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#18
SEP 25 2008

MEMORANDUM

Management Services Memo No. 09-015

DATE: SEPTEMBER 9, 2008

TO: MAYOR AND COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER
RICH DLUGAS, ASSISTANT CITY MANAGER RD
DENNIS STRACHOTA, MANAGEMENT SERVICES DIRECTOR
DAWN LANG, ASSISTANT DIRECTOR FOR FINANCE DLW

FROM: JULIE BUELT, SENIOR FINANCIAL ANALYST JCB

SUBJECT: ADOPT NON-UTILITY INFRASTRUCTURE IMPROVEMENTS PLAN

RECOMMENDATION: Staff recommends Council move to adopt the Non-Utility Infrastructure Improvements Plan.

BACKGROUND/DISCUSSION: Arizona Revised Statutes Section 9-463.05 now requires the governing body of a municipality to adopt or amend an infrastructure improvements plan before the assessment of a new or modified development fee. An infrastructure improvements plan is defined as "one or more written plans that individually or collectively identify each public service that is proposed to be the subject of a development fee." Duncan Associates prepared the attached Non-Utility Infrastructure Improvements Plan.

The Advance Notice of Intent was published in the Arizona Republic on June 14, 2008 showing the date, time and place of the Public Hearing that occurred on August 14, 2008. In compliance with State Statutes, the Non-Utility Infrastructure Improvements Plan was filed with the City Clerk for public review beginning June 13, 2008. All issues communicated to City staff regarding the Non-Utility Infrastructure Improvements Plan have been resolved to the satisfaction of the various stakeholders.

FINANCIAL IMPLICATIONS: None.

PROPOSED MOTION: Move to adopt the Non-Utility Infrastructure Improvements Plan.

cc: Pat McDermott, Assistant City Manager
Tom Carlson, Acting Fire Chief

MS Memo No. 09-015

9/9/2008

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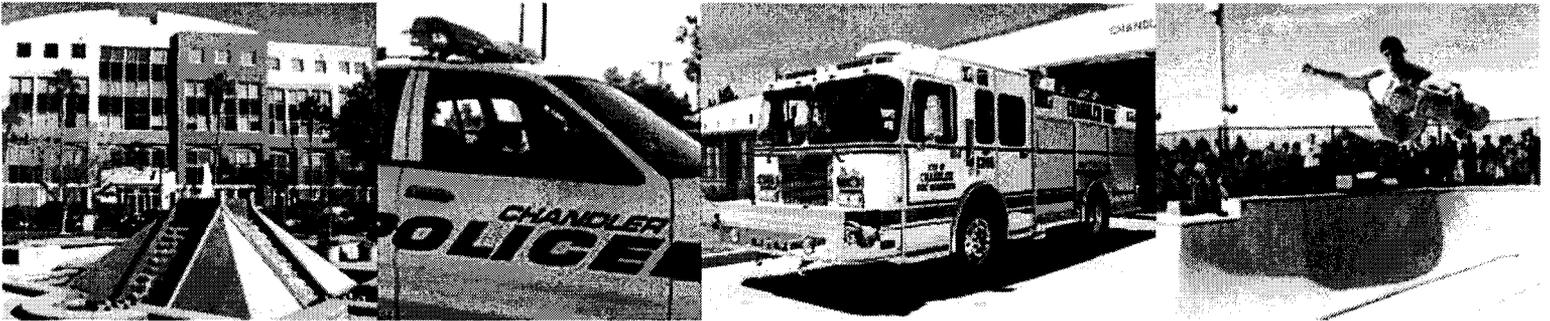
Mark Eynatten, Community Services Director

Sherry Kiyler, Police Chief

R. J. Zeder, Public Works Director

Attachment: Non-Utility Infrastructure Improvements Plan

City of Chandler, Arizona



Non-Utility Infrastructure Improvements Plan

duncan | associates

June 2008

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INTRODUCTION

In 2007, the Arizona State Legislature passed Senate Bill 1423, which amended State law relating to municipal development impact fees. Among the provisions included in the bill, the revised statute requires municipalities to adopt an infrastructure improvements plan, which provides a list and schedule of planned infrastructure that will be funded with the development fee.

