

**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 **Thursday, May 17, 2018 at 3:30 p.m.** located at **Calvin C. Goode Municipal Building, 251 W. Washington Street, 9th Floor, Conference Room 910, 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. April 12, 2018 Regular Session
- b. April 12, 2018 Executive Session
- c. May 2, 2018 Regular Session
- d. May 2, 2018 Executive Session

2. Foundation for Senior Living (FSL) Loan Participation. Presentation, discussion and possible action to approve Phoenix IDA participation in a loan by the Arizona Community Foundation for one of FSL's adult daycare center projects.

3. General Ethics Policy. Presentation, discussion and possible action to approve the Phoenix IDA's General Ethics Policy.

4. April 25, 2018 Communications and Government Affairs Report.

5. 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: May 15, 2018

Item 1

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

April 12, 2018

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 Thursday, April 12, 2018 at 3:30 p.m., at Phoenix City Hall, 200 W. Washington Street, 20th Floor East Conference Room, Phoenix, Arizona.

Board Members present:

Mr. David Lujan (*telephonic, left at 3:59 p.m.*)
Mr. Bruce Mosby (*telephonic*)
Ms. Nicole Ong Colyer (*telephonic, joined at 3:58 p.m.*)
Ms. Darcy Renfro (*telephonic*)
Mr. Sal Rivera (Chair) (*arrived 3:39 p.m.*)
Mr. Lawrence Robinson (*telephonic*)
Ms. Barbara Ryan Thompson (*telephonic*)
Ms. Charlene Tarver
Ms. Christa Severns

Board Members absent:

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Ms. Gina Flores, Phoenix IDA
Ms. Annie Gilbert, Ball Charter Schools
Mr. Ryan Gray, Phoenix IDA
Ms. Lydia Lee, Phoenix IDA
Ms. Gema Luna, NALEO Education Fund
Ms. Kelly McGuire, Kutak Rock LLP
Mr. Mark O’Brien, Raymond James
Ms. Karyn Piña, NALEO Education Fund
Mr. Juan Salgado, Phoenix IDA
Ms. Tencha San Miguel, USI Insurance Services
Mr. Mike Santellanes, Phoenix IDA
Mr. Sarah Strunk, Fennemore Craig, P.C.
Ms. Lori Sullivan, Raymond James
Mr. Ricardo Valencia, NALEO Education Fund

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.

Juan Salgado, CEO, Phoenix IDA called the Board meeting to order at 3:34 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes

Meeting minutes for the March 15, 2018 Board of Directors regular and executive sessions were presented for approval. Director Ryan Thompson moved to approve the minutes. Director Severns seconded the motion. **Motion carried unanimously.**

ITEM 2: Amendments to Bond Indentures and Loan Agreements related to Education Facility Revenue Bonds (Legacy Traditional Schools East Mesa and Cadence (Nevada) Campuses), Series 2017A, and (Legacy Traditional School Phoenix Campus), Series 2017B.

Mr. Salgado introduced the item and asked Ms. McGuire to brief the Board members on the Legacy Traditional Schools request for amendments to the Phoenix IDA's financial support.

Ms. McGuire briefed the Board, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Ms. McGuire, legal counsel for the Phoenix IDA recommended approval be granted subject to the terms and conditions contained in the Board resolution.

Director Lujan moved to approve **Resolution No. 2018-04** as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Tarver seconded the motion. **Motion carried unanimously.** A copy of **Resolution 2018-04** is attached hereto, and by this reference is made a part hereof.

ITEM 3: Education Facility Revenue and Refunding Bonds (Ball Charter Schools (Val Vista Project), Series 2018.

Mr. Salgado introduced the item and requested Mr. Santellanes brief the Board on the project; noting Ball Charter Schools was seeking approval of bond financing in an amount not to exceed \$8,000,000 as reflected in the Phoenix IDA's 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, noted that the documents were in substantially final form and recommended approval of the project.

Following Ms. McGuire's report, Mr. Santellanes noted that Ms. Gilbert was in attendance representing the borrower. Ms. Gilbert gave a brief overview of Ball Charter Schools to the Board members.

Director Severns moved to approve **Resolution 2018-05** as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Tarver seconded the motion. **Motion carried unanimously.** A copy of **Resolution 2018-05** is attached hereto, and by this reference is made a part hereof.

ITEM 4: Home in Five Advantage Program Report.

Mr. Salgado introduced Mr. O'Brien to brief the Board on the quarterly report of the Home in Five Advantage Program.

Mr. O'Brien reported on the Home in Five Advantage Program to the Board, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

This report was for information only. No action was taken.

ITEM 5: Community Sponsorships.

Mr. Salgado introduced the item and requested that Ms. Lee brief the Board.

Ms. Lee briefed the Board on community sponsorship proposals from the National Association of Latino Elected Officials (NALEO), and the Asian Chamber of Commerce's PHX Night Market, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Ms. Lee introduced Ms. Piña, Ms. Luna, and Mr. Valencia representing NALEO. Ms. Piña provided background about NALEO's annual conference to the Board.

Director Ryan Thompson moved to approve (i) financial support in the amount of \$25,000 for NALEO and (ii) ratify the Executive Committee's approval of financial support in the amount of \$15,000 for the PHX Night Market. Director Tarver seconded the motion. **Motion carried unanimously.**

ITEM 6: Annual Phoenix IDA Liability Insurance Policies.

Mr. Salgado introduced the item and requested that Mr. Barham brief the Board.

Mr. Barham briefed the Board on the annual Phoenix IDA Liability Insurance Policies, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Mr. Barham introduced Ms. Tencha San Miguel representing USI Insurance Services who was available to answer the Board's questions.

Director Severns moved to approve the Phoenix IDA directors, officers, executive management, employment, property, and general liability insurance policies for the annual policy period beginning April 26, 2018. Director Tarver seconded the motion. **Motion carried unanimously.**

ITEM 7: March 28, 2018 Community Impact Fund Committee Report.

Mr. Salgado introduced the item and requested that Ms. Lee brief the Board.

Ms. Lee briefed Board members on the City of Phoenix, Citywide Service Plan, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Director Tarver moved to ratify the Community Impact Fund Committee's approval of financial support in the amount of \$60,000 for the City of Phoenix, Citywide Service Plan. Director Severns seconded the motion. **Motion carried unanimously.**

ITEM 8: Board Resolution – Real Estate.

Director Rivera requested a motion to go into executive session for Item 8. Motion was made by Director Ryan Thompson and seconded by Director Severns to move into executive session.

