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OCT 25 2012

MEMORANDUM

Management Services Memo No. 13-014

DATE: OCTOBER 25, 2012

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*

FROM: DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*

SUBJECT: ADOPTION OF RESOLUTION NO. 4645 AUTHORIZING THE ISSUANCE AND SALE BY THE CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY IN AN AMOUNT NOT TO EXCEED \$10,000,000 INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE TRI-CITY BAPTIST CHURCH

The Chandler Industrial Development Authority (the "Authority") received an application from Tri-City Baptist Church, requesting that the Authority issue tax-exempt bonds in an amount not exceeding \$10,000,000. The proceeds of the bonds will be used to refinance all of the outstanding Adjustable Rate Demand Revenue Bonds, Series 2007 and Series 2010. The application was considered and granted final approval at the Authority's Board meeting on October 9, 2012, with the provision that the City Council of the City of Chandler, Arizona approve the issuance of the Bonds.

In 2007, Council approved the issuance of Adjustable Rate Demand Revenue Bonds in the amount of \$5,200,000 for the Tri-City Baptist Church. In 2010 Council approved a second issuance of Adjustable Rate Demand Revenue Bonds in the amount of \$5,000,000. The proceeds were used to finance the acquisition, construction, improvement and equipping of a student dormitory, a maintenance building and related infrastructure in connection with the property located at 2211 W. Germann Road in Chandler. The refinancing is being done to change from a Letter of Credit, renewed every three to five years, to a Direct Bond Purchase, renewed every ten years. This will minimize Tri-City Baptist Church's renewal expense, as well as annual administrative costs thereby making the refinance of the bonds financially beneficial.

The Bonds will be issued for the purpose of refinancing the Authority's Adjustable Rate Demand Revenue Bonds, Series 2007 and Series 2010 and pay certain costs related to the issuance of the bonds being refinanced. The Bonds will be adjustable rate demand revenue bonds of the Authority and will not constitute a debt or pledge of the faith and credit of the Authority, the City of Chandler or the State of Arizona.

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PROPOSED MOTION

Move for the Adoption of Resolution No. 4645 authorizing the issuance and sale by the Chandler Industrial Development Authority in an amount not to exceed \$10,000,000, Industrial Development Revenue Bonds for the Tri-City Baptist Church project.

cc: Pat McDermott, Assistant City Manager
Penny Burczyk, Accounting Manager

RESOLUTION NO. 4645

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA APPROVING THE ISSUANCE OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CHANDLER, ARIZONA REVENUE BONDS (TRI-CITY BAPTIST CHURCH PROJECT), SERIES 2012

WHEREAS, The Industrial Development Authority of the City of Chandler, Arizona (the "Issuer") pursuant to the Industrial Development Financing Act, Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act") is authorized to issue bonds and to use the proceeds thereof for the purpose of refinancing the acquisition, construction, equipping and improvement of "projects" as defined in the Act, located within the City of Chandler, Arizona; and

WHEREAS, the Issuer intends to issue and sell its Revenue Bonds (Tri-City Baptist Church Project), Series 2012, in one or more series, in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds") for the purposes specified above; and

WHEREAS, on October 9, 2012, the Issuer resolved to issue the Bonds, such Resolution being conditioned upon, among other things, the granting of approval to the issuance of the Bonds by the City Council of the City of Chandler, Arizona; and

WHEREAS, the Issuer's Resolution has been made available to the City Council of the City of Chandler, Arizona, and said Resolution has been duly considered this date; and

WHEREAS, the Resolution authorizes, among other things, the issuance and sale of the Bonds, the execution, delivery and as appropriate, the acceptance of a Loan Agreement, an Indenture of Trust and such other documents as may be required for the issuance of the Bonds; and

WHEREAS, the terms, maturities, provisions for redemption, security and sources of payment for the Bonds are set forth in the Indenture of Trust and the form of Bonds themselves; and

WHEREAS, the City Council of the City of Chandler, Arizona, has been informed that the applicable documents have been reviewed by Gust Rosenfeld P.L.C., as Issuer's Counsel, and that Issuer's Counsel has determined that the documents adequately meet the requirements of the Act and in the case of the Bonds, the requirements of the Internal Revenue code of 1986, as amended (the "Code"); and

WHEREAS, as a result of the issuance and sale of the Bonds, certain bond proceeds will be made available to the Issuer. The Issuer will loan such funds to Tri-City Baptist Church, Inc., an Arizona nonprofit corporation (the "Borrower"), who proposes to use the proceeds of the Bonds to refinance the Issuer's Authority's Adjustable Rate Demand Revenue Bonds, Series 2007 (Tri-City Baptist Church Project) and the Authority's Adjustable Rate Demand Revenue Bonds, Series 2010, the proceeds of which were used to finance the acquisition of certain real property

and the acquisition, construction, improving and equipping of a student dormitory, a maintenance building and related infrastructure thereon in the City of Chandler, Arizona (the "Project"); and (ii) certain costs and expenses incidental thereto; and

WHEREAS, in accordance with Section 35-721.B of the Act, the proceedings of the Issuer under which the Bonds are to be issued require the approval of this City Council of the issuance of the Bonds; and

WHEREAS, it is intended that this Resolution shall constitute approval by the City Council with respect to the issuance of the Bonds pursuant to Section 35-721.B of the Act; and

WHEREAS, pursuant to Section 147(f) of the Code, the chief elected official representing this City Council must approve the issuance of the Bonds after a public hearing following reasonable public notice; and

WHEREAS, following publication of a Notice of Public Hearing in *The Arizona Republic*, a public hearing was held by the City Council in conjunction with its consideration of this Resolution pursuant to Section 147(f) of the Code, on October 25, 2012, with respect to the issuance of the Bonds; and

WHEREAS, it is intended that this Resolution shall constitute approval by the City Council with respect to the issuance of the Bonds pursuant to Section 147(f) of the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, as follows:

1. The issuance by the Issuer of the Bonds in an aggregate principal amount not to exceed \$10,000,000, in one or more series, is approved with all proceedings pertaining thereto for all purposes under the Act and the Code; and
2. The appropriate officers of the City Council are hereby authorized and directed to do all such things to execute and deliver all such documents on behalf of the City of Chandler as may be necessary or desirable to effectuate the intent of this Resolution and the Resolution of the Issuer in connection with the Bonds.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Chandler, Arizona this 25th day of October, 2012.

CITY COUNCIL OF THE CITY OF
CHANDLER, ARIZONA

Mayor

ATTEST:

Clerk

APPROVED AS TO FORM:
Gust Rosenfeld P.L.C., as Issuer's Counsel

By:  _____