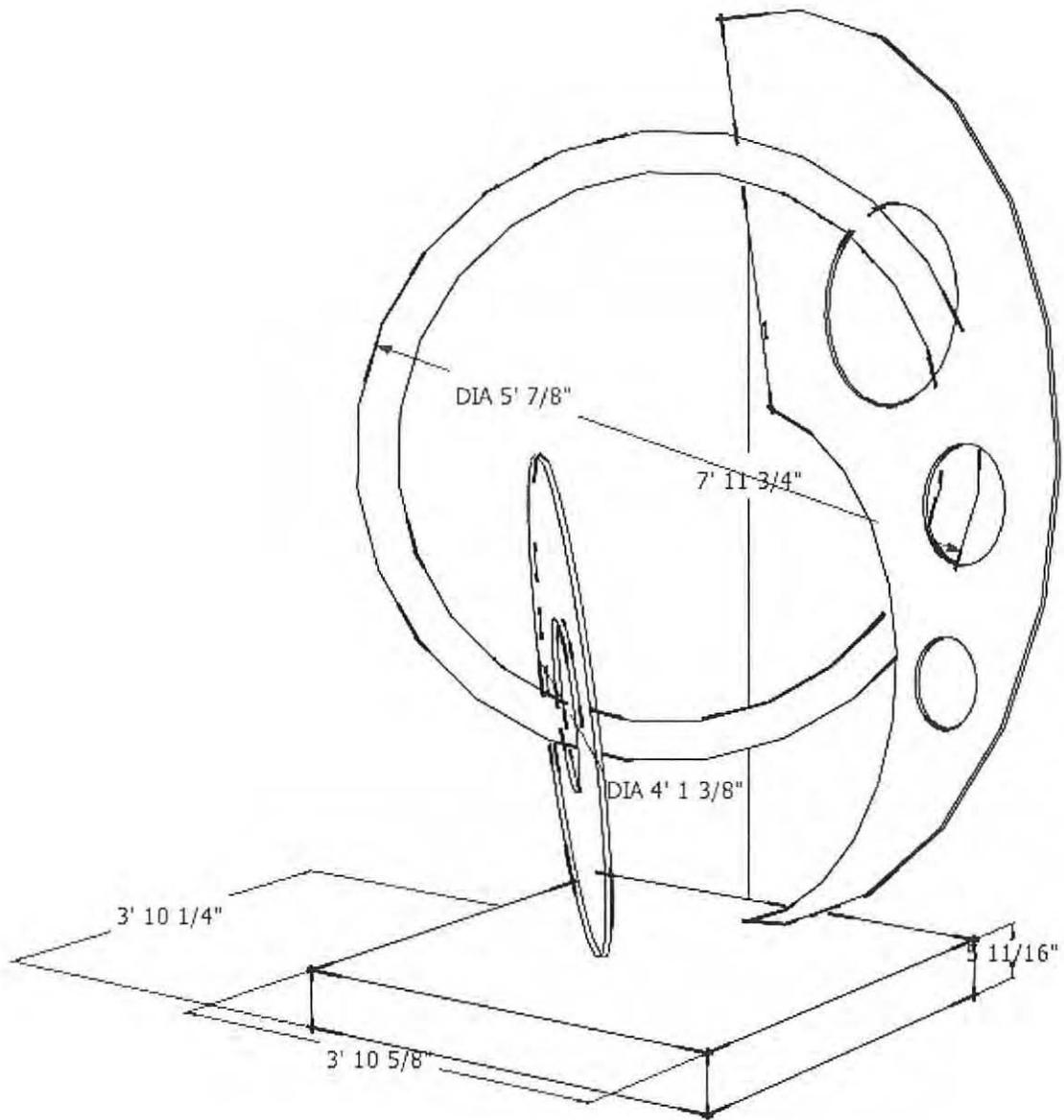
UMC Cancer Center, Tucson AZ

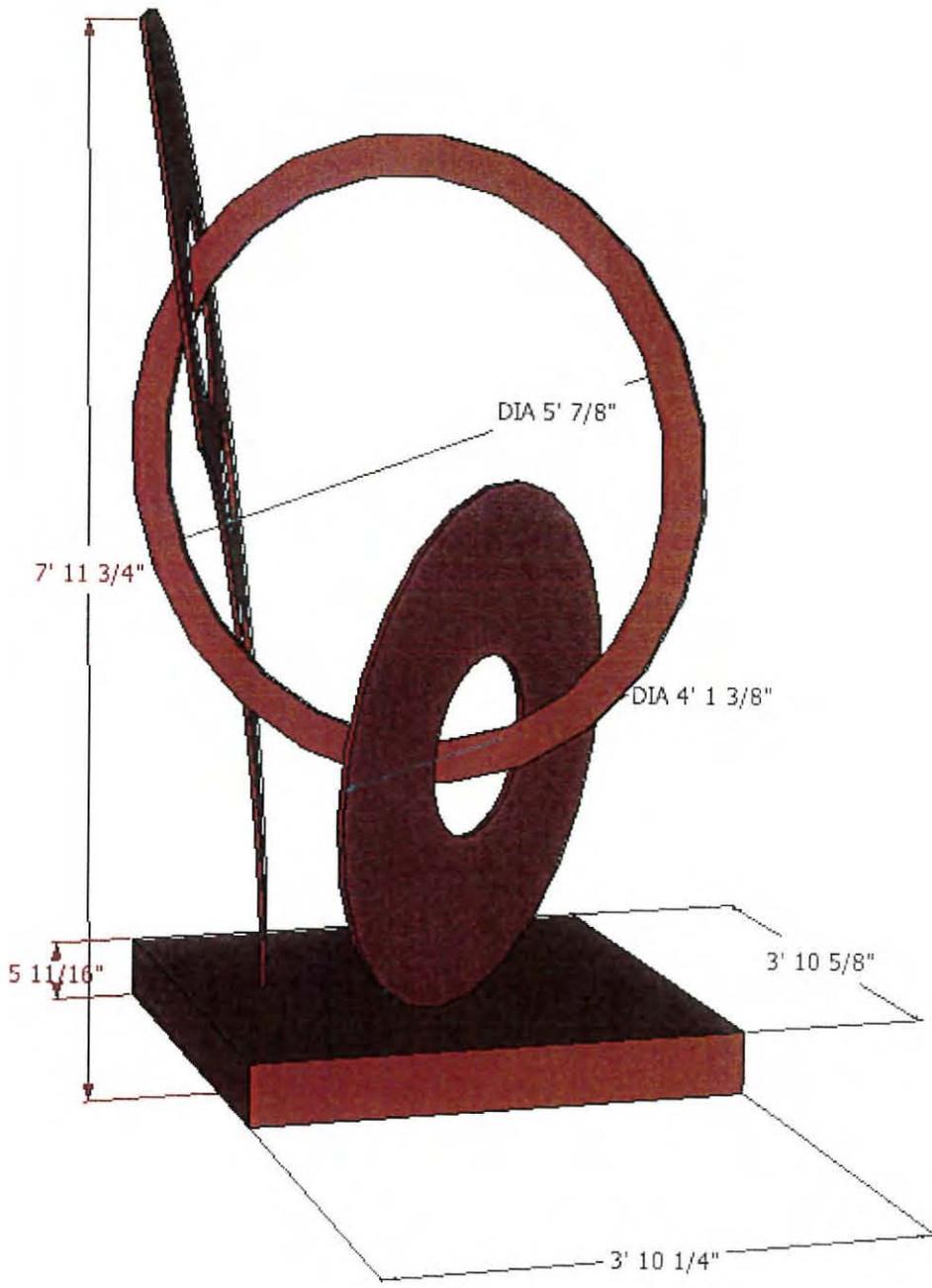
President Bill Clinton, The White House, Oval Office,
Washington, DC

