

Pima County Comprehensive Plan

Appendix D: Fiscal Analysis Report



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1. INTRODUCTION AND BACKGROUND

The 2015 update of the Pima County Comprehensive Plan, while focused on people and communities, also has an eye to the fiscal cost of providing services to the Sub-region Planning Areas that comprise the comprehensive plan. While the population of the county has grown over the course of the last decade, each planning area is unique and presents its own set of circumstances in socio-demographics, land use and economic development.

Conducting a fiscal analysis on the cost to service future vacant land in each planning area will provide the county a glance into the future. Currently the county is very limited in the funding mechanisms it has in which to secure revenue for the provision of county services, such as public safety, street maintenance, and other general county services. The intent of this analysis is to understand the fiscal consequences of the recommended changes in land use and the corresponding revenue and costs that will be generated as a result.

OVERVIEW

There are a number of factors that drive the fiscal analysis including the county's current revenue structure and the demographic and market characteristics of land uses for each planning area. The type of fiscal impacts that have been incorporated within this analysis are limited to some maintenance and operations, essentially non-capital expenditures. Meaning, water and wastewater infrastructure and road construction are beyond the scope of this analysis. This report is focused exclusively on demand-based operating revenues and expenditures in the general fund. In this regard, analysis was performed on thirteen sub-regions within Pima County. It excluded the Tohono O'odham Nation, since Pima County has little authority on Tribal lands.

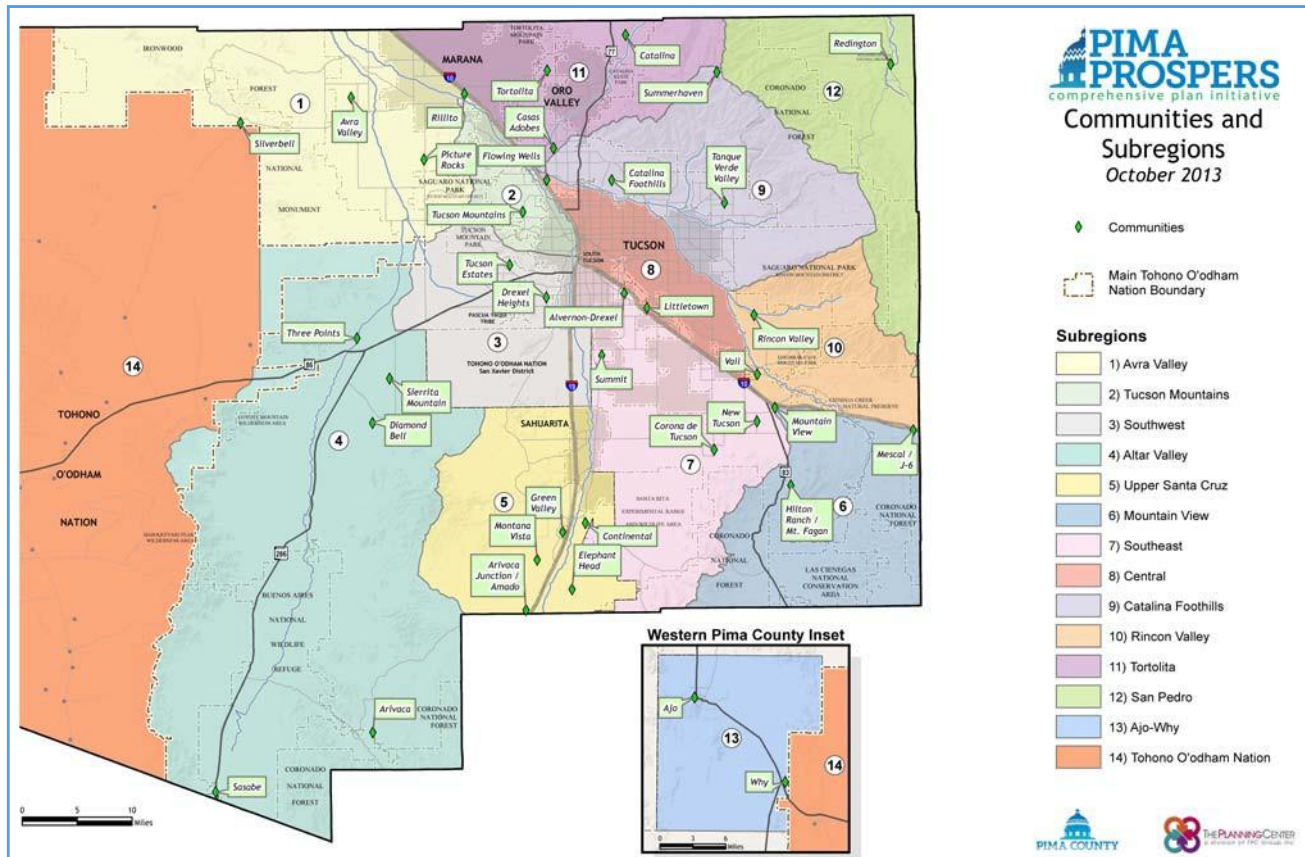
Approach

The focus of the fiscal analysis is on the potential development of the vacant land in the unincorporated county within each of the 13 sub-region planning areas, depicted in Figure 1.

