

**City of Goodyear Public Improvement Corporation
Request for Taxable, Fixed-Rate Lending Proposals**

April 24, 2017

Borrower: City of Goodyear Public Improvement Corporation (the "Corporation")

General: The Corporation is seeking proposals from direct lenders as further described in this RFP. Interested lenders can provide one or more proposal in response to the amortization options further described in this RFP. Interested lenders should submit proposals directly to the Corporation via email as described herein. The Corporation retains the right to reject all proposals received.

Amount & Description: A loan amount of approximately \$11,000,000 (the "Bonds" or the "Loan"), will be payable from payments received by the Corporation from the City of Goodyear, Arizona (the "City") pursuant to the Agreement, as described herein. The City's payments under the Agreement to the Corporation are secured with a subordinate pledge of the City's Excise Taxes, as described herein. Interest on the Loan will be taxable. The Loan will not be registered with either DTC or CUSIP. No official statement or other disclosure document will be prepared by the City or the Corporation, and the Corporation will not provide a credit rating. The winning bidder will be required to enter into a Purchase Contract with the Corporation and deliver a Certificate of Qualified Purchaser/Investor in the form attached to the Purchase Contract.

Purpose: The proceeds of the Bonds will provide funds to acquire and construct certain equipment and improvements to the existing Major League Baseball spring training facilities located in the City currently under lease to the Cleveland Indians (the "2017 Expansion Project").

Security & Sources Of Payment: The Bonds will be special obligations of the Corporation issued under, and secured, both as to principal and interest, by a Trust Agreement, to be dated as of May 1, 2017 (the "Trust Agreement"), between the City and U.S. Bank National Association (the "Trustee"), as trustee. The City and the Corporation will enter into an Agreement, to be dated as of May 1, 2017 (the "Agreement"), to provide for certain payments from the City to the Corporation in order to finance the 2017 Expansion Project. Under the terms of the Agreement, the City will pay payments (the "Payments"), in an amount sufficient to pay the principal and interest on the Bonds and any administration costs related to the Bonds. The Payments are assigned by the Corporation to the Trustee pursuant to the Trust Agreement.

The City pledges its Excise Taxes (as defined herein) on a subordinate basis as security for payment of the Payments due under the Agreement. Such pledge will be a subordinate lien on the City's Excise Taxes. Such pledge is subordinate to a first lien on the City's Excise Taxes securing payment of outstanding obligations of the Corporation in an amount of \$97,955,000, and any future obligations issued on a parity therewith (the "Senior Obligations").

"Excise Taxes" shall mean all amounts received from the imposition of unrestricted fines and forfeitures, license and permit fees, transaction privilege (sales) taxes, other transaction privilege, excise and business taxes, franchise fees and taxes, bed and rental taxes which the City now or in the future imposes and collects, and all state shared sales and income taxes and state revenue sharing collected and allocated or apportioned, now or hereafter to the City by the State or any political subdivision thereof, or by any other governmental unit or agency and which are not required by State law, rule or regulation to be expended for other purposes, such as the motor vehicle fuel tax. Excise taxes shall not include revenue from development fees or building permit fees. The City may impose taxes, license and permit fees for restricted purposes the revenues from which will not be Excise Taxes and will not be pledged to the payment of the amounts due pursuant to the Lease.

Please refer to Appendix B for information as to Excise Tax receipts, outstanding debt service requirements of the outstanding Senior Obligations, estimated debt service for the Bonds, and the annual debt service coverage ratios for both the Senior Obligations and the Bonds. As described in Appendix B, the Corporation has other outstanding obligations that are not secured by Excise Taxes.

The Payments to be paid by the City to the Corporation pursuant to the Agreement may be paid, at the option of the City, from any other lawful revenue or source of the City. Such revenues are not pledged to the Payments, and, if commenced, the use of such revenues may be discontinued at any time by the City.

Payment Dates: Interest on the Bonds will be payable semiannually on January 1 and July 1, commencing January 1, 2018; principal will be payable annually commencing July 1, 2018, through the final maturity date, as described below. Final principal amounts will be determined so that annual debt service payments for the Loan will be approximately equal. Interested lenders have the option of submitting proposals on one or both of the amortization options described below.

