

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT

ACTION REPORT:

TO: Chairman and Board Members
FROM: City Treasurer Office
SUBJECT: ADOPT Resolution No. 67 Approving Proposed Budget and Ordering Hearing, and Resolution No. 68 Adopting FY 2021/22 Budget and Tax Levy for District

DATE: 6/08/21

AGENDA ITEM NO.: 01

STAFF: Gina Kirklin (x25006)

ACTION

- ADOPT Resolution No. 67, approving the proposed District budget for FY 2021/22 and ordering a hearing,
- CALL FOR PUBLIC TESTIMONY on the District budget, and
- ADOPT Resolution No. 68, adopting the District budget for FY 2021/22 and ordering a tax levy.

BACKGROUND

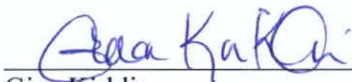
The McDowell Mountain Community Facilities District (District) was formed in 1994 to facilitate the financing, acquisition and construction of public infrastructure within the District. To date, \$18,860,000 of tax-exempt bonds have been issued.

The District was responsible for the installation of infrastructure, which benefits existing and future residents of the District and the City. An ongoing tax assessment is necessary to pay the debt service on the District's bonds and the District's operation and maintenance expenses.

The FY 2021/22 proposed budget (see Exhibit A of Attachment #1) has been prepared pursuant to the requirements of the Arizona Revised Statutes. The District considers anticipated administrative costs and uncollectable accounts, and may reduce cash balances as needed to comply with Arizona Revised Statutes § 35-458(A). The first Resolution calls for approval of the proposed budget and a public hearing on the proposed budget and the second Resolution adopts the budget subsequent to the hearing (see Exhibit B of Attachment #2). The second Resolution also sets the tax levy for the District.

FISCAL IMPACT

The District will levy on District property an ad valorem tax of \$1,259,358 resulting in an estimated tax rate for existing and future property owners of \$0.5661 per \$100.00 of net assessed limited property value. This is a decrease of \$107,430 from the previous year's tax levy and a decrease of \$0.0764 from the previous year's tax rate published by Maricopa County. The project development agreement fully discloses this tax to all purchasers of property in the District.



Gina Kirklin
Report Author



Dave Lipinski
District Manager

- Attachments:
1. Resolution No. 67
 - Exhibit A - Proposed Budget FY 2021/22
 - Exhibit B - Notice of Hearing
 2. Resolution No. 68
 - Exhibit A - Notice of Hearing
 - Exhibit B – Adopted Budget FY 2021/22
 - Exhibit C - Tax Levy
 - Map of District

ACTION TAKEN: _____

**MINUTES
DISTRICT BOARD
MCDOWELL MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
TUESDAY, JUNE 16, 2020**

DRAFT

1. CALL TO ORDER

Chairman W. J. "Jim" Lane called to order a meeting of the District Board of the McDowell Mountain Ranch Community Facilities District at 6:26 P.M. on Tuesday, June 16, 2020, in the City Hall Kiva.

Present: W. J. "Jim" Lane, Chairman
 Board Members Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield,
 Linda Milhaven, Guy Phillips, and Solange Whitehead

Also Present: District Clerk Carolyn Jagger
 Community Facilities District Treasurer Jeff Nichols
 City Manager Jim Thompson
 City Attorney Sherry Scott
 City Auditor Sharron Walker

2. APPROVAL OF MINUTES OF TUESDAY, JUNE 11, 2019

Board Member Littlefield made a motion to approve the minutes of Tuesday, June 11, 2019. Board Member Klapp seconded the motion, which carried 7/0, with Board Chair Lane and Board Members Klapp, Korte, Littlefield, Milhaven, Phillips, and Whitehead voting in the affirmative.

3. ADOPT RESOLUTION NO. 65, WHICH SETS OUT PROPOSED BUDGET AND CALLS FOR PUBLIC HEARING

Board Member Korte made a motion to adopt Resolution No. 65. Board Member Klapp seconded the motion, which carried 7/0, with Board Chair Lane and Board Members Klapp, Korte, Littlefield, Milhaven, Phillips, and Whitehead voting in the affirmative.

4. CALL FOR PUBLIC COMMENTS ON THE BUDGET

No public comments were received.

5. ADOPT RESOLUTION NO. 66, WHICH APPROVES THE BUDGET AND SETS TAX LEVY

Board Member Littlefield made a motion to adopt Resolution No. 66. Board Member Korte seconded the motion, which carried 7/0, with Board Chair Lane and Board Members Klapp, Korte, Littlefield, Milhaven, Phillips, and Whitehead voting in the affirmative.

