RESOLUTION NO. 14-16

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 $14,130,000 FOR THE CITY OF SANTA CRUZ

WHEREAS, the California Infrastructure and Economic Development Bank (the "IBank") established and 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; and

WHEREAS, the City of Santa Cruz (the "Borrower") is seeking financing under the Infrastructure State Revolving Fund Program (the "ISRF Program") requesting $14,130,000 for financing eligible project costs associated with road rehabilitation projects throughout the City of Santa Cruz, as more fully described in Attachment A hereto (the "Project"); and

WHEREAS, the Borrower and Project meet all applicable eligibility requirements, for infrastructure projects, mandated by the IBank Act and by the Amended and Restated Criteria, Priorities and Guidelines for the Selection of Projects for Financing under the ISRF Program, adopted on October 29, 2013 (the "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 IBank authorizes and approves providing a financing under the ISRF Program in principal amount not to exceed $14,130,000 to the Borrower for the costs of the Project (the "ISRF Financing"), subject to the execution of a financing agreement between the IBank and the Borrower and associated loan documentation (collectively, the "Financing Agreement"). Such Financing Agreement shall reflect the Board-approved financing terms and conditions as set forth in the staff report accompanying this Resolution.

Section 3. All actions heretofore taken by the officers and employees of the IBank with respect to the consideration and approval of the ISRF Financing are hereby approved, confirmed and ratified. The IBank's Executive Director (the "Executive Director") or the Executive Director's assignees, and each of their authorized, designees, deputies, agents and counsel 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 which they or counsel to the IBank 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) to otherwise to 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 approval pursuant to this Resolution is conditioned upon entry by the IBank and the Borrower into a Financing Agreement, in form and substance satisfactory to the IBank and its counsel, within 180 days of the date of its adoption. Such satisfaction is conclusively evidenced by the IBank's execution and delivery of 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 the IBank to provide the ISRF Financing or to reimburse the Borrower any of its Project expenditures.

Section 6. 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 November 18, 2014, by the following vote:

AYES: LUCHETTI, ORTEGA, FOWLER, ANNIS

NOES:

ABSENT: ROSSI

ABSTAIN:

By: _____
Teveia R. Barnes, Executive Director

ATTEST

By: _____
Ruben Rojas,
Secretary of the Board of Directors

ATTACHMENT A

Description of the Project

Generally, the Project consists of pavement reconstruction, overlay, cape and slurry seal, and asphalt grinding of City arterial and collector streets at various locations throughout the City. Construction of curb ramps, sidewalks, and gutters may also be required as well as construction to make adjustments to grade. The Project may also include the installation of pavement markings, traffic detectors, and improvements to comply with the Americans with Disabilities Act, as necessary.

More specifically, the Project consists of the following components:

- Pavement Rehabilitation on the following streets (from – to)
    - Fiscal Year 2015
        - Sumner (Gault to Dead end)
        - Broadway (Ocean View to Sumner)
        - Laurent (Escalona to Moore)
        - Storey (High to King)
        - Natural Bridge Dr. (Mission to Delaware)
        - Chestnut (Locust to Laurel)
        - Cedar (Lincoln to Laurel)
        - High (Western to Moore)
        - Rooney (Elk to Gilbert)
    - Fiscal Year 2016
        - King (Bay to Mission)
        - Seabright (Broadway to Murray)
        - Water (Ocean to Branciforte)
        - Goss (Elk to Market)
        - Market (Goss to Avalon)
        - Front (Soquel to Laurel)
        - River (Water to Josephine)
    - Fiscal Year 2017
        - Ocean (Highway 17 to Water)
        - Ocean (Soquel to East Cliff)
        - Soquel (Branciforte to Seabright)
        - King (Mission Hill) (Mission to Bay)
        - Front (Water to Soquel)
        - River (Highway 1 to Josephine)
        - High (Moore to Laurent)

- 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.