Executive session convened at 4:26 p.m.

Regular session reconvened at 4:38 p.m.

Director Ryan Thompson moved to approve **Resolution No. 2018-03** as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Severns seconded the motion. **Motion carried unanimously.** A copy of **Resolution 2018-03** is attached hereto, and by this reference is made a part hereof.

ITEM 9: Chairman's Report

Mr. Salgado referred Board members to the Chairman's report, which covered (i) Common Sense Media, (ii) Home in Five Advantage Economic Impact Study, (iii) Mayor Stanton's State of the City, (iv) PCDIC Update, and (v) Real Estate Investments, as reflected in the Phoenix IDA's records for this meeting, which are available upon request.

This report was for information only. No action was taken.

ITEM 10: Call to the Public

Director Rivera 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 4:40 p.m.

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

May 2, 2018

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, May 2, 2018 at 1:00 p.m., at the Calvin C. Goode Municipal Building, 251 W. Washington Street, 9th Floor, Conference Room 910, Phoenix, Arizona.

Board Members present:

Mr. David Lujan (*telephonic*)
Mr. Bruce Mosby (*telephonic*)
Ms. Nicole Ong Colyer (*telephonic*)
Ms. Darcy Renfro (*telephonic*)
Mr. Sal Rivera (*telephonic*)
Mr. Lawrence Robinson (*telephonic-joined at 1:09 p.m.*)
Ms. Barbara Ryan Thompson (*telephonic-joined at 1:11 p.m.*)
Ms. Christa Severns (*telephonic*)
Ms. Charlene Tarver (*telephonic-joined at 1:07 p.m.*)

Board Members absent:

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Ms. Gina Flores, Phoenix IDA
Mr. Kirk Kuller, Colliers International Group Inc.
Ms. Lydia Lee, Phoenix IDA
Mr. C.W. Ross, Fennemore Craig, P.C.
Mr. Juan Salgado, Phoenix IDA
Mr. Mike Santellanes, Phoenix IDA

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.

Mr. Salgado, CEO, Phoenix IDA called the Board meeting to order at 1:03 p.m. A quorum was noted.

ITEM 1: Board Resolution – Real Estate

Mr. Salgado requested a motion to go into executive session for Item 1. Director Renfro moved to go into executive session. Director Mosby seconded the motion.

Executive session convened at 1:04 p.m.

Regular session convened at 1:25 p.m.

Director Ryan Thompson moved to approve **Resolution No. 2018-06** as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Mosby seconded the motion. A copy of Resolution 2018-06 is attached hereto, and by this reference is made a part hereof. **Motion carried unanimously.**

ITEM 2: Call to the Public.

Director Rivera 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 1:28 p.m.

Item 2



MEMORANDUM

DATE: May 17, 2018

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Foundation for Senior Living Loan Participation

BACKGROUND

Foundation for Senior Living (FSL) was created as a 501c3 nonprofit organization in 1974 by the Roman Catholic Diocese of Phoenix to address an unmet need for housing and services for the elderly, persons with disabilities, and other vulnerable individuals, such as adults with severe mental illnesses. Today, while the bulk of FSL's assets are tied to real estate, the greater part of revenue is centered in the services provided, with behavioral health care accounting for a significant revenue source.

FSL has built a stable organization that has served the community-at-large for decades serving Phoenix, Maricopa County, and rural areas of the state of Arizona. Its financial condition as of the 2017 FY audit is strong, with more than \$21 million in net assets, good cash flow, \$7.6 million in working capital, a modest debt-to-net-worth ratio, and a rising trend in revenue and profitability. Clearly, FSL has very strong ties to its government partners that have lasted decades. Leadership at all levels reflects a highly talented and committed team to fulfill FSL's mission, with the board of directors actively involved in oversight of FSL and its programs. FSL employs 450 people, fifty of whom are devoted to various real estate activities.

As noted, FSL provides state-wide housing services to clients within Arizona, and health services to clients within Maricopa County.

PROJECT

FSL has been operating Adult Day Health Services (ADHS) since 1974 and has served thousands of seniors, adults with disabilities, and their caregivers. ADHS is the only comprehensive, medical-model provider available in the metropolitan Phoenix area. An internal review of incomes for daily visitors indicates 73% of FSL's visitors have median incomes less than \$33,406 (60% of median income for Maricopa County).

The current project will serve to expand capacity among FSL's Adult Day Care Centers, each of which is based on the needs of the market. The ability to grow from 55 to 99 clients in need each day is a significant contribution to the well-being of the community. All centers are open to adults of all ages and incorporate restorative therapy, personalized care, social and therapeutic recreational activities, nursing supervision, nutritious meals, support and care for adults with Alzheimer's and related dementia, job and vocational training, and more. FSL is highly experienced in projects of this size and scope and has designed and built numerous housing and commercial buildings.

Plans call for construction of an 11,000 square foot building on two parcels of land totaling roughly 4.7 acres located at 16231 N. 67th Ave., in Glendale, AZ. The building will sit on the north 3 acres, and once

complete, FSL can sell the south 1.7 acres. The land has already been acquired, and the facility will be able to accommodate up to 99 clients per day.

Total cost of the project is approximately \$4.2 million, including site acquisition, which totals approximately \$585,000. Development/construction costs, plus equipping of the facility, are estimated to be close to \$3,605,000.

The property development schedule shows a construction start date of November 2018, though management would like to start sooner. Completion is 10-12 months. Project architects, Orcutt/Winslow, will provide testament that the milestones below are complete.

A detailed construction schedule will be created for the ACF approval prior to funding.

FSL requires a 5% construction contingency on every contractor's contract. In addition, FSL budgets a 5% contingency on the overall project. This system has served FSL well on numerous construction projects over the years.

REQUEST

This request seeks approval for the Phoenix IDA to participate up to \$500,000 in a \$4,000,000 loan being led by ACF, to FSL to fund expansion of an adult daycare center at 16231 N. 67th Ave., in Glendale, AZ.

PLAN OF FINANCING

This 7-year term loan will begin with a 12-month interest only period, followed by six years of principal and interest, with loan principal amortizing over 228 months. The loan will yield 3.50% fixed interest, reflecting a 4.0% interest rate, less 0.5% allocated to the local loan servicer, Business Development Finance Corporation. The proposed participation provides the Phoenix IDA with a pro rata share of interest income.

