

Catalina Foothills Estates #9 (Cat 9) Road Renewal and Maintenance Plan

PRESIDENT'S MESSAGE

This Newsletter has a single focus. It is a proposed maintenance plan for all roads owned by Catalina Foothills #9. This plan includes both an initial Special Assessment and a continuation of the current yearly \$100 dues. Your Board is looking forward to discussing this plan with you at the September 28th 2005 Information Meeting. The meeting will be held in the sanctuary of the church at Skyline and Orange Grove at 7:00pm.

SUMMARY

The Cat 9 Board of Directors recommends that a special HOA assessment be collected in 2006 and that those funds be used to pave all Cat 9 owned roads.

BACKGROUND

- Cat 9 owns 300,000 square feet of 30 year old roads, 100,000 of which were added in 1999 and have had no maintenance beyond the filling of potholes.
- The roads will require major work sometime over the next 5 years and costs are clearly escalating. Estimates increased 15% between mid 2005 and today with another 15% projected by next spring.
- The price of oil has gone up about 50% this year. Spare worldwide capacity is close to zero and the Chinese economy is expected to grow by 9% this year.
- The homes in Cat 9 have an estimated 2005 Market Value of \$91,000,000. The estimated market value in 2001 was \$53,000,000.
- One of the marks of an upscale neighborhood is high quality, well-maintained roads
- Roads Owned by Catalina Foothills Estates #9
 - Altos Primero
 - Altos Segundo
 - Altos Tercero
 - Calle Los Altos
 - Circulo Solaz
 - Placita Manzanita
 - Solaz Primero
 - Solaz Segundo
 - Solaz Tercero
 - Solaz Cuarto

The Proposal

Crackseal and pave all owned roads (300,000 sq. feet) with 2 inches of compacted PAG 2 asphalt. Raise water valve covers and survey markers to match new grade. Install concrete footers where washes cross roads. Sweep and fog seal the completed roads one year after the paving is completed.

Roads will be completed with a minimum of neighborhood disruption.

Pave	\$294,400
Crackseal	\$ 20,000
Repair shoulder	\$ 20,000
Professional Supervision	\$ 10,000
Sweep and Fog Seal	\$ 12,100
	\$356,500
Road Contingency (15%)	\$ 53,500
	\$410,000
Management Reserves (10%)	\$ 41,000
PROJECTED COST	\$451,000
Special Assessment	\$ 3,469 per lot (number of lots = 130)

Sources: Ace Asphalt, The Ashton Company, Bates Paving, Sunland Asphalt, Sunrise Asphalt, Tucson Asphalt, and Pima County Transportation Department

Long Term Maintenance Plan for Roads Owned by Catalina Foothills Estates #9 (Cat 9)

- Return all uncommitted funds from the Special Assessment to the Homeowners after the June, 2006 Board meeting.
- Perform regular maintenance within current dues and road reserves after the 2007 Fog Sealing of the newly paved roads

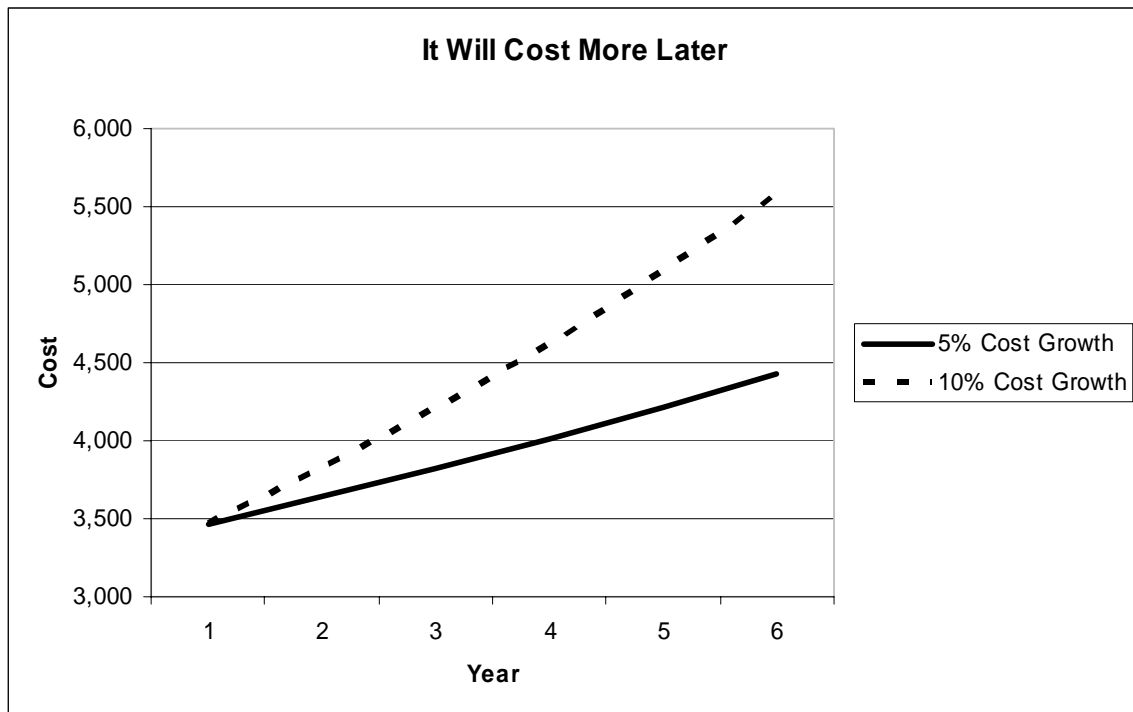
Longer term, the Homeowners' dues (\$100) will need to be raised, but the intent of this plan is to postpone that day as far into the future as possible.

