



Memorandum

Management Services Memo No. 24-017

Date: September 12, 2023
To: Dana DeLong, City Clerk
Thru: Joshua H. Wright, City Manager *JHW*
Dawn Lang, Deputy City Manager | CFO *DLL*
Matt Dunbar, Budget & Policy Assistant Director *MD*
From: Ryan Fielder, Budget and Research Administrator *RF*
Subject: Fiscal Year (FY) 2022-23 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, 2023 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, 2023), 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. Copies given to the public must be made from this original report so the watermark remains.

It is important to note that this year's report contains additional information added as supplementary information. The report is based on actuals throughout the fiscal year, and while the actual fund balance shown is important, it could be misleading as it does not reflect the commitments of spending that have already been made. This report now shows an informational line indicating the current appropriation for spending on projects in each category to better see the level of un-committed fund balance for these funds. We also want to point out, that over the past couple years significant delays have been seen in construction due to supply chain issues on a national level causing an increase to the carryforward spending amounts for the year. These increased carryforward amounts are now reflected in the new informational line. There are also projects beginning in the new fiscal year that will commit additional portions of the reflected fund balances.

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

- Attachments:
1. City of Chandler System Development Fees Effective 7/1/22 – 6/30/23
 2. City of Chandler Arterial Street Impact Fee Area Map
 3. City of Chandler Parks Service Area Map
 4. Statement of Revenue, Expenditures, and Changes in Fund Balances
 5. Impact Fee Expenditure Detail – City of Chandler
 6. Interfund Loans and Debt Service Repayment Terms by Fund
 7. City of Chandler Unspent Impact Fee Collections as of 6/30/23

C: Tadd Wille, Assistant City Manager
Andy Bass, Deputy City Manager
Department Directors

City of Chandler System Development Fees

Fees Effective 7/1/22 - 6/30/23
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Water System Development Charges:

Single-family (per dwelling unit)	\$3,397.00
Multi-family (per dwelling unit)	\$1,281.00
3/4 Disc Meter	\$5,096.00
1-0 Disc Meter	\$8,493.00
1 1/2 Disc Meter	\$16,985.00
2-0 Disc Meter	\$27,176.00
2-0 Turbine Meter	\$27,176.00
3-0 Compound Meter	\$54,352.00
3-0 Turbine Meter	\$59,448.00
4-0 Compound Meter	\$84,925.00
4-0 Turbine Meter	\$101,910.00
6-0 Compound Meter	\$169,850.00
6-0 Turbine Meter	\$212,313.00
8-0 Compound Meter	\$271,760.00
8-0 Turbine Meter	\$305,730.00
10-0 and Larger Meters ¹	

Wastewater System Development Charges:

Single-family (per dwelling unit)	\$4,024.00
Multi-family (per dwelling unit)	\$1,940.00
3/4 Disc Meter	\$6,036.00
1-0 Disc Meter	\$10,060.00
1 1/2 Disc Meter	\$20,120.00
2-0 Disc Meter	\$32,192.00
2-0 Turbine Meter	\$32,192.00
3-0 Compound Meter	\$64,384.00
3-0 Turbine Meter	\$70,420.00
4-0 Compound Meter	\$100,600.00
4-0 Turbine Meter	\$120,720.00
6-0 Compound Meter	\$201,200.00
6-0 Turbine Meter	\$251,500.00
8-0 Compound Meter	\$321,920.00
8-0 Turbine Meter	\$362,160.00
10-0 and Larger Meters ¹	

City of Chandler System Development Fees

Fees Effective 7/1/22 - 6/30/23
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Reclaimed Water System Development Charges:

