



AMENDED AGENDA

Queen Creek Town Council Regular Session

Community Chambers, 20727 E Civic Parkway

December 18, 2024 | 6:30 PM

(Doors open at 6:00 PM)

Pursuant to A.R.S. §§ 38-431.02 and 38-431.03, notice is hereby given to the members of the Town Council and the general public that, at this Regular Meeting, the Town Council may vote at any time during the Council Meeting to go into Executive Session, which will not be open to the public, for legal advice and discussion with the Town Attorney(s) for legal advice on any item listed on the following agenda, pursuant to A.R.S. § 38-431.03(A)(3).

The public can continue to watch the meeting live streamed at <https://www.queencreekaz.gov/government/watch-town-meetings> by selecting "video" next to the applicable meeting (once the meeting begins) or by visiting the Town's Ustream account at <https://video.ibm.com/councilmeeting>.

In addition to attending in-person, residents may submit public comment for this Town Council meeting by submitting their comments via email to PublicComment@QueenCreekAZ.gov. Every email, if received by the deadline of 5 PM, the day of the meeting will be entered into the official record. Please include your name, address, comment and note if your comment is for call to the public. Comments without identifying name and address will not become part of the written record.

The Mayor or other presiding officer at the meeting may change the order of Agenda Items and/or take items on the Agenda in an order they determine is appropriate. Some members of the Town Council and staff may attend electronically.

- 1. Call to Order:**
- 2. Roll Call:** *(Members of the Town Council may attend electronically and/or telephonically)*
- 3. Pledge of Allegiance:**
- 4. Invocation/Moment of Silence:**
- 5. Ceremonial Matters (Presentations, Proclamations, Awards, Guest Introductions and Announcements):**
 - A. Paramedic of the Year - Ryan Denning
- 6. Committee Reports:**
 - A. Council summary reports on meetings and/or conferences attended. This may include but is not limited to Phoenix-Mesa Gateway Airport; MAG; East Valley Partnership; CAG. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.
 - B. Committee and outside agency reports (only as scheduled):
 1. Mayor's Teen Advisory Committee (December 17, 2024)

7. **Public Comments:** *Members of the public may address the Town Council on items not on the printed agenda and during Public Hearings. Please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5 PM, the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record. The Town Council may not discuss or take action on any issue raised during public comment until a later meeting.*

8. **Consent Agenda:** *Matters listed under the Consent Agenda are considered to be routine and will be enacted by one motion and one vote. Members of the Town Council and/or staff may comment on any item without removing it from the Consent Agenda or remove any item for separate discussion and consideration.*
 - A. Consideration and possible approval of the December 4, 2024 Regular Session minutes.
 - B. Consideration and possible approval of Expenditures over \$75,000 and items that are of Public Policy and Interest, pursuant to Town Purchasing Policy. (FY24/25 Budget Items)
 2. Brinc, Inc - UAV Public Safety System - Ground Radar Sensors: \$109,600 (Police)
 3. Ewing Irrigation, SiteOne Landscape Supply - Miscellaneous Landscape/Irrigation Supplies: \$25,000 Additional Spending Authority (Parks & Recreation - Grounds)
 - C. Consideration and possible approval of a design contract with Arrington Watkins Architects for the Queen Creek Police Department Headquarters (Project # MF020) and Parking Structure, Complex #2 (Project # MF021) in the amount of \$4,770,372, to include a 10% Contingency (This is a FY25 partially budgeted item and will require a necessary budget adjustment).
 - D. Consideration and possible approval of an amendment to the Joint Agency Agreement (JAA) with the Maricopa Association of Governments (MAG) for a Roadside Safety Project (RSP).
 - E. Consideration and possible action on Ordinance 855-24, Case P24-0090 Chandler Heights Retail Annexation, a proposed annexation of approximately 2 acres, located approximately 297 feet west of the northwest corner of Power and Chandler Heights roads.
 - F. Consideration and possible approval of Resolution No. 1620-24 to reduce 2025 assessments for subdivisions enrolled in the Central Arizona Groundwater Replenishment District (CAGRDR).
 - G. Consideration and possible approval of Resolution 1622-24 approving the second amendment to the Purchase Agreement with Creation RE LLC for the proposed development on the +/- 8.2 acres of Town owned land located on the northeast corner of Ellsworth Loop Road and East Ocotillo Road in Queen Creek; and authorizing the Mayor, Town Manager, Town Attorney and Town Clerk to take all actions necessary to negotiate, finalize, execute, and implement the agreements.

H. Consideration and possible approval of the delegation of authority to the Mayor, Town Manager, Utilities Director, Town Attorney and Town Clerk to negotiate, finalize, execute and take all action necessary to enter into an Intergovernmental Agreement with the State of Arizona, and/or subdivisions or departments of the State, to provide available funding to the Town of Queen Creek for water resource projects to facilitate the Town's development of an assured water supply and/or other long-term water resources consistent with the Town's Comprehensive Utility Master Plan.

9. Public Hearing Consent Agenda: None.

10. Public Hearings: *If you wish to speak to the Town Council on any of the items listed as a Public Hearing, please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5 PM, the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record.*

A. Public Hearing Regarding the Town's 2024 Development Impact Fee Study and Proposed Fees.

11. Items for Discussion: *These items are for Town Council discussion only and no action will be taken. In general, no public comment will be taken.*

A. Results of \$75M Bond Issue (Updated)

B. FY 2023-24 Financial Scrapbook (Updated)

12. Final Action: None.

13. Adjournment:

I, Maria Gonzalez, do hereby certify that I caused to be posted this 17th day of December, the Agenda for the December 18, 2024 Regular and Possible Executive Session of the Queen Creek Town Council at Town Hall and on the Town's website at www.QueenCreekAZ.gov.

Maria Gonzalez, MMC
Town Clerk

The Town of Queen Creek encourages the participation of disabled individuals in the services, activities, and programs provided by the Town. Individuals with disabilities requiring reasonable accommodations in order to participate should contact the Town Clerk's Office at (480) 358-3000.

Council Committee Reports



- 12/05 – QCFMD Recruit Graduation (Wheatley, Brown)
- 12/06 – AZ Family “Field Trip Friday” Interview (Wheatley)
- 12/06 – QC Hometown Christmas Tree Lighting (Wheatley, Martineau, Benning, Brown, McClure, Oliphant)
- 12/07 – QC Hometown Christmas Parade (Wheatley, Martineau, Benning, Brown, McClure, Oliphant, Padilla)
- 12/09 – Earnhardt Chevrolet Grand Opening (Wheatley, Martineau, McClure, Padilla)
- 12/09 – LG Leadership Meeting (Wheatley)
- 12/09 – Pinal Regional Transportation Authority Board Meeting (Benning)
- 12/10 – Queen Creek Chamber Network QC Luncheon (McClure)
- 12/10 – SRP Thought Leader Forum (McClure)
- 12/12 – San Tan Historical Society Propeller Removal (Brown)
- 12/13 – Legislative Luncheon (Wheatley, Martineau, Brown, McClure, Padilla)
- 12/14 – Wreaths Across America Ceremony (Wheatley)
- 12/15 – Interfaith Live Nativity Event (Benning, McClure)
- 12/16 – For our Town Planning Committee Meeting (McClure)
- 12/17 – Phoenix Mesa Gateway Airport Authority Board Meeting (Wheatley)
- 12/17 – Annual Latter Day Saint Elected Official Luncheon (Wheatley, Martineau, McClure, Padilla)
- 12/17 – Mayor’s Teen Advisory Committee Meeting (Wheatley)
- 12/18 – Senior Program Christmas Luncheon (Wheatley, Martineau, Brown, McClure, Oliphant)
- 12/18 – Farewell Open House for Gilbert Mayor Brigitte Peterson (Wheatley, Brown, McClure)



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: MARIA GONZALEZ MMC, TOWN CLERK
RE: CONSIDERATION AND POSSIBLE APPROVAL OF THE DECEMBER 4, 2024 REGULAR SESSION MINUTES.
DATE: December 18, 2024

Suggested Action:

To approve the draft minutes as presented.

Alternatives:

Council can request revisions to be made to the draft minutes and approve with revisions or continue to a future meeting.

Attachment(s):

1. [December 4, 2024 Council Regular Meeting Minutes.pdf](#)



Minutes
Town Council Regular Session
Community Chambers, 20727 E. Civic Parkway
Wednesday, December 4, 2024
6:30 PM

1) Call to Order:

The meeting was called to order by Mayor Wheatley at 6:30 p.m.

2) Roll Call:

PRESENT:

Julia Wheatley, Mayor
Leah Martineau, Vice
Mayor Robin Benning,
Council Member Jeff
Brown, Council Member
Bryan McClure, Council
Member Dawn Oliphant,
Council Member Travis
Padilla, Council Member

Council Member Padilla attended electronically.

3) Pledge of Allegiance:

The Pledge of Allegiance was led by Council Member McClure.

4) Invocation/Moment of Silence:

The invocation was given by Pastor JC Baysinger, Hope Community Church.

5) Ceremonial Matters (Presentations, Proclamations, Awards, Guest Introductions and Announcements):

6) Committee Reports:

6.A) Council summary reports on meetings and/or conferences attended. This may include but is not limited to Phoenix-Mesa Gateway Airport; MAG; East Valley Partnership; CAG. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly

noticed for legal action.

Committee Reports 

There were no comments.

6.B) Committee and outside agency reports (only as scheduled):

1. Downtown Arts & Placemaking Advisory Committee (November 21, 2024)

Valerie Done, Member of the Downtown Arts and Placemaking Advisory Committee, said the Committee met on November 21, 2024, where Economic Development staff gave an overview of the Town's growth. Committee Member Done said the Committee discussed the November 30, 2024, ribbon cutting of the new Downtown connector roadways. The Committee reviewed the goals and objectives of the Committee and elected Brian McKean as Chair and Whitney Tolle as Vice Chair for the next year. The Committee adjusted the meeting scheduled to be monthly on the last Thursday of the month and the next meeting would be held in January.

7) **Public Comments:**


There were no public comments.

8) **Consent Agenda:**

8.A) Consideration and possible approval of the November 20, 2024 Regular Session minutes.

Department: Town Clerk's Office

Staff Report 

Minutes 11-20-24 DRAFT 

8.B) Consideration and possible approval of the Town of Queen Creek's 2025 Legislative Guiding Principles.

Department: Town Manager's Office

Staff Report 

Legislative Guiding Principles 2025 Clean.pdf 

Legislative Guiding Principles 2025 Tracked Changes.pdf 

8.C) Consideration and possible approval of a budget adjustment of \$180,000 from the Town's Operating Budget to fund the Police and Fire-Sworn mid-year market adjustments.

Department: Human Resources

Staff Report 

- 8.D) Consideration and possible approval of FY 24-25 budget amendments totaling \$251,300 in net revenue adjustments, and \$3,774,474 in expenditure reallocations with a corresponding decrease to contingency funds for the same amount.

Department: Finance

Staff Report 

Attachment A - Proposed Budget Adjustments 

- 8.E) Consideration and possible approval of a five-year software agreement with Questica, Ltd in the amount of \$656,830 for implementation of a new budget software platform, and a necessary FY 24-25 budget adjustment of \$201,432 to accommodate the start-up/implementation costs and the first year of the software subscription service.

Department: Finance

Staff Report 

Cooperative Contract with Questica 

- 8.F) Consideration and possible approval of Resolution 1618-24 creating Street Light Improvement District Number 168, (No, 2024-022) for Madera Phase 3A); and Resolution 1619-24 creating Street Light Improvement District Number 169, (No. 2024-023 for Madera Phase 3B).

Department: Development Services

Staff Report 

Aerial Map - Madera.pdf 

Resolution 1618-24 - Madera Phase 3A.pdf 

Attachments- Madera Phase 3A.pdf 

Resolution 1619-24 - Madera Phase 3B.pdf 

Attachments- Madera Phase 3B.pdf 

MOTION: To approve the Consent Agenda.
RESULT: Approved unanimously (7-0)
MOVER: Robin Benning, Council Member
SECONDER: Bryan McClure, Council Member
AYES: Julia Wheatley, Mayor, Jeff Brown, Council Member, Robin Benning, Council Member, Leah Martineau, Vice Mayor, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member


9) **Public Hearing Consent Agenda:**


- 9.A) Public Hearing and possible action on Ordinance 853-24, P24-0143 Zoning Ordinance Text Amendment - Accessory Structures, a staff initiated text amendment to modify setbacks and maximum lot coverage requirements. This item was continued from the November 20, 2024 Council meeting.

Department: Development Services

Staff Report 

Ordinance 853-24 - Accessory Structures (12-4-24).pdf 

QC Zoning Ordinance - Detached Accessory Structures Attachment (12-4-24).pdf 

TC Presentation (12-4-24).pdf 

Mayor Wheatley opened the public hearing. There were no public comments. Mayor Wheatley closed the public hearing.

MOTION: To approve Ordinance 853-24, P24-0143 Zoning Ordinance Text Amendment - Accessory Structures, a staff initiated text amendment to modify setbacks and maximum lot coverage requirements.
RESULT: Approved unanimously (7-0)
MOVER: Robin Benning, Council Member
SECONDER: Leah Martineau, Vice Mayor
AYES: Julia Wheatley, Mayor, Leah Martineau, Vice Mayor, Robin Benning, Council Member, Jeff Brown, Council Member, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member

10) **Public Hearings:**

- 10.A) A CONTINUANCE TO THE DECEMBER 18, 2024 TOWN COUNCIL MEETING HAS BEEN REQUESTED. (NOTE: AN ALTERNATIVE TO THIS MOTION HAS BEEN PROPOSED BY COUNCIL MEMBER BROWN FOR "AN INDEFINITE CONTINUANCE

WITH DIRECTION TO STAFF TO REPUBLISH THE PUBLIC HEARING IF AND WHEN IT IS RESCHEDULED"). Public hearing and possible action on P24-0100, an amendment to Rittenhouse Commons 2 PAD Overlay, a request from Greg Davis (IPlan Consulting) to amend a previously approved PAD rezone for a 166 lot single-family townhome development on approximately 16.5 acres located at the northeast corner of Sossaman and Rittenhouse Roads.

Department: Development Services

Staff Report 

Alternative Motion 

Greg Davis, applicant with iPlan Consulting, said he agreed with Council Member Brown as December 18 would not provide sufficient time and once a resolution has been reached, they can schedule the item.

Council Member Benning asked how to best make the motion to continue indefinitely.

Scott Holcomb, Town Attorney, said Council Member Benning could read the alternate motion presented.

Mayor Wheatley opened the public hearing. There were no public comments. Mayor Wheatley closed the public hearing.

Council Member Brown thanked the applicant for continuing to work on this item and supporting the indefinite continuance.

MOTION: To approve an indefinite continuance with direction to staff to republish the public hearing if and when it is rescheduled.

RESULT: Approved unanimously (7-0)

MOVER: Jeff Brown, Council Member

SECONDER: Robin Benning, Council Member

AYES: Julia Wheatley, Mayor, Jeff Brown, Council Member, Robin Benning, Council Member, Leah Martineau, Vice Mayor, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member

11) Items for Discussion:

11.A) Parks and Recreation Programs Update

Parks & Rec Programs Update.pdf 

Adam Robinson, Interim Parks and Recreation Director, introduced the item. Mr. Robinson said there have been concerns about the amount of sports fields available and gave a brief history of the Sports Field Use Policy. The demand

for field use increased especially during the sports season and scheduling the fields could take a lot of time for staff working with each league. The intent of the policy was to ensure many groups get some fields instead a few groups getting all the fields. With Frontier Family Park opening, staff can evaluate how the new fields have impacted the usage and how staff can adjust in future years. Staff is looking at the growth of the different leagues in the Town this year to see how the policy may need to be adjusted to prepare for the following season. Mr. Robinson said the Parks and Recreation Department is currently hiring to staff the new Recreation and Aquatic Center and there are a lot of hours to cover. The new center is scheduled to tentatively open March 29. There would be a large hiring event on December 14 for recreation staff and January 2 would be an event for lifeguards. Mr. Robinson said Queen Creek Hometown Christmas would be December 6 and 7. Mr. Robinson gave a brief history of the event and how it has grown over the years. This year the Town took over the event when it was previously run by other community organizations. The goal is to keep the event focused on the community and keep it manageable instead of outgrowing what the Town can handle.

Vice Mayor Martineau thanked staff for taking on these projects and it was a big undertaking. Vice Mayor Martineau supported having a season of events leading up to the holiday.

Mayor Wheatley said she was happy to continue this longstanding tradition and recognize the need to keep small town events and add to it instead of having on large one-day event with thousands of people. There are many organizations and non-profits that have their own events which extends the season longer and allow more community participation. This creates a more sustainable plan for the future.

Council Member Padilla thanked staff for their work and looked forward to QC Hometown Christmas. Council Member Padilla said he understood field scheduling was a very difficult task and thanked staff for accommodating existing and new leagues. Council Member Padilla asked if staff had sent this presentation to the leagues.

Mr. Robinson said no, the presentation was not sent but staff has had this discussion with various leagues to explain the policies and limitations.

Council Member Padilla thanked staff for working with the leagues.

Mayor Wheatley said they recently opened an extension of the Queen Creek Wash Trail but there are already questions about the next trail section opening. Mayor Wheatley thanked staff for their efforts.

11.B) LG Energy Solution Project Update

LGES Presentation.pdf 

Doreen Cott, Economic Development Director, introduced the item and presented a map of the Town and surrounding areas. Ms. Cott presented a timeline of the State Land within the Town's planning area and LGES land

purchase. The project is currently at 35% completion and presented the site plans and elevations. This project has a huge impact on the Town and the State bringing in about 2,800 jobs and an expanded project investment of \$3.2 billion. Ms. Cott showed images of cylindrical batteries that would be manufactured for electrical vehicles. Ms. Cott gave an overview of the construction progress.

Mayor Wheatley asked how many construction jobs this project has brought.

Ms. Cott said she did not have an exact number but there are many people working on this site. Ms. Cott gave an overview of the infrastructure progress, and some projects would be delayed until Project Gemini resumes.

Mayor Wheatley asked about the realignment of Pecos Road and if that was part of this phase.

Ms. Cott said they are building Pecos Road on the north end of the Alpha parcel.

Mayor Wheatley asked if this would be constructed as part of this phase or if it was delayed.

Shea Joachim, Assistant Town Manager, said at the north end of the site, Pecos Road would be built to the half mile location as an entrance into the Alpha site but would not extend beyond that. Germann Road would stay in its current condition and would be realigned when Project Gemini moves forward.

Ms. Cott reviewed the water and wastewater improvements around the site and their hiring and training model. Ms. Cott said staff is working with them to make connections with higher education facilities and community partners to get the workforce needed.

11.C) General Plan 2028 Update Process

Brett Burningham, Development Services Director, introduced the item and gave an overview of the General Plan. The General Plan provides a framework for future decisions especially as it pertains to rezoning applications. The unique parts of Queen Creek such as open space, mountains, and washes or special districts are outlined to shape future development. Arizona law requires the General Plan to be updated every 10 years and in larger jurisdictions voters must ratify the General Plan. Mr. Burningham said the update process takes about two years, and this would be presented to the voters in March of 2028. Mr. Burningham reviewed the changes in the General Plan from 2008 to 2018 such as simplifying categories and adding additional flexibility. The Town won best General Plan and best public outreach campaign in 2018 from the Arizona Planning Association. There would be additional elements added to the update due to the growth of the Town. Mr. Burningham reviewed the outreach campaigns and the next steps.

Council Member Benning asked about how Major and Minor General Plan

Amendments adjusts the framework over time.

Mr. Burningham said the General Plan contains criteria for Major General Plan amendments which require additional analysis and requirements. With each land use category there are parameters provided for rezonings and if the threshold is exceeded there would be a General Plan amendment. Over time things organically change so the amendments allow for changes to be made to meet the needs of the community.

11.D) Update on Maricopa County Proposition 479 and Future Transportation Projects

Department: Public Works

MAG Prop 479 Updates.pdf 

Mohamed Youssef, Public Works Director, said Proposition 479 passed which would bring many new roads to the Valley. Mr. Youssef said there would be two arterial road projects and a widening of State Route 24.

Heather Wilkey, Intergovernmental Relations Director, said the total package for Queen Creek was 11 arterial projects over the next 20 years totally almost \$180 million. Ms. Wilkey showed the reimbursement schedule of the projects and there were additional opportunities for Pinal County arterial needs. There may be other opportunities as well for signal optimization and trails. Ms. Wilkey said MAG has been doing a lot of work on underlying policies so the arterial lifecycle policies would be finalized soon and they would accept competitive calls for proposals in 2025. The Town is well positioned as Mayor Wheatley serves as the Chair of the Transportation Policy Committee.

Mayor Wheatley asked for the total to be raised for the sales tax.

Ms. Wilkey said the entire regional estimate is \$28 billion and about half of that is coming from the Maricopa side and the rest is in matching funds.

Council Member Benning asked for information on where Queen Creek starts and stops and the same for Maricopa County and MAG.

Ms. Wilkey said staff would provide MAG's planning area. In terms of funding, the line stops at Meridian Road except for State Route 24 which goes to Ironwood Road. All of the Maricopa County funding has to be spent in Maricopa but there are federal opportunities for Pinal County.

12) **Final Action: None.**

13) **Adjournment:**

The meeting was adjourned by Mayor Wheatley at 7:45 p.m.

TOWN OF QUEEN CREEK

Julia Wheatley, Mayor

ATTEST:

Maria E. Gonzalez, Town Clerk

I, Maria E. Gonzalez, do hereby certify that to the best of my knowledge and belief, the foregoing Minutes are a true and correct copy of the Town Council Regular Session Minutes of the December 4, 2024 Town Council Regular Session of the Queen Creek Town Council. I further certify that the meeting was duly called and that a quorum was present.

Passed and approved on: _____



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: MELISSA BAUER, PROCUREMENT MANAGER
RE: CONSIDERATION AND POSSIBLE APPROVAL OF EXPENDITURES OVER \$75,000 AND ITEMS THAT ARE OF PUBLIC POLICY AND INTEREST, PURSUANT TO TOWN PURCHASING POLICY. (FY24/25 BUDGET ITEMS)
DATE: December 18, 2024

Suggested Action:

To approve the Expenditures over \$75,000 and items that are of Public Policy and Interest, pursuant to Town Purchasing Policy.

Discussion:

The following items being requested are:

1. Brinc, Inc - UAV Public Safety System - Ground Radar Sensors: \$109,600 (Police)
2. Ewing Irrigation, SiteOne Landscape Supply - Miscellaneous Landscape/Irrigation Supplies: \$25,000 Additional Spending Authority (Parks & Recreation - Grounds)

Fiscal Impact:

The fiscal impact of the requested spending authority for the above expenditures are \$134,600. Funds have been identified within the line item budget as approved in the FY24/25 budget or subsequently approved by Council.

Attachment(s):

1. [Expenditures Over \\$75k - December 18, 2024.pdf](#)

**Attachment: Expenditures Over \$75,000
Budgeted in Fiscal Year 24/25
December 18, 2024**

| Item # | Vendor(s) | Description | Purpose | Requesting Dept(s) | Fiscal Impact \$ | Procurement Method | Alternative |
|--------|--|---|---|------------------------------|------------------|--|---|
| 1 | Brinc, Inc. | UAV Public Safety System - Ground Radar Sensors | Spending authority for two ECHOSHIELD medium-range, pulse-Doppler, cognitive 4D radar sensors, including equipment, supplies, software, training, services, and support. This authority allows QCPD to incorporate these devices into our current Brinc UAVs DFR system and comply with FAA requirements. | Police | \$109,600 | State of Arizona Contract #CTR074456 | Council could choose not to approve this spending authority and instruct QCPD to operate with current equipment. However, this would significantly limit our capacity to fly DFR operations or fully implement the RTIC program. We would also lack the ability to consistently launch UAV/Air support for immediate/emergent situations. |
| 2 | Ewing Irrigation, SiteOne Landscape Supply | Miscellaneous Landscape/Irrigation Supplies | Additional cumulative contract spending authority of \$25,000 for as-needed materials required for the maintenance and repair of irrigation systems at all parks, trails, buildings, and misc town-owned properties. Council previously approved \$98,000 spending authority on June 5, 2024. This request will increase spending authority for a total of \$123,000. (FY 25 budgeted Item) | Parks & Recreation - Grounds | \$25,000 | City of Mesa Contract #2020041 & 1GPA # 23-10DV-02 Mohave Contract #19K-SITE1-1213 | Council could choose not to approve the expenditure request. However, this would result in the department potentially not being able to repair landscaping/irrigation systems resulting in either under-watered or over-watered fields and other landscaped areas. |



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: DAVE LIPINSKI, PE, CIP DEPARTMENT DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A DESIGN CONTRACT WITH ARRINGTON WATKINS ARCHITECTS FOR THE QUEEN CREEK POLICE DEPARTMENT HEADQUARTERS (PROJECT # MF020) AND PARKING STRUCTURE, COMPLEX #2 (PROJECT # MF021) IN THE AMOUNT OF \$4,770,372, TO INCLUDE A 10% CONTINGENCY (THIS IS A FY25 PARTIALLY BUDGETED ITEM AND WILL REQUIRE A NECESSARY BUDGET ADJUSTMENT).

DATE: December 18, 2024

Suggested Action:

To approve a design contract with Arrington Watkins Architects for the Queen Creek Police Department Headquarters (Project # MF020) and Parking Structure, Complex #2 (Project # MF021) in the amount of \$4,770,372, to include a 10% Contingency.

Relevant Council Goal(s):

Superior Infrastructure – Capital Improvement Program

Discussion:

Included in the Queen Creek Police Department's (QCPD) 10-year infrastructure plan is the incorporation of a QCPD new headquarters to serve multiple, necessary functions of the department as well as a new secure and public access parking structure located in the downtown municipal complex as indicated in the attached project site exhibit. Town staff was tasked with contrasting various options between design and construction of a new QCPD Headquarters building and parking structure or expansion/renovation of the existing Public Service Building (PSB) and construction of new structures as suggested in the 2022 Police Department Masterplan. Through multiple Council briefings, Town staff was directed to pursue the option to design and construct a new headquarters building and parking structure, to include future consideration for placement of a municipal court complex also included in the 10-year infrastructure plan.

Town of Queen Creek Procurement issued a Request for Qualifications (RFQ No. 24-004) for selection of a design consultant to provide design service to formulate an overall master planning effort and design services for the new QCPD Headquarters and parking structure. The selection process was performed in accordance with the Town's Procurement Policy and Arizona Revised Statute (ARS) Title 34 section 34-603 and selection consisted of two phases: Evaluation of written proposals to create a shortlist of consultants and subsequent interviews of the three shortlisted design firms. The successful design consultant, Arrington Watkins Architects, was selected as a result of this procurement process.

This contract is for design services to create a master plan of the approximate 22 acres of Town property to include the placement of the new Queen Creek Police Department (QCPD) Headquarters Building and multi-level parking structure for the Police Headquarters Building, with space/site

consideration for the future Public Safety Complex #4 (i.e., Detention Center, Municipal Court Building, and the Office of the Prosecutor).

In addition to master planning, full design services will be included for the approximate 55,000 sq. ft. QCPD Headquarters (Public Safety Complex #2) and an approximate three-level parking structure to support the entire Municipal Complex, new Police Headquarters and future Complex #4. The design of Complex #2 will include additional QCPD administration offices, a Public Safety Answering Point (PSAP)/911 Call area, a Communications/Dispatch, support space for the Queen Creek Police Department (QCPD), and all necessary stormwater retention and utility relocation solutions. Design services for the new, proposed parking structure will need to consist of approximately 300 secured parking spaces for QCPD and additional public parking for staff and visitors.

Fiscal Impact:

The total Design cost for Police Department Headquarter Project MF020 and Parking Structure Project MF021 is \$4,770,372, to include a 10% contingency. The FY 2024/25 Adopted budget includes \$2,982,710 for the design of the Police Department Headquarters (MF020) with the Design of the Parking Structure (MF021) built into future fiscal years. The total budget adjustment from contingency is \$1,787,662 with a majority of that needed for advancing the design of the parking structure in an effort to maximize efficiency. The detail of the budget adjustments are as follows:

| Project Number | Project Total | FY25 Available Budget | Contingency \$ Needed |
|-----------------------|----------------------|------------------------------|------------------------------|
| PD HQ MF020 | \$3,589,984 | \$2,982,710 | \$607,274 |
| Parking MF021 | \$1,180,388 | \$0 | \$1,180,388 |
| Totals | \$4,770,372 | \$2,982,710 | \$1,787,662 |

Both of these projects were included in the Infrastructure Improvement Plan adopted by the Town Council on June 19, 2024. Funding for those projects is a combination of growth (cash) and non-growth (bond proceeds) as follows:

Funding for Police HQ:

Growth will fund 21% of the new square footage, of which 70% will come from the Town’s dedicated construction sales tax (CST) and 30% will come from Police Impact Fees. No debt is being issued for the growth share of this project.

The remainder of the building is considered “replacement” square footage and will be funded by non-growth and the cash will come from the newly authorized bond issue with debt service being paid by the Town’s operating budget.

Funding for the Parking Structure:

Growth will fund 21% of the structure that is dedicated to serve police, of which 70% will come from the Town’s dedicated CST and 30% will come from Police Impact Fees. No debt is being issued for the growth share of this project.

The remainder of the structure will be funded by non-growth and the cash will come from the newly authorized bond issue with debt service being paid by the Town’s operating budget.

The budgets for the funding transfers will be adjusted accordingly, which do not affect the Town’s overall expenditure budget, but are necessary for reporting purposes only. As expenses occur, staff will process the necessary funding transfers from the various sources (CST, Impact Fees and Bond Proceeds).

Alternatives:

- The Town Council may decide not to approve the contract with Arrington Watkins Architects and direct staff to reissue the public solicitation for these services. The impact of this decision would result in significant delays in the design process and subsequent construction tentatively intended to start in May of 2026.
- The Town Council may decide to approve a portion of the project including only the services to master plan the complex. The impact of this decision would result in significant delays to actual design of the structures and subsequent construction tentatively intended to start in May of 2026.
- The Town Council may direct staff to cancel the solicitation and delay progressing with master planning and design.

Attachment(s):

1. [MF020 MF021 Site Exhibit.pdf](#)
2. [MF020 MF021 Design Contract.pdf](#)

CIP PROJECT MF020, MF021 – QCPD HEADQUARTERS & PARKING STRUCTURE

Project Site Exhibit





**TOWN OF QUEEN CREEK
22358 S. ELLSWORTH ROAD
QUEEN CREEK, AZ 85142
(480) 358-3000**

www.queencreekaz.gov

**DESIGN PROFESSIONAL SERVICES
MASTER CONTRACT**

CONTRACT NO. _____

TABLE OF CONTENTS

| <u>ARTICLE</u> | <u>PAGE</u> |
|--|--------------------------------|
| 1 – PARTICIPANTS AND PROJECT | 3 |
| 2 – CONTRACT DOCUMENTS | 3 |
| 3 – SERVICES. | 4 |
| 4 – DELIVERABLES | 5 |
| 5 – TOWN RESPONSIBILITIES | 5 |
| 6 – CONTRACT TIME | 5 |
| 7 – CONTRACT PRICE | 5 |
| 8 – PAYMENT | 5 |
| 9 – CHANGES TO THE CONTRACT | 6 |
| 10 – SUSPENSION AND TERMINATION | 6 |
| 11 – INSURANCE AND BONDS | 6 |
| 12 – INDEMNIFICATION | 6 |
| 13 – DISPUTE RESOLUTION | 6 |
| 14 – MISCELLANEOUS PROVISIONS | 6 |
| <u>EXHIBITS</u> | |
| A | PROJECT TASK ORDER FORM |
| B | INSURANCE REQUIREMENTS |



DESIGN PROFESSIONAL MASTER CONTRACT

Contract No. _____

THIS MASTER CONTRACT is made and entered into on the 18th day of December 2024 by and between the Town of Queen Creek, Arizona, an Arizona municipal corporation, hereinafter called ("TOWN") and Arrington Watkins Architects, LLC ("Design Professional").

TOWN and Design Professional agree as follows:

ARTICLE 1 – PARTIES

TOWN: Town of Queen Creek
Project Manager: Tim McMahon
Telephone: 480-358-3159
E-mail: tim.mcmahon@queencreekaz.gov

DESIGN PROFESSIONAL: Arrington Watkins Architects, LLC
3003 N. Central Avenue, Suite 2400
Phoenix, Arizona 85012
Arizona Registration No.
Design Professional Representative: Matthew Gorman, Principal
Telephone: 602-279-4373
E-mail: mgorman@awarch.com

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between TOWN and Design Professional for any project shall consist of the following Contract Documents:

1. This Master Contract;
2. General Conditions, dated May 2, 2022, and General Conditions Appendices, incorporated by reference;
3. Project Task Order in the form attached hereto as Exhibit A;
4. Exhibit B - Insurance Requirements- attached;
5. The Request for Qualifications (RFQ) issued by TOWN for this Master Contract; and
6. The Statement of Qualifications (SOQ) submitted by Design Professional dated September 25, 2024

2.1.1 Master Agreement: This is a Master Contract providing the basis by which TOWN may issue, and Design Professional may accept, an authorization to perform Services for or in relation to a specific project. This Master Contract shall govern all contracts and other agreements between TOWN and Design Professional, unless expressly excluded, in writing, in such contract or agreement.

1. Authorization by TOWN to perform Services and agreement by Design Professional to perform specific Services shall be made by separate "Project Task Order", as set forth in



the attached Exhibit A. The terms and conditions set forth herein, and attached hereto, including any and all Exhibits and properly adopted amendments or modifications hereto, are expressly agreed to by Design Professional and shall be applicable for any and all Services performed by Design Professional for TOWN and shall be incorporated (whether specifically referenced or not) into every Project Task Order, change order, contract or agreement (whether written or oral) entered into between Design Professional and TOWN. This Master Contract does not obligate or require TOWN to offer any Project Task Order to Design Professional, and no contract in relation to any specific Services shall be entered into until a Project Task Order therefore has been fully executed by TOWN and Design Professional.

2. Agreement to the terms set forth herein is a material and necessary precondition and inducement to TOWN entering into this Master Contract, and each Project Task Order, with Design Professional.

2.1.2 Issuance of Project Task Orders: TOWN may, in its sole discretion, issue a Project Task Order in the form attached hereto as Exhibit A, to Design Professional to perform the Services specified in the Project Task Order. Upon acceptance by the Design Professional, each Project Task Order, together with this Master Contract, shall constitute the Contract for performance of the Services set forth in the Project Task Order.

2.1.3. General Conditions and Specifications: TOWN has adopted standard General Conditions which apply to all construction projects and construction contracts entered into by TOWN ("General Conditions"). TOWN has also adopted and operates under the Standard Specifications and Details set forth in Section 3 of the General Conditions ("Standard Specifications"). Design Professional and all of Design Professional's subconsultants and subcontractors must be aware of, and abide by, all specifications, details, drawings, and/or other documents generated under this Master Contract. Unless otherwise provided herein, the definitions in the General Conditions shall apply to this Master Contract and all documents related to this Master Contract. Any questions concerning the applicability of any specific provisions of the General Conditions or Specifications to the Project or the Services shall be directed in writing to the Contract Manager. The General Conditions are available on the Internet at: <https://www.queencreekaz.gov/departments/finance-/procurement/bids-rfq>

2.1.4 Conflicts: In the event of a conflict between this Master Contract and the General Conditions or any exhibit hereto or appendix thereto, the terms of this Master Contract shall control, and the specific terms of a Project Task Order will control over the terms of this Master Contract.

2.2 DEFINITIONS

The definitions in Section 2 of the General Conditions apply to all the Contract Documents to this Master Contract and all Project Task Orders. Additional definitions or defined terms applicable to all the Contract Documents for this Project, if any, will be set forth in the applicable Project Task Orders.

ARTICLE 3 – SERVICES

3.1 Design Professional shall perform the Services required by, and in accordance with this Master Contract and as outlined in the applicable Project Task Order to the satisfaction of the Project Manager.



ARTICLE 4 – DELIVERABLES

4.1 DELIVERABLES AS PART OF THE SERVICES

Design Professional shall provide all of the Deliverables required under the Project Task Order in the time specified, manner and format required by and to the satisfaction of TOWN.

4.2 DESIGN PROFESSIONAL'S PRE-CONTRACT AND PRE-SERVICE DELIVERABLES

4.2.1 Design Professional shall timely provide the Deliverables in accordance with Section 4.2 of the General Conditions, with the term "Design Professional" replacing "Contractor," and the word "Work" meaning the "Services". Unless otherwise provided in a Project Task Order, Sections 4.2.4 and 4.2.5 shall not apply.

4.2.2 Design Professional shall also timely provide to TOWN all of the Deliverables necessary to fully and timely complete all of the Services under a Project Task Order in compliance with Section 4.2 of the General Conditions.

4.2.3 Additional items, if any, which Design Professional must deliver to TOWN prior to commencing the Services on a Project shall be set forth in the Project Task Order.

ARTICLE 5 – TOWN RESPONSIBILITIES

5.1 TOWN shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth in, Section 5 of the General Conditions, with the term "Design Professional" replacing "Contractor," and the word "Work" meaning the "Services".

5.2 Additional services to be provided and responsibilities assumed, by TOWN, if any, shall be set forth in the Project Task Order.

5.3 Additional information to be provided by TOWN, if any, shall be set forth in the Project Task Order.

ARTICLE 6 – CONTRACT TIME

Time is of the essence of this Master Contract and each Project Task Order. Design Professional shall complete all Services within the schedule set forth in the Project Task Order.

ARTICLE 7 – CONTRACT PRICE

The Contract Price to be paid by TOWN to Design Professional In exchange for the full, timely and acceptable performance of the Services under the Project Task Order shall be set forth in each Project Task Order.

ARTICLE 8 – PAYMENT

8.1 PAYMENT

Unless otherwise set forth in the Project Task Order, TOWN shall pay the Design Professional for the Services as set forth in Section 8 of the General Conditions with the term "Design Professional" replacing "Contractor" and the word "Work" meaning the "Services."



8.2 TOWN'S RIGHT TO WITHHOLD PAYMENT

TOWN may withhold payment to such extent as may be necessary in TOWN's opinion to protect TOWN from loss for which Design Professional is responsible, including, without limitation, for those reasons set forth in Section 8.3 of the General Conditions, with the term "Design Professional" replacing "Contractor," and the word "Work" meaning the "Services".

8.3 FINANCIAL RECORD KEEPING AND TOWN'S AUDIT RIGHT

Section 8.5 of the General Conditions apply to Design Professional, this Master Contract and all Project Task Orders, with the term "Design Professional" replacing "Contractor," and the word "Work" meaning the "Services".

ARTICLE 9 – CHANGES TO THE CONTRACT

9.1 Changes to the Contract may be made in accordance with Section 9 of the General Conditions, with the term "Design Professional" replacing "Contractor," and the word "Work" meaning the "Services".

9.2 In order to be effective, any and all changes or amendments in the Contract Documents must be in writing signed by the Parties.

ARTICLE 10 – SUSPENSION AND TERMINATION

The Contract may be suspended and/or terminated in accordance with Section 10 of the General Conditions, with the term "Design Professional" replacing "Contractor," and the word "Work" meaning the "Services".

ARTICLE 11 – INSURANCE

11.1 INSURANCE

Design Professional shall provide insurance as provided on the attached Exhibit B, and in accordance with Section 11.1 of the General Conditions, as well as any additional insurance required under each Project Task Order. Design Professional shall provide proof of such insurance and all required endorsements in form acceptable to TOWN prior to commencing any Services under the Contract.

11.2 FAILURE TO PROVIDE

Failure to provide proof of insurance and the required endorsements, in forms acceptable to TOWN, will be material breach and grounds for termination of the Contract by TOWN for cause.

ARTICLE 12 – INDEMNIFICATION

Design Professional shall have and assume the indemnity obligations set forth in Section 12 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

13.1 All disputes and claims arising out of or relating to the Contract, the Services, or the Project shall be resolved as set forth in Section 13 of the General Conditions, with the term "Design Professional" replacing "Contractor," and the word "Work" meaning the "Services."

13.2 Design Professional shall continue performance of the Services during the Dispute Resolution process.



ARTICLE 14 – MISCELLANEOUS PROVISIONS

14.1 The Miscellaneous Provisions in Section 14 of the General Conditions shall apply to the Contract, with the term “Design Professional” replacing “Contractor,” and the word “Work” meaning the “Services”.

IN WITNESS WHEREOF, the parties hereto have executed this Master Contract through their duly authorized representatives, whose signatures bind their respective entities as of the effective date.

“TOWN”

Town of Queen Creek

Signature _____

Name Julia Wheatley

Title Mayor

ATTEST:

Signature _____

Name Maria Gonzalez

Title Town Clerk

APPROVED AS TO FORM:

DICKINSON WRIGHT, PLLC
TOWN Attorneys

“DESIGN PROFESSIONAL”
Arrington Watkins Architecture, LLC.

Signature _____

Name _____

Title _____



1. X **Fixed Price:** All-inclusive in the above Project Task Order Price. **SCOPE OF SERVICES, DELIVERABLES, AND PROJECT SCHEDULE/DURATION:** Attached Exhibit A dated November 22, 2024

UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY) (Article 11): Attached Exhibit B.

PROJECT SPECIFIC CONDITIONS (IF ANY): Attached Exhibit C.

IN WITNESS, WHEREOF, the parties hereto have executed this Project Order through their duly authorized representatives and bind their respective entities as of the effective date.

“TOWN”

Signature _____

Name _____

Title _____

ATTEST:

Signature _____

Name _____

Title _____

“DESIGN PROFESSIONAL”

Signature _____

Name _____

Title _____



PROJECT TASK ORDER # 01

EXHIBIT A – SCOPE OF WORK AND PROJECT SCHEDULE

Dated November 22, 2024



PROJECT TASK ORDER # 01

EXHIBIT B - UNIQUE INSURANCE AND/OR BOND REQUIREMENTS (IF ANY)

INSURANCE PROVISIONS AND REQUIRED COVERAGE, TERM AND TERMINATIONS

1.1 Indemnification Clause

1.1.1 To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant only to the extent caused by the negligence, recklessness or intentional wrongful conduct of such consultant, subconsultant or design professional or other persons employed or used by such consultant, subconsultant or design professional in the performance of the contract or subcontract. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

1.1.2 The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

1.1.3 The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

1.2 Insurance Requirements

1.2.1 Consultant and subconsultant shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Consultant, its agents, representatives, employees or subconsultants.

1.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The Town of Queen Creek in no way warrants that the minimum limits contained herein are sufficient to protect the Consultant from liabilities that arise out of the performance of the work under this



Contract by the Consultant, its agents, representatives, employees or subconsultants, and the Consultant is free to purchase additional insurance.

1.3 Minimum Scope and Limits of Insurance

Consultant shall provide coverage with limits of liability not less than those stated below.

1.3.1 Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises \$50,000
- Each Occurrence \$1,000,000

a. The policy shall be endorsed, as required by this written agreement, to include the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Consultant.

b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Consultant.

1.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

a. Policy shall be endorsed, as required by this written agreement, to include the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Consultant involving automobiles owned, hired and/or non-owned by the Consultant.

b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Consultant.

1.3.3 Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000



- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Consultant.
- b. This requirement shall not apply to each Consultant or subconsultant that is exempt under A.R.S. § 23-901, and when such Consultant or subconsultant executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

1.3.4 Professional Liability (Errors and Omissions Liability)

- Each Claim \$2,000,000
- Annual Aggregate \$2,000,000

- a. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Consultant warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.
- b. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.

1.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

- 1.4.1 The Consultant's policies, as applicable, shall stipulate that the insurance afforded the Consultant shall be primary and that any insurance carried by the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees shall be excess and not contributory insurance.
- 1.4.2 Insurance provided by the Consultant shall not limit the Consultant's liability assumed under the indemnification provisions of this Contract.

1.5 Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Consultant's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the Town of Queen Creek. Within two (2) business days of receipt, Consultant must provide notice to the Town of Queen Creek if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Procurement Department and shall be mailed, emailed, or hand delivered to Procurement Department, 22358 S. Ellsworth Rd, Queen Creek, AZ 85142 or Procurement@Queencreekaz.gov.

1.6 Acceptability of Insurers

Insurers shall have an "A.M. Best" rating of not less than A- VII. The Town of Queen Creek in no way warrants that the above-required minimum insurer rating is sufficient to protect the Consultant from potential insurer insolvency.



1.7 Verification of Coverage

Consultant shall furnish the Town of Queen Creek with certificates of insurance (valid ACORD form or equivalent approved by the Town of Queen Creek) evidencing that Consultant has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

1.7.1 All such certificates of insurance and policy endorsements must be received by the Town of Queen Creek before work commences. The Town of Queen Creek's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

1.7.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

1.7.3 All certificates required by this Contract shall be sent directly to the Procurement Department at 22358 S. Ellsworth Road, Queen Creek, AZ. 85142, or procurement@queencreekaz.gov. The Town of Queen Creek project/contract number and project description shall be noted on the certificate of insurance. The Town of Queen Creek reserves the right to require complete copies of all insurance policies required by this Contract at any time.

1.8 Subconsultants

Consultant's certificate(s) shall include all subconsultants as insureds under its policies or Consultant shall be responsible for ensuring and/or verifying that all subconsultants have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subconsultant. All coverages for subconsultants shall be subject to the minimum Insurance Requirements identified above naming the Town and Consultant as "Additional Insured" on all insurance policies, except Worker's compensation. The Town reserves the right to require, at any time throughout the life of this contract, proof from the Consultant that its subconsultants have the required coverage.

1.9 Approval and Modifications

The Town reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary, subject to at least 30 days written notice. Such action will not require a formal Contract amendment but may be made by administrative action.

1.10 Exceptions

In the event the Consultant or subconsultant(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance.



PROJECT TASK ORDER # 01

EXHIBIT C
PROJECT SPECIFIC CONDITIONS (IF ANY)

4868-8695-0949 v1 [53749-1]



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

FROM: MOHAMED YOUSSEF, PUBLIC WORKS DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF AN AMENDMENT TO THE JOINT AGENCY AGREEMENT (JAA) WITH THE MARICOPA ASSOCIATION OF GOVERNMENTS (MAG) FOR A ROADSIDE SAFETY PROJECT (RSP).

DATE: December 18, 2024

Suggested Action:

Consideration and possible approval of an amendment to the Joint Agency Agreement (JAA) with the Maricopa Association of Governments (MAG) for a Roadside Safety Project (RSP).

Relevant Council Goal(s):

Superior Infrastructure - Capital Improvement Program

Discussion:

On December 21, 2022, Town Council approved a JAA with MAG to improve safety at 18 signalized intersections. The project included the installation of reflective yellow tape on traffic signal heads to provide a contrasting color. The Federal Highway Administration (FHWA) recognizes this treatment as a "human factors enhancement" for older and color vision challenged drivers. For this segment of the driving population, it has been shown to have a 15% decrease in total crashes.

Town staff were successful in obtaining funding from MAG, who oversees the RSP and its funding.

Funds for the RSP are administered by the Arizona Department of Transportation (ADOT) through its Highway User Revenue Fund (HURF) sub-account for local agency streets designated collector or above, and through allocations of Surface Transportation Block Grants (STBG) funds that are allocated to the MAG region and administered by ADOT.

The reimbursement of project costs is distributed by ADOT once construction is complete and invoices are submitted, reviewed, and approved in concurrence with MAG.

Construction for this project is complete, but the JAA needs to be updated so that the Town can submit invoices for reimbursement.

Fiscal Impact:

Funding for the design was included in the Public Works Traffic FY23 operational budget and funding for construction was included in the Public Work Traffic FY24 operational budget. This amendment to the JAA allows the Town to get reimbursement for expended construction funds.

Alternatives:

Council could decide not to proceed with the amendment to the JAA and not receive reimbursement from ADOT.

Attachment(s):

1. [QCN RSP JAA #1232_Amendment One.pdf](#)

MARICOPA ASSOCIATION OF GOVERNMENTS
ROADWAY SAFETY PROGRAM

MAG Roadway Safety Program Joint Agency Agreement No. 1232
MAG TIP Project #QNC22-270D and QNC23-270C
Town of Queen Creek Capital Improvement Plan #XXXXXX

**JOINT AGENCY AGREEMENT
BETWEEN
MARICOPA ASSOCIATION OF GOVERNMENTS
AND
THE TOWN OF QUEEN CREEK

AMENDMENT NUMBER ONE**

THIS AMENDMENT NUMBER ONE amends the Joint Agency Agreement entered into between the Maricopa Association of Governments and the City of Goodyear, an Arizona Municipal corporation (the “Agreement”) as follows.

1. Recital E of the Agreement is deleted and replaced with the following:
 - E. The regional reimbursement schedule for the Project is as follows:

| Type of Work | Fiscal Year of Work | HURF Reimbursement | Local Match | Fiscal Year for Reimbursement |
|------------------------------------|---------------------|--------------------|-------------|-------------------------------|
| Pre-Design | | 0 | 0 | NA |
| Design | 2022 | 0 | \$21,000 | NA |
| Right-of-Way | NA | 0 | 0 | NA |
| Procurement | NA | 0 | 0 | NA |
| Construction | 2024 | \$54,030 | 0 | 2025 |
| Total Programmed for Reimbursement | | \$54,030 | | |

2. Paragraph D of the Agreement is deleted and replaced with the following:
 - A. **Term and Termination.** The Agreement is valid through the payment of the final invoice for completion of construction, by September 30, 2025, as noted in the reimbursement schedule of the **Recitals, Section E**, subject to earlier termination as specifically provided herein.

Paragraphs D(1), D(2), D(3) and D(4), including the sub-paragraphs therein remain unchanged.

3. All other terms of the Agreement remain unchanged.
4. This Amendment One shall be effective upon the date it is fully executed by the Parties.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed by their duly authorized officers. (The order for obtaining the signatures is as follows: the MAG General Counsel, the appropriate representative of the City of Goodyear, and the MAG Executive Director).

MAG:

Maricopa Association of Governments, an
Arizona non-profit corporation

Date

By: _____
Ed Zuercher
Executive Director

Town of Queen Creek:

Town of Queen Creek, an Arizona Municipal
Corporation

Date

By: _____
Its: Mayor Julia Wheatley

ATTEST:

Maria Gonzalez, Town of Queen Creek Clerk

Approved as to form:

Approved as to form:

By: _____
MAG General Counsel

By: _____
Scott A. Holcomb,
Attorney for the Town of Queen Creek



TOWN OF
QUEEN CREEK
ARIZONA

8.E

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: BRETT BURNINGHAM, DEVELOPMENT SERVICES DIRECTOR, ERIK SWANSON, PLANNING ADMINISTRATOR, SARAH CLARK, SENIOR PLANNER/PROJECT MANAGER

RE: CONSIDERATION AND POSSIBLE ACTION ON ORDINANCE 855-24, CASE P24-0090 CHANDLER HEIGHTS RETAIL ANNEXATION, A PROPOSED ANNEXATION OF APPROXIMATELY 2 ACRES, LOCATED APPROXIMATELY 297 FEET WEST OF THE NORTHWEST CORNER OF POWER AND CHANDLER HEIGHTS ROADS.

DATE: December 18, 2024

Suggested Action:

Move to approve Ordinance 855-24, Case P24-0090 Chandler Heights Retail Annexation, a proposed annexation of approximately 2 acres, located approximately 297 feet west of the northwest corner of Power and Chandler Heights roads.

