

## CFUD#1 RES 05-052

**RESOLUTION OF THE BOARD OF DIRECTORS OF COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1 (CITY OF GOODYEAR, ARIZONA), APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION, CONSTRUCTION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT AND THE REFUNDING OF A PORTION OF THE DISTRICT'S BONDS; DECLARING ITS INTENTION TO ACQUIRE AND/OR CONSTRUCT CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS; DETERMINING THAT NOT TO EXCEED \$10,000,000 DISTRICT GENERAL OBLIGATION BONDS AND GENERAL OBLIGATION REFUNDING BONDS WILL BE ISSUED TO: (1) FINANCE THE COSTS AND EXPENSES OF SUCH IMPROVEMENTS UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO; AND (2) REFUND CERTAIN OUTSTANDING BONDS.**

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) (the "*District*"), has caused a study 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: (1) 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, and (2) refunding certain outstanding bonds of the District in order to reduce debt service (the "*Report*"). The Report includes, among other things, a description of certain public infrastructure to be acquired and constructed 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 Project 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 Report was held on the date hereof, after provision for publication of notice thereof as provided by law;

**NOW, THEREFORE, 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 General Obligation Project Bonds and General Obligation Refunding Bonds, Series 2005.

"Clerk" shall mean the Clerk of the District.

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

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


"Report" shall mean the Report pertaining to the Project on file with the Clerk prior to the date and time hereof, discussing the matters required by A.R.S. Section 48-715, as amended, as such matters relate to the Project.

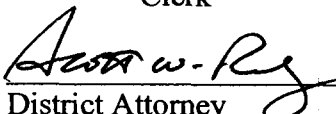
**Section 2. Approval of Feasibility Report.** Published notice of the public hearing on the Report has been provided by the Clerk not less than ten (10) days in advance of the date of the public hearing on the Report and such publication is hereby ratified and approved. The Clerk has provided the Report and notice of public hearing on the Report to the City of Goodyear, Arizona, not less than ten (10) days in advance of the date of the public hearing. Based on the review by the Board and the presentation of the Report at the public hearing on February 14, 2005, the Report is hereby adopted and approved in the form submitted to the Board.


**Section 3. 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 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 4. Preliminary Approval to Issue and Sell Bonds.** The Board hereby declares its intent to proceed with the financing of the Project and refunding certain of its outstanding general obligation bonds in substantially the manner presented in the Report. The Board hereby declares its intent to issue not to exceed \$10,000,000 principal amount of Bonds to finance the costs of the Project and refund certain outstanding bonds in order to achieve a debt service savings. The Bonds may be issued as a separate series of bonds or may be combined with the issuance of the District's refunding bonds into one series of bonds.

**PASSED, ADOPTED AND APPROVED** on February 14, 2005.

  
Clerk

  
District Attorney

  
Chairman

Attachments: Exhibit A - Description of Improvements

### 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 February 14, 2005, 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.

  
Clerk

## EXHIBIT A

### DESCRIPTION OF PUBLIC INFRASTRUCTURE

#### Palm Valley Phase V Improvements

0. *Park – Parcel 13*

To provide approximately 10 acres of open space in the form of a park with grading, paving, landscaping, irrigation, hardscape, drainage, parking, park furniture and equipment, and other miscellaneous amenities and improvements which may include restrooms, sports fields, ramadas, etc.

**Total Estimated Cost** **\$ 1,034,000**

0. *Park – Parcel 28*

To provide approximately 12 acres of open space in the form of a park with grading, paving, landscaping, irrigation, hardscape, drainage, parking, park furniture and equipment, and other miscellaneous amenities and improvements which may include restrooms, sports fields, ramadas, etc.

**Total Estimated Cost** **\$ 1,362,000**

0. *Parcel 14*

Design and construct improvements within public right of way which includes sidewalks, paving, landscaping etc.

**Total Estimated Cost** **\$ 324,000**

4. *Indian School Road West: Wigwam Blvd to PebbleCreek Parkway*

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	6,200	L.F.
Road Width	36'	L.F.
Curb Width	2'	
Sidewalk Width	6'	
Landscape Median	17'	

**Total Estimated Cost** **\$ 2,817,000**

5. *Indian School Road: PebbleCreek Parkway West to Sarival*

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.

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

**Total Estimated Cost** **\$ 888,000**

6. *155<sup>th</sup> Avenue: North from Indian School to Turney Avenue*  
Design and construct improvements for the entire width of this section of 155<sup>th</sup> Ave. 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** **\$ 1,142,000**

7. *Falcon Drive: Indian School Road to Charles Boulevard*  
Design and construct improvements for the entire width of this section of Falcon Drive. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for a future traffic signal.

A. Length - approximately 5,625 L.F. +/-

B. Width - 84 L.F. R/W 20 L.S. & PUE

**Total Estimated Cost** **\$ 2,057,000**

8. *Charles Boulevard: PebbleCreek Parkway to Falcon Drive*  
Design and construct improvements for the entire width of this section of Charles Boulevard. The work will include curb and gutter, sidewalk, street lights, landscaping, paving, grading, striping and signage, drainage structures and conduit for a future traffic signal.

A. Length - 4,550 L.F. +/-

B. Width - 84 L.F. R/W 20 L.S. & PUE +/-

**Total Estimated Cost** **\$ 1,932,000**

9. *PebbleCreek Parkway: Indian School Road North to Charles Boulevard*  
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 a future traffic signal.

A. Length - 2,000 L.F. +/-

B. Width - 85 L.F. R/W & 20 L.F. L.S. & PUE

**Total Estimated Cost** **\$ 1,581,000**

10. *Camelback Road: Bullard Drain to West of Parcel 21*  
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 a future traffic signal.

A. Length - 3,125 L.F. +/-

B. Width - 1/2 of 135 R/W

**Total Estimated Cost** **\$ 1,599,000**

11. *Turney Avenue: Falcon Drive to Charles Boulevard*

Design and construct improvements for the entire width of this section of Turney Avenue. 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** **\$ 1,697,000**

12. *Meadowbrook Avenue: North Falcon Drive to Bullard Drain*

Design and construct improvements for the entire width of this section of Meadowbrook Avenue 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** **\$ 955,000**

13. *Sarival Road - North from Indian School to Charles Boulevard*

Design and construct improvements for the entire width of Sarival Road. The work will include curb and gutter, sidewalk, streetlights, landscaping, paving, grading, striping & signage, drainage structures and traffic signal.

- A. Length - 1400 L.F. +/-
- B. Width - 84 L.F.

**Total Estimated Cost** **\$ 1,038,000**

14. *152<sup>nd</sup> Avenue: Camelback Road to Falcon Drive*

Design and construct improvements for the entire width of this section of 152<sup>nd</sup> Avenue. 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** **\$ 2,358,000**

15. *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	250	L.F.
Channel Length	5,450	L.F.
24" Nuisance Pipe	5,500	L.F.
Pedestrian Pathway Width	8'	

**Total Estimated Cost** **\$ 2,884,000**

16. *Indian School Drainage Channel East: Just West of Sarival Ave. 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** **\$ 1,529,000**

17. *Camelback Road Channel – 303 Loop to Bullard Drain*  
 Design and construct improvements for this drainage channel. The work will include grading, complete drainage structure and landscaping.

- A. Length – 21,120 L.F. +/-  
 B. Width – 250 L.F.

**Total Estimated Cost** **\$ 1,380,000**

***Total Phase V Improvements*** **\$26,577,000**

**Palm Valley Phase VII Improvements**

18. *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**

***Total Phase VII Improvements*** **\$ 2,100,000**

**Palm Valley Phase VIII Improvements**

19. *Loop Road (Virginia Avenue): McDowell Road to PebbleCreek Parkway*  
 Design and 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**

20. *McDowell Road from PebbleCreek Parkway West to just West of Sarival Raod*  
 Design and build a new roadway that will include sidewalk, curb and gutter, landscape and concrete, drainage structure and storm drain system. There will also be street lights and 25% of a traffic signal at Virginia Avenue.

Road Length	6,000	L.F.
Road Width	85'	+/-
Curb Width	2'	
Sidewalk Width	5'	
Landscape Parkway	Varies	
<b>Total Estimated Cost</b>	<b>\$ 2,450,000</b>	

21. *West Side of PebbleCreek Parkway from McDowell Road North to Virginia*  
 Design and build a new roadway that will include sidewalk, curb and gutter, landscape and concrete, drainage structure and storm drain system. There will also be street lights and 25% of a traffic signal at Virginia Avenue.

Road Length	2,600	L.F.
Road Width	85'	+/-
Curb Width	2'	
Sidewalk Width	5'	
Landscape Parkway	Varies	
<b>Total Estimated Cost</b>	<b>\$ 1,300,000</b>	

***Total Phase VIII Improvements \$ 5,440,000***

**PebbleCreek Projects**

21. *Fire Station located at Country Club and PebbleCreek Parkway*  
 Design and construct new fire station

**Total Estimated Cost \$ 2,360,000**

***Total PebbleCreek Projects \$2,360,000***

**Total Estimated Cost of all Projects \$36,477,000**



**CITY OF GOODYEAR  
CFD ACTION FORM**

<b>SUBJECT: Community Facilities Utilities District #1 Board adopt Resolution CFUD#1 RES 05-052 adopting the Feasibility Report relating to the acquisition of certain infrastructure.</b>	<b>STAFF PRESENTER:</b> Sheila K. Mills, CFD Administrator <b>COMPANY:</b> <b>CONTACT:</b> 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 \$10,000,000 of general obligation bonds Series 2005. This District is generally located between Citrus Road, Camelback Road, Dysart Road and little south of McDowell Road.
  - 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 05-052 approving the feasibility report for the issuance of not to exceed \$10,000,000 of general obligation bonds Series 2005 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. This District is generally located between Citrus Road, Camelback Road, Dysart Road and little south of McDowell Road.

