



Memorandum

Management Services - Memo No. 20-012

Date: September 23, 2019

To: Dana DeLong, City Clerk

Thru: Dawn Lang, Management Services Director *DL*
Matt Dunbar, Budget Manager *MD*

From: Julie Buel, Senior Financial Analyst *JB*

Subject: Fiscal Year (FY) 2018-19 System Development Fee Report

Pursuant to the requirements of A.R.S. 9-463.05.O, the annual report accounting for the collection and use of system development fees for the fiscal year ending June 30, 2019 accompanies this memo. This document has historically been filed under "802-01-00" in your recordkeeping system.

State Statute requires the filing of this report with the City Clerk no later than ninety days following the end of the fiscal year (September 29, 2019), that a copy is made available to the public on request, and a copy is published on the City's website (located under A-Z/System Development Fees).

The annual report contains financial information for which the audit is not yet complete, so the applicable pages have an "unaudited" watermark on them. Please make sure that any copies given to the public are made from this original report so the watermark remains.

Please feel free to contact me at (480) 782-2259 with any questions regarding the report.

Attachments: City of Chandler System Development Fees Effective 7/1/18 – 6/30/19
City of Chandler Arterial Street Impact Fee Area Map
City of Chandler Parks Service Area Map
Statement of Revenue, Expenditures, and Changes in Fund Balances
Impact Fee Expenditure Detail – City of Chandler
Interfund Loans and Debt Service Repayment Terms by Fund
City of Chandler Unspent Impact Fee Collections as of 6/30/19

City of Chandler System Development Fees

Fees Effective 7/1/18 - 6/30/19
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Water System Development Charges:

Single-family (per dwelling unit)	\$5,680.00
Multi-family (per dwelling unit)	\$2,147.00
3/4 Disc Meter	\$8,520.00
1-0 Disc Meter	\$14,200.00
1 1/2 Disc Meter	\$28,400.00
2-0 Disc Meter	\$45,440.00
2-0 Turbine Meter	\$45,440.00
3-0 Compound Meter	\$90,880.00
3-0 Turbine Meter	\$99,400.00
4-0 Compound Meter	\$142,000.00
6-0 Compound Meter	\$284,000.00
6-0 Turbine Meter	\$355,000.00
8-0 Compound Meter	\$454,400.00
8-0 Turbine Meter	\$511,200.00
10-0 and Larger Meters ¹	

Wastewater System Development Charges:

Single-family (per dwelling unit)	\$5,804.00
Multi-family (per dwelling unit)	\$2,751.00
3/4 Disc Meter	\$8,706.00
1-0 Disc Meter	\$14,510.00
1 1/2 Disc Meter	\$29,020.00
2-0 Disc Meter	\$46,432.00
2-0 Turbine Meter	\$46,432.00
3-0 Compound Meter	\$92,864.00
3-0 Turbine Meter	\$101,570.00
4-0 Compound Meter	\$145,100.00
6-0 Compound Meter	\$290,200.00
6-0 Turbine Meter	\$362,750.00
8-0 Compound Meter	\$464,320.00
8-0 Turbine Meter	\$522,360.00
10-0 and Larger Meters ¹	

Reclaimed Water System Development Charges:

Single-family (per dwelling unit)	\$838.00
Multi-family (per dwelling unit)	\$397.00
3/4 Disc Meter	\$1,257.00
1-0 Disc Meter	\$2,095.00
1 1/2 Disc Meter	\$4,190.00
2-0 Disc Meter	\$6,704.00
2-0 Turbine Meter	\$6,704.00
3-0 Compound Meter	\$13,408.00
3-0 Turbine Meter	\$14,665.00
4-0 Compound Meter	\$20,950.00
6-0 Compound Meter	\$41,900.00
6-0 Turbine Meter	\$52,375.00
8-0 Compound Meter	\$67,040.00
8-0 Turbine Meter	\$75,420.00
10-0 and Larger Meters ¹	

City of Chandler System Development Fees

Fees Effective 7/1/18 - 6/30/19
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Fire Fees: ²

