

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

Date: May 9, 2023, 9:30 a.m.

Place: 301 West Jefferson, 10th Floor, Tom Sullivan Conference Room, Phoenix, Arizona 85003 and GoToMeeting - virtually

Presiding: Jim Rounds

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

Absent: Lisa A. James

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, Charles W. Lotzar, Brad Wright, Kevin Loman, Amy Schwabenlender, Denise Reznik, Michael Slutskiy, Kji Helffenstein, Lauren Herrera, Terry Warren, Margo O'Neill, John Snider, Julie Arvo MacKenzie, Brigitte Finley Green, Andrea Perrin and Anthony Ramies

Mr. Rounds called the Regular Meeting of the Board of Directors to order at 9:40 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON APRIL 11, 2023.

On motion made by Mr. Bracamonte and seconded by Mr. Stawiecki, the minutes of the April 11, 2023, Regular Meeting were approved as written.

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

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$90,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF RELIANT – PHOENIX MANOR, LLC FOR THE PURCHASE AND REHABILITATION OF THE PHOENIX MANOR APARTMENTS.

The following persons were in attendance in support of the financing request for Reliant - Phoenix Manor, LLC (the "Applicant"): Kji Helffenstein, Michael Slutskiy and Anthony Ramies all of the Reliant Group, and Chuck Lotzar of the Lotzar Law Firm, Applicant's Local Counsel.

Mr. Fries reminded the Board Members that they granted preliminary approval to this project on February 14, 2023, for the extensive renovation of a 1960s apartment complex in the vicinity of 41st Avenue and Thomas Road in Phoenix, Arizona. If approved by the Authority, the Board of Supervisors will consider the matter on May 24, 2023. A closing is expected prior to the end of June 2023.

Charles Lotzar explained that the key components to this financing are the private activity bonds issued through the Authority, along with a 4% low-income housing tax credit. 50% of the total development costs must be paid through the bond proceeds. There will be a substantial amount of equity infusion from the tax credits, which will be used to bring down the construction debt to a permanent debt level.

There are 450 units in the Phoenix Manor project, and there will be approximately \$86,000 of renovations on each unit.

After further discussion and upon motion made by Mr. Martinez and seconded by Mr. Bracamonte, 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 \$90,000,000 The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Notes and Bonds (Phoenix Manor Apartments Project), Series 2023.

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

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF VILLA MONTESSORI, INC.

The following persons were in attendance in support of the financing request from Villa Montessori, Inc.: Margo O'Neil, Head of Villa Montessori School (the

“Applicant”), Terry Warren of Warren Charter Law, PLC, Applicant’s Counsel; John Snider of RBC Capital Markets, Underwriter; Brigitte Finley Green and Julie Arvo MacKenzie of Engelman Berger, Bond Counsel.

Mr. Fries explained that the Villa Montessori School is located in the vicinity of 28th Street and East Campbell. The school operates three campuses in that area – the Elementary Campus, Middle School Campus and an Early Childhood Campus. This financing will allow the school to purchase the Middle School Campus, which is currently under a ground lease with Mountain View Christian Church. The Applicant will also be purchasing additional land from the church, a portion of which will be used for parking and another portion will be sold after the financing.

The Industrial Development Authority of the City of Phoenix, Arizona currently has financing in place on the school that will stay in place. The Authority’s financing will be an additional \$6 million on the property.

If the Authority approves this financing, the Maricopa County Board of Supervisors will consider the matter on May 24, 2023. A closing in June is planned for the property.

Mr. Fries added the school has been in business for over 40 years and was incorporated in 1965.

Margo O’Neill reported she has been with the school for 33 years. There are currently 634 students in the charter school K-8, along with a private preschool.

After further discussion and upon motion made by Ms. Burnham and seconded by Mr. Martinez, 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 \$6,000,000 The Industrial Development Authority of the County of Maricopa Education Revenue Bonds (Villa Montessori, Inc. Project), Series 2023.

The motion passed unanimously by a vote of (7-0-1).

Mr. Stawiecki noted a long relationship with the Applicant, so he abstained from voting.

4. DISCUSSION AND ACTION AS DETERMINED REGARDING A GRANT REQUEST RELATING TO FORMULA E.

Brad Wright and Kevin Loman were in attendance to give a presentation on a \$25,000 grant request to partially fund a feasibility and economic impact study to bring the Formula E electric vehicle race to Phoenix in 2025.

Formula E is an international racing circuit based in the United Kingdom that is focused on green energy and tech.

Mr. Wright said he believes this project aligns with the Authority's mission by creating sustainable jobs, clean tech and clean energy industry, bringing sustainability to the marketplace and creating an economic impact.

