



MEMORANDUM

Date: November 7, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CH Huckelberry", is written over the printed name of the County Administrator.

Re: **Loss of Transportation Impact Fees Due to Annexation**

As you know, transportation impact fees have been assessed and collected since 1997 and have substantially contributed to capacity improvements of the County arterial and collector roadway system. These impact fees can only be collected on development that occurs within the unincorporated area of Pima County. Upon annexation by a city or town, the County is no longer eligible to collect impact fees.

The attached report by the Interim Transportation Director highlights the fiscal impact for constructing capital capacity expansion of the transportation system in the unincorporated area due to annexations. Over time, between the period of 1996 and 2004, these annexations resulted in a loss of over \$62 million in potential impact fee collections. Between 2005 and the present, another \$11 million in potential impact fee collections have been lost due to annexation.

Annexation also transfers mileage and maintenance responsibility of the annexed territory to the respective jurisdiction. Over this this same timeframe, between 1996 and the present, a total of 326 miles of roadway have been annexed out of County responsibility, with an average annual maintenance cost of approximately \$2.8 million.

When first formulated in 1997, transportation impact fees were a significant revenue source for the unincorporated area, and later, for the Regional Transportation Authority (RTA) projects. Over time and through annexations and economic Great Recession, impact fees collected have been substantially below the forecasted RTA expectation.

Transportation impact fees are \$1,990 per residential unit in Oro Valley, \$5,599 in Marana and \$4,838 in the City of Tucson. The current impact fee for Pima County is \$6,189. Sahuarita and South Tucson do not collect impact fees.

Attachment

c: Farhad Moghimi, Executive Director, Pima Association of Governments
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Ana Olivares, Interim Director, Transportation Department

DATE: October 30, 2017

TO: C.H. Huckelberry
County Administrator

FROM: 
Ana M. Olivares, P.E.
Interim Director

SUBJECT: White Paper on Annexation

Earlier this year, we were asked to prepare a white paper summarizing all the annexations that have taken place throughout this County, and the associated financial transfer of the impact fees collected. In addition, we have also provided the mileage of the roadways that are no longer part of Pima County's inventory as well as the approximate maintenance costs that have been transferred as well.

In an effort to understand the impact of annexation on County impact fee collections, all annexations between 1996 and the present were analyzed to determine the magnitude of lost roadway development impact fee revenue to the County. Two timeframes were observed: 1996-2004 and 2005-present. In 1996, the County initiated the Roadway Development Impact Fee Program. Developments prior to that year would not have been assessed impact fees. In 2006, the Regional Transportation Authority (RTA) was created. In the year before the RTA was established, preliminary work was done and impact fee collections and other local funding were forecast and obligations to RTA project were made.

Methodology

The annexations were analyzed to determine future development potential. If the land was developed prior to the annexation, for instance, homes were platted and built, then no revenue was lost. Some annexations had vacant land that could potentially be developed along with previously developed land. These acreages were looked at separately. To determine lost revenue many factors were analyzed including zoning, platting, infrastructure and general location. For instance, if an area was annexed that included a platted subdivision where no homes had been built; the lost revenue would be determined by the number of platted lots.

Some subdivisions or commercial developments were only partially built at the time of annexation. This was taken into consideration in the analysis. Additionally, some annexations only represented right-of-way. Public lands, land owned by a municipality, utilities, schools, churches or other uses that would typically not be assessed impact fees were not analyzed for lost revenue. All impact fee revenues were based on the 2015-2016 fee schedule.

In addition to lost impact fee revenue, roadway miles within the annexed areas were reviewed. Once land is annexed, the roadway maintenance responsibility is transferred to the annexing jurisdiction. Therefore, even though impact fee revenue was lost, maintenance responsibility for roads in the annexed areas was reduced. This is particularly important in consideration of subdivision streets. Impact fees cannot be used to build or maintain subdivision streets. Therefore, subdivision streets that are annexed can have a significant impact on the number of roadway miles maintained by the County.

1996-2004:

City of Tucson: Between 1996 and 2004, the City of Tucson approved 37 annexations. Of these, 21 annexations represent areas where potential impact fee revenues were lost. Most notably, annexation 8655 incorporated the area including the La Estancia Specific Plan. Approximately \$13 million in lost impact fees can be attributed to this single annexation. The Starr Pass Resort and conference facilities along with the Riverwalk development are other notable annexations that could have generated a significant amount of impact fees for Pima County. In total, the potential lost revenue from annexations approved by the City of Tucson amounted to **\$25,220,988**. Total roadway miles annexed out of Pima County equaled **90.48** miles with an average annual maintenance cost of **\$769,080**.

Marana: Between 1996 and 2004, the Town of Marana approved 35 annexations. Of these, 12 annexations represent areas where potential impact fee revenues were lost. Notably, annexation 97.24 incorporated the Tangerine Vista subdivision and the Tangerine Crossing development. The commercial and platted residential areas in this single annexation would have generated approximately \$3.4 million. Several additional single-family residential subdivisions contributed to the total lost impact fee revenue. In total, the potential lost revenue from annexations approved by the Town of Marana amounted to **\$7,785,823**. Total roadway miles annexed out of Pima County equaled **65.96** miles with an average annual maintenance cost of **\$560,660**.

