

MINUTES
STATE BOND COMMISSION
MEETING OF SEPTEMBER 20, 2007
COMMITTEE ROOM A
STATE CAPITOL BUILDING

The items listed on the Agenda are incorporated and considered to be a part of the minutes herein.

Treasurer Kennedy called the meeting to order. Then Ms. B. Blanchard called the roll.

MEMBERS PRESENT:

Dr. Jimmy Clarke, representing Governor Kathleen Blanco
Ms. Angele Davis, representing Lt. Governor Mitch Landrieu
Secretary of State Jay Dardenne
Mr. Nicholas Gachassin, Jr., representing Attorney General Charles Foti
President Donald Hines
Senator Francis Heitmeier
Senator Willie Mount
Senator Joe McPherson, Jr. (arrived during discussion on Item 53)
Speaker Joe R. Salter
Representative John Alario, Jr.
Representative Taylor Townsend (arrived during discussion on Item 53)
Representative Charles DeWitt
Commissioner Jerry LeBlanc
Treasurer John Kennedy

Representative Dewitt moved approval of the minutes of the August 16, 2007 meeting, seconded by Speaker Salter, and without objection, the minutes were approved.

Discussion by Mr. Napper with regard to Items 3 through 39, excluding Item 29, Local Governmental Units - Elections November 17, 2007. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Items 3 through 39, excluding Item 29, were approved.

Discussion by Mr. Napper with regard to Item 29, Orleans Parish, City of New Orleans, Huntsville Security and Neighborhood. Representative DeWitt moved for conditional approval. Motion seconded by Speaker Salter, and without objection, Item 29, was conditionally approved.

Discussion by Mr. Napper with regard to Items 40 through 52 and Item 139, excluding Items 44 and 46, Local Governmental Units/Political Subdivisions - Loans. Speaker Salter moved approval, seconded by Representative DeWitt, and without objection, Items 40 through 52 and Item 139, excluding Items 44 and 46, were approved.

Mr. Napper advised that Item 44 had been withdrawn prior to meeting.

Discussion by Mr. Napper with regard to Item 46, Ouachita Parish, G.B. Cooley Hospital Service District, Local Governmental Units/Political Subdivisions - Loans, Representative DeWitt moved for conditional approval, seconded by Speaker Salter, and without objection, Item 46 was conditionally approved.

Discussion was held by Mr. Napper with regard to Item 53, Port of New Orleans, Local Political Subdivisions- Go Zone Advanced Refunding Bonds. Further discussion was held by Jim Ruckert, Chief Financial Officer, Port of New Orleans, with regard to Item 53. Representative Alario moved for conditional approval, seconded by Senator Heitmeier, and without objection, Item 53 was conditionally approved.

Mr. Napper advised that all agenda items related to GO Zone tax-exempt private activity applications would be heard out of order after Item 147.

Discussion was held by Mr. Napper with regard to Item 62, Richland Parish, Town of Rayville; Political Subdivision - Bonds - Preliminary Approval. Representative DeWitt moved for approval, seconded by Speaker Salter, and without objection, Item 62 was approved.

Discussion was held by Mr. Napper with regard to Item 63, St. Tammany Parish, Hospital Service District No. 1; Political Subdivisions - Bonds - Preliminary Approval. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Item 63 was approved.

Discussion was held by Mr. Napper with regard to Item 64, Claiborne Parish, Town of Homer; Political Subdivisions - Bonds - Final Approval. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Item 64 was approved.

Mr. Napper advised that Item 65 had been withdrawn prior to meeting.

Discussion was held by Mr. Napper with regard to Item 66, Lafayette Parish, Lafayette Public Power Authority; Political Subdivisions - Bonds - Final Approval. Representative DeWitt moved approval, seconded by Senator Mount, and without objection, Item 66 was approved.

Discussion was held by Mr. Napper with regard to Item 67, Livingston Parish, Carter Marina Community Development District; Political Subdivision - Bond - Final Approval. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Item 67 was approved.

Discussion was held by Mr. Napper with regard to Item 68, Richland Parish, Town of Rayville; Political Subdivision - Bonds - Final Approval. Representative DeWitt moved for conditional approval seconded by Speaker Salter and without objection, Item 68 was conditionally approved.

