

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2023**NEW ISSUE – BOOK-ENTRY-ONLY****RATINGS: See “RATINGS” herein**

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is exempt from income taxation under the laws of the State of Arizona. Further, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the federal alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. See “TAX EXEMPTION” herein for a description of certain other federal tax consequences of ownership of the Bonds.

\$117,415,000*
CITY OF CHANDLER, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2023

Dated: Date of Initial Delivery**Due:** July 1, as shown on the inside front cover page

The City of Chandler, Arizona (the “City”) will issue its \$117,415,000* aggregate principal amount of General Obligation Bonds, Series 2023 (the “Bonds”) for the purpose of (i) acquiring and constructing public facilities and buildings, improvements to parks and recreation facilities, streets, public safety facilities and storm water management systems and (ii) paying the costs of issuance of the Bonds.

The Bonds will be dated the date of initial delivery and will be issuable as fully registered securities without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Bonds. Beneficial interests in the Bonds will be available to purchasers in amounts of \$5,000 of principal due on specific maturity dates or integral multiples thereof. Purchasers will not receive certificates representing their beneficial interests in the Bonds. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.” The principal of, premium, if any, and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests in the Bonds is the responsibility of DTC participants and Indirect Participants (as defined herein), as more fully described herein. The City and DTC each reserve the right to discontinue the book-entry-only system at any time.

See Maturity Schedule on Inside Front Cover Page

The Bonds will mature on the dates and in the principal amounts set forth on the inside front cover page. Interest on the Bonds will be payable semiannually on January 1 and July 1, commencing July 1, 2024*.

The Bonds will be subject to redemption by the City prior to their stated maturity dates.

Principal of and interest on the Bonds will be payable from a continuing, direct, annual, ad valorem tax levied against all taxable property within the boundaries of the City unlimited as to rate or amount. See “THE BONDS – Security For and Sources of Payment of the Bonds” herein.

Proposals for the Bonds may be submitted solely as an electronic bid using the facilities of PARITY® up to and including the hour of 9:00 A.M., Mountain Standard Time (“MST”), on November __, 2023*. See “NOTICE INVITING BIDS FOR THE PURCHASE OF BONDS” for the Bonds herein.

The Bonds are offered when, as and if issued by the City, subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December __, 2023*.

This cover page contains certain information with respect to the Bonds for quick reference only. It is not a summary of all material information with respect to the Bonds. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

* Preliminary, subject to change.

\$117,415,000*
CITY OF CHANDLER, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2023

MATURITY SCHEDULE*

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP® No. 158843(a)</u>
2024	\$7,450,000	%	%	
2025	6,215,000			
2026	6,250,000			
2027	6,500,000			
2028	10,000,000			
2029	17,000,000			
2030	18,000,000			
2031	12,000,000			
2032	10,000,000			
2033	10,000,000			
2034	14,000,000			

-
- (a) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, Bond Counsel, the Financial Advisor (each as defined herein) or their agents or counsel assume responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

CITY OF CHANDLER, ARIZONA

CITY COUNCIL

Kevin Hartke, *Mayor*
Mart Orlando, *Vice Mayor*
Christine Ellis, *Councilmember*
Angel Encinas, *Councilmember*
OD Harris, *Councilmember*
Jane Poston, *Councilmember*
Mark Stewart, *Councilmember*

CITY ADMINISTRATIVE OFFICERS

Joshua H. Wright, *City Manager*
Tadd Wille, *Assistant City Manager*
Dawn Lang, *Deputy City Manager/CFO*
Andy Bass, *Deputy City Manager*
Kelly Schwab, *City Attorney/Risk Manager*
Dana DeLong, *City Clerk*

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

FINANCIAL ADVISOR

Piper Sandler & Co.
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

U.S. Bank Trust Company, National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the City of Chandler, Arizona (the “City”) General Obligation Bonds, Series 2023 (the “Bonds”), identified on the inside front cover page hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth in this Official Statement has been provided by the City, Maricopa County, the State of Arizona Department of Revenue and other sources which are considered to be reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or Piper Sandler & Co. (the “Financial Advisor”). The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All estimates and assumptions contained herein have been based on the latest information available and are believed to be reliable, but no representations are made that such estimates and assumptions are correct, will be realized or will be repeated in the future. The information and any expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties or matters described herein since the date thereof.

The sale and issuance of the Bonds will not be registered under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Securities Act of Arizona in reliance upon exemptions provided under such acts for the sale and issuance of securities such as the Bonds. The Bonds will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission (the “SEC”) nor any other federal, state or other government entity or agency will have passed upon the merits of the Bonds or the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

None of the City, the Financial Advisor or Bond Counsel (as defined herein) are actuaries, nor have any of them performed any actuarial or other analysis of the City’s unfunded liabilities under the Arizona Public Safety Retirement System, the Arizona State Retirement System or the Elected Officials’ Retirement Plan.

A wide variety of other information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

The information contained herein in APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM” has been furnished by The Depository Trust Company and no representation has been made by the City, the Financial Advisor, Bond Counsel or any of their counsel or agents, as to the accuracy or completeness of such information.

The City will undertake to provide continuing disclosure as described in this Official Statement under “CONTINUING SECONDARY MARKET DISCLOSURE” and in APPENDIX E – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” pursuant to Rule 15c2-12 of the SEC.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, Rule 15c2-12 of the SEC.

TABLE OF CONTENTS

	<u>Page</u>
NOTICE INVITING BIDS FOR THE PURCHASE OF BONDS.....	i
INTRODUCTORY STATEMENT	1
THE BONDS.....	1
Authorization and Purpose – Bonds.....	1
Authorized and Unissued Bonds.....	1
General Provisions	2
Bond Registrar and Paying Agent.....	2
Redemption Provisions	2
Mutilated, Lost or Destroyed Bonds	2
Registration and Transfer.....	2
Security For and Sources of Payment of the Bonds.....	3
COVID-19.....	4
SOURCES AND USES OF FUNDS.....	4
ESTIMATED DEBT SERVICE REQUIREMENTS.....	5
TAX MATTERS	6
General.....	6
Original Issue Discount and Original Issue Premium	7
Changes in Federal and State Tax Law	7
Information Reporting and Backup Withholding.....	8
LEGAL MATTERS	8
CYBERSECURITY	9
LITIGATION	9
FINANCIAL STATEMENTS.....	9
CONTINUING SECONDARY MARKET DISCLOSURE	9
RATINGS.....	10
FINANCIAL ADVISOR.....	10
RELATIONSHIP BETWEEN PARTIES	10
POLITICAL DONATIONS	10
CERTIFICATION CONCERNING OFFICIAL STATEMENT	10
ADDITIONAL INFORMATION	11
CONCLUDING STATEMENT	11

APPENDIX A - CITY OF CHANDLER, ARIZONA — GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

APPENDIX B - CITY OF CHANDLER, ARIZONA — FINANCIAL DATA

APPENDIX C - FORM OF APPROVING LEGAL OPINION

APPENDIX D - CITY OF CHANDLER, ARIZONA — AUDITED FINANCIAL STATEMENTS OF THE CITY OF CHANDLER, ARIZONA FOR THE FISCAL YEAR ENDED JUNE 30, 2022

APPENDIX E - FORM OF CONTINUING DISCLOSURE UNDERTAKING

APPENDIX F - BOOK-ENTRY-ONLY SYSTEM

\$117,415,000*
CITY OF CHANDLER, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2023

NOTICE INVITING BIDS FOR THE PURCHASE OF BONDS

(Electronic Bidding Only)

NOTICE IS HEREBY GIVEN that unconditional bids will be received to and including the hour of 9:00 a.m., Mountain Standard Time (“MST”), on November __, 2023* by the City of Chandler, Arizona (the “City”), for the purchase of all, but not less than all, of the City’s General Obligation Bonds, Series 2023 in the principal amount of \$117,415,000* (the “Bonds”) as electronic bids using the facilities of PARITY® (“PARITY”). For purposes of the bids received through the electronic bid process, the time as maintained by PARITY shall constitute the official time.

The City reserves the right to cancel or reschedule the sale of the Bonds or alter the terms thereof upon notice given through PARITY at www.ipreo.com at any time prior to the time bids are to be received. If no legal bid or bids are received for the Bonds on said date (or such later date as is established as provided herein) at the time specified, bids will be received for the Bonds on such other date and at such other time as shall be designated through PARITY as soon as practicable. As an accommodation to the bidders, telephonic, telecopied or emailed notice of the postponement of the sale date or dates or of a change in the principal payment schedule will be given to any bidder who has requested such notice of the City’s Financial Advisor, Piper Sandler & Co. (the “Financial Advisor”), Bill Davis (email: william.davis@psc.com; telephone: (602) 808-5428) and Erika Coombs (email: erika.coombs@psc.com; telephone: (602) 808-5414). Failure of any bidder to receive such telephonic, telecopied or emailed notice shall not affect the legality of the sale.

Any prospective purchaser that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. The normal fee for the use of PARITY may be obtained from PARITY, and such fee will be the responsibility of those submitting bids. All bids must be submitted on the official bid form that resides on the PARITY system (the “Official Bid Form”), without alteration or interlineation. All electronic bids must be submitted by 9:00 a.m., MST, on November __, 2023*. Subscription to i-Deal’s BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. Representatives of the City will not confirm any subscription nor be responsible for the failure of any prospective purchaser to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice Inviting Bids for the Purchase of Bonds (this “Notice”) and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the City. Neither the City nor the Financial Advisor shall be responsible for any malfunction or mistake made by, or as a result of, the use of the facilities of PARITY, the use of such facilities being the sole risk of the bidder.

If any provisions of this Notice shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice shall control. All electronic bids will be deemed to incorporate the provisions of this Notice and the Official Bid Form. Further information about PARITY, including any fee charged, may be obtained from IPREO at 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (212) 849-5021 and from the following website: www.newissuehome.i-deal.com.

For information purposes only, bidders are requested to state in their electronic bid the “true interest cost” as described under “AWARD AND DELIVERY” herein.

BONDS IN GENERAL

The Bonds will be dated the date of initial delivery. Interest on the Bonds will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2024*. The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds through its book-entry system. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form in amounts of \$5,000 of principal due on a specific maturity date, or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interests in the Bonds. The principal of and interest on the Bonds will be paid by U.S. Bank Trust Company,

* Preliminary, subject to change.

National Association, as the Bond Registrar and Paying Agent for the Bonds (the “Bond Registrar and Paying Agent”), to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests in the Bonds is the responsibility of DTC Participants and Indirect Participants, as more fully described in the preliminary official statement relating to the Bonds (the “Preliminary Official Statement”).

Except as otherwise provided under “MODIFICATION OF MATURITY SCHEDULE AND PAR AMOUNT” and “REDEMPTION PROVISIONS – Mandatory Redemption,” the Bonds will mature (or be subject to mandatory redemption) on July 1 in each of the years and in the amounts as follows (the “Maturity Schedule”):

Date (July 1)	Principal Amount*
2024	\$ 7,450,000
2025	6,215,000
2026	6,250,000
2027	6,500,000
2028	10,000,000
2029	17,000,000
2030	18,000,000
2031	12,000,000
2032	10,000,000
2033	10,000,000
2034	14,000,000

As described below under the heading “REDEMPTION PROVISIONS – Mandatory Redemption,” bidders may specify that the principal amount of Bonds scheduled to mature on or after July 1, 2034, shall be combined into one or more term Bonds. Serial maturities converted to term Bonds, as specified, must bear the same rate of interest.

MODIFICATION OF MATURITY SCHEDULE AND PAR AMOUNT

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual principal payment for the Bonds as set forth in this Notice (collectively, the “Preliminary Amounts”) may be revised before the receipt of electronic bids for their purchase (such revised amounts referred to collectively as the “Revised Amounts”). ANY SUCH REVISIONS WILL BE PUBLISHED ON PARITY NOT LATER THAN 5:00 P.M., MST, ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts, and the Revised Amounts will be used to compare bids and select the winning bidder.

