



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

June 16, 2021

DEPARTMENT:

Administration

DIVISION**STRATEGIC OUTCOMES**

- ☒ Safe & Prosperous
- ☐ Active & Appealing
- ☐ Respected & Responsible
- ☐ Connected & Engaged
- ☐ Unique & Creative

ACTION

- ☒ Motion
- ☐ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

TITLE:

Financing Alternatives: Desert Dunes Water Reclamation Facility Expansion

SUMMARY RECOMMENDATION:

Authorize the City Administrator and staff to work with Stifel, Nicolaus, and Company, Inc. (Stifel), bond counsel Greenberg Traurig, and the Water Infrastructure Finance Authority of Arizona (WIFA), in connection with securing financing for the expansion of the Desert Dunes Water Reclamation Facility (DDWRF). (Administration/Finance) (Jay Simonton/Barbara Goodrich).

STRATEGIC OUTCOME:

In support of the City Council's vision and the strategic outcome of Safe and Prosperous, staff is recommending the expansion of the DDWRF from the current treatment capacity of 3.3 million gallons per day (mgd) to a new treatment capacity of 6.6 mgd.

REPORT:

To finance the Desert Dunes facility expansion, estimated at an amount not to exceed \$85,000,000.00, City staff intends to evaluate two options to fund the construction. In coordination with Stifel and Greenberg Traurig, staff will evaluate the possible sale of revenue bonds on the open bond market and in the alternative, securing a low interest loan from WIFA.

Approving this motion authorizes the City Administrator and staff to work with WIFA, Stifel, and Greenberg Traurig to evaluate and determine the best financing option for the City. In order to advance the WIFA option, a companion resolution on this agenda authorizes the City Administrator to apply for the WIFA loan. A final decision between the alternatives, along with City staff's analysis and recommendation, will be brought forward by ordinance for City Council approval.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$85,000,000.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$85,000,000.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT/FUND/CIP:	
	TOTAL:	\$85,000,000.00		
	FISCAL IMPACT STATEMENT: THIS PROJECT IS INCLUDED IN THE 2022-2026 CIP.			

ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK: 1. 2. 3. 4. 5.			
	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL? <input type="checkbox"/> Department <input type="checkbox"/> City Clerk's Office <input type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified			

SIGNATURES	CITY ADMINISTRATOR:		DATE:
	Philip A. Rodriguez		
	REVIEWED BY CITY ATTORNEY:		DATE:
	Richard W. Files		6/8/2021
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:
WRITTEN/SUBMITTED BY:		DATE:	