



MEMORANDUM

Management Services Memo No. 14-060

DATE: APRIL 24, 2014

TO: MAYOR & COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NM*
DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*

FROM: GREG WESTRUM, BUDGET MANAGER *AW*

SUBJECT: INTRODUCTION AND TENTATIVE ADOPTION OF ORDINANCE NO. 4528 TO MODIFY CERTAIN SYSTEM DEVELOPMENT FEES AND AMEND CERTAIN ASPECTS OF THE SYSTEM DEVELOPMENT FEE PROCESS

RECOMMENDATION

Staff recommends introduction and tentative adoption of Ordinance No. 4528 amending sections 38-4, 38-11, 38-12, and Appendix A of Chapter 38 of the Chandler City Code to modify certain system development fees and amend certain aspects of the system development fee process.

BACKGROUND/DISCUSSION

In order to continue to collect System Development Fees after August 1, 2014, the City must comply with Arizona Revised Statute §9-463.05, which includes updating any system development fees adopted before January 1, 2012. The City engaged Duncan Associates to update the Infrastructure Improvements Plan and prepare a report to update the City's system development fees. The report includes the recommended system development fees, as well as the Land Use Assumptions and the Infrastructure Improvements Plan, which were adopted by Council on February 13, 2014. The modified system development fees included in the report and detailed in the attached ordinance are calculated by service area for arterial streets, parks, library, fire, police, public buildings, water, wastewater, and reclaimed water.

The ordinance makes modifications to existing amounts and language in the City Code as follows:

- In section 38-4.B, amended the wording describing the arterial street fee service area in accordance with changes made in the report; removed the reference limiting the service area for water resource fees since they are now part of the citywide water service area; and specified that reclaimed water fees will not be assessed on water-only (landscape) connections;

- In section 38-11.B.4, added language to specify how credits will be calculated for existing water meters in redevelopment situations and for fire flow meters;
- In section 38-12.D.7, added language to make clear that the date of final acceptance of capital facilities must be subsequent to August 1, 2014 in order to allow for allocation of credits to non-contiguous parcels in credit agreements; and
- In Appendix A, amended the wording describing the arterial street fee service area in accordance with changes made in the report; removed the reference limiting the service area for water resource fees since they are now part of the citywide water service area; removed the General Fund arterial street subsidies for retail and Class A office space; updated the utility formula for meters larger than ten inches; and amended the amounts of the various fees and the areas in which they are charged.

The report incorporating the modified fees has been vetted with the Communications and Public Affairs, Information Technology, and Management Services Council Subcommittee, and all impacted Departments. The draft report was also provided to stakeholders representing single family and multi-family developers, commercial builders, and others, and a meeting was held in October 2013 to summarize the report and to hear and address any questions or concerns.

The report was posted on the City's website on January 27, 2014 and a link to the report was disseminated through social media. A public hearing on the modified fees was conducted on March 24, 2014, with no concerns raised. The modified system development fees will be effective Monday, July 28, 2014, just prior to the August 1, 2014 deadline imposed by state statutes.

FINANCIAL IMPLICATIONS

System development fees are designed to provide funding to a community for the cost of expanding infrastructure required to support new development. If these fees are not maintained at the proper level, the City may have to provide additional General Fund support for growth-related capital projects through use of fund balance or issuance of General Obligation Bonds.

PROPOSED MOTION

Move to introduce and tentatively adopt Ordinance No. 4528 amending sections 38-4, 38-11, 38-12, and Appendix A of Chapter 38 of the Chandler City Code to modify certain system development fees and amend certain aspects of the system development fee process.

Attachment: Ordinance No. 4528 (redline and final)

c: Marsha Reed, Assistant City Manager
Kay Bigelow, City Attorney
Jeff Clark, Fire Chief
Sean Duggan, Police Chief
Mark Eynatten, Community Services Director
Dave Siegel, Municipal Utilities Director
R.J. Zeder, Transportation & Development Director

ORDINANCE NO. 4528

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING SECTIONS 38-4, 38-11, 38-12, AND APPENDIX A OF CHAPTER 38, CODE OF THE CITY OF CHANDLER TO MODIFY CERTAIN ARTERIAL STREET, FIRE, LIBRARY, PARKS, POLICE, PUBLIC BUILDINGS, RECLAIMED WATER, WASTEWATER, WATER, AND WATER RESOURCE SYSTEM DEVELOPMENT FEES.