The City reserves the right to change the aggregate principal amount of Bonds set forth in this Notice after determination of the winning bidder in an amount not to exceed \$11,000,000.00*. Further, the City reserves the right to change the maturity schedule set forth in this Notice after determination of the winning bidder, by adjusting one or more principal maturities of the Bonds in increments of \$5,000.

As promptly as reasonably possible after the bids are received, the City will notify the winning bidder, if and when an award is made. The initial reoffering prices (the “Initial Reoffering Prices”), among other things, will be used by the City to calculate the final principal amount of each annual principal payment for the Bonds (collectively, the “Final Amounts”) to accommodate the objectives of the City. THE WINNING BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES PROPOSED OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS. The dollar amount bid by such entity will be adjusted to reflect changes in the dollar amount of the underwriter’s discount and the original issue discount/premium, if any, but will not change the compensation per \$1,000 of aggregate par amount of Bonds from the compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The Final

* Preliminary, subject to change.

Amounts will be communicated to such entity as soon as possible, but not later than 3:00 p.m. MST, on the date of the sale.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing before and on July 1, 2033*, will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on and after July 1, 2034*, will be subject to optional redemption prior to their stated maturity dates, at the direction of the City, in whole or in part in denominations of \$5,000 or integral multiples thereof from maturities selected by the City, on July 1, 2033*, and on any date thereafter, at a redemption price equal to the principal amount of Bonds being redeemed plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. A bidder may specify that the principal amount of Bonds scheduled to mature on or after July 1, 2034*, shall be combined into one or more term Bonds maturing in the years as specified, which are subject to mandatory redemption, by lot, selected by the Bond Registrar and Paying Agent annually until payment at maturity in the principal amounts shown in the maturity schedule above at par and accrued interest to the date fixed for redemption, without premium. If so specified, then serial maturities converted into a single term Bond must bear the same rate of interest.

Notice of Redemption. Not more than 60, nor less than 30, days before any redemption date, the Bond Registrar and Paying Agent will cause a notice of any such redemption to be provided to DTC as further described in the Preliminary Official Statement. Such notice may provide that the redemption is conditional upon moneys for payment of the redemption price being held in separate accounts by the Bond Registrar and Paying Agent.

AUTHORIZATION AND USE OF FUNDS

The Bonds are being issued by the City pursuant to Title 35, Chapter 3, Article 3, Arizona Revised Statutes, and a resolution adopted by the City Council of the City on October 19, 2023* (the “Resolution”). The Bonds will constitute a portion of the bonds authorized by the voters at special bond elections held in the City on May 15, 2007, and November 2, 2021, and will be issued for the following purposes and to pay costs of issuance of the Bonds:

- (a) Parks and Recreation Facilities;
- (b) Public Facilities and Buildings;
- (c) Streets;
- (d) Public Safety Facilities and
- (e) Storm Water Management Systems.

SECURITY AND SOURCE OF PAYMENT

The Bonds will be payable as to principal and interest from a continuing, direct, annual, *ad valorem* tax to be levied against all of the taxable property within the boundaries of the City. The Bonds will be payable from such tax without limit as to rate or amount. Such tax is to be levied, assessed and collected as other taxes of the City, in an amount sufficient to pay the interest on all the Bonds then outstanding and installments of the principal of the Bonds becoming due and payable in the ensuing year.

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States government (“Defeasance Obligations”) or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. If the maturing principal of the Defeasance Obligations or other moneys, or both, is sufficient to pay the principal of, premium, if any, and interest on such Bonds as the same matures, comes due or becomes payable upon prior redemption, a certificate or report of an accountant shall not be required. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from *ad valorem* taxes on taxable property in the City and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

* Preliminary, subject to change

BID DETAILS AND PARAMETERS

Form of Bids. Bids for the Bonds must be unconditional, and for not less than the entire offering of the Bonds. By submitting a bid, each bidder agrees to all of the terms and conditions of this Notice (including any amendments issued by the City through PARITY and i-Deal Prospectus). Bids must be submitted electronically through PARITY. Bids may not be withdrawn or revised after the time that bids are due.

Interest Rates Bid. Interest on the Bonds is payable commencing on July 1, 2024**, and thereafter on July 1 and January 1 of each year. Interest is calculated on the basis of a 30-day month and 360-day year from the date of the Bonds. Bids may specify any number of interest rates in multiples of one-eighth of one percent (1/8 of 1 percent) or one-twentieth of one percent (1/20 of 1 percent). All Bonds of the same maturity must bear interest at the same rate and no Bond shall bear interest at more than one rate. No rate of interest may exceed 5.00%. The highest rate bid shall not exceed the lowest rate bid by more than two percent (2.00%) per annum.

Premium and Discount. No bid will be considered for a price that is less than 100 percent of the aggregate par value of the Bonds.

ESTABLISHMENT OF ISSUE PRICE*

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on the date of issuance of the Bonds (the “Closing Date”) an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached as the Exhibit to this Notice, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City, the Financial Advisor, and Greenberg Traurig, LLP (“Bond Counsel”).

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer in conformance with this Notice to purchase the Bonds at a price that produces the lowest true interest cost to the City, as set forth in this Notice under the heading “AWARD AND DELIVERY.”

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids

*Note: 10% test or hold-the-offering-price rule may apply if competitive sale requirements are not satisfied.

** Preliminary, subject to change.

will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel.

(f) The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

- (1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning

bidder that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

- (2) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice. Further, for purposes of this Notice:

- (1) “public” means any person other than an underwriter or a related party,
- (2) underwriter” means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) at least 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

RIGHT OF REJECTION

The City Council of the City, the Deputy City Manager/Chief Financial Officer of the City or the designees of any of them reserve the right to reject any and all bids and to waive any irregularity or informality in any bid, except that the time for receiving bids shall be of the essence.

AWARD AND DELIVERY

Unless all bids are rejected or the receipt of bids is continued, the award of the Bonds will be made not later than 11:59 p.m., MST, on November __, 2023. The Bonds will be sold to the bidder submitting a bid in conformance with this Notice that produces the lowest true interest cost to the City, based on the bid price, the interest rates specified in the bid and the principal amounts identified in this Notice. The true interest cost will be the rate necessary, on a 30/360 basis and semiannual compounding, to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. The true interest cost calculations will be performed by Parity and the Financial Advisor, and the City will base its determination of the best bid solely on such calculations. (See “BID DETAILS AND PARAMETERS.”) Delivery of the Bonds will be made to the purchaser through the facilities of DTC upon payment in federal or immediately available funds, at the offices of Bond Counsel, or, at the purchaser’s request and expense, at any other place mutually agreeable to both the City and the purchaser. The closing of the sale of the Bonds will be on or about December __, 2023*, or on such other date as is mutually agreed upon.

CANCELLATION

Pursuant to Arizona law, if within three years from the award of the contract for the purchase of the Bonds any person who was significantly involved in initiating, negotiating, securing, drafting or creating a contract for the purchase of the Bonds on behalf of the City becomes an employee or agent of the winning bidder in any capacity or a consultant to the winning bidder with respect to the contract for the purchase of the Bonds, the City may cancel the award of the contract without penalty or further obligation by the City and refuse to deliver the Bonds to the winning bidder. In addition to such cancellation, if such person becomes an employee or agent of such entity with respect to the contract for the purchase of the Bonds, the City may recoup any fees or commissions paid or due to the winning bidder with respect to the award to the winning bidder and the actual sale of the Bonds.

GOOD FAITH DEPOSIT

The winning bidder for the Bonds shall deliver a good faith deposit in the amount of \$2,300,000.00 to the City, as instructed by the City. The good faith deposit must be paid by federal funds wire transfer delivered no later than twenty four (24) hours following the winning bidder’s receipt of the verbal award. Wiring instructions will be provided to the winning bidder at the time of the verbal award. If not so received, the bid of the lowest bidder will be rejected and the City may direct the second lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. The good faith deposit will be retained by the City as security for the performance of the winning bidder and shall be applied to the purchase price of the Bonds upon delivery of the Bonds to the winning bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the City. If the Bonds are ready for delivery and the winning bidder fails or neglects to complete the purchase within 30 days following acceptance of its bid, the good faith deposit shall be retained by the City as reasonable liquidated damages, and not as a penalty.

Such retention will constitute a full release and discharge of all claims by the City against the winning bidder and, in that event, the City may call for additional bids. The City’s actual damages may be higher or lower than the amount of such good faith deposit. Such amount constitutes a good faith estimate of the City’s actual damages. Each bidder waives the right to claim that actual damages arising from such default are less than such amount.

LEGAL OPINION

The Bonds are sold with the understanding that the City will furnish the purchaser with the approving opinion of Bond Counsel. Bond Counsel has been retained by the City to render its opinion only upon the legality of the Bonds under Arizona law and on the exemption of the interest income on such Bonds from federal and State of Arizona income taxes, the delivery of said opinion being a condition precedent to the delivery of the Bonds and the purchase thereof. (See “TAX EXEMPTION.”) The fees of Bond Counsel will be paid from proceeds of the sale of the Bonds. Except to the extent necessary to issue its approving opinion as to validity of the Bonds, Bond Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials. In submitting a bid for the Bonds, the bidder agrees to the representation of the City by Bond Counsel. See “LEGAL MATTERS” in the Preliminary Official Statement and Appendix C – “Form of Approving Legal Opinion” to the Preliminary Official Statement.

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the City must continue to meet with respect to the Bonds after the issuance thereof in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure by the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted to take the actions required by the Code in order to maintain the exclusion from federal gross income of interest on the Bonds.

In the opinion of Bond Counsel to be rendered with respect to the Bonds on the date of issuance of the Bonds, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds will not be excluded from the determination of adjusted financial statement income for tax years beginning after 2022. Bond Counsel is further of the opinion upon the date of issuance of the Bonds that the interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of an owner’s interest expense allocable to interest on a Bond; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds; (iii) the inclusion of interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on the Bonds in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; (v) the inclusion in gross income of interest of the Bonds by recipients of certain Social Security and Railroad Retirement benefits; (vi) net gain realized upon the sale or other disposition of property such as the Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates; and (vii) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

See “TAX EXEMPTION” in the Preliminary Official Statement.

CERTIFICATES TO BE DELIVERED

In connection with the initial issuance of the Bonds, representatives of the City will deliver a certificate certifying that no litigation is pending affecting the sale and issuance of the Bonds, an arbitrage certificate covering expectations concerning the use of proceeds from the sale of the Bonds and related matters and a certificate regarding the accuracy of the hereinafter described final official statement for the Bonds.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP identification numbers will be printed on the Bonds; however, neither the failure to print CUSIP numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The Financial Advisor will obtain CUSIP numbers. The charge of the CUSIP Service Bureau shall be paid by the City.

PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL; DELIVERY OF OFFICIAL STATEMENT

The City deems the Preliminary Official Statement to be final as of its date, except for the omission of the offering prices or yields, the interest rates and any other terms or provisions required by the City to be specified in bids for the Bonds, and other terms of the Bonds depending on such matters. The winning bidder shall supply the Deputy City Manager/Chief Financial Officer of the City, within 24 hours after the award of the Bonds, all necessary pricing information and any underwriter identification necessary to complete the final official statement to be used in connection with the sale of the Bonds.

Promptly after receiving such information, the City will prepare such final official statement in substantially the same form as the Preliminary Official Statement, subject to any amendments which the City believes should be made in such final official statement.

The City will provide the winning bidder with such final official statements within seven (7) business days of the award of the Bonds. Such final official statements will be provided to the winning bidder electronically. No hard copies of such final official statement will be provided to the winning bidder.

