



The Industrial Development Authority
of the City of Tucson

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF TUCSON, ARIZONA
STRATEGIC PLANNING COMMITTEE**

**Wednesday, February 5, 2020
3:00 p.m.**

at the offices of
Business Development Finance Corporation
333 N. Wilmot Road, Suite 227
Tucson, Arizona 85711

Minutes

- Present: Board Members** Neal Eckel
Mimi Petro
Meredith Aronson
- Advisors** Karen Valdez, BDFC Advisor Services, LLC
Gabriel Gomez, BDFC Advisor Services, LLC
- Guests** Mike Czechowski, City of Tucson

The Strategic Planning Committee of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on Wednesday, **February 5, 2020**, at the office of Business Development Finance Corporation, 333 N. Wilmot Road, Suite 227, Tucson, AZ 85711. All Authority’s Committee Members and the general public were duly notified of the meeting.

ITEM	ACTION TAKEN/TO BE TAKEN
1. Call to Order	The meeting was called to order at 3:02 p.m.
2. Request for resolution to approve the Minutes of the Strategic Planning Committee held November 4, 2019.	A MOTION was made and seconded (M. Petro / M. Aronson) to approve the minutes of the November 4, 2019 meeting as presented. Motion carried.
<p>3. Discussion and request for recommendation to the Authority’s Board of Directors related to investment of the Authority’s funds, potentially including:</p> <p>a. Short-term loan programs:</p> <p>i. Emergency business loans</p> <p>G. Gomez stated that Business Development Finance Corporation (“BDFC”) and Growth Partners Arizona (“GPAz”) is currently working on an algorithm for business use and in particular emergency business loans. It was noted that there is potential opportunity to address issues arising from: adaptive reuse; code changes; tenant improvements, etc. Discussion ensued regarding:</p> <ul style="list-style-type: none"> • Need to define what constitutes an “emergency” • Loan terms: high interest for high speed and lower loan term • Staff time? No Title report; Lien on property 	No action taken

Approved March 9, 2020

M. Czechowski stated that he will provide information on what kind of demand there might be and for what purpose.

ii. Short-term consumer loans in lieu of predatory lending

N. Eckel reported that he met with Danny Knee, Community Investment Corporation (“CIC”) and Peggy Hutchison, Primavera Foundation, to further discuss existing loan program offered by CIC through Pyramid Credit Union (“PCU”). CIC put up a **\$20,000** Certificate of Deposit (“CD”) at PCU to establish the loan program to assist consumers in getting out of high rate pay day loans.

- Borrowers are required to attend an eight (8) week financial counseling course at Pio Decimo.
- Most consumers going through the program are better suited for bankruptcy.
- Loans have a **12%** interest rate and applicants must have a job.
- Loan payments are made through Automatic Clearing Housing (“ACH”) payment service.
- Interest payments go to PCU for loan servicing.
- CIC / Industrial Development Authority of the County of Pima (“Pima IDA”) does not generate any revenue from this program.

N. Eckel stated that Primavera Foundation is interested in participating by providing financial counseling courses. Potential partners include United Way (“UW”) and Community Foundation for Southern Arizona (“CFSA”); N. Eckel will contact them to see if there is any interest.

Discussion ensued regarding loans only being made available to nonprofit employees; the program is limited and not marketed. M. Aronson asked about the scale: number of people and dollar amount as it pertains to the Pay Day loans. N. Eckel stated that Primavera Foundation has the ability to get that information. It was noted that although the program is good for the community, it will not generate any revenue. M. Aronson expressed discomfort; the program, although stabilizing does not leverage economic growth.

iii. Create list of partners and set dates for marketing events

Discussed having a Lender Appreciation Reception in September or early October this year. K. Valdez is working with Pima IDA to coordinate.

b. Long-term goals for the Authority:

i. Review and discuss organizational structure and staffing of the Authority and request for recommendation to the Authority’s Board of Directors related to future needs.

N. Eckel reviewed the following documents with the Committee:

- Job Announcement for a Business Development Officer (“BDO”).
- BDO Duties; Base salary plus commission with measurable parameters.
- Title: Executive Director (“ED”) versus BDO.

Discussion ensued regarding a collaborative effort to edit the docs in “google docs track changes” so that committee members can review as time permits. Violation of the open meeting law (“OML”)? K. Valdez will review with the Lotzar Law Firm and will follow up with the

<p>Committee.</p> <p>ii. Partnerships to address affordable housing shortage.</p> <p>No report or discussion.</p>	
<p>4. 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.</p>	<p>No action taken.</p>
<p>5. Adjourn</p>	<p>Meeting Adjourned at 4:03 p.m.</p>

Submitted by:

Approved by:

Karen J. Valdez
 BDFC Advisor Services, LLC

Neal Eckel, Chair of the Strategic Planning Committee
The Industrial Development Authority of the
City of Tucson, Arizona