

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

Date: April 12, 2022, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Jim Rounds

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

Absent: None

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson, Kathleen Jakubowicz and Mary Mistic

Business Development Officer: Gregg Ghelfi

Attorney: William F. Wilder and John J. Fries of Clark Hill

Guests: Jake Hinman, Courtney LeVinus, Lisa Fink, Audra Wilson-Smith, Dane Fernandes, London Burns, Craig Kispert, Julie Arvo MacKenzie, Chris Camacho, Alexis Peterson, and Will Fossel

Mr. Rounds called the Regular Meeting of the Board of Directors of the Authority to order at 9:30 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON MARCH 8, 2022.

On motion made by Mr. Westad and seconded by Ms. Burnham, the minutes of the March 8, 2022, Regular Meeting were approved as written.

The motion passed unanimously by a vote of (9-0).

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$16,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF CHOICE ACADEMIES, INC.

Mr. Fries explained that this financing in an amount not to exceed \$16 million is for the benefit of Choice Academies, Inc. and is a refinancing of a 2012 bond financing through The Industrial Development Authority of the City of Phoenix, Arizona (the "Phoenix IDA"). In addition to the refinancing, there will be money set aside for reserves and for the cost of issuance.

Choice Academies has three schools located at 2323 and 2333 West Parkside Lane in Phoenix, Arizona – K through 8 (Adams Traditional Academy), 9 through 12 (Jefferson Prep High School), along with a preschool known as Adams Traditional Beginnings. The preschool is not part of the financing, but they lease some of the property and will be contributing rent payments and guarantying the debt.

Mr. Fries introduced Dane Fernandes of Kutak Rock, bond counsel, along with Lisa Fink and Audra Wilson-Smith of Choice Academies.

Ms. Wilson-Smith explained Choice Academies started on the current campus in 2009/2010 with 213 elementary students. There are currently over 543 elementary students, 114 high school students and 92 students in the preschool. Ms. Wilson-Smith said there are currently over 100 part-time and full-time employees, which includes 42 teachers among the three schools. Student capacity for the two buildings is 1,200 students.

Mr. Fries added the closing for the bond issue is expected by mid-May.

In response to a question from Mr. Cohn regarding square footage of the two buildings and grounds, Will Fossel of Ziegler, underwriter, said the two buildings consist of approximately 75,000 square feet and are located on 6 acres.

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

RESOLVED to adopt a Resolution in the form presented to the meeting granting final approval of the issuance of not to exceed \$16,000,000 of the Authority's Revenue Bonds (Choice Academies Project), Series 2022.

The motion passed unanimously by a vote of (9-0).

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$65,000,000 OF THE

AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF OTTAWA UNIVERSITY.

Mr. Fries reminded the Board the Authority financed two other projects for Ottawa University in 2018 and 2020.

The current financing request is for an amount not to exceed \$65 million to refinance existing debt of approximately \$38 million, new money of approximately \$19 million that will be used to expand the Surprise Campus with a new 200-bed residence hall, and \$2.5 million to be used for an athletic center in Ottawa, Kansas.

Mr. Fries explained that the bonds will be privately placed with Arizona Bank & Trust.

Mr. Fries added the Surprise Campus has been growing rapidly. In 2017 there were 434 students; in 2020 there were 921 students, and they expect approximately 1,500 students by 2026.

Mr. Fries introduced Julie Arvo MacKenzie of Engelman Berger, P.C., bond counsel, and Craig Kispert, CFO of Ottawa University.

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 the issuance of not to exceed \$65,000,000 of the Authority's Revenue Bonds (Ottawa University Project), Series 2022.

The motion passed unanimously by a vote of (9-0).

4. DISCUSSION AND ACTION AS DETERMINED REGARDING A GRANT REQUEST FROM THE GREATER PHOENIX ECONOMIC COUNCIL FOR THE SUPER BOWL CEO FORUM.

Mr. Rounds introduced Chris Camacho of the Greater Phoenix Economic Council ("GPEC").