CONTINUING DISCLOSURE

The City, as the “obligated person” with respect to the Bonds, will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2024 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports and the Notices of Listed Events will be filed by the City through the Electronic Municipal Market Access System. These covenants will be made in order to assist the purchaser in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”), and the form of the undertaking necessary pursuant to the Rule is included as Appendix E – “Form of Continuing Disclosure Undertaking” to the Preliminary Official Statement. *Pursuant to Arizona Law, the ability of the City to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* A failure by the City to comply with these covenants, including due to failure to appropriate for such purposes, must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. See “CONTINUING SECONDARY MARKET DISCLOSURE” in the Preliminary Official Statement.

The City timely filed its Annual Report for the fiscal years ending June 30, 2018 through and including the fiscal year ended June 30, 2021; however, the filings were not associated with all of the related CUSIP numbers until October 28, 2021.

FURTHER INFORMATION

Further information, including copies of the Bond Resolution and the Preliminary Official Statement, may be obtained from the City of Chandler, Deputy City Manager/Chief Financial Officer at (480) 782-2255, or from Piper Sandler & Co., Financial Advisor to the City: Bill Davis (by telephone (602) 808-5428 or by email: william.davis@psc.com) and Erika Coombs (by telephone (602) 808-5414 or by email: erika.coombs@psc.com).

DATED: November __, 2023

/s/ Dawn Lang

Dawn Lang, Deputy City Manager/Chief Financial Officer
City of Chandler, Arizona

EXHIBIT TO NOTICE

ISSUE PRICE CERTIFICATE

\$117,415,000

**CITY OF CHANDLER, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2023**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] [“(SHORT NAME OF UNDERWRITER)”] [(the “Representative”)] [, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”)] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

[Alternative 1-Competitive Sale Rule applies]

1. [Reasonably Expected Initial Offering Price.]

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.]

[Alternatives 2-4 are available choices if Alternative 1 does not apply] [Note that Alternative 3 [where two rules apply] involves portions of Sections 1, 2(a) and 2(b) and Alternative 4 involves portions of 2(a) and 2(b)]

[1. Sale of the Bonds. [Alternative 2 – All Maturities Use General Rule: As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][**Alternative 3 – Select Maturities Use General Rule: Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. [Initial Offering Price of the [Bonds]/[Hold-the-Offering-Price Maturities]].

(a) **[Alternative 4 – All Maturities Use Hold-the-Offering-Price Rule:** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] **[Alternative 3 – Select Maturities Use Hold-the-Offering-Price Rule:** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold- the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

(b) **[Alternative 4 – All Maturities use Hold-the-Offering-Price Rule:** As set forth in the Notice Inviting Bids for the Purchase of Bonds and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.] **[Alternative 3 - Select Maturities Use Hold-the-Offering-Price Rule:** As set forth in the Notice Inviting Bids for the Purchase of Bonds and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

[2.][3.] **Total Issue Price.** The total of the issue prices of all the Maturities is \$.....

[2.][4.] **Defined Terms.**

[(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the- Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering- Price Maturity.]

(a) *Issuer* means the City of Chandler, Arizona.

(b) *Maturity* means the Bonds with the same credit and payment terms. The Bonds with different maturity dates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of the Bonds generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) The *Sale Date* of the Bonds is November __, 2023.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER/REPRESENTATIVE]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate Relating To Federal Tax Matters of the Issuer and with respect to compliance with the federal income tax rules affecting the Bonds, and by Greenberg Traurig, LLP, as Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER/REPRESENTATIVE]

By: _____
Authorized Representative

Dated: [Closing Date]

SCHEDULE A
[EXPECTED OFFERING PRICES] [SALE PRICES]
(ATTACHED)

SCHEDULE B
[COPY OF UNDERWRITER'S BID] (ATTACHED)

OFFICIAL STATEMENT

\$117,415,000* CITY OF CHANDLER, ARIZONA GENERAL OBLIGATION BONDS, SERIES 2023

INTRODUCTORY STATEMENT

The Official Statement, which includes the cover page, inside front cover page and the appendices hereto (the “Official Statement”), has been prepared in connection with the original sale and issuance by the City of Chandler, Arizona (the “City”) of its General Obligation Bonds, Series 2023 in the aggregate principal amount of \$117,415,000* (the “Bonds”).

The Bonds will be issued in the form of fully registered bonds, registered in the name Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository for the Bonds.

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from revenues, taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes (the “Arizona Revised Statutes” or “A.R.S.”), or uncodified, or of the Arizona constitution (the “Arizona Constitution”) or the Charter of the City (the “Charter”) are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement “debt service” means principal and interest on the obligations referred to, “County” means Maricopa County, Arizona and “State” or “Arizona” means the State of Arizona. Initial capitals denote terms defined herein.

Concurrently with the issuance of the Bonds, the City expects to offer its \$71,955,000* Excise Tax Revenue Obligations, Series 2023 (the “Series 2023 Excise Tax Obligations”) , pursuant to a separate official statement. See “STATEMENTS OF BONDS OUTSTANDING – Excise Tax Revenue Obligations Outstanding and to be Outstanding” in APPENDIX B – “CITY OF CHANDLER, ARIZONA – FINANCIAL DATA”.

THE BONDS

Authorization and Purpose – Bonds

The Bonds will be issued pursuant to the Arizona Constitution and laws of the State, and under the provisions of Resolution No. 5730 authorizing issuance of the Bonds adopted by the Mayor and City Council of the City on October 19, 2023* (the “Resolution”). The Bonds were authorized by the qualified electors of the City voting at special bond elections held on May 15, 2007, and November 2, 2021.

The Bonds are being issued in order to provide funds for the purpose of (i) acquiring and constructing improvements to parks and recreation facilities, streets, public safety facilities and storm water management systems and (ii) paying the costs of issuance of the Bonds.

Authorized and Unissued Bonds

The City expects to issue additional general obligation bonds in the future pursuant to existing and future voted bond authorizations. Such bonds may be secured by, and payable from, the same levy of ad valorem taxes as the Bonds and all other outstanding general obligation bonds of the City. Following the sale of the Bonds, the City will have \$272,075,000* aggregate principal amount of general obligation bonds authorized but unissued, pursuant to voter approvals given at special bond elections held on May 16, 1989, May 18, 1993, May 20, 1997, May 18, 2004,

May 15, 2007 and November 2, 2021. In addition, certain amounts of net premium on general obligation bonds of the City reduce the principal amount of authorized but unissued general obligation bonds of the City.

General Provisions

The Bonds will be dated as of the date of initial delivery. The Bonds will mature on the dates and in the principal amounts set forth on the inside front cover page of this Official Statement. Interest on the Bonds will be payable semiannually on January 1 and July 1 commencing July 1, 2024* (each, an “Interest Payment Date”) and thereafter until maturity or prior redemption. See “THE BONDS – Redemption Provisions” herein.

The Bonds will initially be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”), for the purpose of the book-entry-only system (“Book-Entry-Only System”) described herein. The City has chosen the close of business of the Bond Registrar and Paying Agent (as defined herein) on the fifteenth (15th) day of the month in the month preceding an Interest Payment Date (the “Record Date”) for the Bonds. Beneficial ownership interests in the Bonds may be purchased through direct and indirect participants of DTC in the principal amounts of \$5,000 or integral multiples thereof due on a specific maturity date. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.”

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein to “Owners” or registered owners of the Bonds (other than under the captions “TAX EXEMPTION”) shall mean Cede & Co., as aforesaid, and shall not mean the owners of book-entry interests in the Bonds. When notices are given, they shall be sent by the City or the hereinafter-described Bond Registrar and Paying Agent to DTC only.

See “TAX EXEMPTION” for a discussion of the treatment of the interest on the Bonds for federal and State income tax purposes.

Bond Registrar and Paying Agent

U.S. Bank Trust Company, National Association, will serve as the initial bond registrar and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The City may change the Bond Registrar and Paying Agent without notice or consent of the registered owners of the Bonds.

Redemption Provisions

The Bonds maturing before and on July 1, 20__, will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on and after July 1, 20__, will be subject to optional redemption prior to their stated maturity dates, at the direction of the City, in whole or in part in denominations of \$5,000 or integral multiples thereof from maturities selected by the City, on July 1, 20__, and on any date thereafter, at a redemption price equal to the principal amount of Bonds being redeemed plus accrued interest to the date fixed for redemption, without premium.

Mutilated, Lost or Destroyed Bonds

If the Book-Entry-Only System described above is discontinued, and any Bond becomes lost, stolen or destroyed, or mutilated, the Bond Registrar shall complete, authenticate, deliver and register new Bonds to replace any Bond lost, stolen or destroyed, or mutilated, upon receipt by the Bond Registrar and Paying Agent of evidence satisfactory to it of the loss, theft, destruction or mutilation of any Bond and of indemnity satisfactory to it.

Registration and Transfer

So long as the Book-Entry-Only System is in effect, the Bonds will not be transferred. If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent’s requirements for transfer are met. The Bond Registrar and Paying Agent may,

* Preliminary, subject to change.

but will not be required to, transfer or exchange any Bonds during the period from the Record Date to and including the next respective Interest Payment Date. The Bond Registrar and Paying Agent may, but will not be required to, transfer or exchange any Bonds which have been selected for redemption. If the Bond Registrar and Paying Agent transfers or exchanges Bonds within the periods referred to above, the interest payment on such Bonds will be made payable to and mailed to the owners shown on the bond register maintained by the Bond Registrar and Paying Agent as of the close of business on the respective Record Date.

If the Book-Entry-Only System is discontinued, the transferor will be responsible for all transfer fees, taxes, and any other costs relating to the transfer of ownership of individual Bonds.

Security For and Sources of Payment of the Bonds

The Bonds are direct, general obligations of the City and are payable as to both principal and interest from a continuing, direct, annual, ad valorem tax levied against all of the taxable property located within the boundaries of the City. The Bonds are payable from such tax without limit as to rate or amount. Such tax is to be levied, assessed and collected as other taxes of the City, in an amount sufficient to pay the interest on all the Bonds then outstanding and installments of the principal of the Bonds becoming due and payable in the ensuing year. A record of property taxes levied and collected for the City for the most recent five fiscal years may be found in APPENDIX B – “CITY OF CHANDLER, ARIZONA – FINANCIAL DATA,” attached hereto. The proceeds of such taxes will be kept by the City in a debt service fund, and by law may be used only for payment of principal, interest, premium, if any, and costs of the Bonds. Following collection and deposit of the proceeds of the taxes into the debt service fund, the City may invest such proceeds in investments as permitted by law.

Pursuant to A.R.S. Section 35-458.C, the Bonds are secured by a lien on all revenues received pursuant to the tax levy. The lien arises automatically without the need for any action or authorization by the City Council. The lien is valid and binding from the time of issuance of the Bonds, and the revenues received pursuant to the levy of the tax are immediately subject to the lien. The lien attaches immediately to the revenues and is effective, binding and enforceable against the City and any successors, transferees, creditors and all other parties asserting rights in the revenues, irrespective of whether the parties have notice of the lien, without the need for any physical delivery, recordation, filing or further act.

The various opinions to be delivered in connection with the Bonds will be qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditors' rights. Judicial enforcement statutes such as A.R.S. Section 35-458 are within the discretion of a court. The validity and priority of the statutory lien granted by such statute has not been adjudicated in any proceeding brought under Chapter 9 of the United States Bankruptcy Code, and the status of the rights and remedies of the owners of bonds and notes in a proceeding to restructure municipal debt under Chapter 9 of the United States Bankruptcy Code, or pursuant to other subsequently enacted laws relating to creditors' rights, has not been adjudicated.

