

Minutes  
of the  
Annual and Regular Meeting of the Board of Directors of  
The Industrial Development Authority of the County of Maricopa  
(the “Authority”)

Date: August 10, 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, Steve Bales and Jeremy  
Stawiecki

Absent: Maria Spelleri and Ronald L. Westad

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: Rob Howatt, Richard Yang, Julie Guffey, Mary Foote, Dean  
Duncan, Katherine Pappas, Katie Belous, Courtney LeVinus,  
Jake Hinman

In the absence of Ms. Spelleri, Mr. Castro called the Annual and 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 JULY 13, 2021.**

On motion made by Mr. Stawiecki and seconded by Ms. James, the minutes of the July 13, 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 FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$75,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF LEGACY TRADITIONAL SCHOOL.**

*Mr. Bales joined the meeting at 9:31 a.m.*

The following persons were in attendance, virtually, in support of the proposed financing for the benefit of Legacy Traditional Schools (the "Applicant"): Rob Howatt and Richard Yang, both of Vertex Education, LLC.

Mr. Fries reminded the Board of the past relationship the Authority has had with the Applicant, including two bond financings – one in 2019 for \$142 million and another in 2020 for \$45 million.

Mr. Fries explained that the Applicant is now requesting the Board consider a financing in the amount of \$75 million for the purpose of (a) refunding the Applicant's 2013 bonds for approximately \$32 million; (b) developing their San Tan school in San Tan Valley; (c) purchasing land, and (d) constructing, furnishing, equipping and operating their San Tan School, along with other uses, such as establishing the reserves, interest carry and cost of the bond issuance.

The financing will be done pursuant to a Master Trust Indenture that was created in 2014. Under that Indenture, it allows for a group financing so all of their schools can be combined.

Mr. Fries said he has reviewed the financing documents, which seem to be in substantially final form, and would recommend approval of the financing.

After further discussion and upon motion made by Mr. Stawiecki and seconded by Ms. Burnham, 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 \$75,000,000 The Industrial Development Authority of the County of Maricopa Education Revenue Bonds (Legacy Traditional Schools Projects), Series 2021.

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

**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 reported that she has performed annual reviews for those multifamily housing projects which she was hired to do, and all are in compliance with their regulatory agreements.

**4. PRESENTATION BY REPRESENTATIVES OF PIPELINE AZ.**

The following representatives of Pipeline AZ were present to report on the progress of the Pipeline AZ platform: Mary Foote, Managing Director of Pipeline AZ; Dean Duncan, Executive Director of PEI; Katherine Pappas, Director of Workforce Strategy and Katie Belous, Research Analyst.

Ms. Scharbach clarified no action will be taken at this meeting; however, representatives of Pipeline AZ will return to the Board at a later date for an action item.

Mary Foote and Katherine Pappas reviewed a PowerPoint presentation, which is attached to these minutes. Ms. Foote explained that Pipeline AZ users have doubled since January 2021, and there has been a 50% growth in employers through enhanced outreach efforts. There are also 4,000 employers who are being transitioned over from the Maricopa County Community College system.

Maricopa County Community College was Pipeline AZ's first state contract win in 2021, followed by contracts with the Arizona Department of Education ("ADE"), Arizona State University ("ASU"), the Center for Future of Arizona and the Arizona Business Education Coalition ("ABEC").

Pipeline AZ hired a dedicated marketing contractor to increase traffic and users, while also identifying future needs to grow the platform's impact.

Pipeline AZ also just launched its first industry hub in partnership with the Arizona Technology Council.

Ms. Foote explained that if Pipeline AZ does not at least continue the funding they have been receiving from the Authority, they are at serious risk of losing the contracts they have obtained, because their clients are interested in being part of a connected system that will serve users throughout their careers.

At the current funding rate, Pipeline AZ will continue their growth as "the" platform for workforce development, growing their early talent supply into lifelong users, who can leverage the platform to increase their earning potential.

With additional funding, Pipeline AZ will be able to increase the number of users on the platform and provide higher quality support.

Ms. Foote explained that education and career planning need to begin in high school where students can take an interest assessment and plan their coursework based on results that drive in demand career pathways, which include colleges and vocational education. There are many great efforts taking place across the county with hiring events, career coaching, and educational programs. Pipeline AZ acts as “the” single platform to connect all these efforts.

Pipeline AZ is also working with the leadership organizations and employers to educate them on the benefits of hiring the formerly incarcerated.

Katherine Pappas then explained that working with educational partners such as ADE, Maricopa County Community Colleges, ABEC and ASU helps in understanding how to best prepare and support Arizona students to be able to succeed in work and in life.

Pipeline AZ is now the dedicated career platform for the Maricopa County Community College District. What began as a pilot to support intentional career support and guided pathways became a very effective end-to-end solution for staff to really personalize mentorship for students across their education and career journey.

Ms. Foote then discussed Pipeline AZ’s case management partners that were recently added to support job seekers.

Ms. Burnham voiced her concerns about the difficulty she had while searching the internet for Pipeline AZ through sites such as Arizona at Work, AZDES, Arizona Commerce Commission and Arizona Job Connector, but was unable to find much information at all or links between these various organizations and Pipeline AZ.

Ms. Burnham said she supports the mission of Pipeline AZ, but requested a number of questions be answered in order for the Board to make an informed decision, including (a) how Pipeline AZ is different from its competitors, (b) how Pipeline AZ reaches potential employees/what are its marketing efforts and (c) how will the platform reach financial sustainability. Ms. Burnham said she would also like to see some metrics of success, i.e. what jobs are resulting from Pipeline AZ, and what jobs are overlapping with other initiatives.

