

MEMORANDUM

To: Sedona Summit II and Fairfield Community Facility Districts' Governing Boards

From: Cherie R. White, CPA, CGFM, Treasurer of Sedona Summit II and Fairfield Community Facility Districts

Re: Joint meeting of the Sedona Summit II and Fairfield Community Facility Districts' Governing Boards¹

Date: August 8, 2023

Exhibits:

Sedona Summit II Community Facility District

- A. Resolution No. 2023-3 with Feasibility Report
- B. Resolution No. 2023-4 with Fiscal Year 2023-24 Budget

Fairfield Community Facility District

- A. Resolution No. 2023-3 with Feasibility Report
- B. Resolution No. 2023-4 with Fiscal Year 2023-24 Budget

This memo is intended to provide guidance to the Governing Boards of the Sedona Summit II and Fairfield Community Facility Districts concerning the necessary procedures to adopt a budget for the Community Facility Districts. This is the second joint meeting this year.

A Community Facility District (CFD) is a special taxing district formed to pay for major infrastructure improvements intended to benefit a certain geographical area. The City has two CFDs. The Fairfield CFD was created in 2000 and the Sedona Summit II CFD was created in 1999.

The City Council, sitting as the Governing Board of each CFD, will review and take possible action on the Feasibility Reports and Budgets (detailed later in the memo). Likewise, the City Clerk, City Manager, City Attorney, Director of Financial Services, and City Engineer perform parallel duties for the CFDs. As a procedural note, City Council members serve as Directors for the CFDs and the Mayor serves as Chairperson. Please use these references during the meetings.

¹ Sunterra was later acquired by Diamond Resorts and subsequently acquired by Hilton Vacation Club. Fairfield was acquired by Wyndham Resorts. The obligations of the original development agreements and amendments transferred to the new entities.

At this second joint meeting, the Boards will open a public hearing on the Feasibility Report for each CFD and possibly approve resolutions approving such reports. The Feasibility Reports set forth the projects which qualify for use of CFD funds, in whole or in part. To determine whether a project is appropriate, staff looked to the General Plans for future infrastructure improvements, which were adopted when each CFD was originally formed. Not only must the projects fit within the General Plans but also benefit the Districts. As discussed at the July 14, 2020 meeting, the projects included are the Brewer Road Park and certain Posse Grounds Park improvements.

After passing a resolution approving the Feasibility Reports and proposed projects, the Boards will open public hearings to review the already adopted Tentative Budgets for the 2023-24 fiscal year for each CFD. The Boards will then consider approving a resolution adopting the Final Budgets.

The Boards must adopt the Final Budgets for the 2023-24 fiscal year on or before October 1st. Notices of public hearings have been printed in the Red Rock News and notices have been sent via certified mail to the developments, as required by A.R.S. §48-716.

Below is a roadmap to the possible action of the Boards:

Agenda Item 3 is the joint meeting of the two governing boards and will begin with a presentation regarding the projects included in the CFD Feasibility Reports and the contributions to the projects from the City of Sedona.

The matters requesting possible action before the CFD Governing Board are as follows:

As the Sedona Summit II Community Facility District Board:

1. **Agenda Item 3a**: Approval of minutes from July 11, 2023.
Motion: I move to approve the minutes from July 11, 2023.
2. **Agenda Item 3b**: Open Public Hearing regarding a resolution approving the fiscal years 2024-2026 feasibility report detailing the proposed projects to be funded with Sedona Summit II Community Facility District funds.
3. **Motion**: I move to approve Resolution No. 2023-3, of the Sedona Summit II Community Facility District approving the feasibility report.
4. **Agenda Item 3c**: Open Public Hearing regarding adoption of a resolution approving the Final Budget for fiscal year 2023-24.
Motion: I move to approve Resolution No. 2023-4, of the Sedona Summit II Community Facility District approving the Final Budget for fiscal year 2023-24.

As the Fairfield Community Facility District Board:

1. **Agenda Item 4a**: Approval of minutes from July 11, 2023.
Motion: I move to approve the minutes from July 11, 2023.

2. **Agenda Item 4b:** Open Public Hearing regarding a resolution approving the fiscal years 2024-2026 feasibility report detailing the proposed projects to be funded with Fairfield Community Facility District funds.
3. **Motion:** I move to approve Resolution No. 2023-3, of the Fairfield Community Facility District approving the feasibility report.
4. **Agenda Item 4c:** Open Public Hearing regarding adoption of a resolution approving the Final Budget for fiscal year 2023-24.
Motion: I move to approve Resolution No. 2023-4, of the Fairfield Community Facility District approving the Final Budget for fiscal year 2023-24.

**Notice of Joint Meeting of
Sedona Summit II Community Facility District Board of Directors
&
Fairfield Community Facility District Board of Directors
Vultee Conference Room, 106 Roadrunner Drive, Sedona, AZ 86336
Tuesday, August 08, 2023, 3:45 p.m.**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Boards of Directors of the Sedona Summit II Community Facility District & Fairfield Community Facility District and to the public that the Boards will hold a joint meeting on Tuesday, August 08, 2023, at 3:45 p.m. During this meeting, the respective governing boards of each of these community facility districts will discuss and act on business specific to each district as outlined below.

- 1. Call to order**
- 2. Roll call**
- 3. Matters before the Sedona Summit II Community Facility District Governing Board:**
 - a. Discussion/possible action** regarding approval of minutes from July 11, 2023.
 - b. Public hearing/discussion/possible action** regarding adoption of a Resolution approving the fiscal years 2024-2026 feasibility report detailing the proposed projects to be funded with Sedona Summit II Community Facility District funds.
 - c. Public hearing/discussion/possible action** regarding adoption of a Resolution approving the Final Budget for fiscal year 2023-2024 for the Sedona Summit II Community Facility.
- 4. Matters before the Fairfield Community Facility District Governing Board:**
 - a. Discussion/possible action** regarding approval of minutes from July 11, 2023.
 - b. Public hearing/discussion/possible action** regarding adoption of a Resolution approving the fiscal years 2024-2026 feasibility report detailing the proposed projects to be funded with Fairfield Community Facility District.
 - c. Public hearing/discussion/possible action** regarding adoption of a Resolution approving the Final Budget for fiscal year 2023-2024 for the Fairfield Community Facility District.
- 5. Adjournment**

Posted: 08/03/2023

By: DJ

JoAnne Cook, District Clerk

Those with needs for special typeface print may request these at the City Clerk's Office (928) 282-3113. All requests should be made forty-eight hours prior to the meeting.

The boards reserve the right to adjourn into executive session when needed, A.R.S. § 38-431.03(a)(3) for legal consultation on the above agenda.

RESOLUTION NO. 2023-3

Sedona Summit II Community Facilities District

A RESOLUTION OF THE DISTRICT BOARD OF THE SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT AUTHORIZING AND RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING THE FISCAL YEARS 2024-2026 FEASIBILITY REPORT WHICH INCLUDES IDENTIFYING THE PUBLIC INFRASTRUCTURE OF THE PROJECTS, THE AREAS TO BE BENEFITTED, THE EXPECTED METHOD OF FINANCING AND THE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECTS, ALL AS PROVIDED IN SUCH REPORT; APPROVING SUCH FEASIBILITY REPORT AND RESOLVING THE INTENT THEREFOR.