Pursuant to the Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States of America (“Defeasance Obligations”) or both which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. If the maturing principal of the Defeasance Obligations or other moneys, or both, is sufficient to pay the principal of, premium, if any, and interest on such Bonds or portion thereof as the same matures, comes due or becomes payable upon prior redemption, a certificate or report of an accountant shall not be required. Any Bonds so provided for will no longer be outstanding under the Resolution or payable from *ad valorem* taxes on taxable property in the City, and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

COVID-19

Public health emergencies, such as the COVID-19 pandemic, could have materially adverse economic and social impacts causing, among other things, limitations on certain activities, fluctuations in financial markets, and negative impacts on economic conditions. Following the COVID-19 pandemic, government and business operations in the State and City function without government-imposed restrictions relating to the pandemic. As of the date of this Official Statement, the City has experienced a limited financial impact and has collected revenues in excess of budgeted amounts during the COVID-19 pandemic. The City cannot predict the effect any public health emergencies will have on the finances or operations of the City or whether any such effects will have a material adverse effect on the ability to collect property taxes, which are the source of repayment of the Bonds.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount	\$117,415,000.00*
[Net] Original Issue Premium (a)	
Total Sources	

Uses of Funds

Project Fund	\$
Costs of Issuance (b)	
Deposit to the Debt Service Fund	
Total Uses	

-
- (a) [Net] Original Issue Premium is the original issue premium on the Bonds less the original issue discount on the Bonds.
- (b) Includes fees of Bond Counsel, Bond Registrar and Paying Agent, Official Statement preparation, Piper Sandler & Co. (the "Financial Advisor"), rating agencies and other costs related to the issuance and delivery of the Bonds.

* Preliminary, subject to change.

ESTIMATED DEBT SERVICE REQUIREMENTS (a)

The following schedule sets forth (i) the annual debt service requirements of the outstanding general obligation bonds of the City, (ii) plus the estimated debt service requirements of the Bonds, and (iii) the estimated combined total annual general obligation bond debt service requirements of the City after issuance of the Bonds.

Fiscal Year Ended June 30	Outstanding General Obligation Bonded Debt Debt Service	Plus :		Less:	Net General Obligation Bonded Debt Service to be Outstanding*
		The Bonds *		Water & Wastewater Revenue Supported GO Debt Service	
		Principal	Interest (b)		
2024	\$ 42,436,688	\$ 7,450,000	\$ 2,583,130	\$ 11,181,878	\$ 41,287,940
2025	37,163,743	6,215,000	4,398,600	11,144,395	36,632,947
2026	35,357,843	6,250,000	4,150,000	10,904,723	34,853,120
2027	33,085,855	6,500,000	3,900,000	9,366,219	34,119,636
2028	33,170,023	10,000,000	3,640,000	11,318,273	35,491,749
2029	6,664,235	17,000,000	3,240,000		26,904,235
2030	6,588,610	18,000,000	2,560,000		27,148,610
2031	6,531,560	12,000,000	1,840,000		20,371,560
2032	6,470,185	10,000,000	1,360,000		17,830,185
2033	2,199,125	10,000,000	960,000		13,159,125
2034	2,203,000	14,000,000	560,000		16,763,000
2035	2,178,125				2,178,125
	<u>\$ 214,048,990</u>	<u>\$117,415,000</u>	<u>\$29,191,730</u>	<u>\$ 53,915,488</u>	<u>\$ 306,740,232</u>

(a) Prepared by the Financial Advisor to the City. Columns may not add up due to rounding.

(b) Interest is estimated. The bonds are expected to be dated and delivered on December 13, 2023.*

(c) The first interest payment on the Bonds will be due July 1, 2024*. Thereafter, interest payments will be made semiannually on July 1 and January 1 until the [prior redemption or] final maturity of the Bonds.

* Preliminary, subject to change.

TAX EXEMPTION

General

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the City must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The City’s failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The City has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. Bond Counsel is further of the opinion that the interest on the Bonds is exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Bonds will be based on and will assume the accuracy of certain representations and certifications of the City, and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Bonds, or the ownership or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds, (iii) the inclusion of the interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (“Discount Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond determined under Code Section 1273 or 1274 (*i.e.*, for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale, or other disposition of that Discount Bond.

Certain of the Bonds (“Premium Bonds”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity), or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Bonds. This withholding generally applies if the owner of the Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

LEGAL MATTERS

Certain legal matters relating to the authorization, sale and execution and delivery of the Bonds and with regard to the tax-exempt status of the interest on the Bonds are subject to the legal opinion of Bond Counsel. (See “TAX EXEMPTION”). The signed legal opinion of Bond Counsel dated and premised on facts existing and law in effect as of the date of original execution and delivery of the Bonds, will be delivered to the City at the time of original execution and delivery of the Bonds.

The form of the legal opinion is set forth as APPENDIX C – “FORM OF APPROVING LEGAL OPINION”. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distributions of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expressed any opinion concerning any of the matters referred to in the opinion subsequent to its date. In rendering its opinion, Bond Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings which Bond Counsel will not have independently verified.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Bonds that may be prepared or made available by the City or others to the holders of the Bonds or others.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities which could have a material impact on the City and could adversely affect the secondary market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The legal opinions to be delivered concurrently with the delivery of the Bonds will express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein dated and speaking only as of the date of delivery of the Bonds. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CYBERSECURITY

The City like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. United States government agencies have in the past issued warnings indicating that critical infrastructure sectors such as water systems may be specific targets of cybersecurity threats.

The City believes it has taken reasonable steps to protect against and mitigate the adverse effects of cyberattacks, including steps to harden its cybersecurity and provide training for employees in cyber awareness and the use of the City's digital networks and systems. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City.

LITIGATION

To the knowledge of the appropriate representatives of the City, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the execution or delivery of the Bonds or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be executed, sold or delivered, or the validity of the sale of the Bonds. There are several claims and/or lawsuits pending against the City of Chandler.

FINANCIAL STATEMENTS

The audited financial statements of the City as of June 30, 2022, and for its fiscal year then ended, which are included as APPENDIX D – "CITY OF CHANDLER, ARIZONA – AUDITED FINANCIAL STATEMENTS OF THE CITY OF CHANDLER, ARIZONA FOR THE FISCAL YEAR ENDED JUNE 30, 2022" of this Official Statement, have been audited by Heinfeld, Meech & Co., P.C. These are the most recent audited financial statements available to the City. These audited financial statements may not represent the current financial conditions of the City. The City did not request the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its opinion on the financial statements.

CONTINUING SECONDARY MARKET DISCLOSURE

The City has agreed for the benefit of the beneficial owners of the Bonds, in accordance with Rule 15c2-12 of the Commission (the "Rule") to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2024 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices") as set forth in APPENDIX E – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The Annual Reports and the Notices and any other documentation or information required to be filed by such covenants will be filed by the City with the Municipal Securities Rulemaking Board (the "MSRB") in a format prescribed by the MSRB. Currently, the MSRB requires filing through the MSRB's Electronic Municipal Market Access system, as described in APPENDIX E – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Report and the Notices and the method of their dissemination is set forth in APPENDIX E. These covenants will be made in order to assist the original purchaser in complying with the Rule. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of Bonds in the secondary market. *Pursuant to Arizona Law, the ability of the City to comply with such covenants is subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the City not comply with such covenants due to a failure to appropriate for such purpose, the City has covenanted to provide notice of such failure. Absence of continuing disclosure, due to non-appropriation or otherwise, may adversely affect the transferability and marketability of the Bonds.

The City previously entered into continuing disclosure undertakings (the "Prior Undertakings") with respect to certain previously issued bonds which require the filing of certain event notices. The City timely filed its Annual Financial Report for fiscal year ending June 30, 2018 through and including fiscal year ended June 30, 2022; however, the filing was not associated with all of the related CUSIP numbers until October 28, 2021.

The City has implemented procedures to facilitate compliance with the Prior Undertakings, the continuing disclosure undertaking related to the Bonds and future similar undertakings.

RATINGS

Fitch Ratings, Inc. (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”), have assigned the ratings of [“AAA”, “Aaa” and “AAA,”] respectively, on the Bonds. Such ratings reflect only the views of Fitch, Moody’s and S&P. An explanation of the significance of the Fitch rating may be obtained at One State Street Plaza, New York, New York 10040. An explanation of the significance of a rating assigned by Moody’s may be obtained at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. An explanation of the significance of a rating assigned by S&P may be obtained at 55 Water Street, New York, New York 10041. Such ratings may be revised downward or withdrawn entirely by Fitch, Moody’s, or S&P, if, in their respective judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The City has covenanted in its continuing disclosure certificate (see “CONTINUING SECONDARY MARKET DISCLOSURE” herein) that it will file notice of any formal change in any such rating relating to the Bonds.

FINANCIAL ADVISOR

The Financial Advisor has been engaged by the City for the purpose of advising the City as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the City’s overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the direction and on behalf of the City. No person is entitled to rely on the Financial Advisor’s participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of the information contained herein.

RELATIONSHIP BETWEEN PARTIES

Bond Counsel has acted as bond counsel or represented the Financial Advisor in other financing transactions underwritten by the Financial Advisor and may do so in the future.

POLITICAL DONATIONS

To the best of their knowledge, none of the City, the Bond Registrar and Paying Agent, the Financial Advisor or their counsel or agents are known to have made political contributions other than those, if any, permitted under applicable securities regulations to any person who sought a seat on the City Council at its last election or any election prior to the last election.

CERTIFICATION CONCERNING OFFICIAL STATEMENT

Documents delivered with respect to the Bonds will include a certificate to the effect that to the knowledge of the Deputy City Manager/Chief Financial Officer of the City after appropriate review, this Official Statement is true, correct and complete in all material respects and does not include any untrue statement of a material fact or omit to state any material fact necessary to make such statements and information herein, in light of the circumstances under which they were made, not misleading and that no event has occurred since date of this Official Statement that should be disclosed herein in order to make the statements and information herein not misleading in any material respect. In the event this Official Statement is supplemented or amended prior to the date of delivery of the Bonds, the foregoing confirmation will also encompass such supplements or amendments. All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show certain historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

ADDITIONAL INFORMATION

The information in this Official Statement has been provided by the City, the County, Arizona, Assessor's, Treasurer's and Finance offices, the Arizona Department of Revenue and other sources which are considered to be reliable and are customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness. All estimates and assumptions contained herein are believed to be reliable, but no representations are made that such estimates and assumptions are correct or will be realized. Any information or expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create an implication that there has been no change as to the affairs of the City. This Official Statement may be supplemented from time to time by the provision of supplemental or additional documents.

CONCLUDING STATEMENT

The summaries or descriptions of documents contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents. For further information, reference should be made to the complete documents, copies of which are available for inspection from the Financial Advisor.

To extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the City from official records and other sources and is believed to be reliable. Information other than that obtained from the official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial or other information, will necessarily continue or be repeated in the future.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as part of a contract or agreement between the City and the purchasers or holders of any Bonds.

The attached Appendices A through F are integral parts of this Official Statement and must be read together with all of the foregoing statements.

This Official Statement has been prepared on direction of the City and has been approved by and executed for and on behalf of the City by its authorized representative indicated below.

CITY OF CHANDLER, ARIZONA

By: _____
Kevin Hartke, Mayor

CITY OF CHANDLER, ARIZONA

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The City is located in the southeastern portion of the County. The City encompasses approximately 65 square miles and is one of several major cities comprising the greater Phoenix, Arizona metropolitan area, which is Arizona's economic, political and population center.

The City was founded in 1912 and incorporated in 1920. The following table sets forth a record of the population statistics of the City since 1980, along with the population statistics for the County and the State.

POPULATION STATISTICS

<u>Year</u>	<u>City of Chandler</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2022 Estimate (a)	282,891	4,586,431	7,409,189
2020 Census	275,987	4,420,568	7,151,502
2010 Census (Revised)	236,326	3,817,117	6,392,017
2005 Special Census	233,681	3,700,516	6,044,985
2000 Census	176,581	3,072,149	5,130,632
1990 Census	90,533	2,122,101	3,665,305
1980 Census	29,673	1,509,175	2,716,546

(a) Estimate as of July 1, 2022 (released in December 2022) provided by the Arizona Office of Economic Opportunity.

