

CITY OF
Glendale

**Biennial Certified Audit of Land Use
Assumptions, Infrastructure
Improvement Plan, and Development
Fees (July 1, 2018 – June 30, 2020)**

Final Report / June 1, 2021



June 1, 2021

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Subject: Biennial Certified Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Fees (July 1, 2018 – June 30, 2020)

The City of Glendale (City) retained Raftelis Financial Consultants Inc. (Raftelis) to complete an audit of the City's land use assumptions (LUA), infrastructure improvement plan (IIP), and development impact fee (DIF) revenues and expenditures over the period of July 1, 2018 through June 30, 2020 (Audit Period) per Arizona Revised Statutes (ARS) §9-463.05. This report summarizes the results of the LUA, IIP, and DIF audit.

The scope of the audit is limited to an audit of the LUA, IIP, and DIF assessments and expenditures outlined in the Accounting for the Collection and Use of Development Impact Fees Annual Report for Fiscal Years (FY) 2018-19 and 2019-20. All fee amounts assessed and expenditures outlined are audited pursuant to the provisions in the City Code Section 28 Article VI. (Development Impact Fees), as supported by the Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees that took effect July 2014 (2014 LUA, IIP, and DIF Report)¹, and the updated report that took effect December 2019 (2019 LUA, IIP, and DIF Report)².

Per the statutory requirements of ARS §9-463.05, the study focused on charges assessed consistent with the adopted DIF schedules. The City maintains DIF assessment schedules varying by land use designation and/or customer classification and amongst multiple service areas. The 2014 LUA, IIP, and DIF Report provides for up to three (3) service areas within the City and up to six (6) service categories, based on the characteristics of development and services provided. New DIFs were implemented for up to seven (7) service categories using two (2) service areas beginning December 9, 2019.

An additional provision of ARS §9-463.05 includes a “grandfathering” clause whereby a new or increased DIF is not assessed against a new development for a period of up to 24-months after:

- the City issues the final approval for a commercial, industrial, or multifamily development OR
- the date that the first building permit is issued for a residential development pursuant to an approved site plan or subdivision plat, provided that no subsequent changes are made to the approved site plan or subdivision plan that would increase the service units.

The City has administered this provision by assessing previously adopted DIFs until the grandfathering period expires for applicable development(s). Additionally, the City has entered into various developer credit agreements whereby the DIF was referenced and the City has administered those agreements. The application of developer credits and grandfathering provisions is beyond the scope of the Biennial Audit requirements, but Raftelis worked

¹ Land Use Assumptions, Infrastructure Improvements Plan, and Development Fee Report, February 10, 2014.

² Land Use Assumptions, Infrastructure Improvements Plan, and Development Fee Report, September 24, 2019.

with City staff to identify instances where either the grandfathering provision or developer credit agreements were applied to permits during the Audit Period in situations where the assessed DIFs varied from the adopted DIFs.

The City deposits DIF revenues into separate funds for each fee category and each fee area. Accordingly, the City maintains unique funds which are updated as new and/or amended LUA, IIP, and DIF Reports are completed. For example, additional funds were created following the 2019 LUA, IIP, and DIF Report and associated fees that were effective beginning December 9, 2019. Expenditures or uses of DIFs by category over the Audit Period are consistent with the uses documented in the adopted LUA, IIP, and DIF Reports.

The overall audit approach followed by Raftelis was to:

1. Review the reported Audit Period growth by each land use classification against the categories provided for in the LUA, IIP, and DIF Report.
2. Review the DIF revenues reported against independently calculated amounts based on the appropriate criteria, to check the accuracy of assessed charges.
3. Compare the actual expenditures reported over the Audit Period against the LUA, IIP, and DIF Report to verify that funded projects were included in each report.

Raftelis worked with City staff following the initial identification of calculated permit revenues that varied from reported DIF revenues provided by the City over the Audit Period. Additional discussion regarding the process of the Biennial Audit of the DIF, LUA, IIP, revenues, and expenditures is detailed in the body of this report.

The following provides a summary of each of the study elements.

- LUA Audit: The permit data provided by the City are used to review actual growth over the Audit Period to the forecasted level of growth in the City's LUA, IIP, and DIF Report.
- IIP Audit: The City met the requirements of the IIP as part of the LUA, IIP, and DIF Report previously identified which support the DIFs in place over the Audit Period. The IIP related audit requirements are limited to confirming actual uses of DIF revenues over the Audit Period were consistent with the improvements identified, and fees were assessed to development by fee category and/or service area as detailed within the LUA, IIP, and DIF Report.
- Revenue Audit: To test for revenue assessment accuracy, the DIFs identified in the LUA, IIP, and DIF Report were applied by Raftelis to each of the permits, based on the service area, fee category, Equivalent Development Units (EDUs) and land use classification provided. These calculated DIF revenues were compared to the DIF amount reported by the City during the Audit Period. Any record showing a difference was considered a potential error, subject to additional review and validation.
- Expense Audit: Audit Period expenditures are identified in the Accounting for the Collection and Use of Development Impact Fees Annual Report for Fiscal Years (FY) 2018-19 and 2019-20.

Pursuant to the discussion and analysis contained in this report the following findings are provided:

1. The difference between growth forecasted in the LUA as part of the 2020 LUA, IIP, and DIF Reports and the actual growth experienced by the City should be monitored but is not an area of immediate concern. Growth often occurs less linearly as certain development may occur more rapidly than others and can be influenced by various external factors. If the actual growth continues to be significantly lower than anticipated in the LUA, IIP, and DIF Report, the City should consider updating the LUA forecast to reflect more appropriate growth levels.
2. The completed revenue audit has not found any material discrepancies when compared to the DIFs identified in the LUA, IIP, and DIF Reports.

3. Based on the information obtained through the City's Accounting for the Collection and Use of Development Impact Fees Annual Report for FY 2018-19 and 2019-20, there are no discrepancies between expenditures identified in the LUA, IIP, and DIF Reports.

Raftelis is pleased to present our findings and analysis of the Biennial Audit of the City's DIF program to the City. Please contact Andrew Rheem regarding this report.

Sincerely,

RAFTELIS



Andrew Rheem
Senior Manager

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1. Introduction and Background

1.1. Scope of Work

The City of Glendale (City) retained Raftelis Financial Consultants Inc. (Raftelis) to complete an audit of the City's Land Use Assumptions (LUA), Infrastructure Improvement Plan (IIP), and Development Impact Fee (DIF) revenues and expenditures over the period of July 1, 2018 through June 30, 2020 (Audit Period) per Arizona Revised Statutes (ARS) §9-463.05. The scope of the audit is limited to an audit of the LUA, IIP, and DIF assessments and planned expenditures outlined in the Accounting for the Collection and Use of Development Impact Fees Annual Report for Fiscal Year (FY) 2018-19 and FY 2019-20. All fee amounts and expenditures outlined are audited pursuant to the provisions in the City Code Section 28 Article VI. – Development Impact Fees, as supported by the Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees that took effect July 2014 (2014 LUA, IIP, and DIF Report)³, and the updated report that took effect December 2019 (2019 LUA, IIP, and DIF Report)⁴.

The three areas of focus of the audit include:

- A review and comparison of the LUA forecast within the 2014 LUA, IIP, and DIF Report to actual development by classification and service area.
- An audit of the DIF revenues assessed as authorized by DIF category and/or service area match the adopted DIF assessment schedule.
- An audit to confirm the expenditures or use of funds from DIFs by fee category and/or service area were identified within the 2014 LUA, IIP, and DIF Report.

1.2. ARS §9-463.05 Summary

ARS §9-463.05 contains the Arizona statutory guidance, restrictions and requirements governing assessment, collection, and reporting of DIFs. Per ARS §9-463.05⁵, as a condition of assessing DIFs, the City is required to either:

- Establish an infrastructure improvements advisory committee or
- Complete a biennial audit

The City did not establish an infrastructure improvement advisory committee and is therefore completing the biennial audit for the 2-year audit period. The most recent audit for FY 2016-17 and FY 2017-18 was completed by Heinfeld, Meech & Co., P.C. with the results documented in the report dated January 30, 2020. The statutory requirements for the audit per ARS §9-463.05⁶ is detailed as follows.

³ Land Use Assumptions, Infrastructure Improvements Plan, and Development Fee Report, February 10, 2014.