**DISCUSSION:**

Staff suggests, if the Board is inclined to approve the proposed feasibility report that allows not to exceed \$10 million for the contemplated infrastructure projects and to refund for debt service savings the District's Series 1996(B) General Obligation Bonds dated August 1, 1996 outstanding in the amount of \$1,350,000, to approve the bond sale with a 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 \$10,000,000 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 \$0.75 debt service tax rate in the Utilities District, and an annual Standby Contribution Agreement (discussed below) amount from SunCor will 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. Similar to past issues, any shortfall between the tax proceeds collected at a debt service tax rate of \$0.75 and the debt service due will be paid by SunCor, pursuant to a Standby Contribution Agreement. If SunCor fails to pay the shortfall, the debt service has been structured such that the debt tax rate would increase no more than \$1.00, for an aggregate debt tax rate for the Utilities District of \$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 Utilities District dropped significantly. The Bonds are expected to be insured with a municipal bond insurance policy. 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 a qualified developer to pay the debt service on the bonds that is not covered by the tax revenues generated from the property tax, thus increasing the amount of overall 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, in a binding, contractual document (the Standby Contribution Agreement).
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 Utilities 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 Utilities 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 the Maricopa 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 4, 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. The Arizona Department of Revenue reports that SunCor owns or controls approximately 7% of the taxable property in the Utilities District.
7. The additional overlapping debt service tax rate for the Utilities District and General District shall not exceed \$1.25. The \$1.25 is in addition to the normal debt service tax rates of \$0.75 for the Utilities District and \$0.90 for the General District. The debt service tax rates do not include the O&M tax rates of \$0.25 for the Utilities District and \$0.10 for the General District. The additional combined debt service Standby Tax Rate of \$1.25 would only be levied if SunCor failed to pay amounts payable pursuant to Standby Contribution Agreements. If SunCor failed to pay, and the additional debt service tax rate of \$1.25 was levied, the following overlapping tax rates for a property inside the Utilities District and General District could be in effect depending on the current debt service requirements.

**Overlapping CFD Tax Rate: Inside Utilities District and General District**

<u>Tax Rate</u>	<u>Utilities District</u>	<u>General District</u>	<u>Total</u>
Debt Service	\$0.75	\$0.90	\$1.65
Operations and Maintenance	\$0.25	\$0.10	\$0.35
<b>Total</b>	<b>\$1.00</b>	<b>\$1.00</b>	<b>\$2.00</b>
Standby Contribution Agreement*	\$0.65	\$0.60	\$1.25

\*Maximum is \$1.25, if required.

The Utilities District overlaps the General District; therefore, a property located inside the General District is assessed both the Utilities District taxes and General District taxes. 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 located inside the Utilities District and General District would be \$3.25.

The Utilities District also overlaps the Palm Valley No. 3 District. The following overlapping tax rates could be in effect for a property inside the Utilities District and Palm Valley No. 3 District.

**Overlapping CFD Tax Rate: Inside Utilities District and Palm Valley No. 3 District**

<b><u>Tax Rate</u></b>	<b><u>Utilities District</u></b>	<b><u>Palm Valley No. 3 District</u></b>	<b><u>Total</u></b>
Debt Service	\$0.75	\$1.90	\$2.65
Operations and Maintenance	\$0.25	\$0.10	\$0.35
<b>Total</b>	<b>\$1.00</b>	<b>\$2.00</b>	<b>\$3.00</b>

The proposed financing is in compliance with all of the Standby Contribution Agreement safeguards with the exception of safeguard number 3 listed above. The Secondary Assessed Valuation (SAV) if frozen, would allow the bond sizing to be approximately \$8.3 million, instead of the proposed sizing of approximately \$10 million.

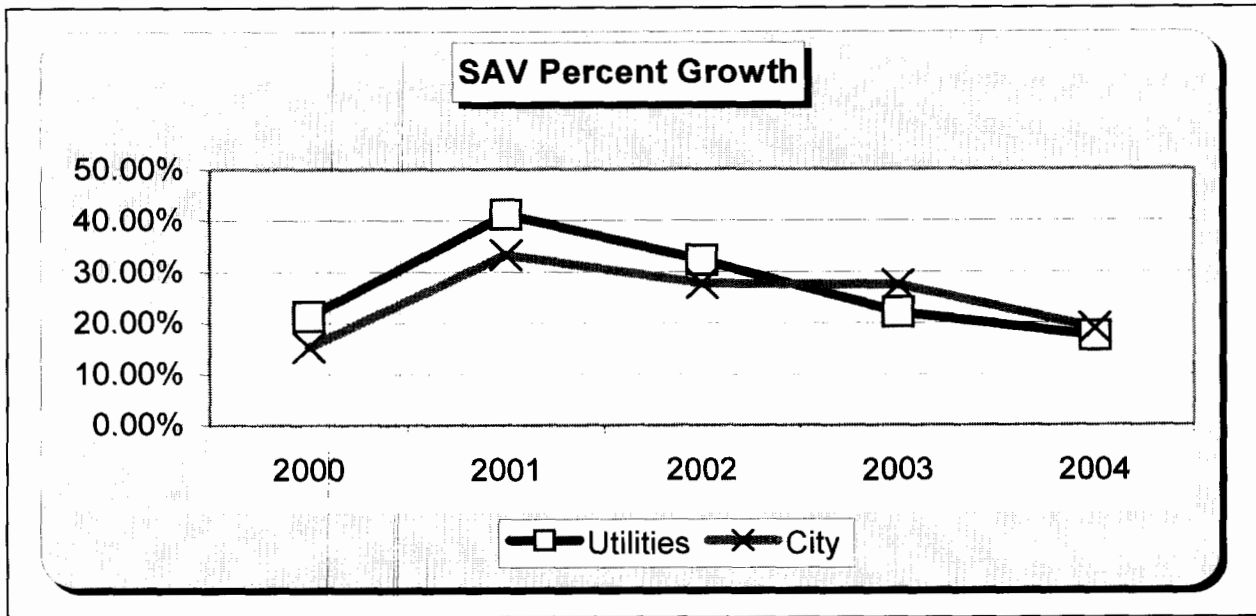
Freezing the valuation growth rates (0% growth) for the District, although conservative and therefore certainly safeguarding the property owners of the District, is probably not realistic in view of the growth that is more than likely to occur, although, there is no guarantee that such growth will occur.

The table below compares the SAV annual growth rate for the Utilities CFD and the City as a whole.

- Utilities District      28.18%
- City                              26.24%

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 CFD were experiencing positive growth during those years. All properties in the State were affected. The chart below depicts the last five years growth rates.

<b>Fiscal Year</b>	<b>Utilities</b>	<b>City</b>
1992	0.00%	-6.24%
1993	-42.32%	-6.70%
1994	66.30%	-7.94%
1995	187.87%	-1.89%
1996	157.73%	14.61%
1997	32.92%	8.73%
1998	63.43%	25.47%
1999	34.44%	22.03%
2000	21.37%	15.37%
2001	41.16%	33.35%
2002	32.31%	27.72%
2003	22.16%	27.51%
2004	16.96%	19.00%
2005	28.31%	23.63%



**FISCAL IMPACT:**

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

Projects	Project Cost
Park – Parcel 13	\$1,034,000
Park – Parcel 28	1,362,000
Parcel 14	324,000
Indian School Road West – Wigwam Blvd to PebbleCreek Parkway	2,817,000
Indian School Road – PebbleCreek Parkway west to Sarival	888,000
155 <sup>th</sup> Avenue – North from Indian School Road to Turner Ave	1,142,000
Falcon Drive – Indian School Road to Charles Blvd	2,057,000
Charles Blvd – PebbleCreek Parkway to Falcon Drive	1,932,000
PebbleCreek Parkway – Indian School Road North to Charles Blvd	1,581,000
Camelback Road – Bullard Drain to west of Parcel 21	1,599,000
Turney Avenue – Falcon Drive to Charles Blvd	1,697,000
Meadowbrook Avenue – North Falcon Drive to Bullard Drain	955,000
Sarival Road – North from Indian School to Charles Blvd	1,038,000
152 <sup>nd</sup> Avenue – Camelback Road to Falcon Drive	2,358,000
Bullard Drain – Camelback Road South to Indian School Road	2,884,000
Indian School Road Drainage Channel East – PebbleCreek Parkway to Bullard Drain	1,529,000
Camelback Road Channel – Sarival to Bullard Drain	1,380,000
Thomas Road – Citrus Road to Cotton Lane	2,100,000
Loop Road (Virginia Ave) – McDowell Road to PebbleCreek Parkway	1,690,000
McDowell Road – PebbleCreek Parkway to Sarival	2,450,000
PebbleCreek Parkway – west side from McDowell Road to Virginia Ave	1,300,000
Fire Station at Country Club and PebbleCreek Parkway	2,360,000
<b>Total Project Costs</b>	<b>\$36,477,000</b>

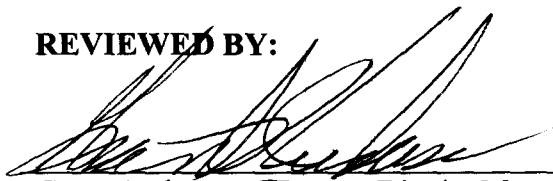
As previously stated, if the SAV is frozen per policy, the bond sale could not exceed \$8.5 million today, and another bond sale would need to be scheduled next year after the new SAV numbers are published by the County.


