



City of Avondale

City Council Meeting

Monday, June 5, 2023

Mayor and Council

Kenneth Weise, Mayor

Mike Pineda, Vice Mayor

Tina Conde, Council Member | Curtis Nielson, Council Member

Veronica Malone, Council Member | Gloria Solorio, Council Member

Max White, Council Member

Administration

Ron Corbin, City Manager

Cherlene Penilla, Assistant City Manager | Tracy Stevens, Assistant City Manager

Nicholle Harris, City Attorney | Marcella Carrillo, City Clerk

City Council Chambers

11465 West Civic Center Drive

Avondale, AZ 85323



City Council Meeting
Notice & Agenda
Monday, June 5, 2023

CITY COUNCIL CHAMBERS | 11465 WEST CIVIC CENTER DRIVE | AVONDALE, AZ 85323

ALAMAR COMMUNITY FACILITIES DISTRICT BOARD - REGULAR MEETING
5:30 PM

Physical Access to the Council Chambers will be available 30 minutes prior to the meeting.

CALL TO ORDER BY DISTRICT CHAIR

1. ROLL CALL BY THE DISTRICT CLERK

2. PUBLIC HEARING - PROPOSED FISCAL YEAR 2024 BUDGET AND TAX LEVY

The District Board will hold a public hearing to receive comments on the property tax levy and final budget for the fiscal year 2024 (FY2024). This item is for discussion only.

3. PUBLIC HEARING AND CFD RESOLUTION 4-2023 – AUTHORIZING AND RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING A FEASIBILITY REPORT AND AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2023 OF THE DISTRICT

The Board will: (a) conduct a public hearing on a Feasibility Report for projects, the construction of which is to be financed with proceeds of sale of general obligation bonds; (b) consider a request to adopt CFD Resolution 4-2023; authorizing and ratifying the giving of Notice of Hearing with respect to approving a Feasibility Report and approving such Feasibility Report, authorizing all matters necessary to sell and issue General Obligation Bonds for the Alamar Community Facilities District not to exceed \$3,250,000 in aggregate principal; and (c) authorize the District Manager and District Treasurer to determine certain matters related thereto. The Board will take appropriate action.

4. ADJOURNMENT

ALAMAR COMMUNITY FACILITIES DISTRICT BOARD - SPECIAL MEETING
Convene immediately following the Regular Meeting of the Alamar CFD Board
Physical Access to the Council Chambers will be available at 5:00 p.m.

CALL TO ORDER BY DISTRICT CHAIR

1. ROLL CALL BY THE DISTRICT CLERK

2. CONSENT AGENDA

a. MINUTES

The District Board will consider a request to approve the May 1, 2023 Alamar Community Facilities District Board meeting minutes. The Board will take appropriate action.

b. CFD RESOLUTION 2-2023 - SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2024

The District Board will consider a request to adopt CFD Resolution 2-2023 approving the final budget for fiscal year 2024 (FY2024) and authorize the District Chair or District Manager and District Clerk to execute the necessary documents. The District Board will take appropriate action.

c. CFD RESOLUTION 3-2023 - SETTING THE PROPERTY TAX LEVY FOR THE FISCAL YEAR ENDING JUNE 30, 2024

The District Board will consider a request to adopt CFD Resolution 3-2023 levying upon the assessed valuation of the property within the Alamar Community Facilities District subject to ad valorem taxation a certain sum upon each one hundred (\$100.00) of valuation for the fiscal year ending June 30, 2024. The District Board will take appropriate action.

3. ADJOURNMENT

CITY COUNCIL - SPECIAL MEETING
Convene immediately following the Special Meeting of the Alamar CFD Board
Physical Access to the Council Chambers will be available at 5:00 p.m.

CALL TO ORDER BY MAYOR

1. ROLL CALL BY THE CITY CLERK

2. PRESENTATION ITEMS (DISCUSSION ONLY)

a. EMPLOYEE INTRODUCTION & ANNOUNCEMENTS (DISCUSSION ONLY)

Development Services Department

- Joshua Orton, Senior Planner

Engineering Department

- David Boltz, Engineering Inspector
- Veanette Hanson, Eng. Project Manager
- Katie Hein, Associate Engineer
- Alfredo Macedo, Traffic Operations Tech.
- Lana Nabaty, Project Manager-CIP
- Albert Vizcarra, Traffic Signal Technician

Information Technology Department

- Alex Pitre, IT Assistant
- Michaelle Thickett, IT Security Analyst

Office of Public Safety

- Noelle Boltz, Municipal Security Officer

Public Works

- Robert Perez, Sr. Business Systems Analyst

b. RECOGNITION OF THE FIRE AND MEDICAL CITIZEN ACADEMY GRADUATES

The City Council and Fire Chief Rooney will recognize the 2023 Fire and Medical Department Citizen Academy Graduates. This item is for discussion only.

3. ADJOURNMENT

Request to Speak: Anyone wishing to address the Council regarding items listed on the agenda or under unscheduled public appearance should submit a Request to Speak online at <http://www.avondaleaz.gov/requesttospeak> prior to consideration of that agenda item.

CITY COUNCIL - REGULAR MEETING

6:00 PM

Physical Access to the Council Chambers will be available at 5:00 p.m.

CALL TO ORDER BY MAYOR

PLEDGE OF ALLEGIANCE & MOMENT OF REFLECTION

1. ROLL CALL BY THE CITY CLERK

2. UNSCHEDULED PUBLIC APPEARANCES

3. PRESENTATION ITEMS (DISCUSSION ONLY)

a. PROCLAMATION - JUNETEENTH DAY OF OBSERVANCE

The City Council will present a Proclamation recognizing Juneteenth Day of Observance.

b. PUBLIC WORKS DEPARTMENT AWARD

Public Works Department will present to City Council the Avondale employee awarded Operations Supervisor of the Year for 2023 by the AZ Water Association.

4. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. MINUTES

City Council will consider a request to approve the May 1, 2023 City Council meeting minutes. The Council will take appropriate action.

b. CONTRIBUTIONS ASSISTANCE PROGRAM FISCAL YEAR 2023-2024 FUNDING RECOMMENDATIONS

City Council will consider a request to approve the funding recommendations made by the City Council Subcommittee for distribution of the proposed \$200,000 Contributions Assistance Program fund and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

c. ADOPTION OF THE FISCAL YEAR 2024 PENSION FUNDING POLICY

City Council will consider a request to adopt an updated Pension Funding Policy for Fiscal Year 2024 and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

d. RESOLUTION 1027-0623 - DESIGNATION OF CHIEF FISCAL OFFICER FOR THE ANNUAL EXPENDITURE LIMITATION REPORT (AELR)

City Council will consider a request to adopt Resolution 1027-0623, designating Renee Weatherless as the Chief Fiscal Officer for the submittal of the AELR and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

e. RESOLUTION 1028-0623 - COMPREHENSIVE FINANCIAL POLICIES

City Council will consider a request to adopt Resolution 1028-0623, adopting Comprehensive Financial Policies and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

f. RESOLUTION 1029-0623 - FISCAL YEAR 2024 PROPOSED FEE CHANGES

City Council will consider a request to adopt Resolution 1029-0623, approving the Fiscal Year 2024 proposed fee changes and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

g. RESOLUTION 1030-0623 – AMENDMENT NO. 3 TO THE INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA GAME AND FISH COMMISSION FOR THE COMMUNITY FISHING PROGRAM

City Council will consider a request to adopt Resolution 1030-0623 authorizing Amendment No. 3 to the Intergovernmental Agreement with the Arizona Game & Fish Commission to extend the Community Fishing Program by one year, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

h. ORDINANCE 2037-0623 - PUBLIC UTILITY EASEMENTS FOR DUTCH BROS.

City Council will consider a request to adopt Ordinance 2037-0623 accepting the dedication of two (2) public utility easements for public use and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

i. ORDINANCE 2038-0623 – ABANDONMENT OF A PUBLIC WATERLINE EASEMENT

City Council will consider a request to adopt Ordinance 2038-0623 authorizing the abandonment of a public waterline easement located generally south of Buckeye Road and east of Dysart Road, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

j. ORDINANCE 2039-0623 – ABANDONMENT OF A PUBLIC WATER AND SEWER EASEMENT

City Council will consider a request to adopt Ordinance 2039-0623 authorizing the abandonment of a public water and sewer easement located generally south of Buckeye Road and east of Dysart Road, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

k. MUNOZ - RE-PLAT – PL-22-0356

City Council will consider a request by Raymond Munoz III, (on behalf of the property owners Raymond Munoz Jr, Jenny Munoz, Danny Pina, and Rosemary Munoz), for approval of a Re-Plat and authorize the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents. The proposed Re-Plat adjusts the lot lines of an approximately 0.45-acre property which consists of three (3) parcels and creates two (2) parcels. The site is located at the northeast corner of 5th Street and Pacific Drive. The Council will take appropriate action.

5. REGULAR AGENDA

a. PUBLIC HEARING - CONDITIONAL USE PERMIT FOR FRANCIS AND SONS EXPRESS CAR WASH – APPLICATION PL-21-0330

City Council will hold a public hearing and consider a request by Mr. Brian Greathouse, Burch & Cracchiolo, for approval of a Conditional Use Permit (CUP) and authorize the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents. If approved, the CUP will allow a self-service car wash on the 3.72-acre subject property in the Palm Valley Planned Area Development (PAD), which includes C-2 (Community Commercial) uses. The Council will take appropriate action.

b. PUBLIC HEARING AND ORDINANCE 2040-0623 - ZONING ORDINANCE TEXT AMENDMENT - §28-8 (CONDITIONAL USE PERMITS) AND §28-91 (THE BLVD) – APPLICATION PL-23-0070

City Council will hold a public hearing and consider a staff-initiated request to adopt Ordinance 2040-0623, approving text amendments to the Zoning Ordinance and authorize the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents. If approved, the amendments will improve the conditional use permit process by allowing review and final action by the Planning Commission, unless appealed. Council will take appropriate action.

c. PUBLIC HEARING - RESOLUTION 1031-0623 - UPDATING WATER AND SEWER RATES

City Council will hold a public hearing and consider a request to adopt Resolution 1031-0623, modifying water and sewer rates to become effective January 1, 2024 and January 1, 2025 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

d. RESOLUTION 1032-0623 - UPDATING THE SANITATION (SOLID WASTE) FEE SCHEDULE

City Council will consider a request to adopt Resolution 1032-0623, approving a sanitation (solid waste) rate schedule and setting an effective date, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

e. PUBLIC HEARING - FISCAL YEAR 2024 FINAL BUDGET

City Council will hold a public hearing to receive comment on the final budget for fiscal year 2023-2024 (FY 2024). No Council action is required.

f. PUBLIC HEARING - TRUTH IN TAXATION HEARING AND RESOLUTION 1033-0623 SETTING FORTH THE INTENT TO RAISE THE PROPERTY TAX LEVY

City Council will hold a public hearing and consider a request to adopt Resolution 1033-0623 setting forth the City's intent to levy primary property taxes in the amount of \$0.6373 per hundred (\$100) of assessed valuation and secondary property taxes in the amount of \$0.8222 per hundred (\$100) of assessed valuation and set the property tax adoption for June 26, 2023 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

6. ADJOURNMENT

CITY COUNCIL - SPECIAL MEETING

Convene immediately following the Regular Meeting of the City Council

Physical Access to the Council Chambers will be available at 5:00 p.m.

CALL TO ORDER BY MAYOR

1. ROLL CALL BY THE CITY CLERK

2. RESOLUTION 1034-0623 - SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2023-2024

City Council will consider a request to adopt Resolution 1034-0623, approving the final budget for fiscal year 2023-2024 (FY2024) in the amount of \$464,896,600 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

3. ADJOURNMENT INTO EXECUTIVE SESSION

City Council will consider a request to adjourn the Special Meeting and hold an executive session pursuant to Ariz. Rev. Stat. § 38--431.03(A)(1) for discussion of the employment evaluations and salaries of: (a) the City Attorney and (b) the City Auditor.

Council Members of the City of Avondale will attend either in person or by telephone or video conference call. Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Los miembros del Concejo de la Ciudad de Avondale participaran ya sea en persona o por medio de llamada telefonica o por vídeo. Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oído, o con necesidad de impresión grande o intérprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos días hábiles antes de la junta del Concejo.



AGENDA ITEM REPORT

SUBJECT: Public Hearing - Proposed Fiscal Year 2024 Budget and Tax Levy

MEETING DATE: 6/5/2023

TO: Board Members

FROM: Renee Weatherless, District Treasurer

THROUGH: Ron Corbin, District Manager, (623) 333-1011

PURPOSE:

The District Board will hold a public hearing to receive comments on the property tax levy and final budget for the fiscal year 2024 (FY2024). This item is for discussion only.

BACKGROUND:

The tentative budget for the district was adopted on May 1, 2023. A public hearing must be held before final adoption of the budget and notice of the public hearing must be published at least 10 days in advance of the public hearing. The public notice was published on May 19 edition of the Southwest Valley Republic, as required by A.R.S. 48-716. The final budget must be approved before October 1, per A.R.S. 48-716.

DISCUSSION:

The FY2024 budget will set the expenditure limit for the district. Community facility districts may levy secondary property taxes to pay general obligation debt incurred by the district and to pay for the operation and maintenance expenses of the district. Per A.R.S. 48-723 the secondary property tax attributable to the repayment of general obligation debt is \$3.85 per one-hundred dollars of assessed valuation and the property tax levy attributable to fund operation and maintenance expense of the district is limited to thirty cents (\$0.30) per one-hundred dollars of assessed valuation. Based on the net assessed valuation of the district, the combined rate of \$4.15 per \$100 of assessed value will raise \$502,623 in revenue.

The recommended expenditure limit for the district is \$4,602,623. Any expenses not covered by the property tax levy or general obligation bonds will need to be covered through developer contributions. Neither the property tax levy nor the expenditure limit has changed between the approved tentative budget and the final budget.

BUDGET IMPACT:

The public hearing is a required step in adopting the FY2024 budget for the Alamar CFD.

RECOMMENDATION:

Staff recommends the District Board hold a public hearing to receive public comment on the final budget and tax levy for FY2024.



AGENDA ITEM REPORT

SUBJECT: Public Hearing and CFD Resolution 4-2023 – Authorizing and Ratifying the Giving of Notice of Hearing with Respect to Approving a Feasibility Report and Authorizing the Sale and Issuance of General Obligation Bonds, Series 2023 of the District

MEETING DATE: 6/5/2023

TO: Board Members

FROM: Renee Weatherless, Board Treasurer

THROUGH: Ron Corbin, City Manager, (623) 333-1011

PURPOSE:

The Board will: (a) conduct a public hearing on a Feasibility Report for projects, the construction of which is to be financed with proceeds of sale of general obligation bonds; (b) consider a request to adopt CFD Resolution 4-2023; authorizing and ratifying the giving of Notice of Hearing with respect to approving a Feasibility Report and approving such Feasibility Report, authorizing all matters necessary to sell and issue General Obligation Bonds for the Alamar Community Facilities District not to exceed \$3,250,000 in aggregate principal; and (c) authorize the District Manager and District Treasurer to determine certain matters related thereto. The Board will take appropriate action.

BACKGROUND:

On October 15, 2018 the District adopted Resolution No. 1-2018 to establish the procedures to hold an election to approve the issuance of general obligation bonds. After the election was held on November 13, 2018, the Board adopted Resolution No. 2-2018 to certify the results of the election where the majority of qualified electors voted “Yes” that the Bonds in up to and including \$70,000,000, aggregate principal amount are therefore authorized to be sold and issued over a series of years as development progress continues.

On June 7, 2021, the Board approved Resolution No. 3-2021 causing the sale and issuance of the first series of bonds, dated September 9, 2021 in the principal amount of \$15,979.52 to provide funds for expenses of the District incident and reasonably necessary to carry out the purposes specified in Section 48-701(13), Arizona Revised Statutes. On June 13, 2022, the Board approved Resolution No. 4-2022 authorizing the sale and issuance of the second series of bonds dated July 14, 2022.

The proposed issuance will provide funds for public infrastructure improvements plus all costs related to the sale and issuance of the third series of bonds. It is anticipated that general obligation bonds will be issued in series over time when the secondary assessed value of the property within the district is sufficient to support the bond debt service at the target tax rate of \$3.85 per \$100 of net assessed limited property valuation within the District. Property taxes attributable to fund operation and maintenance expenses of the district is limited to thirty cents (\$0.30) per one-hundred dollars of assessed valuation for a maximum rate of \$4.15 per \$100 of net assessed limited property valuation within the District.

Pursuant to Section 48-715, Arizona Revised Statutes and the Organizational Resolution, the District Board has caused a report of the feasibility and benefits of certain projects relating to public infrastructure provided for in the General Plan and to be financed with proceeds of the sale of a third series of Bonds to be prepared. The report includes a description of certain public infrastructure to be acquired and all other information useful to understand the projects to be acquired with the proceeds of the sale of the Third Series of the Bonds. It includes a map showing the general location of the projects, an estimate of the cost to construct, acquire, operate and maintain such projects, an estimated schedule for completion of such projects, a map or description of the area to be benefitted by such projects and a plan for financing such projects.

The projects and expected bond funds to be used that were identified in the report are as follows:

- Bond funds of approximately \$1.1 million will be applied to infrastructure improvements on CFD Phase 1 Alamar Parkway project.
- Bond funds of approximately \$0.5 million will be applied to infrastructure improvements on CFD Phase 1 Avondale Blvd project.
- Bond funds of approximately \$0.3 million will be applied to infrastructure improvements on CFD Phase 1 Dry Utilities project.
- Bond funds of approximately \$1.4 million will be applied to infrastructure improvements on CFD Phase 2 project.

While interest rates will be determined based on the final credit rating and market conditions at the time of sale, current estimates range from 3.00% - 5.00% (estimated). The City will work closely with its Financial Advisor in connection with the sale and the establishment of the final interest rates.

DISCUSSION:

The Resolution will authorize and ratify the giving of notice of hearing with respect to approving the Feasibility Report and approve such Feasibility Report. The Resolution will also authorize the Third Series of the Bonds to be issued as a series of general obligation bonds of the District to be designated "General Obligation Bonds, Series 2023", the execution of necessary agreements and documents, and a levy of secondary property taxes for each year the bonds are outstanding for the payment of the bonds. The Resolution also prescribes certain terms and provisions, including the authorization of the District Treasurer, the District Clerk, and other officers of the District to:

- Cause the District to acquire public infrastructure described in the General Plan, which is the subject of the Feasibility Report.
- Authorize the execution and delivery of a Series 2023 Bond Registrar and Paying Agent Agreement and the appointment of the Bond Registrar and Paying Agent.
- Approve the Bond Purchase Agreement with the Underwriter.
- Approve the form of the Preliminary Official Statement and the Official Statement.
- Ratify all actions taken with respect to the preparation and distribution of the Preliminary Official Statement.
- Approve the Continuing Disclosure Undertaking.
- Establish policies and procedures to ensure compliance with the applicable provisions of the Internal Revenue Code of 1986 to ensure that Tax-Exempt Obligations issued by the District comply with the provisions of the Code and regulations thereunder.
- Authorize and ratify all actions taken to further this Resolution.
- Authorize the subsequent levying of an *Ad Valorem* Property Tax with respect to the bonds.

BUDGET IMPACT:

The District will levy secondary property taxes to pay the general obligation principal and interest for this issuance. The Municipality will have no obligation of repayment of the bonds.

RECOMMENDATION:

Staff recommends the District Board of Directors adopt a CFD Resolution, authorizing and ratifying the giving of notice of hearing with respect to approving the Feasibility Report, approving the Feasibility Report, authorizing the sale and issuance of not to exceed \$3,250,000 in principal amount of General Obligation Bonds, Series 2023 of the District; prescribing certain terms and conditions of such bonds including making certain findings, certifications and covenants with respect to such bonds; delegating the determination of certain terms of such bonds and matters related thereto to the District Treasurer and authorizing the subsequent levying of an *Ad Valorem* property tax with respect to such bonds.

FEASIBILITY REPORT

For The Issuance of

**Not To Exceed
\$3,250,000 Principal Amount**

of

**ALAMAR
COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)**

**GENERAL OBLIGATION BONDS,
SERIES 2023**

Date of Public Hearing: June 5, 2023

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SECTION ONE

INTRODUCTION; PURPOSE OF FEASIBILITY REPORT; AND GENERAL DESCRIPTION OF DISTRICT

INTRODUCTION

This Feasibility Report (this “Report”) has been prepared for presentation to the Board of Directors (the “Board”) of Alamar Community Facilities District (the “District”) in connection with the proposed issuance by the District of its General Obligation Bonds, Series 2023 (the “Bonds”) in a principal amount of not to exceed \$3,250,000 pursuant to the Community Facilities District Act of 1988, Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the “Act”), specifically in accordance with the provisions of Section 48-715, Arizona Revised Statutes with respect to the feasibility and benefits of certain “public infrastructure” (as defined in Section 48-701, Arizona Revised Statutes) described herein (the “Public Infrastructure”) and the plan for financing the costs of the Public Infrastructure with proceeds of the sale of the Bonds. The District is authorized to issue up to \$70,000,000 in principal amount of general obligation bonds. After the sale of the Bonds, the District will have not less than \$63,374,021 of remaining authorization.

The District, the City of Avondale, Arizona (the “City”), Brookfield Residential (Arizona) LLC, and Brookfield Lakin LLC (the “Developer”) have entered into a District Development, Financing Participation and Intergovernmental Agreement (Alamar Community Facilities District), dated as of October 1, 2018 (the “Development Agreement”), which provides for the financing of the costs of certain portions of the Public Infrastructure necessary for the development of “Alamar”, a master planned, mixed use development (the “Project”), being developed by the Developer.

PURPOSE OF FEASIBILITY REPORT

Pursuant to the Act, this Report includes (i) a description of the Public Infrastructure to be acquired and an estimate of the costs to construct, acquire, operate and maintain the Public Infrastructure [Section Two]; (ii) maps showing, in general, the location of the Public Infrastructure and the area to be benefited by the Public Infrastructure [Section Three]; (iii) an estimated schedule for the completion of the Public Infrastructure [Section Four]; and (iv) a plan for financing the Public Infrastructure [Section Five].

This Report has been prepared for the Board’s exclusive consideration. It is not intended or anticipated that this Report will be relied upon by other persons, including, but not limited to, purchasers of the Bonds. This Report does not attempt to address the quality of the Bonds as investments or the likelihood of repayment of the Bonds. In preparing this Report, financial advisors, appraisers, counsel, engineers, staff of the District and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF DISTRICT

The City approved formation of the District on May 21, 2018, upon the petition of the then-owners of all real property in the District. The District is located within the limits of the City and comprises approximately 1,086 acres that will include approximately 4,036 single-family homes at build-out of the Project and approximately 21 acres for a K-8 elementary school site.

The District was created to finance and acquire a portion of public infrastructure within the District that is part of the Project. A map of the location of the Project within the City is included in Section Three of this Report. A legal description of the property within the District is included as Appendix A to this Report.

As of April 30, 2023, the Developer has spent approximately \$13 million to construct and install water, sewer, streets, curbs, gutters, and other public facilities at the Project, including approximately 2.3 miles of collector or arterial roads; and approximately \$18 million on numerous community amenities, including approximately 46 acres of parks with sports courts, playgrounds and ramadas within the community. The Developer is currently constructing approximately 1.5 additional miles of collector and arterial roads with all utilities installed at an estimated cost of approximately \$7.7 million.

Home closings within the Project, are set forth below. As of April 30, 2023, there were 98 homes under construction. From January 1, 2023 through April 30, 2023, the price range on home closings was from \$379,990 to \$924,260.

TABLE 11

SINGLE-FAMILY HOME CLOSINGS (a)

<u>Calendar Year</u>	<u>Alamar</u>
2020	1
2021	229
2022	248
2023 (4/30/23)	72
Total	<u>550</u>

SINGLE-FAMILY HOMES UNDER CONSTRUCTION (b)

<u>Alamar</u>
98

(a) *The earliest close date shown is December 11, 2020 and the latest is April 3, 2023.*

(b) *Homes under construction as of April 30, 2023.*

SECTION TWO

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

DESCRIPTION AND ESTIMATE OF COST OF PUBLIC INFRASTRUCTURE

Listed below is a detailed description of the Public Infrastructure which is to be acquired by the District with the proceeds of the sale of the Bonds. All Public Infrastructure segments have been completed and will result in beneficial use to land within the geographical limits of the District. Such use is principally to such land and in any case, at a minimum, is proportional.

Project Descriptions	Original Estimated Costs	Paid by Prior Bonds	Paid By Series 2023 Bonds	Paid By Future Sales
1. CFD Ph 1 Broadway Road West – The Project consists of approximately 3,287 feet of four lane & raised median, full street surface improvements tying into existing improvements at Avondale & Broadway. Improvements include installation of potable water, storm drain, dry utilities, concrete curb & gutter, sidewalk, paving, striping, signage, street lights, signal conduit sleeves, landscaping, and irrigation. This work is completed.	\$3,253,459	\$3,253,459	\$0	\$0
2. CFD Ph 1 Alamar Parkway – The Project consists of approximately 1,420 feet of three lane, full street surface improvements tying into proposed improvements at Broadway. Improvements include installation of potable water, dry utilities, concrete curb & gutter, sidewalk, paving, striping, signage, street lights, landscaping, and irrigation. This work is completed.	1,250,864	111,516	1,139,348	0
3. CFD Ph 1 Avondale Blvd – The Project consists of approximately 1,371 feet of improvements adding one lane, west half-street surface improvements tying into existing pavement edge of Avondale Blvd. Improvements include installation of storm drain, dry utilities, concrete curb & gutter, sidewalk, paving, striping, signage, street lights, landscaping, and irrigation. This work is completed.	460,127	0	460,127	0

Project Descriptions	Original Estimated Costs	Paid by Prior Bonds	Paid By Series 2023 Bonds	Paid By Future Sales
4. CFD Ph 1 Dry Utilities – This project consists of the installation of dry utilities in construction with the CFD Ph1. This work is completed.	\$292,511	\$0	\$292,511	\$0
5. CFD Ph 2 Broadway Road, El Mirage Rd and Alamar Parkway – Broadway Road consists of approximately 1,285 feet of a four lane and raised median, full street surface improvements tying into existing improvements at Alamar Parkway and Broadway Road. El Mirage Road consists of approximately 1,540 feet of three lane street and 3,490 feet of four lane and raised median, full street surface improvements tying into existing improvements at Elwood Street and El Mirage Road. Improvements include installation of potable water, storm drain, dry utilities, concrete curb and gutter, sidewalk, paving, striping, signage, street lights, signal conduit sleeves, landscaping and irrigation. This project consists of approximately 1,420 feet of three lane street previously completed. The current improvements include installation of landscaping and irrigation on the west side of the street. This work is completed.	7,520,223	0	693,014	6,827,209
Total Estimated Bond Projects	<u>\$12,777,184</u>	<u>\$3,364,975</u>	<u>\$2,585,000</u>	<u>\$6,827,209</u>

Upon completion of such acquisition, the District will dedicate or otherwise transfer all interests in the Public Infrastructure acquired from the Developer to the City and the costs to operate and maintain the same, if any, may be paid as necessary from the \$0.30 per \$100 net limited assessed property valuation ad valorem property tax levied by the District for such purpose or subsidized by the Developer pursuant to the Development Agreement or otherwise.

SECTION THREE

MAP SHOWING DISTRICT BOUNDARIES, LOCATION OF PUBLIC INFRASTRUCTURE AND AREA TO BE BENEFITTED

[illegible]

**ALAMAR - AVONDALE, AZ
LAND USE DEVELOPMENT PLAN**

Brookfield
Residential



SWABACK^{inc}
Architects + Planners

SECTION FOUR

TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE

TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE

Construction of the Public Infrastructure that will be acquired by the District with a portion of the proceeds of the Bonds has been completed. The District will acquire the Public Infrastructure at the latter of date of issuance of the Bonds or when ready for acceptance by the City.

SECTION FIVE

PLAN OF FINANCE

PLAN OF FINANCE

The Bonds represent the third sale of bonds for the District; \$15,979.52 aggregate principal amount of bonds were issued on September 9, 2021 and \$3,675,000 of bonds were issued on July 14, 2022. At an election held on November 13, 2018, the District received authority to issue \$70,000,000 of general obligations bonds. After the sale of the Bonds, the District will have not less than \$63,374,021 of remaining authorization.

The District will issue the Bonds in a principal amount of not to exceed \$3,250,000 to acquire the Public Infrastructure shown in Section Two. This is a not-to-exceed amount and the actual amount of Bonds issued may be lower.

It is anticipated that the Bonds will be issued on or around July 6, 2023. It is currently estimated that the Bonds will have a final maturity of approximately 25-years and be structured such that the aggregate debt service of the District is approximately level.

Given the estimated net limited assessed property value of taxable property in the District for fiscal year 2023-24, the targeted secondary tax rate associated with the debt service on the Bonds is expected to be set at \$3.85 per \$100 of net limited assessed property valuation (not including the \$0.30 per \$100 of net limited assessed property valuation tax levy for operation and maintenance described in Section 2), for a total of \$4.15 per \$100 of net limited assessed property valuation. Notwithstanding the foregoing, any general obligation bonds of the District are, by law, to be paid from a property tax that is unlimited as to rate and amount.

The estimated sources and uses of funds related to the sale of the Bonds are shown below:

Estimated Sources:

Principal of General Obligation Bonds, Series 2023	\$2,935,000
Total	<u>\$2,935,000</u>

Estimated Uses:

Cost of Public Infrastructure	\$2,585,000
Underwriting Fee	60,000 (a)
Costs of Issuance	250,000
Bond Insurance	40,000
Total	<u>\$2,935,000</u>

(a) Includes estimated fee for Underwriter's Counsel.

At the \$3.85 tax rate level, assuming an average \$400,000 home price and certain assumptions related to the County Assessor's methodology, the District portion of a tax bill for a homeowner is approximately \$65 per month or \$780 annually. Section 32-2181 et seq., Arizona Revised Statutes requires the disclosure of all property taxes to be paid by a homeowner in the Subdivision Public Report. Prior to each initial home sale by a homebuilder, each homebuyer must be supplied a Subdivision Public Report, and the homebuyer must acknowledge by signature that they have read and accepted the Subdivision Public Report. In addition, each homebuyer will receive a form detailing the existence of the District, the tax rate and its financial impact and receipt of this form will be acknowledged in writing by the homebuyer, and a signed copy will be kept on file with the City Clerk.

APPENDIX A

Legal Description for Alamar Community Facilities District

APPENDIX "A"
(Legal Description)

Wood, Patel & Associates, Inc.
(602) 335-8500
www.woodpatel.com

Revised March 15, 2018
February 13, 2018
WP# 174612
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See attached CFD Formation Limits Map

PARCEL DESCRIPTION
Lakin Property
CFD Formation Limits

A parcel of land lying within Sections 23, 24, 25 and 26, Township 1 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the southwest corner said Section 26, a 3-inch Maricopa County Highway Department brass cap in handhole, from which the south quarter of said Section 26, a 3-inch Maricopa County Highway Department brass cap in handhole, bears South 89°44'16" East (basis of bearing), a distance of 2622.79 feet;

THENCE along the west line of said Section 26, North 00°06'23" East, a distance of 1363.33 feet, to the north line of the south 66 feet of the north half of the southwest quarter of said Section 26, and the **POINT OF BEGINNING**;

THENCE continuing North 00°06'23" East, a distance of 1231.33 feet, to the west quarter corner of said Section 26;

THENCE continuing along the west line of said Section 26, North 00°06'28" East, a distance of 2594.90 feet, to the northwest corner of said Section 26, also being the southwest corner of said Section 23;

THENCE leaving said west line, along the west line of said Section 23, North 00°48'19" West, a distance of 965.92 feet, to the beginning of a curve;

THENCE leaving said west line, along the centerline of Dysart Road, northerly along said curve to the right, having a radius of 955.37 feet, concave easterly, whose radius bears North 89°11'41" East, through a central angle of 22°19'16", a distance of 372.19 feet, to the north line of the south half of the southwest quarter of said Section 23 and a point of intersection with a non-tangent line;

THENCE leaving said centerline, along said north line, South 89°56'32" East, a distance of 2550.30 feet, to the northeast corner of said south half of the southwest quarter, said point also being the southwest corner of the northwest quarter of the southeast quarter of said Section 23;

THENCE leaving said north line, along the west line of said northwest quarter of the southeast quarter, North 00°51'18" West, a distance of 598.74 feet, to the southwest corner of Lucy T. Homesites Unit Two, recorded in Book 142, page 26, Maricopa County Records (M.C.R.);

THENCE leaving said west line, along the southerly line of said Lucy T. Homesites Unit Two, North 79°56'43" East, a distance of 711.97 feet, to the east line of the west 50.00 feet of the east half of said northwest quarter of the southeast quarter;

THENCE leaving said southerly line, along said east line, South 00°56'08" East, a distance of 673.71 feet, to the north line of the south 50.00 feet of said southeast quarter of the northwest quarter of the southeast quarter;

THENCE leaving said east line, along said north line, South 89°56'50" East, a distance of 603.83 feet, to the east line of said southeast quarter of the northwest quarter of the southeast quarter

THENCE leaving said north line, along said east line, North 01°00'58" West, a distance of 606.33 feet, to the northeast corner of said southeast quarter of the northwest quarter of the southeast quarter, also being the northwest corner of the south half of the northeast quarter of said southeast quarter of Section 23;

THENCE leaving said east line, along the north line of said south half of the northeast quarter of the southeast quarter, South 89°49'25" East, a distance of 1306.08 feet, to the northeast corner of said south half of the northeast quarter of the southeast quarter, said point also being on the west line of said Section 24;

THENCE leaving said north line, along said west line, North 01°10'37" West, a distance of 653.56 feet, to the west quarter corner of said Section 24;

THENCE leaving said west line, along the east-west mid-section line of said Section 24, South 89°56'46" East, a distance of 1316.49 feet, to the northeast corner of the west half of the southwest quarter of said Section 24;

THENCE leaving said mid-section line, along the east line of said west half of the southwest quarter, South 00°56'20" East, a distance of 2621.40 feet, to the southeast corner of said west half of the southwest quarter;

THENCE leaving said east line, along the south line of said Section 24, South 89°37'21" East, a distance of 1305.77 feet, to the south quarter corner of said Section 24;

THENCE leaving said south line, along the north-south mid-section line of said Section 24, North 00°42'08" West, a distance of 1314.30 feet, to the northwest corner of the south half of the southeast quarter of said Section 24;

THENCE leaving said mid-section line, along the north line of said south half of the southeast quarter, South 89°47'10" East, a distance of 2622.42 feet, to the northeast corner of said south half of the southeast quarter;

THENCE leaving said north line, along the east line of said Section 24, South 00°13'52" East, a distance of 1321.53 feet, to the southeast corner of said Section 24, said point also being the northeast corner of said Section 25;

THENCE leaving said east line, along the east line of said Section 25, South 00°05'10" West, a distance of 1310.39 feet, to the southeast corner of the north half of the northeast quarter of said Section 25;

THENCE leaving said east line, along the south line of said north half of the northeast quarter, North 89°35'50" West, a distance of 1305.99 feet, to the northeast corner of the southwest quarter of the northeast quarter of said Section 25;

THENCE leaving said south line, along the east line of said southwest quarter of the northeast quarter, South 00°05'32" West, a distance of 1309.76 feet, to the southeast corner of said southwest quarter of the northeast quarter, said point also being the northeast corner of the northwest quarter of the southeast quarter of said Section 25;

THENCE leaving said east line, along the east line of said northwest quarter of the southeast quarter, South 00°05'36" West, a distance of 1146.52 feet, to the southeast corner of the north half of the south half of the south half of said northwest quarter of the southeast quarter;

THENCE leaving said east line, along the south line of said north half of the south half of the south half of the northwest quarter of the southwest quarter, North 89°32'04" West, a distance of 1306.23 feet, to the southwest corner of said north half of the south half of the south half of the northwest quarter of the southeast quarter, said point also being on the north-south mid-section line of said Section 25;

THENCE leaving said south line, along said mid-section line, South 00°05'54" West, a distance of 163.67 feet, to the southeast corner of the north half of the southwest quarter of said Section 25;

THENCE leaving said mid-section line, along the south line of said north half of the southwest quarter, North 89°32'03" West, a distance of 1768.47 feet, to the west line of the east 28 Rods of the northwest quarter of the southwest quarter of said Section 25;

THENCE leaving said south line, along said west line, North 00°06'27" East, a distance of 66.00 feet, to the north line of the south 66 feet of the north half of the southwest quarter of said Section 25;

THENCE leaving said west line, along said north line, North 89°32'03" West, a distance of 844.44 feet, to the west line of said Section 25, said point also being on the east line of said Section 26;

THENCE leaving said north line, along the north line of the south 66 feet of the north half of the southeast quarter of said Section 26, North 89°51'06" West, a distance of 2622.15 feet, to a point on the north-south mid-section line of said Section 26;

THENCE leaving said north line, along the north line of the south 66 feet of the north half of the southwest quarter of said Section 26, North 89°51'06" West, a distance of 2622.82 feet, to the **POINT OF BEGINNING**.

EXCEPT the following property described in Document 2007-0853115, M.C.R.:

BEING THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, STATE OF ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26;

THENCE ALONG THE WEST LINE OF SAID SECTION 26, SOUTH 00 DEGREES 06 MINUTES 53 SECONDS EAST 104.65 FEET;

THENCE NORTH 89 DEGREES 53 MINUTES 07 SECONDS EAST 65.00 FEET TO A POINT IN A LINE PARALLEL WITH AND 65.00 FEET EASTERLY, MEASURED AT RIGHT ANGLES, FROM SAID WEST LINE OF SECTION 26; SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 44 DEGREES 43 MINUTES 56 SECONDS EAST 56.72 FEET TO A POINT IN A LINE PARALLEL WITH AND 65.00 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHERLY LINE OF SAID SECTION 26;

THENCE ALONG LAST-MENTIONED PARALLEL LINE, NORTH 89 DEGREES 34 MINUTES 45 SECONDS EAST, 1857.16 FEET;

THENCE SOUTH 45 DEGREES 25 MINUTES 15 SECONDS EAST, 42.43 FEET;

THENCE SOUTH 00 DEGREES 25 MINUTES 15 SECONDS EAST, 125.93 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 2930.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 22 DEGREES 20 MINUTES 28 SECONDS AN ARC LENGTH OF 1142.49 FEET TO A POINT IN THE NORTH LINE OF THAT CERTAIN 160-FOOT ELECTRIC EASEMENT DESCRIBED IN DOCUMENT NOS. 02-1076599 AND 05-1738976, MARICOPA COUNTY, RECORDS;

THENCE ALONG SAID NORTH LINE, NORTH 89 DEGREES 32 MINUTES 53 SECONDS WEST 1714.06 FEET TO SAID PARALLEL LINE DESCRIBED HEREIN;

THENCE ALONG SAID PARALLEL LINE, NORTH 00 DEGREES 06 MINUTES 53 SECONDS WEST, 1203.60 FEET TO THE TRUE POINT OF BEGINNING.

**Parcel Description
Lakin Property
CFD Formation Limits**

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See attached CFD Formation Limits Map

AND EXCEPT the following property described in Document 2017-0704314, M.C.R.:

The westerly 840.07 feet of the northerly 668.35 feet of the northwest quarter of the southwest quarter of Section 25, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the Northerly 40.00 feet and the Westerly 55.00 feet

AND EXCEPT the following property described in Document 2017-0799341, M.C.R.:

THE WESTERLY 15.00 FEET AND NORTHERLY 40.0 FEET OF EASTERLY 800.07 FEET OF WESTERLY 840.07 FEET OF NORTHERLY 668.35 FEET OF NORTHWEST QUARTER SOUTHWEST QUARTER SECTION 25, TOWNSHIP 1 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

AND EXCEPT a parcel of land lying within the northwest quarter of Section 26, Township 1 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly as follows:

COMMENCING at the west quarter corner of said Section 26, a 3-inch Maricopa County Highway Department brass cap in handhole stamped T1N R1W 1/4 S27 S26 2004 37174, from which the northwest corner of said section, a 3-inch Maricopa County Department of Transportation brass cap flush stamped T1N R1W S22 23 27 26 RLS 26411, bears North 00°06'28" East (basis of bearing), a distance of 2594.90 feet;

THENCE along the east-west mid-section line of said section, South 89°57'56" East, a distance of 50.00 feet, to the east line of the west 50 feet of said section and the **POINT OF BEGINNING**;

THENCE leaving said east-west mid-section line, along said east line, North 00°06'28" East, a distance of 1286.63 feet, to the westerly prolongation of the south line of that certain parcel of land described in Document No. 2007-0853115, Maricopa County Records (M.C.R.);

THENCE leaving said east line, along said prolongation and said south line, South 89°19'32" East, a distance of 940.05 feet;

THENCE leaving said south line, along a line that is parallel with the west line of said section, South 00°06'28" West, a distance of 1276.13 feet, to said east-west mid-section line;

THENCE leaving said parallel line, along said east-west mid-section line, North 89°57'56" West, a distance of 940.00 feet, to the **POINT OF BEGINNING**.

AND EXCEPT a parcel of land lying within the southeast quarter of Section 24, Township 1 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly as follows:

COMMENCING at the southeast corner of said Section 24, a handhole with broken lid (monument not accessible – location based on lid and straddlers), from which the south quarter corner of said section, a 2-inch iron pipe with no identification, bears North 89°37'29" West (basis of bearing), a distance of 2611.69 feet;

THENCE along the south line of said section, North 89°37'29" West, a distance of 82.37 feet;

**Parcel Description
Lakin Property
CFD Formation Limits**

Revised March 15, 2018

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See attached CFD Formation Limits Map

THENCE leaving said south line, North 00°22'31" East, a distance of 35.00 feet, to the north line of the south 35 feet of said section and the **POINT OF BEGINNING**;

THENCE along said north line, North 89°37'29" West, a distance of 643.02 feet;

THENCE leaving said north line, along a line parallel with the east line of said section, North 00°13'52" West, a distance of 1033.66 feet;

THENCE leaving said parallel line, South 89°47'04" East, a distance of 675.00 feet, to the west line of the east 50 feet of said section;

THENCE along said west line, South 00°13'52" East, a distance of 660.23 feet;

THENCE leaving said west line, South 04°06'44" West, a distance of 158.46 feet, to the west line of the east 62 feet of said section;

THENCE along said west line, South 00°13'52" East, a distance of 197.18 feet;

THENCE leaving said west line, South 45°04'19" West, a distance of 280.13 feet, to the **POINT OF BEGINNING**.

Containing 47,330,385 square feet or 1,086.5561 acres, more or less.

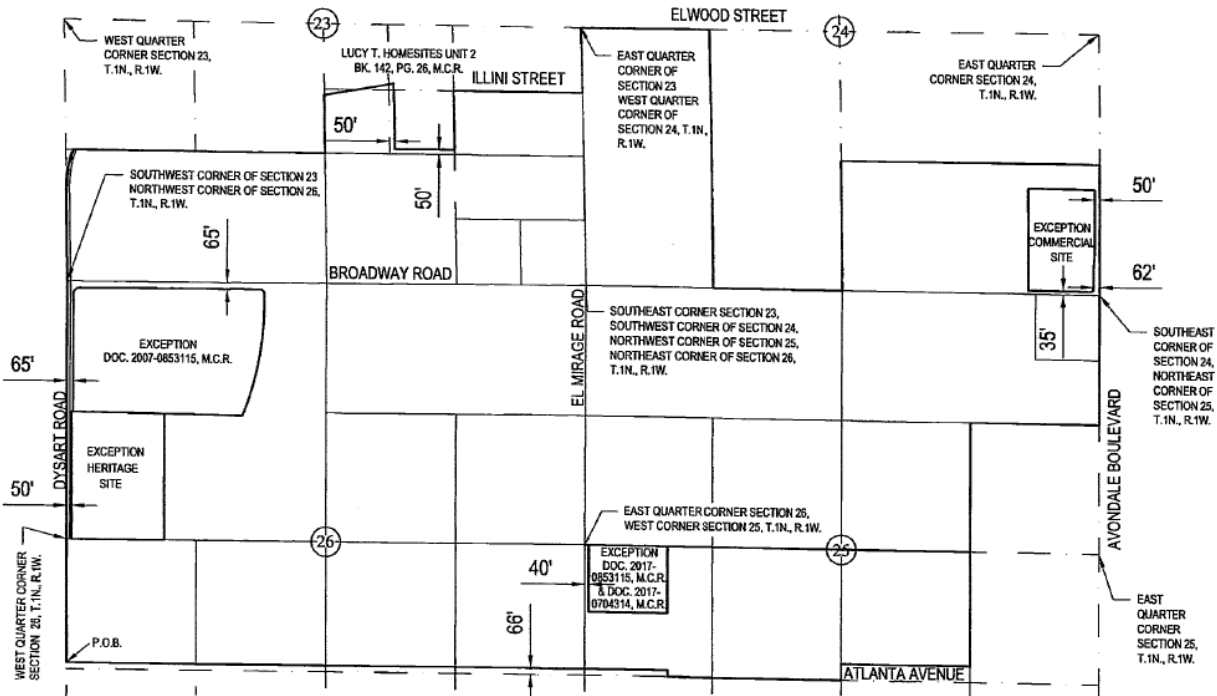
Subject to existing right-of-way and easements.

This parcel description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of March, 2017. Any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

Y:\WP\Parcel Descriptions\2017\174612 Lakin Property CFD Formation Limits L06R01 03-15-18.docx



EXPIRES 06-30-20



WOOD/PATEL
 MISSION: CLIENT SERVICE®
 (602) 335-8500
 WWW.WOODPATEL.COM



LAKIN PROPERTY
 CFD FORMATION LIMITS MAP
 REVISED 3/15/2018
 WP# 174612
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 NOT TO SCALE
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SERIES 2023 BOND REGISTRAR AND PAYING AGENT AGREEMENT

\$_____,000
ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023

THIS SERIES 2023 BOND REGISTRAR AND PAYING AGENT AGREEMENT, dated as of _____ 1, 2023 (this “Agreement”), by and between _____ (the “Bond Registrar and Paying Agent”) and ALAMAR COMMUNITY FACILITIES DISTRICT (the “District”),

W I T N E S S E T H:

WHEREAS, pursuant to a resolution duly adopted by the Board of Directors (the “Board”) of the District on June 5, 2023 (the “Bond Resolution”), the Board authorized the sale and issuance of \$_____,000 principal amount of Alamar Community Facilities District (Avondale, Arizona) General Obligation Bonds, Series 2023 (the “Bonds”); and

WHEREAS, by the Bond Resolution, the Board appointed the Bond Registrar and Paying Agent as the agent of the District, to act as authenticating agent, bond registrar, transfer agent and paying agent for and in connection with the Bonds and has authorized and directed the Bond Registrar and Paying Agent to keep all the books and records necessary for registration, transfer or exchange of the Bonds (the “Register”);

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the District and the Bond Registrar and Paying Agent agree as follows:

Section 1. At the time and place for the original delivery of the Bonds (the “Closing”), the District shall deliver to the Bond Registrar and Paying Agent the duly executed Bonds and any other information needed to complete the Bonds at the Closing. The Bond Registrar and Paying Agent, through a duly authorized representative or representatives, shall (i) coordinate the completion of the Bonds to be delivered at the Closing; (ii) record the names and addresses of the registered owners in, and otherwise complete the Register; and (iii) sign the Certificate of Authentication on the Bonds, all so as to permit delivery of the Bonds at the Closing. These procedures shall also be used, as appropriate, for the completion and authentication of any Bond to be delivered to the Bond Registrar and Paying Agent for transfer as provided herein.

Section 2. The Bond Registrar and Paying Agent shall keep and maintain the Register at its designated corporate trust office so long as any Bond remains outstanding and shall perform, without limitation, authentication, transfer, registration and paying agent functions, and related mechanical, clerical and record or bookkeeping functions, in connection with the Bonds in accordance with this Agreement, the Bond Resolution, and any applicable requirements of Section 149(a) of the Internal Revenue Code of 1986, as amended, and applicable regulations, proposed regulations (if they are proposed to take effect retrospectively) and rulings thereunder.

Section 3. In accordance with the Bond Resolution, the Bond Registrar and Paying Agent shall:

(i) Transfer any Bond upon presentation and surrender thereof at the office of the Bond Registrar and Paying Agent, together with a request for an assignment, signed by the registered owner or by a person authorized by the registered owner to do so by a power of attorney in a form satisfactory to the Bond Registrar and Paying Agent, and complete, authenticate and deliver the new Bonds to the registered owner or the registered owner of the transferred Bonds in a denomination or denominations equal in the aggregate to the unmatured and unredeemed principal amount of the Bonds surrendered, bearing interest at the same rate and maturing on the same date.

(ii) Record the transfer of any Bond on the Register.

(iii) Complete the transfer, completion, authentication and delivery of the new Bonds within the time required by then applicable rules and regulations.

Section 4. (A) The fees and expenses of the Bond Registrar and Paying Agent are set forth in the Exhibit hereto.

(B) The Bond Registrar and Paying Agent shall charge the registered owner of any transferred Bond an amount sufficient to reimburse it for any fee, tax or other charge required to be paid with respect to the transfer. The Bond Registrar and Paying Agent may require that those charges be paid before it begins the procedure for the transfer.

Section 5. The Bond Registrar and Paying Agent shall complete, authenticate, deliver and register the new Bonds to replace any Bond lost, stolen, destroyed, or mutilated, upon receipt by the Bond Registrar and Paying Agent of evidence satisfactory to it of the loss, theft, destruction or mutilation of any Bond and of indemnity satisfactory to it.

Section 6. The Bond Registrar and Paying Agent shall cancel any Bond surrendered to it pursuant to the Bond Resolution for payment or retirement or for replacement or transfer. The cancelled Bonds shall be destroyed by the Bond Registrar and Paying Agent and a record of such destruction and the number and amount of Bonds destroyed shall be kept by the Bond Registrar and Paying Agent and upon request of the District, furnished by the Bond Registrar and Paying Agent to the District.

Section 7. The Bond Registrar and Paying Agent shall retain and store the Register for seven (7) years after full payment of the Bonds. At any time and upon request by an authorized representative of the District, the Bond Registrar and Paying Agent shall permit such representative to inspect the Register and shall provide such representative with a copy of the Register. In the event of a request to the Bond Registrar and Paying Agent by any person other than such representative of the District for inspection of the Register, the Bond Registrar and Paying Agent shall notify the District and shall not permit that inspection unless it is approved by such representative of the District, except that the Bond Registrar and Paying Agent may permit an inspection pursuant to an order of a court of competent jurisdiction.

Section 8. The Bond Registrar and Paying Agent shall pay the principal of and interest on the Bonds and shall redeem Bonds in accordance with the Bond Resolution, but only from moneys deposited with the Bond Registrar and Paying Agent by the District for that purpose. The District shall cause funds to be on deposit with the Bond Registrar and Paying Agent in an amount sufficient and available to pay the interest, or principal and interest, then to be due on the day prior to the day on which that payment is to be made. The Bond Registrar and Paying Agent shall pledge assets to secure the deposits made for the purpose of paying either principal or interest or both principal and interest on the Bonds.

Section 9. In the event any check for payment of interest on a Bond is returned to the Bond Registrar and Paying Agent unendorsed or is not presented for payment within two (2) years from its payment date or any Bond is not presented for payment of principal due at the maturity or redemption date, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to the Bond Registrar and Paying Agent for the benefit of the registered owner thereof, it shall be the duty of the Bond Registrar and Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the registered owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. The obligation of the Bond Registrar and Paying Agent to hold such funds shall continue for two (2) years and six (6) months following the date on which such interest or principal amount became due, whether at maturity, or at the date fixed for redemption, or otherwise, at which time the Bond Registrar and Paying Agent shall surrender such unclaimed funds so held to the District, whereupon any claim of whatever nature by the registered owner of such Bond arising under such Bond shall be made upon the District.

Section 10. In the absence of bad faith on its part in the performance of its services under this Agreement, the Bond Registrar and Paying Agent shall be protected in acting upon any notice, request, certificate, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper party or parties.

Section 11. (A) The Bond Registrar and Paying Agent may resign as Bond Registrar and Paying Agent at any time by giving thirty (30) days' written notice of resignation to an authorized representative of the District. The Bond Registrar and Paying Agent may be removed at any time by written notice signed by such authorized representative and delivered to the Bond Registrar and Paying Agent. Upon the effectiveness of the resignation or termination, the Bond Registrar and Paying Agent shall deliver the Register and all other records (or copies of those records) pertaining to the Bonds and all forms of Bond to the District.

(B) Every successor Bond Registrar and Paying Agent appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Arizona, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$50,000,000.

(C) Any bank, trust company or national banking association into which the Bond Registrar and Paying Agent or its successor may be converted, merged or

with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business shall be the successor of the Bond Registrar and Paying Agent under this Bond Registrar and Paying Agent Agreement with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 12. Notice shall be sufficient hereunder if it is contained in a writing sent to the District at 11465 West Civic Center Drive, Avondale, Arizona 85323, Attention: District Treasurer, and to the Bond Registrar and Paying Agent at _____, _____, Arizona _____, Attention: _____, or any other address which may be designated from time to time by either party in writing delivered to the District or the Bond Registrar and Paying Agent, as applicable.

Section 13. Neither this Agreement nor any provision hereof may be changed, revised or amended, except by a writing signed by the District and the Bond Registrar and Paying Agent.

Section 14. In case any section or provision of this Agreement, or any agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder of this Agreement or any other section or provision of this Agreement or any other agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein. Any illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, agreement, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into, done or taken in the manner and to the full extent permitted by law from time to time.

Section 15. (A) To the extent applicable by provision of law, the Bond Registrar and Paying Agent acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein and which provides that the District may within three years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by the District if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the District is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

(B) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Bond Registrar and Paying Agent shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the “e-verify” requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Bond Registrar and Paying Agent of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of the Bond Registrar and Paying Agent by the District. The District retains the legal right to randomly inspect the papers and

records of the Bond Registrar and Paying Agent to ensure that the Bond Registrar and Paying Agent is complying with the foregoing. The Bond Registrar and Paying Agent shall keep such papers and records open for random inspection during normal business hours by the District. The Bond Registrar and Paying Agent shall cooperate with the random inspections by the District including granting the District entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(C) To the extent applicable Section 35-393, et seq., Arizona Revised Statutes, the Bond Registrar and Paying Agent hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the District determines that the Bond Registrar and Paying Agent’s certification above is false or that it has breached such agreement, the District may impose remedies as provided by law.

(D) Pursuant to Section 35-394, Arizona Revised Statutes, as amended, the Bond Registrar and Paying Agent hereby certifies it does not currently, and for the duration of this Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People’s Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China. The foregoing certification is made to the best knowledge of the Bond Registrar and Paying Agent without any current independent investigation or without any future independent investigation for the duration of this Agreement. If the Bond Registrar and Paying Agent becomes aware during the duration of this Agreement that it is not in compliance with such certification, the Bond Registrar and Paying Agent shall take such actions as provided by law, including providing the required notice to the District. If the District determines that the Bond Registrar and Paying Agent is not in compliance with the foregoing certification and has not taken remedial action, the District shall terminate the Bond Registrar and Paying Agent’s role as the Bond Registrar and Paying Agent hereunder pursuant to Section 11.

Section 16. This Agreement shall for all purposes be governed by and construed in accordance with the laws of the State of Arizona. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Bond Registrar and Paying Agent Agreement as of the day and year first above written.

_____, as Bond Registrar and
Paying Agent

By
Authorized Representative

ALAMAR COMMUNITY FACILITIES
DISTRICT

By
District Treasurer

ATTEST:

.....
District Clerk

Attachment:

Exhibit - Fee Schedule

EXHIBIT

\$(PAR)
ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2023

BOND PURCHASE AGREEMENT

[Pricing Date]

ALAMAR COMMUNITY
FACILITIES DISTRICT
c/o City of Avondale, Arizona
11465 W. Civic Center Drive
Avondale, Arizona 85323

Ladies and Gentlemen:

The undersigned, Hilltop Securities Inc. (the “Underwriter”), acting on its own behalf, offers to enter into the following agreement (this “Bond Purchase Agreement”) with Alamar Community Facilities District (the “Issuer”) which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer’s written acceptance hereof on or before 11:59 p.m., MST, on [Pricing Date], and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer.

In addition to acceptance of this Bond Purchase Agreement by the Issuer, as provided above, the obligations of the Underwriter and the Issuer under this Bond Purchase Agreement shall be conditioned on delivery of fully-executed Indemnity Letters, dated the date hereof, from each of Brookfield Lakin LLC (“Brookfield Lakin”) and Brookfield Residential (Arizona) LLC (“Brookfield Residential”) (together, the “Indemnity Letters”), the forms of which are attached hereto as Attachment I and Attachment II, respectively. Delivery includes, in both cases, sending in the form of a facsimile or telecopy or via the internet as a portable document format (PDF) file or other replicating image attached to an electronic message.

1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer’s General Obligation Bonds, Series 2023 in the aggregate principal amount of \$(Par) (the “Bonds”). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm’s-length

commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Issuer; (ii) the Underwriter is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; and (iv) the Issuer has consulted its own legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. The Underwriter has provided to the Issuer prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”), which have been received by the Issuer.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities and redemption provisions and interest rates per annum and related yields are set forth in Schedule I hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the resolution adopted by the Board of Directors of the Issuer (the “District Board”) on June 5, 2023 (the “Bond Resolution”).

The purchase price for the Bonds shall be \$_____ (the “Purchase Price”), representing the aggregate of (a) the par amount of the Bonds, plus (b) the [net] reoffering premium on the Bonds of \$_____ and less (c) an underwriting discount on the Bonds of \$_____.

[For convenience, the Underwriter shall pay by the Closing (as defined herein), on behalf of the Issuer, \$_____ from the proceeds of the Bonds to the Insurer (as defined herein) as payment of the bond insurance premium for the Policy (as defined herein).]

2. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth on the inside front cover page of the Official Statement (as defined herein) and may subsequently change such offering price without any requirement of prior notice. Subject to the issue price rules, the Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside front cover page of the Official Statement.

3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer on the Closing Date (as defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Greenberg Traurig, LLP (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) [Except as otherwise set forth in Schedule II attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel.] For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) [The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule II attached hereto, except as otherwise set forth therein. Schedule II also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) The close of the fifth (5th) business date after the sale date; or

(ii) The date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.]

(d) [The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

A. (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

B. to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

C. to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.]

(e) [The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer

who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.]

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) [“sale date” means the date of execution of this Bond Purchase Agreement by all parties.]

4. The Official Statement.

(a) A copy of the Preliminary Official Statement dated June __, 2023 (the “Preliminary Official Statement”), including the cover page, inside front cover page and Appendices thereto, as amended and supplemented, of the Issuer relating to the Bonds has been provided to the Underwriter. The Preliminary Official Statement, as amended to reflect the changes required in connection with the pricing and sale of the Bonds, as amended and supplemented, is hereinafter called the “Official Statement.”

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby deems the Preliminary Official Statement final as of its date, except for the

omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended and supplemented (the "Rule").

(c) The Issuer represents that the District Board has reviewed and approved the information in the Preliminary Official Statement and hereby authorizes the Official Statement and the information contained therein to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer ratifies the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer's acceptance of this Bond Purchase Agreement (but, in any event, not later than within seven business days after the Issuer's acceptance of this Bond Purchase Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB. The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(d) If, after the date of this Bond Purchase Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the end of the underwriting period (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or circumstance which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter or the Issuer, such fact or circumstance requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with the Electronic Municipal Market Access system of the MSRB. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the Closing Date.

5. Representations, Warranties, and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a community facilities district duly organized and validly existing pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Enabling Act”), and has full legal right, power and authority under the Enabling Act and the Bond Resolution to (i) authorize, execute, deliver and issue, as applicable (A) this Bond Purchase Agreement, (B) the Bonds, (C) a Series 2023 Bond Registrar and Paying Agent Agreement, to be dated as of [July] 1, 2023 (the “Bond Registrar Agreement”), between the Issuer and [U.S. Bank Trust Company, National Association], as bond registrar and paying agent (the “Bond Registrar”), and (D) a Continuing Disclosure Undertaking of the Issuer, to be dated the Closing Date, which satisfies the requirements of Section (b)(5)(i) of the Rule (the “Undertaking” and, together with this Bond Purchase Agreement and the Bond Registrar Agreement, the “Issuer Documents”); (ii) sell, issue and deliver the Bonds to the Underwriter as provided herein; and (iii) carry out and consummate the transactions contemplated by the Bond Resolution, the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all material respects, with the terms of the Enabling Act, the Bond Resolution and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights and, in the case of the Undertaking, annual appropriation of amounts to pay for compliance therewith, and the Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution and this Bond Purchase Agreement, will constitute legal, valid and binding obligations of the Issuer, entitled to the benefits of the Bond Resolution, and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights, and all actions necessary to create a legal, valid and binding levy on all of the taxable property in the Issuer of a direct, annual, ad valorem tax, unlimited as to rate and amount, sufficient to pay all the principal of and interest on the Bonds as the same become due shall have been or shall be taken to the extent such action may be taken or prior to the Closing;

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the

United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is otherwise subject, no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the Bond Resolution and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is otherwise subject or under the terms of any such law, regulation or instrument;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Bond Resolution, the Issuer Documents, and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds conform to the descriptions thereof contained in the Official Statement under the heading "THE BONDS"; the Bond Resolution conforms to the description thereof contained in the Official Statement under the heading "THE BONDS – Authorization and Purpose"; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the heading "THE BONDS – Authorization and Purpose" and the Undertaking will be in substantially the form contained in Appendix C to the Official Statement;

(g) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the levying, assessment, or collection of the property taxes for the payment of the Bonds pursuant to the Bond Resolution or in any way contesting or affecting the adoption of the Bond Resolution or the validity or enforceability of the Bonds or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) The Preliminary Official Statement as of its date did not, and the Official Statement as of the date hereof does not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Bond Purchase Agreement), at all times subsequent to the acceptance hereof during the period up to and including the Closing Date, the Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Bond Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing Date the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes or State income tax purposes of the interest on the Bonds;

(l) The Issuer, at the expense of the Underwriter, will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (i) to (A) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (B) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial information regarding the Issuer in the Official Statement fairly presents the financial position and results of the Issuer as of the dates and for the periods therein set forth; prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer; and the Issuer is not a party to any litigation or other proceeding pending or

overtly threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(n) To the extent the Issuer may agree to do so pursuant to applicable law, prior to the Closing the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Underwriter which approval will not be unreasonably withheld;

(o) The Issuer has executed and delivered or shall execute and deliver prior to the Closing, and in time for the Closing to occur at its specified time, the documents required to cause the Bonds to be eligible for deposit with DTC (as defined herein);

(p) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Bond Purchase Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein;

(q) Except as disclosed in the Official Statement, the Issuer is in material compliance with each and every continuing disclosure undertaking entered into pursuant to the Rule for the past five years, as applicable; and

(r) The Issuer has submitted the information required with respect to previous issuances of bonds and securities pursuant to Section 35-501(B), Arizona Revised Statutes.

6. Closing.

(a) At 8:00 a.m. MST, on [Closing Date], or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the “Closing Date”), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the Purchase Price of the Bonds as set forth in Section 1 of this Bond Purchase Agreement by wire transfer payable in immediately available funds to the order of the Issuer (the “Closing”). Payment for the Bonds as aforesaid shall be made at the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds shall be made to The Depository Trust Company, New York, New York (“DTC”). The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Resolution, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

7. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein and of Brookfield Lakin and Brookfield Residential contained in their respective Indemnity

Letters, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and by Brookfield Lakin and Brookfield Residential of their obligations pursuant to their respective Indemnity Letters and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer contained herein and the representations and warranties of Brookfield Lakin and Brookfield Residential in their respective Indemnity Letters shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Bond Purchase Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Bond Resolution, the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and counsel to the Underwriter to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds, the Bond Resolution and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Bond Resolution shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the Bond Registrar shall have duly authenticated the Bonds;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, Brookfield Lakin or Brookfield Residential from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(g) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by

this Bond Purchase Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(i) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by the Chairman of the District Board, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) The Bond Resolution with such supplements or amendments as may have been agreed to by the Underwriter;

(3) The Issuer Documents;

(4) The approving opinion of Bond Counsel, dated the Closing Date, with respect to the Bonds, in substantially the form attached to the Official Statement;

(5) A supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriter, and in substantially the form attached hereto as Exhibit B.

(6) An opinion of Snell & Wilmer LLP, as counsel to Brookfield Lakin and Brookfield Residential, dated the Closing Date, addressed to the Underwriter and the Issuer, and in substantially the form attached hereto as Exhibit C;

(7) An opinion of counsel to the Underwriter, dated the Closing Date, addressed to the Underwriter, and in substantially the form attached hereto as Exhibit D;

(8) A certificate from each of Brookfield Lakin and Brookfield Residential, dated the Closing Date, in form and substance satisfactory to Bond Counsel and counsel to the Underwriter, to the effect that the representations and warranties contained in their respective Indemnity Letters, the Development Agreement (as defined in the Indemnity Letters) and in the documents executed by each of them in connection with the issuance of the Bonds are true and correct in all material respects as of the Closing Date;

(9) A certificate, dated the Closing Date, of appropriate representatives of the Issuer substantially to the effect that:

(i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date;

(ii) no litigation or proceeding or tax challenge against it is pending or, to the best of such representatives' knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and levying, assessing and collecting the property taxes from which the Bonds are payable pursuant to the Bond Resolution, nor to the best of such representatives' knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially, adversely affect the validity or enforceability of the Bond Resolution, the Bonds or the Issuer Documents or have a material, adverse effect on the financial condition of the Issuer;

(iii) the Bond Resolution has been duly adopted by the Issuer, is in full force and effect and has not been modified, amended or repealed; and

(iv) no event affecting the Issuer has occurred since the date of the Preliminary Official Statement to the date hereof and the date of the Official Statement to the Closing Date which should be disclosed in the Preliminary Official Statement or the Official Statement, as applicable, for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading as of the time of Closing, and the information contained in the Preliminary Official Statement and the Official Statement is correct in all material respects and, as of the date of the Preliminary Official Statement and the date hereof and as of the date of the Official Statement did not, and as of the Closing Date does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(10) A certificate, dated the Closing Date, of appropriate representatives of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (a) setting forth the facts, estimates and circumstances in existence on the Closing Date, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of their knowledge and belief, there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(11) Any other certificates and opinions required by the Bond Resolution for the issuance thereunder of the Bonds;

(12) [Evidence that S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, has issued a rating of "AA" to the Bonds (the "Rating"), based on issuance of the Policy, and that the Rating is then in effect;]

(13) The filing copy of the Information Return Form 8038-G (IRS) for the Bonds;

(14) The filing copy of the Report of Bond and Security Issuance for the Arizona Department of Administration pursuant to Section 35-501(B), Arizona Revised Statutes, as amended;

(15) [Evidence that _____ (the "Insurer") has issued its municipal bond insurance policy (the "Policy") with respect to the Bonds as well as appropriate opinions and certifications from the Insurer relating to the Policy; and]

(16) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations and warranties of the Issuer, Brookfield Lakin and Brookfield Residential, contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer, Brookfield Lakin and Brookfield Residential on or prior to the Closing Date of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer, Brookfield Lakin and Brookfield Residential, respectively.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Issuer, Brookfield Lakin or Brookfield Residential shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Section 9(c) hereof shall continue in full force and effect.

8. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Bond Purchase Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon income of the general character to be derived by the Issuer pursuant to the Bond Resolution, or upon interest received on obligations of the general character of the Bonds, or, with respect to State taxation, of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission (the "SEC"), or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange, the American Stock Exchange or other major exchange shall be in force, or the establishment of minimum prices on any such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(f) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Bond Purchase Agreement any materially adverse change in the affairs or financial condition of the Issuer, Brookfield Lakin or Brookfield Residential;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations or [the Insurer];

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

(m) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(n) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; and

(o) additional events or announcements related to the COVID-19 virus and its impact result in cancelation of orders from investors or the inability of investors to proceed with the purchase of their Bonds in an amount that the Underwriter deems to have an adverse material impact on the sale of and market for the Bonds.

9. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay, but only from proceeds of the sale of the Bonds or other legally available funds of the Issuer should the Issuer determine to apply funds for such purposes, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds and preparation and printing or posting of the Preliminary Official Statement and the Official Statement; (ii) the fees and disbursements of Bond Counsel and counsel to the Underwriter; (iii) the fees and disbursements of the Bond Registrar; (iv) the fees and disbursements of Stifel, Nicolaus & Company, Incorporated as financial advisor to the Issuer; (v) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (vi) the fees and expenses incurred by the Issuer or the Underwriter for the Rating, [if any, and the Policy]; and (vii) reimbursement of normally occurring "out of pocket" expenses incurred by the Underwriter on the Issuer's behalf.

(b) The Underwriter shall pay (i) the cost of any Blue Sky Survey and Legal Investment Memorandum; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by it in connection with the public offering of the Bonds.

(c) If this Bond Purchase Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Bond Purchase Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Bond Purchase Agreement, the Issuer will reimburse the Underwriter for all "out-of-pocket" expenses reasonably incurred by the Underwriter in connection with this Bond Purchase Agreement or the offering contemplated hereunder.

(d) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

10. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing to the address set forth on the first page of this Bond Purchase Agreement, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Hilltop Securities Inc., 4455 E. Camelback Rd., Suite E280, Phoenix, Arizona 85018, Attention: Janelle Gold.

11. Parties in Interest. This Bond Purchase Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Bond Purchase Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of

(i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement; and (iii) any termination of this Bond Purchase Agreement.

12. Effectiveness. This Bond Purchase Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

13. Choice of Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the law of the State.

14. Severability. If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

15. Business Day. For purposes of this Bond Purchase Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

16. Section Headings. Section headings have been inserted in this Bond Purchase Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Bond Purchase Agreement and will not be used in the interpretation of any provisions of this Bond Purchase Agreement.

17. Counterparts. This Bond Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

18. Cancellation of Bond Purchase Agreement. As required by the provisions of Arizona Revised Statutes Section 38-511, notice is hereby given that the State, its political subdivisions (including the Issuer) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from

any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the Issuer hereunder except as required by such Section 38-511. Each of the parties hereto hereby certifies that it is not presently aware of any violation of Section 38-511 which would adversely affect the enforceability of this Bond Purchase Agreement and covenants that it shall take no action which would result in a violation of such Section.

[Remainder of page left blank intentionally]

If you agree with the foregoing, please sign the enclosed counterpart of this Bond Purchase Agreement and return it to the Underwriter. This Bond Purchase Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart hereof shall have been signed by or on behalf of each of the parties hereto and the Indemnity Letters have been delivered as provided herein.

Very truly yours,

HILLTOP SECURITIES INC.

By: _____
Name: _____
Title: _____

ACCEPTED at _____ a.m./p.m. MST
this ____ day of _____, 2023

ALAMAR COMMUNITY
FACILITIES DISTRICT

By: _____
Name: _____
Title: _____

**Schedule I
to
Bond Purchase Agreement**

**\$(PAR)
ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2023**

Dated Date: [Closing Date]

BOND PAYMENT PROVISIONS

MATURITY (JULY 15)	PRINCIPAL <u>AMOUNT</u> \$	INTEREST <u>RATE</u> %	<u>YIELD</u> %
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*Yield calculated to July 15, 20__, the first optional redemption date.

Optional Redemption. The Bonds maturing before or on July 15, 20__, are not subject to redemption prior to maturity. The Bonds maturing on or after July 15, 20__, are subject to optional redemption prior to maturity, at the option of the Issuer, in whole or in part from maturities selected by the Issuer on July 15, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption, plus interest accrued to the date fixed for redemption, but without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on July 15, 20__, July 15, 20__ and July 15, 20__ (the “Term Bonds”), shall be redeemed on July 15 in the respective years and in the amounts set forth below, by payment of the principal amount of the Bonds so redeemed plus interest accrued to the date fixed for redemption, but without premium.

Term Bonds Maturing July 15, 20__

<u>YEAR</u>	<u>SINKING FUND REQUIREMENT</u>
	\$

*

*Maturity

Term Bonds Maturing July 15, 20__

<u>YEAR</u>	<u>SINKING FUND REQUIREMENT</u>
	\$

*

*Maturity

Term Bonds Maturing July 15, 20__

<u>YEAR</u>	<u>SINKING FUND REQUIREMENT</u>
	\$

*

*Maturity

[Schedule II]
to
Bond Purchase Agreement

\$[PAR]
ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2023

Maturities for which the 10% was met

Maturity Date (<u>July 15</u>)	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Issue Price</u>
	\$	%	%	%	\$

Maturities for which the 10% rule was not met

Maturity Date (<u>July 15</u>)	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Issue Price</u>
	\$	%	%	%	\$

ATTACHMENT I
BROOKFIELD LAKIN INDEMNITY LETTER

[Pricing Date]

Hilltop Securities Inc.,
as Underwriter
2398 East Camelback Road, Suite 340
Phoenix, AZ 85016

Alamar Community Facilities District
c/o City of Avondale, Arizona
11465 W. Civic Center Drive
Avondale, Arizona 85323

Re: \$[Par] Alamar Community Facilities District (Avondale, Arizona) General
Obligation Bonds, Series 2023

This letter (the “Indemnity Letter”) is delivered by Brookfield Lakin LLC, an Arizona limited liability company (“Brookfield Lakin”), in order to induce Hilltop Securities Inc. (the “Underwriter”) and Alamar Community Facilities District (the “District”) to enter into the Bond Purchase Agreement, dated [Pricing Date] (the “Bond Purchase Agreement”), related to the purchase by the Underwriter of the captioned bonds (the “Bonds”). Terms that are defined in the Bond Purchase Agreement have the meanings ascribed to them therein when used herein.

1. In consideration of the execution and delivery of the Bond Purchase Agreement, Brookfield Lakin represents and warrants to the Underwriter and the District that:

(a) Brookfield Lakin is a limited liability company duly formed and existing under the laws of the State of Delaware and qualified to do business in Arizona.

(b) As of the date of the Preliminary Official Statement, the information in the Preliminary Official Statement under the headings “LAND DEVELOPMENT” and “RISK FACTORS” (except the information under the subheadings “Direct and Overlapping Indebtedness”) is true and correct in all material respects for the purposes for which its use is or was authorized, and such information did not and does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

(c) Neither the execution or delivery of this Indemnity Letter, nor the District Development, Financing Participation and Intergovernmental Agreement (Lakin Community Facilities District¹), dated as of October 1, 2018 by and among the District, Brookfield

Lakin, Brookfield Residential (Arizona) LLC and the City of Avondale, Arizona (the “Development Agreement” and together with this Indemnity Letter, herein referred to collectively as the “Documents”), nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of, or compliance with, the terms hereof or thereof, shall contravene the organizational documents of Brookfield Lakin or conflict with or result in a breach by Brookfield Lakin of any of the terms, conditions or provisions of, or constitute a default by Brookfield Lakin under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which Brookfield Lakin is a party or by which it is or may be bound or to which any of the property or assets of Brookfield Lakin is or may be subject, or any law or any order, rule or regulation applicable to Brookfield Lakin of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over Brookfield Lakin or any of its properties or operations, or (except as contemplated by the Documents) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Brookfield Lakin under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of Brookfield Lakin, threatened against Brookfield Lakin wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of Brookfield Lakin, or materially and adversely affect the properties (taken as a whole) of Brookfield Lakin, and that has not been disclosed in the Preliminary Official Statement or the Official Statement, (ii) materially adversely affect the transactions contemplated by the Bond Purchase Agreement or the Documents or (iii) adversely affect the validity or enforceability of the Documents against Brookfield Lakin.

(e) Brookfield Lakin has (or had at the time of execution and delivery of the Development Agreement) the full power and authority to execute and deliver the Documents and perform its obligations hereunder and thereunder and engage in the transactions contemplated by the Bond Purchase Agreement and the Documents, and the Documents have been duly authorized by Brookfield Lakin and, when executed by all applicable parties thereto will constitute valid, binding and enforceable obligations of Brookfield Lakin except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights and/or by general principles of equity and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required for the consummation of the transactions contemplated by the Bond Purchase Agreement and the Documents, other than the permits and licenses for construction of the Project (as defined in the Official Statement) contemplated by the Development Agreement, which have not yet been issued;

¹ On June 7, 2021, the City Council of the City of Avondale adopted Resolution 1040-0621 which provides that from and after May 18, 2020, the Lakin Community Facilities District shall be known as the Alamar Community Facilities District and that all documents containing references to the Lakin Community Facilities District shall be construed to mean the Alamar Community Facilities District.

provided that no representation is made as to the compliance of the offer and sale of the Bonds with any securities law or regulation or any consents, approvals, authorizations or other action by the City of Avondale, Arizona or the District.

2. To the extent permitted by law, Brookfield Lakin shall indemnify and hold harmless the Underwriter and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls the Underwriter within the meaning of the Securities Act of 1933, as amended (the Underwriter and any such person being herein sometimes called an "Underwriter Indemnified Party") and the District and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls the District within the meaning of the Securities Act of 1933, as amended (the District and any such person being herein called a "District Indemnified Party" and, together with each Underwriter Indemnified Party, the "Indemnified Parties"), for, from and against any and all losses, claims, damages or liabilities, several as to the Underwriter Indemnified Parties, but joint or several as to the District Indemnified Parties, (i) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in the information identified in Section 1(b) above in the Official Statement or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in such section(s) or that is necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except such indemnification shall not extend to any other statements in the Official Statement and (ii) with respect to a District Indemnified Party only to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of Brookfield Lakin (which consent shall not be unreasonably withheld).

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against Brookfield Lakin, notify Brookfield Lakin in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of Brookfield Lakin by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Brookfield Lakin but the omission to notify Brookfield Lakin of any such action shall not relieve Brookfield Lakin from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify Brookfield Lakin of the commencement thereof, Brookfield Lakin may, or if so requested by such Indemnified Party shall, participate therein or assume the defenses thereof, with counsel satisfactory to such Indemnified Party and Brookfield Lakin (it being understood that, except as hereinafter provided, Brookfield Lakin shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from Brookfield Lakin to such Indemnified Party of an election so to assume the defenses thereof, Brookfield Lakin will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until Brookfield Lakin assumes the defense of any such action at the request of such Indemnified Party, Brookfield Lakin shall have the right to participate at its own

expense in the defense of any such action. If within a reasonable time after receipt of notice of any such action Brookfield Lakin shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded (and shall have notified Brookfield Lakin) that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Brookfield Lakin (in which case Brookfield Lakin shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by Brookfield Lakin.

3. All of the representations, warranties, and agreements of Brookfield Lakin contained in the Documents shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, any controlling person referred to in paragraph 2 hereof or Brookfield Lakin or (ii) delivery of and payment for the Bonds.

4. This letter is solely for the benefit of the Underwriter, the District and their successors or assigns, and, to the extent provided in paragraph 2 hereof, each Indemnified Party, and no other person shall acquire or have any right under or by virtue hereof. The terms “successors” and “assigns” as used in this letter shall not include any purchaser, as such purchaser, from the Underwriter of the Bonds.

5. This Indemnity Letter shall be governed by the laws of the State of Arizona.

6. Brookfield Lakin shall pay all costs and expenses of its counsel with respect to the issuance and delivery of the Bonds.

7. The electronic signature of this Indemnity Letter shall be as valid as an original signature and shall be effective to bind this Indemnity Letter. For purposes hereof: (i) “electronic signature” means a manually signed original signature or a replicated signature furnished by signature procurement software (i.e. “DocuSign”) that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

8. Brookfield Lakin consents to the references to Brookfield Lakin in the Official Statement.

[Remainder of page intentionally left blank.]

Respectfully submitted,

BROOKFIELD LAKIN LLC,
A Delaware limited liability company

[confirm signature block]

By: _____

Name: _____

Title: _____

ATTACHMENT II

BROOKFIELD RESIDENTIAL INDEMNITY LETTER

[Pricing Date]

Hilltop Securities Inc.,
as Underwriter
2398 East Camelback Road, Suite 340
Phoenix, AZ 85016

Alamar Community Facilities District
c/o City of Avondale, Arizona
11465 W. Civic Center Drive
Avondale, Arizona 85323

Re: \$[Par] Alamar Community Facilities District (Avondale, Arizona) General
Obligation Bonds, Series 2023

This letter (the “Indemnity Letter”) is delivered by Brookfield Residential (Arizona) LLC, an Arizona limited liability company (“Brookfield Residential”), in order to induce Hilltop Securities Inc. (the “Underwriter”) and Alamar Community Facilities District (the “District”) to enter into the Bond Purchase Agreement, dated [Pricing Date] (the “Bond Purchase Agreement”), related to the purchase by the Underwriter of the captioned bonds (the “Bonds”). Terms that are defined in the Bond Purchase Agreement have the meanings ascribed to them therein when used herein.

1. In consideration of the execution and delivery of the Bond Purchase Agreement, Brookfield Residential represents and warrants to the Underwriter and the District that:

(a) Brookfield Residential is a limited liability company duly formed and existing under the laws of the State of Delaware and qualified to do business in Arizona.

(b) As of the date of the Preliminary Official Statement, the information in the Preliminary Official Statement under the headings “LAND DEVELOPMENT” and “RISK FACTORS” (except the information under the subheadings “Direct and Overlapping Indebtedness”) is true and correct in all material respects for the purposes for which its use is or was authorized, and such information did not and does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

(c) Neither the execution or delivery of this Indemnity Letter, nor the District Development, Financing Participation and Intergovernmental Agreement (Lakin

Community Facilities District¹), dated as of October 1, 2018 by and among the District, Brookfield Lakin, Brookfield Residential (Arizona) LLC and the City of Avondale, Arizona (the “Development Agreement” and together with this Indemnity Letter, herein referred to collectively as the “Documents”), nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of, or compliance with, the terms hereof or thereof, shall contravene the organizational documents of Brookfield Residential or conflict with or result in a breach by Brookfield Residential of any of the terms, conditions or provisions of, or constitute a default by Brookfield Residential under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which Brookfield Residential is a party or by which it is or may be bound or to which any of the property or assets of Brookfield Residential is or may be subject, or any law or any order, rule or regulation applicable to Brookfield Residential of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over Brookfield Residential or any of its properties or operations, or (except as contemplated by the Documents) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Brookfield Residential under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of Brookfield Residential, threatened against Brookfield Residential wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of Brookfield Residential, or materially and adversely affect the properties (taken as a whole) of Brookfield Residential, and that has not been disclosed in the Preliminary Official Statement or the Official Statement, (ii) materially adversely affect the transactions contemplated by the Bond Purchase Agreement or the Documents or (iii) adversely affect the validity or enforceability of the Documents against Brookfield Residential.

(e) Brookfield Residential has (or had at the time of execution and delivery of the Development Agreement) the full power and authority to execute and deliver the Documents and perform its obligations hereunder and thereunder and engage in the transactions contemplated by the Bond Purchase Agreement and the Documents, and the Documents have been duly authorized by Brookfield Residential and, when executed by all applicable parties thereto will constitute valid, binding and enforceable obligations of Brookfield Residential except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors’ rights and/or by general principles of equity and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required for the consummation of the transactions contemplated by the Bond Purchase Agreement and the

¹ On June 7, 2021, the City Council of the City of Avondale adopted Resolution 1040-0621 which provides that from and after May 18, 2020, the Lakin Community Facilities District shall be known as the Alamar Community Facilities District and that all documents containing references to the Lakin Community Facilities District shall be construed to mean the Alamar Community Facilities District.

Documents, other than the permits and licenses for construction of the Project (as defined in the Official Statement) contemplated by the Development Agreement, which have not yet been issued; provided that no representation is made as to the compliance of the offer and sale of the Bonds with any securities law or regulation or any consents, approvals, authorizations or other action by the City of Avondale, Arizona or the District.

2. To the extent permitted by law, Brookfield Residential shall indemnify and hold harmless the Underwriter and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls the Underwriter within the meaning of the Securities Act of 1933, as amended (the Underwriter and any such person being herein sometimes called an "Underwriter Indemnified Party") and the District and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls the District within the meaning of the Securities Act of 1933, as amended (the District and any such person being herein called a "District Indemnified Party" and, together with each Underwriter Indemnified Party, the "Indemnified Parties"), for, from and against any and all losses, claims, damages or liabilities, several as to the Underwriter Indemnified Parties, but joint or several as to the District Indemnified Parties, (i) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in the information identified in Section 1(b) above in the Official Statement or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in such section(s) or that is necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except such indemnification shall not extend to any other statements in the Official Statement and (ii) with respect to a District Indemnified Party only to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of Brookfield Residential (which consent shall not be unreasonably withheld).

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against Brookfield Residential, notify Brookfield Residential in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of Brookfield Residential by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Brookfield Residential but the omission to notify Brookfield Residential of any such action shall not relieve Brookfield Residential from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify Brookfield Residential of the commencement thereof, Brookfield Residential may, or if so requested by such Indemnified Party shall, participate therein or assume the defenses thereof, with counsel satisfactory to such Indemnified Party and Brookfield Residential (it being understood that, except as hereinafter provided, Brookfield Residential shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from Brookfield Residential to such Indemnified Party of an election so to assume the defenses thereof, Brookfield Residential will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense

thereof other than reasonable costs of investigation; provided, however, that unless and until Brookfield Residential assumes the defense of any such action at the request of such Indemnified Party, Brookfield Residential shall have the right to participate at its own expense in the defense of any such action. If within a reasonable time after receipt of notice of any such action Brookfield Residential shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded (and shall have notified Brookfield Residential) that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Brookfield Residential (in which case Brookfield Residential shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by Brookfield Residential.

3. All of the representations, warranties, and agreements of Brookfield Residential contained in the Documents shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, any controlling person referred to in paragraph 2 hereof or Brookfield Residential or (ii) delivery of and payment for the Bonds.

4. This letter is solely for the benefit of the Underwriter, the District and their successors or assigns, and, to the extent provided in paragraph 2 hereof, each Indemnified Party, and no other person shall acquire or have any right under or by virtue hereof. The terms “successors” and “assigns” as used in this letter shall not include any purchaser, as such purchaser, from the Underwriter of the Bonds.

5. This Indemnity Letter shall be governed by the laws of the State of Arizona.

6. Brookfield Residential shall pay all costs and expenses of its counsel with respect to the issuance and delivery of the Bonds.

7. The electronic signature of this Indemnity Letter shall be as valid as an original signature and shall be effective to bind this Indemnity Letter. For purposes hereof: (i) “electronic signature” means a manually signed original signature or a replicated signature furnished by signature procurement software (i.e. “DocuSign”) that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

8. Brookfield Residential consents to the references to Brookfield Residential in the Official Statement.

[Remainder of page intentionally left blank.]

Respectfully submitted,

BROOKFIELD RESIDENTIAL (ARIZONA) LLC,
a Delaware limited liability company

[confirm signature block]

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

Hilltop Securities Inc. (“Hilltop”), as Underwriter for the Alamar Community Facilities District (the “Issuer”) (Avondale, Arizona) General Obligation Bonds, Series 2023 (the “Bonds”), based on its knowledge regarding the sale of the Bonds, certifies as of this date as follows:

(1) Issue Price.

[If the issue price is determined using only the general rule (actual sales of at least 10%) in Regulations § 1.148-1(f)(2)(i):

(A) As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price at the respective yield listed in Schedule A attached hereto (the “Sale Price” as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity of the Bonds is \$[] (the “Issue Price”).]

[If the issue price is determined using a combination of actual sales (Regulations § 1.148-1(f)(2)(i)) and hold-the-offering-price (Regulations § 1.148-1(f)(2)(ii):

(A) As of the date of this certificate, for each Maturity listed on Schedule A as the “General Rule Maturities,” the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto (the “Sale Price” as applicable to each Maturity of the General Rule Maturities).

(B) On or before the Sale Date, Hilltop offered the Maturities listed on Schedule A as the “Hold-the-Offering-Price Maturities” to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the “Initial Offering Prices” as applicable to each Maturity of the Hold-the-Offering-Price Maturities). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(C) As set forth in the Bond Purchase Agreement, dated [Pricing Date], between Hilltop and the Issuer, Hilltop has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, Hilltop has not offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(D) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is \$[] for the Bonds (the “Issue Price”).]

[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

(A) Hilltop offered, on or before the Sale Date, each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule A. The aggregate of the Initial Offering Prices of each Maturity is \$[_____] (the “Issue Price”).

(B) As set forth in the Bond Purchase Agreement, dated [Pricing Date], between Hilltop and the Issuer, Hilltop has agreed in writing that, (i) for each Maturity of the Bond, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, Hilltop has not offered or sold any Maturity of the Bond at a price that is higher than the respective Initial Offering Price for that Maturity of the Bond during the Holding Period.]