RECOMMENDATION

I recommend that approval be granted subject to the terms and conditions contained in the Board approval resolution, as reviewed by same.

Credit Summary

Borrower: Foundation for Senior Living	Project to be financed: Adult Daycare Facility	
Borrower Address: 1201 E. Thomas Road Phoenix, Arizona 85014	Project Address: 16231 N. 67 th Avenue Glendale, Arizona 85306	Type of Business: 501(c)(3)
Principal Contact(s): Tom Egan, President & CEO Steve Hastings, Chief of Real Estate Services	Website: www.fsl.org	Tax ID: 86-0298945

Loan Amount	Up to \$4,000,000
Lead Lender	Arizona Community Foundation (ACF)
Phoenix IDA Participation	Up to \$500,000
Loan Term	7-year term. Interest only first 12 months. Principal amortized over 228 months (19 years). The loan will be taken down in draws. Timing and amount of the draws are anticipated to be in \$1,000,000 increments and taken: November 2018 and February, May and July 2019, based on construction and/or pledge receivables (exact schedule is forthcoming).
Prepayment Penalty	None
Interest Rate	4.0% gross, 3.5% net after servicing fee. Interest shared pro rata among loan participants.
Monthly Payment	Upon full funding the monthly payment is estimated to be \$25,074.81
Servicing Fee	.5%
Loan Servicer	Business Development Finance Corporation (BDFC), a private, nonprofit corporation based in Phoenix.
Origination Fee	1% origination fee on loan proceeds. Fee will be deducted from the initial draw.
All Other Fees	Application fee is \$5,000 and will be deducted from origination fee upon loan closing. Appraisal, environmental, legal and other out-of-pocket expenses to be paid by Borrower.
Use of Funds	The Borrower will use the loan proceeds to develop/build an adult day care center.
Collateral	First deed of trust position on property being developed; fundraising pledges.
Loan to Value (LTV)	With the planned construction of just over \$3.6 million, the expectation is that the finished property should represent a 95.5% LTV
Repayment Source(s)	Primary: Operating cash flow Secondary: Sale of the property located at 16231 N. 67th Avenue, Glendale, AZ 85306. Additionally, ACF will take pledges from the capital campaign for this project (a total of \$2.35 million in pledges through 2023 have been secured to date).
Guarantor	None
Financial Covenants	<ul style="list-style-type: none"> • Debt Service Coverage Ratio of 1.2, or greater, tested quarterly • Liquidity: Total Debt to Total Assets < 75% • Receipt of audited financial statements within 120 days after fiscal YE • Monthly financial statements within 30 days from month end • Borrower will inform ACF of material changes to senior management team • Annual Social Statement, due 60 days from fiscal year end • Borrower will inform ACF of any change orders during construction exceeding \$100,000



MEMORANDUM

DATE: May 17, 2018

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Foundation for Senior Living Loan Participation

BACKGROUND

Foundation for Senior Living (FSL) was created as a 501c3 nonprofit organization in 1974 by the Roman Catholic Diocese of Phoenix to address an unmet need for housing and services for the elderly, persons with disabilities, and other vulnerable individuals, such as adults with severe mental illnesses. Today, while the bulk of FSL's assets are tied to real estate, the greater part of revenue is centered in the services provided, with behavioral health care accounting for a significant revenue source.

FSL has built a stable organization that has served the community-at-large for decades serving Phoenix, Maricopa County, and rural areas of the state of Arizona. Its financial condition as of the 2017 FY audit is strong, with more than \$21 million in net assets, good cash flow, \$7.6 million in working capital, a modest debt-to-net-worth ratio, and a rising trend in revenue and profitability. Clearly, FSL has very strong ties to its government partners that have lasted decades. Leadership at all levels reflects a highly talented and committed team to fulfill FSL's mission, with the board of directors actively involved in oversight of FSL and its programs. FSL employs 450 people, fifty of whom are devoted to various real estate activities.

As noted, FSL provides state-wide housing services to clients within Arizona, and health services to clients within Maricopa County.

PROJECT

FSL has been operating Adult Day Health Services (ADHS) since 1974 and has served thousands of seniors, adults with disabilities, and their caregivers. ADHS is the only comprehensive, medical-model provider available in the metropolitan Phoenix area. An internal review of incomes for daily visitors indicates 73% of FSL's visitors have median incomes less than \$33,406 (60% of median income for Maricopa County).

The current project will serve to expand capacity among FSL's Adult Day Care Centers, each of which is based on the needs of the market. The ability to grow from 55 to 99 clients in need each day is a significant contribution to the well-being of the community. All centers are open to adults of all ages and incorporate restorative therapy, personalized care, social and therapeutic recreational activities, nursing supervision, nutritious meals, support and care for adults with Alzheimer's and related dementia, job and vocational training, and more. FSL is highly experienced in projects of this size and scope and has designed and built numerous housing and commercial buildings.

Plans call for construction of an 11,000 square foot building on two parcels of land totaling roughly 4.7 acres located at 16231 N. 67th Ave., in Glendale, AZ. The building will sit on the north 3 acres, and once

complete, FSL can sell the south 1.7 acres. The land has already been acquired, and the facility will be able to accommodate up to 99 clients per day.

Total cost of the project is approximately \$4.2 million, including site acquisition, which totals approximately \$585,000. Development/construction costs, plus equipping of the facility, are estimated to be close to \$3,605,000.

The property development schedule shows a construction start date of November 2018, though management would like to start sooner. Completion is 10-12 months. Project architects, Orcutt/Winslow, will provide testament that the milestones below are complete.

A detailed construction schedule will be created for the ACF approval prior to funding.

FSL requires a 5% construction contingency on every contractor's contract. In addition, FSL budgets a 5% contingency on the overall project. This system has served FSL well on numerous construction projects over the years.

REQUEST

This request seeks approval for the Phoenix IDA to participate up to \$500,000 in a \$4,000,000 loan being led by ACF, to FSL to fund expansion of an adult daycare center at 16231 N. 67th Ave., in Glendale, AZ.

PLAN OF FINANCING

This 7-year term loan will begin with a 12-month interest only period, followed by six years of principal and interest, with loan principal amortizing over 228 months. The loan will yield 3.50% fixed interest, reflecting a 4.0% interest rate, less 0.5% allocated to the local loan servicer, Business Development Finance Corporation. The proposed participation provides the Phoenix IDA with a pro rata share of interest income.

RECOMMENDATION

I recommend that approval be granted subject to the terms and conditions contained in the Board approval resolution, as reviewed by same.

