

ORDINANCE NO. 017-22

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, (1) AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD PURCHASE AGREEMENT, A THIRD TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING AND AN OBLIGATION PURCHASE CONTRACT; (2) APPROVING THE SALE, EXECUTION AND DELIVERY OF TRANSPORTATION EXCISE TAX REVENUE REFUNDING OBLIGATIONS IN ONE OR MORE SERIES IN ORDER TO REFUND TRANSPORTATION EXCISE TAX REVENUE OBLIGATIONS PREVIOUSLY DELIVERED TO FINANCE TRANSPORTATION IMPROVEMENTS OF THE CITY; (3) PLEDGING CERTAIN TRANSPORTATION EXCISE TAXES AND RECEIPTS IMPOSED OR RECEIVED BY THE CITY TO THE PAYMENT OF SUCH OBLIGATIONS; (4) DELEGATING TO THE ASSISTANT CITY MANAGER OR THE CHIEF FINANCIAL OFFICER OF THE CITY THE LIMITED AUTHORITY TO DESIGNATE BY SERIES THE FINAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES AND OTHER MATTERS WITH RESPECT TO SUCH OBLIGATIONS; (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE, INCLUDING THE EXECUTION OF CERTAIN DOCUMENTS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT AND (6) DECLARING AN EMERGENCY.

WHEREAS, the City of Glendale, Maricopa County, Arizona (the "City") has caused to be executed and delivered Transportation Excise Tax Revenue Obligations, Series 2007 (the "2007 Obligations") pursuant to a Trust Agreement, dated as of November 1, 2007, evidencing proportionate interests of the owners of such 2007 Obligations in payments to be made by the City pursuant to a First Purchase Agreement, dated as of November 1, 2007 (the "2007 Purchase Agreement"); and

WHEREAS, the City proposes to refinance the Refunded Obligations (as defined in this Ordinance) in order to achieve debt service savings through the issuance of Transportation Excise Tax Revenue Refunding Obligations, in one or more series (the "Obligations"), evidencing proportionate interests of the owners of such Obligations in payments to be made by the City pursuant to the Purchase Agreement (as defined in this Ordinance); and

WHEREAS, the Obligations will be issued pursuant to the Trust Agreement (as defined in this Ordinance) between the City and the Trustee (as defined in this Ordinance); and

WHEREAS, pursuant to the Purchase Agreement, the City will sell to the Trustee its residual rights in the respective properties subject to the 2007 Purchase Agreement after the repayment of the applicable 2007 Obligations and repurchase such rights from the Trustee (the "Residual Rights"); and

WHEREAS, the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the City will pledge Transportation Excise Taxes on a senior lien basis on a parity with the outstanding 2015 Obligations (as such terms are defined in the Trust Agreement); and

WHEREAS, the City intends for the Obligations to be sold (i) directly to a bank or financial institution as purchaser of the Obligations (the "Bank Lender") in the form of a bank loan (for the Bank Lender's internal accounting purposes) evidenced by a certificate and receipt of the Bank Lender or (ii) if, based on the determination of the Assistant City Manager or the Chief Financial Officer or equivalent, an acceptable offer to directly purchase the Obligations is not received from a bank or financial institution, to one or more underwriters selected by the City (the "Underwriters"), as provided in an obligation purchase agreement (the "Purchase Contract"), in substantially the same form as that used in connection with the sale of the 2015 Obligations, with such changes as are approved by the Assistant City Manager or the Chief Financial Officer or equivalent; and

WHEREAS, if the Obligations are sold by negotiated sale to the Underwriters, the Obligations will be reoffered pursuant to the Preliminary Official Statement (as defined in this Ordinance) and the Official Statement (as defined in this Ordinance); and

