

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

Date: January 20, 2022, 10:00 a.m.

Place: GoToMeeting - virtually

Presiding: Jim Rounds

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

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: Tim Pickrell, Joe Saverino, Patty Gonzalez, Bill Davis,  
Gabriela Armas, Felipe Monroy, Taylar Hart, Michael Slania,  
J.T. Knadler, Mary Foote, Bill Dehaan, Connor Norton, Nick  
Kasner, Rick Cosgrove, Will Moseley, Mary Ambriz-Reyes,  
Danny Knee, Eric Straughn, Nick Dodd, Ismail Ibrahim, Dean  
Duncan, Johnny Hutchison, and Isaac Behar

Mr. Rounds called the Regular Meeting of the Board of Directors of the Authority to order at 10:01 a.m., noting the presence of a quorum.

**1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON DECEMBER 14, 2021.**

On motion made by Mr. Stawiecki and seconded by Mr. Westad, the minutes of the December 14, 2021, Regular Meeting were approved as written.

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

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

*Mmes. James and Burnham joined the meeting at 10:02 a.m.*

Mr. Fries introduced Dane Fernandes of Kutak Rock, Bond Counsel, and Matthew McClellan, Treasurer of Commercial Metals Company (the "Applicant").

Mr. Fries reminded the Board that the Applicant received preliminary approval for the bond issuance from the Authority on November 10, 2020, and, subsequently, an approval for the extension of the preliminary approval on November 9, 2021.

The Applicant has obtained \$150 million in volume cap to allow them to issue bonds that will be used towards a total construction price on the micro mill, which is expected to be between \$400 and \$500 million.

The Applicant's current request before the Board is for \$150 million, matching the volume cap that they were able to secure. There may be more installments in the future; however, if the Applicant seeks to obtain more bond financing through the Authority beyond this \$150 million issue, they will need to come back to the Authority for approval.

Mr. McClellan added the Applicant is currently constructing a micro mill that will produce up to 500,000 tons of steel per year. It will be the first of its kind and reflecting the most energy efficient steel production in the world. It will have the capacity to connect directly to solar and other renewable sources into space.

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

RESOLVED to adopt a Resolution in the form presented to the meeting granting final approval of not to exceed \$450,000,000 of the Authority's Revenue Bonds (Commercial Metals Company Project), Series 2022.

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

**3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$300,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF MESA SKYBRIDGE LLC.**

Mr. Cohn explained that he owns property across the street from this project, and, therefore, would abstain from voting and participating in the discussion of this agenda item.

The following persons, among others, were present in support of the project: Tim Pickrell of Squire Patton Boggs LLP, Bond Counsel; Felipe Monroy, CEO of Mesa Skybridge LLC (the "Applicant"); Will Moseley, General Manager of the Mesa Skybridge facility; Bill DeHaan of Greenberg Traurig, Applicant's Legal Counsel; Bill Davis of Piper Sandler & Co., Applicant's Financial Advisor; and Taylar Hart of JP Morgan Securities, Placement Agent/Underwriter.

Mr. Fries explained that this project centers around a 363-acre mixed use development at the Phoenix-Mesa Gateway airport and features, among other things, the United States' first and only inland international air logistics and joint US/Mexico customs processing hub that will allow goods to be flown to the airport, inspected by both US and Mexico Customs, and then fly directly to their destination, either in the United States or Mexico.

This request is for preliminary approval, allowing the Applicant to seek reimbursement of expenses incurred for 60 days prior to the resolution. It will also allow the Applicant to obtain necessary volume cap for the bond financing.

The total estimated cost of the project will be over \$600 million, and the project will be done in segments. The first installment is a \$300 million issuance.

Mr. Moseley explained that the Applicant has entered into a Master Development Agreement and Master Lease Agreement with the Phoenix-Mesa Gateway Airport.

Once completed, the project will have approximately 1.3 million square feet of airside property, 2.19 million square feet of non-airside property, and approximately 280,000 square feet of R&D for other uses, one of which is a Wyndham Hotel dual brand Hawthorn-Wingate.

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 granting preliminary approval of not to exceed \$300,000,000 of the Authority's Revenue Bonds (Mesa SkyBridge Project), Series 2022.

**The motion passed by a vote of (6-0-1).**

Mr. Cohn abstained from voting.

**4. DISCUSSION AND ACTION AS DETERMINED AUTHORIZING THE AUTHORITY'S EXECUTIVE DIRECTOR TO ENTER INTO A COOPERATIVE/INTERGOVERNMENTAL AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PIMA FOR THE EXPANSION OF A MORTGAGE CREDIT CERTIFICATE PROGRAM INTO MARICOPA COUNTY.**

The following persons were in attendance in support of this agenda item: Michael Slania of Slania Law, PLLC, along with Danny Knee, Executive Director, and Patty Gonzalez, Director of Housing Program, both of Community Investment Corporation ("CIC").

