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VIA EMAIL AND HAND DELIVERY

November 3, 2021

Sharon Bronson, Chair
Mr. Steve Christy
Ms. Adelita Grijalva
Dr. Matt Heinz
Mr. Rex Scott

PIMA COUNTY BOARD OF SUPERVISORS

33 N. Stone Ave., 11th Floor
Tucson, Arizona 85701

Re: The Industrial Development Authority of the County of Pima – Notice of Intention to Issue Bonds – Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project), Series 2021 – In an Amount Not to Exceed \$10,600,000

Dear Madam Chair and Members of the Board:

At its regular meeting held on November 12, 2021, The Industrial Development Authority of the County of Pima (the “*Authority*”), will consider granting its final approval to a resolution authorizing the issuance of its Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project), Series 2021 (the “*Bonds*”), in an aggregate principal amount not to exceed \$10,600,000, the proceeds of which will be loaned to Goodwill Industries of Southern Arizona, Inc. (the “*Borrower*”), an Arizona nonprofit corporation (or its affiliates) and an organization which is exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended.

As always, this issuance of the Bonds is subject to the approval of the Pima County Board of Supervisors. Therefore, the Authority respectfully requests that this matter be placed on the Board of Supervisors’ Regular Meeting Agenda scheduled for November 16, 2021, 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 November 12, 2021, the Authority will hold a public hearing as required to be held pursuant to Section 147(f) of the Code and federal income tax regulations for the issuance of the Bonds. You will be immediately informed if there are objections to the Project or the Bonds at that hearing.

In 2017, Authority previously issued its Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project), Series 2017, in the original principal amount of \$4,586,250 (the “*2017 Bonds*”), pursuant to a Financing Agreement among the Authority, Wells Fargo Bank, National Association and the Borrower, for the purpose of assisting the Borrower in: (i) financing or refinancing 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) financing or refinancing the costs of acquisition, construction,

improvement, renovation and equipping a facility located at 1910, 1920, 1930 and 1940 East Silverlake Road in Tucson, Arizona (together, the “*Existing Facilities*”); and (iii) to pay costs of issuance of the 2017 Bonds (the “*2017 Project*”).

The proceeds of the Bonds will be loaned to the Borrower for the purpose of assisting the Borrower in financing and/or refinancing, as applicable, all or a portion of the costs of (a) the acquisition of a retail facility located at 1703 West Valencia Road, Tucson, Arizona (the “*New Facility*”); (b) refunding the 2017 Bonds issued for the 2017 Project; (c) providing for other qualifying capital expenditures at the New Facility and Existing Facilities (collectively, the “*Facilities*”); and (d) paying certain costs and expenses associated with the costs of issuance for the Bonds (collectively, the “*2021 Project*”).

The Bonds are to be issued in accordance with Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the “*Act*”). The Bonds will be issued as unrated, fully registered Bonds in denominations of \$250,000 or 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, with an investor letter.

As always, the Bonds are special limited obligations of the Authority. The Bonds are payable solely from payments made on or secured by a pledge and assignment of certain funds held by the Purchaser pursuant to a financing agreement and secured by one or more deeds of trust on the 2021 Project sites and other Borrower properties. Such payments are pledged to neither the faith and credit, nor the taxing power of the Authority or Pima County or any other political subdivision thereof, are pledged to the payment of the Authorized 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,

SLANIA LAW, PLLC

/s/

Michael A. Slania
Attorney for the Authority

MAS/jgs
Enclosures

c: Ms. Melissa Manriquez, Clerk (w/enclosures)
Leslie Lukach, Esq., Counsel to the Board
Mr. Charles Huckelberry, Pima County Administrator
Ms. Jan Leshner, Chief Deputy Pima County Administrator
Mr. Patrick Cavanaugh, Deputy Director Pima County Economic Development Office

FACT SUMMARY

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA
REVENUE BONDS
(GOODWILL INDUSTRIES OF SOUTHERN ARIZONA, INC. PROJECT), SERIES 2021**

