

## MINUTES

**CALIFORNIA EDUCATIONAL  
FACILITIES AUTHORITY (“CEFA”)  
5th Floor Conference Room  
915 Capitol Mall, Room 587  
Sacramento, California 95814**

### **Alternate Location for CEFA Teleconference Participation**

**University of Southern California**  
3601 Trousdale Parkway  
Office of Vice President for Student Affairs  
Student Union Building 201  
Los Angeles, CA 90089-4891  
(213) 740-5240

Thursday – January 26, 2012

1:30 PM

Deputy Treasurer Patricia Wynne, serving as Chairperson, called the CEFA meeting to order at 1:30 p.m.

#### **CEFA Roll Call**

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer, Chairperson  
David O’Toole for John Chiang, State Controller, Vice-Chairperson  
Jennifer Rockwell for Ana Matosantos, Director, Department of Finance  
Sylvia Scott-Hayes, via teleconference  
Michael Jackson, via teleconference

Staff Present: Ronald Washington, Executive Director  
Rosalind Brewer, Deputy Executive Director

Chairperson Wynne declared a quorum present.

The minutes from the CEFA December 1, 2011 meeting were approved. Michael Jackson moved for approval of the minutes; David O’Toole seconded the motion. The motion was adopted 5-0 with a roll-call vote.

#### **CEFA’s Executive Director’s Report**

Mr. Washington gave a brief introduction of CEFA’s new Executive Assistant, Carolyn Smith.

Mr. Washington reported the Executive Director’s report for January 26, 2012, which reflected total and outstanding debt and program balances for the month of November 2011. Mr. Washington also noted that the CEFA Top Borrower’s List included in the board packet remained the same.

#### **Item #4**

#### **Art Center College of Design Resolution No. 287**

Ms. Waddell of staff stated that Art Center College of Design (Art Center) requested approval to issue bonds in an amount not to exceed \$21 million dollars to finance the cost of acquisition and renovation of property adjacent to its South Campus.

Representing the borrower: Mr. Rich Haluschak, Chief Financial Officer and Ms. Diane Wittenberg, Controller, both from Art Center; Mr. Rick Chisholm, Managing Director, Wells Fargo Securities, Structuring Agent and Ms. Harriet Welch, Squire Sanders (US) LLP, Bond Counsel.

Staff recommended the Authority approve Resolution No. 287 in an amount not to exceed \$21 million for Art Center as an unrated Direct Bank Placement. Art Center requested two exceptions to the Authority's unrated debt guidelines for this transaction including a waiver of the Debt Service Reserve requirement and a modified security provision. Macias, Gini & O'Connell, the Authority's financial analyst, and Public Financial Management, the Authority's financial advisor, concurred with the Authority's staff recommendations.

Mr. Haluschak expressed his gratitude to the Authority and stated the importance of the project. He shared that property being purchased was adjacent to Art Center's South Campus in downtown Pasadena and the existing building on the property was an old post office which would be renovated to be used for classroom and studio space, and would expand Art Center's extension programs. Mr. Haluschak said that the environmental benefit with this project would be a reduction in automobile trips between the two campuses.

Ms. Welch stated that the legal structure conformed with past CEFA transactions. She worked with the Attorney General's Office and met the document standards.

Chairperson Wynne requested explanation of the waiver of the Debt Service Reserve requirement and the modified security provision.

Mr. Washington stated the transaction was evaluated under CEFA's unrated debt guidelines. Art Center satisfied the requirements with the exception of a request for a waiver of the Debt Service Reserve requirement and a modified security provision. Mr. Washington also mentioned that this financing would be privately placed with Wells Fargo Bank and that the bank was confident in Art Center's credit strength.

Mr. Rick Chisholm stated that Wells Fargo had its top higher education credit experts review the documents. Wells Fargo has sufficient confidence in Art Center's credit strength and was willing to waive the Debt Service Reserve fund requirement.

Michael Jackson moved for adoption of the Resolution and David O'Toole seconded it. Motion adopted 5-0 with a roll-call vote.

At 1:40 p.m. CEFA entered into a closed session.

**Item #5**

**Closed Session**

Appropriate staff and the board consulted with legal counsel regarding whether to initiate litigation (Government Code Section 11126(e)(2)(C)).

At 2:06 p.m., Chairperson Wynne announced the closed session was concluded and returned to open session. She reported an action was taken during closed session.

With no public comment, the CEFA meeting was adjourned at 2:10 p.m.

Respectfully submitted,  
Ronald L. Washington  
Executive Director