

**NOTICE OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
BOARD OF DIRECTORS**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, BOARD OF DIRECTORS**, and to the general public, that **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, BOARD OF DIRECTORS** will hold a meeting open to the public on **Wednesday, March 20, 2019 at 11:30 a.m.** located at **3352 East Camelback Road, Phoenix, Arizona.**

One or more board members may participate via teleconference.

The agenda for the meeting is as follows:

Call to Order

1. Approval of Meeting Minutes.

a. February 20, 2019 – Regular Session

2. Education Facility Revenue Bonds (Leman Academy of Excellence - Oro Valley Project), Series 2019. Presentation, discussion, and possible action to approve the issuance of Education Facility Revenue Bonds (Leman Academy of Excellence – Oro Valley Project), Series 2019, to be issued in one or more tax-exempt and/or taxable series in an aggregate principal amount not to exceed \$12,400,000.

3. Education Facility Revenue Bonds (Summit School Project), Series 2019. Presentation, discussion, and possible action to approve the issuance of Education Facility Revenue Bonds (Summit School Project), Series 2019, to be issued in one or more tax-exempt and/or taxable series in an aggregate principal amount not to exceed \$8,000,000.

4. LISC Phoenix. Presentation, discussion and possible action to approve financial support for LISC Phoenix.

5. codePHX Update.

6. Call to the Public. Comments will be limited to two minutes per person.

Adjournment

For reasonable accommodations, please call Lydia Lee at Voice/602-534-9655 or TTY: use 7-1-1, as early as possible to coordinate needed arrangements.

Date Posted: **March 18, 2019**

Item 1

**MINUTES OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA OF THE
BOARD OF DIRECTORS**

February 20, 2019

A public meeting of the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”) was convened on Wednesday, February 20, 2019 at 11:30 a.m., at 3352 East Camelback Road, Phoenix, Arizona.

Board Members present:

Ms. Tess Burleson (*telephonic*)
Mr. David Lujan
Mr. Bruce Mosby
Ms. Nicole Ong Colyer
Ms. Darcy Renfro (*telephonic, joined at 11:42 a.m.*)
Ms. Tina Marie Tentori (*telephonic, joined at 11:57 a.m.*)
Ms. Barbara Ryan Thompson

Board Members absent:

Ms. Breeann Adleman
Ms. Charlene Tarver

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Mr. Murray Boess, Phoenix IDA
Mr. Reid Butler, Butler Housing Company
Mr. Michael Kaufman, Mutual of Omaha Bank
Ms. Lydia Lee, Phoenix IDA
Ms. Amber Leuer, MODE Housing
Mr. Less Litwin, MODE Housing
Mr. Charles Lotzar, Lotzar Law Firm P.C.
Ms. Kelly McGuire, Kutak Rock LLP
Ms. Michelle Moussa, Kutak Rock LLP
Mr. Tim Nash, Kutak Rock LLP
Ms. Brenda Naumann, Phoenix IDA
Mr. C. Scott Riffle, George K. Baum & Company
Mr. C.W. Ross, Fennemore Craig, P.C.
Mr. Josh Schripsema, Butler Housing Company
Mr. Juan Salgado, Phoenix IDA
Mr. Mike Santellanes, Phoenix IDA
Ms. Christa Severns, Phoenix IDA
Mr. Jack Stevens, Lotzar Law Firm P.C.
Mr. Clint Thomas, Lakeview Loan Servicing, LLC
Mr. Matthew Uy, Mutual of Omaha Bank

Any member of the public that was present during the meeting was able to hear all discussions and actions taken by Board Members that were present, in person and over the phone, via a teleconferencing phone system.

Director Ryan Thompson called the Board meeting to order at 11:39 a.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes.

Meeting minutes for January 16, 2019 Regular Session was presented for approval. Director Lujan moved to approve the minutes. Director Mosby seconded the motion. **Motion passed 6-0 with Board members T. Burleson, D. Lujan, B. Mosby, N. Ong Colyer, D. Renfro, and B. Ryan Thompson in favor.**

ITEM 2: Multifamily Housing Revenue Bonds (Nineteen Apartments Project), Series 2019.

Mr. Salgado introduced the item and requested Mr. Santellanes brief the Board. Mr. Santellanes noted that Nineteen Apartments was seeking final approval for the issuance of the Phoenix IDA's Multifamily Housing Revenue Bonds in an amount not to exceed \$18,000,000 as reflected in the Phoenix IDA records for this meeting, which are available upon request.

Ms. McGuire, legal counsel for the Phoenix IDA for this transaction advised the board that her firm had conducted a legal review of the project, and recommended approval of the project.

Following Ms. McGuire's report, Mr. Salgado introduced Mr. Butler, owner of Butler Housing Company. Mr. Butler gave an overview of the comprehensive rehabilitation for Nineteen Apartments Project to the Board members.

Director Mosby moved to approve **Resolution 2019-04** as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Lujan seconded the motion. **Motion passed 6-0 with Board members T. Burleson, D. Lujan, B. Mosby, N. Ong Colyer, D. Renfro, and B. Ryan Thompson in favor.** A copy of **Resolution 2019-04** is attached hereto, and by this reference is made a part hereof.

ITEM 3: Sky Harbor Loan Participations.

Mr. Salgado introduced the items and requested that the two-part transaction, one for \$439,500, the second for \$535,000, be considered as a single item. The request is for loan funding through the Disadvantaged Business Enterprise Financing Program and Mutual of Omaha Bank for food and beverage tenants and concessions at Sky Harbor Airport, as reflected in the Phoenix IDA records for this meeting, which are available upon request. Mr. Salgado noted that Phoenix Community Development and Investment Corporation (PCDIC) has participated in a Disadvantaged Business Enterprise Financing Program in partnership with Mutual of Omaha Bank and Host International, Inc, and would be considering this request at a future board of directors meeting.

Mr. Salgado introduced Mr. Uy from Mutual of Omaha Bank. Mr. Uy further detailed Mutual of Omaha Bank's partnership with Host International, Inc. that successfully provides funding opportunities nationwide through the Disadvantaged Business Enterprise Financing Program.

Discussion ensued, including Board member comments and questions regarding funding reserves and Mutual of Omaha Bank's experience with the Disadvantage Business Enterprise Financing Program and the Borrowers.

Director Mosby recused himself since his business is at Sky Harbor Airport and this project would be a conflict of interest.

Director Lujan moved to approve **Resolution 2019-02** and **Resolution 2019-03** as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Ong Colyer seconded the motion. **Motion passed 5-0 with Board members T. Burleson, D. Lujan, N. Ong Colyer, D. Renfro, and B. Ryan Thompson in favor.** A copy of **Resolution 2019-02** and **Resolution 2019-03** is attached hereto, and by this reference is made a part hereof.

ITEM 4: Home in Five Update.

Mr. Salgado introduced the Home in Five program update noting that the program has been very successful but has lost Maricopa County market share and business because the current program is not competitive. Mr. Salgado introduced Mr. Boess to review the research, issues and trends with the current program, as reflected in the Phoenix IDA records for this meeting, which are available upon request.

Mr. Boess briefed the Board on the current program's highlights, trends, and economic impact. He provided insight into the factors that are making the program more competitive, and steps that are being considered to retain a competitive position. Mr. Boess introduced Messrs. Thomas and Riffle as new partners in loan servicing and investment banking for the Home in Five program.

Discussion ensued including Board member comments regarding the beneficial economic benefit to the homebuyer, and the extensive, unseen economic impact and benefit to the local economy.

This report was for information only, no action was taken.

ITEM 5: Financial Statements for Period Ending December 31, 2018.

Mr. Salgado introduced Mr. Boess and requested he brief the board on the financial statements for the period ending December 31, 2018.

Mr. Boess provided a summary of the financial statements as reflected in the Phoenix IDA records for this meeting which are available upon request. Mr. Boess shared that the Finance Committee had not reviewed the financial statements, however, Director Mosby, the Finance Committee Chairman noted that there was no need for detailed review beyond Mr. Boess review of the financial statements.

Director Mosby moved to approve the financial statements for the period ending December 31, 2018. Director Lujan seconded the motion. **Motion passed 7-0 with Board members T. Burleson, D. Lujan, B. Mosby, N. Ong Colyer, D. Renfro, T. Tentori, and B. Ryan Thompson in favor.**

ITEM 6: Call to the Public.

Director Ryan Thompson made a call to the public. There were no comments.

With no further business to come before the Board, being duly moved and seconded, the Board meeting was adjourned at 12:14 p.m.

Item 2



MEMORANDUM

DATE: March 20, 2019

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Education Facility Revenue Bonds (Leman Academy of Excellence – Oro Valley Project), Series 2019

THE BORROWER

Leman Academy of Excellence, Inc. (Leman Academy), an Arizona nonprofit corporation (the “Borrower”), is seeking Board approval for the issuance of the Phoenix IDA’s subject Education Facility Revenue Bonds (the “Bonds”), in an aggregate principal amount not to exceed \$12,400,000. The Borrower will seek Phoenix City Council approval on April 3, 2019, pending Phoenix IDA Board approval.