[(B),(E), or (C)] Definitions. [NOTE: If issue price is determined using only the general rule (actual sales of 10%), delete the definitions of “Holding Period” and “Sale Date.”]

[“Holding Period” means, for each Hold-the-Offering-Price Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Hilltop has sold at least 10% of such Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price for such Maturity.]

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

[“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Issue is [DATE].]

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

All capitalized terms not defined in this certificate have the meaning set forth in District's Tax Certificate.

The signer is an officer of Hilltop and duly authorized to execute and deliver this Certificate of Hilltop. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Hilltop's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Greenberg Traurig, LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: [Closing Date]

HILLTOP SECURITIES INC.

By: _____

Title: _____

SCHEDULE A

**\$[PAR]
ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2023**

General Rule Maturities

<u>Maturity Date</u> <u>(July 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Issue Price</u>
	\$	%	%	%	\$

[Hold-the-Offering-Price Maturities]

<u>Maturity Date</u> <u>(July 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Issue Price</u>
	\$	%	%	%	\$

[*Yield and Price assume redemption on July 15, 20__, the earliest optional redemption date.]

SCHEDULE B

[Actual Sales for Undersold Maturities as of the Closing Date

[PRICING WIRE OR EQUIVALENT COMMUNICATION]

(Attached)

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG LLP]

Hilltop Securities Inc.
Phoenix, Arizona

Re: Alamar Community Facilities District (Avondale, Arizona) General Obligation Bonds, Series 2023

This supplemental opinion is rendered pursuant to Section 7(i)(5) of the Bond Purchase Agreement, dated _____, 2023 (the “Bond Purchase Agreement”), between Alamar Community Facilities District (the “Issuer”) and Hilltop Securities Inc., as underwriter (the “Underwriter”), and is given in connection with the issuance on this date by the Issuer of bonds designated Alamar Community Facilities District (Avondale, Arizona) General Obligation Bonds, Series 2023, in the aggregate principal amount of \$_____,000 (the “Bonds”). The Bonds are authorized and issued under a resolution adopted by the Board of Directors of the Issuer on June 5, 2023 (the “Resolution”), are the subject of a Preliminary Official Statement, dated _____, 2023 (the “Preliminary Official Statement”), and an Official Statement, dated _____, 2023 (the “Official Statement”), and are being sold pursuant to the Bond Purchase Agreement, in each case in accordance with the Resolution. In connection with the sale and issuance of the Bonds, the Issuer will enter into a Series 2023 Bond Registrar and Paying Agent Agreement, dated as of July 1, 2023 (the “Registrar Contract”), with _____, as bond registrar and paying agent, and will execute and deliver a Continuing Disclosure Undertaking, dated of even date herewith (the “Undertaking”). (The Resolution, the Bond Purchase Agreement, the Registrar Contract and the Undertaking are hereinafter collectively referred to as the “Issuer Documents”). (You may rely on our opinion as Bond Counsel, dated of even date herewith, with regard to the Bonds as if addressed to you.)

In connection with such issuance, we have examined and relied upon:

- (i) A certified copy of the Resolution (which authorized, among other matters, execution and delivery of the Bond Purchase Agreement);
- (ii) A copy of the Preliminary Official Statement;
- (iii) An executed copy of the Official Statement;
- (iv) An executed copy of the Bond Purchase Agreement;
- (v) An executed copy of the Registrar Contract;
- (vi) An executed copy of the Undertaking;

- (vii) Such other agreements, certificates (including particularly, but not by way of limitation, certificates of Brookfield Lakin LLC and Brookfield Residential (Arizona) LLC (together, "Brookfield"), dated of even date herewith), opinions (including particularly, but not by way of limitation, the opinion of counsel to Brookfield, dated of even date herewith), letters and other documents, including all documents delivered or distributed at the closing of the sale of the Bonds, as we have deemed necessary or appropriate in rendering the opinions set forth herein; and
- (viii) Such provisions of the Constitution and laws of the State of Arizona and the United States of America as we believe necessary to enable us to render the opinions set forth herein.

In our examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and the accuracy of the statements contained in such certificates. In connection with our representation of the Issuer, we have also participated in conferences from time to time with representatives of and counsel to the Issuer, the Underwriter and Brookfield relating to the Preliminary Official Statement, the Official Statement and the Issuer Documents.

We are of the opinion, based upon the foregoing and subject to the reliance hereinabove indicated and the qualifications hereinafter set forth, that under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Issuer is a duly organized and validly existing special purpose district, a tax levying public improvement district and a municipal corporation for purposes set forth in Section 48-708(B), Arizona Revised Statutes, pursuant to the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder (a) to cause the adoption of the Resolution, (b) to authorize, execute, deliver and issue, as applicable, the Issuer Documents and the Bonds, (c) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement), and (d) to carry out and consummate the transactions contemplated by the Official Statement, the Issuer Documents and the Bonds (including performing the applicable obligations thereunder).

2. Adoption of the Resolution; authorization, execution, delivery and issuance, as applicable, of, and the due performance of the obligations of the Issuer under, the Issuer Documents and the Bonds and the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or of any existing law,

ordinance, administration regulation, court order or consent decree to which the Issuer is subject.

3. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Bonds), is required in connection with the adoption by the Issuer of the Resolution or the authorization, execution, delivery, issuance and performance, as applicable, by the Issuer of the Issuer Documents and the Bonds and the consummation of the transactions contemplated by the Official Statement.

4. The Issuer has duly (a) caused the adoption of the Resolution, and (b) authorized (i) the authorization, execution, delivery and issuance, as applicable of, and the performance of its obligations under, the Issuer Documents and the Bonds, and (ii) the taking of the actions required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Official Statement, the Issuer Documents and the Bonds. The Issuer has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the aforesaid documents.

5. The Issuer Documents have been duly authorized, executed and delivered by the Issuer and, in the case of the Bond Purchase Agreement and the Registrar Contract, assuming due and valid authorization, execution and delivery by the other party thereto, and, in the case of the Undertaking, subject to annual appropriation to cover the costs of compliance therewith, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms.

6. Based solely upon a search of the computerized docket records available for review on _____, 2023, in the office of the Superior Court, State of Arizona, County of Maricopa, and the United States District Court, District of Arizona, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or overtly threatened against or affecting the Issuer, and there is no basis therefor, (i) that in any way questions the powers of the Issuer referred hereinabove or the validity of the proceedings taken by the Issuer in connection with the issuance and sale of the Bonds, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the Issuer Documents or the Bonds or would in any way adversely affect the validity or enforceability of the Issuer Documents or the Bonds (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby or by the Official Statement), (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or (iv) that questions the right of the Issuer to levy, receive and pledge the taxes from which the Bonds are payable, nor lawsuits pending or overtly threatened against the Issuer that, if decided adversely to the Issuer, would,

individually or in the aggregate, have a material adverse effect on the financial condition of the Issuer or impair the ability of the Issuer to comply with all the requirements set forth in the Official Statement, the Issuer Documents or the Bonds.

7. The information contained in the Preliminary Official Statement and the Official Statement in the tax caption on the cover page thereof, under the headings “THE BONDS” (except the information incorporated by reference to other headings or the appendices not otherwise included hereinbelow as to which we express no opinion), “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” (except the information incorporated by reference to other headings or the appendices not otherwise included hereinbelow and under the subheading “*Ad valorem* Property Taxation in the District” as to which we express no opinion), “QUALIFIED TAX-EXEMPT OBLIGATIONS,” “TAX EXEMPTION” and “CONTINUING DISCLOSURE” (except the information incorporated by reference to the appendices and the status of the Issuer with respect to compliance with its previous undertakings, if any, as to which we express no opinion) therein and in APPENDIX B – “FORM OF LEGAL OPINION OF BOND COUNSEL” and APPENDIX C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” fairly summarizes the information that it purports to summarize. Otherwise, we have not undertaken to determine independently the accuracy, completeness or fairness of the information contained in the Preliminary Official Statement or the Official Statement, and the knowledge available to us is such that we are unable to assume, and do not assume, any responsibility for the accuracy, completeness or fairness of such information.

8. It is not necessary in connection with the issuance and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Resolution under the Trust Indenture Act of 1939, as amended.

Our opinions expressed in paragraph 5 hereof are qualified to the extent that the enforceability of the Issuer Documents is dependent upon the due authorization, execution and delivery of (and authority to perform lawfully) the Issuer Documents by the other party or parties thereto and to the extent that the enforceability of the Issuer Documents may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights and the exercise of judicial discretion in accordance with general principles of equity, including possible refusal by a particular court to grant certain equitable remedies such as specific performance with respect to the enforcement of any provision of such documents. We express no opinion as to the enforceability of any provisions of the Issuer Documents (i) restricting access to legal or equitable remedies, (ii) purporting to establish evidentiary standards or waiving or otherwise affecting any rights to notice, demand or exhaustion of collateral, (iii) relating to self-help, subrogation, indemnification, delay or omission to enforce rights or remedies, severability or marshalling of assets, or (iv) purporting to grant to the owners of the Bonds or to any party to the Issuer Documents (other than the Issuer) any rights or remedies not specifically set forth therein.

This letter is provided pursuant to Section 7(i)(5) of the Bond Purchase Agreement and is being given solely for the information of and assistance to the addressee of this letter in its

capacity as the underwriter of the Bonds. In giving this opinion to such underwriter, it is expressly understood that no attorney-client relationship is being created thereby. Without our express prior written permission, this opinion may not be relied upon by any person other than such underwriter and is not to be used, circulated, quoted, or otherwise referred to in connection with the offering of the Bonds, except that reference may be made to this opinion in any list of closing documents pertaining to the issuance of the Bonds.

Respectfully submitted,

EXHIBIT C
FORM OF OPINION OF COUNSEL TO
BROOKFIELD LAKIN AND BROOKFIELD RESIDENTIAL

[LETTERHEAD OF SNELL & WILMER L.L.P.]

[Closing Date]

Hilltop Securities Inc.
as Underwriter
2398 East Camelback Road, Suite 340
Phoenix, AZ 85016

Alamar Community Facilities District
c/o City of Avondale, Arizona
11465 W. Civic Center Drive
Avondale, Arizona 85323

Re: \$[Par] Alamar Community Facilities District (Avondale, Arizona) General
 Obligation Bonds, Series 2023 (the “Bonds”)

Ladies and Gentlemen:

We have acted as counsel to Brookfield Lakin LLC, a Delaware limited liability company (“Brookfield Lakin”) and Brookfield Residential (Arizona) LLC (“Brookfield Residential” and collectively with Brookfield Lakin, the “Companies”), particularly in connection with the transactions provided for by the documents referred to herein (collectively, the “Transaction”), including the issuance and sale of the Bonds, sold pursuant to a Bond Purchase Agreement, dated [Pricing Date] (the “Bond Purchase Agreement”), by and between Hilltop Securities Inc. (the “Underwriter”), and Alamar Community Facilities District (the “District”). Any capitalized term used and not defined herein will have the meaning assigned to it in the Bond Purchase Agreement.

As such counsel, we have made such examinations and inquiries as we have deemed necessary as a basis for this opinion, including the examination of the following documents:

1. The District Development, Financing Participation and Intergovernmental Agreement (Alamar Community Facilities District), dated as of October 1, 2018 (the “Development Agreement”), executed by the City of Avondale, Arizona, the District, Brookfield Lakin and Brookfield Residential.
2. The Preliminary Official Statement issued by the District on June __, 2023 (the “Preliminary Official Statement”) and the Official Statement issued by the District on [Pricing Date] (the “Official Statement”);

3. The Bond Purchase Agreement;
4. The executed Indemnity Letter of Brookfield Lakin dated [Pricing Date] (the “Brookfield Lakin Indemnity Letter”), the executed original of which will be delivered to the Underwriter and the District concurrently with the execution of the Bond Purchase Agreement (together with the Development Agreement, the Preliminary Official Statement and the Official Statement (the “Brookfield Lakin Bond Documents”));
5. The executed Indemnity Letter of Brookfield Residential dated [Pricing Date] (the “Brookfield Residential Indemnity Letter”), the executed original of which will be delivered to the Underwriter and the District concurrently with the execution of the Bond Purchase Agreement (together with the Development Agreement, the Preliminary Official Statement and the Official Statement, the “Brookfield Residential Bond Documents” and collectively with the Brookfield Lakin Bond Documents the “Bond Documents”);
6. The executed Closing Certificates of Brookfield Lakin and Brookfield Residential, dated [Closing Date].
7. The Certificate of Formation of Brookfield Lakin, as filed with Delaware Secretary of State on March 29, 2018, as Document _____;
8. Application of Brookfield Lakin for Registration of a Foreign Limited Liability Company of Brookfield Lakin, as filed with the Arizona Corporation Commission on April 2, 2018, as File No. R-22759326;
9. Operating Agreement of Brookfield Lakin, dated _____, 201_;
10. Certificate of Good Standing of Brookfield Lakin issued by the State of Delaware on _____, 2023, a copy of which is enclosed herewith;
11. Certificate of Good Standing of Brookfield Lakin issued by the State of Arizona on _____, 2023, a copy of which is enclosed herewith;
12. Written Consent of Sole Member of Brookfield Lakin, effective _____, 2023, by _____, as the Sole Member of Brookfield Lakin, which, *inter alia*, authorizes and approves the execution and delivery by designated officers of Brookfield Lakin of certain waivers, certificates, agreements, indemnities and other documents and instruments on behalf of Brookfield Lakin, including the Developer Indemnity Letter and Developer Closing Certificate, and the taking of other actions by the said officers relating to the issuance and sale of the District’s general obligation bonds in an aggregate principal amount not to exceed \$_____ (the “Bonds”) and the related transactions contemplated thereby, and ratifies and approves actions previously taken by or at the request of the said officers in connection with the foregoing; a copy of which is enclosed herewith;

13. Certificate of Officer and Certificate of Incumbency, dated _____, 2023, by the Secretary of Brookfield Lakin for the reliance by the law firm of Snell & Wilmer LLP, to which we expressly refer and upon which we rely, for the opinions expressed herein in reference to Brookfield Lakin, a copy of which is enclosed herewith.
14. Certificate of Formation of Brookfield Residential, as filed with Delaware Secretary of State on March 29, 2018, as Document _____;
15. Application of Brookfield Residential for Registration of a Foreign Limited Liability Company of Brookfield Residential, as filed with the Arizona Corporation Commission on April 2, 2018, as File No. R-22759326;
16. Operating Agreement of Brookfield Residential, dated _____, 2018;
17. Certificate of Good Standing of Brookfield Residential issued by the State of Delaware on _____, 2023, a copy of which is enclosed herewith;
18. Certificate of Good Standing of Brookfield Residential issued by the State of Arizona on _____, 2023, a copy of which is enclosed herewith;
19. Written Consent of Sole Member of Brookfield Residential, effective _____, 2023, by _____, as the Sole Member of Brookfield Residential, which, *inter alia*, authorizes and approves the execution and delivery by designated officers of Brookfield Residential of certain waivers, certificates, agreements, indemnities and other documents and instruments on behalf of Brookfield Residential, including the Developer Indemnity Letter and Developer Closing Certificate, and the taking of other actions by the said officers relating to the issuance and sale of the District's general obligation bonds in an aggregate principal amount not to exceed \$_____ (the "Bonds") and the related transactions contemplated thereby, and ratifies and approves actions previously taken by or at the request of the said officers in connection with the foregoing; a copy of which is enclosed herewith;
20. Certificate of Officer and Certificate of Incumbency, dated _____, 2023, by the Secretary of Brookfield Residential for the reliance by the law firm of Snell & Wilmer LLP, to which we expressly refer and upon which we rely, for the opinions expressed herein in reference to Brookfield Residential, a copy of which is enclosed herewith.
21. An Officer's Certificate, executed by an officer of the Manager of each of Brookfield Lakin and Brookfield Residential, dated of even date herewith.

We have also examined such certificates of public officials, certificates of representatives of Brookfield Lakin and Brookfield Residential and such other documents as we have deemed relevant and necessary as a basis for the opinions set forth below (collectively, with all matters listed under "Examinations," as "due inquiry"). We have relied upon certificates of public officials

and of Brookfield Lakin and Brookfield Residential with respect to the accuracy of material or factual matters contained in such certificates, which were not independently established.

In rendering this opinion, we have assumed that:

1. (a) Each of the other parties to the Bond Documents (the “Other Parties”) is duly formed and validly existing; (b) the execution, delivery and performance of the Bond Documents by each of the applicable Other Parties has been duly authorized by all corporate or limited liability company action required of such Other Party; (c) each of the Other Parties has obtained all necessary governmental consents, authorizations, approvals, permits or certificates that are required as a condition to the execution and delivery of the Bond Documents by such Other Party and to the consummation of the Transaction; (d) the Bond Documents constitute legal, valid, binding and enforceable obligations of each of the Other Parties under federal law, the laws of the State of Arizona, and the laws of any other applicable jurisdiction; (e) except for the Bond Documents, there are no other documents or agreements between any of the Other Parties and others that would expand or otherwise modify the obligations of the parties under the Bond Documents; (f) each of the Other Parties has the power and authority under applicable laws and regulations to enter into and perform the Transaction and has complied in all material respects with all applicable laws and regulations with respect thereto; and (g) each of the Other Parties will at all times during the term of the Bond Documents act in good faith and only in a manner that under the circumstances is commercially reasonable.

2. The Bond Documents accurately and completely describe and contain the parties’ mutual intent, understanding and business purposes, and there are no oral or written statements, agreements, understandings or negotiations, nor any usage of trade or counsel of prior dealing among the Other Parties that directly or indirectly modify, define, amend, supplement, or vary or purport to modify, define, amend, supplement or vary any of the terms of the Bond Documents or any of the parties’ rights or obligations thereunder by waiver or otherwise, and there are no facts or events (such as fraud or duress) that have occurred in connection with the execution, acknowledgment and delivery of the Bond Documents that would impair their enforceability.

3. No fraud, misrepresentation, unilateral mistake or concealment has occurred in connection with the Bond Documents or any aspect of the Transaction.

4. The parties’ representations and warranties contained in the Bond Documents are truthful and accurate.

5. The Bond Documents to the extent required to be executed, ratified, notarized, filed, recorded or indexed by the Other Parties to be effective (and any UCC-1 or other financing statements required to perfect same) have been or will be timely and properly executed, ratified, notarized, filed, recorded or indexed in the appropriate governmental offices and the filing party will timely file any and all necessary continuation statements, and that all fees, charges, and taxes due are owing as of this date have been paid.

6. No interest, fees, charges or other benefits or compensation in the nature of interest will be collected with respect to the Transaction that are not clearly specified in the Bond Documents and that are not permitted by applicable law.

7. At the time any of the Other Parties seeks to enforce its rights under the Bond Documents, such Other Party will not be in breach thereof, the document will still be in force, and no applicable statute of limitations will have expired.

8. Each of the Other Parties will diligently and timely pursue its rights and remedies under the Bond Documents in a commercially reasonable manner and in accordance with the law.

9. All consents, approvals, licenses or authorizations by, and all notifications of and filings with, any court, governmental body or other person required to be obtained or made in connection with the Bond Documents and the Transaction have been so obtained or made; provided, however, that the foregoing does not limit the opinions expressed herein as they relate to Brookfield Lakin or Brookfield Residential.

10. Without investigation the completeness, genuineness and authenticity of any document submitted to us as an original, the conformity to the original of any document submitted to us as a copy, the authenticity of the original of such latter documents, the conformity to the executed document of any document submitted to us as the form to be executed, the genuineness of all signatures, and the legal competency and capacity of natural persons. We have assumed without investigation that any certificate, representation (oral or otherwise), telegram, telex, telecopy, email or other document on which we have relied, whether or not given or dated earlier than the date hereof, is authentic and remains accurate insofar as relevant to this opinion from such earlier date through and including the date hereof, and we are not aware of any facts inconsistent with this assumption.

11. Brookfield Lakin holds the requisite title and rights to any real or personal property involved in the Transactions or otherwise purported to be owned by it. Brookfield Residential holds the requisite title and rights to any real or personal property involved in the Transaction or otherwise purported to be owned by it.

12. All reports and other documents prepared by third party consultants relating to the Transaction or any of the property within the District are true and accurate.

13. The result of the application of Arizona law as specified in the Bond Documents will not be contrary to a fundamental policy of the law of any other state with which the parties may have material or relevant contact in connection with the Transaction and as to which there is a materially greater interest in determining an issue of choice of law.

The opinions expressed in this letter are subject to the following qualifications, limitations and exceptions:

1. Our opinions are limited by the internal laws of the State of Arizona (notwithstanding Arizona choice-of-law rules) and the limited liability company law of the State of Delaware. Accordingly, we express no opinion as to the possible impact upon the matters of the laws, orders or judgments of any jurisdiction other than the local laws of the State of Arizona (notwithstanding Arizona choice-of-law rules).

2. Whenever we indicate that our opinion is based on “our knowledge,” or words of similar import, such opinion is based solely on the current actual knowledge, after due inquiry, of the firm’s

attorneys who have devoted substantive attention to matters related to the Transaction and knowledge obtained as a result of conferences with officers and other representatives of the Companies. We have not made any independent investigation or review of any matters whatsoever except as specifically set forth herein, and we are relying solely on such specifically stated investigation or review. Where statements in this opinion are qualified by the term “material” or “materially,” those statements involve judgments and opinions as to the materiality or lack of materiality of any matter to the Companies or their respective businesses, assets or financial condition that are entirely those of each of the Companies, as applicable, after having been advised by us as to the legal effect and consequences of such matters.

3. We express no opinion concerning the legal validity and sufficiency of the acts of any of the Other Parties.

4. The opinions herein are based upon and limited to the laws and facts now in effect, and we assume no obligation to update, revise or supplement the opinion.

5. Our opinion is limited to the matters set forth herein and to the date hereof. No opinion may be inferred or implied beyond the matters expressly stated herein. Our opinion is applicable only to the addressee of this opinion and will not be applicable to any other person.

6. The enforceability of the Bond Documents is subject to:

a. Bankruptcy, insolvency, fraudulent transfer, reorganization, arrangement, receivership, conservatorship, moratorium and other similar laws now or hereafter enacted affecting the enforcement of creditors’ and property rights generally.

b. The general principles of equity.

c. The qualification that certain waivers, procedures, remedies, indemnities, consents to jurisdiction and other provisions of the Bond Documents may be unenforceable under or limited by the law of the State of Arizona; provided, however, such possible unenforceability or limitations will not render the Bond Documents invalid as a whole or substantially prevent the practical realization of the principal benefits intended by the Bond Documents (except for the economic consequences of procedural or other delay).

7. We express no opinion as to the enforceability of any indemnity provision with respect to any claims or other matters that result from the negligence or misconduct of any indemnitee or the failure of any indemnitee to act in a commercially reasonable manner.

8. We express no opinion as to the enforceability of any indemnity or contribution provision with respect to any claims or other matters relating to or arising under federal or state securities laws, as they may be held to violate public policy.

9. We express no opinion as to the compliance of the Bond Documents or, other than as provided in Section 11, the offer and sale of the Bonds with any securities law or regulation.

10. Any opinion as to the enforceability of any document is limited to enforceability as between the original parties thereto.

Based on the foregoing, and subject to the limitations, qualifications and assumptions set forth herein, it is our opinion that:

1. Brookfield Lakin is a limited liability company, duly formed and existing under the laws of the State of Delaware and, based solely on the Document listed in paragraph 10 above, is qualified to do business in the State of Arizona and has the requisite limited liability company power and authority under the laws of the State of Delaware to enter into and perform its obligations under, and to consummate all transactions contemplated by, the Brookfield Lakin Indemnity Letter.

2. Brookfield Residential is a limited liability company, duly formed and existing under the laws of the State of Delaware and, based solely on the Document listed in paragraph 16 above, is qualified to do business in the State of Arizona and has the requisite limited liability company power and authority under the laws of the State of Delaware to enter into and perform its obligations under, and to consummate all transactions contemplated by, the Brookfield Residential Indemnity Letter.

3. Each of the Companies has the requisite limited liability company power and limited liability company authority under the laws of the State of Delaware: (i) carry out the terms and conditions applicable to it under the Bond Documents; (ii) to own and operate its properties and assets as described in the Preliminary Official Statement and the Official Statement, and (iii) to carry out its business as such business is currently being conducted as described in the Preliminary Official Statement and the Official Statement.

4. The execution, delivery and performance of the applicable Bond Documents by the Companies and the carrying out, giving effect to and consummation of the transactions contemplated thereby have been duly authorized by all necessary limited liability company, corporate and partnership action on the part of each of the Companies and their respective Members.

5. The Brookfield Lakin Bond Documents constitute valid and binding obligations of Brookfield Lakin. The Brookfield Residential Bond Documents constitute valid and binding obligations of Brookfield Residential.

6. The execution and delivery of the Brookfield Lakin Bond Documents by Brookfield Lakin, and the performance of its obligations thereunder, do not and will not violate the Brookfield Lakin Organizational Documents. The execution and delivery of the Brookfield Residential Bond Documents by Brookfield Residential, and the performance of its obligations thereunder, do not and will not violate the Brookfield Residential Organizational Documents.

7. To our knowledge, the execution and delivery of the Brookfield Lakin Bond Documents by Brookfield Lakin will not cause a breach or default of (i) any material contract, indenture, instrument or other agreement to which Brookfield Lakin is a party or by which it or its properties are bound, or (ii) the laws of the State of Delaware or any court order by which Brookfield Lakin or its properties are bound. To our actual knowledge, the execution and delivery of the Brookfield Residential Bond Documents by Brookfield Residential will not cause a breach or default of (i) any material contract, indenture, instrument or other agreement to which

Brookfield Residential is a party or by which it or its properties are bound, or (ii) the laws of the State of Delaware or any court order by which Brookfield Residential or its properties are bound.

8. To our knowledge, no consent, approval, authorization, or other action by, or filing with, any federal, State or local governmental authority is required in connection with the execution and delivery by Brookfield Lakin of the Brookfield Lakin Bond Documents, or consummation of the transaction contemplated thereby and, to our actual knowledge, Brookfield Lakin has obtained all consents, approvals and authorizations, and has made all filings, required by applicable federal, state and/or local governmental authorities in order to own and operate its properties and assets as described in the Preliminary Official Statement and the Official Statement and to carry out its business as such business is currently being conducted as described in the Preliminary Official Statement and the Official Statement. To our actual knowledge, no consent, approval, authorization, or other action by, or filing with, any federal, State or local governmental authority is required in connection with the execution and delivery by Brookfield Residential of the Brookfield Residential Bond Documents, or consummation of the Transaction and, to our actual knowledge, Brookfield Residential has obtained all consents, approvals and authorizations, and has made all filings, required by applicable federal, state and/or local governmental authorities in order to own and operate its properties and assets as described in the Preliminary Official Statement and the Official Statement and to carry out its business as such business is currently being conducted as described in the Preliminary Official Statement and the Official Statement.

9. We have no knowledge that Brookfield Lakin is in violation of any provision of, or in default under, the Brookfield Lakin Organizational Documents or any other agreement or instrument, the violation of which or default under which would materially and adversely affect the execution, delivery and/or performance of the agreements and obligations of Brookfield Lakin under the Brookfield Lakin Bond Documents. We have no actual knowledge that Brookfield Residential is in violation of any provision of, or in default under, the Brookfield Residential Organizational Documents or any other agreement or instrument, the violation of which or default under which would materially and adversely affect the execution, delivery and/or performance of the agreements and obligations of Brookfield Residential under the Brookfield Residential Bond Documents.

10. We have no knowledge of any legal or governmental actions, proceedings, inquiries or investigations pending or overtly threatened by any governmental authorities or to which Brookfield Lakin is a party or of which any property of Brookfield Lakin is subject, which would materially and adversely affect (i) the execution, delivery and/or performance of the agreements and obligations of Brookfield Lakin under the Brookfield Lakin Bond Documents, or (ii) the financial condition or operations of Brookfield Lakin as described in the Preliminary Official Statement and the Official Statement. We have no actual knowledge of any legal or governmental actions, proceedings, inquiries or investigations pending or overtly threatened by any governmental authorities or to which Brookfield Residential is a party or of which any property of Brookfield Residential is subject, which would materially and adversely affect (i) the execution, delivery and/or performance of the agreements and obligations of Brookfield Residential under the Brookfield Residential Bond Documents, or (ii) the financial condition or operations of Brookfield Residential as described in the Preliminary Official Statement and the Official Statement.

11. To our knowledge, the information contained in the Preliminary Official Statement and the Official Statement under the headings “LAND DEVELOPMENT,” and “RISK FACTORS” (except the information under the subheadings “Direct and Overlapping Indebtedness”) does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which such statements were made, not misleading. In connection with our review of the Preliminary Official Statement and the Official Statement, we have not undertaken to independently determine the accuracy, completeness or fairness of the statements contained therein, except as and to the extent provided in this paragraph, and the knowledge available to us is such that we are unable to assume, and do not assume, any responsibility for the accuracy, completeness or fairness of such information. However, on the basis of such review, we have acquired no actual knowledge that the information contained in the Preliminary Official Statement and the Official Statement (except for the financial information and notes thereto and the schedules and other financial or statistical data included therein or in any appendix thereto, as to which we express no opinion) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

We are expressing no opinion as to:

- (a) The enforceability of any indemnity provision with respect to any claims or other matters that result from the negligence or willful misconduct of any party or the failure of any party to act in a commercially reasonable manner;
- (b) The compliance of the Transaction Documents, or the applicability or effect of any registration or qualification with respect to any federal or state securities or tax law or regulation including any “blue sky” laws of any state;
- (c) The applicability or effect of any federal or state tax, environmental, health or safety or zoning, land use or subdivision laws, rules or regulation, or any county or municipal ordinances;
- (d) The title to or priority of any lien or security interest created in connection with the transactions contemplated by the Transaction Documents or with respect to the property that is the subject of such transactions except as expressly stated herein; or
- (e) The legal validity and sufficiency of the acts of any of the other parties to the Transactions.

We do not purport to express any opinion herein concerning any law other than the laws of the State of Arizona and the limited liability company law of the State of Delaware. With respect to such law, our opinions are as to what the law is or might reasonably be expected to be at the date hereof, and we assume no obligation to revise or supplement this opinion due to any change in the law by legislative action, judicial decision or otherwise. Any opinion as to enforceability is limited to enforceability as between the original parties thereto. We do not render any opinion with respect to any matters other than those expressly set forth above.

We are furnishing this letter of opinion to you solely for your benefit and may be relied on by you only for the purpose contemplated in the Transaction. Our opinion is not to be reproduced

or filed publicly, or used or relied on by, or quoted or delivered to any other person or entity, or used or relied upon for any purpose other than the purpose contemplated in the Transaction without, in each instance, our prior written consent.

Respectfully submitted,

EXHIBIT D

FORM OF OPINION OF COUNSEL TO UNDERWRITER

[LETTERHEAD OF SQUIRE PATTON BOGGS (US) LLP]

[Closing Date]

Hilltop Securities Inc.
as Underwriter
2398 East Camelback Road, Suite 340
Phoenix, AZ 85016

Ladies and Gentlemen:

We have acted as counsel to you (the “Underwriter”) in connection with your purchase from Alamar Community Facilities District (the “Issuer”) of its \$[Par] General Obligation Bonds, Series 2023 (the “Bonds”), dated as of the date of this letter, pursuant to the Bond Purchase Agreement, dated [Pricing Date] (the “Purchase Agreement”), between you and the Issuer. This letter is provided pursuant to Section 7(i)(7) of the Purchase Agreement in connection with your purchase of the Bonds. Capitalized terms not otherwise defined in this letter are used as defined in the Purchase Agreement.

In accordance with the terms of our engagement, certain of our lawyers reviewed (a) the Preliminary Official Statement dated June __, 2023 (the “Preliminary Official Statement”), and (b) the Official Statement dated [Pricing Date] (the “Official Statement”) relating to the Bonds, and participated in discussions with your representatives, representatives of the Issuer, the City, Brookfield Lakin LLC and Brookfield Residential (Arizona) LLC, financial consultants to the City and the Issuer, Snell & Wilmer L.L.P., as counsel to Brookfield Lakin LLC and Brookfield Residential (Arizona) LLC, Greenberg Traurig, LLP, as Bond Counsel, and others, regarding the Preliminary Official Statement and the Official Statement, the information contained therein, and related matters.

The purpose of our professional engagement in that regard was not to establish or to confirm factual matters set forth in the Preliminary Official Statement or the Official Statement, and we have not undertaken to verify independently any of those factual matters. Many of the determinations required to be made in the preparation of the Preliminary Official Statement and the Official Statement involve matters of a non-legal nature.

Subject to the foregoing, on the basis of the information gained by our lawyers involved in the review and discussions referred to above, we confirm to you that nothing came to the attention of those lawyers that caused them to believe that (1) the Preliminary Official Statement, as of its date and as of the date of the Purchase Agreement, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (2) the Official Statement, as of its date and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however,*

that we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, and we do not express any belief with respect to financial, technical, statistical, accounting or demographic data or forecasts, or any information about [the Policy, the Insurer,] the book-entry system and The Depository Trust Company, or the information under the heading “TAX EXEMPTION,” in Appendix B – “FORM OF LEGAL OPINION OF BOND COUNSEL,” contained in the Preliminary Official Statement or the Official Statement.

In addition to the review and discussions referred to above, we have also examined an executed counterpart of the Purchase Agreement and such other proceedings, documents, matters and law as we deem necessary to render the opinions set forth below.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Bond Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.
2. The Undertaking satisfies the requirement of paragraph (b)(5) of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the “Rule”), that you obtain an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

The legal opinions stated immediately above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by and the valid, binding and enforceable nature of those documents upon the parties thereto.

This letter is being furnished only to you for your use solely in connection with the transaction described herein and may not be relied upon by anyone else or for any other purpose without our prior written consent. No statements of belief or opinions other than those expressly stated herein shall be implied or inferred as a result of anything contained in or omitted from this letter. The statements of belief and opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2023

NEW ISSUE – BOOK-ENTRY-ONLY

RATING: See “RATING” herein.

INSURANCE: See “BOND INSURANCE” AND “RISK FACTORS RELATED TO BOND INSURANCE” herein.

In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Further, interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. See “TAX EXEMPTION” herein for a description of certain other federal tax consequences of ownership of the Bonds. Bond Counsel is further of the opinion that interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona.

The Bonds will be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. See “QUALIFIED TAX-EXEMPT OBLIGATIONS” herein.

\$2,935,000*

**ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023
(BANK QUALIFIED)**

**DRAFT III
5-23-23**

Dated: Date of Delivery

Due: July 15 as shown on inside front cover page.

The Alamar Community Facilities District (Avondale, Arizona) General Obligation Bonds, Series 2023 (the “Bonds”) are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes and an election held on November 13, 2018, in and for Alamar Community Facilities District (the “District”), a community facilities district formed within the boundaries of the City of Avondale, Arizona (the “City”), and will be issued pursuant to a resolution of the board of directors of the District. The Bonds will be payable as to both principal and interest from *ad valorem* taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” herein. Interest will accrue from the date of delivery and be payable on January 15, 2024*, and on each July 15 and January 15 thereafter, until maturity or prior redemption.

The Bonds will be registered only in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”), for purposes of the book-entry only system described herein. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. DTC will be responsible for distributing the principal and interest payments to the DTC Participants (as defined herein) which will, in turn, be responsible for distribution of such amounts to the beneficial owners of the Bonds (the “Beneficial Owners”). As they will be in book-entry-only form, purchasers will not receive definitive certificates with respect to the Bonds. Beneficial ownership interests in the Bonds may be purchased through the facilities of DTC in amounts of \$5,000 of principal due on a specific maturity date and integral multiples thereof. So long as any purchaser is the Beneficial Owner of a Bond, such purchaser must maintain an account with a broker or a dealer which is, or acts through, a DTC Participant to receive payment of principal of and interest on such Bond. See APPENDIX D – “BOOK-ENTRY-ONLY SYSTEM.”

SEE BOND MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The Bonds will be subject to redemption by the District prior to maturity as described under “THE BONDS – Redemption Provisions” herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by [Bond Insurer].

[Insurer Logo]

Proceeds of the sale of the Bonds will be used to pay (i) costs of acquisition of certain public infrastructure benefiting the District and (ii) costs of issuance relating to the Bonds.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” and “RISK FACTORS” herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OF ARIZONA (THE “STATE”) OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

The Bonds will be offered when, as and if issued and subject to the approval of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. Certain matters will be passed upon for the Underwriter identified below by its counsel, Squire Patton Boggs (US) LLP, Phoenix, Arizona, and for Brookfield Lakin LLC by Snell & Wilmer, L.L.P., Phoenix, Arizona. It is expected that delivery of the Bonds in book-entry-only form will be made through the facilities of DTC on or about July __, 2023.*

* Subject to change.

\$2,935,000*
ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023
(BANK QUALIFIED)

Base CUSIP®⁽¹⁾ No. 010741

MATURITY SCHEDULE*

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	CUSIP® ⁽¹⁾ No. 010741
2024	\$55,000	%	%	
2025	65,000			
2026	70,000			
2027	75,000			
2028	75,000			
2029	80,000			
2030	80,000			
2031	80,000			
2032	85,000			
2033	90,000			
2034	95,000			
2035	100,000			
2036	105,000			
2037	105,000			
2038	110,000			
2039	120,000			
2040	120,000			
2041	130,000			
2042	135,000			
2043	135,000			
2044	140,000			
2045	150,000			
2046	155,000			
2047	160,000			
2048	420,000			

\$ ____ % Term Bond Due 7/15/20____, Price ____% CUSIP ____

* Subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the Underwriter, the Developer or their agents or counsel assume responsibility for the accuracy of such numbers.

ALAMAR COMMUNITY FACILITIES DISTRICT

DISTRICT BOARD

Kenn Weise, *Chairperson*

Mike Pineda, *Vice Chairperson*

Tina Conde, *Board Member*

Veronica Malone, *Board Member*

Curtis Nielson, *Board Member*

Gloria Solorio, *Board Member*

Max White, *Board Member*

DISTRICT ADMINISTRATIVE STAFF

Ron Corbin
District Manager

Renee Weatherless
District Treasurer

Nicholle Harris, Esq.
District Counsel

Marcella Carrillo
District Clerk

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

U.S. Bank Trust Company, National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of the Bonds, the Bond Resolution, the security for the Bonds, the District, the Developer and the Public Infrastructure (as such terms are defined herein) and other information are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds, the Bond Resolution and any documents are qualified in their entirety by reference to such documents, copies which may be obtained from Hilltop Securities Inc. (the “Underwriter”).

No dealer, broker, salesperson or other person has been authorized by the District, the Underwriter or Stifel, Nicolaus & Company, Incorporated (the “Financial Advisor”), to give information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the District, the Developer and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District, the Underwriter, the Developer (except for the section entitled “LAND DEVELOPMENT”), or the Financial Advisor, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District, the Underwriter, the Developer (except for the section entitled “LAND DEVELOPMENT”), or the Financial Advisor.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Underwriter, the Financial Advisor or the Developer and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

A wide variety of information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such publications and websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

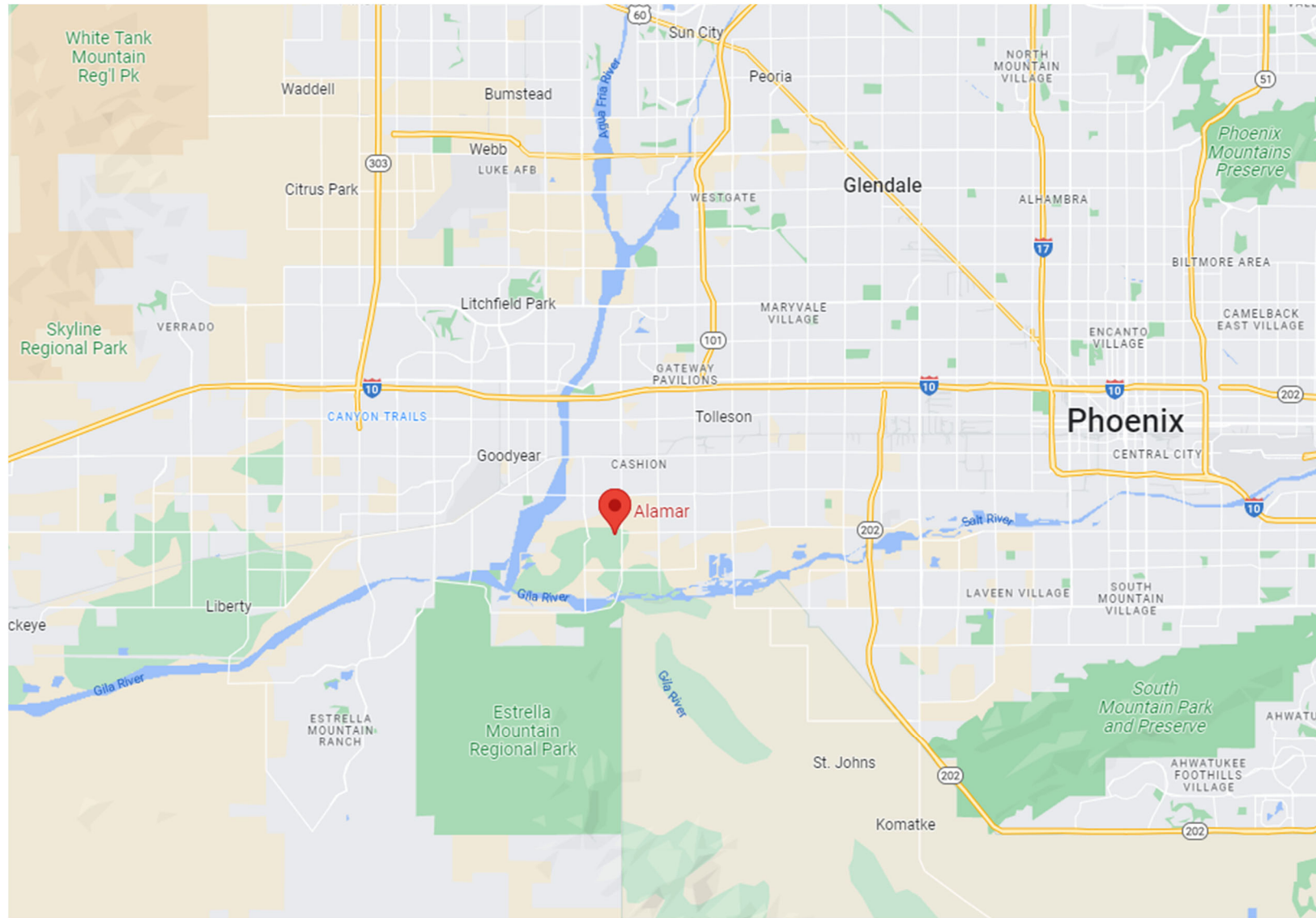
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MAP SHOWING LOCATION OF DISTRICT IN CONTEXT OF SURROUNDING AREA



[illegible]

DEPICTION OF THE ALAMAR COMMUNITY MASTER PLAN



OFFICIAL STATEMENT

\$2,935,000*

ALAMAR COMMUNITY FACILITIES DISTRICT (AVONDALE, ARIZONA) GENERAL OBLIGATION BONDS, SERIES 2023 (BANK QUALIFIED)

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the issuance of Alamar Community Facilities District (Avondale, Arizona) General Obligation Bonds, Series 2023 (the “Bonds”), in the aggregate principal amount of \$2,935,000*.

The Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Enabling Act”), was enacted to provide a method of financing (including through the issuance by the District (as defined herein) of general obligation bonds) certain “public infrastructure purposes” (as such term is defined in the Enabling Act) relating to a community facilities district. As provided by, and with the limitations set forth in, the Enabling Act, once formed, a community facilities district is a legally constituted municipal corporation and political subdivision within defined boundaries.

Pursuant to the Enabling Act and in response to a petition by all of the then owners of land therein, the Council (the “City Council”) of the City of Avondale, Arizona (the “City”), formed Alamar Community Facilities District (the “District”) on May 21, 2018. (The District was originally formed under the name “Lakin Community Facilities District”. Subsequent actions were taken by the Council and the board of directors of the District (the “Board”) to change that name to the current one.) The District encompasses approximately 1,086 acres (the “District Land”) located in the southern portion of the City. The City is located approximately 15 miles west of downtown Phoenix, Arizona (“Phoenix”) in the southwestern portion of the metropolitan Phoenix area and in the central portion of Maricopa County, Arizona (the “County”). See APPENDIX A – “INFORMATION REGARDING THE CITY OF AVONDALE, ARIZONA,” which includes certain information about the City and surrounding area, and, generally, the information on pages (vi) through (viii).

The District is a special purpose, tax levying public improvement district for certain constitutional purposes and a municipal corporation for certain other statutory purposes. The District has the power to implement the District’s general plan for public infrastructure primarily through the issuance of general obligation, special assessment or revenue bonds. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad valorem* Property Taxation in the District – Direct General Obligation Bonded Debt Outstanding and to be Outstanding” and “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS.” (The District has no outstanding special assessment or revenue bonds and has no current plans to issue any.)

The City Council serves, *ex officio*, as the Board. Additionally, the Board has appointed the City Manager as the District Manager, the City Finance Director as the District Treasurer, the City Attorney as the District Counsel, and the City Clerk as the District Clerk.

See “LAND DEVELOPMENT – The Developer” for certain information about Brookfield Lakin LLC (the “Developer”), the entity which owns the remainder of the District Land being developed.

Pursuant to the results of the Election (as defined herein), the District has the authority to issue general obligation bonds in an aggregate principal amount of not to exceed \$70,000,000, in one or more series, payable from *ad valorem* taxes (without limitation as to rate or amount) levied on all taxable property within the boundaries of the District. On September 9, 2021, the District issued \$15,979.52 aggregate principal amount of such general obligation bonds (the “2021 Bonds”), which are no longer outstanding, and on July 14, 2022, the District issued \$3,675,000 aggregate principal amount of such general obligation bonds (the “2022 Bonds”).

* *Subject to change.*

The Bonds are being issued to finance a portion of the costs of acquiring certain public infrastructure within the boundaries of the District in the form of street and related improvements with respect to phase one of Alamar Parkway, Avondale Boulevard and dry utilities, and phase two of Broadway Road, El Mirage Road and Alamar Parkway (collectively, the “Public Infrastructure”). Please see TABLE 10 for a more complete description of the Public Infrastructure.

Upon issuance of the Bonds and thereafter in each year, the Board will annually levy, and cause to be collected, an *ad valorem* tax, at the same time and in the same manner as other such taxes are levied and collected, on all taxable property in the District, sufficient to pay interest on and principal of the Bonds (“Debt Service”), as the same becomes due, whether at maturity or if applicable upon mandatory redemption. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad valorem* Property Taxation in the District” and “RISK FACTORS.”

In addition to the levy of *ad valorem* property taxes for the payment of Debt Service on the Bonds, pursuant to the results of the Election, the District also is authorized to levy and collect an *ad valorem* tax at a tax rate of not to exceed \$0.30 per \$100 of Net Limited Assessed Property Value (as defined herein) on all taxable property within the boundaries of the District for operation and maintenance expenses of the District (the “Operation and Maintenance Tax”). The District is currently levying and collecting the Operation and Maintenance Tax at a rate of \$0.30 per \$100 of Net Limited Assessed Property Value.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OF ARIZONA (THE “STATE”), OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

THE BONDS

Authorization and Purpose

The Bonds are authorized pursuant to the Enabling Act and a vote of the owners of land in the District at a special bond election held in and for the District on November 13, 2018 (the “Election”), pursuant to which the District has been authorized to incur general obligation bonded indebtedness in an amount not to exceed \$70,000,000 in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds, and will be issued pursuant to a resolution adopted by the Board on June 5, 2023 (the “Bond Resolution”). The Bonds represent the third series issued pursuant to the authorization approved at the Election, and, after issuance of the Bonds, \$63,374,021* aggregate principal amount of bonds will remain authorized but unissued. In addition, certain amounts of net premium on general obligation bonds of the District may reduce the principal amount of authorized but unissued general obligation bonds of the District. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad valorem* Property Taxation in the District”, “ESTIMATED DEBT SERVICE REQUIREMENTS” and “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS – Additional General Obligation Bonded Indebtedness of the District.” Additional amounts of general obligation bonds payable from the same source as the Bonds may be issued in the future pursuant to authority approved at the Election or at future elections held in and for the District.

Terms of the Bonds – Generally

The Bonds will be dated as of the date of initial delivery and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), under the book-entry-only system described herein (the “Book-Entry-Only System”). See APPENDIX D – “BOOK-ENTRY-ONLY SYSTEM.” The Bonds will mature on the dates and in the principal amounts and will bear interest at the rates set forth on the inside front cover page of this Official Statement. Beneficial ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. Interest on the Bonds will accrue from their dated date and be payable semiannually commencing on January 15, 2024*, and on each July 15 and January 15 thereafter (each an “interest payment date”) until maturity or prior redemption. (The District has chosen the first day of the month of each interest payment date as the “record date” for the Bonds.)

* Subject to change.

See “TAX EXEMPTION” herein for a discussion of the treatment of interest on the Bonds for federal or State income tax purposes.

Bond Registrar and Paying Agent

U.S. Bank Trust Company, National Association will serve as the initial bond registrar, transfer agent and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Optional Redemption. The Bonds maturing before or on July 15, 20__, will not be subject to redemption prior to maturity. The Bonds maturing on or after July 15, 20__, will be subject to redemption prior to maturity, at the option of the District, in whole or in part from maturities selected by the District on July 15, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond redeemed, plus interest accrued to the date fixed for redemption but without a premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years (the “Term Bonds”) will be subject to mandatory redemption and will be redeemed on July 15 of the respective years and in the principal amounts set forth below, by payment of the principal amount of each Bond redeemed, plus interest accrued to the date fixed for redemption, but without premium:

Term Bond Maturing July 15, 20__*

Year	Principal Amount
20__	\$
20__	
20__	
20__ (maturity)	

Whenever Term Bonds are redeemed (other than pursuant to mandatory redemption) or are delivered to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Term Bonds of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity on a pro rata basis, to the extent practicable provided, however, that each remaining mandatory payment shall be in an amount of at least \$5,000 of principal.

Notice of Redemption. Notices of redemption will be sent to DTC in the manner required by DTC not more than 60 nor less than 30 days prior to the date set for redemption. See APPENDIX D – “BOOK-ENTRY-ONLY SYSTEM.” If moneys for the payment of the redemption price are not held by or on behalf of the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on or prior to the redemption date and if not so held by the redemption date the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption.

Effect of Redemption. On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if moneys for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding.

Any amount included in a Bond subject to prior redemption may be redeemed in a denomination equal to or in excess of, but divisible by, \$5,000.

* Subject to change.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

The Board will annually levy, and cause to be collected, an *ad valorem* tax, at the same time and in the same manner as other such taxes are levied and collected, on all taxable property in the District, sufficient to pay Debt Service, whether at maturity or, if applicable, upon mandatory redemption. Amounts derived from the levy of such tax when collected constitute funds to pay Debt Service and will be kept separately from other funds of the District. With respect to such *ad valorem* property taxes, the Bonds will be payable from such taxes on the same basis as the 2022 Bonds and general obligation bonds and general obligation refunding bonds of the District that may be issued in the future.

The 2022 Bonds, the Bonds and other general obligation or general obligation refunding bonds of the District hereafter issued will be payable on a parity basis with respect to the collection and application of such taxes, which will be allocated to each series of general obligation bonds in accordance with any debt service then due and, in any case, taking into account other funds held by the District for such payment. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad valorem* Property Taxation in the District – Direct General Obligation Bonded Debt Outstanding to be Outstanding” and “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS – Additional General Obligation Bonded Indebtedness of the District.”

In addition to the levy of *ad valorem* property taxes for the payment of Debt Service on the Bonds, the Board also levies the Operation and Maintenance Tax. (The Operation and Maintenance Tax has been levied since fiscal year 2019/20.) See TABLE 2.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See “RISK FACTORS.”

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States of America (“Defeasance Obligations”) or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from *ad valorem* taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

Ad valorem Property Taxation in the District

Taxable Property. Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value. In the context of a specific property parcel, full cash value (“Full Cash Value”) is statutorily defined to mean “the value determined as prescribed by statute” or if a statutory method is not prescribed it is “synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value. In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than 15% of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions. The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes. See “Primary Taxes” and “Secondary Taxes” below.

Property Classification and Assessment Ratios. All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the “Limited Assessed Property Value” and the “Full Cash Assessed Value,” respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2019	2020	2021	2022	2023
Mining, utilities, commercial and industrial (b)	18%	18%	18%	17.5%	17%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	15	15	15	15	15

(a) *Additional classes of property exist, but seldom amount to a significant portion of a municipal body’s total valuation.*

(b) *The assessment ratio for this property classification will decrease to 16.5% for tax year 2024, 16% for tax year 2025, 15.5% for tax year 2026 and 15% for each tax year thereafter.*

(c) *This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Primary Taxes. Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Primary taxes are levied against Net Limited Assessed Property Value. “Net Limited Assessed Property Value” is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year’s levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

The combined taxes on owner occupied residential property only, for purposes other than voter-approved bonded indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district’s taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes. Per State statute, taxes levied for payment of bonds like the Bonds, voter-approved budget overrides, taxes levied by school districts for qualified desegregation expenditures and the taxes levied for maintenance and operation of special purpose districts such as sanitary, fire, road improvement, and career technical education districts, are “secondary taxes.” Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness (including the Bonds) and overrides and certain special district assessments.

Tax Procedures. The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then forwarded to the Treasurer of the County. (The Assessor of the County is required to have completed the assessment roll by December 15th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within the County for the tax year.)

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years and liens imposed by the United States. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and the previous two fiscal years. (The Operation and Maintenance Tax has been levied since fiscal year 2019/20.)

TABLE 2

**Property Taxes Levied and Collected (a)
Alamar Community Facilities District**

Fiscal Year	District Tax Rate	District Tax Levy	Adjusted District Tax	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax	Cumulative Collections to March 31, 2023	
			Levy as of June 30th	Amount	% of Adj. Levy	Levy as of 3/31/2023	Amount	% of Adj. Levy
2022/23	\$ 4.1500	\$ 286,389	\$ 286,389	(b)	(b)	\$ 265,017	\$ 151,398	57.13%
2021/22	4.1500	18,394	18,321	\$ 17,029	92.95%	18,321	18,321	100.00
2020/21	0.3000	5,425	1,076	1,073	99.72	1,076	1,076	100.00
2019/20	0.3000	618	618	618	100.00	618	15,600	100.00

(a) *Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

(b) *2022/23 taxes in course of collection:
First installment due 10-01-22; delinquent 11-01-22;
Second installment due 03-01-23; delinquent 05-01-23.*

Source: The Office of Budget and Finance of the County.

Delinquent Tax Procedures. The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum, prorated monthly at a rate of 1.33% as of the first day of the month. (Interest and penalties for delinquent taxes are waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax

lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter (as defined herein), the Financial Advisor (as defined herein), the Developer or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

TABLE 3

**Net Limited Assessed Property Value by Property Classification
Alamar Community Facilities District**

Class	2023/24 (a)	2022/23	2021/22	2020/21	2019/20
Commercial, industrial, utilities & mines	\$ 138,285	\$ 90,760	\$ 9,136	\$ -	\$ -
Agricultural and vacant	1,372,819	1,335,245	433,096	1,807,583	204,356
Residential (owner occupied)	6,610,542	3,786,312	572	604	576
Residential (rental)	3,989,764	1,688,587	410	360	936
Totals (b)	<u>\$ 12,111,410</u>	<u>\$ 6,900,905</u>	<u>\$ 443,214 (c)</u>	<u>\$ 1,808,547</u>	<u>\$ 205,868</u>

(a) Fiscal year 2023/24 values are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on or before August 21, 2023.

(b) Totals may not add up due to rounding.

(c) The fluctuation in assessed valuation was due to a change in agricultural status of certain acreage that was subsequently reinstated as agricultural land.

Source: The Assessor of the County.

TABLE 4A

**Net Limited Assessed Property Value of Major Taxpayers for Fiscal Year 2022/23
Alamar Community Facilities District**

<u>Major Taxpayer (a)</u>	<u>2022/23 Net Limited Assessed Property Value</u>	<u>As % of 2022/23 Net Limited Assessed Property Value</u>
Brookfield Lakin LLC (b)	\$ 996,709	14.44%
Shea Homes Limited Partnership	84,905	1.23
Gehan Homes of Arizona, LLC	69,320	1.00
Taylor Morrison Arizona Inc.	65,548	0.95
Southwest Gas Corporation (T&D)	59,533	0.86
TJL Investments, LLC	45,562	0.66
RMHSLB Owner 1, LLC	38,123	0.55
Weekley Homes LLC	37,898	0.55
Flying V Land Partners LLC	37,821	0.55
	<u>\$ 1,435,419</u>	<u>20.80%</u>

-
- (a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the SEC's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the SEC's EDGAR data base at <http://www.sec.gov>. No representative of the District, the Financial Advisor, the Underwriter, the Developer (except for Filings for Brookfield Lakin LLC), or counsel to any of them has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.*
- (b) *On June 18, 2022, Brookfield Lakin LLC, acquired property from Empire West Title Agency, LLC Tr No 1305Trtaz having an estimated 2022/23 Net Limited Assessed Property Value of \$907,191. The amount shown includes this acquisition.*

Source: The Assessor of the County.

TABLE 4A

**Net Limited Assessed Property Value of Major Taxpayers for Fiscal Year 2023/24
Alamar Community Facilities District**

Major Taxpayer (a)	2023/24 Net Limited Assessed Property Value	As % of 2023/24 Net Limited Assessed Property Value
Empire West Title Agency LLC TR No 1305TRTAZ	\$ 661,300	5.46%
Taylor Morrison Arizona Inc.	243,863	2.01
DR Horton Inc.	150,361	1.24
Gehan Homes of Arizona, LLC	143,032	1.18
Capital West Homes A75 LLC	118,532	0.98
Shea Homes Limited Partnership	114,917	0.95
Empire West Title Agency LLC TR No 1305TRTA	131,787	1.09
TJL Investments, LLC	73,711	0.61
Brookfield Lakin LLC	99,257	0.82
Weekley Homes LLC	58,799	0.49
	<u>\$ 1,795,559</u>	<u>9.37%</u>

- (c) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the SEC's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the SEC's EDGAR data base at <http://www.sec.gov>. No representative of the District, the Financial Advisor, the Underwriter, the Developer (except for Filings for Brookfield Lakin LLC), or counsel to any of them has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.*
- (d) *Fiscal year 2023/24 values are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on or before August 21, 2023.*

Source: The Assessor of the County.

TABLE 5**Comparative Net Limited Assessed Property Values
Alamar Community Facilities District**

Fiscal Year	Alamar Community Facilities District	City of Avondale	Maricopa County	State of Arizona
2023/24 (a)	\$ 12,111,411	\$ 586,321,313	\$ 54,722,326,231	\$ 83,026,530,244
2022/23	6,900,905	544,220,341	51,575,018,189	78,405,598,978
2021/22	443,214(b)	493,207,192	48,724,126,672	74,200,360,750
2020/21	1,808,547	462,085,095	45,704,969,813	69,914,763,468
2019/20	205,868	434,094,952	43,194,326,395	66,157,223,639

(a) Fiscal year 2023/24 values are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on or before August 21, 2023.

(b) The fluctuation in assessed valuation was due to a change in agricultural status of certain acreage that was subsequently reinstated as agricultural land.

Source: Property Tax Rates Assessed Values, Arizona Tax Research Association, State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the Assessor of the County.

TABLE 6**Estimated Net Full Cash Value History
Alamar Community Facilities District**

Fiscal Year	Estimated Net Full Cash Valuation (a)
2023/24 (b)	\$ 201,612,728
2022/23	108,057,101
2021/22 (c)	5,369,938
2020/21	21,471,066
2019/20	2,443,496

(a) Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.

(b) Fiscal year 2023/24 values are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on or before August 21, 2023.

(c) The fluctuation in assessed valuation was due to a change in agricultural status of certain acreage that was subsequently reinstated as agricultural land.

Source: The Assessor of the County.

**Direct General Obligation Bonded Debt Outstanding and to be Outstanding
Alamar Community Facilities District**

TABLE 7

<u>Issue Series</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity Date (July 15)</u>	<u>Balance Outstanding and to be Outstanding</u>
2022	\$ 3,675,000	Public infrastructure	2047	<u>\$ 3,675,000</u>
Total General Obligation Bonded Debt Outstanding				\$ 3,675,000
Plus: The Bonds				<u>2,935,000*</u>
Total General Obligation Bonded Debt Outstanding and to be Outstanding				<u><u>\$ 6,610,000*</u></u>

* *Subject to change.*

BOND INSURANCE

[Bond Insurer Disclosure]

RISK FACTORS RELATED TO BOND INSURANCE

The following are risk factors relating to bond insurance generally. In the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from *ad valorem* property taxes as described under “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS.” In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer’s financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, the Developer, the Financial Advisor or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

SOURCES AND USES OF FUNDS

Sources

Principal Amount	\$2,935,000.00*
[Net] Original Issue Premium (a)	
Total Sources of Funds	

Uses

Costs of Acquisition	\$
Costs of Issuance (b)	
Total Uses of Funds	

* *Subject to change.*

(a) *[Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.]*

(b) *Will include the premium for the Policy and costs of the Underwriter with respect to the issuance of the Bonds.*

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table illustrates (i) the annual debt service on the 2022 Bonds, (ii) the estimated annual debt service on the Bonds and (iii) the estimated combined annual debt service requirements after issuance of the Bonds.

TABLE 8 (a)

Maturity Date (July 15)	2022 Bonds		The Bonds		Total Estimated Annual Debt Service Requirements*
	Principal	Interest	Principal*	Interest (b)	
2022/23	\$ 80,000	\$ 170,460			\$ 250,460
2023/24	85,000	165,988	\$ 55,000	\$131,627 (c)	437,615
2024/25	90,000	161,738	65,000	124,500	441,238
2025/26	90,000	157,238	70,000	121,900	439,138
2026/27	95,000	152,738	75,000	119,100	441,838
2027/28	100,000	147,988	75,000	116,100	439,088
2028/29	105,000	142,988	80,000	113,100	441,088
2029/30	110,000	137,738	80,000	109,900	437,638
2030/31	120,000	132,238	80,000	106,700	438,938
2031/32	125,000	126,238	85,000	103,500	439,738
2032/33	130,000	119,988	90,000	100,100	440,088
2033/34	135,000	114,463	95,000	96,500	440,963
2034/35	140,000	108,725	100,000	92,225	440,950
2035/36	145,000	102,775	105,000	87,725	440,500
2036/37	155,000	96,613	105,000	83,000	439,613
2037/38	160,000	90,025	110,000	78,275	438,300
2038/39	165,000	82,825	120,000	73,325	441,150
2039/40	175,000	75,400	120,000	68,225	438,625
2040/41	180,000	67,525	130,000	63,125	440,650
2041/42	190,000	59,425	135,000	57,600	442,025
2042/43	200,000	50,875	135,000	51,863	437,738
2043/44	210,000	41,625	140,000	46,125	437,750
2044/45	220,000	31,913	150,000	39,825	441,738
2045/46	230,000	21,738	155,000	33,075	439,813
2046/47	240,000	11,100	160,000	26,100	437,200
2047/48			420,000	18,900	438,900
	<u>\$ 3,675,000</u>		<u>\$ 2,935,000</u>		

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Financial Advisor").

(b) Interest is estimated.

(c) The first interest payment on the Bonds will be due on January 15, 2024*. Thereafter, interest payments will be made semiannually on July 15 and January 15 until maturity or prior redemption.

* Subject to change.

OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown below including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, Net Limited Assessed Property Value and combined tax rate per \$100 Net Limited Assessed Property Value. The applicable percentage of each jurisdiction's Net Limited Assessed Property Value which lies within the District's boundaries was derived from information obtained from the Assessor of the County. See **"RISK FACTORS - Direct and Overlapping Indebtedness."**

TABLE 9

Direct and Overlapping Jurisdiction	2022/23 Net Limited Assessed Property Value	General Obligation Bonded Debt Outstanding (a)	Proportion Applicable to the District (b)		2022/23 Tax Rates Per \$100 Net Limited Assessed Property Value
			Approximate Percent	Net Debt Amount	
State of Arizona	\$ 78,415,651,028	None	0.01%	None	None
Maricopa County	51,575,018,185	None	0.01	None	\$1.2473
Maricopa County Community College District	51,575,018,185	\$ 135,585,000	0.01	\$ 18,142	1.1894
Maricopa County Fire District Assistance Tax	51,575,018,185	None	0.01	None	0.0082
Maricopa County Special Health Care District	51,575,018,185	600,335,000	0.01	80,327	0.2488
Maricopa County Library District	51,575,018,185	None	0.01	None	0.0505
Maricopa County Flood Control District (c)	47,553,260,925	None	0.01	None	0.1592
Western Maricopa Education Center District No. 402	19,350,942,146	130,195,000	0.04	46,430	0.1538
Littleton Elementary School District No. 65	348,508,078	46,755,000	1.98	925,809	5.1309
Tolleson Union High School District No. 214	1,607,350,531	240,430,000	0.43	1,032,248	5.4141
City of Avondale	544,220,341	44,475,000	1.27	563,959	1.5508
Alamar Community Facilities District	6,900,905 *	6,610,000	100.00	<u>6,610,000 *(d)</u>	4.1500
Total Direct and Overlapping General Obligation Bonded Debt to be Outstanding				<u><u>\$ 9,276,914 *</u></u>	

* Subject to change.

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for fiscal year 2022/23.

(b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various special assessment bonds, as those bonds are presently being paid from special assessments against property for such purpose.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Authorized but unissued amounts in the following table may be subject to additional reductions based on certain amounts of net premium but such reductions are not reflected in the table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

<u>Overlapping Jurisdiction</u>	<u>General Obligation Bonds Authorized but Unissued</u>
City of Avondale	\$28,695,000
The District (e)	63,374,021*

* Subject to change.

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"). CAP is a 336-mile long system of aqueducts, tunnels, pumping plants and pipelines which delivers water from the Colorado River to Maricopa, Pinal and Pima Counties in Arizona (including the City). The obligation to CAP is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

- (c) The assessed value of the Maricopa County Flood Control District does not include any personal property assessed valuation of the County.
- (d) Includes the Bonds.
- (e) Reflects reduction in authorization from the Election in connection with the issuance of the Bonds.

Source: The various entities, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and the Treasurer of the County.

Additional General Obligation Bonded Indebtedness of the District

In addition to the Bonds, the District retains the right to issue, in accordance with the procedures set forth in the Enabling Act, additional series of bonds payable from *ad valorem* taxes levied on all taxable property in the District. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - *Ad valorem* Property Taxation in the District – Direct General Obligation Bonded Debt Outstanding and to be Outstanding.” See also “**RISK FACTORS - Direct and Overlapping Indebtedness.**”

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (Based on the Full Cash Value of the property in the District as reported by the County Assessor plus the value of the public infrastructure acquired or to be acquired by the District with the proceeds of the 2022 Bonds and the Bonds, the Board has determined that issuance of the Bonds will meet the test set forth above. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - *Ad valorem* Property Taxation in the District - Full Cash Value.”)

Pursuant to the Election, the District is authorized to incur general obligation bonded indebtedness in an amount not to exceed \$70,000,000 and will have \$63,374,021* of such amount remaining after issuance of the Bonds in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs. Such remaining authorized but unissued amount is subject to further reduction based on the use of amounts of net premium on the general obligation bonds of the District. Additional general obligation indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness

The District has no control over the amount of additional indebtedness payable from *ad valorem* taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to, the City, the County, Maricopa County Community College District, Maricopa County Flood Control District, Maricopa County Special Health Care District, Maricopa County Library District, Western Maricopa Education Center District No. 402, Littleton Elementary School District No. 65 and Tolleson Union High School District No. 214 or other entities having jurisdiction over all or a portion of the District Land. Additional indebtedness could be authorized for such overlapping jurisdictions in the future. See “**RISK FACTORS - Direct and Overlapping Indebtedness.**”

LAND DEVELOPMENT

The information contained in the following section relates to and has been obtained from the Developer unless otherwise sourced or noted, and none of the District, the Underwriter or the Financial Advisor have made any independent investigation regarding the accuracy or completeness thereof. The Developer makes no representation regarding projected development plans within the District (except for those of the Developer), the financial soundness of the other property owners and developers (excluding the Developer) or the managerial ability of such persons and entities to complete development as planned. The development of the District Land may be affected by factors such as governmental policies with respect to land development, the availability of utilities, the availability of energy, construction costs, interest rates, competition from other developments, public health directives and restrictions, and other political, legal and economic conditions beyond the control of the District, the Developer, or other property owners and developers. Further, the District Land may be subject to encumbrances as security for obligations payable to various parties, the default of which could adversely affect construction activity. See “RISK FACTORS.”

The Project

The District Land is being developed as a planned residential community known as “Alamar”, formerly known as “Lakin Ranch” (the “Project”), featuring a range of low to high density neighborhood housing. The maximum allowable residential build-out of the Project is approximately 4,036 units. The Project includes a 40-acre regional park, a 21-acre future K-8 elementary school site, and 10-acres of community parks. A trail network of 9+ miles will

connect the open space park system to 3 community parks and over 20 neighborhood parks within the Project. The Project is anticipated to be a diverse residential community serving both families and active adults. As of April 30, 2023, the Developer has sold 1,293 residential lots and Builders have closed on over 550 residential homes within the Project.

The Project has a 100-year assured water supply provided by the City through approval of the Arizona Department of Water Resources (“ADWR”). An assured water supply means that sufficient water of adequate quality will be continuously available to satisfy the water needs of the proposed use for at least 100 years, that any projected groundwater use is consistent with the water management plan approved by ADWR and achievement of the management goal for the area, and that financial capability to construct the delivery system and any necessary treatment work has been demonstrated to ADWR. The assured water supply designation, which can be terminated or modified by ADWR should circumstances warrant, is a necessary condition to the legal right of the Developer (or any purchaser of the Developer) to plat, construct and sell homes within the Project. See “RISK FACTORS – Availability of Water” herein.

As of April 30, 2023, the Developer has spent approximately \$13 million to construct and install water, sewer, streets, curbs, gutters, and other public facilities at the Project, including approximately 2.3 miles of collector or arterial roads; and approximately \$18 million on numerous community amenities, including approximately 46 acres of parks with sports courts, playgrounds and ramadas within the community. The Developer is currently constructing approximately 1.5 additional miles of collector and arterial roads with all utilities installed at an estimated cost of approximately \$7.7 million.

TABLE 10

	Acquisition Project Description	Total Estimated Costs	Certified Engineer's Costs (a)	To Be Paid By the Bonds (b)	Paid by Prior Bonds	Eligible for Funding from Future Bonds	Completion Date (c)
1.	CFD Phase 1 Broadway Rd West	\$3,253,459	\$3,253,459	-	\$3,253,459	-	Dec-20
2.	CFD Phase 1 Alamar Parkway	1,250,864	1,250,864	\$1,139,348	111,516	-	Dec-20
3.	CFD Phase 1 Avondale Blvd	460,127	460,127	460,127	-	-	Dec-20
4.	CFD Phase 1 Dry Utilities	292,511	292,511	292,511	-	-	Dec-20
5.	CFD Phase 2	7,520,223	7,520,223	693,014	-	\$6,827,209	Jan-23
	Total	\$12,777,184	\$12,777,184	\$2,585,000	\$3,364,975	\$6,827,209	

(a) Represents the Total Estimated Costs which may differ once the District certifies eligible construction costs.

(b) Represents the Total Estimated Costs to be Paid by the Bonds which may differ once the District certifies eligible costs.

(c) Represents the date by which the Developer constructed Public Infrastructure which may differ from the date that it was or will be accepted by the City.

The Project is being developed with both a family-oriented community and an active adult community (with housing designed for those at least 55 years old). The Project is expected to include (i) 3 community parks totaling approximately 10 acres with 2 resort-style outdoor pools, playgrounds, outdoor grill station, ramadas and sports courts,

(ii) a regional park with a basketball court, pickleball courts, fitness court, 2 baseball fields, lighted multi-purpose field, splash pad, urban fishing lake, amphitheater and a dog park, and (iii) landscaped open areas with playgrounds, art features, grills, fire pits, trails, disc golf, ramadas, and benches. The Alamar Community Association, Inc. (the “Association”) is responsible for the continued maintenance of the community amenities and costs for the continued maintenance are included in Association assessments. The Association may charge use and consumption fees for services and facilities provided by or through the Association.

TABLE 11

Total Project	Approximate District Acres
Single Family Residential	874
Non-residential (a)	212
Total	<u>1,086</u>

(a) Includes churches, police and fire stations, schools, civic and commercial uses and common area and neighborhood open space.

Home closings within the Project are set forth in Table 12 below. As of April 30, 2023, there were 98 homes under construction. From January 1, 2023 through April 30, 2023, the price range on home closings was from \$379,990 to \$924,260.

TABLE 12

SINGLE-FAMILY HOME CLOSINGS (a)

Calendar Year	Alamar
2020	1
2021	229
2022	248
2023 (4/30/23)	<u>72</u>
Total	<u>550</u>

SINGLE-FAMILY HOMES UNDER CONSTRUCTION (b)

Alamar
<u>98</u>

(a) The earliest close date shown is December 11, 2020 and the latest is April 3, 2023.

(b) Homes under construction as of April 30, 2023.

Information herein relating to anticipated future sales and development is provided based on information and projected activity as of date of this Official Statement. Notwithstanding anything in this Official Statement to the contrary, no homebuilders or other prospective purchasers have agreed to final pricing except as otherwise stated herein and there can be no assurance now or at the time the Bonds are issued that the projected activity will be realized or that present or subsequent landowners will have the financial capability to, or will, commence or complete development on any other portion of the District land acquired. See “RISK FACTORS – Concentration of Ownership; Subsequent Transfer.”

Services and Utilities

The Project is within the boundaries of Littleton Elementary School District No. 65 of Maricopa County, Arizona. A K-8 elementary school serving the Project is currently under construction with completion anticipated for the 2023-24 school year. Currently, students are served by existing elementary schools within the Littleton Elementary School District.

The Project is within the boundaries of the Tolleson Union High School District No. 214 of Maricopa County, Arizona. Students are served by existing high schools within the Tolleson Union High School District.

The following retail establishments are within the area, but outside the District: Fry's (grocery store), Avondale Fiesta Shopping Center, Pecan Promenade, Target Super Center, Walmart Super Center, Costco, and Sprouts, among others.

The Project is subject to certain development agreements with the City and certain master plan and zoning approvals. Such agreements provide, among other things, the City's contributions to, and reimbursements for, infrastructure, the processing of permits, payment for City services, and other matters generally provided for in similar agreements within the State.

The City provides municipal services within the Project, including police protection, fire, refuse collection and water and sewer services. The City has a water portfolio of ground water, recharge credits and surface water in place that covers current and future water needs. Salt River Project provides electric power; Southwest Gas Corporation provides natural gas; and Cox, Wyverd and Lumen provide cable television and telephone service.

The Developer

The Developer for the Project is Brookfield Arizona. Brookfield Arizona is wholly owned by Brookfield Residential (Arizona), LLC ("BRA"), a community development firm with investment/ownership interests in four communities in Arizona, including Alamar. BRA is a subsidiary of Brookfield Residential which does community development and homebuilding in 30 markets across North America. Brookfield Residential is a subsidiary of Brookfield Asset Management, an asset management firm specializing in real estate, infrastructure, renewable energy and private equity with \$800 billion of assets under management in over 30 countries. Brookfield Asset Management is a public company listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol BAM. Brookfield Asset Management is subject to the informational requirements of the Exchange Act and in accordance therewith files the Filings which may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at www.sec.gov. No representative of the District, Bond Counsel, the Financial Advisor, the Underwriter or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

The foregoing Internet addresses and references to filings with the SEC are included for reference only, and the information on these Internet websites and on file with the SEC are not a part of this Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such Internet websites. Investors should not rely on the information and financial statements contained on these websites in evaluating whether to buy, hold or sell the Bonds. Some of the statements contained in the annual reports and the quarterly and current reports may be construed as "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on Developer's management's beliefs as well as assumptions made by, and information currently available to, Developer's management. These forward-looking statements typically include the words "anticipate," "believe," "consider," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "likely," "may," "outlook," "plan," "possible," "potential," "predict," "projection," "seek," "should," "strategy," "target," "will," "would" or other words of similar meaning. Any or all of the forward-looking statements included in the annual reports and the quarterly and current reports may not approximate actual experience, and the expectations derived from them may not be realized, due to risks, uncertainties and other factors. As a result, actual results may differ materially from the expectations or results in the forward-looking statements.

RISK FACTORS

THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS IN INVESTING IN THE BONDS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION. INVESTMENT IN THE BONDS SHOULD BE MADE ONLY AFTER CAREFUL EXAMINATION OF THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO.

The discussion of risk factors is not, and is not intended to be, exhaustive, and such risk factors are not necessarily presented in order of magnitude.

General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences

Investments in developing real estate such as undeveloped areas in the District are generally considered to be speculative in nature and to involve a high degree of risk. Owners of land in the District will be subject to the risks generally incident to real estate investments and development including those described herein.

Construction of houses on the remaining lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls, including, without limitation, drought mitigation and other governmental actions taken to address certain water resource allocations; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the development must come from the City and other governmental authorities, over which the District has no control.)

Homebuilders throughout the Phoenix metropolitan area are experiencing supply chain issues currently affecting the national economy, specifically the timely availability of materials necessary to build new homes. While advantage is being taken of all available alternatives, completion of homes has been slowed. This circumstance is expected to continue for the near term and to affect home closings. Such supply chain factors will affect other owners of property within the District, such as owners constructing communities for rentals, if any.

The residential development business, particularly with respect to communities such as the District, is highly competitive in the Phoenix metropolitan area. The business of merchant builders building in the District will face competition from a number of competitors in the City and other developments throughout the Phoenix metropolitan area, many of which offer or intend to offer lots and parcels in similar communities to a similar target market.

Decreased absorption rates associated with future slowdown could adversely affect land values and reduce the ability or desire of the property owners to pay ad valorem property taxes and assessments. In that event, there could be a default in the payment of principal of and interest on the Bonds.

An inability to develop the remaining land within the District will likely reduce the diversity of ownership of land within the District, making the holders of the Bonds more dependent upon timely payment of the ad valorem property taxes levied on the vacant lots.

Development requires obtaining a variety of governmental approvals and permits. Such approvals and permits are necessary to initiate development and construction and to allow the sale and occupancy of homes and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals

can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

Risks Related to Coronavirus Disease 2019 (“COVID-19”)

The COVID-19 global pandemic continues to affect the nation and the State with ongoing concerns related to health and safety, appropriate preventative protocols, fiscal and economic issues, and student learning loss. At present, government and business operations in the State, following the rescindment of numerous COVID-19-related Executive Orders by then-Arizona Governor Doug Ducey, essentially function without government-imposed restrictions relating to the pandemic.

The District does not anticipate that the collection of property taxes, which may be a significant revenue source for operating purposes and is the security and source of payment of principal and interest due on the Bonds, will be affected unless severe economic hardship causes a significant decrease in property tax collections. Such a decline in property tax collections could negatively affect the District’s ability to pay debt service on the Bonds.

The District cannot predict how the spread of COVID-19 (including COVID-19 variants such as the delta variant and future, similar variants) or the various governmental or private actions taken in response thereto will affect its finances or operations, including the receipt of property tax collections.

The residential housing market has experienced a limited impact from the COVID-19 pandemic to-date. Although the pace of home sales decreased at the onset of COVID-19 and through state stay-at-home mandates, home pricing has continued to increase, and the sales pace has returned to levels consistent with levels prior to the onset of the COVID-19 pandemic.

No Review of Filings

As described in footnote (a) to TABLE 4A and TABLE 4B and under the heading “LAND DEVELOPMENT – The Developer”, no representative of the District, the Financial Advisor, the Underwriter or counsel to any of them has examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or their parent companies that are not subject to same or similar informational requirements.

No Audited Financial Statements

The District is not required to, nor does it, prepare audited financial statements. The District is a component unit of the City for financial accounting purposes and is reported on the City’s financial statements as a special revenue fund. See “NO AUDITED FINANCIAL STATEMENTS” herein.

Competition from Other Developments

The residential development business, particularly with respect to communities such as the Project, is highly competitive in the surrounding area. The business of homebuilding by the Developer in the District will face competition from a number of competitors in the City and other developments throughout the surrounding area, many of which offer or intend to offer lots and parcels to a similar target market.

Assessed Valuation of Property

The District’s ability to retire the indebtedness evidenced by the Bonds solely from *ad valorem* property taxes levied on all taxable property in the District is dependent upon the development and maintenance of an adequate tax base from which the District may collect revenues. The District’s ability to achieve a tax base adequate to generate *ad valorem* property tax revenues for timely payment of the Bonds will depend upon the continued and successful development of the Project. The District faces competition from other residential developments in surrounding areas. Such competition may adversely affect the rate of development within the District. Many unpredictable factors could influence the actual rate of construction within the District, including the prevailing interest rates, availability of funds, market and economic conditions generally, supply of housing in the greater Phoenix metropolitan area, construction

costs, labor conditions, access to building supplies, availability of water and water taps, availability and costs of fuel and transportation costs, among other things.

It is anticipated that the assessed valuation of the land in the District will increase if and as the development of the Project continues. However, changes in the future assessed valuation of the land in the District may reduce the willingness of landowners to pay the *ad valorem* property taxes securing the Bonds or adversely affect the interest of potential buyers of such property. See also “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - *Ad valorem* Property Taxation in the District.”

Concentration of Ownership; Subsequent Transfers

Based on preliminary property values for fiscal year 2023/2024[and the acquisition described in footnote (b) to TABLE 4A and TABLE 4B] **[To be confirmed]**, the Developer will own []% of the taxable property within the District and will be responsible for paying the *ad valorem* property taxes thereon. Such land comprises the remaining residential lots currently expected to be ultimately developed as part of the Project. There can be no assurance that the Developer or future developers or homebuilders will have the financial capability to continue and complete development of the Project. None of the District, the Underwriter or the Financial Advisor have reviewed the financial resources or development capabilities of the Developer to develop its property or sell it to others for development, or the capability of the Developer to pay *ad valorem* property taxes as they come due. No assurances can be given that the Developer or any subsequent District property owner will have the necessary financial resources to pay *ad valorem* property taxes as they come due. See “LAND DEVELOPMENT.”

Failure or Inability to Complete Proposed Project

The continuing development and successful completion of the Project is contingent upon construction or acquisition of major public improvements, such as arterial streets, water distribution facilities, wastewater collection and transmission facilities, drainage facilities, telephone and electrical facilities, recreational facilities and street lighting, as well as local in-tract improvements. If the Developer or other developers or, as applicable, the City are unable to complete these additional improvements, the ability to sell homes in the Project would be affected adversely.

No assurances can be given that the Developer and other developers will be able to obtain on a continuing basis the financing necessary to pay for required development costs. Cash generated from the sale of land within the District is expected to fund a substantial portion of the costs of the development. However, the cost of these additional improvements plus the public and private in-tract, on-site and off-site improvements would increase the public and private debt for which all or portions of the District Land is security. See “-- Direct and Overlapping Indebtedness” below.

The Project may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, increases in development costs and other similar factors as well as availability of utilities and the development of environmental problems with such land. See “LAND DEVELOPMENT” above. While the Developer has in place a development agreement with the City, addressing, among other things, the vesting of zoning approvals necessary to develop the Project, development within the District could nevertheless be affected by changes in governmental policies and laws, including, but not limited to, governmental policies and laws to restrict or control development. (Any approvals needed in the future for the development of the Project must come from the City or other governmental authorities, over which the District has no control.) Land development within the District also could be affected by competition from other residential developments in surrounding areas. A slowdown of the development process and the related absorption rate within the Project because of any or all of the foregoing could affect adversely land values and impair the developers’ ability to finance the costs of development. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF LANDOWNERS TO PAY *AD VALOREM* PROPERTY TAXES AND COULD GREATLY REDUCE THE VALUE OF SUCH PROPERTY IN THE EVENT IT HAS TO BE FORECLOSED UPON.

Effect of Valuation of Property

Information is provided herein with respect to the valuation of land within the District. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - *Ad valorem* Property Taxation in the District.” Such valuation and

particularly decreases therein may reduce the willingness of landowners to pay the ad valorem taxes securing the Bonds, as well as adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes.

Direct and Overlapping Indebtedness

The willingness or ability of owners of land in the District to pay their ad valorem taxes could be affected by the existence of other taxes and assessments imposed upon the property. The District and other political subdivisions, such as the State, the County, the County, Maricopa County Community College District, Maricopa County Flood Control District, Maricopa County Special Health Care District, Maricopa County Library District, Western Maricopa Education Center District No. 402, Littleton Elementary School District No. 65 and Tolleson Union High School District No. 214, etc., whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional ad valorem taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in “OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS” above). The lien created on the property within the District by the levy of additional ad valorem taxes would be on a parity with the lien for the ad valorem taxes securing the Bonds.

The imposition of additional parity liens, or junior liens in the case of, for instance, special assessments, may reduce the ability or willingness of the landowners to pay the ad valorem taxes securing the Bonds as well as, in the case of failure of payment thereof, the existence of buyers of such property at any foreclosure sale for purposes of paying such taxes. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad valorem Property Taxation in the District.”

From time to time, there are legislative proposals in the Arizona Legislature that, if enacted, could alter the basis on which ad valorem taxes (including those that secure the Bonds) are assessed, levied and collected and which could affect, among other things, the distribution of the amount of taxes that various classifications of property may be obligated to pay. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, they would affect the Bonds or other obligations issued prior to their enactment.

Bankruptcy and Foreclosure Delays

The payment of the ad valorem taxes securing the Bonds and the ability of the District to foreclose the lien of delinquent, unpaid, ad valorem taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not extinguish the ad valorem taxes securing the Bonds, bankruptcy of a property owner could result in a delay in the foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the Bonds when due. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad valorem Property Taxation in the District - Delinquent Tax Procedures.”

It should be noted that in the event of a bankruptcy of a taxpayer pursuant to the Bankruptcy Code, the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pendency of the bankruptcy proceedings. Such taxes might constitute an unsecured and possible non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on a pro rata basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact the bankruptcy of a property owner might have on the ability of the District to collect ad valorem taxes levied on that property before or during the bankruptcy proceedings. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover any claim against the debtor or its estate that arose before the commencement of the bankruptcy is automatically stayed pursuant to the Bankruptcy Code. While the stay may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor in bankruptcy would be

subject to the stay of bankruptcy court. Furthermore, “tax sale investors” may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections becomes uncertain.

In the event none of the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District’s tax rate charged to non-bankrupt taxpayers during such subsequent years.

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Financial Advisor, the Underwriter, the Developer, or their respective agents or consultants have undertaken any independent investigation of the operations and financial condition of any of the property owners in the District, nor have they assumed responsibility for the same.

In addition, the various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Tax Risks

As discussed under “TAX EXEMPTION” below, interest on the Bonds could become includable in gross income of the owners thereof for purposes of federal income taxation retroactive to the date the Bonds were issued if the District acts or fails to act in a manner which violates its covenants in the Bond Resolution. In that event, the Bonds are not subject to special redemption and will remain outstanding on a taxable basis until maturity or until redeemed in accordance with the redemption provisions contained in the Bond Resolution.

Amendment of Documents Referenced

The development of the property within the District is in the early phases. Circumstances could change as the development process continues and other issues are raised or new developers or owners become involved. Accordingly, the Developer anticipates that there may be significant changes to the agreements and contracts relating to the development of the Project to address any such issues; however, the Developer does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Environmental Matters

Property in the District will be subject to risks arising out of environmental, archaeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered on the site and the possibility of a decline in property values resulting from any contamination on the site or from the proximity of the site to other contaminated areas; or discovery of archaeological artifacts located on the site or in the vicinity of the site; discovery of endangered species of animals, plants or other habitat for endangered species and a determination of the waterways of the United States against dredging or fill. In addition, liability may arise under a variety of federal, state or local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act and the National Historical Preservation Act.

For example, development may require approvals and actions under the Clean Water Act and the National Environmental Protection Act may limit, delay or change materially the number and type of development on the site.

Availability of Water

The Developer's ability to develop the land within the District and to subdivide the real property included within the District is dependent upon the land having a 100-year assured water supply, as determined by ADWR and applicable law. The Project is located in the City, which has been designated as having a 100-year water supply based on the City's available surface and ground water rights. If the City were to lose its 100-year water supply designation, however, the sale of subdivided land within the Project would be halted until the situation could be resolved. Since January 2022, Arizona has operated under a drought contingency plan and has received a reduced allocation of Colorado River water for agricultural purposes through CAP. (See the final paragraph in footnote (b) to TABLE 9 for a description of CAP.) The City's water supply comes from a variety of sources which include not only Colorado River water received through an allocation from the CAP but also water from the Salt River Project, reclaimed water/treated effluent, replenished groundwater and groundwater. Assuming development of the Project proceeds as described under the heading "LAND DEVELOPMENT" herein, the City does not anticipate any near-term disruption to the provision of water to the Project by the City.

