



CALIFORNIA
PUBLIC
FINANCE
AUTHORITY

Kings County Government Center
1400 W. Lacey Boulevard
Hanford, California 93230

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Agenda

Tuesday, May 22, 2018

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board
2. **APPROVAL OF MINUTES**
Approval of the minutes from the May 8, 2018 regular meeting.
3. **NEW BUSINESS**
A. Consideration of approving resolution 18-04A for Balboa Management Group, LLC (Silverlakes Equestrian & Sports Park), City of Norco, County of Riverside; up to \$6,200,000 of revenue bonds. (Staff – Caitlin Lancot)
4. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.
5. **STAFF UPDATES**
6. **ADJOURNMENT**
Adjourn as the California Public Finance Authority.



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2. **APPROVAL OF MINUTES**

Approval of the minutes from the May 8, 2018 regular meeting.



Action Summary

Tuesday, May 8, 2018

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

B1

1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board
ALL MEMBERS PRESENT

2. **APPROVAL OF MINUTES**
Approval of the minutes from the April 24, 2018 regular meeting.
ACTION: APPROVED AS PRESENTED (DV/JN/CP/RV-Aye, RF-Abstain)

3. **CONSENT CALENDAR**
A. Consideration of approving an inducement resolution 18-03I for:
 1. Junction Station, LP (Junction Crossing Apartments), City of Roseville, County of Placer; up to \$20,000,000 of revenue bonds.
 2. Aszkenazy Development, Inc. (The Lugo Apartments), City of San Fernando, County of Los Angeles; up to \$21,500,000 of revenue bonds.**ACTION: APPROVED AS PRESENTED (JN/DV/CP/RF/RV-Aye)**

4. **NEW BUSINESS**
A. Consideration of approving resolution 18-03A for Reliant – Valley, LP, City of San Bernardino, County of San Bernardino, City of Woodland, County of Yolo, City of Fresno, County of Fresno; up to \$80,000,000 of revenue notes. (Staff – Caitlin Lanctot)
ACTION: APPROVED AS PRESENTED (DV/RF/JN/CP/RV-Aye)

5. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. None

6. **STAFF UPDATES**
None

7. **ADJOURNMENT**
The meeting was adjourned at 11:20 a.m.



3. NEW BUSINESS

A. Consideration of approving resolution 18-04A for Balboa Management Group, LLC (Silverlakes Equestrian & Sports Park), City of Norco, County of Riverside; up to \$6,200,000 of revenue bonds. (Staff – Caitlin Lanctot)



CALIFORNIA PUBLIC FINANCE AUTHORITY

DATE:	MAY 22, 2018
APPLICANT:	BALBOA MANAGEMENT GROUP, LLC
AMOUNT:	UP TO \$6.2 MILLION OF REVENUE BONDS
PURPOSE:	FINANCE ADDITIONAL PARITY REVENUE BONDS FOR THE CONSTRUCTION, EQUIPPING AND FURNISHING OF AN EQUESTRIAN AND SPORTS PARK
PRIMARY ACTIVITY:	RECREATION
LEGAL STRUCTURE:	LIMITED LIABILITY COMPANY

Background:

Balboa Management Group, LLC (“Balboa” or “Borrower”) has developed the SilverLakes Equestrian and Sports Park facility on a 121 acre site located at 5555 Hamner Avenue in Norco (the “Project” or “SilverLakes”). The Borrower has requested CalPFA to issue and deliver revenue bonds in an amount not to exceed \$6,200,000 (the “Bonds”) for the purpose of financing additional construction on the property. In 2015 the sports complex was constructed, providing fields for use for youth soccer, parking, stadium seating, equestrian facilities and recreation vehicle parking. Construction was completed from \$20,000,000 of taxable revenue bonds issued in 2015; an additional \$5,900,000 of taxable revenue bonds were issued through CalPFA in 2016. The 2018 Bonds will be issued on a parity basis to the 2015 and 2016 Bonds. Phase I improvements completed with the proceeds of the 2015 Bonds included synthetic fields with lighting; natural turf fields; satellite restroom facilities; and paved parking. The 2016 Bonds funded new construction related to the development of the Field House (on-site restaurant), the Back Yard (concert venue), and a freeway sign along I-15; the Bonds also paid Cost of Issuance and funded capitalized interest. The 2018 Bonds will fund the completion of various construction/improvement projects on site, fund working capital and pay costs of issuance.

SilverLakes is a unique facility designed to capture value from the underserved and undervalued amateur youth sports market, with primary emphasis on youth soccer. The facility also serves the amateur and professional equestrian market. The facility will ultimately have 25 full-size soccer fields, 1,500 horse stall capacity, and a lit stadium field with a 5,000 seat capacity. The primary use of this property will be for sporting events. Secondary use will be for concerts, conferences, corporate events and other outdoor gatherings.

Public Benefit:

SilverLakes provides a much needed supply of fields for youth soccer in Southern California. The Project benefits the City of Norco with state of the art recreation facilities, a favorable tax and fee structure, widening and improvement of Hamner Avenue along the length of the property and the construction of a causeway under the entrance road. Additionally, 1.7 million visitors are expected to visit the facilities annually, creating jobs and revenue for the City.



The Project is also socially and environmentally responsible. SilverLakes inspires and empowers players young and old through involvement in competitive sports. It is one of the greenest large-scale outdoor facilities available in its responsible use of materials, energy and resources. As a commitment to the community, SilverLakes will create a number of onsite charitable initiatives. These will support the regional and local constituency through donations to area charities and worthy causes.