BE IT RESOLVED BY THE DISTRICT BOARD OF THE SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT AS FOLLOWS:

1. Findings. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "Act".) the District Board caused to be prepared a study of the feasibility and benefits of the projects relating to certain public infrastructure provided for in the General Plan of the District heretofore approved by the Municipality and the District and to be financed with special homeowners assessments that have been collected. The fiscal years 2024-2026 feasibility study having included a description of certain public infrastructure to be constructed and all other information useful to understand the projects; a map showing in general the location of the projects; an estimate of the cost to construct, acquire, operate and maintain the projects; an estimated schedule for completion of the projects; a map or description of the area to be benefitted by the projects; and a plan for financing the projects (hereinafter referred to as the "Report"). A public hearing on the Report was held on the date of, but prior to, the adoption of this Resolution (hereinafter referred to as the "Report Hearing"), after provision for publication and mailing to the governing board of the Municipality of notice thereof as provided by law.
2. A. Preparation of Report. The preparation of the Report is hereby ratified and confirmed. (Upon completion of a draft of the Report, the Report, marked in conspicuous fashion "DRAFT," was submitted to the District Board for their review and comment.)
B. Approval of Report. After review of the Report and based on the Report Hearing and the mailing of the Report to the governing body of the Municipality, the Report is hereby approved in the form submitted to the District Board.
C. Resolving Intent. The District Board hereby declares (1) its intent as required by A.R.S. § 48-715, and, for purposes of A.R.S. § 48-721(A), to take such reasonable actions as may be necessary to cause the results contemplated by and set forth in the Report, including particularly the acquisition of public infrastructure projects for the benefit of the areas described in the Report and the consummation of the expected method of financing and an appropriate system of providing revenues to maintain such projects, all as provided in the Report, and (2) that said projects shall result in proportionate, beneficial use to the residents of the surrounding area which will include the land and those residents and visitors within the geographical limits of the Assessment Area.
3. Severability; Amendment; Ratification. (1) 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. (2) All prior acts of the District Board, of the District Manager and of the District Treasurer with respect to all matters concerning application and accounting of funds and this Resolution are hereby ratified and confirmed.

4. Effective Date. This Resolution shall be effective immediately.

PASSED by the District Board of the Sedona Summit II Community Facilities District this 8th day of August, 2023.

Scott M. Jablow, Chairman
Sedona Summit II Community Facilities District

ATTEST:

JoAnne Cook, District Secretary
Sedona Summit II Community Facilities District

APPROVED AS TO FORM:

Kurt W. Christianson, District Counsel
Sedona Summit II Community Facilities District

Sedona Summit II

Community Facilities District
Feasibility Report
Fiscal Years 2024-2026

This Feasibility Report ("Report") has been prepared by engineers and other qualified persons for presentation to the District Board (the "Board") of the Sedona Summit II Community Facilities District (the "District") with respect to certain public infrastructure to be financed with proceeds of the special homeowners assessment tax revenues (The "Assessment Revenues") pursuant to the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, as amended (the "Act").

PURPOSE OF FEASIBILITY REPORT

Pursuant to A.R.S. §48-715, this Report includes (i) a description of the Projects which are to be constructed; (ii) a map showing, in general, the location of the Projects; (iii) an estimate of the cost to operate and maintain the Projects; (iv) an estimated schedule for completion of the Projects; (v) a map or description of the area to be benefited by the Projects; and (vi) a plan for financing the Projects.

PROJECTS

The projects to be constructed by the District are as follows: (I) Phased implementation of a master plan for the development of the Brewer Historic Park, located at 250 Brewer Road, Sedona AZ; and (II) A new concession stand at Posse Grounds Park, located at 525 Posse Ground Road, Sedona AZ.

These projects fit within the District's General Plan for infrastructure improvements and benefits the District by providing new and improved citywide recreation amenities. These projects increase the value of Sedona as a desirable tourist destination and enhances the quality of experience for the owners at the Sedona Summit Resort.

Construction Contracts for the Projects will be bid and awarded pursuant to the public bid process of Title 34 of the Arizona Revised Statutes and applicable City requirements and administered in conformance to applicable laws and such requirements. The District may use up to \$427,000 of collected Assessment Revenues to finance the Projects over the course of the three-year period covered by this feasibility report. Remaining funds to finance current phases of construction will be contributed by the Fairfield Community Facilities District, Development Impact Fees, and the City of Sedona.

(I) Brewer Road Historic Park Development

In Fiscal Years 2016 and 2017, CFD funds contributed to the development of a Master Plan to guide future development and operations at the Brewer Road historic property. The development of the master plan for the site included a significant public participation component, soliciting the input of the community and future users on what would be the most desirable amenities to include in the future park development. Now that the master plan for this property has been finalized, funds are required for implementation and construction of the planned development.

The Brewer Road Historic Park and Recreation Facility will serve visitors and citizens of the entire city. The park will be a destination and a citywide focal point.

Shown below is a summary of the estimated construction costs of the Project. These amounts are estimated and are subject to the results of public bidding, and if such amounts are approved by the Board, cannot be exceeded. Upon completion of the Project, the District will dedicate the Project to the City of Sedona. Accordingly, it is not anticipated that there will be any operating or maintenance expenses borne

by the District unless they are proposed and budgeted for in future years. Instead, the City will assume all future operating and maintenance expenses. The dollar figure provided below for construction is an estimate and will need to be further refined in future budget years once it is determined which elements will be pursued in each phase of the project.

Category or Phase	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Design	\$ 75,000	\$0	\$0	\$ 75,000	\$0
Construction	1,985,000	0	0	1,985,000	0
Contingency	200,000	0	0	200,000	0
Arts Transfer	11,210	0	0	11,210	0
Total Project Budget	\$2,271,210	\$0	\$0	\$2,271,210	\$0
Estimated Operating Expenses	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Annual Costs
Personnel Costs	\$0	\$ 0	\$ 0	\$ 0	\$ 0
Materials & Supplies	0	0	0	0	0
Contractual Services	0	43,000	43,000	86,000	43,000
Estimated Total Operating	\$0	\$43,000	\$43,000	\$86,000	\$43,000
Source of Funding	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Fairfield Community Facilities District	\$ 160,000	\$0	\$0	\$ 160,000	\$0
Sedona Summit II Community Facilities District	155,000	0	0	155,000	0
Development Impact Fees	824,200	0	0	824,200	0
City of Sedona	1,132,010	0	0	1,132,010	0
Total Funding Sources	\$2,271,210	\$0	\$0	\$2,271,210	\$0

(II) New Concession Stand – Posse Grounds Park

The Concession Stand has been in need of repair and remodel for many years; however, the demand for the building was not large enough to justify the budget. With the increase of special events at this facility as well as the development of the new bike skills park and Pavilion, the demand on this building has increased and will continue to do so. This is the main public restroom facility for the skate park, basketball court, ball fields, special events, rentals, and bike park. The restroom also supports the Pavilion rentals during the fall/winter seasons when the Pavilion restrooms are closed and as a back-up for the Hub when plumbing fails. This building also serves as storage space for parks and recreation. If the Pickleball court project moves forward, this project could become a priority.

Shown below is a summary of the estimated construction costs of the Project. These amounts are estimated and are subject to the results of public bidding, and if such amounts are approved by the Board, cannot be exceeded. Upon completion of the Project, the District will dedicate the Project to the City of Sedona. Accordingly, it is not anticipated that there will be any operating or maintenance expenses borne by the District unless they are proposed and budgeted for in future years. Instead, the City will assume all future operating and maintenance expenses. The dollar figure provided below for construction is an

estimate and will need to be further refined in future budget years once it is determined which elements will be pursued in each phase of the project.

