



2024 Town of Queen Creek Legislative Guiding Principles

The following goals and objectives have been established by the Queen Creek Town Council for 2024 as it relates to the Town's guiding principles for the legislative session. The goals and objectives, in conjunction with the Council-adopted Corporate Strategic Plan, provide direction to the Town's government relations team in advocating for the needs of the community at the Arizona State Legislature.

Overarching Goals:

- Represent the Town's vision, mission and values.
- Encourage other levels of government to work collaboratively with cities and towns on issues of mutual interest.
- Protect local funding and self-determination, as well as enhance opportunities to improve the Town's economic sustainability and provide for necessary infrastructure development.
- Advocate for access to availability of secure, long-term sustainable and fiscally responsible water resources for the current and future growth of the community.
- Promote economic development opportunities in partnership with the State.

Objective:

Protect local funding.

The Town of Queen Creek continues to maintain a balanced, fiscally sound budget. We have taxed ourselves to pay for critical infrastructure and services, adopted a primary property tax to offset some of the costs of public safety and diversified revenues to ensure fiscal sustainability in the coming years.

As part of these efforts, the Town receives a share of several funding streams based upon taxes that our residents have already paid, known as, state shared revenue. It is imperative to the fiscal health of our municipality that the distribution of those funds be maintained and protected. Any cuts to funding, the elimination of the model city tax code or its local options could limit our ability to continue to provide essential services to a rapidly growing and dynamic community.

Objective:

Ensure adequate funding of state agencies as to not shift funding obligations for state services onto local government.

During times in which state revenues have not met budgeted forecasts, the Arizona Legislature has reduced or shifted funding to critical agencies such as the Arizona Department of Highway Safety, Arizona Department of Environmental Quality and the Arizona Department of Water Resources. In order to continue essential state services, the Legislature has allowed state agencies to significantly raise fees to cover the cost of the loss of general fund dollars or diverted critical revenue streams, such as Highway User Revenue Funds received by local governments.

Many of these fees remain in place today. While the Town acknowledges the need to pay our fair share of services from these agencies in the course of conducting business, disproportionate cost sharing should not be shifted from the State's general funds to those of local governments. Additionally, the Town would oppose the shifting of any Highway User Revenue Funds, approximately \$5.3 million annually, to fund the Arizona Department of Public Safety.

Objective:

Maintain local self-determination and oppose unfunded mandates.

The Town of Queen Creek is a publicly accountable entity that is governed by a duly elected body of Council members, according to the State of Arizona Constitution and laws.

It is important that the laws defining the space in which cities and towns were created to govern are clear, consistent and allow for self-determination on local issues. Queen Creek continues to ensure it is operating within the bounds of the proper role for local government. In recent years, disagreement with local decisions at the State level has subjected cities and towns to punitive action, the withholding of state shared revenues and the re-allocation of local self-determination to oversight by the State. With the geographical diversity of municipalities across Arizona, the Town believes implementing voters' vision for the community by establishing policy on issues best left to local decision makers should be maintained.

Recently, the Arizona Legislature has taken an interest in addressing the lack of affordable housing. While the merits of this effort are noble, voter-adopted General Plans, including the land use element required by state statute, must be honored and not usurped with mandatory, by-right housing options. It is critical that

residents retain their right to voice their support or opposition for proposed zoning changes that may impact their property, through local Planning & Zoning and Council hearings. Additionally, the ability for the Town Council to implement the General Plan through its Zoning and Subdivision Ordinance and consider amendments to these at the local level, must be maintained. As the Town is only at approximately half of its buildout population, it is critical we continue to maintain the right to determine key design aesthetics and standards that dictate the look and feel of a community, consistent with existing architecture and our agricultural roots. Queen Creek values our long standing relationship with the development industry and is committed to continuing to partner in further process improvements and efficiencies.