LITIGATION

At the time of delivery and payment for the Bonds, appropriate representatives of the District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, overtly threatened against the District affecting the existence of the District, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Resolution, or the collection or application of any revenues providing for the payment of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, any action of the District contemplated by any of the said documents, or the collection or application of the revenues provided for the payment of the Bonds, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), as the Board does not reasonably anticipate that the aggregate amount of qualified tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2023 will exceed \$10,000,000.

NO AUDITED FINANCIAL STATEMENTS

Audited financial statements are not, by State law or otherwise, required to be prepared of the activities or funds of the District. The Board has not, in past, on its own accord, caused such statements to be prepared.

As indicated in Note 1A of the annual comprehensive financial report of the City for the most recent fiscal year (the "ACFR"), the District is considered a "component unit" of the City. Although a legally separate entity, the District is, in substance, part of the operations of the City, and the City is considered to be financially accountable for it.

The ACFR presents the City and all its component units as the "reporting entity." Included within the reporting entity is the District. The ACFR is publicly available and is also available directly upon request from the District Treasurer.

Should the Board, in the future, cause financial statements that are separately audited to be prepared, the continuing disclosure undertaking of the District described under the heading "CONTINUING DISCLOSURE" requires such audited financial statements to be filed with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access system.

TAX EXEMPTION

In General

The Code includes requirements which the District must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The District, BRA and the Developer have covenanted in the Indenture and the Development Agreement, respectively, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel ("Bond Counsel"), assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District, BRA and the Developer with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds will be excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. Bond Counsel is further of the opinion that the interest on the Bonds will be exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Bonds will be based on and will assume the accuracy of certain representations and certifications of the District, and compliance with certain covenants of the District, BRA and the Developer to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Bonds, or the ownership or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds, (iii) the inclusion of the interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates, and (vii) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Service or the courts; rather, such opinions represent

Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Bonds or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or State tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Bonds. This withholding generally applies if the owner of the Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

RATING

S&P is expected to assign the rating of “AA” to the Bonds with the understanding that the Policy will be delivered by the Bond Insurer simultaneously with the issuance of the Bonds. Such rating reflects only the view of S&P. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, CA 94111. Such rating may be revised or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Bonds. The District will covenant in its continuing disclosure undertaking with respect to the Bonds that it will file notice of any formal change in any ratings relating to the Bonds. See “CONTINUING DISCLOSURE” and APPENDIX C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” herein.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the legal opinion of Greenberg Traurig, LLP, Bond Counsel, a form of which is included herein as APPENDIX B. See “TAX EXEMPTION.” Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered upon the initial delivery of the Bonds. Certain legal matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, and for the Developer by its counsel, Snell & Wilmer, L.L.P.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issue explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Bonds will be purchased by Hilltop Securities Inc. (the “Underwriter”) at an aggregate purchase price of \$_____, pursuant to a purchase contract (the “Purchase Contract”) entered into by and between the District and the Underwriter. If the Bonds are sold to produce the prices or yields shown on the inside front cover page hereof, the Underwriter’s compensation will be \$_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower

than the public offering prices or yields stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter.

FINANCIAL ADVISOR

The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor has not verified, and does not assume any responsibility for, the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement: "The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information."

RELATIONSHIPS AMONG PARTIES

Greenberg Traurig, LLP, Bond Counsel, and Squire Patton Boggs (US) LLP, counsel to the Underwriter, have each acted as bond counsel in other transactions underwritten by the Underwriter and have each acted as counsel to the Underwriter and to the Financial Advisor in other transactions. Greenberg Traurig, LLP and Squire Patton Boggs (US) LLP have also acted as bond counsel and/or underwriter's counsel with respect to bonds issued by the City and other overlapping political subdivisions. Snell & Wilmer, L.L.P. has acted as counsel to the Underwriter in other transactions underwritten by the Underwriter and has acted as counsel to the Financial Advisor in other transactions.

CONTINUING DISCLOSURE

The District will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 of each year, commencing February 1, 2024 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The method of filing of, and specific nature of the information to be contained in, the Annual Reports and the Notices of Listed Events are set forth herein in APPENDIX C – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" which includes the form of undertaking which will be executed by the District with respect to the Bonds (the "Undertaking").

These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the SEC. The ability of the District to comply with such covenants will be subject to the annual appropriation of funds, sufficient to provide for the costs of compliance for such covenants. Should the District not comply with such covenants, it has covenanted to provide notice of such fact as it would for a Notice of Listed Event. A failure to provide continuing disclosure may adversely affect the transferability and liquidity of the Bonds and their market price.

The District entered into a continuing disclosure undertaking with respect to the 2022 Bonds that requires the filing of the Annual Reports on or before February 1 of each year. The District did not timely file the Annual Reports for the fiscal year ended June 30, 2022 until May 9, 2023. The District has implemented procedures to facilitate compliance with the Undertaking and future similar undertakings.

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CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All financial and other information in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be accurate and reliable. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

ALAMAR COMMUNITY FACILITIES DISTRICT

By _____
Chairperson, District Board

APPENDIX A

INFORMATION REGARDING THE CITY OF AVONDALE, ARIZONA

The following information regarding the City is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE CITY. The Bonds will be direct obligations of the District, payable solely from ad valorem property taxes levied against all taxable property in the District as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

General

The City is located approximately 15 miles west of downtown Phoenix in the southwestern portion of the metropolitan Phoenix area and in the central portion of the County, contiguous to the communities of Litchfield Park, Arizona to the north, Phoenix to the north and east, Tolleson, Arizona to the east and Goodyear, Arizona to the north and west. Unique to the City is the convergence of the Gila, Salt and Agua Fria rivers within the City. The City was incorporated in 1946 and is considered one of the fastest growing residential areas in the County.

POPULATION STATISTICS City of Avondale, Arizona

	<u>City of Avondale</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2022 Estimate (a)	92,324	4,586,431	7,409,189
2020 Census	89,334	4,420,568	7,151,502
2010 Census	76,238	3,817,117	6,392,017
2000 Census	35,883	3,072,149	5,130,632
1990 Census	16,169	2,122,101	3,665,339
1980 Census	8,168	1,509,175	2,716,546

(a) Provisional estimate as of July 2022 (data released in December 2022).

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

Municipal Government and Utilities

The City operates under a Council-Manager form of government in accordance with its Charter. The Mayor is elected for a four-year term and six council members are elected at large on a non-partisan basis for four-year, staggered terms. The City Council appoints the City Manager who has full responsibility for carrying out Council policy and administering operations for the City. The City Manager in turn appoints department heads.

The City provides its residents with sanitation, water and sewer services. Electricity is provided by both Arizona Public Service Company and Salt River Project. Natural gas is supplied by Southwest Gas Corporation.

Economy

The City is developing from an agriculturally based community into a location of commerce and light industry. The City's economy is a mix of services, retail and manufacturing. The City has two employment corridors that are able to access a labor pool of more than half a million employees within a 30-minute commute. The I-10 Corridor and the Avondale Boulevard Corridor serve the 66-acre Avondale Civic Center, a 16,000 square foot Hilton Garden Inn complex, the American Sports Center of Avondale, and other lodging and retail establishments.

MAJOR EMPLOYERS City of Avondale, Arizona

Employer	Description	Approximate Number of Employees
Amazon	Retail	1,030
City of Avondale	Government	720
Fry's Food Stores	Retail	490
Maricopa County Community College District	Education	460
Akos	Healthcare	400
Walmart	Retail	400
Costco Wholesale	Retail	390
Avondale Elementary School District #44	Education	360
Tolleson Union High School District #214	Education	340
Agua Fria Union High School District #216	Education	330

Source: 2021 Arizona COG/MPO Employer Database, Maricopa Association of Governments. Data accessed May 2023.

The following table illustrates the unemployment rate averages for the City, the County, the State and the United States of America.

UNEMPLOYMENT RATE AVERAGES

Calendar Year	City of Avondale (a)	Maricopa County (a)	State of Arizona (a)	United States
2023 (b)	3.1%	2.9%	3.2%	3.8%
2022	3.7	3.3	3.8	3.7
2021	5.6	4.6	5.1	5.4
2020	7.5	7.3	7.8	8.1
2019	4.4	4.2	4.9	3.7
2018	4.5	4.1	4.8	3.9

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through March 2023.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The following table illustrates the past five years of sales tax collections.

SALES TAX COLLECTIONS
City of Avondale, Arizona
(\$000s omitted)

Fiscal Year	Amount
2021/22	\$76,395
2020/21	66,736
2019/20	55,268
2018/19	51,427
2017/18	48,865

Source: Avondale, Arizona Fiscal Year Ended June 30, 2022 Annual Comprehensive Financial Report.

FORM OF LEGAL OPINION OF BOND COUNSEL

[Closing Date]

District Board
Alamar Community Facilities District
c/o City of Avondale, Arizona
11465 West Civic Center Drive
Avondale, Arizona 85323

Re: Alamar Community Facilities District (Avondale, Arizona) General Obligation Bonds,
Series 2023

We have acted as Bond Counsel in connection with the issuance by Alamar Community Facilities District (hereinafter referred to as the “Issuer”) of the captioned Bonds, dated the date hereof (hereinafter referred to as the “Bonds”).

We have examined, and in rendering the opinions herein have relied upon, original or certified copies of the proceedings had in connection with issuance of the Bonds; certifications made by officers of the Issuer relating to, among other things, the expected use of proceeds of the sale of the Bonds and certain other funds of the Issuer and to certain other facts within the knowledge and control of such officers; representations made by the officers of Brookfield Residential (Arizona) LLC and Brookfield Lakin LLC (hereinafter referred to, together, as “Brookfield”), as to plans to develop and sell land owned within the boundaries of the Issuer and such other material and matters of law as we deem relevant to the matters discussed hereinbelow. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies and the accuracy of the statements contained in such certifications and representations. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings, certifications, representations, material and matters.

We are of the opinion, based upon such examination and subject to the reliances, assumptions and exceptions hereinabove and hereinafter set forth, that, under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Bonds are valid and legally binding obligations of the Issuer payable from the sources, and enforceable in accordance with the terms and conditions, described therein, except to the extent that the enforceability thereof and provisions for the security therefor may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights or the exercise of judicial discretion in accordance with general principles of equity.

2. The Issuer is to annually levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the boundaries of the Issuer, sufficient to pay debt service on the Bonds when due. All of the taxable property within the Issuer is subject to the levy of a tax, without limitation as to rate or amount, to pay the principal of and interest on the Bonds.

3. Under existing statutes, regulations, rulings and court decisions, subject to the reliance and assumption stated in the last sentence of this paragraph, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal

alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the “Code”) on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. (We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.) The Code includes requirements which the Issuer and Brookfield must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the Issuer or Brookfield to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. Officers of the Issuer and Brookfield have either indicated their compliance with, or covenanted to take the actions required by, applicable provisions of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In rendering the opinion expressed above, we have relied on certifications of officers of the Issuer and Brookfield with respect to certain matters necessary for, and have assumed continuing compliance with certain covenants by the Issuer and Brookfield included in, respectively, the resolution authorizing the issuance of the Bonds and a District Development, Financing Participation and Intergovernmental Agreement (Alamar Community Facilities District), dated as of October 1, 2018, by and among the Issuer, the City of Avondale, Arizona and Brookfield (which are, as to their enforceability, subject to the same exceptions described in paragraph 1 hereinabove) that must be met after the issuance of the Bonds in order that, interest on the Bonds not be included in gross income for federal tax purposes.

4. The interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other state tax consequences resulting from the receipt or accrual of interest on, or disposition or ownership of, the Bonds.)

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

\$2,935,000*
ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023
(BANK QUALIFIED)

CONTINUING DISCLOSURE UNDERTAKING

(CUSIP BASE NUMBER 010741)

This Undertaking is executed and delivered by Alamar Community Facilities District (hereinafter referred to as the “Issuer”), in connection with the issuance of the captioned municipal securities (hereinafter referred to as the “Securities”) for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

2. “Annual Report” shall mean any annual report provided by the Issuer pursuant to, and as described in, Section

“Authorizing Document” shall mean the resolution authorizing the issuance of the Securities.

“Dissemination Agent” shall mean any agent which has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

“EMMA” shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 3(a).

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Notice of Listed Event” shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

* *Subject to change.*

Section 2. Contents and Provision of Annual Reports.

(a) (i) ***SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2024, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.***

(ii) ***IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION AND SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.***

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information of the type in TABLES 2, 3, 4, 6 and 7 of the Official Statement, dated _____, 2023, with respect to the Securities.

(B) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. (The Issuer does not currently prepare audited financial statements, and execution of this Undertaking shall not obligate the Issuer to prepare audited financial statements for any fiscal year.) ***IF AUDITED FINANCIAL STATEMENTS ARE PREPARED AND INCLUDED IN THE ANNUAL REPORT AND THEREAFTER THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final offering documents of debt issues of the Issuer or related public entities which have been submitted to the Municipal Securities Rulemaking Board. If the document incorporated by reference is a final offering document, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) ***If audited financial statements are to be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and as soon as possible (but not later than thirty (30) days) after such audited financial statements become available, the audited financial statements shall be provided through EMMA.***

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

1. Principal and interest payment delinquencies,
2. Nonpayment related defaults, if material,
3. Unscheduled draws on debt service reserves reflecting financial difficulties,
4. Unscheduled draws on credit enhancements reflecting financial difficulties,
5. Substitution of the credit or liquidity providers or their failure to perform,

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities,

7. Modifications to rights of holders, if material,

8. Bond calls, if material, or tender offers,

9. Defeasances,

10. Release, substitution or sale of property securing repayment of the Securities, if material,

11. Rating changes,

12. Bankruptcy, insolvency, receivership or similar events of the Issuer, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer,

13. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,

14. Appointment of a successor trustee or an additional trustee or the change of the name of the trustee, if material,

15. The incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material,

16. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties, and

17. Notice of a failure of the Issuer to provide required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

(c) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Authorizing Document.

(d) ***SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.***

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.***

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Authorizing Document at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. ***IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Authorizing Document, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Issuer hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the

Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: [Closing Date]

ALAMAR COMMUNITY FACILITIES DISTRICT

By: _____
Chairman, Board of Directors

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Bond Registrar and Paying Agent for DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the Direct Participants, the “Participants”). DTC has Standard & Poor’s rating of: “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the

Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but none of the District, the Developer, Bond Counsel, the Financial Advisor, the Underwriter or counsel to any of them takes responsibility for the accuracy thereof.

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

RESOLUTION NO. 4-2023

A RESOLUTION OF THE BOARD OF DIRECTORS OF ALAMAR COMMUNITY FACILITIES DISTRICT AUTHORIZING AND RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING A FEASIBILITY REPORT WHICH INCLUDES IDENTIFYING THE PUBLIC INFRASTRUCTURE OF THE PROJECTS, THE AREAS TO BE BENEFITTED, THE EXPECTED METHOD OF FINANCING AND THE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECTS, ALL AS PROVIDED IN SUCH REPORT; APPROVING SUCH REPORT; AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$3,250,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2023 OF THE DISTRICT; PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS INCLUDING MAKING CERTAIN FINDINGS, CERTIFICATIONS AND COVENANTS WITH RESPECT TO SUCH BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2023 BOND REGISTRAR AND PAYING AGENT AGREEMENT, A PURCHASE CONTRACT, A SERIES 2023 CONTINUING DISCLOSURE UNDERTAKING AND CERTAIN OTHER DOCUMENTS RELATING TO SUCH BONDS; AWARDING SUCH BONDS TO THE PURCHASER THEREOF; DELEGATING THE DETERMINATION OF CERTAIN TERMS OF SUCH BONDS AND MATTERS RELATED THERETO TO THE DISTRICT MANAGER AND THE DISTRICT TREASURER; APPROVING A PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS AND AUTHORIZING THE SUBSEQUENT LEVYING OF AN *AD VALOREM* PROPERTY TAX WITH RESPECT TO SUCH BONDS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ALAMAR COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

a. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the “Act”), and Section 9-500.05, Arizona Revised Statutes and certain documents heretofore executed and delivered, the City of Avondale, Arizona (hereinafter called the “Municipality”), Alamar Community Facilities District (hereinafter called the “District”), Brookfield Residential (Arizona) LLC (hereinafter called “Brookfield”) and Brookfield Lakin LLC (hereinafter called the “Developer”) are parties to a District Development, Financing Participation and Intergovernmental Agreement (Alamar Community Facilities District), dated as of October 1, 2018 (hereinafter referred to as the “Development Agreement”), to specify, among

other things, conditions, terms, restrictions and requirements for public infrastructure (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

b. With regard to the property which makes up the real property included within the District, the District, Brookfield and the Developer specified some of such matters in the Development Agreement, particularly matters relating to the acquisition or construction of certain public infrastructure by the District, the acceptance by the Municipality or other appropriate political subdivisions, the reimbursement or repayment of Brookfield and the Developer with respect thereto, the advance of moneys for public infrastructure purposes and the repayment of such advances and the obtaining of credit enhancement for, and processing of disbursement and investment of proceeds of, certain bonds, all pursuant to the Act.

c. The District is authorized (1) by Section 48-719, Arizona Revised Statutes to sell and issue general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with the General Plan for the Proposed Alamar Community Facilities District (hereinafter referred to as the "General Plan"), and (2) by Section 48-709(G), Arizona Revised Statutes to repay all or part of fees and charges collected from landowners for public infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by landowners for public infrastructure purposes from the proceeds of such bonds pursuant to agreements entered into with landowners and the Municipality pursuant to Section 48-709(A)(10), Arizona Revised Statutes.

d. Such bonds may not be issued unless approved at an election ordered and called to submit to the qualified electors of the District or to those persons who will be qualified to vote pursuant to Section 48-707(G), Arizona Revised Statutes [being, if no person has registered to vote within the area to be included within the boundaries of the District within fifty (50) days immediately preceding any scheduled election date, the owners of land within the District who will be qualified electors of the State of Arizona and other landowners according to Section 48-3043, Arizona Revised Statutes (hereinafter referred to as the "qualified electors"),] the question of authorizing the Board of Directors of the District (hereinafter called the "District Board") to issue such bonds (hereinafter referred to as the "Bonds").

e. The District Board deemed it necessary and advisable to order and call such an election and to establish the procedures whereby such election should be held and did so pursuant to Resolution No. 1-2018 adopted on October 15, 2018 (hereinafter referred to as the "Organizational Resolution"), which provided that a special election be held on November 13, 2018 (hereinafter referred to as the "Election"), at which time there was submitted to the qualified electors of the District the questions set forth in the official ballot described in the Organizational Resolution.

f. The election board for the Election filed with the District Board its returns of election and the ballots cast at the polling place, and the District Board canvassed the returns of the Election and determined (1) that a total of one (1) ballot(s) had been cast in response to the questions, submitted, that in answer to the questions submitted, such ballot(s) was/were marked "Bonds, Yes" and no ballots were marked "Bonds, No" with respect to the issuance of the Bonds, (2) that the Election had been conducted and the returns thereof made as required by law, and (3) that only qualified electors were permitted to vote at the Election.

g. Pursuant to Resolution No. 2-2018, adopted by the District Board on November 19, 2018, the District Board found and determined that a majority of the votes cast by the qualified electors voting at the Election voted “Bonds, Yes” and that the Bonds in up to and including \$70,000,000 aggregate principal amount are therefore authorized to be sold and issued.

h. Pursuant to CFD Resolution No. 3-2021, adopted by the District Board on June 7, 2021, the District Board caused the sale and issuance of the first series of the Bonds, dated September 9, 2021 (hereinafter referred to as the “First Series of the Bonds”), in the principal amount of \$15,979.52 to provide funds for expenses of the District incident and reasonably necessary to carry out the purposes specified in the Act. The First Series of the Bonds have been paid in full.

i. Pursuant to CFD Resolution No. 4-2022, adopted by the District Board on June 13, 2022, the District Board caused the sale and issuance of the second series of the Bonds, dated July 14, 2022 (hereinafter referred to as the “Second Series of the Bonds”), in the principal amount of \$3,675,000 to finance certain projects relating to public infrastructure provided in the General Plan. A portion of the Second Series of the Bonds remains outstanding and unpaid.

j. Pursuant to Section 48-715, Arizona Revised Statutes and the Organizational Resolution, the District Board has caused a report of the feasibility and benefits of certain projects relating to public infrastructure provided for in the General Plan and to be financed with proceeds of the sale of a third series of Bonds (hereinafter referred to as the “Third Series of the Bonds”) to be prepared, such report having included a description of certain public infrastructure to be acquired and all other information useful to understand the projects to be acquired with the proceeds of the sale of the Third Series of the Bonds, a map showing, in general, the location of such projects, an estimate of the cost to construct, acquire, operate and maintain such projects, an estimated schedule for completion of such projects, a map or description of the area to be benefitted by such projects and a plan for financing such projects (hereinafter referred to as the “Report”). A public hearing on the Report was held immediately preceding the adoption of this Resolution (hereinafter referred to as the “Report Hearing”), after provision for publication of notice thereof as provided by law.

k. It has been requested that the District Board cause the District to acquire certain of the public infrastructure described in the General Plan which was the subject of the Report (hereinafter referred to as the “Projects”) described in the Development Agreement, and the District Board hereby determines that the District should acquire the Projects as described in the Development Agreement.

l. Pursuant to Section 48-719, Arizona Revised Statutes, the District Board (1) hereby determines to authorize the sale and issuance of the Third Series of the Bonds to provide funds to acquire the Projects, and (2) shall enter in its minutes a record of the Third Series of the Bonds sold and their numbers and dates and levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient to pay debt service with respect to the Third Series of the Bonds when due.

m. In order to provide for authentication and delivery of the Third Series of the Bonds and subsequent matters with respect thereto, the District Board hereby determines to authorize the execution and delivery of a Series 2023 Bond Registrar and Paying Agent Agreement, to be dated as of the first day of the month of the dated date of the Third Series of the Bonds (hereinafter referred to as the “Agency Agreement”), by and between the District and a bond registrar and paying agent identified as provided herein (hereinafter called the “Bond Registrar and Paying Agent”).

n. The District Board hereby also determines to enter into a Series 2023 Continuing Disclosure Undertaking, to be dated even date with the delivery of the Third Series of the Bonds (hereinafter referred to as the “Undertaking”).

o. There have been placed on file with the District Clerk of the District and presented to the District Board, in connection with the purposes described in paragraphs 1.i. through n., the proposed forms of (1) the Agency Agreement, (2) the purchase contract relating to the Third Series of the Bonds, to be dated even date with their sale (hereinafter referred to as the “Purchase Contract”), by and between the District and Hilltop Securities Inc. (hereinafter referred to as the “Underwriter”), (3) the Undertaking, and (4) the Preliminary Official Statement relating to the Bonds, to be dated the date of the dissemination thereof (hereinafter referred to as the “Preliminary Official Statement”). (The documents described in Clauses (1) through (3), both inclusive, are hereinafter referred to, collectively, as the “Bond Documents.”)

p. The District Board hereby further determines that (1) the proposed amount of indebtedness evidenced by the Third Series of the Bonds will not exceed the estimated cost of the public infrastructure improvements to be financed with the proceeds of the sale thereof plus all costs connected with the public infrastructure purposes related thereto and sale and issuance of the Third Series of the Bonds, and (2) the total aggregate outstanding amount of the Second Series of the Bonds and the Third Series of the Bonds will not exceed sixty percent (60%) of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure acquired or to be acquired by the District with proceeds of the Second Series of the Bonds and the Third Series of the Bonds, all as provided in Section 48-708, Arizona Revised Statutes.

q. All formal actions concerning and relating to the passage of this Resolution were taken in an open meeting, in compliance with all legal requirements, and all things required to be done preliminary to the authorization, sale and issuance of the Third Series of the Bonds have been duly done and performed in the manner required by law, and the District Board is now empowered to proceed with the sale and issuance of the Third Series of the Bonds.

2. a. Authorization and Ratification of Notice of Hearing on Report. Notice of the public hearing on the Report provided by the District Manager and attached as Exhibit “A” hereto (hereinafter referred to as the “Notice”) is hereby authorized and ratified in all respects as well as the mailing of the Report and the Notice to the governing body of the Municipality. The providing of the Notice as provided by law and as caused by the District Manager is hereby authorized and ratified.

b. Preparation of Report. The preparation of the Report is hereby ratified and confirmed. (Upon completion of a draft of the Report, the Report, marked in a

conspicuous fashion “DRAFT,” was submitted to the District Board for their review and comment.)

c. Approval of Report. After review of the Report and based on the Report Hearing and the mailing of the Report to the governing body of the Municipality, the Report is hereby approved in the form submitted to the District Board, and subject to the provisions set forth in the Report, such reasonable actions shall be taken as may be necessary to cause the results contemplated by and set forth in the Report, including particularly the acquisition of the Projects for the benefit of the areas described in the Report and the consummation of the expected method of financing, and an appropriate system of providing revenues or other means to maintain, the Projects, all as provided in the Report. The Projects will result in a beneficial use to land within the geographical limits of the District. Such use is principally to such land and, in any case, at a minimum, is proportional. (Based on review of the Report and the Report Hearing, the District hereby conclusively establishes that the Projects will result in such use.)

3. a. Approval of Sale and Issuance of Third Series of the Bonds. The Third Series of the Bonds are hereby authorized to be issued as a series of general obligation bonds of the District to be designated “General Obligation Bonds, Series 2023.” The District Manager and the District Treasurer are each hereby authorized and directed to determine on behalf of the District: (1) the dated date and aggregate principal amount (but not to exceed \$3,250,000) of the Third Series of the Bonds; (2) the final principal and maturity schedule of the Third Series of the Bonds (but none of the Third Series of the Bonds to mature later than July 15, 2048); (3) the interest rate on each maturity of the Third Series of the Bonds and the dates for payment of such interest (hereinafter referred to as “interest payment dates”); (4) the provisions for redemption in advance of maturity of the Third Series of the Bonds; (5) the sales date, sales price and other terms of sale of the Third Series of the Bonds; (6) the identity of the Bond Registrar and Paying Agent; and (7) the provisions for credit enhancement, if any, for the Third Series of the Bonds upon the advice of the Underwriter; provided, however, that the foregoing determinations must result in a yield with respect to the Third Series of the Bonds, calculated for federal income tax purposes, of not to exceed five and one-half percent (5.5%). The Third Series of the Bonds shall be sold to the Underwriter in accordance with the terms of the Purchase Contract and at a price specified therein with original issue discount, original issue premium and underwriter’s compensation in an amount, in each case, as determined by the District Manager and the District Treasurer who are each hereby authorized and directed to so determine such matters.

b. Forms, Terms and Provisions, and Execution and Delivery, of Third Series of the Bonds.

1. The Third Series of the Bonds shall be issued in denominations of \$5,000 of principal amount and integral multiples in excess thereof and only in fully registered form and shall bear interest from their date to the maturity or prior redemption of each bond of the Third Series of the Bonds, payable on the interest payment dates.

2. The principal of, and premium, if any, and interest on, the Third Series of the Bonds shall be payable in lawful money of the United States of America. The principal of and premium, if any, on the Third Series of the Bonds shall be payable at maturity or prior redemption upon presentation and surrender thereof at the designated corporate trust office of the Bond Registrar and Paying Agent, and interest on the Third Series of the Bonds shall be

payable by check, dated as of the interest payment date, mailed to the registered owners thereof, as shown on the registration books maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the first (1st) day of the month of that interest payment date (hereinafter referred to as the “regular record date”). Any such interest on a bond of the Third Series of the Bonds which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor Third Series of the Bonds) as of the regular record date, and shall be payable to the registered owner thereof (or of one or more predecessor Third Series of the Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owners of Third Series of the Bonds not less than ten (10) days prior thereto.

3. (A) Notice of redemption of any bond of the Third Series of the Bonds shall be mailed by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption to the registered owners of the Third Series of the Bonds being redeemed at the address shown on the registration books for the Third Series of the Bonds maintained by the Bond Registrar and Paying Agent. If moneys for the payment of the redemption price are not held on behalf of registered owners of the Third Series of the Bonds affected thereby prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on or prior to the redemption date and if not so held by the redemption date the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption. Failure to properly give notice of redemption shall not affect the redemption of any bond of the Third Series of the Bonds for which notice was properly given.

(B) On the date designated for redemption by notice given as herein provided, the Third Series of the Bonds or portions thereof to be redeemed shall become and be due and payable at the redemption price for such Third Series of the Bonds or such portions thereof on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Bond Registrar and Paying Agent, interest on such Third Series of the Bonds or such portions thereof shall cease to accrue, such Third Series of the Bonds or such portions thereof shall cease to be entitled to any benefit or security hereunder, the registered owners of such Third Series of the Bonds or such portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon and such Third Series of the Bonds or such portions thereof shall be deemed paid and no longer outstanding.

(C) The District may redeem by random method any amount which is included in a bond of the Third Series of the Bonds in the denomination in excess of, but divisible by, \$5,000. In that event, the registered owner shall submit such bond for partial redemption, the Bond Registrar and Paying Agent shall make such partial payment and shall cause to be issued a new bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

(D) Any bond of the Third Series of the Bonds or portion thereof in authorized denominations shall be deemed paid and defeased and thereafter shall have no claim on *ad valorem* taxes levied on taxable property in the District (i) if there is deposited with a bank or comparable financial institution, in trust, moneys or obligations issued by or guaranteed

by the United States government (“Defeasance Obligations”) or both which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay the principal of and interest and any premium on such bond or portion thereof as the same matures, comes due or becomes payable upon prior redemption and (ii) if such defeased bond or portion thereof is to be redeemed, notice of such redemption has been given in accordance with provisions hereof or the District has submitted to the Bond Registrar and Paying Agent instructions expressed to be irrevocable as to the date upon which such bond of the Third Series of the Bonds or portion thereof is to be redeemed and as to the giving of notice of such redemption. Bonds the payment of which has been provided for in accordance with this Section shall no longer be deemed payable or outstanding hereunder and thereafter such bonds shall be entitled to payment only from the moneys or Defeasance Obligations deposited to provide for the payment of such bonds.

4. (A) The bonds of the Third Series of the Bonds (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit “B” attached hereto. There may be such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Purchase Contract and are approved by those officers executing the bonds of the Third Series of the Bonds in such form. Execution thereof by such officers shall constitute conclusive evidence of such approval.

(B) The bonds of the Third Series of the Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each bond of the Third Series of the Bonds shall show both the date of the issue and the date of authentication and registration of each Bond.

(C) The bonds of the Third Series of the Bonds are prohibited from being converted to coupon or bearer bonds without the consent of the District Board and approval of an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District (hereinafter called “Bond Counsel”).

(D) The bonds of the Third Series of the Bonds shall be executed for and on behalf of the District by the Chairperson or Vice Chairperson of the District Board and attested by the District Clerk. Such signature may be by mechanical reproduction; however, such officer shall manually sign a certificate adopting as and for such signature on the bonds of the Third Series of the Bonds the respective mechanically reproduced signature affixed to such bonds.

(E) If an officer whose signature is on a bond of the Third Series of the Bonds no longer holds that office at the time such bond is authenticated and registered, such bond shall nevertheless be valid and binding so long as such bond would otherwise be valid and binding.

(F) A bond of the Third Series of the Bonds shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent. The signature of the authorized representative of the Bond

Registrar and Paying Agent shall be conclusive evidence that such bond has been authenticated and issued pursuant to this Resolution.

5. In case any bond of the Third Series of the Bonds becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new bond, of like type, date, maturity and tenor in exchange and substitution for and upon the cancellation of such mutilated bond or in lieu of and in substitution for such bond destroyed or lost, upon the registered owner paying the reasonable expenses and charges of the District in connection therewith and, in the case of a bond destroyed or lost, filing with the Bond Registrar and Paying Agent by the registered owner evidence satisfactory to the Bond Registrar and Paying Agent that such bond was destroyed or lost, and furnishing the Bond Registrar and Paying Agent with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

6. (A) A bond of the Third Series of the Bonds may be transferred on the registration books for the Third Series of the Bonds upon delivery and surrender of the bond to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of such bond, to be transferred or the attorney-in-fact or legal representative of such owner, containing written instructions as to the details of the transfer of such bond. No transfer of any bond of the Third Series of the Bonds shall be effective until entered on the registration books for the Third Series of the Bonds.

(B) In the event of the transfer of a bond of the Third Series of the Bonds, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books for the Third Series of the Bonds and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of the same maturity and of authorized denominations (except that no bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution.

(C) All costs and expenses of initial registration and payment of the Third Series of the Bonds shall be borne by the District, but the District and the Bond Registrar and Paying Agent shall charge the registered owner of such bond for every subsequent transfer of a bond, an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer and may require that such transfer fee, tax or other charge be paid before any such bond shall be delivered.

(D) The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any bond of the Third Series of the Bonds during a period beginning with the opening of business on any regular record date described in the form of such bond of the Third Series of the Bonds and ending with the close of business on the corresponding interest payment date.

(E) The bonds of the Third Series of the Bonds shall be subject to a Book-Entry System (as that term is hereinafter defined) of ownership and transfer, except as provided in Subsection (III) of this Subsection. The general provisions for effecting the Book-Entry System are as follows:

(I) The District hereby designates The Depository Trust Company as the initial Depository (as that term is hereinafter defined) hereunder.

(II) Notwithstanding the provisions of this Subsection or of the bonds of the Third Series of the Bonds to the contrary and so long as the bonds of the Third Series of the Bonds are subject to a Book-Entry System, such bonds shall initially be evidenced by one typewritten certificate for each maturity, in an amount equal to the aggregate principal amount thereof. The bonds of the Third Series of the Bonds so initially delivered shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company. The bonds of the Third Series of the Bonds may not thereafter be transferred or exchanged on the registration books for the Third Series of the Bonds maintained by the Bond Registrar and Paying Agent except:

- to any successor Depository designated pursuant to Subsection (III) of this subsection;
- to any successor nominee designated by a Depository or if the District shall elect to discontinue the Book-Entry System pursuant to Subsection (III) of this Subsection, the District shall cause the Bond Registrar and Paying Agent to authenticate and deliver replacement bonds in fully registered form in authorized denominations in the names of the Beneficial Owners (as such term is hereinafter defined) or their nominees, as certified by the Depository, at the expense of the District; thereafter the other applicable provisions of this Resolution regarding registration, transfer and exchange of the bonds of the Third Series of the Bonds shall apply.

(III) The Bond Registrar and Paying Agent, pursuant to a request from the District for the removal or replacement of the Depository, and upon thirty (30) days' notice to the Depository, may remove or replace the Depository. The Bond Registrar and Paying Agent shall remove or replace the Depository at any time pursuant to the request of the District. The Depository may determine not to continue to act as Depository for the bonds of the Third Series of the Bonds upon thirty (30) days written notice to the District and the Bond Registrar and Paying Agent. If the use of the Book-Entry System is discontinued, then after the Bond Registrar and Paying Agent has made provision for notification of the Beneficial Owners of their book entry interests in the Third Series of the Bonds by appropriate notice to the then Depository, the District and the Bond Registrar and Paying Agent shall permit withdrawal of the bonds of the Third Series of the Bonds from the Depository and authenticate and deliver bond certificates in fully registered form and in denominations authorized by this Resolution to the assignees of the Depository or its nominee. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing, and delivering, such replacement bond certificates) of the District.

(IV) So long as the Book-Entry System is used for the bonds of the Third Series of the Bonds, the District and the Bond Registrar and Paying Agent shall give any notice of redemption or any other notices required to be given to registered owners of bonds only to the Depository or its nominee registered as the owner thereof. Any failure of the Depository to advise any of its participants, or of any participant to notify the Beneficial Owner, of any such notice and its content or effect shall not affect the validity of the redemption of the

bonds of the Third Series of the Bonds to be redeemed or of any other action premised on such notice. Neither the District nor the Bond Registrar and Paying Agent shall be responsible or liable for the failure of the Depository or any participant thereof to make any payment or give any notice to a Beneficial Owner in respect of the bonds of the Third Series of the Bonds or any error or delay relating thereto.

(V) Notwithstanding any other provision of this Resolution or of the bonds of the Third Series of the Bonds to the contrary, so long as the bonds of the Third Series of the Bonds are subject to a Book-Entry System, it shall not be necessary for the registered owner to present the applicable bond for payment of mandatory redemption installments, if any. The mandatory redemption installments may be noted on books for the Third Series of the Bonds kept by the Bond Registrar and Paying Agent and the Depository for such purpose, and the bonds of the Third Series of the Bonds shall be tendered to the Bond Registrar and Paying Agent at their maturity.

(VI) For purposes of this subsection, “Beneficial Owners” shall mean actual purchasers of bonds of the Third Series of the Bonds whose ownership interest is evidenced only in the Book-Entry System maintained by the Depository; “Book-Entry System” shall mean a system for clearing and settlement of securities transactions among participants of a Depository (and other parties having custodial relationships with such participants) through electronic or manual book-entry changes in accounts of such participants maintained by the Depository hereunder for recording ownership of bonds of the Third Series of the Bonds by Beneficial Owners and transfers of ownership interests in bonds of the Third Series of the Bonds and “Depository” shall mean The Depository Trust Company, New York, New York or any successor depository designated pursuant to this Section.

c. Forms, Terms and Provisions, and Execution and Delivery, of Bond Documents. The forms, terms and provisions of the Bond Documents in substantially the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution is adopted, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the officers authorized to execute the Bond Documents, which approval will be conclusively demonstrated by the execution thereof, and the Chairperson or Vice Chairperson of the District Board, the District Manager or the District Treasurer and the District Clerk or any of such officers are hereby authorized to execute and attest and deliver, respectively, the Bond Documents.

d. Authorization to Execute and Deliver. The District Manager or the District Treasurer are hereby authorized to execute and deliver to the Bond Registrar and Paying Agent the written order of the District for the authentication and delivery of the Third Series of the Bonds by the Bond Registrar and Paying Agent.

e. Other Actions Necessary. The District Manager, the District Treasurer, the District Clerk and the other officers of the District shall retain consultants and counsel necessary to carry out the purposes of this Resolution and shall take all other actions necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Bond Documents, including without limitation, the closing and other

documents required to be delivered in connection with the sale and delivery of the Third Series of the Bonds. (The persons who shall so take such actions shall be the persons holding such offices at the time of the initial issuance and delivery of the Third Series of the Bonds.)

f. Distribution of Disclosure Documents.

1. The distribution by the Underwriter of the Preliminary Official Statement is hereby authorized and directed, and the District Manager and the District Treasurer are each hereby authorized and directed to prepare, or cause the preparation of, and to execute a “Final Official Statement” for the Third Series of the Bonds in substantially the form of the Preliminary Official Statement and reflecting the results of the sale of the Third Series of the Bonds, to be dated even date with their sale, and the distribution of such Final Official Statement by the Underwriter is hereby approved.

2. The Chairperson or Vice Chairperson of the District Board, the District Manager and the District Treasurer are each hereby authorized to deem the Preliminary Official Statement “final” as of its date for purposes of the Rule. In that respect, the Chairperson or Vice Chairperson of the District Board, the District Manager and the District Treasurer are each further authorized to modify, or authorize the modification of, the Preliminary Official Statement.

g. Tax Levy.

1. For each year while any bond of the Third Series of the Bonds is outstanding, the District Board shall annually levy and cause to be collected an *ad valorem* tax, at the same time and in the same manner as other taxes are levied and collected, on all taxable property in the District, sufficient, to pay debt service with respect to the Third Series of the Bonds when due.

2. Moneys derived from the levy of the tax provided for in this Section with respect to the Third Series of the Bonds when collected constitute funds to pay debt service with respect to the Third Series of the Bonds and shall be kept separately from other funds of the District.

3. The District Board shall make annual statements and estimates of the amount to be raised to pay debt service with respect to the Third Series of the Bonds. The District Board shall file the annual statements and estimates with the Clerk of the Municipality and shall publish a notice of the filing of the estimate. The District Board, on or before the date set by law for certifying the annual budget of the Municipality, shall fix, levy and assess the amounts to be raised by *ad valorem* taxes of the District and shall cause certified copies of the order to be delivered to the Board of Supervisors of Maricopa County, Arizona, and to the Department of Revenue of the State. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

4. Any other general obligation or general obligation refunding bonds of the District hereafter issued will be secured on a parity basis as to the collection and application of property tax revenues of the District with the bonds of the Second Series of the Bonds and the Third Series of the Bonds, and such property taxes will be allocated to each such series of general obligation and general obligation refunding bonds in accordance with any debt

service then due, taking into account other funds held by the District for such payment. Property tax revenues allocated for any such series of bonds shall be set aside separately for such series.

h. No Obligation of Municipality. Neither the full faith and credit nor the general taxing power of the Municipality is pledged to the payment of the Third Series of the Bonds. Nothing contained in this Resolution, the Bond Documents or any other instrument related to the Third Series of the Bonds shall be construed as obligating the Municipality or as incurring a charge upon the general credit or any other credit or revenues of the Municipality nor shall the breach of any agreement contained in this Resolution, the Bond Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit or any other credit or revenues of the Municipality.

i. Appointment of Bond Registrar and Paying Agent. The District Manager and the District Treasurer are hereby authorized to appoint the Bond Registrar and Paying Agent for the purposes of the Agency Agreement as indicated in Section 3.a. hereof.

j. Use of Proceeds. The proceeds from the sale of the Third Series of the Bonds shall be set aside and deposited by the District Treasurer in a separate fund. The proceeds of the sale of the Third Series of the Bonds shall be expended only for the purposes set forth in the ballot used at the Election and in the Report and as provided in the Development Agreement.

k. Federal Tax Law Covenants.

1. As will be provided in more detail in the Certificate Relating To Federal Tax Matters relating to the Third Series of the Bonds to be delivered by the District in connection with the original issuance and delivery of the Third Series of the Bonds (hereinafter referred to as the "Tax Certificate"), there shall not be any investment or other use of the proceeds of the Third Series of the Bonds which would cause such bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code and the Regulations, or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and the requirements of such Sections of the Code and the Regulations shall be complied with throughout the term of the Third Series of the Bonds. Particularly, the District shall be the owner of the facilities financed with the proceeds of the sale of the Third Series of the Bonds (the "Facilities") for federal income tax purposes. Except as otherwise advised in an opinion signed by Bond Counsel, the District shall not enter into (i) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities unless the management or service contract complies with the requirements of such authority as may control at the time or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities. Also, the payment of principal of and interest on the Third Series of the Bonds shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Third Series of the Bonds, or amounts treated as proceeds of the Third Series of the Bonds, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Third Series of the Bonds are being issued, (ii) may be so used in making investments of a bona fide debt service fund or (iii) may be invested in obligations issued by the United States Treasury. In consideration of the

purchase and acceptance of the Third Series of the Bonds by the owners thereof from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, the appropriate officials of the District are hereby directed to take all action required to retain such exclusion and to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

2. The procedures required by any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Third Series of the Bonds (initially those in the Tax Certificate and in the written procedures described in paragraph 5 below) shall be complied with for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Third Series of the Bonds. However, as the District Board hereby represents and warrants that (A) the District has general taxing powers, (B) the Third Series of the Bonds are not “private activity bonds” within the meaning of the Code, (C) 95 percent or more of the “net proceeds” of the Third Series of the Bonds shall be used for local governmental activities of the District, and (D) the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds within the meaning of the Code) issued by the District during the 2023 calendar year is not reasonably expected to exceed \$5,000,000, there is presently an exception to the need for any such procedures.

3. The Third Series of the Bonds are designated as “qualified tax-exempt obligations” within the meaning of and pursuant to the provisions of Section 265(b) of the Code as the District Board hereby represents and warrants that the reasonably anticipated amount of “qualified tax-exempt obligations” (other than private activity bonds within the meaning of the Code) which will be issued by the District during the 2023 calendar year will not exceed \$10,000,000.

4. (i) All necessary and desirable steps to comply with the requirements hereunder in order to ensure that interest on the Third Series of the Bonds is excluded from gross income for federal income tax purposes under the Code shall be taken; provided, however, that compliance with any such requirement shall not be required in the event the District receives an opinion signed by Bond Counsel that either compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Third Series of the Bonds or compliance with some other requirement will meet the requirements of the Code. In the event the District receives such an opinion, this Resolution shall be amended to conform to the requirements set forth in such opinion.

(ii) If for any reason any requirement hereunder is not complied with, all necessary and desirable steps shall be taken to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence, and the District shall pay any required interest or penalty under the Regulations.

5. Written procedures have been adopted to ensure that all nonqualified obligations are remediated according to the requirements under the Code and the Regulations and to monitor the requirements of Section 148 of the Code relating to arbitrage, with which the District will comply.

1. Matters Relating to Undertaking. Subject to annual appropriation to cover the costs of preparing and mailing as necessary therefor, the District shall comply with and carry out all the provisions of the Undertaking. Notwithstanding any other provision of this Resolution, failure of the District (if obligated pursuant to the Undertaking) to comply with the Undertaking shall not be considered an event of default; however, any Benefitted Owner (as such term is hereinafter defined) may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under this Subsection. For purposes of this Subsection, "Benefitted Owner" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any bonds of the Third Series of the Bonds (including persons holding such bonds through nominees, depositories or other intermediaries), or is treated as the owner of any bonds of the Third Series of the Bonds for federal income tax purposes.

4. Repeal of this Resolution; Severability; Effect; Inconsistencies; Effective Date; Ratification.

a. After any of the bonds of the Third Series of the Bonds are delivered upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the bonds of the Third Series of the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

b. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

c. This Resolution shall constitute a contract between the District and the registered owners of the Third Series of the Bonds and shall not be amended in any manner which would impair, impede or lessen the rights of the registered owners of the Third Series of the Bonds then outstanding.

d. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

e. This Resolution shall be effective immediately.

f. All actions of the officers and agents of the District including the District Board which conform to the purposes and intent of this Resolution and which further the issuance and sale of the Third Series of the Bonds as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED and ADOPTED by the Board of Directors of Alamar Community Facilities District this 5th day of June 2023.

.....
Kenneth N. Weise, Chairman, Board of Directors,
Alamar Community Facilities District

ATTEST:

.....
Marcella Carrillo, District Clerk,
Alamar Community Facilities District

APPROVED AS TO FORM:

.....
Nicholle Harris, District Counsel,
Alamar Community Facilities District

* * *

ATTACHMENTS:

EXHIBIT "A" -- Form of Notice of Hearing on Report
EXHIBIT "B" -- Form of Third Series Bond

EXHIBIT "A"

FORM OF NOTICE OF HEARING ON REPORT

**NOTICE FOR HEARING REQUIRED BY A.R.S. § 48-715 ON
REPORT OF THE FEASIBILITY AND BENEFITS OF CERTAIN
PROJECTS TO BE FINANCED WITH THE PROCEEDS OF THE
SALE OF GENERAL OBLIGATION BONDS OF ALAMAR
COMMUNITY FACILITIES DISTRICT**

Pursuant to Section 48-715, Arizona Revised Statutes, notice is hereby given that a public hearing on the report of the feasibility and benefits of projects to be financed with the proceeds of the sale of general obligation bonds of Alamar Community Facilities District (the "District") shall be held by the Board of Directors of the District on June 5, 2023, at or after 6:00 p.m. (Arizona time), or immediately preceding or following the meeting of the Mayor and Council of the City of Avondale, Arizona, on the same date in the City Council Chambers located at 11465 West Civic Center Drive, Avondale, Arizona 85323. Such feasibility report is on file with the City Clerk of the City of Avondale, Arizona/District Clerk of the District, 11465 West Civic Center Drive, Avondale, Arizona 85323, telephone number: (623) 333-1000.

Dated this day of 2023.

/s/ Ron Corbin

.....
District Manager, Alamar Community Facilities
District

EXHIBIT "B"

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE DISTRICT OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.*

REGISTERED
NO.

REGISTERED
\$.....

UNITED STATES OF AMERICA

STATE OF ARIZONA

ALAMAR COMMUNITY FACILITIES DISTRICT
(AVONDALE, ARIZONA)
GENERAL OBLIGATION BOND, SERIES 2023

Interest Rate
.....%

Maturity Date
July 15,

Dated
....., 2023

CUSIP
010741

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: DOLLARS

Alamar Community Facilities District, a community facilities district duly formed pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "District"), for value received, hereby promises to pay to the aforesaid registered owner, or registered assigns, the aforesaid principal amount on the aforesaid maturity date unless earlier redeemed, and to pay interest on the principal amount from the date as of which this Bond is dated as indicated hereinabove at the aforesaid interest rate on 15,, and on each 15 and 15 thereafter (each an "interest payment date") to the maturity or redemption prior to maturity of this Bond. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the designated corporate trust office of as the initial "Bond Registrar and Paying Agent." Interest on the bonds

*Insert so long as The Depository Trust Company is the Depository.

of the issue of which this Bond is one, evidenced by this Bond is payable by check, dated as of the interest payment date, mailed to the registered owner hereof, as shown on the registration books maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the 1st day of the calendar month of that interest payment date (the "regular record date"). Any such interest on this Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of that overdue interest, and notice of the special record date shall be given to registered owners of the Bonds not less than 10 days prior thereto.

The principal of, and interest and premium, if any, on, this Bond are payable in lawful money of the United States of America, on the respective dates when principal and interest become due.

This Bond is one of a series of bonds indicated above (the "Bonds") in the aggregate principal amount of \$.....,000 of like tenor except as to amount, maturity date, redemption feature, rate of interest and number, issued by the District pursuant to a resolution of the District Board of the District, duly adopted prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the "Resolution"), and pursuant to the Constitution and laws of the State of Arizona relative to the sale and issuance of general obligation bonds of community facilities districts, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

The Bonds are issuable as fully registered bonds initially only in denominations of \$5,000 of principal amount and any integral multiple thereof.

The Bonds are payable, equally and ratably with such other general obligation bonds of the District from the proceeds of an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the boundaries of the District, sufficient to pay debt service on the Bonds when due.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF AVONDALE, ARIZONA, OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS.

The Bonds maturing before and on July 15,, are not subject to redemption prior to maturity. The Bonds maturing on and after July 15,, are subject to redemption prior to maturity, in whole or in part, on July 15,, or any date thereafter, by the payment of a redemption price equal to the principal amount of each such Bond redeemed plus interest accrued to the date fixed for redemption plus a premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 15,, and January 15,	...%
July 15,, and January 15,	...
July 15,, and thereafter	0.0

The Bonds maturing on July 15,, shall be redeemed prior to maturity on July 15, in the years and amounts set forth below, by payment of the principal amount of each Bond to be redeemed plus interest accrued to the date fixed for redemption, but without a premium:

<u>Year</u>	<u>Amount</u>
	\$

A remaining principal amount of \$.....,000 of Bonds maturing on July 15,, shall mature on July 15,

Not more than 75 nor less than 60 days prior to the mandatory redemption date for any Bonds subject to mandatory redemption, the Bond Registrar and Paying Agent shall proceed to select for redemption (by lot in such manner as the Bond Registrar and Paying Agent may determine) from all such Bonds outstanding a principal amount of such Bonds equal to the aggregate principal amount of such Bonds to be redeemed and shall redeem such Bonds on the next July 15 and give notice of such redemption.

Notice of redemption of any Bond will be mailed by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the date set for redemption to the registered owner of such Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to give properly such notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond as provided in the Resolution. (The Bond Registrar and Paying Agent may be changed without notice or consent.)

This Bond may be transferred on the registration books upon delivery and surrender hereof to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory

to the Bond Registrar and Paying Agent, duly executed by the registered owner of this Bond or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Bond shall be effective until entered on the registration books.

In all cases upon the transfer of this Bond, the Bond Registrar and Paying Agent shall transfer the ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denominations (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. The District and the Bond Registrar and Paying Agent shall charge the owner of such Bond, for every transfer of a Bond, an amount sufficient to reimburse them for any transfer fee, tax or other charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or other charge be paid before any such new Bond shall be delivered.

The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on a regular record date and ending with the close of business on the corresponding interest payment date.

This Bond shall not be entitled to any security or benefit under the Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar and Paying Agent.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the District, over and above all other taxes authorized or limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due.

IN WITNESS WHEREOF, ALAMAR COMMUNITY FACILITIES DISTRICT
has caused this Bond to be executed in the name of the District by the facsimile signature of the
..... of the District Board of the District and such signature of the of the District
Board of the District to be attested by the facsimile signature of the

ALAMAR COMMUNITY FACILITIES
DISTRICT

By.....
.....

ATTEST:

.....
.....

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Alamar Community Facilities District (Avondale, Arizona) General Obligation Bonds, Series 2023 described in the within mentioned Resolution.

Date of Authentication:

.....,
as Bond Registrar and Paying Agent

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

.....
(Name and Address of Transferee)
the within Bond and irrevocably constitutes and appoints
attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

.....
Signature

Signature Guaranteed:

.....

.....
Signature

[Insert proper legend]

Note: The signature(s) on this assignment must correspond with the name(s) as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT -	Custodian
(Cust)	(Minor)

under Uniform Gifts to Minors Act
(State)

Additional abbreviations may also be used though not included in the above list.

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

* * *



AGENDA ITEM REPORT

SUBJECT: Minutes

MEETING DATE: 6/5/2023

TO: Board Members

FROM: Marcella Carrillo, District Clerk

THROUGH: Cherlene Penilla, Assistant District Manager

PURPOSE:

The District Board will consider a request to approve the May 1, 2023 Alamar Community Facilities District Board meeting minutes. The Board will take appropriate action.

BACKGROUND:

Pursuant to Arizona Revised Statute §§ 38-431.01(B), the City must provide written minutes of all public meetings.

DISCUSSION:

The Board held a meeting and the attached minutes have been prepared for approval.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

Staff recommends the Board approve the attached meeting minutes.

MINUTES OF THE ALAMAR COMMUNITY FACILITIES DISTRICT BOARD MEETING
CITY OF AVONDALE, ARIZONA
May 1, 2023

A **Regular Meeting** of the Alamar Community Facilities District Board of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 7:05 p.m.

Members Present: Chairperson Kenn Weise; Vice Chairperson Mike Pineda; Board Members Veronica Malone, Curtis Nielson, Gloria Solorio and Max White.

Members Absent (Excused): Board Members Tina Conde.

Other Municipal Officials Present: Ron Corbin, District Manager; Cherlene Penilla, Assistant District Manager; Tracy Stevens, Assistant District Manager; Nicholle Harris, District Attorney; Marcella Carrillo, District Clerk; Kirk Beaty, Public Works Director; Margaret Carey, Deputy District Clerk; Ken Chapa, Economic Development Services Director; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Corey Larriva, Parks and Recreation Assistant Director; Chris Lopez, Neighborhood and Family Services Director; Andy Mesquita, Human Resources Director; Dale Nannenga, Public Safety Chief; Jodie Novak, Development Services Director; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; Aric Stewart, Engineering Director; and Renee Weatherless, Finance and Budget Director.

Audience: Approximately five members of the public were present.

1. ROLL CALL BY THE DISTRICT CLERK

2. MINUTES

The board considered a request to approve the June 6, 2022 and June 13, 2022 Alamar Community Facilities District Board Meeting minutes.

Vice Chairperson Pineda moved to approve the June 6, 2022 and June 13, 2022 Alamar Community Facilities District Board Meeting minutes; Board Member Solorio seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Board Member Malone	Aye
Board Member Nielson	Aye
Board Member Solorio	Aye
Board Member White	Aye
Vice Chairperson Pineda	Aye
Chairperson Weise	Aye

3. CFD RESOLUTION 1-2023-ADOPTION OF THE ALAMAR COMMUNITY FACILITIES DISTRICT FISCAL YEAR 2024 TENTATIVE BUDGET

The District Board considered a request to adopt CFD Resolution 1-2023, setting forth the fiscal year 2023-2024 tentative budget and authorized the Chairperson or District Manager, District Attorney and District Clerk to execute the necessary documents.

Presented by Renee Weatherless, Director of Finance & Budget, reviewed the details of the Fiscal Year 2024 CFD tentative budget:

- Planned debt issuance in Fiscal Year 2024
- Levying primary and secondary tax
- Combined property rate of \$4.15/\$100 NAV raises: \$286,313
- Total budget of \$4.6 million with contingency of \$100,000

Next steps in the budget adoption process were reviewed.

Board Member Nielson moved to adopt CFD Resolution 1-2023, setting forth the fiscal year 2023-2024 tentative budget and authorizing the Chairperson or District Manager, District Attorney and District Clerk to execute the necessary documents; Board Member White seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Board Member Malone	Aye
Board Member Nielson	Aye
Board Member Solorio	Aye
Board Member White	Aye
Vice Chairperson Pineda	Aye
Chairperson Weise	Aye

4. ADJOURNMENT

There being no further business before the Board, Board Member White moved to adjourn the Regular Meeting; Board Member Nielson seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Board Member Malone	Aye
Board Member Nielson	Aye
Board Member Solorio	Aye
Board Member White	Aye
Chairperson Pineda	Aye
Chairperson Weise	Aye

Meeting adjourned at 7:09 p.m.

Kenn Weise, Chairperson

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Alamar Communities Facilities District Board of the City of Avondale held on the 1st day of May 2023. I further certify that the meeting was duly called and held, and that the quorum was present.

Marcella Carrillo, District Clerk



AGENDA ITEM REPORT

SUBJECT: CFD Resolution 2-2023 - Setting Forth the Final Budget for Fiscal Year 2024

MEETING DATE: 6/5/2023

TO: Board Members

FROM: Renee Weatherless, District Treasurer

THROUGH: Ron Corbin, District Manager, (623) 333-1011

PURPOSE:

The District Board will consider a request to adopt CFD Resolution 2-2023 approving the final budget for fiscal year 2024 (FY2024) and authorize the District Chair or District Manager and District Clerk to execute the necessary documents. The District Board will take appropriate action.

BACKGROUND:

The tentative budget for FY2024 was adopted on May 1, 2023. A notice of public hearing must be published at least 10 days in advance of the public hearing on the final adoption of the budget and tax levy. The public notice was published on May 19, 2023 in the Southwest Valley Republic as required by A.R.S. 48-716. A public hearing was held on June 5, 2023 to receive comment on the final District budget and tax levy. The final budget must be approved before October 1st, per A.R.S. 48-716.

DISCUSSION:

The FY2024 budget will set the expenditure limit for the district. Community facility districts may levy secondary property taxes to pay general obligation debt incurred by the district and to pay for the operation and maintenance expenses of the district. Per A.R.S. 48-723 the secondary property tax attributable to the repayment of general obligation debt is \$3.85 per one-hundred dollars of assessed valuation and the property tax levy attributable to fund operation and maintenance expense of the district is limited to thirty cents (\$0.30) per one-hundred dollars of assessed valuation. Based on the appraised value, the combined rate of \$4.15 per \$100 of assessed value will raise \$502,623 in revenue.

The recommended expenditure limit for the district is \$4,602,623. Any expenses not covered by the property tax levy or general obligation bonds will need to be covered through developer contributions. Neither the property tax levy or expenditure limit have changed between the approved tentative budget and final budget.

BUDGET IMPACT:

This action will set the expenditure limitation for the district for FY2024.

RECOMMENDATION:

Staff recommends the District Board adopt the resolution setting forth the District's final budget for FY2024.

RESOLUTION NO. 2-2023

A RESOLUTION OF THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT, SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2023-2024.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, the Alamar Community Facilities District Board (the “District Board”) is required to adopt an annual budget for the Alamar Community Facilities District (the “ACFD”); and

WHEREAS, on May 1, 2023, the District Board adopted Resolution 1-2023, setting the expenditure limitation for ACFD for the fiscal year beginning July 1, 2023, and ending June 30, 2024; and

WHEREAS, Resolution 1-2023 directed the District Manager or designee to: (i) hold a public hearing prior to final budget adoption and (ii) publish a notice of the public hearing of the District Board to hear taxpayers; and

WHEREAS, on June 5, 2023, the District Board held a public hearing on the final budget and proposed tax levy as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The statements and schedules attached hereto as Exhibit A and incorporated herein by reference are hereby adopted as the ACFD final budget for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the statements and schedules incorporated herein by reference are for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 4. The District Board Chairman, the District Manager, the District Clerk and the District Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the District Board of the Alamar Community Facilities District on June 5, 2023.

Kenneth N. Weise, Chairman District Board
Alamar Community Facilities District

ATTEST:

Marcella Carrillo, District Clerk
Alamar Community Facilities District

APPROVED AS TO FORM:

Nicholle Harris, District Attorney
Alamar Community Facilities District

EXHIBIT A
TO
RESOLUTION NO. 2-2023

[Statements and Schedules]

See following pages.

Alamar CFD
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2024

Fiscal Year	S c h		FUNDS							Total All Funds
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	
2023	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	1	0	4,486,313	0	0	0	0	4,486,313
2023	Actual Expenditures/Expenses**	E	2	0	3,936,888	0	0	0	0	3,936,888
2024	Fund Balance/Net Position at July 1***		3	0	0	0	0	0	0	0
2024	Primary Property Tax Levy	B	4	36,334						36,334
2024	Secondary Property Tax Levy	B	5			466,289				466,289
2024	Estimated Revenues Other than Property Taxes	C	6	0	100,000	0	0	0	0	100,000
2024	Other Financing Sources	D	7	0	0	0	4,000,000	0	0	4,000,000
2024	Other Financing (Uses)	D	8	0	0	0	0	0	0	0
2024	Interfund Transfers In	D	9	0	0	0	0	0	0	0
2024	Interfund Transfers (Out)	D	10	0	0	0	0	0	0	0
2024	Reduction for Amounts Not Available:		11							
LESS: Amounts for Future Debt Retirement:										0
Future Capital Projects										0
Maintained Fund Balance for Financial Stability										0
										0
										0
2024	Total Financial Resources Available		12	0	136,334	466,289	4,000,000	0	0	4,602,623
2024	Budgeted Expenditures/Expenses	E	13	0	136,334	466,289	4,000,000	0	0	4,602,623

EXPENDITURE LIMITATION COMPARISON

1	Budgeted expenditures/expenses
2	Add/subtract: estimated net reconciling items
3	Budgeted expenditures/expenses adjusted for reconciling items
4	Less: estimated exclusions
5	Amount subject to the expenditure limitation
6	EEC expenditure limitation

	2023	2024
\$	4,486,313	\$ 4,602,623
	4,486,313	4,602,623
\$	4,486,313	\$ 4,602,623
\$		\$

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

- * Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.
- ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
- *** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Alamar CFD
Tax Levy and Tax Rate Information
Fiscal Year 2024

	<u>2023</u>	<u>2024</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u> </u>	\$ <u> </u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u> 20,697</u>	\$ <u> 36,334</u>
B. Secondary property taxes	<u> 265,616</u>	<u> 466,289</u>
C. Total property tax levy amounts	\$ <u> 286,313</u>	\$ <u> 502,623</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u> 20,697</u>	
(2) Prior years' levies		
(3) Total primary property taxes	\$ <u> 20,697</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u> 265,616</u>	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ <u> 265,616</u>	
C. Total property taxes collected	\$ <u> 286,313</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u> 0.3000</u>	<u> 0.3000</u>
(2) Secondary property tax rate	<u> 3.8500</u>	<u> 3.8500</u>
(3) Total city/town tax rate	<u> 4.1500</u>	<u> 4.1500</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u> one </u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

Alamar CFD
Revenues Other Than Property Taxes
Fiscal Year 2024

SOURCE OF REVENUES	ESTIMATED REVENUES 2023	ACTUAL REVENUES* 2023	ESTIMATED REVENUES 2024
SPECIAL REVENUE FUNDS			
Contributions - Operations	\$ _____	\$ _____	\$ _____
Contributions - Capital	_____	_____	_____
Contributions - Debt	_____	_____	_____
Contingency	100,000	_____	100,000
	\$ 100,000	\$ _____	\$ 100,000
TOTAL ALL FUNDS	\$ 100,000	\$ _____	\$ 100,000

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Alamar CFD
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2024

FUND	OTHER FINANCING 2024		INTERFUND TRANSFERS 2024	
	SOURCES	(USES)	IN	(OUT)
SPECIAL REVENUE FUNDS				
Bond Issuance	\$ 4,000,000	\$	\$	\$
Total Special Revenue Funds	\$ 4,000,000	\$	\$	\$
TOTAL ALL FUNDS	\$ 4,000,000	\$	\$	\$

**Alamar CFD
Expenditures/Expenses by Fund
Fiscal Year 2024**

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES		EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED		ACTUAL EXPENDITURES/ EXPENSES*		BUDGETED EXPENDITURES/ EXPENSES	
FUND/DEPARTMENT	2023		2023		2023		2024	
SPECIAL REVENUE FUNDS								
General Operations	\$	20,697	\$		\$	20,697	\$	36,334
Capital		4,100,000				3,675,000		4,000,000
Capital - Finance								
Debt		265,616				241,191		466,289
Contingency		100,000						100,000
Total Special Revenue Funds	\$	4,486,313	\$		\$	3,936,888	\$	4,602,623
TOTAL ALL FUNDS	\$	4,486,313	\$		\$	3,936,888	\$	4,602,623

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Alamar CFD
Expenditures/Expenses by Department
Fiscal Year 2024**

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2023	2023	2023	2024
General Operations:				
Alamar CFD Operating	\$ 20,697	\$	\$ 20,697	\$ 36,334
Capital	4,100,000		3,675,000	4,000,000
Debt	265,616		241,191	466,289
Contingency	100,000			100,000
Department Total	\$ 4,486,313	\$	\$ 3,936,888	\$ 4,602,623

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.



AGENDA ITEM REPORT

SUBJECT: CFD Resolution 3-2023 - Setting the Property Tax Levy for the Fiscal Year Ending June 30, 2024

MEETING DATE: 6/5/2023

TO: Board Members

FROM: Renee Weatherless, District Treasurer

THROUGH: Ron Corbin, District Manager, (623) 333-1011

PURPOSE:

The District Board will consider a request to adopt CFD Resolution 3-2023 levying upon the assessed valuation of the property within the Alamar Community Facilities District subject to ad valorem taxation a certain sum upon each one hundred (\$100.00) of valuation for the fiscal year ending June 30, 2024. The District Board will take appropriate action.

BACKGROUND:

As required by ARS 48- 723, the property tax levy must be adopted by the District Board before the third Monday in August.

DISCUSSION:

Community facility districts may levy secondary property tax to pay general obligation debt incurred by the district and to pay for the operation and maintenance expenses of the district. Per ARS 48-723, the property tax attributable to the operations and maintenance expenses of the district is limited to thirty cents per one hundred dollars of assessed valuation. The property tax attributable to the general obligation debt service is limited to \$3.85 per one hundred of assessed valuation. The district will vote on another agenda item regarding the issuance of bonds.

BUDGET IMPACT:

The property tax levies will raise resources to support the operations and maintenance of the district and to pay for outstanding debt. This is the final step in the Alamar CFD budget process.

RECOMMENDATION:

Staff is requesting that the District Board adopt a resolution setting the primary property tax levy in the amount of \$36,334 at a rate of \$0.30 per \$100 of assessed valuation and the secondary property tax levy in the amount of 466,289 at a rate of \$3.85 per \$100 of assessed valuation.

RESOLUTION NO. 3-2023

A RESOLUTION OF THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT, 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 MARICOPA 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.

WHEREAS, on May 21, 2018, the Mayor and Council of the City of Avondale, Arizona (the “City”), adopted Resolution 3453-518 forming Alamar (formerly Lakin) Community Facilities District (“ACFD”), a community facilities district in accordance with ARIZ. REV. STAT. § 48-701 et seq.; and

WHEREAS, ACFD is a special purpose district for purposes of Article IX, Section 19, of the Arizona Constitution, a tax-levying public improvement district for the purposes of Article XIII, Section 7, of the Arizona Constitution, and a municipal corporation for all purposes of ARIZ. REV. STAT. Title 35, Chapter 3, Articles 3, 3.1, 3.2, 4 and 5, as amended, and [expect as otherwise provided in ARIZ. REV. STAT. § 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; and

WHEREAS, a primary purpose for creating ACFD was to finance certain public infrastructure needed for the development known as “Alamar Park” through assessment of ad valorem taxes on all real and personal property within ACFD; and

WHEREAS, in accordance with ARIZ. REV. STAT. §§ 48-716 and 48-723, as amended, a special election was held and the qualified electors of ACFD voted to issue general obligation bonds 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 (\$0.30) per one hundred dollars (\$100) of assessed valuation for operation and maintenance expenses of ACFD; and

WHEREAS, on June 5, 2023, the District Board held a public hearing on the final budget and proposed tax levy as required by law; and

WHEREAS, in accordance with ARIZ. REV. STAT. § 48-716, at the conclusion of the public hearing held on June 5, 2023, the District Board adopted the final budget by Resolution No. 2-2023.

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE ALAMAR COMMUNITY FACILITIES DISTRICT as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. It is hereby ordered that, in FY2024, an ad valorem tax be fixed, levied and assessed, based on the assessed value of all the real and personal property within the boundaries of ACFD, and in the amounts set forth in the statements and estimates attached hereto and expressly made a part hereof as Exhibit A.

SECTION 3. Certified copies of this Resolution and Order be delivered by U.S. Mail to the Maricopa County Board of Supervisors and to the Arizona Department of Revenue on or after July 1, 2023 (inasmuch as the tax levy must be filed by the Maricopa County Board of Supervisors on or before the third Monday in August).

SECTION 4. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the statements and schedules incorporated herein by reference are for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. The District Board Chairman, the District Manager, the District Clerk and the District Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the District Board of the Alamar Community Facilities District on June 5, 2023.

Kenneth N. Weise, Chairman District Board
Alamar Community Facilities District

ATTEST:

Marcella Carrillo, District Clerk
Alamar Community Facilities District

APPROVED AS TO FORM:

Nicholle Harris, District Attorney
Alamar Community Facilities District

EXHIBIT A
TO
RESOLUTION NO. 3-2023

[Statements and Schedules]

See following pages.

Alamar CFD
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2024

Fiscal Year	S c h		FUNDS							
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2023	Adopted/Adjusted Budgeted Expenditures/Expenses*	E 1	0	4,486,313	0	0	0	0	0	4,486,313
2023	Actual Expenditures/Expenses**	E 2	0	3,936,888	0	0	0	0	0	3,936,888
2024	Fund Balance/Net Position at July 1***		0	0	0	0	0	0	0	0
2024	Primary Property Tax Levy	B 4	36,334							36,334
2024	Secondary Property Tax Levy	B 5			466,289					466,289
2024	Estimated Revenues Other than Property Taxes	C 6	0	100,000	0	0	0	0	0	100,000
2024	Other Financing Sources	D 7	0	0	0	4,000,000	0	0	0	4,000,000
2024	Other Financing (Uses)	D 8	0	0	0	0	0	0	0	0
2024	Interfund Transfers In	D 9	0	0	0	0	0	0	0	0
2024	Interfund Transfers (Out)	D 10	0	0	0	0	0	0	0	0
2024	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:									0
	Future Capital Projects									0
	Maintained Fund Balance for Financial Stability									0
										0
										0
2024	Total Financial Resources Available		0	136,334	466,289	4,000,000	0	0	0	4,602,623
2024	Budgeted Expenditures/Expenses	E 13	0	136,334	466,289	4,000,000	0	0	0	4,602,623

EXPENDITURE LIMITATION COMPARISON

1	Budgeted expenditures/expenses
2	Add/subtract: estimated net reconciling items
3	Budgeted expenditures/expenses adjusted for reconciling items
4	Less: estimated exclusions
5	Amount subject to the expenditure limitation
6	EEC expenditure limitation

	2023	2024
\$	4,486,313	\$ 4,602,623
	4,486,313	4,602,623
\$	4,486,313	\$ 4,602,623
\$		\$

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

- * Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.
- ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
- *** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Alamar CFD
Tax Levy and Tax Rate Information
Fiscal Year 2024

	<u>2023</u>	<u>2024</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u> </u>	\$ <u> </u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u> 20,697</u>	\$ <u> 36,334</u>
B. Secondary property taxes	<u> 265,616</u>	<u> 466,289</u>
C. Total property tax levy amounts	\$ <u> 286,313</u>	\$ <u> 502,623</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u> 20,697</u>	
(2) Prior years' levies		
(3) Total primary property taxes	\$ <u> 20,697</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u> 265,616</u>	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ <u> 265,616</u>	
C. Total property taxes collected	\$ <u> 286,313</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u> 0.3000</u>	<u> 0.3000</u>
(2) Secondary property tax rate	<u> 3.8500</u>	<u> 3.8500</u>
(3) Total city/town tax rate	<u> 4.1500</u>	<u> 4.1500</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u> one </u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

**Alamar CFD
Revenues Other Than Property Taxes
Fiscal Year 2024**

SOURCE OF REVENUES	ESTIMATED REVENUES 2023	ACTUAL REVENUES* 2023	ESTIMATED REVENUES 2024
SPECIAL REVENUE FUNDS			
Contributions - Operations	\$ _____	\$ _____	\$ _____
Contributions - Capital	_____	_____	_____
Contributions - Debt	_____	_____	_____
Contingency	100,000	_____	100,000
	\$ 100,000	\$ _____	\$ 100,000
TOTAL ALL FUNDS	\$ 100,000	\$ _____	\$ 100,000

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Alamar CFD
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2024

FUND	OTHER FINANCING 2024		INTERFUND TRANSFERS 2024	
	SOURCES	(USES)	IN	(OUT)
SPECIAL REVENUE FUNDS				
Bond Issuance	\$ 4,000,000	\$	\$	\$
Total Special Revenue Funds	\$ 4,000,000	\$	\$	\$
TOTAL ALL FUNDS	\$ 4,000,000	\$	\$	\$

**Alamar CFD
Expenditures/Expenses by Fund
Fiscal Year 2024**

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
FUND/DEPARTMENT	2023	2023	2023	2024
SPECIAL REVENUE FUNDS				
General Operations	\$ 20,697	\$	\$ 20,697	\$ 36,334
Capital	4,100,000		3,675,000	4,000,000
Capital - Finance				
Debt	265,616		241,191	466,289
Contingency	100,000			100,000
Total Special Revenue Funds	\$ 4,486,313	\$	\$ 3,936,888	\$ 4,602,623
TOTAL ALL FUNDS	\$ 4,486,313	\$	\$ 3,936,888	\$ 4,602,623

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Alamar CFD
Expenditures/Expenses by Department
Fiscal Year 2024**

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES		EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED		ACTUAL EXPENDITURES/ EXPENSES*		BUDGETED EXPENDITURES/ EXPENSES	
DEPARTMENT/FUND	2023		2023		2023		2024	
General Operations:								
Alamar CFD Operating	\$	20,697	\$		\$	20,697	\$	36,334
Capital		4,100,000				3,675,000		4,000,000
Debt		265,616				241,191		466,289
Contingency		100,000						100,000
Department Total	\$	<u>4,486,313</u>	\$	<u></u>	\$	<u>3,936,888</u>	\$	<u>4,602,623</u>

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY COUNCIL REPORT

SUBJECT: Recognition of the Fire and Medical Citizen Academy Graduates

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Larry Rooney, Fire Chief

THROUGH: Cherlene Penilla, Assistant City Manager, (623) 333-1015

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.
-

PURPOSE:

The City Council and Fire Chief Rooney will recognize the 2023 Fire and Medical Department Citizen Academy Graduates. This item is for discussion only.

BACKGROUND:

The Fire and Medical Department hosted a Citizen's Academy in April and May 2023 and would like to recognize the graduates.

DISCUSSION:

The graduates of the 2023 Fire and Medical Citizen Academy will be introduced to City Council to thank them for their time invested in learning about the Fire and Medical Department. The academy held a total of seven classes with 21 hours of classroom and hands-on education. Classes included information on the Emergency Operations Center, Community Risk Reduction, Ladder Company functions, Stop the Bleed and CPR functions, Technical Rescue and Wildland Operations. There were a total of 14 participants.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

This item is for information only.

Contact person for document distribution:

CITY COUNCIL REPORT

SUBJECT: Proclamation - Juneteenth Day of Observance

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Sandra Salas, Management Analyst

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.
-

PURPOSE:

The City Council will present a Proclamation recognizing Juneteenth Day of Observance.

BACKGROUND:

The City Council will present a Proclamation recognizing Juneteenth Day of Observance.

DISCUSSION:

June 19th was officially declared an Arizona State holiday when Governor Doug Ducey signed HB2226 into law on March 17, 2016, and as a Federal holiday by President Joe Biden on June 18, 2021.

Juneteenth was first recognized by enslaved Black Americans in Galveston, Texas on June 19, 1865, as the date on which word was finally received that they were free from bondage, more than 2 years after President Lincoln signed the Emancipation Proclamation. As those who were formerly enslaved were recognized for the first time as citizens, Black Americans came to commemorate Juneteenth with celebrations across the country, building new lives and a new tradition that we honor today. Juneteenth is a day that should be recognized by all Americans, Arizonans, and Avondale residents as a celebration of freedom.

On Juneteenth, we recommit ourselves to the work of equity, equality, and justice as we celebrate the centuries of struggle, courage, and hope that have brought us to this time of progress and possibility. That work has been led throughout our history by abolitionists and educators, civil rights advocates and lawyers, courageous activists and trade unionists, public officials, and everyday Americans who have helped make real the ideals of our founding documents for all. Recognizing Juneteenth as a holiday in Avondale is one significant step amongst many in our seventy-five year history which commits the City to eradicate racism.

BUDGET IMPACT:

This item does not have a budget impact.

RECOMMENDATION:

This item is for presentation only.

Contact person for document distribution: Ron Corbin, Torin Sadow, Aneyssa Romo, Sandra Salas



JUNETEENTH PROCLAMATION

June 19, 2023

Whereas, on January 1, 1863, President Abraham Lincoln signed the Emancipation Proclamation granting freedom to all those who were enslaved; and

Whereas, the news of freedom did not become an immediate reality for the more than 250,000 enslaved Black people of Texas; and

Whereas, on June 19, 1865, over two years after President Lincoln signed the Emancipation Proclamation, enslaved Americans in Galveston, Texas, finally received word that they were free from bondage; and

Whereas, those who were formerly enslaved were recognized for the first time as citizens, and Black Americans came to commemorate June 19th, as Juneteenth with celebrations across the country, building new lives and a new tradition that we honor today; and

Whereas, on Juneteenth, we recommit ourselves to the work of equity, equality, and justice as we celebrate the centuries of struggle, courage, and hope that have brought us to this time of progress and possibility; and

Whereas, on March 17, 2016, Governor Doug Ducey signed HB2226, sponsored by Representative Reginald Bolding, recognizing June 19th, as Juneteenth Day in Arizona and making Arizona the 45th State to recognize Juneteenth as a State holiday; and

Whereas, Avondale officially recognized June 19th, as the Juneteenth holiday as of February 22, 2022, which represents one significant step amongst many in our 76-year history which commits the City to eradicate racism against the descendants of former enslaved Black Americans of African descent.

NOW, THEREFORE, the Mayor and Council of the City of Avondale, Arizona, do hereby proclaim June 19, 2023, as Juneteenth and encourage all Avondale residents to reflect upon the value of freedom and join in Juneteenth celebrations across the valley.

Mayor

ATTEST:

City Clerk

CITY COUNCIL REPORT

SUBJECT: Public Works Department Award

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Kirk Beaty, Public Works Director

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.

The City of Avondale attracts, retains, and develops a diverse and competitive workforce through opportunities for professional development and recognition.

PURPOSE:

Public Works Department will present to City Council the Avondale employee awarded Operations Supervisor of the Year for 2023 by the AZ Water Association.

BACKGROUND:

The AZ Water Association is a 501(c)(3) nonprofit educational organization founded in 1928 with a membership of 2,700 water/wastewater professionals dedicated to preserving and enhancing Arizona's water environment. Although AZ Water is an independent organization, it also manages the Arizona section of the American Water Works Association (AWWA) and the Arizona member association of the Water Environment Federation (WEF). AZ Water holds an annual conference that provides continuing education opportunities for water professionals as well as an award program to recognize outstanding individuals and projects from the previous year. Many of Avondale's water professionals are members of AZ Water, and the City has been the past recipient of several AZ Water awards.

DISCUSSION:

This year, AZ Water presented Mike Yracheta, Wastewater Collections Supervisor, with the Operations Supervisor of the Year award for 2023. Mike is a 27-year employee of the City of Avondale who has a wealth of knowledge and experience with the City's wastewater collection system. Mike is a great steward of the City's resources, a positive influence to his team, and he exhibits all traits worthy of the honor of being named Operations Supervisor of the Year.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

This item is for discussion only.

Contact person for document distribution: Kirk Beaty

CITY COUNCIL REPORT

SUBJECT: Minutes

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Marcella Carrillo, City Clerk

THROUGH: Cherlene Penilla, Assistant City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area: Connected Community - Avondale will work directly and closely with our communities to develop programs and infrastructure that connect residents to the city's resources, the region, and each other. The approval of this agenda item provides residents with access to a previous meeting's minutes. The meeting minutes provide another outlet for residents to connect with the City Council.

PURPOSE:

City Council will consider a request to approve the May 1, 2023 City Council meeting minutes. The Council will take appropriate action.

BACKGROUND:

Pursuant to Arizona Revised Statute §§ 38-431.01(B), the City must provide written minutes of all City Council meetings.

DISCUSSION:

City Council held a meeting and the attached minutes have been prepared for approval.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

Staff recommends City Council approve the attached meeting minutes.

Contact person for document distribution: Chris Pierson

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
CITY COUNCIL CHAMBER
May 1, 2023

A **Special Meeting** of the City Council of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 5:30 p.m.

Members Present: Mayor Kenn Weise; Vice Mayor Mike Pineda; Council Members Veronica Malone, Curtis Nielson, Gloria Solorio and Max White.

Members Absent (Excused): Council Members Tina Conde.

Other Municipal Officials Present: Ron Corbin, City Manager; Cherlene Penilla, Assistant City Manager; Tracy Stevens, Assistant City Manager; Nicholle Harris, City Attorney; Marcella Carrillo, City Clerk; Kirk Beaty, Public Works Director; Margaret Carey, Deputy City Clerk; Ken Chapa, Economic Development Services Director; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Corey Larriva, Parks and Recreation Assistant Director; Andy Mesquita, Human Resources Director; Chris Lopez, Neighborhood and Family Services Director; Dale Nannenga, Public Safety Chief; Jodie Novak, Development Services Director; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; Aric Stewart, Engineering Director; and Renee Weatherless, Finance and Budget Director.

Audience: Approximately fifteen members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. EMPLOYEE INTRODUCTION AND ANNOUNCEMENTS (DISCUSSION ONLY)

The following employee introductions and announcements were presented to City Council:

City Attorney's Office

- Lisa Fitch, Legal Assistant

Development Services Department

- Frank Gonzalez, Building Plans Examiner

Human Resources Department

- Andy Mesquita, Human Resources Director
- Phil Cundiff, Risk Manager (Industrial Commission of Arizona and Arizona OSHA Recognition)

Information Technology Department

- Jacob Hunter, Help Desk Technician

Neighborhood & Family Services

- Alexia Grady, Management Analyst
- Anthony Quesada, Family Education Assistant
- Jaime Moen, Housing Rehabilitation Coordinator
- Mariela Gonzalez, Youth & Community Engagement Coordinator
- Mayra Garibo-Davila, Administrative Assistant
- Yvonne Bravo, Administrative Assistant

Office of Public Safety

- Gemma Nazerau, Administrative Assistant

Police Department

- | | |
|--|--------------------------|
| • Jonathon Martin, Assistant Chief (Promotion) | • Leslie Green, Officer |
| • Tom Alt, Lieutenant (Promotion) | • Jake McMains, Officer |
| • Morgan Ayers, Sergeant (Promotion) | • Roberto Cruz, Officer |
| • Joshua Selby, Sergeant (Promotion) | • Juan Galindo, Officer |
| • Alyssa Taylor, Park Ranger | • Emanuel Johns, Officer |
| • Araceli Gonzales, Park Ranger | • Sean Wallace, Officer |
| • Benjamin Beebe, Officer | |

3. PROCLAMATION – ECONOMIC DEVELOPMENT AND TRAVEL & TOURISM WEEK

City Council presented a proclamation recognizing May 7 through May 13, 2023, as Economic Development and Travel & Tourism Week. This item was for discussion only.

4. ADJOURNMENT

There being no further business before the Council, Council Member Nielson moved to adjourn the Special Meeting; Council Member Solorio seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

Meeting adjourned at 5:58 p.m.

A **Regular Meeting** of the City Council of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 6:07 p.m.

Mayor Kenn Weise led the Pledge of Allegiance, followed by a moment of silent reflection.

Members Present: Mayor Kenn Weise; Vice Mayor Mike Pineda; Council Members Veronica Malone, Curtis Nielson, Gloria Solorio and Max White.

Members Absent (Excused): Council Members Tina Conde.

Other Municipal Officials Present: Ron Corbin, City Manager; Cherlene Penilla, Assistant City Manager; Tracy Stevens, Assistant City Manager; Nicholle Harris, City Attorney; Marcella Carrillo, City Clerk; Kirk Beaty, Public Works Director; Margaret Carey, Deputy City Clerk; Ken Chapa, Economic Development Services Director; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Craig Jennings, Judge; Corey Larriva, Parks and Recreation Assistant Director; Andy Mesquita, Human Resources Director; Chris Lopez, Neighborhood and Family Services Director; Dale Nannenga, Public Safety Chief; Jodie Novak, Development Services Director; Abril Ruiz-Ortega, Court Administrator; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Pier Simeri, Marketing and Public Relations Director; Aric Stewart, Engineering Director; and Renee Weatherless, Finance and Budget Director.

Audience: Approximately five members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. UNSCHEDULED PUBLIC APPEARANCES

None.

3. PRESENTATION ITEM

3a. CITY COUNCIL CHAMBER AUDIO AND VIDEO CHANGES

City Council received an update from staff regarding the audio and video changes to the Council Chamber. This item was for discussion only.

Marcella Carrillo, City Clerk, provided an update on the audio and video changes made in Council chambers. On March 18, 2020, Mayor Weise signed an emergency proclamation declaring a State of Emergency for Avondale, due to the COVID-19 pandemic. On March 23rd, 2020, the first online City Council meeting was held. Council Members attended meetings from their homes for nearly two years. In January of 2022, the City reopened its doors for public meetings with the option to watch the meetings online through Zoom. A few weeks ago, the City added permanent cameras in Council chambers. An overview of the new system and camera views was provided.

The public will have the ability to place bookmarks on past meetings by visiting the website and clicking on links within the page. Meetings will be livestreaming on the website, Channel 11, YouTube and Facebook. Some of the open meeting law training points from the Arizona League of Cities and Towns Open Meeting Law trainings were reviewed.

Council Member Nielson recommended staff provide the link to parents during student recognition items so family members can watch online.

Council Member White inquired on best practices with respect to appearance. Ms. Carrillo explained no changes are needed as the cameras are high quality.

Council Member Malone inquired on the website information. Ms. Carrillo explained the website will remain the same; however, the website will be updated to include a link to watch the meeting.

4. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

Mayor Weise asked if any Council Member wished to have an item removed from the Consent Agenda. Having no requests from Council, motion was made by Council Member Nielson, seconded by Council Member Solorio, to approve the Consent Agenda.

Upon vote, the motion carried unanimously 6 to 0.

Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

a. MINUTES

City Council approved the March 21, 2023 and April 1, 2023 City Council meeting minutes.

b. AMENDMENT TO THE EMPLOYMENT AGREEMENT WITH THE CITY AUDITOR, BARBARA COPPAGE

City Council approved an amendment to the Employment Agreement with City Auditor, Barbara Coppage and authorized the Mayor, City Attorney and City Clerk to execute the necessary documents.

c. RE-APPOINTMENT OF JUDGES PRO TEMPORE

City Council re-appointed the existing judges pro tempore to two-year terms expiring on June 1, 2025 and authorized the Mayor or City Manager and City Clerk to execute the necessary documents.

d. SERIES 10 (BEER AND WINE STORE) LIQUOR LICENSE - HOME2SUITES BY HILTON

City Council recommended approval to the Arizona Department of Liquor License and Control of an application for a Series 10 (Beer and Wine Store) Liquor License submitted by Amy S Nations for the sale of alcohol at Home2Suites by Hilton located at 10275 W McDowell Road in Avondale and authorized the City Clerk to execute the necessary documents.

e. VEHICLE PURCHASE BUDGET AND AWARD AUTHORITY

City Council (a) approved a budget amendment in the amount \$645,000 from the Unanticipated Revenue line item for the purpose of ordering replacement vehicles scheduled for FY2024; (b) authorized administrative award authority for the outlined vehicle purchases; and (c) authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

f. RESOLUTION 1021-0523 - 2023-2024 HUD ANNUAL ACTION PLAN

City Council adopted Resolution 1021-0523 approving the City's 2023-2024 Annual Action Plan, identifying housing and community development needs and strategies and defining how Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds will be allocated next fiscal year and authorized the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

g. MAP OF DEDICATION - FULTON HOMES ACCLAIM - 99TH AVENUE - APPLICATION PL-22-0142

City Council approved request by Meikle Garrett of EPS Group, Inc., on behalf of the property owner, Fulton Homes, for approval of "Map of Dedication for Fulton Homes Acclaim – 99th Avenue", a Map of Dedication (MOD) to dedicate 37 feet of right-of-way along the 99th Avenue frontage of the Fulton Homes Acclaim development site, and authorized the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents.