Oro Valley: Between 1996 and 2004, the Town of Oro Valley approved 16 annexations. Of these, five annexations represent areas where potential impact fee revenues were lost. Notably, annexation (O)03-09 incorporated much of the commercial area in the vicinity of Oracle Road and Magee Road including the Oracle Crossing development, the Sunrise office park, and several small residential development. This single annexation would have generated approximately \$1.6 million. In total, the potential lost revenue from annexations approved by the Town of Oro Valley amounted to **\$4,428,267**. Total roadway miles annexed out of Pima County equaled **32.17** miles with an average annual maintenance cost of **\$273,445**.

Sahuarita: Between 1996 and 2004, the Town of Sahuarita approved nine annexations. Of these, four annexations represent areas where potential impact fee revenues were lost. Notably, the Rancho Sahuarita area was annexed in 1997 and the Quail Creek area was annexed in 2000. Annexation 2000.1 incorporated 9600 acres including Quail Creek and this annexation alone could have generated over \$8 million. Another notable annexation was 1999.03, which annexed the Madera Highlands development and would have generated another \$8-\$9 million. In total, the potential lost revenue from annexations approved by the Town of Sahuarita amounted to **\$24,982,048**. Total roadway miles annexed out of Pima County equaled **82.78** miles with an average annual maintenance cost of **\$703,630**.

2005-Present

City of Tucson: Between 2005 and the present, the City of Tucson approved 33 annexations and 1 deannexation. Of these, 13 annexations represent areas where potential impact fee revenues were lost. Notably, annexation 10988, approved in 2012, could have generated approximately \$3.5 million of impact fee revenue. The annexation included the Valencia Crossing Specific Plan development. Also in 2012, the Rio Verde Village development at River and Craycroft was annexed accounting for over \$700,000 in impact fees and in 2014 the Empire Vista subdivision accounting for over \$900,000 in impact fees. In total, the potential lost revenue from annexations approved by the City of Tucson since 2005 amounted to **\$8,443,433**. Total roadway miles annexed out of Pima County equaled **35.35** miles with an average annual maintenance cost of **\$300,475**.

Marana: Between 2005 and the present, the Town of Marana approved 12 annexations. Of these, only one annexation represents an area where potential impact fee revenues were lost. Annexation 2009.09 incorporated the area developed in 2011-2012 as the Quick Trip gas station on Cortaro Farms Road. In total, the potential lost impact fee revenue from annexations approved by the Town of Marana amounted to **\$106,500**. Total roadway miles annexed out of Pima County equaled **5.27** miles with an average annual maintenance cost of **\$44,795**.

Oro Valley: Between 2005 and the present, the Town of Oro Valley approved seven annexations. None of these annexations represented area where potential revenue was lost. These annexations included large washes, right-of-way and previously developed sites. Total roadway miles annexed out of Pima County equaled **13.57** miles with an average annual maintenance cost of **\$115,354**.

Sahuarita: Between 2005 and the present, the Town of Sahuarita approved three annexations, all of which would have generated impact fee revenue. Most of the land annexed during this time frame was GR-1 zoned land and the lost revenue was based off the existing zoning. Therefore, the impact fee revenue lost is a conservative estimate as these areas will likely rezone before they are developed. In total, these three annexations amounted to **\$2,685,276** of potentially lost impact fee revenue. Total roadway miles annexed out of Pima County equaled **0.86** miles with an average annual maintenance cost of **\$7,310**.

Regional Totals:

In summary, between 1996 and 2004, a total of **\$62,417,126** of potential impact fee collections were transferred to incorporated jurisdictions. A total of **271.39** miles of roadway was annexed out of Pima County. The average annual maintenance cost for the roadways that were annexed out of Pima County totaled **\$2,306,815**.

Between 2005 and the present, a total of **\$11,235,219** of potential impact fee collections was transferred to incorporated jurisdictions. A total of **55.05** miles of roadway was annexed out of Pima County. The average annual maintenance cost for the roadways that were annexed out of Pima County totaled **\$467,925**.

C.H. Huckelberry, County Administrator
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The above information is summarized in Exhibit 1. Also attached are two Excel spreadsheets showing the details of the above calculations.

If you need any further information, please let us know.

AMO:RY:dg

Attachments

c: Carmine DeBonis Jr., Deputy County Administrator for Public Works
Yves Khawam, Chief Deputy Director
Rick Ellis, Deputy Director

