

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, September 26, 2019

Teleconference Phone Information

(712) 775-7031 - Conference Code: 183724#

Call to Order and Roll Call Statement of Disclosure

Action Items

1. Consent Agenda
 - a. Approve Minutes from the Regular Meeting on September 19, 2019.
2. Approve Resolution 19-66 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of financing the cost of Acquisition, Construction, Development, Installation, Equipping and Furnishing of certain facilities for the Benefit of Orange County Museum of Art, Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified.
3. Approve Resolution 19-67 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, Developing, Constructing, Installing, Equipping and Furnishing Facilities for the Benefit of the Carey School and/or a Related or Successor Entity; Providing the Terms and Conditions For Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

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 Michelle Stephens)
2150 River Plaza Dr., Suite 275
Sacramento, CA 95833

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

County of Stanislaus
(contact Keith Boggs or Sheryl Swartz)
1010 10th Street
GSA Purchasing – 5th Floor

Redding City Hall
(contact Larry Vaupel or Erica Thomas)
777 Cypress Ave.
Redding, CA 96001

City of Lakeport
(contact Margaret Silveira
or Hilary Britton)
225 Park Street
Lakeport, CA 95453

City of West Sacramento
(contact Aaron Laurel or
Sandra Barcenaz)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

Sacramento Municipal Utility
District
(contact Mather Kearney)
6301 S Street
Sacramento, CA 95817

City of Anaheim
(contact Jessica Gonzales or
Amanda Wicker)
201 S. Anaheim Blvd., Ste. 1003
Anaheim, CA 92805

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

GSA Director's Office
Modesto, CA 95354

This agenda can be obtained at <https://ceda.caed.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. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
Regular Meeting
*****TELECONFERENCE MEETING *****
CEDA BOARD OF DIRECTORS
Thursday, September 19, 2019

Teleconference Locations

California Association for Local
Economic Development
(contact Helen Schaubmayer)
2150 River Plaza Dr. Suite 275
Sacramento, CA 95833

Redding City Hall
(contact Larry Vaupel or Erica
Thomas)
777 Cypress Ave.
Redding, CA 96001

Sacramento Municipal Utility District
(contact Mather Kearney)
6301 S Street
Sacramento, CA 95817

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

City of Lakeport
(contact Margaret Silveira or Hilary
Britton)
225 Park Street
Lakeport, CA 95453

City of Anaheim
(contact Jessica Gonzales or
Amanda Wicker)
201 S. Anaheim Blvd., Ste. 1003
Anaheim, CA 92805

County of Stanislaus
(contact Keith Boggs or Sheryl
Swartz)
1010 10th Street
GSA Purchasing – 5th Floor
GSA Director's Office
Modesto, CA 95354

City of West Sacramento
(contact Aaron Laurel or
Polly Harris)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:30 am.

Roll Call

Members Present: Kevin Boggs
Jessica Gonzales (10:32)
Aaron Laurel
Gurbax Sahota
Margaret Silveira

CALED Management/
Staff Present: Michelle Stephens
Alphonse Wilfred

Public: David Mnatsakanyan, Kutak Rock

Statement of Disclosure

None

Action Items

1. Approve Consent Agenda.
 - a. Approve Minutes from the Regular Meeting on September 5, 2019.

Motion: Board Member Aaron Laurel made the motion to approve the Consent Agenda. Board Member Margaret Silveira seconded the motion on the floor.

The motion passed by voice vote.

2. Approve Resolution 19-65 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 the Construction, Rehabilitation, Renovation, Equipping and Furnishing of Facilities for the Benefit of Girl Scouts of Greater Los Angeles or a Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle updated the Board on the project and for what the financing would be used.

Motion: Board Member Keith Boggs made the motion to approve Resolution No. 19-65. Board Member Margaret Silveira seconded the motion on the floor.

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

3. Approve contribution to support CALED's 40th Annual Conference.

Discussion: Gurbax let the Board know that the reason this action item was before them was because it was a contribution to a CALED event and therefore wanted the Board's approval. Michelle then let the Board know what deliverables CEDA would receive through their sponsorship.

Motion: Board Member Margaret Silveira made the motion to approve the contribution. Board Member Aaron Laurel seconded the motion on the floor.

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

Public Comment

Chair Report

Gurbax thanked the Board for being available during this busy time for CEDA and let them know there would be a meeting the following week, September 26.

PACE Report

Gurbax told the Board that she had a call with the leadership at Dividend and they are pleased with the wrap-up of Residential PACE and have a pipeline of Commercial PACE projects that are moving forward.

