

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
October 23, 2007**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Chairperson, called the California Pollution Control Financing Authority (CPCFA) meeting to order at 10:36 a.m.

Members Present: Bettina Redway for Bill Lockyer, State Treasurer
Cindy Aronberg for John Chiang, State Controller
Vince Brown for Michael C. Genest, Director, Department of Finance

Staff Present: Michael Paparian, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Ms. Redway asked if there were any questions or comments concerning the August 28, 2007 meeting minutes. There were none.

Ms. Aronberg moved approval of the minutes; upon a second, the motion was unanimously carried.

2. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

Michael Paparian began the Executive Director's report proudly commenting that during the recent State Employee Charitable Campaign, CPCFA staff won the friendly competition in the dollars per employee, with an average monthly charitable donation of \$62.00 per month. During the campaign Treasurer Lockyer challenged those in the building to beat the Executive Office in percentage increase of employees giving and dollars given per employee. Kamika McGill, CPCFA coordinator for the State Employee Charitable Campaign kept staff on task and motivated to win the award of an ice-cream social hosted by the Treasurer.

Mr. Paparian further stated the following:

Staff is making substantial progress towards developing the Program for site cleanups in the CALReUSE Brownfields Program. Discussions have taken place with all major stakeholder groups and state agencies. There is a six-page draft outline describing the proposed Program. Workshops have been scheduled to discuss the proposal on Friday, October 26, 2007 in Los Angeles, and on Monday, October 29, 2007 in Oakland. Also, a workshop will be held in Sacramento in November. Staff will follow up with draft regulations and anticipates

presenting them to the Board in December. All the key documents are posted to the CPCFA website. In addition, CPCFA will need to establish an interagency agreement with the Department of Housing and Community Development to transfer \$60,000,000 to the CalReUSE Program. Staff will bring the interagency agreement to the Board for approval in December.

Aaron Todd, CalCAP Program Manager, continues to work with staff counsel on developing regulation changes for CalCAP. Changes will address issues that have arisen in recent months. Staff expects to discuss the changes with stakeholders and present the regulation changes in December for Board approval.

Turning to the bond program, Mr. Paparian stated that this year there has been a high demand for tax-exempt bonds. Outside issuers have applied to the California Debt Limit Allocation Committee (CDLAC) for over \$560,000,000. These applications are in addition to \$89,000,000 sent by CPCFA to CDLAC. There is currently \$163,000,000 in exempt allocation left from the \$440,000,000 tentatively assigned to exempt facilities for 2007.

Staff continues to work to improve the CPCFA bond program. Staff has been working with the Attorney General's Office to prepare drafts of model bond documents for review by stakeholders. Staff plans to have the model documents available and posted to the website and to solicit comments by the end of November. If successful, CPCFA will implement the model documents at the beginning of 2008. A progress report will be presented at the December Board meeting.

A. Upcoming Proposal for Change to CPCFA Application

Mr. Paparian reported that staff continues to work on streamlining the application process. After giving a brief history of CPCFA's IR/FR process, he stated that over the years the application evolved to the point where the Initial Resolution and the Final Resolution applications are almost indistinguishable. After reviewing the situation and the need for information, staff believes that the Initial Resolution application can be streamlined dramatically. Mr. Paparian further noted that he would provide a progress report to the Board in December.

4. BUSINESS ITEMS

A. APPROVAL OF 2008 MEETING CALENDAR

The following Board meeting dates were presented to the Board for discussion. There was no objection to any of the dates from the Board members.

January 22, 2008	February 26, 2008	March 25, 2008	April 22, 2008
May 27, 2008	June 24, 2008	July 22, 2008	August 26, 2008
September 23, 2008	October 21, 2008	November 18, 2008	December 16, 2008

B. REQUEST TO APPROVE INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS

Staff introduced Tony Cone, Westhoff, Cone & Holmstedt.

- 1) **Yulupa Investments, LLC and/or its Affiliates** requested approval of Initial Resolution number 07-09 for an amount not to exceed \$7,410,000 to finance the purchase of land, buildings, and equipment. The Company is purchasing a transfer station, located in Ukiah, and a corporate yard in Lakeport from North Bay Corporation, an affiliate of The Ratto Group of Companies. The Company is improving both sites and is also purchasing a site in Lake County as expansion space for its corporate yard. Additionally, the Company is purchasing equipment to be utilized at its Ukiah corporate yard site. The property to be purchased from The Ratto Group of Companies was previously financed with tax-exempt bonds issued in 2001. The asset value of this property is \$3,450,000. The Company represents that the Project will aid in waste diversion and will provide pollution control benefits. Presented by Doreen Carle.

