

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

February 11, 2016

3:00 P.M.

at the office of

Ward VI Council Office - East Conference Room

3202 East First Street

Tucson, Arizona 85716

Present:	Board Members	Marilyn Robinson Emily Nottingham Evelia Martinez Larry Lucero Judy Clinco Gary Bachman (arrived at 3:30 p.m.)
	Staff	Charles Lotzar, Lotzar Law Firm, PC (via teleconference) Gary Molenda, Business Development Finance Corporation (left at 3:55 pm) Karen Valdez, Business Development Finance Corporation
	Guests	Scott Riffle, George K. Baum & Company Glenn Walling, Walling Properties
	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 **February 11, 2016**, at the Ward VI Council Office, 3202 East First Street, Tucson, Arizona 85716. 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 3:02 p.m.
2. Request for resolution to approve the minutes of the Regular Meeting of January 14, 2016.	A MOTION was made and seconded (E. Nottingham / E. Martinez) to approve the meeting minutes of the January 14, 2016 Regular Meeting as presented. Approved 5-0.
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 5-0.
4. Status report from the Liaison to City of Tucson, Arizona City Manager’s Office related to: a) The City’s Economic Development Prospect list b) The City’s use of the Tucson Community Development Loan Fund aka the	No action taken.

<p>HUD Section 108 Loan Program</p> <ul style="list-style-type: none"> c) The City's use of HOME Funds d) The City's use of its 21 Economic Development tools e) Current items of interest 	
<p>5. Status report related to the affairs of Dark Mountain Development Corporation and request for resolution related to any actions related thereto.</p>	<p>No action taken.</p>
<p>6. Review and Request for resolution to grant Preliminary Approval to the issuance of The Industrial Development Authority of the City of Tucson, Arizona Multifamily Residential Rental Housing Revenue Note (Ocotillo Gardens I Project), Series 2016A in an amount not to exceed \$4,000,000 and The Industrial Development Authority of the City of Tucson, Arizona Multifamily Residential Rental Housing Revenue Note (Ocotillo Gardens II Project), Series 2016B in an amount not to exceed \$3,200,000 and in an aggregate principal amount not to exceed \$7,200,000 related to Sycamore Partners, L.P.'s acquisition, construction, improvement, rehabilitation, or equipping of approximately 143 units located at 3202 N. Country Club, Tucson, Arizona (\$4,000,000) and 2458 N. Sycamore Avenue, Tucson, Arizona (\$3,200,000).</p>	<p>A MOTION was made and seconded (L. Lucero / E. Martinez) to grant Preliminary Approval for the Ocotillo Gardens I and Ocotillo Gardens II Projects in accordance with the Financing Summary and Resolution presented. Approved 5-0 and 1 Abstention (G. Bachman - abstained)</p>
<p>7. Review and Request for resolution to grant Preliminary Approval to the issuance of The Industrial Development Authority of the City of Tucson, Arizona Multifamily Residential Rental Housing Revenue Note (Mission Vista Apartments Project), Series 2016 in an aggregate principal amount not to exceed \$6,200,000 related to Dodge Partners, L.P.'s acquisition, construction, improvements, rehabilitation, or equipping of approximately 80 units located at 2455 N. Dodge Boulevard, Tucson, Arizona.</p>	<p>A MOTION was made and seconded (E. Nottingham / E. Martinez) to grant Preliminary Approval for the Mission Vista Apartments Project in accordance with the Financing Summary and Resolution presented. Approved 6-0</p>
<p>8. \$30,000,000 The Industrial Development Authorities of the County of Pima and City of Tucson, Arizona Joint Single Family Revenue Bonds, Series 2008A - status report related to program performance and market conditions and request for resolution related to sale of mortgage-backed securities and redemption of the bonds.</p>	<p>A MOTION was made and seconded (E. Nottingham / E. Martinez) to approve the sale of the Joint Single Family Revenue Bonds, Series 2008A mortgage backed securities and redemption of the Bonds. Approved 6-0.</p>
<p>9. Status report by the Authority's Advisor concerning the Authority's financial performance through the Authority's second fiscal quarter ending December 31, 2015.</p>	<p>No action taken.</p>
<p>10. Status report related to sponsorship request received from Tucson Metro Chamber for the State of the City to be held March 1, 2016 at the Tucson Convention Center, Tucson, Arizona and request for resolution for any action related thereto.</p>	<p>A MOTION was made and seconded (G. Bachman / E. Martinez) to approve sponsorship of the State of the City at the Notable Sponsor Level. Approved 6-0.</p>
<p>11. Staff Reports:</p> <p>Monthly Staff Report for the month ending January 30, 2016.</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 	<p>No action taken.</p>

<p>b. Updates:</p> <ul style="list-style-type: none"> i. Federal legislation ii. Arizona legislation <p>c. Outstanding Single Family Programs:</p> <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 \$196,000 - 7% 2nd Mortgage Loans are tied to the Subordinate Bonds of approximately \$820,000) . 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 \$252,000 - 7% 2nd Mortgage Loans are tied to Subordinate Bonds of approximately \$135,000). 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 \$6,613,400 outstanding). D. Restructuring Opportunities and past results. 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. iii. \$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 \$211,809,000 in mortgage-backed securities sold with over \$8,472,000 of down payment assistance granted to homebuyers. 	
<p>12. Advisory Committee Review and Reports.</p> <ul style="list-style-type: none"> i. Affordable Housing Committee (E. Nottingham, E. Martinez, J. Clinco) ii. Economic Development Committee (L. Lucero, E. Nottingham, A. Weinstein) iii. Downtown, Neighborhood & Community Development (G. Bachman, L. Lucero, A. Weinstein) iv. Investment & Loans (E. Martinez, G. Bachman, J. Clinco) 	<p>No action taken</p>

<p>13. Status report related to potential single family mortgage program involving US Department of Treasury’s Troubled Asset Relief Program’s Hardest Hit Funding administered by the Arizona Department of Housing acting on behalf of the Arizona Home Foreclosure Prevention Funding Corporation and the Arizona Housing Finance Authority and request for resolution related thereto. Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Authority may vote to recess and meet in Executive Session for the purpose of discussion or consultation with and to provide direction to the Authority’s legal counsel in connection with this item. Any action taken by the Authority 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. Martinez / E. Nottingham) to continue discussion with the Arizona Department of Housing (“ADOH”) to reach an agreement regarding the Pathway to Purchase (“P2P”) program and to ask the Industrial Development Authority of the County of Pima to partner with the Authority on the proposed program. Approved 6-0.</p>
<p>14. 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.</p>	<p>No action taken.</p>
<p>15. 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.</p>	<p>No action taken.</p>
<p>16. Call to the audience</p> <p>There was no one in the audience who wished to address the Authority.</p>	<p>No action taken.</p>
<p>17. Adjourn</p>	<p>A MOTION was made and seconded (L. Lucero / E. Martinez) to adjourn the meeting at 5:35 p.m. Approved 6-0.</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