

RESOLUTION NO. 25-11

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 \$11,000,000 FOR THE CITY OF DEL MAR

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;

WHEREAS, the City of Del Mar (the “Borrower”), a California municipal corporation, is seeking financing under the Infrastructure State Revolving Fund Program (the “ISRF Program”) in an amount up to \$11,000,000 (the “ISRF Financing”) for financing portions of eligible project costs of the Utility Undergrounding District X1A (“Crest Canyon”) and 1B (“Stratford Court North”) project components, as more fully described in Attachment A hereto (collectively, the “Project”);

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,” dated June 28, 2023 (the “Criteria”), except that Section II. A. of the Criteria requires that applicants demonstrate feasibility to complete construction within 2 years after the close of IBank’s financing (the “2 Year Construction Completion Criteria”), but the Borrower has requested an additional 12 months for a total of 36 months to complete the Project in case of unforeseen delays and events;

WHEREAS, the IBank Board of Directors (the “Board”) holds the authority to waive Criteria requirements as necessary to accommodate complex or unusual transactions and, in order to accommodate IBank’s financing of the Project, intends to waive compliance with the 2 Year Construction Completion 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 \$11,000,000 to the Borrower for the costs of the Project, subject to the execution of a financing agreement between IBank and the Borrower and associated financing 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, Chief Deputy Executive Director, or either of their 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. The Board finds the waiver of the 2 Year Construction Completion Criteria is necessary and appropriate to accommodate the ISRF Financing and hereby waives compliance with the 2 Year Construction Completion Criteria.

Section 7. 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 July 23, 2025, by the following vote:

AYES: Myers, Fowler, Louie, Quant, Steinorth

NOES:

ABSENT:

ABSTAIN:

By: **scott wu** Digitally signed by scott wu
Date: 2025.07.23 17:40:37
-07'00'

Scott Wu,
Executive Director

ATTEST

By: **Angel Lau** Digitally signed by Angel Lau
Date: 2025.07.24 09:13:35
-07'00'

Angel Lau,
Secretary of the Board of Directors

ATTACHMENT A

Description of the Project

Generally, the Project is comprised of two districts within the Borrower's larger citywide utility undergrounding project, known as Utility Undergrounding District (UUD) X1A (Crest Canyon) and UUD 1B (Stratford Court North), designed to remove existing utility poles and replace overhead cables for electricity and telecommunications with underground lines.

The Project includes, but is not limited to, design, engineering, architecture, construction, construction contingency, demolition, removal, resurfacing, restoration, landscaping, permitting, construction management, project administration, general project development activities, and other components necessary or desirable in connection with an infrastructure 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 Del Mar (Borrower)
- 2. Project Name:** Utility Undergrounding District (UUD) X1A (Crest Canyon) and UUD 1B (Stratford Court North) (Project).
- 3. Amount of ISRF Program financing:** \$11,000,000 (Tax-exempt Financing)
- 4. Maturity:** Not to exceed 10 years. Financing may not be prepaid.
- 5. Repayment/Leased Asset:** Annual lease payments according to the terms of the ISRF program financing lease agreement (Financing Agreement) between IBank and the Borrower for the property at 1658 Coast Blvd, Del Mar, CA 92014. Lease payments will be made from the Borrower's General Fund.
- 6. Interest Rate:** All-in 3.18% which includes annual servicing fee described in item 7 below). The rate will be locked as outlined in item 8 below.
- 7. Fees:** Borrower to pay the origination fee of 1.00% (\$110,000) of the Financing amount upon close of Financing, and an annual servicing fee of 0.15% of the outstanding balance.
- 8. Rate Lock:** The interest rate in item 6 will be locked for a period of 90 calendar days after IBank Board (Board) approval of the ISRF financing (the Rate Lock Period). After the Rate Lock Period, and up until IBank's Financing commitment expires (as described in item 9 below), the interest rate may be reset at the discretion of IBank's Credit Committee.
- 9. Limited Time:** Subject to the Board's approval of the Financing resolution, IBank's Financing commitment expires 180 calendar days from the date of its adoption. If the Borrower and IBank have not executed a Financing Agreement before the commitment expires, there can be no assurances that IBank will be able to grant the Financing to the Borrower or consider extending the commitment period
- 10. Not an Unconditional Commitment:** If the IBank Board (Board) approves the resolution authorizing the Financing request, the resolution shall not be construed as an unconditional commitment to finance the Project, but rather is conditioned upon entry by IBank and the Borrower into a Financing Agreement (or Agreements), in form and substance satisfactory to IBank.
- 11. ISRF Program Financing Agreement Covenants and Conditions:** The Financing Agreement shall include, among other things, the following covenants:
 - a.** Borrower to comply with the requirements of the ISRF Program Criteria and all applicable laws, regulations, and permitting requirements associated with public works projects.
 - b.** Leased Asset must not be the subject of any material encumbrance, litigation or controversy.
 - c.** Each fiscal year, Borrower must budget and appropriate funds sufficient to make annual lease payments for the Leased Asset.
 - d.** Borrower to procure ALTA title insurance policy for the Leased Asset.
 - e.** The Borrower shall meet standard insurance requirements with respect to property and casualty insurance, general liability insurance, worker's compensation, and builder's risk insurance.
 - f.** Borrower to procure and maintain rental interruption insurance for a period of at least six months beyond the time needed to reconstruct the Leased Asset.
 - g.** Borrower to covenant against future encumbrances against the Leased Asset.

- h.** Any substitution or release of the Leased Asset must comply with the requirements of the Financing Agreement.
- i.** Borrower to provide to IBank annually, within 180 days of the end of each of the Borrower's fiscal years, a copy of its audited financial statements together with an annual certificate demonstrating compliance with the foregoing covenants, as well as any other information IBank may reasonably request from time to time.
- j.** No disbursements of the Financing will be allowed until the Borrower provides evidence satisfactory to IBank that all required Project funding sources are secured and available to fund the Project.
- k.** Such other covenants and conditions that IBank or its counsel may reasonably require.