



Chandler • Arizona
Where Values Make The Difference

MEMORANDUM

Management Services Memo No. 15-013

DATE: SEPTEMBER 25, 2014

TO: MARLA PADDOCK, CITY CLERK

THRU: DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*
GREGORY WESTRUM, BUDGET MANAGER *GW*

FROM: JULIE BUELT, SENIOR FINANCIAL ANALYST *JB*

SUBJECT: ANNUAL SYSTEM DEVELOPMENT FEE REPORT

Pursuant to the requirements of A.R.S. 9-463.05.O, the annual report accounting for the collection and use of system development fees for the fiscal year ending June 30, 2014 accompanies this memo. This document has historically been filed under "802-01-00" in your recordkeeping system.

State Statute requires the filing of this report with the City Clerk no later than ninety days following the end of the fiscal year (September 29, 2014), that a copy is made available to the public on request, and a copy is published on the City's website.

The annual report contains financial information for which the audit is not yet complete, so the applicable pages have an "unaudited" watermark on them. Please make sure that any copies given to the public are made from this original report so the watermark remains.

City of Chandler System Development Fees

Fees Effective 7/1/13 - 6/30/14
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Water System Development Charges:

Single-family (per dwelling unit)	\$5,019.00
Multi-family (per dwelling unit)	\$1,832.00
5/8 x 3/4 Disc Meter	\$5,019.00
3/4 Disc Meter	\$7,529.00
1-0 Disc Meter	\$12,549.00
1 1/2 Disc Meter	\$25,097.00
2-0 Disc Meter	\$40,154.00
3-0 Compound Meter	\$80,309.00
4-0 Compound Meter	\$125,482.00
6-0 Compound Meter	\$250,963.00
8-0 Compound Meter	\$401,541.00
2-0 Turbine Meter	\$40,154.00
3-0 Turbine Meter	\$87,838.00
6-0 Turbine Meter	\$313,704.00
8-0 Turbine Meter	\$451,733.00

Water Resource System Development Charges: ¹

Single-family (per dwelling unit)	\$34.00
Multi-family (per dwelling unit)	\$13.00
5/8 x 3/4 Disc Meter	\$42.00
3/4 Disc Meter	\$65.00
1-0 Disc Meter	\$107.00
1 1/2 Disc Meter	\$249.00
2-0 Disc Meter	\$484.00
2-0 Turbine Meter	\$484.00

Wastewater System Development Charges/Trunkline:

Single-family (per dwelling unit)	\$167.00
Multi-family (per dwelling unit)	\$77.00
5/8 x 3/4 Disc Meter	\$167.00
3/4 Disc Meter	\$251.00
1-0 Disc Meter	\$417.00
1 1/2 Disc Meter	\$834.00
2-0 Disc Meter	\$1,334.00
3-0 Compound Meter	\$2,667.00
4-0 Compound Meter	\$4,168.00
6-0 Compound Meter	\$8,336.00
8-0 Compound Meter	\$13,336.00
2-0 Turbine Meter	\$1,334.00
3-0 Turbine Meter	\$2,917.00
6-0 Turbine Meter	\$10,419.00
8-0 Turbine Meter	\$15,004.00

City of Chandler System Development Fees

Fees Effective 7/1/13 - 6/30/14
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Wastewater System Development Charges/Treatment:

Single-family (per dwelling unit)	\$5,272.00
Multi-family (per dwelling unit)	\$2,413.00
5/8 x 3/4 Disc Meter	\$5,272.00
3/4 Disc Meter	\$7,906.00
1-0 Disc Meter	\$13,177.00
1 1/2 Disc Meter	\$26,354.00
2-0 Disc Meter	\$42,166.00
3-0 Compound Meter	\$84,332.00
4-0 Compound Meter	\$131,768.00
6-0 Compound Meter	\$263,535.00
8-0 Compound Meter	\$421,656.00
2-0 Turbine Meter	\$42,166.00
3-0 Turbine Meter	\$92,238.00
6-0 Turbine Meter	\$329,419.00
8-0 Turbine Meter	\$474,364.00

Reclaimed Water System Development Charges:

