

CORTINACFD RES 05-009

**RESOLUTION OF THE BOARD OF DIRECTORS OF CORTINA COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA), APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION, CONSTRUCTION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; 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 \$1,700,000 GENERAL OBLIGATION BONDS WILL BE ISSUED TO FINANCE THE COSTS AND EXPENSES THEREOF UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO.**

WHEREAS, pursuant to Section 48-715, Arizona Revised Statutes ("A.R.S."), as amended, the Board of Directors of the Cortina Community Facilities District (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 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 (the "*Report*"), which 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 CORTINA COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA), that:

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

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

"*Board*" shall mean this Board of Directors of the District.

"*Bonds*" shall mean the District's General Obligation Bonds, Series 2005.

"*Clerk*" shall mean the Clerk of the District.

"*District*" shall mean the Cortina Community Facilities District (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.

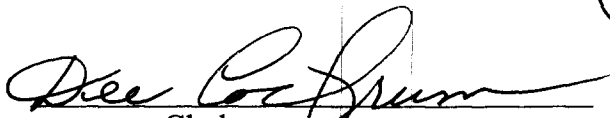
**Section 2. Approval of Feasibility Report.** Published notice of the public hearing on the Report has been provided by the Clerk not less than ten (10) days in advance of the date of the public hearing on the Report and such publication is hereby ratified and approved. The Clerk has provided the Report 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 in substantially the manner presented in the Report and hereby declares its intent to issue not to exceed \$1,700,000 principal amount of Bonds to finance the costs of the Project.

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

  
Chairman

  
Clerk

  
District Attorney

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 Cortina Community Facilities District (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

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

### Phase 1

Elwood Road – including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, signage and drainage structures.

Village Boulevard (from 161<sup>st</sup> Avenue to Lower Buckeye Road) – including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, signage and drainage structures.

Lower Buckeye Parkway (south half) – including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, signage and drainage structures.

### Phase 2

Village Boulevard (from Lower Buckeye Road to north boundary) – including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, sewer line, signage and drainage structures.

Lower Buckeye Parkway (north half) – including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, signage and drainage structures.

### Phase 3

Sarival Avenue – including curb and gutter, sidewalk, streetlights, landscaping, paving, signage, traffic light and drainage structures.

AGENDA ITEM # S.A.+B.  
DATE: February 14, 2005  
CFD COAC  
NUMBER CORTINACFD 05-  
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**CITY OF GOODYEAR  
CFD BOARD ACTION FORM**

<b>SUBJECT:</b> Cortina Community Facilities District Board conduct a Public Hearing on a Feasibility Report and consider adopting Resolution CORTINACFD RES 05-009.	<b>STAFF PRESENTER:</b> Sheila K. Mills, CFD Administrator <b>COMPANY</b> <b>CONTACT:</b> Scott Ruby, Esq. - Gust Rosenfeld PLC
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**RECOMMENDATION:**

1. Cortina Community Facilities District Board conduct a Public Hearing for the feasibility report submitted in connection with the proposed issuance of not to exceed \$1,700,000 of general obligation bonds Series 2005.
  - a. Open Public Hearing
  - b. Staff Presentation
  - c. Receive Public Comment
  - d. Close Public Hearing
2. Cortina Community Facilities District Board will consider for adoption of Resolution CORTINACFD RES 05-009 approving the feasibility report for the issuance of not to exceed \$1,700,000 of general obligation bonds.

**COMMUNITY BENEFIT:**

Utilization of District financing, which has been provided for in the Development, Financing Participation and Intergovernmental Agreement No. 1 dated as of December 1, 2001, is pivotal in creating a master planned community that balances project amenities (park and landscaped areas), and provides for the accelerated construction of public improvements.

**DISCUSSION:**

The feasibility report hearing is required by law and notice of the hearing will be published once in the newspaper prior to the hearing, allowing the public to comment if desired. No public comment is anticipated. 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.

**FISCAL IMPACT:**

A secondary property tax levy of \$2.85 (\$2.55 for debt service and \$0.30 for operations and maintenance) per \$100 of secondary assessed value will be required to be levied on all taxable property within the District. This secondary property tax levy will be included in the budget for Fiscal Year Ended June 30, 2006.

