

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

Date: April 9, 2024, 9:30 a.m.

Place: GoToMeeting – virtually and
Creighton University Health Sciences Campus – Phoenix
3100 North Central Avenue, Room 702C
Phoenix, Arizona 85012

Presiding: Lisa A. James

Present: Lisa A. James, Andrew M. Cohn, Rebecca Burnham, Vanessa Valenzuela Erickson, Leah Landrum Taylor, Freddie Bracamonte, and Jose Martinez

Absent: Ronald J. Castro, Jr. and Jeremey Stawiecki

Executive Director: Shelby L. Scharbach

Administrators: Janis L. Larson and Mary Misic

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

Guests: Courtney LeVinus, James Kordon, Charles Sands, Lisa Bullington, Charles Lotzar, David Wallace, Griffin Hitzel, and Andrew Hunt

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 MARCH 12, 2024.

On motion made by Ms. Valenzuela Erickson and seconded by Ms. Landrum Taylor, the minutes of the March 12, 2024, 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 \$5,000,000 OF THE AUTHORITY'S EDUCATIONAL FACILITIES REVENUE REFUNDING BONDS FOR THE BENEFIT OF CAMELBACK COMMUNITY CHURCH.

Ms. Arvo MacKenzie introduced James Kordon and Charles Sands who were in attendance in support of the project.

Ms. Arvo MacKenzie explained the project is a refinance of bonds issued by the Authority in 2017. Camelback Community Church will be the sole borrower for the 2024 financing and Camelback Academy will continue to be the tenant of the educational facility located at 7634 West Camelback Road, Phoenix, Arizona.

Mr. Sands reported the bonds will be privately placed with the Arizona Bank & Trust.

After further discussion and upon motion made by Ms. Burnham and seconded by Ms. Valenzuela Erickson, 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 \$5,000,000 The Industrial Development Authority of the County of Maricopa Education Revenue Refunding Bonds (Camelback Community Church Educational Facilities Project), Series 2024.

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

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$59,000,000 OF THE AUTHORITY'S MULTIFAMILY HOUSING REVENUE BONDS FOR THE BENEFIT OF JESSE OWENS PARKWAY APARTMENTS, LLC.

Ms. Arvo MacKenzie introduced Charles Lotzar, Griffin Hitzel, David Wallace and Andrew Hunt, all in attendance in support of the Jesse Owens Parkway Apartments project.

Ms. Arvo MacKenzie explained that the applicant is requesting preliminary approval in order to apply for volume cap through the Arizona Finance Authority.

Ms. Arvo MacKenzie reported the project to be financed will be a 236-unit apartment complex to be known as the Jesse Owens Parkway Apartments and will be located at 139 E Jesse Owens Parkway, Phoenix, Arizona.

Mr. Lotzar responded to questions from the Board.

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

RESOLVED to adopt the Resolution in the form presented to the meeting preliminarily authorizing and approving the issuance of not to exceed

\$59,000,000 of The Industrial Development Authority of the County of Maricopa Multifamily Housing Revenue Bonds (Jesse Owens Parkway Apartments Project), Series 2024.

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

4. LEGISLATIVE REPORT, DISCUSSION AND ACTION AS DETERMINED.

Courtney LeVinus reported the Legislature is currently on spring break and is waiting for the Joint Legislative Budget Committee to come out with the April revenue numbers.

The Selina Bliss Bill, which reduced the population threshold for preapproval through the Arizona Department of Housing for tax-exempt revenue bonds, did not make it through the Senate.

Ms. LeVinus also discussed the vacant seats currently in the Arizona Legislature.

Jose Martinez left the meeting at 10:00 a.m.

5. FINANCIAL REPORT.

Ms. Scharbach referred to the financial statements included in the Board packages for the month ended March 31, 2024, and reviewed the same.

6. PAYMENT OF INVOICES, AND ACTION AS DETERMINED.

Ms. Scharbach referred to the invoices previously distributed to the Board Members for the month ended March 31, 2024, and requested approval by the Board.

Ms. Burnham moved to approve payment of the invoices as submitted for the month ended March 31, 2024. Ms. Landrum Taylor seconded the motion.

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

7. DISCUSSION REGARDING THE AUTHORITY'S PROGRAMS AND FINANCIAL REVIEW.

Ms. Scharbach explained that the Authority was formed over 50 years ago by State statute to serve as a conduit bond issuer. Since it was established in 1973, the Authority has issued over \$12 billion of tax-exempt and taxable bonds.

Ms. Scharbach reminded the Board Members of the Authority's mission statement to create and maintain jobs within Maricopa County and assist residents of the County to achieve a better standard of living and way of life.

Ms. Scharbach reviewed the Authority's history of income and community investments.

Ms. Scharbach explained that the majority of the Authority's historical income was gained from two different sources: fees charged to bond users (application fees and annual administrative fees) and income from homeownership programs.

The Home in Five "Advantage" program, made possible through a partnership with The Industrial Development Authority of the City of Phoenix, Arizona (the "Phoenix IDA"), originally started in 2012. That program was very successful and generated over \$24 million of income. However, with the rise of interest rates in the market, mortgage originations slowed down in the Home in Five Advantage program, and, thus, the revenue stream slowed down. The program is still available, but very few loans are being generated through this program.

In an effort to restore the Authority's homeownership program, in late 2023, the Authority approved the issuance of \$200 million of mortgage revenue bonds ("MRBs") and committed a \$7 million investment to the Home in Five "Platinum" program. The program provides below-market mortgage rates to homebuyers, along with 4% down payment assistance.

The \$7 million commitment will eventually be returned to the Authority; however, it will be at a slow pace over a number of years.

Andrew Cohn left the meeting at 10:31 a.m.

Ms. Scharbach reported the Authority has a long history of issuing MRBs and has issued them jointly with Phoenix IDA since 2000. However, because of market conditions, from 2007 until 2023, there were no MRBs issued.

There was a discussion regarding marketing tools for the MRB program. Ms. Scharbach suggested the Authority request a meeting with representatives of the Phoenix IDA's marketing team to receive updates on their marketing efforts.

Freddie Bracamonte left the meeting at 11:00 a.m.

Ms. Scharbach explained that the Authority's cash reserves prior to 2012, along with bond user fees and income from the Home in Five Advantage Program afforded the Authority the opportunity to provide approximately \$46,000,000 of community investments throughout Maricopa County.

Vanessa Valenzuela Erickson left the meeting at 11:10 a.m.

Leah Landrum Taylor left the meeting at 11:20 a.m.

Ms. James noted the amount of down payment assistance to homebuyers that has gone out through the Home in Five Advantage program and the MRB programs is a significant contribution to add to the \$46 million of community investments previously discussed and is a wonderful addition to the Authority's "story."

Ms. James requested additional information on the amount of down payment assistance the Authority has contributed through the various programs.

8. PRESIDENT'S REPORT.

Ms. James reported she had attended the grand opening of the Valleywise Health Foundation's medical center on April 5, 2024.

9. EXECUTIVE DIRECTOR'S REPORT.

There was no Executive Director's report.

10. LEGAL COUNSEL REPORT.

There was no legal counsel 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, the Regular Meeting adjourned at 11:30 a.m.


