

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON,
ARIZONA**

**Legal Action Report of the Regular Meeting
of the Board of Directors**

March 12, 2015

3:00 P.M.

at the

Ward VI Council Offices - West Conference Room
3202 East First Street
Tucson, Arizona 85719

Present:	Board Members	Marilyn Robinson Gary Bachman Emily Nottingham Judy Clinco Evelia Martinez Larry Lucero
	Staff	Charles Lotzar, Lotzar Law Firm, PC Gary Molenda, Business Development Finance Corporation Karen Valdez, Business Development Finance Corporation Gabriel Gomez, Business Development Finance Corporation
	Guests	Camila Martins-Bekat, City of Tucson Tom Fisher, City of Tucson Department of Transportation
	Absent	Adam Weinstein

The Regular Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on **March 12, 2015**, at the Ward VI Council Office - West Conference Room, 3202 E. First Street, Tucson, Arizona. All Authority’s Board Members and the general public were duly notified of the meeting. C. Lotzar had informed the Authority’s Board of Directors that Arizona’s Open Meeting Laws allow for members of the Authority’s Board of Directors and legal counsel to appear and participate in the meeting telephonically so long as all participants in the meeting can hear and be heard.

ITEM	ACTION TAKEN/TO BE TAKEN
1. Call to Order The meeting was called to order by Marilyn Robinson, with a quorum present.	The meeting was called to order at 3:05 p.m.
2. Request for resolution to approve the minutes of the Regular Meeting of February 12, 2015. Ms. Robinson requested a revision to item 15 (page 8) to clarify parking requirements for residential use under the Infill Incentive District (“IID”) zoning changing the wording as follows: From: “No legal requirement for on-site parking for residential or commercial for the Downtown Core under the IID.” To: “Residential uses are required to provide 1 space per unit and parking must be unbundled from residential lease or sale.”	A MOTION was made and seconded (E. Nottingham / L. Lucero) to approve the meeting minutes of the February 12, 2015 regular meeting with changes discussed. Approved 6-0.
3. Request for resolution to approve the payment of invoices and the notification of items to be paid on the Authority’s behalf by third parties.	A MOTION was made and seconded (E. Martinez / J. Clinco)

