

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

**MONTECITO ASSESSMENT DISTRICT No. 4
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**

ASSESSMENT METHODOLOGY

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Dated October 6, 2025

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Willdan, the District Engineer for the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the "Estrella Mountain Ranch CFD"), makes this report of benefit as directed by City of Goodyear, Arizona ("City") staff in support of the *Feasibility Report for the Issuance of Not to Exceed \$10,668,000 Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 4 Special Assessment Revenue Bonds Series 2025*, prepared by Estrella North LLC (the "Major Landowner") and dated October 6, 2025 (the "Feasibility Report").

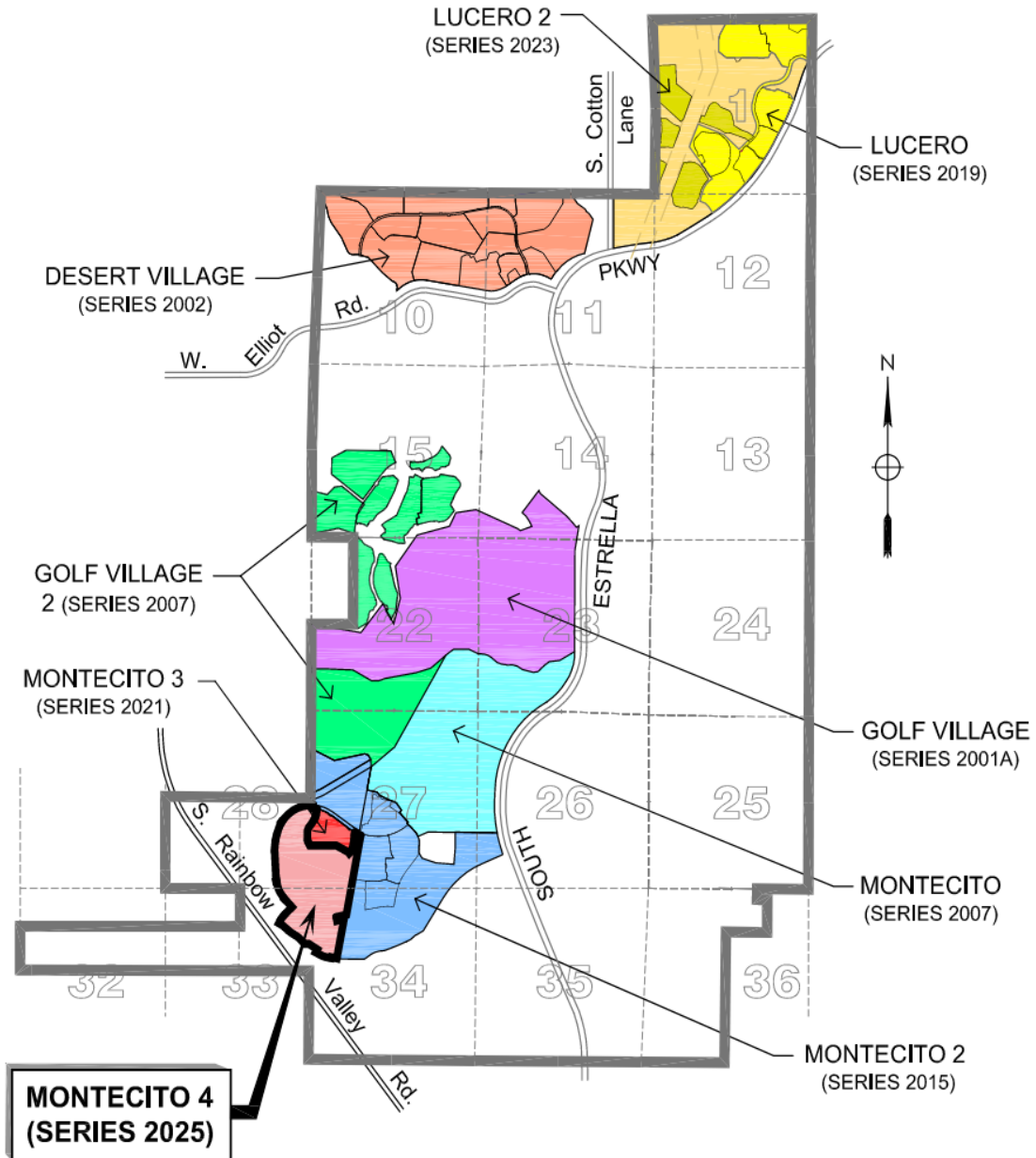
Project Description

The Estrella Mountain Ranch CFD consists of approximately 9,771 acres and is located in Goodyear, Arizona. On November 22, 1999, the Estrella Mountain Ranch CFD was established to finance the construction and/or acquisition of public infrastructure described in the General Plan for the District, which was recorded on November 23, 1999, as Document No. 1999-1063338 for the mixed use, master planned community known as Estrella Mountain Ranch (the "Development"). Montecito Assessment District No. 4 consists of an estimated 172 acres within the larger 9,771-acre Development. The Estrella Mountain Ranch CFD Montecito Assessment District No. 4 Special Assessment Revenue Bonds, Series 2025 ("Bond Issue") relates to the acquisition of public infrastructure that will benefit development of Montecito Assessment District No. 4. Details related to the project area, infrastructure improvements, costs, and land use can be found in the Feasibility Report.

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SPECIAL ASSESSMENT DISTRICTS MAP

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
City of Goodyear, Arizona**



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Description of Improvements

The improvements that will be funded by the Bond Issue and are the subject of this report will be constructed and acquired public infrastructure that is eligible for funding according to the Community Facilities District Act of 1988, Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "Act"). The improvements are more fully described in Section Two of the Feasibility Report. Briefly, the improvements are described as follows:

Street Improvements

