



2020 Industrial Development Authority Minutes

Regular Meetings

February 11, 2020

May 12, 2020

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 11, 2020 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, February 11, 2020, 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 William Nolde. Lee Kroll, Ed Salanga and Hunter Pace 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, James Giel, City of Chandler Bond Counsel (Gust Rosenfeld), Intel Bond Counsel, Tim Pickrell, and Intel Government Affairs Manager, Danny Seiden.

2. APPROVAL OF MINUTES

a. Mr. Wilson moved to approve the December 10, 2019, minutes. Mr. Johansen seconded the motion. The motion was approved.

3. SCHEDULED/UNSCHEDULED PUBLIC APPEARANCES/CALL TO PUBLIC

a. None.

4. BRIEFING ITEMS

a. Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing: 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.

President Napolitano opened up the TEFRA Hearing at 7:31 a.m. Members of the public were invited to comment. President Napolitano asked that the minutes of this hearing to reflect that no one appeared at this hearing to comment and no written comments were submitted to the Authority's or Intel's counsel as of this hearing day. The Public Hearing adjourned at 7:33 a.m.

Minutes of the Chandler Industrial Development Authority Regular Meeting

February 11, 2020

Page 2 of 7

President Napolitano then moved to Action Agenda Item a. to allow Intel representatives the option to depart after their item. After discussion and action, the meeting continued with Briefing Item b.

- b. November and December 2019 Financials: Ms. Smith reported that the Statement of Net Position for November 30, 2019 had Cash in Bank balance of \$78,163 and Investments of \$870,715, with total Assets of \$940,325. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ending November 30, 2019 included investment income of \$1,656. Total Net Change in Net Position for the five months ended November 30, 2019 had the Annual Corporation fee of \$10 and Investment Income of \$8,741 providing a Net Change totaling \$8,731 that agrees with the Year-to-Date Change in Net Position on the previous page. As of December 31, 2019, the Statement of Net Position had Cash in Bank balance of \$78,163 and Investments of \$872,704, for total Assets of \$950,867. The Statement of Revenues, Expenditures, and Changes in Net Position for December 31, 2019 has Investment Income of \$1,542. Total Net Change in Net Position for the six months ended December 31, 2019 had the Annual Corporation fee of \$10 and Investment Income of \$10,283 with a total Net Change in Net Position of \$10,273 that coincides with the Year-to-Date Change in Net Position on the previous page.
- c. Discussion regarding IDA's accumulated funds and plans for potential use; response to Mayor and Council is requested:

Mr. Napolitano explained that historically the IDA has had limited activity, which included the \$30K grant that was issued to Gangplank three years ago.

Ms. Lang mentioned that there was also a grant that was given to the Chamber of Commerce for their building expansion. There have been a few discussions over the years in regards to the use of the idle IDA funds that are generated through bond issue annual fees. The board put together a collateral assistance program that was briefed to City Council in 2013, and there seemed to be momentum at the time and since then the program has been budgeted in the IDA. A few companies have come forward with questions, however only one project came close to utilizing, otherwise no one has used the program. A legal opinion was provided back in 2010 from bond counsel regarding options for spending the accumulated fees, and if the funds can be used for grants, loans, and forgivable loans. It was deemed acceptable as it relates to the IDA's ability to promote economic development. There is almost a million dollars that has accumulated over time and with new bond issues, the fees will continue to grow. The IDA is asked to respond to Mayor and Council on how these fees can be utilized in the future.

Mr. Napolitano mentioned he does not believe there are any current identified projects or applications but all the information Ms. Lang provided would be great to communicate to

Council. In addition, there can be more discussion and ideas the board can bring to the next meeting to talk about ways to promote the program.

Mr. Wilson mentioned getting a good volume of activity has been a challenge since he has been part of the board. There has been discussion over how to generate momentum and the economy has promoted people to look elsewhere or for whatever reason it has never really occurred with this IDA board. The website has all the IDA information published and staff promotes it so not sure what more can be done.

Mr. Johansen mentioned that it could be a publicity issue, as people may not even know the IDA exists. He was present in 2013 when the collateral assistance program was created and believes there is some demand. However, the challenge is twofold; promoting the program more would help, and he also thinks that if it is difficult to obtain or there is not enough return for the people's effort, it can discourage potential users.