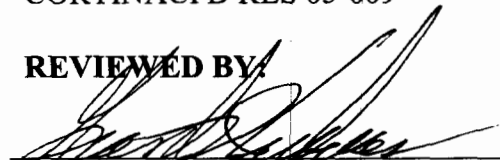
The projects to be financed with the bond sale are:

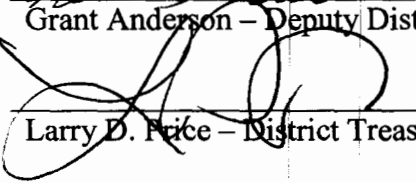
1. Elwood Road	\$243,624
2. Village Boulevard (from 161 <sup>st</sup> Avenue to Lower Buckeye Road	396,183
3. Lower Buckeye Road (south half)	536,546
4. Village Boulevard (from lower Buckeye Road to North boundary)	789,875
5. Lower Buckeye Parkway (north half)	526,557
6. Sarival Avenue	<u>782,215</u>
Total	<u>\$3,275,000</u>

**Attachments**

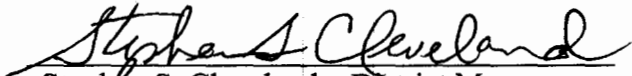
Feasibility Report  
CORTINACFD RES 05-009

**REVIEWED BY:**

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

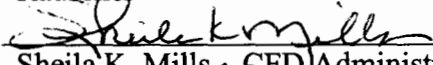
  
\_\_\_\_\_  
Larry D. Price – District Treasurer

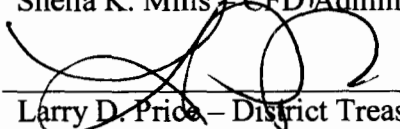
  
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Scott Ruby – District Counsel

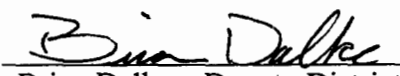
  
\_\_\_\_\_  
Stephen S. Cleveland – District Manager

**PREPARED BY:**

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

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

  
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Larry D. Price – District Treasurer

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

**FEASIBILITY REPORT**

**For The Issuance of**

**Not To Exceed  
\$1,700,000 Principal Amount**

**of**

**CORTINA  
COMMUNITY FACILITIES DISTRICT**

**(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 and Estimate of Cost of Public Infrastructure</b>	<b>TWO</b>
<b>Map Showing Location of Public Infrastructure Within the Project And Map of Area to be Benefited Within the Project</b>	<b>THREE</b>
<b>Timetable for Construction of Public Infrastructure</b>	<b>FOUR</b>
<b>Plan of Finance</b>	<b>FIVE</b>
<b>Legal Description for Cortina Community Facilities District of Goodyear, Arizona</b>	<b>APPENDIX 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>APPENDIX 2</b>
<b>An analysis of the effect on the City of Goodyear's general financing abilities</b>	<b>APPENDIX 3</b>
<b>An analysis of the project infrastructure demand and market absorption</b>	<b>APPENDIX 4</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 on behalf of Recorp Sarival and Lower Buckeye, L.L.C., an Arizona limited liability company and Recorp Sarival Village Phase II, L.L.C., an Arizona limited liability company, (collectively referred to as the "Developer") for presentation to the District Board (the "Board") of Cortina Community Facilities District (the "District") in connection with the proposed issuance by the District of its District General Obligation Bonds, Series 2005 (the "Bonds") in an approximate aggregate principal amount of not to exceed \$1,700,000 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 the Act) to be financed by the Bonds and of the plan for financing such public infrastructure in accordance with the provisions of the Act. Pursuant to the Act, this Report includes (i) a description of the public infrastructure to be constructed or acquired and an estimate of the cost to construct, acquire, operate and maintain such project (Section Two); (ii) a map showing, in general, the location of the project to which this Report relates and a map or description of the area to be benefited by such project (Section Three); (iii) an estimated schedule for completion of such project (Section Four); (iv) and a plan for financing the project (Section Five).

This Report has been prepared for the Board's exclusive consideration. 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, staff of the City of Goodyear, Arizona (the "City") and other experts have been consulted as deemed appropriate.

### **GENERAL DESCRIPTION OF DISTRICT**

The City approved formation of the District on January 28, 2002 upon the request of all of the landowners within the District.

The District is located within the city limits of the City and comprises approximately 278 acres that will include 920 single-family homes at build-out.

The District was created to finance and acquire a portion of public infrastructure (the "Public Infrastructure") within the District that is part of the project known as Cortina (the "Project" or "Cortina"). The Project boundaries include Sarival Road to the west and Lower Buckeye Road bisects the Project to the north and south. A map of the location of the Project within the City is included in Section Three of this Report. A legal description of the property within the District is included as Appendix 1 to this Report.

Utilization of District financing, which has been provided for in the Development, Financing Participation and Intergovernmental Agreement No. 1 dated as of December 1, 2001, is pivotal in creating a master planned community that balances project amenities (park and landscaped areas), and provides for the accelerated construction of public benefits as set forth in Section Two herein, and also remains affordable to the homebuyer.

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**SECTION TWO**

**DESCRIPTION AND ESTIMATE OF COST OF  
PUBLIC INFRASTRUCTURE**

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**DESCRIPTION AND ESTIMATE OF COST OF  
PUBLIC INFRASTRUCTURE**

Listed below are the Public Infrastructure Projects to be reimbursed with the proceeds of the Bonds and the costs of acquiring the Public Infrastructure. Proceeds from the sale of the Bonds will be used to reimburse the Developer for expenditures to construct the following projects that will be financed by the District and conveyed to the City.