The Utilities District property tax rates are not anticipated to exceed \$1.00 given the current tax base and the Standby Contribution Agreement of SunCor.

**Attachments**

Feasibility Report  
CFUD#1 RES 05-052

**REVIEWED BY:**

  
\_\_\_\_\_  
Grant Anderson – Deputy District Manager

  
\_\_\_\_\_  
Larry D. Price – District Treasurer


\_\_\_\_\_  
Scott Ruby – District Counsel

\_\_\_\_\_  
Stephen S. Cleveland – District Manager

**PREPARED BY:**

\_\_\_\_\_  
Preparer – Shawn Dralle – RBC Dain  
Rauscher

  
\_\_\_\_\_  
Sheila K. Mills – CFD Administrator

  
\_\_\_\_\_  
Larry D. Price – District Treasurer

  
\_\_\_\_\_  
Brian Dalke – Deputy District Manager

**FEASIBILITY REPORT**

**For The Issuance of**

**Not to Exceed  
\$10,000,000 Principal Amount**

**OF**

**COMMUNITY FACILITIES UTILITIES**

**DISTRICT NO. 1**

**(CITY OF GOODYEAR, ARIZONA)**

**DISTRICT GENERAL OBLIGATION BONDS**

**SERIES 2005**

**February 14, 2005**

## TABLE OF CONTENTS

	<u>SECTION</u>
<b>Introduction; Purpose of Feasibility Report; and General Description of District</b>	<b>ONE</b>
<b>Description of Public Infrastructure</b>	<b>TWO</b>
<b>Map Showing Area to be Benefited</b>	<b>THREE</b>
<b>Estimate of Cost and Timetable for Acquisition of Public Infrastructure</b>	<b>FOUR</b>
<b>Plan of Finance</b>	<b>FIVE</b>
	<u>APPENDIX</u>
<b>Legal Description for Community Facilities Utilities District No. 1 of the City of Goodyear, Arizona</b>	<b>1</b>
<b>An analysis of the impact of the financing on the tax rates or other charges borne by the owners of the Property</b>	<b>2</b>
<b>An analysis of the effect on the City of Goodyear's general financing abilities</b>	<b>3</b>
<b>An analysis of the project infrastructure demand and market absorption</b>	<b>4</b>
<b>Example of CFD disclosure in the Arizona Department of Real Estate Subdivision Public Report</b>	<b>5</b>



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**SECTION ONE**

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

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## 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 2005 (the "Bonds") in an approximate principal amount of not to exceed \$10,000,000, 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 pursuant to a series of development agreements among the City of Goodyear (the "City"), SunCor Development Company ("SunCor") and the Utilities District. 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 provide the vehicle for financing certain public infrastructure necessary for development of the land within the boundaries of the Utilities District. The Utilities District boundaries are located within the approximately 9,000-acre master planned development known as "Palm Valley". The Utilities District acreage includes approximately 2,400 acres of the age-restricted community known as "PebbleCreek" with the balance of the acreage being part of Palm Valley. PebbleCreek commenced home sales in 1993 and is nearing fifty percent completion. Palm Valley has either developed or is in the process of developing approximately 2,400 acres within the Utilities District. 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 Utilities District.

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.

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**SECTION TWO**

**DESCRIPTION OF PUBLIC INFRASTRUCTURE**

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## DESCRIPTION OF PUBLIC INFRASTRUCTURE

### Palm Valley Phase V Improvements

1. *Park – Parcel 13*

To provide approximately 10 acres of open space in the form of a park with grading, paving, landscaping, irrigation, hardscape, drainage, parking, park furniture and equipment, and other miscellaneous amenities and improvements which may include restrooms, sports fields, ramadas, etc.

**Total Estimated Cost** **\$ 1,034,000**

2. *Park – Parcel 28*

To provide approximately 12 acres of open space in the form of a park with grading, paving, landscaping, irrigation, hardscape, drainage, parking, park furniture and equipment, and other miscellaneous amenities and improvements which may include restrooms, sports fields, ramadas, etc.

**Total Estimated Cost** **\$ 1,362,000**

3. *Parcel 14*

Design and construct improvements within public right of way which includes sidewalks, paving, landscaping etc.

**Total Estimated Cost** **\$ 324,000**

4. *Indian School Road West: Wigwam Blvd to PebbleCreek Parkway*

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	6,200	L.F.
Road Width	36'	L.F.
Curb Width	2'	
Sidewalk Width	6'	
Landscape Median	17'	

**Total Estimated Cost** **\$ 2,817,000**

5. *Indian School Road: PebbleCreek Parkway West to Sarival*

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** **\$ 888,000**

6. *155<sup>th</sup> Avenue: North from Indian School to Turney Avenue*

Design and construct improvements for the entire width of this section of 155<sup>th</sup> Ave. 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** **\$ 1,142,000**

7. *Falcon Drive: Indian School Road to Charles Boulevard*

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

A. Length - approximately 5,625 L.F. +/-

B. Width - 84 L.F. R/W 20 L.S. & PUE

**Total Estimated Cost** **\$ 2,057,000**

8. *Charles Boulevard: PebbleCreek Parkway to Falcon Drive*

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

A. Length - 4,550 L.F. +/-

B. Width - 84 L.F. R/W 20 L.S. & PUE +/-

**Total Estimated Cost** **\$ 1,932,000**

9. *PebbleCreek Parkway: Indian School Road North to Charles Boulevard*

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 a future traffic signal.

A. Length - 2,000 L.F. +/-

B. Width - 85 L.F. R/W & 20 L.F. L.S. & PUE

**Total Estimated Cost** **\$ 1,581,000**

10. *Camelback Road: Bullard Drain to West of Parcel 21*

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 a future traffic signal.

- A. Length - 3,125 L.F. +/-
- B. Width - 1/2 of 135 R/W

**Total Estimated Cost** **\$ 1,599,000**

11. *Turney Avenue: Falcon Drive to Charles Boulevard*

Design and construct improvements for the entire width of this section of Turney Avenue. 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** **\$ 1,697,000**

12. *Meadowbrook Avenue: North Falcon Drive to Bullard Drain*

Design and construct improvements for the entire width of this section of Meadowbrook Avenue 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** **\$ 955,000**

13. *Sarival Road - North from Indian School to Charles Boulevard*

Design and construct improvements for the entire width of Sarival Road. The work will include curb and gutter, sidewalk, streetlights, landscaping, paving, grading, striping & signage, drainage structures and traffic signal.

- A. Length - 1400 L.F. +/-
- B. Width - 84 L.F.

**Total Estimated Cost** **\$ 1,038,000**

14. *152<sup>nd</sup> Avenue: Camelback Road to Falcon Drive*

Design and construct improvements for the entire width of this section of 152<sup>nd</sup> Avenue. 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** **\$ 2,358,000**

15. *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	250	L.F.
Channel Length	5,450	L.F.
24" Nuisance Pipe	5,500	L.F.
Pedestrian Pathway Width	8'	

**Total Estimated Cost** **\$ 2,884,000**

16. *Indian School Drainage Channel East: Just West of Sarival Ave. 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** **\$ 1,529,000**

17. *Camelback Road Channel - 303 Loop to Bullard Drain*

Design and construct improvements for this drainage channel. The work will include grading, complete drainage structure and landscaping.

- A. Length - 21,120 L.F. +/-
- B. Width - 250 L.F.

**Total Estimated Cost** **\$ 1,380,000**

***Total Phase V Improvements*** ***\$26,577,000***

**Palm Valley Phase VII Improvements**

18. *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**

***Total Phase VII Improvements*** ***\$ 2,100,000***



**Palm Valley Phase VIII Improvements**

19. *Loop Road (Virginia Avenue): McDowell Road to PebbleCreek Parkway*

Design and 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**

20. *McDowell Road from PebbleCreek Parkway West to just West of Sarival Raod*

Design and build a new roadway that will include sidewalk, curb and gutter, landscape and concrete, drainage structure and storm drain system. There will also be street lights and 25% of a traffic signal at Virginia Avenue.

Road Length	6,000	L.F.
Road Width	85'	+/-
Curb Width	2'	
Sidewalk Width	5'	
Landscape Parkway	Varies	

**Total Estimated Cost \$ 2,450,000**

21. *West Side of PebbleCreek Parkway from McDowell Road North to Virginia*

Design and build a new roadway that will include sidewalk, curb and gutter, landscape and concrete, drainage structure and storm drain system. There will also be street lights and 25% of a traffic signal at Virginia Avenue.

