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## Section Twenty-Two

# City of Phoenix Community Profile

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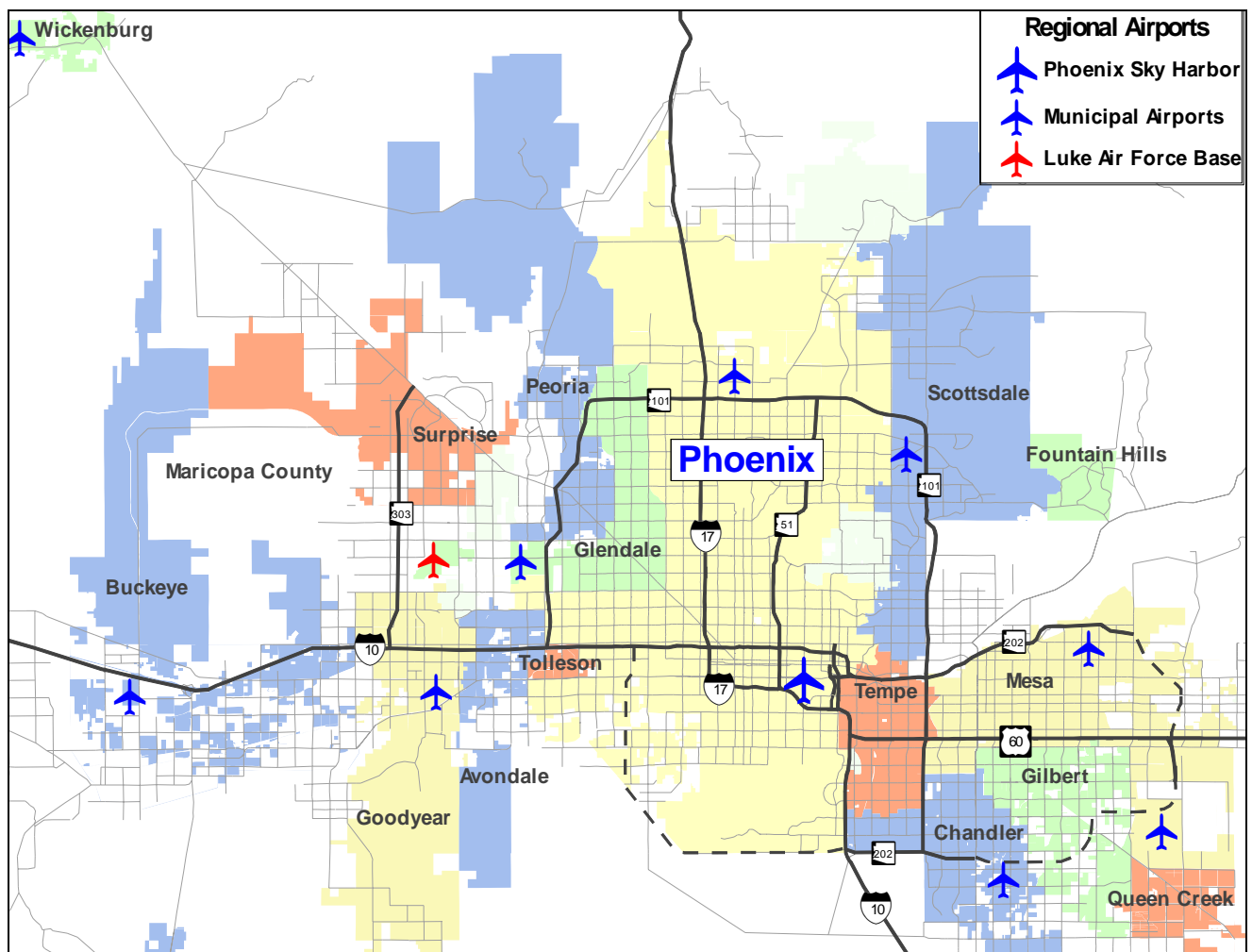
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## 22.0 City of Phoenix Community Profile

The City of Phoenix is the largest city in Arizona and the fifth largest city in the nation. The Phoenix economy is vibrant and strong, attracting many new businesses and people, and making Phoenix the anchor of a metropolitan area of over 3.6 million people. The City has grown from 1,149,417 residents in 1995 to 1,452,825 in 2005, representing a 26.4 percent increase in ten years, according to the Arizona Department of Economic Security. The City of Phoenix was named the "Best Managed City in the World" by the Bertelsmann Foundation of Germany, which recognizes significant examples of innovative management worldwide. Its broad-based modern economy and high quality of life have given Phoenix a national reputation as an excellent place to build a business.

