



## BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: July 11, 2017

**Title:** Rocking K South Community Facilities District - Development and Intergovernmental Agreement

### **Introduction/Background:**

On January 17, 2017, Pima County formed the Rocking K South Community Facilities District and approved the District's General Plan. The Pima County Board of Supervisors is the governing board of the District. 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 \$46 million of District general obligation debt to purchase 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. The next step after formation is the County, the District and the Developer approving this Development and Intergovernmental Agreement which identifies the eligible infrastructure, how the infrastructure could be purchased, the debt that may be issued, the tax that may be levied, and the operational support that may be provided to the District by the County. Concurrent with approving this Agreement, the District is also calling for an election of District voters to authorize District tax levies and District debt.

### **Discussion:**

This Development and Intergovernmental Agreement specifically identifies the infrastructure eligible for purchase by the District from the developer. The Rocking K South General Plan, including the eligible infrastructure, is consistent with the County's Comprehensive Plan. This Agreement requires the Developer to comply with both the State and County procurement requirements when designing and constructing the eligible infrastructure. This agreement defines the District's review and approval process for accepting eligible infrastructure projects and identifies the portion of the Developer's competitively procured costs that can be included in the District's acquisition price. This agreement sets a target tax rate of \$2.30 for debt service, limits the issuance of debt to only the amount that can be repaid by the target tax rate, and limits the District's payments for infrastructure to the amount of available debt proceeds. This agreement also sets an initial tax rate of \$0.30 for operation of the District and maintenance of the infrastructure acquired from the developer. The District's target debt service tax rate of \$2.30 and initial operation and maintenance tax rate of \$0.30 are comparable to the tax rates of other community facility districts formed by other Arizona governments.

### **Conclusion:**

This Development and Intergovernmental Agreement helps ensure that the District pays competitively procured prices for acceptable infrastructure that is in line with Pima County's Comprehensive Plan. This Agreement helps ensure that the District is fiscally sound by supporting its operations with an operations and maintenance tax and only issuing debt that can readily be repaid by the District's debt service tax. When compared with other community facilities districts, the property owners within the District will be taxed at a reasonable level. This Development Agreement contains appropriate requirements to help manage the District's taxing authority, debt, and operation and maintenance of eligible infrastructure.

### **Recommendation:**

Staff recommends that both Pima County and the Rocking K South Community Facilities District approve the Development and Intergovernmental Agreement. Staff recommends that the Rocking K South Community Facilities District order elections for the District's tax levy and debt authorization.

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**Fiscal Impact:**

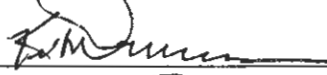
The current fiscal impact to Pima County should net to zero. The County's costs to administer the District will be paid by the District and as a separate legal entity, the District, not the County, may tax and issue debt. However, the Developer estimates that Pima County taxable property values would increase by \$128 million within 17 years. The fiscal impact to the District should net to zero. The proceeds of any debt issued by the District will be used to pay for debt issuance costs and eligible infrastructure. The District should be able to tax sufficiently to repay any debt and pay for the District's operating and maintenance costs.

**Board of Supervisor District:**

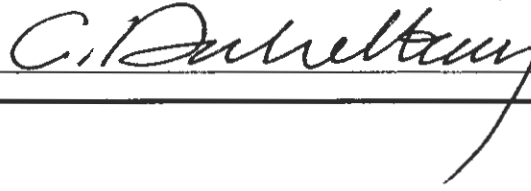
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Department: Finance and Risk Management Telephone: 520.724.8496

Department Director Signature/Date:  6/26/2017

Deputy County Administrator Signature/Date:  6/27/17

County Administrator Signature/Date:  6/27/17

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RESOLUTION NO. 2017 - \_\_\_\_

**A RESOLUTION OF THE PIMA COUNTY BOARD OF SUPERVISORS  
APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A  
DEVELOPMENT AND INTERGOVERNMENTAL AGREEMENT FOR ROCKING  
K SOUTH COMMUNITY FACILITIES DISTRICT**

The Board of Supervisors of Pima County, Arizona, finds:

1. On January 17, 2017, the Board of Supervisors of Pima County, Arizona (the "Board"), adopted Resolution No. 2017-2 which, among other things, ordered and declared formation of Rocking K South Community Facilities District (the "District").
2. There is, on file with the Clerk of the Board of Supervisors of the County a "general plan" for the District, which sets out a general description of the public infrastructure improvements for which the District was formed and the general areas to be improved (the "General Plan").
3. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, (the "Act"), and A.R.S. § 11-1101 the County, the District and Rocking K Development Co. ("Rocking K") are authorized to enter into a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for the construction and financing of public infrastructure (as such term is defined in the Act) within the District, and the advance of moneys by landowners for such construction, and subsequent reimbursements or repayments over time.
4. Under A.R.S. § 11-952, the District and the County may enter into an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them, including the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure.
5. There has been placed on file with the Clerk of the Board of Supervisors of the County, and presented to the Board, a *Development and Intergovernmental Agreement (Rocking K South Community Facilities District)*, to be dated as of the date of this resolution (the "Development Agreement"), by and among the County, the District and Rocking K.

NOW, THEREFORE, BE IT RESOLVED as follows:

a. Approval of Development Agreement. The Development Agreement is hereby approved in substantially the form submitted to the Board, with such changes, additions, deletions, insertions and omissions, if any, as the Chair of the Board, with the advice of the County Administrator and the County Attorney's Office, shall authorize, the execution and delivery of the Development Agreement to be conclusive evidence of the propriety of such document and the authority of the person or persons executing the same.

b. Completion of Development Agreement. The County Administrator or his or her designee is hereby authorized to complete the Development Agreement by including the appropriate materials as necessary therein.

c. Execution of Development Agreement. The Chair of the Board, with the advice of the County Administrator and the County Attorney's Office, is hereby authorized and directed to

execute, and the Clerk of the Board to attest, the Development Agreement on behalf of the County.

PASSED, ADOPTED AND APPROVED by the Pima County Board of Supervisors this \_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Chair, Pima County Board of Supervisors

ATTEST:

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Deputy Pima County Attorney

RESOLUTION NO. 2017- RK \_\_\_\_\_

(ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT)

A RESOLUTION OF THE DISTRICT BOARD OF ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT TAKING CERTAIN ACTIONS WITH REGARD TO ORGANIZATION OF THE DISTRICT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DEVELOPMENT AND INTERGOVERNMENTAL AGREEMENT FOR ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT; AND ORDERING AND CALLING AN ELECTION WITH RESPECT TO ISSUANCE OF BONDS BY THE DISTRICT AND THE LEVY OF AN *AD VALOREM* PROPERTY TAX THEREFOR AND TO THE LEVY OF A SEPARATE *AD VALOREM* PROPERTY TAX TO PAY THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

a. On January 17, 2017, the Board of Supervisors of Pima County, Arizona (the "County"), adopted Resolution No. 2017-2 which, among other things, (i) ordered and declared formation of Rocking K South Community Facilities District (the "District") and (ii) approved a "general plan" for the District, which sets out a general description of the public infrastructure improvements for which the District was formed and the general areas to be improved (the "General Plan").

b. The District is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, Arizona Revised Statutes, as amended, and, except as otherwise provided in Section 48-708(B), Arizona Revised Statutes, as amended, is a municipal corporation and political subdivision of the State of Arizona, separate and apart from the County.

c. Certain matters relating to the organization of the District must be determined by the Board of Directors of the District (the "District Board").

d. There was filed with the Clerk of the Board of Supervisors of the County a "general plan" for the District, which sets out a general description of the public infrastructure improvements for which the District was formed and the general areas to be improved (the "General Plan").

e. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the "Act"), and Section 11-1101, Arizona Revised Statutes, as amended, the County, the District and Rocking K Development Co. ("Rocking K") are entering into a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for public infrastructure (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

f. Pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended, the District and the County may enter into an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them, including the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure.

g. Pursuant to the Act, the District may also enter into an agreement with Rocking K with respect to the advance of moneys for public infrastructure purposes and the repayment of such advances and to obtain credit enhancement for, and process disbursement and investment of proceeds of, the hereinafter-described Bonds.

