

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF SIERRA VISTA
SPECIAL MEETING MINTUES**

May 26, 2023

4:45 pm

1700 S. Highway 92, Suite E100, Sierra Vista, Arizona

Join Zoom Meeting

<https://us06web.zoom.us/j/7722302818?pwd=bEE3UFZaTVZickxKQ0JoUDI5QWZmQT09>

Meeting ID: 772 230 2818

Passcode: 3fGrwh

1. Call to Order

Demetry Simonton, President, called the Special Meeting to order at 4:52 p.m.

Roll Call –

Present were Demetry Simonton-President, Larry Goodhue-Vice President, Johanna Scott-Secretary, Brandy Kea-Robinson-Treasurer, Stephen Peterson-Member
Frank Moro-Consultant, Michael Slania-Counsel, Paula Permenter-San Tan Montessori Advisor with Choice Advisors, Kris Sippel-San Tan Montessori Charter School President, Stacey Loucks-FWPC
Not present was Adrienne Weiss-Member

A quorum of current Board Members was established.

2. Approval of Agenda

Larry Goodhue motioned to approve the agenda as written, Johanna Scott seconded, the motion carried 5-0.

3. Approval of Minutes from February 16, 2023, meeting

Larry Goodhue motioned to approve the minutes as written from the meeting of February 15, 2023, Johanna Scott seconded, the motion carried 5-0.

4. Treasurer's Report

Due to time constraints, Frank Moro presented a brief summary of the IDA financials, with a detailed discussion tabled for the next meeting.

5. New Business

- A. Consideration of approval for a resolution authorizing the issuance of its revenue refunding obligations (San Tan Montessori School Project), Series 2023, in an amount of not to exceed \$18,000,000 (the "Series 2023 Obligations"); authorizing the execution and delivery of an indenture of trust, a loan agreement and an obligation purchase agreement; approving the terms of those documents and any related documents to be executed and delivered by the IDA; ratifying their certain actions heretofore taken in connection with the Series 2023 Obligations; and authorizing other actions necessary in connection with the issuance of the Series 2023 Obligations.

Counsel, Michael Slania, explained this obligation is considered loan obligations because these will not be publicly offered, but privately purchased by a bank that desires to take these in as a loan on their records. There is still an obligation that will remain outstanding at the Pima IDA level, with a custody agreement so that the security for the new obligation and the old bonds will all be on parody and shared. These are considered "Cinderella Bonds", which will be taxable obligations at closing, but upon redemption/maturity of the old bonds in November 2023, bond counsel can issue an opinion converting these to federally tax-exempt obligations. The goal is to save the school approximately \$350,000 per year on the schools' current obligations. Paula Permenter, financial advisor for the school and Kris Sippel President of the school were available for questions.

Stephen Petersen inquired if this revenue refunding will save money on all three prior bond obligations, Michael Slania explained it is for the 2014 and 2015 obligations, the 2017 obligations will remain in place for now.

Brandy Kea-Robinson inquired as to the position of the IDA if this should default. Mr. Slania explained that the IDA, the City, and the State have absolutely no obligation to make payments- there is no financial risk. The fee for issuance of the bonds will be paid annually to the IDA for the term of the obligations, scope of issue would determine if the IDA gets fees in the case of default, and the IDA would be in second position. Paula Permenter shared that these obligations have been lined up for a late 2027/early 2028 call date.

Stephen Peterson motioned to approve the resolution authorizing the issuance of its revenue refunding obligation for San Tan Montessori School Project, Series 2023, Brandy Kea-Robinson seconded, the motion carried 5-0.

- B. Information for the consideration of approval of a resolution authorizing the issuance of its tax-exempt and/or taxable Education Facility Revenue Bonds (American Leadership Academy Project), Series 2023.

Mr. Slania informed the IDA that the American Leadership Academy has not yet submitted an application due to the final amount being undetermined as of this date. The ALA is discussing expansion at 2 locations, plus potentially refinancing an existing obligation. The original amount for consideration was \$150 million but could increase to \$180 million. The ALA would like time for further discussion before submitting for IDA approval in mid-June and City of Sierra Vista approval at the June 22, 2023, City Council meeting. The floor was open for questions and comments, no further discussion ensued.

6. Old Business

- A. Consideration of a resolution regarding a Third Amendment of the Trust Indenture relating to the previously issued Georgetown Community Development Authority Project Revenue Bonds Series 2021 and 2022 of the IDA.

Mr. Slania advised that due to the City of Seattle's requirement for wider alleys for the fire department fire truck access, it is necessary for the Georgetown Project to release a small amount of its property to the City for this alley widening project. This will not be allowed as an easement; a small portion of property must be deeded to the City. Because the IDA controls the collateral, their consent is required for release.

Larry Goodhue motioned to approve the third amendment of the Trust Indenture related to the Georgetown Community Development Authority Project, Brandy Kea-Robinson seconded, the motion carried 5-0.

- B. Incubator Project with University of Arizona, City of Sierra Vista, and Chamber Foundation.

Demetry Simonton shared that the incubator project is up and running, and marketing campaigns have begun.

- C. Authorized signatures on IDA accounts.

Brandy Kea-Robinson has been added to the IDA accounts, and Larry Goodhue this coming week.

7. Call to Public

None

8. Time and date of next meeting

To be announced

9. Adjournment

Demetry Simonton, President, adjourned the meeting at 5:17pm.

APPROVED:

