

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

Date: September 12, 2017, 9:30 a.m.

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

Presiding: Steven Bales, Jr.

Present: Lisa A. James, Charles P. Thompson, Steven Bales, Jr.,
Jeremey Stawiecki, Jim Rounds, Doug Smith, Maria Spelleri
and Ronald J. Castro, Jr.

Absent: Ronald L. Westad

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 9:31 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON AUGUST 22, 2017.

On motion made by Ms. Spelleri and seconded by Mr. Stawiecki, the minutes of the August 22, 2017 Annual and Regular Meeting were approved as submitted.

The motion passed unanimously by a vote of (6-0).

2. **DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$34,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF HERITAGE ACADEMY LAVEEN, INC.**

This agenda item was not discussed.

3. **REPORTS BY MULTIFAMILY HOUSING COMPLIANCE REVIEW ADVISORS, AND DISCUSSION AND ACTION AS DETERMINED REGARDING COMPLIANCE WITH LAND USE RESTRICTION AGREEMENTS OR REGULATORY AGREEMENTS ENCUMBERING OUTSTANDING MULTIFAMILY HOUSING PROJECTS FINANCED BY THE AUTHORITY.**

Julie Guffey of JAG Compliance and Consulting appeared before the Board and reported with respect to the annual compliance reviews on the Authority's bond financed multifamily housing projects. It was reported that all projects reviewed are performing in accordance with their respective regulatory agreement.

Mr. Thompson and Ms. James joined the meeting.

4. **DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION APPROVING AND CONSENTING TO THE SALE OF THE DESERT EAGLE ESTATES PROJECT AND THE ASSUMPTION OF THE REGULATORY AGREEMENT.**

Mr. Wilder reported that the Desert Eagle Apartments are in the process of being sold, which action requires the approval of the Authority.

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

RESOLVED to adopt a Resolution in the form presented to the meeting authorizing and approving the sale and transfer of the Desert Eagle Estates Project and the assumption by ReNUE Properties Arizona, Inc. of the Regulatory Agreement that encumbers the project through the execution of an Assignment & Assumption Agreement.

The motion passed unanimously by a vote of (8-0).

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

Courtney LeVinus reported that it is expected there will be a great deal of debate in the 2018 Legislative Session on education and education funding. Ms. LeVinus said she does not see the legislation slowing down charter school financings.

Ms. LeVinus said she is not aware of any proposed legislation for 2018 from the state regarding industrial development authorities.

6. REPORT FROM THE COMMUNITY INVESTMENT COMMITTEE, AND DISCUSSION AND ACTION AS DETERMINED.

Mr. Bales reported that the Community Investment Committee (“CIC”) had met on September 5, 2017 to discuss the grant applications that were submitted through Arizona Community Foundation (“ACF”).

Mr. Bales said he has appointed Mr. Stawiecki as the new chair of the CIC, and thanked the CIC for their hard work in reviewing the applications.

Mr. Stawiecki explained that at the Authority’s last Board retreat, the Board had agreed to deploy \$20 million of grant funds on workforce development, and reported the applications recently submitted through ACF were all focused on workforce development. After reviewing the applications, the CIC agreed that 12 of the 19 applications should be submitted to the full Authority Board for further consideration.

Ms. Scharbach added that the Director of the Maricopa County Human Services Department who oversees workforce development was also present at the CIC meeting to help link the Authority’s grant funds back to Maricopa County’s workforce program.

Following are the applications considered by the Authority and the voting results:

| Organization | Program | Amount of Request Approved | Amount Denied | Specific Conditions | Vote |
|---|--|----------------------------|---------------|---------------------|---|
| Ability360: Phoenix Arizona | Collaborating with Short-Term Skills Training Outlets to Increase Wages and Job Opportunities for Disabled | \$28,149 | | | Motion: 1 st – Ms. Spelleri 2 nd – Mr. Thompson Passed Unanimously (8-0) |
| Arizona Friends of Foster Children: Phoenix Arizona | Keys to Success Program | \$100,000 | | | Motion: 1 st – Mr. Stawiecki 2 nd – Mr. Thompson Passed Unanimously (8-0) |