**Cortina Community Facilities District  
District Infrastructure**

<u>Description of Improvement</u>	<u>Actual Cost</u>
<b>Phase 1</b>	
Elwood Road - including curb and gutter, sidewalk, streetlights, landscaping, paving, water line, signage and drainage structures.	\$243,624
Village Boulevard (from 161 <sup>st</sup> Avenue to Lower Buckeye Road) - including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, signage and drainage structures.	396,183
Lower Buckeye Parkway (south half) - including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, signage and drainage structures.	536,546
<b>Phase 2</b>	
Village Boulevard (from Lower Buckeye Road to north boundary) - including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, sewer line, signage and drainage structures.	789,875
Lower Buckeye Parkway (north half) - including curb and gutter, sidewalk, streetlights, landscaping, paving, waterline, signage and drainage structures.	526,557
<b>Phase 3</b>	
Sarival Avenue - including curb and gutter, sidewalk, streetlights, landscaping, paving, signage, traffic light and drainage structures.	<u>782,215</u>
<b>Total</b>	<b><u>\$3,275,000</u></b>

The following table shows the estimated annual operations and maintenance expenses relating to the Public Infrastructure, the budgeted fiscal year 2004-05 district administrative expenses and the estimated revenue generated from the levy and collection of a \$0.30 per \$100 of secondary assessed valuation operations and maintenance tax.

**Revenues**

FY 2004-05 Beginning Fund Balance	\$15,355
FY 2004-05 Property Tax - Operating	<u>8,504</u>
<b>Total Revenues</b>	<b>23,859</b>

**Expenditures**

District Administration	10,000
Operations and Maintenance of Public Infrastructure	<u>8,000</u>
<b>Total Expenditures</b>	<b>18,000</b>
<b>Estimated Shortfall*</b>	<b>\$0</b>

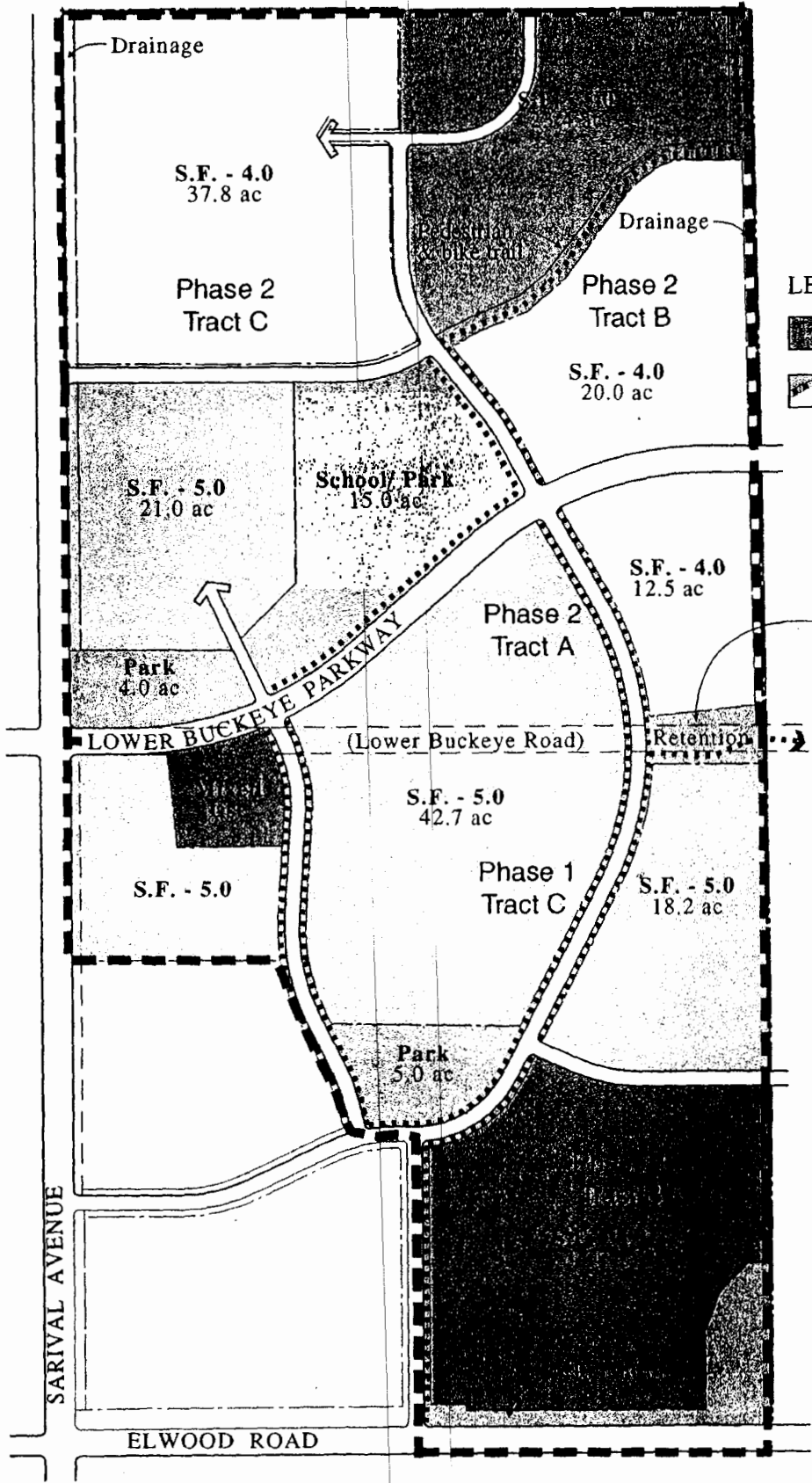
\*Pursuant to a Development Agreement, the Developer will provide for shortfalls, if any, between the revenue generated from the \$0.30 operations and maintenance tax and the annual operations and maintenance expenses relating to the Public Infrastructure.