Single-family (per dwelling unit)	\$837.00
Multi-family (per dwelling unit)	\$403.00
3/4 Disc Meter	\$1,256.00
1-0 Disc Meter	\$2,093.00
1 1/2 Disc Meter	\$4,185.00
2-0 Disc Meter	\$6,696.00
2-0 Turbine Meter	\$6,696.00
3-0 Compound Meter	\$13,392.00
3-0 Turbine Meter	\$14,648.00
4-0 Compound Meter	\$20,925.00
4-0 Turbine Meter	\$25,110.00
6-0 Compound Meter	\$41,850.00
6-0 Turbine Meter	\$52,313.00
8-0 Compound Meter	\$66,960.00
8-0 Turbine Meter	\$75,330.00
10-0 and Larger Meters ¹	

Fire Fees: ²

Single-family (per dwelling unit)	\$218.00
Multi-family (per dwelling unit)	\$161.00
Retail/Commercial (per square foot)	\$0.22
Office (per square foot)	\$0.20
Industrial/Warehouse (per square foot)	\$0.04
Public/quasi-public (per square foot)	\$0.06

Police Fees: ²

Single-family (per dwelling unit)	\$127.00
Multi-family (per dwelling unit)	\$94.00
Retail/Commercial (per square foot)	\$0.13
Office (per square foot)	\$0.11
Industrial/Warehouse (per square foot)	\$0.02
Public/quasi-public (per square foot)	\$0.03

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

City of Chandler System Development Fees

Fees Effective 7/1/22 - 6/30/23
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Arterial Street Fees: ^{2,3}

Single-family (per dwelling unit)	\$3,869.00
Multi-family (per dwelling unit)	\$2,190.00
Retail (per square foot)	\$5.04
Office (per square foot)	\$4.04
Industrial (per square foot)	\$1.17
Public/quasi-public (per square foot)	\$0.97

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

Single-family (per dwelling unit)	\$983.00
Multi-family (per dwelling unit)	\$729.00
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

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

Single-family (per dwelling unit)	\$237.00
Multi-family (per dwelling unit)	\$176.00
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)	\$2,338.00
Multi-family (per dwelling unit)	\$1,735.00
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 7/1/22 - 6/30/23
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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:

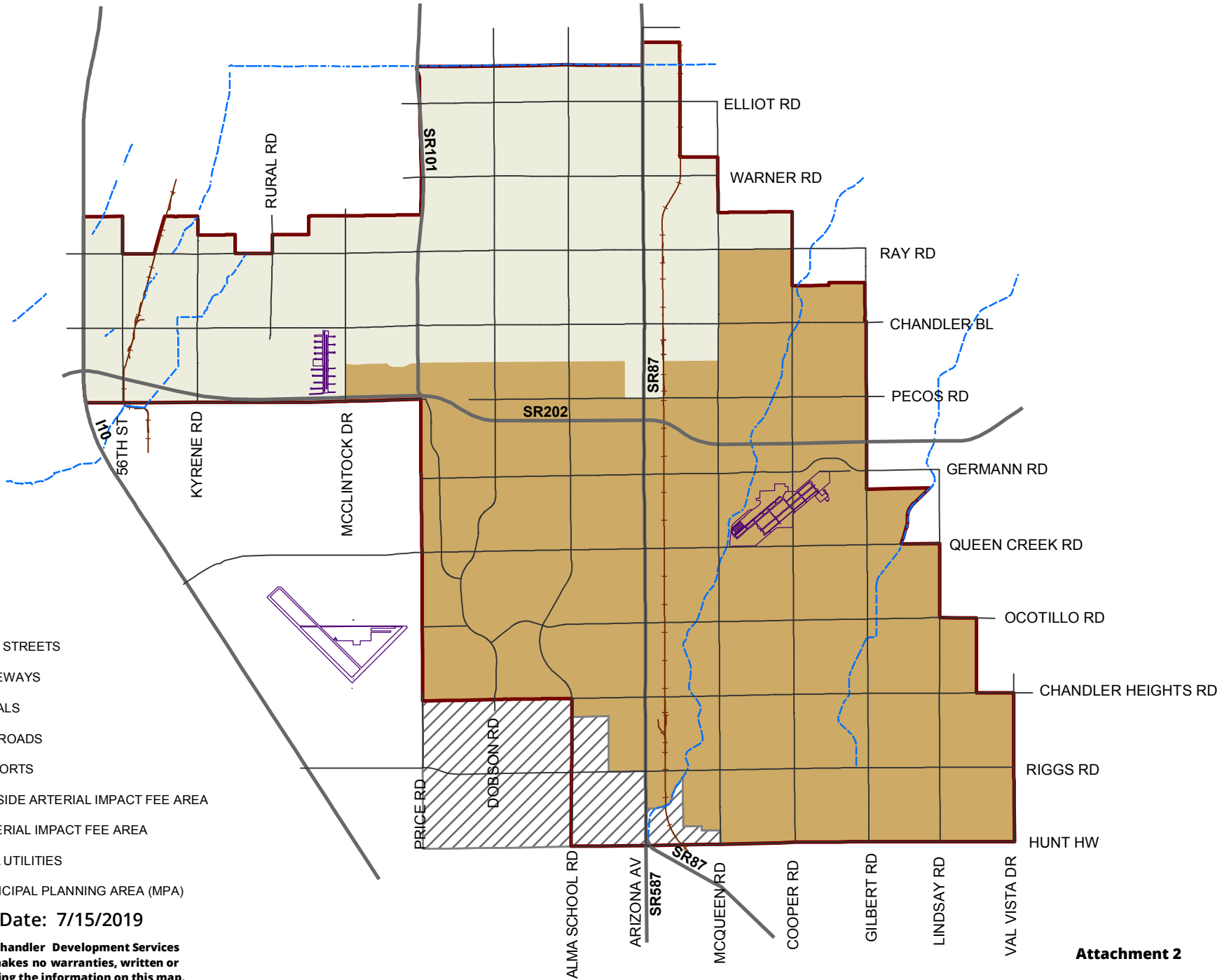
$$\text{Fee} = [1" \text{ fee for category}] \text{ times } [\text{Safe Maximum Operating Capacity GPM}/20 \text{ GPM}]$$

