



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 Quail Creek Community Facilities District will hold a regular meeting and study session at the date and time specified below at the Sahuarita Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona. Members of the Quail Creek Community 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 working days prior to the meeting to arrange the accommodation.

May 23, 2016
REGULAR MEETING AND STUDY SESSION 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 on any issue which the District Board can lawfully act upon at a future meeting. Written comments regarding any item on the agenda or on 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**
 - A. **Approval of the June 22, 2015 Regular Meeting Minutes.**

STUDY SESSION

5. **Study session regarding the opportunity to refinance the District's 2006 general obligation bonds.**

CONTINUATION OF REGULAR MEETING

6. **Discussion and possible adoption of Resolution No. 29 of the District Board of Quail Creek Community Facilities District, approving a Tentative Budget for Fiscal Year 2017 in the amount of \$1,165,750 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.

7. 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

MEETING DATE: May 23, 2016

DATE PREPARED: May 11, 2016

AGENDA ITEM: 4A

TO: Honorable Chairman and District Board
FROM: Lisa Cole, CMC, District Clerk
SUBJECT: Approval of the June 22, 2015 Meeting Minutes

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted:
2. Available Budget/Project Capacity (\$):

STAFF RECOMMENDATION

Staff recommends approval of the attached minutes.

SUGGESTED MOTION

I move to approve the minutes as submitted (or amended).

DISCUSSION

Draft minutes submitted for District Board approval.

ATTACHMENTS

1. June 22, 2015 Meeting Minutes



DISTRICT BOARD MEETING MINUTES

QUAIL CREEK COMMUNITY FACILITIES DISTRICT MEETING MINUTES JUNE 22, 2015

The District Board of the Quail Creek Community Facilities District met in the Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona on Monday, June 22, 2015.

1. Call to Order

Chairperson Blumberg called the meeting to order at approximately 6:34 p.m.

2. Roll Call

PRESENT: District Board Members Kara Egbert, Melissa Hicks, Gil Lusk, Tom Murphy, Lynne Skelton, and Chairperson Duane Blumberg

ABSENT: Vice Chairperson Bill Bracco

ALSO

PRESENT: District Attorney Daniel J. Hochuli, District Treasurer A.C. Marriotti, District Engineer Sheila Bowen and District Clerk Lisa Cole

3. Call to the Public

No one spoke.

4. Consent Agenda

A. Approval of the June 8, 2015 Regular Meeting Minutes.

B. Approval of Contract No. QCCFD 15-0001 with Stifel, Nicolaus & Company, Inc. for financial advisory services.

MOTION was made by Board Member Egbert, **SECONDED** by Board Member Murphy to approve the consent agenda. **MOTION CARRIED UNANIMOUSLY** (Vice Chairperson Bracco absent).

5. Public hearing, discussion and possible adoption of Resolution No. 28, approving a final budget for Fiscal Year 2016 in the amount of \$1,064,490 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, presented an overview of the fiscal year 2016 budget.

Chairman Blumberg opened the public hearing and seeing no movement, closed the public hearing.

MOTION was made by Board Member Murphy, SECONDED by Board Member Lusk to adopt Resolution No. 28. **MOTION CARRIED UNANIMOUSLY** (Vice Chairperson Bracco absent).

A copy of the presentation was distributed at the meeting.

6. Authorization for the Quail Creek Community Facilities District Engineer to execute an agreement and easement with the Tucson Electric Power Company to provide electric service to the Quail Creek-Veterans Municipal Park.

Sheila Bowen, District Engineer, introduced the item.

MOTION was made by Board Member Murphy, SECONDED by Board Member Egbert to authorize the Quail Creek Community Facilities District Engineer to execute an electrical agreement and easement with the Tucson Electric Power Company to provide electrical service to the Quail Creek-Veterans Municipal Park. **MOTION CARRIED UNANIMOUSLY** (Vice Mayor Bracco absent).

7. Adjournment

Chairperson Blumberg adjourned the regular meeting at approximately 6:42 p.m.

Chairperson Duane Blumberg

ATTEST:

Lisa Cole, CMC
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 Quail Creek Community Facilities District held on the 22nd day of June, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 23rd day of May, 2016.

Lisa Cole, CMC
District Clerk



DISTRICT BOARD AGENDA COMMUNICATION

MEETING DATE: May 23, 2016

DATE PREPARED: May 10, 2016

AGENDA ITEM: 5

TO: Honorable Chairman and District Board

FROM: A.C. Marriotti, District Treasurer

SUBJECT: Study session regarding opportunity to refinance the District's 2006 general obligation bonds.

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: Quail Creek CFD
2. Available Budget/Project Capacity (\$): Not Applicable.

STAFF RECOMMENDATION

Staff recommends pursuing refunding opportunities that will generate debt service savings to the District.

SUGGESTED MOTION

Council pleasure.

DISCUSSION

Stifel, the District's financial advisory firm, will provide Board Members with a presentation and refunding analysis for the District's 2006 general obligation bonds. Stifel's preliminary analyses have identified opportunities for significant net present value savings on the District's debt service obligations.

The District has a current outstanding balance of \$10,070,000 million on its 2006 general obligation bonds. A \$450,000 payment is due on July 15, 2016.