Category or Phase	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Design	\$0	\$80,000	\$ 0	\$ 80,000	\$0
Construction	0	0	282,000	282,000	0
Contingency	0	0	200,000	200,000	0
Total Project Budget	\$0	\$80,000	\$482,000	\$562,000	\$0
Estimated Operating Expenses	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Annual Costs
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	0	0	0	0	0
Contractual Services	0	0	0	0	0
Estimated Total Operating	\$0	\$0	\$0	\$0	\$0
Source of Funding	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Fairfield Community Facilities District	\$0	\$ 0	\$300,000	\$300,000	\$0
Sedona Summit II Community Facilities District		80,000	182,000	262,000	0
Total Funding Sources	\$0	\$80,000	\$482,000	\$562,000	\$0






**250 Brewer Road
Parcel #401-38-013D**

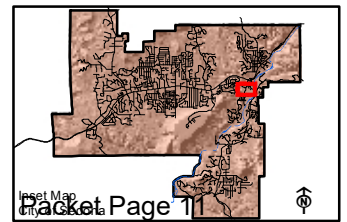
Brewer Road Park Master Plan and Development



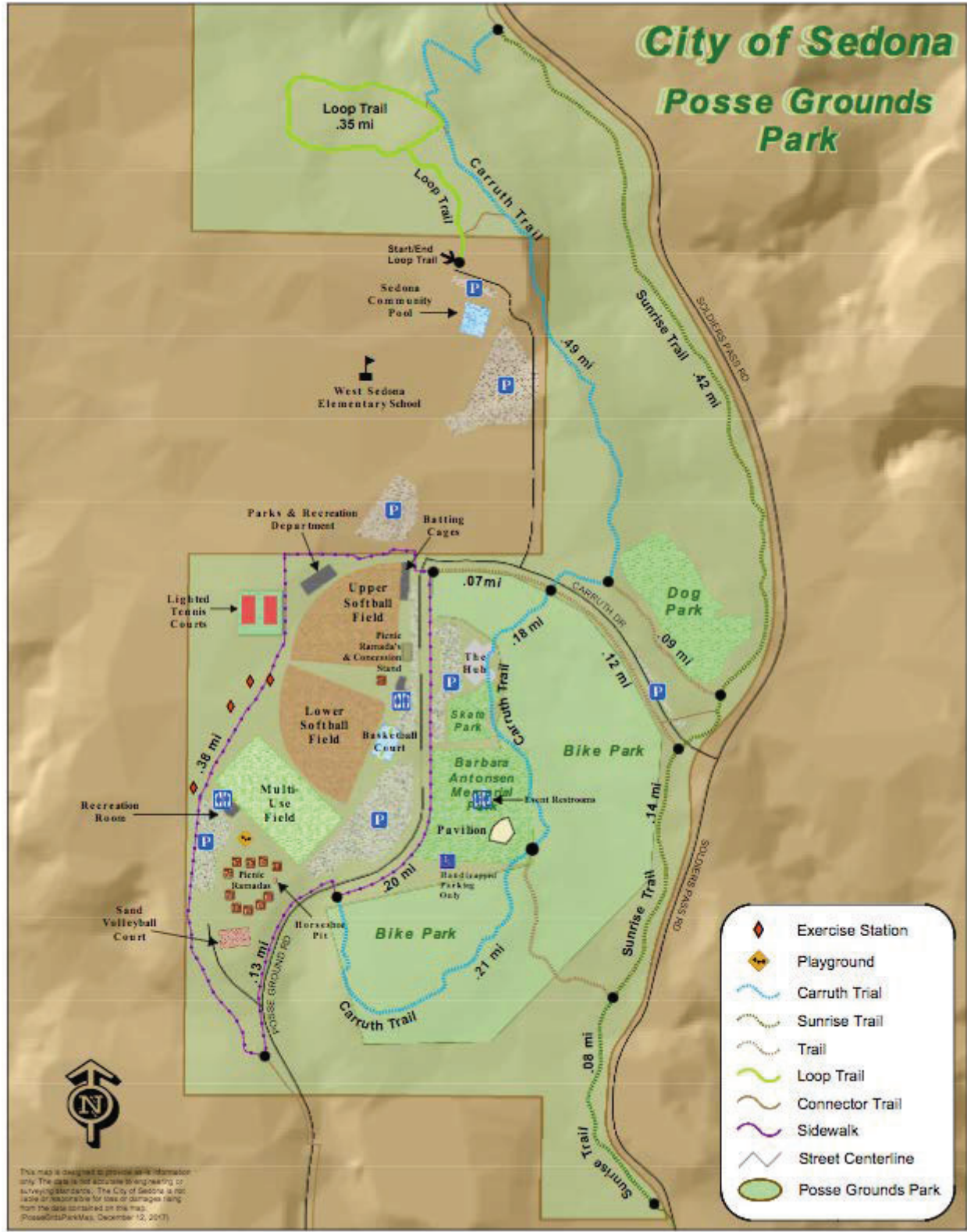
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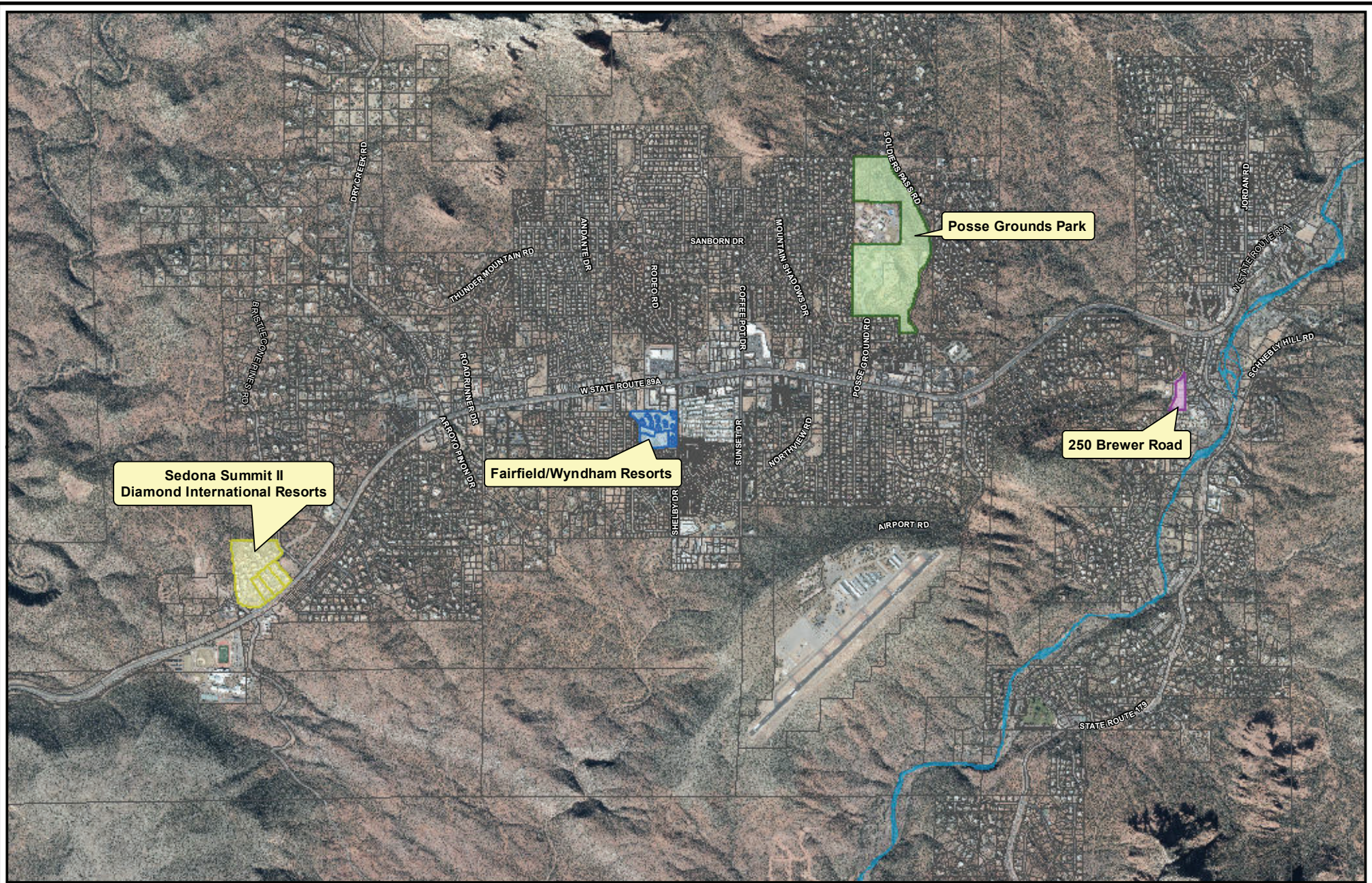
This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages rising from the data contained on this map.
GIS, City of Sedona, 06/30/2014
g/projects/findept/staff/tabathamiller/cip_plan/mxds

