

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA**  
**Legal Action Report of the Special Meeting**  
**of the Board of Directors**

**December 10, 2015**

3:00 P.M.

at the office of

Ward VI Council Office - East Conference Room

3202 East First Street

Tucson, Arizona 85716

<b>Present:</b>	<b>Board Members</b>	Marilyn Robinson Emily Nottingham Evelia Martinez Larry Lucero Adam Weinstein (arrived at 3:12 pm, left at 4:39 pm) Judy Clinco (arrived at 3:24 pm)
	<b>Staff</b>	Charles Lotzar, Lotzar Law Firm, PC (via teleconference) Gary Molenda, Business Development Finance Corporation (left at 4:39 pm) Karen Valdez, Business Development Finance Corporation
	<b>Guests</b>	Scott Riffle, George K. Baum & Company Camila Martins-Bekat, City of Tucson Swain Chapman, Chapman Management Group Sue Zimmerman, Pueblo Parking Systems Erik Chapman, Pueblo Parking Systems Wiley Cornell, EPNA Thaddeus Pace, EPNA Susan Gamble, WAMO
	<b>Absent</b>	Gary Bachman

The Special Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on **December 11, 2015**, at the office of Business Development Finance Corporation, 335 N. Wilmot Road, Suite 420, 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
<b>1. Call to Order</b> The meeting was called to order by Marilyn Robinson, with a quorum present.	The meeting was called to order at <b>3:05 p.m.</b>
<b>2. Request for resolution to approve the minutes of the Special Meeting of November 18, 2015.</b>	A <b>MOTION</b> was made and seconded (E. Nottingham / M. Robinson) to approve the meeting minutes of the <b>November 18, 2015</b> Special Meeting as presented. <b>Approved 4-0.</b>
<b>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.</b>	A <b>MOTION</b> was made and seconded (E. Martinez / L. Lucero) to approve payment of invoices and notification of items

	to be paid as presented. <b>Approved 4-0.</b>
<p><b>4. Status report from the Liaison to City of Tucson, Arizona City Manager’s Office related to:</b></p> <ul style="list-style-type: none"> <li>a) The City’s Economic Development Prospect list</li> <li>b) The City’s use of the Tucson Community Development Loan Fund aka the HUD Section 108 Loan Program</li> <li>c) The City’s use of HOME Funds</li> <li>d) The City’s use of its 21 Economic Development tools</li> <li>e) Current items of interest</li> </ul>	No action taken.
<p><b>5. Status report related to the affairs of Dark Mountain Development Corporation and request for resolution related to any actions related thereto.</b></p>	No action taken.
<p><b>6. Status report and recommendations of the Loan Review Committee regarding a loan request from Nonprofit Loan Fund of Tucson and Southern Arizona in an amount not to exceed \$150,000 and request for resolution for all actions related thereto.</b></p>	No action taken.
<p><b>7. Status report regarding a request for funding from the Pima Santa Cruz Small Business Development Center (“SBDC”) and request for resolution for all actions related thereto.</b></p>	A <b>MOTION</b> was made and seconded (E. Nottingham / A. Weinstein) to approve a one-time contribution of <b>\$5,000.00</b> to the Pima Santa Cruz Small Business Development Center (“SBDC”) for a cash match from the Small Business Administration (“SBA”). The contribution is subject to completing a balancing test. <b>Approved 6-0.</b>
<p><b>8. Status Report related to \$40,000,000 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 (the “Pima/Tucson Homebuyer’s Solution Program”) - request for resolution related to any actions related thereto.</b></p>	No action taken
<p><b>9. Staff Reports:</b></p> <p>Monthly Staff Report for the month ending November 30, 2015.</p> <ul style="list-style-type: none"> <li>a. <b>General Operations of the Authority:</b> <ul style="list-style-type: none"> <li>i. <b>Parking Lot Financial Statements prepared by Pueblo Parking Systems, LLC (“PPS”)</b></li> <li>ii. <b>Bond Borrower’s payment of Administrative Fees</b></li> <li>iii. <b>Cash Management</b></li> <li>iv. <b>Loan Servicing</b></li> <li>v. <b>Loan Origination</b></li> <li>vi. <b>450 N. Main Street</b></li> </ul> </li> <li>b. <b>Updates:</b> <ul style="list-style-type: none"> <li>i. <b>Federal legislation</b></li> <li>ii. <b>Arizona legislation</b></li> </ul> </li> <li>c. <b>Outstanding Single Family Programs:</b></li> </ul>	No action taken.

