

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 17, 2025
3:00 p.m.

Board Members Present (Appearing in Person):
Ken Burns

Board Members Present (Appearing via Zoom/Telephonically):
Marcel Dabdoub*
Robin Romano
Andre Whittington

Board Members Absent:
David Castillo (with prior notice)

Staff Present (Appearing in Person):
Dirk Swift, Executive Director
Dan Dialessi, Chief Financial Officer
Pat Ray, Cathedral Rock Issuer Services, Bond Program Manager

Staff Present (Appearing via Zoom/Telephonically):
Deaun Hampton, Operations and Administrative Coordinator

Meeting Facilitator (Appearing in Person):
Kelly McGuire, Kutak Rock LLP

Presenters (Appearing via Zoom/Telephonically):
Suzanne Drakes, Arizona Agribusiness & Equine Center, Inc.
Kris Sippel, San Tan Montessori, Inc.
Katie McMillan, GreatHearts Arizona

* Mr. Dabdoub joined the Zoom meeting at 3:03 p.m.

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 member Ken Burns attended in person. Board members Marcel Dabdoub*, Robin Romano, 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. Mr. Dabdoub was also noted as absent but had informed Ms. Romano that he would be late. 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. 2025-10 – Authorizing the issuance of Education Revenue and Refunding Bonds (Arizona Agribusiness & Equine Center, Inc. Project), Series 2025, in an aggregate principal amount not-to-exceed \$50,000,000, to be issued in one or more tax-exempt and/or taxable series, for the benefit of Arizona Agribusiness & Equine Center, Inc.

Suzanne Drakes of Arizona Agribusiness & Equine Center, Inc. (“AAEC”) addressed the Board. She shared that AAEC was founded in 1997 and currently has five campuses in Arizona, located in Mesa, South Mountain, Paradise Valley, Estrella Mountain and Prescott Valley, as well as an online program. AAEC plans to expand to the Show Low area with the addition of classroom facilities, student residence buildings and an equestrian center. The project is estimated to cost approximately \$16.5 million and includes the construction of the Show Low equestrian center, the purchase of land located adjacent to the Show Low campus, the refinancing of a bank loan used to purchase two additional buildings at the Estrella Mountain campus, and the refunding of AAEC’s Series 2012 and Series 2015 bonds. Ms. Drakes explained the Show Low equestrian center would enhance AAEC’s current programs already in place in Phoenix and Prescott Valley. The programs include forestry, environmental sciences, animal production, crop management, equine reproduction and genetics, veterinarian studies and wildlife management.

Ms. Drakes explained that AAEC has approximately 1,600 students network wide, and 30% of its students graduate with an associate degree in conjunction with graduating from high school. All of AAEC’s schools are “A” rated, with one “blue ribbon” school in Prescott Valley. The Prescott Valley campus will be replicated for the Show Low campus. AAEC currently has a “BB+” rating from Standard & Poor’s.

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Ms. Romano shared that the project was wonderful and added that it will be nice for people in the Show Low, Snowflake and surrounding communities to be able to obtain college credits while attending high school. She thanked AAEC for expanding its campuses in rural Arizona.

Both Mr. Dabdoub and Mr. Whittington echoed Ms. Romano's sentiments.

Board member **Ken Burns** then motioned to approve Resolution No. 2025-10, as presented. Board member **Marcel Dabdoub** seconded the motion.

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

Presentation, Discussion & Adoption

Approval of Resolution No. 2025-11 – Authorizing the issuance of Education Revenue Bonds (San Tan Charter School Projects), Series 2025, in an aggregate principal amount not-to-exceed \$37,500,000, to be issued in one or more tax-exempt and/or taxable series, for the benefit of San Tan Montessori School, Inc.

Kris Sippel of San Tan Montessori, Inc. ("San Tan") addressed the Board. He explained that San Tan plans to refinance one of its elementary campuses and build a third campus in the Queen Creek area. San Tan is going into its 20th year, and the new project will coincide with its 20-year anniversary. San Tan is an "A" rated school and has received its charter extension for another 20 years. San Tan's education model is Montessori based and there is a need for that model in Queen Creek, as there are a lot of traditional types of education offerings in Queen Creek but nothing Montessori based.

Ms. Romano noted this is a pretty straightforward refinancing.

Board member **Marcel Dabdoub** then motioned to approve Resolution No. 2025-11, 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. 2025-12 – Authorizing the issuance of not-to-exceed \$145,000,000 of Education Revenue and Refunding Bonds, in one or more tax-exempt and/or taxable series, for the benefit of GreatHearts Arizona (formerly known as GreatHearts Academies).

Katie McMillan, the Vice President of Finance at GreatHearts Arizona ("GreatHearts") addressed the Board. She shared that GreatHearts is a network of high performing classical liberal arts charter schools in the Phoenix metropolitan area. The network consists of 21 schools on 12 campuses serving approximately 16,000 K-12 students. Ms. McMillan explained there are three components to the bond issuance: (i) the addition of a two-story building on the Roosevelt campus in Buckeye that includes 15 classrooms and a multipurpose room and would add about 325 seats to that campus; (ii) the expansion of a one-story building at the Lincoln Prep campus in Chandler that includes 4 classrooms and a multipurpose room and would add about 100 seats for that campus; and

(iii) the refunding of GreatHearts' 2014 and 2016 bonds to achieve debt service savings. Ms. McMillan noted that GreatHearts' finance committee has established a 2.5% net present value savings threshold, and if those savings can be achieved, GreatHearts plans to move forward with that refunding.

