

NOTICE OF MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS ARIZONA

In accordance with section 38-431.01 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of The Industrial Development Authority of the City of San Luis and to the general public that the Board Members of The Industrial Development Authority of the City of San Luis will hold a **Special Meeting Thursday, May 23, 2019 at 5:30 p.m.** The meeting will take place at City Hall in **Council Chambers**, located at 1090 E. Union Street, San Luis, Arizona, 85349. Everyone from the public is invited to attend the open meeting.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

THIS NOTICE IS APPROVED BY:

/s/ Kay M. Macuil, Attorney for The Industrial Development Authority of the City of San Luis

AVISO DE JUNTA DE LA CORPORACIÓN

De acuerdo con los Estatutos del Estado de Arizona "A.R.S § 38-431.01", se le informa a los miembros de la Corporación The Industrial Development Authority of the City of San Luis y al público en general que los miembros de la Corporación The Industrial Development Authority of the City of San Luis tendrán una **Junta Especial el día Jueves 23, de Mayo a las 5:30 p.m**. La junta se llevará a cabo en el **Salón Del Cabildo** ubicada en el 1090 E. Union Street, San Luis, Arizona 85349. El público está cordialmente invitado a la junta.

De acuerdo con el Acta de Americanos con Discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis, Arizona no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para más información referente a derechos y provisiones del Acta de Americanos con Discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la Ciudad, contactar al: Coordinador del Acta de Americanos con Discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, Arizona, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Por medio de este aviso y de acuerdo con los Estatutos del Estado de Arizona "A.R.S § 1-602.A.9", sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar el consentimiento ante el Estado o cualquiera de sus subdivisiones políticas para hacer una grabación de audio o video de su hijo menor de edad. Las juntas del Cabildo se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden dar el consentimiento por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad está presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con los Estatutos del Estado de Arizona "A.R.S. §1-602.A.9."

ESTE AVISO ES APROBADO POR:

/f/ Kay M. Macuil, Abogada de The Industrial Development Authority of the City of San Luis

AGENDA
INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF SAN LUIS, ARIZONA
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
MAY 23, 2019
5:30 p.m.

PLEASE TAKE NOTICE THAT BOARD MEMBERS MAY ATTEND THE MEETING BY TELEPHONIC COMMUNICATION

PLEASE TAKE NOTICE: *The Chair or Acting Chair may change the order of the items.*

PLEASE TAKE NOTICE: *If authorized by law and by a majority vote of a present quorum of the Board of Directors, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.*

1. CALL TO ORDER/ROLL CALL

2. CONSENT AGENDA

All matters are considered to be routine by the Commission and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2. A. MINUTES OF

Meeting held November 28, 2019
Meeting held August 14, 2018

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3. A.

Discussion and possible action on any and all matters regarding the adoption of Resolution No. 2019-01, a resolution amending Resolution No. 2018-01, a resolution approving financing for Regional Center for Border Health, Inc. Medical Mall project and declare an emergency.
(Glenn J. Gimbut, Assistant City Attorney)

4. ADJOURNMENT

Suggested adjournment by President: "Since we have come to the end of the items on the agenda and there is no further business, the meeting is adjourned."

Industrial Development Authority

2.A.

Meeting Date: 05/23/2019

Summary

MINUTES OF

Meeting held November 28, 2019

Meeting held August 14, 2018

Attachments

2019-11-28 Minutes

2018-08-14 Minutes

**MINUTES
INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF SAN LUIS, ARIZONA
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
November 28, 2018
5:30 p.m.**

PLEASE TAKE NOTICE

- Board Members will attend either in person, telephone, or video conference communication.
- The President or Acting President may change the order of the items.
- If authorized by law and by a majority vote of a present quorum of the Board of Directors, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.

1. **CALL TO ORDER/ROLL CALL** President Gary Black called the meeting to order at approximately 5:30 p.m.

Name	Present	Absent
President Gary Black	X	
Vice President Marco Pinzon	X	
Director Francisco Magallon		X
Secretary/Treasurer Rosa Varela	X	
Director Maria Gonzalez		X

Others present:

- X Kay Marion Macuil, Attorney for Corporation
- X Janet Taylor, Clerk of the Board
- X Glenn Gimbut, Assistant City Attorney
- X Amanda Aguirre, Regional Center for Border Health
- X Alex Bejarano, Regional Center for Border Health, Community Liaison

2. **CONSENT AGENDA**

All matters are considered to be routine by the Board Members and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2.a. Minutes of Annual Meeting held October 2, 2018.

