

POLICE INFRASTRUCTURE IMPROVEMENTS PLAN

Arizona statutes allow cities to charge development impact fees for “police facilities, including all appurtenances, equipment and vehicles”. The City of Phoenix charges the Police impact fee to help provide new precincts, vehicles and equipment needed to serve the City's growth areas.

POLICE IMPACT FEE METHODOLOGY

The Police DIF is calculated using both an *incremental cost method and a planned approach*. The incremental method is used for police equipment specific to the needs of officers. With no highly accurate data to predict levels of crime and the required police staffing and equipment levels a forecast based on the current level of service and predicted growth in the impact fee areas was created to determine the future equipment needs. The planned approach is used for capital facilities the Police Department has determined it will construct in the next ten years to continue providing service throughout the city. In this update that includes a new headquarters and a northern precinct. Since a large portion of police work is mobile in nature any expansion to these facilities would increase service capacity citywide. The planned approach looks at the portion of the impact fee area growth compared to all existing and future development in the city to remove the impact fee burden from those who may have already paid or will pay through other means their share of the facility costs.

POLICE IMPACT FEE AREAS

With costs inputs for police infrastructure the same throughout the city the impact fee area can be considered one, the growth area. For administrative ease they will follow the same building blocks as other impact fee areas. A map of the impact fee areas can be found in the *Impact Fee Service Area Maps Report: Map 2: Police, Fire, Parks, and Library Service Areas*

- Northwest / Deer Valley
- Northeast / Paradise Ridge
- Southwest
- Ahwatukee

FUNCTIONAL POPULATION

The City of Phoenix Functional Population Report details the methodology to determine the factor of service impact by varying land uses along with the number of Equivalent Demand Units (EDU) representing the amount of growth in each land use category. For easy reference, the following tables provide the numbers used later in this chapter.

Table 1: 2025 EDUs

Impact Fee Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1	0.68	0.03	0.06	0.02	0.02	0.04	
Citywide	401,783	184,327	47,227	69,841	37,174	23,440	25,506	789,298
Northeast w/PR	20,356	6,381	1,830	1,689	301	459	1,460	32,476
Northwest w/DV	15,149	4,140	1,010	160	792	413	181	21,845
Southwest	47,219	2,338	3,339	67	13,182	1,170	228	67,543
Ahwatukee	24,405	6,741	1,477	1,013	240	556	465	34,897

Table 2: 2025-2034 EDUs

Impact Fee Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1	0.68	0.03	0.06	0.02	0.02	0.04	
Citywide	32,816	30,105	3,485	6,982	5,078	559	1,776	80,801
Northeast w/PR	14,350	3,971	436	1,098	915	57	94	20,921
Northwest w/DV	2,710	3,988	504	1,947	63	169	278	9,659
Southwest	9,338	3,847	764	227	2,151	84	412	16,823
Ahwatukee	337	0	0	0	0	0	0	337

Table 3: Buildout EDUs

Impact Fee Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1	0.68	0.03	0.06	0.02	0.02	0.04	
Citywide	512,338	237,664	59,164	100,371	51,140	25,089	28,434	1,014,200
Northeast w/PR	60,205	16,087	5,290	16,826	714	1,049	2,077	102,248
Northwest w/DV	66,689	23,906	5,713	10,478	8,602	985	637	117,011
Southwest	59,967	7,904	5,332	1,432	16,976	1,408	1,091	94,103
Ahwatukee	24,742	6,741	1,477	1,013	240	556	465	37,585

1. EDU Factors from Current and Potential Non-Utility EDU Factors, August 22, 2024

2. EDU numbers from Growth Projects and Land Use Assumptions 2024 Update, Applied Economics, Revised August 21, 2024

LEVEL OF SERVICE (LOS)

The level of service for police equipment (cars and radios) is based on the number of currently authorized officers. Table 4 shows the level of service by dividing the number authorized officers from the current budget by all 2025 EDUs (both impact fee and the balance of the city) then divided by 1,000 (to determine the number of officers per 1,000 functional population).

Table 4: Level of Service, Officers

Authorized Officers	Police EDU	Officer LOS (per 1K EDU)
3,272	946,059*	3.46

1. Authorized Officers count provided by Police Department

2. Police EDU = 2025 Citywide EDU

3. Officer LOS = Authorized Offices / (Police EDU/1,000)

The following table displays the level of service for vehicles and radios needed for each officer. The vehicle service is derived from dividing the current filled officer positions (provided by PD) by the number of police vehicles (provided by PD). The radios level of service is equal to the number of officers needed, one per officer.