In response to some of Ms. Burnham’s questions, Ms. Foote said they do need a stronger plan around SEO and said she would reach out to Pipeline AZ’s marketing contractor to discuss internet search results. Currently, most job seekers are found through virtual hiring events, from education adoption, and from all the different workforce organizations Pipeline AZ has been working with. They also have social media.

In terms of the metrics of success, over the last year, Pipeline AZ was able to count a little more than 50 jobs, but it is not something they have spent a lot of time

proactively researching, because most of the time after people have a job, it is difficult to get them to respond. One of the things Pipeline AZ has identified as a potential area for growth is starting a text messaging service to assist in surveying people.

Ms. Foote said with respect to sustainability, Pipeline AZ does not have a grant writer, so it is difficult for them to attempt to obtain grants; however, they currently have about \$650,000 out in grant asks with other organizations. Ms. Foote said because they are a community based site, she felt that eventually their diversified funding will come from grants and corporate sponsorships.

Ms. Foote said Arizona Jobs Connection, which is what the government uses as their platform to connect people to unemployment dollars, is Pipeline AZ's single biggest referral source.

Ms. Burnham asked Pipeline AZ representatives to bring back to the Board a comparison of how Indeed and Zip Recruiter makes money and then how would Pipeline AZ differentiate itself. She said she cannot see a path of how Pipeline AZ can end up generating enough revenue to support itself over the next four years.

Mr. Duncan added Pipeline AZ is different from Zip Recruiter and Indeed (national platforms) in that Pipeline AZ is a local platform which has "boots on the ground" relationships.

Mr. Rounds pointed out that because he was not comfortable with the amount of money being requested from the Authority, his company did a financial analysis on the Pipeline AZ platform and the economic impact it could have on Maricopa County.

Mr. Rounds said according to the impact model that was used, the return on investment was approximately \$48 million of tax revenue to the county over a 10-year period.

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

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

Ms. LeVinus gave a brief overview of the End of Session Report distributed in the Board Member packages.

Ms. LeVinus reported on a number of items, including, but not limited to, the US Census Bureau will be releasing their new information for Arizona on August 12, 2021, which will cause the Arizona Independent Redistricting Commission to begin redrawing all the congressional and legislative districts, and noted the potential changes that will arise with the changes in legislators and various other elected officials' seats.

**6. DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION DESIGNATING PERSONS TO BE AUTHORIZED SIGNERS OF AUTHORITY DOCUMENTS, AUTHORIZED SIGNERS ON AUTHORITY BANK AND INVESTMENT ACCOUNTS, DESIGNATING AUTHORIZED AUTHORITY REPRESENTATIVES TO CONDUCT PUBLIC HEARINGS AND RELATED MATTERS.**

Mr. Wilder reminded the Board that the proposed resolution would authorize each Board Member and the Executive Director to be an authorized signor for Authority documents, such as bond closing documents, and the Authority's bank and financial accounts, along with authorizing legal counsel to conduct public hearings.

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

RESOLVED to adopt a resolution in the form presented to the meeting designating persons to be authorized signers of documents, authorized signers of bank and financial accounts and designating persons authorized to conduct public hearings on behalf of the Authority.

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

**7. FINANCIAL REPORT.**

Ms. Scharbach referred to the unaudited financial statements for the period ended July 31, 2021; a copy of which is attached hereto. Ms. Scharbach reviewed the financial statements, and reported on the healthy net position of the Authority.

**8. PAYMENT OF INVOICES.**

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended July 31, 2021.

Mr. Bales moved to approve the payment of invoices as submitted for the period ended July 31, 2021. Mr. Stawiecki seconded the motion.

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

**9. REPORT BY THE AUTHORITY'S PRESIDENT ON THE AUTHORITY'S CONDITION AS REQUIRED BY ARTICLE III, SECTION 1 OF THE AUTHORITY'S BY-LAWS.**

Ms. Scharbach referred to the memorandum in the Board Member packets, and explained that this report is an overview of the transactions that took place over the past fiscal year.

**10. REPORT BY RON WESTAD REGARDING NOMINATION OF OFFICERS AND ELECTION OF OFFICERS.**

Ms. Scharbach explained that Mr. Westad had queried the Board Members to determine their willingness to serve as officers of the Authority for the upcoming year. Mr. Westad was unable to attend today's meeting to give his report; however, a memorandum from Mr. Westad was included in the Board Member packages.

Mr. Bales moved, and Mr. Stawiecki seconded, to elect the following slate of officers to serve from the conclusion of the present meeting until their successors are elected:

President	Jim Rounds
First Vice President	Lisa A. James
Second Vice President	Rebecca L. Burnham
Secretary/Treasurer	Andrew M. Cohn

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

**11. BUSINESS DEVELOPMENT OFFICER.**

Mr. Ghelfi reported the Home in Five program continues to do well, and steps are being made to help the program stay competitive. Adjustments were made last month to the government loans, which helped to reduce the interest rate on those loans.

**12. PRESIDENT'S REPORT.**

There was no president report.

**13. EXECUTIVE DIRECTOR'S REPORT.**

Ms. Scharbach reminded the Board of the upcoming Creighton University grand opening and ribbon cutting ceremonies to be held on September 9<sup>th</sup> and 10<sup>th</sup>, and explained that after talking to Creighton representatives, they suggested Board Members may want to consider attending at least the ribbon cutting ceremony at 5:30 p.m. on September 9, 2021.

**14. LEGAL COUNSEL REPORT.**

Mr. Fries reported the Highland Prep bond issue recently closed.

**15. COMMENTS FROM BOARD MEMBERS.**

There were no comments from the Board Members.

**16. 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 11:01 a.m., without objection.

  

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