5. REGULAR AGENDA

a. ANNUAL COMPREHENSIVE FINANCIAL REPORT – FISCAL YEAR 2022

City Staff presented the City's Annual Comprehensive Financial Report and the results of the annual audit for the fiscal year ending June 30, 2022. This item was for information and discussion only.

Renee Weatherless, Director of Finance & Budget, provided an overview of the report for the following topic areas:

- Annual Comprehensive Financial Report (ACFR)
- Management letter
- Communication with Governance
- Highway User Revenue Fund (HURF) report
- Single audit report
- Expenditure limit report

The Annual Comprehensive Financial Report (ACFR), which is the financial statement package, received an unmodified opinion, which is the best possible opinion. Financial and fund statuses were reviewed. There was a letter from the auditors that went to senior management, which addressed internal controls that did not operate as designed. There was also communication to governance, including with Mayor, City Council and City Management from the auditors. It included references to accounting policies, estimates utilized, interactions with staff, corrected and uncorrected misstatements and findings. No issues were noted in the HURF report.

The single audit report findings were reviewed, with total expenditure of federal awards at \$5.79 million. The City met compliance requirements for the major federal programs and received an unmodified opinion on the schedule of expenditures of federal awards. A deficiency in internal control was identified for financial reporting. In Fiscal Year 2022, the City implemented a new enterprise resource planning system, which includes the general ledger, accounts payable, accounts receivable and utility billing. At the end of the fiscal year, there was some turnover in key accounting team positions, which resulted in requests for extensions. The auditor's recommendation is to ensure that internal controls are properly designed and operating correctly. An action plan has been developed to address the identified deficiencies. The vacant accounting positions have been filled.

Ms. Weatherless introduced external auditor, Brittney Williams, Heinfeld Meech. Ms. Williams stated that the Fiscal Year 2022 annual comprehensive annual report will still receive the Government Financial Officers Association (GFOA) award of excellence.

In response to a question from Mayor Weise, Ms. Williams stated they interview one Council Member each year.

In response to a question from Council Member White, Ms. Williams stated that management is permitted to make estimates in financial reporting. The audit includes a listing of all the estimates actually contained in the report. These include items such as estimating depreciation expense for capital assets and incurred but not reported insurance claims.

b. FISCAL YEAR 2024 BENEFITS UPDATE

City Council received an employee benefits update from the Human Resources Department. This item was for discussion only.

Presented by Ted Flores, Assistant Director of Human Resources, provided an overview of the benefits survey, which was conducted from December 2022 to January 2023 and

garnered a 71 percent participation rate. Areas of inquiry included employee satisfaction with medical insurance and knowledge of benefits and retirement. Feedback included desire for more information and training on benefits offered; lower cost of insurance; increased vacation/sick leave accruals and increased contribution to the 457 Plan. Recommendations for Fiscal Year 2024 were reviewed. This includes a health insurance contribution increase of 5 percent for both City and employee contributions per pay period and a 3.6 increase for dental insurance contributions. The plan structure will remain the same. For the high deductible health plan, out of pocket costs will increase, due to new IRS regulations. HSA contributions will increase from the City to offset the out-of-pocket costs. The premium amounts and increase for medical and dental were reviewed on a per pay period basis.

Council Member White commended staff for the wide range of benefits that are being provided to employees. Council Member White recommended modifying surveys to include only a yes or no response and remove the middle option or minimize the response options.

Mr. Corbin noted staff look at the middle responses and make it a goal to move them to the yes category on the survey.

Council Member Solorio agreed with Council Member White's comments regarding the survey.

In response to a question from Mayor Weise, Mr. Flores stated the participate rate has increased and he believes that is because employees feel as if they have a voice at the City and the department heads understand the importance of the feedback.

Council Member Malone noted that younger employees (up to age 26) may not have completed the survey if they are still on their parent's benefits. Council Member Malone inquired on the participation comparison from the previous insurance to the current insurance and Mr. Flores stated he would research the information and follow-up with a response.

Council Member Solorio spoke positively about the City's benefits plan and her onboarding with the benefits team.

c. RESOLUTION 1022-0523 - ADOPTION OF THE FISCAL YEAR 2024 TENTATIVE BUDGET

City Council considered a request to adopt Resolution 1022-0523, setting forth the fiscal year (FY) 2024 tentative budget and establishing the city's annual expenditure limitation and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Presented by Renee Weatherless, Director of Finance & Budget, reviewed the tentative budget adoption, which will set the maximum expenditures limit. The final budget may be reduced but cannot increase above the tentative budget amount. It may be amended throughout the fiscal year.

Notable changes to the recommended budget include:

- Fire PPE and upfitting of vehicles
- Added projected revenue from proposed SRO agreements
- Fiber mapping project
- Increase in landfill fees and city solid waste rates
- Adjustments for compensation study implementation
- Carryover adjustments and changes for estimates for FY2023
- Homeless services moving to ARPA funded

Considering all adjustments made since the recommended budget, the City continues to submit a structurally balanced budget. Upcoming steps and actions in the budget process were reviewed.

Vice Mayor Pineda moved to adopt Resolution 1022-0523, setting forth the fiscal year (FY) 2024 tentative budget and establishing the city's annual expenditure limitation and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents; Council Member White seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

Note from the City Clerk: Items 5d and 5e were presented together and voted on individually.

d. RESOLUTION 1023-0523 - INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CHANDLER FOR CONVEYANCE OF RIGHTS (PURCHASE) OF NEW RIVER AGUA FRIA UNDERGROUND STORAGE PROJECT (NAUSP) STORAGE ENTITLEMENT

City Council considered a request to adopt Resolution 1023-0523 approving the Intergovernmental Agreement with the City of Chandler for the Conveyance of Rights in the New River Agua Fria Underground Storage Project and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Kirk Beaty, Director of Public Works, provided an overview of the two agreements between the City of Avondale and the City of Chandler. The first agreement is a conveyance agreement, whereby the City of Avondale will purchase storage entitlements from the City of Chandler at the New River Agua Fria Underground Storage Product (NAUSP). The second agreement is a temporary assignment of declared firm lease capacity, whereby the City of Avondale will lease back to Chandler a portion of storage entitlements. An overview of the NAUSP was provided. Avondale obtained 10 percent

storage entitlement upon the signing of the agreement. Other parties include Chandler, Glendale, Peoria and Salt River Project. It is the closest recharge facility to the City (two miles north of Avondale's northern border), with the exception of Avondale's own facility, located on McDowell Road north of Friendship Park. Avondale currently stores approximately 2,880 acre-feet per year in the facility. An overview of the conveyance details and temporary assignment (lease) was provided.

Benefits to Avondale include:

- NAUSP is the next closest recharge facility to Avondale and it provides flexibility in water storage and recovery
- More cost effective than building another recharge facility
- Provides more recharge capacity for future water resources:
 - Bartlett Reservoir expansion
 - Roosevelt Dam Temporary Deviation
 - White Mountain Apache Tribe lease
 - Spill water (free water)

In response to a question from Council Member Nielson, Mr. Beaty stated that the term "entitlement" refers to the available volume for the City. The space purchased will be approximately the same volume the City receives from the Colorado River allocation.

Council Member Nielson moved to adopt Resolution 1023-0523 approving the Intergovernmental Agreement with the City of Chandler for the Conveyance of Rights in the New River Agua Fria Underground Storage Project and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents; Council Member White seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

e. RESOLUTION 1024-0523 - AGREEMENT FOR THE TEMPORARY ASSIGNMENT OF DECLARED FIRM LEASE CAPACITY IN THE NEW RIVER AGUA FRIA UNDERGROUND STORAGE PROJECT (NAUSP)

City Council considered a request to adopt Resolution 1024-0523 approving the Agreement with the City of Chandler for the Temporary Assignment of Declared Firm Lease Capacity in the New River Agua Fria Underground Storage Project (NAUSP), and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Council Member White moved to adopt Resolution 1024-0523 approving the Agreement with the City of Chandler for the Temporary Assignment of Declared Firm Lease Capacity in the New River Agua Fria Underground Storage Project (NAUSP), and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents; Council Member Solorio seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

6. ADJOURNMENT

There being no further business before the Council, Council Member White moved to adjourn the Regular Meeting; Council Member Solorio seconded the motion.

Upon vote, the motion was carried unanimously 6 to 0.

Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

Meeting adjourned at 7:05 p.m.

Kenn Weise, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting and Regular Meeting of the Council of the City of Avondale held on the 1st day of May 2023. I further certify that the meeting was duly called and held, and that the quorum was present.

Marcella Carrillo, City Clerk

Date Approved by City Council

CITY COUNCIL REPORT

SUBJECT: Contributions Assistance Program Fiscal Year 2023-2024 Funding Recommendations

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Christopher Lopez, Neighborhood & Family Services Director

THROUGH: Cherlene Penilla, Assistant City Manager, (623) 333-1015

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Areas:

- Community-Oriented Lifelong Learning Opportunities - Avondale will continue to foster an environment where education is a defining value and learning opportunities abound for residents of all ages.
- Connected Community - Avondale will work directly and closely with our communities to develop programs and infrastructure that connect residents to the city's resources, the region and each other.
- Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.

The approval of this agenda item provides expansion of human services programs and resources geared towards improving the health and welfare of Avondale residents.

PURPOSE:

City Council will consider a request to approve the funding recommendations made by the City Council Subcommittee for distribution of the proposed \$200,000 Contributions Assistance Program fund and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The Contributions Assistance Program was established by the City Council to provide a supplemental funding source for organizations providing services to the residents of the City of Avondale. The adopted budget for fiscal year 2023-2024 allocates \$200,000 for the Contributions Assistance Program. The City Council has appointed members to the Council Subcommittee for this process. The Council Subcommittee for FY 2023-2024 includes Councilmembers Conde, Malone and Nielson. This program continues to be in demand by organizations serving Avondale residents. For fiscal year 2023-2024, applications were received from 37 non-profit agencies requesting a total amount of \$418,500.

DISCUSSION:

The Subcommittee reviewed applications on May 22, 2023 based on the following criteria:

- Provision of direct services which improve the health and welfare of Avondale residents.

- Current, timely and accurate reports from current recipients.
- Ability to generate revenue from other sources.
- Priority will be given to special projects. However, requests for operating support for direct and measurable services will be considered.
- Priority will be given to services and initiatives that support and address City Council's goals.
- Services provided at the Arizona Complete Health Avondale Resource Center will be given priority.
- Organizations that received funding in the previous fiscal year will participate in quarterly reviews and demonstrate satisfactory progress towards stated goals and objectives.
- All awards should be at or above the minimum amount requested by the organization. The minimum amount is established to provide the organization with adequate funding to effectively complete the project as proposed.
- Priority will be given to services and initiatives responding to the needs of vulnerable populations affected by the COVID-19 pandemic.

The Subcommittee has made the following funding recommendations:

1. A New Leaf - \$10,000
2. Agua Fria Food Bank - \$8,000
3. Arizona Service Project - \$12,000
4. Avondale Firefighter Charities - \$5,000
5. Avondale Police Association - \$5,000
6. AZ Community Impact - \$5,000
7. Boys and Girls Clubs of the Valley - \$8,000
8. Bridges Reentry Inc - \$3,000
9. Community Bridges - \$8,000
10. Diana Gregory Outreach - \$5,000
11. Dress for Success Phoenix - \$2,500
12. Goodyear Pebble Creek Rotary Foundation - \$1,250
13. Helping Children Succeed in School Foundation - \$2,000
14. Helping Families in Need - \$10,000
15. Homeless Youth Connection - \$3,400
16. Jobs for Arizona Graduates - \$10,000
17. Junior Achievement of Arizona - \$3,000
18. Lutheran Social Services- \$8,000
19. Mercy House Community Center - \$8,000
20. Mission of Mercy - \$7,500
21. New Life Center - \$10,000
22. Phoenix Rescue Mission - \$8,000
23. Project Kiks - \$2,000
24. Raising Special Kids - \$8,000
25. Read Better Be Better - \$7,600
26. Sounds of Autism - \$2,250
27. Southwest Lending Closet - \$10,000
28. Southwest Valley YMCA- \$5,000
29. St. Mary's Food Bank Alliance - \$5,000
30. The Opportunity Tree - \$5,000
31. Top Dawg Wrestling Club - \$2,500
32. Trellis - \$5,000
33. Westside Recreation - \$5,000

BUDGET IMPACT:

Funding of \$200,000 for the Contributions Assistance Program is included in the FY2024 proposed budget.

RECOMMENDATION:

Staff recommends that City Council approve the funding recommendations made by the City Council Subcommittee for distribution of the \$200,000 Contributions Assistance Program Fund for fiscal year 2023-2024.

Contact person for document distribution: Edith Baltierrez

CITY COUNCIL REPORT

SUBJECT: Adoption of the Fiscal Year 2024 Pension Funding Policy

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following strategic outcome area:

Innovative program and service delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.

PURPOSE:

City Council will consider a request to adopt an updated Pension Funding Policy for Fiscal Year 2024 and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

During the 2018 legislative session, HB2097 was adopted, requiring participants in the Arizona Public Safety Personnel Retirement System (PSPRS) to formally adopt a pension funding policy. The governing body must re-adopt the policy annually, accept the employer's share of the system's assets and liabilities, and post the policy on its website. The City Council adopted the original policy at the 6/3/2019 Council meeting. The policy for FY2024 updates the City plans' assets, liabilities and funded status percentages recently provided by the PSPRS' actuarial firm for FY2022. The policy also identifies the City's annual required contribution (ARC) for the upcoming fiscal year.

DISCUSSION:

The City's sworn Police and Fire personnel are members in legacy pension plans designated for each group. Plan information in the policy is presented only for the two legacy plans. The City's newer public safety personnel are members of a shared pension plan that is comprised of multiple employers due to size of staff with individual employers. The City's legacy plans combined funded status increased from 69.4% in FY2021 to 71.9% in FY2022. The required contribution for FY2024 is \$4,814,625 and the City is planning to contribute \$7,495,500. The additional contribution results from an increase in the public safety positions budgeted since the calculation of the ARC. In addition, the city budgets Tier 3 PSPRS positions at the Tier 1/Tier 2 contribution amount in order to allocate more funds towards the Tier 1/Tier 2 unfunded liability. Currently, the City anticipates being fully funded by FY2036.

BUDGET IMPACT:

There is no budgetary impact associated with this action. The City's required contributions to PSPRS are

included in the FY2024 proposed budget.

RECOMMENDATION:

Staff recommends Council adopt the updated Pension Funding Policy for FY2024.

Contact person for document distribution:

City of Avondale

Public Safety Personnel Retirement System

FY2024 Pension Funding Policy

The intent of this policy is to clearly communicate the Council's pension funding objectives and its commitment to our employees and the sound financial management of the City and to comply with Arizona Revised Statutes Title 38 Chapter 5 Article 4 Section 863.01.

Several terms are used throughout this policy:

Unfunded Actuarial Accrued Liability (UAAL) – Is the difference between trust assets and the estimated future cost of pensions earned by employees. This UAAL results from actual results (interest earnings, member mortality, disability rates, etc.) being different from the assumptions used in previous actuarial valuations.

Annual Required Contribution (ARC) – Is the annual amount required to pay into the pension funds, as determined through annual actuarial valuations. It is comprised of two primary components: normal pension cost – which is the estimated cost of pension benefits earned by employees in the current year; and amortization of UAAL – which is the cost needed to cover the unfunded portion of pensions earned by employees in previous years. The UAAL is collected over a period of time referred to as the amortization period. The ARC is a percentage of the current payroll.

Funded Ratio – Is a ratio of fund assets to actuarial accrued liability. The higher the ratio the better funded the pension is with 100% being fully funded.

Intergenerational equity – Ensures that no generation is burdened by substantially more or less pension costs than past or future generations.

The City's police and fire employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The City's Detention Center correctional employees also participate in a separate Correction Officers Retirement Plan (CORP) that is also administered by PSPRS.

Public Safety Personnel Retirement System (PSPRS)

PSPRS is administered as an agent multiple-employer pension plan. An agent multiple-employer plan has two main functions: 1) to comingle assets of all plans under its administration, thus achieving economy of scale for more cost-efficient investments and invest those assets for the benefit of all members under its administration and 2) serve as the statewide uniform administrator for the distribution of benefits.

Under an agent multiple-employer plan each agency participating in the plan has an individual trust fund reflecting that agencies' assets and liabilities. Under this plan all contributions are deposited to and distributions are made from that fund's assets, each fund has its own funded ratio and contribution rate, and each fund has a unique annual actuarial valuation. PSPRS operates as the administrator of two plan groups: 1) individual employer legacy plans for the majority of the City's longer-term public safety and detention center employees; and 2) a combined risk pool plan for newer public safety employees from multiple employers. In the legacy group, the City of Avondale has three trust funds, one for police employees, one for fire employees, and one for correctional employees. As the assets and liabilities of the risk pool plan are not employer-specific, data for Avondale is not provided.

Council formally accepts the assets, liabilities, and current funding ratio of the City's PSPRS legacy trust funds from the June 30, 2022, actuarial valuation, which are detailed below.

Trust Fund	Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
Avondale Police	\$ 46,734,502	\$ 68,920,526	\$ 22,186,024	67.8%
Avondale Fire	\$ 38,010,444	\$ 49,197,367	\$ 11,186,923	77.3%
Detention CORP	\$ 2,659,675	\$ 3,367,262	\$ 707,587	79.0%
City of Avondale Totals	\$ 87,404,621	\$121,485,155	\$ 34,080,534	71.9%

PSPRS Funding Goal

Pensions that are less than fully funded place the cost of service provided in earlier periods (amortization of UAAL) on the current taxpayers. Fully funded pension plans are the best way to achieve taxpayer and member intergenerational equity. Most funds in PSPRS are significantly underfunded and falling well short of the goal of intergenerational equity.

The Council's PSPRS funding ratio goal is 100% (fully funded) by June 30, 2036.

Council established this goal for the following reasons:

- The PSPRS trust funds represent only the City of Avondale's liability.
- The fluctuating cost of an UAAL causes strain on the City's budget, affecting our ability to provide services.
- A fully funded pension is the best way to achieve taxpayer and member intergenerational equity.

Council has taken the following actions to achieve this goal:

- Maintain ARC payment from operating revenues – Council is committed to maintaining the full ARC payment (normal cost and UAAL amortization) from operating funds. The estimated combined ARC for FY2024 is \$4,814,625 and will be able to be paid from operating funds without diminishing City services.

- **Additional payments above the ARC**
 - **Prepay both the both the employer and employee ARC within the first 90 days of the fiscal year** – Pre-funding the full city contribution and a portion of the employee contributions has an immediate impact on long-term funding due to the increased investment returns applied directly to the City’s PSPRS trust accounts.
 - Employer contributions will be prepaid in full at the amount included in the City's annual budget - The City's annual budget amount is based upon the actuarially determined rate applied to 100% full employment for all positions including budgeted vacant positions, positions filled by an employee in DROP, and all other eligible positions whereby contributions are not currently required but have been budgeted for by the City.
- | Plan | FY24 Budgeted Employer Contributions |
|-------------------------|--------------------------------------|
| Avondale Police | \$ 4,709,400 |
| Avondale Fire | \$ 2,641,600 |
| Detention CORP | \$ 144,500 |
| City of Avondale Totals | \$ 7,495,500 |
- Employee contributions will be prepaid at 50 -75% of the estimated employee ARC based upon cash flow needs at the discretion of the Finance and Budget Department Director.
 - **Annual pension contributions above the ARC** – as part of the City’s annual budgetary process, evaluate the assets, liabilities, and current funding ratio of the City’s PSPRS trust funds from the most current actuarial valuation and the City’s general fund financial position and consider funding appropriations in excess of the ARC to incrementally achieve the Council’s PSPRS funding ratio goal of 100%.

Based on these actions the Council plans to achieve its goal of 100% funding by June 30, 2036, in accordance with the amortization timeline set forth by the PSPRS June 30, 2022, Actuarial Valuation.

CITY COUNCIL REPORT

SUBJECT: Resolution 1027-0623 - Designation of Chief Fiscal Officer for the Annual Expenditure Limitation Report (AELR)

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following strategic outcome area:

Innovative program and service delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.

PURPOSE:

City Council will consider a request to adopt Resolution 1027-0623, designating Renee Weatherless as the Chief Fiscal Officer for the submittal of the AELR and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The city is required (A.R.S. § 41-1279.07) to complete an annual expenditure limitation report (AELR) using the Arizona Auditor General's uniform expenditure reporting system. This reporting system demonstrates the city's compliance with the statutory expenditure limitation.

DISCUSSION:

The city is required to designate an individual as the Chief Fiscal Officer who is responsible for the submission of the required reports to the Auditor General's Office. This action names Renee Weatherless as the Chief Fiscal Officer for these purposes.

BUDGET IMPACT:

There is no budgetary impact associated with this action.

RECOMMENDATION:

Staff recommends Council adopt a Resolution designating the Chief Fiscal Officer for the submission of the AELR.

Contact person for document distribution:

RESOLUTION NO. 1027-0623

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2024 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL.

WHEREAS, ARIZ. REV. STAT. § 41-1279.07(E) requires each county, city, town, and community college district to annually provide to the Arizona Auditor General by July 31 the name of the Chief Fiscal Officer the governing body designated to officially submit the current year's annual expenditure limitation report (AELR) on the governing body's behalf; and

WHEREAS, the City of Avondale (the "City") Council desires to designate Renee Weatherless, as the City's Chief Fiscal Officer; and

WHEREAS, entities must submit an updated form and documentation for any changes in the individuals designated to file the AELR.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. Renee Weatherless is hereby designated as the City's Chief Fiscal Officer for purposes of submitting the fiscal year 2024 AELR to the Arizona Auditor General on the City's behalf.

SECTION 3. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

REVIEWED BY:

Ron Corbin, City Manager

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

CITY COUNCIL REPORT

SUBJECT: Resolution 1028-0623 - Comprehensive Financial Policies

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

Adopted Financial Policies support all of the elements of the Strategic Plan, ensuring staff has guidance to manage the city's budget and allocate resources to the highest priorities of the city.

PURPOSE:

City Council will consider a request to adopt Resolution 1028-0623, adopting Comprehensive Financial Policies and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The financial policies provide guidance and direction for staff to manage the city's resources. The policies are published in the annual budget document to inform and provide context to the city's budget development process. In accordance with these policies and best practice, staff reviews the policies annually and recommends revisions. These policies were last adopted formally by City Council on June 6, 2022.

DISCUSSION:

Best practices recognized by the Government Finance Officers Association (GFOA) include the adoption of formalized financial policies as a central element to a government's effective long-term financial planning. Effective financial policies provide the guidance and policy framework for both the governing body and staff to address recurring issues and challenges in a consistent manner. The adoption of strong and thoughtful financial policies demonstrates to stakeholders that the city takes this responsibility seriously and is favorably viewed by outside rating agencies as a commitment of the city's leadership in this important area. While the policies express the city's present approach to challenges and strategic financial goals, the policies should be reviewed and updated periodically. This year's updated policies include:

- Added the Investment Policy. This policy was previously approved by council separately.
- Reduced the limit for credit/debit card payments accepted for payment of fees and charges from \$25,000 to \$15,000.
- Licensed professionals are to be used to assess development impact fees
- Defines fund and allows for administrative funds to be used to track specific revenues and expenditures
- Defines FTE and pooled positions
- Defines capital projects

- Delegates carryforward adjustments for capital projects to the Finance & Budget Department
- Grammatical/typographical corrections

The proposed Financial Policies are included as an exhibit to the resolution and a redline of the current policies is also attached.

BUDGET IMPACT:

There is no direct budget impact to adopting these policies. The policies will provide guidance in the development of the annual budget, as well as provide guidance in a number of areas that impact the city's financials.

RECOMMENDATION:

Staff recommends City Council adopt a resolution adopting the Comprehensive Financial Policies.

Contact person for document distribution:

RESOLUTION NO. 1028-0623

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY OF AVONDALE COMPREHENSIVE FINANCIAL POLICIES.

WHEREAS, on June 6, 2022, by Resolution No. 1040-0622, the Council of City of Avondale (the “City Council”) adopted the City of Avondale Comprehensive Financial Policies (the “Financial Policies”); and

WHEREAS, City Council desires to amend the Financial Policies to update the fund balance and financial policies contained therein to provide more comprehensive direction in financial matters and policies; and

WHEREAS, the National Government Finance Officers Association (GFOA) has recommended that municipalities formally adopt financial policies as a central component to strategic, long-term financial management.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The June 5, 2023, Amended City of Avondale Comprehensive Financial Policies (the “Amended Financial Policies”) are hereby adopted in the form attached thereto as Exhibit A and incorporated herein by reference.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the Amended Financial Policies adopted herein is for any reason held to be invalid or unconditional by the decision of any court or competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1028-0623

[June 5, 2023, City of Avondale Amended Comprehensive Financial Policies]

See following pages.

City of Avondale Comprehensive Financial Policies

Amended, June 5, 2023

Introduction

Comprehensive financial, budgetary and accounting principles help create a resilient structure for the city's strong, long-term financial planning. Financial policies contribute to increased stakeholder confidence and trust and provide clear direction to city staff concerning the diligence and stewardship with which public monies are to be managed. Policies that are formally adopted show our residents, visitors, businesses, credit rating agencies, and bond investors the city's commitment to financial resiliency and thoughtful management.

Avondale incorporates the following short and long-term financial policies and guidelines for managing revenues, expenditures, fund balance, capital planning, and debt management in its annual budget planning and in ongoing operations throughout each year. In addition, proper accounting practices complement budget development and internal controls to enable the implementation of the city's long-term objectives.

Importantly, the responsibility for applying these policies does not rest solely with Finance and Budget Department staff, but involves the entire city organization of staff, management, and elected officials to ensure Avondale adheres to, and collaborates in, the application of these policies.

To be effective over a longer-term, these policies must be re-evaluated and updated on a regular basis to ensure the goals and objectives are applicable and achievable over the long term.

Fiscal Planning

Fiscal planning is a key element in ensuring that positive financial outcomes can be achieved and will be sustained over a long-term period. The city expresses its planning objectives through the adoption and monitoring of the annual budget. These policies will aid in developing the annual budget and related controls, but more importantly, should provide a longer-term perspective to the city's financial position and planning.

The City Council conducts budget planning in public meetings to communicate policy direction for development of the annual budget and other fiscal priorities and goals. Staff incorporates these policy directions into the annual budget development process.

Staff identifies the city's revenue sources and provides their best estimates of the anticipated level of funding during the forecast period. Staff also prepares realistic estimates of the likely costs of current and proposed city programs, costs of city staffing and benefit costs, and related operational costs.. The principles outlined below help to ensure these goals can be operationalized and sustained from year to year.

Staff evaluate revenue sources to determine if they should be considered on-going or one-time in nature. Revenues that are determined to be on-going may be used to fund the city's on-going operations and one-time needs. However, one-time revenues shall not be used to fund on-going expenses or debt.

Management prepares recommendations to create a balanced budget and sets priorities for the planning period to accomplish the Council's policy direction.

Fund Balance and Reserves

Maintaining reserves is a prudent financial practice, and fund balance is an important indicator of the city's financial health and stability. Fund balances and reserves are maintained to allow the city to continue providing services to the community in case of unexpected emergencies, unfunded mandates from other governments, and/or economic downturns.

The city classifies and reports fund balances in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The Council has the authority to set aside funds for a specific purpose. Any funds set aside as committed fund balance requires a simple majority vote of the Council prior to the conclusion of the annual audit for the applicable fiscal year.

The Finance and Budget Department Director has the authority to assign funds that are not otherwise assigned by Council action for specific purposes. Any funds set aside as assigned fund balance in this manner must be documented in writing to the City Manager. Such assignments will be identified and incorporated in the city's annual budget planning process.

The city utilizes a two-tier stabilization arrangement as committed fund balance in the General Fund of no less than 35 percent (35%) of adopted budgeted General Fund expenditures from the prior fiscal year, excluding interfund transfers and contingency appropriation, to provide a comfortable margin of safety to address potential natural disasters, unexpected economic events, revenue shortfalls, or other budget contingencies.

The first-tier commitment consists of a 25% emergency reserve that may only be used for the following reasons:

- Mitigate damage and expenditures caused by a declared disaster or declared state of emergency for which no reasonable budget adjustments are available to continue or restore essential services.
- Address emergency events that jeopardize the public safety.
- Provide and maintain essential services to the public during natural disasters or emergency events.

The second-tier commitment consists of a 10% Rainy-Day Reserve that may only be used under the following circumstances:

- The city experiences sudden and/or unexpected declines in revenues that is greater than 10% of General Fund operating revenues from the prior year.
- The city experiences sudden and/or unexpected declines in state-shared revenues that is greater than 10% of General Fund operating expenditures from the prior year.
- Provide and maintain essential services to the public during natural disasters or emergency events.

Once the City Manager, or their designee, has determined that it is necessary to spend down stabilization reserves, the City Manager shall provide written communication to the Council explaining the nature of the event/occurrence necessitating their use for Council approval. If the reserves are reduced below the minimum required levels, the city staff shall develop a plan for Council approval to restore the reserves to the appropriate balances.

The city shall replenish the emergency and rainy-day reserves within two (2) fiscal years and five (5) fiscal years following the fiscal year of the event, respectively. If the depletion occurs during an ongoing economic downturn, the city shall restore the funds within two (2) years of revenue meeting or exceeding pre-economic downturn amounts, as applicable. The progress of replenishment shall be reported in the city's annual budget.

The city has established two dedicated one-half cent sales tax funds for designated purposes approved by Avondale voters. These funds will be recorded and expended separately in accordance with their enabling ordinances. The city shall develop guidelines and monitoring mechanisms to ensure the funds are sustainable and can address the city's funding requirements for the approved uses over the city's forecasting period.

- A. The city maintains a separate one half-cent sales tax fund to fund capital improvement projects related to street maintenance, sidewalk improvements, constructing and maintaining residential streets, constructing traffic signals and installing streetlights, construction of water infrastructure and wastewater treatment infrastructure to increase capacity, and transportation projects and services.
- B. The city maintains a separate one half-cent sales tax fund to fund needs of its public safety operations above the fiscal year 2003 amount, including: sworn personnel, command and support staff, , support costs; code enforcement personnel and support costs; and personnel and/or services to support the City Court.

Revenues, Collections and Fees

Management will strive to develop a diverse and sustainable revenue base to support city operations and future objectives.

The combined primary and secondary city property tax rates will be set at an amount that will not be more than \$2.00 per \$100 of assessed valuation. Tax rates set by Community Facility Districts (CFDs) or Maintenance Improvement Districts (MIDs) within the city are excluded from the rate ceiling.

When appropriate, and in the determination of the Finance and Budget Department Director, user fees will be considered for adoption by City Council to reflect the costs of delivering services to customers who directly benefit. Services provided for the community's general welfare may be provided without user service fees for the general good and not be included in the user fees.

Rates and fees that are not set within the Avondale Municipal Code or state statute will be reviewed annually and adopted or amended through Council action during the annual budget process.

Staff will contract with licensed professionals to assess the appropriate level of development impact fees to provide a funding source for necessary public infrastructure that will benefit future city growth. These fees will be adopted, managed, and accounted for in compliance with Arizona Revised Statutes (A.R.S.) §9-463.05. These fees will be updated as needed or as required by state statute.

The city may accept payments for fees and other charges by credit or debit card but shall not accept credit or debit card payments for less than one dollar (\$1.00) or greater than fifteen thousand dollars (15,000.00).

Expenditure and Budget Control

Management must ensure compliance with the legally adopted budget and establish policies and procedures that provide for appropriate controls in the application and monitoring of the city's fiscal operations. Purchases and expenditures must comply with legal requirements and policies and procedures set forth by the state and the city.

A balanced operating and capital budget will be presented annually for Council review and adoption no later than July 1st of the fiscal year and in accordance with the requirements of A.R.S. §42-17105. These budgets should reflect the priorities of Council and reflect the city's current needs, strategic goals, and priorities.

The city will budget and track expenses and revenues by fund. Each fund is considered a separate fiscal entity accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues and expenditures/expenses. Funds are segregated for the purpose of carrying specific activities or attaining certain objectives in accordance to special regulations, restrictions, or limitations. Staff may add additional administrative funds for tracking of specific expenses and revenues.

The budget shall be considered balanced when all sources of funds (revenue, transfers in, and fund balances) are greater than or equal to all uses of funds (expenditures, transfers out, and contingencies) for each fund.

As part of the budget, staff will develop forecasts of the city's major funds over a five-year period.

Requests during the budget process for new or expanded on-going services shall be made through supplemental requests. Appropriations from supplemental requests approved during the budget process will be used only for the purposes authorized by the approved supplemental request. The Finance and Budget Department will monitor the utilization of these amounts to ensure timely expenditure. If the funding is not utilized for the stated purpose in a reasonable timeframe, funds may be reverted with the authorization of the City Manager. If the funds are no longer needed for the purpose, the City Manager may

reallocate the funds according to the budget transfer guidelines. Funds not identified for a specific use may be used for its highest and best use as determined by the department director and the City Manager and according to any legal restrictions on the funds being used.

A system will be used to manage position control that coordinates human resource information with budgeted position information. City positions will be characterized as full-time-equivalent (FTE) positions and pooled positions. FTE positions are full-time and part-time positions that are not seasonal or temporary and will be controlled by the FTE approved in the budget. Part-time FTE will be based on 2080 compensated hours per year. Pooled positions are seasonal, temporary, or positions with irregular hours and are controlled by the dollar amount budgeted for this purpose. The City Manager and Human Resources Director may authorize Public Safety, Police, and Fire and Medical to hire critical public safety employees without budgeted positions on a temporary basis as those employees go through training. The requesting department will identify the funding source for these training positions prior to authorization from the City Manager and Human Resources Department.

Mid-year budget requests that require commitment of on-going resources will be kept to a minimum to minimize the impact on future budgets. If unexpected resources are secured after budget adoption, departments must not expend any of the funds without appropriation.

All departments are responsible for ensuring that expenditures do not exceed their approved budget. Department heads are obligated to communicate potential over-expenditures of their amended budgets to the Finance and Budget Department as soon as they become known.

The budget is adopted by the City Council by department and by fund. The budget may be further allocated by management to divisions and expenditure categories. Budget amendments may be executed throughout the year when the adopted purpose varies from operational needs identified during the fiscal year pursuant to the following guidelines. Amendments must be fully executed before the authorization of or expenditure of funds.

Operating Budget Transfer Guidelines:

- Use of contingency fund appropriation requires City Council approval.
- Transfers of appropriation between funds require City Council approval. Administrative funds shall be treated as belonging to their parent funds for the purpose of this provision.
- Transfers of appropriation between departments require City Council approval.
- Transfers needed to appropriate previously accepted grants or private donations may be approved by Finance and Budget.
- Transfers of appropriation to / from personal services (salaries, wages, and benefits) line items within the same department and fund require City Manager approval and must be one-time in nature so as not to impact the department's authorized FTE counts. Savings in personal services will not be used to offset deficits in department operating budgets without written authorization from the City Manager.

- Department heads are authorized for all other transfer types between divisions and category of expenditures within the same fund.

Continuation of one-time appropriations (carryover) into the next fiscal year may be included in the adopted annual budget. Departments will identify these anticipated amounts as part of the annual budget process. Finance and Budget Department staff will evaluate and recommend requests for consideration as part of the budget adoption process. Appropriations from carryover approved during the budget process will be used only for the purposes authorized by the approved carryover. Finance and Budget Department staff may adjust carryover amounts after the budget is adopted if items with carryover appropriation were received or completed in the prior year.

The city will maintain a purchasing system that provides needed commodities and services in a timely manner to avoid interruptions in the delivery of services. All purchases shall be made in accordance with the city's procurement code, purchasing policies, guidelines, procedures, and applicable state and federal laws. The city will endeavor to obtain supplies, equipment, and services that provide the best value through cooperative purchase agreements and competitive selections.

A system of appropriate internal controls and procedures using best practices shall be maintained for the city's payment processes to ensure vendor and contractor invoices are paid in a timely manner and in accordance with A.R.S. §34-221.

The State of Arizona sets a limit on the expenditures of local jurisdictions. The city will comply with these expenditure limitations and will submit an audited expenditure limitation report as defined by the Uniform Expenditure Reporting System (A.R.S. §41-1279.07) along with audited financial statements to the State Auditor General within the prescribed timelines.

The City Council will pursue an alternative expenditure limitation or an adjustment to the State expenditure limitation as provided by Article IX, Section 20 of the State Constitution if the projected expenditures within two years are anticipated to exceed the expenditure limitation.

City staff will develop policies for the administration of grant awards. The city will evaluate potential grants to ensure that they further the goals and objectives of the city without unduly obligating or leveraging current or future city funds. Grants will be reviewed and approved by the Finance & Budget Department Director or their designee prior to their application.

All grant awards require the approval of City Manager or their designee for acceptance before appropriation of funds. Finance and Budget staff may transfer appropriations as necessary for accepted grants or private donations. Grant funding may not be obligated in advance of acceptance by the City Manager or their designee. The stability of the funding source along with potential funding alternatives, should the grant or donation diminish or cease, shall be considered prior to funding personnel or other ongoing expenses in-whole or in-part from grants or donations,

Capital Planning and Asset Management

The city will manage and plan for capital assets and infrastructure improvements. A capital project is defined as a one-time, long-term project to build upon, add to, or improve a capital asset. Capital projects should generally cost more than \$100,000 and the infrastructure improvement resulting from a completed capital project should have a lifespan of more than three years. Replacement of existing assets may also be tracked as a capital project to ensure proper long-term planning. Long-term capital planning documents such as infrastructure master plans should also be tracked as a capital project.

Management will plan and manage the city's capital infrastructure and assets in a fiscally sound and sustainable manner to ensure they support city operations, goals for quality of life, and future growth.

A balanced Capital Improvement Plan (CIP), which supports city operations and goals for quality of life and future growth, shall be developed for a five-year period to allow for appropriate planning. The CIP shall be considered balanced when all sources of funds (revenue, transfers in, and fund balances) are greater than or equal to all uses of funds (expenditures, transfers out, and contingencies) by year for each fund in the capital program. The CIP documents planned capital projects for each of the five years, but only the first year of the five-year CIP will be adopted by City Council as part of the annual budget.

Capital projects will only be approved with funding from designated sources that are known – or considered reasonably likely during the project's plan – and meet the project's estimated development costs and costs to support.

Capital project budgets often span multiple fiscal years and appropriation often needs to carryover from one fiscal year to the next to ensure adequate appropriation for the project. Carryover of a project budget shall not increase or decrease the total approved budget for a project. The budget of an approved capital project shall be managed at both the total project budget level (regardless of fiscal year) and also the approved fiscal year appropriation. Finance and Budget Department staff may adjust carryover appropriation for a capital project if the adjustment does not increase or decrease the total project budget.

Changes to capital projects within the approved CIP in terms of material individual capital project changes in scope and, proposed transfers of funds between approved capital projects greater than \$50,000 require City Council review and authorization. Mid-year capital project additions to the approved CIP will be kept to a minimum to minimize the impact on future budgets and require City Council review and authorization. The council report must indicate the reason for the mid-year change, the impact on the overall CIP including future capital projects, and why the change needs to occur mid-year and cannot wait for the annual budget process.

Transfers of available appropriation in the CIP of under \$50,000 within capital projects of the same department and fund may be approved by the City Manager or designee. Such amendments will be communicated to the Council as needed.

The performance and continued use of capital infrastructure is essential to delivering public services. Deferring essential maintenance and/or asset replacement can negatively

impact service delivery and increase long term costs. As such, the city will periodically assess the condition of assets and infrastructure and appropriately plan for required major maintenance and replacement needs. Efforts will be made to allocate sufficient funds in the CIP and operating budgets for condition assessment, preventative and major maintenance, and repair and replacement of critical infrastructure assets.

The city will record the acquisition and disposition of capital assets in a timely manner and in accordance with accepted accounting practices and will maintain appropriate control over their location and condition. Finance and Budget Department staff will establish a system of controls that ensures departments maintain stewardship and control of their non-capital assets.

Debt Management

The city will prudently utilize debt to fund long-term objectives without over-committing the city's current or future resources.

Long-term debt shall not be issued to finance ongoing operations. Short-term borrowing or lease purchase contracts should only be considered for financing major operating capital equipment when it is determined to be in the city's best financial interest as determined by the Finance and Budget Department Director or their designee.

The city's capacity to issue new General Obligation (G.O.) debt will be projected annually with the budget process. General obligation debt will not be issued if the secondary property tax rate when combined with the primary rate will exceed \$2.00 per hundred dollars of assessed valuation.

Bonds which pledge excise taxes will be issued only when actual annual excise tax collections are at least three (3) times the maximum annual debt service.

Unfunded pension liabilities, or pension debt, are often a significant portion of a city's debt. Consequently, the city shall maintain and comply with a written pension funding policy for its Public Safety Personnel Retirement System plan that has been approved by the City Council. The city will ensure that the plan has sufficient assets to meet actuarial requirements. In funding the plan, the city will balance member pension benefits and taxpayer funds in an equitable manner.

Accounting, Auditing & Reporting

The city will conform to general accepted accounting principles (GAAP) adopted by the Governmental Accounting Standards Board (GASB) and will remain abreast of current policies and changes in approaches. Staff will apply best practices and authoritative standards for local governments to ensure ease of understanding and financial transparency.

The city will prepare and publish an Annual Comprehensive Financial Report to provide accurate and meaningful information on the city's financial condition as prescribed by the Government Finance Officers Association (GFOA).

Management will ensure appropriate internal controls are in place across the city to ensure funds are safeguarded and utilized according to stated objectives and governing policies. Finance and Budget Department staff may develop guidance or policies to assist departments with proper internal control protocols and procedures.

All city bank accounts shall be reconciled and reviewed on a monthly basis and no later than 45 days after the end of the calendar month.

Bond funds will be managed to facilitate arbitrage and accounting requirements.

Enterprise and Internal Service Funds

The city's enterprise funds are established to provide services to the community and are to be self-supporting from the revenues generated by their user charges and fees. These funds will pay an appropriate amount of overhead costs for services received from central service departments. Revenues from ratepayers will not be used to subsidize the operations of non-enterprise functions.

The water and sewer operating funds will maintain an operating reserve as assigned fund balance equal to six (6) months of the previous year's adopted budgeted expenditures that includes debt service payments but excludes depreciation expense, capital expenditures, and contingency appropriation. The solid waste fund and any additional enterprise funds the city may add in the future will maintain an operating reserve as assigned fund balance equal to four (4) months of the previous year's adopted budgeted expenditures plus the amount required to meet the annual debt service requirements, but excludes depreciation expense, capital expenditures, and contingency appropriation.

Enterprise funds may have separate administrative funds for the separate tracking of capital development and equipment replacement. The water, sewer, and solid waste development and equipment replacement funds are not considered part of the operating funds for the reserve calculations, but the funds may reserve separate amounts for capital replacements in accordance with any bond covenant requirements.

The water, sewer, and solid waste funds will maintain operating debt coverage ratios that are at least 1.5 times the fund's maximum annual debt service requirement over a prospective five-year period. The operating debt coverage ratio represents the utilities' revenues less operating and maintenance expense (without debt service) compared to annual debt service obligations.

User rates and fees for enterprise operations will be reviewed and recommendations on user rates and fees will be presented to City Council for adoption periodically to ensure they recover the costs of operations, capital investments, debt obligations, and required reserve requirements to ensure stability and financial sustainability. The city will endeavor to set charges that are competitive, as affordable as possible, and recognize customer value. Enterprise funds will pay appropriate internal service costs for central city functions using the same allocation methodology as other city funds. These will be separate from any assessments to the city's water and sewer utilities for payments-in-lieu-of-property tax (PILOT) and franchise fee-in-lieu interfund transfers.

Internal service funds may be established for activities that provide goods and services to other areas of the city on a cost-reimbursement basis. Internal service funds will also be used in areas the city finds it advantageous to be self-insured.

Internal service funds should operate on a cost-recovery basis. User fees will be established and updated annually to ensure the full cost of providing services, including the cost of capital assets (depreciation, related debt services or estimated replacement cost) will be recovered. Surplus or deficit fund balances in these funds will be monitored to ensure they are compatible with the cost-reimbursement character of the fund type.

Fund Balance and Reserves Policy

The following table details the historical reserve fund balance policies for the General Fund and Enterprise Funds. The General Fund total reserve fund balance is 35%, divided into two tiers detailed below. Each tier has its unique policies.

Fund	FY2022		FY2021		FY2020
	General Fund				
General Fund Reserve Total	35% budgeted expenditures of prior fiscal year	35% budgeted expenditures of prior fiscal year	35% budgeted expenditures of prior fiscal year	35% budgeted expenditures and transfers out of prior fiscal year	
Tier 1: Emergency Reserve		25%	25%	N/A	
Tier 2: Rainy Day Reserve		10%	10%	N/A	
	Enterprise Funds				
Water and Sewer Operating Reserve Funds	6 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency	6 months operating expenditures including debt service but excluding depreciation	6 months operating expenditures including debt service but excluding depreciation	9 months operating expenditures + 5% asset value excluding accumulated depreciation	
Solid Waste Reserve Funds	4 months of prior year budget expenses, including debt service but excluding depreciation, capital, and contingency	4 months operating expenditures + annual debt service	4 months operating expenditures + annual debt service	4 months operating expenditures + annual debt service	

Accounting Principles and Budget

Annually, the City of Avondale Finance and Budget Department publishes a financial document related to the city budget called an Annual Comprehensive Financial Report (ACFR). It provides a fair representation of the status of the City's financial position, changes in financial position, and changes in cash flow, as applicable, of the city's governmental funds, proprietary funds and fiduciary funds in accordance with U.S. "generally accepted accounting principles" (GAAP) adopted by the Governmental Accounting Standards Board (GASB). The GASB is the recognized standard-setting body for establishing governmental accounting and reporting principles.

In accordance with GASB, the governmental fund types (General, Special Revenue, Debt Service, and Capital Project Funds) are prepared on a modified accrual basis and focus on near-term liquidity. In these funds, expenditures are recorded when the related fund liability is incurred, and revenues are recognized only when they are measurable and available. The proprietary fund types (Internal Service and Enterprise Funds) are prepared on a full accrual basis of accounting and have an economic resources measurement focus. In these funds, expenses are recognized when they are incurred and revenues are recognized when they are earned by the City (e.g., water user fees are recognized as revenue when service is provided). The ACFR includes a budgetary comparison for all major governmental funds.

The City of Avondale uses a fund-based budget, meaning that the accounts of the city are organized on the basis of funds. Each fund is considered a separate entity accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues and expenditures/expenses. Funds are segregated for the purpose of carrying specific activities or attaining certain objectives in accordance to special regulations, restrictions, or limitations. For all funds, the budget, or appropriations, lapse on June 30th. Any unspent appropriations required in the subsequent fiscal year are estimated and re-appropriated as carryover budgets in each respective fund.

In most cases, the city conforms to GASB principles when preparing its budget. Exceptions are made where it would be impractical or inappropriate to budget using accounting requirements. Some of the more significant differences follow:

- Compensated absence liabilities (e.g., sick and vacation leave) are recorded as expenses within the Enterprise Funds when earned by employees (GAAP) as opposed to being expensed when paid (Budget).
- Claims incurred but not reported (IBNR) expense is recorded for GAAP basis but excluded on a budget basis.
- Capital outlays within the Enterprise Funds are recorded as assets on a GAAP basis and expenses on a budget basis.
- Principal payments on debt obligations of the Enterprise funds are recorded as a reduction of liability on a GAAP basis and expensed on a budget basis.
- Depreciation expense is recorded on a GAAP basis only.

Investment Policy

I. Introduction

The city receives significant revenue over the course of a year, and it is important that cash balances are prudently invested so that they not only provide an adequate return to the city, but invested monies are returned intact without any loss in principal balance. This investment policy is established to ensure the safety of city monies while at the same time providing the required liquidity to operate city programs.

II. Scope And Intent

A. This policy is designed to apply to the investment program of the city.

B. The city will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs and administration costs. Cash in certain restricted and/or trust funds with investment restrictions may be kept separate.

- C. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- D. The city operates under Arizona Revised Statute (A.R.S.) Title 35, Chapter 2, Article 2.1 entitled Money Management, and other investment guidelines mandated by statute. Investments that need to restrict yield for purposes of the Internal Revenue Service's Arbitrage Bond Regulations (Treasury Regulation Section 1.148-1 et seq.) will be deposited into a separate account and invested in a manner that meets arbitrage guidelines permitted by the IRS.

III. Objectives

A. The primary objectives, in order of priority, of the city's investment activities are:

1. **Safety.** Safety of principal is the foremost objective of the investment program. The city will seek to ensure preservation of principal in the overall portfolio. The objective will be to prudently mitigate credit risk and interest rate risk. It is understood by the city that no investment is completely free of risk.
2. **Liquidity.** The investment pools and funds will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. This is to be accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash flow needs. The portfolio should consist of securities for which there exist active secondary markets.
3. **Return on Investment.** The investment pools and funds shall be managed with the objective of attaining a competitive rate of return given the constraints of the safety and liquidity objectives. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. Standards of Care

A. Prudence

The standard of prudence to be used by investment officials shall be the "uniform prudent investor act" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

B. Ethics and Conflict of Interest

Officers and employees of the City involved in the investment process shall adhere to the conflict-of-interest laws as set forth in A.R.S. §38-501 through 38-511. They shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

C. Delegation of Authority

Authority to manage internally or to delegate the management of the investment program of the City to an external SEC-registered investment advisor(s) is granted to the City Manager, Assistant City Manager, and Finance & Budget Director. If authority to manage all or a part of the investment program of the City is delegated to an external advisor(s):

1. The advisor(s) shall comply with this Policy and other written instructions provided by the Finance & Budget Director.
2. The Finance & Budget Director will be responsible for:
 - a. Periodic investment portfolio reporting;
 - b. Evaluating the performance of the externally managed portfolio;
 - c. Monitoring manager compliance with the investment policy;
 - d. Conveying the investment needs of the city to the external manager/Investment Advisor(s);
 - e. Developing investment strategy with the external manager/Investment Advisor(s).

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

- A. A list will be maintained of financial institutions and depositories authorized to provide investment services.
- B. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:
 1. Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
 2. Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties).
 3. Proof of state registration.
 4. Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties).
 5. Certification of having read and understood and agreeing to comply with the City's investment policy.
 6. Evidence of adequate insurance coverage.
- C. An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance & Budget Department.
- D. If the city chooses to retain an investment advisor, then their approved Broker/Dealer list may be used in lieu of the requirements listed above.

VI. Safekeeping and Custody

A. Delivery vs. Payment

1. All security transactions entered into by the City shall be conducted on a delivery

versus payment basis.

2. Securities shall be held by a custodian designated by the City and evidenced by custodial reports.

B. Safekeeping

1. Securities will be held by an independent third-party custodian selected by the entity as with all securities held in the City's name.
2. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

C. Internal Controls

1. The City shall establish written internal controls to regulate the activities of investment personnel, which shall include:
 - a. **Control of Collusion:** Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
 - b. **Segregation of duties:** By separating the person who authorizes or performs the transaction, a good separation of duties is achieved.
 - c. **Custodial Safekeeping:** Securities purchased from any bank or dealer, including appropriate collateral, shall be placed into an independent third-party institution for custodial safekeeping.
 - d. **Avoidance of physical delivery securities:** Book entry securities are much easier to transfer and account for since actual delivery is never taken. Physical delivery securities must be properly safeguarded as are any valuable documents. The potential of fraud and loss increases with physical delivery securities. Bearer-form securities are much easier to convert to personal use than securities that are registered in the name of the government.
 - e. **Clear delegation of authority to subordinate staff members:** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.
 - f. **Written Confirmation of all transactions (transfer, fax, internet) for investments and wire transfers:** Due to potential for errors and improprieties arising from telephone/electronic transactions, these shall be documented in writing and approved by the appropriate person.
 - g. **Development of an electronic funds transfer agreement with banks:** This agreement should outline the various controls and security provisions for making and receiving electronic funds transfers.
 - 1) Authorization representing the government shall be in compliance with the policy for all transfers.
 - 2) Financial institutions will have written instructions regarding government authorizations for wire transfers, restrictions on accounts where funds can be wired, and other procedures that will mitigate unauthorized movement of funds (e.g., call-back to independent person, written confirmation, etc.)

2. **Insurance may be secured at appropriate levels to bond employees charged with investment and cash handling responsibilities.**

VII. Permitted Investments

- A. Consistent with the City's investment policy objectives and A.R.S. §35-323A, the following investments will be permitted by this policy:
 1. Certificates of deposit in eligible depositories-50% sector limit, must be insured or fully collateralized.
 2. Negotiable or brokered certificates of deposit issued by a nationally or state-chartered bank or savings and loan association; that are rated "A" (long-term) or A-1 (short-term) or the equivalent or better by a NRSRO-50% sector limit, 5% issuer limit.
 3. Commercial paper, of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States-50% sector limit, 5% issuer limit.
 4. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry. Deposits in excess of the insured amount are secured by collateral as outlined in A.R.S. §35-323.
 5. The pooled investment funds established by the state treasurer pursuant to A.R.S. §35-326.
 6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
 7. Bonds or other evidence of indebtedness of this state or any of its counties, incorporated cities or school districts-40% sector limit, 5% issuer limit.
 8. Bonds, notes or evidence of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district-40% sector limit, 5% issuer limit. An investment shall not be made if:
 - a. The face value of all such obligations, and similar obligations outstanding, exceeds fifty percent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.
 - b. A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.
 9. Bonds, debentures, notes or other evidence of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the

time of purchase, from at least two nationally recognized rating agencies-50% sector limit, 5% issuer limit.

10. Repurchase agreements with a maximum maturity of one hundred eighty days-40% sector limit, 20% issuer limit.
- B. Unless part of the above lists of permitted investments, all other investments instruments are hereby prohibited from consideration.
- C. The City shall invest trust and restricted funds in accordance with A.R.S. §35-324, A.R.S. §35-328 and the terms of the trust or controlling documents, if any.

Table of Permitted Investments

Item	Investment Type	Sector Limit	Issuer Limit
1	Certificates of Deposit (CDs)	50%	
2	Negotiable/Brokered CDs	50%	5%
3	Commercial Paper	50%	5%
4	Cash Funds/Money Market Accounts	100%	
5	Local Government Investment Pool (LGIP)	100%	
6	U.S. Treasury, U.S. Gov. Agency Obligations/Instrumentalities	100%	
7-8	State or Local Government Agency Obligations	40%	5%
9	Corporate Notes, Asset-backed securities	50%	5%
10	Repurchase Agreements	40%	20%

VIII. Investment Diversification & Constraints

- A. Following the primary objective of preservation of capital, investments shall be actively managed to take advantage of market opportunities. In so doing, negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purposes, to enhance portfolio returns, or to restructure maturities to increase yield and/or reduce risk.
- B. The city recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Finance & Budget Director will display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. In the event of a default by a specific issuer, the Finance & Budget Director shall review, and if appropriate, proceed to liquidate securities having comparable risks.
- C. The Finance & Budget Director shall periodically adjust guidelines and strategies to control risks of default, market price changes and illiquidity.
 1. Portfolio Diversification
 - a. It is the policy of the City to diversify its investment portfolio.
 - b. Investment funds shall be diversified to minimize the risk of loss resulting

from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

- c. Diversification strategies shall be periodically reviewed by the Investment Advisory Committee.

2. Maximum Maturities

- a. The city, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase or in accordance with governing legislation.
- b. Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.
- c. Maturity decisions will be made based on a variety of factors, including the following:
 - 1) Internal factors, such as cash flow projections, debt service, potential CIP outlays, etc.
 - 2) The yield curve at various maturity sectors of the market.
 - 3) Federal Reserve Bank policy and the financing plans of the U.S. Treasury and Agencies.

3. Competitive Bidding

- a. Competitive bidding strengthens the investment program in terms of level and consistency of performance. In general, all purchases of investments will be bid competitively and to the extent practical, all purchases will be awarded to vendors yielding the highest returns to the City. The City reserves the right to reject the bid yielding the highest return if the transaction is deemed to be inconsistent with City policy, i.e., maturity, risk, liquidity, etc.
- b. For every investment transaction the City shall conduct a competitive "bid" process, securing quotes from at least three (3) qualified broker/dealer institutions. If the City utilizes an outside investment advisor, the advisor shall follow the same process of securing a minimum of three (3) bids from their list of approved broker/dealers.

IX. Performance Evaluation and Reporting

- A. Evaluation and monitoring of investment performance are the responsibility of the Finance & Budget Director.

- 1. The following report related to liquidity investments such as LGIP, overnight balances, money market funds, and short-term certificates of deposit will be provided to the Finance & Budget Director on a monthly basis.
 - a. Balance and yield information.
- 2. The following reports related to third party managed investment securities will be provided to the Finance & Budget Director.
 - a. Monthly

- 1) Month end Investment Summary. The month-end investments are summarized by type of investment. The report summarizes original cost and market values of investments in the pools and funds.
 - 2) Earned investment yield for period, year-to-date, and comparison to prior year.
 - 3) Interest distributed for period.
- b. Quarterly
- 1) Monthly average rate of return on the portfolio.
 - 2) Average days to maturity.
 - 3) Monthly portfolio composition.
3. At a minimum, a report shall be presented annually to the City Manager and Council to update administration on securities held, maturities, investment returns, unrealized gains (losses), and comparisons to established benchmarks, market conditions, prevailing investment strategy, and adherence to the investment policy.
- a. Securities will be reported on a mark to market basis as defined by the Governmental Accounting Standards Board (GASB).
- B. Custodian Reconciliation
1. The report of investment holdings shall be reconciled to the City's custodian bank within thirty (30) days of the close of each month and any discrepancies shall be reported to the Finance & Budget Director.

Changes to Financial Policies

The city's Comprehensive Financial Policies are reviewed annually, and the entire policy document, with any recommended changes, is generally adopted by City Council at the same time as the annual budget. In June 2020, the city's Comprehensive Financial Policies were overhauled. In June 2021, minor changes were made. The table below details the notable changes in the past three years.

Date of Update	Notable Changes
June 5, 2023	•Added the Investment Policy. This policy was previously approved by council separately. •Reduced the limit for credit/debit card payments accepted for payment of fees and charges from \$25,000 to \$15,000. •Licensed professionals are to be used to assess development impact fees •Defines fund and allows for administrative funds to be used to track specific revenues and expenditures •Defines FTE and pooled positions •Defines capital projects •Delegates carryforward adjustments for capital projects to the Finance & Budget Department
June 6, 2022	•Added limits for credit card payments accepted for payment of fees and charges. •Added the Public Safety Department to the list of departments allowed to request the hiring of unbudgeted critical public safety positions •Clarified that part time FTE positions represent 2080 compensated hours during the fiscal year •Clarified that the assigned reserve balance is equal six or four months of operating expenditures •Updated technical accounting language to reflect current GFOA Blue Book guidance. •Updated the name of the annual financial report from Comprehensive Annual Financial Report to Annual Comprehensive Financial Report
June 7, 2021	•Added clarification on hiring of unbudgeted critical public safety positions •Removed reference to Capital Improvement Plan Citizen Committee
June 15, 2020	•New Comprehensive Financial Policies Adopted •Added General Fund Tier 1 and Tier 2 fund balance reserve designations

	○ Tier 1: 25% emergency reserve ○ Tier 2: 10% rainy day reserve ● Water and Sewer fund balance requirements amended ○ Reduced from 9 months operating expenditures plus 5% asset value excluding accumulated depreciation to 6 months operating expenditures including debt service but excluding depreciation
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CITY COUNCIL REPORT

SUBJECT: Resolution 1029-0623 - Fiscal Year 2024 Proposed Fee Changes

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance & Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

The proposed fees and charges are related to the following Avondale Strategic Outcome Area:

- **Innovative Program and Service Delivery** - The proposed fees allow for the city to recover a portion of its costs for certain services, ensuring the city has the resources to innovate and provide high quality service to residents, businesses, and visitors.
-

PURPOSE:

City Council will consider a request to adopt Resolution 1029-0623, approving the Fiscal Year 2024 proposed fee changes and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

Staff reviewed the city's current fee schedule and proposes changes to update fee amounts to reflect the cost of providing services, remove obsolete fees, add new fees for new services, and clarify certain existing fees.

As required by A.R.S. §9-499.15, written notice of the proposed fee changes and a written report that supports the new or increased fees was posted on the city's website for at least sixty days before Council action. Each report included the date, time and place of the meeting in which the Council will take action of the proposed fees, and the information was posted on the City's website and social media accounts at least fifteen days before Council action.

DISCUSSION:

Planning:

- **Planning Revision Fee - \$50.00:** Staff receives resubmittal documents from applicants who have an approved plan/permit then decide to make a change. There is no fee in place for Planning staff to accept a revision and charge a fee for the time incurred to accept, check for completeness, research, compare and analyze the changes from the approved plan/permit, prepare correspondence with review comments and/or discuss with applicant, and complete an approval process. The Building Division has a "revision fee" at \$50.00 each that would be appropriate for the Planning Division too. A revision review is estimated to take on average 1 hour.

- **Limited Design Review - \$250.00:** Due to the increasing number of applications being submitted and routed to the Planning Division, which includes building and engineering applications and planning reviews, the planners also need to allocate time for applicants requesting revisions and for project site inspections. The proposed fee will be structured like the existing fee in the Building Division to compensate for the time incurred by staff for design review.
- **Planning Site Inspection Fee - \$100.00:** Due to the increasing number of applications being submitted and routed to the Planning Division, which includes building and engineering applications and planning reviews, the planners also need to allocate time for applicants requesting revisions and for project site inspections. The proposed fee will be structured like the existing fee in the Building Division to compensate for the time incurred by staff for inspections.
- **Site Plan and Design Review Revision Fee or Extension - \$50.00:** Due to the increasing number of applications being submitted and routed to the Planning Division, which includes building and engineering applications and planning reviews, the planners also need to allocate time for applicants requesting revisions and for project site inspections. The proposed fee will be structured like the existing fee in the Building Division to compensate for the time incurred by staff for inspections.
- **Site Plan and Design Review Application:** Technical name change from "Site Plan/Design Review" to "Site Plan and Design Review Application"
- **Building Design Review Application:** Technical name change from "Design Review Application" to "Building Design Review Application"
- **Landscape Inspection Fee:** Building Division does not perform this service. Fee will be removed from schedule.
- **Erosion Control Plan:** Technical name change from "Water Pollution Control Drawings" (WPCD) to "Erosion Control Plan"

Finance and Budget

- **Special Events Business License:** This fee was recommended to be removed during the business license simplification process.
- **Business License Renewal Late Payment Fee - \$20.00:** The code was updated to allow a renewal late payment fee.
- **Business License Transfer Fee - \$20.00:** The code was updated to remove the amount of the transfer fee from City Code. The increase will cover the staff time cost of processing the transfer.
- **Citywide third-party Collection Agency Fee - Pass through cost:** The city contracts with a third-party collection agency to collect on past due accounts, such as utility bills. This will allow the city to pass the entire collection agency fee on to the customer, up to 40% of the past due amount.
- **Short-term Rental License - \$25.00:** The State Legislature passed legislation permitting municipalities to adopt a policy and fee for short-term rental licensing. The original cannot be more than \$250 annually per state statute. This fee is needed to ensure contact information for the property owner is readily available to public safety officials.
- **Short-term Rental License Renewal - \$20.00:** The State Legislature passed legislation permitting municipalities to adopt a policy and fee for short-term rental licensing. The renewal fee cannot be more than \$250 annually per state statute. This fee is needed to ensure ongoing accuracy of contact information for the property owner is readily available to public safety officials.

Library:

- Remove fines for overdue items
- Remove fee for missing RFID tag

Parks and Recreation

- Create expedited special event application fee
- Adjust ranges of certain fees to better reflect actual cost of service

- Update all other staff support fee name to provide flexibility in staff coverage

BUDGET IMPACT:

Planning fees: estimated new annual revenue of \$1,800

Finance and budget fees: minimal budgetary impact expected

Library: estimated revenue reduction of \$5,000 annually

Parks and Recreation: estimated new annual revenue of \$5,000

RECOMMENDATION:

Staff recommends the Mayor and Council adopt a resolution adopting the summary of proposed fee changes. All fees and charges for services included in the current fee schedule previously adopted and not amended or increased by this Resolution shall remain in effect.

Contact person for document distribution: Aaron White



Notice of Proposed Increase in Fees – Pursuant to ARS 9-499.15, public notice is hereby given that at a meeting on June 5, 2023, at 6:00 p.m., the Avondale City Council will consider a resolution adopting fees related to Planning and Engineering, Parks and Recreation, Libraries, and Finance. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.

FY2024 FEE SCHEDULE CHANGE PROPOSALS

City of Avondale, Arizona

FY2024 City of Avondale Fee Change Proposal

Department Name	Development Services
Division Name	Planning
Background	The Planning Division performs certain customer-related tasks for which the Planning Division does not have a fee in place to recover city costs, such as inspections, revisions, and reviews. Staff recommends adopting a fee for these services to ensure the city is compensated for rendered services.
Justification	Planning Revision Fee: Staff receives resubmittal documents from applicants who have an approved plan/permit then decide to make a change. There is no fee in place for Planning staff to accept a revision and charge a fee for the time incurred to accept, check for completeness, research, compare and analyze the changes from the approved plan/permit, prepare correspondence with review comments and/or discuss with applicant, and complete an approval process. The Building Division has a “revision fee” at \$50.00 each that would be appropriate for the Planning Division too. A revision review is estimated to take on average 1 hour. Limited Design Review: Due to the increasing number of applications being submitted and routed to the Planning Division, which includes building and engineering applications and planning reviews, the planners also need to allocate time for applicants requesting revisions and for project site inspections. The proposed fee will be structured like the existing fee in the Building Division to compensate for the time incurred by staff for design review. Planning Site Inspection Fee: Due to the increasing number of applications being submitted and routed to the Planning Division, which includes building and engineering applications and planning reviews, the planners also need to allocate time for applicants requesting revisions and for project site inspections. The proposed fee will be structured like the existing fee in the Building Division to compensate for the time incurred by staff for inspections. Site Plan and Design Review Revision Fee or Extension: Due to the increasing number of applications being submitted and routed to the Planning Division, which includes building and engineering applications and planning reviews, the planners also need to allocate time for applicants requesting revisions and for project site inspections. The proposed fee will be structured like the existing fee in the Building Division to compensate for the time incurred by staff for inspections. Site Plan and Design Review Application: Technical name change from “Site Plan/Design Review” to “Site Plan and Design Review Application” Building Design Review Application: Technical name change from “Design Review Application” to “Building Design Review Application”

	Landscape Inspection Fee: Building Division does not perform this service. Fee will be removed from schedule. Erosion Control Plan: Technical name change from “Water Pollution Control Drawings” (WPCD) to “Erosion Control Plan” (ECP).
Methodology	Limited Design Review: Fee of \$250 is the same cost as the Design Review application; the two provide a similar level of completeness review. Planning Revision Fee: Proposed fees are equal to the similarly adopted Building Division fees. Planning Division staff members are of a similar pay grade and require approximately the same time and resources to perform the inspection as Building Division staff. Site Inspection Fee: Proposed fees are equal to the similarly adopted Building Division fees. Planning Division staff members are of a similar pay grade and require approximately the same time and resources to perform the inspection as Building Division staff. Site Plan and Design Review Revision Fee or Extension: Proposed fees are equal to the similarly adopted Building Division fees. Planning Division staff members are of a similar pay grade and require approximately the same time and resources to perform the inspection as Building Division staff. Fee Comparison: New fees are in line with comparable cities and fees charged.
Alternatives	Continue to not charge a fee for the staff’s work incurred with revision requests and project site inspections. This would result in unrecovered costs to the city for these services.
Fiscal Impact	Estimated revenue of \$1,800 based on two dozen revisions and a dozen project site inspections annually.

Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Planning Revision Fee	N/A	N/A	\$50.00	Each	Same cost as Building Revision Fee
Limited Design Review	N/A	N/A	\$250.00	Each	Adequately compensates for staff time
Planning Site Inspection Fee	N/A	N/A	\$100.00	Per inspection	Same cost as Building Inspection Fee
Site Plan and Design Review Revision	N/A	50% of current fee	\$50.00	Each	Matches Building Division Revision Fee.

Fee or Extension					Name change.
Site Plan and Design Review Application Site Plan/Design Review	\$2,375.00	Each	Name change	Name change	N/A
Building Design Review Application Design Review Application	\$250.00	Each	Name change	Name change	N/A
Landscape Inspection Fee	\$100.00	Each	Remove fee	Remove fee	Building Division does not inspect landscape
Erosion Control Plan Water Pollution Control Drawings (WPCD)	\$375.00	Flat fee	Name change	Name change	Name change for clarification

FY2024 City of Avondale Fee Change Proposal

Department Name	Finance and Budget
Division Name	Revenue Division
Background	Business License changes: The City of Avondale charges an annual business license fee. Staff completed a comprehensive business license revamp to simplify and to accurately capture all fees related to current and new business licenses operations. This proposal recommends changes in the fee schedule in harmony with the update to the business license program adopted by City Council on October 17, 2022, including the removal of special event business licenses, the addition of a business license renewal late payment fee, and an increase to the business license transfer fee. Citywide Third-party Collection Agency Fee: The city contracts with a third-party collection agency to collect on past due accounts, such as utility bills. Short-term Rental License and Renewal: The State Legislature passed legislation permitting municipalities to adopt a policy and fee for short-term rental licensing. The original and renewal license fee cannot be more than \$250 annually per state statute. This fee is needed to ensure contact information for the property owner is readily available to public safety officials.

Justification	Special Events Business License: This fee was recommended to be removed during the business license simplification process. Business License Renewal Late Payment Fee: The code was updated to allow a renewal late payment fee. Business License Transfer Fee: The code was updated to remove the amount of the transfer fee from City Code. The increase will cover the staff time cost of processing the transfer. Citywide third-party Collection Agency Fee: The city contracts with a third-party collection agency to collect on past due accounts, such as utility bills. This will allow the city to pass the entire collection agency fee on to the customer, up to 40% of the past due amount. Short-term Rental License: The State Legislature passed legislation permitting municipalities to adopt a policy and fee for short-term rental licensing. The original cannot be more than \$250 annually per state statute. This fee is needed to ensure contact information for the property owner is readily available to public safety officials. Short-term Rental License Renewal: The State Legislature passed legislation permitting municipalities to adopt a policy and fee for short-term rental licensing. The renewal fee cannot be more than \$250 annually per state statute. This fee is needed to ensure ongoing accuracy of contact information for the property owner is readily available to public safety officials.
Methodology	Special Events Business License: This fee was recommended for removal during the license simplification process. Business License Renewal Late Payment Fee: The code was updated to allow a renewal late payment fee. Business License Transfer Fee: The code was updated to remove the amount of the transfer fee from City Code. The increase will cover the staff time cost of processing the transfer. Citywide third-party Collection Agency Fee: The city contracts with a third-party collection agency to collect on past due accounts, such as utility bills. This will allow the city to pass the entire collection agency fee on to the customer, up to 40% of the past due amount. Short-term Rental License: This proposal will cover the staff time cost of processing the license. The statutory limit is \$250. Short-term Rental License Renewal: This proposal will cover the staff time cost of processing the license. The statutory limit is \$250.
Alternatives	Do not update proposed changes and City of Avondale absorbs the compliance costs.
Fiscal Impact	Minimal. The city does not anticipate many transfers and since the city is reducing the number of licenses required and the number of late fees is not expected to be significant. The city does not know the total number of short-term rentals.

Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Special Events Business License	\$15.00	Per day	Remove	Remove	No longer applicable as business license is not required.
Business License Renewal Late Payment Fee	N/A	N/A	\$20.00	Per renewal	The code was updated to allow a renewal late payment fee. The new fee will cover the staff time cost of processing the transfer.
Business License Transfer Fee	\$10.00	Per license transfer	\$20.00	Per license transfer	The code was updated to remove the amount of the transfer fee from City Code. The increase will cover the staff time cost of processing the transfer.
Citywide Third-Party Collection Agency Fee	N/A	N/A	Pass through cost to customer	% Charged by third-party agency (up to 40% of past due amount)	To establish a citywide collection method and passing to collection cost to the debtor. Assuring revenue owed to the city is received.
Short-term rental license	N/A	N/A	\$50.00	Per license	Recuperates staff time and resources and remains below the statutory limit of \$250
Short-term rental license renewal	N/A	N/A	\$25.00	Per renewal	Recuperates staff time and resources and remains below the statutory limit of \$250

FY2024 City of Avondale Fee Change Proposal

Department Name	Neighborhood & Family Services
Division Name	Library
Background	Public libraries have traditionally collected fines for library items that are returned after the due date and have charged replacement fees for items that have been lost or damaged. Library fines were previously considered a deterrent to late return of items. However, fines can also be a significant barrier which prevents users from accessing the resources of a public library and does not necessarily act as the intended deterrent. In addition, the American Library Association passed a resolution in January of 2019 in which it recognized fines as “a form of social inequity” and called on libraries nationwide to find a way to eliminate their fines.
Justification	For many families in Avondale, library fines are a barrier to access. Currently, 3,514 community members, roughly 10% of our active cardholders, are barred from Avondale Public Library resources due to having fines equaling \$10.00 or more on their account. Imposing fines commonly creates barriers for youth or may cause patron guilt, making library use less likely. As libraries move to a fine free movement nationwide, many in Maricopa County have already eliminated fines resulting in Avondale Public Library being one of the few continuing to enforce fines. Therefore, updating Avondale Public Library’s fee schedule to remove punitive overdue fines will increase access to library patrons.
Methodology	While traditional fines will not accrue, a replacement cost will be charged if an item is not returned within a reasonable time. For materials that are 30 days past due the patron’s account will automatically incur the full replacement cost of the item. A patron’s card will also be blocked when their account has accumulated fees of \$50.00. Anything over \$50 will be referred to collections after 60 days delinquency. Fees related to lost or destroyed items and collection agency fee are on current fee schedule. If an item is late due to being lost or damaged, patrons should notify Avondale Public Library. Staff will work with patrons to extend due dates (when possible and within reason) for missing items. A patron may also provide a new exact replacement copy if an item is three years-old or newer. Items four years-old and older may be replaced with items on the Library’s Wish List in the same category as the lost item or damaged item. A librarian may use their discretion in determining what is and is not an acceptable replacement.
Alternatives	Continue to enforce late fees
Fiscal Impact	Money collected from fines has gone down steadily for the last five (5) years, resulting in overdue fines not being a sustainable or

	dependable form of revenue. Over the past five years, Avondale Public Library has collected a total of \$5,000 a year in overdue fines.
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Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Missing RFID Tag	\$1.00	Per item	Remove fee	N/A	N/A
Overdue Fines – Books & Audio Books	\$0.20	Per day	Remove fee	N/A	N/A
Overdue Fines – Beyond Books Collections	\$1.00	Per day	Remove fee	N/A	N/A
Library Card Replacement	\$1.00	Per card	Remove fee	N/A	N/A
Overdue Fines - DVDs	\$0.20	Per day	Remove fee	N/A	N/A
Overdue Fines – Interlibrary Loans	\$1.00	Per day	Remove fee	N/A	N/A

FY2024 City of Avondale Fee Change Proposal

Department Name	Parks and Recreation
Division Name	Recreation
Background	Parks and Recreation collects revenue for a variety of functions. This list includes park vendor permits, special event application fees, burial application fees, field allocation application fees, etc. As Parks and Recreation continues to grow, the department is processing more applications for these services and is dedicating more administrative time to process them in a timely manner. This is increasing direct and indirect costs to render these services.
Justification	As Parks and Recreation opens new facilities and as the city experiences new growth, demand for additional services has increased and the ability to render existing services in a timely manner has become an increasing challenge. Modifying existing administrative fees will more accurately capture cost recovery goals for the department and adding new administrative fees that are based around higher quality and faster service will allow the department to provide more timely deliverables to patrons looking for a high-level customer service experience and quick turnaround times.
Methodology	Expanding fee ranges for special event permits, events staff, participation fees, special event vendor permit fees and fees related to the Goodyear Farms Cemetery will allow Parks and Recreation to more closely capture revenue needed to align with the department's cost recovery goals for each service and allow the department to keep up with inflationary costs related to the services. The ranges will also allow the department to create new fees such as an expedited special event permit or a premier park vendor permit which will improve customer service levels patrons are looking for.
Alternatives	Current fees can continue to be rendered and the department can continue offering the same services. Costs increases to existing services are expected to take place and with current fee levels, services will likely be operating at a lower cost recovery rate than department goals, resulting in a net cost to the city of \$5,000-\$10,000 annually.
Fiscal Impact	Revenue collected from these proposed fee modifications will increase department revenue anywhere from \$5,000-\$10,000 annually. Additional revenue collected is meant to offset cost increases to render services.

Fee Change Proposal:

Fee Name	Current Fee	Current Measurement	Proposed Fee	Proposed Measurement	Notes / Methodology
Approved Park Vendor Permit	\$100.00-\$300.00	Per 6 months	\$100-\$400.00	Per 6 months	Will allow department to create new class of vendor permit that gives customers increased access to parks.
Park Use – Alcohol Permit	\$25.00	Per reservation / per date	\$25.00	Per date	Clarification of operations. Parks and Recreation SOP is one permit per date, multiple permits are not needed for more multiple reservations
Expedited Special Event Application Fee	N/A	N/A	\$50.00	Per event	Gives staff ability to rush a special event application at appropriate cost recovery level.
Approved Special Event Park Permit	\$100.00-\$20,000.00	Per application	\$10.00-\$20,000.00	Per application	Lowering minimum fee for an approved special event park permit to reflect standard operating procedures which allow for permits as low as \$10.00.
Tournaments/ Event Staff	\$30.00	Per hour/ per staff	\$30.00-\$60.00	Per hour/ per staff	Giving ability to capture additional costs that

					exceed current hourly rates.
Participation Fees (programs, camps, events, trips)	\$0.00-\$525.00	Per program/ per participation	\$0.00-\$600.00	Per program/ per participation	Increased threshold to reflect cost increases for programs.
Special Events Vendor and Exhibitor Permit	\$15.00-\$275.00	Per event / per date	\$15.00-\$300.00	Per event / per date	Increased threshold to reflect increased demand for vendors at events.
Goodyear Farms Cemetery – Traditional Burial Fee	\$490.00	Per burial	\$490.00-\$700.00	Per burial	Create range to capture increasing costs related to processing burials.
Goodyear Farms Cemetery – Cremation Burial Fee	\$84.00	Per urn burial	\$80.00-\$200.00	Per urn burial	Create range to capture increasing costs related to processing burials.
All Other Staff Support Coordinator/Staff Support	\$60.00	Per hour	Name change	Name change	Remove coordinator from title to generalize facility rental staff support

RESOLUTION NO. 1029-0623

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY OF AVONDALE SCHEDULE OF FEES AND CHARGES.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The amendments to the City of Avondale schedules and charges for services, true and correct copies of which are attached hereto as Exhibit A and incorporated herein by reference (the “Amendments to Schedule of Fees”), are approved hereby and adopted to be effective July 1, 2023. Deletions are shown as strikeouts: ~~Abe~~. Additions to the text are shown in bold and capital letters: **ABC**. New or increased fee amounts are shown in bold: **\$10.00**.

SECTION 2. All fees and charges for services provided by the City previously approved and adopted are not amended or increased by this Resolution and remain in effect.

SECTION 3. It is necessary for the preservation of the peace, health and safety of the City, an emergency is declared to exist, and this Resolution shall be effective immediately upon its passage and adoption.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1029-0623

[FY2024 Schedule of Proposed Fee Changes]

See following pages.

EXHIBIT A
City of Avondale
FY2024 Schedule of Proposed Fee Changes

Proposed Fee Name Changes	Current Fee	Current Unit of Measure	Proposed Fee	Proposed Unit of Measure	Effective Date
Development and Engineering Services - Planning					
PLANNING REVISION FEE	NA	NA	\$ 50.00	Each	July 1, 2023
LIMITED DESIGN REVIEW	NA	NA	\$ 250.00	Each	July 1, 2023
PLANNING SITE INSPECTION FEE	NA	NA	\$ 100.00	Per Inspection	July 1, 2023
SITE PLAN AND DESIGN REVIEW FEE OR EXTENSION	\$ -	50% of current fee	\$ 50.00	Each	July 1, 2023
SITE PLAN AND DESIGN REVIEW APPLICATION Site Plan/Design Review	\$ 2,375.00	Each	Name change only	Name change only	July 1, 2023
BUILDING DESIGN REVIEW APPLICATION Design Review Application	\$ 250.00	Each	Name change only	Name change only	July 1, 2023
EROSION CONTROL PLAN Water Pollution Control Drawings (WPCD)	\$ 375.00	Flat Fee	Name change only	Name change only	July 1, 2023
Landscape Inspection Fee	\$ 100.00	Each	Remove Fee	Remove Fee	July 1, 2023
Finance Department					
BUSINESS LICENSE RENEWAL LATE PAYMENT FEE	NA	NA	\$ 20.00	Per Renewal	July 1, 2023
CITYWIDE THIRD-PARTY COLLECTION AGENCY FEE	NA	NA	Pass through cost	% charged by third-party (40% maximum)	July 1, 2023
SHORT-TERM RENTAL LICENSE	NA	NA	\$ 50.00	Per License	July 1, 2023
SHORT-TERM RENTAL LICENSE RENEWAL	NA	NA	\$ 25.00	Per Renewal	July 1, 2023
Business License Transfer Fee	\$ 10.00	Per License Transfer	\$ 20.00	Per License Transfer	July 1, 2023
Special Events Business License	\$ 15.00	Per Day	Remove Fee	Remove Fee	July 1, 2023

Libraries	Current Fee	Current Unit of Measure	Proposed Fee	Proposed Unit of Measure	Effective Date
Missing RFID Tag	\$ 1.00	Per item	Remove Fee	Remove Fee	July 1, 2023
Overdue Fines – Books & Audio Books	\$ 0.20	Per Day	Remove Fee	Remove Fee	July 1, 2023
Overdue Fines – Beyond Books Collections	\$ 1.00	Per Day	Remove Fee	Remove Fee	July 1, 2023
Library Card Replacement	\$ 1.00	Per Card	Remove Fee	Remove Fee	July 1, 2023
Overdue Fines – DVDs	\$ 0.20	Per Day	Remove Fee	Remove Fee	July 1, 2023
Overdue Fines – Interlibrary Loans	\$ 1.00	Per Day	Remove Fee	Remove Fee	July 1, 2023

Parks and Recreation	Current Fee	Current Unit of Measure	Proposed Fee	Proposed Unit of Measure	Effective Date
EXPEDITED SPECIAL EVENT APPLICATION FEE	NA	NA	\$50.00	Per event	July 1, 2023
Approved Park Vendor Permit	\$100.00-\$300.00	Per 6 months	\$100-\$400.00	Per 6 Months	July 1, 2023
Park Use – Alcohol Permit	\$ 25.00	Per reservation / per date	\$ 25.00	Per Date	July 1, 2023
Approved Special Event Park Permit	\$100.00-\$20,000.00	Per Application	\$10.00-\$20,000.00	Per application	July 1, 2023
Tournaments/ Event Staff	\$ 30.00	Per hour/ per staff	\$30.00-\$60.00	Per hour/ per staff	July 1, 2023
Participation Fees (programs, camps, events, trips)	\$0.00-\$525.00	Per Program/ per participation	\$0.00-\$600.00	Per Program/ per participation	July 1, 2023
Special Events Vendor and Exhibitor Permit	\$15.00-\$275.00	Per Event / per date	\$15.00-\$300.00	Per Event / per date	July 1, 2023
Goodyear Farms Cemetery – Traditional Burial Fee	\$ 490.00	Per burial	\$490.00-\$700.00	Per burial	July 1, 2023
Goodyear Farms Cemetery – Cremation Burial Fee	\$ 84.00	Per urn burial	\$80.00-\$200.00	Per urn burial	July 1, 2023
ALL OTHER STAFF SUPPORT Coordinator/Staff Support	\$ 60.00	Per Hour	Name change only	Name change only	July 1, 2023

CITY COUNCIL REPORT

SUBJECT: Resolution 1030-0623 – Amendment No. 3 to the Intergovernmental Agreement with the Arizona Game and Fish Commission for the Community Fishing Program

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Bryan Hughes, Parks and Recreation Director

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Areas:

- Diverse Recreation and Entertainment Opportunities - Avondale provides residents with the ability to connect with amenities, businesses, and their community, enhancing the opportunity to live, work, and enjoy a healthy, active, and affordable lifestyle.

This agreement helps provide recreation opportunities that support and promote healthy outdoor lifestyles.

- Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government.

This agreement supports outdoor recreation and education opportunities for Avondale's residents and visitors.

PURPOSE:

City Council will consider a request to adopt Resolution 1030-0623 authorizing Amendment No. 3 to the Intergovernmental Agreement with the Arizona Game & Fish Commission to extend the Community Fishing Program by one year, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

This amendment aims to update the intergovernmental agreement between the City and Arizona Game and Fish Commission to extend the Community Fishing Program for one year. A new 5-year agreement with a revised cost structure will be presented by AZGF Commission for consideration in 2024.

DISCUSSION:

In conformance with initiatives outlined in the 2021 Avondale Strategic Plan and the 2017 Parks, Recreation and Trails Master Plan Update, the City strongly desires to promote and expand Avondale's natural assets, such as parks, trails, rivers and wilderness areas to residents, visitors, and businesses.

This partnership will allow City staff to continue to support those strategic initiatives through the Community Fishing Program.

BUDGET IMPACT:

All costs associated with the AZGF Commission IGA are included in Parks and Recreation's annual budget.

RECOMMENDATION:

Staff recommends City Council will consider a request to adopt a Resolution authorizing Amendment No. 3 to the Intergovernmental Agreement with the Arizona Game and Fish Commission for the Community Fishing Program extending the agreement by one year, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Bryan Hughes

RESOLUTION NO. 1030-0623

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING AMENDMENT NO. 3 TO THE INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA GAME AND FISH COMMISSION RELATING TO THE PROVISION OF A COMMUNITY FISHING PROGRAM.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. Amendment No. 3 to the Intergovernmental Agreement with the Arizona Game and Fish Commission relating to the provision of a Community Fishing Program (the “Amendment”) is hereby approved in substantially the form and substance attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Mayor, the City Manager, the City Clerk, and the City Attorney are hereby authorized and directed to take all steps necessary to cause the execution of the Amendment and to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1030-0623

[Amendment No. 3]

See following pages.

Amendment No. 3
To
Intergovernmental Agreement Between
The Arizona Game and Fish Commission and the City of Avondale

The purpose of this Amendment No. 3 is to extend the agreement by a period of one year and make other necessary changes to the Intergovernmental Agreement.

Whereas, The City of Avondale and the Arizona Game and Fish Commission entered into an Intergovernmental Agreement dated August 21, 2018, and subsequent Amendment No. 1 dated October 16, 2019; and subsequent Amendment No. 2 dated February 18, 2022 for the purpose of conducting a Community Fishing Program and,

Whereas, both Parties desire to provide recreational fishing opportunities to the public; and,

Whereas, the Parties agree to extend the existing agreement by a term of one year; and,

Therefore: The Terms and Conditions in Intergovernmental Agreement set forth herein shall be amended as follows:

The Commission Agrees That the Department Shall:

4. Under the Department's "Traditional/Core" Strategy, stock participating waters with catchable rainbow trout approximately every two weeks from mid-November to mid-March, and catchable channel catfish approximately every two weeks from late March to May, and from mid-September to mid-November. Fish stocking will cease from approximately June through mid-September due to heat stress factors.

For waters under the Department's "Expansion" Strategy (**Alamar Park, Friendship Park, and Festival Fields Park**), stock participating waters with catchable rainbow trout approximately four times from November to March, and catchable channel catfish approximately three times from March to June, and one time from mid-September to October. Fish stocking will cease from approximately June through mid-September due to heat stress factors.

Stock sunfish (usually bluegill or redear) at least once annually into all participating waters. Other approved fish species may be stocked as necessary to: 1) establish a resident fish population, 2) augment existing fish populations, 3) maintain a balanced fishery, 4) improve angler success rates, or 5) provide feature species for anglers.

The City of Avondale Shall:

5. Pay a Partnership Fee to the Department for waters stocked under this agreement. Annual rates shall be in accordance with the following fee schedule: Fees for fiscal year 2024 shall remain the same as fiscal year 2023.

