

MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
Wednesday, August 28, 2024, at 2:00 p.m.

IBank's meeting was held in-person and remotely and was accessible and open to the public with both in-person and virtual participation via teleconference for board members, staff, borrowers and general public.

Chair Chris Dombrowski, appearing on behalf of the Director of the Governor's Office of Business and Economic Development, welcomed everyone to IBank's Board meeting. He started by providing instructions to participants regarding process, participation, recording, and public comment.

1. Call to Order and Roll Call

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

The following Board members attended:

Acting Chair Chris Dombrowski, for the Director of the Governor's Office of Business and Economic Development,
Carlos Quant for the Secretary of the State Transportation Agency,
Michele Perrault, for the Department of Finance,
Fiona Ma, the State Treasurer, and
Marc Steinorth as Governor's Appointee.

IBank staff members in attendance:

Clint Kellum, Jaymie Lutz, and Stefan Spich

Information Item

2. Executive Director's Report

Scott Wu, IBank's Executive Director, delivered the Executive Director's Report.

Mr. Wu began by discussing last week's Democratic National Convention in Chicago and remarking on how that harmonious experience bore no resemblance to the chaos and violence that occurred on this day in 1968, when the Battle for Michigan Avenue was fought outside of that year's Convention. Mr. Wu recalled scenes from the movie "The Trial of the Chicago 7" and its depiction of more than 23,000 heavily armed police, Army troops and National Guardsmen brutalizing 10,000 anti-war protesters. With hundreds arrested and even more injured, demonstrators correctly chanted "The whole world is watching." Mr. Wu noted the different outcomes for his home-state Minnesota candidates: Hubert Humphrey, in 1968 secured in his hotel as tear gas and battles raged outside, compared to Tim Walz's rousing speech to unify the party and the nation.

Mr. Wu noted that it was on this day in 1955, that Emmett Till, a 14-year-old black boy from Chicago, was kidnapped, tortured and murdered while on summer vacation to Mississippi, for allegedly whistling at a white woman. Mr. Wu recounted that Till's gruesomely mutilated face and body was displayed at his open casket funeral, as his mother stated "I just wanted the world to see."

Mr. Wu discussed the case's outcome, noting the acquittal emboldened the defendants to publicly confess and sell their story the following year. This incident became a long running stain on our nation, and its widespread exposure propelled the civil rights movement. Mr. Wu cited as an example that it's "never too late to do right", that just two years ago in 2022, President Biden signed into law the Emmett Till Antilynching Act.

Mr. Wu closed this historical arc by noting that, also on this day in 1963, 100 years after the Emancipation Proclamation, Martin Luther King delivered one of the most memorable speeches in American history during the March on Washington. In front of an audience of a quarter million, he shared the words, "I have a dream..." which would be forever seared into America's consciousness regarding racism and social inequality. Mr. Wu recalled that the powerful response to Dr. King's speech led to the passage of the Civil Rights Act of 1964 just a short time later. Mr. Wu concluded that now, more than ever, the whole world is watching and it has a very long memory.

Mr. Wu then turned to Information Items.

Business Development Event:

Mr. Wu reported that on September 5th, IBank would be hosting a business development event to recognize IBank's 30-year anniversary and to help increase revenue to support our operations. The event would take place at the Academy Museum of Motion Pictures in Los Angeles, a venue that IBank helped finance through several bond issuances. IBank expects 150 attendees, including business partners, government officials, board members, service providers, customers and IBank staff.

Mr. Wu noted he was pleased to report the attendance of Senator Peace, of The Bergeson-Peace Infrastructure and Economic Development Bank Act of 1994 that created IBank, as well as both prior Executive Directors of IBank.

He explained that this event would provide a unique opportunity to solidify existing and build new business relationships and to increase awareness across all IBank programs and capabilities. Mr. Wu noted that IBank had raised sponsorship funds to cover most of the event's costs.

Mr. Wu then turned to staffing updates.

He first welcomed Shuang Aw, IBank's new Senior Accounting Officer who brings more than a decade of experience working in accounting and finance and before joining us was a small business owner.

