

THE BOND BUYER

Mesa, Arizona, sets biggest-ever bond sales

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Mesa will head to the municipal bond market in November with up to \$295 million in two deals, which will mark the largest debt issues sold by the Arizona city.

The as much as \$90 million of general obligation bonds and \$205 million of utility systems revenue obligations were unanimously approved Monday by the city council.



Mesa will head to the municipal market next month with about \$291 million of bonds in two deals, which will mark the largest debt issues sold by the Arizona city. **City of Mesa**

Both deals are slated to be sold the week of Nov. 6, City Treasurer Ryan Wimmer said, adding while new-money deals in recent years were sold on a negotiated basis, the issues will be sold competitively.

"We're hoping for relatively tight spreads for our credit," he said. "We feel we are pretty well known; we have pretty good ratings."

The GO bonds, which will fund library, parks, public safety, transportation and other projects, will tap bond authorizations approved by voters in 2018 and 2020. The debt is structured with serial maturities in 2024 through 2043 and two undated term bonds, according to a [draft preliminary official statement](#).

The utility systems revenue obligations, which will be paid with funds derived from the operation of the city's water, electrical, natural gas, wastewater, and solid waste systems, carry maturities from 2024 to 2048 and one undated term bond, a [draft POS indicated](#). The bulk of the proceeds — \$111 million — will fund water-related projects.

Wimmer said the bond sales will cover two years worth of projects. Bond insurance is being considered for the utility debt.

Greenberg Traurig, LLP, is bond counsel for the deals and HilltopSecurities Inc. is the financial advisor.

Mesa, Arizona's third-largest city, has nearly \$285 million of outstanding GO debt. After the upcoming sale, it will have about \$300 million of unused voter-approved GO bond authorization, according to a 2023 financing plan.

In 2022, Mesa's \$22.62 million of GO bonds were rated AAA by Fitch Ratings and AA by S&P Global Ratings. The city's \$57.65 million utility revenue refunding bond issue last year was rated Aa3 by Moody's Investors Service and A-plus by S&P.