

**RESOLUTION CFGD#1 RES 03-102**

**RESOLUTION OF THE BOARD OF DIRECTORS OF COMMUNITY FACILITIES GENERAL DISTRICT NO. 1 (CITY OF GOODYEAR, ARIZONA), APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; DECLARING ITS INTENTION TO ACQUIRE AND FINANCE CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS; DETERMINING THAT NOT TO EXCEED \$5,900,000 GENERAL OBLIGATION BONDS WILL BE ISSUED TO FINANCE THE COSTS AND EXPENSES THEREOF UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Section 5. Preliminary Approval to Issue and Sell Bonds.** The Board hereby declares its intent to proceed with the financing of the Project in substantially the manner presented in the Feasibility Report and hereby declares its intent to issue not to exceed \$5,900,000 principal amount of Bonds to finance the costs of the Project.

**PASSED, ADOPTED AND APPROVED** on August 11, 2003.

  
Chairman

  
Clerk

Scott W. Rej  
District Attorney

General

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

### CERTIFICATE

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



Dee Cochran  
Clerk

## **EXHIBIT A**

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

1. McDowell Road South Half Frontage Median, & Traffic Signal Improvements.
2. McDowell Road North Half Street Improvements
3. Dysart Road West Half Street, Median & Traffic Signal Improvements.
4. Dysart Road, West Half Street, North of McDowell Road.
5. Palm Valley Boulevard Extension from McDowell Road to Dysart Road.
6. Traffic Signal at Indian School & 144<sup>th</sup> Avenue.
7. Water Well Relocation.
8. Phase II Park – Section 33.
9. Traffic Signal for Fire Station – Litchfield Road.
10. Drainage Channel Indian School Road Bypass.
11. Drainage Channel RID Canal South to Thomas Road.
12. Landscape & Line Drainage Ditch South of McDowell Road at Palm Valley Boulevard.
13. Thomas Road Landscaping, Pedestrian Pathways.
14. 145<sup>th</sup> Avenue (144<sup>th</sup> Avenue South to McDowell) – Phase II.
15. 144<sup>th</sup> Avenue – Phase II (PV Boulevard to Bullard Road).
16. 144<sup>th</sup> Avenue RID Canal to Palm Valley Boulevard.

The total cost of the Project set forth above is \$9,940,000.

## **EXHIBIT B**

### **NOTICE OF PUBLIC HEARINGS**

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

**NOTICE IS HEREBY GIVEN** that the Board of Directors of (1) Community Facilities General District No. 1 (City of Goodyear, Arizona) (the "General District"), and (2) Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) (the "Utilities District") will each meet consecutively on August 11, 2003, commencing promptly after the adjournment of the Goodyear City council meeting (the City council meeting commences at 6:00 p.m.) and will be held at the Justice Facility, 986 North Litchfield Road, Goodyear, AZ 85338. The General District Board of Directors and the Utilities District Board of Directors will each conduct a public hearing on, and consider and review a feasibility report relative to a proposed project to be financed by the issuance of each District's General Obligation Bonds, Series 2003. The feasibility report for each district proposes to issue the following aggregate principal amounts of general obligation bonds: General District - \$5,600,000; and Utilities District - \$8,685,000. In addition, the General District Board of Directors will conduct an hearing on an amended feasibility report originally approved on December 11, 2000 to provide for the financing of a community park pursuant to such report. A copy of each such feasibility report may be reviewed at the office of the District Clerk, 190 North Litchfield Road, Goodyear, AZ 85338.

Publish once no later than July 31, 2003.

**CITY OF GOODYEAR  
CFD ACTION FORM**

**SUBJECT: Community Facilities General  
District Board adopt Resolution CFGD#1 RES  
03-102 adopting the Feasibility Report relating  
to the acquisition of certain infrastructure.**

**STAFF PRESENTER:** Larry D. Price  
**COMPANY CONTACT:** Scott Ruby, Attorney -  
Gust Rosenfeld PLC

**RECOMMENDATION:**

1. Community Facilities General District #1 Board conduct a Public Hearing for the feasibility report submitted in connection with the proposed issuance of not to exceed \$5,900,000 of general obligation bonds Series 2003.
  - a. Open Public Hearing
  - b. Staff Presentation
  - c. Receive Public Comment
  - d. Close Public Hearing
2. Community Facilities General District #1 Board adopt Resolution CFGD#1 RES 03-102 approving the feasibility report for the issuance of not to exceed \$5,900,000 of general obligation bonds Series 2003 and waives, for this bond issue only, the Policy freezing the Secondary Assessed Valuation for calculating the overlapping debt service tax rates per the Standby Contribution Agreement.

**DISCUSSION:**

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

The feasibility report hearing is required by law and notice of the hearing was published once in the newspaper prior to the hearing, allowing the public to comment if desired. No public comment is anticipated. The proposed financing for the General District contemplates that the General District would issue not to exceed \$5,900,000 of general obligation bonds payable from an ad valorem tax levied against only the taxable property in the General District. This amount of bonds for the General District and the interest paid thereon is being structured so that a 90 cent debt service tax rate in the General District, and an annual Standby Contribution Agreement (discussed below) amount from SunCor could pay all of this debt service plus the debt service on the district's other outstanding bonds. In addition to the \$0.90 debt service tax rate, and the Standby Contribution Agreement amount, the District has a \$0.10 administration, operations & maintenance tax rate. The total District tax rate is \$1.00 not including the Standby Contribution Agreement amount. Like past issues, any shortfall between the tax proceeds collected at a debt service tax rate of 90 cents and the debt service due will be paid by SunCor, pursuant to a Standby Contribution Agreement. If

\$1.90. The total CFD tax rate would never exceed \$2.00 (\$1.90 plus \$0.10 O&M) unless the total assessed value of the General District was to drop significantly. The Bonds are expected to be insured. Upon completion of the hearing, a resolution will be presented to the District Board, approving the feasibility report and the continuation of the financing proceedings.