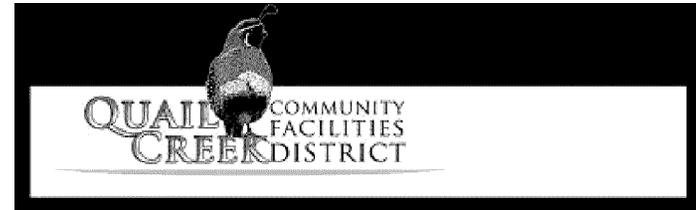
ATTACHMENTS

None

STIFEL

Quail Creek Community Facilities District (Town of Sahuarita, Arizona)

\$9,825,000 (estimated)
General Obligation Refunding Bonds,
Series 2016



Monday, May 23, 2016

STIFEL

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30 Year AAA MMD Since 2006

30-Year AAA MMD Over Last Year



Financial Markets Overview

■ Market Overview

- Volatility the defining theme in the market
- Nuanced domestic economic performance: resilient housing sector in tandem with weaker manufacturing and tighter financial conditions
- 10-year Treasury yields 1.75% as of May 12

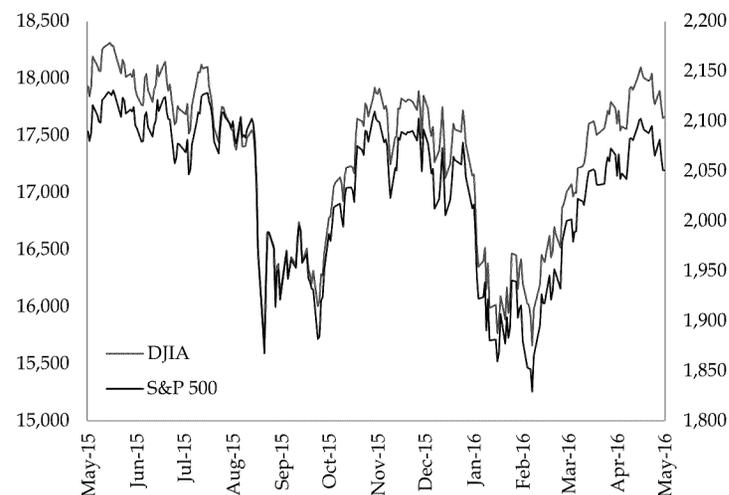
■ Macroeconomic events causing shift to safe assets

- Low oil prices and oversupply, and continued tension in the Middle East adds to unease
- Unsteady global financial conditions have spurred a flight to safe to U.S. assets which has spurred an appreciating dollar

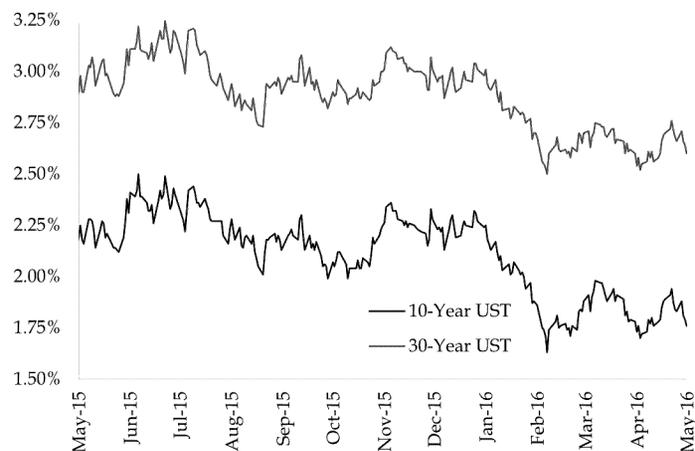
■ Federal Reserve Rate Hike - On Hold

- FOMC increased upper bound Fed Funds range to 0.5% at December meeting
- Economic data and financial conditions have caused the Fed to revise down the number of expected rate hikes from four to two in 2016

Equity Market Performance (5/12/15 - 5/12/16)

