

**Town of Marana, Arizona
Development Fee Update**

**Parks and Recreational Facilities
Infrastructure Improvements Plan**

Public Report

Final

Prepared by:

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**In collaboration with
Psomas
Norris Design**

As Adopted by Council Action under Resolution No. 2014-010

February 11, 2014



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Identification of Changes

The contents of this report have changed slightly since the November 7, 2013 publication of the Parks and Recreational Facilities Infrastructure Improvements Plan Draft Report for public review. In response to comments received and final review by the project team, the following changes are contained in this Final Report.

1. The mobile home land use category has been removed because the fee is virtually the same as single family residence (SFR) when credits are taken into consideration.
2. The eligible acreage of Ora Mae Harn and Crossroads at Silverbell has been reduced to 30 acres.
3. Concessions have been removed from the Level of Service calculation in Exhibit 3.
4. Trail mileage that was funded with ADOT or grant money has been removed from the Level of Service calculation in Exhibit 3.
5. A table of trails and the associated land acreage has been added as Appendix B.
6. The construction sales tax credit has been reduced to \$450. (a larger credit is therefore being applied to the streets impact fees)
7. A listing of preparers and their professional credentials is provided in Appendix A.
8. Minor formatting and editorial changes were made to enhance readability.
9. The document is sealed by professional registrants to attest to the capital costs associated with proposed projects.

The contents of this report have changed slightly on February 11, 2014 during the adoption of Resolution No. 2014-010.

1. Concession stands were added back in to the inventory of facilities, which changed the total facility replacement cost basis in Exhibit 3.
2. This change resulted in an increase of the estimated fee by \$5 to \$2,461 and a \$125 increase in the construction sales tax credit to \$525. These values were previously stated as \$2,456 and \$450, respectively.

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EXPIRES 6-30-2015

Introduction

The Town of Marana collects development fees to offset some of the infrastructure costs associated with growth. The Town currently charges fees for street facilities and parks, and intends to continue doing so. In order to continue the fees, the Town must comply with Arizona Revised Statute (ARS) §9-463.05. In so doing, the Town will be preparing new development fee studies, project lists, fee schedules, and municipal ordinance.

The statute, which codifies Senate Bill 1525, includes major changes in development fee assessment procedures and programs. The statute limits the types of “necessary public services” which fees can fund. A municipality must develop two preliminary products prior to calculating the fees for each service category: a set of land use assumptions and an infrastructure improvements plan (IIP).

As defined in ARS §9-463.05(T)6, “ ‘Infrastructure Improvements Plan’ means a written plan that identifies each necessary public service or facility expansion that is proposed to be the subject of a development fee and otherwise complies with the requirements of this section, and may be the municipality's capital improvements plan.

This report is a required document that identifies the infrastructure needs for parks and the subsequent calculation of development fee rates. The land uses that are to be used to evaluate infrastructure needs were documented in the Land Use Assumptions document. The land uses are used to estimate the amount of new development within the benefit areas from which development fees will be assessed.

Allocation of Growth within Service Areas

As defined in ARS §9-463.05 (T)9, “ ‘Service area’ means 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 of facility expansions and the development being served as prescribed in the infrastructure improvements plan.”

Parks and Recreational Facilities IIP

The Town of Marana is committed to delivering parks and recreation facilities to meet the community's needs and enhance the quality of life in Marana. The 2010 Marana Parks, Recreation, Trails and Open Space Master Plan guides Marana efforts to plan for future parks and recreation improvements to maintain an acceptable level of service for its residents. As Marana moves forward, the Town's authority to require fees will be in conformance with A.R.S. §9-463.05(7)G which defines the facilities and assets which can be included in the Parks and Recreational Facilities Infrastructure Improvements Plan (IIP).

“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.”

The Parks and Recreational Facilities IIP identifies components for community parks, regional parks, recreation facilities, trails, maintenance facilities and consultant fees for the preparation of future Parks and Recreational Facilities IIP and the Parks and Recreation Master Plan Update.