City of Tucson Annexations 1996-2004

Ordinance Number	Annexation Date	Developed prior to 2005	Lost revenue (Y/N)	Dollar amount of lost revenue	Other	Ordinance	Subdivision Road Totals	Non-Subdivision Road Totals	Total Miles	Effective Date
8616	2/2/1996	no	no	\$0	All state land	8616	0	3.14	3.14	2/2/1996
8640	3/11/1996	yes	yes	\$137,264	Platted 23 lots in 1994, annexed in 1996, houses built in 1998-2002, remainder of the annexation was existing residential non-subdivided	8640	0.18	0.28	0.46	3/11/1996
8642	11/7/1996	yes	yes	\$238,720	Two subdivisions platted prior to annexation and two subdivisions platted after annexation. 12 lots were platted in 1999, 28 platted in 2000. All other land in the annexed area is either developed or common area for existing subdivisions	8642	1.8	0.23	2.03	11/7/1996
8655	4/3/1996	yes	yes	\$13,792,048	Annexation includes 13 platted residential subdivision and several built out and partial vacant commercial and industrial sites. The commercial and industrial areas that are vacant and do not have development plans associated with them are not included in this calculation. The Pima Air and Space Museum is also part of this annexation. Notably, the La Estancia Specific Plan which was approved after the annexation by the City of Tucson is part of this annexation. The specific plan does not include commercial/industrial or institutional square footage numbers. This total dollar amount loss is simply for the residential areas platted after the annexation.	8655	31.42	4	35.42	4/3/1996
8707	7/11/1996	yes	no	\$0	Landfill	8707	0	0	0	7/11/1996
8719	7/31/1996	yes	yes	\$728,096	Annexed in 1996, plat 1 for 106 lots was platted in 1996 in Pima Co. It was annexed that same year and construction began in 1998. It's built out. Plat 2 for 12 lots was platted in 1999 and construction started in 2001. Additional 15 vacant acres of City of Tucson SR zones land which could generate 4 additional lot. Total units lots 122	8719	1.64	0.82	2.46	7/31/1996
8758	11/7/1996	yes	yes	\$997,206	Altamira Apartment built prior to annexation, Riverview estates 101 SFRs platted 2002 \$592,163, culver's fast food - 5,000 sq./ft. \$87,840, carwash \$81,354, med office east side of 1st \$22,747, Sunrise Tucson congregate care \$23,779, UMC Medical Office \$189,323, Foothills height and Las Primeras Lomas built prior to annexation	8758	1.71	0.32	2.03	11/7/1996
8792	2/26/1997	yes	yes	\$155,168	377 acres of land annexed in 1997 including one subdivision plat approved 1996 for 26 lots. Lots were developed in 2002-2003. The remainder of the land is County Owned wash	8792	1.33	0.12	1.45	2/6/1997
8795	2/26/1997	yes	yes	\$1,031,744	152 lot Crossings at River Bend subdivision, platted in 1996, annexed in 1997, built after annexation. Also 44,000 sq./ft. retail (Conn's Home Plus) built after annexation (\$124,608)	8795	0.99	1.61	2.6	2/26/1997
8810	3/12/1997	no	yes	\$793,568	14 lot las nubes platted not built, Silverbell trails 42 lots, 12 acres of vacant commercial (120,000 sq./ft. - \$340,000), 9 acres of RX-2 (20 lots) = 76 new lots - \$453,568	8810	4.01	2.68	6.69	3/12/1997
8854	5/21/1997	no	yes	\$757,936	Desert View subdivision, platted in 1999, annexed in 1997, 127 single family residential units	8854	0.83	0.28	1.11	5/21/1997
8918	10/7/1997	yes	yes	\$179,040	324.64 acres annexed in 1997 including 8 subdivision plats: 1) platted in 1997 for 46 lots built prior to annexation, 2) platted in 1978 for 74 lots built prior to annexation, 3) platted in 1976 for 39 lots built prior to annexation, 4) platted in 1979 for 30 lots built prior to annexation, 5) platted in 1981 for 21 lots built prior to annexation, 6) platted in 2002 for 5 lots built in 2003, 7) platted in 1978 for 11 lots built prior to annexation, 8) platted in 2016 for 25 lots still not built.	8918	1.71	2.4	4.11	10/7/1997
9017	4/22/1998	yes	no	\$0	Southwest gas business park built prior to annexation	9017	0	1.04	1.04	4/22/1998
9048	8/6/1998	no	no	\$0	right-of-way for 1st Ave	9048	0	0.18	0.18	8/6/1998
9061	7/15/1998	yes	no	\$0	Annexed 1 acre of open space that was platted as part of the Northmanor subdivision. Developed prior to annexation	9061	0.01	0	0.01	7/15/1998
9122	12/2/1998	no	yes	\$193,265	Joesler Village: Building 1 = 8,997 sq./ft. of retail and restaurant, building 2 = 14,445 sq./ft. retail office and restaurant, building 3 = 8,000 sq./ft. restaurant, building 4 = 7,514 sq. feet restaurant, building 5 = 3,238 sq./ft. retail, building 6 = 31,357 sq./ft. office	9122	0.21	0.11	0.32	12/2/1998
9216	6/1/1999	no	no	\$0	Campbell Road right-of-way	9216	0	0.14	0.14	6/1/1999
9145	2/3/1999	yes	yes	\$23,872	10 acres annexed in 1999, 4 unplatted lots built in 2001-2002	9145	0.08	0	0.08	
9233	8/5/1999	no	no	\$0	Federal prison	9233	0	0.94	0.94	8/5/1999
9226	7/21/1999	yes	yes	\$927,386	Mortimore addition platted in 1952, Drexel Manor platted in 2004 - 137 lots, Alvernon Benson shopping center - 38,277 sq./ft. commercial	9226	2.79	1.44	4.23	7/21/1999
9326	1/12/2000	yes	yes	\$214,848	Tanque Verde Trails subdivision, platted in 1994, built between 1995-2000, annexed in 1999, 36 total lots					
9337	2/10/2000	no	no	\$0	Deannexation					
9256	3/8/2000	no	no	\$0	Right-of-way for Silverbell Rd	9256	0	1.24	1.24	3/8/2000
9375	5/31/2000	yes	yes	\$913,104	Rio Cancion Townhouses existed prior to annexation, Placita Escondida built after annexation - 204 high density residential units	9375	0	0.11	0.11	5/31/2000
9423	9/6/2000	yes	no	\$0	23 residential lots platted prior to annexation	9423	0.18	0.19	0.37	9/6/2000
9430	9/6/2000	yes	yes	\$784,574	Target fulfillment center 967,415 sq./ft. distribution center, 30.46 acres of vacant industrial	9430	0.55	1.1	1.65	9/6/2000
9473	12/20/2000	no	no	\$0	vacant municipal owned	9473	0	0.25	0.25	12/20/2000
9474	1/4/2001	yes	no	\$0	Old IBM site redeveloped into the global solar site. Constructed in 1978	9474	0.42		0.42	1/4/2001
9503	2/21/2001	yes	no	\$0	Two single family residential lots adjacent to hillcrest estates. Both lots were developed prior to the 2001 annexation	9503	0	0	0	2/21/2001
9527	5/9/2001	no	no	\$0	Annexed in 2001 mostly state land and a few City owned parcels - all vacant	9527	0	10.59	10.59	5/9/2001
9625	12/19/2001	no	yes	\$105,147	Hacienda del Sol office complex - 2003 development after annexation. 53,051 sq./ft. of office	9625	0	0.07	0.07	12/19/2001
9624	12/19/2001	no	yes	\$975,768	Villas at Hacienda del Sol condominium development. This site was annexed in 2001 and developed in 2006 for 218 high density units	9624	0.34	0	0.34	12/19/2001
9646	2/7/2002	no	no	\$0	State land / Airport authority land	9646	0	5.62	5.62	2/7/2002
9660	3/13/2002	no	yes	\$1,092,168	Star pass Resort, development plan approved after site was annexed. 575 hotel rooms @ \$1,478 per room. 396,000 sq./ft. conference center @ \$2,758 per sq./ft.	9660	0.35	0.2	0.55	3/13/2002
9765	11/6/2002	no	yes	\$137,763	Center for Neurosciences -annexed in 2002, development approved it 2006	9765	0	0.08	0.08	11/6/2002
9822	5/7/2003	yes	no	\$0	AZ National Guard Armory	9822	0	0.04	0.04	5/7/2003
9849	3/4/2004	no	yes	\$1,042,302	Riverwalk development 2005 140 townhouses plus 81,711sq./ft. of medical office.	9849	0.64	0.07	0.71	3/4/2004
				Total	\$25,220,988					90.48

