

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

**REGULAR MEETING  
\*\*\*TELECONFERENCE MEETING NOTICE and AGENDA\*\*\*  
LOCATIONS LISTED BELOW**

**10:30 A.M.  
Thursday, October 2, 2014  
Teleconference Phone Information  
(712) 432-0075 - Conference Code: 514901**

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

**Approval of Minutes**

1. Approve the Regular Meeting Minutes of September 18, 2014.

**Action Items**

2. Approve Resolution 14-84 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Orland.

**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  
550 Bercut Drive, Suite G  
Sacramento, CA 95811

City of Eureka City Hall  
531 K Street  
Eureka, CA 95501

Tuolumne County EDA  
99 North Washington St.  
Sonora, CA 95370

City of Selma  
1710 Tucker St.  
Selma, CA 93662

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

Los Angeles EDC  
444 S. Flower St., 37<sup>th</sup> Floor  
Los Angeles, CA 90071

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

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# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## MINUTES

### Regular Meeting

\*\*\*TELECONFERENCE MEETING \*\*\*

### CEDA BOARD OF DIRECTORS

Thursday, September 18, 2014

#### Teleconference Locations

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

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531 K Street  
Eureka, CA 95501

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

Tuolumne County EDA  
99 North Washington St.  
Sonora, CA 95370

#### Call to Order

Gurbax Sahota Board Chair of the California Enterprise Development Authority, called the meeting to order at 10:33 am.

#### Roll Call

Members Present: Gurbax Sahota  
Randy Starbuck  
Bruce Stenslie  
Cindy Trobitz-Thomas (non-voting)

#### CALED Management/Staff

Present: Jillian Boyd

Public Present: Erik Caldwell, Figtree Financing  
Daniel Wiesel, Kutak Rock LLP

#### Statement of Disclosure

None

#### Action Items

1. Approve the Regular Meeting Minutes of July 10, 2014.

**Motion:** Board Member Bruce Stenslie made the motion to approve the Regular Meeting Minutes July 10, 2014. Board Member Randy Starbuck seconded the motion on the floor and it passed with the following roll call vote:

Gurbax Sahota	Aye
Randy Starbuck	Aye
Bruce Stenslie	Aye

**Discussion:** Gurbax Sahota made an agenda change stating that resolution 14-77, the Resolution of Intention for the City of Salinas will be pulled from the agenda.

1. Approve Resolution 14-57 Approving Associate Membership of the City of Beaumont in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
2. Approve Resolution 14-58 Approving Associate Membership of the City of Concord in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
3. Approve Resolution 14-59 Approving Associate Membership of the City of National City in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
4. Approve Resolution 14-60 Approving Associate Membership of the City of Orland in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
5. Approve Resolution 14-61 Approving Associate Membership of the City of Poway in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
6. Approve Resolution 14-62 Approving Associate Membership of the City of Salinas in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
7. Approve Resolution 14-63 Approving Associate Membership of the City of South Lake Tahoe in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
8. Approve Resolution 14-64 Approving Associate Membership of the City of South Pasadena in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
9. Approve Resolution 14-65 Approving Associate Membership of the City of Woodside in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
10. Approve Resolution 14-66 Approving Associate Membership of the County of San Mateo in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.

**Motion:** *Board Member Randy Starbuck made the motion to approve Resolutions 14-57 through 14-66. Board Member Bruce Stenslie seconded the motion on the floor and it passed with the following roll call vote:*

Gurbax Sahota	Aye
Randy Starbuck	Aye
Bruce Stenslie	Aye

11. Approve Resolution 14-67 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Beaumont.
12. Approve Resolution 14-68 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Concord.

13. Approve Resolution 14-69 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Cypress.
14. Approve Resolution 14-70 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Foster City.
15. Approve Resolution 14-71 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Inglewood.
16. Approve Resolution 14-72 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Lancaster.
17. Approve Resolution 14-73 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Oakdale.
18. Approve Resolution 14-74 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Orland.
19. Approve Resolution 14-75 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Reedley.
20. Approve Resolution 14-76 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Rolling Hills Estates.
21. Approve Resolution 14-78 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of South Lake Tahoe.
22. Approve Resolution 14-79 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of South Pasadena.
23. Approve Resolution 14-80 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Waterford.
24. Approve Resolution 14-81 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Woodside.
25. Approve Resolution 14-82 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of San Mateo.

