

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

Date: September 13, 2022, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Jim Rounds

Present: Jim Rounds, Ronald J. Castro, Jr., Lisa A. James, Freddie Bracamonte, Jeremey Stawiecki and Rebecca Burnham

Absent: Jose Martinez, Andrew M. Cohn and Ronald L. Westad

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Mary Misic

Business Development Officer: Gregg Ghelfi

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

Guests: Jake Hinman, Courtney LeVinus, Charles Lotzar, Eric Schaefer, Griffin Hitzel, David Searles, Faith Pettis

Mr. Rounds called the Regular Meeting of the Board of Directors 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 AUGUST 9, 2022.

On motion made by Mr. Stawiecki and seconded by Ms. Burnham, the minutes of the August 9, 2022, Annual and 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 \$20,000,000 OF THE

AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF STEEPLE CHASE PRESERVATION APARTMENTS, LLC.

Mr. Fries gave an update to the Board on the Steeple Chase Apartments project, which is a 100-unit project located at 8610 N 91st Avenue, Peoria, Arizona. The notes for this bond financing will be issued in two series, both of which will be purchased by Key Bank. The project is expected to close in early November.

Mr. Lotzar introduced David Searles, President of Langston Hughes Affordable Housing, Inc., Steeple Chase Preservation Apartments, LLC's (the "Applicant") General Partner; Griffin Hitzel, representative of DevCo Preservation, LLC, the developer and sponsor lender; Faith Pettis of Pacifica Law Group, Bond Counsel; and Eric Schaefer consultant with Step Builder, LLC.

Mr. Lotzar went through some of the changes that have taken place since the Applicant received preliminary approval from the Authority on July 13, 2021, including the developer and sponsor lender will defer the bulk of their developer fee and make a sponsor loan in order to address the rise in costs that occurred in the market since the property was purchased approximately one year ago.

After further discussion and upon motion made by Mr. Bracamonte 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 \$20,000,000 The Industrial Development Authority of the County of Maricopa Multifamily Note (Steeple Chase Apartments Project), Series 2022.

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

3. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Ms. LeVinus reported early ballots will go out to voters on October 12 for the November 8, 2022, mid-term election. Ms. LeVinus explained there will be 10 propositions on the upcoming ballot, including two citizen-driven propositions - the "anti-dark money" initiative and the debt collection legislation, preliminary focused on health care. There will also be 8 referendums from the State Legislature, three of which have to do with voting and the initiative process – one referendum would create a Lieutenant Governor position, one would allow for students who may not have legal citizenship but attended an Arizona high school to pay in-state tuition at an Arizona university, Proposition 310 which would create fire districts, and Proposition 130 which would repeal and consolidate several property tax exemptions for veterans with disabilities.

Ms. LeVinus offered to present the propositions in more depth at the October Board meeting if the Board had additional questions.

Mr. Rounds suggested Ms. LeVinus/Mr. Hinman prepare a high-level memo to the Board that can be read at their leisure and then they could come back with questions.

Ms. LeVinus and Mr. Hinman then discussed the very competitive senate and house race along with the Governors' race.

Jake Hinman reminded the Board of the Housing Study Committee formed last year by the Legislature to find ways to boost housing supplies throughout the State. To date, there have been 6 hearings, including one recently held in Tucson. Tucson IDA's CEO testified at that hearing regarding the need for more housing.

Mr. Rounds suggested putting together a volunteer educational committee to talk to the incoming lawmakers on economics.

4. FINANCIAL REPORT.

Ms. Scharbach referred to the financial statements included in the Board packages for the month ended August 31, 2022. Ms. Scharbach reviewed the August statement and reminded the Board of the slowdown in the Home in Five program, causing a negative variance in the Authority's revenue. Ms. Scharbach reported the Authority did see additional income this past month from a company leaving the Tallwave portfolio. In addition, there was a final Tallwave capital call, satisfying the Authority's full commitment to Tallwave. The Authority may see additional revenue in the future as other companies leave the Tallwave portfolio.

5. PAYMENT OF INVOICES.

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

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

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

6. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi explained the partners in the Home in Five program are working on a few different ways to regenerate the program. Conversations are underway with Maricopa County and the City of Phoenix on ways the program might be able to use some of the City's and County's American Rescue Plan Act ("ARPA") funds. It may also be possible for both IDAs to invest in the program to help with the down payment assistance.

Mr. Ghelfi reported the state of Arizona has invested approximately \$15 million of their ARPA monies into their Home Plus program, which has helped to pay down the mortgage rates in their program and make that program more desirable.

7. PRESIDENT'S REPORT.

Mr. Rounds suggested staff and Board Members may want to work together to find more ways to market the Authority and possibly get involved with other groups for partnerships on various projects. Mr. Rounds said he would like to see a list of economic development projects financed through the Authority over the past five years to try to determine the fiscal impact these projects have had on the County. He said information like this is important to show the value and positive impact the Authority has had on the County.

8. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach reminded the Board of the Greater Phoenix Chamber's Economic Outlook 2023 event to be held on September 23, 2022, and the Authority's reception to be held on September 29th at Lon's at the Hermosa Inn.

Ms. Scharbach also reported there are numerous options for meeting rooms at the newly renovated County building if the Board is interested in meeting in person. Ms. Larson will send out an email to poll the Board Members as to whether each Board Member prefers in person or virtual meetings.

9. LEGAL COUNSEL REPORT.

Mr. Fries had no report.

10. COMMENTS FROM BOARD MEMBERS.

There were no comments from the Board.

11. 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 10:07 a.m., without objection.


