

RESOLUTION CFUD#1 03-44

RESOLUTION OF THE BOARD OF DIRECTORS OF COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1 (CITY OF GOODYEAR, ARIZONA), APPROVING THE FEASIBILITY AND BENEFITS REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; DECLARING ITS INTENTION TO ACQUIRE AND FINANCE CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS; DETERMINING THAT NOT TO EXCEED \$8,685,000 GENERAL OBLIGATION BONDS WILL BE ISSUED TO FINANCE THE COSTS AND EXPENSES THEREOF UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO.

WHEREAS, pursuant to Section 48-715, Arizona Revised Statutes ("A.R.S."), as amended, the Board of Directors of the Community Facilities Utilities District No. 1 (City of Goodyear, Arizona), has caused a report of the feasibility and benefits of the Project (as such term and all other initially capitalized terms are defined hereinafter) to be prepared, relating to certain public infrastructure provided for in the General Plan of the District and to be financed with the proceeds of the sale of general obligation bonds of the District, which report includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the Project, an estimate of the cost to acquire, operate and maintain the Project, an estimated schedule for completion of the Project, a map or description of the area to be benefited by the Projects and a plan for financing the Project, a copy of which is on file with Clerk of the District; and

WHEREAS, pursuant to Section 48-715, A.R.S., as amended, a public hearing on the Feasibility Report was held on the date hereof, after provision for publication of notice thereof as provided by law;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1 (CITY OF GOODYEAR, ARIZONA), that:

Section 1. Definitions. In this resolution, the following terms shall have the following meanings:

"Act" shall mean Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended.

"Board" shall mean this board of directors of the District.

"Bonds" shall mean the District's General Obligation Bonds, Series 2003.

"Clerk" shall mean the Clerk of the District.

"District" shall mean the Community Facilities Utilities District No. 1 (City of Goodyear, Arizona).

"Feasibility Report" shall mean the Feasibility Report, dated August 11, 2003 pertaining to the Project on file with the Clerk prior to the date and time of this resolution, discussing the matters required by Section 48-715, A.R.S., as amended.

"Project" shall mean the acquisition of public infrastructure (as such term is defined in the Act) described in the Feasibility Report, including particularly the acquisition and/or construction by the District of the improvements described on Exhibit A hereto.


Section 2. Ratification of Notice of Hearing. Published notice of the public hearing on the Study has been provided by the Clerk not less than ten (10) days in advance of the date of the public hearing on the Study. The form of notice of the public hearing attached hereto as Exhibit B is hereby ratified and approved in all respects.

Section 3. Approval of Feasibility Report. Based on the review by the Board and the presentation of the Feasibility Report at the public hearing on August 11, 2003, the Feasibility Report is hereby adopted and approved in the form submitted to the Board. The Feasibility Report has been filed with the Clerk prior to adoption of this resolution.

Section 4. Resolution of Intent. This Board hereby identifies the public infrastructure of the Project, the areas benefited, the expected method of financing and the system of providing revenues to operate and maintain the Project, all as identified and provided for in the Feasibility Report, for any and all purposes of the Act. Any portion of the costs of the Project not financed by the proceeds of the Bonds shall remain eligible to be financed through the sale of future bonds of the District.

Section 5. Preliminary Approval to Issue and Sell Bonds. The Board hereby declares its intent to proceed with the financing of the Project in substantially the manner presented in the Feasibility Report and hereby declares its intent to issue not to exceed \$8,685,000 principal amount of Bonds to finance the costs of the Project.

PASSED, ADOPTED AND APPROVED on August 11, 2003.


Clerk


Chairman

Scott W. Reig
District Attorney

Utilities

Attachments: Exhibit A - Description of Improvements
Exhibit B - Notice of Public Hearings

CERTIFICATE

I hereby certify that the above and foregoing resolution was duly passed by the Board of Directors of the Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) at a regular meeting held on August 11, 2003, and that a quorum was present thereat and that the vote thereon was 7 ayes and 0 nays; 0 did not vote or were absent.



Dee Cochran
Clerk

EXHIBIT A

"Project" shall mean the acquisition of public infrastructure (as such term is defined in the Act) described in the Feasibility Report, including particularly the acquisition by the District of the following:

1. McDowell Road South half frontage, median and traffic signal improvements.
2. McDowell Road North half street improvements.
3. Dysart Road West half street improvements – South from McDowell to I-10.
4. Dysart Road West half street improvements – North of McDowell.
5. Palm Valley Boulevard Extension – from McDowell to Dysart Road
6. Traffic Signal – Indian school & 144th.
7. Water Well Relocation.
8. Phase II Park – Section 33.
9. Traffic Signal for Fire Station – Litchfield Road.
10. Drainage Channel Indian School Bypass.
11. Drainage Channel RID South to Thomas.
12. Landscape & Line Drainage Ditch South of McDowell.
13. Thomas Road Landscaping, Pedestrian Pathway.
14. 145th Avenue – PV Phase II (144th Avenue South to McDowell).
15. 144th Avenue – PV Phase II (PV Boulevard to Bullard).
16. 144th Avenue (RID Canal to PV Boulevard).
17. Bullard drain – North of Indian School to Camelback.
18. Indian School Road North half West of Wigwam.
19. Realign Thomas Road at the 303.
20. Indian School Road Box Culvert at Bullard Drain.
21. Sarival Road – Thomas Road - road improvements.
22. Palm Valley Phase V improvements.
23. Palm Valley Phase VII improvements.

The total cost of the Projects set forth above is \$28,069,000.

EXHIBIT B

NOTICE OF PUBLIC HEARINGS

TO THE GENERAL PUBLIC AND THE MEMBERS OF THE BOARDS OF DIRECTORS OF THE COMMUNITY FACILITIES GENERAL DISTRICT NO. 1 (CITY OF GOODYEAR, ARIZONA), AND THE COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1 (CITY OF GOODYEAR, ARIZONA):

NOTICE IS HEREBY GIVEN that the Board of Directors of (1) Community Facilities General District No. 1 (City of Goodyear, Arizona) (the "General District"), and (2) Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) (the "Utilities District") will each meet consecutively on August 11, 2003, commencing promptly after the adjournment of the Goodyear City council meeting (the City council meeting commences at 6:00 p.m.) and will be held at the Justice Facility, 986 North Litchfield Road, Goodyear, AZ 85338. The General District Board of Directors and the Utilities District Board of Directors will each conduct a public hearing on, and consider and review a feasibility report relative to a proposed project to be financed by the issuance of each District's General Obligation Bonds, Series 2003. The feasibility report for each district proposes to issue the following aggregate principal amounts of general obligation bonds: General District – not to exceed \$5,600,000; and Utilities District – not to exceed \$8,685,000. In addition, the General District Board of Directors will conduct an hearing on an amendment to the feasibility report originally approved on December 11, 2000 to provide for the financing of a community park. A copy of each such feasibility report may be reviewed at the office of the District Clerk, 190 North Litchfield Road, Goodyear, AZ 85338.

Publish once no later than July 31, 2003.

FEASIBILITY REPORT

For The Issuance of

**Not to Exceed
\$8,685,000 Principal Amount**

OF

COMMUNITY FACILITIES UTILITIES

DISTRICT NO. 1

(CITY OF GOODYEAR, ARIZONA)

DISTRICT GENERAL OBLIGATION BONDS

SERIES 2003

August 11, 2003

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SECTION ONE

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

INTRODUCTION

This Feasibility Report (the “Report”) has been prepared for presentation to the Board of Directors of the Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) (the “Utilities District”) in connection with the proposed issuance by the Utilities District of its District General Obligation Bonds, Series 2003 (the “Bonds”) in an approximate principal amount of not to exceed \$8,685,000, pursuant to the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the “Act”).

PURPOSE OF FEASIBILITY REPORT

This Report has been prepared for consideration of the feasibility and benefits of the Public Infrastructure (as defined in A.R.S. 48-701) to be financed by the Bonds and of the plan for financing such Public Infrastructure in accordance with the provisions of A.R.S. 48-715. Pursuant to A.R.S. 48-715, this Report includes (i) a description of the Public Infrastructure to be financed [Section Two]; (ii) a map showing, in general, the area to be benefited by the Public Infrastructure [Section Three]; (iii) an estimate of the cost to acquire, operate and maintain the Public Infrastructure and a timetable for the acquisition of the Public Infrastructure [Section Four]; and (iv) a plan for financing the Public Infrastructure [Section Five].

Additionally, this Report includes other additional information as required by Development Agreement No. 1, as amended, among the City of Goodyear (the “City”), SunCor Development Company (“SunCor”), the Utilities District, the Community Facilities General District No. 1 of the City of Goodyear, Arizona (the “General District”) and the Litchfield Public Service Company (“LPSCO”). This additional information includes: (i) an analysis of the impact of the financing on the tax rates or other charges borne by the owners of the property [Appendix 2]; an analysis of the effect on the City’s general financing abilities [Appendix 3]; and an analysis of the infrastructure demand and market absorption [Appendix 4]; an example of Community Facilities District (CFD) disclosure sheet signed by a homebuyer [Appendix 5].

This Report has been prepared for the consideration of the Board of Directors of the Utilities District only. 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, City staff and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF UTILITIES DISTRICT

Formation of the Utilities District was approved by the City on August 8, 1989 upon the request of the sole landowner within the Utilities District and on February 27, 1990, an election forming the Utilities District and authorizing the issuance of bonds was held and approved. The Utilities District consists of approximately 7,610 acres and is located within the City boundaries.

The Utilities District was created to finance the construction or acquisition of public infrastructure within the Utilities District, specifically, parts of the master-planned projects known as "Palm Valley" and "PebbleCreek" (the "Project"). The Palm Valley master-plan consists of approximately 9,000 acres which includes all 7,610 acres of the Utilities District. The PebbleCreek project, approximately 2,400 acres, is located within the Palm Valley master-plan. Phase I of Palm Valley (Section 34), consisting of approximately 605 acres, is complete. Subsequent phases include Section 33 and portions of 28, 3 and 4 equaling approximately 1,800 acres, are currently under development. A legal description of the Utilities District is included in Appendix 1. A map of the Utilities District is included in Section Three of this Report. The acquisition of the Public Infrastructure as defined in this Report is consistent with the City of Goodyear approved General Plan of Palm Valley.

See Section Five of this Report for detail regarding secondary assessed valuation in the District.

USE OF UTILITIES DISTRICT FINANCING

When the Utilities District was created, it was an integral component of the Development Agreement between the City and SunCor. This cooperative agreement permitted the utilization of community facilities district financing by SunCor and the annexation of approximately 7,000 acres of land to the City. The ability to utilize Utilities District financing for Public Infrastructure needed for the Project is a core understanding between the City and SunCor. Both SunCor and the City have included CFDs in their respective operating budgets and models for the build-out of the Project.

The advantages of utilizing CFD financing for public infrastructure within the Utilities District are discussed below. In assessing the benefits of Utilities District financing, it is important to keep in mind the City's existing policy which states that growth areas must pay for its related infrastructure costs and the limited capacity that the City has with respect to its ability to finance infrastructure needs generally.

The Utilities District has issued general obligation bonds to provide funds for the construction of public infrastructure. The general obligation bonds are paid for from property taxes. Utilities District financing provides benefits to three parties: the homebuyer, the City, and SunCor.

Homebuyers within the Utilities District benefit from this form of financing in several ways. The use of tax-exempt Utilities District financing has paid for public infrastructure that is generally paid for by impact fees and/or Developer-financed infrastructure. Without this financing source, the cost of impact fees or Developer-financed infrastructure would be passed on to the homebuyer in the form of a higher purchase price for the home. Tax-exempt financing provides a lower cost of funds for infrastructure, which not only means a lower purchase price (and therefore a lower mortgage payment) for the homeowner, but also provides a benefit in that property taxes are tax-deductible expenses to the homeowner.

The City benefits from Utilities District financing as well. The Palm Valley area is one of the Valley's fastest growing areas. With this growth comes the benefit of significant assessed valuation

growth and retail amenity growth (restaurants, shopping, golf, hotels) which results in increased sales tax revenues to the City's general fund. Although this growth contributes more amenities to all residents of the City and the overall financial stability of the City, the City's own limited sources of financing are preserved. Typically, a city finances a majority of major transportation routes, regional parks, and police and fire facilities either through impact fees or general obligation bonds. The Utilities District financing provides an alternative, efficient financing vehicle for this infrastructure and is consistent with the City's policy of having growth areas pay for their related costs. By accessing Utilities District financing, necessary public infrastructure is put in place at the appropriate time without utilization of the City's own bonding capacity, and is completed in a more cost-effective manner than pay-as-you-go funding given current construction inflation costs. This financing method is recognized not only in the Development Agreement between the City and SunCor, but also in planning documents such as the City's capital improvement program in which most items of Public Infrastructure described in Section Two are listed.

Finally, SunCor receives a benefit in the form of lower borrowing costs. This benefit enables SunCor to both complete the Project with higher quality amenities as well as to build vital public infrastructure on an accelerated (and therefore less expensive) basis. This results in a more successful Project for SunCor as well as a quality project for the City.

Without further Utilities District financing, higher costs to all three parties are a certainty. Specifically, the lack of Utilities District financing would result in a new development plan that would include all or some of the following:

- The delay of projects within the District that are currently contemplated in the City's Capital Improvement Plan;
- Higher home prices as the cost of financing public infrastructure increases for SunCor;
- Higher densities per acre and less open space within the Project;
- Non-comprehensive and sporadic development of the Public Infrastructure within the Project;
- A request from SunCor for City bonding capacity in order to complete the Public Infrastructure within the Project; and
- Delays to increases in the City's tax base and sales tax revenues.

Should Utilities District financing not continue, SunCor and the City would need to rethink its 12-year understanding and approach to providing Public Infrastructure for the Project. The City and SunCor would need to renegotiate agreements on the provision of future Public Infrastructure and restructure their respective financing models.

