



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

For the meeting held on
March 6, 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, Roma Cristia-Plant, Marilyn Munoz and Joel Tokimitsu.

2. Executive Director's Report.

Executive Director Stan Hazelroth reported to the Board the following:

- Today's agenda in the non-action item section included several staff reports that describe completed actions he approved since the Board revised his delegated authorities last October. He also said that there were other non-action items on the agenda for the Board's information, and that he did not anticipate the need to discuss any non-action items, but that he and staff were willing to have a discussion if any member of the Board had questions.
- The I-Bank has 16 outstanding loans to redevelopment agencies, and that although redevelopment agencies were dissolved on February 1, 2012, all agency payments due on February 1st were received.
- On January 17th, 2012, Moody's Investors Service downgraded all California tax allocation bonds above investment grade by one notch, and that staff are assessing the impact the rating downgrades may have on the I-Bank's Infrastructure State Revolving Fund Program bonds.
- That Infrastructure State Revolving Fund Program loan activity is depressed due to the economy, and that staff have instituted a new aggressive marketing plan that includes sending out flyers and letters, phone calls, sponsoring conferences and staffing booths as local government association and economic development conferences and seminars, and meetings with local government representatives. He is hopeful such efforts will result in increased program activity.

Consent Item:

3. Approve minutes from the meeting held on October 25, 2011.

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. Rice seconded the motion. The Board unanimously approved the minutes.

Action Items:

4. Resolution No. 12-01 approving issuance of revenue bonds in an amount not to exceed \$115,000,000 to refund all or a portion of the outstanding California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust), Series 2007, initially issued for the benefit of The J. Paul Getty Trust and used to finance an eligible project located in the City of Los Angeles.

Mr. Tokimitsu presented a staff report describing the request to issue tax-exempt 501(c)(3) revenue bonds in an amount not to exceed \$115,000,000 to refund all or a portion of the outstanding Series 2007A3 Bonds and Series 2007A4 Bonds (collectively, 2007 Bonds) previously issued for the benefit of J. Paul Getty Trust (Getty Trust). He reported that the 2007 Bonds refunded a portion of 2003 Taxable Bonds issued by the Getty Trust, the proceeds of which were used to finance and refinance a portion of the acquisition, construction, renovation, improvement and equipping of Getty facilities and for the acquisition of art. Mr. Tokimitsu also stated that the capital projects and assets associated with the 2003 Taxable Bonds have been constructed or implemented and are complete. He indicated that the refunding bonds will allow the Getty Trust to restructure its outstanding tax-exempt bond debt to add new interest rate benchmarks and payment periods that are not currently included in the 2007 Bonds, giving the Getty Trust more flexibility to efficiently manage its borrowing costs. Mr. Tokimitsu introduced, Mr. John Myers, of Orrick, Herrington & Sutcliffe, LLP, bond counsel for the transaction. Mr. Myers thanked staff for their excellent work on the staff report and the complex financing.

Chairman Jimenez called for questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 12-01. Mr. Reyes moved to approve the resolution and Mr. Rice seconded the motion. The Board unanimously approved the resolution.

5. Resolution No. 12-02 approving entry into a Loan Agreement and other documents to effect a private placement of revenue bonds in an amount not to exceed \$33,000,000 to (i) refund the outstanding California Infrastructure and Economic Development Bank Revenue Bonds, Series 2001, initially issued for the benefit of Young Men's Christian Association of Metropolitan Los Angeles (Borrower) and used to finance eligible projects in the City and County of Los Angeles, and (ii) to provide the Borrower additional funds to finance other eligible projects located in the City and County of Los Angeles.

Mr. Tokimitsu presented a staff report describing the request to approve a loan agreement and other documents to effect a private placement of a tax-exempt 501(c)3 revenue bond (2012 Bond) with Union Bank, an accredited investor, in an amount not to exceed \$33,000,000, to refund all or portion

of the outstanding Series 2001 Bonds (2001 Bonds) previously issued for the benefit of the Young Men's Christian Association (YMCA) of Metropolitan Los Angeles and to provide additional financing for new projects. He informed the Board that the proceeds of the 2001 Bonds were used to acquire, construct, renovate and expand YMCA facilities in the City and County of Los Angeles and to refinance outstanding debt that was used to finance facilities, and that all projects financed with the 2001 Bonds have been constructed, implemented and are complete. Mr. Tokimitsu further explained that even with the new money portion of the 2012 Bonds scheduled to finance new projects, the YMCA projects that the 2012 Bonds will save over \$4 million in debt service costs. He also reported that no comments were received during a TEFRA hearing, and that I-Bank staff was not aware of any opposition to the new projects or the 2012 Bonds. Mr. Tokimitsu introduced Mr. Dan Cooper, Chief Financial Officer of the YMCA, and Mr. Jeff Browning, of Chapman and Cutler, bond counsel for the transaction. Mr. Cooper notified the Board of his pleasure working with staff and indicated that the staff report was very thorough.

Chairman Jimenez called for questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 12-02. Mr. Rice moved to approve the resolution and Mr. Lujano seconded the motion. The Board unanimously approved the resolution.

Non-Action Items:

Chairman Jimenez called for questions or comments from the Board and the public. There was none.

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.

Prior to adjournment, Chairman Jimenez announced that the Business, Transportation and Housing Agency has a new Acting Secretary, and that he did not know if he will be asked to continue in the role of Chairman on behalf of the Secretary. He said that he enjoyed serving as Chairman of the Board this past year or so, and appreciated the opportunity to serve with the other Board members. Chairman Jimenez then declared the meeting adjourned at approximately 1:55 p.m.