Town of Marana, Arizona
Development Fee Update

Parks and Recreational Facilities

Development Fee Report

Public Report

FINAL

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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). These documents were adopted by the Town Council on February 11, 2014.

As described in the Parks and Recreational Facilities Infrastructure Improvements Plan (Parks IIP), the Town's service area for Parks and Recreational Facilities is town-wide, as shown in Exhibit 1. Further, only residential development will be assessed the Parks and Recreational Facilities fee, for reasoning cited in the Parks IIP.

This Development Fee Report describes the history of parks development fees by the Town, defines terminology, and identifies the maximum fees to be collected to fund the Parks IIP.

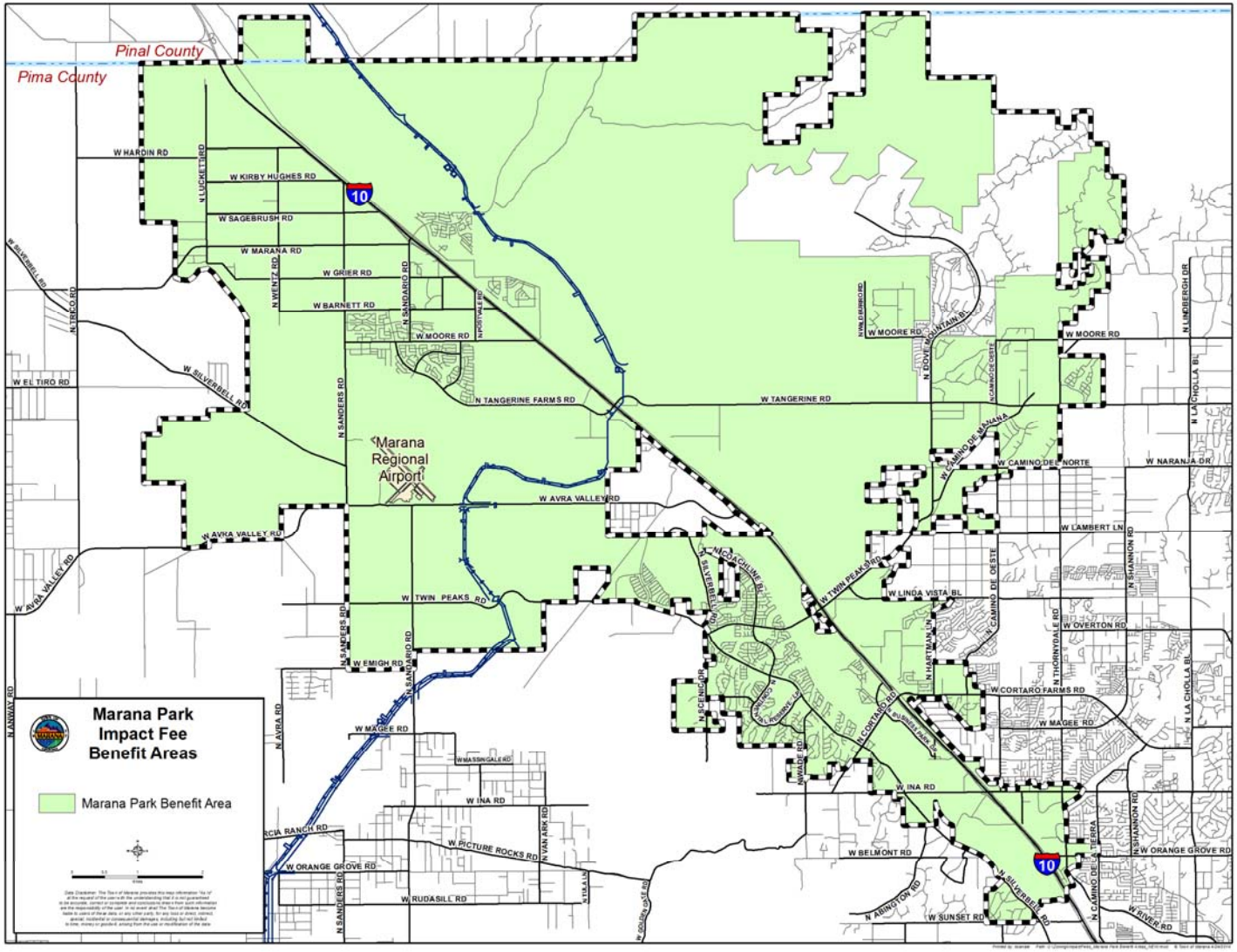
Parks and Recreational Facilities Fee

Development fees have been an important component in the financing of public Park and Recreational facilities in Marana since 2005. Prior to that time, Marana only had five public parks which were financed through a combination of sources including the Town's General Fund, Reserves, Grants, and Regional/County funds. Accelerated growth beginning in 2000 demanded that additional sources of funding be identified in order to provide an acceptable level of service for the new growth.

