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 i*ncremental 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

IF Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1	0.68	0.49	0.61	0.2	0.24	0.41	
Northwest & Deer Valley	15,199	4,533	1,057	160	817	413	201	22,380
Northeast & Paradise Ridge	21,052	6,671	1,883	1,801	311	459	1,493	33,670
Southwest	48,767	2,741	3,408	89	13,423	1,177	313	69,918
Ahwatukee	24,405	6,741	1,477	1,013	240	556	465	34,897
Balance of City	295,911	166,573	39,233	67,443	22,912	20,879	23,447	636,398

Table 2: 2025-2034 EDUs

IF Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1.00	0.68	0.49	0.61	0.20	0.24	0.41	
Northwest & Deer Valley	3,129	3,885	441	1,297	1,490	57	97	10,396
Northeast & Paradise Ridge	15,931	4,163	501	2,131	53	169	323	23,271
Southwest	8,164	3,724	762	224	2,082	85	341	15,382
Ahwatukee	790	0	0	0	0	0	0	790
Balance of City	4,824	17,823	2,456	3,570	1,868	237	680	31,458

Table 3: Buildout EDUs

IF Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1.00	0.68	0.49	0.61	0.20	0.24	0.41	
Northwest & Deer Valley	66,689	23,906	5,713	10,478	8,602	985	637	117,010
Northeast & Paradise Ridge	60,205	16,087	5,290	16,826	714	1,049	2,077	102,248
Southwest	59,967	7,904	5,332	1,432	16,976	1,408	1,091	94,110
Ahwatukee	26,941	6,741	1,629	1,013	240	556	465	37,585
Balance of City	300,735	184,396	41,689	71,013	24,780	21,116	24,127	667,856

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	797,263	4.10

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	205
Vehicles	104
Radios	205

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
190,088	1,018,809	19%

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	19%	$ 228,400,000	$ 42,614,562
Precinct	19%	$ 27,446,585	$ 5,120,947

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	-	$ 42,267,805	$ 42,614,562
Precinct	-	$ 5,079,277	$ 5,120,947
Vehicles	104	$ 77,899	$ 8,088,578
Radios	205	$ 9,600	$ 1,963,596

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. Existing fund balances have been set aside for the purchase of vehicles, equipment, and precincts over the previous impact fee update. 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	49,839	$8,088,578	$162
Radios	49,839	$1,963,596	$39
Headquarters	190,088	$42,614,562	$225
Precinct	190,088	$5,120,947	$27
Total			**$453**

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	$105
Northeast & Paradise Ridge	$105
Southwest	$105
Ahwatukee	$105

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

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 13: Potential Net Impact Fee

Impact Fee Area	Gross Impact Fee (per EDU)	Alternative Revenue (per EDU)	Potential Net Impact Fee (per EDU)
Northwest	$ 453	$ 105	348
Northeast	$ 453	$ 105	348
South	$ 453	$ 105	348
Ahwatukee	$ 453	$ 105	348

1. Gross Fee from Table 11
2. Offset from Table 12

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 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 14: Planned Improvement Costs

Planned Improvement	Total Cost
Headquarters	$228,400,000
Cactus Precinct	$27,446,585
Police Vehicles	$8,088,578
Police Radios	$1,963,596
Subtotal	**$265,898,760**
Planned Net Impact Fee Revenue	
Northwest & Deer Valley	$3,615,897
Northeast & Paradise Ridge	$8,094,030
Southwest	$5,350,108
Ahwatukee	$274,775
Impact Fee Revenue Subtotal	**$17,334,809**
Alternative Revenue	$2,496,802
Revenue Subtotal	**$19,831,611**
Anticipated Need for Alternative Funding	**$246,067,148**