RESOLUTION NO. 34
RAVEN RIDGE COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF THE RAVEN RIDGE COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A TENTATIVE BUDGET FOR FISCAL YEAR 2016-2017 PURSUANT TO ARS §48-716; SETTING A PUBLIC HEARING DATE ON SAID TENTATIVE BUDGET; FILING STATEMENTS AND ESTIMATES OF DEBT SERVICE EXPENDITURES TO BE FINANCED BY ASSESSMENT BONDS SECURED BY ASSESSMENT LIENS ESTABLISHED AGAINST PROPERTY WITHIN THE DISTRICT, TO BE PAID FROM THE ASSESSMENT BOND REVENUES AND OTHER SOURCES; PROVIDING FOR NOTICE OF FILING THE STATEMENTS AND ESTIMATES, AND NOTICE OF A PUBLIC HEARING; PROVIDING THAT IF ANY PROVISION IN THIS RESOLUTION IS HELD INVALID BY A COURT OF COMPETENT JURISDICTION, THE REMAINING PROVISIONS SHALL NOT BE AFFECTED, BUT SHALL CONTINUE IN FULL FORCE AND EFFECT; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on November 21, 2002, the Council of the Town of Prescott Valley ("Town") approved Resolution No. 1135 declaring its intention to form the Raven Ridge Community Facilities District (RRCFD) within Section 29, R1E, T14N, G&SRM, in accordance with ARS §48-701 et seq. (see Exhibit "A" attached hereto and expressly made a part hereof), based on a General Plan filed with the Town Clerk and a petition signed by the owners of substantially more than twenty-five percent (25%) of land area within RRCFD; and

WHEREAS, after a public hearing, the Town Council adopted Resolution No. 1148 (December 19, 2002) calling an election for January 21, 2003 by the registered voters and landowners within RRCFD, asking whether to form RRCFD; and

WHEREAS, at the election, a majority of the votes equal to the number of acres cast by qualified electors and a majority of the votes cast by qualified electors were in favor of forming RRCFD, and the Town Council subsequently approved Resolution No. 1154 (January 23, 2003) ordering formation of RRCFD and indicating (among other things) that RRCFD would be governed by a Board comprised of the Mayor and Common Council acting "ex officio"; and

WHEREAS, by adoption of its Resolutions No. 1 and No. 2 (January 23, 2003), the RRCFD Board organized the RRCFD and established interim procedures; and

WHEREAS, on March 13, 2003, the RRCFD Board approved an intergovernmental agreement with the Town whereby the Town would serve as agent to administer assessment liens under ARS §48-571 et seq. and otherwise provide for operation and administration of RRCFD (including, but not be limited to, office administration, engineering services, legal services, accounting services, and management services); and

WHEREAS, on September 4, 2003, the RRCFD Board approved Resolution No. 5 which, among other things, declared the Board's intention to improve property within RRCFD

by decommissioning the package wastewater plant then serving the Raven Ridge community and connecting the community to the Town's wastewater collection and treatment system, and finance the same through assessment liens against property within RRCFD which would pay to finance either assessment bonds or a loan repayment agreement with the Water Infrastructure Authority of Arizona ("WIFA"), said improvements thereafter to be conveyed to the Town for operation and maintenance, with RRCFD retaining an obligation to administer said assessment liens under ARS §48-571 et seq.; and

WHEREAS, on October 9, 2003, the RRCFD Board held a public hearing on a Feasibility Report related to the improvements, then approved Resolution No. 6 adopting said Report and ordering construction of the improvements (including certain work pursuant to an intergovernmental agreement with the Town to assist in extension of Town utilities to the Quailwood Meadows development); and

WHEREAS, on November 13, 2003, the RRCFD Board approved Resolution No. 7 which, among other things, approved a construction contract for the improvements (based on a low bid of $741,888.11), approved an Assessment Diagram and Method of Assessment provided by the RRCFD Engineer, and approved a loan repayment agreement with WIFA to cover assessments not paid in cash by RRCFD property owners during the 30-day cash collection period; and

