Impact Statement

Proposed Rio Verde Foothills County Island Fire District

The Rio Verde Foothills County Island Fire District (RVFCIFD) is proposed to be formed pursuant to Arizona Revised Statute (ARS) §48-851.E.2; noncontiguous county island fire districts; formation. The undersigned hereby submit the impact statement for the proposed creation of the fire district.

Proposed District Boundaries: The boundaries of the district will be those unincorporated county areas within the area known as the Rio Verde Foothills and the 21,099 acre McDowell Mountain Regional Park (MMRP) in its entirety. The MMRP is the property of Maricopa County and is tax exempt and therefore the value of the MMRP is not reflected within the proposed RVFCIFD property valuation total. The boundaries of the proposed RVFCIFD are as set forth in the legal description and illustrated by the map. The legal description and map are incorporated herein and listed as Exhibit A and Exhibit B respectively.

Estimate of District Assessed Valuation: The assessed valuation (AV) of the proposed RVFCIFD is $95,295,766 as established by the Maricopa County Assessor's Office. Values used to establish the proposed district's AV are those set on July 15, 2011.

Estimate of Property Tax Liability: The estimated change in property tax liability for a typical resident of the proposed district is calculated based upon the example residential property located at 29745 N. 152nd Street, Rio Verde Foothills.

Residential (Tax Class 3) – Full cash value - $226,600.00 Secondary assessed value - $22,660.00

Estimated RVFCIFD tax liability: $364.64

The amount of estimated tax liability is calculated upon tax rate of 1.6092 per one hundred dollars of secondary value. The tax rate of 1.6092 will generate an initial year estimated secondary property tax of $1,533,500. An additional $306,700 in property tax revenue will be generated via the county-wide Fire District Assistance Tax (FDAT). The total first year budget is estimated at $1,875,750 (NOTE: estimates are based upon July 15, 2011 property values – fiscal 12-13 financial estimates may vary based upon property values established on Feb. 10, 2012).

The majority of the property tax funding (83%) generated by the proposed RVFCIFD will be used to pay for fire services provided by a contracted fire services provider pursuant to §48-851. The cost of these services is currently estimated at $1,600,000. The administrative, general governance and one-time district formation expenses account for the remaining seventeen percent of the district's budget ($275,750).

Benefits Resulting from Proposed District: Fire and paramedic level emergency medical services will be provided by the contracted fire services provider to the RVFCIFD. The current private fire protection services provider intends to provide the aforementioned services and will locate a facility and emergency response resource within the jurisdictional boundaries of the RVFCIFD to provide efficient

and effective emergency response and incident mitigation. This will substantially decrease response times to emergency events.

Property and homeowner fire insurance rates are anticipated to be reduced by an increased level of service provided by the contracted fire services provider. This will be achieved by locating a fire facility and response resource within the jurisdictional boundaries of the RVFCIFD.

A comparative analysis shows the cost of the proposed RVFCIFD is less on average than homeowners pay for a subscription to the private fire service provider, whose fire facilities or response units are not currently located within the jurisdictional boundaries of the proposed district.

Injuries Resulting from Proposed District: There are no known or anticipated injuries resulting from the proposed RVFCIFD formation.

Scope of Services to be Provided: The proposed RVFCIFD will be formed pursuant to ARS §48-851.E.2. As such the proposed district is strictly limited in scope and as such the RVFCIFD will contract for all fire services and administrative services. The proposed contractor is the Rural Metro Corporation. As a strictly contract district, the RVFCIFD will not directly employ personnel, purchase / acquire equipment or construct facilities / infrastructure.

Members of the Organizing Board:

Joseph M. Blanchette	**Carmela Lizzo**	**Bashi Buba**
Organizer – RVFCIFD	**Organizer – RVFCIFD**	**Organizer – RVFCIFD**
30807 N. 152 St. Scottsdale	**14307 E. Hawknest Rd. Scottsdale**	**31208 N. 176 St. Rio Verde**

Members of the organizing board are qualified electors of the district. The organizing board will serve as the fire district's board upon successful formation of the RVFCIFD. At the next general election date the electors of the RVFCIFD will elect five (5) board members to serve as the board of the fire district.