

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: October 22, 2015**

SUBJECT: Refunding Certificates of Participation and Issuing Pledged Revenue Refunding Obligation Bonds for the Library/Yavapai College Facility

SUBMITTING DEPARTMENT: Executive Management

PREPARED BY: Larry Tarkowski, Town Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: a) Resolution No. 1935, b) Written Policies & Procedures for Tax-Advantaged Obligations, c) Placement Agent Agreement, d) First Trust Agreement, e) Escrow Trust Agreement, and f) First Purchase Agreement.

SUMMARY/BACKGROUND: Almost ten years ago, the Town Council supported a Library Master Plan which proposed a new building of approximately 52,000 square feet that included a Library, auditorium, classrooms, offices and related utilities, parking, concrete work, landscaping and other amenities, with a total cost estimated at between \$19 and \$22 million. On August 10, 2006, the Council approved a contract with Richard + Bauer, Architect to provide design and construction services for the new building. Under the contract, a design was developed and construction plans were completed based on this design.

On October 18, 2007, the Town Council discussed the options available for the Town to finance its share of the costs to construct the new Library/YC Classroom-Office Facility. Council adopted Resolution No. 1543 on November 29, 2007, which authorized moving forward with issuance of Certificates of Participation as discussed in that meeting.

Resolution No. 1543 also authorized the Town to enter into a lease arrangement for the current Police Department Facility which is part of the 20-acre Civic Center campus. Certificates of Participation were then issued with respect to the lease payments which the Town would make under that lease arrangement. The funds raised by the Certificates of Participation were then used for the Town's share of the construction costs.

Recently, due to market change and it becoming more favorable, staff enlisted the assistance of Bob Casillas, of Stifel, Nicholas & Company, to investigate the feasibility of refunding a portion of the Certificates of Participation and issuing Pledged Revenue Refunding Obligation Bonds. In the analysis provided by Stifel, it was anticipated a possible savings could occur of \$624,000 (7.6% par value refunded) based on interest rates provided on September 23, 2015. This procedure is similar to what was done in 2013 with the StoneRidge and Pronghorn Ranch Community Facilities Districts.

At the October 15, 2015 Work/Study Session, Bob Casillas, of Stifel, Nicholas & Company, made a presentation to Council discussing refunding the Certificates of Participation and issuing Pledged Revenue Refunding Obligation Bonds for the Library building. Staff is now presenting this to Council for approval.

OPTIONS ANALYSIS: The Town Council may adopt Resolution No. 1935 approving the various documents involved with the proposed issuance of Pledged Revenue Refunding Obligation Bonds, Series 2015, refunding a portion of the Certificates of Participation which financed the new Library/YC Classroom-Office Facility, or Council may decline to approve Resolution No. 1935.

ACTION OPTION: Motion to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1935, relating to the refunding of a portion of the Certificates of Participation and issuing Pledged Revenue Refunding Obligation Bonds; **OR**, Motion not to approve Resolution No. 1935.
VOTE.

RECOMMENDATION: Staff recommends authorizing signature of Resolution No. 1935 approving the various documents related to refunding a portion of the Certificates of Participation for the new Library/YC Classroom-Office Facility, and issuing Pledged Revenue Refunding Obligation Bonds.

FISCAL ANALYSIS: An estimated possible savings of \$624,000 has been projected by Mr. Casillas by refunding a portion of the Certificates of Participation and issuing Pledged Revenue Refunding Obligation Bonds.

REVIEWED BY:

Management Svcs Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____