The revised statute requires that “before the assessment of a new or modified fee, the governing body of the municipality shall adopt or amend an infrastructure improvements plan.” The infrastructure improvements plan must include an estimate of future facilities that will be required as a result of new development, a forecast of the infrastructure costs and a schedule of planned infrastructure construction. This report provides the infrastructure improvements plan required by State law for each of the City’s non-utility system development fees.

ARTERIAL STREETS

The City's arterial streets system development fee is based on the plan-based cost per service unit. The plan-based cost per service unit excludes costs related to pass-through traffic. The plan-based cost per service unit is adjusted to account for external funding that is expected to be provided for capacity-expanding arterial street projects used in developing the fee. As a result, the net cost per service unit will account for approximately 88 percent of the future costs, as shown in Table 1. The share of planned expenditures in the infrastructure finance plan that cannot be directly funded with system development fees may be funded through a combination of funds, including external funding sources.

Table 1. New Growth Share of Arterial Street Costs

Plan-Based Cost/EDU (Excludes Pass-Through Costs)	\$4,223
Net Cost/EDU	\$3,708
Growth Share of Non Pass-Through Future Costs	87.80%

Source: Plan-based cost/EDU from Duncan Associates, *Non-Utility System Development Fee Update*, June 2008, Table 13; Net Cost/EDU from *Non-Utility System Development Fee Update*, June 2008, Table 19.

The infrastructure improvements plan in Table 2 provides a list of planned capital improvements and other expenditures that are eligible to be funded by the arterial streets system development fee along with the total growth share of the planned expenditures. Eligible expenditures include planned capacity-expanding street improvements funded with impact fees in the 2007-2012 Capital Improvement Program, planned improvements beyond 2012, the allocable share of the system development fee study cost and the outstanding inter-fund loan that may be repaid with future system development fee collections. Some of the project costs differ from those used in calculating the system development fee, since the 2007-2012 CIP costs include an inflation adjustment and actual right-of-way (ROW) costs while the costs included in the arterial street fee are deflated to the 2007 cost and are based on a ROW acquisition cost estimate of \$3 per square foot. The planned expenditures also include system development fee carry-forward and encumbrance balances for projects that are currently under construction. Applying the growth share of future costs to the total planned expenditures rather than to each individual project provides the City with more flexibility in programming the system development fee funds.