Single-family (per dwelling unit)	\$1,114.00
Multi-family (per dwelling unit)	\$511.00
5/8 x 3/4 Disc Meter	\$1,114.00
3/4 Disc Meter	\$1,672.00
1-0 Disc Meter	\$2,785.00
1 1/2 Disc Meter	\$5,570.00
2-0 Disc Meter	\$8,913.00
3-0 Compound Meter	\$17,825.00
4-0 Compound Meter	\$27,850.00
6-0 Compound Meter	\$55,700.00
8-0 Compound Meter	\$89,120.00
2-0 Turbine Meter	\$8,913.00
3-0 Turbine Meter	\$19,496.00
6-0 Turbine Meter	\$69,625.00
8-0 Turbine Meter	\$100,261.00

Fire Fees:

Single-family (per dwelling unit)	\$344.00
Multi-family (per dwelling unit)	\$263.00
Retail/Commercial (per square foot)	\$0.43
Office (per square foot)	\$0.33
Industrial/Warehouse (per square foot)	\$0.11
Public/quasi-public (per square foot)	\$0.11

Police Fees:

Single-family (per dwelling unit)	\$164.00
Multi-family (per dwelling unit)	\$125.00
Retail/Commercial (per square foot)	\$0.20
Office (per square foot)	\$0.16
Industrial/Warehouse (per square foot)	\$0.05
Public/quasi-public (per square foot)	\$0.05

City of Chandler System Development Fees

Fees Effective 7/1/13 - 6/30/14
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Library Fees:

Single-family (per dwelling unit)	\$75.00
Multi-family (per dwelling unit)	\$58.00
Commercial (per square foot)	\$0.00
Industrial (per square foot)	\$0.00

Arterial Street Fees: ²

Single-family (per dwelling unit)	\$3,983.00
Multi-family (per dwelling unit)	\$2,446.00
Retail (per square foot) ³	\$14.79
Office (per square foot) ⁴	\$5.88
Industrial (per square foot)	\$2.63
Public/quasi-public (per square foot)	\$1.66

Park Fees:

Single-family (per dwelling unit)	\$3,740.00
Multi-family (per dwelling unit)	\$2,865.00
Commercial (per square foot)	\$0.00
Industrial (per square foot)	\$0.00

Public Building Fees:

Single-family (per dwelling unit)	\$97.00
Multi-family (per dwelling unit)	\$74.00
Retail/Commercial (per square foot)	\$0.12
Office (per square foot)	\$0.09
Industrial/Warehouse (per square foot)	\$0.03
Public/quasi-public (per square foot)	\$0.03

¹ Fees applicable only in certain areas; see attached map.

² Fees applicable only in certain areas; see attached map.

³ The total fee is listed, however, the City provides a minimum subsidy of 50% of the fee for this category. A subsidy of 75% of the fee is provided for retail space generating more than three trips per 1,000 square feet of retail space at PM peak (according to the ITE Trip Generation Manual).

⁴ The total fee is listed, the City provides a 25% subsidy of the fee for Class A office space of more than 50,000 square feet in one building (as determined by the City Engineer).