Mr. Napolitano mentioned that the challenge is certainly twofold. If it is a small business, it competes against other preferred programs, or certain types of capital projects may create limitations for use of the collateral assistance enhancement.

Mr. Wilson asked that the next meeting should include a refresher of the collateral enhancement program to come up with potential ways to promote it. He suggested promoting it through the Chamber.

Ms. Lang mentioned there are various ways the program can be marketed and it could certainly be a discussion item for next meeting. The legal opinion did mention a couple of opportunities that the IDA has had in the past but one she forgot to mention is the Downtown Chandler Community Partnership. The IDA in 2001 provided a grant to fund quarterly updates and annual presentations of activities. It was more of a marketing tool to promote the downtown and a great example of how the funds can be used. She could certainly speak to Micah Miranda about potentially attending one of the IDA meetings to talk about opportunities and how the funds can be used. She mentioned she will respond to Mayor and Council based on the conversation held at the meeting.

- d. Review Resolution No. 5339 Amending the Articles of Incorporation, Article III, No. 4 – regarding interest to expand eligible applicants from businesses located in Chandler to businesses located or headquartered in Chandler, with clarification of what is meant by headquartered:

Mr. Napolitano explained that the spirit of this Resolution is to create opportunities for the IDA. However, it does not mean that every opportunity that is presented will be approved. An example would be Intel and hypothetically Intel having a project in Tempe. Another example would be a Chandler based organization, profit or non-profit such as a charter school that could potentially have multiple campuses but headquartered in

Chandler. The current Articles do not allow IDA to work on projects in other municipalities for Chandler based organizations.

Mr. Johansen asked if Council is pushing back because the language is vague.

Ms. Lang explained that leading up to the Council meeting, questions regarding the item were asked by a Council member, and the City Manager also wanted more clarification on what is meant by headquartered. The definition of the word headquarter is very open and is defined as the nerve center so it could be any company, LLC, partnership or any business. The spirit of the language is certainly understood by the board but the language really opens it to almost anyone able to do a project as long as there is some connection with the City of Chandler. The concern with the Council Member is that it opens the Chandler IDA up to potentially doing a project and creating jobs in neighboring communities rather than in our community itself. This just raised the question of what the intent is and if this is truly what the board meant. There are many different ways to potentially define the word or add some language as to the time a company has been established in the City of Chandler or how many jobs created etc.

Mr. Napolitano mentioned issuance costs could be on a smaller scale if there is an opportunity to bundle projects together. If a potential applicant does a project in Tempe, most likely they will go through the Tempe IDA or County. The opportunity would be where there is a project being done concurrently with another project using the Chandler IDA; similar to what the City of Phoenix and the Maricopa County IDA do, as they do not have the geographical limitations.

Mr. Giel made it clear that in the hypothetical example of Intel expanding to Tempe, the language would not help, as they are not headquartered in Chandler. He mentioned that when the IDA was formed, the City decided they wanted to handcuff themselves by defining it with the location based in the City of Chandler, Arizona. Which is common for smaller IDA's, but not for the larger IDA's including Maricopa, Pima and Phoenix IDA. The City of Chandler could decide to expand beyond its limits but it has to be clearly defined. For example, noting that a single bond issue could have operations in other jurisdictions including Chandler. This will alleviate someone random having an outlet in Chandler but then creating a big project in Gilbert. In addition, it is also permissible that a Gilbert project may want to concurrently do a project and bond issue in the City of Chandler at the same time. However, it is just a matter of creating language to clearly define the benefits to Chandler as well as the other jurisdictions. He agrees with Dawn the word headquarter is vague.

Mr. Wilson mentioned that potential language could be Chandler-based organization and industries to provide the IDA some flexibility.

Mr. Napolitano mentioned that the Articles mention financial assistance, which is not something they plan on doing.

Mr. Johansen mentioned if the language could mention revenue-based without getting too complicated.

Mr. Napolitano stated it seemed like a simple idea to promote activity for the IDA but it turned into a complicated discussion.