A. 10-Year Amortization Option:

It is expected that the Bonds will be issued as one term bond, with final maturity date to occur July 1, 2027 and with mandatory redemption payments in accordance with the debt service schedule provided in Appendix B – 10-year Amortization Option. The Bonds would not be subject to optional redemption.

B. 15-Year Amortization Option:

It is expected that the Bonds will be issued as one term bond, with final maturity date to occur July 1, 2032 and with mandatory redemption payments in accordance with the debt service schedule provided in Appendix B – 15-year Amortization Option. The Bonds would be subject to optional redemption on July 1, 2027.

Basis for Award: The Corporation expects to select the lender which it believes will best meet its overall expectations for the proposed financing. The Corporation will consider the qualifications and experience of the lenders, their ability to comply with the preferred structure and terms as outlined in this RFP, and the overall cost of the proposals as determined by the Corporation. The Corporation will consider the amortization option(s) offered as part of its determination of the lenders ability to comply with its preferred structure and terms. Any necessary credit approvals should be completed upon the submission of a response to this RFP, if possible. The Corporation reserves the right to reject any and all proposals submitted in response to this RFP, to negotiate with any proposing firm or firms, and to seek financing through other means. The Corporation also reserves the right to request additional information from any of the proposing firms and to waive any irregularities in any proposal. The Corporation also reserves the right to reject any and all proposals.

If the Loan is not closed for any reason, prospective lenders will have no recourse against the Corporation or the City, its elected officials, employees, or officers, its financial advisor, general counsel, bond counsel, or any of their affiliates, agents, or representatives for any expenses, losses, damages, or liability incurred.

The failure to disclose substantive terms, conditions, and covenants in the proposal may be considered cause for a proposal to be rejected by the Corporation.

At the closing of the Bonds, the lender will be required to make certain certifications, including, but not limited to, signing a closing certificate that states:

- A. It is a bank, trust company, savings institution, or insurance company that is engaged as a regular part of its business in making loans;
- B. It is making the Loan for its own account, does not currently intend to syndicate the Loan, and will take no action to cause the Loan to be characterized as a security;
- C. It will not treat the Loan as a municipal security for purposes of any securities law (whether described as a bond, or a note, or by other terminology);
- D. There will be no CUSIPs obtained on the Loan; and,
- E. There will be no credit rating obtained on the Loan.

Prospective lenders should review the Purchase Contract and form of Certificate of Qualified Purchaser/Investor attached thereto.

Proposal Contents: Each proposal should include the following information:

1. Legal name of the lender and the primary contact person.
2. Fixed Interest Rates - The proposal should provide a single, fixed interest rate which will be applied to the Loan. If the submitted interest rate is subject to change prior to the projected closing date of May 31, 2017, please explain the timing and the methodology of setting the final rate, including an applicable formula or indexed calculation which would be used to determine the final rate on the day of pricing. The Corporation will not pay for any "rate lock" fee.

The Corporation requires no prepayment option in regard to the Bonds with the 10-Year Amortization Option, but will allow bidders to propose a prepayment option with the 10-Year Amortization Option

bid. Should such a prepayment option be proposed, interest rate proposals should clearly state the related optional prepayment terms. More than one interest rate proposal may be submitted based on different prepayment terms.

3. Fees and Expenses - The proposal should clearly indicate the total amount of any fees and expenses which will be charged to the Corporation if the proposal is accepted, including any fees payable for the winding bidder's legal representation. If a bidder expects to be represented by outside legal counsel, the proposal should identify the law firm which the bidder expects to retain for that purpose.
4. Conditions or Covenants - Provide a listing of all conditions, covenants, terms or restrictions, which would be included in your commitment to provide the Loan. The Corporation may reject proposals which provide for a change in the rate of interest during the term of the Loan, including proposed "default rates", or changes in the lender's cost of capital. The City may reject proposals based on specific Conditions or Covenants requested by the lender, including any Conditions or Covenants which may be considered "usual and customary" by the prospective lender.
5. The City will not be liable for any expenses incurred in connection with the preparation of a response to this RFP. No successful proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the City.

