

Minutes  
of the  
Regular Meeting of Board of Directors of  
The Industrial Development Authority of the County of Maricopa  
(the "Authority")

Date: March 14, 2017, 9:00 a.m.

Place: Maricopa County Administration Building  
Board of Supervisors Conference Room  
301 West Jefferson, 10<sup>th</sup> Floor  
Phoenix, Arizona

Presiding: Lisa A. James

Present: Lisa A. James, William McAllister, Ronald J. Castro, Jr.,  
Charles P. Thompson, Ronald L. Westad, Steven Bales, Jr. and  
Jeremey Stawiecki (by telephone)

Absent: Maria Spelleri

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Kathleen Jakubowicz

Business Development  
Officer: Gregg J. Ghelfi

Attorney: William F. Wilder and John J. Fries of Ryley Carlock &  
Applewhite

Mr. Bales called the Regular Meeting of the Board of Directors of the Authority to order at 9:05 a.m., noting the presence of a quorum.

**1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD  
HELD ON FEBRUARY 14, 2017.**

On motion made by Mr. McAllister and seconded by Mr. Westad, the minutes of the February 14, 2017 Regular Meeting were approved as submitted.

**The motion passed unanimously by a vote of (5-0).**

**2. PRESENTATION BY KIMBER LANNING OF LOCAL FIRST ARIZONA FOUNDATION REGARDING THE FUERZA LOCAL BUSINESS ACCELERATOR PROGRAM.**

*Ms. James and Mr. Stawiecki joined the meeting by telephone.*

Ms. Scharbach reminded the Board Members that the Authority provided a \$144,000 grant to the Fuerza Local Business Accelerator in June 2016.

Ms. Scharbach introduced Kimber Lanning, Executive Director of Local First Arizona Foundation (“Local First”), to give an update on the project.

Ms. Lanning referred to a study that was recently released from Rutgers and other universities that determined US Latinos are leaving \$1.3 trillion on the table in terms of overpaying on interest rates because of lack of financial literacy, fees they are paying to various companies, and just a lack of training. Local First is attempting to train this low income sector of the population through an entrepreneurship program by teaching them to do business together, which means they have dollars recirculating between themselves, creating additional jobs and opportunities for their companies.

Ms. Lanning said they have had 77 graduates from the 6-month business accelerator program. The students participate in a lending circle (or money pool), which is a way for low income people to save money by paying \$100 each month. Each month one person gets to take the pooled funds generally for unexpected expenses. This pool helps the students to build a first-time credit history, as their payments are reported to Experian.

These business classes are now being held in Phoenix, Mesa, Avondale and Maryvale.

Ms. Lanning said the collective impact of the program has been remarkable. 58 new businesses have been registered, with 58% of those businesses being Latino run. 75 jobs have been created and 80% of those report supporting other companies coming through the program. Their social media influence has been increased by 70,000, and their gross sales have increased by \$5.2 million in new sales coming through the program.

Ms. Lanning said she would send success stories and updates to the Authority on a regular basis, and she thanked the Board Members for their support.

**3. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.**

Ms. LeVinus introduced her co-worker, Jake Henman, who will be assisting Ms. LeVinus in the future.

Ms. LeVinus said everything is relatively quite at the Legislature, and there is no legislation directly impacting the Authority thus far.

**4. DISCUSSION, CONSIDERATION AND ACTION AS DETERMINED REGARDING WORKFORCE DEVELOPMENT GRANT GUIDELINES TO BE USED IN CONJUNCTION WITH ARIZONA COMMUNITY FOUNDATION.**

Mr. Ghelfi explained that the Board Members agreed at the last planning session to focus on workforce development within two segments, that being the vulnerable population (including the homeless, disabled, veterans and smart justice – people coming out of the prison system) and high-paying jobs. The AZ Pipeline/Futures project came about because of the Board's desire to focus on workforce development, which will, hopefully, be available by the end of the summer or sometime into September. In order for the AZ Pipeline project to be effective, it will need a large support system.