<p>i. <b>Mortgage Revenue Programs that have completed the Origination Period:</b></p> <p>A. <b>Series 2006 (Joint) - \$30,475,000- 1<sup>st</sup> Mortgage Loan Interest Rate 5.97% - Final Redemption of Senior Bonds July 28, 2014 - CUSIP No. 89873QAB5 Subordinate (approximately \$196,000 - 7% 2<sup>nd</sup> Mortgage Loans are tied to the Subordinate Bonds of approximately \$820,000) .</b></p> <p>B. <b>Series 2007A (Joint) - \$23,400,000- 1<sup>st</sup> Mortgage Loan Interest Rate 5.69% - Final Redemption of Senior Bonds July 28, 2014 CUSIP No. 89873QAE9 Subordinate (approximately \$192,000 - 7% 2<sup>nd</sup> Mortgage Loans are tied to Subordinate Bonds of approximately \$135,000).</b></p> <p>C. <b>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).</b></p> <p>D. <b>Restructuring Opportunities and past results.</b></p> <p>ii. <b>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.</b></p> <p>iii. <b>\$40,000,000 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 \$140,278,000 in mortgage-backed securities sold with over \$5,611,000 of down payment assistance granted to homebuyers.</b></p>	
<p><b>10. 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. 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.</b></p> <p>C. Lotzar stated that Adam Weinstein has declared a conflict and is recusing himself from discussions related to the development of the <b>Block 175</b> RFQ/RFP or any other process related to the potential development of <b>Block 175</b> and / or <b>Block 174</b> and to avoid the appearance of impropriety Mr. Weinstein is leaving the meeting at <b>4:39 p.m.</b></p> <p>C. Lotzar stated that Gary Molenda has declared a conflict and has not participated in the <b>Block 175</b> RFQ/RFP process (the “<b>Process</b>”) since proposals were received and his working relationship with at least one of the proposers was identified in their proposal. Mr. Molenda will continue to declare a conflict and to avoid the appearance of impropriety will not participate in any portion of the Process. Mr. Molenda is leaving the</p>	<p>A <b>MOTION</b> was made and seconded (J. Clinco / L. Lucero) to adjourn the Special Meeting at <b>4:39 PM. Approved 6-0.</b></p> <p>A <b>MOTION</b> was made and seconded (L. Lucero / E. Martinez) to enter into Executive Session at <b>4:39 PM. Approved 5-0</b></p> <p>A <b>MOTION</b> was made and seconded (E. Martinez / L. Lucero) to reconvene the regular session of the Special Meeting. Motion carried.</p> <p>The Special meeting was reconvened at <b>5:45 PM</b></p>

meeting at <b>4:39 p.m.</b>	A <b>MOTION</b> was made and seconded (E. Nottingham / E. Martinez) to move forward with the Block 175 RFP Phase II process and schedule an interview session with the El Presidio <b>175</b> Proposer team. <b>Approved 5-0.</b>
<b>11. President's Report: Brief Summary of current events, including items brought to the President's attention or matters that required handling by the President since the last meeting.</b>	No action taken.
<b>12. Call to the audience</b>  There was no one in the audience who wished to address the Authority.	No action taken.
<b>13. Adjourn</b>	A <b>MOTION</b> was made and seconded (E. Nottingham / E. Martinez) to adjourn the meeting at <b>5:46 p.m. Approved 5-0.</b>

**Submitted by:**  
**Karen J. Valdez**  
**Business Development Finance Corporation**

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