

February 28, 2012

TO: Members of the MAG Economic Development Committee

FROM: Mayor Thomas Schoaf, City of Litchfield Park, Chair

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA FOR
THE MAG ECONOMIC DEVELOPMENT COMMITTEE

Tuesday, March 6, 2012-11:30 a.m.
MAG Office, Suite 200 - Saguaro Room
302 North 1st Avenue, Phoenix

A meeting of the MAG Economic Development Committee (EDC) has been scheduled for the time and place noted above. Members of the Committee may attend the meeting either in person or by telephone conference. A light lunch will be provided.

Please park in the garage under the building. Bring your ticket to the meeting. Parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Denise McClafferty at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

If you have any questions regarding the EDC agenda items, please contact Dennis Smith, MAG Executive Director, or Denise McClafferty, Management Analyst, at (602) 254-6300.

MAG ECONOMIC DEVELOPMENT COMMITTEE
TENTATIVE AGENDA
MARCH 6, 2012

COMMITTEE ACTION REQUESTED

1. Call to Order

The meeting of the Economic Development Committee will be called to order.

2. Call to the Audience

An opportunity will be provided to members of the public to address the Economic Development Committee on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Members of the public will be requested not to exceed a three-minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Economic Development Committee requests an exception to this limit. Please note that those wishing to comment on action agenda items will be given an opportunity at the time the item is heard.

3. Approval of the February 7, 2012 Economic Development Committee Meeting Minutes

4. Marana's Job Creation Incentive Program

At the February 7, 2012, the Economic Development Committee discussed local government incentives and potential alternatives to decreasing the ability of a business to have cities and towns compete against each other. In 2010, the Town of Marana adopted a job creation incentive program that ties the incentive mechanism to the community's approved goals for economic development. Josh Wright, Director of Strategic Initiatives for the Town of Marana at that time, will provide a report on Marana's Job Creation Incentive Program. Mr. Wright is currently the Town Manager for the Town of Wickenburg.

2. Information and discussion.

3. Review and approval of the February 7, 2012 Economic Development Committee meeting minutes.

4. Information and discussion.

5. Discussion on Integration of FAA-Unmanned Aircraft Systems into the National Airspace System

The National Defense Authorization Act of 2012 and the Federal Aviation Administration (FAA) Modernization and Reform Act of 2012 contain specific direction to the Department of Transportation and the FAA to safely integrate unmanned and manned flight, including establishing six national test ranges. The Arizona Commerce Authority (ACA) is coordinating an effort to formally present Arizona's case to meet the FAA requirements for Unmanned Aircraft Systems (UAS) national test ranges. Three primary range locations and eight secondary options have been identified for FAA's consideration. The Association for Unmanned Vehicle Systems International (AUVSI) estimates that over the next 15 years, more than 23,000 jobs could be created in the United States as a result of UAS integration into the National Airspace System, and more than \$1.6 billion in wages. A draft resolution to support range locations in Arizona for the FAA-UAS National Test Ranges has been developed. It is envisioned that the MAG Regional Council and Economic Development Committee members would be requested to sign the resolution. Dr. Vicki Panhuse, Technical Advisor for Aerospace for the Arizona Commerce Authority, will provide an update on the coordination efforts. Please refer to the enclosed material.

6. Arizona's State Trade and Export Promotion (STEP) Program

Through a grant from the U.S. Small Business Administration (SBA), the Arizona Commerce Authority (ACA) was able to launch Arizona's State Trade and Export Promotion (STEP) program. The STEP program will assist Arizona small businesses (less than 500 employees) to enter export markets for the very first time or to expand into new markets. As part of the STEP program, ACA offers a number of services and tools to Arizona small and medium-sized businesses through various types of technical assistance,

5. Information, discussion and recommendation to approve adopting a resolution to support Arizona being selected by the Federal Aviation Administration as one of the six national test ranges to Integrate Unmanned Aircraft Systems (UAS) into the National Airspace System.

6. Information and discussion.

capacity building and levels of financial support. Kevin O’Shea from the Arizona District Export Council will provide information regarding the STEP program.

7. HB 2469 Revenue Allocation Districts

In October 2011, MAG organized an informational trip to Utah to observe their variety of transit systems operated by the Utah Transit Authority. Officials from the MAG member agencies were greeted by local elected officials who explained how they had redeveloped areas along the transit lines. In these discussions they explained the different economic development tools provided by the State of Utah. House Bill 2469 Revenue Allocation Districts has been introduced in the Arizona Legislature. This would provide for the creation of a revenue allocation district to fund economic development related projects within the boundaries of the municipality in which it resides from incremental increases in property and transaction privilege taxes over fixed base amounts. The provisions of the bill and the potential benefits for economic development will be discussed. Please refer to the enclosed material.

8. Resolution of Support for Arizona’s Ports of Entry with Mexico

In December 2011, elected officials, business leaders and staff from Maricopa, Pinal and Pima counties visited the Arizona ports of entry in Nogales and San Luis. The purpose of the trips was to better understand the challenges facing freight movement to and from Mexico and Arizona. As a result of these trips, a resolution of support for our borders was developed and reviewed by each organization, including SouthEastern Arizona Governments Organization (SEAGO) and Yuma Metropolitan Planning Organization (YMPO). The resolution also was discussed at the February 27, 2012 Joint Planning Advisory Council (JPAC) meeting. Comments from this meeting were incorporated into the

7. Information, discussion and input.

8. Recommend to adopt a Resolution of Support for Arizona’s Ports of Entry with Mexico.

resolution. An update of that discussion will be provided. Please refer to the enclosed material.

9. Update on the Arizona Aerospace and Defense Website project

On June 7, 2011, the Economic Development Committee was provided a report on the Aerospace and Defense (A&D) industry. It was noted that through better coordination of the supply chain, it would be possible to foster economic development and optimize the flow of freight supporting the A&D industry throughout Arizona. Since that time, the Arizona Commerce Authority (ACA), the Arizona Department of Transportation (ADOT), MAG and the Pima Association of Governments (PAG) have been working on enhancing the supply chain and mapping portion of the ACA Aerospace and Defense website. The website will include a portal where companies are able to update their own profiles. It will also include a built-in function that notifies companies when their profiles need updating. Using the State Contract, a Request for Quotes was developed and two responses were received. The contract for this project is not to exceed \$60,000, with ACA contributing one-third (\$20,000), ADOT contributing one-third (\$20,000), and MAG and PAG sharing one-third according to population percentages (MAG \$16,000 and PAG \$4,000). Staff is requesting a recommendation to approve up to \$16,000 as MAG's share of the Aerospace and Defense website enhancement project.

10. Request for Future Agenda Items

Topics or issues of interest that the Economic Development Committee would like to have considered for discussion at a future meeting will be requested.

11. Comments from the Committee

An opportunity will be provided for the Economic Development Committee (EDC) members to present a brief summary of current events. The

9. Recommendation to approve providing the Arizona Commerce Authority up to \$16,000 as MAG's share of the Aerospace and Defense Website enhancement project to improve the Arizona aerospace supply chain, to foster economic development and optimize the flow of freight supporting the A&D industry throughout Arizona.

10. Information and discussion.

11. Information.

EDC is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Adjournment

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
ECONOMIC DEVELOPMENT COMMITTEE

February 7, 2012

MAG Offices, Saguaro Room
302 N. 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Thomas L. Schoaf, Litchfield Park,
Chair

Mayor Hugh Hallman, Tempe, Vice Chair

Steven Betts, GPEC

Dr. Joseph Cavinato, Thunderbird

Mark Dreher, East Valley Partnership

#Thomas Franz, Greater Phoenix Leadership

Jim Kenny, El Dorado Holdings, Inc.

Mayor Jim Lane, Scottsdale

*Mayor Michael LeVault, Youngtown

Mayor John Lewis, Gilbert

*Mayor Marie Lopez-Rogers, Avondale

Mayor Jackie Meck, Buckeye

Mary Peters, Mary Peters Consulting

Jim Rounds, Elliott D. Pollack & Company

Floyd Roehrich, Jr., ADOT

*Todd Sanders, Greater Phoenix Chamber
of Commerce

*Mayor Jay Schlum, Fountain Hills

*Mayor Elaine Scruggs, Glendale
Councilmember, Jack Sellers, Chandler

*Jeffrey Simmons, Ryley Carlock &
Applewhite

Mayor Scott Smith, Mesa

Mayor Greg Stanton, Phoenix

*Sandra Watson, Arizona Commerce
Authority

Candace Wiest, WESTMARC

*Supervisor Mary Rose Wilcox, Maricopa
County

* Not present

Participated by video or telephone conference call

OTHERS PRESENT (from sign-in sheet(s)):

Shannon Acevedo, MAG

Eric Anderson, MAG

Gonzalo Ariceta, Thunderbird

Roc Arnett, EVP

Kelly Dalton, Phoenix

Dan Davis, Avondale

Jonathan Donie, MAG

John Dugan, Cinnabar Southwest

Jami Garrison, MAG

Jenna Goad, Glendale

Bob Gooltz, Sun City West Foundation

Bob Hazlett, MAG

Sintra Hoffman, ADOT

Beth Lewallen, Maricopa County

Brad Lundahl, Scottsdale

Denise McClafferty, MAG

Greg Osborne, Thunderbird

Shelly Parnell, GPEC

Karen Peters, Phoenix

Linda Priano, MAG

Tom Remes, Phoenix

Kristen Sexton, Avondale

Amanda Stanko, MAG

Dennis Smith, MAG

Kristen Stephenson, GPEC

Tim Strow, MAG

Kelly Taft, MAG
Jack Tomasik, CAAG

1. Call to Order

The Economic Development Committee (EDC) meeting was called to order by Chair Schoaf at 11:40 a.m. Chair Schoaf noted that Tom Franz was participating by telephone conference. Chair Schoaf welcomed Mayor Greg Stanton to the EDC.

Chair Schoaf noted public comment cards were available for those members of the public who wish to comment. Transit tickets were available from Valley Metro for those using transit to come to the meeting. Parking validation was available for the MAG parking facilities for those who parked in the garage.

2. Call to the Audience

Chair Schoaf stated according to the MAG public comment process, members of the audience who wish to speak are requested to fill out the public comment cards. He stated that there is a three minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Chair Schoaf noted that no public comment cards had been received.

3. Approval of the January 10, 2012 Economic Development Committee Meeting Minutes

Chair Schoaf asked if the members had any questions regarding the January 10, 2012 meeting minutes. There were none.

Mayor Lewis moved to approve the January 10, 2012 Economic Development Committee meeting minutes. Mayor Hallman seconded the motion and the motion carried unanimously.

5. Local Government Incentives Involved in Business Prospects

This agenda item was taken out of order.

Vice Chair Hallman discussed the local government incentives and potential alternatives to decrease the ability of a business to have cities and towns compete against each other. He noted historically, local government budgets have been largely supported by sales tax revenues and this often places cities and towns in competition with each other to attract sales tax generating businesses and hopes other cities join in the effort to stop this type of activity.

Chair Schoaf agreed with Vice Chair Hallman and stated that this is counterproductive to our region and hopes that local governments can find a way to work together.

Mayor Smith noted that local governments have limited resources to chase multiple opportunities, and the region as a whole is hurt when local governments do not create an atmosphere that maximizes these opportunities and agreed that it was important to continue having these types of conversations. He noted other regions have treated these situations as a regional opportunity by approaching it as a joint effort with the theory they will all win.

Mr. Betts noted based on his past experiences, cities should use a developer to get a piece of infrastructure that the city needs and using a sales tax recapture to reimburse the developer from a public policy standpoint makes sense.

Mayor Lane agreed and noted that it would take all local governments cooperation to make this happen.

Chair Schoaf asked if there were any other questions or comments. There were none.

4. Business Relationships with Mexico

Fernando Jimenez, Vice President International, Arizona Commerce Authority thanked the committee and stated that Mexico is Arizona's number one trading partner and during the last three quarters of 2011, Arizona sent \$4.2 billion worth of export products to Mexico compared to \$1.5 billion worth of export products to Canada, \$804 million to China, \$621 million to Japan and \$591 million to the United Kingdom.

Mr. Jimenez noted the top five sectors of exports to Mexico are electrical machinery, ore (mining products), plastic, mineral fuels, and machinery. He noted every one million dollars of export sales supports and/or creates 10-14 jobs in the United States, along with the new dollars that are being created into the economy, and the positive impact on service providers, such as transportation, customs brokers, international lawyers, etc. He stated recent statistics show that 22.6 percent of all manufacturing workers in Arizona depend on exports for their jobs and approximately 5,792 companies exported from Arizona in 2009.

He noted that President Obama's National Export Initiative goal is to double the exports from the United States. This goal has brought resources to Arizona in the form of funding STEP grants and more than \$600,000 to support Arizona companies with exporting efforts. Currently, the National Export Initiative is working to streamline export licensing and controls to ease the process and promote more exporting.

Lisa Short, Director of Export/Import Compliance for Sargent Aerospace and Defense stated Sargent provides engineered products for commercial, military and defense platforms, including aircraft, motorcraft, submarines and land vehicles. She noted for both aerospace

and defense customers, their partners rely on Sargent's capabilities in the design, development and manufacturing of high quality, precision-engineered components and essential aftermarket services.

She stated Sargent was looking for a facility that enabled them to lower manufacturing costs and looked into manufacturing plants in China, Eastern Europe and Mexico. She noted after seeing how The Offshore Group shelter plan could benefit the company, due to the proximity and ease of doing business in Mexico, they launched their operation in Mexico in 2005.

Ms. Short stated they currently have a manufacturing facility in Guaymas, Sonora and performance over the past years has been exceptional. She noted in June 2011, this facility was the first in Mexico to win the UTC Supplier Gold distinction to acknowledge superior performance over a 12-month period in the areas of quality, delivery, lean and customer satisfaction. She noted The Offshore Group handles all transactions and shipping and if product is received by Noon at the Tuscon, Arizona cross dock, it is shipped by 4:00 p.m. and is in Mexico by 6:00 a.m. the next day. She stated because of the growth in Mexico, Sargent has able to expand in Arizona.

