A Fiscal Impact Analysis of the Proposed Angle Homes Development in Golden Valley, Arizona: A Comprehensive Assessment for the Mohave County Board of Supervisors

Section 1: Introduction and Development Context

This report presents a comprehensive fiscal impact analysis of the proposed construction of 3,000 to 4,000 new single-family homes in Golden Valley, an unincorporated area of Mohave County, Arizona. The analysis examines the projected revenues that would accrue to the county and contrasts them with the estimated capital and operational expenditures required to provide essential public services to a development of this magnitude. The central thesis of this report is that while large-scale residential development may present a superficial increase to the local tax base, a rigorous and fact-based analysis demonstrates that the associated costs to public infrastructure and services will substantially outweigh the revenues, resulting in a significant and permanent net fiscal deficit for Mohave County. This deficit would inevitably be borne by existing taxpayers through increased tax levies, diminished services, or both. This analysis is grounded in established public finance methodologies and utilizes data specific to Mohave County and the State of Arizona to provide the Board of Supervisors with a clear and objective assessment of the long-term consequences of this proposal.

1.1 The Proposal: An Urban-Scale Development in a Rural Setting

The development in question is proposed by Angle Homes, Inc., a homebuilder with a significant and long-standing presence in Mohave County.[1] Since its establishment in 1996, Angle Homes has completed over 2,000 homes and currently manages at least 10 active communities, primarily concentrated in the Kingman, Fort Mohave, and Yucca areas.[1] The company has established itself as the largest residential developer

in Mohave County, focusing on a business model that involves building on unincorporated county land.[5] While the company has a long track record and receives positive customer testimonials, it is noteworthy that it is not accredited by the Better Business Bureau.[6]

The current proposal for 3,000 to 4,000 homes in Golden Valley represents a radical departure from the company's historical scale of operations. A single development of this size would, at its midpoint of 3,500 homes, nearly double the total number of homes the company has built in its entire 27-plus-year history.[2] This is not an incremental expansion of an existing community but the creation of an entirely new town, with an estimated population between 7,500 and 10,000 residents, superimposed onto a sparsely populated rural landscape.

The business model employed by the developer is a critical factor in this analysis. By focusing on unincorporated county land, the developer benefits from lower land costs and a less complex regulatory environment compared to building within an incorporated city's limits. However, this strategy effectively externalizes the immense cost of providing urban-level services and infrastructure onto the county government. The developer realizes the profit from the sale of the homes, while Mohave County and its taxpayers are left with the perpetual responsibility of funding and maintaining the roads, schools, public safety, and utilities required to support the new population. This proposal, therefore, is not merely a request to build homes; it is an implicit request for a massive public subsidy to create the infrastructure necessary for the development to be viable.

1.2 The Setting: Golden Valley, Mohave County

Golden Valley is a census-designated place in Mohave County characterized by its rural nature and dispersed population. The current real estate market reflects this character, with data from June 2025 indicating it is a "Buyer's Market," where homes tend to stay on the market longer.[8] The median sold price is approximately $273,950, and a significant portion of listings are for undeveloped land, underscoring the area's sparse settlement pattern.[8]

The most critical aspect of Golden Valley's location, from a regulatory and fiscal standpoint, is that it lies outside of any of Arizona's seven Active Management Areas (AMAs).[11] AMAs are regions with historically heavy groundwater use where the state

imposes strict water management and conservation regulations, including the "Assured Water Supply" program. Because Mohave County has no AMAs, development is governed by the less stringent "Adequate Water Supply" program.[11] This distinction is the central vulnerability that makes a development of this scale both possible for the developer and fiscally perilous for the county. As will be detailed in Section 3, this regulatory loophole allows for large-scale development to proceed without the rigorous, upfront proof of a sustainable, long-term water source that would be required in more regulated parts of the state.

1.3 The Central Thesis: Beyond the $10 Million Tax Base Illusion

The proponent's initial claim of a $10 million addition to the county's tax base serves as the catalyst for this analysis. While any increase in revenue appears beneficial at first glance, this figure represents a dangerously incomplete and misleading picture of the development's true fiscal impact. The foundational principle of sound public finance is to weigh not just revenues, but also the costs incurred to generate those revenues.

