

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

Date: November 9, 2021, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Jim Rounds

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

Absent: 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: Brigitte Finley Green, Peter Richardson, Dane Fernandez, Matthew McClellan, Andrew Sarat, Charles Lotzar, Eric Schaefer, Griffin Hitzel, Sybil Francis, Amanda Burke, Steve Davis, Amy Schwabenlender, Lee Ann Bohn, Courtney LeVinus and Jake Hinman

Mr. Rounds called the 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 OCTOBER 12, 2021.

Mr. Bales noted a discrepancy in the October 12, 2021 Minutes with respect to the vote on agenda item 3 relating to the Human Services Campus grant request. He stated his vote for that agenda item should have been nay.

On motion made by Mr. Cohn and seconded by Mr. Westad, the minutes of the October 12, 2021 Regular Meeting were approved with the correction noted by Mr. Bales.

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

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION APPROVING AND CONSENTING TO THE SALE OF THE MARIPOSA POINT OF MESA PROJECT AND THE ASSUMPTION OF THE REGULATORY AGREEMENT.

The following persons were in attendance, virtually, in support of the requested sale and assumption of the regulatory agreement: Brigitte Finley Green of Engelman Berger, seller's legal counsel, and Peter Richardson of MBK Senior Living.

Mr. Fries reminded the Board that the Authority approved the issuance of \$15 million of bonds in 2016 for the acquisition, construction and equipping of the Mariposa Point of Mesa project, located at 1248 Crismon Road, Mesa, Arizona. The bonds for this project were fully paid in July 2021. The current owner of the project would like to sell the property, and the new owner will be required to assume the outstanding tax regulatory agreement, which will continue in force and effect until July 2033. The project will continue serving persons of low income.

Mr. Fries explained the purchaser of the property has experience in operating senior living facilities, a number of which are encumbered by regulatory agreements.

Mr. Fries said he would recommend approval of the sale and assumption of the property.

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 authorizing and approving the sale of the Mariposa Point of Mesa Project and the assumption of the Regulatory Agreement encumbering the Mariposa Point of Mesa Apartments project by Mesa I MSL LLC, a Delaware limited liability company.

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

3. DISCUSSION AND ACTION AS DETERMINED REGARDING AN EXTENSION OF PRELIMINARY APPROVAL FOR THE BENEFIT OF COMMERCIAL METALS.

The following persons were in attendance in support of the extension of preliminary approval: Matthew McClellan, Treasurer of Commercial Metals Company (the

“Applicant”), Andrew Sarat, a director of the project, and Dane Fernandez of Kutak Rock, Bond Counsel.

Mr. Fries reminded the Board that the Commercial Metals Company project, a steel micro mill located in Mesa, Arizona, received preliminary approval by the Authority in November 2020. The bond financing for the project has not yet closed, but is expected to sometime in 2022. The Applicant is requesting an extension of the preliminary approval.

Mr. Fries said he would recommend approval of the extension.

Ms. Spelleri joined the meeting at 9:41 a.m.

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

RESOLVED to adopt a Resolution in the form presented to the meeting granting an extension of the preliminary approval of 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 (8-0).

4. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$50,000,000 OF THE AUTHORITY’S REVENUE BONDS FOR THE BENEFIT OF RCP APARTMENTS, LLC TO FINANCE THE RESIDENCES OF CENTRAL PHOENIX APARTMENT COMPLEX.

The following persons were in attendance, virtually, in support of the proposed financing for the benefit of RCP Apartments LLC (the “Applicant”): Griffin Hitzel, Project Manager of DevCo, LLC, Charles Lotzar of Lotzar Law Firm, Applicant’s legal counsel, and Eric Schaefer of Lotzar Law Firm.

Mr. Fries explained the Applicant is seeking \$50 million of bonds to finance the purchase and renovation of a 260-unit apartment complex known as Residences of Central Phoenix, located at 2020 West Glendale Avenue, Phoenix, Arizona.

Preliminary Approval of the project will allow the Applicant to seek volume cap for private activity bonds and low-income housing tax credits from the Arizona Department of Housing. It will also allow the Applicant to be reimbursed for expenses incurred prior to the close of the bond transaction.

The project will provide tax credit financing of over \$26 million, and there will be a deferred developer fee of over \$6 million that will help finance the project.

Mr. Fries said he would recommend approval of the proposed project.

After further discussion and upon motion made by Mr. Westad and seconded by Ms. Spelleri, 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 \$50,000,000 The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Residences of Central Phoenix).

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

5. UPDATE AND PRESENTATION BY REPRESENTATIVES OF CENTER FOR THE FUTURE OF ARIZONA.

Sybil Francis, President and CEO of Center for the Future of Arizona (“CFA”), along with Amanda Burke, Executive Vice President of CFA, were present and gave an update on CFA’s Gallup Poll Survey.

Ms. Scharbach reminded the Board that the Authority granted \$250,000 to CFA to assist with their Gallup Poll Survey.

Ms. Francis explained that CFA is a non-profit 501(c)(3), non-partisan organization that serves all of Arizona. CFA’s goal is to listen to Arizonans about what matters most to them, and identify key issues that matter to the future of Arizona, which is where the Gallup Poll comes in.

