

**SYSTEM DEVELOPMENT FEE CREDIT AGREEMENT
(Arterial Streets)**

THIS SYSTEM DEVELOPMENT FEE CREDIT AGREEMENT (this "**Agreement**") is made and entered into as of this ____ day of _____, 20__, by and between the CITY OF CHANDLER, an Arizona municipal corporation ("**Chandler**") and _____, a _____ ("**Developer**").

RECITALS

A. Developer owns or controls certain real property, which is: (i) comprised of a contiguous land area consisting of approximately _____ acres (gross) linked by a unified plan of development; (ii) generally located at _____ in Chandler, Arizona; and (iii) legally described in attached Exhibit A and depicted on the site map shown in attached Exhibit B; and on which Developer seeks, plans and/or is undertaking to construct a *development* for residential retail/commercial industrial/warehouse use (the land, buildings and other improvements are hereto identified as the "**Subject Development**").

B. Prior to obtaining a building permit from Chandler for construction of the Subject Development, Developer is or has been required to pay to Chandler certain system development fees for the cost of providing *necessary public services* to the Subject Development. One such category of necessary public services is *street facilities*, for which Chandler assesses an "Arterial Street System Development Fee" (the "**Development Fee**").

C. The zoning and/or other development approvals obtained by Developer or otherwise applicable in connection with the development of the Subject Development requires, as a condition of development, that certain right-of-way dedications and offsite improvements be provided by Developer for public roadway sufficient to serve the Subject Development as improved. Such dedications and improvements constitute one or more capital facilities for which Developer has applied to Chandler for credit against the Development Fee collected by Chandler (the "**Capital Facilities**").

D. Developer and Chandler must have entered into a credit agreement prior to any such credit against the Development Fee can be allocated and/or issued by Chandler. This Agreement is made and entered into for such purpose.

AGREEMENT

NOW, THEREFORE, for and in consideration of the aforementioned Recitals and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto, covenant and agree as follows:

1. Defined Terms. Unless otherwise indicated, the terms and words of art used herein, as indicated by the initial capitalization thereof (or by being in italics the first time any such term or word is used), shall have the same respective meanings given to such terms and words of art contained in Arizona Revised Statutes Sec. 9-463.05(T) or in Chandler City Code, Chapter 38, Section 38-3.

2. Capital Facilities. The Capital Facilities provided or to be provided by Developer in connection with the Subject Development, and that are eligible for credit allocation in accordance with this Agreement, are listed as follows:

Developer shall construct all of the listed Capital Facilities, and the location of all said Capital Facilities shall be depicted upon the map shown in attached Exhibit B.

4. Total Amount of Credit. The total amount of credit allocated to the Subject Development resulting from Developer's provision of the Capital Facilities is \$ _____ (the "**Total Credit**"). Chandler's determination of the credit to be allocated is final; is agreed to by Developer; and based on the calculations shown in the table below:

Item	Length (feet)	Area (sq. ft.)	Unit cost	Credit
ROADWAY IMPROVEMENTS				
Arterial St Name				0.00
Subtotal ROADWAY IMPROVEMENTS				0.00
ROW DEDICATIONS				
Arterial St Name			\$3.00	0.00
Subtotal ROW DEDICATIONS				0.00
EXISTING CREDITS				
Reallocation				
Improvement District				
Redevelopment				
Subtotal EXISTING CREDIT				0.00
TOTAL CREDIT				\$ -

5. EDU's. Chandler and Developer agree that, after apply the definitions of *service unit* and *equivalent demand unit (EDU)*, as found at A.R.S. §9-463.05(T) and Chandler City Code Sec. 39-3, respectively, the estimated number of total Equivalent Demand Units ("**EDU's**") to be served within the Subject Development is _____.

The credit amount to be applied within the Subject Development for the category of necessary public service that is the subject of this Agreement is _____.

6. Method of Distribution. Upon this Agreement being fully executed, the Total Credit shall be deemed allocated to the Subject Development. The credit issued to the Subject Development shall be equally distributed within the Subject Development based upon a combination of land use, building square footage, and PM Peak Trip factors, and in accordance with the following provisions:

a. The Subject Development is responsible for all System Development Fees until such time as the Capital Facilities have received Final Acceptance by the City of Chandler.

b. Credit issuance shall occur only when the Capital Facilities have been accepted by Chandler. A final verification of credits shall be done by Chandler prior to a refund check being issued for all eligible credits on permits pulled to the date of Final Acceptance of the Capital Facilities.

c. Any and all fees charged in connection with future permits pulled after the date of Final Acceptance of the Capital Facilities will be offset by the amount of applicable credit per unit/square foot.