Discussion was held by Mr. Napper with regard to Item 69, St. Landry and St. Martinville Parishes, Town of Arnaudville; Political Subdivisions - Bonds - Final Approval. Senator Hines moved approval, seconded by Speaker Salter and without objection, Item 69 was approved.

Discussion was held by Mr. Napper with regard to Item 70, Vermilion Parish Policy Jury; Political Subdivisions - Other. Representative DeWitt moved for conditional approval, seconded by Speaker Salter and without objection, Item 70 was conditionally approved.

Discussion was held by Mr. Napper with regard Items 71 and 72. Further discussion was held by Wayne Neveu, Foley and Judell. These items were deferred until after the GO Zone program discussion.

Discussion was held by Mr. Napper with regard to Item 73, Louisiana Housing Finance Agency (CHS New Orleans I Project); State Agencies, Boards and Commissions - Final Approval. Further discussion was held by Wayne Neveu, Foley and Judell. Representative DeWitt moved approval, seconded by Speaker Salter and without objection, Item 73 was approved.

Discussion was held by Mr. Napper with regard to Item 74, Louisiana Housing Finance Agency (New Savoy Place Phase I Project); State Agencies, Boards and Commissions, and Item 103, Industrial Development Board of the City of New Orleans, Louisiana, Inc. (New Savoy Place Phase I Project); Industrial Development Board - Preliminary Approval. Further discussion was held by Wayne Neveu, Foley and Judell and Rodney Braxton, City of New Orleans with regard to Items 74 and 103. Consideration of Items 74 and 103 was deferred until outstanding issues could be resolved.

Discussion was held by Mr. Napper with regard to Item 88, Louisiana Community Development Authority (St. James Place of Baton Rouge Project); Political Subdivisions - Bonds. Further discussion was held by Regina Hamilton, Jones and Walker with regard to Item 88. Speaker Salter moved for conditional approval, seconded by Representative Townsend and without objection, Item 88 was conditionally approved.

Discussion was held by Mr. Napper with regard to Item 89, Louisiana Community Development Authority (City of Bossier City Public Improvements Projects); Political Subdivisions - Bonds. Representative DeWitt moved approval, seconded by Senator Mount and without objection, Item 89 was approved.

Discussion was held by Mr. Napper with regard to Item 90, Louisiana Community Development Authority (Southern Bar-B-Que Sauce, Inc. Project); Political Subdivisions - Bonds. Senator Mount moved approval, seconded by Representative DeWitt and without objection, Item 90 was approved.

Discussion was held by Mr. Napper with regard to Item 104, Vernon Parish, Industrial Development Board of City of Leesville (Lowe's Home Centers Project); Industrial Development Board - Final Approval. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Item 104 was approved.

Discussion was held by Mr. Napper with regard to Item 105, Louisiana Public Facilities Authority (Lafayette General Medical Center Project), Public Trusts - Preliminary Approval - GO Zone Advance Refunding Bonds. Senator Mount moved approval, seconded by Representative DeWitt, and without objection, Item 105 was approved.

Discussion was held by Mr. Napper with regard to Item 131, Southern University Foundation (Southwest Center Project), Public Trusts - Preliminary Approval and/or Notice of Sale. Further discussion was held by Representative Elbert Guillory; Adell Brown, Southern University Ag Center; Robert Bruno, Board of Regents; and Ernie Hughes, Executive Director, Southern University Foundation. President Hines moved to amend the agenda to reflect the project location as Washington, seconded by Speaker Salter and the agenda was amended. President Hines moved approval of item, seconded by Speaker Salter and without objection, Item 131 was approved as amended.

Discussion was held by Mr. Napper with regard to Item 132, Finance Authority of New Orleans (Willows Apartments Project); Public Trusts - Preliminary Approval and/or Notice of Sale. Speaker Salter moved approval, seconded by Representative DeWitt, and without objection, Item 132 was approved.

Discussion was held by Mr. Napper with regard to Item 133, Louisiana Public Facilities Authority (CHRISTUS Health Project); Public Trusts - Preliminary Approval and/or Notice of Sale. Representative DeWitt moved approval, seconded by Senator Mount, and without objection, Item 133 was approved.

