

**PAPAGO PARK CENTER INC.
MEETING NOTICE AND AGENDA**

**BOARD OF DIRECTORS MEETING
Thursday, August 8, 2024, 9:30 AM**

**SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288**

Directors: David Rousseau, President; Christopher Dobson, Vice President; Kevin Johnson,
Mark Pace, and Leslie C. Williams

Call to Order
Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Board of Directors and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Board Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item..... CHAIRMAN DAVID ROUSSEAU

- Request for approval of the minutes for the meeting of April 11, 2024.

2. Review of the Treasurer’s Report SCOTT ERICKSON
3. The Grand at Papago Park Center Development Update MITCHELL ROSEN
4. Papago Park Center Inc. Officers for Fiscal Year 2025 MITCHELL ROSEN

Request for approval of the Papago Park Center (PPC), Inc. Officers for Fiscal Year 2025 (FY25): President: David Rousseau; Vice President: Christopher J. Dobson; Treasurer: Jon W. Hubbard; Assistant Treasurer: Jason I. Riggs; Secretary: John M. Felty; Assistant Secretary: Lora F. Hobaica; Assistant Secretary: Nina J. Mullins; and Assistant Secretary and Designated Broker: Mitchell B. Rosen.

5. Declarant Directors for the Board of PPC Association MITCHELL ROSEN

Request for approval of the appointment of four Declarant Directors to serve on the PPC Association Board for FY25: David Rousseau, Christopher J. Dobson, Kevin J. Johnson, and Leslie C. Williams.

6. Declarant Directors for the Board of The Grand at PPC Association
..... MITCHELL ROSEN

Request for approval of the appointment of three Declarant Directors to serve on The Grand at PPC Association Board for FY25: David Rousseau, Christopher J. Dobson, and Mark V. Pace.

7. Adjourn CHAIRMAN DAVID ROUSSEAU

The Board may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Board on any of the matters listed on the agenda.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



**NOTICE WILL BE SENT REGARDING THE NEXT MEETING OF THE
BOARD OF DIRECTORS OF PAPAGO PARK CENTER, INC.**

08/01/2024

MINUTES
BOARD OF DIRECTORS
PAPAGO PARK CENTER, INC.

DRAFT

April 11, 2024

A meeting of the Board of Directors of Papago Park Center, Inc. (PPC Inc.), an Arizona corporation, convened at 10:05 a.m. on Thursday, April 11, 2024, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Directors of PPC Inc. present at roll call were David Rousseau, President of PPC Inc. and SRP; Christopher J. Dobson, Vice President of PPC Inc. and SRP; and Kevin J. Johnson, Mark V. Pace, and Leslie C. Williams of SRP.

Also present were J. Rocky. Shelton, Council Vice Chairman of SRP; Brian J. Koch, Treasurer of PPC Inc. and Associate General Manager and Chief Financial Executive of SRP; John M. Felty, Secretary of PPC Inc. and Corporate Secretary of SRP; Lora F. Hobaica, Assistant Secretary of PPC Inc. and Assistant Corporate Secretary of SRP; Nina J. Mullins, Assistant Secretary of PPC Inc. and Senior Director of Land and PPC Inc. of SRP; Mitchell B. Rosen, Assistant Secretary and Designated Broker of PPC Inc. and Development Manager of PPC Inc. of SRP; Mmes. Irene R. Avalos, Melissa J. Burger, and Sue Ann Perkinson of SRP; Messrs. Scott E. Erickson, Jon W. Hubbard, Reuben T. Judd, Aidan J. McSheffrey, Michael J. O'Connor, Jim M. Pratt, and Jason I. Riggs, of SRP; and Pam Collins of Chamberlain Enterprises.

In compliance with A.R.S. §38-431.02, Andrew Davis had posted a notice and agenda of the meeting of the Board of Directors of PPC Inc. at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, April 9, 2024.

Consent Agenda

President and Director D. Rousseau requested a motion for approval of the Consent Agenda, in its entirety.

On a motion duly made by Director M.V. Pace and seconded by Director L.C. Williams, the Board of Directors of PPC Inc. unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the PPC Inc. meeting on August 3, 2023, as presented.

Secretary J.M. Felty polled the Directors on Director M.V. Pace's motion to approve the minutes for the meeting of August 3, 2023. The vote was recorded as follows:

YES:	Directors David Rousseau, President; Christopher J. Dobson, Vice President; and Kevin J. Johnson, Mark V. Pace, and Leslie C. Williams	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Treasurer’s Report

Using a PowerPoint presentation, Scott E. Erickson, SRP Senior Manager of Financial Systems and Controls, reviewed the Cash Basis Budget versus Actual Comparison and expenses year-to-date through January 31, 2024; the Accrual Basis Balance Sheet as of January 31, 2024; and the Cash versus Accrual Comparison for the fiscal year-to-date through January 31, 2024.

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary’s Office and, by reference, made a part of these minutes.