This report will apply the established framework of Cost of Community Services (COCS) analysis, a methodology used for decades to evaluate the fiscal effects of different land uses.[14] Numerous studies conducted across the country have consistently shown that sprawling, low-density residential development rarely generates enough tax revenue to cover the full cost of the public services it demands, such as education, public safety, and road maintenance. In contrast, commercial, industrial, and agricultural lands often generate a fiscal surplus, subsidizing the deficit created by residential areas.[16]

The core argument of this report is that the Angle Homes proposal for Golden Valley is a textbook example of a development that will generate a substantial and permanent fiscal deficit for Mohave County. The initial, one-time revenues from construction will be quickly dwarfed by the massive capital expenditures required to build urban infrastructure from scratch and the perpetual, compounding operational costs needed to serve a new population of thousands. This report will systematically dissect the revenue and expenditure sides of the ledger to provide the Board of Supervisors with the data necessary to look beyond the illusion of the initial tax base and understand the true, long-term fiscal consequences of this proposal.

Section 2: The Revenue Side of the Ledger: A Realistic Projection

To accurately assess the fiscal impact of the proposed development, it is essential to first establish a realistic projection of the revenues Mohave County can expect to receive. This section deconstructs the developer's initial claims by applying Arizona's specific property tax laws and Mohave County's tax rates to the proposal. While the analysis reveals that the potential direct property tax revenue is higher than the developer's initial estimate, it also establishes the structural inadequacy of this revenue stream to cover the forthcoming service demands and addresses the likely impact on the tax bills of existing residents.

2.1 Direct Property Tax Revenue: A Calculation Based on Facts

Property taxes in Arizona are calculated using a multi-step process. The value of a property for tax purposes is its Limited Property Value (LPV), which is legally capped to prevent increases of more than 5% per year, providing a buffer against sharp market value spikes. This LPV is then multiplied by an assessment ratio, which is set at 10% for owner-occupied residential properties, to determine the assessed value. Finally, this assessed value is multiplied by the combined tax rate for the specific location, which includes levies from the county, school districts, fire districts, and other special taxing jurisdictions.[18]

Mohave County is characterized by some of the lowest property taxes in the state and the nation. Various sources place the county's average effective property tax rate between 0.44% and 0.70%.[19] For the specific community of Golden Valley, the median effective property tax rate is 0.64%, which results in a median annual tax bill for existing homes of just $573.[21]

Using these official figures, a realistic projection of annual property tax revenue from the proposed development at full build-out can be calculated. This projection uses the median of the proposed home range (3,500 homes) and a conservative median home value of $300,000, which is slightly above the current median sold price in Golden Valley to account for new construction values.[8]

- **Total New Market Value:** 3,500 homes × $300,000 per home = $1,050,000,000
- **Projected Annual Property Tax Revenue:** $1,050,000,000 × 0.0064 (Golden Valley's median effective rate) = **$6,720,000**

This calculation demonstrates that the developer's initial claim of a $10 million tax base increase is a significant overstatement. However, this report will demonstrate in subsequent sections that this more realistic $6.72 million annual revenue figure is grossly insufficient to cover the costs the development will impose on the county.

2.2 Ancillary and One-Time Revenues

In addition to recurring property taxes, the development will generate ancillary and one-time revenues, primarily during the construction phase. These include sales taxes on construction materials and county-levied permit fees for building, septic systems, and other required inspections. An economic impact study conducted by Elliott D. Pollack & Company for development within Arizona's AMAs highlights that such revenues can be substantial.[22]

However, it is fiscally imprudent to conflate these non-recurring revenues with the long-term financial health of the county. These one-time funds are useful for offsetting a small fraction of the initial capital costs associated with the development, but they provide no solution for the permanent, annually recurring operational and maintenance costs that the new infrastructure and population will generate for decades to come. Once construction is complete, this revenue stream ceases, while the demand for public services—and the cost to provide them—becomes a permanent new liability on the county's budget.

2.3 The Impact on Existing Homeowners' Property Taxes

A critical question for current residents and for the Board of Supervisors is whether this development will cause property taxes for existing homeowners to increase. The evidence from historical trends and the mechanics of Arizona's tax laws strongly suggests that an increase is not only likely, but fiscally inevitable.

The concept of "Truth in Taxation," as codified in Arizona law, is illustrative. A government entity must hold a public hearing and formally notify taxpayers of a tax increase if its proposed primary property tax levy—the total dollar amount to be collected—is higher than the previous year's, even if the tax *rate* remains the same or is reduced.[23] This is precisely the scenario that Golden Valley would face. As the county's expenditures rise to cover the millions of dollars in new annual operating costs for schools, fire protection, and law enforcement detailed in the next section, the total tax levy required to fund the county budget must also rise.

