



City of Apache Junction

Home of the Superstition Mountains

DATE: OCTOBER 14, 2025

TO: MUNICIPAL PROPERTY CORPORATION MEMBERS

THROUGH: BRYANT POWELL, CITY MANAGER

FROM: ROB WISLER, MANAGEMENT ANALYST

SUBJECT: DISSOLUTION OF MPC

Background/Discussion

In 1990, the City created the Municipal Property Corporation to allow the City to seek bonds for City facilities. At the time, due to Federal law, a non-profit third-party entity was necessary to allow for the City to sell tax-exempt bonds through lease-purchase financing structures (which significantly reduces borrowing costs for cities). The City utilized the MPC to fund multiple projects from 1992 through 1997, including: AJPd headquarters, a major street rehabilitation program, the rodeo grounds arena, irrigation and landscaping at PD Building and County Retention Basin, library expansion, and Prospector Park improvements (2 ballfield lighting, picnic areas, sports courts, lighting). In 1997, Federal Law was changed to allow municipalities to sell tax-exempt bonds through lease-purchase type financing structures without needing another entity. Since that law has changed, the City has ceased using the MPC to secure bonds. The City has paid off all financial obligations related to the bonds.

The MPC has continued to function with Council appointing members each year and an annual meeting that has consisted solely of approving the last meeting minutes and appointing the chair with no further business on the agenda. City Staff manages annual reporting requirements to the ACC, which are necessary even without any business being conducted.

The City of Surprise is in the process of dissolving their MPC. All City of Apache Junction comparator organizations: Avondale, Buckeye, Casa Grande, Goodyear, Marana, Maricopa, Mesa, Oro Valley, and Queen Creek, do not have an MPC. Several of these entities previously used an MPC to issue bonds for public infrastructure, but no longer use the MPC financing structure for the reasons described previously.

Analysis and Recommendation

There are two possible alternatives for the MPC: doing nothing and allowing it to continue to exist or dissolving it completely.

1. Do nothing (status quo) – the Council would continue to appoint members and the MPC would continue to meet at least once annually. Staff time will continue to be utilized on MPC functions. Barring major changes in federal tax law or some innovation that would make sense to see an MPC utilized, neither of which have happened in the 28 years post-1997 federal law changes, the MPC will continue to have no business.
2. Dissolve it completely – the Council would adopt an ordinance changing the City Code and eliminating the MPC. Before this, the MPC would meet to formally transfer all assets to the City (though we believe all assets are titled to the City, this would ensure this) and adopt a resolution calling for its dissolution. After Council action to formally dissolve the MPC, City staff would complete the necessary dissolution filing with the ACC and the Arizona Department of Revenue. If conditions changed in the future and an MPC became beneficial or necessary once again, the City would have to adopt a new ordinance creating a new MPC.

Staff recommended to City Council option 2, dissolution of the MPC. City Council directed staff to carry out the dissolution of the MPC. Staff is now proceeding to dissolve the MPC and requests the MPC adopt Resolution No. AJMPC 25-01, dissolving the MPC and allowing for the transference of any potential remaining MPC property to the City.

Financial Impact

No Financial Impact.

Next Steps (if applicable)

Staff has prepared an ordinance to dissolve the MPC that will be adopted by the City Council once the MPC adopts Resolution No. AJMPC 25-01.