

STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at Cadillac Place, Press Room, 14th Floor, 3020-3068 W. Grand Boulevard, Detroit, Michigan at 2:00 p.m. on Monday, October 26, 2009.

Board Members Present:

Dawn Batts
John Clark
Ehrlich Crain
Patrick Devlin
Marty Mercer

Authority Staff:

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

Others Present:

Alan Lambert (Attorney General's Office)

Chairperson Devlin called the meeting to order at 2:03 p.m.

The minutes of the June 23, 2009 meeting were reviewed, and Mr. Clark moved that the minutes be accepted as written. Ms. Batts supported the motion, which passed unanimously.

Ms. Roberts informed the Board that a special meeting will need to be scheduled in November to approve documents for an upcoming bond issue. The dates of November 12 and 16 were discussed, and it was determined that the meeting will be on Monday, November 16 at 2:00 p.m. Location will be communicated to the Board members and staff at a later date. We are trying to reserve a room in the Howell/Brighton area for this meeting.

Ms. Roberts reviewed the agenda, which includes lease amendments to current projects. Resolutions A-C are carve outs of property and resolutions D-H are lease amendments for either security enhancements or energy conservations projects.

Ms. Schulz reported that the commercial paper outstanding is \$161 million for 13 projects. The issue date was August 6, 2009 with an interest rate of 0.55%. November 5, 2009 is the next roll of the CP program. The highlighted projects on the list are being considered for the upcoming bond issue. Ms. Roberts noted that the LOC for the CP program matures in a year, and SBA will have to go back to the market for a new LOC. At that time we may not obtain such good interest rates.

Ms. Roberts updated the Board members on the 2009 Revenue Refunding Bonds, Series I. The par amount was \$222.08 million, AIC 4.88%. Bonds with 2022-2026 maturities were insured to generate buyer interest. The final maturity of the bonds is 10/15/2026.

Moving on to new business, Ms. Roberts explained that the resolution for Kalamazoo Valley Community College (KVCC) is for a carve out of property from a currently bonded project in order for KVCC to use the property on a new project. The college will physically be using this portion of property in their new project. It was moved by Mr. Crain, supported by Ms. Batts that the board approve the Resolution of the State Building Authority Approving the Conveyance of Property of Kalamazoo Valley Community College Arcadia Commons Campus Phase II and an Amendment to Lease. A roll call vote was conducted with the following results:

Ms. Batts – Yes
Mr. Clark – Yes
Mr. Crain – Yes
Mr. Devlin– Yes

The motion passed unanimously.

Ms. Roberts continued to the next resolution for Saginaw Valley CC and explained that the college needs property from a currently bonded project for a new project at SVCC. It was moved by Mr. Clark, supported by Ms. Batts that the board approve the Resolution of the State Building Authority Approving the Conveyance of Property of the Saginaw Valley University Instructional Facility Number 4 and Library Renovations and an Amendment to Lease. A roll call vote was conducted with the following results:

Ms. Batts – Yes
Mr. Clark – Yes
Mr. Crain – Yes
Mr. Devlin– Yes
Ms. Mercer - Yes

The motion passed unanimously.

Moving to the next resolution, Ms. Roberts indicated that when the original lease for the Iron County Minimum Security Camp was entered in to, it included all

the property at the site instead of just the property which the camp is on. The Department of Corrections (DOC) has closed this camp, but has a logging operation to still operate. This resolution will give back the property for the logging camp to DOC which will allow the department to lease out the logging operation. Prisoners ran the logging operation until the shut down. The SBA property will be fenced off to separate from the logging operation, and DOC may be able to sublease the property as a prison/jail. It was moved by Mr. Crain, supported by Mr. Clark that the board approve the Resolution of the State Building Authority Approving the Conveyance of Property of the Iron County Minimum Security Camp (Ottawa) and an Amendment to Lease. A roll call vote was conducted with the following results:

Ms. Batts – Yes
Mr. Clark – Yes
Mr. Crain – Yes
Mr. Devlin– Yes
Ms. Mercer - Yes

The motion passed unanimously.

Mr. Lambert reviewed resolutions D-H with the board explaining that they are similar lease amendments to define trade fixture improvements to facilities. Some projects currently bonded by the Authority had additional improvements for security enhancements and/or energy conservation projects. These amendments will allow the authority to bond for these enhancements with a bill of sale. At the end of the lease, the property will be conveyed back to the state at different times (original lease and the trade fixtures).

Mr. Devlin asked if these projects are funded with federal stimulus assistance and Ms. Roberts explained that these projects are using state funds from 2005-2006 capital outlay.

It was moved by Ms. Batts, supported by Mr. Clark that the board approve the Resolution of the State Building Authority Approving the Amendment to Lease of the State Judiciary – Hall of Justice. All were in favor and the resolution passed unanimously.

It was moved by Mr. Crain, supported by Ms. Mercer that the board approve the Resolution of the State Building Authority Approving the Amendment to Lease of the Department of Management and Budget Secondary Complex Warehouse. All were in favor and the resolution passed unanimously.

It was moved by Mr. Clark, supported by Ms. Mercer that the board approve the Resolution of the State Building Authority Approving the Amendment to Lease of the Macomb Regional Prison. All were in favor and the resolution passed unanimously.

It was moved by Ms. Batts, supported by Ms. Mercer that the board approve the Resolution of the State Building Authority Approving the Amendment to Lease of the Olds Plaza State Office Building (Romney Building). All were in favor and the resolution passed unanimously.

It was moved by Mr. Clark, seconded by Mr. Crain that the board approved the Resolution of the State Building Authority Approving the Amendment to Lease of Constitution Hall. All were in favor and the resolution passed unanimously.

Ms. Sanchez presented the Board with the calendar for meetings in 2010. Mr. Crain moved, supported by Ms. Batts that the Board approve the 2010 State Building Authority Board of Trustees meeting dates. All were in favor and the resolution passed unanimously. Ms. Mercer noted that she will not be able to attend the January 25, 2010 meeting.

Ms. Roberts noted that the next meeting of the Board is scheduled for November 16, 2009 at 2:00 pm, location to be determined. There was discussion as to whether the board can meet by web, and Mr. Lambert indicated that if we have two meeting sites connected by web it would be possible. We need to have the capability of allowing the general public access to our meetings.

The meeting was adjourned at 2:30 p.m.

APPROVED AND ADOPTED:

Deborah M. Roberts, Executive Director

Patrick J. Devlin, Vice-Chairperson