-  250 Brewer Road Parcel #401-38-013D
-  Parcel Boundary
-  Oak Creek




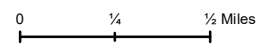
City of Sedona Posse Grounds Park



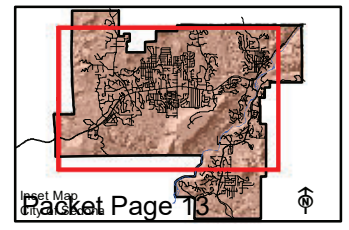


Fairfield/Wyndham Resorts & Summit II/Diamond International Resorts

-  250 Brewer Road
-  Fairfield/Wyndham Resorts
-  Posse Grounds Park
-  Sedona Summit II/Diamond International Resorts
-  Oak Creek
-  Parcel Boundary



This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages arising from the data contained on this map.
 GIS - City of Sedona - 07/08/2020
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**RESOLUTION NO. 2023-4
SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT**

A RESOLUTION OF THE DISTRICT BOARD OF THE SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2023-2024 PURSUANT TO A.R.S. § 48-716, AS AMENDED; FOR THE AMOUNT OF ALL EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES ALL OF WHICH SHALL BE PROVIDED FOR FROM THE COLLECTION OF AN ANNUAL SPECIAL TAX; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on October 26, 1999, the Mayor and Council of the City of Sedona, Arizona (the "City"), adopted Resolution No. 99-51 forming the Sedona Summit II Community Facilities District ("SSCFD"), a community facilities district in accordance with A.R.S. § 48-701 et seq., as amended; and

WHEREAS, SSCFD is a special purpose district for purposes of Article IX, § 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, § 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, A.R.S., as amended, and [except as otherwise provided in A.R.S. § 48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

WHEREAS, a primary purpose for creating SSCFD was to finance public improvements through assessment of a "Annual Special Tax," which tax was implemented through a development agreement between Sunterra Corporation, the primary property owner within the District and the City of Sedona; and

WHEREAS, in accordance with A.R.S. § 48-716, as amended, the District Treasurer of SSCFD has submitted to the District Board of SSCFD a tentative budget for Fiscal Year 2023-2024 which includes the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax; and

WHEREAS, the District Board of SSCFD approved said tentative budget for Fiscal Year 2023-2024, 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 on August 8th, the District Board of SSCFD expects to adopt a final budget by resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain tentative budget prepared by the District Treasurer of SSCFD for Fiscal Year 2023-2024, attached hereto and expressly made a part hereof as Exhibit "A" is hereby approved.
2. That, the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy are set forth in Exhibit "A" attached hereto.
3. That a public hearing date of August 8, 2023, beginning at or after 3:45 p.m. at 106 Roadrunner Drive, Sedona, Arizona 86336 in the Sedona City Vultee Conference Room, was held to consider said budget (SSCFD), and said notice was published twice in the Sedona Red Rock News no later than ten (10) days prior to said hearing date.

4. 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.

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

RESOLVED by the District Board of the Sedona Summit II Community Facilities District this 8th day of August, 2023.

Scott M. Jablow, Chairman
Sedona Summit II Community Facilities District

ATTEST:

JoAnne Cook, District Secretary
Sedona Summit II Community Facilities District

APPROVED AS TO FORM:

Kurt W. Christianson, District Counsel
Sedona Summit II Community Facilities District

Sedona Summit II Community Facilities District
 Fiscal Year 2023-2024 Final Budget
 Exhibit "A"

	Estimated Special Tax Revenue	Estimated Other Misc. Revenue	FY 2023-2024 Estimated Total Collections	Estimated Fund Balance as of July 1, 2023	2023-2024 Expenditures	Total 2023-2024 Budget	Estimated Fund Balance as of June 30, 2024
Capital Projects	\$ 41,500	\$ 7,400	\$ 48,900	\$ 279,180	\$ 155,000	\$ 155,000	\$ 173,080
					\$ -	\$ -	
						\$ -	
Totals	\$ 41,500	\$ 7,400	\$ 48,900	\$ 279,180	\$ 155,000	\$ 155,000	\$ 173,080

Action Minutes
Sedona Summit II Community Facility District Board of Directors
Sedona City Hall, 106 Roadrunner Drive, Sedona, AZ 86336
Tuesday, July 11, 2023, 4:00 p.m.

1. **Call to order:** Chairperson Jablow called the meeting to order at 4:00 p.m.
2. **Roll call**

Board Members present: Chairperson Scott Jablow, Director Holli Ploog, Director Kathy Kinsella, Director Melissa Dunn, Director Brian Fultz, and Director Jessica Williamson. Director Pete Furman was absent and excused.

Sedona City Staff present: City Attorney Kurt Christianson, Director of Financial Services Cherie White, Accounting Supervisor Director Renee Stanley, Budget Analyst Sterling West, and City Clerk JoAnne Cook.

3. **Presentation/discussion/possible direction regarding an overview of Community Facilities Districts (CFD) and allowable uses of CFD funds**

Presentation by Cherie White.

Questions and comments from Directors.

4. **Matters before the Sedona Summit II Community Facility District Governing Board:**
 - a. **Discussion/possible action regarding approval of minutes from August 9, 2022.**

Motion: Director Williamson moved to approve the minutes dated August 9, 2022. Seconded by Director Ploog. Vote: Motion carried unanimously with six (6) in favor (Jablow, Ploog, Dunn, Fultz, Kinsella, and Williamson) and zero (0) opposed.