h. There has been placed on file with the Clerk of the Board of Supervisors of the County, acting as the designated Clerk of the District (the "District Clerk"), and presented to the District Board a Development and Intergovernmental Agreement (Rocking K South Community Facilities District), to be dated as of the date of this resolution (the "Development Agreement"), by and among the County, the District and Rocking K relating to, among other things, the Bonds.

i. The District is authorized by Section 48-719, Arizona Revised Statutes, as amended, to issue and sell general obligation bonds of the District (the "Bonds") to provide moneys for public infrastructure purposes consistent with the General Plan and, by Section 48-709(G), Arizona Revised Statutes, as amended, to repay all or part of fees and charges collected from landowners for public infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by the landowner for public infrastructure purposes from the proceeds of such Bonds pursuant to agreements entered into with landowners and the County pursuant to Section 48-709(A)(10), Arizona Revised Statutes, as amended.

j. Pursuant to Section 48-723, Arizona Revised Statutes, as amended, the District is authorized to levy an *ad valorem* tax on the assessed value of all real and personal property in the District at a rate that does not exceed the maximum rate specified in the ballot with respect thereto as hereinafter described, including a tax at a rate not in excess of thirty cents (30¢) per one hundred dollars (\$100) of such assessed valuation to pay the operation and maintenance expenses of the District (the "Operation and Maintenance Expenses Tax").

k. Such bonds may not be issued and such tax may not be levied unless approved at an election ordered and called to submit to the qualified electors of the District or to those persons who are qualified to vote pursuant to Section 48-707(G), Arizona Revised Statutes, as amended (being, if no person has registered to vote within the District within fifty (50) days immediately preceding any scheduled election date, the owners of land within the District who are qualified electors of the State of Arizona and other landowners according to Section 48-3043, Arizona Revised Statutes, as amended) the question of authorizing the District Board to issue Bonds for such purposes and levy the "Operation and Maintenance Expenses Tax."

2. District Officers and Consultants. The Chair and Vice Chair of the Board of Supervisors of the County are hereby appointed "Chair" and "Vice Chair" respectively, of the District Board; the County Administrator of the County is hereby appointed "District Administrator," the Clerk of the Board of Supervisors of the County is hereby appointed the Clerk of this Board, the Treasurer of

the County is hereby appointed District Treasurer, the Director of Finance of the County is hereby appointed "District Director of Finance," the County Attorney of the County is hereby appointed "District Counsel," and the County Engineer is hereby appointed "District Engineer."

3. Development Agreement.

a. Approval of Development Agreement. The Development Agreement is hereby approved in substantially the form submitted herewith, with such changes, additions, deletions, insertions and omissions, if any, as the Chair of the District Board, with the advice of the District Administrator and the District Counsel, shall authorize, the execution and delivery of the Development Agreement to be conclusive evidence of the propriety of such document and the authority of the person or persons executing the same.

b. Completion of Development Agreement. The District Administrator or his or her designee is hereby authorized to complete the Development Agreement by including the appropriate materials as necessary therein.

c. Execution of Development Agreement. The Chair of the District Board, with the advice of the District Administrator and the District Counsel, is hereby authorized and directed to execute, and the District Clerk to attest, the Development Agreement on behalf of the District.

4. Call for Election.

a. Order and Call of Election. A special election be and the same is hereby ordered and called to be held on August 15, 2017 (the "Election"), at which time there shall be submitted to those who will be qualified electors of the District pursuant to Sections 16-121, 48-707(G), and 48-3043, Arizona Revised Statutes, as amended, the question with respect to the Bonds and the Operation and Maintenance Expenses Tax set forth in the official ballot described in Section 4.c of this Resolution.

b. Posting and Publishing of Matters Relating to Election. The Election shall be called by posting notices in three (3) public places within the boundaries of the District not less than twenty (20) days before the date of the Election in substantially the form hereto attached and marked Exhibit "A." Notice shall also be published in the Daily Territorial, a newspaper of general circulation in the County, once a week for two consecutive weeks before the Election in substantially the form hereto attached and marked Exhibit "A."

c. Form of Ballot. The official ballot for the Election shall be in substantially the form hereto attached and marked Exhibit "B."

d. Polling Place. The polling place and the time the polls shall be opened and closed shall be as provided in Exhibit "A." While outside the boundaries of the District, the District Board hereby finds that such polling place is appropriate as it is the polling place for the precinct in which the area of the District is included for County-wide elections.