SECTION TWO

DESCRIPTION OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE

1. McDowell Road South Half Frontage, Median and Traffic Signal Improvements

Improvements to the South half and medians on McDowell Road from Palm Valley Boulevard to Dysart Road will include the removal of the existing curb and gutter, widening the asphalt width four feet for a bike lane, curb and gutter, sidewalk, bus bays, driveways, deceleration lanes, median breaks with deceleration lanes, reconstructing the median just west of Dysart Road, median landscape, and a traffic signal. The distance of the area of improvement is approximately ½ mile.

Road Length	2,600' L.F.
Curb Width	2'
Sidewalk Width	8'
Median Landscape	Varies
Total Estimated Cost	\$1,000,000
A. Phase I – East half of project	\$ 400,000
B. Phase II – West half of project	\$ 600,000

2. McDowell Road North Half Street Improvements

North half street frontage from Dysart West. Improvements to include curb and gutter, sidewalk, right turn deceleration lanes, signage, and striping.

Road Length	850' L.F.
Curb Width	2'
Sidewalk Width	8'
Median Landscape	Varies
Total Estimated Cost	\$ 225,000

3. Dysart Road West Half Street, Median and Traffic Signal Improvements

Improvements to the West half and medians on Dysart Road from McDowell Road South to Interstate 10 will include the reconstruction of the West half street, sidewalk, bus bays, driveways, deceleration lanes, median breaks with deceleration lanes, median landscape, relocation of traffic signal equipment. The distance of the area of improvement is approximately 3/8 mile.

Road Length	2,000' L.F.
Curb Width	2'
Sidewalk Width	8'
Median Landscape	Varies
Total Estimated Cost	\$ 475,000

4. Dysart Road, West Half Street, North of McDowell Road

West Half Street from McDowell Road North 600 L.F. Improvements to include curb/gutter, sidewalk, right turn deceleration lanes, relocation of the traffic signal at McDowell, signage and striping.

Road Length	600' L.F.
Curb Width	2'
Sidewalk Width	8'
Median Landscape	Varies
Total Estimated Cost	\$ 150,000

5. Palm Valley Boulevard extension from McDowell Road to Dysart Road at Rancho Santa Fe Boulevard Traffic Signal Improvements at McDowell Road

Improvements to include the construction of the complete street section including curb and gutter, sidewalk, complete pavement section, storm drainage system, driveways, traffic signal, and median landscaping. The distance of the area of improvement is approximately 2/3 mile.

Road Length	3,600' L.F.
Road Width	46' +/-
Curb Width	2'
Sidewalk Width	8'
Median Landscape	Varies
Total Estimated Cost	\$1,520,000

6. Traffic Signal @ Indian School & 144th Avenue

Design, provide and install City of Goodyear standard traffic signal. Also conduit for fibre control network connected to Indian School and Litchfield Road.

Total Estimated Cost	\$ 175,000
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7. Water Well Relocation

Relocation well for a well that is currently located within the proposed Palm Valley Boulevard right-of-way, South of McDowell Road.

Total Estimated Cost	\$ 500,000
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8. Phase II Park – Section 33

Construct a 10-acre park to include landscape, tot lot, ramada, volleyball, basketball, lighting, barbecue, picnic tables, border and drainage structures. It is contemplated that this site, which is adjacent to the school site, will be dedicated to Litchfield Elementary School District.

Total Estimated Cost	\$1,200,000
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9. Traffic Signal for Fire Station – Litchfield Road

Construct traffic signal at Avalon Road on Litchfield Road for fire truck access to traffic and Phase II-III development.

Total Estimated Cost **\$ 250,000**

10. Drainage Channel Indian School Road Bypass

Construct piping for drainage on Indian School Road 830 ft West of Litchfield Road Bypass. Three barrel 48" R.G.R.C.P.

48" R.G.R.C.P. 2,490 L.F.

Total Estimated Cost **\$ 260,000**

11. Drainage Channel Roosevelt Irrigation District ("RID") South to Thomas Road

Enlarge drainage channel to accommodate drainage flow north RID canal. Line drainage ditch with shotcrete and landscape to edges and drainage structures which will accommodate future pedestrian pathways once commercial development occurs.

Ditch Length 2,100 L.F.
Ditch Width 120 L.F.

Total Estimated Cost **\$ 680,000**

12. Landscape & Line Drainage Ditch South of McDowell Road at Palm Valley Boulevard

Construct lining and landscape edges of drainage channel to ADOT basins, once agreement has been reached with ADOT, which will accommodate an 8' pedestrian pathway.

Ditch Length 1,250 L.F.
Ditch Width 180 L.F.

Total Estimated Cost **\$ 380,000**

13. Thomas Road Sidewalk, Landscaping, Pedestrian Parkway and Street lighting (135th Ave West to Litchfield Road North)

Construct along north half of Thomas Road sidewalk, landscape and street lighting approximately ¼ of a mile.

Landscape 60,000 S.F.
Sidewalk 15,800 S.F.

Total Estimated Cost **\$ 400,000**

14. 145th Avenue (144th Avenue from Encanto Boulevard South to McDowell Road) – Phase II:

Total improvement of a new 144th Avenue from Encanto alignment south to McDowell Road of an approximate distance of ½ mile. Scope would consist of two traffic lanes with bike R/W and emergency lane. It will also include sidewalk, curb and gutter, landscape and concrete drainage structure and storm drain system.

Road Length	2,500 L.F.
Road Width	46' +/-
Curb Width	2'
Sidewalk Width	8'
Landscape Parkway	Varies
Total Estimated Cost	\$ 850,000

15. 144th Ave – Phase II (Palm Valley Blvd to Bullard Road)

Build a complete roadway that is a continuation of 144th Avenue from Palm Valley Blvd to Bullard Road in Phase I including the North and South bound lanes with sidewalks and landscaping. The distance of this improvement is approximately one-third of a mile.

Road Length	1,760 L.F.
Road Width	46' +/-
Curb Width	2'
Sidewalk Width	8'
Total Estimated Cost	\$ 850,000

16. 144th Avenue (Roosevelt Irrigation District (“RID”) Canal to Palm Valley Blvd)

To build 144th Avenue from the RID Canal to Palm Valley Blvd in Phase II. Improvements consist of constructing the North and South bound traffic lanes, sidewalks, landscape and a bridge over the canal. Distance of the roadway is approximately 2/3 of a mile.

Road Length	3,500 L.F.
Road Width	46' +/-
Curb Width	2'
Sidewalk Width	8'
Landscape Parkway	Varies
Total Estimated Cost	\$1,025,000

17. Bullard Drain

Construct and realign Bullard Drain North of Indian School Road to Camelback Road with drainage structures and landscape, nuisance drainage pipe and pedestrian pathway as part of the City master trail system to the White Tanks Regional Park.

Channel Width	150 L.F.
Channel Length	5,450 L.F.
24" Nuisance Pipe	5,500 L.F.
Pedestrian Pathway Width	8'
Total Estimated Cost	\$ 680,000

18. Indian School Road North Half West of Wigwam Boulevard

Install North half of Indian School Road from Wigwam Boulevard West to Club House Drive, consisting of three lanes with landscape median, sidewalk, street lights and drainage structures.

Road Length	1,760 L.F.
Road Width	36' L.F.
Curb Width	2'
Sidewalk Width	6'
Landscape Median	17'
Total Estimated Cost	\$ 900,000

19. Realign Thomas Road at the Loop 303

Construct a new alignment of Thomas Road connecting to the Loop 3003 West to Cotton Lane. This will allow the eventual construction of Thomas Road West past Cotton Road.

Road Length	1,300 L.F. +/-
Road Width	28' L.F. +/-
Total Estimated Cost	\$ 150,000

20. Indian School Road Box Culvert at Bullard Drain

Indian School Road north half of box culvert at Bullard Drain. This project is necessary to construct expansion of Indian School Road westward. Construct north half ten barrel box culvert 10' x 8' x 60' with wing walls, head wall and railing.

Box Length	60'
Width	10'
Height	8'
Barrel	10 ea.
Total Estimated Cost	\$ 225,000

21. Sarival Road - Thomas Road (unnamed loop road from McDowell Road near Sarival Road to PebbleCreek Parkway near Thomas Road)

Build a new roadway. It will also include sidewalk, curb and gutter, landscape and concrete drainage structure and storm drain system.

Road Length	7,500 L.F.
Road Width	46' +/-
Curb Width	2'
Sidewalk Width	5'
Landscape Parkway	Varies
Total Estimated Cost	\$1,690,000

22. Palm Valley Phase V Improvements

a. *Indian School Road - North half from Clubhouse Drive West to PebbleCreek Parkway.*
Design and construct improvements to the North half of Indian School Road, including the median. The work will include curb and gutter, sidewalk, busy bay, street lights, landscaping, paving, grading, drainage structures, conduit for any future traffic signals and utility relocations.

- A. Length - 3,000 L.F +/-
- B. Width – approximately half of the 135 L.F. of R/W

Total Estimated Cost **\$1,350,000**

b. *Reems Road - North from Indian School Road to Clubhouse Drive West.*
Design and construct improvements for the entire width of this section of Reems Road. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for any future traffic signals.

- A. Length - 1,600 L.F.
- B. Width – 84 L.F. R/W 20 L.F. L.S. & PUE

Total Estimated Cost **\$ 480,000**

c. *Clubhouse Drive - North from Indian School Road to Camelback Road.*
Design and construct improvements for the entire width of this section of Clubhouse Drive. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for any future traffic signals.

- A. Length – approximately 5,625 L.F. +/-
- B. Width – 84 L.F. R/W 20 L.S. & PUE

Total Estimated Cost **\$2,362,500**

d. *LDN Lane from PebbleCreek Parkway North to Clubhouse Drive.*
Design and construct improvements for the entire width of this section of LDN (Loudness Dismal Noise) Lane. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for any future traffic signals.

- A. Length - 4,550 L.F. +/-
- B. Width – 84 L.F. R/W 20 L.S. & PUE +/-

Total Estimated Cost **\$1,800,000**

e. *PebbleCreek Parkway from Indian School Road North to LDN Lane.*

Design and construct improvements for the entire width of this section of PebbleCreek Pkwy. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for any future traffic signals.

- A. Length - 2,000 L.F. +/-
- B. Width – 85 L.F. R/W & 20 L.F. L.S. & PUE

Total Estimated Cost **\$1,400,000**

f. *Camelback Road from Bullard Drain Road East to the West boundary of Sun Health property. Building half the road width.*

Design and construct improvements for the entire width of this section of Camelback Road. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for any future traffic signals.

- A. Length - 3,125 L.F. +/-
- B. Width – ½ of 135 R/W

Total Estimated Cost **\$1,087,500**

g. *LDN Connect Road West from Clubhouse Drive to LDN Lane.*

Design and construct improvements for the entire width of this section of LDN Connect Road. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for any future traffic signals.

- A. Length - 3,500 L.F.
- B. Width – 84 L.F.

Total Estimated Cost **\$ 994,000**

h. *Village Extension Road West from the Bullard Drain to Clubhouse Drive.*

Design and construct improvements for the entire width of this section of Village Extension Road. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for any future traffic signals.

- A. Length - 2,500 L.F. +/-
- B. Width – 84 L.F.

Total Estimated Cost **\$ 850,000**

i. *Bullard Drain Road South from Camelback Road to Clubhouse Drive.*
Design and construct improvements for the entire width of this section of Bullard Drain Road. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for any future traffic signals.

- A. Length - 5,000 L.F.+/-
- B. Width – 84 L.F.

Total Estimated Cost **\$1,200,000**

j. *Indian School Drainage Channel East from PebbleCreek Parkway to the Bullard Drain.*
Design and construct improvements for this drainage channel. The work will include a sidewalk, landscaping, grading and drainage structures.

- A. Length - 3,000 L.F.+/-
- B. Width varies

Total Estimated Cost **\$ 860,000**

Total Estimated Cost of Phase V Improvements **\$12,384,000**

23. Thomas Road from Citrus Road to Cotton Lane

Project includes two lanes and an emergency lane, curb, sidewalk, storm drain, landscaping, paving, engineering, staking, permits, street lights, and traffic signal. 5,200 L.F.

