

## **PRIVATE ACTIVITY BOND AUTHORITY BOARD MEETING**

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

### **MINUTES**

Wednesday, January 12, 2011

#### **Members Present**

Gordon D. Walker (Chairman)  
Grant S. Whitaker  
Steve Rawlings  
Michael Jensen  
Wayne Parker  
Richard K. Ellis  
Kyle Kershaw  
Tom Hardy  
Christina Oliver

#### **Representing**

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

#### **Excused Members**

Meghan Holbrook  
Lee Gardner

Utah State Board of Regents  
Salt Lake County

#### **Staff and Visitors**

Roxanne Graham  
Sanobi Johnson  
John Brereton  
Shelli Goble  
Brenda Brown  
David Jackman  
Donna Edmundson  
Cleon Butterfield  
Fred Olsen  
Richard Davis  
Dick Fassio  
Vinnie Fassio  
Cody Larsen  
Richard Abruscato  
Jim Allred  
Dave Killpack

Housing and Community Development  
Housing and Community Development  
Affordable Housing Advisors  
Housing and Community Development  
Housing and Community Development  
Bank of New York Mellon  
Bank of New York Mellon  
Utah Housing Corporation  
Ballard Spahr  
Utah State Board of Regents  
Fassio Egg Farms  
Fassio Egg Farms  
Fassio Egg Farms  
Agriculture Waste Solutions  
Allred, Soffe, Wilkinson, Nichols  
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#### **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 9:05 a.m., by Gordon D. Walker, Chairman.

Chairman Walker introduced new Board member, Christina Oliver, representing the Governor's Office of Economic Development.

### **APPROVAL OF MINUTES**

Chairman Walker requested a motion to approve the minutes of December 8, 2010 and December 16, 2010.

**Grant Whitaker moved and Steve Rawlings seconded a motion to approve the minutes of December 8, 2010. The motion carried unanimously with Tom Hardy absent from the vote.**

**Richard Ellis moved and Michael Jensen seconded a motion to approve the minutes of December 16, 2010. The motion carried unanimously with Tom Hardy absent from the vote.**

Tom Hardy joined the meeting.

### **STATUS OF ACCOUNTS**

Chairman Walker reviewed the Accounting Summary of the 2011 Volume Cap shown below.

#### **PAB ACCOUNTING SUMMARY January 12, 2011**

	<b>2011 Allocation</b>
<b>Starting Balance</b>	<b>\$ 277,820,000</b>
<b>Single Family</b>	<b>\$ 116,684,400</b>
Balance	\$ -
<b>Student Loan</b>	<b>\$ 91,680,600</b>
Balance	\$ -
<b>Manufacturing Account</b>	<b>\$ 33,338,400</b>
AWS Tooele Energy	\$ 10,000,000
Balance	\$ 23,338,400
<b>Multi-Family Account</b>	<b>\$ 33,338,400</b>
Traverse Mountain Apts.	\$ 15,975,000
Balance	\$ 17,363,400
<b>Exempt Facility Account</b>	<b>\$ 2,737,750</b>
No applications	
Balance	\$ 2,737,750
<b>Balance - All Accounts</b>	<b>\$ 43,439,550</b>

## **Volume Cap**

### **A. 2011 Volume Cap Allocation**

The 2011 Volume Cap for 2011 is \$277,820,000. Last year's amount was \$273,775,000; an increase of \$4,045,000.

<b>Account</b>	<b>Percentage</b>	<b>Amount</b>
Single Family Mortgages	42%	\$116,684,400
Student Loans	33%	\$91,680,600
Small Issue Account	24%	\$66,676,800
Multi-Family	12%	\$33,338,400
Manufacturing	12%	\$33,338,400
Exempt Facilities	1%	\$2,778,200
<b>Total Volume Cap</b>	<b>100%</b>	<b>\$277,820,000</b>

### **B. Multi-Family Volume Cap Usage – Recap**

Volume cap for the Providence Place project was funded from both the HERA Account and the 2008 CarryForward Account, therefore, the amount of the 2010 CarryForward Account is higher than was given at the October 2010, Board Meeting. The current balance of the CarryForward Account is \$47,521,229.

