



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 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.

May 23, 2022
REGULAR MEETING AGENDA
AT OR AFTER 6:00 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**

- A. Approval of the March 28, 2022 Rancho Sahuarita Community Facilities District Meeting Minutes.**

- 5. Discussion and possible adoption of Resolution No. 2022-0023 of the District Board of the Rancho Sahuarita Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2023 in the amount of \$20,629,470.00 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 Rancho Sahuarita Community Facilities 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 Rancho Sahuarita Community Facilities 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 Rancho Sahuarita Community Facilities 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.

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.

Notice to parents: Meetings of the District Board are audio and video recorded. If you permit your child to participate in the meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate. You and your child may also leave the meeting at any time.



District Board Staff Report

TO: Honorable Chairperson and District Board
FROM: Lisa Cole MMC, District Clerk
MEETING DATE: May 23, 2022
SUBJECT: Approval of the March 28, 2022 Rancho Sahuarita Community Facilities District Meeting Minutes.

FINANCIAL / BUDGET SUMMARY

SUGGESTED MOTION

Staff recommends approval of the attached minutes.

EXECUTIVE SUMMARY

State law (A.R.S. §38-431.01) requires public bodies to provide and publish meeting minutes to document discussion and legal action taken by the District Board. The Board can make needed corrections to the meeting minutes before approval.

DISCUSSION

Draft minutes submitted for District Board approval.

ATTACHMENTS

1. March 28, 2022 RSCFD Meeting Minutes



District Board Meeting Minutes

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT MEETING MINUTES MARCH 28, 2022

The District Board of the Rancho Sahuarita Community Facilities District met in the Sahuarita Council Chambers, 375 West Sahuarita Center Way, Sahuarita, AZ on March 28, 2022.

1. Call to Order

The meeting was called to order at 6:05 PM by Chairperson Tom Murphy.

2. Roll Call

Attendee Name	Title	Status	Arrived
Tom Murphy	Chairperson	Present	
Kara Egbert	Vice Chairperson	Present	
Bill Bracco	Board Member	Present	
Simon Davis	Board Member	Present	
Deborah Morales	Board Member	Present	

Also in attendance were District Manager Shane Dille, District Clerk Lisa Cole, and District Counsel Dan Hochuli.

3. Call to the Public

There were no speakers.

4. Consent Agenda

MOTION was made to approve the consent agenda recommendations.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bill Bracco, Board Member
SECONDER:	Kara Egbert, Vice Chairperson
AYES:	Murphy, Egbert, Bracco, Davis, Morales

A. Approval of the February 28, 2022 Rancho Sahuarita Community Facilities District Meeting Minutes.

5. **Public hearing and presentation on the report of the feasibility and benefits of certain projects to be financed with the proceeds of the sale of general obligation bonds, not to exceed \$19.3 million principal amount, to be paid by the District's ad valorem property tax.**

District Treasurer, A.C. Marriotti, introduced the item. Marker Reader, Managing Director, Stifel, Nicolaus & Company, presented the item. Mr. Reader provided an overview of the changes made to the feasibility study provided at the District Board meeting on January 24, 2022. The changes included revised construction estimates for public infrastructure projects to accommodate rising construction costs and the addition of El Toro Road improvements and pedestrian HAWK crosswalk projects. Mr. Reader also reviewed the District's full cash value, limited assessed property value, projected home closings, proposed bond structure, refunding bonds, and savings analysis.

Copies of the presentation were distributed to the Council at the meeting.

6. **Discussion and possible adoption of Resolution No. 2022-0022, a resolution of the Board of Directors of the Rancho Sahuarita Community Facilities District ratifying the giving of notice of hearing with respect to approving, and approving, a feasibility report which includes identifying the public infrastructure of the projects, the areas benefited or to be benefited, the expected method of financing and the system of providing revenues to operate and maintain the projects, including the nature and timing of the issuance of the bonds, all as provided in such report, authorizing the sale and issuance of general obligation bonds, Series 2022 and general obligation refunding bonds, Series 2022; approving the form and authorizing the execution and delivery of a Second Amendment to District Development, Financing Participation and Intergovernmental Agreement (Rancho Sahuarita Community Facilities District), a Series 2022 Standby Contribution Agreement, a Series 2022 Depository Agreement, a Series 2022 Indenture of Trust and Security Agreement, and certain other documents relating to the bonds; awarding the bonds to the purchaser thereof; delegating the determination of certain terms of the bonds and matters related thereto to the District Manager; authorizing the subsequent levying of an ad valorem property tax with respect to the bonds and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution.**