Road Length	2,600	L.F.
Road Width	85'	+/-
Curb Width	2'	
Sidewalk Width	5'	
Landscape Parkway	Varies	

**Total Estimated Cost \$ 1,300,000**

***Total Phase VIII Improvements \$ 5,440,000***

**PebbleCreek Projects**

*22. Fire Station located at Country Club and PebbleCreek Parkway*  
Design and construct new fire station

**Total Estimated Cost    \$ 2,360,000**

***Total PebbleCreek Projects                                  \$2,360,000***

**Total Estimated Cost of all Projects    \$36,477,000**

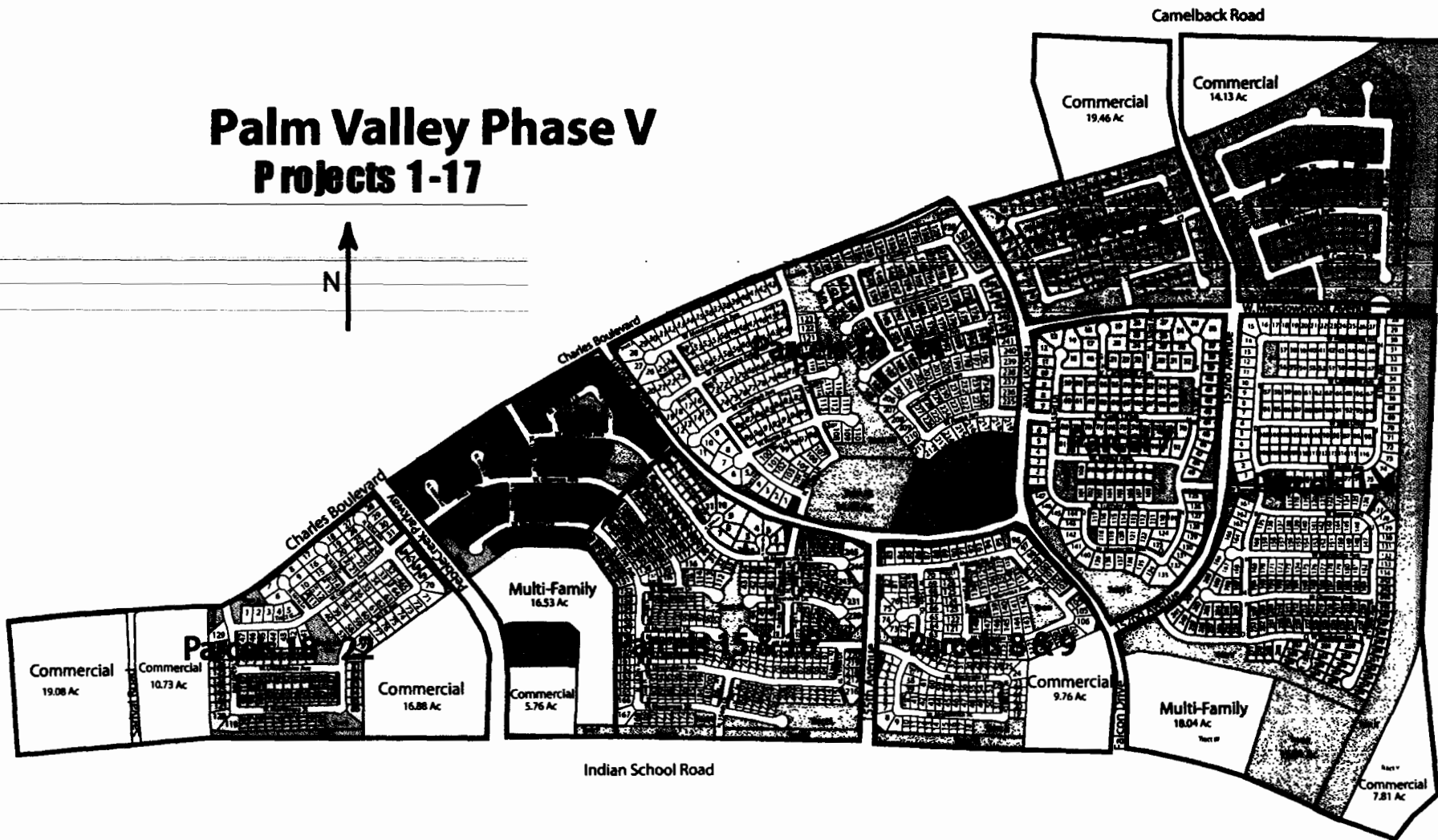
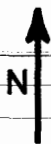
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**SECTION THREE**

**MAP SHOWING AREA TO BE BENEFITED**

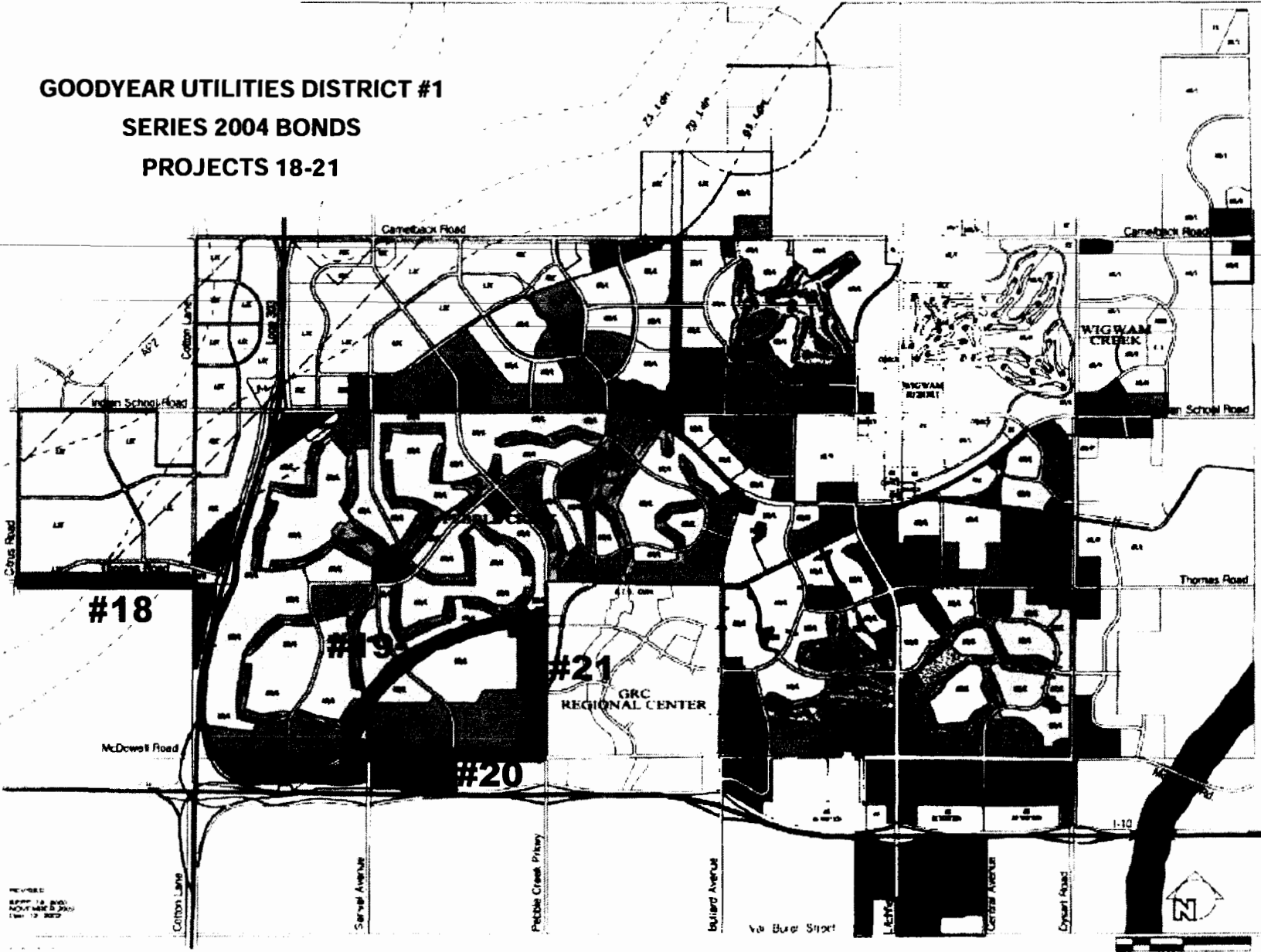
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# Palm Valley Phase V Projects 1-17



06/17/04

**GOODYEAR UTILITIES DISTRICT #1  
SERIES 2004 BONDS  
PROJECTS 18-21**



REVISED  
SERIES 2004 BONDS  
MOUNTAIN VIEW DISTRICT  
12/11/03



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**SECTION FOUR**

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

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

The table below outlines the estimated construction costs of the 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. Park (Parcel 13)	\$1,034,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
2. Park (Parcel 28)	1,362,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
3. Parcel 14	324,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
4. Indian School Rd West	2,817,000	2 <sup>nd</sup> Qtr 2005	FY05-20	S53
5. Indian School Rd	888,000	2 <sup>nd</sup> Qtr 2005	FY05-20	S53
6. 155 <sup>th</sup> Ave North	1,142,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
7. Falcon Drive	2,057,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
8. Charles Boulevard	1,932,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
9. PebbleCreek Parkway	1,581,000	2 <sup>nd</sup> Qtr 2005	FY05-20	S76,S34
10. Camelback Road	1,599,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
11. Turney Avenue	1,697,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
12. Meadowbrook Avenue	955,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
13. Sarival Road North	1,038,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
14. 152 <sup>nd</sup> Avenue	2,358,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
15. Bullard Drain	2,884,000	2 <sup>nd</sup> Qtr 2005	FY05-20	D7,D8
16. Indian School Drainage Channel E	1,529,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
17. Camelback Road Channel	1,380,000	2 <sup>nd</sup> Qtr 2005	N/A	N/A
<b>TOTAL PHASE V PROJECTS</b>	<b><u>\$26,577,000</u></b>			
18. Thomas Rd (Citrus to Cotton Lane)	2,100,000	4 <sup>th</sup> Qtr 2006	FY99-05	S21
<b>TOTAL PHASE VII PROJECTS</b>	<b><u>\$2,100,000</u></b>			
19. Loop Road: McDowell to PC Pkwy	1,690,000	4 <sup>th</sup> Qtr 2005	FY99-05	S37,S18
20. McDowell Road	2,450,000	4 <sup>th</sup> Qtr 2005	FY99-05	SL06
			FY05-20	S43,TS45
21. PebbleCreek Parkway	1,300,000	4 <sup>th</sup> Qtr 2005	FY99-05	TS7
			FY05-20	S47,SL50
<b>TOTAL PHASE VIII PROJECTS</b>	<b><u>\$5,440,000</u></b>			
22. Fire Station	\$2,360,000	2 <sup>nd</sup> Qtr 2005	FY05-20	FD02
<b>TOTAL PEBBLECREEK PROJECTS</b>	<b><u>\$2,360,000</u></b>			
<b>TOTAL FOR ALL PROJECTS</b>	<b><u>\$36,477,000</u></b>			

