

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

Date: October 10, 2023, 9:30 a.m.

Place: GoToMeeting - virtually

Presiding: Lisa A. James

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

Absent: Jose Martinez

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Mary Misic

Business Development Officer: Gregg Ghelfi

Attorney: Julie Arvo MacKenzie and Brigitte Finley Green of Squire Patton Boggs and Monika Calamita of IceMiller

Guests: Tim Stratton, Michael Boisvert, Brian Riordan, Terry Warren, Akshai Patel, David Jones, Sheryl Krocek, Paloma Miranda, Scott Riffle, Bill Gehrig and Steve Likes

Ms. James called the Regular Meeting of the Board of Directors to order at 9:32 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON SEPTEMBER 12, 2023.

On motion made by Ms. Burnham and seconded by Mr. Rounds, the minutes of the September 12, 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 \$27,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF ARIZONA CHRISTIAN UNIVERSITY.

Monika Calamita of IceMiller explained the borrower, Arizona Christian University (the "University"), will be using the proceeds of the proposed bonds to further improve their existing facilities which the University purchased in 2019, refund certain outstanding loans to lower their debt service, fund any required reserve funds, pay capitalized interest and pay the cost of issuance relating to the sale of these bonds.

Ms. Calamita introduced Michael Boisvert of Longhouse Capital Advisors, LLC, the financial advisor, and Brian Riordan of Ziegler, underwriter. Tim Stratton of The Stratton Law Firm, PLLC, borrower counsel and bond counsel, was also in attendance.

Mr. Boisvert reported the University's fall census recently confirmed their enrollment is up by 156 students. This bond issue will assist the University with saving money on their debt service and allow the University to put the money they save on debt service back into the University itself.

After further discussion and upon motion made by Ms. Burnham and seconded by Mr. Castro, 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 \$27,000,000 of The Industrial Development Authority of the County of Maricopa Education Facilities Revenue Bonds (Arizona Christian University Project), Series 2023.

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

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$62,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE SUN VALLEY ACADEMY PROJECT, FOR THE BENEFIT OF MORRISON EDUCATION GROUP, INC. AND (B) ADOPTION OF A RESOLUTION APPROVING THE FIRST SUPPLEMENTAL INDENTURE OF TRUST RELATING TO THE AUTHORITY'S EDUCATION REVENUE BONDS (SUN VALLEY ACADEMY PROJECTS), SERIES 2019.

Ms. Finley Green explained this bond request is for the benefit of Morrison Education Group, Inc. ("Morrison"), and she reminded the Board that the Authority issued bonds for Morrison and/or one of its affiliates in 2018 and in 2019.

The current request is in an amount not to exceed \$62 million to refinance the 2019 bonds and issue additional monies to make improvements to their South Mountain Campus, acquire land and build a new facility in Glendale.

Ms. Finley Green then explained that in order to refinance the 2019 bonds with the 2023 bonds, the bondholder representative that controls substantially all of the 2019 bonds will need to approve the First Supplemental Indenture of Trust relating to the 2019 bonds.

Ms. Finley Green introduced Terry Warren of Warren Charter Law, PLC, applicant's counsel, and Akshai Patel of RBC Capital Markets, underwriter.

Ms. Finley Green also noted that Squire Patton Boggs is acting as both the Authority's counsel and bond counsel on this transaction.

After further discussion and upon motion made by Ms. Burnham and seconded by Mr. Stawiecki, 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 \$62,000,000 of The Industrial Development Authority of the County of Maricopa Education Revenue Bonds (Sun Valley Academy Project), Series 2023.

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

Upon motion made by Ms. Burnham and seconded by Mr. Stawiecki, the following was adopted:

RESOLVED to adopt a Resolution in the form presented to the meeting authorizing and approving the execution and delivery of a First Supplemental Indenture of Trust related to The Industrial Development Authority of the County of Maricopa Education Revenue Bonds (Sun Valley Academy Project), Series 2019.