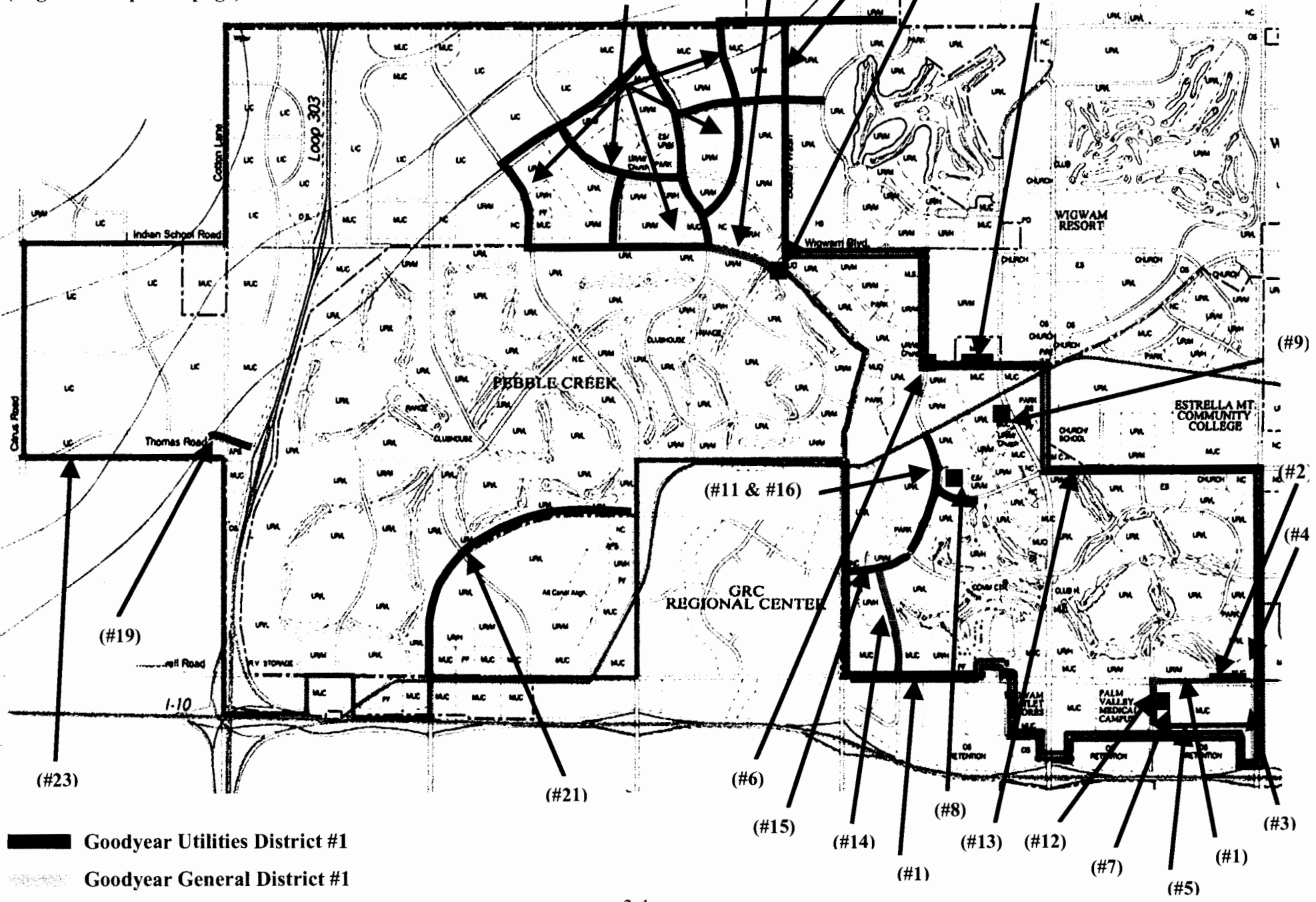
Total Estimated Cost **\$2,100,000**

SECTION THREE

MAP SHOWING AREA TO BE BENEFITED

GOODYEAR UTILITIES DISTRICT #1 PROJECTS
 (Legend on separate page)

(#22) - 10 PV
 Phase V
 Improvements



- Goodyear Utilities District #1
- Goodyear General District #1

(Updated 7-03)

LEGEND FOR 2003 GOODYEAR UTILITIES DISTRICT PROJECTS

1. McDowell Road South Half Frontage Median, & Traffic Signal Improvements
2. McDowell Road North Half Street Improvements
3. Dysart Road West Half Street, Median & Traffic Signal Improvements
4. Dysart Road, West Half Street, N of McDowell Rd
5. Palm Valley Blvd Extension from McDowell Rd to Dysart Road
6. Traffic Signal @ Indian School & 144th Ave
7. Water Well Relocation
8. Phase II Park – Section 33
9. Traffic Signal for Fire Station – Litchfield Road
10. Drainage Channel Indian School Road Bypass
11. Drainage Channel RID Canal S to Thomas Rd
12. Landscape and Line Drainage Ditch (south of McDowell Road at Palm Valley Blvd)
13. Thomas Rd Sidewalk, Landscaping, Pedestrian Pathway and Street Lighting (135th Ave W to Litchfield Rd North)
14. 145th Ave (144th Ave from Encanto Blvd S to McDowell Rd) – Phase II
15. 144th Ave – Phase II (Palm Valley Blvd to Bullard Rd)
16. 144th Ave RID Canal to Palm Valley Blvd
17. Bullard Drain
18. Indian School Road North Half West of Wigwam Blvd
19. Realign Thomas Road at the Loop 303
20. Indian School Road Box Culvert at Bullard Drain
21. Sarival Rd – Thomas Rd (unnamed loop road from McDowell Rd near Sarival Rd to PebbleCreek Parkway near Thomas Road)
22. Palm Valley Phase V Improvements
23. Thomas Road from Citrus Road to Cotton Lane

SECTION FOUR

**ESTIMATE OF COST AND TIMETABLE FOR
ACQUISITION OF PUBLIC INFRASTRUCTURE**

**ESTIMATE OF COST AND TIMETABLE
FOR ACQUISITION OF PUBLIC INFRASTRUCTURE**

The Public Infrastructure will be financed through the Utilities District No. 1 and the General District No. 1. The table below outlines the amounts for each district, the estimated costs of Public Infrastructure, the estimated completion date, the City's Capital Improvement Plan date ("CIP") and the CIP code, if applicable.

<u>Project</u>	<u>Cost</u>	<u>Completion Date</u>	<u>CIP Date*</u>	<u>CIP Code</u>
1. McDowell Road South Half Frontage Median, & Traffic Signal Improvements	\$ 1,000,000	3 rd Qtr, 2003	FY 99-05	S-59
2. McDowell Road North Half Street Improvements	225,000	1 st Qtr, 2003	FY 05-20	S-71
3. Dysart Road West Half Street, Median & Traffic Signal Improvements	475,000	2 nd Qtr, 2002	FY 05-20	S-71
4. Dysart Road, West Half Street, North of McDowell Rd	150,000	1 st Qtr, 2003	FY 05-20	S-71
5. Palm Valley Blvd Extension from McDowell Road to Dysart Road	1,520,000	3 rd Qtr, 2003	FY 99-05	TS-11
6. Traffic Signal @ Indian School & 144 th Avenue	175,000	1 st Qtr, 2003	N/A	N/A
7. Water Well Relocation	500,000	3 rd Qtr, 2003	N/A	N/A
8. Phase II Park – Section 33	1,200,000	4 th Qtr, 2003	N/A	N/A
9. Traffic Signal for Fire Station – Litchfield Road	250,000	2 nd Qtr, 2004	FY 99-05	TS02
10. Drainage Channel Indian School Road Bypass	260,000	1 st Qtr, 2004	N/A	N/A
11. Drainage Channel RID District South to Thomas Rd	680,000	1 st Qtr, 2004	N/A	N/A
12. Landscape and Line Drainage Ditch (South of McDowell Road at Palm Valley Blvd)	380,000	4 th Qtr, 2003	N/A	N/A
13. Thomas Rd Sidewalk, Landscaping, Pedestrian Parkway and Street Lighting (135 th Ave West to Litchfield Rd North)	400,000	1 st Qtr, 2004	FY 05-20	S71
14. 145 th Ave (144 th Ave from Encanto Blvd South to McDowell Rd) – Phase II	850,000	1 st Qtr, 2004	N/A	N/A
15. 144 th Ave – Phase II (Palm Valley Blvd to Bullard Rd)	850,000	2 nd Qtr, 2004	FY 99-05	S17
16. 144 th Ave RID Canal to Palm Valley Blvd	1,025,000	1 st Qtr, 2004	FY 05-20	S54
17. Bullard Drain	680,000	4 th Qtr, 2003	N/A	N/A
18. Indian School Road North Half West of Wigwam Blvd	900,000	1 st Qtr, 2004	FY 05-20	S53

**ESTIMATE OF COST AND TIMETABLE
FOR ACQUISITION OF PUBLIC INFRASTRUCTURE
(continued)**

<u>Project</u>	<u>Cost</u>	<u>Completion Date</u>	<u>CIP Date*</u>	<u>CIP Code</u>
19. Realign Thomas Road at the Loop 303	150,000	4 th Qtr, 2004	FY 99-05	S21
20. Indian School Road Box Culvert at Bullard Drain	225,000	1 st Qtr, 2004	FY 05-20	D08
21. Sarival Rd – Thomas Rd (unnamed loop road from McDowell Rd near Sarival Rd to PebbleCreek Parkway near Thomas Road)	1,690,000	3 rd Qtr, 2003	FY 99-05	S-37 S-18
22. Palm Valley V Improvements	12,384,000	4 th Qtr, 2004	N/A	N/A
23. Thomas Road from Citrus Road to Cotton Lane	<u>2,100,000</u>	4 th Qtr, 2004	FY 99-05	S21
TOTAL FOR ALL PROJECTS	<u>\$28,069,000</u>			

* Projects not listed in current CIP are shown as N/A.

SECTION FIVE
PLAN OF FINANCE

PLAN OF FINANCE

The Public Infrastructure will be acquired by the Utilities District by way of a Plan of Finance herein described. This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual sale of the Bonds and to the extent necessary to comply with Federal and State law.

(1) Formation and Authorization.

The City Council, in response to a petition from the owners of 100% of the property within the Utilities District, adopted a resolution forming the Utilities District on August 8, 1989.

A bond election was held on February 27, 1990 authorizing \$166,500,000 of Utilities District general obligation bonds.

(2) Existing and Proposed Debt.

The total principal amount of all general obligation bonds outstanding for the Utilities District currently equals \$15,250,000. The general obligation bond issues outstanding for the Utilities District are listed below:

\$1,470,000 Series 1996B General Obligation Bonds (\$1,390,000 currently outstanding)
\$6,975,000 Series 1998 General Obligation Bonds (\$6,785,000 currently outstanding)
\$7,075,000 Series 2000 General Obligation Bonds

Upon approval by the District Board, the Utilities District will issue the Utilities District General Obligation Bonds, Series 2003 (the "Bonds") in a principal amount not to exceed \$8,685,000. Pursuant to prior covenants of the Utilities District, the Utilities District will not issue general obligation bonds in excess of 20% of the full cash value of all of the taxable property in the Utilities District as shown on the records of the County Assessor on the date of issuance of the Bonds. The principal amount of the Bonds to be issued herein complies with this covenant.

Assuming the issuance of the Bonds described herein, the Utilities District will have \$23,935,000 of general obligation bonds outstanding and \$142,295,000 of authorized, but not issued, general obligation bond authorization remaining.

(3) Estimated Sources and Uses of Funds.

The Estimated Sources and Uses of Funds resulting from the sale of the Bonds (exclusive of accrued interest and original issue discount, if any) is shown below:

SOURCES:

Series 2003 Bonds	<u>\$8,685,000</u>
Total	<u>\$8,685,000</u>

USES:

Public Infrastructure	\$8,426,000
Costs of Issuance**	<u>259,000</u>
Total	<u>\$8,685,000</u>

(**) See next page for detail

* Estimated, as shown in the following table:

<u>Description</u>	<u>Party</u>	<u>Amount</u>
Bond Counsel	Gust Rosenfeld P.L.C.	\$ 25,000
Financial Advisor	Peacock Hislop	15,000
Underwriter's Counsel	Greenberg Traurig, LLP	20,000
Underwriter's Discount	RBC Dain Rauscher	173,000
Ratings Fees	Moody's/S&P	15,000
Printing of Official Statement	i-Deal	3,000
Trustee (Acceptance and First Year Annual Fee)	Wells Fargo Bank AZ	3,000
Miscellaneous		<u>5,000</u>
	Total	<u>\$259,000</u>

(4) Use of Proceeds.

The proceeds of the Bonds will be applied by the Utilities District to finance all or a portion of the publicly bid Public Infrastructure listed in Section Two of this Report. Bond proceeds from the Utilities District and General District will be used to fund the Public Infrastructure in Table Six of this Section.

(5) Sale of the Bonds.

The par amount of the Bonds is determined based upon the anticipated Public Infrastructure needs of the project and anticipated expenditures that are eligible for CFD financing.

The Bonds will have a 25-year maturity, with principal due July 15, 2004 through and including July 15, 2028, amortized to produce a level debt service structure in combination with the outstanding bonds of the Utilities District. (See Table One of this Section for an estimated debt service schedule.) The Bonds will be sold through a public offering.

(6) District Tax Rate.

For each year until the Bonds are paid or otherwise provided for, the Utilities District will cause to be levied a combined ad valorem tax rate for each tax year of at least \$1.00 per \$100 of secondary assessed valuation on all taxable property within the boundaries of the Utilities District. This tax rate includes a not to exceed amount of \$0.25 per \$100 of secondary assessed valuation for operations and maintenance of the District. The difference between the current target tax rate of \$1.00 and the not to exceed levy of \$0.25 for operations and maintenance is available for the payment of debt service.

This levy, combined with funds available pursuant to the Standby Contribution Agreement between SunCor and the Utilities District, are sufficient to pay the debt service on the Bonds and the outstanding bonds of the Utilities District. The Standby Contribution Agreement will be in effect for the life of the Bonds or until the tax rate produces 100% of the maximum annual debt service on all outstanding Utilities District general obligation bonds and the Utilities District agrees to release SunCor from such obligation.

(7) Homeowner's Property Tax Obligation.

At the \$1.00 tax rate level, assuming a home price of \$200,000, the Utilities District portion of a tax bill for a homeowner would equal approximately \$13.66 per month or \$164 annually. (See

Table Five of this Section for full cash value and secondary assessed valuation history of the Utilities District.)

(8) Disclosure of Property Tax Payments.

A.R.S. Section 32-2181 et seq. requires the disclosure of all property taxes to be paid by a homeowner in the Arizona Department of Real Estate Subdivision Public Report (the “Public Report”). Each homebuyer must be supplied a Public Report and, prior to home sale, the homebuyer must acknowledge by signature that they have read and accepted the Public Report.

In addition, SunCor’s homebuilder, Golden Heritage Homes, Inc. has required the homebuyer to sign an additional form that highlights and discloses the additional property tax payments as a result of any existing District. (See Appendix 5 for an example copy of the SunCor Disclosure Statement.)

(9) Debt Capacity.

As stated above, the tax of the Utilities District for the purpose of both the payment of debt service as well as administrative expense is \$1.00 per \$100 of secondary valuation. This is a target level that was agreed to by SunCor and the City at the time of the first issuance of general obligation bonds in 1994. Since that time, all Utilities District debt and operations have been structured to maintain the \$1.00 target tax rate.

As a general guideline, given typical assumptions regarding debt amortization, interest rate, and an average home price of \$200,000, the addition of 500 new homes to the assessed value of the Utilities District creates the ability to issue approximately \$1,000,000 of general obligation bonds, depending on the amount of the \$1.00 target tax rate available for debt service.

In addition, commercial development creates significant assessed value that also results in additional debt service capacity.

