Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL

STUDY SESSION
THURSDAY, July 17, 2014
6:00 P.M.

Council Chambers
202 N. State Route 89
Chino Valley, Arizona

AGENDA

1) CALL TO ORDER; ROLL CALL

2) CONSIDERATION AND POSSIBLE ACTION TO REVIEW AND DISCUSS THE LANGUAGE IN THE PUBLICITY PAMPHLET RELATED TO THE GENERAL OBLIGATION BOND FOR AUTHORIZATION BY VOTERS AT THE NOVEMBER 2014 ELECTION. (ROBERT SMITH, TOWN MANAGER)

3) CONSIDERATION AND POSSIBLE ACTION TO REVIEW AND DISCUSS THE LANGUAGE IN THE PUBLICITY PAMPHLET RELATED TO THE GENERAL PLAN FOR RATIFICATION BY VOTERS AT THE NOVEMBER 2014 ELECTION. (ROBERT SMITH, TOWN MANAGER)

4) ADJOURNMENT

Dated this 15th day of July, 2014.

By: ***Jami C. Lewis, Town Clerk***

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 1-(800) 347-1695 (Arizona Relay Service) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at http://www.chinoaz.net/clerk/townagenda.shtml, and in the Public Library and Town Clerk's Office.

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date:____________________ Time:_________________ By:____________________________________
Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session **Item No. 2.**

Meeting Date:	07/17/2014
Contact Person:	Robert Smith, Town Manager Phone: 928-636-2646 x-1201
Department:	Town Manager
Item Type:	Presentation Only
Estimated length of staff presentation:	None
Physical location of item:	N/A

Information

AGENDA ITEM TITLE:

Consideration and possible action to review and discuss the language in the publicity pamphlet related to the General Obligation Bond for authorization by voters at the November 2014 election.

RECOMMENDED ACTION:

REVIEW AND DISCUSSION OF THE LANGUAGE IN THE VOTER INFORMATION PAMPHLET.

SITUATION AND ANALYSIS:

See Attached

Fiscal Impact

Attachments

GO Bond Voter Information

DRAFT
06/25/14
7.9.14

TOWN OF CHINO VALLEY, ARIZONA

INFORMATIONAL PAMPHLET
AND SAMPLE BALLOT

NOVEMBER 4, 2014
SPECIAL ELECTION

TABLE OF CONTENTS

LETTER TO THE VOTERS OF THE TOWN:

The Mayor and Common Council of the Town of Chino Valley, Arizona (the "Council"), pursuant to Resolution No. ________, adopted on July 8, 2014, have ordered that a special election be held in and for the Town of Chino Valley, Arizona (the "Town" or “Chino Valley”), on November 4, 2014 (the "Election").

The purpose of this Informational Pamphlet is to provide you with information on the question which will appear on the ballot for the Election.

The Council is requesting authorization to issue general obligation bonds in the principal amount of not to exceed $13,500,000 payable from secondary (ad valorem) property taxes (the "Bonds"). (General obligation bonds are secured by an unlimited tax levy of the issuer; that is, the issuer pledges to levy the necessary taxes on all assessable property within its jurisdiction to provide timely repayment of the debt.)

If approved at the Election, the Bonds would provide funds (1) to pay the costs to acquire the City of Prescott’s domestic water system that currently operates in the Town or “Chino Valley”, per the acquisition agreement with Prescott ($4,245,000); (2) to settle the construction manager at risk agreement related to the construction of the wastewater treatment plant of the Town, per the settlement agreement with Fann Contracting ($3,030,000), and (3) to extend water and wastewater services along the east and west sides of Highway 89 between Road 2 North and Road 3 North ($6,225,000), and to pay all costs incidental to any of the foregoing and to the sale and issuance of the Bonds. The Bonds will be sold to the Water Infrastructure Finance Authority of Arizona to take advantage of lower borrowing costs, including low interest rates and possible forgivable principal (grants) available through it.

A person is entitled to vote in the Election who has resided in a precinct in the boundaries of the Town for 29 days preceding the Election, who is qualified to register to vote as provided in Section 16-101, Arizona Revised Statutes, as amended, and whose registration has been received by the Elections Department of Yavapai County, Arizona prior to midnight of the 29th day preceding the date of the Election. The last day to register for the Election was ____________, 2014.

A sample ballot and a list of the polling places for the election are included in this Informational Pamphlet.

Preparation of this Informational Pamphlet is required by State law and in compliance with the Federal Voting Rights Act, has been printed in English and Spanish. In order to be prepared to fully exercise your right to vote at the Election, you are urged to thoroughly read all the material. This Informational Pamphlet may be taken into the voting booth on the day of the Election.

Polling places for the Election will be open from 6 a.m. to 7 p.m. on November 4, 2014. Each voter must vote at the polling place in which the voter is registered. Please check the address label on this Informational Pamphlet for your polling place location.

Jami Lewis
Town Clerk, Town of Chino Valley, Arizona

QUESTIONS AND ANSWERS ABOUT THE PROPOSED BONDS AND PROJECTS TO BE FUNDED

Why is this election being held?

Bonds that are payable from Town *ad valorem* secondary property taxes require voter approval. These bonds are commonly called general obligation bonds (GO Bonds).

One bond authorization question is being submitted for your consideration at the Election. The Bonds, which are the subject of such question, will provide financing for three (3) projects that are a part of the Town's long-range planning program.

