

RESOLUTION NO. 16-09

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK BOARD OF DIRECTORS PROVIDING FINAL APPROVAL OF AN INFRASTRUCTURE STATE REVOLVING FUND PROGRAM FINANCING IN AN AMOUNT NOT TO EXCEED \$6,000,000 FOR THE COUNTY OF SAN LUIS OBISPO

WHEREAS, the California Infrastructure and Economic Development Bank (“IBank”) established and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the “IBank Act”), for the purpose of, among other things, providing financial assistance to eligible projects; and

WHEREAS, the County of San Luis Obispo, a political subdivision of the State of California, (the “Borrower”) is seeking financing under the Infrastructure State Revolving Fund Program (the “ISRF Program”) requesting \$6,000,000 for financing eligible project costs for a portion of a new terminal building for the San Luis Obispo County Regional Airport, as more fully described in Attachment A hereto (the “Project”); and

WHEREAS, the Borrower and the Project meet all applicable eligibility requirements, for infrastructure projects, mandated by the IBank Act and by the Criteria, Priorities and Guidelines for the Selection of Projects for Financing under the Infrastructure State Revolving Fund (ISRF) Program, dated February 23, 2016 (the “Criteria”); and

WHEREAS, pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and those U.S. Treasury Regulations implementing such provisions (collectively, “Federal Tax Law”), any funds incurred or expended by the Borrower for the purpose of financing costs associated with the Project on a long-term basis using proceeds of tax-exempt bonds or other tax exempt obligations may be reimbursed from the proceeds of the ISRF Financing (as defined below) provided that the applicable requirements of Federal Tax Law are met (the “Reimbursable Expenditures”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank (the “Board”), as follows:

Section 1. The above recitals are true and correct.

Section 2. Pursuant to this resolution (this “Resolution”), the Board authorizes and approves providing a financing under the ISRF Program in a principal amount not to exceed \$6,000,000 to the Borrower for the costs of the Project (the “ISRF Financing”), subject to the execution of a financing agreement between IBank and the Borrower and associated loan documentation (collectively, the “Financing Agreement”). Such Financing Agreement shall reflect the Board-approved financing terms and conditions as set forth in Attachment B hereto.

Section 3. All actions heretofore taken by the officers and employees of IBank with respect to the consideration and approval of the ISRF Financing are hereby approved, confirmed

and ratified. IBank's Executive Director (the "Executive Director") or the Executive Director's assignees, each acting alone, is hereby authorized and directed, jointly and severally, to perform their duties, provide funding, take actions and execute and deliver the Financing Agreement and any and all other financing documents and instruments which they may deem necessary or desirable in order to (i) effect the financing of the Project; (ii) facilitate the transactions contemplated by the ISRF Financing; and (iii) to otherwise effectuate the purposes of this Resolution.

Section 4. This Resolution shall not be construed as an unconditional commitment to finance the Project, but rather IBank approval pursuant to this Resolution is conditioned upon entry by IBank and the Borrower into the Financing Agreement, in form and substance satisfactory to IBank, within 180 days from the date of its adoption. Such satisfaction is conclusively evidenced by IBank's execution and delivery of same.

Section 5. For purposes of assisting the Borrower in seeking reimbursement for any Reimbursable Expenditures pursuant to Federal Tax Law, the Board hereby declares its reasonable official intent to use proceeds of tax-exempt bonds to reimburse the Borrower for any such Reimbursable Expenditures. This declaration is made solely for purposes of establishing compliance with applicable requirements of Federal Tax Law. This declaration does not bind IBank to provide the ISRF Financing or to reimburse the Borrower any of its Project expenditures.

Section 6. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on April 26, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Teveia R. Barnes, Executive Director

ATTEST

By: _____
Stefan R. Spich, Secretary of the Board of Directors

ATTACHMENT A

Description of the Project

Generally, the Project involves the construction of approximately 8,403 square feet of an approximately 49,075 square foot new terminal building (the “Terminal”) for the San Luis Obispo County Regional Airport. More specifically, the Project consists of the construction of the following Terminal components, including all associated mechanical, electrical, plumbing, communications, and instrumentation and control systems equipment:

- An approximately 900 square foot emergency operations center in Terminal area “A.”
- County administrative offices totaling approximately 2,850 square feet in Terminal area “A.”
- An approximately 315 square foot public safety office in Terminal area “A.”
- An approximately 599 square foot portion of an approximately 665 square foot communications and technology center in Terminal area “A.”
- An approximately 100 square foot portion of an approximately 200 square foot restroom in Terminal area “A.”
- An approximately 770 square foot electrical room in Terminal area “C.”
- An approximately 950 square foot bag belt corridor in Terminal area “C.”
- An approximately 669 square foot utility corridor in Terminal area “C.”
- Restrooms totaling approximately 1,250 square feet in Terminal area “E.”
- Other components necessary or desirable in connection with an infrastructure project of this type and that are consistent with the applicable requirements of the IBank Act and the Criteria.

ATTACHMENT B

Financing Terms

1. **Applicant/Borrower:** County of San Luis Obispo
2. **Project:** San Luis Obispo County Regional Airport
3. **Amount of Financing:** \$6,000,000
4. **Maturity:** Thirty (30) years
5. **Repayment/Security:** General Fund Lease provides IBank with a leasehold interest on A Portion of the Main Government Center.
6. **Interest Rate:** 3.45%
7. **Fees:** Origination fee of 1.00% of the ISRF Financing amount and an annual fee of 0.30% of the outstanding principal balance.
8. **Not an Unconditional Commitment:** IBank's Resolution shall not be construed as an unconditional commitment to finance the Project, but rather IBank's approval pursuant to the Resolution is conditioned upon entry by IBank and the County into a Financing Agreement, in form and substance satisfactory to IBank.
9. **Limited Time:** The Board's approval expires 180 days from the date of its adoption. Thus, the County and IBank must enter into the Financing Agreement no later than 180 days from such date. Once the approval has expired, there can be no assurances that IBank would be able to provide the ISRF Financing to the County or consider extending the approval period.
10. **Financing Agreement Covenants:** The Financing Agreement shall include, among other things, the following covenants:
 - a. County to comply with all applicable requirements of ISRF Program Criteria, as well as all applicable laws, regulations and permitting requirements associated with public works projects.
 - i. County to enter a fixed-price construction contract payment and performance bonds, construction contingency funds, builder's risk insurance, and liability and worker's compensation insurance would be required.
 - b. County to budget and appropriate funds sufficient to make annual Lease payments.
 - c. County to procure and maintain rental interruption insurance for a period of at least six months beyond the time needed to reconstruct the Leased Asset.
 - d. County to procure CLTA or ALTA title insurance policy.
 - e. County to covenant against future encumbrances against the Leased Asset.
 - f. County to provide to IBank within 240 days of the end of each fiscal year a copy of its audited financial statements, together with an annual certificate demonstrating compliance with the foregoing covenants, as well as other information as IBank may request from time to time.