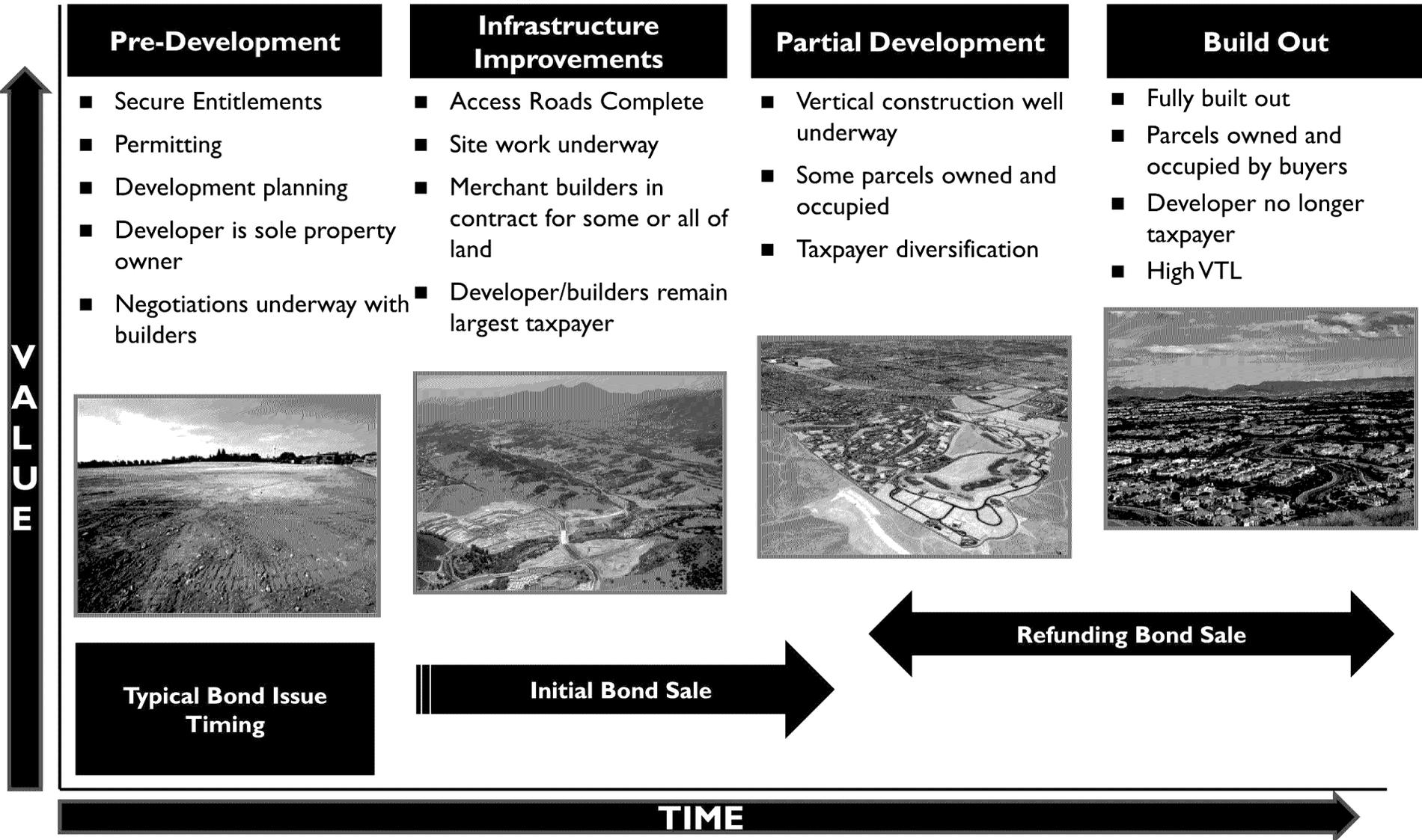


Treasury Market Yields 5/12/15 - 5/12/16

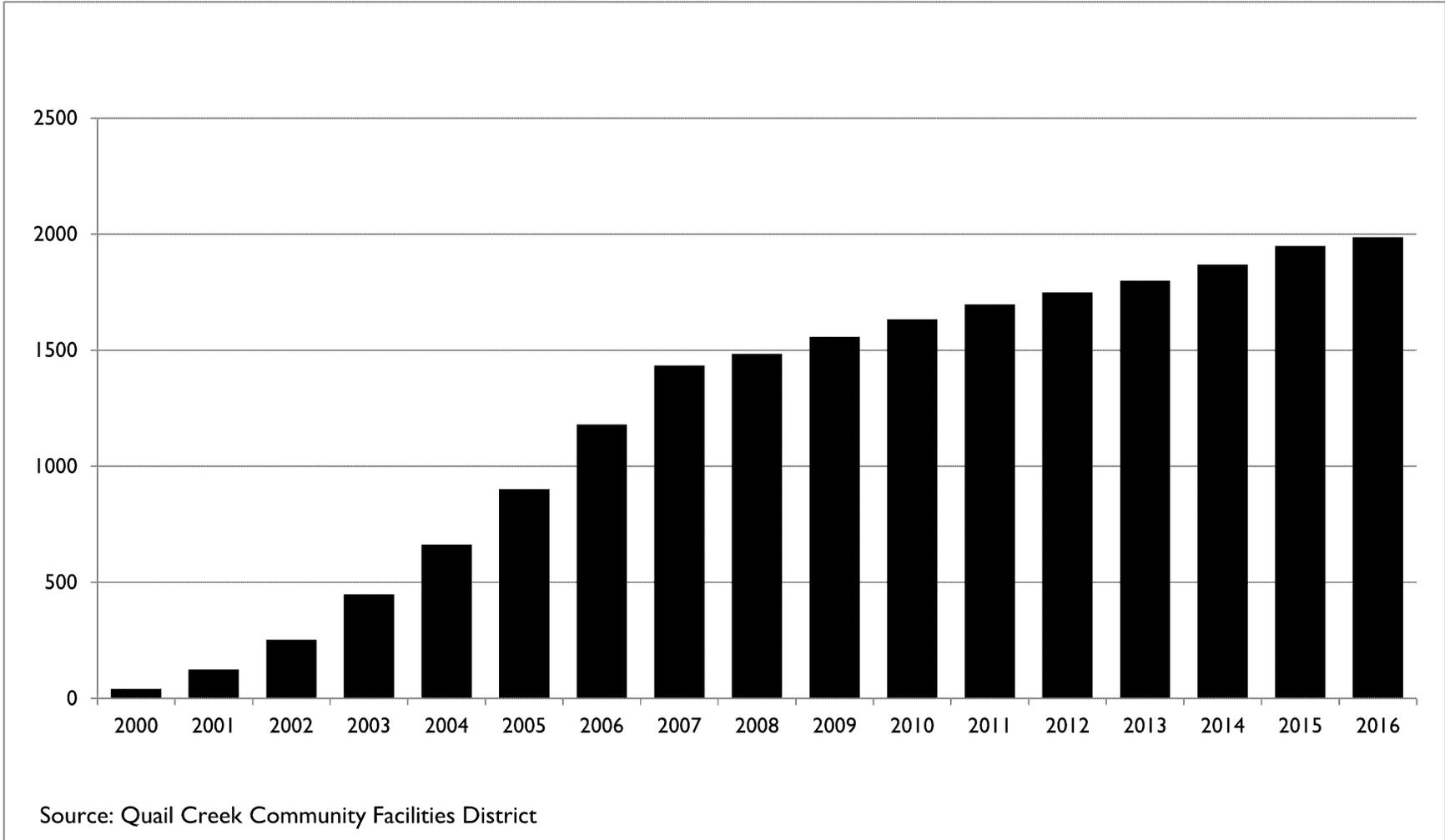


Evaluating the Use of Land-Secured Bonds

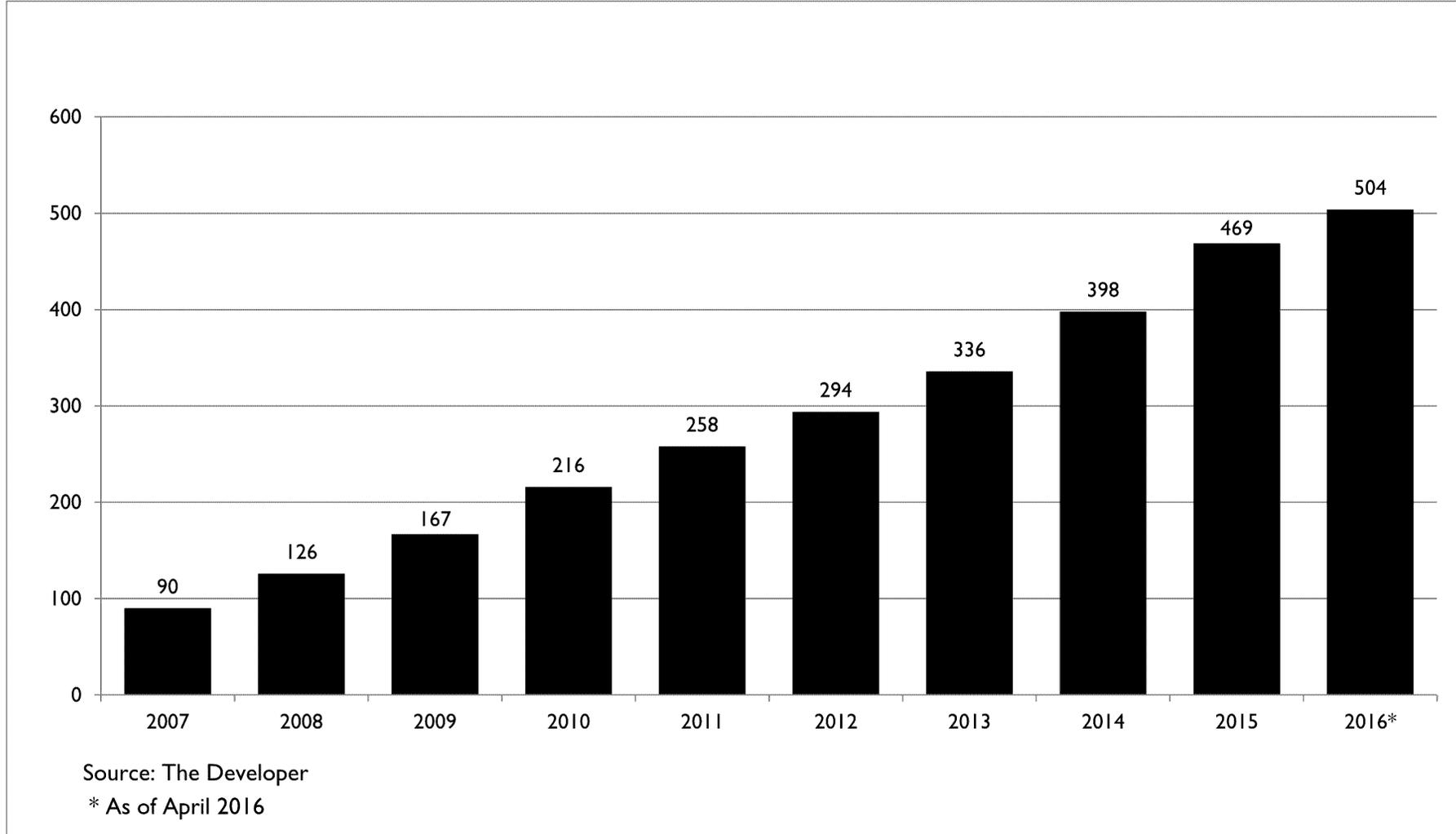
Typical Life Cycle



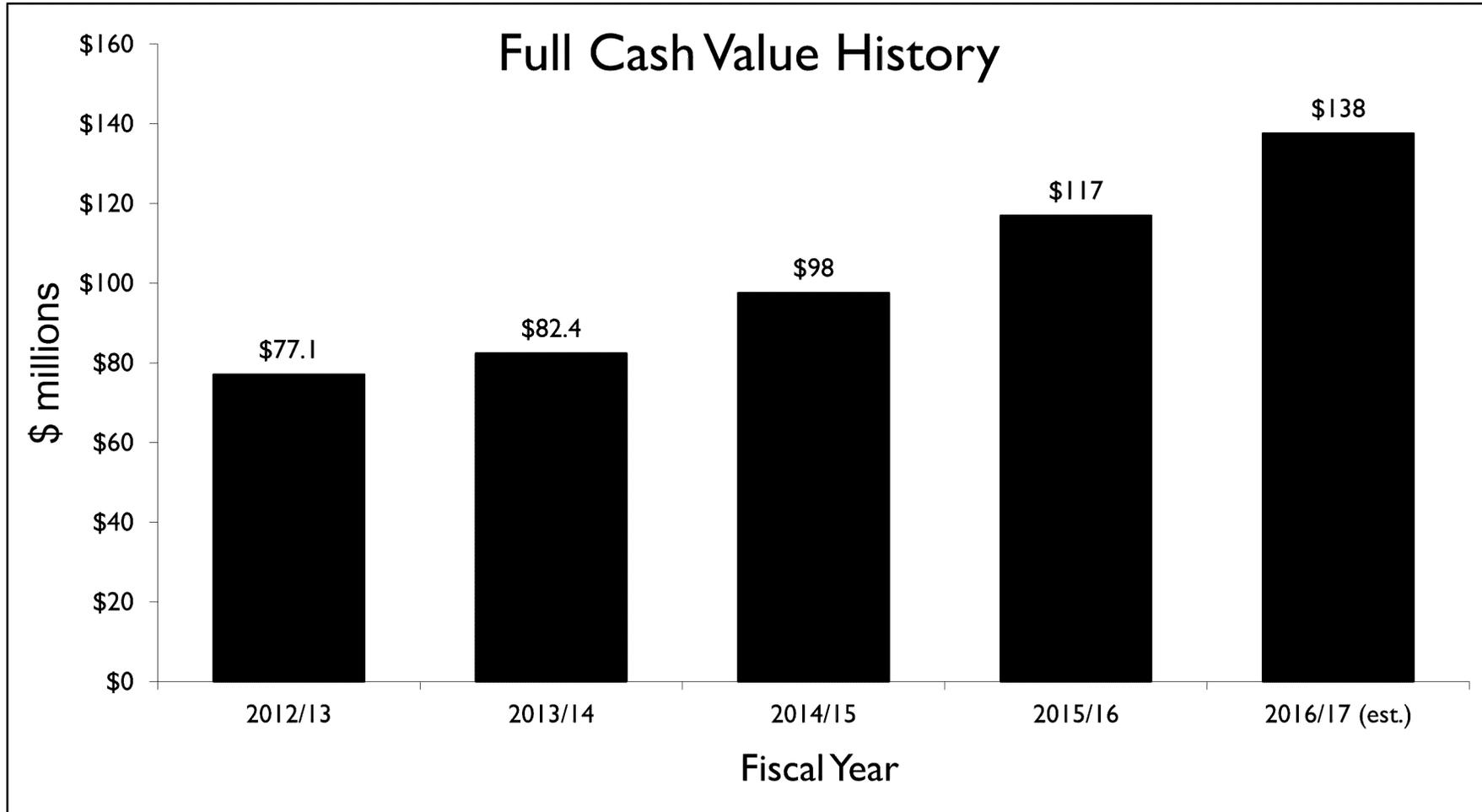
Cumulative Number of Closings



Cumulative Number of Closings inside Quail Creek



Full Cash Value History



Principal Amount of Bonds Outstanding

Fiscal Year Ending (July 15)	\$12,660,000 District General Obligation Bonds Series 2006 Dated: 6/21/06	
	Principal	Coupon
2017	470	5.550%
2018	500	5.550%
2019	525	5.550%
2020	555	5.550%
2021	585	5.550%
2022	620	5.550%
2023	655	5.550%
2024	690	5.550%
2025	725	5.550%
2026	770	5.550%
2027	810	5.550%
2028	855	5.550%
2029	905	5.550%
2030	955	5.550%
	\$9,620	
Call Features:	7/15/17 and After Callable 7/15/16 @ par	

Debt Service Savings

Date	Prior Debt Service	Refunding Debt Service	Savings
7/15/2017	\$1,003,910	\$918,388	\$85,523
7/15/2018	1,007,825	921,988	85,838
7/15/2019	1,005,075	922,363	82,713
7/15/2020	1,005,938	920,863	85,075
7/15/2021	1,005,135	917,413	87,723
7/15/2022	1,007,668	922,725	84,943
7/15/2023	1,008,258	921,438	86,820
7/15/2024	1,006,905	922,813	84,093
