

# Vistancia Community Facilities District Disclosure Statement



In accordance with Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, a Community Facilities District ("CFD" or "District") has been established by the City of Peoria, Arizona ("City") at the development known as "Vistancia." The CFD has financed and, in the future will finance certain public infrastructure improvements, which will result in a property tax liability for each property owner of Vistancia.

## BACKGROUND

On September 30, 1988, the Arizona Community Facilities District Act became effective. This provision in State law was created to allow Arizona municipalities to form CFDs for the primary purpose of financing the acquisition, construction, installation, operation and/or maintenance of public infrastructure improvements, including water and sewer improvements.

## HOW THE CFD WORKS

On October 15, 2002, the Mayor and Council of the City formed the CFD, which includes all of the residential and commercial property in Vistancia. An election was held on November 12, 2002, at which time the owners of the property within the CFD voted to authorize up to \$100,000,000 of ad valorem tax bonds to be issued over time by the CFD to finance the acquisition or construction of water and sewer improvements. The improvements have been or will be dedicated to the City after acquisition or construction of such public infrastructure by the District. The City will operate and maintain such improvements.

## WHAT WILL BE FINANCED?

The CFD has been established to finance up to \$100,000,000 in public infrastructure improvements within Vistancia, including financing costs related to such improvements. As of July 1, 2015, the total of bonds issued to date was \$67,560,000, of which, \$45,410,000 remained outstanding. All such bonds were refunded on September 10, 2015 with the proceeds of the sale of \$36,985,000 principal amount of refunding bonds. The proceeds of the bonds were utilized originally to finance the engineering, design and construction of certain water, water delivery and waste water treatment improvements for Vistancia. In addition, it is anticipated that the remainder of authorized bonds will be issued in the future for forthcoming phases of infrastructure at Vistancia.

## BENEFITS TO RESIDENTS

The bond issues by the CFD will benefit all residents within Vistancia by providing water and sewer improvements. This benefit was taken into account by the Developer in connection with establishing the price of the lot on which, your home is to be located. Each resident of the CFD will participate in the repayment of the bonds in the form of an additional property tax to the current property taxes assessed by other governmental entities. This added tax is currently deductible for purpose of calculating federal and state income taxes.

## PROPERTY OWNERS' TAX LIABILITY

The obligation to retire the bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Maricopa County Treasurer in addition to all other property tax payments. **(PLEASE NOTE THAT NO OTHER AREA WITHIN THE BOUNDARIES OF THE CITY, OTHER THAN WITHIN THE VISTANCIA WEST COMMUNITY FACILITIES DISTRICT, IS CURRENTLY SUBJECT TO A PROPERTY TAX LEVIED BY A COMMUNITY FACILITIES DISTRICT.)** The CFD levies a secondary tax rate of \$2.10 per \$100 of limited assessed valuation to provide for repayment of the bonds.

Although the level of, the tax rate is not limited by law, the tax rate of the CFD is not expected to exceed \$2.10 per \$100 of limited assessed valuation for as long as the bonds are outstanding. The tax rate will be maintained initially at the \$2.10 level by means of agreements with the Vistancia Land Holdings, a Delaware Limited liability company and certain other obligated entities (collectively, the "Developer"), which require the Developer to provide for the difference above such \$2.10 rate. **(There can be no guarantee that the Developer will be able to make such payments in the future and, if it cannot, tax rates will be increased to provide for such repayment.)** As growth of the tax base occurs within the CFD, it is anticipated that such payments from the Developer will no longer be necessary if debt service is covered by the \$2.10 tax rate, at which time, the District may release the Developer from such obligations. In addition, the District, is authorized to levy a secondary tax rate of \$.30 per \$100 of limited assessed valuation for payment of certain operation and maintenance expenses associated with the CFD and the infrastructure it finances.

## IMPACT OF ADDITIONAL CFD PROPERTY TAX

The following illustrates the additional annual tax liability imposed by the CFD, based on varying residential values within Vistancia and a tax rate of \$2.10 per \$100 of assessed value:

Market Value of Residence	Estimated Annual Additional Tax Liability*
\$200,000	\$357
\$250,000	\$446
\$300,000	\$536
\$350,000	\$625
\$400,000	\$714
\$500,000	\$893
\$600,000	\$1,071
\$700,000	\$1,250
\$800,000	\$1,428
\$1,000,000	\$1,785

\*Assumptions:

1. Market value is not the same as full cash value as reported by the County Assessor, which is typically 85% of market value.
2. Assumes residential property assessment ratio will remain at 10%.
3. The limited property value is the sole value used to compute taxes and cannot exceed the full cash value. Arizona Proposition 117 was approved by voters and limits the increase of the limited property value. The tax amount is computed by multiplying the limited property value times the assessment ratio, dividing that figure by 100 (tax rate per \$100 of assessed valuation), and then multiplying it by the tax rate.

