
**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, July 21, 2022, at 3:00 p.m.** Public attendees are not permitted to attend the meeting in person but may call 669-900-6833 and enter Meeting ID 827 2350 2511, Passcode 977327 to join the meeting. Pursuant to Arizona Revised Statutes §38-431.03.A.3 and/or 4, the Board may vote to recess and meet in executive session for the purpose of discussion or consultation for legal advice with the Board's legal counsel with and to provide direction to the Board's legal counsel in connection with any matter on the Agenda. Any action taken by the Board regarding this matter will be taken in open meeting session after the adjournment of the executive session.

The agenda for the meeting is as follows:

Call to Order.

1. Approval of Meeting Minutes.

- a. June 16, 2022 – Regular Session

2. City of Phoenix Priorities. Presentation and discussion regarding priorities and potential opportunities for the City of Phoenix and the Phoenix IDA.

3. Park Central-Loan. Presentation, discussion, and possible action to approve a loan for the Park Central project.

4. Multifamily Housing Revenue Bonds (Pueblo Apartments Project). Presentation, discussion, and possible action for amending Resolution 2022-06 adopted April 21, 2022, which granted preliminary approval of the issuance of Multifamily Housing Revenue Bonds (Pueblo Apartments Project), to be issued in one or more tax-exempt and/or taxable series to increase the aggregate principal amount from not to exceed \$20,000,000 to not to exceed \$30,000,000.

5. **Multifamily Housing Revenue Bonds (Horizon on Villa Project).** Presentation, discussion, and possible action for preliminary approval of the issuance of Multifamily Housing Revenue Bonds (Horizon on Villa Project), to be issued in one or more tax-exempt and/or taxable series in an aggregate principal amount not to exceed \$25,000,000.
6. **Phoenix IDA Governance Policy.** Presentation, discussion, and possible action to approve amendments to the Phoenix IDA Governance Policy 201.
7. **Call to the Public.** Comments will be limited to two minutes.

Adjournment.

For reasonable accommodations, please call Lydia Lee at Voice/602-661-6898 or TTY: use 7-1-1, as early as possible to coordinate needed arrangements.

Date Posted: July 19, 2022



PHOENIX**IDA**

Item 1

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

June 16, 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, June 16, 2022, at 3:00 p.m., via Zoom Videoconferencing.

Board Members present:

Ms. Breeann Adleman
Mr. David Lujan
Mr. Aaron Marquez
Ms. Darcy Renfro
Ms. Tina Marie Tentori

Board Members absent:

Ms. Tess Burleson
Mr. Phil Gordon
Mr. Bruce Mosby
Ms. Barbara Ryan Thompson

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Mr. Frank Enriquez, Phoenix IDA
Mr. Robert Gibson, PacifiCap, Inc.
Mr. Ryan Gray, Phoenix IDA
Ms. Verity Kang, Kutak Rock LLP
Mr. Tim Nash, Kutak Rock LLP
Ms. Brenda Naumann, Phoenix IDA

Ms. Marissa Nelson, Phoenix IDA
Mr. Vic Reid, 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

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 Renfro called the Board meeting to order at 3:07 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes.

Director Renfro introduced Item 1 seeking approval for the regular and executive session meeting minutes for the May 19, 2022, Board of Directors meetings. There being no comments or changes, Director Renfro called for a motion.

MOTION: Director Lujan moved to approve the regular and executive session minutes for May 19, 2022, Board of Directors meeting. Director Marquez seconded the motion. **Motion passed 5-0 with Board members B. Adleman, D. Lujan, A. Marquez, D. Renfro, and T. Tentori in favor.**

ITEM 2: Multifamily Housing Revenue Bonds (Residence at Falcon Park Project) Series 2022.

Director Renfro introduced Item 2 and asked Mr. Santellanes to provide an overview of the project. Mr. Santellanes made staff recommendation to the board explaining the Multifamily Housing Revenue Bonds (Residence at Falcon Park Project), Series 2022. The presentation is reflected in the Phoenix IDA's records for this meeting, which are available upon request.

Mr. Salgado introduced Mr. Nash to provide legal overview of the transaction. Mr. Salgado introduced Mr. Gibson from PacifiCap, Inc. to provide further information on the project.

