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VIA EMAIL AND HAND DELIVERY

October 6, 2021

Sharon Bronson, Chair

Mr. Steve Christy

Ms. Adelita Grijalva

Mr. Matt Heinz

Mr. Rex Scott

PIMA COUNTY BOARD OF SUPERVISORS

County Administration Building

130 West Congress Street, 11th Floor

Tucson, Arizona 85701

Re: The Industrial Development Authority of the County of Pima – Notice of Intention to Issue Bonds – Education Facility Revenue and/or Refunding Bonds (American Leadership Academy Project) – In an Amount Not to Exceed \$230,000,000

Dear Madam Chair and Members of the Board:

At its regular meeting held on October 8, 2021, The Industrial Development Authority of the County of Pima (the “*Authority*”), will consider granting its final approval to a resolution authorizing the issuance of its Education Facility Revenue and/or Refunding Bonds (American Leadership Academy Project) (the “*Authorized Bonds*”), in one or more series or subseries and in an aggregate principal amount not to exceed \$230,000,000, the proceeds of which will be loaned to American Leadership Academy, Inc. (the “*Borrower*”), an Arizona nonprofit corporation and organization, which is exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended.

As always, this issuance of the Authorized Bonds is subject to the approval of the Pima County Board of Supervisors. Therefore, the Authority respectfully requests that this matter be placed on the Board of Supervisors’ Regular Meeting Agenda scheduled for October 19, 2021, for the purpose of having the Board of Supervisors approve the action of the Authority. Enclosed herewith are the following:

1. Fact Summary; and
2. Resolution of the Board of Supervisors.

In the opinion of Bond Counsel, no public hearing is required to be held pursuant to the Code and federal income tax regulations for the issuance of the Authorized Bonds.

In 2015, the Authority previously issued its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2015, in the original principal amount of \$24,890,000 (the “*2015 Bonds*”), pursuant to an Indenture of Trust dated as of December 1, 2015 (the “*Original Indenture*”) between the Authority and BOKF, NA dba Bank of Arizona (now UMB Bank, National Association, as successor), and loaned the proceeds thereof to the Borrower pursuant to a Loan Agreement dated as of December 1, 2015 (the “*Original Loan Agreement*”) between the Borrower and the Authority, for the purpose of assisting the Borrower in: (i) refunding bonds previously issued by the Authority; (ii) finance or refinance the costs of acquisition, construction, improvement, renovation, operation and equipping of land and charter school facilities located at (a) 34696 North Village Lane, San Tan Valley, Arizona, and (b) 4507 South Mountain Road, Mesa, Arizona; (iii) funding of a debt service reserve fund for the 2015 Bonds; and (iv) paying certain issuance expenses.

In 2017, the Authority further previously issued its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2017, in the original principal amount of \$192,290,000 (the “*2017 Bonds*”), pursuant to the Original Indenture, as supplemented by the First Supplemental Indenture of Trust dated as of December 1, 2017, between the Authority and UMB Bank, National Association, and loaned the proceeds thereof to the Borrower, pursuant to the Original Loan Agreement, as supplemented by Loan Agreement Supplement No. 1 dated as of December 1, 2017, between the Borrower and the Authority, for the purpose of assisting the Borrower in paying the costs to: (i) finance or refinance the acquisition, construction, improvement and equipping of land and charter school facilities located at (a) 1070 South Higley Road, Gilbert, Arizona, (b) 19935 East Chandler Heights Road, Queen Creek, Arizona and 19843 East Chandler Heights Road, Queen Creek, Arizona and 23908 South Hawes Road, Queen Creek, Arizona, (c) 650 West Combs Road, Queen Creek, Arizona and 850 West Combs Road, Queen Creek, Arizona, and (d) 3155 South San Tan Village Parkway, Gilbert, Arizona; (ii) fund a debt service reserve for the 2017 Bonds; and (iii) pay certain issuance expenses related to the 2017 Bonds (collectively, the “*2017 Project*”)

