



**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, 2022 through June 30, 2024**

**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, 2022 through June 30, 2024, 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 2023 and 2024 related to population, number of housing units (single family homes and multi-family units), and nonresidential square footage (retail, office, industrial) as reported in the Town’s IIP to actual results. A list of all variances are reported in the Results of Procedures.
- 2) Obtained a Town-prepared report (See Appendix A) documenting the progress of each project identified in the Town’s (IIP) and performed the following procedures:
  - i. Agreed expenditures as of June 30, 2024 to the underlying accounting records.
  - ii. Selected a sample of 10 projects and determined that for each project, the percent of total expenditures funded by impact fees did not exceed the eligible share for that project.

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

- 3) Selected a sample of 40 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., P.C.  
Tucson, Arizona  
June 11, 2025

**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.

	2023			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Population Total	79,000	76,570	(2,430)	-3%
Single-Family/Multi-Family Housing Units Total	1,244	1,531	287	23%
Nonresidential Sq. Footage (in 1,000's)				
Industrial	45	483	438	973%
Retail	111	310	199	179%
Office	155	216	61	39%
	2024			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Population Total	81,700	83,781	2,081	3%
Single-Family/Multi-Family Housing Units Total	1,229	2,336	1,107	90%
Nonresidential Sq. Footage (in 1,000's)				
Industrial	45	2,323	2,278	5,062%
Retail	25	466	441	1,764%
Office	135	99	(36)	-27%

Note: Due to the nature of growth data available, housing units and nonresidential square footage for the 2023 and 2024 tables are presented as a comparison of incremental growth by year rather than cumulative totals.

**Management Response:**

The favorable housing unit variances in each of the two audited years is consistent with the significant amount of growth the Town and region have experienced.

Although the population also increased during these two years, the Town’s population actuals fell short of its 2023 projection by -3%, and had a slight increase in 2024 of 3%. These variances are a result of the timing of multi-family permits occurring 1-2 years before completion of construction and associated population impacts.

Nonresidential development variances were due to large and infrequent industrial and retail developments the Town experienced in 2023 and 2024, and a broader decline in the new office construction starts.

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

<u>Project</u>	<u>Project Description</u>	<u>FY 22-23</u>	<u>FY 23-24</u>
<b><u>Parks and Recreation Development Impact Fee</u></b>			
TE100	QC WASH TRAIL: CRISMON-RITTENHOUSE	\$ 425,263	\$ 655,795
TE101	QC WASH TRAIL: RITTENHOUSE-MERIDIAN	8,292	780
PO620	FRONTIER FAMILY PARK - DRAINAGE	579,731	
PO625	FRONTIER FAMILY PARK	9,041,495	613,110
TE201	SONOQUI WASH:HAWES TO CRISMON CONSTR (Note 1)	404,388	(364,400)
<b>Total</b>		<b>\$ 10,459,169</b>	<b>\$ 905,285</b>
<b><u>Police Facilities Development Impact Fee</u></b>			
MF009	FIRE STATION #5	\$ 7,418	\$
MF010	FIRE STATION #2	17,483	
MF019	PUBLIC SAFETY COMPLEX		1,174,343
N/A	VEHICLES		772,054
<b>Total</b>		<b>\$ 24,901</b>	<b>\$ 1,946,397</b>
<b><u>Fire Facilities Development Impact Fee</u></b>			
MF007	FIRE STATION #4	\$	\$ 3,622,561
MF009	FIRE STATION #5	28,189	2,727,289
MF010	FIRE STATION #2	66,435	4,487,944
MF011	FIRE RESOURCE CENTER (Note 2)	(3,120)	(43,976)
MF019	PUBLIC SAFETY COMPLEX	1,644,873	838,809
<b>Total</b>		<b>\$ 1,736,377</b>	<b>\$ 11,632,627</b>
<b><u>Transportation Facilities Development Impact Fee (Note 3)</u></b>			
A0116	OCOTILLO: SOSSAMAN TO HAWES	\$ 183,167	\$ 1,516,896
A0207	ELLSWORTH: RITTENHOUSE TO UPRR-N		11,724
A0401	HAWES RD-RITTENHOUSE TO OCOTILLO	38,816	157,069
A0602	CHANDLER HGTS-HAWES TO SOSSAMAN	142,379	(8,618)
A0801	SIGNAL BUTTE: OCOTILLO TO QC RD	763	531,878
A1405	POWER: CHANDLER HTS TO RIGGS	55,360	93,403
A1406	POWER: RIGGS TO HUNT HWY	123,456	(31,172)
A2001	RYAN: CRISMON TO 220TH		259,964
AR050	TOWN CENTER: ALDECOA-MUNOZ-SUMMERS		693,093
A0107	OCOTILLO RD-RECKER TO POWER		(475,504)
A0114	OCOTILLO CRISMON TO 218		341,948
A0115	OCOTILLO: 226TH TO IRONWOOD	89,992	865,698
A0206	ELLSWORTH RYAN TO GERMANN		626,598
A0306	RITTENHOUSE: VILLAGE LP TO ALLIANCE	19,905	(1,851,294)
A0307	RITTENHOUSE BRIDGE AT QC WASH		(601,134)
A0402	HAWES RD @ CREEKVIEW RANCHES		59,170

A0510	RIGGS: ELLSWORTH TO MERIDIAN		1,029,953
A0520	RIGGS RD: POWER TO HAWES		(319,835)
A0603	CHANDLER HTS: SOSSAMAN TO POWER	9,636	568,575
A0702	CRISMON: QUEEN CREEK RD TO GERMANN		172,014
A1001	QUEEN CREEK RD:ELLSWORTH TO CRISMON	1,070,474	(1,835,897)
A1002	QC RD-ELLSWORTH TO SIGNAL BUTTE	12,332	(341,804)
A1403	POWER: OCOTILLO TO BROOKS FARM		1,146,078
A1404	POWER: BROOKS FARM TO CHAND HGTS	79,992	470,192
A1505	MERIDIAN: COMBS TO QC WASH	295	1,369,425
A1802	196TH: OCOTILLO TO APPLEBY2		163,296
A1803	APPLEBY2: SOSSAMAN TO 196TH		143,333
I0010	ELLSWORTH @ QUEEN CREEK (TEMP T.S.)		1,245,983
I0028	RIGGS @ HAWES (T.S.)		(55,505)
I0060	ELLSWORTH @ VIA DE PALMAS (TS)		(4,796)
I0061	OCOTILLO @ VICTORIA (TS)		(11,802)
PMGT	PROJECT MANAGEMENT OVERHEAD COSTS	70,473	54,449
		<b>Total</b>	
		\$ 1,897,040	\$ 5,983,379

**Note 1:** Prior year correction. Correcting impact fees spent on this project (TE201). Expenses to be paid by operating. Therefore, resulted in a negative number.

**Note 2:** The Fire Resource Center (MF011) was changed to be the Public Safety Complex (MF019) project. Journal entries were made to reallocate expenses which resulted in a negative number.

**Note 3:** In preparation for the ongoing development impact fee update, a reconciliation was conducted by Town staff to ensure fees were used as identified in the November 2019 report. In some instances, these adjustments resulted in a reduction of development impact fees used to pay for projects, which is reflected by a negative number.