In preparing this analysis, a variety of assumptions were made, including that land annexations would not take place and cost data is noted in today's dollars without adjustment for inflation. Impact fee revenue is not included since this revenue stream is dedicated to capital projects. The fiscal model also does not include the value of new infrastructure, which is usually not funded through operations and maintenance revenues. The analysis is projected to the year 2035.

As a starting point, data on each planning area was collected and reviewed which at a minimum included population, employment, tax generation, assessed valuation, and the number of acres of various land uses. The county's Fiscal Year 2014-15 adopted operating budget was utilized to estimate the revenue and expenditures rates. Finally a model was created utilizing 2035 population and employment projections by sub-region to calculate the revenues and expenditures for each sub-region.

Figure 1 - Pima County Sub-region Planning Areas



FINDINGS

The complexity of the model was limited based on the level of detail and type of information available from the county. A more detailed analysis by land use (residential, retail, office and industrial) and further clarification of county budget items could easily lead to a different result.

Within the State of Arizona cities and counties have a variety of revenue sources including sales and property tax, state shared revenue, development impact fees, and license and permit fees, and franchise taxes. Most of these revenue sources can be applied to the general fund without restrictions, including sales, property and state shared revenue. Pima County dedicates 100 percent transient occupancy tax to tourism and economic development related activities.

It is important to bear in mind that there are a variety of factors that influence the fiscal impact results, including the tax structure and existing and projected growth rates. A healthy economy includes a mix of land uses that are supportive of one another. For example, retail development relies on the proximity of residential development. Development of the vacant unincorporated county land will result in additional revenues in the form of property taxes from new residential and business establishments, new fees, and additional state shared revenue. At the same time, there is an associated cost to service the new development including providing public safety, provision of road maintenance, and general government services. Long term maintenance costs of roads, public facilities and deferred maintenance

of infrastructure will impact this analysis and is missing from annual budget information. Currently, the county is suffering from deferred maintenance of its road system and is unable to keep up with the level of service demands of the general public. This problem is compounded by several factors including the diversion of dedicated road funds by the State Legislature in 2009, a gas tax that remains at 18 cents per gallon and has not changed since 1991, reduction in state shared revenues relating to gas taxes and transportation fees, and the expenditure limit imposed on counties by the state legislature, to mention a few.

By estimating revenues and expenditures that result from net new population and employment growth in the unincorporated county, Pima County is better able to connect planning and finance. Overall the findings show that in the year 2035 the net fiscal impact to Pima County is positive, but marginally so at \$4.1 million. When evaluating each sub-region, five yield a negative fiscal impact, meaning that these sub-regions generate less revenue than the value of county services that are provided. As previously discussed, this model does not include annual maintenance and capital replacement costs, which according to the Natural Resources Defense Council (NRDC) can be about three times greater than the annualized capital costs.¹

Net Fiscal Impact of Proposed Vacant Land Uses, Unincorporated County	
REVENUE (general fund)	Total
Property tax	\$44,732,910
Licenses & Permits (cable TV provider fee)	\$245,172
Intergovernmental:	
Federal grant & aid	\$482,273
State Grants & aid	\$65,105
Sales and use Tax	\$8,783,589
Shared Vehicle License Tax	\$3,645,412
Liquor License Fee	\$24,159
Transient Lodging tax	\$1,779,235
City participation	\$159,717
Charges for Services	\$6,348,608
Fines & Forfeits	\$679,927
Investments earnings	\$23,120
Miscellaneous	\$810,470
TOTAL REVENUE	\$67,779,698
EXPENDITURES (general funds)	
General Government	\$27,082,383
Community Resources	\$4,721,507
Justice and Law	\$7,566,644
Sheriff	\$20,694,980
Health Services	\$3,584,026
TOTAL EXPENDITURES	\$63,649,542
NET IMPACT	\$4,130,157

¹ "Fiscal Impacts of Development: Literature Review and Discussion, July 2008, Troy Mix and Rachael Hurley.

Fiscal impact analysis is a useful tool to understanding the costs and benefits of various land uses. However, academic literature on the subject concludes that fiscal analysis should not be used to encourage “fiscal zoning” or the practice of excluding or denying development proposals that are less beneficial fiscally than other alternatives. Land use decisions should account for community vision and local values, market realities, and environmental and infrastructure impacts.

2. REVENUE SOURCES

There are a variety of revenue sources available to county governments in Arizona, including sales and property tax, state shared revenue, development impact fees, license and permit fees, and franchise tax. Most of these revenue sources can be applied to the general fund without restrictions, including sales, property and state shared revenue.

Sales Tax

The state, counties and cities within Arizona levy a sales tax, known as a transactional privilege tax (TPT), on various business activities including: retail sales, restaurants/bars, hotel/motel (transient lodging), commercial lease, amusements, personal property rentals, construction contracting, metal mining, transportation, nonmetal mining, job printing, publishing, utilities, telecommunications and private rail car. Pima County is the only county in Arizona that does not have a general sales tax. The Regional Transportation Authority imposes a 0.50% sales tax to fund regional transportation projects.

The County does have a Transient Occupancy Tax, which represents tax on temporary hotel/motel lodging imposed by state, counties and cities. For many local governments this tax is applied in addition to the TPT. In Pima County the transient occupancy tax is collected only in the unincorporated county at a rate of 6% and the proceeds are distributed to Visit Tucson, stadium district and the county economic development and tourism department.

