

Meeting Minutes

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

Location:

Telephonic Meeting

Date and Time:

Thursday, May 19, 2022  
3:02 p.m.

Board Members Present (Appearing Telephonically):

Gary Naquin, President  
Jim Keeley  
Mike Godbehere  
Paulina Vazquez Morris  
Lea Márquez Peterson

Board Members Absent:

None

Meeting Facilitator:

Keela Seelandt – Kutak Rock LLP

Presenters:

Mr. Marc Stasiowski, Wells Fargo  
Mr. John Murphy, OneBlood, Inc.  
Mr. Matt Klein, Lincoln Avenue Capital  
Mr. Brian Swanton, Gorman USA  
Mr. Evan Holmes, Dominion, Inc.  
Mr. Pat Ray, AZIDA Program Manager, Cathedral Rock Issuer's Services, LLC  
Mr. Dirk Swift, AZIDA Executive Director  
Kelly McGuire, Esq., AZIDA Conduit Bond Issuer's Counsel, Kutak Rock LLP

**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 via telephone were Gary Naquin, Jim Keeley, Mike Godbehere, Lea Márquez Peterson and Paulina Vazquez Morris. A quorum was declared present.

2. **Adoption of Minutes of the April 21, 2022 AZIDA Board Meeting**

Board member **Jim Keeley** moved to adopt the minutes of the April 21, 2022 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), Lea Márquez Peterson (yes), Gary Naquin (yes), and by a vote of 5-0 the motion passed.

3. **Agenda Items Considered:**

*Presentation, Discussion & Adoption*

*Approval of Resolution No. 2022-16 – Granting final approval of not-to-exceed \$10,000,000 of Revenue Bonds (Southwest Behavioral Health Services, Inc. Project), Series 2022, to be issued in one or more tax exempt and/or taxable series, for the benefit of Southwest Behavioral Health Services, Inc.*

Marc Stasiowski of Wells Fargo gave a summary of the proposed project and offered to entertain questions from the Board.

Board member **Lea Márquez Peterson** motioned to approve Resolution No. 2022-16 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), Lea Márquez Peterson (yes), Gary Naquin (yes), and by a vote of 5-0 the motion passed.

*Presentation, Discussion & Adoption*

*Approval of Resolution No. 2022-17 – Granting final approval of not-to-exceed \$10,200,000 of Health Care Facilities Revenue Bond (OneBlood, Inc. Project), Series 2022, to be issued in one tax exempt series, for the benefit of OneBlood, Inc.*

John Murphy of OneBlood, Inc. gave a summary of the project and offered to entertain questions from the Board. Board member Gary Naquin asked Mr. Murphy to elaborate on the joint venture OneBlood, Inc. has with Arizona companies. Mr. Murphy indicated that the joint venture and ties to Arizona have been in place for decades and includes Creative Testing Services in Scottsdale, Vitalant, and the American Red Cross.

Board member **Mike Godbehere** motioned to approve Resolution No. 2022-17 as presented. Board member **Lea Márquez Peterson** seconded the motion.

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

*Presentation, Discussion & Adoption*

*Approval of Resolution No. 2022-18 – Granting preliminary approval of not-to-exceed \$65,000,000 of multifamily housing revenue bonds, notes, or other obligations (Cottonwood Ranch Apartments Project), Series 2022, to be issued in one or more tax exempt and/or taxable series, for the benefit of Cottonwood Ranch GP LLC.*

Matt Klein, Lincoln Avenue Capital, gave a summary of the project and offered to entertain questions from the Board. Board member **Mike Godbehere** asked for details on the timeframe / timeline for the project. Mr. Klein said the current plan is to close in late fourth quarter 2022 or early first quarter 2023, with construction during 2023 and a planned completion by mid-2024.

Board member **Jim Keeley** motioned to approve Resolution No. 2022-18 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), Lea Márquez Peterson (yes), Gary Naquin (yes), and by a vote of 5-0 the motion passed.

Presentation, Discussion & Adoption

*Approval of Resolution No. 2022-19 – Authorizing an increase of the not-to-exceed amount related to the Preliminary Approval of multifamily housing revenue bonds, notes or other obligations to finance a qualified residential rental facility to be located in Glendale, Arizona, to be issued in one or more tax-exempt and/or taxable series, to a principal amount of not-to-exceed \$35,000,000 and granting an extension of the Preliminary Approval, for the benefit of Centerline on Glendale, LLC.*

and

Presentation, Discussion & Adoption

*Approval of Resolution No. 2022-20 – Authorizing an increase of the not-to-exceed amount related to the Preliminary Approval of multifamily housing revenue bonds, notes or other obligations to finance a qualified residential rental facility to be located in Glendale, Arizona, to be issued in one or more tax-exempt and/or taxable series, to a principal amount of not-to-exceed \$35,000,000 and granting an extension of the Preliminary Approval, for the benefit of Centerline on Glendale Two, LLC.*

It was decided the agenda items #5 and #6 (considering Resolutions 2022-19 and 2022-20) would be considered together since the developments were “sister” projects.

