

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

Date: November 10, 2020, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Maria Spelleri

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

Absent: None

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: Charles Lotzar, Gisselle Picard, Robert Lee, Cyrus Yee, Dane Fernandez, Matthew McClellan, Andrew Sarat, Thomas Fischer and Jake Hinman

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 SEPTEMBER 8, 2020.

On motion made by Mr. Westad and seconded by Mr. Bales, the minutes of the September 8, 2020, Regular Meeting were approved as written.

The motion passed unanimously by a vote of (9-0).

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION APPROVING AND CONSENTING TO THE SALE OF THE DEER VALLEY GARDENS APARTMENTS PROJECT AND THE ASSUMPTION OF THE REGULATORY AGREEMENT.

In support of the proposed sale of the Deer Valley Gardens Apartments and the assumption of the Regulatory Agreement encumbering the property, the following persons were in attendance: Charles Lotzar, Gisselle Picard, Robert Lee, Cyrus Yee, Thomas Fischer.

Mr. Wilder explained that in April 2004, the Authority issued \$8,080,000 of its Multifamily Housing Revenue Bonds to finance a 164-unit senior living project located in Sun City West, Arizona, known as the Deer Valley Gardens Apartments (the "Project") for the benefit of Steadfast LB Deer Valley, L.P. At that time, Steadfast entered into a Regulatory Agreement to ensure the appropriate numbers of units are set aside for low to moderate income persons, in compliance with the tax status of the bonds.

The Regulatory Agreement runs for the "Qualified Project Period," which is through February 3, 2021.

Steadfast would now like to sell the Project to FFAH Deer Valley Gardens, LLC, which will assume the obligations of Steadfast under the Regulatory Agreement for the remaining term of the Qualified Project Period. The closing for the sale will be on or about November 30, 2020. The bonds issued to finance the original Project will be paid off with the proceeds of the sale of the Project.

Mr. Wilder recommended approval of the proposed form of resolution presented.

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

RESOLVED to adopt a Resolution in the form presented to the meeting authorizing and approving the sale of the Deer Valley Gardens Apartments and the assumption of the Regulatory Agreement encumbering the Deer Valley Gardens Apartments project by the Foundation for Affordable Housing.

The motion passed unanimously by a vote of (9-0).

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$450,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF COMMERCIAL METALS COMPANY.

In support of the proposed approval for the issuance of bonds for the benefit of Commercial Metals Company (the "Applicant"), the following persons were in attendance: Matthew McClellan, Treasurer, and Andrew Sarat, Director of Operations for the West Region, both of the Applicant, along with Dane Fernandez of Kutak Rock, Bond Counsel.

Mr. McClellan explained that the Applicant is a 105 year old Fortune 500 steel Company with over 200 locations across the US and Poland that manufactures, recycles and fabricates steel and metal products and related materials and services through a vertically integrated network of facilities, including seven electric arc furnace mini mills, two electric arc furnace micro mills, two rerolling mills, steel fabrication and processing plants, and construction related products and warehouses and recycling facilities in the US and Poland.

One of the two micro mills that the Applicant operates is located in Mesa, Arizona, and will be the site of the Project Arizona II.

Mr. Sarat explained that in 2009, the Applicant started the first micro mill in Mesa, integrating the latest steelmaking technology equipment and environmentally-friendly processes. It was the first in the world utilizing these technologies, and many in the industry did not think the process would work.

Today, the Applicant is a low cost steel producer with the smallest carbon footprint of any domestic steel producer possibly in the world. There are now 16 micro mills worldwide operating or under construction.

The current Mesa mill recycles nearly 460,000 tons of first steel to produce 430,000 tons of rebar each year, and employs over 240 direct employees with an estimated 1,000 indirect jobs supporting the mill.

In 10 years, the mill has pumped nearly \$476 million of capital and labor income into the economy.

The Applicant now intends to build the first combination merchant rebar/micro mill at the existing site in Mesa, which will be the first of its kind in the world and will serve all of the West Coast markets.

