

Meeting Minutes

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

Location:

In-Person Meeting at the Offices of Kutak Rock LLP
8601 N. Scottsdale Road, Suite 300
Scottsdale, AZ 85253

Date and Time:

Thursday, January 20, 2022
3:03 p.m.

Board Members Present:

Gary Naquin, President

Board Members Present (Appearing Telephonically):

Jim Keeley
Mike Godbehere
Paulina Vazquez Morris

Board Members Absent:

Lea Márquez Peterson

Meeting Facilitator:

Keela Seelandt – Kutak Rock LLP

Presenters:

Ms. Brigitte Finley Green, Engelman Berger, PC
Ms. Denise Munoz, MBK Senior Living
Ms. Annie Gilbert, Ball Charter Schools
Mr. Terry Warren, Warren Charter Law
Mr. Sam Shapiro, Vista College Prep
Mr. Kevin White, Butler Snow LLP
Mr. Brad Coburn, Charter School Capital
Mr. Brad Fisher, Impact Development Partners LLC
Mr. Patrick Ray, Cathedral Rock Issuers Services, LLC

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 3:03 p.m. Participating in person was Gary Naquin. Participating via telephone were Jim Keeley, Mike Godbehere and Paulina Vazquez Morris. Lea Márquez Peterson was absent. A quorum was declared present.

2. **Adoption of Minutes of the January 13, 2022 AZIDA Board Meeting**

Board member **Jim Keeley** moved to adopt the minutes of the January 13, 2022 AZIDA Board Meeting. Board member **Paulina Vazquez Morris** seconded the motion.

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

3. **Agenda Items Considered:**

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-2 – Authorizing the execution and delivery of a First Amendment to Land Use Restriction Agreement and an Assignment and Assumption of Land Use Restriction Agreement related to the Arizona Health Facilities Authority \$14,510,000 First Mortgage Revenue Bonds (Mariposa Point of Gilbert Project), Series 2015A and \$1,315,000 First Mortgage Revenue Bonds (Mariposa Point of Gilbert Project), Taxable Series 2015B.

Brigitte Finley Green, Engelman Berger, PC, gave an overview of the amendment and assignment and Denise Munoz with MBK Senior Living, as owner / operator of the facility provided additional details and offered to entertain questions from the Board.

Board member Gary Naquin asked for an additional explanation regarding the low-income nature of the project, and Denise Munoz said that there is a 20/50 set aside provision, so less than 50% of the area average income. She also noted that no set asides are being changed. Board member Gary Naquin then asked about MBK Senior Living experience in Arizona, as it operates projects in six different states. Denise Munoz stated that the Arizona housing market is growing and that MBK Senior Living has been very happy in the Arizona market.

Board member **Mike Godbehere** thanked Ms. Munoz for the clarifications and motioned to approve Resolution No. 2022-2 as presented. Board member **Jim Keeley** seconded the motion.

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

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-3 – Granting final approval of not-to-exceed \$13,500,000 of Education Facility Revenue and Refunding Bonds (Ball Charter Schools Project), Series 2022, to be issued in one or more tax-exempt and/or taxable series, for the benefit of Ball Charter Schools (Dobson), Ball Charter Schools (Hearn) and Ball Charter Schools (Val Vista).

Annie Gilbert of Ball Charter Schools and Terry Warren of Warren Charter Law gave a summary of the proposed project and offered to entertain questions from the Board.

Board member Gary Naquin asked for additional details on the refinancing portion of the project. Annie Gilbert, Ball Charter Schools, stated that they are refinancing two prior series of bonds that are scheduled to mature in 2025 in order to take advantage of the current low interest rates and noted that the refunding will not extend the original maturity date. Ms. Gilbert also shared that Ball Charter Schools have been in existence since 1993 and were one of the first charter schools in Arizona.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2022-3 as presented. Board member **Mike Godbehere** seconded the motion.

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

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-4 – Granting final approval of not-to-exceed \$23,000,000 of Revenue Bonds (Vista College Preparatory Projects) to be issued in one or more tax-exempt and/or taxable series, for the benefit of Vista College Preparatory, Inc.

Brigitte Finley Green, Engelman Berger, PC, gave an introductory overview of the project, and then Sam Shapiro with Vista College Preparatory (“Vista”) presented additional details on the proposed project and offered to entertain questions from the Board. Board member Gary Naquin asked whether Vista attributed its outcomes and recognition to its teaching style or curriculum. Sam Shapiro said Vista studies schools across the country, often sending teachers to observe those schools, and has worked with them to develop Vista’s incredible school successes. Board member Gary Naquin asked whether their developments are proprietary, or can they be shared. Sam Shapiro said that yes, Vista can share their best practices.