Mr. Giel mentioned he will work with staff and come up with language to better define headquarter that would satisfy both City Council and the IDA board, expanding the definition and opening it up without providing too much liberty. He also mentioned since the Articles are open for revision there is nothing that mentions Affordable Housing. Other IDA's spend surplus balances in Housing and he asked Dawn if the City or the IDA is interested in that option.

Mr. Pickrell asked to provide some historical context to the Affordable Housing questions. He mentioned that the City of Chandler IDA was very active years ago in doing low to moderate-income apartment housing projects until a project that involved scammers came in and convinced the City of Chandler, El Mirage, and the South Tucson IDA to issue \$367 million of tax-exempt bonds for affordable housing projects that were never built. The developer ended up scamming millions of dollars resulting in a couple of individuals ending up in prison. Since the City of Chandler did not have a separate insurance policy, the IDA became a financial drag to the City and stopped the affordable housing projects. However, that was 35 years ago and a lot has changed since. He believes that affordable housing tax-exempt bonds are starting to come back. The Articles do not highlight that information, but the City of Chandler has been involved back in the day for both profit and non-profit.

Mr. Giel explained that 75% of his practice 10 years ago, worked with affordable housing and knows that the East Valley has not been involved for possible policy reasons and not financial issues.

Ms. Lang asked, if agreeable to the board, would there be interest to create language that can encourage a City of Chandler based business to complete a combined financing transaction.

Mr. Napolitano mentioned there is no time frame for this so he wouldn't want to limit the verbiage as something that can work now and in the future not work.

Ms. Lang asked the board since a section in Articles is being reviewed for potential modification, would the board be interested in opening the Articles for a complete review and seek out any other potential modifications.

Mr. Napolitano mentioned that there does not appear to be a necessity to open the whole document for review.

Mr. Giel mentioned he would work with staff and Ms. Schwab to develop potential language to present to the board.

5. ACTION AGENDA

- a. Discuss and possible adoption of Resolution 2020-01 granting final approval of the issuance and sale of not exceeding \$600,000,000 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. Mr. Nolde moved to approve Resolution 2020-01. Mr. Wilson seconded the motion. Resolution 2020-01 was approved.

Mr. Pickrell mentioned Intel received another \$600 million in volume cap for the sewage and solid waste disposal costs for the Ocotillo plant. The bonds will be issued when the market is right. He thanked the IDA board and City staff for working diligently to obtain proper approvals.

Mr. Seiden updated the IDA board on activity occurring at the various Intel campuses. He mentioned that Intel engages with Arizona State University every three years to work on an economic impact study on the benefits of Intel and impacts to the community. In the study, \$8.3 billion is the annual economic impact Intel has within the State of Arizona and of that \$4.5 billion is spent on Arizona based organizations such as local companies and non-profits. It also includes what they pay their employees, taxes and charitable contributions. Intel is now celebrating their 40th year in Arizona and Fab 42 is very close to being up and operational. There are 12,000 employees currently supporting Intel and about 1,300 job openings in which do not include the thousands of contract employees. The West Chandler Intel campus is also growing and will have growth in economic development. Intel announced the 40 for 40 STEAM Grants available for teachers. He asked the board if they had any questions. There were none.

- b. Discuss and consider approval of amendment of Articles of Incorporation, Article III, No. 4
ITEM POSTPONED UNTIL BOND COUNSEL AND CITY OF CHANDLER STAFF DEVELOP A NEW AND REVISED LANGUAGE FOR IDA BOARD DISCUSSION.

6. MEMBER COMMENTS / ANNOUNCEMENTS

- a. Ms. Lang informed the board that Director Hunter Pace will need to be removed from the board, as there is a requirement to be a registered voter. Staff has attempted several

times to communicate with him but unable to bring him into compliance. She mentioned if anyone has any recommendations to fill the vacancy to let her know.

7. CALENDAR

- a. The next scheduled meeting will be held Tuesday, March 10, 2020.

8. INFORMATIONAL ITEMS

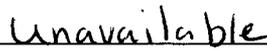
- a. Ms. Lang mentioned the Boards and Commissions Appreciation Reception will be held February 20, 2020 and all board members are welcomed.

