



PHOENIXIDA

Item 1



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

April 21, 2022

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 21, 2022, at 3:00 p.m., via Zoom Videoconferencing.

Board Members present:

Ms. Breeann Adleman
Ms. Tess Burleson
Mr. Phil Gordon
Mr. David Lujan (*left meeting-3:34 p.m.*)
Mr. Aaron Marquez
Mr. Bruce Mosby
Ms. Tina Marie Tentori (*left meeting-3:58 p.m.*)
Ms. Barbara Ryan Thompson

Board Members absent:

Ms. Darcy Renfro

Also present for all or portions of the meeting were:

Ms. Sarah Armenta, USI Insurance Services
Mr. Bryant Barber, Lewis Roca
Mr. James Barham, Phoenix IDA
Mr. Murray Boess, Phoenix IDA
Mr. Steve Collins, CFP3
Mr. Robert Columbo, Ivy Hotel
Mr. Bill DeHaan, Greenberg Traurig, LLP
Mr. Frank Enriquez, Phoenix IDA
Ms. Gina Flores, Phoenix IDA
Ms. Janis Gallego, CPLC
Mr. Brian Garcia, Ivy Hotel
Mr. Ryan Gray, Phoenix IDA
Ms. Evelyn Guerrero, CPLC
Mr. Robby Hefton, City of Sherman, TX
Mr. Dan Holwerda, Holwerda Law PLLC
Ms. Lydia Lee, Phoenix IDA
Ms. Marissa Nelson, Phoenix IDA
Mr. C.W. Ross, Fennemore Craig, P.C
Mr. Juan Salgado, Phoenix IDA
Mr. Mike Santellanes, Phoenix IDA
Ms. Christa Severns, Phoenix IDA

Mr. Nic Smith, CPLC

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 videoconferencing system.

Director Mosby called the Board meeting to order at 3:03 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes.

Director Mosby introduced Item 1 seeking approval for the regular session meeting minutes for the February 10, 2022, February 17, 2022, and March 17, 2022, Board of Directors meetings. There being no comments or changes, Director Mosby called for a motion.

MOTION: Director Burluson moved to approve the regular and executive session minutes for January 20, 2022, Board of Directors meetings. Director Ryan Thompson seconded the motion. **Motion passed 7-0 with Board members B. Adleman, T. Burluson, D. Lujan, A. Marquez, B. Mosby, TM Tentori and B. Ryan Thompson in favor. Director Gordon abstained.**

ITEM 2: Health Care Facilities Revenue Bonds (CFP Sherman Hospital, LLC), Series 2022.

Mr. Salgado introduced Mr. Santellanes to present the staff report on Item 2. Mr. Santellanes briefed the board on the Health Care Facilities Revenue Bonds for Sherman Hospital as reflected in the Phoenix IDA's records for this meeting, which are available upon request. At the conclusion of Mr. Santellanes' presentation, Mr. Salgado stated the importance of working with local government when participating in out of state transactions.

Mr. Salgado introduced Mr. Robby Hefton, who is the city manager for the City of Sherman, Texas. Mr. Hefton explained the background, details and need for the Sherman Hospital project. Mr. Hefton also stated that this project has community support, political support, physician support and financial support from the City of Sherman. Mr. Salgado then introduced Mr. Steve Collins, President, CFP3 as the borrower on this transaction. Mr. Collins gave background information on the work of CFP3 and the importance of this project for the City of Sherman and thanked the board for their consideration of the project. Mr. Salgado introduced Mr. Bryant Barber as legal counsel for the issuer. Mr. Barber briefed the Board on the financial structure of the project and asked if there were any questions from board members. At the conclusion of the reports, Mr. Salgado thanked the key partners that have worked on this project

Director Mosby thanked staff and guests for the presentation and asked Board members if there were any questions for staff or the borrower. Director Gordon asked if the amount of the bonds was \$300 million? Mr. Barber confirmed this was the amount the revenue bonds will cover. Director Burluson asked how this model will help build revenue when there is a debt component as well. Mr. Hefton explained the background of Sherman, Texas and the need for a locally run hospital that can be in touch with the needs of the local community. Director Marquez asked if Mr. Hefton could explain the need to look for bond financing outside of Sherman and asked if there were bond financing organizations in Texas that could manage this project. Mr. Hefton stated there are several mechanisms for bond financing in Texas that could be of direct issuance. He however stated that the City of Sherman is not able to support direct issuance and further indicated this transaction is extraordinarily complex. It requires an entity that has experience as well as strong partnerships and resources to work through the financing structure to complete the project, thus the purpose of seeking the support of the Phoenix IDA with this transaction. The Phoenix IDA has

successfully navigated through these kinds of complex transactions and can offer the assistance needed. Director Mosby asked if there were any additional questions from board members. There being no questions, Director Mosby called for a motion.

