

City Council Study/Work Session
Agenda
February 20, 2024
5:30 p.m. Public Meeting
Hybrid Meeting in Person and Via Zoom
Phoenix Plaza Civic Center 220 N. Main St./Via Zoom

*A complete agenda packet is available on the city's website. This meeting is being conducted in person and virtually to allow for public participation. A recording of the meeting in its entirety will be posted to www.phoenixoregon.gov. To comment on agenda items, please write your name on the sign-in sheet and include the item number, if attending via Zoom raise your hand when the topic is discussed by Council. **If you need special accommodations, please give the City Recorder 72-hours prior notice.***

Please click the link below to join the webinar:

https://us06web.zoom.us/j/86425235466?pwd=rfVjNI2CE-nSky5DbFN_5wXtWFbLyA.uLoQGYWO2D7nz9G Passcode: 344412

Or One tap mobile: +1 253 205 0468, 86425235466#, *344412# US +1 253 215 8782, 86425235466#, *344412# US (Tacoma)

Or Telephone: Dial (for higher quality, dial a number based on your current location):

- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 719 359 4580 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 646 931 3860 US
- +1 689 278 1000 US
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US

Webinar ID: 864 2523 5466

Passcode: 344412

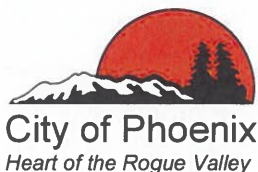
International numbers available: https://us06web.zoom.us/j/86425235466?pwd=rfVjNI2CE-nSky5DbFN_5wXtWFbLyA.uLoQGYWO2D7nz9G

1. Call to Order / Roll Call / Confirmation of a Quorum

Except as provided in Section 33 of the City Charter, a minimum of four Council Members are needed for a quorum and to conduct city business. If the Mayor is needed to establish a quorum, then he/she may become a voting member for that meeting (Phoenix Municipal Code, Chap. 2.28.020.A.4).

2. Discussion – Streets and Parks Utility Fees and System Development Charges,..... 3

3. Adjournment



City of Phoenix

Heart of the Rogue Valley

Agenda Item #: 2.

Agenda Report to Mayor and Council

Agenda item title: Study Session – Discussion of Streets and Parks Utility Billing Fees and System Development Charges

Meeting Date: February 20, 2024

From: Zac Moody, Community Development Manager

Action: ___ Motion, ___ Ordinance, ___ Resolution, X Study Session, ___ Other

SUMMARY

Update of the City of Phoenix Park and Street Maintenance Fees and Park and Transportation System Development Charges.

BACKGROUND AND DISCUSSION

Like most cities, the City of Phoenix collects System Development Charges (SDC) and Utility Billing Fees to expand capacity and to maintain its infrastructure. The city uses its utility billing and SDC revenue as a way to balance the capital funding needed for improved transportation and park facilities as well as its water and stormwater infrastructure. It also uses these funds to offset the needs for funding from the general fund. The fees collected are collected from both existing and future residents of the city.

The SDC enabling ordinances were adopted to implement the authority provided by ORS 223.297 through 223.314 adopting and imposing SDCs on new development that creates or increase demand on city services and infrastructure. Utility billing fees are collected from existing residents as a means of maintaining the current infrastructure and to some extent provides funding to offset the costs of capital improvements not funding by SDCs.

The City of Phoenix has not updated its Parks Maintenance Fee since it was adopted in 2019, and it has not updated its Parks and Recreation System Development Charge (Parks SDC) since 2008 (except for periodic inflationary increases). When these fees were updated, an analysis like the one presented here was not completed. Likewise, no updates to the city's Street Utility Fees or Transportation System Development Charges (SDCs) have been completed since early 2001 except for the rare and inconsistent increase allowed by the enabling ordinance.

Utility Fees and SDCs are typically updated upon the completion of a masterplan, however, in the case of Phoenix's fees, neither were updated using a comprehensive financial analysis when the plans were updated in 2019. Fees and SDCs are typically updated based on the projects proposed by the plans and reports such as the ones being presented in this study session, help to determine the level of fees and system development charges necessary to complete a portion or even all of the projects outlined in the plans.

Over the past year, the city has found a need to update its billing system and rectify the count of residential and non-residential units charged the fee. Additionally, the Parks Fund has required an additional subsidy from the city's discretionary revenues. Without additional evaluation, the Park Fund is projected to need the subsidy again in 2024 and beyond. These reports were commissioned for these two reasons and this staff report provides a summary of the findings for all recommended fees. The summary is broken down into two areas of discussion; Parks and Streets (Transportation) and the financial analysis for each is divided into Sections and Subsections. Both reports provide an introduction and summary of findings, utility fee calculations and system development charge calculations. The financial

analysis for streets fees and system development charges includes an additional section that details the methodology for calculating the trip generation for non-residential uses and summarizes both short-term (Tier 1) and long-term (Tier 2) capital improvement costs.

Street Fees and Transportation SDCs

The level of street utility fees and transportation system development charges (SDCs) necessary to sufficiently fund the operating and capital activities of the street funds over the next three years are the focus of this analysis.

The City of Phoenix completed a Transportation System Plan (TSP) in September 2016, which was amended February 2019. The TSP provides recommended improvements to city streets and the transportation network for a 20-year period based on compliance with the state Transportation Planning Rule, and consistency with the Rogue Valley Metropolitan Planning Organization's 2038 Regional Transportation Plan and Fern Valley Interchange Area Management Plan. The TSP incorporates a community-supported vision for the short- and long-term transportation needs of the city's residents and businesses.

The TSP provides a guide for a transportation system that meets the existing and future transportation needs within the city and establishes a rationale for making necessary transportation investments and land use decisions. The projects in the TSP were, and are for the most part still consistent with the city's vision as well as other local, regional, and statewide planning studies and assists the city with making short- and long-term transportation decisions. The TSP includes policies, a 20-year list of projects by transportation mode, and an implementation plan for how and when to finance future projects. In short, the TSP evaluates the system inventory and operations, transportation alternatives and developed a prioritize project list.

The TSP offers a menu of projects that can be selected as funding sources become available or as adjacent improvements are made, either by the city or developers. Projects in the TSP are divided into two tiers; Tier 1 and Tier 2 and include a project timeline and priority. Tier 1 projects are projects with likely funding sources while Tier 2 projects are those that would likely be funded by the Oregon Department of Transportation (ODOT) or developers or a combination of both.

Stable and reliable finance and funding policies, evaluations and budget planning are key to the successful implementation of the plan. The current TSP reflects the city's commitment to responsible stewardship of public funds, recognizing that the plan is only as effective as the community's ability to fund it based on existing and potential sources and accurate utility billing systems.

As noted above, the Street Utility Fees and Transportation System Development Charges Study was commissioned for two reasons; to determine the level of street utility fees and transportation system development charges (SDCs) necessary to sufficiently fund the operating and capital activities of the funds over the next three years; and to update the fees based on more accurate parcel by parcel geographic information systems (GIS) analysis of trip generation calculated using land use and building size (or other unit type).

In January 2024, using this parcel-by-parcel analysis, the city estimated that 8,291 trips are currently being generated during the city's PM peak hour, an increase of over 4,000 trips accounted for in the current utility billing system. For utility billing, this is important to note because the city has been collecting about \$175,000 in street utility fees with the existing trip

calculation, but would collect approximately \$238,000 with a corrected billing database and without any change to the Street Utility Fee level. Although calculated differently, the corrected number of trips generated also plays a role in determining an accurate base SDC.

Of the original TSP projects list developed in 2016, there are an estimated \$4.45 million in Tier 1 (short-term) costs (in today's dollars) for improvements that have yet to be started, and \$13.02 million in Tier 2 (long-term) costs. Of these total costs, \$4.05 million of Tier 1, and \$11.85 million of Tier 2 costs, are allocated to current users of the streets and transportation network. These costs among other factors help to determine the fee needed to meet the financial goals.

Successful implementation of a TSP requires a commitment by the city to ensure funding is available now and well into the future, both for infrastructure improvements and for the operation and maintenance funds necessary to sustain the transportation system once development is complete.

Park Fees and Park SDCs

This report proposes the level of the utility fee and Park SDC necessary to complete a portion, or possibly all, of the improvements described in the 2016 Parks Master Plan, and it recalculates the fee based on the corrected utility billing data. The reports projects an increase of the fee over the next three years until the Parks Master Plan is complete, and when a new comprehensive financial analysis can be performed.

The Phoenix Parks Master Plan provides a guiding vision for the development and maintenance of the parks system in Phoenix for the next 20 years. The Phoenix Parks Master Plan articulates the community's vision to provide healthy and enjoyable recreational opportunities to its residents and visitors, as well as build capacity to accommodate Phoenix's changing population and needs.

A critical step in parks planning is identifying how much parkland exists, where parks are located, what facilities and amenities parks provide, and what condition parks are in. Parks are assessed based on level of development, amenities, size and service area. Parks are categorized into the following classification types using the National Recreation and Parks Association (NRPA) methodology: Pocket Parks, Neighborhood Parks, Community Parks, Regional Parks, Special Use Parks, Linear Parks, Greenways, Open Space/Natural Areas, and Undeveloped. As Phoenix's population continues to expand, the city will have to develop new parks in underserved areas.

The 2016 Phoenix Parks Master Plan update established a set of recommendations that serve as a framework for development of the park system. Each recommendation is labeled with a priority level that reflects the urgency of the need as well as the amount of time needed to complete the recommendations. The prioritized projects are then included in the analysis to provide a long-term overview of funds needed to build and maintain the park system.

Some of the recommendations have been completed, but many have not been due to the impacts of the Alameda Fire on revenues and resources. The report inflates the costs the uncompleted list of improvements to current dollars. In total, there are about \$3.8 million in improvements envisioned for the city that are accounted for in the financial study.

What Will It Cost?

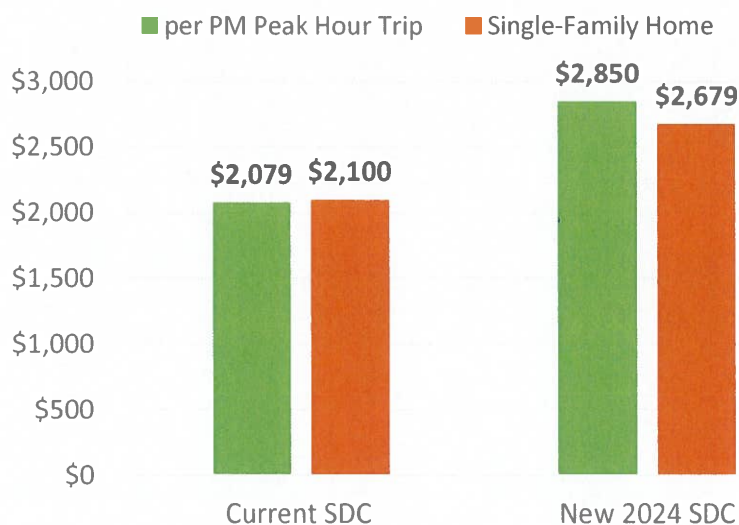
Transportation System Development Charges

Table 20 (page 23 of the report) shows the proposed transportation SDC per PM peak hour trip. The total transportation SDC per PM peak hour trip is calculated at \$2,850. This is the base rate used to determine the SDCs based on the individual use (e.g., single family dwelling).

Residential Example: A detached new single-family home pays \$2,100 under the current SDC schedule. As proposed under the new 2024 schedule, the SDC would increase to \$2,679.

Non-Residential Example: A new automobile parts shop (such as an O'Reilly or Napa Auto Parts) with 5,000 square feet of gross floor area would pay a transportation SDC of \$50,935 currently. As proposed under the new 2024 SDC, the new development would pay \$69,825.

Figure 7
Change in Transportation SDC per PM Peak Hour Trip and Single-Family Home



Street Utility Fee

The Street Utility Fee is paid monthly by current residential and non-residential customers in the city based on total number of PM Peak Hour Trips. Using the best estimate of peak hour trips generated based on the 11th Institute of Transportation Engineers (ITE) Manual. Three funding strategies, scenarios A, B, and C, were developed to consider different fees based on funding levels.

Scenario A

- Street Utility Fund keeps a cash balance of approximately \$1.5 million each year
- Issues bonds to pay for a portion of the CIP costs estimated in the next three years
- Increase fee from \$2.60 to \$4.28 per PM peak hour trip by Fiscal Year 2027 (2025 - \$2.90; 2026 - \$3.86; and 2027 - \$4.28).

Scenario B

- Street Utility Fund keeps a cash balance of approximately \$1.0 million each year
- Issues bonds to pay for a portion of the CIP costs estimated in the next three years
- Increase fee from \$2.60 to \$6.62 per PM peak hour trip by Fiscal Year 2027 (2025 - \$4.21; 2026 - \$5.41; and 2027 - \$6.62).

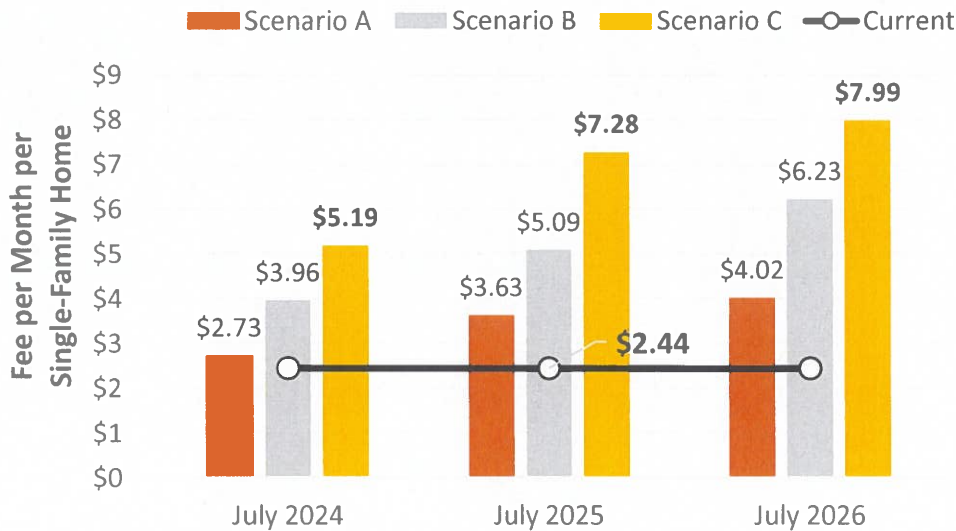
Scenario C

- Street Utility Fund keeps a cash balance of approximately \$1.0 million each year
- No bonds issued to pay for CIP costs estimated in the next three years
- Increase fee from \$2.60 to \$8.50 per PM peak hour trip by Fiscal Year 2027 (2025 - \$5.52; 2026 - \$7.74; and 2027 - \$8.50).

Residential Example: A detached new single-family home pays \$2.44 under the current fee schedule. Under Scenario B, the fee increases incrementally to \$6.62 by 2027.

Non-Residential Example: Under the current fee schedule, a new automobile parts shop (such as an O'Reilly or Napa Auto Parts) with 5,000 square feet of gross floor area would pay a transportation fee of \$76.44. Under Scenario B, the fee increases incrementally to \$194.63 by 2027.

Figure 1
Bill Impact of Fee Scenarios to a Single-Family Unit



Park System Development Charges

The fee per single family unit is multiplied by the ratio of persons per household for the residential unit type compared to a single-family unit. As proposed, the Parks SDC would increase from \$1,261.05 for a single-family unit to \$2,070 in 2024.

Table 14
Current and New 2024 Parks and Recreation SDC

Development Type	SDC for Parks	
	Current	Updated (2024)
	per unit	
Single Family	\$1,261.05	\$2,070
Accessory Dwelling Unit	\$817.02	\$1,341
Attached 2-4 Units	\$941.35	\$1,545
Multi-Family	\$719.33	\$1,181
Mobile Home Park	\$728.21	\$1,195

Source: HEC February 2024.

Example: A detached new single-family home pays \$1,261 under the current SDC schedule. As proposed under the new 2024 schedule, the SDC would increase to \$2,070.

Park Utility Fee

In FY2024 it is projected that the City will have to provide a General Fund subsidy to the Parks Fund, beyond its current budgeted property taxes and franchise fees, in the amount of approximately \$55,000. After accounting for the increase in fees generated by the corrected park units count, there remains a funding gap each year for the next three years that must be filled with an increase to the fee, a continued General Fund subsidy, or some combination of the two. This study provides three different funding scenarios for filling the Parks Fund projected funding gap.

Scenario A

- \$55,000 subsidy from General Fund is gradually reduced to \$0 by 2027

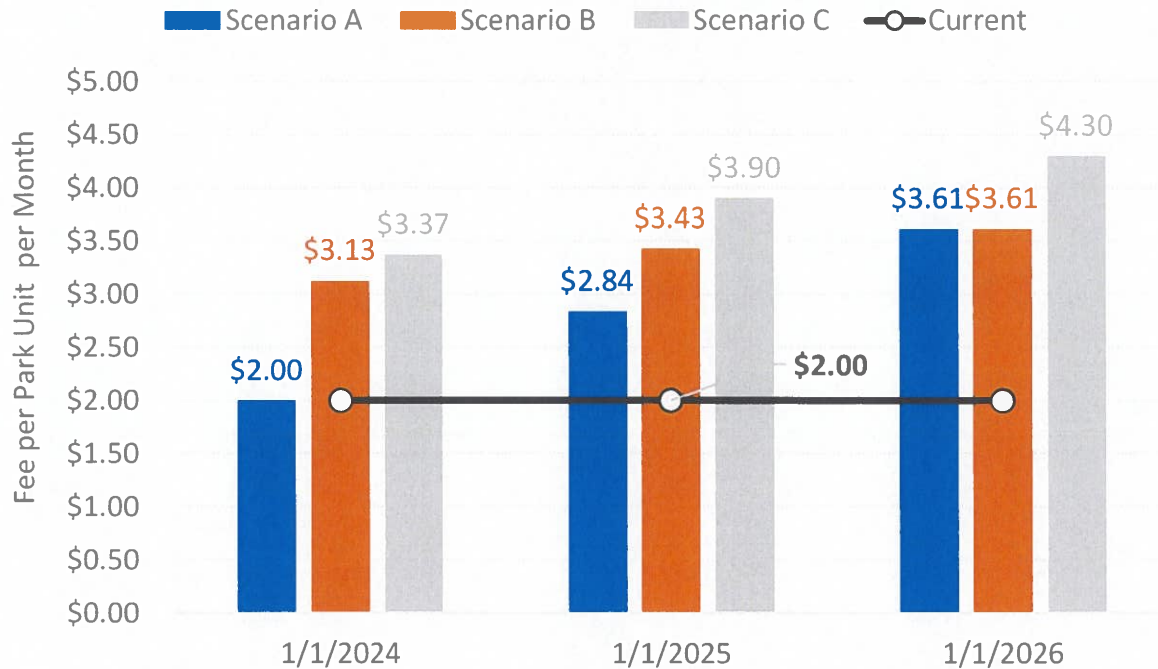
Scenario B

- \$55,000 subsidy from General Fund is removed in 2024.

Scenario C

- \$55,000 subsidy from General Fund is removed in 2024
- Commitment of property taxes to the Park Fund is reduced from \$55,000 to \$20,000 by 2027.

**Figure 4
Parks Maintenance Fee Levels next 3 Years under 3 Funding Strategies**

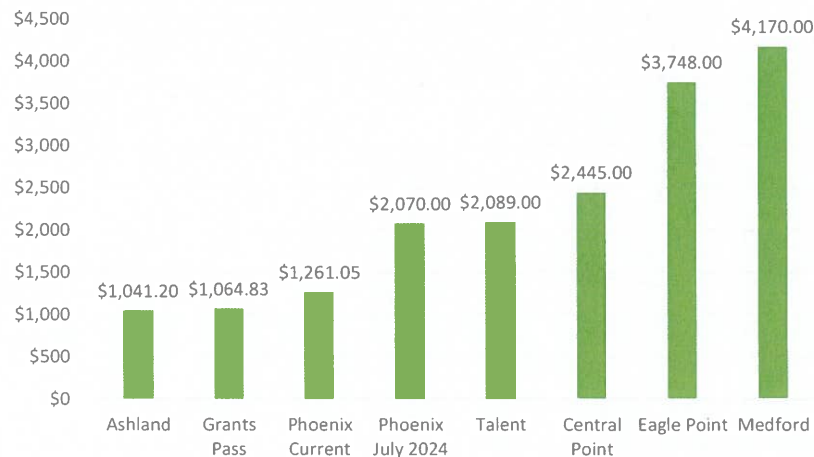


How Does This Compare?

Park System Development Charges

Figure 2 (page 6 of the report) compares Phoenix’s current and new Parks SDC with the Parks SDC fee in Ashland, Grants Pass, Talent, Central Point, Eagle Point, and Medford. The SDC would remain lower than in 4 of the 6 comparison communities.

**Figure 2
Parks SDC Comparison for a Single-Family Home**



Park Utility Fees

Figure 1 (page 5 of the report) compares the calculated parks maintenance fee for a single-family home in 2024 with the fee in Central Point, Talent, and Medford. Phoenix’s Park Fee is currently the lowest. Even under Scenario C, the fee would remain below that of Medford and Talent. Under all scenarios, the fee would remain lower than Medford and Talent in 2027.

**Figure 1
Parks Maintenance Fee Comparison for a Single-Family Home**



Transportation System Development Charges

Figure 3 (page 5 of the report) shows a comparison of transportation SDCs for a single-family home regionally. Phoenix has one of the lowest transportation SDCs; its fee would rank middle of the range with the 2024 calculated increase.



Streets Utility Fee

Figure 2 (page 4 of the report) shows how these fees compare with current street utility fees charged per month for single family units in other regional cities. Phoenix’s street utility fee is the lowest regionally.

Figure 2
Comparison of Current Regional TUFs for a Single-Family Home



COUNCIL GOALS SUPPORTED

- Goal 7:** Increase sidewalks and controlled intersections and improve road conditions.
- Goal 11:** Build, create and maintain the best, safest and most family-friendly park system in the Rogue Valley. Enhance opportunities for recreation, functionality and civic engagement in public spaces.
- Goal 15:** Live within our means. Prioritize resources. Encourage savings for future investment. Reduce debt when possible.

FISCAL IMPACT

See Hansford Economic Reports

RECOMMENDATION

Provide consensus on how to proceed

PROPOSED MOTION

None

ATTACHMENTS

- Street Utility Fees and Transportation System Development Charges Study
- Park Utility Fees and Park System Development Charges Study

**City of Phoenix
Street Utility Fees
and Transportation System
Development Charges Study**

FINAL REPORT

February 15, 2024

HEC No. 220393

TABLE OF CONTENTS

SECTION	PAGE
1. Introduction and Summary of Findings	1
1.1 Purpose of the Study	1
1.2 Transportation Improvement Costs and Funding Strategies	1
1.3 Summary of Findings	2
2. Customers, Trip Generation, and Project Costs	8
2.1 City Streets and Transportation Customers	8
2.2 New Customers and Trip Generation	8
2.3 Estimated Capital Improvement Projects Costs and Funding Strategies	9
3. Streets Utility Fee Calculations	13
3.1 Funding Sources and Historical Expenses	13
3.2 Projected Funding Gap	16
3.3 Street Utility Fee Levels	18
3.4 Street Fund Projected Cash Flow and Fund Balance	19
4. Transportation SDC Calculations	21
4.1 Improvements Fee	22
4.2 Reimbursement Fee	23
4.3 Total Transportation SDC	25

Appendix A – Supporting Tables for City of Phoenix
 Streets Utility Fund Fees and Transportation SDC

Appendix B – PM Peak Hour New Trips by ITE Land Use Category

LIST OF TABLES

TABLE		PAGE
1	Summary of Street Utility Fees per PM Peak Hour Trip	4
2	Change in SDC per PM Peak Hour Trip and per Residential Unit	7
3	Summary of Transportation CIP Costs in Current Dollars	9
4	TSP 3-Year Estimated CIP Costs	10
5	TSP Tier 1 CIP Costs Funded with Street Fees Only	10
6	Streets Utility Fund CIP Funding Scenarios	11
7	Estimated Debt for Tier 1 TSP CIP (Scenario A)	12
8	Streets Fund Historical Revenues and Expenses and FY2024 Budget	15
9	Estimated Fee Revenues with Corrected Number of Trips	16
10	Street Fund Projected Funding Gap (Scenario A)	17
11	Calculated Monthly Fee per PM Peak Hour Trip (Scenario A)	18
12	Calculated Monthly Streets Fee for Most Residential Units (Scenario A)	18
13	Calculated Monthly Fee per PM Peak Hour Trip	19
14	Streets Fund Projected Cash Flow (Scenario A)	20
15	Current Transportation SDC Fees	22
16	Transportation SDC Fund Revenues and Expenses and FY2024 Budget	18
17	Transportation CIP Estimated Costs to New Users	23
17	Improvements Fee Calculation	24
18	Reimbursement Fee Calculation	24
19	New 2024 Transportation SDC	25
20	Projected SDC Fund Cash Flow	26

LIST OF FIGURES

FIGURE		PAGE
1	Single Family Home Street Utility Fee for the next 3 Years	5
2	Streets Utility Fee Comparison for a Single-Family Home	6
3	Comparison Transportation SDCs for a Single-Family Home	7
4	Street Utility Fund Revenue Sources	13
5	Street Utility Fund Expenses	14
6	Projected Street Utility Fund Ending Cash Balances	19
7	Change in Transportation SDC per PM Peak Hour Trip and Single-Family Home	25
8	Projected Transportation SDC Funding Ending Cash Balance	27

Section 1: INTRODUCTION AND SUMMARY OF FINDINGS

1.1 PURPOSE OF THE STUDY

The City of Phoenix (City) completed a Transportation System Plan (TSP) in September 2016, which was amended February 2019. The TSP provides recommended improvements to City streets and the transportation network for a 20-year period based on compliance with the state Transportation Planning Rule, and consistency with the Rogue Valley Metropolitan Planning Organization's 2038 Regional Transportation Plan and Fern Valley Interchange Area Management Plan. The TSP incorporates community-supported vision for the short- and long-term transportation needs of the City's residents and businesses.