6. ADJOURNMENT

With no further business to discuss, Chairman Lane adjourned the meeting at 6:27 P.M.

SUBMITTED BY:



**Carolyn Jagger
District Clerk**

Officially approved by the District Board on _____

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the District Board of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona held on the 16th day of June 2020.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this _____ day of June 2021.

District Clerk

McDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA

RESOLUTION NO. 67

A RESOLUTION OF THE DISTRICT BOARD OF THE
McDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES
DISTRICT OF SCOTTSDALE, ARIZONA APPROVING A
PROPOSED DISTRICT BUDGET FOR FY 2021/22 AND
ORDERING A HEARING ON SUCH BUDGET AS APPROVED

WHEREAS, pursuant to Section 48-716 of the Arizona Revised Statutes, the Treasurer of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona (the "District") prepared and submitted to the Board of Directors of the District (the "District Board") for approval a proposed District budget for FY 2021/22 (the "Proposed Budget"); and

WHEREAS, the Proposed Budget sets forth the annual statements and estimates of the operation and maintenance expenses, together with the debt service payment of the District for FY 2021/22, as required by Section 48-723(C) of the Arizona Revised Statutes; and

WHEREAS, pursuant to Section 48-723(C) of the Arizona Revised Statutes, the District Board filed the Proposed Budget with the City Clerk of the City of Scottsdale, Arizona, who serves as the clerk of the District, prior to May 26, 2021,

NOW, THEREFORE, BE IT RESOLVED by the District Board of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona as follows:

1. *Approval of Proposed Budget.* The Proposed Budget submitted to the District Board and attached as Exhibit A hereto is hereby approved and a hearing on the Proposed Budget is hereby ordered as required by law.

2. *Notice of Hearing.* Publication of the notice of the public hearing on the Proposed Budget in the form attached hereto as Exhibit B, which was published in accordance with the provisions of Section 48-716 of the Arizona Revised Statutes, is hereby ratified, approved and adopted.

3. *Effective Date.* This resolution is effective immediately.

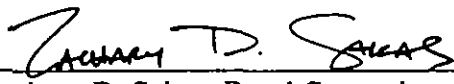
PASSED by the District Board of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona this 8th day of June, 2021.

Chairman, District Board
McDowell Mountain Ranch Community
Facilities District of Scottsdale, Arizona

ATTEST:

Ben Lane, District Clerk
McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona

APPROVED AS TO FORM:

By 
Zachary D. Sakas, Bond Counsel
Sherman & Howard L.L.C.

ATTACHMENTS:

Exhibit A — Proposed Budget FY 2021/22
Exhibit B — Notice of Hearing

EXHIBIT A

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

PROPOSED BUDGET FY 2021/22

BEGINNING FUNDS AVAILABLE		\$	200,480
REVENUES			
Net Assessed Limited Property Value *	\$222,462,174		
Estimated Tax Rate	\$0.5661		
Property Tax Collections**			1,259,358
EXPENSES			
Debt Service	(1,372,914)		
Insurance Premium	(5,000)		
Trustee Fee	(1,000)		
Legal Fees	(600)		
Advertising	(400)		
Administrative	(4,750)		
Closing Costs	(75,174)		
Total Expenses			<u>(1,459,838)</u>
ENDING FUNDS AVAILABLE		\$	<u>0</u>

* Source: Maricopa County Assessor's Office, as of February 2021

** Net Assessed Limited Property Value x Estimated Tax Rate/100

EXHIBIT B

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

NOTICE OF HEARING

**REQUIRED BY A.R.S. §§48-716 AND 48-723(C)
ON THE PROPOSED BUDGET FOR FY 2021/22**

OF

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

Pursuant to Sections 48-716 and 48-723(C), Arizona Revised Statutes, notice is hereby given that a public hearing on the Proposed Budget of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona for FY 2021/22 will be held by the District Board on June 8, 2021, at approximately 5:00 p.m. or immediately following the regular meeting of the Scottsdale City Council in the City of Scottsdale City Hall Kiva,* located at 3939 N. Drinkwater Blvd., Scottsdale, Arizona. A copy of the Proposed Budget is on file with the Clerk of the City of Scottsdale, Arizona/District Clerk of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona, at the City Hall of the City of Scottsdale, Arizona, 3939 N. Drinkwater Blvd., Scottsdale, Arizona 85251, telephone number (480) 312-2412. This notice also constitutes notice of the filing of the estimate as required by Section 48-723(C), of the Arizona Revised Statutes.

