

**CITY OF GOODYEAR  
COUNCIL ACTION REPORT (CAR)**

<b>SUBJECT: Authorizing the sale of the city of Goodyear General Obligation Bonds, Series 2017.</b>	<b>STAFF PRESENTER:</b> Doug Sandstrom, Finance Director
	<b>CASE NUMBER:</b> None
	<b>OTHER PRESENTER:</b> None

**PROPOSED ACTION:**

ADOPT RESOLUTION NO. 17-1825 AUTHORIZING THE ISSUANCE AND SALE OF CITY OF GOODYEAR, ARIZONA, GENERAL OBLIGATION BONDS, SERIES 2017; DELEGATING THE AUTHORITY TO APPROVE CERTAIN MATTERS WITH RESPECT TO THE BONDS; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; APPOINTING A REGISTRAR AND PAYING AGENT FOR THE BONDS; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; DELEGATING THE AUTHORITY TO APPROVE AND DEEM FINAL A FORM OF OFFICIAL STATEMENT; RATIFYING ALL ACTIONS TAKEN AND TO BE TAKEN WITH RESPECT TO THE BONDS IN FURTHERANCE OF THIS RESOLUTION; AND AUTHORIZING ANY NECESSARY BUDGET TRANSFERS RELATED TO THE BONDS AND THE PROJECTS FINANCED THEREBY.

**BACKGROUND AND PREVIOUS ACTIONS:**

Voters in the city approved the issuance of general obligation bonds of the city at special bond elections held on March 8, 1994, September 12, 2000 and September 7, 2004. The city has previously issued general obligation bonds authorized at the respective special bond elections, and now desires to issue additional general obligation bonds to finance certain improvements for the public benefit of the city. These bond authorizations were originally approved in the amounts of \$54.0 million, \$138.75 million and \$134.0 million respectively. To date \$39.96 million, \$96.8 million and \$27.2 million has been issued from these voter authorized amounts.

The city has prepared a 10-year Capital Improvement Plan ("CIP") which lists all anticipated projects and improvements to be completed by the city during the period from fiscal year 2018 through fiscal year 2027. The CIP anticipates that approximately \$35.4 million will be funded with currently authorized G.O. Bonds.

Per the adopted FY2018 budget and CIP, the current proposed issuance of the Bonds in an original principal amount not to exceed \$25,015,000 will be used to fund all, or a portion of, the Project as follows:

**Fire Stations (Replace/Remodel)** – Funding for the design and construction of a replacement Fire Station 181 to be located near Litchfield and I-10. Funding includes land acquisition, design, construction, onsite and offsite improvements, furnishing and equipment. Additional funding is included for the renovation of other stations also included in the FY2018 budget.

Total Project(s) Cost: \$5,871,800; Total G.O. Bond Funding: \$5,000,000

**Surface Water Treatment Plant** – Funding for the design and construction of Phase 1 of a 16.0 MGD Surface Water Treatment Plant. Phase 1 includes land and ROW acquisition, transmission lines, storage, treatment and distribution to accommodate up to 8.0 MGD of surface water.

Total Project Cost: \$114,249,900; Total G.O. Bond Funding: \$7,515,000

**86-Acre Recreation Campus** – Funding for the design and construction of an 86-Acre recreation campus which includes an aquatics center, recreation center, onsite infrastructure, offsite infrastructure (streets) and relocation of the Roosevelt Irrigation District lines.

Total Project Cost: \$38,486,300; Total G.O. Bond Funding: \$17,230,400 (\$12.5 million from the proposed Bonds)

**STAFF ANALYSIS:**

The Bonds will be issued in an aggregate original principal amount not to exceed \$25,015,000, with a yield not exceeding 8.00%, and a maximum maturity not to exceed July 1, 2037. The Bonds are secured by ad valorem property taxes without limit as to rate or amount.

The issuance of the Bonds will provide funds to finance the construction, acquisition, equipping and improvement of the Project. The Bonds were approved by the voters of the city. City staff has consulted with First Southwest, a Division of Hilltop Securities Inc., as financial advisor to the city, with respect to the ad valorem property tax impact related to the Bonds.

**FISCAL ANALYSIS:**

Secondary property taxes will secure the payment of the Bonds. Debt service on the Bonds will be structured to meet the council adopted policy of a total tax rate (Primary + Secondary) not to exceed \$1.74 per \$100 of assessed value.

The adopted city tax rate for FY2018 is \$1.7349, which anticipates the issuance of the Bonds.

**RECOMMENDATION:**

City staff has reviewed the proposed issuance and sale of the Bonds, and finds that the contemplated transaction is in compliance with State of Arizona law and city policies. The Bonds will finance the Project, which is needed infrastructure for the city.

City staff is in support of adopting Resolution No. 17-1825.

**ATTACHMENTS:**

Resolution No. 17-1825  
DRAFT Bond Registrar, Transfer Agent and Paying Agent Contract  
DRAFT Preliminary Official Statement

DRAFT Bond Purchase Agreement  
DRAFT Continuing Disclosure Certificate