7/15/2025	1,003,610	918,313	85,298
7/15/2026	1,008,373	921,313	87,060
7/15/2027	1,005,638	921,313	84,325
7/15/2028	1,005,683	918,163	87,520
7/15/2029	1,008,230	923,738	84,493
7/15/2030	1,008,003	922,613	85,390
	\$14,090,248	\$12,893,438	\$1,196,810

Savings Summary

PV of savings from cash flow	\$917,523.40
Plus: Refunding funds on hand	1,549.60

Net PV Savings	\$919,073.00
PV Savings as a % of Refunded Bonds	9.5%

Debt Service

QUAIL CREEK CFD (TOWN OF SAHUARITA, AZ) REFUNDING BONDS, SERIES 2016

Estimated Debt Service of Refunding Bonds and Resulting Estimated Shortfalls

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
\$9,825,000							
Refunding Series 2016, Bond Sale, Closing 7/15/2016 (a)							
Fiscal Year	Net Limited Assessed Valuation (b)	Existing Debt Service (c)	Principal	Estimated Interest	Total Debt Service	Revenues @ \$3.00 Tax Rate	Refunding Estimated Shortfall Amount
2014/15	10,749,352	\$1,003,973			\$1,003,973	\$322,481	\$ (681,492)
2015/16	12,388,712	1,007,085			1,007,085	371,661	(635,424)
2016/17	14,121,139	1,003,910	570,000	348,388	918,388	423,634	(494,753)
2017/18	14,121,139	1,007,825	585,000	336,988	921,988	423,634	(498,353)