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.

Arterial Street Impact Fee Area Map



Legend

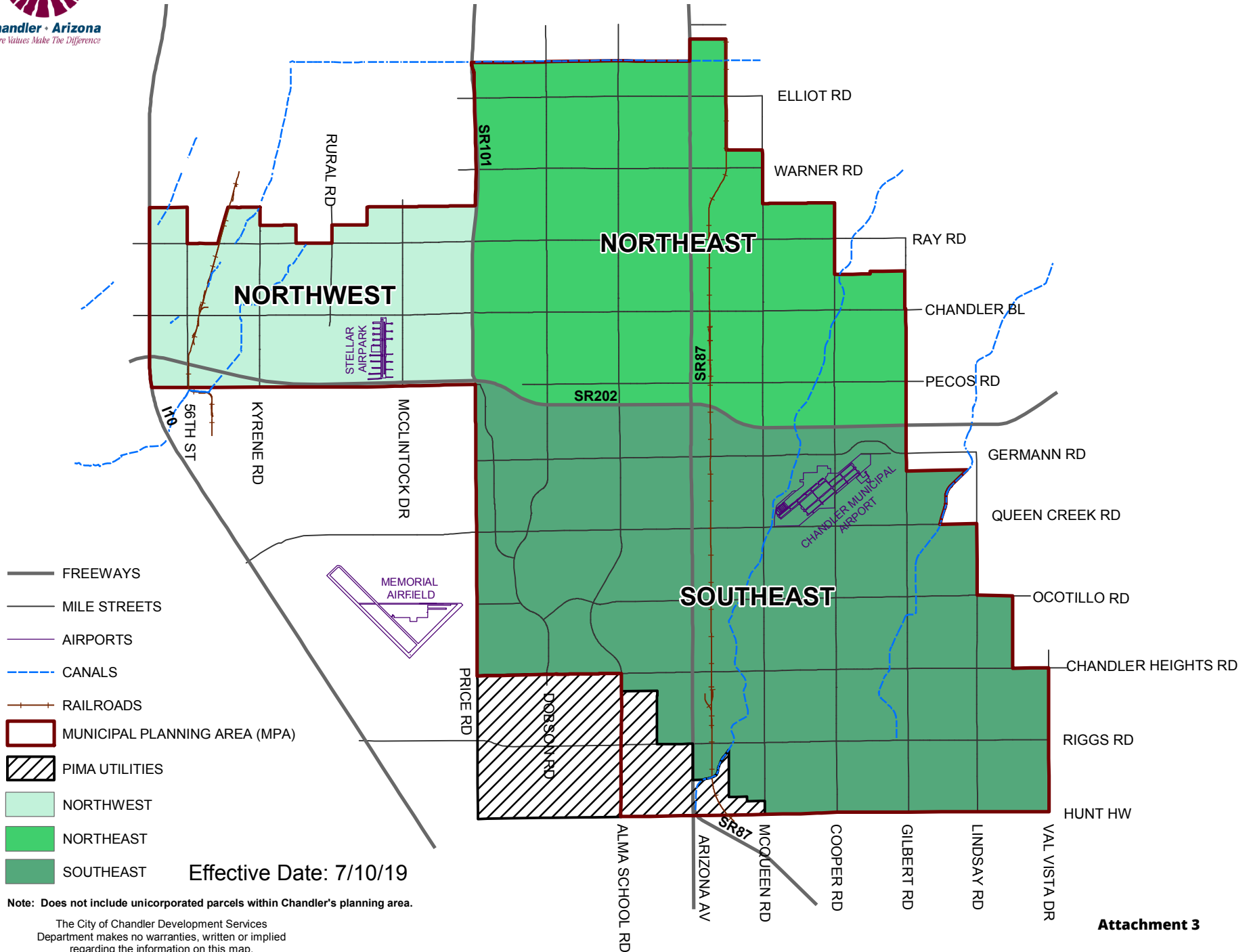
- MILE STREETS
- FREEWAYS
- - - CANALS
- + RAILROADS
- AIRPORTS
- OUTSIDE ARTERIAL IMPACT FEE AREA
- ARTERIAL IMPACT FEE AREA
- PIMA UTILITIES
- MUNICIPAL PLANNING AREA (MPA)

Effective Date: 7/15/2019

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



City of Chandler Park Service Area Map



Note: Does not include unincorporated parcels within Chandler's planning area.

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



Development Impact Fee Report - City of Chandler
Statement of Revenue, Expenditures, and Changes in Fund Balances
For Fiscal Year Ending June 30, 2023

Unaudited

Impact Fee Fund Summary - City of Chandler

	Arterial Streets Fund 415	Parks Fund 424	NW Parks Fund 425	NE Parks Fund 426	SE Parks Fund 427*
Total Beginning of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 61,725,678.70	\$ 2,866,162.27	\$ 2,825,224.30	\$ 6,424,043.46	\$ 19,118,644.80
Revenues					
Impact Fees/(Refunds)	\$ 6,998,800.07	\$ -	\$ -	\$ 77,393.00	\$ 337,171.00
Connects/Buy-ins	-	-	-	-	-
Investment Income	892,921.90	8,839.98	39,165.94	88,185.90	273,727.17
Developer Contributions	-	-	-	-	-
Program Transfer - Parks Construction	-	-	-	-	803,111.27
Transfer from Reclaimed Water SDF - Proceeds	-	-	-	-	-
Transfer from Regional Transportation Fund	178,806.04	-	-	-	-
Total Revenues	\$ 8,070,528.01	\$ 8,839.98	\$ 39,165.94	\$ 165,578.90	\$ 1,414,009.44
Expenditures					
Project Expenditures (See Impact Fee Expenditure Detail)	\$ 9,577,332.39	\$ 2,071,890.98	\$ -	\$ -	\$ -
Cost of Consultant Update for SDF Study	9,249.25	-	2,629.66	2,629.66	2,629.66
Cost of Biennial Audit	-	-	-	-	-
Program Transfer - Parks Construction	-	803,111.27	-	-	-
Repayment of Loan to General Fund	-	-	-	-	-
Repayment of Loan to Debt Service Fund	3,900,000.00	-	-	2,000,000.00	-
Repayment of Loan to Water Operating Fund	-	-	-	-	-
Repayment of Loan to Wastewater Operating Fund	-	-	-	-	-
Total Expenditures	\$ 13,486,581.64	\$ 2,875,002.25	\$ 2,629.66	\$ 2,002,629.66	\$ 2,629.66
Total End of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 56,309,625.07	\$ -	\$ 2,861,760.58	\$ 4,586,992.70	\$ 20,530,024.58
Capital Projects in Process as of 6/30/23					
Encumbered Appropriation	\$ 10,826,282.31	\$ -	\$ -	\$ -	\$ -
Unencumbered Appropriation	23,979,314.30	-	-	-	-
Total Committed Spending on Capital Projects in Process	\$ 34,805,596.61	\$ -	\$ -	\$ -	\$ -

