

**Water Zone 6
Impact fee Service Area**

Amended Land Use Assumptions
and
Proposed Impact Fee Service Area Expansion

City of Farmington
Community Development Department

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Introduction

In 1996, the City of Farmington adopted a Capital Improvements Plan and Impact Fee structure to expand water service beyond the boundary of the then current Water System Master Plan (WSMP) boundary. This water "impact fee" area, covering a limited and specifically-defined area of north-central and northeast Farmington, was to enable the City to acquire the existing Cedar Ridge Water User Association infrastructure, to add booster pumps to two existing water tanks and to plan for the addition of another, larger water tank-all for the purpose of serving territory beyond the WSMP boundary. By following procedures set forth in the Development Fees Act, the City is able to recapture the cost of these previously "unplanned" facilities from the water customers that directly benefit from them, without burdening water system customers elsewhere in the system.

The Capital Improvements Advisory Committee (CIAC) is requested to:

- (1) Consider a proposed expansion of the Impact Fee Service Area.
- (2) Review the revised land use assumptions
- (3) Comment on necessary changes to the capital improvements plan and the fee structure

Proposed Impact Fee Service Area Expansion Overview

Additionally, the CIAC is requested to consider a proposed expansion of the impact fee area, specifically the 6C Sub-area. The platting of various subdivisions, Las Colinas and Las Vistas #s 1-3 necessitates this expansion. Each of which straddle the current Zone 6 Impact Fee Service Area boundary and if not for the improvements made, to the 6C Sub-area, would not be able to provide water to their subdivisions. Without this Impact Fee Service Area expansion, the City cannot lawfully collect the impact fee, even though these developments are dependent upon the booster pump and water lines previously installed as part of the 6C Sub-area infrastructure.

The proposed Impact Fee Service Area expansion consists of approximately 257 acres of undeveloped land in Sections 26 and 27 (see map). The western boundary for this expanded area lies above the 5,644-foot elevation line, and encompasses the Las Vistas and Las Colinas housing subdivisions, as well as some additional BLM lands.

Description of the Impact Fee Service Area

Generally, the Zone 6 Water Impact Fee Service Area is located north of Piñon Hills Boulevard, and is more specifically defined as lying about the 5,760-foot contour line in Sections 13, 14, 23, 24, 25, 26, 27 and 34 (T30N, R13W), and Sections 16 through 20 (T30N, R12W). The exact location of the boundary is shown on a map of the area labeled "Zone 6 Water Service Area." To more clearly show the regions around which development is occurring in this service area, it has been divided into three sub-areas

called 6C, 6E and 6E-P. The first, 6C, is bisected by Hood Mesa Trail. The second, 6E, is bisected by North Foothills Drive. A portion of the 6E sub-area lies above the 6E Impact Fee Service Area boundary, and is served by the 6E water sub-area through a "pressurized" system. This area is referred to as Sub-area 6E-P (see map).

Discussion concerning the likely build-out scenario for this area is described in greater detail on page 6 of this report, and shown on Tables A and B. Altogether the Zone 6 Water Impact Fee Service Area, including the proposed expanded portion, encompasses an area of approximately 4,318 acres, or about six square miles.

Land Use Assumption Overview

According to the State of New Mexico's Development Fees Act, Article 8, Sections 5-8-1 through 5-8-42, NMIFSA 1978 (specifically, Section 5-8-30), the City is required to provide an update of the land use assumptions and capital improvements plan for any area for which development impact fees have been imposed. The purpose of this report is to provide an update of the development activity within that portion of the Zone 6 Water Impact Fee Service Area for which impact fees were imposed in 1996. A more complete description of this area appears in the attached map.

The initial study, completed in 1996, set forth numerous assumptions about the development of lands within the boundaries of the Zone 6 Water Impact Fee Service Area. It is the intention of this report to compare the 1996 estimated ten-year period land use assumptions with the actual development, which has occurred since its completion. This comparison is then used to estimate how much development can be expected by the end of a new five year period ending in June 2012, and a second five-year period ending in June 2017 (see *General Development Assumptions*, page 3, and Tables A and B, Land Use Assumptions for Impact Sub-areas 6C, 6E, and 6E-P).

Following is a set of revised assumptions, which helped to define the build-out scenarios for each of the five-year periods. The first section, entitled General Development Assumptions, provides the framework within which the projections shown on Tables A and B were built.

