PARKS INFRASTRUCTURE IMPROVEMENTS PLAN

The City of Phoenix charges a Parks Development Impact Fee (DIF) to help provide new recreational facilities commonly associated with neighborhood and community parks. The Park Impact Fee is based on the estimated cost of providing recreational land and amenities within the designated Park Impact Fee Areas.

Parks Development Impact Fee Background

In 2012, the Arizona legislature adopted new rules on the types of park improvements that are eligible to be funded with impact fees. Under Arizona law, Parks DIF are limited to "neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development". This rule has previously been interpreted as allowing new recreational facilities commonly associated with neighborhood and community parks but excluding amenities that can reasonably be expected to attract users from outside the local area (e.g. soccer and softball complexes designed for tournaments). The 2025 Update interprets this rule to also include preserve trailheads, linear parks, and up to 30 acres of regional parks. Park and recreation facilities that are explicitly ineligible per State law include, but are not limited to: vehicles, equipment, aquatic centers, cultural facilities, environmental education centers, golf course facilities, and theme parks. Community centers up to 3,000 square feet and swimming pools may be included by law but are not currently provided in the City's Parks DIF program, nor are they included as part of the 2025 Update.

Parks Impact Fee Methodology

The proposed Parks DIF is calculated using an Incremental-Cost Method; which is a forward-looking approach that assumes the park system will be expanded to achieve a specific Level of Service (LOS). This update recommends a LOS based on the citywide park service area, rather than calculating a unique LOS for each impact fee area. Using a consistent citywide LOS for all impact fee areas reduces the potential for long-term inequities in park services across the impact fee areas. The incremental-cost method is suitable for the parks category because the provision of facilities depends largely on the functional population being served in any given area, and location-specific factors like topography, man-made networks (roads, canals, barriers, etc.) and property ownership (especially preserves) have less of an effect on park facilities than on other categories like arterial streets, water and wastewater infrastructure.

The steps to calculate the Parks Impact Fee can be summarized as follows:

- **Project expected new development** in each impact fee area (see Land Use Assumptions Report).
- **Analyze the current level of service** being provided for qualifying capital facilities.
- **Determine the ten-year demand** for additional park facilities for each impact fee area based on the current level of service.

- **Estimate the cost** to acquire land and construct new parks needed to meet the ten-year demand.

- **Calculate the gross Parks impact fee per EDU** by dividing the estimated "plan" cost by the equivalent demand units projected over the ten-year period for each impact fee area.

- **Investigate possible Alternative Revenue Offsets**, and if alternative funding sources are identified, offsets must be quantified to ensure new development is not charged twice for the same improvements.

- **Calculate the net Parks impact fee per EDU** in impact fee areas by subtracting any offset amounts from the gross impact fee per EDU.

- **Calculate the Parks impact fee schedule for each type of land use** by multiplying the Net Parks impact fee per EDU in each impact fee area by the EDU factor from the Functions Population Equivalent Demand Units Report.

PARKS IMPACT FEE AREAS

The cost to provide new park service capacity varies geographically for two major reasons. First, the demand for new park services depends the amount of planned development in each geographic location. Second, the cost of land varies significantly in different parts of the City. The Parks impact fee is charged in four distinct areas: two in the City's northern growth area and two in the southern growth area. The Parks Impact Fee Areas are named in the following manner and can be viewed in the Impact Fee Service Area Maps, Page 3.

- Northwest (Northwest and Deer Valley)
- Northeast (Northeast and Paradise Ridge)
- Southwest (Estrella N., Estrella S., Laveen W., Laveen E.)
- Ahwatukee

LEVEL OF SERVICE (LOS)

Inventory of Existing Parks:

Table 5.1 lists the City's existing park land totals that are used to calculate the existing Park Level of Service. The inventory of "undeveloped" park land is incorporated in the fee calculation methodology as an adjustment as explained in the section describing ten-year park demand. The adjusted improved park land (acres) is the total improved park acreage adjusting for the regional parks. Regional parks are capped at 30 acres, the neighborhood parks, community parks, linear parks and preserve trailheads do not have a cap. Including regional parks and preserve trailheads is a new to this update. Including such in the inventory allows for impact fee funds to be spent on these types of parks, which is an important recreational facility in the developing northern impact fees areas. A complete inventory can be found in the Level of Service Supplement.

