

**MINUTES OF THE
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

For the meeting held on
Tuesday, August 21, 2007 – 1:30 p.m.
1001 I Street, Second Floor
Sierra Hearing Room
Sacramento, California 95814

Chairwoman Evelyn Matteucci called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:30 p.m.

1. Call To Order and Roll Call.

Evelyn Matteucci represented the Secretary of the Business, Transportation and Housing Agency.

Steve Coony represented the State Treasurer.

Rosario Marin, Secretary of the State and Consumer Services Agency was present.

Anne Sheehan represented the Director of the Department of Finance.

D. Everett Rice, Governor's appointee, was present.

The following staff members were in attendance: Stan Hazelroth, Roma Cristia-Plant, Barbara Lewis, Diane Cummings, and Shelly Renner.

2. Executive Director's Report.

Executive Director Stan Hazelroth apprised the Board that this was the first meeting audiocast on the web. Mr. Hazelroth then informed the Board that he was preparing to sign a technical amendment to a loan previously made to the Los Osos Community Services District (District). The District has requested to amend several project components and to extend the disbursement period by about a year. Mr. Hazelroth stated that although the Board had previously delegated authority to the Executive Director to approve minor changes to an Infrastructure State Revolving Fund Program loans, he commented that he wanted to bring this issue to the Board's attention since the District is currently in bankruptcy, primarily due to a controversial wastewater construction project unrelated to the District's water project being funded with the I-Bank's loan. Mr. Hazelroth indicated it was his understanding that, given current accounting rules and State and Federal law, the bankruptcy will not impact the District's ability to construct the Project, maintain and operate the water system or to repay the I-Bank's loan, an important factor in staff's recommendation to approve the District's amendment request.

In keeping with another Executive Director delegated authority, Mr. Hazelroth informed the Board that he recently signed Inducement Certificates for Applied Aerospace, Superior Lithographics and Betts Spring Co., and explained that these certificates allow for reimbursement of certain project costs from the proceeds of tax-exempt financing, and do not commit the Board or staff to any future financings. He also apprised the Board that the Budget Change Proposal (BCP) prepared with the assistance of Cooperative Personnel Services (CPS) was delivered to Business Transportation and Housing Agency (BTH) for review and approval prior to being submitted to the Department of Finance. Ms. Marin inquired as to the efficacy of

a letter from the Board evidencing their support of the BCP. Staff agreed to consider whether the BCP should be presented to the Board at the next meeting and whether a letter sent by the Chairperson representing the views of the Board would be appropriate.

Consent Items:

3. Approve minutes from the meeting held on June 19, 2007.

Chairwoman Matteucci asked if there were any corrections or additions to the minutes. There being none, she entertained a motion to approve the consent item. Ms. Marin moved to approve the consent item and Ms. Sheehan seconded the motion. The Board unanimously approved the consent item.

Action Items:

4. Adopt a resolution approving the sale, issuance and delivery of 501(c)(3) revenue bonds for Southern California Public Radio, or a related party (Pasadena) for an amount not to exceed \$8,000,000.

Ms. Lewis presented a staff report in which she explained that the project will provide financing for Southern California Public Radio (SCPR) to construct a state-of-the-art, all-digital broadcast and production facility. SCPR plans to remodel an existing 30,000 square foot building that was acquired with the proceeds of bonds issued by the I-Bank in 2005. The project will also include a meeting room open to the public where community forums will be held. Ms. Lewis introduced Mr. Bill Davis, President and Chief Executive Officer of SCPR.

Chairwoman Matteucci asked for any questions or comments from the Board and from those present; there were none. Chairwoman Matteucci entertained a motion to approve Resolution No. 07-22. Ms. Marin and Mr. Coony simultaneously moved to approve the resolution and Ms. Sheehan seconded the motion. The Board unanimously approved the resolution.

5. Adopt resolution approving the sale, issuance and delivery of 501(c)(3) revenue bonds for Goodwill Industries of San Joaquin Valley, Inc., or a related party (Stockton) for an amount not to exceed \$3,500,000.

Ms. Lewis presented a staff report in which she explained the project for Goodwill Industries of San Joaquin Valley, Inc. consists of the acquisition of and improvements to a 1.7-acre parcel of land housing two buildings totaling 12,900 square foot of commercial space and adjacent surface parking. Building One, comprised of 9,000 square feet, is to be used by Goodwill Industries of San Joaquin Valley, Inc. (GISJV) to replace an older, smaller retail store in Manteca. Building Two at 3,900 square feet, is commercial rental property to be parceled off and sold. The Project also includes the acquisition and installation of equipment and furnishings for operations of Building One. Ms. Lewis introduced Mr. David Miller, President and Chief Executive Officer of

GISJV, Mr. Ron Bernasconi, of Bernasconi Commercial Real Estate and Mr. Dan Bronfman of Growth Capital Associates, the Financial Advisor on the project.

Chairwoman. Matteucci asked for any questions or comments from those present; there were none. Chairwoman Matteucci entertained a motion to approve Resolution No. 07-23. Ms. Sheehan moved to approve the resolution and Mr. Coony seconded the motion. The Board unanimously approved the resolution.

6. Adopt resolution approving Infrastructure State Revolving Fund (ISRF) Program financing for the County of Marin, Marshall Phase 1 Community Wastewater System Assessment District, in an amount not to exceed \$800,000.

This item was withdrawn from the agenda.

7. Adopt resolution approving ISRF Program financing for the Montara Water and Sanitary District in an amount not to exceed \$1,010,000.

Ms. Cummings presented a staff report in which she explained that the project involves financing for the Kanoff Pump Station and Niagara Pump Station Upgrade Project, which includes the renovation of two outdated pump stations located near the ocean shore. Both pump stations were constructed over 30 years ago, have reached the end of their useful lives, and have spilled wastewater onto a public beach in a recent storm event.

Chairwoman. Matteucci asked for any questions or comments from those present; there were none. Chairwoman Matteucci entertained a motion to approve Resolution No. 07-25. Mr. Coony moved to approve the resolution and Ms. Sheehan seconded the motion. The Board unanimously approved the resolution.

Other Business.

Chairwoman Matteucci called for any other business. Ms. Sheehan inquired if the date of the interim Board meeting had been set yet. Mr. Cristia-Plant answered that the date should be determined within the next few days. Mr. Hazelroth, in response to an inquiry by Ms. Marin, replied that he anticipated presenting the Board with an updated report regarding the status of a previous bond issue involving a unique refinancing and reporting requirements at the October meeting.

Public Comment.

Chairwoman Matteucci called for any public comment; there was none.

Adjournment.

Chairwoman Matteucci adjourned the meeting at approximately 2:00 p.m.