Motion: Vice President Marco Pinzon and Secretary/Treasurer Rosa Varela to approve the minutes of the Annual Meeting held October 2, 2018.

Motion passed unanimously

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3.A Discussion and possible action of engagement of Glenn Gimbut as Issuers Counsel. (Glenn Gimbut, Assistant City Attorney)

Mr. Gimbut addressed the board that he submitted a letter to Gary Black President of the IDA and explained that issuer's council are customarily paid a fee for their work and paid for by financing and the proceeds from financing at the time of closing. Mr. Gimbut explained that there would be no charge to the city and there is no cost to the IDA. He explained that he would be performing the services of the legal work for this board plus also issuing a council opinion which is required from the bondholders. I will be charging what is normally customary in this such work upon contingent on loan closing.

President Black thanked Mr. Gimbut and asked if there was any discussion from those present the response was no. President Black then asked if there was any discussion from the board, no one responded.

President Black then asked for a motion to accept Mr. Gimbut's contract.

Vice President Pinzon read the motion as follows:

MOTION TO ENGAGE GLENN GIMBUT AS ISSUER'S COUNSEL FOR THE BOND ISSUE AS IDENTIFIED IN RESOLUTION NO. 2018-01. TO BE PAID ONLY FROM PROCEEDS OF SAID ISSUE CLOSING AT SUCH RATES OR AMOUNTS AS ARE CUSTOMARY FOR SUCH REPRESENTATION.

Vice President Marco Pinzon and Secretary Rosa Varela to accept Mr. Gimbut's contract.

Motion passed unanimously.

3. B. Discussion and possible action on any and all matters regarding Resolution No. 2018-01. (Glenn Gimbut, Assistant City Attorney)

Mr. Gimbut explained that this is the resolution that would be approving the financing and upholding the loan. Mr. Gimbut states that both he and Mr. Bill Sims on behalf of the City of San Luis have reviewed the seventy-two-page loan agreement. Mr. Gimbut stated that Mr. Sims suggested that there be a three-word addition to the loan agreement which is to include the City of San Luis as part of the Indemnity Agreement. The loan agreement states that this is not a debt of either the City of San Luis or the Industrial Development Authority of the City of San Luis and that any payments owed by the Regional Center for Border Health get paid to the lender. Other than that the IDA has no responsibility and they are not promising anything that the IDA is simply a conduit. There are duties to indemnify and hold the IDA harmless.

Mr. Gimbut also stated that the loan would be closing sometime in January. Once the designs are finished it has to go through USDA for approval. Once they approve it, it has to go out to bid. Once there is a bid they can quote the loan.

Ms. Aguirre addressed the board and thanked them. She stated this project would bring over one hundred and thirty permanent jobs and over 300 temporary jobs in construction. Ms. Aguirre also stated that this is the largest allocation of USDA in the history of Arizona. This will help the community, and eventually, this project will turn into a hospital. Ms. Aguirre offered to entertain any questions the President or the board might have.

President Gary Black mentioned that last year he built an elderly housing complex and now with you building this new medical facility. The whole community is excited about this.

Ms. Aguirre responded by saying that this is what they envisioned for this community.

Mr. Pinzon stated that this is a very good project and a positive thing.

MOTION: Vice President Marco Pinzon and Secretary Rosa Varela to approve Resolution No. 2018-01. **Motion passed unanimously.**

4. ADJOURNMENT

*Suggested adjournment by President: "Since we have come to the end of the items on the agenda and there is no further business, the meeting is adjourned."***ADJOURNMENT**

**Minutes
Annual Meeting
The Industrial Development Authority of the City of San Luis
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
Wednesday, August 14, 2018
5:30 p.m.**

PLEASE TAKE NOTICE THAT BOARD MEMBERS MAY ATTEND THE MEETING BY TELEPHONIC COMMUNICATION

PLEASE NOTE *If authorized by a majority vote of the Board of Directors, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.*

1. **CALL TO ORDER/ROLL CALL** Vice President Marco Pinzon called the meeting to order at approximately 5:40 p.m.

Name		Present	Absent
President Gary Black			X
Vice President Marco Pinzon	By Phone	X	
Director Francisco Magallon	By Phone	X	
Secretary/Treasurer Rosa Varela		X	
Director Eduardo Vasquez	Resigned		
Director Maria Gonzalez			X

Others present:

X Kay Marion Macuil, City Attorney

X Janet Taylor, Clerk of the Board

X Jonathan Dumadag, IT

2. **CONSENT AGENDA**

All matters are considered to be routine by the Board Members and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2.a. Minutes of Annual Meeting held August 23, 2017.