Mr. Wu then noted that IBank will be bidding a fond farewell to Taylor Carnevale. He explained that Taylor had been a huge part of growing IBank's climate work and was instrumental in helping IBank bring federal funds to California, including \$250 million from Solar for All and nearly \$450 million from the National Clean Investment Fund. He wished her the best in her next chapter as she joins California Forward.

Mr. Wu then yielded back to the Acting Chair. Acting Chair Dombrowski asked the Board if they had any questions. Hearing none, he thanked Mr. Wu for his report.

Consent Item

3. Approve minutes from the meeting held July 24, 2024

Acting Chair Dombrowski opened the discussion of the previous meeting's minutes. Noting no need for discussion, the Board members unanimously approved the July 24, 2024, meeting Minutes.

Action Item

- 4. Resolution No. 24-11 approving the issuance of conduit tax-exempt and/or taxable fixed rate revenue bonds in an amount not to exceed \$275,000,000 for the benefit of Equitable School Revolving Fund (ESRF) to finance eligible projects located in the Counties of Los Angeles, San Joaquin, Alameda, Orange, San Diego, and Solano.**

John Belmont, Public Finance Specialist, introduced Resolution 24-11.

He began by introducing the representatives of the Equitable School Revolving Fund (ESRF): Anand Kesavan, (CEO) and Sam Alnagar (Investor Relations), as Bond Counsel for Orrick, Eugene H. Clark-Herrera and Sean Yates, and as Underwriter for Siebert, Williams, Shank & Co. John Carter (Senior Managing Director), David Stinfil, (Managing Director) and Jamiyl Flemming (Senior Vice President).

Mr. Belmont then described the project as an issuance of NTE \$275M of fixed rate revenue bonds in a public offering. The Bonds would finance and reimburse the cost of loans to qualifying public charter schools used to finance educational facilities located in Los Angeles, San Joaquin, Alameda, Orange, San Diego, and Solano counties.

Mr. Belmont explained that ESRF provided low-cost financing for academically high-performing charter schools, with an emphasis on traditionally underserved communities. He noted the project would result in an average cost savings of over \$3 million over the life of the loan, and was expected to create 75 full time jobs and 12 part time jobs.

Acting Chair Dombrowski thanked Mr. Belmont for his report. He then asked ESRF if they had any additional comment on the project.

Mr. Clark-Herrera responded that they had no prepared comments but were available to answer any questions. He noted this was ESRF's fifth financing with IBank and thanked IBank for the relationship.

Acting Chair Dombrowski thanked Mr. Clark-Herrera and then asked the Board if they had any questions.

Ms. Ma noted she was the head of the California School Finance Authority (CSFA). She asked ESRF to clarify how their financings worked with CSFA financings. Mr. Kesavan responded that ESRF worked together with CSFA, but the distinction was that ESRF held the loans they made. He explained that ESRF was capitalized by philanthropic funds, held in a first-loss position, which allowed it to offer lower rates to qualified borrowers. These lower rates and closely held loans differentiated ESRF from market rate bond deals.

Ms. Ma then asked about ESRF's school network and how its borrowers qualified for loans. Mr. Kesavan explained that ESRF set a high bar for its borrowers, requiring benchmarks in performance, student diversity, and serving low-income communities. He concluded that many of ESRF's borrowers were in its network, but not all of them. Ms. Ma expressed interest in working with ESRF on the CalKIDS program. Mr. Kesavan responded that would be a good idea and that California was ESRF's largest and most important market. Ms. Ma thanked him for his responses.

Acting Chair Dombrowski then asked for any public comment. Hearing none, Ms. Ma moved for approval of the resolution and Ms. Perrault seconded. The Board voted unanimously to pass Resolution 24-11.

Acting Chair Dombrowski congratulated ESRF on the approval.

5. Resolution No. 24-12 approving the issuance of conduit tax-exempt and/or taxable fixed rate revenue bonds in an amount not to exceed \$45,000,000 for the benefit of La Scuola International School to finance an eligible project located in the City and County of San Francisco.