The second set of assumptions applies to all public lands within the Impact Fee Service Area (IFSA). Most of these public lands are administered by the Bureau of Land Management, and will remain public in use. Exceptions are noted.

Finally, the third set of assumptions describes the scenario for likely build-out within each of the Zone 6 Water Service Sub-areas, by section number.

A summary table for each of the sub-areas is available for review. Broken down by section, township and range number, it shows the total number of acres within each sub-area, the percentage of public versus private ownership, dwelling unit holding capacity, and the expected number of dwelling unit construction permits to be issued by time period.

General Development Assumptions:

1. The revised estimated number of DU permits to be issued for each of the two five-year periods is based on the current rate of construction within the service area, plus the number of expected new DU's to be constructed as a result of recent plat approvals. A higher figure for the second five-year period is based on the first five-year period's rate of construction, changes in land use policies, the availability of larger tracts of former public lands converted for private investment, and the presence of more water lines and roads in place.
2. All discussion of residential density is based upon net acres, which was calculated by multiplying the total acreage for each area by a factor of 80 percent (Table B, under heading: Build-Out Potential, Revised). In addition, density or expected "build-out" for areas currently not developed is adjusted to take into consideration a combination of factors including terrain, proposed plats, zoning, and density of land adjacent to the undeveloped areas.
3. A limited central sewerage system could possibly serve portions of the territory within the service area. However, to do so would be cost adverse. Conventional and "engineered" septic systems, or other alternative systems for treating and disposing of household wastewater, onsite, most likely will be employed. The exception would be for areas that will be developed with less than the 3/4 acre minimum lot size. There is a remote possibility, for example that the northeast portion of Section 25 and the eastern portion of Section of 24, might be developed at densities that would require that sanitary sewers be extended. If that were the case, then the figures stated for the expected number of permits issued and the build-out capacity would be increased from what is shown on the table of updated Land Use Assumptions (Table B).
4. Also as indicated in the 1996 report, neither multiple-family residential nor commercial development will occur within the Impact Fee Service Area before 2017.
5. Occupancy rates are assumed to remain at the 2000 Census level of 2.74 persons per dwelling unit, but are not shown on the Land Use Assumptions table. Actual (real) occupancy rates may be slightly different. Dwelling units, not people, are the "service units" used for planning purposes.

Assumptions regarding public lands:

Bureau of Land Management (BLM)

Large blocks of BLM land within the IFSA will remain under federal administration and will not be available for residential or other private development, except as noted. This includes:

- All of Sections 17 (T30N, R12W) and Section 23 (T30N, R13W) which will most likely remain under BLM control throughout the remainder of the period, at least.
- A separate 10-acre tract near the center of Section 19 (T30N, R12W) east of Foothills Drive.
- Most of Sections 13 and 14 (T30N, R13W) minus a 50-acre tract of single-owner private property located within the IFSA, but too far removed from the nearest water supply line to develop within the next five-year time period. The northeast quarter of Section 13 lies within the 6E-P (pressurized) zone, but is not expected to develop by 2012 due to the remoteness of its location and the likelihood that it will remain under BLM administrative control.
- Most of Section 24 (T30N, R13W), with the exception of approximately 83 acres located on the eastern edge of the section, and approximately 70 acres on the southwest corner. Preliminary plans coordinated by the City and the BLM suggest that these parcels may be considered for trade to the state and ultimately released for development. Both are adjacent to existing residential areas, and the 70-acre parcel includes a 40-acre tract reserved by the School District for the construction of a new elementary school. However, because neither of these parcels is expected to be developed before 2012, neither will be subject to an impact fee or infrastructure improvements. The same is true for the possible school site. The remaining land will be managed jointly by the BLM and the City of Farmington as a special public recreation district, and will not be subject to the impact fee, as it will not require any additional use of water. If water is needed, a fee will be collected since governments are not exempt.
- Most of the Impact Fee Service Area for Section 25 (T30N, R13W) with the exception of approximately 20 acres on its northeast corner (Zone 6E), and another 20 acres on its northwest corner (Zone 6C). The remaining acreage will be managed jointly by the BLM and the City of Farmington as a special public recreation district and will not be subject to the impact fee, as it will not require any additional use of water.
- A 40-acre tract in Section 27 (T30N, R13W) which contains a FAA tower.

