



## **2019 Industrial Development Authority Minutes**

### **Regular Meetings**

February 12, 2019

April 9, 2019

June 11, 2019 (not available yet)

July 9, 2019 (not available yet)

August 13, 2019 (not available yet)

September 10, 2019 (not available yet)

October 8, 2019

November 12, 2019 (not available yet)

December 10, 2019

These minutes are fully searchable within this year by using the “Find Feature”.

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE  
CITY OF CHANDLER, ARIZONA  
Tuesday, February 12, 2019 – 7:30 a.m.**

A REGULAR meeting of the Board of Directors of The Industrial Development Authority of the City of Chandler, Arizona (the "Authority" or "IDA"), was held on **Tuesday, February 12, 2019, at 7:30 a.m.** in the City of Chandler, City Council Conference Room, 88 E. Chicago St., Chandler, Arizona.

**1. CALL TO ORDER / ROLL CALL**

President Victor Napolitano called the meeting to order at 7:30 a.m. Other Directors present were, Kurt Johansen, Shannon Wilson, and Lee Kroll (Telephonically). Ed Salanga, Hunter Pace and William Nolde were absent. Also present were Dawn Lang, City of Chandler Management Services Director, Tracy Schmidt, City of Chandler Accounting Supervisor, Lucy Vazquez, City of Chandler Management Assistant, and Kelly Schwab, City of Chandler City Attorney.

**2. APPROVAL OF MINUTES**

- a. Mr. Wilson moved to approve the December 11, 2018, minutes. Mr. Johansen seconded the motion. The motion was approved.

**3. SCHEDULED/UNSCHEDULED PUBLIC APPEARANCES/CALL TO PUBLIC**

- a. Intel Bond Counsel: Tim Pickrell and Intel Government Affairs Manager: Jason Bagley
- b. City of Chandler Bond Counsel, Gust Rosenfeld: Jim Giel

**4. TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) HEARING**

- a. President Victor Napolitano called the Public Hearing to order at 7:51 a.m. regarding a plan of finance for the Authority to issue not to exceed \$750,000,000 aggregate principal amount in bonds in one or more series, with the proceeds loaned to and used by Intel Corporation for certain capital expenditures for sewage and solid waste disposal facilities at its manufacturing plants located in Chandler, Arizona, and read a statement. Members of the public were invited to comment. President Napolitano asked that the minutes of this hearing reflect that no one appeared at this hearing to comment and no written comments were submitted to the Authority's counsel as of this hearing. The Public Hearing was adjourned at 7:52 a.m.

**5. ACTION AGENDA**

- a. Election of Secretary: Mr. Wilson nominated Kurt Johansen to serve as Secretary. Mr. Kroll seconded. Motion passed unanimously.
- b. Mr. Johansen moved to approve Resolution 2019-01 and Mr. Wilson Seconded. Motion passed for adoption of Resolution 2019-01 granting final approval of the issuance and sale of not exceeding \$500,000,000 aggregate principal amount of Industrial Development Revenue Bonds (Intel Corporation Project) pursuant to a plan of finance, with the proceeds loaned to Intel Corporation for certain capital expenditures for sewage and solid waste disposal facilities at its manufacturing plants located in Chandler, Arizona.

**6. BRIEFING ITEMS**

- a. November and December 2018 Financials: Ms. Schmidt reported that the Statement of Net Position for November 2018 had Cash in Bank balance of \$16K and Investments of \$850K, and ending fund balance of \$866K. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending November 30, 2018, there were settlement bank charges of \$8 and Investment Income of \$936. A total Net Change in fund balance for the month ending in November 30, 2018 was -\$26K. For the month of December 2019 the Statement of Net Position for December 31, 2018 had Cash in Bank balance of \$16K and Investments of \$852K, and ending fund balance of \$868K. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending December 31, 2018, there were settlement bank charges of \$15 and Investment Income of \$1,843. A total Net Change in fund balance for the month ending in December 31, 2018 was -\$24K.