2018/19	14,121,139	1,005,075	600,000	322,363	922,363	423,634	(498,728)
2019/20	14,121,139	1,005,938	615,000	305,863	920,863	423,634	(497,228)
2020/21	14,121,139	1,005,135	630,000	287,413	917,413	423,634	(493,778)
2021/22	14,121,139	1,007,668	655,000	267,725	922,725	423,634	(499,091)
2022/23	14,121,139	1,008,258	675,000	246,438	921,438	423,634	(497,803)
2023/24	14,121,139	1,006,905	700,000	222,813	922,813	423,634	(499,178)
2024/25	14,121,139	1,003,610	720,000	198,313	918,313	423,634	(494,678)
2025/26	14,121,139	1,008,373	750,000	171,313	921,313	423,634	(497,678)
2026/27	14,121,139	1,005,638	780,000	141,313	921,313	423,634	(497,678)
2027/28	14,121,139	1,005,683	810,000	108,163	918,163	423,634	(494,528)
2028/29	14,121,139	1,008,230	850,000	73,738	923,738	423,634	(500,103)
2029/30	14,121,139	1,008,003	885,000	37,613	922,613	423,634	(498,978)
			<u>\$9,825,000</u>	<u>\$3,068,438</u>	<u>\$12,893,438</u>		

(a) Closing date subject to change.

(b) Includes actual amounts for 2014/15 and 2015/16. 2016/17 estimated net limited assessed value used thereafter.

(c) Represent current debt service for the refunded 2006 General Obligation Bonds.

The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits.