In addition to the BLM lands mentioned above, some BLM lands are expected to be sold off to private interests some time during the next five-year period (2012 - 2017). These lands include:

- A 70-acre parcel located along the western and northwestern boundary of Section 19 (T30N, R12W). This parcel is not located within the City limits, but is surrounded on three sides by residential development. This was part of a 120-acre tract of BLM land at the time of the initial report of which 50 acres have since been patented and sold, but not yet developed.
- Seven, 2.5-acre parcels in Section 26 (T30N, R13W), approximately 19 acres of which lie in the IFSA
- A single 10-acre parcel located in the northwest corner of Section 27 (T30N, R13W), approximately seven acres of which fall within the IFSA. If this land is not sold to private interest, it will probably remain as park area, and not have an impact on water service in the IFSA.

State of New Mexico

Only a small portion of land in the IFSA is managed by the State of New Mexico. That land being in Section 16 (T30N, R12W) comprises of approximately 20 acres located along the western edge of the section. Due to its remoteness, and to the lack of facilities nearby, it is unlikely that any development will occur in Section 16 within the next 10 years. The City of Farmington is currently in discussions with the State Land Office to obtain a lease permit for a large portion of Section 16 including the 20 acres within the IFSA. If an agreement is not reached and the State were to allow any development in that section, all but 20 of the total 640 acres would be covered by Water Service Zone 5E, which is not in the impact fee area. Therefore, any development in that section will not affect future water demand in the IFSA.

City of Albuquerque

As a result of the Elena Gallegos land exchange program, the City of Albuquerque holds title to large tracts of land within the Service Area. Since 1983, this land has been available for purchase by private owners. However, the City of Albuquerque has put the sale of these properties on hold as they are currently in negotiations with the State of New Mexico to obtain a land swap for holdings near the City of Albuquerque. The total land swap would encompass the 273 acres remaining from the Elena Gallegos land exchange within the IFSA. This figure includes:

- 70 acres in Section 20 (T30N, R12W)
- 123 acres in Section 20 (T30N, R12W)
- 20 acres in Section 20 (T30N, R13W)
- 57.5 acres in Section 20 (T30N, R13W)

City of Farmington

- Within the IFSA, approximately 20 acres (storm retention pond) in Section 20 (T30N, R12W), one lot in the Highpoint Subdivision, and 1.25 acres in Section 26 (T30N, R13W) are under the administrative control of the City of Farmington. All three parcels are used to support portions of the water service and storm water infrastructure for the IFSA; they will not be available for residential development. Therefore, these two parcels of land will have no affect on the future water demand for this area.

Summary of build-out assumptions by sub-area and section

Water Service Zone 6, Sub-area 6C

Section #	Comment
23	No development is expected to occur in this section as the City of Farmington has entered into a recreational public lease agreement with BLM.
24	No development is expected to occur in this section as the City of Farmington has entered into a recreational public lease agreement with BLM.
25	Private interests will probably make eventually public land in this section available for purchase. Build-out for the small percentage of land that will be in private ownership will probably be at a rate of about 1.5 acres per dwelling unit. However, no development is expected to occur before 2012.
26A.	Development in this section (amended) has historically been at a slow pace, and of a low-density, rural nature. Future development will probably not occur at a rate much higher than approximately 2.5 acres per dwelling unit. The exception will be for the 62.5-acre Las Colinas subdivision. Approximately 23 lots are expected to be developed at a rate of about 5 dwelling units per year.
27A.	Similar to Section 26, this section (amended) is not expected to develop at a rate much higher than approximately 2.5 acres per dwelling unit. Here the exception will be for the 50-acre Las Vistas subdivision. Approximately 71 lots are expected to be developed at a rate of about 20 dwelling units per year.
34	Only a small portion of Section 34 lies within Water Service Zone 6. However, due to its proximity to Piñon Hills Boulevard and adjacent development, it is expected to develop at a slightly faster rate than Section 27 to the north of it. Build-out is expected to be at approximately 1.5 acres per dwelling unit.