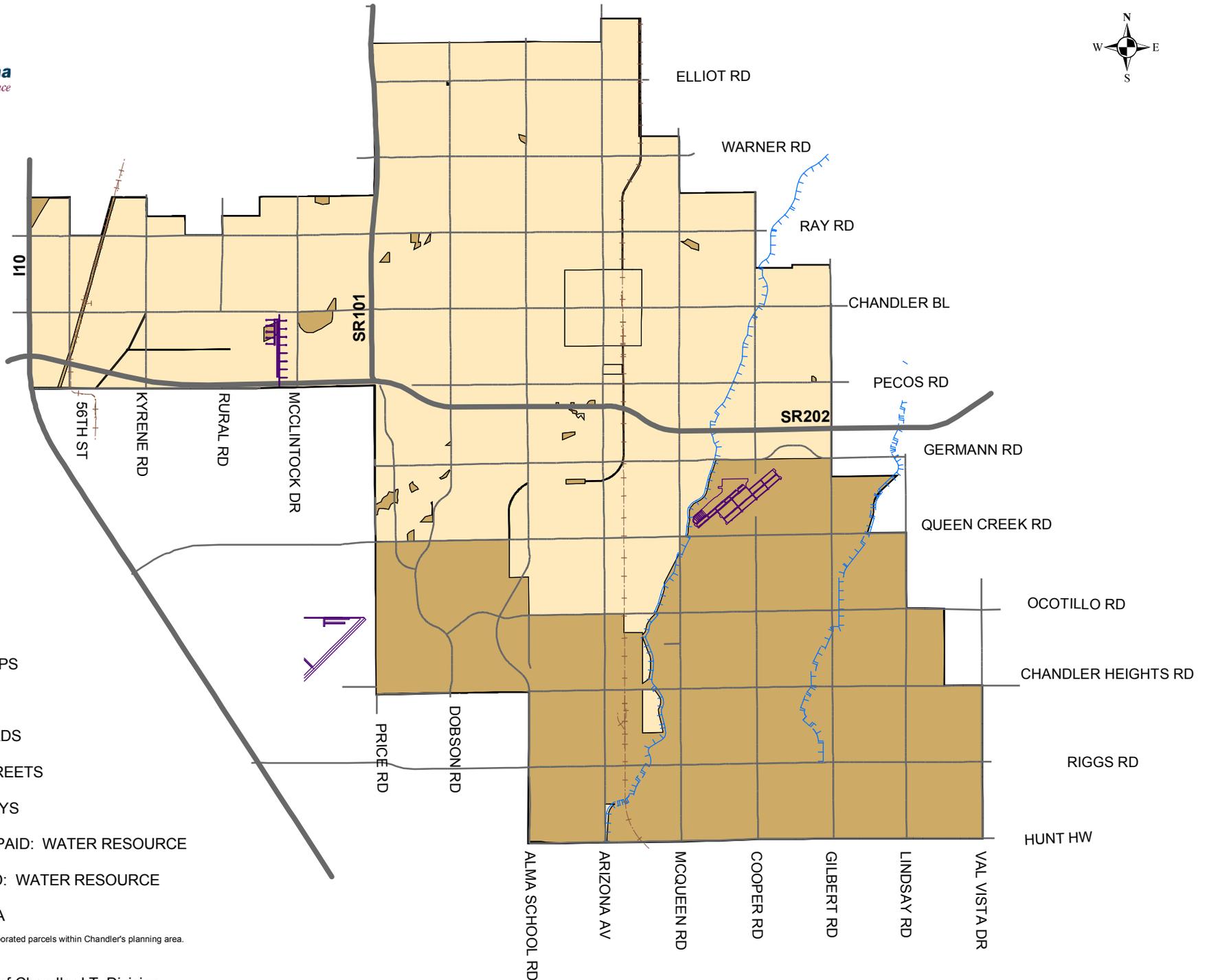


CITY OF CHANDLER WATER RESOURCE IMPACT AREA MAP



-  AIR STRIPS
-  CANALS
-  RAILROADS
-  MILE STREETS
-  FREEWAYS
-  NO FEE PAID: WATER RESOURCE
-  FEE PAID: WATER RESOURCE
-  2004 MPA