**7. ANNOUNCEMENTS**

- a. Ms. Lang mentioned that Resolution No. 5241, asking City Council to approve the issuance of Industrial Development Revenue Bonds (Intel Corporation Project) of the Chandler IDA in an aggregate principal amount not to exceed \$500,000,000, was presented as an action item at the City Council study session the night prior. Council member Orlando did request a brief presentation on the item and there was discussion regarding the IDA's support and approval of the application and the fact that City Council's approval of Resolution No. 5241 did not place any financial obligation on the City. Jason Bagley talked about the project, Intel and its impacts in the community. She thanked both Jason Bagley and Tim Pickrell for attending the Council meeting and announced that this item will be on the City Council agenda for final approval on Thursday.

**8. CALENDAR**

- a. The next scheduled meeting will be held Tuesday, March 12, 2019.

**9. INFORMATIONAL ITEMS**

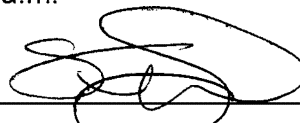
- a. Ms. Vazquez presented a "Thank You Plaque" that Gangplank created with the laser tool system that was funded by the IDA grant. Gangplank will soon provide a report that will illustrate receipts and impacts to the community.

**10. ADJOURNMENT**

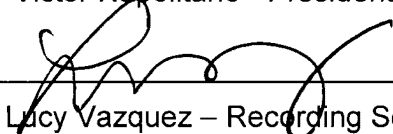
Mr. Napolitano adjourned the meeting at 8:00 a.m.



Victor Napolitano - President



Shannon Wilson - Vice President



Lucy Vazquez - Recording Secretary  
City of Chandler, Management Assistant

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE  
CITY OF CHANDLER, ARIZONA  
Tuesday, April 9, 2019 – 7:30 a.m.**

A REGULAR meeting of the Board of Directors of The Industrial Development Authority of the City of Chandler, Arizona (the "Authority" or "IDA"), was held on **Tuesday, April 9, 2019, at 7:30 a.m.** in the City Hall 3<sup>rd</sup> Floor Conference Room, 175 S. Arizona Avenue, Chandler, Arizona.

**1. CALL TO ORDER / ROLL CALL**

President Victor Napolitano called the meeting to order at 7:30 a.m. Other Directors present were, Kurt Johansen, Shannon Wilson, Ed Salanga, William Nolde, and Lee Kroll. Hunter Pace was absent. Also present were Dawn Lang, City of Chandler Management Services Director, Kristi Smith, Accounting Manager, Lucy Vazquez, City of Chandler Management Assistant, and Kelly Schwab, City of Chandler City Attorney.

**2. APPROVAL OF MINUTES**

- a. Mr. Johansen moved to approve the February 12, 2019, minutes. Mr. Nolde seconded the motion. The motion was approved.

**3. SCHEDULED/UNSCHEDULED PUBLIC APPEARANCES/CALL TO PUBLIC**

- a. None.

**4. BRIEFING ITEMS**

- a. Ms. Lang introduced our new Accounting Manager, Kristi Smith.
- b. January and February 2019 Financials: Ms. Smith reported that the Statement of Net Position for January 2019 had Cash in Bank balance of \$76K and Investments of \$853K, and ending fund balance of \$929K. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending January 31, 2019, received annual admin fees from Intel just over the amount of \$60K, and settlement bank charges of \$14 and investment income of - \$1,713. A total Net Change in fund balance for the month ending in January 31, 2019 was \$62K. For the month of February 2019, the Statement of Net Position had Cash in Bank balance of \$76K and Investments of \$855K, and ending fund balance of \$931K. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending February 28, 2019, had no revenues or expenses, and Investment Income of \$1,562. A total Net Change in fund balance for the month ending in February 28, 2019 was \$1,562.

**5. ACTION AGENDA**

- a. None.

**6. ANNOUNCEMENTS**

**7. CALENDAR**

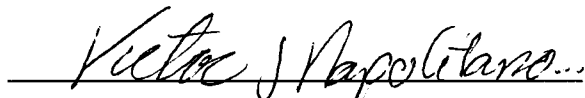
- a. The next scheduled meeting will be held Tuesday, May 14, 2019.

**8. INFORMATIONAL ITEMS**

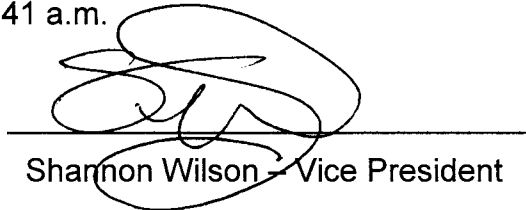
- a. Ms. Lang provided an updated on Industrial Development Revenue Bonds (Intel Corporation Project). Intel delayed the sale of the \$500M in bonds, but they did sale the State of Oregon bonds at \$150M. They are planning on going out to market again the end of April beginning of May and hopefully will have a successful bond sale at that time.