This increased levy is spread across the entire tax base, new and old properties alike. Because, as this report will show, the new homes will not generate enough revenue to cover their own service costs, the resulting deficit must be subsidized by the existing tax base. Numerous fiscal impact studies have confirmed this dynamic: large-scale residential development, particularly single-family homes, consistently demands more in public services than it contributes in revenue, thereby increasing the tax burden on the community as a whole.[17] Therefore, existing residents of Golden Valley and Mohave County should expect their property tax bills to rise to help subsidize the services required by the 4,000 new homes.

The county's low property tax rate, while appealing to residents, is in this context a profound fiscal vulnerability. The median tax bill of $573 per home in Golden Valley is structurally incapable of funding the per-household cost of urban-level services.[21] For example, the cost to educate a single new student can be thousands of dollars, and the average new home will generate approximately 0.5 students. This single service cost could consume the entire property tax payment from that household, leaving nothing for fire, police, roads, and other essential functions. This structural imbalance means that every new home built under this proposal creates an immediate and permanent operating deficit for the county. To close this gap, the Board of Supervisors would be left with only two politically and socially untenable options: drastically increase the tax levy on all residents or implement severe cuts to the quality and availability of services for everyone in the county.

Section 3: The Expenditure Side of the Ledger: The True Costs of Growth

This section forms the core of the fiscal analysis, providing a detailed, data-driven

examination of the expenditures Mohave County would be forced to undertake to support the proposed development. The analysis demonstrates that the project does not trigger incremental cost increases but rather a "step-change" in the required level of public service, forcing a transition from a rural service model to an urban one. This transition necessitates massive, non-linear capital investments and creates permanent, multi-million-dollar annual operating liabilities across every major public sector.

3.1 Water: The Specter of Rio Verde Foothills

Current Situation: Mohave County's water supply is sourced primarily from groundwater (61%) drawn from 13 different basins.[11] Golden Valley is situated over the Sacramento Valley groundwater basin, which is the source for the area's wells, including those operated by the Valley Pioneers Water Company.[26] The service area and capacity of this private water company are limited and not publicly documented, meaning it cannot be assumed to have the resources to serve a 4,000-home development.[26] Critically, because Mohave County is not in an Active Management Area (AMA), its groundwater withdrawals are largely unregulated, a condition that has already led to documented groundwater level declines in nearby basins like the Hualapai Valley.[11]

Regulatory Failure Point: The absence of an AMA means developers are subject only to the state's "Adequate Water Supply" rules, not the more stringent "Assured Water Supply" rules.[13] Under the "Adequate" standard, a developer must demonstrate a 100-year supply, but if the supply is later found to be inadequate, the primary legal requirement is merely to disclose this fact to potential homebuyers.[13] This regulation does not obligate the developer to secure a permanent solution, effectively transferring the risk of water scarcity to the homeowners and, ultimately, to the county. This creates a scenario ripe for the development of "wildcat subdivisions," where land is developed without a truly secure, long-term water source.[30]

The Cautionary Tale of Rio Verde Foothills: The potential consequences of this regulatory framework are not hypothetical. The 2023 water crisis in Rio Verde Foothills, a rural community near Scottsdale, provides a stark and direct real-world precedent. Like Golden Valley, Rio Verde Foothills developed outside an AMA and came to rely on water hauled from a nearby city. When Scottsdale, facing its own drought-related pressures, cut off this supply, the community of 2,000 people was

left without a reliable source of water, forcing a state-level intervention. The eventual solution was a $12 million infrastructure project, the costs of which will be borne by residents through water bills projected to double or triple.[30] This is the foreseeable future for a massive development in Golden Valley that proceeds without a dedicated, physically proven, and legally secured water source.

Cost Implication: The developer has not presented a plan for a sustainable water source capable of serving up to 10,000 new residents. The burden of identifying, developing, and funding this source—whether through new deep wells, treatment facilities, storage tanks, or extensive distribution pipelines—will inevitably fall to a future utility district, the county, or the homeowners themselves. This represents a massive, unquantified financial liability and a significant systemic risk that the county would be forced to manage after the homes are already built.

