



MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
April 24, 2012
980 9th Street, Conference Center, 2nd Floor
Sacramento, California 95814

Chairman Jimenez called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:33 p.m.

1. Call To Order and Roll Call.

The following Board members were in attendance:

- Augustin Jimenez, represented the Secretary of the Business, Transportation and Housing Agency.
- Pedro Reyes, represented the Director of the Department of Finance.
- Francisco Lujano, represented the State Treasurer.
- Dr. Willie Armstrong, 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, Marilyn Munoz, Joel Tokimitsu and Diane Cummings.

2. Executive Director's Report.

Executive Director Stan Hazelroth reported to the Board the following:

- The State Water Resources Control Board, the California Department of Public Health and the I-Bank are exploring the potential to leverage the Clean Water and Safe Drinking Water State Revolving Fund programs and making other key programmatic changes that would result in additional program funding which is expected to have job creation benefits and provide additional resources for important public health and water quality improvement projects.
- He testified before the Little Hoover Commission on April 23, 2012, regarding the Governor's Reorganization Plan's impact on the I-Bank, and stated the reorganization plan will give the I-Bank the opportunity to move into an organization within the Governor's Office that would potentially enable the I-Bank to be more nimble with regard to the Governor's economic development priorities.
- The I-Bank is the proud recipient of the Government Finance Officer's Association (GFOA) Certificate of Achievement. The I-Bank's Comprehensive Annual Financial Report (CAFR) was submitted in December to the GFOA as part of its Certificate of Achievement for Excellence in Financial Reporting Program, which requires a government to publish a readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. He informed the Board that a copy of the award will be included in next year's I-Bank CAFR.

Consent Items:

3. Approve minutes from the meeting held on March 27, 2012.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve this consent item. Mr. Reyes moved to approve the minutes and Mr. Armstrong seconded the motion. The Board unanimously approved the minutes.

Action Items:

4. Resolution No. 12-04 approving issuance of revenue bonds in an amount not to exceed \$23,000,000 to refund the outstanding California Infrastructure and Economic Development Bank Variable Rate Demand Bonds Series 2003A, initially issued for the benefit of SRI International and used to finance an eligible project located in the City of Menlo Park.

Mr. Tokimitsu presented a staff report describing the request to issue tax-exempt 501(c)(3) fixed rate revenue bonds in an amount not to exceed \$23,000,000 to refund all or a portion of the outstanding variable rate 2003A Bonds previously issued by the I-Bank for the benefit of SRI International (SRI). Mr. Tokimitsu reported that since 2003, the I-Bank issued variable rate 2003A, 2003B and 2010 Bonds to finance the acquisition, construction, installation, renovation, equipping and furnishing of various research facilities owned by SRI International in the City of Menlo Park. He added that the 2003B Bonds, issued as taxable bonds, have been redeemed and are no longer outstanding and that all capital projects associated with the prior bonds have been constructed or implemented and are complete. Mr. Tokimitsu indicated the purpose of the refunding is to provide SRI the opportunity to convert a portion of its outstanding variable rate bond debt to fixed rate bonds, which will eliminate the letter of credit associated with the 2003A Bonds and reduce SRI's exposure to risk associated with the renewal and maintenance of a letter of credit. Mr. Tokimitsu introduced Mr. Byron Rovegno, Treasurer of SRI, Mr. Remy Hathaway from Prager and Company, underwriter, and Mr. John Palmer from Orrick, Herrington and Sutcliffe, bond counsel for the transaction.

Chairman Jimenez called for any more questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 12-04. Mr. Reyes moved to approve the resolution and Mr. Armstrong seconded the motion. The Board unanimously approved the resolution.

Other Non-Action Business.

Chairman Jimenez called for any other business; there was none.

Public Comment.

Chairman Jimenez called for any public comment; there was none.

Adjournment.

Chairman Jimenez declared the meeting adjourned at approximately 1:45 p.m.