The Borrower states that it operates five charter schools in Arizona (Oro Valley, Marana, Sierra Vista, East Tucson, and Mesa) and one in Parker, Colorado, serving a current total of approximately 3,500 students. Each of the schools in this public charter school system serves Kindergarten through 8th grade. Leman Academy was founded on the philosophy that classical education puts young minds to work, and will lead young people to understand themselves and the world around them.

THE PROJECT

According to the Borrower, the project will consist of financing the costs of constructing, improving, and equipping an additional building at the existing campus located at 12255 North La Canada Drive in Oro Valley, Arizona. The new structure will consist of an approximately 32,000 square foot classroom building. Upon completion, expected to be July of 2020, total building square footage at the site will increase to approximately 98,000, and the expansion will allow for enrollment capacity at the Oro Valley campus to grow to 1,175 scholars (currently 895).

PLAN OF FINANCING

According to the Borrower, the Bonds will be sold as fixed-rate obligations by the underwriter, Piper Jaffray & Co. The maturity of the longest series will be no more than 40 years. It is expected that the Bonds will be sold in a public offering at the then prevailing market rate. The Borrower expects to complete the transaction by May 2019.

RECOMMENDATION

Greenberg Traurig, as legal advisor to the Phoenix IDA, and I recommend that approval be granted subject to the terms and conditions contained in the Board approval resolution, as reviewed by same.

RESOLUTION NO. 2019-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA GRANTING APPROVAL TO THE ISSUANCE OF ONE OR MORE SERIES OF ITS TAX-EXEMPT AND/OR TAXABLE EDUCATION FACILITY REVENUE BONDS (LEMAN ACADEMY OF EXCELLENCE – ORO VALLEY PROJECT), SERIES 2019, IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,400,000 (THE “BONDS”); AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND INDENTURE, A LOAN AGREEMENT AND A BOND PURCHASE AGREEMENT; APPROVING THE TERMS OF SUCH DOCUMENTS AND RELATED DOCUMENTS TO BE EXECUTED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA; APPROVING THE FORM OF A PRELIMINARY LIMITED OFFERING MEMORANDUM WITH RESPECT TO SUCH BONDS; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH SUCH BONDS; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS

WHEREAS, The Industrial Development Authority of the City of Phoenix, Arizona (the “Authority”), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”), empowered under the Industrial Development Financing Act, A.R.S. §§ 35-701 through 761 inclusive, as amended (the “Act”), to issue revenue bonds for the purposes set forth in the Act, including the making of secured and unsecured loans to finance or refinance the acquisition, construction, improvement, equipping or operating of a “project” (as defined in the Act), whenever the Board of Directors of the Authority (the “Board of Directors”) finds such loans to further advance the interests of the Authority or the public, and to refund outstanding obligations incurred by an enterprise to finance the cost of a project when the Board of Directors finds that the refinancing is in the public interest; and

WHEREAS, Leman Academy of Excellence, Inc., an Arizona nonprofit corporation, and its affiliates (the “Borrower”), has requested that the Authority issue its revenue bonds for the purpose of assisting the Borrower in financing the costs of constructing, improving and equipping, as applicable, a new building located at 12255 North La Canada Drive in Oro Valley, Arizona (the “Facilities”), owned or to be owned by the Borrower for use in connection with operation of a charter school known as “Leman Academy of Excellence – Oro Valley”; and

WHEREAS, in furtherance of the purposes and interests of the Authority under the Act, the Authority proposes to issue one or more series of its tax-exempt and/or taxable Education Facility Revenue Bonds (Leman Academy of Excellence – Oro Valley Project), Series 2019 (together, the “Bonds”), in an aggregate original principal amount of not to exceed \$12,400,000, the proceeds of which will be loaned to the Borrower to (a) pay the costs of constructing, improving and equipping, as applicable, the Facilities, (b) fund any required reserve funds (together, the “Debt Service Reserve Fund”), (c) pay capitalized interest on the Bonds, if any, and (d) pay certain expenses relating to issuance of the Bonds (collectively, the “Project”); and

WHEREAS, the Bonds will be issued pursuant to a Bond Indenture, to be dated as of the first day of the month in which the Bonds are issued (the “Bond Indenture”), between the Authority and UMB Bank n.a., as trustee (the “Bond Trustee”), and the proceeds of the Bonds will be loaned to the Borrower pursuant to a Loan Agreement, to be dated as of the first day of the month in which the Bonds are issued (the “Loan Agreement”), between the Authority and the Borrower; and

WHEREAS, the Bonds will be payable from the trust estate established under the Bond Indenture, which will include (a) payments owed by the Borrower on one or more series of Leman Academy of Excellence Obligation No. 3 (“Obligation No. 3”), to be issued and executed by the Borrower and delivered to the Bond Trustee pursuant to the Master Indenture of Trust, dated as of December 1, 2017, as amended (the “Master Indenture”), between the Borrower, as the sole initial member of the Obligated Group (as defined in the Master Indenture), and UMB Bank n.a., as master trustee (the “Master Trustee”), as supplemented by the Supplemental Master Indenture for Obligation No. 3, to be dated as of the first day of the month in which the Bonds are issued (the “Supplemental Master Indenture No. 3”), and payable from the trust estate established under the Master Indenture, which will include (i) the revenues of the Pledged Schools (as defined in the Master Indenture), (ii) deeds of trust, security agreements, assignments of rents and leases, and fixture filings previously executed or to be executed concurrently with issuance of the Bonds by the Borrower and granting a first priority lien on the Borrower’s interest certain charter school facilities, including the Facilities, and (iii) certain funds established under the Master Indenture and held by the Master Trustee, and (b) the Debt Service Reserve Fund and certain other funds established under the Bond Indenture and held by the Bond Trustee; and

WHEREAS, the Bonds will be sold by Piper Jaffray & Co., as underwriter (the “Underwriter”), pursuant to a bond purchase agreement (the “Bond Purchase Agreement”), among the Authority, the Borrower and the Underwriter, and the Underwriter will distribute to investors a Preliminary Limited Offering Memorandum (the “Preliminary Limited Offering Memorandum”), which, together with certain changes thereto, will become the final Limited Offering Memorandum, relating to the Bonds and describing the issuance thereof (the “Limited Offering Memorandum”); and

WHEREAS, there have been prepared and presented to the Chief Executive Officer of the Authority the proposed substantially final forms of the following documents (collectively, the “Documents”):

- (a) the Bond Indenture, including the initial form of the Bonds;
- (b) the Loan Agreement;
- (c) the Master Indenture and the Supplemental Master Indenture No. 3, including the form of Obligation No. 3;
- (d) the Bond Purchase Agreement; and
- (e) the Preliminary Limited Offering Memorandum.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona, as follows:

Section 1. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, agents or its Chief Executive Officer, including but not limited to the engagement of Greenberg Traurig, LLP, as Authority’s counsel, relating to the issuance and sale of the Bonds, are hereby approved and ratified.

Section 2. Findings. The Board of Directors finds and determines that the issuance of the Bonds and the making of a loan to the Borrower for the purpose of financing all or a portion of the cost of the Project and the costs and expenses incidental thereto are in furtherance of the purposes and interests of the Authority under the Act and in the public interest and that the Facilities will constitute a “project” within the meaning of the Act.

Section 3. Authorization and Terms of Bonds. The Bonds, which shall be named as set forth herein or as otherwise set forth in the Bond Indenture, are hereby approved and authorized to be issued pursuant to a plan of finance in an aggregate principal amount of not to exceed \$12,400,000, to be dated, to mature (no later than 40 years after their date of issuance), to bear interest (not in any event to exceed 10 percent per year), to be subject to redemption, to be payable as to principal and interest, and with such other terms, all as provided in the Bond Indenture pursuant to which the Bonds are issued.

Section 4. Special Limited Obligations. The Bonds shall be payable solely from the property held and receipts and revenues received by or on behalf of the Authority pursuant to the Bond Indenture and the Loan Agreement. Nothing contained in (a) this Resolution, (b) the Documents, or (c) any other agreement, certificate, document, or instrument executed in connection with the issuance of any of the Bonds shall be construed as obligating the Authority (except as a special limited obligation to the extent provided in such documents or instruments) or obligating the City of Phoenix, Arizona (the “City”), or the State to pay the principal of or premium, if any, or interest on the Bonds, or as incurring a charge upon the general credit of the Authority, the City or the State, nor shall the breach of any agreement contemplated by this Resolution, the Documents, or any other instrument or documents executed in connection herewith or therewith impose any charge upon the general credit of the Authority, the City or the State. The Authority has no taxing power.

Section 5. Other Bonds. Prior to the issuance of the Bonds, the Authority has or will have issued, and subsequent to the issuance of the Bonds, the Authority may issue, bonds in connection with the financing of other projects (which bonds are referred to herein as the “Other Bonds”). Any pledge, mortgage, or assignment made in connection with the Other Bonds shall be protected, and any funds pledged or assigned for payment of principal of or premium or interest on the Other Bonds shall not be used for the payment of principal of or premium, if any, or interest on the Bonds. Any pledge, mortgage, or assignment made in connection with the Bonds shall be protected, and no funds pledged or assigned for the payment of the Bonds shall be used for the payment of principal of or premium, if any, or interest on the Other Bonds.

