

RESOLUTION NO. 17-11

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 \$4,000,000 FOR THE CITY OF UKIAH

WHEREAS, the California Infrastructure and Economic Development Bank (“IBank”) was established and is 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 City of Ukiah (the “Borrower”) is seeking financing under the Infrastructure State Revolving Fund Program (the “ISRF Program”) in the amount of \$4,000,000 for financing eligible project costs of the “Redwood Business Park Traffic Improvements and US 101/Talmage Interchange Project,” 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,” approved by the IBank Board of Directors on February 23, 2016, as it may be amended from time-to-time (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 financing under the ISRF Program in a principal amount not to exceed \$4,000,000 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 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) 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's 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 the 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 May 23, 2017, 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 improvement and upgrade of a freeway offramp, surface street improvements, and traffic control improvements, including, but not limited to, all necessary engineering, architecture, design, permitting, entitlement, environmental review and documentation, construction, construction contingency, equipping, machinery installation, construction management, Project administration, and general Project development activities. More specifically, the Project consists of the following components:

- Removing from service the existing US 101 southbound offramp to westbound Talmage Road, constructing a new signalized intersection to facilitate vehicle access to both eastbound and westbound Talmage Road, and widening and re-aligning the offramp to terminate at the new signalized intersection;
- Constructing a westbound lane on Talmage Road between the US 101 overpass and Airport Park Boulevard;
- Constructing an eastbound lane on Talmage Road between Airport Park Boulevard and the Talmage Road/US 101 southbound onramp;
- Replacing the existing traffic signals at the intersection of Talmage Road and Airport Park Boulevard;
- Installing a new traffic signal at the intersection of Airport Park Boulevard and Commerce Avenue;
- Reconstructing approximately 2,400 linear feet, and overlaying approximately 1,700 linear feet, of Airport Park Boulevard;
- Installing stormwater quality improvements to meet Low Impact Development requirements;
- Widening Airport Park Boulevard at the Hastings/South State Intersection to allow for a dedicated turn lane; and
- Other components necessary or desirable in connection with a 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:** City of Ukiah
2. **Project:** Redwood Business Park Traffic Improvements and US 101/Talmage Interchange
3. **Amount of Financing:** \$4,000,000
4. **Maturity:** Thirty (30) years
5. **Repayment/Security:** General Fund Lease provides IBank with a leasehold interest on the City's City Hall, 300 Seminary Avenue, Ukiah, CA.
6. **Interest Rate:** 3.30%
7. **Fees:** Origination fee of 1.00% of the Financing amount; (\$40,000) for the City, 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 City 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 City 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 Financing to the City or consider extending the approval period.
10. **Special Disbursement Condition:** IBank will not disburse funds until the City has obtained all permits and approvals necessary to commence construction of the Project, including approval of the Project environmental impact report.
11. **Financing Agreement Covenants:** The financing agreement will require, among other things, that the City will covenant to:
 - a. Comply with all applicable requirements of ISRF Program Criteria, as well as all applicable laws, regulations and permitting requirements associated with public works projects.
 - b. Enter a fixed-price construction contract; obtain payment and performance bonds, each in the amount of the fixed price construction contract for the Project; set aside construction contingency funds equal to 11% of the Financing amount; and obtain builder's risk, property, liability, and worker's compensation insurance.
 - c. Budget and appropriate funds sufficient to make annual Lease payments.
 - d. Procure and maintain rental interruption insurance for a period of at least six months beyond the time needed to reconstruct the Leased Asset.
 - e. Procure an ALTA title insurance policy.
 - f. Not encumber further the Leased Asset.
 - g. 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.