A comparison of transactional privilege tax imposed by Arizona counties is represented in Figure 2. As noted earlier, Pima County doesn't have a sales tax. Pinal County to the north imposes a 1.1% tax and Santa Cruz County to the south has a 1.0% tax. Both of these counties allocate 50 percent of their sales tax collection to the general fund (Table 1). Maricopa County imposes a .70% sales tax rate which is dedicated to roads and jail.

Other taxes imposed by Pima County include the RV rental surcharge at \$0.50 a day and a rental car surcharge at \$3.25 per contract. The revenue generated from these two activities are restricted funds.

Figure 2 - Arizona County's TPT Rates

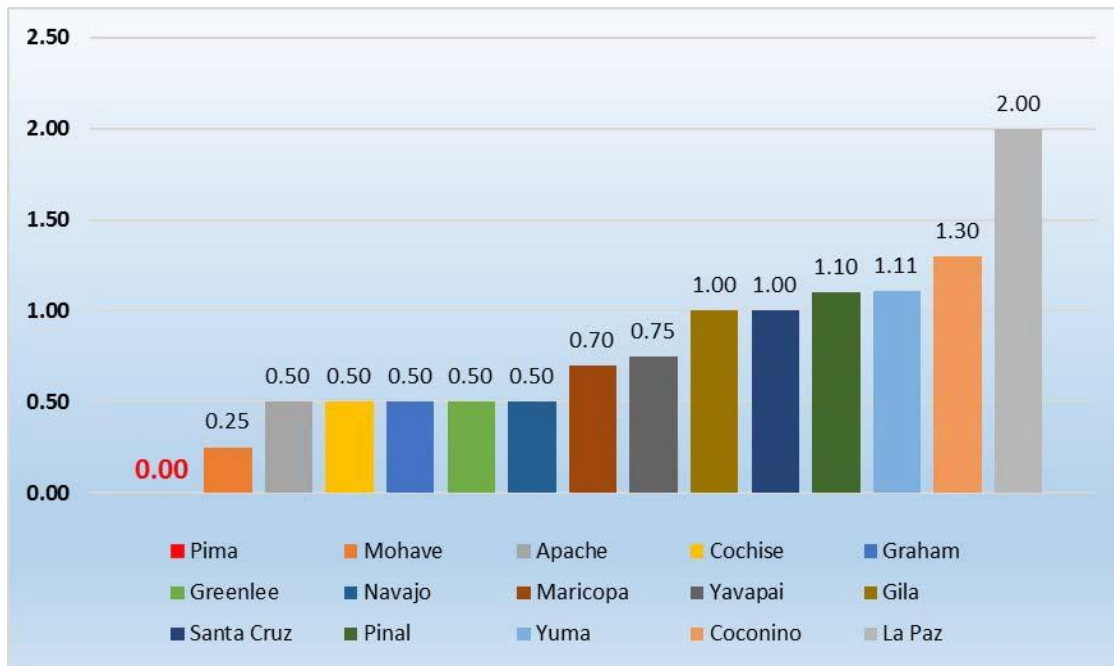


Table 1 - Allocation of Transactional Privilege Tax by County

	General Fund	Road	Jail	Capital	Health
Apache	0.50				
Cochise	0.50				
Coconino	0.50		0.50	0.125	
Gila	0.50	0.50			
Graham	0.50				
Greenlee	0.50				
La Paz	1.00	0.50			
Maricopa		0.50	0.20		
Mohave	0.25				
Navajo	0.50				
Pima	0.00				
Pinal	0.50	0.50			0.10
Santa Cruz	0.50		0.50		
Yavapai	0.50		0.25		
Yuma	0.50	0.5			0.1

Source: Arizona Tax Research Association, June 2013

Property Tax

Another source of unrestricted funds for counties is property tax, which is an ad valorem tax. These taxes are imposed on the value of land, improvements and personal property. Tax is calculated primarily on limited assessed value (statutorily-controlled value). The limited cash value is used to calculate the primary tax rate, whose revenue is used to fund basic operations of government. There are various classifications of property that are assessed at different assessment ratios which vary by property type with residential assessed at 10% and commercial/industrial at 19%, which will decrease to 18% beginning January 1, 2016. Per state statute the primary property tax levy cannot exceed 2 percent per year. The overall limited value can't increase more than 5% per year.

Due primarily to decreasing property values, Pima County raised its primary tax rate from \$3.6665 to \$4.2779 for FY 2015 in order to generate a balanced budget, which is required by state statute.

State Shared Revenues

The State of Arizona shares TPT revenues with Arizona's cities and counties using a complex formula established in state statute. The distribution is broken down by shared and non-shared. Retail TPT is split 40-60 shared and non-shared and contracting is 20-80 shared and non-shared. Of the distribution portion, 40.51 percent is returned to counties, which is shared using a multiple step formula. Urban revenue sharing of individual and corporate income tax is only shared with Arizona's incorporated cities and towns.

Highway User Funds (HURF) consists of a gas tax Fees associated with the registration and operation of motor vehicles are Vehicle License Tax (VLT) and include vehicle license tax, use tax, motor carrier fees, and vehicle registration fees. Revenue from HURF and VLT is shared with cities, towns and counties, and are restricted funds that can only be used for highway related purposes. During the downturn in the economy the amount of state shared revenue available for distribution decreased dramatically, which had a negative impact on Pima County's budget.

