

Item 1

Item 1 A

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

February 9, 2017

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, February 9, 2017 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
Ms. Darcy Renfro
Mr. Sal Rivera
Mr. Lawrence Robinson
Ms. Christa Severns
Ms. Charlene Tarver (*telephonic; arrived 3:40 p.m.*)

Board Members absent:

Mr. Bruce Mosby
Ms. Barbara Ryan Thompson

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Mr. Murray Boess, Phoenix IDA
Ms. Sarah Cline, Phoenix IDA
Ms. Lydia Lee, Phoenix IDA
Mr. Mark O’Brien, Raymond James
Mr. C.W. Ross, Fennemore Craig, P.C.
Mr. Juan Salgado, Phoenix IDA
Ms. Amy Schwabenlender, Valley of the Sun United Way
Ms. Christine Wetherington, Valley of the Sun United Way

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 Rivera called the Committee meeting to order at 3:38 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes

Meeting minutes for the December 8, 2016 Board of Directors executive session and January 19, 2017 Board of Directors regular session were presented for approval. Director Robinson moved to approve the minutes. Director Lujan seconded the motion. **Motion carried unanimously.**

ITEM 2: Valley of the Sun United Way – Rapid Re-Housing Report

Mr. Salgado introduced the item, and asked Ms. Lee to brief the Board members on the Valley of Sun United Way – Rapid Re-Housing project.

Ms. Lee reviewed the Valley of the Sun-Rapid Re-Housing project and the Phoenix IDA’s funding of the project which was approved in April 2015.

Ms. Schwabendlender from the Valley of the Sun United Way presented the one-year evaluation of the Rapid Re-Housing project.

Discussion ensued.

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

ITEM 3: Home in Five Advantage

Mr. Salgado introduced Mr. O’Brien and requested that he brief the Board on the Home in Five Advantage Program.

Mr. O’Brien reported on the Home in Five Advantage Program, 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 4: Financial Statements for Period Ending December 31, 2016

Mr. Salgado presented the financial statements for the period ending December 31, 2016, as reflected in the Phoenix IDA’s records for this meeting, which are available upon request.

Mr. Salgado requested ratification of the Finance Committee’s approval of the aforementioned financial statements. Director Lujan concurred that the quarterly financial statements had been reviewed in detail, and recommended approval.

Director Severns moved to ratify the Finance Committee’s approval of the Financial Statements for the period ending December 31, 2016. Director Renfro seconded the motion. **Motion carried unanimously.**

ITEM 5: Mid-Year Budget Adjustment

Mr. Salgado presented the mid-year budget adjustments to the Board as reflected in the Phoenix IDA’s records for this meeting, which are available upon request.

Mr. Salgado requested ratification of the Finance Committee’s approval of the mid-year budget adjustments.

Director Severns moved to ratify the Finance Committee’s approval of revisions to the Operating Budget for fiscal year 2016-17. Director Renfro seconded the motion. **Motion carried unanimously.**

ITEM 6: 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 4:11 p.m.

Item 1 B

MEMORANDUM

DATE: March 9, 2017

TO: Members, Board of Directors

FROM: Juan Salgado, Executive Director

SUBJECT: Multifamily Housing Revenue Bonds (Broadway Terrace Apartments Project), Series 2017

BACKGROUND

On August 17, 2016, Broadway Terrace, L.P., an Arizona limited partnership (the “Borrower”), obtained final Board approval to issue bonds in an aggregate principal amount not to exceed \$8,000,000 for a multifamily project known as Broadway Terrace Apartments Project.

Since then, the Borrower’s anticipated costs to acquire, rehabilitate, improve, and equip buildings and land at the project site (the “Project”) have increased such that it now requests the Authority’s final approval to issue an additional principal amount of not to exceed \$1,000,000 in project bonds, for a total principal amount of authorized bonds not to exceed \$9,000,000.

The Borrower will seek Phoenix City Council approval for the additional amount of bonds on April 5, 2017, pending Phoenix IDA Board approval.

THE PROJECT

The Project contemplates the purchase and rehabilitation of an existing 100-bed facility called Broadway Terrace that serves very low-income seniors and disabled individuals. The Project is located at 12815 North 28th Drive, Phoenix (on the southeast corner of 28th Drive and Sweetwater Avenue), within Phoenix City Council District 1, represented by Councilwoman Thelda Williams.

The Borrower anticipates completing the rehabilitation work by February 2018.

PLAN OF FINANCING

According to the Borrower, the Bonds will be issued in series as determined by the underwriter, Red Capital Markets, LLC. The maturity of the longest series will be no more than 40 years. It is expected that the fixed rate Bonds will be sold in a limited public offering at the then prevailing market rate. The Borrower expects to complete the not to exceed \$9,000,000 transaction by April 2017.

