

# **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

## **REGULAR MEETING**

**\*\*\*TELECONFERENCE MEETING NOTICE and AGENDA\*\*\***

### **LOCATIONS LISTED BELOW**

**10:30 A.M.**

**Thursday, June 8, 2017**

**Teleconference Phone Information**

**(712) 775-7031 - Conference Code: 895081223**

### **Call to Order and Roll Call Statement of Disclosure**

### **Action Items**

1. Approve Minutes from the Regular Meeting on June 1, 2017.
2. Approve Resolution No. 17-19 of the California Enterprise Development Authority Authorizing and Approving an Amendment to Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of North County Health Project Incorporated, Providing the Terms and Conditions for Such Amendment to Loan Agreement and Other Matters Relating Thereto Herein Specified.
3. Approve Resolution No. 17-20 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Developing, Constructing, Installing, Improving, Equipping and Furnishing of Certain Facilities for the Benefit of Valley Christian Schools, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Approve Resolution No. 17-21 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing or Reimbursing the Cost of Acquiring, Constructing, Installing, Rehabilitating, Equipping and Furnishing of Educational Facilities for the Benefit of Dunn School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
5. Approve Resolution No. 17-22 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Acquiring, Constructing, Installing, Rehabilitating, Equipping and Furnishing of Student Housing Facilities for the Benefit of Santa Barbara Student Housing and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

## CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

6. Approve contributions to support economic development and contribute to the Authority's Operating Reserve:
  - a. Up to \$50,000 to California Academy for Economic Development based on CEDA's actual end-of-year net income.
  - b. Up to \$250,000 to the California Association for Local Economic Development based on CEDA's actual end-of-year net income.
  - c. \$100,000 to the Authority's Operating Reserve.
7. Approve FY 2017-2018 CEDA Work Program and Budget.
8. Approve amended CEDA Management Agreement.
9. Approve entering in an agreement with Kronick Moskowitz Tiedemann & Girard to provide legal services to the Authority in connection with giving advice and counsel on general governance issues, and other matters as assigned by mutual agreement.

### **Public Comment**

### **Chair Report**

### **PACE Report**

### **Other Business**

### **Adjournment**

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for  
Local Economic Development  
(contact Helen Schaubmayer)  
550 Bercut Drive, Suite G  
Sacramento, CA 95811

City of Vista  
(contact Kevin Ham or  
Reception)  
200 Civic Center Dr.  
Vista, CA 92084

Economic Development Collaborative-  
Ventura County  
(contact Bruce Stenslie  
or Kelly Noble)  
1601 Carmen Drive, #215  
Camarillo, CA 93010

City of Santa Clarita  
(contact Jason Crawford or  
Marilyn Sourgose)  
23920 Valencia Blvd., Suite  
100  
Santa Clarita, CA 91355

Fresno State  
(contact Mike Dozier or  
Reception)  
550 East Shaw Ave., Suite 230  
Fresno, CA 93710

Los Angeles County  
Economic Development  
Corporation (LAEDC)  
(contact Carrie Rogers or  
Linden Johnson)  
444 S. Flower St., 37<sup>th</sup> Floor  
Los Angeles, CA 90071

Southern California Edison,  
Economic Development  
Services  
(contact Mike Nuby by phone:  
626-812-7351)  
6040-B N. Irwindale Ave.  
Irwindale, CA 91702

This agenda can be obtained at [www.ceda.caled.org](http://www.ceda.caled.org). The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 16.

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

**MINUTES**  
**Regular Meeting**  
**\*\*\*TELECONFERENCE MEETING\*\*\***  
**CEDA BOARD OF DIRECTORS**  
**Thursday, June 1, 2017**

**Teleconference Locations**

California Association for Local  
Economic Development  
550 Bercut Drive, Suite G  
Sacramento, CA 95811

City of Santa Clarita  
23920 Valencia Blvd., Suite 100  
Santa Clarita, CA 91355

City of Vista  
200 Civic Center Dr.  
Vista, CA 92084

Fresno State  
550 East Shaw Ave., Suite 230  
Fresno, CA 93710

Economic Development Collaborative-  
Ventura County  
1601 Carmen Drive, #215  
Camarillo, CA 93010

Los Angeles County  
Economic Development  
Corporation (LAEDC)  
444 S. Flower St., 37th Floor  
Los Angeles, CA 90071

Southern California Edison,  
Economic Development Services  
6040-B N. Irwindale Ave.  
Irwindale, CA 91702

**Call to Order**

Gurbax Sahota, Board Chair of the California Enterprise Development Authority, called the meeting to order at 10:31 am.

**Roll Call**

Members Present: Jason Crawford  
Gurbax Sahota  
Carrie Rogers  
Bruce Stenslie\*

\* Joined Late

**CALED Management/Staff**

Present: Jillian Boyd  
Helen Schaubmayer

Public: Dan Bronfman  
Kirk Dowdell  
Jessica Shaham

**Statement of Disclosure**

None

**Action Items**

1. Approve Minutes from the Regular Meetings on May 18, 2017.

**Motion:** Board Member Jason Crawford made the motion to approve minutes from the regular meeting on May 18, 2017. Board Member Carrie Rogers seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford

Aye

Gurbax Sahota  
Carrie Rogers

Aye  
Aye

2. Approve Resolution No. 17-17 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing and Reimbursing the Cost of Acquiring, Designing, Developing, Constructing, Rehabilitating, Improving and Equipping of Educational Facilities for the Benefit of The Laurence School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** *Board Member Carrie Rogers made the motion to approve Resolution No. 17-17. Board Member Jason Crawford seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford  
Gurbax Sahota  
Carrie Rogers

Aye  
Aye  
Aye

**Discussion:** Helen briefed the Board that The Laurence School, founded in 1953, is a co-ed program that currently serves approximately 325 students. The School is located in Van Nuys, but students come from throughout the Los Angeles region. Laurence offers its students a nationally acclaimed character education and places special emphasis on the Arts in areas of drama, fine art, dance, and music. Additionally, it is a leading STEM school that teaches coding to students beginning in the first grade and has a newly renovated Science Learning Lab. Dan Bronfman mentioned this is a great project and there are more projects in the pipeline.

3. Approve Resolution No. 17-18 of the California Enterprise Development Authority Authorizing and Approving an Amendment to Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of Family Service Association Community Housing Development Organization, Inc., d/b/a Aspire Housing Organization, Providing the Terms and Conditions for Such Amendment to Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** *Board Member Carrie Rogers made the motion to approve Resolution No. 17-18. Board Member Jason Crawford seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford  
Gurbax Sahota  
Carrie Rogers  
Bruce Stenslie

Aye  
Aye  
Aye  
Aye

**Discussion:** Helen briefed the Board that Family Service Association Community Housing Development Organization d/b/a Aspire Community Housing Organization (ACH) was formed in 2008 with a purpose to develop affordable housing to create stable and vibrant communities for families, seniors and individuals with special needs who lack the economic resources to obtain quality affordable housing on their own. In 2015, Aspire financed with CEDA for new construction of a 37-unit senior apartment facility, Grandvillas Senior Apartment Project, in the City of Riverside with at least 20 percent of the units designated as affordable. The project is now complete and 100 percent occupied. The Grandvillas Senior Apartment Project provides 37 additional housing units in a community that requires over 1,500 to meet its senior housing needs. Kirk Dowdell briefed the Board that Aspire was very pleased with the first project and there is currently a waiting list for the apartment project.