TABLE ONE

COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)

\$0.75 Maximum District Debt Tax Rate
5.71% Average Annual SAV Growth
Existing and Proposed Debt Service

Fiscal Year	Net Secondary Assessed		Existing Debt Service								Proposed Series 2003 Debt Service			Total Combined Debt Service	Combined Debt Tax Rate	District Revenues @ \$0.75 Debt Tax Rate (3)	Suncor's Payment for Debt Service Above \$0.75 Debt Tax Rate
	Valuation (SAV) (1)	Net SAV Growth	Series 1996 Principal	Series 1996 Interest	Series 1998 Principal	Series 1998 Interest	Series 2000 Principal	Series 2000 Interest	Total Existing Debt Service	Debt Tax Rate	Principal	Interest (2)	Total Proposed Debt Service				
2003-04	\$ 99,892,260	17.44%	\$ 40,000	\$ 94,218	\$ 200,000	\$ 336,158	\$ -	\$ 360,683	\$ 1,031,058	1.0322	\$ -	\$ 322,185	\$ 322,185	\$ 1,353,243	1.3547	\$ 711,732	\$ 641,510
2004-05	112,414,819	12.54%	45,000	91,658	210,000	325,658	-	360,683	1,032,998	0.9189	-	371,752	371,752	1,404,750	1.2496	800,956	603,794
2005-06	124,937,378	11.14%	45,000	88,778	220,000	314,633	175,000	360,683	1,204,093	0.9638	-	371,752	371,752	1,575,845	1.2613	890,179	685,666
2006-07	137,459,936	10.02%	50,000	85,898	230,000	303,083	180,000	351,583	1,200,563	0.8734	-	371,752	371,752	1,572,315	1.1438	979,402	592,912
2007-08	149,982,495	9.11%	55,000	82,698	240,000	291,008	190,000	342,223	1,200,928	0.8007	-	371,752	371,752	1,572,680	1.0486	1,068,625	504,054
2008-09	162,505,054	8.35%	60,000	79,178	255,000	278,408	195,000	332,343	1,199,928	0.7384	175,000	371,752	546,752	1,746,680	1.0748	1,157,849	588,831
2009-10	175,027,613	7.71%	60,000	75,338	270,000	266,805	205,000	322,203	1,199,345	0.6852	180,000	367,219	547,219	1,746,564	0.9979	1,247,072	499,492
2010-11	187,550,172	7.15%	65,000	71,288	280,000	254,385	220,000	311,543	1,202,215	0.6410	180,000	361,999	541,999	1,744,214	0.9300	1,336,295	407,919
2011-12	200,072,730	6.68%	70,000	66,900	290,000	241,225	235,000	300,103	1,203,228	0.6014	185,000	356,383	541,383	1,744,611	0.8720	1,425,518	319,092
2012-13	212,595,289	6.26%	75,000	62,175	305,000	227,450	245,000	289,058	1,203,683	0.5662	190,000	350,371	540,371	1,744,053	0.8204	1,514,741	229,312
2013-14	225,117,848	5.89%	80,000	57,113	320,000	212,658	255,000	277,298	1,202,068	0.5340	200,000	343,949	543,949	1,746,017	0.7756	1,603,965	142,052
2014-15	237,640,407	5.56%	85,000	51,713	335,000	196,978	270,000	264,930	1,203,621	0.5065	205,000	336,889	541,889	1,745,509	0.7345	1,693,188	52,321
2015-16	250,162,966	5.27%	90,000	45,975	355,000	180,395	280,000	251,700	1,203,070	0.4809	215,000	329,365	544,365	1,747,435	0.6985	1,782,411	-
2016-17	262,685,524	5.01%	100,000	39,900	365,000	163,000	295,000	237,700	1,200,600	0.4570	225,000	321,195	546,195	1,746,795	0.6650	1,871,634	-
2017-18	275,208,083	4.77%	105,000	32,900	385,000	145,115	310,000	222,950	1,200,965	0.4364	230,000	312,420	542,420	1,743,385	0.6335	1,960,858	-
2018-19	287,730,642	4.55%	115,000	25,550	405,000	126,250	320,000	207,450	1,199,250	0.4168	245,000	303,220	548,220	1,747,470	0.6073	2,050,081	-
2019-20	300,253,201	4.35%	120,000	17,500	425,000	106,000	340,000	191,450	1,199,950	0.3996	250,000	293,175	543,175	1,743,125	0.5806	2,139,304	-
2020-21	312,775,760	4.17%	130,000	9,100	445,000	84,750	360,000	174,450	1,203,300	0.3847	260,000	282,675	542,675	1,745,975	0.5582	2,228,527	-
2021-22	325,298,318	4.00%	-	-	610,000	62,500	375,000	156,000	1,203,500	0.3700	270,000	271,495	541,495	1,744,995	0.5364	2,317,751	-
2022-23	337,820,877	3.85%	-	-	640,000	32,000	395,000	136,500	1,203,500	0.3563	280,000	259,669	539,669	1,743,169	0.5160	2,406,974	-
2023-24	350,343,436	3.71%	-	-	-	-	1,085,000	115,960	1,200,960	0.3428	300,000	247,237	547,237	1,748,197	0.4990	2,496,197	-
2024-25	362,865,995	3.57%	-	-	-	-	1,145,000	59,540	1,204,540	0.3320	305,000	233,737	538,737	1,743,277	0.4804	2,585,420	-
2025-26	375,388,554	3.45%	-	-	-	-	-	-	-	-	1,525,000	219,890	1,744,890	1,744,890	0.4648	2,674,643	-
2026-27	387,911,112	3.34%	-	-	-	-	-	-	-	-	1,595,000	150,198	1,745,198	1,745,198	0.4499	2,763,867	-
2027-28	400,433,671	3.23%	-	-	-	-	-	-	-	-	1,670,000	76,987	1,746,987	1,746,987	0.4363	2,853,090	-
Average Annual Growth	5.71%		\$ 1,390,000	\$ 1,077,875	\$ 6,785,000	\$ 4,148,459	\$ 7,075,000	\$ 5,627,028	\$ 26,103,362		\$ 8,685,000	\$ 7,599,013	\$ 16,284,013	\$ 42,387,375			\$ 5,266,956

Notes:

- (1) The fiscal year 2003-04 preliminary secondary assessed valuation was provided by the Maricopa County Assessor's Office. Assumes that the District's secondary assessed valuation will grow by \$12,522,559 per year (the District's average dollar secondary assessed valuation growth per year from fiscal year 1999-00 through fiscal year 2003-04).
- (2) Assumes insured "Aaa" interest rates as of May 27, 2003 plus 20 basis points.
- (3) Assumes a 95% collection rate of District Revenues.

TABLE TWO

COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)

\$0.75 Maximum District Debt Tax Rate
4% SAV Growth
Existing and Proposed Debt Service

Fiscal Year	Net Secondary Assessed Valuation (1)	Existing Debt Service								Proposed Series 2003 Debt Service			Total Combined Debt Service	Combined Debt Tax Rate	District Revenues @ \$0.75 Debt Tax Rate (3)	Suncor's Payment for Debt Service Above \$0.75 Debt Tax Rate
		Series 1996 Principal	Series 1996 Interest	Series 1998 Principal	Series 1998 Interest	Series 2000 Principal	Series 2000 Interest	Total Existing Debt Service	Debt Tax Rate	Principal	Interest (2)	Total Proposed Debt Service				
2003-04	\$ 99,892,260	\$ 40,000	\$ 94,218	\$ 200,000	\$ 336,158	\$ -	\$ 360,683	\$ 1,031,058	\$ 1.0322	\$ -	\$ 322,185	\$ 322,185	\$ 1,353,243	\$ 1.3547	\$ 711,732	\$ 641,510
2004-05	103,887,950	45,000	91,658	210,000	325,658	-	360,683	1,032,998	0.9943	-	371,752	371,752	1,404,750	1.3522	740,202	664,548
2005-06	108,043,468	45,000	88,778	220,000	314,633	175,000	360,683	1,204,093	1.1145	-	371,752	371,752	1,575,845	1.4585	769,810	806,035
2006-07	112,365,207	50,000	85,898	230,000	303,083	180,000	351,583	1,200,563	1.0684	-	371,752	371,752	1,572,315	1.3993	800,602	771,712
2007-08	116,859,815	55,000	82,698	240,000	291,008	190,000	342,223	1,200,928	1.0277	-	371,752	371,752	1,572,680	1.3458	832,626	740,053
2008-09	121,534,208	60,000	79,178	255,000	278,408	195,000	332,343	1,199,928	0.9873	175,000	371,752	546,752	1,746,680	1.4372	865,931	880,748
2009-10	126,395,576	60,000	75,338	270,000	266,805	205,000	322,203	1,199,345	0.9489	180,000	367,219	547,219	1,746,564	1.3818	900,568	845,996
2010-11	131,451,399	65,000	71,288	280,000	254,385	220,000	311,543	1,202,215	0.9146	180,000	361,999	541,999	1,744,214	1.3269	936,591	807,623
2011-12	136,709,455	70,000	66,900	290,000	241,225	235,000	300,103	1,203,228	0.8801	185,000	356,383	541,383	1,744,611	1.2761	974,055	770,556
2012-13	142,177,834	75,000	62,175	305,000	227,450	245,000	289,058	1,203,683	0.8466	190,000	350,371	540,371	1,744,053	1.2267	1,013,017	731,036
2013-14	147,864,947	80,000	57,113	320,000	212,658	255,000	277,298	1,202,068	0.8129	200,000	343,949	543,949	1,746,017	1.1808	1,053,538	692,479
2014-15	153,779,545	85,000	51,713	335,000	196,978	270,000	264,930	1,203,621	0.7827	205,000	336,889	541,889	1,745,509	1.1351	1,095,679	649,830
2015-16	159,930,727	90,000	45,975	355,000	180,395	280,000	251,700	1,203,070	0.7522	215,000	329,365	544,365	1,747,435	1.0926	1,139,506	607,929
2016-17	166,327,956	100,000	39,900	365,000	163,000	295,000	237,700	1,200,600	0.7218	225,000	321,195	546,195	1,746,795	1.0502	1,185,087	561,708
2017-18	172,981,074	105,000	32,900	385,000	145,115	310,000	222,950	1,200,965	0.6943	230,000	312,420	542,420	1,743,385	1.0078	1,232,490	510,895
2018-19	179,900,317	115,000	25,550	405,000	126,250	320,000	207,450	1,199,250	0.6666	245,000	303,220	548,220	1,747,470	0.9714	1,281,790	465,680
2019-20	187,096,330	120,000	17,500	425,000	106,000	340,000	191,450	1,199,950	0.6414	250,000	293,175	543,175	1,743,125	0.9317	1,333,061	410,064
2020-21	194,580,183	130,000	9,100	445,000	84,750	360,000	174,450	1,203,300	0.6184	260,000	282,675	542,675	1,745,975	0.8973	1,386,384	359,591
2021-22	202,363,390	-	-	610,000	62,500	375,000	156,000	1,203,500	0.5947	270,000	271,495	541,495	1,744,995	0.8623	1,441,839	303,156
2022-23	210,457,926	-	-	640,000	32,000	395,000	136,500	1,203,500	0.5718	280,000	259,669	539,669	1,743,169	0.8283	1,499,513	243,656
2023-24	218,876,243	-	-	-	-	1,085,000	115,960	1,200,960	0.5487	300,000	247,237	547,237	1,748,197	0.7987	1,559,493	188,704
2024-25	227,631,292	-	-	-	-	1,145,000	59,540	1,204,540	0.5292	305,000	233,737	538,737	1,743,277	0.7658	1,621,873	121,404
2025-26	236,736,544	-	-	-	-	-	-	-	-	1,525,000	219,890	1,744,890	1,744,890	0.7371	1,686,748	58,142
2026-27	246,206,006	-	-	-	-	-	-	-	-	1,595,000	150,198	1,745,198	1,745,198	0.7088	1,754,218	-
2027-28	256,054,246	-	-	-	-	-	-	-	-	1,670,000	76,987	1,746,987	1,746,987	0.6823	1,824,387	-
		\$ 1,390,000	\$ 1,077,875	\$ 6,785,000	\$ 4,148,459	\$ 7,075,000	\$ 5,627,028	\$ 26,103,362		\$ 8,685,000	\$ 7,599,013	\$ 16,284,013	\$ 42,387,375			\$ 12,833,054

Notes:

- (1) The fiscal year 2003-04 preliminary secondary assessed valuation was provided by the Maricopa County Assessor's Office. Assumes that the District's secondary assessed valuation will grow by 4% per year.
- (2) Assumes insured "Aaa" interest rates as of May 27, 2003 plus 20 basis points.
- (3) Assumes a 95% collection rate of District Revenues.