3. FISCAL IMPACT ANALYSIS

Factors that influence the fiscal impact results are varied, however the key underpinning is the structure of local revenue, which for Arizona counties is a mixture of property tax, sales tax and state shared revenue. The characteristics of new growth and density of new development also play a critical role in determining fiscal impacts. The level of service that is provided by the government for public safety, parks, etc. likewise influences the associated costs.

This analysis provides a way to connect planning and finance by estimating the revenues and expenditures that result from population and employment growth. The fiscal analysis prepared for the Pima County Comprehensive plan is based on vacant land within the 13 sub-regions within the unincorporated county and Pima County's Fiscal Year 2014-15 adopted budget. A number of steps and a variety of data were used to prepare a fiscal model that calculated revenues and expenditures per sub-region. In addition, several assumptions were applied to the analysis, including that land annexations would not take place, and no adjustments for inflation to the cost data. Impact fees were also not included since the revenue is dedicated to capital projects.

In addition to evaluating the fiscal impact of net new population and employment, staff also provided changes in land uses resulting from proposed new development for 6 of the 13 sub-regions. This information included additional residential dwelling units and square feet of employment land uses. These changes are based on Planning staff recommendations or requests from the property owners. However, the population and employment generated by these land use changes did not exceed the 2035 projections, thereby negating any additional impact.

METHODOLOGY

Pima County staff provided the underlying data for the analysis including the number of vacant acres, population projections within the unincorporated county by sub-region, employment by sub-region for the unincorporated county, as well as the net assessed property valuation by sub-region.

A model was prepared that applied revenue and expenditure rates against the new population, new employment or service population per acre for each planning area. Service population is population and employment combined, and is used to reflect that both residential and non-residential contribute to the tax base. These revenue and expenditure rates by sub-region planning area were calculated to understand the fiscal impact of population and employment growth. This model does not include infrastructure capital costs or annual maintenance and capital replacement costs, which according to the Natural Resources Defense Council (NRDC) can be about three times greater than the annualized capital costs.

Budget Data

Revenue and general government expenditures from the county's Fiscal Year 2014-15 adopted budget were used in developing the model. The complexity of the model was limited based on the level of detail and type of information available from the county staff. Table 2 provides a summary of the County's FY 2014-15 adopted budget, the revenue and expenditures used in the analysis, as well as the multiplier or per capita "driver" applied in the proforma. In deriving the multiplier used in the model, the 2014 population figure used was 1,008,441 and sourced from the Arizona Department of Administration, population projections medium series. Pima County employment of 427,580, which was projected from the 2008-12 American Community Survey using a 1 percent annualized growth rate.

Table 2 - Pima County Revenue and Expenditures

	FY2014-15	Expenditure Rate	Multiplier
REVENUE (Schedule C - General fund)			
Property tax	\$325,729,243	service population	varies
Licenses & Permits (cable TV provider fee)	\$2,976,590	population	2.95
Intergovernmental:			
Federal grant & aid	\$3,188,330	service population	2.22
State Grants & aid	\$430,412	service population	0.30
Sales and use Tax	\$106,640,000	population	105.75
Shared Vehicle License Tax	\$24,100,000	service population	16.78
Liquor License Fee	\$77,000	employment	0.18
City participation	\$1,055,900	service population	0.74
Transient Lodging tax	\$5,670,867	employment	13.26
Charges for Services	\$41,970,965	service population	29.23
Fines & Forfeits	\$4,495,031	service population	3.13
Investments earnings	\$280,700	population	0.28
Misc.	\$5,358,055	service population	3.73
TOTAL REVENUE	\$521,973,093		
EXPENDITURES (Schedule E - General fund)			
General Government Services	\$179,042,980	service population	124.68
Community Resources	\$31,214,120	service population	21.74
Justice and Law	\$130,816,261	population	91.10
Sheriff	\$136,815,541	service population	95.27
Health Services	\$43,513,025	population	43.15
TOTAL EXPENDITURES	\$521,401,927		

Notes: Service population is the combination of population and employment Pima County 2014 Population used from DOA's Medium Series Pima County 2014 Employment is projected from 2008-12 ACS

Source: Pima County Adopted Budget, Fiscal Year 2014-15, Schedules C and E, ESI Corp

Population and Employment Projections

The next step in the modeling process was to incorporate population and employment projections by sub-region. Population projections for the unincorporated County by sub-region were provided by the County. The net population change for each sub-region between the years 2015 and 2035 was used in the model to analyze the fiscal impact. Employment projections for each sub-region were estimated based on the number of vacant commercial and industrial acres. Steps used in this process required converting acres to square feet of land. A floor to area ratio (FAR) was applied to calculate the square footage of commercial and industrial building space, and then finally jobs per square foot for retail/office and industrial were then used to calculate total jobs. Table 3 details the baseline assumptions used to convert acres into jobs by sub-region in order to estimate the number of jobs. Without knowing annual absorption, the total number of jobs for each sub-region is based upon "build out," which very likely is beyond 2035.

