



September 2022

# Multi-Department Proposed Rate and Fee Adjustments

# Proposed Multi-Year Rate and Fee Adjustments

## Cost-of-Service

- Environmental Services
- Water

## User Fees

- Park Tucson
- Parks & Recreation

## Development Fees

- Planning & Development Services
- Tucson Fire
- Transportation & Mobility



Fiscal Stability



Gradual Increases



Infrastructure Needs



Improved Service



Market Opportunities

# Related Issues

## EnerGov Permit System Fee Alignment

- The new permitting system "Go-Live" is October 31
- *Current Fees* must be aligned to function in the new system
- Public Hearing was held in 2021
- Adoption of the *Aligned Fees* is scheduled for September 27 M&C
- The *Proposed Rates and Fees* are changes to these *Aligned Fees*

## Fees Under Separate Discussions

- Transit Fares
- Golf and Tennis Fees under city contracts
- Green Stormwater Infrastructure (GSI) Fee
- Conservation Fee

# Environmental Services

## Proposed Rate Adjustments

### Residential Collection Fee

- \$3.25/month - 01/01/23
- \$3.00/month - 01/01/24

### Commercial Collection Fee

- Increase by 10%
- Effective 01/01/23

### Landfill Disposal Fee

- Increase by \$3.00
- Effective 01/01/23

## Why?

- Increased operational and maintenance costs
- Increased equipment costs
- Expanded services



Last Increases:  
Residential/Landfill 2010  
Commercial 2016



# Tucson Water

## Proposed Rate Adjustments:

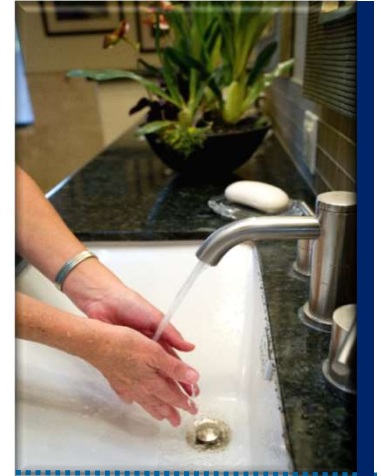
- CAP Surcharge increase from \$0.70 to \$1.00/Ccf on 01/01/23
- 5.5% ATB increase each of next four years starting 07/01/23

## When?

- Last rate increase effective 07/01/19

## Why?

- Increased cost of water resources due to drought declaration
- Increased cost of replacing aging infrastructure



# Customer Assistance Programs

## Utility Bill Payment Assistance

- Payment Extensions
- Payment Plans
- Courtesy Adjustments
- Low Income Assistance Program
- Special Hardship/Emergency Funding



## Other Funding Available:

- Emergency Rental Assistance Program (ERA2)
- Low Income Household Water Assistance Program (LIHWAP)



Environmental Services Low Income Assistance
150% FPL \$12 Flat Discount

Water Low Income Assistance		
100% of FPL 75% Discount	125% of FPL 50% Discount	150% of FPL 25% Discount
Avg 8 Ccf Bill Disc \$31.56 Pays \$10.52	Avg 8 Ccf Bill Disc \$21.04 Pays \$21.04	Avg 8 Ccf Bill Disc \$10.52 Pays \$31.56

# Monthly Utility Bill Annual Progression

Average Customer: **Single Family Residential** consuming **8 Ccfs** of water/month with **95-gallon** trash collection

Rate Component	Current	Jan 1, 2023	Jul 1, 2023	Jan 1, 2024	July 1, 2024	July 1, 2025	July 1, 2026
Monthly Svc Chg	\$16.33	\$16.33	\$17.52	\$17.52	\$18.81	\$20.19	\$21.72
Tier 1 (1-7 Ccf)	\$14.49	\$14.49	\$15.26	\$15.26	\$16.17	\$17.08	\$18.06
Tier 2 (8-15 Ccf)	\$3.82	\$3.82	\$4.02	\$4.02	\$4.24	\$4.47	\$4.70
CAP Surcharge	\$5.60	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Conservation Fee	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
<b>Total Water Related</b>	<b>\$41.04</b>	<b>\$43.44</b>	<b>\$45.60</b>	<b>\$45.60</b>	<b>\$48.02</b>	<b>\$50.54</b>	<b>\$53.28</b>
Residential Trash	\$16.75	\$20.00	\$20.00	\$23.00	\$23.00	\$23.00	\$23.00
<b>Combined Total</b>	<b>\$57.79</b>	<b>\$63.44</b>	<b>\$65.60</b>	<b>\$68.60</b>	<b>\$71.02</b>	<b>\$73.54</b>	<b>\$76.28</b>
\$ Increase		\$5.65	\$2.16	\$3.00	\$2.42	\$2.52	\$2.74
% Increase		9.8%	3.4%	4.6%	3.5%	3.5%	3.7%