TABLE THREE

**COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)**

**\$0.75 Maximum District Debt Tax Rate
No SAV Growth
Existing and Proposed Debt Service**

Fiscal Year	Net Secondary Assessed Valuation (1)	Existing Debt Service								Proposed Series 2003 Debt Service			Total Combined Debt Service	Combined Debt Tax Rate	District Revenues @ \$0.75 Debt Tax Rate (3)	Suncor's Payment for Debt Service Above \$0.75 Debt Tax Rate
		Series 1996 Principal	Series 1996 Interest	Series 1998 Principal	Series 1998 Interest	Series 2000 Principal	Series 2000 Interest	Total Existing Debt Service	Debt Tax Rate	Principal	Interest (2)	Total Proposed Debt Service				
2003-04	\$ 99,982,260	\$ 40,000	\$ 94,218	\$ 200,000	\$ 336,158	\$ -	\$ 360,683	\$ 1,031,058	\$ 1.0312	\$ 305,000	\$ 307,219	\$ 612,219	\$ 1,643,277	\$ 1.6436	\$ 712,374	\$ 930,904
2004-05	99,982,260	45,000	91,658	210,000	325,658	-	360,683	1,032,998	1.0332	270,000	344,175	614,175	1,647,173	1.6475	712,374	934,799
2005-06	99,982,260	45,000	88,778	220,000	314,633	175,000	360,683	1,204,093	1.2043	105,000	335,049	440,049	1,644,142	1.6444	712,374	931,768
2006-07	99,982,260	50,000	85,898	230,000	303,083	180,000	351,583	1,200,563	1.2008	115,000	331,500	446,500	1,647,063	1.6474	712,374	934,689
2007-08	99,982,260	55,000	82,698	240,000	291,008	190,000	342,223	1,200,928	1.2011	115,000	327,613	442,613	1,643,541	1.6438	712,374	931,167
2008-09	99,982,260	60,000	79,178	255,000	278,408	195,000	332,343	1,199,928	1.2001	120,000	323,726	443,726	1,643,654	1.6439	712,374	931,280
2009-10	99,982,260	60,000	75,338	270,000	266,805	205,000	322,203	1,199,345	1.1996	125,000	319,670	444,670	1,644,015	1.6443	712,374	931,641
2010-11	99,982,260	65,000	71,288	280,000	254,385	220,000	311,543	1,202,215	1.2024	130,000	315,445	445,445	1,647,660	1.6480	712,374	935,286
2011-12	99,982,260	70,000	66,900	290,000	241,225	235,000	300,103	1,203,228	1.2034	130,000	311,051	441,051	1,644,279	1.6446	712,374	931,905
2012-13	99,982,260	75,000	62,175	305,000	227,450	245,000	289,058	1,203,683	1.2039	135,000	306,657	441,657	1,645,340	1.6456	712,374	932,966
2013-14	99,982,260	80,000	57,113	320,000	212,658	255,000	277,298	1,202,068	1.2023	140,000	302,094	442,094	1,644,162	1.6445	712,374	931,788
2014-15	99,982,260	85,000	51,713	335,000	196,978	270,000	264,930	1,203,621	1.2038	145,000	296,774	441,774	1,645,395	1.6457	712,374	933,021
2015-16	99,982,260	90,000	45,975	355,000	180,395	280,000	251,700	1,203,070	1.2033	150,000	291,264	441,264	1,644,334	1.6446	712,374	931,960
2016-17	99,982,260	100,000	39,900	365,000	163,000	295,000	237,700	1,200,600	1.2008	160,000	285,564	445,564	1,646,164	1.6465	712,374	933,790
2017-18	99,982,260	105,000	32,900	385,000	145,115	310,000	222,950	1,200,965	1.2012	165,000	278,364	443,364	1,644,329	1.6446	712,374	931,955
2018-19	99,982,260	115,000	25,550	405,000	126,250	320,000	207,450	1,199,250	1.1995	175,000	270,939	445,939	1,645,189	1.6455	712,374	932,815
2019-20	99,982,260	120,000	17,500	425,000	106,000	340,000	191,450	1,199,950	1.2002	185,000	263,064	448,064	1,648,014	1.6483	712,374	935,640
2020-21	99,982,260	130,000	9,100	445,000	84,750	360,000	174,450	1,203,300	1.2035	190,000	254,739	444,739	1,648,039	1.6483	712,374	935,665
2021-22	99,982,260	-	-	610,000	62,500	375,000	156,000	1,203,500	1.2037	195,000	246,189	441,189	1,644,689	1.6450	712,374	932,315
2022-23	99,982,260	-	-	640,000	32,000	395,000	136,500	1,203,500	1.2037	205,000	237,414	442,414	1,645,914	1.6462	712,374	933,540
2023-24	99,982,260	-	-	-	-	1,085,000	115,960	1,200,960	1.2012	215,000	228,189	443,189	1,644,149	1.6444	712,374	931,775
2024-25	99,982,260	-	-	-	-	1,145,000	59,540	1,204,540	1.2048	225,000	218,514	443,514	1,648,054	1.6483	712,374	935,680
2025-26	99,982,260	-	-	-	-	-	-	-	-	1,435,000	208,142	1,643,142	1,643,142	1.6434	712,374	930,768
2026-27	99,982,260	-	-	-	-	-	-	-	-	1,505,000	141,988	1,646,988	1,646,988	1.6473	712,374	934,614
2027-28	99,982,260	-	-	-	-	-	-	-	-	1,575,000	72,608	1,647,608	1,647,608	1.6479	712,374	935,234
		\$ 1,390,000	\$ 1,077,875	\$ 6,785,000	\$ 4,148,459	\$ 7,075,000	\$ 5,627,028	\$ 26,103,362		\$ 8,215,000	\$ 6,817,950	\$ 15,032,950	\$ 41,136,312			\$ 23,326,972

Notes:
 (1) Preliminary secondary assessed valuation as provided by the Maricopa County Assessor's Office.
 (2) Assumes insured "Aaa" interest rates as of May 27, 2003 plus 20 basis points.
 (3) Assumes a 95% collection rate of District Revenues.

TABLE FOUR

Community Facilities General District No. 1 and Community Facilities Utilities District No. 1 Estimated Overlapping Tax Rate

Fiscal Year	Estimated General District Tax Rate (a)	Estimated Utilities District Tax Rate (b)	Estimated Overlapping Tax Rate
2003-04	\$ 1.3093	\$ 1.3547	\$ 2.6640
2004-05	1.2159	1.2496	2.4655
2005-06	1.3223	1.2613	2.5836
2006-07	1.2029	1.1438	2.3468
2007-08	1.0968	1.0486	2.1453
2008-09	1.1600	1.0748	2.2348
2009-10	1.0779	0.9979	2.0758
2010-11	1.0058	0.9300	1.9358
2011-12	0.9427	0.8720	1.8147
2012-13	0.8859	0.8204	1.7063
2013-14	0.8344	0.7756	1.6100
2014-15	0.7910	0.7345	1.5255
2015-16	0.7509	0.6985	1.4494
2016-17	0.7168	0.6650	1.3818
2017-18	0.6816	0.6335	1.3151
2018-19	0.6547	0.6073	1.2620
2019-20	0.6259	0.5806	1.2065
2020-21	0.6011	0.5582	1.1593
2021-22	0.5771	0.5364	1.1135
2022-23	0.5570	0.5160	1.0730
2023-24	0.5373	0.4990	1.0362
2024-25	0.5176	0.4804	0.9980
2025-26	0.5006	0.4648	0.9654
2026-27	0.4834	0.4499	0.9333
2027-28	0.4685	0.4363	0.9048

(a) The tax rate is based upon average annual secondary assessed value growth of 5.75% and the issuance of the General District No. 1 Series 2003 Bonds in the amount of \$5,900,000. Please refer to Table One in Section Five of the Community Facilities General District No. 1 Feasibility Report dated August 11, 2003 for a proposed debt service and tax rate schedule.

(b) The tax rate is based upon 5.71% average annual secondary assessed value growth and the issuance of the Utilities District No. 1 Series 2003 Bonds in the amount of \$8,685,000. Please refer to Table One in Section Five of this report for a proposed debt service and tax rate schedule.

TABLE FIVE

COMMUNITY FACILITIES UTILITIES DISTRICT

*Full Cash and Secondary Assessed Valuation
Fiscal Years 1991-92 through 2003-04*

<u>Fiscal Year</u>	<u>Full Cash Value</u>	<u>Secondary Assessed Value</u>	<u>Percentage Change</u>
1991-92	\$ 5,178,045	\$ 828,485	-
1992-93	2,985,390	477,670	- 42.34%
1993-94	8,899,297	1,417,514	66.30%
1994-95	6,264,394	4,080,609	187.87%
1995-96	114,857,433	10,516,798	157.73%
1996-97	113,412,682	13,978,987	32.92%
1997-98	187,765,671	22,846,528	63.43%
1998-99	255,444,193	30,714,956	34.44%
1999-00	318,799,170	37,279,466	21.37%
2000-01	445,090,313	52,624,303	41.16%
2001-02	587,944,611	69,626,312	32.31%
2002-03	708,444,846	85,054,863	22.16%
2003-04*	846,299,142	99,892,260	17.44%

Source: Maricopa County Assessor's Office

*Preliminary as provided by the Maricopa County Assessor's Office.

TABLE SIX

Sources and Uses of Funds

Sources	Combined Sources & Uses	General District No. 1	Utilities District No. 1
Series 2003 Bonds	\$ 14,550,000	\$ 5,900,000	\$ 8,650,000
Effluent Line Reimbursement from City of Goodyear	1,306,857	-	1,306,857
Total Sources	\$ 15,856,857	\$ 5,900,000	\$ 9,956,857

Uses	Total Project Cost	General District No. 1 (a)	Utilities District No. 1 (b)
Public Infrastructure	\$ 15,052,357	\$ 5,559,500	\$ 9,492,857
Costs of Issuance	463,000	204,000	259,000
Bond Insurance Premium	341,500	136,500	205,000
Total Uses	\$ 15,856,857	\$ 5,900,000	\$ 9,956,857

Project Costs		Total Project Cost	General District No. 1 (a)	Utilities District No. 1 (b)
1	McDowell Road - South Half Frontage			
	a. Phase I - East half	\$ 400,000	X*	X*
	b. Phase II - West half	600,000	X	X
2	McDowell Road - North Half Street	225,000	X	X
3	Dysart Road - West Half Street - South From McDowell to I-10	475,000	X	X
4	Dysart Road - West Half Street - North of McDowell	150,000	X	X
5	Palm Valley Blvd Extension - From McDowell to Dysart	1,520,000	X	X
6	Traffic Signal - Indian School & 144th	175,000	X	X
7	Water Well Relocation	500,000	X	X
8	Phase II Park - Section 33	1,200,000	X	X
9	Traffic Signal for Fire Station - Litchfield Road	250,000	X	X
10	Drainage Channel Indian School Bypass	260,000	X	X
11	Drainage Channel RID South to Thomas	680,000	X	X
12	Landscape & Line Drainage Ditch South of McDowell	380,000	X	X
13	Thomas Road Landscaping, Pedestrian Pathway	400,000	X	X
14	145th Avenue - PV Phase II (144th Ave South to McDowell)	850,000	X	X
15	144th Ave - PV Phase II (PV Blvd to Bullard)	850,000	X	X
16	144th Avenue (RID Canal to PV Blvd)	1,025,000	X	X
17	Bullard Drain - North of Indian School to Camelback	680,000		X
18	Indian School Road North Half West of Wigwam	900,000		X
19	Realign Thomas Road at the 303	150,000		X
20	Indian School Rd Box Culvert at Bullard Drain	225,000		X
21	Sarival Road - Thomas Road - Road Improvements	1,690,000		X
22	Palm Valley Phase V Improvements	12,384,000		X
23	Palm Valley Phase VII Improvements	2,100,000		X
	Total Project Costs	\$ 28,069,000		

- (a) General District projects that are not funded from the proceeds of General District bonds may be funded from the proceeds of Utilities District bonds.
- (b) A portion of these projects are also expected to be financed through Community Facilities District No. 2 which is yet to be formed.

* "X" Indicates which CFD the Project benefits and may be paid for from bond proceeds of both CFDs.

APPENDIX 1

**LEGAL DESCRIPTION FOR COMMUNITY FACILITIES
UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)**

EXHIBIT B

91 313461

February 6, 1991

LEGAL DESCRIPTION
UTILITIES DISTRICT GENERAL PLAN OF INFRASTRUCTURE

This description is based upon A.L.T.A. Surveys by DMJM and dated (signed and sealed by R.L.S. #10931) September 30, 1987 and August 5, 1988, and also a description written by Collar Williams & White Engineering and dated (signed and sealed by R.L.S. #21754) August 1, 1989.

Being all of Section 24, 25, 26 & 36 in Township 2 North, Range 2 West; all of Sections 19, 20, 29, 30, 31, 33 & 34 in Township 2 North, Range 1 West, G. & S. R. B & M., Maricopa County, Arizona, and portions of certain Sections more particularly described as follows:

That portion of Section 28, Township 2 North, Range 1 West more particularly described as follows:

Beginning at the Northwest Corner of said Section 28:

Thence South $89^{\circ}24'11''$ East, along the North line of the Northwest Quarter of said Section 28, a distance of 2070.03 feet;

Thence, South $00^{\circ}15'35''$ West, 2610.81 feet;

Thence, South $89^{\circ}38'52''$ East, 548.80 feet;

Thence, South $89^{\circ}25'37''$ East, 1054.99 feet;

Thence, South $00^{\circ}16'49''$ West, a distance of 30.91 feet to a point on the North line of the Southeast Quarter of said Section 28;

Thence South $89^{\circ}24'44''$ East, along said North line, a distance of 1563.93 feet to the East Quarter Corner of said Section 28;

Thence, South $00^{\circ}16'31''$ West, along the East line of the Southeast Quarter of said Section 28, a distance of 2638.36 feet to the Southeast Corner of said Section 28;

Thence, North $89^{\circ}25'31''$ West, along the South line of said Southeast Quarter of said Section 28, a distance of 2618.20 feet to the South Quarter Corner of said Section 28;

Thence, North $89^{\circ}25'31''$ West, along the South line of the Southwest Quarter of said Section 28, a distance of 2618.20 feet to the Southwest Corner of said Section 28;

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Thence, North $00^{\circ}15'18''$ East, along the West line of said Southwest Quarter of Section 28, a distance of 2639.57 to the West Quarter Corner of said Section 28;

Thence, North $00^{\circ}15'03''$ East, along the West line of the Northwest Quarter of said Section 28, a distance of 2639.51 feet to the Point of Beginning.