WHEREAS, new development imposes increased and excessive demands on City facilities and infrastructure needed to provide necessary public services; and

WHEREAS, the City projects new development to continue which will place ever-increasing demands on the City to provide public facilities and infrastructure to serve new developments; and

WHEREAS, to the extent that new development places demands upon public facilities and infrastructure, those demands should be satisfied by shifting the responsibility for financing such public facilities and infrastructure from the public to the development creating the demands; and

WHEREAS, the City has utilized a qualified professional to update the previous fee studies to calculate the value of system development fees needed to provide public facilities and infrastructure to serve new development in compliance with Senate Bill 1525 passed in 2011 by the 50th Legislature, First Regular Session.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, that the Code of the City of Chandler, Arizona be amended as follows:

Section 1: Section 38-4 is hereby amended as follows:

38-4. Applicability.

A. Except as otherwise provided herein, from and after June 27, 2013, this chapter shall apply to all new development within any service area.

B. The provisions of this chapter shall apply to all of the territory within the corporate limits of the City, and water, reclaimed water and wastewater system development fees shall apply within the City's water, reclaimed water and wastewater service areas, subject to the following:

1. Arterial street system development fees shall only be assessed in the area south of Frye Road, east of McClintock Road, and north of Frye Road, east of Arizona Avenue, except property which is either both north of Knox Road and west of the Southern Pacific Railroad tracks, or east of Palm Lane, north of Pecos Road and west of the Southern Pacific Railroad tracks to Chandler Boulevard.

~~2. Water system development fees specific to water resource development shall only be assessed in Salt River Project off-project and non-member areas.~~

32. Wastewater and reclaimed water fees shall not be assessed on water-only (landscape) connections.

C. The City Engineer or his/her designee is authorized to make determinations regarding the application, administration and enforcement of the provisions of this chapter.

Section 2: Section 38-11 is hereby amended as follows:

38-11. Collection of fees.

A. *Collection.* System development fees, together with any administrative charges assessed to defray the costs of administering this chapter, shall be calculated and collected at issuance of permission to commence development; specifically:

1. Unless otherwise specified pursuant to a Development agreement adopted pursuant to Section 38-13 of this chapter, system development fees shall be paid at the time of issuance of a building permit according to the current system development fee schedule for the applicable service area(s) as adopted pursuant to this chapter, or according to any other applicable system development fee schedule as authorized in this chapter.

(a) The City shall determine the amount of each required system development fee through the use of the applicable fee schedule.

(b) The City shall determine the category of development for each development based on the land use(s) applicable to the lot to be developed in its entirety. The system development fees for retail/commercial, office, public/quasi-public and industrial/warehouse shall take into account that a development or phase of development may contain components of more than one use category but the primary use category for which the development or phase of development is being constructed shall be the basis for which fees are assessed. If a lot consists of two (2) or more separate areas with different land uses applicable to each separate area, then the system development fee shall be determined by adding up all the fees that would be applicable for each land use type in each separate area. Determinations of the category of development by the City Engineer may be appealed to the City Manager or his/her designee.

(c) The City shall determine the water meter size for each lot based on the actual meter size installed on each lot. If the exact meter size is not listed in a table, then the City shall use the next largest meter size in such table. If a lot consists of two (2) or more separate areas with separate meters in each separate area, then the system development fee shall be determined by adding up all the fees that would be applicable for each meter size in each separate area. If a new wastewater customer is not a water customer, the City Engineer will determine the appropriate water meter size based on the estimated wastewater generation for the project.

(d) In assessing the system development fees for non-residential land use types, square footage shall be measured in terms of gross floor area, and any determination of square

footage shall be in whole units, with any fractions thereof being rounded up to the next square foot.

(e) System development fees for development projects involving an addition to or remodeling of an existing facility, change of use, change of housing type, change of meter size or other modification or redevelopment of a previously developed lot or building with a valid certificate of occupancy shall be calculated as follows: the applicable system development fees for the proposed development as set forth in the current system development fee schedules minus the applicable system development fees for the previous development as set forth in the current system development fee schedules. In the event that the difference is negative, no refund of previously paid system development fees shall be made.