Ms. Aronberg moved approval of the item; upon a second, the motion was unanimously carried.

C. REQUEST TO APPROVE AMENDMENT TO BOND DOCUMENTS

Staff introduced Mark Holmstedt, Westhoff, Cone & Holmstedt

- 1) **Approval of Supplemental Indenture to Release Reserve Funds as Additional Security for Solid Waste Disposal Revenue Bonds (Metropolitan Recycling Corp.) Series 2000A in the amount of \$3,400,000, and Series 2000B in the amount of \$8,340,000.** Bonds were sold in June 2000 to finance certain solid waste disposal facilities and to finance the purchase of automated collection vehicles, waste carts, and equipment. The Bonds were secured by a direct pay Letter of Credit from Comerica Bank and by a Reserve Fund. Comerica Bank has approved the release of the Reserve Fund, and Comerica Bank's Letter of Credit will remain in full force. The Borrower intends to use the \$650,000 in the Reserve Fund for improvements to its material recycling facility (MRF) and to add new equipment to increase its capacity. This amendment is permitted under the Indenture as long as Comerica Bank, 100% of the Bondholders, the Authority, and the Trustee consent to such amendment. Presented by – Michael Smith.

Mr. Brown inquired as to how many bondholders were there. Mark Holmstedt replied that there were two bondholders.

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

Mr. Brown moved approval of the item; upon a second, the motion was unanimously carried.

D. OTHER BUSINESS

1) Sustainable Communities Grant and Loan (SCGL) Program

a) Consideration of Funding for:

			<u>Recommended Amount</u>
i)	City of Fort Bragg	Grant	\$350,000
ii)	City of Los Angeles	Grant	\$350,000
iii)	City of Willits	Grant	\$323,512
iv)	Alameda County	Grant	\$350,000
v)	City of San Diego	Grant	\$350,000
vi)	City of Livingston	Grant	\$350,000
vii)	City of Compton	Grant	\$350,000

Review of the applications received for the Sustainable Communities Grant and Loan Program has been completed, and staff requested approval of funding for the projects.

The Authority received 68 applications from around the State, each competing for the \$2.5 million of available funding for the program. A four-person advisory panel consisting of an Authority staff person, staff from the STO, and two outside reviewers preliminarily reviewed each application. The Executive Director, with assistance from staff, reviewed the forwarded applications and panel evaluations for consistency and compliance with the criteria and other conditions of the regulations. The scores were finalized and a determination was made as to which projects would be recommended to the Board.

Of the applications received, staff recommended funding a total of seven projects – all of which are grant awards. They are: City of Fort Bragg, City of Los Angeles, City of Willits, County of Alameda, City of San Diego, City of Livingston, and the City of Compton.

The City of Fort Bragg is seeking planning funds to create a specific plan for the redevelopment and revitalization of a 425-acre former Georgia Pacific lumber mill site. The mill was permanently closed in 2002 and resulted in a loss of over 1,000 jobs. Currently, the abandoned mill site is subject to a clean-up order by the Department of Toxics and Substances Control. SCGL funds will be used to assist the City in a five-phase planning process to revitalize the former mill site. This process includes the preparation of a land use plan and community involvement framework, an Environmental Impact Report, amendments to the General plan, and community outreach and marketing efforts.

The City of Los Angeles is seeking planning funds to create sustainability enhancements to the Cornfields/Arroyo Seco specific plan. This is a 400-acre area located north of downtown Los Angeles that includes a new State Historic Park, two light rail stations, an industrial neighborhood, a public housing project, the Los Angeles River, and the I-5 freeway. SCGL funds will be used for the Assessment and Analysis of the development of river-related restoration opportunities, conducting a green roofs assessment of existing

buildings, establishing a storm water management standard, development of a multi-modal standard for the plan area, eco-business development as well as program promotion, marketing and meetings.

