

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT

ACTION REPORT:

TO: Chairman and Board Members
FROM: Division of Finance and Accounting
SUBJECT: ADOPT Resolution No. 53 and Resolution No. 54 Approving FY 14/15 Budget for District

DATE: 6/3/14

AGENDA ITEM NO.: 01

STAFF: Lee Guillory (x27084)

ACTION

- ADOPT Resolution No. 53, approving the preliminary District budget for Fiscal Year 14/15, and
- ADOPT Resolution No. 54, approving the District budget for FY 14/15 and orders a tax levy

BACKGROUND

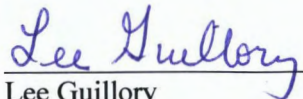
The McDowell Mountain Community Facility District (CFD) was formed in 1994 to facilitate the financing, acquiring and constructing of public infrastructure within the district. To date, \$20,000,000 of tax-exempt bonds have been issued.

The District was responsible for the installation of infrastructure, which benefits existing and future residents of the District and the City. An ongoing tax assessment is necessary to pay the debt service on the District's bonds and the District's operation and maintenance expenses.

The Fiscal Year 14/15 preliminary budget (see Exhibit A of Attachment #1) has been prepared pursuant to the requirements of the Arizona Revised Statutes. The initial Resolution calls for a public hearing on the preliminary budget and the second Resolution adopts the final budget subsequent to the hearing (see Exhibit B of Attachment #2). The second Resolution also sets the tax levy for the District.

FISCAL IMPACT

The District will levy an ad valorem tax on District property owners of \$1,285,339 resulting in an estimated tax rate for existing and future property owners of \$0.7800 per \$100.00 of secondary assessed valuation, an increase of \$61,082 in levy and a decrease in tax rate of \$0.0377 (a 4.6% decrease). The project development agreement fully discloses this tax to all future purchasers of property in the District.



Lee Guillory
Report Author



Derek Earle
District Manager

- Attachments:
1. Resolution No. 53
 - Exhibit A - Preliminary Budget
 - Exhibit B - Notice of Hearing
 2. Resolution No. 54
 - Exhibit A - Notice of Hearing
 - Exhibit B - Final Budget
 - Exhibit C - Tax Levy
 - Map of District

ACTION TAKEN: _____

 **DRAFT**

**MINUTES
DISTRICT BOARD
MCDOWELL MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
TUESDAY, JUNE 4, 2013**

1. CALL TO ORDER

Chairman W.J. "Jim" Lane called to order a meeting of the District Board of the McDowell Mountain Ranch Community Facilities District at 6:51 P.M. on Tuesday, June 4, 2013 in the City Hall Kiva.

Present: W.J. "Jim" Lane, Chairman
Board members Suzanne Klapp, Virginia L. Korte, Robert W. Littlefield,
Linda Milhaven, Guy Phillips, and Dennis E. Robbins

Also Present: District Clerk Carolyn Jagger
Community Facilities District Treasurer David N. Smith
City Auditor Sharron Walker
City Attorney Bruce Washburn
Acting City Manager Dan Worth

2. APPROVAL OF MINUTES OF TUESDAY, JUNE 5, 2012

Board member Klapp moved to approve the minutes of Tuesday, June 5, 2012. Board member Robbins seconded the motion, which carried 7/0.

3. ADOPT RESOLUTION NO. 50, WHICH SETS OUT PRELIMINARY BUDGET AND CALLS FOR PUBLIC HEARING

Board member Littlefield moved to adopt Resolution No. 50, which sets out the preliminary budget and calls for a Public Hearing. Board member Klapp seconded the motion, which carried 7/0.

4. CALL FOR PUBLIC COMMENTS ON THE BUDGET

No public comments were received.

5. ADOPT RESOLUTION NO. 51, WHICH APPROVES THE BUDGET AND SETS TAX LEVY

Board member Littlefield moved to adopt Resolution No. 51, which approves the budget and sets the tax levy. Board member Korte seconded the motion, which carried 7/0.

6. ADOPT RESOLUTION NO. 52, ADOPTING ISSUANCE AND POST-ISSUANCE COMPLIANCE PROCEDURES RELATED TO TAX-EXEMPT BONDS

Board member Korte moved to adopt Resolution No. 52, adopting issuance and post-issuance compliance procedures related to tax-exempt bonds. Board member Klapp seconded the motion, which carried 7/0.

7. ADJOURNMENT

With no further business to discuss, Chairman Lane adjourned the meeting at 6:54 P.M.

SUBMITTED BY:



**Carolyn Jagger
District Clerk**

Officially approved by the District Board on _____

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the District Board of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona held on the 4th day of June 2013.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 3rd day of June 2014.

