MEMORANDUM

Date: December 2, 2011

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

From: C.H. Huckelberry
County Administrator

Re: Augusta Resources Property Tax Payments Related to the Rosemont Mineral Deposit

In the Socioeconomics section of the Draft Environmental Impact Statement (DEIS) (Volume 2, Chapter 3, Page 742), significant statements are made regarding payment of property taxes and other economic indicators related to employment and economic activity associated with the Rosemont mining proposal. In particular, it is stated that annual property taxes paid by the company, Augusta Resources, are estimated at $3.5 million per year. In addition, Augusta Resources has, on a regular basis, sponsored numerous advertisements, radio announcements and television commercials addressing the positive economic aspects of their mining proposal, including payment of taxes.

In examining the Rosemont property tax payment for tax year 2010, it is apparent Augusta is taking advantage of the agricultural classification commonly known as the “rent a cow” property tax break. Most of the Rosemont patented mineral claims (shown in orange on the attached map) pay approximately $10.00 in annual property tax for a 15 to 20-acre parcel. In total, the Rosemont patented mineral claims pay $1,409 for 2,002 acres, or 70 cents per acre in annual property tax. This is roughly equivalent to one single family home in Green Valley. In comparison, Augusta pays $140 per unpatented mineral claim (shown in tan on the attached map), per year, to the Bureau of Land Management for claim maintenance fees.

CHH/mjk

Attachment