Professionals:

The Corporation has retained the law firm of Gust Rosenfeld P.L.C., Phoenix, Arizona, who will prepare all legal documents relative to the Bonds and will deliver an opinion to the effect that the Loan is a valid and binding obligation. Gust Rosenfeld P.L.C. will prepare the Lease and Indenture, the Purchase Contract, the Certificate of Qualified Purchaser/Investor, and any other Closing Documents.

FirstSouthwest, a Division of HilltopSecurities Inc. will act as financial advisor (the "Financial Advisor") to the Corporation and the City.

Pre-Bid

Conference Call:

A pre-bid conference call concerning the transaction is scheduled for Wednesday, May 3, 2017 at 10:00 a.m. (MST/PDT). It is expected that representatives of the City, Special Counsel, Financial Advisor and the Cleveland Indians organization will be present to provide additional information and answer questions. Questions to be answered during the pre-bid conference should be submitted via email to Doug Sandstrom at the City at least 24 hours prior to the pre-bid conference call, on behalf of the Corporation and to the Financial Advisor using the contact information below.

Call-in information for this conference call is set forth below:

Dial-in: 1-(844)-740-1264
Attendee Access Code: 86290337##

Tentative Schedule:

Proposals should be delivered electronically no later than 10 am (MST/PDT) on May 10, 2017, to:

City of Goodyear Public Improvement Corporation
Doug Sandstrom, City Finance Director
190 North Litchfield Road
Goodyear, AZ 85338
Doug.sandstrom@goodyearaz.gov

The Corporation reserves the right to reject any or all proposals and to waive any irregularities associated with any proposal. The Corporation expects to select a preferred lender on or about May 10^h. The Corporation intends to contact the preferred lender and start the process of reviewing loan documentation immediately. Final approval of financing documents by the Board of Directors and the City Council is expected to occur on or about May 8, 2017. Settlement is expected to occur on or about May 31, 2017.

Questions about this RFP should be directed to Doug Sandstrom at the City, on behalf of the Corporation, using the contact information above, or to the Financial Advisor at 602.224.7112 larry.given@hilltopsecurities.com , or at 602.224.7104 janelle.gold@hilltopsecurities.com.

\$11,000,000 (Est.)
CITY OF GOODYEAR, ARIZONA PUBLIC IMPROVEMENT CORPORATION
SUBORDINATE LIEN MUNICIPAL FACILITIES REVENUE OBLIGATIONS,
TAXABLE SERIES 2017

Mandatory Redemption Dates (7-1-)	10-Year	15-Year
	Amortization	Amortization
	Option	Option
	Principal	Principal
	Amounts	Amounts
	Redeemed*	Redeemed**
2018	\$ 875,000	\$ 510,000
2019	920,000	535,000
2020	965,000	560,000
2021	1,015,000	590,000
2022	1,065,000	620,000
2023	1,115,000	650,000
2024	1,170,000	685,000
2025	1,230,000	720,000
2026	1,290,000	755,000
2027	1,355,000	790,000
2028		830,000
2029		870,000
2030		915,000
2031		960,000
2032		1,010,000

* No required optional redemption provision.

** Required July 1, 2027 optional redemption provision at par.

\$11,000,000*
CITY OF GOODYEAR, ARIZONA PUBLIC IMPROVEMENT CORPORATION
SUBORDINATE LIEN MUNICIPAL FACILITIES REVENUE OBLIGATIONS,
TAXABLE SERIES 2017

