



**Southern Arizona
Home Builders
Association**

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ADDENDUM MATERIAL
DATE 2-16-16 ITEM NO. 4

February 13, 2016

The Honorable Sharon Bronson
Chair, Pima County Board of Supervisors
130 W. Congress St., 11th Floor
Tucson, AZ 85701

RE: Development Services Repayment

Dear Chairwoman Bronson,

The Southern Arizona Homebuilders Association (SAHBA) appreciates the opportunity to provide comment on this important matter. As you can see in the attached table, the Single Family Residential permit numbers for our region in 2015 were lower than 2014 and 2013. You'll also notice in the same attachment that Pima County is losing market share of new home construction.

Given these facts it would be premature to expect continued revenue increases to the Development Services Enterprise Fund (DSEF). Further, Board action to increase construction related fees (as contemplated in the February 5 memorandum from the County Administrator) would only serve to harm our industry, our economy and reduce the likelihood of additional revenue growth to DSEF.

Overall, the Tucson metro area continues to lag dramatically in job creation compared to the rest of the country (see attached). Collectively we should focus our efforts on making Pima County more attractive to both construction and non-construction industries. We look forward to working with you to reduce costs and remove regulatory barriers which will make Pima County more attractive to growth and development. Without immediate action, we risk delaying the County's economic recovery.

Sincerely,

Shawn Cote
Southern Arizona Home Builders Association

SINGLE FAMILY RESIDENCE PERMITS BY ISSUING AUTHORITY TUCSON METRO AREA

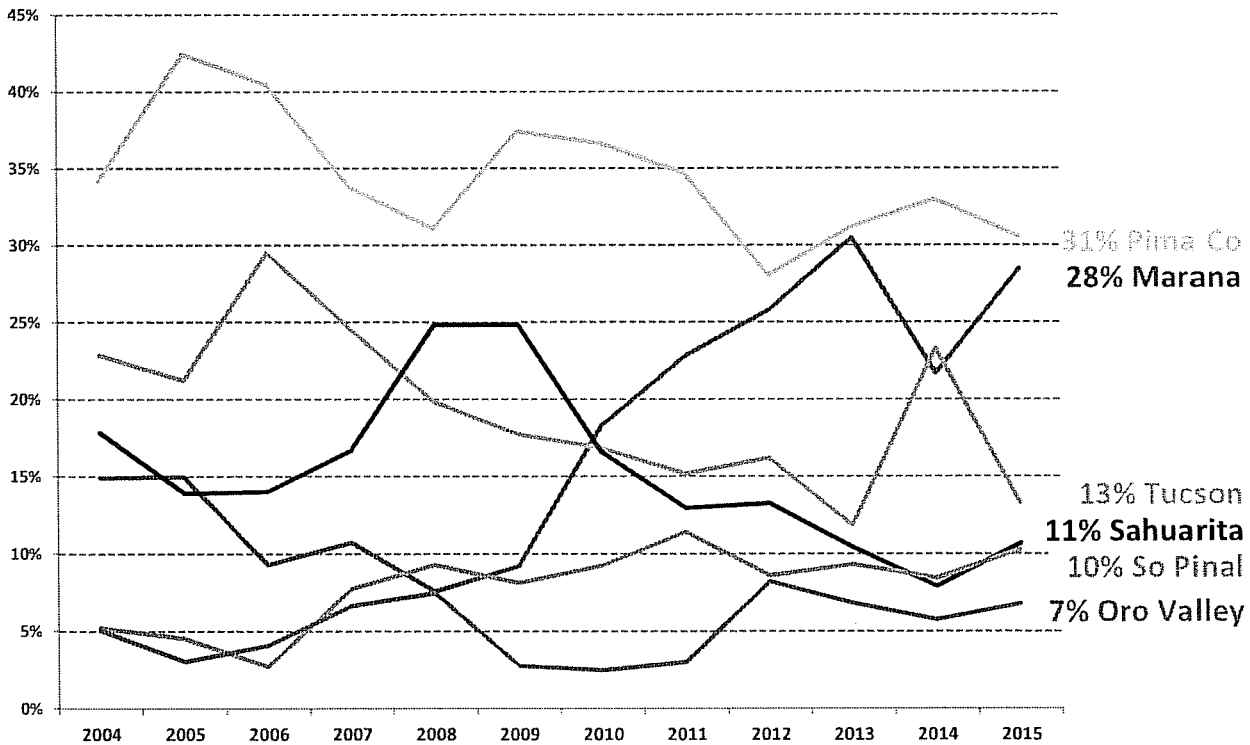
PERMIT VOLUME

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pima County	3,271	5,000	3,471	1,721	938	777	683	499	572	702	754	665
Marana	1,425	1,763	796	546	228	191	341	328	526	686	495	620
Tucson	2,188	2,497	2,531	1,252	598	368	314	218	330	266	532	289
Sahuarita	1,705	1,637	1,200	849	749	516	309	186	270	234	180	232
South Pinal	499	532	232	393	280	168	172	164	175	209	192	223
Oro Valley	482	354	349	337	225	57	46	43	167	153	131	147
TOTAL	9,570	11,783	8,579	5,098	3,018	2,077	1,865	1,438	2,040	2,250	2,284	2,176

MARKET SHARE

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pima County	34%	42%	40%	34%	31%	37%	37%	35%	28%	31%	33%	31%
Marana	15%	15%	9%	11%	8%	9%	18%	23%	26%	30%	22%	28%
Tucson	23%	21%	30%	25%	20%	18%	17%	15%	16%	12%	23%	13%
Sahuarita	18%	14%	14%	17%	25%	25%	17%	13%	13%	10%	8%	11%
South Pinal	5%	5%	3%	8%	9%	8%	9%	11%	9%	9%	8%	10%
Oro Valley	5%	3%	4%	7%	7%	3%	2%	3%	8%	7%	6%	7%

Municipality Share of Total Annual Permit Volume



All municipalities in Pima County collected nearly \$15.5 million in permit fees for single family homes in 2015. This represented just under 52% of the total of all permit fees collected.

Exhibit 3: Tucson MSA Job Growth Loses Steam