Eduardo Saavedra, Vice President of Business Development, The Offshore Group, stated the company was founded in 1986 and is the largest Mexico shelter company and employ 14,500 people. In addition to being the largest private sector employer in the state of Sonora, The Offshore Group is the eighth largest maquiladora industry organization. He noted The Offshore Group provides manufacturing advantages for firms that have pricing and competitive pressures to identify and implement manufacturing cost-reduction measures and quality improvement strategies. He stated some of the manufacturing clients include aerospace, automotive, electronic and medical device manufacturers, as well as metal fabrication and cable assembly.

The Offshore Group's shelter plan has locations in Guaymas and Empalme, Sonora Mexico. He noted Guaymas is home to one of the fastest growing Mexico aerospace manufacturing clusters, while Empalme is home to the Offshore Group's flagship Bella Vista Industrial Park. Its tenants include manufacturers of specialized cable assemblies, auto parts, medical devices, electronic components, as well as a diversity of other products.

Mr. Saavedra noted The Offshore Group also assists in the establishment of legal entities for firms seeking to sell product into Mexico's domestic market. He noted that Mexico shelter companies provide manufacturing advantages by mitigating risk. The structure of The Offshore Group's business model is such that Offshore Group clients have no direct dealings with Mexico's IRS equivalent, and are often able to reallocate labor to other Offshore Group customers during downturns in demand and production.

He stated in 2007, The Offshore Group's Mexico Import and Export Management Service organization and infrastructure moved over \$1.8 billion USD of Client goods across the

U.S.-Mexico border. Over fifty thousand customs declarations were produced and two hundred and fifty thousand freight pieces were handled, all with a regulatory track record that has achieved the privileged status of “certified importer”. This means that when there are delays at the border, Offshore Group client company shipments take precedence over those of companies that do not hold such status. Mr. Saavedra noted that if anyone wanted more information they could reach him directly at eduardo.saavedra@offshoregroup.com or go to the website at www.offshoregroup.com.

Chair Schoaf thanked the speakers and noted that he felt this was a very important topic to be discussed. Chair Schoaf asked the committee if there were any questions or comments.

Ms. Peters asked Ms. Short if there were any intellectual property issues with Mexico and asked Mr. Saavedra what would he suggest regarding the delays at the border.

Ms. Short noted intellectual property is something they are concerned about because they are a defense contractor. She stated they have not had any direct issues regarding intellectual property at the Mexico plant because they are Sargent employees and are very loyal to Sargent. She did note Sargent does take the necessary precautions, networks are secure and export requirements are always maintained. She noted this has not been the case in their manufacturing plant in China. She stated this plant is strictly a commercial plant and no military operations will go there. She indicated the FBI has done briefings with the management and security teams at Sargent and noted that China has amped up their aggressiveness of corporate espionage and Sargent has taken the appropriate precautions.

Mr. Saavedra suggested using a CT-PAT in Mexico or opening a Fast Lane for known entities. He also noted that most of the delays occur northbound. Mr. Betts asked if rail would be an option. Mr. Saavedra stated at this time none of his clients use the rail, it is completely trucking.

Mr. Jimenez reminded the committee as they continue their economic development efforts, to let their local communities be aware of the opportunities that are available in doing business in Mexico. He stated for Arizona businesses interested in exporting goods or services, the Commerce Authority offers basic business counseling, trade missions, valuable contacts, background information and the most recent statistics on trade and market research. He noted for more information you can go to www.azcommerce.com.

Chair Schoaf asked if there were any other comments or questions. There were none.

6. Greater Phoenix Rising Website

Denise McClafferty thanked the committee and recognized the partnership between MAG and the Greater Phoenix Economic Council (GPEC) staff and their hard work in developing a data-intensive, visually-driven website that provides pertinent information about the region

to businesses looking to expand or relocate to Arizona. She began the presentation with the newly-launched sections on the GreaterPhoenixRising.com website.

She noted the additional sections included the Lifestyle and Key Assets, along with the Technology and International sub-sections of Special Reports. Some of the key sections that were shown in the presentation were the low instances of nature's disasters in our area, the outdoor activities available, with maps showing the drive time and locations to the attractions in the Maricopa Region. Ms. McClafferty then highlighted the steady increase in degrees awarded from Arizona State University, University of Arizona and Northern Arizona University from 2001 to 2010. She discussed the presentation the PEW Center gave at the NARC conference in Austin and the importance of investing in early childhood education. She noted that in the earliest years of a child's life, zero to 3 years of age, critical brain and emotional capacities develop and early investment produces a return on investment of up to 10 to 1.

Ms. McClafferty presentation included maps showing the major hospitals in Maricopa County with nationally ranked specialties and/or high performance specialties. Also being presented were the new landing page videos for the Business & Economy section, and Transportation sections. She also introduced the interactive mapping tool that is available on the Business & Economy and Population & Housing sections of the website. She noted that MAG staff could be contacted if anyone would like a demonstration on how to use this mapping tool.

Ms. McClafferty stated some of the marketing strategies to promote this website include a press release, outreach to the public information officers, national trade media, and visitors bureaus, and potentially Super Bowl marketing efforts. She also encouraged all MAG member agencies to add the www.GreaterPhoenixRising.com website link to their websites.

Chair Schoaf asked if there were any other questions or comments. There were none.

7. Innovation Discussion

Mr. Smith recognized Amanda Stanko, Peter Burnett and Gordon Tyus for their assistance in this presentation. He noted at the last committee meeting, presentations were given on innovation efforts taken place in the region, and several members commented that local government could play a great role in encouraging innovation.

Mr. Smith stated a university in Turkey did a study on the link between innovation and economic growth. The study showed the pillars of the economy and how they relate to innovation. He noted the ninth pillar, innovation, is particularly important for countries that have reached the high-tech frontier, as it is the only self-sustaining driver of growth. The study notes that this requires an environment that is conducive to innovative activity, and support by both the public and private sectors. The presentation included a chart from the

Global Competitiveness Report that showed the levels of economic development and how it relates to innovation, with innovation being the highest level. It was noted that infrastructure is a basic requirement, which would include transportation and many of the services provided by local governments.

Mr. Smith noted the 2011 Global Competitiveness Index shows the United States has slipped from fourth to fifth place, and on the Global Innovation Index, the United States is ranked number seven, while Scandinavian countries ranked higher in both. Mr. Smith stated when Denis LeClerc, Professor of Thunderbird, presented at a MAG staff retreat he noted that Sweden was one of the most competitive companies in the world.

Mr. Smith stated several of the local governments in Maricopa County participate in the Sister City Program. The goals of this program include: 1) developing a municipal partnership between U.S. cities, counties and states with similar jurisdictions in other nations, 2) provide opportunities for city officials and citizens to experience and explore other cultures through long-term community partnerships, 3) create an atmosphere in which economic and community development can be implemented and strengthened, 4) stimulate environments through which communities will creatively learn, work, and solve problems together through reciprocal cultural, educational, municipal, business, professional and technical exchanged and projects and 5) collaborate with organizations in the United States and other countries which share similar goals.

Mr. Smith noted Maricopa County has approximately thirty seven Sister Cities in twenty two countries. He presented a slide combining the two rankings showing that nine Sister Cities out of thirty seven from local governments in Maricopa County are in the top ten. He noted we need to continue supporting innovation through projects such as incubators, see our Sister Cities as an opportunity for innovation, invite local innovators to participate in our Sister Cities, and notice that Scandinavia is an untapped resource for the Sister City exchange.

Chair Schoaf asked if there were any questions or comments from the committee. There were none.

8. 2012 Desert Peaks Awards - Additional Category

Ms. Taft thanked the Chair and members of the Economic Development Committee for the opportunity to discuss the planning efforts for the Desert Peaks Awards scheduled for June 27th of this year. She noted the Desert Peaks Awards are held biennially and were created by MAG in 1998 to recognize individuals and partnerships that have demonstrated a commitment to regionalism through their cooperative efforts.

Ms. Taft noted the event consists of a reception followed by a presentation of the awards and currently, awards are presented in five categories. These categories are: Public Partnership, Public-Private Partnership, Professional Service, Regional Partnership, and Regional

Excellence. She noted that this year, in recognition of the work being done through the efforts of the Economic Development Committee, MAG staff proposed to the Executive Committee that it might be appropriate to consider the addition of a sixth award category. She stated the award would potentially be presented to a business, individual or economic development agency in the region that has demonstrated a commitment to creating an environment conducive to promoting regional economic development, in collaboration with the public sector. She noted that there is an award category for Public/Private partnership, however, this new award would be more focused on economic development efforts.

Ms. Taft stated that the Executive Committee recommended that the proposal be brought forward to the EDC for guidance. She noted some initial thoughts on a possible name for this award are Outstanding Regional Business Partner or Outstanding Economic Development Champion.

Chair Schoaf asked if there were any comments from the committee.

Mr. Betts stated he liked the idea and agreed we should recognize a special program that should be highlighted.

Mr. Lane agreed and already knows he would submit a candidate under this category.

Chair Schoaf noted that this award should be added and named Outstanding Economic Development Champion, which would be open to a business, agency or individual.

Ms. Taft also noted it is MAG staff's goal to publish nomination forms to the Desert Peaks website, as soon as changes following this meeting are made, and that the due date for nominations will be March 16th. She also stated that a panel of judges will be selected from recommendations made by Regional Council members.

Chair Schoaf asked if there were any other questions or comments. There were none.

9. Request for Future Agenda Items

Chair Schoaf asked if there were any requests for future agenda items. There were none.

10. Comments from the Committee

Mr. Betts announced the designation of Interstate 11 was included in the Senate Transportation Bill, which means we would have the designation to move this project forward. He noted it is not in the House Transportation Bill. He stated Arizona does not have a Congressman who is part of the negotiation team on the Transportation Committee and asked the elected officials to speak to their delegation and to ask for support of this designation.

Chair Schoaf then recognized Mayor Smith's birthday.

Ms. Peters advised the House Transportation Bill 2358 would be heard on February 16th, 2012 and asked the committee members to support this bill.

Mr. Smith noted on February 27, 2012 the Joint Planning Advisory Council is meeting to work on a resolution of support for Arizona's ports of entry to Mexico.

Chair Schoaf stated the next meeting is scheduled for Tuesday, March 6, 2012.

Adjournment

Mayor Smith moved to adjourn the meeting. Mayor Lane seconded the motion and the motion carried unanimously. There being no further business, the Economic Development Committee meeting was adjourned at 1:11 p.m.

Chair

Secretary



RESOLUTION OF THE MARICOPA ASSOCIATION OF GOVERNMENTS SUPPORTING ARIZONA
BEING DESIGNATED AS A NATIONAL TEST RANGE TO INTEGRATE UNMANNED AIRCRAFT
SYSTEMS INTO THE NATIONAL AIRSPACE SYSTEM

WHEREAS, the Maricopa Association of Governments (MAG) is a council of governments and metropolitan planning organization composed of twenty-five cities and towns within Maricopa County and the contiguous urbanized area, the County of Maricopa, the Gila River Indian Community, the Salt River Pima-Maricopa Indian Community, the Fort McDowell Yavapai Nation, the Arizona Department of Transportation, and the Citizens Transportation Oversight Committee; and

WHEREAS, MAG has formed the Economic Development Committee consisting of regional business and public sector leaders to support economic development in Maricopa County and the vital linkages for commerce throughout the state; and

WHEREAS, the Arizona Commerce Authority is the lead coordinator for Arizona seeking designation to meet the Federal Aviation Administration-Unmanned Aircraft Systems (FAA-UAS) National Test Range requirements; and

WHEREAS, Public Law 112-81 National Defense Authorization Act of 2012 and the Federal Modernization and Reform Act of 2012, contain specific direction to the Department of Transportation and the Federal Aviation Administration to safely integrate unmanned and manned flight, including establishing six national test ranges; and

WHEREAS, Public Law 112-81 directs that within 90 days (March 30, 2012), the Secretary of Defense and the Administrator of the FAA are to report to Congress on progress integrating UAS into the National Airspace System (NAS) and within 180 days (June 28, 2012), the Administrator of the FAA is to establish a program to integrate UAS into the NAS at six national test ranges; and

WHEREAS, between 2010 and 2025, more than 23,000 UAS jobs could be created by the integration of unmanned aircraft into the NAS; and

WHEREAS, Arizona is already the de facto leader in UAS testing. Fort Huachuca is home to the world's largest UAS Training Center and 10,000 UAS operators have been certified to operate UASs; and

WHEREAS, Arizona has identified three primary range locations for FAA's consideration and eight secondary options as well, and Arizona's proposed test ranges would accommodate large and small UAS operations; and

WHEREAS, Arizona boasts more than 350 days a year of perfect flying weather, ideal for continual testing; and

WHEREAS, Arizona hosts a broad range of aerospace and engineering research facilities, including the Arizona Laboratories for Security and Defense Research, and robust academic research at the University of

Arizona, Arizona State University, Embry-Riddle Aeronautical University and Northern Arizona University. Additionally, Cochise College-Northrop Grumman Innovation Campus offers Associate Degrees in UAS Flight Operations and Systems Technicians; and

WHEREAS, Arizona hosts numerous large aerospace defense contractors developing, testing and producing aerospace concepts and vehicles. Additionally, Arizona has 1,300 companies in the aerospace and defense contractor and supply chain; and

WHEREAS, Phoenix Sky Harbor International Airport is the ninth busiest in the USA and in the top-15 in the world, assisted by Phoenix-Mesa Gateway Airport that has hosted the largest aircraft in the world; and

WHEREAS, on March 6, 2012, the MAG Economic Development Committee recognized that Arizona has an enviable array of assets to meet the FAA-UAS National Test Ranges Requirements recommended that the MAG Regional Council fully support Arizona being designated as one of the six national test sites; and

NOW THEREFORE, BE IT RESOLVED THAT THE MARICOPA ASSOCIATION OF GOVERNMENTS REGIONAL COUNCIL supports Arizona being designated as one of the six National Test Ranges to integrate unmanned aircraft into the National Airspace System.