3.2 Wastewater: From Septic Fields to a Multi-Million Dollar Plant

Current Situation: Golden Valley is almost entirely dependent on individual on-site wastewater systems, commonly known as septic tanks.[31] Mohave County's role is limited to permitting and inspection of these individual systems; there is no municipal sewer system or large-scale public wastewater treatment facility in the community.[31] The existing Shipp Estates Wastewater Treatment Plant is a small, private facility engineered to serve a single, specific subdivision and lacks the capacity to serve any portion of the proposed development.[34]

The Impossibility of Scale: The notion of installing 3,000 to 4,000 new septic systems in a concentrated subdivision is environmentally and logistically untenable. Such a high density of septic fields would pose a severe and unacceptable risk of contaminating the Sacramento Valley groundwater basin with nitrates and other pollutants—the very aquifer the community would rely on for its drinking water.[31] A development of this density and scale mandates the construction of a centralized wastewater treatment plant (WWTP) and a comprehensive sewer collection system.

Cost Analysis:
A conservative estimate of the population and wastewater flow is necessary to project costs.

- **New Population:** 3,500 homes × 2.5 residents per home (U.S. average) = 8,750 new residents.
- **Wastewater Flow Estimate:** Using a standard engineering metric of 100 gallons

per capita per day, the plant must be able to treat: 8,750 people × 100 gallons/day = 875,000 gallons per day, or 0.875 Million Gallons per Day (MGD).[36]

- **WWTP Capital Cost:** Industry cost models for WWTP construction vary, but a common benchmark is $12 million per MGD of capacity.[37] Based on this, the plant alone would cost approximately **$10.5 million**. However, analyses of other projects suggest this is a low-end estimate. Depending on the required treatment technology (e.g., for nutrient removal) and local construction costs, the final price could be significantly higher, with some estimates ranging from $5 million to $9 million per MGD, putting the potential cost between $20 million and $40 million. Some complex projects can cost even more.[37]
- **Collection System Cost:** The cost of the treatment plant is often only a fraction of the total project cost. A network of many miles of new sewer mains, manholes, and lift stations would need to be constructed to connect all 4,000 homes to the plant. This collection system could easily cost an additional **$40 million to $60 million**, or more.
- **Total Capital Cost:** A conservative estimate for a complete wastewater system (plant and collection) would be in the range of **$50 million to $70 million**.
- **Annual Operational Costs:** Operating a WWTP is a significant recurring expense. A small plant serving just 100 homes can have annual costs of $50,000 to $70,000 for labor, chemicals, sludge disposal, and permits.[39] A 0.875 MGD plant would require multiple full-time licensed operators and substantial inputs, leading to estimated annual operational costs of **$1.5 million or more**.

This entire multi-million-dollar capital and operational liability is currently unfunded and unaddressed by the developer's proposal.

3.3 Education: Overwhelming the Kingman Unified School District (KUSD)

Current Situation: Golden Valley is served by the Kingman Unified School District (KUSD), which in 2024 enrolled approximately 7,263 students across its 13 schools.[40] The district maintains a student-teacher ratio of about 22-to-1 and has an open enrollment policy that allows students to attend schools outside their assigned zone, but this is strictly contingent on available capacity at the school, grade-level, and program.[42] A review of publicly available KUSD board meeting agendas and minutes reveals no discussion, planning, or preparation for a massive influx of students from a

single development in Golden Valley.[44] Furthermore, the district does not have a public-facing long-range facilities plan that anticipates or provides for growth on this scale.[49]

New Student Projection: Using a conservative student generation rate of 0.5 students per new single-family home (a standard multiplier in fiscal impact studies), the development would add:

- 3,500 homes × 0.5 students per home = **1,750 new students**.

This single development would increase KUSD's total student population by approximately **24%**. Such a concentrated influx would completely overwhelm the capacity of existing schools in and near Golden Valley, making the construction of new schools an absolute necessity.

Capital Costs (New Schools):
To accommodate 1,750 new students, the district would need to construct at least two new schools, likely a large K-6 elementary school and a new middle school. Costs are estimated using the official per-square-foot funding formulas published by the Arizona School Facilities Division (SFD) for new rural school construction, as of December 2024.53

- **New Elementary School (K-6):**
  - Size: 750 students × 90 sq. ft. per student = 67,500 sq. ft.
  - Cost: 67,500 sq. ft. × $359.14 per sq. ft. = **$24,241,950**.[53]
- **New Middle School (7-8):**
  - Size: 600 students × 100 sq. ft. per student = 60,000 sq. ft.
  - Cost: 60,000 sq. ft. × $379.17 per sq. ft. = **$22,750,200**.[53]
- **Total Capital Cost for New Schools:** The combined construction cost would be approximately **$47 million**. This figure does not include the significant additional cost of land acquisition, which the state also typically funds and can add millions to a project's total cost.[54]

Annual Operational Costs:
The new schools would also create a massive new recurring operational burden on the district's budget.