According to the 2010 Town of Marana "Parks, Recreation, Trails, and Open Space Master Plan", development fees accounted for nearly 50% of the parks and recreation capital budget by 2010. During this same time span, the availability of other funding sources such as Pima County Bond funds and Town issued bonds has become less reliable.

Meanwhile, Marana continued to grow as did the concomitant demand for public services. The U.S. Census estimates the population grew from 13,556 to 34,961 between 2000 and 2010. Although growth has slowed during the past five years due to the recession, the State Demographer and regional planners anticipate that the rate of growth in Marana will increase in the next ten years. Development fees will play an increasingly important role in funding public parks and recreation service.

Exhibit 1 Parks and Recreational Facilities Service Areas



Definitions

For the purposes of fee assessment and collection, the following terms are defined:

"Single Family Residence" refers to all detached residential structures on a single lot including mobile homes and manufactured homes.

"Multi-Family Residence" refers to development where more than a single residential unit occurs on a single lot. This includes apartments, condominiums, townhomes, duplexes, student housing, and mobile home parks. Hotels/Motels, Congregate Care Centers, Nursing Homes, and Recreational Vehicle Parks are considered commercial developments which are not proposed to be subject to Parks and Recreational Facilities development fees.

"Equivalent Demand Unit (EDU)" is the service demand created by a typical single family residence, or SFR. The ratio of the average SFR household size, in number of people, to the average household size for another residential category is used to determine the proportionate share of the base development fee of the various housing unit types for the Park and Recreational Facilities Development Fee. This approach is necessarily less detailed than the EDU analysis for Streets infrastructure due to limitations of available data.

"Service Unit" means 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. In this Fee Report, the terms service unit and EDU are interchangeable.

Park Components and Fundable Improvements

A list of proposed park components and fundable improvements that are to be built in the period between 2014 and 2023 is shown in Exhibit 2, "Park Capital Plan 2014-2023", which is taken from the Parks IIP. The list includes a District Park (Cascada District Park), two community parks (Saguaro Bloom and Tangerine Corridor Community Park), and land acquisition for an additional park along Tangerine Road (Tangerine District Park).

These components are eligible pursuant the definitions of necessary public services in A.R.S. §9-463.05(7)G. The costs of the Development Fee Study and Parks, Recreation, Trails, and Open Space Master Plan Updates are also included in the Park Capital Plan and are entitled in A.R.S. §9-463.05A. The total estimated cost for these Parks IIP improvements is $16,585,400.

Exhibit 2 Park Capital Plan 2014-2023

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**

Parks and Recreational Facilities Fee Service Areas

A single service area is allowed by A.R.S. §9-463.05, is consistent with service areas of other similar sized towns in Arizona, and will facilitate the Town's goal of providing a uniformly high-quality park system for the community. The level of service (LOS) that has been provided to the previously developed portions of the town will serve as the standard for future development. The LOS is calculated by dividing the estimated cost of the existing park infrastructure by the current estimated population. Refer to the "Necessary Public Services-Existing Needs" section of the Parks IIP for more in depth discussion of the LOS calculation.

The Dove Mountain development was removed in its entirety from the Parks and Recreational Facilities development fee area due to a prior agreement between the Town and the developer which exempts Dove Mountain from development (impact) fees. This exemption does not alter the technical analysis or the fee calculation. The fee study considers the exemption of approximately 833 dwelling units representing about 750 residential EDUs anticipated in the Land Use Assumptions for Dove Mountain over the next ten years. The subtraction of these EDUs does not change the result of the fee analysis because the reduction in demand for park capacity is equally offset by the reduced fee collection. The Town of Marana is obligated to provide any Parks and Recreational Facilities IIP project funding otherwise payable by Dove Mountain but for the exemption.

Development Fees for Parks and Recreational Facilities

The base development fee for residential projects is calculated in Exhibit 7 of the Parks IIP. The raw development fee is $2,986. A $525 credit for the construction sales tax is applied to the raw development fee to offset revenue collected from the construction sales tax. Since facilities funded by Pima County bonds are not included in the basis, no credit is provided. The resultant base development fee is $2,461. Exhibit 3 shows recommended development fees per dwelling unit for single family and multi-family residences.

Exhibit 3 Fee Schedule for Parks & Recreational Facilities

	Single Family Dwelling Unit	Multi-Family Dwelling Unit
Raw Development Fee per EDU	$2,986	$2986
Construction Sales Tax Offset	-$525	-$525
Base Development Fee per EDU	$2,461	$2,461
EDUs per unit (Service Unit Multiplier)	1.00	0.67
Updated Development Fee/Unit	**$2,461**	**$1,649**
Current Fee	$3,294	$2,471
% Fee Change	-25%	-33%

APPENDIX

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