

Meeting Minutes

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

Location: In-Person Meeting at Regus
2025 N. 3rd Street, Suite B300, Room 336, Phoenix, Arizona 85004

Date and Time: Thursday, April 16, 2026
3:00 p.m.

Board Members Present (Appearing in Person):

Ken Burns
Robin Romano

Board Members Present (Appearing via Zoom/Telephonically):

Marcel Dabdoub
Andre Whittington

Board Members Absent:

David Castillo (with prior notice)

Staff Present (Appearing in Person):

Dirk Swift, Executive Director
Dan Dialessi, Chief Financial Officer
Sierra Belisle, Kutak Rock LLP, Legal Counsel

Staff Present (Appearing via Zoom/Telephonically):

Carson Folk, Conduit Bond Business Development Officer
Deaun Hampton, Operations and Administrative Coordinator
Dongyan Jones, Accountant

Meeting Facilitator (Appearing in Person):

Kelly McGuire, Kutak Rock LLP

Presenters (Appearing via Zoom/Telephonically):

Tim Boykin, Scholars Academy Sunnyslope
Peter Schroeder, Roers Companies LLC

Actions:

1. **Call to Order:**

The meeting was called to order by Robin Romano, President of the Board of the Arizona Industrial Development Authority (“AZIDA”), at 3:00 p.m. Board members Ken Burns and Robin Romano attended in person. Board members Marcel Dabdoub and Andre

Whittington attended via Zoom. Roll was called by Kelly McGuire, as meeting facilitator. David Castillo was noted as absent, having previously informed Ms. Romano that he would be unable to attend. A quorum was declared present. Ms. Romano asked the Board members if they had any conflicts related to the items on the agenda. No Board member declared a conflict.

2. **Agenda Items Considered:**

Presentation, Discussion & Adoption

Approval of Resolution No. 2026-9 – Authorizing final approval of the issuance of not-to-exceed \$16,000,000 of Education Revenue Bonds (Scholars Academy Sunnyslope Project), Series 2026, for the benefit of Scholars Academy Sunnyslope.

Tim Boykin, the founder and board president of Scholars Academy Sunnyslope (“SAS”), explained SAS began the charter application process about seven years ago, but was delayed due to COVID, and was finally able to open SAS in August 2022. SAS, in its fifth year serving Sunnyslope and the surrounding areas in North Phoenix, currently serves 320 students and has experienced increased growth year after year. Mr. Boykin noted that SAS is a great school and loves the families and the students it serves. He added that SAS does not simply build relationships but helps kids grow academically. SAS is proud to say it has been eligible as a Title I school every year with 98% of its students enrolled in the free and reduced lunch program. SAS has a high B rating and has either been perfect or near perfect with regard to the growth score as measured by the Arizona Department of Education (“ADOE”). SAS’s model is based on interventions and enrichment, and the school takes pride in offering smaller class sizes with a true emphasis on the whole child, as it delivers services across a wide spectrum of needs for the families served. He added that one of the struggles, in a good way, is that SAS is limited with regards to the size of its current facility. The growth that SAS has experienced relative to the growth of the community it serves has allowed SAS an opportunity to develop and increase its reach. SAS would like to purchase the church property it currently leases, and the church has agreed to allow SAS the opportunity to develop the land SAS currently sits on, as well as develop additional classrooms for a high school and to add classrooms for the existing K-8 population. SAS will also upgrade the playground, and the life skills opportunities emphasized within its model. Overall, this opportunity would allow SAS to grow and almost double the size of the school. Mr. Boykin feels the community demand to help these kids and their parents is there – it’s more than just simply a want. SAS has a proven track record that has made it viable for its current families, and the acquisition and expansion will help it accommodate additional families in the area.

Mr. Dabdoub said he is not familiar with how schools are assessed and asked how growth scores are determined.