District Treasurer, A.C. Marriotti, informed the Board that the adoption of the Resolution approved the Feasibility Report and authorized the sale and issuance of general obligation bonds for \$19.3 million, and authorized the sale and issuance of general obligation bonds, not to exceed \$5.69 million to refund the 2018 Series general obligation bonds if net present value savings of 5.0% or greater were achieved on the refunding. The Resolution also authorized the District to levy a property tax annually to pay debt service obligations at the current property tax levy rate of \$4.69 per \$100 of net limited assessed valuation. Furthermore, the Resolution approved the Second Amendment to the District Development Agreement and intergovernmental agreement with the Town to make provisions consistent with the public infrastructure projects described in the feasibility report. Finally, the Resolution appointed a Trustee, Registrar and Paying Agent, and Depository; and authorized the District Manager to execute and deliver applicable bond documents to the Trustee as part of the bond closing process, which would occur in April 2022.

Mr. Marriotti recommended adoption of the Resolution.

MOTION was made to adopt Resolution No. 2022-0022.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Simon Davis, Board Member
SECONDER:	Tom Murphy, Chairperson
AYES:	Murphy, Egbert, Bracco, Davis, Morales

7. Adjournment

Chairperson Tom Murphy adjourned the meeting at 6:23 PM.

Attachment: March 28, 2022 RSCFD Meeting Minutes [Revision 3] (Approval of Minutes)

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 28th day of March 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 23rd day of May, 2022.

Lisa Cole, MMC
District Clerk

Attachment: March 28, 2022 RSCFD Meeting Minutes [Revision 3] (Approval of Minutes)



District Board Staff Report

TO: Honorable Chairperson and District Board

FROM: A.C. Marriotti, District Treasurer

MEETING DATE: May 23, 2022

SUBJECT: Discussion and possible adoption of Resolution No. 2022-0023 of the District Board of the Rancho Sahuarita Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for Fiscal Year 2023 in the amount of \$20,629,470.00 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 Rancho Sahuarita Community Facilities 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 Rancho Sahuarita Community Facilities 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 Rancho Sahuarita Community Facilities 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

Tentative Budget: \$20,629,470

SUGGESTED MOTION

I move to adopt Resolution No. 2022-0023.

EXECUTIVE SUMMARY

This agenda item provides the District Board an opportunity to approve a tentative budget for fiscal year 2023 and to establish June 13, 2022 as the date for final budget and tax levy adoption.

DISCUSSION

Staff will provide a presentation on the Tentative Budget at the meeting.

If the Resolution is approved, public notices for the established meeting where the Board will consider adopting the final budget and tax levy will be posted and published in accordance with State law.

Rancho Sahuarita Community Facilities District Agenda Communication

REVENUES

Property Taxes

The District levies a property tax to (1) pay for debt service obligations and (2) to pay for operations and maintenance (O&M) costs.

- 1) The debt service tax rate is determined by calculation, based upon the assessed valuation of property within the District. Pursuant to the Development Agreement, however, this rate is capped at \$4.69 per \$100 net taxable assessed valuation (NTAV). The District's debt service levy rate has been \$4.69/\$100 NTAV since bonds were issued in 2018.
- 2) The O&M tax rate is capped at \$0.30 per \$100 NTAV. The District's O&M levy rate has been \$0.30/\$100 NTAV since the District was formed.

The proposed combined property tax rate levy for 2023 is \$4.99/\$100 NTAV. This is expected to generate \$590,510, including allowances for uncollectible amounts.

Investment Income

Unspent bond proceeds and property tax collections are held in trust, earning interest income, until spent on infrastructure acquisition or paying debt service obligations.