The Town continues to prioritize infrastructure and public safety for our residents. Mandates from the State to cities and towns without appropriate funding to implement them has the potential to threaten core necessary community services, especially at a time when the Town recently began providing its own law enforcement services through our new Police Department in 2022. The Town additionally supports opportunities for expansion of the Queen Creek County Island Fire District, within the Town's municipal planning area, to provide aid to adjacent neighborhoods and communities, when requested.

Objective:

Ensure that any changes made to the construction sales tax system adhere to the principles established by the League of Arizona Cities and Towns' 2018 Construction Sales Tax Task Force final recommendations.

Changes to the calculation of construction sales tax could have significant impacts to Queen Creek. The adopted Fiscal Year 2023-2024 budget included an estimate of \$36.1 million in sales tax revenue from construction-related activity, of which \$17 million is from the Town's additional 2% surcharge on construction activities exclusively dedicated to the construction and improvement of transportation infrastructure.

In recent years, there has been a desire to make reforms to the current system. The Town agrees with the following principles as established by the League of Arizona Cities and Towns Task Force:

- Ensure tax revenues are remitted to the jurisdiction in which the activity occurs.
- Maintain the integrity of other tax systems and policies.
- Provide fairness for all similarly situated taxpayers.

- Ease in determining tax obligation and compliance with remittance.
- Prevent tax avoidance by relocating or restructuring businesses.

Finally, any reform should not result in a significant reduction in revenues for the State or local governments.

Objective:

Promote sound fiscal policies that reduce unfunded pension liabilities resulting in the health of the system and for policies that appropriately balance fiscal constraints with benefits provided to employees.

The Town has taken action to completely eliminate the unfunded liability for all employees including our firefighters and members of the public safety personnel retirement system. At the conclusion of Fiscal Year 2023-2024, the Town's public safety pension plans are expected to be fully funded, with no unfunded liability in either of the police or fire pension plans. Additionally, the Town will have set aside in reserves an amount equal to the Town's estimated share of the ASRS unfunded liability, as required by Town policy.

Objective:

Promote economic development opportunities in partnership with the State.

Innovative land use and economic development strategies are critical to strengthening the well-being of our community and meeting the needs of our current and future residents, businesses, and visitors. The State is a vital partner in attracting and retaining economic development opportunities, particularly as it relates to infrastructure, tourism and the tools available to cities and towns to attract new and expand existing opportunities.

In August of 2019, the Town, in partnership with the Arizona State Land Department, annexed approximately 4,150 acres of State Trust Land in the northeastern portion of the community adjacent to State Route 24. While it was originally envisioned this land would be developed largely for residential purposes, the Town has received significant interest from several high-profile advanced manufacturing businesses, including the announcement of LG Energy Solution's battery manufacturing facility, bringing 2,800 strong wage jobs. The Town supports continued partnerships with the Arizona Commerce Authority, the State Land Department and the Arizona Department of Transportation, to attract, secure water resources and build the necessary infrastructure to support these

large-scale users, including the acceleration of the extension of State Route 24.

The Town further supports mechanisms for counties and municipalities to receive full and equitable entitlement up to 80% reimbursement from state construction sales tax for the building of necessary infrastructure for advanced manufacturers who meet the required statutory qualifications and necessary adjustments to the program in consultation with the Arizona Department of Revenue.

Objective:

Preserve the current funding distribution for the Maricopa County Library District.

Currently, all Maricopa County residents are part of the Maricopa County Library District. Residents pay an annual property tax that goes toward the operation of libraries throughout the county. The Town of Queen Creek's library is one of the libraries operated by the Library District.

The partnership with the Library District provided Queen Creek with an opportunity to offer the community this vital resource. Through the intergovernmental agreement between the Town and the Library District, the library was constructed by the Town and the District provides staffing, materials and programming.

Any changes to property taxes, resulting in amending the current structure of the intergovernmental agreement could impair these services to our residents.

Objective:

Support transportation improvements and funding that benefit the Town, region and the State.