**9. ADJOURNMENT**

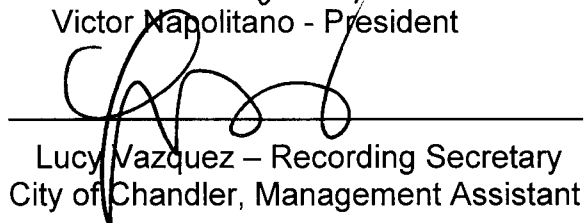
Mr. Napolitano adjourned the meeting at 7:41 a.m.



Victor Napolitano - President



Shannon Wilson - Vice President



Lucy Vazquez - Recording Secretary  
City of Chandler, Management Assistant

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE  
CITY OF CHANDLER, ARIZONA  
Tuesday, October 8, 2019 – 7:30 a.m.**

A REGULAR meeting of the Board of Directors of The Industrial Development Authority of the City of Chandler, Arizona (the "Authority" or "IDA"), was held on **Tuesday, October 8, 2019, at 7:30 a.m.** in the City of Chandler, City Council Conference Room, 88 E. Chicago St., Chandler, Arizona.

**1. CALL TO ORDER / ROLL CALL**

President Victor Napolitano called the meeting to order at 7:30 a.m. Other Directors present were, Kurt Johansen, Shannon Wilson, William Nolde and Lee Kroll. Ed Salanga and Hunter were absent. Also present were Dawn Lang, City of Chandler Management Services Director, Kristi Smith, City of Chandler Accounting Manager, Lucy Vazquez, City of Chandler Management Assistant, Teresa Canjar, City of Chandler Management Assistant and Kelly Schwab, City of Chandler City Attorney.

**2. APPROVAL OF MINUTES**

- a. Mr. Nolde moved to approve the June 11, 2019, minutes. Mr. Wilson seconded the motion. The motion was approved.

**3. SCHEDULED/UNSCHEDULED PUBLIC APPEARANCES/CALL TO PUBLIC**

- a. None.

**4. BRIEFING ITEMS**

- a. May through August 2019 Financials: Ms. Smith reported that the Statement of Net Position for May 31, 2019 had Cash in Bank balance of \$76K and Investments of \$860K, with an ending Fund Balance of \$936K. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending May 31, 2019 included investment income of \$1,970. Total Net Change in Net Position for the 11 months ending in May 31, 2019 of \$44K. June 30, 2019, the Statement of Net Position had Cash in Bank balance of \$76K and Accounts Receivable for \$2K from Tri-City Baptist Church, 2012 A and B issues. Investments of \$862K, and ending Net Position of \$940K. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending June 30, 2019, had the \$2K of Administrative Fees anticipated to be collected and Investment Income of \$1,868 and a total Net Change in Net Position for the year ending June 30, 2019 of \$48K. Statement of Net Position for July 31, 2019 had Cash in Bank balance of \$78K and Investments of \$864K, with an ending Net Position of \$942K. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending July 31, 2019 included

investment income of \$1,882 and the amount is same for the Total Net Change in Fund Balance since it's the first month reported. Lastly, the Statement of Net Position for August 30, 2019 had Cash in Bank balance of \$78K and Investments of \$866K, Accounts Payable of \$10 with an ending Net Position of \$944K. The Accounts Payable was recorded for the Annual Corporate Commission Report and ending Net Position of \$944K. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending August 30, 2019 included the \$10 fee and investment income of \$1,878. The Total Net Change in Net Position for the cumulative months is \$3,750.