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

The Standby Contribution Agreement provision includes the following safeguards:

1. The Third Party (developer) agrees to pay (subsidize) in writing.
2. The maximum tax rate exposure of each district is an additional \$1.00 in a CFD. This is in addition to the normal district debt service tax rate and the normal district O&M tax rate. For example: the General District debt service tax rate of \$0.90 and O&M tax rate of \$0.10, for a total normal tax rate of \$1.00. The additional \$1.00 would increase the General District's tax rate from \$1.00 to \$2.00. The additional \$1.00 would be required only if SunCor failed to pay their Standby Debt Service payment as they agreed to.
3. The Use of actual Secondary Assessed Valuations (SAV) from County Assessor on date of application (SAV is frozen). The SAV is used to set/project the tax rates. Freezing the SAV lowers the amount of bonds that can be issued.
4. A CFD must have at least 500 completed single-family residential units as shown on most recent tax roles.
5. Developer (Obligated Party) shall have an audited net worth of at least five (5) times the principal amount of the bonds that are supported by the then applicable Subsidy Amount and in the event the net worth of the Obligated Party is less than the amount required by this subparagraph 5, the Obligated party shall promptly pay, cause the redemption or defeasance of or post with the District other collateral (such as a surety bond, letter of credit or cash) satisfactory to the District in, the principal amount of bonds necessary to comply with the provisions of this subparagraph.
6. The SAV for calculating the tax rate shall exclude properties owned or controlled by the Obligated Party (developer) if the Obligated Party, in the aggregate, owns parcels totaling more than 20% of the SAV of the District. SunCor reports that they own 17% in the General District and 12% in the Utility District.

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

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

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

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

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

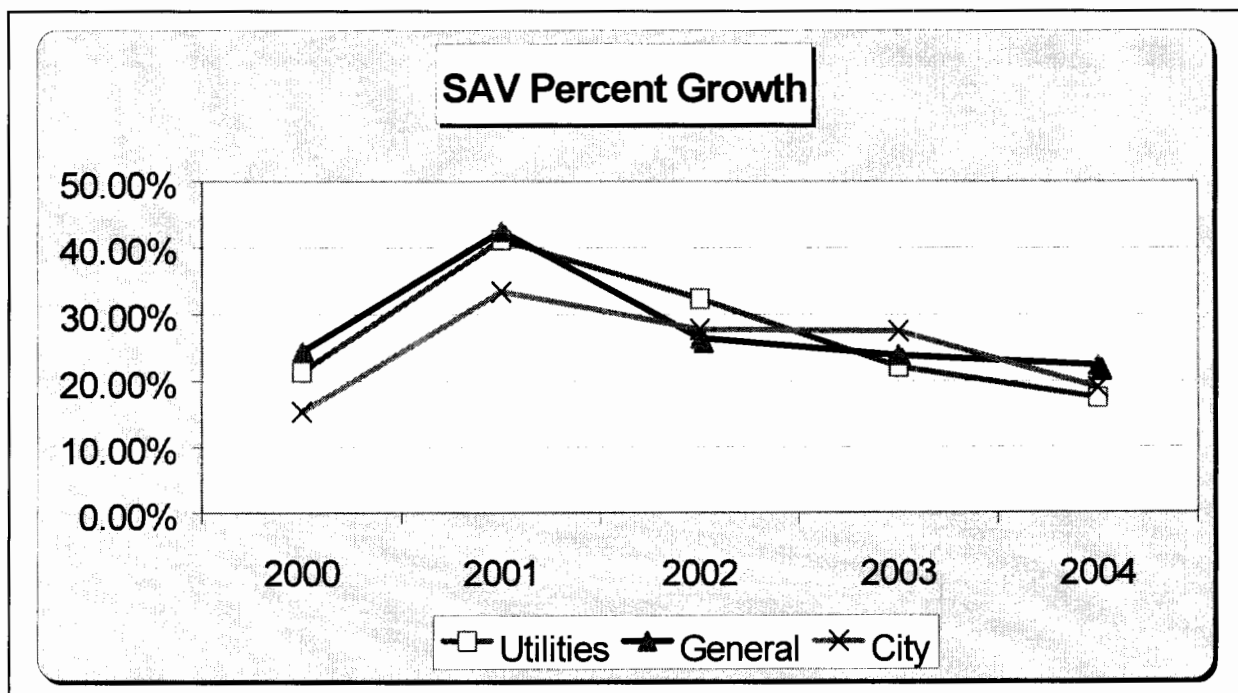


The table below compares the SAV annual growth rate for the two CFDs and the City as a whole. The average growth rates for the last five years for the three entities are:

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

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

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



**FISCAL IMPACT:**


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

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

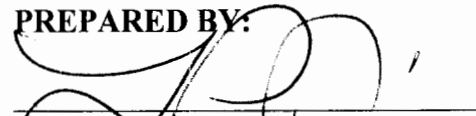
As previously stated, if the SAV is frozen per policy, the bond sale could not exceed \$8.5 million today, and another bond sale would need to be scheduled next year after the new SAV numbers are published by the County.

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


**REVIEWED BY:**

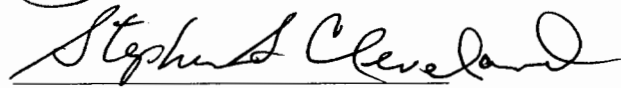
  
Grant Anderson – Deputy City Manager

**PREPARED BY:**

  
Larry D. Price

\_\_\_\_\_  
Scott Ruby –Attorney Gust Rosenfeld PLC

  
Larry D. Price – District Treasurer

  
Stephen S. Cleveland – District Manager

**FEASIBILITY REPORT**

**For The Issuance of**

**Not to Exceed  
\$5,900,000 Principal Amount**

**OF**

**COMMUNITY FACILITIES GENERAL**

**DISTRICT NO. 1**

**(CITY OF GOODYEAR, ARIZONA)**

**DISTRICT GENERAL OBLIGATION BONDS**

**SERIES 2003**

**August 11, 2003**

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**SECTION ONE**

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

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## **INTRODUCTION**

This Feasibility Report (the “Report”) has been prepared for presentation to the Board of Directors of the Community Facilities General District No. 1 (City of Goodyear, Arizona) (the “General District”) in connection with the proposed issuance by the General District of its District General Obligation Bonds, Series 2003 (the “Bonds”) in an aggregate principal amount of not to exceed \$5,900,000, 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 [Section Three]; (iii) an estimate of the cost to acquire, operate and maintain the Public Infrastructure and a timetable for the acquisition of the Public Infrastructure [Section Four]; and (iv) a plan for financing the Public Infrastructure [Section Five].