Carolyn Jagger, District Clerk

**MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA**

RESOLUTION No. 53

A RESOLUTION OF THE DISTRICT BOARD OF MCDOWELL
MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF
SCOTTSDALE, ARIZONA APPROVING A PROPOSED DISTRICT
BUDGET FOR FISCAL YEAR 2014-2015 AND ORDERING A
HEARING ON SUCH BUDGET AS APPROVED

WHEREAS, pursuant to Section 48-716 of the Arizona Revised Statutes, the District Treasurer of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona (the "District") prepared and submitted to the Board of Directors of the District (the "District Board") for approval a proposed District budget for Fiscal Year 2014-2015 (the "Proposed Budget"); and

WHEREAS, the Proposed Budget sets forth the annual statements and estimates of the operation and maintenance expenses, together with the debt service payment, of the District for Fiscal Year 2014-2015, as required by Section 48-723C of the Arizona Revised Statutes; and

WHEREAS, pursuant to Section 48-723C of the Arizona Revised Statutes, the District Board filed the Proposed Budget with the City Clerk of the City of Scottsdale, Arizona, and the District Clerk on or before May 20, 2014,

NOW, THEREFORE, BE IT RESOLVED by the District Board of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona as follows:

1. *Approval of Proposed Budget.* The Proposed Budget submitted to the District Board and attached as Exhibit A hereto is hereby approved and a hearing on the Proposed Budget is hereby ordered as required by law.
2. *Notice of Hearing on Proposed Budget.* Notice of the public hearing on the Proposed Budget in the form attached hereto as Exhibit B shall be published in accordance with the provisions of Section 48-716 of the Arizona Revised Statutes.
3. *Effective Date.* This resolution shall be effective immediately.

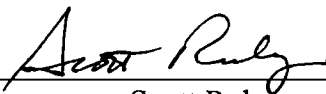
PASSED by the District Board of McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona, this 3rd day of June, 2014.

Chairman, District Board
McDowell Mountain Ranch Community
Facilities District of Scottsdale, Arizona

ATTEST:

Carolyn Jagger, District Clerk
McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona

APPROVED AS TO FORM:

By 
Scott Ruby

ATTACHMENTS:

- Exhibit A — Proposed Budget for Fiscal Year 2014-2015
- Exhibit B — Notice of Hearing on Proposed Budget for Fiscal Year 2014-2015

EXHIBIT A

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

FISCAL YEAR 2014-2015 PRELIMINARY BUDGET

BEGINNING FUNDS AVAILABLE	\$	183,972
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REVENUES

Net Secondary Assessed Value (as of February 2014) *	\$164,787,097	
Estimated Tax Rate	\$0.7800	
Property Tax Collections (NAV x rate / 100)		1,285,339

EXPENSES

Debt Service	(1,323,664)	
Liability Insurance Premium	(5,000)	
Trustee Fee	(1,000)	
Arbitrage Rebate Fee	(1,200)	
Legal Fees	(300)	
Advertising	(200)	
City of Scottsdale Administration	(4,300)	
Total Expenses		(1,335,664)

ENDING FUNDS AVAILABLE	\$	<u>133,647</u>
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* Source: Maricopa County Assessor's Office

EXHIBIT B

**MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA**

**NOTICE OF HEARING
REQUIRED BY A.R.S. §48-723C
ON THE PROPOSED BUDGET FOR FISCAL YEAR 2014-2015
OF
MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA**

Pursuant to Sections 48-716 and 48-723C, Arizona Revised Statutes, notice is hereby given that a public hearing on the Proposed Budget for Fiscal Year 2014-2015 of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona shall be held by the District Board on June 3, 2014 at approximately 5:00 p.m. or immediately following the regular meeting of the Scottsdale City Council in the City of Scottsdale City Hall Kiva located at 3939 Drinkwater Blvd., Scottsdale, Arizona. A copy of the proposed budget is on file with the Clerk of the City of Scottsdale, Arizona/District Clerk of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona, at the City Hall of the City of Scottsdale, Arizona, 3939 Drinkwater Blvd., Scottsdale, Arizona 85251, telephone number (480) 312-2412. This notice also constitutes notice of the filing of the estimate as required by Section 48-723C, Arizona Revised Statutes.

DATED this 20th day of May, 2014.