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

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**SECTION FIVE**  
**PLAN OF FINANCE**

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## 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) Existing and Proposed Debt.**

A bond election was held on February 27, 1990 authorizing \$166,500,000 of Utilities District general obligation bonds. The total principal amount of all general obligation bonds outstanding for the Utilities District currently equals \$22,880,000. Assuming the sale of the Bonds proposed herein, the total amount of general obligation bonds outstanding in the District would be \$30,185,000. The general obligation bond issues outstanding for the Utilities District are listed below:

<u>Issue</u>	<u>Original Issue Principal Amount</u>	<u>Principal and Proposed Amount Outstanding</u>
Series 1996(B)	\$1,470,000	\$1,350,000
Series 1998	\$6,975,000	\$6,585,000
Series 2000	\$7,075,000	\$7,075,000
Series 2003	\$7,870,000	\$7,870,000
Series 2005	\$8,655,000 (a)	<u>\$8,655,000 (a)</u>
	Total	\$31,535,000
	Less: Bonds Being Refunded	<u>(\$1,350,000) (b)</u>
	<b>Total</b>	<b><u>\$30,185,000</u></b>

(a) Subject to change.

(b) Represents the District's Series 1996(B) General Obligation Bonds that may be refunded. See "Refunding Bonds" set forth below.

Assuming the issuance of the Bonds described herein, the Utilities District will have \$135,930,000 of authorized, but not issued, general obligation bond authorization remaining.

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.

**(2) Refunding Bonds.**

A portion of the Bonds may be issued to refund the District's Series 1996(B) General Obligation Bonds dated August 1, 1996 outstanding in the amount of \$1,350,000. The proposed refunding is estimated to generate approximately \$171,450 of net present value debt service savings, or approximately 13% of the principal amount of bonds to be refunded. Please refer to Table Three in Section Five for a present value comparison of the existing Series 1996(B) debt service versus the debt service for the proposed refunding portion of the Bonds.

**(3) Estimated Sources and Uses of Funds.**

The Estimated Sources and Uses of Funds resulting from the sale of the Bonds is shown below:

	<u>Issue Total</u>	<u>New Money</u>	<u>Refunding (a)</u>
<b><u>SOURCES:</u></b>			
Principal of Series 2005 Bonds	\$8,655,000	\$7,180,000	\$1,475,000
Developer Contribution for Costs of Issuance	<u>274,375</u>	<u>224,428</u>	<u>49,947</u>
Total	\$8,929,375	\$7,404,428	\$1,524,947
<b><u>USES:</u></b>			
Acquisition of Public Infrastructure	\$7,050,656	\$7,050,656	\$0
Deposit to Escrow Fund	1,454,519	0	1,454,519
Municipal Bond Insurance Premium	149,825	129,344	20,481
Costs of Issuance*	<u>274,375</u>	<u>224,428</u>	<u>49,947</u>
Total	\$8,929,375	\$7,404,428	\$1,524,947

(a) Refunding the District's Series 1996(B) General Obligation Bonds dated August 1, 1996 in the principal amount of \$1,350,000.

\* The estimated costs of issuance are shown in the following table:

<u>Description</u>	<u>Party</u>	<u>Total</u>	<u>New Money Bonds</u>	<u>Refunding Bonds</u>
Bond Counsel	Gust Rosenfeld P.L.C.	\$40,000	\$30,000	\$10,000
Financial Advisor	Peacock Hislop	15,000	12,443	2,557
Underwriter's Counsel	Greenberg Traurig, LLP	20,000	16,591	3,409
Underwriter's Discount	RBC Dain Rauscher	173,100	143,600	29,500
Rating Agencies	Moody's/S&P	15,275	12,671	2,604
Printing of Official Statement	i-Deal Prospectus	3,000	2,488	512
Trustee	Wells Fargo Bank AZ	3,000	2,488	512
Miscellaneous		<u>5,000</u>	<u>4,147</u>	<u>853</u>
	Total	<u>\$274,375</u>	<u>\$224,428</u>	<u>\$49,947</u>

**(4) Use of Proceeds.**

The proceeds of the Bonds will be applied by the Utilities District to (1) finance all or a portion of the publicly bid Public Infrastructure listed in Section Two of this Report and (2) refund the District's Series 1996(B) General Obligation Bonds dated August 1, 1996 in the principal amount of \$1,350,000.

**(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, 2007 through and including July 15, 2029, amortized to produce a level debt service structure. (See Table One of this Section for an estimated debt service schedule.) The underwriter will solicit municipal bond insurance bids and expects 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 Utilities 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 Four 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.

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

**\$0.75 Maximum District Debt Tax Rate**

**6.10% Average Annual  
Secondary Assessed Valuation Growth**

**Projected Standby Contribution Payment Amounts  
(Assumes Uninsured Series 2005 Issue)**

Existing Debt Service				District		SunCor's Payment		Proposed Series 2005		Total		District		SunCor's Payment		Fiscal Year
1996	Series 1998	Series 2000	Series 2003	Total Existing Debt Service	Debt Tax Rate	Revenues @ \$0.75 Debt Tax Rate (5)	for Debt Service Above \$0.75 Debt Tax Rate	Principal (2)	Interest (3)	Total Proposed Debt Service	Combined Debt Service Net of Series 1996(B) (4)	Combined Debt Tax Rate	Revenues @ \$0.75 Debt Tax Rate (5)	for Debt Service Above \$0.75 Debt Tax Rate		
36,658	\$ 535,658	\$ 360,683	\$ 408,746	\$ 1,441,744	1.1295	\$ 909,502	\$ 532,242	\$ -	\$ -	\$ -	\$ 1,305,087	1.0224	\$ 909,502	\$ 395,584	2004-05	
33,778	534,633	535,683	408,746	1,612,839	1.1068	1,038,280	574,560	-	548,620	548,620	2,027,682	1.3915	1,038,280	989,402	2005-06	
35,898	533,083	531,583	408,746	1,609,309	0.9825	1,167,057	442,252	35,000	399,804	434,804	1,908,216	1.1650	1,167,057	741,159	2006-07	
37,698	531,008	532,223	408,746	1,609,674	0.8851	1,295,834	313,840	85,000	398,786	483,786	1,955,762	1.0754	1,295,834	659,928	2007-08	
39,178	533,408	527,343	538,746	1,738,674	0.8696	1,424,611	314,063	85,000	396,142	481,142	2,080,639	1.0406	1,424,611	656,027	2008-09	
35,338	536,805	527,203	539,456	1,738,801	0.7975	1,553,389	185,413	270,000	393,278	663,278	2,266,741	1.0397	1,553,389	713,353	2009-10	
36,288	534,385	531,543	534,563	1,736,778	0.7356	1,682,166	54,612	285,000	383,558	668,558	2,269,048	0.9611	1,682,166	586,882	2010-11	
36,900	531,225	535,103	534,230	1,737,458	0.6836	1,810,943	-	290,000	372,813	662,813	2,263,371	0.8905	1,810,943	452,427	2011-12	
37,175	532,450	534,058	533,280	1,736,963	0.6380	1,939,720	-	300,000	361,387	661,387	2,261,175	0.8306	1,939,720	321,454	2012-13	
37,113	532,658	532,298	536,973	1,739,041	0.5990	2,068,498	-	315,000	349,207	664,207	2,266,155	0.7806	2,068,498	197,637	2013-14	
36,713	531,978	534,930	534,998	1,738,618	0.5638	2,197,275	-	320,000	336,103	656,103	2,258,009	0.7322	2,197,275	60,734	2014-15	
35,975	535,395	531,700	532,638	1,735,708	0.5317	2,326,052	-	335,000	322,471	657,471	2,257,204	0.6914	2,326,052	-	2015-16	
39,900	528,000	532,700	538,150	1,738,750	0.5047	2,454,829	-	350,000	307,899	657,899	2,256,749	0.6550	2,454,829	-	2016-17	
37,900	530,115	532,950	537,800	1,738,765	0.4795	2,583,606	-	360,000	292,429	652,429	2,253,294	0.6214	2,583,606	-	2017-18	
40,550	531,250	527,450	536,875	1,736,125	0.4561	2,712,384	-	380,000	276,265	656,265	2,251,840	0.5915	2,712,384	-	2018-19	
37,500	531,000	531,450	536,475	1,736,425	0.4355	2,841,161	-	395,000	258,975	653,975	2,252,900	0.5650	2,841,161	-	2019-20	
39,100	529,750	534,450	535,555	1,738,855	0.4172	2,969,938	-	410,000	240,805	650,805	2,250,560	0.5399	2,969,938	-	2020-21	
-	672,500	531,000	534,115	1,737,615	0.3995	3,098,715	-	290,000	221,658	511,658	2,249,273	0.5172	3,098,715	-	2021-22	
-	672,000	531,500	537,155	1,740,655	0.3843	3,227,493	-	300,000	207,970	507,970	2,248,625	0.4964	3,227,493	-	2022-23	
-	-	1,200,960	539,415	1,740,375	0.3695	3,356,270	-	315,000	193,690	508,690	2,249,065	0.4775	3,356,270	-	2023-24	
-	-	1,204,540	535,895	1,740,435	0.3558	3,485,047	-	325,000	178,475	503,475	2,243,910	0.4588	3,485,047	-	2024-25	
-	-	-	1,736,450	1,736,450	0.3424	3,613,824	-	345,000	162,615	507,615	2,244,065	0.4424	3,613,824	-	2025-26	
-	-	-	1,737,003	1,737,003	0.3307	3,742,602	-	360,000	145,538	505,538	2,242,540	0.4269	3,742,602	-	2026-27	
-	-	-	1,738,275	1,738,275	0.3199	3,871,379	-	375,000	127,430	502,430	2,240,705	0.4124	3,871,379	-	2027-28	
-	-	-	-	-	-	4,000,156	-	2,130,000	108,417	2,238,417	2,238,417	0.3987	4,000,156	-	2028-29	
<b>33,658</b>	<b>\$ 10,397,301</b>	<b>\$ 12,341,345</b>	<b>\$ 15,963,030</b>	<b>\$ 41,035,334</b>			<b>\$ 2,416,981</b>	<b>\$ 8,655,000</b>	<b>\$ 6,984,328</b>	<b>\$ 15,639,328</b>	<b>\$ 54,341,004</b>			<b>\$ 5,774,588</b>		