⁴ Land Use Assumptions, Infrastructure Improvements Plan, and Development Fee Report, September 24, 2019.

⁵ Subsection G, paragraphs 1 and 2.

⁶ Subsection G, paragraph 2.

In lieu of creating an advisory committee pursuant to paragraph 1 of this subsection, provide for a biennial certified audit of the municipality’s land use assumptions, infrastructure improvements plan and development fees. An audit pursuant to this paragraph shall be conducted by one or more qualified professionals who are not employees or officials of the municipality and who did not prepare the infrastructure improvements plan. The audit shall review the progress of the infrastructure improvements plan, including the collection and expenditures of development fees for each project in the plan, and evaluate any inequities in implementing the plan or imposing the development fee. The municipality shall post the findings of the audit on the municipality’s website or the website of an association of cities and towns if the municipality does not have a website and shall conduct a public hearing on the audit within sixty days of the release of the audit to the public.

Based on the statutory requirements, the study focused on charges assessed consistent with the adopted DIF schedules. The City maintains DIF and assessment schedules varying by land use designation and/or customer classification and amongst multiple service areas. Figures 1, and 2 detail the service area boundaries for DIFs.

Expenditures or uses of DIFs by category over the Audit Period are consistent with the uses documented in the adopted 2014 LUA, IIP, and DIF Report.

1.2.1. GRANDFATHER PROVISIONS

As will be presented and discussed in this report, the City implemented the grandfather provisions over the course of the audit period pursuant to subsection F of ARS §9-463.05 that reads in part:

A municipality's development fee ordinance shall provide that a new development fee or an increased portion of a modified development fee shall not be assessed against a development for twenty-four months after the date that the municipality issues the final approval for a commercial, industrial or multifamily development or the date that the first building permit is issued for a residential development pursuant to an approved site plan or subdivision plat, provided that no subsequent changes are made to the approved site plan or subdivision plat that would increase the number of service units.

1.2.2. DESIGNATED DIF FUNDS

The City deposits DIF revenues into separate funds for each fee category and each fee area. Following the 2012 modifications of ARS §9-463.05, the City has followed a practice of creating unique funds tied to each LUA, IIP, and DIF study update. Fund numbers reflect the date ranges for which DIF revenues were collected. Table 1 through Table 4 summarize the fund names and numbers for the DIF revenues collected since the 2003 when stand-alone DIF funds were first established.

Table 1: 2003 Fees Fund Summary

Fund Name	Fund Number
2003-DIF Library Blding sb1525	4120
2003-DIF Fire Prot Fac sb1525	4130
2003-DIF Police Facilit sb1525	4180
2003-DIF Citywide Parks sb1525	4230
2003DIF CitywideREC/FACsb1525	4250
2003-DIF Libraries sb 1525	4270
2003-DIF Citywide Open Space	4290
2003-DIF Parks Dev Zn 1 sb1525	4300
2003-DIF Parks&Rec Zn 2 sb1525	4350
2003-DIF Parks Dev Zn 3 sb1525	4370
2003-DIF RoadwayImprove sb1525	4390
2003-DIF General Government	4440

Table 2: 2012 Fees Fund Summary

Fund Name	Fund Number
2012-DIF Fire Protection Facil	4140
2012-DIF Police Facilities	4190
2012-DIF Citywide Parks	4240
2012-DIF Citywd Recreation Fac	4260
2012-DIF Libraries	4280
2012-DIF Parks Dev Zone 1	4310
2012-DIF Parks Dev Zone 2	4360
2012-DIF Parks Dev Zone 3	4380
2012-DIF Roadway Improve	4400

Table 3: 2014 Fees Fund Summary

Fund Name	Fund Number
2014-DIF Fire Zone 1 East	4150
2014-DIF Fire Zone 2 West 101	4160
2014-DIF Fire Zone 3 West 303	4170
2014-DIF Police Zone 1 East	4200
2014-DIF Police Zn 2 West 101	4210
2014-DIF Police Zn 3 West 303	4220
2014-DIF Parks & Rec Zn 1 East	4320
2014-DIF Parks&Rec Zn 2 W 101	4330
2014-DIF-Parks&Rec Zn 3 W 303	4340
2014-DIF Streets Zone 1 East	4410
2014-DIF Streets Zn 2 West 101	4420
2014-DIF Streets Zn 3 West 303	4430
2014-Water DIF Zone 1 East	6050
2014-Water DIF Zone 2 West 101	6060
2014-Water DIF Zone 3 West 303	6070
2014-Sewer DIF Zone 1 East	6080
2014-Sewer DIF Zone 2 West 101	6090
2014-Sewer DIF Zone 3 West 303	6100

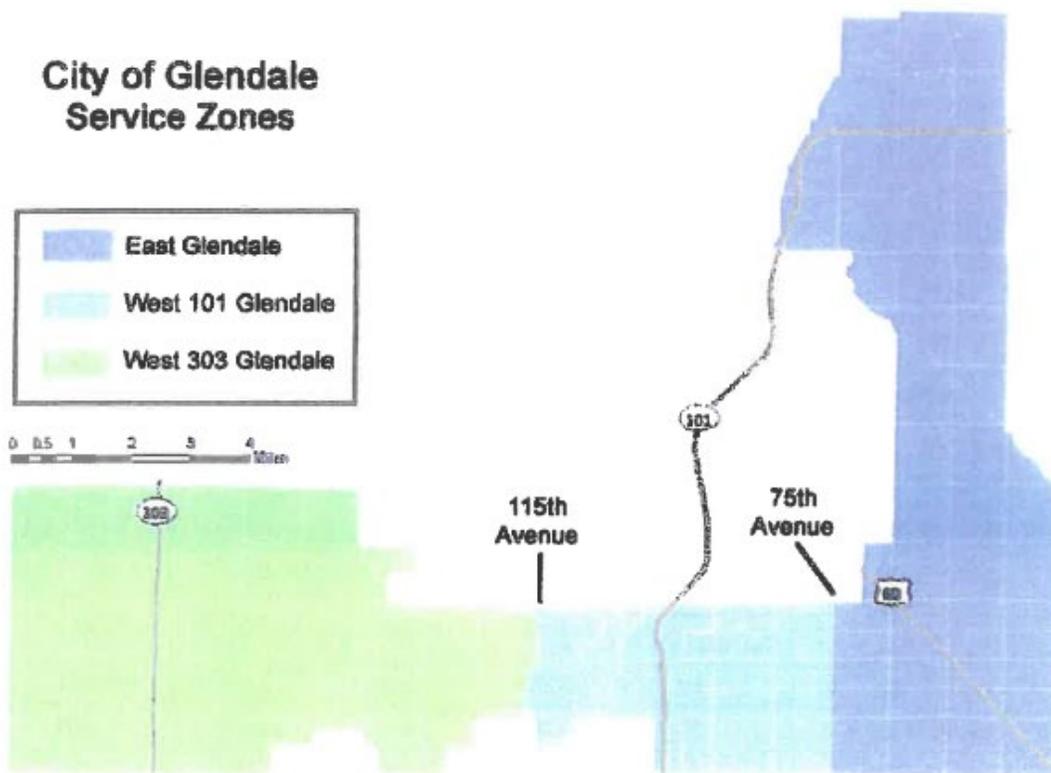
Table 4: 2019 Fees Fund Summary

Fund Name	Fund Number
2019-DIF-Fire East	4171
2019-DIF-Fire West	4172
2019-DIF-Police East	4221
2019-DIF-Police West	4222
2019-DIF-Libraries East	4281
2019-DIF-Libraries West	4282
2019-DIF-Parks & Rec East	4381
2019-DIF-Parks & Rec West	4382
2019-DIF-Streets East	4431
2019-DIF-Streets West	4432
2019-Water DIF East	6071
2019-Sewer DIF East	6101

1.3. Existing DIFs

The 2014 LUA, IIP, and DIF Report provides for up to three service zones within the City and up to six service categories, based on the characteristics of development and services provided. The service zones prior to December 9, 2019 are depicted within Figure 1⁷. New DIFs were implemented using two (2) service zones and up to seven (7) service categories beginning December 9, 2019 as shown in Figure 2⁸.