*Figure 22-1*  
City of Phoenix  
Location in Greater Phoenix



## 22.1 Demographic Overview

City of Phoenix has a young and diverse mix of residents. The median age of Phoenix residents is 31 years, which is significantly below the national median of 35 years. About 60 percent of the population is in the prime work force age range of 18 to 59 years old. The median household income is approximately \$41,207 in Phoenix and the average household includes 2.68 people. Phoenix also offers a well-educated work force. About 25 percent of adults have some college education, and an additional 23 percent have completed a bachelors or graduate degree. The City continues to attract many additional college educated residents through employment related in-migration.

**Figure 22-2**

### Demographic Profile – City of Phoenix

Total Population*	1,452,417	100.0%
Race/Ethnicity		
White	964,821	73.5%
Black or African American	55,629	4.2%
American Indian and Alaska Native	22,204	1.7%
Asian	26,760	2.0%
Native Hawaiian and other Pacific Islander	437	0.0%
Other	200,412	15.3%
Two or more races	42,126	3.2%
Hispanic or Latino (of any race)	486,665	37.1%
Age		
Under 20	409,883	31.2%
20 to 24 years	108,114	8.2%
25 to 59 years	653,164	49.8%
60 to 74 years	98,352	7.5%
75 + years	42,886	3.3%
Total Households	481,044	100.0%
Household Income		
Under \$14,999	73,303	15.2%
\$15,000 to \$34,999	123,428	27.7%
\$35,000 to \$49,999	78,861	16.4%
\$50,000 to \$74,999	105,767	21.9%
\$75,000 or more	99,725	20.7%
Median Household Income	\$42,721	
Educational Attainment (Population 25 years and older)		
High school graduate	187,453	23.6%
Some college	198,039	24.9%
Bachelor's degree	124,996	15.7%
Graduate or professional degree	61,925	7.8%

Source: U.S. Census Bureau, 2000.

\* Source: Arizona Department of Economic Security, 2005

## 22.2 Economic Base

There are many key economic sectors in Phoenix. These include manufacturing, such as electronics and semiconductors, retail trade, service, and government. Over half of the total employment is in the trade and service sectors. This includes a wide variety of businesses in hospitality, education, health care, business and personal services. State and local government provide approximately 78,000 jobs with Phoenix being both the state capital and county seat of Maricopa County. Phoenix also has an increasing number of corporate and regional headquarters including Phelps Dodge, Viad Corporation, PCS Health Systems, U-Haul International, USAA, OnSemiconductor, Honeywell, Karsten Manufacturing (Ping), Swift Transportation, STMicro Electronics, PETsMART, Charles Schwab & Company, American Express, Motorola, Sumitomo Sitix, and Avnet.

*Figure 22-3*

### Major Employers – City of Phoenix

<i>Company Name</i>	<i>Arizona Employment</i>	<i>Product or Service</i>
State of Arizona	49,958	Government
Banner Health Systems	19,250	Health care
City of Phoenix	13,844	Government
Maricopa County	13,002	Government
Wells Fargo and Co.	11,553	Financial services
US Postal Service	11,000	Mail delivery
Honeywell International Inc	10,700	Flight Safety/Aircraft Landing Systems
J.P. Morgan Chase & Co.	8,700	Financial services
Bank of America	7,268	Financial services
American Express	7,000	Financial services

*Source: The Business Journal Book of Lists 2006.*

## 22.3 Real Estate Availability

Phoenix is divided into eleven sub-regional markets for office development: Downtown South, Downtown North, Airport Area, Midtown, 44<sup>th</sup> Street Corridor, Squaw Peak Corridor, Deer Valley/Airport, Camelback Corridor, West Phoenix, Paradise Valley/N Phoenix and Northwest Phoenix. In total, these eleven sub-regions include an office inventory of about 37.8 million square feet. The office vacancy rate for multi-tenant buildings ranges from 7.3 to 44.1 percent within the sub-regions, with an average rate of 15.4 percent. According to commercial brokerage Grubb & Ellis (First Quarter 2006), gross lease rates for office space in Phoenix and its six sub-markets are currently running \$21.07 to \$31.40 per square foot for Class A space, and \$16.72 to \$23.85 per square foot for Class B space.

