

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, August 8, 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 August 1, 2019.
2. Approve Resolution No. 19-63 of the California Enterprise Development Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Refinancing the Cost of Acquisition, Construction, Installation, Renovation and Equipping of Certain Facilities for the Benefit of Building 907 LLC and The San Diego Foundation, 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)
The Inn at 2nd & C
124 C Street
Eureka, CA 95501

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
GSA Director's Office
Modesto, CA 95354

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 Barcnas)
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

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, August 1, 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

Aaron Laurel, Vice-Chair of the California Enterprise Development Authority, called the meeting to order at 10:31 am.

Roll Call

Members Present: Keith Boggs
Aaron Laurel
Jason Crawford
Jessica Gonzales
Larry Vaupel

CALED Management/
Staff Present: Helen Schaubmayer

Public: Jessica Shaham, Kutak Rock
David Mnatsakanyan, Kutak Rock
Peter Grabell, Dividend Finance

Statement of Disclosure

None

Action Items

1. Approve Consent Agenda.
 - a. Approve Minutes from the Regular Meeting on July 25, 2019.

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

The motion passed by voice vote.

2. Approve Resolution No. 19-61 of the California Enterprise Development Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Refinancing the Cost of Acquisition, Construction, Improvement and Equipping of Certain Facilities for the Benefit of Francis Parker School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Helen briefed the Board that Francis Parker School, founded in 1912, is San Diego’s oldest and largest independent, coeducational day school serving approximately 1,300 students in junior kindergarten through grade 12. This deal is a refinancing of previous deals with CEDA in 2013 and 2016. Francis Parker School requests the Authority to make a loan in the aggregate principal amount not to exceed \$8,000,000 to refinance existing debt obligations incurred to pay costs related to educational facilities, including classrooms, commons, a library and similar facilities in San Diego consisting of its Lower, Middle, and Upper School campuses.

Motion: *Board Member Jason Crawford made the motion to approve Resolution No. 19-61. Board Member Larry Vaupel seconded the motion on the floor.*

The motion passed with the following roll call vote:

Aaron Laurel	Aye
Keith Boggs	Aye
Jason Crawford	Aye
Jessica Gonzales	Aye
Larry Vaupel	Aye

3. Approve Resolution No. 19-62 of the California Enterprise Development Authority Making Determinations With Respect to the Financing of Facilities for the Benefit of The Garlic Company and/or a Related Entity and Declaring its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness and Authorizing Related Actions.

Discussion: Helen briefed the Board that, founded in 1980, The Garlic Company produces high quality garlic products. Over time, the company advanced from a basic packing house to a unique food manufacturing facility. The Garlic Company offers whole bulb garlic as well as in various other forms and and maintains its own seed program in Oregon. This resolution serves as the inducement resolution for this Industrial Development Bond (IDB) project. The Garlic Company requests the Authority’s assistance in financing and refinancing, in an amount not to exceed \$10,000,000, 1.) the construction of a cogeneration facility and a dehydration facility in Bakersfield; 2.) the rehabilitation of the borrower’s property, including wastewater improvements; 3.) the purchase and installation of equipment and furnishings for use at the property, including a dehydrator; and 4.) payment of capitalized interest and issuance costs.

Motion: *Board Member Keith Boggs made the motion to approve Resolution No. 19-62. Board Member Larry Vaupel seconded the motion on the floor.*

The motion passed with the following roll call vote:

Aaron Laurel	Aye
Keith Boggs	Aye
Jason Crawford	Aye
Jessica Gonzales	Aye
Larry Vaupel	Aye

Public Comment

Chair Report

Helen Schaubmayer stated that there is scheduled to be another meeting for next week, August 8th.

PACE Report

Peter Grabell with Dividend Finance stated that we are working on the PACE assessment levies for the next tax year. We should be finishing up within the next 7 to 10 days.

Other Business

Adjournment

Motion: *Board Member Jason Crawford made the motion to adjourn the meeting. Board Member Keith Boggs seconded the motion on the floor. Vice-Chair Aaron Laurel adjourned the meeting at 10:38 am by voice vote.*