- **New Teachers:** 1,750 new students ÷ 22 students per teacher = **~80 new teachers**.
- **Annual Teacher Salaries:** 80 teachers × $57,928 (KUSD average salary for FY 2025) = **$4,634,240**.[42]
- **Total Annual Operational Costs:** The salary figure does not include the cost of benefits, which can add another 25-30%. Furthermore, the district would need to hire new principals, administrative staff, custodians, bus drivers, and support

personnel. When including transportation, utilities, supplies, and maintenance, the total new annual operating cost for these schools would likely exceed **$7 million**.

3.4 Fire & Emergency Medical Services: Stretching the Golden Valley Fire District (GVFD) to its Breaking Point

Current Situation: The Golden Valley Fire District (GVFD) is a small department tasked with an enormous responsibility. It provides all-hazards emergency services to a vast 420-square-mile territory from just three fire stations, only two of which are staffed 24/7.[56] The district's entire full-time field staff consists of one Fire Chief, three Captains, and 22 Firefighter/EMTs, for a total of 26 personnel.[57] In 2024, the Kingman dispatch center handled 3,327 calls for the GVFD.[58] Emergency ambulance transport is provided by a separate, private entity, AMR.[59]

Impact of Development: The introduction of 3,000-4,000 new homes and approximately 10,000 new residents into a concentrated portion of the district would be catastrophic for the GVFD's current operational model. Call volume would be expected to at least double, and the existing station locations would be unable to provide acceptable emergency response times to the new development while simultaneously maintaining coverage for the rest of their vast district. The development would render the current fire protection and emergency medical response system dangerously inadequate.

Capital Costs (New Stations & Apparatus):
To provide adequate coverage, a minimum of two new, fully staffed and equipped fire stations would be required within or immediately adjacent to the new development.

- **New Station Construction:** Recent fire station construction costs in rural and suburban Arizona range from $1.5 million for a USDA-funded station to $3 million in Wickenburg and $8.6 million in Surprise.[60] Using a conservative mid-range estimate, the cost to design and build two new stations would be approximately **$10 million**.
- **New Apparatus:** Each new station must be equipped with primary apparatus.
    - A new fire engine (pumper) costs upwards of $750,000. For two stations, this is **$1.5 million**.
    - Given the likely lack of a comprehensive fire hydrant system in the development's initial phases, water tenders (tankers) would be essential, adding another $500,000 or more.

    - Total new apparatus costs would be in the range of **$2 million to $3 million**.
- **Total Capital Cost:** The total one-time capital investment required for fire protection would be approximately **$12 million to $13 million**.

Annual Operational Costs (Staffing):
The largest financial impact is the permanent cost of staffing. To staff two new stations 24/7 with a standard three-person crew on each of three shifts requires nine firefighters per station.

- **New Personnel Required:** 2 stations × 9 firefighters/station = **18 new full-time firefighters**.
- This would require nearly doubling the GVFD's current full-time field staff of 22.[57]
- **Annual Staffing Costs:** With salaries, overtime, and benefits, the annual cost for a single firefighter can exceed $100,000. The total new recurring annual operational cost to staff these two stations would be in the range of **$2 million to $2.5 million**.

3.5 Law Enforcement: An Added Strain on the Mohave County Sheriff's Office (MCSO)

Current Situation: As an unincorporated area, Golden Valley relies exclusively on the Mohave County Sheriff's Office (MCSO) for law enforcement services.[63] The MCSO is responsible for patrolling the entirety of the county's vast unincorporated territory. It is critical to note that the Sheriff's 10-Year Strategic Plan, presented to the Board of Supervisors in May 2019, was developed

before this massive development was conceived. That plan already highlighted the growing pressures on the department and the need for budget increases to maintain an adequate level of service and ensure the "safety and security of our communities".[64] The plan specifically identified a growing and diversifying population as a key challenge for which the county lacked sufficient resources.[65]

Impact of Development: The creation of a new, concentrated community of up to 10,000 people will generate a substantial and sustained increase in calls for service. This includes everything from traffic accidents and enforcement on newly crowded roads to property crimes (burglaries, theft), domestic disputes, and other issues inherent to any population center of that size. The current MCSO patrol model for the Golden Valley area would be insufficient to handle this new demand, requiring a

significant and permanent increase in the number of deputies, detectives, and support staff assigned to the region.