Regional total regional miles \$62,417,126 271.39

regional average annual maintenance cost \$ 2,306,815

Average Annual Maintenance Cost \$ 769,080

Marana Annexations 1996-2004

Ordinance Number	Annexation Date	Developed prior to 2005	Lost revenue (Y/N)	Dollar amount of lost revenue	Other	Ordinance	Subdivision Road Totals	Subdivision Road Totals	Total Miles	Effective Date
96.23	6/7/1996	yes	yes	\$190,976	SR, built around 2000, 32 SFRs platted in 1997	96.23	0.43	0	0.43	6/7/1996
96.32	8/27/1996	no	no	\$0	right-of-way	96.32	0.01	0.24	0.25	8/27/1996
96.38	12/12/1996	yes	yes	\$250,656	platted in 1999, 42 lots built in 2002-2003	96.38	2.33	2.17	4.5	12/12/1996
97.1	4/15/1997	no	no	\$0	vacant CR-5 , nothing platted or built	97.10	0.12	0.04	0.16	4/15/1997
97.13	7/1/1997	yes	no	\$0	mobile home park at time of annexation, same use now	97.13	0	0	0	7/1/1997
97.14	8/19/1997	no	no	\$0	Thornsdale ROW	97.14	0	0.62	0.62	8/19/1997
97.23	9/19/1997	yes	no	\$0	power substation	97.23	0	0.09	0.09	9/19/1997
97.24	9/5/1997	no	yes	\$3,434,003	2006 development - Tangerine Vista - 69 SFRs; tangerine crossing 347 SFRs, 209,000 sq./ft. commercial, 3,956 sq./ft. gas station canopy	97.24	8.87	5.67	14.54	9/5/1997
97.25	9/19/1997	yes	yes	\$555,024	platted at built in 2002, 93 SFRs	97.25	0.62	0.21	0.83	9/19/1997
99.03	2/2/1999	no	no	\$0	Right-of-way	99.03	0.01	0.08	0.09	2/2/1999
99.04	3/16/1999	no	no	\$0	160 acres of vacant state land	99.04	0	1.53	1.53	3/16/1999
99.05	3/18/1999	no	no	\$0	part of an existing plat	99.05	1.31	0	1.31	3/18/1999
99.06	4/15/1999	no	no	\$0	right-of-way	99.06	0	0.07	0.07	4/15/1999
99.18	7/15/1999	yes	no	\$0	Marana airport	99.18	0	0.88	0.88	7/15/1999
99.24	10/7/1999	yes		\$138,412	built 2000-2001, CB-1, Circle K gas station and Wendy's, development plan 3/2000 Marana	99.24	0.08	0.11	0.19	10/7/1999
2000.02	3/15/2000	no	no	\$0	right-of-way and transmission lines along I-10	2000.02	0.01	1.02	1.03	3/15/2000
2000.14	9/1/2000	no	no	\$0	vacant	2000.14	0	0.37	0.37	9/1/2000
2000.23	1/18/2001	no	no	\$0	650 acres of RH	2000.23	0	2.47	2.47	1/18/2001
2001.03	3/22/2001	no	yes	\$244,688	3 developments, Riverside at silverbell (currently vacant, 14 acres of commercial zoning); Village Commercial (9.3 acres of commercial, currently vacant); 41 platted SFR's; only calculating for SFR's	2001.03	0	0	0	3/22/2001
2001.1	7/24/2001	no	no	\$0	5.5 acres of vacant SR	2001.1	0	0	0	7/24/2001
2001.15	11/11/2001	no	no	\$0	vacant SH zoned	2001.15	0	0.27	0.27	11/11/2001
2001.19	11/16/2001	no	no	\$0	RH zoned farmland	2001.19	0	8.53	8.53	11/16/2001
2001.21	12/6/2001	no	no	\$0	566 acres of RH & CR-1 some existing houses	2001.21	1.18	2.05	3.23	12/6/2001
2001.22	12/20/2001	no	yes	\$1,127,952	Lazy K, was SR when annexed now there is a proposed specific plan for 189 homes.	2001.22	0	0.7	0.7	12/20/2001
2002.03	3/5/2002	no	no	\$0	Tortolita Fan Annexation - 21,500 acres of RH at time of annexation	2002.03	0	14.02	14.02	3/5/2002
2002.09	4/19/2002	yes	no	\$0	Mira Vista Resort property, built prior to impact fees, some additional large lot residential	2002.09	0	0.48	0.48	4/19/2002
2003.14	7/31/2003	no	yes	\$89,520	15 SFR's - platted Sahuaro ranch	2003.14	1.61	0	1.61	7/31/2003
2003.15	7/31/2003	some	yes	\$185,008	31 SFR's - Sahuaro ranch	2003.15	1.16	0	1.16	7/31/2003
2003.21	10/16/2003	no	no	\$0	4.31 acres of RH	2003.21	0	0	0	10/16/2003
2003.22	10/16/2003	no	no	\$0	5.6 acres of RH	2003.22	0	0	0	10/16/2003
2003.24	11/7/2003	no	no	\$0	125 acres of municipal owned RH zoned land	2003.24	0	0	0	11/7/2003
2003.33	1/16/2004	no	no	\$0	Right-of-way	2003.33	0.01	1.69	1.7	1/16/2004
2004.01	5/6/2004	no	yes	\$202,912	34 SFR's - Sahuaro ranch III	2004.01	0.61	0.04	0.65	5/6/2004
2004.05	4/16/2004	no	yes	\$1,336,832	2 plats for a total of 224 SFR's	2004.05	2.24	2.01	4.25	4/16/2004
2004.15	8/5/2004	no	yes	\$29,840	28 acres of RH, 5 SFRs	2004.15	0	0	0	8/5/2004
			Total	\$7,785,823					65.96	