In 2019, the Authority further previously issued its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2019, in the original principal amount of \$40,475,000 (the “*2019 Bonds*”) pursuant to the Original Indenture, as supplemented by and through the Second Supplemental Indenture of Trust dated October 1, 2019, between the Authority and UMB Bank, National Association, and loaned the proceeds thereof to the Borrower pursuant to the Original Loan Agreement, as supplemented by and through the Second Loan Agreement Supplement dated October 1, 2019, between the Borrower and the Authority, for the purpose of assisting the Borrower in paying the costs to: (i) refinance the land and charter school facilities located at 22512 South Signal Butte Road, Queen Creek, Arizona (the “*Signal Butte Facilities*”) through the refunding of the Authority’s Senior Education Facility Revenue Loan Obligation (American Leadership Academy Signal Butte Project) Series 2017A and Series 2017B; (ii) finance

or refinance the acquisition, construction, improvement and equipping of land and charter school facilities located at (a) the Signal Butte Facilities, (b) 1750 East Riggs Road, Gilbert, Arizona, (c) 4380 North Hunt Highway, Florence, Arizona, and (d) 650 West Combs Road, Queen Creek, Arizona and 850 West Combs Road, Queen Creek, Arizona; (iii) finance or refinance the Borrower's obligations related to the purchase of equipment, curriculum, and/or capital expenses used at facilities funded by bonds previously issued by the Authority; (iv) fund a subaccount of the debt service reserve fund for the 2019 Bonds; (iv) pay capitalized interest, if any, on such Bonds; and (v) pay certain issuance expenses related to the 2019 Bonds.

The proceeds of the Authorized Bonds will be loaned to the Borrower for the purpose of assisting the Borrower in paying the costs to: (i) refinance the 2017 Project through the refunding of the 2017 Bonds; (ii) finance or refinance (a) its acquisition of a parcel of land and improvements thereto (currently leased to the Borrower) located at 23908 South Hawes Road, Queen Creek, Arizona (the "Hawes Property"), (b) financing its construction, improvement, renovation, replacement and equipping of the land and facilities located at the Hawes Property, (c) finance construction of a utility building to be located at 1070 S. Higley Road, Gilbert, Arizona, and (d) finance construction of expanded classroom capacity at 650 West Combs Road and 850 West Combs Road, Queen Creek, Arizona; (iii) fund any required reserve funds; (vi) pay capitalized interest, if any, on the Authorized Bonds; (v) pay certain working capital expenses of the Borrower; and (vi) pay certain issuance expenses related to the Authorized Bonds.

The Authorized Bonds are to be issued in accordance with Title 35, Chapter 5, of the Arizona Revised Statutes, as amended (the "*Act*"). The Authorized Bonds will be issued as fully registered Bonds and will be publicly offered by B. C. Ziegler and Company. The Authorized Bonds will be issued without a rating in denominations of \$25,000 and integral multiples of \$5,000 thereafter and sold only to "Qualified Institutional Buyers" within the meaning of Rule 144A of the Rules adopted pursuant to the Securities Act of 1933, as amended, or "Accredited Investors" within the meaning of Rule 501 of the Rules governing the limited offer and sale of securities without registration under the Securities Act of 1933. Although on parity with the 2015 Bonds, the 2017 Bonds and the 2019 Bonds, the Authorized Bonds will not be part of any pool bond issue with other borrowers.

As always, the Authorized Bonds are special limited obligations of the Authority. The Authorized Bonds are payable solely from payments made by the Borrower pursuant to a loan agreement and secured by a deed of trust on the sites of the prior bonds and the Authorized Project. Such payments are pledged to the Bondholders pursuant to an Indenture of Trust, as supplemented or amended, between the Authority and UMB Bank, National Association, as trustee. Neither the faith and credit, nor the taxing power of the Authority or Pima County or any other political subdivision thereof, are pledged to the payment of the Authorized Bonds. The Authority has no taxing power.

I will be available prior to the meeting to answer any questions you may have, or to meet with you at your convenience.

Thank you for your consideration of this matter.

Sincerely,

SLANIA LAW, PLLC

/s/

Michael A. Slania
Attorney for the Authority

MAS/jgs
Enclosures

c: Ms. Julie Castañeda, Clerk (w/enclosures)
Leslie Lukach, Esq., Counsel to the Board
Mr. Charles Huckelberry, Pima County Administrator
Ms. Jan Leshner, Chief Deputy Pima County Administrator
Mr. Patrick Cavanaugh, Deputy Director Pima County Economic Development Office

FACT SUMMARY
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF PIMA
EDUCATION FACILITY REVENUE AND/OR REFUNDING BONDS
(AMERICAN LEADERSHIP ACADEMY PROJECT)

The following is a brief Fact Summary of the proposed bond issue.