7. Reallocation. Developer may request a reallocation of credit. The request may be granted by Chandler provided all of the following requirements are satisfied:

a. Amendment Required. Credit may only be reallocated from or within the Subject Development pursuant to an amendment to this Agreement (the “**Amendment**”), which shall be subject to the following conditions:

(1) The entity that executed the original of the Agreement with Chandler, or the entity’s legal successor in interest, and the entity that currently owns and/or controls the Subject Development must be parties to the request for reallocation and signatories to the Amendment; and

(2) The reallocation shall not change the value of any credit already issued for the Subject Development.

b. Non-contiguous Reallocation. The Amendment may authorize the allocation of credit to a parcel that is non-contiguous to the Subject Development only if all of the following conditions are met:

(1) The entity that executed the original of this Agreement with Chandler, or the entity’s legal successor in interest; the entity that currently owns and/or controls the Subject Development; and the entity that owns and/or controls the non-contiguous parcel are all parties to the request for reallocation and the Amendment to this Agreement;

(2) The reallocation does not change the value of any credit already issued for the Subject Development;

(3) The non-contiguous parcel is in the same *service area* as that served by the Capital Facilities;

(4) The non-contiguous parcel receives a necessary public service from the eligible Capital Facilities;

(5) The Amendment specifically states the value of the credit to be allocated to each parcel and/or EDU, or establishes a mechanism for future determination of the credit values;

(6) The reallocation does not involve the transfer of credit to or from any property subject to a development agreement; and

(7) Chandler must obtain ownership or control of the Capital Facilities subsequent to August 1, 2014.

8. Miscellaneous – Timing and Multiple Entities.

a. If Developer has acquired ownership and/or control of the Subject Development prior to execution of this Agreement, but after the Developer's predecessor in interest to the Subject Development has completed construction of the Capital Facilities, then the credit resulting from the Capital Facilities will only be allocated to the Subject Development if the Developer's predecessor in interest legally assigns such rights and responsibilities to the Developer.

b. If multiple entities jointly cause the completion of construction of the Capital Facilities, both entities must execute this Agreement, or any amendment to this Agreement, and any request for the allocation of credit within the Subject Development must be made jointly by the entities that provided the Capital Facilities.

9. Notices Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by overnight courier, or by U.S. registered or certified mail, return receipt requested, postage prepaid, or by facsimile to the facsimile numbers set out below or to such other facsimile numbers as are specified by written notice given in accordance herewith (provided that a copy of such notice or other communication is also delivered by means of one of the other methods of delivery permitted hereunder within one (1) business day following such facsimile transmission) to the addresses set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

Developer: _____

Chandler: City of Chandler
Transportation & Development
Mail Stop 410, P.O. Box 4008
Chandler, AZ 85244-4008

Any notice or other communication mailed as hereinabove provided shall be deemed effectively given or received on the date of delivery, if delivered by hand or by overnight courier or by facsimile (provided such facsimile transmission is successfully received no later than 5:00 P.M. local time on a business day; and if not received by such hour on a business day, then such facsimile notice shall be deemed effectively given or received on the next following business day; and provided further that a copy of such notice shall also be sent by means of one of the other methods permitted hereunder), or otherwise on the third (3rd) business day following the postmark date of such notice or other communication. Copies of all notices or other communications shall be sent as a courtesy only to the other persons noted above, and such copies shall be courtesy only and shall not affect the validity of notice.

10. Amendments. This Agreement may only be amended in writing signed by each of the parties hereto.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, successors and assigns.

12. Construction. This Agreement shall be construed and interpreted under, and governed and enforced according to the laws of the State of Arizona. The parties hereto hereby submit to the jurisdiction of the courts of the State of Arizona in the event of any action or dispute arising here from.

13. Counterparts. This Agreement may be executed in several counterparts, each of which will be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

14. Time of the Essence. Time is of the essence of this Agreement.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have signed and delivered this Agreement as of the day, month and year first above written.

DEVELOPER:

By: _____

Its: _____

STATE OF ARIZONA)
) ss
County of Maricopa)

On this ____ day of _____, 20__, before me, the undersigned Notary Public, personally appeared _____ of _____, and that he being authorized so to do, executed the foregoing Agreement in the capacity therein stated and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

CITY OF CHANDLER:

ATTEST:

CITY OF CHANDLER, an Arizona
municipal corporation

CITY CLERK

By: _____
Name:
Title:

APPROVED AS TO FORM

CITY ATTORNEY

EXHIBIT A

[Legal Description]

Unofficial

EXHIBIT B

[Site Map]

Unofficial