Mr. Wright reviewed a slide presentation and explained that this organization is trying to create sustainability and clean up the environment through sports. This is the first sporting event that has been rated net zero emission by multiple rating agencies, and Formula E is interested in having a race in the Western United States to add to their global circuit.

Mr. Wright then asked the Board Members to consider a \$25,000 grant to be used for a feasibility and economic impact study, in partnership with various other organizations such as the City of Phoenix, Arizona Office of Tourism, the Greater Phoenix Economic Council, etc. The Formula E organization charges £100,000 to come to the Valley to assist in determining where the race can be held. Once the feasibility study is complete, the economics of the race can be determined.

Mr. Wright added this will be an annual race, so there will be an annual economic impact in the State, and the goal is to sign a 10-year contract.

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

MOTION to authorize a grant in the amount of \$25,000 to partially fund a feasibility and economic impact study to bring the Formula E race to Phoenix in 2025, conditioned upon the grant applicant raising the additional \$100,000 from one or more parties. The motion was also conditioned on the grant applicant periodically updating the Authority on the progress of the project.

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

5. PRESENTATION BY AMY SCHWABENLENDER RELATING TO HUMAN SERVICES CAMPUS.

Amy Schwabenlender, CEO of Human Services Campus, was in attendance to give an update on the renovation project of Human Services Campus, partially made possible through a 2021 investment from the Authority. The Authority's funds are being used in the renovation of 1214 West Madison, the Brian Garcia Welcome Center, and Lodestar Day Resource Center.

Ms. Schwabenlender pointed out the sharp increase in unsheltered people, and reviewed the demographics of the unsheltered population.

Ms. Schwabenlender explained the Campus shelters approximately 900 persons every night in four different spaces, with 800-900 additional persons unsheltered in the area around the Campus. During 2022, over 4,000 people were moved into permanent housing.

There was then a lengthy discussion regarding the court-mandated clean up being faced by the City of Phoenix of the area surrounding the Campus and potential solutions.

Messrs. Castro and Bracamonte left at or about 10:43 a.m.

9. PAYMENT OF INVOICES.

This agenda item was taken out of order.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended April 30, 2023.

Mr. Cohn moved to approve payment of the invoices as submitted for the month ended April 30, 2023. Mr. Stawiecki seconded the motion.

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

6. PRESENTATION BY DENISE REZNIK RELATING TO HOME MATTERS TO ARIZONA.

Mr. Cohn reported a conflict on this agenda item, so he did not participate in the discussion.

Denise Reznik was available to present a slide show on the Home Matters to Arizona project.

Ms. Reznik explained that Home Matters is a national organization whose mission is to build awareness and raise funds for more affordable housing and thriving communities across the nation.

Ms. Reznik said the Home Matters organization developed a communications collaborative with numerous organizations so that they could create a campaign for more affordable housing.

Discussion continued.

Mr. Stawiecki left at or about 10:55 a.m.

7. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Ms. LeVinus reported the Arizona Legislature has reached an agreement on a \$17.8 billion budget, which includes approximately \$2 billion in one-time spending for the 2023-2024 fiscal year. Several of the Governor's priorities are included in the budget including \$150 million of one-time spending for the Housing Trust Fund, \$40 million one-time spending for homeless shelters, \$69 million for on-going education funding to increase the baseline funding for education, \$300 million for one-time spending for the Department of Education, and an additional \$183 million of one-time spending for school building renovations. Additional items included in the bill were \$98 million for expanding I-10, \$76 million for expanding I-17, \$100 million for state prisons, including another \$51 million for prisoner healthcare, and \$260 million of one-time spending for a childcare tax credit.

It is unclear at this point whether the Governor will sign the bill.

A new House Member, Julie Willoughby, was selected by the Maricopa County Board of Supervisors, to fill the vacancy of Liz Harris after being voted out by her fellow Legislators. A number of other Legislators are or will be moving to different positions or leaving for personal reasons.

Ms. LeVinus said she expects a final vote very soon on Senate Bill 1718 by both the House and the Senate.

8. FINANCIAL REPORT.

This agenda item was tabled.

10. BUSINESS DEVELOPMENT OFFICER.

This agenda item was tabled.

11. PRESIDENT'S REPORT.

This agenda item was tabled.

12. EXECUTIVE DIRECTOR'S REPORT.

This agenda item was tabled.

13. LEGAL COUNSEL REPORT.

This agenda item was tabled.

14. COMMENTS FROM BOARD MEMBERS.

There were no comments from the Board.

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 adjourned at 11:02 a.m., without objection.