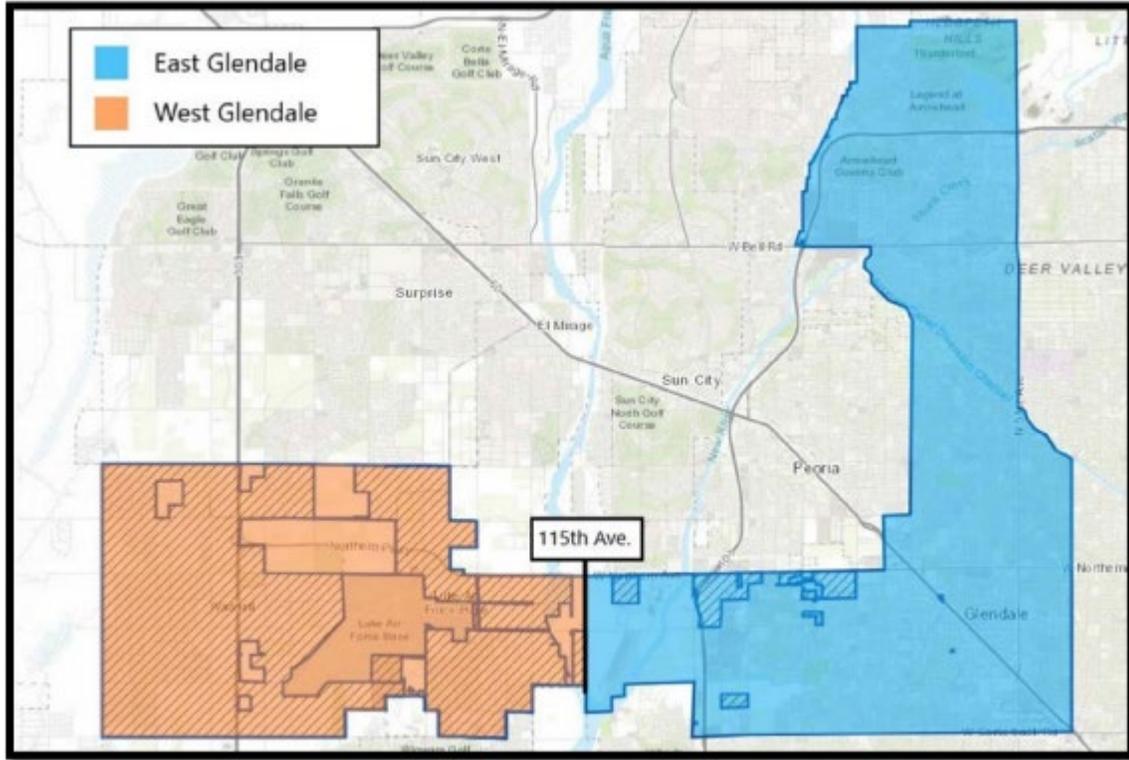
Figure 1: DIF Service Zones effective prior to December 9, 2019



⁷ Map used in Figure 1 obtained from Accounting for the Collection and Use of Development Impact Fees Annual Report as of June 30, 2019.

⁸ Map used in Figure 2 obtained from Accounting for the Collection and Use of Development Impact Fees Annual Report as of June 30, 2020.

Figure 2: DIF Service Zones effective December 9, 2019



For fire protection, police, park, and streets, DIFs for residential development are assessed per dwelling unit. DIFs for non-residential classes (commercial, office/ other, industrial, and institutional) are assessed per 1,000 square feet of building space.

DIFs were adjusted effective December 9, 2019 and include a new fee for libraries. Permits issued before December 9, 2019 were subject to the previous DIF, while those issued since December 9, 2019 were subject to the amended DIFs. The original and amended fees are shown in Table 5 through Table 17.

Table 5: Fire Protection DIFs prior to 12/9/2019

Description Unit	Residential Single Unit Per Dwelling	Residential 2+ Units per Structure Per Dwelling	Commercial Per 1000 sqft	Office/ Other Per 1000 sqft	Industrial Per 1000 sqft	Institutional Per 1000 sqft
East Glendale [1]	\$1,146	\$652	\$239	\$563	\$129	\$166
West 101 Glendale [2]	1,146	652	239	563	129	166
West 303 Glendale [3]	--	--	239	563	129	166

[1] From 75th avenue east to Glendale’s city limits.
 [2] 75th Avenue west to 115th Avenue
 [3] West of 115th Avenue.

Table 6: Fire Protection DIFs effective 12/9/2019

Description Unit	Residential Single Unit	Residential 2+ Units per Structure	Commercial	Office/Other	Industrial	Institutional
	Per Dwelling	Per Dwelling	Per 1000 sqft	Per 1000 sqft	Per 1000 sqft	Per 1000 sqft
East Glendale [1]	\$655	\$433	\$789	\$308	\$106	\$408
West Glendale [2]	655	433	789	308	106	408

[1] East of 115th Avenue
[2] West of 115th Avenue

Table 7: Police DIFs prior to 12/9/2019

Description Unit	Residential Single Unit	Residential 2+ Units per Structure	Commercial	Office/ Other	Industrial	Institutional
	Per Dwelling	Per Dwelling	Per 1000 sqft	Per 1000 sqft	Per 1000 sqft	Per 1000 sqft
East Glendale [1]	\$339	\$193	\$99	\$39	\$12	\$36
West 101 Glendale [2]	339	193	99	39	12	36
West 303 Glendale [3]	--	--	99	39	12	36

[1] From 75th avenue east to Glendale's city limits.
[2] 75th Avenue west to 115th Avenue
[3] West of 115th Avenue.

Table 8: Police DIFs effective 12/9/2019

Description Unit	Residential Single Unit	Residential 2+ Units per Structure	Commercial	Office/Other	Industrial	Institutional
	Per Dwelling	Per Dwelling	Per 1000 sqft	Per 1000 sqft	Per 1000 sqft	Per 1000 sqft
East Glendale [1]	\$719	\$475	\$867	\$339	\$117	\$448
West Glendale [2]	719	475	867	339	117	448

[1] East of 115th Avenue
[2] West of 115th Avenue

Table 9: Parks and Recreation DIFs prior to 12/9/2019

Description Unit	Residential Single Unit	Residential 2+ Units per Structure	Commercial	Office/ Other	Industrial	Institutional
	Per Dwelling	Per Dwelling	Per 1000 sqft	Per 1000 sqft	Per 1000 sqft	Per 1000 sqft
East Glendale [1]	\$909	\$517	\$43	\$101	\$23	\$30
West 101 Glendale [2]	909	517	43	101	23	30
West 303 Glendale [3]	--	--	0	0	0	0

[1] From 75th avenue east to Glendale's city limit.
[2] 75th Avenue west to 115th Avenue
[3] West of 115th Avenue.

Table 10: Parks and Recreation DIFs effective 12/9/2019

Description Unit	Residential	Residential 2+	Commercial	Office/Other	Industrial	Institutional
	Single Unit Per Dwelling	Units per Structure Per Dwelling				
East Glendale [1]	\$936	\$618	\$97	\$123	\$48	\$38
West Glendale [2]	936	618	97	123	48	38

[1] East of 115th Avenue
[2] West of 115th Avenue

Table 11: Streets DIFs prior to 12/9/2019

Description Unit	Residential	Residential	Commercial	Office/ Other	Industrial	Institutional
	Single Unit Per Dwelling	2+ Units per Structure Per Dwelling				
East Glendale [1]	\$1,551	\$865	\$2,210	\$957	\$308	\$883
West 101 Glendale [2]	3,522	1,963	5,017	2,172	701	2,005
West 303 Glendale [3]	--	--	8,260	3,575	1,154	3,301

[1] From 75th avenue east to Glendale's city limits.
[2] 75th Avenue west to 115th Avenue
[3] West of 115th Avenue.

Table 12: Streets DIFs effective 12/9/2019

Description Unit	Residential	Residential 2+	Commercial	Office/Other	Industrial	Institutional
	Single Unit Per Dwelling	Units per Structure Per Dwelling				
East Glendale [1]	\$3,635	\$2,819	\$4,806	\$1,831	\$634	\$2,422
West Glendale [2]	[3]	[3]	[3]	[3]	[3]	[3]

[1] East of 115th Avenue
[2] West of 115th Avenue
[3] Determined on a case-by-case basis.