Section 6. Conditions. The Bonds shall not be issued unless and until:

(a) if the Bonds have not received a rating of “BBB-” or better (or an equivalent rating) from a nationally recognized bond rating agency, each purchaser of the Bonds shall execute and deliver an investor acknowledgement letter in form and substance satisfactory to the Authority and its counsel; provided, however, the provisions of this paragraph may be waived by the Authority in its sole discretion prior to the issuance of the Bonds;

(b) notice regarding the issuance of the Bonds is given to the Arizona Attorney General in the manner contemplated by Section 35-721.F of the Act and, within 10 days of such notice, the Arizona Attorney General does not issue a negative opinion regarding the issuance of the Bonds;

(c) all agreements, certificates, documents, or instruments requiring the execution or consent of the Authority are in a form and substance acceptable to the Authority’s counsel;

(d) the Authority receives such opinions, certificates, comfort letters and consent letters in connection with the Bonds as the Authority’s counsel may deem necessary or appropriate, in form and substance satisfactory to the Authority’s counsel and advisors;

(e) the Borrower agrees to make arrangements mutually satisfactory to the Authority as to the payment of the Authority’s closing fees, if any, annual administrative fees, and expenses, the terms and conditions of which will be incorporated into the Bond Indenture and/or the Loan Agreement, as applicable;

(f) the Authority, its officers, directors, employees, agents and its Chief Executive Officer and the City have been provided with full indemnification in connection with the issuance and sale of the Bonds, in form and substance satisfactory to the Authority’s counsel; and

(g) the Council of the City has approved the proceedings under which the Bonds are to be issued.

Section 7. Authority Documents; Authority’s Signatures. The forms, terms, and provisions of each of the Documents, in the forms of such Documents (including the exhibits thereto) presented to this meeting, are hereby approved, with such insertions, deletions, and changes as are approved by the officers authorized to execute the Documents (which approval will be conclusively established by their execution and/or delivery thereof). Upon satisfaction of the conditions set forth in Section 6 hereof, the Authority’s President, Vice President, Secretary, Treasurer or Chief Executive Officer (each an “Authorized Officer”) are each hereby authorized to execute and deliver each of the Documents or, with respect to any of the Documents not calling for execution by the Authority, to approve and deliver such Documents, with respect to any one or more series of the Bonds. From and after the execution and delivery of each of the Documents, the officers, agents, employees and Chief Executive Officer of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents,

certificates and assignments as may be necessary to carry out and comply with the provisions of each of the Documents (as executed and delivered).

Signature pages for any Documents requiring the Authority's signature shall be delivered to Authority's counsel no fewer than seven days prior to Bond closing or any other date on which an executed signature page is required, and once executed will be held in escrow by the Authority's counsel and delivered on the closing date or on such other date on which an executed signature page is required.

Section 8. Sale of Bonds; Authentication. The sale of the Bonds to the Underwriter pursuant to the terms and provisions of the Bond Purchase Agreement is hereby authorized and approved. Any Authorized Officer is hereby authorized to execute and deliver to the Bond Trustee a written order of the Authority for the authentication and delivery of the Bonds by the Bond Trustee to the Underwriter.

Section 9. Further Actions. The officers, the agents, the employees and the Chief Executive Officer of the Authority, upon satisfaction of the conditions set forth in Section 6 hereof, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the issuance, sale and delivery of the Bonds.

Section 10. Open Meeting Laws. It is found and determined that all formal actions of the Authority and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Authority.

Section 11. Limited Offering Memorandum. The lawful use and distribution by the Underwriter of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum relating to the original issuance of the Bonds and any amendments thereof or supplements thereto, are hereby authorized. Except for information contained in the Limited Offering Memorandum under the headings "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION – The Issuer," as such information relates to the Authority, the Authority has not confirmed, and assumes no responsibility for, the accuracy, sufficiency or fairness of any statements in the Limited Offering Memorandum or any amendments thereof or supplements thereto, or in any reports, financial information, offering or disclosure documents or other information relating to the Project, the Borrower, the Obligated Group or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower, the Obligated Group, the Project or otherwise contained in the Limited Offering Memorandum.

Section 12. Public Hearing. Following proper publication of a public notice, the Authority held a joint public hearing with the Town of Oro Valley, Arizona on August 15, 2018 regarding the plan of financing of the "project" and the proposed issuance of not to exceed \$33,000,000 of one or more series of bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended. On August 28, 2018, the Mayor of the Town of Oro Valley, Arizona

executed an Approval Certificate granting host approval as required by Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 13. Irrepealability. After the Bonds are delivered by the Authority to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Bonds and interest thereon shall have been fully paid, canceled, and discharged.

Section 14. No Personal Liability. The Chief Executive Officer of the Authority, the members of the Board of Directors of the Authority and any director, officer, official, employee or agent of the Authority shall not be subject to any personal liability or accountability by reason of the issuance of the Bonds. The liability of the Authority with respect to the Documents, or any other document executed in connection with the transactions contemplated hereby, shall be limited as provided in the Act and such Documents.

Section 15. Severability. If any section, paragraph, clause, or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 16. Waiver. Any provisions of the Authority's Bylaws, Procedural Pamphlet, as amended through February 24, 2017 (the "Pamphlet"), or prior resolutions inconsistent herewith are waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any such Bylaws, Pamphlet, or resolution or any part thereof.

Section 17. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 18. Effectiveness. This Resolution shall be effective immediately.

Section 19. Notice. Notice of Arizona Revised Statutes Section 38-511 is hereby given. The provisions of that statute by this reference are incorporated herein to the extent of applicability to matters contained herein under the laws of the State.

Section 20. Resolution Not to be Construed as Providing Advice Concerning Municipal Securities. None of this Resolution, any of the Documents or any action taken by the Authority, any member of the Board of Directors, the Chief Executive Officer or the Authority's counsel in connection with issuance of the Bonds is intended to provide, and shall not be construed as providing, advice of any kind to the Borrower with respect to the issuance of the Bonds for purposes of 15 U.S.C. Section 78o-4(e)(4)(A)(i). The Authority is a conduit issuer and none of the Authority, the Board of Directors, the Chief Executive Officer or the Authority's counsel is acting or will act as a municipal advisor, financial advisor or fiduciary to any party involved in the issuance of the Bonds.

[Signature page follows.]

Adopted and approved this 20th day of March, 2019.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer

Item 3



MEMORANDUM

DATE: March 20, 2019

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Education Facility Revenue Bonds (Summit School Project), Series 2019

THE BORROWER

Foothills Educational Foundation, an Arizona nonprofit corporation (the “Borrower”), is seeking Board approval for the issuance of the Phoenix IDA’s subject Education Facility Revenue Bonds (the “Bonds”), in an aggregate principal amount not to exceed \$8,000,000. The Borrower will seek Phoenix City Council approval on April 3, 2019, pending Phoenix IDA Board approval.

The Borrower states that it operates Summit School, a private school in Arizona serving a current total of approximately 330 students in preschool through 8th grade. Summit School offers expert educators and its rigorous, STEAM-based curriculum stimulates intellectual curiosity, creative problem solving, and social-emotional growth within a nurturing environment.

THE PROJECT

According to the Borrower, the project will consist of refinancing a loan used to acquire, renovate, construct, improve, and equip its school facilities consisting of five buildings totaling approximately 53,500 square feet located at 4515 East Muirwood Drive, Phoenix, Arizona (within Phoenix City Council District 6, represented by Councilman Sal DiCiccio).

PLAN OF FINANCING

According to the Borrower, the Bonds will be privately placed as 30-year, variable-rate obligations. The Borrower expects to complete the transaction by April 2019.

RECOMMENDATION

Greenberg Traurig, as legal advisor to the Phoenix IDA, and I recommend that approval be granted subject to the terms and conditions contained in the Board approval resolution, as reviewed by same.