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|--|---|-------------|-----------|--|---|
| Armory UP, LLC: Phoenix Arizona | The Armory Incubator Veteran Entrepreneur Workforce Development Project | \$300,000 | | | Motion: 1 st – Mr. Stawiecki 2 nd – Ms. James Passed Unanimously (8-0) |
| ASU Foundation for a New American University: Tempe Arizona | Workforce for the MedTech Regional Ecosystem | \$2,000,000 | | | Motion: 1 st – Mr. Stawiecki 2 nd – Mr. Thompson Passed Unanimously (8-0) |
| Chicanos Por La Causa: Phoenix Arizona | CPLC IDA Workforce Solutions Through Comprehensive Collaboration | 0.00 | \$850,336 | | Motion: 1 st – Mr. Castro 2 nd – none Motion died |
| Dress for Success Phoenix: Phoenix Arizona | Collaborative Mobile Career Services | \$1,800,000 | | St. Joseph the Worker to serve as a pass through | Motion: 1 st – Mr. Stawiecki 2 nd – Mr. Thompson Passed Unanimously (8-0) |
| Grand Canyon University: Phoenix Arizona | GCU Career Development Project | \$205,000 | | Must be through their nonprofit foundation with disclosure of foundation's assets | Motion: 1 st – Mr. Stawiecki 2 nd – Mr. Thompson Passed (7-1) Mr. Castro voted nay |
| Maricopa County Community Colleges District Foundation: Tempe Arizona | Military & Veteran Success – Luke AFB Pilot Program | \$963,900 | | Clarify measures of success | Motion: 1 st – Mr. Stawiecki 2 nd – Mr. Castro Passed Unanimously (8-0) |
| St. Mary's Food Bank Alliance: Phoenix Arizona | Community Kitchen Curriculum Development | \$40,000 | | | Motion: 1 st – Mr. Stawiecki 2 nd – Mr. Castro Passed Unanimously (8-0) |

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|--|--|-----------------------|---------------------|--|---|
| StartupAZ Foundation: Phoenix Arizona | StartupAZ Foundation: Founders Collective and AZ Pipeline Entrepreneurial Platform Buildout | \$300,000 | | | Motion: 1 st – Mr. Stawiecki 2 nd – Mr. Thompson Passed Unanimously (8-0) |
| UMOM New Day Centers: Phoenix Arizona | UMOM Workforce Innovation | \$1,386,364 | | | Motion: 1 st – Mr. Stawiecki 2 nd – Ms. Spelleri Passed (7-1) Mr. Bales voted nay |
| YEAR UP INC: Phoenix Arizona | Year Up Arizona / Strategic Growth | \$300,000 | | | Motion: 1 st – Mr. Stawiecki 2 nd – Mr. Thompson Passed Unanimously (8-0) |
| TOTAL | | \$7,423,413.00 | \$850,336.00 | | |

Additional Requirements unanimously agreed upon by the Board included in each motion included - all grant recipients, through their funding agreements, would be required to use the Arizona Pipeline and/or Maricopa County's At Works Program and be bound to reporting periodically to the Board.

The Board tasked Ms. Scharbach to work with legal counsel to finalize funding agreements with grant recipients.

Ms. Spelleri had noted a conflict of interest on the grant application relating to Chicanos Por La Causa, Inc. ("CPLC"), as she is presently employed by the organization. Ms. Spelleri stepped down from the Board and did not participate in the CPLC grant request discussions. She did; however, participate in discussions and voting on all other grant requests.

Ms. Spelleri suggested that it would be helpful to have a convening of all grantees in order to encourage collaboration.

Ms. James suggested the Authority prepare an annual report setting forth the Authority's efforts and impact on the community.

Mr. Bales suggested the Authority find a different way to make an impact on the community with its grant monies as the current process is extremely time consuming and laborious.

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

Ms. Scharbach referred to the memorandum in the Board Member packages and reported that as of September 5, 2017 the program originated 16,663 mortgage loans totaling more than \$3 billion. There are currently 139 lending institutions registered to participate in the program.

Ms. Scharbach reported there are ongoing discussions regarding ways the Home in Five partners can celebrate the success of the program.

8. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended August 31, 2017.

Ms. Spelleri moved to approve the payment of invoices as submitted for the period ended August 31, 2017. Mr. Castro seconded the motion.

Mmes. James and Spelleri and Messrs. Bales, Rounds, Stawiecki and Castro voted aye. Mr. Thompson voted nay. (Mr. Smith had temporarily stepped out of the room and did not vote.)

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

9. FINANCIAL REPORT.

Ms. Scharbach distributed copies of the unaudited financial statements for the period ended August 31, 2017, and reviewed the same. Copies of the unaudited financial statements are attached hereto.

Mr. Castro left the meeting at 11:30 a.m.

10. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi thanked the CIC for their hard work in reviewing the grant applications.

11. PRESIDENT'S REPORT.

Mr. Bales welcomed the Board Members to reach out to him with any suggestions and/or comments.

Mr. Bales suggested the Board invite their respective Supervisor to a Board meeting to give them time to speak to the Authority's Board.

Mr. Bales said he would like to hold a Board retreat at some point in the near future.

12. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach also thanked the CIC members for their hard work on the recent grant applications.

13. LEGAL COUNSEL REPORT.

Mr. Wilder reported on various matters, including:

- a. the first two phases of the Scottsdale Healthcare bond financing has now closed, and the final phase will close in November.
- b. Westminster intends to come back to the Authority in November with a closing by the end of 2017.
- c. Banner Health is expected to close in October.

14. COMMENTS FROM BOARD MEMBERS.

Ms. James invited Board Members to join her at a University of Arizona Wildcats hockey game in Gilbert in mid-October.

15. 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 11:49 a.m., without objection.

A handwritten signature in blue ink, appearing to read "Steven B. ...", is written over a horizontal line.