

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBank)
CONDUIT 501 (c)(3) REVENUE BOND FINANCING**

STAFF REPORT

EXECUTIVE SUMMARY	
Applicant:	Access Services Incorporated (“Access” or “Borrower”)
Par Amount Requested:	Not to exceed \$32,000,000
Applicant Description:	Founded in 1994, Access is a California 501(c)(3) nonprofit public benefit corporation promoting access to various modes of transportation and providing safe and quality American with Disabilities Act (ADA) paratransit services across Los Angeles County with next day, curb to curb transportation services for riders with disabilities.
Type of Financing:	Conduit Tax-Exempt and/or Taxable Variable Rate Obligations (“Obligations”)
Project Description:	Financing, refinancing, and/or reimbursing the Borrower for a portion of the costs of the acquisition, construction, improvement, furnishing and equipping of the Borrower’s paratransit facilities (the “Facilities”), and (ii) paying certain costs of issuance and related costs (collectively, the “Project”). Access will use the acquired site to store the vehicles that provide paratransit services to Los Angeles County residents.
Potential Project Sites:	<u>Los Angeles County</u> 15914 South Avalon Boulevard, Compton, CA 90220-3213
Plan of Finance:	IBank will lend the proceeds of the Obligations to the Borrower to finance, refinance, and/or reimburse the Borrower for all or a portion of the costs of the Project pursuant to a loan agreement.
Type of Issue:	Private Placement to CN Financing, Inc.
Tax Status:	Tax-Exempt and/or Taxable
Expected Maturity Date:	11/1/2031
Credit Enhancement:	None
Credit Rating:	None
IBank Fees¹:	Application Fee \$5,000; Issuance Fee \$31,000; Initial Annual Fee \$4,800

SOURCES AND USES			
Estimated Sources Funds:		Estimated Uses Funds:	
Tax-Exempt Obligations Proceeds	\$32,000,000	Tax-Exempt Proceeds: Property Acquisition	\$25,000,000
Borrower’s Funds	\$10,200,000	Tax-Exempt Proceeds: Renovation/Retrofit	\$7,000,000
Federal Grants	\$15,000,000	New Construction/Property Acquisition	\$25,000,000
		Costs of Issuance	\$200,000
TOTAL SOURCES	\$57,200,000	TOTAL USES	\$57,200,000

¹ IBank Issuance Fee and Annual Fee are subject to change. The current amounts are based on the NTE amount.

FINANCING TEAM	
Bond Counsel:	Kutak Rock LLP
Private Placement Agent:	City National Bank
Public Benefits:	<p>Access provides more than 3.1 million trips per year to more than 108,000 qualified disabled riders in a service area of over 1,950 square miles.</p> <p>The Project will allow Access to store vehicles that provide paratransit services to Los Angeles County residents in support of the mission of Access. The Project is estimated to create 100 Construction Jobs, 300 Full Time Jobs and 200 Part Time Jobs.</p>
Date of Board Meeting:	10/23/2024
Resolution Number:	24-17
Prepared by:	John Belmont
Date Prepared:	October 1, 2024
Staff Recommendation:	Staff recommends approval of Resolution 24-17 authorizing the issuance of conduit Tax-Exempt and/or Taxable Variable Rate Obligations in an amount not to exceed \$32,000,000 for the benefit of Access Services Incorporated.

BACKGROUND AND HISTORY

Access was founded in 1994 and is Los Angeles County's second-largest paratransit provider. Access is a California nonprofit public benefit corporation that offers access to various modes of transportation and provides safe and quality American with Disabilities Act ("ADA") paratransit services across Los Angeles County with next day, curb to curb transportation services for riders with disabilities. Access's service area includes six regions served by separate contractors: Santa Clarita, Antelope Valley, Northern, Eastern, West-Central and Southern regions. In addition to the Borrower's paratransit service, they also act as the Los Angeles County Consolidated Transportation Services Agency ("CTSA"), a state mandated facilitator charged with the development and implementation of regional coordination of social service transportation to seniors, persons with disabilities, youth, and low-income disadvantaged persons.

Access is governed by a nine-member Board of Directors, and two advisory committees: (1) the Community Advisory Committee ("CAC") made up of customers and social service professionals; and (2) the Transportation Professionals Advisory Committee ("TPAC") made up of public transit professionals and social service agency staff. Both committees have fifteen voting members. The Access's Board of Directors members are appointed from: (i) the Los Angeles County Board of Supervisors, (ii) the City Selection Committee's Corridor Transportation Representatives, (iii) the Mayor of the City of Los Angeles, (iv) the Los Angeles County municipal fixed-route operators, (v) the Los Angeles County local fixed-route operators, (vi) the Los Angeles County Commission on Disabilities, (vii) the Coalition of Los Angeles County Independent Living Centers, (viii) the Los Angeles County Metropolitan Transportation Authority, and (ix) an alternating appointment by the municipal and local fixed-route operators.