9. ADJOURNMENT

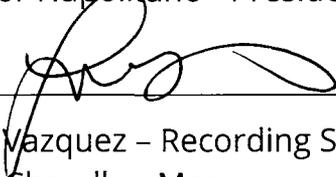
Mr. Napolitano adjourned the meeting at 8:23 a.m.



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
Webex Meeting +1-415-655-0001 Access Code: 920 019 783
Tuesday, May 12, 2020, 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, May 12, 2020, at 7:30 a.m.** Webex Meeting +1-415-655-0001 Access Code: 920 019 783.

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, Ed Salanga and Charles Etrl. Lee Kroll was 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 and Micah Miranda, Economic Development Director.

2. APPROVAL OF MINUTES

a. Mr. Nolde moved to approve the February 11, 2020, minutes. Mr. Wilson seconded the motion. Mr. Salanga abstained as he was absent February 11, 2020. The motion was approved.

3. SCHEDULED/UNSCHEDULED PUBLIC APPEARANCES/CALL TO PUBLIC

a. None.

4. BRIEFING ITEMS

a. January, February and March 2020 Financials: Ms. Smith reported that the Statement of Net Position for January 31, 2020 had Cash in Bank balance of \$177,202 and Investments of \$874,448, with total Assets of \$1,051,649. Beginning Net Position for the month ending January 31, 2020 of \$940,594 and Year-to-date Change in Net Position of \$111,055 with an Ending Net Position of \$1,051,649. The Statement of Revenues, Expenditures, and Changes in Net Position for January 31, 2020 included the \$99,039 of Annual Administrative fees from Intel's 2005, 2007 and 2019 bonds and no operating expenses. Total investment income of \$1,743 and the total Net Change in Net Position for the month ended of \$100,782. Total Net Change in Net Position for the seven months ended January 31, 2020 had the Annual Administrative fees from Intel and Annual Corporation fee of \$10 and Investment Income of \$12,026 providing a Net Change totaling \$111,055 that agrees

with the Year-to-Date Change in Net Position on the previous page. As of February 29, 2020, the Statement of Net Position had Cash in Bank balance of \$177,202 and Investments of \$875,961, for total Assets of \$1,053,163. There was a beginning Net Position of \$940,594, Year-to-Date Change in Net Position of \$112,569 and Ending Net Position of \$1,053,163. The Statement of Revenues, Expenditures, and Changes in Net Position has Investment Income of \$1,514. Total Net Change in Net Position for the eight months ended February 29, 2020 included the Intel Administrative fees and the Annual Corporation fee of \$10 and cumulative Investment Income of \$13,540 with a total Net Change in Net Position of \$112,569 that coincides with the Year-to-Date Change in Net Position on the previous page. As of March 31, 2020, the Statement of Net Position had Cash in Bank balance of \$177,202 and Investments of \$877,635, for total Assets of \$1,054,837. There was a beginning Net Position of \$940,594, Year-to-Date Change in Net Position of \$114,243 and Ending Net Position of \$1,054,836. On the Statement of Revenues, Expenditures, and Changes in Net Position the Net Change in Net Position for the month ended March 31, 2020 included Investment Income of \$1,674 providing the same amount in Net Change in Net Position. The cumulative amounts included the Intel Administrative fees and the Annual Corporation fee of \$10 providing Operating Income of \$99,029. Cumulative Investment Income of \$15,214 with a total Net Change in Net Position of \$114,243 that coincides with the Year-to-Date Change in Net Position on the previous page.

- b. Chandler Collateral Assistance Program: Director Ed Salanga mentioned that the goal of the program was to develop a program that would stimulate economic development and stay consistence with the purpose of the IDA. Also, it was to develop a program that would help industrial and commercial market development by creating new jobs and stimulating financing. The Chandler Collateral Assistance Program is not a loan; however, it is a tri-party agreement between the IDA, borrower and lender. The program is to encourage the lending of money by the bank by offering the lender additional collateral to help support the lender of any additional lending requirements. The IDA decided to extend the available terms of the reserved collateral account by an additional two years totaling out to a four-year term. The amount is capped at \$50K or twenty percent of the loan. Whichever one is less would be funded by the IDA and would be held in a reserved collateral account maintained by the lender. An obligation and a reporting requirement would be to utilize the loans to create one job and report to the IDA on an annual basis.