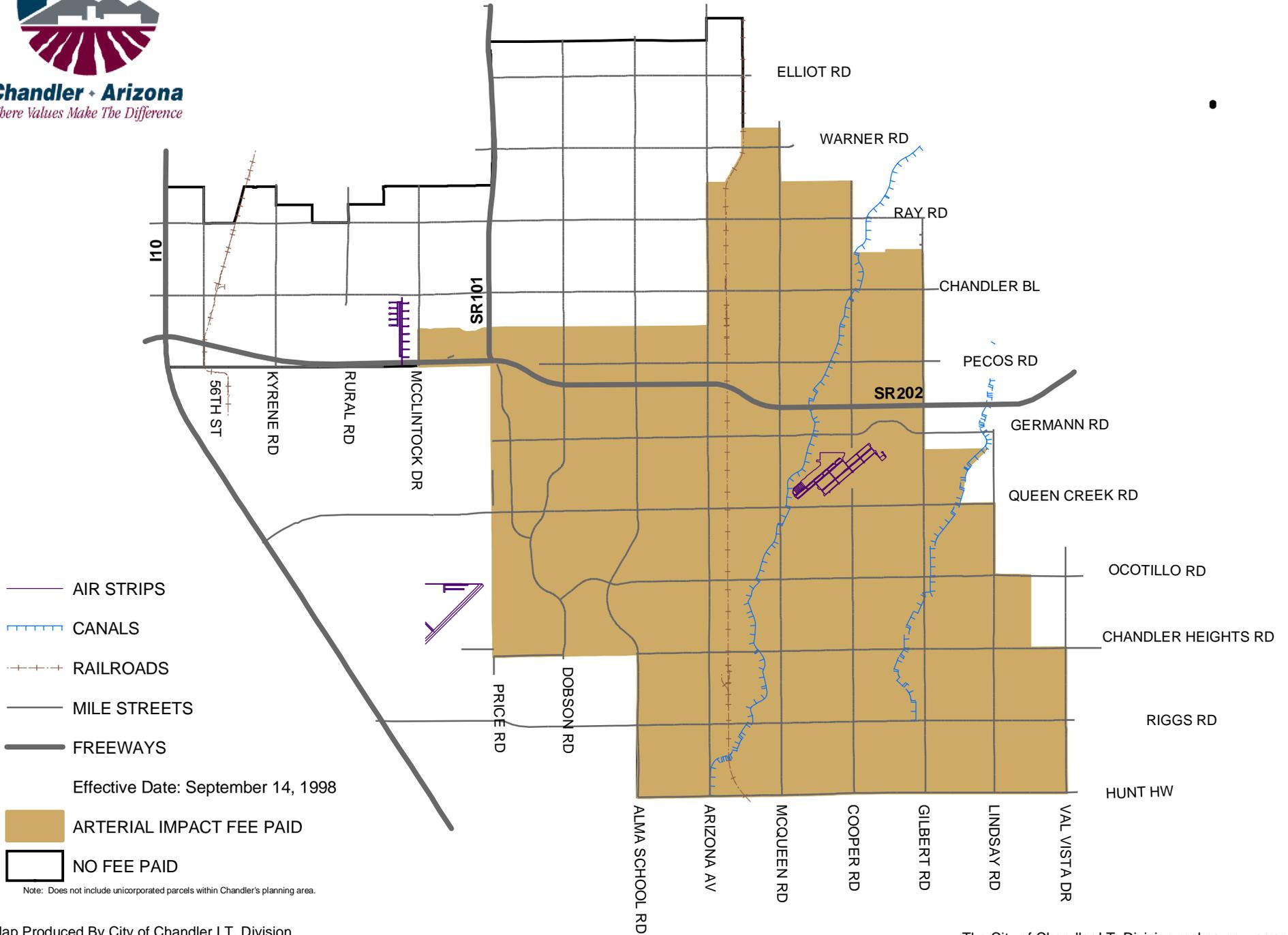
Note: Does not include unincorporated parcels within Chandler's planning area.





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CITY OF CHANDLER ARTERIAL STREET IMPACT FEE AREA MAP



Note: Does not include unincorporated parcels within Chandler's planning area.

Development Impact Fee Report - City of Chandler
Statement of Revenue, Expenditures, and Change in Fund Balances
For Fiscal Year Ending June 30, 2014

Impact Fee Fund Summary - City of Chandler

	Arterial Streets Fund 415	Community Parks Fund 421	Neighborhood Parks Fund 422	Parks Fund 424	Library Fund 431	Public Building Fund 440	Police Fund 465	Fire Fund 475
Total Beginning of Year Fund Balance/(Deficit) Including All Bond Proceeds & Interfund Loans Still Outstanding	\$ 25,115,396.04	\$ 941,510.33	\$ 574,158.69	\$ 10,719,438.71	\$ 437,615.49	\$ 134,580.69	\$ 154,641.88	\$ 3,798,929.38
Revenues								
Impact Fees	\$ 6,688,523.92	\$ -	\$ -	\$ 3,603,340.00	\$ 72,616.00	\$ 234,352.96	\$ 401,661.54	\$ 845,780.10
Connects/Buy-ins	-	-	-	-	-	-	-	-
Investment Income	125,785.24	-	3,558.04	64,590.06	2,475.01	2,476.60	2,194.79	21,611.46
Subsidy from General Fund	488,910.60	-	-	-	-	-	-	-
Transfer from Regional Transportation Fund	3,109,908.50	-	-	-	-	-	-	-
Total Revenues	\$ 10,413,128.26	\$ -	\$ 3,558.04	\$ 3,667,930.06	\$ 75,091.01	\$ 236,829.56	\$ 403,856.33	\$ 867,391.56
Expenditures								
Project Expenditures (See Impact Fee Expenditure Detail)	\$ 10,576,292.26	\$ 1,310.13	\$ 469,449.88	\$ 1,964,816.52	\$ -	\$ -	\$ -	\$ -
Cost of Consultant Update for SDF Study	5,905.69	-	-	5,905.69	5,905.69	5,905.69	5,905.69	6,982.31
Debt Service - Bond Principal	-	-	-	-	-	-	-	-
Debt Service - Bond Interest	-	-	-	-	-	-	-	-
Total Expenditures	\$ 10,582,197.95	\$ 1,310.13	\$ 469,449.88	\$ 1,970,722.21	\$ 5,905.69	\$ 5,905.69	\$ 5,905.69	\$ 6,982.31
Total End of Year Fund Balance/(Deficit) with Prior Year Bond Proceeds & Interfund Loans	\$ 24,946,326.35	\$ 940,200.20	\$ 108,266.85	\$ 12,416,646.56	\$ 506,800.81	\$ 365,504.56	\$ 552,592.52	\$ 4,659,338.63
Current Year Bond Proceeds Needed to Construct Necessary Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total End of Year Fund Balance/(Deficit) Including All Bond Proceeds & Interfund Loans Still Outstanding	\$ 24,946,326.35	\$ 940,200.20	\$ 108,266.85	\$ 12,416,646.56	\$ 506,800.81	\$ 365,504.56	\$ 552,592.52	\$ 4,659,338.63