Historical and Budgeted Excise Taxes

Excise Taxes	Budgeted 2016/17	Unaudited 2015/16	2014/15	Audited Actual 2013/14	2012/13	2011/12
City Transaction Privilege (Sales) Tax	\$42,255,860	\$49,309,600	\$45,333,649	\$43,775,464	\$40,222,752	\$36,364,557
State-Shared Sales Tax	7,389,633	6,258,721	5,965,400	5,681,717	5,342,879	5,100,608
State-Shared Income Tax	9,669,908	7,859,101	7,901,942	7,275,727	6,667,701	5,509,258
State-Shared Vehicle License Tax	3,071,021	2,729,966	2,494,245	2,327,996	2,184,380	2,094,960
Fines and Forfeitures	815,700	839,109	860,313	884,735	809,334	
Franchise Taxes	2,863,606	2,832,759	2,718,204	2,611,016	2,529,456	2,460,521
Total	\$66,065,728	\$69,829,255	\$65,273,754	\$62,556,655	\$57,756,502	\$52,355,875

10-Year Amortization Option
Estimated Debt Service and Coverage

Fiscal Year Ending (6-30)	Senior Obligations	Senior Debt Service Coverage (b)	The Bonds		Estimated Total Annual Debt Service	Bond Debt Service Coverage (b)
			Principal	Estimated Interest (a)		
2017	\$6,690,081	10.44x				
2018	6,967,825		\$ 875,000	\$550,000	\$1,425,000	44.11x
2019	9,152,525		920,000	506,250	1,426,250	
2020	9,152,825	7.63x	965,000	460,250	1,425,250	
2021	9,151,225		1,015,000	412,000	1,427,000	42.52x
2022	9,152,325		1,065,000	361,250	1,426,250	
2023	9,150,075		1,115,000	308,000	1,423,000	
2024	9,148,825		1,170,000	252,250	1,422,250	
2025	9,151,650		1,230,000	193,750	1,423,750	
2026	9,149,400		1,290,000	132,250	1,422,250	
2027	9,150,900		1,355,000	67,750	1,422,750	
2028	9,151,850					
2029	9,150,600					
2030	9,150,600					
2031	9,148,800					
2032	6,138,800					
			<u><u>\$11,000,000</u></u>			

(a) Interest estimated at 5.0%.

(b) The Senior Obligation debt service coverage is calculated using Excise Taxes collected for Fiscal Year 2015/16 (\$69,829,255). The debt service coverage on the Bonds is calculated using Excise Taxes collected for Fiscal Year 2015/16 less annual debt service on the Senior Obligations (\$62,861,430 in Fiscal Year 2016/17 and \$60,678,030 in Fiscal Year 2024/25 at MADS of the Bonds.)

* Preliminary, subject to change.

**15-Year Amortization Option
Estimated Debt Service and Coverage**

Fiscal Year Ending (6-30)	Senior Obligations	Senior Debt Service Coverage (b)	The Bonds		Estimated Total Annual Debt Service	Bonds Debt Service Coverage (b)
			Principal	Interest (a)		
2017	\$6,690,081	10.44x				
2018	6,967,825		\$ 510,000	\$550,000	\$1,060,000	59.57x
2019	9,152,525		535,000	524,500	1,059,500	
2020	9,152,825	7.63x	560,000	497,750	1,057,750	
2021	9,151,225		590,000	469,750	1,059,750	
2022	9,152,325		620,000	440,250	1,060,250	
2023	9,150,075		650,000	409,250	1,059,250	
2024	9,148,825		685,000	376,750	1,061,750	
2025	9,151,650		720,000	342,500	1,062,500	57.11x
2026	9,149,400		755,000	306,500	1,061,500	
2027	9,150,900		790,000	268,750	1,058,750	
2028	9,151,850		830,000	229,250	1,059,250	
2029	9,150,600		870,000	187,750	1,057,750	
2030	9,150,600		915,000	144,250	1,059,250	
2031	9,148,800		960,000	98,500	1,058,500	
2032	6,138,800		1,010,000	50,500	1,060,500	
			<u>\$11,000,000</u>			

(a) Interest estimated at 5.0%.

(b) The Senior Obligation debt service coverage is calculated using Excise Taxes collected for Fiscal Year 2015/16 (\$69,829,255). The debt service coverage on the Bonds is calculated using Excise Taxes collected for Fiscal Year 2015/16 less annual debt service on the Senior Obligations (\$62,861,430 in Fiscal Year 2016/17 and \$60,677,605 in Fiscal Year 2024/25 at MADS of the Bonds).