Eligibility for this program is open however, with some limitations. The program was not to be offered to companies that do not necessarily need it or start-ups and operations that demonstrate economic strength over a period of time. In addition, the company would have to be for-profit only. The economic threshold for the company applying would

have to have a net worth of \$7.5M and profits no more than \$2.5M on average over two years. The program could be used for new construction, purchases or renovations of existing facilities, acquisition of equipment or machinery. The program cannot be used for gambling, alcohol sales and speculative investment. It is not intended to pay debt or delinquent taxes or residential real estate. The idea is for the borrower to have a relationship with a lender that is familiar with the collateral program and fill out an application for the IDA to review. If the application is qualified and approved, the IDA would deposit the funds in a collateral reserved account with the lender and it would close. The interest sitting in the collateral reserved account would belong to the IDA in which they will receive annual reporting and have the right to withdrawal the collateral account after four years. The application fee would cost \$250 and one percent of the total amount in the collateral reserve account. However, there is a cap in fees of \$1,200 if the maximum amount contributed is \$50K.

- c. Discuss opportunities to help small businesses: Dawn Lang mentioned that a work session took place with Mayor and Council and wanted to update the board on the discussions and conversations about the use of IDA fees that have accumulated over time. The biggest concern is for the small businesses in the City of Chandler and Micah Miranda gave a great economic development presentation giving an overview of what is happening currently in our City.

Mr. Miranda mentioned that the majority of the conversations were about the IDA, its functions, how fees are collected and what is currently being done with those fees collected. He provided an overview of the IDA grant history and collateral assistance program. However, some of the other questions were surrounding different ways the fees can be utilized. From an economic development perspective, small businesses in Chandler are currently being impacted and are looking for Mayor and Council direction as to what types of buffers they would like so they can approach the IDA with programmatic ideas. The feedback received from Council was to discuss ideas with the board about ways to use the funds accumulated. From an economic development perspective, the City of Chandler is always striving to advance economic activity through direct, indirect and induced functions and would like to have further conversations about this.

Ms. Lang mentioned that there are various programs that are being offered by other IDA's and one in particular is through the Phoenix IDA. They have partnered with the Arizona Community Foundation and set aside \$2M of their accumulated fees and are issuing COVID-19 relief grants up to \$10K. The IDA is depending on the Arizona Community Foundation to help determine who receives the grant based on their guidelines. Mayor and Council conversations were around that the Chandler IDA is smaller and it will

potentially require some type of partnership. Those are potential ideas and Council would like to hear the board's ideas.

Mr. Napolitano asked the board anyone had any other question or ideas.

Mr. Kurt Johansen, Director asked if the Arizona Community Foundation was the only potential partnership or if there is another organization that is City of Chandler-based.

Mr. Miranda mentioned an organization called Neighborhood Economic Development Corporation (NEDCO) based out of Mesa that could be a potential partner and he's had conversations with them. However, is not aware of other organizations in the east valley.

Mr. Napolitano asked if the City of Chandler has applied for grants similar to Mesa.

Ms. Lang mentioned that the City of Mesa, Phoenix and Tucson are the three cities that received a grant through the CARES Act because their population is 500K and greater. Because the City of Chandler has a smaller population it has not been a recipient. However, the Mayor continues to work with the County to seek any opportunities. She explained that a CDBG grant was received for \$900K to assist with low-income rent assistance and received \$70K through the airport to help with airport expenditures. The Gift Clause governs the City of Chandler and prohibits the use of general fund dollars to provide any private loans or grants.

Mr. Salanga asked staff if they have seen any criteria or guidelines for evaluating grants from other cities.

Mr. Miranda mentioned that he has seen a structured program that targets low to moderate-income areas to businesses along major arterials and minority owned businesses. Going back to Mesa, they are putting forth \$19M towards this and anticipating to receive three to four thousand applications. The relief funds that the three cities received are really going towards mortgage, rent, utilities and acquisition of PPE.

Mr. Wilson provided a link to the Phoenix IDA for additional information of the program.

Mr. Napolitano asked if there was any discussion on targeted audience.