Average Annual Maintenance Cost \$ 560,660

Oro Valley Annexations 1996-2004

Ordinance Number	Annexation Date	Developed prior to 2005	Lost revenue (Y/N)	Dollar amount of lost revenue	Other	Ordinance	Subdivision Road Totals	Subdivision Road Totals	Total Miles	Effective Date
(O)96-38	10/26/1996	no	no	\$0	40 acres of state land	(O)96-38	0	0	0	10/26/1996
(O)98-27	3/25/2002	no	yes	\$704,224	68 SFR's platted in 2013; 50 SFR's platted 2014	(O)98-27	1.46	3.01	4.47	3/25/2002
(O)98-29	3/25/2002	yes	no	\$0	72 acres large lot residential	(O)98-29	0	0.32	0.32	3/25/2002
(O)98-30	3/25/2002	Yes	no	\$0	12 SFR's platted in 1999, built out prior to 2005	(O)98-30	0.4	2.24	2.64	3/25/2002
(O)98-31	3/25/2002	yes	no	\$0	subdivided in 1975	(O)98-31	1.21	1.8	3.01	3/25/2002
(O)98-40	3/25/2002	no	yes	\$907,136	21 SFR's platted in 2006; 120 SFR's platted in 2015; 11 SFR's platted in 2007	(O)98-40	2.21	5.34	7.55	3/25/2002
(O)01-09	3/20/2002	no	yes	\$698,256	Stone Canyon Vistoso 117 SFR's	(O)01-09	0.99	0	0.99	3/20/2002
(O)02-39	1/18/2003	no	no	\$0	vacant land	(O)02-39	0	0.16	0.16	1/18/2003
(O)03-01	2/15/2003	no	yes	\$513,248	15.036 acres, 86 SFR's platted in 2005 built in 2006	(O)03-01	0.5	0	0.5	2/15/2003
(O)03-09	5/7/2003	partially	yes	\$1,605,403	Sunrise office park (development plan 2001), 65 SFR's platted 1999 built in 2000; 21 townhouses platted in 1998; chapin car center (5615 sqft car wash; 10 fueling stations, 5400 sqft restaurant, 4000 sqft beauty shop; Oracle Crossing	(O)03-09	6.56	3.62	10.18	5/7/2003
(O)03-12	6/7/2003	yes	no	\$0	platted in 1967	(O)03-12	0.55	0.49	1.04	6/7/2003
(O)03-24	7/25/2003	yes	no	\$0	3.028 acres, self storage built prior to annexation	(O)03-24	0	0	0	7/25/2003
(O)04-01	4/15/2004	no	no	\$0	right-of-way only	(O)04-01	0.01	0.59	0.6	4/15/2004
(O)04-14A	5/7/2004	no	no	\$0	135.9 acres of unsubdivided large lot residential	(O)04-14A	0.1	0.49	0.59	5/7/2004
(O)04-16	6/18/2004	no	no	\$0	20.45 acres vacant	(O)04-16	0	0.12	0.12	6/18/2004
(O)04-43	12/17/2004	no	yes	\$0	28,985 sq./ft. commercial, development plan approved in 2007 still not built	(O)04-43	0	0	0	12/17/2004
Total				\$4,428,267					32.17	

