

**MINUTES OF THE
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

For the meeting held on
Wednesday, February 27, 2018 at 2:00 p.m.
Steinberg Conference Room
1325 J Street, 17th Floor
Sacramento, California 95814

Chair Lenny Mendonca called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:00 p.m.

1. Call to Order and Roll Call

The following Board members were in attendance:

Chair, Lenny Mendonca for the Governor's Office of Business and Economic Development
Augustin Jimenez for the Secretary of the California State Transportation Agency
Fiona Ma, the State Treasurer
Richard Gillihan for the Director of the Department of Finance, and
Marc Steinorth, Governor's Appointee

IBank staff members in attendance were

Nancee Robles, Stefan Spich and William Pahland

Information Item

2. Executive Director's Report

Ms. Nancee Robles, Acting Executive Director, noted she had delivered a detailed report at the February 13 meeting and had no further updates.

Chair Mendonca thanked Ms. Robles for the presentation.

Consent Item

3. Approve minutes from the meeting held on February 13, 2019

Chair Mendonca opened up discussion of the previous meeting's minutes. Mr. Steinorth moved to approve minutes and Mr. Gillihan seconded the motion. After asking for and receiving no public comment, the Board voted unanimously to approve the February 13, 2019 Meeting Minutes.

Action Items

4. Resolution No. 19-03 approving the issuance of tax-exempt obligations, in an amount not to exceed \$9,500,000, to be sold to First Republic Bank through a private placement and loaning the proceeds to The Waverly School to finance an eligible project located in the City of Pasadena.

Before Board consideration commenced, Mr. Jimenez noted to the Board that the Transportation Agency had an interest in land that was currently used by the borrower, The

Waverly School, and because of this interest Mr. Jimenez would recuse himself from consideration of this matter.

Mr. Steven Wright, Public Finance Analyst, introduced Resolution 19-03. Mr. Wright then introduced Ms. Jennifer Dakan, Admissions Director of The Waverly School, and Mr. Sam Balisy, Bond Counsel. Chair Mendonca invited comments from Ms. Dakan, and she responded by noting that she was both an employee of the School as well as a long time parent of three current and former Waverly students. Ms. Dakan briefly described the School and the project to be financed and noted the savings associated with the financing could be used for School priorities, including additional financial aid.

Chair Mendonca then asked for public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Mr. Gillihan seconded. The Board, with Mr. Jimenez recused, voted unanimously to pass Resolution 19-03.

5. Resolution No. 19-04 approving lending Infrastructure State Revolving Fund Program funds to the City of Fresno in an amount not to exceed \$35,000,000 to finance an eligible project known as the Fresno Yosemite Airport Parking Garage Project located in the City of Fresno.

Lina Benedict, Staff Loan Officer (Specialist), introduced Resolution 19-04. Ms. Benedict then introduced the Borrower's representatives: Paul Caprioglio, Fresno City Council Member, Nick Sinclair, Chief of Staff to Assemblymen Jim Patterson, Kevin Miekle, Director of Aviation for Fresno, and Lino Del Signore, Finance Manager Fresno Airport. Chair Mendonca invited comment from the representatives. Mr. Caprioglio noted that he represented the Fresno district that contained the city's airport, and that the airport was an economic engine for the region. This project and others planned for the airport, including terminal renovations, would help ensure continued economic vitality. Mr. Sinclair stated that Assemblymen Patterson could not attend today's meeting and read a letter from him in support of the project, noting the importance of the airport for jobs and regional growth and the need to stay connected with the State and the world. Mr. Miekle then addressed the Board and said he was excited for this expansion project which would help the Fresno airport continue to be a transportation hub for the growing Central Valley region.

Ms. Ma asked the representatives about direct flights to Fresno from other parts of the state, noting the preference of many to fly rather than drive. Mr. Miekle said they were working with Southwest airlines to develop options, but that a Fresno to Sacramento route is difficult due to relative proximity of the two cities. Mr. Miekle concluded that he was working with smaller airlines to address these and other capacity opportunities. Mr. Jimenez then asked the representatives about the Electric Vehicle charging capacity of the new garage and how they selected the current configuration. Mr. Miekle responded that the number of EV charging stations was based upon an updated building standards code. He also noted that the parking facilities currently had charging stations available, the City would be building more during the project and had built in capacity for a future expansion of EV facilities. Mr. Jimenez thanked Mr. Miekle for the discussion. Chair Mendonca then noted that his official duties brought him to Fresno regularly and noted the pleasing interior design of the airport which featured columns designed to look like Redwood trees. Mr. Miekle noted that design had been his idea to beautify large industrial columns while also promoting a local attraction. Mr. Miekle concluded by thanking the Chair.