Table 5.1: Summary of Existing Parks by Impact Fee Area

Impact Fee Area	Total Park Land (acres)	Total Qualifying Land (acres)	Qualifying Improved Park Land (acres)	Available Park Land (acres)
Northwest & Deer Valley	127	120	96	24
Northeast & Paradise Ridge	673	382	198	184
Southwest	577	383	198	184
Ahwatukee	349	272	208	64
All IFAs	1,726	1,157	701	456
Non-IFA	2,704	2,149	1,856	293
Citywide	4,430	3,306	2,557	749

From Phoenix Parks Department Spring 2024

Level of Service Calculation:

It is necessary to calculate the Park LOS to determine the ten-year demand. A LOS of 4.2 acres per 1,000 EDU is calculated using 2024 adjusted improved park acreage from Table 5.1 and citywide park equivalent demand units from Table 5.3. Level of service is calculated by dividing park capacity by the existing citywide EDUs and multiplying by 1000.

Table 5.2: LOS Calculation

Park Capacity (acres)	Existing (2025) Citywide EDU*	Level of Service (acres per 1,000 EDU)
2,557	610,665	4.2

GROWTH FORECAST AND DEMAND FOR PARK SERVICE

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 Calculation:

- Unit Counts are listed in the Land Use Assumptions Report and come from the Applied Economics study. They represent the amount of growth in housing units or 1,000 square feet of non-residential construction in an impact fee area.
- The EDU Factor is calculated under the City of Phoenix Functional Population Report and represents the percentage of growth EDUs each land use demands on Fire Department services.
- The number of EDUs for each impact fee area is calculated by multiplying the Unit Count by the EDU Factor.

Table 5.3 – 2025 EDUs

IF 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	405,334	187,259	2,881	6,936	3,770	1,956	2,529	610,665
Northeast w/ PR	21,052	6,671	115	177	31	38	146	28,230
Northwest w/ DV	15,199	4,533	65	16	82	34	20	19,949
Southwest	48,767	2,741	209	9	1,342	98	31	53,197
Ahwatukee	24,405	6,741	90	100	24	46	45	31,451

Table 5.4 – 10-year EDUs (2025-2035)

IF 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	32,838	29,595	254	710	549	46	140	64,132
Northeast w/ PR	15,931	4,163	31	210	5	14	31	20,385
Northwest w/ DV	3,129	3,885	27	127	149	5	9	7,331
Southwest	8,164	3,724	46	22	208	7	33	12,204
Ahwatukee	790	0	0	0	0	0	0	790

PARKS TEN-YEAR DEMAND, 2025-2035

Demand for new developed park acreage:

The 2025-2035 demand for "developed" park acreage is calculated by multiplying the 2025-2035 projected EDU from Table 5.4 with Park LOS from Table 5.2. The following table provides the values used to calculate the ten-year demand for new "developed" park acreage for each Park impact fee area.

Table 5.5 – Ten-Year Park Demand "Developed", 2025-2035

Impact Fee Area	2025-35 Park EDU	LOS (acres per 1,000 EDU)	2025-35 Park Demand (acres)[1]
Northwest and Deer Valley	7,331	4.2	30.8
Northeast and Paradise Ridge	20,385	4.2	85.6
Southwest	12,204	4.2	51.3
Ahwatukee	790	4.2	3.3

Demand for park land:

The 2025-35 demand for land is calculated by subtracting available park land from Table 5.1 from 2025-35 Park Demand from Table 5.5. The following table provides the values used to calculate the ten-year demand for park land acquisition acreage for each Park IFA.

Table 5.6 – Ten-Year Park Land Acquisition Requirements, 2025-2035

Impact Fee Area	2025-35 Park Demand (acres)	2025 Available Park Land (acres)	2025-35 Land Acquisition (acres)
Northwest and Deer Valley	30.8	24.5	6.3
Northeast and Paradise Ridge	85.6	184.0	0.0
Southwest	51.3	184.0	0.0
Ahwatukee	3.3	63.5	0.0

PARKS DEVELOPMENT COST

The following table provides the cost elements and estimated cost per acre to complete park improvements. A fully-developed park is one that has all necessary amenities to fulfill its ultimate service objectives. For example, completed neighborhood parks generally include a lighted basketball court, a

lighted volleyball court, a playground with shade canopy, a restroom, two picnic ramadas, and irrigation and parking improvements. Completed community parks have more of the same facilities plus a multi-use athletic field, tennis courts and a paved skate plaza. The park development cost per acre is based off the average assembly cost of a neighborhood and community park. These costs are from the City of Phoenix Parks Department (March 2024); adjusted for inflation using the Engineering News Record, Building Cost Index for January 2028.

