

City of Phoenix  
2025 Development Impact Fee Update  
**LAND USE ASSUMPTIONS REPORT**

**DRAFT**  
**8-2-2024**  
**(Revised 9/30/2024)**



**City of Phoenix**  
PLANNING & DEVELOPMENT DEPARTMENT

*Prepared by:*  
Business & Strategy Division  
Growth, Infrastructure & Financial Stability Section

## TABLE OF CONTENTS

Summary of Land Use Assumptions .....	2
Impact Fee Service Area Building Blocks .....	3
Estimate Year (2025) Land Use Assumptions .....	4
10-Year (2035) Land Use Assumptions .....	4
15-Year (2040) Land Use Assumptions .....	5
Buildout (Hypothetical) Land Use Assumptions .....	5

## SUMMARY OF LAND USE ASSUMPTIONS

The land use assumptions detailed in this report provide the foundation for evaluating the future demand for public services for which the city collects Development Impact Fees (DIF) and Water Resources Acquisition Fees (WRAF).

Land use assumptions describe future development in terms of type, size, location and relative timing. Residential development has been divided into single-family and multifamily categories and measured in terms of dwelling units. Non-residential development land use is divided into five categories (retail, office, industrial, public and other) measured by structure size or floor area, where 1,000 square feet of floor area is equal to one non-residential development unit. Future development unit values for the City of Phoenix have been derived from county-wide population forecasts prepared by the Arizona State Demographer's Office and metro-area employment forecasts prepared by the University of Arizona. New dwelling units and non-residential space have been allocated geographically throughout the city to project future development within development impact fee service areas. The forecasted development units summarized in this report were prepared by Applied Economics, LLC, a local economic research firm. For a more detailed description of data sources and methods please see supplemental report: *Growth Projections and Land Use Assumptions 2024 Update*, Applied Economics, July 12, 2024.

For this update, growth projections have been prepared to project demand for necessary public services for the ten-year period from 2025 to 2035.

- Residential development has been estimated using the 2022 Maricopa County medium-series population projections prepared by the State Demographer's Office within the Arizona Office of Economic Opportunity. Down-scaling to Phoenix impact fee service areas and converting population to single family and multifamily units was performed by Applied Economics, LLC.
- Non-residential development has been estimated based on 2023 metro-area employment by industry data provided by the University of Arizona. Down scaling to Phoenix impact fee service areas and converting employment to non-residential development units was performed by Applied Economics, LLC.

For all estimations, the data is provided at the impact fee area "building block" level.

## IMPACT FEE SERVICE AREA BUILDING BLOCKS

Land use assumptions have been summarized in geographic *building blocks* that can be aggregated to the impact fee service areas applicable to each impact fee program. The impact fee service areas described in this report are based on the areas established in previous plans. The only notable change is a proposed ‘citywide’ impact fee service area for Water Treatment and Wastewater Treatment that would be assessed in the ‘Balance of City’ area.

The following table displays how the impact fee “building block” areas are combined to make designated impact fee service areas for each fee category. The building block geographies are provided on Map #1 *Impact Fee Service Area Maps*, September 19, 2024 or as amended.

Impact Fee Category	Impact Fee Service Area	Building Block
Fire Protection, Police, Parks, Library	Northwest	Northwest & Deer Valley
	Northeast	Northeast & Paradise Ridge
	Southwest	Estrella N, Estrella S, Laveen W & Laveen E
	Ahwatukee	Ahwatukee
Major Arterials	Northern	Northwest, Deer Valley, Northeast & Paradise Ridge
	Southwest	Estrella N, Estrella S, Laveen W & Laveen E
Storm Drainage	Paradise Ridge	Paradise Ridge
	Estrella	Estrella N & Estrella S
	Laveen	Laveen W & Laveen E
Water Distribution	Northern	Northwest, Deer Valley, Northeast, & Paradise Ridge
	Southern	Estrella N, Estrella S, Laveen W, Laveen E, & Ahwatukee
Wastewater Collection	Northern - WW	Northwest, Northeast & Paradise Ridge
	Estrella South	Estrella South
Wastewater Treatment	North of CAP Canal	Northwest, Northeast, & Paradise Ridge
	South of CAP Canal	Deer Valley, Balance of City, Estrella N, Estrella S, Laveen W, Laveen E, & Ahwatukee
Water Treatment	Citywide	All ‘Building Blocks’ & Balance of City
Water Resources Acquisition	Off-Project	Off-Project
	On-Project	On-Project

## LAND USE ASSUMPTION QUANTITIES BY BUILDING BLOCK

It is necessary to estimate development units at the beginning of the planning horizon. For this update the starting point or “estimate year” is assumed to be 2025. At the time Applied Economics, LLC, initiated their study the best available data for existing development units was for 2023. The 2025 estimated development units are used to calculate current Levels of Service (LOS) for certain impact fee categories.

