



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

For the meeting held on  
July 27, 2010-1:00 p.m.  
980 9<sup>th</sup> Street, Conference Center, 3rd Floor, Suite 350  
Sacramento, California 95814

Chairwoman Marjorie Berte called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:00 p.m.

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

The following Board members were in attendance:

Marjorie Berte represented the Secretary of the Business, Transportation and Housing Agency.

Cynthia Bryant represented the Director of the Department of Finance.

Francisco Lujano represented the State Treasurer.

Leslie Lopez represented the Secretary of the State and Consumer Services Agency.

D. Everett Rice, Governor's appointee.

The following I-Bank staff members were in attendance:

Stan Hazelroth, Roma Cristia-Plant and Molly Arnold.

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

Executive Director Stan Hazelroth reported to the Board the following:

- Financial auditors, Macias, Gini, and O'Connell, have begun work on the 2009/2010 audit, will be back on site at the I-Bank in mid-August, and have scheduled a completion date of around October 1<sup>st</sup>.
- The plaintiff in the COPIA bond-related case has filed an amended complaint. It is expected that the I-Bank's counsel (the Attorney General's Office) will file another motion to dismiss this complaint.
- Staff is working on creating transition documents for the next administration.

**Consent Items:**

**3. Approve minutes from the meeting held on June 22, 2010**

Chairwoman Berte called for questions or comments from the Board and the public. Hearing none, she entertained a motion to approve this consent item. Ms. Bryant moved to approve the minutes and Mr. Luanjo seconded the motion. The minutes were unanimously approved.

**Action Items:**

- 4. Resolution No. 10-25 approving an Infrastructure State Revolving Fund Program financing for the El Dorado County Fire Protection District in an amount not to exceed \$2,500,000 to finance the El Dorado County Fire Station 28 Project, a public development facility located in the County of El Dorado, California.**

Ms. Cristia-Plant presented a staff report describing the request to finance an Infrastructure State Revolving Fund Program financing no to exceed \$2,500,000 to be used for the financing of the El Dorado County Fire Station 28 Project. Ms. Cristia-Plant reported the construction for the Fire Station 28 Project (Project) began in April with the demolition of the existing obsolete, antiquated Fire Station 28 that was built by volunteers in the 1960's. She explained that the Project is located on approximately 1 acre of District-owned land in the community of Shingle Springs on the same site as the existing Fire Station 28. Ms. Cristia-Plant stated that the proceeds from the ISRF Program financing will be used to pay for a portion of the Project construction, improvements, construction contingency design, engineering, environmental, permits, construction management and the origination fee.

Ms. Cristia-Plant informed the Board that the Project complies with the Economic Development Element of the County's General Plan to provide adequate levels of public services and infrastructure for existing residents and to target industries, services and new facilities to further economic development within the County. She added that the District has hired nine new staff in anticipation of the Project completion and anticipates hiring additional staff in the near future, and that the Project will also ensure the provision of continuing fire protection services to the recently constructed Shingle Springs Rancheria's Red Hawk Casino, which currently employs 1, 500 people on a full-time equivalent basis.

Ms. Cristia-Plant then introduced Bruce M. Lacher, El Dorado County Fire Chief and Ms. Sheryl Calfee, Account Technician with the District, whom were present at the meeting.

Chairwoman Berte called for questions or comments from the Board or the public. Hearing none, she entertained a motion to approve Resolution No. 10-25 Mr. Lujano moved to approve the resolution and Mr. Rice seconded the motion. The Board unanimously approved the resolution.

Chief Lacher thanked the Board for supporting the District's efforts.

**5. Resolution No. 10-26 amending the I-Bank's Policies and Procedures for Conduit Revenue Bond Financing for Economic Development Facilities to delete Section I.B. thereof.**

Ms. Arnold presented background information about the policy contained in Section 1.B. of the Policies and Procedures for Conduit Revenue Bond Financing for Economic Development Facilities, which states that the Infrastructure Bank will not issue bonds for projects that another State conduit revenue bond issuer was specifically created to finance. Ms. Arnold explained challenges staff had experienced in applying the policy, certain circumstances that had required the Board to waive the policy in the past, and circumstances that were expected to raise the possibility of waiver in the future. The primary concern with the strict prohibition of the policy identified by Ms. Arnold is that from time-to-time potential applicants have chosen to seek financial assistance from non-State entities to avoid the uncertainty involved in seeking a Board waiver. .

Chairwoman Berte stated significant efforts have taken place over the past several years by the Administration to encourage economic development projects such as private-public partnerships, and that the Business, Transportation and Housing Agency Secretary, in particular, is very motivated to eliminate barriers to such economic development projects. Chairwoman Berte then called for questions or comments from the Board and the public. Mr. Lujano stated that the current non-compete policy seems to be meeting its goal in that staff from the I-Bank do confer with the staff of the various financing authorities for which the State Treasurer is chair about the unique projects that can be financed either in whole or in part by both entities. He concluded by stating that he did not think that elimination of the policy was the best solution to the application concerns expressed by I-Bank staff, and that he would like more discussion of the matter between the I-Bank and the STO's various conduit bond financing authorities.

Ms. Bryant commented that she is not comfortable with repeated waivers of policies, and that she recognizes that there are State financing authorities that have expertise in the issuance of particular types of conduit bonds, but that she does not want any policy to result in projects not coming to the State for financial assistance. Ms. Bryant said that she would also like staff to discuss how to handle projects between the various State conduit bond financing authorities to arrive at an I-Bank policy that would avoid waivers while allowing the State to finance projects.

There was a general discussion among the Board members that the majority of State conduit bond financing authorities are chaired by the State Treasurer, and that any discussions should take place with staff at the State Treasurer's office. Chairwoman Berte called for additional questions or comments from the Board and the public. There were none.

The Board did not take action on the agenda item, but instead directed staff to pursue discussions with State Treasurer's Office staff about the policy, and to bring a proposed policy amendment to the Board at the August meeting.

**Other Non-Action Business.**

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

**Public Comment.**

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

**Adjournment.**

Chairwoman Berte declared the meeting adjourned at approximately 1:25 p.m.