PASSED AND ADOPTED BY THE REGIONAL COUNCIL OF THE MARICOPA ASSOCIATION OF GOVERNMENTS AND SUPPORTED BY THE ECONOMIC DEVELOPMENT COMMITTEE THIS TWENTY-EIGHTH DAY OF MARCH 2012.

House Engrossed

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

HOUSE BILL 2469

AN ACT

AMENDING TITLE 48, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7;
RELATING TO REVENUE ALLOCATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 48, chapter 4, Arizona Revised Statutes, is amended
3 by adding article 7, to read:

4 ARTICLE 7. REVENUE ALLOCATION DISTRICTS

5 48-751. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "BASE ROLL" MEANS THE ASSESSMENT AND TAX ROLL FOR ALL CLASSES OF
8 TAXABLE PROPERTY ON JANUARY 1 OF THE YEAR IN WHICH THE GOVERNING BODY OF A
9 CITY OR TOWN ADOPTS OR MODIFIES A REVENUE ALLOCATION DISTRICT PLAN, REDUCED
10 BY THE ASSESSED VALUE OF PROPERTY TAKEN OFF THE ROLL AND INCREASED BY THE
11 ASSESSED VALUE OF PROPERTY ADDED TO THE ROLL AFTER THE DATE OF THE ROLL.

12 2. "BASE TRANSACTION PRIVILEGE TAX" MEANS THE AMOUNT OF MUNICIPAL
13 TRANSACTION PRIVILEGE TAX COLLECTED BY THE MUNICIPALITY IN WHICH THE DISTRICT
14 IS LOCATED FOR THE FISCAL YEAR IMMEDIATELY PRECEDING THE FISCAL YEAR IN WHICH
15 THE CITY OR TOWN ADOPTS OR MODIFIES A REVENUE ALLOCATION DISTRICT PLAN.

16 3. "BOARD OF DIRECTORS" MEANS THE BOARD OF DIRECTORS OF THE DISTRICT.

17 4. "CLERK" MEANS THE OFFICIAL WHO PERFORMS THE DUTIES OF CLERK OF THE
18 CITY OR TOWN OR ANY PERSON APPOINTED BY THE BOARD OF DIRECTORS TO BE THE
19 CLERK OF THE DISTRICT.

20 5. "DEBT SERVICE" MEANS THE PRINCIPAL OF, INTEREST ON AND PREMIUM, IF
21 ANY, ON BONDS WHEN DUE, WHETHER AT MATURITY OR ON PRIOR REDEMPTION, AND FEES
22 AND COSTS OF REGISTRARS, TRUSTEES, PAYING AGENTS OR OTHER AGENTS NECESSARY TO
23 HANDLE THE BONDS AND THE COSTS OF CREDIT ENHANCEMENT OR LIQUIDITY SUPPORT.

24 6. "DISTRICT" MEANS A REVENUE ALLOCATION DISTRICT ESTABLISHED BY A
25 CITY OR TOWN PURSUANT TO THIS ARTICLE.

26 7. "DISTRICT PLAN" OR "PLAN" MEANS THE PLAN FOR IMPROVEMENTS FOR WHICH
27 THE DISTRICT IS FORMED AS DESCRIBED IN SECTION 48-752.

28 8. "GENERAL OBLIGATION BONDS" MEANS BONDS THAT ARE ISSUED PURSUANT TO
29 THIS ARTICLE AND THAT ARE SECURED BY A PLEDGE OF PROPERTY TAXES LEVIED ON ALL
30 TAXABLE PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT.

31 9. "GOVERNING BODY" MEANS THE LEGISLATIVE BODY OF THE CITY OR TOWN IN
32 WHICH THE DISTRICT IS ESTABLISHED.

33 10. "INCREMENT VALUE" MEANS THE TOTAL ASSESSED VALUE CALCULATED BY
34 ADDING THE DIFFERENCES BETWEEN THE CURRENT ASSESSED VALUE OF THE TAXABLE
35 PROPERTY IN THE DISTRICT AND THAT PROPERTY'S ASSESSED VALUE ON THE BASE ROLL,
36 IF THE DIFFERENCE IS A POSITIVE VALUE.

37 11. "OWNER" MEANS THE PERSON WHO, ON THE DAY THE ACTION, ELECTION OR
38 PROCEEDING IS BEGUN OR HELD, APPEARS TO BE THE OWNER OF REAL PROPERTY AS
39 SHOWN ON THE PROPERTY TAX ASSESSMENT ROLL.

40 12. "PROJECT" MEANS A PROJECT UNDERTAKEN BY A DISTRICT FOR ECONOMIC
41 DEVELOPMENT, FOR REDUCING THE LOSS OF COMMERCE, INDUSTRY OR EMPLOYMENT, FOR
42 INCREASING EMPLOYMENT OR FOR ANY COMBINATION PURSUANT TO A REVENUE ALLOCATION
43 DISTRICT FINANCING PLAN. PROJECTS ARE LIMITED TO:

- 1 (a) THE ACQUISITION OF LAND AND IMPROVEMENTS IN THE DISTRICT.
2 (b) THE DEVELOPMENT, REDEVELOPMENT OR CONSERVATION OF LAND FOR PUBLIC
3 FACILITIES OR INDUSTRIAL OR COMMERCIAL DEVELOPMENT.
4 (c) FINANCIAL OR OTHER RELOCATION ASSISTANCE FOR PROPERTY OWNERS
5 DISPLACED AS A RESULT OF CARRYING OUT THE DEVELOPMENT OR REDEVELOPMENT OF A
6 PROJECT AND OTHER IMPROVEMENTS NECESSARY FOR CARRYING OUT THE PROJECT PLAN,
7 TOGETHER WITH SITE IMPROVEMENTS THAT ARE NECESSARY FOR THE PREPARATION OF ANY
8 SITES AND MAKING ANY LAND OR IMPROVEMENTS ACQUIRED IN THE PROJECT AVAILABLE,
9 FOR OTHER USES UNDER THE REVENUE ALLOCATION DISTRICT PLAN.
10 (d) THE CONSTRUCTION OF CAPITAL IMPROVEMENTS IN A DISTRICT DESIGNED TO
11 INCREASE OR ENHANCE THE DEVELOPMENT OF COMMERCE OR INDUSTRY.
12 (e) THE REFINANCING OF ANY PROJECT IN THE DISTRICT PREVIOUSLY
13 IDENTIFIED IN THE APPROVED DISTRICT PLAN AND PREVIOUSLY FINANCED BY THE
14 DISTRICT.
15 (f) ANY OTHER PROJECTS SPECIFICALLY IDENTIFIED IN THE DISTRICT PLAN
16 THE GOVERNING BODY CONSIDERS APPROPRIATE TO CARRY OUT THE PURPOSES OF THIS
17 ARTICLE.
- 18 13. "PROJECT COSTS" INCLUDES:
19 (a) CAPITAL COSTS, INCLUDING THE ACTUAL COSTS OF THE CONSTRUCTION OF
20 CAPITAL IMPROVEMENTS AND INFRASTRUCTURE, THE DEMOLITION, ALTERATION,
21 REMODELING, REPAIR OR RECONSTRUCTION OF EXISTING BUILDINGS, STRUCTURES AND
22 PERMANENT FIXTURES, REGARDLESS OF WHETHER THE IMPROVEMENTS, FACILITIES,
23 BUILDINGS, STRUCTURES AND FIXTURES ARE PUBLICALLY OR PRIVATELY OWNED, THE
24 ACQUISITION OF EQUIPMENT AND THE CLEARING AND GRADING OF LAND.
25 (b) FINANCING COSTS, INCLUDING INTEREST DURING CONSTRUCTION AND
26 CAPITALIZED DEBT SERVICE OR REPAIR AND REPLACEMENT OR OTHER APPROPRIATE
27 RESERVES.
28 (c) REAL PROPERTY ASSEMBLY COSTS, AS ANY DEFICIT INCURRED FROM THE
29 SALE OR LEASE BY THE MUNICIPALITY OF REAL OR PERSONAL PROPERTY WITHIN THE
30 DISTRICT.
31 (d) PROFESSIONAL SERVICE COSTS, INCLUDING COSTS INCURRED FOR
32 ARCHITECTURAL, PLANNING, ENGINEERING AND LEGAL ADVICE AND SERVICES.
33 (e) DIRECT ADMINISTRATIVE COSTS, INCLUDING REASONABLE CHARGES FOR THE
34 TIME SPENT BY MUNICIPAL EMPLOYEES IN CONNECTION WITH THE IMPLEMENTATION OF A
35 PROJECT PLAN.
36 (f) RELOCATION COSTS.
37 (g) OTHER RELATED COSTS INCIDENTAL TO ANY OF THE LISTED COSTS.
- 38 14. "RELATED COSTS" MEANS COSTS AND EXPENSES, EXCLUSIVE OF THE ACTUAL
39 COST OF CONSTRUCTING AND FINANCING IMPROVEMENTS THAT ARE RELATED TO
40 ESTABLISHING THE DISTRICT AND REIMBURSEMENT OF SUMS ADVANCED BY THE
41 MUNICIPALITY FOR CONSTRUCTING AND FINANCING IMPROVEMENTS, EXPENDED FOR
42 ATTAINING THE PURPOSES AND GOALS FOR WHICH THE DISTRICT WAS CREATED.
- 43 15. "REVENUE ALLOCATION DISTRICT PLAN" OR "PLAN" MEANS A PLAN ADOPTED
44 BY A CITY OR TOWN PURSUANT TO SECTION 48-753, AS IT CURRENTLY EXISTS,
45 INCLUDING ANY METHOD OR METHODS OF FINANCING THE PLAN.

1 16. "REVENUE BONDS" MEANS BONDS THAT ARE ISSUED PURSUANT TO THIS
2 ARTICLE AND THAT ARE SECURED BY A PLEDGE OF REVENUES OF THE DISTRICT OR
3 REVENUES COLLECTED BY THE CITY OR TOWN AND PAID TO THE DISTRICT.

4 17. "TAX" OR "TAXES" MEANS ALL PROPERTY TAX LEVIES BY ALL TAXING
5 JURISDICTIONS ON TAXABLE PROPERTY, UNLESS EXCLUDED BY THIS ARTICLE.

6 18. "TAXABLE PROPERTY" MEANS TAXABLE REAL PROPERTY, IMPROVEMENTS AND
7 PERSONAL PROPERTY INCLUDED ON THE ASSESSMENT ROLL.

8 19. "TREASURER" MEANS THE PERSON OR OFFICIAL WHO PERFORMS THE DUTIES OF
9 TREASURER OF THE MUNICIPALITY OR ANY PERSON APPOINTED BY THE DISTRICT BOARD
10 AS THE DISTRICT TREASURER.

11 48-752. Formation of district; board; change in boundaries

12 A. IF THE PUBLIC CONVENIENCE AND NECESSITY REQUIRE, AND ON
13 PRESENTATION OF A PETITION SIGNED BY THE OWNERS OF AT LEAST FIFTY-ONE PER
14 CENT OF THE LAND AREA PROPOSED TO BE INCLUDED IN THE DISTRICT, THE GOVERNING
15 BODY OF A CITY OR TOWN MAY ADOPT A RESOLUTION DECLARING ITS INTENTION TO FORM
16 A REVENUE ALLOCATION DISTRICT. THE RESOLUTION SHALL STATE THE FOLLOWING:

17 1. THE AREA TO BE INCLUDED IN THE DISTRICT, WHICH MAY INCLUDE
18 NONCONTIGUOUS AREAS.

19 2. THE PURPOSES FOR WHICH THE DISTRICT IS TO BE FORMED.

20 3. THAT THE REVENUE ALLOCATION DISTRICT PLAN IS ON FILE WITH THE
21 CLERK.

22 4. THE DATE, TIME AND PLACE OF THE HEARING TO BE HELD ON THE FORMATION
23 OF THE DISTRICT.

24 5. THE PLACE WHERE WRITTEN OBJECTIONS TO THE FORMATION OF THE DISTRICT
25 MAY BE FILED.

26 6. THAT FORMATION OF THE DISTRICT MAY RESULT IN A REVENUE ALLOCATION
27 FINANCING PROVISION THAT WILL CAUSE PROPERTY TAXES RESULTING FROM ANY
28 INCREASES IN EQUALIZED ASSESSED VALUATION IN EXCESS OF THE EQUALIZED ASSESSED
29 VALUATION AS SHOWN ON THE BASE ROLL TO BE ALLOCATED TO THE REVENUE ALLOCATION
30 DISTRICT, AND THAT AN AGREEMENT ON ADMINISTRATION OF A REVENUE ALLOCATION
31 FINANCING PROVISION HAS BEEN NEGOTIATED WITH THE CITY OR TOWN FORMING THE
32 DISTRICT.

33 7. THAT THE FORMATION OF THE DISTRICT IS CONSISTENT WITH THE GROWTH
34 AREA, COST OF DEVELOPMENT, CONSERVATION, REHABILITATION AND REDEVELOPMENT AND
35 THE NEIGHBORHOOD AND REVITALIZATION ELEMENTS OF THE GENERAL PLAN OF THE CITY
36 OR TOWN.

37 8. A REFERENCE TO THIS ARTICLE.

38 9. THAT THE DISTRICT WILL BE GOVERNED BY DIRECTORS APPOINTED BY THE
39 GOVERNING BODY OR THAT THE GOVERNING BODY OF THE CITY OR TOWN WILL SERVE AS
40 THE GOVERNING BODY OF THE DISTRICT.

41 B. THE DISTRICT SHALL BE GOVERNED BY A BOARD OF DIRECTORS APPOINTED BY
42 THE GOVERNING BODY OF THE CITY OR TOWN CONSISTING OF FIVE PERSONS NAMED BY
43 THE GOVERNING BODY, OR THE GOVERNING BODY MAY ELECT TO ACT AS THE BOARD OF
44 DIRECTORS. THE ORGANIZATION OF THE BOARD OF DIRECTORS SHALL BE INCLUDED IN
45 THE RESOLUTION OF INTENT TO FORM THE DISTRICT.