The City had to put much planning and implementation of TSP projects on hold between 2019 and 2023 as it grappled with the effects of the Covid-19 pandemic and the Almeda Fire, the latter which severely affected the City in fall 2020. This study was commissioned to evaluate the current health of the Street Utility Fund and the Transportation SDC Fund given these major events, and to provide optional funding strategies to keep the Street Utility Fee and Transportation SDC fiscally healthy for the next three years while the City conducts an update to the TSP. In addition to the financial circumstances and needs of both funds, the City completed a major review of its utilities billing database and has made substantial changes to reflect current demands on the transportation network given current economic activity within the City.

This report determines the level of street utility fees and transportation system development charges (SDCs) necessary to sufficiently fund the operating and capital activities of the funds over the next three years. The City streets utility program also manages storm drainage; however, funding of storm drainage functions is not analyzed in this report. Rather, it is assumed that storm drainage activities can be funded with continuation of its funding source (a storm drainage utility fee) that is collected by Rogue Valley Sewer Services.

1.2 TRANSPORTATION IMPROVEMENT COSTS AND FUNDING STRATEGIES

Of the original TSP projects list developed in 2016, there are an estimated \$4.45 million in Tier 1 (short-term) costs (in today's dollars) for improvements that have yet to be started, and \$13.02 million in Tier 2 (long-term) costs. Of these total costs, \$4.05 million of Tier 1, and \$11.85 million of Tier 2 costs, are allocated to current users of the streets and transportation network. The remaining \$1.57 million is allocated to future users. The funding strategies presented in this report include paying for the City's improvements using cash raised by transportation SDCs as well as cash and bond proceeds paid for by existing street and transportation users.

In addition to capital improvement costs, this report estimates that the cost to manage and operate the street and transportation improvements will increase from approximately \$665,000 per year to approximately \$1,059,000 per year over the next 3 years. The increase in annual costs will be paid for with increased monthly Street Utility Fees by current and new street and transportation users, as well as modest gains in State revenues (gas and diesel fuel taxes).

1.3 SUMMARY OF FINDINGS

Street Utility Fees

Street Utility Fees need to be increased to pay for increased management and operations costs as well as capital facility costs included in the Capital Improvements Plan (CIP). Three funding strategies, scenarios A, B, and C, were developed to determine different fee funding levels. The scenarios are:

- **Scenario A:** Use Bond Funding; Cash Balance @ \$1.5 million
- **Scenario B:** Use less Bond Funding; Cash Balance @ \$1.5 million
- **Scenario C:** No Bond Funding; Draw on Cash, Balance @ \$1.0 million by end of Year 3

The Street Utility Fee is paid monthly by current residential and non-residential customers in the City based on total number of daily trip-ends; since 1994 most cities have shifted from that methodology to a fee structure based on PM peak hour trips because roadway planned capacity and level of service are achieved using PM peak hour trip criteria. This fee study uses the PM peak hour trips methodology, using the best estimate of peak hour trips generated using the 11th Institute of Transportation Engineers (ITE) Manual.

Table 1 summarizes the calculated new street utility fee per PM peak hour trip under each of the funding scenarios. If the Street Utility Fund keeps a cash balance of approximately \$1.5 million each year, and issues bonds to pay for a portion of the CIP costs estimated in the next three years (Scenario A), the fee would have to increase from \$2.60 to \$4.28 per PM peak hour trip by Fiscal Year 2027.

If the City issued bonds to pay for a portion of the CIP costs estimated in the next three years and kept a cash balance of \$1.5 million but draws on its cash balance to reduce the amount funded with bonds (Scenario B), higher fee levels would be necessary. Under Scenario C, without bond funding but allowing the cash balance to reduce to \$1.0 million, the monthly fee per PM peak hour trip would increase from \$2.60 per month to \$8.50 per month by Fiscal Year 2027.

Table 1
Summary of Street Utility Fees per PM Peak Hour Trip

Scenario	Current	7/1/2024	7/1/2025	7/1/2026
	Fee per PM Peak Hour Trip per Month			
Scenario A	\$2.60	\$2.90	\$3.86	\$4.28
Scenario B	\$2.60	\$4.21	\$5.41	\$6.62
Scenario C	\$2.60	\$5.52	\$7.74	\$8.50

The impact to a single-family unit is shown in **Figure 1** under each of the fee levels modeled. Currently, the monthly Street Utility Fee is \$0.2366 per trip, which is \$2.44 for a single-family detached home (under the current fee structure the home makes 10.314 daily trips). Starting July 2024, a home will pay for 0.94 PM peak hour trips, rather than the current rate of 1.01 PM peak hour trips. The result is a base PM peak hour trip fee that is \$2.90 and a monthly fee of \$2.73 adjusted for the PM peak hour trips for a single-family dwelling.

Figure 1
Bill Impact of Fee Scenarios to a Single-Family Unit

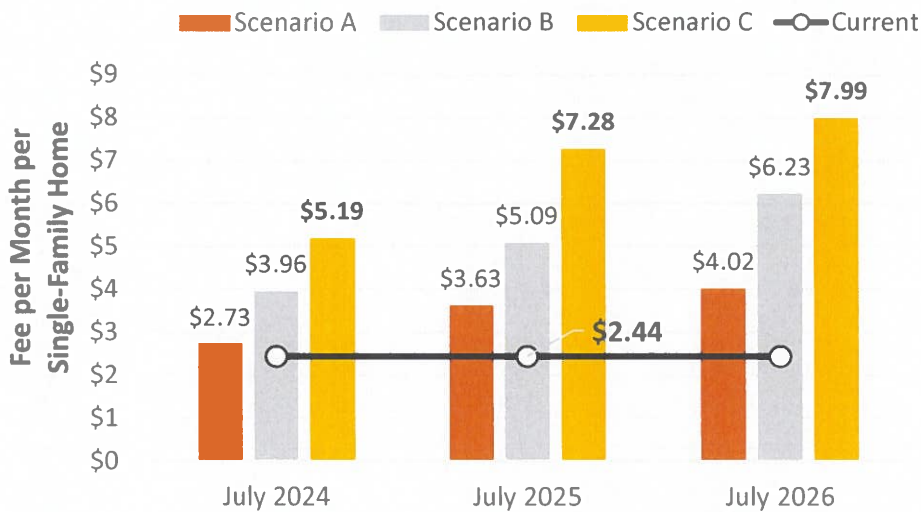


Figure 2 shows how these fees compare with current street utility fees charged per month for single family units in other regional cities. Phoenix's street utility fee is the lowest regionally.

Figure 2
Comparison of Current Regional TUFs for a Single-Family Home



Transportation SDCs

Transportation SDCs need to increase so that future street and transportation users pay their share of improvement costs. Transportation SDCs due by developing parcels are based on the impact of the new development on the transportation system as measured in PM peak hour trips, for which the road improvements are designed. To fund future users’ share of the remaining TSP estimated costs over the next 10 years, the Transportation SDC per PM peak hour trip would have to increase from \$2,079 to \$2,850 this year, and it would have to increase each year to keep up with inflation using the Engineering News Record (ENR) Construction Cost Index (CCI) for Seattle.

The calculated SDC for a single family unit would increase from \$2,100 to \$2,679, as shown in **Table 1**. Note, the change in PM peak hour trips per single family unit has changed in accordance with updates to the ITE Manual; whereas the current City Transportation SDC Ordinance provides for 1.01 trips, the 11th ITE Manual provides for 0.94 trips per PM peak hour.

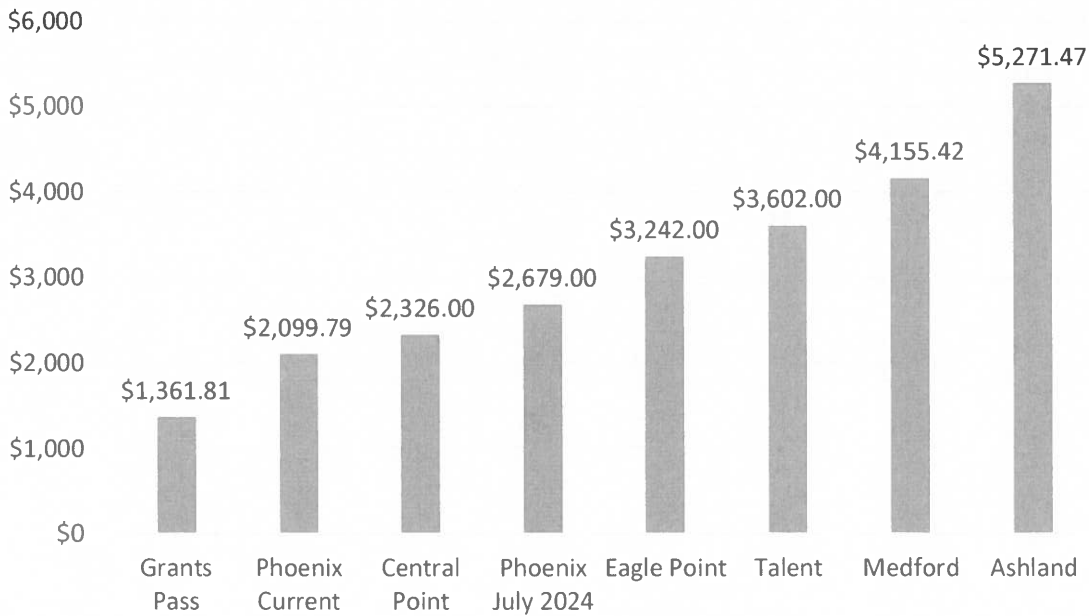
Table 2
Change in SDC per PM Peak Hour Trip and per Residential Unit

Item	Current	New 2024	Change
SDC per New PM Peak Hour Trip	\$2,079	\$2,850	\$771
Single Family Unit New PM Trips	1.01	0.94	
Single Family Unit SDC	\$2,100	\$2,679	\$579

Source: HEC February 2024.

Figure 3 shows a comparison of transportation SDCs for a single-family home regionally. Phoenix has one of the lowest transportation SDCs; its fee would rank middle of the range with the 2024 calculated increase.

Figure 3
Comparison Transportation SDCs for a Single-Family Home



Note: Ashland's SDC is lower for residential units smaller than 800 square feet.

Section 2: CUSTOMERS, TRIP GENERATION, AND PROJECT COSTS

This section describes City streets and transportation facilities customers, explains trip generation, and summarizes the short-term (Tier 1) and long-term (Tier 2) CIP costs identified in the TSP to serve current and future transportation network customers.

2.1 CITY STREETS AND TRANSPORTATION CUSTOMERS

A full description of the City's streets and transportation system is provided in the 2016 TSP. The system is designed and operated in coordination with the Rogue Valley Metropolitan Planning Organization, and it is compliant with requirements of the State. Phoenix's transportation system includes accommodating all modes of travel, including personal and commercial vehicle travel, as well as public transit, bicycle, and pedestrian travel.

City transportation customers are defined as owners or occupants of properties within the City of Phoenix that currently receive City water service and that are assumed to be generating traffic. Customers are not charged for transportation utilities when a premise is not receiving city water and sewer service or is vacant and not generating traffic. Discounts for low-income elderly, and non-drivers are applied when such persons receive discounts for water or sewer fees, or when a residential premises writes stating there is no motor vehicle at the premises and City staff concur, in which case the fee for Senior Housing is applied¹.

2.2 NEW CUSTOMERS AND TRIP GENERATION

Phoenix Ordinance 746, adopted August 1994, establishes how the City may set traffic utility fees. It states that the City may, from time to time, by resolution, change the transportation utility fee based upon revised estimates of the costs of maintaining city streets, revised priorities for local improvements that would reduce long-term maintenance costs, revised categories of use, revised trip generation or trip length factors, or other relevant factors.

The fee that was adopted in 1994 was set at \$0.15 per trip-end; periodic inflationary changes have resulted in the current fee of \$0.2366 per trip-end. The current fee structure is based on total number of daily trip-ends; since 1994 most cities have shifted from that methodology to a fee structure based on PM peak hour trips because roadway planned capacity and level of service are achieved using PM peak hour trip criteria. This fee study uses the PM peak hour trips methodology, using the best estimate of peak hour trips generated using the 11th ITE Manual.

In January 2024, City staff used a parcel-level Geographic Information System (GIS) approach to estimate the number of PM peak hour trips generated in the City based on current land uses and the 11th ITE Manual. City staff estimated that 8,291 trips may be generated during the City's PM peak hour. Because the City's GIS trip generation analysis assumes full occupancy of structures, it

¹ City of Phoenix Ordinance 746.

likely over-estimates the City’s count of PM peak hour trips. A five-percent vacancy was assumed to estimate a total of 7,876 fee-paying PM peak hour trips.

The financial analysis estimates that by 2034 there will be 5,120 residents in the City of Phoenix. Pre-Alameda fire population was estimated at 4,660 residents; therefore, it is estimated that 460 new people will move to Phoenix over the next 10 years. **Tables A-1 and A-2** in Appendix A provide historical and projected population estimates for the City. Using this data, by 2034, it is estimated that 9% of the PM peak hour trips will be from new development that occurs between 2020 and 2034, and that 91% of PM peak hour trips will be made by residents and employees already generating trips in the City of Phoenix in 2020².

2.3 ESTIMATED CAPITAL IMPROVEMENT PROJECT COSTS AND FUNDING STRATEGIES

A major driver of the street utility fee is the estimate of TSP CIP costs. **Table 3** summarizes the TSP CIP costs in current dollars. The percentage of CIP allocated to new growth is based on the projected population estimates, as shown in Appendix A **Table A-3**. Details of items included in the CIP are provided in Appendix A **Tables A-4** (Tier 1 short-term projects) and **A-5** (Tier 2 long-term projects).

Table 3
Summary of Transportation CIP Costs in Current Dollars

Tier	Rates	SDCs	Total
Tier 1 (next 5 years)	\$4,050,400	\$400,600	\$4,451,000
Tier 2 (years 6+)	\$11,847,800	\$1,171,700	\$13,019,500
Total	\$15,898,200	\$1,572,300	\$17,470,500
Share	91%	9%	100%

Source: HEC February 2024.

Of the original TSP projects list developed in 2016, there are an estimated \$4.45 million in Tier 1 (short-term) costs (in today’s dollars) for improvements that have yet to be started, and \$13.02 million in Tier 2 (long-term) costs. Of these total costs, \$4.05 million of Tier 1, and \$11.85 million of Tier 2 costs, are allocated to current users of the streets and transportation network. The remaining \$1.57 million is allocated to future users. The funding strategies presented in this report include paying for the City’s improvements using cash raised by transportation SDCs as well as cash and bond proceeds paid for by existing street and transportation users. Estimated TSP project costs for the next 3 years are summarized in **Table 4**.

Table 5 shows the Tier 1 Projects estimated timeline over the next five years and shows the total costs to be funded by street utility fees for Tier 1 projects.

² Growth is measured from before the Alameda Fire (occurred in 2021) because of the population decrease and rebuilding taking place.

Table 4
TSP 3-Year Estimated CIP Costs

Current & Future Customers	Funding Source	FY2025	FY2026	FY2027
Tier 1 Projects		Inflated Dollars		
Current Customers	Rates	\$649,130	\$1,005,460	\$1,045,670
Future Customers	SDCs	\$64,270	\$99,540	\$103,430
Total Tier 1 Estimated Costs (rounded)		\$713,400	\$1,105,000	\$1,149,100

Source: City of Phoenix Transportation System Plan Update Appendix 5, and HEC February 2024.

Table 5
TSP Tier 1 CIP Costs Funded with Fees

Project	Total	FY2025	FY2026	FY2027	FY2028	FY2029
Tier 1 Projects		Figures inflated each year by 4.0%				
Street Projects						
2nd St to 2nd St Extension	\$1,005,452		\$1,005,452			
Parking St: 2nd St to 4th St	\$1,045,670			\$1,045,670		
N Pine Street: W 1st St to W 5th St	\$823,390				\$823,390	
Locke Lane: Colver to dead end	\$1,050,211					\$1,050,211
Bicycle Projects						
Local Collector Streets install sharrows	\$20,717	\$20,717				
Pedestrian Projects						
OR 99 - Charlotte Ann Rd to Coleman Ck	\$110,489	\$110,489				
Cheryl Ln: Rose St	\$50,411	\$50,411				
OR 99: Bolz Rd to 4th St	\$467,507	\$467,507				
Total Tier 1 Projects (rounded)	\$4,573,880	\$649,130	\$1,005,460	\$1,045,670	\$823,400	\$1,050,220

Source: City of Phoenix Transportation System Plan Update Appendix 5, and HEC February 2024.

Table 6 shows the funding strategy by scenario for the Tier 1 projects costs paid with street utility fees, reserves in the Street Utility Fund, and bond proceeds for the next 3 years. The fee is modeled under three fee levels for the three different scenarios below. Scenarios A and B assume some level of bond funding. Scenario C assumes all costs are cash-funded.

- **Scenario A:** Use Bond Funding; Cash Balance @ \$1.5 million
- **Scenario B:** Use less Bond Funding; Cash Balance @ \$1.5 million
- **Scenario C:** No Bond Funding; Draw on Cash, Balance @ \$1.0 million by end of Year 3

Table 6
Streets Utility Fund CIP Funding Scenarios

Scenario	FY2025	FY2026	FY2027
Scenario A	<i>Use Bond Funding; Cash Balance @ \$1.5 million</i>		
Draw on Reserves	\$0	\$0	\$0
Rates Funding	\$250,000	\$250,000	\$250,000
Bond Proceeds	\$399,130	\$755,460	\$795,670
Total CIP Funding	\$649,130	\$1,005,460	\$1,045,670
Scenario B	<i>Use less Bond Funding; Cash Balance @ \$1.5 million</i>		
Draw on Reserves	\$0	\$0	\$0
Rates Funding	\$350,000	\$500,000	\$550,000
Bond Proceeds	\$299,130	\$505,460	\$495,670
Total CIP Funding	\$649,130	\$1,005,460	\$1,045,670
Scenario C	<i>No Bond Funding; Draw on Cash, Balance @ \$1.0 million by Yr3</i>		
Draw on Reserves	\$0	\$250,000	\$300,000
Rates Funding	\$649,130	\$755,460	\$745,670
Bond Proceeds	\$0	\$0	\$0
Total CIP Funding	\$649,130	\$1,005,460	\$1,045,670

Source: HEC February 2024.

Table 7 shows the estimated bond proceeds, annual debt service and financing charges that are allocated to existing street and transportation users assuming an interest rate of 5.5% and an amortization period of 20 years for Scenarios A and B. Because Scenario B assumes a draw on reserves of \$550,000, the total amount bonded for is lower under Scenario B.

Table 7
Estimated Debt for Tier 1 TSP CIP (Scenario A)

Item	Assumption	FY2025	FY2026	FY2027
Estimated Improvement Costs		\$649,130	\$1,005,460	\$1,045,670
less Draw on Reserves		\$0	\$0	\$0
less Rates-Funded Costs		(\$250,000)	(\$250,000)	(\$250,000)
Bonded Improvement Costs		\$399,130	\$755,460	\$795,670
Bond Sizing				
Capitalized Interest	<i>6 months</i>	\$10,980	\$20,780	\$21,880
Issuance Costs	<i>3%</i>	\$11,970	\$22,660	\$23,870
Underwriter's Discount	<i>1%</i>	\$3,990	\$7,550	\$7,960
Bond Reserve Fund	<i>1 year debt service</i>	\$39,000	\$73,900	\$77,800
Estimated Bond Size		\$465,070	\$880,350	\$927,180
Bond Size Adjusted for Rounding	<i>1.168 bond load</i>	\$466,000	\$882,000	\$929,000
Estimated Annual Debt Service [1]		\$39,000	\$73,900	\$77,800
Cumulative Debt Service		\$39,000	\$112,900	\$190,700

Source: HEC estimates based on the Transportation CIP.

[1] Debt service estimate based on sale of (GO or revenue) bonds with the following terms:

interest rate: 5.5%

years: 20

Section 3: STREETS UTILITY FEE CALCULATIONS

The monthly streets utility fee is calculated in this section of the report.

3.1 FUNDING SOURCES AND HISTORICAL EXPENSES

The operations and maintenance costs of City streets are paid for from a variety of revenue sources. State gas and diesel taxes contribute the largest amount to streets construction and maintenance, followed by intergovernmental revenue from the Oregon Department of Transportation (ODOT). The Streets Utility Fee (or charges for services) comprises 23% of total revenues. Storm drainage operations and maintenance functions are also funded by the Street Fund. Property owners pay a Stormwater Fee for these services; however, this fee is not the subject of this report.

Figure 4 shows the composition of the Street Fund revenue sources.

Figure 4
Street Utility Fund Revenue Sources

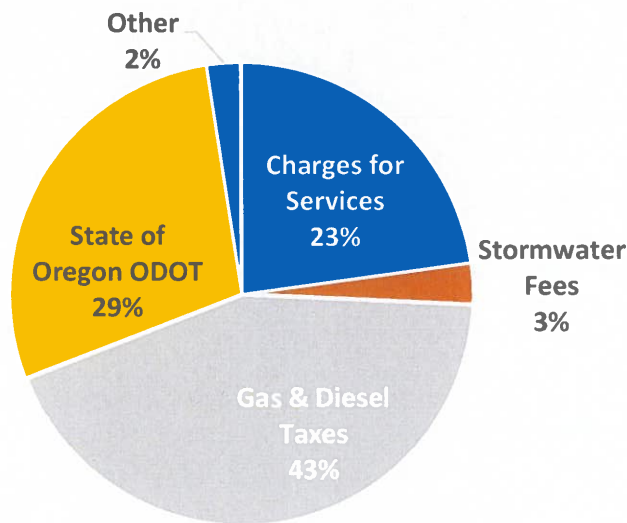
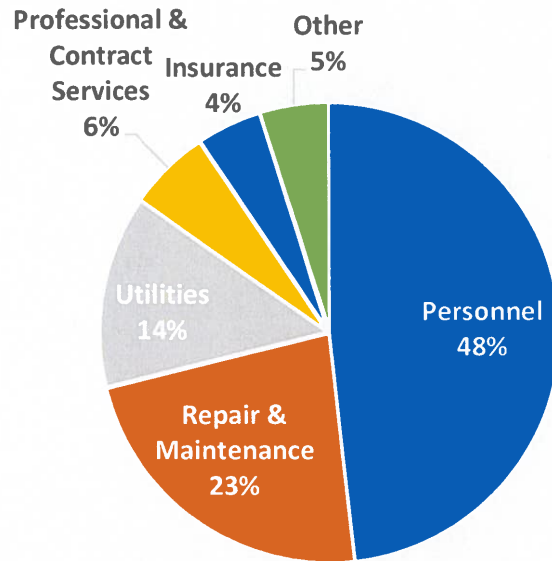


Figure 5 on the next page shows typical annual expenses of the Street Fund. The largest share of costs is for personnel, followed by repair and maintenance of the transportation network, and utilities.

Figure 5
Street Utility Fund Expenses



Historical revenues and expenses for the Street Fund for the past three fiscal years, and the budgeted revenues and expenses for FY 2024 are shown in **Table 8**. The fund has generated positive net revenues each year and built cash reserves of about \$1.5 million. The primary reason for the increase in cash is that the City has been recovering from the Alameda fire and Covid-19 pandemic; therefore, it has not been able to carry out major repair and rehabilitation projects.

