



Town of Queen Creek, Arizona
Report on Applying Agreed-Upon Procedures
Biennial Certification of Land Use Assumptions,
Infrastructure Improvement Plan
and Development Impact Fees
For the Period July 1, 2020 through June 30, 2022

**Town of Queen Creek, Arizona
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Independent Accountant's Report on Applying Agreed-Upon Procedures

Honorable Mayor and Members of the Town Council

We have performed this agreed-upon procedures engagement to assist management of the Town of Queen Creek, Arizona (Town), with the requirement set forth in Arizona Revised Statutes (A.R.S.) 9-463.05.G.2 "to provide for a biennial certified audit of the municipality's land use assumptions, infrastructure improvements plan and development fees". As such, we have performed the procedures identified below, solely to assist users in evaluating the Town's compliance with the progress reporting requirements of the Town's Infrastructure Improvement Plan (IIP), as outlined in the Land Use Assumptions, Infrastructure Improvement Plan and Impact Fee Report dated November 2019 and addendum dated June 2021, for the period from July 1, 2020 through June 30, 2022, as specified in A.R.S. 9-463.05.G.2. Town of Queen Creek, Arizona's management is responsible for its compliance with those requirements.

Town of Queen Creek, Arizona's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in determining whether the Town complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We have applied the following procedures:

The progress of the infrastructure improvements plan.

- 1) Compared growth projections for 2021 and 2022 related to population, number of housing units (single family homes and multi-family units), and nonresidential square footage (industrial, retail, office), as reported in the Town's IIP to actual results. A list of all variances are reported in the Results of Procedures.
- 2) Obtained Town-prepared report (see Appendix A) documenting the progress of each project identified in the Town's IIP and agreed expenditures as of June 30, 2022 to the underlying accounting records.

The collection and expenditures of development impact fees for each project in the plan.

- 3) Selected a sample of 50 building permits issued and determined fees were charged in accordance with authorized fee schedules and that each permit holder was charged the same rate as another equivalent permit holder. Any inequities in the imposition of development fees are reported in the Results of Procedures.
- 4) Selected a sample of 40 expenditures and determined that the expenditures were associated with an approved project in the Town's IIP.

Evaluating any inequities in implementing the plan or imposing the development impact fee.

- 5) Determined each developer/unit was charged the same rate as another equivalent developer/unit by recalculating impact fees at the transaction level for the sample mentioned in Step 3 above.
- 6) Determined that there were no instances in which the Town waived development impact fees, except as allowed for under A.R.S. 9-499.10.B and A.R.S. 9-500.18.

The accompanying Results of Procedures describes the exceptions we noted.

We were engaged by Town of Queen Creek, Arizona's management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Town of Queen Creek, Arizona and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the management of Town of Queen Creek, Arizona, and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
August 9, 2024

**Town of Queen Creek, Arizona
Results of Procedures**

EXCEPTION NO. 1

Variations were noted for growth projections for population, number of housing units and nonresidential square footage as reported in the Land Use Assumptions, Infrastructure Improvement Plan and Impact Fee Report when compared to actual results. All variances are reported in the tables below.

		2021			
		<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
	Population Total	55,832	66,275	10,443	19%
	Single-Family/Multi-Family Housing Units	1,654	2,343	689	42%
	Nonresidential Sq. Ft. (in 1,000's)				
	Industrial	25	-	(25)	-100%
	Retail	41	281	240	585%
	Office	110	179	69	63%

		2022			
		<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
	Population Total	61,326	70,956	9,630	16%
	Single-Family/Multi-Family Housing Units	1,817	2,722	905	50%
	Nonresidential Sq. Ft. (in 1,000's)				
	Industrial	25	-	(25)	-100%
	Retail	35	357	322	921%
	Office	85	74	(11)	-13%

Note: Due to the nature of growth data available, housing units and nonresidential square footage for the 2021 and 2022 tables are presented as a comparison of incremental growth by year rather than cumulative totals.

Management Response:

The favorable variances in each of the two years for population, single-family housing units, and multi-family housing units is consistent with the significant amount of growth the Town, and the region, has experienced. This activity then results in increases to non-residential land uses, specifically retail and office (which includes uses such as schools, banks, and daycare facilities) to serve the increased population. The industrial land use category has not had any activity in either year. It is influenced more by the business sector, than population growth, and is much more difficult to estimate.

Town of Queen Creek, Arizona
Appendix A
Progress of Infrastructure Improvement Plan Projects

<u>Project</u>	<u>Project Description</u>	<u>FY 20-21</u>	<u>FY 21-22</u>
<u>Fire Facilities Development Impact Fee</u>			
MF007	Fire Station #4	\$ 1,456,577	\$ 4,977
MF009	Fire Station #5	852,856	2,381,181
MF010	Fire Station #2 Permanent Facility	1,049,613	2,155,930
MF011	Fire Resource Center	5,996	41,100
	Total	\$ 3,365,042	\$ 4,583,188
<u>Parks and Recreation Development Impact Fee</u>			
P0620	East Park	\$ 111,147	\$ 188,512
TE100	QC Wash Trail: Crismon-Rittenhouse	43,950	81,453
TE101	QC WASH TRAIL: RITTENHOUSE-MERIDIAN	4,838	11,385
TE102	SIGNAL BUTTE RD TRAIL ALIGNMENT	686	13,600
TE200	Sonoqui Wash: Hawes To Ellsworth	135,409	-
TE201	Sonoqui Wash: Hawes to Crimson	-	1,414,230
TE210	Sonoqui Wash: Ellsworth To Crismon	131,275	-
	Total	\$ 427,305	\$ 1,709,180
<u>Police Facilities Development Impact Fee</u>			
MF007	Fire Station #4	\$ 383,310	\$ 1,310
MF009	Fire Station #5	198,504	625,760
MF010	Fire Station #2 Permanent Facility	276,214	567,350
	Total	\$ 858,028	\$ 1,194,420
<u>Transportation Facilities Development Impact Fee</u>			
A0115	Ocotillo: 226th To Ironwood	\$ 58,883	\$ 950,633
A0116	Ocotillo: Sossaman To Hawes	87,546	15,467
A0306	Rittenhouse: Village Lp To Alliance	2,120,579	198,139
A0307	Rittenhouse Bridge At Qc Wash	161,885	-
A0401	Hawes Rd: Rittenhouse to Ocotillo	-	32,733
A0510	Riggs: Ellworth To Meridian	509	2,349
A0602	Chandler Hts: Hawes To Sossaman	1,342	29,515
A0603	Chandler Hts: Sossaman To Power	296,951	943,562
A0801	Signal Butte: Ocotillo to QC Rd	4,399	35,322
A1001	Queen Creek Rd: Ellsworth to Signal Butte	163,193	602,229
A1002	QC Rd-Ellsworth To Signal Butte	1,310,181	672,937
A1404	Power: Brooks Farm To Chand Hgts	114,308	451,930
A1405	Power: Chandler Hgts to Riggs	-	20,946
A1406	Power: Riggs to Hunt Highway	-	749
A1505	Meridian: Combs To Qc Wash	15,347	35,479
PRJMGT	Project Management Overhead	-	30,009
	Total	\$ 4,335,123	\$ 4,021,999