1 C. THE CLERK SHALL EXECUTE A NOTICE, WHICH SHALL READ SUBSTANTIALLY AS
2 FOLLOWS:

3 TO WHOM IT MAY CONCERN:
4 THE GOVERNING BODY OF THE CITY OR TOWN OF _____, ON
5 _____ (DATE), ADOPTED THE ATTACHED RESOLUTION DECLARING THE
6 INTENTION TO FORM A REVENUE ALLOCATION DISTRICT. A HEARING ON
7 FORMATION WILL BE HELD ON _____ (DATE), AT _____ (TIME) AT
8 _____ (LOCATION). ALL PERSONS OWNING OR CLAIMING AN INTEREST IN
9 PROPERTY IN THE PROPOSED DISTRICT WHO OBJECT TO THE INCLUSION OF
10 THEIR LAND IN THE DISTRICT, WHO OBJECT TO THE FORMATION OF THE
11 DISTRICT OR WHO OBJECT TO THE CONTENTS OF THE REVENUE ALLOCATION
12 DISTRICT PLAN MUST FILE A WRITTEN OBJECTION WITH THE UNDERSIGNED
13 AT THE FOLLOWING ADDRESS BEFORE THE TIME SET FOR THE HEARING.

14 (DATE) _____
15 _____
16 CLERK
17 (ADDRESS) _____
18 (NAME OF MUNICIPALITY) _____

19 D. A COPY OF THE RESOLUTION DECLARING THE GOVERNING BODY'S INTENTION
20 TO FORM THE DISTRICT SHALL BE ATTACHED TO THE NOTICE, AND THE CLERK SHALL
21 CAUSE A COPY TO BE MAILED TO THE OWNERS OF REAL PROPERTY IN THE DISTRICT AS
22 SHOWN ON THE MOST RECENT ASSESSMENT ROLL AND TO ALL OTHER PERSONS CLAIMING AN
23 INTEREST IN SUCH PROPERTY WHO HAVE FILED A WRITTEN REQUEST FOR A COPY OF THE
24 NOTICE WITHIN THE SIX MONTHS BEFORE OR AT ANY TIME FOLLOWING THE ADOPTION OF
25 THE RESOLUTION OF INTENT TO FORM THE DISTRICT. A COPY OF THE NOTICE AND
26 RESOLUTION SHALL BE POSTED ON THE MUNICIPALITY'S WEBSITE AT LEAST TWENTY DAYS
27 PRIOR TO THE DATE SET FOR HEARING. IF THERE IS NO CITY WEBSITE, THE CLERK
28 SHALL ALSO PUBLISH A COPY OF THE NOTICE AND RESOLUTION AT LEAST ONCE IN THE
29 OFFICIAL NEWSPAPER OF THE CITY OR TOWN, IF THERE IS ONE, OR, IF THERE IS NO
30 OFFICIAL NEWSPAPER, IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN
31 WHICH THE CITY OR TOWN IS LOCATED. THE MAILING AND PUBLICATION MUST BE
32 COMPLETED AT LEAST TWENTY DAYS BEFORE THE DATE SET FOR HEARING. THE CLERK
33 SHALL EXECUTE AN AFFIDAVIT OF MAILING STATING THE DATE OF MAILING AND THE
34 NAMES AND ADDRESSES OF THE PERSONS TO WHOM THE NOTICES AND COPIES OF THE
35 RESOLUTIONS WERE MAILED. THE CLERK SHALL OBTAIN AN AFFIDAVIT FROM THE
36 NEWSPAPER IN WHICH THE PUBLICATION WAS MADE. THE CLERK SHALL CAUSE BOTH
37 AFFIDAVITS TO BE PLACED IN THE OFFICIAL RECORDS OF THE CITY OR TOWN. THE
38 AFFIDAVITS ARE CONCLUSIVE EVIDENCE OF THE MAILING AND PUBLISHING OF NOTICE.
39 NOTICE SHALL NOT BE HELD INVALID FOR FAILURE OF DELIVERY TO THE ADDRESSEE.
40 IF THE CLERK DETERMINES THAT THE PERSON LISTED ON THE ASSESSMENT ROLL IS NO
41 LONGER THE OWNER AND THE NAME AND ADDRESS OF THE SUCCESSOR OWNER BECOME
42 KNOWN, THE CLERK SHALL CAUSE A COPY OF THE NOTICE AND RESOLUTION TO BE MAILED
43 TO THE SUCCESSOR OWNER AS SOON AS PRACTICABLE AFTER LEARNING OF THE CHANGE OF
44 OWNERSHIP.

1 E. ANY OWNER OF TAXABLE PROPERTY IN THE PROPOSED DISTRICT MAY FILE A
2 WRITTEN OBJECTION WITH THE CLERK BEFORE 5:00 P.M. ON THE BUSINESS DAY
3 PRECEDING THE DATE SET FOR THE HEARING. THE OBJECTION MAY RAISE ANY OF THE
4 FOLLOWING:

5 1. THAT THE OBJECTOR'S PROPERTY WOULD NOT BE BENEFITED FROM THE
6 IMPROVEMENTS LISTED IN THE REVENUE ALLOCATION DISTRICT PLAN AND THAT THE
7 PROPERTY SHOULD BE EXCLUDED FROM THE DISTRICT.

8 2. THAT THE DISTRICT SHOULD NOT BE FORMED, STATING THE SPECIFIC
9 REASONS.

10 3. THAT THE REVENUE ALLOCATION DISTRICT PLAN SHOULD BE MODIFIED,
11 STATING THE REASONS FOR MODIFICATION.

12 F. AT THE HEARING, INCLUDING ANY ADJOURNMENTS OR CONTINUANCES, THE
13 GOVERNING BODY SHALL HEAR AND PASS ONLY ON THE WRITTEN OBJECTIONS AND THE
14 TESTIMONY AND EVIDENCE PRESENTED IN SUPPORT OF OR OPPOSITION TO THE
15 OBJECTIONS.

16 G. TESTIMONY AT THE HEARING NEED NOT BE UNDER OATH, UNLESS REQUESTED
17 BY A PROPERTY OWNER OR REQUIRED BY THE GOVERNING BOARD. REQUESTS BY PROPERTY
18 OWNERS MUST BE MADE IN WRITING AND BE FILED WITH OR SERVED ON THE CLERK
19 BEFORE THE HEARING BEGINS OR THE REQUEST IS CONSIDERED TO BE WAIVED.

20 H. THE MINUTES OR A COPY OF A WRITTEN TRANSCRIPT OR A TAPE RECORDING
21 OF THE PROCEEDINGS OF A HEARING CONDUCTED PURSUANT TO THIS SECTION SHALL BE
22 OPEN TO PUBLIC INSPECTION THREE WORKING DAYS AFTER THE HEARING. ANY PERSON
23 MAY REQUEST TO EXAMINE OR BE FURNISHED COPIES, PRINTOUTS, PHOTOGRAPHS,
24 TRANSCRIPTS OR RECORDINGS OF A HEARING DURING REGULAR OFFICE HOURS OF THE
25 GOVERNING BODY. THE CUSTODIAN OF THE RECORDS SHALL FURNISH THE MATERIALS AND
26 MAY CHARGE A REASONABLE FEE THAT DOES NOT EXCEED THE ACTUAL COST OF
27 REPRODUCING THE ITEM REQUESTED.

28 I. AFTER THE HEARING, THE GOVERNING BODY MAY ADOPT A RESOLUTION
29 ORDERING THE FORMATION OF THE DISTRICT, DELETING ANY PROPERTY DETERMINED NOT
30 TO BE NECESSARY OR MODIFYING THE REVENUE ALLOCATION DISTRICT PLAN AND THEN
31 ORDERING THE FORMATION OF THE DISTRICT OR DETERMINING THAT THE DISTRICT NOT
32 BE FORMED. A RESOLUTION ORDERING FORMATION OF THE DISTRICT SHALL STATE THE
33 NAMES AND TERMS OF OFFICE OF THE INITIAL DIRECTORS OR, IF THE GOVERNING BODY
34 ELECTS TO SERVE AS THE GOVERNING BODY OF THE DISTRICT, THAT DETERMINATION
35 SHALL BE INCLUDED IN THE ORDER OF FORMATION.

36 J. IF THE FORMATION OF THE DISTRICT IS APPROVED, THE GOVERNING BODY
37 SHALL ORDER THE FORMATION, APPOINT THE INITIAL BOARD OF DIRECTORS, SET THE
38 BOUNDARIES OF THE DISTRICT AND ORDER THAT A MAP SHOWING THE BOUNDARIES BE
39 DRAWN AND A COPY OF THE ORDER FORMING THE DISTRICT BE DELIVERED TO THE BOARD
40 OF SUPERVISORS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED AND TO THE
41 DEPARTMENT OF REVENUE. THE DISTRICT MUST BE LOCATED ENTIRELY WITHIN THE
42 EXTERIOR BOUNDARIES OF THE CITY OR TOWN AND MAY INCLUDE NONCONTIGUOUS AREAS.
43 A NOTICE OF THE FORMATION SHOWING THE NUMBER AND DATE OF THE ORDER AND GIVING
44 A DESCRIPTION OF THE LAND INCLUDED IN THE DISTRICT SHALL BE RECORDED WITH THE
45 COUNTY RECORDER.

1 K. AN AREA MAY BE DELETED FROM THE DISTRICT OR AN AREA CONTIGUOUS TO
2 THE EXISTING DISTRICT ADDED TO THE DISTRICT FOLLOWING THE SAME PROCEDURE
3 PRESCRIBED BY THIS SECTION FOR THE FORMATION OF THE DISTRICT AND ADOPTION OF
4 A RESOLUTION BY THE GOVERNING BODY OF THE CITY OR TOWN. THE CITY OR TOWN
5 SHALL IMMEDIATELY NOTIFY THE COUNTY ASSESSOR AND THE DEPARTMENT OF REVENUE OF
6 ANY DELETIONS FROM AND ADDITIONS TO THE DISTRICT OCCURRING UNDER THIS
7 SUBSECTION.

8 L. ON ITS FORMATION, THE DISTRICT IS A CORPORATE AND POLITICAL BODY
9 AND, EXCEPT AS OTHERWISE LIMITED, MODIFIED OR PROVIDED BY THIS ARTICLE, HAS
10 ALL OF THE RIGHTS, POWERS AND IMMUNITIES OF MUNICIPAL CORPORATIONS, INCLUDING
11 AS PROVIDED BY TITLE 35, CHAPTER 3, ARTICLES 3, 3.1, 3.2, 4 AND 5. EXCEPT AS
12 OTHERWISE PROVIDED IN THIS ARTICLE, A DISTRICT IS CONSIDERED TO BE A
13 MUNICIPAL CORPORATION AND POLITICAL SUBDIVISION OF THIS STATE, SEPARATE AND
14 APART FROM THE CITY OR TOWN.

15 M. THE FORMATION OF A REVENUE ALLOCATION DISTRICT, THE ADOPTION OF A
16 REVENUE ALLOCATION PLAN, THE ISSUING OF GENERAL OBLIGATION OR REVENUE BONDS
17 AND THE IMPOSITION OF USE CHARGES PURSUANT TO THIS ARTICLE ARE DECLARED TO BE
18 A PUBLIC BENEFIT.

19 N. THE DISTRICT HAS PERPETUAL SUCCESSION.

20 48-753. Revenue allocation district plan

21 A. BEFORE ADOPTING A RESOLUTION TO ESTABLISH A DISTRICT PURSUANT TO
22 SECTION 48-752, THE CITY OR TOWN MUST ADOPT A REVENUE ALLOCATION DISTRICT
23 PLAN, FILED WITH THE CLERK, PROVIDING A GENERAL DESCRIPTION OF THE OPERATION
24 AND FINANCING OF THE DISTRICT, THE CAPITAL IMPROVEMENTS AND OTHER PROJECTS
25 FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED AND THE GEOGRAPHICAL LOCATION
26 AND BOUNDARIES OF THE DISTRICT.

27 B. THE CLERK SHALL POST NOTICE OF THE FILING OF THE PLAN IN THE
28 LOCATIONS DESIGNATED BY THE CITY OR TOWN FOR POSTING OF OFFICIAL NOTICES AND
29 AGENDAS. THE GOVERNING BODY SHALL HOLD A PUBLIC HEARING ON THE PLAN.

30 C. ANY SUBSEQUENT MODIFICATION OF THE PLAN MUST BE FILED, NOTICED AND
31 BE SUBJECT TO A PUBLIC HEARING IN THE SAME MANNER AS THE ADOPTION OF THE
32 ORIGINAL PLAN.

33 48-754. Powers

34 IN ADDITION TO THE POWERS OTHERWISE GRANTED TO A DISTRICT PURSUANT TO
35 THIS ARTICLE, TO FURTHER THE REVENUE ALLOCATION DISTRICT PLAN, THE DISTRICT
36 MAY:

37 1. ENTER INTO CONTRACTS AND SPEND MONIES FOR ANY PROJECT PURPOSE WITH
38 RESPECT TO THE DISTRICT.

39 2. ENTER INTO INTERGOVERNMENTAL AGREEMENTS PURSUANT TO TITLE 11,
40 CHAPTER 7, ARTICLE 3 FOR PLANNING, DESIGNING, INSPECTING, OWNING,
41 CONTROLLING, MAINTAINING, OPERATING AND REPAIRING PROJECTS IN THE DISTRICT.
42 THE DISTRICT SHALL NOT EXERCISE THE POWER OF EMINENT DOMAIN. NOTWITHSTANDING
43 THE FOREGOING, A MUNICIPALITY ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT
44 WITH THE DISTRICT SHALL NOT BE PROHIBITED FROM EXERCISING THE POWER OF
45 EMINENT DOMAIN WHICH IT MAY HAVE PURSUANT TO TITLE 12.

