

Meeting Minutes

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY BOARD OF DIRECTORS MEETING

Location:

Telephonic Meeting

Date and Time:

Thursday, December 9, 2021
3:30 p.m.

Board Members Present (Appearing Telephonically):

Gary Naquin, President
Jim Keeley
Mike Godbehere
Paulina Vazquez Morris

Board Members Absent:

Lea Márquez Peterson

Meeting Facilitator:

Keela Seelandt – Kutak Rock LLP

Presenters:

Mr. Alan Bogomilsky, Klein Financial Corporation
Mr. Kuhl Brown, Mercy Housing Mountain Plains
Ms. Sally Schwenn, Gorman USA
Mr. Brian Swanton or Dan Klocke, Gorman USA
Mr. Brett Siglin, Jennings, Strouss & Salmon, P.L.C.
Mr. Owen Metz, Dominion, Inc.
Mr. James Riley, Roers Companies
Mr. Chuck Lotzar, Lotzar Law Firm, P.C.
Mr. Greg Corns, Solterra Companies
Mr. J.D. Golden, Domain Communities

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 3:30 p.m. Participating via telephone were Gary Naquin, Jim Keeley, Mike Godbehere and Paulina Vazquez Morris. Lea Márquez Peterson was absent. A quorum was declared present.

2. **Adoption of Minutes of the November 19, 2021 AZIDA Board Meeting**

Board member **Jim Keeley** moved to adopt the minutes of the November 19, 2021 AZIDA Board Meeting. 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.

3. **Agenda Items Considered:**

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-53 – Approving the assignment of all obligations related to \$130,000,000 of Multifamily Housing Revenue Bonds (Vaseo Apartments Project), Series 2018, originally issued for the benefit of Vaseo Apartments, LP, to the new obligor under such documents, Vaseo Apartment Owner, LP, and consenting to the sale of the project financed with proceeds of such bonds, and other matters related thereto.

Alan Bogomilsky with Klein Financial Corporation gave a summary of the proposed assignment and sale of the project and offered to entertain questions from the Board.

Board member **Mike Godbehere** motioned to approve Resolution No. 2021-53 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. 2021-54 – Granting preliminary approval of not-to-exceed \$9,000,000 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 located in Tucson, Arizona, for the benefit of Mercy Housing Mountain Plains.

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

Board member **Jim Keeley** commented that this project will be a good void to fill and motioned to approve Resolution No. 2021-54 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. 2021-55 – Granting preliminary approval of not-to-exceed \$10,000,000 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 Glendale, Arizona for the benefit of Mercy Housing Mountain Plains.

Kuhl Brown, Mercy Housing Mountain Plains, gave a summary of the project and offered to entertain questions from the Board. Board member **Gary Naquin** asked if this facility has both independent living and assisted living units, and Mr. Brown confirmed there will be independent living units only and will be for extra-low-income tenants.

Board member **Jim Keeley** motioned to approve Resolution No. 2021-55 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. 2021-56 – Granting preliminary approval of not-to-exceed \$15,000,000 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 located in Prescott, Arizona for the benefit of Fort Whipple Veterans Housing, LLC.

Sally Schwenn, Gorman USA, gave a summary of the project and offered to entertain questions from the Board. Board member **Gary Naquin** asked if this facility will be available to veterans and non-veterans alike, and Ms. Schwenn confirmed there will be no non-veteran tenants.

Board member **Mike Godbehere** thanked Ms. Schwenn for the project overview and motioned to approve Resolution No. 2021-56 as presented. 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.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-57 – Granting preliminary approval of not-to-exceed \$25,000,000 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 Glendale, Arizona for the benefit of Centerline on Glendale, LLC.

and

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-58 – Granting final approval of not-to-exceed \$25,000,000 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 Glendale, Arizona for the benefit of Centerline on Glendale Two, LLC.

It was decided the agenda items considering Resolutions 2021-57 and 2021-58 would be considered together since the developments were “sister” projects.

Brian Swanton, Gorman USA, gave a summary of the projects and offered to entertain questions from the Board. Board member **Mike Godbehere** asked if the reason for two resolutions related to the project being developed in phases such as Phase I first and then Phase II to follow. Mr. Swanton indicated that the project is being developed simultaneously, and the reason for two resolutions is that there will be two separate investors with one being a healthcare provider, who wants tax credits for their part of the facility. Board member **Gary Naquin** then asked whether there will be difference in the healthcare provider side Phase I of the facility and the other investor Phase II side. Mr. Swanton said that the healthcare provider Phase I will include a community services facility with a community kitchen that will be open to the neighboring community as well as the Phase II tenants.

