



## District Board Meeting Agenda

Pursuant to A.R.S. § 38-431.02 notice is hereby given to the public that the District Board of the Rancho Community Facilities District will hold a regular meeting at the date and time specified below at the Sahuarita Council Chambers, 375 West Sahuarita Center Way, Sahuarita, AZ. Members of the Rancho Sahuarita District Board will attend either in person or by telephone conference call.

To better serve our community, the Council Chambers is wheelchair accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the District Clerk's Office at 520-822-8801. Requests should be made no later than three (3) working days prior to the meeting to arrange the accommodation.

**June 12, 2017**  
**REGULAR MEETING AGENDA**  
**AT OR AFTER 6:30 P.M.**

1. Call to Order
2. Roll Call
3. Call to the Public

*At this time, any member of the public is invited to address the District Board on any issue which is on tonight's Agenda or any issue which the District Board can lawfully act upon at a future meeting. Written comments regarding any item on the agenda or any issue which the District Board can lawfully act upon may be submitted prior to the beginning of the meeting for distribution to the District Board. Pursuant to the Arizona Open Meeting Laws, the District Board may not discuss the items, but individual members of the District Board may respond to criticism made by those who have addressed the District Board, may ask staff to review the matter, or may ask that the matter be placed on a future agenda.*

4. Consent Agenda

Action recommended: approve the consent agenda recommendations.

- A. **Approval of the June 13, 2016 Rancho Sahuarita Community Facilities District Meeting Minutes and the May 22, 2017 Rancho Sahuarita Community Facilities District Executive Session (Public Portion) Meeting Minutes.**

5. **Presentation and possible adoption of Resolution No. 2017-0007, approving a tentative budget for fiscal year 2018 in the amount of \$7,699,060 pursuant to Section 48-716, Arizona Revised Statutes, as amended; setting a public hearing date on said tentative budget; filing statements and estimates of the operation and maintenance expenses of the district, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the district, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the district; providing for notice of filing the statements and**

estimates and notice of a public hearing on the portions of the statements and estimates not relating to debt service on general obligation bonds; and providing that this resolution shall be effective after its passage and approval according to law.

Action recommended: adopt the resolution.

**6. Adjournment**

*Action may be taken by the District Board on any item listed on this agenda. The District Board may vote to go into executive session pursuant to A.R.S. § 38-431.03 (A) (3) for discussion or consultation for legal advice with the District Counsel concerning any matter listed on this agenda.*



## District Board Agenda Communication

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**TO:** Honorable Chairman and District Board  
**FROM:** Lisa Cole, District Clerk  
**MEETING DATE:** June 12, 2017  
**SUBJECT:** Approval of the June 13, 2016 Rancho Sahuarita Community Facilities District Meeting Minutes and the May 22, 2017 Rancho Sahuarita Community Facilities District Executive Session (Public Portion) Meeting Minutes.

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### FINANCIAL / BUDGET SUMMARY

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### STAFF RECOMMENDATION

Staff recommends approval of the attached minutes.

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### SUGGESTED MOTION

I move to approve the minutes as submitted or amended.

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### DISCUSSION

Draft minutes submitted for District Board approval.

### ATTACHMENTS

1. June 13, 2016 Rancho Sahuarita Community Facilities District Meeting Minutes Draft
2. May 22, 2017 Rancho Sahuarita Community Facilities District Executive Session (Public Portion) Meeting Minutes Draft





## DISTRICT BOARD MEETING MINUTES

### RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT MEETING MINUTES JUNE 13, 2016

The District Board of the Rancho Sahuarita Community Facilities District met in the Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona on Monday, June 13, 2016.

#### 1. Call to Order

Chairperson Blumberg called the meeting to order at approximately 6:36 p.m.

#### 2. Roll Call

**PRESENT:** District Board Members Melissa Hicks, Gil Lusk, Tom Murphy, Lynne Skelton, Vice Chairperson Bill Bracco and Chairperson Duane Blumberg

**ABSENT:** District Board Member Kara Egbert

**ALSO**

**PRESENT:** District Manager L. Kelly Udall, District Attorney Daniel J. Hochuli, District Treasurer A.C. Marriotti and District Clerk Lisa Cole

#### 3. Call to the Public

There were no speakers.