Motion: Secretary/Treasurer Rosa Varela and Director Francisco Magallon to approve the minutes of the Annual Meeting held August 23, 2017.

Motion passed unanimously

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

- 3.a.** Discussion and possible action on any and all matters regarding amending the by-laws of the Industrial Development Authority of the City of San Luis, Arizona to conform with modern notice practices and to eliminate monthly meetings. **(Kay Marion Macuil, Attorney for IDA)**

Motion: Secretary/Treasurer Rosa Varela and Director Francisco Magallon to amend the by-laws as presented.

Motion passed unanimously.

4. DISCUSSION

- 4.a.** Discussion and possible directions to staff regarding recommendations for City Council for appointments for two (2) directors whose terms are expiring on July 29, 2018. **(Kay Marion Macuil, IDA and City Attorney)**

Director Francisco Magallon and Vice President Marco Pinzon discussed they would be willing to accept reappointment to serve the Industrial Development Authority of the City of San Luis, Arizona.

5. ADJOURNMENT

PENDING APPROVAL

AGENDA ITEM REVIEW FORM

Industrial Development Authority

3.A.

Meeting Date: 05/23/2019

Department Head: Janet Taylor, Legal Secretary, Attorney's Office

Submitted By: Janet Taylor, Legal Secretary, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding the adoption of Resolution No. 2019-01, a resolution amending Resolution No. 2018-01, a resolution approving financing for Regional Center for Border Health, Inc. Medical Mall project and declare an emergency. **(Glenn J. Gimbut, Assistant City Attorney)**

SUMMARY:

SUMMARY:

Last December, the Board approved Resolution No. 2018-01, a resolution approving the bond issues for financing the proposed Medical Mall project of Regional Center for Border Health, Inc. While it was anticipated that the bond issues would be split between taxable and tax exempt bonds, the form of resolution stated that the bonds would in in the form of one or more tax exempt bonds. Does this preclude taxable bonds? The legal opinion of bond counsel is that it does not. But attorneys for Alliance Bank, the entity providing the interim financing, wish to be one hundred percent sure and have asked for an amendment to Resolution 2018-01 to provide specifically that both taxable and tax exempt bonds are authorized. Bids for the project have come in, and local contractor Eckhard has been selected. Approximately 12 percent of the bonds will be taxable and the remainder tax exempt. As contracts for construction have been executed and financing is immediately ready to close, and the need for this type of medical facility in San Luis is great, it is requested that this resolution be adopted as an emergency measure.

Reason for the Short Notice of this Meeting

Mr. Gimbut has been attending weekly Tuesday morning conference calls since the Medical Mall project began. On these calls are in the order of 20 attorneys involved in all aspects of the lending for the project. Not until this Tuesday, did one of the attorneys spot an issue with the resolution the IDA passed last year. There was a decision of the attorneys finally late Tuesday afternoon that the IDA resolution should be amended.

The Reason for Amending the Resolution

On November 28, 2018, the IDA adopted Resolution No. 2018-01 which approved financing of the Medical Mall Project of Regional Center for Border Health, Inc. As stated to the IDA Board in November, it was anticipated that some of the bonds would be tax-exempt and some would be taxable. Bond counsel prepared the form of Resolution No. 2018-01, and he used the phrase that financing would be provided by one or more tax-exempt bond issues. At the end of the day, fifteen percent or less of the bonds will be taxable and the remainder tax exempt.

No Consequences for the IDA or the City

At no time is either the IDA or City responsible for paying the bonds, and the indemnity language suggested by the City's Outside Counsel Bill Sims remains in the loan documentation. The sole issue is, does the concept of one or more tax-exempt issues preclude a small portion being taxable? Mr.

Gimbut's legal opinion and the legal opinion of bond counsel is, no. Alliance Bank which is providing the interim financing (permanent financing is coming from Rural Development) wants Resolution 2018-01 to be amended to include taxable loans. The bank also wants to be certain that the City Council is informed of this development. No one sees a need for further Council action, just a request that City Council be informed. Therefore, Mr. Gimbut sent an email to the City Council on this topic to fulfill that request of the bank.

The Resolution

Bond counsel will draft the Resolution, and Mr. Gimbut will review it. The resolution will allow financing to close and construction to begin. The declaration of emergency is so the resolution will become effective immediately rather than the usual 30 days for the resolutions to become effect. The resolution is not available as of the writing of this Agenda Item but will be provided to the Board for its consideration by the time of the meeting.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE RESOLUTION NO. 2019-01 AND DECLARE AN EMERGENCY.

