



Board of Supervisors Memorandum

December 15, 2020

Resolution Relating to Rocking K South Community Facility District Ordering and Calling an Election with Respect to Increasing the Rate of Levy of an Ad Valorem Property Tax attributable to the Operation and Maintenance Expenses of the District

Background

Due to unexpected circumstances, no votes were cast at the September 29, 2020, Rocking K Election, which was set at the September 1, 2020 Board meeting, Resolution No 2020-RK3. The Board then set an election to be held on December 8, 2020, Resolution No 2020-RK4, however the notice of election was not published as required by 48-707(A), Arizona Revised Statutes, resulting in the cancellation of that election. Therefore, Board of Supervisors December 15, 2020 Agenda includes the following Resolution calling a new election:

- Ordering and calling an Election to allow the qualified electors within the District to vote on the increase in the Operation and Maintenance Expense Tax from thirty cents (30¢) up to fifty cents (50¢) per one hundred dollars (\$100) of assessed valuation.

Community Facility District Feasibility Report and General Obligation Bonds

On January 17, 2017, Pima County formed the Rocking K South Community Facilities District and approved the District's General Plan. The District consists of approximately 2,047 acres south of Old Spanish Trail and east of where Valencia Road ends. Rocking K Development Co. requested formation of the District so that the District could issue up to \$46.5 million of District general obligation debt to purchase, for conveyance to the County, completed roads, sewer systems, parks and other public infrastructure from the developer as identified in the District's General Plan. The District would tax property owners within the District to repay the debt, operate the District, and operate and maintain the purchased infrastructure. Both the debt and the tax would be the District's and not the County's.

On July 11, 2017, the Rocking K South Community Facilities District Development and Intergovernmental Agreement was approved by the Board of Supervisors. The agreement authorized the District Board to issue debt to finance public infrastructure within the District. It also identified the eligible infrastructure, how the infrastructure could be purchased, the debt that may be issued, the tax (Operations and Maintenance Expense and Debt Service) that may be levied and the operational support that may be provided to the District by the County. The Agreement also contained a provision that allows the District to call an election not less than three years after the date of formation of the District to increase the Operations and Maintenance Expense Tax from thirty cents (30¢) up to fifty cents (50¢) per one hundred dollars (\$100) of assessed valuation.

The Honorable Chairman and Members, Pima County Board of Supervisors
Re: **Resolution Relating to Rocking K South Community Facility District Ordering and Calling an Election with Respect to Increasing the Rate of Levy of an Ad Valorem Property Tax attributable to the Operation and Maintenance Expenses of the District**

December 15, 2020

Page 2

On May 29, 2020, the developer submitted the first public infrastructure project, Phase 1 Spine Public Sewer System, to be purchased and financed through the District. The project is to provide wastewater services to the development. The project is described within the Feasibility Report and it will be partially funded through the initial debt issue. Prior to any bond funds being spent on the project, the project must be accepted into the Regional Wastewater Reclamation System.

On June 23, 2020, District's Board approved the Feasibility Report and authorized the issuance of General Obligation Bonds not to exceed \$150,000. On July 15, 2020, the initial debt issue of \$138,000 was sold with a repayment schedule of 15 years. The debt was purchased by the developer and will be paid by an ad valorem property tax assessed on the property owners within the boundaries of the District.

Recommendation

I recommend the Board of Supervisors approve the attached Resolution ordering and calling an election to allow the qualified electors within the District to vote on an increase in the Operation and Maintenance Expense Tax from thirty cents (30¢) up to fifty cents (50¢) per one hundred dollars (\$100) of assessed valuation.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/mp December 9, 2020

c: Jan Leshar, Chief Deputy County Administrator
Michelle Campagne, Director, Finance and Risk Management