The Applicant will be adding new technologies to ensure they are energy efficient and environmentally friendly.

The capital investment for this project is \$460 million. And with that, they will hire an additional 186 employees direct and will impact another 800 plus indirect jobs into the economy for what is anticipated to be a 10-year, \$484 million in economic output into the local economy itself.

After further discussion and upon motion made by Mr. Stawiecki and seconded by Ms. James, 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 \$450,000,000 of the Authority's Revenue Bonds (Commercial Metals Company Project), Series 2021.

The motion passed unanimously by a vote of (9-0).

4. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Jake Hinman was in attendance and gave an update on the 2020 election, and reported there are a number of positions just too close to call at this point.

Mr. Hinman said he expects to see bills relating to affordable housing and 4% low income housing tax credits in 2021.

5. DISCUSSION AND ACTION AS DETERMINED REGARDING CONTRACTING WITH CAPITOL CONSULTING, LLC TO PROVIDE LEGISLATIVE SERVICES.

Ms. Scharbach reminded the Board that the Authority has contracted with Capitol Consulting, LLC for legislative services since 2011. Since that time, there have been three extensions to the original contract for services, and now, the Board is being asked to consider an additional extension of that contract through October 31, 2022.

Mr. Westad moved to approve the extension of the contract for services with Capitol Consulting, LLC through October 31, 2022. Ms. Burnham seconded the motion.

The motion passed unanimously by a vote of (9-0).

6. FINANCIAL REPORT.

Ms. Scharbach referred to the unaudited financial statements for the period ended October 31, 2020, a copy of which is attached hereto. Ms. Scharbach reviewed the financial statements.

7. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the months ended September 30, 2020 and October 31, 2020, and pointed out an invoice payable to CliftonLarsonAllen for the Authority's 2020 audited financials. Ms. Scharbach said the 2020 audit is in the final stages of being completed, and a representative of CliftonLarsonAllen is expected to be present at the Authority's Board meeting in December to report on the audit.

Mr. Castro moved to approve the payment of invoices as submitted for the periods ended September 30, 2020 and October 31, 2020. Mr. Bales seconded the motion.

The motion passed unanimously by a vote of (9-0).

8. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported that the Home in Five program had another record month for origination of mortgage loans. The average purchase price for homes is now approaching \$250,000, up from approximately \$175,000 from when the program began.

Mr. Ghelfi reminded the Board of the Human Services Campus I Am Home virtual event to take place on December 11, 2020, in memory of Mike McQuaid, who was an integral part of building and developing the Human Services Campus.

There was a discussion regarding the Commercial Metals Company inducement resolution which was passed, and Ms. James suggested the company be made aware of the Pipeline AZ project.

9. PRESIDENT'S REPORT.

Ms. Spelleri had no additional comments.

10. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach reminded the Board of the \$300,000 COVID-19 grant awarded by the Board to the Arizona Chamber of Commerce (the "Chamber") and the Greater Phoenix Economic Council ("GPEC") for the collection of data and preparation of a report on the impact of COVID-19 on businesses in the Greater Phoenix area.

Representatives of the Chamber and GPEC will report to the Board at the December Board meeting on their findings.

Ms. Scharbach reported that Creighton University recently held a virtual tour of the progress of the facility, and they will hold another tour as they get closer to the end of their construction. There are also plans to have an opening ceremony at the completion of the project.

Mr. Cohn shared that he would be touring the Creighton facility within the next few days and will report back to the Board.

11. LEGAL COUNSEL REPORT.

Mr. Fries reminded the Board of the Heritage at Surprise bond financing in 2018, and explained that as part of that financing, the Authority had agreed to enter into a Participation Agreement with LISC to lend to the Housing Authority of Maricopa County \$1,000,000 to assist with the transition of persons/families currently living in single family residences to the Heritage at Surprise project. That loan request from the Housing Authority of Maricopa County is no longer necessary, and the agreement is being terminated.

12. COMMENTS FROM BOARD MEMBERS.

There were no comments from the 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 10:23 a.m., without objection.



Chonela Cortez