



# CIPCAC Presentation To Council

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September 27, 2023

# CIPCAC Committee Members

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BJ Bollier, Chair

Forrest Waggoner, Vice Chair

Charlie Bell

Amy Brandt

Dallin Haws

Rory Huff

Elizabeth Krigbaum

Jimmy Lee

Lance Marble

Miranda Meyer

Mary McMullen

Kat Nygaard

Scott Russell

Anna Van Zile

Town of Payson Interim Director Parks & Rec: JP de la Montaigne

Town of Payson Management Analyst: Hannah Lusk



# Town of Payson CIP/CAC Projects

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## 1. Police Department

- a) \$650,000 Maintenance Needs
- b) \$15-17 million new Building
- c) Impact to Town Hall

## 2. Fire Department

- a) \$2.4 million maintenance needs
- b) \$14 – 15 million remodel stations 11 and 12
- c) \$15 – 16 New Combined Stations

# Projects Continued

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## 3. Event Center \*\*

- a) Current budget \$840,000 for design
- b) \$4 million budgeted for initial infrastructure.
- c) Need \$6 million+ for potential Covering of seats or Indoor Arena, facility improvements and Add - Ons

## 4. American Gulch

- a) \$250,000 design
- b) Need \$5 Million



# Projects Continued

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## 5. Indoor Aquatic Facility \*\*\* w/ combined Recreation Center \*\*\*

- a) Current budget Design Estimates \$1 million
- b) \$15 – 18 million Aquatic center \$11 million Rec center
- c) Land Acquisition \$10 million ??

## 6. Trails \*\*\*

- a) \$50,000 study currently, \$100,000 budgeted for next 2 years
- b) Trailheads (\$250,000 - \$500,000)

# Projects Continued

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## 7. Rumsey Park

- a) Drainage Project Rumsey Park design \$265,000
- b) Drainage Rumsey Park Construction \$1.5 - \$2.3 million
- c) Park Review Budget \$45,000
- d) Pool Demolition Budget \$400,000
- e) New Field, Pickleball Courts, Restrooms, Parking, Other additions \$2.5 - \$5 million \*\*\*

## 8. Transportation Plan

- a) \$44 - \$50 million Need
- b) Current year doing \$14 million in projects (Granite Dells, Beeline Bus Route)
  - a) plus \$2.5 million (carryover of 2 years) Pavement plan.
- c) Catch Up of Need \$5 million annually.
- d) Green Valley Parkway Extension \$14-15 million
- e) (ADOT administering Design and grant funds \$300,000)
- f) Storm Drainage Plan
- g) \$24 - \$30 million over 5 areas ( do with street projects)



# Public Outreach

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## Meetings

- Public Meeting – Open House
- Chamber of Commerce
- Payson Tea Party
- Senior Center Luncheon
  - Senior Center Site Council
- Democratic Party
- Veterans Board
- Rotary Club