Mr. Miranda mentioned that most of the conversations held with Mayor and Council were focused around assisting small businesses directly. Such as directly helping small retail businesses or restaurants needing PPE to protect its customers maintain social distancing.

Mr. Salanga mentioned that a potential amount should be considered because of how small Chandler IDA is and the funds can be depleted quickly.

Mr. Miranda asked if they were to look at outside entities to manage the grant application programs, he would want to know what their service fees are. An amount has not been set but he would conduct research around that.

Mr. Napolitano mentioned that there seems to be other opportunities for businesses to apply for such as Federal grants or through the County, however, not that the IDA should be the last fund resort. Mr. Napolitano asked if another meeting or sub-committee could be held to explore different options.

Ms. Schwab mentioned that if the meeting has a quorum, it would be a regular board meeting. If the meeting has less than a quorum, it is a sub-committee brings recommendation back to the board. They would all be public meetings with agenda postings.

Mr. Napolitano mentioned that a regular or special meeting would be more appropriate for that conversation just to get every board member's ideas involved.

Ms. Lang briefly summarized the discussion regarding research of non-profits. There were no other ideas besides a potential partnership and small grant program.

Mr. Napolitano mentioned he would also like to know the dollar amount the IDA would like to allocate towards the grant program and what it would entail.

Mr. Salanga would like additional research on PPE and those businesses as he sees benefits providing grants for that.

Ms. Lang thanked everyone for the feedback.

- d. Chandler Chamber of Commerce Grant Proposal Presentation: Terri Kimble thanked the board for the opportunity to present. She provided history of the Chandler Chamber incorporated in the year of 1912. The Chambers have been strong partners throughout, helping businesses. They are the third largest Chamber in the State and offer over three hundred events throughout the year designed for education advocacy, networking and development opportunities to maximize business. The Chamber's mission is to support business in the community by providing vital programs and services that attract and

retain business while embracing diversity. Three impact surveys were completed and information regarding the businesses concerns and needs were gathered. There were about 1,400 business responses that ranged from automotive, construction, education and financial businesses with retail and restaurants being the top three respondents. Small businesses were the largest respondents and second being large businesses. The majority of the businesses in Chandler stated that COVID-19 has impacted their supply chain and overall business. According to the businesses there have been layoffs and will continue to layoff due to slower sales and temporary closure of businesses. Other concerns were obtaining finance, rent and payroll expenditures. Their immediate needs were mainly financial resources, assistance from landlords and from government entities. Businesses are not upset with government; however, they are frustrated with certain processes. Employer concerns included Human Resources and legal advisors. The Chamber has collaborated with a couple of law firms to make sure that small businesses are being provided with resources and help.

Some of the highlights to explain why the Chamber is asking for the funds is because they have created a business resource portal for businesses and need the funding to maintain it to continue to provide it to businesses. The portal is a great resource to get information out there and it has the City of Chandler link on there. Since the resource portal was introduced, Governor Doug Ducey tweeted about it as one of the best practices in the State of Arizona. The Chamber will continue to conduct business impact surveys on a quarterly basis as the response rate is at eighty percent. Those business needs and concerns will change as everything begins to reopen. The Chamber will also continue to provide those educational programs and counseling services along with the networking opportunities.

Mr. Salanga asked Ms. Kimble if she could provide estimate amounts of the \$100K grant request to be allocated towards each of the items she mentioned. He would like to get a better idea of the projects that the grant is intended to fund.

Mr. Wilson mentioned he would like to see the budget and expenditures for each item and how the \$100K would be applied across the different categories.

Ms. Kimble mentioned that the educational programming, business counseling and networking opportunities take up most of the resources because whether it is a virtual or in-person event it requires staffing, technology and follow-ups after. That component together would probably take up around \$80K. The business resource is a very time consuming entity, as it will continue to be upgraded. Not knowing what the future holds will determine other additional type of resources they would need to add to the portal. All

that information will come from the surveys conducted and results analyzed to setting up the programming for the needs and concerns of the businesses.