The Authorized Bonds	The Authority will issue its Education Facility Revenue and/or Refunding Bonds (American Leadership Academy Project) (the “ <i>Authorized Bonds</i> ”), in an original principal amount not to exceed \$230,000,000 and a maturity date not to exceed 40 years. The Authorized Bonds will bear interest at a fixed rate. The average interest rate on the Authorized Bonds shall not be greater than 12 percent per annum. The Authorized Bonds may be redeemed at the option of the Borrower with the consent of the Authority and, under certain circumstances, must be redeemed prior to their stated maturity date.
Public Sale	The Authorized Bonds will be issued without a rating, but in minimum denominations of \$25,000 and \$5,000 thereafter, and sold only to “Qualified Institutional Buyers” within the meaning of Rule 144(A) of the rules adopted pursuant to the Securities Act of 1933, as amended, or “Accredited Investors” within the meaning of Rule 501 of the rules governing the limited offering and sale of securities without registration adopted pursuant to the Securities Act of 1933, as amended, as evidenced by an investor letter. The Authorized Bonds will be sold by B. C. Ziegler and Company, pursuant to one or more Limited Offering Memorandums.
The Borrower	American Leadership Academy, Inc., an Arizona nonprofit corporation (the “ <i>Borrower</i> ”), has been determined by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code.
The 2015 Bonds	The Authority has previously issued its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2015, in the original principal amount of \$24,890,000 (the “ <i>2015 Bonds</i> ”) to benefit the Borrower. The proceeds of the 2015 Bonds were used to finance the 2015 Project (defined below).
The 2015 Project	The proceeds of the 2015 Bonds were used to (i) refinance the Authority’s Education Facility Revenue Bonds (American Leadership Academy Project), Series 2012A and Subordinated

Education Facility Revenue Bonds (American Leadership Academy Project), Series 2012B, Originally issued to finance (ii) finance or refinance the costs of acquisition, construction, improvement, renovation, operation and equipping of land and charter school facilities located at the San Tan Site, 4507 South Mountain Road in Mesa, Arizona, (iii) fund any required reserves as set forth in the Indenture, (iv) pay capitalized interest, if any, on the 2015 Bonds, and (v) pay certain issuance expenses.

The 2017 Bonds. The Authority previously issued its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2017 in the original principal amount of \$192,290,000 (the “2017 Bonds”) to benefit the Borrower. The proceeds of the 2017 Bonds were used to finance the 2017 Project (defined below).

The 2017 Project The proceeds of the 2017 Bonds were used for the purposes of (i) financing or refinancing the costs of acquisition, construction, improvement and equipping of land and charter school facilities located at (a) 1070 S. Higley Road, Gilbert, Arizona (the “*Gilbert North K-12 Facilities*”), (b) 19935 East Chandler Heights Road, Queen Creek, Arizona, 19843 East Chandler Heights Road, Queen Creek, Arizona and 23908 South Hawes Road, Queen Creek, Arizona, (c) 650 West Combs Road and 850 West Combs Road, Queen Creek, Arizona (the “*Ironwood K-12 Facilities*”), and (d) 3155 South San Tan Village Parkway in Gilbert, Arizona (collectively, the “2017 Project Site”), (ii) funding of any required reserves as set forth in the Indenture, (iii) paying capitalized interest, if any, on such 2017 Bonds, and (iv) paying certain issuance expenses.

The 2019 Bonds..... The Authority has previously issued its Education Facility Revenue Bonds (American Leadership Academy Project), Series 2019, in the original principal amount of \$40,475,000 (the “2019 Bonds”) to benefit the Borrower. The proceeds of the 2019 Bonds were used to finance the 2019 Project (defined below).

The 2019 Project. The proceeds of the 2019 Bonds will be used for the purpose of (i) refinancing the costs of acquisition, construction, improvement, renovation, expansion, operation and equipping of land and charter school facilities located at 22512 South Signal Butte Road, Queen Creek, Arizona through the refunding of the Authority’s Senior Education Facility Revenue Loan Obligations (American Leadership Academy Signal Butte Project) Series 2017A and Series 2017B; (ii) financing or refinancing the acquisition, construction, improvement and equipping of land and charter school facilities located at (a) 1750 E. Riggs Road, Gilbert, Arizona, (b) 4380 N.

