I. Reynold M. Blight, Chair of the IDA, called the meeting to order at 9:15 a.m.

Board members in attendance:
Reynold M. Blight J. Zaferis
Beatrice C. Hsu Joseph F. Montes
Renata C. Simril

Also in attendance:
Robert Sainz, CDD Ron Lowe, LALDC
Clifford J. Weiss, CDD Oliver T. Unaka, Elite Public Relations
May M. Smith, CDD Romina Peralta, AADAP
Colin Chiu, City Attorney Mike Watanabe, AADAP
Raed Elaraj, CDD Bill Reynolds, Gardner, Underwood & Bacon
Roxanne Dunkle, CDD Stuart Weiss, Wells Fargo Bank

II. Welcome - Introductions

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

III. Approval of the July Meeting Minutes

Meeting minutes for December were reviewed. No corrections or additions were noted.

MOTION: To approve and adopt the December meeting minutes.
Moved by: Joseph F. Montes; 2nd James E. Zaferis.
Roll Call: AYES: 5; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed

IV. Treasurer's Report

Staff summarized the Treasurer’s reports for the month of December. The IDA's 12/31/07 Fund Balance for FY 2007-2008 amounted to $506,874. Sub-loans for McGarry Street and Calko Steel continue to make payments as agreed and are current through January 1st and February 1st respectively.

MOTION: To approve and file the Treasurer’s reports.
Moved by: Beatrice C. Hsu; 2nd Joseph F. Montes.
Roll Call: AYES: 5; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed
VI. New Business (taken out of order)

A. Discussion and Consideration of an $875,000 Subordinate Loan Request for Asian American Drug Abuse Program (AADAP)

This $875,000 subordinate loan request is to refinance an existing junior lien. Los Angeles LDC (LALDC) provided both a senior and junior short-term loan to AADAP in August 2007 for the purchase of 2900 Crenshaw Blvd. property. The City will concurrently issue $3.75M in non-profit tax-exempt bonds to refinance the existing senior loan; plus a separate $1.84M non-profit issue to refinance the 1088-1092 S. La Brea Los Angeles property originally financed under similar arrangements.

The Board moved to reconsider this item at the next IDA Board meeting and requested a thorough, revised analysis for the sub-loan request. AADAP was asked to provide the following:

- Justification for the multiple sub-loan policy waivers
- Public benefit analysis (limited clientele/jobs)
- Demonstrate an incremental increase in public services
- Projected cash flow (cash flow review and sensitivity analysis)
- Updated appraisal(s) consistent with current market conditions

MOTION: To bring back at the next regularly scheduled IDA Board meeting for discussion and reconsideration
Moved by: Joseph F. Montes; 2nd Renata C. Simril
Roll Call: AYES: 5; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed

V. Unfinished Business

A. Marketing Update

The IDA website was visited 11,067 times during November, and 8,458 times during December 2007.

The Marketing Committee will convene immediately following today’s Board meeting to follow up on marketing issues and strategy as laid out during the November 1st IDA Board retreat.

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

B. Project Status

Simon Wiesenthal Center: $30 million 501c3 project will proceed with Phase I rehab, which carries a cost of $16 million. Wells Fargo has informed staff that bond closing is postponed until March.
**Hillview Mental Health Center:** $4 million 501c3. The Borrower withdrew their financing request due to unacceptable terms in their lender’s documents. However, the bond team was able to identify a new lender; a new LOC commitment is expected to arrive in three weeks.

**USC Radiology:** $4 million 501c3. City and bond counsel has informed lender Siemens Public, Inc. there will be no waiver on our requirement for a fiscal agent. Awaiting complete information package to proceed.

**Asian American Drug Abuse Program:** Staff will collect and finalize the sub loan analysis as instructed by Board.

**Cathedral High School:** $3.4 million 501c3. Continues to work with the donor and investor to ensure that their pledge complies with tax code.

**Casa Loma College:** $5.5-$7.5 million 501c3 depending on the down payment. Awaiting borrower’s instructions to proceed.

**Madison/Graham ColorGraphics:** Staff will be in Sacramento January 23rd for CIDFAC and CDLAC allocation meetings.

**Solara Engineering:** Due to market conditions and year-end timing, bond team was unable to secure a commitment for the borrower in time to meet its accelerated 1/15/08 escrow closing deadline. Borrower will proceed with a SBA loan.

**Drapes 4 Show:** Awaiting LOC interest from Comerica.

**Wattstar:** $7.5 million Empowerment Zone bond to construct a for-profit theater and non-profit training complex. The Borrower has drafted a revised financing plan and promised an updated informational package.

**C. Legislative Committee Report**

Staff contacted the Council of Development Finance Agencies (CDFA) to request inclusion of the entertainment industry to the recently proposed legislation to update the definition of manufacturing. The response was that inserting “entertainment” to the proposed language will render the bill too limiting and hampers its chances of support. CDFA prefers to keep the bill simple and broad as is in order to successfully solicit a sponsor. We will place this bill in the 2008 Legislative Agenda.

The Board instructed staff to provide CDFA’s proposed definition of manufacturing and the language to the various sub-paragraphs of the referenced code.

Los Angeles City Council introduced a resolution on July 25, 2007 to include in its 2007-2008 Federal Legislative Program support for HR 2578 and S. 1627, the Empowerment Zone (EZ) and Renewal Community (RC) Enhancement Act of 2007. This item is expected to appear before City Council for approval in 2/08.
Staff has prepared a department Bill Response Report for Senate Bill 1963 and House of Representatives Bill 2091. Staff is working with the Office of the Chief Legislative Analyst (CLA) to introduce a formal Council resolution adopting the City’s support position.

D. CDD update on Pending Committee Transmittals

There are two (2) current transmittals pending. The FA RFP transmittal was released by CDD and the Mayor’s Office in 10/07 but has been on hold since by the office of the Chief Administrative Officer (CAO) pending review of the overall conduit debt policy and a report to be released. CDD will request Chair of the HCED committee to move this transmittal forward. The Hillview transmittal has also been on hold pending receipt of a substitute credit enhancement commitment.

VI. New Business

B. Update on the Joint Powers Authority

In July 2006, the IDA Board approved staff recommendations to form a Joint Powers Authority with the City of Los Angeles. There is in place a second draft agreement with input from the CLA and CAO. The structure that the IDA proposed is similar to that of the CRA and its IDA. There has not been any progress on our JPA request pending CAO’s report which is anticipated for end of January 2008.

C. Update on the New Markets Tax Credit

CDD staff is waiting for the $75 million NMTC Allocation Agreement from the Federal government. Staff is currently working with CRA on the operation, structure, and start-up plans of the Los Angeles Development Fund which will administer the $75 million allocation. Many projects have been identified; the Board of the Los Angeles Development Fund will convene to determine how best to allocate the credits to each qualified project.

VII. Next Meeting

The next regularly held IDA Board meeting is scheduled for Thursday, February 14, 2008.

VIII. Public Comments

There were no public comments.

IX. Adjournment

Meeting was adjourned at 11:00 a.m.