2. If a building permit is not required for the development, but water or wastewater connections are required, any and all system development fees due shall be paid at the time the water service connection is purchased. If only a wastewater connection is required, the system development fees shall be paid prior to approval of a connection to the sewer system. If no building permit or water or wastewater connection is required, all system development fees shall be paid prior to development approval. Wastewater system development fees shall be assessed if a development connects to the public sewer, or as determined by the City Engineer, is capable of discharging sewage to a City public sewer.

3. If the development is located in a service area with a stormwater, drainage, and flood control system development fee, and neither a building permit, water, or sewer service connection is required, the storm drainage system development fee due shall be paid at the time a civil or site permit is issued for the development.

4. No building permit, water or sewer connection, or certificate of occupancy shall be issued if a system development fee is not paid as directed in the previous paragraphs.

5. If the building permit is for a change in the type of building use, an increase in square footage, a change to land use, or an addition to a point of demand to the water or wastewater system, the system development fee shall be assessed on the additional service units resulting from the expansion or change, and following the system development fee schedule applicable to any new use type.

6. For issued permits that expire or are voided, system development fees and administrative charges shall be as follows:

(a) If the original permittee is seeking to renew an expired or voided permit, and the system development fees paid for such development have not been refunded, then the permittee shall pay the difference between any system development fees paid at the time the permit was issued and those in the fee schedule at the time the permit is reissued or renewed.

(b) If a new or renewed permit for the same development is being sought by someone other than the original permittee, the new permit applicant shall pay the full system development fees specified in the fee schedule in effect at the time that the permits are reissued or renewed. If the original permittee has assigned its rights under the permits to

the new permit applicant, the new permit applicant shall pay system development fees as if it were the original permittee.

B. *Exceptions.* System development fees shall not be owed under any of the following conditions.

1. System development fees have been paid for the development and the permit(s) which triggered the collection of the system development fees have not expired or been voided.

2. The approval(s) that trigger the collection of system development fees involve modifications to existing development that do not: (a) add new EDUs, (b) increase the impact of existing EDUs on existing or future capital facilities, or (c) change the land-use type of the existing development to a different category of development for which a higher system development fee would have been due. To the extent that any modification does not meet the requirements of this paragraph, the system development fee due shall be the difference between the system development fee that was or would have been due on the existing development and the system development fee that is due on the development as modified.

3. Public schools and charter schools shall be exempt from payment of non-utility system development fees in accordance with A.R.S. § 9-500.18 with the exception of arterial street system development fees. In addition, public schools and charter schools shall be exempt from arterial street system development fees.

4. Separate water meters installed for irrigation purposes only shall not be included in the calculation of the wastewater system development fee. In redevelopment situations, credit shall be issued for existing water meters assigned to the property in question based on the current utility system development fees in effect at the time. When a building(s) is demolished as part of redevelopment, any credits will be applied to utility system development fees owed. When a larger water meter is required to serve an existing building due to a change in use, the difference between the value of the existing meter system development fees in current dollars will be applied against any new system development fees owed.

Water, wastewater and reclaimed water system development fees shall not be charged for meters dedicated only for fire flow. In the case of a change of use of an existing building where a larger meter is required to accommodate fire flow, the system development fees will be based only on the meter size upgrade that is required for domestic consumption.

5. Temporary structures for which an administrative use permit is secured for use as a sales office and not for residential or other purposes and intended to be removed within the two-year period granted under the use permit shall be exempt from system development fees. This exemption shall not apply where the temporary building is erected on a parcel of land upon which a permanent building with permanent facilities is to be constructed.

C. *Temporary exemptions from system development fee schedules.* New developments in the City shall be temporarily exempt from increases in system development fees that result from the adoption of new or modified system development fee schedules as follows:

1. *Single-family uses.* On or after the day that the first building permit is issued for a single-family development, the City shall, at the permittee's request, provide the permittee with an applicable system development fee schedule that shall be in force for a period of twenty-four (24) months beginning on the day that the first building permit is issued, and which shall expire at the end of the first business day of the 25th month thereafter. During the effective period of the applicable system development fee schedule, any building permit issued for the same single-family development shall not be subject to any new or modified system development fee schedule, provided that if the City reduces the amount of an applicable system development fee during the period that a grandfathered system development fee schedule is in force, the City shall assess the lower system development fee.