Both residential and non-residential customers pay for streets construction and maintenance. The current monthly Street Utility Fee is \$0.2366 per trip-end or \$2.44 per month for a Single-Family residence; this is the equivalent of \$2.60 per PM peak hour trip because the 11th ITE Manual provides a generation rate of 0.94 PM peak trips per hour for detached single-family residences.

Table 9 shows the number of PM peak hour trips estimated by City staff January 2024, and estimated annual revenue using a PM peak hour trip fee of \$2.60 (current fee level). The City has been collecting about \$175,000 in Street Utility fees; with the corrected billing database, the City should be collecting about \$238,000 without any change to the Street Utility Fee level.

Table 8
Streets Fund Historical Revenues and Expenses and FY2024 Budget

Revenues and Expenses	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Adopted
Revenue				
Charges for Services	\$173,033	\$189,142	\$179,315	\$175,000
Stormwater Fees [1]	\$49,266	\$10	\$19,817	\$45,000
Licenses and Permits	\$3,240	\$7,965	\$4,010	\$0
Franchise Fees	\$16,422	\$0	\$0	\$16,000
Intergovernmental [2]	\$230,164	\$256,629	\$189,645	\$0
Gas & Diesel Taxes	\$463,100	\$231,229	\$334,287	\$495,000
Miscellaneous	\$3	\$16,599	\$1,919	\$0
Investment Earning	\$7,310	\$0	\$0	\$0
Total Revenue	\$942,538	\$701,574	\$728,993	\$731,000
Expense				
Personnel	\$180,661	\$155,229	\$183,921	\$217,300
Materials & Supplies	\$8,468	\$4,538	\$4,188	\$12,500
Dues/Subscriptions/Fees	\$1,839	\$3,190	\$0	\$2,000
Utilities/Telephone	\$49,188	\$54,904	\$43,114	\$56,000
Repair & Maintenance	\$26,444	\$100,027	\$63,754	\$120,000
Professional & Contract Services	\$19,613	\$28,483	\$14,899	\$35,000
Insurance	\$23,011	\$21,705	\$4,761	\$27,000
Small Tools & Equipment	\$6,777	\$2,565	\$4,788	\$5,000
Street Signs/Traffic Markings	\$5,497	\$9,555	\$16,254	\$13,500
Street Trees	\$0	\$7,200	\$4,239	\$8,000
Other	\$28,994	(\$735)	\$893	\$3,500
Total Expense	\$350,492	\$386,662	\$340,811	\$499,800
Net Revenue	\$592,045	\$314,913	\$388,182	\$231,200
Beginning Balance	\$783,815	\$769,668	\$1,068,344	\$1,462,717
Transfers In	\$0	\$0	\$0	\$0
Transfers Out	(\$600,000)	(\$16,237)	\$0	(\$125,000)
Capital Outlay	(\$6,192)	\$0	\$6,192	(\$40,000)
Net Revenue	\$592,045	\$314,913	\$388,182	\$231,200
Ending Balance	\$769,668	\$1,068,344	\$1,462,717	\$1,528,917

Source: City of Phoenix financial documents.

[1] Storm Water fees collected by Rogue Valley Sewer Services.

[2] Oregon Department of Transportation.

Table 9
Estimated Fee Revenues with Corrected Number of Trips

Customer Type	PM Peak Hour Trips	Monthly Rate	Monthly Revenue	Annual Revenue
Residential	per PM Peak Hr Trip			
Single-Family	1,224.50	\$2.60	\$3,178	\$38,142
Multi-Family	252.14	\$2.60	\$654	\$7,854
Affordable Housing	25.76	\$2.60	\$67	\$802
Mobile Homes	793.44	\$2.60	\$2,060	\$24,715
Subtotal Residential	2,295.84		\$5,959	\$71,513
Non-Residential				
Industrial	519.65	\$2.60	\$1,349	\$16,187
Lodging	18.86	\$2.60	\$49	\$587
Recreational	70.03	\$2.60	\$182	\$2,181
Institutional	1,204.68	\$2.60	\$3,127	\$37,525
Medical	21.11	\$2.60	\$55	\$658
Office	236.51	\$2.60	\$614	\$7,367
Retail	2,710.96	\$2.60	\$7,037	\$84,444
Other Commercial	1,213.36	\$2.60	\$3,150	\$37,795
Subtotal Non-Residential	5,995.16		\$15,562	\$186,743
Total Trips	8,291.00		\$21,521	\$258,256
Total Fee-Paying Trips [1]			\$19,907	\$238,887

Source: City of Phoenix billing database, the 11th Edition ITE Manual, and HEC February 2024.

[1] Revenue reduced 7.5% to account for low-income elderly and non-motor vehicle household discounts.

3.2 PROJECTED FUNDING GAP

The existing level of Street Utility Fee revenues and non-Street Utility Fee revenues were credited against projected operations costs, rate-funded CIP costs, and debt service in **Table 10** for Scenario A. Operating expenses were increased 9.0% per year for personnel and 2.0% to 4.5% per year for materials and services and small item capital outlay. For the personnel costs, 3.0% of the annual increase is for cost-of-living adjustments (COLA), 5.0% for increases in pay steps, and 1.0% for other associated costs. Non-utility fee revenues include State gas and diesel fuel taxes, the storm drainage utility fee revenues, and occasional small miscellaneous revenue (franchise fees, interest earnings, and other miscellaneous revenues).

Projection of operating and capital costs, and revenues, results in a funding gap beginning fiscal year 2025. The funding gap increases from approximately \$55,000 FY2025 to \$248,000 FY2027.

Table 10
Streets Fund Projected Funding Gap (Scenario A)

Expenses and Credits		FY2024	FY2025	FY2026	FY2027
Operating Expenses		<i>Budget</i>		<i>Projection</i>	
Personnel	9.0%	\$217,300	\$236,900	\$258,200	\$281,400
Materials & Supplies	3.0%	\$12,500	\$12,900	\$13,300	\$13,700
Dues/Subscriptions/Fees	2.0%	\$2,000	\$2,000	\$2,000	\$2,000
Utilities/Telephone	4.5%	\$56,000	\$58,500	\$61,100	\$63,800
Repair & Maintenance	4.0%	\$120,000	\$124,800	\$129,800	\$135,000
Professional & Contract Services	3.0%	\$35,000	\$36,100	\$37,200	\$38,300
Insurance	3.0%	\$27,000	\$27,800	\$28,600	\$29,500
Small Tools & Equipment	3.0%	\$5,000	\$5,200	\$5,400	\$5,600
Street Signs/Traffic Markings	3.0%	\$13,500	\$13,900	\$14,300	\$14,700
Street Trees	3.0%	\$8,000	\$8,200	\$8,400	\$8,700
Other	3.0%	\$3,500	\$3,600	\$3,700	\$3,800
Total Operating Expenses		\$499,800	\$529,900	\$562,000	\$596,500
Capital Costs					
Capital Outlay [1]	4.0%	\$40,000	\$20,000	\$20,800	\$21,600
CIP Rates-Funded	4.0%	\$125,000	\$250,000	\$250,000	\$250,000
Total Capital Costs		\$165,000	\$270,000	\$270,800	\$271,600
New Debt Service		\$0	\$39,000	\$112,900	\$190,700
Estimated Total Expenses		\$664,800	\$838,900	\$945,700	\$1,058,800
Credits					
Licenses and Permits [2]	1.5%	\$0	\$0	\$0	\$0
Franchise Fees [3]	n.a.	\$16,000	\$0	\$0	\$0
Intergovernmental [4]	1.0%	\$0	\$0	\$0	\$0
Gas & Diesel Taxes	1.0%	\$495,000	\$500,000	\$505,000	\$510,100
Stormwater Fees	0.0%	\$45,000	\$45,000	\$45,000	\$45,000
Miscellaneous [2]	1.0%	\$0	\$0	\$0	\$0
Investment Earning [2]	1.5%	\$0	\$0	\$0	\$0
Total Credits		\$556,000	\$545,000	\$550,000	\$555,100
Revenue Requirement		\$108,800	\$293,900	\$395,700	\$503,700
Streets Utility Fees with Growth	3.5%	\$175,000	\$238,900	\$247,300	\$256,000
Funding Gap		\$0	\$55,000	\$148,400	\$247,700

Source: City of Phoenix budget and HEC January 2024.

[1] Budget for FY2024 much higher than in previous years. Adjusted downward in FY2025.

[2] None included in the City's adopted budget; however, most years, small (insignificant) revenues are generated.

[3] Franchise fees not typically provided to the Street Utility Fund. Discontinued after FY2024.

[4] Oregon Department of Transportation.

Table 11 calculates the required monthly Street Utility Fee per PM peak hour trip that would be needed under Scenario A with application of the correct number of trips in the billing system.

Table 11
Calculated Monthly Fee per PM Peak Hour Trip (Scenario A)

Item	FY2025	FY2026	FY2027
Street Fee Revenue	\$288,900	\$397,300	\$456,000
<i>Estimated City Growth</i>		3.5%	3.5%
Estimated Trips	8,291	8,581	8,882
Annual Cost per Trip	\$34.84	\$46.30	\$51.34
Monthly Fee per Trip	\$2.90	\$3.86	\$4.28

Source: City of Phoenix billing database, the 11th Edition ITE Manual, and HEC February 2024.

Table 12 provides the monthly fee for most residential land uses. **Table A-6** in Appendix A gives the calculated fee for the City’s current non-residential land uses, and **Table A-7** gives the calculated fee for all land use types included in the 11th ITE Manual.

Table 12
Calculated Monthly Streets Fee for Most Residential Units (Scenario A)

Customer Type	Trip Factor	FY2024	FY2025 7/1/24	FY2026 7/1/25	FY2027 7/1/26
Monthly Fee per Peak Hour Trip		\$2.60	\$2.90	\$3.86	\$4.28
			Fee per unit		
Single-Family	0.94	\$2.44	\$2.73	\$3.63	\$4.02
Multi-Family	0.51	\$1.32	\$1.48	\$1.97	\$2.18
Affordable Housing	0.46	\$1.19	\$1.34	\$1.77	\$1.97
Mobile Homes	0.58	\$1.51	\$1.68	\$2.24	\$2.48

Source: City of Phoenix billing database, the 11th Edition ITE Manual, and HEC February 2024.

3.3 STREETS UTILITY FEE LEVELS

Table 13 shows the calculated fee per PM peak hour trip by year under the three fee levels modeled.

Table 13
Calculated Monthly Fee per PM Peak Hour Trip

Scenario	Current	7/1/2024	7/1/2025	7/1/2026
Fee per PM Peak Hour Trip per Month				
Scenario A	\$2.60	\$2.90	\$3.86	\$4.28
Scenario B	\$2.60	\$4.21	\$5.41	\$6.62
Scenario C	\$2.60	\$5.52	\$7.74	\$8.50

3.4 STREET FUND PROJECTED CASH FLOW AND FUND BALANCE

Table 14 shows the projected cash flow for the Street Utility Fund under Scenario A. As shown in Figure 6, the ending fund cash balance is maintained at about \$1.5 million, which provides a reasonable reserve for projects that might be identified in the updated TSP.

Figure 6
Projected Street Utility Fund Ending Cash Balances

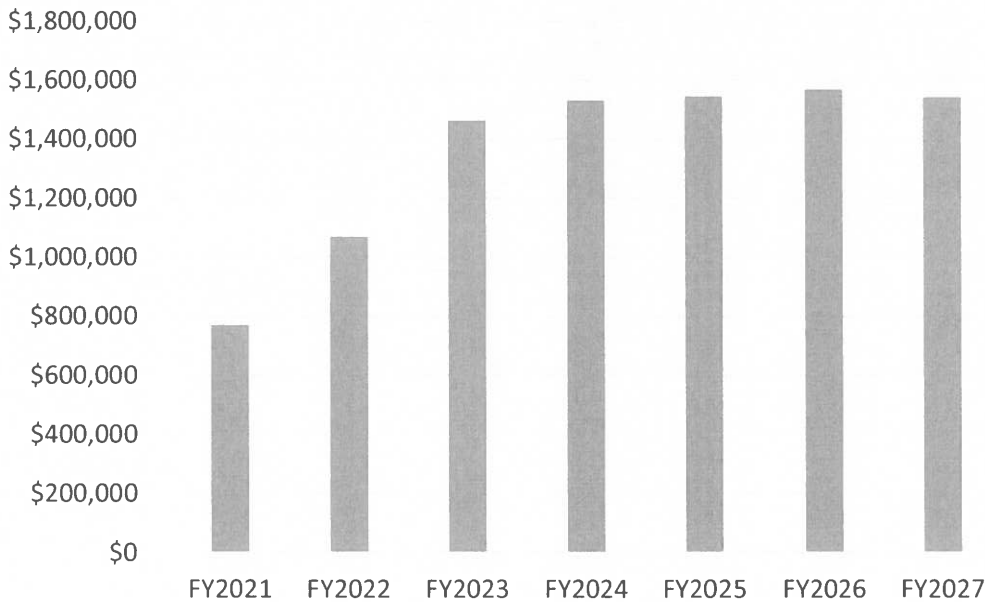


Table 14
Streets Fund Projected Cash Flow (Scenario A)

Revenues and Expenses	FY2024	FY2025	FY2026	FY2027
Revenues				
Street Utility Fees	\$175,000	\$238,900	\$247,300	\$256,000
Additional Street Utility Fee Revenue	\$0	\$50,000	\$150,000	\$200,000
Gas & Diesel Taxes	\$495,000	\$500,000	\$505,000	\$510,100
Stormwater Fees	\$45,000	\$45,000	\$45,000	\$45,000
All Other	\$16,000	\$0	\$0	\$0
Total Revenues	\$731,000	\$833,900	\$947,300	\$1,011,100
Operating Expenses				
Personnel	\$217,300	\$236,900	\$258,200	\$281,400
Utilities	\$56,000	\$58,500	\$61,100	\$63,800
Repairs	\$120,000	\$124,800	\$129,800	\$135,000
Contract Services	\$35,000	\$36,100	\$37,200	\$38,300
Insurance	\$27,000	\$27,800	\$28,600	\$29,500
All Other	\$44,500	\$45,800	\$47,100	\$48,500
Total Operating Expenses	\$499,800	\$529,900	\$562,000	\$596,500
Debt Service	\$0	\$39,000	\$112,900	\$190,700
Net Revenues	\$231,200	\$265,000	\$272,400	\$223,900
Beginning Balance	\$1,462,717	\$1,528,917	\$1,543,917	\$1,566,317
plus Net Revenues	\$231,200	\$265,000	\$272,400	\$223,900
less Transfer to Capital Fund for CIP [1]	(\$165,000)	(\$250,000)	(\$250,000)	(\$250,000)
Ending Balance	\$1,528,917	\$1,543,917	\$1,566,317	\$1,540,217

Source: City of Phoenix financial records and HEC February 2024.

[1] Transfer to pay for CIP not bond-funded. Bond proceeds and expenditures not included in the table.

SECTION 4: TRANSPORTATION SDC CALCULATIONS

The transportation SDC calculation presented in this section of the report is based on Phoenix Ordinances 859 and 890 which adopted the methodology and procedures to implement transportation system development charges. The transportation SDC is collected from each applicant for a building permit at the time the permit is issued. The fee is comprised of three parts:

1. Improvement Fee
2. Reimbursement Fee
3. Administration Fee

The City’s administration fee, which is 2.94% of the total SDC due (improvement fee plus reimbursement fee), is not updated in this report. The last update of the transportation SDC calculated the improvement fee at 74% of the total SDC, and the reimbursement fee at 26% of the total SDC, as shown in **Table 15**. The table also shows the fee due for the Fern Valley Interchange improvement fee. This fee is not updated in this report because it is for an ODOT project, a singular project with a fee that is not applicable citywide.

Table 15
Current Transportation SDC Fees

SDC	Improvement Fee	Reimbursement Fee	Total SDC
	Fee per Peak Hour Trip		
	<i>74.07%</i>	<i>25.93%</i>	<i>100.00%</i>
Transportation System	\$1,539.92	\$539.08	\$2,079.00
Fern Valley Interchange	\$1,044.55		\$1,044.55

Source: Transportation SDC Calculation Sheets, Community Development.

Revenues generated from payment of transportation SDCs is deposited into the SDC Fund for transportation. This fund pays for new growth’s share of TSP capital improvements projects. **Table 16** shows historical SDC Fund revenues and expenses. The fund has been running a negative cash balance for at least 3 years.

Table 16
Transportation SDC Fund Revenues and Expenses and FY2024 Budget

Revenues and Expenses	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Adopted
Revenues				
System Development Charges	\$2,690	\$98,320	\$10,843	\$15,000
Expenses				
	\$0	\$0	\$0	\$0
Net Revenues	\$2,690	\$98,320	\$10,843	\$15,000
Beginning Balance	(\$197,990)	(\$195,300)	(\$96,980)	(\$86,137)
Transfers Out to Capital Projects	\$0	\$0	\$0	\$0
Transfers In	\$0	\$0	\$0	\$0
Net Revenues	\$2,690	\$98,320	\$10,843	\$15,000
Ending Balance	(\$195,300)	(\$96,980)	(\$86,137)	(\$71,137)

Source: City of Phoenix financial documents.

4.1 IMPROVEMENTS FEE

The improvement fee pays for future transportation users' cost share of capital improvement projects that are included in the TSP. **Table 17** shows the estimated costs for the transportation improvements in today's dollars that are included in the improvements fee. The costs are not inflated for the SDC calculation because the SDC is automatically increased each year by the Engineering News Record Construction Cost Index to keep up with inflation per City Ordinance 890³.

³ The SDC should be adjusted annually by the Seattle ENR CCI which is the current most geographically relevant index.

Table 17
Transportation CIP Estimated Costs to New Users

Tier 1 and Tier 2 Facilities	Total Estimated Cost	SDC Share	SDC Cost Current Dollars
Tier 1			rounded
Streets	\$3,765,086	9%	\$338,900
Bicycle	\$21,890	9%	\$2,000
Pedestrian	\$663,998	9%	\$59,800
Subtotal Tier 1	\$4,450,973		\$400,700
Tier 2			
Streets	\$4,881,477	9%	\$439,300
Bicycle	\$2,264,159	9%	\$203,700
Pedestrian	\$5,873,825	9%	\$528,600
Subtotal Tier 2	\$13,019,461		\$1,171,600
Total Streets Costs in the SDC Calculations			\$1,572,300

Source: City of Phoenix TSP Update Appendix 5, and HEC February 2024.

Added to the TSP costs are the TSP Update and financial analysis estimated costs of \$130,000. The current SDC fund balance is subtracted from the total costs to determine net improvement fee costs of \$1.79 million. Because the current SDC fund balance is negative, the fund balance is a cost addition to the cost basis of the transportation SDC improvement fee.

It is estimated that there were 10,240 PM peak hour trips Citywide before the Alameda Fire, and that 741 PM peak hour trips will be added from that level to 2034. The cost basis is divided by the estimated growth in PM peak hour trips to calculate an improvement fee of \$2,410 per PM peak hour trip, as shown in **Table 18**.

4.2 REIMBURSEMENT FEE

The reimbursement fee is based on the current value of the City’s street assets, which is estimated at \$4.85 million. Street assets are listed in Appendix A **Table A-8**. The cost basis is divided by the estimated total PM peak hour trips in 2034 to calculate the Reimbursement Fee component of the total transportation SDC. The reimbursement fee is calculated \$440 per PM peak hour trip, as shown in **Table 19**.

Table 18
Improvements Fee Calculation

Fee Component	Calculation
Improvements Fee Cost Basis	
Total Costs	\$1,572,300
Transportation Master Plan Update	\$100,000
Financial Analysis	\$30,000
less SDC Ending Fund Balance (6/30/2023)	\$86,137
Total Improvements Fee Cost Basis	\$1,788,437
Growth in PM Peak Hour Trips [1]	741
SDC Improvements Fee per PM Peak Hour Trip	\$2,410

Source: HEC February 2024.

[1] Total pre-Alameda fire trips increased by estimated number of new trips over the next 10 years.

Pre-Alameda Fire Trips 10,240

Projected 2034 Trips 10,982

Table 19
Reimbursement Fee Calculation

Fee Component	Calculation
Streets Reimbursement Fee	
Streets Assets Value	\$4,849,171
Estimated Trips in 2034 [1]	10,982
Streets Reimbursement Fee per Peak Hour Trip	\$440

Source: HEC February 2024.

[1] Total pre-Alameda fire trips increased by estimated number of new trips over the next 10 years.

Pre-Alameda Fire Trips 10,240

Projected 2034 Trips 10,982

4.3 TOTAL TRANSPORTATION SDC

Table 20 shows the calculated total transportation SDC per PM peak hour trip. The total transportation SDC per PM peak hour trip is calculated at \$2,850 as shown in Table 20.

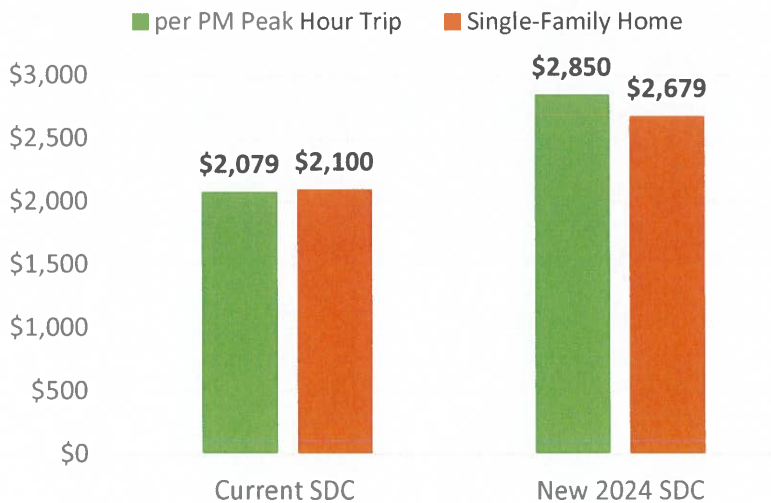
The SDC due for a new single family detached unit is \$2,820. Figure 7 illustrates the change from the current SDC to the new 2024 SDC per PM peak hour trip.

Table 20
New 2024 Transportation SDC

SDC Component	Amount	Share of Total SDC
	per PM peak hour trip	
Improvements Fee	\$2,410	84.56%
Reimbursement Fee	\$440	15.44%
Total Transportation SDC	\$2,850	100.00%
Single-Family Peak Hour Trips	0.94	
2024 SDC Fee Single-Family Home	\$2,679	

Source: HEC February 2024.

Figure 7
Change in Transportation SDC per PM Peak Hour Trip and Single-Family Home



The cost per PM peak hour trip is applied to land uses by units of measurement such as residential unit or 1,000 square feet of gross floor area, or occupied room. The calculated SDC for all land use types by measurement unit for that land use is shown in **Table A-9**. Total PM peak hour trips for each land use are multiplied by the SDC.

Residential Example: A detached new single family home pays \$2,100 under the current SDC schedule. Under the new 2024 schedule, the SDC increases to \$2,679.

Non-Residential Example: A new automobile parts shop (such as an O’Reilly or Napa Auto Parts) with 5,000 square feet of gross floor area would pay a transportation SDC of \$50,935 currently. Under the new 2024 SDC, the shop would pay \$69,825.

4.4 SDC TRANSPORTATION FUND PROJECTED CASH FLOW AND FUND BALANCE

The projected cash flow for the SDC Transportation Fund is shown in **Table 21**. The projection assumes growth of 45 new PM peak hour trips per year for the next three years. Expenses are estimated at new growth’s share (9%) of the TSP project costs included in the CIP. With the increase of the SDC, it is projected that the SDC Transportation Fund will gradually improve from a negative to a positive cash balance. The projected change in cash balance is illustrated in **Figure 8**.