RECOMMENDATION

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

RESOLUTION NO. 2017-02

A RESOLUTION GRANTING FINAL APPROVAL TO THE ISSUANCE OF A PRINCIPAL AMOUNT OF \$1,000,000 OF MULTIFAMILY HOUSING REVENUE BONDS (BROADWAY TERRACE APARTMENTS PROJECT), SERIES 2017, ORIGINALLY APPROVED TO BE ISSUED IN ONE OR MORE TAX-EXEMPT AND/OR TAXABLE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000, WHICH WHEN COMBINED WITH THE CURRENTLY REQUESTED \$1,000,000, WOULD CONSTITUTE APPROVAL OF THE ISSUANCE OF SUCH BONDS IN A COMBINED AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$9,000,000 (THE “BONDS”) TO FINANCE A PROJECT FOR BROADWAY TERRACE, L.P., AN ARIZONA LIMITED PARTNERSHIP; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE BONDS; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH THE ISSUANCE OF THE 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 industrial development revenue bonds for the purposes set forth in the Act, including the making of secured and unsecured loans for the purpose of financing the acquisition, construction, improvement or equipping of a “project” (as defined in the Act) whenever the Board of Directors of the Authority (the “Board”) finds such loans to be in furtherance of the purposes of the Authority or in the public interest; and

WHEREAS, the term “project” includes within its meaning under the Act any land, any building or other improvements, and all real and personal properties which are suitable for any “residential real property for dwelling units located within the municipality approving the formation of the corporation;” and

WHEREAS, Broadway Terrace, L.P., an Arizona limited partnership (together with its assignees and designees, the “Borrower”), has previously requested the Authority to issue its Multifamily Housing Revenue Bonds (Broadway Terrace Apartments Project) Series 2016 in one or more series in an aggregate principal amount not to exceed \$8,000,000 (the “Original Principal Amount”) and loan the proceeds thereof to the Borrower to (a) finance the acquisition, rehabilitation, improvement, and equipping of buildings and land to be used as multifamily housing and related facilities located at 12815 North 28th Drive in Phoenix, Maricopa County, Arizona, (b) fund any required reserve funds, (c) pay capitalized interest on the Bonds, if any, and (d) pay costs and expenses incurred in connection therewith (collectively, the “Project”), all in accordance with the Act; and

WHEREAS, the Authority has previously granted preliminary approval, pursuant to Resolution 2016-05 adopted by the Authority at its May 12, 2016 meeting (the “Preliminary Resolution”), and final approval, pursuant to Resolution 2016-09 adopted by the Authority at its August 17, 2016 meeting (the “Final Resolution,” and together with the Preliminary Resolution, the “Original Resolution”); and

WHEREAS, the Borrower’s anticipated costs of construction of the Project have increased and as such, it now requests the Authority’s final approval to issue and sell an additional principal amount of not to exceed \$1,000,000 (the “Additional Principal Amount”) of Multifamily Housing Revenue Bonds (Broadway Terrace Apartments Project), Series 2017, which when combined with the Original Principal Amount, would constitute approval of the issuance of such Bonds in a combined aggregate principal amount of not to exceed \$9,000,000 (the “Revised Principal Amount”); and.

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. The Board of Directors finds and determines that the issuance of the Bonds in an amount not to exceed the Revised Principal Amount and the making of a loan to the Borrower for the purpose of financing and/or refinancing all or a portion of the cost of the acquisition, construction, improvement, equipping and operating of the Project and the costs and expenses incidental thereto are in furtherance of the purposes of the Authority under the Act and the Project will constitute a “project” within the meaning of the Act.

Section 2. The Bonds to be issued in an amount equal to the Revised Principal Amount (or such lesser amount as shall be determined by the Borrower at the time the Bonds are priced) are subject to the same terms and conditions contained in the Original Resolution.

Section 3. Nothing contained in this Resolution, or in any other instrument, may be considered as obligating the Authority or the City to any pecuniary liability or charge upon the general credit of the Authority or the City. Furthermore, it is understood that no costs are to be borne by the Authority with respect to the Project and the issuance and sale of the Bonds except those to be paid out of the proceeds of the Bonds, and that the Borrower will promptly reimburse the Authority for any other expenses reasonably incurred by the Authority, including the fees of its legal counsel and any financial advisor, whether or not the Bonds are issued or sold.

Section 4. Each of the Borrower and those acting on its behalf is authorized to file one or more requests from time to time for allocations for private activity bonding authority for the Bonds through the Arizona Finance Authority, as successor to the Arizona Commerce Authority, (whether in the form of carryforward allocations or otherwise) in an aggregate principal amount which, inclusive of any and all such requests, shall not exceed \$9,000,000.

Section 5. All actions of the officers, staff, directors, employees, agents and Executive Director of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance thereof, whether heretofore or hereafter taken, including but not limited to the engagement of Kutak Rock LLP as the Authority’s counsel and bond counsel, shall be and are hereby ratified, confirmed and approved. The proper officers, staff, directors,

employees, agents and Executive Director of the Authority are hereby authorized and directed to do all such acts on behalf of the Authority as may be deemed necessary or desirable to carry out the terms and intent of this Resolution.

Section 6. The Executive Director of the Authority, the members of the governing body 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 execution or delivery of the documents entered into by the Authority in connection with the issuance of the Bonds (the “Documents”), or performance of the duties and obligations of the Authority pursuant to the Documents. The liability of the Authority with respect to the Documents executed in connection with the transactions contemplated hereby shall be limited as provided in the Act and such Documents.

Section 7. Any provisions of any bylaws, orders, procedural pamphlets and resolutions of the Authority inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any bylaw, order, procedural pamphlet or resolution or any part thereof.

Section 8. If any section, paragraph, clause or provision of this Resolution is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision does not affect any of the remaining provisions of this Resolution.

Section 9. It is found and determined that all formal actions of the Authority and its Board 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 10. 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 11. This Resolution is effective immediately upon its adoption.

Section 12. Neither this Resolution, any of the Documents, nor any action taken by the Authority, any member of the Board or the Authority’s counsel in connection with the issuance of the Bonds is intended to provide, and shall not be construed as providing, advice of any kind to the Borrower or to the Authority 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, 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.

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Adopted and approved this 9th day of March, 2017.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Executive Director