(1) The Town has an opportunity to acquire domestic water service infrastructure from the City of Prescott and the Wilhoit Water Company that currently services account holders within the Town. Acquiring this infrastructure, and constructing the necessary water pipes to tie the Town's water system to these systems with funding from the Bonds will cost about $4,250,000. In doing so, the Town can service those Chino accounts and eliminate the higher Prescott utility rates as well as the 30% out-of-City surcharge currently charged by Prescott to those Chino Valley citizens.

(2) The Town has entered into a settlement Agreement to retire the construction manager at risk contract with Fann Contracting for the construction of the Town's Wastewater Treatment Plant ("WWTP"). Funds from the Bonds used to settle this agreement ($3,030,000) and end the Operations & Maintenance agreement at the WWTP will enable the Town to control and operate the plant, while also eliminating payments to a private party that include profit margins.

(3) The Town is also seeking funds from the Bonds in the amount of $6,225,000 to fund water and wastewater utility infrastructure improvements along both sides of Highway 89, from Road 3 North to Road 2 North. The Town believes the investment in public infrastructure will help with recruiting and retaining economic development projects, job creation and retail choices for the community.

Successful settlement of the agreement on the WWTP (#2 above) and acquisition of the Prescott & Wilhoit water infrastructure (#1 above) will enable the Town to add additional customers, increase local fire protection, collect additional net revenues, stabilize and in some cases lower utility rates, and create efficiencies within the water and wastewater utility enterprise systems. The estimated budget to acquire these utilities is $7,725,000 [$4,250,000 for the Water System

Acquisition Agreement and $3,030,000 for the WWTP Settlement Agreement].

The acquisition of such utilities will also create additional regional benefits to the Town. See paragraph below titled “Regional Benefits to the Community”.

How do general obligation bonds work?

If the Bonds are approved by the voters at the Election, they will be issued as soon as possible. The amount of the Bonds may not exceed the amount approved by the voters at the Election. The Bond funds may only be used for the purposes specified in the ballot question approved by the voters.

If approved, the Bonds will be paid from property taxes levied on all property within the Town. More specifically, the Town will impose secondary property taxes to repay the principal and interest on the Bonds over time. Some of the costs may be paid from other Town sources that will reduce the amount of property taxes required.

Payments of taxes by present and future landowners will be used to repay the Bonds over a period of not more than 30 years in the same manner that homeowners pay off a home mortgage over time. Once the Bonds are paid in full, the levy of taxes for such purpose will stop.

The amount of general obligation bonds the Town may issue is limited by the State Constitution, and the amount being requested with the Election falls within that limitation. The limit is based on a percentage of the total taxable property within the Town.

What are primary and secondary property taxes?

Some communities use primary property taxes to fund the maintenance and operation budgets for local governments. **Chino Valley currently does not have a primary property tax**. Most communities use secondary property taxes pay for bond issues like the one proposed here. Your tax bill (from the County) has a separate primary and secondary property tax rate for the Town as well as most other local governments.

What exactly will the proceeds of the sale of the Bonds be used for?

- Acquire a portion of the domestic water system owned by the City of Prescott, Arizona, and Wilhoit Water Company which currently serves users in the Town per the acquisition agreement with the City of Prescott ($3,000,000) and extend the Town's water system to tie into the City of Prescott's water distribution system ($1,250,000) for a total of ($4,250,000).

- Settle the construction manager at risk agreement related to the construction of the WWTP per the settlement agreement with Fann Contracting ($3,030,000).

- Extend water and wastewater services along the east and west sides of Highway 89 between Road 2 North and Road 3 North ($6,225,000).

Why are the projects needed?

- To increase sewer collection and intercept of waste streams to (1) maximize treatment and recharge of those waste water flows into the aquifer, and (2) to preserve the Town's aquifer and water resources for future generations;

- To improve fire protection capabilities of the Town;

- To provide the lowest possible, stable and consistent utility rates for the Town's waste water and potable water systems;

- To develop the Town's local economy and provide more jobs, sales tax proceeds and retail/ commercial choices for the citizens of the Town;

- To follow and implement the policies and concepts enumerated in the General Plan of the Town, in order to create infra-structure, jobs and choices for the Town in the most efficient and effective manner as described in such plan and

- To ensure that the General and Strategic Plans of the Town will be implemented on a consistent basis to effect the changes in the development of the Town, as expressed by its citizens through such plans.

When will work begin and end on the utility infrastructure improvements along Highway 89?

It is the Town's intent to deliver the capital portions of this bond issue under the design/build method of constructing public works projects. This will allow the fastest construction of the required improvements. Provided that the bond issue is passed by the voters, the Town will begin the process of securing the design/build team immediately. Complete engineering and construction is estimated to require 18 months from the time that the design/build team is under contract.

What will be the source of the money for projects?

The Bonds will be sold to the Water Infrastructure Finance Authority of Arizona ("WIFA"). WIFA is an independent agency of the state of Arizona and is authorized by the State to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation and other water quality facilities/projects. WIFA provides significant savings to AZ communities seeking bond funds due to lower interest rates and no closing costs.

What are the anticipated regional benefits to the community that are secured with the bond measure?