Mr. Salgado asked the board if they had any questions. With no further questions, Director Renfro called for a motion.

MOTION: Director Tentori moved to approve Resolution 2022-08 as recommended by the Chief Executive Officer and legal counsel to the Phoenix IDA. Director Lujan seconded the motion. **Motion passed 5-0 with Board members B. Adleman, D. Lujan, A. Marquez, D. Renfro, and T. Tentori in favor.**

ITEM 3: Call to the Public.

Director Renfro 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 3:19 p.m.



PHOENIX**IDA**

Item 2

City of Phoenix Priorities

Oral report will be presented.



PHOENIX**IDA**

Item 3

RESOLUTION NO. 2022-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, GRANTING APPROVAL OF A LOAN IN THE AMOUNT OF UP TO \$6,000,000 WITH RESPECT TO THE PROJECT DEFINED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION WITH THE LOAN; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE LOAN; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH COMPLETING THE 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)(9) 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 (“Board of Directors”) may deem advisable for the purposes set forth in the Act; and

WHEREAS, the Authority has entered into negotiations with representatives of HPPC II, LLC, an Arizona limited liability company (“HPPC”), with respect to a loan in the amount of up to \$6,000,000 (the “Loan”) from the Authority to an HPPC-formed Arizona special purpose entity (the “Borrower”), to finance the land acquisition, project reimbursements, and initial soft costs for the construction of the proposed Park Central Hotel to be located at or near 3150 North Central Avenue, Phoenix, (the “Project”); and

WHEREAS, the Loan will be disbursed in two draw amounts: 1) an initial \$3,500,000 draw to fund land acquisition, project reimbursements and initial soft costs; and 2) a final \$2,500,000 draw when the Borrower’s primary construction lender (the “Construction Lender”) funds the first draw amount of its loan (the “Construction Loan”) in respect of the Project; and

WHEREAS, the Loan will be evidenced by a promissory note (the “Note”) made by the Borrower and made payable to the Authority; and

WHEREAS, the Loan will be secured by a perfected first lien on the land acquired by the Loan proceeds, as evidenced by a deed of trust (the “Deed of Trust”) made by the Borrower for the benefit of the Authority, and a collateral assignment (the “Assignment”) executed by the Borrower in favor of the Authority; and

WHEREAS, the Authority will subordinate the Deed of Trust to the Construction Lender’s lien upon the closing of the Construction Loan; and

WHEREAS, the Borrower will execute and deliver the Note, the Deed of Trust, the Assignment, and all other documents to the Authority as required in connection with the Loan (collectively, the “Loan 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 Loan. Upon satisfaction of all conditions referenced in Section 2 below, the Authority hereby consents to the Loan.

Section 2. Conditions. The Authority's consent to the Loan is subject to the approval of the final version of the Loan Documents by the Authority's chief executive officer (the "CEO") and legal counsel to the Authority, the satisfactory completion of all conditions to the Loan Documents, and the Authority's receipt of the Loan Documents and any other instruments which the CEO and legal counsel to the Authority reasonably deem to be necessary or appropriate under the circumstances.

Section 3. Approval of Contract. The Authority hereby approves and consents to the Loan Documents containing the substantive terms and conditions described above and as presented during the Board of Directors meeting of even date herewith, with such changes, additions or deletions as may be approved by the CEO and legal counsel to the Authority.

Section 4. Execution of Documents and Further Actions. The CEO is authorized to enter into, execute, and deliver the Loan Documents and any other agreement, amendment or other document or consent, upon advice of legal counsel to the Authority, deemed necessary or appropriate (a) to evidence the foregoing actions, or (b) to carry out the intent of this Resolution.

Section 5. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, agents or its CEO, including but not limited to the engagement of legal counsel, directed toward the completion of the Loan, are hereby approved and ratified.

Section 6. Further Actions. The CEO, upon satisfaction of the conditions set forth in Section 2 hereof, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including without limitation, the execution and delivery of the Loan Documents required to be delivered in connection with the Loan.

Section 7. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. Waiver. Any provision 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 reviving any bylaw, order, procedural pamphlet or resolution or any part thereof.

