

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

***TELECONFERENCE MEETING ***

CEDA BOARD OF DIRECTORS

Thursday, September 06, 2012

Teleconference Locations

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

City of Selma
1710 Tucker St.
Selma, CA 93662

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

City of Vista
200 Civic Center Dr.
Vista, CA 92084

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

Tuolumne County EDA
99 North Washington St.
Sonora, CA 95370

Economic Development Collaborative-Ventura County
1601 Carmen Drive, #215
Camarillo, CA 93010

City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

Call to Order

Gurbax Sahota, Board Chair of the California Enterprise Development Authority, called the meeting to order at 10:32 am.

Roll Call

Members Present: Larry Cope
DB Heusser (non-voting)
Gurbax Sahota
Randy Starbuck
Cindy Trobitz-Thomas

CALED Management/Staff
Present: Michelle Stephens

Public Present: David Becker, James Marta & Company
Dan Bronfman, Growth Capital Associates
Michael Chapin, Figtree Energy Resource Company
Alexis Crump, Lewis, Brisbois, Bisgaard, & Smith
Joe Flores, Figtree Energy Resource Company
Gary Hicks, G.L. Hicks Financial, LLC
John Hodgston, Music Academy of the West
Mahesh Shah, Figtree Energy Resource Company
Jon Steiner, Music Academy of the West

Action Items

1. Approve the Regular Meeting Minutes of August 16, 2012.

Motion: Board Member Randy Starbuck made the motion to approve the Regular Meeting Minutes of August 16, 2012. Board Secretary Larry Cope seconded the motion on the floor and it passed with the following roll call vote:

Larry Cope	Aye
Gurbax Sahota	Aye

Randy Starbuck Aye
Cindy Trobitz-Thomas Aye

2. Approve Resolution 12-28 Authorizing and Approving an Amended and Restated Loan Agreement and Indenture Benefitting the Rogers Family Real Estate Partnership, LP.

Motion: *Board Member Randy Starbuck made the motion to approve Resolution 12-28. Board Secretary Larry Cope seconded the motion on the floor and it passed with the following roll call vote:*

Larry Cope Aye
Gurbax Sahota Aye
Randy Starbuck Aye
Cindy Trobitz-Thomas Aye

Discussion: Michelle Stephens explained to the Board that this was an amendment and restatement allowing JBR Rogers to change its banking relationship from US Bank to Wells Fargo. Financial Advisor Dan Bronfman added that this change will increase the availability of creative tools for the business and that Wells Fargo is a valuable partner on this project. Board Chair, Gurbax Sahota thanked Mr. Bronfman for adding that and said that she hoped he would work with CALED staff to highlight this partnership for members.

3. Approve Resolution 12-29 Authorizing and Approving a Master Loan Agreement and Related Documents Benefitting the Music Academy of the West.

Motion: *Board Secretary Larry Cope made the motion to approve Resolution 12-29. Board Member Randy Starbuck seconded the motion on the floor and it passed with the following roll call vote:*

Larry Cope Aye
Gurbax Sahota Aye
Randy Starbuck Aye
Cindy Trobitz-Thomas Aye

Discussion: Ms. Stephens gave a brief review of this project and Music Academy of the West Director of Finance, Jon Steiner added that this was a refinancing and that no additional debt would be added. He also said that they would improve their interest rate by almost three-quarters of a point. Financial Advisor for the project, Gary Hicks added that they would not be extended the term of the project. Board Member Randy Starbuck said that he was happy to be helping his project and knows one of the Academy's past students.

4. Approve Resolution 12-30 Ratifying and Confirming the Resolutions of Intention, Ratifying and Confirming Resolutions Confirming the Program Report Approved on April 26, 2012 and May 31, 2012, and Approving the Restated and Updated Figtree PACE Program Report Dated August 16, 2012.

Motion: *Board Member Cindy Trobitz-Thomas made the motion to approve Resolution 12-30. Board Member Randy Starbuck seconded the motion on the floor and it passed with the following roll call vote:*

Larry Cope Aye
Gurbax Sahota Aye
Randy Starbuck Aye
Cindy Trobitz-Thomas Aye

Discussion: Joe Flores explained to the board which changes were being made in this version of the California PACE Program Report. He specifically mentioned that two additional cities had been added and that the lender consent process had been clarified.

5. Approve Resolution 12-31 Authorizing the Issuance of the California Enterprise Development Authority Water Efficiency and Property Assessed Clean Energy (PACE) and Job Creation Program Limited Obligation Improvement Bonds, Authorizing the Execution and Delivery of Related Bond Documents, Authorizing Actions Necessary to the Delivery of Bonds.