# Park Tucson

## Proposed Rate Adjustment

- Daily Garage & Lots Fees
  - Increase by \$1 – 1/1/2023
  - Increase by \$1 – 1/1/2026
- Monthly Garages & Lots Fees
  - Increase by \$5 (see table)
  - Effective 01/01/2023
- Annual On-Street Permit Fees
  - Increase by \$75 – 7/1/2023
  - Increase by \$25/year - 7/1/2024-2026

## Why?

- Market Competition
- Cost of Service Delivery: security, staffing, utilities
- Deferred Maintenance and Repairs on Parking Garages
- System Improvements





# Park Tucson – Enforcement Time Changes

## 1. Enact paid on-street parking in the Mercado District

- Higher parking demand from ongoing development in the area

Timeline – Outreach to merchants/residents (Aug. 2022); implementation (Jan. 2023).

## 2. Extend existing meter enforcement times into evenings and weekends

Current Days/Times: Monday to Friday, 8 a.m. to 5 p.m.

- Hours have not changed since inception of metered parking in 1950's.
- Tucson one of few cities of its size that does not charge evenings/weekends.
- New hours to vary by district/sub-district, day of week, based on occupancy
- At least 6 p.m., with later nighttime hours for high-demand parking areas
- Add Saturdays in all districts; add Sundays in some areas

Timeline – Outreach to districts and public (Fall 2022); implementation varying by district, early 2023-2024.



### Why?

- Enhance Customer Access to Convenient Parking
- Reduce Circling & Congestion
- Increase Garage/Lot Utilization

# Parks & Recreation

## New Fees

- Commercial Use of Parks – allow new and expanded use of parks and allow small business development
  - Up to \$30 per day
  - Up to \$200 per month
  - Up to \$500 per quarter
- Sports Field Use Fee – to allow accountability of reservation and encourage releasing of fields for increased use
  - \$1 an hour – aligned to Pima County rate

## Changes to Existing Fees (Last modified in 2010)

- Light Use Fee \$8 per hour – align to Pima County current rate
- Ramada Reservation Fee – respond to demand associated maintenance and align applicable fees to Pima County rates
- Leisure Classes – update calculation formula no fee increase, allowing discount program to apply
- Tween Summer Program – apply an 8-week program fee, discount eligible, that keeps cost the lowest in the market
- Remove Neighborhood Center Fees – barrier-free general admission to enjoy smaller center locations
- KIDCO - Increased cost of service, while staying the lowest cost after-school and summer programs. Discount fee applicable.
  - \$70 per month for Afterschool Program
  - \$500 for 8-week summer program



# Parks Proposed Discount Program

Income Guidelines	125% FPL	150% FPL	175% FPL
Current KIDCO discount	50%	50%	50%
Proposed KIDCO discount	90%	80%	70%
Current school year/month	\$25	\$25	\$25
Proposed school year/month	\$7	\$14	\$21
Current summer (8 weeks)	\$125	\$125	\$125
Proposed summer (8 weeks)	\$50	\$100	\$150
Current discount on passes. Does not apply to classes.	25%	25%	25%
Proposed discount for passes and classes.	70%	60%	50%

# Development Fees

## Proposed Rate Adjustment

- 3.5% increase on 01/01/23
- 3.5% increase on 01/01/24

## When?

- Last rate increase (10%) occurred in 2008

## Why?

- Meet permit review timeframes and customer service goals
- Generate sufficient revenue to fund allocated positions



## Next Steps

- Detailed briefings as needed
- 9/27 M&C Adoption of *Aligned Rates*
- 9/27 M&C Study Session on *Proposed Rates and Fees*
- 10/05 M&C Notice(s) of Intent for each Rate/Fee Type
- September + October – Discussions with BCC's
- October + November – Public and Stakeholder Outreach
- 12/06 M&C Public Hearing(s) and Adoption
- January 2023 *Proposed Rates and Fees* Take Effect