Single-family (per dwelling unit)	\$412.00
Multi-family (per dwelling unit)	\$295.00
Retail/Commercial (per square foot)	\$0.48
Office (per square foot)	\$0.32
Industrial/Warehouse (per square foot)	\$0.10
Public/quasi-public (per square foot)	\$0.14

Police Fees: ²

Single-family (per dwelling unit)	\$277.00
Multi-family (per dwelling unit)	\$198.00
Retail/Commercial (per square foot)	\$0.32
Office (per square foot)	\$0.21
Industrial/Warehouse (per square foot)	\$0.07
Public/quasi-public (per square foot)	\$0.09

Library Fees: ²

Single-family (per dwelling unit)	\$61.00
Multi-family (per dwelling unit)	\$44.00
Retail/Commercial (per square foot)	\$0.00
Office (per square foot)	\$0.00
Industrial/Warehouse (per square foot)	\$0.00
Public/quasi-public (per square foot)	\$0.00

Arterial Street Fees: ^{2, 3}

Single-family (per dwelling unit)	\$3,901.00
Multi-family (per dwelling unit)	\$2,419.00
Retail (per square foot)	\$4.13
Office (per square foot)	\$4.36
Industrial (per square foot)	\$2.30
Public/quasi-public (per square foot)	\$1.44

Northwest Service Area Park Fees: ^{2, 4}

Single-family (per dwelling unit)	\$2,241.00
Multi-family (per dwelling unit)	\$1,602.00
Retail/Commercial (per square foot)	\$0.00
Office (per square foot)	\$0.00
Industrial/Warehouse (per square foot)	\$0.00
Public/quasi-public (per square foot)	\$0.00

City of Chandler System Development Fees

Fees Effective 7/1/18 - 6/30/19
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Northeast Service Area Park Fees: ^{2, 4}

Single-family (per dwelling unit)	\$3,138.00
Multi-family (per dwelling unit)	\$2,244.00
Retail/Commercial (per square foot)	\$0.00
Office (per square foot)	\$0.00
Industrial/Warehouse (per square foot)	\$0.00
Public/quasi-public (per square foot)	\$0.00

Southeast Service Area Park Fees: ^{2, 4}

Single-family (per dwelling unit)	\$3,246.00
Multi-family (per dwelling unit)	\$2,321.00
Retail/Commercial (per square foot)	\$0.00
Office (per square foot)	\$0.00
Industrial/Warehouse (per square foot)	\$0.00
Public/quasi-public (per square foot)	\$0.00

Public Building Fees: ²

Single-family (per dwelling unit)	\$110.00
Multi-family (per dwelling unit)	\$79.00
Retail/Commercial (per square foot)	\$0.12
Office (per square foot)	\$0.08
Industrial/Warehouse (per square foot)	\$0.02
Public/quasi-public (per square foot)	\$0.03

¹ For meters ten inches and larger, the fee shall be based on the following formula:

$$\text{Fee} = [1" \text{ fee for category}] \text{ times } [\text{Safe Maximum Operating Capacity GPM}/20 \text{ GPM}]$$

² Fees not applicable to school districts or charter schools.

³ Fees applicable only in certain areas; see attached City of Chandler Arterial Street Impact Fee Area Map.

⁴ Park Fees are charged according to the designated service area rather than citywide; see attached City of Chandler Parks Service Area Map.



