

PRIVATE ACTIVITY BOND AUTHORITY ELECTRONIC BOARD MEETING

Governor's Office of Economic Development
Salt Lake City, Utah

MINUTES

Wednesday, October 8, 2014

Members Present

Jamie Davidson (Acting Chairman)
Richard K. Ellis
Grant S. Whitaker
Theresa A. Foxley
David A. Feitz
Kyle Kershaw
Michael Jensen
Wayne Parker
Wayne Cushing
Dennis Yarrington

Representing

Orem City
State Treasurer
Utah Housing Corporation
Governor's Office of Economic Development
Utah State Board of Regents
City of South Salt Lake
Tooele County
Provo City
Salt Lake County
Davis County

Excused Members

John T. Crandall (Chairman)

Governor's Office of Economic Development

Staff and Visitors

Roxanne Graham
Susan Eisenman
Jeff Van Hulten
Dave Miner
Fred Olsen

Governor's Office of Economic Development
Attorney General's Office
Governor's Office of Economic Development
Municipal Bond Consulting
Ballard Spahr

WELCOME AND INTRODUCTIONS

The Private Activity Bond Authority (PAB) Electronic Board Meeting was held in Salt Lake City, Utah, at the Governor's Office of Economic Development and called to order at 9:02 a.m., by Jamie Davidson, Acting Chairman. John Crandall, PAB Chairman, asked to be excused because he was out of town on business.

APPROVAL OF MINUTES

Acting Chairman Davidson requested a motion to approve the minutes from the July 9, 2014, PAB Board Meeting.

Kyle Kershaw moved and Richard Ellis seconded a motion to approve the minutes of the July 9, 2014, PAB Board Meeting. The motion carried unanimously.

STATUS OF ACCOUNTS

Roxanne Graham reviewed the 2014 Volume Cap Accounting Summary as shown below:

PAB ACCOUNTING SUMMARY October 8, 2014

	Student Loan	MFG	Pool	2013 MF CF*
Starting Account Balance	\$ 97,952,250	\$ 37,103,125	\$ 30,603,125	\$ 31,915,000
August 15 - Unallocated cap from all accounts transferred to Pool Account (Student Loan, MFG & Pool)				
Balance Pool Account			\$ 165,658,500	
Relinquished Cap				
9th East Lofts			\$ 6,500,000	
Ending Balance			\$ 172,158,500	
Balance - All Accounts			\$ 172,158,500	\$ 31,915,000

* Developer must use UHC as the issuer to use this cap.

VOLUME CAP RELINQUISHMENTS

9th East Lofts

The Housing Authority of Salt Lake City relinquished their volume cap allocation of \$6,500,000 for the 9th East Lofts project.

Dave Miner, representing the Housing Authority, informed the Board that the project pursued a 4% tax credit application with the bonds because the developer wanted to start construction as soon as possible. The project was rebid over the summer and the project costs had increased by 15%. The increased costs made the project too expensive to pursue as a bond project, so the Housing Authority will submit an application for 9% tax credits instead.

VOLUME CAP ALLOCATION EXTENSION REQUESTS

Single Family Account – Utah Housing Corporation

Utah Housing Corporation (UHC) requested a third extension on the \$124,666,500 total volume cap allocation from the Single Family Account.

Grant Whitaker provided the following update to the Board on the Single Family Programs:

- UHC is issuing the following amounts in tax-exempt Ginnie Mae authority through their new MCC Program:
 - \$20-\$25M a month.
 - \$128M by the end of October.

- \$170-\$180M by the end of the year.
- None of the \$560M of old CarryForward volume cap plus the current year's cap will be lost by the end of the year.

Dennis Yarrington moved and Richard Ellis seconded a motion to approve the third extension on the \$124,666,500 total volume cap allocation from the Single Family Account to Utah Housing Corporation. The motion carried unanimously.

Liberty Center Apartments

Cowboy Partners requested a sixth extension on the \$14,000,000 volume cap allocation for the Liberty Center Apartments located in Provo, Utah.

Dave Miner, representing Cowboy Partners, gave the following update to the Board:

- They have bid out the project to a general contractor.
- The permanent lender they were working with had some personnel problems and dropped the ball on this project. Cowboy had to start the whole process over with a new lender, who required a new appraisal, which has taken extra time.
- They are going to the loan committee next Monday (October 13). If the outcome is good, it will take 30-60 days to get the documentation ready and then they will be able to close on the project.
- This has been a difficult deal to do the financing on, but Cowboy is committed to Provo City to do this project.

Kyle raised a question about the current extension policy referring to the discussion that took place in the July Board Meeting.

Susan Eisenman, the Board's AG representative, told the Board the Extension Policy has not changed and states that any extension granted, beyond the established limit of four, needs to have substantial progress done on the project. The Board needs to decide whether they feel substantial progress has been made, if another extension is to be granted.

The Board asked to have the Extension Policy placed on the agenda for the December Board Meeting for discussion.

Wayne Cushing moved and Grant Whitaker seconded a motion to approve the fifth extension on the \$14,000,000 total volume cap allocation to Cowboy Partners for the Liberty Center Apartments. The motion carried unanimously.

Other Business and Adjournment

The next Board Meeting of the Private Activity Bond Authority Program is scheduled to be held on Wednesday, December 10, 2014, at 9:00 a.m., at the Governor's Office of Economic Development.

Mr. Davidson thanked the Board for their time and participation in the meeting.

Richard Ellis moved and Kyle Kershaw seconded a motion to adjourn.

The meeting adjourned at 9:15 a.m.

Submitted by:
Roxanne C. Graham