(1) Road System Maintenance

The Town is not able to maintain its roads properly because State funding has been reduced, and because Town general funds must currently be used to subsidize the water and sewer utilities which have been operating at a deficit for years. Currently, some 80 road miles of maintenance have been deferred (not done) for the last six years on a system of 135 miles of road surface. By the time there is a vote on this bond issue, over $8,000,000 in road maintenance work will have been deferred (not done) because general funds do not exist to do the work.

Through acquiring the Prescott system, the Town’s water system will gain about 650 water accounts -- more than doubling the size of the Town’s water utility. The acquisition of the Wilhoit Water Company will add approximately 100 new water customers. Adding water customers (through the acquisition of the City of Prescott’s water system and Wilhoit Water Company) increases the number of accounts and revenues in the Town’s water utility so it can ‘break-even’ and the general fund dollars that would have been required for the utility subsidy can then be put towards road repairs.

(2) Utility Rate Savings and Stabilization

The acquisition of the City of Prescott’s domestic water system in the Town will affect about 650 water user accounts in the Town that are serviced by the City of Prescott. Those water users will see at a minimum, a rate reduction of approximately 30% as the City of Prescott’s ‘out-of-City’ surcharge will be eliminated.

Elimination of the deficit operation of the Town’s water and sewer utilities will also empower the Town to stabilize utility rates, holding them at current charge levels for 4 to 5 years.

(3) Redirecting Private Fees and Profits into Local Capital Improvement Programs

Settling the construction agreement on the WWTP will pay off the construction costs for the facility and the Operations and Maintenance Agreement for the facility will also terminate. This will eliminate certain higher than necessary costs in the utility charges that go to a private party, and empower the Town to plan, save for and fund capital budgets – controlling and enhancing its utilities through those savings.

(4) Increasing Waste Stream Intercepts and Recharge Volumes – Banking Water Rights

The Town is located in an Active Management Area (AMA), in which the State regulates the uses of water. One of the few mechanisms available to the Town that allows the Town to grow additional water rights is through recharge of effluent from the WWTP. Currently the Town recharges more than 300,000 gallons per day, and as the Town intercepts additional waste streams, it can increase its recharge volumes, and in turn increase its available water rights for future development in the Town. Increasing the size of the sewer system and accounts using the Town's WWTP will provide additional water rights for the future, that the Town can bank and then use for residential, commercial and retail development. This should also bring additional jobs, retail and commercial choices, and sales tax revenues to the Town.

(5) Economic Development – Creating Jobs, Retail/Commercial Choices and Sales Tax Revenues

Expansion of water and sewer infrastructures to a part of Highway 89 should provide opportunities for franchised retail and commercial businesses to locate and serve our community with support from municipal water and sewer. Most nationally franchised businesses require municipal services (water and sewer) to locate and operate, and will not develop in areas served by wells and septic systems. If these businesses move to Chino Valley, sales tax receipts will increase to support the Town, as will jobs and retail choices for the community. Further, development of these businesses should increase the number of user accounts in the water and sewer utilities, further increasing the utility revenues and stability. These revenue increases (from retail sales, as well as from additional utility accounts) should help increase or free up additional general fund monies so they can be budgeted for road repairs and capital improvement projects in the Town.

With about 23,000 trips per day on highway 89 in Chino Valley, it is expected that properties on highway 89 that have access to municipal water and sewer should experience an increase in value as well as development interest. Given the Town's population of more than 10,817 people, along with other residents west of Reed Road, to the north in Paulden and Ash Fork, and to the south west in Williamson Valley, the regional market seems to contain enough demand to support significant retail and commercial development in Town as well as job creation.

(6) Enhancing Fire Protection

The Town will operate the water distribution system it acquires from Prescott at fire-flow pressures (the City of Prescott does not guarantee fire flows as part of its service). In doing so, the Town will greatly enhance fire protection, while also eliminating the costs that property owners currently must pay for private fire flow tanks and pumps to protect their properties and businesses. Additionally, City of Prescott impact fees will no longer apply to new development seeking connections to these water lines.

(7) Investments in the local economy and growing the local tax base

If economic development and investments are made in the Town, the local tax base should increase in value, and proportionate tax payer shares of costs to support this GO Bond should begin to reduce (see chart, page 15). Further, as the tax base increases, property tax based revenues to the fire district and school districts should increase, enabling these important public service agencies to overcome difficult financial conditions that still remain from the recent recession.

(8) The GO Bond funding tool is limited in amount, duration and use, and the proposed Bond Project is designed to provide for a stable, sustainable future for the Town.

If the Bonds are approved by the voters, such funds can only be used for the purposes stated in the question presented at the Election, and once the bonds are paid off by the taxpayers, the tax is eliminated – it cannot be continued past such repayment or re-purposed for some other use.

The components of this bond issue are intended to work together to attempt to create stability in the utility funds (and fees), while also creating growth in the local economy. This bond structure should also create a foundation for the utilities which will enable them to grow as needed in the future, while increasing recharge volumes and water rights to allow for future growth. Since the Town does not have a primary property tax, economic growth is important as funds for local government services must come from retail sales taxes. Further, economic development/investment in the Town's built environment should generate additional properties and growth in the local tax base -- benefitting other important, property tax funded organizations such as the school and fire districts, while also creating jobs and retail/commercial choices for the community.

If the General Obligation Bond passes and water and sewer services are extended along Highway 89 from Road 3 North to Road 2 North, what will it cost the businesses and residences that are currently in that area to connect to the system?