*Please note that due to the ongoing COVID-19 pandemic, Scottsdale City Council meetings may be held virtually with access by the public limited to virtual attendance through electronic means. Meetings are broadcast electronically through Cox Cable Channel 11 and streamed online at [ScottsdaleAZ.gov](https://www.scottsdaleaz.gov) (search "live stream"). Please check the City Council website at <https://www.scottsdaleaz.gov/council/meeting-information/agendas-minutes> for the specific agenda for this meeting and the latest updates regarding meetings and the opportunity for public participation and comment at this meeting.

DATED this 18th day of May, 2021.

/s/ District Manager
District Manager
McDowell Mountain Ranch Community
Facilities District of Scottsdale, Arizona

**MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA**

RESOLUTION NO. 68

A RESOLUTION OF THE DISTRICT BOARD OF THE MCDOWELL
MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF
SCOTTSDALE, ARIZONA ADOPTING THE DISTRICT BUDGET FOR
FY 2021/22 AND LEVYING A TAX

WHEREAS, pursuant to Section 48-716 of the Arizona Revised Statutes, the Treasurer of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona (the "District") prepared and submitted to the Board of Directors of the District (the "District Board") for approval a proposed District budget for FY 2021/22 (the "Proposed Budget"); and

WHEREAS, the Proposed Budget sets forth the annual statements and estimates of the operation and maintenance expenses, together with the debt service payment of the District for FY 2021/22, as required by Section 48-723(C) of the Arizona Revised Statutes; and

WHEREAS, on June 8, 2021, the District Board adopted Resolution No. 67, approving the Proposed Budget and ordering a hearing on the Proposed Budget as required by law; and

WHEREAS, as required by Sections 48-716 and 48-723(C) of the Arizona Revised Statutes, notice of the public hearing on the Proposed Budget and of the filing of the estimate, in the form attached hereto as Exhibit A, was published not less than ten days prior to the date hereof in a newspaper of general circulation in the District and was mailed to the City Clerk of the City of Scottsdale, Arizona; and

WHEREAS, a public hearing was held on the date hereof,

NOW, THEREFORE, BE IT RESOLVED by the District Board of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona as follows:

1. *Adoption of Proposed Budget.* The Proposed Budget in the form attached hereto as Exhibit B is hereby approved and adopted as the final District budget for FY 2021/22.

2. *Tax Levy.* A tax levy (the "Tax Levy") in the form attached hereto as Exhibit C is hereby ordered, approved and adopted, and the District Clerk is hereby directed to deliver certified copies of the Tax Levy to the Maricopa County (Arizona) Board of Supervisors, to the Arizona Department of Revenue and to any entity acting as trustee for any District bonds.

3. *Effective Date.* This Resolution is effective immediately.

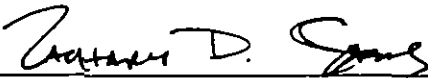
PASSED by the District Board of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona this 8th day of June, 2021.

Chairman, District Board
McDowell Mountain Ranch Community
Facilities District of Scottsdale, Arizona

ATTEST:

Ben Lane, District Clerk
McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona

APPROVED AS TO FORM:

By 
Zachary D. Sakas, Bond Counsel
Sherman & Howard L.L.C.

ATTACHMENTS:

Exhibit A — Notice of Hearing
Exhibit B — Adopted Budget FY 2021/22
Exhibit C — Tax Levy

EXHIBIT A

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

NOTICE OF HEARING

**REQUIRED BY A.R.S. §§48-716 AND 48-723(C)
ON THE PROPOSED BUDGET FOR FY 2021/22**

OF

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

Pursuant to Sections 48-716 and 48-723(C), Arizona Revised Statutes, notice is hereby given that a public hearing on the Proposed Budget of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona for FY 2021/22 will be held by the District Board on June 8, 2021, at approximately 5:00 p.m. or immediately following the regular meeting of the Scottsdale City Council in the City of Scottsdale City Hall Kiva,* located at 3939 N. Drinkwater Blvd., Scottsdale, Arizona. A copy of the Proposed Budget is on file with the Clerk of the City of Scottsdale, Arizona/District Clerk of McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona, at the City Hall of the City of Scottsdale, Arizona, 3939 N. Drinkwater Blvd., Scottsdale, Arizona 85251, telephone number (480) 312-2412. This notice also constitutes notice of the filing of the estimate as required by Section 48-723(C), of the Arizona Revised Statutes.

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DATED this 18th day of May, 2021.