*Ms. James joined the meeting in person and chaired the meeting from this point forward.*

Mr. Ghelfi referred to the grant guidelines provided in the Board Member packages and explained the guidelines had been modified to support workforce development in the next round of grants through Arizona Community Foundation. Mr. Ghelfi explained that the CIC agreed to recommend to the full Board the form of guidelines being presented.

There was then a lengthy discussion regarding a strategy and the most efficient way of working with other entities for grant funds, specifically in conjunction with Arizona Community Foundation, and in particular for the AZ Pipeline project, and how recipients of grants could be monitored over a period of time to determine the success of the programs receiving funds.

The Board Members then had a discussion on whether or not it was appropriate for grant dollars to be used for costs such as marketing, consultants, travel, information technology, legal services, accounting functions, etc. up to 15%.

After further discussion and upon motion made by Mr. Westad and seconded by Mr. McAllister, the following was adopted:

RESOLVED to adopt a resolution approving the grant guidelines as submitted.

Messrs. Castro, Westad, Stawiecki and McAllister voted aye. Ms. James and Messrs. Bales and Thompson voted nay.

**The motion passed by a vote of (4-3).**

**5. REPORT, DISCUSSION AND ACTION AS DETERMINED REGARDING THE 2012 HOME IN FIVE ADVANTAGE MORTGAGE ORIGINATION PROGRAM.**

Ms. Scharbach reported that as of March 6, 2017 over 14,667 loans totaling \$2.6 billion have been either closed or are in the process of closing. The program continues to be very successful, and continues to thrive.

Ms. Scharbach then reported on ongoing marketing efforts. Ms. Scharbach said she was able to speak with Maricopa County's management team regarding the program, and will have brochures going out to the County libraries. The Superintendent of Schools also plans to send brochures out to area schools.

Ms. Scharbach said she will be forwarding to the Board the HUD OIG final audit review. It is unclear whether there will be any changes put in place at this time.

**6. PAYMENT OF INVOICES.**

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended February 28, 2017.

Mr. Westad moved to approve the payment of invoices as submitted for the period ended February 28, 2017. Mr. McAllister seconded the motion.

Ms. James and Messrs. Westad, McAllister, Castro, Bales, and Stawiecki voted aye. Mr. Thompson voted nay.

**The motion passed by a vote of (6-1).**

**7. FINANCIAL REPORT.**

Ms. Scharbach distributed copies of the unaudited financial statements for the period ended February 28, 2017, and reviewed the same. A copy of the unaudited financial statements is attached hereto.

Ms. Scharbach updated the Board on the outstanding grant funds not yet disbursed. She suggested grant recipients should periodically come back to report to the Board on their progress.

Mr. Thompson requested information on Mr. Ghelfi's cost of benefits as an employee of the County, which is reimbursable by the Authority, along with a list of bond issues closed by other industrial development authorities.

**8. BUSINESS DEVELOPMENT OFFICER.**

Mr. Ghelfi reported on a potential charter school bond issue that went to the Arizona State IDA to be financed, possibly because of additional enhancements being offered by the State IDA.

**9. PRESIDENT'S REPORT.**

Ms. James said she would like to increase the Community Investment Committee by one person in order to have an uneven number of members, and asked for volunteers. Mr. Bales said he would be interested in serving on the Committee. Ms. James said she will also check with Ms. Spelleri and make a decision.

**10. EXECUTIVE DIRECTOR'S REPORT.**

Ms. Scharbach reminded the Board of the upcoming ribbon cutting ceremony for the Brian Garcia Welcome Center and the Greater Phoenix Chamber of Commerce IMPACT Awards event, both of which the Board Members were invited to attend.

**11. LEGAL COUNSEL REPORT.**

Mr. Wilder said a new application for an affordable multifamily housing project should be coming to the Authority in the very near future.

**12. COMMENTS FROM BOARD MEMBERS.**

There were no comments from Board Members.

**13. CALL TO THE PUBLIC.**

No members of the public commented.

**ADJOURNMENT**

With no further business to come before the Authority, upon motion made and duly seconded, the Regular Meeting was adjourned at 10:18 a.m., without objection.