Table 2. Arterial Street Infrastructure Improvements Plan

Expenditure	2007-2012	Beyond 2012	Total
Alma School - Frye to Germann	\$0	\$7,240,000	\$7,240,000
Alma School - Germann to Ocotillo	\$0	\$9,125,000	\$9,125,000
Alma School - Ocotillo to Chandler Heights	\$0	\$6,790,000	\$6,790,000
Alma School - Chandler Heights to City Limit	\$0	\$3,165,000	\$3,165,000
Arizona - Knox to Ray	\$0	\$90,000	\$90,000
Arizona - Pecos to Ocotillo	\$0	\$2,300,000	\$2,300,000
Arizona Ave. - Ocotillo to Riggs (8ST543)	\$5,362,000	\$6,840,000	\$12,202,000
Arizona Ave. - Riggs to Hunt	\$0	\$5,002,000	\$5,002,000
Chandler Blvd - Colorado to McQueen Road (8ST297)	\$15,160,000	\$0	\$15,160,000
Chandler Heights - Alma School to Arizona	\$0	\$1,100,000	\$1,100,000
Chandler Heights - Arizona to McQueen (8ST608)	\$13,520,000	\$0	\$13,520,000
Chandler Heights - McQueen to Val Vista (8ST642)	\$8,295,000	\$19,135,000	\$27,430,000
Cooper - North City Limit to Ray	\$0	\$2,740,000	\$2,740,000
Cooper - Queen Creek to Riggs (8ST643)	\$3,870,000	\$10,430,000	\$14,300,000
Dobson - Queen Creek to Ocotillo	\$0	\$7,900,000	\$7,900,000
Germann - Arizona Ave to .25 E of Airport Blvd	\$0	\$4,185,000	\$4,185,000
Gilbert - Germann to Queen Creek (8ST482)	\$8,290,000	\$0	\$8,290,000
Gilbert Road - Queen Creek to Hunt Hwy (8ST596)	\$40,000,000	\$0	\$40,000,000
Lindsay - Ocotillo to Riggs	\$0	\$17,395,000	\$17,395,000
Lindsay - Riggs to Hunt	\$0	\$4,045,000	\$4,045,000
McClintock - Frye to Santan	\$0	\$1,960,000	\$1,960,000
McQueen - Warner to Chandler	\$0	\$4,725,000	\$4,725,000
McQueen - Chandler to Pecos	\$0	\$7,070,000	\$7,070,000
McQueen Road - Queen Creek to Riggs (8ST478)	\$26,885,000	\$0	\$26,885,000
McQueen - Riggs to Hunt Highway	\$0	\$3,015,000	\$3,015,000
Ocotillo - Dobson to Alma School	\$0	\$4,300,000	\$4,300,000
Ocotillo Rd. - Arizona to McQueen (8ST607)	\$16,175,000	\$0	\$16,175,000
Ocotillo - Cooper to 148th St. (8ST641)	\$7,720,000	\$15,485,000	\$23,205,000
Queen Creek - McQueen to Lindsay (8ST548)	\$29,430,000	\$0	\$29,430,000
Ray - Arizona to Cooper	\$0	\$6,230,000	\$6,230,000
Riggs - West City Limit to Arizona	\$0	\$3,725,000	\$3,725,000
Riggs - Gilbert to Val Vista	\$10,800,000	\$0	\$10,800,000
Warner - UPRR to McQueen	\$0	\$4,915,000	\$4,915,000
New Traffic Signals (8ST322)	\$2,443,000	\$0	\$2,443,000
Arizona Ave - Ocotillo to Hunt Hwy (Carry-Forward)	\$470,000	\$0	\$470,000
Arizona Ave - Ray to Elliot (Encumbrance)	\$67,754	\$0	\$67,754
Asphaltic Pavement & Concrete Crushing (Encumbrance)	\$200	\$0	\$200
Chandler Blvd - California to Colorado (Encumbrance)	\$17,274	\$0	\$17,274
Chandler Blvd - Colorado to McQueen (Enc. & Carry-Forward)	\$1,841,937	\$0	\$1,841,937
Cooper - Consolidated Canal to Germann (Enc. & Carry-Forward)	\$10,398,442	\$0	\$10,398,442
Germann - Price to Arizona (Enc. & Carry-Forward)	\$12,401,808	\$0	\$12,401,808
Gilbert - Germann to Queen Creek (Enc. & Carry-Forward)	\$3,791,164	\$0	\$3,791,164
Gilbert - Pecos to Germann (Enc. & Carry-Forward)	\$205,847	\$0	\$205,847
McQueen - Pecos to Queen Creek (Encumbrance)	\$9	\$0	\$9
Pecos - Dobson to McQueen (Encumbrance)	\$12	\$0	\$12
Pecos - McQueen to Gilbert (Enc. & Carry-Forward)	\$9,364,628	\$0	\$9,364,628
Price - Santan Fwy to Germann (Enc. & Carry-Forward)	\$3,759,161	\$0	\$3,759,161
Queen Creek - Price to McQueen (Enc. & Carry-Forward)	\$10,353,186	\$0	\$10,353,186
Riggs - Arizona to Gilbert (Enc. & Carry-Forward)	\$151,455	\$0	\$151,455
Riggs - Gilbert to Val Vista (Enc. & Carry-Forward)	\$861,035	\$0	\$861,035

