

December 4, 2017

TO: CITY COUNCILMEMBERS

FROM: MAYOR JOHN GILES

SUBJECT: Appointments to the Industrial Development Authority and Mesa Housing Services Governing Board

Attached is my recommendation for appointments to the Industrial Development Authority and Mesa Housing Services Governing Board.

**Industrial Development Authority – 7 member board with five new appointments**

**Background:**

The Mesa Industrial Development Authority (Mesa IDA) was established April 7, 1980 as a non-profit organization with the Arizona Corporation Commission, and is authorized by State statute to act as a conduit issuer of bonds that allows private borrowers to receive tax-exempt bond financing. The Mesa Industrial Development Authority has not been utilized to its full extent for almost 20 years. Currently the Mesa IDA does not have any projects with debt outstanding and the last time the IDA received any revenue from a bond issuance was in FY 1999 in the amount of \$4,650 from the Mesa Lutheran Hospital. According to the Mesa IDA's by-laws the IDA is required to meet once annually and has failed to do so the past few years. The Mesa IDA is required to have 7 directors (ARS 35-705; By-Laws, Art. 3, Sect. A) that must serve without compensation except for actual expenses incurred. (ARS 35-705; By-Laws, Art. 3, Sect. D)

Because of these factors, City staff is recommending the dissolution of the IDA. In order to do so, the Mayor and Council would need to appoint 5 new directors to the IDA as there are currently only two active directors. Once appointed, the directors would hold one meeting to dissolve the IDA. Projects in Mesa would still be able to utilize Industrial Development Authorities through the county for financing.

The meeting and dissolution of the IDA is expected to occur within the first quarter of 2018. All director terms will expire at the dissolution of the IDA.

**New appointments:**

Michael Hutchinson

Rich Adams

F. Rockne Arnett

Claudia Walters

Tom Rhodes

**Mesa Housing Services Governing Board** – Eight-member board with one reappointment.

Kenneth Harold Dennis, District 2. Mr. Dennis is a retired Program Director for a Chemical Dependency Treatment center in Chicago. He holds a bachelor of industrial management from Purdue and a bachelor of finance from North Central College. Mr. Dennis has served as a member of the Resident Advisory Board (RAB) for over three years. His reappointment will begin on January 1, 2018 and his term will expire December 31, 2018.