



PUBLIC HEARING:
DEVELOPMENT IMPACT FEES
LAND USE ASSUMPTIONS AND
INFRASTRUCTURE IMPROVEMENT PLANS

Town Council Meeting

May 15, 2024

PURPOSE OF PRESENTATION

1. Review Proposed Calendar
2. Review the Development Impact Fee Program
3. Discuss Land Use Assumptions
4. Discuss the Infrastructure Improvement Plans
5. Discuss Focus Group Feedback
6. Discuss Next Steps
7. Conduct the Public Hearing





1. REVIEW THE PROPOSED CALENDAR (2-STEP PROCESS)

APPROPRIATE QUESTIONS

1. **How Much** Does It Cost?

2. **What** is Being Built?

3. **When** is It Being Built

4. **Why** is It Being Built?

- Existing Needs vs. Needs from Growth

5. **How** is It **Paid For (Financed)**?

6. **Who** Will Pay For It?

- Existing Needs: Operating Budget
- Needs from Growth: Impact Fees and 2% Dedicated Construction Sales Tax



ROLES AND RESPONSIBILITIES



Staff and Consultant


- Land Use Assumptions (LUA)
- Infrastructure Improvement Plan (IIP)
- Calculate Maximum Allowable Fees

Town Council

- Determine Allocation of 2% Dedicated Construction Sales Tax
- Set Development Impact Fee Amounts

PROPOSED CALENDAR

STEP 1: *LUA AND IIP APPROVAL*

Step #	Step	Date
1	Review Land Use Assumptions and Infrastructure Improvement Plan	March 6, 2024 Town Council Meeting (1 of 6)
2	Publish Land Use Assumptions and Infrastructure Improvement Plan	March 7, 2024
	60-Day Notice Period (Public Outreach and Collaboration Period) <i>Focus Group Meetings</i>	<i>May 2 and 13</i>
 3	Public Hearing #1 RE. Land Use Assumptions and Infrastructure Improvement Plan	May 15, 2024 Town Council Meeting (2 of 6)
	30 to 60-Day Waiting Period <i>Focus Group Meeting</i>	<i>May 30 and June 18</i>
4	Approve Land Use Assumptions and Infrastructure Improvement Plan	June 19, 2024 Town Council Meeting (3 of 6)

PROPOSED CALENDAR

STEP 2: *FEE UPDATE*

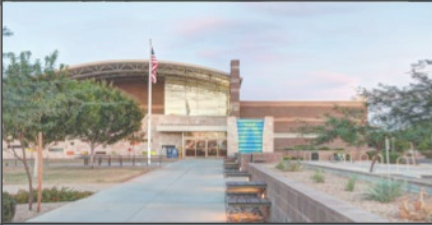
Step #	Step	Date
4	Approve Notice of Intent to Assess Development Impact Fees	August 7, 2024 Town Council Meeting (4 of 6)
5	Publish Notice of Intention to Adopt Development Impact Fees	August 8, 2024
	30-Day Notice Period	
6	Public Hearing #2 RE. Development Impact Fee Study	October 16, 2024 Town Council Meeting (5 of 6)
	30 to 60-Day Waiting Period	
7	1. Adopt Development Impact Fee Study 2. Adopt Economic Market Alignment Study	November 20, 2024 Town Council Meeting (6 of 6)
	75-Day Waiting Period	
8	Development Impact Fee Effective Date	Not Before February 2025



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”
- Existing Residents and Businesses **DO NOT** Pay Impact Fees
- Fees Must be Prepared by a Consultant (per State Law)
- “Year Long Process” to Set and Update Fees (per State Law)
 1. Uses a 10-Year Planning Period
 2. Set Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP)
 3. Calculate “Maximum Supportable Fee”



DEVELOPMENT IMPACT FEES

(CONCLUDED)

- Must be Updated at Least Every 5 Years
 - Current Fee Effective Date: February 10, 2020
 - LUA and IIP Approved: July 17, 2019
 - *More Frequent Updates Expected in the Future*
- Construction Sales Tax
 - Direct Reduction of Growth Costs **BEFORE** Calculating Impact Fees
- Critical to Funding the Town's Infrastructure
 - Town Does Not Have a Voter-Approved Property Tax for Infrastructure



DEVELOPMENT IMPACT FEES

- 4 Impact Fees are Being Updated Now

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

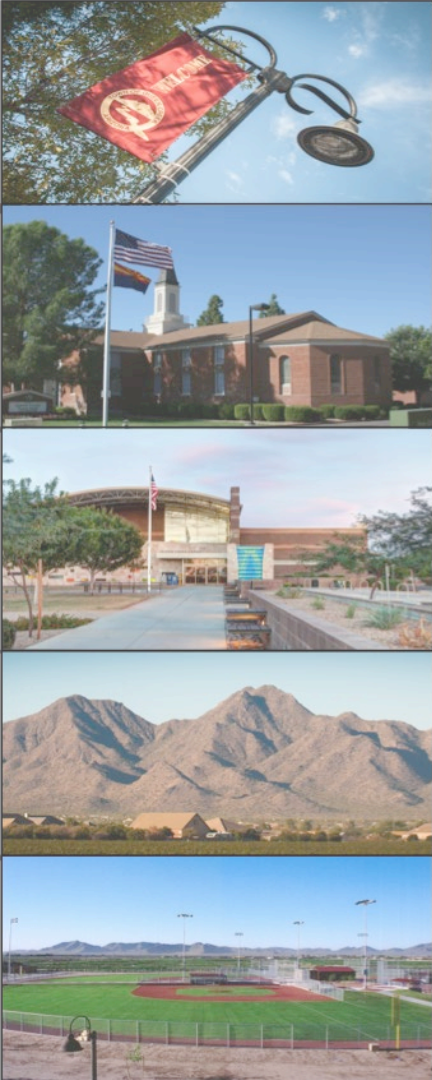
- 2 Impact Fees Have Been Eliminated (Paid Off)

1. Town Facilities
2. Library



QC'S IMPACT / CAPACITY FEES

EXAMPLE: SINGLE FAMILY HOME



Fee Type	Current Fee
1. Parks and Recreation	\$3,189
2. Streets	\$2,118
3. Fire & Medical	\$1,175
4. Police	<u>\$640</u>
<i>Subtotal – Impact Fees</i>	<i>\$7,122</i>
5. Water	\$2,382
6. Wastewater	<u>\$2,901</u>
TOTAL	\$12,405



3. DISCUSS THE LAND USE ASSUMPTIONS

WHO IS COMING AND WHERE?



