



INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON



REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA (“Authority”)

Thursday, August 25th, 2022
3:00 p.m.

The public is invited to join the Authority’s Board meeting on-line via Zoom:
<https://us06web.zoom.us/j/84840348558>

Meeting ID: 848 4034 8558
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Minutes

	Present	Absent
Board Members:	Judy Clinco Meredith Aronson Sandra Barton Sharayah Jimenez Mimi Noshay-Petro Moniqua Lane Patricia Schwabe	
Staff & Advisors:	Dre Thompson, CEO Wendy McBroom, Operations Coordinator Austin Schwartz, Director of Real Estate and Finance	

Scott Riffle, Stifel (left at 4:33pm)
 Riana Lindsay, CPA
 Ian O'Grady, Economic Strategist (arrived at 3:46pm and left at 4:33pm)

Open Meeting: Pursuant to **Arizona Revised Statutes Section 38-431.02**, notice is hereby 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:

August 25th, 2022

ITEM	ACTION TAKEN / TO BE TAKEN
<p>1 Call to Order and Mission Statement: Tucson IDA enables strategic economic and community development by providing financing and access to capital for projects and programs that benefit a thriving Tucson</p>	<p>Judy Clinco</p> <p>The meeting was called to order at 3:01pm.</p>
<p>2 Approval of Minutes: Approve the Minutes of the Regular Meeting of July 21st, 2022, the Loan Committee Meeting of July 28th, 2022, and the Property Development Committee Meeting of August 23rd, 2022</p>	<p>Judy Clinco</p> <p>A MOTION was made and seconded (M. Petro/ M. Lane) to approve the minutes of the Regular Meeting of July 21st, 2022 as presented.</p> <p>Approved:5 Abstained: 2 Against:0</p> <p>A MOTION was made and seconded (S. Barton/ M. Lane) to approve the minutes of the Loan Committee Meeting of July 28th, 2022 as presented.</p> <p>Approved:5 Abstained: 2 Against:0</p> <p>A MOTION was made and seconded (S. Jimenez / M. Lane) to approve the minutes of the Property Development Committee Meeting of August 23rd, 2022 as presented.</p> <p>Approved:4</p>

			Abstained: 3 Against:0
3	<p>Discuss & Take Action on CEO Bank Signator: Board members will take action to add Dre Thompson as a designated signer on Commerce Bank of Arizona and Western Alliance Bank, and all accounts affiliated at each bank.</p> <ul style="list-style-type: none"> It was stated that Commerce Bank requires signed minutes reflecting Board approval of adding D. Thompson as a signer on the Bank account. 	Sandra Barton	<p>A MOTION was made and seconded (S. Barton/ M. Aronson) to authorize Dre Thompson to be a designated signer on Commerce Bank of Arizona and Western Alliance Bank, and all accounts affiliated at each bank.</p> <p>Approved 7-0</p>
4	<p>Discuss & Take Action on Status of Active Bank Accounts: Board will consider consolidating organizational banks accounts, in particular take action on the question of closing Pacific Premier Bank Account and Bank of the West Account in favor of higher yield accounts.</p> <ul style="list-style-type: none"> It was recommended that we close both of these accounts and move the funds to Commerce Bank of Arizona and Western Alliance Bank CD accounts for the following reasons: <ul style="list-style-type: none"> Higher interest rates Commerce and Alliance Bank Easier management with fewer accounts 	Sandra Barton	<p>A MOTION was made and seconded (S. Barton/ M. Aronson) to close Tucson IDA accounts at Pacific Premier and Bank of the West.</p> <p>Approved 7-0</p>
5	<p>Discuss & Take Action on Small Business Loan Proposals: Loan Committee will share their findings and updates on pending small business lending activity.</p> <ul style="list-style-type: none"> Request from BDFC to increase our participation loan amount to a small business borrower from \$100,000 to \$150,000. The Loan committee decided that all business partners would need to have personal guarantees, which was granted. S. Barton recommended that we increase the loan amount to \$150,000 It was suggested requesting the additional \$50,000 from BDFC so that the project may continue, and maintain the IDA's participation at the previously agreed upon \$100,000 so that the IDA's funding could support additional companies. It was clarified that the increase in funding was to combat an increase in construction costs 	Sandra Barton	<p>A MOTION was made and seconded (S. Barton/ M. Aronson) to increase the loan participation from \$100,000 to \$150,000</p> <p>Approved 4-3</p>
6	<p>Discuss & Take Action on Proposed New Mortgage Product: Review and vote on a proposal to add a 30 year mortgage loan product (PHTS Plus) to the Pima Tucson Homebuyer's Solution, in collaboration with the Pima IDA.</p> <ul style="list-style-type: none"> It was explained that this new product would reintroduce the 4% down payment assistance product for homebuyers, and offer the Tucson IDA and additional revenue source. Pros: 	Dre Thompson	<p>A MOTION was made and seconded (M. Lane / M. Petro) to fund the new mortgage loan product.</p> <p>Approved 7-0</p>