Credit Summary

Borrower: Foundation for Senior Living	Project to be financed: Adult Daycare Facility	
Borrower Address: 1201 E. Thomas Road Phoenix, Arizona 85014	Project Address: 16231 N. 67 th Avenue Glendale, Arizona 85306	Type of Business: 501(c)(3)
Principal Contact(s): Tom Egan, President & CEO Steve Hastings, Chief of Real Estate Services	Website: www.fsl.org	Tax ID: 86-0298945

Loan Amount	Up to \$4,000,000
Lead Lender	Arizona Community Foundation (ACF)
Phoenix IDA Participation	Up to \$500,000
Loan Term	7-year term. Interest only first 12 months. Principal amortized over 228 months (19 years). The loan will be taken down in draws. Timing and amount of the draws are anticipated to be in \$1,000,000 increments and taken: November 2018 and February, May and July 2019, based on construction and/or pledge receivables (exact schedule is forthcoming).
Prepayment Penalty	None
Interest Rate	4.0% gross, 3.5% net after servicing fee. Interest shared pro rata among loan participants.
Monthly Payment	Upon full funding the monthly payment is estimated to be \$25,074.81
Servicing Fee	.5%
Loan Servicer	Business Development Finance Corporation (BDFC), a private, nonprofit corporation based in Phoenix.
Origination Fee	1% origination fee on loan proceeds. Fee will be deducted from the initial draw.
All Other Fees	Application fee is \$5,000 and will be deducted from origination fee upon loan closing. Appraisal, environmental, legal and other out-of-pocket expenses to be paid by Borrower.
Use of Funds	The Borrower will use the loan proceeds to develop/build an adult day care center.
Collateral	First deed of trust position on property being developed; fundraising pledges.
Loan to Value (LTV)	With the planned construction of just over \$3.6 million, the expectation is that the finished property should represent a 95.5% LTV
Repayment Source(s)	Primary: Operating cash flow Secondary: Sale of the property located at 16231 N. 67th Avenue, Glendale, AZ 85306. Additionally, ACF will take pledges from the capital campaign for this project (a total of \$2.35 million in pledges through 2023 have been secured to date).
Guarantor	None
Financial Covenants	<ul style="list-style-type: none"> • Debt Service Coverage Ratio of 1.2, or greater, tested quarterly • Liquidity: Total Debt to Total Assets < 75% • Receipt of audited financial statements within 120 days after fiscal YE • Monthly financial statements within 30 days from month end • Borrower will inform ACF of material changes to senior management team • Annual Social Statement, due 60 days from fiscal year end • Borrower will inform ACF of any change orders during construction exceeding \$100,000

RESOLUTION NO. 2018-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, GRANTING APPROVAL OF A PARTICIPATION LOAN IN AN AMOUNT OF UP TO \$500,000; AUTHORIZING THE EXECUTION AND DELIVERY OF A PARTICIPATION AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE PARTICIPATION LOAN; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE PARTICIPATION LOAN; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH COMPLETING THE PARTICIPATION LOAN.

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 A.R.S. §§ 35-706(A)(3) of the Industrial Development Financing Act, as amended (the “Act”), to make secured and unsecured loans for the purpose of financing the acquisition, construction, improvement or equipping of a “project” (as defined in the Act) on terms and conditions as its board of directors may deem advisable for the purposes set forth in the Act; and

WHEREAS, the Authority has entered into negotiations with respect to a Participation Agreement (the “Contract”) with Arizona Community Foundation, an Arizona nonprofit corporation (“ACF”), with respect to a loan in the amount of \$4,000,000 (the “Loan”) made by ACF to Foundation for Senior Living, an Arizona nonprofit corporation, to finance the costs of constructing a building to be used for provision of medical care, therapy and other services to members of the community at 16231 N. 67th Avenue, Glendale, Arizona (the “Project”); and

WHEREAS, in furtherance of the purposes of the Act, the Authority is considering the purchase of an interest in the Loan in an amount of up to \$500,000 (the “Participation Loan”) to assist in the financing of the rehabilitation and improvement of the Project; and

WHEREAS, ACF has provided, or will provide, to the Authority the Contract and all other documents required in connection with the Loan (collectively, the “Participation Documents”).

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. Conditional Consent to Participation Loan. Upon satisfaction of all conditions referenced in Section 2 below, the Authority hereby consents to the Participation Loan.

Section 2. Conditions. The Authority’s consent to the Participation Loan is subject to the approval of the final version of the Contract by the Chief Executive Officer and legal counsel to the Authority, the satisfactory completion of all conditions to the Contract, and the Authority’s receipt of the Participation Documents and any other instruments which the Chief Executive Officer and legal counsel to the Authority reasonably deem to be necessary or appropriate under the circumstances.

Item 3

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 1 of 8 Effective Date: May 1517, 20152018

This document sets forth the general ethics policy (the "Policy") of the Phoenix IDA. The Policy is intended to clarify our standard of conduct. It makes clear that the Phoenix IDA expects its Board of Directors, Executive Director, and employees to understand the ethical considerations associated with their actions and to conduct business with integrity and without deception.

The City of Phoenix adopted the "City of Phoenix Ethics Policy" codified in the City Code, Ch. 2, Art. II, §2-52. Upon appointment to the Phoenix IDA, each member of the Board of Directors of the Phoenix IDA agreed to comply with the City of Phoenix Ethics Policy. The Phoenix IDA formally adopts the following policies:

A. ATTENDANCE

If a member fails to attend three consecutive regular meetings, or more than 50% of all meetings of the Board of Directors held over a calendar year period, the City Council may declare the seat vacant and appoint a replacement. See City Code, Art. 1 §2-40.

Comment: Members of the Board of Directors are expected to attend all regularly scheduled meetings and should make every effort to do so. The City Council appointed each member of the Board for each member's experience, background and perspective in a particular policy area, and wants the benefit of each member's consideration and judgment. Moreover, the Board of Directors shall not conduct any business unless a quorum is present. Accordingly, if a member of the Board of Directors must miss a meeting because of business, vacation or illness, please advise the chairperson of the Board of Directors or Committee of the Board of Directors and the Executive Director in advance of the meeting.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 2 of 8 Effective Date: May 1517, 20152018

B. CONFLICTS OF INTEREST

As a political subdivision of the State of Arizona, the Phoenix IDA is subject to and must comply with Arizona's Conflict of Interest Laws. The Phoenix IDA considers conflicts of interest a very important ethical consideration that requires its own detailed policy. (See Governance Policy No. 101)

C. CONTRACTS WITH THE CITY

Arizona law prohibits any member of the Board of Directors, the Executive Director or employee of the Phoenix IDA who has, or whose relative has, "a substantial interest in any contract, sale, purchase, or service to" the Phoenix IDA from participating in any way with the transaction. See A.R.S. §38-503 (A).

