

TOWN *Of* **PARADISE VALLEY**



STAFF REPORT

TO: Mayor Stanton and Town Council Members

FROM: Andrew B. Ching, Town Manager
Duncan Miller, Town Clerk

DATE: June 12, 2025

DEPARTMENT: Town Manager
Duncan Miller, 480-348-3610

AGENDA TITLE:
Discussion of the Status of the Municipal Property Corporation

SUMMARY STATEMENT:

The purpose of this study session item is to provide background on the Paradise Valley Municipal Property Corporation (MPC) and seek Council direction on whether the MPC should be transitioned to an inactive status or dissolved.

BACKGROUND AND DISCUSSION:

The Town Council formed the Paradise Valley Municipal Property Corporation in 1993 to issue debt on behalf of the Town to finance capital projects such as public building construction and purchase of sanitary sewer facilities and capacity. The MPC Board is made up of five members appointed by the Mayor and Council to staggered three-year terms.

Resolution Number 786 Adopted October 14, 1993

Section 1. Approval of the Corporation and the Bonds.

The formation of the Town of Paradise Valley Municipal Property Corporation is hereby approved for the purpose of assisting the Town in its financing of capital projects and other financial endeavors, and the persons set forth in the fifth paragraph of the Corporation's Articles of Incorporation filed with the Arizona Corporation Commission on October 8, 1993, are hereby appointed to serve as the initial members of the Board of Directors of the Corporation.

The issuance, sale, delivery, and terms of the Bonds for the purposes of acquiring additional building facilities to house its police and public works departments, renovating and improving the Town's existing

municipal office facility, and paying the related costs of issuing the Bonds are hereby approved.

The MPC issued excise tax revenue bonds in 1993 and 1998 and refinanced the 1998 bonds in 2009. The Town also debt financed capital projects in 2016 and 2020 but did so through a private placement of excise tax revenue obligations instead of issuing bonds through the MPC.

Since 2009, the MPC has had essentially no business other than meeting periodically to approve the minutes of the previous meeting. Highly qualified and dedicated residents have been, and continue to be, appointed to the MPC Board but have not had an opportunity to meaningfully contribute. As such, this topic has been scheduled for Council discussion to evaluate the mission and role of the MPC and to consider its future.

OPTIONS:

1. The Council could direct staff to dissolve the MPC. The 1993 and 1998 bonds have been paid in full, and the ground leases have expired. The MPC does not own any property or assets. The bond documents specify that the Town of Paradise Valley is the true and lawful owner of the buildings that were constructed with financing from the 1993 bonds. Dissolving the MPC would not prevent the Town from issuing bonds or obligations in the future. There are alternate methods to debt finance projects including private placement. If this option is selected, staff would bring back a resolution in the fall for Council consideration.
2. The Council could direct staff to transition the MPC to inactive status. This option would involve suspending the MPC's activities and changing its status with the Arizona Corporation Commission. Additionally, board reappointments would not be made. However, this would preserve the Council's option to quickly reactivate the MPC if a future Council chose to issue bonds through the MPC mechanism.
3. The Council could direct staff to maintain the status quo. The MPC would continue as an active committee but with no business. Two members' terms have expired and would need to be reappointed. Those reappointments were not made during this year's committee appointment process pending the outcome of this discussion. Additionally, two terms expire next year.

COUNCIL DIRECTION REQUESTED:

Should the Paradise Valley Municipal Property Corporation be inactivated or dissolved?

ATTACHMENT(S):

- A. Staff Report
- B. Presentation
- C. Resolution 786 forming the MPC