

Meeting Minutes

Industrial Development Authority

Regular Meeting

February 8, 2022 | 7:30 a.m.
Chandler City Council Chambers
Webex Meeting +1-415-655-0001
Access Code: 2593 026 2731



Call to Order

The meeting was called to order by President Lee Kroll at 7:30 a.m.

Roll Call

Commission Attendance

President Lee Kroll
Vice President Shannon T. Wilson
Secretary Kurt Johansen
Treasurer Edward A. Salanga
Director Victor Napolitano
Director Charles Ertl

Staff Attendance

Dawn Lang, Deputy City Manager | CFO
Kelly Schwab, City Attorney
Kristi Smith, Accounting Manager
Lucy Vazquez, Management Assistant
James Giel, City of Chandler Bond Counsel
(Gust Rosenfeld)

Absent/Excused

Director William (Bill) Nolde

Others in Attendance

Tim Pickrell, Intel Bond Counsel
Lily Berman, Intel Bond Counsel
Andrea Creedon, Intel Public Affairs Manager

Scheduled and Unscheduled Public Appearances

None.

Approval of Minutes

1. Treasurer Salanga moved to approve the December 14, 2021, Regular Meeting Minutes. Director Ertl seconded the motion. Motion approved.

Briefing Items and Discussion

2. Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing: Public hearing regarding a plan of finance for the Authority to issue not to exceed \$600,000,000 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 Kroll opened up the TEFRA Hearing at 7:31 a.m. Members of the public were invited to comment. President Kroll 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.

President Kroll then moved to Action Agenda Item 4. to allow Intel representatives the option to depart after their item. After discussion and action, the meeting continued with Briefing Item 3.

3. November and December 2021 Financials: Ms. Smith presented the November Statement of Net Position which illustrates Cash in Bank of \$4,335 and Investments of \$893,746. There was a transfer from Cash in Bank into Investments to attempt to receive more interest providing a Total Assets of \$898,081 and coincided with the Ending Net Position. The Statement of Revenues, Expenditures, and Changes in Net Position for November 31, 2021, includes only Operating Expenses of \$27 comprised of miscellaneous bank charges. Investment Income of \$176 providing a Net Change in Net Position of \$148.

December Statement of Net Position illustrates a Total Current Assets of \$4,307, Total Investments of \$893,803 providing Total Assets of \$898,110 and matching the Ending Net Position. The Statement of Revenues, Expenditures, and Changes in Net Position for December 31, 2021, includes only Operating Expenses of \$27 comprised of miscellaneous bank charges. Investment Income of \$57. Cumulatively for the year six month ending there were a few payments early on year for PPE grants of \$1,606. Cumulative bank charges of \$313 and Investment Income totaling \$785 providing a Net Change in Net Position year to date of \$1,134 and matching the previous page.

Action Agenda

4. Discuss and possible adoption of Resolution 2022-01 amending and ratifying adoption of Resolution No. 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. Pickrell, Intel Bond Counsel, provided a history of the original request that came through the IDA and City Council in June 2000 to get final approval. He explained that Intel could only market bonds during certain times due to regulatory policies in the security market. The financing was put on hold due to Covid however, they are now ready to proceed. In the interim, Wells Fargo bank who was the indenture trustee the board adopted in June 2000, sold their corporate business to Computer Share and they will be the new trustee. The IRS now allows draw down loans which minimizes negative investments and allows more time to issue the loan. The new Resolution that is in the packet includes that information for approval. He mentioned other than that change, all other documents remained the same.

Ms. Creedon, Intel Public Affairs Manager, mentioned that the Intel fab 52 and 62 are on track and under construction. They are excited about the investment they are doing in Chandler, and they appreciate the help they are receiving from the IDA.

Vice President Wilson moved to approve item 4. on the action agenda, Secretary Johansen seconded the motion. Motion approved.

Information Items

5. BofA MSRB G17 Letter - Intel / Chandler IDA Series 2022 Bonds: Ms. Lang informed the board that Bank of America is the underwriter for the Intel transaction, and she did sign the G17 letter on behalf of the IDA board. The G17 letter is a disclosure that states there is no conflict of interest, and they are not providing any financial services advice and only acting as the underwriter.

Calendar

6. The next regular meeting will be held on Tuesday, March 8, 2022, at 7:30 a.m.

Adjourn

The meeting was adjourned at 7:45 a.m.

Lee Kroll, President