RESOLUTION NO. 2019-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA GRANTING APPROVAL TO THE ISSUANCE OF ONE OR MORE SERIES OF ITS EDUCATION FACILITY REVENUE BONDS (SUMMIT SCHOOL PROJECT), SERIES 2019, IN AN AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,000,000 (THE “BONDS”); AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND INDENTURE AND A LOAN AGREEMENT; APPROVING THE TERMS OF SUCH DOCUMENTS AND RELATED DOCUMENTS TO BE EXECUTED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH SUCH BONDS; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS

WHEREAS, The Industrial Development Authority of the City of Phoenix, Arizona (the “Authority”), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”), empowered under the Industrial Development Financing Act, A.R.S. §§ 35-701 through 761 inclusive, as amended (the “Act”), to issue revenue bonds for the purposes set forth in the Act, including the making of secured and unsecured loans to finance or refinance the acquisition, construction, improvement, equipping or operating of a “project” (as defined in the Act), whenever the Board of Directors of the Authority (the “Board of Directors”) finds such loans to further advance the interests of the Authority or the public, and to refund outstanding obligations incurred by an enterprise to finance the cost of a “project” when the Board of Directors finds that the refinancing is in the public interest; and

WHEREAS, Foothills Educational Foundation (the “Borrower”), an Arizona nonprofit corporation that operates a private school serving preschool, and grades kindergarten through 8, has requested that the Authority issue its revenue bonds for the purpose of assisting the Borrower to refinance a loan (the “Obligation Being Prepaid”) obtained by the Borrower to finance the costs of acquiring, renovating, constructing, improving and equipping its school facilities located at 4515 E. Muirwood Drive, Phoenix, Arizona (collectively, the “Facilities”), for use in connection with operation of a private school known as “Summit School”; and

WHEREAS, in furtherance of the purposes and interests of the Authority under the Act, the Authority proposes to issue its tax-exempt Education Facility Revenue Bonds (Summit School Project), Series 2019 (the “Bonds”), in an aggregate original principal amount of not to exceed \$8,000,000, the proceeds of which will be loaned to the Borrower to refinance the Obligation Being Prepaid; and

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust, to be dated as of the first day of the month in which the Bonds are issued (the “Bond Indenture”), between the Authority and a trustee bank authorized to accept and execute the trusts of the character set forth in the Bond Indenture, as trustee (the “Bond Trustee”), and the proceeds of the Bonds will be

loaned to the Borrower pursuant to a Loan Agreement, to be dated as of the first day of the month in which the Bonds are issued (the “Loan Agreement”), between the Authority and the Borrower; and

WHEREAS, the Bonds will be payable from the trust estate established under the Bond Indenture, which will include, among other things (a) payments of principal and interest on a promissory note to be executed by the Borrower pursuant to the Loan Agreement, (b) deeds of trust, security agreements, assignments of rents and leases, and fixture filings previously executed or to be executed concurrently with issuance of the Bonds by the Borrower and granting a first priority lien on the Borrower’s interest in the Facilities, and (c) certain other funds established under the Bond Indenture and held by the Bond Trustee; and

WHEREAS, the Bonds will be privately placed with TAI, LLC (the “Purchaser”), the owner of the Obligation Being Prepaid and an accredited investor which will acknowledge, among other things, that no offering documents will be prepared; and

WHEREAS, there have been prepared and presented to the Chief Executive Officer of the Authority the proposed substantially final forms of the following documents (collectively, the “Documents”):

- (a) the Bond Indenture, including the initial form of the Bonds; and
- (b) the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona, as follows:

Section 1. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, agents or its Chief Executive Officer, including but not limited to the engagement of Greenberg Traurig, LLP, as Authority’s counsel and bond counsel, directed toward the issuance and sale of the Bonds, are hereby approved and ratified.

Section 2. Findings. The Board of Directors finds and determines that the issuance of the Bonds and the making of a loan to the Borrower for the purpose of refinancing the Obligation Being Prepaid and the costs and expenses incidental thereto are in furtherance of the purposes and interests of the Authority under the Act and in the public interest and that the Facilities will constitute a “project” within the meaning of the Act.

Section 3. Authorization and Terms of Bonds. The Bonds, which shall be named as set forth herein or as otherwise set forth in the Bond Indenture, are hereby approved and authorized to be issued pursuant to a plan of finance in an aggregate principal amount of not to exceed \$8,000,000, to be dated, to mature (no later than 40 years after their date of issuance), to bear interest (not in any event to exceed 10 percent per year), to be subject to redemption, to be payable as to principal and interest, and with such other terms, all as provided in the Bond Indenture pursuant to which the Bonds are issued.

Section 4. Special Limited Obligations. The Bonds shall be payable solely from the property held and receipts and revenues received by or on behalf of the Authority pursuant to the Bond Indenture and the Loan Agreement. Nothing contained in (a) this Resolution, (b) the Documents, or (c) any other agreement, certificate, document, or instrument executed in connection with the issuance of any of the Bonds shall be construed as obligating the Authority (except as a special limited obligation to the extent provided in such documents or instruments) or obligating the City of Phoenix, Arizona (the “City”), or the State to pay the principal of or premium, if any, or interest on the Bonds, or as incurring a charge upon the general credit of the Authority, the City or the State, nor shall the breach of any agreement contemplated by this Resolution, the Documents, or any other instrument or documents executed in connection herewith or therewith impose any charge upon the general credit of the Authority, the City or the State. The Authority has no taxing power.

Section 5. Other Bonds. Prior to the issuance of the Bonds, the Authority has or will have issued, and subsequent to the issuance of the Bonds, the Authority may issue, bonds in connection with the financing of other projects (said bonds are referred to herein as the “Other Bonds”). Any pledge, mortgage, or assignment made in connection with the Other Bonds shall be protected, and any funds pledged or assigned for payment of principal of or premium, if any, or interest on the Other Bonds shall not be used for the payment of principal of or premium, if any, or interest on the Bonds. Any pledge, mortgage, or assignment made in connection with the Bonds shall be protected, and no funds pledged or assigned for the payment of the Bonds shall be used for the payment of principal of or premium, if any, or interest on the Other Bonds.

Section 6. Conditions. The Bonds shall not be issued unless and until:

(a) if the Bonds have not received a rating of “BBB-” or better (or an equivalent rating) from a nationally recognized bond rating agency, each purchaser of the Bonds shall execute and deliver an investor acknowledgement letter in form and substance satisfactory to the Authority and its counsel; provided, however, the provisions of this paragraph may be waived by the Authority in its sole discretion prior to the issuance of the Bonds;

(b) notice regarding the issuance of the Bonds is given to the Arizona Attorney General in the manner contemplated by Section 35-721.F of the Act and, within 10 days of such notice, the Arizona Attorney General does not issue a negative opinion regarding the issuance of the Bonds;

(c) all agreements, certificates, documents, or instruments requiring the execution or consent of the Authority are in a form and substance acceptable to the Authority’s counsel;

(d) the Authority receives such opinions, certificates, comfort letters and consent letters in connection with the Bonds as the Authority’s counsel may deem necessary or appropriate, in form and substance satisfactory to the Authority’s counsel and advisors;

(e) the Borrower agrees to make arrangements mutually satisfactory to the Authority as to the payment of the Authority's closing fees, if any, annual administrative fees, and expenses, the terms and conditions of which will be incorporated into the Bond Indenture and/or the Loan Agreement, as applicable;

(f) the Authority, its officers, directors, employees, agents and its Chief Executive Officer and the City have been provided with full indemnification in connection with the issuance and sale of the Bonds, in form and substance satisfactory to the Authority's counsel; and

(g) the Council of the City has approved the proceedings under which the Bonds are to be issued.

Section 7. Authority Documents; Authority's Signatures. The forms, terms, and provisions of each of the Documents, in the forms of such Documents (including the exhibits thereto) presented to this meeting, are hereby approved, with such insertions, deletions, and changes as are approved by the officers authorized to execute the Documents (which approval will be conclusively established by their execution and/or delivery thereof). Upon satisfaction of the conditions set forth in Section 6 hereof, the Authority's President, Vice President, Secretary, Treasurer or Chief Executive Officer (each an "Authorized Officer") are each hereby authorized to execute and deliver each of the Documents or, with respect to any of the Documents not calling for execution by the Authority, to approve and deliver such Documents, with respect to any one or more series of the Bonds. From and after the execution and delivery of each of the Documents, the officers, agents, employees and Chief Executive Officer of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents, certificates and assignments as may be necessary to carry out and comply with the provisions of each of the Documents (as executed and delivered).

Signature pages for any Documents requiring the Authority's signature shall be delivered to Authority's counsel no fewer than seven days prior to Bond closing or any other date on which an executed signature page is required, and once executed will be held in escrow by the Authority's counsel and delivered on the closing date or on such other date on which an executed signature page is required.

Section 8. Sale of Bonds; Authentication. The sale of the Bonds to the Purchaser is hereby authorized and approved. Any Authorized Officer is hereby authorized to execute and deliver to the Bond Trustee a written order of the Authority for the authentication and delivery of the Bonds by the Bond Trustee to the Purchaser.

Section 9. Further Actions. The officers, the agents, the employees and the Chief Executive Officer of the Authority, upon satisfaction of the conditions set forth in Section 6 hereof, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the issuance, sale and delivery of the Bonds.

Section 10. Open Meeting Laws. It is found and determined that all formal actions of the Authority and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Authority.

Section 11. Public Hearing. The Authority is hereby authorized to determine, in consultation with the Borrower, a date for a public hearing on the plan of financing of the “project” and the proposed issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and to publish a public notice of such hearing in such form as approved by the Borrower and bond counsel.

Section 12. Irrepealability. After the Bonds are delivered by the Authority to the Purchaser upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Bonds and interest thereon shall have been fully paid, canceled, and discharged.

Section 13. No Personal Liability. The Chief Executive Officer of the Authority, the members of the Board of Directors of the Authority and any director, officer, official, employee or agent of the Authority shall not be subject to any personal liability or accountability by reason of the issuance of the Bonds. The liability of the Authority with respect to the Documents, or any other document executed in connection with the transactions contemplated hereby, shall be limited as provided in the Act and such Documents.

