



**Chandler • Arizona**  
*Where Values Make The Difference*

**MEMORANDUM                      Management Services Memo No. 09-054**

**DATE:**                      JANUARY 23, 2009

**TO:**                         MAYOR AND COUNCIL

**THRU:**                    W. MARK PENTZ, CITY MANAGER *WMP*  
                                 RICH DLUGAS, ASSISTANT CITY MANAGER *RD*  
                                 DENNIS STRACHOTA, MANAGEMENT SERVICES DIRECTOR *DS*  
                                 DAWN LANG, ASSISTANT DIRECTOR FOR FINANCE *DL*  
                                 DAWN IRVINE, BUDGET MANAGER *DI*

**FROM:**                    JULIE BUELT, SENIOR FINANCIAL ANALYST *JB*

**SUBJECT:**                PUBLIC HEARING FOR MODIFIED 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. The 2009 update will be based on an inflationary adjustment using the Los Angeles Construction Cost Index of 7.4% as published on October 13, 2008 by the Engineering News Record. This is the same index that has been used in prior inflationary increases.

In order to adequately notify interested parties of the 2009 update, emails were sent on December 5, 2008 to the Associated General Contractors of America, Capitol Consulting, LLC (representing the Arizona Multihousing Association), Chandler Chamber of Commerce, Fulton Homes Corporation, Home Builders Association of Central Arizona (HBACA), National Association of Industrial and Office Properties and Valley Partnership informing them of the modified System Development Fees and the planned date of the Public Hearing. No concerns have been received to date.

The Advance Notice of Intent was published in the Arizona Republic on December 15, 2008 showing the date, time and place of the Public Hearing scheduled for February 12, 2009. In compliance with State Statutes, the list of modified System Development Fees was filed with the City Clerk for public review beginning December 5, 2008, and is available on-line as agenda item number 13 on the December 11, 2009 Chandler City Council Regular Meeting Agenda. The ordinance to adopt the modified System Development Fees is scheduled for introduction at the March 12, 2009 Council Meeting, with final adoption scheduled for the March 26, 2009 Council Meeting. The modified System Development Fees will be effective July 1, 2009.

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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  
Tom Carlson, Acting Fire Chief  
Mark Eynatten, Community Services Director  
Sherry Kiyler, Police Chief  
R. J. Zeder, Public Works Director

Attachments: 2009 Proposed System Development Fees

## 2009 Proposed System Development Fees

	Current Fee	Proposed Fee
<i>Water System Development Charges:</i>		
Single-family (per dwelling unit)	4,673.00	5,019.00
Multi-family (per dwelling unit)	1,705.00	1,832.00
5/8 x 3/4 Disc Meter	4,673.00	5,019.00
3/4 Disc Meter	7,010.00	7,529.00
1-0 Disc Meter	11,684.00	12,549.00
1 1/2 Disc Meter	23,367.00	25,097.00
2-0 Disc Meter	37,387.00	40,154.00
3-0 Compound Meter	74,775.00	80,309.00
4-0 Compound Meter	116,836.00	125,482.00
6-0 Compound Meter	233,671.00	250,963.00
8-0 Compound Meter	373,874.00	401,541.00
2-0 Turbine Meter	37,387.00	40,154.00
3-0 Turbine Meter	81,785.00	87,838.00
6-0 Turbine Meter	292,089.00	313,704.00
8-0 Turbine Meter	420,608.00	451,733.00
<i>Water Resource System Development Charges:</i>		
Single-family (per dwelling unit)	31.00	34.00
Multi-family (per dwelling unit)	12.00	13.00
5/8 x 3/4 Disc Meter	39.00	42.00
3/4 Disc Meter	60.00	65.00
1-0 Disc Meter	99.00	107.00
1 1/2 Disc Meter	231.00	249.00
2-0 Disc Meter	450.00	484.00
2-0 Turbine Meter	450.00	484.00
<i>Wastewater System Development Charges/Trunkline:</i>		
Single-family (per dwelling unit)	155.00	167.00
Multi-family (per dwelling unit)	71.00	77.00
5/8 x 3/4 Disc Meter	155.00	167.00
3/4 Disc Meter	233.00	251.00
1-0 Disc Meter	388.00	417.00
1 1/2 Disc Meter	776.00	834.00
2-0 Disc Meter	1,242.00	1,334.00
3-0 Compound Meter	2,483.00	2,667.00
4-0 Compound Meter	3,880.00	4,168.00
6-0 Compound Meter	7,761.00	8,336.00
8-0 Compound Meter	12,417.00	13,336.00
2-0 Turbine Meter	1,242.00	1,334.00
3-0 Turbine Meter	2,716.00	2,917.00
6-0 Turbine Meter	9,701.00	10,419.00
8-0 Turbine Meter	13,970.00	15,004.00
<i>Wastewater System Development Charges/Treatment:</i>		
Single-family (per dwelling unit)	4,908.00	5,272.00
Multi-family (per dwelling unit)	2,246.00	2,413.00
5/8 x 3/4 Disc Meter	4,908.00	5,272.00
3/4 Disc Meter	7,361.00	7,906.00
1-0 Disc Meter	12,269.00	13,177.00
1 1/2 Disc Meter	24,538.00	26,354.00
2-0 Disc Meter	39,260.00	42,166.00
3-0 Compound Meter	78,521.00	84,332.00
4-0 Compound Meter	122,689.00	131,768.00
6-0 Compound Meter	245,377.00	263,535.00
8-0 Compound Meter	392,603.00	421,656.00
2-0 Turbine Meter	39,260.00	42,166.00
3-0 Turbine Meter	85,882.00	92,238.00
6-0 Turbine Meter	306,721.00	329,419.00
8-0 Turbine Meter	441,679.00	474,364.00