Table 13: Library DIFs effective 12/9/2019

Description Unit	Residential	Residential 2+	Commercial	Office/Other	Industrial	Institutional
	Single Unit Per Dwelling	Units per Structure Per Dwelling				
East Glendale [1]	\$195	\$129	\$19	\$24	\$9	\$7
West Glendale [2]	195	129	19	24	9	7

[1] East of 115th Avenue
[2] West of 115th Avenue

For utility service, new development is generally responsible for purchasing capacity in the system based on potential demand. Potential demand is measured in many ways throughout the water and wastewater utility industry, with meter size serving as a relatively simple and commonly used assessment option. For the water and wastewater services identified in Table 14 through Table 17, DIFs are based on water meter size and are the same regardless of development type.

Water and wastewater DIFs are assessed in up to three service areas which are comprised of sub-areas shown in Figures 1 and 2 and summarized below:

- Prior to December 9, 2019:
 - East Glendale and West 101 Glendale, covering the area east of 115th Avenue.
 - West 303 Glendale, covering the area west of 115th Avenue.
- From December 9, 2019 onwards:
 - East Glendale, covering the area east of 115th Avenue.
 - West Glendale, covering the area west of 115th Avenue.

Table 14: Water DIFs prior to 12/9/2019

Meter Size (all development types)	East Glendale & West 101 Glendale [1]	West 303 Glendale [2]
0.75 inch	\$2,761	\$0
1.0 inch	4,607	0
1.5 inch	9,183	0
2.0 inch	14,695	0
3.0 inch	29,413	0
4.0 inch	45,950	0
6.0 inch	91,867	0
8.0 inch	146,991	0

[1] East from 115th Avenue to city limits.

[2] West of 115th Avenue.

Table 15: Water DIFs effective 12/9/2019

Meter Size (all development types)	East Glendale [1]	West Glendale [2]
0.75 inch	\$2,923	\$0
1.0 inch	4,878	0
1.5 inch	9,722	0
2.0 inch	15,558	0
3.0 inch	31,139	0
4.0 inch	48,647	0
6.0 inch	97,259	0
8.0 inch	155,617	0

[1] East of 115th Avenue

[2] West of 115th Avenue

Table 16: Wastewater DIFs prior to 12/9/2019

Meter Size (all development types)	East Glendale & West 101 Glendale [1]	West 303 Glendale [2]
0.75 inch	\$1,944	\$0
1 inch	3,243	0
1.5 inch	6,462	0
2.0 inch	10,341	0
3.0 inch	20,696	0
4.0 inch	32,331	0
6.0 inch	64,637	0
8.0 inch	103,420	0

[1] East from 115th Avenue to city limits.

[2] West from 115th Avenue

Table 17: Wastewater DIFs effective 12/9/2019

Meter Size (all development types)	East Glendale [1]	West Glendale [2]
0.75 inch	\$1,609	\$0
1 inch	2,684	0
1.5 inch	5,346	0
2.0 inch	8,553	0
3.0 inch	17,117	0
4.0 inch	26,739	0
6.0 inch	53,456	0
8.0 inch	85,530	0

[1] East of 115th Avenue

[2] West of 115th Avenue

2. Study Process

2.1. Audit Approach

Raftelis first reviewed the DIF revenues reported against independently calculated amounts based on the appropriate criteria to check the accuracy of assessed charges. Next, the actual expenditures reported over the Audit Period were compared against the LUA, IIP, and DIF Report to verify that funded projects were included. Finally, the reported Audit Period growth by each land use classification was reviewed against the categories provided for in the LUA, IIP, and DIF Report.

2.2. Data Provided by City

To assist with the review of the DIF charges, Raftelis requested permit data that could be used to recalculate the DIFs assessed by the city. Necessary data fields required to independently recalculate and review the assessed DIFs include:

- Permit Number
- Issue Date
- Paid Date
- Fee Category
- Customer Type
- Fee Area
- Quantity
- EDUs
 - Residential Dwelling Units
 - Square Feet of Floor Area
 - Meter Size
- Fee Amount
- Paid Amount

The City was unable to provide a single report with all the required data, and thus provided three separate data sources with unique permit identifiers enabling the reports to be merged. Because the Certified Audit of Land Use Assumptions, Infrastructure Improvements Plan and Development Fees is a biennial requirement, Raftelis recommends the City consider investing time into developing a permit data tracking tool to ensure the data identified above is available in a single report to streamline future audits.

One of the reports included a field titled “Fee Description” which identifies the fee category, fee area, and customer classification. The one exception is non-residential utility DIFs (water and wastewater) are not distinguishable by customer classification, thus we reviewed non-residential utility DIFs in aggregate.

The DIF charges provided span seven fee categories and total approximately \$12.3 million in DIF revenues over the Audit Period. The DIF revenue over the Audit Period per the Accounting for the Collection and Use of Development Impact Fees Annual Reports totals \$12,251,880 compared to \$12,336,929 based on the permit level detail provided by the City. This difference of \$85,048, or 0.7%, was deemed immaterial for purposes of this audit and Raftelis relied on the detail provided by the City for review. The DIF revenue was calculated using the DIF assessment schedules identified in the LUA, IIP, and DIF Reports. DIF revenues may then be adjusted by the City to account for grandfathering provisions (per ARS §9-463.05F) and/or developer credits. The total impact fee

charges, DIF revenues per the Permit Detail, and DIF revenues per the Accounting for the Collection and Use of Development Impact Fees Annual Reports for the Audit Period are provided in Table 18.

Table 18: Audit Period DIF Charges, EDUs, and Revenues by Fee Category

<u>Description</u>	<u>DIF Charges</u>	DIF Revenues - <u>Permit Detail</u>	DIF Revenues - <u>Annual Reports</u>
Parks	569	\$957,280	\$951,153
Libraries	209	58,664	57,689
Police	576	755,956	751,114
Fire	574	1,650,126	1,652,972
Streets	575	4,401,592	4,394,009
Water	659	2,939,171	2,895,162
Wastewater	590	1,574,140	1,549,782
Total	<u>3,752</u>	<u>\$12,336,929</u>	<u>\$12,251,880</u>

2.3. Land Use Assumptions Audit

The permit data provided by the City were used to compare actual growth over the Audit Period to the forecasted level of growth in the City’s LUA, IIP, and DIF Report. The growth identified in the report was provided for each year, Raftelis reviewed the projected growth for 2019 and 2020 as expected over the Audit Period. Non-utility DIF EDU growth is projected in housing units for residential and floor area for non-residential customer classes. Utility DIF EDU growth is projected based on number of new connections, broken out between residential and non-residential. A table is provided for each customer fee category that compares the actual growth in EDUs, EDUs forecast by the LUA, and the actual growth as a percentage of the LUA forecast growth.

The LUA forecast is compared to actual development over the two-year Audit Period for the following:

Non-Utility LUA Projections

- Single Family Residential – Table 19
- Multifamily Residential – Table 20
- Industrial – Table 21
- Commercial – Table 22
- Institutional – Table 23
- Office & Other Services – Table 24

Utility LUA Projections

- Wastewater Residential – Table 25
- Wastewater Non-Residential – Table 26
- Water Residential – Table 27
- Water Non-Residential – Table 28

Table 19: Single Family Residential Non-Utility LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	216	417	51.8%
FY 2019-20	<u>295</u>	<u>420</u>	<u>70.2%</u>
Total	511	837	61.1%

Table 20: Multifamily Residential Non-Utility LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	564	202	279.2%
FY 2019-20	<u>74</u>	<u>204</u>	<u>36.3%</u>
Total	638	406	157.1%

Table 21: Industrial Non-Utility LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	134	197	67.8%
FY 2019-20	<u>3,611</u>	<u>200</u>	<u>1805.4%</u>
Total	3,745	397	943.2%

Table 22: Commercial Non-Utility LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	31	371	8.4%
FY 2019-20	<u>57</u>	<u>378</u>	<u>15.0%</u>
Total	88	749	11.7%

Table 23: Institutional Non-Utility LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	93	37	250.3%
FY 2019-20	<u>33</u>	<u>37</u>	<u>88.9%</u>
Total	126	74	169.6%

Table 24: Office & Other Services Non-Utility LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	193	342	56.4%
FY 2019-20	<u>302</u>	<u>355</u>	<u>85.1%</u>
Total	495	697	71.0%

Table 25: Wastewater Residential LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	210	312	67.3%
FY 2019-20	<u>293</u>	<u>316</u>	<u>92.7%</u>
Total	503	628	80.1%

Table 26: Wastewater Non-Residential LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	45	136	33.1%
FY 2019-20	<u>43</u>	<u>139</u>	<u>30.9%</u>
Total	88	275	32.0%

Table 27: Water Residential LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	210	343	61.2%
FY 2019-20	<u>293</u>	<u>345</u>	<u>84.9%</u>
Total	503	688	73.1%

Table 28: Water Non-Residential LUA Audit

Fiscal Year	Actual EDUs	LUA Forecast EDUs	Actual as % of LUA
FY 2018-19	69	107	64.5%
FY 2019-20	<u>88</u>	<u>110</u>	<u>80.0%</u>
Total	157	217	72.4%

As shown in Table 19 through Table 28, the overall growth in EDUs for the study period is generally lower than the forecast provided in the City’s LUA, IIP, and DIF Report. Despite this trend, several land use categories experienced more growth than anticipated. Growth in industrial and institutional land use, or square footage of floor area, was higher than anticipated. Similarly, growth in multifamily land use, or number of units, was 157.1% of forecast for the Audit Period.