- 1 3. SELL, LEASE OR OTHERWISE DISPOSE OF PROPERTY IF THE SALE, LEASE OR
2 CONVEYANCE IS NOT A VIOLATION OF THE TERMS OF ANY CONTRACT OR BOND RESOLUTION
3 OF THE DISTRICT.
- 4 4. REIMBURSE THE CITY OR TOWN FOR DIRECT ADMINISTRATIVE COSTS ARISING
5 OUT OF PROVIDING SERVICES TO THE DISTRICT.
- 6 5. PLAN, DESIGN, INSPECT, OWN, CONTROL, MAINTAIN, OPERATE AND REPAIR
7 PROJECTS.
- 8 6. ESTABLISH, CHARGE AND COLLECT USER FEES, RATES OR CHARGES FOR THE
9 USE OF ANY PROJECT IN THE DISTRICT.
- 10 7. EMPLOY STAFF, COUNSEL AND CONSULTANTS.
- 11 8. ACCEPT GIFTS OR GRANTS AND INCUR AND REPAY LOANS FOR ANY PROJECT
12 PURPOSE.
- 13 9. ENTER INTO AGREEMENTS WITH THE CITY OR TOWN FOR THE ALLOCATION OF
14 THE TAX ON INCREMENT VALUE OF PROPERTY IN THE DISTRICT OR THE ALLOCATION OF
15 BOND PROCEEDS SUPPORTED BY A GENERAL OBLIGATION PROPERTY TAX LEVY PURSUANT TO
16 THE ADOPTED REVENUE ALLOCATION DISTRICT PLAN.
- 17 10. BY RESOLUTION, PLEDGE AN ALLOCATION OF INCREMENT VALUE OR BOND
18 PROCEEDS SUPPORTED BY A GENERAL OBLIGATION PROPERTY TAX TO FINANCE THE COSTS
19 OF ANY PROJECT IN THE DISTRICT.
- 20 11. PAY THE FINANCIAL, LEGAL AND ADMINISTRATIVE COSTS OF THE DISTRICT.
- 21 12. ENTER INTO CONTRACTS, AGREEMENTS AND TRUST INDENTURES TO OBTAIN
22 CREDIT ENHANCEMENT OR LIQUIDITY SUPPORT FOR ITS BONDS AND PROCESS THE
23 ISSUANCE, REGISTRATION, TRANSFER AND PAYMENT OF ITS BONDS AND THE
24 DISBURSEMENT AND INVESTMENT OF PROCEEDS OF THE BONDS.
- 25 13. WITH THE CONSENT OF THE GOVERNING BODY OF THE CITY OR TOWN THAT
26 FORMED THE DISTRICT:
 - 27 (a) FOR THE PURPOSE OF IMPLEMENTING A PROJECT CONTAINED IN THE PROJECT
28 PLAN, ENTER INTO AGREEMENTS WITH PERSONS OUTSIDE OF THE DISTRICT TO PROVIDE
29 ACCESS TO A PROJECT TO PERSONS AND PROPERTY OUTSIDE OF THE DISTRICT.
 - 30 (b) USE PUBLIC EASEMENTS AND RIGHTS-OF-WAY IN OR ACROSS PUBLIC
31 PROPERTY, ROADWAYS, HIGHWAYS, STREETS OR OTHER THOROUGHFARES AND OTHER PUBLIC
32 EASEMENTS AND RIGHTS-OF-WAY.
- 33 14. ADOPT AND CHANGE A SEAL.
- 34 15. SUE AND BE SUED.
- 35 16. ENTER INTO DEVELOPMENT AGREEMENTS, AS DEFINED IN SECTION 9-500.05,
36 TO CARRY OUT THE POWERS AND DUTIES OF THE DISTRICT AS SET FORTH IN THIS
37 ARTICLE.
- 38 17. ADMINISTER, IN A REASONABLE MANNER, THE IMPLEMENTATION OF THE
39 REVENUE ALLOCATION DISTRICT PLAN.
- 40 48-755. Records; open meetings
- 41 A. THE DISTRICT SHALL KEEP THE FOLLOWING RECORDS, WHICH SHALL BE OPEN
42 TO PUBLIC INSPECTION:
 - 43 1. MINUTES OF ALL MEETINGS OF THE BOARD OF DIRECTORS.
 - 44 2. ALL RESOLUTIONS.
 - 45 3. ACCOUNTS SHOWING ALL MONIES RECEIVED AND DISBURSED.

- 1 4. THE ANNUAL BUDGET.
- 2 5. ALL OTHER RECORDS REQUIRED TO BE MAINTAINED BY LAW.
- 3 B. IF THE BOARD OF DIRECTORS IS APPOINTED BY THE GOVERNING BODY OF THE
- 4 CITY OR TOWN, EACH DIRECTOR SHALL SERVE FOR A TERM OF SIX YEARS, EXCEPT THAT
- 5 TWO DIRECTORS INITIALLY APPOINTED BY THE GOVERNING BODY, SELECTED BY LOT,
- 6 SHALL SERVE FOR A TERM OF FOUR YEARS. ON THE EXPIRATION OF THE TERM OF AN
- 7 APPOINTED DIRECTOR, THE GOVERNING BODY SHALL APPOINT A PERSON TO FILL THE
- 8 POSITION. IF A VACANCY OCCURS BECAUSE OF DEATH, RESIGNATION OR INABILITY OF
- 9 THE DIRECTOR TO DISCHARGE THE DUTIES OF DIRECTOR, THE VACANCY SHALL BE FILLED
- 10 BY INTERIM APPOINTMENT MADE BY THE GOVERNING BODY FOR THE REMAINDER OF THE
- 11 UNEXPIRED TERM UNTIL THE MEMBER'S SUCCESSOR IS APPOINTED. AN APPOINTED
- 12 DIRECTOR SHALL NOT BE AN ELECTED OFFICIAL OF THE CITY OR TOWN, UNLESS THE
- 13 GOVERNING BODY OF THE CITY OR TOWN SERVES AS THE BOARD OF DIRECTORS OF THE
- 14 DISTRICT.
- 15 C. THE BOARD OF DIRECTORS SHALL COMPLY WITH TITLE 38, CHAPTER 3,
- 16 ARTICLE 3.1 AS A SEPARATE POLITICAL SUBDIVISION.
- 17 D. THE CLERK AND TREASURER OF THE DISTRICT SHALL BE THE CLERK AND THE
- 18 FINANCE DIRECTOR OF THE CITY OR TOWN, RESPECTIVELY, UNLESS THE BOARD OF
- 19 DIRECTORS APPOINTS A SEPARATE CLERK AND TREASURER OF THE DISTRICT. THE
- 20 GOVERNING BODY OF THE CITY OR TOWN MAY DESIGNATE ITS MUNICIPAL MANAGER AND
- 21 MUNICIPAL ATTORNEY TO SERVE AS THE MANAGER AND COUNSEL OF THE DISTRICT.
- 22 48-756. Recording documents
- 23 THE BOARD OF DIRECTORS SHALL FILE AND RECORD WITH THE COUNTY RECORDER
- 24 THE ORDER FORMING THE DISTRICT, THE REVENUE ALLOCATION DISTRICT PLAN AND THE
- 25 CANVASS OF ANY BOND ELECTION UNDER SECTION 48-764 AND SUBMIT COPIES OF ALL
- 26 SUCH INFORMATION TO THE STATE REAL ESTATE DEPARTMENT.
- 27 48-757. Dissolution of district
- 28 A. A DISTRICT MAY BE DISSOLVED BY THE BOARD OF DIRECTORS BY A
- 29 RESOLUTION OF THE BOARD IF THE FOLLOWING CONDITIONS EXIST:
- 30 1. ALL OF THE PROPERTY OWNED BY THE DISTRICT HAS BEEN OR WILL BE
- 31 CONVEYED TO THE CITY OR TOWN.
- 32 2. EITHER THE DISTRICT HAS NO OBLIGATIONS OR THE CITY OR TOWN HAS
- 33 ASSUMED ALL OF THE OBLIGATIONS OF THE DISTRICT.
- 34 3. ALL BONDS ISSUED BY THE DISTRICT SUPPORTED BY A PLEDGE OF PROPERTY
- 35 TAX REVENUES HAVE BEEN PAID IN FULL.
- 36 B. THE BOARD OF DIRECTORS SHALL COMPLY WITH THE CONDITIONS PRESCRIBED
- 37 BY SUBSECTION A OF THIS SECTION AND SHALL DISSOLVE THE DISTRICT IF BOTH OF
- 38 THE FOLLOWING OCCUR:
- 39 1. THE BOARD OF DIRECTORS HAS CONSENTED TO COMPLY WITH THE CONDITIONS
- 40 PRESCRIBED BY SUBSECTION A OF THIS SECTION AND DETERMINES THAT THE DISTRICT
- 41 HAS BEEN INACTIVE FOR AT LEAST FIVE CONSECUTIVE YEARS AND HAS NO FUTURE
- 42 PURPOSE.
- 43 2. THE BOARD OF DIRECTORS ADOPTS A RESOLUTION DISSOLVING THE DISTRICT
- 44 AND RECORDS THE RESOLUTION IN THE OFFICE OF THE COUNTY RECORDER.

1 C. THE DISTRICT MAY NOT BE DISSOLVED IF ANY REVENUE BONDS OF THE
2 DISTRICT REMAIN OUTSTANDING UNLESS AN AMOUNT OF MONEY SUFFICIENT, TOGETHER
3 WITH INVESTMENT INCOME, TO MAKE ALL PAYMENTS DUE ON THE REVENUE BONDS EITHER
4 AT MATURITY OR PRIOR REDEMPTION HAS BEEN DEPOSITED WITH A TRUSTEE OR ESCROW
5 AGENT AND PLEDGED TO THE PAYMENT AND REDEMPTION OF THE BONDS. THE DISTRICT
6 MAY CONTINUE TO OPERATE AFTER DISSOLUTION ONLY AS NEEDED TO COLLECT MONEY AND
7 MAKE PAYMENTS ON ANY OUTSTANDING BONDS.

8 48-758. Financing projects; sources of revenue

9 A. THE PROJECTS TO BE CONSTRUCTED OR ACQUIRED PURSUANT TO THE REVENUE
10 ALLOCATION DISTRICT PLAN MAY BE FINANCED FROM ONE OR MORE OF THE FOLLOWING
11 REVENUE SOURCES:

- 12 1. PROCEEDS FROM THE SALE OF REVENUE BONDS OF THE DISTRICT.
- 13 2. TAX REVENUES FROM THE INCREMENT VALUE OF TAXABLE REAL AND PERSONAL
14 PROPERTY ALLOCATED BY THE CITY OR TOWN TO THE DISTRICT ACCORDING TO THE
15 REVENUE ALLOCATION DISTRICT PLAN.
- 16 3. INCREMENTAL INCREASES IN TRANSACTION PRIVILEGE TAX REVENUE
17 ACCORDING TO THE REVENUE ALLOCATION DISTRICT PLAN.
- 18 4. PROCEEDS FROM THE SALE OF GENERAL OBLIGATION BONDS OF THE DISTRICT.
- 19 5. STATE, FEDERAL AND PRIVATE GRANTS AND CONTRIBUTIONS.
- 20 6. ANY OTHER MONIES LAWFULLY AVAILABLE TO THE DISTRICT.

21 B. THE DISTRICT MAY ESTABLISH, CHARGE AND COLLECT USER FEES, RATES OR
22 CHARGES FOR THE USE OF ANY PROJECT IN THE DISTRICT AS PROVIDED BY SECTION
23 48-754, PARAGRAPH 6.

24 48-759. Determination and allocation of property tax revenue
25 increments

26 A. THE ALLOCATION OF AD VALOREM PROPERTY TAX INCREMENTS WITHIN A
27 REVENUE ALLOCATION DISTRICT SHALL BE CALCULATED USING PRIMARY PROPERTY TAXES
28 LEVIED BY THE CITY OR TOWN IN WHICH THE DISTRICT IS LOCATED. SECONDARY
29 PROPERTY TAX LEVIES AND PROPERTY TAX LEVIES BY ALL OTHER POLITICAL
30 SUBDIVISIONS OF THIS STATE, OTHER THAN THE CITY OR TOWN IN WHICH THE DISTRICT
31 IS LOCATED, ARE NOT AFFECTED BY THE DISTRICT.

32 B. THE AMOUNT OF PROPERTY TAX REVENUES COLLECTED WITHIN THE DISTRICT
33 FROM THE PRIMARY PROPERTY TAX LEVY ON THE CURRENT TAX ROLL BY THE CITY OR
34 TOWN IN WHICH THE DISTRICT IS LOCATED, MINUS THE AMOUNT OF REVENUES COLLECTED
35 WITHIN THE DISTRICT FROM THE PRIMARY PROPERTY TAX LEVY ON THE BASE ROLL BY
36 THE CITY OR TOWN IN WHICH THE DISTRICT IS LOCATED SHALL BE ALLOCATED TO THE
37 REVENUE ALLOCATION DISTRICT.

38 C. THE INCREMENTAL AMOUNT OF TRANSACTION PRIVILEGE TAX REVENUES THAT
39 MAY BE ALLOCATED TO THE DISTRICT IS THE TOTAL AMOUNT OF MUNICIPAL TRANSACTION
40 PRIVILEGE TAX REVENUES COLLECTED BY THE CITY OR TOWN WITHIN THE DISTRICT IN
41 THE CURRENT FISCAL YEAR, MINUS THE BASE TRANSACTION PRIVILEGE TAX AND ANY
42 OTHER TRANSACTION PRIVILEGE TAX REVENUES NOT PLEDGED FOR PROJECTS IN THE
43 DISTRICT PLAN. AN INCREASE IN THE RATE OF TRANSACTION PRIVILEGE TAX BY THE
44 MUNICIPALITY SHALL BE INCLUDED IN THE BASE TRANSACTION PRIVILEGE TAX.

1 D. ALL TAX INCREMENT REVENUES ALLOCATED TO THE DISTRICT SHALL BE
2 CREDITED TO ONE OR MORE SPECIAL FUNDS ESTABLISHED PURSUANT TO SECTION 48-760.
3 48-760. General fund; special fund

4 A. EXCEPT FOR TAX INCREMENT REVENUES AND GENERAL OBLIGATION PROPERTY
5 TAX REVENUES FOR REPAYMENT OF BONDS PLEDGED PURSUANT TO A REVENUE ALLOCATION
6 FINANCING PROVISION OF THE DISTRICT PLAN, ALL MONIES RECEIVED BY THE DISTRICT
7 SHALL BE CREDITED TO A GENERAL FUND OF THE DISTRICT.