Mr. Boykin explained there are a couple of different metrics. ADOE does not measure growth as much before 3rd grade, but from 3rd grade on, ADOE measures year after year and assesses the degree to which a student has moved from one tier to the next. The ability for a student to move from one tier to another tier is given a different weighted number, a different factor, so to speak. A school that tends to have a high growth number will especially show growth while a student was there. For example, if a student has attended a

school for three or four years, they're given additional weight with regard to their improvement. Additional numbers that influence receiving an A, B, or C rating has to do with special education scores. There is 10% provided for schools that serve families with a large Spanish or other foreign speaking population. SAS has quite a large number of students who speak Spanish so their model has provided a great opportunity for those families to show growth within the Arizona English Language Learner Assessment ("AZELLA") score, which doesn't directly align with the ADOE report card, but there's a correlation between high growth scores with AZELLA and high growth scores as determined by ADOE's Arizona Academic Standards Assessment.

Board member **Marcel Dabdoub** then motioned to approve Resolution No. 2026-9, as presented. Board member **Andre Whittington** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2026-10 – Authorizing final approval of the issuance of not-to-exceed \$70,000,000 of Multifamily Housing Revenue Bonds (Felix Apartments Project), Series 2026, and authorizing participation in the Authority's multifamily housing bond recycling program, for the benefit of IH Deer Valley Apartments Owner, LLC.

Peter Schroeder with Roers Companies LLC ("Roers") thanked the Board for its consideration of the Felix Apartments, Roers' newest project and its eleventh in Arizona. The project, located in the Deer Valley area of North Phoenix, is located about 10 minutes south of the Taiwan Semiconductor Manufacturing Company, and will consist of 147 units, all of which will be restricted to tenants earning at or below 60% of area median income. The units will range from two to four bedrooms in one five-story building. Project amenities will include a dog run, playground, pet wash station, community laundry, outdoor patio, movie theater, and some work-from-home spaces. Roers plans to close on the project in May and break ground shortly thereafter.

Mr. Burns noted there is \$17 million worth of volume cap and then \$50 million of recycled cap.

Ms. McGuire said the full amount of tax-exempt bonds contemplated is not expected to be supported by recycled cap. The financing structure is set up as four different tranches right now. There is a tax-exempt series that will use the fresh shiny cap Roers was awarded and will use at the May closing, and then there are two series where it is hoped they will benefit from gently used ("recycled") cap and be tax-exempt, and then there is one taxable tranche. If no recycled cap becomes available by the time the funds are needed, the two series will end up being taxable debt.

Mr. Schroeder confirmed there are four tranches. Roers doesn't expect to use the full \$70 million shown as the not-to-exceed number. Roers is requesting approval for the larger not-to-exceed amount just to play it safe. He believes this is the first recycled bond deal through AZIDA and expressed appreciation for Ms. McGuire's and Mr. Folk's help with the process.

Mr. Burns noted that the new process is exciting.

Ms. Romano thanked Roers for being the ‘guinea pig’. She shared that she remembered this outstanding project from its preliminary approval presentation and loves to see from the Board materials that Roers still plans to incorporate solar panels at the project.

Board member **Ken Burns** then motioned to approve Resolution No. 2026-10, as presented. Board member **Andre Whittington** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

Presentation, Discussion & Adoption

Approval of AZIDA Policy #1.4 – Approving AZIDA Policy #1.4 File Retention.

Mr. Swift reminded the Board that staff have been building out an operations manual of procedural processes. Staff have always maintained operations materials, and they are available for Board members to access through the Dropbox links shared with the Board. The next step is to move forward with further entity-level organization of AZIDA’s processes and files. Proposed Policy #1.4 will be the overarching policy to dictate what will be retained, where it will be stored and the amount of time it needs to be kept. He said the policy attempts to adhere to a variety of different State document retention guidance and statutes. Because the statutes and guidelines aren’t entirely clear in that sometimes there is no direct tie to documents an entity like AZIDA would be handling, the policy has been drafted pretty conservatively. Since this is a policy and not a procedure, it needs Board review and approval.