Comment: As with other conflicts of interest, any member of the Board of Directors, the Executive Director or employee of the Phoenix IDA in such a situation must (i) make known the substantial interest involved, and (ii) refrain from voting upon or otherwise participating in the transaction or the making of such contract or sale.

D. DISCLOSURE OF CONFIDENTIAL INFORMATION

Arizona law provides that, during an individual's employment or service with the Phoenix IDA and for two years thereafter, no such individual may disclose or use confidential information without appropriate authorization. See A.R.S. §38-504(B). "Confidential information" means any and all information which is not generally known but which becomes known as a consequence of the individual's employment or service with the Phoenix IDA, whether relating to the Phoenix IDA or a third party, whether oral or in writing, and whether or not marked "confidential", "proprietary" or "private." "Confidential information" does not include: (i) information that was generally available to the public at the time of disclosure; (ii) information that later becomes publicly known other than through the individual's actions; or (iii) information that was already known to the individual before he/she learned it from or through his/her relationship with the Phoenix IDA. Moreover, if during the individual's employment or service with the Phoenix IDA, such individual learns information that constitutes a trade secret, he/she shall be obligated to maintain the secrecy of the information for so long as the information constitutes a trade secret,

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 3 of 8 Effective Date: May 1517, 20152018

but in no case for less than two years after the employment or service ends, unless the Phoenix IDA authorizes him/her to reveal information.

Comment: Members of the Board of Directors, the Executive Director and employees of the Phoenix IDA may have access to important non-public information regarding the property, operations, policies or affairs of the Phoenix IDA and/or of the City of Phoenix. Such information may concern real estate transactions, expansion of public facilities or other City projects. The leaking of this inside information may benefit a few at the expense of a possible monetary loss to the Phoenix IDA or the City and a deterioration of public confidence. If a member of the Board of Directors, the Executive Director or employee of the Phoenix IDA are privy to confidential information, such individual may not disclose that information to any private citizen and should disclose it to other public employees only on a “need to know” basis.

E. DISCRIMINATION

Chapter XI, Section 2 of the City Charter provides: “No person shall be appointed to, removed from or in any way favored or discriminated against with respect to any city position because of race, color, ancestry, national origin, sex, political or religious opinions or affiliations.” Illegal discrimination on the basis of sexual orientation, gender identity or expression, age, marital status, pregnancy, disability, citizenship status, veteran status, or military obligation or any other basis prohibited by law is also forbidden. Harassment on the basis of sex is a violation of Title VII of the U.S. Civil Rights Act of 1964, as amended. The United States Equal Employment Opportunity Commission (EEOC) defines sexual harassment as “unwelcome” sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when: 1) submission to such conduct is made wither explicitly or implicitly a term or condition of an individual’s employment; 2) submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual; or 3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or offensive work environment.

Comment: All people must be recognized, honored and mutually respected. The United States and Arizona Constitutions, as well as numerous federal, state and local laws, outlaw various forms of discrimination. The Phoenix IDA should

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 4 of 8 Effective Date: May 1517, 20152018

make available to every person – whether they are applying for a Board position or employment position of the Phoenix IDA – every consideration, treatment, and advantage or favor that is the general practice to make available to all citizens. The equality of opportunity to enter into public service, besides being the object of various federal, state and local laws, is a central factor in achieving efficient public service and good morale. The Phoenix IDA promotes an environment where all members, employees and citizens are respected and valued.

F. EMPLOYMENT

1. Representing Private Interests Before the Phoenix IDA: For twelve months following the termination of a person’s service as a member of the Board of Directors, or employment with the Phoenix IDA, Arizona law prohibits such individuals from representing another person for compensation before the Phoenix IDA concerning any matter with which that individual, during their time of service to the Phoenix IDA, was directly concerned and personally participated in by a substantial and material exercise of administrative discretion. See A.R.S. §38-504(A).

Comment: Members of the Board of Directors, the Executive Director and employees of the Phoenix IDA may appear before the Phoenix IDA on behalf of constituents in the course of performing duties as a representative of the electorate or in the performance of public or civil obligations, as long as they are not representing any private person, group or interest for compensation that is contingent on such activity.

2. Employment of Relatives: Arizona law prohibits members of the Board of Directors, the Executive Director and employees of the Phoenix IDA from being involved in the appointment, hiring or supervision of a relative. See A.R.S. §38-481 and A.R. §2.91.

Comment: Because hiring and supervising a relative is a special type of a conflict of interest, it must be avoided.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 5 of 8 Effective Date: May 1517, 20152018

G. GIFTS, FAVORS AND EXTRA COMPENSATION

Neither any member of the Board of Directors, the Executive Director or any employee of the Phoenix IDA shall accept any gift, service or favor that would lead toward favoritism or the appearance of favoritism in any way.

Comment: Board Members or employees of the Phoenix IDA should not accept gifts (monetary or otherwise, such as a service, loan, thing or promise), gratuities, or favors from anyone for the performance of acts within the regular course of official duties. Board Members and employees of the Phoenix IDA should refuse any gifts or favors that reasonably may be interpreted to have been offered in order to influence a Phoenix IDA decision. Compensation for a Phoenix IDA employee performing that employee's duty is limited to salaries, fringe benefits and any personal satisfaction that such person may derive from doing a good job. While a Board Member or employee of the Phoenix IDA is the first to decide whether to accept any gift, such person must recognize that others will decide if there is "the appearance of favoritism" for such person having accepted a gift. Finally, Board Members and employees of the Phoenix IDA should be wary of accepting any gifts or benefits from individuals doing business with the Phoenix IDA or the City or whose financial interests are affected by Phoenix IDA action.

1. Board Members and employees of the Phoenix IDA must consider ethical principles before accepting personal gifts of entertainment and sports/athletic activities.