5 LAND USE CATEGORIES

1. Single Family
2. Multi-Family
3. Commercial / Other
4. Office
5. Industrial

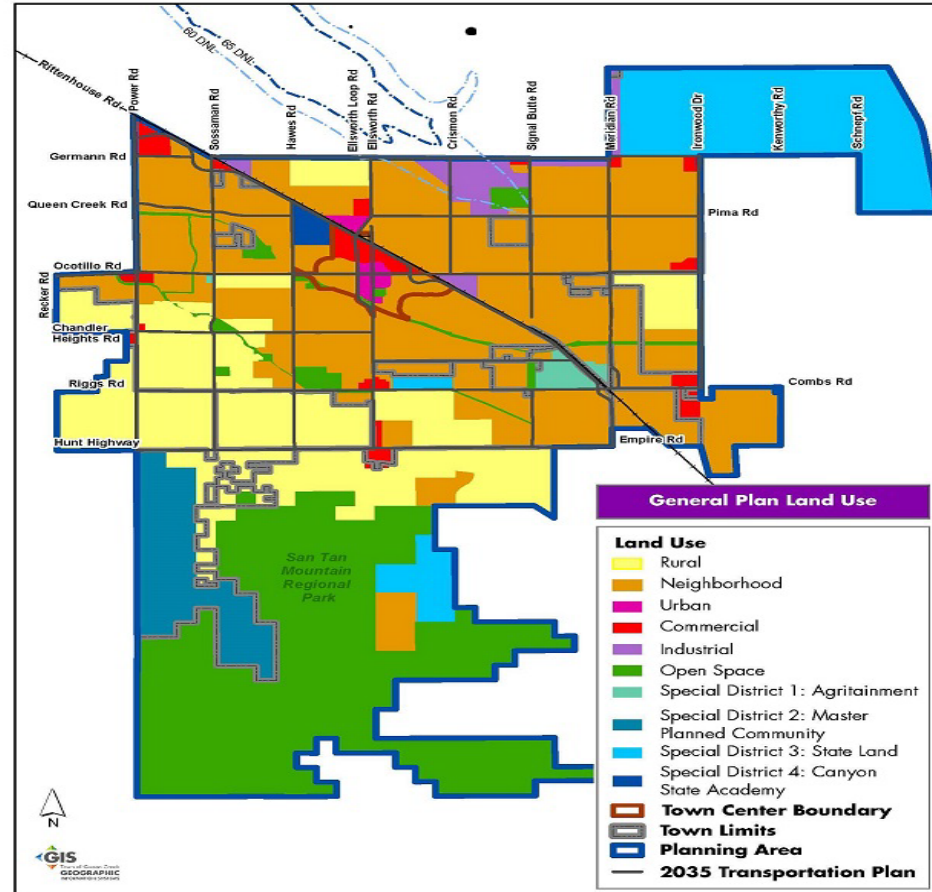
CURRENT RESULTS EXCEEDING PROJECTIONS (AFTER 6 YEARS)

	6-Year Projections	6-Year Actuals	Variance	% Variance	10-Year Projections	% of 10-Year Projections
<u>Units</u>						
Single Family	7,366	8,958	1,592	+22%	11,863	76%
Multi-Family	1,467	1,834	367	+25%	1,857	99%
<u>Square Feet</u>						
Commercial	825,000	1,412,298	587,298	+71%	925,000	153%
Office	962,000	876,116	(85,884)	-9%	1,287,000	68%
Industrial	397,000	482,987	85,987	+22%	502,000	96%
Revenue	\$70.1M	\$80.5M	\$10.4M	+15%	\$107.1M	75%

QUEEN CREEK'S STRONG DEMOGRAPHIC INFORMATION

Year Incorporated	1989
Square Miles	42 Town Boundary (Planning Area ~72)
Population June 30, 2023 (AZ Office of Economic Opportunity)	76,750
Average Household Size (2022 ACS 1-Year Estimate)	3.28
Median Age (2022 ACS 5-Year Estimate)	36.7 years
Median Household Income (2022 ACS 5-Year Estimate)	\$127,182
Median Value of Housing (2022 ACS 5-Year Estimate)	\$493,700
Net Full Cash Property Value (Maricopa and Pinal County Assessors)	\$14.3 billion
Workforce (2022 ACS 5-Year Estimate)	44% have a BS Degree or Higher
Unemployment Rate, November 2023 (Bureau of Labor Statistics, November 2023)	3.3% (Maricopa County: 3.5%, State: 4.0%)

2021 GENERAL PLAN



SIGNIFICANT GROWTH EXPECTED TO CONTINUE OVER THE NEXT 10 YEARS

Land Use Category	Existing Inventory	10-Year Projection	10-Year Increase	% Increase
1.Single Family Homes	23,387	35,803	11,916	50%
2.Multi-Family Units	2,879	6,968	4,089	142%
3.Commercial (Square Feet)	4.6M	6.9M	2.3M	50%
4.Office / Other (Square Feet)	1.4M	2.1M	0.7M	50%
5.Industrial (Square Feet)	0.6M	0.9M	0.3M	50%

GROWTH PROJECTIONS: CURRENT STUDY VS. PROPOSED STUDY (10-YEAR AMOUNTS)

Land Use Category	Current Study	Proposed Study
1.Single Family Homes	11,863	11,916
2.Multi-Family (Units)	1,857	4,089
3.Commercial / Other (Square Feet)	0.9M	2.3M
4.Office (Square Feet)	1.3M	0.7M
5.Industrial (Square Feet)	0.5M	0.3M