Attachments

Resolution No. 2019-01

RESOLUTION 2019-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS, ARIZONA AMENDING ITS PREVIOUSLY ADOPTED RESOLUTION NO. 2018-01 AND DECLARING AN EMERGENCY

WHEREAS, The Industrial Development Authority of the City of San Luis, Arizona (the “Issuer”) is a nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”) incorporated with the approval of the City of San Luis, Arizona (the “City”), pursuant to the provisions of the Constitution of the State and under Title 35, Chapter 5 of the Arizona Revised Statutes, as amended (the “Act”);

WHEREAS, the Issuer adopted Resolution No. 2018-01 on November 28, 2018 (the “2018 Resolution”), specifically granting final approval of a tax-exempt borrowing and healthcare revenue loan or loans in an aggregate principal amount not to exceed \$35,000,000;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the 2018 Resolution;

WHEREAS, in the opinion of Bond Counsel, a portion of the Loan will need to be issued as taxable to address federal tax law concerns;

WHEREAS, the Lender has agreed to a portion of the Loan being issued as a taxable obligation;

WHEREAS, the Board has determined that it is in the best interests of the Issuer to amend the 2018 Resolution as provided herein; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of The Industrial Development Authority of the City of San Luis, Arizona that:

Section 1. Amendment to Caption. The caption of the 2018 Resolution is hereby replaced in its entirety with the following (italics are included for emphasis only):

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS, ARIZONA GRANTING FINAL APPROVAL OF THE TAX-EXEMPT *AND/OR TAXABLE* BORROWING AND HEALTHCARE REVENUE LOAN OR LOANS (REGIONAL CENTER FOR BORDER HEALTH, INC. PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 (THE “FINANCING”)

Section 2. Amendment to Financing Authorization. Section 3 of the 2018 Resolution entitled “Financing Authorization” is hereby replaced in its entirety with the following (italicized for emphasis only):

The Financing is hereby authorized and designated “The Industrial Development Authority of the City of San Luis, Arizona Healthcare Revenue Loan (Regional Center For Border Health, Inc. Project).” The Financing shall be completed in one or more *taxable or tax-exempt* issuances (the “Loan(s)”) as set forth in the proposed form of Loan Agreement, and will mature on the dates and in the amounts and will bear interest at the rates set forth in the Loan Agreement. The Loan(s) shall be payable and subject to redemption prior to maturity as provided in the Loan Agreement

Section 3. Remaining Provisions Unchanged. All remaining provisions of the 2018 Resolution not otherwise amended by this Resolution remain unchanged and in full force and effect.

Section 4. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution and the 2018 Resolution) heretofore taken by or at the direction of the Issuer and its directors, officers, counsel, advisors or agents directed toward the completion of the Financing are hereby approved and ratified.

Section 5. Further Actions. The officers of the Issuer shall take all action necessary or reasonably required to carry out, give effect to and consummate the amendment to the 2018 Resolution and the transactions contemplated hereby and thereby, including without limitation, the execution and delivery of any additional documents required to be delivered in connection with the completion of the Financing.

Section 6. Open Meeting Laws. It is found and determined that all formal actions of the Issuer and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Issuer.

Section 7. Irrepealability. After the proceeds of the Loan(s) are delivered pursuant to the terms of the Loan Agreement and upon receipt of (a) payment therefor and (b) an executed and fully-completed Investor Letter in connection with the Financing, the 2018 Resolution, as amended by this Resolution, shall be and remain irrepealable until the Loan(s) and interest thereon shall have been fully paid, canceled, and discharged.

Section 8. Severability. If any section, paragraph, clause, or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. Waiver. Any provisions of the Issuer’s By-Laws, the Policy Guidelines and Application Procedure, or prior resolutions inconsistent herewith are waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any such By-Laws, the Policy Guidelines or Application Procedure, or prior resolutions or any part thereof.

Section 10. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 11. Effectiveness. It is necessary for the preservation of the peace, health and safety of the City of San Luis, Arizona, that an emergency is declared to exist, and this resolution shall become immediately operative and in force from and after the date of posting hereof.

Section 12. Notice of A.R.S. Section 38-511 – Cancellation. Notice of Arizona Revised Statutes Section 38-511 is hereby given. The provisions of said Statute are by this reference incorporated herein to the extent of their applicability to the matters contained herein and under the laws of the State of Arizona.

PASSED, ADOPTED, AND APPROVED on May __, 2019.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF SAN LUIS, ARIZONA

By: _____
President, Board of Directors

APPROVED AS TO FORM

Attorney for the Industrial Development
Authority of the City of San Luis, Arizona