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

The following table contains historical information in regard to the geographic incorporated size of the City as set forth in square miles.

LAND AREA
City of Chandler, Arizona

<u>Year</u>	<u>Square Miles</u>
2022	65.68
2022	65.55
2021	65.53
2020	65.53
2019	65.33
2018	65.19

Source: The City Management Services Department and City Planning Division.

Municipal Government and Organization

The City adopted the City Charter in 1965 which provides for a Council-Manager form of government. The seven-member City Council is elected at-large on a staggered basis and consists of the Mayor and six councilmembers. The current Mayor and councilmembers serve four-year terms.

The City Council appoints the City Manager who has full responsibility for carrying out City Council policies and administering City operations. The City Manager is responsible for appointment of department heads. The City employees are hired under procedures as specified in the City Charter. The government and operations of the City are provided by a staff of 1,756 full-time equivalent employees.

Economy

The major industry clusters contributing to the economic base of the City include government, manufacturing, financial services, commercial activities (including construction and commerce), high technology and healthcare. The City is home to a wide variety of technology industries, with a heavy concentration in the semiconductor cluster. The continued economic development of the City is driven by the educational attainment of City residents. Approximately 77% of adult residents have attended some college and 48% possess a bachelor's or advanced degree. This educational attainment level attracts employers in "knowledge based" industries, adding to the concentration of high-wage jobs.

The following table sets forth unemployment rate averages for the City, the County, the State and the United States.

UNEMPLOYMENT RATE AVERAGES (a)

Calendar Year	City of Chandler	Maricopa County	State of Arizona	United States
2023 (b)	2.8%	2.9%	3.2%	3.5%
2022	2.9	3.1	3.7	3.6
2021	4.8	4.5	4.9	5.4
2020	6.6	7.2	7.7	8.1
2019	3.7	4.2	4.9	3.7
2018	3.7	4.1	4.8	3.9

(a) Data is not seasonally adjusted.

(b) Data through June 2023. [update again in October for September]

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The City has five designated employment corridors: Airpark Area, Downtown Chandler, Price Corridor, Uptown Chandler and West Chandler. The five corridors represent approximately 76% of all the jobs in the City. There are more than 30 companies on the 2022 Fortune 1000 list in the City. Below is data from the Maricopa Association of Governments (MAG) 2021 Employer Database with data on the five designated employment corridors:

Employment Corridor	Number of Businesses	Number of Jobs
Airpark Area	445	12,360
Downtown Chandler	115	2,510
Price Corridor	711	44,420
Uptown Chandler	509	11,680
West Chandler	812	28,400

The City has more than 12 million square feet of office space and 27 million square feet of industrial space throughout the City.

Employment and Employers

Electronics plants located in the City include: Microchip Technologies, producer of electronic circuitry; Rogers Corporation, manufacturer of materials for printed circuit boards and power electronic devices; Intel Corporation, manufacturer of microcomputer components; and NXP, manufacturer of semiconductor and satellite systems.

A partial list of major manufacturing employers located within the City is set forth in the following table.

MAJOR MANUFACTURING EMPLOYERS (a) City of Chandler, Arizona

<u>Employer</u>	<u>Employees</u>
Intel	12,000
Northrop Grumman	2,150
NXP	1,700
Microchip Technology (HQ)	1,500
Arizona Nutritional Supplements (HQ)	495
Rogers Corporation (HQ)	460
Applied Materials	300
ASML	300
TEL - Tokyo Electron America	250
ArmorWorks	240
Goodrich Turbomachinery	230
SOLLiD Cabinetry	205
VIAVI	200
Advantest (Essai)	170
Adept Life Sciences	150
Air Products and Chemicals	150
CoValence Laboratories	140
Infineon Technologies Americas Corp	140
Advanced Circuits	130
Isola (HQ)	125

-
- (a) Some of the major manufacturing employers are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information (collectively, the "Filings") with the Commission. Such Filings may be inspected and copies are available at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange ("NYSE") at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the internet on the Commission's EDGAR database at <http://www.sec.gov>. Neither the City, nor the Financial Advisor or their respective agents or consultants have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: The City's Economic Development Division.

The City also serves as the location of a significant number of non-manufacturing employers. The following is a partial list of major non-manufacturing employers in the City.

MAJOR NON-MANUFACTURING EMPLOYERS (a)
City of Chandler, Arizona

<u>Employer</u>	<u>Employees</u>
Wells Fargo Bank	5,500
Chandler Unified School District	4,900
Bank of America	3,800
Chandler Regional Medical Center (Dignity Health)	3,000
Chandler-Gilbert Community College	1,900
City of Chandler	1,800
Insight Enterprises (HQ)	1,400
Bashas (HQ and Distribution Center)	1,100
Mr. Cooper	900
Toyota Financial Services	700
Avnet	600
Offerpad (HQ)	400
Walgreens	400
Voya Financial	380
Tivity Health	350
Cascade Financial Services (HQ)	320
Keap (HQ)	320

-
- (a) Some of the major non-manufacturing employers are subject to the informational requirements of the Exchange Act, and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copies are available at the public reference facilities maintained by the Commission. In addition, the Filings may also be inspected at the offices of the NYSE or on the Commission's EDGAR database. None of the City, the Financial Advisor or their respective agents or consultants have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: The City's Economic Development Division.

Agriculture

Agricultural production still is a contributor to the diversified economic base of the City. Principal products include livestock, alfalfa, small grains, citrus and vegetables. As the residential, commercial and industrial development of the City has occurred, the contribution of agricultural production to the economy of the City has decreased.

Commerce

A 1.3 million square foot super-regional shopping mall known as Chandler Fashion Center opened for business in 2001. This mall is home to four anchor department stores, including Dillard's, Macy's, a Harkins theater complex, Scheel's and outdoor urban village and more than 180 specialty retail shops. Additionally, the Downtown Chandler entertainment and business district serves as a hub for commercial activities due to numerous retail, restaurant and entertainment venues. Several community shopping centers serve residents of the City and surrounding areas, including Chandler Pavilions, Casa Paloma, Chandler Festival, Chandler Gateway, Paseo Del Oro Shopping Center, North Park Plaza Shopping Center, Fulton Ranch Towne Center and Crossroads Towne Center. A number of neighborhood shopping centers are also dispersed throughout the City.

The following table sets forth a record of the excise tax collections of the City for the most recent five fiscal years and the excise taxes expected for the current fiscal year, pursuant to the City’s 2022-23 audit and 2023-24 adopted budget.

**City of Chandler
Excise Tax Collections
FY 2018-19 to FY 2023-24**

	2018-19 (a)	2019-20 (a)	2020-21 (a)	2021-22 (a)	2022-23 (b)	Budgeted 2023-24
City Transaction Privilege (Sales) and Use Tax (c)	\$138,888,825	\$140,798,389	\$155,638,444	\$178,567,736	\$205,020,881	\$196,850,200
State-Shared Sales Tax	25,525,595	26,597,361	30,982,818	38,801,443	41,309,738	39,000,000
State-Shared Income Tax	30,693,731	33,255,159	37,324,127	36,011,056	53,013,618	74,000,000
Franchise Fees	3,556,211	3,432,995	3,615,294	3,652,812	3,630,508	3,471,000
Licenses and Permits	7,398,669	7,908,291	6,835,817	7,086,928	8,742,071	8,593,300
Fines and Forfeitures	3,196,843	2,714,065	2,316,000	2,791,624	4,127,033	3,814,600
Totals	\$209,259,874	\$214,706,260	\$236,712,500	\$266,911,599	\$315,843,849	\$325,729,100

(a) Amounts are actual collections provided by the City’s Budget Division (cash basis).

(b) Unaudited.

(c) Includes City Transaction Privilege Sales Tax, Privilege Audit Assessments, Privilege License Fees and Privilege Tax Interest. Excludes Excise Tax Refunds from Government Property Lease Excise Tax program.

Source: City of Chandler Management Services Budget Department.

Tourism

The direct, indirect and induced benefits derived from the activities surrounding tourism contribute greatly to the economic health of the community. With more than 30 hotels representing more than 5,000 available rooms, the City’s tourism market continues to receive significant private sector investment in new properties and the repositioning of older properties to meet the needs of leisure and business travelers.

Leisure travel to the City is driven by proximity to various shopping, dining, recreational, sporting and scenic attractions located within a short drive. However, business travel comprises most of the City’s visitors due to the high density of employment. As home to a number of Fortune 500 companies with global, regional and local headquarters spanning several industry clusters (autonomous vehicle, high-tech manufacturing, semiconductor manufacturing, aerospace, aviation, healthcare and bioscience, advanced business and financial business services, etc.) business travelers drive the City’s lodging market.

Transportation

Industry, business and residents benefit from the transportation network available in and near the City. Rail, bus, highway and air facilities are developed throughout the area.

The City is served by the Union Pacific Railroad for long distance freight rail service and the Valley Metro Transit System for local public transportation.

The City is served by a network of streets and highways. The Superstition Freeway (“U.S. Highway 60”) parallels the northern border of the City. U.S. Highway 60 connects to cities in northern and eastern Arizona. The Superstition Freeway also connects to Interstate Highway 10 which connects the cities of Tucson and Phoenix. State Highway 87 and

Arizona Loop 202 bisect the City. The Price Freeway (a north-south portion of Loop 101) and the San Tan Freeway (an east-west portion of Loop 202) facilitate traffic flow to the City by connecting together the 101, 202 and I-10 freeways.

Residents of the area have ready access to Chandler Municipal Airport, Stellar Airpark, Phoenix-Mesa Gateway Airport and Sky Harbor International Airport. The Chandler Municipal Airport, owned and operated by the City, is located approximately three miles southeast of the central business district of the City and is designed to relieve private aircraft activity at Sky Harbor International Airport. The Chandler Municipal Airport has approximately 430 based aircraft and two parallel runways, 4,870 feet and 4,401 feet, respectively. The Chandler Municipal Airport offers various services including full-service maintenance facilities, sightseeing excursions, flight schools, and aircraft hangars. The Stellar Airpark is a private airport that is open to public use and is located west of the central business district of the City. The Stellar Airpark has a 4,000 foot runway and provides various services. The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority that includes the City of Mesa, City of Phoenix (scheduled to withdraw in June 2024), Town of Gilbert, Town of Queen Creek, the Gila River Indian Community and the City of Apache Junction. The Phoenix-Mesa Gateway Airport has three expansive runways (10,401 feet; 10,201 feet; and 9,300 feet), a passenger terminal, and convenient parking. With two airlines, Phoenix-Mesa Gateway Airport is positioned to be a dynamic reliever airport to Phoenix's Sky Harbor International Airport. In fiscal year 2023, Phoenix-Mesa Gateway Airport had more than 1.9 million passengers. Phoenix-Mesa Gateway Airport is constructing a 5-Gate, 30,000 square foot terminal addition that will be completed in early 2024. Phoenix Sky Harbor International Airport is located 15 miles to the northwest of the City.

Education

Arizona State University ("ASU") is the largest public university in the Southwest by enrollment. ASU spans five campuses in the metro Phoenix area and has an enrollment of approximately 142,600 students including ASU online programs. ASU's main campus remains in the bordering City of Tempe, Arizona and is home to the Ira A. Fulton Schools of Engineering, a nationally recognized research and innovation institution designed to meet the growing needs of the engineering and technology industries. Adjacent to Phoenix-Mesa Gateway Airport, the Polytechnic Campus serves approximately 5,825 students. Chandler is home to the ASU Chandler Innovation Center where ASU provides technology-based education and operates a community makerspace. The University of Arizona's Chandler campus is housed in the City's community center, where it offers a number of tech-focused undergraduate and graduate level degrees, a professional MBA, and graduate programs in education, school psychology, and legal studies. Located in the City is the Chandler-Gilbert Community College, which offers a complete educational program and serves nearly 20,000 students. The Chandler Unified School District provides primary and secondary education to residents in the City area through 33 elementary schools, 10 middle school programs, 7 high schools, an online academy and 4 alternative schools. A number of private and charter schools are also located in the City.