10-YEAR POPULATION ESTIMATE

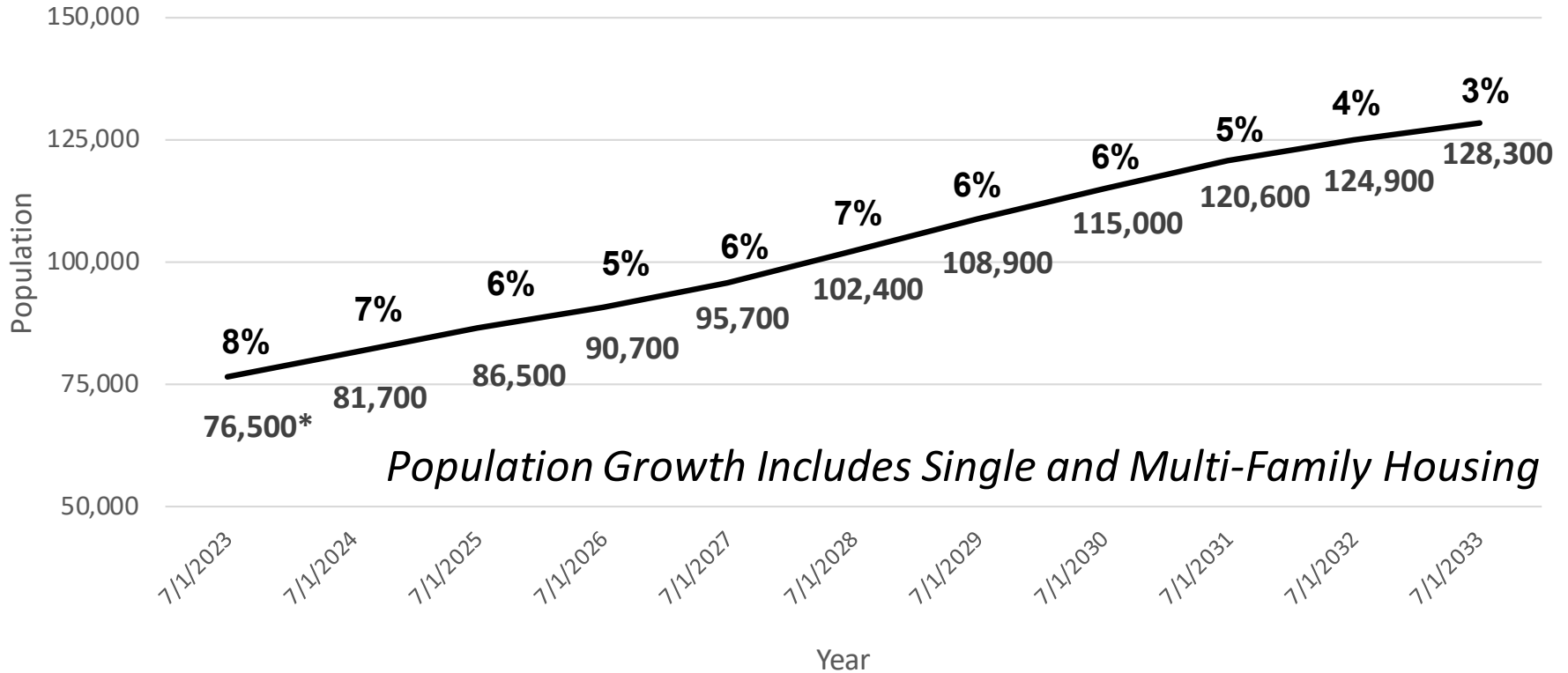
~52K (66%) Increase

FY 2023-24	76.5K
FY 2032-33	<u>128.3K</u>
Increase	51.8K*

* Current Fee was Based on a Projection of a 40K Increase

10-Year Population Projections: +~52K, +66%

Buildout Population: ~150K

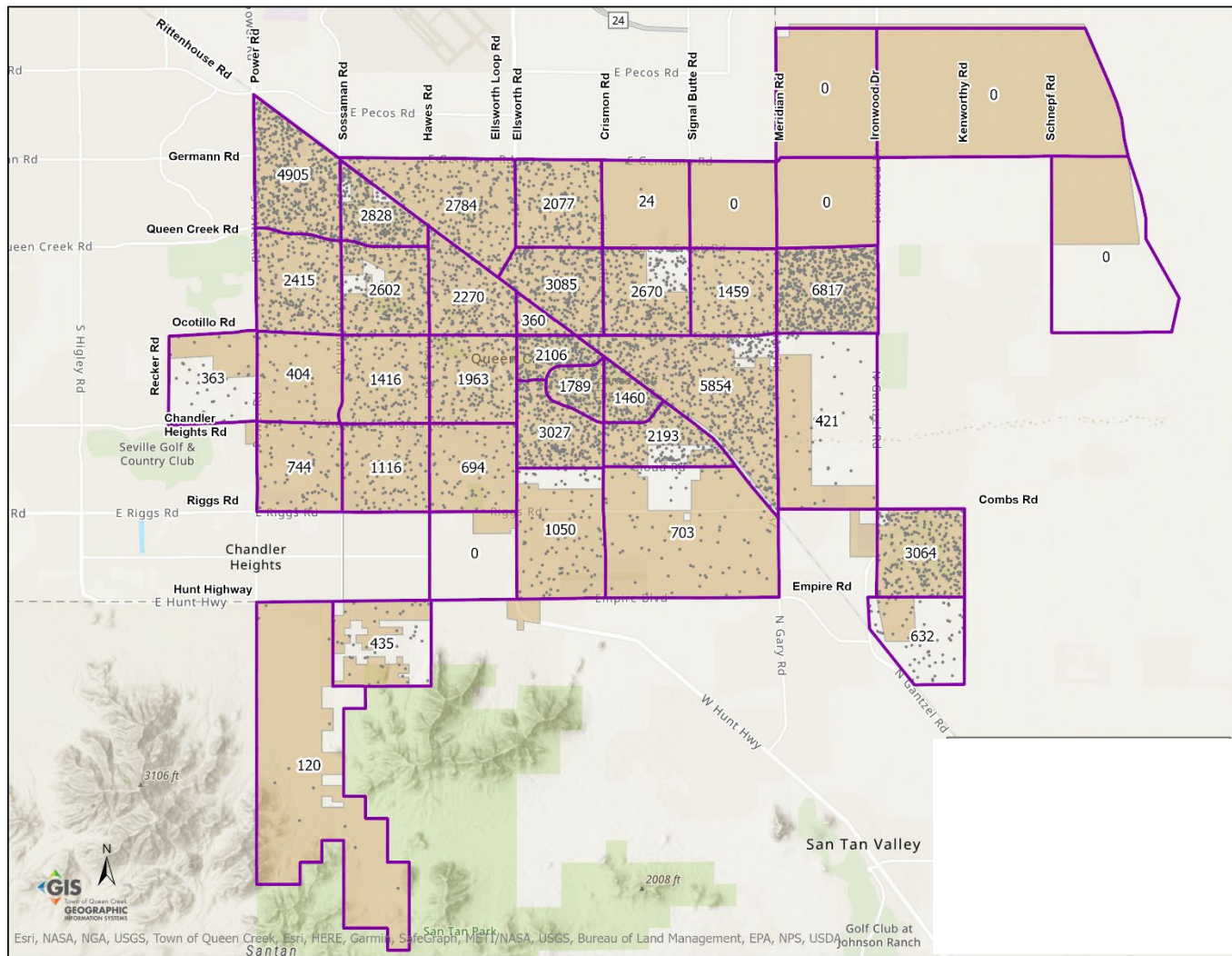


Population Growth Includes Single and Multi-Family Housing

*7/1/2023 estimate from Arizona State Demographer, Office of Economic Opportunity