8 B. ON ENACTMENT OF AN ORDINANCE ADOPTING A REVENUE ALLOCATION
9 FINANCING PROVISION AS PART OF THE DISTRICT PLAN, THE BOARD OF DIRECTORS
10 SHALL ESTABLISH A SPECIAL FUND OR FUNDS FOR THE PURPOSES OF THIS ARTICLE.
11 ALL TAX INCREMENT REVENUES AND ANY OTHER REVENUES PLEDGED FOR THOSE PURPOSES
12 SHALL BE CREDITED TO THE DESIGNATED SPECIAL FUND OR FUNDS.

13 C. THE BOARD OF DIRECTORS MAY SEGREGATE THE GENERAL FUND AND ANY
14 SPECIAL FUND INTO SEPARATE AND EXCLUSIVE ACCOUNTS AND SUBACCOUNTS AS
15 NECESSARY TO ACCOMMODATE THE FINANCIAL REQUIREMENTS OF THE DISTRICT.

16 48-761. Statements and estimates of expenses; annual budget

17 A. THE BOARD OF DIRECTORS SHALL MAKE ANNUAL STATEMENTS AND ESTIMATES
18 OF THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, THE COSTS OF
19 PROJECTS TO BE FINANCED AND THE AMOUNT OF ALL OTHER PROPOSED EXPENDITURES TO
20 BE PAID FROM THE INCREMENT OF TRANSACTION PRIVILEGE TAXES IMPOSED BY THE CITY
21 OR TOWN FORMING THE DISTRICT OR THE INCREMENT OF PRIMARY PROPERTY TAXES
22 IDENTIFIED IN THE PROJECT PLAN TO BE USED FOR PROJECTS UNDERTAKEN BY THE
23 DISTRICT. THE STATEMENTS AND ESTIMATES SHALL INCLUDE THE AMOUNT OF ALL OTHER
24 PROPOSED EXPENDITURES FOR MAINTENANCE AND OPERATION OF THE DISTRICT TO BE
25 PAID FROM OTHER SOURCES OF REVENUE. THE BOARD OF DIRECTORS SHALL FILE THE
26 ANNUAL STATEMENTS AND ESTIMATES WITH THE CLERK, PUBLISH A NOTICE OF THE
27 FILING OF THE ESTIMATE AND HOLD HEARINGS ON THE PORTIONS OF THE ESTIMATE NOT
28 RELATING TO DEBT SERVICE ON BONDS.

29 B. ON OR BEFORE JULY 1 OF EACH YEAR, THE DISTRICT TREASURER SHALL
30 PREPARE A PROPOSED BUDGET OF TENTATIVE EXPENDITURES AND REVENUES FOR THE
31 ENSUING FISCAL YEAR TO BE SUBMITTED TO THE BOARD OF DIRECTORS FOR APPROVAL.

32 C. THE BOARD OF DIRECTORS SHALL HOLD A PUBLIC HEARING ON THE PROPOSED
33 BUDGET. THE GOVERNING BODY OF THE PARTICIPATING CITY OR TOWN SHALL REVIEW
34 THE PROPOSED ANNUAL BUDGET AND MAY SUBMIT WRITTEN COMMENTS TO THE BOARD OF
35 DIRECTORS FOR ITS ASSISTANCE AND INFORMATION. THE BOARD OF DIRECTORS SHALL
36 THEN DIRECT THAT THE PROPOSED ANNUAL BUDGET BE PUBLISHED IN A NEWSPAPER OF
37 GENERAL CIRCULATION IN THE DISTRICT.

38 D. AT LEAST FOURTEEN DAYS AFTER THE HEARING, BUT NO LATER THAN OCTOBER
39 1, THE BOARD OF DIRECTORS MUST ADOPT THE FINAL BUDGET FOR THE FISCAL YEAR.
40 THE ADOPTED BUDGET MAY NOT EXCEED THE PROPOSED BUDGET OF TENTATIVE REVENUES
41 AND EXPENDITURES.

42 48-762. Revenue bonds

43 A. AT ANY TIME AFTER THE DISTRICT IS ORGANIZED, THE BOARD OF DIRECTORS
44 SHALL HOLD A HEARING ON THE QUESTION OF AUTHORIZING THE ISSUANCE OF EITHER OR
45 BOTH:

1 1. REVENUE BONDS OF THE DISTRICT TO PROVIDE MONIES FOR ANY PROJECT
2 CONSISTENT WITH THE REVENUE ALLOCATION DISTRICT PLAN.
3 2. GENERAL OBLIGATION BONDS OF THE DISTRICT TO PROVIDE MONIES FOR ANY
4 PROJECT CONSISTENT WITH THE REVENUE ALLOCATION DISTRICT PLAN.
5 B. IF AUTHORIZED BY AN ELECTION HELD PURSUANT TO SECTION 48-764, THE
6 BOARD OF DIRECTORS MAY:
7 1. ISSUE AND SELL REVENUE BONDS OF THE DISTRICT IF APPROVED BY
8 RESOLUTION OF THE BOARD OF DIRECTORS.
9 2. AS PROVIDED BY SECTION 48-763, ISSUE AND SELL GENERAL OBLIGATION
10 BONDS OF THE DISTRICT IF APPROVED BY RESOLUTION OF THE BOARD OF DIRECTORS.
11 3. ENTER INTO AN INTERGOVERNMENTAL AGREEMENT UNDER THIS ARTICLE TO
12 PERMIT AN INDUSTRIAL DEVELOPMENT AUTHORITY FORMED UNDER TITLE 35, CHAPTER 5
13 TO ISSUE BONDS FOR A PROJECT IN THE DISTRICT PLAN AND TO PLEDGE REVENUES OF
14 THE DISTRICT FOR REPAYMENT OF THE INDUSTRIAL DEVELOPMENT AUTHORITY BONDS, THE
15 EXPENSES OF ISSUING THE BONDS AND FUNDING DEBT SERVICE RESERVE ACCOUNTS AND
16 BOND INSURANCE.
17 4. PLEDGE TO THE PAYMENT OF ITS REVENUE BONDS ANY REVENUES OF THE
18 DISTRICT OR REVENUES TO BE COLLECTED BY THE MUNICIPALITY IN TRUST FOR THE
19 DISTRICT AND PAID TO THE DISTRICT.
20 C. THE DISTRICT SHALL PRESCRIBE, AND REVISE AS NECESSARY, FEES AND
21 CHARGES TO GENERATE REVENUE SUFFICIENT, TOGETHER WITH ANY MONIES FROM THE
22 SOURCES DESCRIBED IN SECTION 48-758, TO PAY WHEN DUE THE PRINCIPAL AND
23 INTEREST OF ALL REVENUE BONDS FOR THE PAYMENT OF WHICH REVENUE HAS BEEN
24 PLEDGED. THE ESTABLISHMENT OR REVISION OF ANY RATES, FEES AND CHARGES SHALL
25 BE IDENTIFIED AND NOTICED CONCURRENTLY WITH THE ANNUAL BUDGET PROCESS OF THE
26 DISTRICT PURSUANT TO SECTION 48-761.
27 D. IF, IN THE RESOLUTION OF THE BOARD OF DIRECTORS, THE REVENUES TO BE
28 PLEDGED ARE LIMITED TO CERTAIN TYPES OF REVENUES, ONLY THOSE TYPES OF
29 REVENUES MAY BE PLEDGED AND ONLY THOSE REVENUES MUST BE MAINTAINED.
30 E. THE DISTRICT OR THE CITY OR TOWN SHALL NOT BE COMPELLED TO EXERCISE
31 ANY TAXING POWER TO PAY THE BONDS OR THE INTEREST ON THE BONDS. REVENUE
32 BONDS ISSUED UNDER THIS ARTICLE ARE NOT A DEBT OF THE DISTRICT, THE CITY OR
33 TOWN OR THIS STATE, NOR IS THE PAYMENT OF REVENUE BONDS ENFORCEABLE OUT OF
34 ANY MONIES OTHER THAN THE REVENUE PLEDGED TO THE PAYMENT OF THE BONDS.
35 F. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY
36 REVENUE BONDS OF THE DISTRICT.
37 48-763. General obligation bonds; tax levy
38 A. AT ANY TIME AFTER THE HEARING ON FORMATION OF THE DISTRICT, THE
39 DISTRICT BOARD MAY ORDER AND CALL A GENERAL OBLIGATION BOND ELECTION AS
40 PROVIDED BY SECTION 48-764 TO SUBMIT TO THE QUALIFIED ELECTORS OF THE
41 DISTRICT OR TO THOSE PERSONS WHO ARE QUALIFIED TO VOTE PURSUANT TO SECTION
42 48-764 THE QUESTION OF AUTHORIZING THE DISTRICT BOARD TO ISSUE GENERAL
43 OBLIGATION BONDS OF THE DISTRICT TO PROVIDE MONIES FOR ANY PUBLIC
44 INFRASTRUCTURE PURPOSES CONSISTENT WITH THE REVENUE ALLOCATION DISTRICT PLAN.

1 B. IF GENERAL OBLIGATION BONDS ARE APPROVED AT AN ELECTION, THE
2 DISTRICT BOARD MAY ISSUE AND SELL GENERAL OBLIGATION BONDS OF THE DISTRICT.

3 C. IF GENERAL OBLIGATION BONDS ARE TO BE SOLD IN A PUBLIC OFFERING,
4 THE BONDS SHALL NOT BE ISSUED UNLESS THEY RECEIVE ONE OF THE FOUR HIGHEST
5 INVESTMENT GRADE RATINGS BY A NATIONALLY RECOGNIZED BOND RATING AGENCY.

6 D. AFTER GENERAL OBLIGATION BONDS ARE ISSUED, THE DISTRICT BOARD SHALL
7 ENTER IN ITS MINUTES A RECORD OF THE BONDS SOLD AND THEIR NUMBERS AND DATES
8 AND SHALL ANNUALLY LEVY AND CAUSE AN AD VALOREM TAX TO BE COLLECTED, AT THE
9 SAME TIME AND IN THE SAME MANNER AS OTHER PROPERTY TAXES ARE LEVIED AND
10 COLLECTED ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT, TOGETHER WITH
11 ANY MONIES FROM THE SOURCES DESCRIBED IN SECTION 48-758, TO PAY DEBT SERVICE
12 ON THE BONDS WHEN DUE. MONIES DERIVED FROM THE LEVY OF THE TAX CONSTITUTE
13 FUNDS TO PAY THE DEBT SERVICE ON THE BONDS AND SHALL BE KEPT SEPARATELY FROM
14 OTHER MONIES OF THE DISTRICT.

15 E. THE AMOUNT OF INDEBTEDNESS EVIDENCED BY GENERAL OBLIGATION BONDS
16 ISSUED UNDER THIS SECTION SHALL NOT AT ANY TIME EXCEED THE ESTIMATED PROJECT
17 COST AS SET FORTH IN THE REVENUE ALLOCATION DISTRICT PLAN PLUS ALL COSTS
18 CONNECTED WITH ISSUING AND SELLING THE BONDS AND CREDIT ENHANCEMENT AND
19 LIQUIDITY SUPPORT FEES AND COSTS.

20 F. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY
21 GENERAL OBLIGATION BONDS. NO ELECTION IS REQUIRED FOR ISSUING GENERAL
22 OBLIGATION BONDS TO REFUND ANY GENERAL OBLIGATION BONDS OF THE DISTRICT.

23 48-764. Election to approve bonds; acreage voting

24 A. AT ANY TIME AFTER THE HEARING ON FORMATION OF THE DISTRICT, THE
25 BOARD OF DIRECTORS, OR, IF BEFORE FORMATION, THE GOVERNING BODY OF THE CITY
26 OR TOWN, MAY CALL AN ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS OF THE
27 DISTRICT AND THE OWNERS OF TAXABLE REAL AND PERSONAL PROPERTY IN THE
28 DISTRICT, THE QUESTION OF AUTHORIZING EITHER OR BOTH:

29 1. THE ALLOCATION OF AN INCREMENTAL PORTION OF AD VALOREM TAX REVENUES
30 FROM THE TAXABLE REAL AND PERSONAL PROPERTY IN THE DISTRICT, UNLESS OTHERWISE
31 EXEMPT UNDER THIS ARTICLE, OR THE ALLOCATION OF THE INCREMENT OF MUNICIPAL
32 TRANSACTION PRIVILEGE TAX REVENUES ABOVE THE BASE TRANSACTION PRIVILEGE TAX
33 REVENUES TO FUND THE PROJECT OR PROJECTS DESCRIBED IN THE REVENUE ALLOCATION
34 DISTRICT PLAN.

35 2. THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE DISTRICT IN SUCH
36 SERIES, AMOUNTS AND TERMS AS DETERMINED NECESSARY TO FUND THE PROJECT OR
37 PROJECTS DESCRIBED IN THE REVENUE ALLOCATION DISTRICT PLAN.

38 B. IF THE DISTRICT INTENDS TO ISSUE ONE OR MORE SERIES OF REVENUE
39 BONDS, THE BOARD OF DIRECTORS MAY SUBMIT THE QUESTION OF AUTHORIZING THE
40 ISSUANCE OF ONE OR MORE SERIES OF REVENUE BONDS FOR PROJECTS CONTAINED IN THE
41 REVENUE ALLOCATION DISTRICT PLAN.

42 C. NOTICE OF THE ELECTION SHALL BE GIVEN BY POSTING NOTICES IN THREE
43 PUBLIC PLACES IN THE DISTRICT AT LEAST TWENTY DAYS BEFORE THE ELECTION.
44 NOTICE SHALL ALSO BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE

1 MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED ONCE A WEEK FOR TWO CONSECUTIVE
2 WEEKS BEFORE THE ELECTION. THE NOTICE SHALL INCLUDE:

3 1. THE PLACE OF HOLDING THE ELECTION.

