



**San Luis City Council
Work Session - March 20, 2019**

Introduction

Presentation based on

Introduction to Community Facilities Districts

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Law in Arizona Revised Statutes

A.R.S. §48-701 through §48-728

Topics

- I. What is a Community Facilities District?
- II. Create District
- III. Powers

I. Community Facilities District is . . .

- Formed by the Mayor & City Council
- A legal entity separate from the City with the authority to
 - construct, acquire, operate and maintain public infrastructure and
 - Borrow and raise money to do it.
- Governed by the Mayor & City sitting as the Board of the District. (If 600 acres involved then City Council can appoint a separate board).



II. Create Districts

More than one district may cover the same property.



II. Create District



See Hand-Out – “Steps to Create a District”

Petition

- Owners of at **least 25% of the land area** in a proposed district **petition** the council for creation.
- The Mayor and Council adopt a resolution declaring its intention to create the district.

•Notice and opportunity for City Council to hear objections

- **Notice of intention to create the district is mailed to all owners** within the proposed district. Notice is also published in a newspaper of general circulation. The notice must indicate the time and place of a public hearing for the creation of the district and inform the landowners of their right to object to the creation of the district.
- Any party claiming an interest in real property within the proposed district may object in writing, stating the specific reasons for the objection.
- At the hearing before the Mayor and Council, evidence is presented and written objections are ruled on.

•Landowners Special Election

- After the hearing, the Mayor and Council may modify the district or the general plan and, if deemed appropriate, order the district created and a creation election to be conducted.
- **Creation of the district must be approved by a majority of votes cast by the landowners who are qualified electors voting at a special election.** Landowners in the Los Alamos subdivision are qualified electors if they have title to the land for 90 days prior to the special election and is a resident of Arizona. **Each landowner votes a number of votes equal to the number of acres or portions of acres owned by that owner rounded upward to the nearest fifth of an acres.**

•Opportunity for objections in Court

- Anyone who objected to the creation and is not satisfied with the result, has an opportunity to file a special action with the Court of Appeals contesting creation.
- If approved by a majority of votes cast by the landowners voting at the election and not overturned by the court, the district will be created. Thereafter, changes in the district's boundaries or the general plan require notice and a hearing.

III. Powers-Borrow & Tax



If approved at an election of qualified electors within the District, the District may:

- borrow money by selling bonds, and pay bonds back by imposing a property tax on the landowners in the District;
- impose a property tax without bonds and
- borrow money by selling bonds and spread the cost of the project by special assessments determined by benefit.

III. Powers

- After obtaining a report of the feasibility and benefits of the project and holding a hearing on such report, acquire, convert, renovate, improve, etc.
 - drainage and flood control systems;
 - roadways and parking facilities;
 - pedestrian, equestrian, bicycle or other nonmotor vehicle paths and facilities;
 - landscaping and water features;
 - lighting systems;
 - traffic control systems and
 - other infrastructure listed in the statutes.
- Acquire land and
- Raise and spend money for public infrastructure

