

MINUTES of the MEETING of the
INDUSTRIAL DEVELOPMENT AUTHORITY
Thursday, April 10, 2008

- I. Reynold M. Blight, Chair of the IDA, called the meeting to order at 9:05 a.m.

Board members in attendance:

Reynold M. Blight	Joseph F. Montes
James E. Zaferis	Beatrice C. Hsu
Thomas S. Sayles	

Also in attendance:

Ninoos Benjamin, CDD
May M. Smith, CDD
Colin Chiu, City Attorney
Melissa Soo Hoo, CDD
Antonio Zepeda, CDD

- II. Welcome - Introductions

Introductions were made and Chair Blight welcomed everyone to the meeting.

- III. Approval of the February and March Meeting Minutes

Meeting minutes for February and March were reviewed. No corrections or additions were noted.

MOTION: To approve and adopt the February and March meeting minutes.

Moved by: James E. Zaferis; 2nd Thomas S. Sayles

Roll Call: AYES: 5; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed

- IV. Financial Reports for February and March

Staff summarized the February and March Financial reports. The IDA's Fund 816 balance as of 3/31/08 amounted to \$456,994.50. Payments on the McGarry Street and Calko Steel sub loans continue to be made as agreed; and are current through April 1st and May 1st respectively.

MOTION: To approve and file the Treasurer's reports for February and March.

Moved by: James E. Zaferis; 2nd Joseph F. Montes.

Roll Call: AYES: 5; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed

- V. Unfinished Business

A. Marketing Update

An accurate count for the hits to the IDA website was questionable for February and March due to a reconfiguration of the online tracking system. Staff is resolving the issue with the Computer Systems Division to arrive at a correct count.

Staff reported on various seminars and conferences that IDA Directors and staff are scheduled to attend. Vice Chair Montes gave a report on his March attendance to the CDIAC seminar in Oakland, and shared his takeaways from State Treasurer Bill Lockyer's insights on bond rating practices by the major credit agencies, as well as best practices.

Key meetings and other activities as outlined on the report were highlighted.

B. Project Status

Asian American Drug Abuse Program: \$3.75 million 501c3. The transmittal was released from the Mayor's Office and is currently awaiting the HCED hearing. The item has been rescheduled from previous weeks to April 16. CAO had requested staff to transfer handling to CSCDA.

Cathedral High School: \$3.4 million 501c3. The transmittal was released to the CAO on April 3rd. CAO has expressed their intentions to hold request before proceeding with HCED Committee in order to address their concerns with policy issues.

The Board and CDD staff discussed at length the current issues and concerns of CAO in order to understand the potential impact on current and future projects. The EDD Director related CAO's opinion that non-profit deals be executed through CSCDA rather than CDD. Staff is scheduled to meet with the CAO to discuss these issues and concerns and move forward.

USC Radiology: \$4 million 501c3. Request is currently in the final bond document preparation stage, and CDD expects to release the transmittal and move forward as soon as possible.

Penny Lane Centers: \$3.2 million 501c3. CSCDA has requested the IDA's assistance in facilitating the TEFRA for the refunding of a prior bond issue.

Chinatown Blossom Plaza Parking: \$60M EZB/NMTC request. Underwriter is assisting the borrower to complete the application; we will prepare the report to come before the Board for a Reimbursement Resolution. No final figure yet.

Hillview Mental Health Center, Inc: \$4 million 501c3. Borrower has accepted a proposal from Comerica. The Hold on the transmittal from December will be lifted, and this item will begin moving forward shortly.

Casa Loma College: \$5.2 million 501c3. Secondary educational institution for nursing and allied health needs a Sub-Loan to assist with down payment. Currently working on finalizing the bond amount.

Village Christian Schools: \$6 million 501c3. Referral from CD 2, has been asked by the bond team to put request on hold.

Samuel A. Fryer Yavneh Academy: \$10 million 501c3 was issued in 2001. Bond counsel has briefed staff on extending bond maturity. Will be preparing a transmittal to be released soon.

Drapes 4 Show: \$2 million IDB. Financial advisor is currently preparing a CIDFAC application. TEFRA Hearing is scheduled for April 29th.

C. Legislative Committee Report

HR 2578 and S. 1627, the Empowerment Zone (EZ) and Renewal Community (RC) Enhancement Act of 2007, were scheduled to be introduced in the Senate in early April, but introduction has been delayed by other bills. CDFA is currently working to secure sponsorship to introduce the proposed legislation to update the definition of manufacturing to the Senate. Staff continues to work with CDFA to move these key items forward.

D. CDD update on Pending Committee Transmittals

There are three (3) transmittals currently pending for AADAP, Cathedral High School, and Hillview Mental Health Care. Transmittals for USC Radiology and Yavneh Academy will be released to the Mayor's Office as soon as they are ready. Preparation for the IDA budget transmittal is also forthcoming.

VI. New Business

A. Discussion and Consideration of the 2008-2009 IDA Budget

Staff proposed a \$491,000 budget for FY 2008-2009, with a \$76,000 increase over the previous budget. The increase was solely attributed to one line item, which provided for absorption of additional staffing and attendant costs.

Staff support notwithstanding, the budget was decreased \$29,000 across the board. This includes \$15,000 in provisions for commissioner training, conferences and sponsorship, which had been doubled during 2007-2008 to accommodate the addition of several new Directors.

The Board tabled discussion until after reviewing the proposed amendment of the current 2007-2008 budget.

B. Discussion and Consideration of Amending the 2007-08 IDA Budget

Staff proposed amending the 2007-2008 budget to reallocate funds in order to increase the Special Projects line item by \$25,000. The Special Projects funds, which had been earmarked for an engagement of a public relations firm, had been depleted by the payment of a late invoice from the prior FY. The majority of the funds were reallocated from unspent funds in printing, advertising and marketing.

MOTION: To approve the amended 2007-2008 IDA Budget.
Moved by: James E. Zaferis; 2nd Joseph F. Montes.
Roll Call: AYES: 5; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed

A. Discussion and Consideration of the 2008-2009 IDA Budget (continued)

The Board continued discussions and expressed concern that the budget may not be sustainable over the long term, in light of recent discussions with the CAO that propose stripping the IDA of its fee income from non-profit projects.

The Board expressed the need to develop a business plan while moving forward, in order to establish organizational goals and evaluate the viability to sustain business with or without the fee income generated from the issuance of non-profit bonds.

MOTION: To approve the 2008-2009 IDA Budget and consider discussion of developing an IDA business plan.
Moved by: Thomas S. Sayles; 2nd Beatrice C. Hsu.
Roll Call: AYES: 5; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed

C. Discussion and Consideration of Adopting a Formal Response to the Los Angeles Economic & Jobs Committee Report

EDD Director drafted a response to the proposals contained in Recommendation #67 of the LAEJC report concerning the operation and processes of the IDA. The Board evaluated the recommendations regarding the relevance and feasibility, and addressed ways to clarify the existing processes of the IDA when meeting with the LAEJC personnel.

VII. Next Meeting

The next regularly held IDA Board meeting is scheduled for Thursday, May 8, 2008.

VIII. Public Comments

There were no public comments.

IX. Adjournment

Meeting was adjourned at 11:10 a.m.