

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

Date: April 11, 2023, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Lisa A. James

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

Absent: Freddie Bracamonte and Jim Rounds

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: Courtney LeVinus, Lee Ann Bohn, Brenda Schaefer, Kristi Flynn, Erin Tucker, Mary Schubert and Chris Camacho

In the absence of Mr. Rounds, Ms. James 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 FEBRUARY 14, 2023.

On motion made by Mr. Cohn and seconded by Mr. Stawiecki, the minutes of the February 14, 2023, Regular Meeting were approved as written.

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

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 BANNER HEALTH.

The following persons were in attendance in support of the financing request for Banner Health: Brenda Schafer, Erin Tucker and Mary Schubert of Banner Health (the "Applicant"), and Kristi Flynn of Hawkins Delafield & Wood, Bond Counsel.

Mr. Fries explained that Banner Health is the largest non-governmental employer in the State of Arizona with over 40,000 employees.

The bond funds will be used to finance or refinance projects at the following properties: (a) Banner Gateway Medical Center in Gilbert, (b) Banner Desert Medical Center in Mesa, (c) Banner University Medical Center in Phoenix and (d) Banner University Medical Center in Tucson.

A closing for this bond issue is expected for June 12, 2023.

It was noted that the amount of bonds previously issued by the Authority for the benefit of Banner Health is approximately \$2.2 billion.

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

RESOLVED to adopt the Resolution in the form presented to the meeting authorizing and approving the issuance of not to exceed \$450,000,000 The Industrial Development Authority of the County of Maricopa Revenue Bonds (Banner Health), Series 2023.

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

3. PRESENTATION BY CHRIS CAMACHO OF THE GREATER PHOENIX ECONOMIC COUNCIL RELATING TO SUPER BOWL 2023.

Chris Camacho, president and CEO of the Greater Phoenix Economic Council ("GPEC"), was in attendance to give an update on the success of the 2023 Super Bowl and the CEO Forum which was partially funded with a grant from the Authority.

Mr. Camacho explained that Arizona is now one of the top 10 places in the country for hosting major sporting events. The Authority's grant enabled GPEC to participate in a number of CEO events that help Arizona representatives meet with global executives that are considering making investments within the state of Arizona. There were 65 companies attending the CEO events this year in various sectors from semi-conductors to data centers, manufacturing, healthcare, etc. Of those 65 companies, there are 22 affirmative active deals in the process of making location decisions, with three major commitments.

Mr. Camacho then went through a slide show presentation and reviewed various events that took place throughout the area during the Super Bowl and the Waste Management Phoenix Open.

4. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Ms. LeVinus updated the Board on the proposed Senate Bill 1718, which would change the division of allocations of the Arizona state ceiling. Originally, proponents of the legislation wanted to reduce the early allocation for mortgage credit certificates (“MCC”) and mortgage revenue bonds (“MRB”) from 35% to 10%. After negotiations, a proposal was made to reduce the first quarter allocation from 35% to 30%. There will be no changes to the carryforwards, and if an issuer has a project such as a multifamily project and that project falls through, the allocation can be transferred to another multifamily project rather than the allocation going back into the pool.

Ms. LeVinus said she expects Senate Bill 1718 to be voted on shortly in the format just discussed.

Ms. LeVinus went on to update the Board on various matters, including the following bills:

Senate Bill 2040 – which would have allowed smaller IDAs to move forward with multifamily housing projects without the Arizona Department of Housing’s approval. The Bill did pass the House; however, failed to get a Senate hearing. This bill is dead for this year.

House Bill 2209 – which is the extension of the Governor’s Office of Economic Opportunity (also includes the extension of the Arizona Industrial Development Authority) passed the House and is expected to get a third read in the Senate.

Senate Bill 1244 – which increases the funding for low-income housing tax credits and extends it for an additional couple of years passed the House Appropriations Committee.

5. FINANCIAL REPORT.

Ms. Scharbach referred to the financial statement included in the Board packages for the month ended March 31, 2023, and reviewed the same. Ms. Scharbach referred to the outstanding grants payable – the largest of which are set aside for ASU – Healthy Urban Environments Initiative and Human Services Campus (“HSC”).

Ms. Scharbach explained that because of the recent press about the homeliness issues in the “Zone” surrounding the HSC, Amy Schwabenlender, CEO of HSC, will attend the Authority’s May Board meeting to provide an update to the Board.

Ms. Scharbach said the Authority still has a healthy net position.

Ms. Scharbach then reported that she and Mr. Ghelfi met with Mr. Rounds and will bring to the Board at a later date suggestions on reserves, forecast projections, and the potential of another grant cycle.

6. PAYMENT OF INVOICES.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the months ended February 28, 2023, and March 31, 2023.

Mr. Cohn moved to approve payment of the invoices as submitted for the months ended February 28, 2023, and March 31, 2023. Mr. Westad seconded the motion.

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

7. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi reported on the Home in Five program and explained that loan originations and income is down by about 50% from the same time as last year.

Mr. Ghelfi said the Authority and the Phoenix IDA are exploring the possibility of a Mortgage Revenue Bond program ("MRBs") for another option for access to down payment assistance. The interest rate for an MRB program is expected to be approximately ½% to 1% less than the current Home in Five program TBA market.

8. PRESIDENT'S REPORT.

There was no President's report.

9. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach said a poll will be taken to determine whether the Board Members prefer to hold an in-person meeting in May or June.

Ms. Scharbach said she will be calling each Board Member regarding a potential change to the way the Board of Supervisors select the Authority's Board Members.

10. LEGAL COUNSEL REPORT.

Mr. Fries had no report.

11. COMMENTS FROM BOARD MEMBERS.

There were no comments from the Board.

12. 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 10:20 a.m., without objection.