Table 3 - Projected Employment by Sub-region, Unincorporated County

	Avra Valley	Tucson Mountains	Southwest	Altar Valley	Upper Santa Cruz	Mountain View	Southeast
Vacant Acres							
Commercial	1.5	3.6	304.7	0.1	280.2	0	222
Industrial	704.6	416.7	419.5	0	0	0	366.8
Square Feet of land							
Commercial	65,340	156,816	13,272,732	4,356	12,205,512	0	9,670,320
Industrial	30,692,376	18,151,452	18,273,420	0	0	0	15,977,808
Square Feet of Building Space							
Commercial (.51 FAR)	33,323	79,976	6,769,093	2,222	6,224,811	0	4,931,863
Industrial (.35 FAR)	10,742,332	6,353,008	6,395,697	0	0	0	5,592,233
Jobs per Square Foot							
Commercial (485 per SF, average for office & retail)	69	165	13,957	5	12,835	0	10,169
Industrial (740 per SF)	14,517	9,076	9,137	0	0	0	7,989
Total Jobs	14,585	9,241	23,094	5	12,835	0	18,158

	Central	Catalina Foothills	Rincon Valley	Tortolita	San Pedro	Ajo-Why	Grand Total
Vacant Acres							
Commercial	539.2	93	26.7	155.6	0	24.9	1,651.5
Industrial	467.8	0	345.2	0.3	0	3.4	2,724.3
Square Feet of land							
Commercial	23,487,552	4,051,080	1,163,052	6,777,936	0	1,084,644	71,939,340
Industrial	20,377,368	0	15,036,912	13,068	0	148,104	118,670,508
Square Feet of Building Space							
Commercial (.51 FAR)	11,978,652	2,066,051	593,157	3,456,747	0	553,168	36,689,063
Industrial (.35 FAR)	7,132,079	0	5,262,919	4,574	0	51,836	41,534,678
Jobs per Square Foot							
Commercial (485 per SF, average for office & retail)	24,698	4,260	1,223	7,127	0	1,141	75,648
Industrial (740 per SF)	10,189	0	7,518	7	0	74	58,506
Total Jobs	34,887	4,260	8,741	7,134	0	1,215	134,153

Source: Pima County, ESI Corp

Land Use Changes

As mentioned earlier, the County staff provided changes in land uses for 6 of the 13 sub-regions, which included modifications in residential dwelling units and square feet of employment land uses. Ultimately the Board of Supervisors approved the plan with fewer land use changes than staff anticipated, eliminating all changes to one planning area and curtailing four of the remaining five. Some of the sub-regions had negative residential dwelling units, which is the result of changes in land use to mixed use or nonresidential development. To determine if these changes had a greater impact to the County fiscally than the 2035 population and employment projections, an evaluation and comparison was made. To begin, an estimate of population was calculated utilizing total people per household divided by the number of occupied households for each of the six sub-regions. This methodology derived total population based on the final board of Supervisor’s action, as presented in Table 4.

Table 4 - Population Projection Based on Proposed Land Use Changes

	Tucson				Catalina	
	Mountains	Southwest	Southeast	Central	Foothills	Tortolita
New Dwelling Units	14	-33	2,381	0	-84	-101
Persons per Household	2.5	3.0	3.1	2.3	2.2	2.4
Occupancy Rate	88.9%	88.9%	85.6%	87.8%	89.4%	88.2%
New Population	32	-88	6,341	0	-166	-216

Source: Pima County Staff, 6-17-15

Persons per Household and Occupancy Rates, based on 2010 Census, Pima County

Likewise, employment by sub-region utilizing the County’s input on square feet of non-residential building space was also analyzed. In this case, the percentage of jobs associated with retail, office and industrial was applied to the total square footage to obtain a breakdown by employment use. A metric of jobs per square foot was then used to establish total jobs, as presented in Table 5.

Table 5 - Employment Projections Based On Land Use Changes, As Approved 5/19/2015

	Southwest ¹	Southeast	Central	Catalina Foothills	Tucson Mountains	Tortolita
Employment Square Feet (Per staff)	200,000	1,392,000	0	190,000	0	365,000
Employment Percentage						
Retail	25.3%	24.5%	25.7%	22.8%	22.6%	24.1%
Office	44.0%	46.4%	51.4%	50.4%	46.4%	46.7%
Industrial	30.7%	29.1%	22.9%	26.9%	31.0%	29.2%
Square Feet						
Retail	162,000	340,484	-	43,240	-	87,973
Office	38,000	646,186	-	95,727	-	170,446
Industrial	-	405,329	-	51,033	-	106,581
Jobs per SF						
Retail	253	532	-	68	-	137
Office	115	1,958	-	290	-	517
Industrial	-	579	-	73	-	152
Total New Jobs from Land Use Change	68	3,069	-	431	-	806

Table Notes:

¹Southwest sub-region square footage breakdown provided by staff
 Employment percentages are based on US Census data for each sub-region
 Jobs = Retail 640 per SF, Office 330 per SF, and Industrial 700 per SF
 Source: Pima County Staff, 6-17-15, ESI Corp

When comparing the total population within these six sub-regions to the projected population derived in 2035, the population generated by these land use changes does not exceed the 2035 projections, thereby negating any additional impact to Pima County, as shown in Table 6.