Financing Timetable

May 2016						
S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June 2016						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July 2016						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Date	Event	Team
Completed	Conference call with Robson, Town and team members regarding potential opportunity to issue refunding bonds for savings.	QCCFD, Robson, GT, SN
May 23	Quail Creek Community Facilities District (“QCCFD”) Board of Directors study session regarding the refunding opportunity. Verbal approval to proceed requested.	CFD, SN, GT, Robson
June 2 nd	Selection of underwriter – subject to approval by the CFD Board of Directors.	QCCFD, SN
June 2 nd (on or around)	Draft Private Placement Offering Document forwarded to QCCFD and financing team for review and comments. Draft Resolution and financing documents distributed to QCCFD and financing team.	SN, GT, UC GT, UC
Week of June 13 th	Preliminary Offering Document due diligence conference call.	All Parties
June 20 th (to be confirmed)	All information for the <u>June 27th</u> Board of Directors Meeting due to the Town.	All Parties
June 27 th	QCCFD Board of Directors considers and adopts a Resolution authorizing the sale of general obligation refunding bonds. Resolution authorizes District Manager and/or District Treasurer to effectuate refunding working closely with all team members.	QCCFD, SN, GT, Robson
June 30 th (on or around)	Post Preliminary Offering Document. Underwriter Initiates pre-pricing activities.	SN, UW, QCFD
Week of July 11 (on or around)	Underwrite bonds and execute bond purchase agreement.	All Parties
July 28 th (on or around)	Bond closing.	All Parties



Stifel, Nicolaus & Company Incorporated (“Stifel”) is providing the information for discussion purposes and is declaring that it has done so within the regulatory framework of MSRB Rule G-23 as a financial advisor, as defined therein, and not an underwriter to the issuer for this proposed issuance of municipal securities. A “financial advisory relationship” shall be deemed to exist when a firm enters into an agreement to render financial advisory or consultant services to or on behalf of an issuer with respect to the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters. Accordingly, any services provided by Stifel as they relate to our role as financial advisor should not be construed as those of an underwriter or placement agent.



DISTRICT BOARD AGENDA COMMUNICATION

MEETING DATE: May 23, 2016

DATE PREPARED: May 10, 2016

AGENDA ITEM: 6

TO: Honorable Chairman and District Board

FROM: A.C. Marriotti, District Treasurer

SUBJECT: Discussion and possible adoption of Resolution 29 of the Quail Creek Community Facilities District, approving a Tentative Budget for Fiscal Year 2017 in the amount of \$1,165,750 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

1. Fund(s) Impacted: Quail Creek CFD
2. Available Budget/Project Capacity (\$): \$1,165,750

STAFF RECOMMENDATION

Staff recommends approval.

SUGGESTED MOTION

I move to adopt Resolution No. 29.

DISCUSSION

Presented for your approval is the fiscal year 2017 Tentative Budget for the Quail Creek Community Facilities District in the amount of \$1,165,750.

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 levies property taxes up to \$3.30 per one hundred dollars of assessed valuation. The property tax rate is separated into an operational element and a debt service element. Up to \$0.30 of the rate may be used for operational expenditures including maintenance and administrative costs. The remaining \$3.00 may only be used for the payment of general obligation debt incurred by the District. The actual rate to be assessed is based upon estimated operational expenditures and required bond payments. Based upon our cost estimates and the District's preliminary net assessed valuation of \$14,121,139, the District will need to assess the full \$3.30 tax rate generating an estimated \$454,340 after allowances for uncollected amounts. Moreover, per existing development agreements, we anticipate the developer will be required to contribute approximately \$506,410 towards debt service costs. These contributions will be recorded as miscellaneous revenues. The budget also provides for \$9.825M of debt sources and uses to refinance the 2006 General Obligation Bonds.

Expenditures consist of (1) \$37,860 for operating costs to administer the District, maintain the Quail Creek Veterans Municipal Park and roadways and (2) \$1,127,890 for debt service, which includes refunding debt issuance costs.

A public hearing and final budget adoption is scheduled for the June 13th Board Meeting. A notice will be published.

ATTACHMENTS

1. Resolution No. 29

**QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 29**

A RESOLUTION OF THE DISTRICT BOARD OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A TENTATIVE BUDGET FOR FISCAL YEAR 2017 IN THE AMOUNT OF \$1,165,750 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 QUAIL CREEK COMMUNITY FACILITIES DISTRICT as follows:

WHEREAS, on September 12, 2005, the Mayor and Council of the Town of Sahuarita, Arizona (the "Town"), adopted Resolution No. 1 forming Quail Creek Community Facilities District ("QCCFD"), a community facilities district in accordance with Section 48-701 et seq., Arizona Revised Statutes, as amended; and

WHEREAS, QCCFD 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 QCCFD was to finance certain public improvements needed for the development known as "Quail Creek" through assessment of ad valorem taxes on all real and personal property within QCCFD; and

WHEREAS, in accordance with Sections 48-719 and 48-723, Arizona Revised Statutes, as amended, a special election was held on November 8, 2005, wherein the qualified electors of QCCFD voted to issue general obligation bonds in the maximum amount of \$30,000,000 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 QCCFD; and

WHEREAS, in accordance with Sections 48-716 and 48-723, Arizona Revised Statutes, as amended, the District Treasurer of QCCFD has submitted to the District Board of QCCFD a proposed budget for fiscal year 2017 which includes statements and estimates of the operation and maintenance expenses of QCCFD, 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 QCCFD, 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 QCCFD; and

WHEREAS, the District Board of QCCFD desires now to approve said tentative budget for fiscal year 2017, 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 QCCFD expects to adopt a final budget by resolution; and

WHEREAS, on or before the third Monday in August, the District Board of QCCFD 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 QUAIL CREEK COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain proposed budget prepared by the District Treasurer of QCCFD for fiscal year 2017, 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 QCCFD, 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 QCCFD in fiscal year 2017 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 13, 2016, 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 QCCFD), 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 Quail Creek Community Facilities District
this 23rd day of May, 2016.