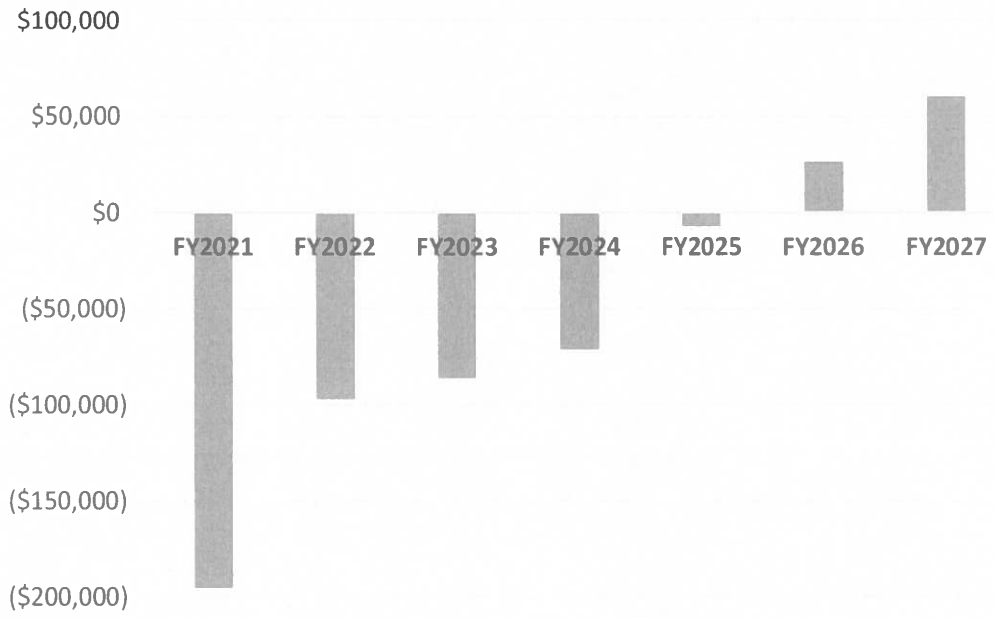
Table 21
Projected SDC Fund Cash Flow

Revenues and Expenses	FY2024	FY2025	FY2026	FY2027
Revenues				
System Development Charges [1]	\$15,000	\$128,250	\$132,800	\$137,500
Operating Expenses	\$0	\$0	\$0	\$0
Net Revenues	\$15,000	\$128,250	\$132,800	\$137,500
Beginning Balance	(\$86,137)	(\$71,137)	(\$7,157)	\$26,103
plus Net Revenues	\$15,000	\$128,250	\$132,800	\$137,500
less Transfer to Capital Fund for CIP	\$0	(\$64,270)	(\$99,540)	(\$103,430)
Ending Balance	(\$71,137)	(\$7,157)	\$26,103	\$60,173

Source: City of Phoenix financial records and HEC February 2024.

[1] Assumes 45 new PM peak trips per year added to the transportation network with the new 2024 SDC in place.

Figure 8
Projected Transportation SDC Fund Ending Cash Balance



APPENDIX A

SUPPORTING TABLES FOR CITY OF PHOENIX

STREETS UTILITY FUND FEES & TRANSPORTATION SDCs

Table A-1
Phoenix Streets and Parks Fees & SDCs
Historical City Population Estimates

DRAFT

Year	Population 1-Jul	Change in Population	
2010	4,540		
2011	4,550	0.2%	
2012	4,570	0.4%	
2013	4,570	0.0%	
2014	4,580	0.2%	
2015	4,585	0.1%	
2016	4,585	0.0%	
2017	4,605	0.4%	
2018	4,620	0.3%	
2019	4,650	0.6%	
2020	4,660	0.2%	Almeda Fire Sep. 2020 [1]
2021	4,096	-12.1%	
2022	3,639	-11.2%	
2023	3,773	3.7%	

Source: Portland University Population Research Center.

[1] The city lost about 550 housing units in the fire.

**Table A-2
Phoenix Streets and Parks Fees & SDCs
Population Projection**

DRAFT

Projection Year		Population Estimate	Growth Rate
	2022	3,639	
	2023	3,773	3.7%
	2024	3,905	3.5%
1	2025	4,042	3.5%
2	2026	4,183	3.5%
3	2027	4,330	3.5%
4	2028	4,459	3.0%
5	2029	4,593	3.0%
6	2030	4,731	3.0%
7	2031	4,826	2.0%
8	2032	4,922	2.0%
9	2033	5,021	2.0%
10	2034	5,121	2.0%
11	2035	5,172	1.0%
12	2036	5,224	1.0%
13	2037	5,276	1.0%
14	2038	5,329	1.0%
15	2039	5,382	1.0%
16	2040	5,436	1.0%
17	2041	5,490	1.0%
18	2042	5,545	1.0%
19	2043	5,601	1.0%
20	2044	5,657	1.0%
21	2045	5,713	1.0%
22	2046	5,771	1.0%
23	2047	5,828	1.0%

Source: Portland University Population Research Center.

Table A-3
Phoenix Streets and Parks Fees & SDCs
Percentage of CIP to New Growth

DRAFT

Item	Amount
Pre-Alameda Fire Population [1]	4,660
Population Estimate 2034 (10 years)	5,120
Population Growth for CIP Cost Allocation	460
Percentage of CIP to New Growth	9%

Source: Portland University Population Research Center.

[1] The Alameda Fire occurred September 2020.

Table A-4
Phoenix Streets and Parks Fees & SDCs
Transportation System Tier 1 Projects Costs Estimates

DRAFT

2015 TSP TIER 1 Projects	Project Complete	Cost Estimate	Current Cost Estimate	Allocation to Growth	Existing Customers Cost
		2015 \$'s		2023 \$'s [1]	
Street Projects				<i>Estimated Completed in next 5 years</i>	
2nd St to 2nd St Extension		\$700,000	\$1,021,535	91%	\$929,597
Parking St:2nd St to 4th St		\$700,000	\$1,021,535	91%	\$929,597
N Pine Street: W 1st St to W 5th St		\$530,000	\$773,448	91%	\$703,838
N Church Street: W 1st to W 6th St	Complete	\$667,000	\$973,377		
Locke Lane: Colver to dead end		\$650,000	\$948,568	91%	\$863,197
Total Street Projects			\$4,738,462		\$3,426,228
Bicycle Projects					
4th St: Main St to Bear Creek Dr	Complete	\$7,500	\$10,945		
Bear Creek Greenway	Complete	\$50,000	\$72,967		
1st St: Church St to Bear Creek Dr	Complete	\$18,500	\$26,998		
Local Collector Streets install sharrows		\$15,000	\$21,890	91%	\$19,920
Total Bicycle Projects			\$132,800		\$19,920
Pedestrian Projects					
OR 99 - Charlotte Ann Rd to Coleman Ck		\$80,000	\$116,747	91%	\$106,240
Cheryl Ln: Rose St		\$36,500	\$53,266	91%	\$48,472
OR 99: Bolz Rd to 4th St		\$338,500	\$493,985	91%	\$449,526
1st St: Rose St to Church St	Complete	\$151,000	\$220,360		
S Phoenix Rd: Fern Valley Rd & Furry Rd	Complete	\$197,000	\$287,489		
Total Pedestrian Projects			\$1,171,846		\$604,238
Total Tier 1 Projects Cost Estimate			\$6,043,108		\$4,050,386
less Completed Projects			\$1,592,135		
Tier 1 Estimated Unfunded Costs			\$4,450,973		\$4,050,386

Source: City of Phoenix Transportation System Plan Update Appendix 5, and HEC December 2023.

[1] Costs increased from 2015 dollars to 2023 dollars using the Engineering News Record Construction Cost Index.

**Table A-5
Phoenix Streets and Parks Fees & SDCs
Transportation System Tier 2 Projects Costs Estimates**

DRAFT

2015 TSP TIER 2 Projects	Project Complete	Cost Estimate	Current Cost Estimate	Allocation to Growth	Existing Customers Cost
		2015 \$'s			2023 \$'s [1]
Street Projects					<i>Estimated Completed in next 20 years</i>
Hilsinger Rd: Colver Rd to Camp Baker Rd		\$770,000	\$1,123,688	91%	\$1,022,556
Urban Reserve Area PH-10		\$1,100,000	\$1,605,269	91%	\$1,460,795
OR99 - S. of couplet to S. City Limits		\$1,200,000	\$1,751,203	91%	\$1,593,594
OR 99/Northridge Ter Intersection		\$125,000	\$182,417	91%	\$165,999
4th St/Houston Rd Railroad Crossing		\$150,000	\$218,900	91%	\$199,199
Subtotal Street Projects			\$4,881,477		\$4,442,144
Bicycle Projects					
OR 99 - North UGB to Coleman Creek		\$300,000	\$437,801	91%	\$398,399
OR 00/Coleman Creek Culvert		\$350,000	\$510,767	91%	\$464,798
Bear Creek Greenway	Complete	\$400,000	\$583,734		
Colver Rd: 4th St/Houston Rd to 1st St		\$430,000	\$627,514	91%	\$571,038
Camp Baker Rd: Hilsinger to Colver Rd		\$121,500	\$177,309	91%	\$161,351
4th St/Houston Rd: Railroad Crossing		\$350,000	\$510,767	91%	\$464,798
Subtotal Bicycle Projects			\$2,847,893		\$2,060,385
Pedestrian Projects					
OR 99: Cheryl Ln to Coleman Creek		\$330,000	\$481,581	91%	\$438,238
OR 99/Coleman Creek Culvert		\$350,000	\$510,767	91%	\$464,798
Colver Rd: 4th St/Houston Rd to 1st St		\$165,000	\$240,790	91%	\$219,119
2nd St: 1st St to Rose St		\$165,000	\$240,790	91%	\$219,119
1st St/C St		\$20,000	\$29,187	91%	\$26,560
Colver Rd:1st to South UGB		\$250,000	\$364,834	91%	\$331,999
1st St: RR Crossing		\$300,000	\$437,801	91%	\$398,399
1st St: Canal		\$300,000	\$437,801	91%	\$398,399
Oak St: Rose St to Main St		\$363,000	\$529,739	91%	\$482,062
OR 99/Rose Street		\$70,000	\$102,153	91%	\$92,960
Camp Baker Rd: Hilsinger to Colver Rd		\$445,500	\$650,134	91%	\$591,622
Rose St: Oak St to 1st St		\$346,500	\$505,660	91%	\$460,150
Colver Rd: 1st South UGB		\$920,000	\$1,342,589	91%	\$1,221,756
Subtotal Pedestrian Projects			\$5,873,825		\$5,345,181
Total Tier 2 Projects Cost Estimate			\$13,603,196		\$11,847,710
less Completed Projects			\$583,734		
Tier 2 Estimated Unfunded Costs			\$13,019,461		\$11,847,710

Source: City of Phoenix Transportation System Plan Update Appendix 5, and HEC December 2023.

[1] Costs increased from 2015 dollars to 2023 dollars using the Engineering News Record Construction Cost Index.

Table A-6
Phoenix Streets and Parks Fees & SDCs
Calculated Monthly Streets Fee for Current Non-Residential Land Uses

DRAFT

Scenario A

Use Bond Funding; Cash Balance @ \$1.5 million

ITE Manual Land Use Category	Unit	Trip Factor	FY2024	FY2025 7/1/24	FY2026 7/1/25	FY2027 7/1/26
Monthly Fee per Peak Hour Trip			\$2.60	\$2.93	\$3.93	\$4.38
Industrial			Fee per Unit			
110 - General Light Industrial	1,000 sf GFA	0.65	\$1.69	\$1.90	\$2.56	\$2.84
140 - Manufacturing	1,000 sf GFA	0.74	\$1.92	\$2.17	\$2.91	\$3.24
150 - Warehousing	1,000 sf GFA	0.18	\$0.47	\$0.53	\$0.71	\$0.79
151 - Mini Warehouse	1,000 sf GFA	0.15	\$0.39	\$0.44	\$0.59	\$0.66
170 - Utility	1,000 sf GFA	2.16	\$5.61	\$6.33	\$8.50	\$9.45
180 - Specialty Trade Contractor	1,000 sf GFA	1.93	\$5.01	\$5.65	\$7.59	\$8.44
Lodging						
320 - Motel	Room	0.36	\$0.93	\$1.05	\$1.42	\$1.58
Recreational						
411 - Public Park	Employee	7.41	\$19.23	\$21.71	\$29.15	\$32.42
416 - Campground/Recreational Vehicle Park	Occupied Campsite	0.27	\$0.70	\$0.79	\$1.06	\$1.18
Institutional						
520 - Elementary School	Student	0.16	\$0.42	\$0.47	\$0.63	\$0.70
525 - High School	Student	0.14	\$0.36	\$0.41	\$0.55	\$0.61
528 - School District Office	1,000 sf GFA	2.04	\$5.30	\$5.98	\$8.02	\$8.93
538 - Charter School (K-12)	Student	0.73	\$1.89	\$2.14	\$2.87	\$3.19
560 - Church	1,000 sf GFA	0.49	\$1.27	\$1.44	\$1.93	\$2.14
565 - Day Care Center	1,000 sf GFA	11.12	\$28.86	\$32.58	\$43.74	\$48.65
566 - Cemetery	Acres	0.46	\$1.19	\$1.35	\$1.81	\$2.01
580 - Museum	1,000 sf GFA	0.18	\$0.47	\$0.53	\$0.71	\$0.79
590 - Library	1,000 sf GFA	8.16	\$21.18	\$23.91	\$32.10	\$35.70
Medical						
640 - Animal Hospital/Veterinary Clinic	1,000 sf GFA	3.53	\$9.16	\$10.34	\$13.89	\$15.44
Office						
712 - Small Office Building	1,000 sf GFA	2.16	\$5.61	\$6.33	\$8.50	\$9.45
720 - Medical-Dental Office Building	1,000 sf GFA	3.93	\$10.20	\$11.51	\$15.46	\$17.20
730 - Government Office Building	1,000 sf GFA	1.71	\$4.44	\$5.01	\$6.73	\$7.48
732 - United States Post Office	1,000 sf GFA	11.21	\$29.10	\$32.84	\$44.09	\$49.05
770 - Business Park	1,000 sf GFA	1.22	\$3.17	\$3.57	\$4.80	\$5.34
Retail						
814 - Variety Store	1,000 sf GFA	6.70	\$17.39	\$19.63	\$26.35	\$29.31
816 - Hardware/Paint Store	1,000 sf GFA	2.98	\$7.74	\$8.73	\$11.72	\$13.04
817 - Nursery (Garden Center)	1,000 sf GFA	6.94	\$18.01	\$20.33	\$27.30	\$30.36
818 - Nursery (Wholesale)	1,000 sf GFA	5.24	\$13.60	\$15.35	\$20.61	\$22.93
821 - Shopping Plaza (40-150k)	1,000 sf GLA	9.03	\$23.44	\$26.45	\$35.52	\$39.51
822 - Strip Retail Plaza (<40k)	1,000 sf GLA	6.59	\$17.11	\$19.31	\$25.92	\$28.83
841 - Automobile Sales (Used)	1,000 sf GFA	3.75	\$9.73	\$10.99	\$14.75	\$16.41
842 - Recreational Vehicle Sales	1,000 sf GFA	0.77	\$2.00	\$2.26	\$3.03	\$3.37
848 - Tire Store	1,000 sf GFA	3.75	\$9.73	\$10.99	\$14.75	\$16.41
850 - Supermarket	1,000 sf GFA	8.95	\$23.23	\$26.22	\$35.21	\$39.16
851 - Convenience Store	1,000 sf GFA	49.11	\$127.48	\$143.87	\$193.18	\$214.87
862 - Home Improvement Superstore	1,000 sf GFA	0.19	\$0.49	\$0.56	\$0.75	\$0.83
869 - Discount Home Furnishing Superstore	1,000 sf GFA	1.57	\$4.08	\$4.60	\$6.18	\$6.87
879 - Arts and Crafts Store	1,000 sf GFA	6.21	\$16.12	\$18.19	\$24.43	\$27.17
881 - Pharmacy/Drugstore w/Drive-Through	1,000 sf GFA	10.25	\$26.61	\$30.03	\$40.32	\$44.85
882 - Marijuana Dispensary	1,000 sf GFA	18.92	\$49.11	\$55.43	\$74.42	\$82.78
890 - Furniture Store	1,000 sf GFA	0.52	\$1.35	\$1.52	\$2.05	\$2.28
Other Commercial						
911 - Walk-in Bank	1,000 sf GFA	12.13	\$31.49	\$35.54	\$47.71	\$53.07
912 - Drive-in Bank	1,000 sf GFA	21.01	\$54.54	\$61.55	\$82.64	\$91.93
918 - Hair Salon	1,000 sf GFA	1.45	\$3.76	\$4.25	\$5.70	\$6.34
926 - Food Cart Pod	Food Cart	6.16	\$15.99	\$18.05	\$24.23	\$26.95
930 - Fast Casual Restaurant	1,000 sf GFA	12.55	\$32.58	\$36.77	\$49.37	\$54.91
932 - High Turnover (Sit-Down) Restaurant	1,000 sf GFA	9.05	\$23.49	\$26.51	\$35.60	\$39.60
933 - Fast-Food Restaurant w/o Drive-through window	1,000 sf GFA	33.21	\$86.20	\$97.29	\$130.63	\$145.30
934 - Fast-Food Restaurant w/Drive-through window	1,000 sf GFA	33.03	\$85.74	\$96.77	\$129.92	\$144.52
936 - Coffee/Donut Shop w/o Drive-through window	1,000 sf GFA	32.29	\$83.82	\$94.60	\$127.01	\$141.28
938 - Coffee/Donut Shop w/Drive-through window and no indoor seating	Drive-Through Lanes	15.08	\$39.14	\$44.18	\$59.32	\$65.98
942 - Automobile Care Center	1,000 sf GFA	3.11	\$8.07	\$9.11	\$12.23	\$13.61
943 - Automobile Parts and Service Center	1,000 sf GFA	2.06	\$5.35	\$6.04	\$8.10	\$9.01
945 - Convenience Store/Gas Station	Fueling Position	22.76	\$59.08	\$66.68	\$89.53	\$99.58
947 - Self-Service Car Wash	Wash Stall	5.54	\$14.38	\$16.23	\$21.79	\$24.24

Source: City of Phoenix billing database, the 11th Edition ITE Manual, and HEC February 2024.

Table A-7
Phoenix Streets and Parks Fees & SDCs
Monthly Streets Fee by Land Use Type (Full Schedule)

DRAFT **Scenario A**
Use Bond Funding; Cash Balance @ \$1.5 million

Land Use / Customer Type	Measurement Unit	Factor	Monthly Fee by Land Use		
			FY2025	FY2026	FY2027
Monthly Fee per Peak Hour Trip			\$2.93	\$3.93	\$4.38
RESIDENTIAL					
Single-Family Detached Housing	Dwelling Unit	0.94	\$2.75	\$3.70	\$4.11
Single-Family Attached Housing	Dwelling Unit	0.57	\$1.67	\$2.24	\$2.49
Apartment (Low-Rise)	Dwelling Unit	0.51	\$1.49	\$2.01	\$2.23
Apartment (Mid-Rise)	Dwelling Unit	0.39	\$1.14	\$1.53	\$1.71
Apartment (High-Rise)	Dwelling Unit	0.32	\$0.94	\$1.26	\$1.40
Affordable Housing	Dwelling Unit	0.46	\$1.35	\$1.81	\$2.01
Off-Campus Student Apartment (Low-Rise)	Bedroom	0.24	\$0.70	\$0.94	\$1.05
Off-Campus Student Apartment (Mid-Rise)	Bedroom	0.21	\$0.62	\$0.83	\$0.92
Off-Campus Student Apartment (High-Rise) [2]	Bedroom	0.04	\$0.12	\$0.16	\$0.18
Low-Rise Residential with 1st-Floor Commercial [2]	Dwelling Unit	0.36	\$1.05	\$1.42	\$1.58
Mid-Rise Residential with 1st-Floor Commercial [2]	Dwelling Unit	0.75	\$2.20	\$2.95	\$3.28
High-Rise Residential with 1st-Floor Commercial [2]	Dwelling Unit	0.21	\$0.62	\$0.83	\$0.92
Mobile Home Park	Dwelling Unit	0.58	\$1.70	\$2.28	\$2.54
Senior Adult Housing-Detached	Dwelling Unit	0.30	\$0.88	\$1.18	\$1.31
Senior Adult Housing-Attached	Dwelling Unit	0.25	\$0.73	\$0.98	\$1.09
Congregate Care Facility	Dwelling Unit	0.18	\$0.53	\$0.71	\$0.79
Assisted Living	1,000 sf GFA	0.48	\$1.41	\$1.89	\$2.10
Continuing Care Retirement Community	Unit	0.19	\$0.56	\$0.75	\$0.83
Recreational Homes	Dwelling Unit	0.29	\$0.85	\$1.14	\$1.27
Timeshare	Dwelling Unit	0.63	\$1.85	\$2.48	\$2.76
Residential Planned Unit Development	Dwelling Unit	0.69	\$2.02	\$2.71	\$3.02
LODGING & RECREATIONAL					
Hotel	Room	0.59	\$1.73	\$2.32	\$2.58
All Suites Hotel	Room	0.36	\$1.05	\$1.42	\$1.58
Business Hotel	Room	0.31	\$0.91	\$1.22	\$1.36
Motel	Room	0.36	\$1.05	\$1.42	\$1.58
Resort Hotel	Room	0.41	\$1.20	\$1.61	\$1.79
City Park [2]	Employee	7.41	\$21.71	\$29.15	\$32.42
Campground/Recreational Vehicle Park	Occupied Campsite	0.27	\$0.79	\$1.06	\$1.18
Marina [2]	Berths	0.21	\$0.62	\$0.83	\$0.92
Golf Course	Hole	2.91	\$8.53	\$11.45	\$12.73
Mini Golf	Hole	0.33	\$0.97	\$1.30	\$1.44
Golf Driving Range	Tee/Driving Position	1.25	\$3.66	\$4.92	\$5.47
Batting Cages	Cages	2.22	\$6.50	\$8.73	\$9.71
Rock Climbing Gym [2]	1,000 sf GFA	1.64	\$4.80	\$6.45	\$7.18
Multipurpose Recreational Facility	1,000 sf GFA	3.58	\$10.49	\$14.08	\$15.66
Trampoline Park	1,000 sf GFA	1.50	\$4.39	\$5.90	\$6.56
Bowling Alley	Bowling Lane	1.30	\$3.81	\$5.11	\$5.69
Adult Cabaret [2]	1,000 sf GFA	2.93	\$8.58	\$11.53	\$12.82
Multiplex Movie Theater [2]	1,000 sf GFA	6.17	\$18.08	\$24.27	\$27.00
Horse Racetrack [2]	Seats	0.06	\$0.18	\$0.24	\$0.26
Automobile Racetrack [2]	Attendees	0.28	\$0.82	\$1.10	\$1.23
Dog Racetrack [2]	Attendees	0.15	\$0.44	\$0.59	\$0.66
Professional Baseball Stadium [2]	Attendees	0.15	\$0.44	\$0.59	\$0.66
Ice Skating Rink	Rinks	1.33	\$3.90	\$5.23	\$5.82
Snow Ski Area	Lifts	33.77	\$98.93	\$132.84	\$147.75
Bingo Hall [2]	Seats	0.48	\$1.41	\$1.89	\$2.10
Casino	Gaming Position	22.61	\$66.24	\$88.94	\$98.93
Amusement Park [2]	Employee	0.50	\$1.46	\$1.97	\$2.19
Water Slide Park [2]	Parking Spaces	0.28	\$0.82	\$1.10	\$1.23
Soccer Complex	Field	16.43	\$48.13	\$64.63	\$71.89
Tennis Courts [2]	Court	4.21	\$12.33	\$16.56	\$18.42
Racket/Tennis Club [2]	Court	3.82	\$11.19	\$15.03	\$16.71
Health/Fitness Club	1,000 sf GFA	3.45	\$10.11	\$13.57	\$15.09
Athletic Club	1,000 sf GFA	6.29	\$18.43	\$24.74	\$27.52
Recreational Community Center	1,000 sf GFA	2.50	\$7.32	\$9.83	\$10.94

Table A-7
Phoenix Streets and Parks Fees & SDCs
Monthly Streets Fee by Land Use Type (Full Schedule)