The differences in actual and forecast growth are not a cause for immediate concern or action as growth is not always consistent. The City should continue to monitor this trend in future audits. If the actual growth continues to be significantly lower than anticipated in the LUA, IIP, and DIF Report, the City should consider updating the LUA forecast to reflect more appropriate growth levels.

2.4. Infrastructure Improvements Plan Audit

Multiple elements are required to be included as part of the IIP per ARS §9-463.05. These elements include identifying existing facilities with available capacity to serve new customers, documenting the respective service levels, and identifying future improvements and capacity added which may also be necessary to serve future customers over a 10- to 15-year period. The City met the requirements of the IIP as part of the LUA, IIP, and DIF Report previously identified which support the DIFs in place over the Audit Period.

Many aspects of the IIP will be updated in future DIF updates as required by ARS §9-463.05, similar to the process the City completed as documented within the 2019 LUA, IIP, and DIF Report. This audit is focused on how the City has administered the DIF in assessing new and increased development consistent with the adopted fee schedules and using the restricted revenues for the purpose stated within the adopted reports. As a result, the IIP-related audit requirements are limited to:

1. DIFs were assessed to development by fee category and service area as detailed within the adopted IIP and
2. Confirming that actual uses of DIF revenues over the Audit Period were consistent with the improvements identified. Raftelis compared DIF revenues and expenses against the IIP section of the LUA, IIP, and DIF Report.

2.5. IIP Expense Audit

During the Audit Period, there were several expenditures from the DIF funds associated with the LUA, IIP, and DIF Report. The expenditures are identified in the Development Impact Fee Annual Reports for FY 2018-19 and FY 2019-20. Pages 6-10 and 7-11 of the FY 2018-19 and FY 2019-20 Accounting for the Collection and Use of Development Impact Fees Annual Reports identify the government funds DIF project expenditures by fee category, fund number, expenditure amount, and a few additional items. Pages 12-13 and 13-14 of the FY 2018-19 and FY 2019-20 Accounting for the Collection and Use of Development Impact Fees Annual Reports identify the enterprise funds DIF project expenditures by fee category, fund number, expenditure amount, and a few additional items. These DIF government and enterprise funds are the focus of this audit summarized in the following two tables. Raftelis reviewed all the expenditures in the FY 2018-19 and FY 2019-20 Annual Development Impact Fee Reports, including those funded from DIF revenues collected prior to the Audit Period.

Table 29: DIF Expenditures, FY 2018 - 2019

Program Area	Service Area	Fund	Project Description	Total Impact Fee Fund Uses
Library	N/A - Pre SB1525	4120	Heroes Regional Park Library - 83rd Avenue and Bethany Home Rd.	\$1,815,156
Parks	N/A - Pre SB1525	4230	Heroes Regional Park Library - 83rd Ave. & Bethany Home Road	4,360
Parks	N/A - Pre SB1525	4230	Orangewood Vista Park - 78th Ave. & Orangewood Ave.	225,010
Parks	N/A - 2012 City Wide	4240	Heroes Regional Park Library - 83rd Ave. & Bethany Home Road	2,040
Parks	N/A - Pre SB1525	4250	Heroes Regional Park Library - 83rd Ave. & Bethany Home Road	139,838
Parks	N/A - Pre SB1525	4250	Heroes Regional Park - 83rd Ave. & Bethany Home Road	333,376
Parks	N/A - Pre SB1525	4250	Development Impact Fee Study	19,949
Library	N/A - Pre SB1525	4270	Heroes Regional Park Library - 83rd Avenue and Bethany Home Rd.	1,092,821
Library	N/A - Pre SB1525	4270	Library Books	241,734
Library	N/A - Pre SB1525	4270	Development Impact Fee Study	18,322
Library	N/A - 2012 City Wide	4280	Heroes Regional Park Library - 83rd Avenue and Bethany Home Rd.	164,691
Parks	N/A - Pre SB1525	4290	Heroes Regional Park Library - 83rd Ave. & Bethany Home Road	11,281
Parks	N/A - Pre SB1525	4290	Pasadena Park - 87th Avenue & W Pasadena Ave	123,883
Parks	N/A - Pre SB1525	4290	Discovery Park - 6416 N 79th Lane	126,445
Parks	N/A - Pre SB1525	4300	Orangewood Vista Park - 78th Ave. & Orangewood Ave.	65,043
Parks	N/A - Pre SB1525	4300	Development Impact Fee Study	10,267

Parks	East	4320	Bike Park-Foothill Park - 57th Ave and Union Hills Rd.	5,000
Parks	West 101	4330	Heroes Regional Park Library - 83rd Ave. & Bethany Home Road	284,770
Parks	N/A - Pre SB1525	4370	Development Impact Fee Study	589
Streets	N/A - Pre SB1525	4390	Development Impact Fee Study	36,046
Streets	N/A - 2012 City Wide	4400	Traffic Intersection Improvement - 95th Ave. & Camelback Rd.	442,604
Streets	N/A - 2012 City Wide	4400	Traffic Intersection Improvement - 59th Ave. & Olive	628,813
Streets	West 101	4420	Street Improvement - 83rd through 91st Ave. & Bethany Home Rd.	181,925
Total				\$5,973,964

Table 30: DIF Expenditures, FY 2019 - 2020

Program Area	Service Area	Fund	Project Description	Total Impact Fee Fund Uses
Police	N/A - Pre SB1525	4180	Distribution to various DIF Funds	\$6,318
Police	N/A - 2012 City Wide	4190	Building Maintenance Reserve	71,746
Parks	N/A - Pre SB1525	4230	Parks Master Plan	2,662
Parks	N/A - Pre SB1525	4230	Distribution to Various DIF Funds	1,208
Parks	N/A - 2012 City Wide	4240	Heroes Regional Park Library - 83rd Ave. & Bethany Home Road	42,858
Parks	N/A - Pre SB1525	4250	Parks Master Plan	16,925
Library	N/A - 2012 City Wide	4280	Heroes Regional Park Library - 83rd Avenue and Bethany Home Rd.	1,417
Parks	N/A - Pre SB1525	4290	Distribution to Various DIF Funds	266,650
Parks	N/A - Pre SB1525	4300	Parks Master Plan	3,891
Parks	N/A - Pre SB1525	4300	Orangewood Vista Park - 78th Ave. & Orangewood Ave.	50,239
Parks	East	4320	Bike Park-Foothill Park - 57th Ave and Union Hills Rd.	7,211
Parks	West 101	4330	Ballpark Boulevard - Ballpark Blvd and Maryland Rd.	35,701
Parks	N/A - Pre SB1525	4350	Parks Master Plan	176,608
Streets	N/A - Pre SB1525	4390	Ballpark Blvd. and Maryland Rd.	147,836
Streets	N/A - 2012 City Wide	4400	Ballpark Blvd. and Maryland Rd.	300,347
Streets	West 101	4420	Ballpark Blvd. and Maryland Rd.	1,471,812
Streets	West 101	4420	83rd Ave to 91st Ave	1,041,246
Water	West 101	6060	Ballpark Boulevard and Maryland Road	1,347,518
Wastewater	West 101	6090	Ballpark Boulevard and Maryland Road	1,040,717
Total				\$6,032,909

2.6. DIF Revenue Audit

Using the DIF charges discussed in Section 2.2, the DIF amount for each of the 3,752 charges provided was recalculated by Raftelis and compared to the amount reported. To test for revenue assessment errors, the DIFs identified in the applicable LUA, IIP, and DIF Reports were applied to each of the charges by Raftelis, based on

the service area, DIF category, EDUs, and land use classification provided. These re-calculated DIF revenues were compared to the DIF amount reported. Any record showing a discrepancy was considered a potential inaccuracy subject to additional review and validation.