2. *Non-residential and multi-family uses.* On or after the day that the final approval is issued for a non-residential or multi-family development, the City shall provide an applicable system development fee schedule that shall be in force for a period of twenty-four (24) months beginning on the day that final development approval of a site plan or final subdivision plat is given, and which shall expire at the end of the first business day of the 25th month thereafter. For the purpose of this paragraph, final approval shall mean the approval of a site plan or, if no site plan is submitted for the development, the approval of a final subdivision plat. During the effective period of the applicable system development fee schedule, any building permit issued for the same development shall not be subject to any new or modified system development fee schedule, provided that if the City reduces the amount of an applicable system development fee during the period that a grandfathered system development fee schedule is in force, the City shall assess the lower system development fee.

3. *Other development.* Any development not covered under paragraphs 1 and 2 of this subsection shall pay system development fees according to the fee schedule that is current at the time of collection as specified in Subsection A of this Section.

4. *Changes to site plans and subdivision plats.* Notwithstanding the other requirements of this subsection, if changes are made to a development's final site plan or subdivision plat that will increase the number of service units after the issuance of a grandfathered system development fee schedule, the City may assess any new or modified system development fees against the additional service units.

D. *Option to pursue special fee determination.* The development fees with categories "Retail/Commercial," "Office," "Public/Quasi-Public" and "Industrial/Warehouse" take into account that a development or phase of development may contain components of more than one use category but the primary use category for which the development or phase of development is being constructed shall be the basis for which fees are assessed. For uses that cannot readily be designated under a particular category and are not part of a larger retail, industrial or office development, the City Engineer shall determine the category the particular use will be assigned based on which category has a p.m. peak hour trip generation rate equal to or less than the rate for the land use under consideration.

Section 3: Section 38-12 is hereby amended as follows:

38-12. Credits and credit agreements.

A. *Eligibility of capital facility.* All system development fee credits must meet the following requirements:

1. One of the following is true:

(a) The capital facility, or the financial contribution toward a capital facility that will be provided by the developer and for which a credit will be issued, must be identified in an adopted infrastructure improvements plan and fee report as a capital facility for which a system development fee was assessed; or

(b) The applicant must demonstrate to the satisfaction of the City that, given the class and type of improvement, the subject capital facility should have been included in the infrastructure improvements plan in lieu of a different capital facility that was included in the infrastructure improvements plan and for which a system development fee was assessed. If the subject capital facility is determined to be eligible for a credit in this manner, the City shall amend the infrastructure improvements plan to (i) include the subject replacement facility and (ii) delete the capital facility that will be replaced.

2. Credits shall not be available for any capital facility provided by a developer if the cost of such capital facility will be repaid to the developer by the City through another agreement or mechanism. To the extent that the developer will be paid or reimbursed by the City for any contribution, payment, construction, or dedication from any City funding source including an agreement to reimburse the developer with future collected system development fees pursuant to Section 38-13 of this chapter, any credits claimed by the developer shall be: (a) deducted from any amounts to be paid or reimbursed by the City; or (b) reduced by the amount of such payment or reimbursement.

B. *Eligibility of subject development.* To be eligible for a credit, the subject development must be located within the service area of the eligible capital facility.

C. *Calculation of credits.* Credits will be based on that portion of the costs for an eligible capital facility identified in the adopted infrastructure improvements plan for which a development fee was assessed pursuant to the fee report. If the gross system development fee for a particular category of necessary public service is adopted at an amount lower than the plan-based cost per EDU, the amount of any credit shall be reduced in proportion to the difference between the plan-based cost per EDU and the gross system development fee adopted. A credit shall not exceed the actual costs the applicant incurred in providing the eligible capital facility, nor shall it exceed the amount of the applicable system development fee for the subject development.

D. *Allocation of credits.* Before any credit can be issued to a subject development (or portion thereof), the credit must be allocated to that development as follows:

1. The developer and the City must execute a credit agreement including all of the following:

- (a) The total amount of the credits resulting from provision of an eligible capital facility.
 - (b) The estimated number of EDUs to be served within the subject development.
 - (c) The method by which the credit values will be distributed within the subject development.
2. It is the responsibility of the developer to request allocation of system development fee credits through an application for a credit agreement (which may be part of a Development agreement entered into pursuant to Section 38-13 of this chapter).
3. If a building permit is issued or a water/sewer connection is purchased, and a system development fee is paid prior to execution of a credit agreement for the subject development, no credits may be allocated retroactively to that permit or connection. Credits may be allocated to any remaining permits for the subject development in accordance with this chapter.
4. If the entity that provides an eligible capital facility sells or relinquishes a development (or portion thereof) that it owns or controls prior to execution of a credit agreement or Development agreement, credits resulting from the eligible capital facility will only be allocated to the development if the entity legally assigns such rights and responsibilities to its successor(s) in interest for the subject development.
5. If multiple entities jointly provide an eligible capital facility, both entities must enter into a single credit agreement with the City, and any request for the allocation of credit within the subject development(s) must be made jointly by the entities that provided the eligible capital facility.
6. Credits may only be reallocated from or within a subject development with the City's approval of an amendment to an executed credit agreement, subject to the following conditions:
 - (a) The entity that executed the original agreement with the City, or its legal successor in interest, and the entity that currently controls the subject development are parties to the request for reallocation.
 - (b) The reallocation proposal does not change the value of any credits already issued for the subject development.
7. A credit agreement may authorize the allocation of credits to a non-contiguous parcel only if all of the following conditions are met:
 - (a) The entity that executed the original agreement with the City or its legal successor in interest, the entity that currently controls the subject development, and the entity that controls the non-contiguous parcel are parties to the request for reallocation.
 - (b) The reallocation proposal does not change the value of any credits already issued for the subject development.

(c) The non-contiguous parcel is in the same service area as that served by the eligible capital facility.

(d) The non-contiguous parcel receives a necessary public service from the eligible capital facility.

(e) The credit agreement specifically states the value of the credits to be allocated to each parcel and/or EDU, or establishes a mechanism for future determination of the credit values.

(f) The credit agreement does not involve the transfer of credits to or from any property subject to a development agreement.

(g) The City must obtain ownership or control of the Capital Facility subsequent to August 1, 2014 to allow for allocation of credits to non-contiguous parcels.

E. *Credit agreement.* Credits shall only be issued pursuant to a credit agreement executed in accordance with Subsection D of this Section. The City Engineer or authorized designee is authorized by this chapter to enter into a credit agreement with the controlling entity of a subject development, subject to the following:

1. The developer requesting the credit agreement shall provide all information requested by the City to allow it to determine the value of the credit to be applied.

2. An application for a credit agreement shall be submitted to the City by the developer within one year of the date on which ownership or control of the capital facility passes to the City.

3. The developer shall submit a draft credit agreement to the City Engineer or authorized designee(s) for review in the form provided to the applicant by the City. The draft credit agreement shall include, at a minimum, all of the following information and supporting documentation:

(a) A legal description and map depicting the location of the subject development for which credit is being applied. The map shall depict the location of the capital facilities that have been or will be provided.

(b) An estimate of the total EDUs that will be developed within the subject development depicted on the map and described in the legal description.

(c) A list of the capital facilities, associated physical attributes and the related costs as stated in the infrastructure improvements plan.

(d) Documentation showing the date(s) of acceptance by the City, if the capital facilities have already been provided.

(e) The total amount of credit to be applied within the subject development and the calculations leading to the total amount of credit.

(f) The credit amount to be applied to each EDU within the subject development for each category of necessary public services.

4. The City's determination of the credit to be allocated is final.
5. Upon execution of the credit agreement by the City and the applicant, credits shall be deemed allocated to the subject development.
6. Any amendment to a previously approved credit agreement must be initiated within two (2) years of the City's final acceptance of the eligible capital facility for which the amendment is requested.
7. Any credit agreement approved as part of a development agreement shall be amended in accordance with the terms of the development agreement and Section 38-13 of this chapter.

F. *Issuance of credits.* Credits allocated pursuant to Subsection D of this Section may be issued and applied toward the gross system development fees due from a development, subject to the following conditions:

1. Credits issued for an eligible capital facility may only be applied to the system development fee due for the applicable category of necessary public services, and may not be applied to any fee due for another category of necessary public services.
2. Credits shall only be issued when the eligible capital facility from which the credits were derived has been accepted by the City.
3. Where credits have been issued pursuant to paragraph 2 of this subsection, a system development fee due at the time a building permit is issued shall be reduced by the credit amount stated in or calculated from the executed credit agreement. Where credits have not yet been issued, the gross system development fee shall be paid in full.
4. Credits, once issued, may not be rescinded or reallocated to another permit or parcel, except that credits may be released for reuse on the same subject development if a building permit for which the credits were issued has expired or been voided and is otherwise eligible for a refund under Section 38-15.A.2(a) of this chapter.
5. Notwithstanding the other provisions of this Section 38-12, credits issued prior to August 1, 2014, may only be used for the subject development for which they were issued.