Development Impact Fee Report - City of Chandler
Statement of Revenue, Expenditures, and Change in Fund Balance
For Fiscal Year Ending June 30, 2014

Impact Fee Fund Summary - City of Chandler

	Water Fund 603	Water Resources Fund 604	Reclaimed Water Fund 610	Wastewater Fund 614	Total
Total Beginning of Year Fund Balance/(Deficit) Including All Bond Proceeds & Interfund Loans Still Outstanding	\$ 14,576,873.67	\$ 4,066,765.64	\$ 1,890,397.86	\$ 15,521,821.88	\$ 77,932,130.26
Revenues					
Impact Fees	\$ 4,930,007.49	\$ 19,046.13	\$ 1,070,952.07	\$ 5,225,239.82	\$ 23,091,520.03
Connects/Buy-ins	617,861.50	-	242,624.00	179,097.50	1,039,583.00
Investment Income	100,624.35	21,838.33	13,239.22	84,539.50	442,932.60
Subsidy from General Fund	-	-	-	-	488,910.60
Transfer from Regional Transportation Fund	-	-	-	-	3,109,908.50
Total Revenues	\$ 5,648,493.34	\$ 40,884.46	\$ 1,326,815.29	\$ 5,488,876.82	\$ 28,172,854.73
Expenditures					
Project Expenditures (See Impact Fee Expenditure Detail)	\$ 2,473,137.81	\$ -	\$ 509,825.12	\$ 11,998,804.07	\$ 27,993,635.79
Cost of Consultant Update for SDF Study	6,982.31	6,982.31	6,982.31	6,982.31	64,440.00
Debt Service - Bond Principal	69,180.84	-	178,553.76	355,159.84	602,894.44
Debt Service - Bond Interest	17,983.30	-	66,115.98	112,810.81	196,910.09
Total Expenditures	\$ 2,567,284.26	\$ 6,982.31	\$ 761,477.17	\$ 12,473,757.03	\$ 28,857,880.32
Total End of Year Fund Balance/(Deficit) with Prior Year Bond Proceeds & Interfund Loans	\$ 17,658,082.75	\$ 4,100,667.79	\$ 2,455,735.98	\$ 8,536,941.67	\$ 77,247,104.67
Current Year Bond Proceeds Needed to Construct Necessary Infrastructure	\$ 3,000,000.00	\$ -	\$ -	\$ 12,080,000.00	\$ 15,080,000.00
Total End of Year Fund Balance/(Deficit) Including All Bond Proceeds & Interfund Loans Still Outstanding	\$ 20,658,082.75	\$ 4,100,667.79	\$ 2,455,735.98	\$ 20,616,941.67	\$ 92,327,104.67

Impact Fee Expenditure Detail - City of Chandler

Arterial Street Impact Fees	Arterial Street Impact Fees Fund 415
McQueen Rd. (Queen Creek Rd. to Riggs Rd.)	\$ 693,261.44
Gilbert Rd. (Queen Creek Rd. to Hunt Hwy)	8,547,368.18
Ocotillo Rd. (Arizona Ave. to McQueen Rd.)	1,335,662.64
Total Project Expenditures	\$ 10,576,292.26

Community Park Impact Fees	Community Park Impact Fees Fund 421
Mesquite Groves - 5700 S. Val Vista Dr.	\$ 1,310.13
Total Project Expenditures	\$ 1,310.13