Methodology

This study uses an incremental expansion method for calculating the Marana Park and Recreational Facilities fees. This is a standards-based method in that it establishes the current park service standard by analyzing the value of the existing park infrastructure relative to the existing level of community development. The derived value is adjusted to account for outstanding debt on existing facilities, the current balance of the fee account, developer fee credits, and the cost of the fee study. The adjusted value is then applied to the projected new development as defined in the land use assumptions in order to determine the future demand for park infrastructure.

The approach used in this study takes the inventory of existing park assets and assigns a replacement value to each asset type based on the current construction costs as determined by the Town of Marana Parks and Recreation staff, the 2010 Marana Parks, Recreation, Trails and Open Space Master Plan, and engineering judgment. There are several advantages to this approach over general standards-based or plan-based methods. One is that the fee is based on the existing service provided by the Town rather than an arbitrary standard. Secondly, it eliminates the need to calculate existing deficiencies in the level of service (LOS). Finally, because it uses values for specific park assets rather than assigning a general cost per acre of developed parkland, it more precisely determines the value of the existing LOS. Finally, this method is more flexible than a plan-based method because the fee is based on the existing LOS instead of the estimated cost of the proposed elements in the capital plan or most recent park master plan. This allows the Town to adjust the projects on the capital plan to meet changing needs without having to also go through the process of re-calculating the fees or a master plan update.

Service Area

The existing park facilities in the Town are located in its more densely developed areas. These areas are adequately served by the existing park facilities and there is not a significant need for park service expansion. New facilities are anticipated in areas of growth where they will directly benefit the developments that will be charged the fee. There is, however, a need for additional trails to serve the developed areas of Marana. In addition, the Town intends to

provide a uniform LOS across the entire city; therefore a single service area will be used. This is shown in Exhibit 1 as the current Town limits.

Proportionate Share

Both residential and non-residential development generates demand for park service; however the bulk of the demand is created by residential development. At the time of this study, the proportionate share of the cost of park service for non-residential development is low enough that it does not justify the administrative cost of collecting the fees. Future fee updates should reconsider the non-residential share of the cost of public park facilities as the character of development changes to include more non-residential growth, or as further research on this topic becomes available.

Service Units

This study uses Equivalent Demand Units (EDU's) as the service unit for the park fee. EDUs represent the ratio of the average household size of a housing unit type to the average household size for a single-family residence. The EDU for a single-family residence therefore is unity (1.0). The EDU for multi-family housing is derived by dividing the average multi-family household size (1.8) by the average single-family residence household size (2.7). Therefore a multi-family unit has 0.67 EDU.

The companion Infrastructure Improvements Plan for Street Facilities uses a more detailed list of land use categories. This is possible because of the extensive trip generation data available in published literature and local traffic studies. No similar data is available for parks utilization, therefore it is not possible to create a similarly detailed list for parks facilities.