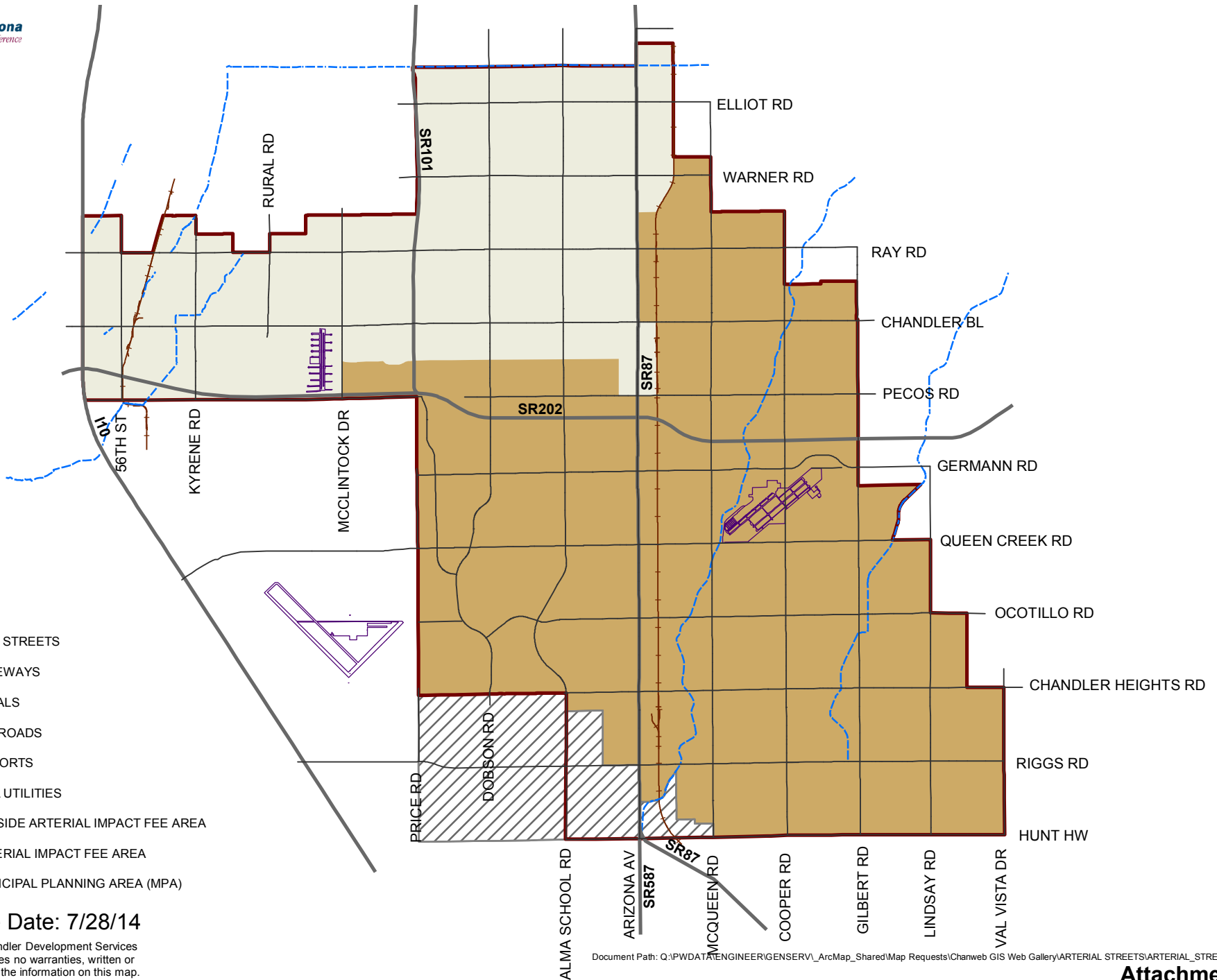
City of Chandler Arterial Street Impact Fee Area Map

Legend

- MILE STREETS
- FREEWAYS
- CANALS
- RAILROADS
- AIRPORTS
- PIMA UTILITIES
- OUTSIDE ARTERIAL IMPACT FEE AREA
- ARTERIAL IMPACT FEE AREA
- MUNICIPAL PLANNING AREA (MPA)