/s/ District Manager
District Manager
McDowell Mountain Ranch Community
Facilities District of Scottsdale, Arizona

**McDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA**

RESOLUTION No. 54

A RESOLUTION OF THE DISTRICT BOARD OF McDOWELL
MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF
SCOTTSDALE, ARIZONA ADOPTING THE DISTRICT BUDGET FOR
FISCAL YEAR 2014-2015 AND LEVYING A TAX

WHEREAS, pursuant to Section 48-716 of the Arizona Revised Statutes, the District Treasurer of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona (the "District") prepared and submitted to the Board of Directors of the District (the "District Board") for approval a proposed District budget for Fiscal Year 2014-2015 (the "Proposed Budget"); and

WHEREAS, the Proposed Budget sets forth the annual statements and estimates of the operation and maintenance expenses, together with the debt service payment, of the District for Fiscal Year 2014-2015, as required by Section 48-723C of the Arizona Revised Statutes; and

WHEREAS, on June 3, 2014, the District Board adopted Resolution No. 53, approving the Proposed Budget and ordering a hearing on the Proposed Budget as required by law; and

WHEREAS, as required by Section 48-716 of the Arizona Revised Statutes, notice of the public hearing on the Proposed Budget, in the form attached hereto as Exhibit A, was published not less than ten days prior to the date hereof in the official newspaper of the City of Scottsdale, Arizona and was mailed to the City Clerk of the City of Scottsdale, Arizona; and

WHEREAS, a public hearing was held on the date hereof,

NOW, THEREFORE, BE IT RESOLVED by the District Board of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona as follows:

1. *Ratification of Notice of Hearing on Proposed Budget.* Notice of the public hearing on the Proposed Budget provided by the District Manager in the form attached hereto as Exhibit A is hereby ratified and approved in all respects.
2. *Adoption of Proposed Budget.* The Proposed Budget in the form attached hereto as Exhibit B is hereby approved and adopted as the District budget for Fiscal Year 2014-2015.
3. *Tax Levy.* A tax levy (the "Tax Levy") in the form attached hereto as Exhibit C is hereby ordered, approved and adopted and the District Clerk is hereby directed to deliver certified copies of the Tax Levy to the Maricopa County (Arizona) Board of Supervisors, to the Arizona Department of Revenue and to any entity acting as trustee for any District bonds.

4. *Effective Date.* This Resolution shall be effective immediately.

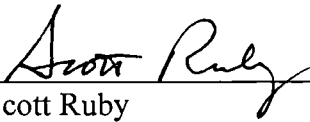
PASSED by the District Board of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona this 3rd day of June, 2014.

Chairman, District Board
McDowell Mountain Ranch Community
Facilities District of Scottsdale, Arizona

ATTEST:

Carolyn Jagger, District Clerk
McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona

APPROVED AS TO FORM:

By _____
Scott Ruby

ATTACHMENTS:

Exhibit A — Form of Notice of Hearing on Proposed Budget
Exhibit B — Final Budget for Fiscal Year 2014-2015
Exhibit C — Form of Tax Levy

EXHIBIT A

**MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA**

**NOTICE OF HEARING
REQUIRED BY A.R.S. §48-723C
ON THE PROPOSED BUDGET FOR FISCAL YEAR 2014-2015
OF
MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA**

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DATED this 20th day of May, 2014.

/s/ District Manager
District Manager
McDowell Mountain Ranch Community
Facilities District of Scottsdale, Arizona

EXHIBIT B

McDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

FISCAL YEAR 2014-2015 BUDGET

BEGINNING FUNDS AVAILABLE		\$	183,972
REVENUES			
Net Secondary Assessed Value (as of February 2014) *	\$164,787,097		
Estimated Tax Rate	\$0.7800		
Property Tax Collections (NAV x rate / 100)			1,285,339
EXPENSES			
Debt Service	(1,323,664)		
Liability Insurance Premium	(5,000)		
Trustee Fee	(1,000)		
Arbitrage Rebate Fee	(1,200)		
Legal Fees	(300)		
Advertising	(200)		
City of Scottsdale Administration	(4,300)		
Total Expenses		(	<u>1,335,664)</u>
ENDING FUNDS AVAILABLE		\$	<u>133,647</u>

* Source: Maricopa County Assessor's Office

EXHIBIT C

McDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

TAX LEVY

PURSUANT TO RESOLUTION NO. 54 passed on June 3, 2014 by the District Board of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona (the "District"), it is hereby ordered levying a secondary *ad valorem* levy on all taxable property within the District for Fiscal Year 2014-2015 at a rate (unlimited as to rate or amount) sufficient to produce \$1,285,339 for debt service and expenses related to outstanding bonds of the District. A map of the District is attached hereto as Appendix A.