Cost Implication: The cost of adding a single new sworn deputy, once salary, benefits, training, vehicle, and equipment are factored in, can easily exceed $150,000 per year. To provide adequate 24/7 patrol coverage and investigative follow-up for a population of 10,000, the MCSO would need to hire numerous new deputies. A conservative estimate would be at least 10-12 additional deputies dedicated to the area, resulting in a new, recurring annual operational cost to the county's general fund of **$1.5 million to $2 million**. This is a new and permanent expense that is not covered by the developer's proposal.

3.6 Roads and Transportation: Paving a Path to Fiscal Ruin

Current Situation: The infrastructure maintained by the Mohave County Public Works Department is predominantly rural in character. Of the 2,094.54 miles of roads in the county's maintenance system, 1,263.14 miles—over 60%—are unpaved gravel or dirt roads.[66] The department's own maintenance newsletters confirm that routine work in Golden Valley consists almost exclusively of "road grading" on dirt roads like Hassayampa Rd., Collins Dr., and Tonto Rd..[67]

The Critical Policy Constraint: The county's ability to upgrade this road network is severely restricted by state law. Arizona Revised Statute § 28-6705 explicitly states that the county can only expend public funds to maintain a road to the standard at which it was originally accepted into the county system. The county cannot use its primary funding source, the Highway User Revenue Fund (HURF), to improve a road—for example, by paving a gravel road—unless that road is formally designated as a County Highway through a petition process that often requires residents to bear the cost.[66] The Public Works Department's mission is clear: "We do not engineer roads only maintain roads".[66]

Impact and Cost: A 4,000-home subdivision will require the construction of dozens, if not hundreds, of miles of new residential streets. These streets must be paved to an urban standard to be functional and safe. While the developer would likely bear the initial construction cost, the county would be forced to accept these new roads into its maintenance system. This would create a massive, permanent liability for the Public Works budget. The costs of routine maintenance (crack sealing, sweeping), periodic

rehabilitation (chip sealing, overlays), and eventual full reconstruction would fall to the county in perpetuity.

This single development would likely add more miles of paved roads to the county's inventory than any project in its history, demanding a disproportionate share of the county's entire HURF-funded road budget. This would inevitably lead to the deferral of critical maintenance on existing roads throughout the rest of Mohave County, degrading the transportation network for all residents. The capital cost to build these roads would be in the tens of millions, and the new annual maintenance liability would easily exceed **$1 million**, further straining a budget that is already stretched thin across a vast and aging network.

The interconnectedness of these service deficiencies creates a cascade of systemic risk. The reliance on a fragile groundwater basin for water is directly threatened by the potential for contamination from thousands of septic systems. The lack of adequate, paved roads will increase response times for fire engines and ambulances, turning routine medical calls into life-threatening emergencies and small fires into major conflagrations. The combined strain on all public services will inevitably degrade the quality of life for both new and existing residents, potentially depressing property values and undermining the very community character that draws people to the area. This proposal does not present isolated challenges to individual departments; it presents a systemic threat to the fiscal stability and public safety of Mohave County.

Section 4: Fiscal Impact Synthesis: A Net-Cost Scenario

This section synthesizes the preceding analyses of revenue and expenditures into a clear, comparative fiscal balance sheet. It moves beyond abstract discussions to present a quantitative summary of the financial reality facing Mohave County if the Angle Homes development proceeds as proposed. The data unequivocally demonstrates that the project's initial, one-time revenues are a fiscal mirage, quickly and overwhelmingly surpassed by enormous capital requirements and permanent, recurring operational costs that will impose a structural deficit on the county budget for decades to come.

4.1 The Comprehensive Balance Sheet: Revenue vs. Expenditures

The most direct method to assess the project's viability is to compare the projected annual revenue with the projected annual costs, while also accounting for the immense one-time capital investments required. The following table summarizes the conservative, data-driven estimates developed in Sections 2 and 3. It provides a stark contrast between the developer's revenue promises and the reality of the county's expenditure obligations.