Discussion:

This proposal consists of a request by Alex Hayes of Withey Morris Baugh, working on behalf of the property owner, for the annexation of one 2-acre (approximate) parcel located approximately 297 feet west of the northwest corner of Power and Chandler Heights roads in Maricopa County.

A public hearing was held on November 6, 2024 by the Town Council to receive public comments on the proposed annexation application. No members of the public spoke on the request. Staff has not received any other comments or questions from the public on this case.

In October 2023, the property was rezoned in Maricopa County from RU-43 to C-2. In June 2024, the applicant submitted an annexation application and an application for the Site Plan for the proposed commercial development, which consists of an 11,614 square foot multi-tenant building. In accordance with state statutes, when a property is annexed into a municipality's jurisdiction, it must be granted equivalent zoning in the municipality that it was assigned in the county.

The subject site consists of one single-family residential home and various associated accessory structures. Two residents reside on the property but intend to vacate following annexation.

A Pre-Annexation Development Agreement will not be provided as part of this request.

Planned Public Utilities: Water, sewer, refuse disposal, and Fire and Police protection are proposed to be provided by the Town of Queen Creek. Electric service is provided by Salt River Project (SRP). Natural gas is provided by Southwest Gas.

Planning Area and General Plan:

The proposed annexation area has been in the Town's Planning Area since 1999. The Planning Area identifies areas located outside of the Town's jurisdictional boundaries that may be annexed within the Town in future years. The current General Plan designates the subject site as Rural, which allows

for large lot single-family development (R1-43 and greater) and commercial development with the following considerations:

- Commercial development can be considered if appropriate measures are provided to create a compatible transition between adjacent properties. Developments shall consider open space/landscape buffers, building locations, access, cross access, circulation, parking, buffering, public spaces, building design, lighting, and noise impacts to create a compatible transition between the commercial development and adjacent rural property.
- Building height should be limited to a level that creates a proper transition between adjacent properties.
- Commercial development may be considered on sites up to 10 acres.
- Located at the intersection of multiple arterials along Ellsworth Road, Riggs Road, Meridian Road, Power Road, and Ironwood Road or on parcels with direct frontage on Ellsworth Road between Riggs Road and Hunt Highway (high-capacity corridors).
- Uses are limited to the permitted uses in the C-1 zoning district. No conditional uses or 24-hour businesses are allowed.
- Proposed developments at the entrances of Queen Creek shall consider additional design features as these areas are considered gateways to the Town.
- Drive-thrus and other in-vehicle service uses are discouraged, however can be considered through the PAD process.

While the equivalent zoning for the property, upon a successful annexation into the Town, is C-2 and is not in conformance with the allowed zoning categories within the Rural Land Use Designation, the applicant has addressed the above listed criteria in the proposed site plan application currently in review by staff. For reference, the site plan proposes a single-story (23.3 feet generally in height) 11,614 square foot multi-tenant retail store that is designed with rural agrarian architectural themes and includes brick, hardi-board plank siding, stone, standing seam metal, gable roof features, and gooseneck building lighting. The landscape plan includes a double row of trees to the north and a row of red push pistache trees to the west to buffer the site from the adjacent County residential acre lots. Uses proposed for the site include restaurant and retail uses and do not include any potential conditional uses or 24-hour businesses. Per the application, the applicant acknowledges that the site plan as proposed is consistent with the Rural General Plan Category and that any changes to the site plan or uses must meet the criteria for commercial uses in the Rural category. The site plan and elevations are provided as an attachment to this staff report for reference. If the annexation request is approved by the Town Council, Staff will administratively review and process the associated site plan application.

Zoning: State statute require the Town to apply zoning categories that permit densities and uses no greater than those permitted by the County immediately before annexation. The parcel in the proposed annexation area is currently zoned C-2 in Maricopa County. If the property is annexed into the Town, the equivalent zoning to Maricopa County's zoning is C-2 (General Commercial).

Analysis:

Resolution 1235-18 (approved by the Town Council in 2018) directs staff to provide a written analysis of the proposed annexation and associated impacts, when reviewing Annexation requests. The criteria required by Council are outlined below along with a brief response from the Applicant and Town Staff:

1. The parcel(s) requesting annexation must be served by either the Town's water service and/or the Town's sewer service.

Applicant Response: The Property has access and is able to be served by the Town's water and sewer service.

2. Financial: Analysis of fiscal impacts to the Town including one-time and reoccurring general fund and utility system revenues and expenses.

Applicant Response: The Property to be annexed allows for new retail development, which will create significant sales tax revenue for the Town. The overall construction costs are estimated to be approximately \$5+ million, which includes significant construction tax revenues, and impact fees for the Town.

Town Analysis: The Town Finance Department provided an analysis fiscal impacts to the Town for the proposed project, revealing projected one-time activity revenue of \$200,000 between fees and construction sales tax and recurring revenues of roughly \$56,000 annually.

3. Economic Development: Potential for desired growth: job creation in targeted clusters and opportunities identified in the Town Economic Development Strategic Plan.

Applicant Response: This annexation request will create new retail and restaurant opportunities, contributing to overall job growth in the Town. The rural compatibility of the commercial development will also support agritainment/destination tourism which is a targeted sector in the Economic Development Strategic Plan.

4. Civic: Growth of our political subdivision, civic pride, and sense of community.

Applicant Response: A broad range of commercial services, including quality restaurants, are essential for supporting the community and its residents. The proposed development will embrace the agrarian history of the Town and will provide an aesthetic, context appropriate retail offering one of the primary western entrances to the Town.

5. Planning and Building: Impacts to the Town land use program and county island status; parks, trails, and open space program; surrounding properties; extent of compliant/non-compliant structures.

Applicant Response: The property subject to the proposed annexation is within the Town's planning area as shown on the Town's General Plan. The proposed development is consistent with the commercial nature of the Chandler Heights Road and Power Road intersection and aligns with the existing commercial development on the south side of Chandler Heights Road. This commercial development is also consistent with the recently adopted criteria for commercial development in the Rural General Plan category, utilizing context appropriate design, materials, landscaping, and lighting with uses that are complementary to the adjacent properties.

6. Public Safety: Impacts to existing program; demand for new services.

Applicant Response: The annexation property will be served by Queen Creek's new police department. Fire protection in Queen Creek is provided through a full-service department and funded through the Emergency Services Fund. Primary revenues at build out include sales tax and property tax. On the expenditures side, fire, police, and non-departmental services will be the predominant expenditures on an on-going basis. During the construction period, there are non-recurring construction sales tax revenues as well as building permit fees, planning and engineering fees. These are partially offset by increased expenditures in the building safety and engineering departments. Over the long term, the proposed annexation area would generate a positive net fiscal impact to the Town. The nonresidential uses on this site would likely create net revenues to the Town's operating funds

7. Legal: Considerations for successful annexation; identification of required process and procedures.

Applicant Response: This proposed annexation satisfies state law criteria, which requires the consent of the owners of at least one-half of the value of the real and personal property and more than one-half by number of the property owners in the territory to be annexed. There are other requirements for the size and shape of the properties to be annexed, which this application satisfies

8. General Plan Goals

Goal 1: Maintain the Town’s unique community character.

Strategy 1a. Protect and promote the Town’s history, location, amenities and development potential to develop a unique, attractive, desirable and economically sustainable community.

Applicant Response: The proposed development is designed for compatibility with rural properties in the area and to provide a proper transition from the more intense uses at the intersection of Chandler Heights Road and Power Road. Access to the site is provided in the southwest corner adjacent the existing commercially zoned property. Uses are limited to neighborhood commercial services, such as restaurants and retail services, and will not include drive-through uses or uses that include overnight operations. Additionally, the architectural design provides a rural aesthetic, including open rafter elements on the exterior elevations, brick veneer, pitched roof elements, and decorative wood fascia. Site lighting is also considerate of the surrounding environment and conforms with dark sky lighting guidelines through the use of shields and downlighting with the result being nearly 0 foot candles at the property line. Lastly, 30’ landscape buffers are provided along the south, west, and north property lines to provide a substantial buffer and a quality aesthetic for the neighboring properties.

Goal 2: Effectively Manage the Town’s Growth.

Strategy 2.A: Encourage development patterns that maximize opportunities to use the land.

Applicant Response: The proposed annexation and development creates consistency in the commercial development of the Chandler Heights Road and Power Road intersection and contributes to an efficient and productive land use pattern. The western boundary of the property aligns with the commercial development on the south side of Chandler Heights Road. Additionally the parcel to the east of the subject site at the northwest corner of Chandler Heights Road and Power Road is currently in unincorporated Maricopa County, but is zoned for commercial use and is expected to be annexed into the Town once a development plan comes to fruition.

Annexation Timeline:

Below is a timeline of the major steps associated with the annexation application.

| Date | Task |
|--------------------|--|
| September 12, 2024 | Request property owner and assessed valuation information from Maricopa County Assessor and Arizona Department of Revenue. |
| October 8, 2024 | Record blank petition, map, and legal description with Maricopa County Assessor. The 30-day waiting period begins. |
| October 22, 2024 | Post the Property for the Public Hearing. |
| October 19, 2024 | Prepare legal advertisements and publish notice of Public Hearing in the newspaper. |
| October 17, 2024 | Mail notice of public hearing to property owners and the Chairman and Clerk of the County Board of Supervisors. |

| | |
|----------------------------|--|
| November 6, 2024 | Public Hearing at the Town Council Meeting to discuss the annexation proposal. |
| November 7, 2024 | 30-day waiting period ends. The process to collect signatures may begin. |
| December 9, 2024 | Record signed petitions |
| December 18, 2024 | Consider adopting Annexation Ordinance at Town Council Meeting. |
| December 19, 2024 | Record Ordinance. |
| January 21, 2025 at 8:00am | Annexation is effective. |

Attachment(s):











1. [Aerial Exhibit.pdf](#)
2. [General Plan Exhibit.pdf](#)
3. [Zoning Exhibit.pdf](#)
4. [Chandler Heights Retail - Annexation Narrative.pdf](#)
5. [Chandler Heights Retail - Elevations.pdf](#)
6. [Chandler Heights Retail - Site Plan.pdf](#)
7. [Chandler Heights Retail Annexation.pptx](#)
8. [Blank Petition.pdf](#)
9. [Ordinance 855-24.pdf](#)

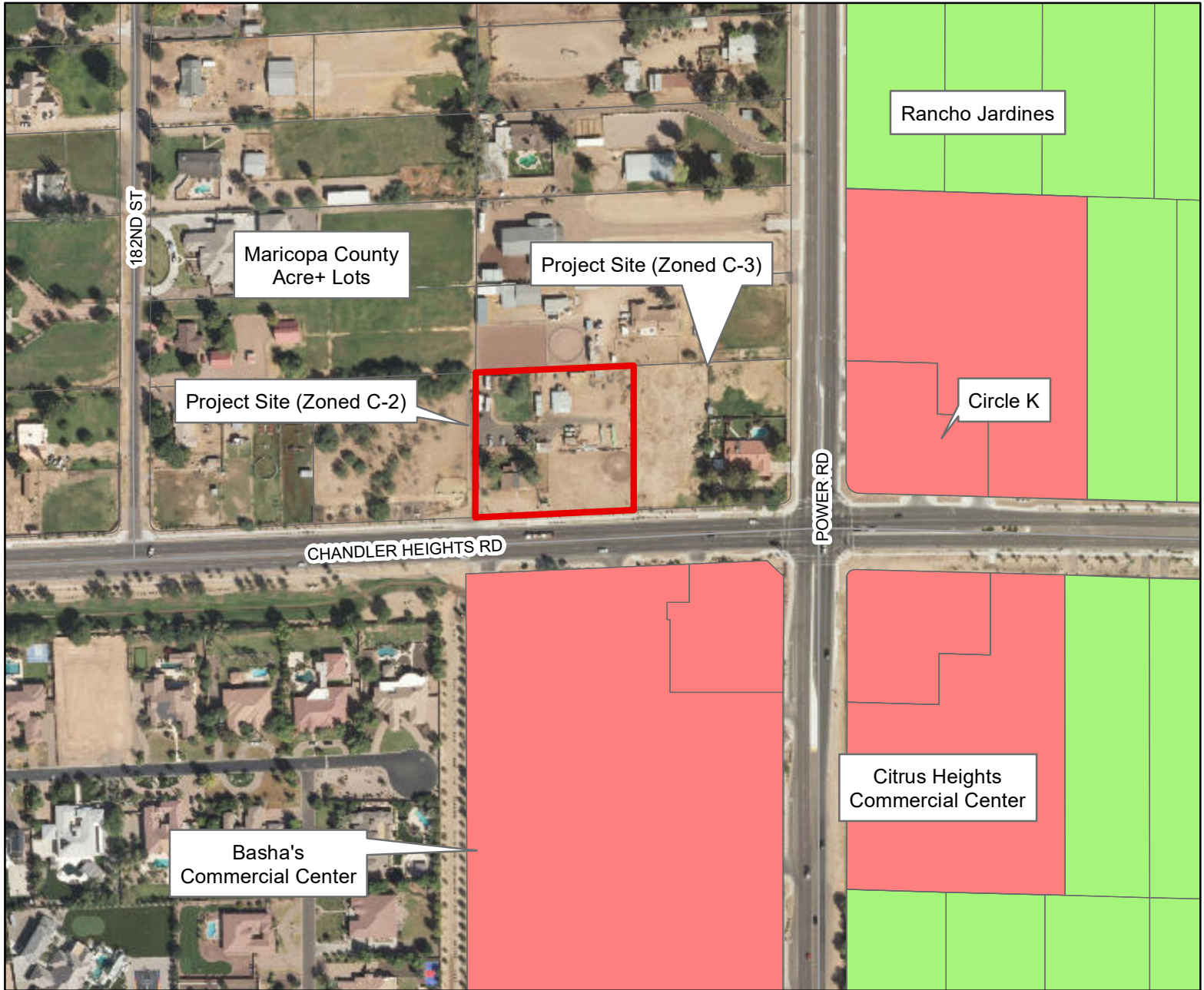
Project Name: Chandler Heights Retail Annexation Aerial Exhibit
Case Number: P24-0090
Hearing Date: December 18, 2024 (Town Council)



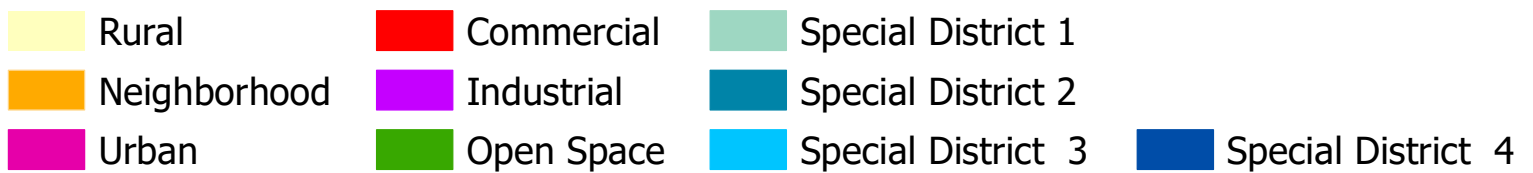


General Plan Land Use

- | | | |
|---|--|--|
|  Rural |  Commercial |  Special District 1 |
|  Neighborhood |  Industrial |  Special District 2 |
|  Urban |  Open Space |  Special District 3 |
| | |  Special District 4 |



General Plan Land Use



W/NWC Chandler Heights Road and Power Road

Annexation Narrative

Case No. P24-0090

1st Submittal: June 24, 2024

2nd Submittal: August 8, 2024

3rd Submittal: December 5, 2024



Development Team

Developer:
Overton Builders, LLC
Chris Domanico
6 E Palo Verde Street, Suite 7
Gilbert, AZ 85296

Legal Representative:
Withey Morris Baugh PLC
Adam Baugh / Alex Hayes
2525 East Arizona Biltmore Circle, Suite A-212
Phoenix, Arizona 85016

Architect:
Studio B Squared LLC
Daniel Bryan Bowers
3809 West Frier Drive
Phoenix, Arizona, 85051

Civil Engineer:
Hunter Engineering
John Hako
10446 North 74th Street, #140
Scottsdale, Arizona, 85258

Landscape Architect:
MLA Associates
Pat Morse
500 East Mary Lane
Gilbert, Arizona, 85295

A. Request

The applicant is requesting to annex an approximately 2-acre property, commonly known as Maricopa County Assessor's Parcel Number (APN) 304-69-044A (the "Property") into the Town of Queen Creek. The Property is currently within Unincorporated Maricopa County and is located west of the northwest corner of Chandler Heights Road and Power Road, as shown on **Figure 1** below:

Figure 1 – Site Aerial



The Property is zoned C-2 pursuant to Case Number Z2023070. The anticipated zoning designation upon annexation would be C-2. A companion Site Plan application will also be submitted under separate cover to be processed concurrently with this request.

The Applicant proposes development of a new commercial center with a single inline retail building. The proposed commercial building will have a floor area of 11,757 square feet with accommodations for eight (8) retail tenants. The proposed development is consistent and compatible with the existing land uses located at the corners of Chandler Heights Road and Power Road. The Property's western perimeter aligns with the western perimeter of the commercial retail center located on the south side of Chandler Heights Road in the Town of Queen Creek, which includes a grocery store and multiple retail pads. Additionally, the parcel immediately west of the Property at the northwest corner of Chandler Heights Road and Power Road is zoned C-3 in Maricopa County and will ultimately be developed with commercial uses.

The Property is currently leased to two tenants that reside on the Property. However, they will be vacating the Property upon annexation.

B. Conformance with State Requirements

The proposed annexation meets the requirements of Arizona law, including regarding contiguity, size and shape as follows:

1. The Property adjoins the Town of Queen Creek for over 307' feet on the southern perimeter; only 300' is required where territory considered for annexation is not surrounded by the annexing jurisdiction on at least three (3) sides.
2. The size and shape of the parcel are a minimum 200 feet in width at all points.

The annexation of the Property by the Town of Queen Creek will not create a County island and all other requirements are met.

Overton Builders looks forward to bringing this high-quality retail development to Queen Creek.

C. Annexation Criteria

- 1. The parcel(s) requesting annexation must be served by either the Town's water service and/or the Town's sewer service.**

Applicant Response: The Property has access and is able to be served by the Town's water and sewer service.

- 2. Financial: Analysis of fiscal impacts to the Town including one-time and reoccurring general fund and utility system revenues and expenses.**

Applicant Response: The Property to be annexed allows for new retail development, which will create significant sales tax revenue for the Town. The overall construction costs are estimated to be approximately \$5+ million, which includes significant construction tax revenues, and impact fees for the Town.

- 3. Economic Development: Potential for desired growth: job creation in targeted clusters and opportunities identified in the Town Economic Development Strategic Plan.**

Applicant Response: This annexation request will create new retail and restaurant opportunities, contributing to overall job growth in the Town. The rural compatibility of the commercial development will also support agritainment/destination tourism which is a targeted sector in the Economic Development Strategic Plan.

- 4. Civic: Growth of our political subdivision, civic pride, and sense of community.**

Applicant Response: A broad range of commercial services, including quality restaurants, are essential for supporting the community and its residents. The proposed development will embrace the agrarian history of the Town and will provide an aesthetic, context appropriate retail offering one of the primary western entrances to the Town.

5. Planning and Building: Impacts to the Town land use program and county island status; parks, trails, and open space program; surrounding properties; extent of compliant/non-compliant structures.

Applicant Response: The property subject to the proposed annexation is within the Town’s planning area as shown on the Town’s General Plan. The proposed development is consistent with the commercial nature of the Chandler Heights Road and Power Road intersection and aligns with the existing commercial development on the south side of Chandler Heights Road. This commercial development is also consistent with the recently adopted criteria for commercial development in the Rural General Plan category, utilizing context appropriate design, materials, landscaping, and lighting with uses that are complementary to the adjacent properties.

6. Public Safety: Impacts to existing program; demand for new services.

Applicant Response: The annexation property will be served by Queen Creek’s new police department. Fire protection in Queen Creek is provided through a full-service department and funded through the Emergency Services Fund. Primary revenues at build out include sales tax and property tax. On the expenditures side, fire, police, and non-departmental services will be the predominant expenditures on an on-going basis. During the construction period, there are non-recurring construction sales tax revenues as well as building permit fees, planning and engineering fees. These are partially offset by increased expenditures in the building safety and engineering departments. Over the long term, the proposed annexation area would generate a positive net fiscal impact to the Town. The nonresidential uses on this site would likely create net revenues to the Town’s operating funds

7. Legal: Considerations for successful annexation; identification of required process and procedures.

Applicant Response: This proposed annexation satisfies state law criteria, which requires the consent of the owners of at least one-half of the value of the real and personal property and more than one-half by number of the property owners in the territory to be annexed. There are other requirements for the size and shape of the properties to be annexed, which this application satisfies.

8. General Plan identified goals and policies to support annexation recommendations

Applicant Response: The proposed annexation and development is also supported by the following goals and policies:

Goal 1: Maintain the Town’s unique community character.

Strategy 1a. *Protect and promote the Town’s history, location, amenities and development potential to develop a unique, attractive, desirable and economically sustainable community.*

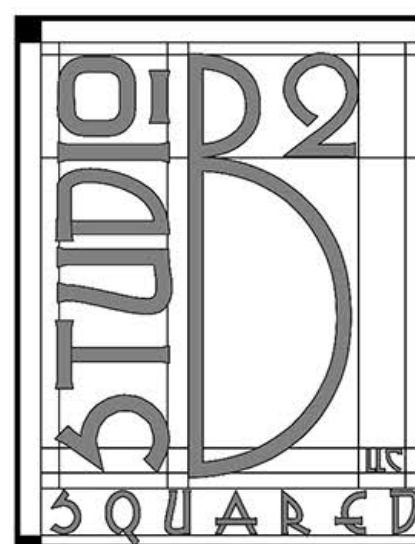
The proposed development is designed for compatibility with rural properties in the area and to provide a proper transition from the more intense uses at the intersection of Chandler Heights Road and Power Road. Access to the site is provided in the southwest corner adjacent the existing commercially zoned property. Uses are limited to neighborhood commercial services, such as restaurants and retail services, and will not include drive-through uses or uses that include overnight operations. Additionally, the architectural design provides a rural aesthetic, including open rafter elements on the exterior elevations, brick veneer, pitched roof elements, and decorative wood fascia. Site lighting is also considerate of the surrounding environment and conforms with dark sky lighting guidelines through the use of shields and downlighting with the result being nearly 0 foot candles at the property line. Lastly, 30’ landscape buffers are provided along the south, west, and north property lines to provide a substantial buffer and a quality aesthetic for the neighboring properties.

Goal 2: Effectively Manage the Town’s Growth.

Strategy 2.A: *Encourage development patterns that maximize opportunities to use the land.*

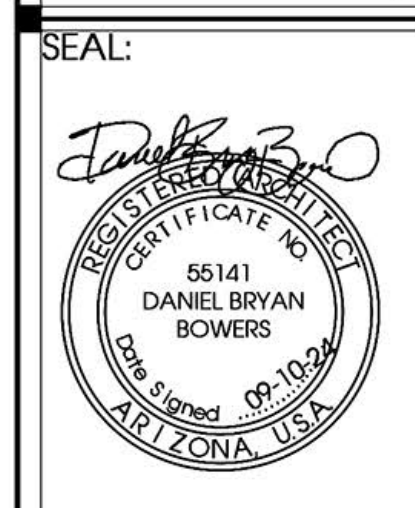
The proposed annexation and development creates consistency in the commercial development of the Chandler Heights Road and Power Road intersection and contributes to an efficient and productive land use pattern. The western boundary of the property aligns with the commercial development on the south side of Chandler Heights Road. Additionally the parcel to the east of the subject site at the northwest corner of Chandler Heights Road and Power Road is currently in unincorporated Maricopa County, but is zoned for commercial use and is expected to be annexed into the Town once a development plan comes to fruition.

| EXTERIOR FINISHES | |
|-------------------|---|
| P-1 | SHERWIN WILLIAMS SW 7517 RIVERS EDGE |
| P-2 | SHERWIN WILLIAMS SW 7031 MEGA GREIGE |
| P-3 | SHERWIN WILLIAMS SW 7707 COPPER WIRE |
| P-4 | SHERWIN WILLIAMS SW 6237 DARK NIGHT |
| P-5 | SHERWIN WILLIAMS DIRECT TO METAL AT ALL EXPOSED STEEL SW 6237 " DARK NIGHT" FLAT ULTRA DEEP BASE. |
| SI-1 | CORONADO STONE: CANYON LEDGE, BROOKSIDE, DRYSTACKED, CORNERS, USE POLYMER-MODIFIED MORTAR |
| BR-1 | CORONADO STONE: BELGIAN BRICK : BROOKSIDE, 1/2" GROUT JOINT, FULL BRUSHED, NATURAL GREY GROUT COLOR, SIZE IS 2-12" x 7-3/4" (6 LBS PER SQUARE FOOT) WITH CORNER RETURNS |
| HS-1 | HARD SIDING: ARTISAN - VARIETIC (V-GROOVE), RAINSCREEN FURRING - SIDING TO BE PAINTED PER ELEVATIONS. |
| MIL-1 | WESTERN STATES "WESTERN LOCK"™ STANDING SEAM METAL ROOFING SNAP LOCK PANEL WITH CLIPS STANDARD WIDTH 18" RIB 1.75" COLOR BLACKENED COPPER WWW.WESTERNSTATESMETALROOFING.COM |
| MIL-2 | FLAT SHEET STEEL : 24 GAUGE - BLACKENED COPPER INSTALLED OVER METAL FURRING AT TOP OF PARAPET WESTERN STATES DECKING, INC. |
| WS-1 | SHERWIN WILLIAMS WOODSCAPES EXTERIOR POLYURETHANE SEMI-TRANSPARENT STAIN-SELF PRIMING STAIN • SW 3507 RIVERWOOD EXTERIOR WOODSCAPES STAIN. |



3809 WEST FRIER DRIVE
PHOENIX, AZ 85051
602-330-4912

PRELIMINARY, DRAFT, NOT FOR CONSTRUCTION, BIDDING OR RECORDING



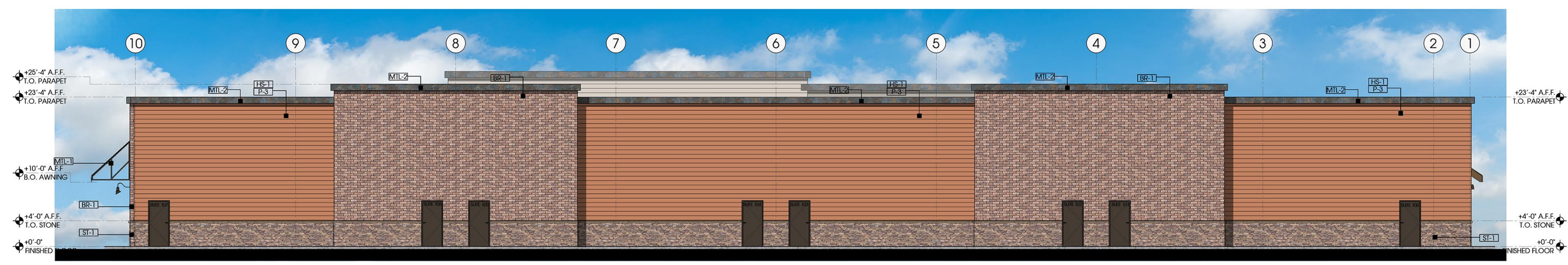
A FRONT ENTRY ELEVATION (SOUTH)
FACING CHANDLER HEIGHTS SCALE: 1/8" = 1'-0"



B SIDE ELEVATION (EAST)
FACING C-3 PARCEL SCALE: 1/8" = 1'-0"



C SIDE ELEVATION (WEST)
FACING RU43 PARCEL SCALE: 1/8" = 1'-0"



D REAR ELEVATION (NORTH)
FACING RU43 PARCEL SCALE: 1/8" = 1'-0"

EXTERIOR ELEVATIONS
SCALE: 1/8" = 1'-0"

RETAIL CENTER
APN 304-69-044A - LOT 8
18318 EAST CHANDLER HEIGHTS ROAD
GILBERT, ARIZONA 85298
ZONING C-2
MCR 41-47

PRELIMINARY, DRAFT, NOT FOR CONSTRUCTION, BIDDING OR RECORDING

| NO. | REVISION/ISSUE | DATE |
|-----|----------------|------|
| 1 | | |
| 2 | | |
| 3 | | |

PROJECT NUMBER: 22-002-2023
DATE: 09/10/2024
DRAWN BY:

SHEET TITLE
EXTERIOR ELEVATIONS

SHEET NUMBER
A3.0

APN: 304-69-046H
 PROPERTY ADDRESS: 23417 S 182ND ST
 GILBERT AZ 85298
 ZONING: RU-43
 PUC: 0131
 MCR #: 141-47
 SUBDIVISION: BROOKS FARMS - LOT #: 10
 JURISDICTION: MARICOPA COUNTY

APN: 304-69-043B
 PROPERTY ADDRESS: 23426 S POWER RD
 GILBERT AZ 85298
 ZONING: RU-43
 PUC: 0141
 MCR #: 141-47
 SUBDIVISION: BROOKS FARMS - LOT #: 7
 JURISDICTION: MARICOPA COUNTY

APN: 304-69-045B
 PROPERTY ADDRESS: 23517 S 182ND ST
 GILBERT AZ 85298
 ZONING: RU-43
 PUC: 0011
 MCR #: 141-47
 SUBDIVISION: BROOKS FARMS - LOT #: 9
 JURISDICTION: MARICOPA COUNTY

APN: 304-69-044B
 PROPERTY ADDRESS: 23516 S POWER RD
 GILBERT AZ 85298
 ZONING: C-3
 PUC: 0131
 MCR #: 141-47
 SUBDIVISION: BROOKS FARMS - LOT #: 8
 JURISDICTION: MARICOPA COUNTY

APN: 304-78-987
 PROPERTY ADDRESS: 23670 S POWER RD QUEEN CREEK 85142
 JURISDICTION: QUEEN CREEK
 ZONING: C-2
 PUC: 1410
 MCR #: 739-08
 SUBDIVISION: QUEEN CREEK MARKETPLACE - LOT #: 1

| KEYED NOTES | |
|-------------|--|
| 1. | EXISTING ADJACENT DEVELOPMENT TO REMAIN, NOT A PART OF THIS PROJECT |
| 2. | OFF SITE LANDSCAPING - REFER TO LANDSCAPE PLANS. |
| 3. | EXISTING WATER METER-REFER TO CIVIL PLANS WITH BACKFLOW |
| 4. | EXISTING GAS VALVE - REFER TO CIVIL PLANS |
| 5. | EXISTING FIRE HYDRANT - REFER TO CIVIL PLANS |
| 6. | NEW FIRE LINE WITH BACKFLOW TO SERVICE BUILDING FIRE SPRINKLER SYSTEM, PROVIDE REMOTE FDC |
| 7. | LOCATION OF NEW GAS METERS, TIE INTO FROM GAS VALVE, AT FRONT OF SITE |
| 8. | WATER SUPPLY FROM METER WITH BACK FLOW FOR MAIN BUILDING WATER |
| 9. | NEW LANDSCAPE IRRIGATION METER WITH BACKFLOW TO CONTROLLER IN MECHANICAL ROOM |
| 10. | TELEPHONE DEMARK SUPPLY TO BUILDING |
| 11. | NEW TRANSFORMER - VERIFY WITH UTILITY COMPANY TIE INTO BUILDING SES |
| 12. | NEW GREASE WASTE INTERCEPTOR PER PLUMBING PLANS SEE CIVIL FOR CONTINUATION. |
| 13. | NEW ASPHALT PAVING PARKING AREA DESIGN PER SOILS REPORT |
| 14. | NEW PAINTED PARKING STRIPE, 4" WIDE DESIGN WHITE, TYPICAL |
| 15. | ACCESSIBLE PARKING STALL, MAXIMUM CROSS SLOPE OF 1:48 PARKING SPACES AND ACCESSIBLE FLOOR SURFACES |
| 16. | NEW ACCESSIBLE RAMP UP TO SIDE WALK |
| 17. | ACCESSIBLE PARKING ONLY SIGN, POLE MOUNTED PER REGULATIONS |
| 18. | ACCESSIBLE VAN PARKING ONLY SIGN, POLE MOUNTED |
| 19. | 6" CONCRETE CURB AND GUTTER MAG #220 WHERE CIVIL REQUIRES FOR WATER CONVEYANCE, 6" VERTICAL CURB MAG #222 REQUIRED ELSEWHERE |
| 20. | IDENTIFICATION GROUND MOUNTED FREESTANDING SIGN SEPARATE PERMIT REQUIRED SIGN TO MATCH ARCHITECTURAL CHARACTER OF BUILDING, SIGN NOT TO EXCEED 48 SQUARE FEET IN SIGN AREA NOT EXCEED 8'-0" IN HEIGHT WITH DECORATIVE 2'-0" BASE |
| 21. | DESIGNATED REFUSE ENCLOSURE STONE VENEER OVER CMU BLOCK, 6'-0" HEIGHT, PER DETAILS, THICKENED REINFORCED CONCRETE SLAB AT TRASH AREA, DETAIL 1/A1.1 |
| 22. | INTERNAL ROOF DRAIN AND OVERFLOW AT BACK OF BUILDING, DISCHARGE TO BRASS OUTLET |
| 23. | NEW 5'-0" WIDE CONCRETE SIDEWALK CROSS SCORE APPROXIMATE, EVERY 4 FT, 1/2" PERFORMED EXPANSION JOINTS EVERY 24 FT. |
| 24. | BICYCLE RACK TO PROVIDE STORAGE FOR 8 UNITS DETAIL 4/A1.2 |
| 25. | KNOX BOX KEY BOXES ARE TO BE INSTALLED ON ALL SIDES OF A STRUCTURE WHERE THERE ARE ACCESS DOORS, A FULL SET OF KEYS TO OPEN ALL AREAS INSIDE AND OUTSIDE THE STRUCTURE, TO INCLUDE THE FIRE ALARM PANEL, SHALL BE PLACED INSIDE THE KEY BOX, KEY BOXES ARE TO BE LOCATED NO HIGHER THAN 60 INCHES ABOVE FINISHED GRADE |
| 26. | BUILDING ADDRESS SIGNS SHALL NOT EXCEED TWO (2) SQUARE FEET IN AREA, ADDRESS SIGNS ARE TO BE READILY VISIBLE FROM THE STREET |
| 27. | EXTERIOR LOCAL ALARM, 10' ELECTRIC BELL OR APPROVED AUDIBLE DEVICE (RED) |
| 28. | ALL ROOF TOP MOUNTED EQUIPMENT TO BE FULLY SCREENED FROM VIEW BY BUILDING PARAPET |
| 29. | PROPERTY CMU FENCE AT SIDE AND REAR PROPERTY LINE TO NOT EXCEED 4'-0" FROM HIGHEST FINISHED GRADE ADJACENT TO FENCE-NOT MORE THAN 8'-0" FROM LOWEST GRADE, SPLIT FACE CMU- DETAIL 2/A4.2 |
| 30. | 4'-0" x 6'-0" OPAQUE SCREENED GATE TUBE STEEL PAINTED |
| 31. | REQUIRED PARKING LOT SCREEN CMU FENCE IN FRONT YARD SETBACK NOT TO EXCEED 36" IN HEIGHT, CMU DETAIL 1/A1.2 |
| 32. | PARKING LOT LIGHTING: LED FULLY SHIELDED AND FILTERED REFER TO SITE LIGHTING, DETAIL 7/A1.2 MAXIMUM HEIGHT 15'-0" ABOVE FINISHED GRADE |
| 33. | ACCESSIBLE ROUTE FROM BUILDING TO PUBLIC WAY |
| 34. | RETENTION BASIN REFER TO CIVIL PLANS |
| 35. | UNDER GROUND RETENTION STORAGE REFER TO CIVIL PLANS |
| 36. | STAINED CONCRETE AT ENTRY DRIVE |
| 37. | INTERIOR DECORATIVE PARKING LOT FENCE |
| 38. | CONCRETE WHEEL STOPS |

| OWNER | |
|--|---------------------------------------|
| SC FAMILY PROPERTIES, INC. 18318 EAST CHANDLER HEIGHTS ROAD GILBERT, ARIZONA 85298 | |
| SITE DATA | |
| APN: 304-69-044A | LOT AREA: 86,955 SQ.FT. / 1.996 ACRES |
| LAT/LONG: 33.234939, -111.687508 | |
| S/T/R: 24 2S 6E | |
| MCR #: 141-47 | |
| SUBDIVISION: BROOKS FARMS | LOT #: 8 |
| LEGAL DESCRIPTION THE WEST HALF (1/2) OF LOT EIGHT (8), BROOKS FARMS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE MARICOPA COUNTY RECORDED IN BOOK 141 OF MAPS, PAGE 47. | |
| JURISDICTION: TOWN OF QUEEN CREEK | |
| EXISTING ZONING DISTRICT: | C-2 |
| PROPOSED BUILDING USE: | M / A-2 RETAIL |
| SITE AREA: | 86,955 SQ.FT. / 1.996 ACRES |
| BUILDING GROSS FLOOR AREA (GFA): | 11,614 SQ.FT. |
| BUILDING LOT COVERAGE: | 11,614 SQ.FT. 13% (13%) |
| IMPERVIOUS ASPHALT: | 41,976 SQ.FT. (48%) |
| CONCRETE SIDEWALKS: | 7,185 SQ.FT. (8%) |
| SITE LANDSCAPING LOT COVERAGE: | 28,180 SQ.FT. (32%) |
| MINIMUM BUILDING SETBACKS TABLE 4.7-3 | |
| FRONT: | -- |
| SIDE: | 0(2) |
| REAR: | 15(2) |
| (2) Buffer yard standards apply (See Table 5.3-1.) | |
| REQUIRED LANDSCAPE BUFFER SETBACKS: TABLE 5.3-1 | |
| FRONT: | 30' |
| SIDE ADJACENT TO RU-43 RESIDENTIAL: | 30' |
| SIDE ADJACENT TO C-3 COMMERCIAL: | 0' |
| REAR ADJACENT TO RU-43 RESIDENTIAL: | 30' |
| PARKING REGULATIONS | |
| TABLE 5.6-3 COMMERCIAL | |
| RETAIL SALES AND SERVICE: | |
| VEHICLE: GENERAL: 1/300 SF OF GFA | |
| BICYCLE: 1 PER 10 VEHICLE SPACES; 4 SPACE MINIMUM | |
| RESTAURANTS: | |
| VEHICLE: 1 PER 75 SF GFA + 1 PER 400 SF OUTDOOR DINING | |
| BICYCLE: 1 PER 20 VEHICLE SPACES; 4 SPACE MINIMUM | |
| TABLE 5.6-3 OFF-STREET PARKING DISTRIBUTION PER OCCUPANCY | |
| RETAIL SALES AND GENERAL SERVICE: | |
| VEHICLE: 1 PER 300 SF GFA; 8.6% / 300 = 29 SPACES PROVIDED | |
| BICYCLE: 1 PER 10 VEHICLE - 29/10 = 3 (4 MIN) 4 PROVIDED | |
| RESTAURANTS: | |
| VEHICLE: 1 PER 75 SF GFA; 2.918 / 75 = 39 SPACES PROVIDED | |
| BICYCLE: 1 PER 20 VEHICLE - 39/20 = 1 (4 MIN) 4 PROVIDED | |
| VEHICLE: 68 TOTAL SPACES REQUIRED | |
| BICYCLE: 8 REQUIRED | |
| TABLE 5.6-4 ACCESSIBLE PARKING SPACES REQUIRED | |
| STANDARD SPACES PROVIDED 51-75: 3 SPACES REQUIRED | |
| TABLE 5.6-3 OFF-STREET PARKING PROVIDED | |
| TOTAL PARKING PROVIDED - 70 | |
| TOTAL BICYCLE STORAGE PROVIDED - 8 | |
| BUILDING CONSTRUCTION CLASSIFICATION | |
| OCCUPANCY GROUP: | M / A2 / S |
| CONSTRUCTION TYPE: | TYPE V-B |
| AUTOMATIC FIRE SPRINKLER AND ALARM SYSTEMS NFPA 13 | |
| ALLOWABLE BUILDING HEIGHT ZONING TABLE 4.7.3 | 48'-0" |
| DESIGN BUILDING HEIGHT - ONE STORY 27'-4" TOP OF PARAPET | |
| BUILDING AREA CALCULATIONS | |
| 1. SELECTION OF 1 STORY, OCCUPANCY GROUP M, TYPE V-B (FULLY SPRINKLERED PER NFPA 13) RESULTS IN THESE PRELIMINARY VALUES: | |
| 1.1. OCCUPANCY GROUP: M | |
| 1.2. CONSTRUCTION TYPE: V-B | |
| 1.3. SPRINKLERS: FULLY SPRINKLERED PER NFPA 13 | |
| 1.4. PROPOSED NUMBER OF STORIES: 1 | |
| 1.5. ALLOWABLE VALUES: HEIGHT = 60 FT, 2 STORIES; WITH A TABULAR ALLOWABLE AREA VALUE, AT = 27000 SQ.FT. PER STORY | |
| 1.5.1. WE CHECK SECTION 507 AND CONFIRM THAT CRITERIA FOR UNLIMITED AREA ARE NOT MET. | |
| 1.6. WE FIND THE FRONTAGE FACTOR (BASED ON IBC TABLES); THE AREA, AT, FOR NO SPRINKLERS IS 900 SQ.FT. | |
| 1.7. THE FRONTAGE INCREASE FACTOR (BASED ON IBC TABLES) IS FOUND USING THE RATIO OF F/P, F/P = 534 FT / 534 FT, WHERE P IS THE BUILDING PERIMETER LENGTH AND F IS THE PORTION OF P THAT QUALIFIES FOR FRONTAGE. | |
| 1.9. PERIMETER LENGTHS (FT) FRONTAGE WIDTH (FT) WE THEN FIND THE MINIMUM DISTANCE FROM THE BUILDING, 36 FT. | |
| 1.10. THE F/P PERCENTAGE IS 100%. WE CAN NOW FIND THE FRONTAGE INCREASE FACTOR, 1, FROM TABLE 506.3.3 OR 506.3.3.1. | |
| 2. THE ALLOWABLE AREA PER STORY, AA, IS THEREFORE 36000 SQ.FT. + 9000 SQ.FT. X 1 = 45000 SQ.FT. | |
| 3. THE PROPOSED NO. OF STORIES, 1, IS <= 3, SO TOTAL ALLOWABLE AREA = 1 X 45000 SQ.FT. = 45000 SQ.FT. | |
| 4. THE MAX. NUMBER OF STORIES IS <= 3, SO TOTAL ALLOWABLE AREA = 2 X 45000 SQ.FT. = 90000 SQ.FT. | |
| CITY NOTATIONS: | |
| 1. CALL OUT REMOVAL OF OVERHEAD POWER POLES AND LINES FOR THE ENTIRE FRONTAGE OF THE PROPERTY AS PART OF THE KEY NOTES. THIS IS TO BE CONFIRMED WITH POWER COMPANY FOR IMPACT ON ADJACENT PROPERTY TO EAST AND WEST THAT ARE NOT A PART OF THIS PROJECT. | |
| 2. INCLUDE A NOTE STATING ALL ELECTRICAL EQUIPMENT WILL BE PAINTED TO BLEND IN WITH THE ADJACENT BUILDING OR LANDSCAPING. | |
| BUILDING CONSTRUCTION CODES: | |
| INTERNATIONAL BUILDING CODE, 2021 | |
| INTERNATIONAL MECHANICAL CODE, 2021 | |
| NATIONAL ELECTRICAL CODE, 2020 | |
| INTERNATIONAL PLUMBING CODE, 2021 | |
| INTERNATIONAL FUEL GAS CODE, 2021 | |
| INTERNATIONAL ENERGY CONSERVATION CODE, 2021 | |
| INTERNATIONAL PROPERTY MAINTENANCE CODE, 2021 | |
| INTERNATIONAL URBAN-WILDLAND INTERFACE CODE, 2021 | |
| INTERNATIONAL FIRE CODE, 2021 | |
| VICINITY MAP: | |

3809 WEST FRIER DRIVE
 PHOENIX, AZ 85051
 602-330-4912

PRELIMINARY, DRAFT, NOT FOR CONSTRUCTION, BIDDING OR RECORDING

SEAL:

RETAIL CENTER
 APN 304-69-044A - LOT 8
 18318 EAST CHANDLER HEIGHTS ROAD
 GILBERT, ARIZONA 85298
 ZONING C-2
 MCR 41-47

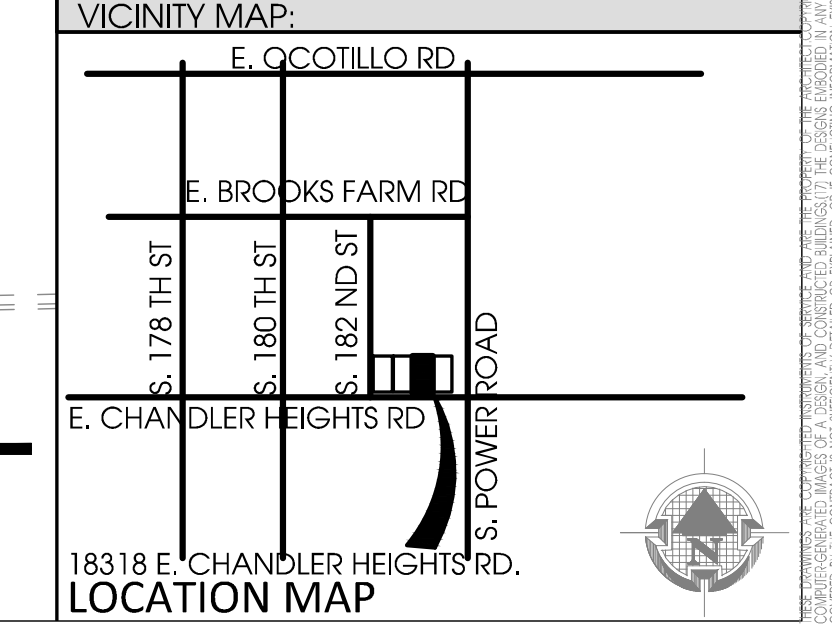
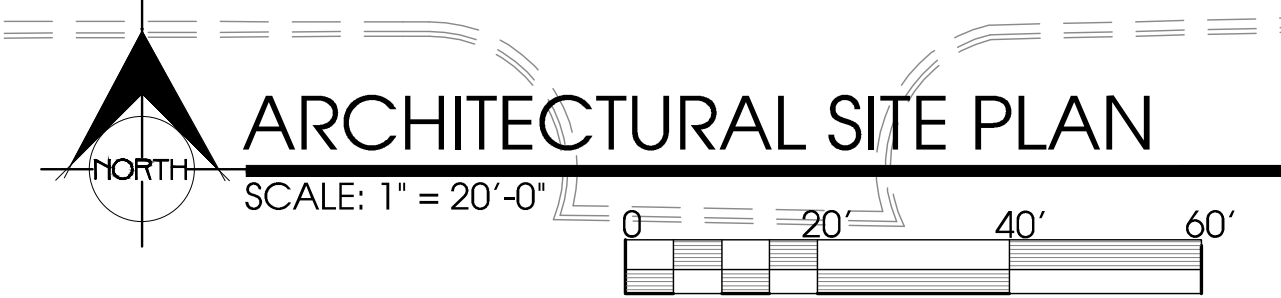
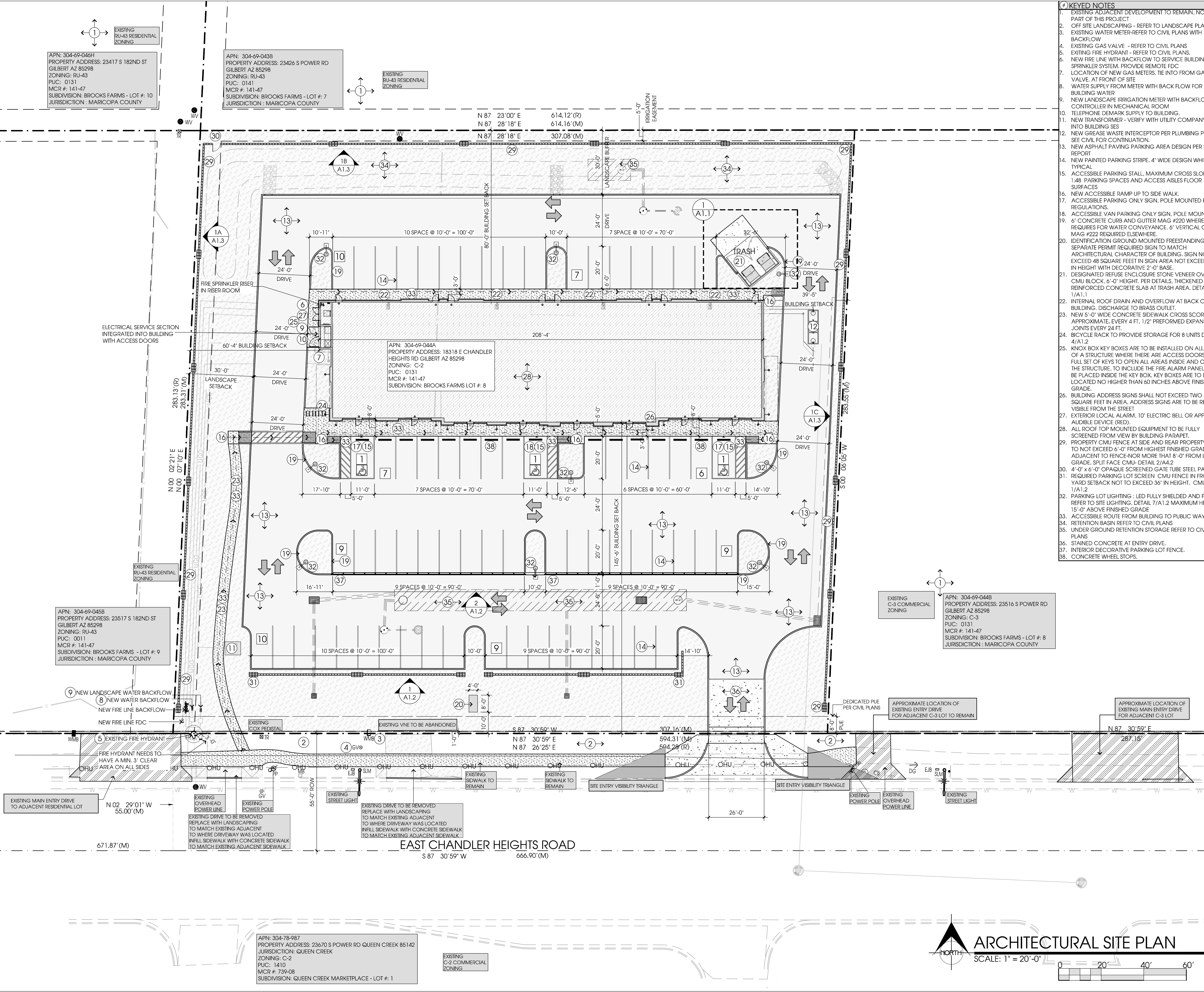
PRELIMINARY, DRAFT, NOT FOR CONSTRUCTION, BIDDING OR RECORDING

| NO. | REVISION/ISSUE | DATE |
|-----|----------------|------|
| 1 | | |
| 2 | | |
| 3 | | |

PROJECT NUMBER: 382-002-2023
 DATE: 09/10/2024
 DRAWN BY:

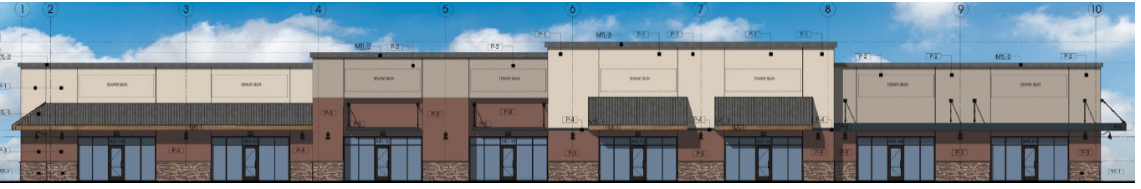
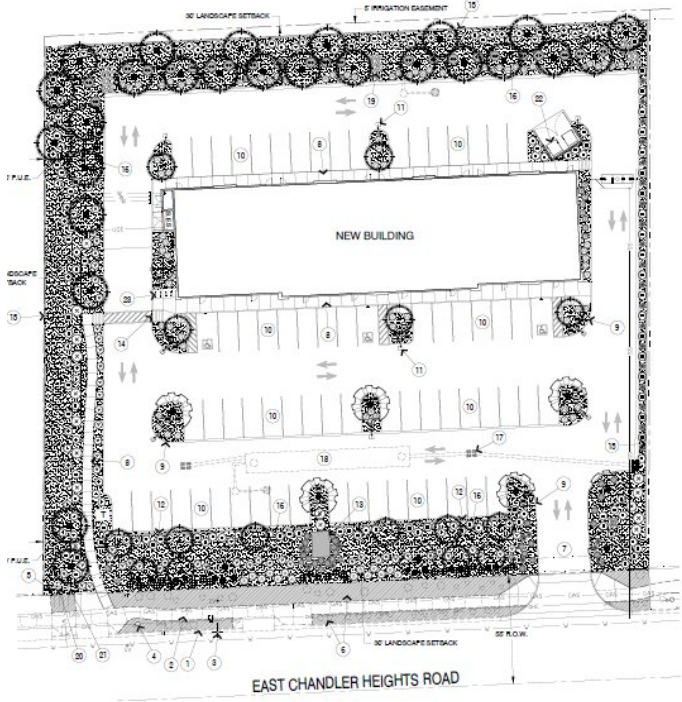
SHEET TITLE
 ARCHITECTURAL
 SITE PLAN
 APN: 304-69-044A

SHEET NUMBER
A1.0



Chandler Heights and Power Annexation

Intro Public Hearing
Nov. 6



ANNEXATION PETITION ANNEXATION NO. P24-0090

TO THE HONORABLE MAYOR AND COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA:

We, the undersigned, the owners of one-half or more in value of the real and personal property and more than one-half of the persons owning real and personal property that would be subject to taxation by the Town of Queen Creek in the event of annexation within the territory being contiguous to the corporate limits of the Town of Queen Creek, with the exterior boundaries of the territory proposed to be annexed shown on the map attached hereto, marked Exhibit "A" and made a part hereof, request the Town of Queen Creek to annex the following described territory, provided that the requirements of Section 9-471, Arizona Revised Statutes, and amendments thereto are fully observed.