e. Affidavit of Landowners. Prospective electors voting in the Election shall execute an affidavit substantially in the form hereto attached and marked Exhibit "C."

f. Preparation of Ballots and Affidavits. The District Clerk is hereby authorized and directed to have printed and delivered to the election officers at such polling place such ballots and, if necessary, such affidavits, to be by them furnished to the qualified electors of the District offering to vote at the Election, in substantially the forms as hereto attached and marked Exhibits "B" and "C."

g. Compliance with Voting Rights Act of 1965. In order to comply with the Voting Rights Act of 1965, as amended, the following shall be translated into Spanish and posted, published and recorded in each instance where posting, publication and recording of such proceedings are required, to wit: Exhibits "A," "B" and "C," all absentee/early voting materials and all instructions at the polls.

a. Applicable Law. The Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are the qualified electors of the District pursuant to Sections 16-121, 48-707(G), and 48-3043, Arizona Revised Statutes, as amended. Absentee/early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.

b. Canvassing. Within fourteen (14) days after the date of the Election, the District Board shall meet and canvass the returns, and if a majority of the votes cast at the Election are in favor of issuing the Bonds and levying the Operation and Maintenance Expenses Tax, the District Board shall enter the fact on its minutes.

5. No Liability of or for the County. Neither the County nor the State of Arizona or any political subdivision of either (other than the District) shall be directly, indirectly or morally liable or obligated for the payment or repayment of any indebtedness, liability, cost, expense or obligation of the District, and neither the credit nor the taxing power of the County, the State of Arizona or any political subdivision of either (other than the District) shall be pledged therefor.

6. Severability; Amendment.

a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

b. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

7. Effective Date.

This Resolution shall be effective immediately.



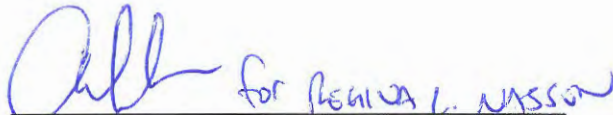
PASSED by the District Board of Rocking K South Community Facilities District this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Chair, District Board, Rocking K South Community  
Facilities District

ATTEST:

\_\_\_\_\_  
District Clerk, Rocking K South Community  
Facilities District

APPROVED AS TO FORM:

  
\_\_\_\_\_  
District Counsel, Rocking K South  
Community Facilities District

ATTACHMENT:

EXHIBIT "A" -- Form of Notice of Election  
EXHIBIT "B" -- Form of Official Ballot  
EXHIBIT "C" -- Form of Affidavit of Elector

EXHIBIT "A"

**FORM OF NOTICE OF ELECTION**

TO THE QUALIFIED RESIDENT AND LANDOWNER ELECTORS OF ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT (THE "DISTRICT"):

A special election to establish certain matters will be held on \_\_\_\_\_, 2017, at the following precinct's polling place, such precinct being the precinct in which the area within the District is located:

Precinct

Polling Place

The polling place will open at 8:00 a.m. and close at 2:00 p.m.

The purpose of the election is to permit those who would be the qualified resident and landowner electors of the District to vote on the following questions:

SHALL THE DISTRICT BOARD (THE "BOARD") OF ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT, IN THE DENOMINATION OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE BONDS PRESCRIBED, AND HAVING THE MATURITIES (NOT EXCEEDING FIFTEEN (15) YEARS), INTEREST PAYMENT DATES AND INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING EIGHT PERCENT (8%) PER ANNUM, ESTABLISHED, BY THE BOARD AND CONTAINING SUCH TERMS, CONDITIONS, COVENANTS AND AGREEMENTS AS THE BOARD DEEMS PROPER, IN THE MAXIMUM AMOUNT OF FORTY-SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$46,500,000) TO PROVIDE MONEYS (A) FOR (1) PLANNING, DESIGN, ENGINEERING, CONSTRUCTION, ACQUISITION OR INSTALLATION OF ANY OR ALL OF THE FOLLOWING IMPROVEMENTS, INCLUDING NECESSARY OR INCIDENTAL WORK, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES ("PUBLIC INFRASTRUCTURE"):