	to approve payment of invoices and notification of items to be paid as presented. Approved 6-0.
<p>4. Status report from the Liaison to City of Tucson, Arizona City Manager’s Office related to:</p> <ul style="list-style-type: none"> a) The City’s Economic Development Prospect list b) The City’s use of the Tucson Community Development Loan Fund aka the HUD Section 108 Loan Program c) The City’s use of HOME Funds d) The City’s use of its 21 Economic Development tools e) Current items of interest 	No action taken
5. Status report related to the Downtown Links project and impact on traffic in the area of Block 175.	No action taken
6. Status report and recommendations of the Loan Review Committee regarding a loan request from Business Development Finance Corporation (“BDFC”) for a participation agreement with BDFC in an amount not to exceed \$92,000 and request for resolution for all actions related thereto.	A MOTION was made and seconded (E. Nottingham / J. Clinco) to approve participation in a BDFC loan to AZ Central Point East, LLC and the form of Participation Agreement with BDFC, in an amount not to exceed \$92,000. Approved 6-0.
7. Status report related to \$37,200,000 The Industrial Development Authority of the City of Tucson, Arizona Multifamily Housing Revenue Bonds (Family Housing Resources Projects), Series 2002A, \$2,450,000 The Industrial Development Authority of the City of Tucson, Arizona Subordinate Multifamily Housing Revenue Bonds (Family Housing Resources Projects), 2002 Series B, and \$6,350,000 The Industrial Development Authority of the City of Tucson, Arizona Subordinate Multifamily Housing Revenue Bonds (Family Housing Resources Projects), 2002 Series C (individually and collectively, the “Bonds”) and potential sale of (1) the Broadway East Apartments which consists of 120 units generally located at 6199 E. Broadway Tucson, Arizona; (2) the Camino Real Apartments which consists of 256 units generally located at 8601 E. Old Spanish Trail, Tucson, Arizona; (3) the Presidio East Apartments which consists of 266 units generally located at 8485 E. 22nd Street, Tucson, Arizona; (4) the River Square Apartments which consists of 72 units generally located at 990 E. River Road, Tucson, Arizona; (5) the Silverwood Terrace Apartments which consists of 202 units generally located at 2120 N Silverbell Road, Tucson, Arizona; (6) the Villa De Paz Apartments which consists of 120 units generally located at 1050 N. Camino Seco, Tucson, Arizona; and (7) the Wilmot North Apartments which consists of 180 units generally located at 445 N. Wilmot, Tucson, Arizona (each individually and all collectively, the “Project”) and 100% redemption of all the Bonds outstanding and request for resolution authorizing : (a) certain amendments to the documents evidencing or securing payment of the senior portion of the Bonds required by Fannie Mae; (b) certain amendments to the documents evidencing or securing payment of the subordinate portion of the Bonds as consented to by the holders of a majority of the subordinate portion of the Bonds; and (c) the execution and delivery of the Assumption Agreement among the Authority, BOKF, NA, dba Bank of Arizona, a national banking association, as Trustee, Quality Apartment Living, LLC, as the current owner of the Project, and Mc Realty Advisers, LLC, or its assign as the subsequent owner of the Project.	A MOTION was made and seconded (E. Martinez / L. Lucero) to approve the Resolution related to The Industrial Development Authority of the City of Tucson, Arizona Multifamily Housing Revenue Bonds (Family Housing Resources Projects), Series 2002A, 2002B, and 2002C as presented. Approved 6-0.
8. Status report related to Bank of America Home Loans actions as Master servicer related to certain 2nd mortgage loans originated in connection with The Industrial Development Authorities of the City of Tucson, Arizona and Pima County Joint Family Mortgage Revenue Bond, Series 2006B as required by the Origination, Sale & Servicing Agreement and the Authorization for Dealing with 2nd Mortgage Loans	A MOTION was made and seconded (E. Nottingham / G. Bachman) to approve Resolution and 1st Amendment to the Origination, Sale & Servicing

<p>and request for resolution to further amend the Origination, Sale & Serving Agreement. Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation with and to provide direction to the Board’s legal counsel in connection with this item. Any action taken by the Board regarding this matter will be taken in open meeting session (either at this meeting or at a later date) after the adjournment of the executive session.</p>	<p>Agreement and the Authorization for dealing with 2nd Mortgage Loans originated in the Joint Single Family Mortgage Revenue Bond, Series 2006B program as presented. Approved 5-0 1 Abstention: E. Martinez</p>
<p>9. Status report related to Bank of America Home Loans actions as Master servicer related to certain 2nd mortgage loans originated in connection with The Industrial Development Authorities of the City of Tucson, Arizona and Pima County Joint Family Mortgage Revenue Bond, Series 2007A -2 as required by the Origination, Sale & Serving Agreement and the Authorization for Dealing with 2nd Mortgage Loans and request for resolution to further amend the Origination, Sale & Serving Agreement. Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation with and to provide direction to the Board’s legal counsel in connection with this item. Any action taken by the Board regarding this matter will be taken in open meeting session (either at this meeting or at a later date) after the adjournment of the executive session.</p>	<p>A MOTION was made and seconded (E. Nottingham / G. Bachman) to approve Resolution and 1st Amendment to the Origination, Sale & Servicing Agreement and the Authorization for dealing with 2nd Mortgage Loans originated in the Joint Single Family Mortgage Revenue Bond, Series 2007A-2 program as presented. Approved 5-0 1 Abstention: E. Martinez</p>
<p>10. Status report related to proposed interpretations and/or amendments to Arizona’s Industrial Development Financing Act, Allocation of Private Activity Bonding Act, or other state legislation affecting the Authority’s affairs and request for resolution related thereto.</p>	<p>No action taken.</p>
<p>11. Request for resolution authorizing either renewal of the Authority’s Public Officials’ & Officers’ liability insurance or the acquisition of similar coverage from another carrier.</p>	<p>No action taken.</p>
<p>12. Staff Reports:</p> <p>Monthly Staff Report for the month ending February 28, 2015</p> <ul style="list-style-type: none"> a. General Operations of the Authority: <ul style="list-style-type: none"> i. Parking Lot Financial Statements prepared by Pueblo Parking Systems, LLC (“PPS”) ii. Bond Borrower’s payment of Administrative Fees iii. Cash Management iv. Loan Servicing v. Loan Origination vi. 450 N. Main Street b. Updates: <ul style="list-style-type: none"> i. Federal legislation ii. Arizona legislation c. Outstanding Single Family Programs: <ul style="list-style-type: none"> i. Mortgage Revenue Programs that have completed the Origination Period: <ul style="list-style-type: none"> A. Series 2006 (Joint) - \$30,475,000- 1st Mortgage Loan Interest Rate 5.97% - Final Redemption of Senior Bonds July 28, 2014 - CUSIP No. 89873QAB5 Subordinate (approximately \$149,000) 	<p>No action taken</p>