The descriptions of the territory proposed to be annexed, not already within the present limits of the Town of Queen Creek and located in Maricopa County, Arizona, are attached hereto, marked "Exhibit "B" and made a part hereof.

| DATE | SIGNATURE | MAILING ADDRESS | ASSESSOR'S PARCEL NUMBER |
|------|-----------|-----------------|--------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

EXHIBIT A



EAST 1/4 COR.
SEC. 24, T.2S.,R.6E,
FOUND BCHH

APN: 304-69-043B
MOORE MICHELE RENEE/LIZARRAGA
LEE/ELIZABETH ANN
2019-1055754, M.C.R.

APN: 304-69-045B
NAO INVESTMENTS LLC
2019-0514902 M.C.R.

N0°07'10"E 283.31'

N87°28'18"E 307.08'

APN: 304-69-044A
5C FAMILY PROPERTIES INC
2021-0070136, M.C.R.
18318 E CHANDLER
HEIGHTS ROAD,
GILBERT, AZ 85298

S0°06'05"W 283.55'

APN: 304-69-044B
CISNEROS EDDIE L&BEATRIZ M

POINT OF
BEGINNING

S87°30'59"W 307.16'

N0°06'05"E
55.06'

CHANDLER HEIGHTS ROAD

POWER ROAD

N0°05'01"E 2710.86'
(BASIS OF BEARING)

362.23'

S87°30'59"W 2677.54'

POINT OF COMMENCEMENT
SE COR. SEC. 24, T.2S.,R.6E,
CALCULATED POSITION



TITLE: **XB01**
SCALE: 1"=80'
DATE: 08/05/24
DESC:
ZONING DESC.
APN#304-69-044A

HUNTER
ENGINEERING

10446 N. 74TH ST., SUITE 140
SCOTTSDALE, AZ 85258
T 480 991 3985
F 480 991 3986

PAGE 2 OF 2

CIVIL AND SURVEY

DWG.NO. XB01
PROJ.NO. STBS001-S

Exhibit B

ZONING BOUNDARY LEGAL DESCRIPTION FOR APN:304-69-044A

BEARINGS AND DISTANCES SHOWN HEREON ARE BASED ON AN ALTA/NSPS SURVEY PREPARED BY AW LAND SURVEYING, INC., JOB #23-003 DATED 1/25/23.

THE WEST HALF OF LOT 8, BROOKS FARM ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE MARICOPA COUNTY RECORDER IN BOOK 141 OF MAPS, PAGE 47, AND BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 2 SOUTH, RANGE 6 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 24, BEING AT THE INTERSECTION OF POWER ROAD AND CHANDLER HEIGHTS ROAD FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 24 BEARS NORTH 00°05'01" EAST, A DISTANCE OF 2710.86 FEET;

THENCE SOUTH 87°30'59" WEST, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 24, A DISTANCE OF 362.23 FEET

THENCE NORTH 00°06'05" EAST, A DISTANCE OF 55.06 FEET, TO A POINT ON THE NORTH RIGHT OF WAY LINE OF CHANDLER HIEGHTS ROAD AND THE POINT OF BEGINNING;

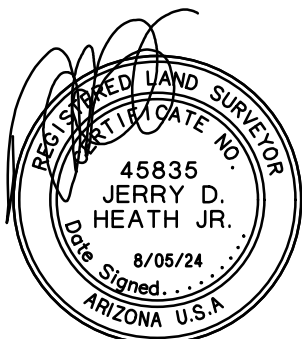
THENCE SOUTH 87°30'59" WEST, ALONG SAID NORTH LINE, A DISTANCE OF 307.16 FEET;

THENCE DEPARTING SAID NORTH LINE, NORTH 00°07'10" EAST, ALONG THE WEST LINE OF SAID LOT 8, A DISTANCE OF 283.31 FEET;

THENCE NORTH 87°28'18" EAST, ALONG THE NORTH LINE OF SAID LOT 8, A DISTANCE OF 307.08 FEET;

THENCE SOUTH 00°06'05" WEST, A DISTANCE OF 283.55 FEET TO THE POINT OF BEGINNING;

SAID DESCRIPTION CONTAINING 1.996 ACRES±, 86,946 S.F.±.



TITLE: **XB01**
DATE: 8/5/24
DESC:
ZONING DESC.
APN#304-69-044A

| | |
|--|--|
| HUNTER ENGINEERING 10446 N. 74TH ST., SUITE 140 SCOTTSDALE, AZ 85258 T 480 991 3985 F 480 991 3986 | PAGE 1 OF 2 CIVIL AND SURVEY DWG.NO. XB01 PROJ.NO. STBS001-S |
|--|--|

ORDINANCE NO. 855-24

AN ORDINANCE OF THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE TOWN OF QUEEN CREEK, MARICOPA COUNTY, STATE OF ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES AND AMENDMENTS HERETO, BY ANNEXING THERETO CERTAIN TERRITORY CONTIGUOUS TO THE EXISTING TOWN LIMITS. (CHANDLER HEIGHTS RETAIL ANNEXATION, P24-0090)

WHEREAS, Arizona Revised Statutes § 9-802 provides a procedure whereby a municipality may enact the provisions of a code or public record by reference, without setting forth such provisions, providing that the adopting ordinance is published in full, but exhibits to the ordinance need not be published in full so long as certain requirements are fulfilled; and

WHEREAS, a petition in writing ("Petition"), accompanied by a map of certain real property contiguous to the boundaries of the Town of Queen Creek, has been filed and presented to the Mayor and Common Council of the Town of Queen Creek, Arizona, requesting that said property be annexed into the Town of Queen Creek, thereby extending and increasing the corporate limits of the Town to include such Property; and

WHEREAS, the Petition was signed by the owners of more than one-half in value of the real and personal property and more than one-half of the persons owning such real and personal property as would be subject to taxation by the Town of Queen Creek in the event of annexation of such property into the Town; and

WHEREAS, the Mayor and Common Council of the Town of Queen Creek, Arizona, are desirous of complying with said Petition and extending and increasing the corporate limits of the Town to include said territory; and

WHEREAS, the said Petition sets forth a true and correct description of all the exterior boundaries of the entire area proposed to be annexed to the Town of Queen Creek, including all county rights of way and roadways that are within or contiguous to the exterior boundaries of the area of the proposed annexation, and had attached thereto at all times accurate maps of the territory desired to be annexed; and

WHEREAS, no alterations increasing or reducing the territory sought to be annexed have been made after the said petition had been signed by any owner of real and personal property in such territory; and

WHEREAS, the provisions of Section 9-471, Arizona Revised Statutes, and amendments thereto, including all requirements, notices, and waiting periods, have been fully observed and complied with; and

WHEREAS, proper and sufficient certification and proof of the foregoing facts are now on file in the office of the Town Clerk of the Town of Queen Creek, Arizona, together with a

true and correct copy of the original Petition referred to herein, which Petition is on file in the Office of the Maricopa County Recorder.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, AS FOLLOWS:

Section 1: That Exhibits A and B hereto and the Staff Report to the Queen Creek Town Council dated December 18, 2024 are declared to be public records and are incorporated herein by this reference.

Section 2: That the territory depicted in Exhibit A and described in Exhibit B and attached hereto and incorporated herein by this reference (the "Property") is hereby annexed to the Town of Queen Creek, Arizona, and that the present corporate limits are hereby extended and increased to include the Property.

Section 3: That a copy of this ordinance, together with an accurate map of the territory hereby annexed into the Town of Queen Creek, Arizona, certified by the Mayor of said Town, be forthwith filed and recorded in the Office of the Maricopa County Recorder.

Section 4: That the Town Council has determined that the Town zoning categories that permits densities and uses no greater than those permitted by the County immediately before annexation is as follows:

| Maricopa County Zoning District | Equivalent Queen Creek Zoning District |
|--|---|
| C-2 | C-2 |

Section 5: That the Official Zoning Map of the Town of Queen Creek is hereby amended to show that the Properties that are zoned in the County as shown in the table above are hereby zoned to the equivalent Town of Queen Creek Zoning District.

Section 6: That the Town Council approves and affirms that it is the policy of the Town to provide the newly annexed territory with infrastructure and services (to the extent not already provided) commensurate with other areas of the Town within 10 years after the annexation becomes final as further described in the Staff Report to the Queen Creek Town Council dated December 18, 2024 which is incorporated herein and adopted by the Town Council.

Section 7: That the Town Council has determined that the effective date of this ordinance is January 21, 2025 at 8:00 A.M.

PASSED AND ADOPTED by the Common Council of the Town of Queen Creek, Arizona, this 18th day of December, 2024.

FOR THE TOWN OF QUEEN CREEK:

ATTESTED TO:

Julia Wheatley, Mayor

Maria Gonzalez, Town Clerk

REVIEWED BY:

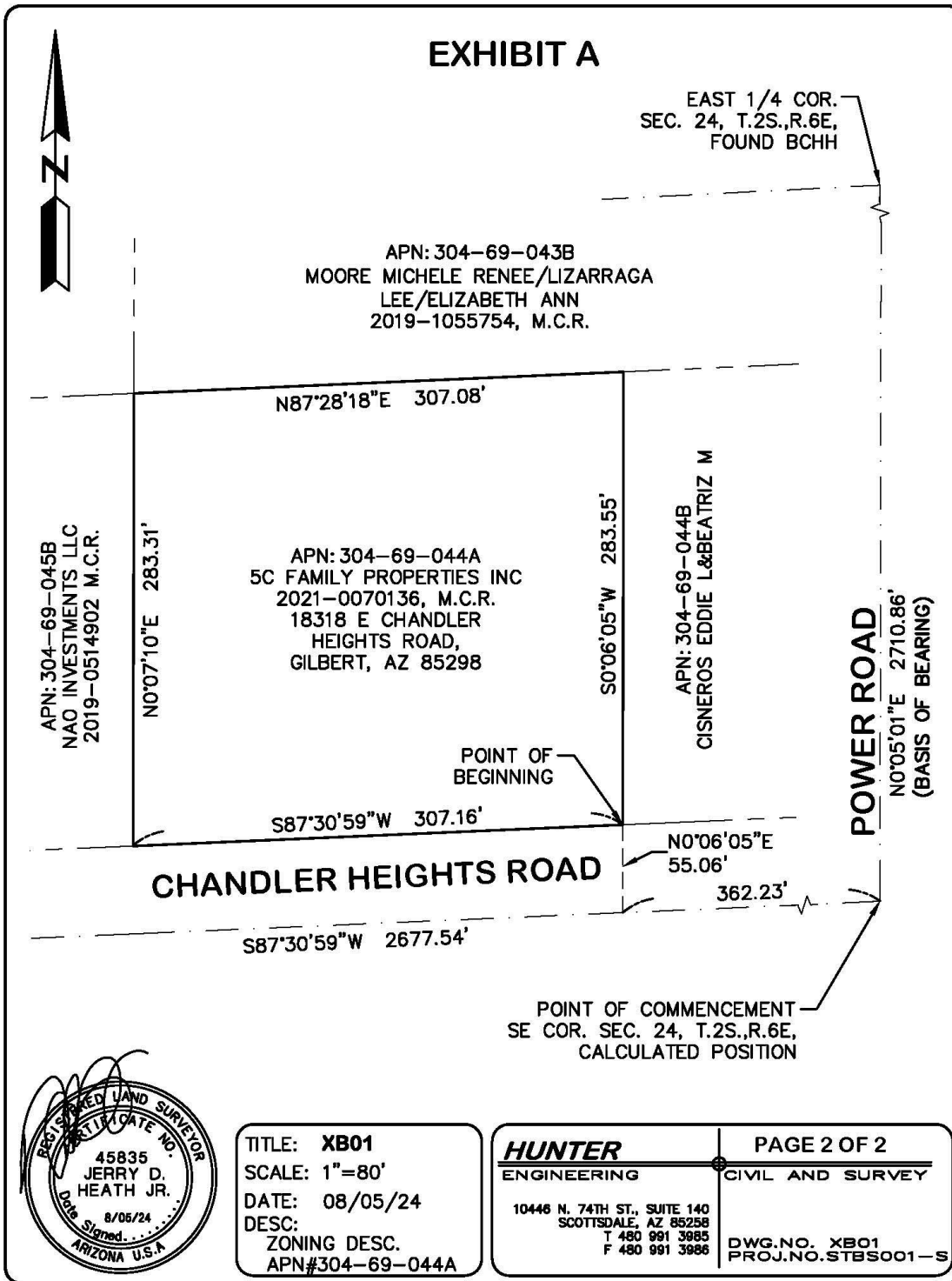
APPROVED AS TO FORM:

Bruce Gardner, Town Manager

Dickinson Wright, PLLC
Town Attorneys

**EXHIBITS AND STAFF REPORT ON FILE AND LOCATED AT THE TOWN
CLERK'S OFFICE**

ORDINANCE 855-24



ORDINANCE 855-24

Exhibit B

**ZONING BOUNDARY LEGAL DESCRIPTION
FOR APN:304-69-044A**

BEARINGS AND DISTANCES SHOWN HEREON ARE BASED ON AN ALTA/NSPS SURVEY PREPARED BY AW LAND SURVEYING, INC., JOB #23-003 DATED 1/25/23.

THE WEST HALF OF LOT 8, BROOKS FARM ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE MARICOPA COUNTY RECORDER IN BOOK 141 OF MAPS, PAGE 47, AND BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 2 SOUTH, RANGE 6 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 24, BEING AT THE INTERSECTION OF POWER ROAD AND CHANDLER HEIGHTS ROAD FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 24 BEARS NORTH 00°05'01" EAST, A DISTANCE OF 2710.86 FEET;

THENCE SOUTH 87°30'59" WEST, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 24, A DISTANCE OF 362.23 FEET

THENCE NORTH 00°06'05" EAST, A DISTANCE OF 55.06 FEET, TO A POINT ON THE NORTH RIGHT OF WAY LINE OF CHANDLER HIEGHTS ROAD AND THE POINT OF BEGINNING;

THENCE SOUTH 87°30'59" WEST, ALONG SAID NORTH LINE, A DISTANCE OF 307.16 FEET;

THENCE DEPARTING SAID NORTH LINE, NORTH 00°07'10" EAST, ALONG THE WEST LINE OF SAID LOT 8, A DISTANCE OF 283.31 FEET;

THENCE NORTH 87°28'18" EAST, ALONG THE NORTH LINE OF SAID LOT 8, A DISTANCE OF 307.08 FEET;

THENCE SOUTH 00°06'05" WEST, A DISTANCE OF 283.55 FEET TO THE POINT OF BEGINNING;

SAID DESCRIPTION CONTAINING 1.996 ACRES±, 86,946 S.F.±.



TITLE: **XB01**
DATE: 8/5/24
DESC:
ZONING DESC.
APN#304-69-044A

| | |
|--|-----------------------------------|
| HUNTER ENGINEERING | PAGE 1 OF 2 CIVIL AND SURVEY |
| 10446 N. 74TH ST., SUITE 140 SCOTTSDALE, AZ 85258 T 480 991 3985 F 480 991 3986 | DWG.NO. XB01 PROJ.NO.STBS001-S |



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: SCOTT MCCARTY, DEPUTY TOWN MANAGER/CFO, MARC SKOCYPEC , UTILITIES DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 1620-24 TO REDUCE 2025 ASSESSMENTS FOR SUBDIVISIONS ENROLLED IN THE CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT (CAGRDR).

DATE: December 18, 2024

Suggested Action:

Consideration and possible approval of Resolution No. 1620-24 to reduce 2025 assessments for subdivisions enrolled in the Central Arizona Groundwater Replenishment District (CAGRDR).

Relevant Council Goal(s):

- Effective Government

Discussion:

The Town Council has taken a very active role in managing the Town's groundwater replenishment requirements to the aquifer in a manner that is less expensive for our customers. Our approach is described in our Central Arizona Groundwater Replenishment District policy (CAGRDR policy). This policy was created in 2018 and has been amended several times since then, most recently in 2023.

Our approach increases both the resiliency of Queen Creek and our regional economy in keeping our long-term water resource costs manageable. The Town Council and staff have been working very closely on the implementation of policies and actions necessary to attain a long-term assured water supply for the customers of our water system.

Background

The Town of Queen Creek operates a water system that currently serves about 42,000 accounts. The water service area extends outside of the Queen Creek Town limits and, as such, the system provides water services to both Town residents and non-residents.

As required under the Arizona Groundwater Management Act, all groundwater provided to developed properties after 1996 must be replenished. Generally, all subdivisions greater than five parcels are subject to this requirement. However, most commercial properties, unless included within a larger subdivision, are excluded from this requirement.

Groundwater "allowances" are allotments of groundwater the Town (as the water provider) can use to offset Central Arizona Groundwater Replenishment District ("CAGRDR") obligations. Each Certificate of Assured Water Supply ("CAWS") at the subdivision-level has its own groundwater balance. The groundwater balance may consist of the original allowance as well as the result of Ground Water Extinguishment Credits ("GWECs") the Town pledged towards the CAWS.

The Queen Creek Utility Department manages the groundwater replenishment responsibility by requiring that all new subdivisions, greater than five parcels, be enrolled in CAGR. Most of the obligation is automatic based on the year the land was developed. Any subdivision developed between 1996 and 2003, however, includes a groundwater allowance that can be variably applied to each subdivision's aggregate annual groundwater use. The actual allowance is applied on a parcel-by-parcel basis within each subdivision based upon actual water use for the preceding year.

The intent of previous discussions with the Town Council has been to review the best way to apply groundwater allowances to maximizing both financial relief to these specific water customers and bridge the time it will take Queen Creek to establish a long-term water resource program and become and a Designated Assured Water Provider.

On October 5, 2022, the Town Council further increased the ability to provide homeowner savings for the post-2004 subdivisions. Resolution 1497-22 established a policy that authorized staff to apply the groundwater allowance up to 33.3% of the post-2004 subdivision's aggregate annual groundwater use. Additionally, the staff was directed to reduce the reported groundwater use up to the maximum percentage of the non-groundwater allocation received in the Town's system for the reporting year.

On November 15, 2023, the Town Council approved Resolution No. 1545-23 applying the use of groundwater allowances and groundwater extinguishment credits in accordance with Resolution No. 1497-22 to reduce the 2024 assessments for subdivisions enrolled in the Central Arizona Groundwater Replenishment District (CAGR). Following approval, the Town filed GWEC transfers to cover 100% of pre-2004 subdivision's groundwater use with the Arizona Department of Water Resources by the department's 2023 deadline.

This resolution will direct Town staff to reduce 2025 CAGR assessments for a specific subset of accounts. Specifically, it authorizes the application of GWECs to post-2004 subdivisions who have exhausted their respective original groundwater allowance. For the 2025 CAGR assessment, the Town's best estimates at this time are that this will apply to about 507 accounts in five subdivisions. The Town is required to make this allocation to the Arizona Department of Water Resources by December 31, 2024.

Alternatives:

The application of GWECs and Groundwater Allowance will save property owners \$903 per acre foot based on the provisional rate established by CAGR for 2025-26.

We estimate this new condition of the policy, we apply to about 507 accounts and a total reduction of \$42K.

For FY 2024-25, the CAGR policy resulted in the reduction of \$9.2M, a 67% reduction from original amount of \$13.7M.

The FY 2025-26 CAGR bills cannot be calculated until the consumption through the end of the year calendar year is complete. However, we expect the savings from our CAGR policy to be consistent with the most recent years. In the spring of 2025, once the CAGR calculations are completed, Town staff will provide that information to the Town Council in a public meeting, as we have done historically.

Attachment(s):

1. [Resolution 1620-24](#)

RESOLUTION NO. 1620-24

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, APPLYING THE USE OF GROUNDWATER ALLOWANCES AND GROUNDWATER EXTINGUISHMENT CREDITS IN ACCORDANCE WITH RESOLUTION NO. 1497-22 TO REDUCE 2025 ASSESSMENTS FOR SUBDIVISIONS ENROLLED IN THE CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT (“CAGRDR”).

WHEREAS, the Arizona Groundwater Management Act (“ACT”) requires that all groundwater provided to developed properties after 1996 must be replenished; and

WHEREAS, Town of Queen Creek operates a water system that currently has approximately 42,000 accounts; and

WHEREAS, the Town of Queen Creek utilizes the Central Arizona Groundwater Replenishment District (“CAGRDR”) through member land designations to meet the groundwater replenishment obligation as required under the ACT; and

WHEREAS, each subdivision when enrolled into CAGRDR is allotted a one-time groundwater allowance (“Allowance”) to be used to offset groundwater replenishment obligations; and

WHEREAS, each subdivision within the Queen Creek Water System service area has a unique combination of total number of lots, groundwater use and available groundwater Allowance; and

WHEREAS, any subdivision enrolled in CAGRDR between 1996 and 2003 can have the Allowance applied as an offset to groundwater use, set at a variable rate anywhere from 0% to 100%; and

WHEREAS, any subdivision enrolled in CAGRDR after 2004 can have the Allowance applied as an offset to groundwater use up to 33.3%; and

WHEREAS, the Town of Queen Creek to date has acquired a significant amount of non-groundwater sources (“Allocations”) which may be used to reduce excess groundwater use reported to CAGRDR; and

WHEREAS, non-groundwater Allocations may vary from year to year and are subject to reduction under drought contingency plans or otherwise; and

WHEREAS, the Council of the Town of Queen Creek adopted Resolution 1497-22 on October 5, 2022, establishing a policy regarding the application of groundwater Allowances and groundwater extinguishment credits (GWECs).

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the Town of Queen Creek, Arizona, as follows:

- Section 1:** For each Pre-2004 Subdivisions enrolled in CAGR, which have available groundwater Allowance, the Town staff is hereby authorized to apply the Allowance balance to 100% of their subdivision’s aggregate annual groundwater use. If the available groundwater Allowance balance will not cover 100% of the subdivision’s current groundwater annual use, then 100% of the available groundwater allowance shall be utilized and exhausted.
- Section 2:** For each Pre-2004 Subdivision, the Town staff is hereby authorized to apply and/or dedicate GWECs in an amount necessary to cover at least 100% of the anticipate groundwater use for each Pre-2004 Subdivision.
- Section 3:** For each Post-2004 Subdivision enrolled in CAGR, which have available groundwater allowance, the Town staff is authorized to apply that allowance up to 33.3% of that subdivision’s aggregate annual groundwater use.
- Section 4:** For each Post-2004 Subdivision, the Town staff is hereby authorized to apply and/or dedicate GWECs in an amount necessary to cover up to 33.3% of the anticipate groundwater use for each Post-2004 Subdivision once their respective original groundwater allowance has been exhausted.
- Section 5:** For both Pre-2004 and Post-2004 Subdivisions enrolled in CAGR, the Town staff is hereby authorized to reduce the reported groundwater use up to the maximum percentage of the non-groundwater allocation received in the Town’s system for the year.

PASSED AND ADOPTED by the Common Council of the Town of Queen Creek, Arizona, this 18th day of December, 2024.

FOR THE TOWN OF QUEEN CREEK:

ATTESTED TO:

Julia Wheatley, Mayor

Maria Gonzalez, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

Bruce Gardner, Town Manager

Dickinson Wright, PLLC
Town Attorneys



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: DOREEN COTT, ECONOMIC DEVELOPMENT DIRECTOR, JENNIFER LINDLEY,
 DOWNTOWN DEVELOPMENT MANAGER

RE: CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION 1622-24
 APPROVING THE SECOND AMENDMENT TO THE PURCHASE AGREEMENT WITH
 CREATION RE LLC FOR THE PROPOSED DEVELOPMENT ON THE +/- 8.2 ACRES OF
 TOWN OWNED LAND LOCATED ON THE NORTHEAST CORNER OF ELLSWORTH
 LOOP ROAD AND EAST OCOTILLO ROAD IN QUEEN CREEK; AND AUTHORIZING
 THE MAYOR, TOWN MANAGER, TOWN ATTORNEY AND TOWN CLERK TO TAKE
 ALL ACTIONS NECESSARY TO NEGOTIATE, FINALIZE, EXECUTE, AND IMPLEMENT
 THE AGREEMENTS.

DATE: December 18, 2024

Suggested Action:

Move to approve Resolution 1622-24 approving the second amendment to the Purchase Agreement with Creation RE LLC for the +/- 8.2 acres of Town owned land located on the northeast corner of Ellsworth Loop Road and East Ocotillo Road in Queen Creek and authorizing the Mayor, Town Manager, Town Attorney and Town Clerk to take all actions necessary to negotiate, finalize, execute, and implement the agreements.

Discussion:

On April 7, 2022, staff issued the first Request for Proposals (RFP) for the development of a mixed-use project on the +/- 6.8 acres of Town-owned land on the northeast corner of Ellsworth Loop Road and East Ocotillo Road in Queen Creek. The RFP outlined the Town's desire for developers to focus on the vision outlined in the Town Center Plan, and show how urban design will be incorporated into the project. The Town accepted the proposal submitted by Creation RE LLC and it includes boutique office, unique retail and restaurant concepts, a mix of luxury multi-family units, and ample open space all demonstrating the vision for downtown core development and all that fit within the downtown core zoning.

In January 2024, staff issued the second Request for Proposals for the sale and development of +/- 1.44 acres of land immediately adjacent and contiguous to the land that is subject to the First RFP. Creation RE LLC submitted a proposal to the Town with the intention of incorporating the additional land of the Second RFP into the larger contiguous development resulting from the First RFP. In July 2024, the Mayor and Town Council approved the First Amendment which included an increase to the land purchased, a new purchase price of: \$8,655,200.00 and several changes to the milestones.

Under the current agreements, the buyer's ability to close on the property is contingent upon the developer obtaining building permits. Due to unforeseen circumstances, the developer cannot secure these permits by the agreed upon closing date of December 31, 2024. As a result, the developer has requested a 90-day extension, moving the closing date to March 31, 2025.

To accommodate this request, the Town has negotiated the following key terms for the second amended agreements:

1. **Extension of Closing Date:**
 - The developer may extend the closing date (currently December 31, 2024) up to 90 days, with three 30-day extensions. Each extension will require a **non-refundable payment of \$75,000** for a total up to \$225,000 of additional, non-refundable deposits.
 - These payments will be credited toward the total purchase price.
2. **Earnest Money Terms:**
 - The buyer’s earnest money will become **non-refundable with no contingencies**.
3. **Updated Construction Timelines:**
 - The commencement of construction date in the Development Agreement will be adjusted to **April 1, 2025**.
 - The developer will have the option to further extend the construction start date to **July 1, 2025** without incurring penalties.

This balances the developer's request for flexibility while ensuring the Town is compensated for delays and that project timelines remain relatively defined.

Fiscal Impact:

The Buyer/Developer will purchase the Town-owned property for \$8,655,200 and closing costs will be shared equally between the Buyer/Developer and the Town. As has been done in the past, staff recommends that the proceeds from the property sale be deposited into the Town Center Fund where the funds will remain until the Town Council provides direction for use of the funds. Town policy currently does not have any restrictions on use of proceeds from property sales.

At this time, the Buyer/Developer is planning to construct approximately 45,000 square feet of non-residential development and a 150-300-unit luxury multi-family residential development. If the multi-family project develops as proposed, staff estimates that the development will generate approximately \$2.9 million in one-time revenues from building permit fees, impact and capacity fees, and construction sales tax. Staff also estimates that ongoing revenues from the multi-family development will be approximately \$500,000 per year in property tax, sales tax, and state-shared revenues. Due to changes in state statute over the past year, the Town will not collect sales tax on residential leases beginning in January 2025. Therefore, lease sales tax revenues have not been included in this analysis.

The non-residential portion of the project is estimated to generate approximately \$850,000 in one-time revenues from construction sales tax, impact and capacity fees, and building permit fees. Staff has also estimated that ongoing revenues from the non-residential development will be about \$430,000 per year from sales tax and property tax based on the proposed mix of office and retail spaces.

Revenue impacts from the development are summarized as follows:

| <u>Category</u> | <u>One-Time Revenue Estimate</u> | <u>Annual Ongoing Revenue Estimate</u> |
|-----------------------------|----------------------------------|--|
| Sale of Land | \$8.7M | -- |
| Residential Development | \$2.9M | \$0.5M |
| Non-residential Development | <u>\$0.9M</u> | <u>\$0.4M</u> |
| Total | \$12.5M | \$0.9M |

Ongoing costs to provide services to the property and residents are not known at this time but will include fire and medical calls for service, police protection, and general government services offered to all Town residents such as library and recreation services. The costs of providing water, sewer, and

trash/recycling services will be covered by utility rates and fees paid by the multi-family and non-residential developments.

Alternatives:

1. Direct staff to change one of more of the terms outlined in the Purchase Agreement and Development Agreement.

Attachment(s):

1. [Resolution 1622-24](#)
2. [QC - Creation - 2nd Am to PSA 4919-4496-2564 v.4.docx](#)

RESOLUTION 1622-24

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK APPROVING THE SECOND AMENDMENT TO THE PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS WITH CREATION RE LLC FOR THE PROPOSED PURCHASE AND DEVELOPMENT ON THE +/- 8.2 ACRES OF TOWN OWNED LAND LOCATED ON THE NORTHEAST CORNER OF ELLSWORTH LOOP ROAD AND EAST OCOTILLO ROAD IN QUEEN CREEK; AND AUTHORIZING AND DIRECTING THE MAYOR, TOWN MANAGER, TOWN ATTORNEY AND TOWN CLERK TO NEGOTIATE, FINALIZE, EXECUTE THE SECOND AMENDMENT TO THE PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS AND ALL OTHER DOCUMENTS AND INSTRUMENTS AND TO TAKE SUCH ACTIONS AS NECESSARY OR APPROPRIATE TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, after completing a request for proposals process as provided for under state law (“First RFP”), the Common Council of the Town of Queen Creek adopted Resolution 1556-23 approving Purchase Agreement and Escrow Instructions (the “Purchase Agreement”) between the Town and Creation RE, LLC (“Creation”) for the purchase and sale of the own-owned property located on the northeast corner of Ellsworth Loop road and East Ocotillo Road in Queen Creek and in the Town’s Redevelopment Area (“Property”); and

WHEREAS, the Purchase Agreement includes a form of a Development Agreement to be entered into for the development of the Property (“Development Agreement”); and

WHEREAS, a second request for proposals process has been completed as provided for under state law (“Second RFP”) for the sale of additional adjacent Town-owned property (“Second Property”) which Creation was selected as the successful proposer/purchaser; and

WHEREAS, the Common Council has determined that entering into a First Amendment to the Purchase Agreement (including the Development Agreement) that among other terms incorporates the terms for the purchase and development of the Second Property into the Purchase Agreement (“First Amendment”) is in the best interest of the Town.

WHEREAS, the Common Council has determined that entering into a Second Amendment to the Purchase Agreement (including the Development Agreement) that among other terms incorporates the developer’s request for an extension of the closing, modifies the earnest money as nonrefundable and changes the commencement of construction date the Purchase Agreement (“Second Amendment”) is in the best interest of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, AS FOLLOWS:

Section 1: That the Purchase Agreement between the Town of Queen Creek and Developer attached hereto as Exhibit A and incorporated herein by reference and are hereby approved.

Section 2: That the Mayor, Town Manager, Town Clerk and Town Attorney, as appropriate, are hereby further authorized and directed to negotiate, finalize and execute the Second Amendment, the Development Agreement and all other documents and instruments, and to take such actions as necessary or appropriate to consummate the transactions contemplated by this Resolution.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Queen Creek, Arizona, this 18th day of December 2024.

FOR THE TOWN OF QUEEN CREEK:

ATTEST TO:

Julia Wheatley, Mayor

Maria Gonzalez, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

Bruce Gardner, Town Manager

Scott Holcomb
Dickinson Wright PLLC
Town Attorneys

**SECOND AMENDMENT
TO
PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS**

THIS SECOND AMENDMENT TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS (this “Second Amendment”) is made to be effective as of December ____, 2024 (the “Effective Date”), by and between TOWN OF QUEEN CREEK, an Arizona municipal corporation (“Seller”), and CREATION RE, LLC, an Arizona limited liability company, its permitted successors and assigns (“Buyer”).

RECITALS

A. Seller and Buyer are Parties to that certain Purchase Agreement and Escrow Instructions with an Opening Date of January 8, 2024, as amended by that certain First Amendment to Purchase Agreement and Escrow Instructions dated August 6, 2024 (collectively, the “Agreement”), pursuant to which Seller agreed to sell, and Buyer agreed to buy, certain real property located in Maricopa County, Arizona, more particularly described in the Agreement.

B. Seller and Buyer now desire to modify the Agreement, subject to the terms, conditions and other provisions set forth in this Second Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AMENDMENT

1. Recitals; Defined Terms. The Parties agree that the Recitals set forth above are true and correct and are hereby incorporated into this Second Amendment. All capitalized terms used and not otherwise defined in this Second Amendment shall have the meanings set forth in the Agreement.

2. Closing Date.

(a) Section 4(b) of the Agreement is hereby deleted in its entirety and replaced with the following:

(b) The Closing shall occur on January 2, 2025 (the “Closing Date”).

(b) Section 4(c) of the Agreement is hereby deleted in its entirety and replaced with the following:

(c) Extensions of Closing Date. At any time prior to the Closing Date that Buyer is not in default or breach of any term or condition of this Agreement, Buyer in its sole election may extend the Closing Date as follows: Buyer must provide written Notice to both Seller and Escrow Agent to be received in hand not later than five (5) business days prior to the expiration to the then-applicable

Closing Date, together with a payment (each, an “Extension Payment”) in the applicable amount set forth below, delivered to Escrow Agent in the form of collected funds, that Buyer elects to extend the Closing Date for thirty (30) calendar days (each, an “Extension Period”). Buyer has the right to extend the Closing Date for three (3) such Extension Periods, but such right may only be exercised consecutively as to each such Extension Period, and not concurrently. The amount of the Extension Payment for each of the three (3) Extension Periods shall be Seventy-Five Thousand and no/100 Dollars (\$75,000.00). The Extension Payments paid by Buyer will be nonrefundable to Buyer for any reason except the default of Seller, and will be paid to Seller in the event that Buyer fails to complete this transaction by the applicable Closing Date as required by this Agreement. If Buyer completes this transaction by the applicable Closing Date as required by this Agreement, any Extension Payment paid by Buyer will be credited against the Purchase Price. In no event shall the Closing Date (if extended in accordance with this Agreement, as it may be amended) be later than April 2, 2025.

3. Development Agreement; Commencement of Construction. Section 4.2(c)(iii) of the form of the Development Agreement attached to the Agreement as Exhibit D thereto is hereby deleted in its entirety and replaced with the following:

(iii) not later than April 2, 2025, Developer shall cause Commencement of Construction of the Project to occur, subject to Enforced Delay; provided that Developer, if not then in default of any term or condition of this Agreement, has the option to extend such date to July 1, 2025, upon written notice to Town to be received no later than April 2, 2025.

4. Timeline for Review of Plans. Section 6(e) of the Agreement is deleted in its entirety and replaced with the following:

(e) Building Permit Approval.

1) Buyer has submitted to Seller applications for building permits for the commercial components of the Project, as described in the Development Agreement (“Building Permit Applications”), together with all supporting materials and information as customarily and reasonably required by Seller for processing and approval. Seller shall process such Building Permit Applications diligently and in good faith and shall expedite such process as reasonably possible.

2) Buyer shall make its second (2nd) submittal to Seller of the Building Permit Applications, as modified or supplemented by Buyer in response to Seller’s requests (the “Second Submittal”), no later than December 20, 2024. Seller shall process such proposed Second Submittal

diligently and in good faith and shall expedite such process as reasonably possible, and (provided that Buyer has timely extended the Closing Date in accordance with Section 4(c) of this Agreement) Seller shall provide to Buyer, on or before eight (8) business days following receipt by Town of the Second Submittal, written notice (the “Second Submittal Response”) of either (i) Seller’s approval of the Building Permit Applications, as modified and/or supplemented in the Second Submittal, or (ii) Seller’s requests for additional modifications or supplements to the Building Permit Applications.

3) If, in the Second Submittal Response, Seller requests additional modifications or supplements to the Building Permit Applications, Buyer (provided that Buyer has timely extended the Closing Date in accordance with Section 4(c) of this Agreement) shall make its third (3rd) submittal to Seller of the Building Permit Applications, as modified or supplemented by Buyer in response to the Second Submittal Response (the “Third Submittal”), no later than February 21, 2024. Seller shall process such proposed Third Submittal diligently and in good faith and shall expedite such process as reasonably possible, and (provided that Buyer has timely extended the Closing Date in accordance with Section 4(c) of this Agreement) Seller shall provide to Buyer, on or before eight (8) business days following receipt by Town of the Third Submittal, written notice (the “Third Submittal Response”) of either (i) Seller’s approval of the Building Permit Applications, as modified and/or supplemented in the Third Submittal, or (ii) Seller’s disapproval of the Building Permit Applications, as modified and/or supplemented by the Third Submittal.

4) Buyer, in its sole election, may make further submittals of its Building Permit Applications after the Third Submittal Response (if Seller has disapproved Buyer’s Third Submittal in accordance with Section 4(e)(3) above), but Buyer’s failure to have received Building Permit Approval by the Closing Date will be a default by Buyer of this Agreement, and not a Default of Seller, in which event this Agreement will be terminated and all Earnest Money and Extension Payments will be paid to Seller; and neither Party will have any further rights under this Agreement except for obligations of indemnity that survive the termination of this Agreement.

5) As used herein, “Building Permit Approval” means Seller’s approval of Buyer’s Building Permit Applications for the Project submitted to Seller, as the same may be modified or supplemented by Buyer in response to Seller’s requests, if any.

5. Contingencies. Section 7 of the Agreement is deleted in its entirety and replaced with the following:

7. Contingencies. The following are contingencies to the obligation of Seller to complete the transaction and convey the Property to Buyer. These contingencies may be waived by Seller in its sole, absolute and unfettered discretion:

(a) On or before the Closing Date, proof of the acquisition by Buyer of all non-Town-owned real property included within the Project, or proof that such non-Town-owned real property is being acquired by Buyer concurrently with its acquisition of the Property from Town;

(b) On or before the Closing Date, Buyer's having received all required site plan approvals for the Project from the Town of Queen Creek for the construction of the Project as described in the Development Agreement;

(c) On or before the Closing Date, Buyer's having received Preliminary Plat Approval from the Town of Queen Creek for the construction of the Project as described in the Development Agreement;

(d) In accordance with the terms of Section 6(e), Buyer's having obtained Building Permit Approval with respect to the commercial-use components of the Project; and

(e) On or before the Closing Date, confirmation of Buyer's having received and delivered to Seller an unconditional commitment from an institutional lender (or other lender reasonably approved by Seller in its reasonable commercial discretion) for full construction funding of the commercial-use components of the Project as described in the Development Agreement, conditioned only upon the closing of this transaction and conveyance of the Property to Buyer.

The failure of any of these contingencies to be timely met by Buyer is a default by Buyer; and Buyer expressly agrees and acknowledges that each such default is not subject to the notice-and-cure provisions of Section 14(b) of this Agreement, thereby entitling Seller (if Seller is not then in default) to terminate this Agreement immediately upon such default, whereupon Escrow Agent shall promptly pay all Earnest Money and Extension Payments to Seller, and the Parties shall have no further obligations or liabilities hereunder, except any which expressly survive termination of this Agreement.

6. Outside Closing Date. All references in the Agreement to the "Outside Closing Date" are deleted and are replaced with "Closing Date."

7. Full Force and Effect. In the event of any inconsistency between this Second Amendment and the Agreement, the terms of this Second Amendment shall govern and control. Except as expressly amended or modified by this Second Amendment, the Agreement is now ratified and confirmed by the Parties, and all other terms of the Agreement shall remain in full force and effect, unaltered and unchanged by this Second Amendment.

8. Counterparts. This Second Amendment may be executed in any number of counterparts. Each such counterpart shall be deemed an original, and all counterparts taken together shall constitute but one instrument. Signatures transmitted via facsimile or emailed PDF signatures shall be valid as originals.

[SIGNATURES APPEAR ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the Effective Date.

SELLER:

TOWN OF QUEEN CREEK,
an Arizona municipal corporation

By: _____
Name: _____
Title: _____

BUYER:

CREATION RE, LLC,
an Arizona limited liability company

By: _____
Name: David E. Sellers
Title: Authorized Signatory



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: MARC SKOCYPEC , UTILITIES DIRECTOR, PAUL GARDNER

RE: CONSIDERATION AND POSSIBLE APPROVAL OF THE DELEGATION OF AUTHORITY TO THE MAYOR, TOWN MANAGER, UTILITIES DIRECTOR, TOWN ATTORNEY AND TOWN CLERK TO NEGOTIATE, FINALIZE, EXECUTE AND TAKE ALL ACTION NECESSARY TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF ARIZONA, AND/OR SUBDIVISIONS OR DEPARTMENTS OF THE STATE, TO PROVIDE AVAILABLE FUNDING TO THE TOWN OF QUEEN CREEK FOR WATER RESOURCE PROJECTS TO FACILITATE THE TOWN'S DEVELOPMENT OF AN ASSURED WATER SUPPLY AND/OR OTHER LONG-TERM WATER RESOURCES CONSISTENT WITH THE TOWN'S COMPREHENSIVE UTILITY MASTER PLAN.

DATE: December 18, 2024

Suggested Action:

To Approve the delegation of authority to the Mayor, Town Manager, Utilities Director, Town Attorney and Town Clerk to negotiate, finalize, execute and take all action necessary to enter into an Intergovernmental Agreement with the State of Arizona, and/or subdivisions or departments of the State, to provide available funding to the Town of Queen Creek for water resource projects to facilitate the Town’s development of an assured water supply and/or other long term water resources consistent with the Town’s Comprehensive Utility Master Plan.

Relevant Council Goal(s):

Secure Future: KRA Environment

Discussion:

The Town of Queen Creek has been made aware of the possibility of additional federal funding that may be available through the American Rescue Plan Act (ARPA). The total amount of funding that is available is to be determined. Funds can be used for a variety of eligible activities, which staff anticipates should be allocated towards water resource related projects. The following projects have been initially identified for the possible use of these funds:

| | |
|--|---------------------|
| Pump Station & Pipe Infrastructure from Meridian Pit to Kenworthy Pit | \$10,802,000 |
| Project would provide interconnect ability between the Town's 2 planned water recharge sites. | |
| Pecan Treatment Plant Pump Station | \$5,095,000 |
| Project would provide an ability for Town to receive its treated effluent allocation as part of the Encanterra Water and EPCOR Exchange Agreements | |
| Kenworthy Reclaimed Pipe - Combs to QC Wash | \$1,095,000 |

| | |
|--|---------------------|
| Project would also provide an alternate delivery route for the Town to receive its treated effluent allocation as part of the Encanterra Water and EPCOR Exchange Agreements | |
| GWRP Reservoir (Tank & Pump Station) | \$13,924,000 |
| Project would provide an ability for Town to transport its treated effluent from GWRP to Queen Creek. Additional infrastructure would be required in order to ultimately deliver treated effluent to the Town's planned recharge basins. | |

In addition, to the projects identified above, staff is also reviewing other eligible projects and may add or replace other related water resource projects to this list as appropriate. In order to receive these funds, the Town needs to negotiate and execute an Intergovernmental Agreement (IGA) with the State of Arizona (or one of its Departments) by 12/31/24. The second step of this process (not encompassed in this delegation of authority) will be for the Council to consider approval of contracts and agreements needed to design and build the identified projects. A complete project list, budget, and funding source (ARPA) would be included as part of Council's final consideration and action.

This action would authorize staff to negotiate final terms and conditions of the necessary IGA to receive this funding.

Fiscal Impact:

Each of the above projects are identified in form or function as part the Town's Comprehensive Utility Master Plan, either as a short-term and/or long-term project. These non-local funds would allow for the Town to complete these projects and at the same time mitigate the local financial impact.



TOWN OF
QUEEN CREEK
ARIZONA

10.A

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: SCOTT MCCARTY, DEPUTY TOWN MANAGER/CFO
RE: PUBLIC HEARING REGARDING THE TOWN'S 2024 DEVELOPMENT IMPACT FEE STUDY AND PROPOSED FEES.
DATE: December 18, 2024

Suggested Action:

No motion is needed. The item is a public hearing only.

Relevant Council Goal(s):

- Effective Government: KRA Financial Management, Internal Services & Sustainability
- Superior Infrastructure - Capital Improvement Program

Discussion:

Development impact fees are an integral part of the Town's ability to build the necessary infrastructure associated with new development. These fees are paid by new development (not existing residents and businesses) and are intended to offset the cost of capital improvements related to growth. The accurate assessment of these fees is critical to the Town's financial sustainability by ensuring costs are fairly paid by both existing and new residents and businesses. The objective is to prevent existing taxpayers from subsidizing the cost of growth, while ensuring developers pay no more than their fair share of growth (i.e. "growth pays for growth").

Five development impact fees are being updated at this time: police, fire & medical, transportation, parks, and trails.

State law is very prescriptive regarding the process to update development impact fees. The process to update development impact fees takes about a year to complete and is a two-step process. One, adopt the Land Use Assumptions (LUA) and Infrastructure Improvement Plans (IIPs) and two, calculating the fees. The Town Council adopted the Land Use Assumptions and Infrastructure Improvement Plan on June 19, 2024, completing step one.

At the November 6, 2024, Town Council meeting, Town staff and the consultant made a detailed presentation about the new, lower development impact fees.

The proposed calendar for step two is shown below and will result in the new, lower fees becoming effective May 12, 2025.

Proposed Development Impact Fee Update Schedule

| Step # | Step | Date |
|---------------|---|---|
| 1 | Focus Group Meeting #5 (Review Draft Report and Proposed Fees) | October 23, 2024 |
| 2 | Authorize Notice of Intent to Assess Development Impact Fees | November 6, 2024 Town Council Meeting |
| 3 | Publish Notice of Intent to Adopt Development Impact Fees (2024 Development Impact Fees) | November 7, 2024 |
| | 30-Day Notice Period | |
| 4 | Conduct Public Hearing on the Town’s 2024 Development Impact Fee Study and Proposed Fees | December 18, 2024 Town Council Meeting (Tonight) |
| | 30-60 Day Waiting Period | |
| 5 | Adopt 2024 Development Impact Fee Study and Proposed Fees | February 5, 2025 Town Council Meeting |
| | 75-Day Waiting Period | |
| 6 | Effective Date – New Development Impact Fees | May 12, 2025 |

Fiscal Impact:

Development impact fees are calculated to cover the growth share of new infrastructure related to new development. Per the schedule below, over the next ten years, the new infrastructure needed is estimated to be \$859 million. Of this amount, \$340 million (40%) relates to growth and will be paid by the development community. Of this amount, \$87 million will come from the proposed development impact fees.