**Motion:** *Board Member Bruce Stenslie made the motion to approve Resolutions 14- 67 through 14-82 Board Member Randy Starbuck seconded the motion on the floor and it passed with the following roll call vote:*

Gurbax Sahota	Aye
Randy Starbuck	Aye
Bruce Stenslie	Aye

**Discussion:** Erik Caldwell mentioned that all of these cities have become members of CEDA because they are interested in PACE financing. They are now in the process of joining the PACE district.

26. Approve Resolution 14-83 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Financing and Refinancing the Cost of Acquisition, Construction, Installation, Renovation, and Equipping of Certain Facilities for the Benefit of German School International of Silicon Valley, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Randy Starbuck made the motion to approve Resolutions 14-83. Board Member Bruce Stenslie seconded the motion on the floor and it passed with the following roll call vote:

Gurbax Sahota	Aye
Randy Starbuck	Aye
Bruce Stenslie	Aye

**Discussion:** Sam Balisy stated that the loan would be for \$3.5 million dollars and will be split with \$900,000 used to refinance. The remainder will go towards the Mountain View campus or to the borrower. \$1.5 million has been put into cash already and was used as a bridge loan.

**Public Comment**

**Chair Report**

**PACE Report**

Mr. Caldwell let the Board know that the project pipeline was heating up and that within the next month they would be launching a residential program for PACE. Bruce Stenslie wanted to know if the same contacts would be used for commercial and residential properties. Erik commented that some of the same contacts would be used and just fewer than one million dollars worth of financing would be moving forward within the next 30-60 days. Erik also mentioned that the State of California would be issuing 10 million dollars for PACE transactions.

**Other Business**

**Adjournment**

**Motion:** Board Member Bruce Stenslie moved to adjourn the meeting. Board Member, Randy Starbuck seconded the motion. The motion passed unanimously by voice vote.

Board Chair, Gurbax Sahota adjourned the meeting at 10:51 am.

## Staff Report

<b>Action Requested</b>	Approve Resolution 14-84 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Orland.
<b>Project Background</b>	<p>The State of California, like many other states, declared its intention to promote green initiatives. On July 21, 2008, the State legislature passed AB 811 (commonly known as PACE or Property Assessed Clean Energy legislation) and other interpretative bills to facilitate energy and water efficiency retrofits to existing buildings.</p> <p>Ultimately, legislation provided a mechanism, which allowed property owners to consent to assessment of their property to pay for capital improvements for energy and water efficiency and installation of renewable energy generators (e.g. solar photovoltaic panels, fuel cells, small wind turbines).</p> <p>The California Property Assessed Clean Energy Program (“California PACE Program”) was developed by Figtree Energy Resource Company to provide a financing mechanism and template for a municipal energy and water efficiency program.</p> <p>It is necessary for CEDA to declare its intention to commence assessment district proceedings within the jurisdictions, which have approved the California PACE Program. The adoption of the Resolution of Intention is the first step in a two-step process necessary for the implementation of CEDA’s California PACE Program in the participating member jurisdictions. These Resolutions declare the intention of the Board of Directors to form an assessment district in order to cause the financing of energy and water efficiency improvements within the boundaries of participating public agencies. Also, these Resolutions (i) direct Figtree Energy Resource Company, administrator of the California PACE Program, to prepare and file with the Board of Directors, a program report in compliance with California Streets and Highways Code and (ii) set October 23, 2014, for the public hearing required for the formation of the assessment district.</p> <p>After the public hearing, the Board of Directors of CEDA will be presented with a resolution of formation for the creation of the assessment district. At that time, the Board of Directors will determine whether to proceed with financing on the terms and conditions presented.</p>
<b>Recommendation</b>	Staff recommends approval of Resolutions 14-84 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Orland.

## RESOLUTION NO. 14-84

### RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS IN THE CITY OF ORLAND

**WHEREAS**, the California Enterprise Development Authority (“CEDA”) is a joint powers authority organized and existing pursuant to the Joint Powers Act (Government Code Section 6500 et seq.) and that certain Joint Exercise of Powers Agreement (the “Agreement”) dated as of June 1, 2006, among the cities of Eureka, Lancaster and Selma; and

**WHEREAS**, CEDA is authorized under the Agreement and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

**WHEREAS**, CEDA has obtained authorization from the City of Orland (the “City”) located in the County of Glenn (the “County”) to conduct assessment proceedings and to enter into contractual assessments to finance the installation of Authorized Improvements within the jurisdictional boundaries of the City pursuant to Chapter 29; and

**WHEREAS**, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the City, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the City; and

**WHEREAS**, on October 18, 2014, CEDA passed resolution 14-74, which among other things ordered that a public hearing be held before the CEDA Board (the “Board”), at 550 Bercut Drive, Suite G, Sacramento, CA 95811, on Thursday, December 4<sup>th</sup>, at 10:30 AM, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program; and

**WHEREAS**, CEDA now desires to set a new date for the required public hearing.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, AS FOLLOWS:**

**Section 1. Findings.** The Board of Directors hereby finds and determines the following:

- (a) The above recitals are true and correct and are incorporated herein by this reference.