Comment: After the above gift policy is applied, if a Board Member or employee of the Phoenix IDA accepts the entertainment or sports/athletic activity gift and does not pay for it, such Board Member or employee must declare the gift with the President of the Board, within two working days, using a "Declaration Form." Gifts must be declared regardless of whether the gifts are actually used by the Board Member or employee. If the President of the Board accepts the entertainment or sports/athletic gift and does not pay for it, the President must declare the gift with the Vice President of the Board.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 6 of 8 Effective Date: May 1517, 20152018

There are three examples of gifts that do not require declaration:

- a. A personal gift from a friend or relative, unless that friend or relative has done business with the Phoenix IDA, is doing business with the Phoenix IDA or is seeking to do business with the Phoenix IDA.
- b. Winning or receiving a promotional gift from a community business, where the opportunity to win/receive the gift is open to the community in general.
- c. Board Members or employees of the Phoenix IDA who pay for a ticket or elect to make a charitable contribution in the name of the donor for the face value of the gift do not need to file a declaration.
- d. Acknowledgements of voluntary service from the Phoenix IDA.
- e. All other gifts accepted must be declared regardless of whether the Board Member or employee of the Phoenix IDA personally used the gift.

H. POLITICAL ACTIVITY

As citizens, Board Members and employees of the Phoenix IDA can and should exercise their rights to register and vote in all elections including City elective offices. The City Attorney, in opinion No. 60-012, determined that the provisions of Chapter XXV, Section 11 of the City Charter, do not apply to citizen members of City boards and commissions and, therefore, Board Members may participate in political campaigns for City elective officials.

I. PUBLIC ACCESS: OPEN MEETINGS AND PUBLIC RECORDS

Numerous Arizona and City laws require that meetings of public bodies be open to the public and that public records be available for inspection. See Open Meeting Laws (A.R.S. §§38-431 through 431.09 and City Charter Ch. 4 & 5) and Public Records Laws (A.R.S. §§39-121 through 121.03 and City Charter Ch. 4 & 21).

Comment: As declared in state statute, it is the official public policy of Arizona that meetings of public bodies be conducted openly. Also, Arizona law allows

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 7 of 8 Effective Date: May 1517, 20152018

broad access to public records. Open government gives the public confidence that public affairs are being performed properly.

J. USE OF EQUIPMENT, FACILITIES, OR PERSONNEL FOR PRIVATE GAIN

Members of the Board of Directors, the Executive Director and employees of the Phoenix IDA should not use Phoenix IDA or City facilities, equipment, personnel or supplies for private purposes, except to the extent they are lawfully available to the public.

Comment: Public respect for its government is weakened when Phoenix IDA-owned or City-owned facilities and equipment are used by members of the Board of Directors, the Executive Director or employees of the Phoenix IDA for personal gain. Phoenix IDA or City office supplies, work materials and equipment are to be used only for the Phoenix IDA work. Taking Phoenix IDA or City goods for private use is not a “fringe benefit,” it is stealing. See A.R.S. §13-1802. Also, it is improper (and maybe unlawful) for supervisors to use subordinates for their personal benefit. Finally, members of the Board of Directors, the Executive Director and employees of the Phoenix IDA should avoid waste of public supplies and equipment.

K. WHISTLEBLOWER POLICY

The Phoenix IDA promotes ethical conduct, transparency and compliance with the law. Should any individual know of, or have a suspicion about, illegal or unethical conduct in connection with the finances or other aspect of the Phoenix IDA's operations, that individual should inform the President of the Board of Directors. If the alleged wrongdoing concerns the President, then another officer or director of the Phoenix IDA should be notified instead.

Should the President or another officer or director of the Phoenix IDA receive information regarding alleged illegal or unethical conduct in connection with the finances or other aspect of operations, those officers or directors shall inform the full Board of Directors. The Board of Directors shall investigate all credible allegations at all times respecting the privacy and reputation of individuals involved.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 8 of 8 Effective Date: May 1517, 20152018

There will be no punishment or other retaliation for the reporting of conduct pursuant to this policy. If the person providing the information requests anonymity, this request will be respected to the extent that doing so does not impede any investigation.

APPROVED:

~~Sal Rivera~~Bruce Mosby, Secretary

The Industrial Development Authority of
the City of Phoenix, Arizona

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 1 of 8 Effective Date: May 1517, 20152018

This document sets forth the general ethics policy (the "Policy") of the Phoenix IDA. The Policy is intended to clarify our standard of conduct. It makes clear that the Phoenix IDA expects its Board of Directors, Executive Director, and employees to understand the ethical considerations associated with their actions and to conduct business with integrity and without deception.

The City of Phoenix adopted the "City of Phoenix Ethics Policy" codified in the City Code, Ch. 2, Art. II, §2-52. Upon appointment to the Phoenix IDA, each member of the Board of Directors of the Phoenix IDA agreed to comply with the City of Phoenix Ethics Policy. The Phoenix IDA formally adopts the following policies:

A. ATTENDANCE

If a member fails to attend three consecutive regular meetings, or more than 50% of all meetings of the Board of Directors held over a calendar year period, the City Council may declare the seat vacant and appoint a replacement. See City Code, Art. 1 §2-40.

Comment: Members of the Board of Directors are expected to attend all regularly scheduled meetings and should make every effort to do so. The City Council appointed each member of the Board for each member's experience, background and perspective in a particular policy area, and wants the benefit of each member's consideration and judgment. Moreover, the Board of Directors shall not conduct any business unless a quorum is present. Accordingly, if a member of the Board of Directors must miss a meeting because of business, vacation or illness, please advise the chairperson of the Board of Directors or Committee of the Board of Directors and the Executive Director in advance of the meeting.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 2 of 8 Effective Date: May 1517, 20152018

B. CONFLICTS OF INTEREST

As a political subdivision of the State of Arizona, the Phoenix IDA is subject to and must comply with Arizona's Conflict of Interest Laws. The Phoenix IDA considers conflicts of interest a very important ethical consideration that requires its own detailed policy. (See Governance Policy No. 101)

C. CONTRACTS WITH THE CITY

Arizona law prohibits any member of the Board of Directors, the Executive Director or employee of the Phoenix IDA who has, or whose relative has, "a substantial interest in any contract, sale, purchase, or service to" the Phoenix IDA from participating in any way with the transaction. See A.R.S. §38-503 (A).

Comment: As with other conflicts of interest, any member of the Board of Directors, the Executive Director or employee of the Phoenix IDA in such a situation must (i) make known the substantial interest involved, and (ii) refrain from voting upon or otherwise participating in the transaction or the making of such contract or sale.