Discussion was held by Mr. Napper with regard to Item 134, Louisiana Public Facilities Authority (Black and Gold Facilities Project); Public Trusts - Preliminary Approval and/or Notice of Sale. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Item 134 was approved.

Discussion was held by Mr. Napper with regard to Item 138, technical amendment for Madison Parish Hospital Service District; - Other Business. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Item 138 was approved.

Mr. Napper advised that the items related to Lines of Credit would be heard after the GO Zone tax exempt private activity bond applications were considered.

Discussion was held by Mr. Napper with regard to Item 146, technical amendment for Franklin Parish School Board - Other Business. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Items 146 was approved.

Discussion was held by Mr. Napper with regard to Item 147, recommendations for selection of underwriters for Louisiana Public Facilities Program (Hurricane Recovery Program). Representative Alario moved approval, seconded by Representative DeWitt, and without objection, Item 147 was approved.

Mr. Napper explained it had been decided at the special State Bond Commission meeting held on September 5, 2007 that Governor Blanco and staff would present a ranking of GO Zone projects at this meeting. Further discussion was held by Dr. Clarke and Kimberly Robinson, Governor's Office in regards to recommendations for program changes. Fred Chevalier responded to questions regarding Item 127. Further discussion was held by Bill Black, Research Director, Division of Administration regarding the ranking system. A report was presented by

the Governor's Office which contained the following proposals:

1. The State Commission will utilize the Economic Rating developed by the Governor's Office to evaluate all application received from 9/20/07 forward.

Speaker Salter moved approval, seconded by Representative DeWitt. Secretary Dardenne objected and a roll call vote was taken, with motion passing by a vote of twelve to two.

2. The final approval of an application by the State Bond Commission is valid for 120 days from the issuance of an allocation letter by the Governor to deliver the Gulf Opportunity bonds.

Mr. Clarke moved for approval, seconded by Representative DeWitt and without objection the motion was approved.

3. The State Bond Commission reserves 50% of the allocation remaining as of September 20, 2007 for the 13 most impacted parishes. This reservation remains effective until September 1, 2009.

Mr. Clarke moved for approval, seconded by Representative DeWitt and without objection, the motion was approved.

4. Effective September 20, 2007, the State Bond Commission will review applications and grant final approval in accordance with the following:

- a. No allocations will be made that exceed \$250 million
- b. Allocations will be made in accordance with the table prepared by the Governor's Office (and presented to Commissioner) that reserves 50% of the allocation remaining as of September 20, 2007 for the 13 most impacted parishes; and the remaining 50% will be reserved as a GO Zone wide competitive pool.
- c. All applications from the 18 less severely impacted parishes will be eligible for allocation from the GO Zone wide competitive pool. Applications from the 13 most impacted parishes that rank in the top two quintiles of the Economic Rating System will be eligible for allocation from the GO Zone wide competitive pool.
- d. Applications for projects in the 13 most impacted parishes that have been identified by the parish as being consistent with their long-term recovery plans will receive preference.

Mr. Clarke moved for approval, seconded by Representative DeWitt. Secretary Dardenne objected and a roll call vote was taken, with motion passing by a vote of eleven to one.

During the consideration of the proposal and motions outlined above, intermittent discussion was held by Fred Chevalier, Jones Walker; Tom Crumbley, New Orleans developer; Sharon Perez, Undersecretary, Department of Economic Development; Mike Saucier, President of Gulf States Real Estate; Mike Wampold, developer with II City Plaza project; Brenda Reine Bertus, Executive Director, St. Tammany Economic Development District; Paul Aucoin, President, St. James Parish Economic Development District; Jim Harris, representing Faustina Hydrogen project; Robert Bruno, St. Tammany family development business; Larry Wink, Wink Engineering; Rodney Braxton, City of New Orleans; Mayor Jim Petitjean, City of Rayne and Byron Hamilton, Vice President and General Manager, Pelican Refining.

After approval of the recommendations contained in the Governor's report, a ranking list of GO Zone projects was distributed to Commission members. Further discussion about these rankings was held. Action was deferred on all GO Zone applications on the agenda (Items 54 - 61; 75 - 76; 78 - 87; 91 - 102; 106 - 113; 115-130; 140 - 145 and 148) until a special meeting could be scheduled within the next several weeks.

