



TOWN OF
QUEEN CREEK
ARIZONA

12.A

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: SCOTT MCCARTY, FINANCE DIRECTOR
RE: DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 1597-24 ADOPTING THE LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENT PLAN IN COMPLIANCE WITH STATE LAW.
DATE: June 19, 2024

Suggested Action:

Move to approve Resolution 1597-24 - as presented.

Relevant Council Goal(s):

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

Discussion:

Development Impact Fees are intended to offset the cost of capital improvements related to growth. These are one-time fees paid by new development when building permits are issued.

The accurate assessment of these fees is critical to the Town's financial sustainability by ensuring infrastructure costs are fairly paid by existing residents/businesses and new residents/businesses.

Arizona law is very prescriptive in the processes for municipalities to update development impact fees. It is a two-step process. The first step involves adopting Land Use Assumptions and an Infrastructure Improvement Plan. With those adopted, the second step of calculation and setting fees begins. The adoption of Resolution No 1597-24 completes the first step. Development impact fees are not changing at this time as a result of the adoption of this resolution.

The first step to updating development impact fees is updating our Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP). Both are updated using a 10-year planning period.

The Land Use Assumptions identify what type of new development is expected in the next 10 years within each of the Town's five land use categories (single-family, multi-family, commercial, office/other, and industrial). The Town expects continued and significant growth over the 10-year planning period in all land uses.

The Infrastructure Improvement Plan identifies the new infrastructure that needs to be built to serve the new residents and visitors expected to come as a result of the new growth. A significant amount of infrastructure is planned to be constructed to serve the large amount of new growth. An Infrastructure Improvement Plan has been prepared for the following five types of infrastructure:

1. Police
2. Fire

3. Streets
4. Parks
5. Trails

Town staff, our consultants, and the Stakeholder Focus Group have been diligently reviewing the Land Use Assumptions and Infrastructure Improvement Plans over the last several months.

As a result of feedback from the Stakeholder Focus Group and additional work performed by Town staff, the initial Land Use Assumptions and the Infrastructure Improvement Plan that were presented to the Town Council on March 6th and May 15th and have been revised. Revisions include a larger amount of new development in State Lands and adding new streets to the IIP currently being constructed within State Lands.

With the approval of Resolution No. 1597-24, Town staff and our consultants will start work on step two – the calculation of the updated development impact fees.

Additionally, we intend to coordinate the development impact fee update with the water and wastewater capacity fee update. By doing so, the Town Council and development community will be provided with the opportunity to see the total cost of all fees (impact and capacity) before any new fees are adopted by the Town Council.

As a result, at this time, we do not have a specific calendar to share regarding the fee update process and timeline. In general terms, the Town staff hopes to have the development impact fee and capacity fee calculations done by September or October. That said, we do know that the new fees will not take effect before the end of 2024.

Attachment(s):

1. [Resolution 1597-24, Exhibit A includes the Land Use Assumption and Infrastructure Improvement Report_Updated](#)
2. [Presentation](#)