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**SECTION THREE**

**MAP SHOWING LOCATION OF PUBLIC  
INFRASTRUCTURE WITHIN THE PROJECT AND  
MAP OF AREA TO BE BENEFITED  
WITHIN THE PROJECT**

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**LEGEND**

-  Greenbelt with Pedestrian & Bike Trail
-  Collector Street with Bike Path & Detached Sidewalk

Lower Buckeye Road will be abandoned after improvements of either half of Lower Buckeye Parkway are complete.

**Appendix A**

**CORTINA**  
DEVELOPMENT PLAN

CornoyerHedrick 

 0 200 400 800

 NORTH

CORTINA

SARIVAL AVENUE

SARIVAL AVENUE

161<sup>st</sup> Avenue

ELWOOD ROAD

161<sup>st</sup> LANE

LOWER BUCKEYE ROAD

PIONEER STREET

Lower Buckeye Parkway

VILLAGE BOULEVARD

VILLAGE BOULEVARD

(From Lower Buckeye Road to North Buckeye Road)

(From 161<sup>st</sup> Avenue to Lower Buckeye Road)





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**SECTION FOUR**

**TIMETABLE FOR ACQUISITION  
OF PUBLIC INFRASTRUCTURE**

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**TIMETABLE FOR  
ACQUISITION OF PUBLIC INFRASTRUCTURE**

The Public Infrastructure described in Section Two is complete. Proceeds of the Bonds will be used to reimburse the Developer for monies expended, pursuant to a public bidding process, for the construction of the Public Infrastructure by the Developer.

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**SECTION FIVE**

**PLAN OF FINANCE**

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## PLAN OF FINANCE

The Public Infrastructure will be acquired by the District by way of a Plan of Finance herein described below. 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.

### Formation and Authorization

The City Council, in response to a petition from the owners of 100% of the property within the District, adopted a resolution forming the District on January 28, 2002. A bond election was held on March 13, 2002 authorizing \$3,500,000 of District general obligation bonds to be issued over time.

### Proposed Bond Sale

It is proposed that the District issue general obligation bonds in a principal amount not to exceed \$1,700,000 to acquire a portion of the Public Infrastructure listed in Section 2. The Bonds will have a 25-year maturity. (See Table One of this section for an estimated debt service schedule for the Bonds and Table Two for a debt service versus projected revenue schedule.)

The Bonds will be unrated and sold through a limited offering (private offering pursuant to A.R.S. 48-722).

### Sources and Uses of Funds

The estimated Sources and Uses of Funds relating to the issuance of the Bonds (exclusive of accrued interest) follows:

#### Sources

Par Amount of Series 2005 General Obligation Bonds	\$1,495,000
Contribution by Developer for Costs of Issuance	<u>123,350</u>
Total	<u>\$1,618,350</u>

#### Uses

Public Infrastructure	\$1,495,000
Costs of Issuance (Including Underwriter's Discount)*	<u>123,350</u>
Total	<u>\$1,618,350</u>

\*Estimated Costs of Issuance to be paid by the Developer:

Underwriter's Discount	\$44,850
Bond Counsel	30,000
Financial Advisor	15,000
Underwriter's Counsel	15,000
Limited Offering Memorandum Printing	10,000
Trustee Counsel Fees	<u>8,500</u>
Total	<u>\$123,350</u>

**Existing Tax Base, Absorption and Projected Home Sales**

The full cash value and secondary assessed value for the District for fiscal years 2003-04 and 2004-05 are listed in the following table:

<u>Fiscal Year</u>	<u>Full Cash Value</u>	<u>Secondary Assessed Value</u>
2003-04	\$11,368,179	\$1,701,716
2004-05	\$23,123,991	\$2,834,524

Source: Maricopa County Assessor's Office.

