



**REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF TUCSON, ARIZON**

**Thursday, May 21, 2020
3:00 p.m.**

Business Development Finance Corporation
333 N. Wilmot Road, Suite 227
Tucson, Arizona 85711

Conference call 520.623.3377 extension 5 and then dial 1342#

Legal Action Report

- Present: Board Members** Larry Lucero
 Judy Clinco
 Mimi Noshay-Petro
 Neal Eckel
 Sandra Barton
 Patricia Schwabe
- Advisors** Charles Lotzar, Lotzar Law Firm, PC
 Gary Molenda, BDFC Advisor Services, LLC
 Karen Valdez, BDFC Advisor Services, LLC
- Guests** Mike Czechowski, City of Tucson
 Jay Kaprosy, Veridus
 Jeff Sandquist, Veridus

Due to the impacts of the COVID-19 pandemic, which have prompted declarations of a public health emergency at both the state and federal levels, this meeting was conducted using measures to protect public health. The Regular Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on **May 21, 2020**, remotely through telephone conference call, as permitted under Arizona law. All Authority’s Board Members and the general public were duly notified of the meeting. Members of the public were not allowed to attend the Regular Meeting in person but were invited to attend and listen by phone. The Special Meeting did not include any items for public comment. 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 3:02 p.m.
2. Request for resolution to approve the Minutes of the Regular Meeting of April 16, 2020.	A MOTION was made and seconded (N. Eckel / J. Clinco) to approve the minutes of the April 16, 2020 Regular Meeting as presented. Approved 6-0
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 (S. Barton / M. Petro) to approve payment of invoices, as presented. Approved 6-0

<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"> • COVID-19 related actions • Vacancy on the Authority’s Board of Directors • Renewal of Directors’ & Officers’ Liability Policy • Renewal of General Liability and Excess Coverage Policies 	<p>No action taken</p>
<p>6. Status report related to the Authority’s Small Business Lending Program and request for resolution acknowledging the role of Business Development Finance Corporation (“BDFC”) and BDFC’s power to restructure loans.</p>	<p>No action taken</p>
<p>7. Status report related to the Authority’s Loan Review Committee and request for resolution related thereto.</p> <p>Recommendation of the Loan Review Committee (“Committee”):</p> <p>#1 Provide \$500,000 to Business Development Finance Corporation (“BDFC”) so that BDFC can establish a loan pool to provide SBA 7a loans, capped at \$25,000 each, to be used for operations/equipment needed to re-open businesses, provided businesses fall within the current mission. Loans will be Prime+ in line with SBA lending practice with a 10 year term. Rate and terms to be outlined in a Loan Agreement with BDFC.</p> <p>#2 Revisit in 2 months to determine need for additional funding. If required, additional funds may be provided based upon performance and need.</p>	<p>A MOTION was made and seconded (S. Barton / J. Clinco) to accept the recommendation of the Committee to loan \$500,000 to BDFC pursuant to terms of a Loan Agreement. Approved 6-0</p> <p>A MOTION was made and seconded (S. Barton / J. Clinco) to accept recommendation of the Committee to revisit in 2 months to determine need for additional funding. Approved 6-0</p>
<p>8. Status report related to the Authority’s Strategic Planning Committee and request for resolution related thereto.</p>	<p>No action taken</p>
<p>9. Status report related to the Authority’s Audited Financial Statements for the Fiscal Year End June 30, 2019 as prepared by Roberts Alexonis Group and request for resolution related thereto.</p>	<p>A MOTION was made and seconded (N. Eckel / S. Barton) to accept the Authority’s FY18-19 audited financial statements for the year ended June 30, 2019 as prepared by roberts alexonis group. Approved 6-0</p>
<p>10. Status report related to potential Arizona legislation regarding the Authority’s business including, but not limited to the Industrial Development Financing Act and Private Activity Bonding Allocation Act and request for resolution related thereto.</p>	<p>No action taken</p>
<p>11. 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.</p>	<p>No action taken</p>
<p>12. Status Report related to 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”) the “Pathway to Purchase Program” within the Pima/Tucson Homebuyers Solution Program and request for resolution related to proposed improvements or modifications to the Program including additional marketing efforts.</p>	<p>No action taken</p>

<p>13. Staff Reports: Monthly Staff Report for the month ending April 30, 2020.</p> <p>a. General Operations of the Authority:</p> <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. <p>b. Outstanding Single-Family Programs:</p> <ul style="list-style-type: none"> 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 \$629,196,000 in mortgage-backed securities sold with more than \$26,235,000 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 \$340,000,000 in mortgage-backed securities sold (1st sales in October 2016) with more than \$30,000,000 of down payment assistance granted to homebuyers and over \$6,200,000 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 2020- January 2, 2020 – Origination Period expires December 31, 2022. iv. The 7% 2nd Mortgage Loans originated in connection with: <ul style="list-style-type: none"> A. Series 2006 (Joint) - \$30,475,000 – 1st Mortgage Loan Interest Rate 5.97% - 2016 Final Redemption of all Bonds - approximately \$117,000 in 2nd Mortgage Loans are outstanding). B. Series 2007A (Joint) - \$23,400,000 - 1st Mortgage Loan Interest Rate 5.69% - 2016 Final Redemption of all Bonds - approximately \$139,700 in 2nd Mortgage Loans are outstanding). 	<p>No action taken</p>
<p>14. Adjourn</p>	<p>A MOTION was made and seconded (S. Barton / M. Petro) to adjourn the meeting at 4:50 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