* The ending Fund Balance for SE Parks Fund 427 is anticipated to fund the first 30 acres of the Mesquite Groves Community Park in FY 2025/26.

Development Impact Fee Report - City of Chandler
Statement of Revenue, Expenditures, and Changes in Fund Bal.
For Fiscal Year Ending June 30, 2023

Unaudited

Impact Fee Fund Summary - City of Chandler

	Library Fund 431	Public Building Fund 440	Police Fund 465	Fire Fund 475	Water Fund 603
Total Beginning of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 5,066.81	\$ 153,002.92	\$ 257,453.21	\$ 239,385.28	\$ 12,088,518.49
Revenues					
Impact Fees/(Refunds)	\$ 28,110.00	\$ 188,690.17	\$ 211,921.05	\$ 393,251.18	\$ 1,442,967.00
Connects/Buy-ins	-	-	-	-	501,522.50
Investment Income	183.96	3,404.28	4,827.34	6,654.97	172,700.20
Developer Contributions	-	-	-	-	-
Program Transfer - Parks Construction	-	-	-	-	-
Transfer from Reclaimed Water SDF - Proceeds	-	-	-	-	-
Transfer from Regional Transportation Fund	-	-	-	-	-
Total Revenues	\$ 28,293.96	\$ 192,094.45	\$ 216,748.39	\$ 399,906.15	\$ 2,117,189.70
Expenditures					
Project Expenditures (See Impact Fee Expenditure Detail)	\$ -	\$ -	\$ -	\$ -	\$ 80.14
Cost of Consultant Update for SDF Study	8,870.27	8,870.27	9,249.25	9,249.25	9,249.25
Cost of Biennial Audit	-	-	-	-	-
Program Transfer - Parks Construction	-	-	-	-	-
Repayment of Loan to General Fund	-	330,000.00	460,000.00	400,000.00	-
Repayment of Loan to Debt Service Fund	-	-	-	-	-
Repayment of Loan to Water Operating Fund	-	-	-	-	150,714.00
Repayment of Loan to Wastewater Operating Fund	-	-	-	-	-
Total Expenditures	\$ 8,870.27	\$ 338,870.27	\$ 469,249.25	\$ 409,249.25	\$ 160,043.39
Total End of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 24,490.50	\$ 6,227.10	\$ 4,952.35	\$ 230,042.18	\$ 14,045,664.80
Capital Projects in Process as of 6/30/23					
Encumbered Appropriation	\$ -	\$ -	\$ -	\$ -	\$ 419,508.61
Unencumbered Appropriation	-	-	-	-	2,662,045.25
Total Committed Spending on Capital Projects in Process	\$ -	\$ -	\$ -	\$ -	\$ 3,081,553.86

Development Impact Fee Report - City of Chandler
Statement of Revenue, Expenditures, and Changes in Fund Bal.
For Fiscal Year Ending June 30, 2023