The Town Council can choose to waive required connection fees to water and sewer utilities for those property owners in the project area that connect to the system while the infrastructure is being installed in the project area. Under the Town's current code, connection to water and sewer services requires a $10,000 connection fee that can be amortized over ten (10) years at a 5% interest rate and paid in monthly installments.

Should Council decide to waive connection fees the only other expenses experienced by the property owner would be destruction of an existing septic tank (if there’s one there) and installation of yard service lines connecting the private structure on the property to the water and sewer lines at the street.

How are water and sewer rates expected to be affected should the Bonds be approved?

Acquired Prescott Water Users

Approximate 30% Water Rate Reduction

2015 Rates Freeze for 4-5 Yrs

Avoids Average $X/Mo. Increase (Residential) in 5 Yrs

New & Existing Chino Valley Water Users

2015 Rates Freeze for 4-5 Yrs

Avoids Average $X/Mo. Increase (Residential) in 5 Yrs

New & Existing Chino Valley Sewer Users

2015 Rates Freeze for 4-5 Yrs

Avoids Average $X/Mo. Increase (Residential) in 5 Yrs

CERTAIN OTHER INFORMATION ABOUT THE BONDS

Amount of Bonds To Be Authorized and Maximum Interest Rate of the Bonds: The amount of the authorization for the Bonds requested by the Election is $13,500,000. The maximum interest rate on the Bonds would not exceed 7% per annum. It is expected as of the date hereof that the rate on the Bonds will actually be _____% to _____% per annum. 2.90% has been used for purposes of estimates in this Pamphlet.

Estimated Taxpayer Cost: The Bonds would be repaid from a levy of secondary (ad valorem) property taxes on all taxable property within the Town which would initially impact the taxpayers in the 2015-16 fiscal year in the form of **a $1.35 tax rate increase**. The cost of this increase for any given property will depend on the Yavapai County Assessor's full cash and secondary assessed values of that property. Such values are not necessarily equal to the market value of that property. Each property owner should refer to his/her annual property tax statement issued by the Yavapai County Assessor or his/her property tax bill to determine the Yavapai County Assessor's full cash and secondary assessed values. That information, utilized in connection with the following table, will enable a property owner to determine the estimated annual and monthly tax cost that would result from the authorization and issuance of the Bonds:

Owner Occupied Residential Property
(Assessed at 10%)

		Estimated $1.2151 Tax Rate Impact(b)	
Assessor's Full Cash Value(a)	Assessed Value	Estimated Average Annual Cost	Estimated Average Monthly Cost
$ 91,940(c)	$ 9,140	$111.72	$ 9.31
100,000	10,000	121.51	10.13
250,000	25,000	303.78	25.32

The tax impact over the term of the Bonds on an owner-occupied residence valued by the county assessor at $250,000 is estimated to be $321 per year for 20 years, or $6,422 total cost.

Agricultural Property
(Assessed at 16%)(e)

		Estimated $1.2151 Tax Rate Impact(b)	
Assessor's Full Cash Value(a)	Assessed Value	Annual Cost	Monthly Cost
$ 19,388(c)	$ 3,102	$ 37.69	$ 3.14
100,000	16,000	194.42	16.20
250,000	40,000	486.05	40.50

The tax impact over the term of the Bonds on agricultural or other vacant property valued by the county assessor at $100,000 is estimated to be $193 per year for 20 years, or $3,867 total cost.(d)

Commercial and Industrial Property
(Assessed at 19%)(f)

Assessor's Full Cash Value(a)	Assessed Value	Estimated $1.2151 Tax Rate Impact(b)	
		Annual Cost	Monthly Cost
$ 264,663(c)	$ 50,286	$ 611.03	$ 50.92
500,000	95,000	1,154.36	96.20
1,000,000	190,000	2,308.73	192.39

The tax impact over the term of the Bonds on an commercial property valued by the county assessor at $1,000,000 is estimated to be $2,315 per year for 20 years, or $46,307 total cost.(d)

(a) Assessor's full cash value is the value of your property as it appears on your tax bill and does not necessarily represent the market value.

(b) Cost based on the projected average annual tax rate over the life of the bond issues and a number of other financing assumptions which are subject to change.

(c) Represents the average value according to the Arizona Department of Revenue for 2014-15 secondary tax purposes.

(d) Assumes the assessed value annually grows at the lesser of five percent or at 50% of the projected total increase in secondary assessed value as determined as described in footnote (c) to the Table that follows.

(e) Adopted legislation requires that the assessment ratio be phased down by increments of 0.5% per year until the assessment ratio reaches 18% in fiscal year 2016-17.

(f) Adopted legislation requires that the assessment ratio be reduced to 15% in fiscal year 2016-17.

