

**VISTANCIA COMMUNITY FACILITIES DISTRICT
PEORIA, ARIZONA
DISTRICT COMMUNICATION**

DC: _____
Amend No. _____

Date Prepared: May 5, 2010 District Meeting Date: June 1, 2010

TO: Carl Swenson, District Manager
THROUGH: Susan Thorpe, Deputy District Manager *ST*
FROM: Brent D. Mattingly, District Chief Financial Officer *BDM*
SUBJECT: Resolution Approving Proposed Budget and Tax Levy Estimates for Fiscal Year 2011 and Establishing a Public Hearing

RECOMMENDATION:

That the District Board review and adopt Res. 201 - ___ which approves proposed budget and tax levy estimates for Fiscal Year 2011 for the Vistancia Community Facilities District and establishes a public hearing date of June 15, 2010 on said proposed budget and tax levy information.

SUMMARY:

On October 15, 2002, the District Board approved a resolution that outlined various administrative requirements pertaining to the formation of the Vistancia Community Facilities District, a new political subdivision. One of those ongoing administrative requirements is to adopt an annual budget and establish a tax levy for the district each year.

The proposed District Budget for Fiscal Year 2011, which is included as Exhibit A, provides for an operating and capital budget of \$35,508,893 for the District for the upcoming fiscal year. This amount includes \$18,435,001 in bond proceeds to be carried over into FY 2011 that will fund future capital projects. The proposed budget identifies the revenues and expenses of the District, and outlines the sources and uses of funds for the upcoming year.

The proposed tax rate to be set for the district is unchanged from FY 2010 at \$2.10 per \$100 of secondary assessed value for debt service. A statement of the tax levy information for Fiscal Year 2011 is included as Exhibit B. The total tax levy revenue for

DISTRICT CLERK USE ONLY:

- Consent Agenda
- Carry Over to Date: _____
- Approved
- Unfinished Business (Date heard previous: _____)
- New Business
- Public Hearing: No Action Taken

ORD. # _____ RES. # _____
LCON# _____ LIC. # _____
Action Date: _____

the upcoming year is estimated to be \$2,284,335. The balance of any required revenues for the district will come from the Developer as per the existing 2002, 2005, and 2006 Standby Contribution Agreements, as well as the Development Agreement.

ATTACHMENT:

1. Resolution No. 2010-_____
2. Proposed FY 2011 Budget (Exhibit A)
3. FY 2011 Tax Levy Statements and Estimates (Exhibit B)
4. Notice of Public Hearing (Exhibit C)

CONTACT:

Deborah Card, Treasury Manager, X7148

RESOLUTION NO. VCFD 2010-01

(VISTANCIA)

A RESOLUTION OF THE DISTRICT BOARD OF VISTANCIA COMMUNITY FACILITIES DISTRICT APPROVING A PROPOSED BUDGET AND SETTING A PUBLIC HEARING DATE ON SAID PROPOSED BUDGET FOR FISCAL YEAR 2011 PURSUANT TO A.R.S. §48-716; 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 PURPOSES 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 AND 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 FOR FISCAL YEAR 2011 PURSUANT TO A.R.S. §48-723; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, Vistancia Community Facilities District (the "District") 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 §48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City of Peoria, Arizona; and

WHEREAS, the District was created to finance construction and maintenance of certain public infrastructure needed for the development of the project known as "Vistancia", including through assessment of ad valorem taxes on all real and personal property within the District for such purpose; and

WHEREAS, in accordance with A.R.S. §§48-719 and 48-723, a special election was held wherein the qualified electors of the District authorized the issuance of general obligation bonds to cover costs of constructing required public infrastructure and the levy and collection of 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 the District; and

WHEREAS, by Resolution Nos. VCFD 02-02, VCFD 05-01, and VCFD 06-03 of the District authorized the sale and issuance of \$21,250,000 aggregate principal amount of Bonds, Series 2002 (the "2002 Bonds"), \$23,550,000 aggregate principal amount of Bonds, Series 2005 (the "2005 Bonds"), and \$22,760,000 aggregate principal amount of Bonds, Series 2006 (the "2006 Bonds") respectively, to fund certain public infrastructure for such development; and

WHEREAS, the District also entered into a Standby Contribution Agreement, dated as of December 1, 2002, a Standby Contribution Agreement, dated as of April 1, 2005, and a Standby Contribution Agreement, dated as of December 1, 2006, with entities involved in such development and with respect to the 2002 Bonds, the 2005 Bonds, and the 2006 Bonds respectively, whereby annual payments will be made to the District in order to maintain the tax rate at no more than two dollars and ten cents (\$2.10) per one hundred dollars (\$100) of secondary assessed valuation for debt service, given the tax base of the District in each tax year; and

WHEREAS, in accordance with A.R.S. §§ 48-716 and 48-723, there has been submitted a proposed budget for Fiscal Year 2011 which includes statements and estimates of the operation and maintenance expenses of the District, 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 purposes proposed to be paid from the tax levy and of the amount to be raised to pay debt service with respect to the 2002 Bonds, the 2005 Bonds, and the 2006 Bonds, 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 the District and from amounts raised pursuant to the above described Standby Contribution Agreements; and

WHEREAS, this Board desires now to approve said proposed budget for Fiscal Year 2011, 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 proposed 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), this Board expects to adopt a final budget by resolution; and

WHEREAS, on or before the third Monday in August, this Board also expects to order the fixing, levying and assessment of required ad valorem taxes and to cause certified copies of the order providing for the same to be delivered to the Maricopa County Board of Supervisors and the Arizona Department of Revenue;

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

1. That certain proposed budget for Fiscal Year 2011 for the District, attached hereto and expressly made a part hereof as Exhibit "A", is hereby tentatively approved.

