

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

Date: April 8, 2025, 9:30 a.m.

Place: GoToMeeting – virtually

Presiding: Rebecca Burnham

Present: Rebecca Burnham, Lisa A. James, Ronald J. Castro, Jr., Jeremy Stawiecki, Vanessa Valenzuela Erickson, Jeffrey A. Schwartz, Freddie Bracamonte and Leah Landrum Taylor

Absent: Jose Martinez

Executive Director: Shelby Scharbach

General Counsel: Julie Arvo MacKenzie

Special Counsel: Brigitte Finley Green of Squire Patton Boggs

Administrators: Mary Misic, Adriana Taylor and Stephanie Sheard

Guests: Courtney LeVinus along with various others listed under each respective bond project.

Ms. Burnham called the Regular Meeting of the Board of Directors to order at 9:31 a.m., noting the presence of a quorum.

1. APPROVAL OF MINUTES OF THE REGULAR MEETING OF THE BOARD HELD ON MARCH 11, 2025.

On motion made by Ms. Valenzuela Erickson and seconded by Mr. Schwartz, the minutes of the March 11, 2025, Regular Meeting were approved as written.

The motion passed unanimously (5-0).

Ms. Landrum Taylor joined the meeting at 9:32 a.m.

Ms. James joined the meeting at 9:33 a.m.

2. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$150,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF LEGACY TRADITIONAL SCHOOL - CHANDLER.

The following people were present in support of this agenda item: Ingmar Berg of Legacy Traditional Schools; Jim Blandford of Robert W. Baird & Co.; Terry Warren of Warren Charter Law, PLC; and Brigitte Finley Green of Squire Patton Boggs (US) LLP.

Ms. Arvo MacKenzie informed the Board that they received a bond application, a summary memo, and a resolution for this agenda item. She further informed the Board that if approved, this item would be submitted for approval to the Maricopa County Board of Supervisors on April 23, 2025.

Ms. Arvo MacKenzie noted that she had reviewed the draft bond documents and confirmed they were in substantially final form. She then opened the floor for discussion.

Mr. Berg described the proposed projects, including Legacy's potential refinancing and improvements to its out-of-state charter school facilities. He added that if interest rates rise, the refinancing portion of the project may not move forward.

Madam President Burnham inquired on how long the Authority's bond authorization is valid and also inquired on the implications of Legacy not using the total amount requested.

Mr. Berg clarified that Legacy may choose not to use the refinancing portion of the requested bond amount if interest rates increase.

Ms. Arvo MacKenzie mentioned that while the Authority's bond authorizations do not have specific expiration dates, they would go stale after about a year.

Ms. Finley Green further clarified that if Legacy decides not to proceed with the refinancing portion of the project this year, it would be removed from the bond documents, and the total bond amount would be adjusted accordingly. Any subsequent refinancing will require separate Board approval.

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

RESOLVED to adopt the final approval Resolution in the form presented to the meeting authorizing and approving the issuance of not to exceed \$150,000,000 of its Education Revenue Bonds and/or Education Revenue Refunding Bonds (Legacy Traditional Schools Projects), Series 2025.

The motion passed unanimously (7-0).

Mr. Castro joined the meeting at 9:37 a.m.

3. DISCUSSION AND ACTION AS DETERMINED REGARDING THE ADOPTION OF A RESOLUTION GRANTING FINAL APPROVAL FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$10,000,000 OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF PARAGON MANAGEMENT, INC., DBA PARADISE SCHOOLS.

The following people were present in support of this agenda item: Darcy Weisner and David Friedman of Paradise Schools; Terry Warren of Warren Charter Law, PLC; and Brigitte Finley Green of Squire Patton Boggs (US) LLP.

Ms. Arvo MacKenzie informed the Board that they received a bond application, a summary memo, and a resolution for this agenda item. She further informed the Board that if approved, this item would be submitted for approval to the Maricopa County Board of Supervisors on April 23, 2025.

Ms. Arvo MacKenzie noted that she had reviewed the draft bond documents and confirmed they were in substantially final form. She then opened the floor for discussion.

Mr. Wisner provided background and historical context on Paradise Schools. He further explained that the bond proceeds will support renovations and improvements to the charter school facilities, with a focus on enhancing safety features and modernizing the campuses.

Mr. Castro asked whether the recent dismantling of the U.S. Department of Education would have any impact on Paradise Schools' financials. Mr. Friedman assured the Board that the impact on Paradise Schools would be minimal.