Water Service Zone 6, Sub-area 6E:

Section #	Comment
13 & 14	No development is expected to occur in section 13 as the City of Farmington has entered into a recreational public lease agreement with BLM. No development is expected in section 14 before 2012. See page 4, third item listed under "Assumptions regarding public land, BLM".
16 & 17	Federal and State land. No development is expected before 2012.
18	The remaining southern one-third of Section 18 will probably see slightly more development than the 6E-P zone. However, development here has historically been of a low-density nature, and will probably remain that way through at least 2012. Build-out in this part of Section 18 will probably not be much higher than about 2.5 acres per dwelling unit. The second five-year period (2001 - 2012) could see slightly more construction activity due to the increasing installation activity of water lines and roads. See Table B for build-out details.
19	Development is beginning to pick up speed in this section, especially as former public lands are made available for Sale to private interests. Build-out is expected to average approximately 1.5 acres per dwelling unit, which is higher than the more rural Section 18 to the north, but less dense than its more developed neighbor to the south. Currently, the City of Farmington Community Development Department is reviewing a request to develop 22 lots on 40 acres of land north of Lakewood Drive (platted, but not yet constructed). This pattern of development is expected to continue in the undeveloped portions of this section throughout the remainder of the impact fee period.
20	Only a small portion of Section 20 falls within Water Service Zone 6E, the remainder of which is served by Water Service Zone 5. This Section is developing slowly. When it ultimately does develop, it is not expected to reach a build-out rate of more than 1.5 acres per dwelling unit.
24	No development is expected to occur in this section as the City of Farmington has entered into a recreational public lease agreement with BLM.
25	Development in this section is not expected to occur before 2012. When it develops, it will probably be at a rate no higher than 1.5 acres per dwelling unit, similar to that of adjacent land in Section 24 (Same development scenario as the land in Zone 6C of this Same Section 25).

Water Service Zone 6, Sub-area 6E-P:

Section #	Comment
1 3	No development expected before 2012. See page 4, third item listed under "Assumptions regarding public land, BLM".
1 8	The northern two-thirds of Section 18 lie at elevations higher than can be provided water at 50 PSI by a gravity feed from the existing tank site. The distribution system serving that part of the Impact Fee Service Area is pressurized in order to furnish water to acceptable pressure standards. This area is referred to as a special pressurized water zone, and is shown as Zone 6E-P on the map, and listed on Table A as a separate zone from 6C and 6E. It is not anticipated that the lots within this pressurized zone will develop at a higher build-out rate than about one dwelling unit per five acres of land. In fact, since the original report was completed in 1996, only eight new dwelling units have been built in this area. The east half of the NE quarter of Section 18 which falls entirely within this 6E-P zone is fairly rugged, and the slope drops off considerably from the ridge top elevation that runs north/south through the lots that lie parallel along the east side of Foothills Drive. Development here is likely to remain very sparse.

Table A "Summary: Land Use Assumptions for Impact Fee Sub-areas 6C, 6E, and 6E-P," provides information on build-out capacities; existing dwelling units, 1996 and 2007; projected dwelling unit building permits for the five-year periods ending July 2012 and July 2017; and projected, period-end dwelling units. All figures are organized by sub-area and section.

Table A: Summary: Land Use Assumptions for Impact Fee Sub-areas 6C, 6E, and 6E-P

		Existing	Existing	Est'd First	Est'd 2nd	Period-end
				Five-Year	Five-Year	Total
	Build-out	1996 DU's	2007 DU	DU	DU	Y2017 DUs
<u>Zone/Section</u>	<u>(revised)</u>	<u>(on 4/1/96)</u>	<u>(on 4/1/00)</u>	<u>Permits</u>	<u>Permits</u>	<u>(K+L+O)</u>
6C/23	NA	0	0	0	0	0
6C/24	16	0	0	0	0	0
6C/25	11	0	0	0	0	0
6C/26A*	153	15	62	10	25	97
6C/27A*	118	0	0	33	30	63
6C/34	11	0	3	1	3	7
Subtotal 6 C	309	15	65	44	58	167

6E/13&14	NA	0	0	0	0	0
6E/16 & 17	NA	0	0	0	0	0
6E/18	72	20	48	11	10	69
6E/19	195	12	66	28	40	134
6E/20	56	0	46	4	10	60
6E/24	44	0	0	0	0	0
6E/25	11	0	0	0	0	0
Subtotal 6E	378	32	160	43	60	263
6E-P/13	NA	0	0	0	0	0
6E-P/18	66	19	27	10	15	52
Subtotal 6E-P	66	19	27	10	15	52
Total	753	66	252	97	133	482

Table B, at the end of this report, entitled "Detail: Land Use Assumptions for Impact Fee Sub-areas 6C, 6E, and 6E-P" includes the information from table A, and also provides information on the land area of each section and sub-area; existing and projected public/private ownership mix; projected permit data from the 1996 report; and quantifies the changes as a result of a slower build-out rate employed in this year's report.

