

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 the Gainey Room B/C

Date and Time: Thursday, December 15, 2022
3:02 p.m.

Board Members Present (Appearing In Person):

Lea Márquez Peterson

Board Members Present (Appearing Telephonically):

Gary Naquin

Ken Burns

Jim Keeley (joined before Agenda Item No. 2)

Paulina Vazquez Morris (joined before Agenda Item No. 2)

Board Members Absent:

None

Executive Director Present (In Person):

Dirk Swift

Meeting Facilitator:

Keela Seelandt – Kutak Rock LLP

Presenters:

Rick Metzger, Riverview LLP

Jason Grubbs, The Frazer Lanier Company

Cameron Chubbuck, Horizon ELOM Holdings, LLC

Kelly McGuire, Kutak Rock LLP

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 3:02 p.m. Participating in person was Lea Márquez Peterson. Participating via telephone were Gary Naquin and Ken Burns. A quorum was declared present.

2. **Agenda Item No. 1 - Adoption of Minutes of the November 30, 2022 AZIDA Board Meeting**

Board member **Lea Márquez Peterson** moved to adopt the minutes of the November 30, 2022 AZIDA Board Meeting. Board member **Ken Burns** seconded the motion.

The Board Members were individually polled – Lea Márquez Peterson (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed.

Board members Paulina Vazquez Morris and Jim Keeley joined the meeting telephonically at 3:04 p.m.

3. **Agenda Items Considered:**

Agenda Item No. 2 – Presentation, Discussion & Adoption

Approval of Resolution No. 2022-67 – Granting preliminary approval of not-to-exceed \$20,000,000 of multifamily housing revenue bonds, notes, or other obligations to be issued in one or more tax exempt and/or taxable series to finance a qualified residential rental facility for general occupancy to be located in Glendale, Arizona for the benefit of TWG Glendale, LP.

As no member of the financing team for Agenda Item No. 2 was available to present project details to the Board, Board member Gary Naquin suggested delaying the discussion on this item until later in the meeting.

Agenda Item No. 3 – Presentation, Discussion & Adoption

Approval of Resolution No. 2022-68 – preliminary approval of not-to-exceed \$50,000,000 of revenue bonds to be issued from time to time in one or more tax-exempt and/or taxable series to finance a dairy production facility, supporting feedlot facility and a biosolids anaerobic digester to be located in Pearce, Arizona for the benefit of Riverview, LLP.

Jason Grubbs of The Frazer Lanier Company gave a summary of the project and he, along with Rick Metzger of Riverview LLP, offered to entertain questions from the Board. Board member Gary Naquin asked the gentlemen to provide details relating to the technology and timing. Mr. Metzger addressed the issue of timing first, stating that it is an ongoing project with various stages to it. Mr. Metzger explained further that the project was started almost two years ago and is going through several phases with the requested bonds being used for a specific segment of the project that will take two to three years to build. As far as technology, Mr. Metzger said that the project itself is based on manure management and directing manure into covered lagoon areas and the digester part of the project is a way to capture gas that naturally accumulates off manure waste. Mr. Metzger added that a third-party company would handle that aspect of the project to clean and pump the gas into the natural gas pipeline, noting this is similar to ongoing projects all over the United States that are part of the carbon initiative for states like California, Washington and others. Board member Gary Naquin then asked Mr. Metzger to verify that the project consists of no new technology, to which Mr. Metzger confirmed that was correct.

Board member **Ken Burns** motioned to approve Resolution No. 2022-68 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Jim Keeley (yes), Lea Márquez Peterson stated that as an Arizona Corporation Commissioner, she was recusing herself from the vote on Resolution No. 2022-68 (recused), Paulina Vazquez Morris (yes), Ken Burns (yes), Gary Naquin (yes), and by a vote of 4-0 the motion passed.

Agenda Item No. 4 – Presentation, Discussion & Adoption

Approval of Resolution No. 2022-69 – Granting preliminary approval of not-to-exceed \$8,500,000 of multifamily housing revenue bonds, notes, or other obligations to be issued in one or more tax exempt and/or taxable series to finance a qualified residential rental facility to be located in Scottsdale, Arizona for the benefit of ARHS Housing Partners, L.P.