2023

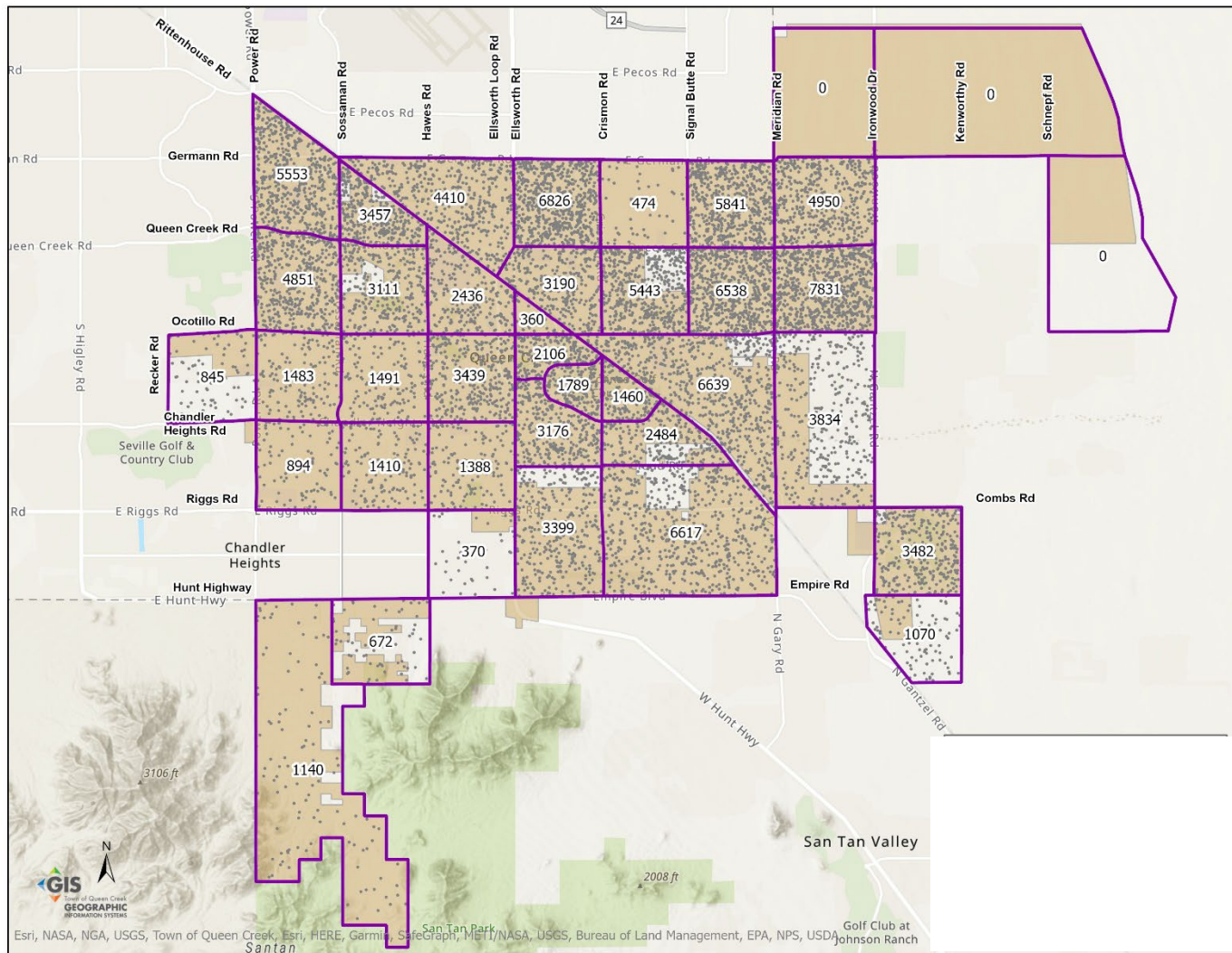
Population 76,500



2033

Population 128,300

+~52K, +66%





4. DISCUSS INFRASTRUCTURE IMPROVEMENT PLANS

*WHAT NEEDS TO BE
BUILT?*

INFRASTRUCTURE IMPROVEMENT PLANS

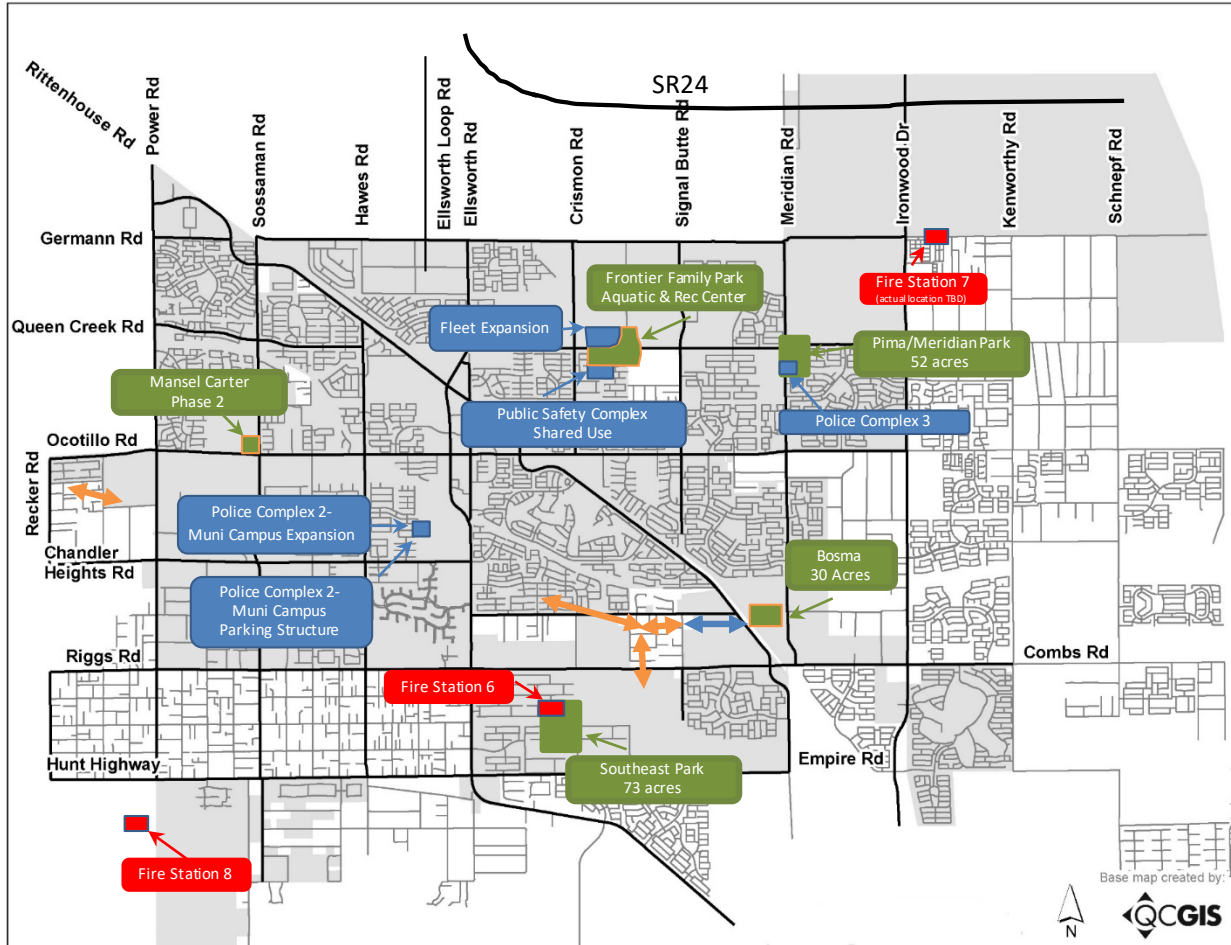
- 10-Year Project List Needed to **MAINTAIN THE SAME LEVEL OF SERVICE**
 - Police and Fire & Medical Response Times
 - Traffic Flow / Congestion
- Costs are Allocated Between Existing and New Residents / Businesses
- Specific Types of Infrastructure is Not Impact Fee Eligible
 - Public Safety Training Facilities
 - Parks Greater than 30 Acres
 - Recreation and Aquatic Centers



COMPARISON OF IIPs

	Current IIP	Proposed IIP	Increase	Explanation of Increase
Police	\$2.8M	\$144.1M	\$141.3M	Building a Police Department
Fire	\$27.5M	\$67.9M	\$40.4M	Increased number of apparatus, construction cost increases
Streets	\$147.1M	\$196.8M	\$49.7M	Construction cost increases
Parks	\$57.0M	\$295.0M	\$238.0M	Includes 3 new parks, construction cost increases
Trails	<u>\$6.6M</u>	<u>\$11.5M</u>	<u>\$4.9M</u>	Construction cost increases
Total	\$241.0M	\$715.3M	\$474.3M	