Dalibor Zivkovic, Public Finance Analyst, introduced Resolution 24-12.

He began by introducing the representatives of La Scuola International School: Serdar Orazov (CFO), Sam Balisy and Jessica Shaham, Bond Counsel (Kutak), and Josh Winter, Consultant.

Mr. Zivkovic then described the project as a public offering of conduit bonds in NTE \$45M to finance the acquisition, construction and equipping of school facilities at three locations, two in San Francisco and one in Silicon Valley. He explained the project would allow the school to operate a permanent K-8 Campus to allow greater enrollment capacity. Mr. Zivkovic noted La Scuola's mission to provide a diverse, multicultural and multilingual school, that balances academic rigor with creativity and global citizenship. He further noted the school planned to award \$2.6 million in financial aid to students for the 2024-2025 academic year, and employed 105 faculty and staff. Mr. Zivkovic concluded that the project was expected to create 11 permanent staff positions, and 75-100 temporary construction jobs.

Acting Chair Dombrowski thanked Mr. Zivkovic for his report. He then asked La Scuola if they had additional comment on the project.

Mr. Orazov thanked IBank for its assistance on the project and for helping grow and sustain the school's community.

Acting Chair Dombrowski thanked Mr. Orazov and then asked the Board if they had any questions.

Ms. Ma asked about the operations of La Scuola and its language training. Mr. Orazov responded that it was an international school with an Italian immersion element. He noted the school operated as an International Baccalaureate (IB) program, but also had cultural and linguistic programs.

Acting Chair Dombrowski then asked about the project and the timeline of the various elements. Mr. Orazov responded that construction was expected to start in October on the main element, a four-story school facility in San Francisco. He noted the school looked forward to the expanded facilities to meet strong enrollment demand.

Acting Chair Dombrowski then asked for any public comment. Hearing none, Ms. Ma moved for approval of the resolution and Ms. Perrault seconded. The Board voted unanimously to pass Resolution 24-12.

Acting Chair Dombrowski congratulated La Scuola on the approval.

6. Resolution No. 24-13 approving the issuance of tax-exempt and taxable fixed rate revenue bonds in an amount not to exceed \$12,000,000 for the benefit of the Rex and Margaret Fortune School of Education to finance an eligible project located in the City of Sacramento.

John Belmont, Public Finance Specialist, introduced Resolution 24-13.

He began by introducing the representatives of the Rex and Margaret Fortune School of Education (Fortune School): Bonnie Bensen (CFO), Eugene H. Clark-Herrera, Bond Counsel (Orrick), and Chris Wienk, Consultant (First Tryon Advisors).

Mr. Belmont then described the project as the issuance of conduit fixed rate revenue bonds in NTE \$12M to finance the acquisition of the borrower's new educational facility known as Fortune Home Office. He explained the Office would serve as a central office for Fortune's operations and would allow it to expand its graduate program offerings. He further noted the project was expected to create 10 – 15 full time and/or part time jobs and increase the pipeline of diverse teachers in California.

Acting Chair Dombrowski thanked Mr. Zivkovic for his report. He then asked Fortune School if they had additional comment on the project.

Ms. Bensen responded that Fortune School operated a network of charter schools and that this project would allow them to have a permanent home office. The new facilities would allow for increased capacity in the teacher credentialing program and allow for future expansion.

Acting Chair Dombrowski thanked Ms. Bensen and then asked the Board if they had any questions. They did not.

Acting Chair Dombrowski then asked for any public comment. Hearing none, Ms. Ma moved for approval of the resolution and Ms. Perrault seconded. The Board voted unanimously to pass Resolution 24-13.

Acting Chair Dombrowski congratulated Fortune School on the approval.

Reporting/Non-Action Business

Acting Chair Dombrowski noted to the Board that IBank had delivered quarterly investment reports for Q4 for the Small Business Expansion Fund, the Climate Catalyst Fund and the IBank Fund.

Public Comment and Adjournment

Acting Chair Dombrowski asked for a final public comment and heard none.

Acting Chair Dombrowski declared the meeting adjourned at approximately 2:24 p.m.