[PLACEHOLDER FOR CLIMATE CHANGE/DROUGHT DISCLOSURE – TO BE UPDATED]

CITY OF CHANDLER, ARIZONA - FINANCIAL DATA

2023-24 Fiscal Year –Estimated Net Full Cash and Assessed Values

Estimated Net Full Cash Value (a)(b)	\$61,704,952,635
Net Assessed Limited Property Value (b)	3,900,085,513
Net Assessed Full Cash Value (b)	6,280,177,157

(a) Estimated Net Full Cash Value is the total market value of the property, less unsecured personal property and less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes.

(b) See “PROPERTY TAXES” herein for an explanation of these values.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and the City.

STATEMENTS OF BONDS OUTSTANDING

General Obligation Bonds Outstanding and to be Outstanding (a)

Issue Series	Original Amount	Maturity Dates Outstanding	Balance Outstanding
2014REF	\$214,540,000	7-1-24/25	\$ 43,095,000
2016REF	39,050,000	7-1-25/27	39,050,000
2017	58,740,000	7-1-24/32	32,790,000
2019	30,400,000	7-1-24/35	24,800,000
2021REF	48,205,000	7-1-24/35	46,190,000
2021	31,295,000	7-1-24/35	6,150,000
Total General Obligation Bonds Outstanding			\$ 192,075,000
Plus: The Bonds			117,415,000 *
Less: Water and Wastewater Funds Supported General Obligation Bonds (b)			(49,480,841)
Net General Obligation Bonds Outstanding and to be Outstanding			\$ 260,009,159*

(a) Excludes the debt service requirements for the City’s refunded and defeased bonds currently outstanding which are secured by obligations issued by the United States Government being held in their respective irrevocable trust accounts.

(b) The City intends to pay the debt service requirements of the following general obligation bonds with funds provided by the water and wastewater funds of the City: \$16,370,000 aggregate principal amount of the City’s General Obligation Refunding Bonds, Series 2014 and \$13,550,000 aggregate principal amount of the City’s General Obligation Refunding Bonds, Series 2016 and \$19,560,841 aggregate principal amount of the City’s General Obligation Refunding Bonds, Taxable Series 2021. In the event that revenues available for payment of such annual debt service requirements from the respective enterprise funds proves to be insufficient, or the City elects not to pay debt service requirements on such general obligation bonds from the water and wastewater funds, the debt service requirements of such bonds will become payable from the annual levy of an ad valorem tax upon all of the taxable property located within the City.

* Preliminary, subject to change.

Water and Wastewater Revenue Bonds Outstanding (a)

	Balance Outstanding
Total Water and Wastewater Revenue Bonds Outstanding	\$ -
Plus: Water and Wastewater Funds Supported General Obligation Bonds (b)	49,480,841 *
Plus: Water and Wastewater Funds Supported Excise Revenue Tax Obligations (c)	185,450,000 *
Plus: the Series 2023 Excise Tax Obligations	71,955,000 *
Total Water and Wastewater Supported Bonds Outstanding	<u>\$306,885,841 *</u>

-
- (a) Excludes the debt service requirements for the City's refunded and defeased bonds currently outstanding which are secured by obligations issued by the United States Government being held in their respective irrevocable trust accounts.
- (b) The City intends to pay the debt service requirements of the Water and Wastewater Funds Supported General Obligation Bonds with funds provided by the Water and Wastewater Funds of the City. In the event that revenues available for payment of such annual debt service requirements from the respective enterprise funds proves to be insufficient, or the City elects not to pay debt service requirements on such general obligation bonds from the Water and Wastewater Funds, the debt service requirements of such bonds will become payable from the annual levy of an ad valorem tax upon all of the taxable property located within the City.
- (c) The City intends to pay the debt service requirements of the Series 2023 Excise Tax Obligations with funds provided by the Water and Wastewater Funds of the City.

[Remainder of page intentionally left blank.]

* Preliminary, subject to change.

Excise Tax Revenue Obligations Outstanding and to be Outstanding

Issue Series	Purpose	Original Principal Amount	Maturity Dates Outstanding	Principal Balance Outstanding
2015	Various Projects	\$ 66,660,000	7-1-24/35	\$ 49,850,000
2016	Refunding	19,510,000	7-1-24/28	13,590,000
2017	Various Projects	36,220,000	7-1-24/37	31,100,000
2019	Various Projects	13,000,000	7-1-24/28	8,195,000
2021	Refunding	85,460,000	7-1-24/33	82,715,000
Total Excise Tax Revenue Obligations Outstanding				\$185,450,000
Plus: The Series 2023 Excise Tax Obligations (a)				71,955,000*
Less: Water and Wastewater Funds Supported Excise Tax Revenue Obligations (b)				(257,405,000)*
Net Excise Tax Revenue Obligations Outstanding and to be Outstanding				\$ 0

- (a) The 2023 Excise Tax Obligations will be issued in December 2023 pursuant to separate official statement.
- (b) The City intends to pay the debt service requirements of the following obligations with funds provided by the Water and Wastewater Funds of the City: \$49,850,000 aggregate principal amount of the City's Excise Tax Revenue Obligations, Series 2015, \$13,590,000 aggregate principal amount of the City's Excise Tax Revenue Refunding Obligations, Series 2016, \$31,100,000 aggregate principal amount of the City's Excise Tax Revenue Obligations, Series 2017, \$8,195,000 aggregate principal amount of the City's Excise Tax Revenue Obligations, Series 2019 and the Obligations, and \$82,715,000 aggregate principal amount of the City's Excise Tax Revenue Refunding Obligations, Series 2021.

[Remainder of page intentionally left blank.]

**Direct General Obligation Bonded Debt, Legal Limitation
and Available General Obligation Bonding Capacity**

By statute, the Arizona Constitutional limit for general obligation bonded indebtedness of a city for general municipal purposes may not exceed six percent (6%) of Net Full Cash Assessed Value in that city. In addition to the six percent (6%) limitation for general purpose bonds, cities may issue general obligation bonds up to an additional twenty percent (20%) of the Net Full Cash Assessed Value for such city for water, artificial light or sewers, for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, for the acquisition and development of public safety, law enforcement, fire and emergency facilities and streets and transportation facilities.

General Municipal Purpose Bonds		Water, Light, Sewer, Open Space, Public Safety, Law Enforcement, Fire and Emergency Services, Park, Street, and Transportation Bonds	
Total 6% General Obligation		Total 20% General Obligation	
Bonding Capacity	\$376,810,629	Bonding Capacity	\$1,256,035,431
Less: 6% General Obligation		Less: 20% General Obligation	
Bonds Outstanding	(8,882,850)*(a)	Bonds Outstanding	(304,667,150)*(a)
Less: Original Issue Premium	()*(b)	Less: Original Issue Premium	()*(b)
Less: Unamortized Original Issue		Less: Unamortized Original Issue	
Premium	(201,289)*(b)	Premium	(11,183,993)*(b)
Net 6% General Obligation		Net 20% General Obligation	
Bonding Capacity	<u>\$367,786,490*</u>	Bonding Capacity	<u>\$944,184,288*</u>

(a) Includes the Bonds.

(b) This amount reduces the City's borrowing capacity pursuant to State statutes and the Arizona Constitution, and the principal amount of bonds authorized at the elections of the City. Such capacity (but not authorization) will be recaptured as premium is amortized.

[Remainder of page intentionally left blank]

* Preliminary, subject to change.

Direct and Overlapping General Obligation Bonded Debt Outstanding

Overlapping Jurisdiction	Overlapping General Obligation Bonded Debt (b)	Proportion Applicable to City of Chandler (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	4.974%	None
Maricopa County	None	7.127%	None
Maricopa County Community College District	\$ 87,320,000	7.127%	\$ 6,223,353
Maricopa County Special Health Care District	574,205,000	7.127%	40,923,964
Kyrene Elementary School District No. 28	180,475,000	19.370%	34,958,169
Mesa Unified School District No. 4	264,330,000	4.424%	11,692,948
Gilbert Unified School District No. 41	131,680,000	2.607%	3,433,169
Chandler Unified School District No. 80	329,256,000	75.142%	247,410,038
Tempe Union High School District No. 213	111,280,000	16.487%	18,346,626
East Valley Institute of Technology District No. 401	None	14.555%	None
City of Chandler (c)	260,009,159 *	100.000%	260,009,159 *
Total Direct and Overlapping General Obligation Bonded Debt to be Outstanding			<u>\$ 622,997,426 *</u>

- (a) Proportion applicable to the City is computed on the ratio of 2023-24 net assessed limited property value for the overlapping jurisdiction within the City to the total net limited assessed property valuation of the overlapping jurisdiction.

Does not include the obligation of the Central Arizona Water Conservation District (“CAWCD”) to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central Arizona Project (“CAP”), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD’s obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages have been fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD’s boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per \$100 of Net Assessed Limited Property Value, of which fourteen cents is being currently levied. (See Arizona Revised Statutes, Sections 48-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

*Preliminary, subject to change.

- (b) Includes total general obligation bonds outstanding. Does not include authorized but unissued general obligation bonds of the City or such other jurisdictions as follows or which may be authorized in the future:

[to be updated post-election]

Overlapping Jurisdiction	General Obligation Bonds Authorized but Unissued
Chandler Unified School District No. 80	\$ 95,250,000
Tempe Union High School District No. 213	48,840,000
Kyrene Elementary School District No. 28	19,450,000
Mesa Unified School District No. 4	None
Gilbert Unified School District No. 41	None
City of Chandler (c)	272,075,000*

- (c) Net of the Bonds. Includes Water and Wastewater Funds Supported General Obligation Bonds. In the event that the net revenues would prove to be insufficient or the City elects not to pay debt service requirements on the Water and Wastewater Funds Supported General Obligation Bonds from revenues from these enterprises, this debt would become payable from ad valorem taxes. Does not include City improvement district bonds outstanding.

Direct and Overlapping General Obligation Bonded Debt Ratios

	Per Capita Bonded Debt Population Estimated @ 282,891	As % of City's Total 2023-24 Net Full Cash Value	As % of City's 2023-24 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt Outstanding and to be Outstanding* (a)	\$919.11	4.14%	0.42%
Net Direct and Overlapping General Obligation Bonded Debt Outstanding and to be Outstanding* (a)	\$2,202.25	9.92%	1.01%

- (a) Includes the Bonds.

Source: The Arizona Department of Economic Security, Research Administration Population and Statistical Unit and U.S. Census Bureau, Arizona Department of Administration.

*Preliminary, subject to change.

Direct and Overlapping Tax Rates per \$100 Assessed Value

Inside the City, East Valley Institute of Technology and:	Tax Rate
Gilbert Unified School District No. 41	<u>\$9.9837</u>
Mesa Unified School District No. 4	<u>\$11.3251</u>
Tempe Union High School District No. 213 and Kyrene Elementary School District No. 28	<u>\$10.2353</u>
Chandler Unified School District No. 80	<u>\$10.1301</u>

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance.

Expenditure Limitation; One-Year and Multi-Year Overrides

Since fiscal year 1982-83, all cities in Arizona have been subject to an annual expenditure limitation imposed by the Arizona Constitution. This limitation is based upon the City's actual 1979-80 expenditures adjusted annually for subsequent growth in population and inflation. The Constitution exempts certain expenditures from the limitation. The principal exemptions for the City are payments for debt service on bonds and other long-term obligations, as well as expenditures of federal funds and certain state-shared revenues.

The Constitution provides four processes, all requiring voter approval, for cities to modify the expenditure limitation:

1. A four-year home rule option.
2. A permanent adjustment to the 1979-80 base.
3. A one-time override for the following fiscal year.
4. An accumulation for pay-as-you-go capital expenditures.