- b. **Public hearing/discussion/possible action approving the fiscal years 2024-2026 feasibility report detailing the proposed projects to be funded with Sedona Summit II Community Facility District funds and authorize Notice of Public Hearing on said report.**

Opened public hearing at 4:05 p.m.

No public comments heard.

Brought back to Board at 4:05 p.m.

Motion: Director Ploog moved to approve Resolution No. 2023-1, of the Sedona Summit II Community Facility District approving the feasibility report and authorizing publication of the notice of public hearing on report. Seconded by Director Williamson. Vote: Motion carried unanimously with six (6) in favor (Jablow, Ploog, Dunn, Fultz, Kinsella, and Williamson) and zero (0) opposed.

- c. **Open Public Hearing regarding adoption of a resolution approving the Tentative Budget for fiscal year 2023-24.**

Opened the Public Hearing at 4:08 p.m.

Sedona Summit II Community Facility District Board of Directors
Special Meeting
Tuesday, July 11, 2023
4:00 p.m.

No comments were heard.

Closed the public hearing and brought back to the Board at 4:05 p.m.

Motion: Director Ploog moved to approve Resolution No. 2023-2, of the Sedona Summit II Community Facility District approving the Tentative Budget for fiscal year 2023-24 and authorizing publication of the notice of public hearing on the budget. Director Fultz seconded. Vote: Motion carried unanimously with six (6) in favor (Jablow, Ploog, Dunn, Fultz, Kinsella, and Williamson) and zero (0) opposed.

5. Matters before the Fairfield Community Facility District Governing Board:

a. Discussion/possible action regarding approval of minutes from August 09, 2022.

Item addressed in separate minutes for the Fairfield Community Facility District Governing Board.

b. Public hearing/discussion/possible action regarding a resolution approving the fiscal years 2024-2026 feasibility report detailing the proposed projects to be funded with Fairfield Community Facility District funds and authorize Notice of Public Hearing on said report.

Item addressed in separate minutes for the Fairfield Community Facility District Governing Board.

c. Public hearing/discussion/possible action regarding adoption of a resolution approving the Tentative Budget for fiscal year 2023-24.

Item addressed in separate minutes for the Fairfield Community Facility District Governing Board.

6. Adjournment: Chairperson Jablow adjourned the meeting without objection at 4:11 p.m.

Respectfully submitted,

JoAnne Cook, District Clerk

RESOLUTION NO. 2023-3

Fairfield Community Facilities District

A RESOLUTION OF THE DISTRICT BOARD OF THE FAIRFIELD COMMUNITY FACILITIES DISTRICT AUTHORIZING AND RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING THE FISCAL YEARS 2024-2026 FEASIBILITY REPORT WHICH INCLUDES IDENTIFYING THE PUBLIC INFRASTRUCTURE OF THE PROJECTS, THE AREAS TO BE BENEFITTED, THE EXPECTED METHOD OF FINANCING AND THE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECTS, ALL AS PROVIDED IN SUCH REPORT; APPROVING SUCH FEASIBILITY REPORT AND RESOLVING THE INTENT THEREFOR.

BE IT RESOLVED BY THE DISTRICT BOARD OF THE FAIRFIELD COMMUNITY FACILITIES DISTRICT AS FOLLOWS:

1. Findings. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "Act".) the District Board caused to be prepared a study of the feasibility and benefits of the projects relating to certain public infrastructure provided for in the General Plan of the District heretofore approved by the Municipality and the District and to be financed with special homeowners assessments that have been collected. The fiscal years 2024-2026 feasibility study having included a description of certain public infrastructure to be constructed and all other information useful to understand the projects; a map showing in general the location of the projects; an estimate of the cost to construct, acquire, operate and maintain the projects; an estimated schedule for completion of the projects; a map or description of the area to be benefitted by the projects; and a plan for financing the projects (hereinafter referred to as the "Report"). A public hearing on the Report was held on the date of, but prior to, the final adoption of this Resolution (hereinafter referred to as the "Report Hearing"), after provision for publication and mailing to the governing board of the Municipality of notice thereof as provided by law.
2. A. Preparation of Report. The preparation of the Report is hereby ratified and confirmed. (Upon completion of a draft of the Report, the Report, marked in conspicuous fashion "DRAFT," was submitted to the District Board for their review and comment.)
B. Approval of Report. After review of the Report and based on the Report Hearing and the mailing of the Report to the governing body of the Municipality, the Report is hereby approved in the form submitted to the District Board.
C. Resolving Intent. The District Board hereby declares (1) its intent as required by A.R.S. § 48-715 and, for purposes of A.R.S. § 48-721(A), to take such reasonable actions as may be necessary to cause the results contemplated by and set forth in the Report, including particularly the acquisition of public infrastructure projects for the benefit of the areas described in the Report and the consummation of the expected method of financing and an appropriate system of providing revenues to maintain such projects, all as provided in the Report, and (2) that said projects shall result in proportionate, beneficial use to the residents of the surrounding area which will include the land and those residents and visitors within the geographical limits of the Assessment Area.
3. Severability; Amendment; Ratification. (1) 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. (2) All prior acts of the District Board, of the District Manager and of the District Treasurer with respect to all matters concerning application and accounting of funds and this Resolution are hereby ratified and confirmed.

4. Effective Date. This Resolution shall be effective immediately.

PASSED by the District Board of the Fairfield Community Facilities District this 8th day of August, 2023.

Scott M. Jablow, Chairman
Fairfield Community Facilities District

ATTEST:

JoAnne Cook, District Secretary
Fairfield Community Facilities District

APPROVED AS TO FORM:

Kurt W. Christianson, District Counsel
Fairfield Community Facilities District

Fairfield

Community Facilities District
Feasibility Report
Fiscal Years 2024-2026

This Feasibility Report (“Report”) has been prepared by engineers and other qualified persons for presentation to the District Board (the “Board”) of the Fairfield Community Facilities District (the “District”) with respect to certain public infrastructure to be financed with proceeds of the special homeowners assessment tax revenues (The “Assessment Revenues”) pursuant to the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, as amended (the “Act”).

PURPOSE OF FEASIBILITY REPORT

Pursuant to A.R.S. §48-715, this Report includes (i) a description of the Projects which are to be constructed; (ii) a map showing, in general, the location of the Projects; (iii) an estimate of the cost to operate and maintain the Projects; (iv) an estimated schedule for completion of the Projects; (v) a map or description of the area to be benefited by the Projects; and (vi) a plan for financing the Projects.

PROJECTS

The projects to be constructed by the District are as follows: (I) Phased implementation of a master plan for the development of the Brewer Historic Park, located at 250 Brewer Road, Sedona AZ; (II) A new concession stand at Posse Grounds Park, located at 525 Posse Ground Road, Sedona AZ; and (III) New pickleball courts at Posse Grounds Park, located at 525 Posse Ground Road, Sedona AZ.

These projects fit within the District’s General Plan for infrastructure improvements and benefits the District by providing new and improved citywide recreation amenities. Each of these projects increases the value of Sedona as a desirable tourist destination and enhances the quality of experience for the owners at the Fairfield Sedona Resort.

Construction contracts for the Projects will be bid and awarded pursuant to the public bid process of Title 34 of the Arizona Revised Statutes and applicable City requirements and administered in conformance to applicable law and such requirements. The District shall use up to \$557,000 of collected Assessment Revenues to finance the Projects over the course of the three-year period covered by this feasibility report. Remaining funds to finance current phases of construction will be contributed by the Summit Community Facilities District, Development Impact Fees, and the City of Sedona.