Average Annual Maintenance Cost \$ 273,445

Sahuarita Annexations 1196-2004

Ordinance Number	Annexation Date	Developed prior to 2005	Lost revenue (Y/N)	Dollar amount of lost revenue	Other	Ordinance	Subdivision Road Totals	Non-Subdivision Road Totals	Total Miles	Effective Date
1996.01	1/23/1997	no	yes	\$7,758,400	Rancho Sahuarita annexation. All or a portion of several subdivisions are in this annexation area. All subdivisions were platted after the annexation. Presidio Del Oro 100 lots, Presidio Del Sol 55 lots, Presidio De Arboles 145 lots, Presidio Del Flores 108 lots, Presidio De Las Montanas 127 lots, Presidio De Las Estrellas 181 lots, Presidio Del Rio 143 lots, Presidio De La Madera 25 lots, Lago Sereno 99 lots, Agua Azul II 69 lots, Encanto Del Lago 82 lots, Presidio Del Valle 166 lots.	1996-01	13.42	0.01	13.43	1/23/1997
1997.02	1/9/1997	yes	no	\$0	La Villita neighborhood, non-platted built out wildcat subdivision	1997-02	0	0.48	0.48	1/9/1997
1998.02	10/17/1998	no	no	\$0	right-of-way for La Canada, Nogales, Duval mine	1998-02	0	1.43	1.43	10/17/1998
1998.09	10/17/1998	no	no	\$0	right-of-way for Duval Rd	1998-09	0	0.81	0.81	10/17/1998
1999-03	5/26/1999	yes	yes	\$8,874,416	State Land, Pima County owned land, large parcels of RH zoned pecan farm and washes, Madera Highlands two plats for blocks 1-23, Madera Highlands Villages, total lots 1,487	1999-03	11.26	2.73	13.99	5/26/1999
2000.1	11/12/2000	yes	yes	\$8,313,424	9600 acres, pecan farm plus quail creek, None of the Sahuarita Farms Specific plan area has been platted or developed. No fees were calculated for that area as the specific plan does not specify a number of lots at buildout or an estimated square footage for commercial, industrial, or institutional development. The amount of lost revenue is based off the platted lots for Quail Creek. All of the residential lots accounted for represent lots that were platted prior to the annexation. Not all lots are developed at this time.	2000-10	31.6	20.97	52.57	11/12/2000
2004.02	4/7/2004	no	yes	\$35,808	six residential lots, part of Quail Creek	2004-02	0.07	0	0.07	4/7/2004
2004.1	6/9/2004	no	no	\$0	State Land	2004.1	0	0	0	6/9/2004
2004.11	6/9/2004	yes	no	\$0	Titan Missile Museum	2004.11	0	0	0	6/9/2004
				Total	\$24,982,048				82.78	