Phoenix also has a large inventory of industrial space that includes about 113.9 million square feet of net rentable area in five sub-regional markets. The industrial vacancy rate ranges from 4.4 to 14.4 percent, with an average rate of about 7.4 percent. Typical asking lease rates vary by type of building: general industrial is about \$0.33 to \$0.99 per square foot; distribution space runs \$0.25 to \$1.03 per square foot; R&D/Flex space is approximately \$0.94 to \$1.17 per square foot; Incubator space is \$0.36 to \$1.14 per square foot, according to Grubb & Ellis (First Quarter 2006).

**Figure 22-4****Nonresidential Building Permit Activity and Value – City of Phoenix**

	2000	2001	2002	2003	2004	5-year total
<b>Phoenix</b>						
Commercial	642	403	395	676	1,927	4,043
Industrial	49	47	39	57	103	295
Total Count	691	450	434	733	2030	4,338
Total Value (\$000)	\$ 1,155,380	\$ 476,299	\$ 443,109	\$ 569,258	\$ 992,463	\$3,636,509
<b>Maricopa County</b>						
Commercial	3,793	3,406	3,888	5,458	7,862	24,407
Industrial	143	97	110	171	231	752
Total Count	3,936	3,503	3,998	5,629	8,093	25,159
Total Value (\$000)	\$2,602,835	\$1,706,766	\$1,629,284	\$2,196,762	\$3,410,734	\$11,546,381
<b>Phoenix Share of County</b>						
Commercial	16.9%	11.8%	10.2%	12.4%	24.5%	16.6%
Industrial	34.3%	48.5%	35.5%	33.3%	44.6%	39.2%
Total Count	17.6%	12.8%	10.9%	13.0%	25.1%	17.2%
Total Value (\$000)	44.4%	27.9%	27.2%	25.9%	29.1%	31.5%

Source: Arizona Real Estate Center, Arizona State University, 2001-2005.

## 22.4 Transportation Network

The City of Phoenix is served by two interstates. Interstate 10 leads into Phoenix from Los Angeles on the west, and continues southeast through the City and on to Tucson and El Paso. Interstate 17 provides a north-south route through the City and is a key industrial corridor. I-17 leads north out of Phoenix to Flagstaff where it intersects with Interstate 40. Phoenix is also developing an extensive urban freeway network that includes approximately 155 miles of roadway and will greatly enhance accessibility within the urban area. New segments are being opened on a regular basis, with a significant part of the system already complete. The major components of the system include the Loop 101 that encircles the City of Phoenix, and the Loop 202 providing a route from Downtown around the perimeter of the southeast part of the metro area. In addition, State Route 51 connects I-10 through Downtown Phoenix to the north part of the City, connecting to the Loop 101. A new transportation plan has been developed that will expand the current freeway network over the next 20 years.

Both Union Pacific and Burlington Northern Santa Fe Railroads serve Phoenix. Both have intermodal facilities in Phoenix that are convenient to the airport with Trailer and Flat Car and Container on Flat Car capabilities.

For air travel, Phoenix has Sky Harbor International Airport, which is the 8<sup>th</sup> busiest airport in the world, based on the number of takeoffs and landings each year. When serving passengers, it is the 13<sup>th</sup> busiest in the United States, serving 41 million in 2005. Phoenix is the headquarters for US Airways, and a major hub for Southwest Airlines. Phoenix Sky Harbor provides non-stop service to 509 domestic and international destinations with over 510 daily nonstop flights

For general aviation service, the Phoenix Deer Valley airport is located in North Phoenix. Phoenix Deer Valley Airport is classified as a general aviation reliever airport for Phoenix Sky Harbor. It is the 29<sup>th</sup> busiest municipal airport in the world, averaging 378,000 takeoffs and landings per year. Deer Valley has an 8,200-foot runway and is home to more than 1,275 based aircraft.

## 22.5 Education

The City of Phoenix is served by 21 elementary school districts, and eight high school and unified districts. Most of the school districts in Phoenix rank well above national averages on standardized achievement tests. In order to promote community support for public schools and promote corporate involvement in education, the City of Phoenix has established a Youth and Education Commission. This office acts as a liaison between the City of Phoenix, school districts, business and community leaders and citizens in providing assistance with educational issues.

For higher education, the City is served by a network of community colleges including Phoenix College, Gateway, Paradise Valley, and South Mountain Community Colleges, which are all part of the Maricopa Community College District. In addition to offering over 9,330 academic and occupational courses with programs for new and re-entry students, the Community College District has been a valuable partner in training thousands of employees. The District has received national honors for its innovative work force development programs. In addition to the four community colleges in Phoenix, there is also a Skill Center. Maricopa Skill Center offers adult vocational training through a non-traditional approach to education. The Skill Center features self-paced learning, allowing students to enroll at any time.