Cameron Chubbuck, Horizon ELOM Holdings, LLC, gave a summary of the project and offered to entertain questions from the Board. Board member Gary Naquin asked Mr. Chubbuck to confirm the number of units and whether there is a HUD minimum number of units that need to be set aside for low to moderate income. Mr. Chubbuck stated that all 47 units at the project are designated low income – at or below 60% AMI – and are all currently under the HUD Section 8 contract that will be renewed upon purchase.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2022-69 as presented. Board member **Ken Burns** seconded the motion.

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

The board then returned to Agenda Item No. 2, that was postponed from earlier in the meeting.

Agenda Item No. 2 – Presentation, Discussion & Adoption

Approval of Resolution No. 2022-67 – Granting preliminary approval of not-to-exceed \$20,000,000 of multifamily housing revenue bonds, notes, or other obligations to be issued in one or more tax exempt and/or taxable series to finance a qualified residential rental facility for general occupancy to be located in Glendale, Arizona for the benefit of TWG Glendale, LP.

With no representative of the project on the line to discuss the details of the project, Kelly McGuire summarized the project stating the request is for preliminary approval only, noting that that will allow the applicant to submit for the State’s volume cap and to start their low-income-housing tax credit process. Ms. McGuire expressed further that preliminary approval does not obligate AZIDA to issues bonds. Board member Gary Naquin said that with the number of projects the applicant has nationwide, he would like to hear specifically about the success of projects in Arizona with those details to either come in the near future or when considering for final approval. Ms. McGuire added that the project is for 105 units in Glendale with a portion of the units being set aside for low-

income tenants and that the applicant will be pursuing 4% low-income housing tax credits.

Board member **Lea Márquez Peterson** then motioned to approve Resolution No. 2022-67 as presented. Board member **Ken Burns** seconded the motion.

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

4. **Agenda Item No. 5 – Executive Director Update**

Dirk Swift, AZIDA Executive Director, gave a brief update on the engagement and ongoing work by Accenture to assist in developing and implementation plan for recommendations from Auditor General’s sunset findings report and performance audit (of OEO/AFA, which also included AZIDA). Mr. Swift explained some of the rankings noting that the scale includes a range of 5 being the highest and 1 the lowest, with the AFA scoring in the 2-3 range for monitoring activity, risk assessment, and control environment / control activity, acknowledging the goal to always be improving. Board member Ken Burns added that OEO and AZIDA both contracted with Accenture to do a joint project as everything is so intertwined. Board member Gary Naquin asked when the recommendations will be released to the board members and questioned Ms. McGuire about her thoughts on distributing the information. Ms. McGuire said that after the report if finalized, it can be distributed to the board members soliciting any questions to be discussed at a special meeting or next regular meeting.

5. **Agenda Item No. 6 – Call to the Public**

President Naquin announced a call to the public for comments.

No comments were made.

6. **Agenda Item No. 7 – Announcements**

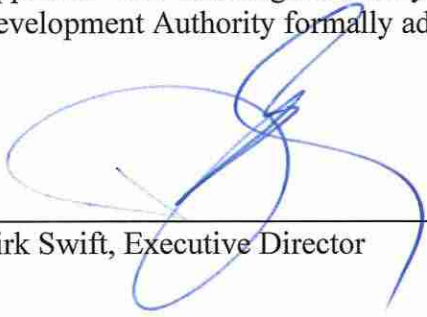
President Naquin announced that the next meeting of the Arizona Industrial Development Authority Board Meeting would be held on Thursday, January 19, 2023, and said to please consult the Arizona IDA website for any changes and/or meeting details.

7. **Adjournment**

Board member **Lea Márquez Peterson** 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), Jim Keeley (yes), Lea Márquez Peterson (yes), Paulina Vazquez Morris (yes), Gary Naquin (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

January 19, 2023

Date of Board Action