

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 *incremental 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 Equivalent Demand Units 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 section.

Table 4.1 – 2025 EDUs

IF Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1.00	0.93	0.49	0.61	0.20	0.24	0.41	
Balance	401,806	252,093	47,227	69,842	37,175	23,440	15,031	846,615
Northeast w/PR	20,356	8,727	1,830	1,689	301	459.12	854.4	34,216
Northwest w/DV	15,149	5,662	1,010	160	792	413.28	106.08	23,293
Southwest	47,219	3,197	3,339	67	13,182	170	133.44	68,308
Ahwatukee	24,405	9,219	1,477	1,013	240	555.84	272.4	37,183

Table 4.2 – 2025-2034 EDUs

IF Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1.00	0.93	0.49	0.61	0.20	0.24	0.41	
Balance	32,816	41,173	3,484	6,981	5,077	558	12,161	102,251
Northeast w/PR	14,350	5,430	504	1,947	63	169	884	23,347
Northwest w/DV	2,710	5,454	436	1,098	915	57	169	10,839
Southwest	9,338	5,261	764	227	2,150	175	507	18,423
Ahwatukee	337	0	0	0	0	0	193	530

Table 4.3 – Buildout EDUs

IF Area	SF	MF	Retail	Office	Industrial	Public	Other	Total
EDU Factor	1.00	0.93	0.49	0.61	0.20	0.24	0.41	
Balance	515,877	345,391	66,075	107,162	54,806	25,750	29,583	1,144,643
Northeast w/PR	60,205	22,002	5,290	16,826	714	1,049	2,077	108,163
Northwest w/DV	66,689	32,695	5,713	10,478	8,602	985	637	125,800
Southwest	59,967	10,809	5,332	1,432	16,976	1,408	1,084	97,009
Ahwatukee	26,941	9,219	1,629	1,013	240	556	465	40,063

LEVEL OF SERVICE (LOS)

The level of service for police equipment (cars and radios) is based on the number of currently authorized officers. Table 4.4 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 4.4 Level of Service, Officers

Authorized Officers	Police EDU	Officer LOS (per 1K EDU)
3,272	1,009,615	3.24

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 4.5 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

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 4.4) divided by the sum of the total impact fee area EDUs in the growth period (Table 4.2). The number of vehicles can then be calculated by dividing the number of officers needed by the vehicle level of service (Table 4.5). Finally, radios can be calculated by dividing the number officers needed by the radio level of service (Table 4.5).

Table 4.6 Police Officer, Vehicle & Radio Demands

Item	Demand
Officers	172
Vehicles	88
Radios	172

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 4.7 Police Equipment & Building Costs

Item	Cost
Vehicles	\$77,899
Radios	\$9,600
Headquarters	\$228,400,000
Precinct	\$27,446,585

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 4.3) over buildout subtracting the sum of existing EDUs (table 4.1) by the total number of EDUs citywide at buildout (sum of table 4.3).

Table Calculations

- Buildout IF Growth EDUs is the sum of buildout IF area EDUs [Table 4.3] – sum of 2025 IF area EDUs [Table 4.1]
- Total EDUs is the sum of Buildout IF Growth EDUs, Balance EDUs (Table 4.3), and the sum of existing IF area EDUs (Table 4.1)

Table 4.8 Building Service Percentage of Impact Fee Area

Buildout IF Growth EDUs	Total EDUs	IF Area Percent
208,034	1,515,678	14%

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 4.8) by the cost (Table 4.7) and is displayed in the table below.

Table 4.9 Impact Fee Adjusted Building Costs

Building	IF Area %	Gross Cost	Adjusted Cost
Headquarters	14%	\$228,400,000	\$31,976,000
Precinct	14%	\$27,446,585	\$3,842,522

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 4.10 demonstrates the costs.

Table 4.10 Impact Fee 10-Year Plan Costs

Item	LOS	Cost/Unit	10-Year Cost
Headquarters	-	\$31,976,000	\$31,976,000
Precinct	-	\$3,842,522	\$3,842,522
Vehicles	88	\$77,899	\$6,840,068
Radios	172	\$9,600	\$1,652,835

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 4.10) divided by the number of EDUs associated with growth in the next ten years (sum of IF area EDUs Table 4.2). The planned components use the impact fee adjusted costs (Table 4.9) divided by the EDUs associated with growth for buildout (Table 4.8). 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. The gross fee of every category is added together to create a potential gross impact fee.

Table 4.11 Potential Gross Impact Fee

Fee Category	EDUs	Cost	Potential Gross Fee
Vehicles	53,139	\$6,840,068	\$129
Radios	53,139	\$1,652,835	\$31
Headquarters	208,035	\$31,976,000	\$154

Precinct Total	208,035	\$3,842,522	\$18 \$332
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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 4.12 Police Impact Fee Offsets

Fee Area	Secondary Property Taxes	Excise Taxes (Debt)	Total Offset
Northwest & Deer Valley	\$6	\$41	\$47
Northeast & Paradise Valley	\$6	\$41	\$47
Southwest	\$6	\$41	\$47
Ahwatukee	\$6	\$41	\$47

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 4.13 Potential Net Impact Fee

IF Area	Gross Fee	Offset	Net Fee
Northeast	\$332	\$47	\$285
Northwest	\$332	\$47	\$285
South	\$332	\$47	\$285
Ahwatukee	\$332	\$47	\$285

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.

It is anticipated that 100% of impact fee revenue will be used toward new projects that serve new development and no funding will be used to repay debt. It should be noted that A.R.S. 9-463.05 (and impact fee common law) also prohibit impact fee revenues from being spent on operations, maintenance, repair, rehabilitation, environmental or other non-capital expenditures.

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 Calculations:

- Costs come from table 4.7
- Projected IF Revenue is the net impact fee (table 4.13) multiplied by the total 10-year growth EDUs (table 4.2)
- Anticipated Need for Alternative Funding is the Total Cost subtracted by the Projected IF Revenue.

Table 4.14 Planned Improvement Costs

Planned Improvement	Cost
<i>Headquarters</i>	\$228,400,000
<i>Cactus Precinct</i>	\$27,446,585
<i>Police Vehicles</i>	\$6,840,068
<i>Police Radios</i>	\$1,652,835
Total Cost	\$264,339,488
Projected IF Revenue	\$15,144,615
Anticipated Need for Alternative Funding	\$249,194,873