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MEMORANDUM - Economic Development – Council Memo No. ED09-036

DATE: MARCH 11, 2009

TO: MAYOR AND CITY COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER
PATRICK MCDERMOTT, ASSISTANT CITY MANAGER
RICH DLUGAS, ASSISTANT CITY MANAGER RD

FROM: CHRISTINE MACKAY, ECONOMIC DEVELOPMENT DIRECTOR
DENNIS STRACHOTA, MANAGEMENT SERVICES DIRECTOR CM

SUBJECT: SYSTEM DEVELOPMENT FEES AND REGIONAL COMPARISON

In response to the question asked during the Council Study Session on Monday, March 9, 2009 regarding System Development Fees and Economic Development, we would like to address how staff has worked to mitigate the effect these fees might have on economic development projects.

Chandler's system development fees are in line with other system development fees within the Metro area and developments are very familiar with their application. Over the years the one System Development fee that has been questioned is the Arterial Street Fee, which applies a building square footage rate, depending on the discipline, to assist in developing the arterial street system. This fee is reduced proportionately if the project constructs any portion of an arterial street adjacent to their property.

To address the concerns last year that Economic Development had in the rising office rate, City Council adopted as part of the ordinance the ability for the City to pay 25% of the fee for qualified office projects (Class A, greater than 50,000 square feet in one building), which had the effect of not increasing the fee over 2007 rates. Using this same 25%, the proposed July 2009 rates would realize a \$0.15 rate increase over 2007 for Class A office projects greater than 50,000 square feet in one building. Furthermore, the proposed industrial rate for 2009 would still be \$0.44 less than the 2007 rate.

In 1997, the City adopted an ordinance that allowed the City to pay 50% of the Arterial Street Impact Fees for qualified retail projects, which still stands today. In that same year the City modified the Arterial Street Fee boundaries to stimulate industrial growth in North Chandler, which was also done to eliminate West Chandler in 1999.

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In 2005, City Council adopted an additional retail ordinance that gives the City the ability to pay up to 75% of the Arterial Street Fee for projects that generate less than 3 trips per hour in peak PM.

For your review, you will find attached several tables giving an overview of Chandler's System Development Fees in comparison to other municipalities in the Region. You will notice this is not truly an "apples to apples" comparison because many cities require the developer to pay the infrastructure costs directly versus through a system development fee. Also, an understanding of the types of projects for which the fees are calculated may be needed. For example, in Gilbert their street fee only covers the cost of traffic signals and does not cover the cost of constructing the arterial streets.

As always, please do not hesitate to contact either of us with any questions you might have.

Attachment: System Development Fee Comparisons

System Development Fee Comparisons

Community	Date Fees Adopted	Comments
Avondale	3/18/07	
Chandler - Existing	10/1/08 & 12/29/08	10/1/08 for utility; 12/29/08 for non-utility
Chandler - Proposed	7/1/09	
Gilbert	8/11/08	
Glendale	9/12/06	
Goodyear	11/11/08	
Mesa	9/4/07	
Peoria	3/3/08	
Queen Creek	7/1/08	
Surprise	7/1/07	

