

# Meeting Minutes

## Industrial Development Authority

### Regular Meeting

May 12, 2026 | 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 Wilson at 7:32 a.m.

#### Roll Call

##### Commission Attendance

President Shannon Wilson  
Secretary Anthony Yang  
Treasurer Lee Kroll  
Director Francis Benavides

##### Staff Attendance

Kristi Smith, Management Services Director  
Julie Goucher, Accounting Senior Manager  
Thomas Allen, Assistant City Attorney  
Karla Lange, Management Assistant

##### Other Attendees

Zach Sakas, Bond Counsel, Greenberg Traurig, LLP

##### Absent

Director Charles Ertl (excused)  
Director Sunil Das (excused)

#### Scheduled and Unscheduled Public Appearances

None.

## Approval of Minutes

1. Treasurer Kroll moved to approve the April 14, 2026, Regular Meeting Minutes. Secretary Yang seconded the motion. Motion approved unanimously (4-0).

## Briefing Items

2. **Chandler Career Center Grant – 3<sup>rd</sup> Quarter Report:** Ms. Smith voiced that the final invoice has been received from Pipeline Connects (formerly Pipeline AZ), and payment will be mailed this week. She continued that they are on target to wrap up this project by their scheduled date of June 30, 2026. The team reported that they are exceeding their target goals and have been highly active with event programming and community outreach, including a youth career event and multiple presentations to students and community stakeholders. Additionally, there was a presentation for the City of Chandler at a networking breakfast.

Ms. Smith concluded that the program has been very successful and are poised to receive a budget package from the city so they can continue to offer these services to employers and job seekers.

3. **March 2026 Financials:** Ms. Goucher presented the Financials for March 2026, attached to these minutes as **Exhibit A**.
4. **Discussion regarding the IRS Audit of the \$437,885,000 Industrial Development Revenue Bonds, Series 2019 (Intel Corporation Project):** Mr. Sakas reported that the Board received a notice of inquiry from the Internal Revenue Service (IRS) regarding the Industrial Development Revenue Bonds, Series 2019 (Intel Corporation Project) issued by the Industrial Development Authority (the "IDA").

Mr. Sakas voiced that in typical practice, the IRS begins by asking a few questions about the transaction and seeking to understand how proceeds of the bonds were spent. These transactions include a variety of provisions in the bond documents that say the IDA is simply the conduit issuer to facilitate the tax-exempt financing and ultimately the borrower is responsible for tax management and compliance, as well as indemnifying the Board and the IDA. He continued that Intel's bond counsel, Kutak Rock LLP, will be engaged to respond to the IRS on behalf of the IDA and Intel with regards to this inquiry. The IDA will have the ability to review and approve any response prior to submittal to the IRS.

Responding to Treasurer Kroll, Mr. Sakas conveyed that there isn't a known reason as to why this bond was selected for inquiry, however, sometimes this agency has internal strategic initiatives to focus on certain types of industries or transactions. He noted in other locations, there has been publicity regarding potential misrepresentations to investors, so that could prompt the IRS to pay extra attention to conduit bond issuances this year.

He continued that Intel has been approved for tax-exempt financing for projects that fall into particular categories, and in their case, it was to build certain industrial sewage and wastewater treatment facilities related to Intel's manufacturing plant located in Chandler, so the IRS is likely verifying that the bond proceeds were not spent on non-related items. Mr. Sakas noted that currently that the information requested by the IRS constitutes an initial inquiry, and once received, may satisfy the request or also has the potential to lead to a more intensive investigation.

Mr. Sakas responded to Treasurer Kroll, voicing that Intel has agreed to pay all costs related to the IRS inquiry, to include fees for both their own bond counsel and also any fees incurred by Mr. Sakas' firm, Greenberg Traurig, LLP, who will be representing the IDA's interests.

Responding to Treasurer Kroll, Mr. Sakas conveyed that at the time of issuance, the Board receives a tax compliance certificate and agreement from Intel as the ultimate borrower that describes the reasonable expectations on how the funds will be spent. As borrowers at the time of issuance, Intel has agreed to follow the rules and stay within the approved categories, and there are agreements and covenants in place if Intel was to deviate from its expectations as to the expenditure of bond proceeds. He concluded that the bond documentation provides a general understanding to the IDA, at the time of issuance, of what the intended spending will be. Mr. Sakas noted that this is the typical practice for all IDAs in Arizona.

Mr. Sakas continued that bond proceeds are distributed by a corporate trustee engaged to serve as trustee of the bond proceeds, which requires evidence of what the money will be spent on. The IDA Board members are not involved in the disbursement approval process. He noted the biggest risk for the Board is potential negative publicity. He reiterated that the IDA's responsibility is to do some level of review of the project but not oversee construction of the projects.

