

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

Date: September 8, 2020, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Ronald L. Westad

Present: Ronald L. Westad, Maria Spelleri, Andrew M. Cohn, Steve Bales, Lisa A. James, Jim Rounds and Ronald J. Castro, Jr.

Absent: Jeremey Stawiecki and Rebecca Burnham

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Kathleen Jakubowicz

Business Development Officer: Gregg Ghelfi

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

Guests: Clark Ribordy, Julie Arvo MacKenzie, Courtney LeVinus, Jake Hinman, Scott Riffle and Patt Denihan

Ms. Spelleri called the Regular Meeting of the Board of Directors of the Authority to order at 9:30 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE ANNUAL AND REGULAR MEETING OF THE BOARD HELD ON AUGUST 11, 2020.

On motion made by Mr. Westad and seconded by Mr. Cohn, the minutes of the August 11, 2020 Annual and Regular Meeting were approved as written.

The motion passed unanimously by a vote of (7-0).

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$41,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF OTTAWA UNIVERSITY.

In support of the proposed financing, the following persons were in attendance: Clark Ribordy, Chief Financial Officer of Ottawa University, and Julie Arvo MacKenzie of Engleman Berger, Bond Counsel.

Mr. Fries explained that the primary use for the proposed \$41 million of bond funds will be to purchase a residence hall and student union that is currently being leased, resulting in a substantial cost savings for the university.

Mr. Fries reminded the Board that the Authority financed an approximately \$20 million project on behalf of Ottawa University in 2018.

In response to a question from Mr. Castro, Mr. Ribordy explained that the actual cash flow savings from the proposed refinancing will result in an annual savings of approximately \$1 million.

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

RESOLVED to adopt a Resolution in the form presented to the meeting authorizing and approving the issuance of not to exceed \$41,000,000 The Industrial Development Authority of the County of Maricopa Educational Facilities Revenue Bonds (Ottawa University), Series 2020.

The motion passed unanimously by a vote of (7-0).

3. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Courtney LeVinus and Jake Hinman were in attendance to provide a legislative update to the Board.

Ms. LeVinus reported that the US Senate is now back in session, and there may be a potential stimulus package underway. It is unclear; however, what might be included in the stimulus package, with so much disagreement among legislators.

Ms. LeVinus added that there are a number of propositions that will be on the Arizona ballots in November, including recreational marijuana (Prop 207) and increased education (Prop 208), and said she will give a more-detailed report on the propositions at the Authority's meeting in October.

Ms. LeVinus explained that approximately every 10 years that is a redistricting after the US census is complete. In 2021, there will be an independent redistricting commission chosen, which will be decided by two democrats and two republicans.

Mr. Hinman discussed whether the federal government would include premise liability provisions as part of their new plan, and, if not, whether the State might include such provisions.

Mr. Hinman reminded the Board of the \$50 million appropriations the State set aside for the Crisis Contingency Fund, and said approximately \$33 million of that fund has been spent.

4. DISCUSSION AND ACTION AS DETERMINED REGARDING THE 2019 HOME IN FIVE ADVANTAGE MORTGAGE ORIGINATION PROGRAM.

Scott Riffle of Stifel was in attendance to provide an update on the Home in Five Advantage Program. Mr. Riffle explained that August was a record origination month in the program, with more than \$80 million in reservations. The program has originated over \$750,000,000 since starting in 2019 with Lakeview and Stifel.

Mr. Riffle said Stifel does continue to look for opportunities that might be available to make the program more successful.

5. DISCUSSION AND ACTION AS DETERMINED REGARDING THE POTENTIAL SPONSORSHIP OF THE MIKE MCQUAID I AM HOME BREAKFAST.

Ms. Scharbach reminded the Board that the Authority has sponsored the Human Services Campus (“HSC”) I Am Home Breakfast a number of times in the past. Last year the Authority contributed \$7,500 to the sponsorship of the breakfast. With the passing of Mike McQuaid, HSC has asked that previous sponsors consider a higher amount of sponsorship for their virtual December event in honor of Mr. McQuaid.

Mr. Cohn said he was a personal friend of Mr. McQuaid, and Mr. McQuaid was someone who contributed to the success of HSC more than anyone. Mr. Cohn added he would like to make a personal contribution of \$7,500 to the breakfast event, and, if possible, route the contribution through the Authority.