Fiscal Year 2025 (FY25) Operating and Capital Budgets

Using a PowerPoint presentation, Mitchell B. Rosen, Assistant Secretary and Designated Broker of PPC Inc. and Development Manager of PPC Inc. of SRP, reviewed the key elements of the proposed FY25 Operating Budget for PPC Inc. and compared the variances with the FY24 Operating Budget. Continuing, he reviewed the details of the PPC Inc. Capital Budget and stated that the proposed capital costs will be \$2,400,000 in FY25.

Mr. M.B. Rosen concluded by recommending approval of the proposed FY25 Operating and Capital Budgets, as presented.

On a motion duly made by Director K.J. Johnson, seconded by Director L.C. Williams and carried, the PPC Inc. Board granted approval, as recommended by Management.

Secretary J.M. Felty polled the Directors on Director K.J. Johnson’s motion to approve the FY25 Operating and Capital Budgets, as presented. The vote was recorded as follows:

YES:	Directors David Rousseau, President; Christopher J. Dobson, Vice President; and Kevin J. Johnson, Mark V. Pace, and Leslie C. Williams	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

The Grand at Papago Park Center Development Update

Using a PowerPoint presentation, Mr. M.B. Rosen stated that the purpose of the presentation was to provide an informational update regarding the development at The Grand at Papago Park Center.

Mr. M.B. Rosen reminded the Committee that on August 3, 2023, PPC Inc.'s Board extended options on Lots 2 and 12 through December 31, 2025, a total of 29 months. He stated that Lincoln has an option to extend an additional 12 months, to December 31, 2026, by assigning \$100,000 of the Roosevelt Way East future reimbursement to PPC Inc. Mr. M.B. Rosen reported that he continues to monitor the office market demand. He provided an aerial of The Grand at Papago Park Center highlighting Lots 2 and 12.

Continuing, Mr. M.B. Rosen provided an update regarding Alliance Residential as follows: 1) the loan documents with PNC Bank were completed in 2023, and its equity partner raised \$30 million; 2) it's anticipated that the PNC Investment Committee will take action in May 2024 and issue a term sheet in June 2024 regarding the Phase I cost of debt at 3.5% and the Phase II cost of debt at 8.5%; 3) as of April 1, 2024, Alliance Residential has invested \$2.8 million, which includes the permitted construction documents, the City of Tempe's drainage permit, lender, legal, and lease deposits; and 4) that a fair share reimbursement of approximately \$2.1 million has been reimbursed to PPC Inc. He provided an aerial view of The Grand at Papago Park Center highlighting Lot 5, along with a rendering of Broadstone apartments at Lot 5.

Next, Mr. M.B. Rosen reminded the Committee that PPC Inc.'s ground sublease with the Marquee Theater expires on August 24, 2024. He said that the Marquee Theater has requested a two-year extension to August 24, 2026, with an annual rent increase from \$225,000 to \$355,774.

Mr. M.B. Rosen informed the Committee that he met with the City of Tempe's Mayor and Lee Chesnut, owner of the First Solar building, to discuss the possibility of PPC Inc. constructing multi-family apartments at the Marquee Theater location. He reported that both the City of Tempe's Mayor and Lee Chesnut are supportive of the multi-family apartments project.

In conclusion, Mr. M.B. Rosen said that the entry monuments at Grand Way and Priest Drive have been completed and provided a photo of the entry monument at The Grand at Papago Park Center.

Mr. M.B. Rosen responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

There being no further business to come before the Board of Directors of PPC Inc., the meeting adjourned at 10:30 a.m.

John M. Felty
Secretary

Papago Park Center, Inc.

Treasurer's Report



Scott Erickson

Senior Manager

Corporate Accounting Services

August 8, 2024

Agenda

Papago Park Center, Inc.

Year-to-date through April 30, 2024

- Income Statement
 - Operating Income
 - Operating Expenses
 - Master Ground Lease