System Development Fee Comparisons

Single Family Dwelling Unit (Detached), 1" Meter

	Water	Sewer	Roads	Parks	Library	Fire	Police	General Government	Other	Total
Avondale	\$ 8,833	\$ 9,270	\$ 1,857	\$ 2,501	\$ 346	\$ 996	\$ 344	\$ 929	\$ 304	\$ 25,380
Goodyear	\$ 9,873	\$ 6,691	\$ 1,166	\$ 1,057	\$ 455	\$ 1,446	\$ 637	\$ 1,326	\$ 402	\$ 23,053
Gilbert	\$ 9,836	\$ 5,445	\$ 415	\$ 4,185		\$ 1,093	\$ 615	\$ 702		\$ 22,291
Chandler - Proposed	\$ 5,053	\$ 6,553	\$ 3,983	\$ 5,057	\$ 251	\$ 577	\$ 288	\$ 317		\$ 22,079
Glendale	\$ 11,330	\$ 3,960	\$ 1,160	\$ 2,072	\$ 606	\$ 409	\$ 395	\$ 847	\$ 301	\$ 21,080
Surprise SPA's 2/4/6	\$ 5,971	\$ 3,860	\$ 5,715	\$ 2,114	\$ 467	\$ 706	\$ 372	\$ 661	\$ 998	\$ 20,864
Chandler - Existing	\$ 4,704	\$ 6,100	\$ 3,708	\$ 4,708	\$ 233	\$ 537	\$ 268	\$ 295		\$ 20,553
Surprise SPA's 3/5	\$ 5,971	\$ 3,860	\$ 5,396	\$ 2,114	\$ 467	\$ 706	\$ 372	\$ 661	\$ 998	\$ 20,545
Queen Creek		\$ 8,462	\$ 727	\$ 5,719	\$ 1,370	\$ 693	\$ 704	\$ 1,761		\$ 19,436
Peoria Northern Zone	\$ 4,187	\$ 1,923	\$ 8,160	\$ 2,622	\$ 277	\$ 683	\$ 452	\$ 567	\$ 300	\$ 19,171
Surprise SPA 1	\$ 7,631	\$ 4,896		\$ 2,114	\$ 467	\$ 706	\$ 372	\$ 661	\$ 998	\$ 17,845
Peoria Central Zone	\$ 4,187	\$ 1,923	\$ 5,304	\$ 2,622	\$ 277	\$ 683	\$ 452	\$ 567	\$ 300	\$ 16,315
Mesa	\$ 5,550	\$ 6,648		\$ 1,122	\$ 464	\$ 272	\$ 402	\$ 598	\$ 584	\$ 15,640
Peoria Southern Zone	\$ 4,187	\$ 1,923	\$ 2,300	\$ 2,622	\$ 277	\$ 683	\$ 452	\$ 567	\$ 300	\$ 13,311

Chandler uses a 1" meter
 Avondale Other = Sanitation
 Goodyear Other = Public Works
 Mesa Other = Stormwater Drainage & Cultural
 Peoria Other = Sanitation
 Surprise Other = Public Works

System Development Fee Comparisons

Multi Family Dwelling Unit

	Water	Sewer	Roads	Parks	Library	Fire	Police	General Government	Other	Total
Surprise SPA's	\$ 4,691	\$ 3,039	\$ 4,013	\$ 1,970	\$ 435	\$ 658	\$ 347	\$ 616	\$ 452	\$ 16,221
2/4/6										
Surprise SPA's	\$ 4,691	\$ 3,039	\$ 3,789	\$ 1,970	\$ 435	\$ 658	\$ 347	\$ 616	\$ 452	\$ 15,997
3/5										
Avondale	\$ 5,251	\$ 5,493	\$ 1,137	\$ 1,970	\$ 273	\$ 785	\$ 271	\$ 731		\$ 15,911
Goodyear	\$ 5,896	\$ 3,977	\$ 713	\$ 1,010	\$ 435	\$ 1,381	\$ 608	\$ 1,267	\$ 385	\$ 15,672
Peoria Northern	\$ 4,154	\$ 1,923	\$ 5,730	\$ 1,802	\$ 190	\$ 470	\$ 311	\$ 390	\$ 206	\$ 15,176
Zone										
Surprise SPA 1	\$ 5,995	\$ 3,853		\$ 1,970	\$ 435	\$ 658	\$ 347	\$ 616	\$ 452	\$ 14,326
Peoria Central	\$ 4,154	\$ 1,923	\$ 3,725	\$ 1,802	\$ 190	\$ 470	\$ 311	\$ 390	\$ 206	\$ 13,171
Zone										
Glendale	\$ 6,660	\$ 2,330	\$ 591	\$ 1,555	\$ 455	\$ 307	\$ 297	\$ 635	\$ 58	\$ 12,888
Chandler -	\$ 1,845	\$ 3,001	\$ 2,446	\$ 3,873	\$ 192	\$ 442	\$ 221	\$ 243		\$ 12,263
Proposed										
Queen Creek		\$ 5,007	\$ 478	\$ 3,762	\$ 901	\$ 456	\$ 436	\$ 1,158		\$ 12,198
Gilbert	\$ 2,565	\$ 3,274	\$ 291	\$ 3,599	\$	\$ 1,093	\$ 615	\$ 604		\$ 12,041
Chandler -	\$ 1,717	\$ 2,792	\$ 2,277	\$ 3,606	\$ 178	\$ 411	\$ 205	\$ 226		\$ 11,412
Existing										
Peoria Southern	\$ 4,154	\$ 1,923	\$ 1,615	\$ 1,802	\$ 190	\$ 470	\$ 311	\$ 390	\$ 206	\$ 11,061
Zone										
Mesa	\$ 1,265	\$ 1,516		\$ 802	\$ 332	\$ 230	\$ 388	\$ 377	\$ 351	\$ 5,261

Note: Avondale, Glendale, Goodyear, Queen Creek and Surprise don't calculate a multi-family utility fee, used their 3/4" single family fee as a proxy.