## Attendance

100 people – 43 questions

50-75 people

40-50 people

50-60 people

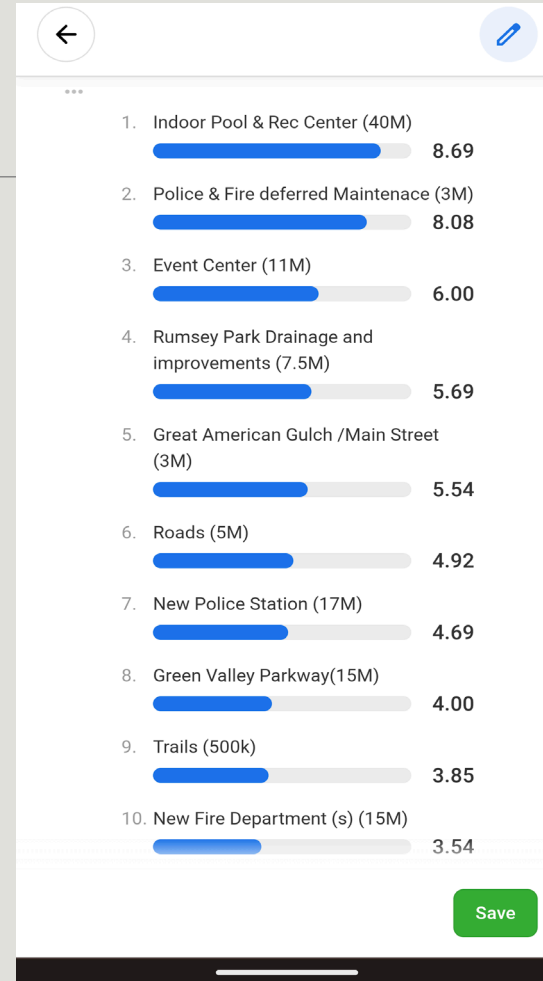
5 people

20-30 people

100 people

20 – 30 people

# Chairs First Vote

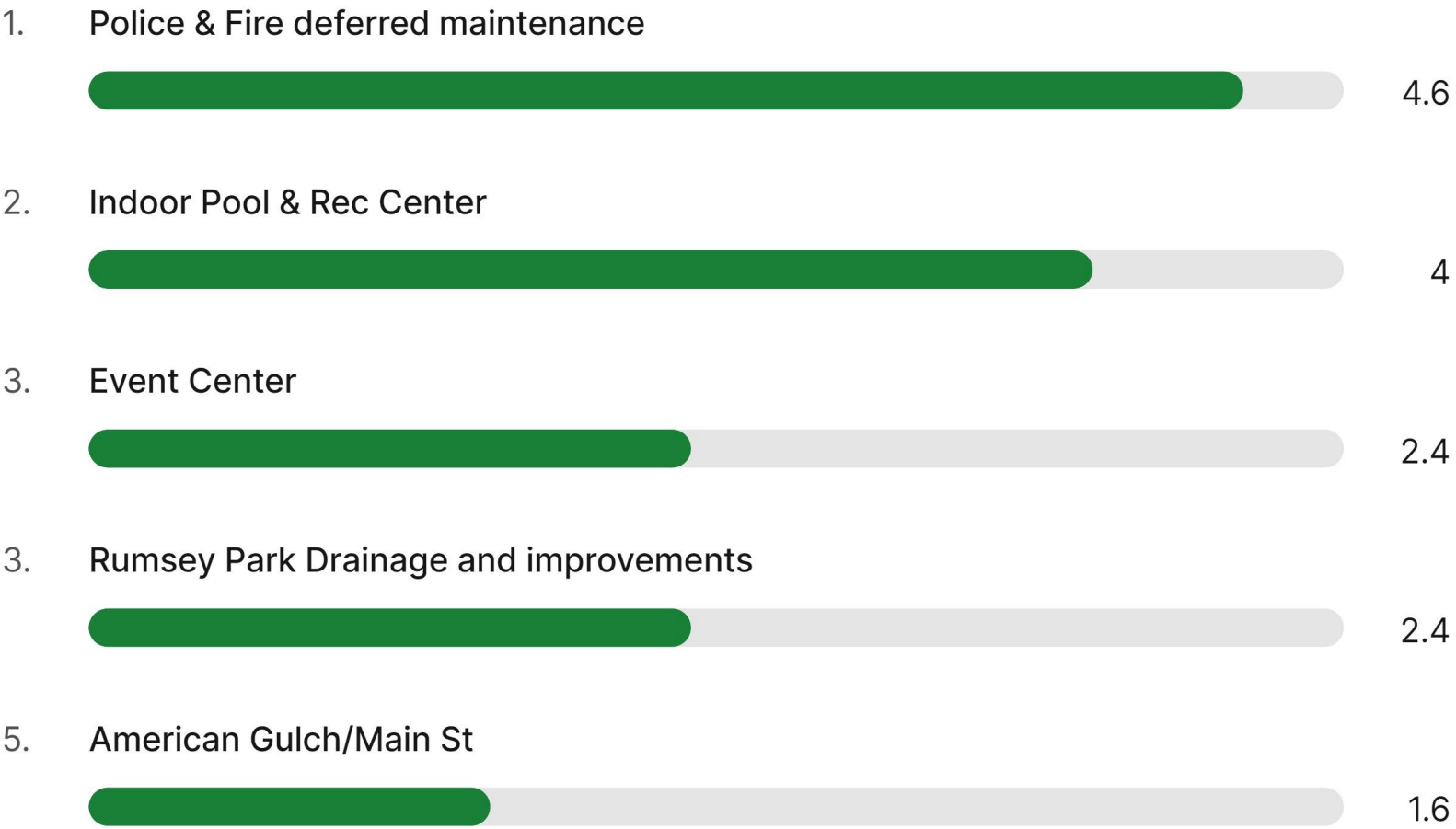