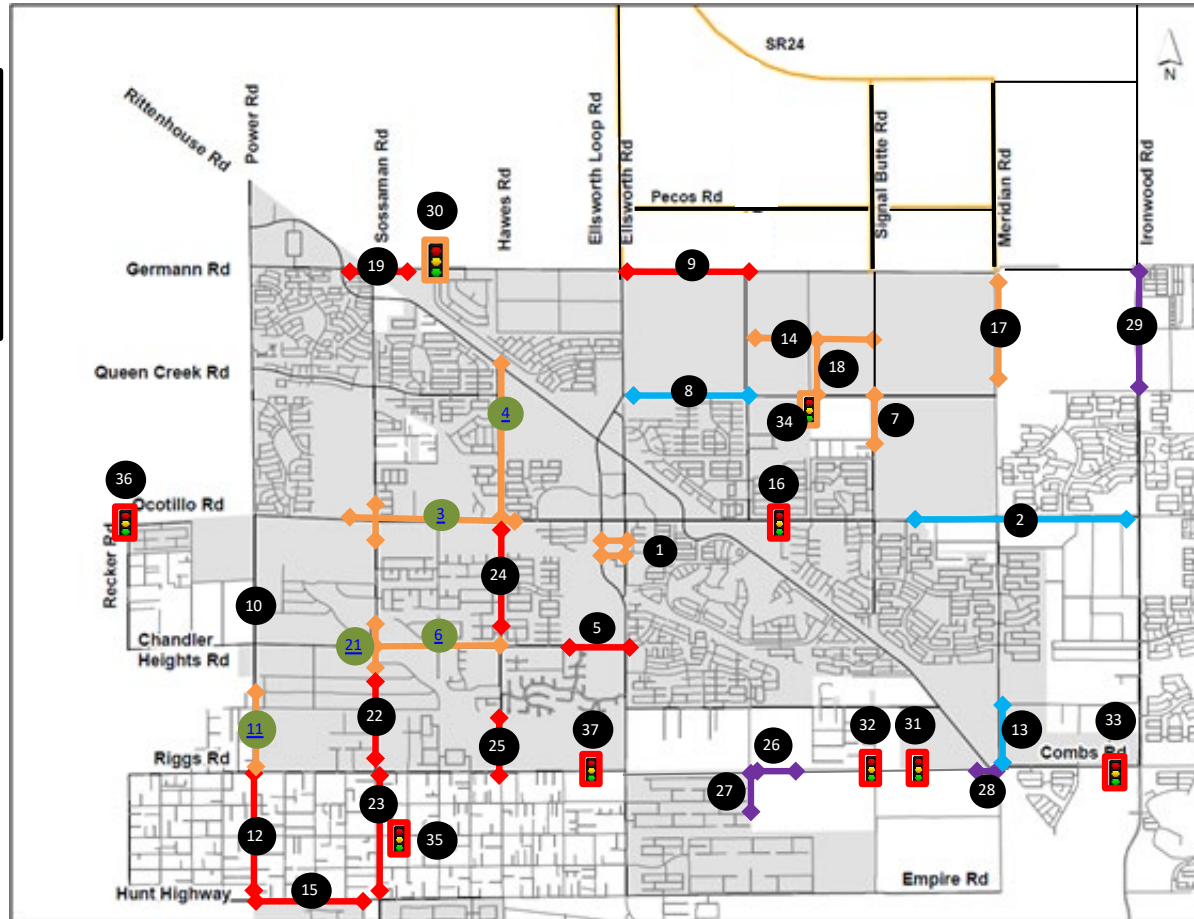
POLICE, FIRE & MEDICAL, AND PARKS IIPS



TRANSPORTATION IIP

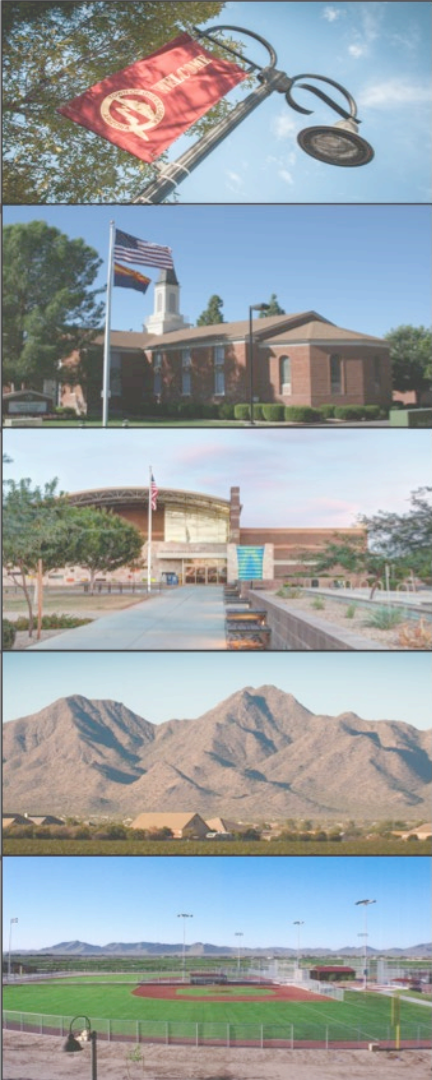
Key

- ◆ = Completed Project
- ◆ = Active Project
- ◆ = Future Project (w/in 5Yrs)
- ◆ = Future Project (Beyond 5)





5. DISCUSS FOCUS GROUP FEEDBACK



FOCUS GROUP FEEDBACK

1. Land Use Assumptions and Growth Assumptions
 - More Information to be Provided for All 5 Land Uses
 - Evaluate Growth Assumptions in State Lands
2. Infrastructure Improvement Plans
 - Police Infrastructure Evaluated for Existing Level of Service
3. 2% Dedicated Construction Sales Tax
 - Projection
 - Approach to Reduce Fees



6. DISCUSS NEXT STEPS

NEXT STEPS BEFORE JUNE 19 APPROVAL OF LUA AND IIP

- Continue Focus Group Meetings
 - Continue Refining Land Use Assumptions
 - Continue Refining Infrastructure Improvement Plans
- Continue With Fee Calculation
 - Evaluate Possible Debt Payoffs
 - Refine Project Cost Estimates



EXAMPLE: FIRE DEVELOPMENT IMPACT FEE CALCULATION

Proposed IIP	\$73.5M
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EXAMPLE: FIRE DEVELOPMENT IMPACT FEE CALCULATION

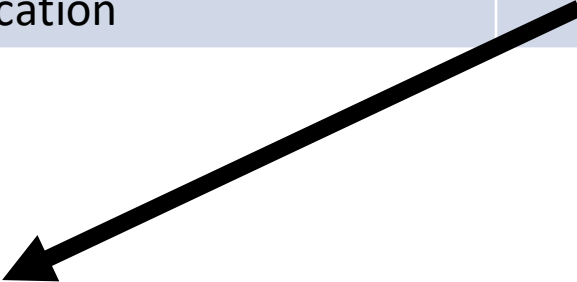
Proposed IIP	\$73.5M
Less Projects Not Impact Fee Eligible (Training Facilities)	<u>(\$5.6M)</u>