Brian Swanton of Gorman USA gave a summary of the projects and offered to entertain questions from the Board. Board member **Mike Godbehere** asked about the project timing and the plan for closing. Mr. Swanton indicated they are beginning the permitting process in June and have a plan to close in December. Construction is estimated to take 24 months with an anticipation completion date in 2024. Together, the projects will provide a total of 368 units. Board member **Gary Naquin** then asked whether the rent structure has changed from the 60% of median income and Mr. Swanton responded that with the American Rescue Plan rents will be even lower than anticipated and they will offer affordable access to the seriously mentally ill with an income at or below 30% of the median income. Board member **Gary Naquin** then asked about a risk of an increase in costs projected for the project, and Mr. Swanton said there is indeed some risk of increase in costs, but they are limited to items they can buy out ahead of time due to storage limitations. He also noted that they are facing a cost increase on every project, but that lumber prices are actually coming down somewhat at the moment.

Board member **Mike Godbehere** then motioned to approve Resolution Nos. 2022-19 and 2022-20 as presented. Board member **Lea Márquez Peterson** seconded the motion.

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

Presentation, Discussion & Adoption

*Approval of Resolution No. 2022-21 – Authorizing an increase of the not-to-exceed amount related to the Preliminary Approval of multifamily housing revenue bonds, notes or other*

*obligations to finance a qualified residential rental facility to be located in Goodyear, Arizona, to be issued in one or more tax-exempt and/or taxable series, to a principal amount of not-to-exceed \$53,000,000 and granting an extension of the Preliminary Approval, for the benefit of Goodyear Leased Housing Associates II, Limited Partnership.*  
and

*Presentation, Discussion & Adoption*

*Approval of Resolution No. 2022-22 – Authorizing an increase of the not-to-exceed amount related to the Preliminary Approval of multifamily housing revenue bonds, notes or other obligations to finance a qualified residential rental facility to be located in Goodyear, Arizona, to be issued in one or more tax-exempt and/or taxable series, to a principal amount of not-to-exceed \$53,000,000 and granting an extension of the Preliminary Approval, for the benefit of Goodyear Leased Housing Associates II, Limited Partnership.*

It was decided the agenda items #7 and #8 (considering Resolutions 2022-21 and 2022-22) would be considered together since the developments were “sister” projects.

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 7 and 8 (consisting of Resolution Nos. 2022-21 and 2022-22) 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 two matters.

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

Board member **Lea Márquez Peterson** motioned to approve Resolution Nos. 2022-21 and 2022-22 as presented. Board member **Mike Godbehere** seconded the motion.

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

*HOME Plus Program Update*

*Presentation by the Program Manager and Executive Director regarding the current status of AZIDA’s HOME Plus down payment assistance program production and funding.*

Dirk Swift, AZIDA Executive Director, and Pat Ray, Cathedral Rock Issuer Services, LLC, gave an update and status on AZIDA’s HOME Plus program, the various market conditions affecting it, and proposing a plan to self-fund down payment assistance in the current environment. They then offered to entertain questions from the Board.

Board member **Mike Godbehere** asked whether there had been a default risk assessment beyond the normal default rate since rates are already higher, generally, and the amortizing DPA will increase the borrower’s mortgage payment by \$85.33 per month. Dirk Swift indicated he had not performed that analysis and offered to look into that aspect / possibility if the board would like him to. Board members **Gary Naquin** and **Mike Godbehere** also asked various questions about the amounts to be transferred to the State Housing Trust Fund. Pat Ray indicated they met with the Arizona Department of Housing Director Simplot and his staff earlier in May to go over and discussed the proposal. There was additional discussion

between the board members, Dirk Swift and Pat Ray, with a notation that this is still under contemplation and if action is to be considered, it will be on the June meeting agenda.

*Presentation, Discussion & Adoption*

*Approval of Resolution No. 2022-23 – Approving Amended and Restated Articles of Incorporation and Amended and Restated Bylaws of AZIDA.*

Kelly McGuire with Kutak Rock LLP gave a summary of the proposed amendments and offered to entertain questions from the Board.

Board member **Jim Keeley** motioned to approve Resolution No. 2022-23 as presented. Board member **Lea Márquez Peterson** seconded the motion.

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

4. **Call to the Public**

President Naquin announced a call to the public for comments.

No comments were made.

5. **Announcements**

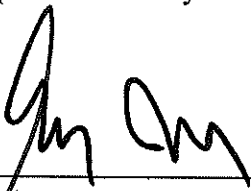
President Naquin announced that the next meeting of the Arizona Industrial Development Authority Board Meeting would be held on Thursday, June 16, 2022, and said to please consult the Arizona IDA website for any changes and/or meeting details.

6. **Adjournment**

Board member **Mike Godbehere** adjournment of the AZIDA Board Meeting at 4:04 p.m. Board member **Jim Keeley** seconded.

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



\_\_\_\_\_  
President

June 16, 2022

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Date of Board Action