Section 9. Open Meeting Laws. It is found and determined that all formal actions of the Authority and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the Authority and the State.

Section 10. Liability. The CEO, 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 completion of the Loan. The liability of the Authority with respect to any document executed in connection with the transactions contemplated hereby, including the Loan Documents, shall be limited as provided in the Act and such documents.

Section 11. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 12. Effectiveness. This Resolution shall take effect immediately.

Section 13. Notice. Notice of Arizona Revised Statutes Section 38-511 is hereby given. The provisions of that statute by this reference are incorporated herein to the extent of applicability to matters contained herein under the laws of the State.

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PASSED, ADOPTED, AND APPROVED on this 21st day of July, 2022.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer

Item 4



PHOENIXIDA

MEMORANDUM

DATE: July 21, 2022

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Multifamily Housing Revenue Bonds (Pueblo Apartments Project)

BACKGROUND

On April 21, 2022, Chicanos Por La Causa, Inc., an Arizona nonprofit corporation (together with its assignee and designees, the “Borrower”), obtained preliminary Board approval (Resolution No. 2022-06) for a multifamily housing project to be known as Pueblo Apartments to finance or refinance acquisition, construction, development, rehabilitation, improvement, equipping, and/or operation of the project site.

THE PROJECT

The Borrower states that the project will be comprised of an approximately 161-unit multifamily residential rental housing project currently referred to as Pueblo Apartments. The project is expected to be located at or near 316 West Broadway Road in Phoenix, Arizona, within Phoenix City Council District 7, represented by Councilmember Yassamin Ansari.

THE REQUEST

Given the rise in construction costs currently being experienced in the development market, the Borrower is now seeking the Board’s approval of an amended preliminary resolution reflecting a not to exceed amount of \$30,000,000, up from the original preliminary approval, not to exceed amount of \$20,000,000. The amended resolution will allow the Borrower to apply for the higher amount of tax-exempt bond allocation from the State of Arizona.

It is anticipated that the Borrower will seek Board final approval of the Bonds later in 2022. The Borrower expects the transaction to close in November of 2022.

RECOMMENDATION

After consultation with the Phoenix IDA’s legal advisor, Greenberg Traurig, LLP, I recommend that approval be granted subject to the terms and conditions contained in the amended Board preliminary approval resolution, as reviewed by same.

RESOLUTION NO. 2022-09

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, AMENDING RESOLUTION 2022-06 GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS (PUEBLO APARTMENTS PROJECT) TO BE ISSUED FROM TIME TO TIME IN ONE OR MORE TAX-EXEMPT AND/OR TAXABLE SERIES TO INCREASE THE AGGREGATE PRINCIPAL AMOUNT TO NOT TO EXCEED \$30,000,000 TO FINANCE AN AFFORDABLE HOUSING PROJECT

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 et seq., 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 of Directors”) 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, on April 21, 2022, the Board of Directors adopted Resolution No. 2022-06, granting preliminary approval to a request from Chicanos Por La Causa, Inc., an Arizona nonprofit corporation (together with its assignees, wholly-controlled affiliates, and designees, the “Borrower”) that the Authority issue its Multifamily Housing Revenue Bonds (Pueblo Apartments Project) from time to time, in one or more tax-exempt and/or taxable series, in an aggregate principal amount not to exceed \$20,000,000 (collectively, the “Bonds”), and loan the proceeds thereof to the Borrower to finance or refinance, as applicable (a) the acquisition, construction, development, rehabilitation, improvement, equipping and/or operation of a multifamily residential rental housing project and improvements and facilities functionally related and subordinate thereto, all to be situated on approximately 4.2 acres of land in the South Mountain Valley Urban Village, which is expected to consist of approximately 161 units located on a parcel at or near 316 W. Broadway Road, Phoenix, Arizona (collectively, the “Facilities”), (b) funding any required reserve funds, (c) paying capitalized interest on the Bonds, if any, and (d) paying costs and expenses incurred in connection with the issuance of such Bonds (collectively, the “Project”), all in accordance with the Act; and

WHEREAS, the Borrower has requested that Resolution No. 2022-06 be amended to increase the not to exceed principal amount of the Bonds from \$20,000,000 to \$30,000,000;

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. Section 2 of Resolution No. 2022-06 is hereby amended by increasing the not to exceed principal amount of the Bonds from \$20,000,000 to \$30,000,000.