### Estimate Year Land Use Assumptions (2025)

	<i>(Dwelling Units)</i>		<i>(000's Square Feet)</i>				
	<b>SFR</b>	<b>MFR</b>	<b>Retail</b>	<b>Office</b>	<b>Industrial</b>	<b>Public</b>	<b>Other</b>
Northwest	10,004	5,108	2,152	263	4,059	1,534	478
Deer Valley	5,195	1,558	5	0	27	188	12
Northeast	20,790	5,680	2,300	1,150	1,556	1,805	1,397
Paradise Ridge	262	4,130	1,542	1,803	0	108	2,244
Estrella North	2,353	657	1,774	12	47,308	621	143
Estrella South	17,128	1,379	1,623	9	18,433	1,552	34
Laveen West	22,435	1,420	2,677	118	1,088	2,135	552
Laveen East	6,851	575	882	7	285	597	35
Ahwatukee	24,405	9,913	3,015	1,661	1,201	2,316	1,135
Balance of City	295,911	244,960	80,067	110,563	114,560	86,994	57,187
<b>Citywide</b>	<b>405,334</b>	<b>275,380</b>	<b>96,037</b>	<b>115,586</b>	<b>188,517</b>	<b>97,850</b>	<b>63,217</b>
Off-Project	209,093	105,345	40,821	38,736	49,216	24,103	25,394
On-Project	196,264	170,035	55,217	76,851	139,301	73,748	37,879

### 10-Year Land Use Assumptions (2035)

	<i>Dwelling Units</i>		<i>000's Square Feet</i>				
	<b>SFR</b>	<b>MFR</b>	<b>Retail</b>	<b>Office</b>	<b>Industrial</b>	<b>Public</b>	<b>Other</b>
Northwest	13,047	10,822	3,052	2,388	11,509	1,644	716
Deer Valley	5,281	1,558	5	0	27	316	12
Northeast	33,783	10,696	3,221	2,512	1,819	1,818	1,754
Paradise Ridge	3,200	5,236	1,644	3,934	0	800	2,676
Estrella North	2,765	1,002	1,828	12	51,802	621	143
Estrella South	20,640	3,221	2,042	61	22,292	1,904	34
Laveen West	25,639	4,569	3,759	433	3,144	2,135	1,384
Laveen East	7,887	715	882	7	285	597	35
Ahwatukee	25,195	9,913	3,015	1,661	1,201	2,316	1,135
Balance of City	300,735	271,170	85,080	116,414	123,898	87,984	58,846
<b>Citywide</b>	<b>438,172</b>	<b>318,902</b>	<b>104,528</b>	<b>127,422</b>	<b>215,977</b>	<b>100,135</b>	<b>66,735</b>
Off-Project	234,060	131,988	45,261	47,335	60,589	25,163	26,680
On-Project	204,135	186,914	59,267	80,088	155,388	74,972	40,110

**15-Year Land Use Assumptions (2040)**

	<i>Dwelling Units</i>		<i>000's Square Feet</i>				
	<b>SFR</b>	<b>MFR</b>	<b>Retail</b>	<b>Office</b>	<b>Industrial</b>	<b>Public</b>	<b>Other</b>
Northwest	15,286	13,179	3,600	4,138	12,509	1,644	1,021
Deer Valley	5,521	1,558	5	0	27	316	12
Northeast	39,090	12,589	3,437	4,115	1,819	1,930	2,022
Paradise Ridge	4,725	5,471	1,701	4,303	0	989	2,676
Estrella North	2,904	1,002	1,828	12	51,926	621	143
Estrella South	21,112	3,507	2,222	61	23,476	2,009	34
Laveen West	25,759	5,375	4,128	599	4,244	2,135	1,498
Laveen East	7,907	715	882	7	285	597	35
Ahwatukee	26,121	9,913	3,015	1,661	1,201	2,316	1,135
Balance of City	301,164	280,493	88,093	119,305	127,760	88,459	59,662
<b>Citywide</b>	<b>449,589</b>	<b>333,802</b>	<b>108,911</b>	<b>134,201</b>	<b>223,247</b>	<b>101,016</b>	<b>68,238</b>
Off-Project	244,762	144,550	46,582	52,547	63,398	25,465	27,323
On-Project	204,850	189,252	62,329	81,655	159,849	75,551	40,972

**Buildout Land Use Assumptions (Full Absorption of Undeveloped Land within Building Block Areas)**

	<i>Dwelling Units</i>		<i>000's Square Feet</i>				
	<b>SFR</b>	<b>MFR</b>	<b>Retail</b>	<b>Office</b>	<b>Industrial</b>	<b>Public</b>	<b>Other</b>
Northwest	61,155	33,533	11,655	17,177	42,984	3,789	1,541
Deer Valley	5,534	1,623	5	0	27	316	13
Northeast	54,850	16,924	7,436	11,444	3,568	3,383	2,389
Paradise Ridge	5,355	6,734	3,360	16,140	0	989	2,676
Estrella North	3,205	1,002	1,947	12	51,979	621	143
Estrella South	22,551	3,649	2,452	61	25,559	2,253	56
Laveen West	26,158	6,257	5,549	2,267	7,058	2,385	2,411
Laveen East	8,768	715	934	7	285	607	51
Ahwatukee	26,941	9,913	3,325	1,661	1,201	2,316	1,135
Balance of City	302,008	291,038	97,458	126,908	141,371	89,821	61,438
<b>Citywide</b>	<b>516,525</b>	<b>371,388</b>	<b>134,121</b>	<b>175,677</b>	<b>274,032</b>	<b>106,480</b>	<b>71,853</b>
Off-Project	310,372	177,104	62,507	89,740	102,070	29,472	28,391
On-Project	206,819	194,284	72,287	85,937	171,962	77,008	43,581