Note: Surprise has two different multi-family categories for non-utility fees; used the higher 1-9 units fees.

Glendale Other = Solid Waste

Goodyear Other = Public Works

Mesa Other = Stormwater Drainage & Cultural

Peoria Other = Sanitation

Surprise Other = Public Works

System Development Fee Comparisons

Retail 15,000 Sq Ft Bldg. 2" Meter

	Water	Sewer	Roads	Fire	Police	General Government	Other	Total
Surprise SPA's 2/4/6	\$ 24,761	\$ 15,925	\$ 244,830	\$ 13,845	\$ 10,365	\$ 11,100	\$ 17,475	\$ 338,301
Peoria Northern Zone	\$ 20,119	\$ 9,315	\$ 277,350	\$ 9,810	\$ 6,510	\$ 8,160		\$ 331,264
Surprise SPA's 3/5	\$ 24,761	\$ 15,925	\$ 231,165	\$ 13,845	\$ 10,365	\$ 11,100	\$ 17,475	\$ 324,636
Peoria Central Zone	\$ 20,119	\$ 9,315	\$ 180,285	\$ 9,810	\$ 6,510	\$ 8,160		\$ 234,199
Chandler - Proposed	\$ 40,638	\$ 52,413	\$ 110,850	\$ 10,800	\$ 5,550	\$ 6,000		\$ 226,251
Chandler - Existing	\$ 37,837	\$ 48,800	\$ 103,200	\$ 10,050	\$ 5,100	\$ 5,550		\$ 210,537
Avondale	\$ 27,067	\$ 28,575	\$ 81,885	\$ 14,445	\$ 28,545	\$ 17,565		\$ 198,082
Queen Creek		\$ 26,146	\$ 107,265	\$ 26,415	\$ 5,460	\$ 25,725		\$ 191,011
Goodyear	\$ 30,202	\$ 20,562	\$ 67,800	\$ 16,200	\$ 16,200	\$ 23,400	\$ 7,500	\$ 181,864
Glendale	\$ 35,310	\$ 12,350	\$ 70,290	\$ 5,190	\$ 9,825	\$ 11,700	\$ 1,215	\$ 145,880
Peoria Southern Zone	\$ 20,119	\$ 9,315	\$ 78,270	\$ 9,810	\$ 6,510	\$ 8,160		\$ 132,184
Gilbert	\$ 43,793	\$ 29,040	\$ 23,430	\$ 8,745	\$ 4,920	\$ 5,610		\$ 115,538
Surprise SPA 1	\$ 31,644	\$ 20,221		\$ 13,845	\$ 10,365	\$ 11,100	\$ 17,475	\$ 104,650
Mesa	\$ 17,760	\$ 21,272		\$ 3,225	\$ 4,770	\$ 4,890	\$ 3,570	\$ 55,487

Note: Chandler's Arterial Streets Fee reflects a 50% subsidy.