Public Service Sector	Estimated One-Time Capital Costs	Estimated Annual Operational Costs (at build-out)	Data Sources
Water Infrastructure	*To Be Determined by Developer/Utility*	*To Be Determined by Utility*	[11]
Wastewater (WWTP & Collection)	$50,000,000 - $70,000,000	$1,500,000	[37]
Education (KUSD)	$47,000,000	$7,000,000	[42]
Fire & EMS (GVFD)	$12,000,000	$2,500,000	[57]
Law Enforcement (MCSO)	*Included in Operational*	$2,000,000	[64]
Roads & Transportation	*Dependent on mileage; est. $50,000,000+*	$1,000,000+	[66]
TOTAL ESTIMATED COSTS	**$159,000,000+**	**$14,000,000+**	
PROJECTED ANNUAL REVENUE		**$6,720,000**	[21]
NET ANNUAL OPERATING DEFICIT		**($7,280,000)**	

As the table clearly indicates, the development is projected to create a net annual operating deficit of over **$7.2 million**. This means that for every year the development exists, Mohave County will need to find more than $7 million from other sources simply

to maintain a baseline level of service for the new residents, without even beginning to pay for the initial capital investment.

The one-time capital costs are equally staggering. At a minimum, the county and its related districts would need to find sources for over **$159 million** in new capital to build the necessary schools, fire stations, wastewater systems, and roads. The one-time revenues from construction permits and sales taxes would cover only a tiny fraction of this amount. This capital shortfall represents a debt that would burden the county's finances for generations.

4.2 Short-Term Gains vs. Long-Term Liabilities: A 10-Year Projection

To illustrate the long-term nature of this fiscal deficit, the following table presents a simplified 10-year cash flow projection. This model assumes a five-year build-out period for the development, during which one-time revenues are collected and capital expenditures are made. From Year 6 onward, the projection shows the permanent state of affairs: stable recurring revenues pitted against ever-present operational costs.

Net Fiscal Impact Summary: A 10-Year Projection (in Millions of Dollars)

Fiscal Year	1	2	3	4	5	6	7	8	9	10
Revenues										
One-Time (Permits, etc.)	$2.0	$4.0	$4.0	$3.0	$2.0	$0.0	$0.0	$0.0	$0.0	$0.0
Recurring (Property Tax)	$0.0	$1.3	$2.7	$4.0	$5.4	$6.7	$6.7	$6.7	$6.7	$6.7
Total	*$2.0*	*$5.3*	*$6.7*	*$7.0*	*$7.4*	*$6.7*	*$6.7*	*$6.7*	*$6.7*	*$6.7*

Annual Revenue										
Expenditures										
Capital (Infrastructure)	($20.0)	($40.0)	($40.0)	($30.0)	($29.0)	$0.0	$0.0	$0.0	$0.0	$0.0
Operational (Services)	($1.0)	($3.8)	($6.6)	($9.4)	($12.2)	($14.0)	($14.0)	($14.0)	($14.0)	($14.0)
Total Annual Expenditures	*($21.0)*	*($43.8)*	*($46.6)*	*($39.4)*	*($41.2)*	*($14.0)*	*($14.0)*	*($14.0)*	*($14.0)*	*($14.0)*
Net Annual Cash Flow	**($19.0)**	**($38.5)**	**($39.9)**	**($32.4)**	**($33.8)**	**($7.3)**	**($7.3)**	**($7.3)**	**($7.3)**	**($7.3)**
Cumulative Deficit	**($19.0)**	**($57.5)**	**($97.4)**	**($129.8)**	**($163.6)**	**($170.9)**	**($178.2)**	**($185.5)**	**($192.8)**	**($200.1)**

This projection tells a clear story. The initial years of construction create a massive cash flow deficit as the county is forced to fund infrastructure well before any significant tax revenue materializes. By the end of the 5-year construction period, the county will have accumulated a deficit of over **$163 million**.

More importantly, the projection reveals the permanent structural imbalance. From

Year 6 onward, even after all one-time costs are paid, the county faces a perpetual annual operating deficit of **$7.3 million**. This is the core fiscal reality of the proposal. The development does not "pay for itself" over time; instead, it locks the county into a state of permanent fiscal distress, requiring an annual subsidy from existing taxpayers that will continue for the life of the development. Over the first decade alone, the total cumulative deficit created by this project would exceed **$200 million**. Approving this development is not a vote for growth; it is a vote to indebt the county for generations.

Section 5: Conclusion and Recommendations for the Board of Supervisors

The comprehensive analysis presented in this report leads to an unambiguous conclusion: the proposed 3,000-4,000 home development by Angle Homes in Golden Valley represents a profound and unacceptable fiscal risk to Mohave County. The project, as currently conceived, would create a permanent structural deficit, where the annual costs to provide essential public services far exceed the tax revenues generated by the new homes. Approving this development would commit the county's existing taxpayers to subsidizing this new growth indefinitely, either through significantly higher tax bills or a degradation of public services for all.

