



INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON



ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA

Thursday, June 23, 2022
3:00 p.m.

Virtual meeting held via Zoom

Minutes

	Present	Absent
Board Members:	Judy Clinco Meredith Aronson Sharayah Jimenez Moniqua Lane Patricia Schwabe Sandra Barton (left at 4:00 p.m.) Melissa "Mimi" Noshay-Petro (arrived at 3:15 p.m.)	
Staff & Advisors:	Andrea ("Dre") Thompson, CEO Julie Arvo MacKenzie, Engelman Berger, P.C. Brigitte Findley Green, Engelman Berger, P.C.	
Guests:	Mike Czechowski, City of Tucson Ann Chanecka, City of Tucson David Wu, Stifel Public Finance	

Pursuant to **Arizona Revised Statutes Section 38-431.02**, notice was given to the general public and to the members of the Authority's Board of Directors that the Authority will hold a virtual meeting open to the public via Zoom to discuss, consider and take legal action on the following Agenda items:

ITEM	ACTION TAKEN / TO BE TAKEN
1. Call to Order and Review of Mission Statement Tucson IDA enables strategic economic and community development by	The meeting was called to order at 3:11 p.m.

<p>providing financing and access to capital for projects and programs that benefit a thriving Tucson</p>	
<p>2. Agenda Minutes, Request for Action Approve the Minutes of the Regular Meeting of April 21, 2022</p>	<p>A MOTION was made and seconded (M. Aronson / S. Jimenez) to approve the minutes of the April 21, 2022 Regular Meeting as presented. Approved 6-0</p>
<p>3. Financial Policies & Procedures, Report & Action Request for Board Approval of the Financial Policies and Procedures, created by the CEO and a subcommittee “Financial Committee” convened to review and approve.</p> <p>S. Barton reported that the Finance Committee met to review the Financial Policies & Procedures for the Authority and the recommendation is for approval. D. Thompson added that the Financial Policies and Procedures were initially developed by her and reviewed by Consultants and the Finance Committee.</p>	<p>A MOTION was made and seconded (S. Barton / J. Clinco) to approve the Financial Policies and Procedures as presented. Approve 6-0</p>
<p>4. Loan Committee, Report & Action Summary report of the Loan Committee Review of two pending participation loans with BDFC and recommendations for action.</p> <p>S. Barton reported that the Loan Committee met to review two participation loan requests received from Business Development Finance Corporation (“BDFC”) as follows:</p> <ul style="list-style-type: none"> ● Borderlands Tap Room Concept, LLC <p>BDFC Loan Total: \$200,000 IDA Loan amount: \$100,000 participation Perm Loan: 7-year Term/Amortization Rate to IDA: 7.50% (6.50% net of 100 basis point servicing fee to BDFC) fixed</p> <p>Total Project Cost: \$200,000 Project Address: 2500 E 6th St, Tucson, AZ Purpose: Expansion - Tenant improvements, FF&E Basis of eligibility: Section 3(a) of Loan Policy – Economic Development Job creation: 10 FTE Minority Owned Business</p> <p>Collateral: 1st Security Interest on FF&E/M&E owned by the affiliate brewery and the borrower (new FF&E)</p> <p>Guarantees: BORDERLANDS BREWING COMPANY, INC. Personal Full Guarantees</p> <p>Recommendation is for approval based on the following:</p> <ol style="list-style-type: none"> 1. Meets the Authority’s loan criteria 2. Existing Company 3. Expanding to a good location near the University of Arizona 4. Job Creation 5. Minority owned business 	<p>A MOTION was made and seconded (S. Barton / M. Aronson) to approve participation in a loan with BDFC to Borderlands Taproom Concepts, LLC in an amount not to exceed \$100,000, with terms as presented. Approved 7-0</p> <p>A MOTION was made and seconded (S. Barton / M. Aronson) to approve participation in a loan with BDFC to Make Way for Books in an amount not to exceed \$70,000, with terms as presented. Approved 7-0.</p>

<p>6. Projected cash flow for the next couple of years is positive 7. Experienced operators / personal guarantees</p> <ul style="list-style-type: none"> ● Make Way for Books - This request was referred to BDFC by Alliance Bank of Arizona: <p>BDFC Loan Total: \$120,000 IDA Loan amount: \$70,000 IDA participation Perm Loan: 10-year Term - 25-year Amortization Rate to IDA: 4.00% (3.00% net of 100 basis point servicing fee to BDFC) fixed Total Project Cost: \$150,000 Project Address: 700 North Stone Avenue, Tucson, AZ Purpose: Purchase commercial real estate at 710 North Echols Avenue, Tucson Basis of eligibility: Section 3(a) of Loan Policy – Job creation: 2 FTE Non-Profit Business serving LMI residents Project in Opportunity Zone Collateral: 2nd DoT on project property</p> <p>Recommendation is for approval based on the following:</p> <ol style="list-style-type: none"> 1. Meets the Authority’s nonprofit loan criteria 2. Cash flow to service debt is strong 3. Borrower will save \$400/month in rental fees <p>It was the consensus of the Authority to accept the recommendations of the Loan Committee and approve both participation loan requests as presented.</p>	
<p>5. Bylaws Review, Report & Action Request for Board discussion of the amended and restated Bylaws.</p> <p>M. Noshay-Petro stated that within any organization it is a good idea to periodically review the Bylaws and reported that the Bylaws were reviewed by herself, J. Clinco, J. Arvo MacKenzie and B. Finley Green. The question arose regarding the necessity to have changes approved by the Mayor & Council (“M&C”) as stated in the current Bylaws of the Authority. M. Czechowski stated that it can be added to the M&C consent agenda with no issues.</p> <p>D. Thompson noted that there are a number of items added around Committee Structure. J. Arvo MacKenzie reviewed the form of Bylaws and stated that the current draft will be sent out for another pass by the Board Members. The revised Bylaws include the current Mission Statement and indemnification for both Officers & Directors. The changes to the Bylaws do not conflict with the Articles of Incorporation, are consistent with current law, clarifies that the Board can have electronic meetings, added items to the Vice President (“VP”), and clarifies that the VP, in addition to stepping into the President’s chair, if needed, will take on tasks of governance. Changes were made to the Secretary and Treasurer roles to clarify with regard to tasks taken on by staff.</p>	<p>No Action Taken</p>
<p>6. Bond Processes & Procedures Review, Report & Action</p>	<p>A MOTION was made and</p>