The design and construction of certain grading, trenching, staking, paving, concrete, base, intersection work, landscaping, storm drains, street lighting, signing and striping, sidewalks, curbs and gutters, parkways, medians, landscaping, permits and fees, together with appurtenances and appurtenant work and an allowance for contingencies for the following collector roadways:

- Calistoga Drive Phase 3-1: The project begins at the current terminus of Calistoga Drive Phase 2-1, continues westward approximately 1,401 liner feet ("LF") and stops at the west ingress/egress street into Parcel 9.43. Costs include engineering, design, survey, review fees, construction permits, testing, grading, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt, pavement, landscaping, and streetlights. Calistoga Drive Phase 3-1 construction is complete and was accepted by the City in January 2019.
- Calistoga Drive Phase 4: This project begins at the current terminus of Calistoga Drive Phase 3-1, continues westward approximately 2,710 LF and connects to W. Mountain Vista Drive Phase 2. Cost includes engineering, design, survey, review fees, construction permits, testing, grading, hard dig, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt, pavement, landscaping, and streetlights. Calistoga Drive Phase 4 construction is substantially complete.
- W. Mountain Vista Drive Phase 2 This project begins at the current terminus of W. Mountain Vista Drive Phase 1, continues westward approximately 4,070 LF and connects to Calistoga Drive Phase 4. Cost includes engineering, design, survey, review fees, construction permits, testing, grading, hard dig, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt, pavement, landscaping, and streetlights.

Preliminary Cost Estimate

The Bond Issue is proposed to be secured by unpaid assessments and issued in accordance with the Arizona Revised Statutes; the City of Goodyear, Arizona Policy Guidelines, Application Procedures for the Establishment and Operation of Community Facilities Districts; the Development, Financing Participation and Intergovernmental Agreement No. 1 (Estrella Mountain Ranch Community Facilities District), as amended; and the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Waiver and Development Agreement Pertaining to the To Be Formed Montecito Assessment District No. 4. A summary of the costs

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of the public infrastructure to be financed through the Bond Issue includes the following, with details included in the Feasibility Report:

ESTIMATED COSTS

Improvement Projects	Estimated Costs Funded Through Bond Issue
Improvements (a)	
<i>Calistoga Drive 3-1</i>	\$ 531,102
<i>Calistoga Drive Phase 4</i>	4,894,493
<i>West Mountain Vista Drive</i>	4,372,305
Subtotal	\$ 9,797,900
Incidental Expenses	
<i>Reserve Fund (b)</i>	\$ 870,100
<i>Capitalized Interest (c)(d)</i>	321,818
<i>Costs of Issuance (c)</i>	304,397
Subtotal	\$ 1,496,315
Less Major Landowner Contribution	\$ (626,215)
Total to be Reimbursed	\$ 10,668,000

Footnotes

- (a) All costs for construction above will be at the developer's expense. These costs were allocated to all planning areas based on the following assessment methodology.
- (b) The Reserve Fund is in place to pay debt service on the Bond Issue in the event of unpaid assessments.
- (c) Represents incidental expenses to be paid by the Major Landowner.
- (d) The Capitalized Interest amount was estimated by the municipal advisor, is subject to change, and is the accrued interest on the Bond Issue from the estimated dated date to the first interest payment, July 1, 2026.

Non-Reimbursable Incidental Expenses (a)

Capitalized Interest (b)	\$321,818.00
Underwriter's Discount	137,397.03
Underwriter's Counsel	30,000.00
Bond Counsel	85,000.00
Municipal Advisor	35,000.00
Registrar & Paying Agent	1,150.00
OS Preparation	10,000.00

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OS Printing	2,500.00
Assessment Billing Software Services	1,125.00
Miscellaneous	2,225.00
Total	<u>\$626,215.03</u>

Footnotes

- (a) Represents certain incidental expenses to be paid by the Major Landowner.
- (b) The Capitalized Interest amount was estimated by the municipal advisor, is subject to change, and is the accrued interest on the Bond Issue from the estimated dated date to the first interest payment, July 1, 2026.

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Assessment Methodology

The Act provides that assessments must be allocated in proportion to the benefits received by each lot from the improvements. For purposes of the Bond Issue, the original assessed amount (prior to cash payments, if any) and consequently the remaining assessments securing the proposed Bond Issue amount of \$10,668,000.00 are allocated to the lots within Montecito Assessment District No. 4 based upon the following benefit methodology.

Introduction

The public infrastructure to be financed by the Bond Issue consists of street-related improvements for the properties within Montecito Assessment District No. 4. The improvements are more fully described in Section Two of the Feasibility Report.

Street Improvements

The street-related improvements to be installed within Montecito Assessment District No. 4 consist of new construction and/or acquisition of the collector streets: West Calistoga Drive 3-1, West Calistoga Drive Phase 4, and West Mountain Vista Drive. These streets provide primary and secondary ingress/egress to the residential areas located within the Montecito Assessment District No. 4 and allow travel to areas outside of the Montecito Assessment District No. 4 boundary. The street-related improvements provide a direct and special benefit to the developable parcels to be assessed in that direct ingress and egress is made available to all parcels within the Montecito Assessment District No. 4 area. The cost estimate excludes ineligible costs such as dry utilities and monument structures.

The specific alignments of the collector streets have been determined and approved by the City. West Calistoga Drive 3-1 was completed in 2019 in conjunction with Montecito Assessment District No. 3 and also benefits Montecito Assessment District No. 4. West Calistoga Drive Phase 4 and West Mountain Vista Drive are under construction, with completion estimated by the end of September 2025. Therefore, the construction of these street-related improvements is a direct and special benefit to the properties described in this assessment methodology.

The benefit of street-related improvements to properties within Montecito Assessment District No. 4 will be allocated to the respective properties based on the following trip generation factors. The traffic generation varies based on the land use of each parcel. Trip generation factors are used to allocate street-related improvement benefits because the usefulness of streets is a function of the number of vehicle trips per day generated by the land uses served by the roads. Therefore, traffic generation factors are an appropriate basis for the apportionment of the street-related improvement costs among the benefited parcels.