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

4. **REPORT, DISCUSSION AND ACTION AS DETERMINED REGARDING (I) THE SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM SERIES 2023 JOINTLY UNDERTAKEN BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF MARICOPA AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA (THE "PROGRAM"); (II) THE ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$200,000,000 OF BONDS, TO BE ISSUED IN ONE OR MORE SERIES IN FURTHERANCE OF THE PROGRAM; AND (III) AUTHORIZING AND APPROVING THE STANDARDS AND REQUIREMENTS AND GENERAL PLAN RELATING TO THE PROGRAM, AUTHORIZING AND APPROVING THE EXECUTION OF A COOPERATIVE/INTERGOVERNMENTAL**

AGREEMENT RELATING TO THE PROGRAM, AND AUTHORIZING AND APPROVING THE FORM OF AUTHORITY DOCUMENTS (AS DESCRIBED IN THE RESOLUTION PRESENTED AT THE MEETING).

Mr. Ghelfi explained that the proposed single-family mortgage revenue bond program will be issued over time in an amount up to \$200 million. The program will require a contribution from both The Industrial Development Authority of the City of Phoenix, Arizona ("PIDA") and the Authority up to \$7 million.

PIDA's Board of Directors recently approved the program and their potential contribution.

Mr. Ghelfi went through some of the borrower eligibility requirements and income and purchase price limits.

The first tranche of bonds to be issued is expected to be \$30 million.

Mr. Ghelfi explained how the Authority's investment into the program should be recouped over a period of years and the projected return on the investment.

In support of this project were the following persons: David Jones of CSG Advisors, Steve Likes of Kutak Rock, Sheryl Krocek and Paloma Miranda of eHousing, and Scott Riffle of Stifel.

Mr. Bracamonte left the meeting at 10:09 a.m.

A lengthy discussion ensued.

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

RESOLVED to adopt a Resolution in the form presented to the meeting (i) authorizing the issuance and sale of not to exceed \$200,000,000 Single Family Mortgage Revenue Bonds (the "Bonds") to fund the Series 2023 Single Family Mortgage Revenue Bond Program jointly undertaken by The Industrial Development Authority of the County of Maricopa and The Industrial Development Authority of the City of Phoenix, Arizona (the "Program"); (ii) authorizing and approving the Standards and Requirements and General Plan relating to the Bonds and the Program, (iii) authorizing and approving the execution of a Cooperative/Intergovernmental Agreement relating to the Bonds and the Program, and (iv) authorizing and approving the form of Authority documents referenced in the resolution.

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

5. FINANCIAL REPORT.

Ms. Scharbach referred to the financial statements included in the Board packages for the month ended September 30, 2023, and briefly reviewed the same. Ms. Scharbach noted that although the Authority's net position is still very healthy, she is hopeful the new mortgage revenue bond program just approved by the Board will help with the Authority's operating income which has been down over the past year due to the slow down of the Home in Five Advantage Program.

6. PAYMENT OF INVOICES, AND ACTION AS DETERMINED.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended September 30, 2023, and requested approval by the Board.

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

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

7. BUSINESS DEVELOPMENT OFFICER.

Mr. Ghelfi announced he would be leaving the Authority for a position with the Arizona Finance Authority. Mr. Ghelfi thanked the Board, staff, legal counsel, and Ms. Scharbach for the opportunity he had working with the Authority.

8. PRESIDENT'S REPORT.

Ms. James said she has been having discussions with Ms. Scharbach regarding filling Mr. Ghelfi's position and future grant cycles.

9. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach said she is excited about the new single family mortgage revenue bond program and thanked everyone involved in creating the program.

Ms. Scharbach noted the Board Members should have recently received an invitation to the Valleywise Health Medical Center's ribbon cutting ceremony for their newly opened simulation center. She reminded the Board that the simulation center was made possible partly with a grant from the Authority. Ms. Scharbach encouraged the Board Members to attend the ribbon cutting ceremony.

10. LEGAL COUNSEL REPORT.

Ms. Arvo MacKenzie explained the Home in Five "Advantage" Program's mortgage rate is determined daily by the market. With the rise in interest rates, the program has not been very successful recently.

The new mortgage revenue bond program (or the Home in Five “Platinum” Program) will have a mortgage interest rate which will be set in November. Those interest rates will remain the same until the first tranche of bonds are used.

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 10:42 a.m., without objection.