Section 2. All other terms and conditions of Resolution No. 2022-06 shall continue in full force and effect.

Section 3. This Resolution is effective immediately.

[Signature page follows]

Adopted and approved this 21st day of July, 2022.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer



PHOENIX**IDA**

Item 5



PHOENIX IDA

MEMORANDUM

DATE: July 21, 2022

TO: Members, Board of Directors

FROM: Juan Salgado, Chief Executive Officer

SUBJECT: Multifamily Housing Revenue Bonds (Horizon on Villa Project)

THE BORROWER

The City of Phoenix, Arizona (through its Housing Department) and Gorman & Company, Inc. (or other related entity) intend to form Horizon on Villa, LLC, which will be a single-purpose, limited liability company (the “Borrower”), are currently seeking the Board’s preliminary approval for the issuance of the Phoenix IDA’s subject Multifamily Housing Revenue Bonds (the “Bonds”), in an aggregate principal amount not to exceed \$25,000,000.

The proceeds of the Bonds, along with other anticipated financing sources (including 4% low-income housing tax credits), will be used by the Borrower to finance or refinance acquisition, construction, development, rehabilitation, improvement, equipping and/or operation of the project identified below.

THE PROJECT

The Borrower states that the project will be comprised of an approximately 106-unit multifamily residential rental housing project currently referred to as Horizon on Villa. The project is currently expected to be located at or near the northwest corner of 20th and Villa Streets in Phoenix, Arizona, within Phoenix City Council District 8, represented by Councilmember Carlos Garcia.

PLAN OF FINANCING

According to the Borrower, it is anticipated that the Bonds will be purchased by a national bank. The Borrower anticipates the sale of the Bonds to be completed in 2023.

RECOMMENDATION

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

RESOLUTION NO. 2022-11

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS (HORIZON ON VILLA) TO BE ISSUED FROM TIME TO TIME IN ONE OR MORE TAX-EXEMPT AND/OR TAXABLE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 TO FINANCE AN AFFORDABLE HOUSING PROJECT

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 et seq., 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, equipping or operating of a “project” (as defined in the Act) whenever the Board of Directors of the Authority (the “Board of Directors”) finds such loans to 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, the City of Phoenix, Arizona (the “City”) (through its Housing Department) and Gorman Holdings, Inc. (formerly, Gorman & Company, Inc.), on behalf of a to-be-formed single purpose limited liability company, have requested that the Authority issue its Multifamily Housing Revenue Bonds (Horizon on Villa) from time to time, in one or more tax-exempt and/or taxable series, in an aggregate principal amount not to exceed \$25,000,000 (collectively, the “Bonds”), and loan the proceeds thereof to the Borrower to finance or refinance, as applicable (a) the acquisition, construction, development, rehabilitation, improvement, equipping and/or operation of a multifamily residential rental housing project and improvements and facilities functionally related and subordinate thereto, all to be situated on approximately 15.75 acres of land, which is expected to consist of approximately 106 units located on a parcel at or near 20th and Villa Streets, Phoenix, Arizona (collectively, the “Facilities”), (b) funding any required reserve funds, (c) paying capitalized interest on the Bonds, if any, and (d) paying costs and expenses incurred in connection with the issuance of such Bonds (collectively, the “Project”), all in accordance with the Act; and

WHEREAS, in furtherance of the purposes of the Act, the Authority is preliminarily considering the issuance of the Bonds, the proceeds of which will be used to make a loan to the Borrower to assist the Borrower in financing the Project as described above;

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 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, development, rehabilitation, improvement, equipping and operation of the Project, and the costs and expenses incidental thereto, are in furtherance of the purposes of the Authority under the Act, and that the Facilities will constitute a “project” within the meaning of the Act.