Estimated Assessment by Neighborhoods

(These numbers should be reviewed based on the most recent tax rate)

	Assessor's Full Cash Value(a)	Estimated $1.2151 Tax Rate Impact(b)	
		Average Assessed Value	Estimated Average Monthly Cost
LUNA ESTATES AMENDED	$130,796	$13,080	$13.24
MARIPOSA MANOR	$113,192	$11,319	$11.46
MARIPOSA MANOR UNIT 2	$62,664	$6,266	$6.35
MC KOWN ESTATES UNIT 2	$144,300	$14,430	$14.61
HARMONY ACRES	$54,315	$5,431	$5.50
HARMONY ACRES	$54,315	$5,431	$5.50
HIDE AWAY ACRES	$56,578	$5,658	$5.73
HIGHLANDS RANCH	$111,330	$11,133	$11.27
I-U BAR RANCH LS 7/45	$156,405	$15,640	$15.84
KAREN ACRES	$72,159	$7,216	$7.31
CHINO VALLEY ESTATES	$105,300	$10,530	$10.66
FIRE SKY RANCH	$187,503	$18,750	$18.99
GOLD RUSH RANCH	$144,785	$14,479	$14.66
GRANADAS ESTATES	$115,359	$11,536	$11.68
GRASSLAND SUBDIVISION	$130,902	$13,090	$13.25
CHINO MEADOWS UNIT 1	$27,531	$2,753	$2.79
CHINO MEADOWS UNIT 2	$32,281	$3,228	$3.27
CHINO MEADOWS UNIT 3	$58,895	$5,890	$5.96
CHINO MEADOWS UNIT 4	$42,113	$4,211	$4.26
CHINO MEADOWS UNIT 5	$52,609	$5,261	$5.33
BEE MOUNTAIN ESTATES	$154,927	$15,493	$15.69
BRIGHT STAR	$104,111	$10,411	$10.54
CHINO DE MANANA	$127,331	$12,733	$12.89
CHINO GARDENS	$81,105	$8,110	$8.21
CHINO GROVE	$139,095	$13,910	$14.08
CHINO LAKES NO. 2	$75,496	$7,550	$7.64
ANGUS ACRES - LS 2/100	$118,888	$11,889	$12.04
APPALOOSA MEADOWS PHASE 1	$145,734	$14,573	$14.76
APPALOOSA MEADOWS PHASE 2	$145,734	$14,573	$14.76
MESA VIEW ESTATES	$143,685	$14,368	$14.55
MESA VIEW SOUTH	$150,054	$15,005	$15.19
MOUNTAIN VIEW ACRES	$73,129	$7,313	$7.40
PARKSIDE VILLAGE AMENDED	$112,031	$11,203	$11.34
PLEASANT MEADOWS	$59,271	$5,927	$6.00
SHADOW MEADOW UNIT 1	$92,653	$9,265	$9.38
SUNRISE	$84,964	$8,496	$8.60
SUNRISE	$84,964	$8,496	$8.60
VISTA BONITA	$73,811	$7,381	$7.47
VISTA GRANDE ESTATES 2-3	$80,227	$8,023	$8.12
VISTA GRANDE ESTATES UNIT 4	$118,258	$11,826	$11.97
WAGON WHEEL RANCH	$128,606	$12,861	$13.02
WALKER ESTATES	$75,108	$7,511	$7.61
YAVAPAI MOBILE HOME ESTATES	$28,608	$2,861	$2.90
YO HE WAH	$114,317	$11,432	$11.58

Estimated Effect of GO Bond Approval on Subdivisions with Chino Valley Utilities

It is expected that Town of Chino Valley utility rates will freeze at 2015 charge rates, and subsequent, planned rate increases (adopted by Council in 2013) will not occur. The chart below provides estimated savings for those customers that would be serviced by Chino Valley utilities -- after the Prescott and Wilhoitt utilities are acquired and the WWTP settlement is reached using GO Bond funds.

"Expected Net Decrease in Utility Bill Current/2018" shows what the **average residential customer would SAVE** on their Chino Valley utility bill, should the GO Bond pass, and rate increases freeze as expected.

The **"Expected Net Monthly SAVINGS AFTER GO BOND…"** shows what the **average residential customer would SAVE each month AFTER PAYING THE GO BOND TAX,** should the GO Bond pass, and rate increases freeze as expected.

Subdivision	Expected Net Decrease in Utility Bill Current/2018	Expected Net Monthly SAVINGS AFTER GO BOND Assessment
HIGHLANDS RANCH	$24	**$13**
BRIGHT STAR	$24	**$14**
CHINO MEADOWS UNIT 1	$45	**$43**
CHINO MEADOWS UNIT 2	$21	**$17**
CHINO MEADOWS UNIT 3	$21	**$15**
CHINO MEADOWS UNIT 4	$21	**$16**
CHINO MEADOWS UNIT 5	$21	**$15**
GRANADAS ESTATES	$25	**$13**
CHINO GROVE	$25	**$11**
MESA VIEW ESTATES	$25	**$10**
MESA VIEW SOUTH	$25	**$9**
PARKSIDE VILLAGE AMENDED	$25	**$13**
WAGON WHEEL RANCH	$25	**$12**

Estimated Issuance Costs: Should the Bonds be authorized and issued, the Town estimates that the cost of issuance of the Bonds will be approximately $150,000 per sale.

Current Outstanding General Obligation Debt and Constitutional Debt Limitation: The Town does not currently have ad valorem tax debt outstanding. The constitutional debt limit of the Town is $17,392,281, being twenty-six percent (26%) of the current secondary assessed valuation of the Town.

Plan of Finance:

If the Election is successful, the Town would issue the total amount of the Bonds by the means of two bond sales and sell the Bonds to WIFA. The interest rate to be borne by the Bonds would be determined by the market conditions that prevail at the time of sale, but in no event would the Bonds be sold at an interest rate greater than 7% per annum. Repayment of both principal of and interest on the Bonds would occur over a period of not to exceed 30 years.