ded by the Maricopa County Assessor's Office in August 2004. Assumes that the District's secondary assessed value will grow by assessed valuation dollar growth per year from fiscal year 1999-00 through fiscal year 2004-05).

X) was sized assuming no secondary assessed valuation growth after fiscal year 2004-05.

0% average interest rate.

e refunded by a portion of the Series 2005 Bonds.

TABLE TWO

Community Facilities Utilities District No. 1  
 (City of Goodyear, Arizona)  
 District General Obligation Bonds, Series 2005

*Present Value Comparison  
 of Total Estimated Debt Service*

Fiscal Year Ending June 30	<i>Proposed Series 2005 "Aaa" Insured</i>	<i>Proposed Series 2005 "Baa2"/"BBB" (Uninsured)</i>
	Total Estimated Debt Service	Total Estimated Debt Service
2005	\$ -	\$ -
2006	492,105	548,620
2007	393,619	434,804
2008	442,800	483,786
2009	440,641	481,142
2010	623,253	663,278
2011	630,018	668,558
2012	625,812	662,813
2013	625,981	661,387
2014	630,451	664,207
2015	624,080	656,103
2016	627,208	657,471
2017	629,478	657,899
2018	625,898	652,429
2019	631,642	656,265
2020	631,328	653,975
2021	630,172	650,805
2022	493,075	511,658
2023	490,808	507,970
2024	492,938	508,690
2025	489,204	503,475
2026	494,807	507,615
2027	494,247	505,538
2028	492,723	502,430
2029	2,230,323	2,238,417
	<u>\$ 14,982,606</u>	<u>\$ 15,639,328</u>

Total Debt Service Difference \$656,722  
 ("Aaa" Insured issue versus "Baa2"/"BBB" rated issue)

<b>Present Value Benefit at 4.45%*</b>	<b>\$443,759</b>
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\*Represents the estimated present value benefit, at the insured issue interest rate, of "Aaa" Bond Insurance versus an uninsured "Baa2"/"BBB" rated issue.

**TABLE THREE**

**Community Facilities Utilities District No. 1  
(City of Goodyear, Arizona)  
District General Obligation Bonds, Series 2004**

*Refunding of Series 1996(B) Bonds*

Fiscal Year Ending June 30	Existing	Refunded	Estimated Net Present Value Savings (2)
	Series 1996(B) Debt Service	Series 1996(B) Debt Service	
2005	\$ 90,829 (1)	\$ -	\$ 42,593
2006	133,778	72,655	57,501
2007	135,898	87,947	43,525
2008	137,698	137,128	784
2009	139,178	134,969	3,740
2010	135,338	132,581	2,420
2011	136,288	134,988	1,203
2012	136,900	132,081	3,683
2013	137,175	134,030	2,353
2014	137,113	135,696	1,096
2015	136,713	132,086	3,069
2016	135,975	133,376	1,694
2017	139,900	139,386	399
2018	137,900	134,924	1,732
2019	140,550	135,370	2,811
2020	137,500	135,534	1,039
2021	139,100	135,421	1,809
	<u>\$ 2,287,829</u>	<u>\$ 2,048,168</u>	<u>\$ 171,450</u>

(1) Represents only July 15, 2005 debt service.

(2) Represents the estimated present value savings assuming that the refunding bonds are "Aaa" insured, net of the estimated costs of issuance to be paid by SunCor for the refunding portion of the Series 2005 Bonds.

<b>Estimated Net Present Value Savings</b>	<b>\$171,450</b>
<b>Par Amount of Bonds Being Refunded</b>	<b>\$1,350,000</b>

<b>Est. Net Present Value Savings as % of Bonds Being Refunded</b>	<b>12.70%</b>
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TABLE FOUR

COMMUNITY FACILITIES UTILITIES DISTRICT

*Full Cash and Secondary Assessed Valuation  
Fiscal Years 1991-92 through 2004-05*

<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	842,509,875	99,483,101	16.96%
2004-05	1,030,238,174	127,649,457	28.31%

Source: Maricopa County Assessor's Office.

**TABLE FIVE**

**Sources and Uses of Funds**

Sources	Combined		
	Sources & Uses	Utilities District No. 1 (b)	Palm Valley District No. 3
Series 2005 Bonds	\$16,680,000	\$7,180,000	\$9,500,000
Developer Contribution for Costs of Issuance	224,428	224,428	-
<b>Total Sources</b>	<b>16,904,428</b>	<b>7,404,428</b>	<b>9,500,000</b>

Uses	Combined		
	Sources & Uses	Utilities District No. 1 (b)	Palm Valley District No. 3
Public Infrastructure	16,220,656	7,050,656	9,170,000
Costs of Issuance	554,428	224,428	330,000
Bond Insurance Premium	129,344	129,344	-
<b>Total Uses</b>	<b>\$16,904,428</b>	<b>\$7,404,428</b>	<b>\$9,500,000</b>

Project Costs	Total		
	Project Cost	Utilities District No. 1	Palm Valley District No. 3 (a)
1 Park - Parcel 13	\$1,034,000		\$1,034,000
2 Park - Parcel 28	1,362,000	\$1,362,000	
3 Parcel 14	324,000		324,000
4 Indian School Road West - Wigwam Blvd to PebbleCreek Parkway	2,817,000	2,817,000	
5 Indian School Road - PebbleCreek Parkway west to Sarival	888,000	888,000	
6 155th Avenue - North from Indian School to Turner Ave	1,142,000		1,142,000
7 Falcon Drive - Indian School Rd to Charles Blvd	2,057,000		2,057,000
8 Charles Blvd - PebbleCreek Parkway to Falcon Drive	1,932,000		1,932,000
9 PebbleCreek Parkway - Indian School Road North to Charles Blvd	1,581,000	1,581,000	
10 Camelback Road - Bullard Drain to West of Parcel 21	1,599,000	1,599,000	
11 Turney Avenue - Falcon Drive to Charles Blvd	1,697,000		1,697,000
12 Meadowbrook Avenue - N Falcon Drive to Bullard Drain	955,000		955,000
13 Sarival Road - North from Indian School to Charles Blvd	1,038,000		1,038,000
14 152nd Avenue - Camelback Road to Falcon Drive	2,358,000		2,358,000
15 Bullard Drain - Camelback Road South to Indian School Road	2,884,000	2,884,000	
16 Indian School Drainage Channel East - PebbleCreek Parkway to Bullard Drain	1,529,000	1,529,000	
17 Camelback Road Channel - Sarival to Bullard Drain	1,380,000	1,380,000	
18 Thomas Road - Citrus Road to Cotton Lane	2,100,000		2,100,000
19 Loop Road (Virginia Ave) - McDowell Road to PebbleCreek Parkway	1,690,000	1,690,000	
20 McDowell Road -PebbleCreek Parkway to Sarival	2,450,000	2,450,000	
21 PebbleCreek Parkway - West side from McDowell to Virginia	1,300,000	1,300,000	
22 Fire Station at Country Club and PebbleCreek Parkway	2,360,000	2,360,000	
<b>Total Project Costs</b>	<b>\$36,477,000</b>	<b>\$21,840,000</b>	<b>\$14,637,000</b>

- (a) The projects listed above are located within the district boundaries of both the Utilities District #1 and Palm Valley District #3. The projects may be funded from the proceeds from either of the districts bonds. This table indicates which CFD the Project benefits most and which District is the most likely to pay for the Project.
- (b) Excludes the proposed portion of the Series 2005 Bonds to refund the District's Series 1996(B) Bonds. See "Estimated Sources and Uses of Funds" in Section Five herein.



