

COB - BOSAIR FORM

08/14/2025 3:42 PM (MST)



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This form is used to submit agenda items for Board of Supervisors consideration, including contracts, awards, grants, amendments, and other official actions.

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Record Number:

Award Type: Agenda Item

Requested Board Meeting Date: 09/02/2025

Agenda Item Report

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Record Number:

Title: A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AUTHORIZING THE LEASE AND LEASE-PURCHASE BACK OF CERTAIN REAL PROPERTY, INCLUDING BUILDINGS AND STRUCTURES, IN ORDER TO FINANCE AND REFINANCE PROJECTS FOR THE COUNTY; AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS AND SUPPLEMENTS TO A LEASE-PURCHASE AGREEMENT AND A TRUST AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; APPROVING THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION AND REFUNDING CERTIFICATES OF PARTICIPATION TO PROVIDE THE NECESSARY FINANCING AND REFINANCING THEREFOR; AND AUTHORIZING OTHER ACTIONS AND MATTERS IN CONNECTION THEREWITH.

Introduction / Background: Pima County issues Certificates of Participation (COPs) to fund a variety of projects. As with all COPs, the County provides collateral by means of selling or leasing a County Building. In this case, the existing sale/leaseback of the Public Works Building and parking garage, the Public Service Center and parking garage, the Adult Detention Center, 33 N. Stone, Administration West building, the Superior Court building and the Fleet Services facility will be amended to add this debt.

Discussion: This Certificates of Participation issue is to fund capital projects approved by the Board of Supervisors and, if financially advantageous to the County, to refinance existing debt provided there is no extension to the final maturity of the issue.

Conclusion: This resolution authorizes staff to sell Pima County Certificates of Participation in order to fund up to \$40 million dollars of capital projects approved by the Board of Supervisors and to refinance existing debt when financially advantageous to the County and does not extend the final maturity.

Recommendation: Staff recommends that the Board of Supervisors approve this resolution authorizing the sale of the Certificates of Participation.

Fiscal Impact:

The proceeds will be made available for capital projects totaling up to \$40 million to be repaid over fourteen years. The County will transfer monies from the General Fund and any other funds, as appropriate, to repay the Certificates of Participation.

Support of Prosperity Initiative:

N/A

Provide information that explains how this activity supports the selected Prosperity Initiative

N/A

Board of Supervisor District:

- 1
- 2
- 3
- 4
- 5

Department:

Finance

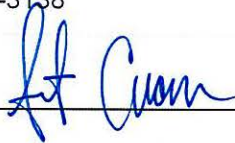
Name:

Michele Milensky

Telephone:

520-724-3138

Department Director Signature: _____



Date: _____

8-14-2025

Deputy County Administrator Signature: _____



Date: _____

8/14/2025

County Administrator Signature: _____

Date: _____

RESOLUTION NO. 2025 - ____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AUTHORIZING THE LEASE AND LEASE-PURCHASE BACK OF CERTAIN REAL PROPERTY, INCLUDING BUILDINGS AND STRUCTURES, IN ORDER TO FINANCE AND REFINANCE PROJECTS FOR THE COUNTY; AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS AND SUPPLEMENTS TO A LEASE-PURCHASE AGREEMENT AND A TRUST AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; APPROVING THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION AND REFUNDING CERTIFICATES OF PARTICIPATION TO PROVIDE THE NECESSARY FINANCING AND REFINANCING THEREFOR; AND AUTHORIZING OTHER ACTIONS AND MATTERS IN CONNECTION THEREWITH.

WHEREAS, Pima County, Arizona (the "County"), as lessee, previously entered into a Lease-Purchase Agreement, dated as of June 1, 2008 (the "Original Lease-Purchase Agreement"), as amended, most recently by a Fifteenth Amendment to Lease-Purchase Agreement, dated as of December 1, 2024 (collectively, and as further amended by the Lease Amendments hereinafter described, the "Lease-Purchase Agreement") with U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee under the below-described Trust Agreement (the "Trustee"), as lessor (in such capacity, the "Lessor"), pursuant to which the Lessor leases to the County, as lessee, certain leased property (the "Leased Property") as described therein; and

