

MINUTES of the MEETING of the
INDUSTRIAL DEVELOPMENT AUTHORITY
Thursday, November 12, 2009

I. Call to Order

Joseph F. Montes, Chair of the Industrial Development Authority (IDA), called the meeting to order at 9:10 a.m.

Board members in attendance:

Joseph F. Montes
Justice Armand Arabian

Beatrice C. Hsu
Carmel B. Sella

Sign-in attendance:

May M. Smith, CDD
Roxanne Dunkle, CDD
Colin Chiu, City Attorney
Jose Matamoros, BNY Mellon
Martin Meza, US Bank
Egan Badart, EMAT Capital

Matthew Fairshter, EMAT Capital
Dan Beeman, EMAT Capital
Aaron Badart, EMAT Capital
Jennifer Nitzband, Stern Brothers & Co
Bruce Dobb, Asian Pacific RLF

II. Welcome - Introductions

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

III. Approval of the September Meeting Minutes

Meeting minutes for October 8, 2009 were reviewed. No corrections or additions were noted.

MOTION: To approve and adopt the October 8 meeting minutes.

Moved by: Justice Armand Arabian; 2nd Beatrice C. Hsu

Roll Call: AYES: 4; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed

IV. Financial Reports for October

Staff reported on the September Fund 816, and October Sub-loan Fund 356 reports. Expenditures from the operational budget and program income were detailed.

McGarry Street and Calko Steel continue to make timely payments on their respective sub-loan accounts. Calko Steel is current through December 1st. McGarry Street has been making extra payments which brought their loan current through April 1, 2010.

MOTION: To approve and file the August and September financial reports.

Moved by: Justice Armand Arabian; 2nd Carmel B. Sella

Roll Call: AYES: 4; NOES: 0; ABSENT: 2; ABSTAIN: 0; Motion Passed

V. Unfinished Business

A. Marketing Update

Staff presented a summary of key IDA website statistics for September. The IDA website experienced a 186% increase in visits from the previous month.

IDA staff outlined upcoming events and conferences.

Key meetings and Recovery Zone Bond program outreach activities were highlighted.

B. Project Status

The Post Group – Potential RZFB. Post-production operation is seeking capital for expansion. They met on 10/26/09 with CD 13 who referred to CDD for RZFB consideration. Intro on 10/30, will submit RZFB application.

Suntricity – \$2M IDB project. Solar panel installer wants to start a manufacturing plant in Harbor City. IDA Introductory meeting on 11/4/09. Request is too small, referred to our Small Business Loan program. New jobs: 33.

Baldwin Hills Crenshaw Plaza – \$160M Mixed-use retail/commercial/office/hotel/residential project. Submitted \$73M RZFB application on 10/21/09. Jobs: 3,500.

Western and 6th LLC – Potential RZFB project consists of a 4-Story, 32K sq. ft. bldg with retail (1st Fl.) & office (2nd – 4th) which needs rehab and remodeling. Negotiating purchase of adjacent property for parking. No budget yet. Introductory meeting on 10/14/09.

Ansaldo Breda – \$80M RZFB project. Rail manufacturer to occupy 14.3 of the 20 acres in the Crown Coach/Clean Tech Mfg Center. \$95M TDC for 240K sq. ft. with 371 parking stalls. LABT referral on 10/8/09; CRA assisting with application. Failed to meet MTA contract deadline on 10/30, deal is off. New jobs: 661

W Hotel – \$20M RZFB project. HEI Hotel Group development with Larry Kosmont consulting. Meeting with CLA on 11/16/09.

Accord Interests LLC - \$5M potential RZFB project. Glass recycler eCullet to expand from Oakland. Moved to Harbor per Mayor's Office 10/14/09; deal is dead. New jobs: 35-40 LWO.

ETO Doors – \$9M IDB/EZB. Manufacturer of wood doors needs to expand. They are looking at locations in or outside of City; prefer not to move. Met with principal on 10/16/09. Jobs: 50.

Jordan Downs Mixed-Use Project – Potential EZB project referred by the Housing Authority of LA. Total project cost is \$500M phased over 5 years. City meeting held on 11/2/09 with Deputy Mayor. Jobs: TBD

C. Legislative Committee Report

S. 1222 / H. R. 1677: The Empowerment Zone (EZ) and Renewal Community (RC) Enhancement Act of 2009 seeks to extend the Empowerment Zone sunset date to 12/31/15, and make tax code revisions that would benefit the program. Staff has sent a second round of requests for support to the five-member Congressional Delegation that represents the various EZ areas in the City as well as the Mayor's Office. A hearing was held by the Select Revenue Measure Committee on October 7, 2009 and HUD will conduct a briefing call on October 13, 2009. The President's budget has a one-year extension provision, which if passed, will allow more time to push for support. Staff will continue to monitor progress.

Recovery Zone: City Council designated the Recovery Zone (RZ) on August 11, 2009. The RZ Bond program is overseen by a Steering Committee which meets regularly to review RZ applications, make recommendations to Council and the Mayor, and adhere to all Federal and State guidelines.

The Governor of California approved urgency bill AB 1009 on November 4, 2009. This bill will modify the State's ceiling to include the RZB allocation, allow counties, cities and IDAs to issue Recovery Zone Bonds, as well as include the expanded manufacturing definition of intellectual research and development.

State Senate Bill 99 was signed by the Governor on October 11. The bill imposes certain transparency, accountability and disclosure requirements on Joint Powers Authorities and other conduit financing providers. Many of the requirements are already in practice by the IDA.

D. CDD update on Pending Committee Transmittals

The 2009-2010 IDA budget transmittal was revised to reflect the reduced staffing costs. We anticipate HCED Committee review on November 18.

VI. New Business

There being no other new business, Chair Montes introduced representatives of eMat Capital Management. Emat is a Los Angeles based business management company with a private equity arm which focuses on California

investments. It plans to create companies and jobs, facilitate education with an emphasis on charter schools, and job training to develop and maintain local manufacturing workforce.

A. Next Meeting

The next regularly held IDA Board meeting is scheduled for Thursday, January 14, 2010.

VII. Public Comments

Commissioner Sella suggested inviting a guest to speak on an economic forecast for IDA businesses which have been most impacted, an outlook, and areas which show encouraging and not so encouraging signs.

Staff reported that a request had been made to the head of the New Markets Tax Credit program at CRA to present an update on the program.

VIII. Adjournment

Meeting was adjourned at 10:10 a.m.