DRAFT **Scenario A**
Use Bond Funding; Cash Balance @ \$1.5 million

Land Use / Customer Type	Measurement Unit	Factor	Monthly Fee by Land Use		
			FY2025	FY2026	FY2027
Monthly Fee per Peak Hour Trip			\$2.93	\$3.93	\$4.38
INSTITUTIONAL & MEDICAL					
Military Base	Employees	0.39	\$1.14	\$1.53	\$1.71
Elementary School	Student	0.16	\$0.47	\$0.63	\$0.70
Middle School/Junior High School	Student	0.15	\$0.44	\$0.59	\$0.66
High School	Student	0.14	\$0.41	\$0.55	\$0.61
School District Office	1,000 sf GFA	2.04	\$5.98	\$8.02	\$8.93
Private School (K-8)	Student	0.26	\$0.76	\$1.02	\$1.14
Private School (K-12)	Student	0.17	\$0.50	\$0.67	\$0.74
Private High School	Student	0.19	\$0.56	\$0.75	\$0.83
Charter Elementary School	Student	0.16	\$0.47	\$0.63	\$0.70
Charter School (K-12)	Student	0.73	\$2.14	\$2.87	\$3.19
Junior/Community College	Student	0.11	\$0.32	\$0.43	\$0.48
University/College	Student	0.15	\$0.44	\$0.59	\$0.66
Church	1,000 sf GFA	0.49	\$1.44	\$1.93	\$2.14
Synagogue [2]	1,000 sf GFA	2.92	\$8.55	\$11.49	\$12.78
Mosque [2]	1,000 sf GFA	4.22	\$12.36	\$16.60	\$18.46
Day Care Center	1,000 sf GFA	11.12	\$32.58	\$43.74	\$48.65
Cemetery	Acres	0.46	\$1.35	\$1.81	\$2.01
Adult Detention Facility [2]	1,000 sf GFA	0.48	\$1.41	\$1.89	\$2.10
Fire and Rescue Station	1,000 sf GFA	0.48	\$1.41	\$1.89	\$2.10
Museum [2]	1,000 sf GFA	0.18	\$0.53	\$0.71	\$0.79
Library	1,000 sf GFA	8.16	\$23.91	\$32.10	\$35.70
Hospital	1,000 sf GFA	0.86	\$2.52	\$3.38	\$3.76
Nursing Home	1,000 sf GFA	0.59	\$1.73	\$2.32	\$2.58
Clinic	1,000 sf GFA	3.69	\$10.81	\$14.51	\$16.14
Vet Clinic	1,000 sf GFA	3.53	\$10.34	\$13.89	\$15.44
Free Standing Emergency Room	1,000 sf GFA	1.52	\$4.45	\$5.98	\$6.65
RETAIL					
Tractor Supply Store	1,000 sf GFA	1.40	\$4.10	\$5.51	\$6.13
Construction Equipment Rental	1,000 sf GFA	0.99	\$2.90	\$3.89	\$4.33
Building Materials and Lumber Store	1,000 sf GFA	2.25	\$6.59	\$8.85	\$9.84
Free-Standing Discount Superstore	1,000 sf GFA	4.33	\$12.69	\$17.03	\$18.95
Variety Store	1,000 sf GFA	6.70	\$19.63	\$26.35	\$29.31
Free-Standing Discount Store	1,000 sf GFA	4.86	\$14.24	\$19.12	\$21.26
Hardware/Paint Store	1,000 sf GFA	2.98	\$8.73	\$11.72	\$13.04
Nursery (Garden Center)	1,000 sf GFA	6.94	\$20.33	\$27.30	\$30.36
Nursery (Wholesale)	1,000 sf GFA	5.24	\$15.35	\$20.61	\$22.93
Shopping Center (150K-300K)	1,000 sf GLA	3.40	\$9.96	\$13.37	\$14.88
Shopping Center (300K-900K)	1,000 sf GFA	3.40	\$9.96	\$13.37	\$14.88
Shopping Plaza (40K-150K)	1,000 sf GLA	9.03	\$26.45	\$35.52	\$39.51
Strip Retail Plaza (<40K)	1,000 sf GLA	6.59	\$19.31	\$25.92	\$28.83
Factory Outlet Center	1,000 sf GFA	2.29	\$6.71	\$9.01	\$10.02
Automobile Sales (New)	1,000 sf GFA	2.42	\$7.09	\$9.52	\$10.59
Automobile Sales (Used)	1,000 sf GFA	3.75	\$10.99	\$14.75	\$16.41
Recreational Vehicle Sales	1,000 sf GFA	0.77	\$2.26	\$3.03	\$3.37
Automobile Parts Sales	1,000 sf GFA	4.90	\$14.36	\$19.27	\$21.44
Tire Store	1,000 sf GFA	3.75	\$10.99	\$14.75	\$16.41
Tire Superstore	1,000 sf GFA	2.11	\$6.18	\$8.30	\$9.23
Supermarket	1,000 sf GFA	8.95	\$26.22	\$35.21	\$39.16
Convenience Store	1,000 sf GFA	49.11	\$143.87	\$193.18	\$214.87
Discount Club	1,000 sf GFA	4.19	\$12.28	\$16.48	\$18.33
Farmers Market [2]	Acres	179.84	\$526.86	\$707.41	\$786.86
Wholesale Market [2]	1,000 sf GFA	1.76	\$5.16	\$6.92	\$7.70
Sporting Goods Superstore	1,000 sf GFA	2.14	\$6.27	\$8.42	\$9.36
Home Improvement Superstore	1,000 sf GFA	0.19	\$0.56	\$0.75	\$0.83
Electronic Superstore	1,000 sf GFA	4.25	\$12.45	\$16.72	\$18.60

Table A-7
Phoenix Streets and Parks Fees & SDCs
Monthly Streets Fee by Land Use Type (Full Schedule)

DRAFT **Scenario A**
Use Bond Funding; Cash Balance @ \$1.5 million

Land Use / Customer Type	Measurement Unit	Factor	Monthly Fee by Land Use		
			FY2025	FY2026	FY2027
Monthly Fee per Peak Hour Trip			\$2.93	\$3.93	\$4.38
Toy/Children's Superstore [2]	1,000 sf GFA	5.00	\$14.65	\$19.67	\$21.88
Baby Superstore [2]	1,000 sf GFA	1.82	\$5.33	\$7.16	\$7.96
Pet Supply Superstore	1,000 sf GFA	3.55	\$10.40	\$13.96	\$15.53
Office Supply Superstore	1,000 sf GFA	2.77	\$8.12	\$10.90	\$12.12
Book Superstore [2]	1,000 sf GFA	15.83	\$46.38	\$62.27	\$69.26
Discount Home Furnishings Superstore	1,000 sf GFA	1.57	\$4.60	\$6.18	\$6.87
Bed and Linen Superstore [2]	1,000 sf GFA	2.22	\$6.50	\$8.73	\$9.71
Department Store	1,000 sf GFA	1.95	\$5.71	\$7.67	\$8.53
Apparel Store	1,000 sf GFA	4.12	\$12.07	\$16.21	\$18.03
Arts and Crafts Store [2]	1,000 sf GFA	6.21	\$18.19	\$24.43	\$27.17
Pharmacy/Drug Store without Drive-Through	1,000 sf GFA	8.51	\$24.93	\$33.47	\$37.23
Pharmacy/Drug Store with Drive-Through	1,000 sf GFA	10.25	\$30.03	\$40.32	\$44.85
Marijuana Dispensary	1,000 sf GFA	18.92	\$55.43	\$74.42	\$82.78
Furniture Store	1,000 sf GFA	0.52	\$1.52	\$2.05	\$2.28
Medical Equipment Store [2]	1,000 sf GFA	1.24	\$3.63	\$4.88	\$5.43
Liquor Store	1,000 sf GFA	16.62	\$48.69	\$65.38	\$72.72
Walk-in Bank	1,000 sf GFA	12.13	\$35.54	\$47.71	\$53.07
Drive-in Bank	1,000 sf GFA	21.01	\$61.55	\$82.64	\$91.93
Hair Salon [2]	1,000 sf GFA	1.45	\$4.25	\$5.70	\$6.34
Copy, Print and Express Ship Store [2]	1,000 sf GFA	7.42	\$21.74	\$29.19	\$32.46
Food Cart Pod	Food Cart	6.16	\$18.05	\$24.23	\$26.95
Fast Casual Restaurant	1,000 sf GFA	12.55	\$36.77	\$49.37	\$54.91
Fine Dining Restaurant	1,000 sf GFA	7.80	\$22.85	\$30.68	\$34.13
High Turnover (Sit-Down) Restaurant	1,000 sf GFA	9.05	\$26.51	\$35.60	\$39.60
Fast Food Restaurant without Drive-Through	1,000 sf GFA	33.21	\$97.29	\$130.63	\$145.30
Fast Food Restaurant with Drive-Through	1,000 sf GFA	33.03	\$96.77	\$129.92	\$144.52
Fast Food Restaurant with Drive-Through, No Indoor Seating	1,000 sf GFA	59.50	\$174.31	\$234.05	\$260.33
Coffee/Donut Shop without Drive-Through	1,000 sf GFA	32.29	\$94.60	\$127.01	\$141.28
Coffee/Donut Shop with Drive-Through	1,000 sf GFA	38.99	\$114.23	\$153.37	\$170.59
Coffee/Donut Shop with Drive-Through, No Indoor Seating	Drive-Through Lanes	15.08	\$44.18	\$59.32	\$65.98
Quick Lubrication Vehicle Shop [2]	1,000 sf GFA	8.70	\$25.49	\$34.22	\$38.07
Automobile Care Center	1,000 sf GFA	3.11	\$9.11	\$12.23	\$13.61
Auto Parts / Service Center	1,000 sf GFA	2.06	\$6.04	\$8.10	\$9.01
Gasoline/Service Station	Fueling Position	13.91	\$40.75	\$54.72	\$60.86
Gasoline/Service Station w/ Convenience Market (2-4K) & 8 or fewer i	Fueling Position	18.42	\$53.96	\$72.46	\$80.59
Gasoline/Service Station w/ Convenience Market (4-5.5K) & 12-20 pur	Fueling Position	22.76	\$66.68	\$89.53	\$99.58
Gasoline/Service Station w/ Convenience Market (5.5-10K) & 16 pum	Fueling Position	26.90	\$78.81	\$105.81	\$117.70
Self-Service Car Wash	Wash Stall	5.54	\$16.23	\$21.79	\$24.24
Automated Car Wash	Car Wash Tunnel	14.20	\$41.60	\$55.86	\$62.13
Car Wash and Detail Center [2]	Wash Stall	13.60	\$39.84	\$53.50	\$59.50
Truck Stop	Fueling Position	15.42	\$45.17	\$60.66	\$67.47
Wine Tasting Room	1,000 sf GFA	7.31	\$21.42	\$28.75	\$31.98
Brewery Tap Room [2]	1,000 sf GFA	9.83	\$28.80	\$38.67	\$43.01
Drinking Place	1,000 sf GFA	11.36	\$33.28	\$44.68	\$49.70
OFFICE					
General Office Building	1,000 sf GFA	1.44	\$4.22	\$5.66	\$6.30
Small Office Building	1,000 sf GFA	2.16	\$6.33	\$8.50	\$9.45
Corporate Headquarters Building	1,000 sf GFA	1.30	\$3.81	\$5.11	\$5.69
Single Tenant Office Building	1,000 sf GFA	1.76	\$5.16	\$6.92	\$7.70
Medical-Dental Office Building	1,000 sf GFA	3.93	\$11.51	\$15.46	\$17.20
Government Office Building	1,000 sf GFA	1.71	\$5.01	\$6.73	\$7.48
State Motor Vehicle Department	1,000 sf GFA	5.20	\$15.23	\$20.45	\$22.75
United States Post Office	1,000 sf GFA	11.21	\$32.84	\$44.09	\$49.05
Office Park	1,000 sf GFA	1.30	\$3.81	\$5.11	\$5.69
Research and Development Center	1,000 sf GFA	0.98	\$2.87	\$3.85	\$4.29
Business Park	1,000 sf GFA	1.22	\$3.57	\$4.80	\$5.34

Table A-7
Phoenix Streets and Parks Fees & SDCs
Monthly Streets Fee by Land Use Type (Full Schedule)

DRAFT **Scenario A**
Use Bond Funding; Cash Balance @ \$1.5 million

Land Use / Customer Type	Measurement Unit	Factor	Monthly Fee by Land Use		
			FY2025	FY2026	FY2027
Monthly Fee per Peak Hour Trip			\$2.93	\$3.93	\$4.38
INDUSTRIAL & TERMINAL					
General Light Industrial	1,000 sf GFA	0.65	\$1.90	\$2.56	\$2.84
Industrial Park	1,000 sf GFA	0.34	\$1.00	\$1.34	\$1.49
Manufacturing	1,000 sf GFA	0.74	\$2.17	\$2.91	\$3.24
Warehousing	1,000 sf GFA	0.18	\$0.53	\$0.71	\$0.79
Mini-Warehouse (per 100 storage units)	100 storage units	1.68	\$4.92	\$6.61	\$7.35
Mini-Warehouse (per 1000 sf GLA)	1,000 sf GFA	0.15	\$0.44	\$0.59	\$0.66
High-Cube Transload and Short-Term Storage Warehouse	1,000 sf GFA	0.10	\$0.29	\$0.39	\$0.44
High-Cube Fulfillment Center Warehouse	1,000 sf GFA	0.16	\$0.47	\$0.63	\$0.70
High-Cube Parcel Hub Warehouse	1,000 sf GFA	0.64	\$1.87	\$2.52	\$2.80
High-Cube Cold Storage Warehouse	1,000 sf GFA	0.12	\$0.35	\$0.47	\$0.53
Data Center	1,000 sf GFA	0.09	\$0.26	\$0.35	\$0.39
Utilities	1,000 sf GFA	2.16	\$6.33	\$8.50	\$9.45
Specialty Trade Contractor	1,000 sf GFA	1.93	\$5.65	\$7.59	\$8.44
Marijuana Cultivation and Processing Facility [2]	1,000 sf GFA	0.64	\$1.87	\$2.52	\$2.80
Commercial Airport [2]	Employees	0.00	\$0.00	\$0.00	\$0.00
General Aviation Airport [2]	Employees	1.57	\$4.60	\$6.18	\$6.87
Intermodal Truck Terminal	1,000 sq GFA	1.87	\$5.48	\$7.36	\$8.18
Park-and-Ride Lot with Bus	Parking Spaces	0.49	\$1.44	\$1.93	\$2.14

Source: ITE Trip Generation Manual, 11th Edition.

* Abbreviations include: GFA = Gross Floor Area, sf = square feet, and GLA = Gross Leasable Area

1. P.M. Peak hour of the adjacent street system used unless not available.
2. Indicates there were a limited number of studies for this land use (less than three) so data may not be reliable.

Table A-8
Phoenix Streets and Parks Fees & SDCs
Streets Utility Fund Assets

DRAFT

Description	Date In Service	Purchase Year	Book Cost	Book Period	Years Depreciated	Remaining Years	Annual Deprec	Accumulated Depreciation	Book Value 2023
2nd Street	7/1/1990	1990	\$25,000	40	33	7	\$625	\$20,625	\$4,375
Colver Rd	1/1/2004	2004	\$43,163	15	19	0	\$0	\$43,163	\$0
RR Crossing	1/1/2004	2004	\$63,000	30	19	11	\$2,100	\$39,900	\$23,100
Portable radios	1/1/2006	2006	\$10,021	10	17	0	\$0	\$10,021	\$0
4th Street Bridge	1/1/2006	2006	\$10,600	40	17	23	\$265	\$4,505	\$6,095
5th Street Bridge	7/1/2006	2006	\$43,845	20	17	3	\$2,192	\$37,268	\$6,577
A7000 Street sweeper	7/1/2007	2007	\$152,786	20	16	4	\$7,639	\$122,229	\$30,557
Rose St. Improvements	7/1/2007	2007	\$189,226	25	16	9	\$7,569	\$121,105	\$68,122
Rose St. Improvementts	7/1/2007	2007	\$234,933	25	16	9	\$9,397	\$150,357	\$84,576
Software	7/1/2008	2008	\$23,069	5	15	0	\$0	\$23,069	\$0
4th street project	7/1/2008	2008	\$336,164	40	15	25	\$8,404	\$126,062	\$210,103
Bolz Rd	7/1/2008	2008	\$61,345	40	15	25	\$1,534	\$23,004	\$38,341
Software	7/1/2009	2009	\$26,389	7	14	0	\$0	\$26,389	\$0
Sidewalk	6/30/2010	2010	\$9,647	15	13	2	\$643	\$8,361	\$1,286
1st Street	6/30/2010	2010	\$100,011	30	13	17	\$3,334	\$43,338	\$56,673
Cheryl and Rose Street	6/30/2011	2011	\$159,500	40	12	28	\$3,988	\$47,850	\$111,650
Phones	6/30/2012	2012	\$7,415	7	11	0	\$0	\$7,415	\$0
Equipment	6/30/2014	2014	\$3,750	10	9	1	\$375	\$3,375	\$375
Infrastructure	6/30/2014	2014	\$18,519	15	9	6	\$1,235	\$11,111	\$7,408
Infrastructure	6/30/2015	2015	\$371,174	40	8	32	\$9,279	\$74,235	\$296,939
Infrastructure	6/30/2016	2016	\$1,641,088	40	7	33	\$41,027	\$287,190	\$1,353,898
West 1st street Improvement	1/1/2017	2017	\$184,500	40	6	34	\$4,613	\$27,675	\$156,825
Infrastructure-CIP transfer	6/30/2017	2017	\$208,158	40	6	34	\$5,204	\$31,224	\$176,934
Furry Rd Improvements	6/30/2019	2019	\$198,640	40	4	36	\$4,966	\$19,864	\$178,776
N Church St	6/30/2020	2020	\$1,205,478	40	3	37	\$30,137	\$90,411	\$1,115,067
Main St/Bear Creek Construction	1/1/2021	2021	\$689,526	40	2	38	\$17,238	\$34,476	\$655,050
B Street Project	1/1/2021	2021	\$280,469	40	2	38	\$7,012	\$14,023	\$266,446
Total Streets			\$6,297,416				\$168,775	\$1,448,245	\$4,849,171

Source: City of Phoenix fixed assets records.

Table A-9
Phoenix Streets and Parks Fees & SDCs
2024 Transportation SDC Fee by Land Use Type

DRAFT

Land Use / Customer Type	Measurement Unit	Factor	7/1/2024 SDC
Transportation SDC per Peak Hour Trip			\$3,000
RESIDENTIAL			
Single-Family Detached Housing	Dwelling Unit	0.94	\$2,820
Single-Family Attached Housing	Dwelling Unit	0.57	\$1,710
Apartment (Low-Rise)	Dwelling Unit	0.51	\$1,530
Apartment (Mid-Rise)	Dwelling Unit	0.39	\$1,170
Apartment (High-Rise)	Dwelling Unit	0.32	\$960
Affordable Housing	Dwelling Unit	0.46	\$1,380
Off-Campus Student Apartment (Low-Rise)	Bedroom	0.24	\$720
Off-Campus Student Apartment (Mid-Rise)	Bedroom	0.21	\$630
Off-Campus Student Apartment (High-Rise) [2]	Bedroom	0.04	\$120
Low-Rise Residential with 1st-Floor Commercial [2]	Dwelling Unit	0.36	\$1,080
Mid-Rise Residential with 1st-Floor Commercial [2]	Dwelling Unit	0.75	\$2,250
High-Rise Residential with 1st-Floor Commercial [2]	Dwelling Unit	0.21	\$630
Mobile Home Park	Dwelling Unit	0.58	\$1,740
Senior Adult Housing-Detached	Dwelling Unit	0.30	\$900
Senior Adult Housing-Attached	Dwelling Unit	0.25	\$750
Congregate Care Facility	Dwelling Unit	0.18	\$540
Assisted Living	1,000 sf GFA	0.48	\$1,440
Continuing Care Retirement Community	Unit	0.19	\$570
Recreational Homes	Dwelling Unit	0.29	\$870
Timeshare	Dwelling Unit	0.63	\$1,890
Residential Planned Unit Development	Dwelling Unit	0.69	\$2,070
LODGING & RECREATIONAL			
Hotel	Room	0.59	\$1,770
All Suites Hotel	Room	0.36	\$1,080
Business Hotel	Room	0.31	\$930
Motel	Room	0.36	\$1,080
Resort Hotel	Room	0.41	\$1,230
City Park [2]	Employee	7.41	\$22,230
Campground/Recreational Vehicle Park	Occupied Campsite	0.27	\$810
Marina [2]	Berths	0.21	\$630
Golf Course	Hole	2.91	\$8,730
Mini Golf	Hole	0.33	\$990
Golf Driving Range	Tee/Driving Position	1.25	\$3,750
Batting Cages	Cages	2.22	\$6,660
Rock Climbing Gym [2]	1,000 sf GFA	1.64	\$4,920
Multipurpose Recreational Facility	1,000 sf GFA	3.58	\$10,740
Trampoline Park	1,000 sf GFA	1.50	\$4,500
Bowling Alley	Bowling Lane	1.30	\$3,900
Adult Cabaret [2]	1,000 sf GFA	2.93	\$8,790
Multiplex Movie Theater [2]	1,000 sf GFA	6.17	\$18,510
Horse Racetrack [2]	Seats	0.06	\$180
Automobile Racetrack [2]	Attendees	0.28	\$840
Dog Racetrack [2]	Attendees	0.15	\$450
Professional Baseball Stadium [2]	Attendees	0.15	\$450
Ice Skating Rink	Rinks	1.33	\$3,990
Snow Ski Area	Lifts	33.77	\$101,310
Bingo Hall [2]	Seats	0.48	\$1,440
Casino	Gaming Position	22.61	\$67,830
Amusement Park [2]	Employee	0.50	\$1,500
Water Slide Park [2]	Parking Spaces	0.28	\$840
Soccer Complex	Field	16.43	\$49,290
Tennis Courts [2]	Court	4.21	\$12,630
Racket/Tennis Club [2]	Court	3.82	\$11,460
Health/Fitness Club	1,000 sf GFA	3.45	\$10,350
Athletic Club	1,000 sf GFA	6.29	\$18,870
Recreational Community Center	1,000 sf GFA	2.50	\$7,500

Table A-9
Phoenix Streets and Parks Fees & SDCs
2024 Transportation SDC Fee by Land Use Type

DRAFT

Land Use / Customer Type	Measurement Unit	Factor	7/1/2024 SDC
Transportation SDC per Peak Hour Trip			\$3,000
INSTITUTIONAL & MEDICAL			
Military Base	Employees	0.39	\$1,170
Elementary School	Student	0.16	\$480
Middle School/Junior High School	Student	0.15	\$450
High School	Student	0.14	\$420
School District Office	1,000 sf GFA	2.04	\$6,120
Private School (K-8)	Student	0.26	\$780
Private School (K-12)	Student	0.17	\$510
Private High School	Student	0.19	\$570
Charter Elementary School	Student	0.16	\$480
Charter School (K-12)	Student	0.73	\$2,190
Junior/Community College	Student	0.11	\$330
University/College	Student	0.15	\$450
Church	1,000 sf GFA	0.49	\$1,470
Synagogue [2]	1,000 sf GFA	2.92	\$8,760
Mosque [2]	1,000 sf GFA	4.22	\$12,660
Day Care Center	1,000 sf GFA	11.12	\$33,360
Cemetery	Acres	0.46	\$1,380
Adult Detention Facility [2]	1,000 sf GFA	0.48	\$1,440
Fire and Rescue Station	1,000 sf GFA	0.48	\$1,440
Museum [2]	1,000 sf GFA	0.18	\$540
Library	1,000 sf GFA	8.16	\$24,480
Hospital	1,000 sf GFA	0.86	\$2,580
Nursing Home	1,000 sf GFA	0.59	\$1,770
Clinic	1,000 sf GFA	3.69	\$11,070
Vet Clinic	1,000 sf GFA	3.53	\$10,590
Free Standing Emergency Room	1,000 sf GFA	1.52	\$4,560
RETAIL			
Tractor Supply Store	1,000 sf GFA	1.40	\$4,200
Construction Equipment Rental	1,000 sf GFA	0.99	\$2,970
Building Materials and Lumber Store	1,000 sf GFA	2.25	\$6,750
Free-Standing Discount Superstore	1,000 sf GFA	4.33	\$12,990
Variety Store	1,000 sf GFA	6.70	\$20,100
Free-Standing Discount Store	1,000 sf GFA	4.86	\$14,580
Hardware/Paint Store	1,000 sf GFA	2.98	\$8,940
Nursery (Garden Center)	1,000 sf GFA	6.94	\$20,820
Nursery (Wholesale)	1,000 sf GFA	5.24	\$15,720
Shopping Center (150K-300K)	1,000 sf GLA	3.40	\$10,200
Shopping Center (300K-900K)	1,000 sf GFA	3.40	\$10,200
Shopping Plaza (40K-150K)	1,000 sf GLA	9.03	\$27,090
Strip Retail Plaza (<40K)	1,000 sf GLA	6.59	\$19,770
Factory Outlet Center	1,000 sf GFA	2.29	\$6,870
Automobile Sales (New)	1,000 sf GFA	2.42	\$7,260
Automobile Sales (Used)	1,000 sf GFA	3.75	\$11,250
Recreational Vehicle Sales	1,000 sf GFA	0.77	\$2,310
Automobile Parts Sales	1,000 sf GFA	4.90	\$14,700
Tire Store	1,000 sf GFA	3.75	\$11,250
Tire Superstore	1,000 sf GFA	2.11	\$6,330
Supermarket	1,000 sf GFA	8.95	\$26,850
Convenience Store	1,000 sf GFA	49.11	\$147,330
Discount Club	1,000 sf GFA	4.19	\$12,570
Farmers Market [2]	Acres	179.84	\$539,520
Wholesale Market [2]	1,000 sf GFA	1.76	\$5,280
Sporting Goods Superstore	1,000 sf GFA	2.14	\$6,420
Home Improvement Superstore	1,000 sf GFA	0.19	\$570
Electronic Superstore	1,000 sf GFA	4.25	\$12,750

