PHOENIXIDA

**MEMORANDUM**

**DATE:** November 20, 2014

**TO:** Members, Board of Directors

**FROM:** Tommy Espinoza, Chairman

**SUBJECT:** Community Impact Fund Committee Report – November 10, 2014

Below is the report of the November 10, 2014 Community Impact Fund Committee ("Committee") meeting.

The Committee heard presentations on (i) a proposal from representatives of Balsz School District's Brunson-Lee Elementary School to provide financial support to renovate a baseball field near the school for Brunson-Lee's and the neighborhood's use, and (ii) an update from a Downtown Phoenix Partnership director Dan Klocke regarding an urban development concept plan for the area south of Fillmore Avenue where the Phoenix IDA and City of Phoenix own vacant land parcels. The Committee also received an update on the Community Development Fund for the period ending September 30, 2014. These reports are for information only, and no approval is required by the Board.

**Item A - Espiritu Community Development Corporation Predevelopment Loan**

The Committee also heard a presentation and report from Espiritu Community Development Corporation ("Espiritu") regarding predevelopment loan request for its charter schools. As noted in the attached report dated November 10, 2014, the Phoenix IDA issued more than $7.8 million in bond to Espiritu in late 2006. Recently, a related entity has acquired property at 222 East Olympic Drive in Phoenix for Espiritu to develop. Espiritu has requested a loan of up to $100,000 to assist with pre-development costs, with a term up to 36 months, given that their currently outstanding bonds are not eligible for redemption until July 2017. When it is eligible to do so, Espiritu plans to refinance the existing bonds and fund the construction of a new school.

The Committee approved recommending for Board approval, (i) an exception to the current policy regarding the term of the loan, (ii) the use of Education Loan funds for this loan, and (iii) authorizing the Executive Director to approve the loan and execute all necessary documents following evaluation of credit and recommendation by the financial advisor to the Phoenix IDA.

The vote recommending Board approval was 2:0 with one abstention. I abstained from the discussion and vote due to my role as an original founder of Espiritu's charter schools.