TEFRA Information:

No TEFRA is required as this is a taxable financing.

Finance Team:

- Bond Counsel: Hinckley, Allen & Snyder, LLP, Boston, MA
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: B.C. Ziegler & Co., Newport Beach
- Private Placement: RPM Capital Management, Greenwich, CT

Financing Structure:

The Bonds will be privately placed with RPM Capital Management (“RPM”). RPM also holds all of the 2015 and 2016 Bonds, and serves as the Bondholder Representative for those series, as it also will with the 2018 Bonds. As Bondholder Representative RPM has additional rights and powers beyond that of a traditional bondholder; this allows RPM to stay closely involved with the Borrower as the project is developed and stabilized. The interest rate will be 9.5% fixed for a term of 21 years. The Bonds will be unrated, and all three series of Bonds are immediately callable (i.e there is no optional redemption lockout). The Borrower is securing this financing (along with the 2015 and 2016 Bonds) with a personal guarantee which has been agreed to by RPM. The proposed issuance is in accordance with CalPFA’s issuance guidelines.

Estimated Sources and Uses:

<u>Sources</u>	
Par Amount	5,900,000.00
	5,900,000.00
<u>Uses</u>	
Total Project Costs	5,582,000.00
Cost of Issuance	300,000.00
Underwriter (Ziegler)	118,000.00
	5,900,000.00



Recommendation:

Based on the overall Project public benefit and finance related considerations detailed above and compliance with CalPFA's general and issuance policies, Staff recommends that the Board of Directors approve the Resolution as submitted to the Board, which:

1. Approves the granting of the Bonds;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Board or authorized signatory to sign all necessary documents.

CALIFORNIA PUBLIC FINANCE AUTHORITY RESOLUTION

RESOLUTION NO. 18-04A

CALIFORNIA PUBLIC FINANCE AUTHORITY

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$6,200,000 TO FINANCE THE
CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF A
RECREATIONAL AND SPORTS FACILITY FOR
BALBOA MANAGEMENT GROUP, LLC
AND OTHER MATTERS RELATING THERETO**

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Kings County and the Housing Authority of Kings County (the "Charter Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, the City of Norco (the "City") became an Additional Member pursuant to the provisions of the Agreement and pursuant to Resolution 2012-22 adopted by the City on May 4, 2016;

WHEREAS, the Authority is authorized by its Agreement and under the Act to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing of certain projects;

WHEREAS, Balboa Management Group, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware and in good standing under the laws of the State of California (the "Company"), wishes to finance additional construction, improvement, renovation and equipping of a recreational and sports facility (the "Project") owned and operated by the Company and located in the City of Norco, Riverside County, California;

WHEREAS, the Company is requesting the assistance of the Authority in financing the Project;

WHEREAS, pursuant to an Indenture (the "Indenture"), between the Authority and Wilmington Trust, N.A. (the "Trustee"), the Authority will issue the California Public Finance Authority Revenue Bonds (Silverlakes Equestrian & Sports Park) Series 2018 (Taxable) (the "Bonds") for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Loan Agreement (the "Loan Agreement"), between the Authority and the Company, the Authority will loan the proceeds of the Bonds to the Company for the purpose, among others, of financing the Project;

WHEREAS, pursuant to a Bond Purchase Contract, to be dated the date of sale of the Bonds (the "Purchase Contract"), among B.C. Ziegler & Company, as underwriter (the

“Underwriter”), the Authority and the Company, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Corporation and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

WHEREAS, the Bonds will be offered for sale to Accredited Investors and Qualified Institutional Buyers (as defined in the Indenture) through a limited offering memorandum;

WHEREAS, there have been made available to the Board of Directors of the Authority the following documents and agreements:

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Contract; and
- (4) A proposed form of limited offering memorandum (the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Bonds.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Public Finance Authority, as follows:

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Public Finance Authority Revenue Bonds (Silverlakes Equestrian & Sports Park) Series 2016 (Taxable)” in an aggregate principal amount not to exceed Six Million Two Hundred Thousand Dollars (\$6,200,000.00). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Board of Directors of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 17-01C of the Authority, adopted on April 25, 2017 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Indenture, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The trustee, dated date, maturity date or dates, interest rate or rates, tender provisions, interest payment dates, denominations, forms, registration privileges,

manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 3. The proposed form of Loan Agreement, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of the Purchase Contract, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Purchase Contract, in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Limited Offering Memorandum, as made available to the Board of Directors, is hereby approved. The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum in final form to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

Section 6. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 8. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 9. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 22nd day of May, 2018.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on May 22, 2018.

By: _____
Authorized Signatory
California Public Finance Authority

EXHIBIT A

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the California Public Financing Authority (the "Authority") as conduit financing provider, prior to the Authority's regular meeting (the "Meeting") of its board of directors (the "Board") at which Meeting the Board will consider the authorization of conduit revenue obligations (the "Obligations") as identified below.

1. Name of Borrower: Balboa Management Group, LLC.
2. Authority Meeting Date: May 22, 2018.
3. Name of Obligations: California Public Financing Authority Revenue Bonds (SilverLakes Equestrian & Sports Park) Series 2018 (Taxable).
4. Private Placement Lender or Bond Purchaser, Underwriter or Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 10.58%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$420,000.
 - (C) The amount of proceeds received by the Borrower for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$5,580,000.00.
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$14,232,225.00.
5. The good faith estimates provided above were presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or

officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: May 22, 2018