## 2009 Proposed System Development Fees

	Current Fee	Proposed Fee
<i>Reclaimed Water System Development Charges:</i>		
Single-family (per dwelling unit)	1,037.00	1,114.00
Multi-family (per dwelling unit)	475.00	511.00
5/8 x 3/4 Disc Meter	1,037.00	1,114.00
3/4 Disc Meter	1,556.00	1,672.00
1-0 Disc Meter	2,593.00	2,785.00
1 1/2 Disc Meter	5,186.00	5,570.00
2-0 Disc Meter	8,298.00	8,913.00
3-0 Compound Meter	16,596.00	17,825.00
4-0 Compound Meter	25,931.00	27,850.00
6-0 Compound Meter	51,862.00	55,700.00
8-0 Compound Meter	82,979.00	89,120.00
2-0 Turbine Meter	8,298.00	8,913.00
3-0 Turbine Meter	18,152.00	19,496.00
6-0 Turbine Meter	64,827.00	69,625.00
8-0 Turbine Meter	93,352.00	100,261.00
<i>Fire Fees:</i>		
Single-family (per dwelling unit)	537.00	577.00
Multi-family (per dwelling unit)	411.00	442.00
Retail/Commercial (per square foot)	0.67	0.72
Office (per square foot)	0.51	0.55
Industrial/Warehouse (per square foot)	0.16	0.18
Public/quasi-public (per square foot)	0.17	0.19
<i>Police Fees:</i>		
Single-family (per dwelling unit)	268.00	288.00
Multi-family (per dwelling unit)	205.00	221.00
Retail/Commercial (per square foot)	0.34	0.37
Office (per square foot)	0.26	0.28
Industrial/Warehouse (per square foot)	0.08	0.09
Public/quasi-public (per square foot)	0.09	0.10
<i>Library Fees:</i>		
Single-family (per dwelling unit)	233.00	251.00
Multi-family (per dwelling unit)	178.00	192.00
Commercial (per square foot)	-	-
Industrial (per square foot)	-	-
<i>Arterial Street Fees:</i>		
Single-family (per dwelling unit)	3,708.00	3,983.00
Multi-family (per dwelling unit)	2,277.00	2,446.00
Retail/Commercial (per square foot)	13.77	14.79
Office (per square foot)	5.47	5.88
Industrial/Warehouse (per square foot)	2.44	2.63
Public/quasi-public (per square foot)	1.54	1.66
<i>Park Fees:</i>		
Single-family (per dwelling unit)	4,708.00	5,057.00
Multi-family (per dwelling unit)	3,606.00	3,873.00
Commercial (per square foot)	-	-
Industrial (per square foot)	-	-
<i>Public Building Fees:</i>		
Single-family (per dwelling unit)	295.00	317.00
Multi-family (per dwelling unit)	226.00	243.00
Retail/Commercial (per square foot)	0.37	0.40
Office (per square foot)	0.28	0.31
Industrial/Warehouse (per square foot)	0.09	0.10
Public/quasi-public (per square foot)	0.10	0.11