E

Exhibit 1

Parks and Recreational Facilities Service Areas

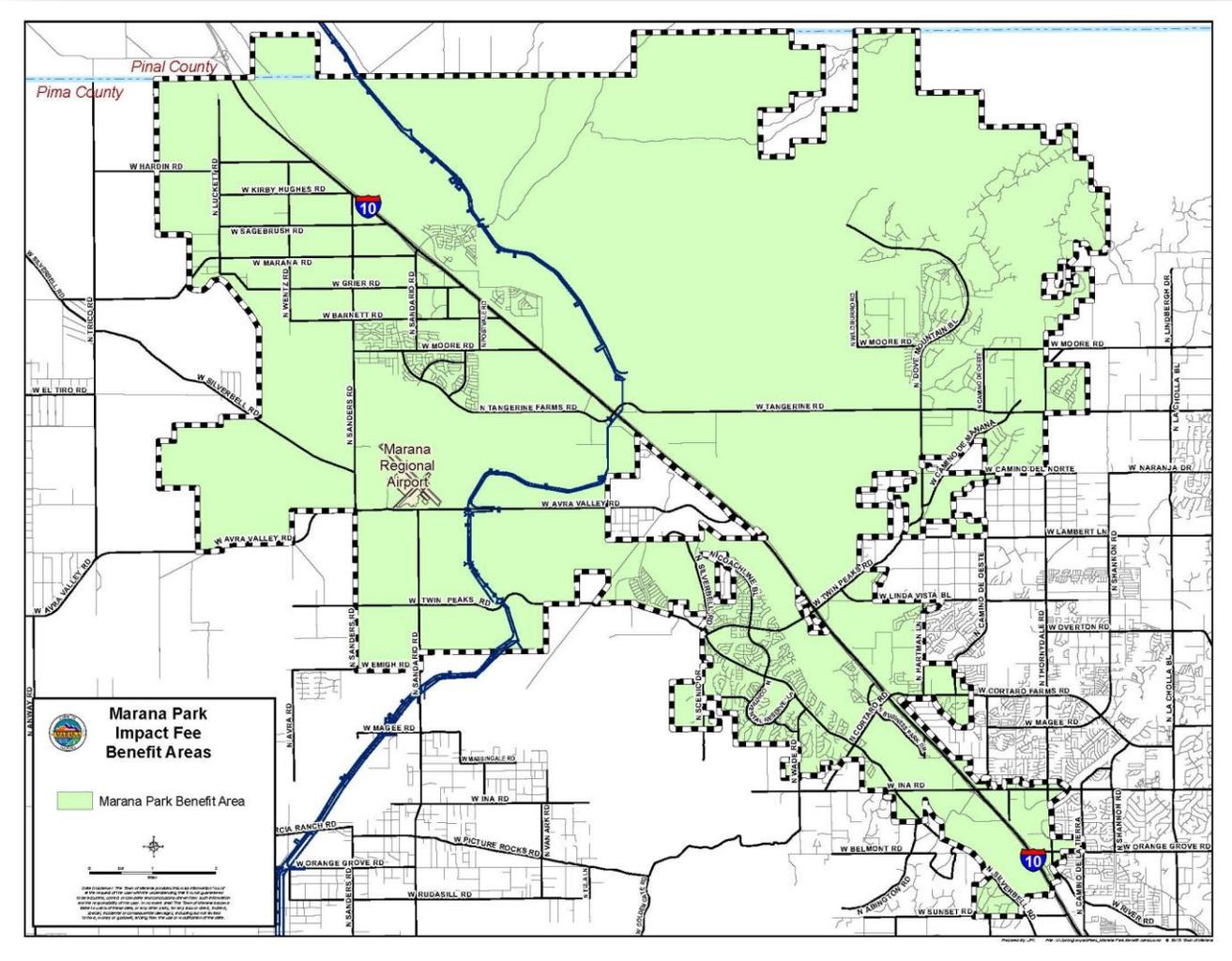


Exhibit 2 Parks and Recreational Facilities Service Units by Housing Type

Housing Type	Average HH Size	EDU's/Unit
Single Family Detached	2.7	1.00
Multi – Family, Single Family Attached	1.8	0.67

Reference: US Census Bureau

Necessary Public Services-Existing Needs

As required in ARS §9-463.05(E)1 a “necessary public service” must meet the following criteria:

“A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.”

In addition, ARS §9-463.05(E)2 requires:

“An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Exhibit 3 lists the existing Marana Parks system assets by facility excluding park acreage that exceeds the 30-acre reference in ARS §9-463.05(T)7(G). Only two parks in Marana are larger than 30-acres. Exhibit 3 also includes a summary of the replacement costs of those assets based on current construction costs. Trail mileage and associated acreage are listed in greater detail in Appendix B.