Summary and Conclusion

Development within the Zone 6 Water Service Study Area has occurred at a rate less than initially expected. The rate at which it has been occurring over the past four years is not expected to change much, with the exception of certain areas within sub-zone 6E, specifically Sections 19 and 20 (T30N, R12W). Land in both of these sections has recently been made available for development as a result of the selling of much of the City of Albuquerque land to private interests.

As roads and water lines are developed in the Study Area, it can be reasonably assumed that development will occur at an accelerated rate. However, as in the case of Section 26 (T30N, R13W), details regarding the exact location of road right-of-way alignments and water line easements still need to be worked out before the area begins to build out much faster than it has.

A drive through the Study Area reveals an active real estate market. It can be assumed that over the course of the next five-year period that many of the vacant lots that are for sale now will probably be developed. Many of these lots will probably not be subdivided because the past development scenario follows a low-density pattern. Of course, this will probably not be true for the larger lots, which have been purchased for developing them as residential housing subdivisions. Still, many of those lots will probably not be

much smaller than an acre and a half (current zoning allows for a one-acre minimum lot size).

Overall, the development pattern-taking place within the Study Area can be characterized as that of a low-density rural residential area, connected by a series of public open space and recreational land, great views, and trails. With 250 dwelling units estimated to be established here by the end of the initial 10-year period, and with an area size of 4,318 acres, it is likely that this area, it is likely that this area will remain similar in its character as it appears today.

Table B

	A	B	C	D	E	F	G	H	I	J	K	L	M
1											Est'd First	Est'd 2nd	Period-end
2					Projected				Existing	Existing	Five-Year	Five-year	Total
3			1996 Ownership		2007 Ownership		Build-Out Potential:		1996 Dus	2007 Dus	DU	DU	2017 Total DU
4	Zone/Section	Acres	Public	Private	Public	Private	Original	Revised	(on 4/1/96)	(on 4/1/00)	Permits	Permits	Estimated
5	6C/23	265	100%	0%	no change		NA	NA	0	0	0	0	0
6	6C/24	208	100%	0%	86%	14%	NA	NA	0	0	0	0	0
7	6C/25	100	100%	0%	80%	20%	NA	NA	0	0	0	0	0
8	6C/26A*	486	2%	98%	4%	96%	240	153	15	62	10	25	97
9	6C/27A*	230	66%	34%	20%	80%	9	118	0	0	33	30	63
10	6C34	20	0%	100%	no change		7	11	0	3	1	3	7
11	Subtotal 6C	1309	59%	41%	45%	55%	256	282	15	65	44	58	167
12													
13	6E/13&14	638	92%	8%	no change		NA	NA	0	0	0	0	0
14	6E/16&17	620	100%	0%	no change		NA	NA	0	0	0	0	0
15	6E/18	225	0%	100%	no change		53	72	20	48	11	10	69
16	6E/19	444	29%	71%	18%	82%	224	195	12	66	28	40	134
17	6E/20	125	20%	80%	16%	84%	55	56	0	46	4	10	60
18	6E/24	422	100%	0%	80%	20%	NA	44	0	0	0	0	0
19	6E/25	80	100%	0%	75%	25%	NA	11	0	0	0	0	0
20	Subtotal 6E	2554	73%	27%	67%	33%	332	378	32	160	43	60	263
21													
22	6E-P/13	40	100%	0%	no change		NA	NA	0	0	0	0	0
23	6E-P/18	415	0%	100%	no change		97	66	19	27	10	15	52
24	Subtotal 6E-P	455	9%	91%	no change		97	66	19	27	10	15	52
25													
26	Total	4318	62%	38%	54%	46%	685	726	66	252	97	133	482
27													
28	*Expanded to include 257 acres of new "service area" in Sections 26 and 27, which include the proposed Las Colinas and Las Vista subdivisions, respectively.												
29	Public/private ownership percentages were calculated based upon the actual number of acres of SA within each section at the time the original report was produced in												
30	1996, and again in 2007 at the time of the land use inventory update.												