Neighborhood Park Impact Fees	Neighborhood Park Impact Fees Fund 422
Centennial Park Site - 2475 E. Markwood Dr.	\$ 68,763.95
Layton Lakes Park Site - S. Layton Lakes Blvd.	477.60
Roadrunner Park - 3495 E. Ryan Rd.	400,208.33
Total Project Expenditures	\$ 469,449.88

Park Impact Fees	Park Impact Fees Fund 424
Centennial Park Site - 2475 E. Markwood Dr.	\$ 702,812.81
Roadrunner Park - 3495 E. Ryan Rd.	716,453.44
Valencia Park Site - 3710 E. Desert Jewel Blvd.	545,550.27
Total Project Expenditures	\$ 1,964,816.52

Impact Fee Expenditure Detail - City of Chandler

Water Impact Fees	Water Impact Fees Fund 603
Well Construction - various locations	\$ 486,659.90
Transmission Mains - various locations	1,986,477.91
Total Project Expenditures	\$ 2,473,137.81

Reclaimed Water Impact Fees	Reclaimed Water Impact Fees Fund 610
Storage & Recovery Wells - various locations	\$ 68,756.99
Transmission Mains - various locations	441,068.13
Total Project Expenditures	\$ 509,825.12

Wastewater Impact Fees	Wastewater Impact Fees Fund 614
South Chandler Sewer Line Expansion - Relief Gravity Sewer to Ocotillo Water Reclamation Facility	\$ 2,777.37
Wastewater Master Plan Update	181,811.79
Airport WW Reclamation Facility Expansion - 905 E. Queen Creek	3,806,769.38
Collection System Facility Improvements - various locations	2,447,174.53
Land Acquisition for Ocotillo WRF expansion - 0 W. Queen Creek	5,560,271.00
Total Project Expenditures	\$ 11,998,804.07

Development Impact Fee Report - City of Chandler
Debt Service Repayment Terms by Fund
For Fiscal Year Ending June 30, 2014

	Arterial Streets Fund 415	Parks Fund 424	Library Fund 431	Public Building Fund 440	Police Fund 465	Fire Fund 475	Water Fund 603	Reclaimed Water Fund 610	Wastewater Fund 614	Total
Pledged Interfund Loan Balances Outstanding	\$ 2,814,300.00	\$ -	\$ -	\$ 3,919,352.00	\$ 6,671,049.00	\$ 7,123,657.00	\$ 15,929,877.00	\$ 11,600,000.00	\$ 7,200,000.00	\$ 55,258,235.00
Pledged Bonded Debt Outstanding	\$ 37,756,132.00	\$ 14,350,198.00	\$ 1,290,000.00	\$ -	\$ -	\$ -	\$ 95,880,602.00	\$ 13,655,543.00	\$ 77,698,872.00	\$ 240,631,347.00
Pledged Eligible Debt Outstanding	\$ 4,992,511.00	\$ 16,599,429.00	\$ -	\$ -	\$ 2,911,681.00	\$ 1,929,616.00	\$ 12,566,301.00	\$ 8,872,392.00	\$ 7,563,467.00	\$ 55,435,397.00
Repayment Terms	as funds are available	as funds are available	as funds are available	as funds are available	as funds are available	as funds are available	as funds are available with exception noted below	as funds are available with exception noted below	as funds are available with exception noted below	

Repayment Terms for Portion of Utility Pledged Bond Debt Outstanding

1/1/2015	\$ 7,262.13	\$ 23,893.52	\$ 47,526.41	\$ 78,682.06
7/1/2015	82,394.01	249,477.06	496,232.82	828,103.89
1/1/2016	5,383.83	18,253.93	36,308.75	59,946.51
7/1/2016	66,753.93	165,720.20	329,632.73	562,106.86
1/1/2017	3,849.58	14,567.28	28,975.65	47,392.51
7/1/2017	157,832.74	597,258.34	1,188,001.74	1,943,092.82
	<u>\$ 323,476.22</u>	<u>\$ 1,069,170.33</u>	<u>\$ 2,126,678.10</u>	<u>\$ 3,519,324.65</u>

Due to the unpredictable nature of impact fee receipts, the City no longer budgets debt service payments directly against impact fee funds. The 2005 Water & Sewer Refunding Bonds are the last debt issue outstanding where future debt service payments are budgeted to be made directly from an impact fee fund. All other pledged/eligible debt and interfund loans are to be repaid once sufficient funds are available in the applicable impact fee fund and are not needed to construct growth-related capital infrastructure.