Expenditure	2007-2012	Beyond 2012	Total
New Traffic Signals (Enc. & Carry-Forward)	\$666,560	\$0	\$666,560
Street Construction (Enc. & Carry-Forward)	\$17,123	\$0	\$17,123
Traffic Control System (Carry-Forward)	\$7,429	\$0	\$7,429
Germann Rd - Price to Arizona (Interfund Loan)	\$1,457,000	\$1,457,000	\$2,914,000
Pecos - McQueen to Gilbert (Interfund Loan)	\$1,207,000	\$1,207,000	\$2,414,000
Cooper - Consolidated Canal to Germann (Interfund Loan)	\$1,068,000	\$1,068,000	\$2,136,000
Riggs - Gilbert to Val Vista (Interfund Loan)	\$203,000	\$203,000	\$406,000
System Development Fee Study	\$9,060	\$0	\$9,060
Total Planned Expenditures	\$246,269,084	\$162,842,000	\$409,111,084
Less: Ending Fund Balance, 6/30/2007	\$26,297,256		\$26,297,256
Less: Pass-Through Costs*	\$22,554,000	\$19,068,840	\$41,622,840
Total Planned Non-Pass-Through Expenditures	\$197,417,828	\$143,773,160	\$341,190,988
Growth Share of Future Non-Pass-Through Costs	87.80%	87.80%	
Total Growth-Related Costs	\$173,332,853	\$126,232,834	\$299,565,687

*Pass-through costs based on 12 percent of planned project costs (the pass-through portion of projects included in encumbrances, carry-forwards and inter-fund loans was accounted for in the year the expenditure was programmed through a transfer from the general fund to the system development fee fund).

Source: Project costs from City of Chandler 2007-2012 Capital Improvement Program; funding beyond 2012 based on planned improvements included in the system development fee calculation less amount of funding programmed in 2007-2012 CIP; encumbrances, capital carry-forward and inter-fund loan expenditures from City of Chandler Management Services Department, May 28, 2008; system development fee study cost based on 1/6th share of total study cost of \$54,360; existing fund balance from City of Chandler Management Services Department; and growth share of future costs from Table 1.

PARKS

Like the arterial street fee, the City's park fee is based on the plan-based cost per service unit. For parks, the plan-based cost per service unit is adjusted to reflect a credit for the outstanding debt on existing park facilities and the net cost per service unit is lower than the gross plan-based cost. As shown in Table 3, the net cost per service unit upon which the park system development fee is based will cover approximately 85 percent of the costs used in developing the impact fee. The City will need to program funding from other revenue sources in order to fund the non-growth share of planned expenditures.

Table 3. New Growth Share of Park Costs

Plan-Based Cost/EDU	\$5,516
Net Cost/EDU	\$4,708
Growth Share of Future Costs	85.35%

Source: Plan-based cost/EDU from Duncan Associates, *Non-Utility System Development Fee Update*, June 2008, Table 27; Net Cost/EDU from *Non-Utility System Development Fee Update*, June 2008, Table 36.

The park infrastructure improvements plan is shown in Table 4. The infrastructure improvements plans for parks provide a list of planned capital improvements and other expenditures that are eligible to be funded by the system development fees along with the growth share of the total planned expenditures. Eligible expenditures include capacity-expanding park improvements funded in the 2007-2012 Capital Improvement Program and beyond 2012; capacity improvements include both the acquisition of new park land and the development of new park facilities. In addition to planned improvements, eligible system development fee expenditures include the allocable share of the system development fee study cost and inter-fund and general obligation debt that may be repaid with system development fee funding. As discussed in the system development fee study, the City utilizes inter-fund loans and general obligation loans if fee-funding is insufficient to fund a project in a given year; these loans are then repaid from future impact fees if the capacity improvements will serve future growth. The planned expenditures also include system development fee carry-forward and encumbrance balances for projects that are currently under construction and for pending land purchases. Applying the growth share of future costs to the total planned expenditures rather than to each individual project provides the City with more flexibility in programming the system development fee funds.

