



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, October 20th, 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
One tap mobile
+1 669 444 9171 US

Minutes

Board Members:

Present

Judy Clinco
Meredith Aronson
Sharayah Jimenez (left at 4:06pm)
Patricia Schwabe (left at 3:53pm)
Moniqua Lane (arrived at 3:22pm)

Absent

Sandra Barton
Mimi Noshay-Petro

Staff & Advisors:

Dre Thompson, CEO
Wendy McBroom, Portfolio Manager
Riana Lindsy, CPA
Chris Ambrosio, Legal Counsel

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:

October 20th, 2022

1	<p>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>	Judy Clinco	The meeting was called to order at 3:12pm .
2	<p>Approval of Minutes: Approve the Minutes of the Executive Session Meeting of August 25th, 2022, Quarterly Meeting of September 15th, 2022, the Loan Committee Meeting of September 22th, 2022, Strategic Growth Committee of October 4th, 2022, the Special Board Meeting of October 6th, 2022 and the Property Development Committee Meeting of October 19th, 2022</p>	Judy Clinco	<p>A MOTION was made and seconded (M Aronson/ S. Jimenez) to approve the minutes of the Executive Session Meeting of August 25st, 2022 as presented.</p> <p>Approved: 4 Abstained: 0 Against:0</p> <p>A MOTION was made and seconded (M. Aronson/ J. Clinco) to approve the minutes of the Quarterly Meeting of September 15th, 2022 as presented.</p> <p>Approved: 4 Abstained: 0 Against:0</p> <p>A MOTION was made and seconded (M. Aronson/ J. Clinco) to approve the minutes of the Loan Committee Meeting of September 22nd, 2022 as presented.</p> <p>Approved: 4 Abstained: 0 Against:0</p> <p>A MOTION was made and seconded (M. Aronson/ P. Schwabe) to approve the minutes of the Strategic Growth Committee Meeting of October 4th, 2022 as presented.</p> <p>Approved: 4 Abstained: 0 Against:0</p> <p>A MOTION was made and seconded (M. Aronson/ J. Clinco) to approve the minutes of the Special Board Meeting of October 6th, 2022 as presented.</p>

			<p>Approved: 4 Abstained: 0 Against:0</p> <p>A MOTION was made and seconded (S. Jimenez/ J. Clinco) to approve the minutes of the property Development Committee Meeting of October 19th, 2022 as presented.</p> <p>Approved: 4 Abstained: 0 Against:0</p>
3	<p>Report out on Strategic Growth Committee Meeting: Committee chair will share findings and recommendations for action from the strategic growth committee meeting.</p> <p>The findings of the strategic growth committee meeting were shared, in regards to asset allocation, long term investment strategy, and sustainable program funding.</p> <ul style="list-style-type: none"> ● It was suggested that the Tucson IDA reallocate assets into interest producing vehicles such as high-yield savings accounts, CD's, treasury bills, index funds, and actively managed funds with an emphasis on long-term investment strategies. ● The pooled bond fund structure was explained, and it was highlighted that this vehicle is a source of capital for investors and a revenue generator for the Tucson IDA. <ul style="list-style-type: none"> ○ It was mentioned that the Tucson IDA will be the only Bond Fund with this unique structure in Arizona. ○ It was clarified that we can fund up to \$30 million projects, but each bond would have a maximum of \$6 million because of our reserves. ● Market testing to determine the need for this Bond fund and set up a pipeline for borrowers in diverse industries was suggested. 	Dre Thompson	---
4	<p>Discussion and Action on Investment Strategy: The board will review and discuss the Tucson IDA's investment strategy.</p> <ul style="list-style-type: none"> ● It was proposed to change the existing policies and procedures and By-laws that require reserves in a checking account to allow these funds to be moved to a high-yield savings account or other liquid investment vehicle. ● The Board proposed removing the requirement for \$1.8 million in reserves in a checking account in favor of moving the funds to a high-yield savings account. ● The Board proposed amending the existing By-laws to reflect the following language: <p>“INVESTMENT OPTIONS: The Tucson IDA investment policy is to maintain a portfolio of varying maturity investments and with sufficient liquidity to meet community investment</p>	Patricia Schwabe	<p>A MOTION was made and seconded (M. Aronson/ P. Schwabe) to support amending the existing B-laws to make the proposed changes to the Tucson IDAs investment strategy.</p> <p>Approved: 5 Abstained: 0 Against:0</p>