Unaudited

Impact Fee Fund Summary - City of Chandler

	Reclaimed Water Fund 610	Wastewater Fund 614	Total
Total Beginning of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 2,614,725.82	\$ 18,424,602.09	\$126,742,508.15
Revenues			
Impact Fees/(Refunds)	\$ 354,935.00	\$ 1,795,358.00	\$ 11,828,596.47
Connects/Buy-ins	188,570.50	233,419.50	923,512.50
Investment Income	35,990.30	248,586.91	1,775,188.85
Developer Contributions	292,736.90	-	292,736.90
Program Transfer - Parks Construction	-	-	803,111.27
Transfer from Reclaimed Water SDF - Proceeds	-	500,000.00	500,000.00
Transfer from Regional Transportation Fund	-	-	178,806.04
Total Revenues	\$ 872,232.70	\$ 2,777,364.41	\$ 16,301,952.03
Expenditures			
Project Expenditures (See Impact Fee Expenditure Detail)	\$ 690,757.25	\$ -	\$ 12,340,060.76
Cost of Consultant Update for SDF Study	9,249.25	9,249.23	81,125.00
Cost of Biennial Audit	-	-	-
Program Transfer - Parks Construction	-	-	803,111.27
Repayment of Loan to General Fund	-	-	1,190,000.00
Repayment of Loan to Debt Service Fund	-	-	5,900,000.00
Repayment of Loan to Water Operating Fund	500,000.00	-	650,714.00
Repayment of Loan to Wastewater Operating Fund	-	10,000,000.00	10,000,000.00
Total Expenditures	\$ 1,200,006.50	\$ 10,009,249.23	\$ 30,965,011.03
Total End of Year Fund Balance/(Deficit) Including Unspent Bond Proceeds and Unspent Interfund Loans	\$ 2,286,952.02	\$ 11,192,717.27	\$112,079,449.15
Capital Projects in Process as of 6/30/23			
Encumbered Appropriation	\$ 169,005.14	\$ -	\$ 11,414,796.06
Unencumbered Appropriation	215,914.61	-	26,857,274.16
Total Committed Spending on Capital Projects in Process	\$ 384,919.75	\$ -	\$ 38,272,070.22

Development Impact Fee Report - City of Chandler
 Impact Fee Project Details
 For Fiscal Year Ending June 30, 2023

Unaudited

Impact Fee Expenditure Detail - City of Chandler

Arterial Street Impact Fees	Project Number	Arterial Street Impact Fees Fund 415
Ocotillo Rd. (Cooper Rd. to 148th St.)	6ST641	\$ 3,244,472.24
Cooper Rd. (Queen Creek Rd. to Riggs Rd.)	6ST675	556,933.28
Chandler Heights Rd. (McQueen Rd. to Val Vista Dr.)	6ST692	5,575,618.47
Lindsey Rd. (Ocotillo Rd. to Hunt Hwy)	6ST693	125,002.05
Alma School Rd. (Pecos Rd. to Germann Rd.)	6ST746	75,306.35
Total Project Expenditures		\$ 9,577,332.39

Park Impact Fees	Project Number	Park Impact Fees Fund 424
Homestead North Park - 300 S. Cooper Rd.	6PR389	\$ 2,071,890.98
Total Project Expenditures		\$ 2,071,890.98

Water Impact Fees	Project Number	Water Impact Fees Fund 603
Well Construction - various locations	6WA034	\$ 80.14
Total Project Expenditures		\$ 80.14

Reclaimed Water Impact Fees	Project Number	Reclaimed Water Impact Fees Fund 610
Storage & Recovery Wells - various locations	6WW189	\$ 690,757.25
Total Project Expenditures		\$ 690,757.25

**Development Impact Fee Report - City of Chandler
Interfund Loans and Debt Service Repayment Terms by Fund
For Fiscal Year Ending June 30, 2023**

