

Meeting Minutes

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

Location:

100 N 15th Ave
1st Floor - Suite 103
Phoenix, Arizona 85007

Date and Time:

Wednesday, February 26, 2020
3:30 p.m.

Board Members Present:

Victor Riches, President

Board Members Appearing Telephonically:

Jim Keeley
Lea Marquez-Peterson
Mike Godbehere

Board Members Absent:

Doug Yonko

Meeting Facilitator:

Keela Seelandt – Kutak Rock LLP

Presenters:

Mr. Pat Ray, Cathedral Rock Issuer Services LLC
Mr. John DiFazio, Morgan Stanley
Mr. Swen Anderson, Skyline Education, Inc.
Mr. Mike Harling, Municipal Capital Markets Group, Inc.
Mr. Chris Hawkins, COO of Hawkins Construction Company
Mr. Mike Newman, Managing Director of Hilltop Securities Inc.
Mr. Chuck Lotzar of Lotzar Law Firm, P.C.

Actions:

1. **Call to Order:**

The meeting was called to order by Victor Riches, President of the Board of the Arizona Industrial Development Authority (AZIDA) at 3:30 p.m. Participating in person were Victor Riches, with Jim Keeley, Lea Marquez-Peterson and Mike Godbehere participating via telephone. Doug Yonko was absent. A quorum was declared present.

2. **Adoption of Minutes of the January 22, 2020 AZIDA Board Meeting**

Board member **Mike Godbehere** moved to adopt the minutes of the January 22, 2020 AZIDA Board Meeting. Board member **Jim Keeley** seconded the motion.

The Board Members were individually polled - Jim Keeley (yes), Mike Godbehere (yes), Lea Marquez-Peterson (yes), Victor Riches (yes), and by a vote of 4-0 the motion passed.

3. **Agenda Items Considered:**

Presentation, Discussion & Adoption

Approval of Resolution No. 2020-8 – Adopting AZIDA’s policies related to derivative products, dated as of January 1, 2020.

Pat Ray, Cathedral Rock Issuer Services LLC, explained the reason for adopting written derivative products policies and offered to entertain questions from the Board. John DiFazio, with Morgan Stanley, gave a general presentation on a derivatives financing anticipated to come before the Board in the future as an example of why a derivatives policy was necessary. Board Member Lea Marquez-Peterson asked if this sort of financing is a creative new model and whether other industrial development authorities are doing this type of financing. Pat Ray responded that this is unique and that only through the relationship with Morgan Stanley and Kutak Rock has this type of financing been explored, but added that presumably other industrial development authorities may follow suit once AZIDA begins undertaking them. Board Member Mike Godbehere asked about the fee arrangement on derivative financings and Pat Ray stated that these will generate the biggest fees for AZIDA since its inception, a portion of which are transferred to the State of Arizona. Board Member Lea Marquez-Peterson mentioned that unencumbered monies in excess of AZIDA’s operating costs generally go to the Office of Economic Opportunity and whether there is an opportunity to direct these unencumbered monies to other sources, to which Pat Ray indicated that this would be a great topic for the upcoming AZIDA retreat. Board Member Lea Marquez-Peterson then asked if they were considering a specific derivative project financing at this meeting, and Pat Ray clarified that the first potential derivatives financing is in the works – the one described by Mr. DiFazio - but that it is not quite ready to bring before the Board, but may be presented at the next meeting.

Board member **Mike Godbehere** motioned to approve Resolution No. 2020-8 as presented. Board member **Jim Keeley** seconded the motion.

The Board Members were individually polled - Jim Keeley (yes), Mike Godbehere (yes), Lea Marquez-Peterson (yes), Victor Riches (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2020-9 – Granting Final Approval Not-to-exceed \$35,000,000 of Education Facility Revenue Bonds (Skyline Education, Inc. Project).

Swen Anderson of Skyline Education, Inc. gave a summary of the proposed project and offered to entertain questions from the Board. President Riches commented that this is a great project.

Board member **Jim Keeley** motioned to approve Resolution No. 2020-9 as presented. Board member **Mike Godbehere** seconded the motion.

The Board Members were individually polled - Jim Keeley (yes), Mike Godbehere (yes), Lea Marquez-Peterson (yes), Victor Riches (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2020-10 – Granting Final Approval Not-to-exceed \$195,000,000 of Taxable Revenue Bonds (Benchmark—Raeford Ethanol Project), Series 2020 (Green Bonds).

Mike Harling of Municipal Capital Markets Group, Inc. gave a summary of the proposed project and offered to entertain questions from the Board. President Riches asked about the exact location of the project and was told that it is in Raeford, North Carolina.

Board member **Jim Keeley** motioned to approve Resolution No. 2020-10 as presented. Board member **Mike Godbehere** seconded the motion.

The Board Members were individually polled - Jim Keeley (yes), Mike Godbehere (yes), Lea Marquez-Peterson (yes), Victor Riches (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2020-11 – Granting Final Approval Not-to-exceed \$300,000,000 of Tax-exempt Revenue Bonds (Lincoln South Beltway Project).

Chris Hawkins, COO of Hawkins Construction Company and Mike Newman, Managing Director of Hilltop Securities Inc., gave a summary of the proposed project and offered to entertain questions from the Board. They also said that they are submitting their project through AZIDA due to the statutory debt limits within the State of Nebraska.

Board member **Mike Godbehere** motioned to approve Resolution No. 2020-11 as presented. Board member **Jim Keeley** seconded the motion.

The Board Members were individually polled - Jim Keeley (yes), Mike Godbehere (yes), Lea Marquez-Peterson (yes), Victor Riches (yes), and by a vote of 4-0 the motion passed.

Presentation, Discussion & Adoption

Approval of Resolution No. 2020-12 – Granting Final Approval Not-to-exceed \$25,000,000 of Multifamily Green Tax-Exempt Mortgage-Backed Bonds (GREEN M-TEBS) (Chandler Village Apartments Project).

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

Board member **Mike Godbehere** motioned to approve Resolution No. 2020-12 as presented. Board member **Jim Keeley** seconded the motion.

The Board Members were individually polled - Jim Keeley (yes), Mike Godbehere (yes), Lea Marquez-Peterson (yes), Victor Riches (yes), and by a vote of 4-0 the motion passed.

4. **Call to the Public**

President Riches announced a call to the public for comments.

No comments were made.

5. **Announcements**

President Riches announced that the next meeting of the Arizona Industrial Development Authority Board Meeting would be held on Wednesday, March 25, 2020, at 3:30 p.m.

6. **Adjournment**

Board member **Jim Keeley** motioned adjournment of the AZIDA Board Meeting at 3:55 p.m. Board member **Mike Godbehere** seconded.

The Board Members were individually polled - Jim Keeley (yes), Mike Godbehere (yes), Lea Marquez-Peterson (yes), Victor Riches (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

March 25, 2020

Date of Board Action