Other Business

Adjournment

Motion: Board Member Keith Boggs made the motion to adjourn the meeting. seconded the motion on the floor. Chair Gurbax Sahota adjourned the meeting at 10:39 am by voice vote.

Staff Report

Action Requested	Approve Resolution 19-66 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of financing the cost of Acquisition, Construction, Development, Installation, Equipping and Furnishing of certain facilities for the Benefit of Orange County Museum of Art, Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Orange County Museum of Art
Borrower Description	<p>The Orange County Museum of Art (OCMA) began in 1962 as the Balboa Pavilion Gallery by thirteen visionary women. With a focus on modern and contemporary art, their efforts were well received, and the museum enjoyed recognition from coast to coast. In 1968 the institution became known as the Newport Harbor Art Museum and in 1972, moved to a nearby, larger location. Interest and support continued to grow, as did the Borrower’s collections and exhibitions and in 1977, the museum opened its doors on San Clemente Drive. In 1997 the museum was remodeled and renamed the Orange County Museum of Art. In June 2018, the museum closed its doors in Newport Beach, and in October 2018 opened its temporary location in Santa Ana in South Coast Plaza Village where the OCMA operates as it builds the Facilities as a permanent home at Segerstrom Center for the Arts.</p> <p>OCMA is a California nonprofit public benefit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has requested that the Authority issue revenue obligations in the maximum principal amount of up to \$55,000,000 (the “Obligations”) for the purpose of making a loan to the Borrower.</p> <p>The Borrower plans to use the proceeds of the Obligations to finance and refinance the cost of developing, constructing, installing, improving, equipping and furnishing of an approximately 53,875 square foot art museum and related and ancillary facilities (the “Facilities”). Certain proceeds of the Obligations may also be used to pay certain expenses incurred in connection with the issuance of the Obligations. The Borrower will construct the Facilities on property to be owned by the Borrower located at 655 Town Center Drive (also known as 3333 Avenue of the Arts), Costa Mesa, California.</p> <p>Below are links to see architectural renderings of the future home of OCMA:</p> <ul style="list-style-type: none"> • https://www.dropbox.com/s/t94cwy69yx9ls65/EXTERIOR_FINAL%20copy.jpg?dl=0 • https://www.dropbox.com/s/8sgv7b1gb0s11wx/TERRACE_FINAL%20copy.jpg?dl=0 • https://www.dropbox.com/s/18tx6y0roeiexgn/OCMA%20Walkthrough%20copy.mov?dl=0
Public Benefits	The tax-exempt financing will allow the Orange County Museum of Art to realize savings that can be put back into its operations.
Eligibility and Policy Review	<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"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution 19-66 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of financing the cost of

	Acquisition, Construction, Development, Installation, Equipping and Furnishing of certain facilities for the Benefit of Orange County Museum of Art, Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified.
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RESOLUTION NO. 19-66

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 A LOAN FOR THE PURPOSE OF FINANCING THE COST OF ACQUISITION, CONSTRUCTION, DEVELOPMENT, INSTALLATION, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF ORANGE COUNTY MUSEUM OF ART, PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, pursuant to the provisions of the Joint Exercise of 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 City of Costa Mesa (the "City") 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, Orange County Museum of Art, 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 \$55,000,000 to the Borrower for the purpose of financing the acquisition, construction, development, installation, equipping and furnishing of an approximately 53,875 square foot museum and related and ancillary facilities located at 655 Town Center Drive (also known as 3333 Avenue of the Arts), Costa Mesa, California (the "Facilities"); and

WHEREAS, a portion of the proceeds of the Borrower Loan may also be used to pay certain costs of issuance in connection with the Borrower Loan; and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt loan from Farmers and Merchants Bank of Long Beach or its successor (the “Lender”), to the Authority (together, the “Authority Loan” and, together with the Borrower Loan, the “Loans”) to make the Borrower Loan; and

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

(a) A proposed form of the 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”), between the Authority and the Lender;

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Loans, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a good faith estimates by the Lender; and

WHEREAS, the Facilities provide significant benefits to the residents of the City and surrounding community through the cultural, educational and recreational opportunities 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; and

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 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 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 \$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 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 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 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 City has held the requisite hearing and has approved the issuance 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 September 26, 2019.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Michelle Stephens, 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 September 26, 2019.

Michelle Stephens, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Orange County Museum of Art, a California nonprofit public benefit corporation (the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on September 26, 2019 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$55,000,000 (the “Obligations”).

