

RUSSO, RUSSO & SLANIA, P.C.

ATTORNEYS AT LAW

6700 NORTH ORACLE ROAD
SUITE 100
TUCSON, ARIZONA 85704

(520) 529-1515
1-800-655-1336
FAX (520) 529-9040

RUSSELL RUSSO
OF COUNSEL
JOSEPH D. CHIMIENTI
ADAM J. PELZ

STEVEN RUSSO
MICHAEL A. SLANIA
PATRICK E. BROOM

VIA PREMIER SUPPORT SERVICE

September 12, 2017

Sharon Bronson, Chair
Mr. Steve Christy
Mr. Richard Elias
Ms. Ally Miller
Mr. Ramón Valadez

PIMA COUNTY BOARD OF SUPERVISORS

County Administration Building
130 West Congress Street, 11th Floor
Tucson, Arizona 85701

Re: The Industrial Development Authority of the County of Pima Revenue Bonds
(Goodwill Industries of Southern Arizona, Inc. Project), Series 2017 – In an
Amount Not to Exceed \$5,500,000

Dear Ms. Chair and Members of the Board:

Subject to your approval, The Industrial Development Authority of the County of Pima will consider granting its final approval to a resolution approving the issuance of its Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project), Series 2017 (the “*Bonds*”), in an aggregate principal amount not to exceed \$5,500,000, for the benefit of Goodwill Industries of Southern Arizona, Inc. an Arizona nonprofit corporation, or its affiliates (the “*Borrower*”), at a regular meeting held on September 12, 2017.

The Authority respectfully requests that this matter be placed on the Board of Supervisors’ Regular Meeting Agenda scheduled for September 19, 2017, for the purpose of having the Board of Supervisors approve the action of the Authority. Enclosed herewith are the following:

1. Fact Summary; and
2. Resolution of the Board of Supervisors.

Additionally, on September 18, 2017, the Authority will hold a public hearing in order to comply with the Federal requirements. You will be immediately informed if there are any objections at the hearing on the project or the issuance of the Bonds.

The proceeds of the Bonds are to be loaned to the Borrower to be used to (i) finance or refinance the costs of acquisition, construction, improvement, renovation and equipping of a building and related land and facilities located at 10240 E. Golf Links Road in Tucson, Arizona; (ii) finance or refinance the costs of acquisition, construction, improvement, renovation and equipping a facility located at 1910, 1920, 1930 and 1940 East Silverlake Road in Tucson, Arizona; and (iii) to pay costs of issuance of the Bonds (the "*Project*"). A more detailed description of the Project is contained in the attached Fact Summary.

The Bonds will be secured by a Deed of Trust on the Borrower's properties. The Bonds will be unrated and privately placed with Wells Fargo Bank, National Association (or one of its affiliates). The Bonds will be issued as fully registered Bonds without coupons in denominations of \$250,000 and integral multiples of \$0.01 thereafter. The Bonds will be sold only to "Qualified Institutional Buyers" within the meaning of Rule 144A of the Rules adopted pursuant to the Securities Act of 1933, as amended, or "Accredited Investors" within the meaning of Rule 501 of the Rules governing the limited offer and sale of securities without registration under the Securities Act of 1933, as amended.

As always, the Bonds will be special limited obligations of the Authority and will be payable solely from payments made on or secured by a pledge and assignment of certain funds held by the Purchaser. Neither the faith and credit, nor the taxing power of the Authority or Pima County or any other political subdivision thereof, will be pledged to the payment of the Bonds. The Authority has no taxing power.

I will be available prior to the meeting to answer any questions you may have, or to meet with you at your convenience.

Thank you for your consideration of this matter.

Sincerely,

RUSSO, RUSSO & SLANIA, P.C.

/s/

Michael A. Slania
Attorney for the Authority

MAS/jc
Enclosures

c: Ms. Julie Castañeda (with enclosures)
Regina Nassen, Esq., Counsel to the Board
Charles Huckelberry, Pima County Administrator
Jan Leshner, Deputy Pima County Administrator

FACT SUMMARY

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA REVENUE BONDS (GOODWILL INDUSTRIES OF SOUTHERN ARIZONA PROJECT), SERIES 2017

The following is a brief Fact Summary of the proposed bond issue:

The Bonds	The Authority will issue its Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project), Series 2017, in one or more series (the “ <i>Bonds</i> ”), in an original principal amount not to exceed \$5,500,000. The Bonds are expected to bear interest at either a variable rate or a fixed rate of interest. The average interest rate on the Bonds shall not be greater than twelve percent (12%) per annum. The Bonds may be redeemed at the option of the Borrower with the consent of the Authority and, under certain circumstances, must be redeemed prior to their stated maturity date. The Bonds will be issuable in denominations of \$250,000 or integral multiples of \$0.01 thereafter.
Private Placement	The Bonds will be sold to Wells Fargo Bank, National Association (or one of its affiliates) (the “ <i>Purchaser</i> ”).
The Borrower	Goodwill Industries of Southern Arizona, Inc., an Arizona nonprofit corporation, shall be the Borrower and it will operate the Project.
Bond Proceeds	The proceeds of the Bonds will be used to (i) finance or refinance the costs of acquisition, construction, improvement, renovation and equipping a building and related land and facilities located at 10240 East Golf Links Road in Tucson, Arizona; (ii) finance or refinance the costs of acquisition, construction, improvement, renovation and equipping a facility located at 1910, 1920, 1930 and 1940 East Silverlake Road in Tucson, Arizona; and (iii) to pay costs of issuance of the Bonds (the “ <i>Project</i> ”).
Documentation	Pursuant to a Financing Agreement among the Authority and the Borrower, the Borrower has agreed to make payments (on a non-recourse basis) to the Authority sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The Bonds will be secured by a Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing on the Borrower’s facilities located at 1240 East Golf Links Road, 1910, 1920, 1930 and 1940 East Silverlake Road and 2907 North First Avenue, all in Tucson, Arizona. All rights of the Authority in and to the Financing Agreement, except certain rights to indemnification and payment of expenses, will be assigned to the Purchaser.