The Bonds would be repaid from a levy of secondary property taxes on all taxable property within the Town. This levy would be in addition to that described above for the Tax which is a primary property tax.

For purposes of estimating the debt service on the Bonds, the Town anticipates amortizing the Bonds over a period of twenty (20) years and has assumed an increase of 2.0% of secondary assessed valuation for fiscal years 2015-16 through 2019-20 and 0.85% growth thereafter. The assessed value is also adjusted to reflect the following statutory assessment ratio phase downs: class 1 to 18% in 2016-17 and class 2 from 16% in 2015-16 to 15% in 2016-17. The 2014-15 estimated secondary assessed valuation has been provided by the Yavapai County Assessor's Office. The actual secondary assessed valuation will determine the Town's general obligation bond capacity described above and the tax rate needed to pay debt service on general obligation bonds issued and payable from the levy of the secondary property tax. The following is an estimated debt service schedule for current amount of bonds outstanding and the Bonds:

Fiscal Year	Secondary Assessed Valuation(a)	Principal	Estimated Interest(b)	Projected Total General Obligation Debt Service (c)	Estimated Tax Rate
2014/15	$66,893,394				
2015/16	67,643,123	$ 325,000	$587,250	$ 912,250	$0.00
2016/17	67,923,415	530,000	382,075	912,075	1.35
2017/18	69,281,884	545,000	366,705	911,705	1.34
2018/19	70,667,521	560,000	350,900	910,900	1.32
2019/20	72,080,872	580,000	334,660	914,660	1.29
2020/21	72,693,559	595,000	317,840	912,840	1.27
2021/22	73,311,454	610,000	300,585	910,585	1.26
2022/23	73,934,602	630,000	282,895	912,895	1.24
2023/24	74,563,046	645,000	264,625	909,625	1.23
2024/25	75,196,832	665,000	245,920	910,920	1.22
2025/26	75,836,005	685,000	226,635	911,635	1.21
2026/27	76,480,611	705,000	206,770	911,770	1.20
2027/28	77,130,696	725,000	186,325	911,325	1.19
2028/29	77,786,307	745,000	165,300	910,300	1.18
2029/30	78,447,490	770,000	143,695	913,695	1.17
2030/31	79,114,294	790,000	121,365	911,365	1.16
2031/32	79,786,766	815,000	98,455	913,455	1.15
2032/33	80,464,953	835,000	74,820	909,820	1.14
2033/34	81,148,905	860,000	50,605	910,605	1.13
2034/35	81,838,671	885,000	25,665	910,665	1.12
		$ 13,500,000		$ 18,233,090	1.11

Average Additional Tax Rate Per $100 Assessed Value: $1.21

(a) Beginning in 2015/16, that assessed valuation will be based on the limited property value. Fiscal year 2014/15 is actual as reported by the Arizona Department of Revenue. Fiscal years 2015/16 through 2019/20 assume 2.00% growth and subsequent years assume 0.85% growth. Assessed values are also adjusted to reflect the following statutory phased downs: in class 1 phase down by one half percentage point per year to 18% in 2016/17 and class 2 from 16% in 2015/16 to 15% in 2016/17.

(b) A 2.90% average interest rate has been estimated in calculating interest costs for the 2015 issue.

(c) Estimated total debt service estimate does not include adjustments for interest earnings on the investment of Bond proceeds, tax collection delinquencies or applicable federal arbitrage rebate.

ESTIMATED TOTAL COSTS OF THE PROPOSED BOND AUTHORIZATION INCLUDING PRINCIPAL AND INTEREST IS $18,233,090.

IMPORTANT VOTING INFORMATION

Hours during the day when the polls will be open: The polling place shall be open at 6:00 a.m. and close at 7:00 p.m. on the date of the Election.

Polling Locations:

Precincts	Polling Place

Other Important Voter Information: A person is entitled to vote in the Election who has resided in a precinct in the boundaries of the Town for 29 days preceding the Election, who is qualified to register to vote as provided in Section 16-101, Arizona Revised Statutes, as amended. The last day to register for the Election is ...., 2014.

1. Please check the address label on this voter information pamphlet for your polling place information.

2. Polling places will be open from 6:00 a.m. to 7:00 p.m.

3. Any qualified elector who is either physically or visually impaired or who is unable to read or understand the contents of the ballot, may be accompanied into the voting booth by a person of such elector's choice for the purpose of assisting such elector in casting a ballot.

4. Sample ballots may be brought to the voting place and may be taken into the voting booth on the day of the election.

5. Any qualified elector, who at 7:00 p.m., is in the line of waiting voters, will be allowed to prepare and cast a ballot.

Early/Absentee Voting Information: Any qualified elector may vote an early/absentee ballot for the Election. Absentee/early voting with respect to the Election shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes. Absentee/early voting information with respect to the Election may be obtained by contacting the Town of Chino Valley Town Clerk's Office, 202 North State Route 89, Chino Valley, Arizona 86323, telephone number: (928) 636-2646.

To Vote An Early/Absentee Ballot In Person: Appear in person at the ...., ..., ..., Arizona ......, no later than the close of business on ...., 2014. Voting will be permitted Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m.