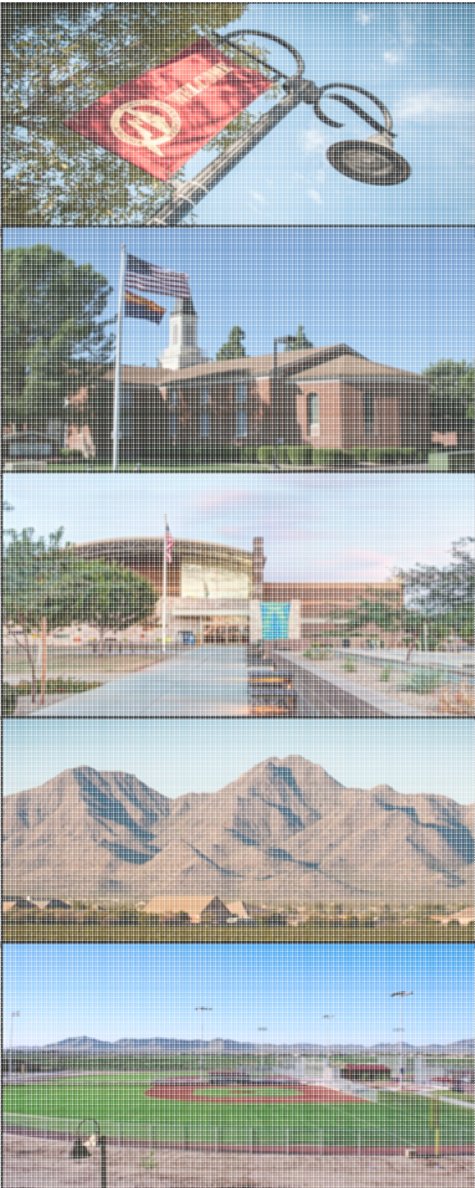
| Funding Source | Funding Amount | % |
|-------------------------------------|-----------------------|-------------|
| Town of Queen Creek | \$440M | 51% |
| 2% Dedicated Construction Sales Tax | \$207M | 25% |
| Proposed Development Impact Fees | \$87M | 10% |
| Existing Impact Fee Cash Balances | \$46M | 5% |
| Development Community | \$340M | 40% |
| Maricopa County Gas Tax / Other | \$79M | 9% |
| TOTAL | \$859M | 100% |

Development impact fees for all five land use categories are decreasing: single-family, multi-family, commercial, office/other, and industrial. The decrease in these fees is mainly the result of the \$207 million projected 2% dedicated construction sales tax. This sales tax is a dollar-for-dollar reduction to impact fees once the growth allocation of the projects is determined. The table below provides a comparison of the current fees to the proposed fees.

| Land Use Categories | Current Fee | Proposed Fee | Decrease \$ | Decrease % |
|----------------------------|--------------------|---------------------|--------------------|-------------------|
| Single-Family | \$7,122 | \$4,512 | (\$2,610) | (37%) |
| Multi-Family | \$5,077 | \$3,399 | (\$1,678) | (33%) |
| 20K Square Foot Retail | \$101,860 | \$57,620 | (\$44,240) | (44%) |
| 50K Square Foot Office | \$155,900 | \$105,450 | (\$50,450) | (32%) |
| 75K Square Foot Warehouse | \$189,375 | \$109,350 | (\$80,025) | (42%) |

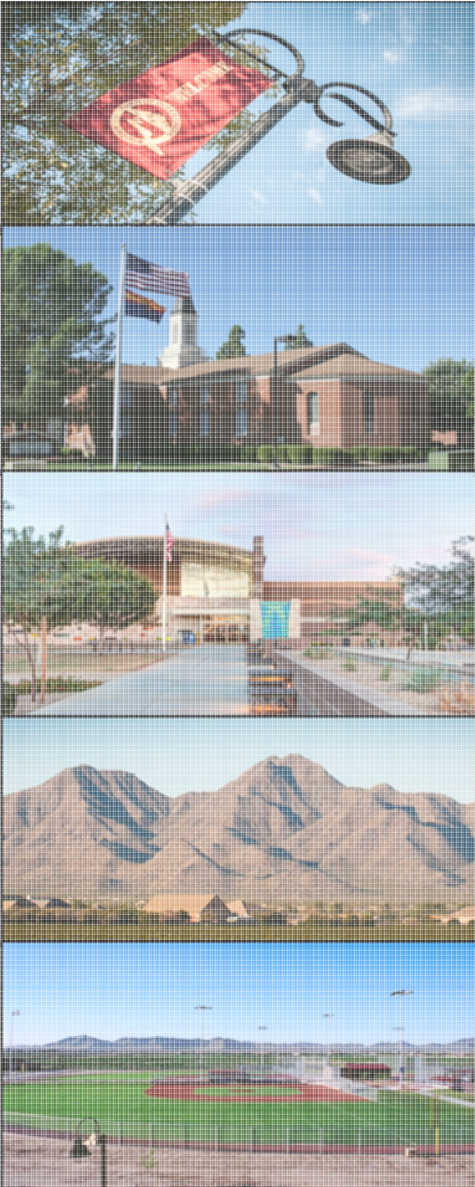
Attachment(s):

1. [Presentation](#)
2. [Development Impact Fee Study Report](#)



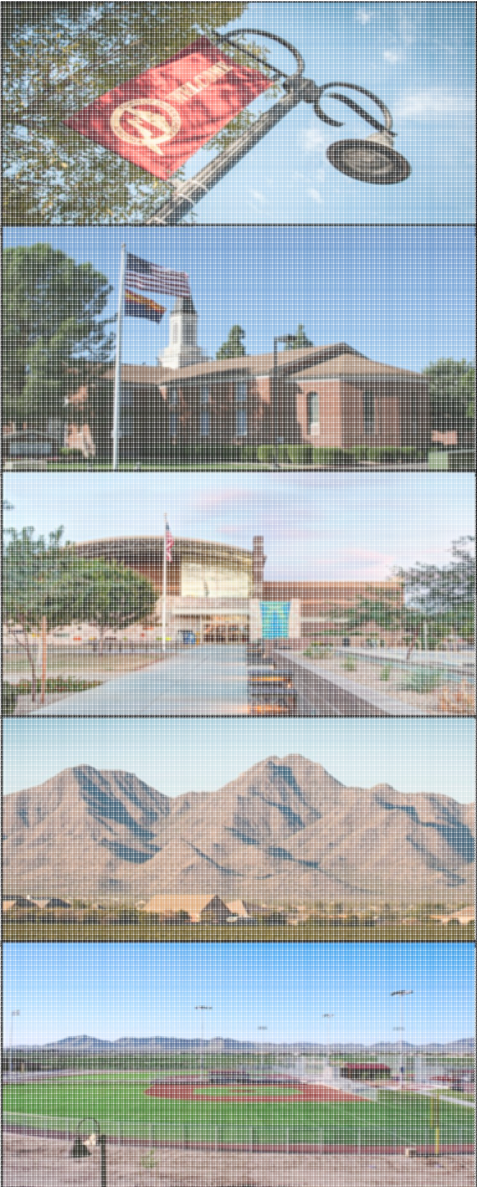
Public Hearing: 2024 Development Impact Fee Study and Proposed Fees

Town Council Meeting
December 18, 2024



Purpose of presentation

1. Review the Proposed Calendar
2. Review the Development Fee Impact Fee Program
3. Review Total Project Costs and Funding Sources
4. Comparison of the Current Fee Structure to the Proposed Impact Fees
5. Conduct the Public Hearing



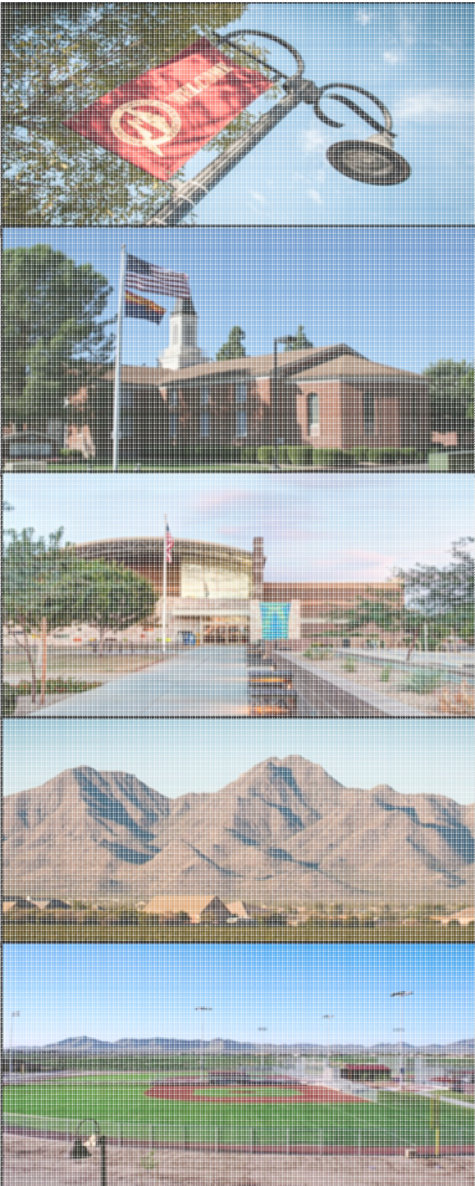
1. Review the Proposed Calendar

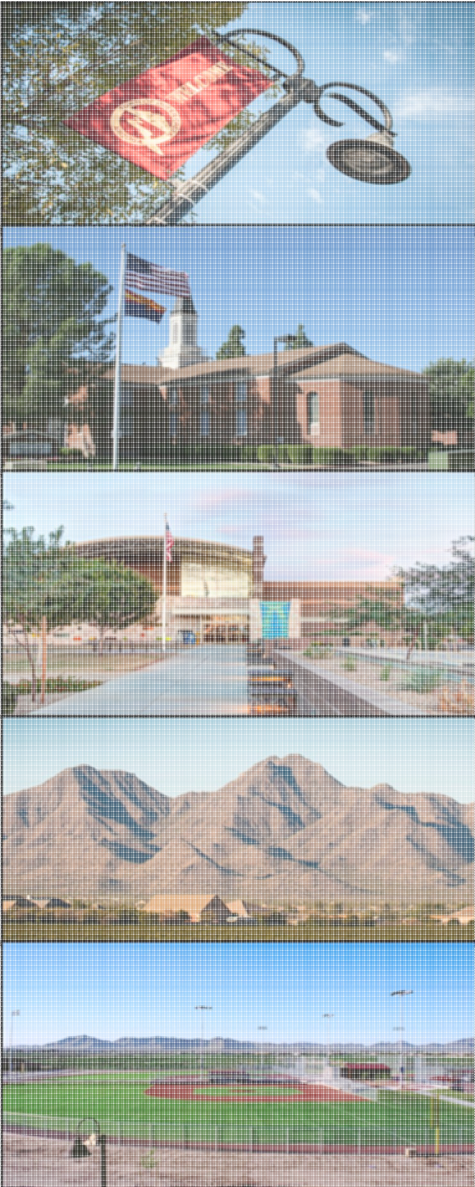
Proposed Calendar

| Step # | Step | Date |
|--------|--|--|
| 1 | Focus Group Meeting #5 (Review Draft Report and Proposed Fees) | October 23, 2024 |
| 2 | Authorize Notice of Intent to Assess Development Impact Fees | November 6, 2024 Town Council Meeting |
| 3 | Publish Notice of Intent to Adopt Development Impact Fees (2024 Development Impact Fees) | November 7, 2024 |
| | 30-Day Notice Period | |
| 4 | Conduct Public Hearing on the Town's 2024 Development Impact Fee Study and Proposed Fees | December 18, 2024 Town Council Meeting (Tonight) |
| | 30 to 60-Day Waiting Period | |
| 5 | Adopt 2024 Development Impact Fee Study and Proposed Fees | February 5, 2025 Town Council Meeting |
| | 75-Day Waiting Period | |
| 6 | Effective Date – New Development Impact Fees | May 12, 2025 |

Communication Plan

- News Release
- Website
- Social Posts
- Letter from Community Development Director

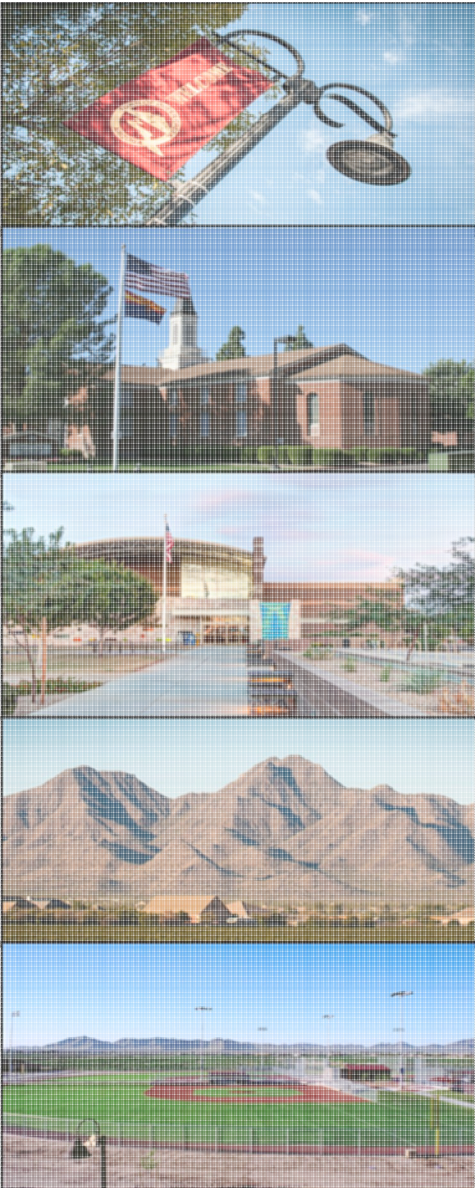




2. Review the Development Impact Fee Program

Development Impact Fees

- One-Time Payments Assessed to New Development to Help Pay their Proportionate Share of Infrastructure Costs Caused by New Development
- “Growth Pays for Growth”
- Critical to Funding the Town’s Infrastructure
 - Town Does Not Have a Voter-Approved Property Tax to Construct Infrastructure
- Existing Residents and Businesses DO NOT Pay Impact Fees



Development Impact Fees (continued)

- State Law Defines the Process to Set and Update Fees
 1. Must be Updated at Least Every 5 Years
 2. Study Must be Prepared by a Consultant
 3. Uses a 10-Year Planning Period
 4. Sets Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP)
 5. Calculates “Maximum Supportable Fee”

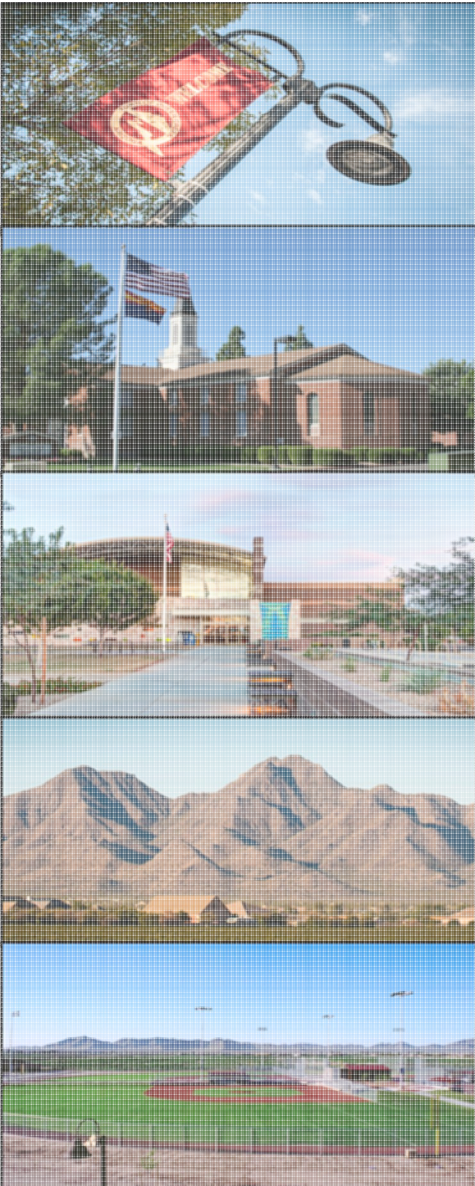
Development Impact Fees (concluded)

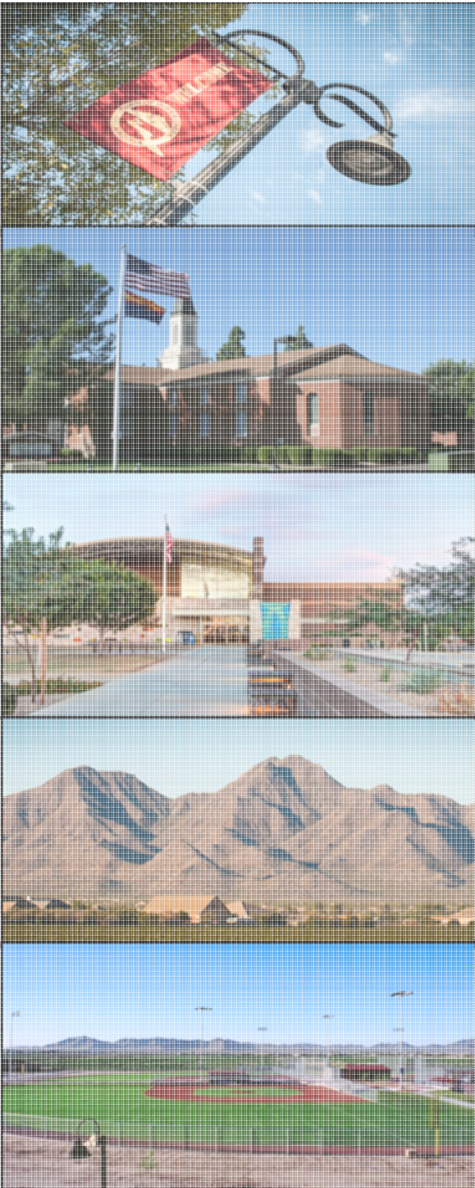
■ 5 Impact Fees are Being Updated

1. Police
2. Fire & Medical
3. Streets
4. Parks
5. Trails

■ 2 Impact Fees Have Been Eliminated (Paid Off)

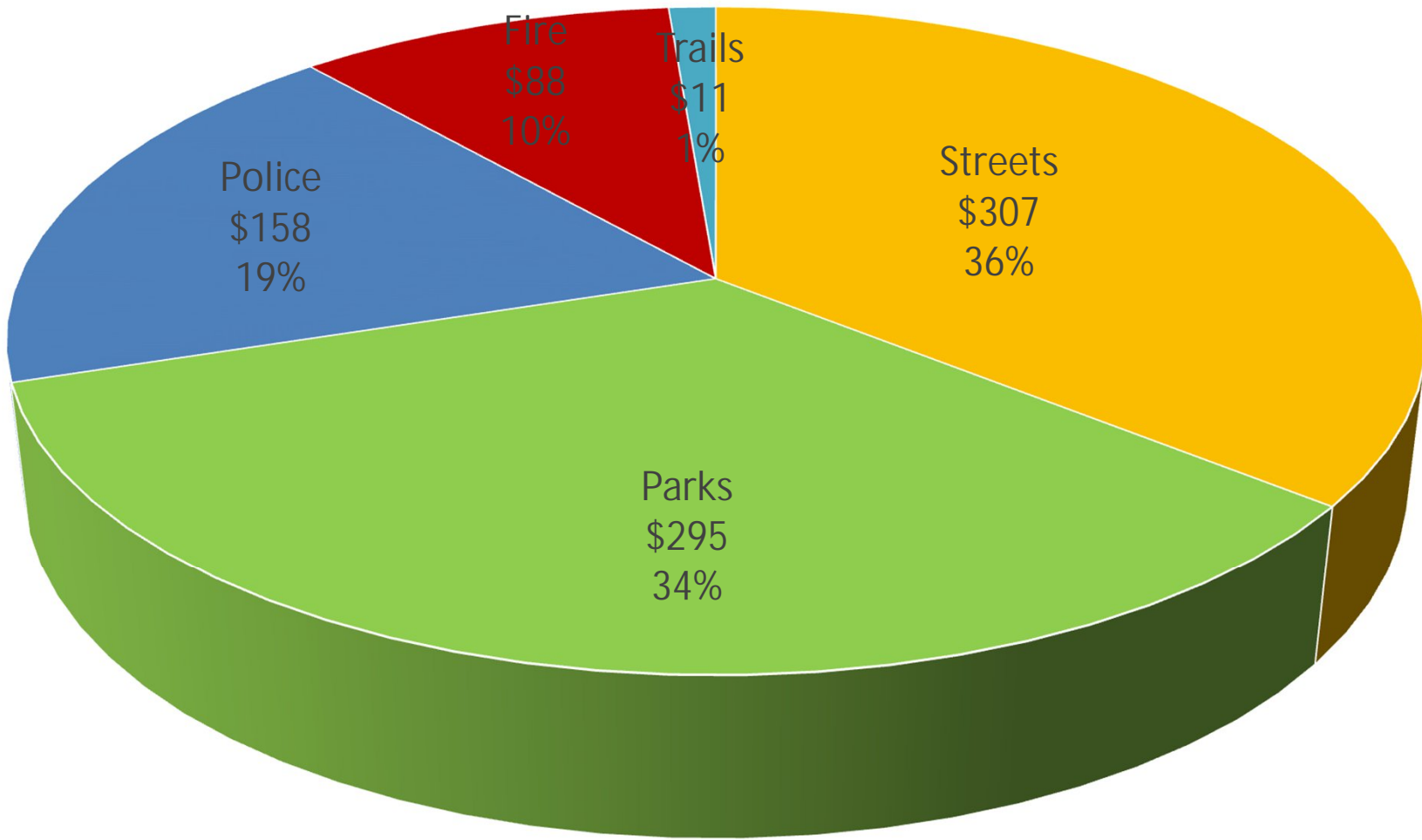
1. Town Facilities
2. Library



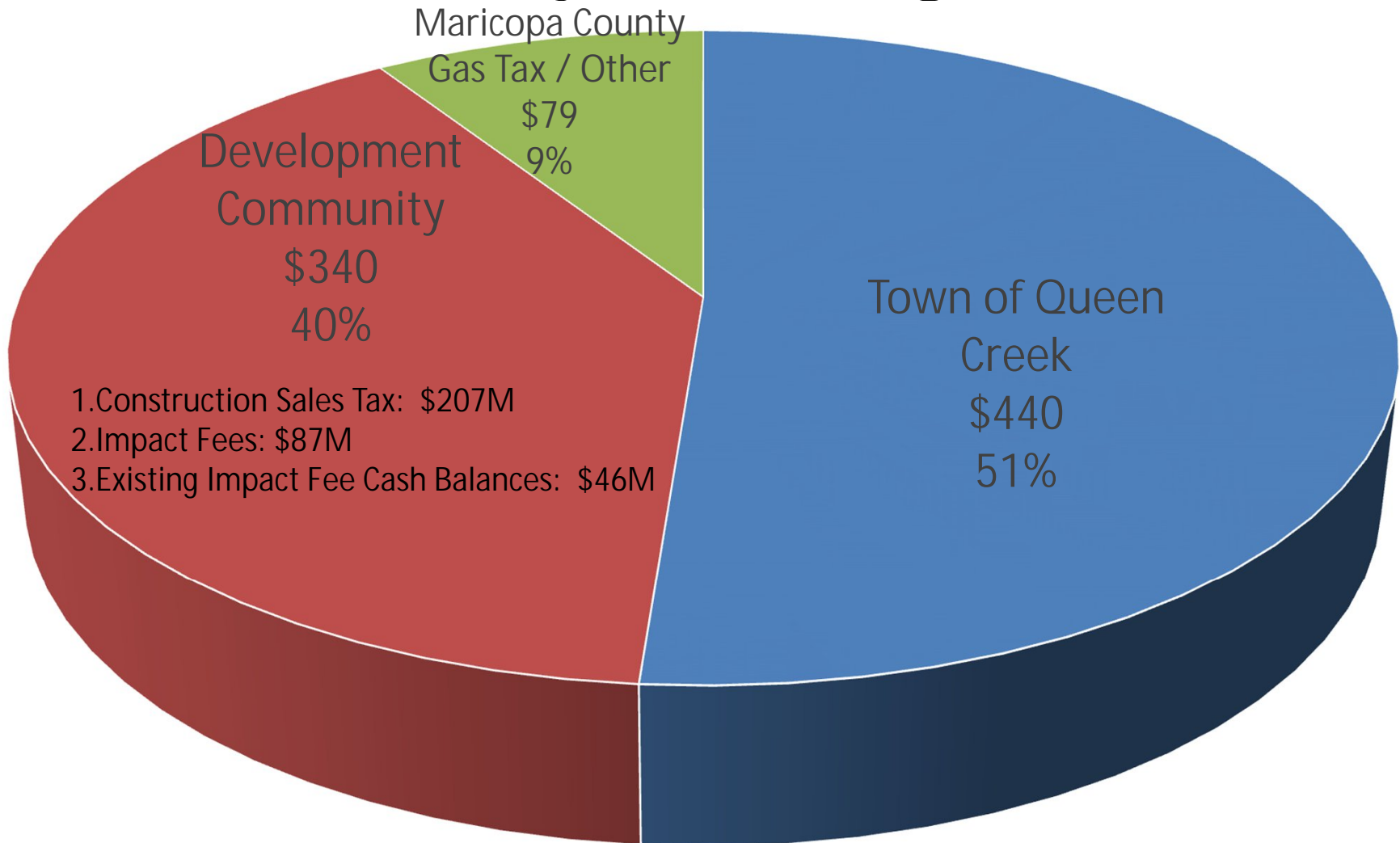


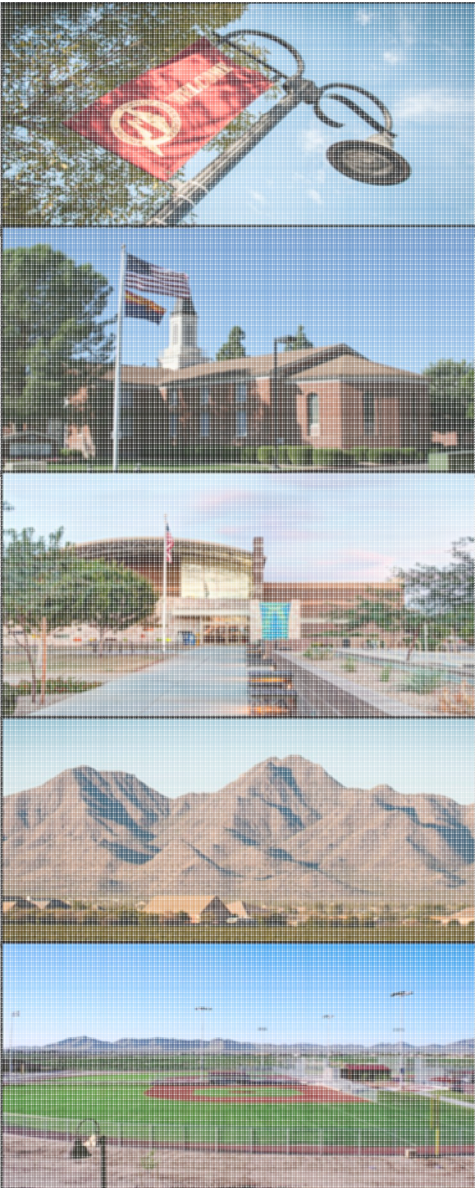
3. Review Funding of Infrastructure Improvement Plans

10-Year Projects: \$859M

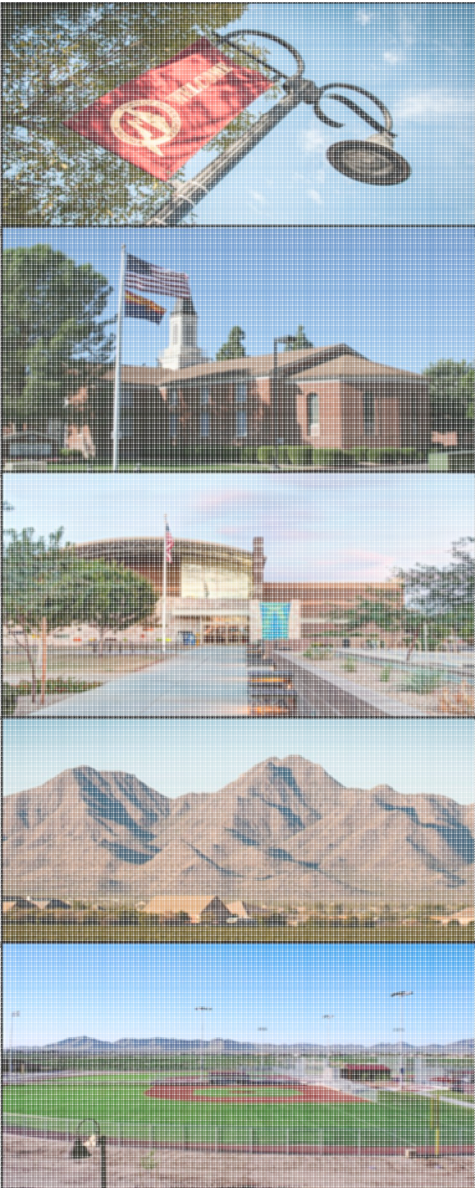


10-Year Project Funding: \$859M





4. Comparison of the Current Fee Structure to the Impact Fees



Fee Summary

- Fees for All 5 Land Use Categories are Decreasing
 - Single-Family, Multi-Family, Commercial, Office / Other, and Industrial
 - Amount of Decrease Varies from 32% to 43%
- \$207M 2% Dedicated Construction Sales Tax in the Primary Reason for the Decrease

| | Amount |
|-----------------|-------------|
| 1. Parks | \$84M |
| 2. Streets | \$58M |
| 3. Fire and EMS | \$40M |
| 4. Police | \$20M |
| 5. Trails | <u>\$5M</u> |
| TOTAL | \$207M |

PROPOSED Development Impact Fees By Type of Land Use

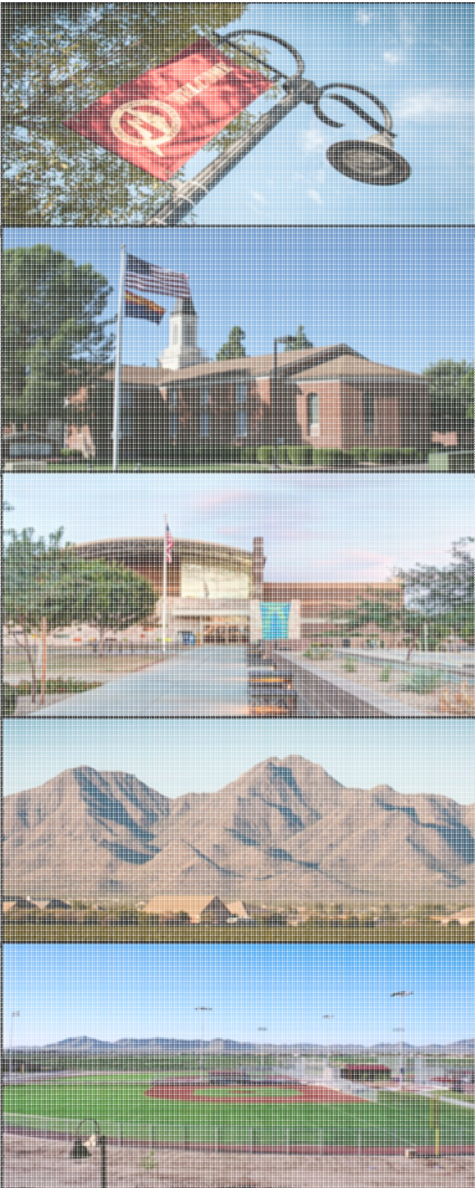
| Land Use | Current Fee | Proposed Fee | \$ Change | % Change |
|------------------------------|-------------|--------------|-----------|----------|
| Single-Family Home | \$7,122 | \$4,512 | (\$2,610) | (37%) |
| Multi-Family Home | \$5,077 | \$3,399 | (\$1,678) | (33%) |
| Commercial (per 1K S.F.) | \$5,093 | \$2,881 | (\$2,212) | (43%) |
| Office / Other (per 1K S.F.) | \$3,118 | \$2,109 | (\$1,009) | (32%) |
| Industrial (per 1K S.F.) | \$2,525 | \$1,458 | (\$1,067) | (42%) |

Single Family Home: \$2,610 Reduction

| Fee | Current Fee | Proposed Fee | \$ Reduction | % Change |
|-------------------|--------------|--------------|----------------|--------------|
| 1.Parks | \$2,719 | \$1,933 | (\$786) | (29%) |
| 2.Streets | \$2,118 | \$1,189 | (\$929) | (44%) |
| 3. Fire & Medical | \$1,175 | \$840 | (\$335) | (28%) |
| 4. Police | \$640 | \$422 | (\$218) | (34%) |
| 5. Trails | <u>\$470</u> | <u>\$128</u> | <u>(\$342)</u> | <u>(73%)</u> |
| TOTAL | \$7,122 | \$4,512 | (\$2,610) | (37%) |

Non-Residential Land Use Examples

| Fee | Current Fee | Proposed Fee | \$ Reduction | % Change |
|-------------------------|-------------|--------------|--------------|----------|
| Commercial (20K SF) | \$102K | \$58K | (\$44K) | (43%) |
| Office / Other (50K SF) | \$156K | \$105K | (\$51K) | (32%) |
| Industrial (75K SF) | \$190K | \$110K | (\$80K) | (42%) |



5. Conduct the Public Hearing



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STUDY**

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TOWN OF QUEEN CREEK



LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENT PLAN

Prepared for:

Town of Queen Creek
22358 S. Ellsworth Road
Queen Creek, AZ 85142

TABLE OF CONTENTS

| <u>SECTION</u> | <u>PAGE</u> |
|---|-------------|
| I EXECUTIVE SUMMARY | 1 |
| A Organization of the Study | 1 |
| B LUA Overview | 2 |
| C IIP Overview | 3 |
| D Impact Fee Summary | 3 |
| II INTRODUCTION | 6 |
| III LEGAL REQUIREMENTS TO JUSTIFY DIFS | 8 |
| IV LAND USE ASSUMPTIONS | 10 |
| A Service Area | 13 |
| V INFRASTRUCTURE IMPROVEMENT PLAN | 14 |
| A Existing Level of Service ("LOS") | 14 |
| B Police Infrastructure Improvement Plan | 16 |
| C Fire Infrastructure Improvement Plan | 17 |
| D Parks Infrastructure Improvement Plan | 19 |
| E Trails Infrastructure Improvement Plan | 21 |
| F Streets Infrastructure Improvement Plan | 22 |
| VI METHODOLOGIES USED FOR CALCULATING IMPACT FEES | 24 |
| A Methodologies Utilized in this Study | 25 |
| B EDU Calculation | 27 |
| C Allocation of Costs Between New and Existing Development | 29 |
| D Police Proposed Fee Calculation | 33 |
| E Fire Proposed Fee Calculation | 38 |
| F Parks Proposed Fee Calculation | 44 |
| G Trails Proposed Fee Calculation | 48 |
| H Streets Proposed Fee Calculation | 52 |
| VII SUMMARY OF FEES | 60 |

APPENDICES

APPENDIX A

FEE DERIVATION WORKSHEETS

APPENDIX B

**ANALYSIS OF POTENTIAL IMPACT FEE
CREDITS**

I EXECUTIVE SUMMARY

In order to adequately plan for new development and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, DTA was retained by the Town of Queen Creek (the “Town”) to update the demographic projections and planned facilities lists that were included in the Town’s Land Use Assumptions (“LUA”) and Infrastructure Improvement Plan (“IIP”) approved by Town Council on June 19, 2024, and used as the basis for calculating the updated Development Impact Fees (“DIFs”) for Police, Fire, Parks, Trails, and Streets. The Land Use Assumptions, Infrastructure Improvement Plan, and Development Impact Fee Study (the “Study”) are intended to comply with Arizona Revised Statute (“ARS”) §9-463.05 by (i) providing growth projections for the Town, (ii) identifying additional public facilities (“Future Facilities”) required within the Town by new residential and non-residential development, and (iii) calculating the DIF amounts that will finance facilities at the levels of service (“LOS”) required to meet the needs of new development through the 10-year development period (the “10-Year Horizon”). The 10-Year Horizon concept for the DIF Program is a statutory limitation promulgated by the State of Arizona under ARS §9-463.05. The specific methodologies to be used by the Town to calculate the appropriate DIFs to be imposed on future development during the 10-Year Horizon for each type of Future Facility are discussed in detail in Section VI as a means of justifying the proposed DIF levels using a nexus-based analysis.

A Organization of the Study

The Study is organized as follows:

- Section I – Executive Summary;
- Section II – Introduction of the Study, including a brief description of the Town and background information on the LUA, IIP, and DIF update;
- Section III – Overview of the legal requirements for implementing and imposing the fee amounts identified in the Study;
- Section IV – Discussion of the LUA, including projected new residential and non-residential development and demand variables such as future population, extrapolated through the 10-Year Horizon of the Town;
- Section V – Overview of the IIP for the Police, Fire, Parks, Trails, and Streets facilities categories and description of the Future Facilities needed to serve new residential development that are eligible for funding by the DIFs, including estimated costs;
- Section VI – Review of the various methodologies available to calculate DIFs, apportionment of benefit to existing and future development by land use and type of Future Facility, and description of the methodology used to determine the fees for all facility types; and
- Section VII – A summary of the proposed maximum fees justified by this Study.

B LUA Overview

The five land use categories for which DIFs are to be calculated are Single-Family, Multi-Family, Commercial, Office/Other, and Industrial. To the extent that existing development will be utilizing Future Facilities, its fair share of these facilities' costs will need to be covered by the Town through a source of funds other than DIFs. Improvements to any existing facility deficiencies or improvements to the levels of service that are necessary to serve existing development are not eligible for financing through the DIF Program. For purposes of calculating the recommended DIFs, the Town provided existing land use information within its boundaries, as well as anticipated land use development occurring within the 10-Year Horizon of the Town. As reflected in Tables ES-1 and ES-2, over the 10-Year Horizon, the Town is expected to grow from an existing population of **76,570** to **127,335** residents, from **26,590** existing single-family and multi-family dwelling units to **42,818** total dwelling units, and from **12 million** existing square feet of non-residential floorspace to **22.4 million** square feet.

Table ES-1: Existing Town Development as of 2023

| Land Use | Number of Residents | Residential Dwelling Units | Non-Residential Square Footage |
|---------------|---------------------|----------------------------|--------------------------------|
| Single-Family | 70,547 | 24,113 | - |
| Multi-Family | 6,023 | 2,477 | - |
| Commercial | - | - | 6.4 million |
| Office/Other | - | - | 1.4 million |
| Industrial | - | - | 4.2 million |
| Total | 76,570 | 26,590 | 12.0 million |

Table ES-2: Town Development at 10-Year Horizon

| Land Use | Number of Residents | Residential Dwelling Units | Non-Residential Square Footage |
|---------------|---------------------|----------------------------|--------------------------------|
| Single-Family | 109,569 | 35,828 | - |
| Multi-Family | 17,766 | 6,990 | - |
| Commercial | - | - | 8.7 million |
| Office/Other | - | - | 2.0 million |
| Industrial | - | - | 11.7 million |
| Total | 127,335 | 42,818 | 22.4 million |

As explained in greater detail in Section VI of this Study, there are a number of different methodologies that can be employed to apportion Future Facilities costs to various land uses occurring during the 10-Year Horizon. The concept of persons served ("Persons Served") is a means by which an Equivalent Dwelling Unit ("EDU") metric can be assigned to each land use type as a reflection of the level of use, or benefit, that is received by that land

use type from these facilities. For purposes of a DIF analysis, one EDU represents the level of benefit that a single-family home will receive from one of the five types of Future Facilities.

DTA has utilized the LUA in the tables above and in Section IV to calculate the number of Persons Served, which consists of residents, employees, and visitors, and EDUs in the Town by land use type.

C IIP Overview

Section V of this Study lists the specific Future Facilities that are to be constructed within the Town and associated costs through the 10-Year Horizon using DIF financing to cover future development’s share of those costs. The total cost of the five types of facilities to be financed with DIFs, plus other sources of revenue to cover costs not allocable to future development, is \$585,020,216 in 2024 dollars, as shown in the table below.

Table ES-3: Total Facilities Required by Town (10-Year Horizon)

| Facility Type | Cost |
|---------------|----------------------|
| Police | \$144,054,066 |
| Fire | \$67,940,891 |
| Parks | \$148,817,848 |
| Trails | \$11,534,711 |
| Streets | \$212,672,700 |
| Total | \$585,020,216 |

D Impact Fee Summary

The total fee amounts required to finance new residential and non-residential development’s share of the costs of facilities are summarized in Table ES-4 on the following page. Fees within this Fee Study reflect the maximum fee levels that may be imposed on new residential and non-residential development. DTA categorized developable residential land uses as Single-Family or Multi-Family. Developable non-residential land uses within the Town are categorized as Commercial, Office/Other, and Industrial.

Table ES-4: Development Impact Fee Summary

| Land Use Classification | Police | Fire | Parks | Trails | Streets | Total Fees |
|--------------------------------------|--------|-------|---------|--------|---------|----------------|
| Single-Family Residential (Per Unit) | \$422 | \$840 | \$1,933 | \$128 | \$1,189 | \$4,512 |
| Multi-Family Residential (Per Unit) | \$330 | \$656 | \$1,510 | \$100 | \$803 | \$3,399 |
| Commercial (Per 1,000 Non-Res. SF) | \$335 | \$668 | \$514 | \$34 | \$1,330 | \$2,881 |
| Office/Other (Per 1,000 Non-Res. SF) | \$220 | \$438 | \$827 | \$55 | \$569 | \$2,109 |
| Industrial (Per 1,000 Non-Res. SF) | \$135 | \$268 | \$586 | \$39 | \$430 | \$1,458 |

Tables E-5 through E-9 provide a comparison of the proposed fees to the current fees per unit for Single-Family and Multi-Family Residential, and per 1,000 building square feet for Commercial, Office/Other, and Industrial.

Table ES-5: Single-Family Residential Development Impact Fee Comparison

| Fee | Proposed | Current | Reduction (\$) | Reduction (%) |
|--------------------|----------------|----------------|------------------|---------------|
| Police (Per Unit) | \$422 | \$640 | (\$218) | (34%) |
| Fire (Per Unit) | \$840 | \$1,175 | (\$335) | (28%) |
| Parks (Per Unit) | \$1,933 | \$2,719 | (\$786) | (29%) |
| Trails (Per Unit) | \$128 | \$470 | (\$342) | (73%) |
| Streets (Per Unit) | \$1,189 | \$2,118 | (\$929) | (44%) |
| Total | \$4,512 | \$7,122 | (\$2,610) | (37%) |

Table ES-6: Multi-Family Residential Development Impact Fee Comparison

| Fee | Proposed | Current | Reduction (\$) | Reduction (%) |
|--------------------|----------------|----------------|------------------|---------------|
| Police (Per Unit) | \$330 | \$460 | (\$130) | (28%) |
| Fire (Per Unit) | \$656 | \$845 | (\$189) | (22%) |
| Parks (Per Unit) | \$1,510 | \$1,955 | (\$445) | (23%) |
| Trails (Per Unit) | \$100 | \$338 | (\$238) | (71%) |
| Streets (Per Unit) | \$803 | \$1,479 | (\$676) | (46%) |
| Total | \$3,399 | \$5,077 | (\$1,678) | (33%) |

Table ES-7: Commercial Development Impact Fee Comparison

| Fee | Proposed | Current | Reduction (\$) | Reduction (%) |
|---|-----------------|------------------|-------------------|---------------|
| Police (Per 1,000 Non-Res. SF) | \$335 | \$608 | (\$273) | (45%) |
| Fire (Per 1,000 Non-Res. SF) | \$668 | \$1,115 | (\$447) | (40%) |
| Parks (Per 1,000 Non-Res. SF) | \$514 | \$630 | (\$116) | (18%) |
| Trails (Per 1,000 Non-Res. SF) | \$34 | \$110 | (\$76) | (69%) |
| Streets (Per 1,000 Non-Res. SF) | \$1,330 | \$2,630 | (\$1,300) | (49%) |
| Total per 1,000 Building SF | \$2,881 | \$5,093 | (\$2,212) | (44%) |
| Example Calculation: 20,000 SF Retail Building | \$57,620 | \$101,860 | (\$44,240) | (44%) |

Table ES-8: Office/Other Development Impact Fee Comparison

| Fee | Proposed | Current | Reduction (\$) | Reduction (%) |
|---|------------------|------------------|-------------------|---------------|
| Police (Per 1,000 Non-Res. SF) | \$220 | \$310 | (\$90) | (29%) |
| Fire (Per 1,000 Non-Res. SF) | \$438 | \$569 | (\$131) | (23%) |
| Parks (Per 1,000 Non-Res. SF) | \$827 | \$940 | (\$113) | (12%) |
| Trails (Per 1,000 Non-Res. SF) | \$55 | \$160 | (\$105) | (66%) |
| Streets (Per 1,000 Non-Res. SF) | \$569 | \$1,139 | (\$570) | (50%) |
| Total per 1,000 Building SF | \$2,109 | \$3,118 | (\$1,009) | (32%) |
| <i>Example Calculation: 50,000 SF Office Building</i> | <i>\$105,450</i> | <i>\$155,900</i> | <i>(\$50,450)</i> | <i>(32%)</i> |

Table ES-9: Industrial Development Impact Fee Comparison

| Fee | Proposed | Current | Reduction (\$) | Reduction (%) |
|---|------------------|------------------|-------------------|---------------|
| Police (Per 1,000 Non-Res. SF) | \$135 | \$245 | (\$110) | (45%) |
| Fire (Per 1,000 Non-Res. SF) | \$268 | \$450 | (\$182) | (40%) |
| Parks (Per 1,000 Non-Res. SF) | \$586 | \$950 | (\$364) | (38%) |
| Trails (Per 1,000 Non-Res. SF) | \$39 | \$160 | (\$121) | (76%) |
| Streets (Per 1,000 Non-Res. SF) | \$430 | \$720 | (\$290) | (40%) |
| Total per 1,000 Building SF | \$1,458 | \$2,525 | (\$1,067) | (42%) |
| <i>Example Calculation: 75,000 SF Industrial Building</i> | <i>\$109,350</i> | <i>\$189,375</i> | <i>(\$80,025)</i> | <i>(42%)</i> |

Notably, the variance between the different land uses is a result of a number of factors, including utilization of different methodologies as well as changes in parameters (e.g., persons per household, and employees per 1,000 square feet).

II INTRODUCTION

Queen Creek is located primarily in Maricopa County, with eastern portions of the Town in Pinal County, and is located within 10 minutes of Phoenix-Mesa Gateway Airport and 45 minutes of Sky Harbor International Airport. The Town’s planning area is bordered to the north by the City of Mesa, to the west by the Town of Gilbert, to the northeast by the City of Apache Junction planning area, and to the southeast by the Town of Florence planning area. The east is bordered by an unincorporated area of Pinal County, San Tan Valley, and the south is bordered by San Tan Mountain Regional Park, a 10,200-acre park managed by Maricopa County.

In 1990, just after the Town incorporated, Queen Creek’s population was just over 2,500. Over the next 10 years, the Town experienced a relatively rapid growth rate, with the Town’s population escalating significantly by 2010. The Great Recession tempered growth for several years, but by 2015, Queen Creek was one of the fastest growing communities in Arizona. The Town’s population continued to increase at a rapid pace, and now has an estimated population of 76,570 as of 2023, with rapid growth to continue at a similar pace over the 10-Year Horizon.

To adequately plan for new residential and non-residential development and identify the public facilities and costs to the Town associated with providing necessary public services to new development, DTA was retained by the Town to prepare an updated LUA, IIP, and DIF Study for the following Future Facilities DIF categories: Police, Fire, Parks, Trails, and Streets. This Study updates elements of the report prepared in 2019 by Willdan Financial Services and is intended to comply with ARS §9-463.05, which requires that the LUA and IIP be updated every 5 years and that they must identify projections of changes in land uses and demographics, as well as the public facilities required by new residential and non-residential development over a 10-year period (“Future Facilities”). Additionally, ARS §9-463.05 requires calculation of the level of fees that may be imposed to pay the costs of the Future Facilities. Fee amounts have been determined that will finance facilities at the current level of service (“LOS”) deemed necessary to meet the needs of new development. In this Study, DTA will make recommendations regarding the maximum level of DIFs that may be imposed to pay the costs of the Future Facilities based on the cost of each type of Future Facility and the relative benefit received by future development for each of five land use types.

Pursuant to ARS §9-463.05, the costs for necessary Future Facilities made necessary by new development shall be based on the same LOS currently being provided to existing development in the service area. The Future Facilities and associated construction costs are identified in Section VI. All residential and non-residential development will be required to pay its “fair share” of the cost of the Future Facilities through the DIF program. The steps followed in the Fee Study include:

- **Land Use Assumptions:** Identification of future growth that represents the increased demand for public facilities;
- **Infrastructure Improvement Plan and Costs:** Identification of the Future Facilities required to support the new development and the costs of such facilities;
- **Cost Allocation:** Allocation of Future Facilities costs per land use type; and
- **DIF Schedule:** DIF calculation per residential unit or per non-residential square foot.

III LEGAL REQUIREMENTS TO JUSTIFY DIFS

The levy of DIFs is one authorized method of financing the public facilities necessary to mitigate the impacts of new development. Arizona law requires that a municipality must update the LUA and IIP at least every five years, with the initial five-year period beginning on the day the IIP is adopted. Additionally, “a municipality may assess DIFs to offset costs to the municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering, and architectural, financing and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvement plan.”

Before a DIF program is adopted or amended, ARS §9-463.05 requires that the governing body of a municipality adopt an update to the LUA and IIP for the designated service area. The municipality is also required to conduct a public hearing on the LUA and IIP at a minimum of 30 days prior to the adoption or update of the plan. The municipality must release the plan to the public and include the following information:

- LUA;
- The time period of the municipality’s growth projections;
- A description of the necessary public services (e.g., facilities) included in the IIP; and
- A map of the service area to which the LUA applies.

The documents used to prepare the LUA and IIP must be available to the public and public notice must be given at least 60 days before the public hearing. ARS §9-463.05 also requires that the LUA and IIP be approved or disapproved between 30 to 60 days after the public hearing on the LUA and IIP and at least 30 days before the public hearing on the DIF Study.

Development fees assessed by a municipality are subject to the requirements under ARS §9-463.05, including, but not limited to, the following:

- Development fees shall result in a beneficial use to new development;
- The municipality shall calculate the development fee based on the infrastructure improvement plan adopted pursuant to this section;
- The development fee shall not exceed a proportionate share of the cost of necessary public services, based on service units, needed to provide necessary public services to the new development;
- Cost for necessary public services made necessary by new development shall be based on the same level of service provided to the existing development in the service area; and
- Development fees may not be used for any of the following:

- Construction, acquisition, or expansion of public facilities or assets other than necessary public services of facility expansions identified in the infrastructure improvement plan;
- Repair, operation, or maintenance of existing or new necessary public services or facility expansions;
- Upgrading, updating, expanding, correcting, or replacing existing necessary public services to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards;
- Upgrading, updating, expanding, correcting, or replacing existing necessary public services to provide a higher level of service to existing development; and
- Administrative, maintenance, or operating costs of the municipality.

Additionally, in relation to a forecast of revenues that are projected to be generated from the proposed impact fees, ARS §9-463.05 states that the following must be included in the analysis:

"A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway user revenue, federal revenues, ad valorem property taxes, construction contracting or other similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development..."

This forecast can be found in Appendix B of this Report.

IV LAND USE ASSUMPTIONS

Pursuant to ARS §9-463.05, implementation of updated DIFs requires documentation of the LUA, which includes "... projections of changes in land uses, densities, intensities, and population for a specified service area over a period of at least 10 years and pursuant to the general plan of the municipality." In order to determine the public facilities needed to serve new development that will ultimately be used to establish DIF amounts to fund such facilities, DTA used projections of future population and development within the Town provided by the Town from sources including the Maricopa Association of Governments ("MAG"), the Nielsen Company, the U.S. Census, and CoStar, a leading real estate software platform. DTA categorized developable residential land uses as Single-Family or Multi-Family. Developable non-residential land uses within the Town are categorized as Commercial, Office/Other, and Industrial. Additional details are included in Table 1 below.

In this Study, DTA will establish DIFs for the five land use categories detailed on the following page to acknowledge the difference in impacts resulting from various land uses and to facilitate the imposition of DIFs by land use category. There are a variety of methodologies that can be undertaken to calculate DIFs, as further described in Section VI. However, fundamentally, all of these methodologies are based on determining the cost of needed improvements and assigning those costs equitably to various types of development by land use category. For the Town, each of the DIF calculations will employ the concept of an EDU to allocate benefit among the five land use classes across the five facility types addressed in this Study. EDUs are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit for each type of public facility. For some of the facilities considered in this Study, EDUs may be calculated based on the number of residents, employees and visitors, or Persons Served, generated by each land use class. For other facilities, different measures, such as number of vehicle trips or calls for service might be used if they more accurately represent the benefit provided to each land use class by some types of facilities. The EDU/average daily vehicular trip methodology might be appropriate because it allows DTA to determine each land use type's proportionate demand, benefit, and impact for road improvements and allocate the costs of transportation facilities accordingly. Similarly, for public protection facilities, the number of calls for service may provide a better measure of benefit to a type of land use than would the number of Persons Served. DTA has been working with the Town to evaluate and determine the most appropriate methodology for each fee category, which is addressed in greater detail in Section VI.