D. DISCLOSURE OF CONFIDENTIAL INFORMATION

Arizona law provides that, during an individual's employment or service with the Phoenix IDA and for two years thereafter, no such individual may disclose or use confidential information without appropriate authorization. See A.R.S. §38-504(B). "Confidential information" means any and all information which is not generally known but which becomes known as a consequence of the individual's employment or service with the Phoenix IDA, whether relating to the Phoenix IDA or a third party, whether oral or in writing, and whether or not marked "confidential", "proprietary" or "private." "Confidential information" does not include: (i) information that was generally available to the public at the time of disclosure; (ii) information that later becomes publicly known other than through the individual's actions; or (iii) information that was already known to the individual before he/she learned it from or through his/her relationship with the Phoenix IDA. Moreover, if during the individual's employment or service with the Phoenix IDA, such individual learns information that constitutes a trade secret, he/she shall be obligated to maintain the secrecy of the information for so long as the information constitutes a trade secret,

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 3 of 8 Effective Date: May 1517, 20152018

but in no case for less than two years after the employment or service ends, unless the Phoenix IDA authorizes him/her to reveal information.

Comment: Members of the Board of Directors, the Executive Director and employees of the Phoenix IDA may have access to important non-public information regarding the property, operations, policies or affairs of the Phoenix IDA and/or of the City of Phoenix. Such information may concern real estate transactions, expansion of public facilities or other City projects. The leaking of this inside information may benefit a few at the expense of a possible monetary loss to the Phoenix IDA or the City and a deterioration of public confidence. If a member of the Board of Directors, the Executive Director or employee of the Phoenix IDA are privy to confidential information, such individual may not disclose that information to any private citizen and should disclose it to other public employees only on a “need to know” basis.

E. DISCRIMINATION

Chapter XI, Section 2 of the City Charter provides: “No person shall be appointed to, removed from or in any way favored or discriminated against with respect to any city position because of race, color, ancestry, national origin, sex, political or religious opinions or affiliations.” Illegal discrimination on the basis of sexual orientation, gender identity or expression, age, marital status, pregnancy, disability, citizenship status, veteran status, or military obligation or any other basis prohibited by law is also forbidden. Harassment on the basis of sex is a violation of Title VII of the U.S. Civil Rights Act of 1964, as amended. The United States Equal Employment Opportunity Commission (EEOC) defines sexual harassment as “unwelcome” sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when: 1) submission to such conduct is made wither explicitly or implicitly a term or condition of an individual’s employment; 2) submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual; or 3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or offensive work environment.

Comment: All people must be recognized, honored and mutually respected. The United States and Arizona Constitutions, as well as numerous federal, state and local laws, outlaw various forms of discrimination. The Phoenix IDA should

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 4 of 8 Effective Date: May 1517, 20152018

make available to every person – whether they are applying for a Board position or employment position of the Phoenix IDA – every consideration, treatment, and advantage or favor that is the general practice to make available to all citizens. The equality of opportunity to enter into public service, besides being the object of various federal, state and local laws, is a central factor in achieving efficient public service and good morale. The Phoenix IDA promotes an environment where all members, employees and citizens are respected and valued.

F. EMPLOYMENT

1. Representing Private Interests Before the Phoenix IDA: For twelve months following the termination of a person’s service as a member of the Board of Directors, or employment with the Phoenix IDA, Arizona law prohibits such individuals from representing another person for compensation before the Phoenix IDA concerning any matter with which that individual, during their time of service to the Phoenix IDA, was directly concerned and personally participated in by a substantial and material exercise of administrative discretion. See A.R.S. §38-504(A).

Comment: Members of the Board of Directors, the Executive Director and employees of the Phoenix IDA may appear before the Phoenix IDA on behalf of constituents in the course of performing duties as a representative of the electorate or in the performance of public or civil obligations, as long as they are not representing any private person, group or interest for compensation that is contingent on such activity.

2. Employment of Relatives: Arizona law prohibits members of the Board of Directors, the Executive Director and employees of the Phoenix IDA from being involved in the appointment, hiring or supervision of a relative. See A.R.S. §38-481 and A.R. §2.91.

Comment: Because hiring and supervising a relative is a special type of a conflict of interest, it must be avoided.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 5 of 8 Effective Date: May 1517, 20152018

G. GIFTS, FAVORS AND EXTRA COMPENSATION

Neither any member of the Board of Directors, the Executive Director or any employee of the Phoenix IDA shall accept any gift, service or favor that would lead toward favoritism or the appearance of favoritism in any way.

Comment: Board Members or employees of the Phoenix IDA should not accept gifts (monetary or otherwise, such as a service, loan, thing or promise), gratuities, or favors from anyone for the performance of acts within the regular course of official duties. Board Members and employees of the Phoenix IDA should refuse any gifts or favors that reasonably may be interpreted to have been offered in order to influence a Phoenix IDA decision. Compensation for a Phoenix IDA employee performing that employee's duty is limited to salaries, fringe benefits and any personal satisfaction that such person may derive from doing a good job. While a Board Member or employee of the Phoenix IDA is the first to decide whether to accept any gift, such person must recognize that others will decide if there is "the appearance of favoritism" for such person having accepted a gift. Finally, Board Members and employees of the Phoenix IDA should be wary of accepting any gifts or benefits from individuals doing business with the Phoenix IDA or the City or whose financial interests are affected by Phoenix IDA action.

1. Board Members and employees of the Phoenix IDA must consider ethical principles before accepting personal gifts of entertainment and sports/athletic activities.

Comment: After the above gift policy is applied, if a Board Member or employee of the Phoenix IDA accepts the entertainment or sports/athletic activity gift and does not pay for it, such Board Member or employee must declare the gift with the President of the Board, within two working days, using a "Declaration Form." Gifts must be declared regardless of whether the gifts are actually used by the Board Member or employee. If the President of the Board accepts the entertainment or sports/athletic gift and does not pay for it, the President must declare the gift with the Vice President of the Board.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 6 of 8 Effective Date: May 1517, 20152018

There are three examples of gifts that do not require declaration:

- a. A personal gift from a friend or relative, unless that friend or relative has done business with the Phoenix IDA, is doing business with the Phoenix IDA or is seeking to do business with the Phoenix IDA.
- b. Winning or receiving a promotional gift from a community business, where the opportunity to win/receive the gift is open to the community in general.
- c. Board Members or employees of the Phoenix IDA who pay for a ticket or elect to make a charitable contribution in the name of the donor for the face value of the gift do not need to file a declaration.
- d. Acknowledgements of voluntary service from the Phoenix IDA.
- e. All other gifts accepted must be declared regardless of whether the Board Member or employee of the Phoenix IDA personally used the gift.