/s/ District Manager
District Manager
McDowell Mountain Ranch Community
Facilities District of Scottsdale, Arizona

EXHIBIT B

McDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

ADOPTED BUDGET FY 2021/22

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Legal Fees	(600)		
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Administrative	(4,750)		
Closing Costs	(75,174)		
Total Expenses			<u>(1,459,838)</u>
ENDING FUNDS AVAILABLE		\$	<u>0</u>

* Source: Maricopa County Assessor's Office, as of February 2021

** Net Assessed Limited Property Value x Estimated Tax Rate/100

EXHIBIT C

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT OF SCOTTSDALE, ARIZONA

TAX LEVY

PURSUANT TO RESOLUTION NO. 68 passed on June 8, 2021 by the Board of Directors of the McDowell Mountain Ranch Community Facilities District of Scottsdale, Arizona (the "District"), it is hereby ordered levying a secondary *ad valorem* tax on all taxable property within the District for FY 2021/22 at a rate sufficient to produce \$1,259,358 for debt service on outstanding bonds of the District and operation and maintenance expenses of the District. A map of the District is attached hereto as Appendix A.

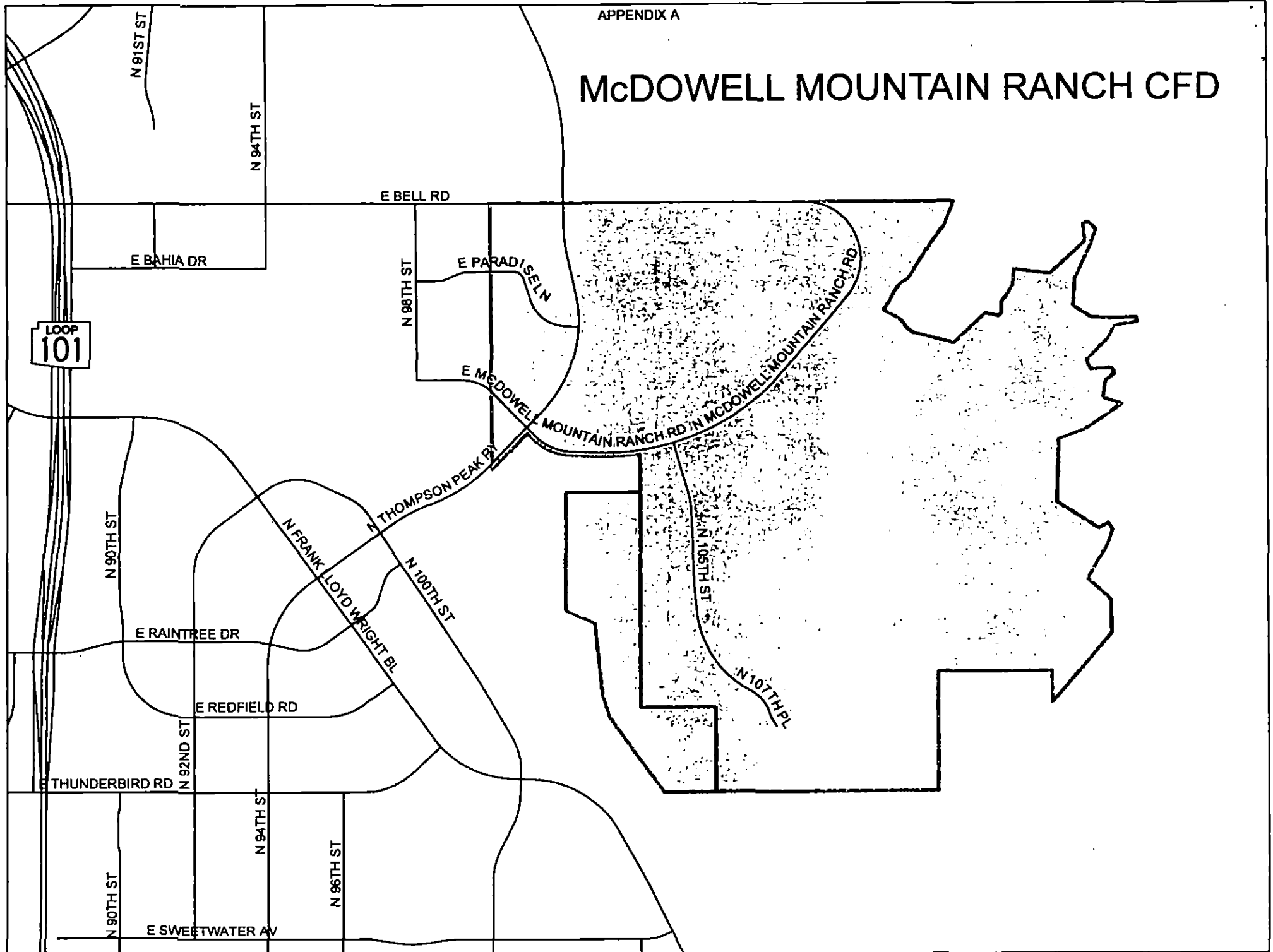
DATED: June 8, 2021.