Mr. Burns noted that it’s a lot of work going through the State document retention guidance because it’s all over the place and many pages long.

Ms. Romano added that, with her experience in a federally chartered credit union and the horror that is file retention in her industry, no matter what the policy says, there is always somebody who won’t be happy.

Mr. Swift said this policy further buttons up what AZIDA has already been doing and he thinks it’s in a very good spot.

Ms. Romano said she actually read through the policy and it seems pretty normal.

Board member **Marcel Dabdoub** then motioned to adopt AZIDA Policy #1.4, as presented. Board member **Ken Burns** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

3. **Presentation and Discussion; No Board Action – Quarterly Financial Update and Executive Director’s Report**

Mr. Swift reminded the Board that financial information is available in the Dropbox and can be reviewed by members at any time and directed members to presentation materials showing year-over-year basic revenue components and expenses for the same period last fiscal year versus the same period this fiscal year. He noted that AZIDA’s conduit bond revenues are down from the same period last year. The other revenue components are either

the same as this time last fiscal year or higher. At this time last year, AZIDA had closed 20 conduit bond projects and this year to date, there have been 11 conduit bond closings.

Ms. Romano added there are a lot more bond closings coming.

Mr. Swift agreed and noted that 16 of the 20 projects that closed by this time last year were multifamily. This fiscal year to date, 5 of the 11 projects that have closed have been multifamily transactions. The compression has been in the multifamily space for a few reasons. For historical perspective, we had 30 transactions close in 2025, which was a high point. Typically, the average is about 23 projects. Twenty-one projects closed in 2024, 15 in 2023, and 25 in 2022. At the end of December 2024, which was included in the last fiscal year, there were still a lot of projects with carryforward volume cap awards to be used. Significant amounts of carryforward cap have not been available in the last couple of Decembers, so there isn't a large stash of volume cap out there just waiting to be used. All of those things factored into fewer deals closing by this point in the year. Mr. Swift noted that these weren't excuses, just an explanation of the current results, and he assured the Board that there are more closings coming. He shared that the May meeting agenda was already expecting around 11 final approvals, and the fiscal year isn't over yet. He wanted to share the comparison so the Board could see where AZIDA sits on the revenue side so far.

Mr. Swift then touched on a few things with regard to expenses. He explained that one column shows the actual expenses incurred in fiscal year 2025, one shows projections for the full year 2026, a column shows the actuals for three-quarters of the year, and then a column showing the percentage of the actual expense vs. projected expense for the fiscal year. Mr. Swift evaluated the number by measuring against 75% – if the expense is at 75% or less, we're doing good on accurately projecting. If an actual expense is over 75% of projected, our projections may need work. He particularly called out to the Board that the bank service fee shows as high, however, that fee is 75% of what AZIDA paid last year, so the projection was a mistake. Insurance expenses jumped up dramatically, and not just for health insurance, but also for workman's compensation, etc. Obviously, premiums increased as AZIDA added more staff. Mr. Swift noted that during last year's renewal process, they noticed that cybersecurity and wire fraud riders were missing. Adding those important riders also increased premiums.

Ms. Romano agreed that it is wise to have cybersecurity insurance.

Mr. Swift went on to explain there are a few different expense elements that are a little higher than last year, but in small amounts. Our review of actual expenses so far this year versus the projections provides a lot of valuable data that is helpful as AZIDA builds its plan for next fiscal year. Overall, projected expenses versus what we actually earned last year are in line, but there are some lines where we need to either project better or expect more. With Mr. Folk coming on board, transportation, lodging, trade shows and similar expenses have increased, and will increase even more when the single-family business development officer is brought on board.

Ms. Romano said she loves a graph and understands the information.

Mr. Burns thanked Mr. Swift for providing the comparison because it gives the information context and puts things in perspective.

Mr. Swift added that he doesn't think there is anything to panic about.