As shown in Table 31, 160 DIF records or approximately 4.3% of all DIF charges were initially identified for additional review within the various DIF categories.

Table 31: DIF Records for Additional Review

Description	Number of Records
Parks	27
Libraries	13
Streets	20
Fire	25
Police	25
Water	26
Wastewater	<u>24</u>
Total	160

As previously discussed, Raftelis compared independent calculations of DIF amounts to the amount provided by the City. The preliminary records identified for further review for DIFs have been discussed with the City and addressed in further detail in the “Adjustments and Feedback from City” subsection. Appendix A includes the validation for all records subject to additional review.

2.7. Adjustments and Feedback from City

A majority of permit records subject to additional review were the result of lack of data used by Raftelis to calculate the appropriate charges. Although the data provided by the City included land use type, square footage of enclosed structures of non-residential properties were not available. This is particularly problematic with non-utility DIFs, which are calculated based on square footage of enclosed structure for non-residential customers. Appendix A details each DIF record subject to additional review and includes City feedback and comments.

With this response from the City, Raftelis could validate each of the 160 records identified for additional review.

Non-Residential Utility DIFs – 19 permits subject to review (18 water DIF; 16 wastewater DIF variances)

- 11 permits were related to meter upsizing, thus only the difference between the original meter and upsized meter was assessed.
- 3 permits were related to meter size corrections.
- 2 permits were assessed the 2014 DIFs as approved by economic development due to the project being approved 24-months before the DIF increase in 2019.
- 1 permit was an irrigation meter and thus not assessed a wastewater DIF.
- 1 permit was a wastewater only as it was related to a customer converting from a septic tank, thus no water DIF was assessed.
- 1 permit was assessed incorrect DIF charges totaling \$34,427. The City intends to reimburse the over payment.

Non-Residential Non-Utility DIFs – 21 permits subject to review (20 parks DIF; 6 libraries DIF; 13 streets DIF; 17 fire DIF; and 17 police DIF variances)

- 9 permits were related to lack of data used by Raftelis to assess a fee. The permit data provided included square footage that was not related to the enclosed area of the building, which is how the DIFs are assessed.
- 4 permits were related to schools which are exempt from all DIFs except for water, sewer, and streets.
- 2 permits were adjusted based on developer agreements.
- 2 permits were assessed incorrect DIFs. One totaling \$323, the other totaling \$407.
- 1 permit was related to an accessory dwelling unit which is not assessed DIFs.
- 1 permit was assessed the 2014 DIFs as approved by economic development due to the project being approved 24-months before the DIF increase in 2019. This same permit included an error where the streets DIF was overcharged by \$106,899.
- 1 permit included multiple building permits within the same development multi-family and non-residential development under a single permit.
- 1 permit was related to a development that was exempt from all non-utility DIFs except for fire, police, and streets.

Residential Utility DIFs – 12 permits subject to review (12 water DIF; 12 wastewater DIF variances)

- 8 permits were related to properties where the water tap already existed and the water and wastewater DIF's had already been paid.
- 4 permits were related to multifamily residential permits, which are assessed water and wastewater DIFs on a separate backflow permit.

Residential Non-Utility DIFs – 2 permits subject to review (1 parks DIF; 1 libraries DIF; 1 streets DIF; 2 fire DIF; and 2 police DIF variances)

- 2 permits were assessed incorrect DIFs, one totaling an under-assessment of \$64 the other totaling an under-assessment of \$3,332.

2.8. Overall Findings

Pursuant to the discussion above the following findings are provided:

1. The difference between growth forecasted in the LUA as part of the 2020 LUA, IIP, and DIF Reports and the actual growth experienced by the City should be monitored but is not an area of immediate concern. Growth often occurs less linearly as certain development may occur more rapidly than others and can be influenced by various external factors. If the actual growth continues to be significantly lower than anticipated in the LUA, IIP, and DIF Report, the City should consider updating the LUA forecast to reflect more appropriate growth levels.
2. The completed revenue audit has not found any material discrepancies when compared to the DIFs identified in the LUA, IIP, and DIF Reports. Raftelis recommends pursuing refunds for the six permits which were assessed in excess of the applicable fees equal to the amount overcharged.
3. Based on the information obtained through the City's Accounting for the Collection and Use of Development Impact Fees Annual Report for FY 2018-19 and 2019-20, there are no discrepancies between expenditures identified in the LUA, IIP, and DIF Reports.

APPENDIX A:

**DIF Records Subject to
Additional Review with Response
from City**

City of Glendale, Ai
DIF Revenue Audit
Impact Fee Recalculation Variance:
List 1

Permit Number	Customer Type	Meter Size	Issue Date	Fee Area	Impact Fee Assessec		Raftelis Recalculate		Difference		City Explanation
					Water	Sewer	Water	Sewer	Water	Sewer	
110258	UNDEFINED	1	5/22/2018	East	\$ 1,846	\$ 1,299	\$ 4,607	\$ 3,243	\$ 2,761	\$ 1,944	Customer upsized the domestic meter from 3/4" to 1" so this is the fee differe
111974	UNDEFINED	1	10/2/2018	East	\$ 1,846	\$ 1,299	\$ 4,607	\$ 3,243	\$ 2,761	\$ 1,944	Customer removed the existing 3/4" domestic meter and replaced with 1" meter so fee is based on size difference.
113160	UNDEFINED	1	10/25/2018	East	\$ 1,846	\$ 1,299	\$ 4,607	\$ 3,243	\$ 2,761	\$ 1,944	Customer removed the existing 3/4" domestic meter and replaced with 1" meter so fee is based on size difference.
111878	UNDEFINED	1	9/5/2018	East	\$ 1,846	\$ 1,299	\$ 4,607	\$ 3,243	\$ 2,761	\$ 1,944	Customer upsized the domestic meter from 3/4" to 1" so this is the fee differe
113826	UNDEFINED	1.5	12/3/2018	East	\$ 5,512	\$ 3,879	\$ 9,183	\$ 6,462	\$ 3,671	\$ 2,583	Customer upsized the domestic meter from 1.5" to 2.0" so this is the fee difference
116492	UNDEFINED	1.5	4/9/2019	East	\$ 4,607	\$ 3,243	\$ 9,183	\$ 6,462	\$ 4,576	\$ 3,219	Fees in Hansen reflect the correct DIF fees were paid for a 1" domestic met
122764	UNDEFINED	2	12/26/2019	East	\$ 31,116	\$ 17,106	\$ 15,558	\$ 8,553	\$ (15,558)	\$ (8,553)	Hansen reflects the correct DIF fee for 2-2" domestic water meter!
122946	UNDEFINED	1.5	1/3/2020	East	\$ 6,799	\$ -	\$ 9,722	\$ -	\$ 2,923	\$ -	DIF is based on upsizing irrigation meter from 3/4" to 1" so this is the fee difference
123273	UNDEFINED	1	1/16/2020	East	\$ 1,955	\$ 1,075	\$ 4,878	\$ 2,684	\$ 2,923	\$ 1,609	Customer upsized the domestic meter from 3/4" to 1" so this is the fee differe
124598	UNDEFINED	1	3/12/2020	East	\$ 1,995	\$ 1,075	\$ 4,878	\$ 2,684	\$ 2,883	\$ 1,609	Customer upsized the domestic meter from 3/4" to 1" so this is the fee differe
123122	UNDEFINED	2	2/25/2020	East	\$ 9,722	\$ 5,346	\$ 15,558	\$ 8,553	\$ 5,836	\$ 3,207	Customer upsized the domestic meter from 1.5" to 2.0" so this is the fee difference
123125	UNDEFINED	2	2/25/2020	East	\$ 9,722	\$ 5,346	\$ 15,558	\$ 8,553	\$ 5,836	\$ 3,207	Customer upsized the domestic meter from 1.5" to 2.0" so this is the fee difference
124867	UNDEFINED	n/a	3/27/2020	East	\$ 4,878	\$ -	\$ -	\$ -	\$ (4,878)	\$ -	Installation of a 1" irrigation meter. Only Water DIF fee applik
125637	UNDEFINED	1.5	4/29/2020	East	\$ 4,844	\$ 2,662	\$ 9,722	\$ 5,346	\$ 4,878	\$ 2,684	Customer upsized the domestic meter from 1.0" to 1.5" so this is the fee difference
125818	UNDEFINED	n/a	5/1/2020	East	\$ -	\$ 2,684	\$ -	\$ -	\$ -	\$ (2,684)	Customer tied into City Sewer and abandoned septic tank. DIF fee charged is for sev only based on an existing 1" water meter.
125668	UNDEFINED	1.5	5/5/2020	East	\$ 15,558	\$ 8,553	\$ 9,722	\$ 5,346	\$ (5,836)	\$ (3,207)	If the project was approved 24-months before a DIF fee increase, the owner/develop can request that the fee be calculated under the previous DIF fee schedule. In this case, the request was made and approved by Econ. Dev.
124107	UNDEFINED	2	3/5/2020	East	\$ 14,695	\$ 10,341	\$ 15,558	\$ 8,553	\$ 863	\$ (1,788)	If the project was approved 24-months before a DIF fee increase, the owner/develop can request that the fee be calculated under the previous DIF fee schedule. In this case, the request was made and approved by Econ. Dev.
124108	UNDEFINED	1	3/5/2020	East	\$ 4,607	\$ -	\$ 4,878	\$ -	\$ 271	\$ -	If the project was approved 24-months before a DIF fee increase, the owner/develop can request that the fee be calculated under the previous DIF fee schedule. In this case, the request was made and approved by Econ. Dev.
117508	UNDEFINED	1.5	5/20/2019	West 101	\$ 29,390	\$ 20,682	\$ 9,183	\$ 6,462	\$ (20,207)	\$ (14,220)	DIF charged incorrectly. Note in Hansen on 8-23-19 states return to applicant not overpayment.

