

# MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held telephonically on  
Wednesday, May 27, 2020 at 2:00 p.m.

Due to the COVID-19 “Stay Home” order imposed in Sacramento County, IBank modified its Board meeting procedures in accordance with Governor Newsom’s Executive Order N-29-20 by waiving specified public access and notice requirements under the Bagley-Keene Open Meeting Act.

Consistent with the Executive Order, this meeting was conducted by publicly accessible teleconference only. There was no physical meeting accessible to the public and none of the locations from which Board Members participated were open to the public.

Ms. Nancee Robles, Chief Deputy Executive Director of IBank, acted as the moderator of this call and started by providing technical instructions to participants regarding participation and public comment.

Chair Chris Dombrowski, Acting Director of the Governor’s Office of Business and Economic Development, called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:01 p.m.

## 1. Call to Order and Roll Call

The following Board members were on the phone:

Chair, Chris Dombrowski, Acting Director of the Governor’s Office of Business and Economic Development,  
Augustin Jimenez for the Secretary of the California State Transportation Agency,  
Gayle Miller for the Department of Finance,  
Fiona Ma, the State Treasurer, and  
Marc Steinorth, Governor’s Appointee

IBank staff members on the phone:

Scott Wu, Nancee Robles, William Pahland, Jr. and Stefan Spich

### Information Item

## 2. Executive Director’s Report

Mr. Scott Wu, IBank’s Executive Director, delivered the Executive Director’s Report. Mr. Wu started by noting today was the 83<sup>rd</sup> anniversary of the opening of the Golden Gate Bridge. He noted this opening ceremony occurred 20 years after the bridge was first designed, and construction was completed during one of the nation’s worst economic depressions. At the time it was the longest and tallest suspension bridge in the world. It remains the most photographed bridge on the planet. Mr. Wu noted California has a long history of ingenuity and ambition required to overcome the technical and financial challenges and build awe-inspiring public infrastructure.

Mr. Wu then discussed IBank’s on-going operations, which remained fully remote and fully functional. On the legislative front, the Governor’s May budget revisions showed continued support for the Climate Catalyst Fund concept, although it did not provide current funding. IBank continues to work to identify other sources of funds for Catalyst activities. The

Governor's budget also included a \$50M additional allocation to the Small Business Finance Center, coupled with the \$50M in emergency funds he announced on April 2nd. Together, this \$100M will help to provide necessary emergency relief to thousands of underserved small businesses throughout the state that are in desperate need of assistance.

Despite on-going volatility, the municipal market continues to improve. IBank continues to target a refunding of its outstanding bonds in late summer, to achieve cost savings, financing flexibility and to lock in historic low interest rates that can be passed on to our borrowers. IBank also continues to actively manage its loan portfolio, to maintain its credit quality while helping California borrowers weather a difficult financial period.

Mr. Wu concluded his report by illustrating the Golden Gate Bridge as a symbol of what's possible for California infrastructure and public finance during even the darkest of times – a symbol that could not be more relevant today, on the Golden Gate's 83rd birthday.

Mr. Jimenez noted that the Golden Gate Bridge had to overcome dozens of lawsuits prior to its completion. Mr. Wu agreed the same challenges remain today, but finished with a strong note of California community spirit. When the Golden Gate Bridge finance entity was unable to finance the project in the public bond markets, San Francisco-founded Bank of America stepped up and purchased the entire bond.

### **Consent Item**

#### **3. Approve minutes from the meeting held on April 22, 2020**

Chair Dombrowski opened up discussion of the previous meeting's minutes. Mr. Steinorth moved to approve the minutes and Ms. Miller seconded the motion. After asking for and receiving no public comment, the Board unanimously approved the April 22, 2020 Meeting Minutes.

### **Action Items**

#### **4. Resolution No. 20-07 approving issuance of one or more of tax-exempt or taxable fixed rate revenue bonds in an amount not to exceed \$30,370,000, to refund the outstanding IBank Series 2007 Bonds and a separate obligation, initially issued for the benefit of Performing Arts Center of Los Angeles County used to finance an eligible project located in the City of Los Angeles.**

Mr. Steven Wright, Public Finance Specialist, introduced Resolution 20-07. Mr. Wright described the project and the public benefits of the financing. He then introduced the Performing Arts Center's representatives: Bill Taylor, CFO and Susan Wegleitner, Treasurer (Performing Arts Center), Glenn Casterline, Financial Advisor (BLX), Adam Gentzel, Underwriter (BofA), and Christina Togle, Bond Counsel (Hawkins). Chair Dombrowski welcomed the representatives and invited comment on the project. The representatives declined comment but remained available for questions.

Mr. Jimenez discussed the quality of the Staff Report. He noted an important aspect of these transactions was to clearly present the financial savings that were one of the most important public benefits. In this report that information was clearly presented and he thanked staff.

Chair Dombrowski then asked for public comment. Hearing none, Ms. Miller moved for approval of the resolution and Mr. Steinorth seconded. The Board voted unanimously to pass Resolution 20-07.

5. **Resolution No. 20-08 approving the issuance of tax-exempt obligations in an amount not to exceed \$10,000,000 to be sold to First Republic Bank through a private placement and loaning the proceeds to the Marlborough School and amending a prior obligation, both used to finance eligible projects located in the City of Los Angeles.**

Mr. John Belmont, Public Finance Specialist, introduced Resolution 20-08 and described the project and its benefits, including cost savings. He then introduced the Marlborough School's representatives: Nick Hernandez, Associate Head of Finance and Administration (Marlborough), and Sam Balisy, Bond Counsel (Kutak). Chair Dombrowski welcomed the representatives and invited comment on the project.

Mr. Hernandez briefly discussed the School and then thanked IBank for consideration of the project. Mr. Jimenez sought to clarify the nature of the transaction as an amendment and whether it included additional funds. Mr. Balisy confirmed that there was a new money component that would fund new construction as well as a reduction on the interest rate of currently outstanding loans to match current market rates. These two elements were completed together for convenience and cost savings. Mr. Jimenez thanked Mr. Balisy. Mr. Jimenez ended by complimenting Marlborough's strong commitment to a diverse student body that was representative of the Los Angeles area. Chair Dombrowski concluded by thanking IBank staff for the presentation and Staff Report.

Chair Dombrowski asked whether the Board had any questions for the representatives. They did not. He then asked for public comment. Hearing none, Mr. Steinorth moved for approval of the resolution and Ms. Miller seconded. The Board voted unanimously to pass Resolution 20-08.

### **Reporting/Non-Action Business**

### **Public Comment and Adjournment**

Chair Dombrowski then asked for a final general public comment. Hearing none, Chair Dombrowski declared the meeting adjourned at approximately 2:19 p.m.