

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF MARICOPA**

PROCEDURAL POLICIES AND BOND FINANCING APPLICATION GUIDELINES

Dated: November 4, 2024

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF MARICOPA**

PROCEDURAL POLICIES AND BOND FINANCING APPLICATION GUIDELINES

Updated as of November 4, 2024¹

1. Introduction and Legislative Intent

The Industrial Development Authority of the County of Maricopa (“Authority”) is a nonprofit corporation, organized under the provisions of Title 35, Chapter 5, Arizona Revised Statutes, as amended, which has been designated a political subdivision of the State of Arizona (“State”). The Authority’s governing body is the Maricopa County Board of Supervisors (“Board of Supervisors”), which approved the formation of the Authority.

The Authority is authorized to issue revenue bonds, the proceeds of which are loaned to qualified entities to finance a project as such is defined in A.R.S. §35-701 (“Project”).

The Authority is a conduit issuer and does not provide its own money to Applicants, but rather offers a way for private borrowers to receive the benefits of tax-exempt bond financing.

An Applicant should note that principal and interest on the bonds issued by the Authority will be paid entirely from revenues generated by the Applicant or the Project. Bonds issued by the Authority will not be or become a general obligation or liability of either the Authority or Maricopa County.

These Procedural Policies and Bond Financing Application Guidelines (“Procedural Policies”) establish the guidelines that are to be followed in applying to the Authority for the issuance of its bonds. By filing an application with the Authority, the Applicant will be deemed to know, understand and accept the Authority’s Procedural Policies.

2. Policy Statement

The Authority is governed by a volunteer Board of Directors (“Board”), appointed by the Board of Supervisors. The Board is committed to assisting Applicants with tax-exempt bond financing for qualifying Projects, which means lower interest rates that reduce overall borrowing costs.

The Authority intends that funds from administrative fees charged by the Authority will be expended to cover its operating expenses and fulfill the Authority’s Mission Statement:

“To create and maintain jobs within Maricopa County and to achieve a better standard of living and way of life.”

3. Financing Procedures

A. **Application and Fee.** The process for the approval of bonds begins with the Applicant submitting a full and complete Bond Financing Application, together with a \$3,000

¹ These Procedural Policies and Bond Financing Application Guidelines supersede all prior procedures and guidelines of the Authority.

application fee (see [MCIDA | Bond Financing Fee Schedule](#)). The form of Bond Financing Application is posted on the website (see [MCIDA | Application for Bond Financing](#)).

B. **Preliminary Approval.** If requested, the Board will consider granting preliminary approval for financing of a Project (ex: private activity bonds requiring Volume Cap allocation). The Bond Financing Application should be filed with the Authority at least one week prior to the Board meeting at which the preliminary approval will be considered.

C. **Final Approval.** Except for Project financings requesting preliminary approval, consideration by the Board to grant final approval and adopt an authorizing resolution for the issuance of the bonds occurs during a single meeting. The Applicant should contact the Authority's Administrator and/or General Counsel to discuss the Board's meeting dates and timelines for submission of the Bond Financing Application, final approval resolution, and related bond documents.

D. **Board Meetings.** With a few exceptions, Board meetings are held the second Tuesday of the month at 9:30 a.m. The schedule of annual meetings can be found at: <https://mcida.com/about-us/public-meetings/> . Representatives of the Applicant should plan on attending the Board meeting to discuss the Project and answer any questions by the Board concerning the Project and the issuance of the bonds, including information contained in the Applicant's financial statements.

E. **Public Meeting.** The Authority is a public body, and all meetings and proceedings of the Board are required by law to be duly noticed and open to the public pursuant to A.R.S. §35-431 et. seq. The documents and records of the Applicant filed with the Authority will be available for inspection and copying by the public upon a request made pursuant to law. By submitting a Bond Financing Application, the Applicant acknowledges and agrees that any information delivered to the Authority by or on behalf of the Applicant is not privileged and may be disclosed to the public.