EXAMPLE: FIRE DEVELOPMENT IMPACT FEE CALCULATION

Proposed IIP	\$73.5M
Less Projects Not Impact Fee Eligible (Training Facilities)	<u>(\$5.6M)</u>
Subject to Existing / Growth Allocation	\$67.9M

EXAMPLE: FIRE DEVELOPMENT IMPACT FEE CALCULATION

Proposed IIP	\$73.5M
Less Projects Not Impact Fee Eligible (Training Facilities)	<u>(\$5.6M)</u>
Subject to Existing / Growth Allocation	\$67.9M



Existing Allocation (Town) \$37.9M

EXAMPLE: FIRE DEVELOPMENT IMPACT FEE CALCULATION

Proposed IIP	\$73.5M
Less Projects Not Impact Fee Eligible (Training Facilities)	<u>(\$5.6M)</u>
Subject to Existing / Growth Allocation	\$67.9M



Existing Allocation (Town)	\$37.9M	Growth Allocation	\$30.0M
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EXAMPLE: FIRE DEVELOPMENT IMPACT FEE CALCULATION

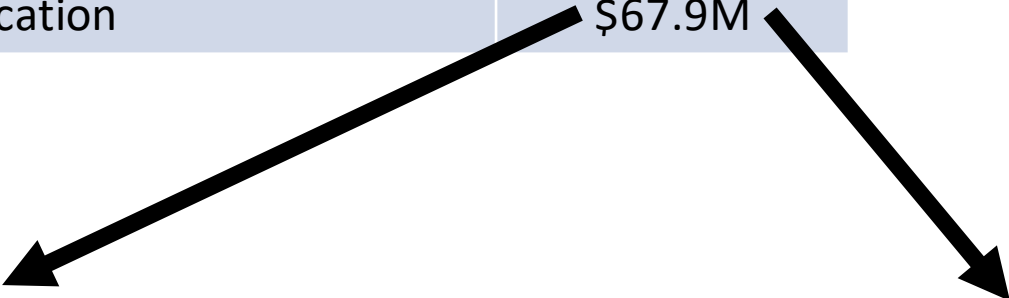
Proposed IIP	\$73.5M
Less Projects Not Impact Fee Eligible (Training Facilities)	<u>(\$5.6M)</u>
Subject to Existing / Growth Allocation	\$67.9M



Existing Allocation (Town)	\$37.9M	Growth Allocation	\$30.0M
		Less: Construction Sales Tax Allocation	<u>(\$20.0M)</u>

EXAMPLE: FIRE DEVELOPMENT IMPACT FEE CALCULATION

Proposed IIP	\$73.5M
Less Projects Not Impact Fee Eligible (Training Facilities)	<u>(\$5.6M)</u>
Subject to Existing / Growth Allocation	\$67.9M



Existing Allocation (Town)	\$37.9M	Growth Allocation	\$30.0M
		Less: Construction Sales Tax Allocation	<u>(\$20.0M)</u>
		Projects Funded from Impact Fees	\$10.0M



7. CONDUCT PUBLIC HEARING



QUESTIONS AND COMMENTS



APPENDIX

INFRASTRUCTURE IIPS

POLICE IIP: \$144.1M

- Proposed IIP from Adopted Master Plan: \$144.1M
- Summary of Projects
 - “Building a Police Department”
 - 1+ Year Order / Waiting Period for New Vehicles

Comparison of Expenses

	Current Fee	Proposed Fee	Change
Existing Infrastructure	\$7.8M	N / A	(\$7.8M)
Existing Debt	\$1.2M	\$1.4M	\$0.2M
Projects (IIP)	<u>\$2.8M</u>	<u>\$144.1M</u>	<u>\$141.3M</u>
Total	\$11.8M	\$145.5M	\$133.7M

POLICE IIP: \$144.1M

Projects	Years 1-5	Years 6 - 10
1. Police Vehicles and Equipment	\$8.8M	
2. Public Safety Complex (with Fire)	\$31.2M	
3. Complex #2 (Town Center Location Expansion)	\$29.8M	
4. Parking Structure	\$15.0M	
5. Police Fleet Facility	\$13.0M	
6. Radio Tower and Infrastructure	\$4.0M	
7. Complex #3 – Land Acquisition	\$2.3M	
8. Project Management	\$6.7M	
9. Complex #3 - Building	=	<u>\$33.3M</u>
Total	\$110.8M	\$33.3M

FIRE IIP: \$67.9M

- Proposed IIP from Adopted Master Plan: \$67.9M
- Summary of Projects
 - Growing Fire Department
 - 3+ Year Order / Waiting Period for Apparatus to be Built

Comparison of Expenses

	Current Fee	Proposed Fee	Change
Existing Infrastructure	\$16.3M	N / A	(\$16.3M)
Existing Debt	\$4.3M	\$10.9M	\$6.6M
Projects (IIP)	<u>\$27.5M</u>	<u>\$67.9M</u>	<u>\$40.4M</u>
Total	\$48.1M	\$78.8M	\$30.7M

FIRE IIP: \$67.9M

Projects	Years 1-5	Years 6 - 10
1. Public Safety Complex (with Police)	\$9.1M	
2. Fire Station #6 Apparatus	\$1.9M	
3. Fire Station #6	\$13.7M	
4. Fire Station #7 Apparatus	\$6.0M	
5. Project Management	\$3.2M	
6. Fire Station #7 (Includes Land)	-	\$15.1M
7. Fire Station #8 (Land, Building and Apparatus)	-	<u>\$18.9M</u>
Total	\$33.9M	\$34.0M

STREETS IIP: \$196.8M

- Proposed IIP from Adopted Master Plan: \$196.8M
- Summary of Projects
 - Continue Aggressive Construction of New Streets
 - Master Plan Update Ongoing (Summer 2025 Estimated Completion Date)

Comparison of Expenses

	Current Fee	Proposed Fee	Change
Existing Infrastructure	N / A	N / A	N / A
Existing Debt	\$3.5M	\$9.2M	\$5.7M
Projects (IIP)	<u>\$147.1M</u>	<u>\$196.8M</u>	<u>\$49.7M</u>
Total	\$150.6M	\$206.0M	\$55.4M