Section 2. The Authority hereby grants preliminary approval to the issuance and sale of the Bonds pursuant to the Act from time to time in one or more series in an aggregate principal amount not to exceed \$25,000,000. This preliminary approval is subject to the following terms and conditions:

2.1 The Borrower must fully comply with all applicable provisions of the most current version of the Authority’s Procedural Pamphlet (the “Pamphlet”) and the Authority’s financial guidelines relating to the issuance and sale of the Bonds, including the submission of Legal Proceedings, as required by Section 5 of the Pamphlet, in form and substance satisfactory to the Authority.

2.2 On or prior to each date any Bonds are issued (each a “Closing Date”), the Borrower shall make arrangements satisfactory to the Authority as to the payment of the Authority’s closing fee and annual administrative fees and expenses.

2.3 On each Closing Date, an opinion of nationally recognized Bond Counsel (as defined below), in a form acceptable to the Authority, that interest on the tax-exempt Bonds to be issued will be exempt from all federal income taxes and Arizona income taxes under existing statutes, regulations and court decisions, must be addressed to and provided to the Authority.

2.4 On each Closing Date, the Borrower must deliver an opinion or opinions, addressed and in form acceptable to the Authority, prior to the issuance of the Bonds, to the effect that all of the statements and information contained in the offering materials (if any) distributed in connection with the offer and sale of the Bonds are correct and complete in all material respects, and do not contain any untrue statements of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.5 Prior to consideration of final approval by the Authority of the issuance of any Bonds and in the event any such Bonds will be sold pursuant to a public offering, the Borrower and the underwriter of such Bonds to be publicly offered (the “Underwriter”) must submit a bond purchase agreement for such Bonds in final form, including, without limitation, any exhibits, appendices or attachments, except for information pertaining to the maturities, interest rates, yields and redemption provisions on such Bonds, in form and substance acceptable to Greenberg Traurig LLP, as the Authority’s legal advisor (the “Legal Advisor”) and to Kutak Rock, LLP, as bond counsel (“Bond Counsel”).

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

2.7 If the Bonds are to be privately placed, the bond placement agent or the ultimate purchaser of such Bonds must submit an investment letter to the Authority, including representations that it has performed its own due diligence of the Project, and will purchase and hold such Bonds as a private placement. Any subsequent resale of such Bonds must be restricted to accredited investors or qualified institutional buyers.

2.8 Legal Advisor to the Authority must receive such legal opinions (including an enforceability opinion of Counsel to the Borrower), certificates and other proceedings as are necessary and advisable to evidence compliance by the Borrower and the Underwriter or any other purchaser of the Bonds with the Authority’s policies and procedures and applicable federal and state laws.

2.9 The Authority, its officers, directors, staff, employees, agents and Chief Executive Officer, and the City of Phoenix, Arizona (the “City”) must be provided with full indemnification in connection with the issuance and sale of the Bonds, in form and substance satisfactory to the Authority’s Legal Advisor, from a credit-worthy source.

2.10 The Borrower must receive final approval by the Council of the City of Phoenix, Arizona and, if necessary, the Arizona Department of Housing prior to the issuance of the Bonds.

2.11 Except to the extent the Project and the proposed financing thereof are deemed to be a Carryforward Project, preliminary approval of the Project by the Authority expires on the 180th day following the grant of preliminary approval by the Authority unless the Bonds have been issued or an extension of preliminary approval has been approved by the Authority on or before that date. The Project is hereby designated a Carryforward Project.

Section 3. This Resolution is an affirmative official action and declaration of official intent of the Authority relating to the issuance of the Bonds as contemplated herein including, without limitation, under Treasury Regulations Section 1.150-2.

Section 4. Nothing contained in this Resolution, nor 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 Bond Counsel, its Legal Advisor and financial advisor, whether or not any Bonds are issued or sold.

Section 5. Representatives of the Authority are hereby authorized to determine, in consultation with the Borrower, a date for a public hearing on the plan of financing of the Project and the proposed issuance of the Bonds, as required by Section 147(f) of the Code, and to publish a public notice of such hearing in such form as approved by the Borrower and Bond Counsel and to conduct such hearing.

Section 6. On the basis of this Resolution, the Borrower may file a request for allocation for private activity bonding authority for the Bonds through the Arizona Finance Authority (whether in the form of a carryforward allocation or otherwise) in an aggregate principal amount which shall not exceed \$25,000,000.

