



Biennial System Development Fee Audit Results

Public Hearing | March 27, 2025 | City Council Chambers

Overview of State Statute Requirements

If a City Collects SDF (Impact) Fees

- 1) Annual Report** – Filed annually on website and with City Clerk
- 2) Biennial Audit** – Complete an audit and hold a public hearing of results (tonight)
- 3) SDF update to Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP)** (every 5 years)

- Adopted 2022-2032 LUA and IIP report – January 11, 2024
- Adopted Ordinance to modify SDF fees – April 4, 2024
- Fees effective July 1, 2024

Note: May need to come back sooner than 5 years to adjust the fees based on cost escalations



Background- Biennial Audit

- **A.R.S. 9-463.05, Gives the requirement for Cities with SDF Fees to:**
 - Form advisory committee **OR**
 - Perform biennial audit of SDF fee program

Chandler chose to perform the biennial audit

(Currently, all Arizona communities collecting SDFs perform the audit versus forming an Advisory Committee)



Biennial Audit

- Conducted by Heinfeld, Meech & Co.
- Covers FY 2022-23 and FY 2023-24





Audit Procedures

- Compared growth projections to Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP)
- Reviewed progress of IIP projects
- Reviewed and tested the fee collections and capital project expenditures

Results

- Other than growth projections slightly different from actual growth, no exceptions reported
- Tonight, the requirement to present the biennial audit and hold a public hearing has been met and is the last step in the audit process



No formal action required



Questions