STREETS IIP: \$196.8M

Map ID #	Projects	Years 1-5	Years 6 - 10
1	Town Center: Aldecoa-Munoz-Summers	\$10.2M	
2	Ocotillo Road: 226th to Ironwood	\$0.1M	
3	Ocotillo Road: West of Sossaman Rd to Hawes Rd	\$16.6M	
4	Hawes Road: Ocotillo to Rittenhouse	\$5.1M	
5	Chandler Heights: Hawes to Ellsworth	\$3.3M	
6	Chandler Heights: Sossaman to Hawes	\$10.5M	
7	Signal Butte: Ocotillo to Queen Creek	\$1.4M	
8	Queen Creek Road: Ellsworth to Crismon	\$0.9M	
9	Germann Rd: Ellsworth to Crismon	\$3.2M	
10	Power Road: Brooks Farms to Chandler Heights	\$0.3M	
11	Power Road: Chandler Heights to Riggs	\$11.7M	
12	Power Road: Riggs to Hunt Hwy	\$6.4M	

STREETS IIP: \$196.8M (CONTINUED)

Map ID #	Projects	Years 1-5	Years 6 - 10
13	Meridian Road: Combs to Queen Creek Wash	\$0.2M	
14	Ryan Road: Crismon to Signal Butte	\$4.8M	
15	Hunt Hwy: Power to Sossaman		\$3.2M
16	Traffic Signal: Ocotillo & Scotland Court		\$1.0M
17	Meridian Road: Queen Creek Road to Germann	\$7.6M	
18	220th: Queen Creek to Ryan	\$3.3M	
19	Sossaman Railroad Crossing @ Germann	\$4.6M	
20	Ironwood Road Improvements	\$0.9M	
21	Sossaman: Sonoqui Wash to Chandler Heights	\$10.6M	
22	Sossaman: Chandler Heights to Riggs	\$3.6M	
23	Sossaman: Riggs to Empire		\$8.4M
24	Hawes: Chandler Heights to Ocotillo	\$14.0M	

STREETS IIP: \$196.8M (CONTINUED)

Map ID #	Projects	Years 1-5	Years 6 - 10
25	Hawes: Riggs North to Sunset Drive (1/2 mile, 3 lanes) NEW	\$6.5M	
26	Southeast Park - Riggs Road (1/4 mile, 3 lanes)	\$3.2M	
27	Southeast Park - Crismon Road to cul-de-sac (1/4 mile, 3 lanes)	\$3.2M	
28	Combs: Meridian to Gantzel - West of Sangria	\$1.3M	
29	Ironwood: Pima to Germann	\$30.0M	
30	Traffic Signal: Germann Road and 196th Street	\$1.8M	
31	Traffic Signal: Harvest: Harvest @ Riggs Road	\$1.2M	
32	Traffic Signal: Harvest: Signal Butte & Riggs	\$1.4M	
33	Traffic Signal : Combs @ Sangria	\$1.4M	
34	Traffic Signal: 220th @Queen Creek Road	\$1.3M	
35	Traffic Signal: Power Road @ San Tan	\$0.4M	
36	Traffic Signal: Ocotillo @ Recker (IGA with Gilbert) (1/2 Third Party Removed)	\$0.8M	

STREETS IIP: \$196.8M (CONCLUDED)

Map ID #	Projects	Years 1-5	Years 6 - 10
37	Traffic Signal: Riggs @206th	\$1.5M	
38	Traffic Signal: Queen Creek @ 188th	\$0.3M	
39	Traffic Signal: Gary Road and Grange Parkway	\$0.3M	
40	Traffic Signal: Ellsworth @ San Tan Blvd	\$0.4M	
41	Traffic Signal: Riggs @ Crismon High School	\$0.3M	
	Project Management	<u>\$9.8M</u>	
	Total	\$196.8M	

PARKS IIP: \$295.0M

- Existing Acres: 187 (6 Parks)
- Acres Being Purchased: 155 (3 Parks)
- Acres Being Constructed: 155 (3 Parks)

Comparison of Expenses

	Current Fee	Proposed Fee	Change
Existing Infrastructure	N / A	N / A	-
Existing Debt	\$4.8M	\$4.3M	(\$0.5M)
Projects (IIP)	<u>\$57.0M</u>	<u>\$295.0M</u>	<u>\$238.0M</u>
Total	\$61.8M	\$299.3M	\$237.5M

PARKS IIP: \$295.0M

Projects	Years 1-5	Years 6 - 10
1. Frontier Family Park (85 Acres)	\$72.8M*	
2. Southeast Park Land Only (73 Acres)	\$22.1M	
3. Pima / Meridian Park Land Only (52 Acres)	\$23.4M	
4. Bosma Park Land Only (30 Acres)	\$15.0M	
5. Project Management	\$6.2M	
6. Southeast Park – Construction (73 Acres)		\$73.5M
7. Pima / Meridian Park – Construction (52 Acres)		\$52.0M
8. Bosma – Construction (30 Acres)		<u>\$30.0M</u>
Total	\$139.5M	\$155.5M

* Potentially reduced or eliminated because in current fee.

TRAILS IIP: \$11.5M

- Proposed IIP from Adopted Master Plan: \$11.5M

Comparison of Expenses

	Current Fee	Proposed Fee	Change
Existing Infrastructure	N / A	N / A	-
Existing Debt	N / A	N / A	-
Projects (IIP)	<u>\$6.6M</u>	<u>\$11.5M</u>	<u>\$4.9M</u>
Total	\$6.6M	\$11.5M	\$4.9M

TRAILS IIP: \$11.5M

Projects	Years 1-5	Years 6 - 10
1. QC Wash Trail – Rittenhouse to Meridian	\$4.8M	
2. Sonoqui Wash – Power to Recker	\$1.3M	
3. SRP Utility Easement Trail – Ellsworth to Signal Butte	\$1.5M	
4. Trail by Southeast Park Site		\$3.4M
5. Project Management	<u>\$0.5M</u>	
Total	\$8.1M	\$3.4M