Board member **Mike Godbehere** then motioned to approve Resolution Nos. 2021-57 and 2021-58 as presented. 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.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-59 – Granting an extension of Preliminary Approval of not-to-exceed \$30,000,000 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 Prescott Valley, Arizona, for the benefit of Silver Creek Residential PV, LLC.

Brett Siglin, Jennings, Strouss & Salmon, P.L.C., gave a summary of the proposed project and the need for extension and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2021-59 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. 2021-60 – Granting preliminary approval of not-to-exceed \$46,000,000 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 Marana, Arizona for the benefit of Marana Leased Housing Associates I, LLLP.

Board member Jim Keeley asked that the record reflect that he is a partner with Colliers International’s Scottsdale Office and has an apparent conflict of interest with respect to agenda items 9 through 16 (consisting of Resolution Nos. 2021-60 through and including

2021-67 as a member of the financing teams are also employed by Colliers International. He excused himself from the meeting during the discussion and vote on these matters.

Owen Metz, Dominion, Inc., gave a summary of the proposed project and offered to entertain questions from the Board. Board member **Gary Naquin** noted that there has been a significant change in the supply and demand of affordable housing, to which Mr. Metz noted that one of the reasons Dominion opened their office headquarters in Arizona was because Arizona has \$800,000,000 available in private activity bonds which can be used for affordable housing projects.

Board member **Mike Godbehere** thanked Mr. Metz for a great presentation and then motioned to approve Resolution No. 2021-60 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Mike Godbehere (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-61 – Granting preliminary approval of not-to-exceed \$69,000,000 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 Glendale, Arizona for the benefit of Glendale Leased Housing Associates I, LLLP.

Owen Metz, Dominion, Inc., gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2021-61 as presented. Board member **Mike Godbehere** seconded the motion.

The Board Members were individually polled – Mike Godbehere (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-62 – Granting preliminary approval of not-to-exceed \$40,000,000 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 for senior occupancy to be located in Glendale, Arizona for the benefit of Glendale Leased Housing Associates II, LLLP.

Owen Metz, Dominion, Inc., gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Mike Godbehere** motioned to approve Resolution No. 2021-62 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Mike Godbehere (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-63 – Granting an extension of preliminary approval of not-to-exceed \$65,000,000 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 Surprise, Arizona for the benefit of Surprise Leased Housing Associates I, LLLP.

Owen Metz, Dominion, Inc., gave a summary of the proposed project and request for extension and offered to entertain questions from the Board. Board member **Gary Naquin** asked what was causing them headwind on this project. Mr. Metz indicated that several issues have come up, one being that the four-story senior building was going to be at the east end of the project site but that there were zoning issues causing it to be moved to the west end of the site. Mr. Metz also said that there is a 2008 City Ordinance requiring more parking spaces they originally allowed for, which caused them to lose planned greenspace and reconfigure the parking lot.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2021-63 as presented. Board member **Mike Godbehere** seconded the motion.

The Board Members were individually polled – Mike Godbehere (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-64 – Granting an extension of preliminary approval of not-to-exceed \$35,000,000 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 for senior occupancy to be located in Surprise, Arizona, for the benefit of Surprise Leased Housing Associates II, LLLP.

Owen Metz, Dominion, Inc., gave a summary of the proposed project and request for extension and offered to entertain questions from the Board. Mr. Metz took a moment to update the Board on Dominion’s previously approved Desert Sky Mall projects that are now closing soon.

Board member **Mike Godbehere** motioned to approve Resolution No. 2021-64 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Mike Godbehere (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-65 – Authorizing an increase of the not-to-exceed amount of multifamily housing revenue bonds, notes or other obligations previously granted preliminary approval to assist in the financing of a qualified residential rental facility to be located in Maricopa, Arizona, to a principal amount of not-to-exceed \$45,000,000 for the benefit of Roers Maricopa Apartments Owner LLC.