Table 6 - Population and Employment Land Use Changes Compared to 2035 Projections

Sub-region	Land Use Changes		2035 Projections	
	New Residential Population	New Employment	Net New Population	New Employment
Tucson Mountains	32	0	5,103	9,241
Southwest	-88	368	17,511	23,094
Southeast	6,341	3,069	13,395	18,158
Central	0	0	3,652	34,887
Catalina Foothills	-166	431	6,928	4,260
Tortolita	-216	806	9,734	7,134

Table Notes:

Population and employment projections are for the unincorporated county
 Source: Pima County, ESI Corp

The 2035 projections for New Employment in Table 6 represents a “build out” condition of the land use changes most likely to be developed in the next 20 years per staff’s assumptions. However, “build out” could actually be well beyond the year 2035. If you assume that 20 percent of the new jobs would be created by 2035, the result is still more jobs for each sub-region than what would be generated by the land use changes.

FINDINGS

Once the multiplier rate was calculated for each budget line item it was applied to each of the 13 sub-regions. Table 7 includes a grand total for all of the sub-regions. Overall the findings show that in the year 2035 the net fiscal impact to Pima County is positive, but marginally so at \$4.1 million.

Table 7 - Net Fiscal Impact of Proposed Vacant Land Uses, Unincorporated County

REVENUE (general fund)	Total
Property tax	\$44,732,910
Licenses & Permits (cable TV provider fee)	\$245,172
Intergovernmental:	
Federal grant & aid	\$482,273
State Grants & aid	\$65,105
Sales and use Tax	\$8,783,589
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Liquor License Fee	\$24,159
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City participation	\$159,717
Charges for Services	\$6,348,608
Fines & Forfeits	\$679,927
Investments earnings	\$23,120
Misc.	\$810,470
TOTAL REVENUE	\$67,779,698
EXPENDITURES (general funds)	
General Government	\$27,082,383
Community Resources	\$4,721,507
Justice and Law	\$7,566,644
Sheriff	\$20,694,980
Health Services	\$3,584,026
TOTAL EXPENDITURES	\$63,649,542
NET IMPACT	\$4,130,157

When evaluating how each sub-region performs over the next 20 years, 5 out of the 13 sub-regions yield a negative fiscal impact, including Avra Valley, Southwest, Southeast, Mountain View, and San Pedro (Table 8). Overall, the land use changes approved in the final adopted general plan are few enough and unlikely to make a significant difference in the net fiscal impact for the unincorporated area of the county during the next 20 years.

As previously discussed, this model does not include annual maintenance and capital replacement costs, which can be about three times greater than the annualized capital costs. Given that Pima County is currently undergoing deferred maintenance in road infrastructure, combined with the lack of a revenue stream dedicated to cover maintenance expenses, the projected population and employment growth will compound the problem.