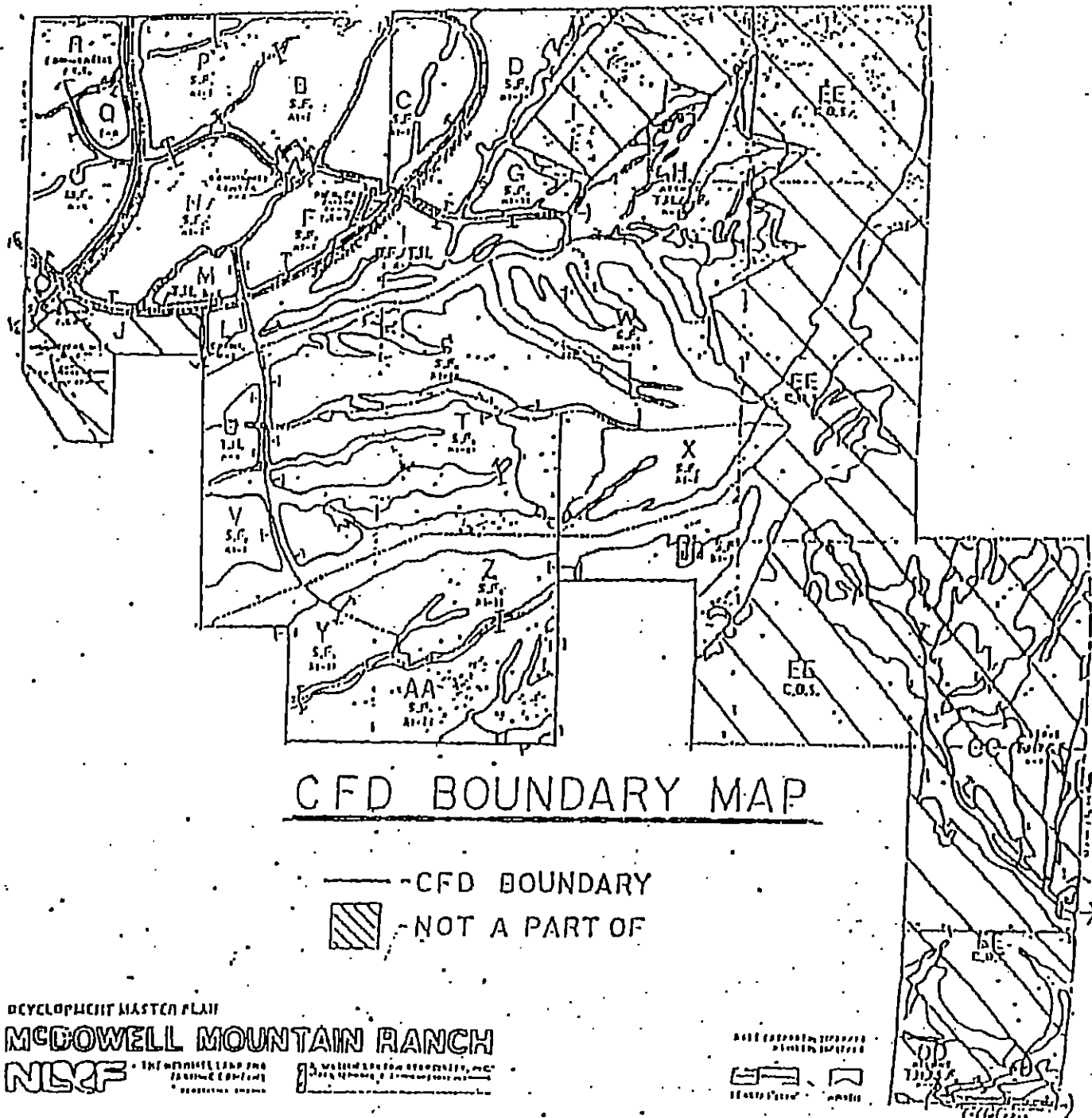
Chairman, District Board
McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona

ATTEST:

District Clerk
McDowell Mountain Ranch Community Facilities
District of Scottsdale, Arizona

McDOWELL MOUNTAIN RANCH CFD





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