

Impact Fee Glossary

Capital Facility: Any land, systems, equipment, or buildings such as facilities for fire, police, streets, and parks and recreation (with a useful life of three or more years) are required to help provide Necessary Public Service (NPS) to the community. “Infrastructure” can have the same meaning as “Capital Facilities”.

Credit: A reduction in an assessed development impact fee resulting from developer contributions to, payments for, construction of, or dedications for Capital Facilities included in an Infrastructure Improvement Plan.

Credit Agreement: A written agreement between the City and a developer or landowner that allocates credits to the development. A Credit Agreement may be included as part of a Development Agreement.

Credit Allocation: A term used to describe when credits are distributed to a particular development or parcel of land after execution of a Credit Agreement.

Credit Issuance: A term used to describe when the amount of an assessed development impact fee attributable to a particular development or parcel of land is reduced by applying a Credit Allocation.

Development Impact Fee System: An equitable development impact fee system enables the City of Tucson to insure that the appropriate proportionate share of the costs required to provide NPS are funded by the developments that create the need for those additional functions within their specific Service Area.

Direct Benefit: Monies received from a development fee will be used to provide NPS or facility expansions within the same Service Area.

Gross Impact Fee: This term refers to the impact fee amount before applicable Offsets are subtracted, which is generally not the same amount that the customer is actually charged. However, in the few cases where no Offset applies, the Gross Impact Fee will then be the same as the Net Impact Fee.

Level of Service: A quantitative and/or qualitative measure of a NPS that is to be provided by the City to development in a particular Service Area, defined in terms of the relationship between service capacity and service demand, accessibility, response times, comfort or convenience of use, or other similar measures or combinations of measures. Level of Service may be measured differently for different categories of NPS, as identified in the applicable Infrastructure Improvements Plans.

Offset: An amount of money which is subtracted from the Gross Impact Fee to avoid double payment for the same capital project. For example, if a portion of a new road is also being paid for by property taxes, a property tax offset will be estimated and subtracted from the Gross Impact Fee before the fee is charged to the customer.

Service Area: All land within the boundaries of the City is divided between the following Service Areas (Central, East, West, Southeast, and Southlands).

Service Unit (SU): This term is utilized so that all types of uses – apartments, retail, industrial, etc. can be measured against the base standard of one SU, which is one standard single-family home. For example, if a business center has 30 SU's, it means that the center creates the same demand on infrastructure as 30 single-family homes.