



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

Date: March 8, 2016, 9:00 a.m.

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

Presiding: Victor D. Vidales

Present: Victor D. Vidales, Steven Bales, Jr. (telephonically), Charles P. Thompson, Lisa A. James, Ronald L. Westad, Jeremey Stawiecki (telephonically), William McAllister and Maria Spelleri

Absent: None

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. Vidales called the Regular Meeting of the Board of Directors of the Authority to order at 9:03 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON FEBRUARY 9, 2016.

On motion made by Mr. Westad and seconded by Mr. McAllister, the minutes of the February 9, 2016 Board meeting were approved as submitted.

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

2. **DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$35,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF TRAMONTO APARTMENTS LLC, TO FINANCE THE ACQUISITION, REHABILITATION, EQUIPPING AND OPERATION OF AN APPROXIMATELY 324 UNIT MULTIFAMILY RESIDENTIAL HOUSING PROJECT LOCATED AT 34807 NORTH 32ND DRIVE, PHOENIX, ARIZONA, COMMONLY KNOWN AS IRONHORSE AT TRAMONTO APARTMENTS.**

Ms. James joined the meeting at 9:04 a.m.

Terry Senger, on behalf of Casa Grande Investments I, LLC, participated by telephone.

Mr. Wilder reminded the Board Members that this project will be an acquisition/rehabilitation of a property located at 34807 North 32nd Drive, Phoenix, Arizona, with the borrower contributing somewhere in the vicinity of \$11-15 million for rehabilitation costs. The bonds for this financing will be purchased by Bank of America.

After further discussion and upon motion made by Ms. Spelleri and seconded by Mr. McAllister, 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 \$35,000,000 The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Ironhorse at Tramonto Apartments Project), Series 2016.

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

3. **DISCUSSION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$30,000,000 OF THE AUTHORITY'S REVENUE REFUNDING BONDS FOR THE BENEFIT OF HORIZON COMMUNITY LEARNING CENTER, INC. TO REFUND A SERIES OF BONDS ISSUED IN 2005 BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA.**

Mr. Wilder introduced Betsy Fera, Executive Officer of Horizon Community Learning Center, Inc.; Terry Warren, legal counsel of Warren Charter Law, PLC; Brigitte Finley Green, bond counsel of Greenberg Traurig, LLP; and John Snider, underwriter of RBC Capital Markets, LLC.

Mr. Wilder explained that the school originally opened in 1996, and was financed by the Authority in 2000. In 2005, the Pima County IDA refunded the Authority's Series 2000, to include a new money component to expand the school operations. The requested bond financing will refund the Pima County IDA's 2005 bonds. The school has approximately 1,500 students operating under two charters on one campus, which includes an elementary school and a high school. The property is located in the area of Chandler Boulevard and 48th Street. The school is rated "A," and is in good standing.

Ms. Fera explained that the school has been able to maintain a stable enrollment of approximately 1,500 students annually, and has grown from a graduating class of 12 students to an average of 100 students annually. The schools received high accolades from US News and World Report, receiving either silver or gold status for the high school over the last three years. The reason for refinancing is to save money over the life of the bonds and to be able to put money back into the classrooms.

After further discussion and upon motion made by Ms. Spelleri and seconded by Mr. Westad, 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 \$30,000,000 The Industrial Development Authority of the County of Maricopa Education Revenue Refunding Bonds (Horizon Community Learning Center Project), Series 2016.

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

4. INTRODUCTION OF REPRESENTATIVES OF REID TRADITIONAL SCHOOLS, INC. WHICH OWNS AND OPERATES REID TRADITIONAL SCHOOLS' VALLEY ACADEMY, INC. AND REID TRADITIONAL SCHOOLS' PAINTED ROCK ACADEMY, INC., AND TO PRELIMINARILY DISCUSS BOND FINANCING PLANS. (NOT AN ACTION ITEM)

Heidi Mitchell of Reid Traditional Schools attended and gave some background on the two Reid schools located in Phoenix: (a) Valley Academy, which was founded in 1995, and has a population of 800 students in grades K-8, and (b) Painted Rock Academy, which was opened four years ago, and having a population of 650-700 students. Reid Traditional Schools has never received anything less than an "A" rating, and has received numerous awards over the years.

Mr. Wilder explained that an application for financing will be submitted for the Authority's consideration at the April 12, 2016 meeting.

5. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Ms. Scharbach said HB2666 has moved out of the House and moving to the Senate with the Authority's requested amendments.