Duane Blumberg
Chairperson, District Board,
Quail Creek Community Facilities District

ATTEST:

Lisa Cole, CMC
District Clerk,
Quail Creek Community Facilities District

APPROVED AS TO FORM:

Daniel J. Hochuli
District Counsel,
Quail Creek Community Facilities District

EXHIBIT "A"

*Fiscal Year 2017 Quail Creek Community Facilities District Budget
(QCCFD Statements and Estimates of Expenses for Fiscal Year 2017)*

EXHIBIT "A"
QUAIL CREEK COMMUNITY FACILITIES DISTRICT
SPECIAL REVENUE FUND
SOURCES AND USES OF FUNDS

	2015	2016			2017	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimated
SOURCES							
Revenues:							
Taxes	\$ 354,981	\$ 398,610	\$ 398,610	\$ 398,610	\$ 454,340	14.0%	14.0%
Investment Earnings (Losses)	(16)	(170)	(170)	-	-	-100.0%	-
Miscellaneous	683,926	645,650	645,650	645,650	506,410	-21.6%	-21.6%
Subtotal:	1,038,891	1,044,090	1,044,090	1,044,260	960,750	-8.0%	-8.0%
Other Sources:							
Transfers In	22,176	20,400	20,400	20,390	-	-100.0%	-100.0%
Face amount of refunding debt	-	-	-	-	9,825,000	-	-
Payments to Refunded Debt Escrow	-	-	-	-	(9,620,000)	-	-
Subtotal:	22,176	20,400	20,400	20,390	205,000	904.9%	905.4%
Beginning Fund Balance:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL SOURCES	\$ 1,061,067	\$ 1,064,490	\$ 1,064,490	\$ 1,064,650	\$ 1,165,750	9.5%	9.5%
USES							
Current Expenditures:							
General Government	\$ 95	\$ -	\$ -	\$ 4,690	\$ 4,700	-	0.2%
Streets	17,342	21,880	21,880	20,390	20,390	-6.8%	0.0%
Park and Recreation	35,657	31,020	31,020	27,980	12,770	-58.8%	-54.4%
Subtotal:	53,094	52,900	52,900	53,060	37,860	-28.4%	-28.6%
Debt Service:							
Principal	425,000	450,000	450,000	450,000	570,000	26.7%	26.7%
Interest	578,973	557,090	557,090	557,090	348,390	-37.5%	-37.5%
Other	4,000	4,500	4,500	4,500	4,500	0.0%	0.0%
Debt Issuance Costs	-	-	-	-	205,000	-	-
Subtotal:	1,007,973	1,011,590	1,011,590	1,011,590	1,127,890	11.5%	11.5%
Subtotals Combined:	1,061,067	1,064,490	1,064,490	1,064,650	1,165,750	9.5%	9.5%
Ending Fund Balance:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL USES	\$ 1,061,067	\$ 1,064,490	\$ 1,064,490	\$ 1,064,650	\$ 1,165,750	9.5%	9.5%

EXHIBIT "B"

Form of QCCFD Published Notice

EXHIBIT "B"

Form of QCCFD Published Notice

QUAIL CREEK 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 QUAIL CREEK 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 2017 BUDGET OF THE DISTRICT IN THE AMOUNT OF \$1,165,750, 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 Quail Creek 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 2017 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 13, 2016, 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; and at the Pima County Library, Sahuarita Branch, 725 West Rancho Sahuarita Boulevard, Building #2, Sahuarita, Arizona 85629.

Dated this 23rd day of May, 2016.
/s/ L. Kelly Udall
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District Manager, Quail Creek
Community Facilities District



QUAIL COMMUNITY
CREEK FACILITIES
DISTRICT

**Tentative Budget
Fiscal Year 2017**

July 1, 2016 – June 30, 2017

The District

- Formed on September 12, 2005
 - 1,192 acres, all within Sahuarita town limits
 - Planned build-out @ 2,600 residences
- Assessor's Info
 - 464 residences (18% built out)
 - 22% more than last year
 - 162 rental/leased (35%)
 - \$14.12M total net assessed valuation
 - 23% more than last year

The District

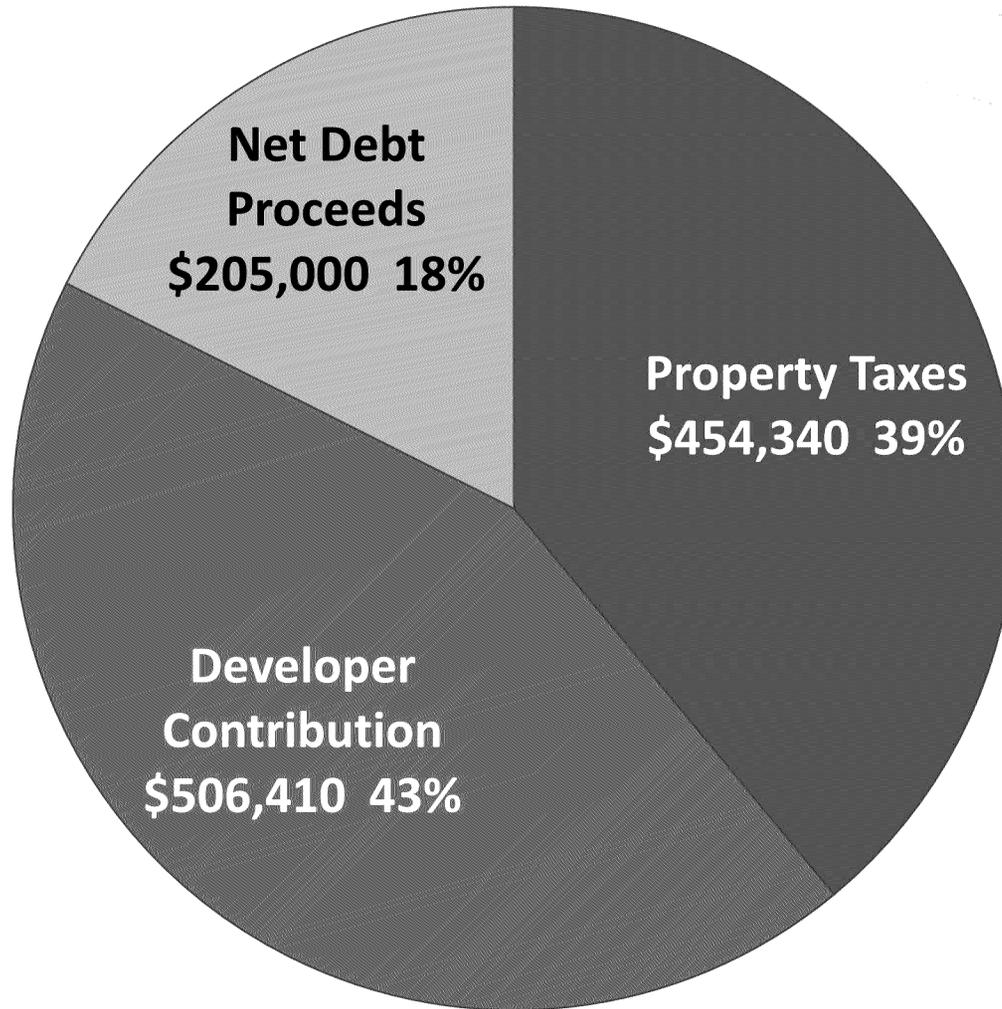
- Tax levying public improvement district
 - Finance acquisition and maintenance of public infrastructure and facilities
 - Bond election authorized \$30M bond capacity and debt service property tax
 - \$12.66M bonds issued
 - \$9.62M outstanding as of July 1
 - Paid off in FY2030