Also including those portions of Section 3 & 4, Township 1 North, Range 1 West more particularly described as follows:

Beginning at the Northeast Corner of said Section 3:

Thence South $00^{\circ}41'33''$ West, along the East line of the Northeast Quarter of said Section 3, a distance of 1060.19 feet;

Thence, North $89^{\circ}18'27''$ West, 39.99 feet;

Thence, South $03^{\circ}41'34''$ West, 328.49 feet;

Thence, South $02^{\circ}43'15''$ West, 450.43 feet;

Thence, South $00^{\circ}49'06''$ West, 197.56 feet;

Thence, North $89^{\circ}14'43''$ West, 325.04 feet;

Thence, North $00^{\circ}45'17''$ East, 707.80 feet;

Thence, North $89^{\circ}36'43''$ West, 2206.87 feet;

Thence, South $00^{\circ}38'27''$ West, 854.60 feet;

Thence, North $88^{\circ}53'59''$ West, 56.01 feet;

Thence, North $00^{\circ}38'27''$ East, 853.90 feet;

Thence, North $89^{\circ}36'43''$ West, 2216.73 feet;

Thence, South $00^{\circ}34'09''$ West, 629.90 feet;

Thence, North $82^{\circ}04'14''$ West, 302.52 feet;

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Thence, North $89^{\circ}26'52''$ West, a distance of 55.24 feet to a point on the East line of the Northeast Quarter of said Section 4;

Thence, North $00^{\circ}33'08''$ East, along said East line, a distance of 475.70 feet;

Thence, North $89^{\circ}26'52''$ West, 54.06 feet;

Thence, South $02^{\circ}50'19''$ West, 375.39 feet;

Thence, South $00^{\circ}35'37''$ West, 100.58 feet;

Thence, North $89^{\circ}20'48''$ West, 284.93 feet;

Thence, North $00^{\circ}31'47''$ East, 559.48 feet;

Thence, North $88^{\circ}41'16''$ West, 829.83 feet;

Thence, South $00^{\circ}29'06''$ West, 104.55 feet;

Thence, North $89^{\circ}20'06''$ West, 34.71 feet;

Thence, North $00^{\circ}34'28''$ East, a distance of 1468.53 feet to a point on the North line of said Northeast Quarter of Section 4;

Thence, South $89^{\circ}23'27''$ East, along said North line, a distance of 1218.03 feet to the Northwest Corner of said Section 3;

Thence, South $89^{\circ}24'27''$ East, along the North line of the Northwest Quarter of said Section 3, a distance of 2616.20 feet to the North Quarter Corner of said Section 3;

Thence South $89^{\circ}25'09''$ East, along the North line of the Northeast Quarter of said Section 3, a distance of 2619.92 feet to the Point of Beginning.

Also including those portions of Section 6, Township 1 North, Range 1 West, and those portions of Section 1, Township 1 North, Range 2 West more particularly described as follows:

Beginning at the Northwest Corner of Section 1, Township 1 North, Range 2 West:

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Thence, South $89^{\circ}39'57''$ East, along the North line of the Northwest Quarter of said Section 1, a distance of 2644.23 feet to the North Quarter Corner of said Section 1;

Thence, South $89^{\circ}39'11''$ East, along the North line of the Northeast Quarter of said Section 1, a distance of 2629.91 feet to the Northwest Corner of said Section 6, Township 1 North, Range 1 West;

Thence, South $89^{\circ}21'31''$ East, along the North line of the Northwest Quarter of said Section 6, a distance of 2561.25 feet to the North Quarter Corner of said Section 6;

Thence, South $00^{\circ}31'41''$ East, along the East line of the Northwest Quarter of said Section 6, a distance of 999.63 feet;

Thence South $89^{\circ}37'22''$ West, 859.29 feet;

Thence, North $89^{\circ}22'06''$ West, 749.87 feet;

Thence, North $00^{\circ}36'39''$ East, 24.95 feet;

Thence, North $89^{\circ}22'32''$ West, 932.88 feet;

Thence, North $89^{\circ}17'29''$ West, a distance of 33.05 feet to a point on the East line of said Northeast Quarter of Section 1;

Thence, North $89^{\circ}17'03''$ West, 33.05 feet;

Thence, North $89^{\circ}22'39''$ West, 1590.36 feet;

Thence, South $01^{\circ}33'49''$ West, 25.01 feet;

Thence, North $89^{\circ}21'38''$ West, 660.05 feet;

Thence, North $00^{\circ}36'38''$ East, 100.00 feet;

Thence, North $89^{\circ}23'22''$ West, 400.12 feet;

Thence, South $00^{\circ}36'38''$ West, 100.00 feet;

Thence, North $89^{\circ}21'45''$ West, 884.84 feet;

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Thence, North 82°45'34" West, 1663.56 feet;

Thence, South 89°40'15" West, a distance of 55.04 feet to a point on the West line of said Northwest Quarter of Section 1;

Thence North 00°19'45" East, along said West line, a distance of 797.97 feet to the Point of Beginning.

THE ABOVE DESCRIBED PARCELS COLLECTIVELY COMPRISE 7840.669 ACRES AND ARE SUBJECT TO THE FOLLOWING DESCRIBED EXCEPTIONS THEREFROM;

Being a portion of the Northwest Quarter of Section 24, Township 2 North, Range 2 West, more particularly described as follows:

Commencing at the Northwest Corner of said Section 24:

Thence South 89°38'34" East, along the North line of said Northwest Quarter of Section 24, a distance of 531.28 feet to the Point of Beginning;

Thence, continuing South 89°38'34" East, along said North line, a distance of 270.00 feet;

Thence, South 00°21'26" West, 530.00 feet;

Thence, North 89°38'34" West, 270.00 feet;

Thence, North 00°21'26" East, a distance of 530.00 feet to the Point of Beginning.

Comprising 3.285 Acres.

Also excluding the following described parcel:

Being a portion of the Southwest Quarter of Section 25, Township 2 North, Range 2 West, more particularly described as follows:

Commencing at the Southwest Corner of said Section 25:

Thence, South 89°12'38" East, along the South line of said Southwest Quarter of Section 25, a distance of 32.70 feet;

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Thence, North 00°47'22" East, a distance of 33.00 feet to the Point of Beginning;

Thence, North 00°15'46" East, 200.00 feet;

Thence, South 89°12'38" East, 200.00 feet;

Thence, South 00°15'46" West, 200.00 feet;

Thence, North 89°12'38" West, a distance of 200.00 feet to the Point of Beginning.

Comprising 0.918 Acres,

Also excluding the following described parcel:

Being a portion of the Southwest Quarter of Section 31, Township 2 North, Range 1 West, more particularly described as follows:

Commencing at the Southwest Corner of said Section 31:

Thence, South 89°21'31" East, along the South line of said Southwest Quarter of Section 31, a distance of 458.77 feet;

Thence North 00°38'29" East, a distance of 200.00 feet to the Point of Beginning;

Thence, North 00°17'12" East, 265.00 feet;

Thence, South 89°21'31" East, 265.00 feet;

Thence, South 00°17'12" West, 265.00 feet;

Thence, North 89°21'31" West, a distance of 265.00 feet to the Point of Beginning.

Comprising 1.612 Acres.

Also excluding the following described parcel:

Being a portion of the Southwest Quarter of Section 31, Township 2 North, Range 1 West, more particularly described as follows:

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Beginning at the West Quarter Corner of said Section 31:

Thence, South $89^{\circ}23'23''$ East, along the North line of said Southwest Quarter of Section 31, a distance of 250.00 feet;

Thence, South $00^{\circ}17'12''$ West, 1319.33 feet;

Thence, North $89^{\circ}22'27''$ West, a distance of 250.00 feet to a point on the West line of said Southwest Quarter;

Thence, North $00^{\circ}17'12''$ East, along said West line, a distance of 1319.26 feet to the Point of Beginning.

Comprising 7.572 Acres.

Also excluding the following described parcel:

Being a portion of the Southwest Quarter of Section 31, Township 2 North, Range 1 West, more particularly described as follows:

Commencing at the South Quarter Corner of said Section 31:

Thence, North $89^{\circ}21'31''$ West, along the South line of said Southwest Quarter of Section 31, a distance of 40.00 feet to the Point of Beginning;

Thence, continuing North $89^{\circ}21'31''$ West, along said South line, a distance of 720.01 feet;

Thence, North $00^{\circ}17'45''$ East, 560.01 feet;

Thence, South $89^{\circ}21'31''$ East, 600.01 feet;

Thence, North $00^{\circ}17'45''$ East, 1359.80 feet;

Thence, North $89^{\circ}23'23''$ West, 440.00 feet;

Thence, North $00^{\circ}17'45''$ East, a distance of 720.01 feet to a point on the North line of said Southwest Quarter;

Thence, South $89^{\circ}23'23''$ East, along said North line, a distance of 560.00 feet;

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Thence, South $00^{\circ}17'45''$ West, a distance of 2639.88 feet to the Point of Beginning.

Comprising 22.259 Acres,

Also excluding the following described parcel:

Being a portion of the East Half of Section 20, Township 2 North, Range 1 West, more particularly described as follows:

Beginning at the Southeast Corner of said Section 20:

Thence North $89^{\circ}21'31''$ West, along the South line of said Southeast Quarter, a distance of 1307.69 feet to the Southwest Corner of the Southeast Quarter of the Southeast Quarter of said Section 20;

Thence, North $01^{\circ}03'41''$ East, along the West line of said Southeast Quarter of the Southeast Quarter a distance of 1337.63 feet to the Northwest Corner of the Southeast Quarter of the Southeast Quarter;

Thence, North $01^{\circ}11'48''$ East, 2434.63 feet;

Thence, North $00^{\circ}20'11''$ East, a distance of 1578.89 feet to a point on the North line of said Northeast Quarter of said Section 20;

Thence, South $89^{\circ}38'54''$ East, along said North line, a distance of 1338.00 feet to the Northeast Corner of said Section 20;

Thence South $01^{\circ}14'05''$ West, along the East line of the Northeast Quarter of said Section 20, a distance of 2679.05 feet to the East Quarter Corner of said Section 20;

Thence, South $01^{\circ}13'58''$ West, along the East line of the Southeast Quarter of said Section 20, a distance of 2679.08 feet to the Southeast Corner of said Section and the Point of Beginning.

Comprising 161.803 Acres.

Also excluding the following described parcel:

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Being a portion of the Southeast Quarter of Section 28, Township 2 North, Range 1 West, more particularly described as follows:

Commencing at the East Quarter Corner of said Section 28:

Thence North $89^{\circ}24'44''$ West, along the North line of said Southeast Quarter of Section 28, a distance of 520.24 feet;

Thence, South $00^{\circ}35'16''$ West, a distance of 160.95 feet to the Point of Beginning;

Thence, South $00^{\circ}16'31''$ West, 250.00 feet;

Thence, South $62^{\circ}43'31''$ West, 281.99 feet;

Thence, North $00^{\circ}16'31''$ East, 379.26 feet;

Thence, South $89^{\circ}34'32''$ East, a distance of 157.65 feet to a point marking the beginning of a tangent curve, having a radius of 2346.83 feet to the left;

Thence, Easterly, along the arc of said curve, through a central angle of $02^{\circ}15'19''$, having an arc distance of 92.38 feet to the Point of Beginning.

Comprising 1.802 Acres,

Also excluding the following described parcel:

Being a portion of the East Half of Section 33, and a portion of the Southeast Quarter of Section 28, Township 2 North, Range 1 West, more particularly described as follows:

Commencing at the Northwest Corner of said Southeast Quarter of Section 28:

Thence, South $89^{\circ}24'44''$ East, along the North line of said Southeast Quarter of Section 28, a distance of 1054.98 feet to the Point of Beginning;

Thence, continuing South $89^{\circ}24'44''$ East, along said North line, a distance of 50.00 feet;

Thence, South $00^{\circ}16'47''$ West, a distance of 155.13 feet to a point marking the beginning of a tangent curve, having a radius of 1140.34 feet to the left;

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Thence, Southerly, along the arc of said curve, through a central angle of $20^{\circ}19'56''$, having an arc distance of 404.67 feet;

Thence, South $20^{\circ}03'09''$ East, a distance of 506.48 feet to a point marking the beginning of a tangent curve, having a radius of 1348.82 feet to the right;

Thence, Southerly, along the arc of said curve, through a central angle of $20^{\circ}37'37''$, having an arc distance of 485.59 feet;

Thence, South $00^{\circ}34'28''$ West, a distance of 1138.51 feet to a point on the North line of said Section 33;

Thence, continuing South $00^{\circ}34'28''$ West, a distance of 5280.20 feet to a point on the South line of the Southeast Quarter of said Section 33;

Thence, North $89^{\circ}23'27''$ West, along said South line a distance of 50.00 feet;

Thence, North $00^{\circ}34'28''$ East, a distance of 5280.17 feet to a point on the South line of said Southeast Quarter of Section 28;

Thence, continuing North $00^{\circ}34'28''$ East, a distance of 1138.51 feet to a point marking the beginning of a tangent curve, having a radius of 1298.82 feet to the left;

Thence, Northerly, along the arc of said curve, through a central angle of $20^{\circ}37'37''$, having an arc distance of 467.59 feet;

Thence, North $20^{\circ}03'09''$ West, a distance of 506.48 feet to a point marking the beginning of a tangent curve, having a radius of 1190.34 feet to the right;

Thence, Northerly, along the arc of said curve, through a central angle of $20^{\circ}19'56''$, having an arc distance of 422.41 feet;

Thence, North $00^{\circ}16'47''$ East, a distance of 155.40 feet to the Point of Beginning.

Comprising 9.149 Acres,

Also excluding the following described parcel:

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Being a portion of the Southeast Quarter of Section 33, Township 2 North, Range 1 West, more particularly described as follows:

Commencing at the Southwest Corner of said Southeast Quarter of said Section 33:

Thence, South $89^{\circ}23'27''$ East, along the South line of said Southeast Quarter, a distance of 1009.04 feet to the Point of Beginning;

Thence, North $00^{\circ}15'09''$ East, 205.00 feet;

Thence, South $89^{\circ}23'27''$ East, 300.00 feet;

Thence, South $00^{\circ}15'09''$ West, a distance of 205.00 feet to a point on said South line of the Southeast Quarter;

Thence, North $89^{\circ}23'27''$ West, along said South line, a distance of 300.00 feet to the Point of Beginning.