Table 1: Summary of Land Use Categories

| Land Use | Definition |
|---------------|---|
| Single-Family | Includes structures containing cooking and bathing facilities that is arranged, designed, and intended to be the residence of one (1) family. |
| Multi-Family | Includes structures arranged, designed, and intended to be the residence of more than one (1) family, with each family having independent cooking and bathing facilities. |
| Commercial | Includes but is not limited to buildings used as the following: <ul style="list-style-type: none"> ▪ Retail; ▪ Service-oriented business activities, such as bars/restaurants, health/athletic clubs, barber/beauty shops, and car washes; ▪ Department stores, discount stores, furniture/appliance outlets, home improvement centers; ▪ Entertainment centers; and ▪ Sub-regional and regional shopping centers. |
| Office/Other | Includes but is not limited to buildings used as the following: <ul style="list-style-type: none"> ▪ Professional, managerial, administrative, and business functions including accounting, marketing, information/data processing, consulting, human resources, and financial insurance; ▪ Day care facilities; ▪ Animal hospitals/kennels/pounds; ▪ Banks and credit unions; ▪ Professional medical Office/Others and hospitals; ▪ Churches; and ▪ Public schools. |
| Industrial | Includes but is not limited to buildings used as the following: <ul style="list-style-type: none"> ▪ Light assembly, general and custom manufacturing, warehousing and storage; ▪ Airports; and ▪ Other uses. |

As one of the fastest growing cities in the country, the Town has and continues to experience historical growth rates in both residential and non-residentials sectors. Since the last LUA update, there has been an increase in permitting activity within the Town across the multi-family and commercial sectors. Additionally, since the annexation of State Lands in August 2019, there are nearly 4,150 acres of land in the process of being developed or planned for development, with anticipated growth in all land use categories, most notably in the industrial sector. While it is difficult to predict precisely how this land will be utilized over the next 10 years and beyond, the LUA represents the Town’s best educated projections of the development of State Lands based on current trends, forecasts, and zoning expectations.

For the purposes of projecting growth within the Town, data provided by the Town was used to estimate the number of housing units and Commercial, Office/Other, and Industrial building square footage currently existing or to be built within the Town. These estimates generally conform to the Town’s 2021 General Plan. The Town’s current estimates of the land uses developed to date are listed in Table 2.

Table 2: Existing Town Development as of 2023

| Land Use | Number of Residents | Residential Dwelling Units | Non-Residential Square Footage |
|---------------|---------------------|----------------------------|--------------------------------|
| Single-Family | 70,547 | 24,113 | - |
| Multi-Family | 6,023 | 2,477 | - |
| Commercial | - | - | 6.4 million |
| Office/Other | - | - | 1.4 million |
| Industrial | - | - | 4.2 million |
| Total | 76,570 | 26,590 | 12.0 million |

As of 2023, the Town’s development consisted of 76,570 residents, 24,113 single-family dwelling units and 2,477 multi-family dwelling units, as well as 12 million square feet of non-residential development. Tables 3 and 4 summarize the incremental development projected through the 10-Year Horizon, as required under the ARS.

Table 3: Incremental Development Projections for 10-Year Horizon

| Development | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Residents | 4,904 | 6,016 | 5,818 | 3,064 | 2,982 | 2,462 | 5,408 | 6,735 | 7,031 | 6,345 |
| Single-Family (Units) | 1,288 | 1,083 | 965 | 776 | 550 | 1,201 | 1,480 | 1,616 | 1,489 | 1,267 |
| Multi-Family (Units) | 698 | 855 | - | 206 | 110 | 482 | 662 | 660 | 580 | 260 |
| Commercial (1,000 sq. ft.) | 200 | 200 | 200 | 200 | 200 | 252 | 252 | 252 | 252 | 252 |
| Office/Other (1,000 sq. ft.) | 53 | 53 | 53 | 53 | 53 | 53 | 68 | 53 | 68 | 53 |
| Industrial (1,000 sq. ft.) | 360 | 1,110 | 1,110 | 360 | 460 | 460 | 960 | 960 | 960 | 760 |

Table 4: Incremental Development Summary for 10-Year Horizon

| Development | 10-Year Total |
|------------------------------|---------------|
| Residents | 50,765 |
| Single-Family (Units) | 11,715 |
| Multi-Family (Units) | 4,513 |
| Commercial (1,000 sq. ft.) | 2,260 |
| Office/Other (1,000 sq. ft.) | 560 |
| Industrial (1,000 sq. ft.) | 7,500 |

By the end of the 10-Year Horizon, the Town’s development is anticipated to grow by an additional 50,765 residents, 11,715 single-family units and 4,513 multi-family units, with a projected additional 10.3 million square feet of non-residential development.

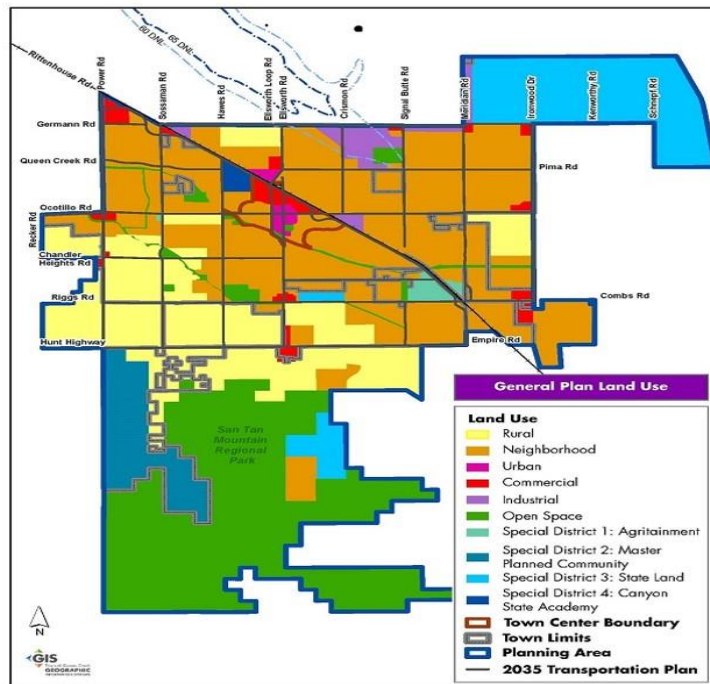
Table 5: Town Development at 10-Year Horizon

| Land Use | Number of Residents | Residential Dwelling Units | Non-Residential Square Footage |
|---------------|---------------------|----------------------------|--------------------------------|
| Single-Family | 109,569 | 35,828 | - |
| Multi-Family | 17,766 | 6,990 | - |
| Commercial | - | - | 8.7 million |
| Office/Other | - | - | 2.0 million |
| Industrial | - | - | 11.7 million |
| Total | 127,335 | 42,818 | 22.4 million |

A Service Area

ARS §9-463.05 requires the identification of the service area for which the fee will be applied. The Town intends to assess all DIFs using a Townwide system, as opposed to individual service areas, as shown in Figure 1.

Figure 1: Townwide Service Area



V INFRASTRUCTURE IMPROVEMENT PLAN

ARS §9-463.05 requires the identification of those facilities for which DIFs are going to be used as the key financing mechanism. Identification of the facilities may be made in an applicable general or specific plan, other public documents, or by reference to a Capital Improvement Program (“CIP”).

DTA has worked closely with Town staff to develop the list of Future Facilities to be included in the DIF Study. For purposes of the Town’s DIF program, the IIP is intended to be the official public document identifying the Future Facilities eligible to be financed, in whole or in part, through the levy of a DIF on new development within the Town. The IIP is organized by facility element (or type) and includes the total estimated facility cost including engineering, design, construction, land acquisition, equipment, and outstanding debt (as applicable and allowable by ARS §9-463.05). Notably, the costs shown in this section represent the Future Facilities costs that are eligible to be financed by DIFs. Any ineligible costs, such as those attributable to portions of public safety facilities dedicated to training, have been excluded from the IIP.

Actual needs are likely to change over time as a result of changing technology and approaches for delivering public services. The IIP is illustrative of the required Future Facilities if all the facilities were constructed and operational as of the date of this Study. The list of Future Facilities on the IIP is a list of DIF-eligible projects that will be used as a basis for updating the impact fees. Notably, the cost assigned to each Future Facility is an estimate based on the anticipated construction parameters of each of the projects identified. Therefore, while the total IIP budget under each fee category will be fixed, any increases in cost for a specific project on the IIP could be offset by cost savings achieved on a different project on the IIP.

DTA surveyed Town staff on the required Future Facilities needed to serve new development as a starting point for its DIF calculations. Through discussions between DTA and Town staff, the IIP has gone through a series of revisions to fine-tune the needs and costs of Future Facilities that have been included. This section summarizes the final IIP for Police, Fire, Parks, Trails, and Streets. The methodologies that will ultimately be used in allocating the costs for each facility to new and existing development are being evaluated and will be assessed on an individual basis by fee category. This will be discussed in detail in the report associated with the next step of the DIF process.

A Existing Level of Service (“LOS”)

ARS §9-463.05 requires that “costs for necessary public services made necessary by new development shall be based on the same level of service provided to existing development in the service area.” This requirement ensures that new development does not pay for increases to the LOS for existing development. While the DIF may be based on a higher LOS than currently exists, there must be an identified plan that utilizes revenue sources or funds other than DIFs to address the existing deficiency and need to increase the LOS for existing

development to the LOS provided to new development. As explained in Section V, DTA has utilized various methodologies to allocate the costs of Future Facilities between new and existing development and apportion the costs to each of the five land uses for each of the five types of facilities to be financed with the DIFs. Additionally, new development has been assigned its fair share of any outstanding debt associated with existing facilities. Notably, a portion of the cost of Future Facilities has been assigned to existing development and such costs would be funded by other revenue sources outside of the DIF program. Therefore, new development will not fund any costs associated with existing development's LOS.

B Police Infrastructure Improvement Plan

The Police facilities category includes those facilities used by the Town to provide police protection services to residents, employees, and visitors within the Town.

Table 6: Police Facilities Element

| | |
|----------------------------|---|
| Purpose of DIF | Police facilities |
| Eligible Use of DIF | Police facilities, including all appurtenances, equipment, and vehicles. Police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes, or a facility that is used for training officers from more than one station or substation. |
| DIF Justification | New residential and non-residential development will generate additional residents and employees who will increase service calls and in turn increase the need for trained police personnel. Equipment and vehicles used to provide these services will have to be purchased and replaced to meet this increased demand. Thus, a reasonable relationship exists between the need for Police facilities and the impact of residential and non-residential development. Notably, DIFs collected from new development will be used exclusively on Police facilities identified in the IIP. |

B.1 Outstanding Debt

There is no outstanding debt related to Police facilities.

B.2 Planned Improvements

Table 7 identifies the Police facilities that are planned for construction over the next 10 years that are proposed to be funded in whole or in part with the DIFs. The costs provided are based on estimates provided by the Town.

Table 7: Police Facilities Costs

| Police Facilities | Cost |
|---|----------------------|
| Police - Radio Towers and Infrastructure | \$4,000,000 |
| Police - Equipment | \$8,831,000 |
| Police - Public Safety Complex (Non-Training Portion) | \$31,160,621 |
| Police - Complex 2 | \$29,827,100 |
| Police - Complex 3 - Land Acquisition (5 acres of Pima/Meridian Park) | \$2,500,000 |
| Police - Fleet Facility | \$13,000,000 |
| Police - Parking Structure | \$15,000,000 |
| Police - Complex 3 | \$33,325,345 |
| Project Management Costs | \$6,660,000 |
| Total | \$144,054,066 |

C Fire Infrastructure Improvement Plan

The Fire facilities category includes those facilities used by the Town to provide fire protection services to residents, employees, and visitors within the Town.

Table 8: Fire Facilities Element

| | |
|----------------------------|---|
| Purpose of DIF | Fire facilities |
| Eligible Use of DIF | Fire facilities, including all appurtenances, equipment, and vehicles. Fire facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes, or a facility that is used for training firefighters from more than one station or substation. |
| DIF Justification | New residential and non-residential development will generate additional residents and employees who will increase service calls and in turn increase the need for trained fire personnel. Equipment and vehicles used to provide these services will have to be purchased and replaced to meet this increased demand. Thus, a reasonable relationship exists between the need for Fire facilities and the impact of residential and non-residential development. Notably, DIFs collected from new development will be used exclusively on Fire facilities identified in the IIP. |

C.1 Outstanding Debt

The Town previously issued debt to finance Fire facilities that benefit both new and existing development. The portion of this debt allocable to new development over the 10-Year Horizon for the 2020 bonds totals \$5,956,625.

C.2 Planned Improvements

Table 9 identifies the Fire facilities that are planned for construction over the next 10 years that are proposed to be funded in whole or in part with the DIFs. The costs provided are based on estimates provided by the Town.

Table 9: Fire Facilities Costs

| Fire Facilities | Cost |
|--|---------------------|
| Fire - Public Safety Complex (Non-Training Portion) | \$9,092,111 |
| Fire Station #6 Design and Construction | \$13,728,000 |
| Fire Station #6 Fire Truck and Equipment | \$1,488,750 |
| Fire Station #6 Ambulance | \$450,000 |
| Fire Station #7 (ASLD) - Land | \$1,432,000 |
| Fire Station #7 (ASLD) - Design and Construction | \$13,730,000 |
| Fire Station #7 (ASLD) - Ladder Tender and Equipment | \$1,488,750 |
| Fire Station #7 (ASLD) - Ladder Truck and Equipment | \$2,489,280 |
| Fire Station #7 (ASLD) - Hazmat Unit | \$2,000,000 |
| Fire Station #8 (Box Canyon) - Land, Design, Construction, Equipment | \$18,862,000 |
| Project Management Costs | \$3,180,000 |
| Total | \$67,940,891 |

D Parks Infrastructure Improvement Plan

The Parks facilities category identifies facilities that will serve the Town’s residents by enhancing the community’s appeal and quality of life. This includes (i) the acquisition, planning, and design of parkland needed for parks facilities, and (ii) the construction and development of parks facilities needed to serve new and existing development.

Table 10: Parks Facilities Element

| Purpose of DIF | Parks Facilities |
|---------------------|---|
| Eligible Use of DIF | Neighborhood parks and recreational facilities on real property up to 30 acres in area, or parks and recreational facilities larger than 30 acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment, or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools. |
| DIF Justification | New development will generate additional residents who will increase the demand for Parks facilities within the Town. Land will have to be purchased and improved to meet this increased demand; thus, a reasonable relationship exists between the need for Parks facilities and the impact of development. DIFs collected from new development will be used exclusively for Parks facilities. |

D.1 Outstanding Debt

There is no outstanding debt related to Parks facilities.

D.2 Planned Improvements

Table 11 on the following page identifies the Parks facilities that are planned for construction over the next 10 years that are proposed to be funded in whole or in part with the DIFs. The costs provided are based on estimates provided by the Town.

Table 11: Parks Facilities Costs

| Parks Facilities | Cost | DIF-Eligible Cost ¹ |
|---|----------------------|--------------------------------|
| Frontier Family Park (85 acres) | \$72,780,000 | \$15,084,309 |
| Southeast Park Site - Land (74 acres) | \$22,066,983 | \$9,003,539 |
| Southeast Park Site - Construction (74 acres) | \$73,527,700 | \$30,000,000 |
| Pima/Meridian Park Site - Land (52 acres) | \$23,400,000 | \$13,500,000 |
| Pima/Meridian Park - Design and Construction (52 acres) | \$52,000,000 | \$30,000,000 |
| Bosma Parkland Purchase (30 acres) | \$15,000,000 | \$15,000,000 |
| Bosma Park - Design and Construction (30 acres) | \$30,000,000 | \$30,000,000 |
| Project Management Costs | \$6,230,000 | \$6,230,000 |
| Total | \$295,004,683 | \$148,817,848 |

***Note:**

1. Pursuant to ARS §9-463.05, "neighborhood parks and recreational facilities on real property up to 30 acres in area" are eligible for DIFs, with further justification needed to support facilities greater than 30 acres. The DIF-eligible costs shown in this table reflect the "up to thirty acres" limitation.

E Trails Infrastructure Improvement Plan

The Trails facilities category identifies facilities that will serve the Town’s residents by enhancing the community’s appeal and quality of life. This includes the construction and development of trails facilities needed to serve new and existing development.

Table 12: Trails Facilities Element

| | |
|----------------------------|--|
| Purpose of DIF | Trails facilities |
| Eligible Use of DIF | See Parks facilities |
| DIF Justification | New development will generate additional residents who will increase the demand for Trails facilities within the Town. Land will have to be purchased and improved to meet this increased demand; thus, a reasonable relationship exists between the need for Trails facilities and the impact of development. DIFs collected from new development will be used exclusively for Trails facilities. |

E.1 Outstanding Debt

There is no outstanding debt related to Trails facilities.

E.2 Planned Improvements

Table 13, included below, identifies the Trails facilities that are planned for construction over the next 10 years that are proposed to be funded in whole or in part with the DIFs. The costs provided are based on estimates provided by the Town.

Table 13: Trails Facilities Costs

| Trails Facilities | Cost |
|--|---------------------|
| QC Wash Trail Improvements - Rittenhouse to Meridian | \$4,783,711 |
| Sonoqui Wash Power to Recker | \$1,346,000 |
| SRP Utility Easement Trail - Ellsworth to Signal Butte | \$1,500,000 |
| Trail by Southeast Park Site | \$3,375,000 |
| Project Management Costs | \$530,000 |
| Total | \$11,534,711 |

F Streets Infrastructure Improvement Plan

The Streets facilities category includes those facilities used by the Town to provide safe and efficient vehicular access throughout the Town. In order to meet the traffic demand of new development, the Town identified the need for new road construction and equipment as shown in the IIP.

Table 14: Streets Facilities Element

| | |
|----------------------------|--|
| Purpose of DIF | Streets facilities |
| Eligible Use of DIF | Streets facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals, and rights-of-way and improvements thereon. |
| DIF Justification | New residential and non-residential development will generate additional residents and employees who will create additional vehicular and non-vehicular traffic within the Town limits. Streets will have to be improved or extended to meet the increased demand and traffic signals will have to be installed to efficiently direct increased traffic flow. Thus, there is a relationship between new development and the need for new Streets facilities. DIFs collected from new development will be used exclusively for streets facilities on the IIP. |

F.1 Outstanding Debt

The Town previously issued debt to finance Streets facilities that benefit both new and existing development. The portion of this debt allocable to new development over the 10-Year Horizon for the 2020 bonds totals \$3,373,882.

F.2 Planned Improvements

Table 15 on the following page identifies the Streets facilities that are planned for construction over the next 10 years that are proposed to be funded in whole or in part with the DIFs. The costs provided are based on estimates provided by the Town.

Table 15: Streets Facilities Cost

| Streets Facilities | Cost |
|---|----------------------|
| Ocotillo Road: West of Sossaman Rd to Hawes Rd | \$9,840,138 |
| Hawes Road: Ocotillo to Rittenhouse | \$3,334,295 |
| Chandler Heights: Hawes to Ellsworth | \$3,336,500 |
| Chandler Heights: Sossaman to Hawes | \$10,549,879 |
| Signal Butte: Ocotillo to Queen Creek | \$1,387,930 |
| Germann Rd: Ellsworth to Crismon | \$3,150,000 |
| Power Road: Chandler Heights to Riggs | \$11,722,254 |
| Power Road: Riggs to Hunt Hwy | \$5,183,713 |
| Ryan Road: Crismon to Signal Butte | \$6,127,905 |
| Hunt Hwy: Power to Sossaman | \$3,267,000 |
| Traffic Signal: Ocotillo and Scotland Court | \$1,000,000 |
| Meridian Road: Queen Creek Road to Germann | \$7,592,883 |
| 220th: Queen Creek to Ryan | \$3,299,986 |
| Sossaman Railroad Crossing at Germann | \$4,625,751 |
| ASLD Infrastructure Improvements | \$44,218,060 |
| Ironwood Road Improvements | \$895,926 |
| Sossaman: Sonoqui Wash to Chandler Heights | \$10,560,000 |
| Sossaman: Chandler Heights to Riggs | \$3,583,500 |
| Hawes: Chandler Heights to Ocotillo | \$14,000,000 |
| Hawes: Riggs North to Sunset Drive (1/2 mile, 3 lanes) | \$6,450,000 |
| Southeast Park - Riggs Road (1/4 mile, 3 lanes) | \$3,225,000 |
| Southeast Park - Crismon Road to Cul-De-Sac (1/4 mile, 3 lanes) | \$3,225,000 |
| Combs: Meridian to Gantzel - West of Sangria | \$1,250,000 |
| Ironwood: Pima to Germann | \$30,000,000 |
| Traffic Signal: Germann Road and 196th Street | \$1,831,505 |
| Traffic Signal: Harvest at Riggs Road | \$1,200,000 |
| Traffic Signal: Signal Butte and Riggs | \$1,425,000 |
| Traffic Signal: Combs at Sangria | \$1,375,000 |
| Traffic Signal: 220th at Queen Creek Road | \$1,250,000 |
| Traffic Signal: Power Road at San Tan | \$420,000 |
| Traffic Signal: Ocotillo at Recker (IGA with Gilbert) | \$750,000 |
| Traffic Signal: Riggs at 206th | \$1,500,000 |
| Traffic Signal: Queen Creek at 188th | \$303,963 |
| Traffic Signal: Gary Road and Grange Parkway | \$341,907 |
| Traffic Signal: Ellsworth at San Tan Blvd | \$381,735 |
| Traffic Signal: Riggs at Crismon High School | \$297,871 |
| Project Management Costs | \$9,770,000 |
| Total | \$212,672,700 |

VI METHODOLOGIES USED FOR CALCULATING IMPACT FEES

Under Arizona law, the levels of development impact fees adopted by a municipality “must bear a reasonable relationship to the burden imposed upon the municipality to provide additional necessary public services to the development.” According to this statute:

1. Development fees shall result in a beneficial use to the development;
2. The municipality shall calculate the development fee based on the infrastructure improvements plan adopted pursuant to this section;
3. The development fee shall not exceed a proportionate share of the cost of necessary public services, based on service units, needed to provide necessary public services to the development; and
4. Costs for necessary public services made necessary by new development shall be based on the same level of service provided to existing development in the service area.

Predicting future residents' or employees' specific behavioral patterns and their requirements for facilities related to public protection, parks, trails, transportation, and other facilities and services is dependent on making numerous assumptions that are subject to substantial variances. As such, State law specifically requires that a “reasonable” relationship be determined, as opposed to a direct cause and effect relationship for each specific parcel on which new development occurs. In developing its DIF program, the Town has undertaken an extensive effort to accurately determine the impact that future residential and non-residential development will have on the need for each category of Future Facilities. The Town’s objective has been to select the most appropriate methodology to apportion the relative levels of benefit received by each of the five land uses for each of the five types of facilities to be financed with the DIFs.

There are many methods of calculating DIFs for each land use category. Fundamentally they are all based on determining the cost of needed improvements and assigning these costs equitably based on the relative amounts of benefit received by various types of development. One significant consideration is the allocation of benefit between existing development (to cover existing facilities deficiencies) and future development (to incorporate the need for Future Facilities that it will generate). While the EDU factors discussed in this section provide a comparison of the relative numbers of residents and employees generated by each of the five land use categories associated with existing and new development, the precise use of these relative numbers is dependent on the specific apportionment methodology applied to each Future Facilities category. Furthermore, as explained below, other metrics can be utilized in place of the EDUs if they better represent the levels of benefit generated by certain types of facilities.

There are a number of apportionment methodologies, each of which allows for variations in the types of criteria and metrics utilized to best reflect the benefits provided by specific types of capital facilities. The methodologies employed within this Study are based on either a services standard or a finite facilities plan, depending on the type of facility being funded, as described below.

A Methodologies Utilized in this Study

A.1 Service Standards-Based DIFs

The first method of assessing DIFs, which has been utilized for Police, Fire, Parks, and Trails, is based on "service standards," where costs are based on units of demand. This method establishes a generic unit cost for capacity, which is then applied to development per unit of demand. Parks are a good example of this type of DIF structure. The Town could determine the number of acres of parks serving its current population, and then apply that standard to future development. Initially, the standard isn't based on cost, but rather the number of acres of existing parks per thousand existing residents. Once the standard has been established, it is multiplied by a typical cost for providing that standard to develop a DIF level. This method has several advantages, in that a DIF can be calculated and implemented without knowing the cost or size of a specific future facility that will actually be acquired and/or constructed to serve future development. Similar methodology can be used to determine DIFs for public protection facilities by determining the number of police or fire personnel currently serving the existing Town population. It is more difficult to apply this standard for transportation facilities because the existing linear mileage may not reflect the street mileage necessary to serve future development.

In some cases, a municipality can utilize service standards-based DIFs as a mechanism to determine a buy-in amount when future development is asked to pay for its fair share of existing facilities, especially when the current facilities have been oversized at some point in the past. Under these circumstances, the municipality or prior developers may have directly paid for the oversizing and would essentially be reimbursed for the share of the oversized facilities to be used by future development. In other cases, a municipality may have sold bonds and is making debt service payments, and DIFs from future development may be used to pay down their fair share of the debt or assist the municipality in making the debt service payments. The Town may use this methodology to pay down a portion of its existing facilities debt.

A.2 Plan-Based DIFs

The second method of assessing DIFs, which has been utilized for Streets, is based on a "Plan," such as a master plan of facilities, which identifies a finite set of facilities. Within many such plans, facilities costs are known or can be estimated, and these costs can be assigned to all land use categories planned for the future. Plan-based DIFs typically take the form of a per-unit assessment, in terms of per dwelling unit or per square foot of commercial/office/industrial floorspace. Facilities costs are

allocated in proportion to the level of demand generated by each type of land use for specific facilities. This method can only be utilized when an up-to-date facilities plan has already been prepared, but it is particularly useful when it is difficult to assign a service standard that applies uniformly to each land use type. For example, the roads needed for future development must be designed and constructed based on specific circumstances related to that development, including local topography, the ability of existing roads to serve future development, the nature of the future development and other factors, and cannot necessarily be based on a "services standard" that applies to future development in all communities [see Section V(C)]. In the case of roads, the Town could use average daily trips generated by each type of land use, or number of trips during peak hours when the maximum capacity of a road is the crucial factor. This data is made available on a national basis by the Institute of Traffic Engineers or can be derived from data produced by a regional transportation agency or a local traffic model analysis. In some communities, Vehicle Miles Traveled, which tend to be higher for residential uses in low density areas located far from mass transit, or at a greater distance from retail development and schools, are utilized to produce lower DIFs for dense in-town development that relies less on motor vehicle usage.

Plan-based DIFs can also be utilized for public protection facilities, as well as parks facilities, in cases where a municipality has approved a master plan for these types of facilities. For public protection facilities, the benefits generated by these facilities can be apportioned based on the number of persons served, which could be linked to household size for residential development or number of employees per square foot for non-residential development. If better data is available through records that reflect the number of calls for service generated by each type of land use, which can be found in many municipalities, that data can be used to apportion costs. Finally, if a service area map is available and the Town decides to allocate costs based on future facilities costs in each service area, a series of zones with different DIF levels could be established for each service area. In the case of the Streets fee, Future Facility costs have been allocated between existing and future development on a Town-wide basis.

However, as mentioned previously, in all cases, there must be an allocation of future facilities costs between existing development and future development because the DIFs imposed on future development cannot include costs related to eliminating current facility deficiencies that will ultimately benefit existing development. Notably, one caveat associated with a plan-based DIF is that it assumes a specific amount and intensity of future land uses, so if future land uses change, the future base of revenue upon which the DIF was calculated may also change. If it is difficult to project future development patterns in a community, it is better to use a Standards-Based approach.

In determining the most appropriate methodology for a specific type of facility, the Town will evaluate each facility type separately from the others and determine the portion of the benefit from each type of facility that applies to future development, as opposed to the portion, if any, benefiting existing development, which cannot be funded through a DIF.

B EDU Calculation

As previously mentioned, an EDU metric can be assigned to each land use type as a reflection of the level of use, or benefit, that is received by that land use type from these facilities. For purposes of a DIF analysis, one EDU represents the level of benefit that a single-family home will receive from one of the five types of Future Facilities. DTA utilized three (3) separate EDU calculations, one for public safety (i.e., Police and Fire), one for Parks and Trails, and one for Streets. Each of these EDU calculations attempts to approximate the unique demand for service for each of the facility types. DTA followed the steps outlined below to determine the number of existing and projected EDUs for each facility type:

- Calculate the Persons Served per unit and per 1,000 sq. ft.:
 - Persons Served per Unit equals population divided by the number of units for each residential land use category; and
 - Persons Served per 1,000 sq. ft equals number of Persons Served divided by (the number of non-residential sq. ft. divided by 1,000) for each non-residential land use category.
- Calculate the total EDUs per unit or per 1,000 sq. ft., which, for each land use category, equals the Persons Served per unit or per 1,000 sq. ft. for the specific land use category, divided by the Persons Served per unit for the Single-Family land use category.
- Calculate the total number of EDUs, which equals the EDUs per unit or per 1,000 sq. ft. multiplied by the number of units or non-residential square feet for each respective land use category.
- Divide the existing EDUs by the total number of EDUs (existing + new) to determine the percentage of costs allocated to non-growth (existing) and the projected EDUs by the total number of EDUs (existing + new) to determine the percentage of costs allocated to growth (new).

Notably, the Persons Served (or service population) is determined for Police/Fire and Parks/Trails based on the following:

- For Police and Fire, the calculation of the number of Persons Served (or service population), is based on residents, plus 50% of employees, plus 5% of visitors (where visitors to non-residential land uses are estimated based on the trip generation rate associated with that land use). Notably, this service population estimate accounts for the fact that generally, residents require services for 16 hours per day, employees/business require services for 8 hours per day, and visitors (e.g., shoppers

at a retail site) require services for approximately 30-40 minutes while on site. As a result, this estimate of services population would best approximate the need for service (e.g., responding to emergencies) by each land use, and therefore the need for Future Facilities by such land use.

- For Parks and Trails, the calculation of the number of Persons Served is based on residents, plus 50% of employees. Similar to public safety, this service population estimate accounts for the fact that generally, residents would have access to facilities for 16 hours per day and employees have access to facilities for 8 hours per day. However, unlike public safety, DTA assumes that the impact of visitors to non-residential land uses on park and trail facilities is negligible.

Finally, for Streets, the calculation is based on the Vehicle Miles Travelled (“VMT”) for each land use.

Appendix A provides additional detail on the Persons Served calculation for Police/Fire and Parks/Trails, as well as on the VMT calculation for Streets.

Table 16 below shows total existing and projected EDUs by facility type that were used in this Fee Study. Notably, Persons Served equals residents plus 50% of employees plus 5% of visitors and is a customary industry practice designed to capture the reduced levels of service demanded by employees and visitors.

Table 16: Equivalent Dwelling Units (10-Year Projections)*

| Facility Type | Service Factor | Existing EDUs | Projected EDUs | % Increase (Existing to Projected) | Total EDUs |
|---------------|--------------------------------|---------------|----------------|------------------------------------|------------|
| Police | Persons Served (Public Safety) | 34,362 | 19,824 | 58% | 54,185 |
| Fire | | 34,362 | 19,824 | 58% | 54,185 |
| Parks | Persons Served (Parks/Trails) | 30,267 | 18,433 | 61% | 48,700 |
| Trails | | 30,267 | 18,433 | 61% | 48,700 |
| Streets | Vehicle Miles Traveled | 35,179 | 20,374 | 58% | 55,553 |

*Note: Figures may not sum due to rounding.

A summary of the methodology used for each specific facility is presented in Table 17.

Table 17: Town of Queen Creek Impact Fee Calculation Methodology (By Facility Type)

| Facility Type | Methodology | Sources of Apportioning Costs |
|---------------|-----------------|-------------------------------|
| Police | Standards-Based | Existing Standard |
| Fire | | |
| Parks | | |
| Trails | | |
| Streets | Plan-Based | Existing Infrastructure Plan |

The following sections present the reasonable relationship of benefit, impact, and rough proportionality tests for each fee element and the analysis undertaken to apportion costs for each type of facility. More detailed fee calculation worksheets for each type of facility are included in Appendix A.

C Allocation of Costs Between New and Existing Development

C.1 Allocation of Future Facilities

Based on the methodologies described in Section B above, DTA has allocated varying percentages of the cost of each of the five categories of facilities to new development. As listed in Table 18, 100% of Parks and Trails facilities costs have been allocated to new development, whereas 21% of Police facilities costs, 74% of Fire facilities costs, and 42% of Streets facilities costs have been apportioned to new development. Details on the derivation of the amounts allocated for each fee category may be found in Section VI of the Study.

Table 18: Allocation of Future Facilities to New Development

| Facility Type | Total DIF-Eligible Facilities | Percent Allocated to New Development | Maximum Amount Funded by DIF |
|---------------|-------------------------------|--------------------------------------|------------------------------|
| Police | \$144,054,066 | 21% | \$30,389,752 |
| Fire | \$67,940,891 | 74% | \$50,188,389 |
| Parks | \$148,817,848 | 100% | \$148,817,848 |
| Trails | \$11,534,711 | 100% | \$11,534,711 |
| Streets | \$212,672,700 | 42% | \$89,322,534 |
| Total | \$585,020,216 | - | \$330,253,234 |

C.2 Outstanding Debt

The portion of this debt allocable to new development over the 10-Year Horizon for the 2020 bonds associated with Fire and Streets is equal to \$5,956,625 and \$3,373,882, respectively.

A summary of the debt allocable to new development and eligible for financing through the proposed DIFs is in the table below.

Table 19: DIF-Eligible Outstanding Debt

| Facility Type | Amount Funded by DIF |
|---------------|----------------------|
| Police | \$0 |
| Fire | \$5,956,625 |
| Parks | \$0 |
| Trails | \$0 |
| Streets | \$3,373,882 |
| Total | \$9,330,507 |

C.3 Existing Cash Balance

Table 20 summarizes the current cash on hand for each of the fee categories as of June 30, 2024. Any balances will be used to offset the costs of Future Facilities allocable to new development in each respective fee category.

Table 20: Allocation of Available Cash Balance to Offset DIFs

| Facility Type | Available Cash Balance as of 6/30/2024 |
|---------------|--|
| Police | \$2,179,972 |
| Fire | \$0 |
| Parks | \$28,709,510 |
| Trails | \$3,611,989 |
| Streets | \$11,058,319 |
| Total | \$45,559,790 |

C.4 Construction Sales Tax Offset

Per Arizona law, "...if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed." The Town imposes an excess construction sales tax in the amount of 2.0% above the general sales tax rate that has historically been dedicated to fund Transportation projects.

By the end of the 10-Year Horizon, the Town anticipates that it will have collected approximately \$199.3 million in Construction Sales Tax ("CST") revenues, which is intended to offset the costs of Future Facilities allocable to new development. Additionally, there's an existing balance of \$7,519,570 in the CST account, and this amount has been added to the CST, for a total of \$206,789,735. In the prior study, the estimated CST of approximately \$24 million was applied as an offset solely to the Streets fee. In preparing this fee update, the Town Council changed the application of the offset. The \$207 million will be allocated across all fee categories based on each respective fee category's percentage share of net costs funded by DIFs. In this case, the net cost for each fee category is equal to the maximum amount funded by DIF for the applicable fee category (see Table 18), plus existing debt funded by DIF for the fee category (see Table 19), minus the existing cash balance for that fee category, as shown in Table 21.

Table 21: Allocation of CST to Offset DIFs

| Facility Type | Net Cost Funded by DIFs | Percent Allocated to New Development | Total CST Offset |
|---------------|-------------------------|--------------------------------------|----------------------|
| Police | \$28,209,780 | 9% | \$19,840,197 |
| Fire | \$56,145,014 | 19% | \$39,487,302 |
| Parks | \$120,108,338 | 41% | \$84,473,293 |
| Trails | \$7,922,722 | 3% | \$5,572,123 |
| Streets | \$81,638,097 | 28% | \$57,416,821 |
| Total | \$294,023,951 | 100% | \$206,789,736 |

C.5 Total Costs Allocable to New Development

Table 22 below provides a summary of costs and offsetting revenues, as well as the resulting total amount that is anticipated to be funded by DIFs. Notably, the Town completed an analysis of fee credits. This analysis was done in compliance with State law and concludes that there is no further reduction due to fee credits, as presented in Appendix B.

Table 22: Total Costs Allocable to New Development

| Facility Type | Maximum Amount Funded by DIF | Existing Debt Service Funded by DIF | Cash Balance Offset | CST Offset | Fee Credits | Total Amount Funded by DIF |
|---------------|------------------------------|-------------------------------------|-----------------------|------------------------|-------------|-----------------------------------|
| | [a] | [b] | [c] | [d] | [e] | [f] = [a] + [b] + [c] + [d] + [e] |
| Police | \$30,389,752 | \$0 | (\$2,179,972) | (\$19,840,197) | \$0 | \$8,369,583 |
| Fire | \$50,188,389 | \$5,956,625 | \$0 | (\$39,487,302) | \$0 | \$16,657,712 |
| Parks | \$148,817,848 | \$0 | (\$28,709,510) | (\$84,473,293) | \$0 | \$35,635,045 |
| Trails | \$11,534,711 | \$0 | (\$3,611,989) | (\$5,572,123) | \$0 | \$2,350,599 |
| Streets | \$89,322,534 | \$3,373,882 | (\$11,058,319) | (\$57,416,821) | \$0 | \$24,221,276 |
| Total | \$330,253,234 | \$9,330,507 | (\$45,559,790) | (\$206,789,736) | \$0 | \$87,234,215 |

D Police Proposed Fee Calculation

D.1 Calculation Methodology

To meet the LOS required, the Town will need to acquire or construct additional Police facilities. Assuming the EDUs grow by 19,824, or 58%, over the next 10 years, the Town will need to acquire or construct the following infrastructure in order to maintain the same LOS. The current LOS is calculated by dividing the total inventory of a facility type, as noted above, by the existing number of EDUs within the Town. For example, and as shown in the following table, the amount of building square feet per 1,000 EDUs is determined by dividing the total existing building square feet (15,694) by the total existing EDUs (34,362) converted to 1,000 EDUs (34.362).

Table 23: Police Existing Facility Standard as of 2024

| Facility Type | Quantity | Total Existing EDUs | Facility Units per 1,000 EDUs |
|-------------------------------|----------|---------------------|-------------------------------|
| | [a] | [b] | [c] = [a] / ([b] / 1,000) |
| Buildings (Square Feet) | 15,694 | 34,362 | 456.73 |
| Land (Acres) | 6.82 | | 0.20 |
| Radio Towers (Units) | 0.00 | | 0.00 |
| Vehicles (Number of Vehicles) | 106 | | 3.08 |
| Fleet Facility (Units) | 1 | | 0.03 |
| Parking (Spaces) | 167 | | 4.86 |

Based on the current LOS calculated above, the facilities units (i.e. building square feet, land acres, etc.) required for new development, are determined in the table below. For example, the amount of building square feet required for new development is determined by multiplying the building square feet per 1,000 EDUs (456.73) by the total future EDUs (19,824) converted to 1,000 EDUs (19.824).

Table 24: Police Future Facility Standard in 2033

| Facility Type | Facility Units per 1,000 EDUs | Total Future EDUs | Facility Units Funded by New Development |
|-------------------------------|-------------------------------|-------------------|--|
| | [a] | [b] | [c] = [a] x ([b] / 1,000) |
| Buildings (Square Feet) | 456.73 | 19,824 | 9,054.18 |
| Land (Acres) | 0.20 | | 3.93 |
| Radio Towers (Units) | 0.00 | | 0.00 |
| Vehicles (Number of Vehicles) | 3.08 | | 61.15 |
| Fleet Facility (Units) | 0.03 | | 0.58 |
| Parking (Spaces) | 4.86 | | 96 |

Once the LOS for new development by facility type, has been determined, the Study

evaluates the LOS created by the facilities on the Infrastructure Improvement Plan. First, as shown in the table below, each of the facilities on the Police Infrastructure Improvement Plan (the “Police IIP”) are categorized into the applicable facility types, and the total facilities units (i.e., building square feet, land acres, etc.) being added by facilities on the Police IIP are summarized.

Table 25: Police Future Facility Units

| Facility | Building Sq. Ft. | Land Acres | Radio Towers | Vehicles | Fleet Facility | Parking Spaces |
|--|------------------|-------------|--------------|------------|----------------|----------------|
| Radio Towers and Infrastructure | - | - | 2.00 | - | - | - |
| Equipment | - | - | - | 130 | - | - |
| Public Safety Complex (Non-Training Portion) | 25,034 | - | - | - | - | - |
| Complex 2 | 29,523 | - | - | - | - | - |
| Complex 3 – Land Acquisition (5 Acres of Pima/Meridian Park) | - | 5.00 | - | - | - | - |
| Fleet Facility | - | - | - | - | 1 | - |
| Parking Structure | - | - | - | - | - | 263 |
| Complex 3 | 30,345 | - | - | - | - | - |
| Project Management Costs | - | - | - | - | - | - |
| Total | 84,902 | 5.00 | 2.00 | 130 | 1 | 263 |

Second, as shown in Table 26, the total facility costs identified on the Police IIP are categorized into the applicable facility types, and the total cost for each facility type is determined. The unit cost for each facility type is also calculated by dividing the total cost of each facility type by the total facilities units determined in Table 25. For example, the cost per building square foot (\$1,169) is calculated by dividing total Police IIP cost for building square feet (\$99,285,830) by the total building square feet anticipated from the facilities (84,902).

Table 26: Police Future Facility Costs

| Facility | Building Sq. Ft. | Land Acres | Radio Towers | Vehicles | Fleet Facility | Parking Spaces | Total |
|--|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|----------------------|
| Radio Towers and Infrastructure | - | - | \$4,000,000 | - | - | - | \$4,000,000 |
| Equipment | - | - | - | \$8,831,000 | - | - | \$8,831,000 |
| Public Safety Complex (Non-Training Portion) | \$31,160,621 | - | - | - | - | - | \$31,160,621 |
| Complex 2 | \$29,827,100 | - | - | - | - | - | \$29,827,100 |
| Complex 3 – Land Acquisition (5 Acres of Pima/Meridian Park) | - | \$2,500,000 | - | - | - | - | \$2,500,000 |
| Fleet Facility | - | - | - | - | \$13,000,000 | - | \$13,000,000 |
| Parking Structure | - | - | - | - | - | \$15,000,000 | \$15,000,000 |
| Complex 3 | \$33,325,345 | - | - | - | - | - | \$33,325,345 |
| Project Management Costs | \$4,972,764 | \$0 | \$210,905 | \$0 | \$685,440 | \$790,892 | \$6,660,000 |
| Total | \$99,285,830 | \$2,500,000 | \$4,210,905 | \$8,831,000 | \$13,685,440 | \$15,790,892 | \$144,304,066 |
| Total per Unit | \$1,169 | \$500,000 | \$2,105,452 | \$67,931 | \$13,685,440 | \$60,041 | - |

Finally, Table 27 shows the total cost required to be funded by new development in order to maintain the current LOS. The cost is determined for each facility type by multiplying the applicable facility units required for new development, by the cost per facility unit calculated in the table above. For example, the cost of additional buildings assigned to new development (\$10,588,115) is equal to the square feet of building required for new development (9,054.18) multiplied by the cost per building square foot (\$1,169). Notably, the total cost calculated above represents the maximum amount that may be funded by new development based on the current LOS. This total cost is then compared to the total facilities cost on the Police IIP. In this case, the maximum amount that may be funded by new development (\$30,389,752) is less than the total cost of facilities on the IIP (\$144,304,066). Therefore, only \$30,389,752 of the total \$144,304,066 identified on the Police IIP is included in the DIF calculation. The remaining cost of \$113,914,314 on the Police IIP would then be funded by other sources.

Table 27: Police Allocation to New Development

| Facility Type | Facility Units Funded by New Development | Cost per Facility Unit | Total Cost Assigned to New Development |
|---|--|------------------------|--|
| | [a] | [b] | [c] = [a] x [b] |
| Buildings (Square Feet) | 9,054.18 | \$1,169 | \$10,588,115 |
| Land (Acres) | 3.93 | \$500,000 | \$1,967,297 |
| Radio Towers (Units) | 0.00 | \$2,105,452 | \$0 |
| Vehicles (Number of Vehicles) | 61.15 | \$67,931 | \$4,154,206 |
| Fleet Facility (Units) | 0.58 | \$13,685,440 | \$7,895,405 |
| Parking (Spaces) | 96.35 | \$60,041 | \$5,784,729 |
| Maximum Cost to be Funded by New Development | | [a] | \$30,389,752 |
| Facilities Cost on IIP | | [b] | \$144,304,066 |
| Facilities Funded with Impact Fees | | [c] = min ([a], [b]) | \$30,389,752 |
| Remaining Cost Funded from Other Sources | | [d] = [b] – [c] | \$113,914,314 |

D.2 Total Funded by DIF

Importantly, the amount to be funded with impact fees is also adjusted to account for (i) any existing debt service (i.e., additional cost), (ii) any existing cash balance in the current impact fee account (i.e., offsetting revenue), and (iii) the anticipated construction sales tax revenues (i.e., offsetting revenue). Table 28 below provides a summary of costs and offsetting revenues, as well as the resulting total amount that is anticipated to be funded by the Police DIF.

Table 28: Police Future Facility Costs Allocable to New Development

| Maximum Amount Funded by DIF | Existing Debt Service Funded by DIF | Cash Balance Offset | CST Offset | Total Amount Funded by DIF |
|------------------------------|-------------------------------------|---------------------|----------------|-----------------------------|
| [a] | [b] | [c] | [d] | [e] = [a] + [b] + [c] + [d] |
| \$30,389,752 | \$0 | (\$2,179,972) | (\$19,840,197) | \$8,369,583 |

D.3 Fee Amounts

Once the total amount to be funded has been determined, the Police DIF amount is calculated by dividing the total amount funded by DIFs (\$8,369,583) by the projected Police EDUs (19,824) to come up with a per EDU rate (\$422 per EDU). Since a Single-Family unit equals one (1) EDU, this land use type will pay \$422 per unit. A Multi-Family unit, which equals 0.78 EDUs, will be responsible for approximately 78% of the per EDU Police DIF amount. Therefore, the fee for this land use type equals \$330 per unit.

This same methodology applies to the Commercial, Office/Other, and Industrial land use types. Please see Table 29 for all the Police DIF amounts and the corresponding

costs to be financed with the fees. Additional details regarding the analysis related to Police facilities are included in Appendix A of this Fee Study.

Table 29: Police Facilities Fee Summary*

| Land Use Type | EDUs per Unit/per 1,000 Non-Res. SF | Fee per Res. Unit/per 1,000 Non-Res. SF | Number of Units | Number of 1,000 Non-Res. SF | Costs Financed by Fees |
|---------------|-------------------------------------|---|-----------------|-----------------------------|------------------------|
| | [a] | [b] = [a] x \$422 | [c] | [c] | [d] = [b] x [c] |
| Single-Family | 1.00 | \$422 | 11,715 | - | \$4,946,044 |
| Multi-Family | 0.78 | \$330 | 4,513 | - | \$1,488,507 |
| Commercial | 0.79 | \$335 | - | 2,278 | \$764,190 |
| Office/Other | 0.52 | \$220 | - | 721 | \$158,686 |
| Industrial | 0.32 | \$135 | - | 7,514 | \$1,012,156 |
| Total | | | | | \$8,369,583 |

*Note: Some figures may not sum due to rounding.

E Fire Proposed Fee Calculation

E.1 Calculation Methodology

To meet the LOS required, the Town will need to acquire or construct additional Fire facilities. Assuming the EDUs grow by 19,824, or 58%, over the next 10 years, the Town will need to acquire or construct the following infrastructure in order to maintain the same LOS. The current LOS is calculated by dividing the total inventory of a facility type, as noted above, by the existing number of EDUs within the Town. For example, as shown in the following table, the amount of building square feet per 1,000 EDUs (1,974.13) is determined by dividing the total existing building square feet (67,834) by the total existing EDUs (34,362) converted to 1,000 EDUs (34.362).

Table 30: Fire Existing Facility Standard as of 2024

| Facility Type | Quantity | Total Existing EDUs | Facility Units per 1,000 EDUs |
|-------------------------------------|----------|---------------------|-------------------------------|
| | [a] | [b] | [c] = [a] / ([b] / 1,000) |
| Buildings (Square Feet) | 67,834 | 34,362 | 1,974.13 |
| Land (Acres) | 21.55 | | 0.63 |
| Ladder Truck (Number of Vehicles) | 2 | | 0.06 |
| Fire Truck (Number of Vehicles) | 4 | | 0.12 |
| Ambulance (Number of Vehicles) | 1 | | 0.03 |
| Hazmat Unit (Number of Vehicles) | 0 | | 0.00 |
| Other Vehicles (Number of Vehicles) | 17 | | 0.49 |

Utilizing the current LOS calculated above, the facilities units required for new development, are determined in the table below. As an example, the amount of building square feet required for new development (39,134.80) is determined by multiplying the building square feet per 1,000 EDUs (1,974.13) by the total future EDUs (19,824) converted to 1,000 EDUs (19.824).

Table 31: Fire Future Facility Standard in 2033

| Facility Type | Facility Units per 1,000 EDUs | Total Future EDUs | Facility Units Funded by New Development |
|-------------------------------------|-------------------------------|-------------------|--|
| | <i>[a]</i> | <i>[b]</i> | <i>[c] = [a] x ([b] / 1,000)</i> |
| Buildings (Square Feet) | 1,974.13 | 19,824 | 39,134.80 |
| Land (Acres) | 0.63 | | 12.43 |
| Ladder Truck (Number of Vehicles) | 0.06 | | 1.15 |
| Fire Truck (Number of Vehicles) | 0.12 | | 2.31 |
| Ambulance (Number of Vehicles) | 0.03 | | 0.58 |
| Hazmat Unit (Number of Vehicles) | 0.00 | | 0.00 |
| Other Vehicles (Number of Vehicles) | 0.49 | | 9.81 |

Similar to the approach used for Police, once the LOS for new development by facility type, has been determined, the Study evaluates the LOS created by the facilities on the Infrastructure Improvement Plan. First, each of the facilities on the Fire Infrastructure Improvement Plan (the "Fire IIP") are categorized into the applicable facility types, and the total facilities units anticipated from facilities on the Fire IIP are summarized in the table below.