Security for the Bonds

The Purchaser will receive, as security for the loan to the Borrower, a pledge of the revenues of the Loan Agreement. The Authority has no taxing power. The Bonds and the interest thereon are not a general obligation of the Authority and are not an indebtedness of the Authority, Pima County, the State of Arizona, or any political subdivision thereof within the meaning of any Arizona constitutional or statutory provision whatsoever. Principal of, premium, if any, and interest on the Bonds is payable solely out of the revenues derived from the Financing Agreement (other than to the extent payable out of proceeds of the Bonds or income from the temporary investment thereof). Neither the faith and credit nor the taxing power, if any, of the Authority, Pima County, the State of Arizona, or any political subdivision thereof, is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

RESOLUTION NO. 2017 - ____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA APPROVING THE PROCEEDINGS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA REGARDING THE ISSUANCE OF ITS REVENUE BONDS (GOODWILL INDUSTRIES OF SOUTHERN ARIZONA, INC. PROJECT), SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT-TO-EXCEED \$5,500,000 AND DECLARING AN EMERGENCY

WHEREAS, The Industrial Development Authority of the County of Pima (the “*Authority*”) pursuant to the Industrial Development Financing Act, Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “*Act*”), is authorized to issue and sell to Wells Fargo Bank, National Association or one of its affiliates (collectively, the “*Purchaser*”) its Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project), Series 2017 (the “*Bonds*”), the proceeds of which are to be loaned to Goodwill Industries of Southern Arizona, Inc., an Arizona nonprofit corporation, (the “*Borrower*”), to (i) finance or refinance the costs of acquisition, construction, improvement, renovation and equipping a building and related land and facilities located at 10240 East Golf Links Road in Tucson, Arizona; (ii) finance or refinance the costs of acquisition, construction, improvement, renovation and equipping a facility located at 1910, 1920, 1930 and 1940 East Silverlake Road in Tucson, Arizona; and (iii) to pay costs of issuance of the Bonds (the “*Project*”); and

WHEREAS, on September 12, 2017, the Authority resolved to issue the Bonds in an aggregate amount not to exceed \$5,500,000 (the “*Authority’s Resolution*”), such issuance being conditioned upon, among other things, the granting of approval to the issuance of the Bonds by the Pima County Board of Supervisors; and

WHEREAS, the Authority’s Resolution has been made available to the Pima County Board of Supervisors, and the Authority’s Resolution has been duly considered this date; and

WHEREAS, the Authority’s Resolution authorizes, among other things, the issuance of the Bonds, the execution and delivery of a Financing Agreement (the “*Financing Agreement*”), among the Authority, Wells Fargo Bank, National Association and the Borrower, and such other documents as required for the issuance of the Bonds; and

WHEREAS, the terms, maturities, provisions for redemption, security and sources of payment for the Bonds is set forth in the Financing Agreement and the form of the Bonds itself; and

WHEREAS, copies of said documents have been made available to the Pima County Board of Supervisors, together with the Authority’s Resolution; and

WHEREAS, the Pima County Board of Supervisors has been informed that said documents have been reviewed by competent Bond Counsel, Kline Alvarado Veio, P.C., and said Bond Counsel has determined that said documents adequately meet the requirements of the Act and the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, in accordance with Section 35-721.B of the Act, the proceedings of the Authority under which the Bonds are to be issued require the approval of the Board of Supervisors of the issuance of the Bonds; and

WHEREAS, pursuant to Section 147(f) of the Code, the chief elected official representing this Board of Supervisors must approve the issuance of the Bonds after a public hearing following reasonable public notice, which hearing has been conducted by the Authority; and

WHEREAS, this Board has presented to it information regarding the Bonds and information regarding the public hearing held by the Authority concerning the Bonds and is further informed and advised with regard to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, as follows:

1. Pursuant to Section 147(f) of the Code and the Act, the Board of Supervisors, as the governing body of the Authority and the applicable elected representative of a governmental unit having jurisdiction over the facilities to be financed or refinanced with the proceeds of the Bonds, hereby approves the Bonds and the proceedings under which the Bonds are to be issued by the Authority, including specifically the Resolution described above, the Financing Agreement and all other related or appropriate documents.
2. This Resolution shall be in full force and effect from and after its passage as provided by law, and any provisions of any previous resolutions in conflict with the provisions herein are hereby superseded.
3. The appropriate officers of the Pima County Board of Supervisors are hereby authorized and directed to do all such things and to execute and deliver all such documents on behalf of Pima County as may be necessary or desirable to effectuate the intent of this Resolution and the Authority's Resolution in connection with the issuance of the Bonds.
4. It is necessary for the preservation of the peace, health and safety of the County that this Resolution becomes immediately effective, and, accordingly, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County,
Arizona this ____ day of _____, 2017.

Sharon Bronson, Chair
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

Julie Castañeda, Clerk
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

KLINE ALVARADO VEIO, P.C.
Bond Counsel

By: _____