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

The 2021 Bonds	The Authority will issue its Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project), Series 2021, in one or more series (the “2021 Bonds”), in an original principal amount not to exceed \$10,600,000. The 2021 Bonds are expected to bear interest at a fixed rate of interest. The average interest rate on the 2021 Bonds shall not be greater than twelve percent (12%) per annum. The 2021 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 2021 Bonds will be issuable in denominations of \$250,000 or integral multiples of \$0.01 thereafter.
Private Placement	The 2021 Bonds will be sold to Wells Fargo Bank, National Association (or a wholly owned subsidiary of the Bank) (the “Purchaser”).
The Borrower	Goodwill Industries of Southern Arizona, Inc., an Arizona nonprofit corporation (or its affiliates) and a 501(c)(3) organization, shall be the Borrower and it will own and operate the 2021 Project (as defined herein).
The 2017 Bonds	The Authority previously issued its Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project), Series 2017 in the original principal amount of \$4,586,250 (the “2017 Bonds”) to benefit the Borrower. The proceeds of the 2017 Bonds were used to finance the 2017 Project (defined below).
The 2017 Project	The proceeds of the 2017 Bonds were 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 (together with the facilities in (i) above, the “Existing Facilities”); and (iii) to pay costs of issuance of the 2017 Bonds (the “2017 Project”).
2021 Project	The proceeds of the 2021 Bonds will be used to finance and/or refinance, as applicable, all or a portion of the costs of (a) the acquisition of a retail facility located at 1703 West Valencia Road,

Tucson, Arizona (the “*Facility*”), and related acquisition costs, including, without limitation, closing cost, prorations, and adjustments related thereto; (b) refunding the 2017 Bonds issued for the 2017 Project; (c) providing for other qualifying capital expenditures at the New Facility and the Existing Facilities (collectively, the “*Facilities*”); and (d) paying certain costs and expenses associated with the costs of issuance for the 2021 Bonds, including, without limitation, optional prepayment premiums with respect to the Series 2017 Bonds, if any (collectively, the “*2021 Project*”).

Documentation

Pursuant to a Financing Agreement among the Authority, Wells Fargo Bank, National Association and the Borrower, and such other documents as required for the issuance of the 2021 Bonds, the Borrower has agreed to make payments to the Authority sufficient to pay the principal of, premium, if any, and interest on the 2021 Bonds when due. The 2021 Bonds will be secured by a Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing on the Borrower’s facilities located at the Facilities, as well as 2907 North First Avenue and 1770 South Cherrybell Stravenue, all in Pima County, 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 2021 Bonds . . .

The Purchaser will receive, as security for the loan to the Borrower, a pledge of the revenues under the Financing Agreement. The Authority has no taxing power. The 2021 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 2021 Bonds is payable solely out of the revenues derived from the Financing Agreement (other than to the extent payable out of proceeds of the 2021 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 2021 Bonds.

RESOLUTION NO. 2021 - ____

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 2021 IN AN AGGREGATE PRINCIPAL AMOUNT NOT-TO-EXCEED \$10,600,000 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 2021 (the "*Bonds*"), the proceeds of which are to be loaned to Goodwill Industries of Southern Arizona, Inc., an Arizona nonprofit corporation (or its affiliates) and a 501(c)(3) organization, (the "*Borrower*"), to finance and/or refinance, as applicable, all or a portion of the costs of (i) the acquisition of a retail facility located at 1703 West Valencia Road, Tucson, Arizona (the "*New Facility*"); (ii) refunding the Authority's Revenue Bonds (Goodwill Industries of Southern Arizona, Inc. Project) Series 2017, the proceeds of which were loaned to the Borrower to refund an existing loan used for the acquisition of a retail facility located at 10240 East Golf Links Road, Tucson, Arizona and to finance the headquarters building of the Borrower located at 1910-1940 East Silverlake Road, Tucson, Arizona (together, the "*Existing Facilities*"); (iii) providing for other qualifying capital expenditures at the New Facility and Existing Facilities (collectively, the "*Facilities*"); and (iv) paying certain costs and expenses associated with the costs of issuance for the Bonds (collectively, the "*Project*"); and

WHEREAS, on November 12, 2021, the Authority resolved to issue the Bonds in an aggregate amount not to exceed \$10,600,000 (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 Authority’s 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 16th day of November, 2021.

Sharon Bronson, Chair
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

Melissa Manriquez, Clerk
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

KLINE ALVARADO VEIO, P.C.
Bond Counsel

By: *Kline Alvarado Veio, P.C.*