4 2. THE HOURS DURING THE DAY, AT LEAST SIX, IN WHICH THE POLLS WILL BE
5 OPENED.

6 3. THAT A DISTRICT PLAN IS ON FILE IN THE OFFICE OF THE CLERK OF THE
7 MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED.

8 D. THE BOARD OF DIRECTORS OR THE GOVERNING BODY OF THE MUNICIPALITY
9 SHALL DETERMINE THE DATE OF THE ELECTION, THE POLLING PLACES FOR THE ELECTION
10 AND MAY CONSOLIDATE COUNTY PRECINCTS. EXCEPT AS OTHERWISE PROVIDED, THE
11 ELECTION SHALL COMPLY WITH THE GENERAL ELECTION LAWS OF THIS STATE.

12 E. EACH OWNER OF TAXABLE REAL AND PERSONAL PROPERTY IN THE DISTRICT
13 SHALL HAVE ONE VOTE FOR EACH ONE-FIFTH ACRE, OR LESSER PORTION ROUNDED UPWARD
14 TO THE NEAREST ONE-FIFTH ACRE, OWNED BY THAT PERSON.

15 F. IF NO PERSON HAS REGISTERED TO VOTE IN THE DISTRICT WITHIN FIFTY
16 DAYS IMMEDIATELY PRECEDING ANY SCHEDULED ELECTION DATE, ANY ELECTION REQUIRED
17 TO BE HELD PURSUANT TO THIS ARTICLE SHALL BE HELD WITH THE VOTE OF THE OWNERS
18 OF THE LAND.

19 G. THE BALLOT SHALL CONTAIN THE WORDS "DISTRICT, YES" AND "DISTRICT,
20 NO", AND FOR REVENUE BONDS "REVENUE BONDS, YES" AND "REVENUE BONDS, NO" AND
21 FOR GENERAL OBLIGATION BONDS "BONDS, YES" AND "BONDS, NO".

22 H. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF A PETITION
23 APPROVING FORMATION OF THE DISTRICT HAS BEEN SIGNED BY ALL OF THE OWNERS OF
24 TAXABLE REAL AND PERSONAL PROPERTY IN THE PROPOSED DISTRICT, THE MUNICIPALITY
25 MAY WAIVE ANY OR ALL REQUIREMENTS FOR HOLDING AN ELECTION TO APPROVE
26 FORMATION OF THE DISTRICT.

27 I. THE CITY OR TOWN GOVERNING BODY SHALL CANVASS RETURNS OF THE
28 ELECTION WITHIN FOURTEEN DAYS AFTER AN ELECTION.

29 48-765. Terms of bonds

30 A. THE BOARD OF DIRECTORS SHALL PRESCRIBE THE DENOMINATIONS OF THE
31 BONDS, THE SIZE OF EACH ISSUE, THE MATURITIES, INTEREST PAYMENT DATES AND
32 INTEREST RATES, WHETHER FIXED OR VARIABLE. THE BONDS MAY BE SOLD BY
33 COMPETITIVE BID, INCLUDING AN ONLINE BIDDING PROCESS, OR NEGOTIATED SALE FOR
34 PUBLIC OR PRIVATE OFFERING AT, BELOW OR ABOVE PAR. IF THE BONDS ARE SOLD
35 BELOW PAR, THE AGGREGATE AMOUNT OF DISCOUNT AND INTEREST TO BE PAID ON THE
36 BONDS SHALL NOT EXCEED THE AMOUNT OF INTEREST THAT WOULD HAVE BEEN PAYABLE ON
37 THOSE BONDS PURSUANT TO THE MATURITY SCHEDULE PRESCRIBED BY THE BOARD OF
38 DIRECTORS AT THE MAXIMUM RATE SET OUT IN THE BOND RESOLUTION. FOR THE
39 PURPOSES OF THIS SUBSECTION, "ONLINE BIDDING PROCESS" MEANS A PROCUREMENT
40 PROCESS IN WHICH THE BOARD OF DIRECTORS RECEIVES BIDS ELECTRONICALLY OVER THE
41 INTERNET IN A REAL-TIME, COMPETITIVE BIDDING EVENT.

42 B. THE PROCEEDS OF THE SALES SHALL BE DEPOSITED WITH THE DISTRICT
43 TREASURER, OR WITH A TRUSTEE DESIGNATED BY THE BOARD OF DIRECTORS, TO THE
44 CREDIT OF THE DISTRICT TO BE WITHDRAWN FOR THE PURPOSES PROVIDED BY THIS
45 ARTICLE. PENDING THAT USE, THE PROCEEDS MAY BE INVESTED AS DETERMINED BY THE

1 BOARD OF DIRECTORS. THE BOARD OF DIRECTORS MAY PLACE ANY RESTRICTIONS ON
2 INVESTMENT YIELD ON THE BONDS OR ANY MONIES PLEDGED TO PAY THE BONDS IF
3 NECESSARY TO COMPLY WITH FEDERAL INCOME TAX LAWS AND REGULATIONS TO GAIN ANY
4 FEDERAL TAX BENEFITS AVAILABLE WITH RESPECT TO THE BONDS. MONIES SHALL BE
5 INVESTED UNDER THIS SUBSECTION IN A MANNER THAT AVOIDS ARBITRAGE PENALTIES
6 PRESCRIBED BY FEDERAL LAW.

7 C. THE BONDS MAY CONTAIN SUCH TERMS, CONDITIONS, COVENANTS AND
8 AGREEMENTS AS THE BOARD OF DIRECTORS CONSIDERS PROPER. THE BONDS MAY BE
9 PAYABLE FROM ANY COMBINATION OF SOURCES DESCRIBED IN THIS ARTICLE AND AS
10 SPECIFIED IN THE BONDS IF ALL APPLICABLE REQUIREMENTS ARE MET.

11 D. BONDS ISSUED UNDER THIS ARTICLE ARE DECLARED TO BE ISSUED FOR AN
12 ESSENTIAL PUBLIC AND GOVERNMENTAL PURPOSE.

13 E. IF ANY OF THE PUBLIC OFFICIALS WHOSE SIGNATURES APPEAR ON BONDS
14 ISSUED UNDER THIS ARTICLE NO LONGER HOLD OFFICE WHEN THE BONDS ARE DELIVERED,
15 THE SIGNATURES REMAIN VALID AND SUFFICIENT FOR ALL PURPOSES.

16 F. BONDS ISSUED UNDER THIS ARTICLE ARE FULLY NEGOTIABLE WITHIN THE
17 MEANING AND FOR ALL PURPOSES OF THE UNIFORM COMMERCIAL CODE REGARDLESS OF
18 WHETHER THE BONDS ACTUALLY CONSTITUTE NEGOTIABLE INSTRUMENTS UNDER THE
19 UNIFORM COMMERCIAL CODE.

20 G. IN ANY LEGAL ACTION OR PROCEEDING INVOLVING THE VALIDITY OR
21 ENFORCEABILITY OF ANY BOND, OR THE SECURITY OF ANY BOND, ISSUED UNDER THIS
22 ARTICLE, ANY SUCH BOND RECITING IN SUBSTANCE THAT IT HAS BEEN ISSUED IN
23 CONNECTION WITH A PROJECT OF THE DISTRICT IS CONCLUSIVELY DEEMED TO HAVE BEEN
24 ISSUED FOR THAT PURPOSE AND THE PROJECT IS CONCLUSIVELY DEEMED TO HAVE BEEN
25 PLANNED, LOCATED AND CARRIED OUT AS PROVIDED BY THIS ARTICLE.

26 H. BONDS ISSUED UNDER THIS ARTICLE:

27 1. ARE GOVERNMENT OBLIGATION SECURITIES SUITABLE FOR INVESTMENT BY:
28 (a) PUBLIC OFFICERS AND BODIES OF THIS STATE AND OF COUNTIES,
29 MUNICIPALITIES AND OTHER POLITICAL SUBDIVISIONS OF THIS STATE.

30 (b) INSURANCE COMPANIES, ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN
31 INSURANCE BUSINESS.

32 (c) FINANCIAL INSTITUTIONS, INVESTMENT COMPANIES AND OTHER PERSONS
33 CARRYING ON A BANKING BUSINESS.

34 (d) FIDUCIARIES.

35 (e) ALL OTHER PERSONS WHO ARE AUTHORIZED TO INVEST IN GOVERNMENT
36 OBLIGATIONS.

37 2. ARE SECURITIES THAT MAY BE DEPOSITED WITH PUBLIC OFFICERS OR BODIES
38 OF THIS STATE AND COUNTIES, MUNICIPALITIES AND OTHER POLITICAL SUBDIVISIONS
39 OF THIS STATE FOR PURPOSES THAT REQUIRE THE DEPOSIT OF GOVERNMENT BONDS OR
40 OBLIGATIONS.

41 I. IT IS THE PURPOSE OF THIS SECTION TO AUTHORIZE ANY PERSONS,
42 POLITICAL SUBDIVISIONS AND OFFICERS, PUBLIC OR PRIVATE, TO USE ANY FUNDS
43 OWNED OR CONTROLLED BY THEM FOR THE PURCHASE OF ANY SUCH BONDS OR OTHER
44 OBLIGATIONS. NOTHING CONTAINED IN THIS SECTION WITH REGARD TO LEGAL

1 INVESTMENTS SHALL BE CONSTRUED AS RELIEVING ANY PERSON OF ANY DUTY OF
2 EXERCISING REASONABLE CARE IN SELECTING SECURITIES.

3 J. EXCEPT TO THE EXTENT OF MONIES DEPOSITED IN A SPECIAL FUND OR FUNDS
4 PURSUANT TO SECTION 48-760 AND PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND
5 INTEREST ON BONDS OR OTHER OBLIGATIONS, THE DISTRICT, THE CITY OR TOWN
6 ESTABLISHING THE DISTRICT, THIS STATE AND ANY OTHER POLITICAL SUBDIVISION OF
7 THE STATE ARE NOT LIABLE ON ANY SUCH BONDS OR OBLIGATIONS. THE BONDS AND
8 OTHER OBLIGATIONS:

9 1. DO NOT GIVE RISE TO ANY GENERAL OBLIGATION OR LIABILITY OF THE CITY
10 OR TOWN, THIS STATE OR ANY OF ITS POLITICAL SUBDIVISIONS.

11 2. DO NOT GIVE RISE TO A CHARGE AGAINST THEIR GENERAL CREDIT OR TAXING
12 POWERS.

13 3. ARE NOT PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THE
14 SPECIAL FUND OR FUNDS PLEDGED BY THE DISTRICT FOR THAT PURPOSE.

15 4. DO NOT CONSTITUTE AN INDEBTEDNESS OR THE PLEDGING OF FAITH AND
16 CREDIT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION
17 OR RESTRICTION.

18 K. ANY DIRECT OR COLLATERAL ACTION ATTACKING OR OTHERWISE QUESTIONING
19 THE VALIDITY OF A REVENUE ALLOCATION DISTRICT, A PROJECT, THE APPROVAL OF A
20 REVENUE ALLOCATION DISTRICT PLAN, THE PROPOSED ISSUANCE OF BONDS UNDER THIS
21 ARTICLE OR ANY OF THE FINDINGS OR DETERMINATIONS OF THE GOVERNING BODY OF A
22 CITY OR TOWN IN CONNECTION WITH THE DISTRICT SHALL BE BROUGHT BEFORE THE
23 EFFECTIVE DATE OF THE RESOLUTION AUTHORIZING THE BONDS. NO DIRECT OR
24 COLLATERAL ACTION ATTACKING OR OTHERWISE QUESTIONING THE VALIDITY OF BONDS
25 ISSUED PURSUANT TO THIS ARTICLE MAY BE BROUGHT BEFORE THE EFFECTIVE DATE OF
26 THE RESOLUTION AUTHORIZING THE BONDS. FOR A PERIOD OF THIRTY DAYS AFTER THE
27 EFFECTIVE DATE OF THE RESOLUTION AUTHORIZING THE BONDS, ANY PERSON WITH
28 STANDING HAS THE RIGHT TO CONTEST THE LEGALITY OF THE RESOLUTION OR
29 PROCEEDING OR ANY BONDS THAT MAY BE AUTHORIZED. NO CONTEST OR PROCEEDING TO
30 QUESTION THE VALIDITY OR LEGALITY OF ANY RESOLUTION OR PROCEEDING, OR ANY
31 BONDS THAT MAY BE AUTHORIZED, PASSED OR ADOPTED UNDER THIS ARTICLE MAY BE
32 BROUGHT IN ANY COURT BY ANY PERSON FOR ANY CAUSE AFTER THE EXPIRATION OF
33 THIRTY DAYS AFTER THE EFFECTIVE DATE OF THE RESOLUTION OR PROCEEDING. AFTER
34 THAT TIME THE VALIDITY, LEGALITY AND REGULARITY OF THE RESOLUTION OR
35 PROCEEDING OR ANY AUTHORIZED BONDS IS CONCLUSIVELY PRESUMED.

36 L. THE POWERS CONFERRED BY THIS ARTICLE ARE SUPPLEMENTAL AND
37 ALTERNATIVE TO OTHER POWERS CONFERRED BY LAW. THIS ARTICLE IS INTENDED AS AN
38 INDEPENDENT AND COMPREHENSIVE CONFERRAL OF POWERS TO ACCOMPLISH THE PURPOSES
39 OF THIS ARTICLE.

REVENUE ALLOCATION DISTRICT: HB2469

Program Summary

OVERVIEW

The program is an economic development tool to enable communities to finance development for a specific area according to a citizen-approved plan.

PURPOSE

Appropriate infrastructure is a key component to developing a desirable and sustainable economy. Arizona's communities lack the capability to finance the infrastructure needed to attract high quality users to many parts of the state. The Revenue Allocation District program will enhance economic development by enabling Arizona's communities to:

- Increase their ability to compete for quality economic projects by having infrastructure in place conducive to a desired company's needs.
- Facilitate development according to a specific economic development strategy created by the public, rather than being left to the discretion of developers.
- Proactively pursue economic opportunities in accordance with a citizen-approved plan.

