

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 Gainey Ballroom A¹

Date and Time: Thursday, February 16, 2023
3:00 p.m.

Board Members Present (Appearing Telephonically):

Ken Burns
Paulina Vazquez Morris
Gary Naquin
Lea Márquez Peterson
Brad Vynalek

Executive Director Present (In Person):

Dirk Swift

Meeting Facilitator:

Kelly McGuire – Kutak Rock LLP

Presenters:

Mr. Chris Monjoy, Rehrig Pacific Company
Mr. Andrew Resler, Rehrig Pacific Company
Mr. Randy Dowell, KIPP Nashville
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 telephonically were Ken Burns, Paulina Vazquez Morris, Gary Naquin, Lea Márquez Peterson and Brad Vynalek. A quorum was declared present.

¹ The posted meeting notice indicated the meeting would be held in the Hearth Room at the same address/location. The venue encountered technical difficulties in the Hearth Room and moved the meeting to Gainey Ballroom A, which is near the Hearth Room. At least 30 minutes before the meeting began, the venue posted signs with arrows indicating where members of the public could find the meeting and had personnel stand nearby ready to direct members of the public to the meeting.

2. **Adoption of Minutes of the January 19, 2023, AZIDA Board Meeting**

Board member **Paulina Vazquez Morris** moved to adopt the minutes of the January 19, 2023, AZIDA Board Meeting. Board member **Ken Burns** seconded the motion.

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

3. **Agenda Items Considered:**

Presentation, Discussion & Adoption

Approval of Resolution No. 2023-6 – Granting preliminary approval of not-to-exceed \$35,000,000 of revenue bonds to be issued from time to time in one or more tax-exempt and/or taxable series to finance solid waste and manufacturing facilities to be located in Buckeye, Arizona, for the benefit of Rehrig Pacific Company and its affiliates.

Chris Monjoy, Vice President and Corporate Controller of Rehrig Pacific Company, introduced Andrew Resler, who gave a summary of the company and brief description of the project. Rehrig Pacific Company is an approximately 110-year-old company that specializes in the manufacturing of large injection molded industrial totes and containers. The project includes the construction of a 264,000 square foot manufacturing facility on an approximate 34-acre parcel in Buckeye, Arizona. The project will include 16 large injection molding machines, operated by approximately 125 employees at the start of production. Over the next 5 to 10 years, Rehrig projects the expansion of the facility to approximately 400,000 to 450,000 square feet. Messrs. Resler and Monjoy offered to entertain questions from the Board.

Board Member Ken Burns recognized the Arizona Commerce Authority in that they were involved with this project from the beginning and are very happy to see it come to fruition. The representatives from Rehrig Pacific expressed their appreciation of the support they have received from the ACA and AZIDA during this entire process. President Naquin stated it is nice to see a new manufacturing facility in Arizona and asked if this is a complete relocation from California or just one of multiple facilities. The Board was informed that the corporate office will remain in California as Rehrig Pacific’s administrative headquarters, but this project is a complete relocation of the Los Angeles manufacturing facility.

Board member **Lea Márquez Peterson** then motioned to approve Resolution No. 2023-6, as presented. Board member **Brad Vynalek** seconded the motion.

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

Presentation, Discussion & Adoption

Approval of Resolution No. 2023-7 – Granting final approval of not-to-exceed \$50,000,000 of Education Revenue Bonds (KIPP Nashville Projects), to be issued in one or more tax-exempt and/or taxable series for the benefit of KIPP Nashville

Randy Dowell, Executive Director of KIPP Nashville, gave a summary of the project, which includes renovation of an old Macy's building in a now-defunct mall into a high school which will serve approximately 1,000 students in Antioch, Tennessee, and offered to entertain questions from the Board.

Board member Paulina Vazquez Morris requested more information concerning the students and the demographics they hope to attract to the new campuses. Mr. Dowell gave a history of the school and how it has grown to serve different areas and populations across Nashville. The student population in the Antioch area consists of approximately 40% African American, 40% Hispanic and 20% White, which reflects the diversity of the community, and he expects to see similar diversity when the high school is completed. The Antioch community is experiencing rapid growth and the demographic appears to be holding steady.

President Gary Naquin stated the redevelopment/repurposing of existing buildings is fantastic. In terms of the model itself, he asked if KIPP Nashville is one of several developers repurposing the entire mall or whether KIPP Nashville would be the only tenant. Mr. Dowell replied that a portion of the mall was purchased by the State of Tennessee for use as a satellite campus of the local community college, other portions became a community center, a library and an ice rink. The City of Nashville purchased the remainder of the big box retailer spaces, which KIPP Nashville will rent prior to the completion of the high school this next school year. Mr. Naquin noted that having the community and the municipality behind the revitalization of these areas is outstanding.