AVONDALE	Water	Stocking Strategy	FY19 Cost	FY20 Cost	FY21 Cost	FY22 Cost	FY23 Cost	FY24 Cost	Total Costs
	Alamar Park	Expansion	\$0	\$0	\$0	\$1,995	\$2,850	\$2,850	\$7,695
	Festival Fields	Expansion	\$0	\$1,812	\$1,812	\$1,812	\$1,812	\$1,812	\$9,060
	Friendship Park	Expansion	\$416	\$603	\$603	\$603	\$603	\$603	\$3,431
		Totals	\$416	\$2,415	\$2,415	\$4,410	\$5,265	\$5,265	\$20,186

These funds shall be used to defray the cost of program operations, including costs for fish required hereunder; Payments made to the Department may be leveraged to obtain federal grant funding or other grant funding opportunities. If this opportunity arises, the City will be notified in writing by the Department, and it will be necessary to verify that all or a portion of the municipal fees do not originate from federal sources.

IV. General Provisions:

1. Effective Date and Duration: This Agreement shall not be in effect until signed by all parties hereto. Unless terminated earlier by operation of the terms of this Agreement, or by agreement of the Parties in writing, the term of this Agreement shall be from the Effective Date through June 30, 2024.
3. Notices. All written notices concerning this Agreement shall be delivered in person or sent by certified mail, return receipt requested, or first class mail, postage prepaid, to the Parties as follows:
 - A. Ron Corbin, City Manager
City of Avondale
11465 W Civic Center Drive
Avondale AZ 85323
 - B. With copy to:
Nicholle Harris, City Attorney
City of Avondale
11465 W. Civic Center Dr.
Avondale AZ 85323
 - C. To the Department:
Ms. Julie Carter
Arizona Game and Fish Department
5000 West Carefree Highway
Avondale, Arizona 85086

All other Terms and Conditions of the original IGA dated August 21, 2018 and subsequent Amendment#1 dated October 16, 2019 and Amendment #2 dated February 18, 2022 shall remain in full force and effect.

CITY OF AVONDALE

By: _____
City Mayor Date

ATTEST: _____
City Clerk

APPROVAL OF THE CITY ATTORNEY:

I have reviewed the above-referenced Intergovernmental Agreement between the City and the Arizona Game and Fish Commission and declare this Agreement to be in proper form and within the power and authority granted to the City of Avondale under the laws of the State of Arizona.

Dated this _____ day of _____, 2023 _____
City Attorney

ARIZONA GAME AND FISH COMMISSION

By: _____
Ty E. Gray Date
Secretary to the Commission and
Director, Arizona Game and Fish Department

APPROVAL OF THE ARIZONA GAME AND FISH COMMISSION ATTORNEY:

I have reviewed the above-referenced Intergovernmental Agreement between the City of Avondale, Arizona and the Arizona Game and Fish Commission and declare this Agreement to be in proper form and within the power and authority granted to the Arizona Game and Fish Commission under the laws of the State of Arizona.

Dated this _____ day of _____, 2023 _____
Attorney
Arizona Game and Fish Commission

CITY COUNCIL REPORT

SUBJECT: Ordinance 2037-0623 - Public Utility Easements for Dutch Bros.

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Aric Stewart, Director, Engineering Department

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Creative and Sustainable Community Development - Avondale is committed to creating a sense of place, a community of residents and local businesses unified by pride and common values.

The approval of this agenda item will maintain and expand quality infrastructure and improve connectivity to City amenities.

PURPOSE:

City Council will consider a request to adopt Ordinance 2037-0623 accepting the dedication of two (2) public utility easements for public use and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The City Council approved "Replat of Lot 3, Avondale City Center" on February 3, 2020, which is recorded in Book 1507, Page 26, with the Maricopa County Recorder's office. Subsequently, the City sold Lot 1 on December 13, 2021, as shown on the plat to Avondale PAD Holdings, LLC, as recorded in Deed Book 2021, Page 1328193, with the Maricopa County Recorder's Office. After the sale of the property was completed, it was determined that an easement for public utilities was needed for existing City infrastructure.

DISCUSSION:

Minke Investments LLC, will dedicate two public utility easements, one over 0.01 acres of real property and one over 0.02 acres of real property, and both generally located east of Avondale Boulevard and south of West Dale Earnhardt Drive for public use.

BUDGET IMPACT:

There is no impact to the budget for this action.

RECOMMENDATION:

Staff recommends that the City Council adopt an Ordinance accepting the dedication of two (2) public utility

easements for public use and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Yulonda Moore, Terry Dorschied

VICINITY MAP



ORDINANCE NO. 2037-0623

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA,
ACCEPTING THE DEDICATION OF PUBLIC UTILITY EASEMENTS FOR
PUBLIC USE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The dedication of a contiguous public utility easement, over, under and across $\pm$ 0.02 acres of real property, generally located east of Avondale Boulevard and south of West Dale Earnhardt Drive in Avondale, Arizona, as more particularly described and depicted in Exhibit 1 attached hereto and incorporated herein by reference (“Easement 1”), is hereby accepted by the City of Avondale (the “City”) from Minke Investments LLC, for public use.

SECTION 2. The dedication of a contiguous public utility easement, over, under and across $\pm$ 0.01 acres of real property, generally located east of Avondale Boulevard and south of West Dale Earnhardt Drive in Avondale, Arizona, as more particularly described and depicted on Exhibit 2 attached hereto and incorporated herein by reference (“Easement 2”), is hereby accepted by the City from Minke Investments LLC, for public use.

SECTION 3. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and to execute all documents necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED:

Nicholle Harris, City Attorney

EXHIBIT 1
TO
ORDINANCE NO. 2037-0623

[Legal Description and Map of Easement 1]

See following pages.

EXHIBIT "A"
Description of Real Estate
IN MARICOPA COUNTY, STATE OF ARIZONA

A Parcel of Land in the Southwest Quarter (SW 1/4) of Section Six (6), Township One (1) North, Range One (1) East, of the Gila & Salt River Meridian, Maricopa County, Arizona and being more particularly described as follows:

Commencing at a found brass cap in hand hole at the intersection of Avondale Boulevard and Roosevelt Street also being the West Quarter Corner (W1/4) of section 6 from which a found brass cap in a hand hole at the Southwest corner of said Section 6, at the intersection of Van Buren Street and Avondale Boulevard, bears South 00°02'19" East, a distance of 2,626.36 feet;

THENCE along said section line also being Avondale Boulevard, South 00 degrees 02 minutes 19 seconds East, a distance of 784.94 feet;

THENCE North 89 degrees 03 minutes 18 seconds East, a distance of 138.78 feet to a point on the Centerline of Dale Earnheart Boulevard.

THENCE South 00 degrees 56 minutes 42 seconds East a distance of 38.00 feet to a point on the South Right of Way line of Dale Earnheart Boulevard and the **point of Beginning**;

THENCE along said Right of Way, North 89 degrees 03 minutes 18 seconds East a distance of 105.60 feet;

THENCE Departing Said Right of Way, South 00 degrees 56 minutes 42 seconds East a distance of 8.00 feet;

THENCE South 89 degrees 03 minutes 18 seconds West a distance of 73.82 Feet;

THENCE South 00 degrees 56 minutes 42 seconds East, a distance of 6.00 feet;

THENCE South 89 degrees 03 minutes 18 seconds West a distance of 32.00 feet;

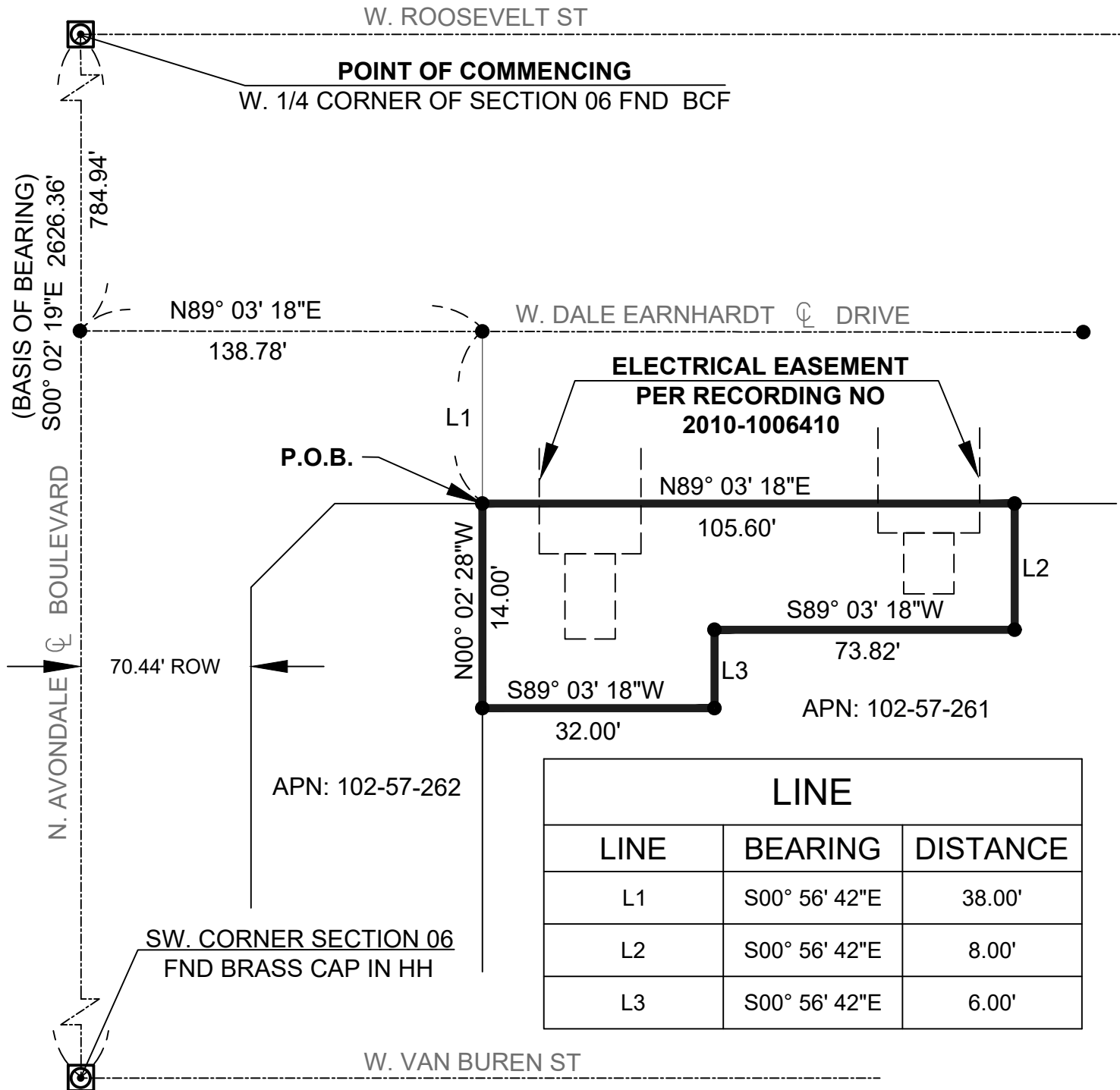
THENCE North 00 degrees 02 minutes 28 seconds West a distance of 14.00 feet to the **Point of Beginning**;

Containing 1037 sqft or 0.02 acres more or less

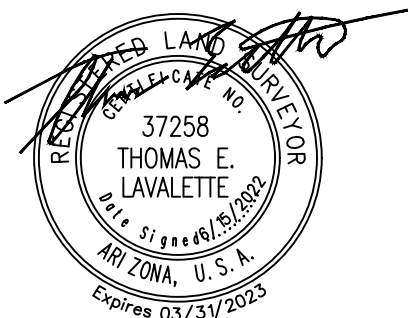
Prepared by:
Thomas Lavalette, RLS.
AZ # 37258
Engineering Alliance, Inc.
1423 S. Higley Rd., Suite 121, Building 9
Mesa, Arizona 85206
Phone: (602) 757-6032
Email: tlavalette@eaincglobal.com



EXHIBIT "A"



LINE		
LINE	BEARING	DISTANCE
L1	S00° 56' 42"E	38.00'
L2	S00° 56' 42"E	8.00'
L3	S00° 56' 42"E	6.00'



SCALE:
NTS
T1N R1E



ENGINEERING ALLIANCE
INC

PROJECT: 2022-M-055	
DATE: 06-15-2022	CHKD BY: TL
DRN BY: BL	SCALE: N.T.S.
TITLE: DUTCH BROS PUE EASEMENT	
SHEET NO: 1 OF 1	

EXHIBIT 2
TO
ORDINANCE NO. 2037-0623

[Legal Description and Map of Easement 2]

See following pages.

EXHIBIT "A"
Description of Real Estate
IN MARICOPA COUNTY, STATE OF ARIZONA

A Parcel of Land in the Southwest Quarter (SW 1/4) of Section Six (6), Township One (1) North, Range One (1) East, of the Gila & Salt River Meridian, Maricopa County, Arizona and being more particularly described as follows:

Commencing at a found brass cap in hand hole at the intersection of Avondale Boulevard and Roosevelt Street also being the West Quarter Corner (W1/4) of section 6 from which a found brass cap in a hand hole at the Southwest corner of said Section 6, at the intersection of Van Buren Street and Avondale Boulevard, bears South 00°02'19" East, a distance of 2,626.36 feet;

THENCE along said section line also being Avondale Boulevard, South 00 degrees 02 minutes 19 seconds East, a distance of 784.94 feet;

THENCE North 89 degrees 03 minutes 18 seconds East, a distance of 337.25 feet to a point on the Centerline of Dale Earnheart Boulevard.

THENCE South 00 degrees 56 minutes 42 seconds East a distance of 38.00 feet to a point on the South Right of Way line of Dale Earnheart Boulevard and the **point of Beginning**;

THENCE along said Right of Way, North 89 degrees 03 minutes 18 seconds East a distance of 7.10 feet to an Angle point in the Right of Way;

THENCE Continuing on Said Right of Way, South 45 degrees 28 minutes 03 seconds East a distance of 49.11 feet to a point on the West Right of Way line of 144th Ave;

THENCE along said Right of Way, South 00 degrees 02 minutes 28 seconds East a distance of 7.09 Feet;

THENCE Departing said Right of Way, South 89 degrees 57 minutes 32 seconds West, a distance of 5.00 feet;

THENCE North 00 degrees 02 minutes 28 seconds West a distance of 5.00 feet;

THENCE North 45 degrees 28 minutes 03 seconds West, a distance of 44.92 feet;

THENCE South 89 degrees 03 minutes 18 seconds West a distance of 5.00 feet;

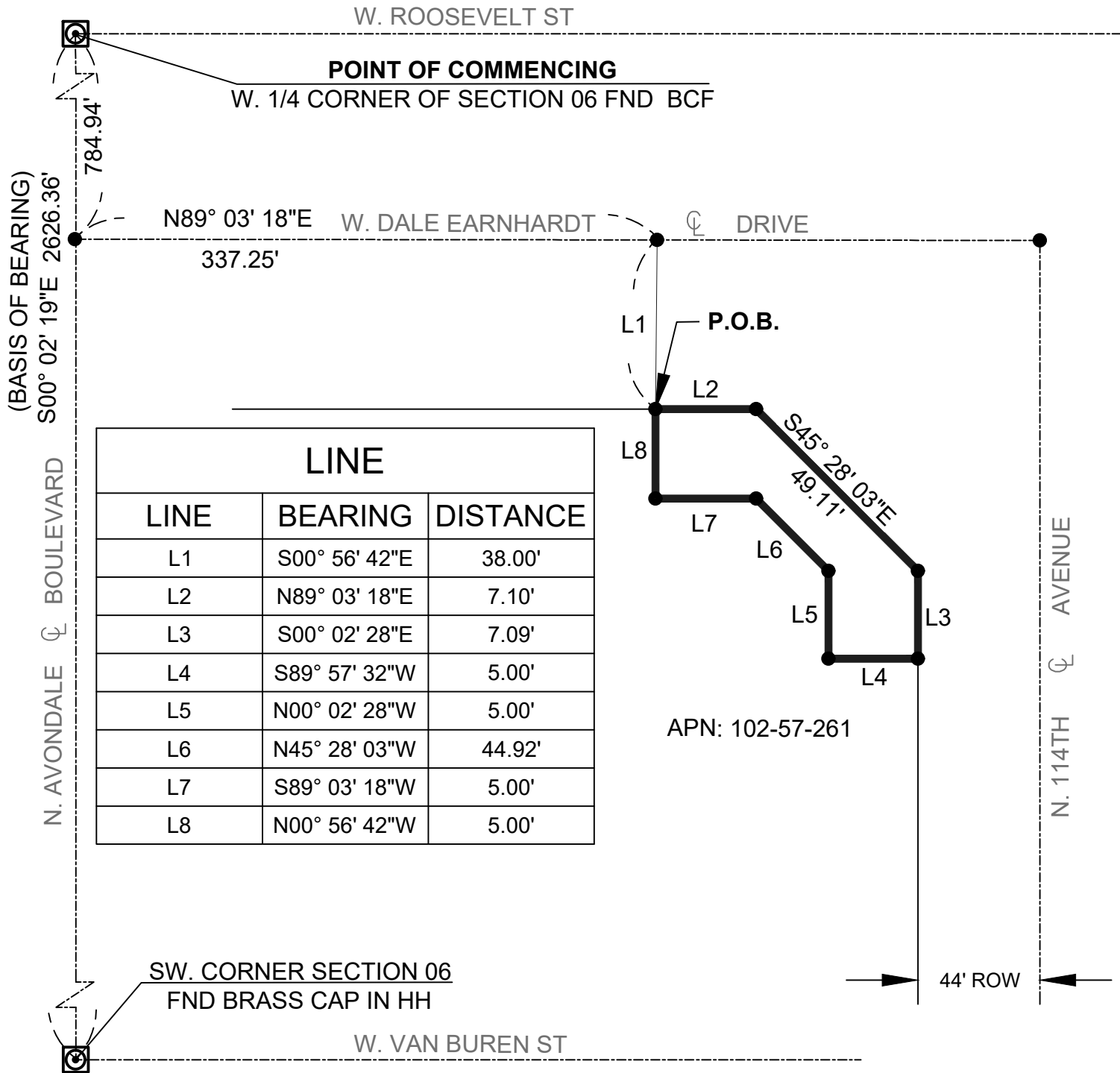
THENCE North 00 degrees 56 minutes 42 seconds West a distance of 5.00 feet to the **Point of Beginning**;

Containing 295 sqft or 0.01 acres more or less

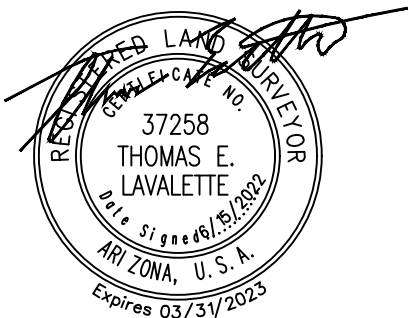
Prepared by:
Thomas Lavalette, RLS.
AZ # 37258
Engineering Alliance, Inc.
1423 S. Higley Rd., Suite 121, Building 9
Mesa, Arizona 85206
Phone: (602) 757-6032
Email: tlavalette@eaincglobal.com



EXHIBIT "A"



SCALE:
NTS
T1N R1E



ENGINEERING ALLIANCE
INC

PROJECT: 2022-M-055	
DATE: 06-15-2022	CHKD BY: TL
DRN BY: BL	SCALE:N.T.S.
TITLE: DUTCH BROS PUE EASEMENT	
SHEET NO: 1 OF 1	

CITY COUNCIL REPORT

SUBJECT: Ordinance 2038-0623 – Abandonment of a Public Waterline Easement

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Aric Stewart, Director, Engineering Department

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Creative and Sustainable Community Development - Avondale is committed to creating a sense of place, a community of residents and local businesses unified by pride and common values.

The approval of this agenda item will maintain and expand quality infrastructure and improve connectivity to City amenities.

PURPOSE:

City Council will consider a request to adopt Ordinance 2038-0623 authorizing the abandonment of a public waterline easement located generally south of Buckeye Road and east of Dysart Road, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

City Council approved the "Condominium Plat for Desert Shoals Condominiums at Tres Rios Landing" on February 19, 2008, which was recorded in Book 986, Page 3, with the Maricopa County Recorder's Office. This plat dedicated a 24-foot waterline easement for the proposed Desert Shoals condominium development that was to be located at the southeast corner of Buckeye Road and Dysart Road.

DISCUSSION:

The Desert Shoals development was not constructed and now a new development, Avondale Apartments, is proposed for the site. Staff, along with the Avondale Apartments' developer, Buckeye and Dysart, LLC, have agreed to abandon the existing waterline easement as part of its proposed development. The City's current policy is to not maintain public waterlines located on private property. Therefore a public waterline easement is no longer required on this property.

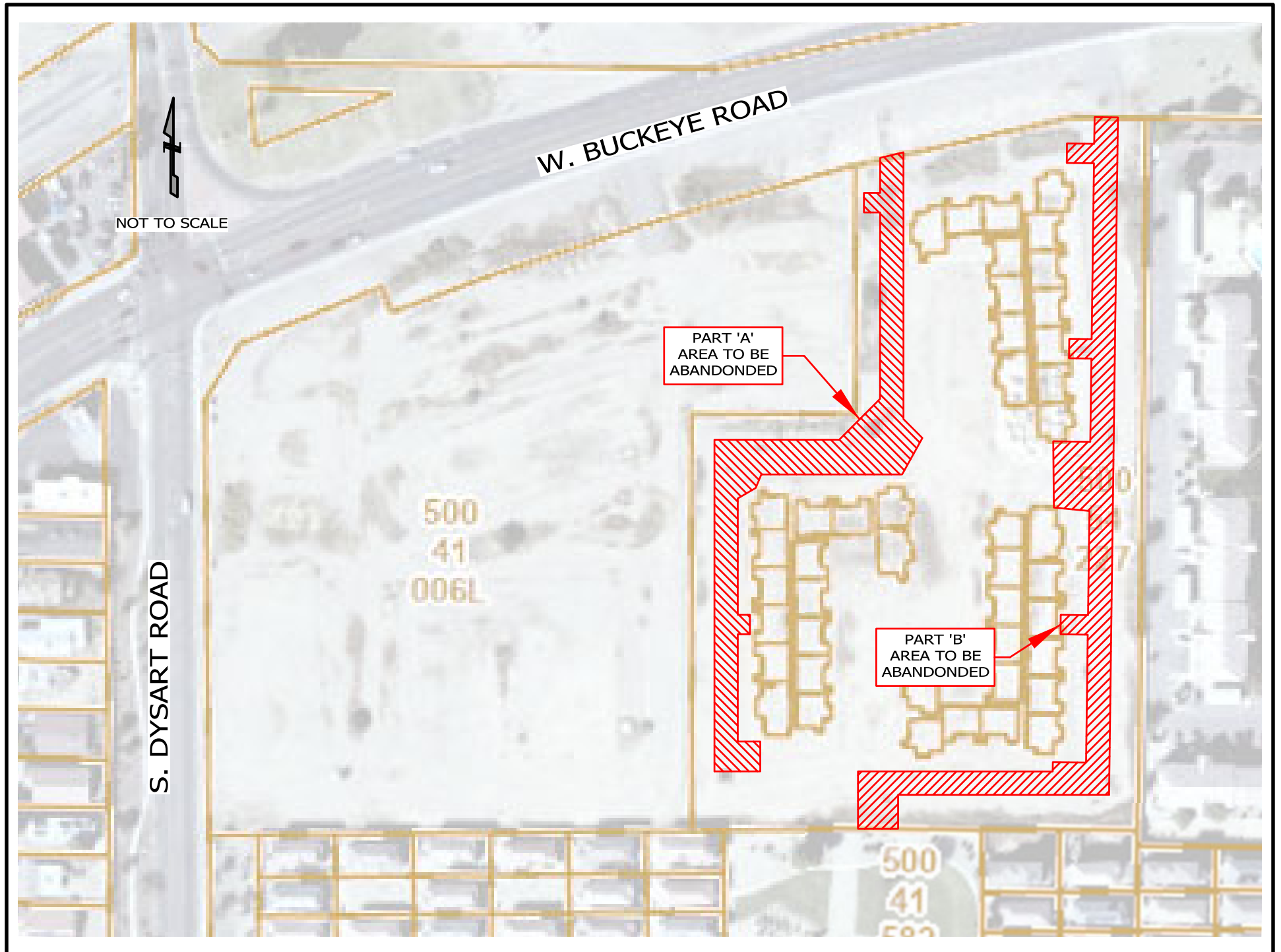
BUDGET IMPACT:

There is no impact to the budget for this action.

RECOMMENDATION:

Staff recommends City Council adopt an Ordinance authorizing the abandonment of a public waterline easement located generally south of Buckeye Road and east of Dysart Road, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Yulonda Moore, Terry Dorschied



VICINITY MAP

ORDINANCE NO. 2038-0623

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, ABANDONING TWO WATERLINE EASEMENTS GENERALLY LOCATED SOUTH OF BUCKEYE ROAD AND EAST OF DYSART ROAD IN AVONDALE.

WHEREAS, Article I, Section 3 of the Avondale City Charter authorizes the City of Avondale (the “City”) to dispose of its acquired property as the City’s interests may require; and

WHEREAS, the City has two waterline easements, consisting of approximately $\pm$ 1.20 acres and generally located south of Buckeye Road and east of Dysart Road in the City as depicted on Condominium Plat for Desert Shoals Condominiums at Tres Rios Landing Parcel (collectively, the “Easements”) and recorded at Map Book 986, Page 3, as Instrument No. 2008-0392866, in the Maricopa County Recorder’s Office on May 2, 2008; and

WHEREAS, the Council of the City of Avondale (the “City Council”) has determined that the Easements are no longer needed for public use and therefore, it is necessary and appropriate to abandon said easements.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Easements collectively consisting of approximately $\pm$ 1.20 acres, as more particularly described and depicted as Part A and Part B in Exhibit 1, attached hereto and incorporated herein by reference, are hereby declared to be no longer necessary for public use and are hereby abandoned.

SECTION 3. Upon recordation of this Ordinance in the office of the Maricopa County Recorder, the Easements shall be forever extinguished and all right and title to the real property described therein shall vest in the surrounding privately owned parcel, owner of Maricopa County Assessor Parcel No. 500-54-027.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this Ordinance.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 5, 2023.

Kenneth Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT 1
TO
ORDINANCE NO. 2038-0623

[Legal Description and Map of Easements]

See following pages.

EXHIBIT A

DESCRIPTION OF 24' WATERLINE EASEMENT ABANDONMENT

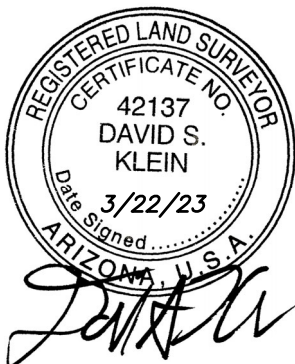
PART A:

THAT WATERLINE EASEMENT DEDICATED ON THE CONDOMINIUM PLAT FOR "DESERT SHOALS CONDOMINIUMS AT TRES LANDING", BOOK 986 OF MAPS, PAGE 3, RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED IN THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE 3-INCH CITY OF AVONDALE BRASS CAP IN HANDHOLE (0.70' DOWN) MARKING THE NORTHWEST CORNER OF SAID SECTION 14 FROM WHICH A BRASS CAP IN HANDHOLE (0.40' DOWN) MARKING THE WEST QUARTER CORNER OF SAID SECTION 14 BEARS SOUTH 00 DEGREES 27 MINUTES 46 SECONDS EAST 2639.59 FEET, SAID DESCRIBED LINE BEING THE BASIS OF BEARINGS FOR THIS DESCRIPTION;
THENCE SOUTH 00 DEGREES 27 MINUTES 46 SECONDS EAST 1048.58 FEET TO THE WESTERLY PROLONGATION OF SOUTH LINE OF SAID CONDOMINIUM PLAT;
THENCE NORTH 89 DEGREES 32 MINUTES 40 SECONDS EAST 567.34 FEET ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID CONDOMINIUM PLAT;
THENCE NORTH 00 DEGREES 00 MINUTES 41 SECONDS EAST 59.88 FEET ALONG THE WEST LINE OF SAID CONDOMINIUM PLAT;
THENCE SOUTH 89 DEGREES 59 MINUTES 33 SECONDS EAST 27.90 FEET TO THE POINT OF BEGINNING;
THENCE ALONG THE LIMITS OF SAID WATERLINE EASEMENT THE FOLLOWING 23 COURSES:
THENCE NORTH 00 DEGREES 00 MINUTES 24 SECONDS EAST 340.39 FEET;
THENCE SOUTH 89 DEGREES 59 MINUTES 33 SECONDS EAST 128.02 FEET;
THENCE NORTH 45 DEGREES 00 MINUTES 27 SECONDS EAST 59.36 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 27 SECONDS EAST 191.28 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 33 SECONDS WEST 16.59 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 27 SECONDS EAST 20.00 FEET;
THENCE SOUTH 89 DEGREES 59 MINUTES 33 SECONDS EAST 16.59 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 27 SECONDS EAST 36.04 FEET TO THE NORTH LINE OF SAID CONDOMINIUM PLAT AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 4220.57 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 76 DEGREES 39 MINUTES 25 SECONDS EAST 24.67 FEET;
THENCE EASTERLY ALONG SAID NORTH LINE AND THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 00 DEGREES 20 MINUTES 05 SECONDS, AN ARC LENGTH OF 24.67 FEET;

CONTINUING ON PAGE 2

PAGE 1 OF 3




SUPERIOR
SURVEYING SERVICES, INC.

DATE: 3/22/2023

2122 W. Lone Cactus Dr.
Ste. 11, Phoenix, AZ 85027
623-869-0223 (office)
623-869-0726 (fax)
www.superiorsurveying.com
info@superiorsurveying.com

JOB NO.: 202101041-EX1

EXHIBIT A

DESCRIPTION OF 24' WATERLINE
EASEMENT ABANDONMENT

CONTINUED FROM PAGE 1

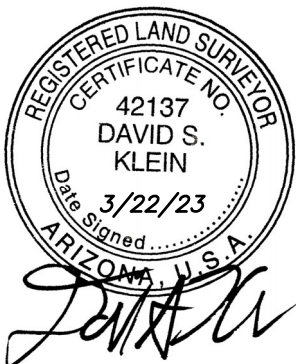
THENCE SOUTH 00 DEGREES 00 MINUTES 27 SECONDS WEST 273.81 FEET;
THENCE SOUTH 44 DEGREES 59 MINUTES 33 SECONDS EAST 27.50 FEET;
THENCE SOUTH 29 DEGREES 06 MINUTES 56 SECONDS WEST 42.81 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 33 SECONDS WEST 144.49 FEET;
THENCE SOUTH 22 DEGREES 37 MINUTES 34 SECONDS WEST 14.98 FEET;
THENCE SOUTH 59 DEGREES 47 MINUTES 46 SECONDS WEST 21.25 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 24 SECONDS WEST 119.49 FEET;
THENCE SOUTH 89 DEGREES 59 MINUTES 36 SECONDS EAST 12.43 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 24 SECONDS WEST 20.00 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 36 SECONDS WEST 12.43 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 24 SECONDS WEST 109.98 FEET;
THENCE SOUTH 89 DEGREES 59 MINUTES 35 SECONDS EAST 23.07 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 27 SECONDS WEST 30.72 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 33 SECONDS WEST 47.07 FEET TO THE
POINT OF BEGINNING, ALSO

PART B:

THAT WATERLINE EASEMENT DEDICATED ON THE CONDOMINIUM PLAT FOR "DESERT SHOALS CONDOMINIUMS AT TRES LANDING", BOOK 986 OF MAPS, PAGE 3, RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED IN THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE 3-INCH CITY OF AVONDALE BRASS CAP IN HANDHOLE (0.70' DOWN) MARKING THE NORTHWEST CORNER OF SAID SECTION 14 FROM WHICH A BRASS CAP IN HANDHOLE (0.40' DOWN) MARKING THE WEST QUARTER CORNER OF SAID SECTION 14 BEARS SOUTH 00 DEGREES 27 MINUTES 46 SECONDS EAST 2639.59 FEET, SAID DESCRIBED LINE BEING THE BASIS OF BEARINGS FOR THIS DESCRIPTION;
THENCE SOUTH 00 DEGREES 27 MINUTES 46 SECONDS EAST 1048.58 FEET TO THE WESTERLY PROLONGATION OF SOUTH LINE OF SAID CONDOMINIUM PLAT;
THENCE NORTH 89 DEGREES 32 MINUTES 40 SECONDS EAST 567.34 FEET ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID CONDOMINIUM PLAT;
THENCE CONTINUING NORTH 89 DEGREES 32 MINUTES 40 SECONDS EAST 166.09 FEET ALONG SAID SOUTH LINE

CONTINUING ON PAGE 3



PAGE 2 OF 3

 SUPERIOR SURVEYING SERVICES, INC.	2122 W. Lone Cactus Dr. Ste. 11, Phoenix, AZ 85027 623-869-0223 (office) 623-869-0726 (fax) www.superiorsurveying.com info@superiorsurveying.com
DATE: 3/22/2023	JOB NO.: 202101041-EX1

EXHIBIT A

DESCRIPTION OF 24' WATERLINE EASEMENT ABANDONMENT

CONTINUED FROM PAGE 1

THENCE SOUTH 89 DEGREES 34 MINUTES 18 SECONDS EAST 9.22 FEET CONTINUING
ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING;
THENCE ALONG THE LIMITS OF SAID WATERLINE EASEMENT THE FOLLOWING 26 CALLS:
THENCE NORTH 00 DEGREES 00 MINUTES 27 SECONDS EAST 58.60 FEET;
THENCE SOUTH 89 DEGREES 59 MINUTES 33 SECONDS EAST 199.82 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 9.50 FEET;
THENCE SOUTH 89 DEGREES 14 MINUTES 40 SECONDS EAST 34.14 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 131.33 FEET;
THENCE NORTH 89 DEGREES 14 MINUTES 40 SECONDS WEST 28.00 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 20.00 FEET;
THENCE SOUTH 89 DEGREES 14 MINUTES 40 SECONDS EAST 28.00 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 106.97 FEET;
THENCE NORTH 84 DEGREES 35 MINUTES 11 SECONDS WEST 36.64 FEET;
THENCE NORTH 00 DEGREES 29 MINUTES 48 SECONDS WEST 67.97 FEET;
THENCE SOUTH 89 DEGREES 14 MINUTES 40 SECONDS EAST 38.00 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 85.46 FEET;
THENCE NORTH 89 DEGREES 14 MINUTES 40 SECONDS WEST 23.00 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 20.00 FEET;
THENCE SOUTH 89 DEGREES 14 MINUTES 40 SECONDS EAST 23.00 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 180.39 FEET;
THENCE NORTH 89 DEGREES 14 MINUTES 40 SECONDS WEST 28.00 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 20.00 FEET;
THENCE SOUTH 89 DEGREES 14 MINUTES 40 SECONDS EAST 28.00 FEET;
THENCE NORTH 00 DEGREES 45 MINUTES 20 SECONDS EAST 27.47 FEET TO THE
NORTH LINE OF SAID CONDOMINIUM PLAT;
THENCE SOUTH 89 DEGREES 14 MINUTES 40 SECONDS EAST 24.00 FEET ALONG SAID
NORTH LINE;
THENCE SOUTH 00 DEGREES 45 MINUTES 20 SECONDS WEST 695.30 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 33 SECONDS WEST 216.54 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 27 SECONDS WEST 34.90 FEET TO THE
SOUTH LINE OF SAID CONDOMINIUM PLAT;
THENCE NORTH 89 DEGREES 34 MINUTES 18 SECONDS WEST 41.11 FEET;
TO THE POINT OF BEGINNING.

COMPRISING OF 52,548 SQUARE FEET MORE OR LESS.

PAGE 3 OF 3




SUPERIOR
SURVEYING SERVICES, INC.

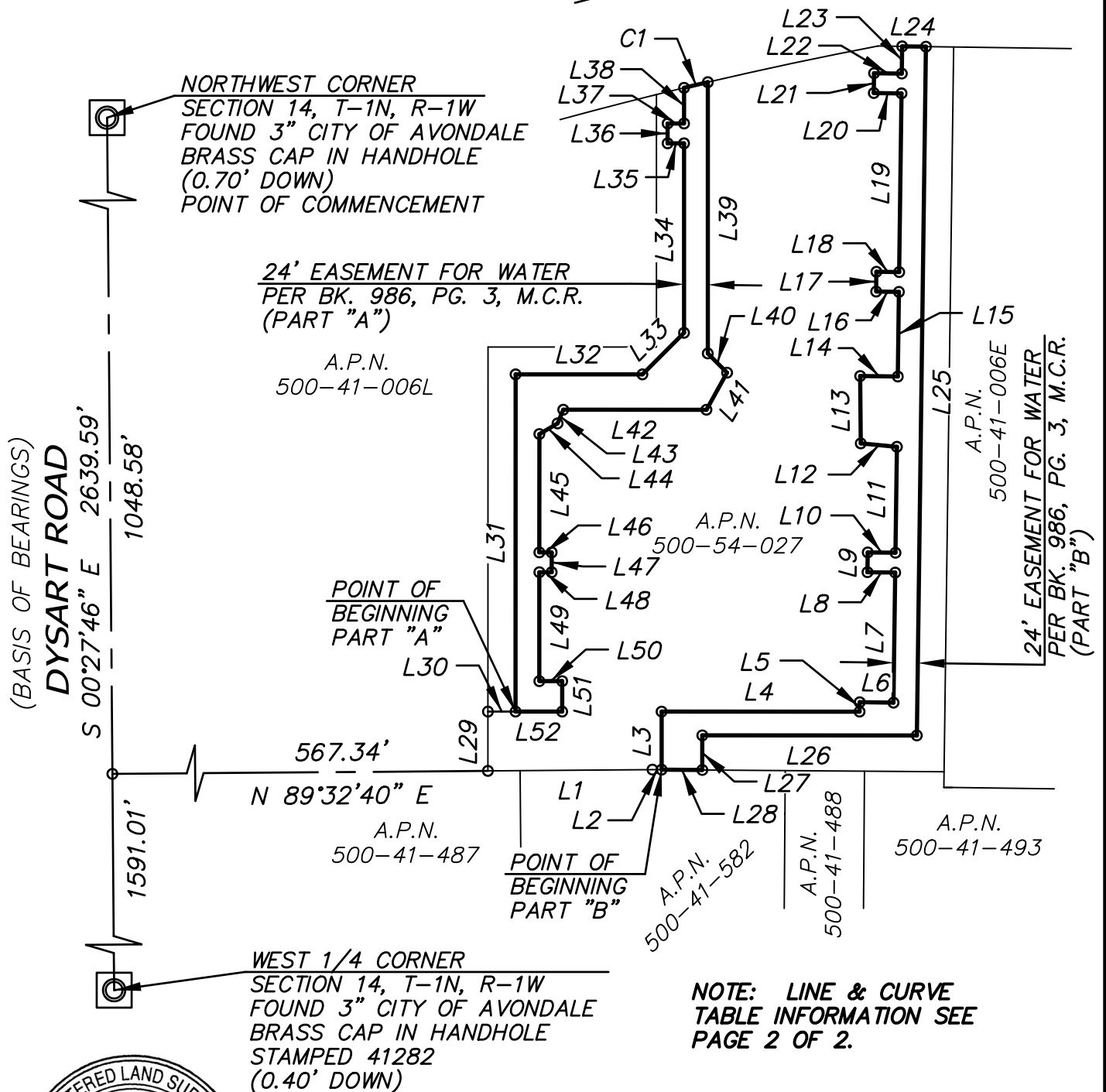
DATE: 3/22/2023

2122 W. Lone Cactus Dr.
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623-869-0223 (office)
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info@superiorsurveying.com

JOB NO.: 202101041-EX1

**DEPICTION OF 24' WATERLINE
EASEMENT ABANDONMENT**

BUCKEYE ROAD



**NOTE: LINE & CURVE
TABLE INFORMATION SEE
PAGE 2 OF 2.**

PAGE 1 OF 2



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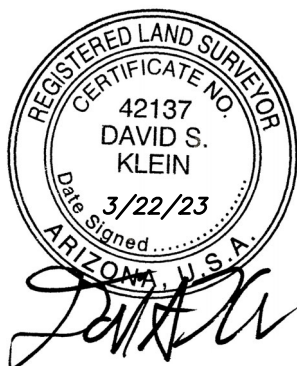
JOB NO.: 202101041-EX1

LINE TABLE		
LINE	BEARING	DIST.
L1	N 89°32'40" E	166.09'
L2	S 89°34'18" E	9.22'
L3	N 00°00'27" E	58.60'
L4	S 89°59'33" E	199.82'
L5	N 00°45'20" E	9.50'
L6	S 89°14'40" E	34.14'
L7	N 00°45'20" E	131.33'
L8	N 89°14'40" W	28.00'
L9	N 00°45'20" E	20.00'
L10	S 89°14'40" E	28.00'
L11	N 00°45'20" E	106.97'
L12	N 84°35'11" W	36.64'
L13	N 00°29'48" W	67.97'
L14	S 89°14'40" E	38.00'
L15	N 00°45'20" E	85.46'
L16	N 89°14'40" W	23.00'
L17	N 00°45'20" E	20.00'
L18	S 89°14'40" E	23.00'
L19	N 00°45'20" E	180.39'
L20	N 89°14'40" W	28.00'
L21	N 00°45'20" E	20.00'
L22	S 89°14'40" E	28.00'
L23	N 00°45'20" E	27.47'
L24	S 89°15'07" E	24.00'
L25	S 00°45'20" W	695.30'
L26	N 89°59'33" W	216.54'

LINE TABLE		
LINE	BEARING	DIST.
L27	S 00°00'27" W	34.90'
L28	N 89°34'18" W	41.11'
L29	N 00°00'41" E	59.88'
L30	S 89°59'33" E	27.90'
L31	N 00°00'24" E	340.39'
L32	S 89°59'33" E	128.02'
L33	N 45°00'27" E	59.36'
L34	N 00°00'27" E	191.28'
L35	N 89°59'33" W	16.59'
L36	N 00°00'27" E	20.00'
L37	S 89°59'33" E	16.59'
L38	N 00°00'27" E	36.04'
L39	S 00°00'27" W	273.81'
L40	S 44°59'33" E	27.50'
L41	S 29°06'56" W	42.81'
L42	N 89°59'33" W	144.49'
L43	S 22°37'34" W	14.98'
L44	S 59°47'46" W	21.25'
L45	S 00°00'24" W	119.49'
L46	S 89°59'36" E	12.43'
L47	S 00°00'24" W	20.00'
L48	N 89°59'36" W	12.43'
L49	S 00°00'24" W	109.98'
L50	S 89°59'35" E	23.07'
L51	S 00°00'27" W	30.72'
L52	N 89°59'33" W	47.07'

CURVE TABLE					
CURVE	RADIUS	LENGTH	DELTA	CHORD BEAR.	CHORD DIST.
C1	4220.57'	24.67'	00°20'05"	N 76°39'25" E	24.67'

PAGE 2 OF 2



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DATE: 3/22/2023

JOB NO.: 202101041-EX1

CITY COUNCIL REPORT

SUBJECT: Ordinance 2039-0623 – Abandonment of a Public Water and Sewer Easement

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Aric Stewart, Director, Engineering Department

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Creative and Sustainable Community Development - Avondale is committed to creating a sense of place, a community of residents and local businesses unified by pride and common values.

The approval of this agenda item will maintain and expand quality infrastructure and improve connectivity to City amenities.

PURPOSE:

City Council will consider a request to adopt Ordinance 2039-0623 authorizing the abandonment of a public water and sewer easement located generally south of Buckeye Road and east of Dysart Road, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

City Council approved the "Condominium Plat for Desert Shoals Condominiums at Tres Rios Landing" on February 19, 2008, which was recorded in Book of Maps 986, Page 3, with the Maricopa County Recorder's Office. This plat dedicated a 24-foot water and sewer easement for the proposed Desert Shoals condominium development that was to be located at the southeast corner of Buckeye Road and Dysart Road.

DISCUSSION:

The Desert Shoals development was not constructed and now a new development, Avondale Apartments, is proposed for the site. Staff, along with the Avondale Apartments developer, Buckeye and Dysart, LLC, have agreed to abandon the existing water and sewer easement as part of its proposed development. The City's current policy is to not maintain public water and sewer lines located on private property. Therefore a public water and sewer easement is no longer required on this property.

BUDGET IMPACT:

There is no impact to the budget for this action.

RECOMMENDATION:

Staff recommends City Council adopt an Ordinance authorizing the abandonment of a public water and sewer easement located generally south of Buckeye Road and east of Dysart Road, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

Contact person for document distribution: Yulonda Moore, Terry Dorschied



VICINITY MAP

ORDINANCE NO. 2039-0623

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE,
ARIZONA, ABANDONING OF THE WATER AND SEWER EASEMENT
GENERALLY LOCATED SOUTH OF BUCKEYE ROAD AND EAST OF
DYSART ROAD IN AVONDALE.

WHEREAS, Article I, Section 3 of the Avondale City Charter authorizes the City of Avondale (the “City”) to dispose of its acquired property as the City’s interests may require; and

WHEREAS, the City has a 24-foot water and sewer easement, consisting of approximately $\pm$ 0.13 acres and generally located south of Buckeye Road and east of Dysart Road in the City as depicted on Condominium Plat for Desert Shoals Condominiums at Tres Rios Landing Parcel (the “Easement”) and recorded at Map Book 986, Page 3, as Instrument No. 2008-0392866, in the Maricopa County Recorder’s Office on May 2, 2008; and

WHEREAS, the Council of the City of Avondale (the “City Council”) has determined that the Easement is no longer needed for public use and therefore, it is necessary and appropriate to abandon said easement.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Easement consisting of approximately $\pm$ 0.13 acres, as more particularly described and depicted in Exhibit 1, attached hereto and incorporated herein by reference, is hereby declared to be no longer necessary for public use and is hereby abandoned.

SECTION 3. Upon recordation of this Ordinance in the office of the Maricopa County Recorder, the Easements shall be forever extinguished and all right and title to the real property described therein shall vest in the surrounding privately owned parcel, owner of Maricopa County Assessor Parcel No. 500-54-027.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this Ordinance.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 5, 2023.

Kenneth Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT 1
TO
ORDINANCE NO. 2039-0623

[Legal Description and Map of Easement]

See following pages.

EXHIBIT A

**DESCRIPTION 24' WATER &
SEWER EASEMENT ABANDONMENT**

THAT WATER AND SEWER EASEMENT DEDICATED ON THE CONDOMINIUM PLAT FOR "DESERT SHOALS CONDOMINIUMS AT TRES LANDING", BOOK 986 OF MAPS, PAGE 3, RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED IN THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE 3-INCH CITY OF AVONDALE BRASS CAP IN HANDHOLE (0.70' DOWN) MARKING THE NORTHWEST CORNER OF SAID SECTION 14 FROM WHICH A BRASS CAP IN HANDHOLE (0.40' DOWN) MARKING THE WEST QUARTER CORNER OF SAID SECTION 14 BEARS SOUTH 00 DEGREES 27 MINUTES 46 SECONDS EAST 2639.59 FEET, SAID DESCRIBED LINE BEING THE BASIS OF BEARINGS FOR THIS DESCRIPTION;
THENCE SOUTH 00 DEGREES 27 MINUTES 46 SECONDS EAST 1048.58 FEET TO THE WESTERLY PROLONGATION OF SOUTH LINE OF SAID CONDOMINIUM PLAT;
THENCE NORTH 89 DEGREES 32 MINUTES 40 SECONDS EAST 567.34 FEET ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID CONDOMINIUM PLAT;
THENCE NORTH 00 DEGREES 00 MINUTES 41 SECONDS EAST 31.88 FEET ALONG THE WEST LINE OF SAID CONDOMINIUM PLAT TO THE POINT OF BEGINNING;
THENCE ALONG THE LIMITS OF SAID WATER AND SEWER EASEMENT THE FOLLOWING 7 COURSES:

THENCE NORTH 00 DEGREES 00 MINUTES 41 SECONDS EAST 28.00 FEET;
THENCE SOUTH 89 DEGREES 59 MINUTES 33 SECONDS EAST 175.30 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 27 SECONDS WEST 58.60 FEET TO THE SOUTH LINE OF SAID CONDOMINIUM PLAT;
THENCE NORTH 89 DEGREES 34 MINUTES 18 SECONDS WEST 9.22 FEET ALONG SAID SOUTH LINE;
THENCE SOUTH 89 DEGREES 32 MINUTES 40 SECONDS WEST 22.78 FEET CONTINUING ALONG SAID SOUTH LINE;
THENCE NORTH 00 DEGREES 00 MINUTES 27 SECONDS EAST 30.72 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 33 SECONDS WEST 143.30 FEET TO THE POINT OF BEGINNING.

COMPRISING OF 5,888 SQUARE FEET MORE OR LESS




SUPERIOR
SURVEYING SERVICES, INC.

DATE: 3/22/2023

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JOB NO.: 202101041-EX1

EXHIBIT B

DEPICTION OF 24' WATER &
SEWER EASEMENT ABANDONMENT

BUCKEYE ROAD

NORTHWEST CORNER SECTION 14, T-1N, R-1W
FOUND 3" CITY OF AVONDALE BRASS CAP
IN HANDHOLE (0.70' DOWN)
POINT OF COMMENCEMENT

LINE	BEARING	DIST.
L1	N 00°00'41" E	31.88'
L2	N 00°00'41" E	28.00'
L3	S 89°59'33" E	175.30'
L4	S 00°00'27" W	58.60'
L5	N 89°34'18" W	9.22'
L6	S 89°32'40" W	22.78'
L7	N 00°00'27" E	30.72'
L8	N 89°59'33" W	143.30'

(BASIS OF BEARINGS)

DYSART ROAD

S 00°27'46" E 2639.59'

1048.58'

1591.01'

POINT OF
BEGINNING

567.34'

N 89°32'40" E

A.P.N.
500-41-487

A.P.N.
500-41-006L

A.P.N.
500-54-027

EASEMENT FOR WATER & SEWER
PER BK. 986, PG. 3, M.C.R.

A.P.N.
500-41-582

A.P.N.
500-41-488

A.P.N.
500-41-493

A.P.N.
500-41-006E

FOUND 3" CITY OF AVONDALE
BRASS CAP IN HANDHOLE
STAMPED 41282
(0.40' DOWN)



NOT TO SCALE



SUPERIOR
SURVEYING SERVICES, INC.

DATE: 3/22/2023

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JOB NO.: 202101041-EX1

CITY COUNCIL REPORT

SUBJECT: Munoz - Re-Plat – PL-22-0356

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Jodie Novak, Development Services Director

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

STRATEGIC OUTCOME: Creative and Sustainable Development

STRATEGY: Maintain and expand quality infrastructure and improve connectivity to City amenities.

PURPOSE:

City Council will consider a request by Raymond Munoz III, (on behalf of the property owners Raymond Munoz Jr, Jenny Munoz, Danny Pina, and Rosemary Munoz), for approval of a Re-Plat and authorize the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents. The proposed Re-Plat adjusts the lot lines of an approximately 0.45-acre property which consists of three (3) parcels and creates two (2) parcels. The site is located at the northeast corner of 5th Street and Pacific Drive. The Council will take appropriate action.

BACKGROUND:

The site is located at the northeast corner of 5th Street and Pacific Drive (Exhibits A and B). The property was annexed into the City's corporate limits on December 15, 1946, and zoned Multi-Family Residential (R-3).

The property is designated by the General Plan 2030 Land Use Map as Historic Avondale District. Land uses within this business core permit and promote a vibrant mix of residential and non-residential uses, but require retail, service, or office uses on all street-level floors to promote a pedestrian-oriented environment.

The property presently comprises three (3) parcels. According to the Maricopa County Assessor, the existing northern parcel, lot 26, contains multiple single-family dwellings. The middle parcel, lot 28, contains accessory structures. The southern parcel, lot 29, is vacant.

The existing uses and zoning of surrounding properties include:

- **NORTH:** Single-family residences zoned Multi-Family Residential (R-3).
- **EAST:** Single-family residences zoned Multi-Family Residential (R-3).
- **SOUTH OF PACIFIC DRIVE:** Single-family residences zoned Multi-Family Residential (R-3).
- **WEST OF 5TH STREET:** Single-family residences zoned Multi-Family Residential (R-3).

SUMMARY OF REQUEST:

The applicant is requesting approval of a Re-Plat. The proposed Re-Plat adjusts the lot lines for three (3) parcels and creates two (2) parcels with the following approximate sizes:

- Parcel A: 0.21 acres
- Parcel B: 0.24 acres

ANALYSIS:

- The proposed Re-Plat has been reviewed by the City's contracted Registered Land Surveyor and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property.
- The proposed Re-Plat complies with all applicable City documents, including, but not limited to, the Avondale Subdivision Regulations, Zoning Ordinance, General Plan 2030, and the General Engineering Requirements Manual.

DISCUSSION:

The proposed Re-Plat is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations. The conditions of approval are reasonable to ensure conformance with the provisions as outlined in the Avondale Zoning Ordinance and all other applicable City codes, ordinances, and policies.

BUDGET IMPACT:

No budget impacts.

RECOMMENDATION:

Staff recommends that the City Council **APPROVE** application PL-22-0356, subject to the following one (1) condition of approval:

1. Development shall conform to the Munoz Re-Plat date stamped April 5, 2023.

Contact person for document distribution: Michelle Simerdla

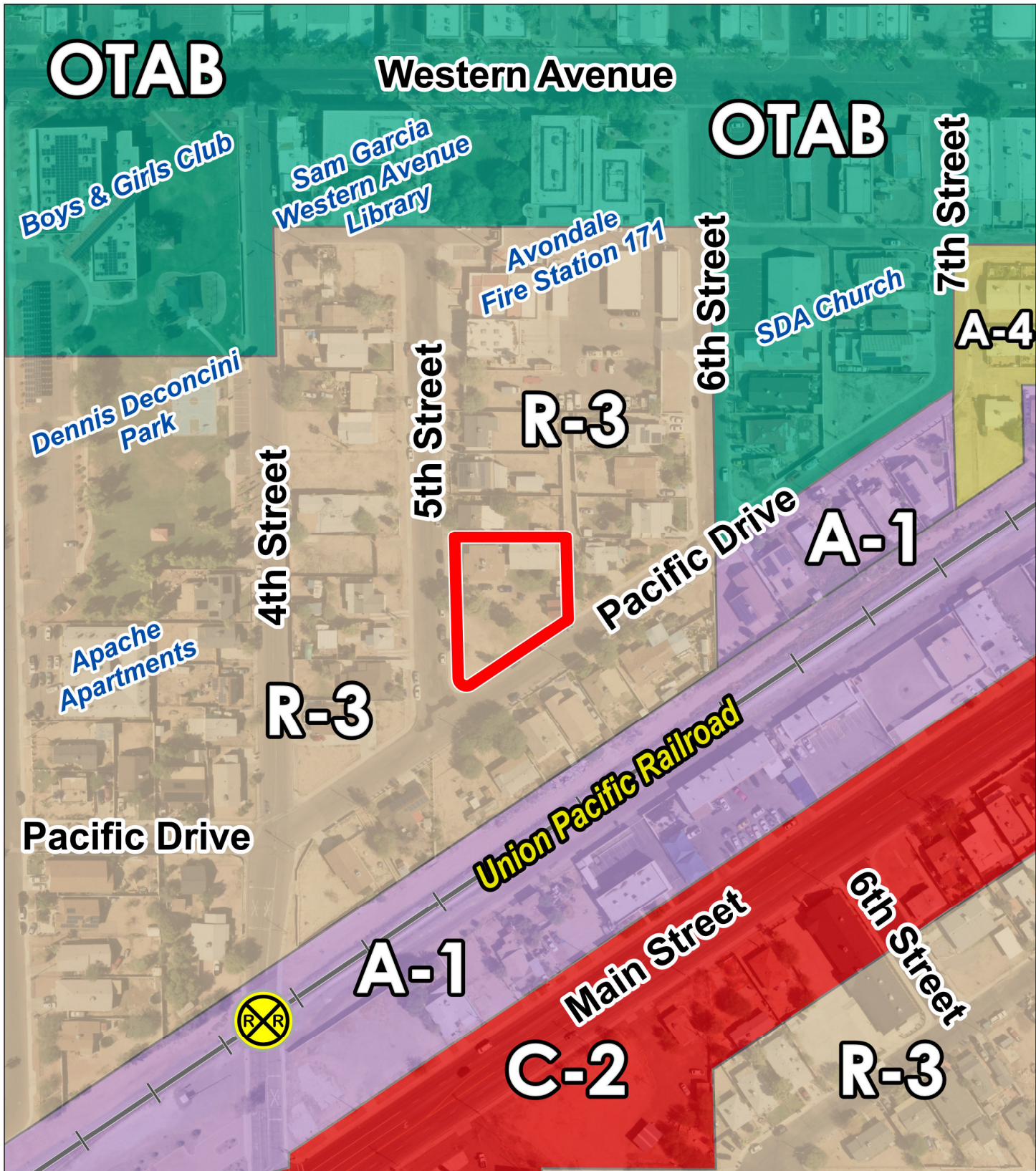


Aerial Map



Subject Property



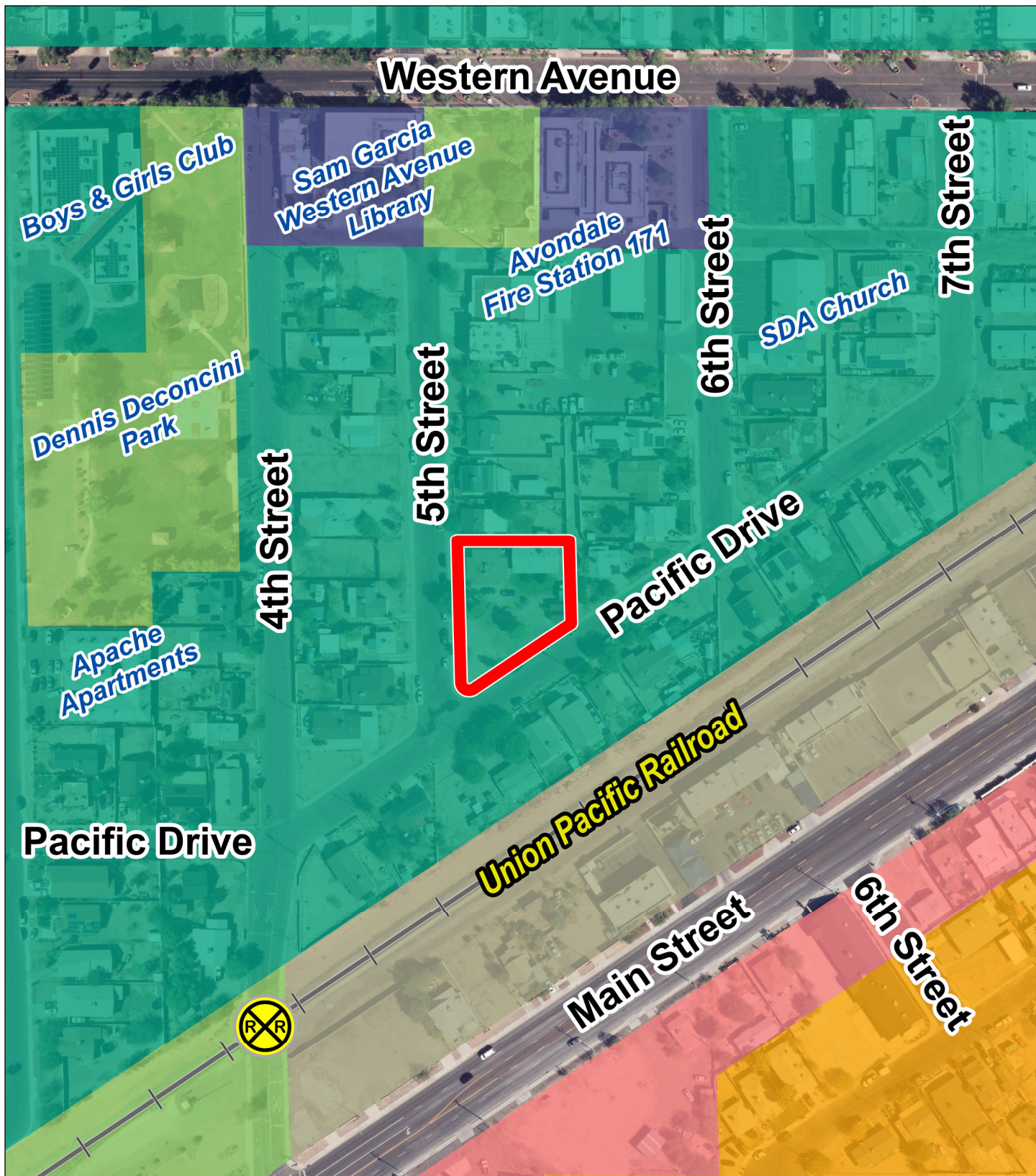


Zoning Vicinity



Subject Property





General Plan Land Use



- Historic Avondale District
- Industrial
- Local Commercial
- Medium Density Residential
- Open Space and Parks
- Public / Civic



Subject Property



DEDICATION:

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

KNOW ALL MEN BY THESE PRESENTS:

THAT RAYMOND MUNOZ JR., JENNY MUNOZ, DANNY PINA AND ROSEMARY MUNOZ, AS OWNERS, HAVE SUBDIVIDED UNDER THE NAME OF "MUNOZ PROPERTY", A RE-PLAT OF LOTS 26, 28 & 29 OF AVONDALE, RECORDED IN BOOK 21, PAGE 34 OF MARICOPA COUNTY RECORDS BEING A PORTION OF THE COUNTY RECORDS BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST, GILA & SALT RIVER MERIDIAN, AVONDALE, ARIZONA, AND HEREBY DECLARES THAT SAID RE-PLAT SETS FORTH THE LOCATION AND GIVES THE KNOWING OF THE PARTIES CONSIDERING SAID RE-PLAT AND THAT EACH PARCEL SHALL BE KNOWN BY THE LETTER GIVEN EACH RESPECTIVELY ON SAID RE-PLAT.

IN WITNESS WHEREOF, RAYMOND MUNOZ JR., AS OWNER, HAS HEREUNDER CAUSED THEIR NAME TO BE AFFIXED THIS ____ DAY OF _____, 2023.

BY: _____ "OWNER"

IN WITNESS WHEREOF, JENNY MUNOZ, AS OWNER, HAS HEREUNDER CAUSED THEIR NAME TO BE AFFIXED THIS ____ DAY OF _____, 2023.

BY: _____ "OWNER"

IN WITNESS WHEREOF, DANNY PINA AS OWNER, HAS HEREUNDER CAUSED THEIR NAME TO BE AFFIXED THIS ____ DAY OF _____, 2023.

BY: _____ "OWNER"

IN WITNESS WHEREOF, ROSEMARY MUNOZ, AS OWNER, HAS HEREUNDER CAUSED THEIR NAME TO BE AFFIXED THIS ____ DAY OF _____, 2023.

BY: _____ "OWNER"

ACKNOWLEDGEMENT:

ON THIS ____ DAY OF _____, 2023, BEFORE ME PERSONALLY APPEARED RAYMOND S. MUNOZ JR., WHOM I KNOW AND ACKNOWLEDGE THAT THEY EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES CONTAINED THEREIN.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL

NOTARY PUBLIC _____ DATE _____

MY COMMISSION EXPIRES _____

ACKNOWLEDGEMENT:

ON THIS ____ DAY OF _____, 2023, BEFORE ME PERSONALLY APPEARED JENNY MUNOZ, WHOM I KNOW AND ACKNOWLEDGE THAT THEY EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES CONTAINED THEREIN.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL

NOTARY PUBLIC _____ DATE _____

MY COMMISSION EXPIRES _____

ACKNOWLEDGEMENT:

ON THIS ____ DAY OF _____, 2023, BEFORE ME PERSONALLY APPEARED DANNY PINA, WHOM I KNOW AND ACKNOWLEDGE THAT THEY EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES CONTAINED THEREIN.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL

NOTARY PUBLIC _____ DATE _____

MY COMMISSION EXPIRES _____

ACKNOWLEDGEMENT:

ON THIS ____ DAY OF _____, 2023, BEFORE ME PERSONALLY APPEARED ROSEMARY MUNOZ, WHOM I KNOW AND ACKNOWLEDGE THAT THEY EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES CONTAINED THEREIN.

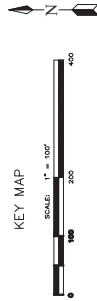
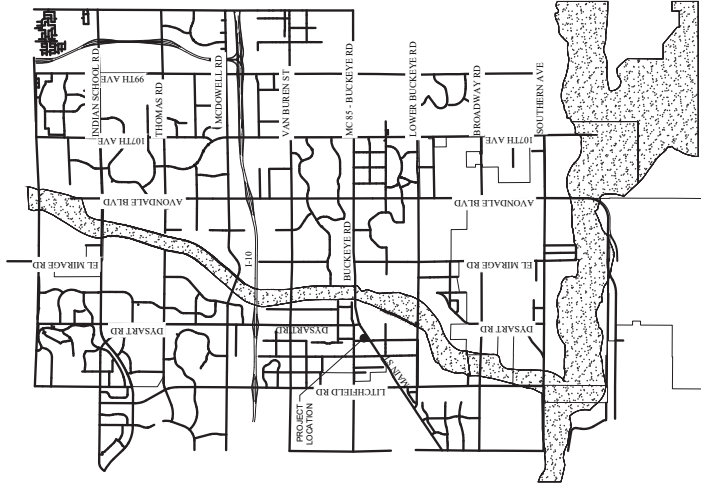
IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL

NOTARY PUBLIC _____ DATE _____

MY COMMISSION EXPIRES _____

FINAL PLAT
MUNOZ PROPERTY

A RE-PLAT OF LOTS 26, 28 & 29 OF 'AVONDALE', RECORDED IN BOOK 21, PAGE 34 OF MARICOPA COUNTY RECORDS BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST, GILA & SALT RIVER MERIDIAN AVONDALE, ARIZONA



SHEET INDEX:

SHEET 1 - COVER SHEET
SHEET 2 - PLAN SHEET

LAND AREA TABLE:

GROSS AREA OF PROJECT	0.4472 ACRES
RIGHT OF WAY AREA	N/A
PARCEL A	0.2100 ACRES
PARCEL B	0.2372 ACRES

100 YEAR ASSURED WATER SUPPLY:

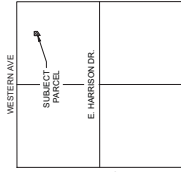
THE AREA PLATTED HEREON LIES WITHIN THE DOMESTIC WATER SERVICE AREAS OF THE CITY OF AVONDALE, ARIZONA, AND IS ASSURED WATER SUPPLY PURSUANT TO SECTION 45-576 ARIZONA REVISED STATUTES.

OWNER

RAYMOND S MUNOZ JR
JENNY MUNOZ
DANNY PINA
ROSEMARY MUNOZ
13045 S 21ST ST
TIN, AZ 85323
PHONE: (602) 853-6016
EMAIL: munozroy1955@gmail.com

SURVEYOR

JR CONSULTING, LLC
JESSE ROYD, RLS, PE
1119 W HEATHER AVE
GILBERT, AZ 85233
PHONE: (602) 369-0852
EMAIL: jr@jrconsultingllc.com



NOTES:

1. ALL LANDSCAPING WITHIN THE LOCAL COLLECTOR AND ARTERIAL STREET RIGHT-OF-WAY IS TO BE MAINTAINED BY THE PROPERTY OWNERS.
2. ALL UTILITY AND PUBLIC SERVICE EASEMENTS, INCLUDING ANY LIMITATIONS OF EASEMENTS; AND CONSTRUCTION WITHIN SUCH EASEMENTS SHALL BE LIMITED TO UTILITIES, LANDSCAPING AND WOOD, WIRE OR REMOVABLE SECTION TYPE FENCES.
3. ALL UTILITIES SHALL BE INSTALLED UNDERGROUND.
4. ALL ELECTRIC AND COMMUNICATION LINES TO BE CONSTRUCTED UNDERGROUND AS REQUIRED BY THE ARIZONA CORPORATION COMMISSION.
5. NO ALTERATIONS SHALL BE MADE TO THE STORM WATER RETENTION AREAS THAT ARE A PART OF THESE PREMISES WITHOUT WRITTEN APPROVAL BY THE CITY OF AVONDALE.
6. NO STRUCTURES SHALL BE CONSTRUCTED IN OR ACROSS NOR SHALL OTHER IMPROVEMENTS OR ALTERATIONS BE MADE TO THE DRAINAGE FACILITIES THAT ARE A PART OF THIS SUBDIVISION WITHOUT WRITTEN AUTHORIZATION BY THE CITY OF AVONDALE.
7. ALL RETENTION BASINS MUST DRAIN ANY STORM EVENT UP TO AND INCLUDING 100 YEARS, 2 HOUR STORM WITHIN 36 HOURS. OWNER MUST TAKE CORRECTIVE ACTIONS TO BRING THE BASIN INTO COMPLIANCE.

BENCHMARK:

CITY OF AVONDALE BENCHMARK 'AVON LIBRARY' HAVING A PUBLISHED ELEVATION OF 966.43' (NAVD 83)

BASIS OF BEARING:

THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 15, T1N, R1W, BEING S89°17'00"E AS MEASURED AND RECORDED IN BOOK 21, PAGE 34 OF MARICOPA COUNTY RECORDS.

APPROVALS

APPROVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, THIS ____ DAY OF _____, 2023.

MAYOR _____ DATE _____

ATTEST, CITY CLERK _____ DATE _____

CITY ENGINEER _____ DATE _____

SURVEYOR'S CERTIFICATION:

THIS IS TO CERTIFY THAT THIS SURVEY AND SUBDIVISION OF THE PREMISES DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION DURING THE MONTH OF SEPTEMBER, 2022 THAT THE PLAT IS CORRECT AND ACCURATE, THAT THE INSTRUMENTS AND RECORDS HAVE BEEN LOCATED OR ESTABLISHED AS DESCRIBED AND THAT THE LOT CORNERS PERMANENTLY SET.

[Signature]

REGISTERED LAND SURVEYOR

03/27/23

DATE

03/27/23
SHEET NUMBER
1 OF 2
PROJECT NUMBER
220010

RAYMOND S MUNOZ JR
MUNOZ PROPERTY
FINAL PLAT





CITY COUNCIL REPORT

SUBJECT: Public Hearing - Conditional Use Permit for Francis and Sons Express Car Wash – Application PL-21-0330

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Jodie Novak, Director of Development Services

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

STRATEGIC OUTCOME: Creative and Sustainable Community Development.

STRATEGY: Maintain and expand quality infrastructure and improve connectivity to city amenities.

PURPOSE:

City Council will hold a public hearing and consider a request by Mr. Brian Greathouse, Burch & Cracchiolo, for approval of a Conditional Use Permit (CUP) and authorize the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents. If approved, the CUP will allow a self-service car wash on the 3.72-acre subject property in the Palm Valley Planned Area Development (PAD), which includes C-2 (Community Commercial) uses. The Council will take appropriate action.

BACKGROUND:

The subject property consists of three (3) contiguous vacant parcels located at the southwest corner of Indian School and Dysart roads, Assessor Parcels 501-71-934, 501-71-943B, and 501-71-933H (Exhibit A). The conceptual site plan (Exhibit E) identifies Phase 1 for a car wash use with a conveyor-style washing tunnel (approximately 4,934 square feet), vehicle vacuum and cleaning areas, and associated site improvements.

Phase 2 of the development is not part of this Conditional Use Permit request; however, it is planned for a retail building (approximately 8,031 SF) located west of the car wash and a quick service restaurant (approximately 2,050 SF) to the south of the carwash. Phase 2 will require future review and approval.

The subject property is designated by the General Plan 2030 Land Use Map as Local Commercial. The Local Commercial land use category is used primarily for providing the daily needs of goods and services to the residents residing within the surrounding area.

The existing uses and zoning of surrounding properties include:

NORTH: Indian School Road, then City of Litchfield Park; Existing roadway improvements, then existing single-family residential uses.

EAST: Zoned Palm Valley PAD and Ascend PAD; General Plan Designations are Public/Civic, Local Commercial, and Mixed Use. An existing Liberty Utilities well water treatment facility is located at the immediate southeast corner of Indian School and Dysart roads, and a self-storage facility is located immediately east of that. An additional, approximately 40-acre site is currently vacant but is slated for a 432-

unit multi-family residential development, a 125-unit townhome development, and two commercial areas as established by the Ascend PAD.

SOUTH: Currently under consideration to be rezoned and redesignated to Angelina Luxury Living PAD; General Plan Designation to be High Density Residential. Land use is planned for a 130-unit, for-rent townhome development.

WEST: Zoned Palm Valley PAD; General Plan Designations are Local Commercial and Medium Density Residential. Land uses include Trinity Lutheran Church to the direct west of the project site, and a single-family residential neighborhood beyond the church.

SUMMARY OF REQUEST:

The applicant is requesting approval of a Conditional Use Permit (CUP) to allow for the operation of a self-service car wash on the subject property consisting of three (3) vacant parcels located at the southwest corner of Indian School and Dysart Roads (Exhibit A). If approved, this CUP request will allow the developer, Francis and Sons, to operate an Express Car Wash on the central portion of the subject site.

Development of the new car wash will include provision of landscaped setbacks along both Indian School and Dysart roads and a drainage easement along the eastside adjacent to Dysart Road (Exhibit F). Access will be from the existing shared driveways on both roadways that connect to an internal drive aisle.

The site layout included internalizing the shade canopies for vehicle vacuuming and cleaning. The building's architectural design will further be reviewed administratively through a Site Plan and Design Review application. The concept building elevations represent southwest colors and building forms to minimize the elongated building's appearance. The building design will need to meet the City's Commercial and Industrial Design Manual. Buildings in Phase II will need to be similar in design form, materials, and colors to Phase I.

PUBLIC PARTICIPATION:

A virtual Neighborhood Meeting to discuss the proposal with neighboring property owners and other interested parties was held on Thursday, September 29, 2022, via Zoom. All notices of the meeting were in accordance with the Zoning Ordinance notification requirements. In addition to the City staff and the applicant's team, one (1) person attended the virtual meeting. See Exhibit I for the Neighborhood Meeting Summary. Questions and comments included:

- Concern about noise. The applicant stated the company purchases the latest in noise-reduction car wash technology.
- Concern that the car wash exit at the north end is close to Litchfield Park homes. The applicant responded that the site plan includes site/sound walls to attenuate noise at both north and south entrances.
- Concern that Francis & Sons has low Yelp ratings. The applicant responded that Yelp ratings do not have much standing, and prefers to utilize Google ratings instead.
- Concerned about an existing car wash business within a mile. The applicant responded that he believes the current market supports another car wash.
- The participant indicated he is a homeowner in Litchfield Park and further stated they represented other homeowners, presumably in Litchfield Park adjacent to the project. The resident did not indicate he was for or against the project, but from the line of questions, he may not support the project.

All required notifications for the Planning Commission and City Council public hearings were completed in accordance with notification requirements.

Prior to the Planning Commission public hearing, a resident of Litchfield Park sent emails with questions about drainage. Staff responded via email that as proposed, the site plan maintains the existing drainage channel that conveys off-site flows (approximately 680 cubic feet per second) from the north. This north/south channel is located along the eastern boundary of the site adjacent to Dysart Road. Additionally, there is an existing drainage easement for this channel. The western system is a separate drainage system and will not be impacted by development of the subject site.

Another resident phoned the day before the Planning Commission hearing and expressed concerns about a) the amount of traffic in the area due to new uses, b) that there is a lot of this type of car wash and the area needs more variety with personal hand wash services, and c) this use type invites crime as people hang out in their cars bothering other customers while they are cleaning.

PLANNING COMMISSION ACTION:

On April 19, 2023, the Planning Commission conducted a public hearing and asked how vehicles would access and move through the car wash site. A commissioner also asked what uses were planned for the two other vacant areas. Staff explained on the site plan the location of the shared driveways and where vehicles enter the car wash. Staff also shared that a quick service restaurant and a retail building are planned for the remaining areas. The Planning Commission passed a motion (4-0 vote) to recommend approval of the proposed Conditional Use Permit.

ANALYSIS:

To grant a Conditional Use Permit, five findings must be met as outlined in Zoning Ordinance Section 108.B. Each finding is presented below along with Staff's analysis.

1. That the proposed use (a) is consistent with the land use designation set forth in the general plan, (b) will further the City's general guidelines and objectives for development of the area, as set forth in the general plan and (c) will be consistent with the desired character for the surrounding area.

The subject property is designated as Local Commercial by the General Plan and is within the North Avondale Specific Plan. The Local Commercial land use category is used primarily for providing daily needs of goods and services to the residents residing within the surrounding area.

A car wash would serve consumers residing in adjacent residential neighborhoods and the public traveling along the major arterial roadways. Generally, neighborhood commercial development would not be greater than five acres and includes adequate buffering to protect surrounding land uses. The site plan contains 3.72 acres with adequate landscape and building setbacks. As proposed, the car wash use is consistent with the character of the Local Commercial designation and will facilitate more development in North Avondale, contributing to the full buildout of this infill site.

The proposal supports the following General Plan goals and policies and North Avondale Specific Plan goal and objective:

General Plan 2030

- Land Use Goal 3 Policy D: Ensure adequate transitions and/or buffers are provided when adjacent land uses vary in character and intensity.
- Economic Vitality Goal 3 Policy D. Support new development that accommodates business attraction opportunities.
- Economic Vitality Goal 5: Encourage and facilitate small/local business development and diversity.

North Avondale Specific Plan

- Objective 1. Facilitate the full build-out of North Avondale. Land Use Element Goals 1 Policy D. Enhance the attractiveness of infill parcels as options for new development throughout Avondale.

This finding has been met.

2. That the use will be (a) compatible with other adjacent and nearby land uses and (b) will not be detrimental to persons residing or working in the area, adjacent property, the neighborhood or the public welfare in general.

The car wash will be located approximately 980 feet north of the nearest residential lot within the City of Avondale and approximately 180 feet south from the nearest residential lot within the City of Litchfield Park across Indian School Road. The existing Trinity Lutheran Church is the seller of these remnant infill parcels and operates a large church located southwest of the subject site. Adequate transitions and buffers exist on all four sides of property.

According to the project narrative, the Express Car Wash will utilize state of the art equipment that significantly

reduces noise. The vacuum motors are housed within an enclosed room inside the masonry car wash building. Blowers for drying vehicles are located inside the tunnel at the exit end. The blowers also include air gates which significantly muffle noise. The car wash bay is screened by landscaping and six (6) foot high masonry sound walls, which exist near the entrance and exit of the wash tunnel to reduce noise. During hours of operations, exterior noise levels from activities inside the car wash building shall not exceed a maximum of sixty (60) dBA, as measured at the Indian School Road property line directly adjacent to the car wash.

As conditioned, the intensity of the use, traffic generation, hours of operation, and other operational characteristics of the car wash will be consistent and compatible with existing uses in the vicinity.

This finding has been met.

3. That the site is adequate in size and shape to accommodate the proposed use, allow safe on-site circulation, and meet all required development standards including, but not limited to, setbacks, parking, screening, and landscaping.

The project is designed to achieve all requirements of the Avondale Zoning Ordinance and the Palm Valley Planned Area Development (PAD), which includes C-2 (Community Commercial) uses in regard to setbacks, landscaping, parking, screening, and lighting.

As proposed, the Express Car Wash will be located adjacent to a future retail building and a future restaurant. A pedestrian-friendly corner feature is proposed at the intersection that includes shade trees, screen walls and sidewalks. The new car wash building will only incorporate down-lighting on the exterior. All lighting will follow the Zoning Ordinance.

According to the project narrative, customers will remain in their vehicle throughout the car wash process (approximately 5 minutes), starting at automated pay stations. The customer will continue through the car wash tunnel exiting out the tunnel's north side close to Indian School Road. There is also a self-vacuuming and cleaning area. The proposed hours of operation will be between 6:00 A.M. to 9:00 P.M. (Sunday through Saturday). The proposed car wash will minimize its impact by using treated and recycled water and safe, biodegradable phosphate-free wash solutions.

This finding has been met.

4. That the site has appropriate access to public streets with adequate capacity to carry the type and quantity of traffic generated by the proposed use.

The project site is located at the southwest corner of two major arterials. Access will be from the existing shared driveways on both Indian School and Dysart roads that connect to an internal drive aisle.

The proposal will generate traffic consistent with the existing commercial and place of worship uses occurring in the vicinity. An eastbound right-turn deceleration lane currently exists at the intersection of Indian School Road and Plaza Circle. A 100-foot-long southbound right-turn deceleration lane is recommended at the intersection of Dysart Road and Plaza Circle to accommodate traffic volumes. The intersection of Dysart Road and Plaza Circle will continue to provide only right-in/right-out movements to the development, and the intersection of Plaza Circle and Indian School Road will provide right-in/right-out and left-in movements, with the recommended installation of a 100-foot-long westbound left-turn lane to accommodate traffic volumes. Based upon the review of the applicant's Traffic Impact Analysis (TIA), the City has determined that the proposed project will function in a safe and efficient manner with the recommended improvements.

This finding has been met.

5. That adequate conditions have been incorporated into the approval to ensure that any potential adverse effects will be mitigated.

Conditions of approval are recommended, which are standard for this type of development. See the "Recommendations" section below.

This finding has been met.

DISCUSSION:

Staff recommends approval of the request for the following reasons:

- The proposed land use meets the five (5) required findings for a Conditional Use Permit (CUP) per the Zoning Ordinance.
- Approval of the proposal will result in development compatible with Local Commercial General Plan land use designation, the Palm Valley PAD zoning, and existing development in the area.
- The proposed land use will not be detrimental to persons residing or working in the area, on adjacent properties, or to the public welfare in general.

BUDGET IMPACT:

No budget impacts

RECOMMENDATION:

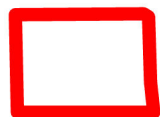
City Council will conduct a public hearing and **APPROVE** Application PL-21-330 Francis and Sons Car Wash, a request for a Conditional Use Permit to allow a self-service car wash in the Palm Valley Planned Area Development (PAD), subject to the following six (6) conditions of approval:

1. Development and use of the site shall conform to the Francis and Sons Express Car Wash Conditional Use Permit Narrative (Exhibit D) dated March 20, 2023, Site Plan (Exhibit E) dated January 20, 2023, Landscape Plan (Exhibits F) and Building Elevations (Exhibit G) dated January 5, 2023.
2. Administrative approval of a Site Plan and Design Review application is required prior to issuance of a building permit.
3. In accordance with the applicant's Sound Exhibit (Exhibit H) dated January 5, 2023, exterior noise levels from activities inside the car wash building during hours of operations shall not exceed a maximum of sixty (60) dBA, as measured at the Indian School Road property line directly adjacent to the car wash.
4. Grandfathered Groundwater Rights for the property must be extinguished and pledged to the City of Avondale's assured water supply account (26-002003.0000) prior to the issuance of any construction permits for any portion of the project.
5. In accordance with Section 28-8(d) of the Avondale Zoning Ordinance, the Conditional Use Permit shall expire two (2) years from the date of Council approval if the use has not commenced.
6. All required off-site improvements shall be completed before the first Certificate of Occupancy.

Contact person for document distribution: Catherine Lorbeer



Aerial Map

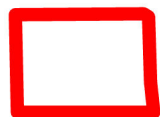


Subject Property



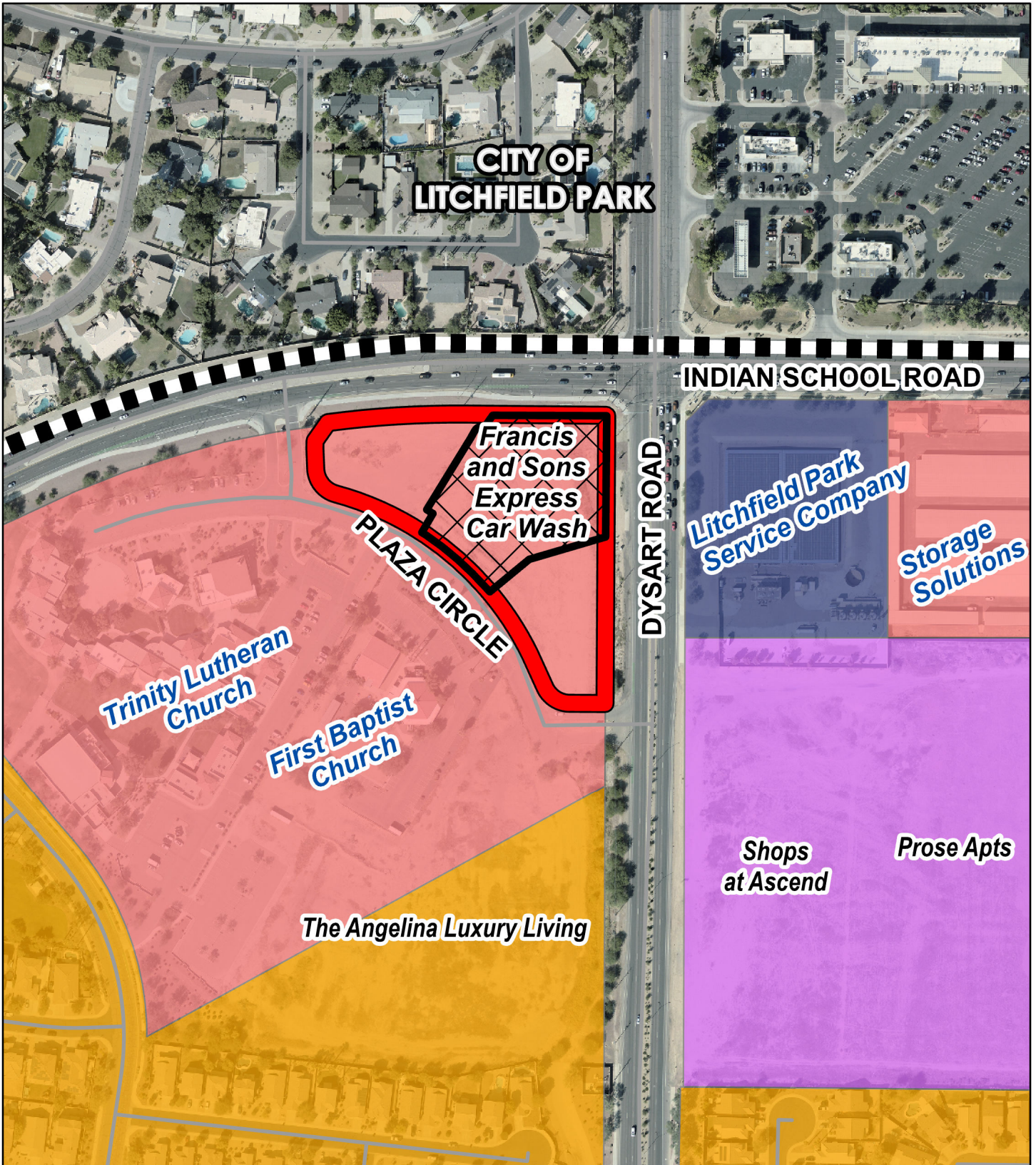


Zoning Vicinity



Subject Property

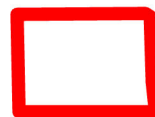




General Plan Land Use



- Local Commercial
- Medium Density Residential
- Mixed Use
- Public / Civic



**Subject
Property**



3rd Submittal: March 20, 2023

NARRATIVE - Conditional Use Permit

Francis and Sons Express Car Wash
SWC of Indian School Road and Dysart Road

I. Introduction

Francis and Sons (“F&S”) is the proposed developer of a 3.72 +/- acre property located at the southwest corner of Indian School Road and Dysart Road (“Site”). F&S requests approval of a Conditional Use Permit (CUP) to allow for a car wash in the C-2 (Community Commercial) Zoning District.

Phase I of the development will include an Express Car Wash. The Express Car Wash will include a conveyor-style car wash tunnel (approximately 4,934 SF) with state-of-the-art cleaning equipment and chemical solutions to provide a high quality and convenient car wash service to the surrounding community. F&S’s customers will remain in their vehicle throughout the entire car wash process, starting at the automated pay stations. The customer will continue through the car wash tunnel exiting out the tunnels north side proximate to Indian School Road. There is also a self-vacuuming area that is provided for no charge. This system allows for a quick process (approximately 5 minute car wash) with a very affordable price structure. Phase II of the development will include a retail building (approximately 8,031 SF) located proximate to the west of the car wash and Phase II quick service restaurant (approximately 2,050 SF) to the south of the carwash. The Phase II developments will provide architecture and building designs that are consistent and compatible with the Phase I development.