Please rank your highest priority to be funded by a Sale Tax increase. #1 being most important #5 being the least

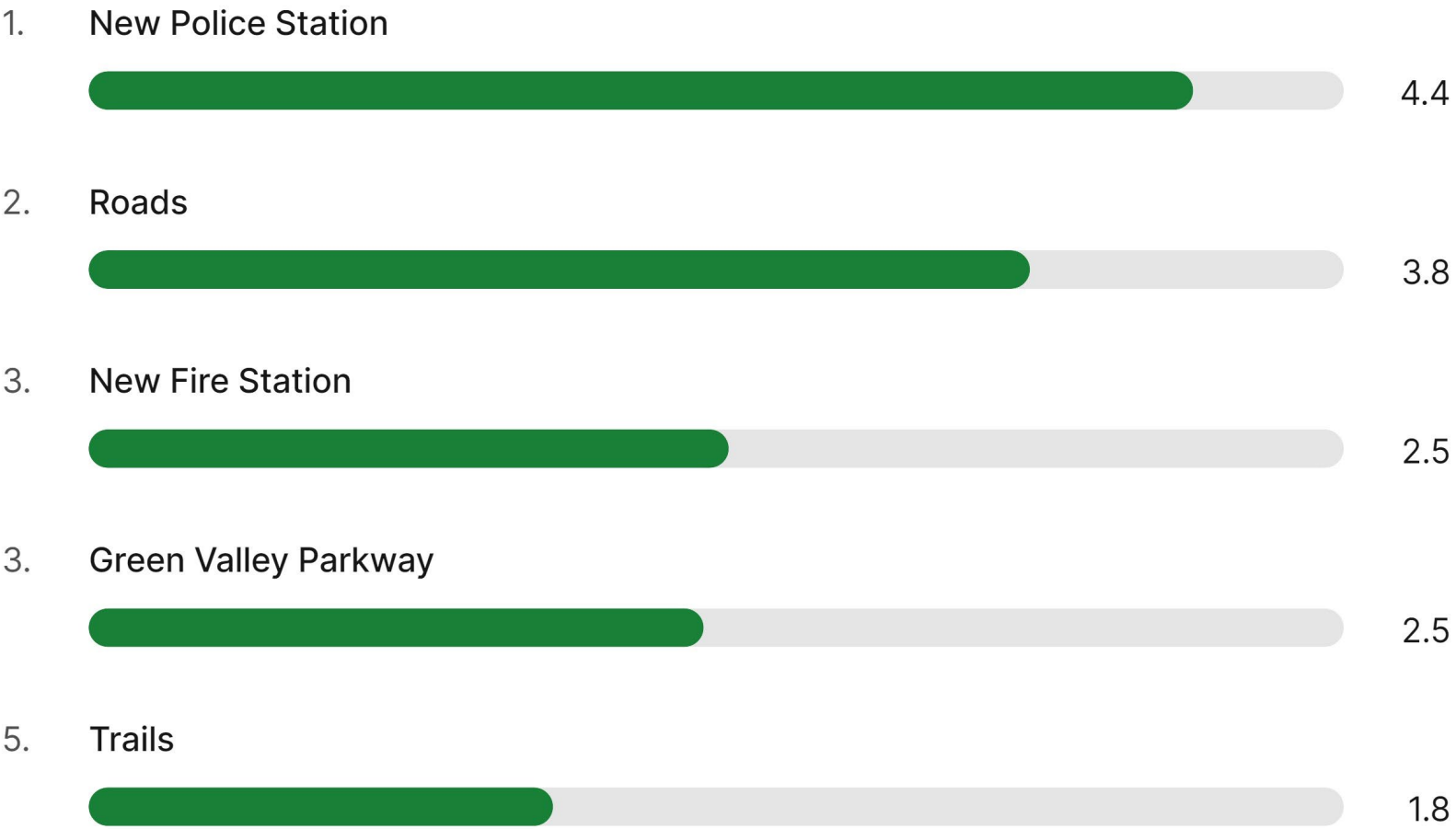
Ranking Poll   13 votes   13 participants