Traffic engineers have developed traffic generation factors related to development density and type of land use. The Institute of Traffic Engineers ("ITE") has developed standards that are nationally recognized within the industry, which we deem appropriate to measure the benefit within Montecito Assessment District No. 4. The traffic generation factors shown below are derived from the National ITE Trip Generation 6th Edition Manual. Dwelling units that are larger in size and more expensive are statistically shown to have a higher rate of trip generation per

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unit than those smaller in size and less expensive as a result of a higher usage of services such as pool cleaners, cleaning services, landscapers, and deliveries. Using the standard equations for traffic generated by type of land use, residential lots average 9.6 trips per unit per day, per dwelling unit.

The Montecito Assessment District No. 4 includes a total of 159 acres of single family residential of varying lot sizes. In the event development occurs differently than currently projected, the assessment liens at the planning area level can be adjusted to meet the intent of this benefit analysis. However, in the event an assessment lien has been allocated to a final residential lot, the lien may not be increased as a result of changes in development.

Apportionment

The 172-acre area within the Montecito Assessment District No. 4 consists of platted and recorded single family residential lots that were developed and constructed in conformance with the overall Estrella Mountain Ranch Master Plan. The 172-acre area comprises eight final plats that have been recorded in the Maricopa County Recorder's office as follows:

Parcel	Date	Book	Page	Recording Number
9.7	09/24/24	1822	33	20240506589
9.18	09/24/24	1822	34	20240506590
9.21	09/17/24	1821	27	20240494034
9.39, 9.40	09/25/24	1822	46	20240508557
9.41	09/17/24	1821	23	20240492472
9.42	09/24/24	1822	35	20240506600
Calistoga Dr.	9/13/24	1820	47	20240487150
Mt. Vista Dr.	9/13/24	1821	6	20240487938

In apportioning the benefit of street-related improvements to lots within the Montecito Assessment District No. 4 area, the methodology was based on a per lot equal benefit analysis (excluding common areas, areas owned by the homeowners' associations, public rights-of-way, property owned by the Estrella Mountain Ranch CFD, or other governmental/public entities). Therefore, each single-family residential lot will be assessed the same amount. The Estrella Mountain Ranch CFD – Montecito Assessment District No. 4 assessment includes the total cost for the street-related improvement projects previously described, divided by the total number of residential lots to create an equal assessed amount for each lot.

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Estimated Special Assessment Liens

Based upon the information presented above, the estimates of the assessment to be placed upon each of the parcels located within the Montecito Assessment District No. 4 are as follows:

**MONTECITO ASSESSMENT DISTRICT NO. 4
ASSESSMENT PER PARCEL/LOT (a)**

Assessment No.	Parce No's	Acreage	No. of Lots	Assessment Lien Per Parcel	Assessment Lien Per Lot
9.7-01-001 through 9.7-01-095	9.7	28.11	95	\$1,995,000	\$21,000.00
9.18-01-001 through 9.18-01-051	9.18	13.13	51	1,071,000	\$21,000.00
9.21-01-001 through 9.21-01-092	9.21	21.36	92	1,932,000	\$21,000.00
9.39-01-001 through 9.39-01-016 & 9.40-01-017 through 9.40-01-097	9.39, 9.40	45.44	97	2,037,000	\$21,000.00
9.41-01-001 through 9.41-01-052	9.41	23.882	52	1,092,000	\$21,000.00
9.42-01-001 through 9.42-01-121	9.42	27.187	121	2,541,000	\$21,000.00
Totals		159.11	508	\$10,668,000	\$21,000.00

Footnotes

- (a) Special assessment liens will not be placed upon common areas, areas owned by the homeowners' associations, public rights-of-way, property owned by the Estrella Mountain Ranch CFD, or other governmental/public entities.

Conclusion

Based upon the information presented herein, it is our opinion that the special assessment allocation methodology results in assessments being allocated in proportion to the benefits received by each lot or parcel therein for the improvements to be provided thereby.


Grant I. Anderson, P.E.