WHEREAS, on December 7, 2003, the Superintendent of Streets of RRCFD levied an assessment for the costs and expenses of the improvements and related fees on property within RRCFD; and

WHEREAS, RRCFD subsequently entered into a loan repayment agreement with WIFA, dated January 9, 2004, in an amount not to exceed $1,217,670 (constituting $925,446 in principal and $309.002.26 in interest) with payments due on January 1 and July 1 each year starting in 2005. The last payment would be on January 1, 2024. The principal owed is a level payment of $46,272.30 each January 1. The interest amount is paid in equal amounts on January 1 and July 1 and declines each year; and

WHEREAS, after construction of the improvements the RRCFD Board set October 28, 2004 as a hearing date to recapitulate the assessment; and

WHEREAS, after statutory notice, said hearing was held and Resolution No. 11 was subsequently adopted recapitulating the assessment and providing for cash reimbursements/assessment payment reductions based on surplus funds; and

WHEREAS, ARS §48-721(B) provides that such assessments are first liens on property assessed (subject only to general property taxes and prior special assessments). In the event of delinquent assessments, collection procedures set forth in ARS §§48-601 through 48-607 (including sale of delinquent property) apply as nearly as practicable. However, in no event is RRCFD or the Town required to purchase the delinquent land at the sale if there is no other purchaser; and

WHEREAS, on March 23, 2015, lots from the Raven Ridge CFD with unpaid assessments were sold at auction for the first time. The thirty-three (33) lots offered at auction were all undeveloped and were in Phase III of the project (owned by a single owner). The total unpaid assessment and fees for which each lot was offered for sale was $3,649.81. A buyer purchased twenty (20) of the 33 lots and paid a total of $72,996.20; and

WHEREAS, on March 28, 2016, the remaining thirteen (13) undeveloped lots in Phase III of Raven Ridge CFD with unpaid assessments were sold at auction for the amount of $3,878.22 per lot. A single buyer purchased all of the lots for a total of $50,416.86; and

WHEREAS, Subsection 3.3 of the WIFA Loan Agreement allows RRCFD to use these proceeds to prepay principal amounts (and have interest payments adjusted accordingly), and the resulting surplus has made available funds to make the interest payment due July 1 and the combined interest and principal amount due January 1, despite there being no reserve amount as part of the loan; and

WHEREAS, in accordance with ARS §48-716, the RRCFD Treasurer has now submitted to the RRCFD Board a proposed budget for Fiscal Year 2016-2017, which includes statements and estimates of the costs of debt service expenditures of RRCFD to be financed by assessment bonds secured by assessment liens established against property within the District, to be paid from the assessment bond revenues and other sources; and

WHEREAS, the RRCFD Board desires to approve said Tentative Budget for Fiscal Year 2016-2017, to publish notice of having filed the required statements and estimates and to set a date (and publish a notice thereof) for a public hearing to receive comment on the Tentative Budget; and

WHEREAS, after said public hearing (and on or before October 1), the RRCFD Board expects to adopt a Final Budget by resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE RAVEN RIDGE COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That that certain proposed budget prepared by the RRCFD Treasurer for Fiscal Year 2016-2017, attached hereto and expressly made a part hereof as Exhibit "B", is hereby tentatively approved.

2. That a public hearing date of July 14, 2016, beginning at or after 5:25 p.m. in the Auditorium of the Prescott Valley Public Library at 7401 East Civic Circle, Prescott Valley, Arizona, is hereby set to consider said Tentative Budget, and said notice (attached hereto and expressly made a part hereof as Exhibit "C") shall be published once in the Daily Courier no later than ten (10) days prior to said hearing date.

3. That if any provision in this Resolution is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

4. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of the Raven Ridge Community Facilities District this 9th day of June 2016.

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Harvey Skoog, Chairman, District Board
Raven Ridge Community Facilities District

ATTEST:

_____
Diane Russell, District Clerk
Raven Ridge Community Facilities District

APPROVED AS TO FORM:

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Ivan Legler, District Counsel
Raven Ridge Community Facilities District