The following table provides the number of parcels within the District for fiscal years 2003-04 and 2004-05 and the secondary assessed value by legal classification within the District for fiscal year 2004-05.

<u>Legal Classification</u>	<u>2003-04 Number of Parcels</u>	<u>2004-05 Number of Parcels</u>	<u>2004-05 Secondary Assessed Value</u>
2 Agriculture and Vacant Land	339	548	\$1,390,051
3 Residential (Owner Occupied)	17	127	1,274,500
4 Residential (Rental Occupied)	<u>1</u>	<u>16</u>	<u>169,973</u>
	356	691	\$2,834,524

Source: Maricopa County Assessor's Office.

**District Tax Rate**

Pursuant to an agreement between the City and Developer, the tax rate to be levied by the District Board is \$2.85. The amount applied to the debt service of the Bonds is \$2.55; the remaining \$0.30 is applied to maintenance and operation expenses within the District. The District is currently levying the \$0.30 tax for maintenance and operations expenses within the District.

**Standby Contribution Agreement**

The Developer will enter into a standby contribution agreement (the "Contribution Agreement") whereby at closing with respect to the Bonds and on or before March 15 of each fiscal year thereafter, the Developer will make a payment to the District in amounts necessary to maintain the tax rate at \$2.55 for debt service given the then existing tax base and the debt service requirements of the Bonds. The Contribution Agreement will be in effect for the life of the Bonds and is only subject to release if certain conditions are met, principally that the \$2.55 tax rate for debt service can provide for annual maximum debt service of the Bonds and all outstanding bonds of the District.

Cortina Community Facilities District  
(City of Goodyear, Arizona)  
General Obligation Bonds, Series 2005

Debt Service Schedule

Date	Principal	Interest*	Total Debt Service
07/15/2006	\$ -	\$ 129,026.81	\$ 129,026.81
07/15/2007	30,000.00	97,175.00	127,175.00
07/15/2008	30,000.00	95,225.00	125,225.00
07/15/2009	35,000.00	93,275.00	128,275.00
07/15/2010	35,000.00	91,000.00	126,000.00
07/15/2011	40,000.00	88,725.00	128,725.00
07/15/2012	40,000.00	86,125.00	126,125.00
07/15/2013	45,000.00	83,525.00	128,525.00
07/15/2014	45,000.00	80,600.00	125,600.00
07/15/2015	50,000.00	77,675.00	127,675.00
07/15/2016	55,000.00	74,425.00	129,425.00
07/15/2017	55,000.00	70,850.00	125,850.00
07/15/2018	60,000.00	67,275.00	127,275.00
07/15/2019	65,000.00	63,375.00	128,375.00
07/15/2020	70,000.00	59,150.00	129,150.00
07/15/2021	70,000.00	54,600.00	124,600.00
07/15/2022	75,000.00	50,050.00	125,050.00
07/15/2023	80,000.00	45,175.00	125,175.00
07/15/2024	85,000.00	39,975.00	124,975.00
07/15/2025	95,000.00	34,450.00	129,450.00
07/15/2026	100,000.00	28,275.00	128,275.00
07/15/2027	105,000.00	21,775.00	126,775.00
07/15/2028	110,000.00	14,950.00	124,950.00
07/15/2029	120,000.00	7,800.00	127,800.00
<b>Total</b>	<b>\$ 1,495,000.00</b>	<b>\$ 1,554,476.81</b>	<b>\$ 3,049,476.81</b>

\*Assumes a 6.50% average interest rate.