#### **Public Comment**

#### **Chair Report**

Gurbax stated the next CEDA call will be the annual business call.

**PACE Report**

**Other Business**

Bruce Stenslie asked about the two upcoming projects in Santa Barbara. Jessica Shaham stated once the TEFRA hearing is completed, the projects will be brought to CEDA for approval.

**Motion:** *Board Member Jason Crawford made the motion to adjourn the meeting. Board member Bruce Stenslie seconded the motion on the floor. Board Chair Gurbax Sahota adjourned the meeting at 10:41 am by voice vote.*

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 17-19 of the California Enterprise Development Authority Authorizing and Approving an Amendment to Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of North County Health Project Incorporated, Providing the Terms and Conditions for Such Amendment to Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	North County Health Project Incorporated
<b>Borrower Description</b>	<p>North County Health Project Incorporated is a federally funded Community Health Clinic which began operations in 1971 and primarily serves the rural areas of Ramona, Pauma Valley and San Marcos in North San Diego County providing a wide array of medical services including adult medicine, pediatric care, behavioral health, women's health services, dental care and other services. In 2015, the organization served more than 62,500 low-income, working-poor residents. Eleven percent of the total patients are migrant and seasonal agricultural workers.</p> <p>Web site: <a href="http://www.nchs-health.org/">http://www.nchs-health.org/</a></p> <p>CEDA closed a deal with North County Health Project in 2016, but the property that was intended to be purchased with the proceeds fell out of escrow. The Borrower now identified and purchased a replacement site. In order to use proceeds for this site, for tax purposes, it is necessary to technically complete a new issuance and require a new issuer approval. North County Health Project Incorporated requests the Authority to make a loan in the aggregate principal amount not to exceed \$2,500,000 for the purpose of financing and refinancing the cost of real property and improvements located at 220 Rotanzi Street, Ramona, California to serve as a site for a new healthcare clinic and paying certain costs of issuance in connection with the Loan.</p>
<b>Public Benefits</b>	The refinancing and financing of the Facilities through the Authority will result in demonstrable savings in effective interest rate that will enable lower payments that allow the organization to put more cash flow into operations serving the area's low-income population.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution No. 17-19 of the California Enterprise Development Authority Authorizing and Approving an Amendment to Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of North County Health Project Incorporated, Providing the Terms and Conditions for Such Amendment to Loan Agreement and Other Matters Relating Thereto Herein Specified.

## **RESOLUTION NO. 17-19**

### **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

#### **RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING AN AMENDMENT TO LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CONSTRUCTING, DEVELOPING, INSTALLING, IMPROVING, EQUIPPING AND FURNISHING CERTAIN FACILITIES FOR THE BENEFIT OF NORTH COUNTY HEALTH PROJECT INCORPORATED, PROVIDING THE TERMS AND CONDITIONS FOR SUCH AMENDMENT TO LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**WHEREAS**, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Enterprise Development Authority (the “Authority”) was organized; and

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

**WHEREAS**, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

**WHEREAS**, the County of San Diego (the “County”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, in accordance with the requirements of Section 147(f) of the Code and the Act, the Board of Supervisors of the County adopted, on April 25, 2017, a resolution approving the issuance of tax-exempt obligations in order to finance and refinance the Facilities from time to time pursuant to a plan of finance; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement for the purposes of carrying out its purposes; and

**WHEREAS**, North County Health Project Incorporated, a California nonprofit public benefit corporation (the “Borrower”), has submitted an application to the Authority requesting the Authority to make a loan (the “Borrower Loan”) in the aggregate principal amount not to

exceed \$2,500,000 to the Borrower for the purpose of financing and refinance the cost of real property and improvements located at 220 Rotanzi Street, Ramona California 92065 to serve as a site for a new healthcare clinic (collectively, the “Facilities”) and paying certain costs of issuance in connection with the Loan (as defined below); and

**WHEREAS**, the Authority intends to use the proceeds of a tax-exempt and/or taxable loan from City National Bank (the “Lender”) to the Authority (the “Authority Loan” and, together with the Borrower Loan, the “Loan”) to make the Borrower Loan; and

**WHEREAS**, there have been placed on file with the Authority prior to this meeting a proposed form of the First Amendment to Loan Agreement, by and among the Lender, the Authority and the Borrower (the “Amendment”), amending that certain Loan Agreement, dated as of February 1, 2016, by and among the Borrower, the Lender and the Authority (the “Original Loan Agreement” and, together with the Amendment, the “Loan Agreement”); and

**WHEREAS**, the Facilities provide significant benefits to the residents of the County and surrounding community through the health facilities provided by the Borrower, and, based on representations of the Borrower, the financing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the California Enterprise Development Authority, as follows:

**Section 1.** The Authority finds that it is in the public interest to assist the Borrower in financing and refinancing the Facilities.

**Section 2.** The Authority hereby approves of the entering into the Authority Loan on a tax-exempt and/or taxable basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Amendment. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Amendment by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Amendment in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Amendment.

**Section 4.** The Authority approves the Authority Loan on a tax-exempt and/or taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$500,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the



principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

**Section 5.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 6.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or counsel to the Authority or the Lender may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 7.** The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

**Section 8.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this June 8, 2017.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Gurbax Sahota, Chair

Attest:

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on June 8, 2017.