Glendale Other = Solid Waste

Goodyear Other = Public Works

Mesa Other = Stormwater Drainage

Surprise Other = Public Works

System Development Fee Comparisons

Office 50,000 Sq. Ft. Bldg. 2" meter

	Water	Sewer	Roads	Fire	Police	General Government	Other	Total
Peoria Northern Zone	\$ 20,119	\$ 9,315	\$ 315,250	\$ 32,700	\$ 21,700	\$ 27,200		\$ 426,284
Surprise SPA's 2/4/6	\$ 24,761	\$ 15,925	\$ 228,000	\$ 54,150	\$ 8,750	\$ 43,450	\$ 38,150	\$ 413,186
Surprise SPA's 3/5	\$ 24,761	\$ 15,925	\$ 215,300	\$ 54,150	\$ 8,750	\$ 43,450	\$ 38,150	\$ 400,486
Chandler - Proposed	\$ 40,638	\$ 52,413	\$ 220,000	\$ 27,500	\$ 14,000	\$ 15,500		\$ 370,051
Goodyear	\$ 30,202	\$ 20,562	\$ 123,500	\$ 63,500	\$ 13,500	\$ 82,000	\$ 29,000	\$ 362,264
Chandler - Existing	\$ 37,837	\$ 48,800	\$ 205,000	\$ 25,500	\$ 13,000	\$ 14,000		\$ 344,137
Peoria Central Zone	\$ 20,119	\$ 9,315	\$ 204,900	\$ 32,700	\$ 21,700	\$ 27,200		\$ 315,934
Glendale	\$ 35,310	\$ 12,350	\$ 153,600	\$ 23,700	\$ 21,450	\$ 53,350	\$ 5,550	\$ 305,310
Avondale	\$ 27,067	\$ 28,575	\$ 75,450	\$ 56,550	\$ 24,100	\$ 53,050		\$ 264,792
Queen Creek		\$ 26,146	\$ 96,250	\$ 23,700	\$ 4,900	\$ 100,650		\$ 251,646
Peoria Southern Zone	\$ 20,119	\$ 9,315	\$ 88,900	\$ 32,700	\$ 21,700	\$ 27,200		\$ 199,934
Surprise SPA 1	\$ 31,644	\$ 20,221		\$ 54,150	\$ 8,750	\$ 43,450	\$ 38,150	\$ 196,365
Gilbert	\$ 43,793	\$ 29,040	\$ 27,950	\$ 29,150	\$ 16,400	\$ 18,700		\$ 165,033
Mesa	\$ 17,760	\$ 21,272		\$ 10,750	\$ 15,900	\$ 16,300	\$ 11,900	\$ 93,882

Note: Chandler's Arterial Streets Fee reflects a 25% subsidy.

Glendale Other = Solid Waste

Goodyear Other = Public Works

Mesa Other = Stormwater Drainage

Surprise Other = Public Works

System Development Fee Comparisons

Industrial 30,000 Sq. Ft. Bldg. 2" meter

	Water	Sewer	Roads	Fire	Police	General Government	Other	Total
Peoria Nothern Zone	\$ 20,119	\$ 9,315	\$ 109,950	\$ 19,620	\$ 13,020	\$ 16,320		\$ 188,344
Chandler - Proposed	\$ 40,638	\$ 52,413	\$ 78,900	\$ 5,400	\$ 2,700	\$ 3,000		\$ 183,051
Chandler - Existing	\$ 37,837	\$ 48,800	\$ 73,200	\$ 4,800	\$ 2,400	\$ 2,700		\$ 169,737
Surprise SPA's 2/4/6	\$ 24,761	\$ 15,925	\$ 60,930	\$ 19,200	\$ 2,340	\$ 15,390	\$ 12,780	\$ 151,326
Peoria Central Zone	\$ 20,119	\$ 9,315	\$ 71,460	\$ 19,620	\$ 13,020	\$ 16,320		\$ 149,854
Surprise SPA's 3/5	\$ 24,761	\$ 15,925	\$ 57,540	\$ 19,200	\$ 2,340	\$ 15,390	\$ 12,780	\$ 147,936
Goodyear	\$ 30,202	\$ 20,562	\$ 15,600	\$ 22,500	\$ 3,600	\$ 28,800	\$ 10,200	\$ 131,464
Gilbert	\$ 43,793	\$ 29,040	\$ 11,940	\$ 17,490	\$ 9,840	\$ 11,220		\$ 123,323
Avondale	\$ 27,067	\$ 28,575	\$ 20,160	\$ 20,040	\$ 6,420	\$ 18,420		\$ 120,682
Glendale	\$ 35,310	\$ 12,350	\$ 36,840	\$ 8,400	\$ 5,130	\$ 18,900	\$ 1,980	\$ 118,910
Peoria Southern Zone	\$ 20,119	\$ 9,315	\$ 31,020	\$ 19,620	\$ 13,020	\$ 16,320		\$ 109,414
Surprise SPA 1	\$ 31,644	\$ 20,221		\$ 19,200	\$ 2,340	\$ 15,390	\$ 12,780	\$ 101,575
Queen Creek		\$ 26,146	\$ 23,100	\$ 5,700	\$ 1,170	\$ 35,670		\$ 91,786
Mesa	\$ 17,760	\$ 21,272		\$ 6,450	\$ 9,540	\$ 9,780	\$ 7,140	\$ 71,942

Glendale Other = Solid Waste
 Goodyear Other = Public Works
 Mesa Other = Stormwater Drainage
 Surprise Other = Public Works



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MAR 12 2009

MEMORANDUM

Management Services Memo No. 09-059

DATE: FEBRUARY 25, 2009

TO: MAYOR AND COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER *MP*
RICH DLUGAS, ASSISTANT CITY MANAGER *RP*
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: INTRODUCTION OF ORDINANCE NO. 4138 AMENDING SECTION 38-13 OF THE CODE OF THE CITY OF CHANDLER TO MODIFY CERTAIN SYSTEM DEVELOPMENT FEES

RECOMMENDATION: Staff recommends introduction of Ordinance No. 4138 amending Section 38-13 of the Chandler City Code to modify certain 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 is 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.

In response to a question raised by Councilmember Heumann at the Public Hearing, the Los Angeles Construction Cost Index is the same index that has been used in all historical inflationary increases to system development fees, and is considered to be a nationally recognized index for use in updating construction-related costs. Additionally, both consultants used in the 2008 system development fee study recommended using this index for inflationary adjustments to the fees. The Construction Cost Index (CCI) is comprised of labor, steel, lumber and cement, as compared to the Consumer Price Index (CPI), which measures changes in prices paid by urban consumers for a representative basket of goods and services. Although the CPI is a preferred index to use to inflate operating costs, the CCI is a more accurate index to use to

inflate construction-related costs. The CPI (All Urban Customers-All City Average) increased from October 2007 to October 2008 by 3.7%.

This inflationary increase is made to the system development fees currently in effect, which were calculated using capital project cost data as of July 2007. Over time, those capital project costs increase. However, the inflationary adjustment is only made to the fees even though actual costs may have increased to a greater extent over this two-year period.

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 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, 2008 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.

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 through cash payments or debt issuance for growth related projects.

PROPOSED MOTION: Move to introduce Ordinance No. 4138 amending Section 38-13 of the Chandler City Code to modify certain system development fees and authorize the Mayor to execute all necessary documents.

cc: Pat McDermott, Assistant City Manager
Jeff Clark, Fire Chief
Mark Eynatten, Community Services Director
Sherry Kiyler, Police Chief
Dave Siegel, Municipal Utilities Director
R. J. Zeder, Public Works Director

Attachment: Ordinance No. 4138

ORDINANCE NO. 4138

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING SECTION 38-13, CHAPTER 38, CODE OF THE CITY OF CHANDLER TO MODIFY CERTAIN WATER, WATER RESOURCE, WASTEWATER, RECLAIMED WATER, FIRE, POLICE, LIBRARY, ARTERIAL STREET, PARK AND PUBLIC BUILDING 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 nationally recognized index to update the previous fee studies demonstrating the level of fees/charges needed to generate sufficient funds to provide public facilities and infrastructure to serve new development.

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 38-13 is hereby amended as follows:

38-13. Current development fees/charges.

System development charges/fees are hereby established as follows:

Water System Development Charges:

Single-family (per dwelling unit)	\$4,673.00 <u>\$5,019.00</u>	
Multi-family (per dwelling unit)	1,705.00 <u>\$1,832.00</u>	
Commercial/industrial (See Table A)		

Water Resource System Development Charges:⁽¹⁾

Single-family (per dwelling unit)	\$31.00 <u>\$34.00</u>	
Multi-family (per dwelling unit)	12.00 <u>\$13.00</u>	

Commercial/industrial (See Table A)

Wastewater System Development Charges/Trunkline:⁽²⁾

Single-family (per dwelling unit) ~~\$155.00~~\$167.00 |

Multi-family (per dwelling unit) ~~71.00~~\$77.00 |

Commercial/industrial (See Table A)

Wastewater System Development Charges/Treatment:⁽²⁾

Single-family (per dwelling unit) ~~\$4,908.00~~\$5,272.00 |

Multi-family (per dwelling unit) ~~2,246.00~~\$2,413.00 |

Commercial/industrial (See Table A)

Reclaimed Water System Development Charges:⁽²⁾

Single-family (per dwelling unit) ~~\$1,037.00~~\$1,114.00 |

Multi-family (per dwelling unit) ~~475.00~~\$511.00 |

Commercial/industrial (See Table A)