Board member **Ken Burns** then motioned to approve Resolution No. 2023-7, as presented. Board member **Paulina Vazquez-Morris** seconded the motion.

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

4. **Election of Officers.**

Kelly McGuire explained to the Board that elections are generally held each July. There have been delays in the process due to various board resignations and awaiting new appointments. Since the full Board has been seated, it is prudent to proceed with elections at this time. Elections will likely be held again in July to get back on schedule.

Board President Naquin agreed and called for a nomination for President.

Board Member **Lea Márquez Peterson** motioned to nominate Gary Naquin as President. Board Member **Brad Vynalek** seconded the motion.

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

Board President Naquin called for a nomination for Vice President.

Board Member **Ken Burns** motioned to nominate Paulina Vazquez Morris as Vice President. Board Member **Lea Márquez Peterson** seconded the motion.

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

Board President Naquin called for a nomination for Treasurer.

Board Member **Lea Márquez Peterson** motioned to nominate Ken Burns as Treasurer. Board Member **Paulina Vazquez Morris** seconded the motion.

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

Board President Naquin called for a nomination for Secretary.

Board Member **Paulina Vazquez Morris** motioned to nominate Lea Márquez Peterson as Secretary. Board Member **Brad Vynalek** seconded the motion.

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

Board President Naquin called for a nomination for Assistant Secretary.

Board Member **Lea Márquez Peterson** motioned to nominate Brad Vynalek as Assistant Secretary. Board Member **Ken Burns** seconded the motion.

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

Following the poll, Board Member Paulina Vazquez Morris thanked Mr. Naquin for his service as President.

5. **Executive Director Update**

Dirk Swift, AZIDA Executive Director, gave a brief update on the ongoing response to findings in the sunset audit, Accenture's review and recommendations, and the implementation, changes and processes that will result. Mr. Swift summarized initiatives identified by Accenture. One was perceived conflicts of interest between Mr. Swift and CRIS, AZIDA's contracted program manager. These have been handled, including items that weren't identified in the audit. One of which resulted in AZIDA obtaining its own group health insurance policy. During the January Board meeting, the Board voted and approved the hiring of a Chief Financial Officer. Dan Dialessi has been hired for the position and starts on Tuesday, February 21, 2023. Mr. Dialessi is the former Executive

Director of WIFA, and he has a very in-depth financial background. Mr. Swift indicated continued work on other initiatives, delineating roles within the operation, aligning roles of leadership, implementation of standard operating procedures for the entity and the various business channels (conduit bonds, as well as the DPA). Further, AZIDA needs to implement a better document management system. Mr. Swift believes the challenge has been solved and is moving forward implementing the solution. There will be a 6-month follow up with the Auditor General in March. Mr. Swift is confident in the progress that is being made.

President Naquin thanked Mr. Swift for his initiative, engagement and leadership throughout the audit process. President Naquin then asked for an update for anyone that was not at the February 15th House Committee Hearing related to extension of OEO (within which AFA is established). Mr. Swift indicated that the hearing went extremely smoothly. No questions were asked by Representatives on the Committee and the extension was approved by a majority at the House Committee level.

President Naquin also thanked Mr. Burns for his role during the audit process and asked for any thoughts he may have for the benefit of the board members that were not present at the hearing. Mr. Burns thanked Ms. McGuire and her team, Mr. Ray and Mr. Swift for taking the bulk of the questioning during the OEO extension hearings and then performing the necessary work in between.

6. **Call to the Public**

Kelly McGuire announced a call to the public for comments.

No comments were made.

7. **Announcements**

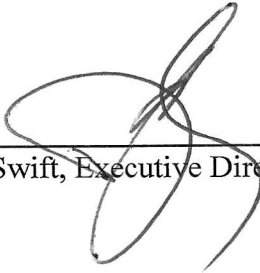
Gary Naquin announced that the next meeting of the Arizona Industrial Development Authority would be held on Thursday, March 16, 2023, at 3:00 p.m., and said to please consult the Arizona IDA website for any changes and/or meeting details.

8. **Adjournment**

Board member **Lea Márquez Peterson** motioned for adjournment of the AZIDA Board Meeting at 3:34 p.m. Board member **Paulina Vazquez Morris** seconded.

The Board Members were individually polled – Ken Burns (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), Lea Márquez Peterson (yes), Brad Vynalek (yes), and by a vote of 5-0 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

March 16, 2023

Date of Board Action