

ORIGINAL  
OPEN MEETING AGENDA ITEM



0000085417

May 23, 2008

Arizona Corporation Commission  
DOCKETED

MAY 27 2008

RECEIVED

06

Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Az. 85007  
atten: DOCKET CONTROL

DOCKETED BY	nr
-------------	----

2008 MAY 27 P 2: 05

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKET NOS, E-01345A-07-0663 & T-01846B-07-0663

Re: Recommendations of Administrative Law Judge Sarah Harpring

Dear Commissioners:

Please let me introduce myself. My name is Philip J. Garcia and I own a double lot at 2943 Dunlap Drive, HillCrest Bay Estates, Parker Arizona. This letter concerns the formation of a UCSA within HillCrest Bay Estates.

At the time of my retirement in 2001 I held a Senior Appraiser designation from the American Society of Appraisers (ASA). My senior designation, which I held for 22 years, was in Business Valuation. The company, which I founded in 1978, was Enterprise Valuation Associates, Inc. For a period of time in the 1990's I was employed by PricewaterhouseCoppers, LLC as the Senior Appraiser for the western United States. Most of the companies that we appraised, owned or leased real property. While we employed real estate appraisers to value the real property, all these appraisals were reviewed by me prior to incorporating them into the final valuation report. I believe that my experience in both business valuation and real property appraisal give me considerable insight into normalized valuation issues.

While I have not undertaken a formal analysis or appraisal of the real property situated within HillCrest Bay Estates I believe, based on my experience, the following statements are true.

- When you remove a physical impediment, such as overhead utilities, you cure or diminish certain physical and economic obsolescence, which accrues to real property and improvements.
- I would estimate that in a normalized real estate market, if the utilities were underground, the average addition to property value could be in a range of 10% to 25% depending on topography and location of the subject.
- By retrofitting the overhead utilities, in the least expensive manner possible, as APS has indicated they will undertake, you create additional physical and economic obsolescence, which will further depress property values.

Additionally, I believe the general increase in property value that would be experienced by all parcels in the tract would also accrue to the parcels that currently have an unobstructed view.

On the testimony of a very small minority, who stated they either could not afford the conversion or would not benefit from it the Judge has deemed the conversion not economically feasible.

While a majority of the residents, knowing the estimated costs, voted to improve this community, the judicial recommendation appears to foster a continuation of the depressed social/ economic level that La Paz County has experienced for decades.

I would welcome the opportunity discuss the above statements with the Commissioners.

Sincerely,

A handwritten signature in cursive script that reads "Philip J. Garcia". The signature is written in dark ink and is positioned to the right of the typed name.

Philip J. Garcia