Ms. Frances then gave an overview of the Gallup Poll, stating the results of the survey were based on information collected between August 28, 2020 and October 26, 2020, which was the height of the 2020 Presidential election. The results were collected from adults 18 and over, living in Arizona, with an oversampling of rural and minority populations. The survey was printed in both English and Spanish, and was one of the largest ever conducted in the State, with over 3,500 respondents.

The survey found that at least 70% of Arizonans agree, with strong support, across geography, income, education level, political affiliation and race or ethnicity. The seven (7) major issues of importance to the State include: (a) highly educated and skilled population; (b) affordable healthcare that covers pre-existing conditions; (c) good-paying jobs and education/training; (d) sustainable practices to protect our air, land and water; (e) civic engagement that solves problems and democracy that works; (f) fair, just and equal treatment of all people; and (g) comprehensive immigration reform.

Ms. Frances explained CFA is in the midst of a robust statewide communications campaign to get the word out about the seven shared public values and the action agenda for Arizona’s future. CFA is providing data and insights across the state to prompt and guide decision making that is critical to Arizona’s future.

Ms. Burke then explained CFA is taking the findings from the Gallup poll and collaborating with organizations such as WESTMARC, State of Black Arizona, Local First Arizona, Arizona Center for Civic Leadership – Flinn Foundation, ASU Office of Applied Innovation, Youth Health Equity Project, NACOG, League of Arizona Cities and Towns, among others, to support database conversation, decision making, and action.

CFA is also in the process of evolving their seven Arizona progress meters, including a progress meter in jobs, to make sure that the progress meters continue to respond to the shared priorities and the shared public values of Arizona.

Ms. Burke went on to discuss CFA's desire to connect industry and education.

6. DISCUSSION AND ACTION AS DETERMINED REGARDING AN INCREASE TO THE GRANT AMOUNT FOR THE BENEFIT OF HUMAN SERVICES CAMPUS MIKE MCQUAID LEGACY FUND.

The following persons were present in support of the request for funding for the Mike McQuaid Legacy Fund: Steve Davis, Development Director, and Amy Schwabenlender, Executive Director, both of Human Services Campus (the "Campus" or "HSC").

Ms. Scharbach reminded the Board Members of the October 12, 2021, approval by the Board of \$4.5 million for the Mike McQuaid Legacy Fund. At the time of that approval, there was a discussion and recommendation from the Board to also grant up to 75% of what was remaining for the capital projects balance, which would be approximately \$3 million.

There was also the discussion that since there were only five Board Members present at the October meeting, it would be prudent to bring the recommendation back to the Board for discussion with more Board Members available to consider the recommendation.

Ms. Schwabenlender explained that by receiving the additional \$3 million from the Authority, it would put HSC above 75% of their goal. And, by reaching that goal, HSC would have other potential contributors that have agreed to donate funds once HSC reaches that 75% level.

There was a lengthy discussion regarding the additional grant recommendation.

After a great deal of discussion, Mr. Cohn made a motion, which was seconded by Mr. Westad, to the following:

RESOLVED to approve the grant funding request for the Human Services Campus Mike McQuaid Legacy Fund for \$3 million.

Mmes. Burnham, Spelleri and James and Messrs. Rounds, Cohn and Westad voted aye. Mr. Bales and Castro vote nay. The motion passed by a vote of (6-2).

7. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Ms. LeVinus reported on the State's budget, and explained the State's general fund continues to grow, and is expected to be in the neighborhood of \$700 million with a one-time balance of \$1.7 billion for 2023, excluding the \$1 billion in the Arizona Rainy Day Fund. Increases have been seen largely in personal income growth and corporate profitability. Sales tax transactions are also exceeding expectations. On-line gaming revenue is predicted to be around \$35 million annually by 2024.

Mr. Hinman then reported on challenges to the budget reconciliation bills along with the independent redistricting process, which takes place every year after the decennial census. Mr. Hinman reminded the Board the redistricting is a process prescribed under statute to redraw the State's congressional and legislative districts. The draft map has now been prepared and is available for public comment.

8. FINANCIAL REPORT.

Ms. Scharbach referred to the unaudited financial statements for the period ended October 31, 2021; a copy of which is attached hereto, and encouraged Board Members to contact her with their questions.

9. PAYMENT OF INVOICES.

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

Ms. Spelleri moved to approve payment of invoices as submitted for the period ended October 31, 2021. Ms. Burnham seconded the motion.

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

10. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi congratulated the Board for their generous contribution to the Human Services Campus, and encouraged Board Members to tour the facility to see the wonderful work being done by the organization.

11. PRESIDENT'S REPORT.

Mr. Rounds recommended having a joint meeting with the Board of Supervisors.

12. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach reported she will work with Mr. Davis and Ms. Schwabenlender on a press release with respect to the Authority's grant to Human Services Campus.

13. LEGAL COUNSEL REPORT.

There was no legal counsel report.

14. COMMENTS FROM BOARD MEMBERS.

Mr. Cohn stated that once a new supervisor is appointed to replace Mr. Chucri, he would reluctantly, but happily, step down if the new supervisor prefers a different individual to represent him/her in their district.

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 11:11 a.m., without objection.