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

## **GENERAL DESCRIPTION OF GENERAL DISTRICT**

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

The General District has been created to acquire and finance the construction or acquisition of public infrastructure within the General District which is part of the 9,000-acre master-planned project known as Palm Valley (the "Project"). There are approximately 1,800 acres located within the General District. Phase I of Palm Valley (Section 34), consisting of approximately 600 acres, is complete. Subsequent phases include Section 33 and portions of 28, 3 and 4, equaling approximately 1,200 acres, are currently under development. A legal description is included in Appendix 1 and a map of the General District is included in Section Three of this Report. The acquisition of the Public Infrastructure as defined in this Report is consistent with the General Plan of the General District.

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

## **USE OF GENERAL DISTRICT FINANCING**

When the General 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 General District financing for Public Infrastructure needed for the Project is a core understanding between the City and SunCor. Both SunCor and the City have included CFDs in their respective operating budgets and models for the build-out of the Project.

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

The General District has issued general obligation bonds and assessment bonds to provide funds for the construction of public infrastructure. The general obligation bonds are paid for from property taxes, while the assessment bonds are paid for from a not to exceed \$3,000 per home special assessment. To date however, these assessments have been paid off by the developer/homebuilder prior to a home sale. The assessment bonds were issued to provide upfront funding for the General District, and it is not anticipated that SunCor will request additional assessment bonds be issued in the future. General District financing provides benefits to three parties: the homebuyer, the City, and SunCor.

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



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

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

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

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

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

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**SECTION TWO**

**DESCRIPTION OF PUBLIC INFRASTRUCTURE**

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## DESCRIPTION OF PUBLIC INFRASTRUCTURE

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

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

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

### 2. McDowell Road North Half Street Improvements

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

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

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

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

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

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

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

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

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

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

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

**6. Traffic Signal @ Indian School & 144<sup>th</sup> Avenue**

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

<b>Total Estimated Cost</b>	<b>\$ 175,000</b>
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**7. Water Well Relocation**

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

<b>Total Estimated Cost</b>	<b>\$ 500,000</b>
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**8. Phase II Park – Section 33**

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

<b>Total Estimated Cost</b>	<b>\$1,200,000</b>
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**9. Traffic Signal for Fire Station – Litchfield Road**

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

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

**10. Drainage Channel Indian School Road Bypass**

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

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

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

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

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

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

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

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

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

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

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

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

Construct along North half of Thomas Road sidewalk, landscape and street lighting approximately ¾ of a mile.

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

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

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

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

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

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

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

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

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

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

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

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**SECTION THREE**

**MAP SHOWING AREA TO BE BENEFITED**

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## **LEGEND FOR 2003 GOODYEAR GENERAL DISTRICT #1 PROJECTS**

1. McDowell Road South Half Frontage Median, & Traffic Signal Improvements
2. McDowell Road North Half Street Improvements
3. Dysart Road West Half Street, Median & Traffic Signal Improvements
4. Dysart Road, West Half Street, N of McDowell Rd
5. Palm Valley Blvd Extension from McDowell Rd to Dysart Road
6. Traffic Signal @ Indian School & 144<sup>th</sup> Ave
7. Water Well Relocation
8. Phase II Park – Section 33
9. Traffic Signal for Fire Station – Litchfield Road
10. Drainage Channel Indian School Road Bypass
11. Drainage Channel RID Canal South to Thomas Rd
12. Landscape & Line Drainage Ditch south of McDowell Road at Palm Valley Boulevard
13. Thomas Rd Sidewalk, Landscaping, Pedestrian Pathways & Street Lighting (135<sup>th</sup> Ave W to Litchfield Park Rd N)
14. 145<sup>th</sup> Ave (144<sup>th</sup> Ave from Encanto Blvd S to McDowell Rd) – Phase II
15. 144<sup>th</sup> Ave – Phase II (PV Blvd to Bullard Road)
16. 144<sup>th</sup> Ave RID Canal to Palm Valley Blvd

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

<u>Project</u>	<u>Cost</u>	<u>Completion Date</u>	<u>CIP Date*</u>	<u>CIP Code</u>
1. McDowell Road South Half Frontage Median, & Traffic Signal Improvements	\$ 1,000,000	3 <sup>rd</sup> Qtr, 2003	FY 99-05	S-59
2. McDowell Road North Half Street Improvements	225,000	1 <sup>st</sup> Qtr, 2003	FY 05-20	S-71
3. Dysart Road West Half Street, Median & Traffic Signal Improvements	475,000	2 <sup>nd</sup> Qtr, 2002	FY 05-20	S-71
4. Dysart Road, West Half Street, N of McDowell Road	150,000	1 <sup>st</sup> Qtr, 2003	FY 05-20	S-71
5. Palm Valley Blvd Extension from McDowell Road to Dysart Road	1,520,000	3 <sup>rd</sup> Qtr, 2003	FY 99-05	TS-11
6. Traffic Signal @ Indian School & 144 <sup>th</sup> Avenue	175,000	1 <sup>st</sup> Qtr, 2003	N/A	N/A
7. Water Well Relocation	500,000	3 <sup>rd</sup> Qtr, 2003	N/A	N/A
8. Phase II Park – Section 33	1,200,000	2 <sup>nd</sup> Qtr, 2003	N/A	N/A
9. Traffic Signal for Fire Station - Litchfield Road	250,000	2 <sup>nd</sup> Qtr, 2004	FY 99-05	TS02
10. Drainage Channel Indian School Road Bypass	260,000	1 <sup>st</sup> Qtr, 2004	N/A	N/A
11. Drainage Channel RID Canal South to Thomas Road	680,000	1 <sup>st</sup> Qtr, 2004	N/A	N/A
12. Landscape & Line Drainage Ditch South of McDowell Road at Palm Valley Boulevard	380,000	3 <sup>rd</sup> Qtr, 2004	N/A	N/A
13. Thomas Road Landscaping, Pedestrian Pathways	400,000	1 <sup>st</sup> Qtr, 2004	FY 05-20	S71
14. 145 <sup>th</sup> Ave (144 <sup>th</sup> Avenue S to McDowell) – Phase II	850,000	1 <sup>st</sup> Qtr, 2004	N/A	N/A
15. 144 <sup>th</sup> Ave – Phase II (PV Blvd to Bullard Road)	850,000	2 <sup>nd</sup> Qtr, 2004	FY 99-05	S17
16. 144 <sup>th</sup> Ave RID Canal to Palm Valley Blvd	<u>1,025,000</u>	1 <sup>st</sup> Qtr, 2004	FY 05-20	S54
<b>TOTAL FOR ALL PROJECTS</b>	<b><u>\$9,940,000</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 General District by way of a Plan of Finance herein described. This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual sale of the Bonds and to the extent necessary to comply with Federal and State law.

