

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

DRAFT
8-2-2024



City of Phoenix

PLANNING & DEVELOPMENT DEPARTMENT

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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.

State impact fee rules require an estimation of forecasted development over a ten-year planning horizon. For this update, growth projections have been prepared for the period from 2025 to 2034.

- 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.

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*, July 17, 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
	Southern	Estrella N, Estrella S, Laveen W, Laveen E, & Ahwatukee
Wastewater Collection	Northern - WW	Northwest, Northeast & Paradise Ridge
	Estrella South	Estrella South
Water Treatment, Wastewater 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>				
	Single	Multi	Retail	Office	Industrial	Public	Other
Northwest	9,954	4,530	2,056	263	3,934	1,534	430
Deer Valley	5,195	1,558	5	0	27	188	12
Northeast	20,094	5,254	2,293	966	1,503	1,805	1,395
Paradise Ridge	262	4,130	1,442	1,803	0	108	2,165
Estrella North	2,351	657	1,765	12	47,217	621	143
Estrella South	16,661	1,094	1,587	4	17,486	1,522	34
Laveen West	21,948	1,112	2,580	87	923	2,135	344
Laveen East	6,259	575	882	7	285	597	35
Ahwatukee	24,405	9,913	3,015	1,661	1,201	2,316	1,135
Balance of City	294,654	242,245	80,757	109,692	113,296	86,843	56,517
Citywide	401,783	271,068	96,382	114,495	185,872	97,669	62,210

10-Year Land Use Assumptions (2025 – 2034)

	<i>Dwelling Units</i>		<i>000's Square Feet</i>				
	Single	Multi	Retail	Office	Industrial	Public	Other
Northwest	2,624	5,865	889	1,800	4,575	110	229
Deer Valley	86	0	0	0	0	128	0
Northeast	11,462	4,733	826	1,474	316	13	168
Paradise Ridge	2,888	1,106	202	1,718	0	692	511
Estrella North	414	345	60	0	4,456	0	0
Estrella South	3,655	1,984	413	57	4,281	348	0
Laveen West	3,641	3,328	1,087	315	2,015	0	1,006
Laveen East	1,628	0	0	0	0	0	0
Ahwatukee	337	0	0	0	0	0	0
Balance of City	6,081	26,911	3,634	6,082	9,743	1,036	2,419
Citywide	32,816	44,272	7,111	11,446	25,386	2,327	4,333

End of Infrastructure Improvement Plan Horizon (2034)

	<i>Dwelling Units</i>		<i>000's Square Feet</i>				
	Single	Multi	Retail	Office	Industrial	Public	Other
Northwest	12,578	10,395	2,945	2,063	8,509	1,644	659
Deer Valley	5,281	1,558	5	0	27	316	12
Northeast	31,556	9,987	3,119	2,440	1,819	1,818	1,563
Paradise Ridge	3,150	5,236	1,644	3,521	0	800	2,676
Estrella North	2,765	1,002	1,825	12	51,673	621	143
Estrella South	20,316	3,078	2,000	61	21,767	1,870	34
Laveen West	25,589	4,440	3,667	402	2,938	2,135	1,350
Laveen East	7,887	575	882	7	285	597	35
Ahwatukee	24,742	9,913	3,015	1,661	1,201	2,316	1,135
Balance of City	300,735	269,156	84,391	115,774	123,039	87,879	58,936
Citywide	434,599	315,340	103,493	125,941	211,258	99,996	66,543

Buildout Land Use Assumptions

	<i>Dwelling Units</i>		<i>000's Square Feet</i>				
	Single	Multi	Retail	Office	Industrial	Public	Other
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	8,053	715	934	7	285	607	51
Ahwatukee	24,742	9,913	3,015	1,661	1,201	2,316	1,135
Balance of City	300,735	269,156	84,391	115,774	123,039	87,879	58,936
Citywide	512,338	349,506	120,744	164,543	255,700	104,538	69,351