Please rank your highest priority to be funded by General Obligation Bonds. #1 being most important #5 being the least

Ranking Poll   13 votes   13 participants



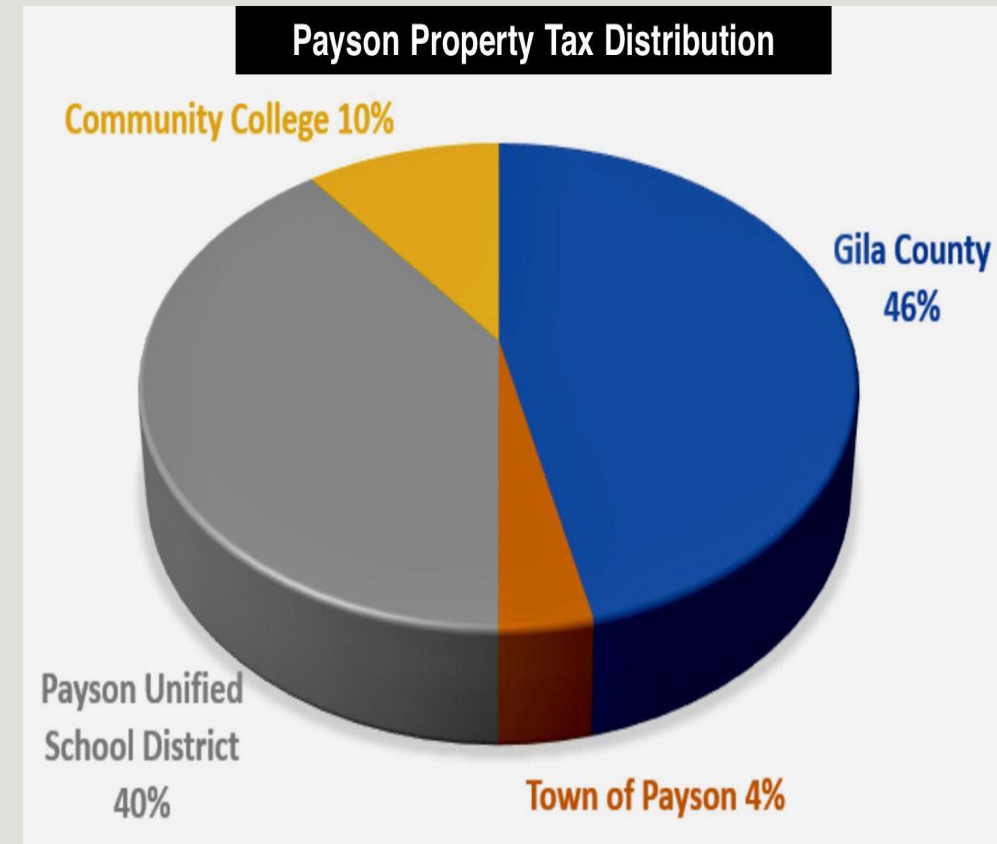
# Town of Payson Income from Taxes

## Sales Tax (Transaction Privilege Tax) Rate is 2.88%:

- Total 21/22 Fiscal Year Sales Tax Revenue was \$15,003,182.00
  - 2017 Increase of .88% scheduled to sunset in 2027; Accounted for \$4,401,091.00 in FY21/22
  - Food for Home Consumption Tax generated \$2,335,585.00 in FY21/22
- Bed Tax of 5% generated \$599,612.00 in FY21/22