### (1) Formation and Authorization.

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

A bond election was held on February 27, 1990 authorizing \$133,000,000 of General District general obligation bonds.

### (2) Existing and Proposed Debt.

The total principal amount of all general obligation bonds outstanding for the General District currently equals \$8,445,000. Listed below are the general obligation bond issues outstanding for the General District.

\$230,000 Series 1994 General Obligation Bonds (\$130,000 currently outstanding)  
\$500,000 Series 1996B General Obligation Bonds  
\$2,090,000 Series 1998 General Obligation Bonds  
\$5,725,000 Series 2000 General Obligation Bonds

Upon approval by the General District Board, the General District will issue the General District General Obligation Bonds, Series 2003 (the "Bonds") in a principal amount not to exceed \$5,900,000. Pursuant to prior covenants of the General District, the General District will not issue general obligation bonds in excess of 20% of the full cash value of all of the taxable property in the General District as shown on the records of the County Assessor on the date of issuance of the Bonds. The principal amount of the Bonds to be issued herein complies with this covenant.

Assuming the issuance of the Bonds described herein, the General District will have \$14,345,000 of general obligation Bonds outstanding and \$118,555,000 of authorized, but not issued, general obligation bond authorization remaining.

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

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

**SOURCES:**

Series 2003 Bonds	<u>\$5,900,000</u>
Total	<u>\$5,900,000</u>

**USES:**

Public Infrastructure	\$5,696,000
Costs of Issuance*	<u>204,000</u>
Total	<u>\$5,900,000</u>

(\* ) See next page for detail

\* Estimated, as shown in the following table:

<u>Description</u>	<u>Party</u>	<u>Amount</u>
Bond Counsel	Gust Rosenfeld P.L.C.	\$25,000
Financial Advisor	Peacock Hislop	15,000
Underwriter's Counsel	Greenberg Traurig, LLP	20,000
Underwriter's Discount	RBC Dain Rauscher	118,000
Ratings Fees	Moody's/S&P	15,000
Printing of Official Statement	i-Deal	3,000
Trustee (Acceptance and First Year Annual Fee)	Wells Fargo Bank AZ	3,000
Miscellaneous		<u>5,000</u>
	Total	<u>\$204,000</u>

**(4) Use of Proceeds.**

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

**(5) Sale of the Bonds.**

The par amount of the Bonds is determined based on a total debt tax rate of \$1.90 per \$100 secondary assessed valuation of the land within the General District as estimated by the Maricopa County Assessor's Office for fiscal year 2003-04.

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

**(6) District Tax Rate.**

For each year until the Bonds are paid or otherwise provided for, the General 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 General District. This tax rate includes a not to exceed amount of \$0.10 per \$100 of secondary assessed valuation for operations and maintenance of the District. The difference between the current target tax rate of \$1.00 and the not to exceed levy of \$0.10 for operations and maintenance is available for the payment of debt service.

The tax levy, combined with funds available pursuant to the Standby Contribution Agreement between SunCor and the General District, are sufficient to pay the debt service on the Bonds and the outstanding bonds of the General 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 General District general obligation bonds and the General 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 General District portion of a tax bill for a homeowner would equal approximately \$13.66 per month or \$164 annually. (See Table Five of this Section for full cash value and secondary assessed valuation history of the General 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 of the SunCor Disclosure Statement.)

**(9) Debt Capacity.**

As stated above, the tax of the General District for the purpose of both the payment of debt service as well as operations and maintenance expenses 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 General 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 General District creates the ability to issue approximately \$1,000,000 of general obligation bonds, depending on the amount of the \$1.00 target tax rate available for debt service.

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

TABLE ONE

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

\$0.90 Maximum District Debt Tax Rate  
5.75% Average Annual SAV Growth  
Existing and Proposed Debt Service