Unaudited

	Arterial Streets Fund 415	NW Parks Fund 425 *	NE Parks Fund 426 *	SE Parks Fund 427 *	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,434,427	\$ 1,548,425	\$ 3,188,007	\$ -	\$ -	\$ -	\$ 6,170,859
Pledged Water Operating Fund Loan Balance Outstanding	-	-	-	-	-	-	-	-	15,929,877	-	-	15,929,877
Pledged Wastewater System Development Fee Fund Loan Balance Outstanding	-	-	-	-	-	-	-	-	-	7,200,000	-	7,200,000
Pledged Interfund Loan Balances Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,434,427	\$ 1,548,425	\$ 3,188,007	\$ 15,929,877	\$ 7,200,000	\$ -	\$ 29,300,736
Pledged Bonded Debt Outstanding	30,630,036	1,927,598	4,004,981	745,834	13,000	-	-	-	97,237,024	16,670,725	130,924,609	282,153,806
Total Outstanding Debt by Fund	\$ 30,630,036	\$ 1,927,598	\$ 4,004,981	\$ 745,834	\$ 13,000	\$ 1,434,427	\$ 1,548,425	\$ 3,188,007	\$ 113,166,901	\$ 23,870,725	\$ 130,924,609	\$ 311,454,542
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	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.

* The City's SDF consultant allocated the outstanding loan balance as of 6/30/17 among the three park service areas based on each area's share of build-out park EDUs in the latest IIP; the original debt was in Fund 424 and some repayments have been made from Fund 424 with the allocated debt reduced in the displayed funds.

** Due to the unpredictable nature of impact fee receipts, the City no longer budgets debt service payments directly against impact fee funds. All pledged interfund loans and bonded debt 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. The City's Bond Counsel has advised the City to schedule repayments of pledged bonded debt to the debt service funds, which cannot exceed 10% of the annual debt service per A.R.S.

City of Chandler Unspent Impact Fee Collections as of 6/30/23
for information only

Impact fees must be spent within 10 years for non-utility fees or 15 years for utility fees

Unaudited

Fund	Description	Fund Type	Time to Spend	Unspent Impact Fee Collections starting 1/1/12 as of 6/30/23		Oldest Receipts Since 1/1/12	Oldest Receipt Balance	Maximum Time to Spend Oldest Impact Fee Receipts
415	Arterial Streets	Non-utility	10 years	\$ 4,608,497	Note 1	FY 2022-23	\$ 4,608,497	FY 2031-32
424	Parks	Non-utility	10 years	\$ -	Note 2	N/A	N/A	N/A
425	Northwest Parks	Non-utility	10 years	\$ 2,578,283	Note 3	FY 2014-15	\$ 534,336	FY 2023-24
426	Northeast Parks	Non-utility	10 years	\$ 3,957,871	Note 3	FY 2014-15	\$ 697,647	FY 2023-24
427	Southeast Parks	Non-utility	10 years	\$ 17,936,315	Note 3	FY 2015-16	\$ 2,880,893	FY 2024-25
431	Library	Non-utility	10 years	\$ 19,240	Note 3	FY 2022-23	\$ 19,240	FY 2031-32
440	Public Buildings	Non-utility	10 years	\$ -	Note 3	N/A	N/A	N/A
465	Police	Non-utility	10 years	\$ -	Note 3	N/A	N/A	N/A
475	Fire	Non-utility	10 years	\$ -	Note 3	N/A	N/A	N/A
603	Water	Utility	15 years	\$ 11,147,006	Note 3	FY 2020-21	\$ 4,963,177	FY 2034-35
610	Reclaimed Water	Utility	15 years	\$ 303,954	Note 2	FY 2022-23	\$ 303,954	FY 2036-37
614	Wastewater	Utility	15 years	\$ 8,484,317	Note 2	FY 2020-21	\$ 1,310,827	FY 2034-35
				<u>\$ 49,035,483</u>			<u>\$ 15,318,571</u>	

Notes:

- 1 - Unspent collections are less than the outstanding fund balance due to unspent General Fund subsidies, Prop 400 reimbursements, interest, and other revenues.
- 2 - Unspent collections are less than the outstanding fund balance due to unspent interest and other revenues.
- 3 - Unspent collections are less than the outstanding fund balance due to unspent interest.