

Land Use Assumptions and Infrastructure Improvements Plans

Phoenix City Council Formal Meeting
December 18, 2024



Impact Fee Update Timeline



- JUL 2022: initiated review of the impact fee program
- JAN 2024: convened Impact Fee Ad Hoc Committee
- JUL/AUG 2024: posted draft LUA & IIPs
- NOV 13, 2024: Public Hearing on LUA and IIPs
- **DEC 18, 2024: Council action on LUA and IIPs**
- JAN 22, 2025: Public Hearing on Proposed Fees
- MAR/ARP 2025: Council Action on Proposed Fees
- MAY/JUN 2025: earliest effective date

Memo Summary

1. Final Land Use Assumptions
2. Final Alternative Revenue Offsets
3. Final Fund Balance Adjustments
4. Revise 'unit costs' for Major Arterials
5. Best available information at adoption



Recommended Council Action



Approve the updated Land Use Assumptions and Infrastructure Improvements Plans as amended per the staff recommendations outlined in the Planning and Development Director's memorandum dated December 6, 2024

ON THE WEB:

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

BY EMAIL:

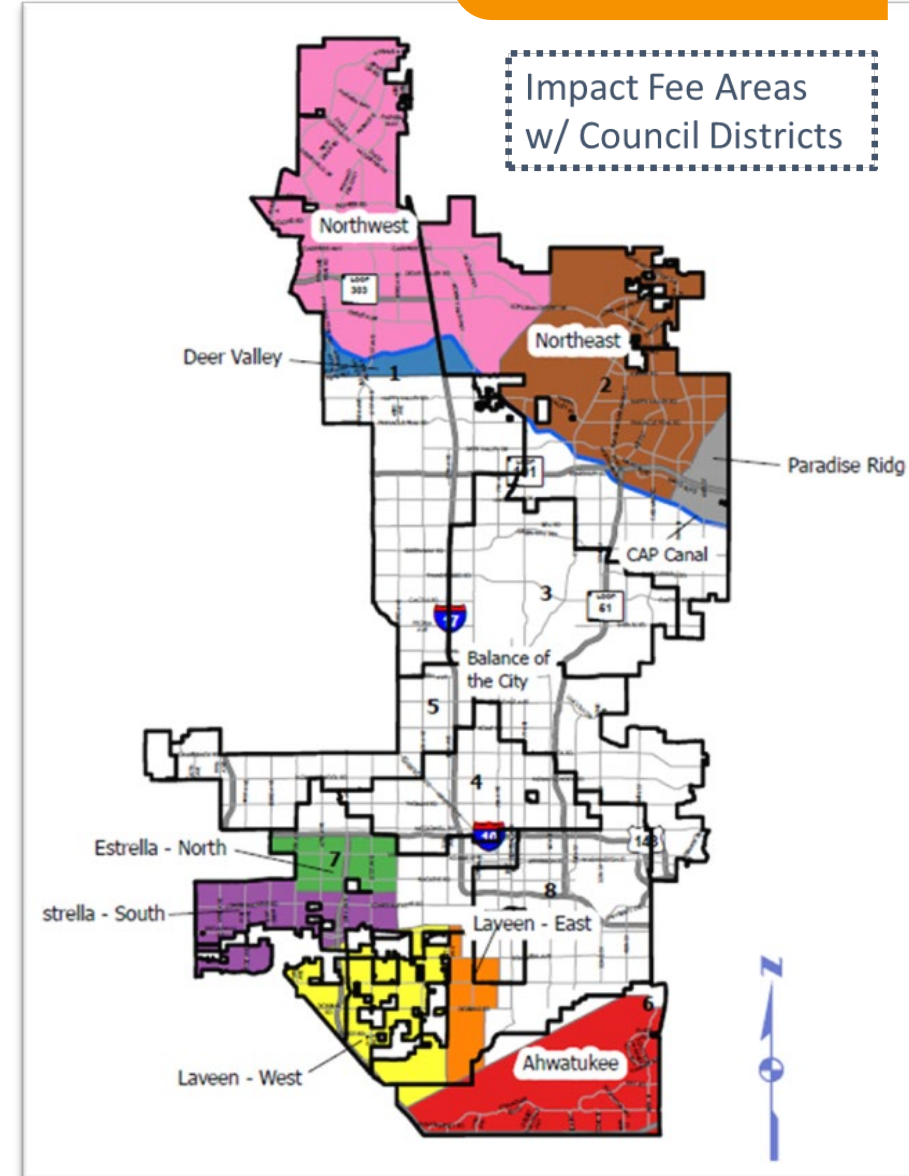
IMPACTFEES@PHOENIX.GOV



What Are Impact Fees



- Pay for city facilities to serve growth
- Fees charged on building permits
- Only assessed in designated fee areas
- For 'planned' improvements only
- Not for O&M or replacement



Why Are We Doing This?