#### 4. Consent Agenda

##### A. Approval of the May 23, 2016 Regular Meeting Minutes.

**MOTION** was made by Board Member Murphy, **SECONDED** by Board Member Lusk to approve the consent agenda. **MOTION CARRIED UNANIMOUSLY** (District Board Member Kara Egbert absent).

#### 5. Public hearing and adoption of Resolution No. 2016-0007, approving a final budget for Fiscal Year 2017 in the amount of \$4,230 pursuant to Section 48-716, Arizona Revised Statutes, as amended; ordering that an ad valorem tax be fixed, levied and assessed on the assessed value of all the real and personal property within the boundaries of the district in amounts specified in the filed statements and estimates; providing for certified copies of this resolution and order to be delivered to the Pima County Board of Supervisors and the Arizona Department of Revenue; and providing that this Resolution shall be effective after its passage and approval according to law

A.C. Marriotti, District Treasurer, reviewed the tentative budget for fiscal year 2017 for final adoption by the District Board.

Chairperson Blumberg opened the public hearing and seeing no motion, closed the public hearing.

**MOTION** was made by Board Member Murphy, SECONDED by Vice Chair Bracco, to adopt Resolution No. 2016-0007. **MOTION CARRIED UNANIMOUSLY** (District Board Member Kara Egbert absent).

## 6. Adjournment

Chairperson Blumberg adjourned the regular meeting at approximately 6:41 p.m.

\_\_\_\_\_  
Chairperson Duane Blumberg

ATTEST:

\_\_\_\_\_  
Lisa Cole, MMC  
District Clerk

## CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the District Board of the Rancho Sahuarita Community Facilities District held on the 13th day of June, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12<sup>th</sup> day of June, 2016.

\_\_\_\_\_  
Lisa Cole, MMC  
District Clerk  
LC:lv



## District Board Meeting Minutes

### RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT EXECUTIVE SESSION (PUBLIC PORTION) MEETING MINUTES MAY 22, 2017

The District Board of the Rancho Sahuarita Community Facilities District met in the Executive Conference Room, 375 W Sahuarita Center Way, Sahuarita, AZ on May 22, 2017.

#### 1. Call to Order

The meeting was called to order at 6:15 p.m. by Chairperson Tom Murphy.

#### 2. Roll Call

Attendee Name	Title	Status	Arrived
Tom Murphy	Chairperson	Present	
Melissa Hicks	Vice Chairperson	Present	
Duane Blumberg	Board Member	Present	
Bill Bracco	Board Member	Present	
Kara Egbert	Board Member	Present	
Gil Lusk	Board Member	Present	
Lynne Skelton	Board Member	Present	

Also in attendance were District Manager L. Kelly Udall, District Counsel Dan Hochuli, District Treasurer A.C. Marriotti and District Clerk Lisa Cole.

**MOTION** was made to meet in executive session.

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Bill Bracco, Board Member
<b>SECONDER:</b>	Melissa Hicks, Vice Chairperson
<b>AYES:</b>	Murphy, Hicks, Blumberg, Bracco, Egbert, Lusk, Skelton

- Executive Session pursuant to A.R.S. § 38-431.03 (A) (3) and (4) for discussion and consultation for legal advice with the District Counsel, and for discussion and consultation with the District Counsel in order to consider the District's position and instruct the attorney regarding the District's position regarding the 1st Amendment to the Development Agreement by and among the Town of Sahuarita, Rancho Sahuarita Community Facilities District, Interchange Opportunity Fund L.L.L.P., and Rancho Sahuarita Management Company, L.L.C.

The District Board met in executive session to discuss and consult with the with the District Counsel for legal advice and to consider the District’s position and instruct the District Counsel regarding the District’s position concerning the 1st Amendment to the Development Agreement by and among the Town of Sahuarita, Rancho Sahuarita Community Facilities District, Interchange Opportunity Fund L.L.L.P., and Rancho Sahuarita Management Company, L.L.C.

**4. Adjournment**

Chairperson Tom Murphy adjourned the meeting at approximately 6:41 p.m.

