

NOTICE OF MEETING
SAN LUIS FACILITY DEVELOPMENT CORPORATION

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 San Luis Facility Development Corporation and to the general public that the Board Members of the San Luis Facility Development Corporation will hold a Special Meeting on Thursday, October 15, 2026, at 5:30 p.m. The meeting will take place at the City 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/ Sonia Cornelio, City Clerk

AVISO DE JUNTA
CORPORACION DE DESARROLLO DE INSTALACIONES DE SAN LUIS

De acuerdo con los Estatutos del Estado de Arizona, A.R.S. § 38-431.01, se le informa a los miembros de la Corporacion de Desarrollo de Instalaciones de San Luis y al público en general que los miembros de la Corporacion de Desarrollo de Instalaciones de San Luis que tendran una Junta Especial, el día Jueves, 15 de Octubre del 2026, a las 5:30 p.m. La junta se llevará a cabo en la Sala 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/ Sonia Cornelio, Actuaría de la Ciudad

AMENDED AGENDA
10/14/2026

AGENDA
Special Meeting
San Luis Facility Development Corporation
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
October 15, 2026
5:30 p.m.

PLEASE TAKE NOTICE THAT THE BOARD MEMBERS MAY ATTEND THE MEETING BY TELEPHONIC COMMUNICATION; THE CHAIR OR ACTING CHAIR MAY CHANGE THE ORDER OF THE ITEMS AND 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:

- Regular meeting held June 23, 2026

3. DISCUSSION AND POSSIBLE ACTION ITEM:

- 3.A.** Discussion and possible action on any and all matters regarding Resolution No. 2026-03: A resolution of the San Luis Facility Development Corporation authorizing reimbursement to LaSalle Corrections from the Operating Reserve/Repair/Contingency Fund for the replacement and installation of one (1) HVAC unit. **(Joe Estes, General Counsel to the Board)**

3.B. Discussion and possible action on any and all matters regarding the consent and authorization for the appointment of a receiver for the proposed sale of the San Luis Regional Detention and Support Center. **(Joe Estes, City Attorney)**

4. **ADJOURNMENT**

San Luis Facility Development Corporation

2. A.

Meeting Date: 10/15/2026

Summary

MINUTES OF:

- Regular meeting held June 23, 2026

Attachments

Minutes

MINUTES
Regular Meeting
San Luis Facility Development Corporation
San Luis Council Chambers
1090 E. Union Street
San Luis, AZ 85349
June 23, 2026
5:30 p.m.

1. CALL TO ORDER/ROLL CALL

President Jenny Torres called the meeting to order at approximately 5:38 p.m.

PRESENT: President Jenny Torres
Director Marco Pinzon (via Teams)
Director Eulogio Vera

ABSENT: Vice President Alex J. Harper
Director Maria Gonzalez

OTHERS PRESENT: Sonia Cornelio, City Clerk
Joseph D. Estes, General Counsel
Albert Moreno, IT Technician
Vanessa Iturbide, Graphics and Media Specialist
Bill Sims, Outside Counsel – (via Teams)
Tim Kurpiewski, Chief Financial Officer
for LaSalle Corrections – (via Teams)

2. CONSENT AGENDA

2. A. MINUTES OF

- Special meeting held on October 29, 2025
- Regular meeting held on January 28, 2026

MOTION: Director Eulogio Vera/Director Marco A. Pinzon to approve the Consent Agenda. The motion passed unanimously.

The vote was as follows:

President Jenny Torres	Aye
Director Marco Pinzon	Aye
Director Eulogio Vera	Aye

President Jenny Torres moved item 3. B. to be the first item to be discussed on the agenda. There was no opposition from the Directors.

Mr. Bill Sims, Outside Counsel, stated that it was not necessary to enter Executive Session immediately because he wanted Mr. Tim Kurpiewski, Chief Financial Officer for LaSalle Corrections, to be present for the discussion. He noted that Board President Jenny Torres, the Trustees, and LaSalle had worked diligently to identify a solution and had reached a proposal. He requested to brief the Board on this matter prior to entering Executive Session to discuss the potential appointment of a receiver and the need for an amended forbearance agreement.

It was explained that in April, LaSalle submitted a letter stating that they could no longer absorb operational losses and that a long-term solution was needed. The Trustees acknowledged this and agreed that keeping the facility open was the best option to ensure that bondholders could recover a portion of the proceeds to which they are entitled. Board President Jenny Torres was recognized for providing significant guidance throughout the process.