Average Annual
Maintenance Cost \$ 703,630

City of Tucson Annexations 2005-Present

Annexation Ordinance	Effective Date	Developed prior to 2005	Lost revenue (Y/N)	Lost revenue (2016/2017 rates)	Notes	Ordinance	Subdivison Road Totals	Non-Subdivison Road Totals	Total Miles	Effective Date
10487	1/17/2008	no	yes	\$559,224	Site of the Fry's store built in 2016 off Valencia	10487	0	0.17	0.17	1/17/2008
10213	12/2/2005	no	no	\$375,984	SH zoned land suitable for 63 lots. Part of annexed area is a church	10213	0.24	0.25	0.49	12/2/2005
11231	1/16/2015	yes	no	\$0	Development approved or built prior to annexation. Includes Villas and Hacienda del Sol and Haciendas at the River	11231	0	0.11	0.11	1/16/2015
10212	12/2/2005	no	no	\$0	Tucson Airport Authority owned land	10212	0	0.06	0.06	12/2/2005
10089	1/19/2005	yes	no	\$0	Developed prior to annexation - Frito Lay site	10089	0	0.04	0.04	1/19/2005
10670	7/16/2009	yes	yes	\$53,712	The Estates at Starr Pass subdivision. Platted prior to annexation, 9 lots still available	10670	0.5	0.15	0.65	7/16/2009
11308	10/25/2015	yes	yes	\$0	Auto mall area, all development was existing prior to the annexation including the BMW, Volkswagen, Volvo, Enterprise and Budget sites, Wetmore Professional Center, Wagon's West, and Limberlost Village Townhomes.	11308	0.2	1.43	1.63	10/25/2015
11159	5/24/2014	no	yes	\$95,488	platted in 2007, annexed in 2014, still not built	11159	0	0.45	0.45	5/24/2014
11278	7/10/2015	yes	no	\$0	Platted in 1969, annexed in 2015, built out prior to annexation	11278	0.68	0.12	0.8	7/10/2015
11058	4/29/2013	yes	no	\$0	TEP property annexed in 2013	11058	0	0.14	0.14	4/29/2013
11010	8/10/2012	yes	yes	\$738,559	Rio Verde Village - River and Craycroft. Totals estimated off specific plan. Hotel @ 100 rooms (\$147,800), 4,300 sq./ft. office (\$8523), 17,550 sq./ft. office (\$34,784), 6,00 sq./ft. retail (\$16,992), 18,900 sq./ft. retail (\$53,525), 7,400 sq./ft. Restaurant (\$74,503), 7,400 sq./ft. restaurant (\$74,503), 17,00 sq./ft. grocery store (\$88,026), 21,600 sq./ft. 40 bed congregate care center (\$12,040), 33 single family homes (\$196,944)	11010	0.15	0.62	0.77	8/10/2012
10351	1/9/2007	no	no	\$0	right-of-way for Van Buren Ave	10351	0	0.02	0.02	1/9/2007
10689	9/5/2009	yes	no	\$0	Federal owned land - Raytheon	10689	1.41	2.6	4.01	9/5/2009
11059	4/29/2013	no	no	\$0	All Pima County owned land around aerospace parkway	11059	0	1.9	1.9	4/29/2013
11152	5/9/2014	yes	yes	\$933,600	Empire Vista subdivision platted prior to annexation, Empire subdivision - vacant C-2 and R-1 with the potential for 140,000 sq./ft. of future commercial and 90 SFR's	11152	1.47	0.15	1.62	5/9/2014
11192	9/5/2014	no	yes	\$648,800	Valencia Kolb Property Blocks 1-3 Century Park Marketplace PAD. The PAD shows this area as industrial warehouse. There are no development plans on file. An approximate square footage for future ware house is 800,000 sq./ft.	11192	0	1.21	1.21	9/5/2014
11213	12/19/2014	no	no	\$0	Aeropark Blvd right-of-way	11213	0.92	0	0.92	12/19/2014
11214	12/19/2014	no	no	\$0	Vacant COT land at the end of runway	11214	0	1.49	1.49	12/19/2014
10222	1/13/2006	yes	yes	\$23,872	22nd and Melpomene- annexed in 2006. All built but enough area for 4 additional SR zoned lots.	10222	0	0.51	0.51	1/13/2006
10096	1/19/2005	no	no	\$0	Vacant COT land	10096	0	0.9	0.9	1/19/2005
10298	12/22/2006	no	no	\$0	vacant state land and a small piece of Pima County owned land	10298	0	2.61	2.61	12/22/2006
10988	6/22/2012	no	yes	\$3,508,500	Valencia Crossing Specific Plan, no sq./ft. per use is given so it was estimated off the zoning and site area. Development area A is for commercial C-2 uses and is estimated to allow approximately 750,000 sq./ft. Development area B is also C-2 commercial uses and can hold approximately 350,000 sq./ft., Development area C is for drainage and parks, Development area D is for industrial uses and could hold approximately 180,000 sq./ft. The numbers are approximations. Other areas within this annexation include a school and I-10 right-of-way. Portions of the Julien wash also traverse this site.	10988	0	1.46	1.46	6/22/2012
11011	9/7/2012	yes	no	\$0	developed prior to annexation - airplane junkyard	11011	0	0	0	9/7/2012
11378	8/6/2016	no	no	\$0	right-of-way	11378	0	0.01	0.01	8/6/2016
11357	6/17/2016	yes	yes	\$262,592	Desert Willow Subdivision -38 remaining lots. SR land suitable for 6 lots	11357	1.05	1.66	2.71	6/17/2016
11065	5/15/2013	no	no	\$143,232	20.37 acres of vacant land annexed in 2013, state land on two sides, no paved access, zoned SH (minimum lot size 36,000 sq./ft.) 24 lots could be created under the existing zoning	11065	0.14	0	0.14	5/15/2013
11212	12/19/2014	no	no	\$0	vacant land owned by airport authority	11212	0.49	1.09	1.58	12/19/2014
11390	9/9/2016	yes	no	\$0	Valencia Reserve, platted in 2005, annexed in 2016	11390	4.46	0.57	5.03	9/9/2016
11414	12/23/2016	no	no	\$0	Rillito wash	11414	0	0	0	12/23/2016
11438	3/25/2017	no	yes	\$5,968	Annexed in 2017. Vacant. Old county rezoning to turn it into a contractor's yard. Retained SR zoning after annexation.	11438	0	0	0	3/25/2017
11281	3/10/2016	no	no	\$0	deannexation	11281	0	0	0	3/10/2016
10130	4/22/2005	no	yes	\$2,082,832	annexed in 2005, platted in 2015 for 349 homes	10130	0.05	0	0.05	4/22/2005
11211	12/19/2014	no	no	\$0	Vacant TAA land	11211	0	3.67	3.67	12/19/2014
11365	7/8/2016	yes	no	\$0	Islamic School and one existing home	11365	0	0.2	0.2	7/8/2016
				Total	\$8,443,443				35.35	