<p>- 7% 2nd Mortgage Loans are tied to the Subordinate Bonds of approximately \$820,000) .</p> <p>B. Series 2007A (Joint) - \$23,400,000- 1st Mortgage Loan Interest Rate 5.69% - Final Redemption of Senior Bonds July 28, 2014 CUSIP No. 89873QAE9 Subordinate (approximately \$168,000 - 7% 2nd Mortgage Loans are tied to Subordinate Bonds of approximately \$135,000).</p> <p>C. Series 2008 (Joint) - \$30,000,000- Mortgage Loan Interest Rate 5.89% - Term Bonds CUSIP Nos. 898700FH7, 898700FJ3, 898700FK0 and PAC Bonds CUSIP No. 898700FL8 (approximately \$7,565,000 outstanding).</p> <p>D. Restructuring Opportunities and past results.</p> <p>ii. Mortgage Credit Certificate Program that is in the Origination Period – 2014 in the amount of \$5,000,000 formed on January 2, 2014 - Origination Period expired December 31, 2016.</p> <p>iii. \$15,000,000 The Industrial Development Authority of The County of Pima and The Industrial Development Authority of The City of Tucson, Arizona Revolving Taxable Single Family Mortgage Loan Program of 2012 (Pima Tucson Homebuyers Solution) – Program commenced on December 17, 2012 and unless extended expires on December 31, 2016 - over \$111,330,000 in mortgage-backed securities sold with over \$4,441,000 of down payment assistance granted to homebuyers.</p>	
<p>13. Status Report related to development of the Request for Qualifications/Request for Proposal (“RFQ/RFP”) or other process related to the potential development of Block 174 and/or Block 175 and request for resolution for any actions related thereto. <i>Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation with and to provide direction to the Board’s legal counsel in connection with this item. Any action taken by the Board regarding this matter will be taken in open meeting session (either at this meeting or at a later date) after the adjournment of the executive session.</i></p>	No action taken
<p>14. President’s Report: Brief Summary of current events, including items brought to the Presidents attention or matters that required handling by the president since the last meeting.</p>	No action taken
<p>15. Call to the audience</p> <p>There was no one in the audience who wished to address the Authority.</p>	No action taken
<p>16. Adjourn</p>	<p>A MOTION was made and seconded (G. Bachman / E. Martinez) to adjourn meeting. Approved 6-0. Meeting was adjourned at 5:20 p.m.</p>

Submitted by:
Karen J. Valdez
 Business Development Finance Corporation

Approved by:
 Marilyn Robinson, President
 The Industrial Development Authority of the
 City of Tucson, Arizona