Table 4. Park Infrastructure Improvements Plan

Expenditure	2007-2012	Beyond 2012	Total
Neighborhood Park Land Acquisition (8PR039)	\$6,084,481	\$0	\$6,084,481
Homestead North Park Site Development (8PR389)	\$1,212,750	\$0	\$1,212,750
Homestead South Park Site Development (8PR390)	\$1,739,339	\$0	\$1,739,339
Canal Park Development (8PR399)	\$1,490,406	\$0	\$1,490,406
Roadrunner Park Development (8PR400)	\$1,893,326	\$0	\$1,893,326
Future Park Site Development (8PR557)	\$7,980,258	\$0	\$7,980,258
Arbuckle Park (Enc. & Carry-Forward)	\$1,830,394	\$0	\$1,830,394
Canal Park (Encumbrance)	\$147,325	\$0	\$147,325
Chuckwalla Park (Encumbrance)	\$239,757	\$0	\$239,757
Homestead North Park (Carry-Forward)	\$142,470	\$0	\$142,470
Homestead South Park (Carry-Forward)	\$204,332	\$0	\$204,332
Pine Lakes Park (Encumbrance)	\$3,557	\$0	\$3,557
Ryan Park (Enc. & Carry-Forward)	\$367,553	\$0	\$367,553
Tibshraeny Park (Encumbrance)	\$147,029	\$0	\$147,029
Neighborhood Park Development (Encumbrance)	\$46,678	\$0	\$46,678
Neighborhood Park Land Acq. (Enc. & Carry-Forward)	\$4,919,039	\$0	\$4,919,039
System Development Fee Study	\$9,060	\$0	\$9,060
Future Park #1	\$0	\$2,099,165	\$2,099,165
Future Park #2	\$0	\$2,099,165	\$2,099,165
Future Park #3	\$0	\$2,099,165	\$2,099,165
Park Site - Layton Lakes (General Obligation Debt)	\$177,050	\$354,099	\$531,149
Subtotal, Neighborhood & Special Parks	\$28,634,804	\$6,651,594	\$35,286,398
Mesquite Groves Development (8PR396)	\$25,508,016	\$0	\$25,508,016
Community Park Development (Encumbrance)	\$54,283	\$0	\$54,283
Community Park Land Acq. (Enc. & Carry-Forward)	\$61,855	\$0	\$61,855
Mesquite Groves Park (Enc. & Carry-Forward)	\$9,559,096	\$0	\$9,559,096
Nozomi Park (Carry-Forward)	\$2,652,988	\$0	\$2,652,988
Veteran's Oasis Park (Encumbrance)	\$5,509,425	\$0	\$5,509,425
Mesquite Groves Park Land (Interfund Loan)	\$2,863,176	\$1,145,272	\$4,008,448
Chaparosa Park Development (Interfund Loan)	\$2,541,614	\$1,016,646	\$3,558,260
System Development Fee Study	\$9,060	\$0	\$9,060
Mesquite Groves Park (General Obligation Debt)	\$2,749,350	\$5,498,702	\$8,248,052
Veteran's Oasis Park (General Obligation Debt)	\$2,894,566	\$5,789,131	\$8,683,697
Nozomi Park (General Obligation Debt)	\$311,084	\$622,167	\$933,251
Subtotal, Community & Regional Parks	\$54,714,513	\$14,071,918	\$68,786,431
Total Planned Expenditures	\$83,349,317	\$20,723,512	\$104,072,829
Less: Ending Fund Balance, 6/30/2007	\$23,142,277	\$0	\$23,142,277
Total Future Costs	\$60,207,040	\$20,723,512	\$80,930,552
Growth Share of Future Costs	85.35%	85.35%	
Total Growth-Related Costs	\$51,386,708	\$17,687,518	\$69,074,226

Source: Growth share of future costs from Table 3; 2007-2012 project costs from City of Chandler 2007-2012 Capital Improvement Program; other future projects from City of Chandler Parks Development and Operations Division; general obligation payment from City of Chandler Management Services Department, October 24, 2007; encumbrances, capital carry-forward, inter-fund loan, general obligation debt expenditures and ending fund balance from City of Chandler Management Services Department, May 28, 2008; system development fee study cost based on 1/6th share of total study cost of \$54,360.

