

MINUTES

**California Industrial Development
Financing Advisory Commission
915 Capitol Mall, Room 587
Sacramento, California
March 24, 2010**

1. CALL TO ORDER & ROLL CALL

Patricia Wynne, Acting Chair, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:33 a.m.

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer
Ruth Holton-Hodson for John Chiang, State Controller
Cynthia Bryant for Ana J. Matosantos, Department of Finance
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 23, 2009 MEETING MINUTES

Ms. Wynne asked if there were any questions or comments concerning the September 23, 2009 meeting minutes. There were none.

Ms. Wynne asked if there was a motion.

Mr. DuFauchard moved approval of the minutes; upon a second, the minutes were unanimously approved.

3. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

After a year with few Industrial Development Bond (IDB), Mr. Dresslar reported that business looks like it might be picking up and that a couple of transactions are expected in April. Mr. Dresslar also reported that in October 2009, the Legislature approved legislation to implement the provisions of American Recovery and Reinvestment Act (ARRA) that affect CIDFAC's programs. He noted that ARRA expanded the types of projects that qualify for IDB financing to include knowledge-based industries such as hi-tech, biotech and nanotech. He stated that, once the banks start extending credit again, CIDFAC staff hope there will be IDB financings for knowledge-based companies. Mr. Dresslar added that another part of the

legislation helped implement Recovery Zone Facility Bonds in California. He noted CIDFAC will have some role in approving, depending on the type of Issuer.

4. BUSINESS ITEMS

A. APPROVAL OF 2010 MEETING CALENDAR

Presented by: Eileen Marxen, Deputy Executive Director

Ms. Marxen presented the 2010 Meeting Calendar and stated that it shadows CPCFA's 2010 meeting calendar.

Ms. Wynne asked if there were any questions or comments from the Board or public.

Ms. Wynne asked if there was a motion.

Mr. Hazelroth moved approval of the item; upon a second, the item was unanimously approved.

B. REQUEST FOR TAX-EXEMPT (TE) BOND ALLOCATION

1) Solar Atmospheres of California

Presented by: Deanna Hamelin

Staff introduced Paula Connors, California Infrastructure and Economic Development Bank, and Derek Dennis, Solar Atmospheres of California.

Solar Atmospheres and its affiliates are processors of commercial heat-treated metal parts for the medical, aerospace and various other industries. Major customers include Honeywell International, Siemens Power Generation, Inc., Accellent Endoscopy, Global Titanium and Niotan, Inc. Bond proceeds will be used to acquire and develop 2.49 acres of land on which a 21,750 square-foot building will be constructed. In addition, bond proceeds will also be used to acquire and install new equipment, including multiple vacuum furnaces.

Staff awarded a total of 33 points to the Project. Although the Project did not earn points for job creation, the Company represented that it will hire an additional 11 employees within two years of project completion. Staff also awarded the Project points in the following categories: health care benefits, average hourly wage and land use.

Contingent on receipt, no later than March 31, 2010 and before bonds are issued, of the resolution executed by the San Bernardino County Board of Supervisors approving amendments to the County's general plan and rezoning required for the Project to proceed, staff recommended approval of Allocation Resolution No. 10-02-001 for an amount equal to \$6,750,000 in tax-exempt IDB allocation for the Project.

Agenda Item 2.

Ms. Wynne asked if there were any questions or comments from the Board or public.

Ms. Connors said that this project would have come before the Board last year, but there were delays due to a change in location. She stated the Company was able to find another location suitable for the Project, so she was happy to bring the Project before the board this year.

Ms. Marxen said the County of San Bernardino Board of Supervisors took action on the General Plan on March 23, 2010, but that staff has not received the resolution. The delay in obtaining yesterday's resolution is an administrative matter. She added a letter was provided by the Land Use Department indicating that the Board did approve the amendment to the General Plan that will allow the Project to go forward.

Mr. DuFauchard asked if, based on the fact that the co-borrowers will be jointly able to draw down the proceeds of the bonds, if there will be sufficient collateral for each of the co-borrowers and if collateral will be substantiated.

Mr. Dennis responded affirmatively and stated the Company is using its other facilities in Pennsylvania as collateral for the private placement.

Ms. Wynne asked if there were any further comments from the Board or the public. There were none.

Ms. Wynne asked if there was a motion.

Ms. Holton-Hodson moved approval of the item; upon a second, the item was unanimously approved.

5. PUBLIC COMMENT

Ms. Wynne asked if there were any comments from the public. There were none.

6. ADJOURNMENT

There being no further business, public comments or concerns, the meeting adjourned at 10:41 a.m.

Respectfully submitted,

Tom Dresslar
Executive Director