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



Begin Extra Slides

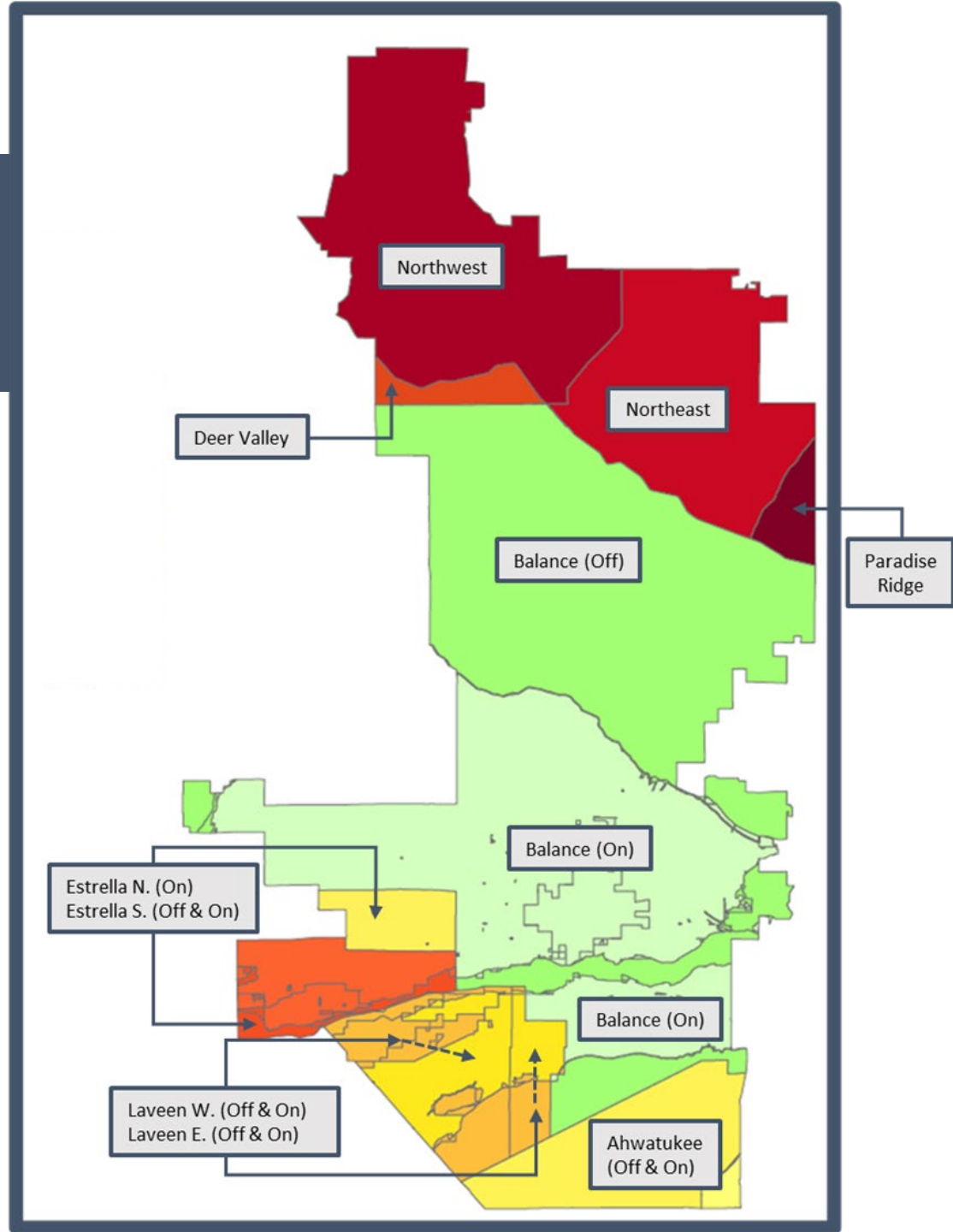
Summary of Changes



Impact Fee Area	Draft Fee	Revised Fee	\$ Change	% Change
Northwest	\$36,985	\$34,907	-\$2,078	-5.6%
Deer Valley	\$28,324	\$27,098	-\$1,226	-4.3%
Northeast	\$36,336	\$34,772	-\$1,564	-4.3%
Paradise Ridge	\$39,430	\$37,866	-\$1,564	-4.0%
Estrella North (Off Project)	\$14,625	\$14,637	\$12	0.1%
Estrella North (On Project)	\$12,502	\$12,628	\$126	1.0%
Estrella South (Off Project)	\$21,535	\$20,046	-\$1,489	-6.9%
Estrella South (On Project)	\$19,412	\$18,037	-\$1,375	-7.1%
Laveen West (Off Project)	\$14,819	\$14,831	\$12	0.1%
Laveen West (On Project)	\$12,696	\$12,822	\$126	1.0%
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Laveen East (On Project)	\$12,696	\$12,822	\$126	1.0%
Ahwatukee (Off Project)	\$11,927	\$12,445	\$518	4.3%
Ahwatukee (On Project)	\$9,804	\$10,436	\$632	6.4%
Balance of the City (Off Project)	\$8,172	\$7,467	-\$705	-8.6%
Balance of the City (On Project)	\$6,049	\$5,458	-\$591	-9.8%

Notes: Northwest, Deer Valley, Northeast, and Paradise Ridge impact fee areas are entirely Off-Project and include Water Resource Acquisition Fees. The Estrella North impact fee area is entirely On-Project. On-Project lands within the Ahwatukee impact fee area have built-out and no new development is anticipated in that location. All fees are based on inflation-adjusted unit costs estimated at January 2028 dollars. The offset for Water and Sewer Development Occupational Fees is not included. Staff recommends striking PCC Chapters 19A - 19D, thereby eliminating the DOF fee.