<p>J. Arvo MacKenzie reviewed the Policies for Application Guidelines and Bond Financing Application. It was noted that the documents were completely overhauled, including some additional procedural changes made in draft 6/15/2022. Changes include:</p> <ul style="list-style-type: none"> • Application fee of \$3,000 to for profit entities • Fillable and downloadable form will be on the website • No duplication of materials • Drafted as to how the AZ bond community does business • No mention of annual fee; most Industrial Development Authorities have complicated pricing structure. <p>Also created a paragraph to replace what is currently on the Authority's website for an efficient and effective way to access the Application. The Procedures/ Policies are now separated from the actual Application and no longer asks for hard copies. It was noted that the improvements made will be appreciated by the Applicants.</p> <p>J. Arvo MacKenzie stated that this is not a governing document and additional changes will be made as needed.</p>	<p>seconded (M. Aronson / S. Barton) to support the utilization of application and supporting policies and guidelines for bond processes, recognizing that the CEO will have the ability to refine language as needed. Approved 7-0</p>																
<p>7. Officers Election, Report & Action Election of officers for a one-year term. Below are the current officers and Directors:</p> <table border="0"> <tr> <td>Office:</td> <td>Name:</td> </tr> <tr> <td>President</td> <td>Judy Clinco</td> </tr> <tr> <td>Vice President</td> <td>Meredith Aronson</td> </tr> <tr> <td>Secretary</td> <td>Melissa "Mimi" Noshay-Petro</td> </tr> <tr> <td>Treasurer</td> <td>Sandra Barton</td> </tr> <tr> <td>Board Member</td> <td>Moniqua Lane</td> </tr> <tr> <td>Board Member</td> <td>Shay Jimenez</td> </tr> <tr> <td>Board Member</td> <td>Patricia Schwabe</td> </tr> </table>	Office:	Name:	President	Judy Clinco	Vice President	Meredith Aronson	Secretary	Melissa "Mimi" Noshay-Petro	Treasurer	Sandra Barton	Board Member	Moniqua Lane	Board Member	Shay Jimenez	Board Member	Patricia Schwabe	<p>A MOTION was made and seconded (S. Barton / M. Noshay-Petro) to approve Slate of Officers as Presented. Approved 7-0</p>
Office:	Name:																
President	Judy Clinco																
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<p>8. Committee Meeting Structure, Report & Action Election and authorization of the Committees and their Committee Chairs.</p> <ul style="list-style-type: none"> • Loan Committee • Property Development Committee • Strategic Growth Committee • Finance Committee <p>D. Thompson stated that the committee structure leverages every one's strength but doesn't over tax their time available and allows flexibility. The following Committees and members were proposed:</p> <p>Loan Committee: Chair – S. Barton, M. Noshay-Petro, P. Schwabe To meet as needed. Would like to see this committee having the ability to make the final decision.</p> <p>Property Development Committee: Chair – M. Lane, J. Clinco, S. Jimenez Quarterly review with high level strategies and the ability to work one on one.</p> <p>Strategic Growth Committee: Chair – P. Schwabe, J. Clinco, M. Aronson To meet bi-annually to discuss diversification of revenue streams, understanding key partnerships with focus on long term economic stability of the Authority.</p>	<p>A MOTION was made and seconded (M. Petro / M. Aronson) to approve Committees and Committee Members as presented. Approved 6-0</p>																

<p>Finance Committee: Chair – J. Clinco, M. Aronson, S. Barton Checks & balances; documents reviewed on a regular basis.</p> <p>Structured update:</p> <ul style="list-style-type: none"> ● Limit to 3 members ● Annual calendar – pre-scheduled meetings ● Project based work for deliverables – specific projects or deliverables ● All committee minutes to be approved at following full Board Meeting <p>Discussion ensued regarding attendance by ex-officio member, President or CEO. All committee meetings are open to attend by any board member.</p>	
<p>9. CEO Update: Status Report An overview of the financial, strategic, and operational developments of the organization over the past month</p> <p>D. Thompson reviewed the following:</p> <p>A. Review of Finances:</p> <ul style="list-style-type: none"> ● Current unrestricted cash: \$4,945,926 ● Net profit for the month of May 31, 2022: \$209,491 ● May 2022 Revenue: \$251,261 ● May 2022 Expenses: \$46,770 <p>B. Review of Program Updates:</p> <ul style="list-style-type: none"> ● Hit historical milestone of approving \$500,000 per year with the 2 loans approved today. ● New Corporate Sponsorship for the Essential Workers Housing Fund. <p>C. Summary of May Board Retreat & Follow-ups</p>	<p>No action taken</p>
<p>10. Call to the Public</p>	
<p>11. Adjourn</p>	<p>A MOTION was made and seconded (M. Noshay-Petro / M. Lane) to adjourn the regular meeting at 4:27 p.m. Approved 6-0</p>

Submitted by:
Wendy McBroom
Tucson IDA, Operations Coordinator