

City of Phoenix
2025 Development Impact Fee Update
DEVELOPMENT IMPACT FEE REPORT

DRAFT
2-11-2025



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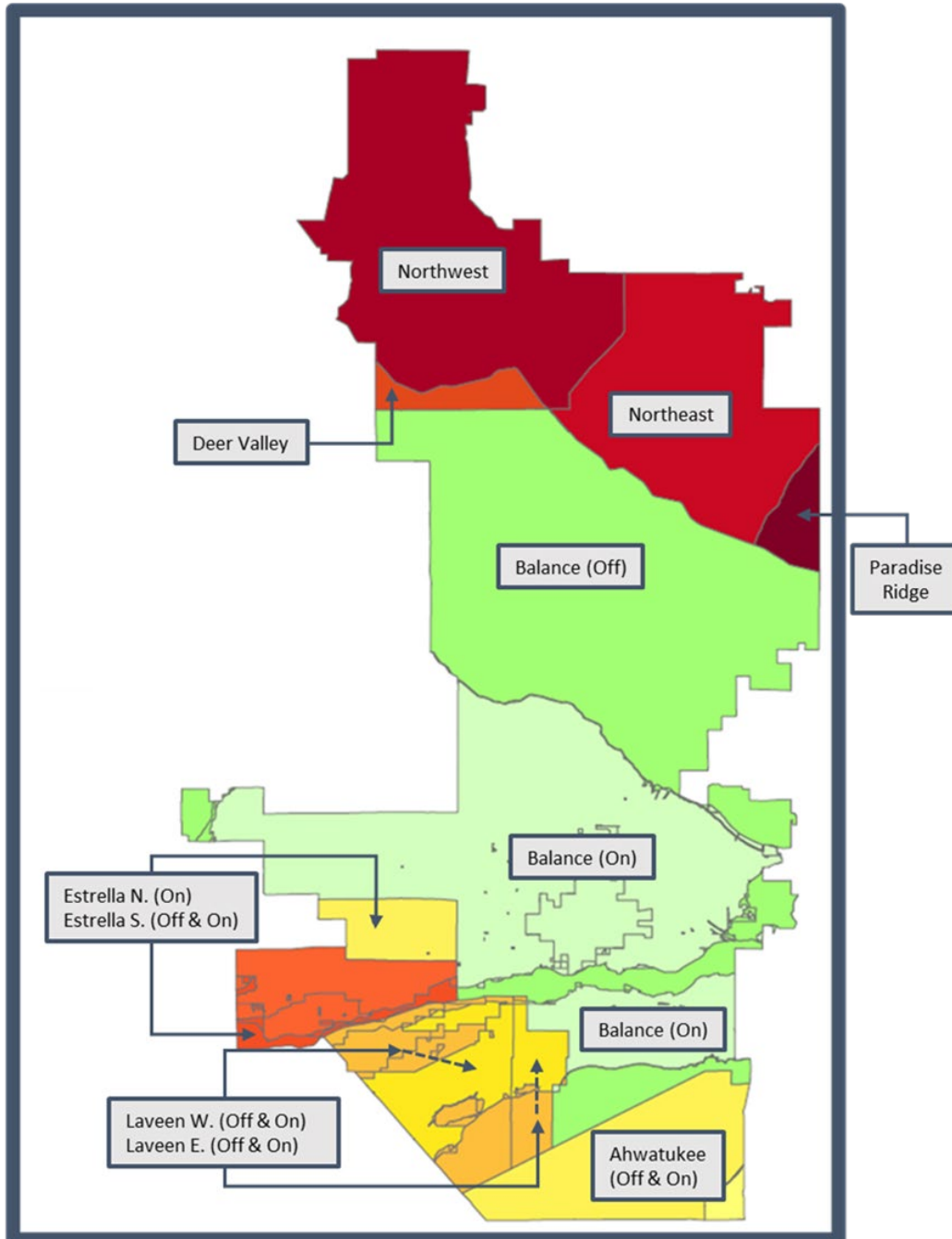
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OVERVIEW

The following Impact Fee Report contains descriptions of the development impact fee area 'building blocks' and service area boundaries, a summary of growth projections for each area, and the recommended changes to the net impact fees.

IMPACT FEE AREA MAP



IMPACT FEE AREA BUILDING BLOCKS AND SERVICE AREA BOUNDARIES

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 shown on the map on the following page.

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 Transmission	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>				
	SFR	MFR	Retail	Office	Industrial	Public	Other
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
Citywide	405,334	275,380	96,037	115,586	188,517	97,850	63,217
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>				
	SFR	MFR	Retail	Office	Industrial	Public	Other
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
Citywide	438,172	318,902	104,528	127,422	215,977	100,135	66,735
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)

	Dwelling Units		000's Square Feet				
	SFR	MFR	Retail	Office	Industrial	Public	Other
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
Citywide	449,589	333,802	108,911	134,201	223,247	101,016	68,238
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)

	Dwelling Units		000's Square Feet				
	SFR	MFR	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	8,768	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
Citywide	516,525	371,388	134,121	175,677	274,032	106,480	71,853
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

PROPOSED DEVELOPMENT IMPACT FEE CHANGES BY FEE CATEGORY

The following tables compare the current net fee per Equivalent Demand Unit (EDU) that took effect on April 13, 2020, with the proposed net fee per EDU pursuant to the Infrastructure Improvements Plans that were adopted by City Council on December 18, 2024. The net fee per EDU includes adjustments for qualifying fund balances and alternative revenue offsets. Fee assessments are based on land use and will be calculated as the net fee per EDU, multiplied by the applicable EDU Factor.

Impact Fee Area	<i>Fire Protection</i>		<i>Police</i>	
	Current Fee	Proposed	Current Fee	Proposed
Northwest	516	1,282	293	348
Deer Valley	516	1,282	293	348
Northeast	551	1,165	314	348
Paradise Ridge	551	1,165	314	348
Estrella North (Off Project)	487	1,625	285	348
Estrella North (On Project)	487	1,625	285	348
Estrella South (Off Project)	487	1,625	285	348
Estrella South (On Project)	487	1,625	285	348
Laveen West (Off Project)	487	1,625	285	348
Laveen West (On Project)	487	1,625	285	348
Laveen East (Off Project)	487	1,625	285	348
Laveen East (On Project)	487	1,625	285	348
Ahwatukee (Off Project)	470	1,833	342	348
Ahwatukee (On Project)	470	1,833	342	348
Balance of the City (Off Project)	0	0	0	0
Balance of the City (On Project)	0	0	0	0

Impact Fee Area	<i>Parks</i>		<i>Library</i>	
	Current Fee	Proposed	Current Fee	Proposed
Northwest	1,368	1,409	105	216
Deer Valley	1,368	1,409	105	216
Northeast	1,236	1,474	105	133
Paradise Ridge	1,236	1,474	105	133
Estrella North (Off Project)	1,241	2,082	105	205
Estrella North (On Project)	1,241	2,082	105	205
Estrella South (Off Project)	1,241	2,082	105	205
Estrella South (On Project)	1,241	2,082	105	205
Laveen West (Off Project)	1,241	2,082	105	205
Laveen West (On Project)	1,241	2,082	105	205
Laveen East (Off Project)	1,241	2,082	105	205
Laveen East (On Project)	1,241	2,082	105	205
Ahwatukee (Off Project)	1,225	1,094	105	0
Ahwatukee (On Project)	1,225	1,094	105	0
Balance of the City (Off Project)	0	0	0	0
Balance of the City (On Project)	0	0	0	0

Impact Fee Area	<i>Major Arterials</i>		<i>Storm Drainage</i>	
	Current Fee	Proposed	Current Fee	Proposed
Northwest	3,080	2,330	0	0
Deer Valley	3,080	2,330	0	0
Northeast	3,080	2,330	0	0
Paradise Ridge	3,080	2,330	1,715	3,094
Estrella North (Off Project)	1,928	0	770	1,207
Estrella North (On Project)	1,928	0	770	1,207
Estrella South (Off Project)	1,928	0	770	1,207
Estrella South (On Project)	1,928	0	770	1,207
Laveen West (Off Project)	1,928	0	1,037	1,401
Laveen West (On Project)	1,928	0	1,037	1,401
Laveen East (Off Project)	1,928	0	1,037	1,401
Laveen East (On Project)	1,928	0	1,037	1,401
Ahwatukee (Off Project)	0	0	0	0
Ahwatukee (On Project)	0	0	0	0
Balance of the City (Off Project)	0	0	0	0
Balance of the City (On Project)	0	0	0	0

Impact Fee Area	<i>Wastewater Collection</i>		<i>Wastewater Treatment</i>	
	Current Fee	Proposed	Current Fee	Proposed
Northwest	1,923	5,127	1,380	3,824
Deer Valley	0	0	1,380	1,190
Northeast	1,923	5,127	1,380	3,824
Paradise Ridge	1,923	5,127	1,380	3,824
Estrella North (Off Project)	0	0	1,380	1,190
Estrella North (On Project)	0	0	1,380	1,190
Estrella South (Off Project)	2,407	5,409	1,380	1,190
Estrella South (On Project)	2,407	5,409	1,380	1,190
Laveen West (Off Project)	2,250	0	1,380	1,190
Laveen West (On Project)	2,250	0	1,380	1,190
Laveen East (Off Project)	0	0	1,380	1,190
Laveen East (On Project)	0	0	1,380	1,190
Ahwatukee (Off Project)	0	0	1,380	1,190
Ahwatukee (On Project)	0	0	1,380	1,190
Balance of the City (Off Project)	0	0	0	1,190
Balance of the City (On Project)	0	0	0	1,190