6. PRESENTATION AND STATUS REPORT BY CHARLIE LEWIS, VICE PRESIDENT OF VENTURE DEVELOPMENT, ARIZONA TECHNOLOGY ENTERPRISES AT THE ASU ENTREPRENEURSHIP INNOVATION AND PRESENTATIONS BY STEPHEN WALDEN AND AARON GAGLEARD OF BOSSE TOOLS WHO WILL PROVIDE A SHORT INVESTMENT UPDATE REGARDING ERGONOMIC TOOLS, AND PRESENTATIONS BY VIVEK KOPPARTHI AND CHASE GARRETT OF NEOLIGHT, LLC WHO WILL ALSO GIVE A SHORT UPDATE REGARDING DEVICES IN THE NEONATAL AND PEDIATRIC MARKETS. (NOT AN ACTION ITEM)

Mr. Vidales introduced Charlie Lewis, Vice President of Venture Development of Arizona Technology Enterprises.

Mr. Thompson reminded the Board Members of the partnership the Authority established with ASU in the Maricopa County Manufacturing Venture Fund in an effort to establish new businesses within the state. Mr. Thompson said he recently attended an Investment Committee meeting, as the Authority's representative, and was very impressed by the vetting process of potential start-up companies.

Mr. Lewis thanked the Board for this relationship, and said the Authority's funds have been very critical for potential companies that are entering into or are already in the manufacturing sector, wherein they will be producing an actual product. Companies are only brought before the Investment Committee after they have completed an accelerator program at ASU's SkySong, wherein the participants are given an extensive amount of training to help these companies focus on who their customers are, what the product feature functionality needs to do, and the correct price point, etc.

Mr. Lewis said only two companies out of the 10 companies they have felt were worthy of bringing before the Investment Committee have been selected to date through this program; those companies being Bosse Tools and Neolight, LLC.

Mr. Lewis reminded the Board the funds provided to these companies are not grants, and require the start-up company to secure matching funds. Both of the companies presenting today have received their matching \$200,000. Mr. Lewis went on to say this fund is an evergreen fund, so any return on an investment would be reinvested back into the program.

Stephen Walden of Bosse Tools and Vivek Kopparthi of Neolight, LLC gave presentations on their products and the success of their companies.

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

Ms. Scharbach reported that as of February 29, 2016, the Home in Five Program had closed or was in the process of closing over 9,277 loans totaling over \$1.584 billion. There are currently 115 lenders in the program, and no real significant issues.

8. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended February 29, 2016, and reviewed the same.

Mr. Westad moved to approve the payment of invoices as submitted for the period ended February 29, 2016. Mr. McAllister seconded the motion.

Mmes. James and Spelleri and Messrs. Vidales, Bales, Westad, Stawiecki, and McAllister voted aye; Mr. Thompson voted nay.

The motion passed by a vote of (7-1).

9. FINANCIAL REPORT.

Ms. Scharbach distributed the unaudited financial statements for the period ended February 29, 2016, and reviewed the same.

10. PRESIDENT'S REPORT.

Mr. Vidales reported that he attended the Si Se Puede Foundation's Sea Perch Underwater Robotics Competition held at the Chandler High School on March 5, 2016. Supervisors Barney and Gallardo were in attendance, and presented the Authority's \$25,000 grant.

Mr. Vidales reminded the Board of the April 28th planning session, and said he is still attempting to find a facilitator for the session.

11. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach invited the Board Members to the Greater Phoenix Chamber of Commerce's 29th Annual IMPACT Awards Luncheon to be held on May 18th at the Arizona Biltmore. Ms. Scharbach said the Authority will sponsor a table for 10 at the event.

In response to a question from Mr. Vidales, she explained that the Coffelt transaction, which is scheduled to close on March 24th, was not able to get their entire bonding authority allocation, and has requested additional allocation from the Director's

Discretionary Fund through the Arizona Commerce Authority. It is still unclear whether enough allocation will be available for this project.

12. LEGAL COUNSEL REPORT.

Mr. Wilder updated the Board with regard to the Christian Care Surprise financing, and explained that it will be necessary to have a special meeting to reapprove a portion of the financing.

A discussion was had regarding the possibility of modify the Authority's current administrative fee schedule. Mr. Vidales asked that the matter be added to the Authority's April 12, 2016 Agenda for discussion and consideration.

13. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported that he is researching the possibility of a mortgage revenue bond program; however, more research is needed before consideration.

Mr. Ghelfi said the Authority's new website is approximately 30 days away from completion, and, when available, it may be possible to go paperless.

Mr. Ghelfi said the grant cycle with Arizona Community Foundation has begun, and invitations have been sent out. Community Investment Committee members should have two to three weeks to review the grant applications.

14. COMMENTS FROM BOARD MEMBERS.

Mr. Vidales requested more information on the structure of charter schools for future consideration of charter school bond financings.

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 10:43 a.m., without objection.