---

Helen Schaubmayer, Assistant Secretary

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 17-20 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Developing, Constructing, Installing, Improving, Equipping and Furnishing of Certain Facilities for the Benefit of Valley Christian Schools, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Valley Christian Schools
<b>Borrower Description</b>	<p>Valley Christian Schools is an institution located in San Jose which provides an education that is grounded in the Judeo-Christian values of the Bible. The School provides a comprehensive kindergarten through 12<sup>th</sup> grade curriculum with a rigorous college preparatory program and has a total enrollment of 2,740 students. In addition to the character building education Valley Christian Schools offers, members of its community (especially students) complete a number of community service hours each school year, such as mentoring and education programs with local at-risk elementary schools and a worldwide Missions programs. Web site: <a href="http://www.vcs.net/">http://www.vcs.net/</a></p> <p>Valley Christian Schools to make one or more tax-exempt or taxable loans in the aggregate principal amount not to exceed \$55,000,000 for the purpose of (a) refunding all of the outstanding ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Refunding and Revenue Bonds, Series 2003 and ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds, Series 2009, each as treated as reissued on July 18, 2012 (collectively, the "Refunded Bonds"). The proceeds of these Refunded Bonds were used to finance and refinance the acquisition, construction, installation, improvement, renovation, furnishing and equipping of certain educational, athletic, and related facilities of the Valley Christian Schools in San Jose, and (b) paying costs related to the Borrower Loans and refunding the Refunded Bonds.</p>
<b>Public Benefits</b>	The refinancing will reduce Valley Christian Schools' debt service payments, resulting in increased cash-flow available to support its programs and services. The Borrower employs 273 full-time employees and 48 part-time employees.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution No. 17-20 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Developing, Constructing, Installing, Improving, Equipping and Furnishing of Certain Facilities for the Benefit of Valley Christian Schools, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

## **RESOLUTION NO. 17-20**

### **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

#### **RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF DEVELOPING, CONSTRUCTING, INSTALLING, IMPROVING, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF VALLEY CHRISTIAN SCHOOLS, PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**WHEREAS**, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

**WHEREAS**, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

**WHEREAS**, the City of San Jose is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development; and

**WHEREAS**, Valley Christian Schools, a California nonprofit religious corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make one or more tax-exempt or taxable loans (collectively, the "Borrower Loans") in the aggregate principal amount not to exceed \$55,000,000 to the Borrower for the purpose of (a) refunding all of the outstanding ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Refunding and Revenue Bonds, Series 2003 (Valley Christian Schools) and ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds, Series 2009 (Valley Christian Schools), each as treated as reissued on July 18, 2012 (collectively, the

"Refunded Bonds"), the proceeds of which were used to finance and refinance the acquisition, construction, installation, improvement, renovation, furnishing and equipping of certain educational, athletic, and related facilities of the Borrower located at and adjacent to 1500 Leigh Avenue, San Jose, California, and 100 Skyway Drive, San Jose, California, and (b) paying certain costs relating to the making of the Borrower Loans and refunding the Refunded Bonds; and

**WHEREAS**, the Authority intends to use the proceeds of one or more tax-exempt loans from First Republic Bank, or its successor (the "Lender"), to the Authority (together, the "Authority Loans") to make the Borrower Loans; and

**WHEREAS**, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower (the "Loan Agreement"); and

(b) A proposed form of Assignment Agreement, between the Authority and the Lender (the "Assignment Agreement");

**WHEREAS**, the Facilities provide significant benefits to the residents of the City of San Jose and surrounding community through the educational services provided by the Borrower and, based on representations of the Borrower, the financing and refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Authority, as follows:

**Section 1.** The Authority finds that it is in the public interest to assist the Borrower in financing and refinancing the Facilities.

**Section 2.** The Authority hereby approves of the entering into the Authority Loans, the interest with respect to one or more of which may be excluded from gross income for federal income tax purposes and the interest with respect to one or more of which may be included in gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loans pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loans will be assigned to the Lender to satisfy the Authority's payments under the Authority Loans. The payments to be made by the Authority to the Lender under the Authority Loans will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Authority) under the Borrower Loans.

**Section 3.** The proposed form of the Loan Agreement by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an "Authorized Signatory" and, collectively, the "Authorized Signatories"), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory

executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

**Section 5.** The Authority approves the Authority Loans, the interest with respect to one or more of which may be excluded from gross income for federal income tax purposes and the interest with respect to one or more of which may be included in gross income for federal income tax purposes, and the making of the Borrower Loans to the Borrower in an amount not to exceed \$55,000,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loans shall be made solely from the revenues to be received by the Authority from the Borrower Loans pursuant to the Loan Agreement, and the Authority Loans shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loans shall bear interest at the rate or rates set forth in the Loan Agreement.

**Section 6.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loans to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loans, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 7.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loans and the Borrower Loans are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loans and the Authority Loans and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 8.** The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

**Section 9.** This Resolution shall take effect from and after its adoption.



PASSED AND ADOPTED this 8<sup>th</sup> day of June, 2017.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Gurbax Sahota, Chair

Attest:

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on June 8, 2017.

---

Helen Schaubmayer, Assistant Secretary

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 17-21 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing or Reimbursing the Cost of Acquiring, Constructing, Installing, Rehabilitating, Equipping and Furnishing of Educational Facilities for the Benefit of Dunn School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Dunn School
<b>Borrower Description</b>	<p>Founded in 1957, Dunn School (“Dunn” or the “School”) is an independent, co-educational day and boarding school for grades 6-12. The School’s historic 55-acre campus is located among the wineries and horse ranches of Los Olivos, California, approximately 30 miles northwest of Santa Barbara. In fall 2016, Dunn began the school year with 246 students – the second largest student body in the School’s 60-year history. Dunn is devoted to the development of well-rounded leaders and life-long learners. The School utilizes a whole-student educational approach that integrates rigorous academics with an intentional focus on the characteristics of leadership: emotional wellness, physical readiness, social responsibility, and moral courage. Web site: <a href="https://www.dunnschool.org/">https://www.dunnschool.org/</a></p> <p>Dunn School requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$8,000,000 for the purpose of (i) financing, refinancing or reimbursing the cost of acquiring, constructing, installing, rehabilitating, equipping and furnishing of educational facilities in Los Olivos, including, but not limited to (a) Master Facilities Plan and CUP design services, all campus fire suppression water line, new gymnasium locker rooms, senior dorm comprehensive remodel, new faculty cottages, and flood retention basin; (b) the construction of the Cindy and Adam Bronfman Student Leadership Center, a 6,224 square foot, one story facility that will house employee offices, conference rooms, meeting spaces, a mezzanine for quiet study, a student run café, and restroom and changing facilities; and (c) other routine capital expenditures included in the Borrower’s capital budget and (ii) paying certain costs of issuance in connection with the financing and reimbursing.</p>
<b>Public Benefits</b>	The financing and refinancing will reduce Dunn School’s debt service payments, resulting in increased cash-flow available to support its programs and services.
<b>TEFRA Hearing</b>	A public hearing is scheduled to be held by the County of Santa Barbara on June 20, 2017.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution No. 17-21 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing or Reimbursing the Cost of Acquiring, Constructing, Installing, Rehabilitating, Equipping and Furnishing of Educational Facilities for the Benefit of Dunn School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

## **RESOLUTION NO. 17-21**

### **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

#### **RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING, REFINANCING OR REIMBURSING THE COST OF ACQUIRING, CONSTRUCTING, INSTALLING, REHABILITATING, EQUIPPING AND FURNISHING OF EDUCATIONAL FACILITIES FOR THE BENEFIT OF DUNN SCHOOL AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**WHEREAS**, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

**WHEREAS**, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

**WHEREAS**, the County of Santa Barbara (the "County") is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development; and