Table A-9
Phoenix Streets and Parks Fees & SDCs
2024 Transportation SDC Fee by Land Use Type

DRAFT

Land Use / Customer Type	Measurement Unit	Factor	7/1/2024 SDC
Transportation SDC per Peak Hour Trip			\$3,000
Toy/Children's Superstore [2]	1,000 sf GFA	5.00	\$15,000
Baby Superstore [2]	1,000 sf GFA	1.82	\$5,460
Pet Supply Superstore	1,000 sf GFA	3.55	\$10,650
Office Supply Superstore	1,000 sf GFA	2.77	\$8,310
Book Superstore [2]	1,000 sf GFA	15.83	\$47,490
Discount Home Furnishings Superstore	1,000 sf GFA	1.57	\$4,710
Bed and Linen Superstore [2]	1,000 sf GFA	2.22	\$6,660
Department Store	1,000 sf GFA	1.95	\$5,850
Apparel Store	1,000 sf GFA	4.12	\$12,360
Arts and Crafts Store [2]	1,000 sf GFA	6.21	\$18,630
Pharmacy/Drug Store without Drive-Through	1,000 sf GFA	8.51	\$25,530
Pharmacy/Drug Store with Drive-Through	1,000 sf GFA	10.25	\$30,750
Marijuana Dispensary	1,000 sf GFA	18.92	\$56,760
Furniture Store	1,000 sf GFA	0.52	\$1,560
Medical Equipment Store [2]	1,000 sf GFA	1.24	\$3,720
Liquor Store	1,000 sf GFA	16.62	\$49,860
Walk-in Bank	1,000 sf GFA	12.13	\$36,390
Drive-in Bank	1,000 sf GFA	21.01	\$63,030
Hair Salon [2]	1,000 sf GFA	1.45	\$4,350
Copy, Print and Express Ship Store [2]	1,000 sf GFA	7.42	\$22,260
Food Cart Pod	Food Cart	6.16	\$18,480
Fast Casual Restaurant	1,000 sf GFA	12.55	\$37,650
Fine Dining Restaurant	1,000 sf GFA	7.80	\$23,400
High Turnover (Sit-Down) Restaurant	1,000 sf GFA	9.05	\$27,150
Fast Food Restaurant without Drive-Through	1,000 sf GFA	33.21	\$99,630
Fast Food Restaurant with Drive-Through	1,000 sf GFA	33.03	\$99,090
Fast Food Restaurant with Drive-Through, No Indoor Seating	1,000 sf GFA	59.50	\$178,500
Coffee/Donut Shop without Drive-Through	1,000 sf GFA	32.29	\$96,870
Coffee/Donut Shop with Drive-Through	1,000 sf GFA	38.99	\$116,970
Coffee/Donut Shop with Drive-Through, No Indoor Seating	Drive-Through Lanes	15.08	\$45,240
Quick Lubrication Vehicle Shop [2]	1,000 sf GFA	8.70	\$26,100
Automobile Care Center	1,000 sf GFA	3.11	\$9,330
Auto Parts / Service Center	1,000 sf GFA	2.06	\$6,180
Gasoline/Service Station	Fueling Position	13.91	\$41,730
Gasoline/Service Station w/ Convenience Market (2-4K) & 8 or fewer pumps	Fueling Position	18.42	\$55,260
Gasoline/Service Station w/ Convenience Market (4-5.5K) & 12-20 pumps	Fueling Position	22.76	\$68,280
Gasoline/Service Station w/ Convenience Market (5.5-10K) & 16 pumps	Fueling Position	26.90	\$80,700
Self-Service Car Wash	Wash Stall	5.54	\$16,620
Automated Car Wash	Car Wash Tunnel	14.20	\$42,600
Car Wash and Detail Center [2]	Wash Stall	13.60	\$40,800
Truck Stop	Fueling Position	15.42	\$46,260
Wine Tasting Room	1,000 sf GFA	7.31	\$21,930
Brewery Tap Room [2]	1,000 sf GFA	9.83	\$29,490
Drinking Place	1,000 sf GFA	11.36	\$34,080
OFFICE			
General Office Building	1,000 sf GFA	1.44	\$4,320
Small Office Building	1,000 sf GFA	2.16	\$6,480
Corporate Headquarters Building	1,000 sf GFA	1.30	\$3,900
Single Tenant Office Building	1,000 sf GFA	1.76	\$5,280
Medical-Dental Office Building	1,000 sf GFA	3.93	\$11,790
Government Office Building	1,000 sf GFA	1.71	\$5,130
State Motor Vehicle Department	1,000 sf GFA	5.20	\$15,600
United States Post Office	1,000 sf GFA	11.21	\$33,630
Office Park	1,000 sf GFA	1.30	\$3,900
Research and Development Center	1,000 sf GFA	0.98	\$2,940
Business Park	1,000 sf GFA	1.22	\$3,660

Table A-9
Phoenix Streets and Parks Fees & SDCs
2024 Transportation SDC Fee by Land Use Type

DRAFT

Land Use / Customer Type	Measurement Unit	Factor	7/1/2024 SDC
Transportation SDC per Peak Hour Trip			\$3,000
INDUSTRIAL & TERMINAL			
General Light Industrial	1,000 sf GFA	0.65	\$1,950
Industrial Park	1,000 sf GFA	0.34	\$1,020
Manufacturing	1,000 sf GFA	0.74	\$2,220
Warehousing	1,000 sf GFA	0.18	\$540
Mini-Warehouse (per 100 storage units)	100 storage units	1.68	\$5,040
Mini-Warehouse (per 1000 sf GLA)	1,000 sf GFA	0.15	\$450
High-Cube Transload and Short-Term Storage Warehouse	1,000 sf GFA	0.10	\$300
High-Cube Fulfillment Center Warehouse	1,000 sf GFA	0.16	\$480
High-Cube Parcel Hub Warehouse	1,000 sf GFA	0.64	\$1,920
High-Cube Cold Storage Warehouse	1,000 sf GFA	0.12	\$360
Data Center	1,000 sf GFA	0.09	\$270
Utilities	1,000 sf GFA	2.16	\$6,480
Specialty Trade Contractor	1,000 sf GFA	1.93	\$5,790
Marijuana Cultivation and Processing Facility [2]	1,000 sf GFA	0.64	\$1,920
Commercial Airport [2]	Employees	0.00	\$0
General Aviation Airport [2]	Employees	1.57	\$4,710
Intermodal Truck Terminal	1,000 sq GFA	1.87	\$5,610
Park-and-Ride Lot with Bus	Parking Spaces	0.49	\$1,470

Source: HEC February 2024.

* Abbreviations include: GFA = Gross Floor Area, sf = square feet, and GLA = Gross Leasable Area

1. P.M. Peak hour of the adjacent street system used unless not available.
2. Indicates there were a limited number of studies for this land use (less than three) so data may not be reliable.

APPENDIX B

PM PEAK HOUR NEW TRIPS BY ITE LAND USE CATEGORY

Table B-1
Phoenix Streets and Parks Fees & SDCs
PM Peak Hour Net New Trips by ITE Land Use Category

DRAFT

Land Use Category - ITE 11 th Edition	ITE Land Use Code	ITE Average PM Peak Hour Trip Rate [1]	Unit*
RESIDENTIAL			
Single-Family Detached Housing	210	0.94	Dwelling Unit
Single-Family Attached Housing	215	0.57	Dwelling Unit
Apartment (Low-Rise)	220	0.51	Dwelling Unit
Apartment (Mid-Rise)	221	0.39	Dwelling Unit
Apartment (High-Rise)	222	0.32	Dwelling Unit
Affordable Housing	223	0.46	Dwelling Unit
Off-Campus Student Apartment (Low-Rise)	225	0.24	Bedroom
Off-Campus Student Apartment (Mid-Rise)	226	0.21	Bedroom
Off-Campus Student Apartment (High-Rise) [2]	227	0.04	Bedroom
Low-Rise Residential with 1st-Floor Commercial [2]	230	0.36	Dwelling Unit
Mid-Rise Residential with 1st-Floor Commercial [2]	231	0.75	Dwelling Unit
High-Rise Residential with 1st-Floor Commercial [2]	232	0.21	Dwelling Unit
Mobile Home Park	240	0.58	Dwelling Unit
Senior Adult Housing-Detached	251	0.30	Dwelling Unit
Senior Adult Housing-Attached	252	0.25	Dwelling Unit
Congregate Care Facility	253	0.18	Dwelling Unit
Assisted Living	254	0.48	1,000 sf GFA
Continuing Care Retirement Community	255	0.19	Unit
Recreational Homes	260	0.29	Dwelling Unit
Timeshare	265	0.63	Dwelling Unit
Residential Planned Unit Development	270	0.69	Dwelling Unit
LODGING & RECREATIONAL			
Hotel	310	0.59	Room
All Suites Hotel	311	0.36	Room
Business Hotel	312	0.31	Room
Motel	320	0.36	Room
Resort Hotel	330	0.41	Room

Table B-1
Phoenix Streets and Parks Fees & SDCs
PM Peak Hour Net New Trips by ITE Land Use Category

DRAFT

Land Use Category - ITE 11th Edition	ITE Land Use Code	ITE Average PM Peak Hour Trip Rate [1]	Unit*
City Park [2]	411	7.41	Employee
Campground/Recreational Vehicle Park	416	0.27	Occupied Campsite
Marina [2]	420	0.21	Berths
Golf Course	430	2.91	Hole
Mini Golf	431	0.33	Hole
Golf Driving Range	432	1.25	Tee/Driving Position
Batting Cages	433	2.22	Cages
Rock Climbing Gym [2]	434	1.64	1,000 sf GFA
Multipurpose Recreational Facility	435	3.58	1,000 sf GFA
Trampoline Park	436	1.50	1,000 sf GFA
Bowling Alley	437	1.30	Bowling Lane
Adult Cabaret [2]	440	2.93	1,000 sf GFA
Multiplex Movie Theater [2]	445	6.17	1,000 sf GFA
Horse Racetrack [2]	452	0.06	Seats
Automobile Racetrack [2]	453	0.28	Attendees
Dog Racetrack [2]	454	0.15	Attendees
Professional Baseball Stadium [2]	462	0.15	Attendees
Ice Skating Rink	465	1.33	Rinks
Snow Ski Area	466	33.77	Lifts
Bingo Hall [2]	470	0.48	Seats
Casino	473	22.61	Gaming Position
Amusement Park [2]	480	0.50	Employee
Water Slide Park [2]	482	0.28	Parking Spaces
Soccer Complex	488	16.43	Field
Tennis Courts [2]	490	4.21	Court
Racket/Tennis Club [2]	491	3.82	Court
Health/Fitness Club	492	3.45	1,000 sf GFA
Athletic Club	493	6.29	1,000 sf GFA
Recreational Community Center	495	2.50	1,000 sf GFA

INSTITUTIONAL & MEDICAL			
Military Base	501	0.39	Employees
Elementary School	520	0.16	Student
Middle School/Junior High School	522	0.15	Student
High School	525	0.14	Student
School District Office	528	2.04	1,000 sf GFA
Private School (K-8)	530	0.26	Student
Private School (K-12)	532	0.17	Student
Private High School	534	0.19	Student
Charter Elementary School	536	0.16	Student
Charter School (K-12)	538	0.73	Student
Junior/Community College	540	0.11	Student
University/College	550	0.15	Student
Church	560	0.49	1,000 sf GFA
Synagogue [2]	561	2.92	1,000 sf GFA
Mosque [2]	562	4.22	1,000 sf GFA
Day Care Center	565	11.12	1,000 sf GFA
Cemetery	566	0.46	Acres
Adult Detention Facility [2]	571	0.48	1,000 sf GFA
Fire and Rescue Station	575	0.48	1,000 sf GFA
Museum [2]	580	0.18	1,000 sf GFA
Library	590	8.16	1,000 sf GFA

Table B-1
Phoenix Streets and Parks Fees & SDCs
PM Peak Hour Net New Trips by ITE Land Use Category

DRAFT

Land Use Category - ITE 11 th Edition	ITE Land Use Code	ITE Average PM Peak Hour Trip Rate [1]	Unit*
Hospital	610	0.86	1,000 sf GFA
Nursing Home	620	0.59	1,000 sf GFA
Clinic	630	3.69	1,000 sf GFA
Vet Clinic	640	3.53	1,000 sf GFA
Free Standing Emergency Room	650	1.52	1,000 sf GFA
RETAIL			
Tractor Supply Store	810	1.40	1,000 sf GFA
Construction Equipment Rental	811	0.99	1,000 sf GFA
Building Materials and Lumber Store	812	2.25	1,000 sf GFA
Free-Standing Discount Superstore	813	4.33	1,000 sf GFA
Variety Store	814	6.70	1,000 sf GFA
Free-Standing Discount Store	815	4.86	1,000 sf GFA
Hardware/Paint Store	816	2.98	1,000 sf GFA
Nursery (Garden Center)	817	6.94	1,000 sf GFA
Nursery (Wholesale)	818	5.24	1,000 sf GFA
Shopping Center (150K-300K)	820	3.40	1,000 sf GLA
Shopping Center (300K-900K)	820	3.40	1,000 sf GFA
Shopping Plaza (40K-150K)	821	9.03	1,000 sf GLA
Strip Retail Plaza (<40K)	822	6.59	1,000 sf GLA
Factory Outlet Center	823	2.29	1,000 sf GFA
Automobile Sales (New)	840	2.42	1,000 sf GFA
Automobile Sales (Used)	841	3.75	1,000 sf GFA
Recreational Vehicle Sales	842	0.77	1,000 sf GFA
Automobile Parts Sales	843	4.90	1,000 sf GFA
Tire Store	848	3.75	1,000 sf GFA
Tire Superstore	849	2.11	1,000 sf GFA
Supermarket	850	8.95	1,000 sf GFA
Convenience Store	851	49.11	1,000 sf GFA
Discount Club	857	4.19	1,000 sf GFA
Farmers Market [2]	858	179.84	Acres
Wholesale Market [2]	860	1.76	1,000 sf GFA
Sporting Goods Superstore	861	2.14	1,000 sf GFA
Home Improvement Superstore	862	0.19	1,000 sf GFA
Electronic Superstore	863	4.25	1,000 sf GFA

Table B-1
Phoenix Streets and Parks Fees & SDCs
PM Peak Hour Net New Trips by ITE Land Use Category

DRAFT

Land Use Category - ITE 11th Edition	ITE Land Use Code	ITE Average PM Peak Hour Trip Rate [1]	Unit*
Toy/Children's Superstore [2]	864	5.00	1,000 sf GFA
Baby Superstore [2]	865	1.82	1,000 sf GFA
Pet Supply Superstore	866	3.55	1,000 sf GFA
Office Supply Superstore	867	2.77	1,000 sf GFA
Book Superstore [2]	868	15.83	1,000 sf GFA
Discount Home Furnishings Superstore	869	1.57	1,000 sf GFA
Bed and Linen Superstore [2]	872	2.22	1,000 sf GFA
Department Store	875	1.95	1,000 sf GFA
Apparel Store	876	4.12	1,000 sf GFA
Arts and Crafts Store [2]	879	6.21	1,000 sf GFA
Pharmacy/Drug Store without Drive-Through	880	8.51	1,000 sf GFA
Pharmacy/Drug Store with Drive-Through	881	10.25	1,000 sf GFA
Marijuana Dispensary	882	18.92	1,000 sf GFA
Furniture Store	890	0.52	1,000 sf GFA
Medical Equipment Store [2]	897	1.24	1,000 sf GFA
Liquor Store	899	16.62	1,000 sf GFA
Walk-in Bank	911	12.13	1,000 sf GFA
Drive-in Bank	912	21.01	1,000 sf GFA
Hair Salon [2]	918	1.45	1,000 sf GFA
Copy, Print and Express Ship Store [2]	920	7.42	1,000 sf GFA
Food Cart Pod	926	6.16	Food Cart
Fast Casual Restaurant	930	12.55	1,000 sf GFA
Fine Dining Restaurant	931	7.80	1,000 sf GFA
High Turnover (Sit-Down) Restaurant	932	9.05	1,000 sf GFA
Fast Food Restaurant without Drive-Through	933	33.21	1,000 sf GFA
Fast Food Restaurant with Drive-Through	934	33.03	1,000 sf GFA
Fast Food Restaurant with Drive-Through, No Indoor Seating	935	59.50	1,000 sf GFA
Coffee/Donut Shop without Drive-Through	936	32.29	1,000 sf GFA
Coffee/Donut Shop with Drive-Through	937	38.99	1,000 sf GFA
Coffee/Donut Shop with Drive-Through, No Indoor Seating	938	15.08	Drive-Through Lanes
Quick Lubrication Vehicle Shop [2]	941	8.70	1,000 sf GFA
Automobile Care Center	942	3.11	1,000 sf GFA
Auto Parts / Service Center	943	2.06	1,000 sf GFA
Gasoline/Service Station	944	13.91	Fueling Position
Gasoline/Service Station w/ Convenience Market (2-4K) & 8 or fewer pumps	945	18.42	Fueling Position
Gasoline/Service Station w/ Convenience Market (4-5.5K) & 12-20 pumps	945	22.76	Fueling Position
Gasoline/Service Station w/ Convenience Market (5.5-10K) & 16 pumps	945	26.90	Fueling Position
Self-Service Car Wash	947	5.54	Wash Stall
Automated Car Wash	948	14.20	Car Wash Tunnel
Car Wash and Detail Center [2]	949	13.60	Wash Stall
Truck Stop	950	15.42	Fueling Position
Wine Tasting Room	970	7.31	1,000 sf GFA
Brewery Tap Room [2]	971	9.83	1,000 sf GFA
Drinking Place	975	11.36	1,000 sf GFA

Table B-1
Phoenix Streets and Parks Fees & SDCs
PM Peak Hour Net New Trips by ITE Land Use Category

DRAFT

Land Use Category - ITE 11 th Edition	ITE Land Use Code	ITE Average PM Peak Hour Trip Rate [1]	Unit*
OFFICE			
General Office Building	710	1.44	1,000 sf GFA
Small Office Building	712	2.16	1,000 sf GFA
Corporate Headquarters Building	714	1.30	1,000 sf GFA
Single Tenant Office Building	715	1.76	1,000 sf GFA
Medical-Dental Office Building	720	3.93	1,000 sf GFA
Government Office Building	730	1.71	1,000 sf GFA
State Motor Vehicle Department	731	5.20	1,000 sf GFA
United States Post Office	732	11.21	1,000 sf GFA
Office Park	750	1.30	1,000 sf GFA
Research and Development Center	760	0.98	1,000 sf GFA
Business Park	770	1.22	1,000 sf GFA
INDUSTRIAL & TERMINAL			
General Light Industrial	110	0.65	1,000 sf GFA
Industrial Park	130	0.34	1,000 sf GFA
Manufacturing	140	0.74	1,000 sf GFA
Warehousing	150	0.18	1,000 sf GFA
Mini-Warehouse (per 100 storage units)	151	1.68	100 storage units
Mini-Warehouse (per 1000 sf GLA)	151	0.15	1,000 sf GFA
High-Cube Transload and Short-Term Storage Warehouse	154	0.10	1,000 sf GFA
High-Cube Fulfillment Center Warehouse	155	0.16	1,000 sf GFA
High-Cube Parcel Hub Warehouse	156	0.64	1,000 sf GFA
High-Cube Cold Storage Warehouse	157	0.12	1,000 sf GFA
Data Center	160	0.09	1,000 sf GFA
Utilities	170	2.16	1,000 sf GFA
Specialty Trade Contractor	180	1.93	1,000 sf GFA
Marijuana Cultivation and Processing Facility [2]	190	0.64	1,000 sf GFA
Commercial Airport [2]	21	0.00	Employees
General Aviation Airport [2]	22	1.57	Employees
Intermodal Truck Terminal	30	1.87	1,000 sq GFA
Park-and-Ride Lot with Bus	90	0.49	Parking Spaces

Source: ITE Trip Generation Manual, 11th Edition.

* Abbreviations include: GFA = Gross Floor Area, sf = square feet, and GLA = Gross Leasable Area

1. P.M. Peak hour of the adjacent street system used unless not available.
2. Indicates there were a limited number of studies for this land use (less than three) so data may not be reliable.

**City of Phoenix
Parks Maintenance Fee
and System Development
Charges Study**

FINAL REPORT

February 15, 2024

HEC No. 220393

TABLE OF CONTENTS

SECTION	PAGE
1. Introduction and Summary of Findings	1
1.1 Purpose of the Study	1
1.2 Projected Parks Improvement and Operating Costs Funding Strategy	1
1.3 Summary of Findings for Park Maintenance Fee and Park SDC	4
2. Parks Maintenance Fee	6
2.1 City Parks Customers	6
2.2 Funding Sources and Historical Expenses	7
2.3 Estimated Capital Improvements Costs	10
2.4 Projected Funding Gap	12
2.5 Parks Maintenance Fee Calculations	14
3. Parks and Recreation SDC	16
3.1 Improvement Fee	17
3.2 Reimbursement Fee	18
3.3 Updated Park SDC Fee	19

Appendix A – Supporting Tables for Parks Maintenance Fees and Parks and Recreation SDC

LIST OF TABLES

TABLE		PAGE
1	Change in Parks Maintenance Fee for a Residence / Park Unit Fee	4
2	Current and New 2024 Park SDC	5
3	General Fund Parks Fund Revenues and Expenses	9
4	Park Maintenance Fee Revenues with Corrected Park Units	11
5	Estimated Capital Costs Allocated to Current Users	12
6	Projected Funding Gap	13
7	Parks Fund Projected Revenues and Expenses (Scenario A)	14
8	Calculated Parks Maintenance Fee (Scenario A)	15
9	Parks and Recreation SDC Fund Revenues and Expenses	16
10	Current Parks and Recreation SDC Fee Detail	17
11	CIP Parks Costs included in the Improvement Fee	17
12	Improvement Fee Calculation	18
13	Reimbursement Fee Calculation	19
14	Current and New 2024 Parks and Recreation SDC	20

LIST OF FIGURES

FIGURE		PAGE
1	Parks Fee Comparison for a Single-Family Home	6
2	Comparison Park SDCs for a Single-Family Home	7
3	Map of Phoenix Parks	6
4	Parks Fund Revenue Sources	7
5	Parks Fund Expenses	8
6	Parks Maintenance Fee Levels next 3 Years under Scenario 3	15
7	Change in Parks SDC for a Single-Family Home	20

Section 1: INTRODUCTION AND SUMMARY OF FINDINGS

1.1 PURPOSE OF THE STUDY

The City of Phoenix (City) has not updated its Parks Maintenance Fee (Fee) since it was adopted in 2019, and it has not updated its Parks System Development Charge (Park SDC) since 2008 (except for periodic inflationary increases). Although updated recently, the current park fee was not updated based on an analysis such as this one. Parks fees and SDCs are typically updated upon the completion of a Parks Master Plan (MP), which the City anticipates embarking on in 2024; however, over the past year, the City has found a need to update its billing system and rectify the count of park units charged the fee. In addition, the Parks Fund has required an additional subsidy from the City's discretionary revenues in 2023 and is projected to need the subsidy again in 2024. This report was commissioned for these two reasons.

This report determines the level of the Fee and Park SDC necessary to complete a portion, or possibly all, of the improvements described in the 2016 Parks MP, and it corrects the park units for billing purposes, projecting an increased need of the Fee over the next three years until the Parks MP is complete, and a new comprehensive financial analysis can be performed.

1.2 PROJECTED PARKS IMPROVEMENT AND OPERATING COSTS AND FUNDING STRATEGY

All residents and employees in the City of Phoenix and the community of Charlotte Ann have unlimited access to the City of Phoenix's three parks: Otto Caster (a 0.5-acre pocket park), Colver Road Park (a 5-acre neighborhood park), and Blue Heron Park (a 24-acre community park). Parks facilities must be maintained, and over time, replaced or redesigned to continue to meet the needs of their visitors. The City has identified a total Capital Improvements Plan (CIP) funding need of approximately \$3.8 million in current dollars for the continued function of the three parks. Of this total estimated amount, \$3.5 million is allocated to the Fee paid by current residents and businesses, and \$0.3 million to the Park SDC paid by future residents and businesses. With application of an annual 4% inflation rate to the \$3.5 million CIP costs allocated to current users, the Fee would need to support \$4.4 million of improvements over the next ten years. The Fee study focuses on the next three years only while the City updates its Parks MP and reassesses facility needs and associated costs. The estimated CIP cost included in the Fee over the next 3 years is \$45,750.