The Express Car Wash will provide a convenient service to the residences of the City of Avondale that is quick, convenient, and safe. The Express Car Wash will be compatible with the uses proposed on the Site and existing uses within the surrounding area. The Site’s location along Indian School Road and Dysart Road and within a development of future commercial uses located on the Site is an ideal location for the proposed Express Car Wash and other proposed retail and restaurant uses.

F&S will minimize its impact on the environment by using treated and recycled water and safe, biodegradable phosphate free wash solutions, and/or incorporate other sustainability technologies to maintain best practices in the industry. Further, the Express Car Wash will utilize state of the art equipment that significantly reduces noise on the Site. The vacuum motors are housed within an enclosed room inside the carwash building. Blowers for drying vehicles are located inside the tunnel at the exit end. The blowers also include air gates which significantly muffles noise. The Site is located adjacent to two major arterial roadways and located a significant distance away from any residential areas.

II. Conformance with the General Plan and the North Avondale Specific Plan

The proposed Express Car Wash and this CUP request are supported by the General Plan and North Avondale Specific Plan Land Use Map designation of Local Commercial. The Local Commercial land use category designates properties suitable for providing the daily needs of good and services to residents residing within the surrounding area, including uses such as grocery stores, gas stations, and neighborhood retail/services with preferred locations at major arterial intersections. The proposed F&S Car Wash and other future commercial uses on the Site are consistent with the Local Commercial designation for the Site. Further, below is a summary of goals and policies supported by the proposed development:

General Plan

Land Use Goal 3 Policy D: *Ensure adequate transitions and/or buffers are provided when adjacent land uses vary in character and intensity.*

The proposed development conforms to the Local Commercial land use designation in the City's General Plan. The Site is located approximately 980 feet north of the nearest residential lot within the City of Avondale and across Indian School Road from the nearest residential lot within the Town of Litchfield Park approximately 180 feet to the north. The existing Trinity Lutheran Church is the seller of this remnant infill Site, which operates a large church located southwest of the Site. Adequate transitions and buffers exist on all four sides of this Site.

Economic Vitality Goal 3 Policy D: *Support new development that accommodates business attraction opportunities.*

The proposed Express Car Wash will be F&S's second business in Avondale. F&S is a family-owned business that has been operating car wash facilities for over 35 years in the Valley. F&S currently operates 18 car wash facilities. This new Express Car Wash concept has a clean, modern, and high-quality design, and utilizes state of the art equipment. F&S is excited to bring its business to the City of Avondale and support the City's goal of Economic Vitality.

Economic Vitality Goal 5: Encourage and facilitate small/local business development and diversity.

The proposed Express Car Wash will contribute to the balance of necessary retail services. No car washes are located within a mile of this Site and is appropriately located on an underutilized commercial C-2 zoned property surrounding primarily by an existing church and two arterial roadways. This is the perfect location to encourage a family-owned local Valley business to provide a convenient and safe needed service. The proposed Express Car Wash will also be located adjacent to a future retail building and a future restaurant, which provide a natural synergy between the three uses.

Environmental Planning & Conservation Element Goals 1, 2, 8 and 9: *(1) Protect floodways, floodplains, hillsides, and other environmentally sensitive areas from inappropriate development. (2) Preserve existing habitat areas of wildlife and desert plant species. (8) Conserve*

Water. (9) Ensure that all commercial and industrial activities are monitored to protect recharge environmental, and other functions of the Agua Fria, Salt and Gila rivers.

F&Ss car wash system will be part of the “green shield program,” whereby products used will be environmentally friendly and the system will comply with very efficient water usage standards and reuse compared to other car wash methods (i.e. washing vehicles in residential driveways using significantly more water and flushing detergents into the City’s storm drain system.) Less detergent waste flowing from residential driveways into the City’s storm drain systems will support the General Plan’s goal of protecting environmentally sensitive areas. The efficient, environmentally friendly methods deployed by F&S will support the City’s sustainability and conservation planning efforts.

North Avondale Specific Plan

Objective #1: *Facilitate the full buildout of North Avondale.* **General Plan Land Use Element Goal #1, Policy D:** *Enhance the attractiveness of infill parcels as options for new development throughout Avondale.*

The proposed development conforms to the Local Commercial land use designation in the City’s General Plan. Further, this is an underutilized infill Site that has existing infrastructure along two arterial streets, Indian School Road and Dysart Road. The Site is the last hard corner available at this intersection. The north side of Indian School Road is Litchfield Park jurisdiction and the south side is Avondale jurisdiction.

Objective #7: *Develop a “Sense of Place” in North Avondale.* **Urban Design Element Goal #2, Policy A:** *Create visual gateways at principal entry points to Avondale, and develop a design theme that is used throughout the City to create a sense of unity and identify.*

The proposed Express Car Wash will be F&S’s second business in Avondale. Similar to F&Ss other business across the street from City Hall, a pedestrian friendly corner feature is proposed at the intersection to provide shade trees, screen wall with welcome signage and sidewalk connecting development to pedestrian walkways along perimeter of Site, and a sense of arrival at this north gateway to Avondale.

III. Compliance with Site’s Zoning

The Site is within the Palm Valley Planned Area Development (PAD). Palm Valley PAD allows C-2 uses on the Site. Car Wash uses require a CUP within the C-2 Zoning District. This CUP request will allow F&S’s Express Car Wash to be developed on the Site. Further, the retail and restaurant uses are allowed under C-2 zoning.

IV. Site Design

The proposed development will include a new approximately 4,935 SF Express Car Wash, approximately 8,131 SF retail building and an approximately 2,050 SF restaurant building. Adequate parking is provided on the Site with sufficient cross circulation for vehicles and pedestrians. Access to the Site will be provided to/from an existing internal private drive known as Plaza Circle, which is shared with the church. Customers will enter the private drive (Plaza Circle) via existing driveways, then turn into the Site directly from Plaza Circle. There will be no direct access to/from Indian School Road and Dysart Road. Onsite circulation and parking has been designed to provide a safe and convenient customer experience.

V. **Building Design**

The car wash building has been attractively designed and will be compatible with the other high quality architectural features located with the Palm Valley PAD. The building design includes a variety of features to provide horizontal and vertical articulation, reduce massing, and provide a variety and diverse set of materials, textures, and colors.

VI. **Landscape Theme**

The landscape theme incorporates various types of desert themed trees, shrubs and groundcovers that are consistent with the existing landscaping within the Palm Valley PAD area. The Site will include approximately 35 trees total with groupings of trees located along Dysart Road and Indian School Road with groupings at the carwash entry and trees along Indian School Road near the carwash tunnel exit.

VII. **Signage**

One freestanding monument sign will be located along Dysart Road and one along Indian School Road. The car wash building will have one sign on the north and two signs on the east side and one on the south side of the building. Further, a proposed “Gateway” City sign will be located at the SWC of Dysart Road and Indian School Road that meets the intent of the North Avondale Specific Plan (NASP). The Gateway City Sign strongly announces arrival into the City of Avondale with “City of Avondale” pronounced on the Sign that is clearly visible at the intersection of Dysart Road and Indian School Road.

VIII. **Hours of Operation**

The Express Car Wash will operate between 6 a.m. and 9 p.m., Sunday through Saturday. These are the maximum hours of operation.

IX. **CUP FINDINGS**

Section 108C.2 of the Zoning Ordinance lists five findings that are to be used when reviewing a CUP application. F&S’s proposed Express Car Wash meets and satisfies the five findings as follows:

1. That the proposed use (a) is consistent with the land-use designation set forth in the general plan, (b) will further the City's general guidelines and objectives for development of the area, as set forth in the general plan and (c) will be consistent with the desired character for the surrounding area.

The proposed Express Car Wash is consistent with the Commercial land use designation of the General Plan and the North Avondale Specific Plan. See Section II above for supported Goals and Policies of the General Plan and North Avondale Specific Plan. The Site is compatible with the desired character for the surrounding area. The Site does not directly abut any residential uses and the car wash tunnel is located approximately 980 feet north of the nearest single-family home within the City of Avondale.

2. That the use will be (a) compatible with other adjacent and nearby land uses and (b) will not be detrimental to persons residing or working in the area, adjacent property, the neighborhood or the public welfare in general.

The proposed car wash is compatible with the development in the area and other commercial uses proposed on the Site. The proposed development will not be detrimental to anyone living or working in the area, adjacent property, the neighborhood or the public welfare. There is a significant distance between the Site and the nearest residential home and is located within an existing church campus that is zoned C-2.

The Site design incorporates buffers, including screen walls along Dysart Road and Indian School Road and landscape buffers around the perimeter of the Site. There is also state of the art equipment specified for the car wash tunnel to reduce noise down to ambient levels (similar to car/road noise from Indian School Road and Dysart Road), including silencers, mufflers, and air gates on the blowers. Further, vacuums are enclosed within the masonry building, dryer motors are located within the tunnel structure, and all dryer motors will be installed with noise-reducing air gates. Six-foot masonry sound walls will also exist near the entrance and exit of the wash tunnel to reduce noise by dampening noise at the loudest parts of the building. Regarding noise levels at the wash exit, near Indian School: 15 feet from the wash exit has an estimated dba of 60, 40 feet away has an estimated dba of 58, and 80 feet away from the exit—at the property line adjacent to Indian School—has an estimated dba of 55.

3. That the site is adequate in size and shape to accommodate the proposed use, allow safe on-site circulation, and meet all required development standards including, but not limited to, setbacks, parking, screening, and landscaping.

The Site is adequate in size and shape to accommodate the Express Car Wash, allow safe on-site circulation and meet all required development standards of the Palm Valley PAD and other City development standards applicable to the Site, including

building and landscape setbacks ranging from 30' to 20', parking requirements, and landscaping standards.

4. That the site has appropriate access to public streets with adequate capacity to carry the type and quantity of traffic generated by the proposed use.

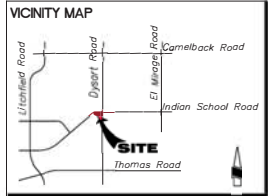
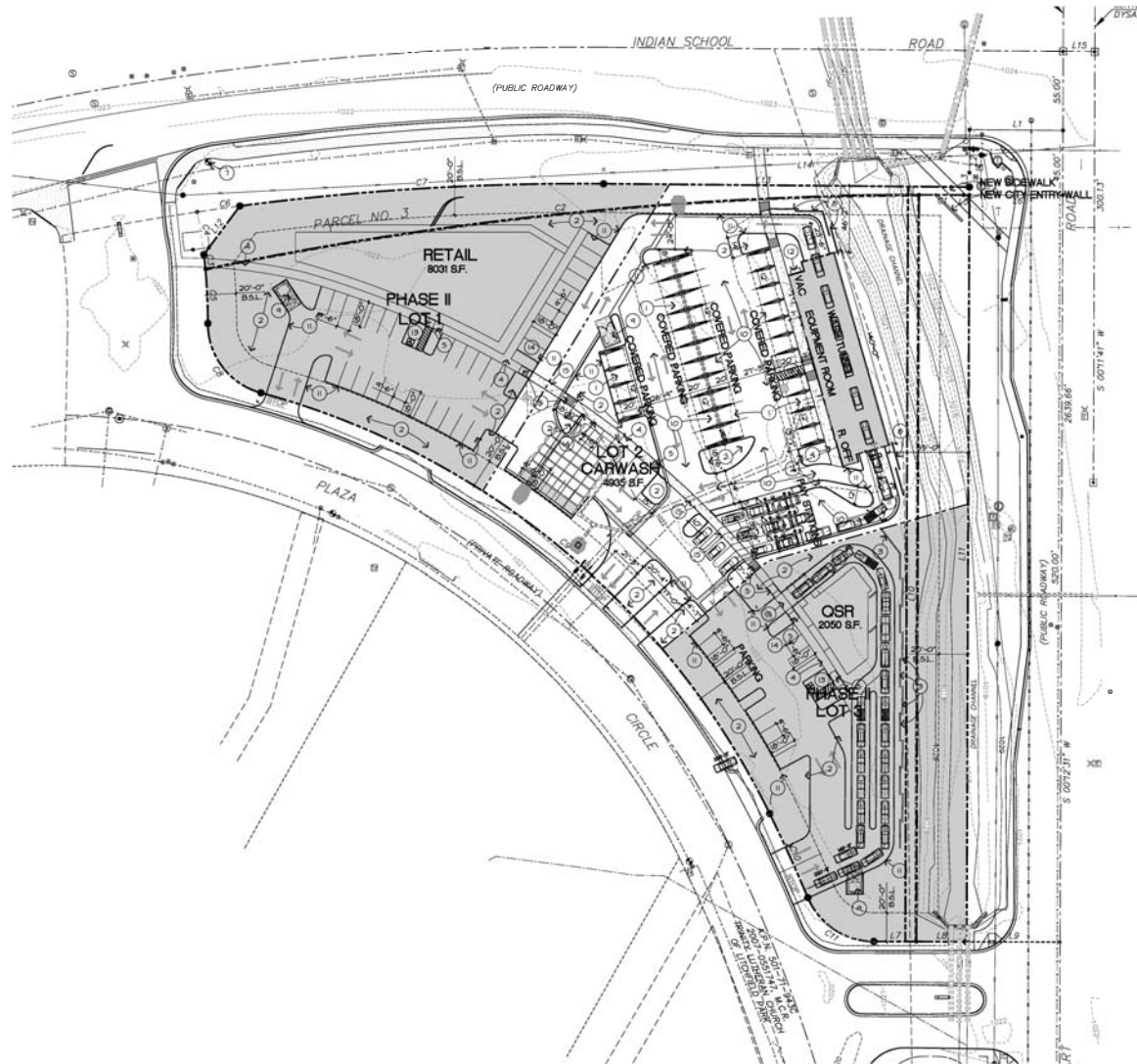
There is appropriate access to/from the Site along the existing internal private drive, with existing entry/exit points along Dysart Road and Indian School Road. Further, there is adequate capacity along the existing Arterial Roadways (Indian School and Dysart Road) to carry the type and quantity of traffic generated by the Express Car Wash, which is less traffic than would be generated by other uses that are permitted uses on the Site.

5. That adequate conditions have been incorporated into the approval to ensure that any potential adverse effects will be mitigated.

F&S's hours of operation on the Site will be from 6 a.m. to 9 p.m. The building will only include down-lighting that will have no adverse effects upon surrounding areas/uses. Adequate landscaping will be provided to appropriately buffer the Site from surrounding areas.

X. CONCLUSION

The proposed Express Car Wash and proposed compatible and complimentary commercial uses will provide a compatible, neighborhood service on a vacant and underutilized Site within an existing commercial area that is zoned C-2. The proposed development is consistent with the General Plan and North Avondale Specific Plan. We request your approval of this CUP request.



PROJECT DATA:
FRANCIS & SONS EXPRESS CARWASH
Dysart & Indian School Road
OWNER:
Francis and Sons LLC
16414 N. 1st Street #102
Scottsdale, AZ 85260
480-644-1075
EMAIL: jfr@francisandsons.com

ARCHITECT:
JOHN REDDELL ARCHITECTS
4992 S. 158th Street
Gilbert, AZ 85298
602-531-2854

ZONING ORDINANCE: CITY OF AVONDALE
PAO

PARCEL #s:
501-71-433 H
501-71-434 B
501-71-463 B

SITE AREA:

LOT 1	44489 S.F.
LOT 2	74236 S.F.
LOT 3	43330 S.F.
TOTAL	162,055 SQ. FT. (3.72 AC)

CARWASH BUILDING: 4935 S.F.
RETAIL BUILDING: 8031 S.F.
QSR BUILDING: 2050 S.F.

PARKING DATA:

LOT #1 - RETAIL	
REQUIRED: 8030 / 300 = 26.75 OR	27
PROVIDED: INCLUDING 1 ADA ACCESSIBLE	36
LOT #2 - CARWASH SELF SERVICE	
REQUIRED: 8 EMPLOYEE SPACES	8
PROVIDED: 1 ADA ACCESSIBLE	1
TOTAL	42
VACUUM PARKING	35
VACUUM ADA	2
STANDARD PARKING	30
TOTAL	67
LOT #3 - QSR	
REQUIRED: 400 SF PUBLIC SEATING / 50	50
INCLUDING 1 ADA	1
TOTAL	51

- SITE PLAN NOTES**
- COVERED PARKING (VACUUM CANOPIES)
 - NEW LANDSCAPE AREA
 - 3'-4" HIGH PARKING SCREEN WALL
 - CONCRETE SIDEWALK
 - ADA ACCESSIBLE RAMP
 - COVERED FACILITY
 - FIRE HYDRANT LOCATION
 - 4'-0" HIGH PARKING SCREEN WALL
 - TRASH ENCLOSURE W/ GATE PER CITY STANDARD
 - CONCRETE PAVING (TYP)
 - 6" CONCRETE CURB (TYP)
 - SEE LOCATION POINT TO MATCH BUILDING - SEE ELEVATIONS
 - HOUP PARKING W/ 9' ACCESS
 - EV ELECTRIC CAR PARKING SPACE WITH POWER SERVICE
 - 5' MIN. ACCESSIBLE PATH OF TRAVEL (COLORED SCORED) PAVEMENT ACCESS DRIVEWAYS & CONNECTION TO SIDEWALK

- NOTES**
- ALL SIGNS ARE BY SEPARATE PERMIT AND SHOULD CONFORM TO THE SIGN SECTION OF THE EXISTING PCD AGREEMENT
 - THE CITY INVITES FRANCIS AND SONS CAR WASH TO PARTICIPATE IN AVONDALE'S GREEN BUSINESS PROGRAM. PARTICIPATION IS COMPLETELY VOLUNTARY. WITH PARTICIPATING BUSINESSES RECOGNIZED BY THE CITY IN A VARIETY OF WAYS, INCLUDING A DISCOUNTED WINDOW DECAL INCLUSION IN CROSS-MARKETING WITHIN THE CITY, AN AWARD AT THE MAYOR'S STATE OF THE CITY, MENTIONS IN CITY SOCIAL MEDIA POSTINGS, AND THE LIKE. IF YOU ARE INTERESTED, PLEASE VISIT THE FOLLOWING LINK FOR MORE INFORMATION AND TO DOWNLOAD THE APPLICATION: <https://www.avondaleaz.gov/government/departments/development-engineering-services/sustainability/green-business-program>
 - EXTINGUISHMENT OF GRANDFATHERED GROUNDWATER RIGHT 10-102380.0000 AND PLEDGING OF THOSE CREDITS TO THE CITY ASSURED WATER SUPPLY ACCOUNT WILL BE REQUIRED PRIOR TO ISSUANCE OF ANY PERMIT.

SCALE: 1"= 40'-0"

SITE PLAN

Francis and Sons Carwash
Dysart and Indian School
Avondale, AZ

John Reddell Architects, Inc.
Architecture Interiors Land Planning
4992 S. 158th Street Gilbert, Arizona 85298
(602) 531-2854 Email: john@reddellarchitects.com



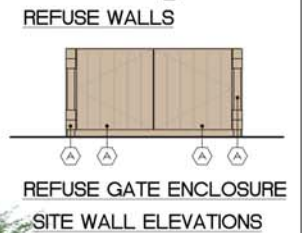
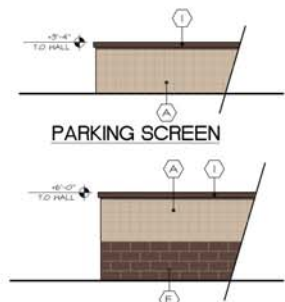
Date: _____
Revisions: _____

A



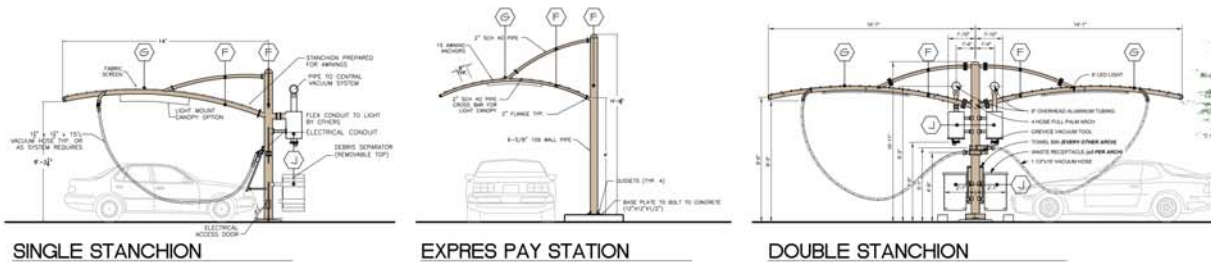


COLOR SCHEDULE		
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(A)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(B)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(C)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(D)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(E)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(F)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(G)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(H)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(I)
STUCCO SYSTEM (MEDIUM FINISH)	PAINTED (DARK EDWARDS)	(J)
NOTE: ALL MEDIUM FINISHES SHALL BE ANCHORED BRONZE W/ BRONZE TINTED GLASS		



BUILDING ELEVATIONS

1/8"=1'-0"



SINGLE STANCHION

EXPRESS PAY STATION

DOUBLE STANCHION

CANOPY ELEVATIONS

1/4"=1'-0"



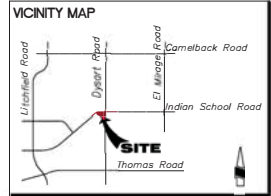
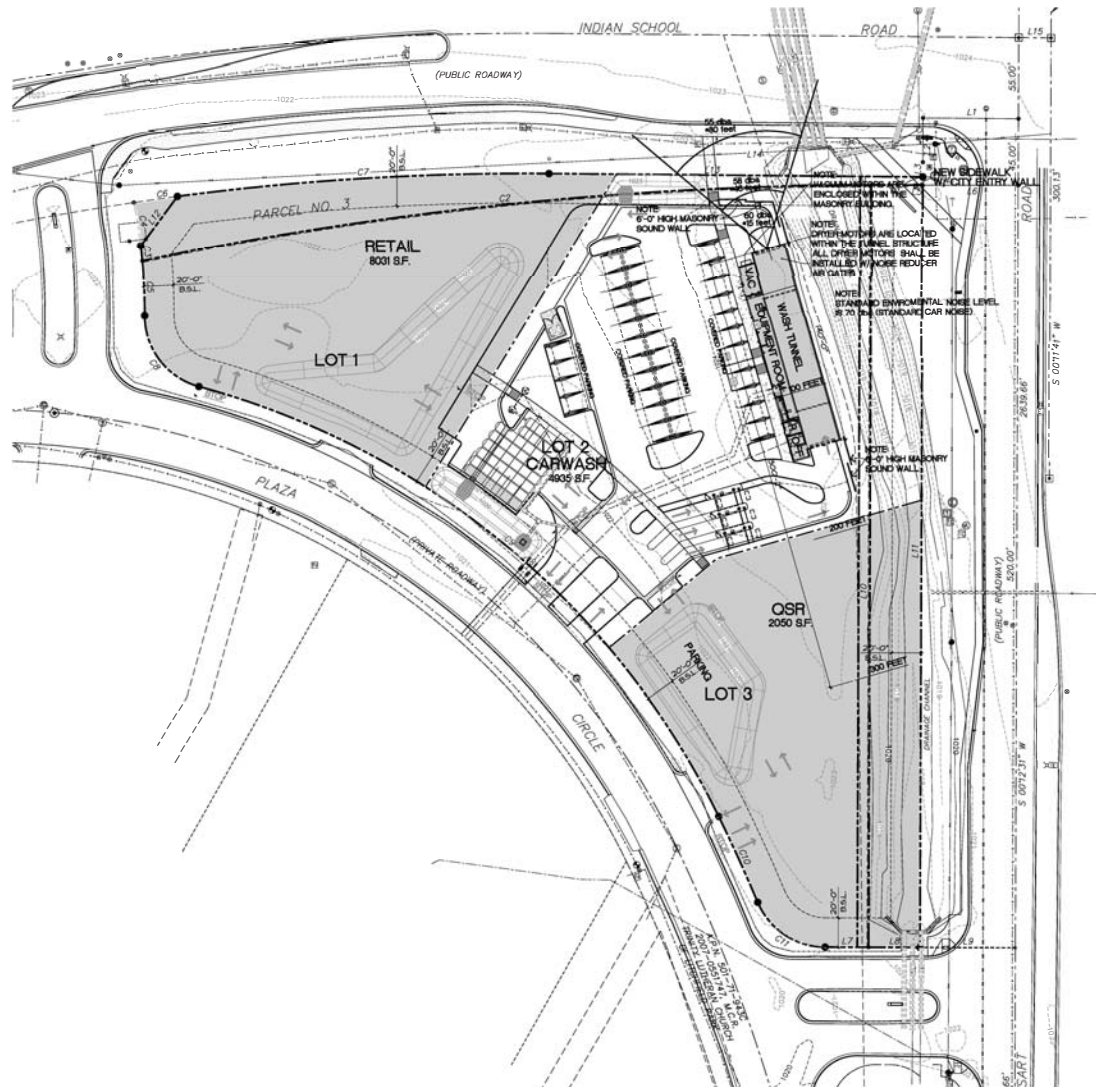
CITY WALL

Francis and Sons Carwash
Dysart and Indian School
Avondale, AZ

John Reddell Architects, Inc.
Architecture Interiors Land Planning
4992 S. 158th Street Gilbert, Arizona 85298
(602) 531-2854 Email: john@reddellarchitects.com

Date: _____
Revisions: _____

C



PROJECT DATA:

FRANCIS & SONS EXPRESS CARWASH
Dysart & Indian School Road
OWNER:
Francis and Sons LLC
16414 N. 1st Street #102
Scottsdale, AZ 85260
480-614-1075
EMAIL: jfr@francisandsons.com

ARCHITECT:
JOHN REDDELL ARCHITECTS
4992 S. 158th Street
Gilbert, AZ 85298
602-531-2854

ZONING ORDINANCE

PAD CITY OF AVONDALE
ZONING: 50-T-433 H
PARCEL #3: 50-T-434
50-T-463 B

SITE AREA:

LOT 1	44405 S.F.
LOT 2	14236 S.F.
LOT 3	43350 S.F.
TOTAL	102,091 SQ. FT. (3.72 AC)

CARWASH BUILDING 4195 S.F.
RETAIL BUILDING 815 S.F.
OSR BUILDING 2050 S.F.

SOUND EXHIBIT

SCALE: 1" = 40'-0"



Francis and Sons Carwash
Dysart and Indian School
Avondale, AZ

John Reddell Architects, Inc.
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4992 S. 158th Street Gilbert, Arizona 85298
(602) 531-2854 Email: john@reddellarchitects.com



Date: _____
Revisions: _____

S

Exhibit H - Neighborhood Meeting Summary

Neighborhood Meeting Summary

Project Name: Francis and Sons Express Car Wash CUP – PL-21-0330

Location: Southwest Corner of Indian School Road and Dysart Road Property Owners and Area

Entitlement: Conditional Use Permit (CUP)

Applicant: Brian Greathouse, Burch & Cracchiolo

Owner: Jeff Francis, Francis & Sons Express Car Wash (F&S)

Held on: Thursday, September 29, 2022, via Zoom.

Project Description: City staff has received an application for a Conditional Use Permit (“CUP”) on approximately 3.72± acres located at the southwest corner of Indian School Road and Dysart Road to allow for a full service express car wash. The proposed express car wash will include a conveyor style car wash tunnel (approximately 4,934 SF) with state-of-the-art equipment.

Attendance: Six (6) total attendees including Tommy Gahl (Litchfield Park resident), Jeff Francis (owner/applicant), Brian Greathouse (legal counsel), Leslie Chatburn (legal counsel), John Reddell (architect), Mark Trinidad (Avondale Planning).

Summary of Comments and Responses:

Mr. Gahl stated four (4) concerns regarding the proposed car wash. Applicant responses in *italics*.

1. Noise - *Response: Mr. Francis stated company purchases latest in noise reduction car wash technology*
2. Car wash exit at north end close to Litchfield Park homes - *Response, site plan includes site/sound walls to attenuate noise at both north and south entrances*
3. Francis & Sons has low Yelp ratings – *Response, Yelp ratings do not have much standing, prefer to utilize Google ratings instead*
4. Existing car wash business within a mile – *Response, Mr. Francis believes current market supports another car wash*

Mr. Gahl indicated he is a homeowner in Litchfield Park. He further stated he represented other homeowners presumably in Litchfield Park adjacent to the project. He did not indicate he was for or against the project but from his line of questions, he may not support the project.

CITY COUNCIL REPORT

SUBJECT: Public Hearing and Ordinance 2040-0623 - Zoning Ordinance Text Amendment - §28-8 (Conditional Use Permits) and §28-91 (The BLVD) – Application PL-23-0070

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Jodie Novak, Director of Development Services

THROUGH: Tracy Stevens, Assistant City Manager, (623) 333-1014

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

STRATEGIC OUTCOME: Innovative Program and Service Delivery.

STRATEGY: Improve internal and external customer service delivery through streamlined processes and data-based programming.

PURPOSE:

City Council will hold a public hearing and consider a staff-initiated request to adopt Ordinance 2040-0623, approving text amendments to the Zoning Ordinance and authorize the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents. If approved, the amendments will improve the conditional use permit process by allowing review and final action by the Planning Commission, unless appealed. Council will take appropriate action.

BACKGROUND:

The Avondale Zoning Ordinance was first adopted in 1951 and has been updated numerous times. The last update occurred in February 2020.

SUMMARY OF REQUEST:

The purpose of the text amendment is to make the City's conditional use permit (CUP) review process clear and effective. The proposed changes will benefit the development community by eliminating additional review and approval time. The following is a summary of the proposed amendments to the Zoning Ordinance referenced by section number. The proposed text for each of these sections may be found in Exhibit A.

Section 28-8 Conditional Use Permits

Revise (a) Process and Procedure. Revise the process so CUPs may be reviewed and acted on by the Planning Commission.

Add (f) Continuing jurisdiction. Clarify the code such that the Development Services Department retains jurisdiction over conditional use permits after approval. This is important as it provides the city with the legal basis to take enforcement action if necessary.

Revise (g) Revocation, modification, or suspension. Clarify provisions for revocation of conditional use permits when they are in violation of the zoning ordinance.

Add (i) Appeal. A process is provided for appeals to City Council.

28-91 The BLVD District

Revise (f) Use-specific conditions. Language in The BLVD zoning is modified to make reference to Section 28-8 compatible with the changes.

PUBLIC PARTICIPATION:

All required notifications for the Planning Commission and City Council public hearings were completed in accordance with notification requirements. The staff has not received any feedback on the proposed text amendment. At the time of writing this report, no comments related to the proposal had been posted on the City's Avondale Connect digital forum.

PLANNING COMMISSION ACTION:

On April 19, 2023, the Planning Commission conducted a public hearing and asked how the code changes would streamline the process. Staff explained that there would only be one public hearing required instead of two. The Planning Commission would be the final decision unless the decision was appealed to the Council. The Planning Commission passed a motion (4-0 vote) to recommend approval of the proposed Zoning Text Amendment.

ANALYSIS:

The Zoning Ordinance Text Amendments are not anticipated to result in any adverse impacts on the community. The amendments will allow for continued refinement of the Zoning Ordinance to reflect changes in policies and procedures, allow for clerical corrections, and address the overall accuracy and usability of the Zoning Ordinance.

DISCUSSION:

Staff recommends approval of the request for the following reasons:

- The proposed text amendment will streamline the review and approval process for conditional use permits.
- The proposed text amendment clarifies jurisdiction after approval and contains specific revocation procedures.
- The proposed text amendment is deemed necessary to best serve the public health, safety, and general welfare of the city.

BUDGET IMPACT:

No budget impacts.

RECOMMENDATION:

The Planning Commission will conduct a public hearing and recommend APPROVAL of Application PL-23-0070, Zoning Ordinance Text Amendments, a request for text amendments to the City of Avondale Zoning Ordinance.

Contact person for document distribution: Catherine Lorbeer

28-8 Conditional use permit.

Some uses that are not permitted by right in a zoning district may be acceptable as conditional uses. A site-specific review is required to determine if the location, design, scale and operation of the use is appropriate at given location. A conditional use permit may only be granted for the conditional uses listed in each zoning category according to the procedure set forth below.

~~(a)~~A- Process and procedure.

- ~~(1)-~~ The designation of a use as a conditional use in a zoning district does not convey a right or constitute an assurance that the use will be approved. Each application will be evaluated for compliance with the required findings set forth below. The burden of proof for satisfying these findings rests with the applicant.
 - ~~(2)-~~ An application for a conditional use permit shall be submitted on a form prescribed by the planning division with all required deliverables as outlined on the application checklist, including the required fee before the conditional use permit application can be processed.
 - ~~(3)-~~ The applicant shall conduct a neighborhood meeting in accordance with section 28-12, below and complete notifications pursuant to section 28-13, below.
 - ~~4. — The planning commission shall hold a public hearing and forward a recommendation to the city council. The planning commission shall base its recommendation on whether or not the information provided is sufficient to meet the required findings. Notifications must be completed pursuant to section 28-13, below.~~
 - ~~5. — The city council shall hold a public hearing considering the information presented and may accept or reject the planning commission's recommendation with respect to whether the required findings have been met. Notifications must be completed pursuant to section 28-13, below.~~
 - ~~(4) The planning commission shall consider a request for a conditional use permit, hold a public hearing and determine if the information provided is sufficient to meet the required findings. Notifications must be completed pursuant to section 28-13.~~
 - ~~(A) If the planning commission approves the application, the department shall issue a conditional use permit approval setting forth all the conditions and requirements imposed and adopted by the commission.~~
 - ~~(B) If the planning commission denies the application, it shall identify the basis for the denial and the specific required findings that have not been met.~~
 - ~~(C) Continuance. -A request for a continuance of a scheduled conditional use permit application shall be determined by city staff with a valid reason.~~
 - ~~(D) The decision of the planning commission is final and effective on the date of planning commission's decision.~~
 - ~~6. — The city council shall have complete discretion to approve, conditionally approve, or deny a request for a conditional use permit based upon its determination of whether the required findings (set forth in subsection 28-08(b) below) have been met.~~
- (b) Required findings. A conditional use permit may only be approved if all the following findings are met:
- (1) That the proposed use (a) is consistent with the land-use designation set forth in the general plan, (b) will further the city's general guidelines and objectives for development of the area, as set forth in the general plan and (c) will be consistent with the desired character for the surrounding area.

-
- (2) That the use will be (a) compatible with other adjacent and nearby land uses and (b) will not be detrimental to persons residing or working in the area, adjacent property, the neighborhood or the public welfare in general.
 - (3) That the site is adequate in size and shape to accommodate the proposed use, allow safe on-site circulation, and meet all required development standards including, but not limited to, setbacks, parking, screening, and landscaping.
 - (4) That the site has appropriate access to public streets with adequate capacity to carry the type and quantity of traffic generated by the proposed use.
 - (5) That adequate conditions have been incorporated into the approval to ensure that any potential adverse effects will be mitigated.
- (c) Conditions upon approval. The approval of a conditional use permit may be subject to conditions when necessary to mitigate the potential impacts of the use and ensure land use compatibility. These conditions may include, but are not limited to the following:
- (1) Additional requirements for setbacks, open space, screening, parking, lighting and landscaping.
 - (2) Dedication of public rights-of-way, street improvements and the control of access points or on-site circulation to mitigate traffic impacts.
 - (3) Limitations on the hours of operation, methods of operation, and phasing of site development.
 - (4) Time limitations on the duration of the conditional use permit to determine if the use, after a temporary period of operation, is materially detrimental to the area or to evaluate whether changed conditions in the neighborhood affect the compatibility of the use or its ability to continue to adequately mitigate the impacts on the surrounding area or the city as a whole.
- (d) Expiration. Unless otherwise stipulated, a conditional use permit shall be void if the use approved therein is not commenced within twenty-four (24) months after the date of approval by the commission. Once an approved conditional use has commenced, the conditional use permit shall run with the land and continue to be valid regardless of ownership of the site or structure subject to the conditional use permit application, so long as it operates within the conditions, stipulations and terms of the use-conditional use permit approval.
- (e) Modification of conditional use permit. A request to modify, expand, or otherwise change an approved conditional use permit shall be reviewed and processed according to the procedures required for a new application.
- (f) Continuing jurisdiction and the revocation, modification or suspension of conditional use permits. The department director or designee shall have continuing jurisdiction over all conditional use permits and may recommend that a conditional use permit be revoked, modified or suspended should any of the following occur:
- (1) The conditional use permit was obtained by fraud or misrepresentation;
 - (2) The use authorized by the conditional use permit has been exercised in violation of the conditions of its approval;
 - (3) Changes in aesthetic or environmental impacts such as noise, odors or pollutions; or
 - (4) The use authorized by the conditional use permit has been exercised in a manner that is detrimental to the public health, safety, or welfare of the community or in a manner that constitutes a nuisance to neighboring property owners, adjacent neighborhoods or the city.
- (gf) Revocation, modification, or suspension. An approved conditional use permit may be revoked, modified, or suspended by the planning commission at a public hearing if the holder thereof fails to

comply with the conditions or terms of approval for such conditional use permit. The zoning administrator shall provide notice of the revocation hearing to the conditional use permit holder via certified mail. Additionally, notification of the revocation, modification or suspension hearing shall be completed at the city's expense, to include a sign, legal advertisement, and mailing described in section 28-13 below. The decision of the city council with respect to such revocation, modification or suspension shall be final.

- (hg) Reapplication. If a conditional use permit has been denied or revoked, no application shall be accepted by the zoning administrator or designee for a conditional use permit that is (1) for the same or substantially similar use (2) located on the same site and (3) submitted within one (1) year from the date of the final denial or revocation.
- (ih) Appeal of decision of the planning commission to city council. A decision of the planning commission regarding a conditional use permit may be appeal to the city council. The appeal must be in writing, specifying the grounds of the appeal, and filed with the department within fifteen (15) calendar days of the date of the decision. The appeal fee shall be paid in full at the time of application. The filing of the appeal will be considered complete upon receipt to the department. During the pendency of the appeal, further actions to proceed with the development shall be stayed.
- (1) Filing. Appeals may be filed by:
- (A) The owner of property that is the subject of the final decision of the planning commission.
- (B) Any other person aggrieved by the final decision and who has standing to appeal pursuant to state law.
- (2) Notice. The department shall ensure that notice of the appeal hearing is provided in the manner described above for the planning commission public hearing. Upon submittal for a conditional use permit process that allows for an appeal, the property owner agrees to the notice of public hearing sign to be posted on the subject property.
- (3) Hearing. The department shall set the hearing date for an appeal of a conditional use permit no more than sixty (60) days after the date the appeal is filed. The city council shall hold the public hearing and shall reverse, affirm or modify the decision of the planning commission. The city council shall base its decision on the written findings previously issued by the planning commission, applicable law, the review criteria stipulated in this section and guidelines promulgated by the Department.
- (4) Reversal or modification. If the city council reverses or modifies the decision of the planning commission, the council shall direct the city attorney to prepare written findings setting forth the basis for the reversal or modification.
- (5) Continuance. The matter shall not be continued except by request by written request of the applicant prior to the hearing or upon oral request of the applicant at the hearing. -City council must approve all requests for continuance.

28-91 The BLVD District.

* * *

- (f) Use-specific conditions. Land uses listed in the land use matrix above as permitted with conditions are permitted by right only if the conditions listed below for the individual uses are met. Land uses listed as conditional uses require ~~city council~~planning commission approval of a conditional use permit in accordance with section 28-8 of this ordinance. Based on development plan review, staff may add additional conditions of approval deemed necessary to protect the health, safety and public welfare.

ORDINANCE NO. 2040-0623

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE AVONDALE CITY CODE, CHAPTER 28 (ZONING ORDINANCE), ARTICLE I (ADMINISTRATION AND PROCEDURES), SECTION 28-8 (CONDITIONAL USE PERMIT.) AND ARTICLE IV (SPECIAL DISTRICTS; OVERLAYS), SECTION 28-91 (THE BLVD DISTRICT.) RELATING TO PLANNING COMMISSION AUTHORITY.

SECTION 1. The Avondale City Code, Chapter 28 (Zoning Ordinance), Article I (Administration and Procedures), Section 28-8 (Conditional Use Permit.), Subsection A (Process and procedure.) is hereby amended to read as follows:

(a)~~A.~~ Process and procedure.

(1)~~1.~~ The designation of a use as a conditional use in a zoning district does not convey a right or constitute an assurance that the use will be approved. Each application will be evaluated for compliance with the required findings set forth below. The burden of proof for satisfying these findings rests with the applicant.

(2)~~2.~~ An application for a conditional use permit shall be submitted on a form prescribed by the planning division with all required deliverables as outlined on the application checklist, including the required fee before the conditional use permit application can be processed.

(3)~~3.~~ The applicant shall conduct a neighborhood meeting in accordance with section 28-12, below and complete notifications pursuant to section 28-13, below.

(4)~~4.~~ The planning commission shall ~~hold a public hearing and forward a recommendation to the city council. The planning commission shall base its recommendation on whether or not the information provided is sufficient to meet the required findings. Notifications must be completed pursuant to section 28-13, below.~~ CONSIDER A REQUEST FOR A CONDITIONAL USE PERMIT, HOLD A PUBLIC HEARING AND DETERMINE IF THE INFORMATION PROVIDED IS SUFFICIENT TO MEET THE REQUIRED FINDINGS. NOTIFICATIONS MUST BE COMPLETED PURSUANT TO SECTION 28-13.

(A) IF THE PLANNING COMMISSION APPROVES THE APPLICATION, THE DEPARTMENT SHALL ISSUE A CONDITIONAL USE PERMIT APPROVAL SETTING FORTH ALL THE CONDITIONS AND REQUIREMENTS IMPOSED AND ADOPTED BY THE COMMISSION.

(B) IF THE PLANNING COMMISSION DENIES THE APPLICATION, IT SHALL IDENTIFY THE BASIS FOR THE DENIAL AND THE SPECIFIC REQUIRED FINDINGS THAT HAVE NOT BEEN MET.

(C) CONTINUANCE. A REQUEST FOR A CONTINUANCE OF A SCHEDULED CONDITIONAL USE PERMIT APPLICATION SHALL BE DETERMINED BY CITY STAFF WITH A VALID REASON.

(D) THE DECISION OF THE PLANNING COMMISSION IS FINAL AND EFFECTIVE ON THE DATE OF PLANNING COMMISSION'S DECISION

~~5. The city council shall hold a public hearing considering the information presented and may accept or reject the planning commission's recommendation with respect to whether the required findings have been met. Notifications must be completed pursuant to section 28-13, below.~~

~~6. The city council shall have complete discretion to approve, conditionally approve, or deny a request for a conditional use permit based upon its determination of whether the required findings (set forth in subsection 28-08(b) below) have been met.~~

SECTION 2. The Avondale City Code, Chapter 28 (Zoning Ordinance), Article I (Administration and Procedures), Section 28-8 (Conditional Use Permit.), Subsection (c) (Conditions upon approval.) is hereby amended to read as follows:

(c) Conditions upon approval. The approval of a conditional use permit may be subject to conditions when necessary to mitigate the potential impacts of the use and ensure land use compatibility. These conditions may include, but are not limited to the following:

...

(4) Time limitations on the duration of the CONDITIONAL USE permit to determine if the use, after a temporary period of operation, is materially detrimental to the area or to evaluate whether changed conditions in the neighborhood affect the compatibility of the use or its ability to continue to adequately mitigate the impacts on the surrounding area or the city as a whole.

SECTION 3. The Avondale City Code, Chapter 28 (Zoning Ordinance), Article I (Administration and Procedures), Section 28-8 (Conditional Use Permit.), Subsection (d) (Expiration) is hereby amended to read as follows:

(d) Expiration. Unless otherwise stipulated, a conditional use permit shall be void if the use approved therein is not commenced within twenty-four (24) months after the date of approval BY THE COMMISSION. Once an approved conditional use has commenced, the conditional use permit shall run with the land and continue to be valid regardless of ownership of the site or structure subject to the CONDITIONAL use permit application, so long as it operates within the conditions, stipulations and terms of the use CONDITIONAL use permit approval.

SECTION 4. The Avondale City Code, Chapter 28 (Zoning Ordinance), Article I (Administration and Procedures), Section 28-8 (Conditional Use Permit.), Subsection (f) (Revocation) is hereby deleted in its entirety and replaced with the following new subsection (f) (Continuing jurisdiction and the revocation, modification or suspension of conditional use permits.) to read as follows:

(F) CONTINUING JURISDICTION AND THE REVOCATION, MODIFICATION OR SUSPENSION OF CONDITIONAL USE PERMITS. THE DEPARTMENT DIRECTOR OR DESIGNEE SHALL HAVE CONTINUING JURISDICTION OVER ALL CONDITIONAL USE PERMITS AND MAY RECOMMEND THAT A CONDITIONAL USE PERMIT BE REVOKED, MODIFIED OR SUSPENDED SHOULD ANY OF THE FOLLOWING OCCUR:

(1) THE CONDITIONAL USE PERMIT WAS OBTAINED BY FRAUD OR MISREPRESENTATION;

(2) THE USE AUTHORIZED BY THE CONDITIONAL USE PERMIT HAS BEEN EXERCISED IN VIOLATION OF THE CONDITIONS OF ITS APPROVAL;

(3) CHANGES IN AESTHETIC OR ENVIRONMENTAL IMPACTS SUCH AS NOISE, ODORS OR POLLUTIONS; OR

(4) THE USE AUTHORIZED BY THE CONDITIONAL USE PERMIT HAS BEEN EXERCISED IN A MANNER THAT IS DETRIMENTAL TO THE PUBLIC HEALTH, SAFETY, OR WELFARE OF THE COMMUNITY OR IN A MANNER THAT CONSTITUTES A NUISANCE TO NEIGHBORING PROPERTY OWNERS, ADJACENT NEIGHBORHOODS OR THE CITY.

SECTION 5. The Avondale City Code, Chapter 28 (Zoning Ordinance), Article I (Administration and Procedures), Section 28-8 (Conditional Use Permit.), Subsection (g) (Reapplication) is hereby deleted in its entirety and replaced with the following new subsection (g) (Revocation, modification, or suspension.) to read as follows:

(G) REVOCATION, MODIFICATION, OR SUSPENSION. AN APPROVED CONDITIONAL USE PERMIT MAY BE REVOKED, MODIFIED, OR SUSPENDED BY THE PLANNING COMMISSION AT A PUBLIC HEARING IF THE HOLDER THEREOF FAILS TO COMPLY WITH THE CONDITIONS OR TERMS OF APPROVAL FOR SUCH CONDITIONAL USE PERMIT. THE ZONING ADMINISTRATOR SHALL PROVIDE NOTICE OF THE REVOCATION HEARING TO THE CONDITIONAL USE PERMIT HOLDER VIA CERTIFIED MAIL. ADDITIONALLY, NOTIFICATION OF THE REVOCATION, MODIFICATION OR SUSPENSION HEARING SHALL BE COMPLETED AT THE CITY'S EXPENSE, TO INCLUDE A SIGN, LEGAL ADVERTISEMENT, AND MAILING DESCRIBED IN SECTION 28-13 BELOW. THE DECISION OF THE PLANNING COMMISSION WITH RESPECT TO SUCH REVOCATION, MODIFICATION OR SUSPENSION SHALL BE FINAL.

SECTION 6. The Avondale City Code, Chapter 28 (Zoning Ordinance), Article I (Administration and Procedures), Section 28-8 (Conditional Use Permit.) is hereby amended by adding a new Subsection (h) (Reapplication) to read as follows:

(H) REAPPLICATION. IF A CONDITIONAL USE PERMIT HAS BEEN DENIED OR REVOKED, NO APPLICATION SHALL BE ACCEPTED BY THE ZONING ADMINISTRATOR OR DESIGNEE FOR A CONDITIONAL USE PERMIT THAT IS (1) FOR THE SAME OR SUBSTANTIALLY SIMILAR USE (2) LOCATED ON THE SAME SITE AND (3) SUBMITTED WITHIN ONE (1) YEAR FROM THE DATE OF THE FINAL DENIAL OR REVOCATION.

SECTION 7. The Avondale City Code, Chapter 28 (Zoning Ordinance), Article I (Administration and Procedures), Section 28-8 (Conditional Use Permit.) is hereby amended by adding a new Subsection (i) (Appeal of decision of the planning commission to city council) to read as follows:

(I) APPEAL OF DECISION OF THE PLANNING COMMISSION TO CITY COUNCIL. A DECISION OF THE PLANNING COMMISSION REGARDING A CONDITIONAL USE PERMIT MAY BE APPEAL TO THE CITY COUNCIL. THE APPEAL MUST BE IN WRITING, SPECIFYING THE GROUNDS OF THE APPEAL, AND FILED WITH THE DEPARTMENT WITHIN FIFTEEN (15) CALENDAR DAYS OF THE DATE OF THE DECISION. THE APPEAL FEE SHALL BE PAID IN FULL AT THE TIME OF APPLICATION. THE FILING OF THE APPEAL WILL BE CONSIDERED COMPLETE UPON RECEIPT TO THE DEPARTMENT. DURING THE PENDENCY OF THE APPEAL, FURTHER ACTIONS TO PROCEED WITH THE DEVELOPMENT SHALL BE STAYED.

(1) FILING. APPEALS MAY BE FILED BY:

(A) THE OWNER OF PROPERTY THAT IS THE SUBJECT OF THE FINAL DECISION OF THE PLANNING COMMISSION.

(B) ANY OTHER PERSON AGGRIEVED BY THE FINAL DECISION AND WHO HAS STANDING TO APPEAL PURSUANT TO STATE LAW.

(2) NOTICE. THE DEPARTMENT SHALL ENSURE THAT NOTICE OF THE APPEAL HEARING IS PROVIDED IN THE MANNER DESCRIBED ABOVE FOR THE PLANNING COMMISSION PUBLIC HEARING. UPON SUBMITTAL FOR A CONDITIONAL USE PERMIT PROCESS THAT ALLOWS FOR AN APPEAL, THE PROPERTY OWNER AGREES TO THE NOTICE OF PUBLIC HEARING SIGN TO BE POSTED ON THE SUBJECT PROPERTY.

(3) HEARING. THE DEPARTMENT SHALL SET THE HEARING DATE FOR AN APPEAL OF A CONDITIONAL USE PERMIT NO MORE THAN SIXTY (60) DAYS AFTER THE DATE THE APPEAL IS FILED. THE CITY COUNCIL SHALL HOLD THE PUBLIC HEARING AND SHALL REVERSE, AFFIRM OR MODIFY THE DECISION OF THE PLANNING COMMISSION. THE CITY COUNCIL SHALL BASE ITS DECISION ON THE WRITTEN FINDINGS PREVIOUSLY ISSUED BY THE PLANNING COMMISSION, APPLICABLE LAW, THE REVIEW CRITERIA STIPULATED IN THIS SECTION AND GUIDELINES PROMULGATED BY THE DEPARTMENT.

(4) REVERSAL OR MODIFICATION. IF THE CITY COUNCIL REVERSES OR MODIFIES THE DECISION OF THE PLANNING COMMISSION, THE COUNCIL SHALL

DIRECT THE CITY ATTORNEY TO PREPARE WRITTEN FINDINGS SETTING FORTH THE BASIS FOR THE REVERSAL OR MODIFICATION.

(5) CONTINUANCE. THE MATTER SHALL NOT BE CONTINUED EXCEPT BY REQUEST BY WRITTEN REQUEST OF THE APPLICANT PRIOR TO THE HEARING OR UPON ORAL REQUEST OF THE APPLICANT AT THE HEARING. CITY COUNCIL MUST APPROVE ALL REQUESTS FOR CONTINUANCE.

SECTION 8. The Avondale City Code, Chapter 28 (Zoning Ordinance), Article IV (Special District; Overlays), Section 28-91 (The BLVD District.), Subsection (f) (Use-specific conditions) is hereby amended to read as follows:

(f) Use-specific conditions. Land uses listed in the land use matrix above as permitted with conditions are permitted by right only if the conditions listed below for the individual uses are met. Land uses listed as conditional uses require ~~city council~~ PLANNING COMMISSION approval of a conditional use permit in accordance with section 28-8 of this ordinance. Based on development plan review, staff may add additional conditions of approval deemed necessary to protect the health, safety and public welfare.

SECTION 9. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 10. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

CITY COUNCIL REPORT

SUBJECT: Public Hearing - Resolution 1031-0623 - Updating Water and Sewer Rates

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Areas:

- Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government. The proposed rates simplify the rate structure, which allows for improved understanding, easier maintenance, and the ability to use the latest utility billing software.
 - Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources. The proposed rates help ensure continued access to safe and secure water, sewer, and solid waste services, which is vital to public health and safety.
 - Natural Resources and Open Spaces - Avondale recognizes the value of its natural resources and promotes environmental sustainability and conservation in its operations, activities, and planning. The proposed rates continues a tiered rate schedule to provide affordable water for basic usage and to promote water conservation.
-

PURPOSE:

City Council will hold a public hearing and consider a request to adopt Resolution 1031-0623, modifying water and sewer rates to become effective January 1, 2024 and January 1, 2025 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The public hearing and consideration of the resolution on water and sewer rates is the final step to adopt revised utility rates. On April 3, 2023, as required by ARS 9-511.01, the City Council approved a Notice of Intent setting forward the date for a public hearing and council action on utility rates for June 5, 2023. For Water and Sewer rates, a report supporting the revised rates was posted to the City of Avondale website and a copy of the Notice of Intent was published in the Southwest Valley version of the Arizona Republic on May 10, 2023, as required by ARS 9-511.01.

DISCUSSION:

Water - The Water utility serves approximately 26,500 customers. The financial policies of the city call for the water utility to maintain a fund balance of 6 months of the operating budget of the previous year. The last rate

increase for water was effective January 1, 2023. The water utility faces expenditure pressures from increasing water commodity costs, increased capital costs and normal inflation. City staff evaluated the utility's financial projection and recommends increasing current water rates by 2.65% on January 1, 2024 and 2.65% on January 1, 2025. Staff anticipates that an average customer consuming nine thousand gallons of water per month will see an increase of approximately \$0.84 per month for each rate increase. Other customers may see differing results based on their consumption patterns.

Sewer - The Sewer utility serves approximately 25,000 customers. The financial policies of the city call for the sewer utility to maintain a fund balance of 6 months of the operating budget of the previous year. The last rate increase for sewer was effective January 1, 2023. The sewer utility faces expenditure pressures from increasing costs for electricity and chemicals for water treatment, the cost of maintaining and enhancing aging infrastructure to meet the needs of current and new customers, including anticipated debt service for improvements to the wastewater treatment plant. City staff evaluated the utility's financial projection and recommends increasing current sewer rates by 7% on January 1, 2024 and 7% on January 1, 2025. Staff anticipates that an average customer consuming nine thousand gallons of water per month that sends 8,000 gallons to the sewer system during the winter months will see an increase of approximately \$2.80 per month for the first rate increase and \$3.00 per month for the second rate increase. Other customers may see differing results based on their consumption patterns.

BUDGET IMPACT:

The proposed rates will help ensure the water and sewer utilities remain fiscally sustainable and can continue to make strategic investments in infrastructure and operations.

RECOMMENDATION:

Staff is recommending the Council hold a public hearing on the proposed utility rates. After the conclusion of the public hearing, staff recommends that Council approve Resolution 1031-0623, Updating City of Avondale Water and Sewer Rates.

Contact person for document distribution: Aaron White, Robert Baer



Pursuant to ARS 9-511.01, the Avondale City Council approved a Notice of Intention to Increase Water and Sewer Rates at its regular council meeting held April 3, 2023. At a meeting on June 5, 2023, at 6:00 p.m., the Avondale City Council will hold a public hearing and consider a resolution adopting fees related to Water and Sewer service. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.

City of Avondale Sewer Rate Recommendation

PRESENTED TO CITY COUNCIL APRIL 3, 2023

Introduction

The city of Avondale provides sewer utility services to approximately 25,000 residential and commercial customers. The sewer system consists of nearly 225 miles of sewer gravity mains, treats 2.4 billion gallons of wastewater at the Charles M. Wolf Water Reclamation Facility, and recharges all the treated effluent at a recharge facility north of Friendship Park.

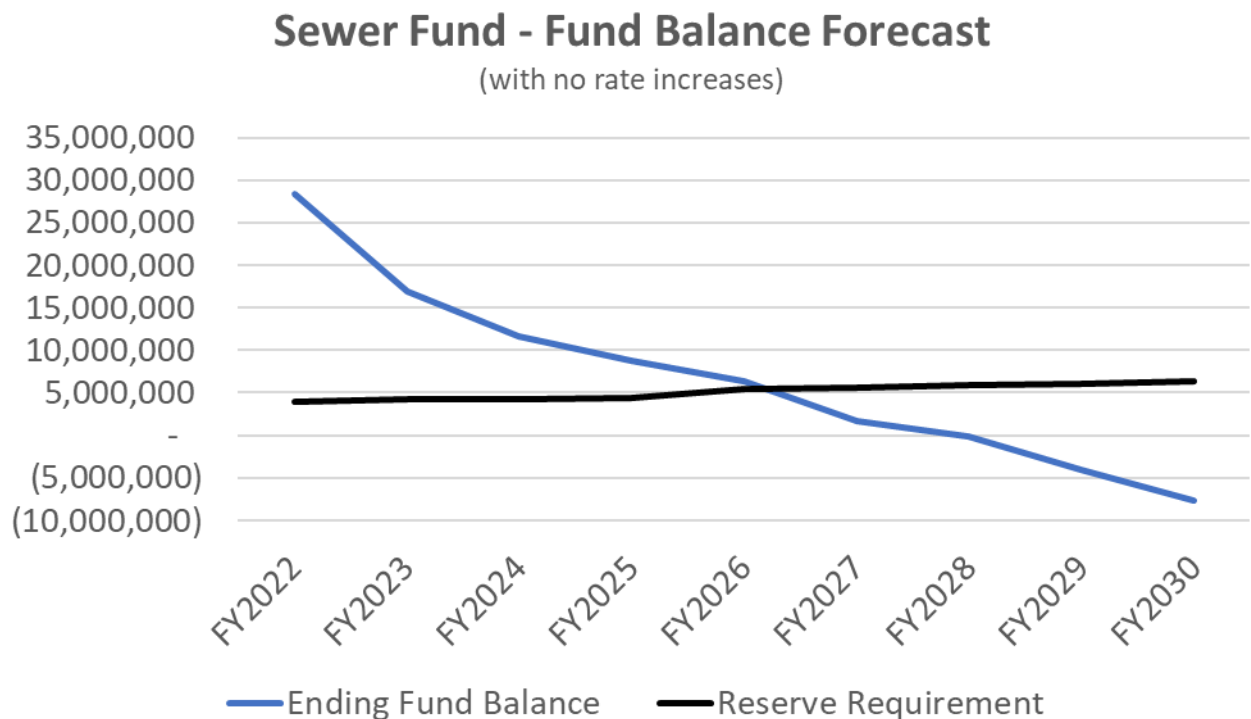
To be able to provide sewer services, the city charges customers a monthly rate to cover the entire cost of providing sewer. To keep pace with escalating costs while continuing to provide these services, the city must periodically adjust the monthly rate for these services.

Financial Projection

The city of Avondale has completed a financial plan and rate recommendation for the city's sewer utility. Staff evaluated a multi-year financial planning period spanning from FY2023 through FY2030.

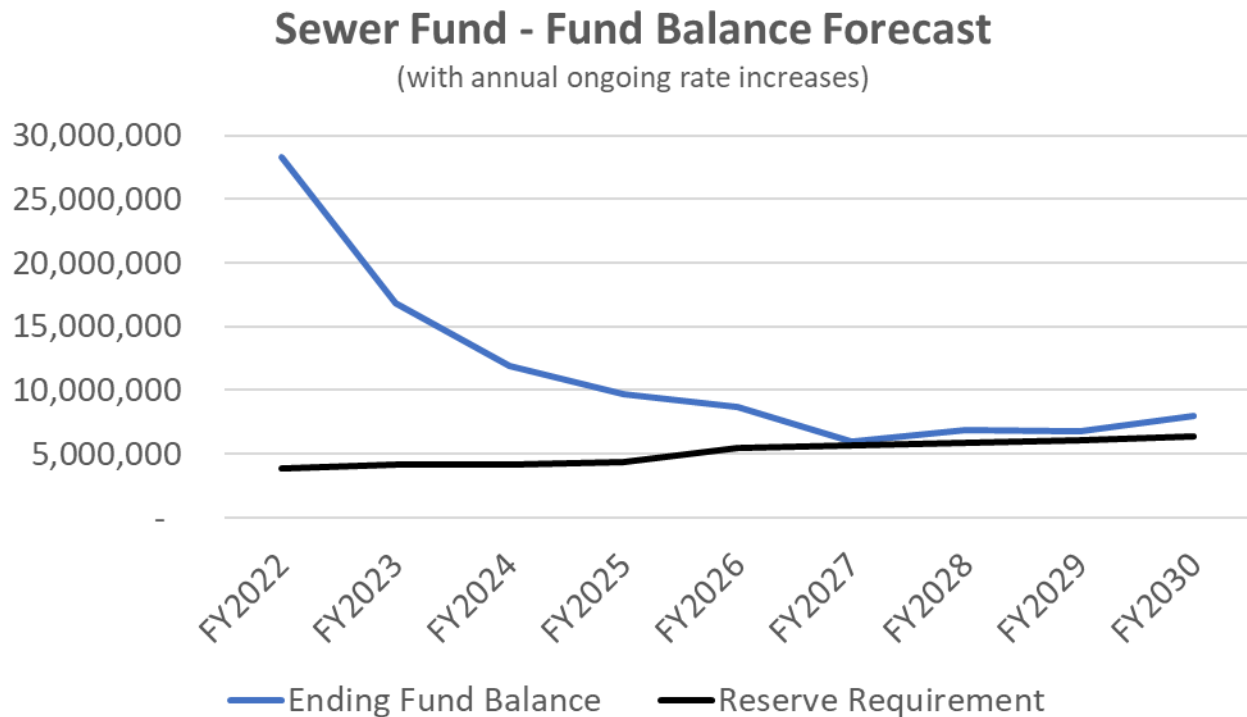
The sewer utility has inflationary increases that make providing services to customers more expensive. Significant inflationary pressures include increases in the cost to construct infrastructure, the cost of electricity (13% \$101,000), chemicals (36% \$337,000), and system supplies and materials (29%, \$74,000). Improvements at the Charles M. Wolf Water Reclamation Facility are scheduled to start in the next few years, and improvements to existing services that benefit current sewer customers will need to be paid through sewer rates.

The plan below shows the financial forecast for the water utility if the city does not implement increases to sewer rates.



The cash flow projections above show current sewer rates are not sufficient to keep pace with costs and stay above the utility's minimum reserve requirements.

Staff projects the sewer utility will be able to stay above the minimum balance requirements with annual 7.00% increases to current sewer rates (see graph below). The rate would apply to both the base charge (based on water meter size) and the variable volume charge.



Sewer Fund Financial Projection

	FY2022 YTD Actual	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection
Beginning Fund Balance	25,714,987	28,311,000	16,852,000	11,897,000	9,683,000	8,694,000	5,947,000	6,922,000	6,813,000
Total Sources	9,984,498	11,078,000	11,771,000	12,778,000	13,949,000	15,262,000	16,671,000	18,297,000	20,059,000
Total Expenses	7,693,725	22,537,000	16,727,000	14,992,000	14,938,000	18,009,000	15,696,000	18,406,000	18,926,000
Revenue (Loss)	2,290,773	(11,459,000)	(4,955,000)	(2,214,000)	(989,000)	(2,747,000)	975,000	(109,000)	1,133,000
Ending Fund Balance	28,311,123	16,852,000	11,897,000	9,683,000	8,694,000	5,947,000	6,922,000	6,813,000	7,946,000
Reserve Requirement	3,876,150	4,198,000	4,198,000	4,397,000	5,441,000	5,655,000	5,889,000	6,124,000	6,373,000
Remaining Balance	24,434,973	12,654,000	7,699,000	5,286,000	3,253,000	291,000	1,033,000	689,000	1,573,000

Recommendation

Staff recommends annual 7.00% rate increase effective January 1, 2024, and an additional 7.00% rate increase effective January 1, 2025 (Table 1). Future rate increases beyond FY2025 will likely be necessary to keep up with inflation.

To further standardize volume charges, staff recommends the consolidation of the Schools and Colleges, Car Wash, Professional Office, and Department Store and Retail categories into the All Other Category, as presented in Table 2. This change is consistent with the rate standardization proposed with the rate passed by Council in 2021.

Table 1

Sewer Proposed Rates		January 1, 2023	January 1, 2024	January 1, 2025
Sewer Base Fees	3/4" Meter	8.00	8.56	9.16
	1" Meter	12.02	12.86	13.76
	1 1/2" Meter	21.76	23.28	24.91
	2" Meter	34.43	36.84	39.42
	3" Meter	62.33	66.69	71.36
	4" Meter	102.12	109.27	116.92
	6" Meter	200.04	214.04	229.02
	8" Meter	298.61	319.51	341.88

Table 2

Sewer Proposed Rates		January 1, 2023	January 1, 2024	January 1, 2025
Sewer Usage Fees Per 1,000-gal w/ 80% return factor	Single Family Residential*	3.95	4.23	4.53
	Schools & Colleges**	3.49	4.23	4.53
	Car Wash**	3.35	4.23	4.53
	Professional Office**	3.48	4.23	4.53
	Department Store & Retail**	3.57	4.23	4.53
	All Other	3.95	4.23	4.53

* Single family residential charges are calculated using the average water usage for the months of December, January, and February, adjusted by the listed return factor.

** Beginning January 1, 2024, this rate class will be included within the "All Other" category.

Sewer Utility Overview



*Includes Wastewater Treatment Plant Improvements

Treatment Recharge



Sewer Utility Expenditure Pressures



13%
Electricity



60%+
Capital
Costs



36%
Chemicals



29%
System
Supplies

FY2021 budget to FY2023 budget

Sewer Capital Projects Update



Dysart Road Sewer
Replacement &
Rehabilitation



Wastewater
Treatment Plant
Improvements



Odor Control

Sewer 2021 Rate Adoption

Structural Change

- Simplify customer types
- Standardize base rates
- Align rates to match cost of service

Timeline

- October 2021- First step of rate change
- January 2023 – Second step of rate change

Example Sewer Bill- Current



Avondale

UTILITY BILLING STATEMENT

Customer Service (623) 333-2005

waterbilling@avondaleaz.gov

www.avondaleaz.gov/wb

M-TH 7:00 AM - 6:00 PM

ACCOUNT NO

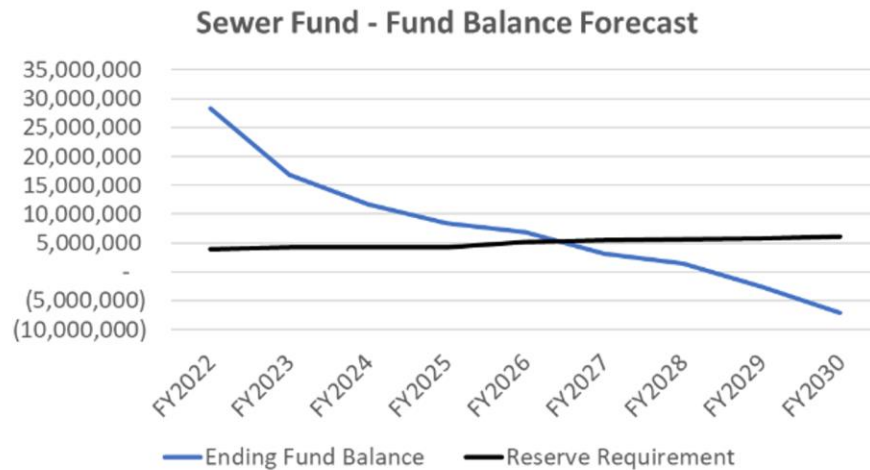
Typical residential customer 8,000 gallons to sewer in winter

Sewer Usage Fee	8.00
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Sewer	Usage in 1000	Rate per 1000	
	8	3.95	31.60

Sewer Total	\$ 39.60
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Sewer Utility Financial Forecast No Rate Increase



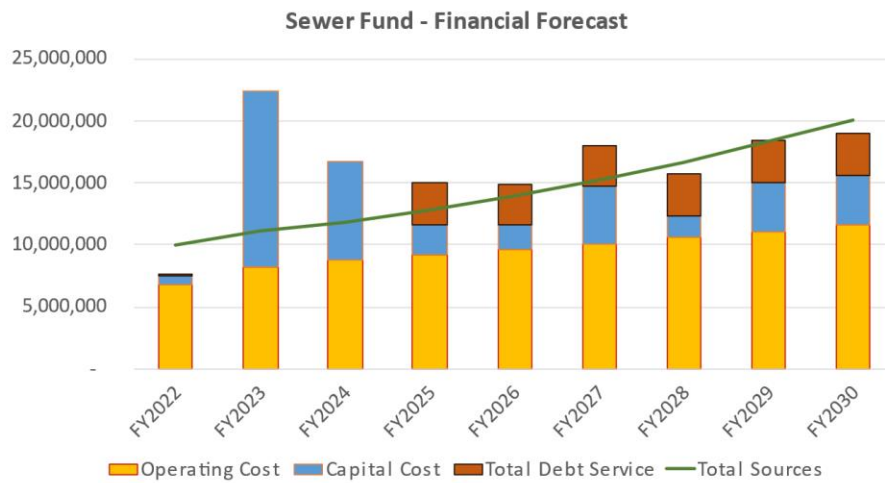
Recommended Rate Increase Sewer Utility— 7%



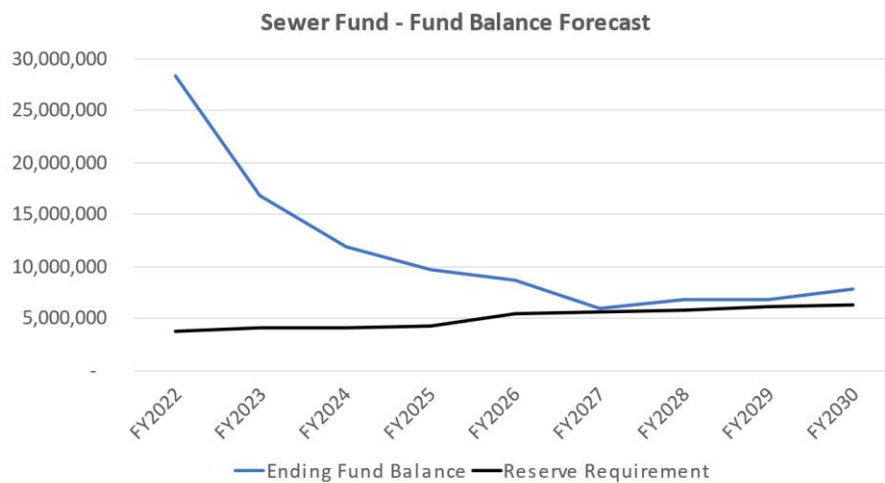
UTILITY BILLING STATEMENT
 Customer Service (623) 333-2005
waterbilling@avondaleaz.gov
www.avondaleaz.gov/wb
 M-TH 7:00 A.M. - 6:00 P.M.

ACCOUNT NO			
Typical residential customer 8,000 gallons to sewer in winter			
	Current	Jan-2024	Jan-2025
Sewer Usage Fee	8.00	8.56	9.16
Sewer Usage	31.60	33.84	36.24
Total	\$ 39.60	\$ 42.40	\$ 45.40
DIFFERENCE		2.80	3.00

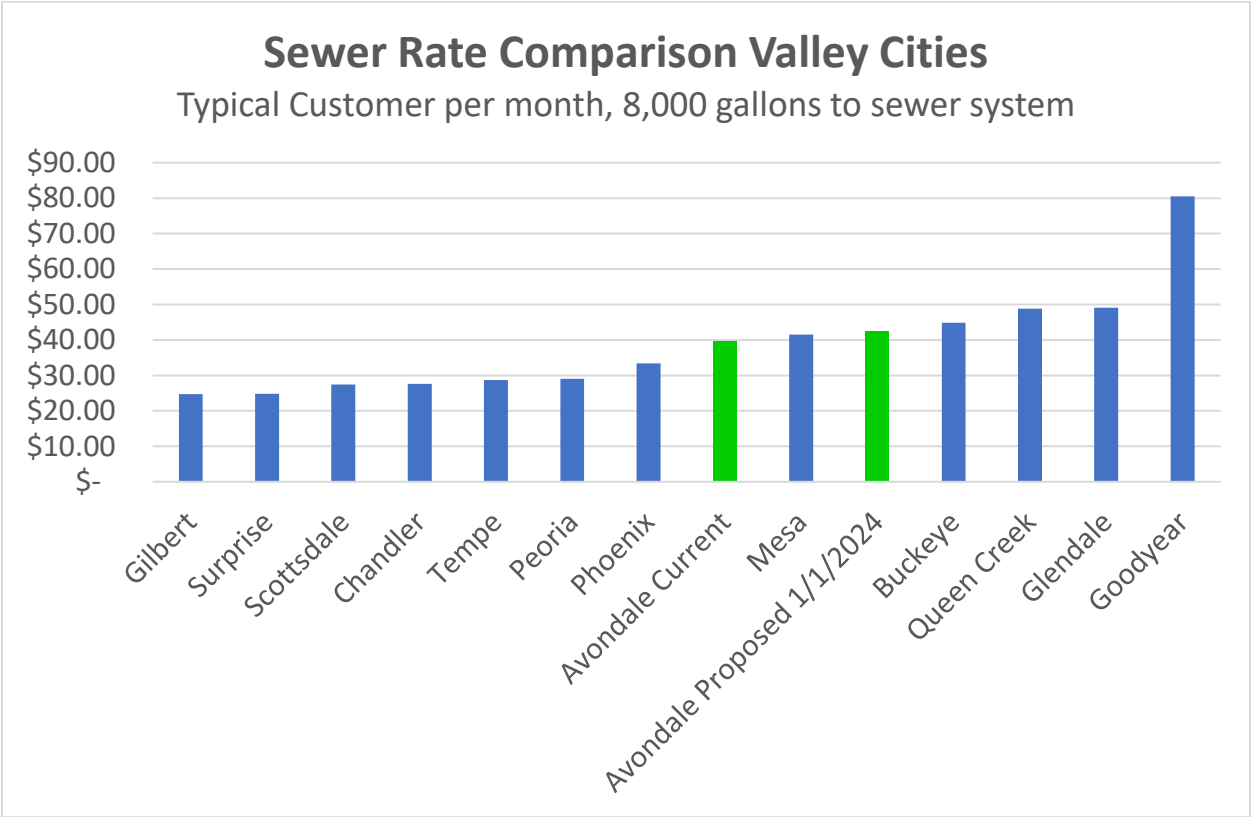
Sewer Utility Financial Forecast 7% Annual Rate Increase



Sewer Utility Financial Forecast 7% Annual Rate Increase



Appendix B: Sewer Price Comparison to Valley Cities

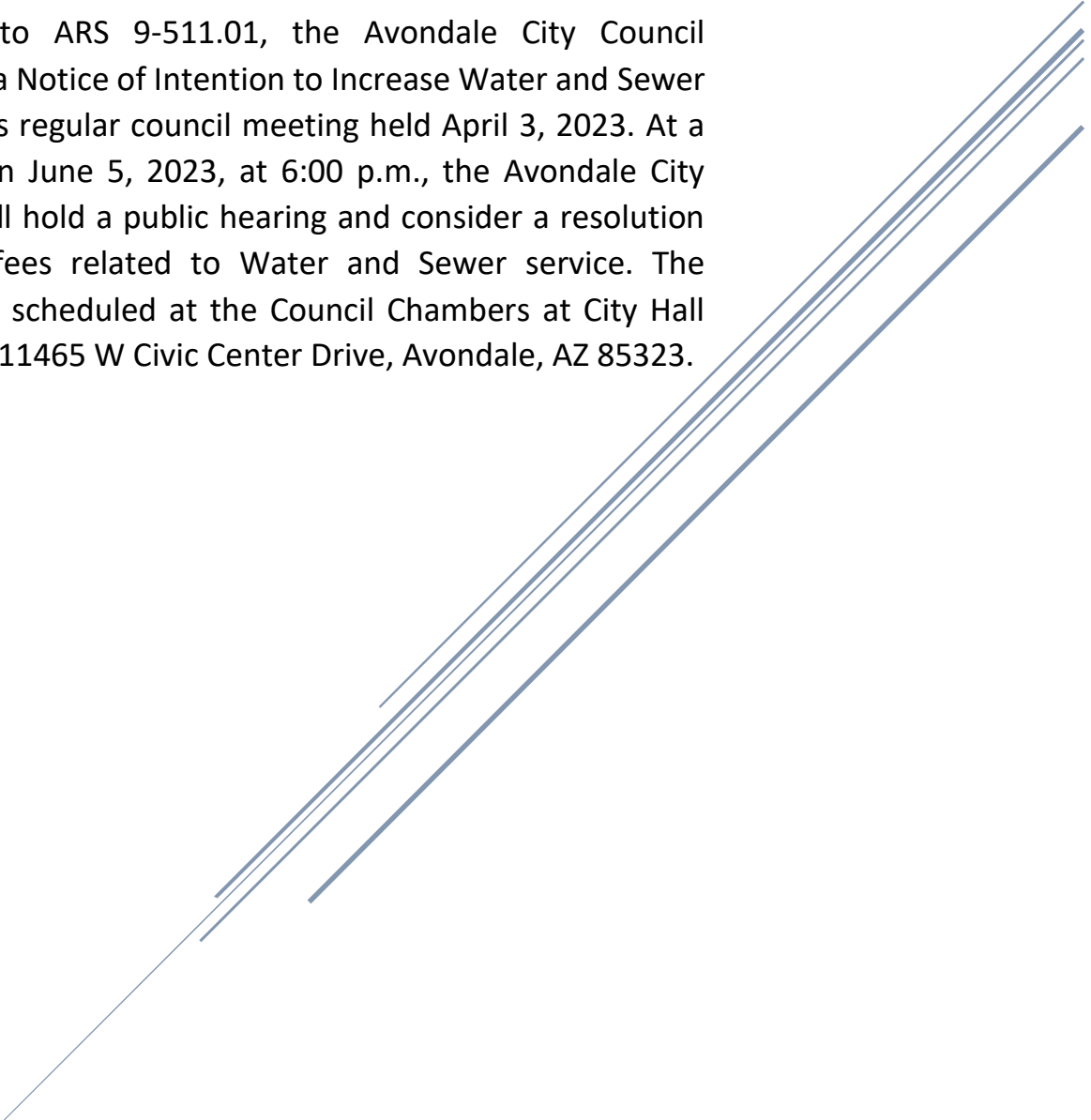


CITY OF AVONDALE WATER RATE RECOMMENDATION

Presented to City Council April 3, 2023

City of Avondale | 623-333-2000

Pursuant to ARS 9-511.01, the Avondale City Council approved a Notice of Intention to Increase Water and Sewer Rates at its regular council meeting held April 3, 2023. At a meeting on June 5, 2023, at 6:00 p.m., the Avondale City Council will hold a public hearing and consider a resolution adopting fees related to Water and Sewer service. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.



Introduction

The city of Avondale provides water utility services to approximately 26,500 residential, commercial, and landscape customers. The water system consists of nearly 325 miles of water mains and provides 4.5 billion gallons of potable water annually.

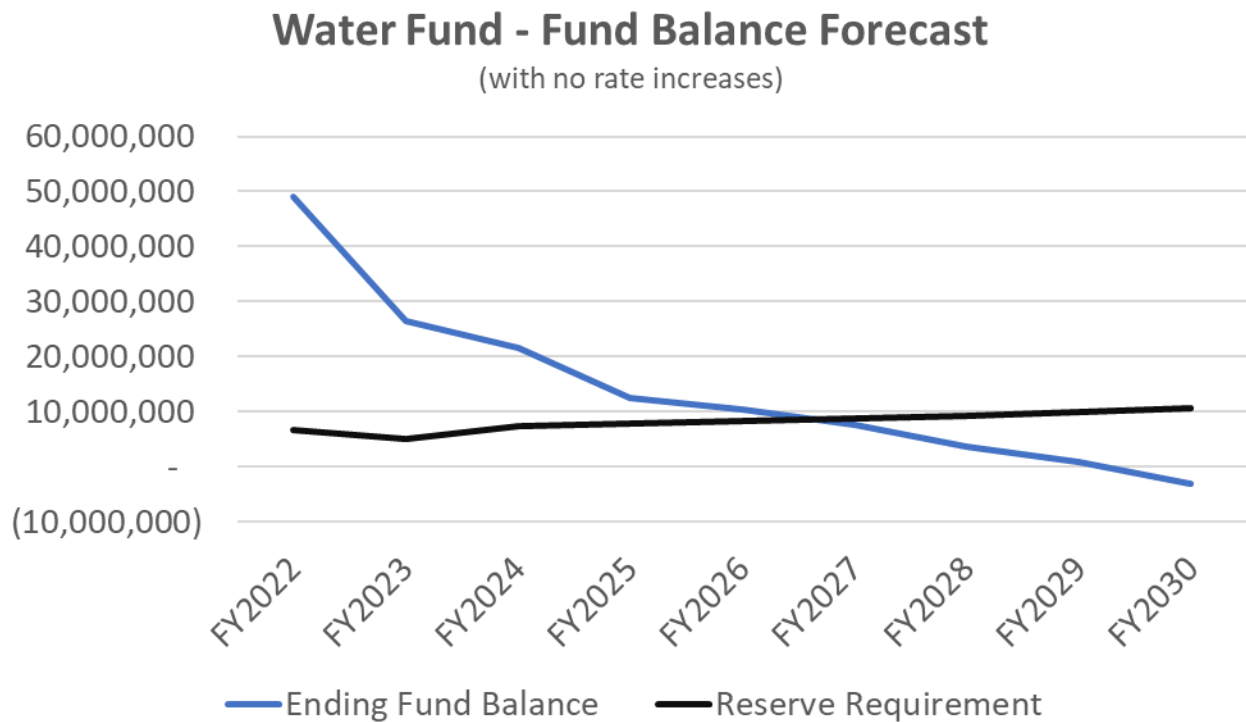
To be able to provide water services, the city charges customers a monthly rate to cover the entire cost of providing water. To keep pace with escalating costs while continuing to provide these services, the city must periodically adjust the monthly rate for these services.

Financial Projection

The city of Avondale has completed a financial plan and rate recommendation for the city's water utility. Staff evaluated a multi-year financial planning period spanning from FY2023 through FY2030.

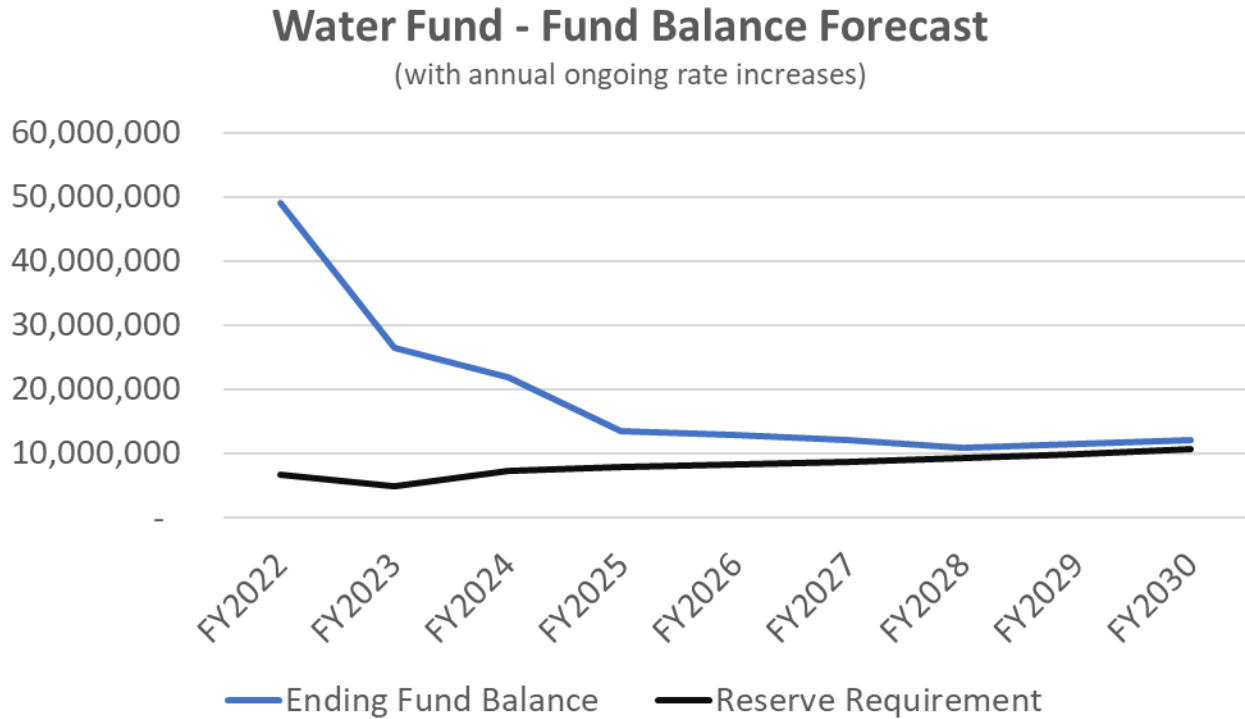
The water utility has inflationary increases that make providing services to customers more expensive. Significant inflationary pressures include increases in the cost to construct infrastructure, water purchases (33% \$630,000), personnel services (23% \$777,000), and system supplies and material (8%, \$45,000).

The plan below shows the financial forecast for the water utility if the city does not implement increases to water rates.



The cash flow projections above show current water rates are not sufficient to keep pace with costs and stay above the utility's minimum reserve requirements.

Staff projects the water utility will be able to stay above the minimum balance requirements with annual 2.65% increases to current water rates (see graph below). The rate would apply to both the base charge (based on water meter size) and the variable usage charge.



Water Fund Financial Projection

	FY2022 YTD Actual	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection
Beginning Fund Balance	44,810,994	48,978,000	26,396,000	21,825,000	13,489,000	12,794,000	12,112,000	10,831,000	11,524,000
Total Sources	14,453,731	19,803,000	20,598,000	21,536,000	22,455,000	23,583,000	24,773,000	26,014,000	27,363,000
Total Expenses	10,652,839	42,385,000	25,168,000	29,872,000	23,149,000	24,265,000	26,055,000	25,321,000	26,911,000
Revenue (Loss)	3,800,891	(22,582,000)	(4,571,000)	(8,336,000)	(695,000)	(682,000)	(1,282,000)	693,000	452,000
Ending Fund Balance	48,977,970	26,396,000	21,825,000	13,489,000	12,794,000	12,112,000	10,831,000	11,524,000	11,975,000
Reserve Requirement	6,733,900	4,962,000	7,341,000	7,891,000	8,181,000	8,712,000	9,297,000	9,941,000	10,661,000
Remaining Balance	42,244,070	21,434,000	14,484,000	5,598,000	4,613,000	3,401,000	1,534,000	1,583,000	1,315,000

Recommendation

Staff recommends a 2.65% rate increase effective January 1, 2024, and an additional 2.65% rate increase effective January 1, 2025. Future rate increases beyond FY2025 will likely be necessary to keep up with inflation.