Effective Date: 7/28/14

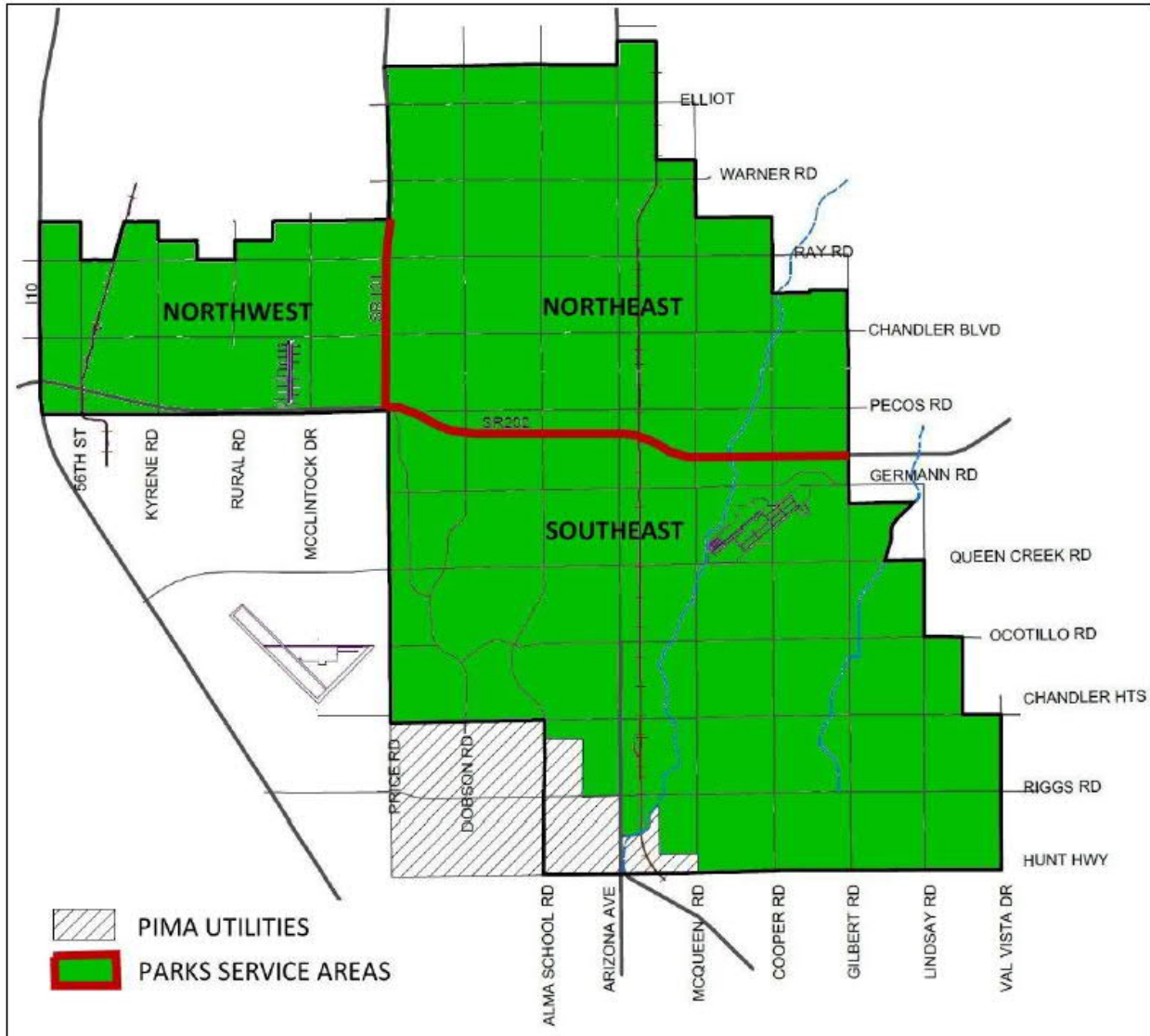
The City of Chandler Development Services Department makes no warranties, written or implied regarding the information on this map.



