

Meeting Minutes

**ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING**

Location:

In-Person Meeting at
Sonesta Suites Scottsdale Gainey Ranch
7300 East Gainey Suites Drive, Scottsdale, Arizona 85258
In the Gainey Room B/C

Date and Time:

Thursday, October 20, 2022
3:00 p.m.

Board Members Present (Appearing In Person):

Ken Burns

Board Members Present (Appearing Telephonically):

Gary Naquin
Jim Keeley
Paulina Vazquez Morris
Lea Márquez Peterson

Board Members Absent:

None

Executive Director Present (In Person):

Dirk Swift

Meeting Facilitator:

Keela Seelandt – Kutak Rock LLP

Presenters:

Mr. Eric Grodahl, DBG Properties LLC
Mr. Kuhl Brown, Mercy Housing Mountain Plains
Mr. Rodrigo Dorador Madrigal, Dominion, Inc.
Ms. Natalia Chavez, Dominion, Inc.
Ms. Kelly McGuire, Kutak Rock LLP
Mr. Dick Ward, Colliers International
Ms. Lindsay Matovich, PCS Properties Foundation, Inc.
Ms. Jane Martinez Dowling, KIPP NYC
Mr. Michael Harling, Municipal Capital Markets Group
Mr. Dirk Swift, AZIDA Executive Director

Actions:

1. **Call to Order:**

The meeting was called to order by Gary Naquin, President of the Board of the Arizona Industrial Development Authority (AZIDA) at 3:00 p.m. Participating in person was Ken Burns. Participating via telephone were Gary Naquin, Jim Keeley, Lea Márquez Peterson and Paulina Vazquez Morris. No board members were absent. A quorum was declared present.

2. **Adoption of Minutes of the September 15, 2022 and September 27, 2022 AZIDA Board Meetings**

Board member **Paulina Vazquez Morris** moved to adopt the minutes of the September 15, 2022 and September 27, 2022 AZIDA Board Meetings. Board member **Lea Márquez Peterson** seconded the motion.

The Board Members were individually polled – Jim Keeley (yes), Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 5-0 the motion passed.

3. **Agenda Items Considered:**

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-42 – Granting preliminary approval of not-to-exceed \$55,000,000 of multifamily housing revenue bonds, notes, or other obligations to be issued in one or more tax exempt and/or taxable series to finance a qualified residential rental facility for general occupancy to be located in Maricopa, Arizona and expected to be known as Overland Flats Apartments, for the benefit of a tax credit limited liability company or partnership to be formed by DBG Properties LLC.

and

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-43 – Granting preliminary approval of not-to-exceed \$55,000,000 of multifamily housing revenue bonds, notes, or other obligations to be issued in one or more tax exempt and/or taxable series to finance a qualified residential rental facility for senior occupancy to be located in Maricopa, Arizona and expected to be known as Waterman Senior Apartments, for the benefit of a tax credit limited liability company or partnership to be formed by DBG Properties LLC.

It was decided the agenda items considering Resolutions 2022-42 and 2022-43 would be considered together since the developments were “sister” projects.

Eric Grodahl, DBG Properties LLC, gave a summary of the projects and offered to entertain questions from the Board.

Board member **Lea Márquez Peterson** then motioned to approve Resolution Nos. 2022-42 and 2022-43 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Jim Keeley (yes), Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 5-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-44 – Authorizing an increase of the not-to-exceed-aggregate principal amount of multifamily housing revenue bonds, notes or other obligations to be issued to finance a qualified residential rental facility for senior occupancy to be located in Glendale, Arizona, in one or more tax exempt and/or taxable series for the benefit of Mercy Housing Mountain Plains to \$29,000,000, and granting an extension of preliminary approval.

Kuhl Brown, Mercy Housing Mountain Plains, gave a summary of the requested increase and extension and offered to entertain questions from the Board.

Board member **Jim Keeley** motioned to approve Resolution No. 2022-44 as presented. Board member **Ken Burns** seconded the motion.

The Board Members were individually polled – Jim Keeley (yes), Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 5-0 the motion passed.

Before the next agenda items were discussed, Board member Jim Keeley requested to make a statement for the record:

Board member Jim Keeley asked that the record reflect that he is a partner with Colliers International’s Scottsdale Office and may have a conflict of interest with respect to agenda items 5 through 15 (consisting of Resolution Nos. 2022-45 through and including 2022-55) as a member of the financing teams for those transactions are also employed by Colliers International. He excused himself from the meeting during the discussion and vote on these matters.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-45 – Authorizing an increase of the not-to-exceed-aggregate principal amount of multifamily housing revenue bonds, notes or other obligations, to be issued to assist in the financing of a qualified residential rental facility to be located in Glendale, Arizona, in one or more tax-exempt and/or taxable series for the benefit of Glendale Leased Housing Associates I, LLLP, to \$88,000,000, and granting an extension of preliminary approval.

and

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-46 – Authorizing an increase of the not-to-exceed-aggregate principal amount of multifamily housing revenue bonds, notes or other obligations to assist in the financing of a qualified residential rental facility for senior occupancy to be located in Glendale, Arizona, to be issued in one or more tax-exempt and/or taxable series, for the benefit of Glendale Leased Housing Associates II, LLLP, to \$48,000,000, and granting an extension of preliminary approval.