Mr. Fries explained that The Industrial Development Authority of the County of Pima ("Pima IDA") offers a mortgage certificate program ("MCC Program") in every county within the state of Arizona, except for Maricopa County. Pima IDA would like to expand the MCC Program into the City of Phoenix and Maricopa County and is requesting the Authority and The Industrial Development Authority of the City of Phoenix, Arizona ("Phoenix IDA") enter into a Cooperative Intergovernmental Agreement with the Authority and Phoenix IDA for the purpose of bringing this program into the Phoenix/Maricopa County area.

The MCC Program would allow a homebuyer to obtain a tax credit each year up to \$2,000 and could be used in conjunction with the Home in Five Program.

Administration of the MCC Program would be handled by CIC, which currently handles the MCC Program throughout the entire state, and would be at no cost to either the Authority or the Phoenix IDA.

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

RESOLVED to authorize the Executive Director of the Authority in the exercise of her discretion, after review and consultation with counsel, to enter into a Cooperative/Intergovernmental Agreement with The Industrial Development Authority of the County of Pima to expand its Single Family Mortgage Credit Certificate Program into Maricopa County, and take such other related action as may be deemed necessary or appropriate.

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

**5. DISCUSSION AND UPDATE FROM PIPELINE AZ REPRESENTATIVE AND ACTION AS DETERMINED.**

The following representatives of Pipeline AZ were present in support of the request for funding for the Pipeline AZ platform: Mary Foote, Managing Director of Pipeline AZ, and Dean Duncan, Executive Director of Partnership for Economic Innovation (“PEI”).

Mr. Fries reminded the Board that the Authority previously approved certain grants to support the Pipeline AZ Project, but had deferred consideration of the request from PEI for \$2,432,578 in additional grant funding for 2022.

Mr. Fries referred to the information in the Board packages submitted by Pipeline AZ, along with the proposed Fourth Addendum to the Grant Funding Agreement (“Fourth Addendum”), which details the terms and conditions of funding the grant, including:

- 1) restricting the use of grant funds according to a “2022 Approved Budget;”
- 2) establishing improved monthly and quarterly reporting requirements on the use of grant funds;
- 3) increasing the metrics to track the progress of Pipeline AZ and the efforts at achieving sustainability; and
- 4) reconstituting the Pipeline AZ Board to include representatives of the Authority, PEI and the Managing Director of Pipeline AZ.

The Pipeline AZ Board will provide better oversight and control over the use of grant funds and allow flexibility in the program. Under the Fourth Addendum, the Pipeline AZ Board has certain authority to modify the 2022 Approved Budget and the reportable metrics upon unanimous consent of the Pipeline AZ Board, including the approval by the Authority’s representative.

***Mr. Stawiecki left the meeting at 10:55 a.m.***

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

RESOLVED to authorize a grant to PEI of \$2,432,578 for Pipeline AZ under the terms and conditions of a grant funding agreement as the Executive Director of the Authority may approve in the exercise of her discretion, after review and consultation with counsel, and to authorize the Executive Director to take such other related action as may be deemed necessary or appropriate.

Mmes. James and Burnham and Mr. Castro voted aye. Messrs. Cohn and Westad voted nay. Mr. Rounds did not vote.

**The motion passed by a vote of (3-2-1).**

Mr. Rounds then continued to preside over the remainder of the meeting.

**6. FINANCIAL REPORT.**

Ms. Scharbach asked Board Members to reach out if there were any questions.

**7. PAYMENT OF INVOICES.**

Mr. Rounds referred to the invoices previously distributed to the Board Members for the month ended December 31, 2021.

Mr. Rounds noted that when Ms. Scharbach retired from Maricopa County, she became a contract employee of the County. Since that time, Ms. Scharbach has been paying for her own health insurance. Mr. Rounds suggested Ms. Scharbach be reimbursed for her health insurance premiums since the transition occurred, totaling \$11,217.40, and also going forward.

Mr. Westad moved to approve payment of the invoices as submitted for the period ended December 31, 2021, including Ms. Scharbach's out-of-pocket health insurance premium costs as noted. Mr. Cohn seconded the motion.

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

**8. BUSINESS DEVELOPMENT OFFICER.**

Mr. Ghelfi had no report.

**9. PRESIDENT'S REPORT.**

Mr. Rounds had no report.

**10. EXECUTIVE DIRECTOR'S REPORT.**

Ms. Scharbach announced that Ms. Jakubowicz would be retiring in early summer. Ms. Jakubowicz's replacement, Mary Mistic, will be starting on January 24<sup>th</sup>.

**11. LEGAL COUNSEL REPORT.**

There was no legal counsel report.

**12. COMMENTS FROM BOARD MEMBERS.**

There were no comments.

**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 11:28 a.m., without objection.



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