



---

# MEMORANDUM

---

Date: December 6, 2019

To: The Honorable Chairman and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator 

Re: **New Community Facilities Districts**

Based on amended State law recently passed by the Arizona Legislature, the County will decline to entertain any new Community Facility Districts (CFDs) in the unincorporated area. This is primarily due to a law amending the governance structure to eliminate the ability of the Board of Supervisors to control a property taxing CFD.

I believe it is imperative the Board have this control because the property tax rates for CFDs very often equal or exceed a county's own primary property tax; hence, it may become an excessive property tax burden on new residents or new homeowners in development areas that utilize CFDs, unless controlled by the Board of Supervisors.

For example, there are four such CFDs within the Town of Marana, Gladden Farms, Gladden Farms Phase II, Vanderbilt Farms and Saguaro Springs. The proposed Villages at Tortolita would be Town of Marana's fifth. The 2019 tax rates per \$100 of taxable net assessed value for each of these CFDs are listed in the table below.

<b>Community Facilities District Name</b>	<b>Tax Rate</b>
Gladden Farms	\$2.8000
Gladden Farms Phase II	\$2.8000
Vanderbilt Farms	\$0.3000
Saguaro Springs	\$2.8000
The Villages at Tortolita (estimated)	\$4.5500

The Villages at Tortolita would have an estimated tax rate of \$4.55 per every \$100 of taxable net assessed value. This exceeds the County's primary property tax rate of \$3.99 by 14 percent. CFDs are an overlapping property tax burden on all properties within these districts and may become prohibitive to residents within these areas.

Traditionally, the improvements financed by the CFDs were financed by developers and recovered through the sales price of new homes or properties in the CFD areas.

c: Jan Leshar, Chief Deputy County Administrator  
Carmine DeBonis, Jr., Deputy County Administrator for Public Works  
Michelle Campagne, Director, Finance and Risk Management