FIRE

The fire system development fee in this update is based on the existing level of service rather than on the plan-based costs. In addition, the net fee per unit was adjusted to reflect a credit for outstanding debt on existing fire facilities. As shown in Table 5, the growth share of future costs is 89 percent of the planned expenditures. The share of planned expenditures not covered by the system development fee will need to be funded through other sources.

Table 5. New Growth Share of Fire Costs

Plan-Based Cost/EDU	\$603
Net Cost/EDU	\$537
Growth Share of Future Costs	89.05%

Source: Plan-based cost/EDU from Duncan Associates, *Non-Utility System Development Fee Update*, June 2008, Table 41; Net Cost/EDU from *Non-Utility System Development Fee Update*, June 2008, Table 48.

The infrastructure improvements plan provides a list of planned capital improvements and other expenditures that are eligible to be funded by the fire system development fee. Eligible expenditures include planned fire department improvements funded with impact fees in the 2007-2012 Capital Improvement Program; the allocable share of the fee study cost and inter-fund loans that may be repaid with system development fee funding. The fire infrastructure improvements plan is shown in Table 6; aside from the repayment of the inter-fund loan, there are currently no new planned improvements that will be constructed beyond 2012. The planned expenditures also include system development fee carry-forward and encumbrance balances for projects that are currently under construction and for pending land purchases. Applying the growth share of future costs to the total planned expenditures rather than to each individual project provides the City with more flexibility in programming the existing and future system development fee funds for planned expenditures.

Table 6. Fire Infrastructure Improvements Plan

Expenditure	2007-2012	Beyond 2012	Total
Southeast Fire Station - Santan/Airport (8FI600)	\$7,130,504	\$0	\$7,130,504
Southeast Fire Station - Ocotillo/Gilbert (8FI611)	\$7,045,510	\$0	\$7,045,510
Training Center Expansion (8FI634)	\$7,729,992	\$0	\$7,729,992
Fire Administration (Enc. & Carry-Forward)	\$1,127,518	\$0	\$1,127,518
Mechanical Maint. Facility (Enc. & Carry-Forward)	\$104,953	\$0	\$104,953
Training Center Expansion (Encumbrance)	\$500	\$0	\$500
Station # 10 (Enc. & Carry-Forward)	\$4,591,107	\$0	\$4,591,107
Station # 12 Land Acquisition (Carry-Forward)	\$37,501	\$0	\$37,501
Mechanical Maint. Expansion (Interfund Loan)	\$354,691	\$624,463	\$979,154
Station # 12 Land Acquisition (Interfund Loan)	\$144,516	\$254,434	\$398,950
Station # 10 (Interfund Loan)	\$1,672,670	\$2,944,865	\$4,617,535
Fire Administration (Interfund Loan)	\$408,436	\$719,082	\$1,127,518
Fire Training Facility Expansion (Interfund Loan)	\$182	\$318	\$500
System Development Fee Study	\$9,060	\$0	\$9,060
Total Planned Expenditures	\$30,357,140	\$4,543,162	\$34,900,302
Less: Ending Fund Balance, 6/30/2007	\$5,751,224	\$0	\$5,751,224
Total Future Costs	\$24,605,916	\$4,543,162	\$29,149,078
Growth Share of Future Costs	89.05%	89.05%	
Total Growth-Related Costs	\$21,911,568	\$4,045,686	\$25,957,254

Source: 2007-2012 project costs from City of Chandler 2007-2012 Capital Improvement Program less municipal arts funding; encumbrances, capital carry-forward, inter-fund loan expenditures and ending fund balance from City of Chandler Management Services Department, May 28, 2008; system development fee study cost based on 1/6th share of total study cost of \$54,360; ending fund balance from City of Chandler Management Services Department, October 24, 2007; and Growth share of future costs from Table 5.

POLICE

The police system development fee in this update is based on the existing level of service rather than on the plan-based costs. In addition, the net fee per unit was adjusted to reflect a credit for outstanding debt on existing police facilities. As shown in Table 7, the growth share of future costs is approximately 77 percent of the fee-funded share of planned police expenditures. The share of planned expenditures not covered by the development fee charged to new growth will need to be funded through other sources.

