

MINUTES

California Industrial Development
Financing Advisory Commission
915 Capitol Mall, Room 587
Sacramento, California
January 25, 2011

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Acting Chairwoman, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 11:02 a.m.

Members Present: Bettina Redway for Bill Lockyer, State Treasurer
Cindy Aronberg for John Chiang, State Controller
Miriam B. Ingenito for Ana J. Matosantos, Director, Department of
Finance
Stanton Hazelroth for Dale Bonner, Secretary, Business, Transportation
and Housing Agency

Staff Present: Eileen Marxen, Executive Director

Quorum: Ms. Redway declared a quorum was present.

2. APPROVAL OF DECEMBER 15, 2010 MEETING MINUTES

Ms. Redway asked if there were any questions or comments concerning the December 15, 2010 meeting minutes. There were none.

Ms. Redway asked if there was a motion to approve the minutes.

Ms. Ingenito abstained from voting.

Ms. Aronberg moved approval; upon a second, the minutes were approved.

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Marxen reported that, at the next CIDFAC meeting, a summary of industrial development bond (IDB) issuances and Recovery Zone Facility Bonds (RZFBs) approved by the Commission in 2010 will be provided. Also, a pipeline for IDBs in 2011 will be provided so the Commission can anticipate issuance volume for the coming year.

Ms. Marxen also stated that, this year, she plans to bring back to the Board an updated Strategic Plan. The last Strategic Plan for CIDFAC was adopted by the Board in October 2008, and it is a good time to review what has been accomplished and what things have not been accomplished, and make changes as to how to move forward given changes in the economy.

Ms. Marxen then said she is still on the board of the Counsel for Development Finance Agencies (CDFA), which is the national organization for economic development finance officials, and as a member of the legislative committee she gets an opportunity to work closely with them on federal legislation that may impact California's IDB program. She will keep the Board up to date with what is happening on the Federal level as the year progresses.

4. BUSINESS ITEMS

A. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACTS AND INTERAGENCY AGREEMENTS

Presented by: Eileen Marxen, Executive Director

Ms. Marxen requested from the Board the same authority that the previous Executive Director had to approve contracts and interagency agreements up to \$300,000. Any contracts or interagency agreements in excess of \$10,000 will be reported to the Board.

Ms. Redway asked if there were any questions or comments from the Board, or the public. There were none.

Ms. Redway asked if there was a motion to approve the staff recommendation.

Ms. Ingenito moved approval; upon a second, the motion passed unanimously.

B. REQUEST TO APPROVE ISSUANCE OF TAX-EXEMPT (TE) BOND AND TRANSFER INDUSTRIAL DEVELOPMENT BOND (IDB) ALLOCATION

1) Centinela Feed, Inc. (User: The Lotus Pet Food, Inc.)

Presented by: Eileen Marxen, Executive Director

Staff introduced Jim Kordas, GE Government Finance.

At its November 17, 2010 meeting, CIDFAC approved an Initial and Final Resolution and tax-exempt Industrial Development Bond (IDB) allocation for CMFA on behalf of the Centinela Feed, Inc. Project. The Borrower and GE Government Finance were not able to close the transaction by the December 31, 2010 deadline. The \$4 million in tax-exempt IDB allocation was returned to the California Debt Limit Allocation Committee (CDLAC), which reallocated it to other private activity pools as carryforward. The Borrower had to forfeit its fee to CDLAC in the amount of \$20,000, as CDLAC charges a deposit for awarding allocation of ½ of 1 percent of the par amount up to \$100,000.

The Project remains the same as it was presented at the November 17, 2010 CIDFAC meeting. Under The Lotus Pet Food, Inc., the Borrower will begin manufacturing its pet food at their distribution center located in the City of Torrance. The manufacturing was previously conducted at a co-packer facility in Canada, but the Borrower decided to bring the manufacturing in-house due to

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quality control issues with the co-packer. Bond proceeds will be used to acquire and install new pet food manufacturing equipment. The project received a total of 45 points out of 147 possible in the Job Creation and Average Hourly Wage categories.

Staff recommended approval of the Initial and Final Resolution and tax-exempt IDB allocation for an amount equal to \$4 million for CMFA for the Centinela Feed, Inc. project.

Ms. Redway asked if there were any questions or comments from the Board, or the public. There were none.

Ms. Redway asked if there was a motion to approve the staff recommendation.

Ms. Aronberg moved approval; upon a second, the motion passed unanimously.

5. PUBLIC COMMENT

Ms. Redway 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 11:10 a.m.

Respectfully submitted,

Eileen Marxen
Executive Director