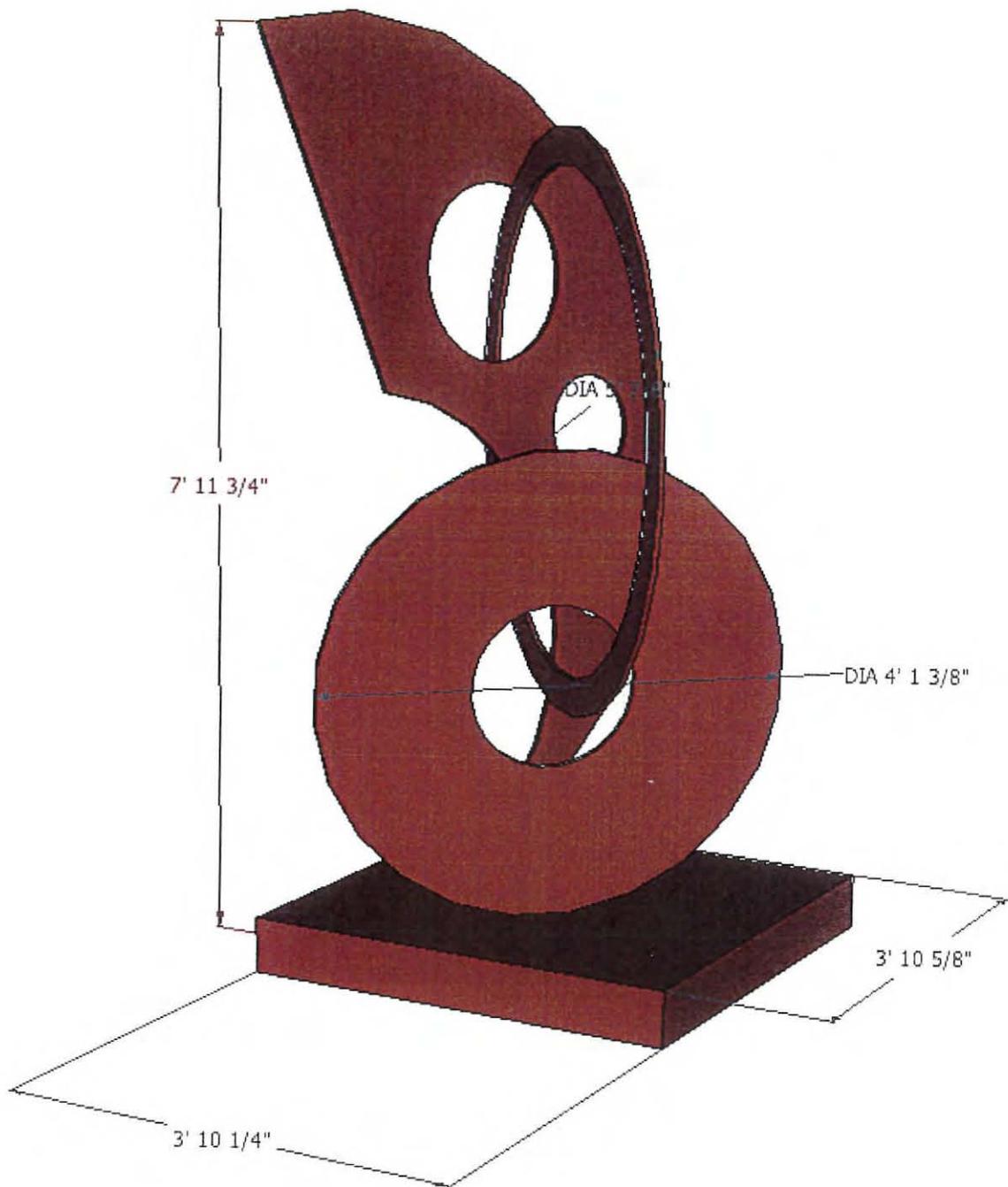
Mercury Records, Nashville, TN

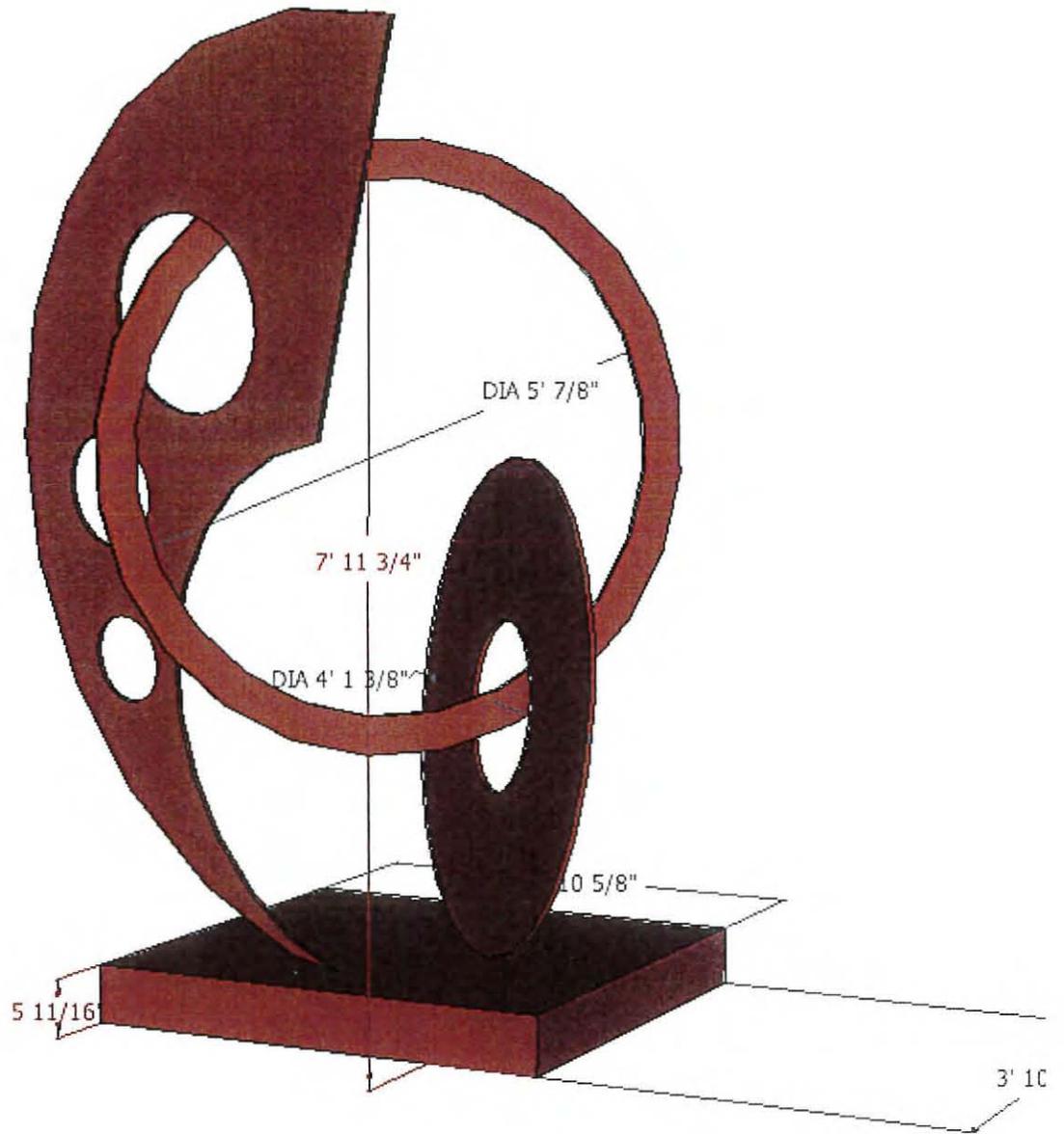


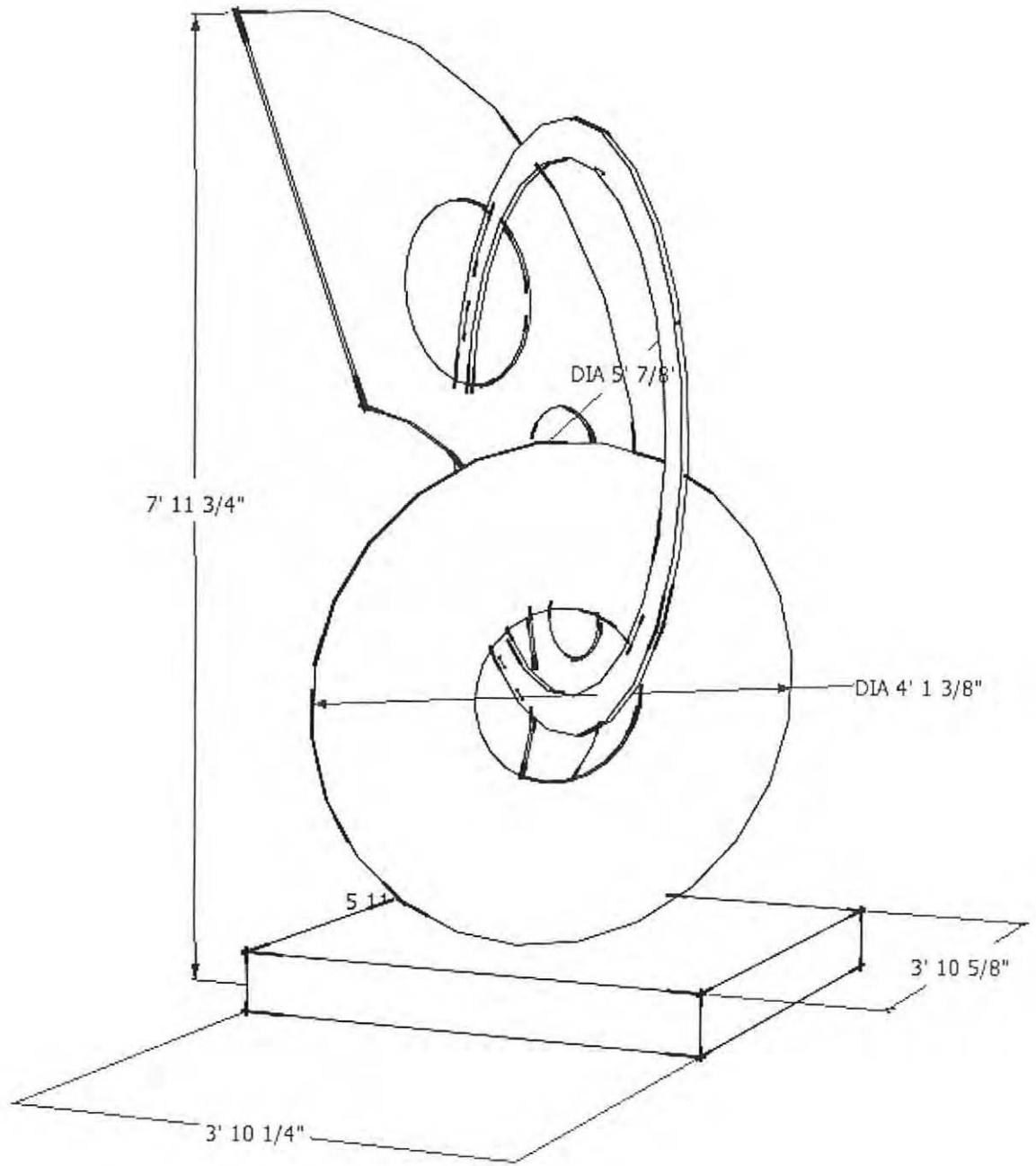














Conceptual Design Review Board Staff Report Conceptual Site Plan

CASE NUMBER: OV1213-30 Coxco Property Retail Building
MEETING DATE: January 14, 2014
AGENDA ITEM: 4A
STAFF CONTACT: Matt Michels, Senior Planner
mmichels@orovalleyaz.gov (520) 229-4822

Applicant: Thomas Sayler-Brown, SBBL Architects
Request: **Conceptual Site Plan for 3,600 SF Retail Building**
Location: Northwest corner of Oracle Road and Ina Road
Recommendation: Approve requested Conceptual Site Plan subject to conditions of Attachment 4

SUMMARY:

This project includes the redevelopment of a .45 acre property from a fuel station to a 3,600 square foot retail building. The CDRB review is focused on the fundamental elements of the Conceptual Site Plan, including: site layout; drainage/grading; connectivity; and landscape concept. The information must be sufficient to demonstrate that the design concept is achievable and to ensure community fit.

The Conceptual Site Plan has been evaluated for conformance to the Zoning Code Addendum "A" Design Principles and Design Standards.

This report contains staff analysis, proposed conditions of approval and suggested motions for the Conceptual Site Plan. The Conceptual Design Principles are utilized as primary guidance for CDRB evaluation of the application. The Addendum "A" Design Standards are used as secondary guidance, as appropriate. The Location Map (Attachment 1) provides context of the site in relation to the surrounding area. The proposed Conceptual Site Plan is provided as Attachment 2.

BACKGROUND:

Land Use Context

The property is currently developed as a fuel station and is zoned C-2 (Commercial). The property is surrounded by office uses to the north and west, Casas Adobes Plaza shopping

center to the south, and auto service to the east across Oracle Road. A Zoning Map for the area is provided as Attachment 3.

Site Conditions

- Site is .45 acres
- Property is developed as a fuel station with one building, gas pumps, and canopies. The building, pumps, canopies and associated improvements will be removed as part of this project.

Project Data Table

The table below summarizes the project data associated with the request.

	Allowed / Required	Proposed
Floor Area Ratio (F.A.R.)	.40	.18
Open Space	20%	33%
Building Height	30', two stories	22'-6", one story
Building Setbacks	20' front, 0' side, 0' rear	20', 54' north/10' south, 83'
Required Parking	15 spaces	15 spaces

Approvals-To-Date

- Fuel station approved in Pima County in 1965
- Property annexed into Oro Valley and zoning translated to Oro Valley C-2 in 2013

Proposed Conceptual Site Plan

The Conceptual Site Plan (Attachment 3) depicts a single 3,600 square foot building and associated improvements. There are two existing points of egress/ingress; one from Oracle Road on the northeast portion of the property, and one from Ina Road on the southwest portion of the property. Pedestrian sidewalks will be provided on Oracle Road and Ina Road, with pedestrian connections to the site from each street frontage.

DISCUSSION / ANALYSIS:

C-2 Commercial Development Standards

A courtyard or enhanced pedestrian area of at least 2% of the net lot area is required in the C-2 commercial zoning district. Due to the site constraints and project design, the required courtyard or enhanced pedestrian area, or 397 sf +/- is proposed to be provided at the front (west side) of the building in proximity to the building entrance. One (1) bench is shown to the south of the building entrance (see Attachment 2, Keynote 21). This area will also be a focal point for the proposed public art, which is proposed to be located on the south side of the pedestrian area. In order to provide additional pedestrian amenities,

a condition is proposed to require an additional seating area be provided in the enhanced pedestrian area, with shading provided to both seating areas.

The required loading zone is provided on the northeast corner of the property, across the Oracle Road drive lane. Although the intended user (Mattress Store) does not anticipate a high volume of deliveries, staff recommends relocating the loading zone to the north side of the building to avoid potential pedestrian/vehicular conflicts. A condition has been added.

Conceptual Site Design Principles, Section 22.9.D.5

The Conceptual Site Plan is in general conformance with all applicable Conceptual Site Design Principles. Following are key Design Principles (*in italics*), followed by staff evaluation of how the design addresses the principles:

Connectivity: strengthen the usability and connectivity of the pedestrian environment internally and externally by enhancing access to the public street system, transit, adjoining development and pedestrian and bicycle transportation routes. Buildings and uses should provide access to adjacent open space and recreational areas where appropriate.

Staff Commentary: Pedestrian sidewalks will be provided along Ina Road and Oracle Roads. There is an existing SunTran transit stop on the south side of the property along Ina Road. Finally, bicycle parking will be provided per Town requirements.

Design Standards Analysis

Buildings, walls and/or structures to create focal point on corner street intersections incorporating art, outdoor spaces and other project unifying elements as appropriate (Section 2.1.B.1.b)

Staff Commentary: The building is placed as close to the intersection of Oracle and Ina as permissible by the Zoning Code (20' front setback on Oracle Road; 10' side setback on Ina Road), which serves to frame the corner, with the parking areas located behind the building.

The Planning and Zoning Administrator may reduce the required 30' landscape buffer yard along Oracle Rd. and Ina Rd. if no other options exist. In this case, there do not appear to be other viable design solutions to fit the retail building on the site while meeting the 30-foot landscape buffer yard requirement. Therefore, the Planning and Zoning Administrator has approved the proposed buffer yard reduction. Although no formal buffer yards will be provided, the south and east sides of the building will be landscaped consistent with Town requirements to enhance the appearance of the property.

Parking shall be placed to the rear and side of the buildings to the greatest extent feasible (Section 2.1.D.1.b)

Staff Commentary: All parking is placed to the rear and side of the building. No parking will be placed in front of the building.

Provide shade trees at all seating areas using landscape or other structures (Section 2.1.M.1.d)

Pedestrian scale features at the ground level, such as planters and benches, are encouraged (Section 2.1.M.1.f)

Staff Commentary: A bench is proposed to the south of the building entrance on the west side of the building. In order to enhance the outdoor pedestrian area, a condition of approval is proposed to require an additional bench or seating area with a shade tree provided to shade the seating area.

Engineering Analysis:

DRAINAGE

The proposed project is located on the existing site of an existing fuel station. The drainage characteristics of the proposed project will be similar to those of the existing development. Under redeveloped conditions, stormwater runoff will be discharged in the same intensity, manner, and location as in the existing form. A drainage report will be required as part of the Final Design review submittal to verify conformance with the Town's Drainage Criteria Manual. All post-development flow shall be mitigated and released in the same manner and quantity as the existing conditions.

GRADING

A Type 2 Grading Permit is required to construct the building pad, utilities, parking areas, and other structures requiring grading on the project site. The grading represented within the Conceptual Site Plan conforms to the requirements of Chapter 27.9 of the Town's Zoning Code, and the Town's Subdivision Street Standards where applicable.

TRAFFIC

The proposed development is accessed by two existing driveways. These driveways will be slightly modified with the development but will remain in the same locations. The Oracle Road driveway requires a right-in only movement which is more restrictive than its current right-in/out configuration. This is due to driveway's close proximity to the Ina Road intersection. The Ina Road driveway will maintain its existing right-in/out only configuration due to an existing raised median along Ina Road.

An existing SunTran transit stop is located on the north side of the Ina Road right-of-way, immediately east of the existing driveway. The existing bus stop will maintain its existing location and configuration and will not require additional improvements by this project.

All public roadway improvements related to the project shall be the responsibility of the developer. All constructed improvements within the Oracle Road right-of-way requires a separate permit issued from the Arizona Department of Transportation.

PUBLIC PARTICIPATION:

Summary of Public Notice

Notice to the public was provided consistent with Town-adopted noticing procedures, which includes the following:

- Notification of property owners within 600 feet
- Posting at Town Hall
- All registered HOAs

Neighborhood Meeting

As provided in Section 22.15.B.3 of the Zoning Code, the Planning and Zoning Administrator exercised the option to waive the neighborhood meeting requirement since the project is consistent with adjacent properties, does not significantly affect adjacent land use, streetscape or views, and is not located in close proximity to residential uses.

RECOMMENDATION:

Based on a finding that the Conceptual Site Plan is, with the conditions in Attachment 4, in conformance with the Oro Valley Design Principles and applicable Design Standards, it is recommended that the Conceptual Design Review Board take the following action:

Recommend approval to the Town Council of the requested Conceptual Site Plan under case OV1213-30, subject to the conditions on Attachment 4.

SUGGESTED MOTIONS:

I move to recommend approval of the Conceptual Site Plan subject to the conditions in Attachment 4, finding that the proposed Conceptual Site Plan for the Coxco Property Retail Building is in conformance with the Oro Valley Design Principles and applicable Design Standards.

OR

I move to recommend denial of the Conceptual Site Plan for the Coxco Property Retail Building, finding that it is not in conformance with the Oro Valley Design Principles and applicable Design Standards, specifically

ATTACHMENTS:

1. Location Map
2. Proposed Conceptual Site Plan
3. Zoning Map
4. Conditions of Approval



Conceptual Design Review Board Staff Report Conceptual Public Art

CASE NUMBER: OV1213-30 Coxco Property Retail Building
MEETING DATE: January 14, 2014
AGENDA ITEM: 4C
STAFF CONTACT: Matt Michels, Senior Planner
mmichels@orovalleyaz.gov (520) 229-4822

Applicant: Thomas Sayler-Brown, SBBL Architects
Request: **Conceptual Public Art for 3,600 SF Retail Building**
Location: Northwest corner of Oracle Road and Ina Road
Recommendation: Approve requested Conceptual Public Art subject to one condition of approval

SUMMARY:

The applicant proposes a freestanding contemporary steel sculpture for the retail building. The proposed artwork will be installed on the south end of the sidewalk in front of the building in proximity to the building entrance. A site plan showing the proposed art location is included as Attachment 1.

The artist, Steven Derks, proposes to the steel sculpture to fulfill the Town's public art requirement. The applicant's description of the proposal is provided as Attachment 2.

BACKGROUND:

Approvals-to-Date

The following approvals are related to the request:

- Fuel station approved in Pima County in 1965
- Property annexed into Oro Valley and zoning translated to Oro Valley C-2 Zoning in 2013

Art Proposal

The applicant proposes to install one (1) 8-foot tall freestanding steel sculpture set in concrete pedestal on the southwestern side of the building in the enhanced pedestrian area. The sculpture is of a contemporary design to complement the modern style of the proposed building. The sculpture will be constructed on ½" plate steel with a rusted finish.

DISCUSSION / ANALYSIS:

The existing fuel station and gas pumps will be removed as part of this project. No public art was provided with the existing development. This public art is required to fulfill the Town's 1% Public Art Requirement. The proposed artwork has been evaluated with the Design Principles and Design Standards in the Zoning Code. A discussion of compliance with the Zoning Code, Design Principles and Design Standards follows:

Public Art Budget

The art budget is based on the building permit valuation, which is estimated to be approximately \$340,000. The proposed sculpture will cost \$3,200 plus site preparation costs and installation costs, which will exceed the 1% public art requirement (\$3,400).

Design Principle Analysis

The Design Principles contained in Section 27.3.H provide the primary guidance for evaluating Public Art.

Public art should serve as a distinctive and integral element in the overall design of a project or development.

Staff Commentary: The proposed artwork is located near the main entrance at the southern end of the enhanced pedestrian area to meet this standard. The proposed artwork is contemporary and modern in style and will compliment the architectural style of the building. The proposed building utilizes painted steel as an accent material and the rust colors within of the brick will harmonize with the sculpture.

Public art should relate to the historical, cultural or natural context of the project area, the neighborhood or the Town.

Staff Commentary: Although the proposed sculpture does not directly relate to the historical, cultural or natural context of the project area, the proposed modern sculpture harmonizes well with the proposed building, which is a contemporary, modern design. The sculpture will enhance the project and will be a distinctive art piece in the area.

Public art shall not include corporate advertising elements of a business including colors, graphics, logos, or other representations of corporate identity.

Staff Commentary: The proposed sculpture does not contain elements of corporate advertising. To better recognize the Town's public art collection, a condition requiring a small metal plaque containing the artist's name, name of the artwork, installation date and recognition of the Town's Public Art requirement has been added.

Public art shall be designed to prevent hazards to the public. Durability and safety of materials shall be considered including potential areas of excessive wear or damage, which shall be mitigated.

Staff Commentary: The proposed artwork will be anchored to a concrete base to ensure public safety. The narrative states that placement of the artwork will consider traffic patterns to optimize safety and manage how the public will engage the artwork. The public will be able to touch the artwork, adding a tactile element to the art.

Public art shall be original and not duplicate existing artwork in the Town and shall conform to community standards.

Staff Commentary: According to the applicant, the proposed sculpture is an original design which meets this standard.

Design Standards Analysis

The Design Standards contained in Addendum "A" provide the secondary guidance for evaluating Conceptual Public Art.

Public art shall be integrated into the overall design of the project and shall be located in areas of high visibility and use such as courtyards, seating areas, and along public roadways.

Staff Commentary: The proposed artwork will be located near the building entrance and will also be visible from Oracle Road. The location of the art is within an enhanced pedestrian area containing bench seating and shade trees, providing a comfortable and highly visible viewing area for the art

RECOMMENDATION:

Based on a finding that the Conceptual Public Art is consistent with the Design Principles and applicable design standards, it is recommended that the Conceptual Design Review Board take the following action:

Recommend approval to the Town Council of the requested Conceptual Public Art under case OV1213-30, subject to the condition that the applicant shall install a small metal plaque containing the artist's name, name of the artwork, installation date, and recognition of the Town's Public Art requirement.