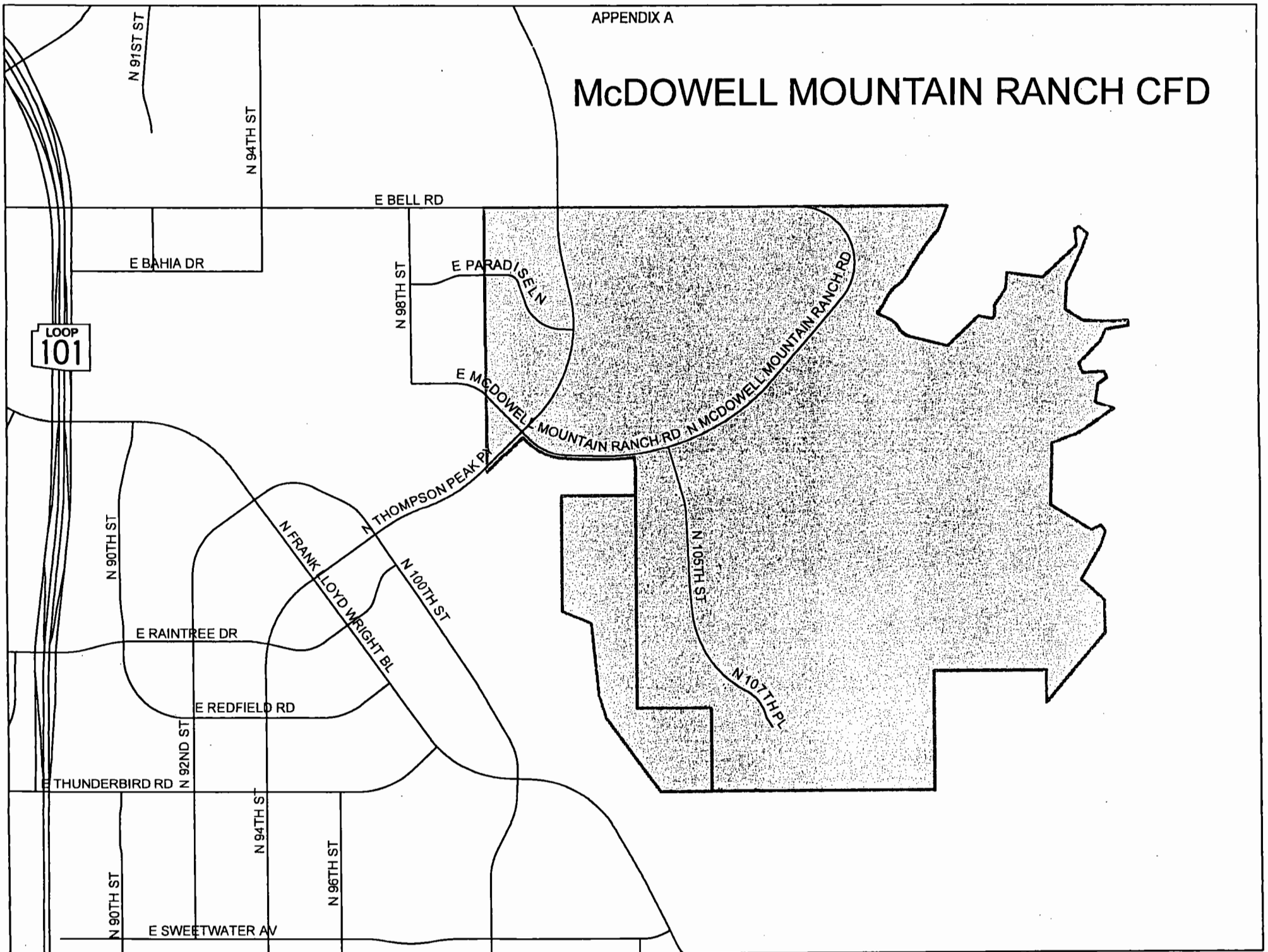
DATED: June 3, 2014

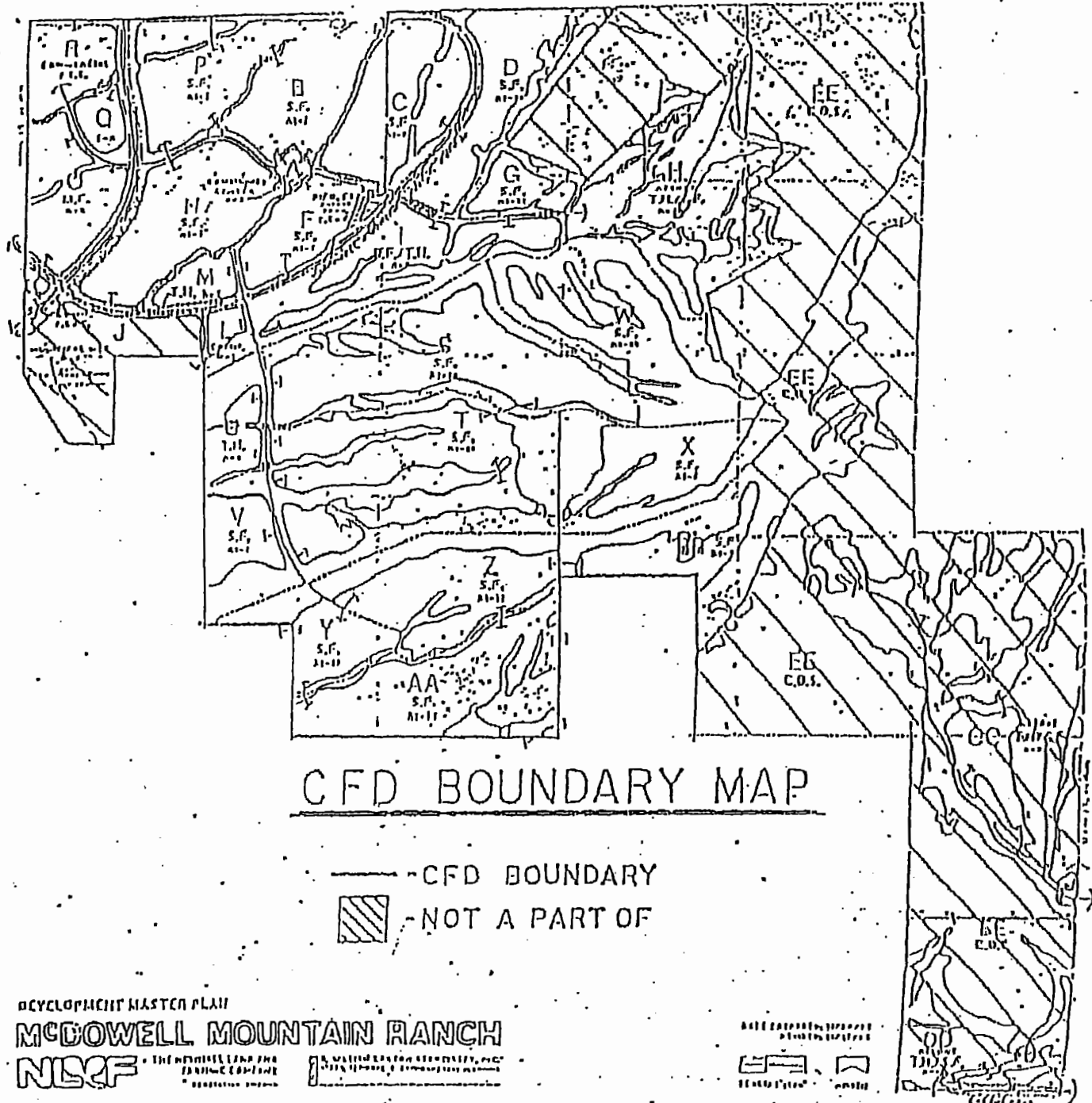
Chairman, District Board
McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona

ATTEST:

District Clerk
McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona

McDOWELL MOUNTAIN RANCH CFD





470198028

NW COR. NE 1/4,
NE 1/4, SEC. 8

S89°45'42"E 1321.92'

NE COR.
SEC. 8

(P.O.B.)

SW COR. NE 1/4,
NE 1/4, SEC. 8

N00°00'04"E 1320.73'

N00°01'27"E 702.21'

N57°40'32"W
550.03'

N05°49'20"W 1266.91'

N17°41'33"W 1111.11'

N36°07'19"W 1031.07'

2541.69'

500°00'35"W

500°01'08"W 1155.24'

E 1/4 COR.
SEC. 8
(W. 1/4, SEC. 9)

NW COR. S 1/2, S 1/2,
S 1/2, NW 1/4, SW 1/4,
SEC. 9

S89°57'33"E 1315.94'

NE COR. S 1/2, S 1/2,
S 1/2, NW 1/4, SW 1/4,
SEC. 9

SE COR. SW 1/4,
SW 1/4, SEC. 9

500°00'34"W 1404.00'

N69°55'40"W 909.15'

1" = 600'



Clouse Engineering, Inc.

ENGINEERS & SURVEYORS

100 E. Commercial Ave. • Phoenix, Arizona 85001 • TEL 255-2500 • FAX 255-2500

Job No.
900506