- Capital Expenditures

- Balance Sheet



Income Statement

Papago Park Center, Inc.
Income Statement
Year-to-date through April 30, 2024

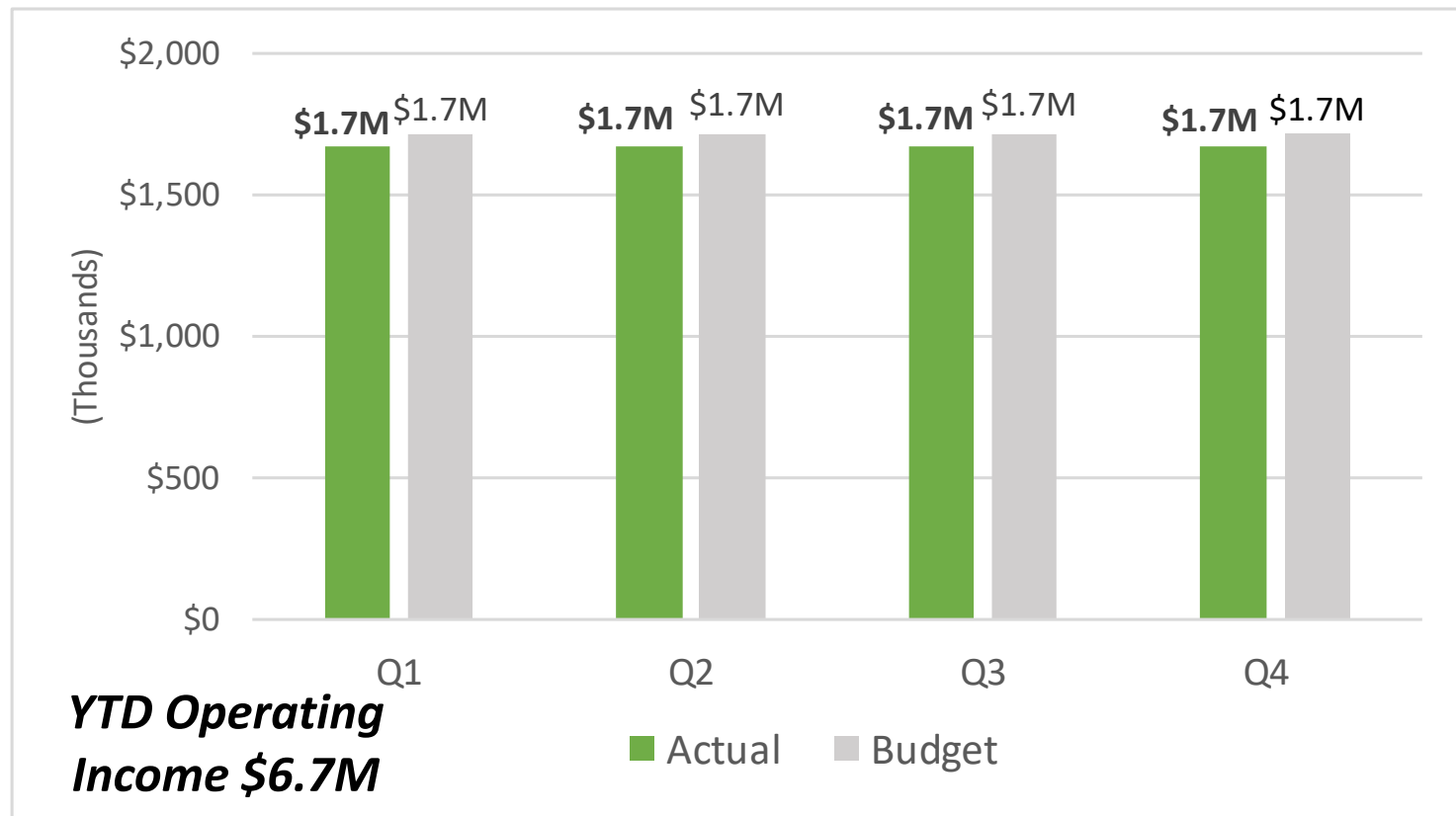
(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>\$-Variance</u>
Operating Income	\$ 6,679	\$ 6,832	\$ (153)
Operating Expenses	7,480	7,658	(178)
Net Operating Income (Loss)	(801)	(826)	25
Other Income and Expenses	231	175	56
Net Income (Loss) before Income Taxes	(570)	(651)	81
Income Tax Expense	162	40	122
Net Income (Loss) after Income Taxes	\$ (732)	\$ (691)	\$ (41)



Papago Park Center, Inc.