Table 5.7 – Park Development Cost per Acre

Cost Component	Park Development Cost per Acre
Assembly Cost ($/Acre)	$412,299.78
Design (15%)	$61,844.97
Construction Management Costs (22%)	$90,705.95
Total Cost ($/Acre)	$564,850.69

Park land acquisition cost estimate: The following table lists the estimated land acquisition costs for Parks from BBG Real Estate Services Northern Impact Fee Land Use Study 2024 and BBG Real Estate Services Southern Impact Fee Land Use Study 2024. Only land in the Northwest will need to be acquired for this Update.

Table 5.8 – Land Acquisition Cost by Parks Impact Fee Area

Impact Fee Area	Cost (acre)
Northwest and Deer Valley	$170,000
Northeast and Paradise Ridge	$200,000
Southwest	$170,000
Ahwatukee	$170,000

TEN-YEAR PLAN COST, 2025-2035

Total ten-year plan cost:

The park plan cost is calculated by multiplying the 2025-2035 requirements for developed parks from Table 5.5 by the estimated park development unit cost from Table 5.7, and the 2025-2035 land demand from Table 5.6 by the estimated land acquisition cost from Table 5.8. The following table provides the values used to calculate the total ten-year "plan" cost for each Park IFA.

Table 5.9 – Parks Ten-Year "Plan" Cost, 2025-2035

Impact Fee Area	2025-2035 Park Expansion (acres)	Park Unit Cost (per acre)	2025-2035 Park Expansion Total Cost	2025-2035 Land Acquisition (acres)	Land Unit Cost (per acre)	2025-2035 Land Acquisition Total Cost
Northwest and Deer Valley	30.8	$564,851	**$17,397,401**	6.3	$170,000	**$1,071,000**
Northeast and Paradise Ridge	85.6	$564,851	**$48,351,219**	0.0	$200,000	**$0**
Southwest	51.3	$564,851	**$28,976,841**	0.0	$170,000	**$0**
Ahwatukee	3.3	$564,851	**$1,864,007**	0.0	$170,000	**$0**

POTENTIAL GROSS IMPACT FEE

The potential Gross Park DIF per EDU for each fee area is calculated by dividing the sum of ten-year plan costs from Table 5.9 with the ten-year Projected Park EDU from Table 5.4. The following table provides the values used to calculate Proposed Gross Park DIF per EDU for each fee area. The calculation for the fund balance adjustment can be found in the City of Phoenix 2025 Development Impact Fee Update Fund Balance Adjustment Report.

Table 5.10 – Potential Gross Park Impact Fee per EDU

Impact Fee Area	2025-35 Park Plan Cost	2025-35 Park EDU	Capital Cost (per EDU)	Fund Balance Adjustment	Potential Gross Impact Fee (per EDU)
Northwest and Deer Valley	$18,468,401	7,331	$2,519	$824	**$1,695**
Northeast and Paradise Ridge	$48,351,219	20,385	$2,372	$597	**$1,775**
Southwest	$28,976,841	12,204	$2,374	$0	**$2,374**
Ahwatukee	$1,864,007	790	$2,360	$980	**$1,380**

POTENTIAL NET IMPACT FEE

The potential net fee per EDU is calculated by subtracting any offset amounts from the potential gross fee from Table 5.10. The calculation for the offsets can be found in the City of Phoenix 2025 Development Impact Fee Update Alternative Revenue Offsets Report.

Table 5.11 – Potential Net Park Impact Fee per EDU

Impact Fee Area	Gross Park Impact Fee (per EDU)	Alternative Revenue (per EDU)[1]	Potential Net Fee (per EDU)
Northwest and Deer Valley	$1,695	$286	**$1,409**
Northeast and Paradise Ridge	$1,775	$301	**$1,474**
Southwest	$2,374	$292	**$2,082**
Ahwatukee	$1,380	$286	**$1,094**

1) See Alternative Revenue Offset Report.

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.

The City is prohibited from spending impact fee funds on operations, maintenance, repairs, or replacement.