MAP NTS

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City of Chandler Parks Service Area Map



As noted in City Code Chapter 38, Parks Impact Fees are charged according to three service areas:

Northwest Service Area – west of Price Road

Northeast Service Area – both east of Price Road and north of the 202 Freeway

Southeast Service Area – both east of Price Road and south of the 202 Freeway

Development Impact Fee Report - City of Chandler
Statement of Revenue, Expenditures, and Changes in Fund Balances
For Fiscal Year Ending June 30, 2019

Unaudited

Impact Fee Fund Summary - City of Chandler

	Arterial Streets Fund 415	Neighborhood Parks Fund 422	Parks Fund 424	NW Parks Fund 425	NE Parks Fund 426	SE Parks Fund 427	Library Fund 431	Public Building Fund 440
Total Beginning of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 54,629,335.35	\$ 95,168.48	\$ 8,277,350.57	\$ 2,433,257.76	\$ 4,580,256.16	\$ 14,284,036.81	\$ 948,511.62	\$ 180,477.10
Revenues								
Impact Fees/(Refunds)	\$ 4,819,430.52	\$ -	\$ -	\$ 144,070.00	\$ 1,277,898.00	\$ 1,422,474.00	\$ 59,783.00	\$ 163,723.89
Connects/Buy-ins	-	-	-	-	-	-	-	-
Investment Income	1,040,017.64	-	154,750.91	47,225.96	103,298.79	281,042.12	18,439.09	2,285.18
Transfer from Regional Transportation Fund	873,392.81	-	-	-	-	-	-	-
Total Revenues	\$ 6,732,840.97	\$ -	\$ 154,750.91	\$ 191,295.96	\$ 1,381,196.79	\$ 1,703,516.12	\$ 78,222.09	\$ 166,009.07
Expenditures								
Project Expenditures (See Impact Fee Expenditure Detail)	\$ 1,070,438.05	\$ 22,445.11	\$ 166,963.75	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of Consultant Update for SDF Study	9,350.38	-	-	9,350.38	9,351.07	9,351.07	381.13	1,755.86
Cost of Biennial Audit	1,182.18	-	-	1,182.18	1,182.18	1,182.18	1,182.18	1,182.18
Repayment of Loan to General Fund	2,314,300.00	-	-	-	-	-	-	300,000.00
Total Expenditures	\$ 3,395,270.61	\$ 22,445.11	\$ 166,963.75	\$ 10,532.56	\$ 10,533.25	\$ 10,533.25	\$ 1,563.31	\$ 302,938.04
Total End of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 57,966,905.71	\$ 72,723.37	\$ 8,265,137.73	\$ 2,614,021.16	\$ 5,950,919.70	\$ 15,977,019.68	\$ 1,025,170.40	\$ 43,548.13

Development Impact Fee Report - City of Chandler
Statement of Revenue, Expenditures, and Changes in Fund Balance
For Fiscal Year Ending June 30, 2019

Unaudited

Impact Fee Fund Summary - City of Chandler

	Police Fund 465	Fire Fund 475	Water Fund 603	Water Resources Fund 604	Reclaimed Water Fund 610	Wastewater Fund 614	Total
Total Beginning of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 1,656,380.86	\$ 2,031,942.24	\$ 13,652,066.97	\$ 131,213.46	\$ 3,865,623.57	\$ 1,460,504.23	\$ 108,226,125.18
Revenues							
Impact Fees/(Refunds)	\$ 463,376.05	\$ 672,921.62	\$ 6,330,778.00	\$ (2,386.00)	\$ 905,133.00	\$ 6,323,550.00	\$ 22,580,752.08
Connects/Buy-ins	-	-	196,406.50	-	85,644.00	127,521.00	409,571.50
Investment Income	26,530.63	29,697.65	212,997.73	-	56,895.62	99,886.33	2,073,067.65
Transfer from Regional Transportation Fund	-	-	-	-	-	-	873,392.81
Total Revenues	\$ 489,906.68	\$ 702,619.27	\$ 6,740,182.23	\$ (2,386.00)	\$ 1,047,672.62	\$ 6,550,957.33	\$ 25,936,784.04
Expenditures							
Project Expenditures (See Impact Fee Expenditure Detail)	\$ -	\$ 295,842.34	\$ 7,359,546.45	\$ -	\$ 3,349,570.68	\$ 3,106.64	\$ 12,267,913.02
Cost of Consultant Update for SDF Study	1,755.83	9,351.07	9,351.07	-	9,351.07	9,351.07	78,700.00
Cost of Biennial Audit	1,182.18	1,181.18	1,181.18	-	1,181.19	1,181.19	13,000.00
Repayment of Loan to General Fund	1,000,000.00	1,235,650.00	-	-	-	-	4,849,950.00
Total Expenditures	\$ 1,002,938.01	\$ 1,542,024.59	\$ 7,370,078.70	\$ -	\$ 3,360,102.94	\$ 13,638.90	\$ 17,209,563.02
Total End of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 1,143,349.53	\$ 1,192,536.92	\$ 13,022,170.50	\$ 128,827.46	\$ 1,553,193.25	\$ 7,997,822.66	\$ 116,953,346.20

