



# **Lakin Ranch Community Facilities District Update**

City Council  
April 16, 2018



# Purpose

- Staff will update the Mayor and City Council on the draft application for formation of the Lakin Community Facilities District (CFD).



# What is a CFD?

- Funding mechanism to finance construction, acquisition, operation & maintenance of public infrastructure.
- Statutory special taxing district with municipal taxing & borrowing powers created within City boundaries.
- Governed by board of directors comprised of members of City Council, ex officio, and 2 additional members designated by the land owner(s).

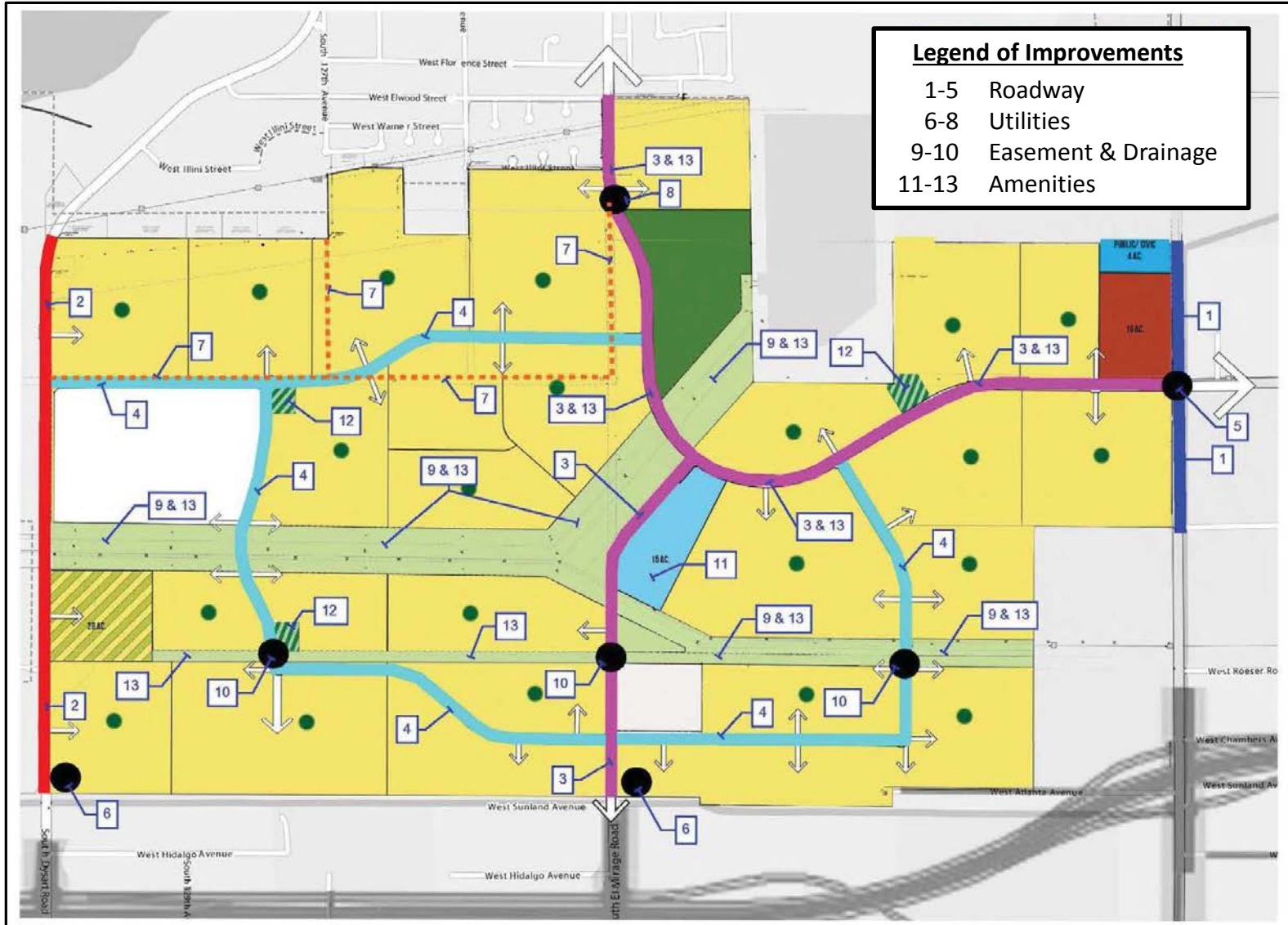


# Infrastructure Costs

Description	Estimated Costs	CFD Eligible Costs	Non-CFD Eligible Costs
<b>Roadway</b> UG Utilities, Landscaping, Traffic Signals	\$24,276,167	\$24,276,167	-
<b>Utilities</b> WW Lift Stations, Effluent & Sewer Lines, Pressure Reducing Valve	\$1,550,200	\$1,550,200	-
<b>Easements &amp; Drainage</b> Easement Improvements, DRCC Dust Control/Stabilization, Roadway Crossings	\$10,985,492	\$9,398,492	\$1,587,000
<b>Amenities</b> Regional/Community Park, School Shared Park, Neighborhood Parks, Trails	\$11,260,421	\$4,360,421	\$6,900,000
<b>Water/ Irrigation</b> SRP Tailwater Delivery, Rigby Water Buy In	\$4,052,600	-	\$4,052,600
<b>Parcel Improvements</b>	\$123,951,864	-	\$123,951,864
<b>TOTAL</b>	\$176,076,743	\$39,585,279	\$136,491,464



# Proposed Infrastructure





# CFD Debt Structure

## **General Obligation Bonds**

- \$3.85 tax rate for district debt
- \$0.30 tax rate for maintenance & operation of district
- 25 year- term
- At build out - generate additional 750k primary property tax

## **Special Assessment Bonds**

- \$2,000-\$4,000 assessment per lot
- 25 year-term



# CFDs Tax Burden Comparison

District	GO Taxes	Special Assessment	Est. Avg. Annual HOA Fees	Total Debt Burden	Total Burden as a % of Sales Price (a)
<b>Lakin Ranch</b> (Avondale)	\$3,963	\$238	\$1,000	\$5,200	1.73%
<b>Estrella Mtn.</b> (Goodyear)	\$3,348	\$486	\$948	\$4,782	1.59%
<b>Sundance</b> (Buckeye)	\$3,803	\$367	\$950	\$5,120	1.71%
<b>Verrado</b> (Buckeye)	\$3,500	\$0	\$1,566	\$5,066	1.69%
<b>Vistancia</b> (Peoria)	\$3,061	\$0	\$1,740	\$4,801	1.60%

(a) Assumes \$300,000 average home price for all Districts



# CFD Overview

## Benefits

- Incentive to land developers to provide “better” development “sooner”
- Means to have infrastructure/facilities paid by District
- Revenue source for O&M for facilities

## Drawbacks

- City not liable for debts; potential to be a party to any litigation & incur costs
- Administrative burden to City
- Due to higher levels of taxes & assessments, potential risk of “backlash”





# Next Steps

- Formation of CFD - 5/7/18 CC Meeting
- Appointment of 2 Board Members -
- Insurance Requirements & Property Ownership -
- Actions to Issue Debt -



# Recommendation

- This item is for information, discussion, and City Council direction.