**WHEREAS**, Dunn School, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the "Borrower Loan") in the aggregate principal amount not to exceed \$8,000,000 to the Borrower for the purpose of (i) financing, refinancing or reimbursing the cost of acquiring, constructing, installing, rehabilitating, equipping and furnishing of educational facilities at 2555 West Highway 154, Los Olivos, California 93441, including, but not limited to (a) Master Facilities Plan and CUP design services, all campus fire suppression water line, new gymnasium locker rooms, senior dorm comprehensive remodel, new faculty cottages

(west and east), and flood retention basin; (b) the construction of the Cindy and Adam Bronfman Student Leadership Center, a 6,224 square foot, one story facility (with mezzanine) that will house four employee offices, two-20 person conference rooms, three-50 person meeting spaces, a mezzanine for quiet study, a student run café, and restroom and changing facilities; and (c) other routine capital expenditures included in the Borrower's capital budget over the next three years and located at the aforementioned location (collectively, the "Facilities"), and (ii) paying certain costs of issuance in connection with the financing and reimbursing; and

**WHEREAS**, the Authority intends to use the proceeds of one or more tax-exempt loans from First Republic Bank, or its successor (the "Lender") to the Authority (collectively, the "Authority Loan") to make the Borrower Loan; and

**WHEREAS**, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of Loan Agreement (the "Loan Agreement"), by and among the Lender, the Authority and the Borrower; and

(b) A proposed form of Assignment Agreement (the "Assignment Agreement"), by and between the Authority and the Lender; and

**WHEREAS**, the Facilities provide significant benefits to the residents of the County and surrounding community through the educational services provided by the Borrower and, based on representations of the Borrower, the financing and reimbursing of the costs of the acquisition, construction, installation, rehabilitation, equipping and furnishing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Authority, as follows:

**Section 1.** The Authority finds that it is in the public interest to assist the Borrower in financing and reimbursing of the costs of the acquisition, construction, installation, rehabilitation, equipping and furnishing of the Facilities.

**Section 2.** The Authority hereby approves of the entering into the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority's payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an "Authorized Signatory" and, collectively, the "Authorized Signatories"), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in

substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement, by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

**Section 5.** The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$8,000,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

**Section 6.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 7.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 8.** The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

**Section 9.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County has held the requisite hearing and the Board of Supervisors of the County has approved the making of the Authority Loan pursuant to Section 147(f) of the Code.

**Section 10.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 8<sup>th</sup> day of June, 2017.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Gurbax Sahota, Chair

Attest:

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary



I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on June 8, 2017.

---

Helen Schaubmayer, Assistant Secretary

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 17-22 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Acquiring, Constructing, Installing, Rehabilitating, Equipping and Furnishing of Student Housing Facilities for the Benefit of Santa Barbara Student Housing and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Santa Barbara Student Housing
<b>Borrower Description</b>	<p>Santa Barbara Student Housing (SBSH) provides low-rent, cooperative (co-op) housing for student, staff, and faculty of the University of California at Santa Barbara. Residents are considered regardless of gender, race, social, political, or religious affiliation. SBSH was started in 1976 by a group of students at UCSB that were concerned about housing rates and slum conditions in Isla Vista. The students decided to form a cooperative to master lease buildings, thereby lowering rates and giving members greater control over the quality of the housing.</p> <p>Web site: <a href="http://www.sbcoop.org/">http://www.sbcoop.org/</a></p> <p>Santa Barbara Student Housing requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$6,000,000 for the purpose of (i) financing and refinancing the costs of the acquisition, construction, installation, rehabilitation, equipping and furnishing of five student housing facilities located in the Isla Vista community of Santa Barbara County and one in Santa Barbara, and (ii) paying certain costs of issuance in connection with the financing and refinancing. Part of the refinancing is for an existing tax-exempt loan facilitated by CEDA in 2010.</p>
<b>Public Benefits</b>	The financing and refinancing will reduce Santa Barbara Student Housing debt service payments, resulting in increased cash-flow available to put back into its operations.
<b>TEFRA Hearing</b>	A public hearing is scheduled to be held by the County of Santa Barbara on June 20, 2017.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution No. 17-22 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Acquiring, Constructing, Installing, Rehabilitating, Equipping and Furnishing of Student Housing Facilities for the Benefit of Santa Barbara Student Housing and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

## **RESOLUTION NO. 17-22**

### **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

#### **RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF ACQUIRING, CONSTRUCTING, INSTALLING, REHABILITATING, EQUIPPING AND FURNISHING OF STUDENT HOUSING FACILITIES FOR THE BENEFIT OF SANTA BARBARA STUDENT HOUSING AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**WHEREAS**, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

**WHEREAS**, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

**WHEREAS**, the County of Santa Barbara (the "County") is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development; and

**WHEREAS**, Santa Barbara Student Housing, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the "Borrower Loan") in the aggregate principal amount not to exceed \$6,000,000 to the Borrower for the purpose of (i) financing and refinancing the costs of the acquisition, construction, installation, rehabilitation, equipping and furnishing of student housing facilities located at 6612 Sueno Road, 6719 Sabado Tarde, 732 Embarcadero Del Norte, 6503 Madrid Road and 777 Camino Pescadero, in the Isla Vista

community of Santa Barbara County, California 93117, and 721 West Victoria Street, Santa Barbara, California 93101 (collectively, the “Facilities”), and (ii) paying certain costs of issuance in connection with the financing and refinancing; and

**WHEREAS**, the Authority intends to use the proceeds of one or more tax-exempt loans from First Republic Bank, or its successor (the “Lender”) to the Authority (collectively, the “Authority Loan”) to make the Borrower Loan; and

**WHEREAS**, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of Loan Agreement (the “Loan Agreement”), by and among the Lender, the Authority and the Borrower; and

(b) A proposed form of Assignment Agreement (the “Assignment Agreement”), by and between the Authority and the Lender; and

**WHEREAS**, the Facilities provide significant benefits to the residents of the County and surrounding community through the student housing services provided by the Borrower and, based on representations of the Borrower, the financing and refinancing of the costs of the acquisition, construction, installation, rehabilitation, equipping and furnishing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Authority, as follows:

**Section 1.** The Authority finds that it is in the public interest to assist the Borrower in financing and refinancing of the costs of the acquisition, construction, installation, rehabilitation, equipping and furnishing of the Facilities.

**Section 2.** The Authority hereby approves of the entering into the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such

approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement, by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

**Section 5.** The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$6,000,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

**Section 6.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 7.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 8.** The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

**Section 9.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County has held the requisite hearing and the Board of Supervisors of the County has approved the making of the Authority Loan pursuant to Section 147(f) of the Code.

**Section 10.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 8<sup>th</sup> day of June, 2017.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Gurbax Sahota, Chair

Attest:

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on June 8, 2017.