Section 14. Severability. If any section, paragraph, clause, or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 15. Waiver. Any provisions of the Authority’s Bylaws, Procedural Pamphlet, as amended through February 24, 2017 (the “Pamphlet”), or prior resolutions inconsistent herewith are waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any such Bylaws, Pamphlet, or resolution or any part thereof.

Section 16. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 17. Effectiveness. This Resolution shall be effective immediately.

Section 18. Notice. Notice of Arizona Revised Statutes Section 38-511 is hereby given. The provisions of that statute by this reference are incorporated herein to the extent of applicability to matters contained herein under the laws of the State.

Section 19. Resolution Not to be Construed as Providing Advice Concerning Municipal Securities. None of this Resolution, any of the Documents or any action taken by the Authority, any member of the Board of Directors, the Chief Executive Officer or the Authority's counsel in connection with issuance of the Bonds is intended to provide, and shall not be construed as providing, advice of any kind to the Borrower with respect to the issuance of the Bonds for purposes of 15 U.S.C. Section 78o-4(e)(4)(A)(i). The Authority is a conduit issuer and none of the Authority, the Board of Directors, the Chief Executive Officer or the Authority's counsel is acting or will act as a municipal advisor, financial advisor or fiduciary to any party involved in the issuance of the Bonds.

[Signature page follows.]

Adopted and approved this 20th day of March, 2019.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer

Item 4



MEMORANDUM

DATE: March 20, 2019
TO: Members, Board of Directors
FROM: Juan Salgado, Chief Executive Officer
SUBJECT: LISC Phoenix

BACKGROUND

Local Initiatives Support Corporation (LISC) is a national organization with a community focus. Program staff are based in cities and rural areas where LISC-supported community development takes shape. In collaboration with local community development groups, LISC staff help identify priorities and challenges, delivering the most appropriate support to meet local needs.

LISC Phoenix was formed in 1992 and since its inception has played an important role in the revitalization of a number of blighted neighborhoods throughout metropolitan Phoenix. Working in collaboration with grassroots organizations, LISC Phoenix and its corporate, foundation and public partners, has created an innovative approach to addressing neighborhood problems in distressed, low-income neighborhoods.

PROJECT DESCRIPTION

LISC Phoenix has been working with the Government Alliance on Race Equity (GARE) a national network to facilitate the next stages of LISC's vision by leveraging the training expertise of GARE to provide organizational racial equity training for 200 City of Phoenix leadership staff and elected officials.

GARE provides a multi-layered approach for maximum impact by: 1) supporting national and regional networks of jurisdictions that are at the forefront of work to achieve racial equity; 2) offering pathways for new jurisdictions to begin doing racial equity work, including contractual technical assistance and learning cohorts; and 3) supporting and building local and regional collaborations that are broadly inclusive and focused on achieving racial equity. GARE is a project of Race Forward and the Haas Institute for a Fair and Inclusive Society at the University of California, Berkeley.

LISC Phoenix has been a fundamental partner in the Phoenix area in supporting projects that bring forward equitable attainment to a healthy, vibrant life in neighborhoods across the Valley. Many projects are rooted in supporting community needs that ensure residents are thoughtfully seen and understood as they navigate daily living. LISC Phoenix and Vitalyst Health Foundation have been instrumental in guiding City of Phoenix department leaders and staff toward addressing the equity gap that has been present in projects including the streets initiative and transit-oriented development.

The training provided by GARE will support the development of a racial equity plan, tools for organizational change, and building expertise to ensure the longevity and sustainability of this work.

REQUEST

The City of Phoenix recognizes that as the city continues to grow, the need for equity training became more apparent during the community's response to the South-Central Light Rail project, the Police Department's community listening sessions, Office of Arts and Culture's community equity efforts, and the Phoenix Human Relations Commission feedback.

There has been a noticeable increase in tensions and divisions around race, ethnicity, gender, sexual orientation, gender identity and expression, and religion. The complex and diverse reactions to incidents in the community create more division and less unity. The impact of anti-immigration sentiment that saturates the atmosphere in Phoenix and serves as a platform for hate has created a lack of inclusion and belonging.

This has led City leadership to ask for assistance in addressing concerns related to equity raised by their specific constituents. The current City budget has not afforded an opportunity to provide the training or substantiate the value of equity. City leadership recognizes that staff lack the knowledge and understanding to meaningfully respond to community concerns. The majority of City leadership has not received equity training, nor has it had group discussions regarding equity.

LISC Phoenix is seeking a grant from the Phoenix IDA in the amount of \$50,000 to support racial equity training for elected officials and City staff. The process would be executed in two phases:

Phase 1 – Normalizing Racial Equity Amongst Leadership: developing a shared understanding of racial equity and introduction of racial equity tools, and

Phase 2 – Operationalizing Racial Equity Across Departments: using racial equity tools and establishing infrastructure for on-going implementation.

The total budget for this project is \$155,100. It will provide City leadership and staff a means to normalize racial equity as a key value with a clear understanding and shared definitions, operationalize equity via new policies and by transforming the underlying culture of the institution, and organize both internally and in partnership with other institutions, foremost the community.

SUPPORTERS

LISC Phoenix is providing funding in the amount of \$30,100. Vitalyst Health Foundation (formerly St. Luke's Health Initiatives) is serving as a collaborative partner with LISC Phoenix and has committed \$25,000 toward the project. Vitalyst has a long history of partnering or interacting with the City of Phoenix to create policies that support health, with a particular focus on people of color or those who face multiple barriers to participating in public processes. Some examples include, Maryvale on the Move, Reinvent PHX, complete streets policy development and passage, Maricopa County Food System Coalition, and Tree and Shade Policy Subcommittee.

The City plans to sustain the project and impact beyond the timelines associated with the implementation by enhancing the role of the Equal Opportunity Department's (EOD) Equity and Community Engagement Division by allocating staffing resources to continue to manage the Equity, Diversity and Inclusion (EDI) Task Force. EOD staff who have participated in equity training, will serve as the EDI Task Force and will

serve as equity facilitators for the City. The EDI Task Force will identify goals for ensuring that each department continues to utilize an equity lens as it completes work in the community.

RECOMMENDATION

I recommend financial support and request the Board of Directors to direct \$50,000 of the Phoenix IDA's Community Development Fund monies to support LISC Phoenix.

Integrating Equity in the City of Phoenix

Contact Information

Terry Benelli, Executive Director
LISC Phoenix
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Phoenix, AZ 85012
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Mission and vision

With residents and partners, LISC forges resilient and inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families.

Strategies We Pursue

1. Strengthen existing alliances while building new collaborations to increase our impact on the progress of people and places
2. Develop leadership and the capacity of partners to advance our work together
3. Equip talent in underinvested communities with the skills and credentials to compete successfully for quality income and wealth opportunities
4. Invest in businesses, housing and other community infrastructure to catalyze economic, health, safety and educational mobility for individuals and communities
5. Drive local, regional, and national policy and system changes that foster broadly shared prosperity and well-being

Project description

LISC Phoenix has been a fundamental partner in the Greater Phoenix region in supporting projects that bring forward equitable attainment to a healthy, vibrant life in our neighborhoods. Many of our projects are rooted in supporting community needs that ensure residents are thoughtfully seen and understood as they navigate daily living. Jointly, LISC and Vitalyst Health Foundation have been instrumental in bringing department leaders and staff at the City of Phoenix towards addressing the equity gap that has been present in projects including complete streets initiative and transit-oriented development. In the past, LISC has supported City departments, including Transit, Planning and Development, Neighborhood Services, and Streets department in equity trainings with National League of Cities.

This project will facilitate the next stages of our vision by leveraging the training expertise of the Government Alliance on Race & Equity (GARE) to provide organizational racial equity training for 200 employees at the City of Phoenix. This training will support the development of a racial equity plan, tools for organizational change, and building expertise to ensure the longevity and sustainability of this work continues. This process will be executed over two phases:

Phase 1 – Normalizing Racial Equity Amongst Leadership: Developing a Shared Understanding of Racial Equity and Introduction of Racial Equity Tools.

Phase 2 – Operationalizing Racial Equity Across Departments: Using Racial Equity Tools and Establishing Infrastructure for On-going Implementation.

Ultimately, the project will contribute to providing leadership and staff a means to normalize racial equity as a key value with a clear understanding and shared definitions, operationalize equity via new policies and by transforming the underlying culture of the institution, and organize both internally and in partnership with other institutions, foremost the community.

Need for the project

As Phoenix continues to grow, transit has been fundamental in bringing our communities closer together, allowing us to mobilize and interact with one another's customs and means of living our day-to-day lives. As we continue to intersect, we witness the differences in our neighborhoods, what we may have access to, and what others do not. As sprawl continues, the role the City has in supporting the growth has revealed many patches that have been left unattended, covering deep-rooted wounds of neglect by government, and its leaders. Attempts have been made, yet, neighborhoods that see the writing on the wall, watch as new neighbors gaze into their culture, which has enticed a draw for revitalization. These very conditions ultimately lend to the out migration of the people who once called this area their home. These conditions have fundamentally affected communities of color, who leave their culture behind, yet priced out of the market for themselves to stay.