Arizona State University has a Downtown Center in Phoenix that is convenient for students who work in the downtown area. The Downtown Center offers upper-division undergraduate and graduate classes, as well as professional and continuing education programs. ASU West is also located in Phoenix, in the northern part of the city. The campus offers undergraduate and graduate level classes in a variety of areas. Residents of the City of Phoenix are also close to Arizona State University's Main Campus in Tempe and ASU Polytechnic in Mesa. All total, ASU serves over 64,000 students and is one of the nation's largest universities. Other private colleges and universities in the City of Phoenix include University of Phoenix, DeVry Institute of Technology, Ottawa University, Western International University, and Grand Canyon University.

## 22.6 Housing Availability and Value

The City of Phoenix has added a large amount of new housing in the past several years, with about 51,546 new single-family permits and 18,483 new multi-family permits issued from 2000 to 2005. The total housing inventory now includes over 565,861 units spread over 470 square miles. Close to two-thirds of the housing stock, about 62.8 percent, is made up of single-family homes and townhouses. Relative to other large urban areas, the City of Phoenix offers a wide variety of reasonably priced newer housing. More than 30 percent of the housing stock has been built in the past ten years, and more than 50 percent of new single-family homes are in master-planned communities that offer a host of recreational amenities. The median sales price of new single-family homes is roughly \$228,665 and resale single-family homes in Phoenix are about \$189,500.

*Figure 22-5*

### Housing Overview – City of Phoenix

Total Housing Units	495,832	100.0%
Occupied	465,834	93.9%
Vacant	29,998	6.1%
Units by Type		
Single Family/Townhouse	311,536	62.8%
Multi-Family	162,461	32.8%
Mobile Home or Trailer	20,689	4.2%
Other	1,107	0.2%
Tenure of Occupied Units		
Owner-Occupied	299,412	62.2%
Renter Occupied	181,632	37.8%

Source: Census 2000

## 22.7 Recreation and Culture

Phoenix has a renowned climate and broad range of recreational opportunities, cultural amenities and professional sports that provide residents with a multitude of options for leisure activities. Phoenix is one of the few cities in the country with all four types of professional sports including Phoenix Suns Basketball, Arizona Diamondbacks Baseball, Arizona Cardinals Football, and Phoenix Coyotes Hockey. In addition to professional sports, the area has more than 150 golf courses and 1,200 tennis courts.

The City of Phoenix has more than 200 parks with a variety of recreational facilities including seven municipal golf courses, twenty-eight public swimming pools, two major tennis centers, two skate parks, and six sports complexes offering a variety of baseball, softball, racquetball, volleyball and soccer facilities. The City's park system also includes almost 26,000 acres of desert parks and preserves within the City limits. Hikers, bicyclists and equestrians who want to get away from it all without leaving the urban area enjoy the preserves. More than 100 miles of trails are available for exploring the beauty of the Sonoran Desert.

The City also has a number of unique arts and cultural opportunities including the Heard Museum featuring Native American art, the Desert Botanical Garden, and the Pueblo Grande Museum featuring prehistoric Hohokam Indian ruins. Heritage Square, which is on the National Historic Register, is a city block in Central Phoenix dating from the late 1800s and is the only remaining group of residential structures from the original Phoenix townsite. Shemer Art Center, near the base of Camelback Mountain, is another reminder of the early days of Phoenix built between 1919 and 1928. The 1920s Santa Fe mission-style adobe residence has been transformed into a cultural center offering classes, concerts, lectures and art exhibits.

Phoenix has a variety of venues for the performing arts including Phoenix Symphony Hall, which is the home of the Phoenix Symphony and Arizona Opera, the restored Orpheum Theatre, the Herberger Theatre Center, and Cricket Pavilions. Downtown Phoenix has undergone a significant amount of redevelopment in the last decade with the Arizona Center, US Airways Center, Chase Field, the Arizona Science Center, the Phoenix Museum of History, the Phoenix Central Library and the remodeled Phoenix Art Museum. The City has been successful in creating a focal point for sports as well as arts and culture in the downtown area. On any given evening, residents can choose from one or more professional sporting events, theatre, dance, concerts, symphony, opera, as well as many restaurants and nightclubs in Downtown Phoenix.