



# Town of Oro Valley, Arizona

## \$21,120,000 Excise Tax Revenue and Parks and Recreation Revenue Obligations, Tax-Exempt Series 2021



### Executive Summary

The Town of Oro Valley (the "Town") sold its Excise Tax Revenue and Parks and Recreation Revenue Obligations, Tax-Exempt Series 2021 (\$21.12 million) on October 14, 2021. Stifel served as financial advisor with Piper Sandler serving as underwriter. The proceeds were used to finance various park projects, including Community Center Property improvements, amenities to Naranja Park and multiuse path connections throughout the Town's park system. The Obligations were assigned an underlying rating of 'AA+' (S&P). The Town was able to lock in rates at near historically low levels, saving significant taxpayer dollars.

By locking in the financing of \$25 million of project funds, the Town likely saved significant taxpayer dollars when compared to a "pay-as-you-go" option which would have been susceptible to increasing construction costs and high rates of inflation. Under certain assumptions with investments over 10 years, it is estimated that the Town saved over \$4 million in net present value dollars by executing the transaction when it did.

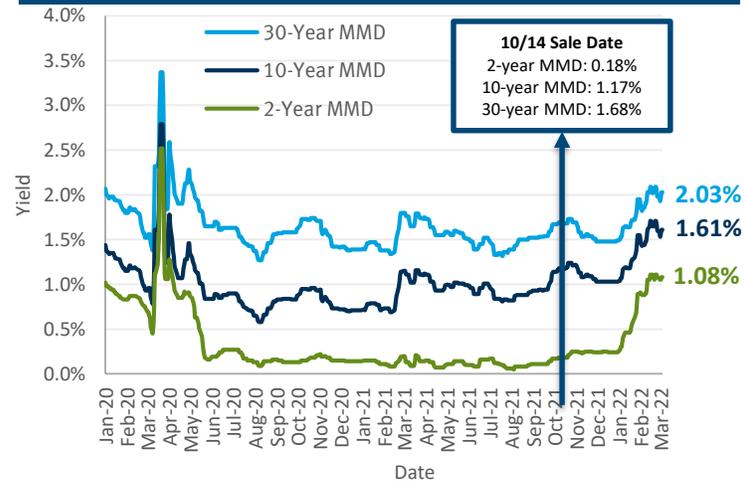
### Town Accomplishments:

- ✓ Maintained "AA+" on its Excise Tax Credit (S&P)
- ✓ Locked in rates at or near historic lows in the municipal bond market
- ✓ \$25 million Project Fund deposit with level annual debt service payments of approximately \$1.56 million over 20 years

### Bond Sale Summary Statistics

Pricing Date	10/14/2021
Closing Date	11/4/2021
All-In True Interest Cost	2.31%
Yield Range on the Obligations	0.17% - 1.92%
Average Life	11.441 years
Project Fund Deposit	\$25,000,000
Average Annual Debt Service	\$1,560,000

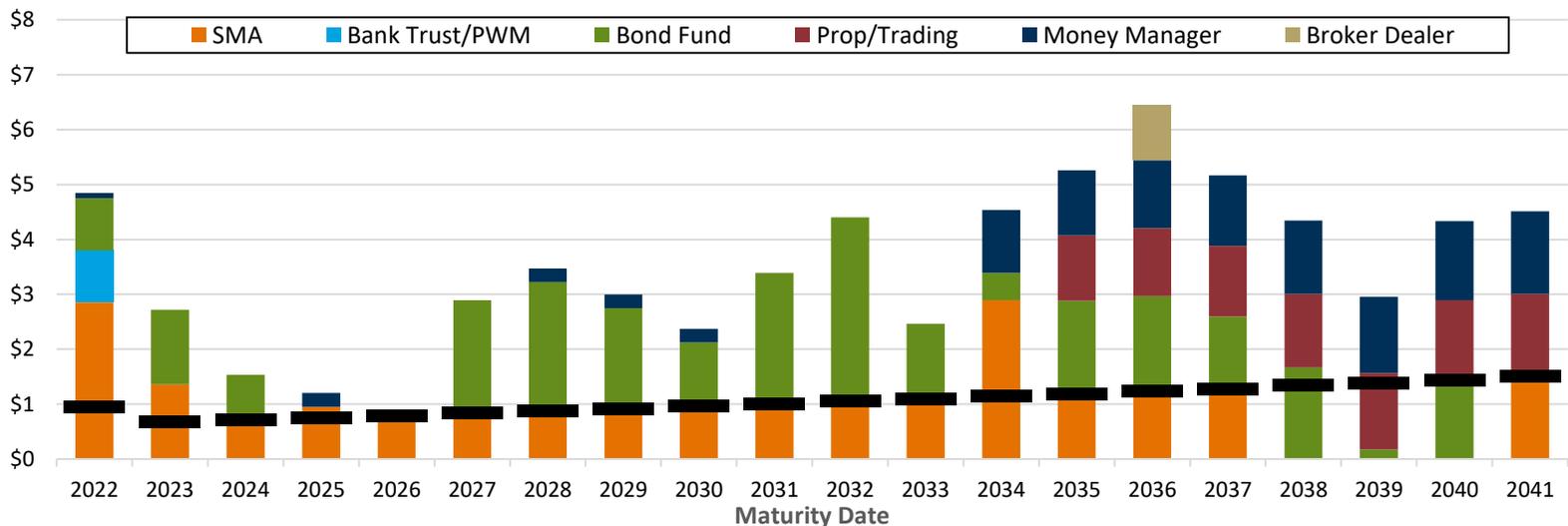
### AAA MMD Benchmark Yields since January 2020



### Marketing & Distribution of the Obligations

- The Obligations were marketed aggressively and achieved significant orders from high quality accounts like Nuveen Asset Management, 16<sup>th</sup> Amendment Advisors, FHN Financial and Eaton Vance TABS.
- 83 separate orders totaling over \$70 million from 17 different institutional investors were received for the Obligations, which allowed for tightening of spreads of two to five basis points in certain maturities across the curve.

### Investor Type and Orders by Maturity (\$mil)



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