From the City of Phoenix's perspective, the need for equity training has become apparent during the community's response to the South Central Light Rails project, Police Department Community Listening sessions, Office of Arts and Cultures' Community Equity efforts, and Phoenix Human Relations Commission feedback.

There has been a noticeable increase in tensions and divisions around race, ethnicity, gender, sexual orientation, gender identity and expression, and religion. The complex and diverse reactions to incidents in the community create more division and less unity. The impact of the anti-immigration sentiment that saturates the atmosphere in Phoenix and serves as a platform for hate has created a lack of inclusion and belonging.

This has led city leadership to ask for assistance to help them address concerns raised by their specific constituents related to equity. The current budget has not afforded an opportunity to provide the training or substantiate the value of equity.

They recognize that city staff lacks the knowledge and understanding to meaningfully respond to the community concerns. Through these efforts, a first response to the community needs can be addressed, ensuring both public stakeholders and government are taking steps closer to reaching a level of equity that is responsive and addresses the systemic systems have perpetuated these divisions. The majority of the organizational leadership have not received equity training, nor had group discussions regarding equity. They are committed to avoiding a "check-the-box" approach, and are seeking expertise in guiding this vital organization's role in engaging in deep-rooted community healing.

In order to begin the important work of equity, the leadership must be educated in order to create a shared language and understanding. The organization cannot adequately respond to community needs and ensure services and programs are delivered equitably without starting with education, tools, and ultimately ongoing commitment to the Equity, Diversity and Inclusion work they will embark into. Government's proactive work on racial equity has the potential to leverage significant change, setting the stage for the achievement of racial equity in our communities.

Population to be served

200 elected officials and city staff will be initially served, including:

- Mayor and City Council members (9),
- Mayor's and City Council Chiefs of Staff (9),
- City Manager (1),
- Assistant City Managers (2),
- Deputy City Managers (3),
- Department and Function Heads (34),
- Equity, Diversity, and Inclusion (EDI) Task Force members (32), and
- 35% of the Middle Managers (110).

Group members are Latinx, Caucasian, Asian, Native American, African American, and individuals from a variety of countries of origin. It also includes individuals who represent gender and sexual orientation diversity and religious/spiritual diversity. The age of the participants ranges from mid-twenties to late sixties. The EDI Task Force members will include community leaders in addition to City employees.

In order to effectively implement an equity program, the initial focus must be to create support from the leadership. This is most effectively accomplished through equity training. The training of the EDI Task Force members will equip them to develop achievable equity and inclusion goals and strategies for the implementation. The training strategy will create organizational accountability which will enhance trust and build leadership capacity. Training of organizational leadership ensures buy-in and support for transforming the organization's programs and services. The goal of training will first target the EDI Task Force members, Mayor, Council and the executive leadership.

While the middle managers are being trained, the EDI Task Force will begin working on developing a strategy for providing training to the identified project teams, creating a draft equity statement, and developing an ongoing education campaign for the entire organization.

A total of 200 people will be initially trained.

Ultimately, the population that will be served will be the diverse and underserved communities in Phoenix. After the training of the initial 200 people, the executives and middle managers will be tasked with identifying three community projects in which an equity lens can be applied and utilized in creating solutions and/or enhancing the programs to more effectively meet the community needs. The EDI Task Force will facilitate the projects in partnership with the consultant in order to develop a process, guidelines, and tool kit for utilizing the equity lens in our work in the community. These projects will be a "learning laboratory" for enhancing and deepening the understanding of equity and the value of its impact to the community.

Goals, objectives and strategies

Goal 1: Provide interactive and experiential trainings to support the initial stages of normalizing racial equity as a key value, operationalize racial equity, and organize, both internally and in partnership with community.

Strategy	Responsible Partner
Contract with GARE to provide training and guidance.	LISC
Identify EDI Task Force members and secure participation commitment; LISC and Vitalyst to recommend all community representatives.	City of Phoenix Community Relations and Equity Division
Develop shared language that makes connections between individual experiences and broader societal and structural ways in which race is constructed.	LISC, Vitalyst, City of Phoenix
Maintain support of City Manager, Deputy City Manager, and Department and Function heads duty towards racial equity and attendance at training.	LISC, Vitalyst
Ensure 100% participation from the 200 leadership staff.	City of Phoenix

Goal 2: Support the development and execution of a Racial Equity Action Plan.

Strategy	Responsible Partner
Hosting six educational presentations regarding equity and the value of embracing.	City of Phoenix
Partner with the City of Phoenix Communications Office to share the importance of equity work with city staff and the community.	LISC, Vitalyst, City of Phoenix
Identify three projects to use as a learning laboratory for equity work.	The projects will be selected based on criteria created by the EDI Task Force, the executive leadership, and consultant. LISC and Vitalyst will be included to ensure community health components are met.
Hold debrief sessions with each project individually and collectively to identify lessons learned and suggested improvements or enhancements to the process.	GARE, LISC, Vitalyst, City of Phoenix
Develop a tool kit based on information from the learning laboratories for use by departments for future implementation.	EDI Task Force

Project outcomes and related indicators

The overarching outcomes of this project is the creation of deeper shared understanding of equity among leadership, a Racial Equity Action Plan, and greater staff capacity for implementation across departments. Key indicators

- Percentage of identified government leaders attending the full-day Phase 1 workshop

- Number of educational presentations hosted
- Number of learning lab projects identified and supported
- Commitment from City Manager and City Council to implement the Racial Equity Action Plan

Collaborative Partners

Vitalyst Health Foundation (formerly St. Luke’s Health Initiatives) is an independent, non-partisan public foundation, based in Phoenix. Vitalyst’s mission is to inform, connect and support efforts to improve the health of individuals and communities in Arizona. One of its five overarching priorities is to partner municipalities in promoting healthy community design and policies. While access to high-quality medical care is important, researchers have shown repeatedly that at least 80 percent of our health is influenced by factors outside the medical care system. Affordable, high-quality housing, responsive and flexible transportation systems and proactive, inclusive and nimble community planning processes, for example, are proven elements of creating healthy people and places.

Moreover, health is not equally spread across people or places. Because of complex histories and policies based upon racism, sexism and classism, certain people and places suffer ill health. Particularly within the municipal policy and programmatic environment, Vitalyst strives overlay an equity lens into its work.

Vitalyst has a long history of partnering or interacting with the City of Phoenix to create policies that support health, with a particular focus on people of color or those who face multiple barriers to participating in public processes. Some examples include: Maryvale on the Move; Reinvent PHX; complete streets policy development and passage; Maricopa County Food System Coalition; and Tree and Shade Policy Subcommittee.

Government Alliance on Race & Equity (GARE), is a core project of Race Forward – an organization that brings an innovative systemic analysis to complex race issues that people take effective action toward racial inequity – that galvanizes a national network of government towards achieving racial equity and advancement for its constituents.

GARE is equipped to lead this work as they have built a framework that utilizes interactive and experiential components conducive to adult learning styles, skilled in holding the conversation that is explicit in illuminating the connection between the individual, institutional, and structural racism that can contribute to the institution’s culture. In addition, their proven track record in delivering strong, expert facilitation and applying racial equity dialogue that is hands on, eliminating abstract frameworks of race.

All GARE workshops include:

- **Interactive and experiential components.** Adult learning styles vary. We use varied forms (including interactive exercises and small group discussions) to share information to ensure learning objectives are met.
- **Explicit conversation and facilitation to illuminate the connection between individual, institutional and structural racism.** Our training methodology allows participants to make connections between individual experiences and the broader societal and structural ways in

which race is constructed. We focus on institutional and structural strategies, as those are most effective for leveraging change.

- **Strong, expert facilitation.** Conversations about race can sometimes be difficult. We have a team of expert facilitators who not only are prepared to lead and guide conversation but to re-design activities in the moment to ensure participants' learning and engagement is maximized.
- **Applying learning.** Racial equity concepts can, at times, be abstract. Our workshops focus on the application of learning in the work place. *Doing* is often the best teacher.

Implementation plan

This project is broken into two phases, recognizing the immediate need to train 200 top leaders in government, and expanding with a second phase that that would build deeper skills to operationalize racial equity and result in organized infrastructure for on-going implementation of racial equity.

Phase 1 – *Normalizing Racial Equity Amongst Leadership*

Normalizing conversations about race includes developing and sharing a racial equity framework, including shared definitions of key concepts such as racial equity, implicit bias, and individual, institutional and structural racism, as well as operating with urgency and accountability. 200 identified government leaders will participate in a full-day workshop: Advancing Racial Equity: The Role of Government.

This workshop, presented as four sessions with 50 participants each, will provide an introduction to the role, responsibilities and opportunities for government to advance racial equity. GARE trainers focus on normalizing racial equity as a core value with clear definitions of key terminology, operationalizing racial equity via new policies and institutional practice, and organizing, both internally and in partnership with other institutions and the community. They introduce the Racial Equity Tool that can be used in decisions relating to policies, practices, programs and budget and share effective communications strategies. Participants gain increased understanding of racial equity terminology, including implicit and explicit bias and individual, institutional, and structural racism; gain skill at identifying and addressing institutional and structural racism; and increase capacity to advance racial equity in their departments and across the city.

