

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

**MINUTES
REGULAR MEETING
***TELECONFERENCE MEETING ***
CEDA BOARD OF DIRECTORS
Wednesday, August 19, 2009**

Teleconference Locations

California Association for Local Economic Development 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Eureka City Hall 531 K Street Eureka, CA 95501	Southern California Edison 6030 No. Irwindale Ave Irwindale, CA 91702
City of San Jose 200 E. Santa Clara St., 17 th Floor San Jose, CA 95113	The Valley Economic Alliance 5121 Van Nuys Blvd.#200 Sherman Oaks, CA 91403	City of Palmdale 38250 N Sierra Highway Palmdale, CA 93550
City of Clovis City Hall 1033 Fifth Street Clovis, CA 93612	East Bay Economic Development Alliance 1221 Oak Street, Ste 555 Oakland, CA 94612	Economic Development Collaboration of Ventura County 1601 Carmen Dr., Ste 215 Camarillo, CA 93010

Call to Order

Wayne Schell, Board Chairman of the California Enterprise Development Authority, called the meeting to order at 10:04 am.

Roll Call

Members Present: Bruce Ackerman
Michael Bushey
Bruce Kern
Paul Krutko
Kathy Millison
Danny Roberts
Wayne Schell
Cindy Trobitz-Thomas

CEDA Staff Present: Mona Dmitrenko
Rachael Alexander

Others Present Dan Bronfman, Growth Capital Partners, Inc.

Chair and Executive Director Report

Chair, Wayne Schell did not have a report for the board.

Executive Director, Mona Dmitrenko gave a brief report on her recent activities. She has spent a large part of her time in marketing the Recovery Zone Facility Bond Program. She created the first CEDA Alert that went to the entire CALED mailing list. Kathy Millison suggested that an advance notice be sent to the board members notifying them that a CEDA Alert has gone out so it will not be missed in their inboxes. Additionally, the Executive Director travelled to Los Angeles to discuss the county's large RZFB Allocation and their plans to issue it. Sam Balisy of Kutak Rock joined Ms. Dmitrenko in the meeting. They found that Los Angeles County has not declared a Recovery Zone nor have they developed any procedures on disbursing available allocation. Both Mr. Balisy and Ms. Dmitrenko urged the County of Los Angeles to declare a Recovery Zone as soon as possible. They also gave the county additional insight into the new bond program and how it worked.

Action Item: Agenda Item #1 Approve Minutes from July 21, 2009 Meeting of the Board of Directors of the California Enterprise Development Authority.

Motion: Board member, Paul Krutko noted that on the July 21, 2009 Minutes his attendance and voting record was not included in the minutes. Kathy Millison made the motion to approve the July 21, 2009 Minutes with the amendment to include Paul Krutko as an attendee and voting board member. The motion was seconded by Board member, Michael Bushey. The motion passed on the following roll call vote:

Bruce Ackerman	Not yet present
Michael Bushey	Aye
Bruce Kern	Aye
Paul Krutko	Aye
Kathy Millison	Aye
Danny Roberts	Aye
Wayne Schell	Aye
Cindy Trobitz-Thomas	Aye

Action Item: Agenda Item #2 Approve Resolution 09-08 to authorizing the execution of certain documents in connection with the extension of the maturity date with respect to the California Enterprise Development Authority Tax Exempt Variable Rate Demand Industrial Development Revenue Bonds, Series 2007a (Tri Tool, Inc. Project) for the benefit of Tri Tool, Inc.