---

Helen Schaubmayer, Assistant Secretary



## Staff Report

<b>Action Requested</b>	<p>Approve contributions to support economic development and contribute to the Authority's Operating Reserve:</p> <ol style="list-style-type: none"><li>Up to \$50,000 to California Academy for Economic Development based on CEDA's actual end-of-year net income.</li><li>Up to \$250,000 to the California Association for Local Economic Development based on CEDA's actual end-of-year net income.</li><li>\$100,000 to the Authority's Operating Reserve.</li></ol>
<b>Staff Discussion</b>	<p>CEDA was created with the intent to give back to economic development. As such, the CEDA Board of Directors has the authority to contribute funds deemed as surplus to organizations for economic development purposes.</p> <p>The California Academy for Economic Development (CAED or Academy) is a center devoted to Economic Development training, education, and research. Some components of the Academy's mission are to educate economic development professionals and officials, conduct supportive research, and provide new business information and resources to local economic development professionals. It is the intention that \$10,000 of the contribution to the Academy shall be allocated to the memorial scholarship program and the remaining used to further the Academy's mission and to support the effort to create a California economic developer certification program.</p> <p>CALED is the premier statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development: the business of creating and retaining jobs.</p> <p>We believe contributing to the Academy and CALED will allow the organizations to provide education and networking opportunities for California's economic developers, as well as provide additional capacity for the organizations to promote the value of economic development.</p> <p>Based on the estimated end-of-year actuals, CEDA has sufficient funds to make this contribution; however, the Chair and the Treasurer will make the final determination on contribution amounts based on the actual net income to ensure that even after making this contribution, CEDA will still have an adequate checking balance, a one-year operating reserve, and a fully funded legal reserve.</p>

	<p>Although it is not prescribed by law, maintaining sufficient reserves for operating costs ensures the continuity of the program. A contribution of \$100,000 to the operating reserve will sufficiently cover one year of operating costs per the proposed 2017-2018 Management Fee of \$300,000.</p> <p>Based on the estimated end-of-year actuals, CEDA has sufficient funds to make this contribution.</p>
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4, which permits moneys held by the Authority and deemed surplus may be allocated as directed by the Board for economic development purposes.</p>
<b>Recommendation</b>	<p>Staff recommends to approve contributions to support economic development and contribute to the Authority's Operating Reserve:</p> <ul style="list-style-type: none"> <li>d. Up to \$50,000 to California Academy for Economic Development based on CEDA's actual end-of-year net income.</li> <li>e. Up to \$250,000 to the California Association for Local Economic Development based on CEDA's actual end-of-year net income.</li> <li>a. \$100,000 to the Authority's Operating Reserve.</li> </ul>

## **CEDA 2017-2018 WORK PROGRAM**

### **Maintaining CEDA as a compliant JPA**

1. Complete state reporting requirement
2. Update website per state and federal compliance requirements (e.g. posting agendas, minutes, transactions, etc.)
3. FPPC filings (Form 700 for in/out-of office and annual posts)
4. Complete annual audit (including completing required support documentation, calculations, and checks)
5. Admin support (e.g. as noted below, plus prepare, circulate, & post agenda public notice; reply to public questions; etc.)
6. Complete IDB and housing projects annual compliance duties
7. Create and practice a record retention and destruction policy

### **Support tax-exempt bond issuances and creation of PACE districts and issuances**

1. Provide admin support for board & meetings (e.g. schedule meetings, take minutes, prepare and present staff reports, etc.)
2. Provide admin support for issuances and PACE districts & projects (e.g. sign, notarize, & mail documents; maintain files, etc.)
3. Invoicing for application, issuance, and annual fees
4. Provide admin support for and tracking of PACE Residential program
5. Follow up on bond transaction leads
6. Participate in bond issuance financial team meetings and calls
7. Stay involved in legislation or potential structural changes at the state-level which may impact CEDA's financing tool programs
8. Communicate, solicit, and coordinate with local jurisdictions regarding bond issuances & membership in CEDA

<p><b><u>Promote CEDA and its financing opportunities</u></b></p> <ol style="list-style-type: none"><li>1. Promote CEDA's programs, completed issuances, and other news announcements</li><li>2. Target CALED membership for promotion of CEDA's financing tool</li><li>3. Maintain relationships with key issuance partners</li><li>4. Build upon past partnerships</li><li>5. Expand audience base to market CEDA's programs (e.g. local businesses, industry associations, etc.)</li></ol>

# California Enterprise Development Authority (CEDA)

## Profit and Loss Budget vs. Actual (July 2016 through June 2017)

	Jul '16 - Jun '17			Jul '17 - Jun '18
	Actual (as of 6.01.17)	Budget	Estimated 6.30.16	Proposed Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Non Operating Revenue</b>				
Interest	129.29	100.00	129.29	150.00
<b>Operating Revenue</b>				
<b>Fee Revenues</b>				
PACE Program Management Fees	25,000.00		37,500.00	75,000.00
PACE Assessment Fees				
September Assessment Fees	2,048.33	2,896.61	2,896.60	2,896.60
March Assessment Fees	0.00	3,384.91	3,384.91	3,384.91
Total PACE Assessment Fees	2,048.33	6,281.52	6,281.51	6,281.51
General Fee				
Issuance Fees				
Issuance Fee-PACE	5,650.35	10,000.00	5,650.35	5,000.00
Issuance Fee-IDB	8,000.00		8,000.00	
Issuance Fee-Nonprofit	512,054.73		644,567.73	
Issuance Fees - Other		200,000.00		250,000.00
Total Issuance Fees	525,705.08	210,000.00	658,218.08	255,000.00
Annual Fee	80,000.00	88,000.00	80,000.00	113,000.00
Application Fees	35,000.00	18,000.00	35,000.00	25,000.00
Total Fee Revenues	667,753.41	322,281.52	816,999.59	474,281.51
Total Income	667,882.70	322,381.52	817,128.88	474,431.51
<b>Expense</b>				
<b>Operating Expenses</b>				
Contribution to Econ Dev				
CALED Mission Support	13,692.86	45,000.00	13,692.86	75,000.00
Scholarship	4,950.00	5,000.00	4,950.00	5,000.00
Contribution to Econ Dev - Other	22,500.00	15,000.00	22,500.00	10,000.00
Total Contribution to Econ Dev	41,142.86	65,000.00	41,142.86	90,000.00
<b>Direct Expenses</b>				
Bank Fees	435.00	400.00	435.00	435.00
Meal & Entertainment	1,265.91	750.00	1,265.91	1,200.00
Office Expense	5,769.35	6,000.00	6,019.35	6,000.00
Computers/Maintenance	5,686.84	3,000.00	6,236.84	4,500.00
Staff Training	2,149.91	4,000.00	2,149.91	3,000.00
Accounting	510.21	2,500.00	510.21	2,500.00
Audit	8,600.00	9,000.00	8,600.00	9,000.00
Contract Services	1,263.00	2,500.00	1,263.00	1,000.00
Printing/Marketing	6,326.75	6,000.00	6,326.75	5,000.00
Travel	9,771.88	6,000.00	9,771.88	10,000.00
Professional/Legal Fees	30,000.00		30,000.00	
Insurance	3,042.09	3,000.00	3,042.09	3,100.00
Total Direct Expenses	74,820.94	43,150.00	75,620.94	45,735.00
Management Fees	200,000.00	200,000.00	200,000.00	300,000.00
Total Operating Expenses	315,963.80	308,150.00	316,763.80	435,735.00
Total Expense	315,963.80	308,150.00	316,763.80	435,735.00
Net Ordinary Income	351,918.90	14,231.52	500,365.08	38,696.51
<b>Other Income/Expense</b>				
Total Other Expense	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00
Net Income	351,918.90	14,231.52	500,365.08	38,696.51