WHEREAS, there have been placed on file with the City Clerk the proposed forms of the following documents: (i) a Third Purchase Agreement to be dated as of June 1, 2017, or such later date as may be determined pursuant to Section 2 of this Ordinance (the "Purchase Agreement") by and between the City and the Trustee, (ii) a Third Trust Agreement of this Ordinance to be dated as of June 1, 2017, or such later date as may be determined pursuant to Section 2 (the "Trust Agreement"), by and between the City and the Trustee, and (iii) a continuing disclosure undertaking (the "Continuing Disclosure Undertaking"), to be executed and delivered by the City if the Obligations are sold by negotiated sale to the Underwriters; and

WHEREAS, this Council desires to authorize the execution and delivery of the Purchase Agreement, the Trust Agreement and, if the Obligations are sold by negotiated sale to the Underwriters, the Continuing Disclosure Undertaking (collectively, the "Basic Documents") and such other documents as may be necessary in connection with the execution and delivery of said Basic Documents, the pledge of Transportation Excise Taxes for the payment of the amounts due under the Purchase Agreement and the issuance of the Obligations.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. In addition to words and terms elsewhere defined in this Ordinance, the capitalized words and terms used in this Ordinance shall have the meaning given in Article 1 of the Trust Agreement.

SECTION 2. The sale and purchase of the Residual Rights pursuant to the Purchase Agreement are approved; and the installment purchase payments (the "Purchase Payments") specified in the Purchase Agreement are approved (subject to the limitations on the source of City payments as set forth in Section 3). The Assistant City Manager and the Chief Financial Officer or equivalent are authorized and directed to execute the Basic Documents (including the Continuing Disclosure Undertaking if the Obligations are sold by negotiated sale to the Underwriters) on behalf of the City in substantially the form on file with the City Clerk with such modifications, insertions and changes as may be approved by the executing officials, which approval shall be conclusively evidenced by their execution of the Basic Documents.

SECTION 3. For the payment of the Purchase Payments due and payable under the Purchase Agreement authorized in Section 2 of this Ordinance, there are pledged, on a parity basis with the 2015 Obligations, the City's Transportation Excise Taxes. It is intended that this pledge of Transportation Excise Taxes will be sufficient to make the Purchase Payments pursuant to the Purchase Agreement and the City agrees and covenants to make said Purchase Payments from such Transportation Excise Taxes, except to the extent that it chooses to make such payments from other funds, as permitted by law. Neither the Purchase Agreement nor the promise to pay pursuant thereto nor the Obligations constitute a general obligation of the City nor shall the City be liable for the payments under the Purchase Agreement from ad valorem taxes.

SECTION 4. The City Council of the City finds and determines that the refinancing of the Refunded Obligations pursuant to the terms of the Purchase Agreement and the Trust Agreement, through the issuance and the sale of the Obligations, is in furtherance of the purposes of the City and in the public interest will enhance the standard of living within the City and within the State of Arizona (the "State").

SECTION 5. The City approves the issuance and delivery of the Obligations in an aggregate principal amount not to exceed the amount necessary to refund the Refunded Obligations and to pay costs of issuance and have an arbitrage yield for federal tax purposes of not more than five percent (5%), provided that such refinancing shall result in a present value debt service savings net of all costs associated with the Obligations of at least two and one-half percent (2.5%).

The Obligations shall be in the denomination of \$5,000 of principal or any integral multiple thereof if sold by negotiated sale to the Underwriters or in the denominations determined by the Assistant City Manager or the Chief Financial Officer or equivalent if sold to the Purchaser, shall be dated as determined by the Assistant City Manager or the Chief Financial Officer or equivalent, shall bear interest from such date payable on January 1 and July 1 of each year, commencing as determined by the Assistant City Manager or the Chief Financial Officer or equivalent, and shall be fully registered obligations without coupons. The Obligations shall mature on July 1 in the years determined by the Assistant City Manager or the Chief Financial Officer or equivalent but not later than the latest maturity of the Refunded Obligations.

The forms, terms and provisions of the Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange and number shall be as set forth in the Trust Agreement, and, if sold to the Bank Lender, as agreed to with the Bank Lender, and are approved.

