

PRIVATE ACTIVITY BOND AUTHORITY BOARD MEETING

Department of Community and Culture
Division of Housing and Community Development
Salt Lake City, Utah

MINUTES

Wednesday, July 8, 2009

Members Present

Gordon D. Walker (Chairman)
Richard K. Ellis
Grant S. Whitaker
Steve Rawlings
Kyle Kershaw
Arthur Hunter
Tom Hardy
Blake Frazier
Derek Miller

Representing

Department of Community and Culture
State Treasurer
Utah Housing Corporation
Davis County
South Salt Lake City
Sandy City
Bountiful City
Summit County
Governor's Office of Economic Development

Members Excused

Lee Gardner
Marlon O. Snow

Salt Lake County
Utah State Board of Regents

Staff and Visitors

Roxanne Graham
Sanobi Johnson
Palmer DePaulis
John Brereton
Tim Broeren
Brandon Johnson
Dave Miner
Fred Olsen
George and Cyndy Hansen
Bill Souvall
Alex Buxton
Mark Cornelius

Housing and Community Development
Housing and Community Development
Housing and Community Development
Affordable Solutions
Kingston Energy Development
Chapman and Cutler
MBCI
Ballard Spahr
Conductive Composites
Universal Housing
Zions Bank Public Finance
Cowboy Partners

WELCOME AND INTRODUCTIONS

The Private Activity Bond Authority (PAB) Board Meeting was held in Salt Lake City, Utah, at the Department of Community and Culture and called to order at 9:02 a.m., by Gordon D. Walker, Chairman.

APPROVAL OF MINUTES

Chairman Walker requested a motion to approve the minutes of April 8, 2009.

Richard Ellis moved and Kyle Kershaw seconded a motion to approve the minutes of April 8, 2009. The motion carried unanimously.

STATUS OF ACCOUNTS

Chairman Walker reviewed the Accounting Summary dated July 8, 2009, showing a total starting balance of \$68,317,500.

PAB ACCOUNTING SUMMARY July 8, 2009

	2009 Allocation	HERA Account
Starting Balance	\$ 68,317,500	\$ 68,031,879
Transfer Balances from Small Issue and Exempt Facilities to Pool Account on July 1. Split Pool Account with a minimum of 50% to Small Issue – Manufacturing Account. Remainder stays in Pool Account.		
Manufacturing Account	\$ 34,158,750	
Kingston Energy Dvlpmnt	\$ 10,000,000	
Conductive Composites	\$ 2,000,000	
Balance	\$ 22,158,750	
Balance Pool Account	\$ 34,158,750	
No Allocation Requests		
HERA Account		
Providence Place		\$ 9,791,742
Balance HERA Account		\$ 58,240,137
Balance Manufacturing Account	\$ 22,158,750	
Balance Pool Account	\$ 34,158,750	

VOLUME CAP ALLOCATION REQUESTS

Multi-Family – Wasatch Advantage Group, LLC – Providence Place Apartments

Wasatch Advantage Group, LLC, requested \$9,791,742 total volume cap allocation from the Pool Account to construct a 125-unit multi-family apartment building with 100% of the units affordable.

John Brereton stated, the applicant submitted a PAB application for a project similar to Providence Place several years ago. The developer was unable to finalize the deal and subsequently withdrew. The location of this project is the same for both. The “new” Providence Place is almost identical to the first version.

The Board asked Mr. Brereton what the differences were that would insure completion of the project this time. Mr. Brereton stated the construction and labor costs were lower this time and \$800,000 of city funding have been received.

Grant Whitaker moved and Arthur Hunter seconded a motion to approve the volume cap allocation of \$9,791,742 for Wasatch Advantage Group. The motion carried unanimously.

Manufacturing – Tooele Energy Production

Tooele Energy Production requested \$10,000,000 total volume cap allocation from the Manufacturing Account. The manufacturing facility will convert poultry litter (manure) to fuel a gasification and liquefaction system for the onsite production of renewable biodiesel. The facility will be built on Fassio Egg Farms located in Erda, Utah.

John Brereton recommended the applicant resubmit the executed land purchase and land lease agreements.

Arthur Hunter moved and Steve Rawlings seconded a motion to approve the volume cap allocation of \$10,000,000 for Tooele Energy Production. The motion carried unanimously.

Manufacturing – Conductive Composites

Conductive Composites requested \$2,000,000 total volume cap allocation from the Manufacturing Account to purchase a building and equipment. The company has developed a suite of electrically conductive nanomaterials and coatings.

The company is currently working on two active Phase 2 SBIR's (Small Business Innovation Research) with the Air Force Research Laboratory.

John Brereton recommended the applicant update and resubmit their application including all the required exhibits missing from the first one and demonstration of other financial resources.

Tom Hardy moved and Blake Frazier seconded a motion to approve the volume cap allocation of \$2,000,000 for Conductive Composites contingent upon the applicant submitting a revised application and demonstrate other financial resources. The motion carried unanimously.

Volume Cap Extensions

Liberty Pines Apartments

Cowboy Partners, L.C., requested a second extension on the \$18,450,000 volume cap allocation for the Liberty Pines Apartments approved by the PAB Board in December 2008.

Tom Hardy moved and Blake Frazier seconded the motion to approve the second extension for \$18,450,000 to Cowboy Partners, L.C. The motion carried unanimously.

Wasatch Advantage Group, LLC

Wasatch Advantage Group, LLC (WAG), requested a third extension on the \$20,000,000 volume cap allocation for the Bingham Junction Apartments project approved by the PAB Board in October 2008. WAG updated the Board on their project. They plan to close sometime in September.

Kyle Kershaw moved and Derek Miller seconded a motion to approve the third extension for \$20,000,000 to Wasatch Advantage Group. The motion carried unanimously.

Cowboy Partners, L.C.

Cowboy Partners, L.C., requested a sixth extension on the \$11,000,000 volume cap allocation for the Liberty Station Apartments approved by the PAB Board in January 2008.

Mark Cornelius updated the Board on the progress of the project. He stated that due to the credit market decline, finding someone to purchase tax credits for the Heber City project has been challenging, thereby needing the extension request.

Grant Whitaker moved and Arthur Hunter seconded a motion to approve the sixth extension for \$11,000,000 to Cowboy Partners. The motion carried unanimously.

Other Business and Adjournment

Chairman Walker asked the Board members if they would be interested in conducting site visits to manufacturing projects that have been previously approved.

General consensus of the Board was to start with project sites that were close, like Utah County. Also, arrange visits on a Friday and limit the project sites to no more than two per outing. It was also suggested that staff could film the various housing projects then footage could be reviewed at a future Board Meeting. For those members who were unable to come to the Board Meeting/site visit the meeting would be set up as an electronic meeting so they could still participate.

The meeting adjourned at 10:36 a.m.

Submitted by:
Sanobi Johnson