Table 8 - Pima County Fiscal Impact by Sub Region, 2035

	Total	Avra Valley	Tucson Mountains	Southwest	Altar Valley	Upper Santa Cruz	Mountain View	Southeast	Central	Catalina Foothills	Rincon Valley	Tortolita	San Pedro	Ajo-Why
Assumptions														
Total vacant employment acres in unincorporated county	4,376	706	420.3	724.2	0.1	280.2	0.0	588.8	1,007.0	93.0	371.9	155.9	0.0	28.3
Total SF	190,609,848	30,757,716	18,308,268	31,546,152	4,356	12,205,512	0	25,648,128	43,864,920	4,051,080	16,199,964	6,791,004	0	1,232,748
Square feet of building space	78,223,741	10,775,655	6,432,984	13,164,790	2,222	6,224,811	0	10,524,096	19,110,730	2,066,051	5,856,076	3,461,321	0	605,005
Net assessed value per service population		\$4,070	\$5,391	\$2,794	\$9,440	\$7,556	\$4,831	\$3,451	\$4,134	\$7,351	\$6,313	\$6,965	\$1,887	\$4,520
2035 Projection														
Net New Population in unincorp county (2015-2035)	83,062	4,834	5,103	17,511	3,162	4,574	594	13,395	3,652	6,928	12,124	9,734	45	1,406
Employment growth in unincorporated county	134,153	14,585	9,241	23,094	5	12,835	0	18,158	34,887	4,260	8,741	7,134	0	1,215
Service Population	217,215	19,419	14,344	40,605	3,167	17,409	594	31,553	38,539	11,188	20,865	16,868	45	2,621
NET NEW REVENUE AND EXPENDITURES (2015-2035)														
REVENUE (general fund)														
Property tax	44,732,910	\$3,380,941	\$3,307,755	\$4,852,539	\$1,278,784	\$5,626,816	\$122,747	\$4,658,294	\$6,815,690	\$3,518,053	\$5,634,900	\$5,026,067	\$3,633	\$506,690
Licenses & Permits (cable TV provider fee)	245,172	\$14,268	\$15,062	\$51,687	\$9,333	\$13,501	\$1,753	\$39,538	\$10,780	\$20,449	\$35,786	\$28,732	\$133	\$4,150
Intergovernmental:														
Federal grant & aid	482,273	\$43,116	\$31,846	\$90,152	\$7,031	\$38,652	\$1,319	\$70,055	\$85,566	\$24,840	\$46,327	\$37,451	\$100	\$5,818
State Grants & aid	65,105	\$5,820	\$4,299	\$12,170	\$949	\$5,218	\$178	\$9,457	\$11,551	\$3,353	\$6,254	\$5,056	\$13	\$785
Sales and use Tax	8,783,589	\$511,183	\$539,629	\$1,851,742	\$334,373	\$483,689	\$62,814	\$1,416,486	\$386,189	\$732,618	\$1,282,081	\$1,029,345	\$4,759	\$148,681
Shared Vehicle License Tax	3,645,412	\$325,905	\$240,722	\$681,446	\$53,143	\$292,161	\$9,969	\$529,533	\$646,779	\$187,761	\$350,174	\$283,084	\$755	\$43,980
Liquor License Fee	24,159	\$2,627	\$1,664	\$4,159	\$1	\$2,311	\$0	\$3,270	\$6,283	\$767	\$1,574	\$1,285	\$0	\$219
Transient Lodging tax	1,779,235	\$193,441	\$122,556	\$306,284	\$61	\$170,222	\$0	\$240,820	\$462,695	\$56,498	\$115,935	\$94,614	\$0	\$16,109
City participation	159,717	\$14,279	\$10,547	\$29,856	\$2,328	\$12,801	\$437	\$23,201	\$28,338	\$8,226	\$15,342	\$12,403	\$33	\$1,927
Charges for Services	6,348,608	\$567,575	\$419,225	\$1,186,761	\$92,550	\$508,808	\$17,361	\$922,199	\$1,126,388	\$326,992	\$609,840	\$493,001	\$1,315	\$76,593
Fines & Forfeits	679,927	\$60,786	\$44,898	\$127,100	\$9,912	\$54,493	\$1,859	\$98,766	\$120,635	\$35,020	\$65,313	\$52,800	\$141	\$8,203
Investments earnings	23,120	\$1,346	\$1,420	\$4,874	\$880	\$1,273	\$165	\$3,729	\$1,017	\$1,928	\$3,375	\$2,709	\$13	\$391
Misc	810,470	\$72,457	\$53,519	\$151,503	\$11,815	\$64,955	\$2,216	\$117,729	\$143,796	\$41,744	\$77,853	\$62,937	\$168	\$9,778
TOTAL REVENUE	67,779,698	\$5,193,745	\$4,793,143	\$9,350,276	\$1,801,161	\$7,274,898	\$220,818	\$8,133,076	\$9,845,705	\$4,958,250	\$8,244,755	\$7,129,484	\$11,062	\$823,325
EXPENDITURES (general funds)														
General Government	27,082,383	\$2,421,206	\$1,788,362	\$5,062,579	\$394,809	\$2,170,511	\$74,060	\$3,933,987	\$4,805,031	\$1,394,906	\$2,601,504	\$2,103,082	\$5,611	\$326,737
Community Resources	4,721,507	\$422,110	\$311,781	\$882,603	\$68,830	\$378,404	\$12,912	\$685,846	\$837,703	\$243,186	\$453,543	\$366,649	\$978	\$56,963
Justice and Law	7,566,644	\$440,360	\$464,865	\$1,595,188	\$288,047	\$416,675	\$54,111	\$1,220,235	\$332,684	\$631,115	\$1,104,452	\$886,732	\$4,099	\$128,081
Sheriff	20,694,980	\$1,850,162	\$1,366,575	\$3,868,565	\$301,693	\$1,658,594	\$56,593	\$3,006,153	\$3,671,760	\$1,065,916	\$1,987,937	\$1,607,068	\$4,287	\$249,676
Health Services	3,584,026	\$208,581	\$220,188	\$755,579	\$136,437	\$197,363	\$25,630	\$577,978	\$157,579	\$298,935	\$523,136	\$420,010	\$1,942	\$60,667
TOTAL EXPENDITURES	63,649,542	\$5,342,419	\$4,151,771	\$12,164,514	\$1,189,816	\$4,821,546	\$223,306	\$9,424,200	\$9,804,758	\$3,634,059	\$6,670,571	\$5,383,541	\$16,917	\$822,124
NET IMPACT	\$4,130,157	-\$148,673	\$641,372	-\$2,814,238	\$611,346	\$2,453,352	-\$2,487	-\$1,291,124	\$40,947	\$1,324,191	\$1,574,184	\$1,745,943	-\$5,855	\$1,201

APPENDIX A – DATA SOURCES AND APPROACH

Fiscal Impact Model Data Sources and Approach	
Data	Source/Approach
Vacant acres for commercial and industrial uses for each sub-region	Pima County (<i>Appendix B</i>)
Population and projections by sub-region for incorporated, Tribal and unincorporated county	Pima County (<i>Appendix C</i>)
Employment by sub-region	Pima County provided U.S. Census, Summary File 3 tract data, or 2007-2011 ACS tract data by sub-region to derive a 2010 baseline.
Countywide employment projection	Pima County Business Patterns for years 1997 and 2012. Annualized the 15 year growth and applied to each sub-region to project employment growth for 2014 and 2035.
Employment projection by sub-region for the unincorporated county.	Pima County provided vacant employment acres in the unincorporated county by sub-region, which was converted to square feet of land. A floor to area ratio (FAR) was applied to calculate the square footage of commercial and industrial building space. Jobs per square foot for retail/office and industrial was then derived to calculate total jobs.
Net Assessed Valuation	Utilized the limited net assessed value by sub-region from Pima County and derived an assessed value per service population (population and employment). Calculated the primary property tax using the primary tax rate of 4.2779. (<i>Appendix D</i>)