Phase 2 – *Operationalizing Racial Equity Across Departments*

GARE would work with the EDI Task Force of representatives of mid-level and frontline staff who are positioned to operationalize racial equity. This team would be the "internal experts" who would work with leadership, across the breadth and depth of their departments to put theory into action. The EDI Task Force will be early adopters of racial equity and will receive additional training and technical assistance. Key components of the training series include identification and implementation of pilot projects using a Racial Equity Tool, deepening communication skills for talking about race, development of in-house trainers to build internal capacity to expand your cadre of trained staff members, and development of a Racial Equity Action Plan.

Implementation of Phase 2 will create the foundation of the internal infrastructure needed to organize and share effective practice across the city of Phoenix. The sessions will take place over the course of four to six months with additional work and guidance from the GARE staff team and network between sessions. The GARE curriculum will be used to support the Team's work.

To ensure that lessons from the Team's work are shared broadly across the agency, GARE will work with the Core Team to design and facilitate a broader internally focused information-sharing symposium at the end of the contract period. This half-day session will feature the work of leading Phoenix departments and be supported by GARE work from across the country.

Sustainability

Sustainability will be fostered through the commitments from LISC Phoenix, Vitalyst Health Foundation and the City of Phoenix.

Together, LISC and Vitalyst will:

- Hold the City of Phoenix accountable to transformational change in how it approaches community conversations, particularly in the Transit, Planning and Development, Neighborhood Services and Streets departments.
- Continue to partner and build the communities' sophistication to participate in community decision making.
- Provide examples of how other municipalities have better integrated equity into their work.

The City of Phoenix plans to sustain the project and impact beyond the timelines associated with the implementation by enhancing the role of the Equal Opportunity Department's (EOD) Equity and Community Engagement Division by allocating staffing resources to continue to manage the EDI Task Force. The EDI Task Force will identify goals for ensuring that each department continues to utilize an equity lens as it completes its work in the community. EOD staff have participated in equity training, will serve on the EDI Task Force, and will serve as equity facilitators for the organization.

In addition, the City will:

- Seek additional feedback from the three learning laboratory project participants in order to develop organizational equity goals for its leaders.
- Develop and host educational programs to create shared language and understanding among all employees in the organization.
- Secure funding from the City of Phoenix in future budget cycles and other sources to continue to utilize the consultants.
- Create equity goals for the organization.

Budget

This request is for \$50,000 out of a total project cost of \$155,000. Funding will be used to cover the cost of training provided by GARE.

Expenses

PHASE 1: Normalizing Racial Equity Amongst Leadership	Cost
Half-day workshop for elected officials and their staff	\$6,000
Four one-day Advancing Racial Equity workshops (50 participants at each)	\$48,000
Prep and debrief calls before and after the workshop	\$3,000
Admin (10%)	\$5,700
<i>Phase 1 Sub-total</i>	<i>\$62,700</i>
PHASE 2: Operationalizing Racial Equity Across Departments	
Cost	Cost
Normalizing: Two-day Introduction and Analysis workshops for the Core Team, including identification of Pilot Projects	\$24,000
Operationalizing / Organizing: Four full-day sessions to cover: <ul style="list-style-type: none">Using a Racial Equity Tool via implementation of Pilot projectsCommunicating for Racial EquityDeveloping a Racial Equity Action PlanTools for Organizational ChangeTrain-the-Trainer	\$48,000
Cumulative summary half day symposium to share strategies for implementation	\$6,000
Prep and debrief calls before and after each workshop	\$6,000
GARE membership, including access to the peer-to-peer, membership-led, membership-driven network of governmental jurisdictions from across the country	comp.
Admin (10%)	\$8,400
<i>Phase 2 Sub-total</i>	<i>\$92,400</i>
Project Total	\$155,100

Funding Sources

LISC Phoenix	\$30,100
Vitalyst Health Foundation	\$25,000
Phoenix IDA grant request	\$50,000
Phoenix Community Development & Investment Corporation grant request	\$50,000
Project Total	\$155,100

City of Phoenix council district

This project was requested by Councilwoman Laura Pastor of Council District 4, but will serve staff and residents citywide.

Attachments

- Letter of support from Phoenix Councilwoman Laura Pastor
- Letter of commitment from Vitalyst Healthy Foundation



City of Phoenix
OFFICE OF THE CITY COUNCIL

LAURA PASTOR
COUNCILWOMAN – DISTRICT 4
(602) 262-7447
council.district.4@phoenix.gov

March 5, 2019

Dear Colleagues,

Great things are happening in Phoenix. Located in the heart of the fastest growing and most dynamic metropolitan areas in the country, Phoenix has a population of 1.6 million and is the fifth largest city in the United States, and is forecasted to be at least #4 by 2020. That is major growth.

For the past 20 years, Phoenix has consistently ranked as one of the fastest growing economies of all metro areas in the United States. With this incredible growth in both population and economy comes responsibility. The city must plan and have a clear strategy when it comes to serving the city's quickly growing and diversifying citizenry. This includes, but is not limited to racial inequities.

As noted by the Government Alliance on Race and Equity (GARE), "Racial inequities are not random; they have been created and sustained over time... and will not disappear on their own." As city leaders and staff begin to navigate a rapidly growing populace and economy, it is important that they have the training and tools they need to take on the challenges of inequity, so that they may serve all the people of Phoenix successfully.

A growing field of practice is available so that local and regional governments can proactively work to advance equity, focusing on eliminating inequities and increasing success for all. It is for this reason that I am committed to working with our incredible partners to ensure that those charged with serving the people of Phoenix, our staff and executives, are trained and ready to lead our city into 2020 and beyond.

It is the charge we have all accepted as leaders in Phoenix to create a more inclusive and equitable environment where everyone feels valued. I would like to thank our partners who have continually showed their support by investing in programs that make our city government better for all. I am available for any questions or concerns you may have regarding this much-needed training program.

Sincerely,

A handwritten signature in black ink that reads "Laura Pastor".

Laura Pastor
Phoenix City Councilwoman
District 4 (Midtown, Uptown, Maryvale)

www.phoenix.gov/district4

200 WEST WASHINGTON STREET, 11TH FLOOR, PHOENIX, ARIZONA 85003-1611



March 6, 2019

Phoenix IDA – Community Development Fund,

I am writing on behalf of the Vitalyst Health Foundation in support of and in partnership with LISC and GARE in providing racial equity training for leaders within the City of Phoenix.

Our mission is to inform, connect and support efforts to improve the health of individuals and communities in Arizona. Vitalyst is an independent, non-partisan public foundation with four overarching priorities, one of which is to partner municipalities in promoting healthy community design and policies. While access to high-quality medical care is important, researchers have shown repeatedly that at least 80 percent of our health is influenced by factors outside the medical care system.

Moreover, these factors that help us lead healthy lives—such as safe streets for walking or access to healthy affordably-priced food—are not equitably distributed, resulting in significant differences in life expectancy and quality of life for residents of the same city. In the United States, we have a tragic history of creating and exacerbating health disparities through public processes and policies. We believe that public processes that acknowledge history and create an environment where residents are partners rather than solely service-recipients yield more equitable outcomes overall, including health.

Vitalyst is currently partnering with the City of Tempe in its attempts to more intentionally integrate racial equity into its interactions with residents. Through technical assistance and consultants, Tempe's Equity in Action is examining traditional community engagement processes and structures and how they can be re-engineered to better reflect and include residents—in particular, residents of color—who are most impacted by stale public processes.

Residents and our community-based partners have told us repeatedly that Phoenix's current approach and structures for community engagement exclude many and prioritize the politically influential. It is our hope that GARE—with its extensive history of partnering with cities—will help dismantle and rebuild procedures and policies so that they are more equitable. In particular, it is our intention that GARE will influence the City's approach to community engagement around several critical infrastructure investments, including the extension of the Light Rail, the planning for and expenditure of T2050 funding and the future of the VARS properties. These are all critical—and costly—public investments that can either reinforce existing inequities or pave a path for better health for those at the margins.

We have been equity partners with LISC and GARE for some time. We are eager to extend this collaboration to include the City of Phoenix.

Sincerely,

A handwritten signature in black ink, appearing to read "C.J. Hager", written over a horizontal line.

C.J. Eisenbarth Hager
Director, Healthy Communities



A CATALYST FOR COMMUNITY HEALTH

Item 5



codePHX

CREATE YOUR FUTURE



Mission

To provide youth with the opportunity to gain knowledge and hands-on experience with computer coding and STEM skills outside of their school environment.