MOTION: Director Ryan Thompson moved to approve Resolution 2202-05 as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Gordon seconded the motion. **Motion passed 8-0 with Board members B. Adleman, T. Burleson, P. Gordon, D. Lujan, A. Marquez, B. Mosby, TM Tentori and B. Ryan Thompson in favor.**

ITEM 3: Multifamily Housing Revenue Bonds (Pueblo Apartments Project).

Mr. Salgado introduced Mr. Santellanes to present the staff report on the Pueblo Apartments Project. Mr. Santellanes made a presentation to the board explaining the Multifamily Housing Revenue Bonds for the Pueblo Apartments Project and indicated they are seeking preliminary approval in an aggregate principal amount not to exceed \$20 million dollars. The borrower will be Chicanos Por La Causa for the Pueblo Apartments project.

Mr. Salgado introduced Ms. Evelyn Guerrero from CPLC to explain the project in more detail. Ms. Guerrero stated that this project is a multifamily low-income apartment project that will contain 161-units of rental housing, as reflected in the Phoenix IDA's records for this meeting, which are available upon request. Director Marquez asked if there will be a certain number of units that will be going toward fixed income individuals. Ms. Guerrero stated that this is a tax-exempt bond project triggering a 4 % tax credit. The units will be allocated for families up to 40% of the area median income. Director Gordon asked if CPLC has spoken with the COP Light Rail regarding this project being within walking distance from the apartments. Ms. Guerrero stated that they have had public meetings and feedback from the COP Light Rail that has helped inform their decisions. At the conclusion of the presentations, Director Mosby asked if there were any additional questions from Board Members. There being no questions, Director Mosby called for a motion.

MOTION: Director Tentori moved to approve Resolution 2202-06 as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Marquez seconded the motion. **Motion passed 7-0 with Board members B. Adleman, T. Burleson, P. Gordon, A. Marquez, B. Mosby, TM Tentori and B. Ryan Thompson in favor.**

ITEM 4: Annual Phoenix IDA Liability Insurance Policies.

Mr. Salgado introduced Mr. Boess to present the staff report on the renewal of the liability insurance policies, as reflected in the Phoenix IDA's records for this meeting, which are available upon request. Mr. Boess introduced Sarah Armenta to the board and asked if there were any questions. Director Gordon asked what the limits were on the liability insurance. Mr. Boess answered that there is \$1 million dollars per occurrence and \$2 million dollars aggregate, with an excess liability that goes to \$4 million dollars per occurrence. At the conclusion of the presentation, Director Mosby asked if there were any additional questions from board members. There being no questions, Director Mosby called for a motion.

MOTION: Director Tentori moved to approve renewal of the directors, officers, executive management, employment practices, property and general liability insurance policies for the annual policy period. Director Marquez seconded the motion. **Motion passed 7-0 with Board members B. Adleman, T. Burleson, P. Gordon, A. Marquez, B. Mosby, TM Tentori and B. Ryan Thompson in favor.**

ITEM 5: Senior Loan Participation.

Mr. Salgado requested a motion to go into Executive Session for Item 5.

MOTION: A motion was made by Director Ryan Thompson and seconded by Director Burleson to move into executive session. **Motion passed 7-0 with Board members B. Adleman, T. Burleson, P. Gordon, A. Marquez, B. Mosby, TM Tentori and B. Ryan Thompson in favor.**

Executive session convened at 3:55 p.m.

Discussion ensued regarding the senior loan participation.

Regular session reconvened at 4:12 p.m.

Director Mosby asked if there were any questions from board members on Item 5. There being no questions, Director Mosby called for a motion.

MOTION: Director Ryan Thompson moved to approve Resolution 2202-07 as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Burleson seconded the motion. **Motion passed 6-0 with Board members B. Adleman, T. Burleson, P. Gordon, A. Marquez, B. Mosby, and B. Ryan Thompson in favor.**

ITEM 6: Call to the Public

Director Mosby 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 4:17 p.m.