APPENDIX B - UNINCORPORATED VACANT LAND

Unincorporated Vacant Land for Commercial and Industrial Land Uses

Subregion	Commercial	Industrial	Total
Avra Valley	1.5	704.6	706.1
Tucson Mountains	3.6	416.7	420.3
Southwest	304.7	419.5	724.2
Altar Valley	0.1	0.0	0.1
Upper Santa Cruz	280.2	0.0	280.2
Mountain View	0.0	0.0	0.0
Southeast	222.0	366.8	588.8
Central	539.2	467.8	1,007.0
Catalina Foothills	93.0	0.0	93.0
Rincon Valley	26.7	345.2	371.9
Tortolita	155.6	0.3	155.9
San Pedro	0.0	0.0	0.0
Ajo-Why	24.9	3.4	28.3
Total	1,651.5	2,724.3	4,375.8

APPENDIX C - UNINCORPORATED COUNTY POPULATION PROJECTIONS BY SUB-REGION

Unincorporated County Population Projections by Sub-region

Sub-region	2015	2035
Avra Valley	17,895	22,729
Tucson Mountains	12,490	17,593
Southwest	12,490	17,593
Altar Valley	7,542	10,704
Upper Santa Cruz	25,798	30,372
Mountain View	1,432	2,026
Southeast	37,397	50,792
Central	18,499	22,151
Catalina Foothills	99,015	105,943
Rincon Valley	14,894	27,018
Tortolita	60,373	70,107
San Pedro	110	155
Ajo-Why	3,777	5,183

Source: Pima County

APPENDIX D - NET ASSESSED VALUATION BY SUB-REGION

2013 Taxable Limited Net Assessed Value

PLANNING AREA	REAL & SECURED PERSONAL PROPERTY ¹	REAL & SECURED PERSONAL PROPERTY: CENTRALLY-VALUED PROPERTY (CVPs) ²	UNSECURED PERSONAL PROPERTY ³	TOTAL
Avra Valley	\$87,651,614.72	\$46,563,850.88	\$7,012,915.26	\$141,228,380.86
Tucson Mountains	\$477,968,157.12	\$30,593,339.29	\$20,692,402.50	\$529,253,898.91
Southwest	\$276,960,453.50	\$67,528,190.23	\$23,614,871.54	\$368,103,515.27
Altar Valley	\$28,154,935.10	\$80,828,855.10	\$2,103,306.63	\$111,087,096.83
Upper Santa Cruz	\$424,358,027.00	\$71,217,824.02	\$7,022,547.13	\$502,598,398.15
Mountain View	\$11,463,195.51	\$5,473,997.97	\$4,099,741.88	\$21,036,935.36
Southeast	\$400,186,938.39	\$111,257,589.55	\$46,440,098.98	\$557,884,626.92
Central	\$1,837,598,326.81	\$86,556,186.17	\$78,186,767.55	\$2,002,341,280.53
Catalina Foothills	\$1,890,011,115.84	\$58,372,400.93	\$47,664,014.62	\$1,996,047,531.39
Rincon Valley	\$106,016,455.37	\$7,841,829.46	\$7,184,983.91	\$121,043,268.74
Tortolita	\$1,082,683,377.26	\$30,040,091.94	\$27,619,007.64	\$1,140,342,476.84
San Pedro	\$1,555,094.15	\$1,035,715.62	\$344,470.60	\$2,935,280.37
Ajo-Why	\$15,627,644.17	\$5,691,742.35	\$517,179.94	\$21,836,566.46
Tohono O'odham Nation	\$104,169.06	\$534,842.49	\$382,145.82	\$1,021,157.37
Total	\$6,640,339,504.00	\$603,536,456.00	\$272,884,454.00	\$7,516,760,414.00

Assessed Valuation per Service Population

Subregion	Population	Employment	Service Population	Total Assessed Value	Assessed Value per Service Pop
Avra Valley	24,667	10,035	34,702	\$141,228,381	\$4,070
Tucson Mountains	68,463	29,716	98,179	\$529,253,899	\$5,391
Southwest	92,806	38,961	131,767	\$368,103,515	\$2,794
Altar Valley	7,564	4,204	11,768	\$111,087,097	\$9,440
Upper Santa Cruz	53,705	12,815	66,520	\$502,598,398	\$7,556
Mountain View	1,432	2,923	4,355	\$21,036,935	\$4,831
Southeast	121,365	40,288	161,653	\$557,884,627	\$3,451
Central	331,628	152,721	484,349	\$2,002,341,281	\$4,134
Catalina Foothills	180,673	90,876	271,549	\$1,996,047,531	\$7,351
Rincon Valley	15,178	3,996	19,174	\$121,043,269	\$6,313
Tortolita	112,700	51,018	163,718	\$1,140,342,477	\$6,965
San Pedro	110	1,446	1,556	\$2,935,280	\$1,887
Ajo-Why	3,777	1,054	4,831	\$21,836,566	\$4,520

Notes: Net Assessed Valuation is 2013 and Population and Employment are 2015

Source: Pima County, U.S. Census, Summary File 3 tract data, or 2007-2011 ACS tract data; ESI Corp