Mr. Dabdoub asked if getting a better rate would reduce debt service on the new debt or the existing loan.

Ms. McMillan explained the first two pieces are new debt funding for the Roosevelt and Lincoln Prep campuses and the third piece would be refunding or refinancing the existing debt at a better interest rate.

Ms. Romano noted that the school would see quite a bit of savings, especially in the particular interest rate environment.

Mr. Whittington added that he appreciated the information shown in the presentation.

Board member **Andre Whittington** then motioned to approve Resolution No. 2025-12, as presented. Board member **Marcel Dabdoub** seconded the motion.

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

3. **Presentation and Discussion; No Board Action - Executive Director's Report**

Dirk Swift, Executive Director, reminded the Board that the 2025 "Arizona Is Home" program (the "Program") launched on February 3rd, and shared that it was going great. On March 3rd, AZIDA partnered with its new master servicer, The Money Source Inc. ("TMS"), and noted that the new servicing relationship is also going great. In the first month with TMS there were 31 loans that would not have been able to have been made under the previous master servicer. March was a very good month for the Program, with a higher than normal 114 loans, but then the tariffs were implemented and not only the stock market, but the bond market, went sideways. So much so that on April 10th, they struggled to determine what level of high, higher or highest interest rates would have to be posted to keep the Program active. Given the rate climate, reservations for the Program were suspended until the financing team could get a better footing of where the market was going to be considering the 2025 bonds had not yet been offered or issued. The bond marketing for the Program was originally scheduled for Monday, April 14th, right in the middle of all the uncertainty. The financing team decided to take a position to evaluate on a day-by-day, almost hour-by-hour, basis to determine if there was a favorable window to take the Series 2025 single-family bonds to market. A window appeared on April 16th and the marketing went very well. The bonds were oversubscribed four times – investor interest was fabulous. The teams from cfX and Barclays put the structure together and the results were better than expected given the current environment, though not as good as hoped. AZIDA is now in a position to reopen reservations for the Program on April 21st. At one point, Mr. Swift was concerned AZIDA would have to bump interest rates, potentially up to 100 basis points, or 1% higher, but the final pricing landed at a 3/8% increase, so the Program is still able to offer loans in the mid-six percent interest rate range with down-payment assistance. The

Program will take off again and move forward. Mr. Swift said he has kept the 9th Floor and the Department of Housing informed during this entire process. He is hoping the Program pause did not take too much wind out of the sails and he is confident the Program will ramp back up. Mr. Swift indicated he would provide an update at the next meeting.

Ms. Romano asked what happens if interest rates fall.

Mr. Swift explained that if interest rates fall, AZIDA could be in a position where posted loan rates are at the market rate. He noted that today, AZIDA is at or below market, with 4% down-payment assistance. So regardless of what happens, if interest rates fall, given the down-payment assistance, the Program should still be in a good market position. He doesn't anticipate rates falling greatly, but that depends on communications from the administration (federal). If the current pace of the Program is maintained or increases, all loans will be reserved by June or July, but he doesn't foresee interest rates falling significantly.

Ms. Romano agreed that she doesn't foresee that either, but every day is a new day. She then asked Mr. Swift about his recent travel and attendance at grand openings.

Mr. Swift said he had been to a few multifamily project grand openings recently, and noted he attended the Western Winds grand reopening in Tucson on April 16th.

Ms. Romano asked if that was the senior center.

Mr. Swift said yes and then mentioned the senior facilities in Glendale are slotted to come online in July or August.

Ms. Romano asked Mr. Swift if he had taken pictures that could be posted on social media.

Mr. Swift replied that he had not taken pictures of Western Winds but AZIDA's newsletter will be coming out by the end of the month, and it will have photos and links to other projects AZIDA has been a part of.

Ms. Romano thanked Mr. Swift for traveling and attending these openings on behalf of the Board. She noted the rehabilitation of the senior center in Tucson was a nice project.

Mr. Dabdoub added that the Western Winds project is a big deal in Tucson and everyone is excited about it.

4. **Adoption of Minutes of the March 20, 2025 AZIDA Regular Board Meeting**

Board member **Ken Burns** moved to adopt the minutes of the March 20, 2025 AZIDA regular board meeting. 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. McGuire announced a call to the public for comments.

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

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 15, 2025, at 3:00 p.m., but noted that people should consult the AZIDA website for any changes to meeting details.

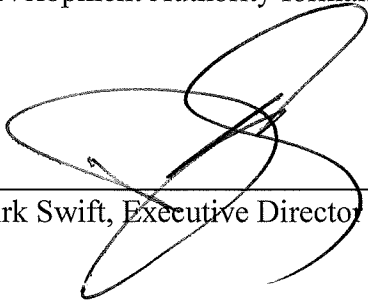
7. **Adjournment**

Board member **Ken Burns** motioned for adjournment of the AZIDA Board meeting at 3:23 p.m. Board member **Marcel Dabdoub** seconded.

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

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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

June 18, 2025

Date of Board Action