## Primary Property Tax Rate is currently .003205% of your property's assessed valuation

- Total FY21/22 Property Tax Revenue was \$692,813.00 calculated on a higher tax rate of .003442%



# Estimated Impact of \$10 Million Bond on Property Valued at \$250,000:

## \$10MM Election – Estimated Cost to Taxpayer

The following tables illustrate the estimated annual and monthly cost to taxpayers, including principal and interest, based on varying types of property, property values and assessed values. To determine your estimated tax increase, refer to your property tax statement which identifies the specific assessed value of your property.

### ESTIMATED AVERAGE ANNUAL BOND TAX RATE PER \$100 OF ASSESSED VALUATION: \$0.2676

RESIDENTIAL PROPERTY (Assessed at 10.0%)			
Value for Tax Purposes (a)	Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
<b>\$204,962</b> (c)	<b>\$20,496</b> (c)	<b>\$54.85</b>	<b>\$4.57</b>
100,000	10,000	26.76	2.23

*The tax impact over the term of the bonds on an owner-occupied residence valued by the County Assessor at \$250,000 is estimated to be \$73.20 per year for 20 years or \$1,464.05 total cost. (d)*

COMMERCIAL PROPERTY (Assessed at 16.0%)			
Value for Tax Purposes (a)	Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
<b>\$476,370</b> (c)	<b>\$76,219</b> (c)	<b>\$203.98</b>	<b>\$17.00</b>
1,000,000	160,000	428.20	35.68

*The tax impact over the term of the bonds on an commercial property valued by the County Assessor at \$1,000,000 is estimated to be \$483.14 per year for 20 years or \$9,662.73 total cost. (d)*

AGRICULTURAL AND OTHER VACANT PROPERTY (Assessed at 15.0%)			
Value for Tax Purposes (a)	Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
<b>\$43,271</b> (c)	<b>\$6,491</b> (c)	<b>\$17.37</b>	<b>\$1.45</b>
100,000	15,000	40.14	3.35

*The tax impact over the term of the bonds on an agricultural and vacant property valued by the County Assessor at \$100,000 is estimated to be \$43.92 per year for 20 years or \$878.43 total cost. (d)*

*Note: The information in this analysis is not intended to be used as the primary basis for determining an issuer's bonding capacity, tax rate or ability to sell bonds. This analysis is based on assumptions provided by sources considered to be reliable, including the issuer, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change. See applicable footnotes on the following slide.*

# CIPCAC FINANCE ESTIMATES



General Obligation Bonds (Positive Vote Needed by the Public)

Estimate - Affected by Interest Rates (Secondary Property Tax)

Based on a \$250,000 property value from Gila County assessor

Value required for Voter Pamphlets.

(Average owner-occupied property in Payson is \$205,000 of net limited assessed property value)

Resident property owner would pay

\$10 million Bond debt	\$ 73	per year		
\$15 Million Bond debt	\$ 110	Annually		
\$20 Million	\$ 146	Annually		
\$30 Million	\$ 220	Annually	\$18.33/Monthly	\$.60 /per day
\$40 Million	\$ 293	Annually		
\$45 Million	\$ 330	Annually		

Primary Tax increase could generate \$200,000 annually.