Table 32: Fire Future Facility Units

| Facility | Building Sq. Ft. | Land Acres | Ladder Truck Vehicles | Fire Truck Vehicles | Ambulance Vehicles | Hazmat Vehicles | Other Vehicles |
|--|------------------|-------------|-----------------------|---------------------|--------------------|-----------------|----------------|
| Public Safety Complex (Non-Training Portion) | 15,737 | - | - | - | - | - | - |
| Fire Station #6 - Design and Construction | 13,000 | - | - | - | - | - | - |
| Fire Station #6 - Fire Truck and Equipment | - | - | - | 1 | - | - | - |
| Fire Station #6 - Ambulance | - | - | - | - | 1 | - | - |
| Fire Station #7 (ASLD) - Land | - | 3.00 | - | - | - | - | - |
| Fire Station #7 (ASLD) - Design and Construction | 13,000 | - | - | - | - | - | - |
| Fire Station #7 (ASLD) - Ladder Tender and Equipment | - | - | - | 1 | - | - | - |
| Fire Station #7 (ASLD) - Ladder Truck and Equipment | - | - | 1 | - | - | - | - |
| Fire Station #7 (ASLD) - Hazmat Unit | - | - | - | - | - | 1 | - |
| Fire Station #8 (Box Canyon) - Land, Design, Construction, Equipment | - | - | - | - | - | - | - |
| Fire Station #8 - Land | - | 3.00 | - | - | - | - | - |
| Fire Station #8 - Design and Construction | 13,000 | - | - | - | - | - | - |
| Fire Station #8 - Ladder Tender and Equipment | - | - | - | 1 | - | - | - |
| Fire Station #8 - Ladder Truck and Equipment | - | - | 1 | - | - | - | - |
| Project Management Costs | - | - | - | - | - | - | - |
| Total | 54,737 | 6.00 | 2 | 3 | 1 | 1 | 0 |

Second, as shown in Table 33, the total facility costs identified on the Fire IIP are categorized into the applicable facility types, and the total cost for each facility type is determined. The unit cost for each facility type is then calculated by dividing the total cost of each facility type by the total facilities units determined in Table 32. For example, the cost per building square foot (\$976) is calculated by dividing total Fire IIP cost for building square feet (\$53,430,111) by the total building square feet anticipated from the facilities (54,737).

Table 33: Fire Future Facility Costs

| Facility | Building Sq. Ft. | Land Acres | Ladder Truck Vehicles | Fire Truck Vehicles | Ambulance Vehicles | Hazmat Vehicles | Other Vehicles | Total |
|--|---------------------|--------------------|-----------------------|---------------------|--------------------|--------------------|----------------|---------------------|
| Public Safety Complex (Non-Training Portion) | \$9,092,111 | - | - | - | - | - | - | \$9,092,111 |
| Fire Station #6 - Design and Construction | \$13,728,000 | - | - | - | - | - | - | \$13,728,000 |
| Fire Station #6 - Fire Truck and Equipment | - | - | - | \$1,488,750 | - | - | - | \$1,488,750 |
| Fire Station #6 - Ambulance | - | - | - | - | \$450,000 | - | - | \$450,000 |
| Fire Station #7 (ASLD) - Land | - | \$1,432,000 | - | - | - | - | - | \$1,432,000 |
| Fire Station #7 (ASLD) - Design and Construction | \$13,730,000 | - | - | - | - | - | - | \$13,730,000 |
| Fire Station #7 (ASLD) - Ladder Tender and Equipment | - | - | - | \$1,488,750 | - | - | - | \$1,488,750 |
| Fire Station #7 (ASLD) - Ladder Truck and Equipment | - | - | \$2,489,280 | - | - | - | - | \$2,489,280 |
| Fire Station #7 (ASLD) – Hazmat Unit | - | - | - | - | - | \$2,000,000 | - | \$2,000,000 |
| Fire Station #8 (Box Canyon) - Land, Design, Construction, Equipment | - | - | - | - | - | - | - | \$0 |
| Fire Station #8 - Land | - | \$1,183,970 | - | - | - | - | - | \$1,183,970 |
| Fire Station #8 - Design and Construction | \$13,700,000 | - | - | - | - | - | - | \$13,700,000 |
| Fire Station #8 - Ladder Tender and Equipment | - | - | - | \$1,488,750 | - | - | - | \$1,488,750 |
| Fire Station #8 - Ladder Truck and Equipment | - | - | \$2,489,280 | - | - | - | - | \$2,489,280 |
| Project Management Costs | \$3,180,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,180,000 |
| Total | \$53,430,111 | \$2,615,970 | \$4,978,560 | \$4,466,250 | \$450,000 | \$2,000,000 | \$0 | \$67,940,891 |
| Total per Unit | \$976 | \$435,995 | \$2,489,280 | \$1,488,750 | \$450,000 | \$2,000,000 | \$0 | - |

Finally, Table 34 shows the total cost required to be funded by new development in order to maintain the current LOS. Again, the cost is determined for each facility type by multiplying the applicable facility units required for new development, by the cost per facility unit calculated in the table above. For example, the cost of additional buildings assigned to new development (\$38,200,421) is equal to the square feet of building required for new development (39,134.80) multiplied by the cost per building square foot (\$976). The total cost calculated above represents the maximum amount that may be funded by new development based on the current LOS. Comparing this total cost to the total facilities cost on the Fire IIP, the maximum amount that may be funded by new development (\$50,188,389) is less than the total cost of facilities on the IIP (\$67,940,891). Therefore, only \$50,188,389 of the total \$67,940,891 identified on the Fire IIP is included in the DIF calculation. The remaining cost of \$17,752,502 on the Fire IIP would then be funded by other sources.

Table 34: Fire Allocation to New Development*

| Facility Type | Facility Units Funded by New Development | Cost per Facility Unit | Total Cost Assigned to New Development |
|---|--|------------------------|--|
| Buildings (Square Feet) | 39,134.80 | \$976 | \$38,200,421 |
| Land (Acres) | 12.43 | \$435,995 | \$5,420,563 |
| Ladder Truck (Number of Vehicles) | 1.15 | \$2,489,280 | \$2,872,231 |
| Fire Truck (Number of Vehicles) | 2.31 | \$1,488,750 | \$3,435,559 |
| Ambulance (Number of Vehicles) | 0.58 | \$450,000 | \$259,614 |
| Hazmat Unit (Number of Vehicles) | 0.00 | \$2,000,000 | \$0 |
| Other Vehicles (Number of Vehicles) | 9.81 | \$0 | \$0 |
| Maximum Cost to be Funded by New Development | | [a] | \$50,188,389 |
| Facilities Cost on IIP | | [b] | \$67,940,891 |
| Facilities Funded with Impact Fees | | [c] = min ([a], [b]) | \$50,188,389 |
| Remaining Cost Funded from Other Sources | | [d] = [b] – [c] | \$17,752,502 |

*Note: Some figures may not sum due to rounding.

E.2 Total Funded by DIF

Additionally, the amount to be funded with impact fees is adjusted to account for (i) any existing debt service (i.e., additional cost), (ii) any existing cash balance in the current impact fee account (i.e., offsetting revenue), and (iii) the anticipated construction sales tax revenues (i.e., offsetting revenue). Table 35 below provides a summary of costs and offsetting revenues, and the resulting total amount that is anticipated to be funded by the Fire DIF.

Table 35: Fire Future Facility Costs Allocable to New Development*

| Maximum Amount Funded by DIF | Existing Debt Service Funded by DIF | Cash Balance Offset | CST Offset | Total Amount Funded by DIF |
|------------------------------|-------------------------------------|---------------------|----------------|-----------------------------|
| [a] | [b] | [c] | [d] | [e] = [a] + [b] + [c] + [d] |
| \$50,188,389 | \$5,956,625 | \$0 | (\$39,487,302) | \$16,657,712 |

*Note: Some figures may not sum due to rounding.

E.3 Fee Amounts

Once the total future facility cost has been determined, the fee amount can be calculated. This is done by dividing the total amount funded by DIFs (\$16,657,712) by the projected Fire EDUs (19,824) to come up with a per EDU rate, which equals \$840 per EDU. Since a Single-Family unit equals one (1) EDU, this land use type will pay the Fire DIF amount in its entirety. A Multi-Family unit, which equals 0.78 EDUs, will be responsible for approximately 78% of the per unit EDU Fire DIF amount. Therefore, the fee for this land use type equals \$656.

This same methodology applies to the Commercial, Office/Other, and Industrial land use types. Please see Table 36 for all the DIF amounts and the corresponding costs to be financed with the fees. Additional details regarding the analysis related to Police facilities are included in Appendix A of this Fee Study.

Table 36: Fire Facilities Fee Summary*

| Land Use Type | EDUs per Unit/per 1,000 Non-Res. SF | Fee per Res. Unit/per 1,000 Non-Res. SF | Number of Units | Number of 1,000 Non-Res. SF | Costs Financed by Fees |
|---------------|-------------------------------------|---|-----------------|-----------------------------|------------------------|
| | [a] | [b] = [a] x \$840 | [c] | [c] | [d] = [b] x [c] |
| Single-Family | 1.00 | \$840 | 11,715 | - | \$9,843,954 |
| Multi-Family | 0.78 | \$656 | 4,513 | - | \$2,962,527 |
| Commercial | 0.79 | \$668 | - | 2,278 | \$1,520,943 |
| Office/Other | 0.52 | \$438 | - | 721 | \$315,827 |
| Industrial | 0.32 | \$268 | - | 7,514 | \$2,014,461 |
| Total | | | | | \$16,657,712 |

*Note: Some figures may not sum due to rounding.

F Parks Proposed Fee Calculation

F.1 Calculation Methodology

To meet the LOS required, the Town will need to acquire or construct additional Parks facilities. Assuming the EDUs grow by 18,433, or 61%, over the next 10 years, the Town will need to acquire or construct the following park facilities in order to maintain the same LOS. The current LOS is calculated by dividing the total inventory of a facility type, as noted above, by the existing number of EDUs within the Town. For example, and as shown in the following table, the acreage for Desert Mountain Park per 1,000 EDUs (0.96) is determined by dividing the total acreage for the park (29.00) by the total existing EDUs (30,267) converted to 1,000 EDUs (30.267).

Table 37: Parks Existing Facility Standard as of 2024

| Facility Type | Quantity (Acres) | Total Existing EDUs | Facility Units per 1,000 EDUs |
|-------------------------|------------------|---------------------|-------------------------------|
| | [a] | [b] | [c] = [a] / ([b] / 1,000) |
| Desert Mountain Park | 29.00 | 30,267 | 0.96 |
| Pup for Parks | 1.00 | | 0.03 |
| Founders Park | 11.00 | | 0.36 |
| Mansel Carter (Phase 1) | 48.00 | | 1.59 |
| Frontier Family Park | 85.00 | | 2.81 |
| Mansel Carter (Phase 2) | 13 | | 0.43 |
| HPEC (Old Landfill) | 90.00 | | 2.97 |
| Total | 277.00 | | 9.15 |

Based on the current LOS calculated above, the facilities units (i.e. parks acres) required for new development, are determined in the table below. For example, the amount of acres of park land required for new development (168.69) is determined by multiplying the acres per 1,000 EDUs (9.15) by the total future EDUs (18,433) converted to 1,000 EDUs (18.433).

Table 38: Parks Future Facility Standard in 2033

| Facility Type | Facility Units per 1,000 EDUs | Total Future EDUs | Facility Units Funded by New Development |
|----------------------|-------------------------------|-------------------|--|
| | [a] | [b] | [c] = [a] x ([b] / 1,000) |
| Parks (Land) | 9.15 | 18,433 | 168.69 |
| Parks (Improvements) | 9.15 | | 168.69 |

Once the LOS for new development, by facility type, has been determined, the Study evaluates the LOS created by the facilities on the Infrastructure Improvement Plan.

As a first step, each of the facilities on the Park Infrastructure Improvement Plan (the "Parks IIP") are categorized into the applicable facility types, and the total facilities units (i.e., park acres) being added by facilities on the Parks IIP are summarized in the table below.

Table 39: Parks Future Facility Units

| Facility | Land Acres | Improvement Acres |
|---|---------------|-------------------|
| Frontier Family Park (85 acres) | 30.00 | 30.00 |
| Southeast Park Site - Land (74 acres) | 30.00 | - |
| Southeast Park Site - Construction (74 acres) | - | 30.00 |
| Pima/Meridian Park Site - Land (52 acres) | 30.00 | - |
| Pima/Meridian Park - Design and Construction (52 acres) | - | 30.00 |
| Bosma Parkland Purchase (30 acres) | 30.00 | - |
| Bosma Park - Design and Construction (30 acres) | - | 30.00 |
| Project Management Costs | - | - |
| Total | 120.00 | 120.00 |

Next, the total facility costs identified on the Parks IIP are categorized into the applicable facility types, and the total cost for each facility type is determined. The unit cost for each facility type is also calculated by dividing the total cost of each facility type by the total facilities units determined in Table 39. For example, the cost per acre of land (\$312,529) is calculated by dividing total Parks IIP cost for land acres (\$37,503,539) by the total acres anticipated (120.00).

Table 40: Parks Future Facility Costs

| Facility | Land Costs | Improvement Costs | Total |
|---|---------------------|----------------------|----------------------|
| Frontier Family Park (85 Acres) | - | \$15,084,309 | \$15,084,309 |
| Southeast Park Site - Land (74 Acres) | \$9,003,539 | - | \$9,003,539 |
| Southeast Park Site - Construction (74 Acres) | - | \$30,000,000 | \$30,000,000 |
| Pima/Meridian Park Site - Land (52 acres) | \$13,500,000 | - | \$13,500,000 |
| Pima/Meridian Park - Design and Construction (52 Acres) | - | \$30,000,000 | \$30,000,000 |
| Bosma Parkland Purchase (30 Acres) | \$15,000,000 | - | \$15,000,000 |
| Bosma Park - Design and Construction (30 Acres) | - | \$30,000,000 | \$30,000,000 |
| Project Management Costs | \$0 | \$6,230,000 | \$6,230,000 |
| Total | \$37,503,539 | \$111,314,309 | \$148,817,848 |
| Total per Unit | \$312,529 | \$927,619 | - |

Finally, the total cost required to be funded by new development in order to maintain

the current LOS is determined for each facility type by multiplying the applicable facility units required for new development, by the cost per facility unit calculated in the table above. For example, the cost of the additional acres assigned to new development (\$52,721,675) is equal to the land acres required for new development (168.69) multiplied by the cost per acre (\$312,529). Notably, the total cost calculated above represents the maximum amount that may be funded by new development based on the current LOS in the Town. This total cost is then compared to the total facilities cost on the Parks IIP. In this case, the maximum amount that may be funded by new development (\$209,204,957) is greater than the total cost of facilities on the Parks IIP (\$148,817,848). Therefore, the entire \$148,817,848 identified on the Parks IIP is included in the DIF calculation.

Table 41: Parks Allocation to New Development

| Facility Type | Facility Units Funded by New Development | Cost per Facility Unit | Total Cost Assigned to New Development |
|---|--|-----------------------------|--|
| Parks – Land (Acres) | 168.69 | \$312,529 | \$52,721,675 |
| Parks – Improvements (Acres) | 168.69 | \$927,619 | \$156,483,282 |
| Maximum Cost to be Funded by New Development | | <i>[a]</i> | \$209,204,957 |
| Facilities Cost on IIP | | <i>[b]</i> | \$148,817,848 |
| Facilities Funded with Impact Fees | | <i>[c] = min ([a], [b])</i> | \$148,817,848 |
| Remaining Cost Funded from Other Sources | | <i>[d] = [b] – [c]</i> | \$0 |

F.2 Total Funded by DIF

Similar to the other fee categories, the amount to be funded with impact fees is also adjusted to account for (i) any existing debt service (i.e., additional cost), (ii) any existing cash balance in the current impact fee account (i.e., offsetting revenue), and (iii) the anticipated construction sales tax revenues (i.e., offsetting revenue). This information is summarized in Table 42 below.

Table 42: Parks Future Facility Costs Allocable to New Development

| Maximum Amount Funded by DIF | Existing Debt Service Funded by DIF | Cash Balance Offset | CST Offset | Total Amount Funded by DIF |
|------------------------------|-------------------------------------|---------------------|----------------|------------------------------------|
| <i>[a]</i> | <i>[b]</i> | <i>[c]</i> | <i>[d]</i> | <i>[e] = [a] + [b] + [c] + [d]</i> |
| \$148,817,848 | \$0 | (\$28,709,510) | (\$84,473,293) | \$35,635,045 |

*Note: Some figures may not sum due to rounding.

F.3 Fee Amounts

Having determined the total amount to be funded, the Park DIF is calculated by dividing the total amount funded by DIFs (\$35,635,045) by the projected Parks EDUs

(18,433) to come up with a per EDU rate, which equals \$1,933 per EDU. Since a Single-Family unit equals one (1) EDU, this land use type will pay the DIF amount in its entirety. A Multi-Family unit, which equals 0.78 EDUs, will be responsible for approximately 78% of the per unit EDU DIF amount. Therefore, the DIF for this land use type equals \$1,510.

This same methodology applies to the Commercial, Office/Other, and Industrial land use types. Please see Table 43 for all the Park DIF amounts and the corresponding costs to be financed with the fees.

Table 43: Parks Facilities Fee Summary*

| Land Use Type | EDUs per Unit/per 1,000 Non-Res. SF | Fee per Res. Unit/per 1,000 Non-Res. SF | Number of Units. | Number of 1,000 Non-Res. SF | Costs Financed by Fees |
|---------------|-------------------------------------|---|------------------|-----------------------------|------------------------|
| | [a] | [b] = [a] x \$1,933 | [c] | [c] | [d] = [b] x [c] |
| Single-Family | 1.00 | \$1,933 | 11,715 | - | \$22,647,772 |
| Multi-Family | 0.78 | \$1,510 | 4,513 | - | \$6,815,823 |
| Commercial | 0.27 | \$514 | - | 2,278 | \$1,170,257 |
| Office/Other | 0.43 | \$827 | - | 721 | \$596,648 |
| Industrial | 0.30 | \$586 | - | 7,514 | \$4,404,545 |
| Total | | | | | \$35,635,045 |

*Note: Some figures may not sum due to rounding.

G Trails Proposed Fee Calculation

G.1 Calculation Methodology

To meet the LOS required, the Town will need to acquire or construct additional Trails facilities. Assuming the EDUs grow by 18,433, or 61%, over the next 10 years, the Town will need to acquire or construct the following Trails facilities in order to maintain the same LOS. The current LOS is calculated by dividing the total inventory of a facility type, as noted above, by the existing EDUs within the Town. For example, the number of linear feet per 1,000 EDUs for the Queen Creek Wash trail from Power Rd to Crimson Rd (907.11) is determined by dividing the total existing linear feet (27,456) by the total existing EDUs (30,267) converted to 1,000 EDUs (30.267).

Table 44: Trails Existing Facility Standard as of 2024

| Facility Type | Quantity (Linear Feet) | Total Existing EDUs | Facility Units per 1,000 EDUs |
|--|------------------------|---------------------|-------------------------------|
| | [a] | [b] | [c] = [a] / ([b] / 1,000) |
| Queen Creek Wash from Power Rd to Crimson Rd alignment | 27,456 | 30,267 | 907.13 |
| Sonoqui Wash from Power Rd to Ellsworth Rd alignment | 19,536 | | 645.45 |
| Multi-Use Trail from Desert Mountain Park to HPEC overflow | 10,560 | | 348.89 |
| Multi-Use Trail from Founders Park along Ellsworth Rd | 1,584 | | 52.33 |
| Sonoqui Wash - Riggs Road Channel; Hawes to Ellsworth and Ellsworth to Crismon | 13,153 | | 434.56 |
| Total | 72,289 | | 2,388.36 |

Based on the current LOS calculated above, the facilities units (i.e., linear feet of trails) required for new development, are determined in the table below. As an example, the amount of linear feet required for new development (44,024.12) is determined by multiplying the linear feet per 1,000 EDUs (2,388.34) by the total future EDUs (18,433) converted to 1,000 EDUs (18.433).

Table 45: Trails Future Facility Standard in 2033

| Facility Type | Facility Units per 1,000 EDUs | Total Future EDUs | Facility Units Funded by New Development |
|----------------------|-------------------------------|-------------------|--|
| | [a] | [b] | [c] = [a] x ([b] / 1,000) |
| Trails (Linear Feet) | 2,388.36 | 18,433 | 44,024.64 |

Once the LOS for new development by facility type has been determined, the Study evaluates the LOS created by the facilities on the Infrastructure Improvement Plan. Similar to other fee categories, each of the facilities on the Trails Infrastructure Improvement Plan (the "Trails IIP") are firstly categorized into the applicable facility

types, and the total facilities units (i.e., linear feet of trails) being added by facilities on the Trails IIP are summarized, as shown in the table below.

Table 46: Trails Future Facility Units

| Facility | Linear Feet |
|--|---------------|
| QC Wash Trail Improvements - Rittenhouse to Meridian | 6,937 |
| Sonoqui Wash Power to Recker | 5,808 |
| SRP Utility Easement Trail - Ellsworth to Signal Butte | 10,560 |
| Trail by Southeast Park Site | 6,105 |
| Project Management Costs | - |
| Total | 29,410 |

Secondly, as shown in Table 47, the total facility costs identified on the Trails IIP are categorized into the applicable facility types, and the total cost for each facility type is determined. Again, the unit cost for each facility type is also calculated by dividing the total cost of each facility type by the total facilities units determined in Table 46. For example, the cost per linear foot of trails (\$392) is calculated by dividing total Trails IIP cost for linear feet of trails (\$11,534,711) by the total linear feet of trails anticipated (29,410).

Table 47: Trails Future Facility Costs

| Facility | Total |
|--|---------------------|
| QC Wash Trail Improvements - Rittenhouse to Meridian | \$4,783,711 |
| Sonoqui Wash Power to Recker | \$1,346,000 |
| SRP Utility Easement Trail - Ellsworth to Signal Butte | \$1,500,000 |
| Trail by Southeast Park Site | \$3,375,000 |
| Project Management Costs | \$530,000 |
| Total | \$11,534,711 |
| Total per Unit | \$392 |

Finally, Table 48 shows the total cost required to be funded by new development in order to maintain the current LOS. The cost is determined for each facility type by multiplying the applicable facility units required for new development, by the cost per facility unit calculated in the table above. For example, the cost of additional linear feet assigned to new development (\$17,266,421) is equal to the linear feet required for new development (44,024.12) multiplied by the cost per linear foot (\$392). Notably, the total cost calculated above represents the maximum amount that may be funded by new development based on the current LOS in the Town. This total cost is then compared to the total facilities cost on the Trails IIP. In this case, the maximum amount that may be funded by new development (\$17,266,421) is greater than the total cost of facilities on the Trails IIP (\$11,534,711). Therefore, the

entire \$11,534,711 identified on the Trails IIP is included in the DIF calculation.

Table 48: Trails Allocation to New Development

| Facility Type | Facility Units Funded by New Development | Cost per Facility Unit | Total Cost Assigned to New Development |
|---|--|------------------------|--|
| Trails (Linear Feet) | 44,024.64 | \$392 | \$17,257,659 |
| Maximum Cost to be Funded by New Development | | [a] | \$17,257,659 |
| Facilities Cost on IIP | | [b] | \$11,534,711 |
| Facilities Funded with Impact Fees | | [c] = min ([a], [b]) | \$11,534,711 |
| Remaining Cost Funded from Other Sources | | [d] = [b] – [c] | \$0 |

G.2 Total Funded by DIF

The amount to be funded with impact fees is further adjusted to account for (i) any existing debt service (i.e., additional cost), (ii) any existing cash balance in the current impact fee account (i.e., offsetting revenue), and (iii) the anticipated construction sales tax revenues (i.e., offsetting revenue). This information is summarized in Table 42 below.

Table 49: Trails Future Facility Costs Allocable to New Development

| Maximum Amount Funded by DIF | Existing Debt Service Funded by DIF | Cash Balance Offset | CST Offset | Total Amount Funded by DIF |
|------------------------------|-------------------------------------|---------------------|---------------|-----------------------------|
| [a] | [b] | [c] | [d] | [e] = [a] + [b] + [c] + [d] |
| \$11,534,711 | \$0 | (\$3,611,989) | (\$5,572,123) | \$2,350,599 |

G.3 Fee Amounts

Once the total future facility cost has been determined, the fee amount can be calculated. Again, this is done by dividing the total amount funded by DIFs (\$2,350,599) by the projected EDUs (18,433) to come up with a per EDU rate, which equals \$128 per EDU. Since a Single-Family unit equals one (1) EDU, this land use type will pay the fee amount in its entirety. A Multi-Family unit, which equals 0.78 EDUs, will be responsible for approximately 78% of the per unit EDU fee amount. Therefore, the Trails DIF for this land use type equals \$100.

This same methodology applies to the Commercial, Office/Other, and Industrial land use types. Please see Table 50 for all the Trails DIF amounts and the corresponding costs to be financed with the fees.

Table 50: Trails Facilities Fee Summary*

| Land Use Type | EDUs per Unit/per 1,000 Non-Res. SF | Fee per Res. Unit/per 1,000 Non-Res. SF | Number of Units | Number of 1,000 Non-Res. SF | Costs Financed by Fees |
|---------------|-------------------------------------|---|-----------------|-----------------------------|------------------------|
| | [a] | [b] = [a] x \$128 | [c] | [c] | [d] = [b] x [c] |
| Single-Family | 1.00 | \$128 | 11,715 | - | \$1,493,917 |
| Multi-Family | 0.78 | \$100 | 4,513 | - | \$449,593 |
| Commercial | 0.27 | \$34 | - | 2,278 | \$77,194 |
| Office/Other | 0.43 | \$55 | - | 721 | \$39,357 |
| Industrial | 0.30 | \$39 | - | 7,514 | \$290,538 |
| Total | | | | | \$2,350,599 |

*Note: Some figures may not sum due to rounding.

H Streets Proposed Fee Calculation

H.1 Calculation Methodology

The Streets facilities category includes those facilities used to provide safe and efficient vehicular access throughout the Town. In order to meet the traffic demand of new development through the 10-Year Horizon, the Town identified the need for new road construction and equipment.

Streets facilities benefit both residents and employees by providing safe and efficient vehicular access throughout the Town. Therefore, fee amounts were calculated for both residential and non-residential land uses as detailed in Appendix A.

Fees for arterials and traffic signals were calculated for each of the five (5) land use categories based on the number of average vehicle miles traveled (“VMT”) generated by each land use. VMT is a representation of both the number of trips and the length of such trips. Total VMT rates were calculated based on the product of (i) the trip generation rates published by the Institute of Transportation Engineers (“ITE”), (ii) trip adjustment factors published by the National Household Travel Survey, to account for trips that are not considered primary trips (i.e., a resident stopping at the gas station on the way home from work), (iii) the average trip length, estimated for the Town, and (iv) the trip length weighting factor which represents the distribution of the trip lengths across different land uses. By applying the above VMT calculation to the various dwelling unit counts and non-residential square feet identified in Section IV of this report, DTA estimated the average VMTs generated by each land use type. Next, the EDUs per unit for residential or per 1,000 square feet for non-residential, were determined based on the average VMTs for each land use and the total EDUs for each land use were calculated based on the number of residential units and non-residential square feet. Next, the total facilities cost was then divided by the total EDUs to establish a uniform cost per EDU. This unit cost was then applied to the various land uses and their respective EDUs to determine the proposed fees. Additional detail on these calculations is included in Appendix A. These rates are an estimate and rely on several assumptions.

To meet the LOS required, the Town will need to acquire or construct additional Streets facilities. Assuming the number of EDUs grow by 20,374, or 58%, over the next 10 years, the Town will need to acquire or construct the following Streets facilities in order to maintain the same LOS. The current LOS is calculated by dividing the total inventory of a facility type, as noted above, by the estimated existing EDUs within the Town. For example, the number of lane miles of arterials per 1,000 EDUs (7.59) is determined by dividing the total lane miles of arterials (267) by the total existing EDUs (35,179) converted to 1,000 EDUs (35.179).

Table 51: Streets Existing Facility Standard as of 2024

| Facility Type | Quantity | Total Existing EDUs | Facility Units per 1,000 EDUs |
|----------------------------|----------|---------------------|-------------------------------|
| | [a] | [b] | $[c] = [a] / ([b] / 1,000)$ |
| Arterials (Lane Miles) | 267 | 35,179 | 7.59 |
| Traffic Signals (Quantity) | 87 | | 2.47 |

Based on the current LOS calculated above, the facilities units (i.e. arterials lane miles and traffic signals) required for new development, are determined in the table below. For example, the number of lane miles of arterials required for new development (154.64) is determined by multiplying the lane mile of arterials per 1,000 EDUs (7.59) by the total future EDUs (20,374) converted to 1,000 EDUs (20.374).

Table 52: Streets Future Facility Standard in 2033

| Facility Type | Facility Units per 1,000 EDUs | Total Future EDUs | Facility Units Funded by New Development |
|----------------------------|-------------------------------|-------------------|--|
| | [a] | [b] | $[c] = [a] \times ([b] / 1,000)$ |
| Arterials (Lane Miles) | 7.59 | 20,374 | 154.64 |
| Traffic Signals (Quantity) | 2.47 | | 50.32 |

Once the LOS for new development by facility type, has been determined, the Study evaluates the LOS created by the facilities on the Infrastructure Improvement Plan. First, each of the facilities on the Streets Infrastructure Improvement Plan (the "Streets IIP") are categorized into the applicable facility types, and the total facilities units (i.e., arterial lane miles and number of traffic signals) being added by facilities on the Streets IIP, are summarized in the table below. Notably, some of the projects and costs on the Streets IIP involve reconstruction/realignment of existing arterial lanes. Therefore, the table also includes the total arterial lane miles (i.e., existing and added lane miles) for each facility after construction.

Table 53: Streets Future Facility Units

| Facility | Arterials (Total Lane Miles) | Arterials (Lane Miles Added) | Traffic Signals (Quantity) |
|---|---------------------------------|---------------------------------|-------------------------------|
| Ocotillo Road: West of Sossaman Rd to Hawes Rd | 6.25 | 3.00 | - |
| Hawes Road: Ocotillo to Rittenhouse | 6.25 | 2.00 | - |
| Chandler Heights: Hawes to Ellsworth | 5.00 | 0.50 | - |
| Chandler Heights: Sossaman to Hawes | 4.18 | 2.30 | - |
| Signal Butte: Ocotillo to Queen Creek | 1.63 | 0.33 | - |
| Germann Rd: Ellsworth to Crismon | 0.33 | 0.20 | - |
| Power Road: Chandler Heights to Riggs | 5.00 | 1.67 | - |
| Power Road: Riggs to Hunt Hwy | 5.00 | 3.00 | - |
| Ryan Road: Crismon to Signal Butte | 3.00 | 3.00 | - |
| Hunt Hwy: Power to Sossaman | 5.00 | 3.00 | - |
| Traffic Signal: Ocotillo and Scotland Court | - | - | 1 |
| Meridian Road: Queen Creek Road to Germann | 3.00 | 3.00 | - |
| 220th: Queen Creek to Ryan | 3.50 | 2.13 | - |
| Sossaman Railroad Crossing at Germann | 1.00 | 1.00 | - |
| ASLD Infrastructure Improvements | 16.00 | 9.00 | - |
| Ironwood Road Improvements | - | - | 1 |
| Sossaman: Sonoqui Wash to Chandler Heights | 2.00 | 0.90 | - |
| Sossaman: Chandler Heights to Riggs | 5.00 | 1.66 | - |
| Hawes: Chandler Heights to Ocotillo | 5.00 | 0.79 | - |
| Hawes: Riggs North to Sunset Drive (1/2 mile, 3 lanes) | 2.50 | 0.50 | - |
| Southeast Park - Riggs Road (1/4 mile, 3 lanes) | 0.80 | 0.75 | - |
| Southeast Park - Crismon Road to Cul-De-Sac (1/4 mile, 3 lanes) | 0.80 | 0.75 | - |
| Combs: Meridian to Gantzel - West of Sangria | 4.00 | 0.00 | - |
| Ironwood: Pima to Germann | 6.00 | 2.00 | - |
| Traffic Signal: Germann Road and 196th Street | - | - | 1 |
| Traffic Signal: Harvest at Riggs Road | - | - | 1 |
| Traffic Signal: Signal Butte and Riggs | - | - | 1 |
| Traffic Signal: Combs at Sangria | - | - | 1 |
| Traffic Signal: 220th at Queen Creek Road | - | - | 1 |
| Traffic Signal: Power Road at San Tan | - | - | 1 |
| Traffic Signal: Ocotillo at Recker (IGA with Gilbert) | - | - | 1 |
| Traffic Signal: Riggs at 206th | - | - | 1 |
| Traffic Signal: Queen Creek at 188th | - | - | 1 |
| Traffic Signal: Gary Road and Grange Parkway | - | - | 1 |
| Traffic Signal: Ellsworth at San Tan Blvd | - | - | 1 |
| Traffic Signal: Riggs at Crismon High School | - | - | 1 |
| Total | 91.24 | 41.48 | 14 |

Second, as shown in Table 54, the total facility costs identified on the Streets IIP are categorized into the applicable facility types, and the total cost for each facility type



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SECTION VI METHODOLOGIES USED FOR CALCULATING IMPACT FEES

is determined. The unit cost for each facility type is also calculated by dividing the total cost of each facility type by the total facilities units determined in Table 53. For example, the cost per lane mile (\$2,181,884) is calculated by dividing total Streets IIP cost for arterial lane miles (\$199,075,134) by the total lane miles anticipated from the facilities (91.24). Importantly, the Study conservatively utilizes the total lanes miles of the completed road segment (not just the added lane miles) in determining the cost per lane mile.

Table 54: Streets Future Facility Costs

| Facility | Arterials | Traffic Signals | Total |
|---|----------------------|---------------------|----------------------|
| Ocotillo Road: West of Sossaman Rd to Hawes Rd | \$9,840,138 | - | \$9,840,138 |
| Hawes Road: Ocotillo to Rittenhouse | \$3,334,295 | - | \$3,334,295 |
| Chandler Heights: Hawes to Ellsworth | \$3,336,500 | - | \$3,336,500 |
| Chandler Heights: Sossaman to Hawes | \$10,549,879 | - | \$10,549,879 |
| Signal Butte: Ocotillo to Queen Creek | \$1,387,930 | - | \$1,387,930 |
| Germann Rd: Ellsworth to Crismon | \$3,150,000 | - | \$3,150,000 |
| Power Road: Chandler Heights to Riggs | \$11,722,254 | - | \$11,722,254 |
| Power Road: Riggs to Hunt Hwy | \$5,183,713 | - | \$5,183,713 |
| Ryan Road: Crismon to Signal Butte | \$6,127,905 | - | \$6,127,905 |
| Hunt Hwy: Power to Sossaman | \$3,267,000 | - | \$3,267,000 |
| Traffic Signal: Ocotillo and Scotland Court | - | \$1,000,000 | \$1,000,000 |
| Meridian Road: Queen Creek Road to Germann | \$7,592,883 | - | \$7,592,883 |
| 220th: Queen Creek to Ryan | \$3,299,986 | - | \$3,299,986 |
| Sossaman Railroad Crossing at Germann | \$4,625,751 | - | \$4,625,751 |
| ASLD Infrastructure Improvements | \$44,218,060 | - | \$44,218,060 |
| Ironwood Road Improvements | - | \$895,926 | \$895,926 |
| Sossaman: Sonoqui Wash to Chandler Heights | \$10,560,000 | - | \$10,560,000 |
| Sossaman: Chandler Heights to Riggs | \$3,583,500 | - | \$3,583,500 |
| Hawes: Chandler Heights to Ocotillo | \$14,000,000 | - | \$14,000,000 |
| Hawes: Riggs North to Sunset Drive (1/2 mile, 3 lanes) | \$6,450,000 | - | \$6,450,000 |
| Southeast Park - Riggs Road (1/4 mile, 3 lanes) | \$3,225,000 | - | \$3,225,000 |
| Southeast Park - Crismon Road to Cul-De-Sac (1/4 mile, 3 lanes) | \$3,225,000 | - | \$3,225,000 |
| Combs: Meridian to Gantzel - West of Sangria | \$1,250,000 | - | \$1,250,000 |
| Ironwood: Pima to Germann | \$30,000,000 | - | \$30,000,000 |
| Traffic Signal: Germann Road and 196th Street | - | \$1,831,505 | \$1,831,505 |
| Traffic Signal: Harvest at Riggs Road | - | \$1,200,000 | \$1,200,000 |
| Traffic Signal: Signal Butte and Riggs | - | \$1,425,000 | \$1,425,000 |
| Traffic Signal: Combs at Sangria | - | \$1,375,000 | \$1,375,000 |
| Traffic Signal: 220th at Queen Creek Road | - | \$1,250,000 | \$1,250,000 |
| Traffic Signal: Power Road at San Tan | - | \$420,000 | \$420,000 |
| Traffic Signal: Ocotillo at Recker (IGA with Gilbert) | - | \$750,000 | \$750,000 |
| Traffic Signal: Riggs at 206th | - | \$1,500,000 | \$1,500,000 |
| Traffic Signal: Queen Creek at 188th | - | \$303,963 | \$303,963 |
| Traffic Signal: Gary Road and Grange Parkway | - | \$341,907 | \$341,907 |
| Traffic Signal: Ellsworth at San Tan Blvd | - | \$381,735 | \$381,735 |
| Traffic Signal: Riggs at Crismon High School | - | \$297,871 | \$297,871 |
| Project Management Costs | \$9,145,340 | \$624,660 | \$9,770,000 |
| Total | \$199,075,134 | \$13,597,567 | \$212,672,701 |
| Total per Unit | \$2,181,884 | \$971,255 | - |

Finally, Table 55 shows the total cost required to be funded by new development in order to maintain the current LOS. Similar to calculations for other fee categories,

the cost is determined for each facility type by multiplying the applicable facility units required for new development, by the cost per facility unit calculated in the table above. For example, the cost of additional arterial lane miles assigned to new development (\$337,406,542) is equal to the number of arterial lane miles required for new development (154.64) multiplied by the cost per arterial lane mile (\$2,181,884). Importantly, the total cost calculated above represents the maximum amount that may be funded by new development based on the current LOS. This total cost is then compared to the total facilities cost on the Streets IIP. In this case, the maximum amount that may be funded by new development (\$386,280,094) is greater than the total cost of facilities on the Streets IIP (\$212,672,701). Therefore, the entire \$212,672,701 could be funded from impact fees.

Table 55: Streets Allocation to New Development

| Facility Type | Facility Units Funded by New Development | Cost per Facility Unit | Total Cost Assigned to New Development |
|---|--|------------------------|--|
| Arterials (Lane Miles) | 154.64 | \$2,181,884 | \$337,406,542 |
| Traffic Signals (Quantity) | 50.32 | \$971,255 | \$48,873,552 |
| Maximum Cost to be Funded by New Development | | [a] | \$386,280,094 |
| Facilities Cost on IIP | | [b] | \$212,672,701 |

In Table 56, a similar analysis is conducted. However, in this case, the LOS is evaluated by facility type. The table shows that based on the LOS required for new development, 100% of the cost under each facility type (i.e., arterial lane miles and traffic signals) could be funded through the DIFs.

Table 56: Streets Allocation to New Development (By Facility Type)

| Facility Type | Total Cost Assigned to New Development | Maximum Eligible Facilities Costs | Streets Facilities Funded with Fees | % of Total Eligible Costs to New Development |
|----------------------------|--|-----------------------------------|-------------------------------------|--|
| | [a] | [b] | [c] = min ([a], [b]) | [d] = [c] / [b] |
| Arterials (Lane Miles) | \$337,406,542 | \$199,075,134 | \$199,075,134 | 100.00% |
| Traffic Signals (Quantity) | \$48,873,552 | \$13,597,567 | \$13,597,567 | 100.00% |
| Total | \$386,280,094 | \$212,672,701 | \$212,672,701 | 100.00% |

Notably, while the above calculations would justify an allocation of 100% of the Streets IIP cost to new development, the Town is currently updating their Transportation Facilities Plan and a more comprehensive analysis of actual LOS by facility is not yet available. Notably, the above LOS methodology above is based on the best information available at the time of this Study and would be further refined once the updated Transportation Facilities Plan is completed. As a result, DTA has determined that the most appropriate allocation of cost would be based on growth's share of total EDUs.

Specifically, based on the existing EDUs shown in Table 51 (35,179) and future EDUs shown in Table 52 (20,374), the existing EDUs account for 58% of the total EDUs, while the future EDUs account for 42%. In other words, growth accounts for 42% of the total facilities usage in the Town. Therefore, 42% of the costs on the Streets IIP (\$89,322,534) is allocated to new development and the remaining cost (\$123,350,166) would be funded from other sources. Notably, based on the calculation above, new development would still be funding an amount below the current LOS.

Table 57: Streets Facilities Cost Allocation Summary*

| Development Type | Percentage Allocated | Facility Cost Allocated |
|----------------------|----------------------|-------------------------|
| Existing Development | 58% | \$123,350,166 |
| New Development | 42% | \$89,322,534 |
| Total | 100% | \$212,672,700 |

*Note: Some figures may not sum due to rounding.

H.2 Total Funded by DIF

Additionally, the amount to be funded with impact fees is further adjusted to account for (i) any existing debt service (i.e., additional cost), (ii) any existing cash balance in the current impact fee account (i.e., offsetting revenue), and (iii) the anticipated construction sales tax revenues (i.e., offsetting revenue). This information is summarized in Table 58 below.

Table 58: Streets Future Facility Costs Allocable to New Development

| Maximum Amount Funded by DIF | Existing Debt Service Funded by DIF | Cash Balance Offset | CST Offset | Total Amount Funded by DIF |
|------------------------------|-------------------------------------|---------------------|----------------|-----------------------------|
| [a] | [b] | [c] | [d] | [e] = [a] + [b] + [c] + [d] |
| \$89,322,534 | \$3,373,882 | (\$11,058,319) | (\$57,416,821) | \$24,221,276 |

H.1 Fee Amounts

Again, once the total future facility cost has been determined, the fee amount can be calculated by dividing the total amount funded by DIFs (\$24,221,276) by the projected Streets EDUs (20,374) to come up with a per EDU rate, which equals \$1,189 per EDU. Since a Single-Family unit equals one (1) EDU, this land use type will pay the fee amount in its entirety. A Multi-Family unit, which equals 0.68 EDUs, will be responsible for approximately 68% of the per unit EDU fee amount. Therefore, the Streets DIF for this land use type equals \$803.

This same methodology applies to the Commercial, Office/Other, and Industrial land use types. Please see Table 59 for all the Streets DIF amounts and the corresponding costs to be financed with the fees.

Table 59: Streets Facilities Fee Summary*

| Land Use Type | EDUs per Unit/per 1,000 Non-Res. SF | Fee per Res. Unit/per 1,000 Non-Res. SF | Number of Units | Number 1,000 Non-Res. SF | Cost Financed by Fees |
|---------------|-------------------------------------|---|-----------------|--------------------------|-----------------------|
| | [a] | [b] = [a] x \$1,189 | [c] | [c] | [d] = [b] x [c] |
| Single-Family | 1.00 | \$1,189 | 11,715 | - | \$13,927,164 |
| Multi-Family | 0.68 | \$803 | 4,513 | - | \$3,626,055 |
| Commercial | 1.12 | \$1,330 | - | 2,278 | \$3,029,739 |
| Office/Other | 0.48 | \$569 | - | 721 | \$410,660 |
| Industrial | 0.36 | \$430 | - | 7,514 | \$3,227,658 |
| | | | | Total | \$24,221,276 |

*Note: Some figures may not sum due to rounding.

VII SUMMARY OF FEES

The total fee amounts required to finance new development’s share of the costs of facilities are summarized below in Table 60. These fees reflect the maximum fee levels that may be imposed on new development and will only be charged to development within the Town at this time.

Table 60: Development Impact Fee Summary [Fees Per Unit (Residential)/Per 1,000 Square Feet (Non-Residential)]

| Land Use Classification | Police | Fire | Parks | Trails | Streets | Total Fees |
|--------------------------------------|--------|-------|---------|--------|---------|----------------|
| Single-Family Residential (Per Unit) | \$422 | \$840 | \$1,933 | \$128 | \$1,189 | \$4,512 |
| Multi-Family Residential (Per Unit) | \$330 | \$656 | \$1,510 | \$100 | \$803 | \$3,399 |
| Commercial (Per 1,000 Non-Res. SF) | \$335 | \$668 | \$514 | \$34 | \$1,330 | \$2,881 |
| Office/Other (Per 1,000 Non-Res. SF) | \$220 | \$438 | \$827 | \$55 | \$569 | \$2,109 |
| Industrial (Per 1,000 Non-Res. SF) | \$135 | \$268 | \$586 | \$39 | \$430 | \$1,458 |

APPENDIX A

Town of Queen Creek

DRAFT Land Use Assumptions, Infrastructure Improvement Plan,
and Development Impact Fee Study



FEE DERIVATION WORKSHEETS

Town of Queen Creek
Development Impact Fee (Update)
 Fee Calculation Detail (EDUs - Police & Fire)

| Existing DU Calculation | | | | | | | | | |
|--|---------------------|---------------------|--------------------|------------------------------|--|---|---------------------------------|-------------------------|--|
| Service Factor (Residents and Employees) | | | | | | | | | |
| Land Use Type | Number of Residents | Number of Employees | Number of Visitors | Number of Persons Served [1] | Residents per Unit/ Persons Served per 1,000 Non-Res. SF | EDUs per Unit/ per 1,000 Non-Res. SF | Number of Units/ Non-Res. SF | Total Number of EDUs | |
| Single Family | 70,547 | 0 | 0 | 70,547 | 2.93 | 1.00 | 24,113 | 24,113 | |
| Multi-family | 6,023 | 0 | 0 | 6,023 | 2.43 | 0.83 | 2,477 | 2,059 | |
| Commercial | 0 | 11,365 | 226,168 | 16,991 | 2.65 | 0.90 | 6,420,678 | 5,807 | |
| Office/Other | 0 | 4,112 | 8,957 | 2,504 | 1.74 | 0.59 | 1,442,807 | 856 | |
| Industrial | 0 | 8,489 | 4,435 | 4,466 | 1.06 | 0.36 | 4,202,599 | 1,527 | |
| Total | 76,570 | 23,966 | 239,560 | 100,531 | | | | 34,362 | |

| Projected New DU Calculation (2033) | | | | | | | | | |
|---|---------------------|---------------------|--------------------|------------------------------|--|---|--------------------------------|-------------------------|--|
| Service Factor (Future Residents and Employees) | | | | | | | | | |
| Land Use Type | Number of Residents | Number of Employees | Number of Visitors | Number of Persons Served [1] | Residents per Unit/ Persons Served per 1,000 Non-Res. SF | EDUs per Unit/ per 1,000 Non-Res. SF | Number of Units Non-Res. SF | Total Number of EDUs | |
| Single Family | 39,021 | - | - | 39,021 | 3.33 | 1.00 | 11,715 | 11,715 | |
| Multi-family | 11,743 | - | - | 11,743 | 2.60 | 0.78 | 4,513 | 3,526 | |
| Commercial | - | 4,033 | 80,254 | 6,029 | 2.65 | 0.79 | 2,278,326 | 1,810 | |
| Office/Other | - | 2,056 | 4,479 | 1,252 | 1.74 | 0.52 | 721,409 | 376 | |
| Industrial | - | 15,178 | 7,929 | 7,985 | 1.06 | 0.32 | 7,513,766 | 2,397 | |
| Total | 50,765 | 21,266 | 92,661 | 66,031 | | | | 19,824 | |

[1] Persons served equals residents, plus 50% of employees, plus 5% of visitors.