Hunt Highway, Florence, Arizona, (c) 850 W. Combs Road, Queen Creek, Arizona, and (d) 22512 S. Signal Butte Road, Queen Creek, Arizona (collectively, the “2019 Project Site”), (iii) funding of any required reserves as set forth in the Indenture, (iv) paying capitalized interest, if any, on such 2019 Bonds, and (v) paying certain issuance expenses related to the 2019 Bonds.

The Authorized Project..... The proceeds of the Authorized Bonds will be used for the purpose of: (i) refinancing the 2017 Project through the refunding of the 2017 Bonds; (ii) financing or refinancing(a) its acquisition of a parcel of land and improvements thereto (currently leased to the Borrower) located at 23908 South Hawes Road, Queen Creek, Arizona (the “Hawes Property”), (b) financing its construction, improvement, renovation, replacement and equipping of the land and facilities located at the Hawes Property, (c) financing construction of a utility building to be located at 1070 S. Higley Road, Gilbert, Arizona, and (d) finance construction of expanded classroom capacity at 650 West Combs Road and 850 West Combs Road, Queen Creek, Arizona; (iii) funding any required reserve funds; (vi) paying capitalized interest, if any, on the Authorized Bonds; (v) paying certain working capital expenses of the Borrower; and (vi) paying certain issuance expenses related to the Authorized Bonds.

Documentation Pursuant to the Original Loan Agreement, as supplemented by and through one or more Loan Agreement Supplements (the “*Loan Agreement*”) between the Authority and the Borrower, the Borrower has agreed to make payments to the Authority sufficient to pay the principal of, premium, if any, and interest on the Authorized Bonds when due. The Borrower’s obligations under the Second Loan Agreement Supplement will be secured by one or more Deeds of Trust (which may include amendments or modifications to existing Deeds of Trust), which will be recorded on the property in the Authorized Project Site.

Security for the Authorized Bonds . . The loan to the Borrower will be secured by (a) mortgage liens and security interests in the land, buildings, fixtures and equipment owned by the Borrower constituting the 2015 Project Site, the 2017 Project Site, the 2019 Project Site, and the Authorized Project Site (b) an assignment of the leases, rents and all other revenues of the Borrower (including certain State revenues due to the Borrower).

The Authority has no taxing power. The Authorized Bonds and the interest thereon are not a general obligation of the Authority and are not an indebtedness of the Authority, Pima County, the State of Arizona, or any political subdivision thereof within the meaning of any Arizona constitutional or statutory provision whatsoever.

Principal of, premium, if any, and interest on the Authorized Bonds are payable solely out of the revenues derived from the Loan Agreement (other than to the extent payable out of proceeds of the Authorized Bonds or income from the temporary investment thereof). Neither the faith and credit nor the taxing power, if any, of the Authority, Pima County, the State of Arizona, or any political subdivision thereof, is pledged to the payment of the principal of, premium, if any, or interest on the Authorized Bonds.

RESOLUTION NO. 2021 - ____

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
PIMA COUNTY, ARIZONA APPROVING THE
PROCEEDINGS OF THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF PIMA REGARDING
THE ISSUANCE OF ITS NOT TO EXCEED \$230,000,000
EDUCATION FACILITY REVENUE AND/OR REFUNDING
BONDS (AMERICAN LEADERSHIP ACADEMY PROJECT)
AND DECLARING AN EMERGENCY**