Operating Income

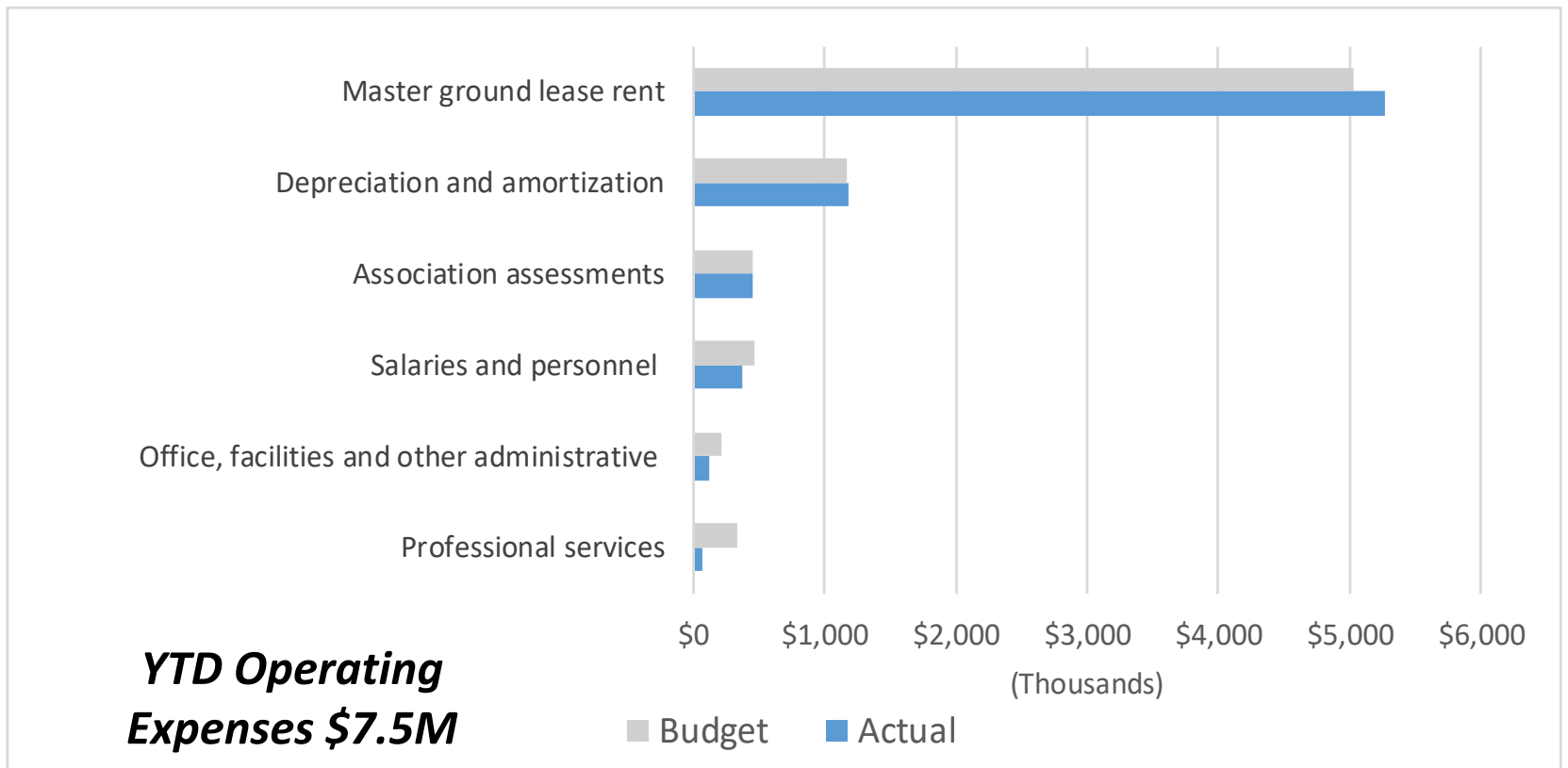
Year-to-date through April 30, 2024



Papago Park Center, Inc.

