



Communities Facilities District

Summary of District Actions

Communities Facilities District Meeting

October 15, 2018 at 5:30 PM

Held in the Council Chambers – 11465 W Civic Center Drive, Avondale, AZ 85323

- 1 ROLL CALL BY THE BOARD CLERK
- 2 CONSIDERATION AND POSSIBLE ADOPTION OF A RESOLUTION TAKING CERTAIN ACTIONS WITH REGARD TO ORGANIZATION OF THE DISTRICT; APPROVING THE GENERAL PLAN FOR THE DISTRICT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DISTRICT DEVELOPMENT, AGREEMENT; AND ORDERING AND CALLING AN ELECTION WITH RESPECT TO ISSUANCE OF BONDS BY THE DISTRICT AND THE LEVY OF AN AD VALOREM PROPERTY TAX THEREFOR AND TO THE LEVY OF A SEPARATE AD VALOREM PROPERTY TAX ATTRIBUTABLE TO THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT RESOURCE AND SENIOR CENTER PROJECT SITE DISCUSSION – **ALL ACTIONS APPROVED**
To adopt a Resolution taking certain actions with regard to organization of the District, approving the general plan for the District, approving and authorizing the execution of a District development agreement and ordering and calling an election with respect to issuance of bonds by the District.
- 3 ADJOURNMENT - **5:47 PM**

Minutes of the Communities Facilities District Regular Meeting held October 15, 2018 at 5:30 p.m. in the Council Chambers.

BOARD MEMBERS PRESENT

Board Chairman Kenn Weise and Board Members

Board Vice Chairman Bryan Kilgore
Tina Conde
Pat Dennis
Veronica Malone
Mike Pineda
Lorenzo Sierra
Robert Antoniak
Kevin Kugler

ALSO PRESENT

Charles Montoya, District Manager
Kevin Artz, Assistant City Manager
Gina Montes, Assistant City Manager
Andrew McGuire, District Attorney
Linda Mendenhall, Acting District Clerk

1 ROLL CALL BY THE DISTRICT CLERK

2 CONSIDERATION AND POSSIBLE ADOPTION OF A RESOLUTION TAKING CERTAIN ACTIONS WITH REGARD TO ORGANIZATION OF THE DISTRICT; APPROVING THE GENERAL PLAN FOR THE DISTRICT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DISTRICT DEVELOPMENT, AGREEMENT; AND ORDERING AND CALLING AN ELECTION WITH RESPECT TO ISSUANCE OF BONDS BY THE DISTRICT AND THE LEVY OF AN AD VALOREM PROPERTY TAX THEREFOR AND TO THE LEVY OF A SEPARATE AD VALOREM PROPERTY TAX ATTRIBUTABLE TO THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT

To adopt a Resolution taking certain actions with regard to organization of the District, approving the general plan for the District, approving and authorizing the execution of a District development agreement and ordering and calling an election with respect to issuance of bonds by the District.

Kevin Artz, Assistant City Manager reviewed the parts of the Resolution for the Board:

- Establishes the organization of the District, appointing the Mayor and Vice Mayor as the Board Chairman and Vice Chairman, the City Manager as the Board Manager, the Finance and Budget Director as the District Treasurer, the City Clerk as the District Clerk and the City Attorney as the District Attorney.
- Ratifies the posting locations for the meetings.
- Approves the District General Plan, setting the boundaries and the infrastructure included, which were adopted by Council in May.
- The amended and restated District Development Agreement which will go before Council tonight.
- Call of election, scheduled for November 13th and the canvassing of the votes is to occur 14 days later at the November 19th Board meeting.

Mr. Artz reviewed some of the costs, the initial application estimated costs of \$176,000,000 for infrastructure. He states that the developer indicated there are \$39 to \$40 million in CFD eligible costs for which will go primarily for roadways, easements, drainage and some utility lines. For the structure of the CFD, the developer is proposing General Obligation Bonds at a \$3.85 tax rate and a 30 cent rate for operations and maintenance with a 25-year term on those bonds. There is also potential for a special assessment bond in the range of a 2 to \$4000 per lot.

Mr. Artz reviewed the next steps for the CFD, the election and canvass of votes, the budget meeting in May and future meetings for when bonds are sold.

Board Member Dennis inquired about the \$39 million shown as opposed to the \$70 million indicated in the documents. Mr. Artz responded, the \$70 million listed in the documents includes \$50 million for the developer with \$10 million remaining of authorization and an additional \$20 million authorized for future use by the District.

Board Member Dennis inquired how the \$3.85 will work now since we are not issuing any bonds and at what point would come back for authorization. Mr. Michael Cafiso, Greenburg Taurig, responded, when they anticipate the first home sells in the District boundaries they will come with a small bond issue based on the property value now and that will put the \$3.85 tax rate into place. The 30 cents will be put into place earlier since it will be tied to the May budget.

Board Member Dennis asked Mr. Cafiso where are we currently with interest rates and if he has seen a 12% cap on interest rates for bonds. Mr. Cafiso responded that in his career he has seen 15% so it isn't uncommon. This bond authorization has unlimited duration and you don't typically issue any bonds once development is built out. We could be issuing bonds 20 years from now so a 12% rate is prophylactic, right now the rates are 3 to 4% on 20 years for good quality bonds.

Board Vice Chairman Kilgore moved to approve agenda item #2. Board Member Malone seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Board Member Pineda	Aye
Board Member Dennis	Aye
Board Member Malone	Aye
Board Chairman Weise	Aye
Board Vice Chairman Kilgore	Aye
Board Member Sierra	Aye
Board Member Conde	Aye
Board Member Kugler	Aye
Board Member Antoniak	Aye

Motion was carried unanimously.

3 ADJOURNMENT

There being no further business before the Board, Board Vice Chairman Kilgore moved to adjourn the meeting; Board Member Dennis seconded the motion. Motion was carried unanimously.

Meeting adjourned at 5:47 p.m.

District Chairman Kenn Weise

Linda Mendenhall, CMC
Acting District Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Council of the City of Avondale held on the 15th day of October, 2018. I further certify that the meeting was duly called and held and that the quorum was present.

Acting District Clerk