Discussion was held regarding amending the GO Zone program relative to the thirteen most affected parishes to remove St. Charles and St. John the Baptist parishes and add Iberia and Terrebonne parishes. The change would make the most affected group comprised of Calcasieu, Cameron, Jefferson, Iberia, Lafourche, Orleans, Plaquemines, St. Bernard, St. Tammany, Tangipahoa, Terrebonne, Vermilion and Washington. Mr. Clarke moved for approval, seconded by Senator Hines and without objection, the motion was approved.

Discussion was held by Mr. Napper with regard to Items 71 and 72 Louisiana Housing Finance Agency; State Agencies, Boards and Commissions - Final Approval without GO Zone designation. Further discussion was held by Wayne Neveu, Foley and Judell with regard to Items 71 and 72. Speaker Salter moved approval, seconded by Representative DeWitt and without objection, Items 71 and 72 were approved without GO Zone designation.

Discussion was held by Mr. Napper with regard to Item 74 Louisiana Housing Finance Agency (New Savoy Place Phase I Project), State Agencies, Boards and Commissions and Item 103 Industrial Development Board of the City of New Orleans, Louisiana, Inc. (New Savoy Place Phase I Project); Industrial Development Board - Preliminary Approval. Further discussion was held by Wayne Neveu, Foley and Judell and Rodney Braxton, City of New Orleans that opposition had been withdrawn in regards to Items 74 and 103. Representative Townsend moved approval, seconded by Speaker Salter and without objection, Items 74 and 103 were approved.

Discussion was held by Mr. Napper with regard to Item 135, Rescission of Cash Lines of Credit - Priority 1. Representative DeWitt moved approval, seconded by Speaker Salter, and without objection, Item 135 was approved.

Discussion was held by Mr. Napper with regard to Item 136, Lines of Credit - Priority 2. Mr. Napper advised that notification had been received from the Attorney General's Office this morning that indicated three of the Priority 2 projects had not completed requirements and could not be presented for approval at this time. Jerry Jones, Facility Planning and Control, reported that an error had been made on the recommendations listing and distributed a correction for funding between two projects. Representative Townsend moved approval, seconded by Senator Mount, and without objection, Item 136 was approved without the three incomplete Priority 2 projects and as amended to correct funding for two projects.

Discussion was held by Mr. Napper with regard to Item 137, Non-Cash Lines of Credit - Priority 5. Further discussion was held by Jerry Jones. Representative Townsend moved approval, seconded by Senator Mount, and without objection, Item 137 was approved.

Further discussion of Lines of Credit items not on contained recommendation listing was held by David Voelker, World War II Museum; Bob Farnsworth, Vice President of World War II Museum; Dr. Nick Mueller, President of World War II Museum; Glenda Jeansonne, Executive Director of Louisiana Airport Authority; Brian Burke, Legal Advisor for of Louisiana Airport Authority; Sal Anzelmo, Attorney for of Louisiana Airport Authority; George Woods, Citizens Against Land Grabbers; Raymond Freeman, New Iberia (LA Highway 65); David Broussard, Councilman, City of New Iberia; Amy Varnado, Chief Administrative Officer; City of New Iberia; George Perkins, Tangipahoa African American Heritage Museum; H. Rouse Caffey, Interim Chancellor LSU Alexandria; Debbie Hudnall, Executive Director of LA Clerk of Courts Association; Louie Bernard, Clerk of Court of Natchitoches Parish; Gary Gamble, Board of Directors for Safe Haven; Representative Diane Winston, Safe Haven; Mary Pirosko, Development Director for Safe Haven and Options Program; Patrick Dufresne, Port Manchac South Tangipahoa Parish Port Commission; Bill Crum, Biodiesel; and Mike Williams, Hammond City Commissioner.

Senator McPherson moved to reconsider the prior approval of Item 131, Southern University Foundation (Southwest Center Project), Public Trusts - Preliminary Approval and/or Notice of Sale, seconded by Senator Mount and without objection, the motion was approved. Senator McPherson moved to defer action, seconded by Senator Mount and without objection, the item was deferred.

On the motion of the Chairman and without any objection, the meeting was adjourned.

(A verbatim transcript, including the details of all conditional approvals, is available with the Bond Commission.)