City voters have approved four-year home rule options on a regular basis since the implementation of the expenditure limitation. To the extent that the home rule option is not approved by the voters, the City would be subject to the expenditure limitations prescribed by the Constitution. On August 2, 2022, the City's voters approved a four-year home rule option to exceed the expenditure limitation by the City beginning in Fiscal Year 2023-24. This four-year home rule option will be in effect through fiscal year 2026-27.

City Retirement Systems Update

All full-time employees of the City, the Mayor and City Council participate in one of the three pension plans administered by the State described below. The Arizona State Retirement System is for the benefit of the employees of the state and certain other governmental jurisdictions. All benefited City employees, except sworn fire and police personnel and the City Council, are included in the plan that is a multiple employer cost-sharing defined benefit pension plan. All sworn fire and police personnel participate in the Public Safety Personnel Retirement System that is an agent multiple-employer defined benefit pension plan. The Mayor and City Council contribute to the State's Elected Officials Retirement Plan ("EORP") that is also a multiple-employer cost-sharing pension plan. The EORP is not described herein because of its relative insignificance to the City's financial statements. See Note 10 in APPENDIX D for further discussion of the retirement plans of the City.

Arizona State Retirement System

All full-time City employees (except public safety personnel and elected officials) participate in the Arizona State Retirement System (the "System"), a multiple-employer cost-sharing defined benefit pension plan. The System was established in 1953 and became effective in 1971. The System provides for retirement, disability, health insurance premium benefits, and death and survivor benefits. The System is administered in accordance with A.R.S. Title 38, Chapter 5. The System has reported increases in its unfunded liabilities as compared to both the smoothed value of plan

assets and the market value of plan assets. The effect of the increase in the System's unfunded liabilities on the City, or on the City's and its employees' future annual contributions to the System, cannot be determined at this time. The most recent annual report for the ASRS may be accessed at: <https://www.azasrs.govcontent/annual-reports>.

The actuarially determined contribution rates for the fiscal year 2021-22 were 12.41% (12.22% retirement and 0.19% long-term disability) and for fiscal year 2022-23 were 12.17% (12.03% retirement and 0.19% long-term disability) for both employees and employers. The City's contribution to the System for the fiscal year 2021-22 was \$9,580,356 and for fiscal year 2022-23 was \$10,653,316 (unaudited) equal to the required contributions, not including alternate contributions.

Effective July 1, 2023, the City's annual contribution rates are 12.29% (12.14% retirement and 0.15% long-term disability) for fiscal year 2023-24 for both employees and employers.

Arizona Public Safety Personnel Retirement System (Full-Time Police and Firefighter Employees)

All full-time sworn police officers and firefighters are eligible to participate in the Public Safety Personnel Retirement System (the "PSPRS") in separate agent multiple-employer defined benefit retirement plans. The PSPRS provides for retirement, health insurance premium benefits, and death and survivor benefits. The PSPRS is administered in accordance with A.R.S. Title 38, Chapter 5, Article 4. The PSPRS has reported overall increases in its unfunded liabilities as compared to both the smoothed value of plan assets and the market value of plan assets. The most recent annual report for the PSPRS may be accessed at <http://www.psprs.com/investments--financials/annual-reports>.

As of June 30, 2022, the City reported the following unfunded liabilities to pensions:

<u>Plan</u>	<u>Net Pension Liabilities</u>
PSPRS – Fire	\$43,663,661
PSPRS – Police	\$92,797,033

In July 2022, the City made a \$50 million payment to PSPRS to fund a significant portion of the City's unfunded pension liability with respect to its pension plans in the PSPRS. Additionally, in July 2023, the City made a \$73 million payment to PSPRS to pay off the City's current unfunded pension liability with respect to its pension plans in the PSPRS. This will result in significantly reducing the City's future employer contribution rates for funding the City's actuarially required PSPRS contributions.

Healthcare Benefits for Retired Employees

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"). The City is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plans.

The City's employees, their spouses and survivors may be eligible for certain retiree healthcare benefits under healthcare programs provided by the City. Employees on long-term disability and their spouses may also qualify for retiree healthcare benefits through the City. It is expected that substantially all City employees that reach normal or early retirement age while working for the City will become eligible for such benefits. Currently, such retirees may obtain the healthcare benefits offered by the City by paying 100% of the applicable premium. Although the retirees pay 100% of their premium, the retirees' participation in the City's healthcare program affects the City's healthcare costs for its employees and results in an implicit rate subsidy.

The City provides other post-employment benefits to its retirees that consist of an implicit subsidy for healthcare and a retirement health savings (RHS) plan for reimbursement of eligible medical expenses. The City offers the RHS plan to employees and contributes toward a savings plan for each employee that they are eligible to use for medical expense reimbursement at separation from service. The City makes no contribution to the retirees' premiums other than allowing them to participate through the City's pooled benefits. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing an implicit subsidy to retirees. This

implicit subsidy exists because, on average, retiree healthcare costs are higher than active employee healthcare costs. Because the City does not contribute anything toward this plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year.

The City's net OPEB liability as of June 30, 2022 was \$81,921,795, was determined by an actuarial as of that date and is reflected on the Balance Sheet in the City's Financial Statements. This is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined which represents a level of funding that is paid on an ongoing basis, and projected to cover normal cost each year to amortize the unfunded actuarial liability over a period not to exceed thirty years.

PROPERTY TAXES

General

For tax purposes in Arizona, real property and improvements and personal property is either valued by the Maricopa County Assessor (the "Assessor of the County") or the Arizona Department of Revenue. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Arizona Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities.

Locally assessed property has two different values, Limited Property Value and Full Cash Value (both as defined below). Limited Property Value is used as the basis for taxation. Full Cash Value is used as the ceiling for determining Limited Property Value and for determining debt limits for certain local governmental entities including for school districts.

For centrally valued property and personal property (except mobile homes), Full Cash Value of the property is the basis for taxation of such property and for determining constitutional and statutory debt limits for most local governmental entities.

"Limited Property Value" means, for property in existence in the prior year, the lesser of (a) the Full Cash Value of the property or (b) an amount 5% greater than the Limited Property Value of such property determined for the prior year. Limited Property Value is established at a level or percentage of Full Cash Value comparable to properties of the same or similar use or classification for property erroneously totally or partially omitted from the property tax rolls in the prior year; property for which a change in use occurred; property modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than 15% of the Full Cash Value; and property that has been split, subdivided or consolidated, with variations depending on when the change occurred. There is no limit on the growth of Full Cash Value.

Primary Taxes

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes". These taxes are levied against the Net Assessed Limited Property Value (as defined below) of the taxing jurisdiction. "Net Assessed Limited Property Value" is determined by excluding the value of property exempt from taxation from the Limited Property Value of locally assessed property and from Full Cash Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by a county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to tax in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school districts' taxes. To offset the effects of reduced school district property taxes, the State compensates the school districts by providing additional state aid.

Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the City's bonds), voter-approved budget overrides and maintenance and operation of special service districts such as sanitary, water conservation, fire, road improvement and career technical education districts are "secondary taxes". Like primary taxes, secondary taxes also are levied against the Net Assessed Limited Property Value of the taxing jurisdiction. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and certain special district assessments.

Assessment Ratios

All property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each legal classification is defined by property use and has an assessment ratio (a percentage factor) that is multiplied by the taxable value of the property -- Limited Property Value or Full Cash Value, as applicable -- to obtain the "Assessed Limited Property Value" or the "Full Cash Assessed Value," respectively. The current assessment ratios for each class of property are set forth by tax year in the following table.

PROPERTY TAX ASSESSMENT RATIOS
Tax Year 2019 through Tax Year 2023

Property Classification (a)	Tax Year				
	2019	2020	2021	2022	2023
Mining, utilities, commercial and industrial (b)	18%	18%	18%	17.5%	17%
Agriculture and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	15	15	15	15	15

-
- (a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.
- (b) The assessment ratio for this property classification will decrease to 16.5% for tax year 2024, 16% for tax year 2025, 15.5% for tax year 2026 and 15% for each tax year thereafter.
- (c) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Tax Procedures

The Arizona tax year is defined as the calendar year, although tax procedures begin prior to January 1 of the prior fiscal year and continue through May of such fiscal year, when payment of the second installment of property taxes for the tax year becomes delinquent.

The first step in the tax process is the determination of the Full Cash Value of each parcel of real property within the State. "Full Cash Value" is statutorily defined to mean "the value determined as prescribed by statute" or if a statutory method is not prescribed it is "synonymous with market value." "Market Value" means that estimate of value that is derived annually by use of standard appraisal methods and techniques, which generally includes the market approach, the cost approach and the income approach. As a general matter, the various county assessors use a cost approach for commercial/industrial property and a market approach for residential property. Arizona law allows taxpayers to appeal the county assessor's valuations by providing evidence of a lower value, which may be based upon another valuation approach.

In valuing centrally valued property, the Arizona Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. Appeals are also allowed for such valuations.

On or before the third Monday in August of each year, the Board of Supervisors of the County prepares the tax roll that sets forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County. With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the fiscal year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Delinquent Tax Procedures

The property taxes due to the City are billed, along with State and other taxes, in September of the calendar tax year and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (However, delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Assessor of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

Three years after the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

It should be noted that in the event of a taxpayer filing for relief pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pending bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for bonds issued by the City. None of the City, the Financial Advisor or their respective attorneys, agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

Property Taxes Levied and Collected (a)

Fiscal Year	Tax Levy (b)	Collected to June 30 of Initial Fiscal Year		Cumulative Collection to August 31, 2023	
		Amount	% of Levy	Amount	% of Levy
2023-24	\$ 42,612,435	(c)	(c)	(c)	(c)
2022-23	40,975,432	\$ 40,572,165	99.02 %	TO BE UPDATED IN THE FUTURE	
2021-22	38,850,141	38,698,830	99.61		
2020-21	36,369,791	36,041,018	99.10		
2019-20	33,975,079	33,597,309	98.89		
2018-19	32,095,589	31,714,236	98.81		

- (a) Taxes are certified and collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum which is prorated at a monthly rate of 1.33%. Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment pays the entire year's tax bill by December 31. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County General Fund.
- (b) The Tax Levy is adjusted downward in future years after the initial levy as a result of successful taxpayer appeals. The Tax Levy, net of resolutions (as presented in the Maricopa County Treasurer's Office report), is noted in this presentation.
- (c) In the process of collection.

SPECIAL NOTE: The assessed valuation of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed valuation of the City in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the full cash value of the SRP Electric Plant and the in lieu contribution amount is determined in the same manner as the full cash value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the County and the City have no recourse against the property of SRP and the City.

Since 1964, when the in lieu contribution was originally authorized in State statute, SRP has never failed to make that election. The fiscal year 2023-24 estimated in lieu assessed valuation of SRP within the City is \$44,732,000 which represents approximately 1.12% of the combined Net Assessed Limited Property Value in the City. SRP's total contribution in lieu of property tax payments (primary & secondary) was \$440,308 for fiscal year 2023-24.

Source: Treasurer of the County.

**Direct and Overlapping Assessed Valuations and Total Tax Rates
Per \$100 Assessed Valuation**

Overlapping Jurisdiction	2023-24 Net Assessed Limited Property Value	2023-24 Combined Primary and Secondary Tax Rates Per \$100 Net Assessed Limited Property Value
State of Arizona	\$78,415,651,028	None
Maricopa County	54,722,310,149	\$1.2044
Maricopa County Community College District	54,722,310,149	1.1388
Maricopa County Library District	54,722,310,149	0.0488
Maricopa County Flood Control District (b)	50,354,573,089	0.1536
Maricopa County Fire District Assistance Tax	54,722,310,149	0.0081
Maricopa County Special Health Care District	54,722,310,149	0.4519
Central Arizona Water Conservation District (c)	55,027,363,791	0.1400
East Valley Institute of Technology District No. 401(d)	26,795,538,826	0.0500
Chandler Unified School District No. 80	3,864,503,975	5.8419
Tempe Union High School District No. 213	4,582,133,019	2.4272
Kyrene Elementary School District No. 28	2,627,427,786	3.5199
Mesa Unified School District No. 4	3,879,526,341	7.0369
Gilbert Unified School District No. 41	2,652,529,469	5.6955
City of Chandler	3,900,094,692	1.0926

(a) The assessed value of the Maricopa County Flood Control District does not include the personal property assessed value of the County.

