



Minutes
of the
Community Investment Committee
The Industrial Development Authority of the County of Maricopa
(the "Authority")

Date: December 2, 2014, 12:30 p.m.

Place: Ryley Carlock & Applewhite
One North Central Avenue, 12th Floor
Phoenix, Arizona 85004

Present: Victor D. Vidales, William McAllister and Charles P. Thompson
(Gregg Ghelfi was also present)

Absent: David Adame

Executive Director: Shelby L. Scharbach

Administrators: Joyce A. Gott and Kathleen Jakubowicz

Attorney: John J. Fries and William F. Wilder

Guests: None

Mr. Vidales called the meeting to order at 12:42 p.m., noting the presence of a quorum.

The Authority's Community Investment Committee ("CIC") met to discuss, consider and take legal action as determined on the following:

**1. CONTINUED DISCUSSIONS AND ACTION AS DETERMINED
ESTABLISHING AN AUTHORITY LOAN AND GRANT POLICY AND
GUIDELINES.**

Mr. Fries explained that revisions were made to Sections 5 and 7 of the Guidelines for the Authority's Community Investments (the "Guidelines") as discussed in the November 5, 2014 CIC meeting.

MOTION by Mr. Thompson and seconded by Mr. McAllister to strike the first sentence of Section II(d) of the Guidelines. The language to be removed includes: *“The Authority does not have any employees, and intentionally contracts with third parties to carry out its acts.”*

All voted aye; none voted nay.

Mr. McAllister questioned the language in Section IV(b) regarding the Authority’s wishes to make loans rather than grants. After discussion, it was determined to leave that language as written, although further discussions may be required.

A discussion was had regarding the term and security of loans and administration/servicing of each loan, and it was decided that language should be left flexible so that the parameters of each loan can be determined at the time of consideration.

MOTION by Mr. Thompson and seconded by Mr. McAllister to include the Grant Guidelines Administration language from Section IV(c) and add it to the Administration language in Section II(d). The language to be added would include: *“It is preferable to have an entity involved which is capable of providing administrative services.”*

All voted aye; none voted nay.

MOTION by Mr. Thompson and seconded by Mr. McAllister to present the Guidelines to the full Board for consideration at the December 9, 2014 Board Meeting, after the revisions are made to the Guidelines as requested in this meeting.

All voted aye; none voted nay.

MOTION by Mr. Thompson and seconded by Mr. McAllister to approve the Minutes of the November 5, 2014 Community Investment Committee meeting, as presented.

All voted aye; none voted nay.

Mr. McAllister reported that he, Ms. Scharbach, and Mr. Thompson met with representatives of Arizona Community Foundation (“ACF”) and relayed the Authority’s objectives for grants/loans.

Mr. McAllister then distributed a draft PowerPoint presentation entitled Maricopa County IDA Grant/Loan Program Approach and discussed the same. Mr. McAllister explained that there was a discussion at the November 5, 2014 CIC meeting about the potential services of ACF – one being that ACF’s Philanthropic Services Committee would ratify the Authority’s recommended approvals. Mr. McAllister explained that he learned the Philanthropic Services Committee is really just a quality assurance step.

The CIC members requested this “quality assurance” step be taken before the Authority considers an application and not afterward, giving the Authority the final right to approve an application.

Mr. McAllister reviewed the fees that would be charged by ACF to administer the Authority’s grant program:

1% management investment fee

1% or less administrative fee (estimated to be at a rate of .6% to .8%)

Ms. Scharbach estimated the “all other services” fee could cost the Authority approximately \$33,000 per year if the Authority invested \$6.5 million with ACF (at .6%) (with an undetermined number of grants).

Mr. McAllister then reviewed the possibility of having ACF administer a loan program for the Authority.

Ms. Scharbach explained that the loan program is a newer program for ACF, and she suggested the Authority do more research on loan programs before committing to a program with ACF.

Mr. McAllister explained that he did have a conversation with Jacky Alling of ACF regarding the Authority’s wishes to leverage their money with matching funds. Ms. Alling could not commit to anything specifically, but said she would do everything she could to provide some form of matching funds.

Ms. Scharbach distributed a spreadsheet of Community Investment Scenarios and discussed the same. She said she will continue to provide more scenarios for the Board.

Mr. McAllister said he would speak with Ms. Alling to get ACF's investment policy and relationship policy, along with reporting to her the CIC's discussions/results to date.

Ms. Scharbach said she would speak with Ms. Alling on the legalese.

The Committee agreed to meet again at noon on January 6, 2015.

ADJOURNMENT:

With no further business to come before the Community Investment Committee, the meeting adjourned at 2:00 p.m.