# Property Tax



Tax Billed at 2022 Rates for Tax Area 1053 - District 1053

Authority	Tax Rate	Amount
Fire District Assistance Fu	0.0010000000	\$15.95
Gila County Library Distric	0.0024250000	\$38.69
Green Valley Water	0.0180000000	\$287.17
NAVIT	0.0005000000	\$7.98
SD #10 Budget Overrides	0.0052590000	\$83.90
SD #10 Class A Bonds	0.0107000000	\$170.71
Taxes Billed 2022	0.0378840000	\$604.40

*FULL CASH VALUE*

Values	Actual	Assessed
PRIMARY RESIDENCE <i>LAND</i>	\$37,872	\$3,787
PRIMARY RESIDENCE <i>IMPROVEMENT</i>	\$143,750	\$14,375
Total	\$181,622	\$18,162

Tax Billed at 2022 Rates for Tax Area 1053 - District 1053

Authority	Tax Rate	Amount
SD #10 Payson	0.0171330000	(\$273.34)
Taxes Billed 2022	0.0171330000	(\$273.34)

Values	Actual	Assessed
Total	\$0	\$0

Tax Billed at 2022 Rates for Tax Area 1053 - District 1053

Authority	Tax Rate	Amount
Gila County	0.0419000000	\$668.47
<u>Town of Payson</u>	<u>0.0032050000</u>	<u>\$51.13</u>
SD #10 Payson	0.0356490000	\$568.75
Community College	0.0094250000	\$150.37
Taxes Billed 2022	0.0901790000	\$1,438.72

*LIMITED PROPERTY VALUE*

Values	Actual	Assessed
PRIMARY RESIDENCE <i>LAND</i>	\$33,266	\$3,327
PRIMARY RESIDENCE <i>IMPROVEMENT</i>	\$126,266	\$12,627
Total	\$159,532	\$15,954

Limited Property  
Value=\$159,532.00

10% of the LPV is  
what property tax is  
assessed against:  
\$15,954.00

\$15,954.00

X .003205

\$51.13257



## General Obligation Bond Projects

	Project Cost	Running Total
New Police Station	\$15 M	
		\$ 15 M
Road Improvements	\$5 M Annually	
	x 3 years \$15 M	\$ 30 M
Fire Combined Station	\$15 M	\$ 45 M
Green Valley Parkway	\$ 15 M	\$ 60 M
Trails (Trailheads)	\$ .5 M	
	x 2 \$1 M	\$ 61 M

## Recommendations:

- The committee recommended that at least projects i and ii receive consideration for a future GO Bond Proposal (\$ 30 – 40 million)





**Where the  
Sales Tax  
Goes from  
Purchases  
Made in  
Payson**

**2.88% Town of Payson**

**1.00% Gila County**

**5.60% State of Arizona**

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**9.48% Total Sales Tax**





# CIPCAC FINANCE CONTINUED

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Excise Sales Tax (Positive Vote by Town Council or refer to Voters)

Current Sales Tax in Payson 9.48% Payson Town Tax 2.88%  
.88% expires in 2027

2.88% generates \$16 million annually Estimates.

Local Sales Tax affected by Economy...

\$10 million Bond would create a \$750,000 annual debt payment

\$20 million Bond would create a \$1,500,000 annual debt payment

\$40 million bond would create a \$3,000,000 annual debt payment

\$60 million bond would create a \$4,500,000 annual debt payment

# CIPCAC FINANCE CONTINUED

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1%	increase would generate	\$5.5 million annually
.5%	increase would generate	\$2.75 million
.25%	increase would generate	\$1.375 million
.125%	increase would generate	\$687,500
.10%	increase would generate	\$550,000

(Would need to also consider operating and maintenance expenses)

.15%	generate \$10 million bond...	\$750,000 annual debt plus operating exp.
.30%	generate \$20 million bond...	\$1.5 million debt plus operating expenses.
.60%	generate \$40 million bond....	\$3.0 million debt plus operating expenses
.75%	generate \$50 million bond...	\$3.750 million debt plus operating exp
.90%	generate \$60 million bond....	\$4.5 million debt plus operating exp