For the purpose of this analysis, the following assumptions have been made:

- That all of 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 of the future parks facilities will be built within the ten-year planning period 2025-2034.

A summary of the planned improvements and costs for the ten-year planning period 2025-2034 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 Parks impact fee collections, as calculated within this Chapter.

Table 5.12: Northwest and Deer Valley Impact Fee Area (Parks), Planned Improvements and Costs, 2025-2034

Planned Improvement	Quantity (acres)	Total Cost
Park Development*	30.8	$17,397,401
Insp Mnt Pkw & Molly Ln		
Stetson Hills		
Improvements at Qualifying Flatland Parks		
Improvements at Qualifying Trailheads		
Land Acquisition (acres)	6.3	$1,071,000
Subtotal		**$18,468,401**
Planned Net Impact Fee Revenue		$10,329,379
Alternative Revenue		$2,096,666
Fund Balance		$6,043,576
Anticipated Need for Alternative Funding		**$0**

**Impact fee funded park development will take place at one or more of the listed park sites. Funding for these sites has not been prioritized by the Parks Department.*

Table 5.13: Northeast and Paradise Ridge Impact Fee Area (Parks), Planned Improvements and Costs, 2025-2034

Planned Improvement	Quantity (acres)	Total Cost
Park Development*	85.6	$48,351,219
24th St & Cave Creek Dam Rd		
Deer Valley Rd & Tatum Blvd		
Desert Broom		
Lone Mountain		
Black Mountain		
John W. Teets		
Desert Ridge SB-1 (west)		
Improvements at Qualifying Flatland Parks		

Improvements at Qualifying Trailheads		
Land Acquisition (acres)	0.0	$0
Subtotal		**$48,351,219**
Planned Net Impact Fee Revenue		$30,047,490
Alternative Revenue		$6,135,885
Fund Balance		$12,171,675
Anticipated Need for Alternative Funding		**$0**

**Impact fee funded park development will take place at one or more of the listed park sites. Funding for these sites has not been prioritized by the Parks Department.*
*** Impact fee funded "locally benefitting recreational facilities" may be constructed within Regional Parks. Funding for these facilities has not been determined by the Parks Department.*

5.14: Southwest Impact Fee Area (Parks), Planned Improvements and Costs, 2025-2034

Planned Improvements	Quantity (acres)	Total Cost
Park Development*	51.3	$28,976,841
59th Ave & Olney Ave		
100th Ave & Jones Ave		
103rd Ave Country Place		
47th Ave & Alta Vista Rd		
Harvest Park		
Laveen Heritage Park		
83rd Ave & Elwood St		
Farmland Park		
89th Drive & Illini St		
Gary Road East of 27th Ave		
*99th Ave and Lower Buckeye***		
Improvements at Qualifying Flatland Parks		
Improvements at Qualifying Trailheads		
Land Acquisition (acres)	0.0	$0
Subtotal		**$28,976,841**
Planned Net Impact Fee Revenue		$25,408,728
Alternative Revenue		$3,563,568
Fund Balance		$6,740,238
Anticipated Need for Alternative Funding		**$0**

**Impact fee funded park development will take place at one or more of the listed park sites. Funding for these sites has not been prioritized by the Parks Department.*
*** Impact fee funded "locally benefitting recreational facilities" may be constructed within Regional Parks. Funding for these facilities has not been determined by the Parks Department.*

Table 5.15: Ahwatukee Impact Fee Area (Parks), Planned Improvements and Costs, 2025-2034

Planned Improvement	Quantity (acres)	Total Cost
Park Development*	3.3	$1,864,007
Desert Foothills		
17th Ave and Liberty Lane		
*South Mountain 620***		

Improvements at Qualifying Flatland Parks		
Improvements at Qualifying Trailheads		
Land Acquisition (acres)	0.0	$0
Subtotal		**$1,864,007**
Planned Net Impact Fee Revenue		$864,260
Alternative Revenue		$225,940
Fund Balance		$774,296
Anticipated Need for Alternative Funding		**$0**

**Impact fee funded park development will take place at one or more of the listed park sites. Funding for these sites has not been prioritized by the Parks Department.*

*** Impact fee funded "locally benefitting recreational facilities" may be constructed within Regional Parks. Funding for these facilities has not been determined by the Parks Department.*