- b. IRS Form 990 Fiscal Year ending June 30, 2019: Ms. Smith advised the board the following IRS 990 form and Schedule I indicating the grant provided to Gangplank were signed and submitted to the IRS.
- c. Corporation Commission Annual Report: Ms. Smith advised the board the Corporation Commission Annual Report was filed and paid for. The \$10 filing fee was expensed in the August financials.
- d. Briefing by Danny Seiden of Intel Corporation and Timothy Pickrell of Squire Patton Boggs (US) LLP, regarding supplement to application requesting and resolution granting preliminary approval of not to exceed \$500,000,000 of revenue bonds of the Authority to finance components of Intel's ongoing expansion in Chandler which qualify for tax-exempt financing: Mr. Pickrell introduced Mr. Seiden as Intel's representative in replacement of Jason Bagley. He explained the history of Intel and its bond history and relationship it has with the IDA. He further explained that under the Federal Rule, at year end anything left of the state's volume cap could be carried forward to a future year. Mr. Prickrell mentioned that Intel continues to identify more qualifying costs such as wastewater and solid waste disposal. In order for Intel to and get an allocation of volume cap, they will need another preliminary approval of \$500,000,000. This does not commit the IDA to do any transactions; Intel would have to come back with final terms and a financing plan. The request would require City Council to approve the issues as Intel is interested in issuing in 2020.

Mr. Seiden gave some historical background on Intel in Chandler. He mentioned there has been a great partnership with the City and Intel will continue to grow for that reason. Fab 42 has been in the works and Intel is continually finding new ways to be better and become efficient at manufacturing. They currently have over eleven thousand employees and foresee three thousand more full time jobs with an average salary of \$150k. That is also not including the six-plus thousand contract employees. He mentioned that the largest manufacturing company-building project in the country is here in Chandler. Intel has put in over \$1 billion into local business and vendors just this past year alone. They

are also working with the City on widening streets and on traffic issues that come in from neighbors.

**5. ACTION AGENDA**

- a. Discuss and consider approval of supplement to application requesting and resolution granting preliminary approval of not to exceed \$500,000,000 of revenue bonds of the Authority to finance components of the Company's ongoing expansion in Chandler which qualify for tax-exempt financing. Mr. Kroll moved to approve and Mr. Wilson seconded the motion. The motion was approved.

**6. ANNOUNCEMENTS**

- a. None.

**7. CALENDAR**

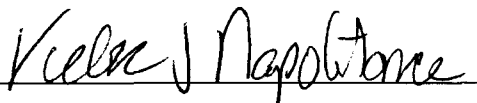
- a. The next scheduled meeting will be held Tuesday, November 12, 2019.

**8. INFORMATIONAL ITEMS**

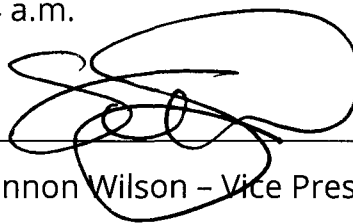
- a. None.

**9. ADJOURNMENT**

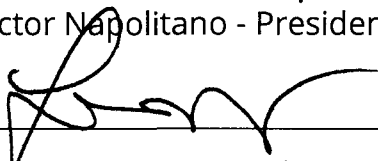
Mr. Napolitano adjourned the meeting at 7:54 a.m.



Victor Napolitano - President



Shannon Wilson - Vice President



Lucy Vazquez - Recording Secretary  
City of Chandler, Management Assistant



**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE  
CITY OF CHANDLER, ARIZONA  
Tuesday, December 10, 2019 at 7:30 a.m.**

A REGULAR meeting of the Board of Directors of The Industrial Development Authority of the City of Chandler, Arizona (the "Authority" or "IDA"), was held on **Tuesday, December 10, 2019, at 7:30 a.m.** in the City of Chandler, City Council Conference Room, 88 E. Chicago St., Chandler, Arizona.

**1. CALL TO ORDER / ROLL CALL**

President Victor Napolitano called the meeting to order at 7:30 a.m. Other Directors present were, Kurt Johansen, Shannon Wilson, Lee Kroll and Ed Salanga. Hunter Pace and William Nolde were absent. Also present were Dawn Lang, City of Chandler Management Services Director, Kristi Smith, City of Chandler Accounting Manager, Lucy Vazquez, City of Chandler Management Assistant, Kelly Schwab, City of Chandler City Attorney, Cori Garcia, City of Chandler Mayor and Council Communications Manager and City of Chandler Mayor, Kevin Hartke

**2. APPROVAL OF MINUTES**

- a. Mr. Salanga abstained, as he was not present at the October 8, 2019 meeting. Mr. Wilson moved to approve the October 8, 2019, minutes. Mr. Kroll seconded the motion. The motion was approved.

