

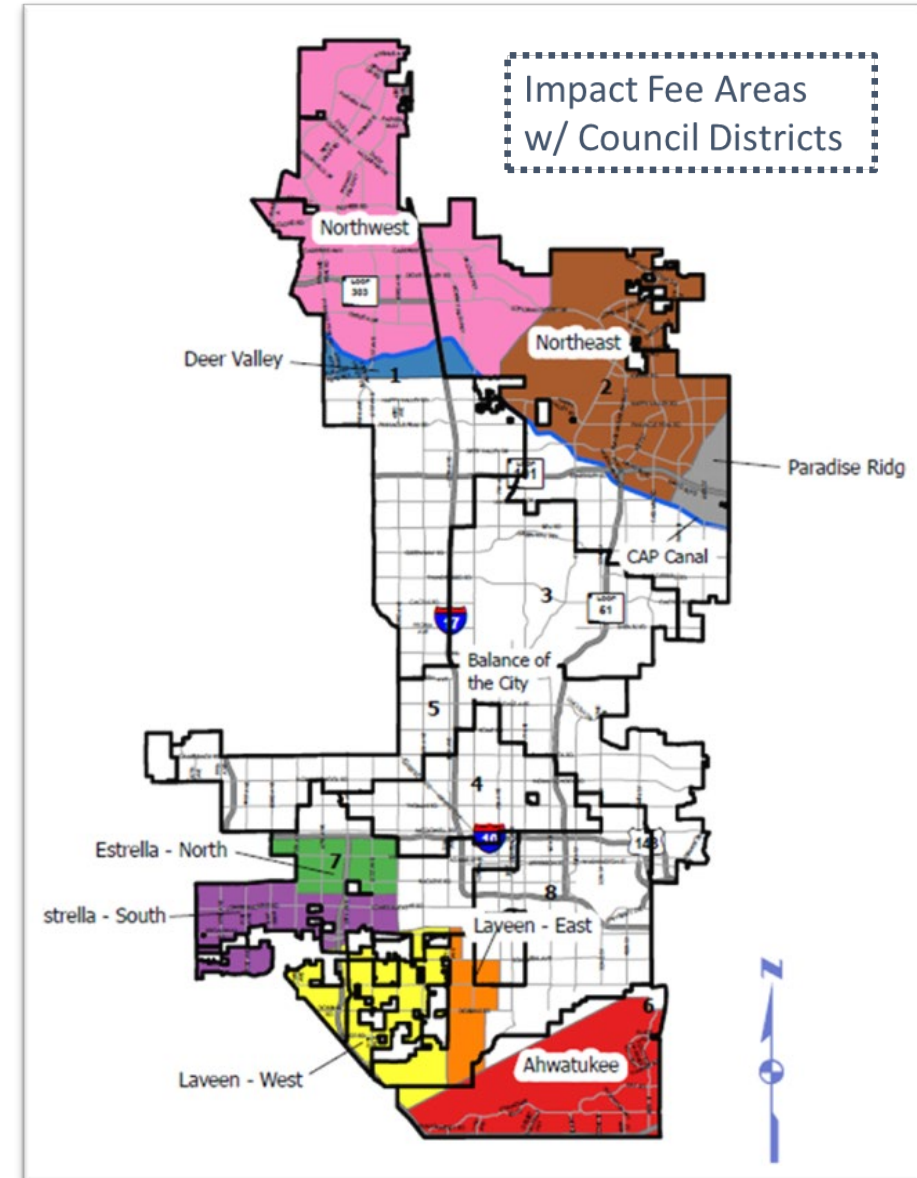
Land Use Assumptions and Infrastructure Improvements Plans

Phoenix City Council Formal Meeting
November 13, 2024



What Are Impact Fees

- Help fund public facilities needed to serve new development
- Paid only by new development on building permits
- Collected only in designated impact fee service areas
- Restricted to ‘planned improvements’ only
- Not for operating, maintenance or replacement costs



Why Are We Doing This?

- State statutes require 5-yr review
- Adapt to changing conditions
 - Update growth assumptions
 - Update facility plans & costs
 - Incorporate recent policy initiatives
- Reporting requirements for fees, revenue & expenditures



What Do Impact Fees Cover?

Necessary Public Services

Non-Utility

- Fire Protection
- Police
- Parks
- Library
- Major Arterials
- Storm Drainage

Utility

- Wastewater Collection
- Wastewater Treatment
- Water Transmission
- Water Treatment
- Water Resource Acquisition



How Are Fees Determined



Data Driven Process

- Extensive data collection & analysis
- 16 studies conducted by 9 qualified firms
- Values & assumptions are substantiated
- Widely used & accepted methodology



Forecast

New development
(Land use, location,
timing)



Identify

Necessary
improvements



Estimate

First-time capital
costs



Allocate

Fees are proportionate
to impact

Land Use Assumptions & Infrastructure Improvement Plans

SUPPORTING DOCUMENTS FOR THE DEVELOPMENT IMPACT FEE PROGRAM

- Land Use Assumptions guide *where, what, and when* city facilities are needed based on growth projections.
- Infrastructure Improvements Plans describe the assumptions, information sources and analytical methods used to determine the impact fee for a necessary public service.



Land Use Assumptions



Region	Residential (Dwellings)	Non-Residential (000's Sq Ft)
Northwest & Deer Valley	8,843	10,951
Northeast & Paradise Ridge	22,053	6,273
Southwest (Estrella & Laveen)	13,640	13,515
Ahwatukee	790	0
Balance of City	31,034	22,851
Total	76,360	53,590

The City retained Applied Economics to conduct an in-depth growth study for the Phoenix area. These assumptions help determine ‘when’ and ‘where’ public facilities will be needed to serve the expanding population by estimating the number of new dwelling units (single family & multifamily), and non-residential space measured in 1,000’s of square feet. These ‘development units’ are converted to Equivalent Demand Units (EDUs), based on the equivalency of one single family home, to quantify the aggregate demand generated by different types of land uses and determine ‘what’ public facilities are necessary.

Proposed Update Highlights



Projected \$1.6B in revenue over 10 years



‘Planned-based’ approach for fire stations



Water Resiliency Program



Prioritize funding for bridges



Contain Rawhide Wash Floodplain



Extend water & wastewater treatment areas citywide



Support GO Bond Projects

Impact Fee Update Timeline



- Jul. 2022 initiated comprehensive review of the impact fee program
- Jan. 2024 convened Impact Fee Ad Hoc Committee
- Jul/Aug 2024 posted draft LUAs and IIPs
- Sep. 19, 2024 presented revised IIPs to Ad Hoc Committee
- Nov. 13, 2024 Public Hearing on LUAs and IIPs
- Dec 18, 2024 anticipated Council action on LUAs and IIPs
- Jan. 22, 2025 anticipated Public Hearing on Impact Fee Report
- Mar/Apr, 2025 anticipated Council action on Impact Fee Report
- May/Jun, 2025 earliest possible date changes may take effect

ADDITIONAL INFORMATION

ON THE WEB:

[WWW.PHOENIX.GOV/PDDSITE/PAGES/
PROPOSED2025INFRASTRUCTUREFINANCINGPLAN](http://WWW.PHOENIX.GOV/PDDSITE/PAGES/PROPOSED2025INFRASTRUCTUREFINANCINGPLAN)

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