Additional information regarding the description of infrastructure improvements to be financed by the CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the City of Peoria City Clerk's office.

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# Vistancia West Community Facilities District Disclosure Statement



In accordance with Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, a Community Facilities District ("CFD" or "District") has been established by the City of Peoria, Arizona ("City") at the development known as "Vistancia." The Vistancia West CFD has financed, and in the future will finance, certain public infrastructure improvements, which will result in a property tax liability for each property owner of Vistancia West CFD Area.

## BACKGROUND

On September 30, 1988, the Arizona Community Facilities District Act became effective. This provision in State law was created to allow Arizona Municipalities to form community facilities districts for the primary purpose of financing the acquisition, construction, installation, operation and/or maintenance of public infrastructure improvements, including water and sewer improvements.

## HOW THE VISTANCIA WEST CFD WORKS

On August 27, 2014, the Mayor and Council of the City formed the Vistancia West CFD. An election was held on December 2, 2014, at which time the then owners of the property within the Vistancia West CFD area voted to authorize up to \$9,000,000 of ad valorem property tax supported bonds to be issued over time by the Vistancia West CFD to finance acquisition or construction of certain public infrastructure. The infrastructure has been or will be dedicated to the City after acquisition or construction of such infrastructure by the Vistancia West CFD. The City will operate and maintain such infrastructure.

## WHAT WILL BE FINANCED?

The Vistancia West CFD has been established to finance up to \$9,000,000 in public infrastructure within the Vistancia West CFD including financing costs related to such infrastructure. The proceeds of such financing will be used to finance capacity in water storage and treatment and related site improvements; increased sizing of sewer collection lines; roadway improvements and other public infrastructure.

## BENEFITS TO RESIDENTS

The bonds issued by the Vistancia West CFD will benefit all property owners and other residents within the Vistancia West CFD by providing such infrastructure. This benefit was taken into account by the Developer in connection with establishing the price of the lot on which your home is to be located. Each property owner in the Vistancia West CFD will participate in the repayment of the bonds in the form of a property tax in addition to the current property taxes assessed by other governmental entities. This added tax is currently deductible for purpose of calculating federal and state income taxes.

## PROPERTY OWNERS' TAX LIABILITY

The obligation to pay off the Vistancia West bonds will become the responsibility of any property owner in the Vistancia West CFD through the payment of property taxes collected by the Maricopa County Treasurer in addition to all other property tax payments. Beginning in fiscal 2015-2016, the Vistancia West CFD will levy/levied a not to exceed \$2.10 per \$100 of limited assessed valuation to provide for repayment of the bonds. An additional not to exceed \$.30 per \$100 of limited assessed valuation may be levied in the future for the payment of certain administrative expenses associated therewith and for the expenses of the Vistancia West CFD operation and maintaining the infrastructure it finances.

Although the tax rate is not limited by law, the tax rate of the Vistancia West CFD is not expected to exceed \$2.10 per \$100 of limited assessed valuation for as long as the bonds are outstanding. The tax rate will be maintained initially at the \$2.10 by means of agreements with the Developer which require the Developer to provide for the difference above the \$2.10 rate. (There can be no guarantee that the Developer will be able to make such payments in the future and, if it cannot, tax rates will be increased to whatever rate is required to provide for such repayment.) As growth of the tax base occurs with the Vistancia West CFD, it is anticipated that such payments from the Developer will no longer be necessary if debt service is covered by the debt service portion of such \$2.10 tax rate, at which time, the District may release the Developer from such obligation.

## IMPACT OF ADDITIONAL VISTANCIA WEST CFD PROPERTY TAX

The following illustrates the additional annual tax liability imposed by the Vistancia West CFD, based on varying residential values within Trilogy Expansion Area and a tax rate of \$2.10 per \$100 of assessed value:

Market Value of Residence	Estimated Annual Additional Tax Liability*
\$ 300,000	\$ 536
\$ 350,000	\$ 625
\$ 400,000	\$ 714
\$ 500,000	\$ 893
\$ 600,000	\$ 1,071
\$ 700,000	\$ 1,250
\$ 800,000	\$ 1,428
\$900,000	\$ 1,607

\*Assumptions:

1. Market value is not the same as full cash value as reported by the County Assessor, which is typically 85% of market value.
2. Assumes residential property assessment ratio will remain at 10%.
3. The limited property value is the sole value used to compute taxes. Arizona Proposition 117 was approved by voters and limits the increase of the limited property value to the lesser of full cash value or an amount five percent greater than the limited property value determined for the prior year. The tax amount is computed by multiplying the limited property value times the assessment ratio, dividing that figure by 100 (tax rate per \$100 of assessed valuation), and then multiplying it by the tax rate.

Additional information regarding the description of infrastructure improvements to be financed by the Vistancia West CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the City of Peoria City Clerk's office.

January 2018