WHEREAS, the Trustee and the County have previously entered into a Trust Agreement, dated as of June 1, 2008 (the "Original Trust Agreement"), as supplemented, most recently by a Fifteenth Supplement to Trust Agreement, dated as of December 1, 2024 (collectively, and as further supplemented by the Trust Supplements hereinafter described, the "Trust Agreement"), pursuant to which the Trustee executed and delivered the following currently outstanding series of certificates of participation: Certificates of Participation, Taxable Series 2016B (the "Taxable 2016B Certificates"), Certificates of Participation, Series 2019 (the "2019 Certificates"), Certificates of Participation, Series 2019A (the "2019A Certificates"), Certificates of Participation, Tax-Exempt Series 2020B (the "2020B Certificates"), Certificates of Participation, Taxable Series 2020C (the "Taxable 2020C Certificates"), Certificates of Participation, Taxable Series 2021 (the "Taxable 2021 Certificates"), Certificates of Participation, Tax-Exempt Series 2022A (the "2022A Certificates"), Certificates of Participation, Taxable Series 2022B (the "Taxable 2022B Certificates"), Certificates of Participation, Tax-Exempt Series 2023A (the "2023A Certificates"), Certificates of Participation, Taxable Series 2023B (the "Taxable 2023B Certificates") and Certificates of Participation, Series 2024 (the "2024 Certificates" and, together with the Taxable 2016B Certificates, the 2019 Certificates, the 2019A Certificates, the 2020B Certificates, the Taxable 2020C Certificates, the Taxable 2021 Certificates, the 2022A Certificates, the Taxable 2022B Certificates, the 2023A Certificates and the

Taxable 2023B, the "Outstanding Certificates"), for the purpose of financing and refinancing the costs of certain projects of the County approved by this Board, and amending and restructuring the County's lease payments (the "Lease Payments") under the Lease-Purchase Agreement; and

WHEREAS, the Trust Agreement permits, under certain conditions, the execution and delivery of "Additional Certificates," on a parity with the "Certificates" then outstanding under the Trust Agreement, and permits the further supplementation and amendment of the Trust Agreement and the Lease-Purchase Agreement to facilitate such an execution and delivery of such Additional Certificates; and

WHEREAS, the County has determined that it will be advantageous to cause the execution and delivery of certain Additional Certificates (the "New Money Certificates"), in one or more series, in a principal amount, net of any original issue discount, which will produce \$40,000,000 in net proceeds for financing projects of the County approved by this Board, plus any amount approved by an Authorized Officer as being necessary to pay the costs associated with the execution and delivery of such New Money Certificates, and to restructure the Lease Payments under the Lease-Purchase Agreement; and

WHEREAS, the County has also determined that it will be advantageous to authorize the execution and delivery of certain Additional Certificates (the "Refunding Certificates"), from time to time, in one or more series, to refinance some or all of the Outstanding Certificates, the New Money Certificates and any Additional Certificates that may be hereafter executed and delivered from time to time (collectively, the "Certificates to be Refunded"), and all necessary actions and agreements in connection with such refinancing which achieves a present value debt service savings net of all costs of issuance of at least 2.0% of the par amount of Certificates to be Refunded thereby (such savings level being the "Savings Threshold"); and

WHEREAS, in connection with the execution and delivery of New Money Certificates and Refunding Certificates, it will be necessary to enter into a supplemental or restated Trust Agreement or amendments or supplements thereto, between the County and the Trustee (collectively, "Trust Supplements"), and a supplemental or restated Lease-Purchase Agreement or amendments or supplements thereto, between the County and the Trustee, as lessor (collectively, "Lease Amendments"); and

WHEREAS, upon execution and delivery of each series of New Money Certificates or Refunding Certificates, as applicable, all the conditions for the execution and delivery of Additional Certificates under the Trust Agreement will have been met for such series; and

WHEREAS, the County will offer and sell each series of New Money Certificates and Refunding Certificates either (i) directly to one or more banks submitting a lending proposal to the County (the "Purchaser"), or (ii) through an underwritten offering, to one or more firms then eligible to serve as underwriter for County obligations or to the winning bidder through a sealed bid offering (the "Underwriter"), in either case as determined by

the Director of Finance and Risk Management of the County (the "Director of Finance"), to be the most advantageous to the County; and

WHEREAS, New Money Certificates and Refunding Certificates of any series sold through an underwritten offering to the Underwriter, will be offered for sale pursuant to a Preliminary Official Statement (each, a "Preliminary Official Statement"), in a form substantially the same as that used in connection with the sale of the 2024 Certificates which, with conforming changes, will become the Official Statement (the "Official Statement"); and

WHEREAS, in connection with the execution and delivery of Refunding Certificates it may be necessary or advantageous for the County to execute and deliver one or more depository trust or similar agreements (each, a "Depository Trust Agreement") with the Trustee or another financial institution serving as depository trustee thereunder, providing for the payment of Certificates to be Refunded; and

