



TECHNICAL MEMORANDUM #3

To: Ben Goff, Deputy Director, Department of Transportation
Robert Young, P.E., Transportation Systems Division Manager
Nicole Burdett, Development Impact Fee Program Coordinator

From: J.T. Barry, M.A. PhD, Senior Policy Analyst
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Date: January 20, 2009

Subject: **Calculation of Non-Residential Impact Fees as a Percent of Total Impact Fees**
(CLA 2008.31)

COMMENTS

Exhibit 1 below shows Pima County DIF collections and assesses the percent of DIF revenues related to non-residential development. The first column reports total DIF collections, per a report Ms. Burdette sent Dr. Barry (SKMBT_6007112610470.pdf), for years FY 1996/97 to 2005/06. The data for FY 2007/08 is from a prior e-mail.

Columns 2 to 5 attempt to reconstruct residential and non-residential revenues from FY 2003/04 to 2007/08, also based upon information provided to us.

Finally, Column 5 computes the percent of total revenues collected between FY 2003/04 to 2007/08 that was non-residential fees. In the first three years, the averaged between 5.4% and 5.8%; in FY 2006/07, the percent climbed to 9.6% and in FY 2007/08 to 35.3%. For the full five years that non-residential fees have been imposed, their revenues accounted for 9.8% of total revenues. If FY 2007/08 is excluded as an anomaly of the current housing market, non-residential impact fees were 5.9% of total revenues.

CLA will use 5.9% to calculate the non-residential fee deduction for base residential impact fees, unless we are directly differently by you.

Exhibit 1 Pima County DIF Collections: FY 1996/97 to 2007/08 (\$ Millions)

Fiscal Year	Column 1 DIF Revenues	Column 2 Residential Revenues	Column 3 Non-Residential Revenues	Column 4 Total DIF Revenues	Column 5 % Non- Residential DIF
1996/97	\$0.92				
1997/98	\$2.56				
1998/99	\$3.01				
1999/00	\$2.98				
2000/01	\$3.00				
2001/02	\$3.47				
2002/03	\$3.50				
2003/04	\$9.31	\$8.80	\$0.50	\$9.30	5.4%
2004/05	\$17.28	\$16.30	\$1.00	\$17.30	5.8%
2005/06	\$19.10	\$18.30	\$0.82	\$19.12	4.3%
2006/07	\$10.48	\$9.40	\$1.00	\$10.40	9.6%
2007/08	\$8.50	\$5.50	\$3.00	\$8.50	35.3%
Total	\$82.96	\$58.30	\$6.32	\$64.62	9.8%
		Excluding FY 2007/08	\$3.32	\$56.12	5.9%