Board member **Jim Keeley** motioned to approve Resolution No. 2022-4 as presented. Board member **Paulina Vazquez Morris** said she would happily second the motion on this project.

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

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-5 – Granting final approval of not-to-exceed \$15,000,000 of Education Facility Revenue Bonds (CSC Ohio Charter Schools Portfolio), Taxable Series 2022, to be issued in one or more taxable series for the benefit of Charter 14405 St. Claire, LLC, CSREH Charter 4750 Winton, LLC, and CSREH Charter 10701 Shaker, LLC.

Kevin White of Butler Snow LLP and counsel to Charter School Capital and Brad Coburn of Charter School Capital gave a summary of the proposed project and offered to entertain questions from the Board. Board member Gary Naquin asked whether each campus has a separate operator and Brad Coburn confirmed that they are all independent

and Excel manages most of the schools. He did note, however, that Arizona schools are managed by Wonderful Foundation (rather than Excel).

Board member **Mike Godbehere** motioned to approve Resolution No. 2022-5 as presented. Board member **Jim Keeley** seconded the motion.

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

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-6 – Granting preliminary approval of not-to-exceed \$16,300,000 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 Phoenix, Arizona for the benefit of 1230 E Roeser Propco, LP.

Brad Fisher of Impact Development Partners LLC gave a summary of the proposed project and offered to entertain questions from the Board. Board member Gary Naquin asked whether there are any similar projects in and around the proposed project. Brad Fisher said there are several developments in the area including is a market-rate project one block to the west, a school is being built to the east and public transportation adjacent to the site. Board member Mike Godbehere asked whether prices are changing in low-income housing due to escalating lumber pricing. Brad Fisher said that they overall have a handle on lumber pricing and have minimized other funding costs through the Arizona Department of Housing’s first-year funding as well as Arizona’s State tax credits helping with the equity side.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2022-6 as presented. Board member **Jim Keeley** seconded the motion.

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

Presentation, Discussion & Adoption

Approval of Resolution No. 2022-7 – Granting preliminary approval of not-to-exceed \$27,000,000 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 Tucson, Arizona, for the benefit of 3200 W Valencia Propco, LP.

Brad Fisher of Impact Development Partners LLC gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Jim Keeley** motioned to approve Resolution No. 2022-7 as presented. Board member **Mike Godbehere** seconded the motion.

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

4. **Call for Executive Session:**

President Naquin announced a call to go into Executive Session (**which will not be open to the public**) to discuss matters pursuant to A.R.S. §§ 38-431.03(A)(3) to receive legal advice from the Authority’s attorneys regarding the Authority’s rights resulting from statements made on *azcentral.com* and in *The Arizona Republic* related to the Authority and its operations..

Board member **Mike Godbehere** motioned to move to Executive Session. Board member **Paulina Vazquez Morris** seconded the motion.

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

All members of the public are required to leave while the board is in executive session except the Authority’s counsel, Kelly McGuire and Marc Lieberman, their paralegal, Keela Seelandt, the Authority’s Executive Director, Dirk Swift, and the Authority’s bond program manager, Pat Ray. Please step outside and we will let you know when our regular session reconvenes.

Board members ended Executive Session and regular session reconvenes.

5. **Consideration and Discussion – No Board Action**

Board discussion of protocols related to consideration of financing applications. comments. Patrick Ray, Cathedral Rock Issuers Services, LLC, gave an overview of the financing application protocols and offered to entertain questions from the Board. Board member Mike Godbehere asked whether the applications are being evaluated directly on the impact on Arizona such as employment i.e., does the project plan include indications that the project will add 25 local employees? Patrick Ray said that questions relating to local employment can certainly be added to the application. Board member Mike Godbehere also expressed concerns that there is no tracking of these benefits to the State of Arizona.

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, February 17, 2022, and said to please consult the Arizona IDA website for any changes and/or meeting details. Patrick Ray, Cathedral Rock Issuers Services, LLC, announced and introduced Barrett Larson of Larson Media, as public relations manager, stated that he handles various public relations matters in and around the State of Arizona.

8. **Adjournment**

Board member **Paulina Vazquez Morris** adjournment of the AZIDA Board Meeting at 4:28 p.m. Board member **Lea Márquez Peterson** seconded.

The Board Members were individually polled – Jim Keeley (yes), Mike Godbehere (yes), Paulina Vazquez Morris (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.



President

March 17, 2022

Date of Board Action