

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, July 25, 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 July 18, 2019.
2. Approve Resolution No. 19-60 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 Educational Facilities for the Benefit of Linfield Christian School, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

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) 2150 River Plaza Drive, 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 Givans) 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 10 th Street GSA Purchasing – 5th Floor GSA Director's Office Modesto, CA 95354	City of West Sacramento (contact Aaron Laurel or Sandra Barcenas) 1110 West Capitol Avenue, 3 rd Floor West Sacramento, CA 95691	

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. 16.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
Regular Meeting
*****TELECONFERENCE MEETING *****
CEDA BOARD OF DIRECTORS
Thursday, July 18, 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 10:31 am.

Roll Call

Members Present: Kevin Boggs
Jessica Gonzales*
Mather Kearney*
Gurbax Sahota
Margaret Silveira
Larry Vaupel

*joined late

CALED Management/
Staff Present: Helen Schaubmayer

Public: Peter Grabell, Dividend Finance
Sam Balisy, Kutak Rock
David Mnatsakanyan, Kutak Rock

Statement of Disclosure

None

Action Items

1. Approve Consent Agenda.
 - a. Approve Minutes from the Regular Meeting on July 11, 2019.

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

The motion passed by voice vote.

- 2. Approve Resolution No. 19-59 of the California Enterprise Development Authority Authorizing the Issuance and Sale of Lease Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$50,000,000 to Finance the Design, Development, Construction, Installation and Equipping of Three New Public Libraries for the Benefit of the County Of Riverside, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

Discussion: Helen briefed the Board that three state-of-the-art library facilities will be designed, developed, constructed and equipped using proceeds of this bond. They will be located in French Valley, Menifee, and Desert Hot Springs. The facilities will be leased by CFP Riverside, LLC, a Minnesota non-profit limited liability company, to the County of Riverside as public libraries. The new Library buildings will support a broad and diverse range of 21st century library services, programs and technology. Study rooms, adult and teen spaces, a children’s library, opportunity and community rooms will be features of the developments and provide amenities that were previously missing in the communities. The bond will be in an amount not-to-exceed \$50,000,000. Sam Balisy stated this is a P3 project and the property is owned by the county under a capital lease structure. The libraries are scheduled to be finished in March 2021.

Motion: *Board Member Margaret Silveira made the motion to approve Resolution No. 19-59. Board Member Keith Boggs seconded the motion on the floor.*

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jessica Gonzales	Aye
Mather Kearney	Abstain (joined after staff report)
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

Public Comment

Chair Report

Gurbax Sahota stated that there is scheduled to be another meeting for next week and that we try to group projects into agendas to consider the board members’ schedules and reduce board calls, but the scheduling of the projects make it difficult at times.

PACE Report

Peter Grabell with Dividend Finance stated that it is PACE tax levy season and Dividend is working with Wildan on all of the requests.

Other Business

Adjournment

Motion: *Board Member Margaret Silveira made the motion to adjourn the meeting. Board Member Larry Vaupel seconded the motion on the floor. Chair Gurbax Sahota adjourned the meeting at 10:45 am by voice vote.*

Staff Report

Action Requested	Approve Resolution No. 19-60 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 Educational Facilities for the Benefit of Linfield Christian 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)	Linfield Christian School
Borrower Description	<p>Linfield Christian School, established in 1936, has serviced the city of Temecula and surrounding Riverside County communities for 44 years and the greater Los Angeles area for 37 years. As an independent college preparatory school, Linfield Christian School serves 800 students in grades K through 12 and operates a growing international program (with current enrollment of 92 students) drawing students from China, South Korea, Japan, Brazil, Latin America, and Europe. The School employs 90 full-time and 45 part-time employees. Linfield Christian School has a rigorous curriculum and 97 percent of its graduates go to college. Web Site: https://www.linfield.com/</p> <p>Linfield Christian School requests the Authority to facilitate the issuance of revenue obligations in an aggregate principal amount not to exceed \$25,000,000 to finance and refinance the acquisition, construction, renovation, installation, equipping and furnishing of real property, facilities, equipment, and improvements of the Borrower's educational facilities located at 31950 Pauba Road, Temecula, California 92592 and to pay costs of issuance.</p>
Public Benefits	The tax-exempt financing will allow Linfield Christian School to realize savings that can be put back into its operations to increase educational opportunities and choices to the residents of Temecula/Riverside County.
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 No. 19-60 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 Educational Facilities for the Benefit of Linfield Christian 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. 19-60

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, DEVELOPING, CONSTRUCTING, INSTALLING, EQUIPPING AND FURNISHING EDUCATIONAL FACILITIES FOR THE BENEFIT OF LINFIELD CHRISTIAN 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 Temecula, 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 Linfield Christian School (or a successor or related entity) (the "Borrower"), a California nonprofit religious 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 facilitate the issuance of revenue obligations in an aggregate principal amount not to exceed \$25,000,000 (the "Obligations"), the proceeds of which are to be loaned to the Borrower to (a) finance and refinance the acquisition, construction, renovation, installation, equipping and furnishing of real property, facilities, equipment, and improvements of the Borrower's educational facilities

located at 31950 Pauba Road, Temecula, California 92592 (the “Facilities”); and (b) paying certain costs of issuance in connection with such financing; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt and/or taxable loans from Umpqua 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, 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 conducted 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 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 \$25,000,000 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 City has held the requisite hearing and the City Council of the City 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 25th day of July, 2019.

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 July 25, 2019.

Helen Schaubmayer, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Linfield Christian School, a California nonprofit religious 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 July 11, 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 \$25,000,000 (the “Obligations”).

1. Umpqua 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): 3.3869%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$193,181.82.
 - 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: \$25,000,000.
 - 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): \$32,602,883.32.
2. The good faith estimates provided above were based on 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.