Section 7. All actions of the officers, directors, staff, employees, agents and Chief Executive Officer of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance thereof, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved. The proper officers, directors, staff, employees, agents and Chief Executive Officer 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. Signature pages for any documents requiring the Authority's signature shall be delivered to the Legal Advisor no fewer than seven (7) days prior to each Closing Date or any other date on which an executed signature page is required, and once executed will be held in escrow by the Legal Advisor and delivered on each Closing Date or on such other date, as applicable, on which an executed signature page is required.

Section 8. 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 9. 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 10. 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 11. Arizona Revised Statutes Section 38-511 requires that every contract to which the State, its political subdivisions or any of the departments or agencies of the State or its political subdivisions is a party include notice that such contract is subject to cancellation, within three years after its execution, by the State, political subdivision, department or agency which is a party to such contract if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, political subdivision, department or agency is, at any time while the contract is in effect, an employee of any other party to the contract or an agent or consultant of any other party to the contract with respect to the subject matter of the contract.

Section 12. This Resolution is not to be construed as providing advice concerning municipal securities or otherwise. This Resolution represents the Board of Director's preliminary determination that the execution and delivery of documents and delivery of the documents and the offer, sale, issuance and delivery of the Bonds by the Authority as contemplated in this Resolution and the effect thereof will each be in furtherance of the purposes and interests of the Authority under the Act. This Resolution is not intended to provide, and shall not be construed as providing, advice by any member of the Board of Directors to the Authority or to the Borrower with respect to the issuance of the Bonds for purposes of 15 U.S.C. Section 78o-4(e)(4)(A)(i) or otherwise.

Section 13. This Resolution is effective immediately.

[Signature page follows]

Adopted and approved this 21st day of July, 2022.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer

Item 6

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 201
SECTION 200 FINANCIAL, INVESTMENT AND LENDING	Original Effective Date: May 12, 2011
SUBJECT FINANCIAL POLICY	Page 1 of 5 Effective Date: <u>July 21, 2022</u> August 30, 2020

This document sets forth the financial policy (the “Policy”) of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”). The Policy is intended to guide the Phoenix IDA’s Board of Directors, Chief Executive Officer and employees in establishing financial goals and objectives, making financial decisions, reporting the financial status of the Phoenix IDA, and managing the Phoenix IDA’s funds to achieve the highest level of transparency and accountability with respect to the Phoenix IDA’s financial operations.

A. GENERAL POLICIES

1. Accounting Method: The Phoenix IDA operates on the accrual basis of accounting and in accordance with generally accepted accounting principles.
2. Accounting Procedures: It is the policy of the Phoenix IDA that accounting procedures will be reviewed and maintained by the Chief Executive Officer to ensure that accounting principles generally accepted in the United States of America as applied to a governmental entity are followed in support of this Financial Policy. These procedures cover accounting for all assets, liabilities, equity, income and expenses, and allow for accounting entries, summaries, reconciliations and reporting to be performed by Phoenix IDA staff, an outside accounting firm or a combination of both.
3. Chart of Accounts: It is the policy of the Phoenix IDA to maintain a chart of accounts. All employees, staff or advisors involved with account coding or budgetary responsibilities will be issued a chart of accounts, and the chart of accounts will be updated as needed.
4. Separate Program Funds: It is the policy of the Phoenix IDA that from time to time the Phoenix IDA may designate separate funds for its programs. The authority to designate such funds is vested in the Board. Separate funds may be restored to the Phoenix IDA’s administrative fund either upon termination of any program, or Board action.

The Industrial Development Authority of the City of Phoenix, Arizona

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SECTION 200 FINANCIAL, INVESTMENT AND LENDING	Original Effective Date: May 12, 2011
SUBJECT FINANCIAL POLICY	Page 2 of 5 Effective Date: <u>July 21, 2022</u> August 30, 2020

B. COLLECTIONS AND LOAN LOSS RESERVES

1. Collections: It is the policy of the Phoenix IDA to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated.
2. Loan Loss Reserves: Loans will be treated as zero percent (0%) in reserve if under 180 days in arrears, fifty percent (50%) in reserve if between 180 and 365 days in arrears, and one hundred percent (100%) in reserve if over 365 days in arrears. The Chief Executive Officer may reserve additional amounts related to other loans as needed. If a loan is deemed by the Chief Executive Officer to be uncollectible, interest will no longer be accrued.