Exhibit 3 Existing Park Inventory and Replacement Value

Asset	Continental Ranch Community Park	Continental Reserve Neighborhood Park	Crossroads at Silverbell District Park	El Rio Neighborhood Park	Gladden Farms Community Park	Ora Mae Harn District Park	San Lucas Community Park	Wade McLean Neighborhood Park	Wild Burro Trailhead	Sanders Road Trailhead	White Avenue Trailhead	TOTAL Facility Units*	Replacement Value/Unit**	Total Replacement Value
Total Acres	12.0	9.2	49.9	1.3	12.5	33.0	13.5	4.9	2.0	0.8	1.0	140.00	\$30,000	\$0
Eligible Acres	12.0	9.2	30.0	1.3	12.5	30.0	13.5	4.9	2.0	0.8	1.0	117.15	\$30,000	\$3,514,500
Community Center (s.f.)						8300						8300.00		\$0
Eligible Community Center (s.f.)						3000						3000.00	\$350	\$1,050,000
Restroom	1	1	3		1	3	1	1	1			12.00	\$140,000	\$1,680,000
Concession	1	1	1			1		1				5.00	\$200,000	\$1,000,000
Play Area (Shaded)	2	2	2	1		2						9.00	\$165,000	\$1,485,000
Basketball	2	1	2	0.5		1	1					7.50	\$50,000	\$375,000
Tennis	2	1	1			2						6.00	\$50,000	\$300,000
Sand Volleyball			2				1					3.00	\$13,000	\$39,000
Swimming Pool						1						1.00	\$4,000,000	\$4,000,000
Small Ramada 10'x10'	4			1		6	2	1	1	1	1	17.00	\$12,000	\$204,000
Large Ramada 30'x30'		1	5		1	1						8.00	\$70,000	\$560,000
Group Ramada 30'x60'			1			1						2.00	\$110,000	\$220,000
Skate Park	1											1.00	\$1,000,000	\$1,000,000
Off-Leash Dog Park			1			1	1					3.00	\$200,000	\$600,000
Horseshoe Pit	2		2			1						5.00	\$2,500	\$12,500
Youth Ball Field (Lighted)			2			4						6.00	\$180,000	\$1,080,000
Youth Ball Field (No Lights)	4	2			2		2	1				11.00	\$85,000	\$935,000
Adult Ballfield (Lighted)			1			1						2.00	\$280,000	\$560,000
Multi-Use	2	1		1	1		10					15.00	\$36,000	\$540,000
Soccer (No Lights)								1				1.00	\$46,000	\$46,000
Soccer (Lighted)			2				1					3.00	\$240,000	\$720,000
Parking Places	108	52	323	9	62	196	50		79	8	10	897.00	\$2,000	\$1,794,000
Maintenance Building			1									1.00	\$400,000	\$400,000
Storage Building	1	1										2.00	\$150,000	\$300,000
Water Fountains	7	4	8	1	3	8	3	1			1	36.00	\$1,500	\$54,000
Benches	10	6	7	1	6	22	12	4	1		2	71.00	\$625	\$44,375
Bleachers	8	2	6		2	5		2				25.00	\$2,500	\$62,500
Trash Receptacles	14	8	43	3	8	52	10	2			1	141.00	\$250	\$35,250
Picnic Tables	8	10	32	1	14	39	6	1			2	113.00	\$1,200	\$135,600
Bike Racks	1	1	1	1	3	1	1					9.00	\$700	\$6,300
Barbeque Grills	2	4	8		3	9	5				1	32.00	\$500	\$16,000
Exercise Stations						10	6					16.00	\$1,200	\$19,200
Signage												113.4	\$2,100	\$238,140
Fencing												113.4	\$2,100	\$238,140
Lighting												113.4	\$8,700	\$986,580
Landscape												113.4	\$22,000	\$2,494,800
Irrigation												113.4	\$22,000	\$2,494,800
Park Hardscape												113.4	\$10,000	\$1,134,000
Paths (Miles)												5.8	\$120,000	\$696,000
Trails (Miles)												37.4	\$80,000	\$2,992,000
Electrical Service	1	1	1	1	1	1	1	1				8.00	\$40,000	\$320,000
TOTAL														\$34,382,685

* Source: Asset Inventory Town of Marana

**Source: Replacement values from page 154, "2010 Marana Parks, Recreation, Trails, and Open Space Master Plan" and Marana Parks and Recreation Staff and staff recommendations.