Access administers the Los Angeles County Coordinated Paratransit Plan ("Plan") on behalf of the County's 46 public fixed route operators. Pursuant to the Plan, Access facilitates the provision of complementary ADA paratransit services to certain persons with disabilities as required by 42 U.S.C. §12143 under the name "Access Paratransit." Paratransit is an alternative mode of flexible passenger transportation. Typically, vans or minibuses are used to provide paratransit service, but also shared taxis and jitneys. Complementary ADA paratransit is a federally mandated civil right for persons with disabilities who cannot ride the accessible public fixed route buses and trains.

Access facilitates Access Paratransit service by entering into and administering federally funded regional contracts with independent private transit providers, which providers, in turn, supplies the reservation taking and transportation service in conformance with the Plan, applicable law and the contract. Access receives its funding for these services from Proposition C sales tax, Federal grants under Section 5310² program and fare box revenue. In its function as the Consolidated Transportation Services Agency, Access acts as a state mandated facilitator charged with the development and implementation of regional coordination of social service transportation to seniors, persons with disabilities, the young, and the low-income disadvantaged.

The Borrower is listed in Good Standing with the California Secretary of State.

Current leadership is listed in Appendix A.

PROJECT DESCRIPTION

The Borrower is requesting that IBank issue Obligations in one or more series for assistance in: (i) financing, refinancing, and/or reimbursing the Borrower for a portion of the costs of the acquisition, construction,

² Enhanced Mobility of Seniors & Individuals with Disabilities – Section 5310: <https://www.transit.dot.gov/funding/grants/enhanced-mobility-seniors-individuals-disabilities-section-5310>

improvement, furnishing and equipping of the Borrower's Facilities located at 15914 South Avalon Boulevard, Compton, California 90220-3213, consisting of an approximately 6.09 acres site with an approximately 76,000 square foot industrial building, and (ii) paying certain costs of issuance and related costs in connection with the Obligations.

Access will use the acquired site to store the vehicles that provide paratransit services to Los Angeles County residents. The estimated purchase price of the property is approximately \$35 million and estimated property renovations and retrofit is approximately \$22 million. Access is expected to construct a new facility at the property with the estimated costs of approximately \$15 million, which is expected to be paid with the Federal Grants under Section 5310. The expected construction start date is December 1, 2024.

(See Appendix B--Project Photos)

FINANCING STRUCTURE

IBank Term Sheet Access Services Incorporated Board Meeting Date: 10/23/2024

Par Amount:	Not to exceed \$32,000,000; Tax-Exempt and/or Taxable Loan Obligations.
Type of Offering:	Private Placement.
Lender:	CN Financing, Inc., a California corporation, and/or a related or successor entity.
Credit Enhancement:	None.
Expected Credit Rating:	Unrated.
Interest Rate:	Variable interest rate, expected to be SOFR or a percentage of SOFR plus a spread and subject to adjustment as set forth in the Transaction Documents.
Maturity*:	November 1, 2031
Collateral:	First lien deed of trust, security agreement, assignment of leases and rents, and fixture filing on certain real and personal property of the Borrower.
Expected Closing Date*:	November 15, 2024
Conduit Transaction:	The Obligations are the special limited obligations of IBank payable solely from payments made by the Borrower under the Transaction Documents and IBank shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of IBank for all or any portion of payment to be made pursuant to the Obligations.

* Please note that Maturity and Expected Closing Date are subject to change.

Financing Structure

The Obligations will be directly purchased by CN Financing, Inc. (“Lender”) and loaned to the Borrower pursuant to a Loan Agreement. Transfer of the Obligations will be limited to affiliates and qualified institutional buyers (“QIBs”) within the meaning of S.E.C. Rule 144A promulgated under the Securities Act of 1933 and they may only be transferred in whole.

The Obligations will be issued pursuant to the Section 145 of the Internal Revenue Code of 1986 (“Code”), will have a variable rate. The Obligations repayments are expected to be monthly principal and interest payments based on a 7-year amortization schedule.

The Obligations are expected to be designated as the \$25 million Series A Obligations and the up to \$7 million Series B Obligations. The Borrower will have drawdown ability on the Series B Obligations. The funding of the Series B Obligations will be subject to the Lender’s prior approval according to the set conditions in the Loan Agreement.

