



Meeting Minutes and Legal Action Report of Regular Board Meeting

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: August 21, 2025

Time: 3:00pm - 5:00pm

In Person: 600 S. Meyer, Tucson, AZ.

Zoom: <https://us06web.zoom.us/j/84840348558>

Agenda Overview

1. Call to Order & Mission Statement
2. Approval of Meeting Minutes
3. Possible Action: Inducement Resolution for 139 E. Toole Ave
4. Possible Action: Consider collection actions for Avenue LLC
5. Possible Action: Consider Capitalization of PTHS Advantage
6. Organizational Updates
7. Study Session: Middle Housing / Infill Development
8. Call to Public
9. Adjournment

Attendees

BOD Present

Meredith Aronson
Mimi Petro
Moniqua Lane
Tim Kinney
Chris Squires joined 3:11
Patricia Schwabe
Hector Jimenez

BOD Absent

Staff Attendees

Dre Thompson
Lila Heras
Marco Hidalgo
Erin MCGuinness

General Council

Chris Ambrosio

Members of the Public/Guests

Ezekiel Gebrekidane
David
Dave
Andres
Scott Rliffe
Tony Beyer
Francisca Villegas

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.

Call to order at 3:02 p.m.

2nd Item: Approval of Minutes

Motion: Tim Kinney made a motion to approve the Minutes of the Regular Board Meeting of July 17, 2025 as presented.

Second: Mimi Petro

Action: Approved 5-0.

3rd Item: 139 E. Toole Ave Bond Financing - Possible Action

Zeke Gebrekidane from Desert Modern Developers presented a proposed hotel and parking garage development in downtown Tucson. He shared project details and discussed potential financing structures with the Board.

The Board held a discussion regarding the possibility of tax-exempt financing for the project. It was noted that Rio Nuevo may be involved to access the tax-exempt financing and the Board considered providing preliminary approval for the project to move forward under these conditions.

Motion: Tim Kinney made a motion that the board direct staff and/or counsel to draft and finalize a resolution indicating the Board's preliminary intention to issue bonds for the project (or other declaration of intent) and authorizing the CEO or other officer to execute such resolutions.

Second: Moniqua Lane

Action: Approved 6-0.

4th Item: Collection Actions for Avenue Boutique LLC - Possible Action

The Tucson IDA provided \$40,000 to support a loan for Avenue Boutique. The borrower has been delinquent for over a year and currently owes \$15,604.09. The Board received a report outlining the collection steps taken to date by the Tucson IDA's loan and servicing partner, Arizona Capital Source, and the potential for additional collection actions. Following discussion, the Board voted to direct its servicing partner or counsel to take legal action against the borrower.

Motion: Tim Kinney moved to file another notice of default and trustee sale.

Second: Meredith Aronson

Action: Approved 6-0.

5th Item: Capitalization of PTHS Advantage - Possible Action

The Board will hear information about the PTHS Advantage program, which currently needs recapitalization to continue its downpayment assistance program.

The PTHS Advantage Program provides downpayment second loans to homebuyers, structured as a 30-year product. While the loans are forgivable at maturity, the IDA experiences multiple revenue events over the life of the loan.

Since inception, the IDAs jointly have invested approximately \$1.4 million to fund 335 loans, generating more than \$2.8 million in total second loan volume for homebuyers.

The Board discussed the PTHS Advantage Program and based on such discussion voted to recapitalize the downpayment assistance program and authorize staff to take actions necessary to continue the program.

Motion: Moniqua Lane moved to recapitalize the PTHS Advantage Program not to exceed \$250,000 which will be matched by PIMA IDA.

Second: Mimi Petro

Action: Approved 6-0.

6th Item: Organizational Updates - No Action

The staff provided a comprehensive organizational update, including a review of the financial Position of Tucson IDA.

Financial Overview: The income for July totaled \$74,115 compared to the budget amount of \$176.2873. Tucson IDA currently has \$491,299 in cash on hand representing 4.1 months of operating reserves. The current investment balance stands at \$4 million.

Arizona Is Home: The Arizona Is Home program launched on August 4, 2025, offering \$9,000 in down payment assistance along with access to the lowest available interest rates to help make homeownership more attainable for Pima County residents. Since launch, the program has received \$135,000 in reservations, supporting 16 homebuyers. As of August 20, 2025, \$540,000 remains available in program funding.

Building update: Construction of the Tucson Small Business Center is progressing on schedule with completion is anticipated by the end of August. Plans are underway for a grand opening celebration for October 9, 2025 at 4:00 p.m.

Bond Pipeline: Staff reported that *Tucson House* is currently targeting a closing date in October 2026, in addition, staff anticipates presenting a \$30 million taxable bond to the Board in September for review and possible preliminary approval.

Study Session: Middle Housing/Infill Development.

Jim Heid's book promotes small, incremental infill projects as a smart growth approach to placemaking and economic resilience, aligning with the Tucson IDA's mission to foster community vitality by financing development that supports a thriving Tucson. Barriers, risk and challenges were analyzed.

Groundswell Capital: secured \$500,000 in Small Business Grants from Rio Nuevo. Applications are anticipated to open in September 2025. Groundswell Capital is also exploring a Small Business Grant Program, supported by a potential \$162,000 grant from Ward 5. Additionally, Groundswell received \$250,000 from the City of Tucson's Municipal Investment Fund to support clean energy marketing efforts, and another \$250,000 from the Coalition for Green Capital to build capacity and provide technical assistance for their \$10 million loan program. Groundswell was approved as an SBA Microlender; however, SBA funds are currently frozen. If funds become available, Tucson IDA may need to decide on co-signing loans with Groundswell, as required by the approval terms.

7th Item: Call to Public

None.

8th Item: Adjourn

Motion: Tim Kinney moved to Adjourn at 5:02 p.m.

Second: Moniqua Lane

Action: Approved 6-0

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.