Impact Fee Expenditure Detail - City of Chandler

Arterial Street Impact Fees	Arterial Street Impact Fees Fund 415
Queen Creek Rd (McQueen Rd to Lindsay Rd.)	\$ 601,762.45
Chandler Heights Rd. (McQueen Rd. to Val Vista Dr.)	469,686.63
Expense Recovery - Ocotillo Rd. (Arizona Ave. to McQueen Rd.)	(1,011.03)
Total Project Expenditures	\$ 1,070,438.05

Neighborhood Park Impact Fees	Neighborhood Park Impact Fees Fund 422
Homestead North Park - 300 S. Cooper Rd.	\$ 22,445.11
Total Project Expenditures	\$ 22,445.11

Park Impact Fees	Park Impact Fees Fund 424
Homestead North Park - 300 S. Cooper Rd.	\$ 27,587.66
Meadowbrook Park - 3377 S. Layton Lakes Blvd.	139,376.09
Total Project Expenditures	\$ 166,963.75

Fire Impact Fees	Fire Impact Fees Fund 475
Fire Station No. 11 - 4260 S. Gilbert Rd.	\$ 295,842.34
Total Project Expenditures	\$ 295,842.34

Water Impact Fees	Water Impact Fees Fund 603
Water Master Plan Update	\$ 1,553.33
Well Construction - various locations	718,076.91
IGA Town of Gilbert - Joint Water Treatment Plant - 3695 E. Ocotillo Rd., Gilbert, AZ 85298	1,639,976.21
Water Purchases	4,999,940.00
Total Project Expenditures	\$ 7,359,546.45

Reclaimed Water Impact Fees	Reclaimed Water Impact Fees Fund 610
Storage & Recovery Wells - various locations	\$ 151,138.31
Transmission Mains - various locations	3,198,432.37
Total Project Expenditures	\$ 3,349,570.68

Wastewater Impact Fees	Wastewater Impact Fees Fund 614
Wastewater Master Plan Update	\$ 3,106.64
Total Project Expenditures	\$ 3,106.64

Development Impact Fee Report - City of Chandler
 Interfund Loans and Debt Service Repayment Terms by Fund
 For Fiscal Year Ending June 30, 2019

Unaudited

	Arterial Streets Fund 415	Parks Fund 424	Library Fund 431	Public Building Fund 440	Police Fund 465	Fire Fund 475	Water Fund 603	Reclaimed Water Fund 610	Wastewater Fund 614	Total
Pledged General Fund Loan Balances Outstanding	\$ -	\$ -	\$ -	\$ 2,289,427	\$ 3,658,425	\$ 5,888,007	\$ -	\$ -	\$ -	\$ 11,835,859
Pledged Water Operating Fund Loan Balance Outstanding	-	-	-	-	-	-	15,929,877	3,900,000	-	19,829,877
Pledged Wastewater System Development Fee Fund Loan Balance Outstanding	-	-	-	-	-	-	-	7,700,000	-	7,700,000
Pledged Wastewater Operating Fund Loan Balance Outstanding	-	-	-	-	-	-	-	-	7,200,000	7,200,000
Pledged Interfund Loan Balances Outstanding	\$ -	\$ -	\$ -	\$ 2,289,427	\$ 3,658,425	\$ 5,888,007	\$ 15,929,877	\$ 11,600,000	\$ 7,200,000	\$ 46,565,736
Pledged Bonded Debt Outstanding	37,756,132	13,409,998	1,290,000	-	-	-	95,880,602	13,655,543	140,924,609	302,916,884
Total Outstanding Debt by Fund	\$ 37,756,132	\$ 13,409,998	\$ 1,290,000	\$ 2,289,427	\$ 3,658,425	\$ 5,888,007	\$ 111,810,479	\$ 25,255,543	\$ 148,124,609	\$ 349,482,620
Repayment Terms *	as funds are available	as funds are available	as funds are available	as funds are available	as funds are available	as funds are available	as funds are available	as funds are available	as funds are available	

Pledged Bonded Debt Outstanding consists of amounts loaned to the impact fee fund from a bond fund to construct growth-related infrastructure.

