

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## MINUTES

### Regular Meeting

\*\*\*TELECONFERENCE MEETING \*\*\*

### CEDA BOARD OF DIRECTORS

Wednesday, March 02, 2011

#### Teleconference Locations

California Association for Local  
Economic Development  
550 Bercut Drive, Suite G  
Sacramento, CA 95811

City of Santa Rosa City Hall  
100 Santa Rosa Avenue  
Santa Rosa, CA 95404

City of Eureka City Hall  
531 K Street  
Eureka, CA 95501

Economic Development  
Collaboration of Ventura County  
1601 Carmen Dr., Ste 215  
Camarillo, CA 93010

#### Call to Order

Kathy Millison, Acting Board Chair of the California Enterprise Development Authority, called the meeting to order at 4:05 pm.

#### Roll Call

Members Present: Kathy Millison  
Bruce Stenslie  
Cindy Trobitz-Thomas

#### CALED Management/Staff

Present: Mona Dmitrenko  
Gurbax Sahota  
Michelle Stephens  
Rachael Alexander

#### Public Present:

Bruce Kern, CEDA Board Member  
Sam Balisy, Bond Counsel, Kutak Rock, LLP  
Ed DiYanni, CFO, Robert Louis Stevenson School

#### Action Items

1. Approve the Regular Meeting Minutes from February 2, 2011.

**Motion:** Board Member, Bruce Stenslie made the motion to approve the Regular Meeting Minutes from February 2, 2011. Board Member, Cindy Trobitz-Thomas seconded the motion on the floor. At this time, Ms. Trobitz-Thomas realized she needed to abstain from this vote because she was not present at the February 2<sup>nd</sup> meeting. There were not enough eligible board members to have a quorum, so Ms. Millison asked for a motion to withdraw the motion so the minutes can be addressed at a subsequent meeting.

Mr. Stenslie made the motion. Ms. Trobitz-Thomas seconded and the motion to withdraw passed unanimously with the following roll call vote:

Kathy Millison	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

2. Approve Resolution 11-03 of the California Enterprise Development Authority (the "Authority") authorizing and approving the issuance of revenue bonds in an aggregate principal amount not to exceed \$15.3MM (the "Bonds") pursuant to an Indenture of Trust between the Authority and Wells Fargo Bank, National Association, as trustee, (the "Indenture") the proceeds of which will be loaned by the Authority to Robert Louis Stevenson School, a

California non-profit public benefit corporation (the “Borrower”), pursuant to a Loan Agreement between the Authority and the Borrower for the purpose of financing, refinancing or reimbursing the Borrower for a portion of the cost of the acquisition, construction, rehabilitation, improving and/or equipping the Borrower’s facilities, providing the terms and conditions for sale of such Bonds, and other matters relating thereto herein specified and authorizing the execution of certain documents.

**Discussion:** Executive Director Mona Dmitrenko gave the Board a brief background on the Robert Louis Stevenson School and explained that the proceeds of the bond financing would be used to refinance existing debt, improving the school entrance and several dormitories.

**Motion:** Approve Resolution 11-03 of the California Enterprise Development Authority (the “Authority”) authorizing and approving the issuance of revenue bonds in an aggregate principal amount not to exceed \$15.3MM (the “Bonds”) pursuant to an Indenture of Trust between the Authority and Wells Fargo Bank, National Association, as trustee, (the “Indenture”) the proceeds of which will be loaned by the Authority to Robert Louis Stevenson School, a California non-profit public benefit corporation (the “Borrower”), pursuant to a Loan Agreement between the Authority and the Borrower for the purpose of financing, refinancing or reimbursing the Borrower for a portion of the cost of the acquisition, construction, rehabilitation, improving and/or equipping the Borrower’s facilities, providing the terms and conditions for sale of such Bonds, and other matters relating thereto herein specified and authorizing the execution of certain documents.

Board Member, Cindy Trobitz-Thomas made the motion to approve Resolution 11-03. Board Member, Bruce Stenslie seconded the motion on the floor. The motion passed unanimously on the following roll call vote:

Kathy Millison	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

3. Approve Resolution 11-04 of the California Enterprise Development Authority (the “Authority”) making determinations with respect to the refinancing of facilities for the benefit of Carolyn Carty, Trustee of The Carty Family Trust, and Trademark Plastics, Inc. and/or a related entity and declaring its intent to issue revenue obligations and authorizing related actions. This is the initial resolution in connection with the refunding on a current basis of the Industrial Development Authority of the City of Riverside Variable Rate Demand Industrial Development Revenue Bonds, Series 2002 (Trademark Plastics, Inc. Project) (the “Prior Bonds”).

