

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

Date: July 13, 2021, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Ronald J. Castro, Jr.

Present: Andrew M. Cohn, Lisa A. James, Ronald J. Castro, Jr.,
Rebecca Burnham, Jim Rounds and Steve Bales

Absent: Maria Spelleri, Ronald L. Westad and Jeremey Stawiecki

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: Courtney LeVinus, Jake Hinman, Charles W. Lotzar, Michael
Volz, Griffin Hitzel, Diana Diaz, Brigitte Finley Green, Julie
Arvo MacKenzie, Terry Warren

In the absence of Ms. Spelleri, Mr. Castro called the Regular Meeting of the Board of Directors of the Authority to order at 9:34 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON JUNE 8, 2021.

On motion made by Mr. Cohn and seconded by Ms. Burnham, the minutes of the June 8, 2021 Regular Meeting were approved as written.

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

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$16,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF STEEPLE CHASE PRESERVATION APARTMENTS, LLC.

The following persons were in attendance, virtually, in support of the proposed financing for the benefit of Steeple Chase Preservation Apartments, LLC (the "Applicant"): Michael Volz and Griffin Hitzel of DevCo, LLC and Charles Lotzar of Lotzar Law Firm, Applicant's legal counsel.

Mr. Fries explained that the application before the Board is for the preliminary approval of a bond financing, in an amount not to exceed \$16 million, for the rehabilitation of a 110-unit multifamily housing project known as the Steeple Chase Apartments and located at 8610 North 91st Avenue, Peoria, Arizona.

The Applicant will be seeking an allocation of private activity bonding authority from the Arizona Finance Authority, which will allow the Applicant to seek a reservation of 4% Low Income Housing Tax Credits ("4% LIHTC").

They will also need the approval from the Arizona Department of Housing to extend their Regulatory Agreement currently encumbering the property.

The Applicant will need to seek final approval from the Authority in the future, prior to their anticipated closing expected in July 2022.

Mr. Lotzar then reminded the Board that the Authority had originally financed this property in 2004. The Applicant will be doing a substantial rehabilitation of the property.

The requested preliminary approval will allow the Applicant to recoup their costs incurred prior to the bond closing.

In response to a question from Mr. Castro, Mr. Lotzar reviewed the sources and uses of funds referred to in the application.

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

RESOLVED to adopt a Resolution in the form presented to the meeting preliminarily authorizing and approving the issuance of, not to exceed \$16,000,000, The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Steeple Chase Apartments Project).

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

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$17,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF ARIZONA AUTISM CHARTER SCHOOL.

The following persons were in attendance, virtually, in support of the proposed financing for the benefit of Arizona Autism Charter School (the "Applicant"): Diana Diaz, Executive Director of the Applicant, Brigitte Finley Green and Julie Arvo MacKenzie of Engelman Berger, Bond Counsel, and Terry Warren of Warren Charter Law, PLC, the Applicant's counsel.

Mr. Fries reminded the Board of the past relationship the Authority has had with the Applicant. In 2020, the Board approved a bond financing in the amount of \$9,195,000 for the benefit of the Applicant, along with authorizing a pre-development loan with a maximum up to \$250,000. Subsequently, the Applicant did not use the pre-development loan.

Mr. Fries explained that the Applicant is expected to once again request a pre-development loan with the current financing request. Some of the terms of the pre-development loan, which were established by the Board in August 2019, are that the loan is repayable to the Authority once the bonds are issued. If the financing does not take place, the loan will be paid back over a period of three years.

Mr. Fries explained that the current financing request is in an amount not to exceed \$17,000,000 for the purpose of (a) acquiring a new school located at 11039 West Olive Avenue in Peoria, Arizona (the "West Side Campus") and (b) rehabilitating the Main Campus.

After further discussion and upon motion made by Mr. Bales 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 \$17,000,000 The Industrial Development Authority of the County of Maricopa Education Revenue Bonds (Social Bonds - Arizona Autism Charter Schools Project), Series 2021.

The motion passed by a vote of (5-0-1). Mr. Cohn did not vote, citing a conflict of interest.

4. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Ms. LeVinus and Mr. Hinman were in attendance to report on the current legislative session.

Ms. LeVinus reported the Legislature finally adjourned after 171 days in session on June 30, 2021, just in time to avoid a government shutdown. The Legislature approved a \$12.8 billion budget and over \$1.3 billion in tax credits. Some changes will include: beginning in 2022, the income tax brackets will go from four tax brackets down to two. Unemployment will increase from \$240 per week to \$320 per week, and commercial property taxes will change from 18% to 16% over the next four years. The governor also signed Senate Bill 124 creating an Arizona State Low Income Housing Tax Credit Program.

Ms. Burnham left the meeting at 10:06 a.m.

Ms. Scharbach reminded the Board that Pima County IDA and Tucson IDA are hosting a reception during the Arizona Housing Forum for the five major industrial development authorities to meet with Tom Simplot, Director of the Arizona Department of Housing, in Tucson, Arizona from 6:00 to 7:30 p.m. on Thursday, August 19, 2021.

Ms. Scharbach said Ms. LeVinus was instrumental in coordinating a very productive conference call with Mr. Simplot and his team recently.

5. FINANCIAL REPORT.

Ms. Scharbach referred to the unaudited financial statements for the period ended June 30, 2021; a copy of which is attached hereto. Ms. Scharbach reviewed the financial statements.

6. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended June 30, 2021.

Mr. Bales moved to approve the payment of invoices as submitted for the period ended June 30, 2021. Ms. James seconded the motion.

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

7. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported the Home in Five program is doing very well, in large part to the excellent work of the servicer, Lakeview, and the investment banking firm, Stifel, that helps the program stay competitive.

8. PRESIDENT'S REPORT.

There was no president report.

9. **EXECUTIVE DIRECTOR'S REPORT.**

Ms. Scharbach reminded the Board of the upcoming Creighton University grand opening and ribbon cutting ceremony to be held on September 9th and 10th, and encouraged Board Members to attend.

10. **LEGAL COUNSEL REPORT.**

Mr. Fries reminded the Board they granted approval in March 2021 for a bond financing of the Santa Cruz Valley Regional Hospital; however, that financing may not be moving forward.

11. **COMMENTS FROM BOARD MEMBERS.**

There were no comments from the Board Members.

12. **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 10:29 a.m., without objection.