Developer Contributions

The District expects to collect \$1,210,800 from the Master Developer in 2023. Pursuant to the Development Agreement, the Master Developer is required to make stand-by contribution payments to cover debt service obligations above what is collected in property taxes. Also, the Developer is required to cover O&M shortfalls, if any, up to \$30 thousand annually.

EXPENDITURES

Current Expenditures

The proposed 2023 budget is \$100,150. This budget provides capacity for to pay for:

- 1) General administrative costs
- 2) Street, right-of-way, and landscaping maintenances costs along public roads in the District

Debt Service

The District has \$28.1 million of outstanding debt. Annual debt service obligations include bond principal and interest, and other costs such as bank trust fees. Principal is paid once a year. Interest is paid semi-annually.

Capital Outlay

During 2023, the District expects to acquire \$4,380,160 of infrastructure (roadways and sewer lines) from the Master Developer. Bond proceeds will be used to pay for the infrastructure.

FUND BALANCES

Ending balances are budgeted for \$14,447,750. These balances represent unspent bond proceeds, which may only be used to acquire infrastructure from the Master Developer.

STAFF RECOMMENDATION

Rancho Sahuarita Community Facilities District Agenda Communication

Staff recommends adoption of Resolution No. 2022-0023.

ATTACHMENTS

1. RSCFD Resolution No. 2022-0023
2. RSCFD 2023 Tentative Budget Resolution Exhibit A



**RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 2022-0023**

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 2023 IN THE AMOUNT OF \$20,629,470 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 RANCHO SAHUARITA COMMUNITY FACILITIES 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 RANCHO SAHUARITA COMMUNITY FACILITIES 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 RANCHO SAHUARITA COMMUNITY FACILITIES 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 March 24, 2014, the Rancho Sahuarita Community Facilities District (“RSCFD”), a community facilities district in accordance with Section 48-701 et seq., Arizona Revised Statutes, as amended, was formed; 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 2023, 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 2023, 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 2023, 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 2023 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, 2022, beginning at or after 6:00 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 23rd day of May, 2022.

Tom Murphy
Chairperson
Rancho Sahuarita Community Facilities District

ATTEST:

Lisa Cole, MMC
District Clerk
Rancho Sahuarita Community Facilities District

APPROVED AS TO FORM:

Daniel J. Hochuli
District Counsel
Rancho Sahuarita Community Facilities District

EXHIBIT “A”

FISCAL YEAR 2023

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT BUDGET
(RSCFD STATEMENTS AND ESTIMATES OF EXPENSES FOR FISCAL YEAR 2023)

Attachment: RSCFD Resolution No. 2022-0023 [Revision 2] (RSCFD 2023 Tentative Budget Adoption)

EXHIBIT “B”**FORM OF PUBLISHED NOTICE**

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 2023 BUDGET OF THE DISTRICT IN THE AMOUNT OF \$20,629,470 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 2023 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, 2022, at or after 6:00 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, 670 West Sahuarita Rd, Sahuarita, AZ 85629.

Dated this 23rd day of May, 2022.

/s/ Shane D. Dille

 District Manager
 Rancho Sahuarita Community Facilities District

RANCHO SAHUARITA
COMMUNITY FACILITIES DISTRICT
 SOURCES AND USES OF FUNDS

	2023 Budget Amount
<u>SOURCES</u>	
Revenues:	
Taxes	\$ 590,510
Investment Earnings	250
Developer Contributions	1,210,800
Total Revenues	1,801,560
Beginning Fund Balance:	
Restricted for Capital Acquisition	18,827,910
Restricted for RSCFD	-
Total Fund Balance	18,827,910
TOTAL SOURCES	\$ 20,629,470
<u>USES</u>	
Current Expenditures:	
General Government	\$ 1,110
Streets	29,390
Subtotal	30,500
Debt Service:	
Principal	630,000
Interest	1,136,060
Other	5,000
Subtotal	1,771,060
Capital Outlay:	
Infrastructure Acquisition	4,380,160
Subtotal	4,380,160
Total Expenditures	6,181,720
Ending Fund Balance:	
Restricted for Capital Acquisition	14,447,750
Restricted for RSCFD	-
Total Fund Balance	14,447,750
TOTAL USES	\$ 20,629,470