City of Glendale, AZ
DIF Revenue Audit
Impact Fee Recalculation Variances
List 2

Permit Number	Customer Type	Sq Ft (1,000)	Issue Date	Fee Area	Impact Fee Assessed					Raftelis Recalculated					Variance					City Explanation
					Parks	Libraries	Streets	Fire	Police	Parks	Libraries	Streets	Fire	Police	Parks	Libraries	Streets	Fire	Police	
110678	Commercial	5.65	7/23/2018	East	\$ 10	\$ -	\$ 513	\$ 55	\$ 23	\$ 243	\$ -	\$ 12,487	\$ 1,350	\$ 559	\$ 233	\$ -	\$ 11,974	\$ 1,295	\$ 536	DIF FEES CHGD ON ENCLOSED STRUCT @ 232 SF. OPEN CANOPY SF DOES NOT APPLY TO DIF
117950	Commercial	10.05	6/6/2019	East	\$ 201	\$ -	\$ 10,316	\$ 1,116	\$ 462	\$ 432	\$ -	\$ 22,206	\$ 2,401	\$ 995	\$ 231	\$ -	\$ 11,890	\$ 1,286	\$ 533	DIF FEES CHGD ON ENCLOSED STRUCT @ 4668 SF. OPEN CANOPY SF DOES NOT APPLY TO DIF
111912	Commercial	11.06	10/18/2018	East	\$ 254	\$ -	\$ 13,068	\$ 1,413	\$ 585	\$ 476	\$ -	\$ 24,445	\$ 2,644	\$ 1,095	\$ 221	\$ -	\$ 11,377	\$ 1,230	\$ 510	DIF FEES CHGD ON ENCLOSED STRUCT @ 5193 SF. DIF'S FOR OPEN CANOPY DOES NOT APPLY
118455	Commercial	4.59	8/22/2019	East	\$55,915	\$ -	\$ 97,473	\$ 70,854	\$21,026	\$55,915	\$ -	\$ 97,473	\$ 70,854	\$ 21,026	\$ 0	\$ -	\$ -	\$ (0)	\$ (0)	ALL DIF FEES CALCULATED AND PLACED UNDER THIS PERMIT IN LIEU OF EA. BLDG PERMIT FOR MULTI-FAMILY AND COMMERCIAL PORTIONS OF THIS DEVELOPMENT
122404	Commercial	6.35	12/12/2019	East	\$ 1,350	\$ 265	\$ 66,909	\$ 10,984	\$12,070	\$ 616	\$ 121	\$ 30,518	\$ 5,010	\$ 5,505	\$ (734)	\$ (144)	\$ (36,391)	\$ (5,974)	\$ (6,565)	DIF FEES BASED ON FOOTPRINT SF OF SHELL BLDG @ 13,922 SF
124101	Commercial	38.08	3/5/2020	East West	\$ 1,638	\$ -	\$191,062	\$ 9,102	\$ 3,770	\$ 1,638	\$ -	\$ 84,163	\$ 9,102	\$ 3,770	\$ 0	\$ -	\$ (106,899)	\$ 0	\$ 0	DIF FEES CALCULATED UNDER OLD SCHEDULE DUE TO D.R. APPVD WITHIN THE LAST 24-MOS. FEES WERE MANUALLY CALCULATED AND AN ERROR ON THE STREET FEE WAS MADE RESULTING IN THAT PORTION BEING OVERCHARGED
113173	Commercial	6.73	10/25/2018	101	\$ 205	\$ -	\$ 23,911	\$ 1,139	\$ 472	\$ 289	\$ -	\$ 33,759	\$ 1,608	\$ 666	\$ 84	\$ -	\$ 9,848	\$ 469	\$ 194	DIF FEES BASED ON 4766 SF OF COMMERCIAL USE
114658	Industrial	3.15	1/22/2019	East	\$ 118	\$ -	\$ 1,580	\$ 662	\$ 62	\$ 72	\$ -	\$ 970	\$ 406	\$ 38	\$ (46)	\$ -	\$ (610)	\$ (255)	\$ (24)	DIF FEES BASED ON 5130 SF UNDER OLD DIF SCHEDULE
124812	Industrial	76.53	3/26/2020	East West	\$ 7,003	\$ 1,313	\$ 92,495	\$ 15,464	\$17,069	\$ 3,674	\$ 689	\$ 48,522	\$ 8,112	\$ 8,954	\$ (3,329)	\$ (624)	\$ (43,973)	\$ (7,352)	\$ (8,115)	DIF FEES BASED ON TOTAL SF OF SHELL BLDG C & D @ 145,891 SF INDUST. EAST
124692	Industrial	901.20	3/18/2020	101 West	\$ -	\$ -	\$ -	\$116,255	\$10,814	\$43,258	\$ 8,111	\$ -	\$95,527	\$105,440	\$43,258	\$ 8,111	\$ -	\$ (20,728)	\$94,626	DEVELOPMENT AGREEMENT STATES DIF FEES TO BE CALCULATED UNDER 2014 DIF FEES
118583	Industrial	722.48	7/1/2019	303 West	\$ -	\$ -	\$ -	\$ 93,199	\$ 8,670	\$ -	\$ -	\$833,736	\$93,199	\$ 8,670	\$ -	\$ -	\$ 833,736	\$ (0)	\$ -	DEVELOPMENT AGREEMENT STATES DIF FEES TO BE CALCULATED UNDER 2014 DIF FEES
124493	Industrial	705.30	3/10/2020	303 West	\$ -	\$ -	\$ -	\$ 74,762	\$82,521	\$33,855	\$ 6,348	\$ -	\$ 74,762	\$ 82,521	\$33,855	\$ 6,348	\$ -	\$ 0	\$ (0)	SCHOOLS ARE EXEMPT FROM ALL DIF FEES EXCEPT WATER, SEWER & STREETS
124489	Industrial	487.42	3/10/2020	303 West	\$ -	\$ -	\$ -	\$ 51,666	\$57,028	\$23,396	\$ 4,387	\$ -	\$ 51,666	\$ 57,028	\$23,396	\$ 4,387	\$ -	\$ -	\$ (0)	DIF FEES BASED ON OLD SCHEDULE WEST 303 FIRE AND POLICE ONLY & STREETS *
111646	Institutional	38.17	8/10/2018	East	\$ -	\$ -	\$ 33,702	\$ -	\$ -	\$ 1,145	\$ -	\$ 33,702	\$ 6,336	\$ 1,374	\$ 1,145	\$ -	\$ 0	\$ 6,336	\$ 1,374	DIF FEES BASED ON 11,392 SF AS DIF FEES DO NOT APPLY TO CANOPY OF 216 SF
113428	Institutional	11.61	11/9/2018	East	\$ -	\$ -	\$ 10,250	\$ 1,834	\$ 398	\$ 348	\$ -	\$ 10,250	\$ 1,927	\$ 418	\$ 348	\$ -	\$ 0	\$ 93	\$ 20	SCHOOLS ARE EXEMPT FROM ALL DIF FEES EXCEPT WATER, SEWER & STREETS
114271	Institutional	30.79	12/27/2018	East	\$ -	\$ -	\$ 27,188	\$ -	\$ -	\$ 924	\$ -	\$ 27,188	\$ 5,111	\$ 1,108	\$ 924	\$ -	\$ 0	\$ 5,111	\$ 1,108	SCHOOLS ARE EXEMPT FROM ALL DIF FEES EXCEPT WATER, SEWER & STREETS
114272	Institutional	30.79	12/27/2018	East	\$ -	\$ -	\$ 33,402	\$ -	\$ -	\$ 924	\$ -	\$ 27,188	\$ 5,111	\$ 1,108	\$ 924	\$ -	\$ (6,214)	\$ 5,111	\$ 1,108	SCHOOLS ARE EXEMPT FROM ALL DIF FEES EXCEPT WATER, SEWER & STREETS
119088	Institutional	0.60	7/23/2019	East	\$ -	\$ -	\$ 530	\$ -	\$ -	\$ 18	\$ -	\$ 530	\$ 100	\$ 22	\$ 18	\$ -	\$ -	\$ 100	\$ 22	NO DIF FEES SHOULD HAVE BEEN PAID DUE TO ASSESSORY BLDG
121435	Institutional Office & Other	10.77	11/5/2019	East	\$ -	\$ -	\$ 9,511	\$ 1,788	\$ 388	\$ 323	\$ -	\$ 9,511	\$ 1,788	\$ 388	\$ 323	\$ -	\$ 0	\$ (0)	\$ (0)	NO EXPLANATION HOW THE FEES WERE CALCULATED
114713	Services Office & Other	1.09	1/29/2019	East	\$ 86	\$ -	\$ 812	\$ 477	\$ 33	\$ 110	\$ -	\$ 1,046	\$ 615	\$ 43	\$ 25	\$ -	\$ 234	\$ 138	\$ 10	UNABLE TO DIFER HOW FEES WERE ASSESSED
116701	Services	6.00	5/1/2019	East	\$ 93	\$ -	\$ 877	\$ 516	\$ 36	\$ 606	\$ -	\$ 5,742	\$ 3,378	\$ 234	\$ 513	\$ -	\$ 4,865	\$ 2,862	\$ 198	DIF FEES BASED ON NEW ADDITION OF 916 SF ONLY BASED ON OLD SCHEDULE TI IS N/A