Sales Tax Increase Projects							
			<u>Project Cost</u>	<u>Running Total</u>			
Police and			\$650,000				
Fire Deferred Maintenance			\$ 2.4 M				
				\$ 3 MILLION			
Aquatic Center			\$ 15 – 18 M				
and Rec center			\$ 11 M				
				\$ 29 – 32 M			
Land Acquisition			(\$ 10 M ???	(\$ 39 – 42 M)			
Event Center			\$ 6 M				
				\$ 35 – 38 M			
Rumsey Park			\$1.5 – 2.3 M	\$2. 5 - 5 M			
Drainage Improvements				\$ 39 – 45 M			
American Gulch			\$ 5 M	\$ 44 – 50 M			
				(\$54- 60 M)			

# Tax Comparisons – Sales Tax & Food Tax

Community	2021 Pop.	Base Tax rate	21/22 Tax	Tax per capita	FHC
Kingman	33,822	2.50%	28.1M	\$832	0.00%
Florence	26,205	2.00%	\$8.9M	\$339	2.00%
Fountain Hills	23,819	2.90%	\$17.7M	\$741	2.90%
Nogales	19,766	2.00%	\$10.4M	\$526	2.00%
Eloy	14,450	3.00%	\$9.2M	\$596	2.00%
Somerton	14,311	3.30%	\$2.8M	\$196	3.30%
Douglas	16,513	3.80%	\$9.2M	\$442	3.80%
Payson	16,516	2.88%	\$15.0M	\$908	2.88%
Paradise Valley	12,682	2.50%	\$30.5M	\$2,401	2.50%
Coolidge	14,709	3.00%	\$13.3M	\$906	3.00%
Chino Valley	12,375	4.00%	\$10.4M	\$774	4.00%
Cottonwood	12,440	3.50%	\$24.5M	\$1,969	3.50%
Show Low	11,967	2.00%	\$16.9M	\$1,416	2.00%
Camp Verde	12,244	3.65%	\$7.0M	\$572	0.00%
Sedona	9,763	3.50%	\$41.7M	\$4,271	0.00%

Community	20/21 Pop.	Base Sales Tax	21/22 Tax	Tax per capita	FHC
Safford	10,269	2.50%	S	X \$799	2.50%
Winslow	9,943	3.00%		\$726	3.00%
Wickenburg	7,695	2.20%		\$1,162	2.20%
Page	7,375	3.00%		\$1,845	3.00%
Tolleson	7,295	2.50%	\$44.6M	\$6,112	2.50%
Globe	7,162	3.30%	\$5.9M	\$826	2.30%
Youngtown	7,012	3.00%	\$2.1M	\$303	3.00%
Litchfield Park	6,942	2.80%	\$9.5M	\$1,372	2.80%
Snowflake	6,364	3.00%	\$2.5M	\$395	3.00%
Benson	5,355	3.50%	\$6.4M	\$1,190	3.50%
Guadalupe	5,307	4.00%	\$3.2M	\$604	4.00%
Cave Creek	5,015	3.00%	\$10.8M	\$2,160	3.00%
South Tucson	4,585	5.00%	\$3.8M	\$835	1.50%
Bisbee	4,911	3.50%	\$3.4M	\$701	3.50%
Thatcher	5,310	2.50%	\$4.9M	\$923	2.50%
Holbrook	4,842	3.00%	\$3.8M	\$785	3.00%
Average		3.04%		\$1,214	2.52%

# Tax Comparisons – Sales Tax & Property Tax

Community	2021 Pop.	Base Tax rate	County/State Tax	Bed Tax	Property Tax
Kingman	33,822	2.50%	5.60%	4.00%	0
Florence	26,205	2.00%	6.70%	2.00%	1.060
Fountain Hills	23,819	2.90%	6.30%	4.00%	0
Nogales	19,766	2.00%	6.60%	4.00%	0
Eloy	14,450	3.00%	6.70%	4.00%	1.0566
Somerton	14,311	3.30%	6.712%	0.00%	1.6087
Douglas	16,513	3.80%	6.10%	4.00%	1.1591
Payson	16,516	2.88%	6.60%	5.00%	0.3328
Paradise Valley	12,682	2.50%	6.30%	3.40%	0
Coolidge	14,709	3.00%	6.70%	3.00%	1.7042/.2201
Chino Valley	12,375	4.00%	6.35%	4.00%	0
Cottonwood	12,440	3.50%	6.35%	3.50%	0
Show Low	11,967	2.00%	6.43%	0.00%	0
Camp Verde	12,244	3.65%	6.35%	3.00%	0
Sedona	9,763	3.50%	6.35/6.10%	3.50%	0