(a) SANITARY SEWAGE SYSTEMS, INCLUDING COLLECTION, TRANSPORT, STORAGE, TREATMENT, DISPERSAL, EFFLUENT USE AND DISCHARGE, (b) DRAINAGE AND FLOOD CONTROL SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DIVERSION, STORAGE, DETENTION, RETENTION, DISPERSAL, USE AND DISCHARGE, (c) WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRIGATION, MUNICIPAL OR FIRE PROTECTION PURPOSES INCLUDING PRODUCTION, COLLECTION, STORAGE, TREATMENT, TRANSPORT, DELIVERY, CONNECTION AND DISPERSAL, BUT NOT INCLUDING FACILITIES FOR AGRICULTURAL IRRIGATION PURPOSES UNLESS FOR

THE REPAIR OR REPLACEMENT OF EXISTING FACILITIES WHEN REQUIRED BY OTHER IMPROVEMENTS DESCRIBED HEREIN, (d) HIGHWAYS, STREETS, ROADWAYS AND PARKING FACILITIES INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS, EGRESS AND PARKING, (e) AREAS FOR PEDESTRIAN, EQUESTRIAN, BICYCLE OR OTHER NON-MOTOR VEHICLE USE FOR TRAVEL, INGRESS, EGRESS AND PARKING, (f) PEDESTRIAN MALLS, PARKS, RECREATIONAL FACILITIES, AND OPEN SPACE AREAS FOR THE USE OF MEMBERS OF THE PUBLIC FOR ENTERTAINMENT, ASSEMBLY AND RECREATION, (g) LANDSCAPING INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS, (h) PUBLIC BUILDINGS, PUBLIC SAFETY FACILITIES AND FIRE PROTECTION FACILITIES, (i) LIGHTING SYSTEMS, (j) TRAFFIC CONTROL SYSTEMS AND DEVICES INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE, AND (k) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY RELATED TO ANY OF THE FOREGOING; (2) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE; (3) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE; (4) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES FROM ANY SOURCE IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS; (5) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE (3) YEARS FROM THEIR DATE OF ISSUANCE; (6) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON BONDS OR OTHER INDEBTEDNESS OF THE DISTRICT; (7) REFINANCING ANY MATURED OR UNMATURED BONDS, WITH NEW BONDS; AND (8) PAYING EXPENSES OF THE DISTRICT INCIDENT TO AND REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS PARAGRAPH (CLAUSES (1) THROUGH (8), BOTH INCLUSIVE, BEING "PUBLIC INFRASTRUCTURE PURPOSES") AND (B) FOR REPAYING ALL OR PART OF FEES OR CHARGES COLLECTED FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, THE ADVANCE OF MONEYS BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR THE GRANTING OF REAL PROPERTY BY THE LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES PURSUANT TO AGREEMENTS ENTERED INTO WITH LANDOWNERS AND PIMA COUNTY, ARIZONA, PURSUANT TO SECTION 48-709 (A) (10), ARIZONA REVISED STATUTES, AS AMENDED; AND (C) IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF (1 ½) TIMES THE AMOUNT OF BONDS PREVIOUSLY ISSUED BY THE DISTRICT, FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED BY THE DISTRICT FOR EITHER OF THE FOREGOING PURPOSES, ALL SUCH BONDS TO BE PAYABLE FROM AN *AD VALOREM* TAX LEVIED AND COLLECTED ANNUALLY ON ALL TAXABLE PROPERTY IN THE DISTRICT AT A RATE SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS WHEN DUE, AS AUTHORIZED BY THE

CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING, WITHOUT LIMITATION, TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

SHALL THE DISTRICT BOARD OF ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO LEVY AND COLLECT AN ANNUAL *AD VALOREM* TAX ON THE ASSESSED VALUE OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT AT A RATE NOT TO EXCEED THIRTY CENTS (30¢) PER ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT, FOR THE PURPOSE OF PAYING THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING, WITHOUT LIMITATION, SECTION 48-723, ARIZONA REVISED STATUTES, AS AMENDED?