WHEREAS, New Money Certificates and Refunding Certificates of any series will be sold pursuant to a certificate purchase agreement (each, a "Purchase Agreement") between the County and the Purchaser or the Underwriter, as applicable, which (a) with respect to the sale of a series of New Money Certificates or Refunding Certificates to a bank or banks pursuant to a lending proposal, shall be evidenced by the Purchaser's certificate and receipt, or (b) with respect to the sale of New Money Certificates and Refunding Certificates to the Underwriter through a negotiated underwritten offering, shall be evidenced by a certificate purchase agreement between the County and the Underwriter in a form substantially the same as that used in connection with the sale of the 2024 Certificates, or (c) with respect to the sale of New Money Certificates and Refunding Certificates to the Underwriter through a sealed bid offering, shall be evidenced by a notice of sale disseminated by the County in a form substantially the same as that used in connection with the most recent sealed bid sale of securities by the County, with appropriate changes to reflect the offering of New Money Certificates and Refunding Certificates; and

WHEREAS, in connection with the sale of New Money Certificates or Refunding Certificates through an underwritten offering, Securities and Exchange Commission Rule 15(c)2-12 may require the County to make certain agreements for the benefit of holders and beneficial owners from time to time of such Certificates, as evidenced in one or more Continuing Disclosure Undertakings from the County (each a "Continuing Disclosure Undertaking"); and

WHEREAS, the County has the power and authority to enter into and deliver the Lease Amendments, the Trust Supplements, the Purchase Agreements, the Continuing Disclosure Undertakings, Depository Trust Agreements and such additional agreements (collectively, the "County Documents") or amendments thereto and has determined that it is advantageous and in the public interest to approve the execution, sale and delivery of Additional Certificates in order to secure the financial advantages for the County;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. (a) The execution, delivery and issuance of New Money Certificates, in one or more series, for financing projects of the County approved by this Board, plus any amount approved by an Authorized Officer as being necessary to pay the costs associated with the execution and delivery of such New Money Certificates, and to restructure the Lease Payments under the Lease-Purchase Agreement is hereby approved.

(b) The execution, delivery and issuance of Refunding Certificates, in one or more series, each in a principal amount sufficient to accomplish the refinancing of Certificates to be Refunded thereby and amounts necessary to pay costs associated with the execution and delivery of such Refunding Certificates which achieve a present value debt service savings net of all costs of issuance of at least the Savings Threshold is hereby approved.

Section 2. The Chair, Vice Chair or Acting Chair of this Board, the County Administrator of the County and the Director of Finance of the County (each an "Authorized Officer") are each hereby authorized, empowered and directed, with the approval of counsel to the County, in the name and on behalf of the County, to execute and deliver the County Documents, in such forms as shall be reviewed by counsel to the County and approved by the Authorized Officer executing the same.

Section 3. From and after the execution and delivery of the County Documents in definitive form by the County and the other parties thereto, as required, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary to carry out and comply with the provisions thereof, including but not limited to the execution of tax compliance certificates or any other such document necessary in relation to the tax-exempt status of any series of New Money Certificates or Refunding Certificates intended by the County to be executed and delivered bearing tax-exempt interest or otherwise required by the related Purchase Agreement.

Section 4. (a) New Money Certificates in a principal amount, net of any original issue discount, which will produce not more than \$40,000,000 in net proceeds for projects for the County approved by this Board, plus any amount approved by an Authorized Officer as being necessary to pay the costs associated with the execution and delivery of such New Money Certificates, may be executed and delivered, in one or more series, on a tax-exempt or taxable basis, bearing interest at the rate or rates per annum not to exceed a yield of 6.00% per annum computed in accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and have series designations and other terms and conditions to be provided in the related Purchase Agreement and the Trust Supplement (as executed and delivered) and consistent with this Resolution. Each series of New Money Certificates shall be sold and awarded to the Purchaser or the Underwriter, as applicable, at a price of not less than 98% of par (excluding any original issue discount). Each series of New Money Certificates shall mature over a period ending not later than fifteen (15) years from the date of execution and delivery thereof, may be subject to mandatory or

optional redemption prior to maturity, and shall have such other terms, all as provided in the related Trust Supplement and Purchase Agreement (as executed and delivered). Each series of New Money Certificates shall be sold to the Purchaser or to the Underwriter, in either case as determined by the Director of Finance to be most advantageous to the County.

