



Board of Supervisors Memorandum

May 20, 2014
Development Impact Fees
Creation of the Southeast Benefit Area

Background

Roadway development impact fees are assessed for new developments to help pay for needed arterial roadway capacity improvements created by new development. The purpose of collecting impact fees is to ensure new development is contributing a proportionate share of the cost of improving and expanding the roadway system to accommodate the new development. Funds collected must be used to increase roadway traffic capacity on roadways specified for improvements. The fee is assessed at the time building permits are issued, and the fees cannot be used for roadway maintenance or to improve local roads.

The Board of Supervisors approved the first ordinance instituting residential impact fees on February 27, 1996 creating the Cañada del Oro Benefit Area as an equitable and appropriate way to help finance transportation infrastructure needed to serve new development in the northwest area of the County. On August 19, 1996, the Board approved an ordinance expanding the program to six benefit areas. On April 8, 2003, the Board approved an ordinance expanding the impact fee program to 10 benefit areas and included fees for nonresidential development.

On October 6, 2009, the Board approved three ordinances restructuring the program to include the Southwest Benefit Area and to create the current version of Title 19 of the Pima County Code. Currently, fees are charged in 11 benefit areas, and projects eligible to utilize impact fees have been designated for each benefit area through benefit area plans. These plans ensure the money collected is spent on infrastructure needs created by the development that paid the fee.

Current Proposed Action

This is a request to combine the Mountain View Benefit Area and the Rincon Valley Benefit Area into one benefit area called the Southeast Benefit Area. By combining the benefit areas, the fund balances and project lists will also be combined, and funds can thus be spent on projects in either of the current benefit areas.

The Rincon Valley Benefit Area encompasses the Vail area, extending south to Interstate 10 (I-10), east to the Cochise County Line, west to the jurisdictional boundary with the City of Tucson, and north to the Coronado National Forest and Saguaro National Park. The Rincon Valley Benefit Area was initially created with the original impact fee ordinance in

1996 and has a fund balance of approximately \$1.5 million. The Mountain View Benefit Area encompasses the Corona de Tucson area, extending north to I-10, east to the Cochise County Line, south to the Santa Cruz County line, and west slightly past Wilmot Road. The Mountain View Benefit Area was established with the impact fee program expansion in 2003 and has a fund balance of approximately \$9.3 million. The two benefit areas share a common boundary along I-10.

This proposal would create a fund with approximately \$10.8 million with 12 projects, including three projects from the Mountain View Benefit Area and nine projects from the Rincon Valley Benefit area eligible to utilize these funds. Attachment A lists the projects that have been identified as being eligible for impact fee expenditures with the two currently established benefit areas.

The programming of currently available funds would use \$5.1 million of these funds (\$1.5 million of the current Rincon Valley funds and \$3.6 million of the Mountain View funds) for the project on Colossal Cave Road from Acacia Elementary School to Cienega Creek Drive. Another \$500,000 would be used to supplement the Regional Transportation Authority project on Wilmot Road north of Sahuarita Road. This would leave a fund balance of \$5.2 million, which is proposed to be used to fund improvements to Houghton Road south of Sahuarita Road.

State Statutes

Arizona Revised Statutes enable counties to impose development impact fees in Title 11-1102. Cities are able to impose development fees under authority granted in Title 9-463.05. The statutory requirements for cities and counties are the same in all material respects. Both require that development fees result in a beneficial use to the development. Both require the fees be used for capital costs and not for maintenance or administrative costs. For both cities and counties, fees must bear a reasonable relationship to the actual impact of the development.

The administration of collected impact fees under statutory authority available to counties provides maximum flexibility in addressing transportation system challenges brought about because of growth and development. In particular, roadways in existence prior to new development and, perhaps not in close proximity to the new development, are often impacted by travel patterns from new residents or businesses. This attracted traffic requires prompt attention to address increased congestion and safe travel concerns. Such is the case with Colossal Cave Road, which serves two schools and provides travel over operating railways.

Pima County must maintain the ability to respond to transportation system demands for upgrading facilities as those needs arise. The establishment of benefit area boundaries is

The Honorable Chair and Members, Pima County Board of Supervisors
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the best estimation of areas likely to develop and contribute to travel demand on major transportation facilities that provide for movement of people and goods. However, the ultimate administration of collected impact fees must rest with Pima County while managing the overall transportation system in the best interest of the unincorporated area it serves.

Recommendation

I recommend the Board of Supervisors pass and adopt Ordinance No. 2014-24 relating to Capital Improvements Funding within Development Fee Benefit Areas; adopting a new Southeast Benefit Area and establishing roadway projects within the new Benefit Area.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/mjk – May 13, 2014

Attachment

c: John Bernal, Deputy County Administrator for Public Works
Priscilla Cornelio, Transportation Director

Attachment A

Southeast Benefit Area	Project Description	Length (miles)	Cost (x \$1,000)
Camino Loma Alta: Colossal Cave Road to Old Spanish Trail	Reconstruct to four-lane roadway; eliminate offset for safety and capacity	3	\$37,500
Colossal Cave Road: Interstate-10 to Mary Ann Cleveland Way(excluding portions within Tucson City limits)	Widen roadway and intersection approaches; improve drainage and alignment for safety and capacity	1.2	\$4,994
Colossal Cave Road: Mary Ann Cleveland Way to Camino Loma Alta	Reconstruct to a four-lane roadway	1.5	\$7,900
Colossal Cave Road-Trotter Sisters Drive	Intersection widening and extension	1.2	\$1,600
Houghton Road: Camino del Toro to Dawn Road (excluding portions within Tucson City limits)	Reconstruct to a four-lane roadway	3	\$36,000
Houghton Road (County portion) at UPRR	Reconstruct to a four-lane roadway, including a new Union Pacific Railroad overpass	0.7	\$30,000
Marsh Station Road: Interstate-10 to Interstate-10	Widen roadway and intersection approaches for safety and capacity	10	\$50,000
Mary Ann Cleveland Way: Colossal Cave Road to Tucson City limits	Widen to four-lane roadway	1.5	\$15,000
Old Spanish Trail: Valencia Road to Camino Loma Alta	Reconstruct to a four-lane roadway	3.5	\$43,750
Sahuarita Road: Sahuarita Town limits to Sonoita Highway	Reconstruct to a four-lane roadway	15.5	\$186,000
Valencia Road: Houghton Road to Old Spanish Trail	Construct a new two/four-lane roadway, including a new bridge over Pantano Wash	3	\$22,468
Wilmot Road: Sahuarita Road to Tucson City limits	Construct a new two-lane roadway	2	\$10,290