Mr. Burns said he understands there weren't projections in the material for the remainder of the fiscal year and asked how Mr. Swift projects the year ending in light of the \$1.7 million revenue shortfall from last year to this year, and factoring in the large volume of conduit bond closings expected by the end of June. While AZIDA is behind now, but there also didn't seem to be as much of a big push in May and June of last year, so the issue may be just one of timing.

Mr. Swift agreed that the timing is off. AZIDA still did 10 units in the fourth quarter of last year and he thinks AZIDA will exceed those 10 units, but they're not far off from that revenue projection and there have been some moving parts. For example, there was a whole series of volume cap reallocation April 1. There are some projects that gave their volume cap allocations back to the Arizona Finance Authority and all of a sudden those projects we expected to close are no longer closing. He further noted, however, that there are other projects we didn't expect to have cap that now do. And while we not expect them to close, deals that were allocated volume cap in April will close after June 30. There are still several projects that are going to close this June so that they don't lose the volume cap. There are just quite a few moving parts right now. But the projections still seem to hold true, and we may do even better. In June, we expect to come back to you with solid numbers and an identified amount for what we think we need to reserve. The comparison process has been good, and we have done a good job of bringing expenses in line as compared to what they've been historically.

Ms. Romano said that was wonderful.

Mr. Burns asked if the \$1.7 million gap in total revenues is expected to shrink or stay the same.

Mr. Swift said there is a \$1.7 million gap in revenue, but AZIDA's cost of sales has dropped dramatically. Mr. Swift made reference to previous board conversations about potential decline in revenues following a change in approach for deal origination, which made it all the more important that AZIDA strive for accurate projections so we can see where we may need to right size expenses. The bottom line is, whatever the net income or surplus is going to be, AZIDA is making the right moves to absorb a potential reduction in revenue and still generate a surplus. We don't know where we'll ultimately end up, but it seems like it could be as good or better than last year.

Mr. Dabdoub asked, because of the irregular timing, if it would make sense to add a column that shows projections for the partial year-to-date statements – for instance, adding a column of projections are through the remainder of the year, whatever period that might be. For the final two months of the year, with the timing of cashflow is irregular, it would be nice for members to be able to see roughly what's in store for the final quarter.

Mr. Swift understood how that presentation would be helpful, and it would be added as a separate item. Members will need to keep in mind that the information will remain fluid and

may change significantly from meeting to meeting. For example, on April 1st, after the relinquishment of some volume cap by some developers and the reallocation to other developers, not all of which are necessarily issuing bonds through AZIDA, all of a sudden there are projects we were projecting to come through that now won't, and project we weren't counting on that we now will project to close. Depending on the size of each transaction, the fees for any certain number of deals, say five, may not be the same total fee amount as for another five deals – it depends on a lot of things, like if they're bigger or smaller, etc. As of today's date, the 16th, the list of projects that received the April 1 volume cap allocations is not updated on the Arizona Finance Authority site. Even after the allocations are made, there are timeframes that developers have to make decisions and pay fees, etc., before there is even accurate information to formally post. Mr. Swift continued, noting that particularly when we're coming up on a deadline under the statute or its time for a lottery, the information changes rapidly. Staff tries its best to coordinate and identify all the moving parts as projects drop out while others get added to the pipeline, but the information is largely controlled by other parties, so we're putting together the puzzle pieces we can get our hands on and hope we end up with an accurate picture to show you.

Mr. Burns agreed that things have been moving fast and noted that the lottery was literally two weeks ago.

Mr. Dabdoub clarified that he doesn't want to create unnecessary work and asked if there is a better way to annualize these projections so the Board can get a better idea of what awaits us before we get to the end of the year.

Mr. Swift said he would work with Mr. Folk on collecting useful data since Mr. Folk is more connected on a project-by-project basis. He is knowledgeable about the projects, and as best he can, monitors the varying stages of their progress.