**MANAGEMENT AGREEMENT**

THIS AGREEMENT is made this 1st day of July 2017, by and between the California Enterprise Development Authority (CEDA), a California Joint Powers Authority, and the California Association for Local Economic Development (CALED), a California nonprofit corporation.

Deleted: 6

IN CONSIDERATION of the mutual covenants, agreements and conditions contained in this Agreement, CEDA hereby engages CALED as an independent contractor to conduct the management and operations of CEDA and to provide specified services pursuant to the duties outlined in this Agreement, and CALED hereby accepts the engagement on the terms and conditions outlined in this Agreement.

**1. SERVICES**

- (a) CALED shall manage the day-to-day operations of CEDA, subject to the control and direction of the CEDA Board of Directors (the "CEDA Board"). These management services shall be provided through or under the supervision of the CALED President and CEO. The management services covered by this Agreement (the "Services") are set forth more fully in **Appendix A** to this Agreement.
- (b) The business affairs of CEDA are governed by the executed Joint Powers Agreement dated June 6, 2006, and CEDA Bylaws.
- (c) The principal location of the Services shall be CALED's offices in Sacramento, California. However, as part of the services, CALED shall provide for CEDA a separate identity at said location, including its own phone line, building signage, and mail delivery.

**2. STAFFING**

- (a) All staff for the Services shall be provided by CALED and shall include positions as assigned by the CEDA Board and CALED will report on the full range of CEDA activities directly to the Board no less than quarterly.
- (b) Additional staffing shall be provided from the pool of CALED staff as needed for clerical, accounting, computer, and other administrative or professional services.

**3. TERM**

- (a) The term of this Agreement shall commence on July 1, 2017, (the "Commencement Date") and shall continue unless amended by both parties. The above notwithstanding, either party shall have the absolute right to terminate this Agreement, with or without cause, by providing the other party with two hundred and forty (240 days) prior written notice.

Deleted: 6

**4. COMPENSATION OF CALED**

- (a) CEDA shall pay to CALED an annual Management Fee of \$300,000 effective on the Commencement Date through the term of this Agreement subject to the provisions

Deleted: 200

of the following paragraphs. The Management Fee includes the professional management services provided by CALED professional and support staff on an as-needed basis, as well as the costs of office space, telephone line charges, furniture and fixtures, office machines, and utilities. The expense items covered by the Management Fee are set forth more fully in **Appendix B** hereto. One-quarter of this annualized fee will be due each quarter commencing on the Commencement Date and shall be paid within thirty days of invoicing.

- (b) All other out-of-pocket expenses, such as stationery, outsourced printing, staff travel, mass mailing postage, and contracted professional services incurred in the administration of the affairs of CEDA will be billed at cost. These expenses will be identified in an annual budget prepared by CALED and presented to the CEDA Board of Directors for approval. These expenses will be monitored and reported quarterly to the CEDA Board Treasurer. CEDA will pay 25% of anticipated costs on the Commencement Date.
- (c) For oversight, monitoring and organizational services incurred in the establishment of CEDA prior to the Commencement Date, CEDA has paid CALED a fee of \$50,000.
- (d) If there are significant changes in revenue or services prior to the end of any fiscal year, CEDA and CALED may amend the terms of this agreement by mutual agreement.
- (e) Quarterly financial statements will be prepared and provided to the CEDA Board President and Treasurer and others as designated. The accounts and records of CEDA will be audited by an independent certified public accountant with expertise in Joint Powers Authorities, reporting directly to the CEDA Board of Directors. The independent audit must occur every year, in accordance with California statute governing Joint Powers Authorities and as directed by the CEDA Board of Directors.

5. TERMINATION

- (a) Default. Each party has the right to terminate this Agreement if the other party breaches or is in default of any obligation hereunder which default is incapable of cure or which, being capable of cure, has not been cured within ninety (90) days after receipt of notice of such default (or such additional cure period as the non-defaulting party may authorize).

6. RIGHTS UPON TERMINATION

- (a) In the event CEDA, during the term of this Agreement, terminates or cancels this Agreement, then CEDA shall promptly upon such termination pay to CALED any and all fees or other amounts then owed to CALED by CEDA under this Agreement as of the effective date of such termination.

7. **GENERAL PROVISIONS**

- (a) Applicable Law. This Agreement shall be deemed a contract made under the laws of the State of California, and together with the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California.
- (b) In performing the services specified by the agreement, CALED shall act as an independent contractor and shall have control of the work and manner in which it is performed. CALED shall be responsible for providing legally mandated benefits to CALED employees including, but not limited to workers compensation insurance and to comply with state and federal tax withholding regulations. CALED will have the obligation to exercise prudent care in its management and handling of the funds generated from CEDA's operations.
- (c) Entire Agreement. This Agreement, including **Appendices A and B** and any referenced attachments hereto, constitutes the entire Agreement between CEDA and CALED on this subject matter.
- (d) Non-Assumption of Liabilities. Except as set forth herein, neither party shall by entering in and performing this Agreement, become liable for any of the existing or future obligations, liabilities, or debts of the other. In any event, the liability of each party with respect to each other is limited to its own assets and shall not extend to the assets of the party's individual Directors or Members.
- (e) If any provision of this Agreement is judged unlawful by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.
- (f) All notices, demands, or other written communications to be given under this Agreement shall be deemed to have been fully given when made in writing and addressed to the respective parties as signed below.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement the day and year first written above.

CALIFORNIA ASSOCIATION FOR  
LOCAL ECONOMIC DEVELOPMENT  
550 Bercut Drive Suite G  
Sacramento, CA 95811

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY  
550 Bercut Drive Suite G  
Sacramento, CA 95811

Jason Crawford, Chair, Board of  
Directors

Gurbax Sahota, Chair, Board of  
Directors

Deleted: Kevin Ham



**APPENDIX A**

**MANAGEMENT SERVICES TO BE PROVIDED**

1. Development and implementation of annual work program and budget for consideration by CEDA Board.
2. Preparation for and attendance at CEDA Board meetings including bond issuance approvals, meeting minutes, reports and budget submissions as necessary.
3. Preparation of regular (no less than quarterly) programmatic financial reports to the CEDA Board, to include forecasts of financial status.
4. Assisting the Treasurer in financial management of bank accounts, including Signature or co-signature on checks within limits set by the CEDA Board.
5. Coordination with any CEDA Board Committees and Advisory Groups.
6. Planning, marketing, and managing workshops to advance CEDA's mission.
7. Promoting local government membership in the CEDA Joint Powers Authority.
8. Promoting local economic development finance interests with federal and state government, and other institutions.
9. Writing, editing, and publishing informational and marketing copy to be inserted in CALED's regular Economic Development Journal and ED ALERTS.
10. Tracking and monitoring of administrative and legislative actions at the federal and state level affecting the mission of CEDA, particularly tax-exempt conduit revenue bonds.
11. Preparations of grant applications and funding requests to third parties.
12. Manage CEDA's Property Assessed Clean Energy (PACE) program. Including coordinating meetings and document signings, promoting the program, attending meetings, and fielding requests for information as appropriate.
13. Representing CEDA's interest at the State and Federal level through participation in the Council of Development Finance Agencies and the California Financing Roundtable.
14. Exploring and developing other economic development financing tools CEDA can offer and implement in support of economic development in California.

**APPENDIX B  
EXPENSE ITEMS INCLUDED IN MANAGEMENT FEE**

1. Salary and other direct reimbursement for the staff, including retirement contribution, Employer's FICA taxes, Workers compensation and disability insurance, federal and state unemployment taxes, group life health insurance, and all other usual personnel expenses.
2. Oversight and services of CALED professional and support staff on an as-needed basis.
3. Rent, office furniture and fixtures, and utilities for office space for staff, and use of mail room, reception areas, conference room and supply storage. 20% of CALED Budget amount.
4. Office equipment such as use of copiers, computer hardware, file and storage cabinets. 20% of CALED Budget amount.
5. Office supplies. 10% of CALED Budget amount.
6. Monthly telephone charges for standard business services (fax, email, internet) and long distance calls. 25% of CALED Budget amount.
7. Postage incurred in the daily course of business, excluding mass mailings directly attributable to CEDA. 25% of CALED Budget amount.

**Note:** All out-of-pocket expenses to be billed at cost under the process outlined in this management agreement.

Deleted: <#>Estimated cost of moving to a new location in Fiscal Year 2016-2017. -

Deleted: \*

Deleted: Page Break

-

... [1]

Formatted: Level 1, Indent: Left: 0"





400 Capitol Mall, 27th Floor  
Sacramento, CA 95814

T 916 321 4500  
F 916 321 4555

## **AGREEMENT FOR LEGAL SERVICES**

This Agreement for Legal Services ("Agreement") is entered into between Kronick, Moskowitz, Tiedemann & Girard, A Professional Corporation ("Kronick") and California Enterprise Development Authority ("Client") as of the date last set forth herein.

By signing and returning this Agreement for Legal Services, Client indicates its acceptance of the terms set forth in this document.

### **1. SCOPE OF AGREEMENT**

Client retains Kronick to provide legal services to Client in connection with giving advice and counsel on general governance issues, and other matters as assigned by mutual agreement.

### **2. DUTIES OF KRONICK AND CLIENT**

#### **(a) Kronick Duties**

Kronick shall provide those legal services reasonably required to represent Client in the matter described above. Kronick shall also take reasonable steps to keep Client informed of significant developments and to respond to Client's inquiries.

While the attorney with whom Client originally met may be primarily responsible for completing the work on Client's matter, that attorney may also delegate work to other attorneys, paralegals, law clerks and office personnel within Kronick, if he or she determines that such delegation is appropriate in representation of Client's interests. If Client so requests, Client will be consulted before any delegation is made.

Kronick may, with Client's prior consent, select and hire attorneys, investigators, consultants and experts to assist in the preparation and presentation of Client's case. While any such persons will report exclusively to Kronick to preserve the Attorney-Client and Attorney Work Product privileges, they will be employed by Client.

Kronick will provide at the client's request a copy this Agreement and this Agreement shall be considered as a confidential document to the extent permitted by applicable law. Kronick is not obligated to perform any services for Client until Kronick has received a signed original or copy of this Agreement for Legal Services from Client.

#### **(b) Client's Duties**

Client shall be truthful with Kronick, cooperate with Kronick, keep Kronick informed of developments related to the subject matter for which Client has engaged Kronick, perform the obligations Client has agreed to perform under this Agreement, pay statements from Kronick in a timely manner, and keep Kronick apprised of his, her, or its address, telephone number, and whereabouts.

### **3. BILLING RATES**

Client agrees to pay for legal services at the rates set forth in the attached Schedule of Rates. Kronick's fees will be calculated based on those hourly rates, billed in increments of 1/10<sup>th</sup> hour for the legal staff involved, multiplied by the hours devoted on Client's behalf. These rates are subject to adjustment at the beginning of each calendar year. Kronick will give written notice of rate adjustments at least thirty (30) days prior to the effective date thereof, and the new rates will be instituted only in consultation with Client. These rates are based principally on experience, specialization and training.

Kronick will charge for all time worked on a matter, including travel time portal-to-portal, time waiting in court, and time spent in meetings, unless otherwise agreed to in writing.

### **4. COSTS AND EXPENSES**

Whenever practical, Client shall directly pay for major costs and expenses in addition to Kronick's fees, either by advancing such costs or expenses to Kronick, or by paying third parties directly. Upon demand, Client shall advance funds to Kronick or directly pay third parties, as specified by Kronick.

In all other cases, Client shall reimburse Kronick for all costs and expenses incurred by Kronick, including, but not limited to, the following: costs of serving pleadings, filing fees and other charges assessed by courts and other public agencies, court and deposition reporters' fees, jury fees, witness fees, messenger and other delivery fees, postage, printing/photocopying, parking, mileage, travel expenses (including air fare at coach rates, lodging, meals, and ground transportation), research, investigation expenses, consultants' fees, expert witness fees, mediator fees, arbitrator fees, special master fees and other costs and expenses.

Kronick shall itemize all costs incurred on each periodic statement.

### **5. STATEMENTS**

Kronick shall send Client a statement for fees and costs incurred every month. However, when the fees and costs for a particular month are minimal, they may be carried over to the next month's statement. Client shall pay statements from Kronick within thirty (30) days after each statement's date. If Kronick is holding a deposit from Client, Kronick's statement shall indicate what portion of the sums due, if any, have been paid out of the deposit, and what portion, if any, is then due and owing from Client to Kronick.

Kronick's statements shall clearly state the basis thereof, including the amount, rate and basis for calculation (or other method of determination) of Kronick's fees. The statements will also clearly identify the costs and expenses incurred and the amount of the costs and expenses. Client agrees to promptly review all statements provided by Kronick and to promptly communicate any objections, questions or concerns about their contents.



Kronick shall provide a statement to Client, upon Client's request, no later than ten (10) days following the request. Client is entitled to make subsequent requests for statements at intervals of no less than thirty (30) days following the initial request.

#### **6. DISCLAIMER OF GUARANTEE OR TAX ADVICE**

By signing this Agreement, Client acknowledges that Kronick has made no promises or guarantees to Client about the outcome of Client's matter, and nothing in this Agreement shall be construed as such a promise or guarantee. Unless expressly set forth in Section 1 of this Agreement, Kronick has not been retained to provide, and will not provide, Client with any tax advice.

#### **7. DISCHARGE AND WITHDRAWAL**

Client may discharge Kronick at any time upon written notice to Kronick. Kronick may withdraw from representation of Client (a) with Client's consent, (b) upon court approval, (c) if no court action is pending, for good cause upon reasonable notice to Client or (d) as otherwise permitted by the California Rules of Professional Conduct or other applicable law. Good cause includes Client's breach of this Agreement, Client's refusal to cooperate with Kronick or to follow Kronick's advice of a material matter, or any other fact or circumstance that would render Kronick's continuing representation unlawful or unethical.

If a court action, arbitration or other judicial proceeding is pending, Client shall promptly deliver to Kronick a signed substitution of counsel form at Kronick's request.

#### **8. LEGAL ACTION UPON DEFAULT**

If Client does not pay the balance when due, or if Client breaches any other term of this Agreement, Kronick may demand that the entire unpaid balance be paid immediately and, as provided by law, commence any legal action for collection of the balance due. Client agrees to pay interest at the rate of ten percent (10%) per annum from the date of default. Client shall be in default if it fails to pay any statement within 30 days of the date on the statement.

Client and Kronick agree that all legal proceedings related to the subject matter of this Agreement shall be maintained in courts sitting within the State of California, County of Sacramento. Client and Kronick consent and agree that the jurisdiction and venue for proceedings relating to this Agreement shall lie exclusively with such courts. Further, the prevailing party in any such dispute shall be entitled to reasonable costs, including attorneys' fees.

#### **9. ARBITRATION OF FEE DISPUTE**

If a dispute arises between Kronick and Client regarding attorneys' fees or costs under this Agreement and Kronick files suit in any court, or begins an arbitration proceeding other than through the State Bar or a local bar association under Business and Professions Code sections 6200-6206, Client will have the right to stay that suit or arbitration proceeding by timely electing



to arbitrate the dispute through the State Bar or a local bar association under Business and Professions Code sections 6200-6206.

#### **10. COMPLETION OF SERVICES**

Upon the completion of Kronick's services, all unpaid charges for services rendered and costs incurred or advanced through the completion date shall become immediately due and payable.

#### **11. CLIENT FILES**

At Client's request, upon termination of the services under this Agreement, Kronick will promptly release all of Client's papers and property (subject to any applicable protective orders or non-disclosure agreements) ("Client Files"). Client may also request in writing that Kronick transfer the Client Files to a third party. Kronick will release the Client Files and make them available for pick-up locally. If needed, transportation or delivery of the Client Files to another location will be arranged by the Client, who will bear the transportation costs in their entirety. Kronick is authorized to make a copy of the Client Files prior to their release for Kronick's use.

#### **12. DESTRUCTION OF CLIENT FILE**

If Client does not request the return of the Client Files, Kronick will retain the Client Files for a period of five (5) years from the last date of service in the matter described above. After five (5) years, Kronick may have the Client Files destroyed. Client acknowledges that it will not be notified prior to the destruction of the Client Files, and Client consents to the same. If Client desires to have the Client Files maintained beyond five (5) years after Client's matter is concluded, Client must make separate arrangements with Kronick which may include the Client bearing any additional storage costs.

#### **13. COMMENCEMENT OF SERVICES**

If this Agreement calls for a deposit by Client, then Kronick shall have no obligation whatsoever to provide legal services to Client unless and until the deposit is paid in accordance with the terms of this Agreement. Otherwise, Kronick's obligation to provide legal services shall commence upon Kronick's receipt of a signed copy of this Agreement for Legal Services.

#### **14. INSURANCE**

Pursuant to California Rules of Professional Conduct, rule 3-410, Client is hereby informed that Kronick maintains errors and omissions insurance coverage.

#### **15. AGREEMENT MODIFICATION AND INTERPRETATION**

This Agreement contains the entire agreement of the Parties. This Agreement may be modified only by a written instrument signed by both parties. This Agreement shall be interpreted according to the laws of the State of California, without regard to its choice of law provisions. If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of this Agreement will be severable and shall remain in effect.



**16. CLIENT BILLING AND CONTACT INFORMATION**

Mark as Confidential (yes/no)?

Primary Contact Name (if different from Client Name): \_\_\_\_\_

Email Address: \_\_\_\_\_

Opt In to firm mailing list(s) (yes/no)?

Phone Number: \_\_\_\_\_

Address Number and Street: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ ZIP: \_\_\_\_\_ County: \_\_\_\_\_

Billing Contact Name (if different from Client Name): \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Client shall promptly notify Kronick in writing of any changes to the above information.

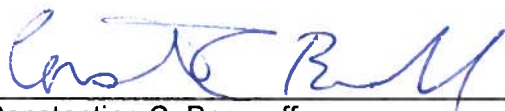
I understand and accept the foregoing terms, and am authorized to execute this Agreement.

**CALIFORNIA ENTERPRISE DEVELOPMENT  
AUTHORITY**

DATE: \_\_\_\_\_

\_\_\_\_\_  
Gurbax Sahota, Chair

DATE: 5/26/17

  
\_\_\_\_\_  
Constantine C. Baranoff  
KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD,  
A Professional Corporation





### **SCHEDULE OF RATES**

<b>Shareholders/Of Counsel/Senior Counsel .....</b>	<b>\$300-\$525</b>
<b>Senior Associates.....</b>	<b>\$245-\$395</b>
<b>Associate Attorneys .....</b>	<b>\$210-\$300</b>
<b>Paralegals .....</b>	<b>\$100-\$170</b>
<b>Law Clerk/Document Clerk .....</b>	<b>\$100-\$170</b>

Expenses, including mileage, photocopying/printing and delivery charges, will also be billed. A detailed schedule of these expenses can be provided upon request. Kronick's usual billing procedure is to submit a monthly itemization of the time and services charged with the names of the attorneys, paralegals and clerks whose time is being billed. However, we have a highly sophisticated and flexible billing system, which can produce statements specific to each client's billing needs. Please let us know of any specific desires or needs you have in this respect.