\_\_\_\_\_  
Chairperson Tom Murphy

ATTEST:

\_\_\_\_\_  
Lisa Cole, MMC  
District Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the District Board of the Rancho Sahuarita Community Facilities District held on the 22<sup>nd</sup> day of May, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12<sup>th</sup> day of June, 2017.

\_\_\_\_\_  
Lisa Cole, MMC  
District Clerk



## District Board Agenda Communication

**TO:** Honorable Chairman and District Board

**FROM:** A.C. Marriotti, District Treasurer

**MEETING DATE:** June 12, 2017

**SUBJECT:** Presentation and possible adoption of Resolution No. 2017-0007, approving a tentative budget for fiscal year 2018 in the amount of \$7,699,060 pursuant to Section 48-716, Arizona Revised Statutes, as amended; setting a public hearing date on said tentative budget; filing statements and estimates of the operation and maintenance expenses of the district, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the district, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the district; providing for notice of filing the statements and estimates and notice of a public hearing on the portions of the statements and estimates not relating to debt service on general obligation bonds; and providing that this resolution shall be effective after its passage and approval according to law.

### FINANCIAL / BUDGET SUMMARY

Rancho Sahuarita CFD: Establishing budget at \$7699,060

### STAFF RECOMMENDATION

Staff recommends approval.

### SUGGESTED MOTION

I move to adopt Resolution No. 2017-0007.

### DISCUSSION

Presented for your approval is the Fiscal Year 2018 Tentative Budget for the Rancho Sahuarita Community Facilities District in the amount of \$7,699,060. Staff will make a presentation on the 2018 Tentative Budget at the meeting.

The District, although a legally separate entity, is considered a blended component unit of the Town of Sahuarita for financial reporting purposes. Accordingly, the Town has established a separate fund (i.e.,

special revenue fund) to incorporate the District's financial records into the Town's financial reporting entity.

The District is planning on issuing debt early in 2018. The budget provides capacity to issue \$7.32 million in general obligation bonds whose proceeds will pay for issuance costs and the acquisition of nearly \$6.8 million in infrastructure (see attachment). The GO bonds will be repaid from a property tax levy. Pursuant to the District's development agreement, the property tax rate will be \$4.69 per \$100 of net assessed valuation. These taxes will not be sufficient to pay the debt service on the bonds and will require contributions from the developer to pay for the difference.

The District budget also includes a property tax levy to pay for District operating costs and maintenance of infrastructure. State law allows a rate up to \$0.30 per \$100 of net assessed valuation for this purpose. The budget provides for this rate as Operation and Maintenance (O&M) costs are more than the amount of the tax levy generated. Developer contributions left on deposit will make up for the difference between the tax levy and O&M costs.

A public hearing will be scheduled for the June 26<sup>th</sup> Board Meeting at which point the 2018 budget may be adopted and the tax levy established. A notice will be published in accordance with law.

#### **ATTACHMENTS**

1. Resolution No. 2017-0007
2. Draft GO Bond Feasibility Report Excerpt

**RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT  
RESOLUTION NO. 2017-0007**

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**A RESOLUTION OF THE DISTRICT BOARD OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A TENTATIVE BUDGET FOR FISCAL YEAR 2018 IN THE AMOUNT OF \$7,699,060 PURSUANT TO SECTION 48-716, ARIZONA REVISED STATUTES, AS AMENDED; SETTING A PUBLIC HEARING DATE ON SAID TENTATIVE BUDGET; FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE APPROVED AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE DISTRICT, ALL OF WHICH SHALL BE PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE DISTRICT; PROVIDING FOR NOTICE OF FILING THE STATEMENTS AND ESTIMATES AND NOTICE OF A PUBLIC HEARING ON THE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.**

BE IT RESOLVED BY THE DISTRICT BOARD OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT as follows:

WHEREAS, on April 28, 2014, the Mayor and Council of the Town of Sahuarita, Arizona (the "Town"), adopted Resolution No. 2014-0001 forming Rancho Sahuarita Community Facilities District ("RSCFD"), a community facilities district in accordance with Section 48-701 et seq., Arizona Revised Statutes, as amended; and

