

Industrial Development Authority Regular Meeting

May 10, 2022 | 7:30 a.m.

Chandler City Council Chambers
88 E. Chicago St., Chandler, AZ
or [Webex](#) 1-415-655-0001
Access Code 2595 802 8117



Board Members

President Lee Kroll
Vice President Shannon Wilson
Secretary Kurt Johansen
Treasurer Ed Salanga
Director Victor Napolitano
Director Bill Nolde
Director Charles Ertl

Pursuant to Resolution No. 4464 of the City of Chandler and to A.R.S. § 38-431.02, notice is hereby given to the members of the Industrial Development Authority and to the general public that the Industrial Development Authority will hold a REGULAR MEETING open to the public on Tuesday, May 10, 2022, at 7:30 a.m., at City Council Chambers, 88 E. Chicago Street, Chandler, AZ or via [Webex](#) 1-415-655-0001, access code 2595 802 8117. One or more Board Members may be attending by telephone.

Persons with disabilities may request a reasonable modification or communication aids and services by contacting the City Clerk's office at (480) 782-2181(711 via AZRS). Please make requests in advance as it affords the City time to accommodate the request.

Agendas are available in the Office of the City Clerk, 175 S. Arizona Avenue.

Industrial Development Authority Regular Meeting Agenda - May 10, 2022

Call to Order/Roll Call

Scheduled/Unscheduled Public Appearances

Members of the audience may address any item not on the agenda. State Statute prohibits the Board or Commission from discussing an item that is not on the agenda, but the Board or Commission does listen to your concerns and has staff follow up on any questions you raise.

Consent Agenda

1. **Minutes of February 8, 2022, Regular Meeting**

Briefing

2. **January, February and March 2022 Financials – Ms. Smith**

Action Agenda

3. **Request approval of the FY 2022-23 Budget – Ms. Smith**
4. **Election of Officers (President, Vice President, Secretary and Treasurer)**

Calendar

5. **Next meeting will be June 14, 2022**

Information Items

Adjourn



Industrial Development Authority Management Services

Date: 05/10/2022
To: Industrial Development Authority
Thru: Dawn Lang, Deputy City Manager | CFO
From: Kristi Smith, Financial Services Officer
Subject: Minutes of February 8, 2022, Regular Meeting

Attachments

Minutes of February 8, 2022, Regular Meeting

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



Industrial Development Authority Management Services

Date: 05/10/2022
To: Industrial Development Authority
Thru: Dawn Lang, Deputy City Manager | CFO
From: Kristi Smith, Financial Services Officer
Subject: January, February and March 2022 Financials – Ms. Smith

Attachments

January, February and March 2022 Financials

CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
January 31, 2022

CURRENT ASSETS:

Cash in Bank	<u>\$ 103,319.05</u>	
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TOTAL CURRENT ASSETS		<u>\$ 103,319.05</u>
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OTHER ASSETS:

Investments	<u>893,978.68</u>	
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TOTAL OTHER ASSETS		<u>893,978.68</u>
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TOTAL ASSETS		<u><u>\$ 997,297.73</u></u>
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CAPITAL:

BEGINNING NET POSITION	\$ 899,244.27	
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Year-to-Date Change in Net Position	<u>98,053.46</u>	
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ENDING NET POSITION		<u><u>\$ 997,297.73</u></u>
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CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
January 31, 2022

	January 31, 2022	7 Month Ended January 31, 2022
OPERATING REVENUES:		
Annual Admin Fees (Intel)	99,039.12	99,039.12
Annual Admin Fees (Tri-City Babbist Church)	-	-
Application Fees	-	-
Closing Fees	-	-
Other Revenue	-	-
	<hr/>	<hr/>
TOTAL Income	99,039.12	99,039.12
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	99,039.12	99,039.12
	<hr/>	<hr/>
OPERATING EXPENSES:		
Annual Corporation Report	-	-
Grants		
PPE*	-	1,605.58
Miscellaneous (Account Analysis Settlement Bank Charge)	27.27	340.67
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	27.27	1,946.25
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	99,011.85	97,092.87
	<hr/>	<hr/>
NONOPERATING REVENUE:		
Investment Income (LOSS)-Note 1	175.44	960.59
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE	175.44	960.59
	<hr/>	<hr/>
NET CHANGE IN NET POSITION	\$ 99,187.29	98,053.46
	<hr/> <hr/>	<hr/> <hr/>

Note 1 - Interest Income (Loss) is as follows:

Realized interest to date	\$ 175.44	960.59
Effect of recording investments at amortized cost	-	

* Personal Protective Equipment (PPE) grants to be awarded not to exceed \$200,000

CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
February 28, 2022

CURRENT ASSETS:

Cash in Bank	<u>\$ 103,285.66</u>	
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TOTAL CURRENT ASSETS		<u>\$ 103,285.66</u>
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OTHER ASSETS:

Investments	<u>894,137.50</u>	
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TOTAL OTHER ASSETS		<u>894,137.50</u>
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TOTAL ASSETS		<u><u>\$ 997,423.16</u></u>
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CAPITAL:

BEGINNING NET POSITION	\$ 899,244.27	
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Year-to-Date Change in Net Position	<u>98,178.89</u>	
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ENDING NET POSITION		<u><u>\$ 997,423.16</u></u>
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CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
February 28, 2022

	February 28, 2022	8 Month Ended February 28, 2022
OPERATING REVENUES:		
Annual Admin Fees (Intel)	-	99,039.12
Annual Admin Fees (Tri-City Babtist Church)	-	-
Application Fees	-	-
Closing Fees	-	-
Other Revenue	-	-
	<hr/>	<hr/>
TOTAL Income	-	99,039.12
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	-	99,039.12
	<hr/>	<hr/>
OPERATING EXPENSES:		
Annual Corporation Report	-	-
Grants		
PPE*	-	1,605.58
Miscellaneous (Account Analysis Settlement Bank Charge)	33.39	374.06
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	33.39	1,979.64
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(33.39)	97,059.48
	<hr/>	<hr/>
NONOPERATING REVENUE:		
Investment Income (LOSS)-Note 1	158.82	1,119.41
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE	158.82	1,119.41
	<hr/>	<hr/>
NET CHANGE IN NET POSITION	\$ 125.43	98,178.89
	<hr/> <hr/>	<hr/> <hr/>

Note 1 - Interest Income (Loss) is as follows:

Realized interest to date	\$ 158.82	1,119.41
Effect of recording investments at amortized cost	-	

* Personal Protective Equipment (PPE) grants to be awarded not to exceed \$200,000

CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
March 31, 2022

CURRENT ASSETS:

Cash in Bank	<u>\$ 103,262.16</u>	
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TOTAL CURRENT ASSETS		<u>\$ 103,262.16</u>
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OTHER ASSETS:

Investments	<u>894,239.33</u>	
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TOTAL OTHER ASSETS		<u>894,239.33</u>
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TOTAL ASSETS		<u><u>\$ 997,501.49</u></u>
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CAPITAL:

BEGINNING NET POSITION	\$ 899,244.27	
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Year-to-Date Change in Net Position	<u>98,257.22</u>	
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ENDING NET POSITION		<u><u>\$ 997,501.49</u></u>
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CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
March 31, 2022

	March 31, 2022	9 Month Ended March 31, 2022
OPERATING REVENUES:		
Annual Admin Fees (Intel)	-	99,039.12
Annual Admin Fees (Tri-City Babtist Church)	-	-
Application Fees	-	-
Closing Fees	-	-
Other Revenue	-	-
	<hr/>	<hr/>
TOTAL Income	-	99,039.12
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	-	99,039.12
	<hr/>	<hr/>
OPERATING EXPENSES:		
Annual Corporation Report	-	-
Grants		
PPE*	-	1,605.58
Miscellaneous (Account Analysis Settlement Bank Charge)	23.50	397.56
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	23.50	2,003.14
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(23.50)	97,035.98
	<hr/>	<hr/>
NONOPERATING REVENUE:		
Investment Income (LOSS)-Note 1	101.83	1,221.24
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE	101.83	1,221.24
	<hr/>	<hr/>
NET CHANGE IN NET POSITION	<u>\$ 78.33</u>	<u>98,257.22</u>

Note 1 - Interest Income (Loss) is as follows:

Realized interest to date	\$ 101.83	1,221.24
Effect of recording investments at amortized cost	-	

* Personal Protective Equipment (PPE) grants to be awarded not to exceed \$200,000



Industrial Development Authority Management Services

Date: 05/10/2022
To: Industrial Development Authority
Thru: Dawn Lang, Deputy City Manager | CFO
From: Kristi Smith, Financial Services Officer
Subject: Request approval of the FY 2022-23 Budget – Ms. Smith

Attachments

FY 2022-23 Budget

Chandler Industrial Development Authority
Proposed Budget for FY 2022-23

	Proposed Budget FY 2022-23
Revenues	
Investment Income	2,500
Annual Admin Fees (1)	101,039
CCAP Fees (2)	1,500
Total Income	<u><u>\$ 105,039</u></u>
 Expenditures	
Legal Fees - General Admin	\$ 1,000
Miscellaneous	<u>500</u>
Total Expenditures	<u><u>\$ 1,500</u></u>
 Additions to Fund Balance	<u><u>\$ 103,539</u></u>

Note 1: Annual Admin Fees will end 12/1/2035 for Intel Series 2005, 12/1/2037 for Intel Series 2007, 6/1/2049 for Intel Series 2019, and 12/1/2037 for Tri-City Baptist Series 2012A&B.

Note 2: Chandler Collateral Assistance Program (CCAP) fees for two \$50,000 pledges.



Industrial Development Authority Management Services

Date: 05/10/2022
To: Industrial Development Authority
Thru: Dawn Lang, Deputy City Manager | CFO
From: Kristi Smith, Financial Services Officer
Subject: Election of Officers (President, Vice President, Secretary and Treasurer)