Fiscal Year	Net Secondary		Existing Debt Service										Proposed Series 2003 Debt Service			Total Combined Debt Service	Combined Tax Rate	District Revenues @ \$0.90 Debt Tax Rate (3)	Suncor's Payment for Debt Service Above \$0.90 Debt Tax Rate
	Assessed	Net	Series 1994		Series 1996		Series 1998		Series 2000		Total Existing	Debt Tax	Total Proposed						
	Valuation (SAV) (1)	SAV Growth	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service	Rate	Principal	Interest (2)	Debt Service				
2003-04	\$ 55,787,877	22.36%	\$ 20,000	\$ 9,750	\$ -	\$ 34,425	\$ 55,000	\$ 103,520	\$ -	\$ 291,184	\$ 513,879	\$ 0.9211	\$ -	\$ 216,524	\$ 216,524	\$ 730,403	\$ 1.3093	\$ 476,986	\$ 253,417
2004-05	62,859,528	12.68%	20,000	8,250	-	34,425	60,000	100,633	-	291,184	514,491	0.8185	-	249,836	249,836	764,327	1.2159	537,449	226,878
2005-06	69,931,179	11.25%	20,000	6,750	-	34,425	65,000	97,483	160,000	291,184	674,841	0.9650	-	249,836	249,836	924,677	1.3223	597,912	326,765
2006-07	77,002,829	10.11%	20,000	5,250	-	34,425	70,000	94,070	170,000	282,704	676,449	0.8785	-	249,836	249,836	926,284	1.2029	658,374	267,910
2007-08	84,074,480	9.18%	25,000	3,750	-	34,425	70,000	90,395	175,000	273,694	672,264	0.7996	-	249,836	249,836	922,099	1.0968	718,837	203,262
2008-09	91,146,131	8.41%	25,000	1,875	-	34,425	80,000	86,720	180,000	264,419	672,439	0.7378	135,000	249,836	384,836	1,057,274	1.1600	779,299	277,975
2009-10	98,217,782	7.76%	-	-	30,000	34,425	80,000	83,080	190,000	254,879	672,384	0.6846	140,000	246,339	386,339	1,058,723	1.0779	839,762	218,961
2010-11	105,289,433	7.20%	-	-	30,000	32,475	85,000	79,400	200,000	244,809	671,684	0.6379	145,000	242,279	387,279	1,058,963	1.0058	900,225	158,738
2011-12	112,361,083	6.72%	-	-	30,000	30,450	90,000	75,405	215,000	235,609	676,464	0.6020	145,000	237,755	382,755	1,059,219	0.9427	960,687	98,531
2012-13	119,432,734	6.29%	-	-	35,000	28,425	90,000	71,130	225,000	225,504	675,059	0.5652	150,000	233,043	383,043	1,058,101	0.8859	1,021,150	36,951
2013-14	126,504,385	5.92%	-	-	35,000	26,063	100,000	66,765	230,000	214,704	672,531	0.5316	155,000	227,973	382,973	1,055,504	0.8344	1,081,612	-
2014-15	133,576,036	5.59%	-	-	40,000	23,700	100,000	61,865	245,000	203,549	674,114	0.5047	160,000	222,501	382,501	1,056,615	0.7910	1,142,075	-
2015-16	140,647,687	5.29%	-	-	40,000	21,000	110,000	56,915	255,000	191,544	674,459	0.4795	165,000	216,629	381,629	1,056,088	0.7509	1,202,538	-
2016-17	147,719,337	5.03%	-	-	45,000	18,200	110,000	51,525	270,000	178,794	673,519	0.4559	175,000	210,359	385,359	1,058,878	0.7168	1,263,000	-
2017-18	154,790,988	4.79%	-	-	50,000	15,050	115,000	46,135	280,000	165,294	671,479	0.4338	180,000	203,534	383,534	1,055,013	0.6816	1,323,463	-
2018-19	161,862,639	4.57%	-	-	50,000	11,550	125,000	40,500	295,000	151,294	673,344	0.4160	190,000	196,334	386,334	1,059,678	0.6547	1,383,926	-
2019-20	168,934,290	4.37%	-	-	55,000	8,050	130,000	34,250	310,000	136,544	673,844	0.3989	195,000	188,544	383,544	1,057,388	0.6259	1,444,388	-
2020-21	176,005,941	4.19%	-	-	60,000	4,200	135,000	27,750	325,000	120,656	672,606	0.3821	205,000	180,354	385,354	1,057,960	0.6011	1,504,851	-
2021-22	183,077,591	4.02%	-	-	-	-	205,000	21,000	345,000	104,000	675,000	0.3687	210,000	171,539	381,539	1,056,539	0.5771	1,565,313	-
2022-23	190,149,242	3.86%	-	-	-	-	215,000	10,750	375,000	86,060	686,810	0.3612	210,000	162,341	372,341	1,059,151	0.5570	1,625,776	-
2023-24	197,220,893	3.72%	-	-	-	-	-	-	625,000	66,560	691,560	0.3507	215,000	153,017	368,017	1,059,577	0.5373	1,686,239	-
2024-25	204,292,544	3.59%	-	-	-	-	-	-	655,000	34,060	689,060	0.3373	225,000	143,342	368,342	1,057,402	0.5176	1,746,701	-
2025-26	211,364,195	3.46%	-	-	-	-	-	-	-	-	-	-	925,000	133,127	1,058,127	1,058,127	0.5006	1,807,164	-
2026-27	218,435,845	3.35%	-	-	-	-	-	-	-	-	-	-	965,000	90,855	1,055,855	1,055,855	0.4834	1,867,626	-
2027-28	225,507,496	3.24%	-	-	-	-	-	-	-	-	-	-	1,010,000	46,561	1,056,561	1,056,561	0.4685	1,928,089	-
<b>Average Annual Growth</b>		<b>5.75%</b>	<b>\$ 130,000</b>	<b>\$ 35,625</b>	<b>\$ 500,000</b>	<b>\$ 460,138</b>	<b>\$ 2,090,000</b>	<b>\$ 1,299,290</b>	<b>\$ 5,725,000</b>	<b>\$ 4,308,225</b>	<b>\$ 14,548,278</b>		<b>\$ 5,900,000</b>	<b>\$ 4,972,126</b>	<b>\$ 10,872,126</b>	<b>\$ 25,420,404</b>			<b>\$ 2,069,389</b>

Notes:  
 (1) The fiscal year 2003-04 preliminary secondary assessed valuation was provided by the Maricopa County Assessor's Office. Assumes that the District's secondary assessed valuation will grow by \$7,071,651 per year (the District's average dollar secondary assessed valuation growth per year from fiscal year 1999-00 through fiscal year 2003-04).  
 (2) Assumes insured "Aaa" interest rates as of May 27, 2003 plus 20 basis points.  
 (3) Assumes a 95% collection rate of District Revenues.



TABLE TWO

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

\$0.90 Maximum District Debt Tax Rate  
4% SAV Growth  
Existing and Proposed Debt Service