SUGGESTED MOTIONS:

I move to recommend approval of the Conceptual Public Art for the Coxco Property Retail Building subject to the condition that the applicant shall install a small metal plaque containing the artist's name, name of the artwork, installation date, and recognition of the Town's Public Art requirement, finding that the proposed Conceptual Public Art is in conformance with the Oro Valley Design Principles and applicable Design Standards.

OR

I move to recommend denial of the Conceptual Public Art for the Coxco Property Retail Building finding that it is not in conformance with the Oro Valley Design Principles and applicable Design Standards, specifically

ATTACHMENTS:

1. Conceptual Site Plan
2. Applicant's Proposal

**DRAFT MINUTES
ORO VALLEY CONCEPTUAL DESIGN REVIEW BOARD
REGULAR SESSION
JANUARY 14, 2014
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

CALL TO ORDER AT OR AFTER 6:00 PM

ROLL CALL

PRESENT: Richard Eggerding, Member
Harold Linton, Member
Bruce Wyckoff, Member
Kit Donley, Member
Nathan Basken, Member

ALSO PRESENT: Lou Waters, Town Council Liaison
Joe Andrews, Chief Civil Deputy Town Attorney

ABSENT: None

4. REQUEST FOR APPROVAL OF A 3,600 SQUARE FOOT RETAIL STORE ON A .45 ACRE PROPERTY, LOCATED ON THE NORTHWEST CORNER OF ORACLE ROAD AND INA ROAD, OV1213-30.

Matt Michels, Senior Planner, presented his staff report which included the following:

A. Coxco Property Site Plan Architecture & Public Art

- Applicant's Request
- Location Map (Oracle Ina)
- Location - NW Corner
- Zoning of the PAD
- Conceptual Design Review
- Conceptual Site Plan
- Recommendation

Thomas Sayler-Brown, SBBL Architects, Applicant, explained the primary purpose of this mattress store is to be a showroom. All inventory and order fulfillment will be at a different location.

Will Loche, Golder Ranch Fire, reassured the Board Members the site will indeed go through soil testing as a standard for EPA requirements.

Bill Adler, Oro Valley Resident, suggested the building be constructed on a smaller scale to avoid a reduction in landscaping and setbacks. Mr. Adler feels the Zoning Code should be followed, and the use should adapt to the land to be built on.

MOTION: A motion was made by Kit Donley, Member and seconded by Bruce Wyckoff, Member to approve OV1213-30 Part A, with condition 1 of Attachment 4:

**Attachment 4
Conditions of Approval
Coxco Property Retail Building Conceptual Site Plan
OV1213-14**

The Final Site Plan shall be modified to incorporate the following conditions:

Planning:

1. Provide at least two (2) shaded seating areas, in locations acceptable to the Planning and Zoning Administrator, along the front of the building.

MOTION carried, 5-0.

C. CONCEPTUAL PUBLIC ART

- Conceptual Public Art Plan
- Design Review of the design from each side
- Art Review Criteria
- Recommendation

MOTION: A motion was made by Bruce Wyckoff, Member and seconded by Kit Donley, Member to approve OV1213-30 Part C, subject to the condition that the applicant shall install a small metal plaque containing the artists name, name of the artwork, installation date, and recognition of the Town's Public Art Requirement.

MOTION carried, 5-0.

PLANING UPDATE (INFORMATIONAL ONLY)

Chad Daines, Principle Planner, provided the following:

Mr. Daines provided the CDRB an update on the Zoning Code Amendment related to Public Artwork provisions, which will be heard by Town Council on January 15th. Mr.

Daines also updated the CDRB regarding efforts to recruit members for the two vacant seats and encouraged members to recommend residents who they feel will be effective Board members. Chairman Eggerding was congratulated on his election to Chair the Conceptual Design Review Board. Finally, Mr. Daines highlighted future agenda items on the February 11th agenda which include Saguaros Viejo, Election of the Vice-Chair and the Coxco Architecture.

ADJOURNMENT

MOTION: A motion was made by Harold Linton, Member and seconded by Bruce Wyckoff, Member to adjourn at 7:19 PM.

DRAFT



Town Council Regular Session

Item # 3.

Meeting Date: 02/19/2014

Requested by: Stacey Lemos

Submitted By: Stacey Lemos, Finance

Department: Finance

Information

SUBJECT:

PUBLIC HEARING: ORDINANCE NO. (O)14-____, REPEALING AND REPLACING ORO VALLEY TOWN CODE CHAPTER 13 - DEVELOPMENT FEES AND CHAPTER 15, ARTICLE 17 - WATER RATES, FEES AND CHARGES SETTING FORTH STANDARDS AND PROCEDURES FOR CREATING AND ASSESSING DEVELOPMENT IMPACT FEES CONSISTENT WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES (A.R.S.) SECTION 9-463.05

RECOMMENDATION:

There is no formal action required at this public hearing. Staff recommends that the Mayor and Council receive public input on the proposed development impact fees for parks, police, transportation, potable water system and alternative water resources. The attached revised Chapter 13 and Chapter 15 to the Town Code and Water Code, respectively, will be brought forward for a final public hearing and consideration for adoption at the April 2, 2014 regular meeting.

EXECUTIVE SUMMARY:

In order to comply with the requirements of the new impact fee legislation as prescribed in A.R.S. Section 9-463.05, the Town has hired Duncan Associates to prepare an updated impact fee study for its parks, police and transportation impact fees. The Oro Valley Water Utility has hired CH2M HILL to prepare an updated impact fee study for its potable water system and alternative water resources development impact fees. The law states that prior to the updated fees becoming effective on or before August 1, 2014, a public hearing must be held on the proposed updated impact fees. This agenda item serves as the public hearing on the updated impact fees in all categories.

In accordance with the statute, the following milestones have been completed:

- October 4, 2013 - Public reviewed drafts of both development impact fee studies posted on the Town's website
- December 4, 2013 - Public hearing held on land use assumptions and infrastructure improvement plans (IIPs) included in both studies
- January 15, 2014 - Town Council approved Resolution No. (R) 14-07, adopting the 2013-2023 land use assumptions and IIPs dated October 4, 2013
- January 15, 2014 - Town Council approved Resolution No. (R) 14-01, notice of intent to increase development impact fees

Staff will be seeking Town Council approval of the updated impact fees at its April 2, 2014, regular meeting. Once adopted, these fees will become effective on July 1, 2014.

BACKGROUND OR DETAILED INFORMATION:

In order to capture the new standards and procedures for assessing and administering development impact fees consistent with the requirements of the impact fee legislation, the Arizona League of Cities and Towns developed model ordinance language for jurisdictions to adopt in order to ensure consistency among communities who are updating their fees.

It is recommended that the current Town Code, Chapter 13 - Development Fees be repealed and replaced with this model ordinance language that has been modified for the Town's requirements. Similarly, it is also recommended that Town Code (Water Code) Chapter 15, Article 17 - Water Rates, Fees and Charges be repealed and replaced with the new impact fees for the potable water system and alternative water resources. The draft ordinances and draft revised Town Code, Chapters 13 and 15, Article 7 are attached to this communication and will be brought back to Town Council for consideration of adoption on April 2, 2014.

FISCAL IMPACT:

Based on the Duncan Associates study, the combined total of the three non-utility impact fees would be approximately 12% higher for residential uses, approximately 19% lower for most retail/commercial uses, and 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 study compares the Town's current impact fees to the proposed updated fees for parks, police and transportation.

Based on the CH2M HILL study, the combined Water Utility development impact fees for the potable water system and alternative water resources would be 20% lower for residential customer classes, 13% lower for the commercial customer class and 17% higher for irrigation uses. Table 4-5 on page 4-5 of the CH2M HILL study compares the Town's current water utility impact fees to the proposed updated water utility fees.

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

SUGGESTED MOTION:

N/A

Attachments

- (O)14 - Chap 13 Revisions
 - Town Code Chap. 13 Revised
 - Duncan Assoc Impact Fee Study
 - CH2M HILL Impact Fee Study
 - Ordinance Chap 15 Art 17 Revisions
 - Town Code Ch. 15, Art. 17 Revised
-

ORDINANCE NO. (O) 14-_____

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AMENDING THE ORO VALLEY TOWN CODE CHAPTER 13, DEVELOPMENT FEES BY REPEALING CHAPTER 13 IN ITS ENTIRETY AND REPLACING IT WITH A NEW CHAPTER 13 AS PROVIDED IN EXHIBIT “A”, AND REPEALING ALL RESOLUTIONS, ORDINANCES, AND RULES OF THE TOWN OF ORO VALLEY IN CONFLICT THEREWITH

WHEREAS, pursuant to A.R.S. § 9-463.05 the Town has the requisite statutory authority to assess development fees to offset costs to the municipality associated with providing necessary public services to a development; and

WHEREAS, the Arizona State Legislature made sweeping changes to ARS § 9-463.05 forcing all Arizona municipalities to revamp their Development Impact Fees in compliance with those changes; and

WHEREAS, on January 15, 2014 the Town approved Resolution (R) 14-01, providing notice of intent to increase certain development impact fees in the areas of parks and recreation, police, transportation, potable water system and alternative water resources; and

WHEREAS, on October 4, 2013 the Town released reports outlining the method by which these development impact fees were calculated, (See Exhibit “B”); and

WHEREAS, on December 4, 2013 and February 19, 2014 the Town held public hearings on each of the proposed land use assumptions, infrastructure improvement plans and development impact fees for each proposed development impact fee category; and

WHEREAS, no less than thirty (30) days have passed since the time of the public hearings on the proposed fees and infrastructure improvement plans; and

WHEREAS, the Mayor and Council have determined that it is in the best interest of the Town to amend the Town’s development impact fees to conform to the changes made by the Arizona Legislature.

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

SECTION 1. Repealing the existing Oro Valley Town Code Chapter 13, Development Fees and replacing it with a new Oro Valley Town Code Chapter 13, Development Fees as provided in Exhibit “A”, and repealing all resolutions, ordinances, and rules of the Town of Oro Valley in conflict therewith.

SECTION 2. This Ordinance shall become effective on July 1, 2014.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, this __ day of _____, 2014

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Sidles, Legal Services Director

Date: _____

Date: _____

EXHIBIT “A”

EXHIBIT “B”

Chapter 13 –DEVELOPMENT FEES

13-1.	Title
13-2.	Legislative Intent and Purpose
13-3.	Definitions
13-4.	Applicability
13-5.	Authority and Requirements
13-6.	Administration
13-7.	Land Use Assumptions
13-8.	Infrastructure Improvements Plan
13-9.	Adoption Procedures
13-10.	Timing for Updates
13-11.	Collection of Fees
13-12.	Credits
13-13.	Appeals
13-14.	Refunds
13-15.	Oversight of Program
13-16.	Fee Schedule

13-1: Title.

This chapter shall be known as the “Oro Valley Development Fee Ordinance,” and will be referred to in this chapter as “this chapter.”

13-2: Legislative Intent and Purpose.

This chapter is adopted for the purpose of promoting the health, safety and general welfare of the residents of Oro Valley by:

- A. Requiring new development to pay its proportionate share of the costs incurred by the Town that are associated with providing Necessary Public Services to new development;
- B. Setting forth standards and procedures for creating and assessing development fees consistent with the requirements of Arizona Revised Statutes (“A.R.S.”) § 9-463.05, including requirements pursuant to A.R.S. § 9-463.05, Subsection K, that on or before August 1, 2014, the Town replace its development fees that were adopted prior to January 1, 2012 with development fees adopted pursuant to the requirements of A.R.S. § 9-463.05 as amended by the state legislature in SB 1525, Fiftieth Legislature, First Regular Session;
- C. Setting forth procedures for administering the development fee program, including Offsets, Credits, and refunds of development fees. All development fee assessments, Offsets, Credits, or refunds must be administered in accordance with the provisions of this Chapter.

This Chapter shall not affect the Town's zoning authority or its authority to adopt or amend its General Plan, provided that planning and zoning activities by the Town may require amendments to development fees as provided in Section 13-7 of this Chapter.

13-3: Definitions.

When used in this Chapter, the terms listed below shall have the following meanings unless the context requires otherwise. Singular terms shall include their plural.

Applicant: A person who applies to the Town for a Building Permit or a Credit.

Appurtenance: Any fixed machinery or equipment, structure or other fixture, including integrated hardware, software or other components, associated with a Capital Facility that is necessary or convenient to the operation, use, or maintenance of a Capital Facility.

Aquatic Center: A facility primarily designed to host non-recreational competitive functions generally occurring within water, including, but not limited to, water polo games, swimming meets and diving events. Such facility may be indoors, outdoors, or any combination thereof, and includes all necessary supporting amenities, including but not limited to, locker rooms, offices, snack bars, bleacher seating and shade structures.

Building Permit: The permit required for construction as determined pursuant to Article 6-1 (Building Code) of the Oro Valley Town Code. For purposes of this chapter only, the term "building permit" shall include the approval of the site plan for a Mobile Home Park, the purchase of a new water meter, or the purchase of a larger water meter to replace an existing water meter.

Capital Facility: An asset having a Useful Life of three or more years that is a component of one or more Categories of Necessary Public Service provided by the Town. A Capital Facility may include any associated purchase of real property, architectural and engineering services leading to the design and construction of buildings and facilities, improvements to existing facilities, improvements to or expansions of existing facilities and associated financing and professional services.

Category of Necessary Public Service: A specific type of Necessary Public Services for which the Town is authorized to assess development fees pursuant to A.R.S. § 9-463.05.T.5.

Category of Development: A specific type of residential, commercial, irrigation or industrial development against which a development fee is calculated and assessed. The Town assesses development fees against the following types of development within each of the three broader categories of development: (i) for residential development, Single-Family Detached, Multi-Family and Mobile Home Park; (ii) for commercial development, Retail/Commercial, Hotel/Motel, Office and Public/Institutional; (iii) for irrigation, Irrigation and (iv) for industrial, Industrial and Warehouse.

Credit: A reduction in an assessed development fee resulting from Developer contributions to, payments for, construction of, or dedications for Capital Facilities included in

an Infrastructure Improvements Plan pursuant to Section 13-12 of this Chapter (or as otherwise permitted by this Chapter).

Credit Agreement: A written agreement between the Town and the Developer(s) of a Subject Development that allocates Credits to the Subject Development pursuant to Section 13-12 of this Chapter.

Credit Allocation: A term used to describe when Credits are distributed to a particular development or parcel of land after execution of a Credit Agreement, but are not yet issued.

Credit Issuance: A term used to describe when the amount of an assessed development fee attributable to a particular development or parcel of land is reduced by applying a Credit allocation.

Developer: An individual, group of individuals, partnership, corporation, limited liability company, association, municipal corporation, state agency, or other person or entity undertaking land development activity, and their respective successors and assigns.

Direct Benefit: A benefit to a development resulting from a Capital Facility that: (a) addresses the need for a Necessary Public Service created in whole or in part by the development; and that (b) meets either of the following criteria: (i) the Capital Facility is located in the immediate area of the development and is needed in the immediate area of the development to maintain the Level of Service; or (ii) the Capital Facility substitutes for, or eliminates the need for a Capital Facility that would have otherwise have been needed in the immediate area of the development to maintain the Town's Level of Service.

Dwelling Unit: One or more rooms in a building designed or intended to be used for occupancy by one family, with living, sleeping and food preparation facilities, excluding hotel or motel rooms or suites.

Equipment: Machinery, tools, materials, and other supplies, not including vehicles, that are needed by a Capital Facility to provide the applicable service.

Excluded Park Facility: Park and recreational improvements for which development fees may not be charged pursuant to A.R.S. § 9-463.05.T.7.(g), including amusement parks, aquariums, Aquatic Centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than 3,000 square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, or zoo facilities.

Financing or Debt: Any debt, bond, note, loan, interfund loan, fund transfer, or other debt service obligation used to finance the development or expansion of a Capital Facility or associated Appurtenances, Vehicles or Equipment.

General Plan: Refers to the overall land-use plan for the Town establishing areas of the Town for different purposes, zones and activities adopted by the Town as may be amended from time to time.