Road Maintenance Financial Plan

2005 Beginning Reserves		\$ 25,000
2006 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 30,200
2007 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 35,400
2008 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 40,600
2009 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 45,800
2010 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 51,000
2010 Sweep roads, seal cracks and road surfaces (amount is at today's \$\$)	\$ (19,600)	\$ 31,400
2011 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 36,600
2012 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 41,800
2013 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 47,000
2014 Addition to Reserves from dues (\$40 per lot)	\$ 5,200	\$ 52,200
2014 Sweep roads, seal cracks and road surfaces (amount is at today's \$\$)	\$ (24,600)	\$ 27,600

TIME LINE

- 9/12/05 Present complete proposal to Board (regular meeting)
- 9/16/05 Mail newsletter
- summary and background
 - proposal
 - time line
 - price history & market values
 - bid highlights
- 9/28/05 Information session at Skyline & Orange Grove Church sanctuary
- 10/3/05 Information session at regular board meeting
- 10/5/05 Send ballot with regular newsletter (due by 11/7/05)
- 11/7/05 Annual Meeting – count ballots
- at least 66 positive votes required to proceed with Special Assessment and road work
- 11/14/05 Send Special Assessment Notice
- 1/16/06 Special Assessment payments due
- Late fees begin followed by property lien process for delinquent assessments
- 2/1/06 Start bid process
- Spring 2006 Begin/complete paving
- June 2006 Regular Board Meeting
- Present project accounting
 - Authorize the return of uncommitted funds to members



Catalina Foothills #9 5 Year Home Price History

	Homes Sold	Avg sq. feet	Avg Price	Avg. \$ per sq. ft.	% Change from prior year
2005	4	3266	787106	241	30%
2004	11	3650	678900	186	15%
2003	10	3024	489888	162	6%
2002	4	2620	400860	153	9%
2001	12	3006	420840	140	

Source: Pima County Assessor's Data

Catalina Foothills #9 Market Values

Sq. Ft.	Number of Homes	Avg. Sq. Ft.	Avg. Mkt. Value
Over 4,000	9	4784	\$ 1,152,944
3,500 to 4,000	13	3706	\$ 893,146
3,000 to 3,500	46	3212	\$ 774,092
2,500 to 3,000	30	2758	\$ 664,678
2,000 to 2,500	19	2326	\$ 560,566
Under 2,000	6	1889	\$ 455,249
TOTAL	123	3067	\$90,915,081

Source: Pima County Assessor's Data

ASPHALT CONCRETE OVERLAY: ROADWORK SPECIFICATIONS

- All Work Performed to:
 - *Arizona Department of Transportation Asphalt Concrete Pavement Specifications*
 - *City of Tucson and Pima County Standard Specifications for Public Improvements, 2003 Edition*
- Material Specifications Include:
 - Asphalt Concrete Materials & Composition
 - Mix Design
 - Verification Testing
- Construction Specifications Include:
 - Quality Control Requirements
 - Asphalt Concrete Material Preparation
 - Placing and Finishing
 - Joints and Compaction
 - Surface Tolerances & Material Measurement

ASPHALT CONCRETE OVERLAY: CONTRACTOR TASKS

- (1) Provide Cones/Barricades for Traffic Control as Required
- (2) Sweep/Clean Road Surfaces to Remove Loose Material & Foreign Debris
- (3) Provide Concrete Headers & Footers, As Necessary, Where Washes Cross Roads
- (4) Clean All Pavement Cracks and Seal With Hot Rubberized Cracksealer
- (5) Raise 17 Water Valve Frames/Covers & 30 Survey Markers to Match Finished Grade
- (6) Furnish/Install Asphalt Concrete Overlay Compacted to Thickness of 2 Inches
- (7) Provide Smooth/Tapered Interface to All Driveways Intersecting Newly Paved Roads
- (8) Clean Up Any Debris & Haul Excess/Unused Materials to Landfill
- (9) Sweep & Fog Seal All Roads One Year After Completion of Paving

ASPHALT CONCRETE OVERLAY: INDEPENDENT SUPERVISOR TASKS

- (1) Review Asphalt Concrete Requirements for CAT 9 Roads
- (2) Prepare Tailored Bid Specifications for Contractor Competition
- (3) Supervise & Monitor Asphalt Paving Operations
- (4) Ensure Quality Control, Proper Thickness & Compaction
- (5) Arrange Verification Testing & Core Sample Evaluations
- (6) Coordinate/Interface With CAT 9 Board