

Florence Industrial Development Authority

Special Meeting Minutes

Thursday, July 18th, 2013 at 9:00 A.M.
 Holiday Inn Express Hotel & Suites, Board Room
 240 W. Highway #287
 Florence, AZ 85132



1. Call to Order

President Villaverde called the meeting to order at 9:00 AM.

2. Attendance

IDA Board of Directors

Director Villaverde	<u>Present</u>	Director Celaya	<u>Present</u>
Director Padilla	<u>Present</u>	Director Kelly	<u>Present</u>
Director Cox	<u>Absent</u>	Director Schraufnagel	<u>Present</u>
		Director Hughes	<u>Present</u>

Town of Florence Council and Staff Liaisons

Vice Mayor Tom Smith	<u>Absent</u>	Councilman Bill Hawkins	<u>Absent</u>
Scott Bowles	<u>Present</u>		

Guests via conference call for Items 3A & 3B: William Wilder & John Fries (Ryley Carlock & Applewhite); Brigitte Finley Green (Greenberg Traurig, LLP); Sandy Breece & Mario Biasiucci (Telesis); Terry Warren (Warren Charter Law, PLC); and Jay Hromatka & Nick Hagen (Piper Jaffray & Co).

Present at the meeting was Jared Bartlet (RZN8 Media).

3. Business

A. CONSIDERATION AND ACTION AS DETERMINED REGARDING ADOPTION OF A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST AND A FIRST AMENDMENT TO LOAN AGREEMENT RELATING TO THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE TOWN OF FLORENCE, INC. EDUCATION REVENUE BONDS (SCOTTSDALE PREPARATORY ACADEMY PROJECT), SERIES 2010; AND RELATED MATTERS.

Director Padilla moved, with a second by Director Celaya, to adopt the resolution as read in Item 3A. Motion carried 6—0.

B. CONSIDERATION AND ACTION AS DETERMINED REGARDING ADOPTION OF AN INDUCEMENT RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE TOWN OF FLORENCE, INC. GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE OF ONE OR MORE SERIES OF THE AUTHORITY'S TAX-EXEMPT AND/OR TAXABLE EDUCATION REVENUE BONDS (TELESIS CENTER FOR LEARNING, INC. PROJECT), SERIES 2013, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000 TO FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION, IMPROVEMENT AND EQUIPPING OF CHARTER SCHOOL FACILITIES.

Director Kelly moved, with a second by Director Padilla, to adopt the resolution as read in Item 3B. Motion carried 6—0. It was noted that the IDA would meet August 19, 2013, to adopt the final approval of the resolution.

C. CONSIDERATION AND ACTION AS DETERMINED REGARDING ADOPTION OF MEETING MINUTES OF 6/27/2013.

Director Kelly moved, with a second by Director Celaya, to adopt the meeting minutes of 6/27/2013 as submitted. Motion carried 6—0.

D. CONSIDERATION AND ACTION AS DETERMINED REGARDING FINANCIAL REPORTS.

Director Padilla noted that the financial reports reflect the same exact figures as the fiscal 2012-13 reported at the previous meeting.

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E. FOLLOW-UP: CONSIDERATION AND ACTION AS DETERMINED REGARDING PURSUING A REVOLVING LOAN PROGRAM THROUGH MICROBUSINESS ADVANCEMENT CENTER.

At the previous business meeting, a committee of Director Cox and Director Padilla was formed to review the possibility with Scott Bowles, who had all the documentation and example files at his office since the Town had looked into the same idea well before it was presented to the IDA (the Town determined they did not want to pursue this program back then). Director Cox was still on vacation when Director Padilla and Scott met at Town Hall. After going over the documentation and reviewing the software (actually, a series of MS Excel workbook documents with many worksheets within), both Scott and Director Padilla decided that it was not in the best interest of the IDA, at this time, to proceed any further due to the complications with the administration and the amount of money needed to successfully operate such a program.

Director Schraufnagel asked a series of good questions regarding how the IDA made money and what other kinds of ways had it made money in the past. President Villaverde briefly explained the history of how the IDA was formed and where the original money came from as well as reporting that our IDA was the 5th ranking IDA (bonding \$\$) in the state, with Maricopa County, Pima County, City of Phoenix and City of Tucson IDA's doing more. Director Padilla explained how the IDA makes money from bonding applications and annual bonding administration fees. Also, he explained that the IDA is formed to become merely a bonding conduit, unlike many organizations that have various methods of raising funds.

