

MINUTES

**California Industrial Development
Financing Advisory Commission
915 Capitol Mall, Room 587
Sacramento, California
October 22, 2008**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Acting Chair, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:36 a.m.

Members Present: Bettina Redway for Chairman Bill Lockyer, State Treasurer
Tom Sheehy for Michael C. Genest, Director, Department of Finance
John Chiang, State Controller
Preston DuFauchard, California Corporations Commissioner,
Department of Corporations
Stanton Hazelroth for Dale Bonner, Agency Secretary, Business,
Transportation and Housing Agency

Staff Present: Tom Dresslar, Executive Director
Eileen Marxen, Deputy Executive Director

Quorum: The Acting Chair declared a quorum

2. APPROVAL OF SEPTEMBER 24, 2008 MEETING MINUTES

Ms. Redway asked if there were any questions or comments from the public on the September 24, 2008 meeting minutes. There were none.

Preston DuFauchard moved approval of the September 24, 2008 meeting minutes. Upon a second of the motion, the item passed unanimously.

3. EXECUTIVE DIRECTOR'S REPORT

Tom Dresslar stated that, provided the Commission approves the transactions included in agenda, CIDFAC will have \$22,600,000 remaining in the Industrial Development Bond (IDB) allocation pool, which includes the additional \$11,000,000 recently awarded by the California Debt Limit Allocation Committee (CDLAC). He stated that projects on the upcoming November meeting agenda are expected to consume most of the remaining allocation. He added that staff has a total of seven bond closings scheduled for the month of November, which is a relatively large number.

A. OCTOBER 2008 REVISED CIDFAC STRATEGIC PLAN (INFORMATION ITEM)

Mr. Dresslar stated that all references to expanding the issuance authority of CIDFAC have been deleted from its Strategic Plan in conformance with the Commission's direction. CIDFAC staff will ensure the revised version of the Plan is posted on its website and is emailed to all parties on its list serve.

Ms. Redway asked if there were any comments from the board or the public on the revised Strategic Plan.

Mr. Hazelroth stated that the revisions looked good.

4. BUSINESS ITEMS

A. APPROVAL OF 2009 MEETING CALENDAR

Staff recommended approval of the meeting calendar for 2009. Dates and times have been coordinated with the California Pollution Control Financing Authority, the California Alternative Energy and Advance Transportation Financing Authority, and CDLAC. Presented by Eileen Marxen.

Mr. Sheehy moved approval of the item. Upon a second, the motion passed unanimously.

B. REQUEST TO APPROVE INITIAL AND FINAL RESOLUTION FOR TAX-EXEMPT BONDS AND REQUEST FOR TAX-EXEMPT BOND ALLOCATION

Staff introduced Jack Hendershot, Drapes 4 Show Representative; May Smith, Industrial Development Authority, City of Los Angeles; and, Ron Lee, Attorney at Law.

1) On behalf of Drapes 4 Show, Inc. and KH Enterprises LLC, the Industrial Development Authority (IDA), City of Los Angeles requested approval of Initial and Final Resolution No. 08-0017 for an amount equal to \$1,775,000 in tax-exempt bonds and Allocation Resolution No. 08-0017A for an amount equal to \$1,775,000 in tax-exempt IDB allocation. Bond proceeds will be used for costs associated with the acquisition of land and an existing 16,800 square-foot building. Presented by Deanna Hamelin.

Ms. Redway asked if there were any questions or comments from the board or from the public.

Mr. DuFauchard inquired about the reimbursement aspect of the financing. He asked if the Company was being reimbursed for the relocation costs or if the Company is paying down bank debt.

Mr. Hendershot replied that Drapes 4 Show is reimbursing the letter of credit bank for a bridge loan used to finance Project costs.

Mr. Sheehy asked if that the company is converting a short-term bridge loan financing into a long-term bond financing. Mr. Hendershot replied yes.

Ms. Redway said she is glad the company is staying in California. She further acknowledged that the company pays for part of its employees' health insurance.

Mr. Hazelroth moved approval of the item. Upon a second, the motion passed unanimously.

C. REQUEST TO APPROVE AMENDED INITIAL AND FINAL RESOLUTION FOR TAX-EXEMPT AND TAXABLE BONDS AND REQUEST FOR TAX-EXEMPT BOND ALLOCATION

Staff introduced Paula Connors, California Enterprise Development Authority (CEDA); Dan Bronfman, Growth Capitol Associates, Inc.; and Susie Quesada, Ruben Rodriguez, and Primo Quesada Jr. of Ramar International.

1) On behalf of Ramar Marina Ltd. L.P., Prime Equities L.P., Ramar International Corporation, and/or a related or affiliated entity, doing business as Ramarfoods, Orientex, Magnolia, Bestaste, and Pampangas's Best, CEDA requested an amendment to Initial and Final Resolution No. 08-0005 to reflect an increase in the tax-exempt bond amount to \$8,220,000, the addition of taxable bonds in the amount of \$1,780,000, and other changes in the proposed Project and finance structure. In addition, CEDA requested a transfer of tax-exempt bond allocation from the State's 2008 CIDFAC private activity bond allocation for an amount not to exceed \$8,220,000 for the Ramar International Corporation Project. Presented by Deanna Hamelin.

Ms. Redway asked if there were any questions or comments from the board.

Mr. DuFauchard asked about procedures for governing the management of the co-borrowing agreement. He asked if each entity will have the ability to draw down the full amount of the bond proceeds or if board resolutions will limit draw-downs by co-borrowers.

Mr. Bronfman replied that the draw-down of the bond proceeds by the co-borrowers will be determined by the letter of credit bank based upon each entity's share of the Project costs.

Mr. DuFauchard asked if the letter of credit bank will decide how much is allocated to each of the co-borrowers.

Mr. Bronfman replied that all the taxable proceeds and the majority of the tax-exempt proceeds will be disbursed at bond closing and that the remaining bond funds only will be disbursed to Ramar International.

Ms. Redway asked if there were any questions from the board or from the public.

Mr. Sheehy moved approval of the item. Upon a second, the motion passed unanimously.

5. PUBLIC COMMENT

Ms. Redway asked for public comments. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting was adjourned at 10:48 a.m.

Respectfully submitted,

Tom Dresslar
Executive Director