**Cortina Community Facilities District  
(City of Goodyear, Arizona)**

*District Revenue versus District Debt Service*

Fiscal Year Ending June 30	Net Secondary Assessed Valuation (1)	Proposed Series 2005			Projected		Standby Contribution Deposit (4)	Fiscal Year Ending June 30
		\$1,495,000 Principal	Interest at 6.50%	Total Debt Service Requirements	District Revenues @ \$2.55 Debt Tax Rate @ 95% Collections	Debt Tax Rate		
2004	\$ 1,701,716 (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2004
2005	2,834,524 (2)	-	-	-	-	-	-	2005
2006	5,358,095 (3)	-	129,027	129,027	129,800	2.4081	-	2006
2007	5,358,095	30,000	97,175	127,175	129,800	2.3735	-	2007
2008	5,358,095	30,000	95,225	125,225	129,800	2.3371	-	2008
2009	5,358,095	35,000	93,275	128,275	129,800	2.3940	-	2009
2010	5,358,095	35,000	91,000	126,000	129,800	2.3516	-	2010
2011	5,358,095	40,000	88,725	128,725	129,800	2.4024	-	2011
2012	5,358,095	40,000	86,125	126,125	129,800	2.3539	-	2012
2013	5,358,095	45,000	83,525	128,525	129,800	2.3987	-	2013
2014	5,358,095	45,000	80,600	125,600	129,800	2.3441	-	2014
2015	5,358,095	50,000	77,675	127,675	129,800	2.3828	-	2015
2016	5,358,095	55,000	74,425	129,425	129,800	2.4155	-	2016
2017	5,358,095	55,000	70,850	125,850	129,800	2.3488	-	2017
2018	5,358,095	60,000	67,275	127,275	129,800	2.3754	-	2018
2019	5,358,095	65,000	63,375	128,375	129,800	2.3959	-	2019
2020	5,358,095	70,000	59,150	129,150	129,800	2.4104	-	2020
2021	5,358,095	70,000	54,600	124,600	129,800	2.3255	-	2021
2022	5,358,095	75,000	50,050	125,050	129,800	2.3339	-	2022
2023	5,358,095	80,000	45,175	125,175	129,800	2.3362	-	2023
2024	5,358,095	85,000	39,975	124,975	129,800	2.3325	-	2024
2025	5,358,095	95,000	34,450	129,450	129,800	2.4160	-	2025
2026	5,358,095	100,000	28,275	128,275	129,800	2.3940	-	2026
2027	5,358,095	105,000	21,775	126,775	129,800	2.3660	-	2027
2028	5,358,095	110,000	14,950	124,950	129,800	2.3320	-	2028
2029	5,358,095	120,000	7,800	127,800	129,800	2.3852	-	2029
		<u>\$ 1,495,000</u>	<u>\$ 1,554,477</u>	<u>\$ 3,049,477</u>			<u>\$ -</u>	

(1) The fiscal year ending June 30, 2004 net secondary assessed value is actual as provided by the Maricopa County Assessor's Office in August 2003.  
 (2) The fiscal year ending June 30, 2005 net secondary assessed value is actual as provided by the Maricopa County Assessor's Office in August 2004.  
 (3) The fiscal year ending June 30, 2006 secondary assessed valuation is estimated assuming that an additional 246 single family homes will be added to the Maricopa County Assessor's tax roll in February 2005 at an average sales price of approximately \$125,000 per single family home. The preliminary fiscal year ending June 30, 2006 secondary assessed valuation will be available from the Maricopa County Assessor's Office on or about February 15, 2005.  
 (4) The Developer will deposit at closing of the Bonds the estimated shortfall, if any, between District Revenues and District Debt Service for the first four installments of debt service.

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**APPENDIX 1**

**Legal Description for Cortina  
Community Facilities District  
of Goodyear, Arizona**

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001 10110  
7003310717 P. 1

**LEGAL DESCRIPTION**

**CORTINA COMMUNITY FACILITIES DISTRICT**

**PARCEL NO. 1:**

The Southwest quarter of Section 18, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona,

EXCEPT any property lying within the rights-of-way as shown on that certain Map of Dedication and recorded in Book 523 of Maps, Page 50, Records of Maricopa County, Arizona.

**PARCEL NO. 2:**

The South half of the East half of the Northwest quarter of Section 19, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona,

EXCEPT any property lying within the rights-of-way as shown on that certain Map of Dedication and recorded in Book 523 of Maps, Page 50, Records of Maricopa County, Arizona.

**PARCEL NO. 3:**

The North half of the East half of the Northwest quarter of Section 19, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona,

EXCEPT any property lying within the rights-of-way as shown on that certain Map of Dedication and recorded in Book 523 of Maps, Page 50, Records of Maricopa County, Arizona.

**PARCEL NO. 4:**

Lots 1 and 2, Section 19, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona,

EXCEPT any property lying within the rights-of-way as shown on that certain Map of Dedication and recorded in Book 523 of Maps, Page 50, Records of Maricopa County, Arizona, and

**EXCEPT THE FOLLOWING DESCRIBED PROPERTY:**

That portion of the Northwest quarter of Section 19, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Northwest quarter of said Section 19;

thence South 810.15 feet along the West line of said Section 19 to the TRUE POINT OF BEGINNING;

thence East, a distance of 80.00 feet;

thence North 89 degrees 51 minutes 48 seconds East, a distance of 784.28 feet to the beginning of a non-tangent curve, concave Northeasterly with a radius of 500 feet and a radial line from the radius point of South 84 degrees 31 minutes 22 seconds West;

thence continuing Southerly along said curve a distance of 216.07 feet, through a central angle of 24 degrees 45 minutes 35 seconds to a point of tangency;

thence South 30 degrees 14 minutes 13 seconds East, a distance of 89.93 feet;

thence North 59 degrees 45 minutes 47 seconds East, a distance of 30.00 feet;