Fiscal Year	Net Secondary Assessed Valuation (1)	Existing Debt Service										Debt Tax Rate	Proposed Series 2003 Debt Service			Total Combined Debt Service	Combined Debt Tax Rate	District Revenues @ \$0.90 Debt Tax Rate (3)	Suncor's Payment for Debt Service Above \$0.90 Debt Tax Rate
		Series 1994		Series 1996		Series 1998		Series 2000		Total Existing Debt Service	Total Proposed								
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Principal		Interest (2)	Debt Service					
2003-04	\$ 55,787,877	\$ 20,000	\$ 9,750	\$ -	\$ 34,425	\$ 55,000	\$ 103,520	\$ -	\$ 291,184	\$ 513,879	\$ 0.9211	\$ -	\$ 216,524	\$ 216,524	\$ 730,403	\$ 1.3093	\$ 476,986	\$ 253,417	
2004-05	58,019,392	20,000	8,250	-	34,425	60,000	100,633	-	291,184	514,491	0.8868	-	249,836	249,836	764,327	1.3174	496,066	268,261	
2005-06	60,340,168	20,000	6,750	-	34,425	65,000	97,483	160,000	291,184	674,841	1.1184	-	249,836	249,836	924,677	1.5324	515,908	408,768	
2006-07	62,753,774	20,000	5,250	-	34,425	70,000	94,070	170,000	282,704	676,449	1.0779	-	249,836	249,836	926,284	1.4761	536,545	389,739	
2007-08	65,263,925	25,000	3,750	-	34,425	70,000	90,395	175,000	273,694	672,264	1.0301	-	249,836	249,836	922,099	1.4129	558,007	364,093	
2008-09	67,874,482	25,000	1,875	-	34,425	80,000	86,720	180,000	264,419	672,439	0.9907	135,000	249,836	384,836	1,057,274	1.5577	580,327	476,947	
2009-10	70,589,462	-	-	30,000	34,425	80,000	83,080	190,000	254,879	672,384	0.9525	140,000	246,339	386,339	1,058,723	1.4998	603,540	455,183	
2010-11	73,413,040	-	-	30,000	32,475	85,000	79,400	200,000	244,809	671,684	0.9149	145,000	242,279	387,279	1,058,963	1.4425	627,681	431,281	
2011-12	76,349,562	-	-	30,000	30,450	90,000	75,405	215,000	235,609	676,464	0.8860	145,000	237,755	382,755	1,059,219	1.3873	652,789	406,430	
2012-13	79,403,544	-	-	35,000	28,425	90,000	71,130	225,000	225,504	675,059	0.8502	150,000	233,043	383,043	1,058,101	1.3326	678,900	379,201	
2013-14	82,579,686	-	-	35,000	26,063	100,000	66,765	230,000	214,704	672,531	0.8144	155,000	227,973	382,973	1,055,504	1.2782	706,056	349,447	
2014-15	85,882,874	-	-	40,000	23,700	100,000	61,865	245,000	203,549	674,114	0.7849	160,000	222,501	382,501	1,056,615	1.2303	734,299	322,316	
2015-16	89,318,188	-	-	40,000	21,000	110,000	56,915	255,000	191,544	674,459	0.7551	165,000	216,629	381,629	1,056,088	1.1824	763,671	292,417	
2016-17	92,890,916	-	-	45,000	18,200	110,000	51,525	270,000	178,794	673,519	0.7251	175,000	210,359	385,359	1,058,878	1.1399	794,217	264,660	
2017-18	96,606,553	-	-	50,000	15,050	115,000	46,135	280,000	165,294	671,479	0.6951	180,000	203,534	383,534	1,055,013	1.0921	825,986	229,027	
2018-19	100,470,815	-	-	50,000	11,550	125,000	40,500	295,000	151,294	673,344	0.6702	190,000	196,334	386,334	1,059,678	1.0547	859,025	200,652	
2019-20	104,489,647	-	-	55,000	8,050	130,000	34,250	310,000	136,544	673,844	0.6449	195,000	188,544	383,544	1,057,388	1.0120	893,386	164,001	
2020-21	108,669,233	-	-	60,000	4,200	135,000	27,750	325,000	120,656	672,606	0.6189	205,000	180,354	385,354	1,057,960	0.9736	929,122	128,838	
2021-22	113,016,003	-	-	-	-	205,000	21,000	345,000	104,000	675,000	0.5973	210,000	171,539	381,539	1,056,539	0.9349	966,287	90,252	
2022-23	117,536,643	-	-	-	-	215,000	10,750	375,000	86,060	686,810	0.5843	210,000	162,341	372,341	1,059,151	0.9011	1,004,938	54,213	
2023-24	122,238,108	-	-	-	-	-	-	625,000	66,560	691,560	0.5657	215,000	153,017	368,017	1,059,577	0.8668	1,045,136	14,441	
2024-25	127,127,633	-	-	-	-	-	-	655,000	34,060	689,060	0.5420	225,000	143,342	368,342	1,057,402	0.8318	1,086,941	-	
2025-26	132,212,738	-	-	-	-	-	-	-	-	-	-	925,000	133,127	1,058,127	1,058,127	0.8003	1,130,419	-	
2026-27	137,501,248	-	-	-	-	-	-	-	-	-	-	965,000	90,855	1,055,855	1,055,855	0.7679	1,175,636	-	
2027-28	143,001,297	-	-	-	-	-	-	-	-	-	-	1,010,000	46,561	1,056,561	1,056,561	0.7388	1,222,661	-	
		\$ 130,000	\$ 35,625	\$ 500,000	\$ 460,138	\$ 2,090,000	\$ 1,299,290	\$ 5,725,000	\$ 4,308,225	\$ 14,548,278		\$ 5,900,000	\$ 4,972,126	\$ 10,872,126	\$ 25,420,404			\$ 5,943,586	