	<p>objectives. Investments shall be made with the objective of maximizing return while maintaining the safety and security of the Tucson IDA funds.</p> <p>Staff is authorized to select from the below listed investment options, based on consultation with the financial consultant/broker, and evaluation of current market conditions.</p> <ul style="list-style-type: none"> ● Insured money market account ● Certificates of Deposit up to \$600,000 ● US Government and US Government Agency paper ● CDRS Account ● Alternative money market products such as investment sweep accounts, that could provide additional investment yield with an acceptable level of risk. ● Long-term investment products such as index funds, mutual funds, ETFs in either passively managed or actively managed accounts” 		
5	<p>Discussion and Action on Pooled Bond Fund: The board will review, discuss, and vote to approve a potential new bond fund program offered by the Tucson IDA.</p> <ul style="list-style-type: none"> ● Additional opportunities for capitalization were discussed to mitigate risk for the Tucson IDA in the event that the City of Tucson is unable to provide initial funding for this project. ● It was noted that the Tucson IDA would be eligible for Inflation Reduction Act funds for this project for Green Banking, as well as other private and public partnerships. ● There was discussion around when the fees to maintain the Bond Fund would begin, and if the contract can be amended to include flexibility for the Tucson IDA’s timeline. The CEO will follow up with the contractor and clarify the terms and conditions of the maintenance fees. 	Patricia Schwabe	<p>A MOTION was made and seconded (M. Lane/ M. Aronson) to approve taking the next steps towards approving and implementing a new Bond Fund by contracting with Baker Tilly to set up this Fund.</p> <p>Motion was Amended</p> <p>A MOTION was made and seconded (M. Lane/ M. Aronson) to support moving forward with a pooled bond fund upon receiving a match of a \$1.5 million commitment to set up the Fund.</p> <p>Approved: 5 Abstained: 0 Against:0</p>
6	<p>Report out on Property Development Committee Meeting: Committee chair will share findings and recommendations from the property development committee meeting.</p> <p>The Committee Chair shared the discussion from the Property Development Committee:</p> <ul style="list-style-type: none"> ● The Tucson IDA is entertaining a proposal from a developer who is interested in a 99 year lease or purchasing the property. <ul style="list-style-type: none"> ○ The committee suggested reaching out to the Marshall Foundation to 	Moniqua Lane	---

	<p>have a conversation surrounding the legal aspects of land leases.</p> <ul style="list-style-type: none"> ● It was announced that the City of Tucson is interested in developing the 257 N Stone property in partnership with the the City of Tucson's Navigators (technical business assistance and the Tucson IDA). <ul style="list-style-type: none"> ○ It was discussed what terms will be set between the City and the Tucson IDA to ensure long-term flexibility and growth potential for the Tucson IDA. ● The cooperation with the City of Tucson on a variety of predevelopment vehicles was presented and discussed. <ul style="list-style-type: none"> ○ It was noted that there is flexibility to create a variety of predevelopment products and programs and invent creative solutions to development issues. ● The Tucson IDA is hiring an Urban Planner, the committee discussed necessary skills for the position and decided to re-post the application under a more specific description to attract more qualified candidates. <ul style="list-style-type: none"> ○ The Board discussed an interview committee and the participation of an HR representative during the hiring process. 		
7	<p>Report out on Small Business Loan Participation: The Chair of the Loan Committee will provide an update on the recent small business loan approved with contingencies.</p> <ul style="list-style-type: none"> ● The Tucson IDA received acceptance into a loan loss guarantee program up to \$3 million in loan loss guarantee for under-represented businesses, covering 75% of loan defaults for loans up to \$250,000. ● The Tucson IDA will receive a \$150,000 grant over 3 years of the program. 	Dre Thompson	---
8	<p>Discussion and Action on Loan Back Guarantee Program: The Board will discuss and vote on the Tucson IDA's involvement in a Loan Back Guarantee program.</p> <ul style="list-style-type: none"> ● It was suggested that the Tucson IDA should focus on ensuring that the program is structured to be sustainable after the Loan Back Guarantee support has ended. ● The board is in favor of participating in the Loan Back Guarantee Program. 	Dre Thompson	<p>A MOTION was made and seconded (M. Aronson/ J. Clinco) to approve launching the Loan Back Guarantee Program as described.</p> <p>Approved: 4 Abstained: 0 Against: 0</p>
9	<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 <p>The CEO presented an update and status report on the Tucson IDA's programs and financials:</p> <ul style="list-style-type: none"> ● In September, the Essential Workers Housing Fund had the most participants to date. ● Tucson IDA has applied for the National Fair Housing Alliance grant to support 	Dre Thompson	---

	<p>the Essential Workers Housing Fund.</p> <ul style="list-style-type: none"> It was asked what wards each EWHF participant is in, which the CEO will include in next month's program update. 		
10	Call to the Public	Judy Clinco	–
11	Adjourn	Judy Clinco	There being no further business, the President adjourned the meeting at 4:31PM

Submitted by:
Wendy McBroom
Portfolio Manager, Tucson IDA