It was decided the agenda items considering Resolutions 2022-45 and 2022-46 would be considered together since the developments were “sister” projects.

Rodrigo Dorador Madrigal, Dominion, Inc., provided details of the request for increase and extension and offered to entertain questions from the Board.

Board member **Ken Burns** then motioned to approve Resolution Nos. 2022-45 and 2022-46 as presented. Board member **Lea Márquez Peterson** seconded the motion.

The Board Members were individually polled – Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-47 – Authorizing an increase of the not-to-exceed-aggregate principal amount of multifamily housing revenue bonds, notes or other obligations to assist in the financing of a qualified residential rental facility to be located in Surprise, Arizona, to be issued in one or more tax-exempt and/or taxable series, for the benefit of Surprise Leased Housing Associates I, LLLP, to \$88,000,000, and granting an extension of preliminary approval.

and

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-48 – Authorizing an increase of the not-to-exceed-aggregate principal amount of multifamily housing revenue bonds, notes or other obligations to assist in the financing of a qualified residential rental facility for senior occupancy to be located in Surprise, Arizona, to be issued in one or more tax-exempt and/or taxable series, for the benefit of Surprise Leased Housing Associates II, LLLP to \$46,000,000, and granting an extension of preliminary approval.

It was decided the agenda items considering Resolutions 2022-47 and 2022-48 would be considered together since the developments were “sister” projects.

Natalia Chavez, Dominion, Inc., gave a summary of the requested increase and extension and offered to entertain questions from the Board. Board member Gary Naquin asked whether Ms. Chavez has noted a curtailment of commodity, to which she responded there has been some coming down of pricing, but rising interest rates are still an overall factor.

Board member **Paulina Vazquez Morris** then motioned to approve Resolution Nos. 2022-47 and 2022-48 as presented. Board member **Ken Burns** seconded the motion.

The Board Members were individually polled – Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-49 – Authorizing an increase of the not-to-exceed amount related to the preliminary approval of multifamily housing revenue bonds, notes or other obligations to finance a qualified residential rental facility to be located in Goodyear, Arizona, to be issued in one or more tax-exempt and/or taxable series, for the benefit of Goodyear Leased Housing Associates I, Limited Partnership to a principal amount of not-to-exceed \$89,000,000, and granting an extension of preliminary approval.

and

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-50 – Authorizing an increase of the not-to-exceed amount related to the preliminary approval of multifamily housing revenue bonds, notes or other obligations to finance a qualified residential rental facility for senior occupancy to be located in Goodyear, Arizona, to be issued in one or more tax-exempt and/or taxable series, for the benefit of Goodyear Leased Housing Associates II, Limited Partnership, to a principal amount of not-to-exceed \$55,000,000, and granting an extension of preliminary approval.

It was decided the agenda items considering Resolutions 2022-49 and 2022-50 would be considered together since the developments were “sister” projects.

Evan Holmes, Dominion, Inc., gave a summary of the requested increase and extension and offered to entertain questions from the Board.

Board member **Ken Burns** then motioned to approve Resolution Nos. 2022-49 and 2022-50 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-51 – Granting an extension of preliminary approval of not-to-exceed \$46,000,000 of multifamily housing revenue bonds, notes or other obligations to be issued in one or more tax-exempt and/or taxable series to assist in the financing of a qualified residential rental facility to be located in Marana, Arizona, for the benefit of Marana Leased Housing Associates I, LLLP.

Rodrigo Dorador Madrigal, Dominion, Inc., gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2022-51 as presented. Board member **Lea Márquez Peterson** seconded the motion.

The Board Members were individually polled – Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-52 – Granting preliminary approval of not-to-exceed \$72,000,000 of multifamily housing revenue bonds, notes or other obligations to be issued in one or more tax-exempt and/or taxable series to assist in the financing of a qualified residential rental facility to be located in Chandler, Arizona, for the benefit of Chandler Leased Housing Associates I, LP.

and

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-53 – Granting preliminary approval of not-to-exceed \$40,000,000 of multifamily housing revenue bonds, notes or other obligations to be issued in one or more tax-exempt and/or taxable series to assist in the financing of a qualified residential rental facility for senior occupancy to be located in Chandler, Arizona, for the benefit of Chandler Leased Housing Associates II, LPP.

It was decided the agenda items considering Resolutions 2022-52 and 2022-53 would be considered together since the developments were “sister” projects.

Natalia Chavez, Dominion, Inc., gave a summary of the projects and offered to entertain questions from the Board.

Board member **Lea Márquez Peterson** then motioned to approve Resolution Nos. 2022-52 and 2022-53 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-54 – Authorizing the execution and delivery of a Loan Agreement Supplement No. 1 and a First Supplemental Indenture of Trust relating to the Authority’s \$14,205,000 Education Facility Revenue Bonds (ACCEL Schools Project), Series 2018A, and related matters, for the benefit of ACCEL.