Gross Floor Area: The sum of the gross horizontal areas of each story of a building measured from the exterior faces of the exterior walls or from the center line of walls separating two buildings or different uses, including attic space with headroom of seven feet or greater and served by a permanent, fixed stair, but not including enclosed off-street parking or loading areas. Gross Floor Area shall also include areas of buildings within the horizontal projection of the roof or floor above, which do not have surrounding exterior walls but exceed three feet in horizontal dimension.

Gross Development Fee: The total development fee to be assessed on a per unit basis, prior to subtraction of any Credits.

Hotel/Motel: Establishments offering temporary lodging in rooms or suites for less than one (1) month or thirty (30) days.

Industrial: Establishments primarily engaged in the fabrication, assembly or processing of goods.

Infrastructure Improvements Plan: A document or series of documents that meet the requirements set forth in A.R.S. § 9-463.05, including those adopted pursuant to Section 13-9 of this Chapter to cover any Category or combination of Categories of Necessary Public Services.

Interim Fee Schedule: Any development fee schedule established prior to January 1, 2012 in accordance with then-applicable law, and which shall expire not later than August 1, 2014 pursuant to Section 13-11 of this Chapter.

Irrigation: Outdoor use of water with a separate water meter for landscaping of property for, but not limited to, commercial, homeowners associations, parks, schools and/or golf courses.

Land Use Assumptions: Projections of changes in land uses, densities, intensities and population for a Service Area over a period of at least ten years as specified in Section 13-7 of this Chapter.

Level of Service: A quantitative and/or qualitative measure of a Necessary Public Service that is to be provided by the Town to development in a particular Service Area, defined in terms of the relationship between service capacity and service demand, accessibility, response times, comfort or convenience of use, or other similar measures or combinations of measures. Level of Service may be measured differently for different Categories of Necessary Public Services, as identified in the applicable Infrastructure Improvements Plan.

Lot: As defined in Chapter 31 of the Oro Valley Town Code.

Multi-Family: A building or buildings containing multiple dwelling units.

Necessary Public Services: Shall have the meaning prescribed in A.R.S. § 9-463.05, Subsection T, Paragraph 7.

Non-Residential: All land uses, except Single-Family Detached and Multi-Family.

Office: A building not located in a shopping center and exclusively containing establishments providing executive, management, administrative or professional services. An office use may include ancillary services for office workers, such as a restaurant, coffee shop, newspaper or candy stand, or child care facilities. Ground floor retail uses may also be included, but that space shall be assessed at the retail/commercial rate. Typical uses include real estate, insurance, property management, investment, employment, travel, advertising, secretarial, data processing, telephone answering, telephone marketing, music, radio and television recording and broadcasting studios; banks excluding drive-through only facilities; professional or consulting services in the fields of law, architecture, design, engineering, accounting and similar professions; interior decorating consulting services; medical and dental offices and clinics, including veterinarian clinics and kennels; and business offices of private companies, utility companies, trade associations, unions and nonprofit organizations.

Offset: An amount that is subtracted from the overall costs of providing Necessary Public Services to account for those Capital Facilities or associated debt that will be paid for by a development through taxes, fees (except for development fees), and other revenue sources, as determined by the Town pursuant to Section 13-8 of this Chapter.

Park Facilities: A Category of Necessary Public Services including but not limited to parks, Swimming Pools and related facilities and Equipment located on real property not larger than 30 acres in area, as well as park facilities larger than 30 acres where such facilities provide a Direct Benefit. Park Facilities do not include Excluded Park Facilities, although Park Facilities may contain, provide access to, or otherwise support an Excluded Park Facility.

Plan-Based Cost per Service Unit: The total future capital costs identified in the Infrastructure Improvements Plan for a Category of Necessary Public Services as attributable to new development over a specified time period divided by the total new Service Units projected in a particular Service Area for that Category of Necessary Public Services over the same time period, less the Offset per Service Unit.

Police Facilities: A Category of Necessary Public Services, including Vehicles and Equipment, that are used by law enforcement agencies to preserve the public peace, prevent crime, detect and arrest criminal offenders, protect the rights of persons and property, regulate and control motorized and pedestrian traffic, train sworn personnel, and/or provide and maintain police records, vehicles, equipment and communications systems. Police Facilities do not include Vehicles and Equipment used to provide administrative services, or helicopters or airplanes. Police Facilities do not include any facility that is used for training officers from more than one station or substation.

Qualified Professional: Any one of the following: (a) a professional engineer, surveyor, financial analyst or planner, or other licensed professional providing services within the scope of that person's education or experience related to city planning, zoning, or development fees and holding a license issued by an agency or political subdivision of the State of Arizona; (b) a financial analyst, planner, or other non-licensed professional who is providing services within the scope of the person's education or experience related to city planning, zoning, or development fees; or (c) any other person operating under the supervision of one or more of the above.

Residential Land Use: A Single-Family Detached, Multi-Family or Mobile Home development.

Retail/Commercial: An establishment engaged in the selling or rental of goods, services or entertainment to the general public. Such uses include, but are not limited to, shopping centers, discount stores, supermarkets, home improvement stores, pharmacies, restaurants, bars, nightclubs, automobile sales and service, drive-through banks, movie theaters, amusement arcades, bowling alleys, barber shops, laundromats, funeral homes, private vocational or technical schools, dance studios, health clubs and banquet halls.

Service Area: Any specified area within the boundaries of the Town within which: (a) the Town will provide a Category of Necessary Public Services to development at a planned Level of Service; and (b) within which (i) a Substantial Nexus exists between the Capital Facilities to be provided and the development to be served, or (ii) in the case of a Park Facility larger than 30 acres, a Direct Benefit exists between the Park Facilities and the development to be served, each as prescribed in the Infrastructure Improvements Plan. Some or all of the Capital Facilities providing service to a Service Area may be physically located outside of that Service Area provided that the required Substantial Nexus or Direct Benefit is demonstrated to exist. The water service area may include areas within or outside of Town boundaries.

Service Unit: A unit of demand within a particular Category of Necessary Public Services, defined in terms of a standardized measure of the demand that a unit of development in a Category of Development generates for Necessary Public Services. For water service the service unit is the 5/8-inch water meter size. For larger water meter sizes the total number of service units is based upon the AWWA capacity ratio.

Single-Family Detached: A lot containing one dwelling unit that is not attached to any other dwelling unit.

Subject Development: A contiguous land area linked by a unified plan of development, in furtherance of which the developer has made a capital improvement or other contribution for which credit is requested.

Substantial Nexus: A substantial nexus exists where the demand for Necessary Public Services that will be generated by a development can be reasonably quantified in terms of the burden it will impose on the available capacity of existing Capital Facilities, the need it will create for new or expanded Capital Facilities, and/or the benefit to the development from those Capital Facilities.

Swimming Pool: A public facility primarily designed and/or utilized for recreational non-competitive functions generally occurring within water, including, but not limited to, swimming classes, open public swimming sessions and recreational league swimming/diving events. The facility may be indoors, outdoors, or any combination thereof, and includes all necessary supporting amenities.

Town: The Town of Oro Valley, Arizona.

Transportation Facilities: A Category of Necessary Public Services consisting of Town-owned arterial and major collector streets; and also includes traffic signals, rights-of-way, and improvements thereon; culverts, irrigation tiling, and storm drains serving such streets.

Useful Life: The period of time in which an asset can reasonably be expected to be used under normal conditions, whether or not the asset will continue to be owned and operated by the Town over the entirety of such period.

Vehicle: Any device, structure, or conveyance utilized for transportation in the course of providing a particular Category of Necessary Public Services, excluding helicopters and other aircraft.

Warehouse: Establishments primarily engaged in the display, storage and sale of goods to other firms for resale; activities involving movement and storage of products or equipment; or an enclosed storage facility containing independent, fully enclosed bays that are leased to persons for storage of their household goods or personal property.

Water Facilities: A Category of Necessary Public Services including but not limited to those facilities necessary to provide for water services to development, including the acquisition, supply, transportation, treatment, purification and distribution of water, and any appurtenances to those facilities.

13-4: Applicability

- A. The provisions of this Chapter shall apply to all of the territory within the corporate limits of the Town and its water service area, as follows:
 - 1. Development fees for Transportation, Parks and Police Facilities shall be assessed on all new development within the Town's corporate limits, as those may be amended from time to time.
 - 2. Development fees for Water Facilities shall be assessed for any new connection to the Town's water system or any upgrade of an existing connection to a larger meter size.
- B. The Development Infrastructure Services Director or his/her designee is authorized to make determinations regarding the application, administration and enforcement of the provisions of this Chapter, except in cases where another Town official has specifically been given such authority pursuant to this Chapter.
- C. The Water Utility Director or his/her designee is authorized to make determinations regarding the application, administration and enforcement of the provisions of this Chapter and Chapter 15- Section 17 pertaining to the water development impact fees.

13-5: Authority and Requirements

- A. *Authority.* The Town may assess and collect a development fee for costs of Necessary Public Services, including all professional services required for the preparation or revision of an Infrastructure Improvements Plan, development fee, and required reports or audits conducted pursuant to this Chapter.
- B. *Requirements.* Development fees shall be subject to the following requirements:
1. The Town shall develop and adopt a written report of the Land Use Assumptions and Infrastructure Improvements Plan that analyzes and defines the development fees that may be charged in each Service Area for each Category of Necessary Public Service.
 2. Development fees shall be assessed against all new single family residential, multi family residential, commercial, irrigation and industrial developments, provided that the Town may assess different amounts of development fees against specific Categories of Development based on the actual burdens and costs that are associated with providing Necessary Public Services to that Category of Development. No development fee shall exceed the Plan-Based Cost per Service Unit for any Category of Development.
 3. No development fees shall be charged, or Credits issued, for any Capital Facility that does not fall within one of the Categories of Necessary Public Services for which development fees may be assessed as identified in Section 13-8.A.1 of this Chapter.
 4. Costs for Necessary Public Services made necessary by new development shall be based on the same Level of Service provided to existing development in the same Service Area. Development fees may not be used to provide a higher Level of Service to existing development or to meet stricter safety, efficiency, environmental, or other regulatory standards to the extent that these are applied to existing Capital Facilities that are serving existing development.
 5. Development fees may not be used to pay the Town's administrative, maintenance, or other operating costs.
 6. Projected interest charges and financing costs can only be included in development fees to the extent they represent principal and/or interest on the portion of any Financing or Debt used to finance the construction or expansion of a Capital Facility identified in the Infrastructure Improvements Plan.
 7. Except for any fees included on Interim Fee Schedules, all development fees charged by the Town must be included in a "Fee Schedule" prepared and adopted pursuant to this Chapter.
 8. All development fees shall meet the requirements of A.R.S. § 9-463.05.

9. If the Town agrees to waive any development fees assessed on a development, the Town shall reimburse the appropriate development fee account for the amount that was waived.
10. The actual development fees to be assessed shall be disclosed and adopted in the form of development fee schedules in Appendix A to this Chapter.

13-6: Administration

- A. *Separate Accounts.* Development fees collected pursuant to this Chapter shall be placed in separate, interest-bearing accounts for each Category of Necessary Public Services within each Service Area.
- B. *Limitations on Use of Fees.* Development fees and any interest thereon collected pursuant to this Chapter shall be spent to provide Capital Facilities associated with the same Category of Necessary Public Services in the same Service Area for which they were collected, including costs of Financing or Debt used by the Town to finance such Capital Facilities and other costs authorized by this Chapter that are included in the Infrastructure Improvements Plan.
- C. *Time Limit.* Development fees collected after July 31, 2014 shall be used within ten (10) years of the date upon which they were collected for all Categories of Necessary Public Services except for Water Facilities. Development fees for Water Facilities collected after July 31, 2014 shall be used within fifteen (15) years of the date upon which they were collected.

13-7: Land Use Assumptions

The Infrastructure Improvements Plan shall be consistent with the Town's current Land Use Assumptions for each Service Area and each Category of Necessary Public Services as adopted by the Town pursuant to A.R.S. § 463.05.

- A. *Reviewing the Land Use Assumptions.* Prior to the adoption or amendment of an Infrastructure Improvements Plan, the Town shall review and evaluate the Land Use Assumptions on which the Infrastructure Improvements Plan is to be based to ensure that the Land Use Assumptions within each Service Area conform to the General Plan.
- B. *Evaluating Necessary Changes.* If the Land Use Assumptions upon which an Infrastructure Improvements Plan is based have not been updated within the last five (5) years, the Town shall evaluate the Land Use Assumptions to determine whether changes are necessary. If, after general evaluation, the Town determines that the Land Use Assumptions are still valid, the Town shall issue the notice required in Section 13-10 of this Chapter.
- C. *Required Modifications to Land Use Assumptions.* If the Town determines that changes to the Land Use Assumptions are necessary in order to adopt or amend an Infrastructure Improvements Plan, it shall make such changes as necessary to the

Land Use Assumptions prior to or in conjunction with the review and approval of the Infrastructure Improvements Plan pursuant to Section 13-9 of this Chapter.

13-8: Infrastructure Improvements Plan

A. *Infrastructure Improvements Plan Contents.* The Infrastructure Improvements Plan shall be developed by Qualified Professionals and may be based upon or incorporated within the Town's Capital Improvements Plan. The Infrastructure Improvements Plan shall:

1. Specify the Categories of Necessary Public Services for which the Town will impose a development fee.
2. Define and provide a map of one or more Service Areas within which the Town will provide each Category of Necessary Public Services for which development fees will be charged. Each Service Area must be defined in a manner that demonstrates a Substantial Nexus between the Capital Facilities to be provided in the Service Area and the Service Units to be served by those Capital Facilities. For Libraries and for Parks larger than 30 acres, each Service Area must be defined in a manner that demonstrates a Direct Benefit between the Capital Facilities and the Service Units to be served by those Capital Facilities. The Town may cover more than one category of Capital Facilities in the same Service Area provided that there is an independent Substantial Nexus or Direct Benefit, as applicable, between each Category of Necessary Public Services and the Service Units to be served.
3. Identify and describe the Land Use Assumptions upon which the Infrastructure Improvements Plan is based in each Service Area.
4. Analyze and identify the existing Level of Service provided by the Town to existing Service Units for each Category of Necessary Public Services in each Service Area.
5. Identify the Level of Service to be provided by the Town for each Category of Necessary Public Services in each Service Area based on the relevant Land Use Assumptions and any established Town standards or policies related to required Levels of Service. If the Town provides the same Category of Necessary Public Services in more than one Service Area, the Infrastructure Improvements Plan shall include a comparison of the Levels of Service to be provided in each Service Area.
6. For each Category of Necessary Public Services, analyze and identify the existing capacity of the Capital Facilities in each Service Area, the utilization of those Capital Facilities by existing Service Units and the available excess capacity of those Capital Facilities to serve new Service Units including any existing or planned commitments or agreements for the usage of such capacity.

7. Estimate the total number of existing and future Service Units within each Service Area based on the Town's Land Use Assumptions.
8. Based on the analysis in Paragraphs 3-6 above, provide a summary table or tables describing the Level of Service for each Category of Necessary Public Services by relating the required Capital Facilities to Service Units in each Service Area, and identifying the applicable Service Unit factor associated with each Category of Development.
9. For each Category of Necessary Public Services, analyze and identify the projected utilization of any available excess capacity in existing Capital Facilities, and all new or expanded Capital Facilities that will be required to provide and maintain the planned Level of Service in each Service Area as a result of the new projected Service Units in that Service Area, for a period not to exceed ten (10) years. Nothing in this Subsection shall prohibit the Town from additionally including in its Infrastructure Improvements Plan projected utilization of, or needs for, Capital Facilities for a period longer than ten (10) years, provided that the costs of such Capital Facilities are excluded from the calculation of the Plan-Based Cost per Service Unit.
10. For each Category of Necessary Public Services, estimate the total cost of any available excess capacity and/or new or expanded Capital Facilities that will be required to serve new Service Units, including costs of land acquisition, improvements, engineering and architectural services, studies leading to design, design, construction, financing, and administrative costs. Such total costs shall not include costs for ongoing operation and maintenance of Capital Facilities, nor for replacement of Capital Facilities to the extent that such replacement is necessary to serve existing Service Units. If the Infrastructure Improvements Plan includes changes or upgrades to existing Capital Facilities that will be needed to achieve or maintain the planned Level of Service to existing Service Units, or to meet new regulatory requirements for services provided to existing Service Units, such costs shall be identified and distinguished in the Infrastructure Improvements Plan.
11. Forecast the revenues from taxes, fees, assessments or other sources that will be available to fund the new or expanded Capital Facilities identified in the Infrastructure Improvements Plan, 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.
12. Calculate required Offsets as follows:

- (a) Identify those sources of revenue that: (i) are attributable to new development, and (ii) will contribute to paying for the capital costs of Necessary Public Services.
- (b) For each source of revenue identified pursuant to paragraph (a) of this Subsection, calculate the relative contribution of new development paying for the capital costs of Necessary Public Services in each Service Area.
- (c) Based on the relative contributions identified pursuant to paragraph (b) of this Subsection, for each Category of Necessary Public Services, calculate the total Offset per Service Unit to be provided in each Service Area.
- (d) Beginning August 1, 2014, for purposes of calculating the required Offset, if the Town imposes a construction, contracting, or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate that is imposed on the majority of other transaction privilege tax classifications in the Town, 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 new development unless the excess portion is already utilized for such purpose pursuant to this Section.