Impact Fee Area	<i>Water Transmission</i>		<i>Water Treatment</i>	
	Current Fee	Proposed	Current Fee	Proposed
Northwest	5,497	14,046	833	4,387
Deer Valley	5,497	14,046	833	4,387
Northeast	5,497	14,046	833	4,387
Paradise Ridge	5,497	14,046	833	4,387
Estrella North (Off Project)	3,183	1,703	833	4,387
Estrella North (On Project)	3,183	1,703	833	4,387
Estrella South (Off Project)	3,183	1,703	833	4,387
Estrella South (On Project)	3,183	1,703	833	4,387
Laveen West (Off Project)	3,183	1,703	833	4,387
Laveen West (On Project)	3,183	1,703	833	4,387
Laveen East (Off Project)	3,183	1,703	833	4,387
Laveen East (On Project)	3,183	1,703	833	4,387
Ahwatukee (Off Project)	3,183	1,703	833	4,387
Ahwatukee (On Project)	3,183	1,703	833	4,387
Balance of the City (Off Project)	0	0	0	4,387
Balance of the City (On Project)	0	0	0	4,387

Impact Fee Area	<i>Water Resource Acquisition</i>	
	Current Fee	Proposed
Northwest	583	2,009
Deer Valley	583	2,009
Northeast	583	2,009
Paradise Ridge	583	2,009
Estrella North (Off Project)	583	2,009
Estrella North (On Project)	0	0
Estrella South (Off Project)	583	2,009
Estrella South (On Project)	0	0
Laveen West (Off Project)	583	2,009
Laveen West (On Project)	0	0
Laveen East (Off Project)	583	2,009
Laveen East (On Project)	0	0
Ahwatukee (Off Project)	583	2,009
Ahwatukee (On Project)	0	0
Balance of the City (Off Project)	583	2,009
Balance of the City (On Project)	0	0

PROPOSED TOTAL NET FEES BY DEVELOPMENT IMPACT FEE AREA

Impact Fee Area	Fire	Police	Parks	Library	Major Arterials	Storm Drainage	Wwtr Collection	Wwtr Treatment	Water Transmission	Water Treatment	Water Resources	Total
Northwest	\$1,282	\$348	\$1,409	\$216	\$2,330	\$0	\$5,127	\$3,824	\$14,046	\$4,387	\$2,009	\$34,978
Deer Valley	\$1,282	\$348	\$1,409	\$216	\$2,330	\$0	\$0	\$1,190	\$14,046	\$4,387	\$2,009	\$27,217
Northeast	\$1,165	\$348	\$1,474	\$133	\$2,330	\$0	\$5,127	\$3,824	\$14,046	\$4,387	\$2,009	\$34,843
Paradise Ridge	\$1,165	\$348	\$1,474	\$133	\$2,330	\$3,094	\$5,127	\$3,824	\$14,046	\$4,387	\$2,009	\$37,937
Estrella N. (On Project)	\$1,625	\$348	\$2,082	\$205	\$0	\$1,207	\$0	\$1,190	\$1,703	\$4,387	\$0	\$12,747
Estrella S. (Off Project)	\$1,625	\$348	\$2,082	\$205	\$0	\$1,207	\$5,409	\$1,190	\$1,703	\$4,387	\$2,009	\$20,165
Estrella S. (On Project)	\$1,625	\$348	\$2,082	\$205	\$0	\$1,207	\$5,409	\$1,190	\$1,703	\$4,387	\$0	\$18,156
Laveen W. (Off Project)	\$1,625	\$348	\$2,082	\$205	\$0	\$1,401	\$0	\$1,190	\$1,703	\$4,387	\$2,009	\$14,950
Laveen W. (On Project)	\$1,625	\$348	\$2,082	\$205	\$0	\$1,401	\$0	\$1,190	\$1,703	\$4,387	\$0	\$12,941
Laveen E. (Off Project)	\$1,625	\$348	\$2,082	\$205	\$0	\$1,401	\$0	\$1,190	\$1,703	\$4,387	\$2,009	\$14,950
Laveen E. (On Project)	\$1,625	\$348	\$2,082	\$205	\$0	\$1,401	\$0	\$1,190	\$1,703	\$4,387	\$0	\$12,941
Ahwatukee (Off Project)	\$1,833	\$348	\$1,094	\$0	\$0	\$0	\$0	\$1,190	\$1,703	\$4,387	\$2,009	\$12,564
Ahwatukee (On Project)	\$1,833	\$348	\$1,094	\$0	\$0	\$0	\$0	\$1,190	\$1,703	\$4,387	\$0	\$10,555
Balance (Off Project)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,190	\$0	\$4,387	\$2,009	\$7,586
Balance (On Project)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,190	\$0	\$4,387	\$0	\$5,577

1) Fees are based on inflation-adjusted unit costs estimated at 2028 dollars.

2) The offset for Water and Sewer Development Occupational Fees is not included. Staff recommend striking PCC Chapters 19A - 19D, thereby eliminating the DOF fee and the associated offset.