Meeting Minutes
Industrial Development Authority
Regular Meeting

May 13, 2025| 7:30 a.m.
Chandler City Council Chambers
88 E. Chicago Street, Chandler, AZ

CHANDLER arizona
Community of Innovation

Call to Order

The meeting was called to order by President Charles Ertl at 7:31 a.m.

Roll Call

Commission Attendance

President Charles Ertl
Secretary Shannon Wilson
Director Lee Kroll
Director Anthony Yang
Director Sunil Das

Staff Attendance

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

Other Attendees

Zach Sakas, Bond Counsel, Greenberg Traurig, LLP
Emily Abeln, Senior Vice President of Development, Brinshore Development LLC

Absent

Vice President William Nolde
Treasurer John Lok

Scheduled and Unscheduled Public Appearances

None.

Approval of Minutes

1. Director Kroll moved to approve the April 8, 2025, Regular Meeting Minutes. Secretary Wilson seconded the motion. Motion approved unanimously (5-0).

Briefing Items

2. **Chandler Career Center Grant - 3rd Quarter Report:** Ms. Lang voiced that the 3rd Quarter Chandler Career Center Grant Report was provided to the Board in the agenda packet. She noted that the report does reflect some very positive performance in relation to their FY 2024-25 goals.

   Director Kroll voiced that he was very impressed with the progress of the program.

3. **March 2025 Financials:** Ms. Goucher presented the Financials for March 2025, attached to these minutes as **Exhibit A**.

   Responding to Director Das, Ms. Goucher reported that the funds that are in the cash account at Chase Bank are being held for upcoming grant requests. She continued that approximately $250,000 was recently moved from the cash account to the investment account.

   Ms. Lang offered that the upcoming grant requests will be paid on a reimbursement basis, and they do have to accomplish certain goals before they can request reimbursement, so staff can explore tightening up the balance in the cash account.

   Mr. Sakas reported that the IDA is restricted in the investments it can make with public funds, so the IDA may not be able to achieve what a typical money market account might realize.

   Ms. Lang voiced that the City of Chandler has an investment policy, that IDA also follows. She continued that the Board cannot invest out more than 5 years and are restricted to local investments, but there is a money market option available, and staff can certainly explore moving some funds into that account. She confirmed that this account would likely earn at a lower rate compared to a regular money market.

   Ms. Lang conveyed that there is a Local Government Investment Pool (LGIP), which the city has chosen not to invest in, and neither does the IDA. The city and IDA have utilized a private investment advisor, Public Finance Management (PFM), who manages the investments, based on the city's investment policy, which is available on the city's website.

4. **Discussion Regarding a Request Submitted by Brinshore Development, LLC, for an Extension of the Preliminary Approval of the Authority to issue its Multi-**

Family Housing Revenue Bonds in an Amount not to Exceed $55,000,000 for Brinshore Development, LLC or its Affiliates.

Mr. Sakas reported that Brinshore Development, LLC, has been working diligently on project planning for the proposed multi-family housing project, and one of the steps they will need to accomplish prior to the IDA being able to issue bonds is to be awarded volume cap from the Arizona Finance Authority (AFA). Mr. Sakas noted that the volume cap for this year was oversubscribed, which is very atypical, compared to historical practice – essentially more projects applied for volume cap allocation than was available from the Finance Authority. He continued that Brinshore was at the top of the waiting list, however no one canceled, so they have been working on a strategy to ensure they are in the best position to be awarded next year, in 2026. The advantage for Brinshore to finance the project through bonds issued through the IDA is that it will be exempt from federal income tax, however they need to be awarded volume cap, before any bonds can be issued.

Mr. Sakas continued that Brinshore is requesting that the IDA Board approve an extension to their preliminary approval to accommodate them while they wait for the volume cap award. He noted that extensions have been awarded in the past, most recently to Intel. In the past, this has been accomplished by the board making a motion for approval. This time, the request is more formal, as the board is requested to approve the extension via resolution, which will make it easier to provide proof to the project developers of the board's approval.

Ms. Abeln voiced that Brinshore Development is requesting the extension until November 2026, versus the more typical 6-month timeframe. This extension period lines up with the overall project decision date. She continued that she recently met Greg Ghelfi, Executive Director of the Arizona Finance Authority, who indicated that he expects oversubscribed applications for volume cap next year, as well. She continued that if Brinshore does not get volume cap through the lottery hosted by the AFA in January 2026, there is a pool of volume cap issued at the Director's discretion, which is allocated based on the priorities of the AFA. Ms. Abeln reported that if Brinshore is not allocated volume cap in the lottery, she is hopeful that there is potential to receive it through this discretionary pool.

Responding to Director Kroll, Ms. Lang conveyed that the current residents at the Haven on Hamilton will be relocating to a new complex currently under construction on McQueen Road (between Chandler Rd. and Frye Rd.). Once that move is completed, the building on Hamilton will be demolished, and replaced with the project that Brinshore Development is proposing. The construction on the project located on McQueen Road is scheduled to be completed in April,2026.

Ms. Abeln voiced that the new development is tentatively scheduled to begin the first quarter of 2026.