5.1 Summary of Findings: A Recipe for Fiscal Distress

The evidence detailed in this report points to a series of critical failures and unmitigated risks inherent in the proposal:

1. **A Net Fiscal Deficit:** The development is projected to generate approximately $6.72 million in annual property tax revenue at full build-out. This is starkly insufficient to cover the estimated **$14 million or more** in new, recurring annual operational costs for schools, fire and police protection, and road maintenance. This creates a permanent annual operating deficit of over **$7.2 million**.
2. **An Unfunded Capital Burden:** The project necessitates a complete transition from rural to urban infrastructure, requiring the construction of new schools, fire stations, a centralized wastewater treatment plant, and miles of paved roads. The combined one-time capital cost for this infrastructure is conservatively estimated

to exceed **$159 million**, a sum for which there is no identified funding source.

3. **The "Infrastructure Cliff":** The scale of the development pushes every major public service past its breaking point. It doesn't just strain services; it requires the creation of entirely new systems from scratch. The Kingman Unified School District would be overwhelmed, the Golden Valley Fire District would be rendered inadequate, and the Mohave County Sheriff's Office and Public Works Department would be saddled with massive new operational burdens.
4. **Precarious Water Supply:** The proposal rests on the fragile foundation of an unregulated groundwater basin and relies on the state's less-stringent "Adequate Water Supply" rules. This creates a direct parallel to the Rio Verde Foothills crisis, where a lack of a secured water source led to a costly public bailout, a scenario that is highly likely to repeat itself in Golden Valley.

In summary, approving this development under the current terms would not be an act of responsible governance. It would be an act of fiscal recklessness, prioritizing the short-term profits of a private developer over the long-term financial health and stability of the county and its citizens.

5.2 Actionable Recommendations for Prudent Governance

The Board of Supervisors possesses the authority and the responsibility to protect the county from such adverse fiscal impacts. The following recommendations provide a path forward for prudent, data-driven governance that ensures any future growth is sustainable and beneficial for all residents of Mohave County.

Recommendation 1: Mandate an Independent Fiscal Impact Study.
The Board should immediately move to adopt a county ordinance that requires any proposed residential or commercial development exceeding a specified threshold (e.g., 50 or 100 units) to fund a comprehensive, third-party Fiscal Impact Study. The methodology for this study should be pre-approved by the county to ensure objectivity and rigor, and its completion should be a mandatory prerequisite for the consideration of any zoning changes or preliminary plat approvals. This policy would shift the analytical burden from the county to the developer, ensuring that the true costs of a project are understood before any irreversible decisions are made.
Recommendation 2: Require Full Cost Recovery from the Development.
The Board should direct county staff and legal counsel to explore all available mechanisms to ensure that new development pays its own way. The most effective tool for this is the formation of a Community Facilities District (CFD) or a similar special taxing district. A CFD

would be drawn around the boundaries of the new development and would have the authority to issue bonds to finance the construction of all necessary infrastructure (wastewater plant, roads, fire stations, schools). These bonds would then be repaid via a special tax levied only on the properties within the CFD. This mechanism ensures that the financial burden of the new infrastructure is borne by the new homeowners who benefit from it, protecting existing Mohave County taxpayers from subsidizing the growth.

Recommendation 3: Enact a Moratorium Pending a Water and Infrastructure Master Plan.

Given the scale of this proposal and the clear deficiencies in the region's infrastructure, the Board should consider placing a temporary moratorium on the approval of large-scale residential subdivisions in unincorporated areas. This pause would provide the county with the time needed to develop a comprehensive master plan for water resources, infrastructure capacity, and public service provision. Such a plan would allow the county to move from a reactive posture of crisis management to a proactive one of strategic, sustainable growth, ensuring that future development aligns with the county's capabilities and long-term vision.

Recommendation 4: Engage the Arizona Department of Water Resources (ADWR).

The Board should formally petition the ADWR to initiate a study on the long-term sustainability of the Sacramento Valley groundwater basin, specifically in light of this and other potential large-scale development pressures. The petition should request that the ADWR evaluate whether the basin meets the criteria for designation as an Irrigation Non-expansion Area (INA), as was recently done for the Hualapai Valley basin to protect its dwindling groundwater resources.11 This action would be a critical step in protecting the region's most vital natural resource and preventing a future water crisis.

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