## **Volume Cap Allocation Requests**

### **Single Family – Utah Housing Corporation**

Utah Housing Corporation (UHC) requested \$116,684,400 total volume cap from the Single Family Account.

Cleon Butterfield from UHC provided an overview on the Single Family First-time Homebuyers Program to the Board.

**Kyle Kershaw moved and Steve Rawlings seconded a motion to approve the volume cap allocation of \$116,684,400 for Utah Housing Corporation. The motion carried unanimously.**

### **Student Loan – Utah State Board of Regents**

The Utah State Board of Regents (USBR) requested \$91,680,600 total volume cap from the Student Loan Account.

Richard Davis from USBR provided an update to the Board on its Student Loan Purchase Program.

**Grant Whitaker moved and Christina Oliver seconded a motion to approve the volume cap allocation of \$91,680,600 for Utah State Board of Regents. The motion carried unanimously.**

## **Manufacturing – Agriculture Waste Solutions, Inc.**

Agriculture Waste Solutions, Inc. (AWS), requested \$10,000,000 total volume cap allocation from the Manufacturing Account to develop a waste-to-energy production facility located in Erda, Utah. The technology will manufacture several renewable products, namely, Renewable Diesel Fuel, Kerosene and Ash, which are all readily marketable. The production will use the waste from Fassio Egg Farms to produce the energy.

Richard Abruscato from AWS provided the Board with a number of updates not provided in the application due to the nature of the recent events. These included the following:

- Possibility of receiving a grant from USDA.
- Contact with DOE on their loan guarantee program.
- Number of jobs increasing from 12 to 15
- Meeting with Wells Fargo regarding bond financing options.
- Contact with Pardee Resources Company to provide equity in the project
- Reconfirmed interest from parties regarding previously promised equity, bond purchase, support from issuing agency, etc.

The Board, in considering the option to fund this project, outlined the following conditions Mr. Abruscato, in representing AWS, would need to meet:

- Detail the recent updates in an addendum and submit it to Staff for distribution to the Board by January 31, 2011.
- Check with bond counsel on the need for a new Inducement Resolution by Tooele County. The current one is dated 2008.
- Personally update the Board at each future Board Meeting on the project's progress until the bonds are sold.

**Tom Hardy moved and Steve Rawlings seconded a motion to approve the volume cap allocation of \$10,000,000 for Agriculture Waste Solutions, Inc., with the conditions as outlined above and personally updating the Board at future Board Meetings on the project's progress. The motion carried unanimously.**

## **Multi-Family Housing – Traverse Mountain Apartments**

Allred Soffe Wilkinson & Nichols, Inc., requested \$15,975,000 total volume cap allocation from the Multi-Family Housing Account for the Traverse Mountain Apartment Project. The complex of 216 all affordable units will be part of the Traverse Mountain Planned Urban Development (PUD); a mix-used PUD adjacent to Cabela's in Lehi, Utah. When completed, the development will have a variety of residential housing – single family, condominiums, apartments – schools, retail, shopping, recreation and commercial outlets.

**Grant Whitaker moved and Wayne Parker seconded a motion to approve the volume cap allocation of \$15,975,000 for Allred Soffe Wilkinson & Nichols, Inc. The motion carried unanimously.**

### **Other Business and Adjournment**

The PAB Board and Staff have been invited to attend the Ground Breaking Ceremony for the Providence Place Apartments on January 18, 2011, at 3:00 p.m. A flyer was handed out with additional details.

Chairman Walker expressed appreciation to the Board for their participation in the meeting. The next regularly scheduled meeting of the Private Activity Bond Authority Board will be held on Wednesday, April 13, 2011, at 9:00 a.m., at the Department of Community and Culture, 324 S. State Street, Suite 500, Conference Room #501, Salt Lake City, Utah.

The meeting adjourned at 10:35 a.m.

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Submitted by:  
Sanobi Johnson