13. Calculate the Plan-Based Cost per Service Unit by:

- (a) Dividing the total projected costs to provide Capital Facilities to new Service Units for each Category of Necessary Public Services in each Service Area as determined pursuant to Subsections 1 through 11 of this Section by the total number of new Service Units projected for that Service Area over a period not to exceed ten (10) years for each Category of Necessary Public Services.
- (b) Subtracting the required Offset per Service Unit calculated pursuant to Subsection 13 of this Section.

B. *Multiple Plans.* An Infrastructure Improvements Plan adopted pursuant to this Subsection may address one or more of the Town's Categories of Necessary Public Services in any or all of the Town's Service Areas. Each Capital Facility shall be subject to no more than one Infrastructure Improvements Plan at any given time.

C. *Reserved Capacity.* The Town may reserve capacity in an Infrastructure Improvements Plan to serve one or more planned future developments. All reservations of existing capacity must be disclosed in the Infrastructure Improvements Plan at the time it is adopted.

13-9: Adoption Procedures

- A. *Adopting or Amending the Infrastructure Improvements Plan.* The Infrastructure Improvements Plan shall be adopted or amended subject to the following procedures:
1. *Major Amendments to the Infrastructure Improvements Plan.* Except as provided in paragraph 2 of this Subsection, the adoption or amendment of an Infrastructure Improvements Plan shall occur at one or more public hearings according to the following schedule, and may occur concurrently with the adoption of an update of the Town's Land Use Assumptions as provided in Section 13-7 of this Chapter:
 - (a) Sixty days before the first public hearing regarding a new or updated Infrastructure Improvements Plan, the Town shall provide public notice of the hearing and post the Infrastructure Improvements Plan and the underlying Land Use Assumptions on its website; the Town shall additionally make available to the public the documents used to prepare the Infrastructure Improvements Plan and underlying Land Use Assumptions and the amount of any proposed changes to the Plan-Based Cost per Service Unit.
 - (b) The Town shall conduct a public hearing on the Infrastructure Improvements Plan and underlying Land Use Assumptions.
 - (c) The Town shall approve or disapprove the Infrastructure Improvements Plan within 60 days, but no sooner than 30 days, after the public hearing. If the document was amended as a result of the public hearing, the revised Infrastructure Improvements Plan shall be posted on the Town's public website at least 15 days prior to the meeting.
 2. *Minor Amendments to the Infrastructure Improvements Plan.* Notwithstanding the other requirements of this Section, the Town may update the Infrastructure Improvements Plan and/or its underlying Land Use Assumptions without a public hearing if all of the following apply:
 - (a) The changes in the Infrastructure Improvements Plan and/or the underlying Land Use Assumptions will not add any new Category of Necessary Public Services to any Service Area.
 - (b) The changes in the Infrastructure Improvements Plan and/or the underlying Land Use Assumptions will not increase the Level of Service to be provided in any Service Area.

- (c) Based on a written analysis, the changes in the Infrastructure Improvements Plan and/or the underlying Land Use Assumptions would not, individually or cumulatively with other amendments undertaken pursuant to this Subsection, have caused a development fee in any Service Area to have been increased by more than five (5) per cent above the development fee that is provided in the current development fee schedule.
- (d) At least 30 days prior to the date that the any amendment pursuant to this Section is adopted, the Town shall post the proposed amendments on the Town website.

B. *Adopting or Amending the Fees.* Any adoption or amendment of a fee schedule shall occur at one or more public hearings according to the following schedule:

1. The first public hearing on the fee schedule must be held at least 30 days after the adoption or approval of the Infrastructure Improvements Plan as provided in Subsection A of this Section. The Town must give at least 30 days' notice prior to the hearing, provided that this notice may be given on the same day as the approval or disapproval of the Infrastructure Improvements Plan.
2. The Town shall make the fee schedule available to the public on the Town's website 30 days prior to the public hearing described in Paragraph 1 of this Subsection.
3. The fee schedule may be adopted by the Town no sooner than 30 days, and no later than 60 days, after the hearing described in Paragraph 1 of this Subsection. If the fee schedule was amended as a result of the public hearing, the revised fee schedule shall be posted on the Town's public website at least 15 days prior to the meeting.
4. The development fee schedule adopted pursuant to this Subsection shall become effective no earlier than 75 days after adoption of the fee schedule by the Town.

13-10: Timing for Updates

- A. *Updating the Infrastructure Improvements Plan.* Except as provided in Subsection B of this Section, not later than every five (5) years the Town shall update the applicable Infrastructure Improvements Plan related to each Category of Necessary Public Services pursuant to Section 13-9 of this Chapter. Such five-year period shall be calculated from the date of the adoption of the Infrastructure Improvements Plan.

- B. *Determination of No Changes.* Notwithstanding Subsection A of this Section, if the Town determines that no changes to an Infrastructure Improvements Plan, underlying Land Use Assumptions, or fee schedules are needed, the Town may elect to continue the existing Infrastructure Improvements Plan without amendment by providing notice as follows:
 - 1. Notice of the determination shall be published at least 180 days prior to the end of the five-year period described in Subsection A of this Section.
 - 2. The notice shall identify the Infrastructure Improvements Plan and fee schedule that shall continue in force without amendment.
 - 3. The notice shall provide a map and description of the Service Area(s) covered by such Infrastructure Improvements Plan and fee schedule.
 - 4. The notice shall identify an address to which any resident of the Town may submit, within 60 days, a written request that the Town update the Infrastructure Improvements Plan, underlying Land Use Assumptions, and/or fee schedule and the reasons and basis for the request.

- C. *Response to Comments.* The Town shall consider and respond within 30 days to any timely requests submitted pursuant to Paragraph 4 of Subsection B of this Section.

13-11: Collection of Fees

- A. *Collection.* Development fees, together with any administrative charges assessed to defray the costs of administering this Chapter, shall be calculated and collected at issuance of permission to commence development; specifically:
 - 1. Development fees shall be paid no sooner than the time of issuance of a Building Permit but prior to the issuance of a Certificate of Occupancy according to the current development fee schedule for the applicable Service Area(s) as adopted pursuant to this Chapter, or according to any other applicable development fee schedule as authorized in this Chapter. All water development impact fees will be collected after the issuance of a Building Permit and/or at the time a water meter is purchased.

- (a) The Town shall determine the amount of each required development fee through the use of the applicable fee schedule.
 - (b) The Town shall determine the Category of Development for each development based on overall, long-term impact of the development. In general, impact fees shall be assessed based on the principal use of a building or lot. For example, a warehouse that contains an administrative office would be assessed at the warehouse rate for all of the square footage. Shopping centers shall be assessed at the retail/commercial rate, regardless of the type of tenants. For a true mixed-use development, such as one that includes both residential and nonresidential development, the fee shall be determined by adding up the fees that would be payable for each use as if it was a free-standing land use type pursuant to the fee schedule. For uses that cannot readily be designated under a particular Category of Development, the Development & Infrastructure Services Director or designee shall determine the category the particular use will be assigned based on which category has a daily trip generation rate most similar to the proposed use. Determinations of the Category of Development may be appealed to the Town Manager or his/her designee.
 - (c) The Town shall determine the water meter size for each lot based on the actual meter size installed on each lot. If the exact meter size is not listed in a table, then the Town shall use the next largest meter size in such table. If a lot consists of two (2) or more separate areas with separate meters in each separate area, then the development fee shall be determined by adding up all the fees that would be applicable for each meter size in each separate area.
 - (d) In assessing the development fees for Non-Residential land use types, square footage shall be measured in terms of Gross Floor Area, and any determination of square footage shall be in whole units, with any fractions thereof being rounded up to the next square foot.
 - (e) Development fees for development projects involving an addition to or remodeling of an existing facility, change of use, change of housing type, change of meter size or other modification or redevelopment of a previously developed lot or building with a valid certificate of occupancy shall be calculated as follows: only the new portion of development for the current project will be subject to the current development fee schedule.
2. If a Building Permit is not required for the development, but water connections are required, any and all development fees due shall be paid at the time the water meter (service connection) is purchased. If no Building

Permit or water connection is required, all development fees shall be paid prior to development approval.

3. In determining the amount of fees required for land included in a community facilities district established under A.R.S. Title 48, Chapter 4, Article 6, the Town shall take into account any Capital Facilities provided by the district that are included in the Infrastructure Improvements Plan and the capital costs paid by the district for such Capital Facilities, and shall reduce development fees assessed within the community facilities district proportionally.
4. No certificate of occupancy shall be issued if a development fee is not paid as directed in the previous paragraphs.
5. If the Building Permit is for a change in the type of building use, an increase in square footage, a change to land use, or an additional or upgraded point of demand to the water system, the development fee shall be assessed on the additional service units resulting from the expansion or change, and following the development fee schedule applicable to any new use type.
6. For issued permits that expire or are voided, development fees and administrative charges shall be as follows:
 - (a) If the original permittee is seeking to renew an expired or voided permit, and the development fees paid for such development have not been refunded, then the permittee shall pay the difference between any development fees paid at the time the permit was issued and those in the fee schedule at the time the permit is reissued or renewed.
 - (b) If a new or renewed permit for the same development is being sought by someone other than the original permittee, the new permit Applicant shall pay the full development fees specified in the fee schedule in effect at the time that the permits are reissued or renewed. If the original permittee has assigned its rights under the permits to the new permit Applicant, the new permit Applicant shall pay development fees as if it were the original permittee.

B. *Exceptions.* Development fees shall not be owed under any of the following conditions.

1. Development fees have been paid for the development and the permit(s) which triggered the collection of the development fees have not expired or been voided.
2. The approval(s) that trigger the collection of development fees involve modifications to existing development that do not: (a) add new Service

Units, (b) increase the impact of existing Service Units on existing or future Capital Facilities, or (c) change the land-use type of the existing development to a different Category of Development for which a higher development fee would have been due. To the extent that any modification does not meet the requirements of this paragraph, the development fee due shall be the difference between the development fee that was or would have been due on the existing development and the development fee that is due on the development as modified.

3. Notwithstanding any other law, a city or town shall not assess or collect any fees or costs from a school district or charter school for fees pursuant to A.R.S. Section 9-463.05. This prohibition does not include fees assessed or collected for streets and water and sewer utility functions pursuant to A.R.S. Section 9-500.18.
4. Temporary structures for which an administrative use permit is secured for use as a sales office and not for residential or other purposes and intended to be removed within the two-year period granted under the use permit shall be exempt from development fees. This exemption shall not apply where the temporary building is erected on a parcel of land upon which a permanent building with permanent facilities is to be constructed.

C. *Temporary Exemptions from Development Fee Schedules.* New developments in the Town shall be temporarily exempt from increases in development fees that result from the adoption of new or modified development fee schedules as follows:

1. *Single-Family Uses.* On or after the day that the first building permit is issued for a Single-Family development, the Town shall, at the permittee's request, provide the permittee with an applicable development fee schedule that shall be in force for a period of 24 months beginning on the day that the first building permit is issued, and which shall expire at the end of the first business day of the 25th month thereafter. During the effective period of the applicable development fee schedule, any building permit issued for the same Single-Family development shall not be subject to any new or modified development fee schedule, provided that if the Town reduces the amount of an applicable development fee during the period that a grandfathered development fee schedule is in force, the Town shall assess the lower development fee.
2. *Non-Residential and Multi-Family Uses.* On or after the day that the final approval is issued for a Non-Residential or Multi-Family development, the Town shall provide an applicable development fee schedule that shall be in force for a period of 24 months beginning on the day that final development approval of a site plan or final subdivision plat is given, and which shall expire at the end of the first business day of the 25th month thereafter. For the purpose of this paragraph, final approval shall mean the approval of a site plan or, if no site plan is submitted for the development,

the approval of a final subdivision plat. During the effective period of the applicable development fee schedule, any building permit issued for the same development shall not be subject to any new or modified development fee schedule, provided that if the Town reduces the amount of an applicable development fee during the period that a grandfathered development fee schedule is in force, the Town shall assess the lower development fee.

3. *Other Development.* Any development not covered under paragraphs 1 and 2 of this Subsection shall pay development fees according to the fee schedule that is current at the time of collection as specified in Subsection A of this Section.
4. *Changes to Site Plans and Subdivision Plats.* Notwithstanding the other requirements of this Subsection, if changes are made to a development's final site plan or subdivision plat that will increase the number of service units after the issuance of a grandfathered development fee schedule, the Town may assess any new or modified development fees against the additional service units.

13-12: Credits

- A. *Eligibility of Capital Facility.* All development fee Credits must meet the following requirements:
 1. One of the following is true:
 - (a) The Capital Facility or the financial contribution toward a Capital Facility that will be provided by the Developer and for which a Credit will be issued must be identified in an adopted Infrastructure Improvements Plan as a Capital Facility for which a development fee was assessed; or
 - (b) The Applicant must demonstrate to the satisfaction of the Town that, given the class and type of improvement, the subject Capital Facility should have been included in the Infrastructure Improvements Plan in lieu of a different Capital Facility that was included in the Infrastructure Improvements Plan and for which a development fee was assessed. If the subject Capital Facility is determined to be eligible for a Credit in this manner, the Town shall amend the Infrastructure Improvements Plan to (i) include the subject replacement facility and (ii) delete the facility that will be replaced.
 2. Credits shall not be available for any Capital Facility provided by a Developer if the cost of such Capital Facility will be repaid to the Developer by the Town through another agreement or mechanism. To the extent that the Developer will be paid or reimbursed by the Town for any

contribution, payment, construction, or dedication from any Town funding source, any Credits claimed by the Developer shall be: (a) deducted from any amounts to be paid or reimbursed by the Town; or (b) reduced by the amount of such payment or reimbursement.

- B. *Eligibility of Subject Development.* To be eligible for a Credit, the Subject Development must be located within the Service Area of the eligible Capital Facility.
- C. *Calculation of Credits.* Credits will be based on that portion of the costs for an eligible Capital Facility identified in the adopted Infrastructure Improvements Plan for which a development fee was assessed. If the Gross Development Fee for a particular Category of Necessary Public Service is adopted at an amount lower than the Plan-Based Cost per Service Unit, the amount of any Credit shall be reduced in proportion to the difference between the Plan-Based Cost per Service Unit and the Gross Development Fee adopted. A Credit shall not exceed the actual costs the Applicant incurred in providing the eligible Capital Facility, nor shall it exceed the amount of the applicable development fee for the Subject Development.
- D. *Allocation of Credits.* Before any Credit can be issued to a Subject Development (or portion thereof), the Credit must be allocated to that development as follows:
 - 1. The Developer and the Town must execute a Credit Agreement including all of the following:
 - (a) The total amount of the Credits resulting from provision of an eligible Capital Facility.
 - (b) The estimated number of Service Units to be served within the Subject Development.
 - (c) The method by which the Credit values will be distributed within the Subject Development.
 - 2. It is the responsibility of the Developer to request allocation of development fee Credits through an application for a Credit Agreement.
 - 3. If a building permit is issued or a water connection is purchased, and a development fee is paid prior to execution of a Credit Agreement for the Subject Development, no Credits may be allocated retroactively to that permit or connection. Credits may be allocated to any remaining permits for the Subject Development in accordance with this Chapter.
 - 4. If the entity that provides an eligible Capital Facility sells or relinquishes a development (or portion thereof) that it owns or controls prior to execution of a Credit Agreement, Credits will only be allocated to the development

if the entity legally assigns such rights and responsibilities to its successor(s) in interest for the Subject Development.

