

SCOTTSDALE MOUNTAIN COMMUNITY FACILITIES DISTRICT

ACTION REPORT:

TO: Chairman and Board Members **DATE:** 6/13/2023
FROM: City Treasurer Office
SUBJECT: ADOPT Resolution No. 74 Dissolving the District

AGENDA ITEM NO.: 01

STAFF: Gina Kirklin (x25006)

ACTION

ADOPT Resolution No. 74, dissolving the Scottsdale Mountain Community Facilities District

BACKGROUND

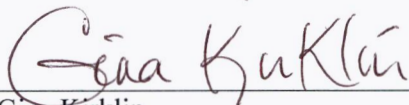
The Scottsdale Mountain Community Facilities District (District) was formed in 1993 to facilitate the financing, acquisition, and construction of public infrastructure within the District. The District issued \$5,450,000 of tax-exempt general obligation bonds that were paid in full on July 16, 2018. The original purpose of the District was financing for the acquisition and installation of public infrastructure, which benefits existing and future residents of the District and the City. The City has accepted the property conveyed by the District, including water and sewer infrastructure, drainage within the development and land that was dedicated to the City and included as part of the McDowell Sonoran Preserve.

Per Arizona Revised Statutes, if (i) all property owned by the District has been conveyed to the City and (ii) either the District has no obligations or the City has assumed all of the obligations of the District, the District Board can adopt a resolution to dissolve the District following a determination by City Council that the District has been inactive (excluding administrative costs) for at least five consecutive years and has no future purpose.

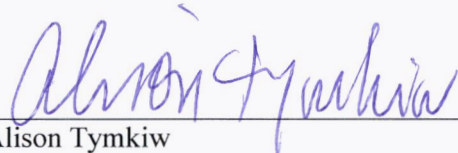
The District does not own any property; the infrastructure and land were conveyed to the City. The District has no known outstanding obligations to be assumed by the City. The District's outstanding bonds were fully paid on or prior to July 16, 2018, with the final payment administratively facilitated in June 2018. The only activity of the District since June 2018 has been the payment of administrative costs. The original purposes of the District, financing the public infrastructure and land acquisition, have been satisfied with the issuance of \$5,450,000 of the voter authorized \$7,000,000 of tax-exempt general obligation bonds. There are no plans to issue any additional District general obligation bonds from the voter authorized but unissued amount. The District is eligible for dissolution. If the District Board adopts Resolution No. 74, the Resolution will be recorded in accordance with Arizona Revised Statutes to provide notice of the dissolution of the District. Resolution No. 74 also authorizes the District Manager and District Treasurer to take other necessary actions to complete the dissolution of the District.

FISCAL IMPACT

The District has satisfied all debt service requirements and has no known outstanding obligations. There is no proposed property tax levy or proposed budget for the District's ongoing administrative expenses, and no remaining District fund balance. There is no future purpose for the District, as such, the City Treasurer recommends the District Board adopt Resolution No. 74 to dissolve the District to avoid ongoing administrative expenses such as legal, advertising, and record keeping.



Gina Kirklin
Report Author



Alison Tymkiw
District Manager

Attachments: 1. Resolution No. 74

ACTION TAKEN: Adopt Resolution No. 74 - YES - 7/0

**MINUTES
DISTRICT BOARD
SCOTTSDALE MOUNTAIN
COMMUNITY FACILITIES DISTRICT
TUESDAY, JUNE 7, 2022**

DRAFT

1. CALL TO ORDER

Chair David D. Ortega called to order a meeting of the District Board of the Scottsdale Mountain Community Facilities District at 5:59 P.M. on Tuesday, June 7, 2022, in the City Hall Kiva Forum.

Present: David D. Ortega, Chair
Board Members Tammy Caputi, Tom Durham (who participated telephonically), Betty Janik, Kathleen S. Littlefield, Linda Milhaven, and Solange Whitehead

Also Present: District Clerk Ben Lane
Acting District Treasurer Judy Doyle
City Manager Jim Thompson
City Attorney Sherry Scott
City Auditor Sharron Walker

2. APPROVAL OF MINUTES OF TUESDAY, JUNE 8, 2021

Board Member Janik made a motion to approve the minutes of Tuesday, June 8, 2021. Board Member Whitehead seconded the motion, which carried 7/0, with Chair Ortega; and Board Members Caputi, Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

3. ADOPT RESOLUTION NO. 72, WHICH APPROVES THE PROPOSED SCOTTSDALE MOUNTAIN COMMUNITY FACILITIES DISTRICT FISCAL YEAR 2022/23 BUDGET

Board Chair Ortega made a motion to adopt Resolution No. 72 which approves the proposed Scottsdale Mountain Community Facilities District Fiscal Year 2022/23 budget and orders a public hearing. Board Member Whitehead seconded the motion, which carried 7/0, with Chair Ortega; and Board Members Caputi, Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

4. CONDUCT A PUBLIC HEARING ON THE SCOTTSDALE MOUNTAIN COMMUNITY FACILITIES DISTRICT FISCAL YEAR 2022/23 BUDGET

No public comments were received.