After further discussion, a motion was made by Mr. Westad for a \$10,000 Bronze Sponsorship level. The motion was seconded by Mr. Rounds. Mr. Cohn agreed to contribute an additional \$7,500 of his own funds for the event.

The motion passed unanimously by a vote of (7-0).

6. DISCUSSION AND ACTION AS DETERMINED REGARDING STEPS FOR FURTHER COMMUNITY INVESTMENT ACTION, AND APPROVAL OF REVISED GRANT GUIDELINES.

Ms. Scharbach referred to the memo included in the Board Member packages, which outlines the Authority's past community investment actions. Ms. Scharbach reminded the Board that the Authority has deployed \$32.1 million of funds into the community for many worthwhile projects.

Pre-Covid, the Board had decided at their retreat that they would like to do another grant cycle, but paused when COVID hit. It may be time to reconsider another grant cycle with Arizona Community Foundation ("ACF"). Ms. Scharbach explained that there are approximately 45 organizations on a list waiting in anticipation for the Authority's next grant cycle.

Ms. Scharbach said she would propose a new grant cycle of \$1.5 million, with a maximum grant amount of \$250,000 per request. Ms. Scharbach also suggested the Board consider the proposed revisions to the current Grant Guidelines. Some changes proposed to the guidelines would include the review of the grant applications to be made by staff, rather than the Community Investment Committee, and bring staff's recommendations to the Board for final approval.

In response to a question from Ms. James, Ms. Scharbach said the larger grant requests, such as the past requests from organizations like Pipeline AZ, ASU, etc., would still need to come directly to the Board, rather than going through the ACF grant cycle.

In response to a question from Ms. Spelleri, Mr. Ghelfi explained that the new grant cycle, if approved, would open through ACF on October 1, 2020, and the matter would come back to the Board for approval at the January 2021 Board meeting.

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

RESOLVED to approve the revisions to the Grant Guidelines and open a new \$1.5 million grant cycle.

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

Ms. Spelleri and Messrs. Westad, Castro and Cohn voted aye. Ms. James and Messrs. Rounds and Bales voted nay.

7. FINANCIAL REPORT.

Ms. Scharbach referred to the unaudited financial statements for the period ended August 31, 2020, a copy of which is attached hereto. Ms. Scharbach reviewed the financial statements and clarified that the revenues for user assessments are typically higher in July because of the annual assessments coming in, but that amount will come back down in August.

8. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended August 31, 2020. Ms. Scharbach pointed out an invoice to CSG Advisors is a company that the Phoenix IDA and the Authority has worked with to determine whether there are any opportunities for the IDAs as it relates to mortgage revenue bonds.

Mr. Castro moved to approve the payment of invoices as submitted for the period ended August 31, 2020. Mr. Rounds seconded the motion.

The motion passed unanimously by a vote of (7-0).

9. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported that the Board should be seeing an increase in revenue from the Home in Five program in the next 60 to 90 days, as the program flourishes with lower interest rates.

Mr. Ghelfi reminded the Board Members of the Greater Phoenix Chamber's Economic Outlook 2021 event to take place virtually on September 23, 2020.

Mr. Castro suggested Mr. Ghelfi reach out to current Authority customers to share how a bond financing could greatly improve their financial situation for those leasing properties – as in the situation of Ottawa University, which was just approved.

10. PRESIDENT'S REPORT.

Ms. Spelleri had no additional comments.

11. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach welcomed Ms. Spelleri to her new position as the Authority's president during the next year, and congratulated Mr. Rounds for his recent award of *Arizona Capitol Times* 2020 Leaders of the Year.

12. LEGAL COUNSEL REPORT.

Mr. Fries reported that Ottawa University and Legacy Traditional Schools both are scheduled to close in October. United Dairymen is on hold, and may not move forward as pricing has not been favorable for them. Banner Health may look to the Authority for another bond financing that they hope to close prior to the November election.

13. **COMMENTS FROM BOARD MEMBERS.**

There were no comments from the Board Members.

14. **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 10:31 a.m., without objection.



A handwritten signature in blue ink, reading "Ronald J. Cortez", is written over a horizontal line.