

Meeting Minutes

Industrial Development Authority Regular Meeting

December 10, 2024| 7:30 a.m.
Chandler City Council Chambers
88 E. Chicago Street, Chandler, AZ



Call to Order

The meeting was called to order by President Charles Ertl at 7:30 a.m.

Roll Call

Commission Attendance

President Charles Ertl
Treasurer John Lok
Director Lee Kroll
Director Shannon Wilson

Staff Attendance

Dawn Lang, Deputy City Manager | CFO
Jenny Winkler, Assistant City Attorney
Kristi Smith, Financial Services Director
Julie Goucher, Accounting Senior Manager
Karla Lange, Management Assistant

Other Attendees

Zach Sakas, Bond Counsel, Greenberg Traurig, LLP
Debbi Boye, Partner, KutakRock
Uygar Kurtbay, Intel Corporation
Tiffany Silva, Intel Corporation
Joseph Green, Intel Corporation

Absent

Vice President William Nolde
Secretary James Baglini Jr.

Scheduled and Unscheduled Public Appearances

None.

Approval of Minutes

1. Director Wilson moved to approve the November 12, 2024, Regular Meeting Minutes. Director Kroll seconded the motion. Motion approved unanimously (4-0).

Briefing Items

2. **October 2024 Financials:** Ms. Goucher presented the October Statement of Net Position that explained Total Current Assets with Cash in Bank of \$230,521, and Investments of \$1,114,354, providing Total Assets of \$1,344,875. Intel application deposit of \$3,000 is recorded as a Current Liability. The Beginning Net Position is \$1,325,396 and a Year-to-Date Change in Net Position of \$16,479, providing an Ending Net Position of \$1,341,875. The Statement of Revenues, Expenditures, and Changes in Net Position for the month ended October 31, 2024, includes Investment Income of \$4,147, providing a Net Change in Net Position of \$16,479 through October.
3. **Discussion of request from Intel Corporation to amend certain loan agreements previously entered into between Intel Corporation and the Authority in connection with the Authority's outstanding bonds.**

Ms. Lang introduced Debbi Boye of Kutak Rock, legal representation for Intel. Ms. Boye reported that Intel announced recently that it will be moving forward with a corporate restructuring, which involves separating its product development and chip manufacturing lines into one or more separate entities, which would all remain an affiliate of Intel. With that in mind, Intel reviewed the loan agreements that it has with the IDA, and specifically reviewed section 5.3 of each of the agreements, which addresses mergers and acquisitions. Ms. Boye continued, that Intel wants to ensure that the restructuring would not violate any of the existing agreements, and any such sale, transfer or disposition among the company and its affiliates will not violate section 5.3.

Ms. Boye offered that if the Chandler Industrial Development Authority and the bond trustee consent to the proposed amendment to this section, it would be approving an amendment to four total agreements, which include one agreement per outstanding bond series, and would ensure that any restructuring on Intel's behalf would not interfere with payment of the outstanding bond balances.

Director Kroll commented that he is in support of the amendments, as Intel is still responsible for the debt, and these amendments do not materially change that fact.

Responding to Treasurer Lok, Ms. Boye clarified that she referred to "mergers and acquisitions" because that was the section 5.3 of the agreements that state that the company shall do all things necessary to preserve and keep it in full force and effect its existence of an entity, except as otherwise permitted. She continued that Section 5.3 states that the company shall not dissolve, sell, transfer or otherwise dispose of substantially all of its assets, or consolidate or merge with or into another entity. The mergers and acquisitions language was used as a shorthand description of the referenced section.

She confirmed that the money loaned under the bond issuances has to be utilized to provide the solid waste and sewage disposal facilities at the plants in Arizona, so the proposed amendment to the agreements before the Board won't change what the money will be utilized for.

Action Agenda

4. **Discuss and possible adoption of Resolution 2024-04, approving amendments to loan agreements between Intel Corporation and the Authority, and authorizing other actions in connection therewith.**

Director Kroll moved to approve Resolution 2024-04, approving amendments to loan agreements between Intel Corporation and the Authority, and authorizing other actions in connection therewith as presented. Director Wilson seconded the motion. Motion approved unanimously (4-0).

5. **Election of Officers (Secretary)**

Director Wilson moved to approve his nomination as Secretary for the Board for the remainder of FY2024. He will replace Secretary Baglini Jr., who recently submitted his resignation. Director Kroll seconded the motion. Motion approved unanimously (4-0).

Member Comments/Announcement

None.

Calendar

The next regular meeting will be held on Tuesday, January 14, 2025, at 7:30 a.m.

Informational Items

Ms. Lang recognized Secretary Baglini Jr. for his service on the Board. She offered her appreciation for his participation, wishing him the best as he will be moving out of the Chandler city limits, therefore no longer eligible to serve on the Board.

Adjourn

The meeting was adjourned at 7:44 a.m.

Charles Ertl, President