Staff Report

Action Requested	Approve Resolution No. 19-63 of the California Enterprise Development Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Refinancing the Cost of Acquisition, Construction, Installation, Renovation and Equipping of Certain Facilities for the Benefit of Building 907 LLC and The San Diego Foundation, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	The San Diego Foundation
Borrower Description	<p>The mission of the San Diego Foundation is to improve the quality of life in all of the communities located in San Diego County by providing leadership for effective philanthropy that builds enduring assets and by promoting community solutions through research, convenings, and actions that advance the common good. One example of the organization’s work is that t administers the largest scholarship program in San Diego County outside of the university system. It awards approximately \$2 million to over 600 recipients a year. This is a refinancing of the deal that The San Diego Foundation completed with CEDA in 2014.</p> <p>Web Site: https://www.sdfoundation.org/</p> <p>Building 907 LLC and The San Diego Foundation request the Authority to make a loan in the aggregate principal amount not to exceed \$11,500,000 to refinance a portion of the costs of acquisition, construction, installation, renovation and equipping of an office building which serves as the Foundation’s headquarters located at 2508 Historic Decatur Road, San Diego, California 92106 and paying certain costs of issuance.</p>
Public Benefits	The tax-exempt financing will allow The San Diego Foundation 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 No. 19-63 of the California Enterprise Development Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Refinancing the Cost of Acquisition, Construction, Installation, Renovation and Equipping of Certain Facilities for the Benefit of Building 907 LLC and The San Diego Foundation, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 19-63

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 REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, INSTALLATION, RENOVATION AND EQUIPPING OF CERTAIN FACILITIES FOR THE BENEFIT OF BUILDING 907 LLC AND THE SAN DIEGO FOUNDATION, 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 “Issuer”) was organized; and

WHEREAS, the Issuer 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 Issuer are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

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

WHEREAS, pursuant to the provisions of the Act, the Issuer 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, Building 907 LLC, a Delaware limited liability company (the “Borrower”) and The San Diego Foundation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Foundation”), have submitted an application to the Issuer requesting the Issuer to make a loan (the “Borrower Loan”) in the aggregate principal amount not to exceed \$11,500,000 to the Borrower for the purpose of (i) refinancing a portion of the costs of acquisition, construction, installation, renovation and equipping of an office building which serves as the Foundation’s headquarters located at 2508 Historic Decatur Road, San Diego, California 92106 (the “Facilities”), and (ii) paying certain costs of issuance in connection with the Loan (as defined below); and

WHEREAS, the Issuer intends to issue a tax-exempt loan obligation (the “Issuer Loan Obligation”) to JPMorgan Chase Bank, N.A. or its successor (the “Lender”) and use the proceeds of the Issuer Loan Obligation to make a corresponding loan to the Borrower (the “Borrower Loan”) and, together with the Issuer Loan Obligation, the “Loan”); and

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

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

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

WHEREAS, in accordance with the requirements of Section 147(f) of the Code, the Board of Supervisors of the County adopted, on August 6, 2019, a resolution approving the issuance of the Issuer Loan Obligation in order to refinance the Facilities located in the County; and

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

WHEREAS, the Facilities provide significant benefits to the residents of the County and surrounding community through the philanthropic services provided by the Borrower and the Foundation and, based on representations of the Borrower, the refinancing of the Facilities through the Issuer will result in demonstrable savings in effective interest rate;

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

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

Section 2. The Issuer hereby approves the issuance of the Issuer Loan Obligation on a tax-exempt basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Issuer understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Issuer’s payments under the Issuer Loan Obligation. The payments to be made by the Issuer to the Lender under the Issuer Loan Obligation will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Issuer) under the Borrower Loan.

Section 3. The proposed form of the Loan Agreement by and among the Lender, the Issuer and the Borrower, on file with the Secretary of the Issuer, 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 Issuer, to execute and deliver the Loan Agreement in substantially the form filed with the Issuer 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 Issuer, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Issuer is authorized to attest the execution of the Loan Agreement.

Section 4. The proposed form of the Assignment Agreement by and between the Issuer and the Lender, on file with the Secretary of the Issuer, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Issuer, to execute and deliver the Assignment Agreement in substantially the form filed with the Issuer 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 Issuer, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Issuer is authorized to attest the execution of the Assignment Agreement.

Section 5. The Issuer approves the Issuer Loan Obligation, 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 \$11,500,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Issuer Loan Obligation shall be made solely from the revenues to be received by the Issuer from the Borrower Loan pursuant to the Loan Agreement, and the Issuer Loan Obligation shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Issuer Loan Obligation 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 Issuer, 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 Issuer with respect to the Issuer Loan Obligation and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Issuer 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 Issuer's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Issuer Loan Obligation and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Issuer is authorized to attest the execution of such certificates, agreements and documents.

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

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

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

PASSED AND ADOPTED this August 8, 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 Issuer at a duly called meeting of the Board of Directors of said Issuer held in accordance with law on August 8, 2019.

Helen Schaubmayer, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Building 907 LLC, a Delaware limited liability company (the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Issuer”), as conduit financing provider, prior to the Issuer’s regular meeting on August 8, 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 \$11,500,000 (the “Obligations”).

1. JPMorgan Chase Bank, N.A., 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): 2.4513%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$100,000
 - 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: \$11,400,000
 - 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): \$15,605,910.24
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 Issuer is authorized to make this document available to the public at the Meeting of the Issuer.