WHEREAS, RSCFD is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, Arizona Revised Statutes, as amended, and [except as otherwise provided in Section 48-708(B), Arizona Revised Statutes, as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the Town; and

WHEREAS, a primary purpose for creating RSCFD was to finance certain public improvements needed for the development known as "Rancho Sahuarita" through assessment of ad valorem taxes on all real and personal property within RSCFD; and

WHEREAS, in accordance with Sections 48-719 and 48-723, Arizona Revised Statutes, as amended, a special election was held on August 12, 2014, wherein the qualified electors of RSCFD voted to issue general obligation bonds in the maximum amount of \$60,000,000 to cover costs of public infrastructure purposes, and to levy and collect an annual ad valorem tax at a rate not to exceed thirty cents (30¢) per one hundred dollars (\$100) of assessed valuation for operation and maintenance expenses of RSCFD; and

WHEREAS, in accordance with Sections 48-716 and 48-723, Arizona Revised Statutes, as amended, the District Treasurer of RSCFD has submitted to the District Board of RSCFD a proposed budget for fiscal year 2018 which includes statements and estimates of the operation and maintenance expenses of RSCFD, the costs of capital improvements to be financed by the authorized ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of RSCFD, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property within RSCFD; and

WHEREAS, the District Board of RSCFD desires now to approve said tentative budget for fiscal year 2018, to publish notice of having filed the required statements and estimates, and to set a date (and publish a notice thereof) for a public hearing to receive comment on the tentative budget and, particularly, on the portions of the statements and estimates not relating to debt service on general obligation bonds; and

WHEREAS, after said public hearing (and on or before October 1), the District Board of RSCFD expects to adopt a final budget by resolution; and

WHEREAS, on or before the third Monday in August, the District Board of RSCFD also expects to order the fixing, levying and assessment of required ad valorem taxes and to cause certified copies of the order to be delivered to the Pima County Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain proposed budget prepared by the District Treasurer of RSCFD for fiscal year 2018, attached hereto and expressly made a part hereof as Exhibit "A" is hereby tentatively approved.

2. The statements and estimates of the operation and maintenance expenses of RSCFD, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of RSCFD in fiscal year 2018 are hereby filed in accordance with Arizona Revised Statutes Section 48-723(C), as amended, and are attached hereto and expressly made a part hereof as Exhibit "A."

3. A public hearing date of June 26, 2017, beginning at or after 6:30 p.m. at the Sahuarita Town Hall Council Chamber, 375 W. Sahuarita Center Way, Sahuarita, Arizona, is hereby set to consider said tentative budget (including, but expressly not limited to, consideration of those portions of the statements and estimates not relating to debt service on general obligation bonds of RSCFD), and said notice (attached hereto and expressly made a part hereof as Exhibit "B") shall be published once in the Sahuarita Sun no later than ten (10) days prior to said hearing date.

4. If any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. This Resolution shall be effective after its passage and approval according to law.

PASSED by the District Board of the Rancho Sahuarita Community Facilities District this 12<sup>th</sup> day of June, 2017.

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Tom Murphy  
Chairperson, District Board,  
Rancho Sahuarita Community Facilities District

ATTEST:

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Lisa Cole, MMC  
District Clerk,  
Rancho Sahuarita Community Facilities District

APPROVED AS TO FORM:

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Daniel J. Hochuli  
District Counsel,  
Rancho Sahuarita Community Facilities District

Attachment: Resolution No. 2017-0007 (1320 : Tentative Budget Resolution No. 2017-0007)



EXHIBIT "A"

*Fiscal Year 2018 Rancho Sahuarita Community Facilities District Budget  
(RSCFD Statements and Estimates of Expenses for Fiscal Year 2018)*

Attachment: Resolution No. 2017-0007 (1320 : Tentative Budget Resolution No. 2017-0007)