5. If multiple entities jointly provide an eligible Capital Facility, both entities must enter into a single Credit Agreement with the Town, and any request for the allocation of Credit within the Subject Development(s) must be made jointly by the entities that provided the eligible Capital Facility.

E. *Credit Agreement.* Credits shall only be issued pursuant to a Credit Agreement executed in accordance with Subsection D of this Section. The Development & Infrastructure Services Director or authorized designee is authorized by this Chapter to enter into a Credit Agreement with the controlling entity of a Subject Development, subject to the following:

1. The Developer requesting the Credit Agreement shall provide all information requested by the Town to allow it to determine the value of the Credit to be applied.
2. An application for a Credit Agreement shall be submitted to the Town by the Developer within one year of the date on which ownership or control of the Capital Facility passes to the Town.
3. The Developer shall submit a draft Credit Agreement to the Development & Infrastructure Services Director or authorized designee(s) for review in the form provided to the Applicant by the Town. The draft Credit Agreement shall include, at a minimum, all of the following information and supporting documentation:
 - (a) A legal description and map depicting the location of the Subject Development for which Credit is being applied. The map shall depict the location of the Capital Facilities that have been or will be provided.
 - (b) An estimate of the total Service Units that will be developed within the Subject Development depicted on the map and described in the legal description.
 - (c) A list of the Capital Facilities, associated physical attributes and the related costs as stated in the Infrastructure Improvements Plan.
 - (d) Documentation showing the date(s) of acceptance by the Town, if the Capital Facilities have already been provided.
 - (e) The total amount of Credit to be applied within the Subject Development and the calculations leading to the total amount of Credit.

- (f) The Credit amount to be applied to each Service Unit within the Subject Development for each Category of Necessary Public Services.
4. The applicant shall pay the cost incurred by the Town in making the determination. The Town as a condition of proceeding with the application will require a deposit of the reasonably estimated cost. The Town's determination of the Credit to be allocated is final.
 5. Upon execution of the Credit Agreement by the Town and the Applicant, Credits shall be deemed allocated to the Subject Development.
 6. Any amendment to a previously approved Credit Agreement must be initiated within two (2) years of the Town's final acceptance of the eligible Capital Facility for which the amendment is requested.
 7. Development credits must be used within ten (10) years from the date of Credit Agreement.
- F. *Issuance of Credits.* Credits allocated pursuant to Subsection D of this Section may be issued and applied toward the Gross Development Fees due from a development, subject to the following conditions:
1. Credits issued for an eligible Capital Facility may only be applied to the development fee due for the applicable Category of Necessary Public Services, and may not be applied to any fee due for another Category of Necessary Public Services.
 2. Credits shall only be issued when the eligible Capital Facility from which the Credits were derived has been accepted by the Town.
 3. Where Credits have been issued pursuant to paragraph 2 of this Subsection, a development fee due at the time a building permit is issued shall be reduced by the Credit amount stated in or calculated from the executed Credit Agreement. Where Credits have not yet been issued, the Gross Development Fee shall be paid in full.
 4. Credits, once issued, may not be rescinded or reallocated to another permit or parcel, except that Credits may be released for reuse on the same Subject Development if a building permit for which the Credits were issued has expired or been voided and is otherwise eligible for a refund under Section 13-14.A.2(a) of this Chapter.

13-13: Appeals

A development fee determination by Town staff may be appealed in accordance with the following procedures:

- A. *Limited Scope.* An appeal shall be limited to disputes regarding the calculation of the development fees for a specific development and/or permit and calculation of Service Units for the development.
- B. *Form of Appeal.* An appeal shall be initiated on such written form as the Town may prescribe and submitted to the Development & Infrastructure Services Director or designee. The Applicant shall submit a written notice of appeal with a full statement of the grounds and an appeal fee of two hundred dollars (\$200.00) or such other amount as may be fixed from time to time by ordinance adopted by the Town Council.
- C. *Action by Manager.* The Town Manager or authorized designee shall act upon the appeal within 14 calendar days of receipt of the appeal and the Applicant shall be notified of the Town Manager or authorized designee's decision in writing.
- D. *Final Decision.* The Town Manager or authorized designee's decision regarding the appeal is final.
- E. *Fees During Pendency.* Building permits may be issued during the pendency of an appeal if the Applicant (1) pays the full development fee calculated by the Town at the time the appeal is filed or (2) provides the Town with financial assurances in the form acceptable to the Town Manager or authorized designee equal to the full amount of the development fee. Upon final disposition of an appeal, the fee shall be adjusted in accordance with the decision rendered, and a refund paid if warranted. If the appeal is denied by the Town Manager or authorized designee, and the Applicant has provided the Town with financial assurances as set forth in clause (2) above, the Applicant shall deliver the full amount of the development fee to the Town within ten days of the Town Manager or designee's final decision on the appeal. If the Applicant fails to deliver the full amount of the development fees when required by this Subsection, the Town may draw upon such financial assurance instrument(s) as necessary to recover the full amount of the development fees due from the Applicant.

13-14: Refunds

- A. *Refunds.* A refund (or partial refund) will be paid to any current owner of property within the Town who submits a written request to the Town and demonstrates that:
 - 1. The permit(s) that triggered the collection of the development fee have expired or been voided prior to the commencement of the development for which the permits were issued and the development fees collected have not been expended, encumbered, or Pledged for the repayment of Financing or Debt; or

2. The owner of the subject real property or its predecessor in interest paid a development fee for the applicable Category of Necessary Public Services on or after August 1, 2014, and one of the following conditions exists:
 - (a) The Capital Facility designed to serve the subject real property has been constructed, has the capacity to serve the subject real property and any development for which there is reserved capacity and the service which was to be provided by that Capital Facility has not been provided to the subject real property from that Capital Facility or from any other Capital Facility.
 - (b) After collecting the fee to construct a Capital Facility, the Town fails to complete construction of the Capital Facility within the time period identified in the Infrastructure Improvements Plan, as it may be amended, and the corresponding service is otherwise unavailable to the subject real property from that Capital Facility or any other Capital Facility.
 - (c) For a Category of Necessary Public Services other than Water Facilities, any part of a development fee is not spent within ten (10) years of the Town's receipt of the development fee.
 - (d) Any part of a development fee for Water Facilities is not spent within fifteen (15) years of the Town's receipt of the development fee.
 - (e) The development fee was calculated and collected for the construction cost to provide all or a portion of a specific Capital Facility serving the subject real property and the actual construction costs for the Capital Facility are less than the construction costs projected in the Infrastructure Improvements Plan by a factor of 10% or more. In such event, the current owner of the subject real property shall, upon request as set forth in this Section A, be entitled to a refund for the difference between the amounts of the development fee charged for and attributable to such construction cost and the amount the development fee would have been calculated to be if the actual construction cost had been included in the Infrastructure Improvements Plan. In performing the recalculation, the Town may take into consideration actual construction costs for other improvements serving the subject real property that were included in the Infrastructure Improvements Plan for the same Category of Necessary Public Facilities. The refund contemplated by this Subsection shall relate only to the costs specific to the construction of the applicable Capital Facility and shall not include any related design, administrative, or other costs not directly incurred for construction of the Capital Facility

that are included in the development fee as permitted by A.R.S. § 9-463.05.

- B. *Earned Interest.* A refund of a development fee shall include any interest actually earned on the refunded portion of the development fee by the Town from the date of collection to the date of refund. All refunds shall be made to the record owner of the property at the time the refund is paid.
- C. *Refund to Government.* If a development fee was paid by a governmental entity, any refund shall be paid to that governmental entity.
- D. *Correction of Errors.* The Development & Infrastructure Services Director or designee is hereby authorized and directed to correct any error in the assessment and collection of development fees detected within twenty-four (24) months of the date of the payment of the development fees, including assessing additional development fee amounts or issuing a refund from the appropriate development fee fund(s).
- E. *No Refund for Change of Development.* After a development fee has been paid pursuant to this Chapter, no refund of any part of such development fee shall be made if the development for which the development fee was paid is later demolished, destroyed, or is altered, reconstructed, or reconfigured so as to reduce the size of the development, the number of units in the development, or the number of Service Units.

13-15: Oversight of Program

- A. *Annual Report.* Within 90 days of the end of each fiscal year, the Town shall file with the Town Clerk an unaudited annual report accounting for the collection and use of the fees for each service area and shall post the report on its website in accordance with A.R.S. § 9-463.05, Subsections N and O, as amended.
- B. *Biennial Audit.* In addition to the Annual Report described in Subsection A of this Section, the Town shall provide for a biennial, certified audit of the Town's Land Use Assumptions, Infrastructure Improvements Plan and development fees.
 - 1. An audit pursuant to this Subsection shall be conducted by one or more Qualified Professionals who are not employees or officials of the Town and who did not prepare the Infrastructure Improvements Plan.
 - 2. The audit shall review the collection and expenditures of development fees for each project in the plan and provide written comments describing the amount of development fees assessed, collected and spent on capital facilities.

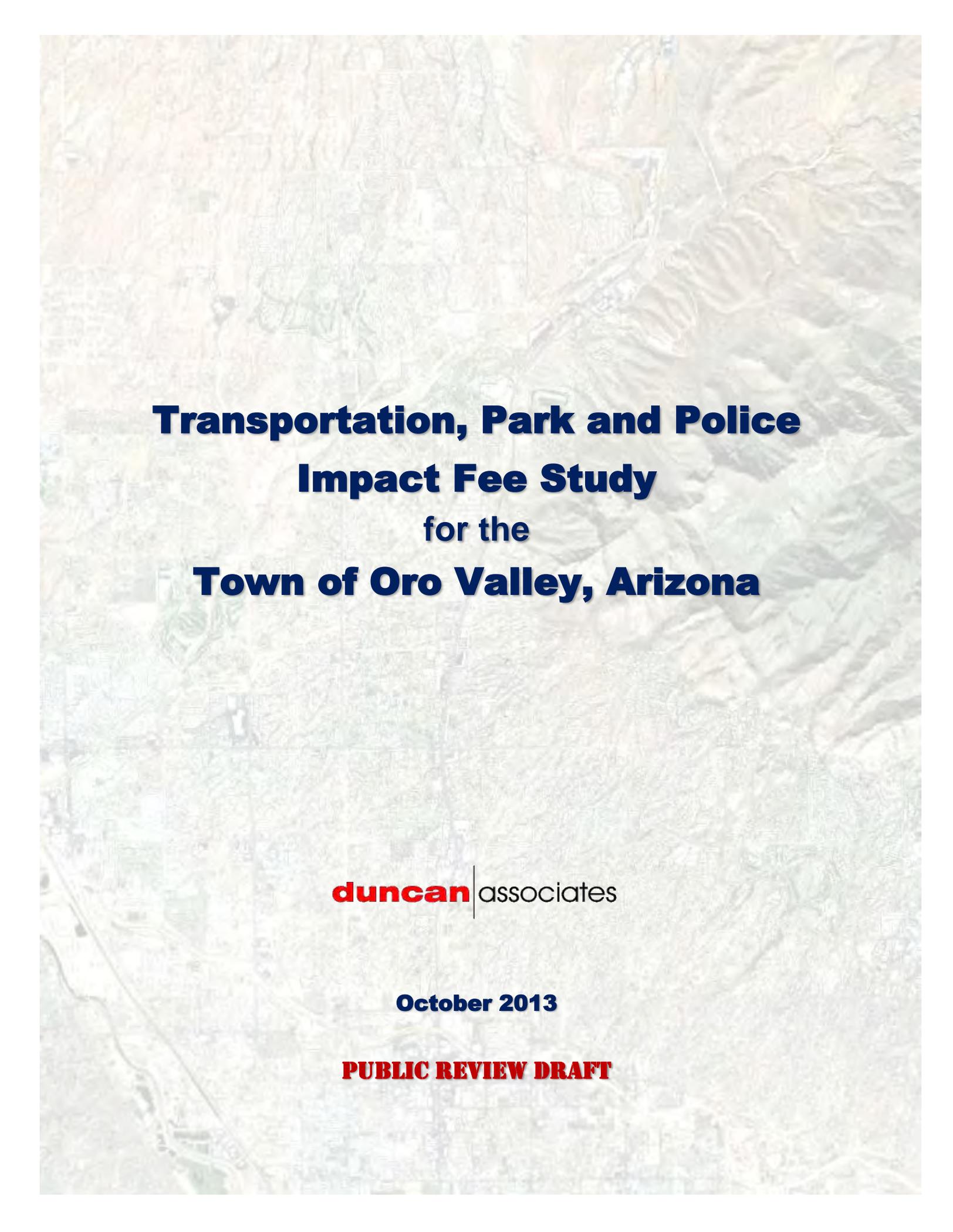
3. The audit shall describe the Level of Service in each Service Area and evaluate any inequities in implementing the Infrastructure Improvements Plan or imposing the development fee.
4. The Town shall post the findings of the audit on the Town's website and shall conduct a public hearing on the audit within 60 days of the release of the audit to the public.
5. For purposes of this Section a certified audit shall mean any audit authenticated by one or more of the Qualified Professionals conducting the audit pursuant to paragraph 1 of this Subsection.

13-16: Fee Schedule

A. Transportation, Parks and Police Development Fees

Land Use Type	Unit	Transportation	Parks	Police	Total
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

B. Water Development Fees – Refer to Town Code Chapter 15- Article 17.



**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

Stacey Lemos, Finance Director, Project Manager

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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.

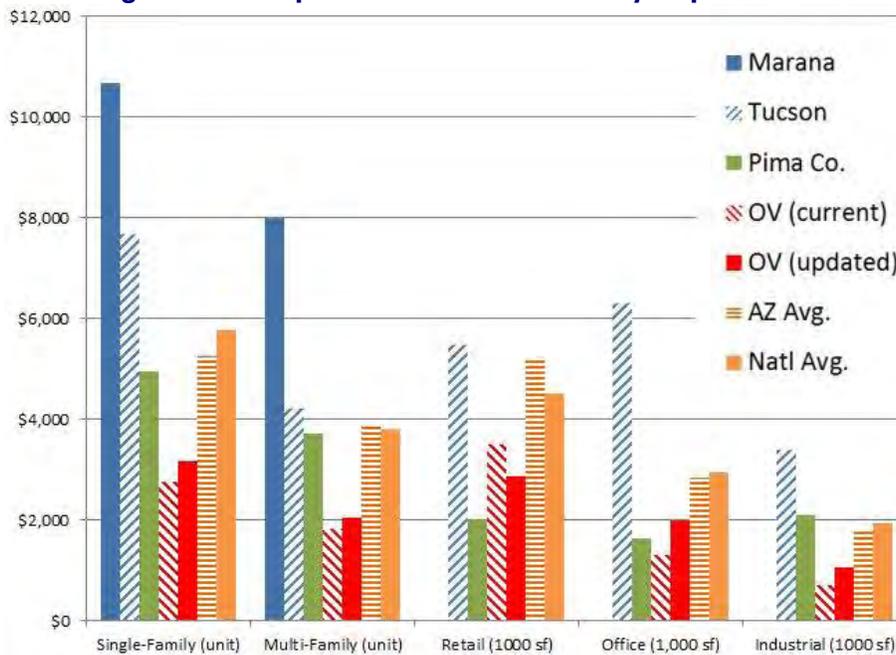
Table 4. Planned Costs and Fee Revenue, 2013-2023

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.

