



The Industrial Development Authority  
of the City of Tucson

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

**LOAN REVIEW COMMITTEE**

**Wednesday, April 17, 2019**

**3:30 p.m.**

at the offices of

Business Development Finance Corporation

333 N. Wilmot Road, Suite 227

Tucson, Arizona 85711

**Minutes**

**Present: Board Members** Sandra Barton  
Patricia Schwabe  
Judy Clinco

**Advisors** Karen Valdez, BDFC Advisor Services, LLC  
Gabriel Gomez, BDFC Advisor Services, LLC

**Absent** Meredith Aronson

The Loan Review Committee of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on Wednesday, **April 17, 2019**, at the office of Business Development Finance Corporation, 333 N. Wilmot Road, Suite 227, Tucson, AZ 85711 and via teleconference. All Authority’s Committee Members and the general public were duly notified of the meeting.

ITEM	ACTION TAKEN/TO BE TAKEN
<p><b>1. Call to Order</b></p>	<p>The meeting was called to order at <b>3:30 p.m.</b></p>
<p><b>2. Review and request for recommendation to the Board of Directors of the Authority concerning a loan request from Business Development Finance Corporation (“BDFC”) for a participation agreement with BDFC in an amount not to exceed \$60,000 related to BDFC’s loan to The River 5, LLC for its business to be operated at 1640 E. River, Suite 180, Tucson, Arizona.</b></p> <p>S. Barton reviewed the credit memo as prepared by Business Development Finance Corporation (“BDFC”) for participation in BDFC’s loan to The River 5, LLC as follows:</p> <p>Borrower: The River 5, LLC</p> <p>Operating Company: Catalina Wealth Management, LLC</p> <p>BDFC Loan Total: \$120,000</p> <p>IDA Loan amount: \$60,000 IDA participation</p> <p>Perm Loan: 10 year Term - 20 year Amortization</p> <p>Rate to IDA: 6.00% (5.00% net of 100 basis point servicing fee to BDFC) fixed for 5 years</p> <p>Total Project Cost: \$785,200.00</p> <p>Project Address: 1640 E. River Rd, Suite 208, Tucson, AZ 85718</p>	<p>Discussion held; recommendation for approval with the condition of further due diligence, to be presented at the <b>April 18, 2019</b> Regular Meeting of the Tucson IDA Board.</p>

<p>Purpose: Purchase Building</p> <p>Basis of eligibility: Section 3(a) of Loan Policy – Economic Development Job creation: 6 FTE Minority Owned Business</p> <p>Collateral: 2<sup>nd</sup> DoT on project property</p> <p>Ms. Barton stated that the request is for a <b>\$60,000</b> term loan that will be fixed at a <b>6%</b> interest rate for the first <b>5</b> years, then repriced for years <b>6</b> through <b>10</b> at the then <b>10 -year</b> Treasury plus <b>3%</b>. The purpose of the loan is for the purchase of a building located at 1640 E. River Road in Tucson. This is a minority owned business and the loan will create <b>6</b> full - time positions.</p> <p>Discussion ensued and it was the consensus of the Committee to recommend approval of this loan, conditioned upon BDFC clarifying ownership percentage of Ms. Anthony and Mr. Sutterfield who will be purchasing ownership interest from Mr. Corcoran. The Lease between Catalina Wealth Management and The River 5, LLC has both Ms. Anthony and Mr. Sutterfield as guarantors, as they will be purchasing Mr. Corcoran’s business. Prior to loan closing, BDFC will review the lease to ensure that all parties are listed as well as correcting any typo (with regard to ownership interest amounts).</p>	
<p><b>3. Call to the Public: This is the time for the public to comment. Members of the Committee and the Authority’s Board of Directors may not discuss items that are not specifically identified on the Agenda. Therefore, pursuant to Arizona Revised Statutes Section 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.</b></p>	<p>No action taken.</p>
<p><b>4. Adjourn</b></p>	<p>Meeting Adjourned at <b>3:40 p.m.</b></p>

Submitted by:

Approved by:

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**Karen J. Valdez**  
 BDFC Advisor Services, LLC

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**Sandra Barton, Chair of the Loan Review Committee**  
**The Industrial Development Authority of the**  
**City of Tucson, Arizona**