To pay for anticipated increases in operating costs capital expenses and to allow for the fund to be more self-sufficient, the City will need to increase its Parks Maintenance Fee. The Parks Fund is a financial unit of the General Fund. The fee has historically paid for about 38% of revenue needs. General Fund discretionary revenues (property taxes and franchise fees) pay for about 54% of revenue needs. The remaining 8% is made up of charges for services (civic center rentals for example), grants, investment earnings and occasional miscellaneous other revenues. In fiscal year¹

¹ The City's fiscal year runs July 1 through June 30.

(FY) 2023 the General Fund had to provide an additional subsidy to Parks, and it is projected that the additional subsidy will continue into FY2024.

This report presents three alternative funding strategies for the City to fund the Parks Fund over the next three years. The three strategies are:

- **Scenario A:** Reduce the General Fund subsidy gradually to \$0 by Year 3.
- **Scenario B:** Remove the General Fund subsidy in Year 1.
- **Scenario C:** Remove the General Fund subsidy in Year 1 and gradually reduce the commitment of property taxes to the Parks Fund from \$55,000 to \$20,000 by Year 3.

Scenarios A and B bring the Parks Fund back to the fiscal situation it was in prior to FY2023, without General Fund subsidy.

1.3 SUMMARY OF FINDINGS FOR PARKS MAINTENANCE FEE AND PARK SDC

Parks Maintenance Fee

Table 1 shows the monthly bill impact on a single-family home of increasing the Fee under each of the three funding scenarios. Under Scenario A the Fee would not need to increase in FY2025 (year 1), but it would need to increase in years 2 and 3. Scenario A has the smallest bill impact to park users.

Under Scenario B, the Fee would increase each year as the General Fund subsidy would be removed in year 1. The fee increase is greatest under Scenario 3 as the General Fund subsidy would be removed immediately, and increased Fee revenue would reduce a portion of property taxes allocated to the Parks Fund on an annual regular basis. The calculation of the updated Fee is presented in Section 2 of the report.

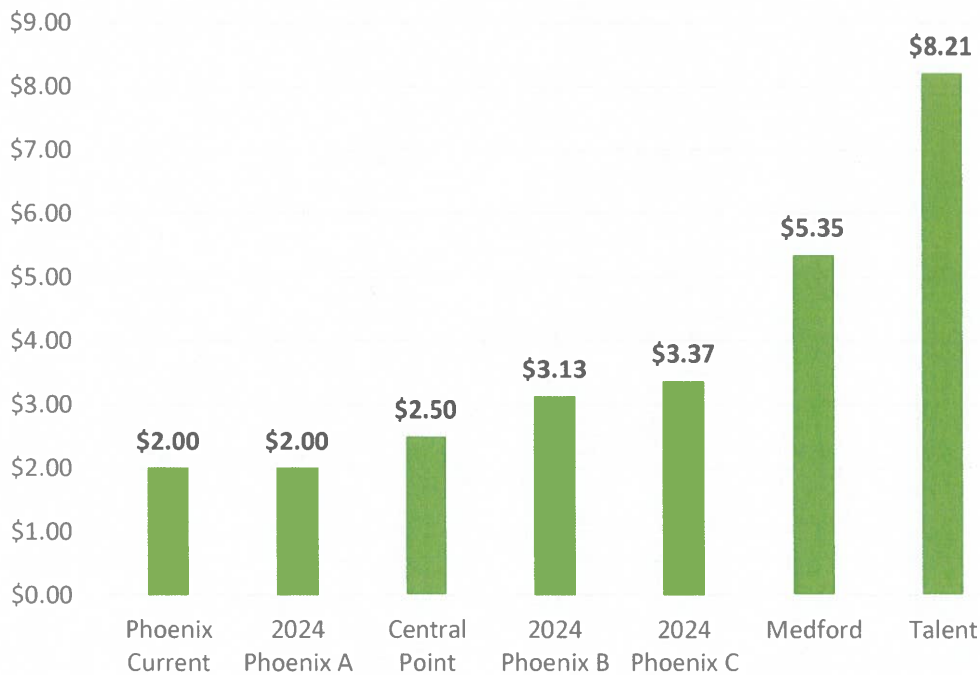
Park fees are paid by all residences (including mobile home parks and multi-family complexes, which pay per unit), by businesses (each business has one park unit plus additional park units calculated at one park unit per increment of 10 employees). A business with 9 employees for example would pay for one park unit; a business with 13 employees would pay for two park units.

Table 1
Change in Parks Maintenance Fee for a Residence / Park Unit

Scenario	Current	7/1/2024	7/1/2025	7/1/2026
Fee per Park Unit per Month				
Scenario A	\$2.00	\$2.00	\$2.84	\$3.61
Scenario B	\$2.00	\$3.13	\$3.43	\$3.61
Scenario C	\$2.00	\$3.37	\$3.90	\$4.30

Figure 1 compares the calculated parks maintenance fee for a single-family home with the fee in Central Point, Talent, and Medford. Phoenix’s park fee is currently the lowest. Even under Scenario C, the fee would remain below that of Medford and Talent.

**Figure 1
Parks Maintenance Fee Comparison for a Single-Family Home**



Parks SDC

The calculation of the new 2024 Park SDC, which comprises two fee components, (1) an improvement fee, and (2) a reimbursement fee, is presented in Section 3 of the report. The total new 2024 Park SDC is calculated at \$2,070 per new residential unit. The current SDC is \$1,261.05 per new residential unit. The change in the Park SDC is shown in **Table 2**.

Table 2
Current and New 2024 Park SDC

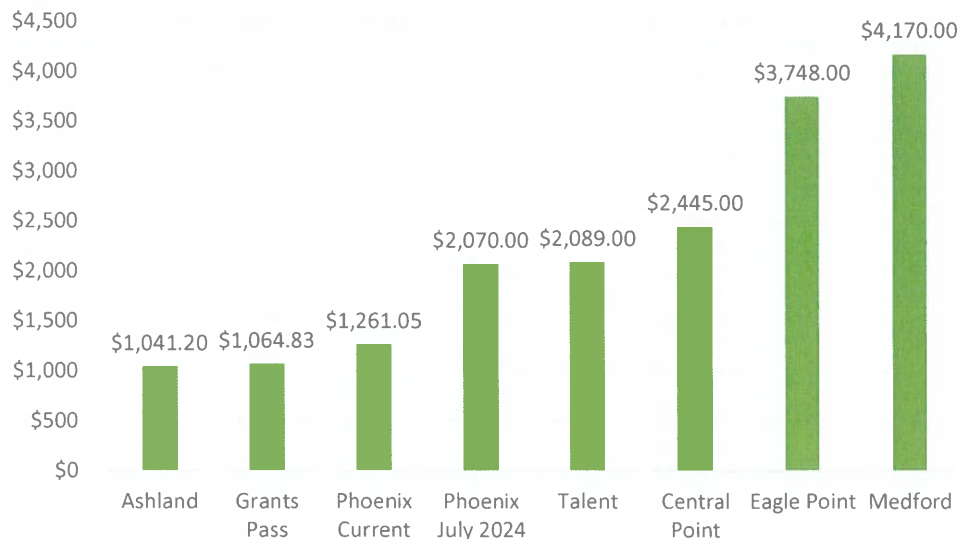
Development Type	Persons per Unit	Ratio	SDC for Parks	
			Current	Updated (2024)
			per unit	
Single Family	2.84	1.00	\$1,261.05	\$2,070
Accessory Dwelling Unit	1.84	0.65	\$817.02	\$1,341
Attached 2-4 Units	2.12	0.75	\$941.35	\$1,545
Multi-Family	1.62	0.57	\$719.33	\$1,181
Mobile Home Park	1.64	0.58	\$728.21	\$1,195

Source: HEC February 2024.

The Parks and Recreation SDC is paid by new residential projects at the time of building permit. New residential projects include new single-family units, new accessory dwelling units, new attached units of 2 to 4 units, new multi-family units (any dwelling unit buildings comprising more than 4 units) and new mobile home units. The SDC per unit is multiplied by the ratio of persons per household estimated for each residential unit type.

Figure 2 compares Phoenix’s current and new Park SDC with the Park SDC fee in Ashland, Grants Pass, Talent, Central Point, Eagle Point, and Medford. The SDC would remain lower than in 4 of the 6 comparison communities.

Figure 2
Park SDC Comparison for a Single-Family Home



Section 2: PARKS MAINTENANCE FEE

2.1 CITY PARKS CUSTOMERS

All residents and employees in the City of Phoenix and the community of Charlotte Ann have unlimited access to the City of Phoenix's three parks: Otto Caster (a 0.5-acre pocket park), Colver Road Park (a 5-acre neighborhood park), and Blue Heron Park (a 24-acre community park). Of its 30 acres of developed parkland and open space, about 12 acres are developed with facilities to serve park visitors. In addition, the portion of Bear Creek Greenway that links the City to the communities of Ashland, Talent, Medford, and Central Point is maintained by the City of Phoenix.

The City last completed a Parks MP in December 2016. The MP describes the existing parks and facilities, documents the socioeconomic needs of the Phoenix community, and steps to achieving a vision of inclusivity of parks and recreation offerings for all its residents and employees. **Figure 3** shows a map of Phoenix and its Parks as provided in the 2016 Parks MP.

Figure 3
Map of Phoenix Parks



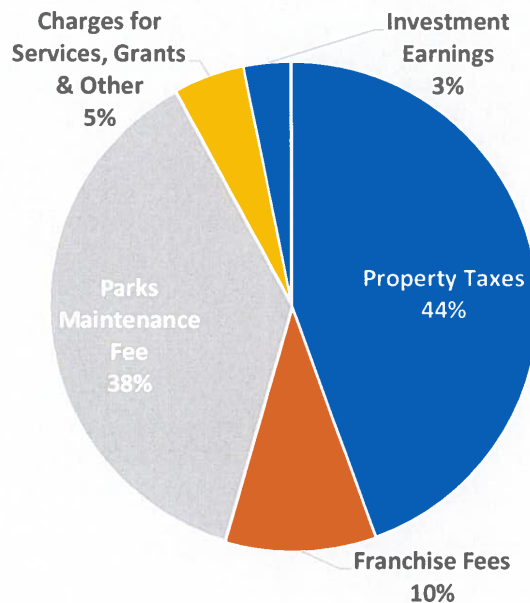
Source: Jackson County GIS, prepared by Community Service Center

2.2 FUNDING SOURCES AND HISTORICAL EXPENSES

The Parks Fund is a financial unit of the City's General Fund. Parks Fund revenue sources include General Fund contributions (property taxes and franchise fees), the Parks Maintenance Fee, and other sources of revenue such as charges for services (civic center rental fee for example), grants, and investment earnings, as shown in **Figure 4**.

Unlike a business-type or 'enterprise' fund, the Parks Fund is largely funded by discretionary revenues of the City (property taxes and franchise fees), which together comprise 54% of total revenues. City Council decides how much discretionary revenue will support the Parks Fund.

Figure 4
Parks Fund Revenue Sources



Revenues pay for annual recurring costs such as personnel, materials and supplies, repairs and maintenance, greenway maintenance, and other expenses, as well as capital costs for repair or replacement of major facilities, or the build or acquisition of new facilities.

The greatest share of operations cost is for personnel, which comprises 63% of total Parks Fund expenses, as shown in **Figure 5**.

Figure 5
Parks Fund Expenses by Category

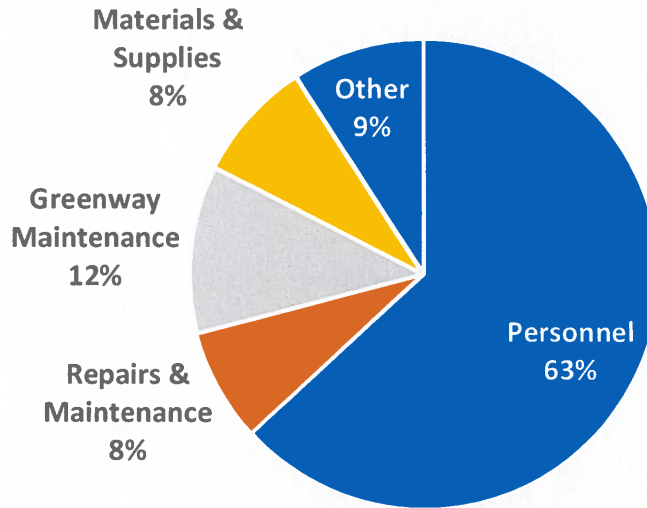


Table 3 shows the Parks Fund historical revenues and expenses for the past three fiscal years, and it shows the budgeted revenues and expenses for the current fiscal year, FY2024. Net revenues have been negative in each of the past three years. Negative revenues are absorbed by the General Fund; at the end of fiscal year 2023 approximately \$230,000 in expenses were paid for by General Fund revenues in addition to the property tax and franchise fee contributions already accounted for. It is projected that FEMA reimbursement and budgeted revenues and expenses in fiscal year 2024 will reduce the General Fund subsidy to about \$64,000 for fiscal years 2023 and 2024.

Parks Maintenance Fee

The Parks Maintenance Fee (Fee) is \$2.00 per park unit per month. Per City Ordinance 1003, adopted June 17, 2019, a park unit may be a Residential Park Unit or a Non-Residential Park unit.

The definition of each type of park unit follows:

- **Residential Park Unit** – A residential structure that provides complete living facilities for one or more persons including, but not limited to, permanent provisions for living, sleeping, and sanitation. A home occupation business in a residential zone will be regarded only as a residential unit, not as a non-residential unit. An accessory dwelling unit on a single-family parcel shall be considered a separate residential unit. Multi-family residential property consisting of two or more dwelling units, condominium units, or individual mobile home units shall have each unit considered as a separate residential unit.

Table 3
General Fund Parks Fund Revenues and Expenses

Revenues and Expenses	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Adopted
Revenue				
Property Taxes	\$48,123	\$67,530	\$47,352	\$90,000
Charges for Services	\$233	\$725	\$4,350	\$2,500
Franchise Fees	\$12,266	\$10,615	\$13,587	\$10,000
Intergovernmental	\$4,577	\$2,491	\$5,259	\$5,200
Parks Maintenance Fee	\$42,816	\$47,494	\$47,216	\$50,000
Miscellaneous	\$0	\$631	(\$825)	\$0
Investment Earnings	\$973	\$1,190	\$9,469	\$500
Total Revenue	\$108,988	\$130,676	\$126,408	\$158,200
Expenses				
Personnel	\$73,141	\$100,069	\$109,456	\$98,300
Materials & Supplies	\$7,727	\$12,156	\$17,373	\$16,750
Utilities	\$6,515	\$8,389	\$6,400	\$12,800
Repairs & Maintenance	\$10,090	\$10,967	\$13,453	\$15,200
Professional & Contract Service	\$1,787	\$3,549	\$6,223	\$15,000
Greenway Maintenance	\$10,333	\$10,333	\$31,068	\$11,000
Community Events	\$4,310	\$1,430	\$2,350	\$5,000
FEMA	\$9,600	\$0	\$182,737	\$0
Total Expenses	\$123,503	\$146,893	\$369,060	\$174,050
Net Revenue	(\$14,515)	(\$16,218)	(\$242,652)	(\$15,850)
Beginning Balance				
Beginning Balance	\$38,511	\$23,996	\$17,378	(\$230,274)
Transfers Out	\$0	\$0	(\$5,000)	\$0
Transfers In	\$0	\$0	\$0	\$0
FEMA Reimbursement [1]	\$0	\$9,600	\$0	\$182,737
Net Revenue	(\$14,515)	(\$16,218)	(\$242,652)	(\$15,850)
Ending Balance	\$23,996	\$17,378	(\$230,274)	(\$63,386)

Source: City of Phoenix financial documents.

[1] HEC has assumed FEMA reimbursement will occur for FY 2023 expenses in FY2024.

- **Non-residential Unit** – A use of property such as a business or commercial enterprise that is primarily not for personal, domestic accommodations. A non-residential structure that provides facilities for one or more businesses shall have each distinct business occupation considered as a separate non-residential unit. The conducting of a business or businesses at two or more locations shall, for the purposes of this chapter, be deemed to be separate businesses and each thereof shall be subject to the fee provided for in this chapter. If two or more differently classified but otherwise related businesses are carried on in the same premises by the same owners, then the business shall be considered one non-residential unit; provided however, any business activity leased under concession or owned, wholly or in part, by a different person or persons on the same premises shall be considered a separate non-residential unit. In determining whether different activities on the same premises are related to the primary use within the meaning of this section, normal and ordinary customs and usages of businesses of like nature shall be considered.

In addition to a single unit charge per business, an additional fee shall be required based on the number of employees as reported in their Business License registration. Each increment of ten employees shall constitute one additional unit for the assessment of the fee, with no limit on the number of units. A part-time employee shall be considered a full-time employee for purposes of the calculation of the number of employees hereunder. Business License registration shall be reviewed annually in July to determine if there have been any changes to the number of employees. Adjustments shall be made as required to comply with this ordinance.

Since adoption of the Parks Maintenance Fee, it has generated \$40,000 to \$50,000 per year. The number of park units has not been adjusted each year. In January 2024, City staff conducted a parcel-based Geographic Information System (GIS) analysis of residential and non-residential properties in the City and Charlotte Ann service area and estimated the number of residential units, businesses and business employees associated with each property. In February 2024, the City's corrected park unit count increased substantially as a result of this effort. **Table 4** shows the Fee revenue that would be generated if the City corrected its billing database to match the GIS analysis of park unit count. The Fee revenue would increase from approximately \$50,000 per year to approximately \$80,000 per year.

2.3 ESTIMATED CAPITAL IMPROVEMENTS COSTS

The 2016 Parks MP provided a list of improvements and facilities to serve the anticipated needs of the City's residents and employees for the next 20 years (through 2036). Some of the improvements and facilities have been completed, but many have not been due to the Alameda Fire, and impact of the Covid-19 pandemic on revenues and resources. The 2016 facility costs have been inflated to current day dollars and the uncompleted list of improvements accounted for in the projected capital improvement costs for the next ten years. In total, there are about \$3.8 million in improvements envisioned for the City; of this amount almost all the costs are associated with redesign of Blue Heron Park.

**Table 4
Parks Maintenance Fee Revenues with Corrected Park Units**

Customer	Total Park Units	Monthly Rate	Monthly Revenue	Annual Revenue
Residential		per unit		
Single Family	1,397	\$2.00	\$2,794	\$33,528
Multi-Family	244	\$2.00	\$488	\$5,856
Affordable Housing	56	\$2.00	\$112	\$1,344
Mobile Home Park	1,303	\$2.00	\$2,606	\$31,272
Total Residential	3,000			\$72,000
Non-Residential				
Industrial	217	\$2.00	\$434	\$5,208
Lodging	1	\$2.00	\$2	\$24
Recreational	9	\$2.00	\$18	\$216
Institutional	28	\$2.00	\$56	\$672
Medical	3	\$2.00	\$6	\$72
Office	30	\$2.00	\$60	\$720
Retail	71	\$2.00	\$142	\$1,704
Other Commercial	43	\$2.00	\$86	\$1,032
Total Non-Residential	402			\$9,648
Total Parks Maintenance Fee Revenues with Correct Units				\$81,648

Source: City of Phoenix February 2024.

Table 5 shows the total estimated capital improvement costs, of which 91% is allocated to current users. The remaining 9% of cost is allocated to future users and captured in the Parks and Recreation System Development Charge (SDC). Of the total 10-year inflated costs estimate of \$4.4 million allocated to current users, \$45,800 is estimated to be spent in the next five years. The allocation of costs between current users and future users is determined in **Appendix A Tables A-1 through A-3**. The City currently has a population of about 3,800. The Portland University Population Research Center estimates the City's population to increase to about 5,800 by 2047. Extrapolating between these beginning and end estimates, the City's population will reach approximately 4,300 in the next three years, and 5,100 in the next ten years.

Support tables showing the itemized park improvement projects and estimated timeline for completion are shown in **Appendix A Tables A-4 and A-5**.

Table 5
Estimated Capital Costs Allocated to Current Users

Park	Estimated 10- Yr Costs	Allocation to Users	Est. Users Capital Costs
	Current \$		Current \$
Colver Park	\$175,942	91%	\$160,107
Otto Caster Park	\$171,258	91%	\$155,844
Blue Heron Park	\$3,486,692	91%	\$3,172,890
Total Estimated Costs	\$3,833,892		\$3,488,841
Total 10-Year Inflated Costs			\$4,353,400
First 3 Years Costs			\$45,800

Source: 2016 Parks Master Plan, City asset list, and HEC February 2024.

2.4 PROJECTED FUNDING GAP

The total amount of revenue that must be raised each year, assuming property tax and franchise fee discretionary revenues are kept at their current levels, is estimated in **Table 6**.

Operating expenses are increased over the next three years using FY2024 as the base year. The average annual inflator applied to each of the expense categories was determined using historical changes in costs for the City and expected changes in the next few years anticipated by City staff. For the personnel costs, 3.0% of the annual increase is for cost-of-living adjustments (COLA), 5.0% for increases in pay steps, and 1.0% for other associated costs. The estimated capital expenses total \$45,800, as described in Section 2.3. All other revenues are credited against the total expenses to determine the ‘revenue requirement’ – the amount that would need to be raised by the Fee.

In FY2024 it is projected that the City will have to provide a General Fund subsidy to the Parks Fund, beyond its current budgeted property taxes and franchise fees, in the amount of approximately \$55,000. After accounting for the increase in Fees generated by the corrected park units count, there remains a funding gap each year for the next three years that must be filled with an increase to the Fee, a continued General Fund subsidy, or some combination of the two.

This study provides three different funding scenarios for filling the Parks Fund projected funding gap. Scenarios A and B bring the Parks Fund back to the fiscal situation it was in prior to FY2023, without General Fund subsidy.

- **Scenario A:** Reduce the General Fund subsidy gradually to \$0 by Year 3.
- **Scenario B:** Remove the General Fund subsidy in Year 1.
- **Scenario C:** Remove the General Fund subsidy in Year 1 and gradually reduce the commitment of property taxes to the Parks Fund from \$55,000 to \$20,000 by Year 3.

**Table 6
Projected Funding Gap**

Expenses and Credits	Inflator	FY2024	FY2025	FY2026	FY2027
Operating Expenses		<i>Budget</i>		<i>Projection</i>	
Personnel	9.0%	\$98,300	\$107,100	\$116,700	\$127,200
Materials & Supplies	3.0%	\$16,750	\$17,300	\$17,800	\$18,300
Utilities	4.5%	\$12,800	\$13,400	\$14,000	\$14,600
Repairs & Maintenance	4.0%	\$15,200	\$15,800	\$16,400	\$17,100
Professional & Contract Service	3.0%	\$15,000	\$15,500	\$16,000	\$16,500
Greenway Maintenance	3.0%	\$11,000	\$11,300	\$11,600	\$11,900
Community Events	3.0%	\$5,000	\$5,200	\$5,400	\$5,600
Total Operating Expenses		\$174,050	\$185,600	\$197,900	\$211,200
Estimated Capital Expenses		\$0	\$11,100	\$17,000	\$17,700
Total Estimated Expenses		\$174,050	\$196,700	\$214,900	\$228,900
Credits					
Property Taxes [1]	1.0%	\$50,000	\$50,500	\$51,000	\$51,500
Charges for Services	1.5%	\$2,500	\$2,500	\$2,500	\$2,500
Franchise Fees	3.0%	\$10,000	\$10,300	\$10,600	\$10,900
Intergovernmental	1.0%	\$5,200	\$5,300	\$5,400	\$5,500
Investment Earnings	1.5%	\$500	\$500	\$500	\$500
Total Credits		\$68,200	\$69,100	\$70,000	\$70,900
Revenue Requirement		\$105,850	\$127,600	\$144,900	\$158,000
Parks Maintenance Fee with Growth [2]	3.5%	\$50,000	\$80,000	\$82,800	\$85,700
Funding Gap		\$55,850	\$47,600	\$62,100	\$72,300

Source: City of Phoenix budget and HEC January 2024.

[1] FY2024 budget \$90,000 adjusted downward to typical annual property tax contribution.

[2] Includes growth rate plus the addition of 150 new accounts from the new Charlotte Ann service area.

A projection of Parks Fund revenues and expenses for the next three years is shown in **Table 7** for **Scenario A**. In this scenario, the General Fund subsidy is reduced from \$55,000 in FY2024 to \$46,000 FY2025, \$25,000 in FY2026, and \$0 in FY2027. The additional Parks Maintenance Fee needed increases each year to \$72,300 by FY2027.

