

**CITY OF GOODYEAR
COUNCIL ACTION REPORT**

SUBJECT: Consideration of Resolution 2018-1896 approving modification of assessment number 3 within the McDowell Road Commercial Corridor Improvement District	STAFF PRESENTER: Doug Sandstrom, Finance Director CASE NUMBER: None OTHER PRESENTER: None
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PROPOSED ACTION:

ADOPT RESOLUTION NO. 2018-1896 APPROVING THE MODIFICATION OF ASSESSMENT NUMBER 3 WITHIN THE MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT.

BACKGROUND AND PREVIOUS ACTIONS:

The McDowell Road Commercial Corridor Improvement District ("MRCCID") was created in 2006 by Resolution 06-1098 to assist with the funding of public infrastructure related to the MRCCID and the development of a regional mall and retail center. Improvement Bonds were issued in 2007 in the principal amount of \$47,165,000 with principal and interest to be repaid through assessments apportioned to parcels within the MRCCID. The remaining principal balance of \$34.9 million was refinanced at a lower interest rate in 2018 with Refunding Bonds.

The original assessment parcels have previously been modified by City Council in 2010 and 2018 following petition from the parcel landowners. These assessments are generally modified as development plans are solidified and new parcels are created with Maricopa County. As part of the assessment process the District Engineer reviews and certifies that the modification effect on the ratio of fair market value between the original and amended parcels comply with the original intent of the assessment model.

STAFF ANALYSIS:

Macerich and Stark Enterprises, as owners of the property through various LLC's, have petitioned for a modification of a certain assessment of their property within the MRCCID. The application for modification contains one existing parcel which would be split into four distinct parcels and be allocated a fair share of the existing assessment based upon the original intent of the assessment model. The requested modifications can be broken into two main areas of consideration:

3-01-001 – Robert L. Stark Enterprises, Inc., through its entities Estrella Falls LLC and Estrella Falls Land LLC, acquired this property from The Market at Estrella Falls, LLC, and a Re-Plat was approved in June 2018 by Maricopa County. The requested assessment modification, if approved, will make the revised assessment align with the Re-Plat of the subject property inclusive of three separate parcels. The real property securing the requested modified assessment includes both vacant and developed land at

the northeast corner of McDowell Road and Pebble Creek Parkway. As part of the sale of these parcels to Stark Enterprises funds to pay off these assessments were placed in escrow pending the upcoming billing.

3-01-002 – The Market at Estrella Falls, LLC, retained ownership of this real property after selling the above-described property to the Robert L. Stark Enterprises, Inc. entities. This area is an undeveloped parcel within the Market at Estrella Falls, if approved, the assessment would be modified to match the subdivided property reflected in the Re-Plat. The newly created assessment parcel is located along McDowell Road in a highly marketable area of the MRCCID, and the property is currently under contract for purchase by an end user (Navy Federal Credit Union) who is aware of, and would assume responsibility for, this assessment.

If City Council approves the petition for modification, new assessment numbers and amounts will be assigned as proposed. The modification of assessments has been reviewed and it is determined that the modification is in compliance with state law, City policies and is in the best interest of the City.

FISCAL ANALYSIS:

All costs related to the assessment modification process including the application fee, District Engineer and legal costs are paid in advance by the applicants. Approval of the requested modifications will have no financial impact upon the City or the MRCCID. Approval of this petition for modification will cause the creation of new assessment parcels as shown below with the total assessment amount unchanged.

Current Assessment				Proposed Modification			
	Number	Amount	Acreage*	Number	APN	Amount	Acreage*
1	3	\$1,088,213.89	14.8500	3-01-001		\$995,678.46	13.5850
					508-01-871		
					508-01-873		
					508-01-874		
				3-01-002	508-01-872	\$92,535.43	1.2620
	Total	\$1,088,213.89	14.8500	Total		\$1,088,213.89	14.8470

*Acreages are off by 0.003 acres between original documents and submitted documents. District Engineer assumes this is a rounding issue and the variance represents less than a tenth of a percent overall.

RECOMMENDATION:

Adopt Resolution 2018-1896 approving the modification of Assessment Number 3 within the McDowell Road Commercial Corridor Improvement District.

ATTACHMENTS:

- 1) Map of Proposed Modifications

- 2) Resolution 2018-1896
- 3) Application for Modification of Assessments from The Market at Estrella Falls LLC, Estrella Falls LLC and Estrella Falls Land LLC
- 4) Petition for Modification of Assessments from The Market at Estrella Falls LLC, Estrella Falls LLC and Estrella Falls Land LLC