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TO: Board of Directors
Tri-City Regional Sanitary District

FROM: William L. Clemmens, TRSD General Counsel

DATE: August 12, 2019

RE: Boundary Change Impact Statement – Vertical Heights

The following impact statement has been drafted at the direction of the TRSD Board for the area commonly known as Vertical Heights based upon a request by the owners of property within Vertical Heights to be removed from the TRSD boundaries. This matter has been reviewed numerous times by TRSD staff and the TRSD Board so that the TRSD Board and the public at multiple scheduled meetings have been fully informed of the impact to the TRSD by the removal of Vertical Heights from the boundaries of TRSD. This impact statement in memorandum form has been prepared to support the hearing and meeting of the TRSD Board presently set for August 19, 2019. The impact statement is set forth below and responds specifically to the requirements of Arizona Revised Statutes (“A.R.S.”) § 48-262(A)(1).

The description of the boundaries of the area known as Vertical Heights is shown in Exhibit A attached, which permits a property owner to determine whether a particular property is within Vertical Heights. It should be noted that property owners of the area known as Vertical Heights have been informed of the proposed removal of Vertical Heights from the boundaries of TRSD by letter dated August 09, 2019. See A.R.S. § 48-262(A)(1)(a).

The detailed list of taxable properties within Vertical Heights based upon information provided to TRSD by the Gila County Assessor’s Office is attached as Exhibit B. See A.R.S. § 48-262(A)(1)(b).

An estimate of the assessed valuation of Vertical Heights (within the boundaries of the proposed change) has been prepared from the table set forth in Exhibit B attached. The total assessed valuation of the properties within Vertical Heights is \$226,293.00. See A.R.S. § 48-262(A)(1)(c).

An estimate of the change in the tax rate of TRSD if Vertical Heights is removed from the boundaries of TRSD would be an increase of approximately 1.5%. See A.R.S. § 48-262(A)(1)(d).

An estimate of the change in the property tax liability, as a result of the removal of Vertical Heights from the boundaries of TRSD, of a typical resident of a portion of TRSD, not in the area of the proposed change, before and after the proposed change is as follows:

The proposed change is estimated to cause the TRSD secondary taxes on a \$100,000 home based upon the adopted budget for FY 2019-2020 to be \$122.63 (total proposed taxes after the adoption of the proposed change in the boundaries). Without the proposed removal of Vertical Heights from the boundaries of TRSD, the total taxes that would be owed on a \$100,000 home would have been \$120.82. Of course, the owners of property in Vertical Heights would no longer be required to pay taxes to TRSD. See A.R.S. § 48-262(A)(1)(e).

The benefits that will result from the removal of Vertical Heights from the boundaries of TRSD is that the TRSD will not be required to expend the funds to provide wastewater collection and treatment services for the properties which are part of Vertical Heights. In presentations by PACE Engineering representing TRSD, it was clearly stated that providing wastewater collection and treatment to Vertical Heights would be very expensive and that this cost would necessarily be distributed over the remaining property owners of TRSD. See A.R.S. § 48-262(A)(1)(f).

TRSD is not aware of any injuries that may result from the removal of the Vertical Heights area from the boundaries of TRSD based upon the fact that TRSD has been made aware of the fact that the property owners within Vertical Heights already have adequate on-site wastewater treatment. See A.R.S. § 48-262(A)(1)(g).

Sincerely,



William L. Clemmens, TRSD General Counsel

WLC:rh

Attachments

cc via email only TRSD Board Members & Staff:

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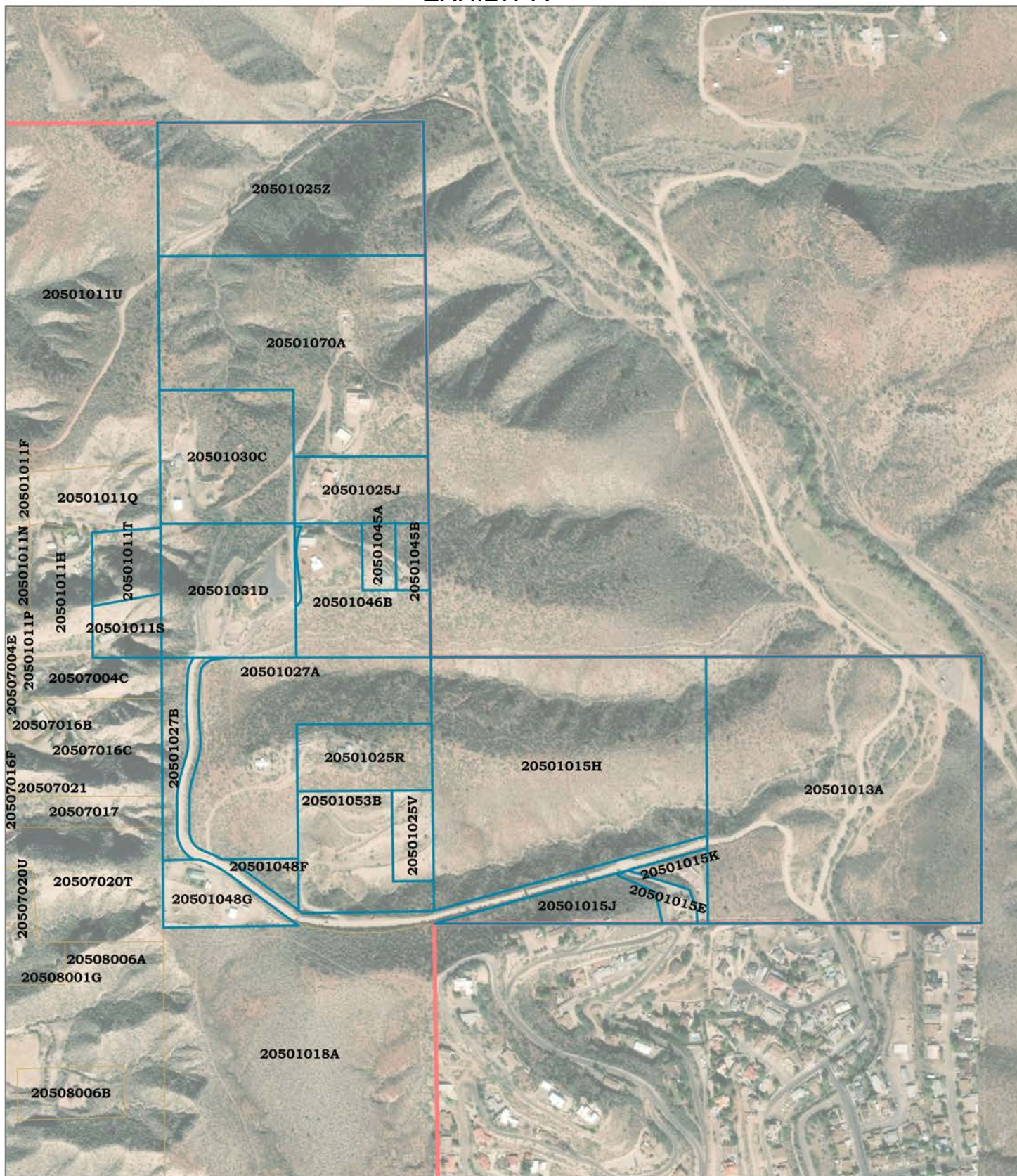
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Bill Tower, Board Member
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EXHIBIT A



Legend

-  Vertical Heights
-  TRSD Boundary
-  Parcels

Vertical Heights

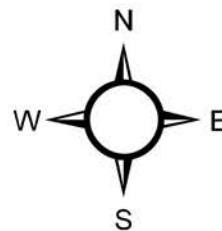


EXHIBIT B

Parcel Valuations - Vertical Heights

Parcel Number	Gila County Property Report Assessed LPV	
205-01-011S	\$	5,528.00
205-01-011T	\$	539.00
205-01-011T	\$	2,883.00
205-01-013A	\$	129.00
205-01-015E	\$	12,946.00
205-01-015H	\$	104.00
205-01-015J	\$	11.00
205-01-015K	\$	18,403.00
205-01-025J	\$	13,808.00
205-01-025R	\$	11,203.00
205-01-025V	\$	1,807.00
205-01-025Z	\$	5,250.00
205-01-027A	\$	8,630.00
205-01-027B	\$	654.00
205-01-030C	\$	11,954.00
205-01-031D	\$	27,575.00
205-01-045A	\$	14,292.00
205-01-045B	\$	8,387.00
205-01-046B	\$	10,327.00
205-01-048F	\$	150.00
205-01-048G	\$	7,809.00
205-01-053B	\$	3,445.00
205-01-070A	\$	60,459.00
	\$	226,293.00

Note: Mobile home valuations included.

In documents provided to TRSD the owners of the following parcels requested to be removed as TRSD taxpayers. The matter was reviewed on 02-18-2019 by Mike Krebs, TRSD Engineer and these parcels were determined not to be a part of the area known as Vertical Heights and have not been included in any of the calculations.

Parcel Number	Gila County Property Report Assessed LPV	
205-01-026A	\$	2,322.00
205-01-026B	\$	3,722.00
205-01-049L	\$	1,944.00
	\$	7,988.00