



Home Builders Association of Central Arizona

June 5, 2019

Sent via Email

Ms. Brenda Hasler, CPA
Senior Financial Analyst
City of Maricopa
39700 W Civic Center Plaza
Maricopa AZ 85138

RE: HBACA Comments/Questions on Draft Infrastructure Improvements Plan

Dear Ms. Hasler:

On behalf of the Home Builders Association of Central Arizona ("HBACA") thank you very much for the opportunity to provide comment on the City of Maricopa's (the "City" or "Maricopa") draft Infrastructure Improvement Plan ("IIP").

In general, our biggest area of concern is the unit costs that are used to calculate the incremental cost per person and per job. Almost all of the fees are calculated using an incremental expansion methodology. Under this approach, the existing infrastructure is inventoried, assigned a replacement cost, and then divided by the existing population/jobs. This sum is then multiplied by the people per household or jobs per 1,000 sq. ft. Therefore, one of the most important assumptions that goes into the fee calculation is the estimation of the replacement cost (unit cost).

PARKS

Most of the unit costs assumed for Park Amenities (Figure PR3) are within the range that I typically observe in other municipalities that use a similar methodology. There are, however, a few exceptions, some of which are glaring.

The City has estimated the replacement cost of football fields and soccer fields at \$1,000,000. This is double what almost every other municipality valued for a soccer/football field. For example:

- Apache Junction \$160,000 (Soccer and Football)
- Avondale \$530,000 (Soccer)
- Avondale \$535,000 (Football)
- Coolidge \$200,000 (Soccer)
- Florence \$175,000 (Soccer)
- Peoria \$467,000 (Soccer)

To the best of my knowledge, only the City of Glendale had an estimated cost of \$1 million. It is worth noting, we also provided the same comment to Glendale on June 4. Even including Glendale's and Maricopa's \$1 million estimate, the average estimated cost of a football/soccer field is \$504,571. Therefore, the City should revise this estimated cost to be more in line with typical cost estimates.

Similarly, the City estimated the replacement cost of its two horseshoe pits at \$140,000 per pit. This is more than 20 times more than any other municipality. For example, Apache Junction estimated its horseshoe pit at \$2,500 and Glendale estimated its cost at \$6,000. This should similarly be revised.

Although not nearly to the same degree, there are also discrepancies with the City's estimated costs for playgrounds and parking spaces. Maricopa estimated its playground cost at \$250,000. Of the Cities we have looked at the average playground is \$171,321, including:

- Apache Junction \$150,000
- Avondale \$230,000
- Coolidge \$60,000
- Florence: \$150,000
- Glendale \$250,000
- Peoria \$109,250

Similarly, Maricopa estimated the cost per parking space at \$6,000. The average of the Cities we looked at is \$4,214 which includes:

- Coolidge \$5,000
- Florence \$1,000
- Glendale \$5,000
- Peoria \$4,072

All total these excessive cost estimates add approximately \$300 to \$400 to the total fee.

LIBRARIES

No comments at this time.

POLICE

No comments at this time.

FIRE

The City has estimated the cost to construct a fire station at \$583/sq. ft. Among the Cities I looked at, the average estimated cost per square foot is \$410. Only the City of Peoria had a higher estimated cost per square foot.

- Avondale \$377
- Casa Grande \$399
- Chandler \$308
- Coolidge \$210
- Florence \$206
- Glendale \$400
- Goodyear \$481
- Peoria \$585
- Phoenix \$498
- Surprise \$470

The City should revisit its estimated cost per square foot to more accurately reflect the general consensus among neighboring cities.

STREETS

In several municipalities, we have had success in demonstrating that street impact fees are unnecessary to build most new roads. This is because private development constructs most new roadways and dedicates them to the municipality. For example, both Queen Creek and Goodyear recognized that the only roads they needed to build are those that are not adjacent to land that will eventually be developed. In both examples, this led to a dramatically lower impact fee than originally proposed, but the needed roads were still built. This approach also helps avoid picking which developments get credits or reimbursements and which ones do not. The City should consider whether or not this approach would work for it.

Even if the City continues ahead with the street fee as proposed, the City should revisit its calculated Cost per Vehicle Mile of Capacity ("VMC"). The current methodology takes a list of proposed street improvements and divides the estimated cost by the number of added lane miles. See Figure S4 on page 60. This is then converted into a cost per VMC by dividing the cost per lane mile by the typical vehicle miles of capacity per lane mile (at, I am assuming, Level of Service D). This assumes that the only thing that adds capacity to the road network is an additional lane mile.

However, this is an incorrect assumption. First, four of those projects are bridges. Bridges have to go over something and that something has a linear distance which can be measured. Therefore, these projects are adding lane miles which should be calculated.

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Second, almost \$20 million of that \$30 million are for various roundabouts. Impact fees should only be used to fund improvements which increase capacity. If an improvement does not increase capacity, then growth did not create the need for that improvement. Therefore, the City should either remove these roundabout improvements from the cost/VMC calculation or should recognize an increase in capacity which would reduce the Cost per VMC. This increase in capacity may come in the form of reduced delay or more efficient movement of traffic throughout the system.

The result is that the cost per lane mile is skewed high because the list of future road projects in Appendix C includes street improvements which have no corresponding additional lane miles. In fact, almost \$30 million of the proposed \$114 million of roadway improvements do not add any lane miles. This does not include any of the streetlight improvements which are calculated separately.

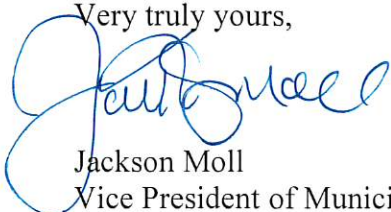
Typically, municipalities find that the average cost per VMC is in the \$140 to \$130 per VMC. Maricopa calculated \$166.73. The City should look at these, and other ways, in which to bring its estimated costs closer in line with other municipalities.

We would also like to note that when using an incremental expansion approach, the typical methodology takes the existing inventory of infrastructure, totals the replacement cost and divides by the existing number of users to determine the proportionate share. The methodology the city is currently using does not ensure that new growth is not being asked to pay for a higher proportionate share of the final road network than existing residents paid for.

Finally, it should be noted that the City has 972,615 vehicle miles of total capacity but is only using an estimated 249,886. See Figure S3 on page 60. This means that the VMC to miles of usage is 3.8. Generally, it is recognized that each VMC should have a 1:1 ratio of Vehicle Miles Traveled. See, e.g., page 60. Thus, the City has sufficient excess capacity on its existing road network to accommodate new growth. This excess capacity should be recognized and should be consumed before new roads are built.

Once again, thank you very much for the opportunity to comment on the draft IIP. I am looking forward to meeting with the City later this month for additional discussions. Please let me know if you have any questions or if there is anything additional I can provide.

Very truly yours,



Jackson Moll
Vice President of Municipal Affairs
Home Builders Association of Central Arizona