



NOTES

Transportation Development Impact Fee Study Stakeholder Meeting

Date: 11/17/2020

Time: 2:30 pm

1. Attendees:

- Martin Lucero (City of Surprise Lead/Transportation Planning)
- Lloyd Abrams (City of Surprise Community Development)
- Stacie Cameron (City of Surprise Finance)
- Brandi Flores (City of Surprise – Finance)
- Eric Boyles (City of Surprise – Procurement)
- Ben Griffin (TischlerBise)
- Michael Grandy (Kimley-Horn)
- Taylor Dunkle (Kimley-Horn)
- Lynndsay O’Neill (Maricopa County Department of Transportation)
- Jackson Moll (Home Builders Association of Central Arizona)
- Chris Anaridian (Bergin, Frakes, Smalley & Oberholtzer)
- Jeffrey Blilie (Beus Gilbert McGroder)
- Chris Webb (Rose Law Group)
- Tom Abraham (Fulton Homes)
- Tom Fitzgerald (Belmont Custom Homes)
- Alexandra Schuchter (Barclay Group)

2. Updates to Land Use Assumptions

- Ben reviewed that the street facilities service area includes the City’s Special Planning Areas (SPAs) 1, 2, 3, and the southern portion of SPA 4 (known as 4A). Equivalent demand units (EDUs) have been developed for various development types and used to determine traffic impacts of each development type. These EDUs have been developed for the next 10 years (2021-2031) and through 2050 based on regional land use assumptions. One minor change in the EDUs from what was presented at the previous stakeholder meeting is a reduction in the assumed growth of mobile homes based on historical data provided by the City.

3. Street Cross-Sections and Unit Cost Assumptions (Kimley-Horn)

- Michael presented per-mile “typical” unit cost assumptions developed for the City’s street cross-sections for Parkways, Major

Arterials, and Minor Arterials. Two sets of costs were developed: one that accounts for all costs and another that only includes those capacity-related components proposed for inclusion in the impact fee. These per-mile costs are as follows:

- Parkway: \$19.9M total; \$6.6M for impact fee
- Major Arterial: \$15.3M total; \$5.5M for impact fee
- Minor Arterial: \$13.2M total; \$4.6M for impact fee
- Michael also presented “big-ticket item” unit costs for additional items beyond the typical costs such as canal/drainageway bridges and well site/large power pole relocations.

4. Preliminary Infrastructure Improvement Plan (IIP) Development

- Michael explained that, per State statute, impact fees cannot put a disproportionate burden on the development community to pay for new transportation facilities. Paying for new roadway capacity can only be required if the increase in capacity is less than or equal to the proportional increase in EDUs due to new development.
- Recognizing that build-out of the ultimate roadway network is not feasible within the maximum increase in roadway capacity allowed by State statute, a segment improvement prioritization methodology was developed that includes four evaluation categories (proximity to development, congestion relief, regional connectivity, and cost per lane mile) with points assigned for how well certain criteria are met. High, Medium, and Low priority levels were assigned based on the number of evaluation points.
- Michael presented an improvement prioritization map that showed the High, Medium, and Low priority levels for road segments that need improvements; he noted the prioritization levels serve as a guide and are not intended to constrain what segments can or can't be included in the IIP.
- Michael presented a preliminary draft IIP map that showed a subset of the High priority segments, with some of the segments assumed to be built with fewer lanes than ultimately planned so as to remain under the maximum capacity constraint within each SPA.

5. Next Steps

- Ben reviewed the next steps in the project schedule, which include advertising the draft land use assumptions and draft IIP in early December 2020 for review and comment. The next stakeholder meeting is anticipated to be in early 2021, where a refined draft IIP will be discussed in advance of a public hearing on the draft IIP. Adoption of the IIP and associated impact fees is anticipated to



take place in Spring and Summer 2021 such that the impact fees can go into effect in Summer or Fall 2021.

6. Stakeholder Roundtable Discussion

- Martin thanked the stakeholders for their attendance and indicated that the stakeholder presentation would be posted promptly on the project website for easy access by stakeholders for review and requested that stakeholders provide any initial feedback promptly so those comments can be considered before the draft land use assumptions and draft IIP are advertised in early December.
- Martin indicated the City recognizes there are more improvement needs/wants than can be funded through the impact fee program, so the City is looking for feedback from stakeholders in the development community on desired priorities to help fine-tune the draft IIP. This feedback could be through today's meeting, via email, or by talking with Martin separately.
- Initial feedback provided by stakeholders included the following:
 - *Question:* Jeff asked how the City planned to deal with the situation where a development has to build its half-street improvements (per City requirements) and then also has to pay an impact fee. This seems like double-charging.
Response: The City seeks to avoid any kind of double-charging. One way to address this issue is to credit back the portion of the half-street improvements that apply to the impact fee (at the impact fee cost). The need to do credits can be reduced by having the IIP only cover parkways and major arterials instead of also including minor arterials.
 - *Question:* Jeff asked how the City will address the inequity where developments next to a road not identified in the IIP must pay for the half-street improvement and then do not get any impact fee assistance while developments next to a road identified in the IIP get impact fee credits. Chris A. echoed Jeff's concerns about the IIP picking "winners" and "losers".
Response: The City wants to avoid inequity where possible so welcomes ideas stakeholders may have on how to get around picking "winners" and "losers". The City wants to know if there are roadway segments not shown in the IIP that developers believe should be in the IIP.
 - *Question:* Jeff asked if a general cost per lane-mile could be developed that applies to any roadway as it is developed.
Response: The City indicated they would look into the feasibility of an incremental cost approach.



- *Question:* Tom A. asked if there will be a grace period for active developments in terms of when the impact fees would be assessed. *Response:* The City will follow State statutes, which indicate a grace period of two years from the first final plat of a subdivision.
- *Question:* Jackson echoed the concerns shared by Jeff and Chris A. and asked how the City plans to comply with the State statute criterion for impact fees to demonstrate a nexus of development generating the need for improvements paying for those improvements and then deriving a benefit from such improvements. *Response:* The City intends for the IIP and impact fee to meet that nexus and welcomes input from stakeholders on how to best achieve that.
- *Question:* Jackson indicated that one of the trends that has been popular as of late in Surprise is single-family rentals and asked how those are accounted for in the land use assumptions. *Response:* The City believes the Maricopa Association of Governments (MAG) socioeconomic data identifies those as single-family land uses but they may be multi-family. The City will confirm the assumptions there.