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**APPENDIX 1**

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

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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 2658.36 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;

91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 2 of 12

Thence, North 00°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°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°41'33" West, along the East line of the Northeast Quarter of said Section 3, a distance of 1060.19 feet;

Thence, North 89°18'27" West, 39.99 feet;

Thence, South 03°41'34" West, 328.49 feet;

Thence, South 02°43'15" West, 450.43 feet;

Thence, South 00°49'06" West, 197.56 feet;

Thence, North 89°14'43" West, 325.04 feet;

Thence, North 00°45'17" East, 707.80 feet;

Thence, North 89°36'43" West, 2206.87 feet;

Thence, South 00°38'27" West, 854.60 feet;

Thence, North 88°53'59" West, 56.01 feet;

Thence, North 00°38'27" East, 853.90 feet;

Thence, North 89°36'43" West, 2216.73 feet;

Thence, South 00°34'09" West, 629.90 feet;

Thence, North 82°04'14" West, 302.52 feet;

91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 3 of 12

Thence, North 89°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°33'08" East, along said East line, a distance of 475.70 feet;

Thence, North 89°26'52" West, 54.06 feet;

Thence, South 02°50'19" West, 375.39 feet;

Thence, South 00°35'37" West, 100.58 feet;

Thence, North 89°20'48" West, 284.93 feet;

Thence, North 00°31'47" East, 559.48 feet;

Thence, North 88°41'16" West, 329.83 feet;

Thence, South 00°29'06" West, 104.55 feet;

Thence, North 89°20'06" West, 34.71 feet;

Thence, North 00°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°23'27" East, along said North line, a distance of 1218.03 feet to the Northwest Corner of said Section 3;

Thence, South 89°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°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:

91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 4 of 12

Thence, South 89°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°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°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°31'41" East, along the East line of the Northwest Quarter of said Section 6, a distance of 999.63 feet;

Thence South 89°37'22" West, 859.29 feet;

Thence, North 89°22'06" West, 749.87 feet;

Thence, North 00°36'39" East, 24.95 feet;

Thence, North 89°22'32" West, 932.88 feet;

Thence, North 89°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°17'05" West, 33.05 feet;

Thence, North 89°22'39" West, 1590.36 feet;

Thence, South 01°33'49" West, 25.01 feet;

Thence, North 89°21'38" West, 660.05 feet;

Thence, North 00°36'38" East, 100.00 feet;

Thence, North 89°25'22" West, 400.12 feet;

Thence, South 00°36'38" West, 100.00 feet;

Thence, North 89°21'45" West, 884.84 feet;

91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 5 of 12

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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91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 6 of 12

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:

91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 7 of 12

Beginning at the West Quarter Corner of said Section 31:

Thence, South 89°23'23" East, along the North line of said Southwest Quarter of Section 31, a distance of 250.00 feet;

Thence, South 00°17'12" West, 1319.33 feet;

Thence, North 89°22'27" West, a distance of 250.00 feet to a point on the West line of said Southwest Quarter;

Thence, North 00°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°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°21'31" West, along said South line, a distance of 720.01 feet;

Thence, North 00°17'45" East, 560.01 feet;

Thence, South 89°21'31" East, 600.01 feet;

Thence, North 00°17'45" East, 1359.80 feet;

Thence, North 89°23'23" West, 440.00 feet;

Thence, North 00°17'45" East, a distance of 720.01 feet to a point on the North line of said Southwest Quarter;

Thence, South 89°23'23" East, along said North line, a distance of 560.00 feet;



Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 8 of 12

Thence, South 00°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°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°03'41" East, along the West line of said Southeast Quarter of the Southeast Quarter a distance of 1537.65 feet to the Northwest Corner of the Southeast Quarter of the Southeast Quarter;

Thence, North 01°11'48" East, 2434.63 feet;

Thence, North 00°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°58'54" East, along said North line, a distance of 1338.00 feet to the Northeast Corner of said Section 20;

Thence South 01°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°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:

91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 9 of 12

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  $00^{\circ}55'16''$  West, a distance of 160.95 feet to the Point of Beginning;

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

Thence, South  $62^{\circ}45'31''$  West, 281.99 feet;

Thence, North  $00^{\circ}16'31''$  East, 579.26 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 1.302 Acres.

Also including 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;

91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 10 of 12

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 1298.32 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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91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 11 of 12

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°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°15'09" East, 205.00 feet;

Thence, South 89°23'27" East, 300.00 feet;

Thence, South 00°15'09" West, a distance of 205.00 feet to a point on said South line of the Southeast Quarter;

Thence, North 89°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°26'34" West, along the North line of said Northeast Quarter of Section 34, a distance of 1201.03 feet;

Thence, South 00°33'26" West, a distance of 55.23 feet to the Point of Beginning;

Thence, South 01°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°52'15" West, a distance of 1363.89 feet;

Thence, Northwesterly, along the arc of said curve, through a central angle of 42°04'40", having an arc distance of 1001.63 feet;

91 313461

Legal Description  
Utilities District General Plan of Infrastructure  
February 6, 1991  
Page 12 of 12

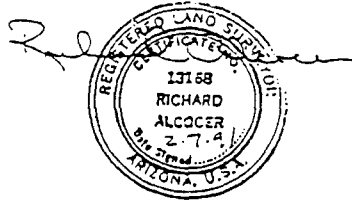
Thence North  $00^{\circ}50'45''$  East, a distance of 869.79 feet to a point marking the beginning of a non-tangent curve, the central point of which bears South  $00^{\circ}31'48''$  East, a distance of 2073.33 feet;

Thence, Easterly, along the arc of said curve, through a central angle of  $01^{\circ}06'04''$ , having an arc distance of 39.85 feet;

Thence, South  $89^{\circ}25'44''$  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.



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**APPENDIX 2**

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

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## 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 are summaries of the tax rate for property owners within the Utilities District, along with tax rate information for all other taxing entities that overlap the Utilities District.

### Inside General District No. 1 and Avondale Elementary School District No. 44

	2004-05 Primary <u>Tax Rate</u>	2004-05 Secondary <u>Tax Rate</u>	2004-05 Combined <u>Tax Rate</u>
<b><u>Overlapping Municipality</u></b>			
Maricopa County	\$1.6668	\$0.3909	\$2.0577
Maricopa County Community College District	0.9211	0.1161	1.0372
Avondale Elementary School District No. 44	2.6128	1.8508	4.4636
Agua Fria Union High School District No. 216	3.3758	1.3724	4.7482
City of Goodyear	1.2239	0.7493	1.9732
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Community Facilities District General District No. 1	<u>0.0000</u>	<u>1.0000</u>	<u>1.0000</u>
<b>Total</b>	<b>\$9.8004</b>	<b>\$6.4795</b>	<b>\$16.2799</b>

### Inside General District No. 1 and Litchfield Elementary School District No. 79

	2004-05 Primary <u>Tax Rate</u>	2004-05 Secondary <u>Tax Rate</u>	2004-05 Combined <u>Tax Rate</u>
<b><u>Overlapping Municipality</u></b>			
Maricopa County	\$1.6668	\$0.3909	\$2.0577
Maricopa County Community College District	0.9211	0.1161	1.0372
Litchfield Elementary School District No. 79	2.4999	1.6074	4.1073
Agua Fria Union High School District No. 216	3.3758	1.3724	4.7482
City of Goodyear	1.2239	0.7493	1.9732
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Community Facilities General District No. 1	<u>0.0000</u>	<u>1.0000</u>	<u>1.0000</u>
<b>Total</b>	<b>\$9.6875</b>	<b>\$6.2361</b>	<b>\$15.9236</b>

**Inside Palm Valley No. 3 and Avondale Elementary School District No. 44**

	<b>2004-05 Primary <u>Tax Rate</u></b>	<b>2004-05 Secondary <u>Tax Rate</u></b>	<b>2004-05 Combined <u>Tax Rate</u></b>
<b><u>Overlapping Municipality</u></b>			
Maricopa County	\$1.6668	\$0.3909	\$2.0577
Maricopa County Community College District	0.9211	0.1161	1.0372
Avondale Elementary School District No. 44	2.6128	1.8508	4.4636
Agua Fria Union High School District No. 216	3.3758	1.3724	4.7482
City of Goodyear	1.2239	0.7493	1.9732
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Palm Valley Community Facilities District No. 3*	<u>0.0000</u>	<u>2.0000</u>	<u>2.0000</u>
<b>Total</b>	<b>\$9.8004</b>	<b>\$7.4795</b>	<b>\$17.2799</b>

**Inside Palm Valley No. 3 and Litchfield Elementary School District No. 79 and**

	<b>2004-05 Primary <u>Tax Rate</u></b>	<b>2004-05 Secondary <u>Tax Rate</u></b>	<b>2004-05 Combined <u>Tax Rate</u></b>
<b><u>Overlapping Municipality</u></b>			
Maricopa County	\$1.6668	\$0.3909	\$2.0577
Maricopa County Community College District	0.9211	0.1161	1.0372
Litchfield Elementary School District No. 79	2.4999	1.6074	4.1073
Agua Fria Union High School District No. 216	3.3758	1.3724	4.7482
City of Goodyear	1.2239	0.7493	1.9732
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Palm Valley Community Facilities District No. 3*	<u>0.0000</u>	<u>2.0000</u>	<u>2.0000</u>
<b>Total</b>	<b>\$9.6875</b>	<b>\$7.2361</b>	<b>\$16.9236</b>

\*The \$2.00 tax rate for Palm Valley Community Facilities District No. 3 is not levied for the 2004-05 fiscal year.

On the following two pages is a summary of tax rates for other development projects.