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

RESOLVED to adopt the final approval Resolution in the form presented to the meeting authorizing and approving the issuance of not to exceed \$10,000,000 of its Charter School Revenue Bonds (Paradise Schools Projects), Series 2025.

The motion passed unanimously (8-0).

4. LEGISLATIVE REPORT.

Ms. LeVinus provided an update on ongoing discussions related to the legislative budget. The first topic addressed was the continuation of the Arizona Department of Housing. One legislative proposal would extend the department for one year, while State Representative Dunn is advocating for an extension through 2029. Ms. LeVinus expressed her belief that the final decision will likely fall somewhere in between. The second topic focused on the

Low-Income Housing Tax Credit program. Ms. LeVinus noted that the Governor will need to strongly advocate for the program to be included in the State's budget.

Additionally, one area of concern is that the Division of Developmental Disabilities is currently facing a budget shortfall. One proposed solution involves reallocating funds from the Housing Trust Fund. However, Ms. LeVinus pointed out that the Housing Trust Fund itself lacks sufficient resources at this time.

5. FINANCIAL REPORT.

Ms. Scharbach referred to the financial statements for the period ended March 31, 2025, and reviewed the same.

Ms. Scharbach reported on the Authority's net position and provided an update on the Authority's grants payable balance, specifically regarding the Key Campus grant designated for capital improvements.

Ms. Scharbach reported on the Authority's operating revenues and pointed out that the trend for administrative fees is now to pay a one-time upfront fee, rather than semi-annual payments over the life of the bonds.

Ms. Scharbach reported on the Authority's operating expenses, noting that March expenses were higher than February's due to the cost of issuance related to the Home in Five Platinum Program. She added that, aside from the cost of issuance, the Authority's operating expenses are tracking well.

Mr. Castro remarked that the Authority has undergone significant transition over the past few years, and he is pleased to see it has successfully pivoted and is once again generating income. He noted that this is a testament to Ms. Scharbach and the staff for their efforts in keeping the Authority relevant and moving forward.

6. PAYMENT OF INVOICES, AND ACTION AS DETERMINED.

Ms. Burnham referred to invoices previously distributed to the Board Members for the month ended March 31, 2025, and requested approval by the Board.

Mr. Castro moved to approve payment of the invoices submitted for the month ended March 31, 2025. Mr. Stawiecki seconded the motion.

The motion passed unanimously (8-0).

7. PRESIDENT'S REPORT.

Madam President Burnham shared that the Board will be honoring the memory of Ms. Scharbach's mother, a military veteran, with a personalized memorial flag display.

Ms. Scharbach expressed her deepest appreciation to the Board for the thoughtful tribute honoring her mother's service and memory.

Turning to other matters, Madam President Burnham reported on an article that was circulated to the Board regarding the Sustainable Home Improvement Loans of Arizona (SHILA), to which the Board recently awarded a grant. She also expressed that the article made her feel confident about the grant decision and proud of the Board's support for the SHILA program.

Ms. Landrum Taylor added that the article strongly reflects the essence of what the Board stands for and encouraged the Authority to forward similar articles in the future.

8. EXECUTIVE DIRECTOR'S REPORT.

Ms. Scharbach reminded the Board about the Arizona Autism Charter Schools' Annual Dance for Autism Gala, noting that a few seats remain available at the Authority's table. She encouraged those interested in attending to reach out to Ms. Taylor.

Mr. Castro inquired about Pipeline AZ, specifically asking about the status of one of the funding contingencies, which required the Authority to have a governance representative.

Ms. Scharbach informed the Board that Ms. Arvo MacKenzie is currently a member of Pipeline AZ's board of directors.

Ms. Arvo MacKenzie, who was appointed Governance Chair, reported that Pipeline AZ is currently expanding its Board, enhancing its brand, and diversifying its revenue streams.

9. LEGAL COUNSEL REPORT.

Ms. Arvo MacKenzie reported that the Authority and the Phoenix IDA issued \$100,000,000 (2025A) of bonds relating to the Home in Five Platinum program on March 26, 2025. Adding that the Authorities are now currently working on a second series (2025B) which is scheduled to close in May 2025.

Ms. Arvo MacKenzie also reported that the Authority is working with 3rd party vendors on computer security and website functionality.

10. COMMENTS FROM BOARD MEMBERS.

No Board members commented.

11. 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 10:05 a.m.