Kelly McGuire, Kutak Rock LLP, gave a summary of the proposed supplements and offered to entertain questions from the Board. Board member Gary Naquin asked if the funds represent additional debt on the initial financing. Dick Ward of Colliers International, as underwriter for the project, confirmed that because this is a small 3.5-million-dollar project, it made more sense to add on debt to the Series 2018 bonds as parity debt through the Tempe IDA issuance of 2022 bonds. Both Ms. McGuire and Mr. Ward confirmed that current bondholders have consented to the additional parity debt.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2022-54 as presented. Board member **Lea Márquez Peterson** seconded the motion.

The Board Members were individually polled – Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-55 – Authorizing certain post-closing changes related to its previously issued \$61,400,000 Multifamily Housing Revenue Note (Aviara Flats Project), Series 2021, \$2,855,000 Multifamily Housing Revenue Bonds (Aviara Flats Project), Series 2022A, and \$45,650,000 Multifamily Housing Revenue Bonds (Aviara Flats Project), Taxable Series 2022B, for the benefit of Phoenix Leased Housing Associates III, LLLP, including changes to the obligor’s partnership structure proposed amendments, a change of interest rate benchmark and document amendments related to such changes.

Evan Holmes of Dominion, Inc. gave a summary of the post-closing changes and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2022-55 as presented. Board member **Ken Burns** seconded the motion.

The Board Members were individually polled – Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

The record reflects that Jim Keeley rejoined the meeting at this time.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-56 – Authorizing execution and delivery of an Amended and Restated Loan Agreement and an Amended and Restated Indenture of Trust related to the previously issued \$20,540,000 Education Facility Revenue and Refunding Bonds (Caurus Academy Project) Series 2018A, in connection with the merger of Caurus Academy, Inc. with Edkey, Inc.

Kelly McGuire of Kutak Rock LLP gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Jim Keeley** motioned to approve Resolution No. 2022-56 as presented. Board member **Ken Burns** seconded the motion.

The Board Members were individually polled – Jim Keeley (yes), Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 5-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-57 – Granting final approval of not-to-exceed \$300,000,000 of Education Revenue Bonds (KIPP NYC Public School Facilities – Canal

West Project), to be issued in one or more tax-exempt and/or taxable series to assist in the financing of nonprofit educational facilities to be located in Bronx, New York, for the benefit of Canal West 75, LLC.

Ms. Lindsay Matovich, PCS Properties Foundation, Inc., introduced Ms. Jane Martinez Dowling, KIPP NYC, and Ms. Dowling then gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Ken Burns** motioned to approve Resolution No. 2022-57 as presented. Board member **Jim Keeley** seconded the motion.

The Board Members were individually polled – Jim Keeley (yes), Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 5-0 the motion passed.

At 4:03 p.m., Lea Márquez Peterson let Chairman Naquin know that she needed to leave the meeting and was dropping off the call.

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-58 – Granting preliminary approval of not-to-exceed \$45,000,000 of Revenue Bonds (IoT Fiber-Lebanon, LLC Project), to be issued in one or more tax-exempt and/or taxable series to assist in the financing of a fiber optic cable network and related facilities in and around Lebanon, Oregon, for the benefit of IoT Fiber-Lebanon, LLC.

Mike Harling of Municipal Capital Markets Group gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Jim Keeley** motioned to approve Resolution No. 2022-58 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Jim Keeley (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

4. Election of AZIDA President, Secretary and Treasurer

Discuss, consider and take action on the election of a President, a Secretary and a Treasurer of the AZIDA.

President Gary Naquin suggested that the elections be postponed to a future meeting.

5. Executive Director Update

Dirk Swift, AZIDA Executive Director, gave a brief update on the AZIDA responsive actions to the final Sunset Review report and thanked Board member Ken Burns for his insight into the AFA / OEO legislative component related thereto. Board member Gary Naquin acknowledged both Mr. Swift's and Mr. Burns' much appreciated diligence on

the Auditor General's report. Board member Paulina Vazquez Morris echoed Board member Gary Naquin's comments.

6. **Call to the Public**

President Naquin announced a call to the public for comments.

No comments were made.

7. **Announcements**


President Naquin announced that the next meeting of the Arizona Industrial Development Authority Board Meeting would be held on Thursday, November 17, 2022, and said to please consult the Arizona IDA website for any changes and/or meeting details.

8. **Adjournment**

Board member **Jim Keeley** adjournment of the AZIDA Board Meeting at 4:14 p.m. Board member **Paulina Vazquez Morris** seconded.

The Board Members were individually polled – Jim Keeley (yes), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

Approval: The undersigned hereby certifies that the Board of Directors of the Arizona Industrial Development Authority formally adopted these Minutes on the date shown below.



Dirk Swift, Executive Director

November 30, 2022

Date of Board Action