Mr. Salanga thanked Ms. Kimble for the information. He mentioned that for instance if additional networking events are provided he can conceptualize an out of pocket expense and would like to get a better understanding what the costs for each would be. Mr. Salanga also asked if current Chamber employees, as part of their job, are putting in the time and effort into the business resource portal and surveys conducted or if this request implicates additional expenses to be funded by the grant.

Ms. Kimble mentioned that the Chamber is currently offering educational programming and are seeing an increase and the need for more in which would involve bringing in an expert and so forth. When events are put together, the venue costs are high as well as food costs. The Chamber hosts the Business after Business virtual event on a monthly basis and the attendance last month was well over one hundred attendees.

Mr. Wilson asked Ms. Kimble if they are planning to increase the number of events per year if there is additional funding. He also asked if the events are member exclusive, and has there been an increase or decrease in membership.

Ms. Kimble stated that the educational series was typically monthly but they are now on a weekly basis because businesses are starved and need the information now. The events are not member exclusive. Prior to COVID-19, the events were for members only. However, with all this uncertainty they have opened it up to all businesses and do foresee an increase of events.

Mr. Wilson asked if there are fees involved when attending an event if one is not a member.

Ms. Kimble responded that depending on the event and if there is food involved, there are fees associated. Currently, the memberships have decreased due to closing businesses. However, the Chamber is taking payment arrangements so that businesses understand they are valued and are helped back on their feet.

Mr. Salanga asked how the Chamber covered the costs of networking events with food and venues pre-COVID-19.

Ms. Kimble stated that the events are usually paid through sponsorships and ticket sales. It all depends on the type of event as well.

Mr. Wilson asked if the Chamber has applied for any other grants or received grants.

Ms. Kimble mentioned that the Chamber is considered a 501(c)(6) organization and under the current guidelines, Chambers are not eligible to receive funding. The Chandler Chamber has applied and received five smaller grants through Walmart. The maximum amount for the grants received per month is \$1,500 and they target specific programs like youth scholarships or the women's program.

Mr. Napolitano asked Ms. Kimble to talk a little bit more on the participation programs from nonmember businesses.

Ms. Kimble talked about a business consultant in Chandler that had been looking at the Chamber but the networking or counseling services were not really of her interest. However, the educational programming has helped her business and that encompasses weekly meetings telephonically. She has been very grateful to the Chambers. Ms. Kimble also mentioned that they Dawn's team sent over a list of all businesses in Chandler and Chamber staff has been taking the time to call each individual business to make sure they have the information they need.

Mr. Wilson asked if the staffing levels have changed at all.

Ms. Kimble stated that they have remained the same however did lose two seasonal employees.

Mr. Salanga mentioned that during his time on the board they have supported numerous grants. As the board is willing to support organizations like the Chamber of Commerce, he is having a difficult time with this request because the grants have always been more specific to the use of the funds and tied to the specific program reporting requirements. He would like to see the request be more specific to the actual costs the Chamber foresees for these programs.

Mr. Wilson stated he would like to see the difference in what the Chamber had been doing and how the grant will help them overcome the changes due to this pandemic. He would like to see a budget so the board can get an understanding of the grant allocation and the outcome measurements.

Ms. Kimble stated she would be happy to provide a more detailed request with additional information.

Mr. Napolitano asked the board if everyone is ok to schedule another meeting after the additional information is provided. All members agreed.

5. ACTION AGENDA

- a. Discuss and possible approval of the Chandler Chamber of Commerce Grant Proposal
ITEM WAS POSTPONED TO A SPECIAL MEETING.

6. MEMBER COMMENTS / ANNOUNCEMENTS

- a. None.

7. CALENDAR

- a. The next scheduled special meeting will be communicated after the board receives an updated grant request from Ms. Kimble. Regular scheduled meeting will be held, Tuesday, June 9, 2020.

8. INFORMATIONAL ITEMS

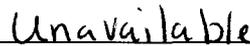
- a. None.

9. ADJOURNMENT

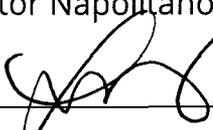
Mr. Napolitano adjourned the meeting at 9:23 a.m.



Victor Napolitano - President



Shannon Wilson - Vice President



Lucy Yazquez - Recording Secretary
City of Chandler, Management Assistant