James Riley, Roers Companies, gave a summary of the proposed project, described the need for the increase in not-to-exceed amount and offered to entertain questions from the

Board. Board member **Gary Naquin** asked whether it was cost or labor that caused the need and request for the increase in the not-to-exceed amount. Mr. Riley responded that both cost and labor as well as general inflation resulting in higher subcontractor costs. Board member **Mike Gobehere** asked what the original estimated not-to-exceed amount was, and Mr. Riley said original projections were at \$33,000,000 and now are at \$45,000,000 which includes changes the Arizona Department of Housing recently made as well as additional developer fees.

Board member **Mike Godbehere** then motioned to approve Resolution No. 2021-65 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Mike Godbehere (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-66 – Authorizing an increase of the not-to-exceed amount of multifamily housing revenue bonds, notes or other obligations previously granted preliminary approval to assist in the financing of a qualified residential rental facility to be located in Casa Grande, Arizona, to a principal amount of not-to-exceed \$45,000,000 for the benefit of Roers Casa Grande Apartments Owner LLC.

James Riley, Roers Companies, gave a summary of the proposed project, described the need for the increase in not-to-exceed amount and offered to entertain questions from the Board. Board member **Mike Gobehere** asked what the original estimated not-to-exceed amount was on this project, and Mr. Riley said original projections were at \$33,000,000 and now are at \$45,000,000. Board member **Gary Naquin** noted that they were similar construction types.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2021-66 as presented. Board member **Mike Godbehere** seconded the motion.

The Board Members were individually polled – Mike Godbehere (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-67 – Granting preliminary approval of not-to-exceed \$45,000,000 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 Flagstaff, Arizona for the benefit of Roers Flagstaff Apartments Owner LLC.

James Riley, Roers Companies, gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Mike Godbehere** motioned to approve Resolution No. 2021-67 as presented. Board member **Paulina Vazquez Morris** seconded the motion.

The Board Members were individually polled – Mike Godbehere (yes), Paulina Vazquez Morris (yes), Gary Naquin (yes), and by a vote of 3-0 the motion passed. Board member Jim Keely rejoined the meeting.

Presentation, Discussion & Adoption

Approval of Resolution No. 2021-68 – Granting preliminary approval of not-to-exceed \$47,000,000 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 located in Glendale, Arizona for the benefit of Bethany Glen Community Partners, LP, an Arizona limited partnership.

Chuck Lotzar, Lotzar Law Firm, P.C., gave a summary of the proposed project offered to entertain questions from the Board.

Board member **Jim Keeley** motioned to approve Resolution No. 2021-68 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. 2021-69 – Granting preliminary approval of not-to-exceed \$33,000,000 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 located in Lakeside, Arizona for the benefit of White Mountains Assisted Living Facility, LLC.

Greg Corns, Solterra Companies, gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2021-69 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. 2021-70 – Granting preliminary approval of not-to-exceed \$28,000,000 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 for senior occupancy to be located in Waddell, Arizona for the benefit of JES Dev Co, Inc.

Chuck Lotzar, Lotzar Law Firm, P.C., gave a summary of the proposed project offered to entertain questions from the Board.

Board member **Jim Keeley** motioned to approve Resolution No. 2021-70 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. 2021-71 – Granting final approval of not-to-exceed \$640,000,000 of Revenue Bonds (QCF/I Facilities), to be issued in one or more tax-exempt and/or taxable series to assist in the financing of behavioral healthcare facilities in Las Vegas, Nevada and San Antonio, Texas for the benefit of QCF/I, Inc.

J.D. Golden, Domain Communities, gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Paulina Vazquez Morris** motioned to approve Resolution No. 2021-71 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.

4. **Call to the Public**

President Naquin announced a call to the public for comments.

No comments were made.

5. **Announcements**

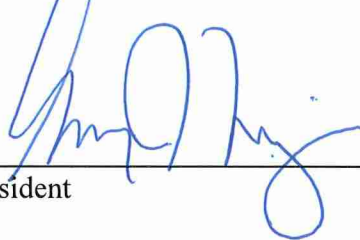
President Naquin announced that the next meeting of the Arizona Industrial Development Authority Board Meeting would be held on Thursday, January 20, 2022, and said to please consult the Arizona IDA website for any changes and/or meeting details.

6. **Adjournment**

Board member **Mike Godbehere** adjournment of the AZIDA Board Meeting at 4:40 p.m. Board member **Jim Keeley** 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

December 20, 2021

Date of Board Action