Proposed Impact Fee Areas



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

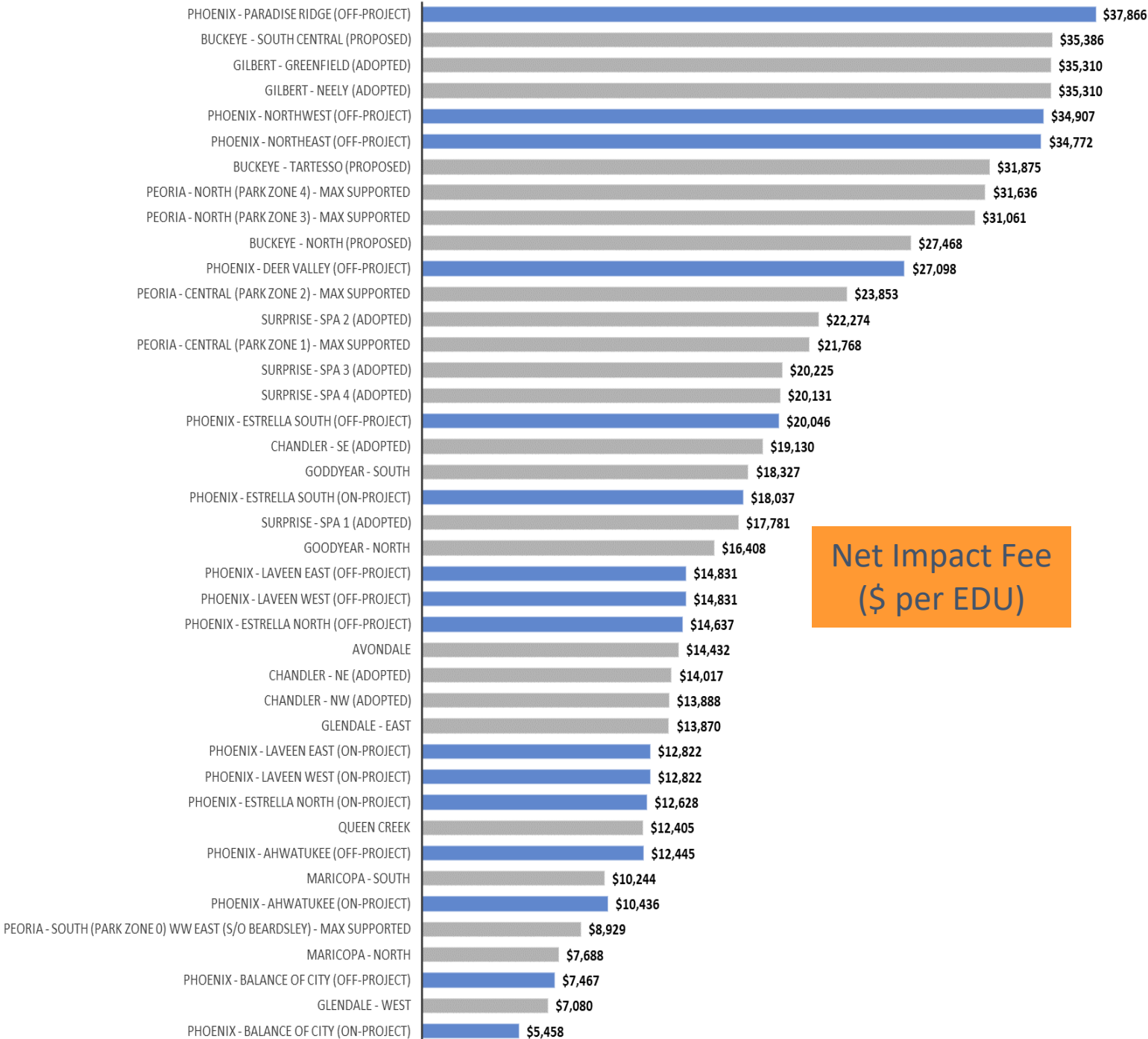


Extend water & wastewater treatment areas citywide



Support GO Bond Projects

Comparison of Phoenix Metro Impact Fees



Net Impact Fee (\$ per EDU)

- Only community with **storm drainage projects**: Paradise Ridge*, Estrella, and Laveen areas.
 - *\$3,094 per EDU per IGA between the City and ASLD for the Rawhide Wash Flood Control Project led by FCDMC
- Only community with **advanced water purification**.
- Emphasize **bridge funding** in northern areas.
- Model for **equity, offsets and credit**.