To Obtain An Early/Absentee Ballot By Mail: Submit a written, signed request to Town of Chino Valley Town Clerk's Office, 202 North State Route 89, Chino Valley, Arizona 86323 or call (928) 636-2646.

a. If confined because of physical disability or illness, indicate address of confinement and if assistance is needed.

b. If you will be out of Town, indicate where to mail the early/absentee ballot.

Written or verbal requests for an early/absentee ballot must be received by the Town of Chino Valley Town Clerk's Office before 5:00 p.m. on ...., 2014, in order for the ballot to be mailed.

The returned early/absentee ballot must be received in the Yavapai County Recorder's Office not later than 7:00 p.m. on election day, November 4, 2014, in order for the ballot to be counted.

To Obtain Further Information, Contact:

For Election Process, Voting Information and Voter Registration:

Yavapai County Elections Department
1015 Fair Street
Prescott, Arizona 86305
Telephone: (928) 771-3250

Early/Absentee Ballot Information:

Town of Chino Valley Town Clerk
202 North State Route 89
Chino Valley, Arizona 86323
Telephone: (928) 636-2646

If you do not know if you are qualified to vote, you should contact the Yavapai County Recorder's Office at the telephone number shown above.

FORM OF BALLOT

[***Insert ballot form here***]

ARGUMENTS FOR/AGAINST

[***Insert arguments for/against here***]

Bulk Rate
U.S. Postage Paid
Permit No. ___
__________, Arizona

OFFICIAL VOTING MATERIAL

YOUR POLLING PLACE
IS INDICATED ON LABEL

Only one voter Informational Pamphlet has been mailed to each household containing a registered voter. Please make it available to all registered voters in the household.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session **Item No. 3.**

Meeting Date:	07/17/2014
Contact Person:	Robert Smith, Town Manager Phone: 928-636-2646 x-1201
Department:	Town Manager
Item Type:	Action-Presentation
Estimated length of staff presentation:	None
Physical location of item:	N/A

Information

AGENDA ITEM TITLE:

Consideration and possible action to review and discuss the language in the publicity pamphlet related to the General Plan for ratification by voters at the November 2014 election.

RECOMMENDED ACTION:

REVIEW AND DISCUSSION OF THE LANGUAGE IN THE GENERAL PLAN PAMPHLET.

SITUATION AND ANALYSIS:

See Attached

Fiscal Impact

Attachments

General Plan Information

What is the Town of Chino Valley General Plan 2014?

The Town of Chino Valley's General Plan is the expression of the community's vision; it is a guide for the Town's future growth and development. It is a tool for decision-making containing long-range policies covering a period of ten (10) years or more; it is not a regulatory code, and does not affect existing land uses or zoning. The General Plan 2014 is the product of community discussion on many aspects, including current conditions and future aspirations of Chino Valley residents.

How was the new General Plan created and who was involved in the Process?

The Chino Valley General Plan 2014 process commenced approximately two years ago with the Town Council's adoption of a Public Participation Program and appointment of the General Plan Committee, made up of Chino Valley residents and business people. The General Plan Committee conducted a series of monthly meetings, augmented by briefings and workshops; all meetings were noticed and open to the public, with agendas and meeting minutes posted on the Town website. Information from regional authorities and technical support were offered at meetings; the public was invited to comment at all proceedings. A draft of the new General Plan was prepared in December 2013 and published on the Town's website in its entirety. The draft was distributed to state, regional and local agencies and made available to the general public in January 2014. A review period of more than 60 days resulted in comments that were discussed at Public Hearings of the Chino Valley Planning Commission. Revisions to the draft were made and recommended by the Planning Commission for Town Council's review. Further revisions were discussed and approved at Public Hearings of the Town Council. Public input was invited at all Public Hearings. The Town Council adopted the General Plan 2014 on May 13, 2014. The adopted Town of Chino Valley General Plan 2014 was published in its entirety in June 2014 on the Town website.

Why update the existing General Plan?

At the time that the existing 2003 General Plan was created and ratified, Chino Valley was in a period of rapid population growth and area expansion with projections for more of the same. The 2003 Plan was based on previous plans and data from the 1990's when growth was at its highest levels. Chino Valley, however, experienced a great deal of change between 2003 and 2014. The 2010 US Census reflected a significant slowing of the population rate of increase between 2000 and 2010 in comparison with that of prior decade's rate. Similarly the new-housing boom of the early 2000s slowed drastically due to the national economic recession in the latter half of the decade. The 2010 Census also found that Chino Valley's population was rapidly aging and family sizes were shrinking. These statistics emphasized the need to create a new General Plan that accommodates the current residential makeup and economic climate in the Town. The new General Plan 2014 conforms to the State Statutes requirement for cities and towns to either renew their general plan or adopt a new general plan every 10 years. The General Plan needs to be current, meet the requirements of the Statutes and reflect the desired future direction of Chino Valley.

Who uses the General Plan and how?

