

PH #2

MAY 22 2008



Chandler • Arizona
Where Values Make The Difference

MEMORANDUM **Management Services Memo No. 08-075**

DATE: MAY 7, 2008

TO: MAYOR AND COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER
 RICH DLUGAS, ASSISTANT CITY MANAGER *RD*
 DENNIS STRACHOTA, MANAGEMENT SERVICES DIRECTOR *DS*

FROM: JULIE BUELT, SENIOR FINANCIAL ANALYST *JB*

SUBJECT: PUBLIC HEARING FOR MODIFIED UTILITY SYSTEM DEVELOPMENT FEES

BACKGROUND/DISCUSSION: According to provisions of the Chandler City Code, System Development Fees are to be updated annually. It has been the City's practice to have consultants review the fees every other year, and have City staff make an inflationary adjustment in the interim years. Red Oak Consulting prepared the System Development Fee Report for the 2008 modified utility system development fees.

In order to adequately notify interested parties of the 2008 update, emails were sent on March 7, 2008 to the Associated General Contractors of America, Capitol Consulting (representing the Arizona Multihousing Association), Chandler Chamber of Commerce, Fulton Homes Corporation, Home Builders Association of Central Arizona (HBACA) and Valley Partnership informing them of the proposed update to the System Development Fees and the planned date of the Public Hearing. Staff hosted a public meeting on April 29, 2008 attended by representatives from Capitol Consulting, Fulton Homes Corporation, HBACA and Valley Partnership. To date, no issues have been communicated to City staff regarding the modified utility system development fees. However, there are outstanding concerns regarding the new and modified non-utility system development fees so staff is not including those fees in this Public Hearing.

The Advance Notice of Intent was published in the Arizona Republic on March 17, 2008 showing the date, time and place of the Public Hearing scheduled for May 22, 2008. In compliance with State Statutes, the Utility System Development Fees report was filed with the City Clerk for public review beginning March 14, 2008, and is available on-line as agenda item number 39 on the March 13, 2008 Chandler City Council Regular Meeting Agenda. The ordinance to adopt the modified utility system development fees is scheduled for introduction at

MS Memo No. 08-075

5/7/2008

Page 2

the June 12, 2008 Council Meeting, with final adoption scheduled for the June 26, 2008 Council Meeting. The modified utility system development fees will be effective October 1, 2008.

FINANCIAL IMPLICATIONS: System development fees are charges designed to provide funding to a community for the cost of expanding infrastructure or building capital facilities 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 projects.

cc: Pat McDermott, Assistant City Manager
Dave Siegel, Municipal Utilities Director

Attachments: Proposed Modified Utility System Development Fees

Proposed Modified Utility System Development Fees

	Current Fee	Updated Fee
<i>Water System Development Charges:</i>		
Single-family (per dwelling unit)	3,959.00	4,673.00
Multi-family (per dwelling unit)	1,998.00	1,705.00
5/8 x 3/4 Disc Meter	3,959.00	4,673.00
3/4 Disc Meter	5,939.00	7,010.00
1-0 Disc Meter	9,898.00	11,684.00
1 1/2 Disc Meter	19,795.00	23,367.00
2-0 Disc Meter	31,672.00	37,387.00
3-0 Compound Meter	63,343.00	74,775.00
4-0 Compound Meter	98,973.00	116,836.00
6-0 Compound Meter	197,946.00	233,671.00
8-0 Compound Meter	316,712.00	373,874.00
2-0 Turbine Meter	31,672.00	37,387.00
3-0 Turbine Meter	69,282.00	81,785.00
6-0 Turbine Meter	247,431.00	292,089.00
8-0 Turbine Meter	356,301.00	420,608.00
<i>Water Resource System Development Charges:</i>		
Single-family (per dwelling unit)	745.00	31.00
Multi-family (per dwelling unit)	407.00	12.00
5/8 x 3/4 Disc Meter	951.00	39.00
3/4 Disc Meter	1,455.00	60.00
1-0 Disc Meter	2,320.00	99.00
1 1/2 Disc Meter	6,254.00	231.00
2-0 Disc Meter	10,717.00	450.00
2-0 Turbine Meter	14,254.00	450.00
<i>Wastewater System Development Charges/Trunkline:</i>		
Single-family (per dwelling unit)	285.00	155.00
Multi-family (per dwelling unit)	167.00	71.00
5/8 x 3/4 Disc Meter	285.00	155.00
3/4 Disc Meter	427.00	233.00
1-0 Disc Meter	711.00	388.00
1 1/2 Disc Meter	1,422.00	776.00
2-0 Disc Meter	2,275.00	1,242.00
3-0 Compound Meter	4,549.00	2,483.00
4-0 Compound Meter	7,107.00	3,880.00
6-0 Compound Meter	14,214.00	7,761.00
8-0 Compound Meter	22,743.00	12,417.00
2-0 Turbine Meter	2,275.00	1,242.00
3-0 Turbine Meter	4,975.00	2,716.00
6-0 Turbine Meter	17,768.00	9,701.00
8-0 Turbine Meter	25,586.00	13,970.00

Proposed Modified Utility System Development Fees

	Current Fee	Updated Fee
<i>Wastewater System Development Charges/Treatment:</i>		
Single-family (per dwelling unit)	2,281.00	4,908.00
Multi-family (per dwelling unit)	1,343.00	2,246.00
5/8 x 3/4 Disc Meter	2,281.00	4,908.00
3/4 Disc Meter	3,420.00	7,361.00
1-0 Disc Meter	5,701.00	12,269.00
1 1/2 Disc Meter	11,401.00	24,538.00
2-0 Disc Meter	18,241.00	39,260.00
3-0 Compound Meter	36,482.00	78,521.00
4-0 Compound Meter	57,002.00	122,689.00
6-0 Compound Meter	114,004.00	245,377.00
8-0 Compound Meter	182,406.00	392,603.00
2-0 Turbine Meter	18,241.00	39,260.00
3-0 Turbine Meter	39,902.00	85,882.00
6-0 Turbine Meter	142,505.00	306,721.00
8-0 Turbine Meter	205,206.00	441,679.00
<i>Reclaimed Water System Development Charges:</i>		
Single-family (per dwelling unit)	1,336.00	1,037.00
Multi-family (per dwelling unit)	787.00	475.00
5/8 x 3/4 Disc Meter	1,336.00	1,037.00
3/4 Disc Meter	2,005.00	1,556.00
1-0 Disc Meter	3,341.00	2,593.00
1 1/2 Disc Meter	6,680.00	5,186.00
2-0 Disc Meter	10,688.00	8,298.00
3-0 Compound Meter	21,375.00	16,596.00
4-0 Compound Meter	33,398.00	25,931.00
6-0 Compound Meter	66,796.00	51,862.00
8-0 Compound Meter	106,873.00	82,979.00
2-0 Turbine Meter	10,688.00	8,298.00
3-0 Turbine Meter	23,379.00	18,152.00
6-0 Turbine Meter	83,495.00	64,827.00
8-0 Turbine Meter	120,232.00	93,352.00