Mr. Folk added that we can do projections covering July to December, and then we'll see how they change, possibly by a lot, each time they're prepared. We can create the July-December projections, and then there will be projects not currently in our pipeline, that will be coming in for applications, and we'll add those to the number as we subtract any that unexpectedly drop out or push. Something that's really interesting is that last year's April (2025) lottery was for around \$80 million of volume cap. This year, there was close to \$400 million available. The projects that just won in the April lottery have about another 180 days to close. Which means, a lot of bonds that were going to close this fiscal year, in June, are now going to be closing in September, next fiscal year. So, once again, a little bit of a timing shift really changes things.

Mr. Swift added that he and staff are tracking that type of thing too, of course, because as we look at projections and reserves, if we have three projects that we know are closing on July 2nd, we need to count that revenue in the next fiscal year's numbers, which might reduce the amount we need to hold back for operating capital. We're trying to get much more granular with the information we can obtain, and factor it all in to the how, when and what is included in our projections.

Ms. Romano agreed.

Mr. Dabdoub concurred, noting that you can't predict what new opportunities might come online, but those are often preliminary approval requests. He thought applications coming in for final approval could be more confidently projected.

Mr. Folk agreed that housing deals tend to come in for preliminary approvals, which is too early in their process for us to add them to the projections, and he added he thinks there could be several 501(c)(3) deals on the horizon, which typically go straight to final approval, so those are the projects that might not be on our radar quite yet.

Ms. Romano noted AZIDA has done a lot of preliminary approvals this year.

Mr. Dabdoub joked that staff's efficiency is really messing up his requests for information – they're already considering it.

Ms. Romano said that's a good thing and a compliment to Mr. Folk.

Mr. Folk thanked Mr. Dabdoub.

Mr. Whittington said he thought adding a footnote to the column showing information from the date of report through year-end, to include some of this type of context would be helpful and might get ahead of some of the questions that may come up.

Mr. Swift responded that he could tweak the report to address all that.

Ms. Romano agreed – the dialogue is great.

Mr. Burns added that he really appreciates the extra effort to provide context.

Ms. Romano noted it is hard to present the information accurately and provide the information needed to understand it in context – not every year is equal to another year, some years are better than others.

Mr. Dialessi added that evaluation of expenses and not necessarily being able to predict cashflow, no matter how good the data is, are the drivers behind determining what we need to hold for operations in the next year. That way, if we have a slow quarter or year on the conduit bond side, for instance, we can still pay the bills.

Ms. Romano agreed – we want to be able to pay the bills. Absolutely.

Mr. Swift then touched on the highlights of Mr. Folk's outreach report. Mr. Swift noted that there is outreach that can immediately generate projects, one of which was on today's agenda, and then there are outreach efforts where we're putting in the groundwork and planting seeds. For instance, Mr. Folk has started identifying possible ways to work with some of the smaller IDAs. And, of course, there are other instances of AZIDA outreach where direct business development is not necessarily the end game, but they are important for good public relations. We're out there in the community, attending various events, and with a little more bandwidth, we're getting re-engaged with some associations and the like, as well.

Mr. Burns said he appreciated Mr. Folk's and Ms. McGuire's involvement with the Arizona Commerce Authority's public financing summit and shared that their panel had received good feedback.

Ms. Romano said she is very grateful to see the outreach summary and really enjoys reading Mr. Folk's reports, which she reminded members, are available in the AZIDA ShareFile. She likes seeing what AZIDA is doing out there. As AZIDA receives invitations to groundbreakings or grand openings, she requested that staff put the invitations on the ShareFile and encouraged board members to attend if any worked with their schedules.

Mr. Folk made a note that he would start alerting Board members ahead of project groundbreakings.