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT

SPECIAL REVENUE FUND  
SOURCES AND USES OF FUNDS

	2016	2017			2018	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimate
<b>SOURCES</b>							
<b>Revenues:</b>							
Taxes	\$ 2,361	\$ 2,300	\$ 2,300	\$ 2,700	\$ 40,860	1676.5%	1413.3%
Investment Earnings (Losses)	341	250	250	250	-	-100.0%	-100.0%
Misc-Developer Contributions	-	-	-	5,410	338,200	-	-
<b>Subtotal:</b>	<b>2,702</b>	<b>2,550</b>	<b>2,550</b>	<b>8,360</b>	<b>379,060</b>	<b>14765.1%</b>	<b>4434.2%</b>
<b>Other Sources:</b>							
Face amount of long-term debt	-	-	-	-	7,320,000	-	-
<b>Subtotal:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,320,000</b>	<b>-</b>	<b>-</b>
<b>Beginning Fund Balance:</b>							
Restricted for RS CFD	-	1,680	1,680	2,140	-	-100.0%	100.0%
<b>Subtotal:</b>	<b>-</b>	<b>1,680</b>	<b>1,680</b>	<b>2,140</b>	<b>-</b>	<b>-100.0%</b>	<b>100.0%</b>
<b>TOTAL SOURCES</b>	<b>\$ 2,702</b>	<b>\$ 4,230</b>	<b>\$ 4,230</b>	<b>\$ 10,500</b>	<b>\$ 7,699,060</b>	<b>181910.9%</b>	<b>73224.4%</b>
<b>USES</b>							
<b>Current Expenditures:</b>							
General Government	\$ 558	\$ 1,160	\$ 1,160	\$ 1,300	\$ 1,840	58.6%	41.5%
Streets	-	-	-	9,200	15,600	-	69.6%
<b>Subtotal:</b>	<b>558</b>	<b>1,160</b>	<b>1,160</b>	<b>10,500</b>	<b>17,440</b>	<b>1403.4%</b>	<b>66.1%</b>
<b>Debt Service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	362,950	-	-
Other	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	560,000	-	-
<b>Subtotal:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>922,950</b>	<b>-</b>	<b>-</b>
<b>Capital Outlay:</b>							
Infrastructure (purchased)	-	-	-	-	6,758,670	-	-
<b>Subtotal:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,758,670</b>	<b>-</b>	<b>-</b>
<b>Subtotals Combined:</b>	<b>558</b>	<b>1,160</b>	<b>1,160</b>	<b>10,500</b>	<b>7,699,060</b>	<b>663612.1%</b>	<b>73224.4%</b>
<b>Ending Fund Balance:</b>							
Restricted for RS CFD	2,144	3,070	3,070	-	-	-100.0%	-
<b>Subtotal:</b>	<b>2,144</b>	<b>3,070</b>	<b>3,070</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
<b>TOTAL USES</b>	<b>\$ 2,702</b>	<b>\$ 4,230</b>	<b>\$ 4,230</b>	<b>\$ 10,500</b>	<b>\$ 7,699,060</b>	<b>181910.9%</b>	<b>73224.4%</b>

Attachment: Resolution No. 2017-0007 (1320 : Tentative Budget Resolution No. 2017-0007)

EXHIBIT "B"

*Form of RSCFD Published Notice*

Attachment: Resolution No. 2017-0007 (1320 : Tentative Budget Resolution No. 2017-0007)

## EXHIBIT "B"

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT  
 NOTICE OF FILING STATEMENTS AND ESTIMATES  
 AND  
 NOTICE OF PUBLIC HEARING

NOTICE OF FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE DISTRICT; AND NOTICE OF A PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2018 BUDGET OF THE DISTRICT IN THE AMOUNT OF \$7,699,060 INCLUDING A HEARING ON THOSE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS.

Notice is hereby given that statements and estimates have been filed in the Office of the District Clerk of the Rancho Sahuarita Community Facilities District of the operation and maintenance expenses of the District, the costs of capital improvements to be financed by the voter-approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the District, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the District. Notice is further given of a public hearing on the proposed fiscal year 2018 budget of the District, including (but not limited to) a hearing on those portions of the statements and estimates not relating to debt service on general obligation bonds, all pursuant to Arizona Revised Statutes §§48-716 and 48-723. Such hearing will be held by the District Board on June 26, 2017, at or after 6:30 p.m. at the Sahuarita Town Hall Council Chambers, 375 W. Sahuarita Center Way, Sahuarita, Arizona. Copies of the budget are available from the Office of the District Clerk, 375 W. Sahuarita Center Way, Sahuarita, Arizona 85629, telephone number: (520) 822-8801; on the Town of Sahuarita website: [www.sahuaritaaz.gov](http://www.sahuaritaaz.gov); and at the Pima County Library, Sahuarita Branch, 725 West Rancho Sahuarita Boulevard, Building #2, Sahuarita, Arizona 85629.