H. POLITICAL ACTIVITY

As citizens, Board Members and employees of the Phoenix IDA can and should exercise their rights to register and vote in all elections including City elective offices. The City Attorney, in opinion No. 60-012, determined that the provisions of Chapter XXV, Section 11 of the City Charter, do not apply to citizen members of City boards and commissions and, therefore, Board Members may participate in political campaigns for City elective officials.

I. PUBLIC ACCESS: OPEN MEETINGS AND PUBLIC RECORDS

Numerous Arizona and City laws require that meetings of public bodies be open to the public and that public records be available for inspection. See Open Meeting Laws (A.R.S. §§38-431 through 431.09 and City Charter Ch. 4 & 5) and Public Records Laws (A.R.S. §§39-121 through 121.03 and City Charter Ch. 4 & 21).

Comment: As declared in state statute, it is the official public policy of Arizona that meetings of public bodies be conducted openly. Also, Arizona law allows

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 7 of 8 Effective Date: May 1517, 20152018

broad access to public records. Open government gives the public confidence that public affairs are being performed properly.

J. USE OF EQUIPMENT, FACILITIES, OR PERSONNEL FOR PRIVATE GAIN

Members of the Board of Directors, the Executive Director and employees of the Phoenix IDA should not use Phoenix IDA or City facilities, equipment, personnel or supplies for private purposes, except to the extent they are lawfully available to the public.

Comment: Public respect for its government is weakened when Phoenix IDA-owned or City-owned facilities and equipment are used by members of the Board of Directors, the Executive Director or employees of the Phoenix IDA for personal gain. Phoenix IDA or City office supplies, work materials and equipment are to be used only for the Phoenix IDA work. Taking Phoenix IDA or City goods for private use is not a “fringe benefit,” it is stealing. See A.R.S. §13-1802. Also, it is improper (and maybe unlawful) for supervisors to use subordinates for their personal benefit. Finally, members of the Board of Directors, the Executive Director and employees of the Phoenix IDA should avoid waste of public supplies and equipment.

K. WHISTLEBLOWER POLICY

The Phoenix IDA promotes ethical conduct, transparency and compliance with the law. Should any individual know of, or have a suspicion about, illegal or unethical conduct in connection with the finances or other aspect of the Phoenix IDA's operations, that individual should inform the President of the Board of Directors. If the alleged wrongdoing concerns the President, then another officer or director of the Phoenix IDA should be notified instead.

Should the President or another officer or director of the Phoenix IDA receive information regarding alleged illegal or unethical conduct in connection with the finances or other aspect of operations, those officers or directors shall inform the full Board of Directors. The Board of Directors shall investigate all credible allegations at all times respecting the privacy and reputation of individuals involved.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 100
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT GENERAL ETHICS POLICY	Page 8 of 8 Effective Date: May 1517, 20152018

There will be no punishment or other retaliation for the reporting of conduct pursuant to this policy. If the person providing the information requests anonymity, this request will be respected to the extent that doing so does not impede any investigation.

APPROVED:

~~Sal Rivera~~Bruce Mosby, Secretary

The Industrial Development Authority of
the City of Phoenix, Arizona

Item 4

MEMORANDUM

DATE: May 17, 2018

TO: Members, Board of Directors

FROM: Bruce Mosby, Chair, Communications and Government Affairs Committee

SUBJECT: April 25, 2018 Communications and Government Affairs Report

- A. Communications and Marketing Report** – On April 25, 2018 an update to the Committee about current communications and marketing activities and metrics was presented. Staff reported since the last Committee meeting on September 27, 2017, the 2017 Communications & Marketing Plan was closed out and deemed a success with only a few unresolved activities rolling over to be completed this year.

We continue to focus on engaging audiences through social media and communicating about the organization’s partnerships and investments. After surpassing the social media growth goal for 2017, staff continues to see growth in social media followers this year across all of the Phoenix IDA’s channels. A breakdown of overall growth, and growth by channel, was provided to the Committee. Additionally, staff is gathering and creating baseline metrics of website visitors for both *phoenixida.com* and the new *homein5advantage.com*, in addition to other informative website analytics.

Updates on the current communications and marketing activities for the Home in Five Advantage Program and the Lend a Hand Loan Program were provided. Marketing for both programs remains a priority. The Home in Five Advantage economic impact study was recently released, and staff is conducting media and stakeholder outreach to promote the study. The Lend a Hand Program partners are working on numerous grassroots strategies to reach community organizations and residents with high-cost car title loans.

Moving forward, staff is supporting the new Phoenix IDA Strategic Plan, specifically growth of core services and programs, and increasing awareness about the organization.

- B. Government Affairs Report** – Dr. Marc Osborn, of Kutak Rock LLP, provided an update to the Committee. The overall goal is to create a robust legislative agenda designed to make the Phoenix IDA and other local IDAs more competitive with the Arizona Industrial Development Authority (Arizona IDA), the principal financing vehicle of the Arizona Finance Authority, and improve the operating environment for all IDAs.

The Arizona IDA has benefited greatly from its streamlined bond financing approval process. It has become clear that streamlining the bond financing approval process and improving the timeframe and procedures to approve projects will be good for borrowers and will improve the Phoenix IDA’s ability to compete with the Arizona IDA. To accomplish this, the Phoenix IDA CEO and staff will work with Dr. Osborn to identify and lobby the appropriate members of the Arizona Legislature and advocate for several statutory reforms to the IDA Act and related

statutes in an effort to:

- Eliminate the Attorney General review of each bond financing “Project”
- Streamline the Governing Body bond proceedings approval process by delegating the approval authority to the Mayor rather than the Mayor and City Council
- Eliminate the geographic boundary restrictions on Phoenix IDA residential financings
- Revise and modernize the Arizona volume cap allocation process for bond issuances

Dr. Osborn has been engaged to develop a comprehensive legislative outreach strategy with plans to begin outreach meetings in May 2018. We will also develop a target list of specific Arizona legislators who may be willing to support our recommended statutory changes and conduct one-on-one and small group briefings to educate legislators about how the Phoenix IDA’s community investments and financing programs benefit the state. Additionally, the Phoenix IDA will become more active with policymaking organizations involved in economic development to improve its chances of achieving the desired legislative changes.

The full version of the latest government affairs report is available upon request.

Item 5

CALL TO THE PUBLIC