City of Glendale, AZ
DIF Revenue Audit
Impact Fee Recalculation Variances
List 3

Permit Number	Customer Type	Meter Size	MF Units	Issue Date	Fee Area	Impact Fee Assessed							Raftelis Recalculated							Variance							City Explanation	
						Parks	Libraries	Streets	Fire	Police	Water	Sewer	Parks	Libraries	Streets	Fire	Police	Water	Sewer	Parks	Libraries	Streets	Fire	Police	Water	Sewer		
110047	Residential			5/24/2018	East	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	W & S DIF DOES NOT APPLY WHEN TAPS ARE EXISTING ONLY BLDG DIF APPLY
110108	Residential			5/24/2018	East	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	W & S DIF DOES NOT APPLY WHEN TAPS ARE EXISTING ONLY BLDG	
111121	Residential	0.75		8/9/2018	East	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ 2,761	\$ 1,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,761	\$ 1,944	W & S DIF DOES NOT APPLY WHEN TAPS ARE EXISTING ONLY BLDG DIF APPLY	
114585	Residential			1/15/2019	East	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	W & S DIF DOES NOT APPLY WHEN TAPS ARE EXISTING ONLY BLDG DIF APPLY	
114586	Residential			1/15/2019	East	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ 909	\$ -	\$ 1,551	\$ 1,146	\$ 339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	W & S DIF DOES NOT APPLY WHEN TAPS ARE EXISTING ONLY BLDG DIF APPLY	
123995	Residential	0.75		2/20/2020	East	\$ 936	\$ 195	\$ 3,635	\$ -	\$ 1,438	\$ 2,923	\$ 1,609	\$ 936	\$ 195	\$ 3,635	\$ 655	\$ 719	\$ 2,923	\$ 1,609	\$ -	\$ -	\$ -	\$ 655	\$ (719)	\$ -	\$ -	POLICE DIF WAS CHRGD TWICE & FIRE NOT CHRGD. COVERAGE OF \$64	
124946	Residential	0.75		3/30/2020	East	\$ 936	\$ 195	\$ 3,635	\$ 655	\$ 719	\$ -	\$ -	\$ 936	\$ 195	\$ 3,635	\$ 655	\$ 719	\$ 2,923	\$ 1,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,923	\$ 1,609	DIF FEES ARE CORRECT - SEWER DIF N/A AS SEWER SVC EXISTING	
127011	Residential			6/25/2020	East West	\$ 936	\$ 195	\$ 3,635	\$ 655	\$ 719	\$ -	\$ -	\$ 936	\$ 195	\$ 3,635	\$ 655	\$ 719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	W & S DIF DOES NOT APPLY WHEN TAPS ARE EXISTING ONLY BLDG DIF APPLY	
114342	Residential - MF			6/10/2019	101	\$ 909	\$ -	\$ 3,522	\$ 1,146	\$ 339	\$ -	\$ -	\$ 909	\$ -	\$ 3,522	\$ 1,146	\$ 339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	NO SEWER DIF AS TAP IS EXISTING, REVIEWER DIDN'T REQ. WATER TAP FEE	
115967	Residential - MF	324		3/19/2019	East	\$ 167,508	\$ -	\$ 280,260	\$ 211,248	\$ 62,532	\$ -	\$ -	\$ 167,508	\$ -	\$ 280,260	\$ 211,248	\$ 62,532	#N/A	#N/A	\$ -	\$ -	\$ -	\$ -	\$ -	#N/A	#N/A	W & S DIF ARE ASSESSED ON THE BACKFLOW PERMITS	
124051	Residential - MF	0.75	2	2/23/2020	East	\$ 1,872	\$ 390	\$ 7,270	\$ 1,310	\$ 1,438	\$ -	\$ -	\$ 1,236	\$ 258	\$ 5,638	\$ 866	\$ 950	\$ 2,923	\$ 1,609	\$ (636)	\$ (132)	\$ (1,632)	\$ (444)	\$ (488)	\$ 2,923	\$ 1,609	SHOULD HAVE BEEN MULTI-FAMILY. W & S TAPS EXIST.	
125227	Residential - MF	72		4/29/2020	East West	\$ 44,496	\$ 9,288	\$ 202,968	\$ 31,176	\$ 34,200	\$ -	\$ -	\$ 44,496	\$ 9,288	\$ 202,968	\$ 31,176	\$ 34,200	#N/A	#N/A	\$ -	\$ -	\$ -	\$ -	\$ -	#N/A	#N/A	W & S DIF ARE ASSESSED ON THE BACKFLOW PERMITS	
113168	Residential - MF	240		10/25/2018	101	\$ 124,080	\$ -	\$ 471,120	\$ 156,480	\$ 46,320	\$ -	\$ -	\$ 124,080	\$ -	\$ 471,120	\$ 156,480	\$ 46,320	#N/A	#N/A	\$ -	\$ -	\$ -	\$ -	\$ -	#N/A	#N/A	W & S DIF ARE ASSESSED ON THE BACKFLOW PERMITS	