STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at the University Club of MSU, Room B106, 3435 Forest Road, Lansing at 1:15 pm, Wednesday, September 22, 2010.

Board Members Present:

Dawn Batts
Ehrlich Crain
Patrick Devlin
Carol Walters

Authority Staff:

Debbie Roberts, Executive Director
Debbie Sanchez, Secretary
Carol Schulz, Financial Specialist
TeAnn Smith, Financial Analyst

Others Present:

Phyllis Mellon, Chief Deputy Director, DTMB
Alan Lambert (Attorney General's Office)
Wayne Workman (R. W. Baird)
Rachael Eubanks (R. W. Baird)
Kester So (Dickinson Wright)
Leasa Plaunt (DTMB Real Estate Division)

Chairperson Devlin called the meeting to order at 1:30 p.m. Ms. Roberts introduced Phyllis Mellon and Leasa Plaunt to those in attendance. She also reported to the Board that JCOS introduced a $394 million of Capital Outlay bill this morning at their meeting. No list of projects was shared with those in attendance at the JCOS meeting.

The minutes of the June 15, 2010 meeting were reviewed, and Mr. Crain moved that the minutes be accepted as written. Ms. Walters supported the motion, which passed unanimously.

Ms. Roberts reviewed the agenda, which includes three resolutions for construction agreements for projects ready to enter into the CP program, one lease amendment and the resolution for the CP program, Series 6.

Ms. Schulz reviewed the CP status report and noted that the four highlighted projects have recently been added to the CP program since the last meeting in June. The total CP outstanding is $81.3 million, at a rate of .32% with a maturity date of October 21, 2010.

Ms. Roberts explained the first resolution presented to the Board is for Jackson Community College, Whiting Hall Renovation and is in the same form as presented to the Board in the past. It was moved by Ms. Walters, supported by Ms. Batts, that the Board approve the Resolution of the State Building Authority Approving a Construction Agreement, Conveyance of Property, a Lease and an Easement Agreement, if Necessary, for the Jackson Community College Whiting Hall Renovation. All were in favor and the resolution passed unanimously.

The second resolution presented to the Board is for Charles Stewart Mott Community College, Library Consolidation and Renovation and is in the same form as presented to the Board in the past. It was moved by Mr. Crain, supported by Ms. Walters, that the Board approve the Resolution of the State Building Authority Approving a Construction Agreement, Conveyance of Property, a Lease and an Easement Agreement, if Necessary, for the Charles Stewart Mott Community College, Library Consolidation and Renovation. All were in favor and the resolution passed unanimously.

The third resolution presented to the Board is for the Michigan State Police State Police Headquarters. Ms. Roberts noted that this project has not been approved by JCOS and will most likely be approved by the legislature during lame duck session (after elections). She is asking for the Board's approval today in the event the Board doesn't meet in October and due to a January purchase date of this property. It was moved by Ms. Walters, supported by Mr. Crain that the Board approve the Resolution of the State Building Authority Approving a Construction Agreement, Conveyance of Property, a Lease and an Easement Agreement, if Necessary, for the Michigan State Police State Police Headquarters. All were in favor and the resolution passed unanimously.

The fourth resolution presented to the Board is for an amendment to the DTMB (formerly DMB) Secondary Complex Warehouse lease that allows for some

necessary work at the Energy Center. The amendment to the lease will carve out a portion of an SBA financed project in order to return that portion to the state for the new project. The appraiser has determined that this will not change the rent value of the original project. It was moved by Ms. Batts, supported by Mr. Crain that the Board approve the Resolution of the State Building Authority Approving the Conveyance of Property of the Department of Technology, Management and Budget (formerly the Department of Management and Budget) Secondary Complex Warehouse and Second Amendment to Lease. A roll call vote was conducted with the following results:

Mr. Devlin – Yes

Ms. Batts – Yes

Mr. Crain – Yes

Ms. Walters – Yes

The motion passed unanimously.

Moving to the final item under new business, Ms. Roberts explained this resolution is to authorize the sale and issuance of the Commercial Paper Notes, Series 6. The Authority's previous line of credit for $500 million was through Bank of New York and State Street Bank. Ms. Roberts was informed by Bank of New York they were no longer interested in this program and was approached by State

Street Bank who is interested in continuing with the CP program, with US Bank as their partner. The letter of credit will be lowered, which has been discussed between Ms. Roberts and Mr. Workman over the past couple of years, to $225 million. Due to current economic conditions, banks do not have the capacity for the larger deal. The rate is good – 85 basis points. This agreement is for 3 years, with a 2 year renewal. Mr. So further explained that State Street will provide credit for $150 and US Bank $75 million, but it will be one line of credit. Exhibit A of the resolution outlines the parameters. It was moved by Ms. Walters, supported by Mr. Crain that the Resolution Authorizing the Sale and Issuance of Commercial Paper Notes, Series 6 be adopted. A roll call vote was conducted with the following results:

Mr. Devlin – Yes

Ms. Batts – Yes

Mr. Crain – Yes

Ms. Walters – Yes

The motion passed unanimously.

Ms. Roberts noted that the next scheduled meeting of the Board of Trustees is October 25, 2010 in the Detroit area, but there is a possibility that meeting will be cancelled.

The meeting was adjourned at 1:45 p.m.

APPROVED AND ADOPTED:

Deborah M. Roberts, Executive Director

Patrick J. Devlin, Chairperson