	<ul style="list-style-type: none"> ○ Improved rates for homebuyers in response to rising market rates ○ Aligns the Tucson IDA's rates with competitors ○ Higher returns for the Tucson IDAs investment ○ Diversification of Investments - long term yield ○ Can turn off the program at any time ● This product has been approved by the Pima IDA Board members, next step in order to continue with the product is gain Tucson IDA Board approval. 		
7	<p>Property Development Committee Summary: Property Development Committee Chair will share findings, discussion, and next steps from the committee meeting on August 23rd, 2022</p> <ul style="list-style-type: none"> ● The Tucson IDA received a proposal from a co-developer to collaborate on this property who the Tucson IDA is interested in working with. ● It was suggested that in the spirit of transparency, the Tucson IDA explore more options for development partners, prior to signing an LOI with any partner and consider an RFQ process similar to the City of Tucson's ● It was requested that the staff investigate if the Tucson IDA could sell the ground and keep the air rights or vice versa on this property ● It was brought up that a local land trust offers ground leases for affordable houses. It was clarified that the Tucson IDA has been in communication with this organization and will continue to pursue all avenues. ● The pre-development catalyst is a new idea to take undeveloped land and prep it for building, prime it for affordable housing, with the intention of selling it to expedite the process of development in Tucson. ● It was also discussed that the IDA would like to develop policies over and above our current conflict of interest policies to ensure the highest levels of transparency as it relates, in particular, to development projects. It was requested the staff develop a strategy to propose in a future meeting. 	Moniqua Lane	—
8	<p>CEO Update & Status Report: The CEO will provide an overview of the organization's key metrics of success:</p> <ul style="list-style-type: none"> ● Financial Position ● Program Updates <ul style="list-style-type: none"> ○ Essential Workers Housing Fund ○ Lending Landscape & Next Steps ○ Bond & Legal Strategy Update ○ Organizational Re-brand Update ● Budget Introduction ● July Finances <ul style="list-style-type: none"> ○ Total July Revenue: \$118,058 ○ Total July Expenses: \$94,806 ● Essential Workers Housing Fund 		—

	<ul style="list-style-type: none"> ○ The impact of raising the grant to \$5,000 increased our reach; 11 essential workers have used this program so far. ○ A local medical center has approached the IDA to contribute to the fund as a sponsor and the staff will continue to pursue this and other opportunities. ○ Barriers to reaching a larger audience of essential workers was discussed. Currently the housing market is pivoting and buyers are hesitant to purchase. Lenders and homebuyers have many questions about the program that have to be fielded. ○ It was suggested that we gather metrics about homes sold each month in specific demographics and home price ranges to see how our program compares and who we are helping most, how much of the market we are saturating. ● The Tucson IDA has been accepted to a national incubator for equitable lending through CDFA ● It was shown that Tucson has significant barriers for minority entrepreneurs that the Tucson IDA hopes to address in the near future with our strategic plan and micro-business lending. <ul style="list-style-type: none"> ○ It was suggested that the Tucson IDA should focus on understanding our target market and where the need is in Tucson, and then develop a plan of action to solve the issue. ● W. McBroom is serving on the Board of Character Based Lending Revolving Loan Fund in Arizona ● D. Thompson presented on the organization's new approach for sourcing and vetting potential Bond deals, outlining the pro's and con's of the new strategy. ● It was discussed how the Tucson IDA will maintain the City's support for Bond projects. Tucson IDA will stay in constant communication with the City and have a confident understanding of what the City supports and where they stand on various fronts prior to proposing new projects. The IDA has the freedom to support projects that align with the organization's mission and values ● Tucson IDA is undergoing a brand update. D. Thompson will send out options for logos to be voted on in the coming weeks before the next Board meeting. 		
9	<p>Executive Session: Engage in discussion regarding benefits package (A.R.S. 38.431.03(A)(5))</p>	Judy Clinco	<p>A MOTION was made and seconded (S. Barton / M. Aronson) to enter into executive session.</p> <p>Approved 7-0</p>
<p>Session was reconvened at 5:04pm with a quorum</p>			
10	<p>Vote from Executive Session Board members will take action on discussion from executive session.</p>	Judy Clinco	<p>A MOTION was made and seconded (S. Barton/ M. Petro) to amend the CEOs contract and the Tucson IDA Employee</p>

			Contract to be in line with each other. Approved 7-0
11	Call to the Public	Judy Clinco	—
12	Adjourn	Judy Clinco	A MOTION was made and seconded (S. Barton /M. Aronson) to adjourn the meeting at 5:06PM. Motion carried.

Submitted by:
Wendy McBroom
Operations Coordinator, Tucson IDA