Table 5: Level of Service, Equipment

Item	Filled Officers	# of Vehicles/Radios	LOS
Vehicles	2,551	1,295	0.51
Radios	2,551	2,551	1.00

1. Filled Officer count provided by Police Department
2. Vehicle count provided by Police Department
3. Radios = Filled Officers
4. LOS = Vehicles or Radios / Filled Officers

With the level of service established for officers, vehicles and equipment, and demand on the next ten years of growth can be determined. Because equipment is tied to the number of officers needed, that number will be determined first. The number of officers needed is the Officer LOS (Table 4) divided by the sum of the total impact fee area EDUs in the growth period (Table 2). The number of vehicles can then be calculated by dividing the number of officers needed by the vehicle level of service (Table 5). Finally, radios can be calculated by dividing the number officers needed by the radio level of service (Table 5).

Table 6: Police Officer, Vehicle & Radio Demands

Item	Demand
Officers	165
Vehicles	84
Radios	165

Police station level of service is determined by the Police Department to provide the best service delivery possible. Over the next ten years the Police Department has determined it will need to relocate its headquarters to a larger building and construct the new Cactus Park Precinct.

POLICE STATION, VEHICLE, & EQUIPMENT INVENTORY & COSTS

Police vehicle and equipment costs have been pulled from actual purchases. The costs for the new headquarters and precinct are taken from estimates generated by the police department absent costs that cannot be used in the impact fee program (i.e. art). The following table shows the cost of vehicles and equipment along with the total cost, not adjusted for impact fee areas, of the headquarters and precinct.

Table 7: Police Equipment & Building Costs

Item	Cost
Vehicles	\$77,899
Radios	\$9,600
Headquarters	\$228,400,000
Precinct	\$27,446,585

1. All costs provided by Police Department

For the headquarters and precinct, the cost is adjusted by determining what amount of the facility serves the impact fee area. This is done by dividing the number of new EDUs created in Impact Fee Service Areas (table 3) over buildout subtracting the sum of existing EDUs (table 1) by the total number of EDUs citywide at buildout (sum of table 3).

Table 8: Building Service Percentage of Impact Fee Area

Buildout Impact Fee Growth EDUs	Total EDUs	Impact Fee Area Percent
194,186	1,365,147	14%

1. Buildout IF Growth EDUs = sum of 2025-2034 impact fee area EDUs
2. Total EDUs = Citywide EDUs – sum of 2025 impact fee area EDUs

The final adjusted cost of the building providing for only the impact it has on the impact fee areas is generated by multiplying the impact fee area percent (Table 8) by the cost (Table 7) and is displayed in the table below.

Table 9: Impact Fee Adjusted Building Costs

Building	Impact Fee Area %	Building Gross Cost	Impact Fee Proportionate Cost
Headquarters	14%	\$228,400,000	\$31,976,000
Precinct	14%	\$27,446,585	\$3,842,522

1. Percentages from Table 8
2. Gross Costs from Table 7

The 10-year plan costs for the Police Department Impact Fee can be determined by multiplying the vehicle and radio costs by their level of service and adding in the costs of the buildings planned in the next ten years. Table 10 demonstrates the costs.

Table 10: Impact Fee 10-Year Plan Costs

Item	Demand	Unit Costs	10-Year Plan Cost
Headquarters	1	\$31,976,000	\$31,976,000
Precinct	1	\$3,842,522	\$3,842,522
Vehicles	84	\$77,899	\$6,562,368
Radios	165	\$9,600	\$1,585,732

1. Amounts from Table.6
2. Costs from Tables 7 & 9

POTENTIAL GROSS FEE

The estimated gross impact fee for each category is different for the incremental portion and the planned portion of the program. The incremental portion, vehicles, and equipment is the 10-year plan cost (Table 10) divided by the number of EDUs associated with growth in the next ten years (sum of IF area EDUs Table 2). The planned components use the impact fee adjusted costs (Table 9) divided by the EDUs associated with growth for buildout (Table 8). The difference relates to vehicles and equipment serving growth over only a ten-year period where the buildings will serve growth beyond that time frame to buildout spreading the cost over a longer period of time. The gross fee of every category is added together to create a potential gross impact fee.