Fire Fees:⁽⁵⁾

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 |

Police Fees:⁽⁵⁾

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 <u>\$0.37</u>	
Office (per square foot)	\$0.26 <u>\$0.28</u>	
Industrial/Warehouse (per square foot)	\$0.08 <u>\$0.09</u>	
Public/quasi-public (per square foot)	\$0.09 <u>\$0.10</u>	

Library Fees:

Single-family (per dwelling unit)	\$233.00 <u>\$251.00</u>	
Multi-family (per dwelling unit)	\$178.00 <u>\$192.00</u>	
Commercial (per square foot)	<u>\$0.00</u>	
Industrial (per square foot)	<u>\$0.00</u>	

Arterial Street Fees:⁽³⁾

Single-family (per dwelling unit)	\$3,708.00 <u>\$3,983.00</u>	
Multi-family (per dwelling unit)	\$2,277.00 <u>\$2,446.00</u>	
Retail/Commercial (per square foot) ⁽⁴⁾	\$6.88 <u>\$7.39</u>	
Office (per square foot) ⁽⁶⁾	\$5.47 <u>\$5.88</u>	
Industrial/Warehouse (per square foot)	\$2.44 <u>\$2.63</u>	
Public/quasi-public ⁽⁵⁾	\$1.54 <u>\$1.66</u>	

Park Fees:

Single-family (per dwelling unit)	\$4,708.00 <u>\$5,057.00</u>	
Multi-family (per dwelling unit)	\$3,606.00 <u>\$3,873.00</u>	
Commercial (per square foot)	<u>\$0.00</u>	
Industrial (per square foot)	<u>\$0.00</u>	

Public Building Fees:⁽⁵⁾

Single-family (per dwelling unit)	\$295.00 <u>\$317.00</u>	
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Multi-family (per dwelling unit)	\$.226.00 <u>\$.243.00</u>
Retail/Commercial (per square foot)	\$.037 <u>\$.040</u>
Office (per square foot)	\$.028 <u>\$.031</u>
Industrial/Warehouse (per square foot)	\$.09 <u>\$.10</u>
Public/quasi-public (per square foot)	\$.10 <u>\$.11</u>

(1) Assessed in off-project areas and nonmember areas only.

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

(3) 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 both north of Knox Road and west of the Southern Pacific Railroad tracks.

(4) City will contribute an additional ~~six-seven~~ dollars and ~~eighty-nine-forty~~ cents (~~\$6.89~~\$7.40) per square foot for retail space for a total of ~~thirteen-fourteen~~ dollars and seventy-~~seven-nine~~ cents (~~\$13.77~~\$14.79) per square foot for retail. However, for retail space that generates less than 3 trips per 1,000 square foot of retail space at PM peak according to the ITE Trip Generation Manual, the fee will be three dollars and ~~forty-foursixty-nine~~ cents (~~\$3.44~~\$3.69) per square foot, with the City contributing ~~ten-eleven~~ dollars and ~~thirty-threeten~~ cents (~~\$10.33~~\$11.10) per square foot of retail.

(5) Pursuant to ARS 9-500.18, the fire, police and public building fees shall not be collected from a school district or charter school. In addition, arterial street impact fees shall not be collected from a school district.

(6) For Class A office space (as determined by the City Engineer) with a minimum of 50,000 square feet in a single building the fee will be four dollars and ~~ten-forty~~ cents (~~\$4.10~~\$4.40) per square foot, with the City contributing one dollar and ~~thirty-sevenforty-eight~~ cents (~~\$1.37~~\$1.48) per square foot.

TABLE A

COMMERCIAL/INDUSTRIAL SYSTEM CHARGES

Meter Size, inches	Type	Water System	Water Resource ⁽¹⁾	Wastewater System Trunkline ⁽²⁾	Wastewater System Treatment ⁽²⁾	Reclaimed Water ⁽²⁾
5/8 x 3/4	Disc	\$4,673.00	\$39.00	\$155.00	\$4,908.00	\$1,037.00
		<u>\$5,019.00</u>	<u>\$42.00</u>	<u>\$167.00</u>	<u>\$5,272.00</u>	<u>\$1,114.00</u>
3/4	Disc	7,010.00	60.00	233.00	7,361.00	1,556.00
		<u>\$7,529.00</u>	<u>\$65.00</u>	<u>\$251.00</u>	<u>\$7,906.00</u>	<u>\$1,672.00</u>
1-0	Disc	11,684.00	99.00	388.00	12,269.00	2,593.00
		<u>\$12,549.00</u>	<u>\$107.00</u>	<u>\$417.00</u>	<u>\$13,177.00</u>	<u>\$2,785.00</u>

