



UNAPPROVED Meeting Minutes and Legal Action Report Industrial Development Authority for the City of Tucson

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 public meeting to discuss the following Agenda Items.

Meeting Details

Date: March 20th, 2025

In-person: 600 S Meyer, Tucson Arizona 85701

Time: 3:00pm - 5:00pm

Agenda Overview

1. Call to order & Mission Statement
2. Approval of Meeting Minutes
3. Study Session Topic: Bond Financing
4. Presidio Activation Project Legal Action
5. Committee Updates
6. Executive Session**
7. Possible Action on 450 N Main**
8. Organizational Updates
9. Adjourn

Attendees

BOD Present

Meredith Aronson
 Mimi Petro
 Moniqua Lane
 Patricia Schwabe
 Tim Kinney
 Chris Squires

BOD Absent

Staff Attendees

Dre Thompson
 Nicole Johnson

General Council

Chris Ambrosio

Members of the Public/Guests

Scott Riffle
 Barbra Coffee
 Jannie Cox
 Brian Cooper

Agenda

1 min 1st Item: Call to Order & 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.

Called to Order: 3:05

3 min 2nd Item: Approval of Minutes

Approve the Legal Action Report/Draft Minutes of the Regular Board Meeting held on February 20th, 2025.

Motion: Motion to approve the Meeting minutes and Study Session meeting minutes as approved.

First: Mimi Petro
Second: Tim Kinney

Approved: 6
Abstained: 0
Against: 0

Discussion: none

40 min 3rd Item: Study Session Topic: Bond Finance

The Board participated in a presentation of Bond Financing from Dre Thompson and Brian Cooper.

Dre leads a study session on bond financing, focusing on the types of bonds Tucson IDA can issue, including municipal and corporate bonds, revenue bonds and general obligation bonds. There was a focus on tax-exempt bonds like private activity bonds. The conversation touches on the challenges of matching projects to specific bond types due to IRS regulations and market conditions. Dre emphasizes the importance of understanding which bond types are most relevant and actionable for Tucson IDA, suggesting a future session to focus on these areas.

Brian and Dre discussed the potential of a taxable bond for a private entity, emphasizing the importance of a first mortgage position and shared first mortgage position for securing assets. They also explored the possibility of a pledge model for the program reserve fund, with Brian cautioning that the quality of the pledge is crucial for obtaining a rating. Dre suggested that a combination of cash and a highly rated pledge from the city could be beneficial. The conversation also touched on the need for patient and flexible capital, with Dre proposing the idea of a green bond to attract foundations. Brian clarified that the return on investment would depend on the quality of the pledge and the investment earnings.

Dre and Brian discussed the financial aspects of a bond fund, including closing fees, ongoing fees, and interest earnings on reserves. They clarified that the bond fund's income sources are interest earnings on reserves, closing fees, and ongoing fees. They also discussed the possibility of securitizing the reserve ratio to accelerate the process, but concluded that there's no market for this. Brian suggested that the majority of bond funds are funded by local economic development authorities. They agreed to provide more examples of different types of deals to help grow their strategy.

20 min 4th Item: Presidio Activation Project Legal Action

The Board heard a proposal by Activate El Presidio presented by Jannie Cox. The Activate El Presidio project, which aims to revitalize the historic El Presidio neighborhood through placemaking initiatives. The project includes street painting, traffic calming measures, lighting, plants, benches, art, and shade across nine areas. Jenny highlights the progress made, including the installation of an 11-story saguaro mural on the Transamerica building. She explains that the project has faced delays due to COVID-19, staff changes, and permitting issues. The total cost of the project is \$732,626, with funding from various sources including Rio Nuevo, private donors, and a requested \$25,000 from IDA. Jenny seeks IDA's approval for the funding and permission to use their electrical power for festoon lighting on Court Street.

Motion: Motion to follow through in our commitment of \$25,000 for the Activite El Presido Project.	Action:	Approved: 6
First: Mimi Petro		Abstained: 0
Second: Tim Kinney		Against:0

Discussion: The Board requested staff gather more details on the timeline, fund usage, and the marketing opportunities. They also requested clarity and deployment.

5 min 5th Item: Property Development Committee Update

*Tim Kinney will provide an update for the Board regarding the activities of the Property Development Committee. - **Item skipped due to time constraints***

15 min 6th Item: Executive Session *

Description: Pursuant to Arizona Revised Statutes §38-431.03(A), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation for legal advice with the Board's legal counsel and to provide direction to the Board's legal counsel in connection with any matter on the Agenda. The Board may consider a motion to go into executive session in accordance with A.R.S. § 38-431.03 (A) for Item 3. Any action taken by the Board regarding this matter will be taken in open meeting session after the adjournment of the executive session.

Motion: Motion to enter into Executive Session for the discussion with counsel on 450 N Main.	Approved: 6
First: Mimi Petro	Abstained: 0
Second: Tim Kinney	Against:0

5 min 8th Item: Possible action on 450 N Main *

The Board determined legal action was not needed at this time, but affirmed the prior authorization for the Property Development Committee, Staff, and Counsel to continue to negotiate on the behalf of the organization regarding the sale of 450 N Main to Spire Development, pending the outcome of the LIHTC allocation awards.

1 min 9th Item: Call to Public

1 min 10th Item: Adjourn: 5:10



Announcements: Announcement of future meeting dates and other information concerning the Authority. **Call to the Public:** Please limit comments to **3 minutes**. Public comments will be at the discretion of the President. Persons wishing to address the Authority's Board of Directors are to request permission in advance and complete a "**Request to Address the Board**" card. **Further Information:** For further information, please contact Tucson IDA admin@tucsonida.org. **Mailing:** This Notice and Agenda of the Regular Meeting was emailed to the Authority's standard Agenda mailing list. **Posting:** A copy of this Notice and Agenda of the Regular Meeting has been posted on the bulletin board of the Clerk of the City of Tucson, 1st Floor, 255 West Alameda, Tucson, Arizona 85701 **ADA Statement of Accommodations:** Persons with a disability may request a reasonable accommodation by contacting the IDA at admin@tucsonida.org. Requests should be made in sufficient time to allow for accommodating arrangements.