F. **Approval of Board of Supervisors.** The Authority is required by law to obtain the approval from the Board of Supervisors before its bonds may be issued. The Board of Supervisors normally meets twice a month. The Board of Supervisors' annual meeting schedule can be found at: <https://www.maricopa.gov/324/Board-of-Supervisors-Meeting-Information>. The Authority will arrange to have the bond issue added to the agenda of the Board of Supervisors' next meeting following the Authority's final approval of the issuance of its bonds.

G. **Notice to the Attorney General.** The Authority is required to deliver a written description of the Project to be financed by bonds to the Arizona Attorney General, who is given 10 days to determine whether the Project qualifies under the Authority's enabling legislation.

H. **TEFRA Hearing.** For certain types of bonds, Section 147(f) of the Internal Revenue Code requires that a public hearing (generally known as a TEFRA hearing) be held to allow interested parties to express views on the proposed financing. Bond Counsel should coordinate with the Authority's counsel regarding publication/posting of the public notice and conducting the TEFRA hearing.

I. **Arizona Corporation Commission Filing Requirement.** A "notice of proposed offering" may be required to be filed with the Arizona Corporation Commission, Securities Division, in connection with issues of the Authority offered for public sale by means of an official statement and not specifically exempt pursuant to A.R.S. §44-1843.01. The filing of the "notice of proposed offering" in Arizona or complying with the registration requirements of

other states shall be the joint responsibility of the Applicant and the underwriter or placement agent.

J. **Allocation of Private Activity Bonding**. The Applicant or Bond Counsel shall be responsible for obtaining any required allocation of Volume Cap for the Project financing under A.R.S. §35-901 et.seq.

K. **Agency Approvals**. In connection with any request or proceeding for the issuance of bonds by the Authority or for approval of a Project, any steps or actions need to be taken to obtain consents, approvals or permits from the Arizona Department of Housing or any other Agency or Department of the State of Arizona shall be the responsibility of the Applicant.

L. **Post-Issuance Compliance Procedures**. Applicant will be required to adopt the Authority's Post-Issuance Compliance Procedures.

4. Reservation of Rights

Until bonds are issued, the Authority reserves the right to: (i) receive such consents, legal opinions, certificates, documents and other proceedings in connection with the bonds as are necessary and advisable to evidence compliance with the Procedural Policies and applicable federal and state laws; and (ii) require corrections, deletions, changes, additions or amendments to any legal proceedings, bond document, agreement, or disclosure or offering documents to the satisfaction of the Authority's counsel.

5. Private Placements – Public Offerings

If the bonds are to be publicly offered, they must obtain an investment grade rating from a nationally recognized rating agency. If such a rating is not obtained, (a) the offer and sale of the bonds must be limited to "accredited investors" or "qualified institutional buyers" as those terms are defined in applicable federal securities laws, (b) any subsequent transfer of the bonds must be similarly restricted, and (c) the Authority must receive investment letters from the initial purchasers (or the equivalent representations from the underwriter) in form and substance satisfactory to the Authority's counsel.

For private placements and non-investment grade rated public offerings, the initial purchasers must waive due diligence on the part of the Authority and its Board and must rely solely on statements and representations of the Applicant and bond purchaser's own investigation of the facts and circumstances relating to the financing. Bond purchaser must waive any claims it may have against the Authority, its Board members, the members of the Board of Supervisors and Maricopa County regarding the authorization, issuance or sale of the bonds or in any statement or representation regarding the bonds.

6. Official Statements or Other Offering Documents

On or prior to closing, the Applicant shall deliver an opinion or opinions, addressed and in form acceptable to the Authority, to the effect that any offering materials distributed in connection with the offer and sale of the bonds are correct and complete in all material respects, and do not contain any untrue statements of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

7. Special Limited Obligations

The Authority's bonds are payable solely from the property held and receipts and revenues received by or on behalf of the Authority pursuant to the bond financing documents,

including any trust indenture or financing agreement. Nothing contained in the approving resolution(s), bond documents, or any other agreement, certificate, document, or instrument executed in connection with the issuance of any of the bonds shall be construed as obligating the Authority (except as a special limited obligation to the extent provided in such documents or instruments) or obligating Maricopa County, or the State to pay the principal of or premium, if any, or interest on the bonds, or as incurring a charge upon the general credit of the Authority, Maricopa County or the State, nor shall the breach of any agreement contemplated by any resolution, the bond documents, or any other instrument or agreements executed in connection therewith impose any charge upon the general credit of the Authority, Maricopa County or the State. The Authority has no taxing power.