Absentee/early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended. Absentee/early voting information may be obtained by contacting the office of the Pima County Elections Department, 6550 South Country Club Road, District Clerk, 130 West Congress, Tucson, Arizona 85756, telephone number (520) 724-6830.

The "general plan" for the District required by Section 48-702(B), Arizona Revised Statutes, as amended, is on file with the District Clerk at the same location described in the preceding paragraph.

EXHIBIT "B"

**FORM OF OFFICIAL BALLOT**

OFFICIAL BALLOT  
SPECIAL ELECTION  
ROCKING K SOUTH  
COMMUNITY FACILITIES DISTRICT  
\_\_\_\_\_, 2017

SHALL THE DISTRICT BOARD (THE "BOARD") OF ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT, IN THE DENOMINATION OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE BONDS PRESCRIBED, AND HAVING THE MATURITIES (NOT EXCEEDING FIFTEEN (15) YEARS), INTEREST PAYMENT DATES AND INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING EIGHT PERCENT (8%) PER ANNUM, ESTABLISHED, BY THE BOARD AND CONTAINING SUCH TERMS, CONDITIONS, COVENANTS AND AGREEMENTS AS THE BOARD DEEMS PROPER, IN THE MAXIMUM AMOUNT OF FORTY-SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$46,500,000) TO PROVIDE MONEYS (A) FOR (1) PLANNING, DESIGN, ENGINEERING, CONSTRUCTION, ACQUISITION OR INSTALLATION OF ANY OR ALL OF THE FOLLOWING IMPROVEMENTS, INCLUDING NECESSARY OR INCIDENTAL WORK, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES ("PUBLIC INFRASTRUCTURE"): (a) SANITARY SEWAGE SYSTEMS, INCLUDING COLLECTION, TRANSPORT, STORAGE, TREATMENT, DISPERSAL, EFFLUENT USE AND DISCHARGE, (b) DRAINAGE AND FLOOD CONTROL SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DIVERSION, STORAGE, DETENTION, RETENTION, DISPERSAL, USE AND DISCHARGE, (c) WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRIGATION, MUNICIPAL OR FIRE PROTECTION PURPOSES INCLUDING PRODUCTION, COLLECTION, STORAGE, TREATMENT, TRANSPORT, DELIVERY, CONNECTION AND DISPERSAL, BUT NOT INCLUDING FACILITIES FOR AGRICULTURAL IRRIGATION PURPOSES UNLESS FOR THE REPAIR OR REPLACEMENT OF EXISTING FACILITIES WHEN REQUIRED BY OTHER IMPROVEMENTS DESCRIBED HEREIN, (d) HIGHWAYS, STREETS, ROADWAYS AND PARKING FACILITIES INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS, EGRESS AND PARKING, (e) AREAS FOR PEDESTRIAN, EQUESTRIAN, BICYCLE OR OTHER NON-MOTOR VEHICLE USE FOR TRAVEL,

INGRESS, EGRESS AND PARKING, (f) PEDESTRIAN MALLS, PARKS, RECREATIONAL FACILITIES, AND OPEN SPACE AREAS FOR THE USE OF MEMBERS OF THE PUBLIC FOR ENTERTAINMENT, ASSEMBLY AND RECREATION, (g) LANDSCAPING INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS, (h) PUBLIC BUILDINGS, PUBLIC SAFETY FACILITIES AND FIRE PROTECTION FACILITIES, (i) LIGHTING SYSTEMS, (j) TRAFFIC CONTROL SYSTEMS AND DEVICES INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE, AND (k) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY RELATED TO ANY OF THE FOREGOING; (2) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE; (3) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE; (4) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES FROM ANY SOURCE IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS; (5) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE (3) YEARS FROM THEIR DATE OF ISSUANCE; (6) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON BONDS OR OTHER INDEBTEDNESS OF THE DISTRICT; (7) REFINANCING ANY MATURED OR UNMATURED BONDS, WITH NEW BONDS; AND (8) PAYING EXPENSES OF THE DISTRICT INCIDENT TO AND REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS PARAGRAPH (CLAUSES (1) THROUGH (8), BOTH INCLUSIVE, BEING "PUBLIC INFRASTRUCTURE PURPOSES") AND (B) FOR REPAYING ALL OR PART OF FEES OR CHARGES COLLECTED FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, THE ADVANCE OF MONEYS BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR THE GRANTING OF REAL PROPERTY BY THE LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES PURSUANT TO AGREEMENTS ENTERED INTO WITH LANDOWNERS AND PIMA COUNTY, ARIZONA, PURSUANT TO SECTION 48-709 (A)(10), ARIZONA REVISED STATUTES, AS AMENDED; AND (C) IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF (1) TIMES THE AMOUNT OF BONDS PREVIOUSLY ISSUED BY THE DISTRICT, FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED BY THE DISTRICT FOR EITHER OF THE FOREGOING PURPOSES, ALL SUCH BONDS TO BE PAYABLE FROM AN AD VALOREM TAX LEVIED AND COLLECTED ANNUALLY ON ALL TAXABLE PROPERTY IN THE DISTRICT, AT A RATE SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS WHEN DUE, AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING, BUT NOT LIMITED TO, TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