(I) Brewer Road Historic Park Development

In Fiscal Years 2016 and 2017, CFD funds contributed to the development of a Master Plan to guide future development and operations at the Brewer Road historic property. The development of the master plan for the site included a significant public participation component, soliciting the input of the community and future users on what would be the most desirable amenities to include in the future park development. Now that the master plan for this property has been finalized, funds are required for implementation and construction of the planned development.

The Brewer Road Historic Park and Recreation Facility will serve visitors and citizens of the entire city. The park will be a destination and a city-wide focal point.

Shown below is a summary of the estimated construction costs of the Project. These amounts are estimated and are subject to the results of public bidding, and if such amounts are approved by the Board,

cannot be exceeded. Upon completion of the Project, the District will dedicate the Project to the City of Sedona. Accordingly, it is not anticipated that there will be any operating or maintenance expenses borne by the District unless they are proposed and budgeted for in future years. Instead, the City will assume all future operating and maintenance expenses. The dollar figure provided below for construction is an estimate and will need to be further refined in future budget years once it is determined which elements will be pursued in each phase of the project.

Category or Phase	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Design	\$ 75,000	\$0	\$0	\$ 75,000	\$0
Construction	1,985,000	0	0	1,985,000	0
Contingency	200,000	0	0	200,000	0
Arts Transfer	11,210	0	0	11,210	0
Total Project Budget	\$2,271,210	\$0	\$0	\$2,271,210	\$0

Estimated Operating Expenses	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Annual Costs
Personnel Costs	\$0	\$ 0	\$ 0	\$ 0	\$ 0
Materials & Supplies	0	0	0	0	0
Contractual Services	0	43,000	43,000	86,000	43,000
Estimated Total Operating	\$0	\$43,000	\$43,000	\$86,000	\$43,000

Source of Funding	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Fairfield Community Facilities District	\$ 160,000	\$0	\$0	\$ 160,000	\$0
Sedona Summit II Community Facilities District	155,000	0	0	155,000	0
Development Impact Fees	824,200	0	0	824,200	0
City of Sedona	1,132,010	0	0	1,132,010	0
Total Funding Sources	\$2,271,210	\$0	\$0	\$2,271,210	\$0

(II) New Concession Stand – Posse Grounds Park

The Concession Stand has been in need of repair and remodel for many years; however, the demand for the building was not large enough to justify the budget. With the increase of special events at this facility as well as the development of the new bike skills park and Pavilion, the demand on this building has increased and will continue to do so. This is the main public restroom facility for the skate park, basketball court, ball fields, special events, rentals, and bike park. The restroom also supports the Pavilion rentals during the fall/winter seasons when the Pavilion restrooms are closed and as a back-up for the Hub when plumbing fails. This building also serves as storage space for parks and recreation. If the Pickleball court project moves forward, this project could become a priority.

Shown below is a summary of the estimated construction costs of the Project. These amounts are estimated and are subject to the results of public bidding, and if such amounts are approved by the Board, cannot be exceeded. Upon completion of the Project, the District will dedicate the Project to the City of Sedona. Accordingly, it is not anticipated that there will be any operating or maintenance expenses borne by the District unless they are proposed and budgeted for in future years. Instead, the City will assume all future operating and maintenance expenses. The dollar figure provided below for construction is an

estimate and will need to be further refined in future budget years once it is determined which elements will be pursued in each phase of the project.

Category or Phase	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Design	\$0	\$80,000	\$ 0	\$ 80,000	\$0
Construction	0	0	282,000	282,000	0
Contingency	0	0	200,000	200,000	0
Total Project Budget	\$0	\$80,000	\$482,000	\$562,000	\$0

Estimated Operating Expenses	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Annual Costs
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	0	0	0	0	0
Contractual Services	0	0	0	0	0
Estimated Total Operating	\$0	\$0	\$0	\$0	\$0

Source of Funding	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Fairfield Community Facilities District	\$0	\$ 0	\$300,000	\$300,000	\$0
Sedona Summit II Community Facilities District		80,000	182,000	262,000	0
Total Funding Sources	\$0	\$80,000	\$482,000	\$562,000	\$0

(II) New Pickleball Courts – Posse Grounds Park

The sport of pickleball is growing continuously, and there are no signs of the trend changing direction. The shared-use tennis/pickleball courts (4 courts) are used daily, sometimes offering two sessions, by local players who have over 300 members in their group. The daily scheduled play is well attended during spring/summer/fall seasons, averaging 30 players each session, if not more. On days where both a morning and afternoon/evening session are offered, there can be over 60 players on a single day. Dedicated courts with lights are needed; the current shared-use causes conflict due to pickleball being a fast-paced sport. In addition, due to the limited number of courts, it discourages use due to the wait time.

This project will be constructed on a site location that does not impact the Posse Grounds Park Evaluation. Completion of this project will result in eight pickleball courts with lighting. It will include installation of benches, a drinking/refilling water station, chain-link fencing and gates, a sport court lighting system with timer, waste receptacles, and parking.

Shown below is a summary of the estimated construction costs of the Project. These amounts are estimated and are subject to the results of public bidding, and if such amounts are approved by the Board, cannot be exceeded. Upon completion of the Project, the District will dedicate the Project to the City of Sedona. Accordingly, it is not anticipated that there will be any operating or maintenance expenses borne by the District unless they are proposed and budgeted for in future years. Instead, the City will assume all future operating and maintenance expenses.

Category or Phase	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Design	\$ 100,000	\$0	\$0	\$ 100,000	\$0
Construction	1,400,000	0	0	1,400,000	0
Total Project Budget	\$1,500,000	\$0	\$0	\$1,500,000	\$0
Estimated Operating Expenses	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Annual Costs
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	0	0	0	0	0
Contractual Services	0	0	0	0	0
Estimated Total Operating	\$0	\$0	\$0	\$0	\$0
Source of Funding	FY 2024	FY 2025	FY 2026	3-Year Total	Estimated Future Project Costs
Fairfield Community Facilities District	\$ 90,000	\$0	\$0	\$ 90,000	0
Development Impact Fees	1,410,000	0	0	1,410,000	0
Total Funding Sources	\$1,500,000	\$0	\$0	\$1,500,000	\$0






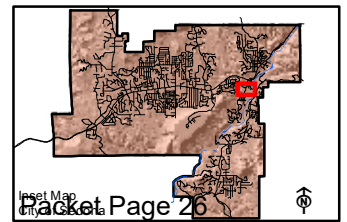
Brewer Road Park Master Plan and Development