Component #2 – *"An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable."*

In order to determine the level of service provided by the existing Marana park infrastructure, the total value of the existing infrastructure (Exhibit 3) is divided by the existing number of service units (Exhibit 4).

Exhibit 4 Existing Service Units (EDUs)			
Housing Type	2013 Dwelling Units	Park Service Unit Multiplier	2013 Service Units (EDUs)
Single Family Detached	12,202	1.00	12,202
Multi - Family/ Single Family Attached	467	0.67	313
TOTAL - 2013			12,515

However the value of the existing infrastructure must first be adjusted by adding in the balance of fees that have already been collected and the cost of the fee study and subtracting any outstanding credits given to developers for developing parkland in-lieu of the fees and any outstanding park debt on existing facilities. Exhibit 5 provides a tabulation of the credits and offsets to the estimated value calculated in Exhibit 2 and then generates a per service unit value for existing park services. This per service unit value represents both the current level of service (LOS)/ equivalent dwelling units (EDU) and the standard by which future development will be measured.

Exhibit 5 Existing Park Value by Service Unit		
	Credits	Offsets
Total Replacement Value	\$34,382,685	
Fee Account Balance	\$2,988,108	
Outstanding Fee Credits		\$0
Outstanding Park Debt		\$0
Adjusted Existing Park Value		\$37,370,793.00
÷ Existing EDU's		12,515
Net Value Per EDU (exclusive of credits)		\$2,986

Necessary Public Services - New Development

ARS §9-463.05(E)3 requires:

“A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Exhibit 6 is the ten (10) year capital improvement plan. The projects listed in Exhibit 6 will direct the spending of the fees that are collected over the period from 2013 to 2023. However it should be noted that A.R.S. §9-463.05 allows that *“...a municipality may amend an infrastructure improvements plan adopted pursuant to this section without a public hearing if the amendment addresses only elements of necessary public services in the existing infrastructure improvements plan and the changes to the plan will not, individually or cumulatively with other amendments adopted pursuant to this subsection, increase the level of service in the service area or cause a development fee increase...”*.

This section highlights the greater flexibility afforded by the incremental expansion method of determining the existing LOS and per EDU fee because a change in the list of necessary public services will not cause a change to the value of the LOS established in Exhibit 5 or the resultant development fee in Exhibit 7.

Exhibit 6 Park Capital Plan 2013-2023

Project	Acres	FY 2014-18	FY 2019-23	10 Yr Total
Barnett Linear Park	30.0		\$2,505,120	\$2,505,120
Cascada District Park	30.0		\$5,700,000	\$5,700,000
North Marana Soccer Field	2.5		\$459,000	\$459,000
Saguaro Bloom Community Park	29.3	\$3,377,800		\$3,377,800
Santa Cruz Linear Park at Cal Port	8.0	\$578,000		\$578,000
Tangerine Corridor Community Park	18.0	\$2,840,000		\$2,840,000
Tangerine District Park Land Acq'n	30.0		\$900,000	\$900,000
Fee Study Update	NA		\$45,000	\$45,000
Parks, Recreation, Trails, & Open Space Master Plan Update	NA		\$180,480	\$180,480
TOTAL				\$16,585,400

Service Units - Methodology

Component #4 – *“A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.”*

The net value per EDU established in Exhibit 5 is the “specific level of use” that is used as the basis for the LOS for future development. Exhibit 7 converts the net value per EDU to cost per housing unit by multiplying it by the Park Service Unit Multiplier. The result is essentially the updated fee, prior to any deductions for allowable credits. Exhibit 7 also compares the updated fee to the current fee. Currently, all housing types are charged the same fee per unit. Upon adoption of the updated fee, single-family dwellings will realize a slight decrease and multi-family will see a significant reduction in park fees per unit.