Table 7. New Growth Share of Police Costs

Plan-Based Cost/EDU	\$350
Net Cost/EDU	\$268
Growth Share of Future Costs	76.57%

Source: Plan-based cost/EDU from Duncan Associates, *Non-Utility System Development Fee Update*, June 2008, Table 53; Net Cost/EDU from *Non-Utility System Development Fee Update*, June 2008, Table 59.

The infrastructure improvements plan in Table 8 provides a list of planned capital improvements and other expenditures that are eligible to be funded by the police system development fee. Eligible expenditures include planned police department improvements funded with impact fees in the 2007-2012 Capital Improvement Program, the allocable share of the system development fee study cost and inter-fund loans that may be repaid with future system development fee revenue. There are currently no planned improvements that will be constructed beyond 2012. The planned expenditures also include system development fee carry-forward and encumbrance balances for projects that are currently under construction. The growth-related cost is the share of planned expenditures that will be funded by new development under the proposed system development fee schedule.

Table 8. Police Infrastructure Improvements Plan

Expenditure	2007-2012	Beyond 2012	Total
Police Driver Training Facility (8PD035)	\$5,516,710	\$0	\$5,516,710
Communications Center/Admin. Expansion (8PD410)	\$631,789	\$0	\$631,789
Police Training Facility (8PD579)	\$1,806,668	\$0	\$1,806,668
Chandler Heights Substation (Enc. & Carry-Forward)	\$5,758,381	\$0	\$5,758,381
Desert Breeze Substation (Encumbrance)	\$16,090	\$0	\$16,090
Chandler Heights Substation (Interfund Loan)	\$2,576,360	\$4,029,820	\$6,606,180
Desert Breeze Substation (Interfund Loan)	\$750,685	\$1,174,184	\$1,924,869
System Development Fee Study	\$9,060	\$0	\$9,060
Total Planned Expenditures	\$17,065,743	\$5,204,004	\$22,269,747
Less: Ending Fund Balance, 6/30/2007	\$5,337,717	\$0	\$5,337,717
Total Future Costs	\$11,728,026	\$5,204,004	\$16,932,030
Growth Share of Future Costs	76.57%	76.57%	
Total Growth-Related Costs	\$8,980,150	\$3,984,706	\$12,964,856

Source: 2007-12 project costs from City of Chandler 2007-2012 Capital Improvement Program less municipal arts funding; encumbrances, capital carry-forward and inter-fund loan expenditures from City of Chandler Management Services Department, May 28, 2008; system development fee study cost based on 1/6th share of total study cost of \$54,360; ending fund balance from City of Chandler Management Services Department, October 24, 2007; and growth share of future costs from Table 7.

PUBLIC BUILDINGS

The public building system development fee in this update is based on the existing level of service rather than on the plan-based costs. As shown in Table 9, the growth share of future costs is approximately 22 percent of the eligible fee-funded public building expenditures. The share of planned expenditures not covered by the development fee charged to new growth will be funded through other funding sources.

Table 9. New Growth Share of Public Building Costs

Plan-Based Cost/EDU	\$1,317
Net Cost/EDU	\$295
Growth Share of Planned Improvement Costs	22.40%

Source: Plan-based cost/EDU from Duncan Associates, *Non-Utility System Development Fee Update*, June 2008, Table 64; Net Cost/EDU from *Non-Utility System Development Fee Update*, June 2008, Table 68.

The infrastructure improvements plan in Table 10 provides a list of planned capital improvements and other expenditures that are eligible to be funded by the public buildings system development fee. Eligible expenditures include the share of planned public buildings anticipated to be funded with system development fees in the 2007-2012 Capital Improvement Program, and the allocable share of the system development fee study cost that may be repaid with system development fee funding. There are currently no planned improvements that will be constructed beyond 2012 and no outstanding inter-fund loan balances. The planned expenditures also include the system development fee encumbrance balances for the City Hall project, which is currently under construction. The growth-related cost is the share of planned expenditures that will be funded by new development under the proposed system development fee schedule.

