The meeting was called to order at 4:05 p.m. by Matt Hanna, Chair.

I. Public Comment Regarding the New Market Tax Credits
Matt asked for a motion to combine the NMTC public comment period with the NMTC Update and Discussion.

David Ghoddousi moved and Bruce Lorig seconded, it was passed by acclamation.

Carol reviewed the special disclosure process for the NMTC. She noted that there had only been one request by Bruce Lorig for the full analysis. Part of the disclosure included collecting and answering questions from the public five days before the June 24th deadline. At this point there were no questions to respond to. Carol continued to note all the organizations that the notice and summary went to.

Carol handed out, and the committee took a few minutes to review and read the NMTC memorandum and questions and answers from Shaun Gill.

Ann Magnano joined at 4:25 p.m.

Matt made a motion to review other items on the agenda until Shaun Gill arrived. Bruce Lorig moved and David Ghoddousi seconded, it was approved unanimously.

II. Administration
A. Approval of Agenda
   More changes were proposed to agenda to begin the business other than the NMTC discussion and wait for the arrival of our counsel.

B. Approval of May 18th, 2010 Minutes
   The minutes were approved by acclamation.

C. Announcements and Community Comments
III. Review of Financial Statements for May 2010
   A. PDA Operating Statements

Sabina reviewed the financial statement for May 2010; she reviewed the increases and decreases on the balance sheet noting an increase in miscellaneous accounts receivable. We have begun to accrue the levy receipts as recommended by our auditor. Sabina continued to review the PDA Operating Statement noting that the budget was over in revenue and under in expenses. Revenue was up mainly due in part to commercial revenues. There was some discussion as to why residential continued to be under budget and the variances were explained. Sabina noted that for the most part it was due to an error in estimation of the timeline of people moving out of the Sanitary for the renovations, and a budgeting issue rather than an operations issue. The garage was seeing considerable improvement in revenues after the installation of the automated equipment. Carol explained in detail some of the difficulties that were being seen with the machines in the lots. People were also not paying at these lots in the weekend evening particularly. The area was dangerous and would require two staff in the evenings to patrol and collect. Contracting out to a parking providers was being considered to manage the surface lots. Under expenses, staffing was considerably under budget due to vacancies. There was a significant increase in security expense and this was due to the increase filming in the Market and the need for added security officers and time. Revenue generated for this filming offsets this cost and is reflected in the revenue accounts. Percent rent revenues continued to increase over figures from last year.

Shaun Gill arrived at the meeting. Matt made a motion to continue the agenda with the discussion on the NMTC Update and Discussion.

David moved and Bruce seconded the adjusted agenda.

IV. Checking Account Activity Report

The checking account activity report was submitted to the Executive Assistant for inclusion in the minutes.

V. NMTC Update and Discussion

Committee and Council members asked questions of Shaun Gill regarding the NMTC regarding the memo and Q&A distributed earlier. Matt had several questions regarding security, indemnity, what projects the funds would be used on and were there specific requirements outlined by the structure. Shaun replied that the documents were not yet completed but security would be in the form of rent assignment or something similar. Gerry clarified that it would not be in the form of encumbrance on the properties. Carol further noted that this was clear to other parties involved in the transaction. There was a lengthy discussion regarding the projects to be completed with the funds and how was it defined in the documentation, the reimbursement process, what the Markets responsibility and commitment was. Shaun noted that the transaction should be similar to last time with the Fairley, the only main difference being that there were more CDE’s involved in the transaction. In general, there were some specific guidelines that the transaction requires but it was left open enough to be free to decide later what exactly the funds specifically would be used for.

Bruce Lorig had some questions regarding the cash flow of funds. There was a detailed discussion on the diagram of the NMTC flow of funds, how they would be paid back. The main concern was the capitalization of the value of the rents and what, if any, would the gap be in funds and how this gap should be addressed. Several options were mentioned and discussed. Shaun noted that the CDE’s would be getting their appraisals over the next three weeks and would have a better idea of what the capitalized value of the rents would be. The closing date goal was for no later than middle of July. Bruce L. wanted to know how the CDE’s benefited financially from the transaction. Shaun replied that they would collect on transaction and financing fees and it was their purpose to do economic development in certain census tracts, so this is what they have been created for. Patrick wanted to know what risks were involved. Shaun replied that as long as the QALICB did not engage in any inappropriate activities as outlined by the structure there was no real risk. There was a long discussion about this and the master lease and lease changes that tenants would have to sign off on.
Matt noted and it was decided that the committee did not feel that there was enough documentation and progress in the process to be comfortable voting on proposed action item 10-38. The committee decided that they wanted the opportunity to review draft transaction documents before final approval on the action item. Shaun and a revised resolution would be brought forward for further discussion and possibly vote to the full Council meeting. Draft documents would be disbursed to committee members and a revised resolution outlining certain parameters would be brought to the full Council meeting.

There was some discussion about what would happen if the deal was not approved by the June 24th Council meeting, and would the disclosure process have to be restarted. The disclosures were fairly specific in their guidelines and Gerry would have to look into this.

VI. Action Items

Carol noted that in auditors would be at the July finance meeting to present their report. If the committee wanted an opportunity to review the draft report, resolution 10-28 could be voted on at the July meeting. Carol further noted that typically the audit report was voted on in June in order to provide the Council approved report to several agencies that required its annual report. Matt agreed and postponed the vote until July’s Finance Meeting.

Tyler reported that the garage was in need of cleaning and restriping. He continued to describe the bid process followed which included contacting persons on the small works roster and yellow pages. Five bids were received and the lowest bid with Whirlwind Services, Inc., was selected.

Gerry Kumata moved and David Ghoddousi seconded.

For: Matt Hanna, Bruce Lorig, David Ghoddousi, Ann Magnano, Gerry Kumata, Gloria Skouge
Against: 
Abstain: 

Proposed resolution 10-40 passed unanimously.

Carol noted that funds from the project would be drawn from the garage reserve funds.

Tyler reported that the LaSalle Building East Elevation Post Alley windows and brick have deteriorated and needed to be restored. Patrick had a few questions about cost and the scope of work to be completed. Tyler replied that the top three windows would need to be replaced in kind and the others would be stripped, clean and replaced.

Bruce Lorig moved and Gerry Kumata seconded.

Bruce Lorig and Gerry Kumata accepted the amendment to resolution.

For: Matt Hanna, Bruce Lorig, David Ghoddousi, Ann Magnano, Gerry Kumata, Gloria Skouge
Against: 
Abstain: 

Proposed resolution 10-41 passed, as amended, unanimously.

VII. Items for the Consent Agenda
Proposed resolutions 10-40 & 10-41 were placed on the consent agenda.

VIII. Public Comment
None
IX. **Concerns of Committee Members**  
None

X. **Adjournment**  
The meeting was adjourned at 5:50p.m. by Matt Hanna, Chair.

Meeting minutes submitted by:  
Anita Neill, Executive Assistant