

**MINUTES**

**California Industrial Development  
Financing Advisory Commission  
915 Capitol Mall, Room 587  
Sacramento, California  
February 18, 2014**

**1. CALL TO ORDER & ROLL CALL**

Michael Paparian, Chairperson, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:32 a.m.

Members Present: Michael Paparian for Bill Lockyer, State Treasurer  
Alan Gordon for John Chiang, State Controller  
Eraina Ortega for Michael Cohen, Director, Department of Finance  
Panorea Avdis for Kish Rajan, Director, Governor's Office of Business  
and Economic Development (GoBiz)  
Leila Mirrashidi for Jan Lynn Owen, Commissioner, Department of  
Business Oversight

Staff Present: Sherri Kay Wahl, Deputy Executive Director

Quorum: The Chairperson declared a quorum

**2. APPROVAL OF SEPTEMBER 17, 2013 MEETING MINUTES**

Mr. Paparian asked if there were any questions or comments concerning the September 17, 2013 meeting minutes. There were none.

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

**3. DEPUTY EXECUTIVE DIRECTOR'S REPORT**

Ms. Wahl stated that since the last Board meeting in September 2013, the AMG Huntington Beach, LLC deal has closed. She explained that staff applied to the California Debt Limit Allocation Committee (CDLAC) for \$50,000,000 for 2014 Allocation, and expressed the Commission's desire to award the full amount. She then identified the 2014 meeting calendar and one project as items that would be going before the Board.

**4. BUSINESS ITEMS**

**A. APPROVAL OF 2014 MEETING CALENDAR**

Presented by: Sherri Kay Wahl, Deputy Executive Director

Staff requested approval of the proposed meeting schedule for the remainder of calendar year 2014 for CIDFAC.

Mr. Papanian asked if there were any questions or comments from the Board or public. There were none.

Ms. Avdis moved approval of the item; upon a second, the item was unanimously approved.

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

Presented by: Andrea Gonzalez, Staff Services Analyst

Staff introduced Stephen Taber, representing ABAG Finance Authority for Nonprofit Corporations.

Staff requested approval of an Initial and Final Resolution for \$3,400,000 in tax-exempt IDB allocation.

The Company is a family owned Philadelphia based leader in design and manufacturing of tilt-pad fluid film thrust and journal bearings for all types of rotating machinery. Bond proceeds will be used to finance and refinance the acquisition and development of a new facility located in Yuba City for the manufacture and repair of babbited fluid-film thrust and journal bearings associated systems.

The project received a total of 71 points out of 147 possible. The Company anticipated hiring an additional 3 employees within 2 years.

Staff recommended approval of Initial and Final Resolution No. 14-0001 for \$3,400,000 in tax-exempt bonds and Allocation Resolution No. 14-2-001 for \$3,400,000 in IDB allocation for the ABAG Finance Authority for Nonprofit Corporations (ABAG) on behalf of the Kingsbury Real Estate Holdings, LLC Project.

Mr. Gordon explained that as he understood the staff report, the unemployment rate was 125% of the 212 state-wide average and the unemployment rate of the project area was 185% of the state-wide rate. He asked how that project would end up with only 13 of 25 points.

Ms. Gonzalez explained that the Commission calculated all of the points in each criteria with the information provided by the company as well as the information from the United States Census Bureau fact finder.

## Agenda Item 2.

Ms. Wahl further explained that the Commission uses the CDLAC Board's point system for IDBs.

Mr. Gordon expressed that going forward, if Yuba City does not qualify for all of the points for a median family income, that the city gets zero of five. He conveyed concern, having spent time there working and stated that it is an impoverished region.

Ms. Ortega stated that Yuba City received 13 out of 25 in a category called Community Economic Need, but received 10 out of 10 for the Unemployment Rate.

Mr. Gordon declared that every other study he has ever seen claims Yuba City to be one of the poorer cities in California. It did not make sense to him that Yuba City wouldn't score maximum points in these kinds of rating factors. Mr. Gordon then asked if ABAG generally finances projects, as this is the first time he had ever seen ABAG doing IDBs. He asked if it is that a normal part of what ABAG does.

Mr. Taber stated that ABAG does a variety of things, and that this is something they have done before, though not very often. There are several state-wide authorities that do conduit transactions, and ABAG's policies and its board determined that it is interested in doing this. Mr. Taber explained that ABAG has financed projects before, but not as many as some of the other authorities.

Mr. Gordon asked how the association of Bay Area Governments ended up financing a project in Sutter County.

Mr. Taber explained that Yuba City is a member of Sutter County, and ABAG Finance Authority does projects and has members state-wide.

Mr. Gordon explained that he was not aware of that and thanked Mr. Taber for his explanation.

Mr. Gordon moved approval of the item; there was a second.

Mr. Paparian asked if there were any further comments from the Board, or the public.

Ms. Avdis asked if the point system is in the regulations. She asked for clarification that if there were to be any changes, they would have to be regulatory changes.

Ms. Wahl confirmed.

Mr. Paparian recalled the development of the current system. He explained that the points system was intended for use when allocation is very tight, and for when there is a need to differentiate between projects. He stated that they were aggressive in trying to assure that you could differentiate between projects. Mr. Paparian explained that the intention was not that everyone receives an A or everyone receives 90% of the points, but

## **Agenda Item 2.**

rather that one could tell the distinct difference between one project and the other.

Mr. Gordon asked what the minimum for a CIDFAC project is.

Ms. Wahl stated that there is no minimum.

Mr. Gordon asked if the scoring categories were the same used for CDLAC, TCAC, or any of the other boards.

Ms. Wahl explained that these are CDLACs regulations; otherwise there would be two meetings. Applicants would come to the CIDFAC Board for the IR/FR, and then to CDLAC for the allocation. She stated that several years ago, CDLAC agreed to give the Commission an allotment and should the Commission abide by CDLAC's rules, CIDFAC can award the allocation.

Mr. Paparian asked if there were any further comments or questions. There were none.

The item was unanimously approved.

### **5. PUBLIC COMMENT**

Mr. Paparian asked if there were any general comments from the public. There were none.

### **6. ADJOURNMENT**

There being no further business, public comments, or concerns, the meeting adjourned at 10:44 a.m.

**Respectfully submitted,**

Sherri Kay Wahl  
Deputy Executive Director