The City of Willits is seeking funds to implement aspects of a water study plan to address and solve water shortage issues. SCGL funds will be used to assist the City with four main project components: rainwater harvesting demonstrations, demonstration of pond and bioswale run-off control on public land, a feasibility study and closed-system demonstration of greywater recovery, and community education and civic promotion strategies to promote water recovery. The specific use of funds includes: the establishment and hiring of a Water Conservation Coordinator (50% grant funded), the hiring of a systems development contractor to carry out the design and construction of the proposed public demonstration sites, the hiring of a Greywater Consultant to conduct a feasibility study to assess soil types, water tables, and existing systems, and community outreach and marketing efforts, including travel and office supplies.

On behalf of the Hayward Area Recreation and Park District (HARD) the County of Alameda is seeking funds to help with the acquisition, Brownfield clean-up, and development of the 2.47-acre Holland Oil property to help fulfill the community's need for open park space. With the acquisition of this property, the park district will be able to connect 1.65 acres of land to existing recreational spaces for a total of 11.25 acres that will become the new community park that will offer a range of recreational opportunities for the residents of the Ashland area of San Leandro. The creation of the park, gymnastic center, and the planned business and affordable development on the property will create new economic development with new jobs, which will enhance the neighborhood's economic development. The Project will help to further sustainable development goals by reducing toxins and pollutants at the site and turning it into usable land for green space, commercial uses, and affordable housing. The Project will promote economic growth in an older area that suffers from lack of economic development by creating a park as well as business and housing development that will create new jobs and increase revenue. SCGL funds will be used to pay a portion of the acquisition of the land and clean-up costs.

The City of San Diego will create a planning and zoning update for the Barrio Logan community plan area to address land use incompatibilities, significant air-borne and water-borne pollution and transportation deficiencies. The revised Barrio Logan community plan will offer policy direction in the areas of urban form, neighborhood character, historic preservation, public facilities, and equitable development while keeping the needs of the residents at the forefront. SCGL funds will be used for the hiring of technical experts to identify, assess, and complete the updated community plan document and other reports, as well as associated studies including traffic, urban design and economic and fiscal analysis.

The City of Livingston plans to rehabilitate and renovate the Court Theater, a vacant building located along Main Street in the City's Downtown commercial district. The main objective of the project is to convert the existing 1946 movie theater into a multi-

use Dinner Theater and Performing Arts Center of approximately 8,000 square feet to be flanked by two-story commercial buildings totaling about 12,000 square feet. The project will promote economic development by establishing shopping, office space, services, and entertainment venues that are in close proximity to housing. This project serves as an excellent example of infill development because it entails creating new development on vacant lots, renovation of underutilized buildings, and rehabilitation of historic buildings for new uses. The specific use of SCGL funds includes paying a portion of the construction and renovation of the Court Theater building.

The City of Compton has plans for developing opportunities for revitalization as well as economic and transit oriented development for a 105-acre project area known as the Brickyard Site. Currently, the Brickyard Site is zoned for heavy manufacturing but is surrounded primarily by residential and commercial uses. The Brickyard Site is part of the City's consolidated redevelopment Project Area and exhibits signs of physical and economic blight characterized by underutilization, high vacancy rates, business closures, and inadequate, outdated infrastructure. SCGL funds will be used for the development of a Smart Growth Code and Zoning Audit, the creation of a Transit-Oriented Specific Plan and an Environmental Impact Report. Presented by – Deanna Hamelin.

Ms. Redway thanked everyone who participated in the review process. She noted that all the applications were very good and very compelling, making the choice difficult. Much work went into reviewing these proposals. Ms. Redway then asked if there were any questions or comments from the public.

Mr. Brown asked if staff was comfortable with the three applicants that had requested loans and if the applicants would be able to implement their proposals without the loans.

Mr. Paparian replied that the applicants who had requested a combination of grant and loans were all contacted and that they all indicated they would be able to pursue their projects without the loans. The decision to award grants only was made in part so that as many projects as possible could be funded. By not providing any loans, seven projects rather than six were able to be funded.

Ms. Aronberg moved approval of the item; upon a second, the motion was unanimously carried.

5. PUBLIC COMMENT

Ms. Redway asked if there were any public comments. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, Ms. Redway adjourned the meeting at 10:58 a.m.

Respectfully submitted,

Michael Paparian
Executive Director