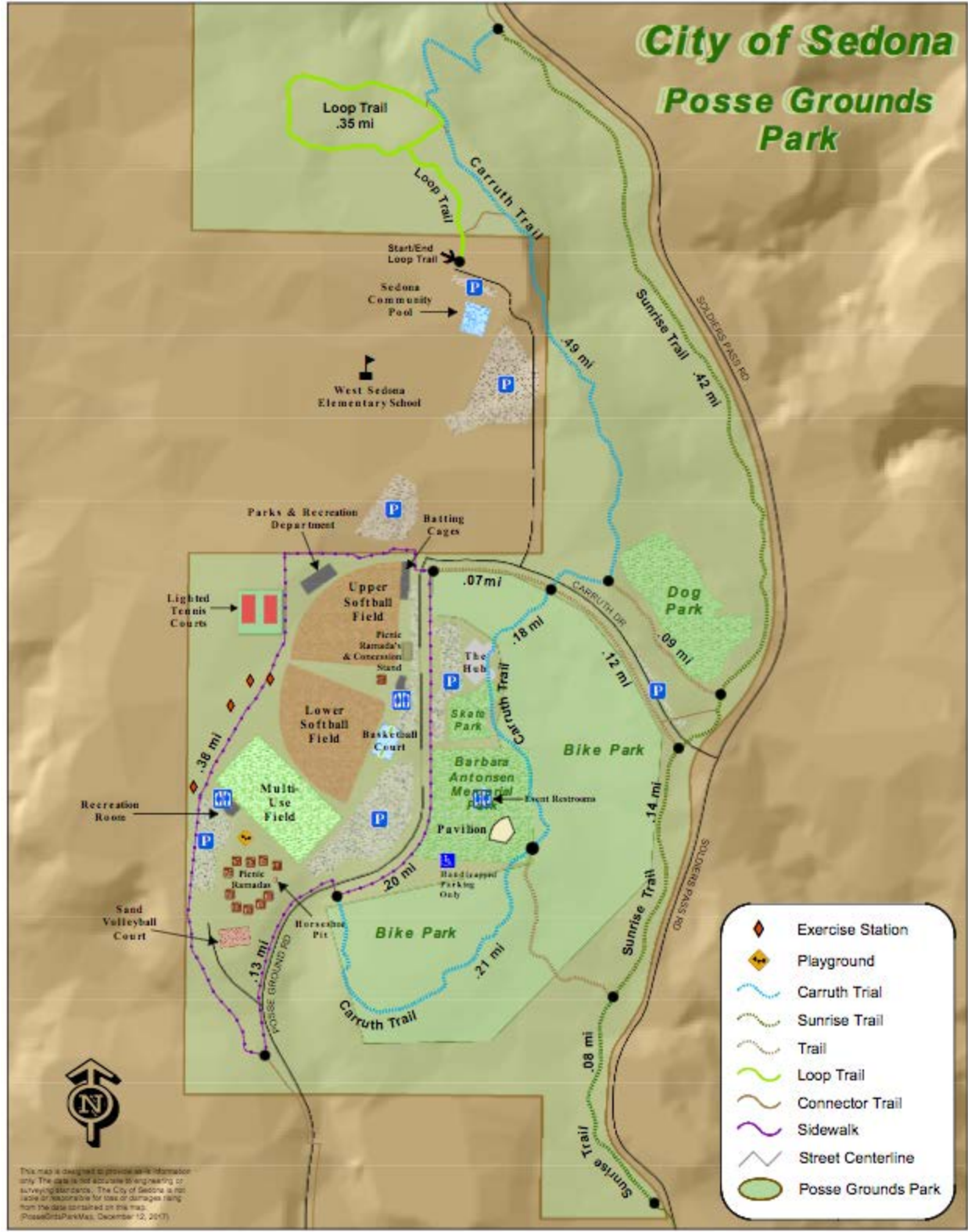
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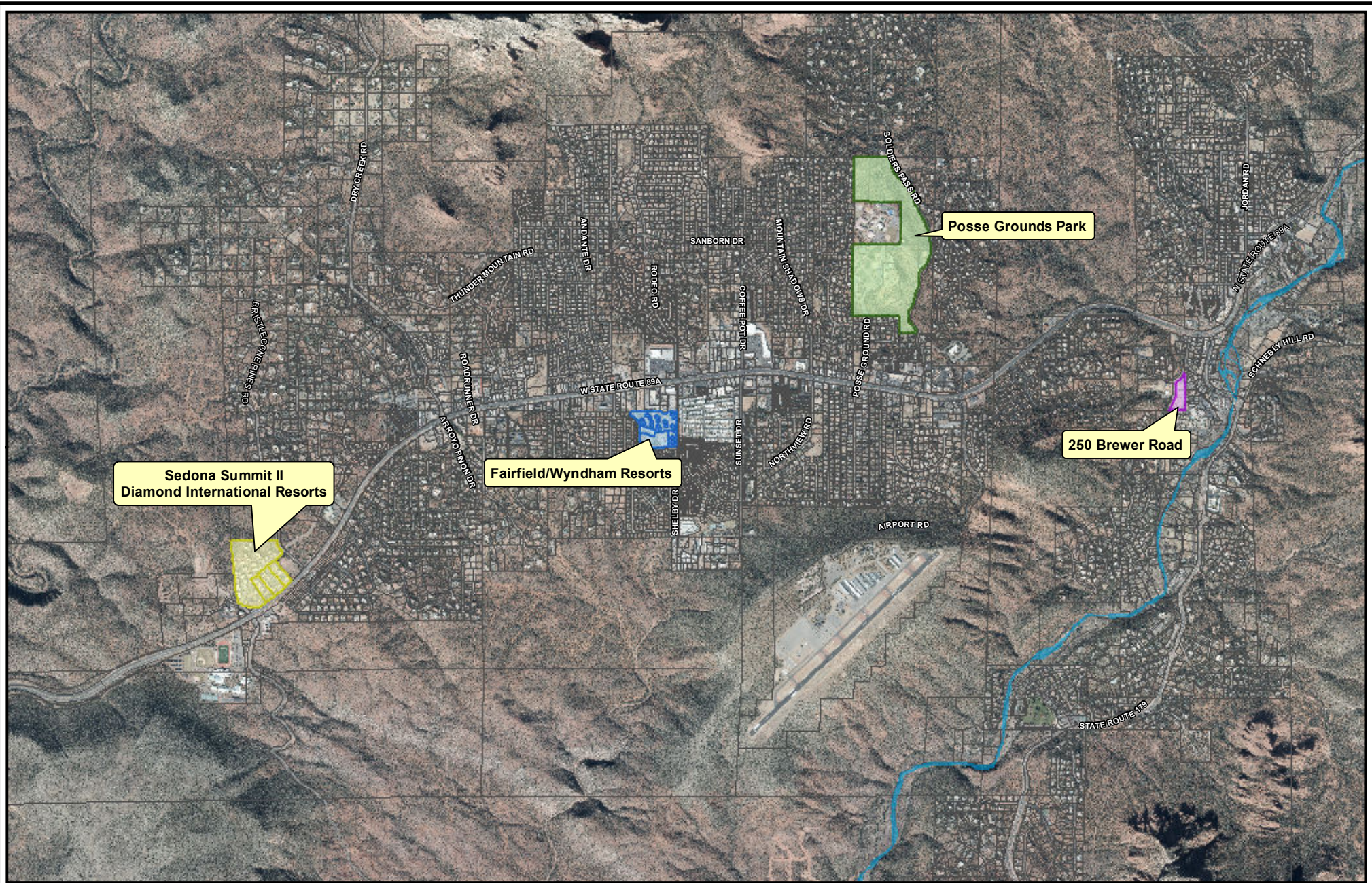
This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages rising from the data contained on this map.
 GIS, City of Sedona, 06/30/2014
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-  250 Brewer Road Parcel #401-38-013D
-  Parcel Boundary
-  Oak Creek