5. ADOPT RESOLUTION NO. 73, WHICH ADOPTS THE PROPOSED SCOTTSDALE MOUNTAIN COMMUNITY FACILITIES DISTRICT FISCAL YEAR 2022/23 BUDGET

Board Chair Ortega made a motion to adopt Resolution No. 73 which adopts the proposed Scottsdale Mountain Community Facilities District Fiscal Year 2022/23 budget. Board Member Whitehead seconded the motion, which carried 7/0, with Chair Ortega; and Board Members Caputi, Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

6. ADJOURNMENT

Board Member Littlefield made a motion to adjourn. Board Member Janik seconded the motion, which carried 7/0, with Chair Ortega; and Board Members Caputi, Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

With no further business to discuss, Chair David D. Ortega adjourned the meeting at 6:00 P.M.

SUBMITTED BY:



**Ben Lane
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 Scottsdale Mountain Community Facilities District of Scottsdale, Arizona held on the 7th day of June 2022.

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

DATED this 13th day of June 2023.

Ben Lane, District Clerk

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

RESOLUTION NO. 74

A RESOLUTION OF THE DISTRICT BOARD OF THE
SCOTTSDALE MOUNTAIN COMMUNITY FACILITIES DISTRICT
OF SCOTTSDALE, ARIZONA DISSOLVING THE DISTRICT

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “CFD Act”) and a petition of all the then-landowners, the City Council of the City of Scottsdale, Arizona (the “City”), adopted Resolution No. 3725 on January 5, 1993, which formed the Scottsdale Mountain Community Facilities District of Scottsdale, Arizona (the “District”), a municipal corporation and political subdivision separate and apart from the City; and

WHEREAS, in accordance with the CFD Act, a Notice of Formation of the District was recorded with the Maricopa County Recorder on May 28, 1993, at Document No. 19930336494; and

WHEREAS, subsequent to its formation, the District issued various series of its general obligation bonds to finance and refinance the acquisition of public infrastructure and public infrastructure purposes principally benefitting the land within the boundaries of the District in accordance with the CFD Act, and all of such public infrastructure and public infrastructure purposes were conveyed to the City including land that was dedicated to the City and included as part of the McDowell Sonoran Preserve; and

WHEREAS, the Board of Directors of the District (the “District Board”) hereby finds and determines that the District has no property that has not otherwise been previously conveyed to the City; and

WHEREAS, all of the District’s outstanding bonds were fully paid on or prior to July 16, 2018 (with the final payment administratively facilitated in June 2018), and the District Board hereby finds and determines that the District has no other known obligations; and

WHEREAS, the only activity of the District since June 2018 has been the payment of administrative costs, the original purposes of the District have been fulfilled, and there are no plans for the District to issue additional bonds; and

WHEREAS, the CFD Act provides (1) that the District may be dissolved by a resolution of the District Board if all of the property owned by the District has been conveyed to the City and the City has assumed all of the obligations of the District, and (2) that the District Board shall dissolve the District if the City Council has consented to comply with such conditions and determines the District has been inactive for at least five consecutive years and has no future purpose; and

WHEREAS, the City Council adopted Resolution No. 12835 on June 13, 2023, pursuant to which the City (1) accepted the conveyance to the City of all property owned by the District, if any, (2) assumed, to the extent not otherwise prohibited by applicable law, all of the obligations of the District upon the date of adoption of such resolution, and (3) determined that the District has been inactive for at least five consecutive years and has no future purpose; and

WHEREAS, the District Board now desires to dissolve the District in accordance with the CFD Act;

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

1. *Conveyance of Property and Assignment of Obligations.* All of the property owned by the District, if any, is hereby conveyed to the City. All of the obligations of the District, if any, are hereby assigned to the City. The District Manager and District Treasurer are hereby authorized to take all steps necessary to provide for any such conveyance and assignment, including the execution and delivery of any documents necessary to accomplish such conveyance and assignment.

2. *Dissolution of the District.* The District is hereby dissolved for all purposes of the CFD Act. The District Clerk, or his designee, shall record this Resolution in the office of the Maricopa County Recorder pursuant to the CFD Act.

3. *Severability.* 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 remaining provisions of this Resolution. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

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

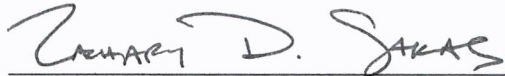
PASSED by the District Board of the Scottsdale Mountain Community Facilities District of Scottsdale, Arizona this 13th day of June, 2023.

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

ATTEST:

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

APPROVED AS TO FORM:



Zachary D. Sakas, Special District Counsel
Greenberg Traurig, LLP