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (EDUs - Parks & Trails)

| Existing DU Calculation | | | | | | | |
|---|----------------------------|----------------------------|-------------------------------------|---|---|-------------------------------------|-----------------------------|
| Service Factor (Residents and Employees) | | | | | | | |
| Land Use Type | Number of Residents | Number of Employees | Number of Persons Served [1] | Residents per Unit/ Persons Served per 1,000 Non-Res. SF | EDUs per Unit/ per 1,000 Non-Res. SF | Number of Units/ Non-Res. SF | Total Number of EDUs |
| Single Family | 70,547 | - | 70,547 | 2.93 | 1.00 | 24,113 | 24,113 |
| Multi-family | 6,023 | - | 6,023 | 2.43 | 0.83 | 2,477 | 2,059 |
| Commercial | - | 11,365 | 5,682 | 0.89 | 0.30 | 6,420,678 | 1,942 |
| Office/Other | - | 4,112 | 2,056 | 1.43 | 0.49 | 1,442,807 | 703 |
| Industrial | - | 8,489 | 4,245 | 1.01 | 0.35 | 4,202,599 | 1,451 |
| Total | 76,570 | 23,966 | 88,553 | | | | 30,267 |

| Projected New DU Calculation (2033) | | | | | | | |
|--|----------------------------|----------------------------|-------------------------------------|---|---|------------------------------------|-----------------------------|
| Service Factor (Future Residents and Employees) | | | | | | | |
| Land Use Type | Number of Residents | Number of Employees | Number of Persons Served [1] | Residents per Unit/ Persons Served per 1,000 Non-Res. SF | EDUs per Unit/Bed/ per 1,000 Non-Res. SF | Number of Units Non-Res. SF | Total Number of EDUs |
| Single Family | 39,021 | - | 39,021 | 3.33 | 1.00 | 11,715 | 11,715 |
| Multi-family | 11,743 | - | 11,743 | 2.60 | 0.78 | 4,513 | 3,526 |
| Commercial | - | 4,033 | 2,016 | 0.89 | 0.27 | 2,278,326 | 605 |
| Office/Other | - | 2,056 | 1,028 | 1.43 | 0.43 | 721,409 | 309 |
| Industrial | - | 15,178 | 7,589 | 1.01 | 0.30 | 7,513,766 | 2,278 |
| Total | 50,765 | 21,266 | 61,398 | | | | 18,433 |

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (EDUs - Streets)

| Existing DU Calculation | | | | | | | | | |
|--|---|----------------------------------|------------------------|---------------------------------|----------------|---|---------------------------------|-------------------------|---------------|
| Service Factor (Residents and Employees) | | | | | | | | | |
| Land Use Type | Vehicle Trip Ends per Unit/ per 1,000 Non-Res. SF [1] | Trip Adjustment Factor [1] | Average Trip Length | Trip Length Weight Factor | Average VMT | EDUs per Unit/ per 1,000 Non-Res. SF | Number of Units/ Non-Res. SF | Total Number of EDUs | |
| Single Family | 9.44 | 0.65 | 8.89 | 1.21 | 66.00 | 1.00 | 24,113 | 24,113 | |
| Multi-family | 6.38 | 0.65 | 8.89 | 1.21 | 44.61 | 0.68 | 2,477 | 1,674 | |
| Commercial | 37.75 | 0.33 | 8.89 | 0.66 | 73.83 | 1.12 | 6,420,678 | 7,182 | |
| Office/Other | 9.74 | 0.50 | 8.89 | 0.73 | 31.60 | 0.48 | 1,442,807 | 691 | |
| Industrial | 7.35 | 0.50 | 8.89 | 0.73 | 23.85 | 0.36 | 4,202,599 | 1,519 | |
| Total | | | | | | | | | 35,179 |

| Projected New DU Calculation (2033) | | | | | | | | | |
|---|---|----------------------------------|------------------------|---------------------------------|----------------|---|--------------------------------|-------------------------|---------------|
| Service Factor (Future Residents and Employees) | | | | | | | | | |
| Land Use Type | Vehicle Trip Ends Trips per Unit/ per 1,000 Non-Res. SF [1] | Trip Adjustment Factor [1] | Average Trip Length | Trip Length Weight Factor | Average VMT | EDUs per Unit/ per 1,000 Non-Res. SF | Number of Units Non-Res. SF | Total Number of EDUs | |
| Single Family | 9.44 | 0.65 | 8.89 | 1.21 | 66.00 | 1.00 | 11,715 | 11,715 | |
| Multi-family | 6.38 | 0.65 | 8.89 | 1.21 | 44.61 | 0.68 | 4,513 | 3,050 | |
| Commercial | 37.75 | 0.33 | 8.89 | 0.66 | 73.83 | 1.12 | 2,278,326 | 2,549 | |
| Office/Other | 9.74 | 0.50 | 8.89 | 0.73 | 31.60 | 0.48 | 721,409 | 345 | |
| Industrial | 7.35 | 0.50 | 8.89 | 0.73 | 23.85 | 0.36 | 7,513,766 | 2,715 | |
| Total | | | | | | | | | 20,374 |

| | |
|------------------|------------|
| Total Trip Ends: | 55,553 |
| % Non-Growth: | 58% |
| % Growth: | 42% |

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (Police)

| I. Existing Facility Standard | | [a] | [b] | [c] = [a] / ([b] / 1,000) |
|-------------------------------|----------------|----------|---------------------|-------------------------------|
| Facility Type [2] | Facility Units | Quantity | Total Existing EDUs | Facility Units per 1,000 EDUs |
| Buildings | Square Feet | 15,694 | 34,362 | 456.73 |
| Land | Acres | 6.82 | 34,362 | 0.20 |
| Radio Towers | Units | 0.00 | 34,362 | 0.00 |
| Vehicles | Vehicle | 106 | 34,362 | 3.08 |
| Fleet Facility | Units | 1 | 34,362 | 0.03 |
| Parking | Space | 167 | 34,362 | 4.86 |

| II. Future Facility Standard | | [a] | [b] | [c] = [a] x ([b] / 1,000) |
|------------------------------|----------------|-------------------------------|-------------------|--|
| Facility Type | Facility Units | Facility Units per 1,000 EDUs | Total Future EDUs | Facilities Units Funded by New Development |
| Buildings | Square Feet | 456.73 | 19,824 | 9,054.18 |
| Land | Acres | 0.20 | 19,824 | 3.93 |
| Radio Towers | Units | 0.00 | 19,824 | - |
| Vehicles | Vehicles | 3.08 | 19,824 | 61.15 |
| Fleet Facility | Units | 0.03 | 19,824 | 0.58 |
| Parking | Spaces | 4.86 | 19,824 | 96 |

| III. Future Facility Units | | | | | | |
|---|---------------|-------------|--------------|------------|----------------|----------------|
| Police Facilities | Building SF | Land Ac. | Radio Towers | Vehicles | Fleet Facility | Parking Spaces |
| Police - Radio Towers and Infrastructure | - | - | 2.00 | - | - | - |
| Police - Equipment | - | - | - | 130 | - | - |
| Police - Public Safety Complex (Non-Training Portion) | 25,034 | - | - | - | - | - |
| Police - Complex 2 | 29,523 | - | - | - | - | - |
| Police - Complex 3 - Land Acquisition (5 acres of Pima/Meridian Park) | - | 5.00 | - | - | - | - |
| Police - Fleet Facility | - | - | - | - | 1 | - |
| Police - Parking Structure | - | - | - | - | - | 263 |
| Police - Complex 3 | 30,345 | - | - | - | - | - |
| Project Management Costs | - | - | - | - | - | - |
| Total | 84,902 | 5.00 | 2 | 130 | 1 | 263 |

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (Police)

| IV. Future Facility Cost | | | | | | | |
|---|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|----------------------|
| Police Facilities | Building SF | Land Ac. | Radio Towers | Vehicles | Fleet Facility | Parking Spaces | Total |
| Police - Radio Towers and Infrastructure | - | - | \$4,000,000 | - | - | - | \$4,000,000 |
| Police - Equipment | - | - | - | \$8,831,000 | - | - | \$8,831,000 |
| Police - Public Safety Complex (Non-Training Portion) | \$31,160,621 | - | - | - | - | - | \$31,160,621 |
| Police - Complex 2 | \$29,827,100 | - | - | - | - | - | \$29,827,100 |
| Police - Complex 3 - Land Acquisition (5 acres of Pima/Meridian Park) | - | \$2,500,000 | - | - | - | - | \$2,500,000 |
| Police - Fleet Facility | - | - | - | - | \$13,000,000 | - | \$13,000,000 |
| Police - Parking Structure | - | - | - | - | - | \$15,000,000 | \$15,000,000 |
| Police - Complex 3 | \$33,325,345 | - | - | - | - | - | \$33,325,345 |
| Project Management Costs | \$4,972,764 | \$0 | \$210,905 | \$0 | \$685,440 | \$790,892 | \$6,660,000 |
| Total | \$99,285,830 | \$2,500,000 | \$4,210,905 | \$8,831,000 | \$13,685,440 | \$15,790,892 | \$144,304,066 |
| Total Cost Per | \$1,169 | \$500,000 | \$2,105,452 | \$67,931 | \$13,685,440 | \$60,041 | |

| V. Allocation to New Development | | | | |
|--|----------------|--|------------------------|--|
| Facility Type | Facility Units | Facilities Units Funded by New Development | Cost Per Facility Unit | Total Cost Assigned to New Development |
| Buildings | Square Feet | 9,054.18 | \$1,169 | \$10,588,115 |
| Land | Acres | 3.93 | \$500,000.00 | \$1,967,297 |
| Radio Towers | Units | 0.00 | \$2,105,452 | \$0 |
| Vehicles | Vehicle | 61.15 | \$67,930.77 | \$4,154,206 |
| Fleet Facility | Units | 0.58 | \$13,685,440 | \$7,895,405 |
| Parking | Space | 96.35 | \$60,041 | \$5,784,729 |
| Total | | | [a] | \$30,389,752 |
| Maximum Eligible Facilities Cost | | | [b] | \$144,304,066 |
| Police Facilities Funded with Impact Fees | | | [c] = min ([a], [b]) | \$30,389,752 |
| Remaining Cost Funded from Other Sources | | | [d] = [b] - [c] | \$113,914,314 |

Town of Queen Creek
Development Impact Fee (Update)
 Fee Calculation Detail (Fire)

| I. Existing Facility Standard | | | | |
|-------------------------------|----------------|----------|---------------------|-------------------------------|
| | | [a] | [b] | [c] = [a] / ([b] / 1,000) |
| Facility Type [2] | Facility Units | Quantity | Total Existing EDUs | Facility Units per 1,000 EDUs |
| Buildings | Square Feet | 67,834 | 34,362 | 1,974.13 |
| Land | Acres | 21.55 | 34,362 | 0.63 |
| Ladder Truck | Vehicle | 2 | 34,362 | 0.06 |
| Fire Truck | Vehicle | 4 | 34,362 | 0.12 |
| Ambulance | Vehicle | 1 | 34,362 | 0.03 |
| Hazmat Unit | Vehicle | 0 | 34,362 | 0.00 |
| Other Vehicles | Vehicle | 17 | 34,362 | 0.49 |

| II. Future Facility Standard | | | | |
|------------------------------|----------------|-------------------------------|-------------------|--|
| | | [a] | [b] | [c] = [a] x ([b] / 1,000) |
| Facility Type [2] | Facility Units | Facility Units per 1,000 EDUs | Total Future EDUs | Facilities Units Funded by New Development |
| Buildings | Square Feet | 1,974.13 | 19,824 | 39,134.80 |
| Land | Acres | 0.63 | 19,824 | 12.43 |
| Ladder Truck | Vehicle | 0.06 | 19,824 | 1.15 |
| Fire Truck | Vehicle | 0.12 | 19,824 | 2.31 |
| Ambulance | Vehicle | 0.03 | 19,824 | 0.58 |
| Hazmat Unit | Vehicle | 0.00 | 19,824 | 0.00 |
| Other Vehicles | Vehicle | 0.49 | 19,824 | 9.81 |

| III. Future Facility Units | | | | | | | |
|--|---------------|-------------|-------------------|-----------------|----------------|------------------|----------------|
| Fire Facilities | Building SF | Land Ac. | Ladder Truck Veh. | Fire Truck Veh. | Ambulance Veh. | Hazmat Unit Veh. | Other Vehicles |
| Fire - Public Safety Complex (Non-Training Portion) | 15,737 | | | | | | |
| Fire Station #6 Design and Construction | 13,000 | | | | | | |
| Fire Station #6 Fire Truck and Equipment | | | | 1 | | | |
| Fire Station #6 Ambulance | | | | | 1 | | |
| Fire Station #7 (ASLD) - Land | | 3.00 | | | | | |
| Fire Station #7 (ASLD) - Design and Construction | 13,000 | | | | | | |
| Fire Station #7 (ASLD) - Ladder Tender and Equipment | | | | 1 | | | |
| Fire Station #7 (ASLD) - Ladder Truck and Equipment | | | 1 | | | | |
| Fire Station #7 (ASLD) - Hazmat Unit | | | | | | 1 | |
| Fire Station #8 (Box Canyon) - Land, Design, Construction, Equipment | | | | | | | |
| Fire Station #8 - Land | | 3.00 | | | | | |
| Fire Station #8 - Design and Construction | 13,000 | | | | | | |
| Fire Station #8 - Ladder Tender and Equipment | | | | 1 | | | |
| Fire Station #8 - Ladder Truck and Equipment | | | 1 | | | | |
| Project Management Costs | | | | | | | |
| Total | 54,737 | 6.00 | 2 | 3 | 1 | 1 | 0 |

Town of Queen Creek
Development Impact Fee (Update)
 Fee Calculation Detail (Fire)

| IV. Future Facility Cost | | | | | | | | |
|--|---------------------|--------------------|--------------------|--------------------|------------------|--------------------|----------------|---------------------|
| Fire Facilities | Building | Land | Ladder Truck | Fire Truck | Ambulance | Hazmat Unit | Other Vehicles | Total |
| Fire - Public Safety Complex (Non-Training Portion) | \$9,092,111 | | | | | | | \$9,092,111 |
| Fire Station #6 Design and Construction | \$13,728,000 | | | | | | | \$13,728,000 |
| Fire Station #6 Fire Truck and Equipment | | | | \$1,488,750 | | | | \$1,488,750 |
| Fire Station #6 Ambulance | | | | | \$450,000 | | | \$450,000 |
| Fire Station #7 (ASLD) - Land | | \$1,432,000 | | | | | | \$1,432,000 |
| Fire Station #7 (ASLD) - Design and Construction | \$13,730,000 | | | | | | | \$13,730,000 |
| Fire Station #7 (ASLD) - Ladder Tender and Equipment | | | | \$1,488,750 | | | | \$1,488,750 |
| Fire Station #7 (ASLD) - Ladder Truck and Equipment | | | \$2,489,280 | | | | | \$2,489,280 |
| Fire Station #7 (ASLD) - Hazmat Unit | | | | | | \$2,000,000 | | \$2,000,000 |
| Fire Station #8 (Box Canyon) - Land, Design, Construction, Equipment | | | | | | | | \$0 |
| Fire Station #8 - Land | | \$1,183,970 | | | | | | \$1,183,970 |
| Fire Station #8 - Design and Construction | \$13,700,000 | | | | | | | \$13,700,000 |
| Fire Station #8 - Ladder Tender and Equipment | | | | \$1,488,750 | | | | \$1,488,750 |
| Fire Station #8 - Ladder Truck and Equipment | | | \$2,489,280 | | | | | \$2,489,280 |
| Project Management Costs | \$3,180,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,180,000 |
| Total | \$53,430,111 | \$2,615,970 | \$4,978,560 | \$4,466,250 | \$450,000 | \$2,000,000 | \$0 | \$67,940,891 |
| Total Cost Per | \$976 | \$435,995 | \$2,489,280 | \$1,488,750 | \$450,000 | \$2,000,000 | \$0 | |

| V. Allocation to New Development | | | | |
|---|----------------|--|------------------------|--|
| Facility Type | Facility Units | Facilities Units Funded by New Development | Cost Per Facility Unit | Total Cost Assigned to New Development |
| Buildings | Square Feet | 39,134.80 | \$976 | \$38,200,421 |
| Land | Acres | 12.43 | \$435,995 | \$5,420,563 |
| Ladder Truck | Vehicle | 1.15 | \$2,489,280 | \$2,872,231 |
| Fire Truck | Vehicle | 2.31 | \$1,488,750 | \$3,435,559 |
| Ambulance | Vehicle | 0.58 | \$450,000 | \$259,614 |
| Hazmat Unit | Vehicle | 0.00 | \$2,000,000 | \$0 |
| Other Vehicles | Vehicle | 9.81 | \$0 | \$0 |
| Total | | | [a] | \$50,188,389 |
| Maximum Eligible Facilities Cost | | | [b] | \$67,940,891 |
| Fire Facilities Funded with Impact Fees | | | [c] = min ([a], [b]) | \$50,188,389 |
| Remaining Cost Funded from Other Sources | | | [d] = [b] - [c] | \$17,752,502 |

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (Parks)

| I. Existing Facility Standard | | [a] | [b] | [c] = [a] / ([b] / 1,000) |
|---|----------------|---------------|---------------------|-------------------------------|
| Facility Type | Facility Units | Quantity | Total Existing EDUs | Facility Units per 1,000 EDUs |
| Desert Mountain Park | Acres | 29.00 | 30,267 | 0.96 |
| Pup for Parks | Acres | 1.00 | 30,267 | 0.03 |
| Founders Park | Acres | 11.00 | 30,267 | 0.36 |
| Mansel Carter (Phase 1) | Acres | 48.00 | 30,267 | 1.59 |
| Frontier Family Park | Acres | 85.00 | 30,267 | 2.81 |
| Mansel Carter (Phase 2) | Acres | 13 | 30,267 | 0.43 |
| HPEC (Old Landfill) | Acres | 90.00 | 30,267 | 2.97 |
| Total (Park - Land & Improvements) | | 277.00 | | 9.15 |

| II. Future Facility Standard | | [a] | [b] | [c] = [a] x ([b] / 1,000) |
|------------------------------|----------------|-------------------------------|-------------------|--|
| Facility Type [2] | Facility Units | Facility Units per 1,000 EDUs | Total Future EDUs | Facilities Units Funded by New Development |
| Parks (Land) | Acres | 9.15 | 18,432.92 | 168.69 |
| Parks (Improvements) | Acres | 9.15 | 18,432.92 | 168.69 |

| III. Future Facility Units | | |
|---|---------------|-----------------|
| Parks Facilities | Land Ac. | Improvement Ac. |
| Frontier Family Park (85 acres) | 30.00 | 30.00 |
| Southeast Park Site - Land (74 acres) | 30.00 | |
| Southeast Park Site - Construction (74 acres) | 0.00 | 30.00 |
| Pima/Meridian Park Site - Land (52 acres) | 30.00 | |
| Pima/Meridian Park - Design and Construction (52 acres) | 0.00 | 30.00 |
| Bosma Parkland Purchase (30 acres) | 30.00 | |
| Bosma Park - Design and Construction (30 acres) | 0.00 | 30.00 |
| Project Management Costs | | |
| Total | 120.00 | 120.00 |

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (Parks)

| IV. Future Facility Cost | | | |
|---|---------------------|----------------------|----------------------|
| Parks Facilities | Land Ac. | Improvement Ac. | Total |
| Frontier Family Park (85 acres) | | \$15,084,309 | \$15,084,309 |
| Southeast Park Site - Land (74 acres) | \$9,003,539 | | \$9,003,539 |
| Southeast Park Site - Construction (74 acres) | | \$30,000,000 | \$30,000,000 |
| Pima/Meridian Park Site - Land (52 acres) | \$13,500,000 | | \$13,500,000 |
| Pima/Meridian Park - Design and Construction (52 acres) | | \$30,000,000 | \$30,000,000 |
| Bosma Parkland Purchase (30 acres) | \$15,000,000 | | \$15,000,000 |
| Bosma Park - Design and Construction (30 acres) | | \$30,000,000 | \$30,000,000 |
| Project Management Costs | \$0 | \$6,230,000 | \$6,230,000 |
| Total | \$37,503,539 | \$111,314,309 | \$148,817,848 |
| <i>Total Cost Per</i> | <i>\$312,529</i> | <i>\$927,619</i> | |

| V. Allocation to New Development | | | | |
|---|----------------|---|-----------------------------|---|
| Facility Type | Facility Units | Facilities Units Funded by New Development | Cost Per Facility Unit | Total Cost Assigned to New Development |
| Parks (Land) | Acres | 168.69 | \$312,529 | \$52,721,675 |
| Parks (Improvements) | Acres | 168.69 | \$927,619 | \$156,483,282 |
| Total | | | <i>[a]</i> | \$209,204,957 |
| <i>Maximum Eligible Facilities Cost</i> | | | <i>[b]</i> | \$148,817,848 |
| Parks Funded with Impact Fees | | | <i>[c] = min ([a], [b])</i> | \$148,817,848 |
| <i>Remaining Cost Funded from Other Sources</i> | | | <i>[d] = [b] - [c]</i> | \$0 |

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (Trails)

| I. Existing Facility Standard | | | | |
|--|----------------|---------------|---------------------|-------------------------------|
| | | [a] | [b] | [c] = [a] / ([b] / 1,000) |
| Facility Type | Facility Units | Quantity | Total Existing EDUs | Facility Units per 1,000 EDUs |
| Queen Creek Wash from Power Rd to Crimson Rd alignment | Linear Ft. | 27,456 | 30,267 | 907.13 |
| Sonoqui Wash from Power Rd to Ellsworth Rd alignment | Linear Ft. | 19,536 | 30,267 | 645.45 |
| Multi-Use Trail from Desert Mountain Park to HPEC overflow | Linear Ft. | 10,560 | 30,267 | 348.89 |
| Multi-Use Trail from Founders Park along Ellsworth Rd | Linear Ft. | 1,584 | 30,267 | 52.33 |
| Sonoqui Wash - Riggs Road Channel; Hawes to Ellsworth & Ellsworth to Crismon | Linear Ft. | 13,153 | 30,267 | 434.56 |
| Total (Trails) | | 72,289 | | 2,388.36 |

| II. Future Facility Standard | | | | |
|-------------------------------------|----------------|-------------------------------|-------------------|--|
| | | [a] | [b] | [c] = [a] x ([b] / 1,000) |
| Facility Type [2] | Facility Units | Facility Units per 1,000 EDUs | Total Future EDUs | Facilities Units Funded by New Development |
| Trails | Linear Ft. | 2,388.36 | 18,433 | 44,024.64 |

| III. Future Facility Units | |
|--|---------------|
| Trails Facilities | Linear Ft. |
| QC Wash Trail Improvements - Rittenhouse to Meridian | 6,937 |
| Sonoqui Wash Power to Recker | 5,808 |
| SRP Utility Easement Trail - Ellsworth to Signal Butte | 10,560 |
| Trail by Southeast Park Site | 6,105 |
| Total | 29,410 |

**Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (Trails)**

| IV. Future Facility Cost | |
|--|---------------------|
| Trails Facilities | Linear Ft. |
| QC Wash Trail Improvements - Rittenhouse to Meridian | \$4,783,711 |
| Sonoqui Wash Power to Recker | \$1,346,000 |
| SRP Utility Easement Trail - Ellsworth to Signal Butte | \$1,500,000 |
| Trail by Southeast Park Site | \$3,375,000 |
| Project Management Costs | \$530,000 |
| Total | \$11,534,711 |
| Total Cost Per | \$392 |

| V. Allocation to New Development | | | | |
|---|----------------|---|-----------------------------|---|
| Facility Type | Facility Units | Facilities Units Funded by New Development | Cost Per Facility Unit | Total Cost Assigned to New Development |
| Trails | Linear Ft. | 44,024.64 | \$392 | \$17,257,659 |
| Total | | | <i>[a]</i> | \$17,257,659 |
| Maximum Eligible Facilities Cost | | | <i>[b]</i> | \$11,534,711 |
| Trails Funded with Impact Fees | | | <i>[c] = min ([a], [b])</i> | \$11,534,711 |
| Remaining Cost Funded from Other Sources | | | <i>[d] = [b] - [c]</i> | \$0 |

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (Streets)

| I. Existing Facility Standard | | | | |
|-------------------------------|----------------|----------|---------------------|-------------------------------|
| Facility Type [2] | Facility Units | Quantity | Total Existing EDUs | Facility Units per 1,000 EDUs |
| Arterials | Lane Miles | 267 | 35,179 | 7.59 |
| Traffic Signals | Quantity | 87 | 35,179 | 2.47 |

| II. Future Facility Standard | | | | |
|------------------------------|----------------|-------------------------------|-------------------|--|
| Facility Type | Facility Units | Facility Units per 1,000 EDUs | Total Future EDUs | Facilities Units Funded by New Development |
| Arterials | Lane Miles | 7.59 | 20,374 | 154.64 |
| Traffic Signals | Quantity | 2.473 | 20,374 | 50.32 |

| III. Future Facility Units | | | |
|---|------------------------------|------------------------|----------------------------|
| Transportation Facilities | Total Arterials (Lane Miles) | Arterials (Lane Miles) | Traffic Signals (Quantity) |
| Ocotillo Road: West of Sossaman Rd to Hawes Rd | 6.25 | 3.00 | |
| Hawes Road: Ocotillo to Rittenhouse | 6.25 | 2.00 | |
| Chandler Heights: Hawes to Ellsworth | 5.00 | 0.50 | |
| Chandler Heights: Sossaman to Hawes | 4.18 | 2.30 | |
| Signal Butte: Ocotillo to Queen Creek | 1.63 | 0.33 | |
| Germann Rd: Ellsworth to Crismon | 0.33 | 0.20 | |
| Power Road: Chandler Heights to Riggs | 5.00 | 1.67 | |
| Power Road: Riggs to Hunt Hwy | 5.00 | 3.00 | |
| Ryan Road: Crismon to Signal Butte | 3.00 | 3.00 | |
| Hunt Hwy: Power to Sossaman | 5.00 | 3.00 | |
| Traffic Signal: Ocotillo and Scotland Court | | | 1 |
| Meridian Road: Queen Creek Road to Germann | 3.00 | 3.00 | |
| 220th: Queen Creek to Ryan | 3.50 | 2.13 | |
| Sossaman Railroad Crossing at Germann | 1.00 | 1.00 | |
| ASLD Infrastructure Improvements | 16.00 | 9.00 | |
| Ironwood Road Improvements | | | 1 |
| Sossaman: Sonoqui Wash to Chandler Heights | 2.00 | 0.90 | |
| Sossaman: Chandler Heights to Riggs | 5.00 | 1.66 | |
| Hawes: Chandler Heights to Ocotillo | 5.00 | 0.79 | |
| Hawes: Riggs North to Sunset Drive (1/2 mile, 3 lanes) | 2.50 | 0.50 | |
| Southeast Park - Riggs Road (1/4 mile, 3 lanes) | 0.80 | 0.75 | |
| Southeast Park - Crismon Road to Cul-De-Sac (1/4 mile, 3 lanes) | 0.80 | 0.75 | |
| Combs: Meridian to Gantzel - West of Sangria | 4.00 | 0.00 | |
| Ironwood: Pima to Germann | 6.00 | 2.00 | |
| Traffic Signal: Germann Road and 196th Street | | | 1 |
| Traffic Signal: Harvest at Riggs Road | | | 1 |
| Traffic Signal: Signal Butte and Riggs | | | 1 |
| Traffic Signal: Combs at Sangria | | | 1 |
| Traffic Signal: 220th at Queen Creek Road | | | 1 |
| Traffic Signal: Power Road at San Tan | | | 1 |
| Traffic Signal: Ocotillo at Recker (IGA with Gilbert) | | | 1 |
| Traffic Signal: Riggs at 206th | | | 1 |
| Traffic Signal: Queen Creek at 188th | | | 1 |
| Traffic Signal: Gary Road and Grange Parkway | | | 1 |
| Traffic Signal: Ellsworth at San Tan Blvd | | | 1 |
| Traffic Signal: Riggs at Crismon High School | | | 1 |
| Total | 91.24 | 41.48 | 14 |

Town of Queen Creek
Development Impact Fee (Update)
Fee Calculation Detail (Streets)

| IV. Future Facility Cost | | | |
|---|----------------------|---------------------|----------------------|
| Transportation Facilities | Arterials | Traffic Signals | Total |
| Ocotillo Road: West of Sossaman Rd to Hawes Rd | \$9,840,138 | | \$9,840,138 |
| Hawes Road: Ocotillo to Rittenhouse | \$3,334,295 | | \$3,334,295 |
| Chandler Heights: Hawes to Ellsworth | \$3,336,500 | | \$3,336,500 |
| Chandler Heights: Sossaman to Hawes | \$10,549,879 | | \$10,549,879 |
| Signal Butte: Ocotillo to Queen Creek | \$1,387,930 | | \$1,387,930 |
| Germann Rd: Ellsworth to Crismon | \$3,150,000 | | \$3,150,000 |
| Power Road: Chandler Heights to Riggs | \$11,722,254 | | \$11,722,254 |
| Power Road: Riggs to Hunt Hwy | \$5,183,713 | | \$5,183,713 |
| Ryan Road: Crismon to Signal Butte | \$6,127,905 | | \$6,127,905 |
| Hunt Hwy: Power to Sossaman | \$3,267,000 | | \$3,267,000 |
| Traffic Signal: Ocotillo and Scotland Court | | \$1,000,000 | \$1,000,000 |
| Meridian Road: Queen Creek Road to Germann | \$7,592,883 | | \$7,592,883 |
| 220th: Queen Creek to Ryan | \$3,299,986 | | \$3,299,986 |
| Sossaman Railroad Crossing at Germann | \$4,625,751 | | \$4,625,751 |
| ASLD Infrastructure Improvements | \$44,218,060 | | \$44,218,060 |
| Ironwood Road Improvements | | \$895,926 | \$895,926 |
| Sossaman: Sonoqui Wash to Chandler Heights | \$10,560,000 | | \$10,560,000 |
| Sossaman: Chandler Heights to Riggs | \$3,583,500 | | \$3,583,500 |
| Hawes: Chandler Heights to Ocotillo | \$14,000,000 | | \$14,000,000 |
| Hawes: Riggs North to Sunset Drive (1/2 mile, 3 lanes) | \$6,450,000 | | \$6,450,000 |
| Southeast Park - Riggs Road (1/4 mile, 3 lanes) | \$3,225,000 | | \$3,225,000 |
| Southeast Park - Crismon Road to Cul-De-Sac (1/4 mile, 3 lanes) | \$3,225,000 | | \$3,225,000 |
| Combs: Meridian to Gantzel - West of Sangria | \$1,250,000 | | \$1,250,000 |
| Ironwood: Pima to Germann | \$30,000,000 | | \$30,000,000 |
| Traffic Signal: Germann Road and 196th Street | | \$1,831,505 | \$1,831,505 |
| Traffic Signal: Harvest at Riggs Road | | \$1,200,000 | \$1,200,000 |
| Traffic Signal: Signal Butte and Riggs | | \$1,425,000 | \$1,425,000 |
| Traffic Signal: Combs at Sangria | | \$1,375,000 | \$1,375,000 |
| Traffic Signal: 220th at Queen Creek Road | | \$1,250,000 | \$1,250,000 |
| Traffic Signal: Power Road at San Tan | | \$420,000 | \$420,000 |
| Traffic Signal: Ocotillo at Recker (IGA with Gilbert) | | \$750,000 | \$750,000 |
| Traffic Signal: Riggs at 206th | | \$1,500,000 | \$1,500,000 |
| Traffic Signal: Queen Creek at 188th | | \$303,963 | \$303,963 |
| Traffic Signal: Gary Road and Grange Parkway | | \$341,907 | \$341,907 |
| Traffic Signal: Ellsworth at San Tan Blvd | | \$381,735 | \$381,735 |
| Traffic Signal: Riggs at Crismon High School | | \$297,871 | \$297,871 |
| Project Management Costs | \$9,145,340 | \$624,660 | \$9,770,000 |
| Total | \$199,075,134 | \$13,597,567 | \$212,672,701 |
| Total Cost Per | \$2,181,884 | \$971,255 | |

| V. Allocation to New Development (Overall) | | | | |
|--|----------------|--|------------------------|--|
| Facility Type | Facility Units | Facilities Units Funded by New Development | Cost Per Facility Unit | Total Cost Assigned to New Development |
| Arterials | Lane Miles | 154.64 | \$2,181,884 | \$337,406,542 |
| Traffic Signals | Quantity | 50.32 | \$971,255 | \$48,873,552 |
| Total | | | [a] | \$386,280,094 |
| Maximum Eligible Facilities Cost | | | [b] | \$212,672,701 |
| Transportation Facilities Funded with Impact Fees | | | [c] = min ([a], [b]) | \$212,672,701 |

| VI. Allocation to New Development (By Facility Type) | | | | | |
|---|----------------|--|----------------------------------|--|--|
| Facility Type | Facility Units | Total Cost Assigned to New Development | Maximum Eligible Facilities Cost | Transportation Facilities Funded with Fees | % of Total Eligible Costs to New Development |
| Arterials | Lane Miles | \$337,406,542 | \$199,075,134 | \$199,075,134 | 100.00% |
| Traffic Signals | Quantity | \$48,873,552 | \$13,597,567 | \$13,597,567 | 100.00% |
| Total | | \$386,280,094 | \$212,672,701 | \$212,672,701 | 100.00% |

Town of Queen Creek

Development Impact Fee (Update)

Fee Calculation Detail (Police)

| EDUs | Growth | |
|-------------------|--------------------------|---------------------|
| | <i>*Years 1 thru 10*</i> | |
| | <u>Res Units / NR SF</u> | <u>Demand Units</u> |
| Single Family | 11,715 | 11,715 |
| Multi-family | 4,513 | 3,526 |
| Commercial | 2,278,326 | 1,810 |
| Office/Other | 721,409 | 376 |
| Industrial | 7,513,766 | 2,397 |
| Total EDUs | NA | 19,824 |

Police Facilities

| | | | |
|---------------|--------------------------------------|-----|-----|
| Existing Debt | <u>Debt Service</u> (2024 - 2033) | \$0 | \$0 |
|---------------|--------------------------------------|-----|-----|

| | | | |
|-----|---------|---------|--------------|
| IIP | No Debt | \$1,533 | \$30,389,752 |
|-----|---------|---------|--------------|

| Gross Impact Fee | \$1,533 | \$30,389,752 |
|-------------------------|----------------|---------------------|
| Single Family | \$1,533 | \$17,958,967 |
| Multi-family | \$1,198 | \$5,404,732 |
| Commercial | \$1,218 | \$2,774,755 |
| Office/Other | \$799 | \$576,184 |
| Industrial | \$489 | \$3,675,113 |

| | | |
|--------------------------------------|------------------|-----------------------|
| Cash Balance From Impact Fees | (\$110) | (\$2,179,972) |
| Construction Tax Offset | (\$1,001) | (\$19,840,197) |

| Net Impact Fee | \$422 | \$8,369,583 |
|-----------------------|--------------|--------------------|
| Single Family | \$422 | \$4,946,044 |
| Multi-family | \$330 | \$1,488,507 |
| Commercial | \$335 | \$764,190 |
| Office/Other | \$220 | \$158,686 |
| Industrial | \$135 | \$1,012,156 |

Town of Queen Creek

Development Impact Fee (Update)

Fee Calculation Detail (Fire)

| EDUs | Growth | |
|-------------------|--------------------------|---------------------|
| | <i>*Years 1 thru 10*</i> | |
| | <u>Res Units / NR SF</u> | <u>Demand Units</u> |
| Single Family | 11,715 | 11,715 |
| Multi-family | 4,513 | 3,526 |
| Commercial | 2,278,326 | 1,810 |
| Office/Other | 721,409 | 376 |
| Industrial | 7,513,766 | 2,397 |
| Total EDUs | NA | 19,824 |

Fire Facilities

| | | | |
|---------------|--------------------------------------|---------|--------------|
| Existing Debt | <u>Debt Service</u> (2024 - 2033) | \$300 | \$5,956,625 |
| IIP | <u>No Debt</u> | \$2,532 | \$50,188,389 |

| | | |
|-------------------------|----------------|---------------------|
| Gross Impact Fee | \$2,832 | \$56,145,014 |
| <i>Single Family</i> | \$2,832 | \$33,179,159 |
| <i>Multi-family</i> | \$2,213 | \$9,985,233 |
| <i>Commercial</i> | \$2,250 | \$5,126,356 |
| <i>Office/Other</i> | \$1,476 | \$1,064,499 |
| <i>Industrial</i> | \$904 | \$6,789,766 |

| | | |
|--------------------------------------|-----------|----------------|
| Cash Balance From Impact Fees | \$0 | \$0 |
| Construction Tax Offset | (\$1,992) | (\$39,487,302) |

| | | |
|-----------------------|--------------|---------------------|
| Net Impact Fee | \$840 | \$16,657,712 |
| Single Family | \$840 | \$9,843,954 |
| Multi-family | \$656 | \$2,962,527 |
| Commercial | \$668 | \$1,520,943 |
| Office/Other | \$438 | \$315,827 |
| Industrial | \$268 | \$2,014,461 |

Town of Queen Creek

Development Impact Fee (Update)

Fee Calculation Detail (Parks)

| EDUs | Growth | |
|-------------------|--------------------------|---------------------|
| | <i>*Years 1 thru 10*</i> | |
| | <u>Res Units / NR SF</u> | <u>Demand Units</u> |
| Single Family | 11,715 | 11,715 |
| Multi-family | 4,513 | 3,526 |
| Commercial | 2,278,326 | 605 |
| Office/Other | 721,409 | 309 |
| Industrial | 7,513,766 | 2,278 |
| Total EDUs | | 18,433 |

Park Facilities

| | | | |
|---------------|--------------------------------------|---------|---------------|
| Existing Debt | <u>Debt Service</u> (2024 - 2033) | \$0 | \$0 |
| IIP | <u>No Debt</u> | \$8,073 | \$148,817,848 |

| Gross Impact Fee | \$8,073 | \$148,817,848 |
|-------------------------|----------------|----------------------|
| <i>Single Family</i> | \$8,073 | \$94,580,844 |
| <i>Multi-family</i> | \$6,307 | \$28,464,006 |
| <i>Commercial</i> | \$2,145 | \$4,887,187 |
| <i>Office/Other</i> | \$3,454 | \$2,491,702 |
| <i>Industrial</i> | \$2,448 | \$18,394,110 |

| | | |
|--------------------------------------|-----------|----------------|
| Cash Balance From Impact Fees | (\$1,558) | (\$28,709,510) |
| Construction Tax Offset | (\$4,583) | (\$84,473,293) |

| Net Impact Fee | \$1,933 | \$35,635,045 |
|-----------------------|----------------|---------------------|
| Single Family | \$1,933 | \$22,647,772 |
| Multi-family | \$1,510 | \$6,815,823 |
| Commercial | \$514 | \$1,170,257 |
| Office/Other | \$827 | \$596,648 |
| Industrial | \$586 | \$4,404,545 |

Town of Queen Creek

Development Impact Fee (Update)

Fee Calculation Detail (Trails)

| EDUs | Growth | |
|-------------------|--------------------------|---------------------|
| | <i>*Years 1 thru 10*</i> | |
| | <u>Res Units / NR SF</u> | <u>Demand Units</u> |
| Single Family | 11,715 | 11,715 |
| Multi-family | 4,513 | 3,526 |
| Commercial | 2,278,326 | 605 |
| Office/Other | 721,409 | 309 |
| Industrial | 7,513,766 | 2,278 |
| Total EDUs | | 18,433 |

Trail Facilities

| | | | |
|---------------|--------------------------------------|-----|-----|
| Existing Debt | <u>Debt Service</u> (2024 - 2033) | \$0 | \$0 |
|---------------|--------------------------------------|-----|-----|

| | | | |
|-----|---------|-------|--------------|
| IIP | No Debt | \$626 | \$11,534,711 |
|-----|---------|-------|--------------|

| Gross Impact Fee | \$626 | \$11,534,711 |
|-------------------------|--------------|---------------------|
| <i>Single Family</i> | \$626 | \$7,330,859 |
| <i>Multi-family</i> | \$489 | \$2,206,214 |
| <i>Commercial</i> | \$166 | \$378,801 |
| <i>Office/Other</i> | \$268 | \$193,129 |
| <i>Industrial</i> | \$190 | \$1,425,708 |

| | | |
|--------------------------------------|---------|---------------|
| Cash Balance From Impact Fees | (\$196) | (\$3,611,989) |
| Construction Tax Offset | (\$302) | (\$5,572,123) |

| Net Impact Fee | \$128 | \$2,350,599 |
|-----------------------|--------------|--------------------|
| Single Family | \$128 | \$1,493,917 |
| Multi-family | \$100 | \$449,593 |
| Commercial | \$34 | \$77,194 |
| Office/Other | \$55 | \$39,357 |
| Industrial | \$39 | \$290,538 |

Town of Queen Creek

Development Impact Fee (Update)

Fee Calculation Detail (Streets)

| EDUs | Growth | |
|-------------------|--------------------------|---------------|
| | <i>*Years 1 thru 10*</i> | |
| | Res Units / NR SF | Demand Units |
| Single Family | 11,715 | 11,715 |
| Multi-family | 4,513 | 3,050 |
| Commercial | 2,278,326 | 2,549 |
| Office/Other | 721,409 | 345 |
| Industrial | 7,513,766 | 2,715 |
| Total EDUs | NA | 20,374 |

Transportation Facilities

| | | | | |
|---------------|-------------------------------|--|---------|--------------|
| Existing Debt | Debt Service (2024 - 2033) | | \$166 | \$3,373,882 |
| IIP | No Debt | | \$4,384 | \$89,322,534 |

| | | |
|-------------------------|----------------|---------------------|
| Gross Impact Fee | \$4,550 | \$92,696,416 |
| <i>Single Family</i> | \$4,550 | \$53,300,169 |
| <i>Multi-family</i> | \$3,075 | \$13,877,151 |
| <i>Commercial</i> | \$5,089 | \$11,595,011 |
| <i>Office/Other</i> | \$2,179 | \$1,571,625 |
| <i>Industrial</i> | \$1,644 | \$12,352,460 |

| | | |
|--------------------------------------|------------------|-----------------------|
| Cash Balance From Impact Fees | (\$543) | (\$11,058,319) |
| Construction Tax Offset | (\$2,818) | (\$57,416,821) |

| | | |
|-----------------------|----------------|---------------------|
| Net Impact Fee | \$1,189 | \$24,221,276 |
| Single Family | \$1,189 | \$13,927,164 |
| Multi-family | \$803 | \$3,626,055 |
| Commercial | \$1,330 | \$3,029,739 |
| Office/Other | \$569 | \$410,660 |
| Industrial | \$430 | \$3,227,658 |

APPENDIX B

Town of Queen Creek

DRAFT Land Use Assumptions, Infrastructure Improvement Plan,
and Development Impact Fee Study



ANALYSIS OF POTENTIAL IMPACT FEE CREDITS

Analysis of Potential Impact Fee Credits Town of Queen



Prepared for:

Town of Queen Creek

January 2024

Prepared by:



Elliott D. Pollack & Company
7505 East 6th Avenue, Suite 100
Scottsdale, Arizona 85251

Analysis of Potential Impact Fee Credits Town of Queen Creek

Summary of Conclusions

The purpose of this analysis is to assess the potential revenue that may be generated from new development to the Town’s Operating Budget and whether that potential revenue should be viewed as a credit against imposed impact fees. An important principle of the Arizona impact fee legislation is that new development should not pay twice for the cost of growth-related facilities – once through impact fees and again through taxes, fees, or other revenue sources that are collected by a city or town and devoted to growth-related improvements.

The Town’s non-dedicated revenue from new development in real 2024 dollars on a per capita basis is forecasted to decline in the future. As a result, there will likely be no surplus in the revenue sources of the Operating Budget for growth-related capital improvements. In addition, non-dedicated revenue attributable to new development over the next five years represents on average only 2.6% of total operating revenues. These modest non-dedicated funds will be devoted to operations and needed maintenance and repair of existing facilities.

The Town of Queen Creek’s five-year forecast of operating revenues, expenses, and depreciation illustrates the net operating resources that will be available to the Town in the near term. Depreciation expense is a proxy for Town assets that are declining in value from normal wear and tear and eventually will need to be repaired or replaced. As noted in the following table, net operating resources, after subtracting expenditures and depreciation, are negative indicating there will be no surplus in the Operating Budget for growth-related capital improvements.

| Forecast of Operating Revenues, Expenses, & Depreciation FY24 - FY 28 | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Town of Queen Creek | | | | | |
| | FY24 | FY25 | FY26 | FY27 | FY28 |
| Operating Revenues | \$149,946,055 | \$156,749,784 | \$162,521,030 | \$173,601,425 | \$184,739,430 |
| Operating Expenses | (139,436,331) | (153,524,764) | (160,478,682) | (171,639,278) | (184,466,310) |
| Annual Depreciation | (26,626,084) | (29,145,451) | (32,410,191) | (33,724,436) | (37,734,036) |
| Net Operating Resources | (16,116,360) | (25,920,431) | (30,367,843) | (31,762,289) | (37,460,916) |
| Source: Town of Queen Creek Adopted Budget Fiscal Year 2023-2024 | | | | | |

In summary, any non-dedicated revenue that may be generated from new development to the Town’s Operating Budget will be used for operations and needed maintenance, repair, and replacement of existing facilities. New development occurring in Queen Creek in the future will not pay twice for the cost of growth-related facilities.

Purpose of Report

The purpose of this analysis is to assess the potential revenue that may be generated from new development to the Town's Operating Budget and whether that potential revenue should be viewed as a credit against imposed impact fees. An important principle of the Arizona impact fee legislation is that new development should not pay twice for the cost of growth-related facilities – once through impact fees and again through taxes, fees, or other revenue sources that are collected by a city or town and devoted to growth-related improvements. To avoid any double payment if it occurs, impact fees should be reduced through analysis of the jurisdiction's budget and financial records. The sections of the Arizona Revised Statutes (ARS) that address this situation are shown below.

9-463.05.B.12.

The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection.

9-463.05.E.7.

A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, and construction contracting or similar excise taxes attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.

The methodology used for this analysis is to track operating budget and other revenues that are generated by new residential and commercial development and determine if certain revenues ultimately flow to capital accounts that support the construction of growth-related facilities. The impact fee legislation states which revenues to consider in this analysis: state-shared revenue, highway user's revenue, federal revenue, ad valorem property taxes, and construction contracting or similar excise taxes.

An offset against impact fees is often required when new development is contributing to a funding source that is used to fund the same growth-related improvements as impact fees. There

are several circumstances when a credit or offset may be justified to the impact fees assessed against new development:

- If the community imposes a construction sales tax rate that is more than the transaction privilege tax rate imposed on other sales tax classifications. Under State statute, the excess portion of the construction sales tax is treated as a contribution to the capital costs of necessary public services provided to new development and is considered a credit towards the imposition of impact fees. Queen Creek has a differential construction sales tax rate of 2.0% imposed on new construction in addition to the 2.25% sales tax imposed on retail sales. **The Town specifically treats the revenue generated from the 2.0% construction sales tax rate as an offset to all impact fees and directs it to the Town's Construction Sales Tax Fund which is dedicated to financing growth-related infrastructure projects.**
- If new development will be paying impact fees for a level of service that is higher than the current level of service. In order to correct the existing deficiency in the level of service, revenues generated by new development could contribute to upgrading the level of service for existing development. **Queen Creek's impact fee schedule does not impose a higher level of service for new development; fees are based on the current level of service.**
- If new development will be generating revenue that is used to retire debt on existing facilities serving existing development. At the same time, new development will also be paying for facilities that will serve them through impact fees. Essentially, this is a double payment requiring an offset or credit against impact fees. **Queen Creek is not using excise taxes, state shared revenues, or any other revenues generated from new development to retire existing debt. The Town is meeting its debt service requirements without any new sources of revenue.**

For the Town of Queen Creek, collections from several of the revenue sources that are required to be evaluated under ARS 9-463.05.E.7. are dedicated for specific purposes not related to infrastructure serving new development. Those sources include:

- Property Tax: The Town's property tax is dedicated to Public Safety operations (police and fire). Recently, the Town implemented a policy to freeze property tax revenue and, as a result, the Town's levy rate will be reduced.
- Sales Tax: Of the Town's 2.25% sales tax rate, 2.00% is dedicated to the General Fund and 0.25% is dedicated to the Emergency Services Fund. Studies of spending patterns in the Town demonstrate that approximately 43% of retail sales at brick-and-mortar retail stores are generated from persons living outside the Town boundaries. This translates into approximately 24% of total retail sales collected by the Town. Another 55% of restaurant spending also comes from out-of-town residents. In total, approximately 31.8% of all

sales tax revenue is estimated to come from out-of-town residents shopping and dining in Queen Creek. A forecast of future revenues will include a deduction for non-resident spending from the Town's sales tax revenue. (See Appendix for analysis of non-resident retail and restaurant spending).

- HURF: The Town dedicates Highway User Revenues to maintenance of existing roadways and streets. None of these funds are used for capital improvements related to new growth.

As required by ARS 9-463.05.E.7., a forecast of estimated future revenues that will be attributable to new development for the Town of Queen Creek is shown Table 1 which includes both historic and forecasted revenues. The forecast starts with a five-year estimate of the future population and employment growth of the Town and expected revenues from sales taxes, construction sales taxes, state share revenues, HURF and property taxes. Revenues are then reduced to a per capita estimate (which includes population and employment); the sales tax forecast is also reduced for non-resident spending.

The last section of the table displays the future revenue that may be attributable to new development. Values are derived by multiplying the per capita revenue estimate by the annual increase in population and employment. Revenue is expressed in both nominal dollars (inflated) and real or current 2024 dollars. From FY2024 through FY2028, revenue attributable to new development will average nearly \$5.47 million each year. In current 2024 dollars, average annual revenue is \$5.27 million at a 2.5% rate of inflation.

Table 1

| Estimated Revenue Attributable to New Development Town of Queen Creek - Operating Budget | | | | | | | | | | | |
|---|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Queen Creek Historic Growth & Forecast | Historic Growth | | | | | | Forecast | | | | |
| | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
| Population | 49,322 | 53,054 | 60,819 | 66,275 | 70,956 | 76,752 | 83,700 | 89,000 | 95,300 | 99,200 | 102,400 |
| Employment | 15,466 | 15,928 | 16,389 | 16,712 | 17,042 | 17,378 | 17,721 | 18,070 | 18,427 | 18,790 | 19,161 |
| Total Population & Employment | 64,788 | 68,982 | 77,208 | 82,987 | 87,998 | 94,130 | 101,421 | 107,070 | 113,727 | 117,990 | 121,561 |
| Annual Increase in Population & Employment | 8,370 | 4,194 | 8,226 | 5,779 | 5,011 | 6,132 | 7,291 | 5,650 | 6,656 | 4,263 | 3,571 |
| Revenues | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
| Total Sales Tax Excluding Construction | \$19,037,451 | \$22,118,428 | \$26,622,248 | \$34,392,052 | \$40,872,318 | \$45,078,237 | \$50,085,933 | \$53,886,800 | \$58,492,600 | \$63,466,800 | \$68,839,000 |
| Sales Tax - Non-Resident Spending | (\$6,046,995) | (\$7,025,627) | (\$8,456,206) | (\$10,924,181) | (\$12,982,552) | (\$14,318,507) | (\$15,909,136) | (\$17,116,431) | (\$18,579,402) | (\$20,159,391) | (\$21,865,800) |
| Sales Tax - Resident Spending | \$12,990,456 | \$15,092,802 | \$18,166,043 | \$23,467,870 | \$27,889,766 | \$30,759,730 | \$34,176,797 | \$36,770,369 | \$39,913,198 | \$43,307,409 | \$46,973,200 |
| Sales Tax Construction | | | | | | | | | | | |
| Operating Budget | \$7,288,155 | \$8,434,075 | \$10,768,354 | \$14,684,431 | \$17,558,679 | \$19,423,452 | \$19,115,156 | \$17,284,400 | \$13,253,100 | \$13,167,900 | \$13,467,800 |
| Construction Sales Tax Fund | \$6,478,360 | \$7,496,956 | \$9,571,871 | \$13,052,827 | \$15,607,714 | \$17,265,290 | \$16,991,250 | \$15,363,885 | \$11,780,479 | \$11,704,729 | \$11,971,360 |
| State Shared Sales and Income Tax/VLT | \$9,331,762 | \$10,423,150 | \$11,773,272 | \$15,472,592 | \$18,560,660 | \$25,307,287 | \$32,658,700 | \$33,101,900 | \$34,342,500 | \$37,560,400 | \$40,744,600 |
| HURF | \$2,336,392 | \$2,697,128 | \$3,026,965 | \$3,429,900 | \$3,973,441 | \$5,172,750 | \$5,271,853 | \$5,838,900 | \$6,328,300 | \$6,832,400 | \$7,316,000 |
| Property Tax | \$6,234,137 | \$7,022,388 | \$8,344,964 | \$9,779,705 | \$11,111,319 | \$12,470,641 | \$13,285,644 | \$14,037,700 | \$14,850,200 | \$15,152,500 | \$15,553,300 |
| Total Revenue Excluding Construction Tax Fund | \$38,180,902 | \$43,669,543 | \$52,079,598 | \$66,834,498 | \$79,093,864 | \$93,133,860 | \$104,508,150 | \$107,033,269 | \$108,687,298 | \$116,020,609 | \$124,054,900 |
| Per Capita Revenues | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
| Total Sales Tax Excluding Construction | \$294 | \$321 | \$345 | \$414 | \$464 | \$479 | \$494 | \$503 | \$514 | \$538 | \$566 |
| Sales Tax - Non-Resident Spending | (\$93) | (\$102) | (\$110) | (\$132) | (\$148) | (\$152) | (\$157) | (\$160) | (\$163) | (\$171) | (\$180) |
| Sales Tax - Resident Spending | \$201 | \$219 | \$235 | \$283 | \$317 | \$327 | \$337 | \$343 | \$351 | \$367 | \$386 |
| Sales Tax Construction | | | | | | | | | | | |
| Operating Budget | \$112 | \$122 | \$139 | \$177 | \$200 | \$206 | \$188 | \$161 | \$117 | \$112 | \$111 |
| Construction Sales Tax Fund | \$100 | \$109 | \$124 | \$157 | \$177 | \$183 | \$168 | \$143 | \$104 | \$99 | \$98 |
| State Shared Sales and Income Tax/VLT | \$144 | \$151 | \$152 | \$186 | \$211 | \$269 | \$322 | \$309 | \$302 | \$318 | \$335 |
| HURF | \$36 | \$39 | \$39 | \$41 | \$45 | \$55 | \$52 | \$55 | \$56 | \$58 | \$60 |
| Property Tax | \$96 | \$102 | \$108 | \$118 | \$126 | \$132 | \$131 | \$131 | \$131 | \$128 | \$128 |
| Total Revenue Excluding Construction Tax Fund | \$589 | \$633 | \$675 | \$805 | \$899 | \$989 | \$1,030 | \$1,000 | \$956 | \$983 | \$1,021 |
| Total Revenue in Real 2024 Dollars | | | | | | | \$1,030 | \$975 | \$910 | \$936 | \$925 |
| Revenue Attributable to New Development | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 |
| Total Sales Tax Excluding Construction | \$2,459,473 | \$1,344,830 | \$2,836,529 | \$2,395,069 | \$2,327,281 | \$2,936,634 | \$3,600,488 | \$2,843,313 | \$3,423,565 | \$2,293,300 | \$2,022,010 |
| Sales Tax - Non-Resident Spending | (\$781,219) | (\$427,167) | (\$900,986) | (\$760,762) | (\$739,230) | (\$932,783) | (\$1,143,648) | (\$903,141) | (\$1,087,450) | (\$728,437) | (\$642,265) |
| Sales Tax - Resident Spending | \$1,678,254 | \$917,662 | \$1,935,543 | \$1,634,307 | \$1,588,051 | \$2,003,851 | \$2,456,841 | \$1,940,172 | \$2,336,115 | \$1,564,864 | \$1,379,745 |
| Sales Tax Construction | | | | | | | | | | | |
| Operating Budget | \$941,566 | \$512,803 | \$1,147,339 | \$1,022,627 | \$999,796 | \$1,265,346 | \$1,374,116 | \$912,004 | \$775,702 | \$475,807 | \$395,590 |
| Construction Sales Tax Fund | \$836,948 | \$455,825 | \$1,019,857 | \$909,001 | \$888,708 | \$1,124,752 | \$1,221,437 | \$810,668 | \$689,510 | \$422,937 | \$351,635 |
| State Shared Sales and Income Tax/VLT | \$1,205,582 | \$633,741 | \$1,254,411 | \$1,077,514 | \$1,056,849 | \$1,648,650 | \$2,347,710 | \$1,746,607 | \$2,010,062 | \$1,357,202 | \$1,196,792 |
| HURF | \$301,841 | \$163,989 | \$322,515 | \$238,859 | \$226,249 | \$336,980 | \$378,974 | \$308,087 | \$370,395 | \$246,881 | \$214,893 |
| Property Tax | \$805,396 | \$426,970 | \$889,134 | \$681,061 | \$632,682 | \$812,403 | \$955,055 | \$740,693 | \$869,180 | \$547,518 | \$456,847 |
| Total Revenue in Nominal Dollars | \$4,932,640 | \$2,655,166 | \$5,548,941 | \$4,654,367 | \$4,503,627 | \$6,067,231 | \$7,512,696 | \$5,647,562 | \$6,361,454 | \$4,192,272 | \$3,643,868 |
| Total Revenue in Real 2024 Dollars | | | | | | | \$7,512,696 | \$5,509,817 | \$6,054,924 | \$3,990,265 | \$3,301,164 |

Sources: MAG, AZ Office of Economic Opportunity, Town of Queen Creek, U.S. Consumer Expenditure Survey

As noted earlier in this memo, several revenue sources are dedicated to certain uses or, as in the case of the construction sales tax, must be treated as a credit towards the imposition of impact fees. Dedicated revenues are property taxes, HURF, and 0.25% of the 2.25% Town sales tax rate.