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



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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 PWSDIF, 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 PWSIDIF 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 PWSIDIF 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

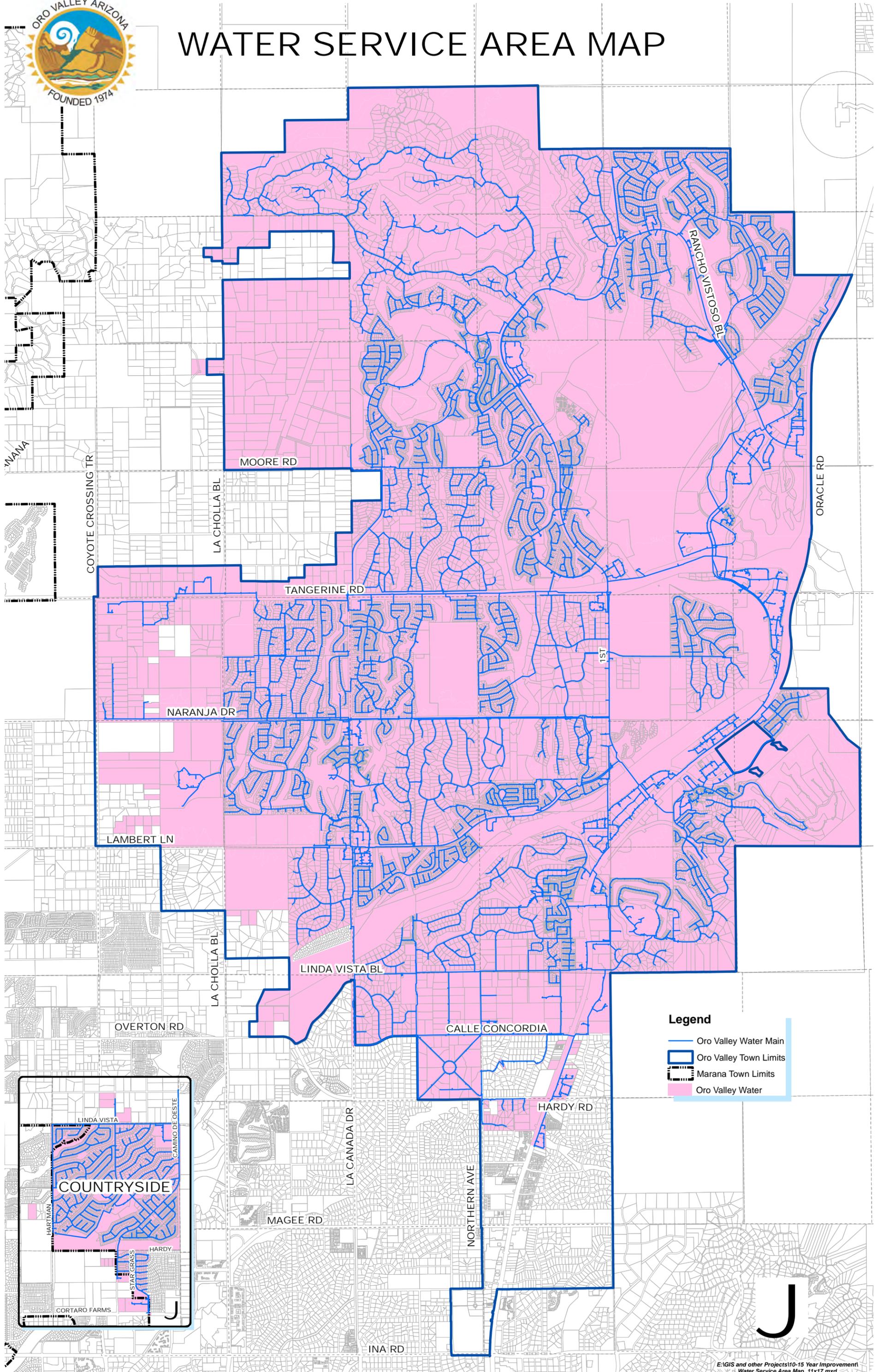
ORO VALLEY WATER UTILITY									
EXISTING AND PROPOSED DEVELOPMENT IMPACT FEES									
Customer Class	Existing AWRDIF	Proposed AWRDIF	Percent Variance	Existing PWSDIF	Proposed PWSDIF	Percent Variance	Existing Fees (combined)	Proposed Fees (combined)	Net Change
Single Family Residential (per meter)									
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

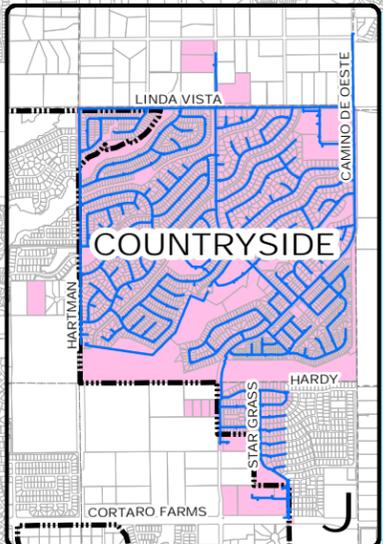
NORTHERN AVE

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.

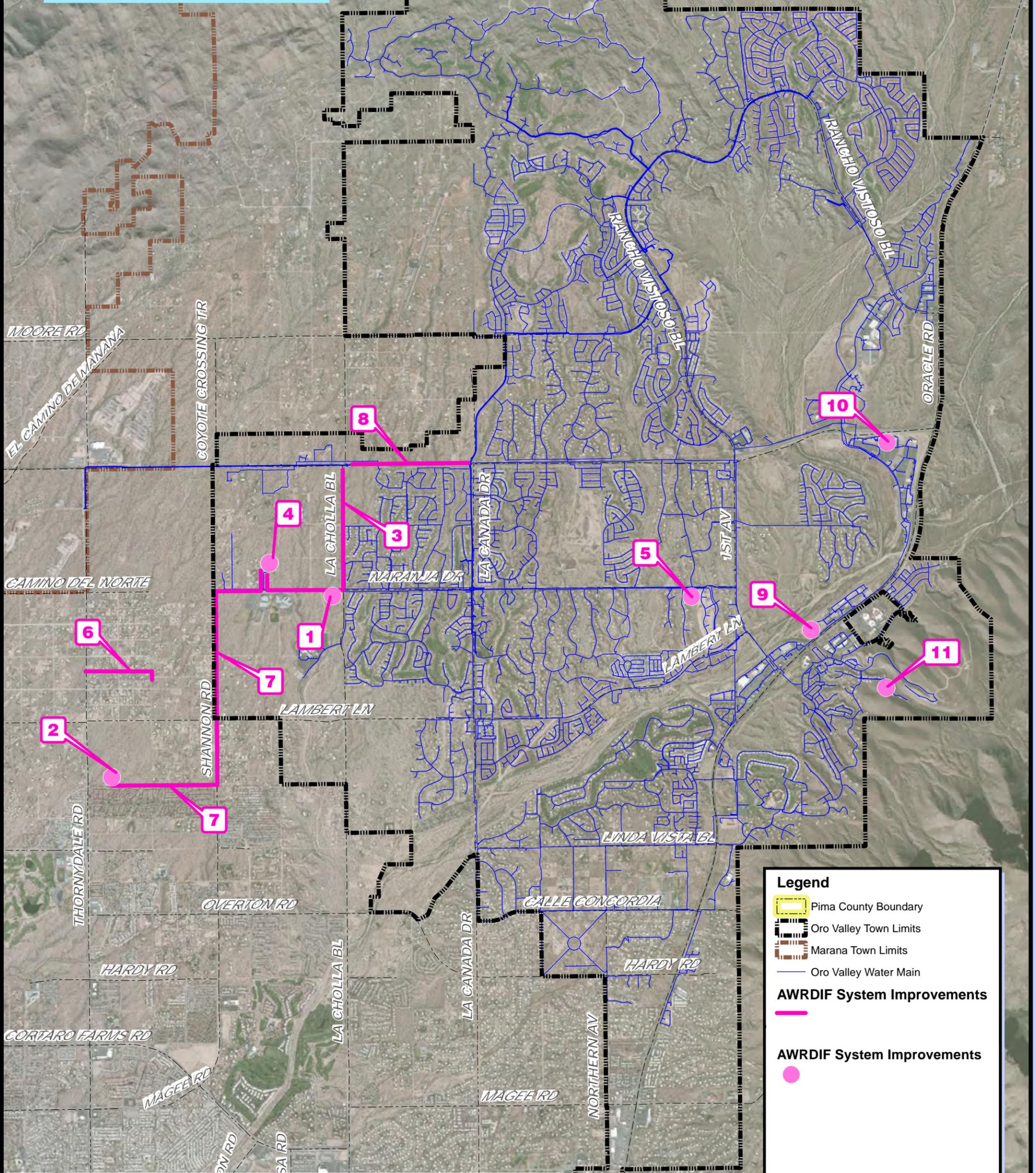
Total cost: **\$ 50,000**

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 ALERNATIVE
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**

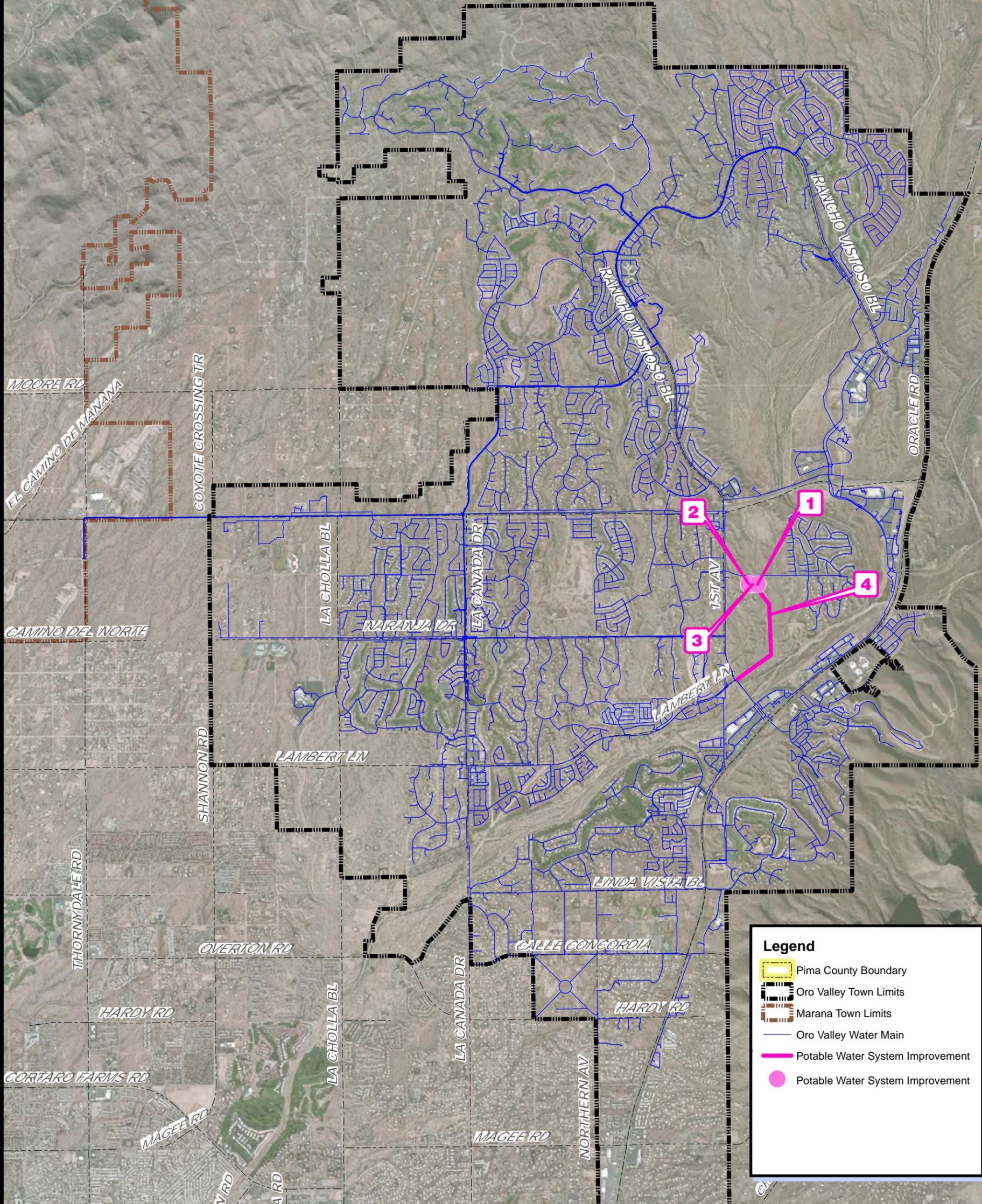
PINAL COUNTY

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

ORDINANCE NO. (O) 14-_____

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AMENDING THE ORO VALLEY TOWN CODE CHAPTER 15, ARTICLE 17, WATER RATES, FEES AND CHARGES TO COMPLY WITH NEW CHANGES MADE TO CHAPTER 13, DEVELOPMENT FEES AS PROVIDED IN EXHIBIT "A", AND REPEALING ALL RESOLUTIONS, ORDINANCES, AND RULES OF THE TOWN OF ORO VALLEY IN CONFLICT THEREWITH

WHEREAS, pursuant to A.R.S. § 9-463.05 the Town has the requisite statutory authority to assess development fees to offset costs to the municipality associated with providing necessary public services to a development; and

WHEREAS, the Arizona State Legislature made sweeping changes to ARS § 9-463.05 forcing all Arizona municipalities to revamp their Development Impact Fees in compliance with those changes; and

WHEREAS, the changes to Oro Valley Town Code Chapter 13, Development Fees have facilitated the need for related changes to Oro Valley Town Code Chapter 15, Article 17, Water Rates Fees and Charges; and

WHEREAS, the Mayor and Council have determined that it is in the best interest of the Town to amend the Oro Valley Town Code Chapter 15, Article 17, Water Rates Fees and Charges to conform to the changes made to Oro Valley Town Code Chapter 13, Development Fees.

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

SECTION 1. Repealing the existing Oro Valley Town Code Chapter 15, Article 17, Water Rates, Fees and Charges and replacing it with a new Oro Valley Town Code Chapter 15, Article 17 Water Rates, Fees and Charges as provided in Exhibit "A", and repealing all resolutions, ordinances, and rules of the Town of Oro Valley in conflict therewith.

SECTION 2. This Ordinance shall become effective on July 1, 2014.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, this __ day of _____, 2014.

TOWN OF ORO VALLEY

Dr. Satish Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie Bowers, Town Clerk

Tobin Sidles, Legal Services Director

Date: _____

Date: _____

EXHIBIT "A"

Article 15-17 WATER RATES, FEES AND CHARGES

Sections:

15-17-1 Establishment of Water Rates, Fees and Service Charges

15-17-2 Alternative Water Resources Development Impact Fees

15-17-3 Potable Water System Development Impact Fees

15-17-1 Establishment of Water Rates, Fees and Service Charges

Water rates, fees and service charges for the Town of Oro Valley Water Utility shall be established by resolution of the Town Council. The Alternative Water Resources Development Impact Fees and the Potable Water System Development Impact Fees shall be established by ordinance in accordance with Chapter 13 of the Town Code.

15-17-2 Alternative Water Resources Development Impact Fees

Customer Class	AWRDIF Effective 7/1/2014
Single Family Residential (per meter size)	
5/8-inch	\$4,045
3/4-inch	\$6,067
1-inch	\$10,111
1-1/2-inch	\$20,223
2-inch	\$32,356
Multifamily Residential (per unit)	
Per Unit**	\$1,941

Commercial and Industrial (per meter size)	
5/8-inch	\$5,258
3/4-inch	\$7,887
1-inch	\$13,145
1-1/2-inch	\$26,289
2-inch	\$42,063
3-inch	\$84,126
4-inch	\$131,447
6-inch	\$262,894
8-inch	\$420,631
Irrigation (per meter size)	
5/8-inch	\$7,280
3/4-inch	\$10,920
1-inch	\$18,200
1-1/2-inch	\$36,401
2-inch	\$58,241
3-inch	\$116,482
4-inch	\$182,004
6-inch	\$364,007
8-inch	\$582,412

Individually metered residential units shall pay the single family residential fee for each meter.

*The meter component of the fee for master-metered multifamily residential uses is the higher of the total based upon one thousand nine hundred forty one dollars (\$1941) per unit or the commercial fee(s) for the size of the master meter(s).