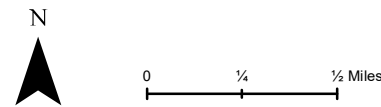


City of Sedona Posse Grounds Park



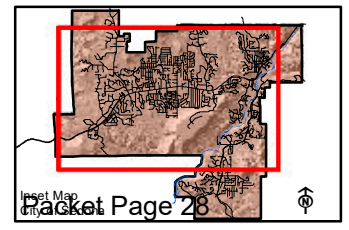


Fairfield/Wyndham Resorts & Summit II/Diamond International Resorts



This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages arising from the data contained on this map.
 GIS - City of Sedona - 07/08/2020
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- 250 Brewer Road
- Fairfield/Wyndham Resorts
- Posse Grounds Park
- Sedona Summit II/Diamond International Resorts
- Oak Creek
- Parcel Boundary



RESOLUTION NO. 2023-4

FAIRFIELD COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF THE FAIRFIELD COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2023-2024 PURSUANT TO A.R.S. § 48-716, AS AMENDED; FOR THE AMOUNT OF ALL EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES ALL OF WHICH SHALL BE PROVIDED FOR FROM THE COLLECTION OF AN ANNUAL SPECIAL TAX; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on May 24, 2000, the Mayor and Council of the City of Sedona, Arizona (the "City"), adopted Resolution No. 2000-20 forming the Fairfield Community Facilities District ("Fairfield"), a community facilities district in accordance with A.R.S. § 48-701 et seq., as amended; and

WHEREAS, Fairfield is a special purpose district for purposes of Article IX, § 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, § 7, Constitution of Arizona, and a municipal corporation for all purposes of A.R.S. Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, as amended, and [except as otherwise provided in A.R.S. § 48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

WHEREAS, a primary purpose for creating Fairfield was to finance public improvements through assessment of a "Annual Special Tax," which tax was implemented through a development agreement between Fairfield Communities Inc., the primary property owner within the District and the City of Sedona; and

WHEREAS, in accordance with A.R.S. § 48-716, as amended, the District Treasurer of Fairfield has submitted to the District Board of Fairfield a tentative budget for Fiscal Year 2023-2024 which includes the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax; and

WHEREAS, the District Board of Fairfield approved said tentative budget for Fiscal Year 2023-2024, and 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 scheduled for August 8th, the District Board of Fairfield expects to adopt a final budget by resolution; and

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

1. That certain tentative budget prepared by the District Treasurer of Fairfield for Fiscal Year 2023-2024, attached hereto and expressly made a part hereof as Exhibit "A" is hereby approved.

2. That, the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy are set forth in Exhibit "A" attached hereto.

3. That a public hearing date of August 8th, 2023, beginning at or after 3:45 p.m. at 106 Roadrunner Drive, Sedona, Arizona 86336 in the Sedona City Vultee Conference Room, was held to consider said budget (Fairfield), and said notice was published twice in the Sedona Red Rock News no later than ten (10) days prior to said hearing date.

4. 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.

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

RESOLVED by the District Board of the Fairfield Community Facilities District this 8th day of August, 2023.

Scott M. Jablow, Chairman
Fairfield Community Facilities District

ATTEST:

JoAnne Cook, District Secretary
Fairfield Community Facilities District

APPROVED AS TO FORM:

Kurt W. Christianson, District Counsel
Fairfield Community Facilities District

Fairfield Community Facilities District
 Fiscal Year 2023-2024 Final Budget
 Exhibit "A"

	Estimated Special Tax Revenue	Estimated Other Misc. Revenue	FY 2023-2024 Estimated Total Collections	Estimated Fund Balance as of July 1, 2023	2023-2024 Expenditures	Total 2023-2024 Budget	Estimated Fund Balance as of June 30, 2024
Capital Projects	\$ 119,400	\$ 3,070	\$ 122,470	\$ 186,143	\$ 250,000	\$ 250,000	\$ 58,613
						\$ -	
						\$ -	
Totals	\$ 119,400	\$ 3,070	\$ 122,470	\$ 186,143	\$ 250,000	\$ 250,000	\$ 58,613

Action Minutes
Fairfield Community Facility District Board of Directors
106 Roadrunner Drive, Vultee Conference Room, Sedona, AZ 86336
Tuesday, July 11, 2023, 4:00 p.m.

1. **Call to order:** Chairperson Jablow called the meeting to order at 4:00 p.m.
2. **Roll call**

Board Members present: Chairperson Scott Jablow, Director Holli Ploog, Director Kathy Kinsella, Director Melissa Dunn, Director Brian Fultz, and Director Jessica Williamson. Director Pete Furman was absent and excused.

Sedona City Staff present: City Attorney Kurt Christianson, Director of Financial Services Cherie White, Accounting Supervisor Director Renee Stanley, Budget Analyst Sterling West, and City Clerk JoAnne Cook.

3. **Presentation/discussion/possible direction regarding an overview of Community Facilities Districts (CFD) and allowable uses of CFD funds**

Presentation by Cherie White.

Questions and comments from Directors.

4. **Matters before the Sedona Summit II Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from August 9, 2022.**

Item addressed in separate minutes for the Sedona Summit II Community Facility District Governing Board.

- b. **Public hearing/discussion/possible action approving the fiscal years 2024-2026 feasibility report detailing the proposed projects to be funded with Sedona Summit II Community Facility District funds and authorize Notice of Public Hearing on said report.**

Item addressed in separate minutes for the Sedona Summit II Community Facility District Governing Board.

- c. **Open Public Hearing regarding adoption of a resolution approving the Tentative Budget for fiscal year 2023-24.**

Item addressed in separate minutes for the Sedona Summit II Community Facility District Governing Board.

5. **Matters before the Fairfield Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from August 9, 2022.**

Motion: Director Williamson moved to approve the minutes dated August 9, 2022. Director Kinsella. Vote: Motion carried unanimously with six (6) in favor (Jablow, Ploog, Dunn, Fultz, Kinsella, and Williamson) and zero (0) opposed.

Fairfield Community Facility District Board of Directors
Special Meeting
Tuesday, July 11, 2023
4:00 p.m.

- b. Public hearing/discussion/possible action regarding a resolution approving the fiscal years 2024-2026 feasibility report detailing the proposed projects to be funded with Fairfield Community Facility District funds and authorize Notice of Public Hearing on said report.**

Opened the Public Hearing at 4:09 p.m.

No comments were heard.

Closed the public hearing and brought back to the Board at 4:09 p.m.

Motion: Director Ploog approve Resolution No. 2023-1, of the Fairfield Community Facility District approving the feasibility report and authorizing publication of the notice of public hearing on report. Director Kinsella seconded. Vote: Motion carried unanimously with six (6) in favor (Jablow, Ploog, Dunn, Fultz, Kinsella, and Williamson) and zero (0) opposed.

- c. Open Public Hearing regarding adoption of a resolution approving the Tentative Budget for fiscal year 2023-24.**

Motion: Director Ploog approve Resolution No. 2023-2, of the Fairfield Community Facility District approving the Tentative Budget for fiscal year 2023-24 and authorizing publication of the notice of public hearing on the budget. Director Kinsella seconded. Vote: Motion carried unanimously with six (6) in favor (Jablow, Ploog, Dunn, Fultz, Kinsella, and Williamson) and zero (0) opposed.

Opened the Public Hearing at 4:10 p.m.

No comments were heard.

Closed the public hearing and brought back to the Board at 4:10 p.m.

- 6. Adjournment: Chairperson Jablow adjourned the meeting without objection at 4:11 p.m.**

Respectfully submitted,

JoAnne Cook, District Clerk