Table 10. Public Building Infrastructure Improvements Plan

Expenditure	2007-2012	Beyond 2012	Total
City Hall (8GG075)	\$66,525,311	\$0	\$66,525,311
Public Works Expansion, Downtown Complex (8GG609)	\$3,836,400	\$0	\$3,836,400
Public Parking Garage (8GG614)	\$609,760	\$0	\$609,760
City Hall (Encumbrance)	\$122,835	\$0	\$122,835
System Development Fee Study	\$9,060	\$0	\$9,060
Total Planned Expenditures	\$71,103,366	\$0	\$71,103,366
Less: Ending Fund Balance, 6/30/2007	\$7,420,124	\$0	\$7,420,124
Total Future Costs	\$63,683,242	\$0	\$63,683,242
Growth Share of Future Costs	22.40%	22.40%	
Total Growth-Related Costs	\$14,265,046	\$0	\$14,265,046

Source: Project costs from City of Chandler 2007-2012 Capital Improvement Program (public parking garage cost based on new capacity share of total parking garage cost); encumbrances, capital carry-forward expenditures and ending fund balance from City of Chandler Management Services Department, May 28, 2008; system development fee study cost based on 1/6th share of total study cost of \$54,360; growth share of future costs from Table 9.

LIBRARY

The proposed library system development fee is based on the existing level of service rather than on the plan-based costs. In addition, the net fee per unit was adjusted to reflect a credit for outstanding debt on existing library facilities. As shown in Table 11, the growth share of future costs is approximately 35 percent of the eligible fee-funded library expenditures. The share of planned expenditures not covered by the development fee charged to new growth will need to be funded through other funding sources. In the absence of system development fee funding, the City had programmed general obligation bonds to fully fund the acquisition of the Sunset Library facility in the 2007-2012 Capital Improvement Plan.

Table 11. New Growth Share of Library Costs

Plan-Based Cost/EDU	\$668
Net Cost/EDU	\$233
Growth Share of Planned Improvement Costs	34.88%

Source: Plan-based cost/EDU from Duncan Associates, *Non-Utility System Development Fee Update*, June 2008, Table 72; Net Cost/EDU from *Non-Utility System Development Fee Update*, June 2008, Table 78.

The infrastructure improvements plan provides a list of planned capital improvements and other expenditures that are eligible to be funded by the system development fee. As shown in Table 12, the planned expenditures include the acquisition of the Sunset Library facility. The planned expenditures also include system development fee carry-forward and encumbrance balances for the Basha and Hamilton youth areas that are currently under construction; these projects were initiated before the City eliminated the library fee and are funded through the existing account balances. The study cost of \$5,400 associated with library portion of the system development fee study is funded through general fund revenue and is not included in the infrastructure improvements plan. There are currently no planned improvements that will be constructed beyond 2012 and no outstanding inter-fund loan balances. The growth-related cost is the share of planned capacity-expanding expenditures that will be funded by new development under the proposed system development fee schedule.

Table 12. Library Infrastructure Improvements Plan

Expenditure	2007-2012	Beyond 2012	Total
Sunset Library Acquisition (8LI556)	\$9,955,000	\$0	\$9,955,000
Basha and Hamilton Youth Areas (Enc. & Carry-Forward)	\$491,158	\$0	\$491,158
System Development Fee Study	\$0	\$0	\$0
Total Planned Expenditures	\$10,446,158	\$0	\$10,446,158
Less: Ending Fund Balance, 6/30/2007	\$645,633	\$0	\$645,633
Total Future Costs	\$9,800,525	\$0	\$9,800,525
Growth Share of Future Costs	34.88%	34.88%	
Total Growth-Related Costs	\$3,418,423	\$0	\$3,418,423

Source: Project costs from City of Chandler 2007-2012 Capital Improvement Program; encumbrances, capital carry-forward expenditures and ending fund balance from City of Chandler Management Services Department, May 28, 2008; and growth share of future costs from Table 11.