WHEREAS, The Industrial Development Authority of the County of Pima (the “*Authority*”) pursuant to the Industrial Development Financing Act, Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “*Act*”), is authorized to issue and sell its Education Facility Revenue and/or Refunding Bonds (American Leadership Academy Project), in one or more series or subseries (the “*Bonds*”), the proceeds of which are to be loaned to American Leadership Academy, Inc. (the “*Borrower*”), an Arizona nonprofit corporation, for the purposes of assisting the Borrower in paying the costs to (i) refinance the acquisition, construction, improvement and equipping of land and charter school facilities located at (a) 1070 S. Higley Road, Gilbert, Arizona (b) 19935 East Chandler Heights Road, Queen Creek, Arizona and 19843 East Chandler Heights Road, Queen Creek, Arizona and 23908 South Hawes Road, Queen Creek, Arizona, (c) 650 West Combs Road, Queen Creek, Arizona and 850 West Combs Road, Queen Creek, Arizona, and (d) 3155 South San Tan Village Parkway, Gilbert, Arizona; (the “*2017 Project*”) through the refunding of the Authority’s Education Facility Revenue Bonds (American Leadership Academy Project), Series 2017 (the “*2017 Bonds*”); (ii) finance or refinance (a) its acquisition of a parcel of land and improvements thereto (currently leased to the Borrower) located at 23908 South Hawes Road, Queen Creek, Arizona (the “*Hawes Property*”), (b) financing its construction, improvement, renovation, replacement and equipping of the land and facilities located at the Hawes Property, (c) finance construction of a utility building to be located at 1070 S. Higley Road, Gilbert, Arizona, and (d) finance construction of expanded classroom capacity at 650 West Combs Road and 850 West Combs Road, Queen Creek, Arizona; (iii) fund any required reserve funds; (vi) pay capitalized interest, if any, on the Bonds; (v) pay certain working capital expenses of the Borrower and (vi) pay certain issuance expenses related to the Bonds (the “*Project*”).

WHEREAS, on October 8, 2021, the Authority resolved to issue the Bonds in one or more series or subseries and in an aggregate amount not to exceed \$230,000,000 (the “*Authority’s Resolution*”), such issuance being conditioned upon, among other things, the granting of approval to the issuance of the Bonds by the Pima County Board of Supervisors; and

WHEREAS, the Authority’s Resolution has been made available to the Pima County Board of Supervisors, and the Authority’s Resolution has been duly considered this date; and

WHEREAS, the Authority’s Resolution authorizes, among other things, the issuance of the Bonds and the execution and delivery of (a) one or more supplemental Indentures of Trust, between the Authority and UMB Bank, National Association, supplementing the Indenture of Trust dated as

of December 1, 2015, as previously supplemented (collectively the “*Indenture*”); (b) one or more Loan Agreement Supplements supplementing the Loan Agreement dated as of December 1, 2015, as previously supplemented (collectively, the “*Loan Agreement*”), between the Authority and the Borrower, and (c) such other documents as required for the issuance of the Bonds; (c) one or more current or forward delivery Bond Purchase Agreements; and (d) one or more Preliminary Offering Memorandums and Limited Offering Memorandums.

WHEREAS, the terms, maturities, provisions for redemption, security and sources of payment for the Bonds are set forth in the Indenture, the Loan Agreement and the form of Bonds themselves; and

WHEREAS, copies of said documents have been made available to the Pima County Board of Supervisors, together with the Authority’s Resolution; and

WHEREAS, the Pima County Board of Supervisors has been informed that said documents have been reviewed by competent Bond Counsel, Kutak Rock LLP, and said Bond Counsel has determined that said documents adequately meet the requirements of the Act and the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, in accordance with Section 35-721.B of the Act, the proceedings of the Authority under which the Bonds are to be issued require the approval of the Board of Supervisors of the issuance of the Bonds; and

WHEREAS, this Board has presented to it information regarding the Bonds and is further informed and advised with regard to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, as follows:

1. Pursuant to the Act, the Board of Supervisors, as the governing body of the Authority, hereby approves the Bonds and the proceedings under which the Bonds are to be issued by the Authority, including specifically the Authority’s Resolution, the Indenture, the Loan Agreement, and all other related or appropriate documents;
2. This Resolution shall be in full force and effect from and after its passage as provided by law, and any provisions of any previous resolutions in conflict with the provisions herein are hereby superseded;
3. The appropriate officers of the Pima County Board of Supervisors are hereby authorized and directed to do all such things and to execute and deliver all such documents on behalf of Pima County as may be necessary or desirable to effectuate the intent of this Resolution and the Authority’s Resolution in connection with the issuance of the Bonds; and
4. It is necessary for the preservation of the peace, health and safety of the County that this resolution becomes immediately effective, and, accordingly, an

emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County, Arizona this 19th day of October, 2021.

Sharon Bronson, Chair
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

Julie Castañeda, Clerk
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

KUTAK ROCK LLP,
Bond Counsel

By: Maika Colanin