- (b) Energy and water conservation efforts, including the promotion of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the City.
- (c) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.
- (d) A public purpose will be served by establishing a contractual assessment program, to be known as Figtree PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the City.

**Section 2. Determination of Public Interest.** The Board of Directors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the City, within which CEDA and property owners within the City may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the City pursuant to Chapter 29.

**Section 3. Identification of Authorized Improvements.** CEDA hereby declares its intention to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 hereof (the “Report”), as that Report may be amended from time to time.

**Section 4. Identification of Boundaries.** Contractual assessments may be entered into by property owners located within the entire geographic territory of the City.

**Section 5. Proposed Financing Arrangements.** Under Chapter 29, CEDA may issue bonds, notes or other forms of indebtedness (the “Bonds”) pursuant to Chapter 29 that are payable by contractual assessments. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the “Improvement Bond Act of 1915”) shall apply to any indebtedness issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. The creditworthiness of a property owner to participate in the financing of Authorized Improvements will be based on the criteria developed by Figtree Energy Financing (the “Program Administrator”) upon consultation with Figtree PACE Program underwriters or other financial representatives, CEDA general counsel and bond counsel, and as shall be approved by the Board of Directors of CEDA. In connection with indebtedness issued under the Improvement Bond Act of 1915 that is payable from contractual assessments, serial and/or term improvement bonds or other indebtedness shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date), and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by Board of Directors at the



time of the issuance and sale of the indebtedness. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of CEDA to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. Neither CEDA, nor any of its members participating in the Figtree PACE Program, shall advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the indebtedness; provided, however, that this determination shall not prevent CEDA or any of its members from, in their sole discretion, so advancing funds. The Bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and upon determination of CEDA.

CEDA hereby authorizes the Program Administrator, upon consultation with CEDA general counsel, bond counsel and the Figtree PACE underwriter, to commence preparation of documents and take necessary steps to prepare for the issuance of bonds, notes or other forms of indebtedness as authorized by Chapter 29.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

**Section 6. Public Hearing.** Pursuant to the Act, CEDA hereby orders that a public hearing be held before CEDA Board (the "Board"), at 550 Bercut Drive, Suite G, Sacramento, CA 95811, on Thursday, October 23<sup>rd</sup>, at 10:30 AM, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 hereof shall be summarized, and the Board shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program, the extent of the area proposed to be included within the boundaries of the assessment district, the terms and conditions of the draft assessment contract described in Section 8 hereof (the "Contract"), or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Board hereby orders the publication of a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

**Section 7. Notice to Water and Electric Providers.** Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the City to all water and electric providers within the boundaries of the City has been provided.

**Section 8. Report.** The Board hereby directs the Program Administrator to prepare the Report and file said Report with the Board at or before the time of the public hearing described in Section 6 hereof containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.
- b) A draft contractual assessment contract (the “Contract”) specifying the terms and conditions of the agreement between CEDA and a property owner within the City.
- c) A statement of CEDA’s policies concerning contractual assessments including all of the following:
  - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
  - (2) Identification of the CEDA official authorized to enter into contractual assessments on behalf of CEDA.
  - (3) A maximum aggregate dollar amount of contractual assessments.
  - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment, (ii) shall provide for any reserve fund or funds, and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and CEDA.
- e) A report on the results of the discussions with the County Auditor-Controller described in Section 10 hereof, concerning the additional fees, if any, that will be charged to CEDA for inclusion of the proposed contractual assessments on the general property tax roll of the County, and a plan for financing the payment of those fees.

**Section 9. Nature of Assessments.** Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

**Section 10. Consultations with County Auditor-Controller.** CEDA hereby directs the Program Administrator to enter into discussions with the County Auditor-Controller in order to

reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

**Section 11. Preparation of Current Roll of Assessment.** Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

**Section 12. Procedures for Responding to Inquiries.** The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

**Section 13. Effective Date.** This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 2<sup>nd</sup> day of October, 2014.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

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

ATTEST:

\_\_\_\_\_  
Michelle Stephens, Assistant Secretary