The proposed agreement includes several financial concessions to LaSalle, including priority payment ahead of bond obligations, an increase in net sale proceeds to LaSalle from \$750,000.00 to \$1.5 million, and a mechanism allowing LaSalle to receive accounts receivable as a priority over bondholders. These measures reflect the Trustees' recognition of the importance of maintaining operations and responding to LaSalle's stated financial concerns.

Mr. Sims noted that implementing this agreement would require amendments to the current forbearance agreement, specifically because the existing agreement prohibits the appointment of a receiver. A previous attempt to authorize such action was brought to the voters but did not pass. He emphasized that the proposed agreement represents a collaborative effort among the Board President, the Trustees, and LaSalle to address LaSalle's financial needs while maintaining impartiality and fulfilling fiduciary duties to bondholders. He noted the Board's appreciation for LaSalle's continued participation.

Mr. Tim Kurpiewski, Chief Financial Officer (CFO) for LaSalle Corrections, said he has been involved with the project since 2017, when the operator took over from the previous management company, and he is now in his 9th year working with the facility. As the CFO, he is familiar with the project's operations and financial structure. He explained that the operator experienced significant financial losses last year. When the five-year renewal option approached, the operator informed the Trustees that it could not renew the management agreement, as the operation was already approximately \$4 million in deficit. He stated that while the operator values its work, it cannot continue operating at a loss. The Trustee and U.S. Bank then approached the operator to negotiate possible improvements to the financial structure.

He added that a forbearance period was established that would temporarily reduce the debt payment for 24 months while efforts were made to improve the economics, including increasing population and adjusting the PDM. Although some improvement was made, they noted that once the full debt service resumed, including an escalated increase, the project would not be able to cash flow. The operator communicated this to the Trustee, the Board President and staff.

Mr. Kurpiewski reiterated that under the current debt structure, the project cannot sustain operations. The operator notified all parties that it would need to discontinue operations unless it established a workable financial plan. He emphasized that if the operator was to leave, the facility would likely close, making a sale far more difficult and risking the loss of employees. He noted that after the initial intent for the voters to authorize the sale, it did not pass, the Trustee developed a new approach involving the appointment of a receiver to market and sell the facility. The Trustee asked the operator to remain during this period, and the operator agreed, provided its direct expenses were covered and it received a 6% management fee while assisting with continued operations. He stated that population levels have recently increased from 380 to 600 inmates, which makes it feasible to cover direct operating expenses. The operator expressed willingness to continue managing the facility through the sale process, assist with transition to any new owner, and potentially submit its own bid, although any bid would reflect a significantly discontinued value due to the existing debt of approximately \$26 million. He noted that if the sale exceeds the outstanding debt, the city may be entitled to any remaining net proceeds. He summarized that the proposed amendment to the forbearance agreement would allow operations to continue, cover direct expenses, and establish a timeline through January 31, 2027, to complete the sale. The operator would remain flexible if a sale is imminent near that date to help ensure a smooth transition and maintain staff stability.

There were no questions from the Board Members.

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3. B. EXECUTIVE SESSION: Discussion and possible action to hold an executive session pursuant to A.R.S. § 38-431.03(A) (3), (4) and (7) on any and all matters regarding Resolution 2026-02. A proposed First Amendment to Forbearance Agreement for consent to appointment of Receiver and sale of the San Luis Detention Center for discussion or consultation for legal advice with the San Luis Facility Development Corporation's legal counsel in order to consider the Corporation's position and instruct its legal counsel. (Joseph Estes, General Counsel and Bill Sims, Outside Counsel)

MOTION: President Jenny Torres/Director Eulogio Vera to go into Executive Session at approximately 5:56 p.m. Motion passed unanimously.

The vote was as follows:

President Jenny Torres	Aye
Director Marco Pinzon	Aye
Director Eulogio Vera	Aye

4. MOTION TO GO BACK TO REGULAR SESSION

MOTION: President Jenny Torres/Director Eulogio Vera to go back to Regular Session at approximately 6:30 p.m. Motion passed unanimously.

The vote was as follows:

President Jenny Torres	Aye
Director Marco Pinzon	Aye
Director Eulogio Vera	Aye

5. DISCUSSION AND POSSIBLE ACTION ITEMS:

Discussion and possible action on any and all matters regarding Resolution No. 2026-02. A Resolution of the San Luis Facility Development Corporation Board of Directors in support of the San Luis Regional Detention and Support Center, approving the First Amendment to the Amended and Restated Agreement with U.S. Bank Trust Company and LaSalle Corrections to extend the forbearance of the bonds until April 30, 2027; repealing conflicting provisions; and providing for severability. (Joseph Estes, General Counsel)

MOTION: Board Member Eulogio Vera/Board Member Marco Pinzon to approve Resolution No. 2026-02 approving the First Amendment to the Amended and Restated Agreement regarding temporary forbearance, operation of project and project revenues. The motion passed unanimously.