Operating Expenses – Budget v. Actual

Year-to-date through April 30, 2024

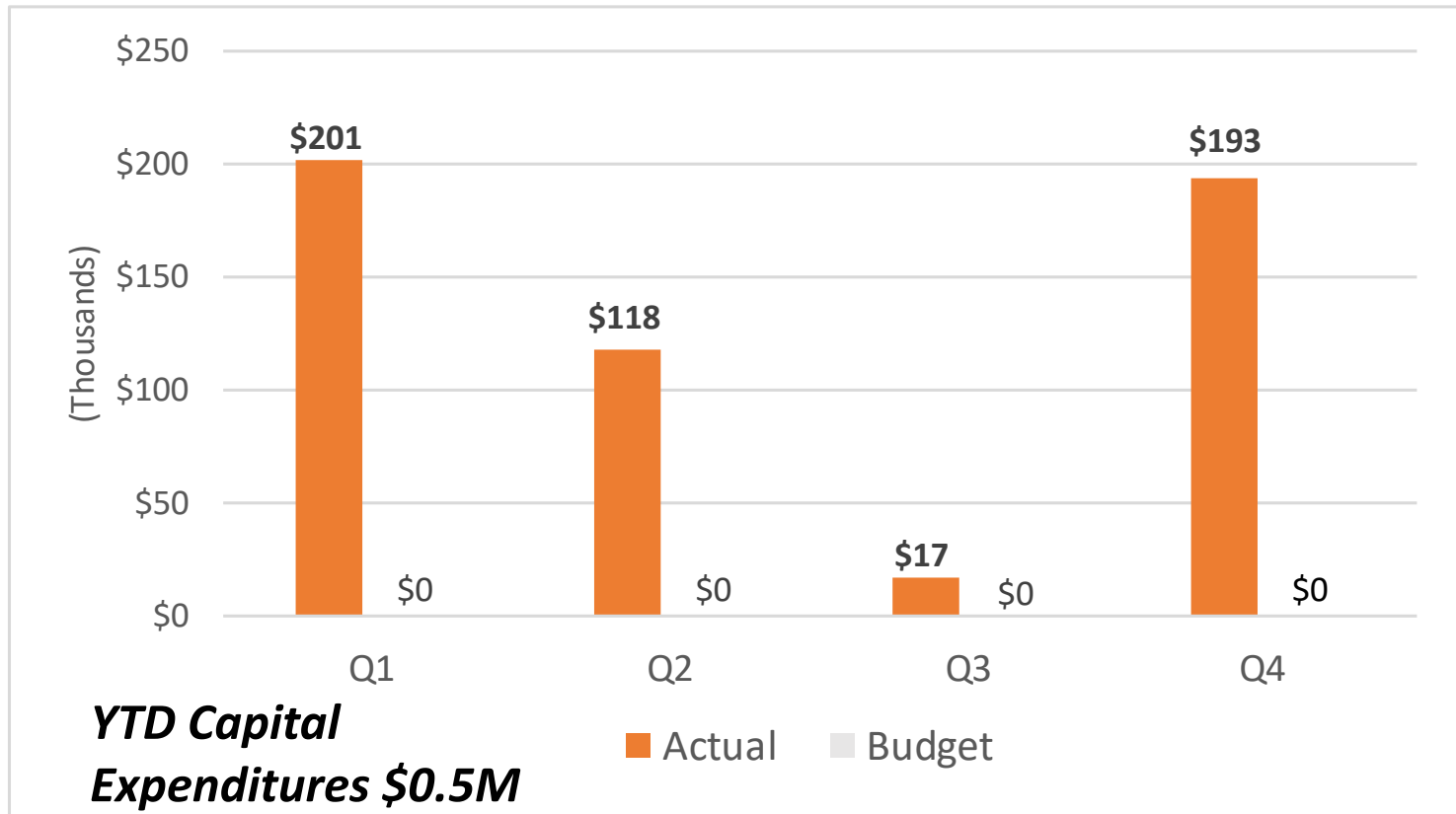


Capital Expenditures

Papago Park Center, Inc.

Capital Expenditures

Year-to-date through April 30, 2024



Balance Sheets

Papago Park Center, Inc. Balance Sheets

(Thousands)	4/30/2024	4/30/2023	\$-Change
Current assets	\$ 7,857	\$ 8,125	\$ (268)
Fixed assets, net	23,739	24,359	(620)
Other assets	761	790	(29)
Total Assets	\$ 32,357	\$ 33,274	\$ (917)
Accrued liabilities	\$ 1,565	\$ 1,774	\$ (209)
Unearned revenue	6,465	6,615	(150)
Other liabilities	1,348	1,174	174
Total Liabilities	9,378	9,563	(185)
Shareholder Equity	22,979	23,711	(732)
Total Liabilities & Shareholders' Equity	\$ 32,357	\$ 33,274	\$ (917)





Papago Park Center, Inc.



Mitchell Rosen

Development Manager

August 8, 2024

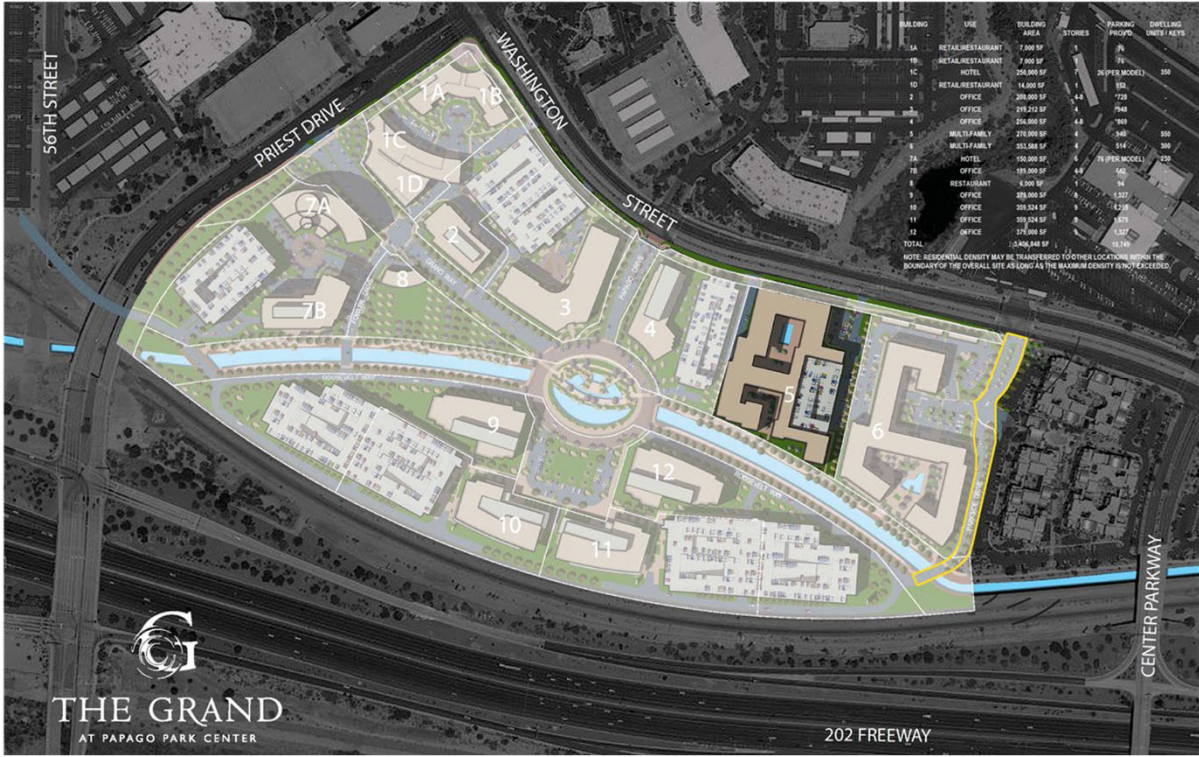
The Grand at Papago Park Center Development