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

**TABLE THREE**

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

**\$0.90 Maximum District Debt Tax Rate  
No SAV Growth  
Existing and Proposed Debt Service**

Fiscal Year	Net Secondary Assessed Valuation (1)	Existing Debt Service										Proposed Series 2003 Debt Service			Total Combined Debt Service	Combined Debt Tax Rate	District Revenues @ \$0.90 Debt Tax Rate (3)	Suncor's Payment for Debt Service Above \$0.90 Debt Tax Rate
		Series 1994	Series 1994	Series 1996	Series 1996	Series 1998	Series 1998	Series 2000	Series 2000	Total Existing	Debt Tax	Total Proposed	Total Combined					
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service	Rate	Debt Service	Debt Service	Debt Service				
2003-04	\$ 55,787,877	\$ 20,000	\$ 9,750	\$ -	\$ 34,425	\$ 55,000	\$ 103,520	\$ -	\$ 291,184	\$ 513,879	\$ 0.9211	\$ -	\$ 7,791	\$ 7,791	\$ 521,670	\$ 0.9351	\$ 476,986	\$ 44,683
2004-05	55,787,877	20,000	8,250	-	34,425	60,000	100,633	-	291,184	514,491	0.9222	-	8,990	8,990	523,481	0.9383	476,986	46,494
2005-06	55,787,877	20,000	6,750	-	34,425	65,000	97,483	160,000	291,184	674,841	1.2097	-	8,990	8,990	683,831	1.2258	476,986	206,844
2006-07	55,787,877	20,000	5,250	-	34,425	70,000	94,070	170,000	282,704	676,449	1.2125	-	8,990	8,990	685,438	1.2287	476,986	208,452
2007-08	55,787,877	25,000	3,750	-	34,425	70,000	90,395	175,000	273,694	672,264	1.2050	-	8,990	8,990	681,253	1.2211	476,986	204,267
2008-09	55,787,877	25,000	1,875	-	34,425	80,000	86,720	180,000	264,419	672,439	1.2053	15,000	8,990	23,990	696,428	1.2484	476,986	219,442
2009-10	55,787,877	-	-	30,000	34,425	80,000	83,080	190,000	254,879	672,384	1.2053	15,000	8,298	23,298	695,682	1.2470	476,986	218,695
2010-11	55,787,877	-	-	30,000	32,475	85,000	79,400	200,000	244,809	671,684	1.2040	15,000	7,607	22,607	694,290	1.2445	476,986	217,304
2011-12	55,787,877	-	-	30,000	30,450	90,000	75,405	215,000	235,609	676,464	1.2126	10,000	6,915	16,915	693,379	1.2429	476,986	216,392
2012-13	55,787,877	-	-	35,000	28,425	90,000	71,130	225,000	225,504	675,059	1.2100	10,000	6,454	16,454	691,513	1.2395	476,986	214,526
2013-14	55,787,877	-	-	35,000	26,063	100,000	66,765	230,000	214,704	672,531	1.2055	10,000	5,993	15,993	688,524	1.2342	476,986	211,538
2014-15	55,787,877	-	-	40,000	23,700	100,000	61,865	245,000	203,549	674,114	1.2084	10,000	5,532	15,532	689,646	1.2362	476,986	212,659
2015-16	55,787,877	-	-	40,000	21,000	110,000	56,915	255,000	191,544	674,459	1.2090	10,000	5,071	15,071	689,530	1.2360	476,986	212,543
2016-17	55,787,877	-	-	45,000	18,200	110,000	51,525	270,000	178,794	673,519	1.2073	10,000	4,610	14,610	688,129	1.2335	476,986	211,142
2017-18	55,787,877	-	-	50,000	15,050	115,000	46,135	280,000	165,294	671,479	1.2036	15,000	4,149	19,149	690,628	1.2380	476,986	213,641
2018-19	55,787,877	-	-	50,000	11,550	125,000	40,500	295,000	151,294	673,344	1.2070	15,000	3,458	18,458	691,801	1.2401	476,986	214,815
2019-20	55,787,877	-	-	55,000	8,050	130,000	34,250	310,000	136,544	673,844	1.2079	15,000	2,766	17,766	691,610	1.2397	476,986	214,623
2020-21	55,787,877	-	-	60,000	4,200	135,000	27,750	325,000	120,656	672,606	1.2056	15,000	2,075	17,075	689,681	1.2363	476,986	212,694
2021-22	55,787,877	-	-	-	-	205,000	21,000	345,000	104,000	675,000	1.2099	15,000	1,383	16,383	691,383	1.2393	476,986	214,397
2022-23	55,787,877	-	-	-	-	215,000	10,750	375,000	86,060	686,810	1.2311	5,000	692	5,692	692,502	1.2413	476,986	215,515
2023-24	55,787,877	-	-	-	-	-	-	625,000	66,560	691,560	1.2396	5,000	461	5,461	697,021	1.2494	476,986	220,035
2024-25	55,787,877	-	-	-	-	-	-	655,000	34,060	689,060	1.2351	5,000	231	5,231	694,291	1.2445	476,986	217,304
2025-26	55,787,877	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	476,986	-
2026-27	55,787,877	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	476,986	-
2027-28	55,787,877	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	476,986	-
		\$ 130,000	\$ 35,625	\$ 500,000	\$ 460,138	\$ 2,090,000	\$ 1,299,290	\$ 5,725,000	\$ 4,308,225	\$ 14,548,278		\$ 195,000	\$ 118,431	\$ 313,431	\$ 14,861,709			\$ 4,368,009

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

## TABLE FOUR

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

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

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

(b) The tax rate is based upon 5.71% average annual secondary assessed value growth and the issuance of the Utilities District No. 1 Series 2003 Bonds in the amount of \$8,685,000. Please refer to Table One in Section Five of the Community Facilities Utilities District No. 1 Feasibility Report dated August 11, 2003 for a proposed debt service and tax rate schedule.

**TABLE FIVE**

**COMMUNITY FACILITIES GENERAL DISTRICT NO. 1**

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

<u>Fiscal Year</u>	<u>Full Cash Value</u>	<u>Secondary Assessed Value</u>	<u>Percentage Change</u>
1991-92	\$464,116	\$74,255	-
1992-93	110,162	17,625	- 76.26%
1993-94	616,532	70,105	297.76%
1994-95	3,369,075	599,500	755.15%
1995-96	39,392,682	3,232,838	439.26%
1996-97	43,386,053	6,388,371	97.16%
1997-98	81,462,751	11,515,971	80.26%
1998-99	118,717,368	16,425,165	42.63%
1999-00	155,487,438	20,429,623	24.38%
2000-01	219,099,995	29,106,483	42.47%
2001-02	284,002,578	36,800,707	26.43%
2002-03	345,982,080	45,592,112	23.89%
2003-04*	429,506,763	55,787,877	22.36%

Source: Maricopa County Assessor's Office

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

**TABLE SIX**

**Sources and Uses of Funds**

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

Uses	Combined Sources & Uses	General	Utilities
		District No. 1	District No. 1
Public Infrastructure	\$ 15,052,357	\$ 5,559,500	\$ 9,492,857
Costs of Issuance	463,000	204,000	259,000
Bond Insurance Premium	341,500	136,500	205,000
<b>Total Uses</b>	<b>\$ 15,856,857</b>	<b>\$ 5,900,000</b>	<b>\$ 9,956,857</b>

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

- (a) General District projects that are not funded from the proceeds of General District bonds may be funded from the proceeds of Utilities District bonds.
  - (b) A portion of these projects are also expected to be financed through Community Facilities District No. 2 which is yet to be formed.
- \* "X" Indicates which CFD the Project benefits and may be paid for from bond proceeds of both CFDs.