Comprising 1.412 Acres,

Also excluding the following described parcel:

Being a portion of the Northeast Quarter of Section 34, Township 2 North, Range 1 West, more particularly described as follows:

Commencing at the Northeast Corner of said Section 34:

Thence, North $89^{\circ}26'34''$ West, along the North line of said Northeast Quarter of Section 34, a distance of 1201.03 feet;

Thence, South $00^{\circ}33'26''$ West, a distance of 55.23 feet to the Point of Beginning;

Thence, South $01^{\circ}07'18''$ West, a distance of 1061.44 feet to a point marking the beginning of a non-tangent curve, the central point of which bears South $32^{\circ}52'15''$ West, a distance of 1363.89 feet;

Thence, Northwesterly, along the arc of said curve, through a central angle of $42^{\circ}04'40''$, having an arc distance of 1001.63 feet;

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Thence North 00°50'45" East, a distance of 869.79 feet to a point marking the beginning of a non-tangent curve, the central point of which bears South 00°31'48" East, a distance of 2073.33 feet;

Thence, Easterly, along the arc of said curve, through a central angle of 01°06'04", having an arc distance of 39.85 feet;

Thence, South 89°25'44" East, a distance of 926.61 feet to the Point of Beginning.

Comprising 20.004 Acres,

SUBJECT PROPERTY, AFTER ABOVE DESCRIBED EXCEPTIONS, COMPRISES 7610.853 ACRES, MORE OR LESS, AND IS SUBJECT TO ALL EASEMENTS OF RECORD.



APPENDIX 2

**AN ANALYSIS OF THE IMPACT OF THE FINANCING
ON THE TAX RATES OR OTHER CHARGES BORNE
BY THE OWNERS OF THE PROPERTY**

APPENDIX 2

The impact of the Utilities District financing on the tax rate or other charges borne by the property owner will be at least \$1.00 per \$100 of secondary assessed valuation which will be levied on all of the taxable property located within the Utilities District and used to pay debt service on the Bonds and provide for operation and maintenance expenses. The \$1.00 tax rate to be levied by the Utilities District represents the only expenses or charges borne by the property owners within the Utilities District.

Below is a summary of the tax rate of the Utilities District, along with tax rate information for all other taxing entities that overlap the Utilities District. On the following page is a summary of tax rates for other development projects with and without Community Facilities Districts.

Inside Avondale Elementary School District No. 44

	2002-03 Primary Tax Rate	2002-03 Secondary Tax Rate	2002-03 Combined Tax Rate
<u>Overlapping Municipality</u>			
Maricopa County	\$ 1.6997	\$0.4731	\$ 2.1728
Maricopa County Community College District	0.9634	0.1493	1.1127
Avondale Elementary School District No. 44	2.2492	0.7743	3.0235
Agua Fria Union High School District No. 216	2.8262	1.3891	4.2153
City of Goodyear	1.2866	0.7549	2.0415
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Community Facilities General District No. 1	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	\$9.0251	\$4.5407	\$13.5658

Inside Litchfield Elementary School District No. 79

	2002-03 Primary Tax Rate	2002-03 Secondary Tax Rate	2002-03 Combined Tax Rate
<u>Overlapping Municipality</u>			
Maricopa County	\$ 1.6997	\$0.4731	\$ 2.1728
Maricopa County Community College District	0.9634	0.1493	1.1127
Litchfield Elementary School District No. 79	2.1339	2.1374	4.2713
Agua Fria Union High School District No. 216	2.8262	1.3891	4.2153
City of Goodyear	1.2866	0.7549	2.0415
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Community Facilities General District No. 1	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	\$8.9098	\$5.9038	\$14.8136

The following represent the maximum combined tax rate levied against property within various jurisdictions within the Utilities District No. 1 in 2002-03:

Inside Avondale Elementary School District No. 44	\$13.5658
Inside Avondale Elementary School District No. 44 and General District No. 1	\$14.5658
Inside Litchfield Elementary School District No. 79	\$14.8136
Inside Litchfield Elementary School District No. 79 and General District No. 1	\$15.8136

WEST VALLEY COMMUNITY FACILITIES DISTRICTS													
	Community Facilities Utilities District No. 1* (Goodyear)	Community Facilities General District No. 1* (Goodyear)	Estrella Mountain Ranch * (Goodyear)	Wildflower Ranch #1* (Goodyear)	Wildflower Ranch #2* (Goodyear)	Cottonflower* (Goodyear)		Village at Litchfield Park* (Litchfield Park)	Verrado Western Overlay* (Buckeye)	Verrado District 1* (Buckeye)	Sundance* (Buckeye)	Westpark* (Buckeye)	Vistancia* (Peoria)
Primary													
State and County	2.6631	2.6631	2.6631	2.6631	2.6631	2.6631		2.6631	2.6631	2.6631	2.6631	2.6631	2.6631
Elementary School District	2.1339	2.1339	2.4978	2.2492	2.2492	2.2492		2.1339	0.0000	2.1339	4.0315	4.0315	0.0000
High School District	2.8262	2.8262	2.6284	2.8262	2.8262	2.8262		2.8262	0.0000	2.8262	2.6284	2.6284	0.0000
Unified School District	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	2.1127	0.0000	0.0000	0.0000	4.4072
City	1.2866	1.2866	1.2866	1.2866	1.2866	1.2866		0.0000	0.9776	0.9776	0.9776	0.9776	0.2900
CFD	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Other	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Primary	8.9098	8.9098	9.0759	9.0251	9.0251	9.0251		7.6232	5.7534	8.6008	10.3006	10.3006	7.3603
Secondary													
State and County	0.6224	0.6224	0.6224	0.6224	0.6224	0.6224		0.6224	0.6224	0.6224	0.6224	0.6224	0.6224
Elementary School District	2.1374	2.1374	1.6420	0.7743	0.7743	0.7743		2.1374	0.0000	2.1374	1.5425	1.5425	0.0000
High School District	1.3891	1.3891	0.5316	1.3891	1.3891	1.3891		1.3891	0.0000	1.3891	0.5316	0.5316	0.0000
Unified School District	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0313	0.0000	0.0000	0.0000	4.2812
City	0.7549	0.7549	0.7549	0.7549	0.7549	0.7549		0.0000	0.6924	0.6924	0.6924	0.6924	1.3000
CFD	1.0000	2.0000 (1)	1.3000	2.3900	2.6000	3.0000 (2)		3.0000	6.6000 (3)	3.3000 (4)	3.3000 (4)	3.3000 (5)	2.1000
Other	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Secondary	5.9038	6.9038	4.8509	5.9307	6.1407	6.5407		7.1489	7.9461	8.1413	6.6889	6.6889	8.3036
Total Tax Rate	14.8136 (6)	15.8136 (6)	13.9268	14.9558	15.1658	15.5658		14.7721	13.6995	16.7421	16.9895	16.9895	15.6639

* Indicates existing CFD.

(1) The \$2.00 tax rate represents \$1.00 for the General District and \$1.00 for the Utilities District.

(2) The tax rate includes a \$2.70 secondary tax rate for debt service that is not in place for the 2002-03 fiscal year. A \$0.30 tax rate for operations and maintenance is in place for the 2002-03 fiscal year.

(3) The Verrado Western Overlay includes a \$3.00 secondary tax rate for debt service that is not in place for the 2002-03 fiscal year for Verrado District 1.

(4) The tax rate includes a \$3.00 secondary tax rate for debt service that is not in place for the 2002-03 fiscal year. A \$0.30 tax rate for operations and maintenance is in place for the 2002-03 fiscal year.

(5) The District is formed, but the District tax rate is not in place for the 2002-03 fiscal year.

(6) Represents the tax rate inside Litchfield Elementary School District No. 79. Please refer to the previous page for combined 2002-03 tax rates within various jurisdictions.

EAST VALLEY COMMUNITY FACILITIES DISTRICTS					
	Eagle Mountain* (Fountain Hills)	DC Ranch* (Scottsdale)	McDowell Mountain Ranch* (Scottsdale)	Scottsdale Mountain* (Scottsdale)	Tatum Ranch* (Phoenix)
<i>Primary</i>					
State and County	2.6631	2.6631	2.6631	2.6631	2.6631
Elementary School District	3.8686	0.0000	0.0000	0.0000	0.0000
High School District	0.0000	0.0000	0.0000	0.0000	0.0000
Unified School District	0.0000	3.9430	3.9986	3.9430	3.0796
City	0.0000	0.5073	0.5073	0.5073	0.7982
CFD	0.0000	0.0000	0.0000	0.0000	0.0000
Other (1)	0.0000	0.0556	0.0556	0.0556	0.0000
Total Primary	6.5317	7.1690	7.2246	7.1690	6.5409
<i>Secondary</i>					
State and County	0.6224	0.6224	0.6224	0.6224	0.6224
Elementary School District	2.2500	0.0000	0.0000	0.0000	0.0000
High School District	0.0000	0.0000	0.0000	0.0000	0.0000
Unified School District	0.0000	1.3597	1.4158	1.3597	1.8399
City	0.5137	0.6456	0.6456	0.6456	1.0218
CFD	3.0000	3.0000	1.9000	2.9000	1.9000
Other (1)	0.0000	0.0561	0.0561	0.0561	0.0000
Total Secondary	6.3861	5.6838	4.6399	5.5838	5.3841
Total Tax Rate	12.9178	12.8528	11.8645	12.7528	11.9250

* Indicates existing CFD

(1) Represents an additional tax rate for the East Valley Institute of Technology.

Source: Maricopa County Assessor's Office, August 2002.

APPENDIX 3

**AN ANALYSIS OF THE EFFECT ON THE CITY OF
GOODYEAR'S GENERAL FINANCING ABILITIES**

APPENDIX 3

The Utilities District's financing is not expected to adversely affect the City of Goodyear's general financing abilities. The Bonds of the Utilities District are secured from revenues derived from a tax of \$1.00 per \$100 of secondary assessed valuation levied on all taxable property within the Utilities District which is applied to debt service and from monies available pursuant to the Standby Contribution Agreement between SunCor and the Utilities District. The City is under no legal requirement to secure any portion of the financing's debt service payments.

However, because of the location of the Utilities District within the City limits, the impact on the City's financing capabilities of a default on the Bonds may be detrimental in the opinion of the financial community.

The following table illustrates the District's overlapping debt for fiscal year 2003-04 as of the date of this report.

Overlapping Jurisdiction	2003-04 Net Secondary Assessed Valuation (a)	Net Outstanding Bonded Debt	Proportion Applicable to the District	
			Approx. Percent	Amount
State of Arizona	\$40,861,415,479	\$0	.24%	\$0
Maricopa County	27,477,987,528	39,515,000	.36%	142,254
Maricopa County Community College District	27,477,987,528	284,815,000	.36	1,025,334
City of Goodyear	264,638,241	20,930,000	37.78	7,907,354
Litchfield ESD No. 79	280,627,332	21,890,000	35.63	7,799,407
Avondale ESD No. 44	168,957,691	13,075,000	59.18	7,737,785
Agua Fria UHSD No. 216	449,585,023	40,270,000	22.24	8,956,048
Community Facilities Utilities District No. 1	99,982,260	23,935,000(b)	100.00	23,935,000
Community Facilities General District No. 1	55,787,877	14,345,000(c)	100.00	14,345,000
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$71,848,182</u>

(a) Preliminary as provided by the Maricopa County Assessor's Office.

(b) Includes the proposed Community Facilities Utilities District No. 1 Series 2003 Bonds.

(c) Includes the proposed \$5,900,000 Series 2003 Bonds as described in the Community Facilities General District No. 1 Feasibility Report dated August 11, 2003.

APPENDIX 4

**AN ANALYSIS OF THE PROJECT INFRASTRUCTURE
DEMAND AND MARKET ABSORPTION**

APPENDIX 4

Given the District's continuous growth and development and due to the District's historical secondary assessed valuations, an analysis of the project infrastructure demand and market absorption in the form of an independent appraisal was not deemed necessary. Please see Table Five in Section Five for a chart showing the historical growth in full cash value and secondary assessed value within the District.

APPENDIX 5

EXAMPLE OF CFD DISCLOSURE

**GOODYEAR
COMMUNITY FACILITIES DISTRICTS DISCLOSURE STATEMENT**

The Palm Valley property you are purchasing is located within two Community Facilities Districts: Goodyear Community General Facilities District 1 and Goodyear Community Utilities District 1 (the "Districts"). The Districts were created pursuant to the provisions of the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes by the developer, with the cooperation and approval of Goodyear, Arizona to finance the acquisition and construction of public infrastructure at Palm Valley. The cost of Acquisition and construction of certain improvements has been, and will be paid for by General Obligation Bonds issued by the Districts. The bonds are paid from a General Obligation property tax assessed against all property within the Districts. The bonds are structured with the expectation that a total annual tax rate for the Districts of not to exceed \$2.00 per \$100 of taxable value will be maintained. To protect the property owner, the developer has contractual obligations to provide monies to the Districts to maintain a \$2.00 tax rate until such time as monies from the \$2.00 tax levy are sufficient to provide for the debt service of all bonds issued and the administrative costs of the Districts. Payment of the Districts' property taxes will be included as part of the property owner's tax-deductible property taxes.

The \$2.00 per \$100 rate corresponds to the following estimated annual tax payments.

<u>Market Value of Home</u>	<u>Estimated Annual District Tax (*)</u>
\$100,000	\$164
\$150,000	\$246
\$200,000	\$328
\$300,000	\$492
\$400,000	\$652

(*) These taxes are in addition to property taxes imposed by other governmental jurisdictions.

Signature below acknowledges that you have read this disclosure document at the time you signed your purchase contract.