Responding to Treasurer Kroll, Mr. Sakas voiced that the mechanism for responding to the IRS, by utilizing Intel's bond counsel, is industry norm, as it is the borrower's responsibility to comply with the federal tax laws, and the IDA's bond counsel, including the firm's tax partners, will cross-check on the IDA's behalf to ensure that any responses don't inadvertently implicate the IDA with inappropriate actions.

Responding to Director Benavides, Mr. Sakas conveyed that he will be providing periodic updates to the Board, however, this may be a slow process.

## Action Agenda

5. **Consideration and possible Approval of an Engagement Letter with Kutak Rock LLP in connection with the IRS Audit:** Mr. Sakas reiterated that he has reviewed the proposed engagement letter to ensure there would be no cost imposed on the IDA, and that Intel would bear the full expense for responding to the IRS.

Responding to Treasurer Kroll, Mr. Sakas reported that there are only a few large bond firms in the country, so most letters include language related to conflicts of interest, and the conflict waiver language in the proposed engagement letter is typical.

Mr. Sakas continued that when the 2019 bonds were sold, they have a variable interest rate that is reset every 5 years, and the bonds were remarketed in 2024. At that point, there was a level of due diligence completed by Intel's bond counsel with regard to confirming federal tax law compliance.

Responding to Director Benavides, Mr. Sakas voiced that he would request that Intel make any reports prepared by Intel in connection with the IRS inquiry available to the Board.

Treasurer Kroll moved to approve the Engagement Letter with Kutak Rock LLP in connection with the IRS Audit. Director Benavides seconded the motion. Motion approved unanimously, (4-0).

6. **Request Approval of the FY2026-27 Budget:** Ms. Goucher presented the annual budget to the Board for their consideration.

Responding to Treasurer Kroll, Ms. Goucher voiced that the Board's bank account is held at JP Morgan Chase and its investment accounts are in PFM Asset Management, and the custodial account is through Principal Financial. She agreed that a 3.4% return on investment is a reasonable expectation for the next fiscal year.

Treasurer Kroll moved to approve the FY2026-27 Budget as presented. Director Benavides seconded the motion. Motion approved unanimously, (4-0).

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, Treasurer Kroll moved to approve the FY2026-27 Election of as presented, with electing Anthony Yang as President, Lee Kroll as Vice President, Charles Ertl as Secretary and Sunil Das as Treasurer, with the other directors remaining in rotation. Secretary Yang seconded the motion. Motion approved unanimously, (4-0).

## **Member Comments/Announcement**

None.

## **Informational Items**

Mr. Sakas reported that the board had previously approved a preliminary inducement resolution pertaining to an affordable multi-family housing project with Brinshore Development, LLC named the "Haven on Hamilton" is expected to move forward. He noted that that while volume cap for the year from the state was oversubscribed, the project did receive a director's discretion award for the full amount they were seeking so that action will likely be brought before the IDA Board at the June or July meeting.

## **Calendar**

The next regular meeting will be held on Tuesday, June 9, 2026, at 7:30 a.m.

## **Adjourn**

The meeting was adjourned at 8:04 a.m.

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Shannon Wilson, President

**Exhibit A**

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**CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**March 31, 2026**

ASSETS		
CURRENT ASSETS:		
Cash in bank	<u>\$ 227,834</u>	
TOTAL CURRENT ASSETS		<u>\$ 227,834</u>
OTHER ASSETS:		
Investments	<u>1,344,111</u>	
TOTAL OTHER ASSETS		<u>1,344,111</u>
TOTAL ASSETS		<u>\$ 1,571,945</u>
LIABILITIES		
CURRENT LIABILITIES:		
Application deposits	<u>3,000</u>	
TOTAL CURRENT LIABILITIES		<u>3,000</u>
TOTAL LIABILITIES		3,000
BEGINNING NET POSITION	\$ 1,507,236	
Year-to-date change in net position	<u>61,709</u>	
ENDING NET POSITION		<u>\$ 1,568,945</u>

**CHANDLER INDUSTRIAL DEVELOPMENT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
**March 31, 2026**

	March 31, 2026	9 Month Ended March 31, 2026
OPERATING REVENUES:		
Annual admin fees (Intel)	\$ -	\$ 140,539
Interest income	238	1,523
TOTAL INCOME	238	142,062
TOTAL OPERATING REVENUES	238	142,062
OPERATING EXPENSES:		
Annual Corporation Report	-	10
Miscellaneous (account analysis settlement bank charge, IRS filings)	108	1,131
Grant payments	-	122,357
TOTAL OPERATING EXPENSES	108	123,498
OPERATING INCOME (LOSS)	130	18,564
NONOPERATING REVENUE:		
Investment income (loss)-Note 1	5,011	43,145
TOTAL NONOPERATING REVENUE	5,011	43,145
NET CHANGE IN NET POSITION	\$ 5,141	\$ 61,709
Note 1 - Interest income (loss) is as follows:		
Realized interest to date	5,011	43,145