The District

- Relationship to Town
 - Legally separate entity
 - Part of the Town's financial reporting entity
 - GASB Statement No. 14
 - Blended component unit
 - » Special Revenue Fund

District Revenues & Sources

2017 Budget: \$1,165,750

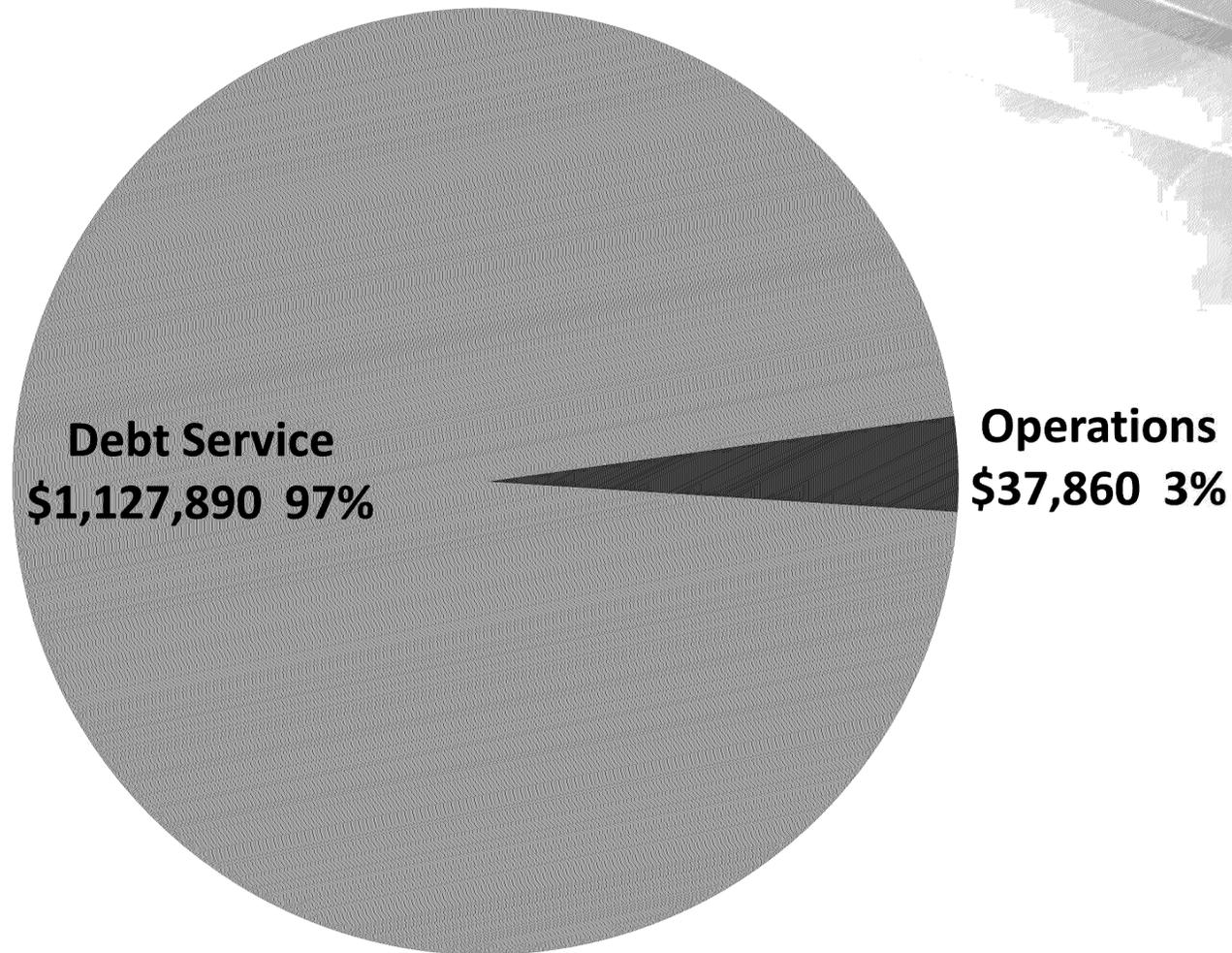


**Tax Rate
Unchanged**

**\$3.30 / \$100
NAV**

District Expenditures

2017 Budget: \$1,165,750



Resolution

- Approves FY2017 Tentative Budget
- Budget filed on prescribed forms
 - Available at Town Hall, library, and website
- Establishes a public hearing and notice
 - June 27, 2016