



The Industrial Development Authority
of the City of Tucson

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

Regular Meeting

Thursday, September 19, 2019
3:00 p.m.

Tucson Metropolitan Chamber of Commerce
212 E. Broadway
Tucson, Arizona 85701

Legal Action Report

- Present: Board Members** Larry Lucero
Neal Eckel
Sandra Barton
Patricia Schwabe
Judy Clinco – arrived 3:21 p.m.
Meredith Aronson – arrived 3:31 p.m.
- Advisors** Charles Lotzar, Lotzar Law Firm, PC
Karen Valdez, BDFC Advisor Services, LLC
- Absent** Mimi Petro
- Guests** Kevin Burke, City of Tucson

The Regular Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on **September 19, 2019**, at the Tucson Metropolitan Chamber of Commerce, 212 E. Broadway, Tucson, AZ 85701. 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 at 3:16 p.m.
2. Request for resolution to approve the Minutes of the Regular Meeting of August 15, 2019, and the Special Meeting of August 23, 2019	A MOTION was made and seconded (N. Eckel/S. Barton) to approve the minutes of the August 15, 2019 Regular Meeting and the August 23, 2019 Special Meeting as presented. Approved 4-0.
3. Request for resolution to approve the payment of invoices and the notification of to be paid on the Authority’s behalf by third parties.	A MOTION was made and seconded (N. Eckel / S. Barton) to approve payment of invoices, as presented. Approved 4-0

<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 Economic Development tools. c. Opportunity Zones. e. Current items of interest. 	<p>No action taken</p>
<p>5. President’s Report: 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> <ul style="list-style-type: none"> a. Sun Corridor announcement b. 2019 Arizona Housing Forum – August 19 – 21, 2019. c. Thrive in the 05 d. Mayor Rothschild’s Affordable Housing Last Chance Lecture – to be hosted by the Authority and held October 17, 2019 e. Strategic Planning Committee. 	<p>No action taken</p>
<p>6. Status report and review of website development and request for resolution for any actions related thereto.</p>	<p>No action taken</p>
<p>7. Status report concerning recommendation from the Loan Review Committee concerning a request from Business Development Finance Corporation (“BDFC”) for participation in a loan with BDFC in an amount not to exceed \$130,000 related to BDFC’s loan to David Smith, LLC for its business to be operated at 7720 N. Business Park Drive, Tucson, Arizona and request for resolution for all actions related thereto.</p>	<p>A MOTION was made and seconded (S. Barton / N. Eckel) to approve participation in a loan with BDFC, in an amount not to exceed \$130,000, related to BDFC’s loan to David Smith, LLC, contingent on BDFC’s satisfaction with respect to the status of the Registrar of Contractors and the concurrence of S. Barton, as Chair of the Loan Review Committee. Approved 6-0</p>
<p>8. Status report concerning recommendation from the Loan Review Committee concerning a request from Business Development Finance Corporation (“BDFC”) for participation in a loan with BDFC in an amount not to exceed \$135,000 related to BDFC’s loan to Yellow Brick Coffee, LLC for its business to be operated at 800 N. Country Club Road, Tucson, Arizona and request for resolution for all actions related thereto.</p>	<p>A MOTION was made and seconded (S. Barton / N. Eckel) to approve participation in a loan with BDFC, in an amount not to exceed \$135,000, related to BDFC’s loan to Yellow Brick Coffee, LLC, subject to BDFC’s satisfactory review of: updated business and personal financial statements, credit reports, renovation budget, final lease (prior to loan closing), and confirmation of personal guarantees from the owners. Approved 6-0</p>
<p>9. Status report concerning recommendation from the Loan Review Committee concerning a request from Business Development Finance Corporation (“BDFC”) for participation in a loan with BDFC in an amount not to exceed \$238,000 related to BDFC’s loan to Tucson Historic Preservation Foundation, Inc. for its business to be operated at 2306 E. Waverly Street, Tucson, Arizona and request for resolution for all actions related thereto.</p> <p>J. Clinco has declared a conflict and will not participate in conversation of vote of this item. Ms. Clinco left the room.</p>	<p>A MOTION was made and seconded (S. Barton / N. Eckel) to approve participation in a loan with BDFC, in an amount not to exceed \$238,000, related to BDFC’s loan to Tucson Historic Preservation Foundation, Inc. subject to receiving a satisfactory appraisal, requiring a property inspection report, and review of CC&R’s; and satisfactory findings thereof. Approved 5-0 (J. Clinco did not participate in</p>

	conversation or vote)
10. Status report concerning recommendation from the Loan Review Committee regarding revisions to the Authority’s Community Loan Policy, process, and/or loan programs and request for resolution for any action related thereto.	No action taken
11. Disclosure of relationship by S. Barton, status report regarding the current investment and banking activities of the Authority and request for resolution for any actions related thereto.	A MOTION was made and seconded (N. Eckel / P. Schwabe)
12. Status Report related to the potential sale, development, construction, equipping and /or operation of a project on (a) 450 N. Main, (b) Block 174, and (c) Block 175, and request for resolution related thereto; which may include formally ratifying the direction previously given to legal counsel. 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 discussion or consultation with and to provide direction to the Authority’s legal counsel about this item. Any action taken by the Authority regarding this matter will be taken in open meeting session (either at this meeting or later) after the adjournment of the Executive Session.	No action taken
13. Staff Reports: Monthly Staff Report for the month ending August 31, 2019 a. General Operations of the Authority: 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. b. Outstanding Single-Family Programs: i. \$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 Homebuyers Solution Program” or “PTHS Program”) - commenced on December 17, 2012 and unless extended expires on December 31, 2020 – more than \$587,945,000 in mortgage-backed securities sold with more than \$24,520,000 of down payment assistance granted to homebuyers. ii. The Industrial Development Authority of the City of Tucson, Arizona The Industrial Development Authority of the County of Pima Tucson P2P Program (the “Tucson P2P Program”) – Phase II commenced on August 1, 2018 and unless extended expires on December 31, 2020 – more than \$81,600,000 in mortgage-backed securities sold (1st sales in October 2016) with more than \$28,000,000 of down payment assistance granted to homebuyers and over \$5,500,000 deposited into the Tucson Rapid Rehousing Fund. iii. \$9,375,000 The Industrial Development Authority of the City of Tucson, Arizona Single Family Mortgage Credit Certificate Program of 2017- January 3, 2017 – Origination Period expires December 31, 2019 more than 50 issued aggregating to over \$7,422,992. iv. The 7% 2nd Mortgage Loans originated in connection	No action taken

<p>with:</p> <p>A. Series 2006 (Joint) - \$30,475,000 – 1st Mortgage Loan Interest Rate 5.97% - 2016 Final Redemption of all Bonds - approximately \$150,800 in 2nd Mortgage Loans are outstanding).</p> <p>B. Series 2007A (Joint) - \$23,400,000 - 1st Mortgage Loan Interest Rate 5.69% - 2016 Final Redemption of all Bonds - approximately \$182,400 in 2nd Mortgage Loans are outstanding).</p>	
<p>14. Call to the Public</p>	<p>No action taken</p>
<p>15. Adjourn</p>	<p>A MOTION was made and seconded (N. Eckel / S. Barton) to adjourn the meeting at 4:55 p.m. Approved 6-0</p>

Submitted by:
Karen J. Valdez
BDFC Advisor Services, LLC

Approved by:
Larry Lucero, President
The Industrial Development Authority of the
City of Tucson, Arizona