1 1/2	Disc	<u>23,367.00</u> <u>\$25,097.00</u>	<u>231.00</u> <u>\$249.00</u>	<u>776.00</u> <u>\$834.00</u>	<u>24,538.00</u> <u>\$26,354.00</u>	<u>5,186.00</u> <u>\$5,570.00</u>
2-0	Disc	<u>37,387.00</u> <u>\$40,154.00</u>	<u>450.00</u> <u>\$484.00</u>	<u>1,242.00</u> <u>\$1,334.00</u>	<u>39,260.00</u> <u>\$42,166.00</u>	<u>8,298.00</u> <u>\$8,913.00</u>
3-0	Compound	<u>74,775.00</u> <u>\$80,309.00</u>	(3)	<u>2,483.00</u> <u>\$2,667.00</u>	<u>78,521.00</u> <u>\$84,332.00</u>	<u>16,596.00</u> <u>\$17,825.00</u>
4-0	Compound	<u>116,836.00</u> <u>\$125,482.00</u>	(3)	<u>3,880.00</u> <u>\$4,168.00</u>	<u>122,689.00</u> <u>\$131,768.00</u>	<u>25,931.00</u> <u>\$27,850.00</u>
6-0	Compound	<u>233,671.00</u> <u>\$250,963.00</u>	(3)	<u>7,761.00</u> <u>\$8,336.00</u>	<u>245,377.00</u> <u>\$263,535.00</u>	<u>51,862.00</u> <u>\$55,700.00</u>
8-0	Compound	<u>373,874.00</u> <u>\$401,541.00</u>	(3)	<u>12,417.00</u> <u>\$13,336.00</u>	<u>392,603.00</u> <u>\$421,656.00</u>	<u>82,979.00</u> <u>\$89,120.00</u>
2-0	Turbine	<u>37,387.00</u> <u>\$40,154.00</u>	<u>450.00</u> <u>\$484.00</u>	<u>1,242.00</u> <u>\$1,334.00</u>	<u>39,260.00</u> <u>\$42,166.00</u>	<u>8,298.00</u> <u>\$8,913.00</u>
3-0	Turbine	<u>81,785.00</u> <u>\$87,838.00</u>	(3)	<u>2,716.00</u> <u>\$2,917.00</u>	<u>85,882.00</u> <u>\$92,238.00</u>	<u>18,152.00</u> <u>\$19,496.00</u>
6-0	Turbine	<u>292,089.00</u> <u>\$313,704.00</u>	(3)	<u>9,701.00</u> <u>\$10,419.00</u>	<u>306,721.00</u> <u>\$329,419.00</u>	<u>64,827.00</u> <u>\$69,625.00</u>
8-0	Turbine	<u>420,608.00</u> <u>\$451,733.00</u>	(3)	<u>13,970.00</u> <u>\$15,004.00</u>	<u>441,679.00</u> <u>\$474,364.00</u>	<u>93,352.00</u> <u>\$100,261.00</u>

⁽¹⁾ Assessed in off-project areas and nonmember areas only.

⁽²⁾ No reclaimed water or wastewater fees for water-only connections (landscape).

For meters ten (10) inches and larger, the water system, wastewater system and reclaimed water development charges shall be based on the following formula:

$$\text{Development Charge} = (5/8 \times 3/4 \text{ Charge}) \times (\text{Safe Maximum Operating Capacity (GPM)} / 20(\text{GPM}))$$

⁽³⁾ The water resource charge fee for meters three (3) inches and larger shall be determined based on the City Engineer's projected water use using the following formula:

$$\text{Development Charge} = (\text{Single-family Water Resource Charge}) \times \text{Average Projected Water Use (GPD)} / 417 (\text{GPD})$$

SECTION 2: The new fees established by this Ordinance shall become effective July 1, 2009.

INTRODUCED AND TENTATIVELY approved by City Council of the City of Chandler, Arizona, this ___ day of _____, 2009.

ATTEST:

CITY CLERK

MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this ___ day of _____, 2009.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 4138 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on ____ day of _____, 2009 and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY *CH for*