2. That the 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 by the District, and the amount of all other expenditures for public infrastructure purposes proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds in Fiscal Year 2011 by the District are hereby filed in accordance with A.R.S. §§ 42-17101(3) and 48-723(C), and are attached hereto and expressly made a part hereof as Exhibit "B".

3. That a public hearing date of Tuesday, June 15, 2010, beginning at or after 7:00 p.m. at the City of Peoria Council Chambers at 8401 W. Monroe Street, Peoria, Arizona, is hereby set to consider said proposed 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), and said notice (attached hereto and expressly made a part hereof as Exhibit "C") shall be published once in the Peoria Times no later than ten (10) days prior to said hearing date.

4. That 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. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of the Vistancia Community Facilities District this 1st day of June, 2010.

Bob Barrett
Chairman, District Board,
Vistancia Community Facilities District

ATTEST:

Mary Jo Waddell
District Clerk, Vistancia
Community Facilities District

APPROVED AS TO FORM:

Stephen M. Kemp
District Counsel, Vistancia
Community Facilities District

ATTACHMENTS: Exhibit A - FY 2011 Budget
Exhibit B - Statements and Estimates – Tax Levy
Exhibit C - Form of Published Notice

"EXHIBIT A"

VISTANCIA COMMUNITY FACILITIES DISTRICT
OF PEORIA, ARIZONA

FISCAL YEAR 2011 BUDGET

	OPERATING FUND	FY 2011	
REVENUES			
Tax levy at \$2.10 per \$100 of Secondary Assessed Valuation - Debt		2,284,335	
Tax levy at \$.30 per \$100 of Secondary Assessed Valuation – Operations		0	
Amounts expected to be paid from Standby Contribution Agreement		3,463,057	
Developer Contributions pursuant to Development Agreement		90,500	
TOTAL REVENUES		5,837,892	
EXPENSES			
Debt Service on Series 2002 Bonds		2,031,106	
Debt Service on Series 2005 Bonds		1,925,656	
Debt Service on Series 2006 Bonds		1,540,630	
Funding for Insurance Deductible		250,000 *	
Premium – General Liability and District Board Liability Insurance		50,000	
Trustees Fees		7,500	
Auditing and Accounting Costs		15,500	
City of Peoria Administrative Costs		10,000	
Other costs – Continuing Disclosure, etc.		5,000	
Contingency		2,500	
TOTAL EXPENSES		5,837,892	5,837,892
CONSTRUCTION FUND			
SOURCES OF FUNDS			
Reserved Bond Proceeds - Series 2002 and Series 2005 Bonds		4,480,000	
Developer Contribution** Letter of Credit - Series 2002 Bonds		2,125,000	
Developer Contribution** Letter of Credit - Series 2005 Bonds		2,355,000	
Developer Contribution** Letter of Credit - Series 2006 Bonds		2,276,000	
TOTAL SOURCES		11,236,000	
USES OF FUNDS			
Debt Service Reserve Funds - Series 2002 and 2005 Bonds		4,480,000	
Depository Payment - Series 2002 Bonds		2,125,000	
Depository Payment - Series 2005 Bonds		2,355,000	
Depository Payment - Series 2006 Bonds		2,276,000	
TOTAL USES		11,236,000	11,236,000
CARRYOVER OF BOND PROCEEDS FOR FUTURE CAPITAL PROJECTS			18,435,001
TOTAL APPROPRIATION FOR FY 2011			35,508,893

* Developer paid insurance deductible - monies held by City.

** May be funded with a letter of credit or other sources.

EXHIBIT "B"

VISTANCIA COMMUNITY FACILITIES DISTRICT

CITY OF PEORIA, ARIZONA

Fiscal Year 2011 Tax Levy Statements and Estimates

Tax Rate Amount for Fiscal Year 2011:

Tax rate at maximum amount of \$2.10 per \$100 of Secondary Assessed Valuation – Debt Service.

Assessed Valuation:

Maricopa County's estimation of secondary assessed property valuation for the district is \$108,777,858.

Estimated Levy Amount:

The levy is estimated to be \$2,284,335 for debt service.

Operation and Maintenance Expenses:

Funding for Insurance Deductible	\$250,000
Premium – General Liability and District Board Liability Insurance	50,000
Trustees Fees	7,500
Auditing and Accounting Costs	15,500
City of Peoria Administrative Costs	10,000
Other costs – Continuing Disclosure, etc.	5,000
Contingency	2,500
Total:	<u>\$340,500</u>

Capital Expenses:

Estimated Cost of Capital Improvements to be financed: \$0

EXHIBIT "C"

VISTANCIA COMMUNITY FACILITIES DISTRICT
NOTICE OF FILING STATEMENTS AND ESTIMATES
AND
NOTICE OF PUBLIC HEARING ON
THE PROPOSED FY 2011 BUDGET
(INCLUDING SUCH STATEMENTS AND ESTIMATES)
REQUIRED BY A.R.S. §§ 48-716 AND 48-723

NOTICE OF FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF VISTANCIA 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 PURPOSES 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 FY 2011 BUDGET OF THE DISTRICT, 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 Vistancia 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 by the District, and the amount of all other expenditures for public infrastructure purposes proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the District by 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 that a public hearing on the proposed FY 2011 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, will be held by the District Board on Tuesday, June 15, 2010 at or after 7:00 p.m. in the Council Chambers of the City of Peoria, 8401 W. Monroe Street, Peoria, Arizona. Copies of the budget are available from the Office of the District Chief Financial Officer, Brent D. Mattingly, City of Peoria, 8401 W. Monroe Street, Peoria, Arizona, telephone number: (623) 773-7150.

Dated this 5th day of May, 2010

/s/.....
Brent D. Mattingly
District Chief Financial Officer
Vistancia Community Facilities District

Published: May 14, 2010