No official action was taken at that time though it appeared the idea of the revolving loan program was dead.

F. FOLLOW-UP: CONSIDERATION AND ACTION AS DETERMINED REGARDING ALLOCATION OF FUNDS TO THE TOWN OF FLORENCE FOR THE CREATION AND DISTRIBUTION OF MARKETING MATERIALS TO PROMOTE ECONOMIC DEVELOPMENT ACTIVITY.

Directors Hughes and Padilla gave a status report of the activity of the committee with regard to approaching the owners (Kasha's) of Pinal Food Market and working with them to determine what kind of help the IDA could provide for the exterior of the buildings. They also stated the owners were certainly open to suggestions and willing to work with the IDA. Director Padilla said that he felt the IDA should pursue this on its own.

At this point there was confusion as to which agenda item was being discussed and it transitioned to Scott Bowles explaining that he had discussed this with the Town Manager. The Town Manager was appreciative of the IDA wanting to fund the creation and distribution of marketing materials but felt he'd like the Town's commitment to be put on the backburner for now. Scott and Director Padilla explained that they felt the IDA could still advance the development of the marketing materials by working on a tourism piece. Jared Bartlett was introduced and he explained how this could work and what he could do to facilitate the process and provide his professional services. He also explained that he had worked with another group of business people and the Town to develop the new marketing brochure which was received extremely well.

President Villaverde asked about the possible costs and Jared said that his work and services could be covered with \$11,200 and then some printing/assembly of the final product would have some later costs when ready.

Director Hughes moved, with a second by Director Padilla, to engage Jared Bartlett for \$11,200 to do the work and to also provide funds for printing fees to be determined for the final product. The motion carried 6—0. A committee of Directors Hughes, Schraufnagel and Padilla was formed.

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G. FOLLOW-UP: CONSIDERATION AND ACTION AS DETERMINED REGARDING DONATION TO FUTURE FORWARD FOUNDATION.

Scott Bowles reported that he had talked to Lina Austin of FFF regarding the IDA's pending donation and she explained that with the new classification as 501c3, FFF was moving away from the way they would be able to accept donations mostly due to how much more complicated their reporting of how the funds were used for what projects and for which groups of people (extreme poverty, charitable giving, etc). She also stated that the FFF was moving more towards working with groups like Habitat for Humanity and so it would be very complicated as to how to use funds for a specific use, such as our condition to use our pending donation for the Pinal Food Market exterior rehab.

At this point the discussion turned to what to do with the IDA's intent to help the Pinal Food Market and how to proceed. Scott and Director's Hughes and Padilla explained the various things they became aware of during their initial meeting with the Kasha's (owners/proprietors of the market). They discussed meeting again with them ASAP and developing ideas regarding painting, landscaping, lighting, etc. President Villaverde reminded Directors Hughes and Padilla that they would continue to meet with Scott regarding this development.

H. CONSIDERATION AND ACTION AS DETERMINED REGARDING RELEASE OF LIEN AGAINST SCHRODT PROPERTY.

President Villaverde explained the history of this issue which has existed for some 26 years. Director Padilla moved, with a second by Director Celaya, to allow President Villaverde to release the lien against the Schrodt property. Motion carried 6—0.

I. CONSIDERATION AND ACTION AS DETERMINED REGARDING DISPOSITION OF LVH ROOFING CONSTRUCTION CD FUNDS.

President Villaverde explained the history of this issue which expired last December (2012). The IDA held back final payment on a roofing job performed by LVH. The application of a roofing substance was done correctly but the workers who performed the application were not certified to do so. The IDA then held the final payment of \$3900 in a CD at the local bank in case there would need to be a repair to the work. The work held out during the 10 years and now the IDA would like to return the original \$3900 back to LVH Roofing and transfer the interest earned into the regular business checking account. Director Padilla moved, with a second by Director Hughes, to allow President Villaverde to forward the \$3900 to LVH and keep the accrued interest. Motion carried 6—0.

4. Call to the Board

Nothing to report.

5. Call to the Public

Jared Bartlett offered his thanks to the IDA for choosing to commit to using his media design and photography services.

6. Adjournment

With no further business before the board, President Villaverde called the meeting adjourned at 10:07 AM.