

INDUSTRIAL DEVELOPMENT AUTHORITY
MEETING MINUTES
June 11, 1998

The Industrial Development Authority met at 2:00 p.m., June 11, 1998 in the Economic Development Conference Room, 1st floor, City Hall. The following members were present:

Mike Dipp, Jr.
Joe Weissmiller

Alejandro Burgos
Dennis Dwyer.

Victoria Perea

Board members John Neal and Roy Chapman were absent.

Others present were Alan Rash, legal counsel for the Authority; Mark Mendel, bond counsel; John Nance, Assistant City Attorney; and, Jose Quinonez and Linda Castle of the Economic Development Department.

Mike Dipp, Vice Chair, called the meeting to order and welcomed the new board member, Alejandro Burgos. Mr. Dipp noted that five members had signed in and that five constituted a quorum. Mr. Dipp asked Mr. Rash for an explanation of the items on the agenda.

Alan Rash explained that an original issuance of a bond for the Uptown Joint Venture was done in 1985 prior to the 1986 Tax Reform Act and is a retail shopping center located on Lee Trevino. Since 1986, bonds can only be used for manufacturing, but, prior to 1986, the bonds could be used for a wider variety of projects. The bonds issued for the project were originally owned by State National Bank and are now owned by Norwest. The initial interest rate was a variable, or floating, rate and the parties now want to fix the rate at 6.5 percent. He said that this request by the owners requires the Authority to consider an amendment to the trust indenture which is the agreement between the owners and the trustee, Norwest Bank.

Mark Mendel explained that the interest rate is now 10 percent and that the owners have gotten together with the bond holders to fix the rate at the lower rate of 6.5 percent. He said there is no extension of the maturity date which is 2018. In response to a question from Joe Weissmiller, Mr. Mendel explained that Industrial Development bonds were and are meant to encourage economic development in local communities. Joe Weissmiller asked why the bank would want to lower the rate. Mr. Mendel suggested that the bank wants to keep a good customer.

Mr. Rash noted that a resolution will have to be passed by City Council approving this amendment to the trust indenture. Mr. Burgos asked for the

original document wording that set the initial interest rate. Mr. Mendel provided this information, copies were made and passed out to those present.

Mr. Rash asked that an addendum be added to the motion today to require that the owners pay a \$1,000 filing fee to the Industrial Development Authority to cover administrative costs. Mr. Rash said a payment for liability insurance is due soon. After further general discussion about industrial revenue bonds, Vice Chair Mike Dipp asked for a motion regarding the agenda items. Victoria Perea made the following motion as stated in the meeting agenda:

To recommend the adoption of a resolution approving a First Amendment to Trust Indenture pertaining to the City of El Paso Industrial Development Authority, Incorporated Industrial Development Revenue Bond (uptown Joint Venture Project) Series 1985; pursuant to which certain terms and provisions of the Bonds will be amended at the request of the holders thereof and the "Company" obligated with respect thereto.

Also, to authorize and direct the officers of the Issuer to execute the Resolution, the Amendment and the various instruments and certificates provided for therein, including without limitation an amendment to the form of the Bonds, a no-arbitrage certificate, a Department of the Treasury Form 8038 and such other documents and instruments as may be reasonably requested in connection therewith; and approve related action.

Joe Weissmiller seconded the motion. Dennis Dwyer moved to amend the motion to require the requester to pay a \$1,000 filing fee. Joe Weissmiller seconded the amended motion. The motion, with the addendum, was approved unanimously. Mr. Rash noted that the resolution will be on the City Council agenda of June 23, 1998.

There being no further business, Mr. Dipp asked for a motion to adjourn. Motion to adjourn was made, seconded and passed unanimously.