Mr. Sakas confirmed that the Board typically considers 6-month extensions, however due to the project timeline, and its alignment with the deadline where the decision will naturally be made as whether the project will be able to move forward, or not, the November 2026 date is being requested.

Ms. Abeln added that she is happy to provide updates to the Board in the interim.

Responding to President Ertl, Mr. Sakas voiced that there is no cost to the Board, if they approve a 9-month extension. He noted that there is a $500.00 fee that is charged to the developer with each extension. The only fee with a variable amount is the Administrative Fee paid to the Board, which varies due to the amount of the bond. He reminded the Board that at the time that preliminary approval was granted, that Brinshore may come back and request to discuss the fee structure once the bond feels more real and sized.

Responding to Director Kroll, Ms. Abeln voiced that if volume cap is not allocated for this project, making Brinshore unable to get the bond financing for this project, it would be up to the landowner, the City of Chandler, as to what they want to do with the project. At that point, they could either sell or hold the land for a period of time until the financing does work out, as the goal is to create additional affordable housing at that site.

Ms. Abeln conveyed that they could potentially apply again for the lottery for volume cap within 2025, however, the approval no longer rolls into the following year. If awarded, Brinshore would be required to close within 180 days, which would be impossible to get drawings prepared and permitting completed, etc. Brinshore's goal is to ideally receive an allocation in January 2026, as the current residents occupying the site will be moved, making the site will be available for demolition, and to begin construction within 180 days from January, when the AFA lottery happens.

Responding to Director Yang, Ms. Abeln noted that there is a significant risk for the developers on these projects, because so much of the financing is out of their control, including interest rates, cost of construction, the current tariff situation, and multiple external market factors. Developers building market-rate housing projects are able to increase the rent to offset these unexpected expenses, however, that is not the case in projects like this, as any increase in cost results in an increase in our gap. She continued that this is an area where Brinshore excels as a developer.

Action Agenda

5. **Consideration and Possible Adoption of Resolution No. 2025-02, Granting an Extension of the Preliminary Approval for the Authority to Issue its Multi-Family Housing Revenue Bonds in an Amount not to Exceed $55,000,000 for Brinshore Development, LLC, or its Affiliates.**

Secretary Wilson moved to approve Resolution No. 2025-02, granting an extension of the preliminary approval for the Authority to issue its Multi-Family Housing Revenue

Bonds in an amount not to exceed $55,000,000 for Brinshore Development, LLC or its affiliates. Director Das seconded the motion. Motion approved unanimously, (5-0).

6. **Request approval of the FY 2024-25 Budget.** Director Kroll motioned to approve the proposed FY 2025-26 budget. Secretary Wilson seconded the motion. Motion approved unanimously, (5-0).

7. **Election of Officers (President, Vice President, Secretary and Treasurer).** Ms. Lange reported that the previous year, the Board approved a nomination of officers based on a rotation of positions. Utilizing the same method, the Board moved to elect William Nolde to President, Shannon Wilson to Vice President, John Lok to Secretary and Lee Kroll to Treasurer, with the others as Directors remaining in rotation. Director Kroll motioned to approve as proposed, and Director Das seconded the motion. Motion approved unanimously, (5-0).

Member Comments/Announcement

None.

Calendar

The next regular meeting will be held on Tuesday, June 10, 2025, at 7:30 a.m.

Informational Items

None.

Adjourn

The meeting was adjourned at 7:59 a.m.

Charles Ertl, President

Exhibit A

CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

MARCH 31, 2025

ASSETS		
CURRENT ASSETS:		
Cash in bank	$ 108,770	
TOTAL CURRENT ASSETS		$ 108,770
OTHER ASSETS:		
Investments	1,386,252	
TOTAL OTHER ASSETS		1,386,252
TOTAL ASSETS		$ 1,495,022
LIABILITIES		
CURRENT LIABILITIES:		
Application deposits	3,000	
TOTAL CURRENT LIABILITIES		3,000
TOTAL LIABILITIES		3,000
CAPITAL:		
BEGINNING NET POSITION	$ 1,325,396	
Year-to-date change in net position	166,626	
ENDING NET POSITION		$ 1,492,022

CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
March 31, 2025

	March 31, 2025	9 Months Ended March 31, 2025
OPERATING REVENUES:		
Annual Admin Fees (Intel)	$ -	$ 140,539
Other Revenue	-	10,418
TOTAL INCOME	-	150,957
TOTAL OPERATING REVENUES	-	150,957
OPERATING EXPENSES:		
Refunded Admin Fees	-	6,000
Legal Fees	-	7,418
Miscellaneous (Account Analysis Settlement Bank Charge, IRS Filings)	-	190
Grant Payment	-	9,100
TOTAL OPERATING EXPENSES	-	22,708
OPERATING INCOME (LOSS)	-	128,249
NONOPERATING REVENUE:		
Investment Income (LOSS)-Note 1	5,085	38,377
TOTAL NONOPERATING REVENUE	5,085	38,377
NET CHANGE IN NET POSITION	$ 5,085	$ 166,626

Note 1 - Interest Income (Loss) is as follows:		
Realized interest to date	5,085	38,377