Proposed Water Rates

		January 1, 2023	January 1, 2024	January 1, 2025
Water Meter Base Fee All users	3/4" Meter	10.00	10.27	10.54
	1" Meter	15.40	15.81	16.23
	1 1/2" Meter	28.68	29.44	30.22
	2" Meter	45.39	46.59	47.82
	3" Meter	83.05	85.25	87.51
	4" Meter	136.81	140.44	144.16
	6" Meter	270.01	277.17	284.52
	8" Meter	430.06	441.46	453.16
	10" Meter	617.30	633.66	650.45
	Hydrant Meter	136.81	140.44	144.16
Residential Water Usage Fee Per 1,000 gallons	0-6,000 gal	1.93	1.98	2.03
	6,000-15,000 gal	3.38	3.47	3.56
	15,000+ gal	4.83	4.96	5.09
Non-Residential Water Usage Fee Per 1,000 gallons	Non-Residential	2.93	3.01	3.09
	Multi-Family	2.93	3.01	3.09
	Hydrant Usage – all gal	4.83	4.96	5.09
	Landscape	See Table Below		

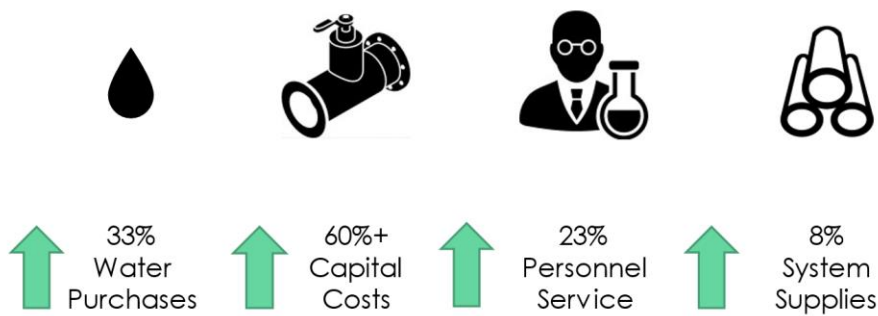
Landscape Water Usage Fee - Per 1,000 gallons

	Current			Proposed January 2024			Proposed January 2025		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Meter Size	\$ 1.93	\$ 3.38	\$ 4.83	\$ 1.98	\$ 3.47	\$ 4.96	\$ 2.03	\$ 3.56	\$ 5.09
3/4" Meter	1-12	13-24	25+	1-12	13-24	25+	1-12	13-24	25+
1" Meter	1-21	22-42	43+	1-21	22-42	43+	1-21	22-42	43+
1.5" Meter	1-40	41-80	81+	1-40	41-80	81+	1-40	41-80	81+
2" Meter	1-64	65-128	129+	1-64	65-128	129+	1-64	65-128	129+
3" Meter	1-120	121-240	241+	1-120	121-240	241+	1-120	121-240	241+
4" Meter	1-200	201-400	401+	1-200	201-400	401+	1-200	201-400	401+
6" Meter	1-400	401-800	801+	1-400	401-800	801+	1-400	401-800	801+
8" Meter	1-640	641-1,280	1,281+	1-640	641-1,280	1,281+	1-640	641-1,280	1,281+

Water Utility Overview



Water Utility Expenditure Pressures



FY2021 budget to FY2023 budget

Drought Declaration

- ▶ Drought Preparedness Plan Stage 1 Declaration on February 15, 2023
 - ▶ Staff to Implement Municipal / Non-Residential / Residential Measures in accordance with the Drought Preparedness Plan (DPP).
 - ▶ Purchase of New River Agua Fria Underground Storage Project (NAUSP) storage entitlements

Water Capital Projects Update

Rancho Santa Fe Tank Rehabilitation

BLVD Well and Transmission Main

North Avondale Water Pressure Improvements

Old Town Improvements

Water 2021 Rate Adoption

Structural Change

- Simplify rates
- Encourage conservation
- Align rates to match cost of service

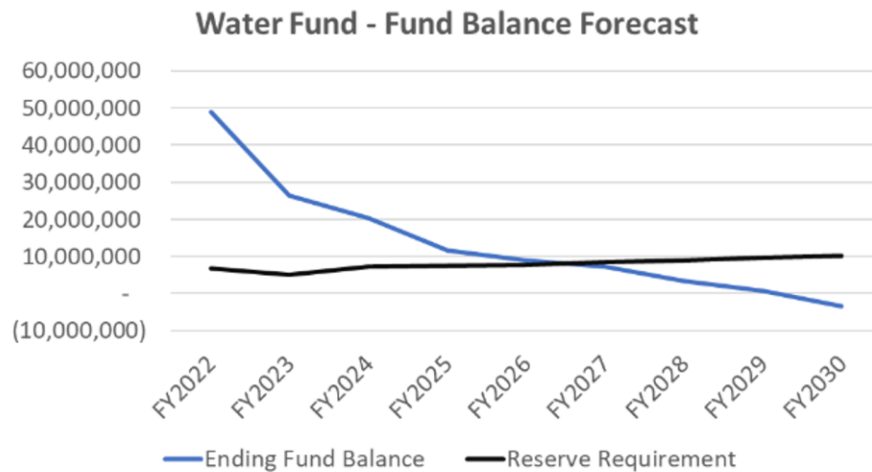
Timeline

- October 2021- First step of rate change
- January 2023 – Second step of rate change

Example Water Bill- Current

 Avondale		UTILITY BILLING STATEMENT Customer Service (623) 333-2005 waterbilling@avondaleaz.gov www.avondaleaz.gov/wb M-TH 7:00 AM - 6:00 PM	
ACCOUNT NO			
Typical residential customer using 9,000 gallons a month			
Water Meter Base Fee			10.00
Water	Usage in 1000	Rate per 1000	
Tier 1	6	1.93	11.58
Tier 2	3	3.38	10.14
Water Total		\$	31.72

Water Utility Financial Forecast No Future Rate Increases



Recommended Rate Increase Water Utility – 2.65%

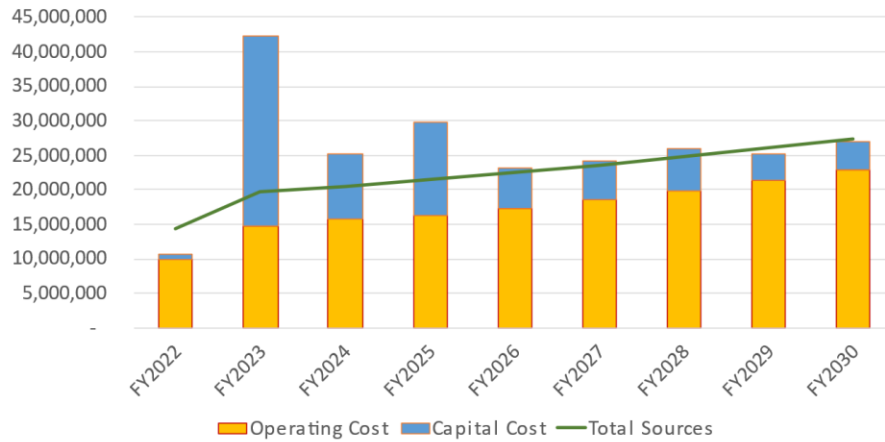


UTILITY BILLING STATEMENT
 Customer Service (623) 333-2005
waterbilling@avondaleaz.gov
www.avondaleaz.gov/wb
 M-TH 7:00 AM - 6:00 PM

ACCOUNT NO			
Typical residential customer: 9,000 gallons a month			
	Current	Jan-2024	Jan-2025
Water Base Fee	10.00	10.27	10.54
Water Tier 1	11.58	11.88	12.18
Water Tier 2	10.14	10.41	10.68
Total	\$ 31.72	\$ 32.56	\$ 33.40
DIFFERENCE		0.84	0.84

Water Utility Financial Forecast 2.65% Annual Rate Increase

Water Fund - Financial Forecast



Water Utility Financial Forecast 2.65% Annual Rate Increase

Water Fund - Fund Balance Forecast

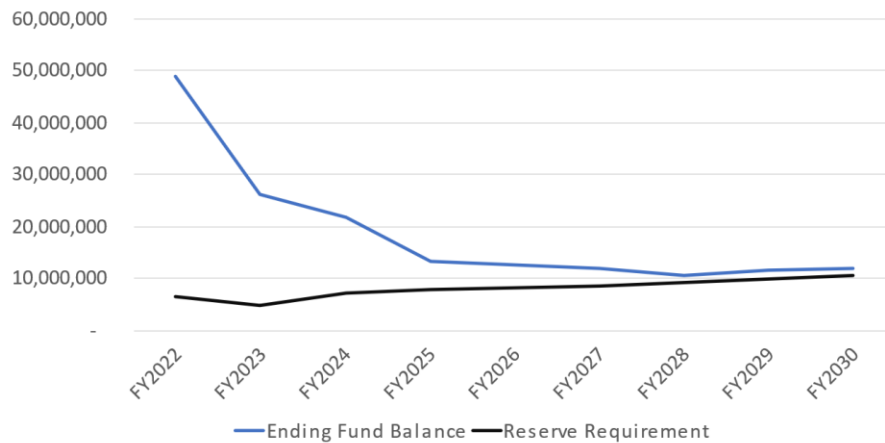
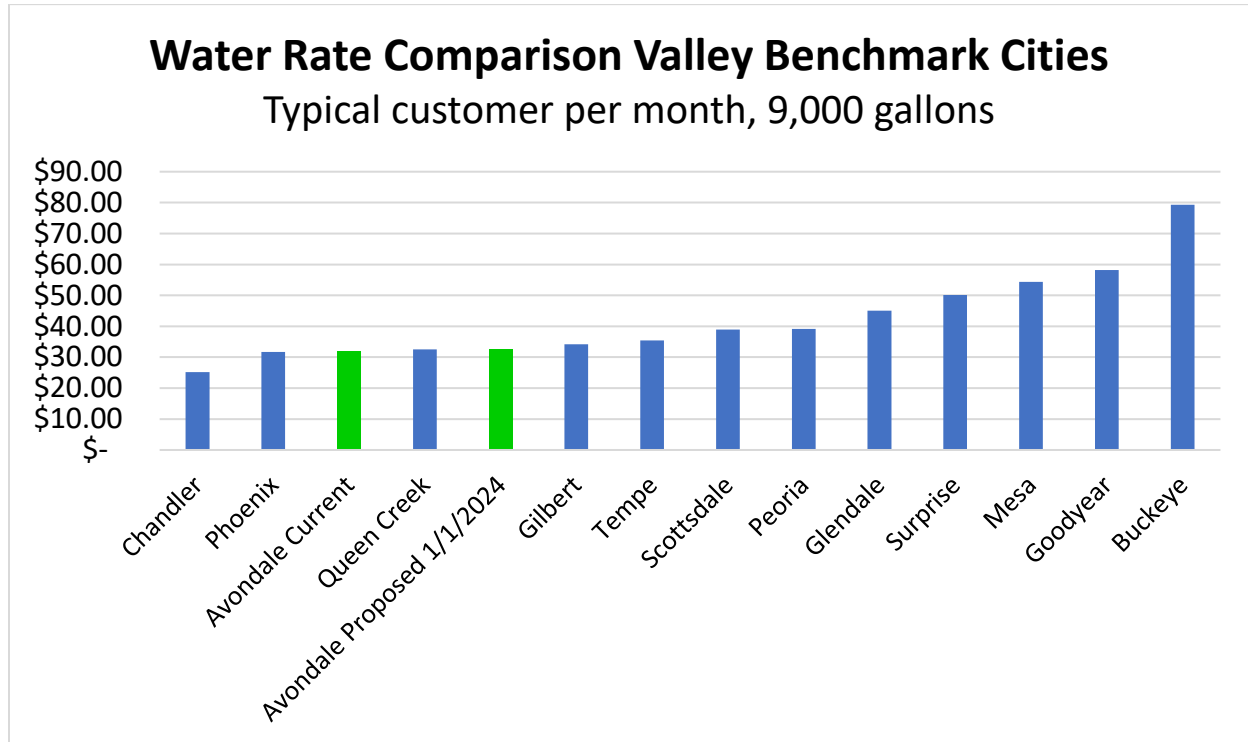


Exhibit B: Water Rate Comparison Valley Cities





WATER

Serves Residential,
Commercial, and Landscape



SEWER

Serves Residential and
Commercial



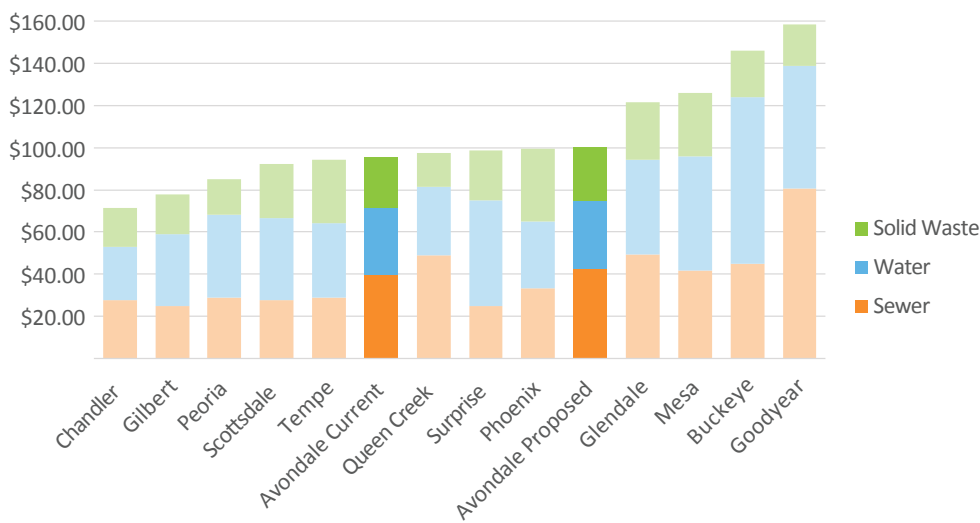
SOLID WASTE

Residential Only
Garbage, Recycling, Bulk Waste

DATE	ACTIVITY
APRIL 3	Council - Water/Sewer/Solid Waste Rate Overview
	Council - Notice of Intent
JUNE 5	Council - Public Hearing on Rate Changes
	Council - Vote on Proposed Changes
JULY 1	New Solid Waste Rates Effective
JAN. 1, 2024	New Water/Sewer Rates Effective

SERVICE	CURRENT	JANUARY 2024	JANUARY 2025
WATER (9,000 gal consumption)	\$31.72	\$32.56	\$33.40
SEWER (Winter Avg. of 8,000 gal)	\$39.60	\$42.40	\$45.40
SERVICE	CURRENT	JULY 2023	JULY 2024
SOLID WASTE (1X trash, 1X recycle)	\$24.00	\$25.50	\$27.00
EST. TOTAL BILL	\$95.32	\$100.46	\$105.80
\$ CHANGE		\$5.14 ↑	\$5.34 ↑

RATE COMPARISON TO VALLEY CITIES



- ▶ **Free Landscape Classes** – The City offers free classes on irrigation, plant selection, and plant maintenance.
- ▶ **Water in the Streets** – Staff responds to reports of water in the streets. Call (623) 333-4400
- ▶ **Brochures** – Free booklets and pamphlets on smart home water management and how to have a water efficient landscape.
- ▶ **Project WET** – A water education program for teaching and training educators on local water resources utilizing science, technology, engineering and math.
- ▶ **Landscape Consultation** – Staff is available to answer questions related to plant selection, water scheduling, and techniques for saving water.
- ▶ **HOA's/Commercial and Industrial Customers** – Staff can provide valuable information on ways to save money on indoor and outdoor water use.

City of Avondale Water Conservation Program | www.avondaleaz.gov/waterconservation

- ▶ **Home Water Efficiency Checks** – Designed to assist you in determining your water use, how and where to check for leaks and provide ways to become water efficient in your home.
- ▶ **Rebates** – Receive up to \$600 for replacement of high water use fixtures/landscapes to water efficient fixtures and landscapes.

Avondale RESIDENTIAL PROPOSAL



WATER

WATER METER BASE FEES			
	CURRENT	JANUARY 2024	JANUARY 2025
3/4" METER	\$10.00	\$10.27	\$10.54
1" METER	\$15.40	\$15.81	\$16.23
WATER USAGE FEES (PER 1,000 GALLONS)			
SINGLE FAMILY RESIDENTIAL	CURRENT	JANUARY 2024	JANUARY 2025
1-6	\$1.93	\$1.98	\$2.03
6-15	\$3.38	\$3.47	\$3.56
15+	\$4.83	\$4.96	\$5.09



SEWER

SEWER BASE FEES			
	CURRENT	JANUARY 2024	JANUARY 2025
3/4" METER	\$8.00	\$8.56	\$9.16
1" METER	\$12.02	\$12.86	\$13.76
SEWER USAGE FEES (PER 1,000 GALLONS)			
SINGLE FAMILY RESIDENTIAL	CURRENT	JANUARY 2024	JANUARY 2025
80% OF WINTER WATER USAGE	\$3.95	\$4.23	\$4.53



SOLID WASTE

RESIDENTIAL GARBAGE PICK-UP FEE			
	CURRENT	JULY 2023	JULY 2024
1 REFUSE CONTAINER*	\$24.00	\$25.50	\$27.00
2 REFUSE CONTAINERS*	\$38.00	\$40.50	\$43.00

*BOTH INCLUDE RECYCLING CONTAINER





WATER

(NOT INCLUDING LANDSCAPE)

WATER METER BASE FEES			
	CURRENT	JANUARY 2024	JANUARY 2025
3/4" METER	\$10.00	\$10.27	\$10.54
1" METER	\$15.40	\$15.81	\$16.23
1.5" METER	\$28.68	\$29.44	\$30.22
2" METER	\$45.39	\$46.59	\$47.82
3" METER	\$83.05	\$85.25	\$87.51
4" METER	\$136.81	\$140.44	\$144.16
6" METER	\$270.01	\$277.17	\$284.52
8" METER	\$430.06	\$441.46	\$453.16
10" METER	\$617.30	\$633.66	\$650.45
HYDRANT METER	\$136.81	\$140.44	\$144.16
WATER USAGE FEES (PER 1,000 GALLONS)			
	CURRENT	JANUARY 2024	JANUARY 2025
NON-RESIDENTIAL	\$2.93	\$3.01	\$3.09
MULTI-FAMILY	\$2.93	\$3.01	\$3.09
HYDRANT	\$4.83	\$4.96	\$5.09



LANDSCAPE WATER USE

WATER USAGE FEES (PER 1,000 GALLONS)									
	CURRENT			JANUARY 2024			JANUARY 2025		
METER SIZE	TIER 1	TIER 2	TIER 3	TIER 1	TIER 2	TIER 3	TIER 1	TIER 2	TIER 3
	\$1.93	\$3.38	\$4.83	\$1.98	\$3.47	\$4.96	\$2.03	\$3.56	\$5.09
3/4" METER	1-12	13-24	25+	1-12	13-24	25+	1-12	13-24	25+
1" METER	1-21	22-42	43+	1-21	22-42	43+	1-21	22-42	43+
1.5" METER	1-40	41-80	81+	1-40	41-80	81+	1-40	41-80	81+
2" METER	1-64	65-128	129+	1-64	65-128	129+	1-64	65-128	129+
3" METER	1-120	121-240	241+	1-120	121-240	241+	1-120	121-240	241+
4" METER	1-200	201-400	401+	1-200	201-400	401+	1-200	201-400	401+
6" METER	1-400	401-800	801+	1-400	401-800	801+	1-400	401-800	801+
8" METER	1-640	641-1,280	1,281+	1-640	641-1,280	1,281+	1-640	641-1,280	1,281+



Avondale NON-RESIDENTIAL PROPOSAL



SEWER

SEWER BASE FEES			
	CURRENT	JANUARY 2024	JANUARY 2025
3/4" METER	\$8.00	\$8.56	\$9.16
1" METER	\$12.02	\$12.86	\$13.76
1.5" METER	\$21.76	\$23.28	\$24.91
2" METER	\$34.43	\$36.84	\$39.42
3" METER	\$62.33	\$66.69	\$71.36
4" METER	\$102.12	\$109.27	\$116.92
6" METER	\$200.04	\$214.04	\$229.02
8" METER	\$298.61	\$319.51	\$341.88
SEWER USAGE FEES (PER 1,000 GALLONS WITH 80% RETURN FACTOR)			
USER CLASS	CURRENT	JANUARY 2024	JANUARY 2025
SCHOOLS AND COLLEGES*	\$3.49	\$4.23	\$4.53
CAR WASH*	\$3.35		
PROFESSIONAL OFFICE*	\$3.48		
DEPARTMENT STORE AND RETAIL*	\$3.57		
ALL OTHER	\$3.95		

*BEGINNING JANUARY 1, 2024, THIS RATE CLASS WILL BE INCLUDED WITHIN THE "ALL OTHER" CATEGORY.



RESOLUTION NO. 1031-0623

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING A RATE SCHEDULE FOR WATER AND WASTEWATER USER CHARGES AND SETTING AN EFFECTIVE DATE.

WHEREAS, pursuant to the provisions of ARIZ. REV. STAT. § 9-511.01, the Council of the City of Avondale (the “City Council”) may increase water and wastewater rates if: (i) a written report supporting the increased rate or rate component, fee or service charge has been prepared, or supporting data has been provided, in the form required by ARIZ. REV. STAT. § 9-511.01(A)(1), and made available to the public by filing a copy in the office of the City Clerk at least 30 days before the public hearing on the increased rate, rate component, fee or service charge; (ii) a notice of intention to increase water or wastewater rates or rate components has been adopted; (iii) a public hearing has been held on the proposed increase, not less than 60 days after adoption of the notice of intention; and (iv) a copy of the notice of intention showing the date, time and place of such hearing has been published one time in a newspaper of general circulation within the boundaries of the municipality not less than 20 days before the public hearing date; and

WHEREAS, City Staff has performed a revenue sufficiency and cost of service analysis, determined that the City of Avondale’s water and wastewater rates or rate components need to be increased and documented their findings in a written report (the “Report”); and

WHEREAS, a copy of the Report has been made available to the public by filing a copy in the office of the City Clerk at least 30 days prior to the public hearing on the proposed increase in water and wastewater user charges in accordance with ARIZ. REV. STAT. § 9-511.01(A)(1); and

WHEREAS, a Notice of Intent to Increase Water and Wastewater User Charges for the City’s water and wastewater utility services was adopted in Resolution 1038-0621, approved by the City Council on April 3, 2023 and was thereafter published in accordance with ARIZ. REV. STAT. § 9-511.01(A)(2); and

WHEREAS, the City does not have departments, boards or other subdivisions that are authorized to establish or modify taxes or fees without City Council approval as described in ARIZ. REV. STAT. § 9-499.15(C), but the City has none-the-less provided a written notice of the proposed increase in water and wastewater user charges on the City’s website in a manner the City believes complies with ARIZ. REV. STAT. § 9-499.15(B)(3); and

WHEREAS, a public hearing on the proposed increase was held on June 5, 2023, in accordance with ARIZ. REV. STAT. § 9-511.01(A)(2); and

WHEREAS, the City Council finds that the proposed increases in the water and wastewater user charges are fully supported by the Report and will fully and fairly recover the cost of providing water and wastewater services from each customer class.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The City Council hereby accepts the Report and desires to implement the rate increases recommended therein.

SECTION 3. The increased rates for water and wastewater charges are hereby adopted in the amounts and schedules as set forth in Exhibit A attached hereto and incorporated herein by reference.

SECTION 4. The increased rates shall take effect at 12:01 a.m. for billing cycles beginning subsequent to January 1, 2024, for the year one rates and January 1, 2025 for the year two rates.

SECTION 5. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1031-0623

[Water and Wastewater Charges]

See following page.

Water

		January 1, 2024	January 1, 2025
Water Meter Base Fee All users	3/4" Meter	10.27	10.54
	1" Meter	15.81	16.23
	1 1/2" Meter	29.44	30.22
	2" Meter	46.59	47.82
	3" Meter	85.25	87.51
	4" Meter	140.44	144.16
	6" Meter	277.17	284.52
	8" Meter	441.46	453.16
	10" Meter	633.66	650.45
	Hydrant Meter	140.44	144.16

Residential Water Usage Fee Per 1,000 gallons	0-6,000 gal	1.98	2.03
	6,000-15,000 gal	3.47	3.56
	15,000+ gal	4.96	5.09

Non-Residential Water Usage Fee Per 1,000 gallons	Non-Residential	3.01	3.09
	Multi-Family	3.01	3.09
	Hydrant Usage – all gal	4.96	5.09
	Landscape	See Table Below	

Sewer

		January 1, 2024	January 1, 2025
Sewer Base Fee	3/4" Meter	8.56	9.16
	1" Meter	12.86	13.76
	1 1/2" Meter	23.28	24.91
	2" Meter	36.84	39.42
	3" Meter	66.69	71.36
	4" Meter	109.27	116.92
	6" Meter	214.04	229.02
	8" Meter	319.51	341.88

Sewer Usage Fee Per 1,000 gal w/ 80% return	Single Family Residential*	4.23	4.53
	All Other	4.23	4.53

* Single family residential charges are calculated using the average water usage for the months of December, January and February, adjusted by the listed return factor.

Landscape Water Use

Per 1,000 gallons

Meter Size	January 1, 2024			January 1, 2025		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
	\$ 1.98	\$ 3.47	\$ 4.96	\$ 2.03	\$ 3.56	\$ 5.09
3/4" Meter	1-12	13-24	25+	1-12	13-24	25+
1" Meter	1-21	22-42	43+	1-21	22-42	43+
1.5" Meter	1-40	41-80	81+	1-40	41-80	81+
2" Meter	1-64	65-128	129+	1-64	65-128	129+
3" Meter	1-120	121-240	241+	1-120	121-240	241+
4" Meter	1-200	201-400	401+	1-200	201-400	401+
6" Meter	1-400	401-800	801+	1-400	401-800	801+
8" Meter	1-640	641-1,280	1,281+	1-640	641-1,280	1,281+

CITY COUNCIL REPORT

SUBJECT: Resolution 1032-0623 - Updating the Sanitation (Solid Waste) Fee Schedule

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Areas:

- Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government. The proposed rates simplify the rate structure, which allows for improved understanding, easier maintenance, and the ability to use the latest utility billing software.
 - Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources. The proposed rates help ensure continued access to safe and secure solid waste services, which is vital to public health and safety.
 - Natural Resources and Open Spaces - Avondale recognizes the value of its natural resources and promotes environmental sustainability and conservation in its operations, activities, and planning. Recycling, green waste, and other services provided by solid waste are vital to ensuring the preservation of the city's natural resources and open spaces.
-

PURPOSE:

City Council will consider a request to adopt Resolution 1032-0623, approving a sanitation (solid waste) rate schedule and setting an effective date, and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The adoption of the resolution is the final legal step in adopting revised Solid Waste rates. A presentation on the rates was given to Council on April 3, 2023. Required public notices and a report documenting the changes for Solid Waste rates was posted to the City of Avondale website, per ARS 9-499.15.

DISCUSSION:

The Solid Waste utility serves approximately 23,700 customers (no commercial customers). The financial policies of the city call for the solid waste utility to maintain a fund balance of 4 months of the operating budget of the previous year. The last rate increase for solid waste was effective July 1, 2022. The solid waste utility faces expenditure pressures from increasing costs for diesel, landfill fees, vehicle maintenance and replacement, vehicle acquisition to meet the needs of growth and other inflationary pressures.

City staff evaluated the utility's financial projection and recommends increasing current solid waste rates for a typical household with one trash and one recycling can by \$1.50 to \$25.50 per month effective July 1, 2023 and by \$1.50 to \$27.00 per month effective July 1, 2024.

For the two refuse container service, staff recommends a \$2.50 increase effective July 1, 2023 and a \$2.50 increase effective July 1, 2024.

BUDGET IMPACT:

The proposed rates will help ensure the solid waste utility remain fiscally sustainable and can continue to make strategic investments in infrastructure and operations.

RECOMMENDATION:

Staff recommends the Mayor and Council adopt a resolution for the proposed solid waste rates.

Contact person for document distribution: Aaron White

Notice of Proposed Increase in Fees – Pursuant to ARS 9-499.15, public notice is hereby given that at a meeting on June 5, 2023, at 6:00 p.m., the Avondale City Council will consider a resolution adopting fees related to Solid Waste. The meeting is scheduled at the Council Chambers at City Hall located at 11465 W Civic Center Drive, Avondale, AZ 85323.

CITY OF AVONDALE SOLID WASTE RATE RECOMMENDATION

Presented to City Council April 3, 2023

CITY OF AVONDALE 623-333-2000

Introduction

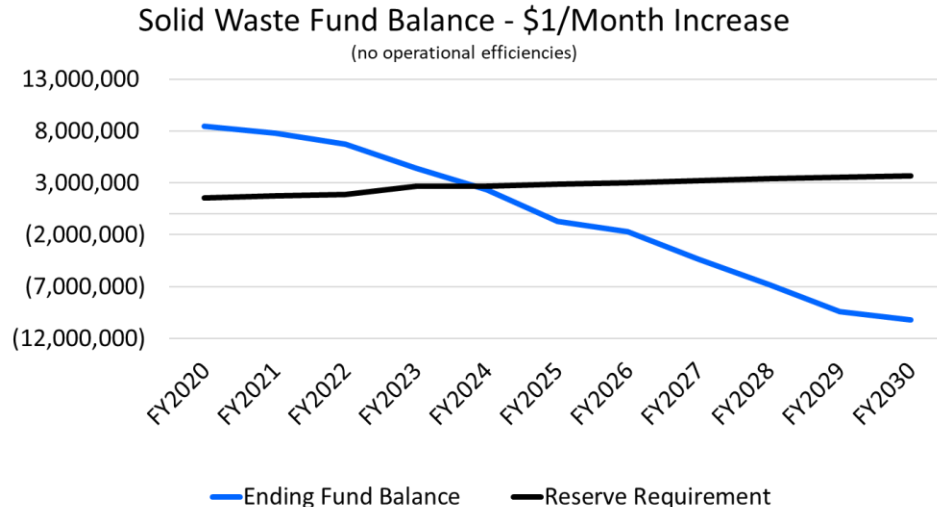
The city of Avondale provides solid waste utility services to approximately 23,700 residential customers. The service consists of once-a-week curbside trash pickup, once-a-week recycling pickup, and once-a-month bulk waste collection. To be able to provide solid waste services, the city charges residents a monthly rate to cover the entire cost of providing these services. In order to keep pace with escalating costs while continuing to provide these services, the city must periodically adjust the monthly charge for these services.

Financial Projection

The city of Avondale has completed a financial plan and rate recommendation for the city's Solid Waste utility. Staff evaluated a multi-year financial planning period spanning from FY2023 through FY2030.

The Solid Waste utility has inflationary increases that make providing services to residents more expensive. These increases in the cost of doing business include fuel and vehicle maintenance (60% \$543,000), personnel (40% \$758,000), materials (46%, \$74,000) and landfill fees (60%, \$543,000). Staff had previously presented to council a plan to increase rates \$1 annually for one trash can service.

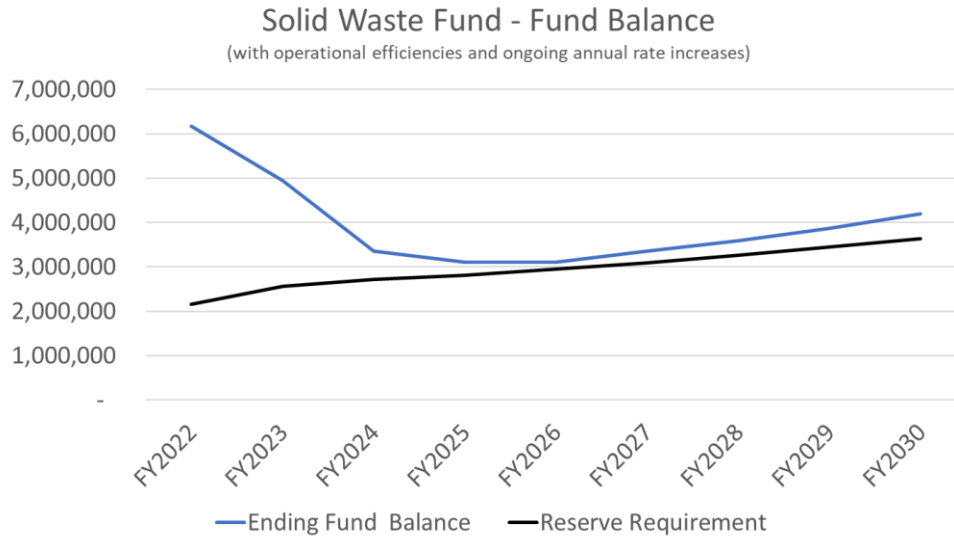
The plan below shows the financial forecast for the Solid Waste utility if the city implements a \$1 increase and does not implement certain efficiency improvements.



The cash flow projections above show that a \$1.00 monthly rate increase annually is not sufficient to keep pace with costs and to stay above the utility's minimum reserve requirements.

Staff presented efficiency improvements to council on January 4, 2023. These efficiency improvements decrease the number of vehicles necessary for curbside service. With these

efficiency improvements, staff projects the utility will be able to stay above the minimum balance requirements with a \$1.50 increase annually for one can curbside service (see graph below).



Solid Waste Fund Financial Projection

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Beginning Fund Balance	7,597,521	6,396,188	4,946,000	3,336,000	3,071,000	3,057,000	3,293,000	3,531,000	3,833,000
Total Sources	5,578,180	6,796,000	7,843,000	8,509,000	9,203,000	9,927,000	10,513,000	11,121,000	11,753,000
Total Expenses	6,994,995	8,246,000	9,453,000	8,774,000	9,217,000	9,691,000	10,275,000	10,819,000	11,401,000
Revenue (Loss)	(1,416,814)	(1,450,000)	(1,610,000)	(265,000)	(14,000)	236,000	238,000	302,000	352,000
Ending Fund Balance	6,396,188	4,946,000	3,336,000	3,071,000	3,057,000	3,293,000	3,531,000	3,833,000	4,185,000
Reserve Requirement	2,156,567	2,556,000	2,722,000	2,786,000	2,925,000	3,072,000	3,230,000	3,425,000	3,606,000
Remaining Balance	4,239,621	2,390,000	614,000	285,000	132,000	221,000	301,000	408,000	579,000

Recommendation

Staff recommends the following rates below be implemented on July 1, 2023, and July 1, 2024.

Solid Waste Proposed Rates

		July 1, 2022	July 1, 2023	July 1, 2024
Garbage Collection - Residential	One refuse container	\$24.00	\$25.50	\$27.00
	One recycling container			
	Two refuse containers	\$38.00	\$40.50	\$43.00
	One recycling container			

Solid Waste Overview



CUSTOMERS
23,700



TRASH TONS
28,704



RECYCLED TONS
4,671



**BULK WASTE
TONS**
6,652

► Customers as of January 2023; Tons total collected for FY2022

Solid Waste Expenditure Pressures



↑ 60%
Fleet
Charges



↑ 39% Admin
Costs



↑ 40%
Personnel
Service



↑ 46%
Containers



↑ 350%
Risk Mgmt
Costs

FY2021 budget to FY2023 budget

Solid Waste Operational Changes



Presented to Council
in January 2023



Rebalanced routes
and work schedules
make operation as
efficient as possible



Maintain current
service levels

Solid Waste 2021 Rate Adoption

History

- No rate increase 2010 to 2021
- Align rates to match cost of service

Timeline

- October 2021- First step of rate change: \$2.00
- July 2022 – Second step of rate change: \$2.00
- Assumed ongoing \$1.00 annual rate increases

Example Solid Waste Bill- Current



Avondale

UTILITY BILLING STATEMENT

Customer Service (623) 333-2005

waterbilling@avondaleaz.gov

www.avondaleaz.gov/wb

M-TH 7:00 AM - 6:00 PM

ACCOUNT NO

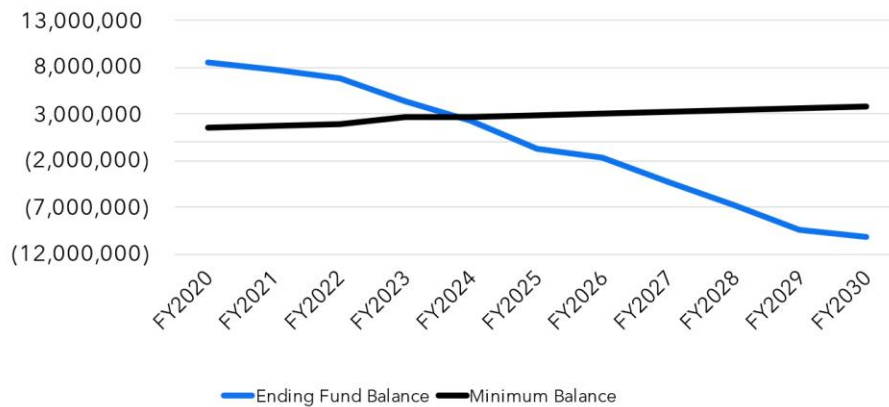
Typical residential customer with 1 trash and 1 recycle can

Solid Waste Base Fee

24.00

Solid Waste Financial Forecast \$1.00 Rate Increase

Solid Waste Fund Balance - \$1/Month Increase



Recommended Rate Increase Solid Waste – \$1.50/month



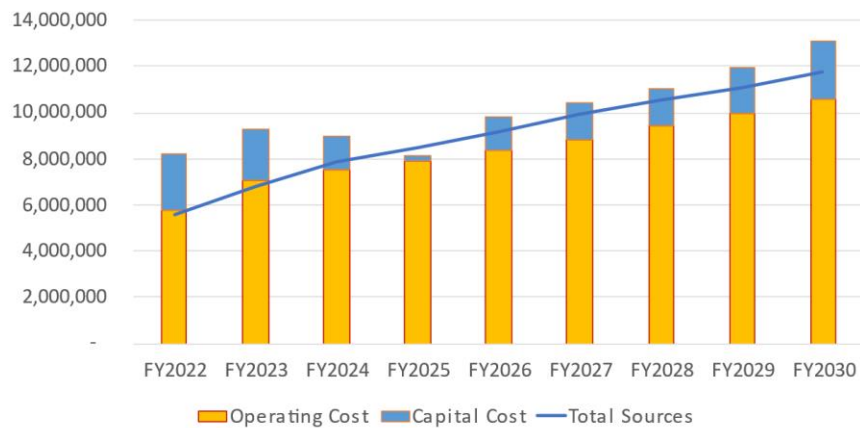
UTILITY BILLING STATEMENT
Customer Service (623) 333-2005
waterbilling@avondaleaz.gov
www.avondaleaz.gov/wb
M-TH 7:00 AM - 6:00 PM

ACCOUNT NO			
Typical residential customer with 1 trash and 1 recycle can			
	Current	Jul-2023	Jul-2024
Solid Waste Base Fee	24.00	25.50	27.00
DIFFERENCE		1.50	1.50

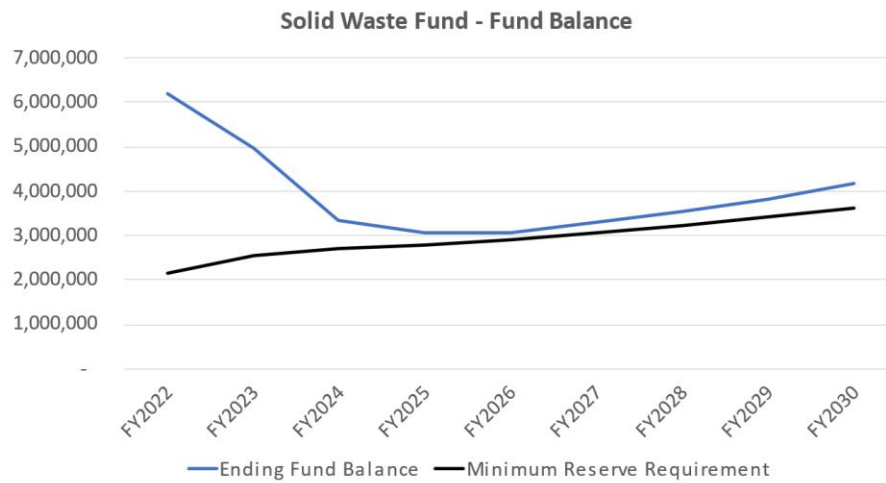
- 2 trash, 1 recycle container to increase \$2.50

Financial Forecast – Solid Waste \$1.50 Annual Rate Increase With Operational Changes

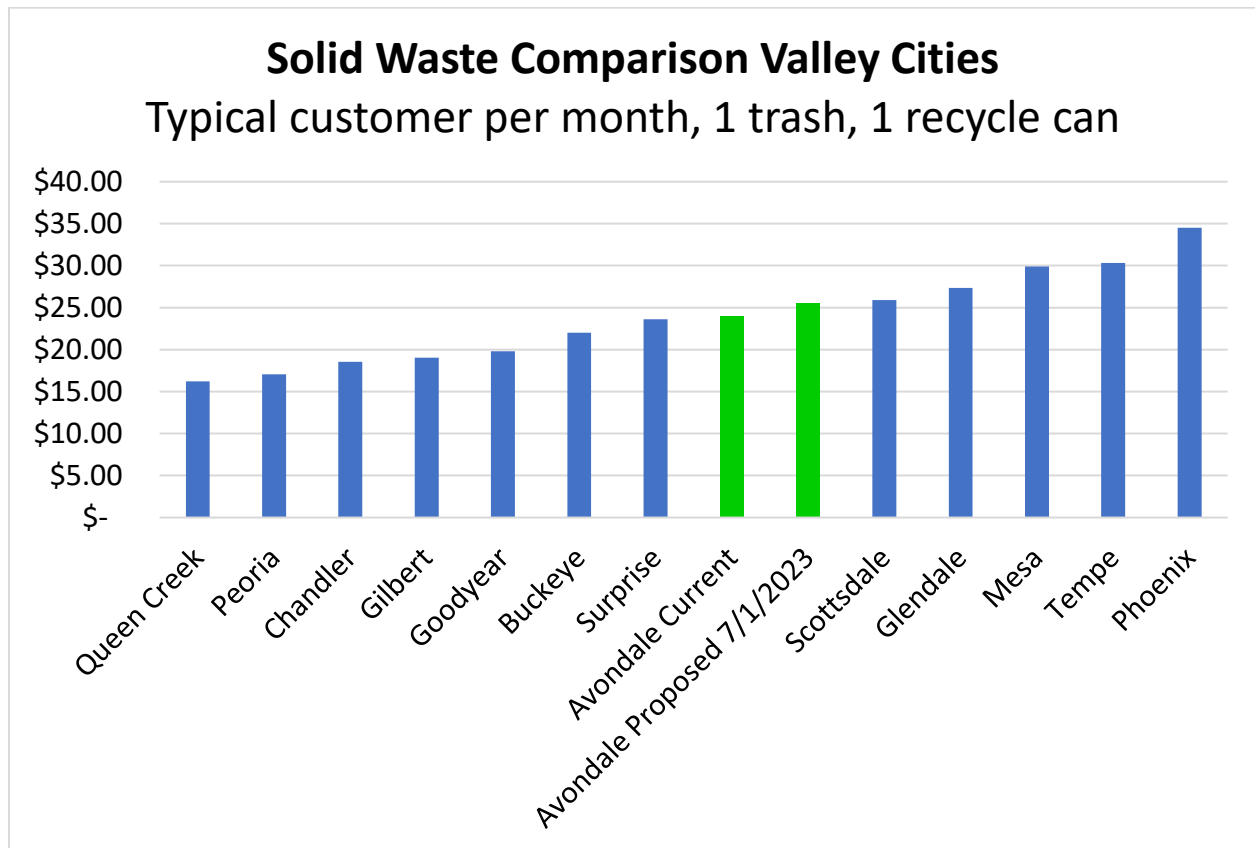
Solid Waste Fund - Financial Forecast



Financial Forecast – Solid Waste \$1.50 Annual Rate Increase With Operational Changes



Appendix B: Solid Waste Price Comparison to Valley Cities





WATER

Serves Residential,
Commercial, and Landscape



SEWER

Serves Residential and
Commercial



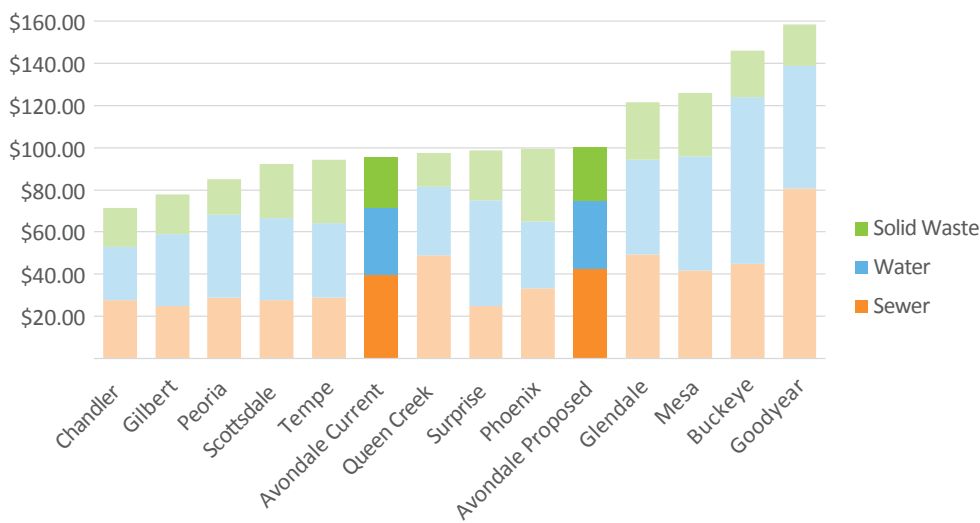
SOLID WASTE

Residential Only
Garbage, Recycling, Bulk Waste

DATE	ACTIVITY
APRIL 3	Council - Water/Sewer/Solid Waste Rate Overview
	Council - Notice of Intent
JUNE 5	Council - Public Hearing on Rate Changes
	Council - Vote on Proposed Changes
JULY 1	New Solid Waste Rates Effective
JAN. 1, 2024	New Water/Sewer Rates Effective

SERVICE	CURRENT	JANUARY 2024	JANUARY 2025
WATER (9,000 gal consumption)	\$31.72	\$32.56	\$33.40
SEWER (Winter Avg. of 8,000 gal)	\$39.60	\$42.40	\$45.40
SERVICE	CURRENT	JULY 2023	JULY 2024
SOLID WASTE (1X trash, 1X recycle)	\$24.00	\$25.50	\$27.00
EST. TOTAL BILL	\$95.32	\$100.46	\$105.80
\$ CHANGE		\$5.14 ↑	\$5.34 ↑

RATE COMPARISON TO VALLEY CITIES



City of Avondale Water Conservation Program | www.avondaleaz.gov/waterconservation

- ▶ **Home Water Efficiency Checks** – Designed to assist you in determining your water use, how and where to check for leaks and provide ways to become water efficient in your home.
- ▶ **Rebates** – Receive up to \$600 for replacement of high water use fixtures/landscapes to water efficient fixtures and landscapes.
- ▶ **Free Landscape Classes** – The City offers free classes on irrigation, plant selection, and plant maintenance.
- ▶ **Water in the Streets** – Staff responds to reports of water in the streets. Call (623) 333-4400
- ▶ **Brochures** – Free booklets and pamphlets on smart home water management and how to have a water efficient landscape.
- ▶ **Project WET** – A water education program for teaching and training educators on local water resources utilizing science, technology, engineering and math.
- ▶ **Landscape Consultation** – Staff is available to answer questions related to plant selection, water scheduling, and techniques for saving water.
- ▶ **HOA's/Commercial and Industrial Customers** – Staff can provide valuable information on ways to save money on indoor and outdoor water use.

Avondale RESIDENTIAL PROPOSAL



WATER

WATER METER BASE FEES			
	CURRENT	JANUARY 2024	JANUARY 2025
3/4" METER	\$10.00	\$10.27	\$10.54
1" METER	\$15.40	\$15.81	\$16.23
WATER USAGE FEES (PER 1,000 GALLONS)			
SINGLE FAMILY RESIDENTIAL	CURRENT	JANUARY 2024	JANUARY 2025
1-6	\$1.93	\$1.98	\$2.03
6-15	\$3.38	\$3.47	\$3.56
15+	\$4.83	\$4.96	\$5.09



SEWER

SEWER BASE FEES			
	CURRENT	JANUARY 2024	JANUARY 2025
3/4" METER	\$8.00	\$8.56	\$9.16
1" METER	\$12.02	\$12.86	\$13.76
SEWER USAGE FEES (PER 1,000 GALLONS)			
SINGLE FAMILY RESIDENTIAL	CURRENT	JANUARY 2024	JANUARY 2025
80% OF WINTER WATER USAGE	\$3.95	\$4.23	\$4.53



SOLID WASTE

RESIDENTIAL GARBAGE PICK-UP FEE			
	CURRENT	JULY 2023	JULY 2024
1 REFUSE CONTAINER*	\$24.00	\$25.50	\$27.00
2 REFUSE CONTAINERS*	\$38.00	\$40.50	\$43.00

*BOTH INCLUDE RECYCLING CONTAINER





WATER

(NOT INCLUDING LANDSCAPE)

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WATER USAGE FEES (PER 1,000 GALLONS)			
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MULTI-FAMILY	\$2.93	\$3.01	\$3.09
HYDRANT	\$4.83	\$4.96	\$5.09



LANDSCAPE WATER USE

WATER USAGE FEES (PER 1,000 GALLONS)									
	CURRENT			JANUARY 2024			JANUARY 2025		
METER SIZE	TIER 1	TIER 2	TIER 3	TIER 1	TIER 2	TIER 3	TIER 1	TIER 2	TIER 3
	\$1.93	\$3.38	\$4.83	\$1.98	\$3.47	\$4.96	\$2.03	\$3.56	\$5.09
3/4" METER	1-12	13-24	25+	1-12	13-24	25+	1-12	13-24	25+
1" METER	1-21	22-42	43+	1-21	22-42	43+	1-21	22-42	43+
1.5" METER	1-40	41-80	81+	1-40	41-80	81+	1-40	41-80	81+
2" METER	1-64	65-128	129+	1-64	65-128	129+	1-64	65-128	129+
3" METER	1-120	121-240	241+	1-120	121-240	241+	1-120	121-240	241+
4" METER	1-200	201-400	401+	1-200	201-400	401+	1-200	201-400	401+
6" METER	1-400	401-800	801+	1-400	401-800	801+	1-400	401-800	801+
8" METER	1-640	641-1,280	1,281+	1-640	641-1,280	1,281+	1-640	641-1,280	1,281+





SEWER

SEWER BASE FEES			
	CURRENT	JANUARY 2024	JANUARY 2025
3/4" METER	\$8.00	\$8.56	\$9.16
1" METER	\$12.02	\$12.86	\$13.76
1.5" METER	\$21.76	\$23.28	\$24.91
2" METER	\$34.43	\$36.84	\$39.42
3" METER	\$62.33	\$66.69	\$71.36
4" METER	\$102.12	\$109.27	\$116.92
6" METER	\$200.04	\$214.04	\$229.02
8" METER	\$298.61	\$319.51	\$341.88
SEWER USAGE FEES (PER 1,000 GALLONS WITH 80% RETURN FACTOR)			
USER CLASS	CURRENT	JANUARY 2024	JANUARY 2025
SCHOOLS AND COLLEGES*	\$3.49	\$4.23	\$4.53
CAR WASH*	\$3.35		
PROFESSIONAL OFFICE*	\$3.48		
DEPARTMENT STORE AND RETAIL*	\$3.57		
ALL OTHER	\$3.95		

*BEGINNING JANUARY 1, 2024, THIS RATE CLASS WILL BE INCLUDED WITHIN THE "ALL OTHER" CATEGORY.



RESOLUTION NO. 1032-0623

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, REPEALING RESOLUTION 1060-0821, APPROVING A SANITATION (SOLID WASTE) RATE SCHEDULE AND SETTING AN EFFECTIVE DATE.

WHEREAS, the City of Avondale Municipal Code, Chapter 11, Sanitation Code, provides that fees for collection of refuse and recyclables may be adopted by a resolution of the Council of the City of Avondale (the “City Council”); and

WHEREAS, the City Council passed and adopted Resolution No. 1060-0821 on August 23, 2008, adopting fees for collection of refuse and recyclables; and

WHEREAS, the City provided (i) the schedule of the proposed increased fees, (ii) a written report supporting the proposed increased fees and (iii) written notice of the proposed increased fees by posting a Notice of Intent to increase Sanitation (Solid Waste) Fees (the “Notice of Intent”) containing the substance, and according to process, required by ARIZ. REV. STAT. § 9-499.15; and

WHEREAS, the Notice of Intent was posted and distributed as required by ARIZ. REV. STAT. § 9-499.15 on April 6, 2023; and

WHEREAS, the City Council desires to repeal Resolution 2788-1208 and adopt a new sanitation (solid waste) rate schedule.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. Resolution 1060-0821 is hereby repealed.

SECTION 2. The new fees for collection of refuse and recyclables shall be charged in accordance with the sanitation rate schedule attached hereto as Exhibit A and incorporated herein by reference.

SECTION 3. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

SECTION 4. It is necessary for the preservation of the peace, health, and safety of the city, an emergency is declared to exist, and this Resolution shall take effect at 12:01 a.m. for billing cycles beginning subsequent to July 1, 2023 for the year one rates and July 1, 2024 for the year two rates.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1032-0623

[Sanitation Rate Schedule]

See following page.

EXHIBIT A

City of Avondale, Arizona Sanitation Rate Schedule Effective July 2023 and July 2024

Residential Refuse & Recyclable Collection	July 1, 2023	July 1, 2024
Option 1 – One refuse container, one recycling container	\$25.50	\$27.00
Option 2 – Two refuse containers, one recycling container	\$40.50	\$43.00

CITY COUNCIL REPORT

SUBJECT: Public Hearing - Fiscal Year 2024 Final Budget

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports all Avondale Strategic Outcome Areas. The Strategic Plan guides the allocation of funding to the highest priorities.

PURPOSE:

City Council will hold a public hearing to receive comment on the final budget for fiscal year 2023-2024 (FY 2024). No Council action is required.

BACKGROUND:

The tentative budget for FY2024 was adopted on May 1, 2023 and a summary of the budget was published in the May 19 and May 26 editions of the Arizona Republic. As required by §42-17103, the tentative budget was posted within seven days of adoption in a prominent location on the City's website. A public hearing must be held and a special meeting convened for adoption of the final budget after the close of the public hearing. A public hearing is also required on the property tax levy, which is scheduled for tonight and the final adoption of the property tax levy is scheduled for June 26.

DISCUSSION:

The FY2024 expenditure limitation of \$464,896,600 has not changed in total from the tentative budget adopted on May 1, 2023.

The following changes have been made since the tentative budget adopted on May 1:

- Class and compensation refinements based off of final recommendations: \$229,700.
- Adjustments in carryover for capital projects: \$80,000.
- Increase in the Opioid Settlement fund for additional anticipated settlement revenue: \$200,000

These increases are offset by decreases in the unanticipated revenue line item.

BUDGET IMPACT:

This public hearing is a necessary step in the budget adoption process, allowing residents to comment on the FY2024 final budget.

RECOMMENDATION:

Staff recommends the City Council hold a public hearing to receive comment on the final budget for FY2024.

Contact person for document distribution: Robert Baer; Renee Weatherless

CITY COUNCIL REPORT

SUBJECT: Public Hearing - Truth in Taxation Hearing and Resolution 1033-0623 Setting Forth the Intent to Raise the Property Tax Levy

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

This agenda item supports all Avondale Strategic Outcome Areas. The Strategic Plan guides the allocation of funding to the highest priorities.

PURPOSE:

City Council will hold a public hearing and consider a request to adopt Resolution 1033-0623 setting forth the City's intent to levy primary property taxes in the amount of \$0.6373 per hundred (\$100) of assessed valuation and secondary property taxes in the amount of \$0.8222 per hundred (\$100) of assessed valuation and set the property tax adoption for June 26, 2023 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

This agenda item satisfies several statutory requirements for the formal adoption process of the FY2024 budget.

Per Arizona Revised Statute 42-17104 the City is required to hold a public hearing on proposed expenditures and tax levy (the final budget) in which any taxpayer may appear and be heard in favor of or against any proposed expenditure or tax levy.

Per Arizona Revised Statute 42-17107, an increase in the primary property tax levy, exclusive of new construction, requires the city to conduct a Truth in Taxation hearing on or before final budget adoption. The resolution adopting the FY2024 final budget is scheduled for Council action later in the special meeting. After the public hearing, a roll call vote to direct staff to prepare the enacting property tax resolution is requested.

The resolution to establish the FY2024 tax levies is scheduled for adoption at the June 26, 2023 City Council meeting.

DISCUSSION:

The public hearing will serve to fulfill the requirements of state statute with respect to property tax levies and truth in taxation public hearing requirements. Notice of the hearing was published May 19 and May 26 in the Arizona Republic in compliance with state statute. For FY2024, the primary property tax rate will decrease from

\$0.6458 per \$100 of assessed valuation to \$0.6373 per \$100 of assessed valuation. The primary property tax levy is projected to increase from \$3,514,575 to \$3,736,624. Per Arizona Revised Statute 42-17051, the primary property tax levy (the total dollar amount raised by the levy) may only increase 2% year to year, excluding new construction. If property values increase more than 2% in a year, then the rate will decrease while the levy increased by the 2%. The percent increase of valuation in Avondale due to appreciation was 3.4% and the increase in valuation due to new growth was 4.4%.

The secondary property tax levy is determined by the amount of principal and interest on general obligation debt in a given year. For FY2024, the secondary property tax rate will decrease from \$0.9050 per \$100 of assessed valuation to \$0.8222 per \$100 of assessed valuation. The levy will decrease from \$4,925,173 in FY2023 to \$4,811,641 in FY2024.

The total proposed combined rate is \$1.4595 per \$100 of assessed valuation. This rate is below the maximum rate of \$2.00 per \$100 of assessed valuation that is included in the city's Comprehensive Financial Policies.

BUDGET IMPACT:

There is not direct budget impact for the Truth in Taxation public hearing and the intent to levy property taxes; however, this public hearing continues the process which will result in the adoption of the final budget for the upcoming fiscal year. The primary and secondary property tax levies are included as a part of the FY2024 final budget which is scheduled for adoption in a special council meeting later this evening.

RECOMMENDATION:

Staff recommends the City Council hold a public hearing to receive comment on the primary and secondary property tax levies. After the public hearing, adopt a resolution setting forth the intention to increase the primary property tax levy for FY2024.

Contact person for document distribution: Robert Baer; Renee Weatherless

RESOLUTION NO. 1033-0623

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING THEIR INTENT TO RAISE THE PRIMARY PROPERTY TAX LEVY.

WHEREAS, the Council of the City of Avondale (the “City Council”) in accordance with the provisions of ARIZ. REV. STAT. §§ 42-17104 and 42-17107, on June 5, 2023, held a hearing regarding the intent to assess a primary property tax rate of \$0.6373 per \$100 of assessed valuation of property within the corporate limits of the City of Avondale (the “City”); and

WHEREAS, in accordance with the provisions of ARIZ. REV. STAT. §§ 42-17104 and 42-17107, and following due public notices, given in the manner and within the time provided by law, the City Council met on June 5, 2023, at which meeting any taxpayer was privileged to appear and be heard in favor of or against the proposed tax levies; and

WHEREAS, on May 1, 2023, the City Council approved Resolution 1022-0523, adopting (i) an expenditure limitation and (ii) the estimates of expenditures for the fiscal year beginning July 1, 2023, and ending June 30, 2024, as the tentative budget for the City; and

WHEREAS, notification has been duly made as required by law, through advertisements in a newspaper of general circulation, that the City Council intends to meet on June 26, 2023 in the City Council Chamber for the purpose of considering tax levies as set forth in said estimates; and giving notice that the City Council intends to adopt its tax levy resolution on June 26, 2023; and

WHEREAS, ARIZ. REV. STAT. §§ 42-17104 and 42-17107 requires the City to notify its property taxpayers of an increase to the primary property tax levy should the stated tax rate generate additional taxes on existing properties.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The City Council, by roll call vote, approve this Resolution notifying its property taxpayers of its intention to raise its primary property tax levy on existing properties over last year’s level by \$73,290, or 2%.

SECTION 3. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

CITY COUNCIL REPORT

SUBJECT: Resolution 1034-0623 - Setting forth the Final Budget for Fiscal Year 2023-2024

MEETING DATE: 6/5/2023

TO: Mayor and Council

FROM: Renee Weatherless, Finance and Budget Director

THROUGH: Ron Corbin, City Manager, (623) 333-1011

REVIEWED: Ron Corbin, City Manager, (623) 333-1011

STRATEGIC PLAN:

The agenda item supports all Avondale Strategic Outcome Areas. The Strategic Plan guides the allocation of funding to the highest priorities.

PURPOSE:

City Council will consider a request to adopt Resolution 1034-0623, approving the final budget for fiscal year 2023-2024 (FY2024) in the amount of \$464,896,600 and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The tentative FY2024 budget was adopted on May 1, 2023 and was published in the May 19 and May 26 editions of the Arizona Republic. As required by §42-17103, the tentative budget was posted within seven days of adoption in a prominent location on the City's website. A public hearing was held on June 5, 2023 as required by A.R.S. §42-17104. As required by A.R.S. §42-17105, a special meeting must be convened for adoption of the final budget.

DISCUSSION:

By state statute, the total amount of the final budget may not be greater than the budget tentatively adopted on May 1, 2023. Any increases to the budget require an offsetting decrease in another line item included in the budget.

The following changes have been made since the tentative budget adopted on May 1:

- Class and compensation refinements based off of final recommendations: \$229,700.
- Adjustments in carryover for capital projects: \$80,000.
- Increase in the Opioid Settlement fund for additional anticipated settlement revenue: \$200,000.

To accommodate the changes to carryover within the previously approved expenditure limit, the line item for unanticipated revenues has been adjusted.

Included with the final budget is a schedule specifying certain budgeted items in excess of \$50,000. The

Avondale Procurement Code specifies that for budgeted line items in excess of \$50,000 that were considered during the budget process, the procurement agent or authorized designee may approve the award for these items. This schedule is intended to provide greater transparency into these budgeted line items. Any items where the award is greater than what is indicated on the schedule will return to City Council in the future for separate consideration and action.

Also included with the final budget is a schedule of interfund transfers for FY2024 and a schedule of interfund loans for FY2024. These schedules are intended to set the maximum amounts for these interfund transfers/loans and actuals may be lower than the schedule indicates. Any transfers/loans in excess of these amounts will return to council for consideration.

Also included with the final budget is a schedule showing the five year Capital Improvement Plan (CIP) with the total project budget for projects included in the CIP.

BUDGET IMPACT:

This will establish the formal expenditure limit and annual budget for FY2024.

RECOMMENDATION:

Staff recommends the Mayor and Council adopt Resolution 1034-0623 - Setting forth the Final Budget for Fiscal Year 2023-2024.

Contact person for document distribution: Robert Baer; Renee Weatherless

RESOLUTION NO. 1034-0623

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, SETTING FORTH THE FINAL BUDGET FOR FISCAL YEAR 2023-2024.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona and the City Charter, the Council of the City of Avondale (the “City Council”) is required to adopt an annual budget for the City of Avondale (the “City”); and

WHEREAS, in accordance with ARIZ. REV. STAT. § 42-17102, the City Manager prepared and filed with the City Council the City Manager’s Budget estimates for the fiscal year beginning July 1, 2023 and ending June 30, 2024; and

WHEREAS, on May 1, 2023 the City Council approved Resolution 1022-0523, adopting (i) an expenditure limitation and (ii) the estimates of expenditures for the fiscal year beginning July 1, 2023, and ending June 30, 2024, as the tentative budget for the City; and

WHEREAS, Resolution 1022-0523 also directed the City Manager or designee to: (i) publish in the official City newspaper once per week for two consecutive weeks, (a) the official tentative budget and (b) a notice of the public hearing of the City Council to hear taxpayers and make tax levies at designated times and places; and (ii) not later than seven business days following consideration of Resolution 1025-0522 by the City Council, (a) make available at the Avondale Civic Center Library, the Sam Garcia Western Avenue Library and the Avondale City Hall a complete copy of the tentative budget, and (b) post the tentative budget on the City’s website; and

WHEREAS, due notice has been given by the City Clerk as required by law that the City Council would meet on June 5, 2023, at the City Council Chambers for the purposes (i) hearing taxpayers on the proposed expenditures and proposed tax levies as set forth in the estimates and (ii) adopting the tentative budget as final; and

WHEREAS, on June 5, 2023, the City Council held a public hearing on the final budget as required by law; and

WHEREAS, the City of Avondale Procurement Code 25-6 specifies that budgeted line items approved by the City Council in the review and adoption of the Annual Budget of City, and for which an award is within the allocated expenditure, may be approved by the procurement agent or authorized designee.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The statements and schedules hereto as Exhibit A and incorporated herein by reference, is hereby formally adopted as the official final budget for the City for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

SECTION 3. The statements and schedules hereto as Exhibit B and incorporated herein by reference are hereby identified as specifically budgeted line items greater than \$50,000 for the City of Avondale, Arizona for the fiscal year July 1, 2023 through June 30, 2024.

SECTION 4. The statements and schedules hereto as Exhibit C and incorporated herein by reference are hereby identified as the scheduled Interfund Transfers and scheduled Interfund Loans for the City of Avondale, Arizona for the fiscal year July 1, 2023 through June 30, 2024.

SECTION 5. The statements and schedules hereto as Exhibit D and incorporated herein by reference are hereby identified as the Capital Improvement Plan for the City of Avondale, Arizona for the fiscal year July 1, 2023 through June 30, 2024.

SECTION 6. Upon the recommendation by the City Manager and with approval of the City Council, transfers of appropriation from the non-departmental contingencies are permissible.

SECTION 7. Money from any fund may be used for any of these appropriations except money specifically restricted by State Law, City Ordinance, City Council action or City Charter.

SECTION 8. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the statements and schedules or fee schedule incorporated herein by reference are for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 8. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, June 5, 2023.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1034-0623

[Statements and Schedules]

See following pages.

City of Avondale
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2024

Fiscal Year	S c h		FUNDS							
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Trust & Agency Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2023	Adopted/Adjusted Budgeted Expenditures/Expenses*	E 1	172,241,200	119,670,000	9,884,600	35,912,000	10,312,000	97,358,400	11,728,400	457,106,600
2023	Actual Expenditures/Expenses**	E 2	128,238,600	80,238,400	9,884,600	11,318,000	10,312,000	39,458,600	11,508,400	290,958,600
2024	Fund Balance/Net Position at July 1***	3	112,991,115	63,847,857	678,537	42,225,714	4,129,636	123,785,785	5,969,596	353,628,240
2024	Primary Property Tax Levy	B 4	3,736,624							3,736,624
2024	Secondary Property Tax Levy	B 5			4,811,641					4,811,641
2024	Estimated Revenues Other than Property Taxes	C 6	111,792,500	66,109,600	15,000	7,317,000	10,237,000	44,216,000	11,667,000	251,354,100
2024	Other Financing Sources	D 7	0	0	0	465,000	0	8,500,000	0	8,965,000
2024	Other Financing (Uses)	D 8	(465,000)	0	0	0	0	(8,500,000)	0	(8,965,000)
2024	Interfund Transfers In	D 9	63,883,000	2,278,700	3,519,000	1,670,000	0	52,644,000	0	123,994,700
2024	Interfund Transfers (Out)	D 10	(67,308,700)	(2,588,000)	0	0	0	(54,098,000)	0	(123,994,700)
2024	Reduction for Amounts Not Available:	11								
LESS:	Amounts for Future Debt Retirement:									0
	Future Capital Projects									0
	Maintained Fund Balance for Financial Stability									0
										0
										0
2024	Total Financial Resources Available	12	224,629,539	129,648,157	9,024,178	51,677,714	14,366,636	166,547,785	17,636,596	613,530,605
2024	Budgeted Expenditures/Expenses	E 13	181,412,700	104,102,200	8,295,000	30,227,000	12,050,500	117,845,000	10,964,200	464,896,600

EXPENDITURE LIMITATION COMPARISON

1 Budgeted expenditures/expenses
2 Add/subtract: estimated net reconciling items
3 Budgeted expenditures/expenses adjusted for reconciling items
4 Less: estimated exclusions
5 Amount subject to the expenditure limitation
6 EEC expenditure limitation or voter-approved alternative expenditure limitation

2023	2024
\$ 457,106,600	\$ 464,896,600
457,106,600	464,896,600
\$ 457,106,600	\$ 464,896,600
\$ 457,106,600	\$ 464,896,600

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

City of Avondale
Tax Levy and Tax Rate Information
Fiscal Year 2024

	<u>2023</u>	<u>2024</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>3,514,575</u>	\$ <u>3,736,624</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>3,514,575</u>	\$ <u>3,736,624</u>
B. Secondary property taxes	<u>4,925,173</u>	<u>4,811,641</u>
C. Total property tax levy amounts	\$ <u>8,439,748</u>	\$ <u>8,548,265</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>3,514,575</u>	
(2) Prior years' levies	<u>0</u>	
(3) Total primary property taxes	\$ <u>3,514,575</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>4,925,173</u>	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ <u>4,925,173</u>	
C. Total property taxes collected	\$ <u>8,439,748</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.6458</u>	<u>0.6373</u>
(2) Secondary property tax rate	<u>0.9050</u>	<u>0.8222</u>
(3) Total city/town tax rate	<u>1.5508</u>	<u>1.4595</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>22</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

City of Avondale
Revenues Other Than Property Taxes
Fiscal Year 2024

SOURCE OF REVENUES	ESTIMATED REVENUES 2023	ACTUAL REVENUES* 2023	ESTIMATED REVENUES 2024
GENERAL FUND			
Local taxes			
Local Sales Tax	\$ 52,015,000	\$ 55,106,000	\$ 53,966,000
SRP Payment in lieu of property tax			43,000
Other Taxes	50,000	7,000	7,000
Licenses and permits			
Franchise Fees	1,180,000	1,070,000	1,070,000
Building & Development Permits	7,884,000	5,085,000	4,041,000
Licenses	205,000	53,250	53,000
Intergovernmental			
State Urban Revenue Sharing	16,092,000	17,180,000	24,286,000
City's Share of St. Sales Tax	11,470,000	13,330,000	13,663,000
Auto Lieu Tax	4,221,000	4,221,000	4,348,000
Other State Sources	252,000	252,000	592,000
Other Cities & Towns	1,445,900	1,712,496	1,506,500
Other Governments	520,300	926	734,200
Charges for services			
Development Charges for Service	2,441,000	2,455,000	1,557,000
Other Charges for Service	235,000	371,500	337,000
Recreation Charges for Service	528,000	541,900	683,000
Fines and forfeits			
Court Fines	914,000	927,000	927,000
Other Fines	15,000	0	2,000
Interest on investments			
Interest	529,000	529,000	1,833,000
Miscellaneous			
Sale of Assets	9,000	15,000	9,000
Other Revenue	569,000	530,564	852,000
Operating Lease	764,400	1,743,775	1,278,800
	\$ 101,339,600	\$ 105,131,411	\$ 111,788,500
General Fund Capital			
Interest		60,000	0
Sale of Land	\$ 7,650,000	\$ 6,790,000	\$ 0
	\$ 7,650,000	\$ 6,850,000	\$ 0
Developer Contributions			
Development Charges for Service	\$ 0	\$ 300,000	\$ 0
	\$ 0	\$ 300,000	\$ 0
Volunteer Firefighter's Pension			
Interest	\$ 1,000	\$ 0	\$ 4,000
	\$ 1,000	\$ 0	\$ 4,000
Total General Fund	\$ 108,990,600	\$ 112,281,411	\$ 111,792,500

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

SPECIAL REVENUE FUNDS

Highway User Revenue Fund

City of Avondale
Revenues Other Than Property Taxes
Fiscal Year 2024

SOURCE OF REVENUES	ESTIMATED REVENUES 2023	ACTUAL REVENUES* 2023	ESTIMATED REVENUES 2024
Highway User Revenue Fees	\$ 6,721,000	\$ 6,721,000	\$ 6,923,000
Other Revenue	0	2,000	0
Interest	50,000	50,000	0
	6,771,000	6,773,000	6,923,000
Senior Nutrition			
Federal Sources	381,000	408,745	404,900
Other Cities & Towns	0	18,600	0
Interest		0	3,000
Other Revenue	36,300	17,700	34,300
	417,300	445,045	442,200
Community Action Program			
Federal Sources	628,700	391,000	453,800
Other Charges for Service	600	600	0
Other Grants		25,000	0
Interest		0	1,000
Other Cities and Towns	25,000	0	25,000
	654,300	416,600	479,800
HOME Grant			
Federal Sources	1,593,900	1,593,900	1,212,400
	1,593,900	1,593,900	1,212,400
Other Grants			
Other State Sources	184,000	184,000	766,000
Other Federal Sources	1,087,200	1,297,155	4,696,000
Other Grants		735,350	
Other Grants and Donations	1,248,000	540,500	420,500
Other Revenue	19,298,700	18,970,850	16,698,300
	21,817,900	21,727,855	22,580,800
Other Interest Bearing Grants			
Other Revenue	0	0	650,000
Cemetery Maintenance Fund			
Interest	0	1,800	4,000
	0	1,800	4,000
Transit Fund			
Other Revenue	0	300	0
Other Grants	0	145,000	0
Other Grants and Donations			800,000
Interest	3,000	84,400	0
Arizona Lottery Fund	225,800	225,800	225,800
	228,800	455,500	1,025,800
County RICO			
Seizure of Property	30,000	30,000	0
Interest	0	200	0
	30,000	30,200	0
Court Enhancements			
Court Fines	21,000	21,000	21,000
Interest	0	500	0
	21,000	21,500	21,000

Judicial Collection Enhancement

City of Avondale
Revenues Other Than Property Taxes
Fiscal Year 2024

SOURCE OF REVENUES	ESTIMATED REVENUES 2023	ACTUAL REVENUES* 2023	ESTIMATED REVENUES 2024
Court Fines	21,000	12,000	21,000
Interest	0	1,000	5,000
	21,000	13,000	26,000
Fill the Gap			
Court Fines	10,200	8,000	10,200
Interest	0	400	2,000
	10,200	8,400	12,200
Regional Family Advocacy			
Federal Sources	260,000	260,000	110,900
Other Cities and Towns	1,160,200	200,000	1,291,000
Other Grants	0	960,200	0
	1,420,200	1,420,200	1,401,900
0.5% Dedicated Sales Tax			
City Sales Tax	12,609,000	13,624,000	13,624,000
Interest	29,000	80,000	0
	12,638,000	13,704,000	13,624,000
Public Safety Dedicated Sales Tax			
City Sales Tax	12,609,000	13,624,000	13,624,000
Interest	42,000	42,000	0
	12,651,000	13,666,000	13,624,000
Public Arts			
Development Charges for Service	0	89,200	0
	0	89,200	0
Community Development Block Grant			
Other Federal Sources	3,018,800	3,018,800	3,082,500
	3,018,800	3,018,800	3,082,500
Environmental Programs Fund			
Environmental Fee	300,000	305,000	300,000
Interest		5,000	29,000
	300,000	310,000	329,000
Wildland Fire Deployment			
Other State Sources	250,000	250,000	250,000
	250,000	250,000	250,000
Tow Impound Fund			
Other Fines	50,100	50,100	49,000
	50,100	50,100	49,000
American Rescue Plan Act			
Federal Sources	8,943,600	8,943,600	0
	8,943,600	8,943,600	0
Employee Assistance			
Interest		1,565	0
	0	1,565	0
One AZ Opioid Settlement			
Other State Sources		99,010	0
Federal Sources			250,000
Interest		0	2,000
	0	99,010	252,000
Tourism Fund			
Other State Sources	120,000	120,000	120,000
Interest		100	0
	120,000	120,100	120,000
Total Special Revenue Funds	\$ 70,957,100	\$ 73,159,375	\$ 66,109,600

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Avondale
Revenues Other Than Property Taxes
Fiscal Year 2024

SOURCE OF REVENUES	ESTIMATED REVENUES 2023	ACTUAL REVENUES* 2023	ESTIMATED REVENUES 2024
DEBT SERVICE FUNDS			
General Obligation			
Interest	\$ 0	\$ 1,500	\$ 1,000
Other Revenue		268	0
	\$ 0	\$ 1,768	\$ 1,000
2019 PRO Debt Service			
Interest	\$ 0	\$ 200	\$ 0
	\$ 0	\$ 200	\$ 0
Dysart Road MDC			
Interest	\$ 0	\$ 0	\$ 14,000
	\$ 0	\$ 0	\$ 14,000
Total Debt Service Funds	\$ 0	\$ 1,968	\$ 15,000
CAPITAL PROJECTS FUNDS			
Landscaping Landfill Remediation			
Other Revenue	70,000	70,000	70,000
Interest	2,000	1,300	30,000
	72,000	71,300	100,000
Streets Development Impact Fee Fund			
Development Impact Fees	3,837,000	3,227,000	1,806,000
Interest	0	18,000	120,000
	3,837,000	3,245,000	1,926,000
Police Development Impact Fee Fund			
Development Impact Fees	1,061,000	875,000	1,389,000
Interest	0	25,000	83,000
	1,061,000	900,000	1,472,000
Fire Development Impact Fee Fund			
Development Impact Fees	1,040,000	810,000	2,263,000
Interest	0	22,000	67,000
	1,040,000	832,000	2,330,000
Parks Development Impact Fee Fund			
Development Impact Fees	1,822,000	1,194,000	1,408,000
Interest	0	5,000	19,000
	1,822,000	1,199,000	1,427,000
General Obligation Construction 2021			
Interest	0	35,000	0
	0	35,000	0
General Obligation Construction 2019			
Interest	0	3,000	0
	0	3,000	0
PRO Bond Construction 2019			
Interest	0	12,000	0
	0	12,000	0
Vehicle Replacement			
Sale of Assets	62,000	0	62,000
Interest	178,000	10,000	0
	240,000	\$ 10,000	\$ 62,000

City of Avondale
Revenues Other Than Property Taxes
Fiscal Year 2024

SOURCE OF REVENUES	ESTIMATED REVENUES 2023	ACTUAL REVENUES* 2023	ESTIMATED REVENUES 2024
Equipment Replacement			
Interest	0	5,000	0
	0	5,000	0
Total Capital Projects Funds	\$ 8,072,000	\$ 6,312,300	\$ 7,317,000

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Trust and Agency

125 Plan

Interest	0	0	2,000
	0	\$ 0	\$ 2,000

Employee Benefit Trust

Contributions	\$ 9,855,000	9,089,000	\$ 9,854,000
Interest	0	10,656	81,000
Other Revenue	120,000	400,000	300,000
	\$ 9,975,000	\$ 9,499,656	\$ 10,235,000

Total Permanent Funds	\$ 9,975,000	\$ 9,499,656	\$ 10,237,000
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ENTERPRISE FUNDS

Water Fund

Water Sales	\$ 17,865,000	\$ 19,365,000	\$ 19,800,000
Interest	399,000	399,000	479,000
Operating Lease	39,000	39,000	39,000
Other Revenue	70,000	45,400	70,000
Other Fines		10,500	0
	\$ 18,373,000	\$ 19,858,900	\$ 20,388,000

Sewer Operations

Sewer Fees	\$ 10,733,000	\$ 10,775,000	\$ 11,106,000
Interest	237,000	237,000	362,000
	\$ 10,970,000	\$ 11,012,000	\$ 11,468,000

Solid Waste

Sanitation Fees	5,985,000	6,757,000	7,098,000
Interest	47,000	0	175,000
Other Revenue		14,000	8,000
Licenses	34,000	25,000	25,000
	6,066,000	6,796,000	7,306,000

Water Equipment Replacement

Interest	16,000	0	16,000
	16,000	0	16,000

Solid Waste Equipment Replacement

Interest	70,000	0	0
	70,000	0	0

Water Development Impact Fees

Development Fees	3,864,000	2,804,000	2,559,000
Interest		15,000	52,000
	3,864,000	2,819,000	2,611,000

Sewer Development Impact Fees

Development Fees	5,344,000	3,610,000	1,942,000
Interest	55,000	20,000	485,000
	5,399,000	3,630,000	2,427,000

City of Avondale
Revenues Other Than Property Taxes
Fiscal Year 2024

SOURCE OF REVENUES	ESTIMATED REVENUES 2023	ACTUAL REVENUES* 2023	ESTIMATED REVENUES 2024
Total Enterprise Funds	\$ 44,758,000	\$ 44,115,900	\$ 44,216,000
INTERNAL SERVICE FUNDS			
Risk Management			
Internal Service Charges	\$ 2,955,000	\$ 2,955,000	\$ 6,052,000
Other Revenue	13,500	130,745	13,500
Interest	47,000	0	118,000
	\$ 3,015,500	\$ 3,085,745	\$ 6,183,500
Fleet Services Management			
Internal Service Charges	\$ 4,221,500	\$ 4,004,000	\$ 4,650,000
Other Cities and Towns		28,000	20,000
		265	0
	\$ 4,221,500	\$ 4,032,265	\$ 4,670,000
Worker's Compensation			
Internal Service Charges	\$ 624,500	\$ 600,000	\$ 780,500
Interest		0	33,000
	\$ 624,500	\$ 600,000	\$ 813,500
Total Internal Service Funds	\$ 7,861,500	\$ 7,718,010	\$ 11,667,000
TOTAL ALL FUNDS	\$ 250,614,200	\$ 253,088,620	\$ 251,354,100

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Avondale
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2024

FUND	OTHER FINANCING 2024		INTERFUND TRANSFERS 2024	
	SOURCES	(USES)	IN	(OUT)
GENERAL FUND				
Operating Transfers	\$	\$	\$ 1,063,000	\$ (2,063,700)
Capital Transfers			0	(65,245,000)
Interfund Loans	0	(465,000)		
General Fund Asset Replacement			4,977,000	
General Fund Capital			56,243,000	0
Economic Opportunities - from General Fund			1,600,000	0
Total General Fund	\$ 0	\$ (465,000)	\$ 63,883,000	\$ (67,308,700)
SPECIAL REVENUE FUNDS				
Dedicated Sales Tax - Debt	\$	\$	\$ 0	\$ (2,588,000)
Transit Fund			1,815,000	0
Regional Family Advocacy - Operating Transfers			363,700	0
Public Arts Fund - Operating Transfers			100,000	0
Total Special Revenue Funds	\$ 0	\$ 0	\$ 2,278,700	\$ (2,588,000)
DEBT SERVICE FUNDS				
0.5% Dedicated Sales Tax Debt- Debt Transfer	\$	\$	\$ 1,076,000	\$ 0
2019 PRO Debt Service - Debt Transfer			948,000	0
2021 PRO Debt Service			1,495,000	
Total Debt Service Funds	\$ 0	\$ 0	\$ 3,519,000	\$ 0
CAPITAL PROJECTS FUNDS				
Parks Development Impact Fee - Interfund Loan	465,000	0		
Vehicle Replacement - Capital			1,670,000	0
Total Capital Projects Funds	\$ 465,000	\$ 0	\$ 1,670,000	\$ 0
ENTERPRISE FUNDS				
Water Fund - Operating Transfers	\$	\$ 0	\$ 0	\$ (604,000)
Sewer Fund - Operating Transfers			0	\$ (459,000)
Sewer Fund - Interfund Loan		(8,500,000)		
Water Fund - Capital Transfers			0	(32,708,000)
Sewer Fund - Capital Transfers			0	(18,769,000)
Water Construction			32,043,000	0
Water Impact Fees	0			(391,000)
Water Equipment Replacement - Capital			665,000	0
Sewer Construction			16,688,000	0
Sewer Equipment Replacement - Capital			1,455,000	0
Sewer Bond Construction	8,500,000			
Sewer PRO Debt			626,000	
Solid Waste			0	(1,167,000)
Solid Waste Equipment Replacement - Capital			0	0
Solid Waste Fund - Capital Transfers			1,167,000	0
Total Enterprise Funds	\$ 8,500,000	\$ (8,500,000)	\$ 52,644,000	\$ (54,098,000)
TOTAL ALL FUNDS	\$ 8,965,000	\$ (8,965,000)	\$ 123,994,700	\$ (123,994,700)

City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2024

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2023	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2023	ACTUAL EXPENDITURES/ EXPENSES* 2023	BUDGETED EXPENDITURES/ EXPENSES 2024
FUND/DEPARTMENT				
GENERAL FUND				
City Administration	\$ 2,626,600	\$ (200,700)	\$ 2,425,900	\$ 2,220,800
City Attorney	1,981,700	0	1,981,700	2,072,800
City Auditor	0	219,100	219,100	247,300
City Clerk	904,000	0	904,000	1,059,200
City Council	360,200	(3,200)	309,000	409,600
City Court	1,375,600	0	1,375,600	1,495,800
Contingency	23,000,000	0	23,000,000	23,000,000
Development & Engineering Services	6,488,000	0	6,288,000	0
Development Services	0	0	0	3,110,000
Economic Development	1,949,500	0	1,949,500	1,668,900
Engineering Services	0	0	0	3,281,400
Facilities	6,138,400	(120,000)	6,018,400	6,022,400
Finance & Budget	5,594,300	0	5,594,300	6,194,300
Fire and Medical	10,926,000	(58,100)	10,806,900	13,049,100
Human Resources	2,308,900	0	2,308,900	1,943,400
Indirect Costs	(5,571,300)	0	(5,571,300)	(4,855,300)
Information Technology	10,685,200	16,500	10,197,800	11,269,100
Marketing & Public Relations	1,209,600	0	1,209,600	1,277,400
Neighborhood and Family Services	4,320,300	(6,400)	4,313,900	2,693,200
Non-Departmental	2,810,000	(613,400)	2,196,600	5,710,000
Office of Public Safety	3,271,700	5,800	3,213,800	3,674,800
Parks & Recreation	6,283,700	0	6,283,700	9,584,100
Police	20,928,500	(165,100)	20,731,400	22,538,600
Public Works	1,207,000	(366,000)	599,000	516,200
Economic Opportunities Fund				
Economic Development	2,200,000	0	1,700,000	1,600,000
Development & Engineering Services	0	0	0	0
Police	0	0	0	0
Volunteer Firefighter's Pension				
Non-Departmental	5,000	0	5,000	5,000
General Fund Capital				
City Administration	0			0
City Court	928,000	(35,000)	112,000	781,000
Economic Development	0			0
Development & Engineering Services	26,557,000	(8,893,000)	11,709,000	0
Facilities	0	110,000	110,000	330,000
Development Services	0			0
Engineering Services	0			5,847,000
Fire and Medical	2,394,000	(195,000)	2,041,000	8,605,000
Information Technology	288,000	(20,000)	122,000	351,000
Neighborhood and Family Services	302,000		178,000	0
Non-Departmental	0			0
Office of Public Safety	214,000		114,000	400,000
Parks & Recreation	29,762,000	(734,000)	3,577,000	29,132,000
Police	7,502,000		420,000	10,065,000
Public Works	741,800		563,800	761,600
Developer Contributions				
Development & Engineering Services	0	300,000	0	0
Engineering Services	0	0	0	375,000
General Fund Asset Replacement				
Engineering Services	0	0	0	28,000
Facilities	1,938,000	(224,000)	809,000	1,988,000
Fire and Medical	168,000	(65,000)	0	490,000
Information Technology	1,451,000		387,000	2,020,000
Neighborhood and Family Services	10,000		10,000	0
Parks & Recreation	30,000		25,000	451,000

City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2024

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2023	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2023	ACTUAL EXPENDITURES/ EXPENSES* 2023	BUDGETED EXPENDITURES/ EXPENSES 2024
FUND/DEPARTMENT				
Total General Fund	\$ 183,288,700	\$ (11,047,500)	\$ 128,238,600	\$ 181,412,700
SPECIAL REVENUE FUNDS				
Library Projects				
Neighborhood and Family Services	0			0
0.5% Dedicated Sales Tax				
Development & Engineering Services	25,504,000	(747,000)	7,254,000	0
Engineering Services	0	0	0	19,391,000
Non-Departmental	0			0
Public Safety Dedicated Sales Tax				
City Court	523,100		523,100	560,100
Contingency	495,000			495,000
Fire and Medical	2,488,500	(3,000)	0	8,659,700
Information Technology	717,000		583,000	198,000
Non-Departmental	0		0	0
Office of Public Safety	4,818,000		4,815,600	90,700
Police	13,266,800	(138,600)	8,140,200	14,785,900
Donations				
Police	0			0
Environmental Programs Fund				
Development & Engineering Services	0			0
Public Works	427,000		397,000	398,000
Contingency	0			0
Public Arts Fund				
Contingency	0			0
Parks & Recreation	50,000		50,000	0
Marketing & Public Relations	533,900		46,400	582,400
Tow Impound Fund				
Police	50,100		50,100	49,000
Court Enhancements				
City Court	21,000		21,000	31,000
Cemetery Maintenance Fund				
Non-Departmental				0
Parks & Recreation	30,000		30,000	15,700
Highway User Revenue Fund				
Contingency	\$ 0	\$	\$	\$ 0
Development & Engineering Services	12,285,100	(747,200)	3,064,900	0
Engineering Services	0	0	0	12,750,200
Information Technology	0			75,000
Non-Departmental	208,000		208,000	214,000
Public Works	2,042,200	192,000	2,234,200	2,228,200
Transit Fund				
City Administration	0			0
Public Works	2,925,600		2,761,600	2,826,200
Development & Engineering Services	0			0
Court Payments				
City Court	0			0
Judicial Collection Enhancement				
City Court	67,500		67,500	67,500
Fill the Gap				
City Court	10,200		10,200	10,200
Wildland Fire Deployment Fund				
Fire and Medical	250,000		250,000	250,000
Tourism Fund				
Economic Development	120,000		120,000	120,000