1. Farmers and Merchants Bank of Long Beach, as private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 3.2541%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$802,000 (which includes the bank loan fee)
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$55,000,000 (not including finance charges not paid with proceeds of the Obligations)
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$69,540,774
2. The good faith estimates provided above were based on the information in Schedule I which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Staff Report

Action Requested	Approve Resolution 19-67 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, Developing, Constructing, Installing, Equipping and Furnishing Facilities for the Benefit of the Carey School and/or a Related or Successor Entity; Providing the Terms and Conditions For Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	The Carey School
Borrower Description	<p>The Carey School specializes in elementary education and inspires curious, confident, and joyful learners and celebrates childhood in an inclusive, diverse community that nurtures kindness, respect, and personal responsibility. Since 1928, the Carey School strives to</p> <ul style="list-style-type: none"> • Educate each child through an academically challenging and balanced pre-kindergarten to fifth grade educational curriculum based on the fundamentals of reading, language arts, and math. • Advance our curriculum with integrated studies in science, music, art, world languages, technology, library studies, physical education, and other enrichment programs. • Enable students to reach their fullest potential by providing a developmentally appropriate curriculum that nurtures cognitive, creative, social-emotional, and physical growth. <p>The Carey School has requested that the Authority make one or more loans in an aggregate principal amount not to exceed \$5,000,000 to the Borrower to finance, refinance or reimburse the Borrower for the cost of (a) (i) demolishing an existing 2,760 square-foot, one-story classroom building located at One Carey School Lane, San Mateo, California 94403 (also known as 2103 Alameda De Las Pulgas, San Mateo, California 94403) (the “Property”), (ii) constructing an approximately 6,570 square-foot, two-story classroom building at the Property containing four classrooms, a multi-purpose room, and private meeting rooms, (iii) completing enhancements to the courtyard space at the Property, including landscaping, installation of shade canopies, and replacement of walking surfaces and (iv) installing four temporary, relocatable classroom buildings at the Property to serve as classrooms during the construction of the new building (collectively, the “Facilities”) and (b) pay certain costs of issuance in connection with such financing.</p>
Public Benefits	The tax-exempt financing will allow the Carey School to realize savings that can be put back into its operations.
Eligibility and Policy Review	<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"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution 19-67 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, Developing, Constructing, Installing,

	Equipping and Furnishing Facilities for the Benefit of the Carey School and/or a Related or Successor Entity; Providing the Terms and Conditions For Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
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RESOLUTION NO. 19-67

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, DEVELOPING, CONSTRUCTING, INSTALLING, EQUIPPING AND FURNISHING FACILITIES FOR THE BENEFIT OF THE CAREY 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 Exercise of 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 Mateo, California (the "City") 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 The Carey School (or a successor or related entity) (the "Borrower"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the Authority make one or more loans in an aggregate principal amount not to exceed \$5,000,000 (the "Borrower Loans"), to the Borrower to finance, refinance or reimburse the Borrower for the cost of (a) (i) demolishing an existing 2,760 square-foot, one-story classroom building located at One Carey School Lane, San Mateo, California 94403 (also known as 2103 Alameda De Las Pulgas, San Mateo, California 94403) (the "Property"), (ii) constructing an approximately 6,570 square-foot, two-story classroom building at the Property containing four classrooms, a multi-purpose room,

and private meeting rooms, (iii) completing enhancements to the courtyard space at the Property, including landscaping, installation of shade canopies, and replacement of walking surfaces and (iv) installing four temporary, relocatable classroom buildings at the Property to serve as classrooms during the construction of the new building (collectively, the “Facilities”) and (b) pay certain costs of issuance in connection with such financing; 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 Loans” and, together with the Borrower Loans, the “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 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, pursuant to California Government Code Section 5852.1, certain information regarding the Loans, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a good faith estimates by the Lender; and

WHEREAS, the Facilities provide significant benefits to the residents of the City and surrounding community through the educational services 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 Authority, as follows:

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

Section 2. The Authority hereby approves of the entering into the Authority Loans, 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 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 the 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 which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loans to the Borrower in an amount not to exceed \$5,000,000 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 of California 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 the Lender to an affiliate of the 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. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the City has held the requisite hearing and the City Council of the City has approved the making of the Authority Loans pursuant to Section 147(f) of the Code.

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

PASSED AND ADOPTED this 26th day of September 2019.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Michelle Stephens, 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 September 26, 2019.

Michelle Stephens, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, The Carey School, a California nonprofit public benefit corporation (the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on September 26, 2019 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$5,000,000 (the “Obligations”).

1. First Republic Bank, as private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 2.9391%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$125,000
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$4,875,000
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$6,228,662.60
2. The good faith estimates provided above were based on the information which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.