thence North 89 degrees 51 minutes 48 seconds East, a distance of 327.55 feet;

thence North 81 degrees 04 minutes 54 seconds East, a distance of 209.46 feet;

thence North 89 degrees 51 minutes 48 seconds East, a distance of 228.52 feet;

thence South 63 degrees 17 minutes 10 seconds East, a distance of 14.49 feet;

thence South 26 degrees 42 minutes 50 seconds West, a distance of 223.22 feet to the beginning of a tangent curve concave to the Northwest with a radius of 330.00 feet;

thence continuing Southwesterly along said curve a distance of 333.72 feet through a central angle of 57 degrees 56 minutes 31 seconds to a point of tangency;

thence South 84 degrees 39 minutes 21 seconds West, a distance of 44.95 feet;

thence South 05 degrees 20 minutes 39 seconds East, a distance of 30.00 feet;

thence South 84 degrees 39 minutes 21 seconds West, a distance of 219.59 feet to the beginning of a tangent curve concave to the Southeast, with a radius of 500.00 feet;

thence continuing Southwesterly along said curve a distance of 167.49 feet through a central angle of 19 degrees 11 minutes 33 seconds to a point of tangency;

thence South 65 degrees 27 minutes 48 seconds West a distance of 371.75 feet to the beginning of a tangent curve to the Northwest, with a radius of 500.00 feet;

thence continuing Southwesterly a distance of 212.93 feet through a central angle of 24 degrees 24 minutes 00 seconds to a point of tangency;

thence South 89 degrees 51 minutes 48 seconds West, a distance of 426.48 feet to a point on the West line of said Section 19;

thence North a distance of 915.19 feet along the West line of said Section 19, to the TRUE POINT OF BEGINNING;

AND, EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

That portion of the Northwest quarter of Section 19, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Northwest corner of said Section 19;

thence South a distance of 1725.34 feet along the West line of said Section 19 to the TRUE POINT OF BEGINNING;

thence North 89 degrees 51 minutes 48 seconds East, a distance of 426.48 feet to the beginning of a tangent curve concave to the Northwest with a radius of 500.00 feet, thence continuing Northeasterly along said curve a distance of 212.93 feet through a central angle of 24 degrees 24 minutes 00 seconds to a point of tangency;

thence North 65 degrees 27 minutes 48 seconds East, a distance of 371.75 feet to the beginning of a tangent curve concave to the Southeast, with a radius of 500.00 feet;

thence continuing Northeasterly along said curve a distance of 167.49 feet through a central angle of 19 degrees 11 minutes 33 seconds to a point of tangency;

thence North 84 degrees 39 minutes 21 seconds East, a distance of 219.59 feet;

thence South 05 degrees 20 minutes 39 seconds East a distance of 30.00 feet to the beginning of a non-tangent curve concave to the Southeast, with a radius of 15.00 feet, and a radial bearing from the radius point of North 05 degrees 20 minutes 39 seconds West, thence continuing South along said curve a distance of 22.18 feet through a central angle of 84 degrees 39 minutes 21 seconds to a point of tangency;

thence South, a distance of 756.23 feet to the beginning of a tangent curve, concave to the Northeast, with a radius of 15.00 feet;

thence continuing Southeasterly along said curve a distance of 23.56 feet through a central angle of 90 degrees to a point of non-tangency;

thence South, a distance of 50.00 feet to the beginning of a non-tangent curve concave to the Southeast with a radius of 15.00 feet, and a radial line from the radius point North;

thence continuing South along said curve a distance of 23.56 feet through a central angle of 90 degrees to a point of tangency;

thence South, a distance of 229.71 feet to the beginning of a tangent curve concave to the Northeast, with a radius of 15.00 feet;

thence continuing Southeasterly along said curve a distance of 23.60 feet through a central angle of 90 degrees 08 minutes 12 seconds to a point of non-tangency;

thence South 00 degrees 08 minutes 12 seconds East a distance of 55.00 feet to a point on the East-West mid-section line of Section 19;

thence South 89 degrees 51 minutes 48 seconds West, a distance of 1355.17 feet along the said East-West mid-section line of said Section 19 to the West quarter corner of said Section 19;

thence North, a distance of 920.00 feet along the West line of said Section 19 to the TRUE POINT OF BEGINNING.

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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 District financing on the tax rate or other charges borne by the property owner will be \$2.55 per \$100 of secondary assessed value which will be levied on all of the taxable property located within the District and used to pay debt service on the Bonds. In addition, the District also levies a \$0.30 per \$100 of secondary assessed value on all of the taxable property within the District for operation and maintenance expenses.