**Discussion:** Executive Director Mona Dmitrenko explained that this resolution approves the Initial Inducement to Issue Bonds to benefit the Carty Family Trust and Trademark Plastics, Inc. The initial inducement allows staff to work toward refunding an existing IDB for \$4,725,000. Trademark Plastics, Inc. manufactures custom injection molded parts used in medical devices, clean rooms and scientific applications. The refunding will provide the borrower with long term, fixed rate financing of the manufacturing facility in Riverside, CA. Bruce Kern did not think that Industrial Development Bonds (IDBs) could be refunded. Bond Counsel, Sam Balisy noted that in fact, you can refund the existing amount of an IDB, you just cannot *increase* the amount without requesting additional allocation from CDFAC. Board Members Bruce Kern and Bruce Stenslie also noted with concern that the TEFRA had not been held yet for this project. Mr. Balisy assured them that we are proceeding correctly. This transaction falls under the CDFAC Act, which requires two step process, the initial inducement (to which this resolution refers) and then approval. The TEFRA hearing can take place after the approval of the resolutions as long as the language in the resolution states that the approval is “subject to TEFRA approval.”

**Motion:** Approve Resolution 11-04 of the California Enterprise Development Authority (the “Authority”) making determinations with respect to the refinancing of facilities for the benefit of Carolyn Carty, Trustee of The Carty Family Trust, and Trademark Plastics, Inc. and/or a related entity and declaring its intent to issue revenue obligations and authorizing related actions. This is the initial resolution in connection with the refunding on a current basis of the Industrial Development Authority of the City of Riverside Variable Rate Demand Industrial Development Revenue Bonds, Series 2002 (Trademark Plastics, Inc. Project) (the “Prior Bonds”).

Board Member, Bruce Stenslie made the motion to approve Resolution 11-04. Board Member, Cindy Trobitz-Thomas seconded the motion on the floor. The motion passed unanimously on the following roll call vote:

Kathy Millison	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

4. Approve Resolution 11-05 Approving the Association Membership by the Ukiah Redevelopment Agency in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement to Associate Membership of the City in the Authority.

**Discussion:** Executive Director Mona Dmitrenko explained that the Redevelopment Agency has requested that CEDA facilitate the transference of bonds from the agency to an underwriter. This transference of Tax Allocation Bonds will allow Ukiah’s Redevelopment Agency to issue the bonds to be used for much needed future redevelopment of the City’s commercial retail center. Acting Chair, Kathy Millison asked if these were specific projects or just concept projects to which Ms. Dmitrenko replied that they were specific and the project had been in progress for the last 2-3 years. Ms. Millison expressed concern that CEDA might be liable if there is subsequent legal action against Redevelopment Agencies following the March 10<sup>th</sup> decision (relating to the Governor’s proposal to eliminate Redevelopment Agencies). Bond Counsel, Sam Balisy assured the Board that CEDA is only buying and selling the bonds and will be under no obligation. The Purchase Contract would indemnify the Authority from any obligation. This led to a further discussion on the status of Redevelopment Agencies in California.

**Motion:** Approve Resolution 11-05 Approving the Association Membership by the Ukiah Redevelopment Agency in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement to Associate Membership of the City in the Authority.

Board Member, Cindy Trobitz-Thomas made the motion to approve Resolution 11-05. Board Member, Bruce Stenslie seconded the motion on the floor. The motion passed unanimously on the following roll call vote:

Kathy Millison	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

### **Public Comment**

CALED COO, Gurbax Sahota said that she would be asking CEDA to sponsor the CALED Annual Training Conference for \$10,000, specifically sponsoring the Awards Luncheon. Since this was not already in the budget, it would need to be an action item. Ms. Millison asked if CEDA had sponsored the conference in the past, to which Ms. Sahota answered in the affirmative. Ms. Millison asked if it would be a future action item and how many people were expected to attend the CALED Training Conference. Ms. Sahota replied that the sponsorship would be a future item and approximately 250 people would attend. Board Members, Ms. Trobitz-Thomas, Ms. Millison, and Mr. Kern all expressed

support for this activity and saw it as a marketing opportunity for CEDA. Ms. Millison requested an action item at a future CEDA meeting.

At this time, Mr. Kern also requested that a discussion regarding an appropriate reserve amount for CEDA be a future meeting topic.

**Executive Director Report**

Executive Director, Mona Dmitrenko mentioned that she recently attended the CSMFO meeting and it was very successful, with over 650 people in attendance. She was able to make contact with many new people in the finance industry. She also noted that CRA Director, John Shirey was there and gave a great presentation on Redevelopment Agencies and the current stressors on them.

**Other Business**

**Adjournment**

**Motion:** Board Member, Bruce Stenslie moved to adjourn the meeting. Board Member, Cindy Trobitz-Thomas seconded the motion. The motion passed unanimously by voice vote.

Acting Board Chair, Kathy Millison adjourned the meeting at 4:40 pm.