

MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
Wednesday, October 23, 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,
Michele Perrault, for the Department of Finance,
William Pahland, for 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 noting he had just returned from Papua New Guinea, considered among the most remote places on Earth with 70% of the country still unexplored. He explained the country was located on the world's 2nd largest island, and is the 3rd largest island nation, larger than Japan or the UK. He also noted that while it borders the largest island nation, Indonesia, with a population of nearly 300 million, nobody knows the actual population of Papua New Guinea given the difficulty of reaching its more than 5,000 remote tribes. It is also home to 20% of the world's known languages – with over 850, and the 3rd largest rainforest housing 5% of the world's biodiversity.

Mr. Wu explained he was there on behalf of FHI360, a global humanitarian aid organization that has been providing health care and economic development in this country for over 30 years with a local team currently of about 50. Mr. Wu reflected that while he had been to many of the poorest countries in the world, he had never seen one with less infrastructure. He explained that most of the nation is off-grid from electricity and with limited access to communication and that even in the capital city such services are sporadic and subpar. For transportation, there is no train, few bicycles, and most of the country is not even accessible by roads. Mr. Wu related that one of their health care partners had sent a team to visit their

field hospital for the first time, which required staff to travel by car until the roads ended, before setting off on a 3-day hike, and sleeping in local villages on their way.

Mr. Wu noted this underdevelopment was unfortunate for a nation with such a large footprint and abundant natural resources. Foreign exploitation of their mineral and energy wealth such as gold, natural gas and oil partially explains the extreme inequality of their economy, with severe poverty rates contributing to its status as one of the world's most violent countries.

Mr. Wu expressed hope that Papua New Guinea would find a means to develop its economy without degrading its natural and human treasure of diversity. Mr. Wu noted only time will tell, in a place that has remained so untouched by time, but he was certain of his now even greater appreciation for the importance of critical infrastructure, and the challenges of economic development in its absence.

Mr. Wu then turned to Information Items.

He noted that IBank plans to host municipalities and special districts from the greater Sacramento region to learn about our municipal loan and bond offerings. IBank had received promotional support from the California League of Cities, California State Association of Counties, GO-Biz and others. This first event is intended to inform future events in other regions of the state.

Mr. Wu concluded by welcoming our IBank's newest and youngest member. Shrina Kurani and her husband welcomed their first child, Samar Wolfgang Kurani von Essen on September 16th. Mr. Wu reported the family was doing well, and Samar looks forward to meeting his IBank colleagues.

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 September 25, 2024

Acting Chair Dombrowski opened the discussion of the previous meeting's minutes. Mr. Pahland abstained from voting as he was not in attendance. Noting no need for further discussion, the remaining three Board members unanimously approved the September 25, 2024, meeting minutes.

Action Item

4. Resolution No. 24-17 approving the issuance of tax-exempt obligations, in an amount not to exceed \$32,000,000, to be sold to CN Financing through a private placement and loaning the proceeds to Access Services Incorporated to finance an eligible project located in the City of Compton.

Dalibor Zivkovic, Public Finance Analyst, introduced Resolution 24-17.

He began by introducing the representatives of Access Services Incorporated: Hector Rodriguez, Deputy Executive Director, and Sam Balisy, Bond Counsel (Kutak).

Mr. Zivkovic then described the project as a \$32,000,000 private placement financing in two series to acquire and improve a paratransit facility for Access Services, located in Compton. The facility would allow Access to store and service its vehicles in a central

location for its services. Describing the project's public benefits, Mr. Zivkovic noted that Access, through its paratransit services, 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. He further noted the project was estimated to create 100 construction jobs, 300 full time Jobs and 200 part time jobs.

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

Mr. Rodriguez noted he had no prepared comments, but that the project was Access's first facility of that type and would help them to provide services across Los Angeles County.

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

Mr. Pahland asked about the transfer restrictions on the obligations and whether permitted transfers to affiliates would be to Qualified Institutional Buyers (QIBs) only. Mr. Balisy confirmed the transfers were permitted to affiliates of CN Financing but that they might not be QIBs. Mr. Pahland then asked whether the loan was fully amortized over the 7-year term. Mr. Balisy confirmed it was. Mr. Pahland then asked about the role of the Series B financing and the intent behind that structure. Mr. Rodriguez confirmed that the Series A financing of \$25M would be used for acquisition of the property, and the Series B financing of \$7M would be used for later improvements and drawn down as needed. Mr. Rodriguez also confirmed the financing would be secured by a mortgage on the property. Mr. Pahland thanked the representatives for the answers.

Acting Chair Dombrowski then asked for any public comment. Hearing none, Mr. Pahland moved for approval of the resolution and Ms. Perrault seconded. The Board voted unanimously to pass Resolution 24-17.

Acting Chair Dombrowski congratulated Access Services on the approval.

5. Resolution No. 24-18 approving the issuance of tax-exempt fixed rate revenue bonds in an amount not to exceed \$120,000,000 for the benefit of Harvard-Westlake School to finance eligible projects located in the County of Los Angeles.

Dalibor Zivkovic, Public Finance Analyst, also introduced Resolution 24-18.

He began by introducing the representatives of Harvard-Westlake School: David Weil, CFO, and Brian Bouchey, Controller, along with Sam Balisy, and David Mnatsakanyan, Bond Counsel (Kutak), Chad Christoff, Jeremiah Miller, and Stephen Kelly, Underwriters (Stifel), and Jessica Zaiger, and Sophie Rosales, Underwriters' Counsel (Polsinelli).

Mr. Zivkovic then noted the project was a \$120,000,000 public offering to finance, refinance and/or reimburse the Borrower and/or 4141 Whitsett Management LLC, a California limited liability company the sole member of which is the Borrower, for the acquisition, development, construction, improvement and equipping of various educational and athletic facilities at the school's three facilities. This includes necessary improvements to the School's existing facilities and the completion of the River Park athletic and recreational facilities.

Noting the public benefits, Mr. Zivkovic explained the River Park facility would serve the School's student body, and also be a resource to the local community and youth-centered non-profit organizations. He further noted the School currently employs 720 faculty and

staff and the project expected to create 35 permanent staff positions and 320 temporary construction jobs.

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

Mr. Weil thanked IBank's Board for its support of this project. He noted the School had been founded in 1900 and this was its first financing. He said this reflected the importance of the project to the School and to the larger community.

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

Mr. Pahland asked the School about the status of the California Environmental Quality Act (CEQA) litigation related to the River Park facility. He noted there was a December 10th hearing date on calendar and asked the School how they intended to structure closing the financing in light of this hearing. Mr. Weil noted that the bonds would have a special optional redemption feature, but that the School was likely to proceed with the financing and was comfortable managing the financing while addressing any potential remediation or CEQA changes. Mr. Pahland thanked Mr. Weil for the answer.

Acting Chair Dombrowski then asked for any public comment. Hearing none, Mr. Pahland moved for approval of the resolution and Ms. Perrault seconded. The Board voted unanimously to pass Resolution 24-18.

Acting Chair Dombrowski congratulated the Harvard-Westlake School on the approval.

Reporting/Non-Action Business

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 2:15 p.m.