PROCESS

- Municipalities may designate a geographic area (district) for a specific economic development purpose and appoint a separate governing body to help design and implement the plan for the area.
- The district plan to be approved includes a fixed base amount of property tax and / or sales tax revenue. Any tax revenue collected above the base amount within the district which would have gone to the municipality will be used to finance development called for within the district plan.
- Once the governing body has developed the district plan, it must hold a public meeting and go through a formation process that gives owners of property in the district an opportunity for input or objection to the district and its plan.
- Requires an election within the proposed district to approve the project plan, the district formation and any financing mechanisms.
- Once the plan is approved, development called for within the district plan may also be financed through the sale of bonds (revenue or general obligation bonds of the district NOT the municipality), project related user fees or charges established and collected by the district and any other source permitted by the statute.

IMPORTANT REQUIREMENTS AND SAFEGUARDS

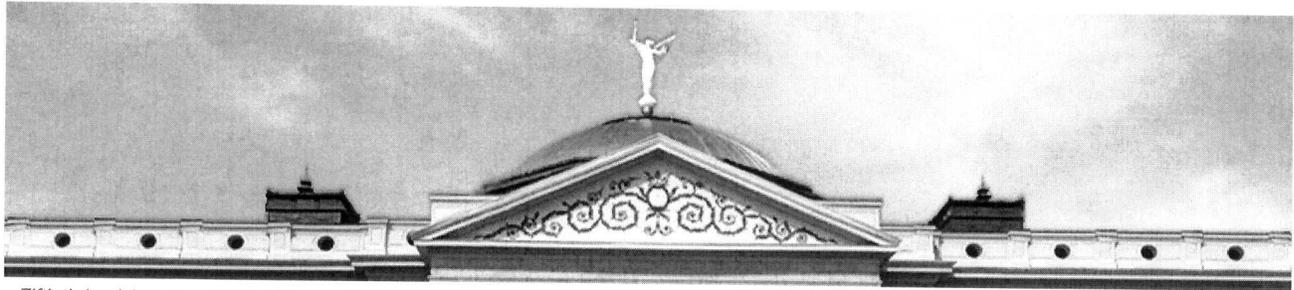
- Plan development process includes a thorough public information and input process.
- Requires an election within the proposed district to approve the project plan, the district formation and any financing mechanisms.
- Specifically forbids program from being used as a refinancing mechanism for anything existing before the formation of the district (i.e. refinancing of baseball stadiums, etc).
- District is solely accountable for everything related to the district's spending—municipal taxpayers cannot be held responsible for any district debt – that is the sole responsibility of the district.
- Program only allows that tax revenue which would go to the municipality to be used toward the district plan. As a result, tax revenue that should go to the state, county or school districts is exempt from being used for the district.

REVENUE ALLOCATION DISTRICT: HB2469

Program Supporters



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HOUSE OF REPRESENTATIVES

HB 2469

revenue allocation districts

Sponsors: Representatives Gray R, Farley, Gowan, et al.

DPA Committee on Ways and Means

DP Caucus and COW

X House Engrossed

OVERVIEW

HB 2469 authorizes the creation of a new special taxing district, referred to as a *Revenue Allocation District* (District), to fund economic development related projects within the boundaries of the municipality in which it resides from incremental increases in property and transaction privilege taxes (TPT) over fixed base amounts.

HISTORY

Usually created to fill the need for services in an area that might be limited for various reasons, including size, location or financial limitations, the formation of a special taxing district establishes a dedicated funding stream to pay for the necessary services by placing responsibility on those benefiting from the services.

PROVISIONS***Resolution of Intention to Form a District and Hearing***

- Requires the District to adopt and file a *Revenue Allocation District Plan* (District Plan) prior to the adoption of a resolution of intention to form a District, that provides the following:
 - A general description of the operation and financing of the District.
 - The capital improvements and other projects for which the District is proposed to be formed.
 - The geographic location and boundaries of the District.
- Requires the municipal clerk to post notice of the District Plan's filing and for the *governing body* of the municipality to hold a public meeting on the District Plan.
 - Specifies that any subsequent modification of the District Plan is to be filed, noticed and subject to a public hearing in the same manner as the original.
- Allows the *governing body* of a municipality to adopt a resolution of intention to form a District if:
 - The public convenience and necessity require; and
 - The *owners* of at least 51 percent of the land area proposed to be included in the District sign and present a petition.
- Prescribes the following:
 - Content of the resolution of intention and the procedures for noticing the hearing on a proposed District's formation.
 - Composition of the District's governing board.
 - Procedure for property *owners* to file written objections to the District's formation.
 - Specifies the types of objections that may be raised and the timeframe in which they must be filed.
 - Timeframe in which minutes, transcripts or recordings of the hearing must be available for public inspection.
- Allows the *governing body* to adopt a resolution that orders the formation of the District.

Formation of the District

- Requires the *governing body* of the municipality to do the following upon approval of the District's formation:
 - Appoint the initial *board of directors* (Board).
 - Set the boundaries of the District and order that a map of the District be drawn.
 - Specifies that the District must be located entirely within the boundaries of the municipality and may include noncontiguous areas.
 - Provides for the addition or deletion of areas from the District.
 - Deliver copies of the order forming the District to the county board of supervisors and the Arizona Department of Revenue.
 - Record notice of the District's formation with the county recorder.
- Deems a formed District to be a municipal corporation and political subdivision of Arizona, separate and apart from the municipality.
- Declares the formation of a District, the adoption of a District Plan, the issuance of *revenue* or *general obligation bonds* and the imposition of use charges to be a public benefit.
- Specifies that the District has perpetual succession.
- Prescribes the powers granted to the District.
 - Prohibits a District from exercising eminent domain.
 - Excludes municipalities entering into intergovernmental agreements with the District.
- Outlines District record keeping, document recording, accounting and budgetary requirements.
- Prescribes Board membership, including the terms of office and the procedures for filling vacancies.
- Requires that the respective municipal clerk and finance director serve as the District *clerk* and District *treasurer*, unless those positions are separately appointed by the Board.
- Allows the *governing body* of the municipality to designate its municipal manager and attorney to serve as the manager and counsel of the District.

Project Finance and Sources of Revenue

- Allows *projects* to be financed from one or more of the following sources of revenue:
 - Proceeds from the sale of District *revenue* or *general obligation bonds*.
 - Tax revenues allocated to the District from the *increment value* of taxable real and personal property.
 - Incremental increases in TPT revenue.
 - State, federal and private grants or contributions.
 - Project related user fees, rates or charges established and collected by the District.
 - Any other monies available to the District by law.
- Allows the Board, or the municipal *governing body* of yet to be formed Districts, to call an election to submit the question of authorizing the following to fund *projects* in the District:
 - The allocation of incremental revenues in property taxes and municipal TPT above the *base transaction privilege tax*.
 - The issuance of *revenue* or *general obligation bonds*.
- Outlines election procedures and requirements.
- Prescribes the determination and allocation of ad valorem property tax increments.
 - The amount of primary property tax revenues collected from the levy on the current municipal roll minus the amount of revenues collected from the levy on the *base roll*.
 - Excludes secondary property tax levies, and property tax levies by all other political subdivisions of the state.
- Prescribes the determination and allocation of TPT increments.
 - The total amount of municipal TPT revenues collected in the current fiscal year, minus the *base transaction privilege tax* and any other TPT revenues not pledged for District projects.
- Requires that all tax increment revenues allocated to the District be credited to one or more special funds established in the measure.
- Specifies that all other monies received be credited to the District's general fund.
 - Allows the Board to segregate the general fund and any special funds into separate and exclusive accounts and subaccounts.
- Outlines procedures for the issuance and sale of *revenue* and *general obligation bonds*, and prescribes bond terms and *debt service* requirements.
- Authorizes the District to issue and sell refunding bonds in order to refund any *revenue* or *general obligation bonds*.

Miscellaneous

- Prescribes procedures for a District's dissolution.
- Defines the following terms: *base roll*; *base transaction privilege tax*; *board of directors*; *clerk*; *debt service*; *district*; *district plan*; *general obligation bonds*; *governing body*; *increment value*; *online bidding process*; *owner*; *project*; *project costs*; *related costs*; *revenue allocation district plan or plan*; *revenue bonds*; *tax* or *taxes*;

taxable property; and treasurer.

Fiftieth Legislature
Second Regular Session

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February 22, 2012

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RESOLUTION OF SUPPORT FOR ARIZONA'S PORTS OF ENTRY WITH MEXICO

WHEREAS, the regional planning organizations sharing the border with Mexico and the regional planning agencies in the Sun Corridor: Central Arizona Association of Governments (CAAG), Maricopa Association of Governments (MAG), Pima Association of Governments (PAG), SouthEastern Arizona Governments Organization (SEAGO), and the Yuma Metropolitan Planning Organization (YMPO), and other regional planning agencies and Native American Communities that may wish to join in this effort, hereafter referred to as the Regional Planning Agencies, desire to advocate for resources to improve Arizona's ports of entry with Mexico; and

WHEREAS, legal entry of Mexican residents and goods is an essential element of Arizona's economy, with Mexico being the largest bilateral trading partner with Arizona accounting for an estimated \$30 million in two-way trade each day; and

WHEREAS, it is estimated \$7.3 million is spent each day in Arizona by Mexican visitors; and

WHEREAS, Texas exports \$72.6 billion worth of products to Mexico each year, while Arizona exports \$5.1 billion each year to Mexico; and

WHEREAS, the Texas commercial ports of entry have the staffing resources to operate for longer periods of time when compared to the Arizona commercial ports of entry. The Arizona commercial ports of entry operate on average 8 to 10 hours per day, creating delays at the Arizona border and causing businesses to leave Arizona for the more efficient Texas ports of entry; and

WHEREAS, infrastructure improvements have been made to some Arizona ports of entry, and are being made to other Arizona ports of entry, yet the U.S. Customs and Border protection staffing levels for these ports of entry are inadequate based upon the improved infrastructure; and

WHEREAS, improvements to Arizona's transportation infrastructure connecting Arizona's ports of entry are needed, such as:

- Funding an alternative to State Route 189 near the Mariposa Port of Entry in Nogales
- Improving the San Luis Arizona Port of Entry 1
- Restoring the Wellton Branch rail line for freight and Amtrak service
- Improving US-95 and infrastructure to support the North/South traffic flow on the Arizona Department of Transportation designated Western CANAMEX passage
- Supporting Juan Sanchez Boulevard construction, Avenue E widening, and the SR-195 Connector to the Robert A. Vaughn Expressway (RAVE) and US-95
- Funding improvements to the Douglas Port of Entry, connecting routes of Chino Road and developing infrastructure; and

WHEREAS, to effectively enhance the flow of commerce to and from Mexico through Arizona it is necessary to improve the infrastructure in Mexico leading up to the Arizona port of entry to support import and export; and

WHEREAS, on September 3, 2009, the League of Arizona Cities and Towns adopted Resolution #1 in their Municipal Policy Statement urging the Governor, State Legislature and Arizona Congressional Delegation to support federal funding for Arizona's ports of entry including the expansion of and

improvement of all forms of federal, state and local facilities and infrastructure related to the trade into and out of the ports of entry in the State of Arizona; and

WHEREAS, due to the necessity to act immediately, the Regional Planning Agencies noted in this resolution have signed with the understanding that other governmental and non-profit economic development organizations will be joining in supporting this resolution:

NOW, THEREFORE, BE IT RESOLVED BY THE REGIONAL PLANNING AGENCIES as follows:

SECTION 1. That it is the intent of the respective Regional Planning Agencies to jointly advocate to the Arizona Congressional Delegation for increased U.S. Customs and Border protection staffing for the Arizona/Mexico ports of entry and port of entry construction and improvements such as the San Luis Port of Entry 1 and Douglas, and advancing technologies.

SECTION 2. That the Regional Planning Agencies jointly support highway and rail infrastructure that supports our Arizona/Mexico ports of entry and urge the State Transportation Board to consider the economic development potential of projects in the Arizona Department of Transportation's Long-Range Transportation Plan, and to explore additional funding and creative financing to implement these projects for the economic vitality of Arizona.

SECTION 3. That the Regional Planning Agencies agree to work cooperatively with our state partners, the Arizona Department of Transportation, the Arizona Commerce Authority, the Arizona Mexico Commission and the Governor's CANAMEX Task Force, and our federal partners, the United States Customs and Border Patrol, the General Services Administration, the Federal Highway Administration and the Federal Transit Administration, to support the necessary planning to improve the global competitiveness for Arizona with Mexico, which is the 13th largest economy in the world.

SECTION 4. That the Regional Planning Agencies agree to work cooperatively with our state partners and our neighboring agencies in Mexico to encourage improving the infrastructure in Mexico to enhance the flow of commerce through the Arizona/Mexico ports of entry.

PASSED, ADOPTED AND APPROVED BY THE REGIONAL PLANNING AGENCIES OF CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS, MARICOPA ASSOCIATION OF GOVERNMENTS, PIMA ASSOCIATION OF GOVERNMENTS, SOUTHEASTERN ARIZONA GOVERNMENTS ASSOCIATION, AND THE YUMA METROPOLITAN PLANNING ORGANIZATION, ON THE DATES PROVIDED BELOW.

ATTEST:

Fernando Shipley, Chair
CAAG Regional Council
Mayor, City of Globe

Brian Tapp
CAAG Executive Director

Date

Hugh Hallman, Chair
MAG Regional Council
Mayor, City of Tempe

Dennis Smith
MAG Executive Director

Date

Satish Hiremath, Chair
PAG Regional Council
Mayor, Town of Oro Valley

Gary Hayes
PAG Executive Director

Date

Drew John, Chair
SEAGO Regional Council
Supervisor, Graham County

Randy Heiss
SEAGO Executive Director

Date

Paul Johnson, Chair
YMPO Executive Board
Councilman, City of Yuma

Charlene FitzGerald
YMPO Executive Director

Date