



Repeal the Town Center 0.25% Sales Tax

Town Council Meeting
June 5, 2024

Tax History

- Created on October 1, 2007 via Development Agreements with Vestar and WDP Town Center
- Use of the Tax

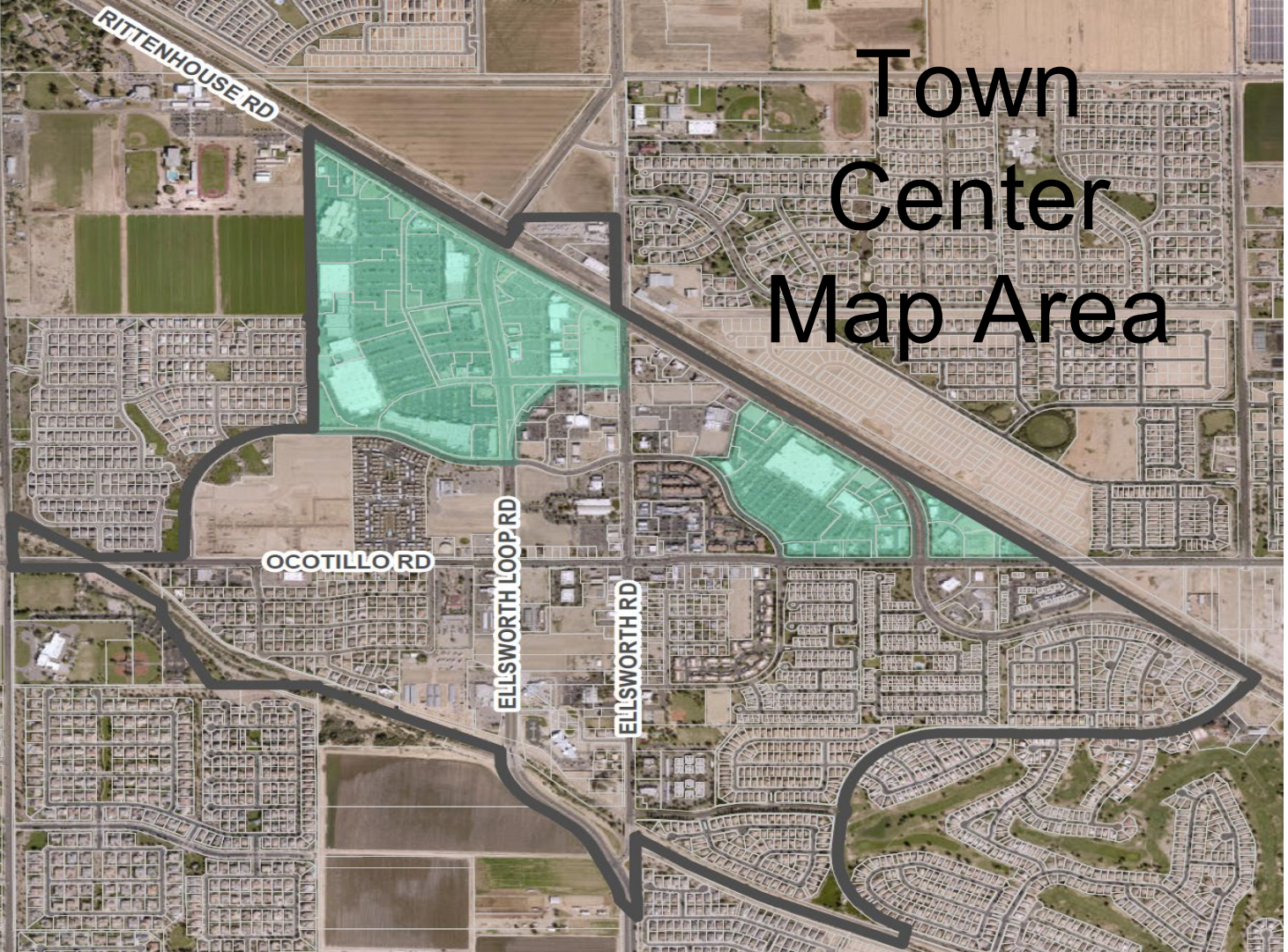
“To take account of the infrastructure, maintenance, operations obligations of the Town as a result of the scale and intensity of this development, a surcharge in the amount of 0.25% will be added to each subject to a Transaction Privilege Tax generated on the site. Said surcharge **shall be used for key infrastructure, operations and maintenance or other programming or projects the Town deems necessary exclusive to and within Town Center** as defined in the Town’s General Plan. This paragraph shall survive the expiration of this agreement.”





Town Center Map Area

Major Retailers:

- Walmart
- Target
- Sprouts
- Trader Joes



Legend

-  Transaction Privilege Tax Boundary
-  Town Center Boundary

Timeline

- April 9
 - Town Council Budget Committee Directed Town Staff to Repeal the Tax (\$1.5M Revenue Elimination) and Move Select Expenses to Other Funds
- May 14
 - Public Hearing Notice to Repeal the Tax
- May 15
 - Town Council Adopted the Budget Without the 0.25% Sales Tax and Expenses Budgeted in Other Funds
- June 5
 - Conduct a Public Hearing
 - Repeal the Tax (30-Day Waiting Period)
 - Approve Use of \$2.6M Cash Balance to Defeasure Bonds Used to Construct Ellsworth Loop Road



Timeline (concluded)



- **June 6**
 - Notice Provided to Arizona Department of Revenue (60-Day Notification Period)
- **July 5**
 - Ordinance Effective
- **October 1**
 - Sales Tax Repeal Effective
- **FY 24-25 Budget**
 - Recommendation Regarding Remaining \$0.9M Cash Balance

Communication Plan

- Official letter to property managers of Queen Creek Marketplace, QC District, and Cornerstone, notifying each of the effective change. Which will be further sent to each tenant.
- Town landing page with descriptive information.
- Social media outreach.
- Door to door notification to impacted businesses.



Tonight's Action

1. Conduct a Public Hearing
2. Consider Approval of Ordinance 839-24 Repealing the 0.25% Town Center Sales Tax Effective October 1, 2024