Mr. Camacho explained that GPEC is a marketing organization, as well as a business development execution entity, which strives for high-wage job creation, and he stressed the importance of promoting the region's business image and attracting and expanding desirable businesses and industry.

Mr. Camacho noted the positive financial impact a Super Bowl can have on the region and the competitiveness of hosting such an event with other cities around the country. Events such as the Super Bowl are used to bring in businesses from around the country so they are able to visit the market and meet with other business executives, university presidents, and the community college network. The

CEOs/businessmen and women are here to validate with their peers, their customers, their clients, and the market, as well as their supply chain partners.

Mr. Camacho explained the Super Bowl Host Committee will need to raise \$50 million from corporate members and civic organizations to host the event, and requested the Authority consider a contribution of \$500,000 toward this goal. Mr. Camacho noted the Authority's contribution will be matched with private sector resources.

There was a lengthy discussion as to whether the Authority should contribute \$1 million toward the forum because of the economic impact it has on the region. Mr. Castro said he would be in favor of the requested grant of \$500,000; however, he did not think it was good business practice to increase the request by such a large amount.

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

RESOLVED to authorize a grant to the Greater Phoenix Economic Council in the amount of \$1 million to be used for the 2023 Super Bowl CEO Forum.

Mmes. James and Burnham and Messrs. Bracamonte, Cohn, Martinez, Rounds, Stawiecki, and Westad voted aye. Mr. Castro voted nay.

The motion passed by a vote of (8-1).

Ms. Scharbach added she would follow up with Mr. Camacho to determine what kind of information can be provided to the CEO Forum that highlights the Authority in general.

5. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Ms. LeVinus noted the number one priority of the Legislature is currently to pass a budget, and with the additional funds available, passing a budget becomes more difficult.

Ms. LeVinus also noted redistricting has been completed and petitions and signatures have been submitted to the Arizona Secretary of State.

Mr. Hinman reported the State has approximately \$5 billion of monies to spend and reiterated the difficulty the Legislature is having trying to pass a budget.

Mr. Hinman reported on HB 2473 which prohibits a public entity from entering into a contract of \$100,000 or more with a company that discriminates against a firearm entity or firearm trade association. Mr. Hinman indicated the bill may not be moving forward.

(Mr. Westad left the meeting at 10:42 a.m.)

6. FINANCIAL REPORT.

Ms. Scharbach referred to the financial statements included in the Board packages for the month ended March 31, 2022. Ms. Scharbach reviewed the March statements, and noted the general expenses were higher this past month than normal.

7. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended March 31, 2022.

Ms. Scharbach explained the Authority has had a wonderful partnership with Ryley Carlock & Applewhite ("RCA") over the past 20 years, and RCA has been extremely generous in allowing the Authority's staff to reside within the RCA offices and embedded in RCA's network. With the recent merger of RCA with Clark Hill, the Authority's staff has taken the opportunity to obtain their own office space and set up their own computer networking system. Ms. Scharbach pointed out the costs involved in the move, obtaining furniture, setting up the network system, etc.

Ms. Scharbach estimated the Authority's costs will increase by approximately \$18,000 per year going forward from what the Authority was paying being embedded within RCA's offices.

Mr. Bracamonte moved to approve payment of the invoices as submitted for the period ended March 31, 2022. Mr. Stawiecki seconded the motion.

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

8. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported a significant slowdown in mortgage loans being processed through the Home in Five program, generally due to the recent rise in interest rates and the lack of affordable homes. Arizona IDA's Home Plus program is also having the same problem. This problem is not confined only to the state of Arizona but is being seen nationwide. Mr. Ghelfi said he believes the stall will be temporary until the market recovers.

9. PRESIDENT'S REPORT.

Mr. Rounds suggested he meet with Ms. Scharbach and Mr. Ghelfi to brainstorm on various ideas for the Authority to move forward during this downturn.

10. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach introduced the Authority's two new Board Members, Jose Martinez and Freddie Bracamonte.

11. LEGAL COUNSEL REPORT.

Mr. Fries reported the YMCA bond financing closed in March.

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 adjourned at 11:00 a.m., without objection.


