

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

For the meeting held on  
Tuesday, April 22, 2008 – 1:30 p.m  
1001 I Street - Sierra Hearing Room, 2nd Floor  
Sacramento, California 95814

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

**1. Call To Order and Roll Call.**

Evelyn Matteucci represented the Secretary of the Business, Transportation and Housing Agency. Molly Arnold represented the Director of the Department of Finance. Paul Rosenstiel represented the State Treasurer. Michael Saragosa represented the Secretary of the State and Consumer Services Agency. D. Everett Rice, Governor's appointee, was present.

The following I-Bank staff members were in attendance: Stan Hazelroth, Roma Cristia-Plant, Tara Dunn, Brooke Bassett and Shelly Renner.

**2. Executive Director's Report.**

Executive Director Stan Hazelroth reported to the Board the current status of the budget change proposal and the request to convert the I-Bank's Staff Counsel IV position to a Career Executive Assignment position.

**Consent Items:**

**3. Approve minutes from the meeting held on April 15, 2008.**

Chairwoman Matteucci asked if there were any questions or comments from the Board or those present regarding the minutes. There being none, she entertained a motion to approve this consent item. Mr. Saragosa moved to approve the minutes and Mr. Rice seconded the motion. The Board unanimously approved the minutes.

**Action Items:**

**4. Adopt resolution approving the sale, issuance and delivery of industrial development revenue bonds for Prinsco, Inc. or a related party (Fresno) for an amount not to exceed \$10,000,000.**

Tara Dunn presented a staff report and described that Prinsco, Inc. manufactures high density polyethylene drainage projects and will use the proposed industrial development revenue bond proceeds to finance the renovation and equipping of its first manufacturing facility in California.

Chairwoman Matteucci asked for any questions or comments from those present. There being none, she entertained a motion to approve Resolution No. 08-08. Mr. Rice moved to approve the resolution and Mr. Saragosa 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 the Jewish Community Center of San Francisco for an amount not to exceed \$64,000,000.**

Ms. Dunn presented a staff report in which she indicated that the proceeds of the proposed publicly offered tax-exempt bonds will be used to refund the 2007 revenue bonds issued by the I-Bank, with the new bonds converting the 2007 Bonds from variable rate bonds secured by bond insurance to variable rate bonds secured by a letter of credit. She indicated that due to the downgrade of Financial Guaranty Insurance Company, the insurer for the 2007 Bonds, interest rates have spiked on the variable rate bonds, and in order to remove uncertainties associated with the current bond insurance market, the borrower wishes to convert the bonds to a more stable and higher rated credit enhancement. Ms. Dunn introduced Jim Kirk, the Chief Financial Officer for the Jewish Community Center of San Francisco and Doug Brown, the underwriter from Bank of America Securities.

Chairwoman Matteucci asked for any questions or comments from those present. There being none, she entertained a motion to approve Resolution No. 08-09. Mr. Saragosa moved to approve the resolution and Mr. Rosenstiel seconded the motion. The Board unanimously approved the resolution.

**6. Adopt resolution approving the sale, issuance and delivery of 501(c)(3) revenue bonds for the RAND Corporation for an amount not to exceed \$130,000,000.00.**

Ms. Dunn presented a staff report in which she indicated that the proceeds of the proposed publicly offered tax-exempt bonds will be used to refund variable rate revenue bonds and auction rate securities, both previously issued by the I-Bank in 2002 (more specifically, the 2002B Bonds) and 2007, respectfully, and convert both prior bonds from bonds secured by bond insurance to variable rate bonds secured by separate letters of credit. She indicated that due to the downgrade of Ambac, the insurer of the prior bonds, interest rates have spiked on both the prior bonds, and due to uncertainties in the auction rate market, RAND wishes to convert the bonds to a more stable and lower interest rate mode and also replace the bond insurance with letters of credit. Ms. Dunn introduced Mitch Blake, the Director of Treasury and Risk Management for RAND, and Doug Brown, the underwriter from Bank of America Securities.

Chairwoman Matteucci asked for any questions or comments from those present. There being none, she entertained a motion to approve Resolution No. 08-10. Mr. Rosenstiel moved to approve the resolution and Mr. Rice seconded the motion. The Board unanimously approved the resolution.

**7. Adopt resolution approved the sale, issuance and delivery of 501(c)(3) revenue bonds for the Marlborough School for an amount not to exceed \$25,000,000.**

Ms. Dunn presented a staff report and described that Marlborough School, a nonprofit entity that operates an independent urban day school for young women, grades 7 through 12 in the Hancock Park area of Los Angeles, will use funding from a tax exempt loan to finance the construction

and equipping of an academic resource center, visual arts center and two levels of underground parking.

Chairwoman Matteucci asked for any questions or comments from the Board members. In response to a question from Mr. Rosenstiel, Peter Taylor, a member of Marlborough's Board of Trustees, indicated that the School has already raised the \$28 million capital contribution necessary for the project, and that the School intends to continue to fundraise to fully fund the Project and pay off the bonds before the scheduled payment dates. Shelly Renner, Staff Counsel for the Infrastructure Bank, responded to a question from Ms. Arnold and indicated that she had researched the issue of issuing conduit bonds for an all-girls school and stated that she was comfortable that under the current status of law, the financing would not violate either the Federal or State equal protection clauses.

Chairwoman Matteucci then asked for any questions or comments from others present. There being none, she entertained a motion to approve Resolution No. 08-11. Mr. Rice moved to approve the resolution and Ms. Arnold seconded the motion. The Board unanimously approved the resolution.

#### **Other Business.**

Chairwoman Matteucci called for any other business; there was none.

#### **Public Comment.**

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

Chairwoman Matteucci then made the announcement that this would be her last Board meeting as she will soon be the Chief Counsel for the Gambling Control Commission. She commented on how much she has appreciated serving on the Board both as a designee for the Secretary of State and Consumer Services Agency and the Secretary of the Business, Transportation and Housing Agency.

#### **Adjournment.**

Chairwoman Matteucci entertained a motion to adjourn. Mr. Saragosa moved to approve the motion and Mr. Rosenstiel seconded the motion. The Board unanimously approved the motion and Chairwoman Matteucci adjourned the meeting at approximately 1:55 p.m.