Provide updates on the following:

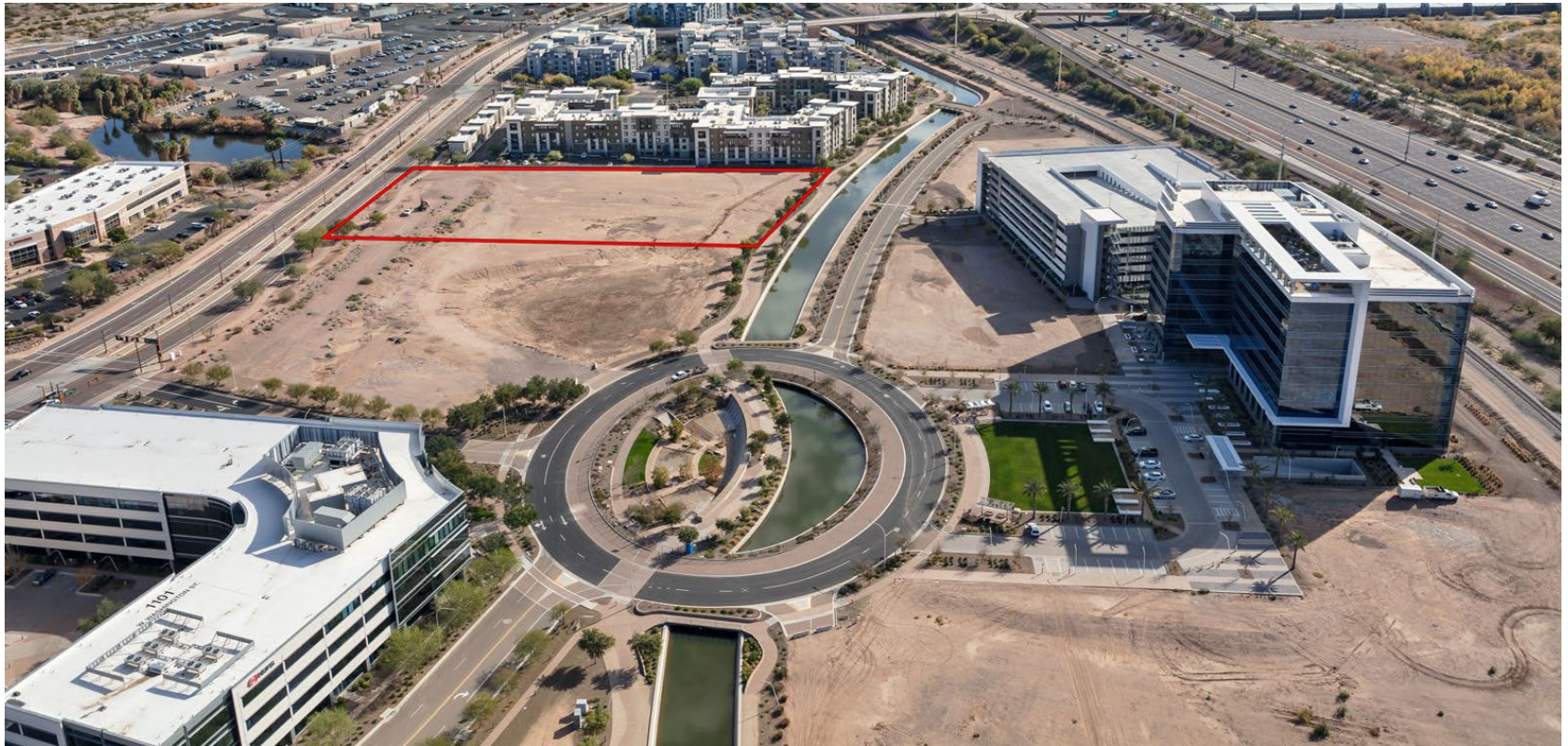
- Alliance Residential's 290-unit multi-family project on Lot 5
- Lot 7 PAD amendment
- ISB zone change to MU-4