Community	2021 Pop.	Base Tax rate	County/State Tax	Bed Tax	Property Tax
Safford	10,269	2.50%	6.60	5.00	.5135
			%	%	
Winslow	9,943	3.00%	6.43%	2.00%	1.3625
Wickenburg	7,695	2.20%	6.30/6.35%	3.00%	.50
Page	7,375	3.00%	2.60%	4.263%	0
Tolleson	7,295	2.50%	6.30%	2.00%	1.6551/1.0925
Globe	7,162	3.30%	6.60%	3.00%	1.2618
Youngtown	7,012	3.00%	6.30%	2.00%	0
Litchfield Park	6,942	2.80%	6.30%	1.00%	0
Snowflake	6,364	3.00%	6.43%	4.00%	0
Benson	5,355	3.50%	6.10%	2.00%	.9096
Guadalupe	5,307	4.00%	6.30%	6.00%	0
Cave Creek	5,015	3.00%	6.30%	4.00%	0
South Tucson	4,585	5.00%	6.10%	2.00%	.2370
Bisbee	4,911	3.50%	6.10%	5.00%	3.0503
Thatcher	5,310	2.50%	6.60%	3.00%	0
Holbrook	4,842	3.00%	6.43%	2.00%	.4866
Average		3.04%		3.05%	



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Sales Tax Rates in Arizona

	<u>Total Local Sales Tax</u>	<u>Payson Sales Tax</u>		
Payson	9.48%	2.88%		
<u>Cities higher than Payson</u>				
1. Apache Junction	9.60%		14. Camp Verde	10% (3.65%)
2. Benson			15. Somerton	10.01%
3. Bisbee		(3.50%)	16. Quartzsite	10.10%
4. Hayden			17. Winkelman	(3.50%)
5. Parker			18. Coolidge	10.20%
6. Patagonia			19. Eloy	
7. Tombstone			20. Guadalupe	10.30% (4.00%)
8. Gila bend	9.80%(3.50%)		21. Chino Valley	10.35%(4.00%)
9. Cottonwood	9.85%(3.50%)		22. Williams	10.40%(3.50%)
10. Jerome			23. San Luis	10.71% (4.00%)
11. Sedona			24. Fredonia	10.90% (4.00%)
12. Douglas	9.90%		25. South Tucson	11.10%(5.00%)
13. Page			26. Kearny	11.20% (4.00%)
			27.Mammoth	4.00%
			28. Superior	(4.00%)

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## Recommendations Cont'd



The committee recommends a 1% increase in the TPT sales tax to fund all the above stated projects (with bonding capacity for \$50 - \$60 million) and necessary Operating and Maintenance Expenses of these projects.

# Recommendations Cont'd



The committee recommended to preserve the .88% tax and not to let it sunset.

The committee recommend that the Council continue to push out the message started and to educate the public to head off the push back there was to raising taxes.

# Recommendations Cont'd



The committee encouraged the Council review the maximum property tax levy increase allowable annually and to hold a truth in taxation hearing if necessary to achieve the maximum rate increase, to fund ongoing maintenance and upkeep of existing Town assets.

Additionally as new facilities are implemented and fees and user charges are created to offset operating expenses, the Town should charge higher fees for nonresident usage of these facilities.



## From Resolution 3319:

The Committee will end when it makes its final recommendations to the Town Council, unless the term is extended by the Town Council for a specific purpose;



# Questions/Feedback