Table 11: Potential Gross Impact Fee

Fee Category	2025-2034 EDUs	10-Year Plan Costs	Potential Gross Impact Fee (per EDU)
Vehicles	47,740	\$6,562,368	\$137
Radios	47,740	\$1,585,732	\$33
Headquarters	194,186	\$31,976,000	\$165
Precinct	194,186	\$3,842,522	\$20
Total			\$355

1. Vehicle & Radio EDUs = sum of 2025-2034 impact fee areas
2. Headquarters & Precinct EDUs = sum of buildout impact fee areas
3. Costs from Table 10
4. Gross fee = Cost / EDUs

ALTERNATIVE REVENUE OFFSETS

Offsets for the Police Department Impact Fee have been described and calculated under the *Alternative Revenue Offsets Report*. The reported offsets include:

Table 12: Police Impact Fee Alternative Revenue Offsets

Impact Fee Area	Alternative Revenue (per EDU)
Northwest & Deer Valley	\$52
Northeast & Paradise Ridge	\$52
Southwest	\$52
Ahwatukee	\$52

1. Offsets from Alternative Revenue Offsets Report, City of Phoenix

EXISTING FUND OFFSETS

Unlike most impact fee funds, the Police Department funds are not currently encumbered for large projects. To compensate the existing funds will be offset based on future EDUs.

Table 13: Existing Fund Adjustment

Impact Fee Area	Qualifying Balance	2025-2034 EDUs	Fund Balance Adjustment
Northwest & Deer Valley	\$1,777,256	9,659	\$165
Northeast & Paradise Ridge	\$1,464,470	20,921	\$70
Southwest	\$3,482,361	16,823	\$207
Ahwatukee	\$ -	337	\$ -

1. Funds are as of 6/30/2024
2. EDUs from Table 2

POTENTIAL NET IMPACT FEES

Potential net impact fees are calculated by subtracting any applicable offsets from the potential gross fee. The table below displays the potential net impact fees.

Table 14: Potential Net Impact Fee

Impact Fee Area	Gross Impact Fee (per EDU)	Alternative Revenue (per EDU)	Fund Balance Adjustment	Potential Net Impact Fee (per EDU)
Northwest	\$355	\$52	\$184	\$119
Northeast	\$355	\$52	\$76	\$227
South	\$355	\$52	\$189	\$114
Ahwatukee	\$355	\$52	\$0	\$303

1. Gross Fee from Table 11
2. Offset from Table 12
3. Gross Fee Adjustment from Table 13

SUMMARY OF PLANNED IMPROVEMENTS

A.R.S. 9-463.05 requires that impact fees collected must be spent on either:

1. New projects that serve new development or
2. To repay debt (interest and principal) incurred to fund the construction of projects that serve new development.

It should be noted that A.R.S. 9-463.05 (and impact fee common law) prohibit impact fee revenues from being spent on operations, maintenance, repair, rehabilitation, environmental or other non-capital expenditures.

For this analysis, the following assumptions have been made:

- That all the projected number of projected EDUs will be developed in the ten-year planning period 2025-2034, and that all EDUs will pay net fees that are consistent with single-family dwellings.
- That all the future police facilities and equipment identified in this IIP will be built or otherwise acquired within the ten-year planning period 2025-2034.

A summary of the planned improvements and costs for the ten-year planning period 2025-2035 for the impact fee service areas are shown in the following tables. The tables provide a summary of planned facilities that are eligible to be funded by the Police impact fee collections, as calculated within this Chapter.

Table 15: Planned Improvement Costs

Planned Improvement	Total Cost
Headquarters	\$228,400,000
Cactus Precinct	\$27,446,585
Police Vehicles	\$6,562,367
Police Radios	\$1,585,731
Subtotal	\$263,994,684
Planned Net Impact Fee Revenue	
Northwest & Deer Valley	\$1,147,791
Northeast & Paradise Ridge	\$4,745,537
Southwest	\$1,914,983
Ahwatukee	\$102,054
Alternative Revenue	\$2,496,802
Revenue Subtotal	\$17,131,254
Anticipated Need for Alternative Funding	\$246,863,430