City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2024

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2023	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2023	ACTUAL EXPENDITURES/ EXPENSES* 2023	BUDGETED EXPENDITURES/ EXPENSES 2024
One AZ Opioid Settlement				
Non-Departmental	0	0	0	250,000
Office of Public Safety	0	161,290	161,290	0
Co. RICO With Mar. Co. Atty				
Police	70,000	(40,000)	30,000	0
Senior Nutrition				
Neighborhood and Family Services	414,900	30,200	445,100	439,400
Community Action Program				
Neighborhood and Family Services	463,700	(74,800)	388,900	479,000
Home Grants				
Neighborhood and Family Services	1,593,900		1,593,900	1,212,400
CARES Act				
Police	0			0
Fire and Medical	0			0
Community Development Block Grant				
Information Technology	0			0
Parks & Recreation	0	155,000	0	723,000
Neighborhood and Family Services	2,881,900	(155,000)	2,726,900	2,359,500
American Rescue Plan Act				
Information Technology	1,275,000		530,000	745,000
Economic Development	1,350,000	(132,400)	1,217,600	700,000
Engineering Services	0	0	0	613,000
Fire and Medical	1,000,000		1,000,000	1,000,000
Neighborhood and Family Services	964,300		964,300	1,622,300
Parks & Recreation	1,560,000		396,000	1,164,000
Police	4,000,000		4,000,000	4,000,000
Other Grants				
Finance & Budget	0			0
City Court	0			0
Development & Engineering Services	1,565,000	277,200	0	0
Engineering Services	0	0	0	3,543,000
Fire and Medical	1,030,300		1,030,300	550,000
Neighborhood and Family Services	1,169,000	94,500	1,263,500	540,700
Parks & Recreation	162,000	52,000	51,000	163,000
Police	150,000	603,450	753,450	486,000
Public Works	600,000		0	600,000
Non-Departmental	17,158,000	14,114,760	31,272,760	16,698,300
Regional Family Advocacy				
Indirect Costs	140,900		140,900	136,700
Information Technology	0			0
Non-Departmental	0			0
Police	1,588,200	42,500	1,630,700	1,629,100
Other Interest Bearing Grants				
Neighborhood and Family Services	0	15,000	15,000	650,000
Total Special Revenue Funds	\$ 105,970,100	\$ 13,699,900	\$ 80,238,400	\$ 104,102,200
DEBT SERVICE FUNDS				
General Obligation				
Non-Departmental	\$ 4,881,000	\$	\$ 4,881,000	\$ 4,904,000
General Obligation 2021				
Non-Departmental				0
0.5% Dedicated Sales Tax Debt Service				
Non-Departmental	2,645,000	(222,600)	2,422,400	895,000

City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2024

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2023	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2023	ACTUAL EXPENDITURES/ EXPENSES* 2023	BUDGETED EXPENDITURES/ EXPENSES 2024
2019 PRO Debt Service				
Non-Departmental	846,000	101,600	947,600	948,000
2021 PRO Debt Service				
Non-Departmental	1,493,000		1,493,000	1,495,000
Dysart Road				
Non-Departmental	1,000	139,600	140,600	53,000
Total Debt Service Funds	\$ 9,866,000	\$ 18,600	\$ 9,884,600	\$ 8,295,000
CAPITAL PROJECTS FUNDS				
Streets Development Impact Fee				
Development & Engineering Services	5,664,000	(2,618,000)	0	0
Engineering Services	0	0	0	6,535,000
Police Development Impact Fee				
Development & Engineering Services	19,000	(7,000)	12,000	0
Public Works	280,000	122,000	402,000	0
Fire Development Impact Fee				
Development & Engineering Services	19,000	(7,000)	12,000	0
Fire and Medical	948,000	0	854,000	94,000
Parks Development Impact Fee				
Development & Engineering Services	19,000	(7,000)	12,000	0
Parks & Recreation	2,364,000	(2,131,000)	233,000	1,892,000
General Obligation Bond Construction 2019				
Neighborhood and Family Services	0			0
Police	0			0
General Obligation Bond Construction 2021				
Development & Engineering Services	0			0
Fire and Medical	0			0
Non-Departmental	0			0
Office of Public Safety	8,580,000		225,000	0
Police	0		0	8,355,000
PRO Bond Construction 2019				
Development & Engineering Services	2,643,000	(181,000)	0	0
Engineering Services	0	0	0	2,625,000
Public Works	0			0
2021 PRO Bond Construction				
Parks & Recreation	14,000,000		4,201,000	8,946,000
Streets Construction				
Development & Engineering Services	\$ 0	\$	\$	\$ 0
Non-Departmental	0			0
Parks & Recreation Dept.	0			0
Police Construction				
Police	0			0
Park Construction				
Parks & Recreation Dept.	0			0
City Administration	0			0
Neighborhood and Family Services	0			0
Fire Construction				
Fire and Medical	0			0
Transit Capital Fund				
Development & Engineering Services	0			0
Vehicle Replacement				
Fire and Medical	2,666,000	844,000	3,395,000	331,000
Public Works	2,106,000		1,826,000	1,198,000
Equipment Replacement				
Facilities	0			0
Fire and Medical	0			0

City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2024

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2023	2023	2023	2024
Information Technology	704,000	(115,000)	146,000	251,000
Parks & Recreation	0			0
Total Capital Projects Funds	\$ 40,012,000	\$ (4,100,000)	\$ 11,318,000	\$ 30,227,000
ENTERPRISE FUNDS				
Water Operations				
Information Technology	\$ 175,800	\$	\$ 175,800	\$ 180,600
Non-Departmental	(851,000)		(851,000)	231,000
Public Works	13,151,400		13,151,400	13,812,000
Indirect Costs	1,751,900		1,751,900	1,545,800
Contingency	1,000,000	(200,000)	800,000	1,000,000
Water Capital				
Development & Engineering Services	7,115,000		56,000	0
Engineering Services	0	0	0	7,230,000
Public Works	25,884,000	7,043,000	2,429,000	28,514,000
Water Asset Replacement				
Information Technology	424,000	(152,000)	3,000	957,000
Public Works	568,000		106,000	1,135,000
Water Development Impact Fee				
Development & Engineering Services	32,000	(12,000)	20,000	0
Public Works	11,958,000	(7,075,000)	1,454,000	13,079,000
Sewer Operations				
Information Technology	119,700		119,700	126,800
Non-Departmental	(929,000)		(929,000)	101,000
Public Works	7,443,300	(50,000)	7,393,300	6,749,300
Indirect Costs	2,012,100		2,012,100	1,753,100
Contingency	1,000,000	(133,000)	867,000	1,000,000
Sewer Capital				
Development & Engineering Services	200,000		0	0
Engineering Services	0	0	0	200,000
Public Works	13,360,000	457,300	145,300	19,738,000
Sewer Asset Replacement				
Information Technology	386,000	(16,000)	0	572,000
Public Works	1,431,000	(954,300)	106,700	877,000
Sewer Development Impact Fee				
Development & Engineering Services	32,000	(12,000)	20,000	0
Sewer Bond Construction				
Public Works	0	0	0	8,500,000
Sewer PRO Debt Service				
Non-Departmental	592,000		592,000	626,000
Solid Waste Operations				
Information Technology	150,000		63,200	86,800
Non-Departmental	(347,000)		(347,000)	245,000
Public Works	6,438,000		6,438,000	6,146,300
Indirect Costs	1,273,200		1,273,200	1,038,300
Contingency	500,000	(500,000)	0	500,000
Solid Waste Capital				
Public Works	913,000	1,095,000	832,000	1,167,000
Solid Waste Asset Replacement				
Information Technology	0			0
Public Works	2,084,000		1,776,000	734,000
Total Enterprise Funds	\$ 97,867,400	\$ (509,000)	\$ 39,458,600	\$ 117,845,000
INTERNAL SERVICE FUNDS				
Risk Management Fund				
Human Resources	3,835,500	2,000,000	5,825,500	4,252,100
Information Technology	69,100		69,100	69,100

City of Avondale
Expenditures/Expenses by Fund
Fiscal Year 2024

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2023	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2023	ACTUAL EXPENDITURES/ EXPENSES* 2023	BUDGETED EXPENDITURES/ EXPENSES 2024
Indirect Costs	87,400		87,400	88,400
Contingency	0			0
Fleet Services Fund				
Information Technology	0			0
Non-Departmental	0			0
Public Works	3,836,700	(62,000)	3,564,700	4,160,400
Indirect Costs	305,800		305,800	293,000
Contingency	0			0
Workers' Compensation Fund				
Human Resources	1,655,900		1,655,900	2,101,200
Non-Departmental	0			0
Contingency	0			0
Total Internal Service Funds	\$ 9,790,400	\$ 1,938,000	\$ 11,508,400	\$ 10,964,200
TRUST AND AGENCY FUND				
Employee Benefit Trust				
Human Resources	\$ 10,312,000	\$	\$ 10,312,000	\$ 12,050,500
Total Trust and Agency Funds	\$ 10,312,000	\$ 0	\$ 10,312,000	\$ 12,050,500
TOTAL ALL FUNDS	\$ 457,106,600	\$ 0	\$ 290,958,600	\$ 464,896,600

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2024

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2023	2023	2023	2024
City Administration				
General Fund	\$ 2,626,600	\$ (200,700)	\$ 2,425,900	\$ 2,220,800
Transit Fund	0	0	0	0
Park Construction	0	0	0	0
General Fund Capital	0	0	0	0
Department Total	\$ 2,626,600	\$ (200,700)	\$ 2,425,900	\$ 2,220,800
List Department:				
City Attorney				
General Fund	\$ 1,981,700	\$ 0	\$ 1,981,700	\$ 2,072,800
Department Total	\$ 1,981,700	\$ 0	\$ 1,981,700	\$ 2,072,800
List Department:				
City Auditor				
General Fund	\$ 0	\$ 219,100	\$ 219,100	\$ 247,300
Department Total	\$ 0	\$ 219,100	\$ 219,100	\$ 247,300
List Department:				
City Clerk				
General Fund	\$ 904,000	\$ 0	\$ 904,000	\$ 1,059,200
Department Total	\$ 904,000	\$ 0	\$ 904,000	\$ 1,059,200
List Department:				
City Council				
General Fund	\$ 360,200	\$ (3,200)	\$ 309,000	\$ 409,600
Department Total	\$ 360,200	\$ (3,200)	\$ 309,000	\$ 409,600
List Department:				
City Court				
General Fund	\$ 1,375,600	\$ 0	\$ 1,375,600	\$ 1,495,800
General Fund Capital	928,000	(35,000)	112,000	781,000
Court Payments	0	0	0	0
Court Enhancement	21,000	0	21,000	31,000
Judicial Collection Enhancement	67,500	0	67,500	67,500
Fill the Gap	10,200	0	10,200	10,200
Public Safety Dedicated Sales Tax	523,100	0	523,100	560,100
Other Grants	0	0	0	0
Department Total	\$ 2,925,400	\$ (35,000)	\$ 2,109,400	\$ 2,945,600
List Department:				
Development and Engineering				
General Fund	\$ 6,488,000	\$ 0	\$ 6,288,000	\$ 0
General Fund Capital	26,557,000	(8,893,000)	11,709,000	0
Developer Contributions	0	300,000	0	0
Economic Opportunities Fund	0	0	0	0
Highway User Revenue Fund	12,285,100	(747,200)	3,064,900	0
0.5% Dedicated Sales Tax	25,504,000	(747,000)	7,254,000	0
Other Grants	1,565,000	277,200	0	0
Transit Fund	0	0	0	0
Environmental Programs Fund	0	0	0	0
Streets Construction	5,664,000	(2,618,000)	0	0
Streets Development Impact Fee	0	0	0	0
Police Development Impact Fee	19,000	(7,000)	12,000	0
Fire Development Impact Fee	19,000	(7,000)	12,000	0
Parks Development Impact Fee	19,000	(7,000)	12,000	0
Transit Capital Fund	0	0	0	0
General Obligation Bond Construction 2021	0	0	0	0
PRO Bond Construction 2019	2,643,000	(181,000)	0	0
Water Capital	7,115,000	0	56,000	0
Water Development Impact Fee	32,000	(12,000)	20,000	0
Sewer Development Impact Fee	32,000	(12,000)	20,000	0
Sewer Capital	200,000	0	0	0
Department Total	\$ 88,142,100	\$ (12,654,000)	\$ 28,447,900	\$ 0

City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2024

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2023	2023	2023	2024
List Department:				
Development Services				
General Fund	\$ 0	\$ 0	\$ 0	\$ 3,110,000
Department Total	\$ 0	\$ 0	\$ 0	\$ 3,110,000
List Department:				
Economic Development				
General Fund	\$ 1,949,500	\$ 0	\$ 1,949,500	\$ 1,668,900
Economic Opportunities Fund	2,200,000	0	1,700,000	1,600,000
American Rescue Plan Act	1,350,000	(132,400)	1,217,600	700,000
Tourism Fund	120,000	0	120,000	120,000
One Time Construction	0	0	0	0
Department Total	\$ 5,619,500	\$ (132,400)	\$ 4,987,100	\$ 4,088,900
List Department:				
Engineering Services				
General Fund	0	0	0	3,281,400
General Fund Capital	0	0	0	5,847,000
Developer Contributions	0	0	0	375,000
General Fund Asset Replacement	0	0	0	28,000
0.5% Dedicated Sales Tax	0	0	0	19,391,000
Highway User Revenue Fund	0	0	0	12,750,200
American Rescue Plan Act	0	0	0	613,000
Other Grants	0	0	0	3,543,000
Streets Development Impact Fee	0	0	0	6,535,000
PRO Bond Construction 2019	0	0	0	2,625,000
Water Capital	0	0	0	7,230,000
Sewer Capital	0	0	0	200,000
Department Total	\$ 0	\$ 0	\$ 0	\$ 62,418,600
List Department:				
Facilities				
General Fund	\$ 6,138,400	\$ (120,000)	\$ 6,018,400	\$ 6,022,400
General Fund Capital	0	110,000	110,000	330,000
General Fund Asset Replacement	1,938,000	(224,000)	809,000	1,988,000
Department Total	\$ 8,076,400	\$ (234,000)	\$ 6,937,400	\$ 8,340,400
List Department:				
Finance & Budget				
General Fund	\$ 5,594,300	\$ 0	\$ 5,594,300	\$ 6,194,300
Other Grants	0	0	0	0
Department Total	\$ 5,594,300	\$ 0	\$ 5,594,300	\$ 6,194,300
List Department:				
Fire and Medical				
General Fund	\$ 10,926,000	\$ (58,100)	\$ 10,806,900	\$ 13,049,100
General Fund Capital	2,394,000	(195,000)	2,041,000	8,605,000
General Fund Asset Replacement	168,000	(65,000)	0	490,000
American Rescue Plan Act	1,000,000	0	1,000,000	1,000,000
Other Grants	1,030,300	0	1,030,300	550,000
Public Safety Dedicated Sales Tax	2,488,500	(3,000)	0	8,659,700
Wildland Fire Deployment Fund	250,000	0	250,000	250,000
Fire Construction	0	0	0	0
Fire Development Impact Fee	948,000	0	854,000	94,000
General Obligation Bond Construction 2021	0	0	0	0
Vehicle Replacement	2,666,000	844,000	3,395,000	331,000
SAFER Grant	0	0	0	0
Department Total	\$ 21,870,800	\$ 522,900	\$ 19,377,200	\$ 33,028,800
List Department:				
Human Resources				
General Fund	\$ 2,308,900	\$ 0	\$ 2,308,900	\$ 1,943,400
Employee Benefit Trust	10,312,000	0	10,312,000	12,050,500
Risk Management Fund	3,835,500	2,000,000	5,825,500	4,252,100
Workers' Compensation Fund	1,655,900	0	1,655,900	2,101,200
Department Total	\$ 18,112,300	\$ 2,000,000	\$ 20,102,300	\$ 20,347,200

**City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2024**

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2023	2023	2023	2024
List Department				
Indirect Costs				
General Fund	(5,571,300)	0	(5,571,300)	(4,855,300)
Regional Family Advocacy	140,900	0	140,900	136,700
Water Operations	1,751,900	0	1,751,900	1,545,800
Sewer Operations	2,012,100	0	2,012,100	1,753,100
Solid Waste Operations	1,273,200	0	1,273,200	1,038,300
Risk Management Fund	87,400	0	87,400	88,400
Fleet Services Fund	305,800	0	305,800	293,000
Department Total	0	0	0	0
List Department:				
Information Technology				
General Fund	\$ 10,685,200	\$ 16,500	\$ 10,197,800	\$ 11,269,100
General Fund Capital	288,000	(20,000)	122,000	351,000
General Fund Asset Replacement	1,451,000	0	387,000	2,020,000
Highway User Revenue Fund	0	0	0	75,000
Regional Family Advocacy	0	0	0	0
Public Safety Dedicated Sales Tax	717,000	0	583,000	198,000
Community Development Block Grant	0	0	0	0
American Rescue Plan Act	1,275,000	0	530,000	745,000
Equipment Replacement	704,000	(115,000)	146,000	251,000
Water Operations	175,800	0	175,800	180,600
Sewer Operations	119,700	0	119,700	126,800
Solid Waste Operations	150,000	0	63,200	86,800
Water Equipment Replacement	424,000	(152,000)	3,000	957,000
Sewer Equipment Replacement	386,000	(16,000)	0	572,000
Solid Waste Equipment Replacement	0	0	0	0
Fleet Services Fund	0	0	0	0
Risk Management Fund	69,100	0	69,100	69,100
Department Total	\$ 16,444,800	\$ (286,500)	\$ 12,396,600	\$ 16,901,400
List Department:				
Marketing & Public Relations				
General Fund	\$ 1,209,600	\$ 0	\$ 1,209,600	\$ 1,277,400
Public Arts Fund	533,900	0	46,400	582,400
Department Total	\$ 1,743,500	\$ 0	\$ 1,256,000	\$ 1,859,800
List Department:				
Neighborhood and Family Services				
General Fund	\$ 4,320,300	\$ (6,400)	\$ 4,313,900	\$ 2,693,200
General Fund Capital	302,000	0	178,000	0
General Fund Asset Replacement	10,000	0	10,000	0
Senior Nutrition	414,900	30,200	445,100	439,400
American Rescue Plan Act	964,300	0	964,300	1,622,300
Community Action Program	463,700	(74,800)	388,900	479,000
Home Grants	1,593,900	0	1,593,900	1,212,400
Other Grants	1,169,000	94,500	1,263,500	540,700
Library Projects	0	0	0	0
Community Development Block Grant	2,881,900	(155,000)	2,726,900	2,359,500
Other Interest Bearing Grants	0	15,000	15,000	650,000
Park Construction	0	0	0	0
General Obligation Bond Construction 2019	0	0	0	0
Department Total	\$ 12,120,000	\$ (96,500)	\$ 11,899,500	\$ 9,996,500
List Department:				
Non-Departmental				
General Fund	\$ 2,810,000	\$ (613,400)	\$ 2,196,600	\$ 5,710,000
Volunteer Firefighter's Pension	5,000	0	5,000	5,000
Highway User Revenue Fund	208,000	0	208,000	214,000
One AZ Opioid Settlement	0	0	0	250,000
Other Grants	17,158,000	14,114,760	31,272,760	16,698,300
Cemetery Maintenance Fund	0	0	0	0
0.5% Dedicated Sales Tax	0	0	0	0

City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2024

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2023	2023	2023	2024
Regional Family Advocacy	0	0	0	0
Public Safety Dedicated Sales Tax	0	0	0	0
General Obligation	4,881,000	0	4,881,000	4,904,000
General Obligation Bond Construction 2021	0	0	0	0
General Obligation Debt 2021	0	0	0	0
Dysart Road	1,000	139,600	140,600	53,000
0.5% Dedicated Sales Tax Debt Service	2,645,000	(222,600)	2,422,400	895,000
PRO Debt Service	846,000	101,600	947,600	948,000
2021 PRO Debt Service	1,493,000	0	1,493,000	1,495,000
Streets Construction	0	0	0	0
One-Time Construction	0	0	0	0
Water Operations	(851,000)	0	(851,000)	231,000
Sewer Operations	(929,000)	0	(929,000)	101,000
Solid Waste Operations	(347,000)	0	(347,000)	245,000
Sewer PRO Debt Service	592,000	0	592,000	626,000
Fleet Services Fund	0	0	0	0
Workers' Compensation Fund	0	0	0	0
Department Total	\$ 28,512,000	\$ 13,519,960	\$ 42,031,960	\$ 32,375,300

List Department:

Office of Public Safety

General Fund	\$ 3,271,700	\$ 5,800	\$ 3,213,800	\$ 3,674,800
General Fund Capital	214,000	0	114,000	400,000
Public Safety Dedicated Sales Tax	4,818,000	0	4,815,600	90,700
One AZ Opioid Settlement	0	161,290	161,290	0
General Obligation Bond Construction 2021	8,580,000	0	225,000	0
Department Total	\$ 16,883,700	\$ 167,090	\$ 8,529,690	\$ 4,165,500

List Department:

Parks & Recreation

General Fund	\$ 6,283,700	\$ 0	\$ 6,283,700	\$ 9,584,100
General Fund Construction	29,762,000	(734,000)	3,577,000	29,132,000
General Fund Asset Replacement	30,000	0	25,000	451,000
Cemetery Maintenance Fund	30,000	0	30,000	15,700
American Rescue Plan Act	1,560,000	0	396,000	1,164,000
Community Development Block Grant	0	155,000	0	723,000
Public Arts	50,000	0	50,000	0
Other Grants	162,000	52,000	51,000	163,000
2021 PRO Bond Construction	14,000,000	0	4,201,000	8,946,000
Park Construction	0	0	0	0
Streets Construction	0	0	0	0
Parks Development Impact Fee	2,364,000	(2,131,000)	233,000	1,892,000
Department Total	\$ 54,241,700	\$ (2,658,000)	\$ 14,846,700	\$ 52,070,800

List Department:

Police

General Fund	\$ 20,928,500	\$ (165,100)	\$ 20,731,400	\$ 22,538,600
General Fund Construction	7,502,000	0	420,000	10,065,000
Economic Opportunities Fund	0	0	0	0
American Rescue Plan Act	4,000,000	0	4,000,000	4,000,000
Regional Family Advocacy	1,588,200	42,500	1,630,700	1,629,100
Public Safety Dedicated Sales Tax	13,266,800	(138,600)	8,140,200	14,785,900
Police Construction	0	0	0	0
Other Grants	150,000	603,450	753,450	486,000
Tow Impound Fund	50,100	0	50,100	49,000
General Obligation Bond Construction 2019	0	0	0	0
General Obligation Bond Construction 2021	0	0	0	8,355,000
Donations	0	0	0	0
Co. RICO With Mar. Co. Atty	70,000	(40,000)	30,000	0
Department Total	\$ 47,555,600	\$ 302,250	\$ 35,755,850	\$ 61,908,600

City of Avondale
Expenditures/Expenses by Department
Fiscal Year 2024

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2023	2023	2023	2024
List Department:				
Public Works				
General Fund	\$ 1,207,000	\$ (366,000)	\$ 599,000	\$ 516,200
General Fund Capital	741,800	0	563,800	761,600
Environmental Programs	427,000	0	397,000	398,000
Highway User Revenue Fund	2,042,200	192,000	2,234,200	2,228,200
Transit Fund	2,925,600	0	2,761,600	2,826,200
Other Grants	600,000	0	0	600,000
Police Development Impact Fee	280,000	122,000	402,000	0
PRO Bond Construction 2019	0	0	0	0
Vehicle Replacement	2,106,000	0	1,826,000	1,198,000
Water Operations	13,151,400	0	13,151,400	13,812,000
Water Capital	25,884,000	7,043,000	2,429,000	28,514,000
Water Asset Replacement	568,000	0	106,000	1,135,000
Water Development Impact Fee	11,958,000	(7,075,000)	1,454,000	13,079,000
Sewer Operations	7,443,300	(50,000)	7,393,300	6,749,300
Sewer Capital	13,360,000	457,300	145,300	19,738,000
Sewer Asset Replacement	1,431,000	(954,300)	106,700	877,000
Sewer Bond Construction	0	0	0	8,500,000
Solid Waste Operations	6,438,000	0	6,438,000	6,146,300
Solid Waste Capital	913,000	1,095,000	832,000	1,167,000
Solid Waste Asset Replacement	2,084,000	0	1,776,000	734,000
Fleet Services Fund	3,836,700	(62,000)	3,564,700	4,160,400
Department Total	\$ 97,397,000	\$ 402,000	\$ 46,180,000	\$ 113,140,200
List Department:				
Contingency				
General Fund	\$ 23,000,000	\$ 0	\$ 23,000,000	\$ 23,000,000
Highway User Revenue Fund	0	0	0	0
Public Safety Dedicated Sales Tax	495,000	0	0	495,000
Environmental Programs Fund	0	0	0	0
Public Arts Fund	0	0	0	0
Water Operations	1,000,000	(200,000)	800,000	1,000,000
Sewer Operations	1,000,000	(133,000)	867,000	1,000,000
Solid Waste Operations	500,000	(500,000)	0	500,000
Risk Management Fund	0	0	0	0
Fleet Services Fund	0	0	0	0
Workers' Compensation Fund	0	0	0	0
Department Total	\$ 25,995,000	\$ (833,000)	\$ 24,667,000	\$ 25,995,000
TOTAL ALL DEPARTMENTS	\$ 457,106,600	\$ 0	\$ 290,958,600	\$ 464,896,600

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Avondale
Full-Time Employees and Personnel Compensation
Fiscal Year 2024

	Full-Time Equivalent (FTE)	Employee Salaries and Hourly Costs	Retirement Costs	Healthcare Costs	Other Benefit Costs	Total Estimated Personnel Compensation
FUND	2024	2024	2024	2024	2024	2024
GENERAL FUND	518.97	\$ 44,802,700	\$ 12,248,100	\$ 6,046,200	\$ 1,775,200	\$ 64,872,200
SPECIAL REVENUE FUNDS						
Highway User Revenue Fund	24.25	\$ 1,974,500	\$ 372,900	\$ 315,900	\$ 69,400	\$ 2,732,700
Senior Nutrition	6.75	315,200	64,700	30,600	12,000	422,500
Community Action Program	1.50	95,500	19,500	26,200	2,900	144,100
Other Grants	10.67	744,300	185,900	140,400	35,900	1,106,500
American Rescue Plan Act	7.00	5,509,500	102,600	58,500	6,100	5,676,700
Regional Family Advocacy	7.00	588,600	118,600	58,400	8,500	774,100
Public Safety Dedicated Sales Tax	92.00	8,458,100	2,821,500	1,194,700	451,600	12,925,900
Community Development Block Grant	2.00	157,300	31,400	15,500	1,700	205,900
Environmental Programs Fund	1.45	127,100	25,100	22,800	300	175,300
Wildland Fire Deployment		217,500	0	0	0	217,500
Transit Fund	1.50	187,900	37,400	26,300	1,400	253,000
Tow Impound Fund	0.41	32,900	6,800	3,300	2,100	45,100
Total Special Revenue Funds	154.53	\$ 18,408,400	\$ 3,786,400	\$ 1,892,600	\$ 591,900	\$ 24,679,300
ENTERPRISE FUNDS						
Water Operations	40.65	\$ 3,230,600	\$ 636,500	\$ 507,800	\$ 93,200	\$ 4,468,100
Sewer Operations	23.90	2,052,300	403,000	305,300	50,400	2,811,000
Sanitation	27.25	2,009,700	391,200	376,000	86,500	2,863,400
Total Enterprise Funds	91.80	\$ 7,292,600	\$ 1,430,700	\$ 1,189,100	\$ 230,100	\$ 10,142,500
TRUST & AGENCY FUND						
Volunteer Fireman's Pension		\$ 0	\$ 5,000	\$ 0	\$ 0	\$ 5,000
	0.00	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ 5,000
INTERNAL SERVICE FUND						
Fleet Services Fund	10.25	\$ 832,000	\$ 165,900	\$ 146,200	\$ 19,000	\$ 1,163,100
Worker's Compensation Fund	1.20	135,600	27,200	13,600	1,700	178,100
Employee Benefit Trust	2.00	160,800	32,300	34,000	1,400	228,500
Risk Management Fund	0.80	102,100	20,300	12,400	1,000	135,800
Total Internal Service Fund	14.25	\$ 1,230,500	\$ 245,700	\$ 206,200	\$ 23,100	\$ 1,705,500
TOTAL ALL FUNDS	779.55	\$ 71,734,200	\$ 17,715,900	\$ 9,334,100	\$ 2,620,300	\$ 101,404,500

EXHIBIT B
TO
RESOLUTION NO. 1034-0623

[Specifically Budgeted Line Items Greater Than \$50,000 for]

See following pages.

CAPITAL ITEMS			
FY2024 Line Items for Administrative Award			
City Court			
Reference	Project Number	Description	Amount
24000	M0051	Expand Municipal Court Lobby	\$ 781,000
Engineering Services			
Reference	Project Number	Description	Amount
24006	A0123	Streets Asset Replacement	\$ 1,590,000
24007	A0181	Traffic Pre-Emption Signal Replacement	\$ 528,000
24008	A0279	Streets Asset Replacement FY2024	\$ 2,143,000
24009	M0021	City Hall Modular Furniture Replacement	\$ 800,000
24010	M0176	Bridge Housing	\$ 2,363,000
24011	S0094	Parking Improvements at Fire Station 172	\$ 574,000
24012	S0228	Avondale Boulevard and Broadway Road Fiber	\$ 1,650,000
24013	T0016	Avondale Boulevard- McDowell Road to Encanto Boulevard	\$ 3,206,000
24014	T0019	Bridge Repair Program	\$ 434,000
24015	T0031	Communication Conduit and Fiber Backbone Program	\$ 983,000
24016	T0046	Dysart Road Traffic Flow Improvement Project	\$ 547,000
24017	T0067	Gateway Program	\$ 150,000
24018	T0091	Old Town Avondale Phase II Improvement	\$ 5,930,000
24019	T0099	Pavement Management Program	\$ 2,341,000
24020	T0121	Street Drainage Issues	\$ 224,000
24021	T0122	Street Light Infill Program	\$ 141,000
24022	T0138	Traffic Signal and Roadway Improvements at El Mirage Road and Lower Buckeye Road	\$ 1,713,000
24023	T0140	Traffic Signal - Harbor Shore Boulevard and McDowell Road	\$ 571,000
24024	T0161	Western Avenue - Central Avenue to 4th Avenue - Improvements	\$ 1,075,000
24025	T0162	Western Avenue Decorative String Lights	\$ 370,000
24026	T0163	Western Avenue Pedestrian Streetlights	\$ 745,000
24027	T0173	Traffic Signal and Intersection Improvements at Avondale Boulevard and Lower Buckeye Road	\$ 4,960,000
24028	T0199	Traffic Signal Re-Timing Program	\$ 136,000
24029	T0200	Old Town Avondale Phase III Improvement	\$ 14,044,000
24030	T0201	Old Town Avondale Phase IV Improvement	\$ 550,000
24031	T0202	Traffic Signal - Thomas Road and Avondale Boulevard	\$ 765,000
24032	T0203	Old Town Avondale Phase V Improvement	\$ 282,000
24033	T0206	Traffic Signal - 99th Avenue and Encanto Boulevard	\$ 600,000
24034	T0214	Pedestrian Bridge over Avondale Boulevard Study	\$ 150,000
24035	T0244	Sidewalk Along El Mirage Road from Calle Hermosa to Lower Buckeye Road	\$ 250,000
24036	T0259	Sidewalk Accessibility Improvement Program FY2024	\$ 450,000
24037	T0306	Communication Conduit and Fiber Backbone Program FY2024	\$ 500,000
24038	T0308	Entry Monument Signage and Gateway Program	\$ 350,000
24039	T0310	Pavement Management Program FY2024	\$ 3,050,000
24040	T0312	Street Drainage Issues FY2024	\$ 350,000
24041	T0314	Street Light Infill Program FY2024	\$ 250,000
24042	T0316	Wayfinding Signage FY2024	\$ 190,000
24043	T0318	Traffic Signal Re-Timing Program FY2024	\$ 150,000
24044	T0320	Citywide Sidewalk Expansion and Improvements Program FY2024	\$ 250,000
24045	T0336	HAWK Signal on Avondale Boulevard at Palm Lane	\$ 330,000
24046	T0338	HAWK Signal on El Mirage Road at Pima Street	\$ 290,000
24047	T0339	HAWK Signal on Coldwater Springs Boulevard on the west side of 118th Avenue	\$ 340,000
24048	T0341	HAWK Signal on Central Avenue at Holly Lane	\$ 325,000
24049	T0342	HAWK Signal on El Mirage Road at the Northern Alamar Park Access	\$ 330,000
24050	T0343	Transportation Master Plan Update	\$ 250,000
24051	U0172	Irrigation Pipe Replacement on Thomas Road West of 99th Avenue Intersection	\$ 874,000

Facilities			
Reference	Project Number	Description	Amount
24060	A0014	Facilities Asset Replacement	\$ 880,000
24061	A0234	City Hall Break Room Asset Replacement	\$ 105,000
24062	A0267	Facilities Asset Replacement FY2024	\$ 303,000
24063	A0291	Randel McDaniel Sports Complex Asset Replacement FY2024	\$ 226,000
24064	A0328	Avondale Campus Painting Project	\$ 210,000
24065	A0329	American Sports Center Painting and Surfacing	\$ 380,000
24066	A0351	City Hall Interior Paint	\$ 264,000
Fire & Medical			
Reference	Project Number	Description	Amount
24070	A0058	Fire Equipment and Asset Replacement	\$ 100,000
24071	A0269	Fire Equipment and Asset Replacement FY2024	\$ 390,000
24072	S0056	Additional Fire Apparatus	\$ 94,000
24073	S0182	Ladder Tender Equipment	\$ 64,000
24074	S0225	Fire Apparatus Replacement	\$ 331,000
24075	S0301	Fire Apparatus Replacement FY2024	\$ 675,000
24076	S0345	EMT Paramedic Simulation Labs	\$ 50,000
24077	S0346	Incident Command Simulation Lab	\$ 50,000
Information Technology			
Reference	Project Number	Description	Amount
24080	A0050	Enterprise Asset Management Software System	\$ 246,000
24081	A0115	SCADA Security Asset Replacement	\$ 168,000
24082	A0169	Computer and Equipment Asset Replacement	\$ 597,000
24083	A0277	SCADA Security Asset Replacement FY2024	\$ 426,000
24084	A0285	Computer and Equipment Asset Replacement FY2024	\$ 889,000
24085	M0101	Public Wi-Fi Enhancements	\$ 57,000
24086	M0168	Communication Systems and Data Center Asset Replacements	\$ 1,513,000
24087	M0177	Citywide Fiber Expansion & Redundancy	\$ 738,000
24088	M0297	Communication Systems and Data Center Asset Replacements FY2024	\$ 658,000
24089	M0354	Citywide Fiber Mapping	\$ 175,000
Neighborhood and Family Services			
Reference	Project Number	Description	Amount
24100	M0325	Sam Garcia Library and Sernas Plaza Improvements	\$ 623,000
Office of Public Safety			
Reference	Project Number	Description	Amount
24110	M0195	Raceway Building 2nd Floor	\$ 150,000
24111	S0013	Alamar Public Safety Substation	\$ 350,000
24112	S0104	Fire Station #171 Replacement	\$ 15,089,000
Parks and Recreation			
Reference	Project Number	Description	Amount
24116	A0273	Parks and Recreation Asset Replacement Plan 2024	\$ 300,000
24117	A0289	Library Asset Replacement FY2024	\$ 236,000
24118	M0027	Civic Center Library Facility Improvements	\$ 174,000
24119	P0012	Agua Fria Trail Phase II (Pedestrian Bridge)	\$ 1,850,000
24120	P0015	Recharge Park Study and Design	\$ 1,119,000
24121	P0032	Community Center Repurposing	\$ 3,368,000
24122	P0034	Crystal Gardens Trail Improvements	\$ 237,000
24123	P0055	Fiber Optic Connectivity in Parks	\$ 138,000
24124	P0083	Mountain View Park Expansion	\$ 1,110,000
24125	P0084	Multi-Modal Trail System	\$ 505,000
24126	P0096	Parks Federal Grant Compliance Projects	\$ 204,000
24127	P0113	Sand Volleyball Courts at the BLVD	\$ 2,813,000
24128	P0120	Sport Field Lighting Friendship Park	\$ 1,564,000
24129	P0174	Civic Center Park	\$ 3,720,000
24130	P0175	Aquatic Center	\$ 23,606,000

24131	P0193	Deconcini Park Enhancements	\$ 1,250,000
24132	P0299	Crystal Gardens Trail Improvements FY2024	\$ 530,000
24133	P0330	Donatela Park	\$ 270,000
24134	P0331	Cashion Pocket Park	\$ 130,000
24135	P0347	Parks Master Plan	\$ 350,000
Police Department			
Reference	Project Number	Description	Amount
24140	A0275	Police Asset Replacement Program FY2024	\$ 125,000
24141	S0105	Relocate Detention Center and Police Substation	\$ 20,739,000
24142	S0198	Police Communications Bureau Remodel	\$ 2,166,000
24143	S0344	K-9 Training Facility	\$ 3,760,000
Public Works			
Reference	Project Number	Description	Amount
24145	A0147	Vehicle Replacement	\$ 1,040,000
24146	A0148	Water Asset Replacement	\$ 474,000
24147	A0233	Fleet Equipment Replacement Program	\$ 260,000
24148	A0271	Lift Station Rehabilitation Program FY2024	\$ 250,000
24149	A0281	Vehicle Replacement 2024	\$ 1,770,000
24150	A0283	Water Meter Replacement Program FY2024	\$ 600,000
24151	B0191	New Park & Ride at BLVD Parking Garage	\$ 814,000
24152	M0190	MOSC Security & Workspace Improvements	\$ 356,000
24153	T0352	Avondale Blvd Lighting Project	\$ 200,000
24154	U0003	10th Street Lift Station - Force Main Improvements	\$ 1,665,000
24155	U0006	99th Ave Waterline - Thomas to Encanto	\$ 1,446,000
24156	U0022	City Wide Sewer Improvements	\$ 401,000
24157	U0038	Distribution Pressure Improvements	\$ 7,773,000
24158	U0044	Dysart Road Sewer Replacement - Corral Street to Lower Buckeye Road	\$ 2,575,000
24159	U0045	Dysart Road Sewer Replacement - Riley to Corral	\$ 4,197,000
24160	U0066	Gateway Nitrate Treatment Equipment Replacement	\$ 2,141,000
24161	U0074	Large Diameter Sewer System Repair	\$ 1,814,000
24162	U0076	Lift Station Security Upgrades	\$ 208,000
24163	U0078	McDowell Recharge Basin Improvements	\$ 805,000
24164	U0080	McDowell Road 16-inch Waterline - Avondale to 99th	\$ 571,000
24165	U0089	Northside Arsenic Treatment System Rehabilitation	\$ 1,372,000
24166	U0090	Northside Booster Well Site - Land Purchase & DCR	\$ 125,000
24167	U0103	Rancho Santa Fe Reservoir Coating Repairs and Rehabilitation	\$ 753,000
24168	U0131	The BLVD Well (#33) & Transmission Line	\$ 2,354,000
24169	U0150	Water Reclamation Facility Odor Control System Improvements	\$ 8,279,000
24170	U0153	Water System Line Replacements and Expansions FY2024	\$ 1,721,000
24171	U0156	Well 22 and Transmission Line	\$ 112,000
24172	U0157	Well 7 Site Development	\$ 2,044,000
24173	U0159	Well at 107th Avenue & Encanto Boulevard - Shared Well	\$ 505,000
24174	U0164	White Mountain Apache Tribe Water Settlement	\$ 3,050,000
24175	U0215	Hydro Excavation Truck	\$ 650,000
24176	U0216	Water Reclamation Facility Influent Pump	\$ 250,000
24177	U0218	Well #26 Replacement	\$ 3,109,000
24178	U0219	Water Reclamation Facility - Phase II Expansion	\$ 8,550,000
24179	U0220	New River-Agua Fria River Underground Storage Project (NAUSP) Capacity Purchase	\$ 7,250,000
24180	U0237	Site Security at the Water Reclamation Facility	\$ 140,000
24181	U0238	Site Security at Well and Booster Stations	\$ 132,000
24182	U0257	New Well #25B	\$ 3,675,000
24183	U0261	City Wide Sewer Improvements FY2024	\$ 300,000
24184	U0323	3 New Rear Load Garbage Trucks	\$ 1,145,000
24185	U0337	Water Production & Treatment Building	\$ 1,550,000
24186	U0340	Sediment Removal - Crystal Gardens & McDowell Recharge Basins	\$ 1,200,000
24187	U0348	New Redundant Stair Screen	\$ 150,000
24188	U0349	New Redundant Rotary Drum Thickener	\$ 150,000
24189	U0350	Update the Integrated Utility Master Plan	\$ 300,000

OPERATING ITEMS		
FY2024 Line Items for Administrative Award		
City Administration		
Reference	Description	Amount
24200	Professional Services	\$ 150,000
24201	Professional Lobbying Services	\$ 150,000
24202	Training and Travel	\$ 60,000
24203	Community Programs/Outreach	\$ 70,000
24204	Memberships	\$ 70,000
City Attorney		
Reference	Description	Amount
24207	Outside Legal Services	\$ 575,000
24208	Attorney Fees	\$ 236,000
24209	City Prosecutor	\$ 180,000
City Auditor		
Reference	Description	Amount
24212	Professional Audit Services	\$ 80,000
24213	Risk Assessment Fees	\$ 70,000
City Clerk		
Reference	Description	Amount
24216	Citywide Postage	\$ 275,000
24217	Elections Related Services	\$ 80,000
24218	Document Management (Software and Services)	\$ 55,000
City Court		
Reference	Description	Amount
24221	Interpreter, Transcription, Translation Services	\$ 173,000
24222	Public Defender	\$ 202,000
24223	Pro-Tem Services	\$ 144,000
Engineering Services		
Reference	Description	Amount
24226	Professional Services - Project Support (Engineering)	\$ 350,000
24227	Professional Services - Real Estate Services	\$ 200,000
24228	Professional Services - Engineering Plan Review	\$ 250,000
24229	Professional Services - On-Call	\$ 250,000
24230	Traffic Signal Supplies and Maintenance (electronic equipment, wiring, cameras, etc.)	\$ 250,000
24231	Traffic Signs and Supplies (posts & blanks, markings, reflective sign sheeting, etc.)	\$ 400,000
24232	Traffic Calming Supply & Service	\$ 225,000
24233	Streetlight Supplies and Replacements (poles, fixtures, Services, etc.)	\$ 250,000
24234	Software Upgrades Supply & Service	\$ 350,000
24235	Citywide Fencing and Gates	\$ 100,000
24236	Artwork - Building Construction	\$ 200,000
24237	Street Maintenance (Restriping, school crosswalks, etc.)	\$ 300,000
Development Services		
Reference	Description	Amount
24240	Professional Services - Building Contract Plans Review	\$ 325,000
24241	Professional Services - Planning	\$ 200,000
Economic Development		
Reference	Description	Amount
24244	Trade Shows, Conferences, and Events	\$ 250,000
24245	Business Retention and Expansion	\$ 200,000
24246	On-Demand Digital Platform	\$ 1,200,000
24247	Workforce Support Program	\$ 175,000
24248	National Association for Stock Car Auto Racing (NASCAR) Promotion and Partnership	\$ 175,000
24249	Targeted Advertising	\$ 250,000
24250	Website Design, Digital Support & Maintenance	\$ 500,000

24251	Prospecting Platforms and Tools	\$	200,000
24252	BLVD Design, Civils, & Infrastructure Improvements	\$	1,000,000
24253	Historic Avondale	\$	300,000
24254	Business Development Promotion	\$	250,000
24255	Real Estate Services	\$	1,000,000
24256	Visitor Center Promotional	\$	200,000
24257	Memberships and Subscriptions	\$	500,000
24258	Discover Avondale Initiative	\$	250,000
24259	Conference Center	\$	250,000
24260	Central Business District & Redevelopment Area Study	\$	300,000
24261	Marketing	\$	750,000
24262	Tourism - NASCAR Promotion	\$	75,000
24263	DMO - Marketing	\$	135,000
24264	Avondale EDGE EMCC Scholarship Fund	\$	500,000
24265	Career Expo	\$	100,000
24266	SW Valley Chamber	\$	150,000
24267	Sponsorships	\$	250,000
24268	Microlending Services	\$	500,000
24269	Lead Generation	\$	500,000
Facilities			
Reference	Description	Amount	
24272	Site Security	\$	710,000
24273	Citywide - Janitorial Services	\$	1,500,000
24274	Pest Control	\$	160,000
24275	Mechanical Systems Service (heating, ventilation, and air conditioning (HVAC), Plumbing, Energy Management)	\$	1,250,000
24276	Repair & Maintenance	\$	1,210,000
24277	Waste Disposal and Trash Removal	\$	140,000
24278	Fire Protection Services	\$	175,000
24279	Signage	\$	60,000
24280	Furniture	\$	300,000
Finance & Budget			
Reference	Description	Amount	
24283	Professional Services - Accounting/Audit	\$	100,000
24284	Finance, Banking and Financial Management Fees	\$	1,330,000
24285	Contractual Services - Water Billing (Printing, Handling & Mailing)	\$	100,000
24286	Citywide Temporary Staffing Services	\$	700,000
24287	Citywide Office Products	\$	450,000
24288	State Tax System Assessment	\$	100,000
24289	Business License System	\$	60,000
Fire & Medical			
Reference	Description	Amount	
24292	Medical Fees	\$	275,000
24293	Dispatch Fees	\$	825,000
24294	Vehicle	\$	85,000
24295	Vehicle Maintenance and Repair	\$	650,000
24296	Safety Equipment and Apparel	\$	500,000
24297	Safety Equipment and Apparel Repairs	\$	75,000
24298	Fire/Medical Supplies	\$	155,000
24299	Fire Training	\$	100,000
Human Resources			
Reference	Description	Amount	
24302	Appraisal Services	\$	98,000
24303	Attorney Fees	\$	115,000
24304	Professional Services - Medical Fees	\$	58,000
24305	Professional Services - HR specific	\$	327,000

24306	Professional Services - Broker Services	\$	161,000
24307	Insurance Premiums	\$	2,875,000
24308	Insurance Claims	\$	748,000
24309	Citywide Group Benefit Plans Premiums and Associated Services (Medical, Dental, Vision, etc.)	\$	13,512,000
Information Technology			
Reference	Description	Amount	
24312	Training Services	\$	200,000
24313	Computer-Aided Design (CAD) Software Support & Maintenance	\$	300,000
24314	Payroll Services	\$	750,000
24315	Telecommunication Services	\$	1,000,000
24316	Regional Wireless Cooperative (RWC) participation	\$	400,000
24317	Copier/Printer Support and Maintenance	\$	400,000
24318	Asset Mgmt. Software Maintenance, Support and Services	\$	400,000
24319	Computer Software Licensing	\$	500,000
24320	Cybersecurity Software & Services	\$	750,000
24321	Permit & Application System	\$	500,000
24322	Document and Record Management System and Services	\$	250,000
24323	Budget Software	\$	150,000
24324	Customer Relationship Management (CRM) License and software maintenance (SWM)	\$	175,000
24325	Risk Mgmt. Software & Maintenance	\$	250,000
24326	Technology Software	\$	1,500,000
24327	Technology Hardware	\$	1,500,000
24328	Contractual Maintenance, Support, and Services	\$	4,000,000
24329	Technology Hardware Equipment and Services	\$	300,000
24330	Technology Software Equipment and Services	\$	300,000
24331	Public Safety Video Equipment, Maintenance, Services & Supplies	\$	1,500,000
24332	Public Safety Communications Equipment, Equipment, Maintenance, Support & Supplies	\$	1,500,000
24333	SCADA Video Equipment, Maintenance, Services & Supplies	\$	500,000
24334	SCADA Communications Equipment, Equipment, Maintenance, Support & Supplies	\$	500,000
24335	Temporary Staffing Services	\$	250,000
24336	Technical/Professional Support & Services	\$	500,000
24337	Memberships	\$	75,000
Marketing & Public Relations			
Reference	Description	Amount	
24340	Promotion and Publicity	\$	250,000
24341	Citywide Printing Services	\$	400,000
Neighborhood and Family Services			
Reference	Description	Amount	
24345	Emergency Rehabilitation	\$	400,000
24346	Substantial Home Rehabilitation	\$	250,000
24347	Homeless Outreach Services	\$	115,000
24348	Summer Youth Employment	\$	75,000
24349	Small Business Revitalization	\$	450,000
24350	Redevelopment	\$	610,000
24351	Nourishment Program	\$	584,000
24352	Security Services	\$	60,000
24353	Temporary Staffing Services	\$	500,000
24354	Neighborhood Revitalization	\$	225,000
24355	Contributions Assistance Program	\$	250,000
24356	Resident Temporary Housing - Pilot	\$	225,000
24357	Youth Services Division	\$	220,000
24358	Vacant Lot Maintenance	\$	50,000
24359	Crisis Case Management, Behavioral Health and Financial Assistance Services CAP	\$	644,000

Parks and Recreation		
Reference	Description	Amount
24364	Holiday Lighting and Related Services	\$ 150,000
24365	Special Events	\$ 600,000
24366	Recreation Programming	\$ 150,000
24367	Security Services	\$ 150,000
24368	American Sports Center (ASC) Covenant Payments	\$ 105,000
24369	Landscaping Services	\$ 1,000,000
24370	Park Maintenance Equipment	\$ 135,000
24371	Landscaping Environmental and Ecological (Crystal Gardens)	\$ 170,000
24372	Park Maintenance supplies	\$ 350,000
24373	Additional park equipment Asset replacement	\$ 150,000
24374	Concrete Culvert Gates	\$ 50,000
24375	Cashiering System Aquatic Center	\$ 60,000
24376	Artwork	\$ 345,000
24377	Water Features Maintenance, Aquatics Center	\$ 250,000
24378	Supporting Existing Software	\$ 60,000
24379	Library Materials	\$ 276,000
24380	Library Furniture	\$ 157,000
Police Department		
Reference	Description	Amount
24383	Contracted Jail Per Diem and Housing Services	\$ 300,000
24384	False Alarm Contract - Revenue Share Payment	\$ 65,000
24385	Glendale Regional Public Safety Training Center (GRPSTC)	\$ 150,000
24386	Police Academy Basic Training	\$ 100,000
24387	Family Advocacy Center Lease	\$ 425,000
24388	Firearm Training Supplies	\$ 175,000
24389	Safety Apparel/Equipment	\$ 200,000
24390	Arizona Governor's Office of Highway Safety (GOHS) Vehicle	\$ 75,000
24391	Food Distribution	\$ 55,000
24392	VOCA Trauma Therapy and supervision	\$ 100,000
24393	Citywide - Public Safety Uniforms	\$ 600,000
24394	Speed Mitigation Safety Camera Program	\$ 400,000
Public Safety		
Reference	Description	Amount
24397	Professional Services - Abatement	\$ 100,000
24398	Professional Services - Demolition	\$ 500,000
24399	Occupation Cancer State Program	\$ 275,000
Public Works		
Reference	Description	Amount
24402	Americans with Disabilities Act (ADA) Medical Taxi/Paratransit	\$ 50,000
24403	Chemical Storage Tanks	\$ 100,000
24404	Chemicals	\$ 2,000,000
24405	Citywide Afterhours Answering Services	\$ 85,000
24406	Citywide Facilities Management Products & Services (Uniforms, First Aid Stations, Fire Extinguisher Service)	\$ 300,000
24407	Citywide Other Equip, O&M Supplies	\$ 500,000
24408	Citywide Security Services	\$ 300,000
24409	Citywide Water System Improvements	\$ 246,000
24410	Contract Services - Landscaping Services	\$ 450,000
24411	Contract Vehicle Repairs	\$ 300,000
24412	Cool Pavement Project Supply & Service	\$ 75,000
24413	Cost Share for Operation of Flood Control Space in Modified Roosevelt Dam	\$ 120,000
24414	Equipment Rental	\$ 50,000
24415	Fleet - Oil & Lubricants	\$ 100,000
24416	Fleet - Tires, Tubes, and Batteries	\$ 300,000

24417	Fleet Parts	\$	750,000
24418	Fleet Shop Equipment	\$	60,000
24419	Fuel	\$	2,000,000
24420	Furniture	\$	60,000
24421	Landfill Fees (including Sludge and Biosolids Hauling)	\$	1,800,000
24422	Manhole Rehabilitation	\$	250,000
24423	Marketing	\$	125,000
24424	Memberships	\$	150,000
24425	New River-Agua Fria River Underground Storage Project (NAUSP) Fees	\$	100,000
24426	Office Supplies	\$	50,000
24427	Professional Services - Printing	\$	65,000
24428	Professional Services - Solid Waste	\$	150,000
24429	Professional Services - Wastewater	\$	150,000
24430	Professional Services - Water Admin/Ops/Distribution/Production	\$	1,000,000
24431	Professional Services (Fleet)	\$	75,000
24432	Professional Services (Homeless Clean Up)	\$	25,000
24433	Professional Services (Laboratory Services and Fees)	\$	250,000
24434	Professional Services (Sustainability)	\$	75,000
24435	Recycling Fees and Supplies	\$	200,000
24436	Repair & Maintenance (R&M) Fleet	\$	150,000
24437	Repair & Maintenance (R&M) Machinery & Equipment	\$	250,000
24438	Repair & Maintenance (R&M) Right-of-Way, Streets	\$	200,000
24439	Repair & Maintenance (R&M) Sustainability/Stormwater Services	\$	100,000
24440	Repair & Maintenance (R&M) Water/Wastewater (Wells, Equipment, Service, Arsenic/Nitrate Brine Disposal)	\$	1,600,000
24441	Repair and maintenance (R&M) Street	\$	200,000
24442	Routing Software (no funding, IT may pay for it, we should have a line in IT's AA list \$86K.	\$	86,000
24443	Small Tools and Equipment	\$	50,000
24444	Solid Waste Containers	\$	300,000
24445	Special Events - Household Hazardous Waste	\$	85,000
24446	Street Supplies	\$	200,000
24447	Sustainability Supply & Service	\$	50,000
24448	Taxes, Licenses, Permits	\$	200,000
24449	Testing Materials and Lab Supplies	\$	50,000
24450	Training Services	\$	120,000
24451	Transit Services	\$	2,500,000
24452	Utility Costs (Electricity, Gas, Water, Sewer, Sanitation)	\$	2,500,000
24453	Vehicle Purchases	\$	1,000,000
24454	Vehicle Purchases (Carryovers)	\$	3,000,000
24455	Water Meters	\$	1,200,000
24456	Water Production Pumps, Motors, Tank Inspections, and Chlorine System Parts	\$	263,000
24457	Water Purchases	\$	4,000,000
24458	Water/Wastewater Parts and Supplies	\$	2,000,000

EXHIBIT C
TO
RESOLUTION NO. 1034-0623

[Schedule of Interfund Transfers and Interfund Loans]

See following pages.

Schedule of Interfund Transfers

FY2024

Transfer From:	General Fund	Dedicated Sales Tax	Water Operations	Water Development	Sewer Operations	Solid Waste	Total
Transfer to Operating Funds							
General Fund	\$ -	\$ -	\$ 604,000	\$ -	\$ 459,000	\$ -	\$ 1,063,000
Economic Opportunities	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000
Transit Fund	\$ 860,000	\$ 955,000	\$ -	\$ -	\$ -	\$ -	\$ 1,815,000
Regional Family Advocacy	\$ 363,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,700
Public Arts	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Total Transfers to Operating	\$ 2,923,700	\$ 955,000	\$ 604,000	\$ -	\$ 459,000	\$ -	\$ 4,941,700
Transfer to Debt Funds							
Dedicated Sales Tax Debt	\$ -	\$ 1,076,000	\$ -	\$ -	\$ -	\$ -	\$ 1,076,000
2019 PRO Debt	\$ -	\$ 557,000	\$ -	\$ 391,000	\$ -	\$ -	\$ 948,000
2021 PRO Debt	\$ 1,495,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,495,000
Sewer PRO Debt	\$ -	\$ -	\$ -	\$ -	\$ 626,000	\$ -	\$ 626,000
Total Transfer to Debt Service	\$ 1,495,000	\$ 1,633,000	\$ -	\$ 391,000	\$ 626,000	\$ -	\$ 4,145,000
Transfer to Capital Funds							
General Fund Capital	\$ 56,243,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,243,000
Sewer Construction	\$ -	\$ -	\$ -	\$ -	\$ 16,688,000	\$ -	\$ 16,688,000
Water Construction	\$ -	\$ -	\$ 32,043,000	\$ -	\$ -	\$ -	\$ 32,043,000
Solid Waste Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,167,000	\$ 1,167,000
Water Equipment Replacement	\$ -	\$ -	\$ 665,000	\$ -	\$ -	\$ -	\$ 665,000
Sewer Equipment Replacement	\$ -	\$ -	\$ -	\$ -	\$ 1,455,000	\$ -	\$ 1,455,000
Vehicle Replacement	\$ 1,670,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,670,000
General Fund Asset Replacement	\$ 4,977,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,977,000
Total Transfers to Capital Funds	\$ 62,890,000	\$ -	\$ 32,708,000	\$ -	\$ 18,143,000	\$ 1,167,000	\$ 114,908,000
Total Transfers	\$ 67,308,700	\$ 2,588,000	\$ 33,312,000	\$ 391,000	\$ 19,228,000	\$ 1,167,000	\$ 123,994,700

*Schedule sets projected maximum amount. Actual transfer may be less

Schedule of Interfund Loans - FY2024

Loan From:	General		Total
	Fund		
Loan To:			
Parks Impact Fee	\$	465,000	\$ 465,000
Total Transfers	\$	465,000	\$ 465,000

*Schedule sets projected maximum amount. Actual loan may be less

EXHIBIT D
TO
RESOLUTION NO. 1034-0623

[Capital Improvement Plan]

See following pages.

Capital Improvement Plan (CIP) Recommendation

Project	Project Number	Total Project Budget	FY2023 Adopted Budget	Carryover	FY2024	FY2025	FY2026	FY2027	FY2028
Asset Replacement			\$20,327,000	\$10,766,000	\$20,993,000	\$15,498,000	\$16,212,000	\$19,685,000	\$19,899,000
American Sports Center Painting and Surfacing	A0329	\$330,000	\$0	\$0	\$330,000	\$0	\$0	\$0	\$0
Avondale Campus Painting Project	A0328	\$500,000	\$0	\$0	\$160,000	\$90,000	\$160,000	\$90,000	\$0
City Hall Break Room Asset Replacement	A0234	\$55,000	\$55,000	\$55,000	\$55,000	\$0	\$0	\$0	\$0
City Hall Interior Paint	A0351	\$214,000	\$0	\$0	\$214,000	\$0	\$0	\$0	\$0
Communication Systems and Data Center Asset Replacements*	M0168	\$1,463,000	\$1,762,000	\$1,463,000	\$1,463,000	\$0	\$0	\$0	\$0
Communication Systems and Data Center Asset Replacements FY2024	M0297	\$608,000	\$0	\$0	\$608,000	\$0	\$0	\$0	\$0
Communication Systems and Data Center Asset Replacements FY2025 and Beyond	M0298	\$5,334,000	\$0	\$0	\$0	\$1,193,000	\$1,481,000	\$1,322,000	\$1,338,000
Computer and Equipment Asset Replacement*	A0169	\$547,000	\$1,355,000	\$547,000	\$547,000	\$0	\$0	\$0	\$0
Computer and Equipment Asset Replacement FY2024	A0285	\$839,000	\$0	\$0	\$839,000	\$0	\$0	\$0	\$0
Computer and Equipment Asset Replacement FY2025 and Beyond	A0286	\$5,604,000	\$0	\$0	\$0	\$2,625,000	\$969,000	\$1,475,000	\$535,000
Facilities Asset Replacement*	A0014	\$830,000	\$1,363,000	\$830,000	\$830,000	\$0	\$0	\$0	\$0
Facilities Asset Replacement FY2024	A0267	\$253,000	\$0	\$0	\$253,000	\$0	\$0	\$0	\$0
Facilities Asset Replacement FY2025 and Beyond	A0268	\$2,153,000	\$0	\$0	\$0	\$524,000	\$801,000	\$105,000	\$723,000
Fire Apparatus Replacement	S0225	\$3,738,000	\$2,666,000	\$103,000	\$331,000	\$0	\$0	\$0	\$0
Fire Apparatus Replacement FY2024	S0301	\$675,000	\$0	\$0	\$675,000	\$0	\$0	\$0	\$0
Fire Apparatus Replacement FY2025 and Beyond	S0302	\$2,619,000	\$0	\$0	\$0	\$1,750,000	\$0	\$869,000	\$0
Fire Equipment and Asset Replacement*	A0058	\$100,000	\$168,000	\$100,000	\$100,000	\$0	\$0	\$0	\$0
Fire Equipment and Asset Replacement FY2024	A0269	\$382,000	\$0	\$0	\$390,000	\$0	\$0	\$0	\$0
Fire Equipment and Asset Replacement FY2025 and Beyond	A0270	\$1,243,000	\$0	\$0	\$0	\$334,000	\$411,000	\$132,000	\$366,000
Fleet Equipment Replacement Program	A0233	\$210,000	\$160,000	\$210,000	\$210,000	\$0	\$0	\$0	\$0
Lift Station Rehabilitation Program	A0075	\$1,431,000	\$1,431,000	\$0	\$0	\$0	\$0	\$0	\$0
Lift Station Rehabilitation Program FY2024	A0271	\$200,000	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0
Lift Station Rehabilitation Program FY2025 and Beyond	A0272	\$800,000	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000
Library Asset Replacement	A0235	\$10,000	\$10,000	\$10,000	\$10,000	\$0	\$0	\$0	\$0
Library Asset Replacement FY2024	A0289	\$186,000	\$0	\$0	\$186,000	\$0	\$0	\$0	\$0
Library Asset Replacement FY2025 and Beyond	A0290	\$462,000	\$0	\$0	\$0	\$162,000	\$100,000	\$100,000	\$100,000
Parks and Recreation Asset Replacement Plan*	A0095	\$5,000	\$30,000	\$5,000	\$5,000	\$0	\$0	\$0	\$0
Parks and Recreation Asset Replacement Plan 2024	A0273	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0
Parks and Recreation Asset Replacement Plan 2025 and Beyond	A0274	\$708,000	\$0	\$0	\$0	\$0	\$654,000	\$0	\$54,000
Pavement Management Program*	T0099	\$2,291,000	\$3,100,000	\$2,291,000	\$2,291,000	\$0	\$0	\$0	\$0
Pavement Management Program FY2024	T0310	\$3,000,000	\$0	\$0	\$3,000,000	\$0	\$0	\$0	\$0
Pavement Management Program FY2025 and Beyond	T0311	\$24,000,000	\$0	\$0	\$0	\$3,000,000	\$3,000,000	\$9,000,000	\$9,000,000
Police Asset Replacement Program	A0097	\$95,000	\$95,000	\$0	\$0	\$0	\$0	\$0	\$0
Police Asset Replacement Program FY2024	A0275	\$75,000	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0
Police Asset Replacement Program FY2025 and Beyond	A0276	\$741,000	\$0	\$0	\$0	\$12,000	\$36,000	\$412,000	\$281,000
Randel McDaniel Sports Complex Asset Replacement	A0241	\$520,000	\$520,000	\$0	\$0	\$0	\$0	\$0	\$0
Randel McDaniel Sports Complex Asset Replacement FY2024	A0291	\$176,000	\$0	\$0	\$176,000	\$0	\$0	\$0	\$0
Streets Asset Replacement*	A0123	\$1,540,000	\$2,604,000	\$1,540,000	\$1,540,000	\$0	\$0	\$0	\$0
Streets Asset Replacement FY2024	A0279	\$2,093,000	\$0	\$0	\$2,093,000	\$0	\$0	\$0	\$0
Streets Asset Replacement FY2025 and Beyond	A0280	\$4,260,000	\$0	\$0	\$0	\$1,065,000	\$1,065,000	\$1,065,000	\$1,065,000
Traffic Pre-Emption Signal Replacement	A0181	\$578,000	\$250,000	\$478,000	\$478,000	\$0	\$0	\$0	\$0
Vehicle Replacement*	A0147	\$990,000	\$4,228,000	\$990,000	\$990,000	\$0	\$0	\$0	\$0
Vehicle Replacement 2024	A0281	\$1,720,000	\$0	\$1,720,000	\$1,720,000	\$0	\$0	\$0	\$0
Vehicle Replacement 2025 and Beyond	A0282	\$18,780,000	\$0	\$0	\$0	\$3,493,000	\$6,285,000	\$3,840,000	\$5,162,000
Water Asset Replacement*	A0148	\$424,000	\$530,000	\$424,000	\$424,000	\$500,000	\$500,000	\$500,000	\$500,000
Water Meter Replacement FY2025 and Beyond	A0284	\$2,250,000	\$0	\$0	\$0	\$550,000	\$550,000	\$575,000	\$575,000
Water Meter Replacement Program FY2024	A0283	\$550,000	\$0	\$0	\$550,000	\$0	\$0	\$0	\$0

Capital Improvement Plan (CIP) Recommendation

Project	Project Number	Total Project Budget	FY2023 Adopted Budget	Carryover	FY2024	FY2025	FY2026	FY2027	FY2028
General Government			\$5,019,000	\$3,767,000	\$6,600,000	\$185,000	\$75,000	\$0	\$110,000
Bridge Housing	M0176	\$2,423,000	\$750,000	\$613,000	\$2,313,000	\$0	\$0	\$0	\$0
City Hall Modular Furniture Replacement	M0021	\$750,000	\$650,000	\$215,000	\$750,000	\$0	\$0	\$0	\$0
Citywide Fiber Expansion & Redundancy	M0177	\$700,000	\$700,000	\$688,000	\$688,000	\$0	\$0	\$0	\$0
Citywide Fiber Mapping	M0354	\$175,000	\$0	\$0	\$100,000	\$75,000			
Enterprise Asset Management Software System*	A0050	\$196,000	\$121,000	\$121,000	\$196,000	\$110,000	\$75,000	\$0	\$110,000
Expand Municipal Court Lobby	M0051	\$828,000	\$828,000	\$781,000	\$781,000	\$0	\$0	\$0	\$0
Mobile Lift for Fleet Shop	M0166	\$86,000	\$86,000	\$0	\$0	\$0	\$0	\$0	\$0
MOSC Security & Workspace Improvements	M0190	\$700,000	\$700,000	\$306,000	\$306,000	\$0	\$0	\$0	\$0
New Park & Ride at BLVD Parking Garage	B0191	\$764,000	\$764,000	\$764,000	\$764,000	\$0	\$0	\$0	\$0
Project Management Information Software	A0227	\$105,000	\$105,000	\$30,000	\$30,000				
Public Wi-Fi Enhancements	M0101	\$57,000	\$200,000	\$57,000	\$57,000	\$0	\$0	\$0	\$0
Sam Garcia Library and Sernas Plaza Improvements	M0325	\$573,000	\$0	\$150,000	\$573,000	\$0	\$0	\$0	\$0
Security Equipment	M0187	\$65,000	\$65,000	\$32,000	\$32,000	\$0	\$0	\$0	\$0
Sound Wall For Visitor and Conference Center	M0242	\$10,000	\$50,000	\$10,000	\$10,000	\$0	\$0	\$0	\$0

Capital Improvement Plan (CIP) Recommendation

Project	Project Number	Total Project Budget	FY2023 Adopted Budget	Carryover	FY2024	FY2025	FY2026	FY2027	FY2028
Parks and Recreation			\$45,110,000	\$35,794,000	\$41,447,000	\$3,868,000	\$5,386,000	\$1,716,000	\$4,321,000
Agua Fria Trail Phase II (Pedestrian Bridge)	P0012	\$5,932,000	\$1,800,000	\$1,800,000	\$1,800,000	\$0	\$0	\$0	\$0
Aquatic Center	P0175	\$32,500,000	\$30,005,000	\$23,556,000	\$23,556,000	\$0	\$0	\$0	\$0
Cashion Pocket Park	P0331	\$540,000	\$0	\$0	\$80,000	\$0	\$0	\$20,000	\$440,000
Civic Center Library Facility Improvements	M0027	\$146,000	\$292,000	\$124,000	\$124,000	\$0	\$0	\$0	\$0
Civic Center Park	P0174	\$3,932,000	\$3,871,000	\$3,670,000	\$3,670,000	\$0	\$0	\$0	\$0
Community Center Repurposing	P0032	\$4,048,000	\$3,540,000	\$3,318,000	\$3,318,000	\$0	\$0	\$0	\$0
Crystal Gardens Trail Improvements	P0034	\$1,177,000	\$315,000	\$187,000	\$187,000	\$0	\$0	\$0	\$0
Crystal Gardens Trail Improvements FY2024	P0299	\$480,000	\$0	\$0	\$480,000	\$0	\$0	\$0	\$0
Crystal Gardens Trail Improvements FY2025 and Beyond	P0300	\$480,000	\$0	\$0	\$0	\$480,000	\$0	\$0	\$0
Deconcini Park Enhancements	P0193	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$0	\$0	\$0	\$0
Dog Park Enhancements at Friendship Park	P0332	\$884,000	\$0	\$0	\$24,000	\$0	\$860,000	\$0	\$0
Donatela Park	P0330	\$5,060,000	\$0	\$0	\$220,000	\$2,420,000	\$2,420,000	\$0	\$0
Festival Fields Upgrades	P0335	\$1,858,000	\$0	\$0	\$0	\$0	\$81,000	\$1,696,000	\$81,000
Fiber Optic Connectivity in Parks	P0055	\$88,000	\$88,000	\$88,000	\$88,000	\$0	\$0	\$0	\$0
Mountain View Park Expansion	P0083	\$1,110,000	\$635,000	\$1,060,000	\$1,060,000	\$0	\$0	\$0	\$0
Multi-Modal Trail System*	P0084	\$455,000	\$200,000	\$155,000	\$455,000	\$125,000	\$200,000	\$0	\$3,800,000
Parks Federal Grant Compliance Projects	P0096	\$190,000	\$190,000	\$154,000	\$154,000	\$0	\$0	\$0	\$0
Parks Master Plan	P0347	\$300,000	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0
Pickleball Court Construction at Friendship Park	P0333	\$442,000	\$0	\$0	\$12,000	\$0	\$430,000	\$0	\$0
Recharge Park Study and Design	P0015	\$1,465,000	\$715,000	\$319,000	\$1,069,000	\$0	\$0	\$0	\$0
Sand Volleyball Courts at the BLVD	P0133	\$2,859,000	\$2,084,000	\$163,000	\$2,763,000	\$0	\$0	\$0	\$0
Softball Field Enhancements at Friendship Park	P0334	\$442,000	\$0	\$0	\$12,000	\$0	\$430,000	\$0	\$0
Sport Field Lighting Festival Fields Park	P0327	\$1,119,000	\$0	\$0	\$0	\$154,000	\$965,000	\$0	\$0
Sport Field Lighting Friendship Park	P0120	\$1,564,000	\$175,000	\$0	\$875,000	\$689,000	\$0	\$0	\$0

Capital Improvement Plan (CIP) Recommendation

Project	Project Number	Total Project Budget	FY2023 Adopted Budget	Carryover	FY2024	FY2025	FY2026	FY2027	FY2028
Public Safety			\$29,779,000	\$27,445,000	\$39,437,000	\$7,080,000	\$26,050,000	\$0	\$0
Additional Fire Apparatus	S0056	\$948,000	\$948,000	\$94,000	\$94,000	\$0	\$0	\$0	\$0
Alamar Public Safety Substation	S0013	\$27,850,000	\$0	\$0	\$300,000	\$1,500,000	\$26,050,000	\$0	\$0
Avondale Boulevard and Broadway Road Fiber	S0228	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$0	\$0	\$0	\$0
EMT Paramedic Simulation Labs	S0345	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0
Fire Station #171 Replacement	S0104	\$15,314,000	\$13,414,000	\$13,189,000	\$13,189,000	\$1,900,000	\$0	\$0	\$0
Incident Command Simulation Lab	S0346	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0
K-9 Training Facility	S0344	\$3,760,000	\$0	\$0	\$600,000	\$3,160,000	\$0	\$0	\$0
Ladder Tender Equipment	S0182	\$100,000	\$100,000	\$64,000	\$64,000	\$0	\$0	\$0	\$0
Parking Improvements at Fire Station 172	S0094	\$1,560,000	\$860,000	\$524,000	\$524,000	\$0	\$0	\$0	\$0
Police Communications Bureau Remodel	S0198	\$2,116,000	\$160,000	\$160,000	\$2,116,000	\$0	\$0	\$0	\$0
Raceway Building 2nd Floor	M0195	\$620,000	\$100,000	\$100,000	\$100,000	\$520,000	\$0	\$0	\$0
Relocate Detention Center and Police Substation	S0105	\$21,300,000	\$12,242,000	\$11,653,000	\$20,689,000	\$0	\$0	\$0	\$0
Security Cameras and Equipment*	M0118	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$0	\$0	\$0
Training Center Site Improvements and Upgrades	S0142	\$330,000	\$330,000	\$36,000	\$36,000	\$0	\$0	\$0	\$0

Capital Improvement Plan (CIP) Recommendation

Project	Project Number	Total Project Budget	FY2023 Adopted Budget	Carryover	FY2024	FY2025	FY2026	FY2027	FY2028
Transportation			\$43,485,000	\$35,565,000	\$41,278,000	\$14,816,000	\$5,350,000	\$1,325,000	\$1,125,000
107th Avenue/McDowell Road Widening	T0002	\$6,559,000	\$5,495,000	\$33,000	\$33,000	\$0	\$0	\$0	\$0
Avondale Blvd Lighting Project	T0352	\$150,000	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0
Avondale Boulevard- McDowell Road to Encanto Boulevard	T0016	\$4,250,000	\$4,113,000	\$3,156,000	\$3,156,000	\$0	\$0	\$0	\$0
BLVD Pedestrian Bridge Study	T0214	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$0
Bridge Repair Program*	T0019	\$509,000	\$409,000	\$384,000	\$384,000	\$0	\$0	\$0	\$0
Bridge Repairs FY2025 and Beyond	T0305	\$528,000	\$0	\$0	\$0	\$428,000	\$0	\$100,000	\$0
Citywide Sidewalk Expansion and Improvements Program FY2024	T0320	\$200,000	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0
Citywide Sidewalk Expansion and Improvements Program FY2025 and Beyond	T0321	\$800,000	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000
Communication Conduit and Fiber Backbone Program	T0031	\$1,400,000	\$1,365,000	\$933,000	\$933,000	\$0	\$0	\$0	\$0
Communication Conduit and Fiber Backbone Program FY2024	T0306	\$450,000	\$0	\$0	\$450,000	\$0	\$0	\$0	\$0
Dysart Road Traffic Flow Improvement Project	T0046	\$586,000	\$556,000	\$497,000	\$497,000	\$0	\$0	\$0	\$0
Entry Monument Signage and Gateway Program	T0308	\$300,000	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0
Fairway Drive Improvements - Van Buren Street to Garfield Street	T0052	\$3,204,000	\$208,000	\$16,000	\$16,000	\$0	\$0	\$0	\$0
Gateway Program	T0067	\$200,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$0
HAWK Signal on Avondale Boulevard at Palm Lane	T0336	\$280,000	\$0	\$0	\$280,000	\$0	\$0	\$0	\$0
HAWK Signal on Central Avenue at Holly Lane	T0341	\$275,000	\$0	\$0	\$275,000	\$0	\$0	\$0	\$0
HAWK Signal on Coldwater Springs Boulevard on the west side of 118th Avenue	T0339	\$290,000	\$0	\$0	\$290,000	\$0	\$0	\$0	\$0
HAWK Signal on El Mirage Road at Pima Street	T0338	\$240,000	\$0	\$0	\$240,000	\$0	\$0	\$0	\$0
HAWK Signal on El Mirage Road at the Northern Alamar Park Access	T0342	\$280,000	\$0	\$0	\$280,000	\$0	\$0	\$0	\$0
Irrigation Pipe Replacement on Thomas Road West of 99th Avenue Intersection	U0172	\$950,000	\$940,000	\$824,000	\$824,000	\$0	\$0	\$0	\$0
Old Town Avondale Phase II Improvement	T0091	\$6,362,000	\$6,362,000	\$5,880,000	\$5,880,000	\$0	\$0	\$0	\$0
Old Town Avondale Phase III Improvement	T0200	\$13,994,000	\$13,994,000	\$13,994,000	\$13,994,000	\$0	\$0	\$0	\$0
Old Town Avondale Phase IV Improvement	T0201	\$8,480,000	\$0	\$0	\$500,000	\$7,980,000	\$0	\$0	\$0
Old Town Avondale Phase V Improvement	T0203	\$4,999,000	\$0	\$0	\$232,000	\$4,767,000	\$0	\$0	\$0
Old Town Avondale Phase VI Improvement	T0240	\$4,316,000	\$0	\$0	\$0	\$191,000	\$4,125,000	\$0	\$0
Sidewalk Accessibility Improvement Program FY2024	T0259	\$400,000	\$0	\$0	\$400,000	\$0	\$0	\$0	\$0
Sidewalk Accessibility Improvement Program FY2025 and Beyond	T0260	\$1,600,000	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$400,000
Sidewalk Along El Mirage Road from Calle Hermosa to Lower Buckeye Road	T0244	\$200,000	\$200,000	\$200,000	\$200,000	\$0	\$0	\$0	\$0
Street Drainage Issues*	T0121	\$174,000	\$300,000	\$174,000	\$174,000	\$0	\$0	\$0	\$0
Street Drainage Issues FY2024	T0312	\$300,000	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0
Street Drainage Issues FY2025 and Beyond	T0313	\$1,200,000	\$0	\$0	\$0	\$300,000	\$300,000	\$300,000	\$300,000
Street Light Infill Program*	T0122	\$91,000	\$93,000	\$91,000	\$91,000	\$0	\$0	\$0	\$0
Street Light Infill Program FY2024	T0314	\$200,000	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0
Street Light Infill Program FY2025 and Beyond	T0315	\$800,000	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000
Traffic Signal - 99th Avenue and Encanto Boulevard	T0206	\$600,000	\$0	\$300,000	\$375,000	\$225,000	\$0	\$0	\$0
Traffic Signal - Harbor Shore Boulevard and McDowell Road	T0140	\$757,000	\$744,000	\$521,000	\$521,000	\$0	\$0	\$0	\$0
Traffic Signal - Thomas Road and Avondale Boulevard	T0202	\$775,000	\$775,000	\$715,000	\$715,000	\$0	\$0	\$0	\$0
Traffic Signal and Intersection Improvements at Avondale Boulevard and Lower Buckeye Road	T0173	\$6,944,000	\$4,701,000	\$4,910,000	\$4,910,000	\$0	\$0	\$0	\$0
Traffic Signal and Roadway Improvements at El Mirage Road and Lower Buckeye Road	T0138	\$1,788,000	\$617,000	\$562,000	\$1,663,000	\$0	\$0	\$0	\$0
Traffic Signal Re-Timing Program	T0199	\$100,000	\$100,000	\$86,000	\$86,000	\$0	\$0	\$0	\$0
Traffic Signal Re-Timing Program FY2024	T0318	\$100,000	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0
Traffic Signal Re-Timing Program FY2025 and Beyond	T0319	\$300,000	\$0	\$0	\$0	\$100,000	\$100,000	\$100,000	\$0
Transportation Master Plan Update	T0343	\$200,000	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0
Van Buren Multi-Use Path	P0145	\$387,000	\$71,000	\$49,000	\$49,000	\$0	\$0	\$0	\$0
Wayfinding Signage	T0154	\$202,000	\$202,000	\$0	\$0	\$0	\$0	\$0	\$0
Wayfinding Signage FY2024	T0316	\$140,000	\$0	\$0	\$140,000	\$0	\$0	\$0	\$0
Wayfinding Signage FY2025 and Beyond	T0317	\$100,000	\$0	\$0	\$0	\$25,000	\$25,000	\$25,000	\$25,000
Western Avenue - Central Avenue to 4th Avenue - Improvements	T0161	\$1,025,000	\$1,025,000	\$1,025,000	\$1,025,000	\$0	\$0	\$0	\$0
Western Avenue Decorative String Lights	T0162	\$320,000	\$320,000	\$320,000	\$320,000	\$0	\$0	\$0	\$0
Western Avenue Pedestrian Streetlights	T0163	\$695,000	\$695,000	\$695,000	\$695,000	\$0	\$0	\$0	\$0

Capital Improvement Plan (CIP) Recommendation

Project	Project Number	Total Project Budget	FY2023 Adopted Budget	Carryover	FY2024	FY2025	FY2026	FY2027	FY2028
Utilities			\$50,112,000	\$52,319,000	\$71,186,000	\$46,381,000	\$59,266,000	\$24,891,000	\$14,998,000
10th Street Lift Station - Force Main Improvements	U0003	\$2,000,000	\$1,852,000	\$1,615,000	\$1,615,000	\$0	\$0	\$0	\$0
16-inch Waterline 107th Avenue – Jones to Superior	U0223	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0
16-inch Waterline 107th Avenue - Superior to Lower Buckeye	U0224	\$700,000	\$0	\$0	\$0	\$0	\$0	\$700,000	\$0
16-inch Waterline Dysart Road – Illini to Roeser	U0221	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0
16-inch Waterline El Mirage - Elwood to Lower Buckeye	U0222	\$900,000	\$0	\$0	\$0	\$0	\$0	\$900,000	\$0
3 New Rear Load Garbage Trucks	U0323	\$1,095,000	\$0	\$1,095,000	\$1,095,000	\$0	\$0	\$0	\$0
99th Ave Waterline - Thomas to Encanto	U0006	\$1,400,000	\$956,000	\$956,000	\$1,396,000	\$0	\$0	\$0	\$0
Abandoned Well Site Closures	U0008	\$200,000	\$200,000	\$30,000	\$30,000	\$0	\$0	\$0	\$0
City Wide Sewer Improvements*	U0022	\$351,000	\$630,000	\$351,000	\$351,000	\$0	\$0	\$0	\$0
City Wide Sewer Improvements FY2024	U0261	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0
City Wide Sewer Improvements FY2025 and Beyond	U0262	\$760,000	\$0	\$0	\$0	\$400,000	\$120,000	\$120,000	\$120,000
Distribution Pressure Improvements	U0038	\$8,112,000	\$8,197,000	\$7,723,000	\$7,723,000	\$0	\$0	\$0	\$0
Dysart Road Sewer Replacement - Corral Street to Lower Buckeye Road	U0044	\$2,570,000	\$2,350,000	\$2,305,000	\$2,525,000	\$0	\$0	\$0	\$0
Dysart Road Sewer Replacement - Riley to Corral	U0045	\$4,383,000	\$3,435,000	\$4,147,000	\$4,147,000	\$0	\$0	\$0	\$0
Dysart Road Waterline - Roeser Alignment to Southern	U0326	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Dysart Road Waterline - Whyman to Lower Buckeye	U0047	\$450,000	\$0	\$0	\$0	\$450,000	\$0	\$0	\$0
Future Well	U0061	\$2,727,000	\$0	\$0	\$0	\$0	\$0	\$700,000	\$2,027,000
Garden Lakes Nitrate Equipment Replacement	U0062	\$3,880,000	\$0	\$0	\$0	\$3,880,000	\$0	\$0	\$0
Garden Lakes Sewer Improvement Project	U0064	\$2,200,000	\$0	\$0	\$0	\$0	\$0	\$2,200,000	\$0
Garden Lakes Site - Construct 2nd Reservoir & Improve Booster Capacity	U0065	\$8,358,000	\$0	\$0	\$0	\$2,388,000	\$5,970,000	\$0	\$0
Gateway Nitrate Treatment Equipment Replacement	U0066	\$3,570,000	\$3,382,000	\$2,091,000	\$2,091,000	\$0	\$0	\$0	\$0
Hydro Excavation Truck	U0215	\$600,000	\$325,000	\$600,000	\$600,000	\$0	\$0	\$0	\$0
Large Diameter Sewer Line Repair FY2025 and Beyond	U0322	\$4,300,000	\$0	\$0	\$0	\$725,000	\$1,250,000	\$1,175,000	\$1,150,000
Large Diameter Sewer System Repair*	U0074	\$1,764,000	\$1,800,000	\$1,764,000	\$1,764,000	\$0	\$0	\$0	\$0
Lift Station Security Upgrades*	U0076	\$158,000	\$136,000	\$158,000	\$158,000	\$0	\$0	\$0	\$0
McDowell Recharge Basin Improvements	U0078	\$870,000	\$755,000	\$755,000	\$755,000	\$0	\$0	\$0	\$0
McDowell Road 16-inch Waterline - Avondale to 99th	U0080	\$2,650,000	\$500,000	\$21,000	\$521,000	\$1,812,000	\$0	\$0	\$0
New Redundant Rotary Drum Thickener	U0349	\$100,000	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0
New Redundant Stair Screen	U0348	\$100,000	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0
New River-Agua Fria River Underground Storage Project (NAUSP) Capacity Purchase	U0220	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$0	\$0	\$0	\$0
New Well #25B	U0257	\$3,625,000	\$0	\$125,000	\$3,625,000	\$0	\$0	\$0	\$0
Nitrate Removal System for Coldwater Booster Station	U0087	\$5,545,000	\$0	\$0	\$0	\$0	\$0	\$500,000	\$5,045,000
Northside Arsenic Treatment System Rehabilitation	U0089	\$1,710,000	\$1,378,000	\$1,322,000	\$1,322,000	\$0	\$0	\$0	\$0
Northside Booster Well Site - Land Purchase & DCR	U0090	\$75,000	\$75,000	\$75,000	\$75,000	\$0	\$0	\$0	\$0
Rancho Santa Fe Reservoir & Booster Electrical and Control Upgrades	U0102	\$650,000	\$0	\$0	\$0	\$100,000	\$550,000	\$0	\$0
Rancho Santa Fe Reservoir Coating Repairs and Rehabilitation	U0103	\$2,343,000	\$1,460,000	\$703,000	\$703,000	\$0	\$0	\$0	\$0
Rio Vista Waterline Replacement	U0111	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$250,000	\$3,250,000
SCADA Security Asset Replacement*	A0115	\$118,000	\$260,000	\$118,000	\$118,000	\$0	\$0	\$0	\$0
SCADA Security Asset Replacement FY2024	A0277	\$376,000	\$0	\$0	\$376,000	\$0	\$0	\$0	\$0
SCADA Security Asset Replacement FY2025 and Beyond	A0278	\$1,584,000	\$0	\$0	\$0	\$376,000	\$376,000	\$416,000	\$416,000
Sediment Removal - Crystal Gardens & McDowell Recharge Basins	U0340	\$1,150,000	\$0	\$0	\$1,150,000	\$0	\$0	\$0	\$0
Site Security at the Water Reclamation Facility	U0237	\$90,000	\$90,000	\$90,000	\$90,000	\$0	\$0	\$0	\$0
Site Security at Well and Booster Stations	U0238	\$90,000	\$90,000	\$82,000	\$82,000	\$0	\$0	\$0	\$0
The BLVD Well (#33) & Transmission Line	U0131	\$3,088,000	\$2,644,000	\$2,117,000	\$2,304,000	\$0	\$0	\$0	\$0
Update the Integrated Utility Master Plan	U0350	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0
Water Production & Treatment Building	U0337	\$1,500,000	\$0	\$0	\$1,500,000	\$0	\$0	\$0	\$0
Water Reclamation Facility - Phase II Expansion	U0219	\$108,750,000	\$0	\$0	\$8,500,000	\$35,250,000	\$50,000,000	\$15,000,000	\$0
Water Reclamation Facility Influent Pump	U0216	\$200,000	\$150,000	\$200,000	\$200,000	\$0	\$0	\$0	\$0
Water Reclamation Facility Odor Control System Improvements	U0150	\$8,468,000	\$2,670,000	\$7,429,000	\$8,229,000	\$0	\$0	\$0	\$0
Water System Line Replacements and Expansions *	U0153	\$1,671,000	\$1,672,000	\$1,302,000	\$1,671,000	\$0	\$0	\$0	\$0
Water System Line Replacements and Expansions FY2025 and Beyond	U0264	\$4,000,000	\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Well #26 Replacement	U0218	\$3,100,000	\$3,000,000	\$3,059,000	\$3,059,000	\$0	\$0	\$0	\$0
Well 22 and Transmission Line	U0156	\$4,300,000	\$75,000	\$62,000	\$62,000	\$0	\$0	\$430,000	\$990,000

Capital Improvement Plan (CIP) Recommendation

Project	Project Number	Total Project Budget	FY2023 Adopted Budget	Carryover	FY2024	FY2025	FY2026	FY2027	FY2028
Well 7 Site Development	U0157	\$2,000,000	\$1,575,000	\$1,569,000	\$1,994,000	\$0	\$0	\$0	\$0
Well at 107th Avenue & Encanto Boulevard - Shared Well	U0159	\$1,631,000	\$455,000	\$455,000	\$455,000	\$0	\$0	\$0	\$0
White Mountain Apache Tribe Water Settlement	U0164	\$3,000,000	\$2,800,000	\$2,800,000	\$3,000,000	\$0	\$0	\$0	\$0
Grand Total			\$193,832,000	\$165,656,000	\$220,941,000	\$87,828,000	\$112,339,000	\$47,617,000	\$40,453,000

*For this project, the total project budget is equal to the FY2024 appropriation