8. Closing

A. **Closing.** All costs of closing will be borne by the Applicant or paid from bond proceeds.

B. **Bond Opinions.** The selection of Bond Counsel and the other financing team members is at the discretion of the Applicant. In addition to the usual contents relating to the validity, enforceability, and tax-exempt status of the bonds, the final opinion of Bond Counsel shall state that no filing or registration of the bonds, the underlying security (including any Guaranty) or the trust indenture is required by the 1933 Act, the 1934 Act or the 1939 Act or the Arizona Blue Sky Law (or if such filing or registration is required, it has been done in full accordance with the referenced act or acts). The final opinions of Bond Counsel, Applicant's Counsel and any other opinion rendered in connection with the issuance of the bonds must be addressed to the Authority.

C. **Indemnification.** The proceedings for the issuance of bonds by the Authority must contain an indemnification provision binding on the Applicant, as the borrower of bond proceeds, and any guarantor, in form and content acceptable to the Authority's counsel, indemnifying the Authority, its past, present and future directors, officers, staff, counsel, advisors and agents and Maricopa County, its past, present and future members of the Board of Supervisors and its employees and agents, individually and collectively, from any liability arising from or related to the bond issuance.

9. Fees

A. **Fee Schedule.** The \$3,000 application fee is nonrefundable and must be paid at the time a Bond Financing Application is submitted. As a condition to the issuance of bonds, an Applicant must agree to pay either (i) a one-time, upfront fee at closing or (ii) an annual administrative fee to the Authority during the period the bonds are outstanding in accordance with the Authority's fee schedule published on the Authority's website. Additional fees are set forth on the fee schedule.

B. **Other Fees and Costs.** By submitting a Bond Financing Application the Applicant agrees to pay all costs and expenses related to the issuance of the bonds and incurred by the Authority, its Board, staff, advisors, counsel and agents, regardless of whether the bonds are issued or sold. The Board may, at the expense of an Applicant, refer the Bond Financing Application to a financial advisor or other advisors as it deems necessary for review. Following bond issuance, multifamily projects generally require quarterly compliance reports and annual reviews at Applicant's expense.

10. Miscellaneous

A. **Procedural Policies.** These Procedural Policies will be considered to set forth minimum requirements and the Authority reserves the right to add additional requirements on a case-by-case basis. The Authority may amend these Procedural Policies at any time. The Authority may, in its sole discretion, waive any requirement set forth herein.

B. **Communication with the Authority.** Applicant may discuss the proposed financing with the Authority's Executive Director, General Counsel, and Administrator. An Applicant shall not initiate contact with individual members of the Board for purposes of soliciting support for or discussing its application without the prior approval of the Executive Director or the Authority's General Counsel. All correspondence and submissions to the Authority should be sent to:

The Industrial Development Authority
of the County of Maricopa
8687 E. Via De Ventura, Suite 306
Scottsdale, AZ 85258
Attn: General Counsel
Email: Julie@mcida.com
Ph. (602) 834-5226 x4

With a copy to the Authority's Administrator:

The Industrial Development Authority
of the County of Maricopa
8687 Via De Ventura, Suite 306
Scottsdale, AZ 85258
Attn: Administrator
Email: Adriana@mcida.com
Ph. (602) 834-5226

C. **Conflict of Interest.** The Authority and its Board members are subject to Arizona's Conflict of Interest Law (A.R.S. § 38-501, et seq.) and notice of A.R.S. § 38-511 must be included in every contract to which the Authority is a party. An Applicant should take every precaution available to learn of and disclose any possible conflict between itself and Board members or officers or employees of the Authority or any "relative" (as defined in the Conflict of Interest Law) of any of the foregoing which might prohibit the Authority from completing the financing.