* Due to the unpredictable nature of impact fee receipts, the City no longer budgets debt service payments directly against impact fee funds. All pledged debt and interfund loans are to be repaid once sufficient funds are available in the applicable impact fee fund and are not needed to construct growth-related capital infrastructure.

City of Chandler Unspent Impact Fee Collections as of 6/30/19
for information only

SB1525 requires all funds collected prior to 1/1/12 be spent by 1/1/20

Unaudited

Fund	Description	Type	Unspent Impact Fee Collections through 12/31/11 as of 6/30/19	Comments
415	Arterial Streets	Non-utility	\$ -	None - all spent
422	Neighborhood Parks	Non-utility	\$ 72,723	
424	Parks	Non-utility	\$ -	None - all spent
425	Northwest Parks	Non-utility	\$ -	N/A - fund didn't exist prior to 2012
426	Northeast Parks	Non-utility	\$ -	N/A - fund didn't exist prior to 2012
427	Southeast Parks	Non-utility	\$ -	N/A - fund didn't exist prior to 2012
431-Note 1	Library	Non-utility	\$ 320,861	
440	Public Buildings	Non-utility	\$ -	None - all spent
465	Police	Non-utility	\$ -	None - all spent
475	Fire	Non-utility	\$ -	None - all spent
603	Water	Utility	\$ -	None - all spent
604	Water Resources	Utility	\$ 82,031	
610	Reclaimed Water	Utility	\$ -	None - all spent
614	Wastewater	Utility	\$ -	None - all spent
			<u>\$475,615</u>	

SB 1525 also calls for impact fees collected after 1/1/12 to be spent within 10 years for non-utility fees and within 15 years for utility fees

Fund	Description	Type/Time to Spend	Unspent Impact Fee Collections starting 1/1/12 as of 6/30/19	Oldest Receipts Since 2012	Maximum Time to Spend Oldest Impact Fee Receipts
415-Note 2	Arterial Streets	Non-utility / 10 years	\$ 17,874,686	FY15/16	FY24/25
424	Parks	Non-utility / 10 years	\$ 8,265,138	FY11/12	FY20/21
425-Note 1	Northwest Parks	Non-utility / 10 years	\$ 2,533,336	FY14/15	FY23/24
426-Note 1	Northeast Parks	Non-utility / 10 years	\$ 5,751,139	FY14/15	FY23/24
427-Note 1	Southeast Parks	Non-utility / 10 years	\$ 15,439,430	FY14/15	FY23/24
431-Note 1	Library	Non-utility / 10 years	\$ 661,454	FY11/12	FY20/21
440	Public Buildings	Non-utility / 10 years	\$ 43,548	FY18/19	FY27/28
465	Police	Non-utility / 10 years	\$ 1,143,350	FY17/18	FY26/27
475	Fire	Non-utility / 10 years	\$ 1,192,537	FY17/18	FY26/27
603	Water	Utility / 15 years	\$ 13,022,170	FY17/18	FY31/32
604	Water Resources	Utility / 15 years	\$ 46,796	FY11/12	FY25/26
610	Reclaimed Water	Utility / 15 years	\$ 1,553,193	FY17/18	FY31/32
614-Note 1	Wastewater	Utility / 15 years	\$ 7,911,575	FY17/18	FY31/32
			<u>\$ 75,438,352</u>		

Notes:

- 1 - Unspent collections are less than the outstanding fund balance due to unspent interest in that fund.
- 2 - Arterial Streets unspent collections also include a General Fund Loan and Prop 400 reimbursements.