

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 A/B

Date and Time: Thursday, June 15, 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

Chief Financial Officer (In Person):

Dan Dialessi

Meeting Facilitator:

Kelly McGuire – Kutak Rock LLP

Presenters:

Charlie Schuster – Lincoln Avenue Capital  
Kuhl Brown – Mercy Housing  
Evan Holmes – Dominionium  
Ahmed Abdelhameed – Ulysses Development Group  
Ted Dergousoff – Restoration Forest Products  
Bryant Barber – Lewis Roca

**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.

2. **Adoption of Minutes of the May 18, 2023, AZIDA Board Meeting**

Board member **Ken Burns** moved to adopt the minutes of the May 18, 2023, AZIDA Board Meeting. 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.

3. **Agenda Items Considered:**

*Presentation, Discussion & Adoption*

*Approval of Resolution No. 2023-17 – Authorizing an amendment of the Resolution 2021-26, as amended, which granted preliminary approval to the issuance of multifamily housing revenue bonds, notes or other obligations to be issued to finance a qualified residential rental facility in Maricopa, Arizona, to increase the authorized aggregate principal amount to not-to-exceed \$60,000,000 and grant an extension of such preliminary approval, for the benefit of Ironwood Ranch Apartments, L.P.*

Charlie Schuster with Lincoln Avenue Capital gave a summary of the amendment and request for extension and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** then motioned to approve Resolution No. 2023-17, as presented. 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.

*Presentation, Discussion & Adoption*

*Approval of Resolution No. 2023-18 – Authorizing final approval of the issuance of Multifamily Housing Revenue Bonds (Glendale Senior Project) and Multifamily Housing Revenue Notes (Glendale Senior Project) in an aggregate principal amount not-to-exceed \$35,000,000, each to be issued in one or more tax-exempt and/or taxable series for the benefit of MHMP 19 Glendale Senior Apartments LLLP.*

Kuhl Brown with Mercy Housing gave a summary of the project and offered to entertain questions from the Board.

Board member **Ken Burns** then motioned to approve Resolution No. 2023-18, 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.

*Presentation, Discussion & Adoption*

*Approval of Resolution No. 2023-19 – Authorizing final approval of the issuance of Multifamily Housing Revenue Notes (Estrella Springs Project) and Multifamily Housing*

*Revenue Bonds (Estrella Springs Project) in an aggregate principal amount not-to-exceed \$96,000,000, each to be issued in one or more tax-exempt and/or taxable, senior and/or subordinate series for the benefit of Goodyear Leased Housing Associates I, Limited Partnership.*

Evan Holmes with Dominion gave a summary of the project and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** then motioned to approve Resolution No. 2023-19, as presented. 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.

**Presentation, Discussion & Adoption**

*Approval of Resolution No. 2023-20 – Authorizing final approval of the issuance of Multifamily Housing Revenue Notes (Suncrest Vista Project) and Multifamily Housing Revenue Bonds (Suncrest Vista Project) in an aggregate principal amount not-to-exceed \$60,300,000, each to be issued in one or more tax-exempt and/or taxable, senior and/or subordinate series for the benefit of Goodyear Leased Housing Associates II, Limited Partnership.*

Evan Holmes with Dominion gave a summary of the project and offered to entertain questions from the Board.

Board member **Ken Burns** then motioned to approve Resolution No. 2023-20, 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.

**Presentation, Discussion & Adoption**

*Approval of Resolution No. 2023-21 – Authorizing the preliminary approval of not-to-exceed \$116,000,000 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 financing a qualified residential rental facility to be located in Youngtown, Arizona, for the benefit of a tax credit limited liability company or partnership to be formed by Ulysses Development Group LLC.*

Ahmed Abdelhameed with Ulysses Development Group gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** then motioned to approve Resolution No. 2023-21, as presented. 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.

Presentation, Discussion & Adoption

*Approval of Resolution No. 2023-22 – Authorizing certain document amendments related to the Authority’s previously issued \$112,885,000 Revenue Bonds (NewLife Forest Restoration, LLC Project), Senior Federally Taxable Series 2022A (Sustainability-Linked Bonds), and \$86,806,759 Revenue Bonds (New Life Forest Restoration, LLC Project), Subordinate Federally Taxable Series 2022B (Sustainability-Linked Bonds) necessary to permit Restoration Forest Products Group (fka NewLife Forest Restoration, LLC) to incur additional debt to be secured by the trust estate securing the Bonds and authorizing repayment of such debt on a senior priority or parity basis with respect to payment of debt service on the Bonds.*

Ted Dergousoff with Restoration Forest Products and Bryant Barber with Lewis Roca, bond trustee’s counsel, provided a summary of the requested amendments.

Mr. Dergousoff noted that Restoration Forest Products is involved in forest thinning which reduces the consequences of catastrophic wildfires. Supply chain issues, schedule delays and inflation have resulted in the need for additional capital. The company is requesting approval to incur additional debt to complete the sawmill build.

Ms. McGuire then informed the Board that the transaction is currently in forbearance and asked Mr. Barber to provide the bond trustee’s perspective with respect to the amendments.

Mr. Barber stated, on behalf of the bond trustee, that it has received very clear and consistent direction from the majority senior bondholders to do everything possible under the bond documents that were approved in connection with the issuance of the bonds, to make sure that this particular project had an opportunity to continue to stabilize and come online. He stated that the majority senior bondholders have chosen to directly inject additional capital into the project.

Ms. McGuire asked Mr. Barber to confirm that the bond trustee is comfortable that the conditions necessary to effectuate the amendments are being satisfied.

Mr. Barber stated for the record that the trustee has been working directly with the investor (majority senior bondholders) and its legal counsel, and the negotiated documents firmly satisfy all the requirements under the indenture, the loan agreement, the forbearance agreement and the subordination agreement. There are also opinions of counsel being delivered to the effect that everything is in order, and the trustee is satisfied and prepared to go forward to close this transaction and make the capital available to the borrower.

Mr. Naquin asked Mr. Barber about the incremental amount being incurred and to confirm that there was 100% consent and agreement to proceed from the bondholders.

Mr. Bryant replied that the documents, as written, approved by this authority and executed by the parties, required 100% of the senior bondholders. This is a senior/subordinated structure and they have received 100% consent of the senior bondholder and, not just approval, but direction from the senior bondholders. The incremental amount is not-to-exceed \$55 million. It's a conditional commitment [of a bridge facility up to an amount of \$55,000,000], which is very common. The forbearance agreement ensures monies are

going to be available so long as the company continues to make progress and follows the direction of its internal consultants and advisors.

Board member **Ken Burns** then motioned to approve Resolution No. 2023-22, 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.

4. **Executive Director’s, Chief Financial Officer’s and/or Program Manager’s Reports**

There were no updates provided to the Board.

5. **Call to the Public**

Kelly McGuire announced a call to the public for comments.

No members of the public appeared in person or by telephone to comment.

6. **Announcements**

Gary Naquin announced that the next meeting of the Arizona Industrial Development Authority would be held on Thursday, July 20, 2023, at 3:00 p.m., and said to please consult the Arizona IDA website for any changes and/or meeting details.

7. **Adjournment**

Board member **Paulina Vazquez Morris** motioned for adjournment of the AZIDA Board Meeting at 3:29 p.m. Board member **Ken Burns** 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.



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Dirk Swift, Executive Director

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July 25, 2023  
Date of Board Action