Place an "X" in the box beside the way you wish to vote.

BONDS, YES

BONDS, NO

SHALL THE DISTRICT BOARD OF ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO LEVY AND COLLECT AN ANNUAL AD VALOREM TAX ON THE ASSESSED VALUE OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT AT A RATE NOT TO EXCEED THIRTY CENTS (30¢) PER ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT, FOR THE PURPOSE OF PAYING THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING, BUT NOT LIMITED TO, SECTION 48-723, ARIZONA REVISED STATUTES, AS AMENDED?

Place an "X" in the box beside the way you wish to vote.

TAX, YES

TAX, NO

EXHIBIT "C"

FORM OF AFFIDAVIT OF ELECTOR

AFFIDAVIT OF PROSPECTIVE ELECTOR
AS TO OWNERSHIP OF LAND OR
OTHER QUALIFICATION TO VOTE
PURSUANT TO SECTIONS 16-121, 48-707(G), AND 48-3043,
ARIZONA REVISED STATUTES, AS AMENDED

STATE OF ARIZONA )
COUNTY OF PIMA ) ss.
ROCKING K SOUTH COMMUNITY FACILITIES DISTRICT )

COMES NOW the undersigned and deposes and says "I am (place a mark next to 1, 2 or 3 to indicate your eligibility)

1. a qualified elector in \_\_\_\_\_
precinct and resident at \_\_\_\_\_
where I resided at the date of my registration,

OR

2. a qualified elector in \_\_\_\_\_precinct and resident at \_\_\_\_\_
\_\_\_\_\_ where I resided at the date of my registration, AND a
qualified voter pursuant to § 48-3043 (complete section 4),

OR

3. I am an owner of land in the community facilities district to which this affidavit applies who is a qualified elector of such district; or otherwise qualified to vote pursuant to Section 48-3043, Arizona Revised Statutes, as amended (being a bona fide owner of land within the district holding title or evidence of title of record, including: an entrymen upon public lands under the public land laws of the United States or a certificate of purchase from the State of Arizona, who has held such title for ninety (90) days and who is a resident of the State of Arizona; when the holder of record title is a married person, the spouse in whose name the title stands; if record title is held in more than one name, an owner otherwise possessing the qualifications of an elector voting the number of fractions of acres represented by my legal interest or proportionate share of and in the lands; the administrator or executor of a deceased person or the guardian of a minor or an incompetent person, appointed and qualified under the laws of the State of Arizona, representing such person or estate; an officer of a corporation designated and authorized by a resolution of the Board of Directors of the corporation representing the corporation; the general partner of a partnership in whose name title to property within the district is vested as a holder of title or evidence of title, who is designated and authorized in writing by all of the general partners; or the trustee of a trust or the trustee who is designated and authorized in writing



by all of the trustees of a trust in which there is more than one trustee, in whose name title to property within such district is vested as a holder of title or evidence of title). (Complete Section 4.)

4. My vote represents \_\_\_\_\_ acres OR \_\_\_\_\_ square feet.

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Printed Name of Affiant

\_\_\_\_\_  
Printed Name of Entity Represented by Affiant, if any

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Election Board Member

TO BE COMPLETED BY AN ELECTION BOARD MEMBER ONLY:

Ballot Stub No. \_\_\_\_\_