The vote was as follows:

President Jenny Torres	Aye
Board Member Eulogio Vera	Aye
Board Member Marco Pinzon	Aye

3. A. Discussion and possible action on any and all matters regarding the approval of Resolution No. 2026-01. A Resolution of the San Luis Facility Development Corporation Board of Directors authorizing and approving the conveyance of a permanent easement to the City of San Luis. (Joseph Estes General Counsel)

Mr. Joseph Estes, General Counsel, informed that this resolution is to authorize a roadway and a utility easement necessary for the expansion.

Director Eulogio Vera, explained that the city currently lacks a looped water system at the intersection of Avenue D and County 23½ or San Luis Lane. To improve connectivity and redundancy, the city intends to construct a new water line connecting San Luis Lane, just west of the detention facility, continuing across the north property line, and then south along the east side of the detention facility. He added that because the city does not own the land needed for this connection, an easement is required. The new water line will enhance system redundancy and improve service reliability for the community.

MOTION: President Jenny Torres/Director Eulogio Vera to approve Resolution No. 2026-01. Motion passed unanimously.

The vote was as follows:

President Jenny Torres	Aye
Board Member Eulogio Vera	Aye
Board Member Marco Pinzon	Aye

6. ADJOURNMENT

President Jenny Torres adjourned the meeting at 6:34 p.m.

APPROVED:

Jenny Torres, President

ATTEST:

Sonia Cornelio, Clerk of the Board

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the Board of Directors of the San Luis Facility Development Corporation held on June 23, 2026. I further certify that the meeting was duly called, convened, and held in accordance with applicable requirements, and that a quorum was present.

Sonia Cornelio, Clerk of the Board

San Luis Facility Development Corporation

3. A.

Meeting Date: 10/15/2026

Department Head: Joe Estes, City Attorney, Attorney's Office

Submitted By: Justin Neuman, Paralegal, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2026-03: A resolution of the San Luis Facility Development Corporation authorizing reimbursement to LaSalle Corrections from the Operating Reserve/Repair/Contingency Fund for the replacement and installation of one (1) HVAC unit. **(Joe Estes, General Counsel to the Board)**

SUMMARY:

This summer, the San Luis Regional Detention and Support Center replaced a non-functioning HVAC unit in the facility's kitchen area. LaSalle Corrections obtained two identical quotes and selected the lowest responsible contractor, Arizona Valley Refrigeration. LaSalle Corrections paid Arizona Valley Refrigeration for the removal of the old unit, a new unit with warranty, parts, wiring, and installation totaling \$37,453.00. The Forbearance Agreement does not affect the San Luis Facility Development Corporation's right, as Issuer, to request funds from the Operating Reserve Account for these types of repairs.

Our operator, LaSalle Corrections, requests reimbursement of \$37,453.00 using funds from the Operating Reserve/Repair/Contingency Account.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE RESOLUTION NO. 2026-03 FOR THE REIMBURSEMENT TO LASALLE FOR THE PURCHASE OF ONE (1) HVAC UNIT AND RELATED EXPENSES FROM THE BOND OPERATING RESERVE / REPAIR / CONTINGENCY ACCOUNT IN AN AMOUNT NOT TO EXCEED \$37,453.00.

Attachments

Resolution No. 2026-03

Selected Quote

Competitor Quote

No. 2026-03

A RESOLUTION OF THE SAN LUIS FACILITY DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING REIMBURSEMENT TO LASALLE CORRECTIONS FROM THE OPERATING RESERVE/REPAIR/CONTINGENCY FUND FOR THE REPLACEMENT AND INSTALLATION OF ONE (1) HVAC UNIT; REPEALING CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

BE IT RESOLVED by the San Luis Facility Development Corporation Board of Directors as follows:

Section 1: The San Luis Facility Development Corporation, issuer of the San Luis Regional Detention and Support Center Project Series 2014 and 2014A, authorizes the Trustee U.S. Bank to reimburse the operator and manager, LaSalle Corrections, L.L.C., \$37,453.00 for the replacement and installation of one (1) air conditioning unit as detailed on the attached Exhibit A.