Below is a summary of the overlapping tax rates of the property within the District:

<u>Overlapping Municipality</u>	<b>2004-05 Primary Tax Rate</b>	<b>2004-05 Secondary Tax Rate</b>	<b>2004-05 Combined Tax Rate</b>
Maricopa County	\$1.6668	\$0.3909	\$2.0577
Maricopa County Community College District	0.9211	0.1161	1.0372
Aqua Fria Union High School District No. 216	3.3758	1.3724	4.7482
Avondale Elementary School District No. 44	2.6128	1.8508	4.4636
City of Goodyear	1.2239	0.7493	1.9732
Cortina Community Facilities District*	<u>0.0000</u>	<u>2.8500</u>	<u>2.8500</u>
<b>Total</b>	<b>\$9.8004</b>	<b>\$7.3295</b>	<b>\$17.1299</b>

\*The Cortina Community Facilities District \$2.85 tax rate includes \$2.55 for debt service and \$0.30 for operations and maintenance expenses of the District. Only the \$0.30 tax rate is being levied in fiscal year 2004-05.

The following two pages include breakdowns of the 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</b> (2)	<b>15.9236</b> (2)	<b>16.9236</b> (2)	<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</b> (8)	<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

EAST VALLEY COMMUNITY FACILITIES DISTRICTS					
	High Mountain (Phoenix)	DC Ranch (Scottsdale)	McDowell Mountain Ranch (Scottsdale)	Scottsdale Mountain (Scottsdale)	Tatum Ranch (Phoenix)
<i>Primary</i>					
State and County	2.5879	2.5879	2.5879	2.5879	2.5879
Elementary School District	0.0000	0.0000	0.0000	0.0000	0.0000
High School District	0.0000	0.0000	0.0000	0.0000	0.0000
Unified School District	3.7696	3.7696	3.7696	3.7696	2.5340
City	0.4518	0.4518	0.4518	0.4518	0.8500
CFD	0.0000	0.0000	0.0000	0.0000	0.0000
Other (1)	0.0544	0.0544	0.0544	0.0544	0.0000
<b>Total Primary</b>	<b>6.0926</b>	<b>6.0617</b>	<b>6.8637</b>	<b>6.8637</b>	<b>5.9719</b>
<i>Secondary</i>					
State and County	0.5070	0.5070	0.5070	0.5070	0.5070
Elementary School District	0.0000	0.0000	0.0000	0.0000	0.0000
High School District	0.0000	0.0000	0.0000	0.0000	0.0000
Unified School District	1.2613	1.2613	1.2613	1.2613	1.0480
City	0.6184	0.6184	0.6184	0.6184	0.9700
CFD	1.4700	1.4700	1.4700	2.3000	1.5100
Other (1)	0.0488	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 District's financing is not expected to adversely affect the City's general financing abilities. The Bonds of the District are secured solely from revenues derived from a \$2.55 per \$100 of secondary assessed valuation levied on all taxable property within the District and 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 District within the City limits, the impact of a default on the Bonds on the City's financing capabilities may be detrimental in the opinion of the financial community. Additionally, the issuance of District debt, in combination with other overlapping political subdivisions, may be a factor when the City's own debt ratings are reviewed by Moody's Investors Service and Standard and Poor's Corporation.

The following table illustrates the District's estimated overlapping debt as of the date of this report:

<u>Overlapping Jurisdiction</u>	<b>2004-05 Net Secondary Assessed Valuation</b>	<b>Net Outstanding Bonded Debt</b>	<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	0.009%	\$0
Maricopa County Community College District	30,066,986,670	234,440,000	0.009	21,100
City of Goodyear	327,191,619	30,395,000	0.866	263,221
Avondale ESD No. 44	208,085,331	12,200,000	1.362	166,164
Agua Fria UHSD No. 216	571,063,088	46,490,000	0.496	230,590
<b>Cortina Community Facilities District</b>	<b><u>2,834,524</u></b>	<b>1,495,000(a)</b>	<b>100.000</b>	<b><u>1,495,000</u></b>
Total Net Direct and Overlapping General Obligation Bonded Debt				<b><u>\$2,176,075</u></b>

(a) Represents the proposed \$1,495,000 District General Obligation Bonds, Series 2005 that is subject to change.

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**APPENDIX 4**

**An analysis of the project infrastructure  
demand and market absorption**

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#### APPENDIX 4

The Developer has provided the following data as to home construction and sales within the District

	<u>Units</u>	<u>Total Sales</u>	<u>Average Per Unit Price</u>
Closed Escrow	373	\$51,847,000	\$139,000
Completed or under construction - Sold, in escrow	65	10,985,000	169,000
Unsold	462	78,078,000	169,000
<u>Total as of December 31, 2004</u>	<u>900</u>	<u>\$140,910,000</u>	

\*Per unit price is average based on sales to date and sales under contract.

All of the necessary Public Infrastructure has been completed as it pertains to the 373 units that closed escrow and the 65 units that are in escrow in the above-referenced table.