Alliance Residential on Lot 5 (290 units)



Alliance Residential on Lot 5 (290 units)



08/08/24-Papago Park Center, Inc. M.B. Rosen



Alliance Residential on Lot 5 (290 units)

- On June 21, 2022, the PPC, Inc. Board agreed to extend the option period from August 6, 2022, to December 6, 2022, for \$279,125
- PPC, Inc. has been having bi-monthly meetings with Alliance Residential
- Alliance Residential has spent approx. \$3M on drawings, extensions, and permits.
- Lease has been reviewed by Alliance's lender (PNC Bank)
- Market conditions – 12,000 new units leased in 1st & 2nd Quarter. Expect 24,000 new units leased in 2024 with 15,000 new units delivered to the market
- Anticipate signing lease and starting construction 1st Quarter of 2025



The Grand at Papago Park Center Update – Lot 7



THE GRAND
AT PAGO PARK CENTER

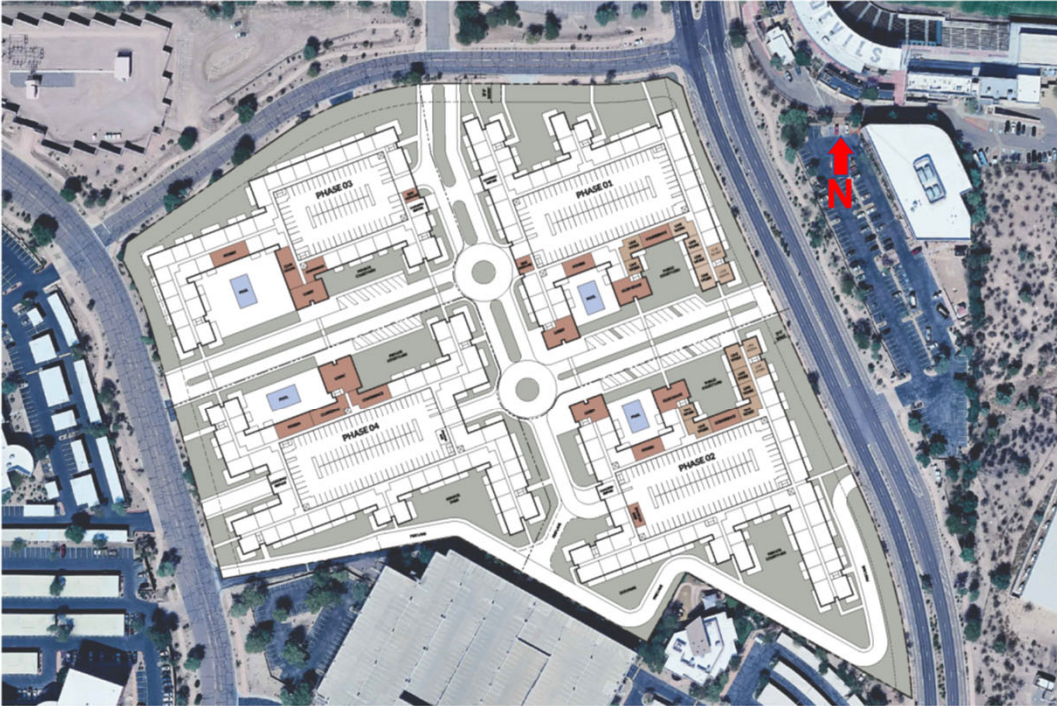
202 FREEWAY



Lot 7 PAD Amendment (262 units)



ISB rezoning to MU-4 (988 Units)



PROJECT DATA

ADDRESS: 1460 NORTH PASEO DRIVE
 TEMPE, AZ 85288
 APN: 134-19-031A
 SUBDIVISION: PAGO PARK CENTER, PHASE 1
 LOT 1, TRACTS A-F
 LOT NUMBER: TRACT 1
 SITE AREA: 19.17 ACRES | 824,808 SF

GENERAL PLAN USE: MIXED USE
 GENERAL PLAN DENSITY: MIXED USE HIGH DENSITY
 EXISTING ZONING: P40 - PAGO CENTER
 (NOT SUBJECT TO CITY OF
 TEMPE LAND CONTROLS)
 PROPOSED ZONING: MU-4
 CONSTRUCTION TYPE: V-8 (SPRINKLERLESS)
 BUILDING SETBACKS: FRONT (PASEO): 25'-0"
 SIDE - NONE
 REAR - NONE
 STREET SIDE - 25'-0"

NORTHEAST BUILDING (PHASE 01)
 PARCEL AREA: APPROX. 1.28 ACRES
 DENSITY: APPROX. 46.13 DU/AC
 TOTAL UNITS: 252 UNITS
 11000 - 13000
 1.46 - 14.00 DM
 1.46 - 14.00 DM