- Residents – to understand what types of development may happen near their homes and how Chino Valley anticipates commercial, educational, public parks and other facilities will develop.
- Property Owners – to understand Chino Valley's development goals and policies, what types of development Chino Valley expects for certain property and the overall quality and design direction for developing property in Chino Valley.
- Business Owners – to understand Chino Valley's vision, goals and development policy and to identify potential business locations.
- Out-of-Town Businesses and Potential Residents – to understand Chino Valley's goals and policies for possible future relocation to Chino Valley.
- Chino Valley Chamber of Commerce – to assist businesses in locating or relocating to Chino Valley.
- Elected and Appointed Officials – to ensure the goals and policies of Chino Valley are met when making decisions that will impact the future.
- Town Staff – to identify locations for public facilities and amenities, to provide development guidance, to attract and retain businesses and as a framework for decision-making.
- Schools – to estimate enrollment numbers and identify potential locations for new schools.
- Neighboring Communities – to ensure compatibility of development along shared borders and to coordinate future transportation and other infrastructure needs.

How will the General Plan 2014 affect private property owners?

The General Plan has no effect on existing land uses, even those that may differ from the intent of the Plan. Property rights are respected; the General Plan does not require any change to existing uses or to existing zoning classifications.

Will the General Plan 2014 allow changes to private property owners land uses in the future?

All citizens have a right to request changes in land use and zoning of their property. Arizona laws require requests for land use changes (zone changes) to conform to a General Plan. A zone change request should describe the method and intent to conform to the goals of the Plan. If the zone change requested does not conform, a property owner may apply for an amendment to the General Plan. All requests for General Plan amendments and for zone changes must comply with State statutes for public notice to the community and public hearings conducted by the Planning Commission and Town Council.

What's in the General Plan?

The General Plan 2014 contains Goals and Strategies aiming for consistent achievement of the community vision. It begins with an overview of past and current conditions in Chino Valley, followed by a series of "Elements" on Land Use, Circulation/Transportation, Water Resources/Environment, Cost of Development and Economic Development. A Postscript "Creating a Sense of Place in Chino Valley" concludes the General Plan.

The following summary describes the content of the General Plan 2014.

> The Introduction describes what a general plan is, how it was created through the Public Participation Program, the contents of, and terms used in the Plan, as well as the general plan process and amendment procedures. It explains that the General Plan is a Community-Inspired Vision of inter-related Elements. *The Chino Valley Vision: a community looking to its future that envisions diverse business and employment expansion, varieties in housing, and options in transportation; all while maintaining its valued farming heritage, recreation and environmental assets, and its small town image.*
>
> Part 1: What is Chino Valley like Today describes current conditions and trends in Chino Valley including place/location/setting, character and lifestyle, population/demographics and housing.
>
> Part 2: General Plan Elements includes descriptions, goals and strategies for the General Plan elements, as summarized below:
>
> Land Use Element discusses the broad range of existing land uses, past and current building trends and land use patterns. It introduces and focuses on future Community Cores to create community-neighborhood centered focal points, healthy lifestyle alternatives and enhanced economy. *Goal: Focus on Development of Community Cores and on Lifestyle Choices in Land Use.*
>
> Circulation/Transportation Element describes current circulation and transportation systems and traffic trends; discusses proposed road improvements and alternative transportation (transit, bicycles, walking) correlating with land uses; and long range transportation planning in the Town and region. *Goal: Encourage Circulation Improvements with Alternative Transportation Offered for Lifestyle Choices*.
>
> Open Space/Recreation Element provides an inventory of existing parks, recreation and open space resources. It suggests additional recreation needs for the future such as trail networks, playgrounds and public/private open space and regional connections. *Goal: Enhance Quality of Life and Healthful Living through Dedicated Open Spaces, Parks, and Trails.*
>
> Water Resources/Environment Element addresses available surface water, groundwater, effluent supplies, water providers and future resources, conservation and rain water harvesting. It discusses environmental effects on air and water qualities. *Goal: Encourage Sustainable Water Resources and Protect Water and Air Qualities as the Town Grows.*

Cost of Development Element identifies policies that require development to pay its fair share for additional public services generated by new development. It discusses past and current trends in impact fees on new development and describes many available mechanisms for financing and obtaining new infrastructure. *Goal: Ensure that Development Pays Its Fair Share for Additional Public Services.*

Economic Development Element discusses current employment, types of businesses, and strengths, weaknesses and trends for business opportunities. It suggests a sustainable local economy can be enhanced by future neighborhood-centered Community Cores. *Goal: Enhance Local Business and create a Sustainable Economy.*

Postscript – Creating a Sense of Place in Chino Valley summarizes the purpose of the General Plan to give voice to the community for direction in accomplishing its vision. The Postscript discusses the need for creating a Town identity, consistency with flexibility in architectural styles and quality in new development; the creation of people-gathering spaces, pedestrian connections and alternative transportation for lifestyle choices.

When does the Chino Valley General Plan 2014 take effect?

After numerous public meetings and hearings, the Chino Valley General Plan 2014 was recommended for approval by the Chino Valley Planning Commission on April 1, 2014, and adopted by the Town Council on May 13, 2014; it will be effective when ratified by the voters in November 2014.

What if the voters do not approve the Chino Valley General Plan 2014?

If the voters do not approve the plan, the current plan remains in effect until a new plan is ratified by the voters.

Where can I get more information on the Chino Valley General Plan 2014?

The General Plan 2014 is available for review at Chino Valley Town Hall, Development Services Department, 1982 N. Voss Drive and at Chino Valley Public Library, 1020 W. Palomino Road. The Plan is also available for review on-line at www.chinoaz.net. For questions about the General Plan 2014, please call Development Services Department at (928) 636-4427.