Overview



- codePHX teaches basic coding problem solving, critical thinking and STEM skills
- Program open to ages 4 – 17
- Parks and Recreation sites require registrations and Library sites are drop in
- Programming is not designed to track participants career interest or future career readiness



Goals for Programming

- Serve historically under-represented minorities in STEM
- Attract girls to the program
- 8 of the 12 sites are strategically located in the communities with high rates of poverty
- Serve 500 unique students



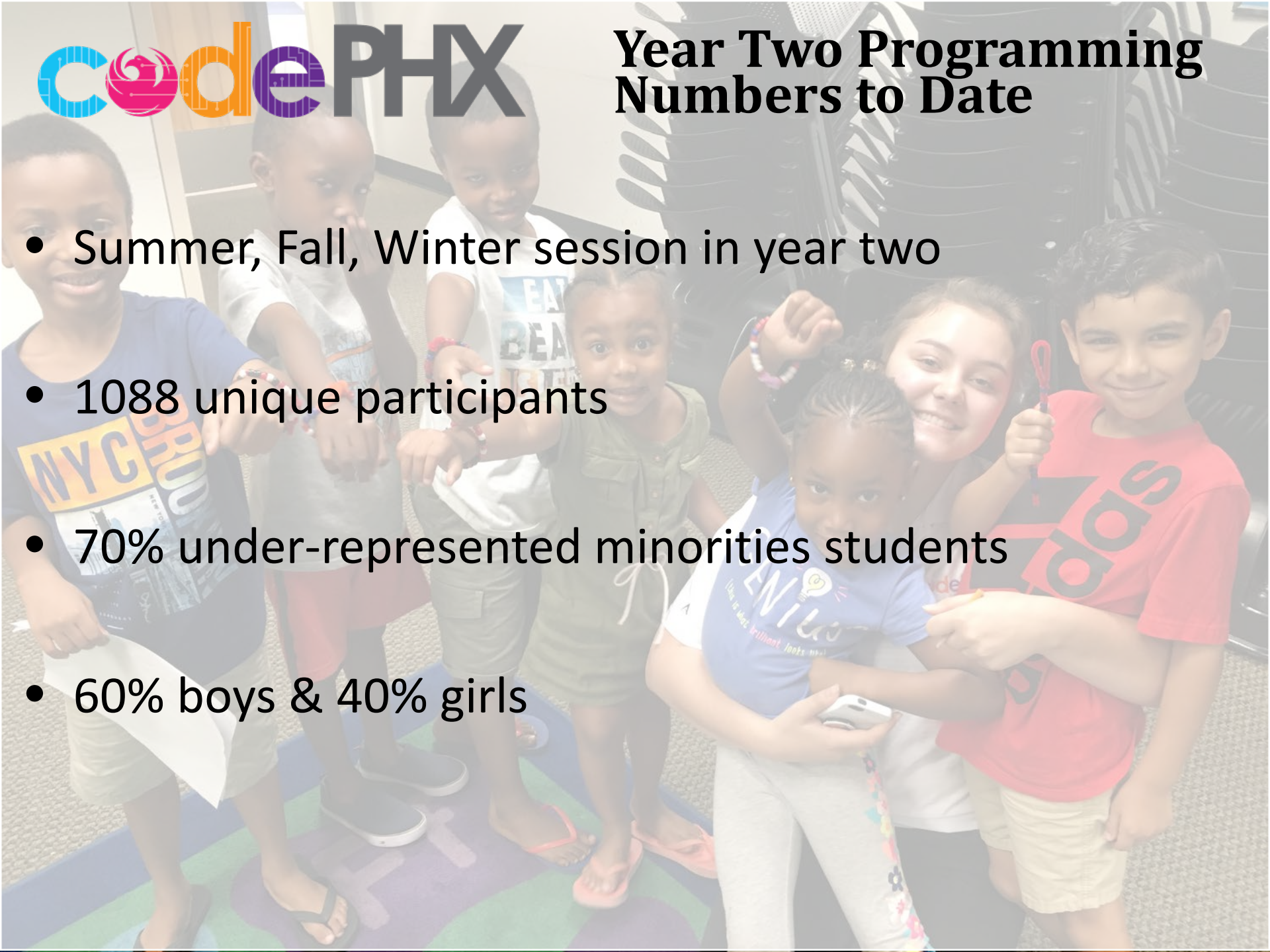
Year One Programming Numbers

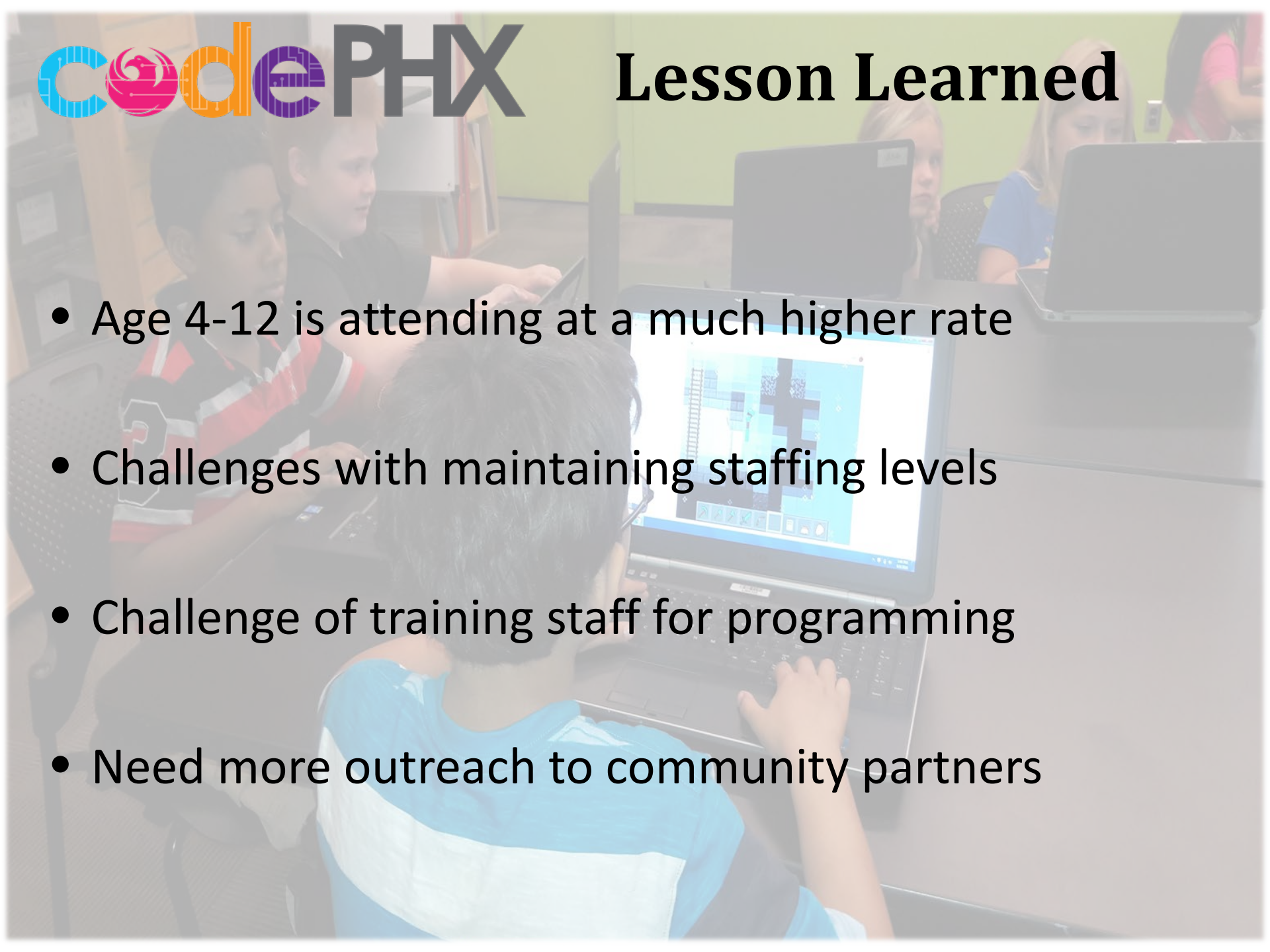
- 8 Libraries and 4 Community Centers
- 885 unique participants in year one
- 68% under-represented minorities students
- 57.5% boys & 42.5% girls
- Hour of Code event, 70 youth attended



Year Two Programming Numbers to Date

- Summer, Fall, Winter session in year two
- 1088 unique participants
- 70% under-represented minorities students
- 60% boys & 40% girls



- Age 4-12 is attending at a much higher rate
 - Challenges with maintaining staffing levels
 - Challenge of training staff for programming
 - Need more outreach to community partners
- 
- A background image showing several children in a classroom setting, focused on their laptops. The image is semi-transparent, allowing the text to be overlaid. The children are of various ethnicities and are engaged in learning activities.

- Additional sites this Winter session
 - Staffing / Volunteers
 - Rotating sessions between 10 sites every 8 weeks
- 
- A photograph of a classroom or workshop setting. In the foreground, a young boy in a grey hoodie is seated at a table, looking at a green grid mat with a blue robot on it. An older woman in a red shirt is leaning over the table, pointing at the grid. In the background, other children and adults are engaged in similar activities. The room has large windows and a "WELCOME" sign on the wall.



THANK YOU!!



Item 6

CALL TO THE PUBLIC