**3. SCHEDULED/UNSCHEDULED PUBLIC APPEARANCES/CALL TO PUBLIC**

- a. None.

**4. BRIEFING ITEMS**

- a. Mayor Hartke – State of the City Announcement & Strategic Framework: Mayor Hartke thanked the board members for their willingness to serve on the IDA board. He briefly explained how the City of Chandler is thriving on technology and innovation. There has been a significant amount of strategic planning for build-outs and infill projects. He mentioned that the City of Chandler has been named the ninth safest city in the United States and it all has to do with the commitment from staff and boards in place. He invited all board members to attend the Boards and Commissions Acknowledgment ceremony at his second State of the City Address, February 20, 2020.
- b. September and October 2019 Financials: Ms. Smith reported that the Statement of Net Position for September 30, 2019 had Cash in Bank balance of \$78,163 and Investments of \$867,829, with total Assets of \$945,992. The Statement of Revenues, Expenditures, and

Changes in Net Position for the month ending September 30, 2019 included investment income of \$1,648. Total Net Change in Net Position for the three months ended had the Annual Corporation fee of \$10 and cumulative Investment Income of \$5,408 totaling \$5,398. As of October 31, 2019, the Statement of Net Position had Cash in Bank balance of \$78,163 and Investments of \$869,507, for total Assets of \$947,669. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending October 31, 2019 has Investment Income of \$1,677. A cumulative effect for the four month ended October 31, 2019, had Investment Income of \$7,085 with a total Net Change in Net Position of \$7,075 that coincides with the Year to Date Change in Net Position on the previous page.

- c. Review of Articles of Incorporation, Article III, No. 4 – regarding interest to expand language from Chandler to businesses located or headquartered in Chandler: President Napolitano mentioned the concept of this change is to create opportunities for the IDA. Chandler headquartered businesses have projects outside of Chandler City limits. He stated that one particular project he has in mind has a campus in Tempe and if they were to exclude the Tempe campus refunding, the Chandler IDA would lose an opportunity to the Maricopa IDA because they are able to do project in Chandler City limits and in adjacent communities. The goal would be to work with local business for example Skyline Education, which is a charter school operator that has multiple schools and one of campuses located in Uptown Chandler. He believes it would create more opportunities for the Chandler IDA.

Mr. Salanga mentioned that when he was looking at the agenda he was wondering if adding language was even necessary as he reads into the language something that would not prohibit what Mr. Napolitano is referring to. However, he thinks that if it is necessary to make the language clear then he agrees to it. He also mentioned that the City of Phoenix IDA and others appear to have interpreted their own powers to be quite similar and expansive. He agrees to adding the language for clarification purposes as well.

## 5. ACTION AGENDA

- a. Discuss and consider approval of language amendment of Articles of Incorporation, Article III, No. 4 to read - To assist, financially and otherwise, in the rehabilitation, expansion and development of all kinds of businesses and industries **located or headquartered** in Chandler, Arizona, which will reduce pollution, promote and assure job opportunities and promote and assure an improved standard of living and an increase in prosperity and health. President Napolitano read the amended language into the record and asked for a motion. Mr. Salanga moved to approve the amended language of Articles

of Incorporation, Article III, No. 4 and Mr. Wilson seconded the motion. Motion was approved.

**6. MEMBER COMMENTS / ANNOUNCEMENTS**

a. None.

**7. CALENDAR**

a. The next scheduled meeting will be held Tuesday, January 14, 2020.

**8. INFORMATIONAL ITEMS**

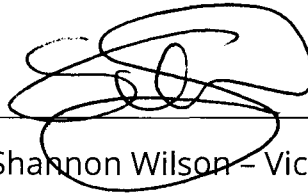
a. None.

**9. ADJOURNMENT**

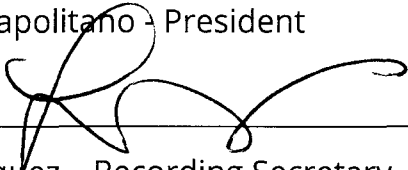
Mr. Napolitano adjourned the meeting at 7:45 a.m.



Victor Napolitano - President



Shannon Wilson - Vice President



Lucy Vazquez - Recording Secretary  
City of Chandler, Management Assistant