A variance may be requested if a meter is required to be increased from a five-eighths (5/8) inch meter to a three-quarter (3/4) inch meter solely due to the installation of fire sprinkler systems. If the variance is granted, the AWRDIF that will be assessed will be the cost of a five-eighths (5/8) inch meter. The variance will have no impact on all other rates, fees and/or charges associated with a three-quarter (3/4) inch water meter.

Metered connections to the Town's reclaimed water system are not subject to the Alternative Water Resources Development Impact Fees.

15-17-3 Potable Water System Development Impact Fees

Customer Class	PWSDIF Effective 7/1/2014
Single Family Residential (per meter size)	
5/8-inch	\$2,015
3/4-inch	\$3,022
1-inch	\$5,037
1 1/2-inch	\$10,074
2-inch	\$16,118
Multifamily Residential (per unit)	
Per Unit*	\$967
Commercial and Industrial (per meter size)	
5/8-inch	\$2,619
3/4-inch	\$3,929
1-inch	\$6,548
1 1/2-inch	\$13,096
2-inch	\$20,953
3-inch	\$41,906
4-inch	\$65,478

Customer Class	PWSDIF Effective 7/1/2014
6-inch	\$130,956
8-inch	\$209,530
Irrigation (per meter size)	
5/8-inch	\$3,626
3/4-inch	\$5,440
1-inch	\$9,066
1 1/2-inch	\$18,132
2-inch	\$29,012
3-inch	\$58,024
4-inch	\$90,662
6-inch	\$181,324
8-inch	\$290,118

Individually metered residential units shall pay the single family residential fee for each meter.

*The meter component of the fee for master-metered multifamily residential uses is the higher of the total based upon nine hundred sixty seven dollars (\$967) per unit or the commercial fee(s) for the size of the master meter(s).

A variance may be requested if a meter is required to be increased from a five-eighths (5/8) inch meter to a three-quarter (3/4) inch meter solely due to the installation of fire sprinkler systems. If the variance is granted, the PWSDIF that will be assessed will be the cost of a five-eighths (5/8) inch meter. The variance will have no impact on all other rates, fees and/or charges associated with a three-quarter (3/4) inch water meter.

Metered connections to the Town's reclaimed water system are not subject to the Potable Water System Development Impact Fees.



Town Council Regular Session

Item # 4.

Meeting Date: 02/19/2014

Requested by: Stacey Lemos

Submitted By: Wendy Gomez, Finance

Department: Finance

Information

SUBJECT:

FISCAL YEAR 2013/14 MID-YEAR FINANCIAL UPDATE

RECOMMENDATION:

This item is for information only.

EXECUTIVE SUMMARY:

In the General Fund (see attachment A), revenues collected through December totaled \$14.0 million or 49.3% of the budget amount of \$28.4 million. Year-to-date expenditures through December totaled \$14.0 million or 46.9% of the budget amount of \$29.9 million.

In the Highway Fund (see attachment B), revenues collected through December totaled \$2,073,233 or 54.5% of the budget amount of \$3.8 million. Year-to-date expenditures through December totaled \$1,414,121 or 38.0% of the budget amount of \$3.7 million.

In the Bed Tax Fund (see attachment C), revenues collected through December totaled \$389,182 or 49.1% of the budget amount of \$793,000. Year-to-date expenditures through December totaled \$763,693 or 59.1% of the budget amount of \$1,292,000.

In the Water Utility Fund (see attachment D), revenues collected through December totaled \$6.9 million or 50.3% of the budget amount of \$13.8 million. Year-to-date expenses through December totaled \$5.5 million or 37.1% of the budget amount of \$14.8 million.

In the Stormwater Utility Fund (see attachment E), revenues collected through December totaled \$300,876 or 24.6% of the budget amount of \$1,222,000. Year-to-date expenses through December totaled \$380,440 or 28.5% of the budget amount of \$1,334,000.

BACKGROUND OR DETAILED INFORMATION:

GENERAL FUND

Attachment A shows General Fund revenues and expenditures through December, as well as year-end estimates for each category. The estimated year-end projections in the General Fund are as follows:

Revenues	\$28,744,727
<u>Less:</u>	
Expenditures	(\$29,670,497) (A)
<u>Less:</u>	
Approved Use of Contingency Reserves	(\$ 2,100,000) **

Est. Decrease in Fund Balance (\$ 3,025,770)

(A) Includes Council-approved Naranja Park improvements of \$1.6 million from the General Fund

** Council-approved payment to Tucson Electric Power for undergrounding of utility lines

General Fund Revenues

- Local sales tax collections in the General Fund total \$6.2 million or 47.4% of the budget amount of \$13.1 million. Sales tax collections in the General Fund are estimated to come in over budget by approximately \$300,000 or 2.3%, due to higher than anticipated construction activity.
- License and Permit revenues are estimated to come in over budget by \$270,868 or 18.1%, due to higher than anticipated residential and commercial building permit fees, as well as grading permit fees.
- Charges for Services revenues are estimated to come in over budget by \$158,027 or 10.9%, due primarily to Aquatic Center revenue, zoning & subdivision fees and grading review fees.
- Interest Income revenue is estimated to come in over budget by \$12,725 or 20.4%, based on observed actuals through December.

Staff will continue to monitor revenue collections and may adjust the year-end estimates based on actual trends.

General Fund Expenditures

- Expenditures are estimated to come in under budget by \$277,745 or 0.9%, due to projected operations and maintenance (O&M) and personnel vacancy savings. Note that these savings are estimates and are subject to change.
- The General Fund expenditures reflect the Council-approved authorization to use \$1,403,000 in General Fund contingency reserves and \$197,000 in Council-designated reserves to fund the Naranja Park improvements. This total amount of \$1.6 million is shown as a transfer out to the Naranja Park Fund in the Expenditures section of Attachment A.

HIGHWAY FUND

Highway Fund Revenues

- Construction tax revenues in the Highway Fund total \$697,267 or 64.7% of the budget amount of \$1.1 million. Construction tax revenues in the Highway Fund are estimated to come in over budget by \$141,623 or 13.1%, due to higher than anticipated construction activity.
- State shared highway user funds total \$1,254,851 or 50.2% of the budget amount of \$2.5 million and are expected to come in on budget at year-end.

Highway Fund Expenditures

- Expenditures are estimated to come in under budget by \$137,050 or 3.7%, due to projected vacancy savings. Note that these savings are estimates and are subject to change.

BED TAX FUND

Bed Tax Revenues

- Bed tax revenues total \$384,490 or 48.7% of the budget amount of \$789,000 and are expected to

come in on budget at year-end.

Bed Tax Fund Expenditures

- Expenditures are estimated to come in under budget by \$7,356 or 0.6%, due to projected vacancy savings. Note that these savings are estimates and are subject to change.
- The Bed Tax Fund expenditures reflect the Council-authorized use of Bed Tax Fund contingency reserves of \$400,000 to fund the Naranja Park improvements. This amount is shown as a transfer out to the Naranja Park Fund in the Expenditures section of Attachment C.

WATER UTILITY FUND

Water Utility Fund Revenues

- Revenues are estimated to come in over budget by \$280,750 or 2.0%. Charges for Services revenues are trending above budget due to increased construction activity. Water sales are estimated at \$11,876,000, or 1.1% above budget, due to slightly increased water usage. Interest Income is estimated to come in over budget based on observed actuals through December.

Water Utility Fund Expenses

- Expenses are estimated to come in under budget by \$468,611 or 3.2%, due primarily to capital expenditure savings.

STORMWATER UTILITY FUND

Stormwater Utility Fund Revenues

- Revenues are estimated to come in on budget at this time. Grant revenues budgeted from the Pima County Regional Flood Control District for Northern Avenue drainage improvements may not be utilized; if so, those revenues may be removed from year-end estimates on future financial statements provided to the Stormwater Utility Commission. The year-end estimate for the corresponding capital expense would be lowered as well.

Stormwater Utility Fund Expenses

- Expenses are estimated to come in on budget at this time. As mentioned above, capacity for Northern Avenue, if not utilized, may be removed from the year-end estimates on future financial statements provided to the Stormwater Utility Commission.

Please see Attachments A, B, and C for additional details on the General Fund, Highway Fund and Bed Tax Fund. See Attachment D for the Water Utility Fund and Attachment E for the Stormwater Utility Fund. See Attachment F for a fiscal year-to-date consolidated summary of all Town Funds.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

This item is for information only.

Attachments

Attachment A - Gen Fund

Attachment B - HW Fund

Attachment C - Bed Tax Fund

Attachment D - Water Utility Fund

Attachment E - Stormwater Utility Fund

Attachment F - Summary All Funds



General Fund

% Budget Completion through December --- 50.0%

	Actuals thru 12/2013	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
REVENUES:					
LOCAL SALES TAX	6,221,757	13,123,382	47.4%	13,424,422	2.3%
LICENSES & PERMITS	1,112,512	1,493,455	74.5%	1,764,323	18.1%
FEDERAL GRANTS	352,896	576,490	61.2%	645,651	12.0%
STATE GRANTS	518,733	1,509,700	34.4%	1,060,700	-29.7%
STATE/COUNTY SHARED	4,756,935	9,659,167	49.2%	9,659,167	0.0%
OTHER INTERGOVERNMENTAL	17,492	30,000	58.3%	25,000	-16.7%
CHARGES FOR SERVICES	823,969	1,443,437	57.1%	1,601,464	10.9%
FINES	88,938	190,000	46.8%	190,000	0.0%
INTEREST INCOME	67,252	62,275	108.0%	75,000	20.4%
MISCELLANEOUS	45,448	114,000	39.9%	114,000	0.0%
TRANSFERS IN	-	185,000	0.0%	185,000	0.0%
TOTAL REVENUES	14,005,932	28,386,906	49.3%	28,744,727	1.3%

	Actuals thru 12/2013	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
EXPENDITURES:					
COUNCIL	128,092	225,853	56.7%	225,853	0.0%
CLERK	151,444	345,118	43.9%	345,118	0.0%
MANAGER	293,378	700,989	41.9%	691,219	-1.4%
HUMAN RESOURCES	235,915	523,821	45.0%	472,047	-9.9%
FINANCE	295,057	709,242	41.6%	695,830	-1.9%
INFORMATION TECHNOLOGY	603,032	1,482,173	40.7%	1,482,173	0.0%
GENERAL ADMINISTRATION	779,353	1,840,730	42.3%	1,840,730	0.0%
LEGAL	279,859	804,344	34.8%	655,194	-18.5%
COURT	337,032	761,430	44.3%	756,968	-0.6%
DEV & INFRASTRUCTURE SVCS	1,753,882	4,031,561	43.5%	3,982,384	-1.2%
PARKS & RECREATION	1,251,479	2,536,955	49.3%	2,536,955	0.0%
POLICE	6,167,336	14,223,297	43.4%	14,223,297	0.0%
TRANSFERS OUT (A)	1,760,729	1,762,729	99.9%	1,762,729	0.0%
TOTAL EXPENDITURES	14,036,588	29,948,242	46.9%	29,670,497	-0.9%

SURPLUS / (DEFICIT) (30,656) (1,561,336) (925,770)

BEGINNING FUND BALANCE 13,137,105
Plus: Surplus / (Deficit) (925,770)
Less: Approved Use of Contingency Reserves during FY 13/14 TEP undergrounding (2,100,000)
ENDING FUND BALANCE ** 10,111,335

(A) Includes Council-approved Naranja Park improvements of \$1.6 million from the General Fund

* Year-end estimates are subject to further revision

** Ending fund balance amounts are estimates and are subject to further revision



Water Utility Fund

% Budget Completion through December --- 50%

REVENUES:

CHARGES FOR SERVICES
 INTEREST INCOME
 MISCELLANEOUS
 WATER SALES
 OTHER FINANCING SOURCES
TOTAL REVENUES

Actuals thru 12/2013	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
313,226	597,100	52.5%	711,100	19.1%
65,696	66,250	99.2%	100,000	50.9%
1,742	-	0.0%	5,000	0.0%
6,465,945	11,748,000	55.0%	11,876,000	1.1%
100,000	1,400,000	7.1%	1,400,000	0.0%
6,946,610	13,811,350	50.3%	14,092,100	2.0%

EXPENSES:

ADMINISTRATION
 ENGINEERING AND PLANNING
 PRODUCTION
 DISTRIBUTION
 OTHER FINANCING USES
TOTAL EXPENSES

Actuals thru 12/2013	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
3,569,925	9,411,681	37.9%	9,376,327	-0.4%
409,134	1,694,275	24.1%	1,345,275	-20.6%
1,168,316	2,874,406	40.6%	2,788,649	-3.0%
344,029	839,509	41.0%	841,009	0.2%
3,178	3,178	100.0%	3,178	0.0%
5,494,582	14,823,049	37.1%	14,354,438	-3.2%

SURPLUS/(DEFICIT)

1,452,028 (1,011,699) (262,338)

Excludes non-cash outlays for depreciation & amortization

* Year-end estimates are subject to further revision

CONSOLIDATED YEAR-TO-DATE FINANCIAL REPORT THROUGH DECEMBER, 2013

ATTACHMENT F

Fund	FY 13/14 Begin Bal.	Revenue	Other Fin Sources/Tfrs	Total In	Capital Leases/ Transfer Out	Personnel	O&M	Capital	Contingency	Debt Service	Total Out	Left in Accounts Thru Dec 2013
General Fund - Unassigned	11,529,070	14,005,932	-	14,005,932	1,761,660	9,010,739	3,044,190	219,999	-	-	14,036,588	11,498,414
General Fund - Assigned	1,608,035											1,608,035
Highway Fund - Restricted	3,517,765	2,073,233	-	2,073,233	-	754,514	322,238	337,368	-	-	1,414,121	4,176,877
Seizure & Forfeiture - State	494,837	22,791	-	22,791	-	-	3,890	30,543	-	-	34,433	483,194
Seizure & Forfeiture - Justice	519,653	316,104	-	316,104	-	32,694	640	197,327	-	-	230,661	605,096
Bed Tax Fund - Committed	649,053	389,182	-	389,182	605,669	78,366	79,658	-	-	-	763,693	274,542
Impound Fee Fund	-	13,200	-	13,200	-	11,009	-	-	-	-	11,009	2,191
Municipal Debt Service Fund	774,914	47,485	369,576	417,061	-	-	2,800	-	-	638,881	641,681	550,294
Oracle Road Debt Service Fund	149	1,489,517	-	1,489,517	-	-	-	-	-	-	-	1,489,666
Alternative Water Resources Dev Impact Fee Fund	3,402,954	2,043,054	-	2,043,054	100,000	-	148,846	102,385	-	-	351,231	5,094,777
Potable Water System Dev Impact Fee Fund	3,544,937	495,751	-	495,751	-	-	-	-	-	-	-	4,040,688
Townwide Roadway Development Impact Fee Fund	1,461,437	306,990	-	306,990	-	-	8,033	822,727	-	-	830,760	937,667
Parks & Recreation Impact Fee Fund	182,110	85,429	-	85,429	-	-	8,033	-	-	-	8,033	259,506
Library Impact Fee Fund	114,798	-	-	-	-	-	-	-	-	-	-	114,798
Police Impact Fee Fund	99,478	48,282	-	48,282	-	-	8,159	-	-	-	8,159	139,600
General Government Impact Fee Fund	1,288	2,211	-	2,211	-	-	-	-	-	-	-	3,499
Naranja Park Fund	8,821	-	2,000,000	2,000,000	-	-	-	-	-	-	-	2,008,821
Aquatic Center Project Fund	66,638	-	-	-	-	-	-	-	-	-	-	66,638
Water Utility	9,783,839	6,846,610	100,000	6,946,610	3,178	1,188,617	2,518,315	278,402	-	47,354	4,035,866	12,694,584
Stormwater Utility	490,794	300,876	-	300,876	95,512	120,157	151,493	13,278	-	-	380,440	411,230
Fleet Fund	-	549,396	-	549,396	-	39,049	298,978	180,954	-	-	518,981	30,415
Benefit Self Insurance Fund	567,402	1,015,871	-	1,015,871	-	-	905,971	-	-	-	905,971	677,302
Recreation In-Lieu Fee Fund	6,190	-	-	-	-	-	-	-	-	-	-	6,190
Total	38,824,161	30,051,914	2,469,576	32,521,490	2,566,019	11,235,146	7,501,246	2,182,984	-	686,234	24,171,628	47,174,023