**Table 7
Parks Fund Projected Revenues and Expenses (Scenario A)**

Revenues and Expenses	FY2024	FY2025	FY2026	FY2027
Revenues				
Parks Maintenance Fee (no increase)	\$50,000	\$80,000	\$82,800	\$85,700
Additional Parks Maint. Fee Revenue		\$1,600	\$37,100	\$72,300
Property Tax	\$50,000	\$50,500	\$51,000	\$51,500
Franchise Fees	\$10,000	\$10,300	\$10,600	\$10,900
All Other	\$8,200	\$8,300	\$8,400	\$8,500
Total Revenues	\$118,200	\$150,700	\$189,900	\$228,900
Operating Expenses				
Personnel	\$98,300	\$107,100	\$116,700	\$127,200
All Other	\$75,750	\$78,500	\$81,200	\$84,000
Total Operating Expenses	\$174,050	\$185,600	\$197,900	\$211,200
Net Revenues	(\$55,850)	(\$34,900)	(\$8,000)	\$17,700
Beginning Balance	(\$182,737)	\$0	\$0	\$0
plus Net Revenues	(\$55,850)	(\$34,900)	(\$8,000)	\$17,700
General Fund Subsidy [1]	\$55,850	\$46,000	\$25,000	\$0
FEMA Reimbursement	\$182,737	\$0	\$0	\$0
less Transfer to Capital Fund for CIP	\$0	(\$11,100)	(\$17,000)	(\$17,700)
Ending Balance	\$0	\$0	\$0	\$0

Source: City of Phoenix financial records and HEC February 2024.

[1] Additional General Fund discretionary revenue applied to the Parks Department.

2.5 PARKS MAINTENANCE FEE CALCULATIONS

The Fee calculation under Scenario A is shown in **Table 8**. Under this scenario, the Fee can remain at \$2.00 per park unit per month in Year 1 because of the increase in number of park units determined by City staff. The Fee would increase in years 2 and 3.

All three funding scenarios were run to determine the level of the Fee each year. The results are shown in **Figure 4**.

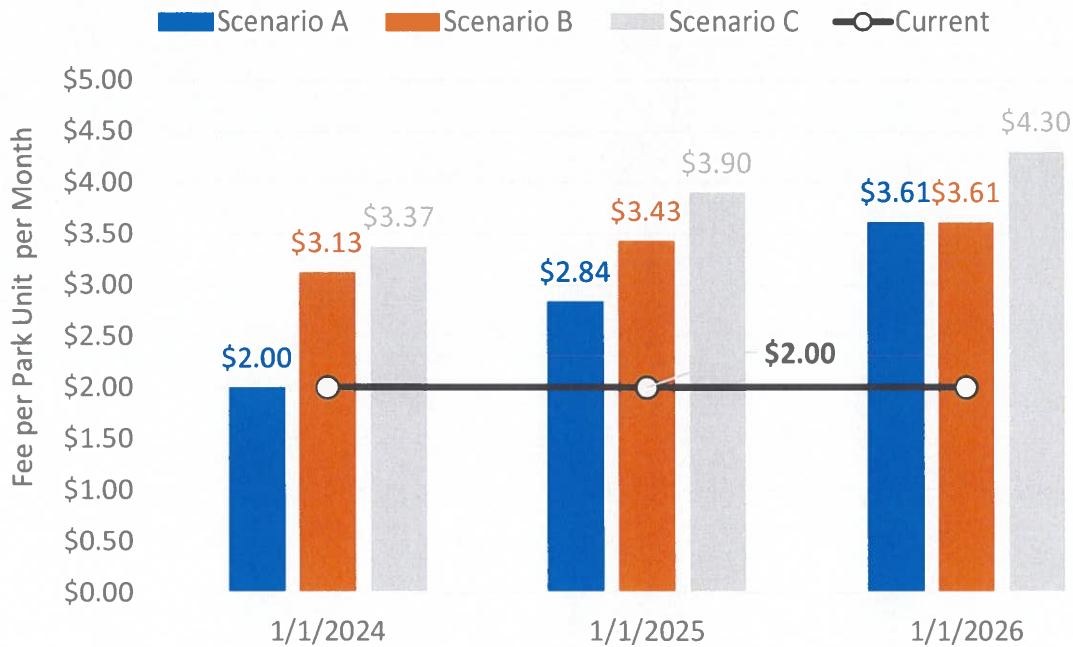
Table 8
Calculated Parks Maintenance Fee (Scenario A)

Item	FY2025	FY2026	FY2027
Parks Maintenance Fee Revenue	\$137,600	\$164,900	\$188,000
<i>Est. Increase in Population</i>		3.5%	3.5%
Estimated Park Units [1]	3,402	3,521	3,644
Calculated Annual Fee Per Residential Unit	\$40.45	\$46.83	\$51.59
Monthly Fee per Park Unit	\$3.37	\$3.90	\$4.30

Source: HEC February 2024.

[1] Includes the Charlotte Ann service area.

Figure 6
Parks Maintenance Fee Levels next 3 Years under Scenario 3



Section 3: PARKS AND RECREATION SDC

The Parks and Recreation SDC (Park SDC) is collected from each applicant for a building permit for a new dwelling unit at the time the permit is issued. The Park SDC is collected for new single family units, new accessory dwelling units, new attached units of 2 to 4 units, new multi-family units (any dwelling unit buildings comprising more than 4 units) and new mobile home units. In the past three years, SDCs have contributed between \$1,500 and \$7,500 to the SDC Fund. The SDC Fund balance as of June 30, 2023 was \$18,400. **Table 9** shows the revenues and expenses of the SDC Fund for the past three fiscal years, and the budget for FY2024.

Table 9
Parks and Recreation SDC Fund Revenues and Expenses

Revenues and Expenses	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Adopted
Revenues				
System Development Charges	\$1,576	\$3,084	\$7,642	\$2,400
Expenses				
	\$0	\$0	\$0	\$0
Net Revenues	\$1,576	\$3,084	\$7,642	\$2,400
Beginning Balance	\$6,088	\$7,664	\$10,748	\$18,390
Transfers Out to Capital Projects	\$0	\$0	\$0	(\$10,000)
Transfers In	\$0	\$0	\$0	\$0
Net Revenues	\$1,576	\$3,084	\$7,642	\$2,400
Ending Balance	\$7,664	\$10,748	\$18,390	\$10,790

Source: City of Phoenix financial documents.

The SDC is comprised of three parts:

1. Improvement Fee
2. Reimbursement Fee
3. Administration Fee

The current Park SDC is \$1,261.05 for a single-family unit. The improvement fee comprises 6.52% of the total fee excluding administration. The reimbursement fee comprises 93.48% of the total fee excluding administration. The administration fee of 3.81% of the total fees due for the new unit(s) is added after calculating the improvement fee and reimbursement fee total, and is not included in the SDC calculations.

The fee for all other types of residential units is calculated using a ratio of persons per unit for that type of unit to a single-family residential unit. **Table 10** shows the current Park SDC breakdown.

Table 10
Current Parks and Recreation SDC Fee Detail

Development Type	Persons per Unit	Fee Ratio	Improvement Fee	Reimbursement Fee	Total Parks SDC
			6.52%	93.48%	100%
Single Family	2.84	1.00	\$82.22	\$1,178.83	\$1,261.05
Accessory Dwelling Unit	1.84	0.65	\$53.27	\$763.75	\$817.02
Attached 2-4 Units	2.12	0.75	\$61.38	\$879.97	\$941.35
Multi-Family	1.62	0.57	\$46.90	\$672.43	\$719.33
Mobile Home Park	1.64	0.58	\$47.48	\$680.73	\$728.21

Source: Parks and Recreation SDC Sheet, Community Development.

3.1 IMPROVEMENT FEE

The improvement fee pays for future park users' cost share of capital improvement projects. **Table 11** shows the estimated costs for the improvements by park in today's dollars. The Parks and Recreation SDC Ordinance 902 allows for periodic indexing of the SDC for inflation; therefore, the SDC is calculated using today's dollars rather than inflated dollars.

Table 11
CIP Park Costs included in the Improvement Fee

Park	Total Estimated Cost	SDC Share	SDC Cost Current Dollars
Colver Park	\$175,942	9%	\$15,835
Otto Caster Park	\$171,258	9%	\$15,413
Blue Heron Park	\$3,486,692	9%	\$313,802
Total Park Costs in the SDC Calculations			\$345,050

Source: City of Phoenix Parks Master Plan, December 2016, and HEC February 2024.

The improvement fee costs include the capital costs and compliance costs (the estimated cost of the Parks MP update and updating the fees upon completion of the MP). The current SDC fund balance is subtracted from the total costs to determine net improvement fee costs of \$406,660.

The total net estimated improvement fee costs are divided by estimated number of new residential units built in the next ten years (215). The number of new residential units is calculated by dividing the net new population by estimated average number of 2.14 persons per unit. The average number of persons per unit is calculated in Appendix A **Table A-6**.

Table 12 shows the calculation of the improvement fee. The 2024 improvement fee is \$1,890 per new residential unit.

Table 12
Improvement Fee Calculation

Fee Component	Calculation
Parks Improvement Fee	
New Users Share of CIP Costs	\$345,050
Parks Master Plan Update	\$50,000
Financial Analysis (follows MP Update)	\$30,000
less SDC Ending Fund Balance (6/30/2023)	(\$18,390)
Total Improvement Fee Costs	\$406,660
Population Growth (2024 to 2034)	460
Persons per Household	2.14
Estimated New Households	215
Parks Improvement Fee per Unit	\$1,890

Source: City Parks MP, and HEC February 2024.

3.2 REIMBURSEMENT FEE

The reimbursement fee is a “buy-in” fee for future residents to repay existing residents for the cost of the currently available park facilities. The fee is based on the current value of existing park assets, including land and improvements, which can be found in supporting **Tables A-7 and A-8** in Appendix A. The total estimated current value of park assets (land and improvements) is \$410,870. The total cost is divided by anticipated total number of households in the City in 2034.

The calculated 2024 reimbursement fee of \$180 per new unit is shown in **Table 13**.

Table 13
Reimbursement Fee Calculation

Fee Component	Calculation
Parks Reimbursement Fee	
Parks Improvements	\$106,210
Parks Estimated Land Value	\$304,660
Estimated Value of Park Assets	\$410,870
Estimated 2034 population	5,120
Persons per Household	2.14
Estimated Total Households in 2034	2,396
Parks Reimbursement Fee per Unit	\$180

Source: HEC February 2024.

3.3 UPDATED PARK SDC

The updated Park SDC fee components for a new residential unit are summarized below. The new 2024 SDC is mostly comprised of the improvement fee, unlike the current SDC, which is mostly comprised of the reimbursement fee.

Improvement Fee	\$1,890	91.30%
Reimbursement Fee	\$180	8.70%
Total SDC	\$2,070	100.00%

The total SDC by residential unit type is calculated in **Table 14** and compared with the current SDC. The fee per single family unit is multiplied by the ratio of persons per household for the residential unit type compared to a single family unit. The Parks and Recreation SDC would increase from \$1,261.05 for a single family unit to \$2,070 in 2024, as illustrated in **Figure 5**.

Table 14
Current and New 2024 Parks and Recreation SDC

Development Type	SDC for Parks	
	Current	Updated (2024)
	per unit	
Single Family	\$1,261.05	\$2,070
Accessory Dwelling Unit	\$817.02	\$1,341
Attached 2-4 Units	\$941.35	\$1,545
Multi-Family	\$719.33	\$1,181
Mobile Home Park	\$728.21	\$1,195

Source: HEC February 2024.

Figure 7
Change in Parks SDC for a Single Family Home



APPENDIX A

SUPPORTING TABLES FOR CITY OF PHOENIX

PARKS MAINTENANCE FEE

&

PARKS AND RECREATION SDC

Table A-1
Phoenix Streets and Parks Fees & SDCs
Historical City Population Estimates

DRAFT

Year	Population 1-Jul	Change in Population	
2010	4,540		
2011	4,550	0.2%	
2012	4,570	0.4%	
2013	4,570	0.0%	
2014	4,580	0.2%	
2015	4,585	0.1%	
2016	4,585	0.0%	
2017	4,605	0.4%	
2018	4,620	0.3%	
2019	4,650	0.6%	
2020	4,660	0.2%	Alameda Fire Sep. 2020 [1]
2021	4,096	-12.1%	
2022	3,639	-11.2%	
2023	3,773	3.7%	

Source: Portland University Population Research Center.

[1] The city lost about 550 housing units in the fire.

Table A-2
Phoenix Streets and Parks Fees & SDCs
Population Projection

DRAFT

	Projection Year	Population Estimate	Growth Rate
	2022	3,639	
	2023	3,773	3.7%
	2024	3,905	3.5%
1	2025	4,042	3.5%
2	2026	4,183	3.5%
3	2027	4,330	3.5%
4	2028	4,459	3.0%
5	2029	4,593	3.0%
6	2030	4,731	3.0%
7	2031	4,826	2.0%
8	2032	4,922	2.0%
9	2033	5,021	2.0%
10	2034	5,121	2.0%
11	2035	5,172	1.0%
12	2036	5,224	1.0%
13	2037	5,276	1.0%
14	2038	5,329	1.0%
15	2039	5,382	1.0%
16	2040	5,436	1.0%
17	2041	5,490	1.0%
18	2042	5,545	1.0%
19	2043	5,601	1.0%
20	2044	5,657	1.0%
21	2045	5,713	1.0%
22	2046	5,771	1.0%
23	2047	5,828	1.0%

Source: Portland University Population Research Center.

Table A-3
Phoenix Streets and Parks Fees & SDCs
Percentage of CIP to New Growth

DRAFT

Item	Amount
Pre-Alameda Fire Population [1]	4,660
Population Estimate 2034 (10 years)	5,120
Population Growth for CIP Cost Allocation	460
Percentage of CIP to New Growth	9%

Source: Portland University Population Research Center.

[1] The Alameda Fire occurred September 2020.

Table A-4
Phoenix Streets and Parks Fees & SDCs
Parks and Recreation CIP Nominal Dollars

DRAFT

	Project Complete	Cost Est.	Design 10%	Contingency 15%	Fees 2%	Total 2016 \$'s	Total Cost Estimate	Allocation to Existing Customers	Existing Customers Cost
All figures in 2016 Dollars						2023 \$s [1]			
Colver Park									
Trash Cans		\$1,050	\$105	\$158	\$21	\$1,334	\$1,905	91%	\$1,733
Landscaping		\$312	\$31	\$47	\$6	\$396	\$566	91%	\$515
Dog Park Furnishings		\$4,100	\$410	\$615	\$82	\$5,207	\$7,438	91%	\$6,769
Gopher Twin Pack Sonic Spikes		\$350	\$35	\$53	\$7	\$445	\$635	91%	\$578
Crusher Fines on Pathway		\$370	\$37	\$56	\$7	\$470	\$671	91%	\$611
Shade Sail for Picnic Area		\$800	\$80	\$120	\$16	\$1,016	\$1,451	91%	\$1,321
Heritage Interpretive Sign		\$500	\$50	\$75	\$10	\$635	\$907	91%	\$825
LED Luminaire		\$60,000	\$6,000	\$9,000	\$1,200	\$76,200	\$108,850	91%	\$99,054
Remodel Bathrooms		\$20,000	\$2,000	\$3,000	\$400	\$25,400	\$36,283	91%	\$33,018
Repair Horseshoe Pits	Complete	\$3,600	\$360	\$540	\$72	\$4,572	\$6,531		
Replace South Fence	Complete	\$1,600	\$160	\$240	\$32	\$2,032	\$2,903		
Replace Cement Walkways	Complete	\$10,000	\$1,000	\$1,500	\$200	\$12,700	\$18,142		
Swing Set with Soft Fall		\$9,500	\$950	\$1,425	\$190	\$12,065	\$17,235	91%	\$15,683
Fence for 1-acre Dog Area	Complete	\$14,178	\$1,418	\$2,127	\$284	\$18,006	\$25,721		
Seating Benches	Complete	\$3,000	\$300	\$450	\$60	\$3,810	\$5,443		
Doggie Bag Station	Complete	\$2,000	\$200	\$300	\$40	\$2,540	\$3,628		
Subtotal Colver Park							\$238,309		\$160,107
Otto Caster Park									
Park Identification Signage		\$500	\$50	\$75	\$10	\$635	\$907	91%	\$825
Heritage Interpretive Sign		\$500	\$50	\$75	\$10	\$635	\$907	91%	\$825
LED Luminaire		\$15,000	\$1,500	\$2,250	\$300	\$19,050	\$27,213	91%	\$24,763
Two bathrooms		\$75,000	\$7,500	\$11,250	\$1,500	\$95,250	\$136,063	91%	\$123,817
Fence		\$3,400	\$340	\$510	\$68	\$4,318	\$6,168	91%	\$5,613
Total Otto Caster Park							\$171,258		\$155,844
Blue Heron									
Parking Improvements		\$55,853	\$5,585	\$8,378	\$1,117	\$70,933	\$101,326	91%	\$92,207
Playground Improvements		\$135,000	\$13,500	\$20,250	\$2,700	\$171,450	\$244,913	91%	\$222,871
Site Amenities	Portion [2]	\$117,704	\$11,770	\$17,656	\$2,354	\$149,484	\$213,535	91%	\$194,317
Paths		\$1,487,590	\$148,759	\$223,139	\$29,752	\$1,889,239	\$2,698,741	91%	\$2,455,854
Earthwork		\$15,600	\$1,560	\$2,340	\$312	\$19,812	\$28,301	91%	\$25,754
Vegetation		\$60,675	\$6,068	\$9,101	\$1,214	\$77,057	\$110,075	91%	\$100,168
Riparian Restoration		\$45,500	\$4,550	\$6,825	\$910	\$57,785	\$82,545	91%	\$75,116
Signage		\$4,000	\$400	\$600	\$80	\$5,080	\$7,257	91%	\$6,604
Total Blue Heron Park [3]							\$3,486,692		\$3,172,890
Total Parks Improvements		\$2,147,682	\$214,768	\$322,152	\$42,954	\$2,727,556	\$3,896,259		\$3,488,841
Completed Projects		\$34,378	\$3,438	\$5,157	\$688	\$43,660	\$62,368		
Parks Improvements Unfunded		\$2,113,304	\$211,330	\$316,996	\$42,266	\$2,683,895	\$3,833,892		\$3,488,841

Source: City of Phoenix Parks Master Plan, December 2016.

[1] Costs increased from 2016 dollars to 2023 dollars using the Engineering News Record Construction Cost Index.

[2] The volleyball court is complete. Cost has been reduced by the completed volleyball court cost.

**Table A-5
Phoenix Streets and Parks Fees & SDCs
Parks 10-Year Estimated CIP Costs**

DRAFT

Project	Total	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Figures inflated each year by 4.0%											
Colver Park											
Trash Cans	\$1,803	\$1,803									
Landscaping	\$536	\$536									
Dog Park Furnishings	\$7,039	\$7,039									
Gopher Twin Pack Sonic Spikes	\$650			\$650							
Crusher Fines on Pathway	\$687			\$687							
Shade Sail for Picnic Area	\$1,486			\$1,486							
Heritage Interpretive Sign	\$929			\$929							
LED Luminaire	\$135,562								\$135,562		
Remodel Bathrooms	\$48,875										\$48,875
Swing Set with Soft Fall	\$16,963		\$16,963								
Total Colver Park	\$214,529	\$9,378	\$16,963	\$3,751	\$0	\$0	\$0	\$0	\$135,562	\$0	\$48,875
Otto Caster Park											
Park Identification Signage	\$858	\$858									
Heritage Interpretive Sign	\$858	\$858									
LED Luminaire (split into 2 phases)	\$28,413			\$13,928	\$14,485						
Two bathrooms	\$162,935							\$162,935			
Fence	\$7,989									\$7,989	
Total Otto Caster Park	\$201,053	\$1,717	\$0	\$13,928	\$14,485	\$0	\$0	\$162,935	\$0	\$7,989	\$0
Blue Heron Park Redesign [1]	\$3,937,512					\$1,930,153	\$2,007,359				
Total Parks Improvement Costs [2]	\$4,353,400	\$11,100	\$17,000	\$17,700	\$14,500	\$1,930,200	\$2,007,400	\$163,000	\$135,600	\$8,000	\$48,900

Source: City of Phoenix Parks Master Plan, December 2016.

[1] Assumed to be an 18-month project.

[2] Costs rounded to nearest hundred.

Table A-6
Phoenix Streets and Parks Fees & SDCs **DRAFT**
Estimated Persons per Household

ACS Year	Occupied Units	Population Est.	Persons per Unit
2015	2,176	4,500	2.07
2016	2,205	4,528	2.05
2017	2,222	4,522	2.04
2018	2,252	4,536	2.01
2019	2,250	4,582	2.04
2020	2,018	4,624	2.29
2021	1,948	4,452	2.29
2022	1,900	4,389	2.31
Average Persons per Household			
	Pre-Alameda Fire		2.04
	Post Alameda Fire		2.30
	Persons per HH for Fee Calculations		2.14

Source: US Census Bureau American Community Surveys.

Table A-7
Phoenix Streets and Parks Fees & SDCs
Parks Department Assets

DRAFT

Description	Date In Service	Purchase Year	Book Cost	Book Period	Years Depreciated	Remaining Years	Annual Deprec	Accumulated Depreciation	Book Value 2023
Museum	7/1/1955	1955	\$8,740	40	68	0	\$0	\$8,740	\$0
Colver rd park	7/1/1990	1990	\$52,259	40	33	7	\$1,306	\$43,114	\$9,145
Colver rd park play structure	7/1/1990	1990	\$20,609	40	33	7	\$515	\$17,002	\$3,607
Clover rd park basketball	7/1/2000	2000	\$17,539	40	23	17	\$438	\$10,085	\$7,454
telephone system	7/1/2002	2002	\$6,392	10	21	0	\$0	\$6,392	\$0
copier	7/1/2002	2002	\$8,625	10	21	0	\$0	\$8,625	\$0
04 Ford	1/1/2004	2004	\$18,265	10	19	0	\$0	\$18,265	\$0
10 box sander	1/1/2004	2004	\$7,682	10	19	0	\$0	\$7,682	\$0
copier	1/1/2005	2005	\$12,529	10	18	0	\$0	\$12,529	\$0
Playground	1/1/2005	2005	\$35,060	15	18	0	\$0	\$35,060	\$0
Blue herron park improvements	1/1/2005	2005	\$4,493	10	18	0	\$0	\$4,493	\$0
Blue herron park restrooms	1/1/2005	2005	\$35,743	40	18	22	\$894	\$16,085	\$19,659
Blue Heron	1/1/2005	2005	\$60,742	15	18	0	\$0	\$60,742	\$0
Blue Heron Park	1/1/2006	2006	\$49,668	15	17	0	\$0	\$49,668	\$0
cascade slide in	1/1/2006	2006	\$8,995	10	17	0	\$0	\$8,995	\$0
building	7/1/2007	2007	\$7,000	40	16	24	\$175	\$2,800	\$4,200
Playground	6/30/2010	2010	\$41,593	15	13	2	\$2,773	\$36,047	\$5,546
Otto Caster Park	6/30/2012	2012	\$38,921	15	11	4	\$2,595	\$28,542	\$10,379
Colver Rd Park - Horseshoe Pits	7/1/2017	2017	\$14,151	10	6	4	\$1,415	\$8,491	\$5,660
Blue Heron Park - Volleyball court	6/30/2018	2018	\$23,596	10	5	5	\$2,360	\$11,798	\$11,798
Dog Park Project	6/30/2020	2020	\$20,399	15	3	12	\$1,360	\$4,080	\$16,319
2020 John Deere mower	6/25/2020	2020	\$17,768	10	3	7	\$1,777	\$5,330	\$12,438
Total Parks			\$510,769				\$15,608	\$404,564	\$106,205

Source: City of Phoenix fixed assets records.

Table A-8
Phoenix Streets and Parks Fees & SDCs
Parks Land Value Estimate

DRAFT

Park Name	Acres	Developed	Undeveloped
Colver	5.48	5.48	
Otto Caster	0.33	0.33	
Blue Heron	24.59	7.00	17.49
Total Parks	30.40	12.81	17.49
Estimated Value per Acre [1]		\$12,450	\$8,300
Total Est. Parkland Value	\$304,652	\$159,485	\$145,167

Source: City of Talent 2019 Parks SDC Study, and HEC January 2024.

[1] Values estimated using the City of Talent's 2019 park SDC study.

Talent value per acre in 2019 \$6,500

Value increased 5% per year \$8,300

[2] Developed land estimated value 1.5x undeveloped land.