TOTAL NET AREA: 206,254 SF 808 SF / CLS
 BUILDING HEIGHT: 3 FURS RESIDENTIAL (4 FURS PARKING)
 PARKING PROVIDED: 427 STALLS (413 GARAGE + 14 SURFACE)
 PARKING RATIO: 2.07 STALLS/UNIT

SOUTHWEST BUILDING (PHASE 02)
 PARCEL AREA: APPROX. 1.66 ACRES
 DENSITY: APPROX. 54.06 DU/AC
 TOTAL UNITS: 270 UNITS
 11000 - 13000
 1.46 - 14.00 DM
 1.46 - 14.00 DM

TOTAL NET AREA: 242,275 SF 802 SF / CLS
 BUILDING HEIGHT: 3 FURS RESIDENTIAL (4 FURS PARKING)
 PARKING PROVIDED: 427 STALLS (413 GARAGE + 14 SURFACE)
 PARKING RATIO: 1.66 STALLS/UNIT

NORTHWEST BUILDING (PHASE 03)
 PARCEL AREA: APPROX. 4.17 ACRES
 DENSITY: APPROX. 23.72 DU/AC
 TOTAL UNITS: 274 UNITS
 11000 - 13000
 1.46 - 14.00 DM
 1.46 - 14.00 DM

TOTAL NET AREA: 363,224 SF 809 SF / CLS
 BUILDING HEIGHT: 3 FURS RESIDENTIAL (4 FURS PARKING)
 PARKING PROVIDED: 354 STALLS (340 GARAGE + 14 SURFACE)
 PARKING RATIO: 1.28 STALLS/UNIT

SOUTHWEST BUILDING (PHASE 04)
 PARCEL AREA: APPROX. 4.46 ACRES
 DENSITY: APPROX. 46.13 DU/AC
 TOTAL UNITS: 203 UNITS
 11000 - 13000
 1.46 - 14.00 DM
 1.46 - 14.00 DM

TOTAL NET AREA: 251,225 SF 808 SF / CLS
 BUILDING HEIGHT: 3 FURS RESIDENTIAL (4 FURS PARKING)
 PARKING PROVIDED: 419 STALLS (413 GARAGE + 6 SURFACE)
 PARKING RATIO: 2.07 STALLS/UNIT

TOTAL PHASES 01-04
 SITE AREA: 19.17 ACRES | 824,808 SF
 PARCEL AREA: APPROX. 14.58 DU/AC
 DENSITY: 2.53 DU/AC
 TOTAL UNITS: 929 UNITS
 11000 - 13000
 1.46 - 14.00 DM
 1.46 - 14.00 DM

TOTAL NET AREA: 867,225 SF 843 SF / CLS
 BUILDING HEIGHT: 3 FURS RESIDENTIAL (4 FURS PARKING)
 PARKING PROVIDED: 1,627 STALLS (1588 GARAGE + 44 SURFACE)
 PARKING RATIO: 1.75 STALLS/UNIT

4-PHASE MASTER PLAN

SRP MultiFamily Residential - Tempe, Arizona

Notice of P. Rights: 2021 DAVIS. THESE DESIGNS ARE THE EXCLUSIVE PROPERTY OF DAVIS. NO USE OR REPRODUCTION IS PERMITTED WITHOUT THE EXPRESS WRITTEN PERMISSION OF DAVIS.





Papago Park Center, Inc.



Mitchell Rosen
Development Manager
August 8, 2024

Election of Officers for Papago Park Center, Inc.

Proposed Slate of Officers

President

David Rousseau

Vice-President

Christopher J. Dobson

Treasurer

Jon W. Hubbard

Assistant Treasurer

Jason I. Riggs

Secretary

John M. Felty

Assistant Secretary

Lora F. Hobaica

Assistant Secretary

Nina J. Mullins

Assistant Secretary &

Mitchell B. Rosen

Designated Broker



Election of Officers

Board Action Recommended

- Elect the Papago Park Center, Inc. Slate of Officers for FY25





Papago Park Center, Inc.



Mitchell Rosen
Development Manager
August 8, 2024

Appointment of Declarant Directors

Proposed Slate of Declarant Directors for Papago Park Center Association

➤ Appoint the following Slate of Declarant Directors:

- David Rousseau
- Christopher J. Dobson
- Kevin J. Johnson
- Leslie C. Williams



Appointment of Declarant Directors

Board Action Recommended

- Appoint four Declarant Directors to the Papago Park Center Association Board of Directors for FY25





Papago Park Center, Inc.



Mitchell Rosen
Development Manager
August 8, 2024

Appointment of Declarant Directors

Proposed Slate of Declarant Directors for The Grand at Papago Park Center Association

Appoint the following Slate of Declarant Directors:

- David Rousseau
- Christopher J. Dobson
- Mark V. Pace



Appointment of Declarant Directors

Board Action Recommended

- Appoint three Declarant Directors for The Grand at Papago Park Center Association Board of Directors for FY25