Section 4: Appendix A is hereby amended as follows:

APPENDIX A-~~2~~ INTERIM FEE SCHEDULE

| System Development Fee | Single-Family (unit) | Multi-Family (unit) | Retail/ Commercial (square foot) | Office (square foot) | Industrial/ Warehouse (square foot) | Public/ Quasi-Public (square foot) |
|---|--------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| Arterial Street ⁽¹⁾ | \$3,983 <u>\$3,901</u> | \$2,446 <u>\$2,419</u> | \$7.39(2) <u>\$4.13</u> | \$5.88(3) <u>\$4.36</u> | \$2.63 <u>\$2.30</u> | \$1.66(4) <u>\$1.44</u> |
| Fire ⁽⁴²⁾ | \$344 <u>\$412</u> | \$263 <u>\$295</u> | \$0.43 <u>\$0.48</u> | \$0.33 <u>\$0.32</u> | \$0.11 <u>\$0.10</u> | \$0.11 <u>\$0.14</u> |
| Library ⁽⁴²⁾ | \$75 <u>\$61</u> | \$58 <u>\$44</u> | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Parks – Northwest Service Area ⁽⁴²⁾⁽⁴⁾ | \$3,740 <u>\$2,241</u> | \$2,865 <u>\$1,602</u> | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Parks – Northeast Service Area ⁽²⁾⁽⁴⁾ | <u>\$3,138</u> | <u>\$2,244</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> |
| Parks – Southeast Service Area ⁽²⁾⁽⁴⁾ | <u>\$3,246</u> | <u>\$2,321</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> |
| Police ⁽⁴²⁾ | \$164 <u>\$277</u> | \$125 <u>\$198</u> | \$0.20 <u>\$0.32</u> | \$0.16 <u>\$0.21</u> | \$0.05 <u>\$0.07</u> | \$0.05 <u>\$0.09</u> |
| Public Buildings ⁽⁴²⁾ | \$97 <u>\$110</u> | 74 <u>\$79</u> | \$0.12 | \$0.09 <u>\$0.08</u> | \$0.03 <u>\$0.02</u> | \$0.03 |
| Reclaimed Water ⁽⁵³⁾ | \$1,114 <u>\$838</u> | \$511 <u>\$397</u> | See Table A | | | |
| Wastewater— Treatment ⁽⁵³⁾ | \$5,272 <u>\$5,804</u> | \$2,413 <u>\$2,751</u> | See Table A | | | |
| Wastewater— Trunkline ⁽⁵⁾ | <u>\$167</u> | <u>\$77</u> | See Table A | | | |
| Water | \$5,019 <u>\$5,680</u> | \$1,832 <u>\$2,147</u> | See Table A | | | |
| Water Resource ⁽⁶⁾ | <u>\$34</u> | <u>\$13</u> | See Table A | | | |

(1) Assessed in any area south of Frye Road, east of McClintock Road, and north of Frye Road, east of Arizona Avenue, except property which is either both north of Knox Road and west of the Southern Pacific Railroad tracks, or east of Palm Lane, north of Pecos Road and west of the Southern Pacific Railroad tracks to Chandler Boulevard.

~~(2) City will contribute an additional seven dollars and forty cents (\$7.40) per square foot for retail space for a total of fourteen dollars and seventy nine cents (\$14.79) per square foot for retail. However, for retail space that generates less than three (3) trips per one thousand (1,000) square foot of retail space at p.m. peak according to the ITE Trip Generation Manual, the fee will be three dollars and sixty nine cents (\$3.69) per square foot, with the City contributing eleven dollars and ten cents (\$11.10) per square foot of retail.~~

~~(3) For Class A office space (as determined by the City Engineer) with a minimum of fifty thousand (50,000) square feet in a single building, the fee will be four dollars and forty cents (\$4.40) per square foot, with the City contributing one dollar and forty eight cents (\$1.48) per square foot.~~

(42) Pursuant to A.R.S. 9-500.18, these non-utility system development fees may not be assessed on school districts or charter schools. In addition, arterial street system development fees shall not be collected from a school district or charter school.

(53) No reclaimed water or wastewater fees for water-only (landscape) connections.