	Exhibit 7 Net Value per EDU (Before Credits)	
	Single Family	Multi Family
Assessment Unit	Dwelling	Dwelling
Net Cost Per EDU	\$2,986	\$2,986
Park Service Unit Multiplier	1.00	0.67
Updated Fee	\$2,986	\$2,001
Current Fee	\$3,294	\$3,294
Relative Change	-9.3%	-39.3%

Projected Service Units for New Development

Component #5 – *“The total number of projected service units 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 and planning criteria.”*

Exhibit 8 illustrates the existing and projected number of dwelling units in the 10-year window based on the Land Use Assumptions. The dwelling units are multiplied by the park service unit multiplier to determine the number of service units (EDU’s). The difference between the projected and existing EDU’s is the number of projected service units necessitated by new development.

Exhibit 8 Park Service Units (2013 and 2023)

Housing Type	2013 Dwelling Units	Park Service Unit Multiplier	2013 Service Units (EDU's)
Single Family Detached	12,202	1.00	12,202
Multi - Family / Single Family Attached	467	.67	313
TOTAL - 2013			12,515
Housing Type	2023 Dwelling Units	Park Service Unit Multiplier	2023 Service Units (EDU's)
Single Family Detached	18,487	1.00	18,487
Multi - Family / Single Family Attached	1,077	0.67	722
TOTAL - 2023			19,209
New Service Units (EDU's) - 2013-2023			6,694

Component #6 – “The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.”

Because the target park LOS in this study is calculated as a per EDU value, the projected demand is calculated by simply multiplying the number of EDU’s attributable to new growth by the net value per EDU calculated in Exhibit 5. This result is also the projected revenue from fees for the ten (10) year window. Exhibit 9 shows the projected revenue for the period from 2013-2023. An additional \$2.99 million is available for park service improvement projects from 2013-2023.

Exhibit 9 Potential Park Fee Revenue, 2013-2023 (Before Credits)

Service Area	New EDU's	Fee / EDU (Before Credits)	Projected Revenue 2013-2023 (Before Credits)	Planned Costs
Town wide	6,694	\$2,986	\$19,988,100	\$16,585,400

Revenue Considerations

Component #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.”

As described more fully in the companion IIP for Street Facilities, The Town collects no property tax, but does collect a 4% construction sales tax and receives state-shared revenues related to gas taxes. CLA recommends that \$525 of the sales tax be credited on a per EDU basis, resulting in a fee of \$2,461 per EDU. The remainder of the sales tax credit would be credited against the yet-to-be-calculated Street Facilities fee.

CLA recommends that the credits associated with HURF/VLT be applied fully to the street facilities fee. If approved, no additional credits would be applied to the Parks and Recreational Facilities fee.

Exhibit 10 Potential Park Fee Revenue, 2013-2023 (Less Credits)

Service Area	New EDU's	Fee / EDU (Less the \$525 Credit)	Projected Revenue 2013-2023	Planned Costs	% of Planned Costs
Town wide	6,694	\$2,461	\$16,473,908	\$16,585,400	99.3%

APPENDIX A

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APPENDIX B

Table of Paths and Trails Area

	Surface	Miles	Width	Acres
Shared Use Paths				
Santa Cruz Linear Park S				
El Rio to Ina	Paved	2.4	20	13.0909
Santa Cruz Linear Park N				
Pines GC to Tiffany Loop	Paved	2.2	20	5.33333
San Lucas				
Cochie Canyon Drive SUP	Paved	1	20	2.42424
Riparian Park	Paved	0.2	20	0.48485
		5.8		21.3333
Back Country Trails				
Wild Burro Loop	Dirt	1.7	20	4.12121
Lower Javelina	Dirt	1.7	20	4.12121
Upper Javelina	Dirt	2.8	20	6.78788
Alamo Springs	Dirt	4.1	20	9.93939
Alamo Springs Spur	Dirt	1.3	20	3.15152
Wild Mustang	Dirt	3.8	20	9.21212
Wild Burro	Dirt	6.5	20	15.7576
Cochie Springs Trail	Dirt	3.6	20	8.72727
Ridgeline Trail	Dirt	3.1	20	7.51515
Tortolita Preserve Loop	Dirt	8.8	20	21.3333
		37.4		90.6667