Table 2 outlines the total non-dedicated revenue attributable to new development from FY2024 to FY2028. These revenues are forecasted to decline over time from \$5.9 million in FY 2024 to \$2.8 million in FY 2028. The percentage of non-dedicated revenues to total operating revenues range from 3.9% in FY 2024 to 1.5% in 2028 or a modest average of 2.6% over the next five years. These funds represent such a small percentage of operating funds that they will be directed by the Town to such uses as operations and non-impact fee eligible capital needs such as maintenance, repair, and replacement.

Table 2

| Non-Dedicated Revenues Attributable to New Development Town of Queen Creek Operating Budget | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue Attributable to New Development | FY24 | FY25 | FY26 | FY27 | FY28 |
| Sales Tax | \$3,600,488 | \$2,843,313 | \$3,423,565 | \$2,293,300 | \$2,022,010 |
| Sales Tax - Non-Resident Spending Reduction | (\$1,143,648) | (\$903,141) | (\$1,087,450) | (\$728,437) | (\$642,265) |
| Sales Tax - Resident Spending | \$2,456,841 | \$1,940,172 | \$2,336,115 | \$1,564,864 | \$1,379,745 |
| Sales Tax - Dedicated 0.25% Tax Rate | (\$272,982) | (\$215,575) | (\$259,568) | (\$173,874) | (\$153,305) |
| Sales Tax Non-Dedicated | \$2,183,858 | \$1,724,597 | \$2,076,546 | \$1,390,990 | \$1,226,440 |
| Sales Tax - Construction Sale Tax Operating Budget | \$1,374,116 | \$912,004 | \$775,702 | \$475,807 | \$395,590 |
| State Shared Sales, Income Tax, VLT, HURF | \$2,347,710 | \$1,746,607 | \$2,010,062 | \$1,357,202 | \$1,196,792 |
| HURF (All funds are dedicated to road maintenance) | - | - | - | - | - |
| Property Tax (All tax collections dedicated to public safety) | - | - | - | - | - |
| Total Non-Dedicated Revenue | \$5,905,685 | \$4,383,208 | \$4,862,311 | \$3,223,999 | \$2,818,822 |
| Total Revenue From All Sources | \$149,946,055 | \$156,749,784 | \$162,521,030 | \$173,601,425 | \$184,739,430 |
| Non-Dedicated Revenue as Percent of Total Revenue | 3.9% | 2.8% | 3.0% | 1.9% | 1.5% |

Source: Town of Queen Creek Adopted Budget Fiscal Year 2023-2024, MAG, AZ OEO

As shown in Table 1, per capita non-dedicated revenue in real dollars is forecasted to decline in the future and, as a result, there will likely be no surplus in the Operating Budget revenue sources for growth-related capital improvements. In addition, the Town of Queen Creek’s five-year forecast of operating revenues, expenses, and depreciation (Table 3) illustrates the net operating resources that will be available to the Town in the near term. Depreciation expense is essentially a proxy for Town assets that are declining in value from normal wear and tear and eventually will need to be repaired or replaced. As noted on Table 3, net operating resources, after subtracting expenditures and depreciation, are negative indicating there will be no surplus in the Operating Budget for growth-related capital improvements.

Table 3

| Forecast of Operating Revenues, Expenses, & Depreciation FY24 - FY 28 | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Town of Queen Creek | | | | | |
| | FY24 | FY25 | FY26 | FY27 | FY28 |
| Operating Revenues | \$149,946,055 | \$156,749,784 | \$162,521,030 | \$173,601,425 | \$184,739,430 |
| Operating Expenses | (139,436,331) | (153,524,764) | (160,478,682) | (171,639,278) | (184,466,310) |
| Annual Depreciation | (26,626,084) | (29,145,451) | (32,410,191) | (33,724,436) | (37,734,036) |
| Net Operating Resources | (16,116,360) | (25,920,431) | (30,367,843) | (31,762,289) | (37,460,916) |
| Source: Town of Queen Creek Adopted Budget Fiscal Year 2023-2024 | | | | | |

In summary, any revenue that may be generated from new development to the Town’s Operating Budget will be used for operations and needed maintenance, repair, and replacement of existing facilities. New development occurring in Queen Creek in the future will not pay twice for the cost of growth-related facilities.

Appendix – Analysis of Town of Queen Creek Taxable Retail and Restaurant & Bar Sales

Analysis of Town of Queen Creek Taxable Retail and Restaurant & Bar Sales



Prepared for:

Town of Queen Creek

January 2024

Prepared by:



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Retail and Restaurant & Bar Sales Tax Analysis

Town of Queen Creek

Purpose of Study

The purpose of the study is to evaluate taxable retail and restaurant & bar (R&B) sales in the Town of Queen Creek and how much spending may be occurring in the community by non-residents as of the end of Fiscal Year 2023. In order to conduct this study, a variety of documents were collected and reviewed including those from the Arizona Department of Revenue, Comprehensive Annual Financial Reports from Queen Creek and sales tax data from the Town's Finance Department.

Summary of Findings

Queen Creek has an extremely healthy retail market that is supported by the spending of non-residents. The Town has a well-rounded selection of retail and restaurant offerings that makes the community a destination for residents of Mesa, Gilbert, and the San Tan Valley. Overall, this analysis for FY2023 shows that:

- Approximately 43% of taxable retail sales are estimated to come from non-residents of Queen Creek.
- An estimated 55% of R&B sales are also generated by non-residents.
- Approximately 51% of taxable grocery spending comes from non-residents.

Overall, non-resident taxable retail and R&B sales in Queen Creek totaled an estimated \$636 million in FY 2023 or about 45% of total taxable sales spent in retail establishments. This resulted in an estimated \$14 million in sales tax revenue to Queen Creek in FY 2023.

E-Commerce sales have grown rapidly in Queen Creek following the pandemic. In FY 2023, E-Commerce represented 21% of all retail sales compared to only 5.5% in FY 2019. The rise in E-Commerce sales is partly due to the lack of residents visiting retail stores during the pandemic as well as better enforcement and record keeping by the Arizona Department of Revenue. However, the extent of E-Commerce sales in Queen Creek is well above national averages. As a result, an adjustment has been made to the total since a portion of E-Commerce sales could be related to commercial or business sales.

Additional findings of this study include the following.

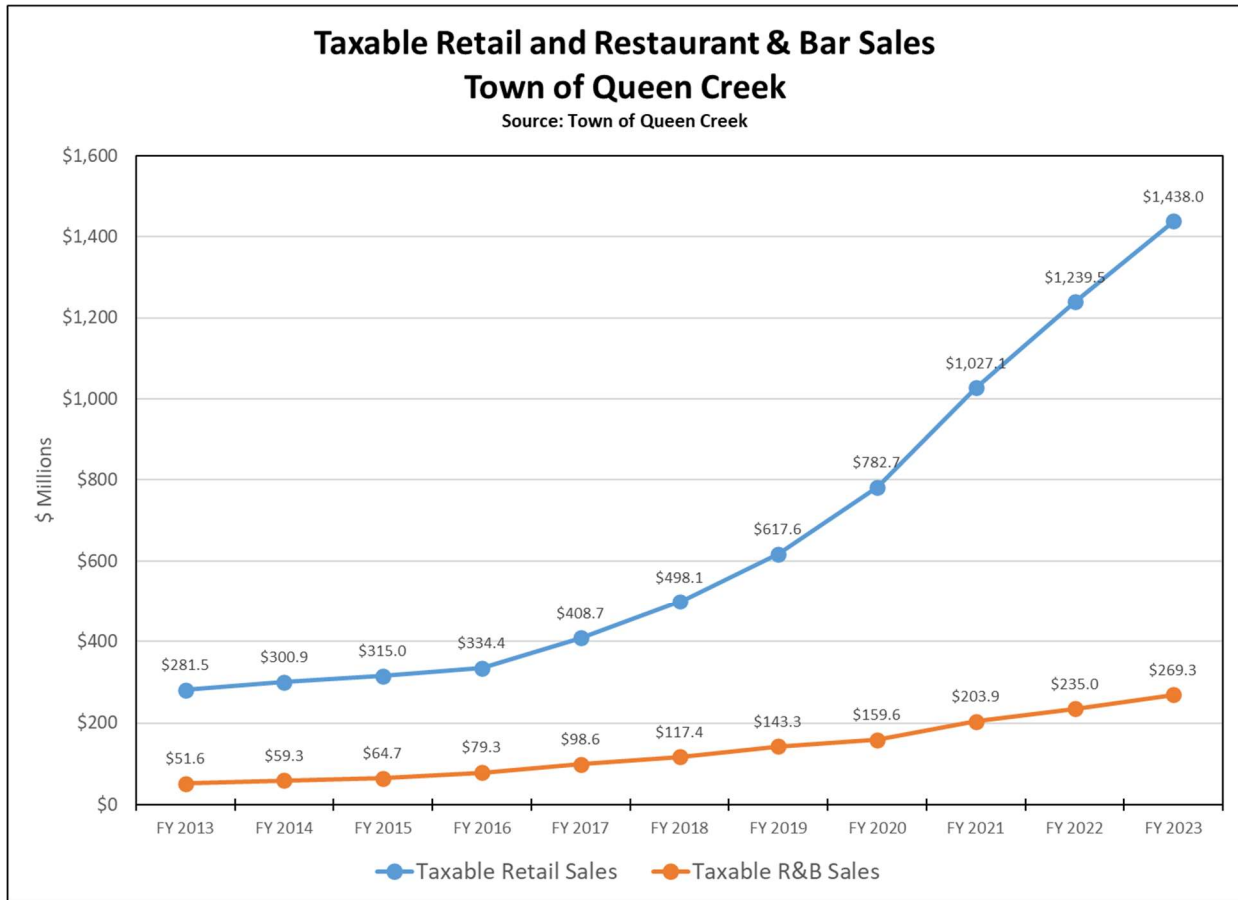
- While there appears to be a significant inflow of retail spending to Queen Creek by non-residents, there is likely leakage of spending by Town residents for certain underdeveloped retail goods and services such as autos, furniture, entertainment, and other big-ticket items that cannot be purchased at brick-and-mortar stores in Queen Creek. This leakage appears to be offset by spending by non-residents in other categories.

- The Town has, whether on purpose or by happenstance, placed a number of retail shopping centers on the Town's western border which attracts non-residents from Gilbert and Chandler. This approach has worked well for Queen Creek by generating retail sales from non-residents.
- The Town needs to recognize that the retail market in and surrounding Queen Creek will change over time. As Eastmark and the San Tan Valley matures, retailers will follow population growth and homebuilding. This will likely affect retail spending in Queen Creek in the distant future, something that the Town should recognize and plan for.

Retail & Restaurant/Bar Taxable Sales History

Overall, Queen Creek's retail sector is extremely healthy. As the following chart demonstrates, the Town has experienced significant increases in its taxable retail and restaurant & bar sales since FY2013. Retail sales increased by 189% since 2018 or at an average annual compounded rate of 21.6% reaching \$1.44 billion in FY2023. That rate is well above the annual population growth rate of 9.2% since 2018. Restaurant & bar sales increased at an even higher average annual rate of 33.2% since 2018.

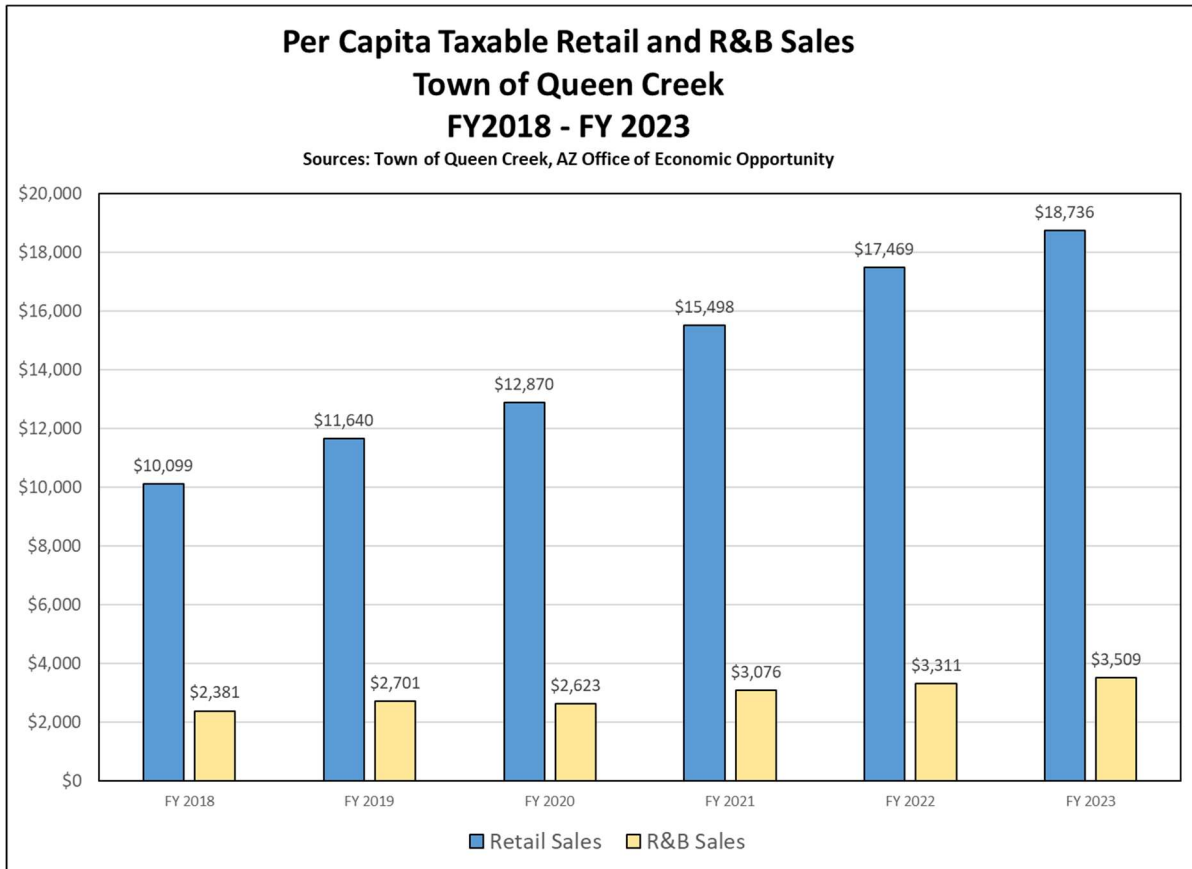
Chart 1



An important consideration in evaluating retail sales is the fact that Queen Creek only has only one auto dealership, an Earnhardt Chrysler, Dodge, Jeep, Ram outlet that opened in FY2018. Auto sales are a significant generator of retail sales taxes. By comparison, Chandler and Gilbert both have several dealerships and generate significant revenue from auto sales. This creates some retail sales spending leakage from Queen Creek to nearby communities.

Chart 2 illustrates the change in per capita taxable retail and R&B sales in Queen Creek from FY2018 through FY2023. Per capita sales have increased much faster than its increase in population. A large increase occurred in FY 2021 due to the impact of the pandemic and the influx of federal dollars that were distributed to businesses and individuals.

Chart 2



Analysis of Taxable Retail Sales From Non-Residents

In order to estimate the amount of retail sales that may be generated from persons living outside the community, the U.S. Consumer Expenditure Survey (CES) was analyzed to determine the spending patterns of a typical household. Retail and restaurant spending is primarily dependent on household income with, quite logically, higher income residents spending more than moderate or lower income households. The U.S. Census, American Community Survey 2022 1-Year Estimates suggest that the average household income in Queen Creek is \$151,894. This is one of the highest average incomes in the county and exceeds the average household incomes in Chandler (\$130,587) and Gilbert (\$138,747). This Census estimate is the basis for the spending analysis.

The following Table 1 outlines the primary assumptions of the analysis. The Town’s estimated population of 76,752 persons is derived from the Arizona Office of Economic Opportunity (OEO). At 3.20 persons per household (according to the Census), the town has 24,023 households.

The CES suggests that the typical household earning \$151,894 spends an average of \$33,293 per year on retail goods that produce sales taxes (Source: CES Table 1110, September 2023). This

estimate includes spending on the purchase or leasing of autos. In order to estimate non-resident spending in Queen Creek, total retail spending must be reduced by the amount of E-Commerce spending that is now tracked by the Arizona Department of Revenue. This spending is directly attributable to Queen Creek residents who are not shopping in local stores. In FY 2023, E-Commerce spending represented 21% of all retail spending in the community, well above the national average of 15%. Considering that a portion of E-Commerce spending could be related to commercial or business spending, the amount of E-Commerce spending overall has been reduced.

The resulting in-store retail spending estimate is shown in Table 1 for groceries, all other retail items, and food away from home which is restaurant and bar spending. Spending per household is multiplied by the number of households to produce potential spending. Estimated retail and grocery spending in stores from Queen Creek residents is \$648.8 million; R&B spending is \$120.2 million.

Table 1

| Estimated Retail & Restaurant Spending Per Resident Household Town of Queen Creek Fiscal Year 2023 | | | |
|---|---------------------------|-------------------------------|--------------------|
| 2023 Queen Creek Population | 76,752 | | |
| Persons/Household | 3.20 | | |
| Households | 24,023 | | |
| Average Household Income | \$151,894 | | |
| Spending Category | Potential Spending | Spending Per Household | % of Income |
| Estimated Retail, Grocery, & E-Commerce Spending | \$799,782,455 | \$33,293 | 21.9% |
| E-Commerce Spending (Adjusted) | (\$151,026,636) | -\$6,287 | 4.1% |
| Retail Sales in Stores | \$648,755,819 | \$27,006 | 17.8% |
| Grocery Spending in Stores | \$163,141,908 | \$6,791 | 4.5% |
| Retail Spending in Stores Excluding Grocery Stores | \$485,613,910 | \$20,215 | 13.3% |
| Estimated Restaurant Spending | \$120,204,057 | \$5,004 | 3.3% |
| Sources: Town of Queen Creek, US Consumer Expenditure Survey, Census ACS 2022 1-Year Estimates, AZ OEO | | | |

Table 2 provides the comparison of potential retail spending by Town residents to reported taxable sales. A surplus of spending indicates that there is an influx of retail spending by persons living outside the community. A deficit or negative number indicates that Town residents are spending a certain amount of money outside the community known as **retail leakage**.

Overall, approximately 43% of taxable retail sales in FY 2023 are estimated to come from non-residents. Likewise, 55% of R&B sales also come from non-residents. This indicates that Queen

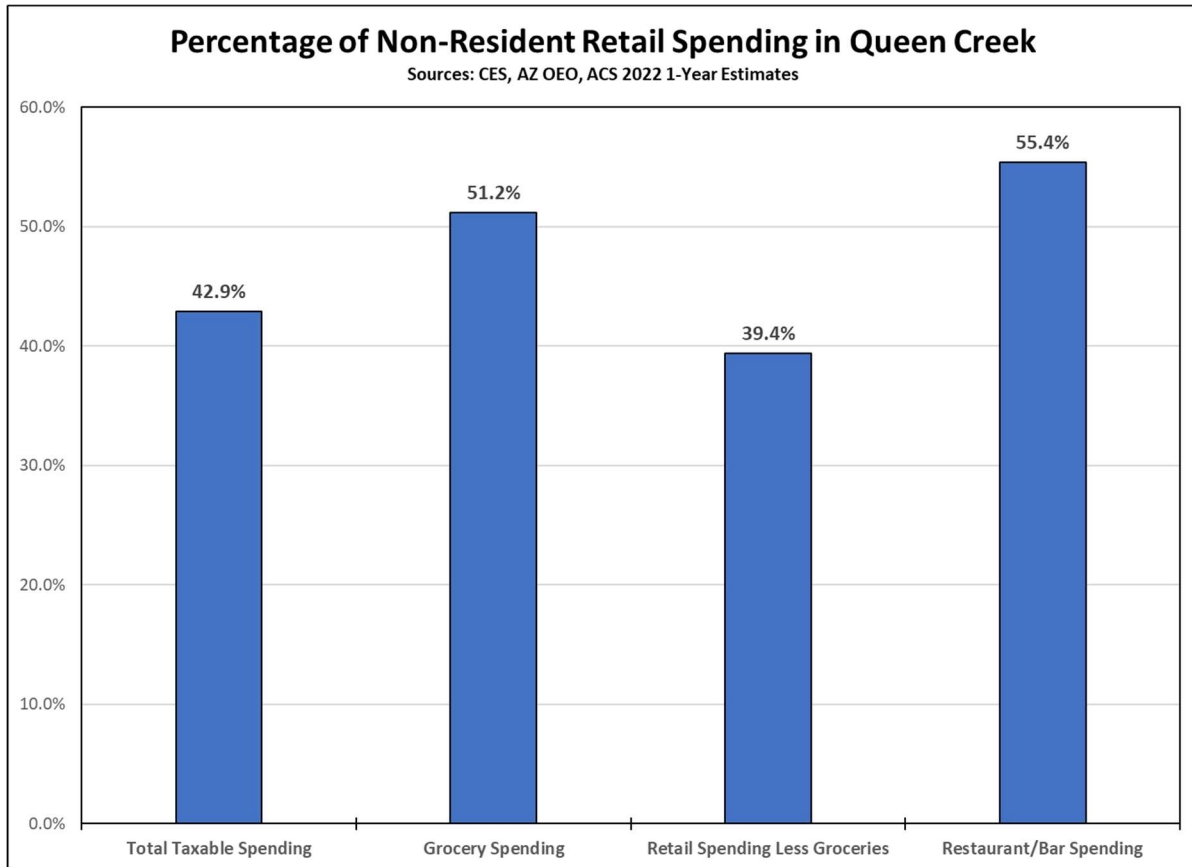
Creek’s retail establishments and restaurants are a destination for persons living outside of Town boundaries. Non-resident spending most likely comes from residents of the San Tan Valley and Mesa, particularly Eastmark, which do not yet have substantial retail development to provide a broad variety of goods and services to residents of those areas. To a lesser extent, some spending also likely comes from residents of Gilbert.

Table 2

| Estimated Resident & Non-Resident Retail Spending | | | | |
|---|----------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| FY2023 | | | | |
| Town of Queen Creek | | | | |
| Spending Category | Queen Creek Taxable Sales | Queen Creek Resident Spending | Non-Resident Surplus (Deficit) | Percent Non-Resident Spending |
| Estimated Taxable Retail Spending Excluding E-Commerce | \$1,135,994,468 | \$648,755,819 | \$487,238,649 | 42.9% |
| Grocery Spending | \$334,369,436 | \$163,141,908 | \$171,227,527 | 51.2% |
| Retail Spending Less Groceries | \$801,625,032 | \$485,613,910 | \$316,011,122 | 39.4% |
| Estimated Restaurant/Bar Spending | \$269,343,495 | \$120,204,057 | \$149,139,437 | 55.4% |
| Total Retail and Restaurant/Bar Spending | \$1,405,337,963 | \$768,959,876 | \$636,378,087 | 45.3% |
| Total Retail and Restaurant/Bar Tax Collections | \$31,620,104 | \$17,301,597 | \$14,318,507 | 45.3% |
| Note: Taxable retail sales have been reduced by estimated E-Commerce or internet sales that do not occur at local stores. | | | | |
| Sources: Town of Queen Creek, U.S. Consumer Expenditure Survey, U.S. Census | | | | |

Grocery spending shows a higher percentage of non-resident taxable spending of 51%. The presence of Walmart, Target, Sprouts, and now Costco in Queen Creek assists in attracting non-residents to the community for grocery goods. Chart 3 summarizes the percentage of non-resident spending in Queen Creek.

Chart 3



Conclusions

The above analysis suggests that Queen Creek has an extremely healthy retail market and is, in many cases, a destination for non-residents by virtue of the community’s well-rounded retail and restaurant offerings. The following is a summary of the major findings.

- While there appears to be a significant inflow of retail spending to Queen Creek by non-residents, there is likely leakage of spending by Town residents for certain retail goods. Those goods include autos, furniture, and other big-ticket items that cannot be purchased at brick-and-mortar stores in Queen Creek. Queen Creek’s only auto dealership offsets this leakage to some extent.
- The Town has, whether on purpose or by happenstance, placed a number of retail centers on the Town’s western border which attracts non-residents from Gilbert and Chandler. Those centers include two grocery stores, a Home Depot, and numerous smaller retailers. This approach has worked well for Queen Creek.
- The Town needs to recognize that the retail market in and surrounding Queen Creek will change over time. As Eastmark continues to evolve and the San Tan Valley matures, retailers will follow population growth and homebuilding. This will likely affect retail

spending in Queen Creek in the distant future, something that the Town should recognize and plan for.



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TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: SCOTT MCCARTY, DEPUTY TOWN MANAGER/CFO
RE: RESULTS OF \$75M BOND ISSUE (UPDATED)
DATE: December 18, 2024

Suggested Action:

Discussion only.

Relevant Council Goal(s):

- Effective Government: KRA Financial Management, Internal Services & Sustainability
- Superior Infrastructure - Capital Improvement Program

Discussion:

On November 6th, the Town Council approved Resolution No. 1616-24 authorizing a \$75M bond issue to finance the Town's non-growth share of our highest priority infrastructure projects. The bonds will pay for the following:

1. Design a new PD HQ and associated parking garage and design a new fleet maintenance building;
2. Construct a joint use police and fire support facility (the former Barney Sports complex); and
3. Construct new roads.

The bond sale occurred on December 10th and the results were favorable with an interest rate of 4.38%. Attached is a presentation summarizing the financial results of the bond sale.

Attachment(s):

1. [Presentation](#)



Results of \$75M Bond Issue to Finance New Public Safety Facilities and New Roads

Town Council Meeting
December 18, 2024

Thank You

- Town Staff and Town Attorney
- Municipal Advisors (Columbia Capital)
- Bond Counsel (Greenberg Traurig, LLP)
- Underwriters (B of A and Wells Fargo)
- Underwriter Counsel (Squire Patton Boggs)
- Bond Rating Agencies (S&P Global, FitchRatings)
- Investors

Largest Investors

- 16th Amendment Advisors
- Eaton Vance Management Inc.
- Travelers Investment Management Co.
- Nuveen Fund
- U.S. Trust
- Fidelity Investments
- Northern Trust
- Key Bank

Purpose of the Debt Issue

- Finance the Growth Share of the Town's Top Priority Infrastructure Projects
 1. Design of PD HQ / Parking Garage and Fleet Maintenance Building
 2. Construction of Joint Police and Fire Support Building
 3. Construction of New Roads
- Repayment Pledge: Excise Taxes
- Repayment Source: Operating Budget



Town's Bond Rating

- Affirmed 'AA+', Stable Outlook from
 1. S&P Global
 2. FitchRatings
- Rating Criteria
 1. Economy
 2. Financial Performance
 3. Reserves and Liquidity
 4. Management
 5. Debt and Liability



Town's Bond Rating (concluded)

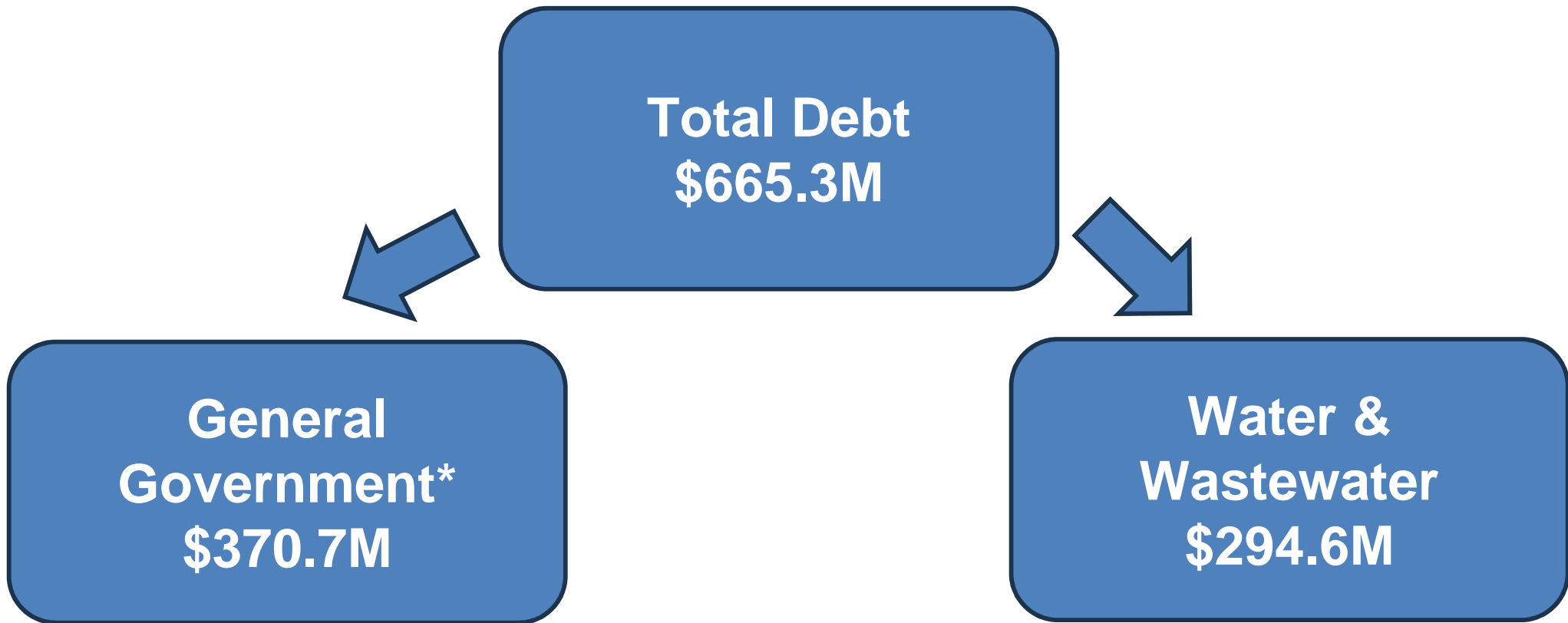
- Highlights of Rating Reports

- Expected Continued Population Growth
- Strong Demographics
- Strong Economic Base
- Effective and Prudent Financial Management Policies and Practices
- History of Positive Financial Results of Revenues Exceeding Expenses in the Operating Budget
- Limited Risk Relative to Significant Future Pension Expense Increases Due to Our Well Funded Pensions
- Proactive Efforts to Secure Water Supplies
- High Debt Burden Compared to Peer Medians (as a Result of Growth-Related Infrastructure) but Burden is Manageable

Financial Terms

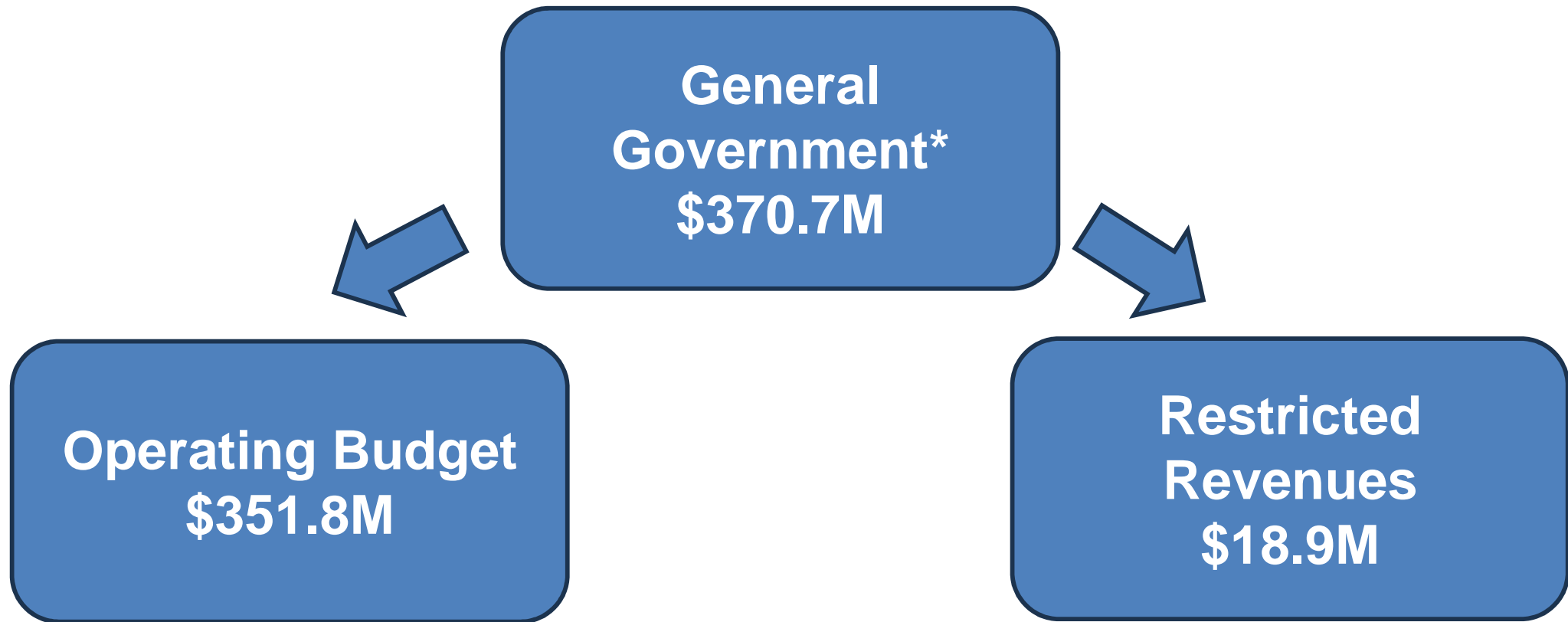
| | Expected | Actual |
|--------------------------------|----------------|----------------|
| 1. Amount | \$75M | \$75M |
| 2. Interest Rate | 4.75% | 4.38% |
| 3. Interest Expense (30 Years) | \$76M | \$76M |
| 4. Annual Expense | \$3M to \$7.5M | \$3M to \$7.5M |
| 5. Average Life | 22 Years | 22 years |

Outstanding Debt Today



* Police, Fire & Medical, Roads, Parks and Recreation Facilities, Horseshoe Park, and General Government Buildings.

General Debt: \$370.7M Today



* Police, Fire & Medical, Roads, Parks and Recreation Facilities, Horseshoe Park, and General Government Buildings.

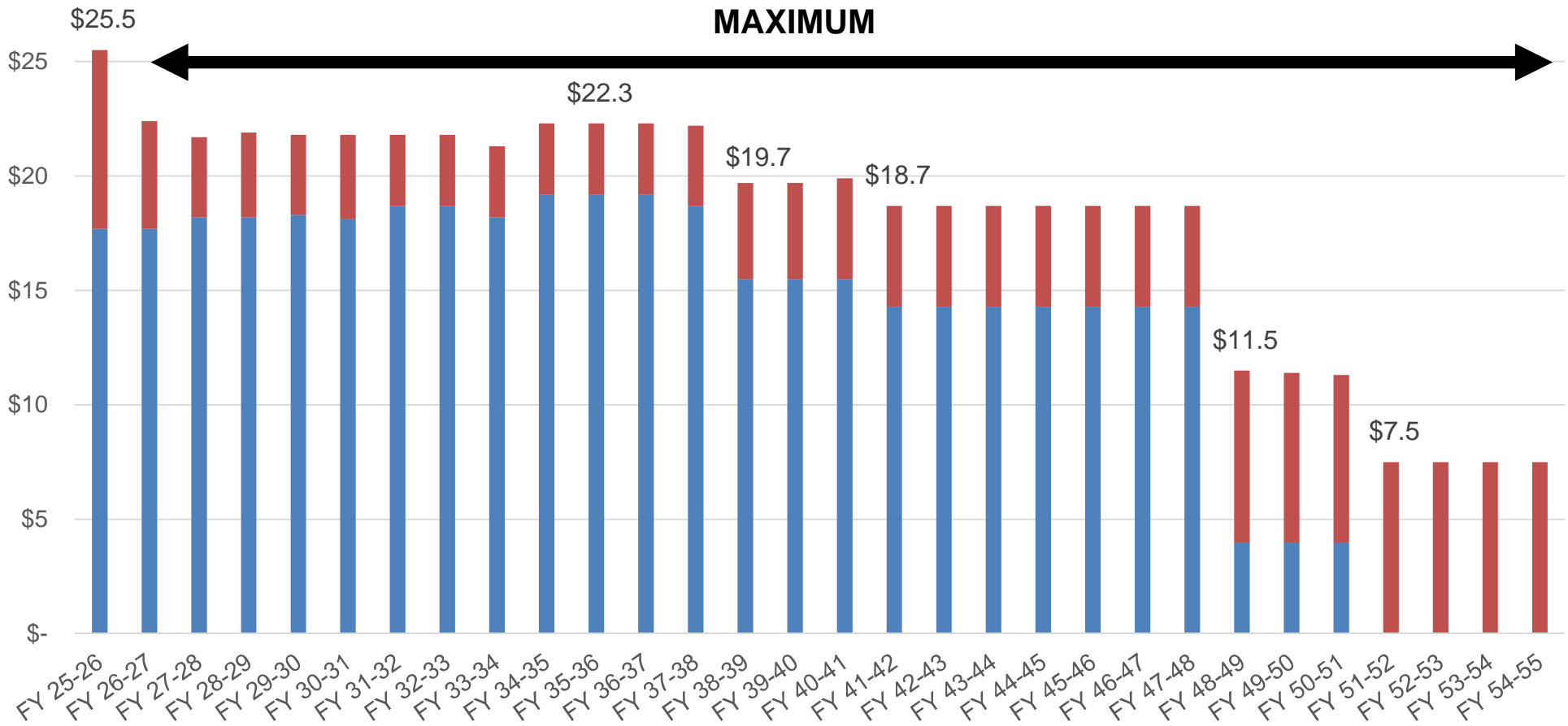
Outstanding Debt Paid From Operating Budget: \$351.8M

| Infrastructure | Previous Outstanding Amount | New Issue | Outstanding Today | % of Total |
|------------------|-----------------------------|-----------------|-------------------|-------------|
| Transportation | \$135.0M | \$23.1M | \$158.1M | 45% |
| Parks | \$127.4M | - | \$127.4M | 36% |
| Police | - | \$38.8M | \$38.8M | 11% |
| Fire | \$12.4M | \$5.5M | \$17.9M | 5% |
| Town Buildings | \$1.3M | \$1.9M | \$3.2M | 1% |
| Recreation Annex | \$3.2M | - | \$3.2M | 1% |
| Library | \$1.8M | - | \$1.8M | 0.5% |
| HPEC | <u>\$1.4M</u> | <u>-</u> | <u>\$1.4M</u> | <u>0.5%</u> |
| TOTAL | \$282.5M | \$69.3M* | \$351.8M | 100% |

*Proceeds received were \$75M. The difference of \$6.3M is bond premium less \$550K of issue costs.

Total Annual Debt Service – With New Bonds

Previous + New Bonds



Infrastructure vs. Outstanding Debt

Outstanding Debt in the Context of Infrastructure (Roads, Land, and Buildings)

| | Amount |
|--|----------------|
| Infrastructure as of June 30, 2024 | \$728.0M |
| Construction in Progress as of June 30, 2024 | \$258.4M |
| Bond Proceeds | <u>\$75.0M</u> |
| Total Infrastructure and Assets | \$1,061.4M |
| Outstanding Debt | \$370.7M |
| Debt as % of Total Infrastructure and Assets | 35% |



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: SCOTT MCCARTY, DEPUTY TOWN MANAGER/CFO
RE: FY 2023-24 FINANCIAL SCRAPBOOK (UPDATED)
DATE: December 18, 2024

Suggested Action:

Discussion only.

Relevant Council Goal(s):

- Effective Government: KRA Financial Management

Discussion:

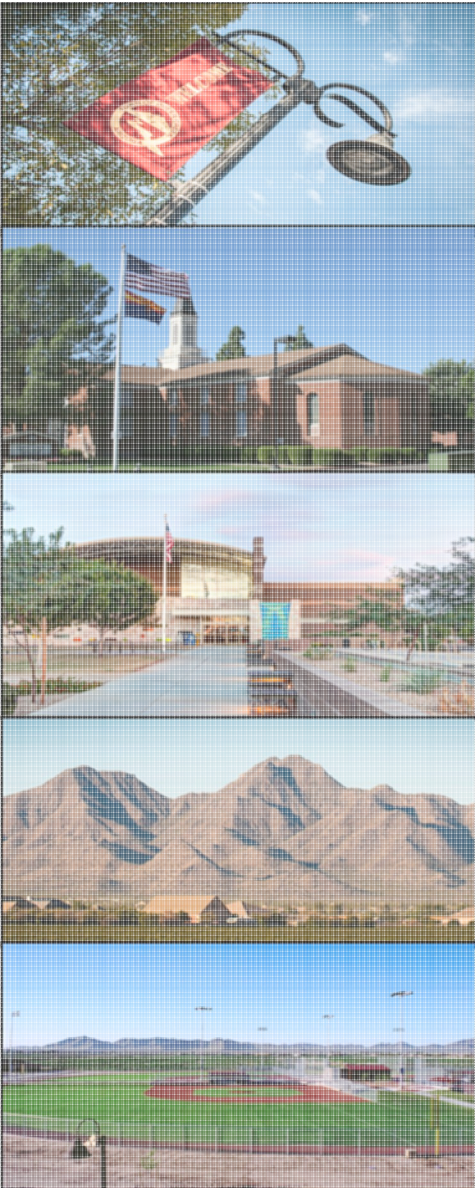
The “Scrapbook” was initially presented to the Town Council on June 3, 2020. It was intended to be a unique way to capture the significant financial successes the Town had accomplished over the prior several years. Over the last several years, Town staff has annually updated the “Scrapbook” and will do so again at this meeting.

This is an important exercise to both memorialize our financial successes as well as take the time to celebrate them.

We look forward to sharing this year’s update with the Town Council.

Attachment(s):

1. [Presentation](#)



Our Financial Scrapbook – The Annual Update

Town Council Meeting
December 18, 2024

Background

- Originally Presented to the Town Council on June 3, 2020
- Connects Our Corporate Strategic Plan to Our Financial Accomplishments
 - Financial Stability
 - Maintain a Stable Long-Term Cost and Revenue Structure that Ensures Intergenerational Equity and an Appropriate Allocation of Costs
 - Ensure Customer Rate Structures are Appropriately Set to Pay for Adopted Levels of Service
 - Improve the Town's Bond Ratings in Order to Lower Borrowing Costs

Strategic Financial Planning

- Emphasizes the Role of Town Council vs. Role of Staff
- Strong Commitment to Our Financial Policies
- Vision and Patience to Implement Policy Decisions
- Our Growing Community Creates Opportunity
- Experienced, Knowledgeable, and Dedicated Staff and Consultants
- Freedom to Explore Thoughts and Ideas

4 Categories

New Financial Policies

6 New Financial Policies Were Adopted by the Town Council

Measurable:
\$127.3M

FY Additions

- \$20.3M Bond Defeasance
- 6 Tax and Fee Reductions = \$14.9M

Difficult to Measure
(Cost Avoidance)

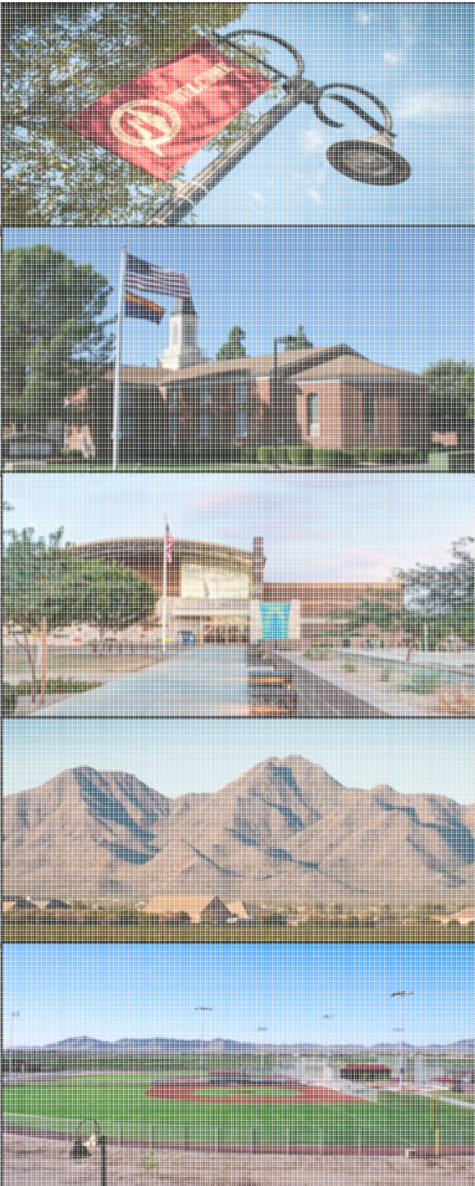
- 'AA+' Bond Rating
- Fully Funded Pensions
- Aggressive Purchases of Water Supply

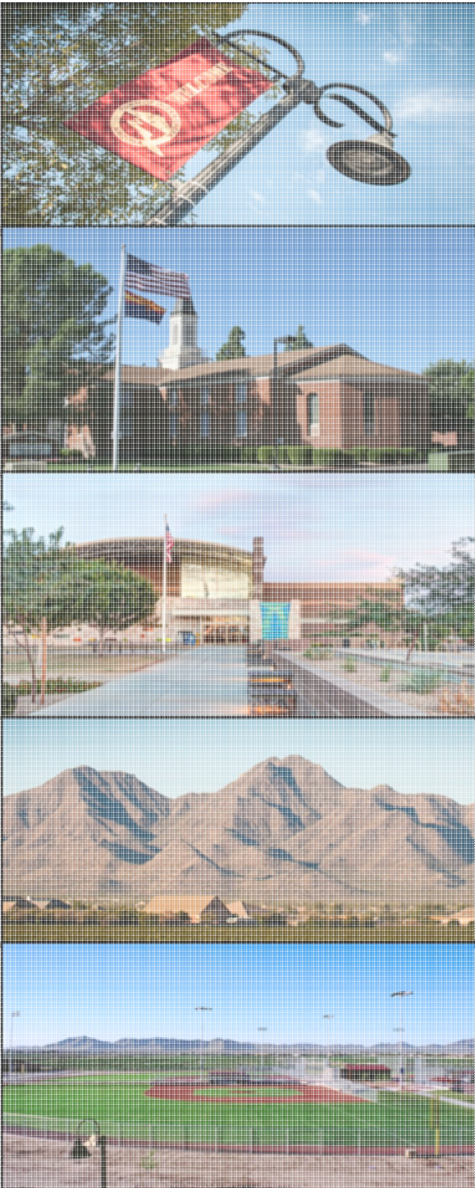
Good Ideas

- Created a Revenue Manager Position

New Financial Policies

1. Voter Approved Property Taxes **WILL NOT BE USED** to Fund Infrastructure (Secondary Property Taxes)
2. New Infrastructure and Debt Management Reserve
 - Cash Fund a Portion of New Infrastructure
 - Payoff Existing Debt
3. Operating Budget Pay-As-You-Go Policy
 - Construction Sales Tax Greater than \$10M Annually
 - FY 23-24: \$13M





New Financial Policies (concluded)

4. Operating Budget Operating Capital Policy

- Annual Capital in Excess of \$5M Will be Funded from Available Fund Balance

5. Operating Fund Balance

- Should be at least 100% of Recurring Expenses for the Upcoming Budget Year
- The Excess Amount Over 100% is “Available Fund Balance” and Can Only Be Used for One-Time Expenses
- Minimum Available Fund Balance Requirement: \$5M

6. Updated the Purchasing Policy

- Increased Authorization and Approval Amounts to be More Efficient and Reduce Time to Complete the Transaction

Measurable Results: \$127.3M

| Category | One-Time Amount | Annual Amount | Cumulative Amount |
|----------------------------------|-----------------|----------------|-------------------|
| 1. Debt Payoffs and Refinancings | \$56.3M | N/A | \$56.3M |
| 2. Tax and Fee Reductions | <u>N/A</u> | <u>\$14.9M</u> | <u>\$71.0M</u> |
| TOTAL | \$56.3M | \$14.9M | \$127.3M |

Tax and Fee Reductions

| Item | Initial Year | Annual Amount | Cumulative |
|---|--------------|----------------|----------------|
| 1. Terminated 2 Years of Pre- Approved 9.5% Wastewater Rate Increases | FY 15-16 | \$2.0M | \$12.2M |
| 2. Impact Fee Refunds (Grandfather Provision) | FY 16-17 | N/A | \$0.4M |
| 3. Water Meter Deposit Refunds | FY 18-19 | N/A | \$2.3M |
| 4. Reduced Water Replenishment Fees | FY 18-19 | \$9.2M | \$45.1M |
| 5. 15% Reduction of Monthly Wastewater Rates | FY 19-20 | \$1.1M | \$5.5M |
| 6. Created a Monthly Residential Wastewater Bill Cap | FY 20-21 | \$0.3M | \$0.9M |
| 7. Property Tax Reduction then Property Tax Freeze | FY 20-21 | \$1.7M | \$4.0M |
| 8. Eliminated Street Light Property Taxes | FY 23-24 | <u>\$0.6M</u> | <u>\$0.6M</u> |
| TOTAL | | \$14.9M | \$71.0M |