(b) Value shown for the Central Arizona Water Conservation District covers only the County portion of such district.

(c) Includes Net Assessed Limited Property Value for the East Valley Institute of Technology District No. 401 within Pinal County.

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance.

[Remainder of page intentionally left blank.]

Property Value by Property Classification

Set forth below is a breakdown of the Net Full Cash Assessed Property Valuation of the City by property classification.

Class	2019-20	2020-21	2021-22	2022-23	2023-24
Commercial, industrial, utilities and mines	\$ 1,246,170,328	\$1,412,928,374	\$ 1,488,882,870	\$1,534,793,910	\$1,800,359,154
Agricultural and vacant	78,888,739	77,850,859	76,801,910	72,256,990	82,244,489
Residential (owner occupied)	1,681,112,768	1,837,472,779	1,990,237,285	2,135,013,774	2,824,334,410
Residential (rental)	738,411,405	847,104,454	946,787,996	1,052,393,288	1,346,567,408
Railroad	1,910,025	2,011,500	2,011,500	2,216,430	3,849,664
Historical property	124,084,500	130,572,188	177,317,246	215,617,419	222,807,895
Certain Government property improvements	400,055	477,042	520,137	529,079	14,138
Totals (a)	\$3,870,977,820	\$4,308,417,196	\$ 4,682,558,944	\$5,012,820,890	\$6,280,177,157

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Assessed Limited Property Value of Major Taxpayers

Taxpayer (a)	Description	2022-23 Net Assessed Limited Property Value	As % of City's Total 2022-23 Net Assessed Limited Property Value
Intel Corporation	Manufacturing Plant	\$265,776,255	7.18%
CyrusOne LLC	Data Center	32,029,790	0.86
Wells Fargo Bank NA	Financial Services	26,470,865	0.71
TWC-Chandler LLC	Commercial Rental Property	18,204,358	0.49
CAZ 7 LLC	Manufacturing Plant	17,551,334	0.47
Microchip Technology Incorporated	Manufacturing Plant	16,592,946	0.45
Bank of America NA	Financial Services	16,521,887	0.45
CAZ 1 DE LLC	Commercial Rental Property	15,981,295	0.43
NXP USA Inc	Manufacturing Plant	12,571,668	0.34
Digital 2121 South Price LLC	Data Center	10,237,930	0.28
Total		\$431,938,328	11.66%

Total City Net Assessed Limited Property Value

\$3,702,957,065

- (a) Some of the major taxpayers, including Intel Corporation, NXP, Bank of America, NA, and Wells Fargo Bank NA are subject to the informational requirements of the Exchange Act, and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copies are available at the public reference facilities maintained by the Commission. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. Neither the City, nor the Financial Advisor or their respective agents or consultants has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: County Assessor's Office.

Property Values

The tables below list the various property values for the City for fiscal year 2019-20 through 2023-24. **All values herein are net of the estimated value of property exempt from taxation.**

Property Values for Fiscal Year 2019-20 through 2023-24

Fiscal Year	Net Assessed Limited Property Value	Net Full Cash Assessed Value	Estimated Net Full Cash Value (a)
2023-24	\$ 3,900,094,692	\$ 6,280,177,157	\$ 61,704,952,635
2022-23	3,702,957,065	5,012,820,890	48,805,511,338
2021-22	3,463,794,661	4,682,558,944	40,751,143,934
2020-21	3,243,434,243	4,308,417,196	36,949,424,457
2019-20	3,011,152,689	3,870,977,820	33,312,389,044

- (a) Estimated Net Full Cash Value is the total estimated “market value” of taxable property, which is calculated by multiplying the Full Cash Value by the ratio of Net Assessed Full Cash Value divided by the Assessed Full Cash Value. Each value as reported by the Assessor of the County in the State Abstract.

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance and *Abstract and Assessment Roll*, State of Arizona Department of Revenue.

Net Assessed Limited Property Value and Net Full Cash Assessed Value Comparisons and Trends

The tables below are shown to indicate for fiscal year 2019-20 through 2023-24, the (i) Net Assessed Limited Property Values and (ii) Net Full Cash Values of the City, the County and the State of Arizona, each on a comparative basis.

Comparative Net Assessed Limited Property Value Histories

Fiscal Year	City of Chandler	Percent Increase/ (Decrease)	Maricopa County	Percent Increase/ (Decrease)	State of Arizona	Percent Increase/ (Decrease)
2023-24	\$3,900,094,692	5.32%	\$54,722,310,149	6.10%	\$83,026,530,244	5.89%
2022-23	3,702,957,065	6.90	51,575,018,189	5.85	78,415,651,028	5.67
2021-22	3,463,794,661	6.79	48,724,126,672	6.61	74,200,360,570	6.13
2020-21	3,243,434,243	7.71	45,704,969,813	5.81	69,914,763,468	5.68
2019-20	3,011,152,689	8.17	43,194,326,395	6.86	66,157,223,639	6.14

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and *Abstract and Assessment Roll*, State of Arizona Department of Revenue.

Comparative Net Full Cash Value Histories

Fiscal Year	City of Chandler	Percent Increase/ (Decrease)	Maricopa County	Percent Increase/ (Decrease)	State of Arizona	Percent Increase/ (Decrease)
2023-24	\$6,280,177,157	25.28%	\$91,557,158,470	26.74%	\$129,473,530,919	24.65%
2022-23	5,012,820,890	7.05%	72,238,314,892	6.96%	103,872,223,919	6.77%
2021-22	4,682,558,944	8.68%	67,535,008,138	9.24%	97,282,221,465	8.08%
2020-21	4,308,417,196	11.30%	61,824,712,434	9.25%	90,007,317,461	8.80%
2019-20	3,870,977,820	10.93%	56,588,192,576	8.94%	82,730,928,616	8.23%

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance and *Abstract and Assessment Roll*, State of Arizona Department of Revenue.

FORM OF APPROVING LEGAL OPINION

[Closing Date]

MAYOR AND COUNCIL
City of Chandler, Arizona

Re: City of Chandler, Arizona General Obligation Bonds, Series 2023

We have examined copies of the proceedings of the Mayor and Council of the City of Chandler, Arizona (the “City”), and other proofs submitted to us relative to the issuance of the captioned Bonds (the “Bonds”).

In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinion rendered herein below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force, and particularly with respect to the Bonds the provisions of Title 35, Chapter 3, Article 3, Arizona Revised Statutes, as amended, and that the Bonds are valid and legally binding obligations of the City, all of the taxable property within which is subject to the levy of a tax, without limitation as to rate or amount to pay the principal of and interest on the Bonds.

Based on the representations and covenants of the City and subject to the assumption stated in the last sentence of this paragraph, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and the interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. We express no opinion regarding other tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds. The Code includes requirements which the City must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Mayor and Council of the City have resolved in Resolution No. 5730, adopted by the Mayor and Council of the City on [October 19, 2023], to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. (Subject to the same limitations in the penultimate paragraph hereof with respect to such covenants, the City has full legal power and authority to comply with such covenants.) In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights. The enforcement of such rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

CITY OF CHANDLER, ARIZONA

**AUDITED FINANCIAL STATEMENTS OF THE CITY OF CHANDLER, ARIZONA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following audited financial statements are for the fiscal year ended June 30, 2022. These are the most recent audited financial statements available to the City. These audited financial statements may not represent the current financial conditions of the City. The City did not request the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its opinion on the audited financial statements.

CONTINUING DISCLOSURE UNDERTAKING
\$117,415,000*
CITY OF CHANDLER, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2023

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered by the City of Chandler, Arizona (the “City”), in connection with the sale and issuance of \$117,415,000* principal amount of City of Chandler, Arizona General Obligation Bonds, Series 2023 (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Mayor and Council of the City on October 19*, 2023 (the “Bond Resolution”). The City covenants and agrees as follows:

1. Definitions. In addition to those defined hereinabove, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires:

“*Annual Financial Information*” means the financial information and operating data set forth in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Final Official Statement*” means the Final Official Statement relating to the Bonds, dated _____, 2023.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*GAAP*” means generally accepted accounting principles, as applied to governmental units as modified by the laws of the State.

“*Listed Event*” means the events set forth in Exhibit II.

“*Listed Events Disclosure*” means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act.

“*State*” means the State of Arizona.

2. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule. The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after such delivery of the Bonds.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

CUSIP No.	Maturity Date
(Base 158843)	(July 1)

4. Annual Financial Information Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate its Annual Financial Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), through EMMA.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate in a timely manner, but not more than ten (10) business days after the occurrence of the event, Listed Events Disclosure through EMMA. Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Bond Resolution, and the sole remedy available to such owners of the Bonds under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City or by approving vote of the owners of the Bonds at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying an accounting principle to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the City change or the fiscal year of the City changes, the City shall file a notice of such change in the same manner as for a notice of Listed Event.

8. Non-Appropriation. The performance by the City of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the City to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the City covenants to provide prompt notice of such fact to the MSRB through EMMA, in a format prescribed by the MSRB.

9. Termination of Undertaking. This Undertaking shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Bonds under the Bond Resolution.

10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. Governing Law. This Undertaking shall be governed by the laws of the State.

DATED: [Closing Date]

CITY OF CHANDLER, ARIZONA

By _____
Its Deputy City Manager/Chief Financial Officer

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means financial information and operating data of the type contained in the Final Official Statement as follows (in each case, actual results for most recently completed fiscal year only):

- Estimated Net Full Cash Value and Assessed Values;
- Statements of Bonds Outstanding;
- Property Tax Assessment Ratios;
- Property Taxes Levied and Collected;
- Direct and Overlapping Assessed Valuations and Tax Rates per \$100 Assessed Valuation;
- Property Value by Property Classification; and
- Net Assessed Limited Property Value of Major Taxpayers.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available from the MSRB. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by February 1 of each year, commencing February 1, 2024. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days after availability to the City.

Audited Financial Statements will be prepared according to GAAP.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the City will disseminate a notice of such change as required by Section 4, including changes in fiscal year or GAAP.

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to the rights of security holders, if material.
8. Bond calls, if material, or tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar events of the City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

BOOK-ENTRY-ONLY SYSTEM

The description set forth below of the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of principal of, premium, if any, and interest on, the Bonds to Direct Participants, Indirect Participants and Beneficial Owners (each as hereinafter defined), and other information concerning DTC and the book-entry-only system of registration and transfer of beneficial ownership interests in the Bonds is based solely on information furnished by DTC to the City for inclusion in this Official Statement. Neither the City, the Bond Registrar and Paying Agent, the Financial Advisor, nor their agents or counsel make any representations as to the accuracy or completeness thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial owners will not receive written confirmation from DTC of their purchaser. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Bond Registrar and Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Bond Registrar and Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Bond Registrar and Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but the City, the Financial Advisor or their counsel or agents takes no responsibility for the accuracy thereof.

NEITHER THE CITY, THE BOND REGISTRAR AND PAYING AGENT, THE FINANCIAL ADVISOR, NOR THEIR AGENTS OR COUNSEL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE BONDS, (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (III) THE TIMELY OR ULTIMATE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR OF INTEREST ON THE BONDS; (IV) THE TRANSMITTAL BY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (V) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER; OR (VI) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS.

PIPER | SANDLER