The Borrower pledges a first priority lien and security interest, within the meaning of the California Uniform Commercial Code and to the extent permitted by law, in all of its right, title, and interest in the Project Fund. To further secure the payment obligations, the Borrower will execute the Security Agreement. The Borrower is expected to enter into a Swap Agreement with Royal Bank of Canada.

Limited Obligations of IBank

The Obligations are payable solely from and secured solely by the pledge of the Borrower’s payments under the transaction documents. Neither IBank; nor any of the members of its Board of Directors; nor any of its officers or employees; nor any person executing the transaction documents on behalf of IBank shall be personally liable for the Obligations or subject to any personal liability or accountability by reason of the execution thereof. The Obligations are limited obligations of IBank and are not a pledge of the faith and credit of IBank or the State of California or any of its political subdivisions.

PUBLIC BENEFITS

Access Paratransit service is available for any ADA paratransit eligible individual for any purpose and to or from any location within $\frac{3}{4}$ of a mile of any fixed route bus operated by the Los Angeles County public fixed route bus operators and within $\frac{3}{4}$ of a mile around METRO Rail stations during the hours that the systems are operational. The service area extends into portions of the surrounding counties of San Bernardino, Orange and Ventura that are served by Los Angeles County Fixed-route bus lines.

Access operates seven days a week, 24 hours of the day in most areas of Los Angeles County. Fares are distance-based and range from \$2.75 to \$3.50 for each one-way trip. Personal Care Attendants may ride with the qualified rider for free.

Access also leases vehicles to the regional providers at \$1 per month to help facilitate the provision of service under the contracts. In total, the Access Paratransit system provides more than 3.1 million trips per year to more than 108,000 qualified disabled riders in a service area of over 1,950 square miles.

The Project and acquisition of the property will allow Access to store vehicles that provide paratransit services to Los Angeles County residents in support of the mission of Access. The Project is anticipated to create 100 temporary construction jobs, 300 full time jobs and 200 part time jobs.

OTHER PROJECT DATA

PERMITS AND APPROVAL	
Required? No	If Yes, Describe: N/A
TEFRA	
Date of TEFRA Publication: 10/15/2024	Publications: IBank Website, https://ibank.ca.gov
Date of TEFRA Hearing: 10/22/2024	Oral/Written Comment: No, If yes explain: None
ELIGIBILITY REVIEW	
Applicant meets all the IBank eligibility criteria? Yes or No Yes	<ol style="list-style-type: none"> 1. Project is in the State of California 2. The Borrower is capable of meeting the obligations incurred under relevant agreements. 3. Payments to be made by the Borrower to IBank under the proposed financing agreements are adequate to pay the current expenses of IBank in connection with the financing and to make all the scheduled payments. 4. The proposed financing is appropriate for the Project.
INDUCEMENT CERTIFICATE	
Completed? N/A	Certificate Number: _____ Date: _____

RECOMMENDATION

Staff recommends approval of Resolution 24-17 authorizing the issuance of conduit Tax-exempt Variable Rate Obligations in an amount not to exceed \$32,000,000 for the benefit of Access Services Incorporated.

APPENDIX A: GOVERNANCE AND MANAGEMENT

BOARD MEMBERS	
Andre Colaiace	Executive Director
Hector Rodriguez	Deputy Executive Director
Mike Greenwood	Chief Operations Officer

OFFICERS	
Theresa DeVera, Board Chair	City of Los Angeles Mayor's Office City of Los Angeles Los Angeles, California
Doran J. Barnes, Vice Chair	City Selection Committee's Corridor Transportation Reps. Foothill Transit West Covina, California
Lee Burner, Treasurer	Los Angeles Municipal Operators Long Beach Transit Long Beach, California
Dolores Nason, Secretary	County of Los Angeles, Board of Supervisors County of Los Angeles Los Angeles, California
Valerie Gibson, Member	Los Angeles Local Operators City of Pasadena Pasadena, California
Martin Gombert, Member	Los Angeles Local Operators City of Commerce / Palos Verdes Commerce, California
Giovanna Gogreve, Member	Los Angeles County Metropolitan Transportation Authority LACMTA Los Angeles, California
Liam Matthews, Member	Los Angeles County Independent Living Centers Collaboration Los Angeles, California
John B. Troost, Member	Los Angeles County Commission on Disabilities County of Los Angeles

Access Services has provided IBank with a copy of their By-Laws and Conflict-of-Interest Policy.

APPENDIX B: PROJECT PHOTOS