Motion: Board Member Cindy Trobitz-Thomas made the motion approve Resolution 12-31. Board Secretary Larry Cope seconded the motion on the floor and it passed with the following roll call vote:

Larry Cope	Aye
Gurbax Sahota	Aye
Randy Starbuck	Aye
Cindy Trobitz-Thomas	Aye

Discussion: Ms. Sahota asked if this resolution was the final piece of the process saying we were now going to begin issuing California PACE bonds to which Michael Chapin responded that this resolution states that the program is eligible to issue for current member communities as well as future member communities.

6. Authorize the Chair of the Board of Directors, In Consultation With Counsel, To Initiate And Prosecute a Judicial Validation Proceeding With Respect to The Assessment Bonds, the Program, and Related Legal Documents.

Motion: Board Secretary Larry Cope made the motion to authorize the Judicial Validation process. Board Member Randy Starbuck seconded the motion on the floor and it passed with the following roll call vote:

Larry Cope	Aye
Gurbax Sahota	Aye
Randy Starbuck	Aye
Cindy Trobitz-Thomas	Aye

Discussion: Mahesh Shah explained to the board that obtaining judicial validation has become the norm with these programs and when dealing with the City of San Diego, it became apparent that the California PACE program would also need to go through the process. Mr. Shah also mentioned that this program would be unique in that we are obtaining judicial validation throughout the state for all communities, including existing and future members. He noted that this would set the standard in the state and the process will be completed within 90 to 100 days. Mr. Starbuck asked which court the validation was being filed in to which Mr. Shah responded the Sacramento County Superior Court. Mr. Shah also pointed out that the program is focused mainly on commercial properties but was prepared to launch a residential program rather quickly and would only need to ask to board for permission to execute that action when the time came.

7. Approve Retainer Agreement with Lewis, Brisbois, Bisgaard & Smith as Bond Counsel in Connection with the Figtree PACE Program.

Motion: Board Chair Gurbax Sahota made the motion to approve the retainer. Board Secretary Larry Cope seconded the motion on the floor and it passed with the following roll call vote:

Larry Cope	Aye
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Gurbax Sahota	Aye
Randy Starbuck	Aye
Cindy Trobitz-Thomas	Aye

Discussion: Mr. Shah gave the background regarding the partnership between Figtree and LBBS. Alexis Crump added that they have prepared existing documents and are prepared to move forward with bond issuances. Ms. Sahota mentioned that the termination dated had not been terminated yet and asked Ms. Stephens to relate the earlier conversations regarding the date.

Ms. Stephens noted that when CEDA Bond Counsel Sam Balisy reviewed the agreement he had suggested a termination date of one year from the start date. Ms. Stephens then acknowledged that subsequent conversations had taken place regarding the termination date. Ms. Sahota then added that Mr. Shah and Ms. Crump had both made compelling arguments for a two-year agreement period and noted that no one had received payment yet and that all parties were moving forward in good faith.

Mr. Starbuck said that he was fine with a two-year term as long as the board reserved the right to revisit the agreement after two years. Board Secretary Larry Cope asked if there were clauses allowing either party to terminate the agreement if they were unhappy to which Ms. Sahota responder that there were. The board then decided to approve the agreement with the termination date of May 31st, 2014 added tot he document.

8. Review and Approval of Audit and Audit Findings.

Motion: *Board Member Randy Starbuck made the motion to review and approve the audit. Board Chair Gurbax Sahota seconded the motion on the floor and it passed with the following roll call vote:*

Larry Cope	Aye
Gurbax Sahota	Aye
Randy Starbuck	Aye
Cindy Trobitz-Thomas	Aye

Discussion: CEDA Auditor David Becker led the board through his review of the audit findings. After Mr. Becker’s presentation Ms. Sahota noted that though the expenses had been reduced, if necessary we could put more money toward the management of CEDA it would just need to be done before the end of the fiscal year so as to prevent any confusion regarding which year it should be posted. Ms. Sahota also noted that though the audit shows there is around \$470,000 in assets, this money is split between two reserve funds and should not be thought of as readily available.

Public Comment
Chair Report
PACE Report
Other Business

Ms. Stephens let the board know that CEDA had recently completed its Compliance Self-Certification as required by the State Treasury Department for all Industrial Development Bonds and Recovery Zone Facility Bonds issued by CEDA. While this was time-consuming it was also beneficial as it re-opened the conversation between CEDA and the business recipients. Ms. Stephens noted that is was validating to hear how the projects had progressed and the affect they have had on their communities. Ms. Sahota suggested a report or executive summary that compiled the feedback Ms. Stephens gathered during her conversations with the businesses be created. Ms. Stephens agreed that this would be a good use of the information gathered.

Adjournment

Motion: *Board Member Randy Starbuck moved to adjourn the meeting. Board Secretary Larry Cope seconded the motion. The motion passed unanimously by voice vote.*

Board Chair, Gurbax Sahota adjourned the meeting at 11:18 am.