Chair Mendonca then asked for public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Ms. Ma seconded. The Board voted unanimously to pass Resolution 19-04.

6. Resolution No. 19-05 approving lending Infrastructure State Revolving Fund Program funds to the Las Gallinas Valley Sanitary District in an amount not to exceed \$12,000,000 to finance an eligible project known as the a portion of the Secondary Treatment Plant Upgrade & Recycled Water Expansion Project located in the City of San Rafael.

Lina Benedict, Staff Loan Officer (Specialist), introduced Resolution 19-05. Ms. Benedict then introduced the Borrower's representatives: Robert Ruiz, Administrative Services Manager, Mike Prinz, General Manager, Mel Liedman, Plant Manager, and Mike Cortez, Engineer. Chair Mendonca invited comment from the representatives. Mr. Prinz described the function of the Las Gallinas wastewater treatment plant, noting it was capable of recycling water, allowing for re-use of up to 50% of treated water. Due to seasonal differences, the plant worked in a discharge mode during the winter, but during the summer operated in a recycling mode to help reduce wastewater discharges. The new project would increase capacities for both modes. Mr. Prinz concluded by thanking the Board and stating he was proud of their recycled water efforts. Mr. Liedman thanked the Board and noted that, as Plant Manager, this project would provide greatly needed capacity. Mr. Ruiz echoed these comments and noted that the District had lots of aging infrastructure which had to be proactively managed.

Mr. Jimenez noted that the Staff Report for this project was very well written. He then asked who the issuer was for the District's 2017 Revenue Bonds. General Counsel Fritz Pahland responded that the District had issued the 2017 Bonds itself. Chair Mendonca noted that he too greatly appreciated the recycled water aspect of the project, and that as a brewer he had brewed a beer with recycled water. He thanked the District representative for their attendance.

Chair Mendonca then asked for public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Mr. Gillihan seconded. The Board voted unanimously to pass Resolution 19-05.

7. Resolution No. 19-06 approving lending Infrastructure State Revolving Fund Program funds to the 22nd District Agricultural Association in an amount not to exceed \$15,000,000 to finance an eligible project known as the Concert Venue Project located in the City of Del Mar.

Tom Dear, Staff Loan Officer (Specialist), introduced Resolution 19-06. Mr. Dear informed the Board of their earlier approval of a loan to the 22nd District and the circumstances requiring this subsequent consideration. Mr. Dear then introduced the Borrower's representatives: Richard Valdez, VP of the District's Board of Directors, Tim Fennell, CEO of the Del Mar Fairgrounds, Rita Walz, CFO, and Gary Reist, Deputy General Manager. Chair Mendonca invited comment from the representatives.

Mr. Fennell described this concert venue project as the "fourth leg" of the chair, the other core functions of the District being the San Diego County Fair, the Del Mar Track horse racing seasons, and the approximately 300 other internal events hosted by the Del Mar Fairgrounds. Mr. Fennell noted that the District hosted concerts during both the County Fair and horse racing seasons, so the new venue would complement activities already underway, but would add increased year-round capacity. Mr. Valdez noted that the District's Board had considered this project for many years as part of a deliberate effort to maximize use and revenues at the Fairgrounds. He noted that the wagering facility had been underperforming for years, and that with so many events on site, the facilities had to match up with the demand. The new venue would be designed as multi-use, allowing for events beyond just concerts, such as E-Sports competitions and private events. Mr. Valdez then thanked iBank staff for being helpful and professional throughout the application

process. Mr. Reist briefly added that he was pleased this project was advancing, and that in his 40 years with the District, diversification of activities and revenue streams was essential.

Ms. Ma asked how long the project would take to complete. Mr. Valdez responded that he expected it could take approximately 10 months and that schedule would have to be adjusted to minimize impacts on other events, notably the County Fair and the horse racing season. Mr. Steinorth noted he was pleased with the evolution of District's business model and that this proactive approach represented good use of taxpayer resources. Mr. Steinorth concluded by noting he was a fan of live music. Mr. Valdez responded by listing some of the big names that would be performing at the County Fair and inviting everyone in the room to come see the venue when it was complete. Mr. Jimenez praised the quality of the Staff Report and then asked why the Report discussed an earlier revenue bond and pledge agreement. Mr. Dear responded that the earlier financing did not directly impact the item under consideration, but that it had been important to disclose its existence. Chair Mendonca thanked the District representative for their attendance and noted he would stop by next time he was in the area.

Chair Mendonca then asked for public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Mr. Jimenez seconded. The Board voted unanimously to pass Resolution 19-06.

Reporting/Non-Action Business

Public Comment

There was no further public comment.

Adjournment

Chair Mendonca declared the meeting adjourned at approximately 2:44 p.m.