Average Annual Maintenance Cost \$ 300,475

Regional Totals \$11,235,219
milage 55.05

regional average
annual
maintenance cost \$ 467,925

Marana Annexations 2005-Present

Annexation Ordinance	Effective Date	Developed prior to 2005	Lost revenue (Y/N)	Lost revenue (2016/2017 rates)	Notes	Ordinance	Subdivison Road Totals	Non-Subdivison Road Totals	Total Miles	Effective Date
2005.08	4/1/2005	n	n	\$0	right-of-way	2005.08	0	0.24	0.24	4/1/2005
2014.017	7/17/2014	n	n	\$0	51 Acres Water Reclamation Facility, municipal owned	2014.017	0	0.11	0.11	7/17/2014
2005.04	3/15/2005	n	n	\$0	22 acres, vacant RH	2005.04	0	0.23	0.23	3/15/2005
2013.024	11/15/2013	n	n	\$0	36.79 acres vacant SR, not subdivided	2013.024	0	0.89	0.89	11/15/2013
2010.04	2/17/2010	y	n	\$0	7.3 acres of SH	2010.04	0.04	0	0.04	2/17/2010
2007.08	4/20/2007	n	n	\$0	In Pinal County, 440 acres	2007.08	0	0	0	4/20/2007
2016.004	5/6/2016	y	n	\$0	8.4 acres, Pioneer Landscaping		0	0	0	5/6/2016
2005.03	2/18/2005	y	n	\$0	4.6 acres existing residential	2005.03	0	0.12	0.12	2/18/2005
2010.08	6/16/2010	n	n	\$0	1200 acres vacant RH	2010.08	0	1.78	1.78	6/16/2010
2013.018	9/6/2013	y	n	\$0	38.84 acres, built before 1996	2013.018	0	0.77	0.77	9/6/2013
2009.21	11/18/2009	n	n	\$0	47 acres unsubdivided GR-1 and SR	2009.21	0	1.09	1.09	11/18/2009
2009.09	7/1/2009	n	y	\$106,500	2.06 acres, quick trip, built in 2011-2012, 20 fueling stations	2009.09	0	0	0	7/1/2009
Total				\$106,500					5.27	

Average Annual Maintenance Cost \$ 44,795

Oro Valley Annexations 2005-Present

Annexation Ordinance	Effective Date	Developed prior to 2005	Lost revenue (Y/N)	Lost revenue (2016/2017 rates)	Notes	Ordinance	Subdivison Road Totals	Non-Subdivison Road Totals	Total Miles	Effective Date
(O)10-07	11/5/2010	no	no	\$0	Right-of-way for Hardy Road	(O)10-07	0	0.49	0.49	11/5/2010
(O)09-13	8/14/2009	no	no	\$0	10 acres, vacant	(O)09-13	0.13	0	0.13	8/14/2009
(O)06-18	11/4/2006	no	no	\$0	2.85 acres, vacant	O(06-18)	0	0	0	11/4/2006
(O)05-30	8/5/2005	yes	no	\$0	La Cholla Air Park 970 acres	(O)05-30	0	10.75	10.75	8/5/2005
(O)06-16	11/4/2006	no	no	\$0	Right-of-way for Moore Road	(O)06-16	0	0.51	0.51	11/4/2006
(O)06-19	11/4/2006	no	no	\$0	120.5 acres, vacant	(O)06-19	0	0	0	11/4/2006
(O)13-04	5/17/2013	yes	no	\$0	Tohono Chul Park, all development existing or redevelopment	(O)13-04	0.96	0.73	1.69	5/17/2013
									13.57	

Average Annual Maintenance Cost \$ 115,345

Town of Sahuarita Annexations 2005-Present

Annexation Ordinance	Effective Date	Developed prior to 2005	Lost revenue (Y/N)	Lost revenue (2016/2017 rates)	Notes	Ordinance	Subdivison Road Totals	Non-Subdivison Road Totals	Total Miles	Effective Date
2007.12	9/27/2007	no	yes	\$728,096	not platted GR-1 zoned land, 101.16 acres = 122 lots	2007-12	0	0.52	0.52	9/27/2007
2013-080	6/13/2013	no	yes	\$1,551,680	215 acres, GR-1 zoning upon annexation. 36,000 sq./ft. minimum lot size = 260 SFRs. Chances are it will be rezoned prior to development. It is not platted or part of a development plan at this time	2013-080	0	0.34	0.34	6/13/2013
2011.046	3/15/2011	no	yes	\$405,500	All pecan farm. Designated as industrial on the specific plan, no development plans submitted. Maybe suitable for 500,000 sq./ft. warehouse	2011.046	0	0	0	3/15/2011
				Total					0.86	

Average Annual Maintenance Cost \$ 7,310

Exhibit 1

Annexations 1996-2004

Jurisdiction	Lost Revenue	Miles Annexed out of Pima County	Average Annual Maintenance Cost
City of Tucson	\$ 25,220,988	90.48	\$ 769,080
Marana	\$ 7,785,823	65.96	\$ 560,660
Oro Valley	\$ 4,428,267	32.17	\$ 273,445
Sahuarita	\$ 24,982,048	82.78	\$ 703,630
Regional Total	\$ 62,417,126	271.39	\$ 2,306,815

Annexations 2005-Present

Jurisdiction	Lost Revenue	Miles Annexed out of Pima County	Average Annual Maintenance Cost
City of Tucson	\$ 8,443,443	35.35	\$ 300,475
Marana	\$ 106,500	5.27	\$ 44,795
Oro Valley	\$ -	13.57	\$ 115,345
Sahuarita	\$ 2,685,276	0.86	\$ 7,310
Regional Total	\$ 11,235,219	55.05	\$ 467,925