**MARICOPA COUNTY COMMUNITY FACILITIES DISTRICTS/  
MASTER PLANNED COMMUNITIES TAX RATE BREAKDOWNS  
FISCAL YEAR 2004-05**

WEST VALLEY COMMUNITY FACILITIES DISTRICTS															
	Community Facilities Utilities District No. 1 <i>(Goodyear)</i>	Community Facilities General District No. 1 <i>(Goodyear)</i>	Palm Valley Community Facilities District No. 3 <i>(Goodyear)</i>	Estrella Mountain Ranch <i>(Goodyear)</i>	Wildflower Ranch No. 1 <i>(Goodyear)</i>	Wildflower Ranch No. 2 <i>(Goodyear)</i>	Cottonflower <i>(Goodyear)</i>	Centerra <i>(Goodyear)</i>	Cortina <i>(Goodyear)</i>	The Village at Litchfield Park <i>(Litchfield Park)</i>	Verrado Western Overlay <i>(Buckeye)</i>	Verrado District 1 <i>(Buckeye)</i>	Sundance <i>(Buckeye)</i>	Westpark <i>(Buckeye)</i>	Vistancia <i>(Peoria)</i>
<b>Primary</b>															
State and County	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879	2.5879
Elementary School District	2.4999	2.4999	2.4999	2.5021	2.6128	2.6128	2.6128	2.6128	2.6128	2.4999	0.0000	2.4999	3.9725	3.9725	0.0000
High School District	3.3758	3.3758	3.3758	2.4173	3.3758	3.3758	3.3758	3.3758	3.3758	3.3758	0.0000	3.3758	2.4173	2.4173	0.0000
Unified School District	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	2.1477	0.0000	0.0000	0.0000	4.4575
City	1.2239	1.2239	1.2239	1.2239	1.2239	1.2239	1.2239	1.2239	1.2239	0.0000	1.1461	1.1461	1.1461	1.1461	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	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	0.0000	0.0000	0.0000
<b>Total Primary</b>	<b>9.6875</b>	<b>9.6875</b>	<b>9.6875</b>	<b>8.7312</b>	<b>9.8004</b>	<b>9.8004</b>	<b>9.8004</b>	<b>9.8004</b>	<b>9.8004</b>	<b>8.4636</b>	<b>5.8817</b>	<b>9.6097</b>	<b>10.1238</b>	<b>10.1238</b>	<b>7.3354</b>
<b>Secondary</b>															
State and County	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070	0.5070
Elementary School District	1.6074	1.6074	1.6074	1.5754	1.8508	1.8508	1.8508	1.8508	1.8508	1.6074	0.0000	1.6074	1.1582	1.1582	0.0000
High School District	1.3724	1.3724	1.3724	1.1132	1.3724	1.3724	1.3724	1.3724	1.3724	1.3724	0.0000	1.3724	1.1132	1.1132	0.0000
Unified School District	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5143	0.0000	0.0000	0.0000	3.9000
City	0.7493	0.7493	0.7493	0.7493	0.7493	0.7493	0.7493	0.7493	0.7493	0.0000	0.4039	0.4039	0.4039	0.4039	1.3000
CFD	1.0000	2.0000	3.0000 (9)	1.3000 (3)	2.2764	2.6000	2.4076	3.0000 (4)	2.8500 (5)	2.5000	6.6000	3.3000	3.3000	3.3000 (7)	2.1000
Other	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0500 (6)	0.0500 (6)	0.0000	0.0000	0.0000
<b>Total Secondary</b>	<b>5.2361</b>	<b>6.2361</b>	<b>7.2361</b>	<b>5.2449</b>	<b>6.7559</b>	<b>7.0795</b>	<b>6.8871</b>	<b>7.4795</b>	<b>7.3295</b>	<b>5.9868</b>	<b>8.0752</b>	<b>7.2407</b>	<b>6.4823</b>	<b>6.4823</b>	<b>7.8070</b>
<b>Total Tax Rate</b>	<b>14.9236 (2)</b>	<b>15.9236 (2)</b>	<b>16.9236 (2)</b>	<b>13.9761</b>	<b>16.5563</b>	<b>16.8799</b>	<b>16.6875</b>	<b>17.2799</b>	<b>17.1299</b>	<b>14.4504</b>	<b>13.9569</b>	<b>16.8504</b>	<b>16.6061</b>	<b>16.6061 (8)</b>	<b>15.1424</b>

- (1) The \$2.00 tax rate represents \$1.00 for the General District and \$1.00 for the Utilities District.
- (2) Represents the combined tax rate for a District resident living inside Litchfield Elementary School District No. 79.
- (3) Includes a \$1.00 tax rate for debt service that is not levied for the 2004-05 fiscal year.
- (4) Includes a \$2.70 tax rate for debt service that is not levied for the 2004-05 fiscal year.
- (5) Includes a \$2.55 tax rate for debt service that is not levied for the 2004-05 fiscal year.
- (6) Represents an additional tax rate for the Western Maricopa Education Center.
- (7) Includes a \$3.00 tax rate for debt service that is not levied for the 2004-05 fiscal year.
- (8) Represents the combined tax rate for a District resident living inside Buckeye Elementary School District No. 33.
- (9) The \$3.00 tax rate represents \$2.00 for the Palm Valley CFD No. 3 and \$1.00 for the Utilities District.

Source: Maricopa County Assessor's Office, August 2004.

**MARICOPA COUNTY COMMUNITY FACILITIES DISTRICTS/  
MASTER PLANNED COMMUNITIES TAX RATE BREAKDOWNS  
FISCAL YEAR 2004-05**

<b>EAST VALLEY COMMUNITY FACILITIES DISTRICTS</b>					
	<b>Eagle Mountain (Fountain Hills)</b>	<b>DC Ranch (Scottsdale)</b>	<b>McDowell Mountain Ranch (Scottsdale)</b>	<b>Scottsdale Mountain (Scottsdale)</b>	<b>Tatum Ranch (Phoenix)</b>
<i>Primary</i>					
<b>State and County</b>	2.5879	2.5879	2.5879	2.5879	2.5879
<b>Elementary School District</b>	0.0000	0.0000	0.0000	0.0000	0.0000
<b>High School District</b>	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Unified School District</b>	3.5047	3.7696	3.7696	3.7696	2.5340
<b>City</b>	0.0000	0.4518	0.4518	0.4518	0.8500
<b>CFD</b>	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Other (1)</b>	0.0000	0.0544	0.0544	0.0544	0.0000
<b>Total Primary</b>	<b>6.0926</b>	<b>6.8637</b>	<b>6.8637</b>	<b>6.8637</b>	<b>5.9719</b>
<i>Secondary</i>					
<b>State and County</b>	0.5070	0.5070	0.5070	0.5070	0.5070
<b>Elementary School District</b>	0.0000	0.0000	0.0000	0.0000	0.0000
<b>High School District</b>	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Unified School District</b>	2.0663	1.2613	1.2613	1.2613	1.0480
<b>City</b>	0.4150	0.6184	0.6184	0.6184	0.9700
<b>CFD</b>	2.5900	1.5000	1.4700	2.3000	1.5100
<b>Other (1)</b>	0.0000	0.0488	0.0488	0.0488	0.0000
<b>Total Secondary</b>	<b>5.5783</b>	<b>3.9355</b>	<b>3.9055</b>	<b>4.7355</b>	<b>4.0350</b>
<b>Total Tax Rate</b>	<b>11.6709</b>	<b>10.7992</b>	<b>10.7692</b>	<b>11.5992</b>	<b>10.0069</b>

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

Source: Maricopa County Assessor's Office, August 2004.

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**APPENDIX 3**

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

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### 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 lists the Utilities District's overlapping debt as of the date of this report.

<u>Overlapping Jurisdiction</u>	2004-05 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt	<u>Proportion Applicable to the District</u>	
			<u>Approx. Percent</u>	<u>Amount</u>
State of Arizona	\$44,480,893,202	None	N/A	None
Maricopa County	30,066,986,670	\$0	0.42%	\$0
Maricopa County Community College District	30,066,986,670	234,440,000	0.42	995,316
City of Goodyear	327,191,619	30,935,000	39.01	11,858,205
Litchfield ESD No. 79	362,977,757	19,570,000	35.17	6,882,240
Avondale ESD No. 44	208,085,331	12,200,000	61.34	7,484,061
Agua Fria UHSD No. 216	571,063,088	46,490,000	22.35	10,391,887
Community Facilities Utilities District No. 1	127,649,457	30,185,000*	100.00	30,185,000*
Community Facilities General District No. 1	76,786,132	13,665,000	100.00	<u>13,665,000</u>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$81,461,709</u>

\*Includes the Bonds and is net of the \$1,350,000 Community Facilities Utilities District No. 1 Series 1996(B) Bonds that may be subject to refunding. See "Refunding Bonds" in Section Five herein.

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**APPENDIX 4**

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

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## APPENDIX 4

Given the Utilities District's continuous growth and development and due to the Utilities 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 Four in Section Five for a chart showing the historical growth in full cash value and secondary assessed value within the Utilities District.

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**APPENDIX 5**

**EXAMPLE OF CFD DISCLOSURE**

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**GOODYEAR  
COMMUNITY FACILITIES DISTRICTS DISCLOSURE STATEMENT**

The Palm Valley property you are purchasing is located within three Community Facilities Districts: Goodyear Community Facilities General District No. 1, Goodyear Community Facilities Utilities District No. 1 and Palm Valley Community Facilities District No. 3 (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 \$3.00 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 \$3.00 tax rate until such time as monies from the \$3.00 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 \$3.00 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	\$246
\$150,000	\$369
\$200,000	\$492
\$300,000	\$738
\$400,000	\$984

(\*) 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