Dated this 12<sup>th</sup> day of June, 2017.  
 /s/ L. Kelly Udall  
 .....  
 District Manager, Rancho Sahuarita  
 Community Facilities District

**DESCRIPTION AND ESTIMATE OF COST  
OF PUBLIC INFRASTRUCTURE**

The construction related to the Public Infrastructure has been, or will be, publicly bid pursuant to Title 34, Chapter 2, Arizona Revised Statutes (“Title 34”) and the Town’s public procurement code. All of the Public Infrastructure will result in beneficial use to land within the geographical limits of the District. Such use is principal to such land and in any case, at a minimum, is proportional to the benefit received. Proceeds of the sale of the Bond will be used to finance the acquisition of the Public Infrastructure proposed by the Applicant. Once acquired by the District with Bond proceeds, such Public Infrastructure will be dedicated or otherwise transferred to the Town by the District for on-going operations and maintenance pursuant to the terms of the CFD DA.

Illustrated below are descriptions and estimated construction costs of the Public Infrastructure estimated to be eligible for financing through the District as well as that Public Infrastructure which is anticipated to be financed, and/or acquired by the District which is the subject of this Report.

**SERIES ONE BONDS:**

<u>Project Description</u>	<u>Estimated Costs</u>
<b>1A: Avenida Mitla Ph. 1 Road Improvements (~1,100 lf)</b> Includes public road, sewer, drainage, sidewalks, and landscaping	<b>\$940,156</b>
<b>1B: Placita Fara Road Improvements (~180 lf)</b> Includes public road, sewer, drainage, and landscaping	<b>\$530,141</b>
<b>1C: Calle Las Tunas/Rancho Sahuarita Blvd. Crosswalk</b>	<b>\$67,430</b>
<b>Incidentals:</b> Owner’s insurance, plan review fees, bid advertisement, copies and reproductions	<b>\$11,157</b>
<b>1D: Avenida Mitla Ph. 2 Road Improvements (~1,900 lf)</b> Includes public road, sewer, drainage, sidewalks, and landscaping	<b>\$1,170,896</b>
<b><sup>1</sup>1E: Region 6 Rancho Sahuarita Blvd. Road Improvements (Phase 7A)</b> Includes ~1,800-feet of RS Blvd. public road, sidewalks, drainage, and landscaping	<b>\$1,646,797</b>
<b>1F: Traffic Calming Watch Post</b>	<b>\$95,000</b>

<sup>1</sup> The amount has been reduced by the potential Sahuarita School District public infrastructure contribution

<b>1G: Sahuaita Center Way “T” Road Improvements (~1,800 feet)</b>	<b>\$550,000</b>
Includes public road, sewer, drainage, sidewalks and landscaping	
<b>1H: Region 6 Rancho Sahuarita Blvd. Road Improvements (Phase 7B)</b>	<b>\$997,088</b>
Includes ~750-feet of RS Blvd. public road, sidewalks, drainage, and landscaping	
<b>1I: 1.5 acre Public Park Amenity</b>	<b><u>\$750,000</u></b>
Includes 1.5 acre acquisition, lighting, and restroom facility improvements	
<b>Total</b>	<b><u>\$6,758,665</u></b>

Amounts above are shown in terms of 2017 dollars and are subject to change overtime due to inflation. To the extent that Bond proceeds are not sufficient to fully fund the Applicant advances shown above, such deficiencies between the proceeds of the sale of the Bonds and the amount of the segment prices advanced by the Applicant (if any), will remain eligible for financing through future bond proceeds, provided the District is able to finance such amounts from other or future bonds of the District.