(b) The execution, sale and delivery of Refunding Certificates, in one or more series, on a tax-exempt or taxable basis, each in a principal amount sufficient to accomplish the refinancing of the Certificates to be Refunded in transactions meeting the Savings Threshold, and amounts necessary to pay costs associated with the execution and delivery of such Refunding Certificates, bearing interest at the rate or rates per annum (which fixed rates do not exceed the maximum rate or rates provided by the County Documents) and have series designations and other terms and conditions to be provided in the related Purchase Agreements and the Trust Supplement (as executed and delivered) and, consistent with this Resolution, are in all respects approved. Each series of Refunding Certificates shall be sold and awarded to the Purchaser or the Underwriter, as applicable, at a price of not less than 98% of par (excluding any original issue discount). Each series of Refunding Certificates shall mature over a period of not more than the final maturity of the Certificates to be Refunded thereby, and may be subject to mandatory or optional redemption prior to maturity, and shall have such other terms, all as provided in the related Trust Supplements and Purchase Agreements (as executed and delivered). Each series of Refunding Certificates shall be sold to the Purchaser or Underwriter, in either case as determined by the Director of Finance to be most advantageous to the County.

Section 5. As to any series of New Money Certificates or Refunding Certificates sold through an underwritten offering, the distribution of the Preliminary Official Statement by the Underwriter with respect to such series is hereby ratified and approved in the form approved by an Authorized Officer and an Official Statement for such series is hereby authorized and approved, in substantially the form of the related Preliminary Official Statement, with such changes or revisions as may be approved by the Authorized Officer executing the same. Any Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the County, to execute and deliver the same to the Underwriter and to execute and deliver instruments confirming that the Preliminary Official Statement is "deemed final" in accordance with Securities and Exchange Commission Rule 15(c)2-12.

Section 6. If the Director of Finance of the County or his designee determines that the purchase of an insurance policy securing payment of any series of New Money Certificates or Refunding Certificates would be advantageous to the County, any officer, agent or employee of the County is hereby authorized to negotiate with and secure, with proceeds of such series of New Money Certificates or Refunding Certificates or otherwise, such an insurance policy from one or more institutions the claims-paying ability of which are then assigned a rating of "Aa3/AA-" or better by a nationally recognized credit rating agency at the time of issuance of the insurance policy. Each Authorized Officer is hereby further authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy.

Section 7. The Authorized Officers, and the designees of any of them, are each hereby designated and appointed as the Lessee Representative, as defined in the Lease-Purchase Agreement, and each of them is authorized to execute in the name of and on behalf of the County any closing documents, certificates, or other instruments or documents necessary or appropriate in connection with the transactions described in or contemplated by the related Official Statement, Purchase Agreement, Lease-Purchase Agreement or Trust Agreement or amendments or supplements thereto and to do all acts and things as may be necessary or desirable to carry out the terms and intent of this Resolution and of any of the documents referred to herein.

Section 8. The proceeds received by the Trustee from the sale of each series of New Money Certificates or Refunding Certificates shall immediately be applied as provided in the related Trust Supplement. Pending disbursement of any such proceeds received by the County and held by the County Treasurer, the County Treasurer is directed to invest the amounts so received and held in the State Treasurer's Local Government Investment Pool (LGIP); provided, however, that the Director of Finance of the County may at any time provide other written investment instructions to the County Treasurer and the County Treasurer, to the extent that such investments are lawful, is authorized and directed to invest monies as set forth in the instructions. The County Administrator or the Director of Finance of the County are hereby authorized to transfer monies from the Transportation Fund, the General Fund or any other funds, as appropriate, and in the amounts proportional to the use of the Certificate proceeds for transportation projects, capital projects, or other projects, facilities or equipment, needed to make lease payments under the Lease Agreement to pay principal and interest with respect to the New Money Certificates or Refunding Certificates as such amounts become due.

Section 9. All actions of the officers, agents and employees of the County which are in conformity with the purposes and intent of the foregoing resolutions be, and the same are hereby, in all respects, authorized, approved, ratified and confirmed.

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PASSED, ADOPTED AND APPROVED, by the Board of Supervisors of Pima County, Arizona, on September 2, 2025.

PIMA COUNTY, ARIZONA

By: _____
Chair, Board of Supervisors

ATTEST:

By: _____
Clerk, Board of Supervisors

Approved as to Form:
SQUIRE PATTON BOGGS (US) LLP,
Bond Counsel

By:  _____
Pedro J. Miranda