

CASE STUDY

YUMA COUNTY, ARIZONA



\$57,125,000 | PLEDGED REVENUE BONDS | SOLE MANAGER | SERIES 2022 | FINANCIAL ADVISOR



PROJECT

The Series 2022 Bonds are being issued for the purpose of financing the cost of acquisition and/or construction of new County buildings and the cost of modification to existing County buildings. The acquired/modified buildings will house the IT department, provide space for University of Arizona Cooperative Extension staff, provide space for the Emergency Management division, and make changes to the Health Department facility.

ISSUER

- Yuma County is a County established in 1864, bordered by La Paz and the border of Mexico. It has a diverse economic base including agriculture, government, retail trade and tourism.
- The County's boundaries encompass approximately 5,519 square miles with a population of 207,318 (as of July 1, 2021). It has a median household income of approximately \$48,790 (2020 value).

SECURITY AND RATING

- Payable from payments secured by county general excise tax revenues, state shared revenues, and vehicle license tax revenues and PILT revenues.
- Not General Obligations of the county, therefore not payable from ad valorem taxes.
- Bonds rated "AA-" Underlying and "AA" Underlying by S&P and Fitch, respectively.

STRUCTURING FEATURES

- The Series 2022 Bonds were structured as serial bonds, maturing 2023 to 2037.
- The Series 2022 Bonds were issued with an optional redemption feature dated 2032.
- The 2022 Series includes a Term Obligation due 2042.

SUMMARY STATISTICS

- Principal Amount: \$57,125,000
- Bond Proceeds for Project: \$60,030,000
- True Interest Cost (TIC): 3.978%
- Amortization: Principal maturities dates are 1/15/2023 and 7/15/2023-2042. Interest on the obligations is due semiannually on 1/15 and 7/15, commencing 1/15/2023.

UNIQUE FINANCING/DEAL FEATURES

- Stifel served as Financial Advisor for the Series 2022 bonds. The week of pricing seemed to get a temporary boost from the muni market as munis outperformed in a U.S. Treasury selloff and investors received \$18B in maturing and called bond proceeds.
- On the day of pricing, a significant oversubscription in in the Obligations allowed for the tightening of spreads along the curve, saving the County debt costs, ultimately achieving the TIC of 3.978%.

CASE STUDY

COCONINO COUNTY, ARIZONA



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