C. CHECK APPROVAL AND SIGNING AUTHORITY

1. Check Approval: It is the policy of the Phoenix IDA that all requests for checks are approved by the Chief Executive Officer and documentation of approval is kept on record. In the absence of the Chief Executive Officer, or for reimbursements to the Chief Executive Officer or for payment of the Chief Executive Officer's credit card expenses, the Treasurer, the President of the Phoenix IDA or any other Board member designee of the President may approve check requests.
2. Check Signing Authority: It is the policy of the Phoenix IDA to give check signing authority to the Chief Executive Officer and other employees of the Phoenix IDA as designated by the Board. Checks can only be signed by a person not requesting the check. Checks issued for payment of the Phoenix IDA's debts over \$15,000 will require two signatures of individuals with current check signing authority. Individuals responsible for check preparation and bank reconciliation are prohibited from having check signing authority. The Phoenix IDA shall be responsible for keeping signature cards granting check signing authority current.

D. CREDIT CARDS

The Industrial Development Authority of the City of Phoenix, Arizona

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1. Credit Card Holder: It is the policy of the Phoenix IDA to issue a credit card to the Chief Executive Officer. Additional credit cards will be issued to the Phoenix IDA staff at the discretion of the Chief Executive Officer.
2. Credit Card Use: The Chief Executive Officer shall remit a detailed description of all credit card expenses each month to the Phoenix IDA.
3. Credit Card Limit: The maximum credit card line of credit shall be \$10,000.00 ~~\$5,000.00~~.

E. FINANCIAL STATEMENTS

The Chief Executive Officer will distribute the monthly financial statements to the Board following review by the Treasurer. An outside accounting firm may be engaged, at the Chief Executive Officer's discretion, to assist in preparation of a monthly financial statement compilation.

F. ANNUAL AUDIT

An audit will be performed at the close of the fiscal year by an independent accounting firm. The results of this audit will be presented to the Board by the Chief Executive Officer.

G. ANNUAL BUDGET

Annually, prior to the beginning of its fiscal year, the Phoenix IDA's Chief Executive Officer shall prepare a forecast of the Phoenix IDA's annual operating budget for the forthcoming fiscal year and present the forecast for Board approval. The forecast will include estimates and sources of income, operating expenses, and other expenses.

H. THREE YEAR OPERATING EXPENSE RESERVE

It is the policy of the Phoenix IDA to reserve, against the assets of the Phoenix IDA, an amount equal to three years of operating expenses. The purpose of this policy is to provide for ongoing expenses in the event of the Phoenix IDA's inability to collect any fees for up to three years.

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As part of the annual budget process, the Phoenix IDA's calculation of the upcoming year's operating expenses will be used to project expenses for the two succeeding years, adjusting for possible changes in costs or other identifiable factors. The

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Chief Executive Officer shall present this three-year total for Board approval with the annual budget. On Board approval, this total will create a reserve against the net assets of the Phoenix IDA in the next fiscal year.

APPROVED:

Tina Marie Tentori, Secretary
The Industrial Development Authority of
the City of Phoenix, Arizona

The Industrial Development Authority of the City of Phoenix, Arizona

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SECTION 200 FINANCIAL, INVESTMENT AND LENDING	Original Effective Date: May 12, 2011
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This document sets forth the financial policy (the “Policy”) of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”). The Policy is intended to guide the Phoenix IDA’s Board of Directors, Chief Executive Officer and employees in establishing financial goals and objectives, making financial decisions, reporting the financial status of the Phoenix IDA, and managing the Phoenix IDA’s funds to achieve the highest level of transparency and accountability with respect to the Phoenix IDA’s financial operations.

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APPROVED:

Tina Marie Tentori, Secretary
The Industrial Development Authority of
the City of Phoenix, Arizona

Item 7

CALL TO THE PUBLIC