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**APPENDIX 1**

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

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July 16, 1993

LEGAL DESCRIPTION  
COMMUNITY FACILITY GENERAL DISTRICT NO. 1

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 Sections 33 and 34, and a portion of Section 28, Township 2 North, Range 1 West, together with portions of Sections 3 and 4 of Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

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

Beginning at the Northwest Corner of said Section 28:

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

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

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

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

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

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

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

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

Thence, North  $89^{\circ}25'31''$  West, along the South line of the Southwest Quarter of said Section 28, a distance of 2,618.20 feet to the Southwest Corner of said Section 28;

Thence, North  $00^{\circ}15'18''$  East, along the West line of said Southwest Quarter of said Section 28, a distance of 435.36 feet to the beginning of a tangent curve of 1,900.00 foot radius, concave Southeasterly;

Thence, Northeasterly along said curve through a central angle of  $14^{\circ}40'29''$ , an arc distance of 486.63 feet;



Thence, North  $14^{\circ}55'47''$  East, a distance of 1,547.30 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Southeasterly;

Thence, Northeasterly along said curve through a central angle of  $14^{\circ}08'47''$ , an arc distance of 370.35 feet;

Thence, North  $29^{\circ}04'34''$  East, a distance of 99.28 feet to the beginning of a 2,710.00 foot radius, non-tangent curve whose center bears North  $29^{\circ}04'34''$  East;

Thence, Northwesterly, along said curve through a central angle of  $17^{\circ}03'00''$ , an arc distance of 806.44 feet to a point on the West line of the Northwest Quarter of said Section 28;

Thence, North  $00^{\circ}15'03''$  East, along said West line of said Northwest Quarter, a distance of 1,948.06 feet to the Point of Beginning.

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

Beginning at the Northeast Corner of said Section 3:

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

Thence, North  $89^{\circ}18'27''$  West, 40.00 feet;

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

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

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

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

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

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

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

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

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

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

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





Legal Description  
Community Facility General District No. 1  
July 16, 1993  
Page 3 of 4

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

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, 54.91 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, 829.83 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 1218.89 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.

THE ABOVE DESCRIBED PARCELS COLLECTIVELY COMPRISE 1909.794 ACRES AND ARE SUBJECT TO THE FOLLOWING DESCRIBED EXCEPTIONS THEREFROM;

Also excluding the following described parcel:

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°24'44" West, along the North line of said Southeast Quarter of Section 28, a distance of 520.24 feet;



Thence, South 00°35'16" West, a distance of 160.95 feet to the Point of Beginning;

Thence, South 00°16'31" West, 250.00 feet;

Thence, South 62°43'31" West, 281.99 feet;

Thence, North 00°16'31" East, 379.26 feet;

Thence, South 89°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°15'19", having an arc distance of 92.38 feet to the Point of Beginning.

Comprising 1.802 Acres,

Also excluding the following described parcel:

Being a portion of the 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,

SUBJECT PROPERTY, AFTER ABOVE DESCRIBED EXCEPTIONS, COMPRISES 1906.580 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 General 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 General 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 General District represents the only expenses or charges borne by the property owners within the General District.

Below is a summary of the tax rate of the General District, along with tax rate information and for all overlapping taxing entities.

### Inside Litchfield Elementary School District No. 79

	<b>2002-03 Primary <u>Tax Rate</u></b>	<b>2002-03 Secondary <u>Tax Rate</u></b>	<b>2002-03 Combined <u>Tax Rate</u></b>
<b><u>Overlapping Municipality</u></b>			
Maricopa County	\$ 1.6997	\$0.4731	\$ 2.1728
Maricopa County Community College District	0.9634	0.1493	1.1127
Litchfield Elementary School District No. 79	2.1339	2.1374	4.2713
Agua Fria Union High School District No. 216	2.8262	1.3891	4.2153
City of Goodyear	1.2866	0.7549	2.0415
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Community Facilities General District No. 1	<u>0.0000</u>	<u>1.0000</u>	<u>1.0000</u>
<b>Total</b>	<b>\$8.9098</b>	<b>\$6.9038</b>	<b>\$15.8136</b>

### Inside Avondale Elementary School District No. 44

	<b>2002-03 Primary <u>Tax Rate</u></b>	<b>2002-03 Secondary <u>Tax Rate</u></b>	<b>2002-03 Combined <u>Tax Rate</u></b>
<b><u>Overlapping Municipality</u></b>			
Maricopa County	\$ 1.6997	\$0.4731	\$ 2.1728
Maricopa County Community College District	0.9634	0.1493	1.1127
Avondale Elementary School District No. 44	2.2492	0.7743	3.0235
Agua Fria Union High School District No. 216	2.8262	1.3891	4.2153
City of Goodyear	1.2866	0.7549	2.0415
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Community Facilities General District No. 1	<u>0.0000</u>	<u>1.0000</u>	<u>1.0000</u>
<b>Total</b>	<b>\$9.0251</b>	<b>\$5.5407</b>	<b>\$14.5658</b>

The following two pages include breakdowns of the tax rates for other community facilities districts.

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

\* Indicates existing CFD.

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

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

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

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

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

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

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

\* Indicates existing CFD

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

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

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

However, because of the location of the General 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.

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

<u>Overlapping Jurisdiction</u>	2003-04 Net Secondary Assessed Valuation (a)	Net Outstanding Bonded Debt	<u>Proportion Applicable to the District</u>	
			Approx. Percent	Amount
State of Arizona	\$40,861,415,479	\$0	.14%	\$0
Maricopa County	27,477,987,528	39,515,000	.20%	79,030
Maricopa County Community College District	27,477,987,528	284,815,000	.20	569,630
City of Goodyear	264,638,241	20,930,000	21.08	4,412,044
Litchfield ESD No. 79	280,627,332	21,890,000	19.88	4,351,732
Avondale ESD No. 44	168,957,691	13,075,000	33.02	4,317,365
Agua Fria UHSD No. 216	449,585,023	40,270,000	12.41	4,997,507
Community Facilities Utilities District No. 1	99,982,260	23,935,000(b)	55.80	13,355,730
Community Facilities General District No. 1	55,787,877	14,345,000(c)	100.00	<u>14,345,000</u>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$46,428,038</u>

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

(b) Includes the proposed \$8,685,000 Series 2003 Bonds as described in the Community Facilities Utilities District No. 1 Feasibility Report dated August 11, 2003.

(c) Includes the proposed Series 2003 Community Facilities General District No. 1 Bonds.



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**APPENDIX 4**

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

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## **APPENDIX 4**

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

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

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

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

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

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

\_\_\_\_\_  
Home Buyer(s) Signature/Date

\_\_\_\_\_  
Home Buyer(s) Signature/Date