

ATTACHMENT A

**THIS IS A DRAFT COPY ONLY AND IS NOT AN OFFICIAL COPY OF THE FINAL,
ADOPTED ORDINANCE**

ORDINANCE S-_____

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO CAUSE THE ISSUANCE OF OBLIGATIONS OF OR BY A MUNICIPAL PROPERTY CORPORATION, INCLUDING AUTHORIZATION, EXECUTION AND DELIVERY OF ONE OR MORE GROUND LEASES, LEASES, PURCHASE AGREEMENTS, ANY OFFICIAL STATEMENTS AND BOND PURCHASE AGREEMENTS AND CERTIFICATES NECESSARY OR APPROPRIATE FOR THE FINANCING AND ASSOCIATED FINANCING COSTS, AUTHORIZING THE CITY MANAGER TO TAKE ANY AND ALL OTHER ACTIONS IN CONNECTION WITH SUCH BONDS INCLUDING THE TAKING OF ANY AND ALL ACTIONS NECESSARY OR APPROPRIATE TO FINANCE OR REIMBURSE A PRINCIPAL AMOUNT NOT EXCEEDING \$150,000,000 OF COSTS FOR REPAIRING, RENOVATING AND UPDATING A PREVIOUSLY CONSTRUCTED CITY-OWNED MULTI-PURPOSE ARENA FOR THE CITY OF PHOENIX PLUS RELATED FINANCING COSTS; AUTHORIZING A PLEDGE, IF DEEMED APPROPRIATE, OF EXCISE TAXES OR OTHER LAWFULLY AVAILABLE FUNDS; AND AUTHORIZING THE CITY CONTROLLER TO EXPEND ALL NECESSARY FUNDS.

WHEREAS, the City of Phoenix, Arizona (the “City”) constructed a multi-purpose arena in 1992 (the “Arena”), the financing and payment of expenditures for the construction, as well as subsequent renovations, did not require voter approval under Chapter XXVII of the City Charter; and

WHEREAS, the City entered into a Downtown Multipurpose Arena First Restated Operating Agreement dated July 19, 1989, (as subsequently amended and as may be further amended from time to time, the “Operating Agreement”) with the current arena operator (the “Operator”) for a term through June 30, 2032, subject to termination on June 30, 2022 at the

Operator's option if the Arena is obsolete, as determined under the terms of the Operating Agreement; and

WHEREAS, the City Council hereby finds and determines that it is in the City's best interests to repair, renovate and update the Arena, which repairs, renovations and updates (collectively, the "Project"), together with those repairs, renovations and improvements to be funded by the Operator, are intended to preclude an early termination of the Operating Agreement due to obsolescence; and

WHEREAS, the Project will not include the construction of a new arena or other facility and the expenditures and indebtedness authorized hereby will not require voter approval under Chapter XXVII of the City Charter; and

WHEREAS, the City desires to finance or reimburse for costs of the Project plus related financing costs; and

WHEREAS, for such purposes the City desires to enter into one or more ground leases, leases, purchase agreements or financing agreements (the "Agreements") relating to the Project with a municipal property corporation of the City, now existing or hereafter organized (the "Corporation") or if deemed advantageous, directly with a bank or other financial institution; and

WHEREAS, the Corporation is or will be authorized to assist the City in financing the Project by issuing its bonds or other obligations to finance or reimburse costs of the Project and related financing costs; and

WHEREAS, said bonds or other obligations (the "Bonds") are to be designated and issued in one or more series, as determined by the Chief Financial Officer of the City (the term "Chief Financial Officer" where used herein includes any other officer of the City designated to exercise such powers); and

WHEREAS, it is necessary and appropriate for the City to enter into the Agreements, and to execute and deliver additional documents and certificates in connection with the issuance and delivery by the Corporation of the Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX, as follows:

SECTION 1. That the Phoenix City Manager, or his designee, (the “City Manager”), is hereby authorized to execute and deliver the Agreements, each by and between the Corporation and the City, which relate to the financing and undertaking, or reimbursing the City for the costs of, the Project plus related financing costs, including the costs of issuance, credit enhancement, liquidity support, remarketing and similar costs in connection with the issuance, sale, delivery and remarketing of the Bonds. The City will receive unencumbered title to the Project, including any additions.

SECTION 2. That the Phoenix Chief Financial Officer (“CFO”) is hereby authorized to execute and deliver any and all other agreements, documents, and certificates and to take any and all other actions appropriate in connection with (1) the leasing, purchase or financing of the Project by the Corporation, and (2) the issuance, sale and delivery of the Bonds by the Corporation. The City hereby approves the issuance, sale and delivery in one or more series of the Bonds in an aggregate principal amount not exceeding \$150,000,000 to pay Project costs or reimbursing the costs of the Project plus an additional amount to pay related financing costs. Such Bonds will mature not later than 35 years from their date of issuance, will bear interest at a fixed Interest rate, or rates not to exceed eight percent (8%) per annum, or at an initial variable interest rate with a maximum rate not to exceed eight percent (8%) per annum, and will be issued in either current interest or capital appreciation form, to the extent the CFO determines such issuance to be appropriate for the financing of the Project. The Bonds may be issued as a separate issue or may be combined with other authorized series of bonds as determined by the CFO.

SECTION 3. That each separate series of Bonds shall be special obligations of the Corporation payable solely from payments to be made by the City under the Agreements or any credit enhancement facilities. The City Manager is further authorized, if deemed appropriate, to pledge and use, to the extent permitted by law, excise taxes, or to use any other lawfully available funds, to pay the City’s obligations under the Agreement. Nothing contained in this Ordinance or any other document or instrument relating to the Bonds shall be construed as obligating the City, except to the extent provided in such documents or instruments, or as incurring a charge upon the

general credit of the City. Nor shall the breach of any agreement authorized by this Ordinance, or any other instrument or document relating to the Bonds, impose any charge upon the general credit of the City.

SECTION 4. That the Council approves the preparation and distribution of one or more Preliminary Official Statements and Official Statements in connection with the marketing of the Bonds, in such form as may be necessary to reflect the actual terms and provisions of the Bonds being sold, as may be approved by the City Manager, the Phoenix City Attorney, or the CFO, or their designees.

SECTION 5. That the City Manager is authorized to take any and all actions and execute all documents or instruments necessary or appropriate to carry out either (1) the transactions contemplated by this Ordinance or (2) the documents described herein, including but not limited to bond purchase agreements.

SECTION 6. That the City Controller is authorized to receive and expend such funds as necessary to accomplish the purposes of this Ordinance, including up to \$150,000,000 principal amount, plus an additional amount to pay related financing costs. It is the intention of this Council that if any or all of such expenditures occur prior to the issuance and delivery of the Bonds, such expenditures shall be reimbursed from the proceeds of the Bonds as and when they, or another issue of obligations out of which Council evidences its intention to pay such expenditures, are issued and delivered.

PASSED by the Council of the City of Phoenix this 12th day of December, 2018.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

REVIEWS BY:

City Manager