Mr. Swift then turned to a discussion of the Arizona Is Home program (the "Program"). He shared that this year's product opened to lenders on April 6th but without our normal "ta-da" type launch. The normal procedure is to provide 30-days' advance notice to the lenders that the launch is coming. But because of the current market conditions and geopolitical environment, identifying a definitive launch date in advance was nearly impossible. Even as April 6th approached, Mr. Swift wasn't sure if we were going to launch or not, as we continued to work through whether we had to change rates, move rates, etc. So, we did more of a silent launch of this year's product, and it's slowly gaining traction. Mr. Swift shared that next week he would be traveling to Casa Grande, Yuma, Havasu, Bullhead City, Kingman, Prescott and Prescott Valley. He is also considering checking in on Chino Valley because, per procedure, we have to reach out to all the municipalities and ask them if it's okay if we offer our loan product in their backyard. For the first time since we started the Program, a municipality said "no", and it happened to be Chino Valley. They said "yes" (by not objecting) two previous times, so we went through their council meeting minutes and read everything, and we can't find any logical reason behind the objection. We've done about 100 loans in Chino Valley in the last 10 years, so it's not a large amount, but Mr. Swift might see if the mayor is available to discuss. He didn't think the council had spent enough time investigating information about the Program to really understand what they were objecting to, and he noted that carving Chino Valley out of the service area is going to cause some heartburn. The first lender or borrower wanting to originate a loan for a home in Chino Valley is going to have to be told that AZIDA can't help them finance their home because the mayor and council don't want our loans available for people buying homes in Chino Valley. Other than that, everything else is good.

Ms. Romano said she was glad to hear that.

Mr. Dabdoub asked how time and resources for outreach efforts are allocated between healthcare, education and multifamily.

Mr. Folk explained that efforts are more heavily focused on trying to carve out space in the education and healthcare sectors because our multifamily clients already know us and their pipelines. Housing developers know they start by coming to AZIDA for preliminary approval so they can request obtain volume cap and then we all wait and see based on volume cap – rinse and repeat. We're attempting to focus outreach to borrowers with projects that are likely to meet the criteria for financing with tax-exempt bonds, and really

try to educate in that space. By attending conferences like the Arizona Association of Economic Development, we're meeting with municipalities and explaining to them that when they have a borrower in their municipality who wants to do one of these projects, send them our way and let's see if pencils out. In the education and healthcare space, it's all focused on making sure people are aware of who AZIDA is and what we offer. For multifamily, there's less handholding and education necessary because that process is a little more factory streamlined.

Mr. Dabdoub said he agrees with that approach and that response hit on exactly why he was asking. People in the multifamily business seem to be very familiar with what AZIDA offers, whereas businesses in other sectors, in which he includes infrastructure, don't know much about what AZIDA can offer.

Mr. Folk said he participated on a panel about infrastructure financing at a conference earlier in the day and attending those types of events is helping spread the message about AZIDA and what it can do.

Ms. Romano noted that was a great question.

4. **Adoption of Minutes of the March 19, 2026, AZIDA Regular Board Meeting and Executive Session**

Board member **Andre Whittington** moved to adopt the minutes of the March 19, 2026, AZIDA regular board meeting and the minutes of the March 19, 2026, AZIDA executive session. Board member **Marcel Dabdoub** seconded the motion.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed.

5. **Call to the Public**

Ms. Romano announced a call to the public for comments.

Pat Ray informed the Board there are quite a few bond issues they should expect to hit the pipeline, but he has not yet submitted the TPOs. He noted there are some big 501(c)(3) projects and others that don't need volume cap that may close before the end of the year.

Ms. Romano said they were looking forward to seeing them.

Mr. Burns agreed, adding that AZIDA loves projects that do not require volume cap.

6. **Announcements**

Ms. Romano announced that the next regular meeting of the Arizona Industrial Development Authority is scheduled to be held in person on Thursday, May 21, 2026, at 3:00 p.m., but noted that people should consult the AZIDA website for any changes to meeting details.

7. **Adjournment**

Board member **Ken Burns** motioned for adjournment of the AZIDA Board meeting at 3:37 p.m. Board member **Marcel Dabdoub** seconded.

By a vote of 4 ayes, 0 opposed and 0 abstentions, the motion passed, and the meeting was adjourned.

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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

May 21, 2026
Date of Board Action