Home Buyer(s) Signature/Date

Home Buyer(s) Signature/Date

**CITY OF GOODYEAR
CFD ACTION FORM**

SUBJECT: Community Facilities Utilities District Board adopt Resolution CFUD#1 RES 03-44 adopting the Feasibility Report relating to the acquisition of certain infrastructure.	STAFF PRESENTER: Larry D. Price COMPANY CONTACT: Scott Ruby, Attorney - Gust Rosenfeld PLC
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RECOMMENDATION:

1. Community Facilities Utilities District #1 Board conduct a Public Hearing for the feasibility report submitted in connection with the proposed issuance of not to exceed \$8,685,000 of general obligation bonds Series 2003.
 - a. Open Public Hearing
 - b. Staff Presentation
 - c. Receive Public Comment
 - d. Close Public Hearing
2. Community Facilities Utilities District #1 Board will consider adoption of Resolution CFUD#1 RES 03-44 approving the feasibility report for the issuance of not to exceed \$8,685,000 of general obligation bonds Series 2003 and waives, for this bond issue only, the Policy freezing the Secondary Assessed Valuation for calculating the overlapping debt service tax rates per the Standby Contribution Agreement.

DISCUSSION:

Staff suggests, if the Board is inclined to approve the two proposed feasibility reports that allows \$14.6 million dollars for the contemplated infrastructure projects, approve the two bond sales with a one-time waiver to the Policy allowing the SAV to assume some growth rate and not be frozen for the purposes of calculating the applicable safeguards as stated in the Standby Contribution Agreement provisions.

The feasibility report hearing is required by law and notice of the hearing was published once in the newspaper prior to the hearing, allowing the public to comment if desired. No public comment is anticipated. The proposed financing for the Utilities District contemplates that the Utilities District would issue not to exceed \$8,685,000 of general obligation bonds payable from an ad valorem tax levied against only the taxable property in the Utilities District. This amount of bonds for the Utilities District and the interest paid thereon is being structured so that a 75 cent debt service tax rate in the Utilities District, and an annual Standby Contribution Agreement (discussed below) amount from SunCor could pay all of this debt service plus the debt service on the district's other outstanding bonds. In addition to the \$0.75 debt service tax rate, and the Standby Contribution Agreement amount, the District has a \$0.25 administration, operations & maintenance tax rate. The total District tax rate is \$1.00 not including the Standby Contribution Agreement amount. Like past issues, any shortfall between the tax proceeds collected at a debt service tax rate of 75 cents and the debt service due will be paid by SunCor, pursuant to a Standby Contribution Agreement. If

\$1.75. The total CFD tax rate would never exceed \$2.00 (\$1.75 plus \$0.25 O&M) unless the total assessed value of the Utility District was to drop significantly. The Bonds are expected to be insured. Upon completion of the hearing, a resolution will be presented to the District Board, approving the feasibility report and the continuation of the financing proceedings.

The Standby Contribution Agreement provision of the City of Goodyear Policy Guidelines And Application Procedures For The Establishment Of Community Facilities Districts (CFD) was approved by the City Council in 1998. The provision is available for those CFDs that qualify and was instituted to reduce the frequency of bond sales, maintain a constant CFD property tax rate, and reduce the costs of issuance. The provision accomplishes these goals by allowing qualified CFDs to incur additional debt (sell more bonds) than the adopted/approved debt service tax rate will support from the current Secondary Assessed Valuation (SAV). The SAV/100 times the approved tax rate per \$100.00 generates annual revenues that will support the debt service on a given amount of bonds that are used to build City/Board approved projects. The provision allows the qualified developer to place additional revenues from their pocket in the debt service fund thus increasing the amount of revenues available to pay the annual debt service and thereby increasing the amount of bonds that can be sold. Larger bond sales reduce the frequency of bond sales, thus reducing the costs of issuance. Also, infrastructure projects are brought on line sooner.

The Standby Contribution Agreement provision includes the following safeguards:

1. The Third Party (developer) agrees to pay (subsidize) in writing.
2. The maximum tax rate exposure of each district is an additional \$1.00 in a CFD. This is in addition to the normal district debt service tax rate and the normal district O&M tax rate. For example: the Utility District debt service tax rate of \$0.75 and O&M tax rate of \$0.25, for a total normal tax rate of \$1.00. The additional \$1.00 would increase the Utility District's tax rate from \$1.00 to \$2.00. The additional \$1.00 would be required only if SunCor failed to pay their Standby Debt Service payment as they agreed to.
3. The Use of actual Secondary Assessed Valuations (SAV) from County Assessor on date of application (SAV is frozen). The SAV is used to set/project the tax rates. Freezing the SAV lowers the amount of bonds that can be issued.
4. A CFD must have at least 500 completed single-family residential units as shown on most recent tax roles.
5. Developer (Obligated Party) shall have an audited net worth of at least five (5) times the principal amount of the bonds that are supported by the then applicable Subsidy Amount and in the event the net worth of the Obligated Party is less than the amount required by this subparagraph 5, the Obligated party shall promptly pay, cause the redemption or defeasance of or post with the District other collateral (such as a surety bond, letter of credit or cash) satisfactory to the District in, the principal amount of bonds necessary to comply with the provisions of this subparagraph.
6. The SAV for calculating the tax rate shall exclude properties owned or controlled by the Obligated Party (developer) if the Obligated Party, in the aggregate, owns parcels totaling more than 20% of the SAV of the District. SunCor reports that they own 17% in the General District and 12% in the Utility District.
7. The additional overlapping debt service tax rates of all CFDs (Utility and General CFDs overlap) shall not exceed \$1.25. The \$1.25 is in addition to the normal debt

service tax rates of \$0.75 for the Utility District and \$0.90 for the General District. Also, the debt service tax rates do not include the O&M tax rates of \$0.25 for the Utility District and \$0.10 for the General District. The additional debt service Standby Tax Rate of \$1.25 would only be levied if SunCor failed to pay the Standby debt service amount as required by the Standby Agreements. If SunCor failed to pay, and the additional debt service tax rate of \$1.25 was levied, the following overlapping tax rates could be in effect depending on the current debt service requirement. An example:

Tax Rate	Utility CFD	General CFD	Total
Debt Service	\$ 0.75	\$ 0.90	\$ 1.65
Operations & Maintenance	\$ 0.25	\$ 0.10	\$ 0.35
Total	\$ 1.00	\$ 1.00	\$ 2.00
Standby Agreement*	\$ 0.65	\$ 0.60	\$ 1.25
*Maximum amount is \$1.25 if required.			

In the example above, the maximum CFD overlapping property tax rate (only if SunCor failed to pay the debt service payment as agreed to) that would be levied on a property in the General District would be \$3.25. The General District is an overlapping District in the Utility District therefore the General District property is assessed both the Utility District taxes and the General District taxes. In the example above, the maximum CFD tax rate that would be incurred in the Utility District would be \$1.65. The Utility District is not an overlapping District.

The proposed financings, both the Utility District and the General District (a separate action) are in compliance with all of the Standby Contribution Agreement safeguards with the exception of safeguard number 3 listed above. The Secondary Assessed Valuation (SAV) values if frozen, would allow the bond sizing to be \$8 to \$8.4 million dollars, instead of the proposed sizing of \$14.6 million dollars. Utility District for \$8.7 million dollars, and the General District for \$5.9 million dollars.

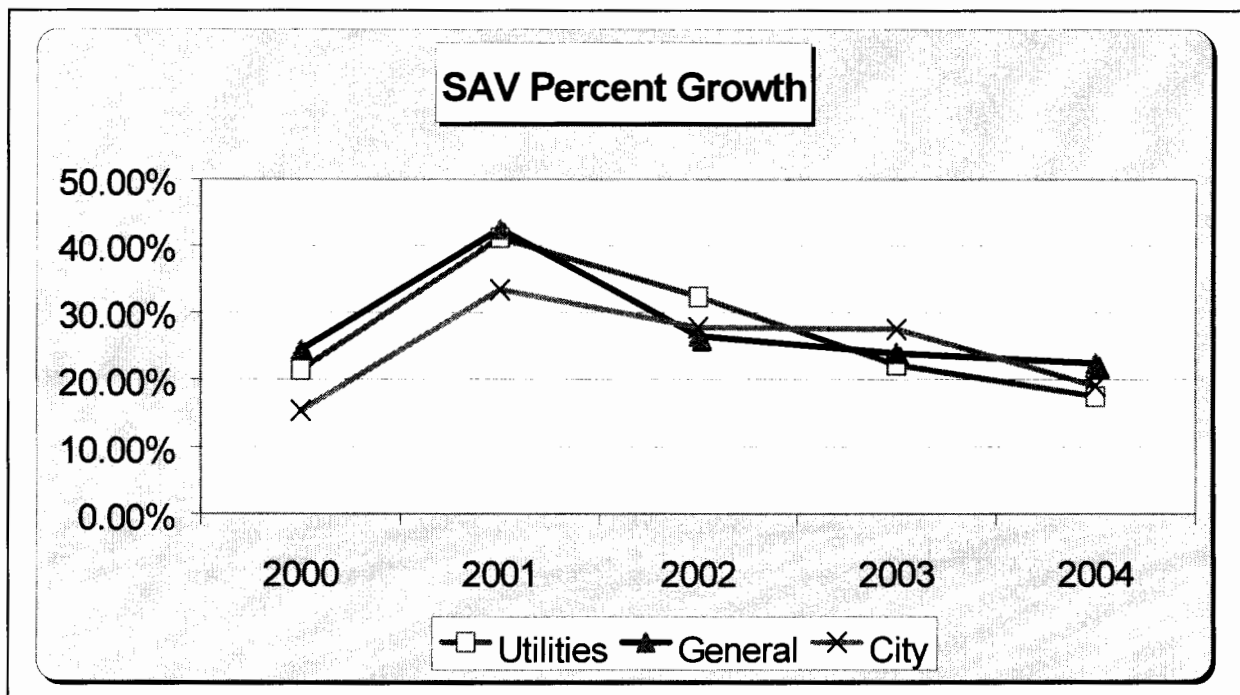
Freezing the valuation growth rates (0% growth) for the two districts, although conservative and therefore certainly safeguarding the property owners of the districts, is probably not realistic in view of the growth that is more than likely to occur. Although, more than likely is easy to say, there are no guarantees. The two districts Feasibility Reports present three different growth scenarios for SAV in the two districts. A zero (0%) percent growth rate (policy), a four (4%) percent growth rate, and a SunCor 'best guess' scenario of an average six to seven (6%-7%) percent growth rate. Staff agrees, that given the information that is available to us today, the growth rates of the two districts, over the 25 year term of the financing, will more than likely be greater than 0%, and could average in the 6% to 7% growth rate range annually.

The table below compares the SAV annual growth rate for the two CFDs and the City as a whole. The average growth rates for the last five years for the three entities are:

- Utility District 26.89%
- General District 27.91%
- City 24.59%

The negative growth rates for the years 1992 through 1995 were the result of a change in the law that set the assessment ratios that are used to calculate assessed values for property taxes. The City and CFDs were experiencing positive growth during those years. All properties in the State were effected. The chart below depicts the last five years growth rates. All three entities are trending the same. Average annual growth of 25% trending lower.

Fiscal Year	SAV Percent Growth		
	Utilities	General	City
1992	0.00%	0.00%	-6.24%
1993	-42.32%	-72.26%	-6.70%
1994	66.30%	297.76%	-7.94%
1995	187.87%	755.15%	-1.89%
1996	157.73%	439.26%	14.61%
1997	32.92%	97.16%	8.73%
1998	63.43%	80.26%	25.47%
1999	34.44%	42.63%	22.03%
2000	21.37%	24.38%	15.37%
2001	41.16%	42.47%	33.35%
2002	32.31%	26.43%	27.72%
2003	22.16%	23.89%	27.51%
2004	17.45%	22.37%	19.00%



FISCAL IMPACT:

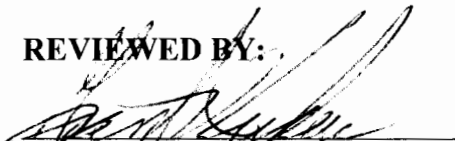
The proposed projects to be financed with the bond sale are presented below.

Projects	Project Cost
McDowell Road - South Half Frontage	
a. Phase I - East half	400,000
b. Phase II - West half	600,000
McDowell Road - North Half Street	225,000
Dysart Road - West Half Street - South From McDowell to 1-10	475,000
Dysart Road - West Half Street - North of McDowell	150,000
Palm Valley Blvd Extension - From McDowell to Dysart	1,520,000
Traffic Signal - Indian School & 144th	175,000
Water Well Relocation	500,000
Phase II Park - Section 33	1,200,000
Traffic Signal for Fire Station - Litchfield Road	250,000
Drainage Channel Indian School Bypass	260,000
Drainage Channel RID South to Thomas	680,000
Landscape & Line Drainage Ditch South of McDowell	380,000
Thomas Road Landscaping, Pedestrian Pathway	400,000
145th Avenue - PV Phase II (144th Ave South to Mcdowell)	850,000
144th Ave - PV Phase II (PV Blvd to Bullard)	850,000
144th Avenue (RID Canal to PV Blvd)	1,025,000
Bullard Drain - North of Indian School to Camelback	680,000
Indian School Road North Half West of Wigwam	900,000
Realign Thomas Road at the 303	145,000
Indian School Rd Box Culvert at Bullard Drain	210,000
Sarival Road - Thomas Road - Road Improvements	1,690,000
Palm Valley Phase V Improvements	200,857
Palm Valley Phase VII Improvements	2,100,000
Total Project Costs	15,865,857

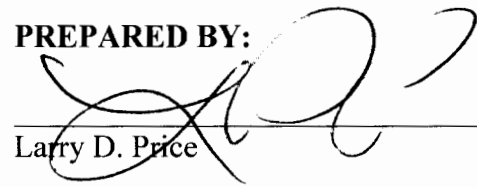
As previously stated, if the SAV is frozen per policy, the bond sale could not exceed \$8.5 million today, and another bond sale would need to be scheduled next year after the new SAV numbers are published by the County.

The Utility District property tax rates are not anticipated to exceed \$1.00.

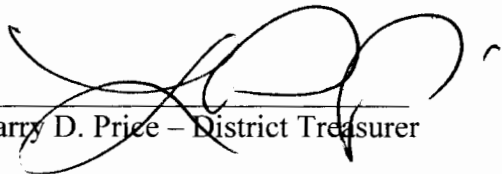
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