The Assistant City Manager or the Chief Financial Officer or equivalent are authorized and directed to determine on behalf of the City: (i) the principal amount of the Obligations; (ii) the final maturity schedule of the Obligations; (iii) the provisions for prepayment in advance of maturity or payment of the Obligations; (iv) the interest rates on the Obligations; (v) the sales price and terms of the purchase of the Obligations (including, if the Obligations are sold by negotiated sale to the Underwriters, the Underwriters' discount and the original issue discount or premium); (vi) the provisions for credit enhancement, if any, for the Obligations including a debt service reserve fund or surety bond; (vii) the provisions for a capitalized interest or contingency amount, if any, if deemed to be in the best interests of the City; (viii) the selection of any or all of the 2007 Obligations to be refunded (the "Refunded Obligations") and (ix) the identity of the financial institution to serve as trustee under the Trust Agreement (the "Trustee").

The provisions for redemption of the Obligations shall be as set forth in the Trust Agreement.

The forms and other terms and provisions of the Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange, and number shall be as set forth in the Trust Agreement and are approved.

SECTION 6. The Assistant City Manager or the Chief Financial Officer or equivalent are authorized to determine whether the Obligations are to be sold to (i) the Bank Lender or (ii) the Underwriters pursuant to negotiated sale as described in the Official Statement. If it is the former, such sale will be evidenced by a certificate and receipt of the Bank Lender. If it is the latter, such sale will be evidenced by the execution and delivery of the Purchase Contract. If the Obligations are to be sold by negotiated sale to the Underwriters, the Assistant City Manager or the Chief Financial Officer or equivalent are authorized to execute and deliver the Purchase Contract, with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of the Purchase Contract being conclusive evidence of such approval.

SECTION 7. The forms, terms and provisions of the Basic Documents, in substantially the forms of such documents (including the exhibits thereto) on file with the City Clerk, are hereby approved. The Assistant City Manager or the Chief Financial Officer or equivalent are hereby authorized and directed to execute and deliver, and the City Clerk of the City to attest, the Basic Documents which have been approved as to form by the City Attorney, with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of such documents being conclusive evidence of such approval and particularly of approval and acceptance of the covenants contained in this Ordinance by the City Council of the City on behalf of the City.

SECTION 8. The Assistant City Manager or the Chief Financial Officer or equivalent are authorized to enter into such agreements as each determines necessary in conjunction with obtaining bond insurance or a reserve fund surety bond, if any and which are necessary to carry out and comply with the terms, provisions, and intent of this Ordinance.

If and to the extent applicable, all actions of the City related to preparing and distributing a form of Preliminary Official Statement, to be used if the Obligations are sold by negotiated sale to the Underwriters, in substantially the same form as that used in connection with the offer and sale of the 2015 Obligations, which may be distributed in connection with the offer and sale of the Obligations (as prepared in accordance with the terms of this Ordinance, the "Preliminary Official Statement"), are hereby approved and ratified. The portions of the Official Statement regarding the Obligations which concern and describe the City are approved and, if so necessary, the Assistant City Manager or the Chief Financial Officer or equivalent are authorized and directed to execute the same and any required certificates as to the accuracy and completeness of said Official Statement descriptions of the City.

SECTION 9. If so necessary, the Preliminary Official Statement is approved and the distribution of the same is hereby approved. If and to the extent applicable, the Preliminary Official Statement is "deemed final" (except for permitted omissions), by the City as of its date for purposes of SEC Rule 15c212(b)(1) and, if so necessary, a final official statement (the "Official Statement") will be prepared and distributed to the Underwriters for purposes of SEC Rule 15c212(b)(3) and (4). If so necessary, the Assistant City Manager or the Chief Financial Officer or equivalent are authorized and directed to complete and sign on behalf of the City and in his or her official capacity, the Official Statement, with such modifications, changes and supplements as being necessary to carry out and comply with the terms, provisions, and intent of this Ordinance. If so necessary, the Assistant City Manager or the Chief Financial Officer or equivalent are authorized to use and distribute, or authorize the use and distribution of, the Official Statement and any supplements thereto as so signed in connection with the original issuance of the Obligations as may in his or her judgment be necessary or appropriate. If and to the extent applicable, the references to the City contained in the Preliminary Official Statement and the Official Statement relating to the Obligations are authorized and approved.