Transportation infrastructure is a critical issue for the Town of Queen Creek. The Town's neighboring unincorporated areas use our streets to access the valley freeway system. The current traffic volume through Queen Creek exceeds capacity and the Town's ability to accommodate it is limited given current available funding. The Town has invested approximately \$178 million in transportation improvement projects over the last five years and earmarked an additional \$244 million in our forecast for the next five years. Despite this, more transportation needs remain to be funded so that Queen Creek is not disproportionately funding demand outside of our community boundaries.

A high functioning transportation system is vital to economic development, safety and well-being. Connecting markets and

communities allows for greater economic opportunity and mobility. The Town remains committed to working with the region, Maricopa and Pinal Counties and neighboring jurisdictions to ensure funding and the ultimate construction of State Route 24 to the United States Route 60, corresponding interchanges and connecting arterial access that promotes safe travel and reduces congestion. The movement of people and goods to Phoenix-Mesa Gateway Airport, Arizona State University Polytechnic Campus and the State trust lands is critical as an educational, job and activity hub.

Strong transportation systems locally, regionally and statewide remain a top priority. It is of critical importance for not only local governments, but the State, to ensure an effective roadway network is designed and improved for the efficient and effective flow of the region's traffic and commerce. The Town will continue its coordination and partnership with both Maricopa and Pinal Counties in building out the Town's arterial network.

The Town supports efforts to provide Maricopa County voters with the choice to extend the ½ cent sales tax dedicated to transportation projects beyond its expiration date of 2025 for purposes of projects identified in the new regional transportation plan, Momentum, developed by the Maricopa Association of Governments. If approved by the voters, Queen Creek would benefit from this funding stream for the permanent construction of State Route 24 to Ironwood with corresponding interchanges at Signal Butte and Meridian and 11 Town arterials projects totaling \$179.6 million, with a regional funding commitment of \$125.7 million (70% of project cost).

Due to the Town's partial geographical location in Pinal County, the Town supports efforts by the Pinal Regional Transportation Authority to develop and seek funding opportunities for a regional transportation plan. These efforts may include legislative support for options associated with unclaimed tax refunds as a result of the Supreme Court ruling on the corresponding voter approved transportation excise tax, to be retained in Pinal County for transportation purposes or providing relief in the event the requested tax refunds, plus interest, exceed the available escrow balance. Additionally, the Town supports the work of the Rural Transportation Advocacy Council to seek funding for roads of regional significance located in rural areas which provide key access in and out of communities or connect to major freeways, such as Ironwood.

Objective:

Support policies that provide access to secure, long-term sustainable and fiscally responsible water resources that contribute to an assured water supply and reduce groundwater dependence.

The Town recognizes its long-term fiscal responsibility is inexplicably linked to an adequate, safe and stable water supply for the current and future build out of Queen Creek. Unlike our fellow Valley municipalities, the Town relies on the Central Arizona Groundwater Replenishment District. Queen Creek, being a newly established town in the late 1980's, was only awarded a small portion of Central Arizona Project subcontract water which forced the community to seek other supplies of surface water for future growth. These factors place the Town at a competitive disadvantage to certification of renewable sources.

In an effort to be responsible stewards of the Groundwater Management Act and diversify our sources consistent with long standing Arizona water policy, the Town is exploring additional water resource options that would ultimately reduce our reliance on groundwater pumping, while maintaining reasonable costs for ratepayers. The Town supports policies that provide enhanced access to these sources and opposes efforts that would circumvent existing public processes in place to evaluate the merits of obtaining alternative sources.

The recent moratorium on new Assured Water Supply determinations in the Phoenix Active Management Area has a disproportionate impact upon municipal water providers, like Queen Creek, that do not currently hold a designation of assured water supply. These providers can no longer approve developments of subdivided land within their service areas. The Arizona Department of Water Resources is developing a program for an "Alternative Designation" that would allow these providers to obtain a designation of assured water supply under certain conditions. The Town supports legislative efforts that contribute to the goals of an alternative designation, reduce costs to the taxpayers for participation and would allow CAGR member lands to remain member lands under this new program.