Section 2: If a conflict arises between the provisions of this Resolution and any other formal action of the Board or the City of San Luis, Arizona, the conflicting provisions are amended, superseded, and replaced, and this Resolution shall govern.

Section 3: If any section, subsection, paragraph, sentence, clause, phrase, or portion of this Resolution is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction or controlling legislation, such decision or law shall not affect the validity of the remaining portion of this Resolution.

PASSED, ADOPTED, and APPROVED by the Board of Directors of the City of San Luis Facility Development Corporation, of the City of San Luis, Yuma County, Arizona, this ____ day of October 2026.

San Luis Facility Development Corporation

Jenny Torres, President

ATTEST:

APPROVED AS TO FORM:

Clerk of the Board

Joseph Estes, General Counsel

ARIZONA VALLEY REFRIGERATION

HEATING AND COOLING, LLC

1250 W 9th STREET, YUMA AZ, 85364

PHONE: (928) 210 - 3787

Proposal

Proposal submitted to	Phone	Date
SLRDSC La Salle Correction		August 6th, 2026
Street	Job name	
406 N Ave D	15 Ton Package	
City, State and Zip Code	Job location	
San Luis AZ 85349	Kitchen unit	
Architect	Date of plans	Job phone

We hereby submit specifications and estimates for:

Remove and dispose existing 15-ton unit

Provide and install new 15-ton Carrier gas package unit 48FEDM16A2A60A0A0 460Volts 3 phase R-454, curb adapter and economizer

Provide and install new Digital Thermostat, Drainpipe, Duct Re-Connections

Crane Service, All electrical Connections and Control, Complete Labor

Start and Check System for Proper Operation

5 Years Compressor Warranty. 1 year Parts and Labor

We propose hereby to furnish material and labor – complete in accordance with above specifications, for the sum of:

(Thirty-seven thousand four hundred fifty-three 00/100) Dollars \$ **37,453.00**

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specification involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized

Signature:

Martin C

Note: This proposal may be withdrawn 30
by us if not accepted within:

Days

Acceptance of proposal – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outline above.

Signature

Date of acceptance:

Signature

AZ Mechanical

4580 W 17 LN
YUMA AZ85364
PH (928) 581 2868
Elmercr2306@gmail.com

Proposal

Proposal submitted to	Phone	Date
SLRDSC La Salle Correction		August 25th, 2026
Street	Job name	
406 N Ave D	15 Ton Package	
City, State and Zip Code	Job location	
San Luis AZ 85349	Kitchen unit	
Architect	Date of plans	Job phone

We hereby submit specifications and estimates for:

Remove and dispose existing 15-ton unit

Provide and install new 15-ton Carrier gas package unit 48FEDM16A2A60A0A0 460Volts 3 phase R-454, curb adapter and economizer

Provide and install new Digital Thermostat, Drainpipe, Duct Re-Connections

Crane Service, All electrical Connections and Control, Complete Labor

Start and Check System for Proper Operation

5 Years Compressor Warranty. 1 year Parts and Labor

We propose hereby to furnish material and labor – complete in accordance with above specifications, for the sum of:

(Thirty-eight thousand nine hundred 00/100)

Dollars \$ **38,900.00**

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specification involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized

Signature:

Elmer CT

Note: This proposal may be withdrawn 30
by us if not accepted within:

Days

Acceptance of proposal – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outline above.

Signature

Date of acceptance:

Signature

San Luis Facility Development Corporation

3. B.

Meeting Date: 10/15/2026

Department Head: Joe Estes, City Attorney, Attorney's Office

Submitted By: Justin Neuman, Paralegal, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding the consent and authorization for the appointment of a receiver for the proposed sale of the San Luis Regional Detention and Support Center. **(Joe Estes, City Attorney)**

SUMMARY:

On June 23, 2020, the Board Members of the San Luis Facility Development Corporation approved an amendment to the current forbearance agreement to appoint a receiver to facilitate the sale of the San Luis Regional Detention and Support Center ("Property"). Since this amendment, the Property bondholders have received an acceptable offer from Lasalle Corrections West to purchase the Property and are requesting consent and authorization from the San Luis Facilities Development Corporation for the appointment of a receiver in connection with a proposed sale by the receiver to Lasalle Corrections West.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO PROVIDE CONSENT AND AUTHORIZE THE APPOINTMENT OF A RECEIVER IN CONNECTION WITH A PROPOSED SALE BY THE RECEIVER TO LASALLE CORRECTIONS WEST.
