

AGENDA ITEM #: _____

DATE: January 23, 2017

COAC #: EMRCFD 17-518

**CITY OF GOODYEAR
CFD BOARD ACTION FORM**

SUBJECT: Estrella Mountain Ranch Community Facilities District to consider EMRCFD RES 17-105 authorizing the issuance and sale of District General Obligation Refunding Bonds, Series 2017.	STAFF PRESENTER: Doug Sandstrom, District Treasurer CASE NUMBER: N/A OTHER PRESENTER: N/A
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RECOMMENDATION:

ADOPT RESOLUTION EMRCFD RES 17-105 AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ITS DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND SECURITY AGREEMENT, A PURCHASE CONTRACT RELATING TO THE BONDS, A STANDBY CONTRIBUTION AGREEMENT, A DEPOSITORY TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; RATIFYING AND APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AND AUTHORIZING THE LEVYING OF AN AD VALOREM TAX ON TAXABLE PROPERTY IN THE DISTRICT FOR THE PAYMENT OF THE BONDS; AND AUTHORIZING THE TAKING OF OTHER ACTIONS SECURING THE PAYMENT OF AND RELATING TO THE BONDS; DECLARING AN EMERGENCY.

PURPOSE:

District Board will consider EMRCFD RES 17-105, which authorizes the issuance and sale of not to exceed \$15,000,000 principal amount of District General Obligation Refunding Bonds, Series 2017, for Estrella Mountain Ranch Community Facilities District, for the purpose of decreasing the District's debt service under its outstanding general obligation debt. Also, EMRCFD RES 17-105 approves, in substantially the forms presented, documents relating to the issuance and administration of the refunding bonds.

BACKGROUND AND PREVIOUS ACTIONS:

The District previously issued its District General Obligation Bonds, Series 2005 and District General Obligation Bonds, Series 2007 (together, the "*Prior Bonds*"). The proceeds of the Prior Bonds were used to pay a portion of the costs of multiple public infrastructure improvements for the District. Refunding all or a portion of the Prior Bonds is expected to provide the District with debt service savings.

EMRCFD RES 17-105 requires that the refunding bonds it authorizes achieve a present value of debt service savings, net of all costs associated with the refunding bonds of not less than 3.00% of the principal amount of the Prior Bonds to be refunded. The refunding bonds authorized by EMRCFD RES 17-105 will bear interest at a tax-exempt yield not to exceed 7.50%.

Approval of EMRCFD RES 17-105 would also approve other legal documents, in substantially the forms presented to the District Board, related to the issuance of the refunding bonds and the administration of the refunding bonds after issuance. Approval of EMRCFD RES 17-105 would authorize the Chair, any member of this District Board, the District Manager or the District Treasurer to approve, execute and deliver final forms of the related documents with such necessary and appropriate omissions, insertions and variations as are permitted or required by EMRCFD RES 17-105.

CURRENT POLICY:

The refunding bonds to be authorized pursuant to EMRCFD RES 17-105 will be secured by real property taxes levied on all taxable property within the District, just as the Prior Bonds are currently secured by those same real property taxes.

The debt service and maintenance property tax rate for the District was \$1.30 per \$100 of assessed valuation for FY2016.

STAFF ANALYSIS:

The Finance staff, CFD attorneys, and Financial Advisor have reviewed the EMRCFD RES 17-105 Resolution and find that they are in compliance with state law and city policies. They are in support of the proposed actions.

FISCAL ANALYSIS:

The refunding is estimated to result in a net present value savings of approximately \$1,405,000, or approximately \$125,000 per year over the term of the refunded bonds. Actual savings will be based on interest rates in January and February, 2017.

ATTACHMENTS:

1. Resolution
2. Form of Purchase Contract
3. Form of Indenture
4. Form of Standby Contribution Agreement
5. Form of Depository Trust Agreement
6. Form of Preliminary Official Statement
7. Form of Continuing Disclosure Undertaking