Motion: A motion was made to authorize the execution of certain documents that would allow for the extension of the maturity date for the Tax Exempt Variable Rate Demand Industrial Development Revenue Bond was made by Kathy Millison. Bruce Kern asked for some explanation on why CEDA was bringing these two similar agenda items forward. Executive Director, Mona Dmitrenko explained that by extending the maturity date it would allow the borrower to access lower cost of funds. Financial Advisor, Dan Bronfman further explained that those borrowers who were issued IDBs between 2004 and the February 2009 Stimulus Package are currently pulling investors from a smaller pool of investors as the interest earned was given preference by the IRS and subject to the Alternative Minimum Tax Rate. By restructuring the bond the borrower would be able to access lower cost of funds where the interest paid to bondholders is not subject to the Alternative Minimum Tax. Bruce Kern inquired if CEDA would be making a fee and what the final cost to the borrower would be. Dan Bronfman explained that the finance team has created a flat fee of \$17,000 per transaction and CEDA would receive some income through each restructuring they completed. Michael Bushey seconded the motion on the floor. The motion was passed on the following roll call vote:

Bruce Ackerman	Aye
Michael Bushey	Aye
Bruce Kern	Aye
Paul Krutko	Aye
Kathy Millison	Aye
Danny Roberts	Aye
Wayne Schell	Aye
Cindy Trobitz-Thomas	Aye

Action Item: Agenda Item #3 Approve Inducement Resolution 09-08 authorizing the execution of certain documents in connection with the extension of the maturity date with respect to the California Enterprise Development Authority Tax Exempt Variable Rate Demand Industrial Development Revenue Bonds, Series 2007 (Alvarado Bakery Project) for the benefit of Semper Virens Bakery Food Cooperative, Inc. (dba Alvarado Street Bakery).

Motion: A motion was made to authorize the execution of certain documents that would allow for the extension of the maturity date for the Tax Exempt Variable Rate Demand Industrial Development Revenue Bond was made by Bruce Stenlie. Cindy Trobitz-Thomas seconded the motion. The motion passed on the following roll call.

Bruce Ackerman	Aye
Michael Bushey	Aye
Bruce Kern	Aye
Paul Krutko	Aye
Kathy Millison	Aye
Danny Roberts	Aye
Wayne Schell	Aye
Cindy Trobitz-Thomas	Aye

Action Item: Agenda Item #4 Adopt Resolution 09-10 Approving the Amendment of Resolution 07-24 Making Determinations With Respect to the Financing of Facilities for Tesco Controls, Inc. And/Or Related Entity And Declaring Its Intent to Reimburse Certain Expenditures From Proceeds Of Indebtedness And Authorizing Related Actions.

Motion: A motion was made to approve the amendment of Resolution 07-24 by Bruce Stenslie. Bruce Kern asked for an explanation. Executive Director, Mona Dmitrenko explained that the borrower had identified one property. It was later determined that the identified property would not work for the business. Senior Management of Tesco Controls, Inc. later located three adjacent properties on Florin Road in Sacramento, CA. The borrower purchased the Florin Road properties using a conventional bank loan. Ms. Dmitrenko had noted the purchase in the local business journal and mentioned it to Financial Advisor, Dan Bronfman. Mr. Bronfman made contact with the borrower and let them know that financing using an IDB would still work. Director, Bruce Kern inquired if the bank loan fees could be rolled into the IDB financing. Mr. Bronfman stated that we could reimburse the company the costs associated with the closing of the property. Board Member, Bruce Kern wanted confirmation that the bank fees could be rolled into the IDB from bond counsel, Sam Balisy. Further stating that he would vote to approve Resolution 09-10 with the condition that he could confirm with Sam Balisy that the loan fees could be included. Ms. Dmitrenko stated that she would request that Mr. Balisy contact Bruce Kern as soon as possible. The motion was seconded by Cindy Trobitz-Thomas and passed on the following roll call.

Bruce Ackerman	Aye
Michael Bushey	Aye
Bruce Kern	Aye
Paul Krutko	Aye
Kathy Millison	Aye
Danny Roberts	Aye
Wayne Schell	Aye
Cindy Trobitz-Thomas	Aye

Public Comment

There was no public comment made.

Adjournment

Motion: Bruce Ackerman moved to adjourn the meeting. Seconded by Kathy Millison. The motion passed on the following roll call vote:

Bruce Ackerman	Aye
Bruce Kern	Aye
Paul Krutko	Aye
Kathy Millison	Aye
Danny Roberts	Aye
Cindy Trobitz-Thomas	Aye

CEDA, Chair, Wayne Schell adjourned the meeting at 10:40 am.