SECTION 10. The Assistant City Manager, the Chief Financial Officer or equivalent and the Clerk of the City are hereby authorized and directed to do all such acts and things to execute, acknowledge and deliver all such documents (including, without limitation, tax compliance certificates, security agreements and financing statements, any amendments to such documents and all closing documents) as may in their discretion be deemed necessary or desirable to carry out and comply with the terms, provisions and intent of this Ordinance, and the Basic Documents and all exhibits to any of the foregoing. All of the acts of the officers of the City which are in conformity with the intent and purposes of this Ordinance, whether previously or in the future taken or done, shall be and the same are hereby ratified, confirmed, and approved in all respects.

SECTION 11. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Obligations in such manner and to such extent as may be necessary so that (a) the Obligations will not (i) constitute private activity bonds, arbitrage bonds

or hedge bonds under Sections 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) be treated other than as obligations to which Section 103(a) of the Code applies, and (b) the interest thereon will not be treated as a preference item under Section 57 of the Code. The Assistant City Manager or the Chief Financial Officer or equivalent, or any other officer having responsibility for issuance of the Obligations shall, alone or with any other necessary officer or employee or consultant to the City, give an appropriate certificate of the City, for inclusion in the transcript of proceedings for the Obligations, setting forth (i) the reasonable expectations of the City regarding the amount and use of all the proceeds of the Obligations; (ii) the facts, circumstances and estimates on which the City's expectations are based; and (iii) other facts and circumstances relevant to the tax treatment of interest on the Obligations.

The City covenants (a) that it will take or cause to be taken such actions which may be required of it for the interest on the Obligations to be and remain excluded from gross income for federal income tax purposes, (b) that it will not take or authorize to be taken any actions which would adversely affect that exclusion and (c) that it, or persons acting for it, will, among other acts of compliance: (i) apply the proceeds of the Obligations to the governmental purpose of the borrowing; (ii) restrict the yield on investment property; (iii) make timely and adequate payments to the federal government; (iv) maintain books and records and make calculations and reports; and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Assistant City Manager, the Chief Financial Officer, and other appropriate city officers are hereby authorized and directed to take any and all such actions, make calculations and rebate payments, and make or give such reports and certifications, as may be appropriate to assure such exclusion of that interest.

SECTION 12. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 13. All orders and ordinances or parts of such orders and ordinances inconsistent with this ordinance are waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order or ordinance or any part of such order or ordinance.

EMERGENCY CLAUSE

SECTION 14. The immediate operation of the provisions of this Ordinance is necessary for the public peace, health, and safety of the residents and citizens of the City for the reason that the obligations in this Ordinance authorized must be sold at the earliest possible time in order to obtain the most advantageous interest rate; an emergency is, therefore, declared to exist, and this Ordinance shall be in full force and effect immediately upon its passage and adoption by the Mayor and Council of the City, and it is exempt from the referendum provisions of the Constitution and laws of the State.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 23rd day of May, 2017.



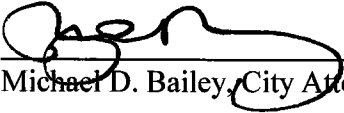
Mayor Jerry P. Weiers

ATTEST:



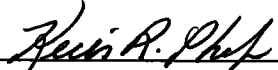
Julie K. Bower, City Clerk (SEAL)

APPROVED AS TO FORM:



Michael D. Bailey, City Attorney

REVIEWED BY:



Kevin R. Phelps, City Manager