~~(6) Assessed in Salt River Project off-project areas and nonmember areas only.~~

(4) Fees for the Parks – Northwest Service Area are assessed in the area west of Price Road. Fees for the Parks – Northeast Service Area are assessed in the area both east of Price Road and north of the 202 Freeway. Fees for the Parks – Southeast Service Area are assessed in the area both east of Price Road and south of the 202 Freeway.

| Table A: Non-Residential Utility System Development Fees | | | | | | |
|--|--------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------|
| Water Meter Size | Water Meter Type | Reclaimed Water ⁽¹⁾ | Wastewater Treatment ⁽¹⁾ | Wastewater Trunkline ⁽¹⁾ | Water | Water Resource ⁽²⁾ |
| 5/8" x 3/4" | Disc | \$1,114 | \$5,272 | \$167 | \$5,019 | \$42 |
| 3/4" | Disc | <u>\$1,672</u> <u>\$1,257</u> | <u>\$7,906</u> <u>\$8,706</u> | <u>\$251</u> | <u>\$7,529</u> <u>\$8,520</u> | <u>\$65</u> |
| 1" | Disc | <u>\$2,785</u> <u>\$2,095</u> | <u>\$13,177</u> <u>\$14,510</u> | <u>\$417</u> | <u>\$12,549</u> <u>\$14,200</u> | <u>\$107</u> |
| 1 1/2" | Disc | <u>\$5,570</u> <u>\$4,190</u> | <u>\$26,354</u> <u>\$29,020</u> | <u>\$834</u> | <u>\$25,097</u> <u>\$28,400</u> | <u>\$249</u> |
| 2" | Disc/Turbine | <u>\$8,913</u> <u>\$6,704</u> | <u>\$42,166</u> <u>\$46,432</u> | <u>\$1,334</u> | <u>\$40,154</u> <u>\$45,440</u> | <u>\$484</u> |
| 2" | Turbine | \$8,913 | \$42,166 | \$1,334 | \$40,154 | \$484 |
| 3" | Compound | <u>\$17,825</u> <u>\$13,408</u> | <u>\$84,332</u> <u>\$92,864</u> | <u>\$2,667</u> | <u>\$80,309</u> <u>\$90,880</u> | <u>(3)</u> |
| 3" | Turbine | <u>\$19,496</u> <u>\$14,665</u> | <u>\$92,238</u> <u>\$101,570</u> | <u>\$2,917</u> | <u>\$87,838</u> <u>\$99,400</u> | <u>(3)</u> |
| 4" | Compound | <u>\$27,850</u> <u>\$20,950</u> | <u>\$131,768</u> <u>\$145,100</u> | <u>\$4,168</u> | <u>\$125,482</u> <u>\$142,000</u> | <u>(3)</u> |
| 6" | Compound | <u>\$55,700</u> <u>\$41,900</u> | <u>\$263,535</u> <u>\$290,200</u> | <u>\$8,336</u> | <u>\$250,963</u> <u>\$284,000</u> | <u>(3)</u> |
| 6" | Turbine | <u>\$69,625</u> <u>\$52,375</u> | <u>\$329,419</u> <u>\$362,750</u> | <u>\$10,419</u> | <u>\$313,704</u> <u>\$355,000</u> | <u>(3)</u> |
| 8" | Compound | <u>\$89,120</u> <u>\$67,040</u> | <u>\$421,656</u> <u>\$464,320</u> | <u>\$13,336</u> | <u>\$401,541</u> <u>\$454,400</u> | <u>(3)</u> |
| 8" | Turbine | <u>\$100,261</u> <u>\$75,420</u> | <u>\$474,364</u> <u>\$522,360</u> | <u>\$15,004</u> | <u>\$451,733</u> <u>\$511,200</u> | <u>(3)</u> |
| 10" and Larger | Any | <u>(42)</u> | <u>(42)</u> | <u>(42)</u> | <u>(42)</u> | <u>(3)</u> |

⁽¹⁾ No Reclaimed Water or wastewater fees for water-only (landscape) connections.

~~⁽²⁾ Assessed in Salt River Project off-project and nonmember areas only.~~

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 4528 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on _____ day of _____, 2014, and that a quorum was present thereat.

CITY CLERK

PUBLISHED:

APPROVED AS TO FORM:

CITY ATTORNEY (KB)