

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND FINANCING PROGRAM  
Approval Date: November 3, 2020**

*Request to Approve Initial Resolution Reflecting Official  
Intent to Issue Notes*

Prepared by: *Alison French-Tubo*

<b>Applicant:</b>	Garaventa Enterprises, Inc., and/or its affiliates	<b>Amount Requested:</b>	\$25,000,000
		<b>Application No.:</b>	940(SB)
<b>Project Locations:</b>	City of Antioch, City of Concord, and City of Pittsburg (Contra Costa County)	<b>Initial Resolution No.:</b>	20-08

**Summary.** Garaventa Enterprises, Inc., and/or its affiliates (the “Company”) request approval of an Initial Resolution (IR) for an amount not to exceed \$25,000,000 in tax-exempt notes. Note proceeds will be used to purchase new equipment and construct site improvements for solid waste disposal and recycling, including collection vehicles, a vehicle maintenance shop, and added food-waste diversion capacity at the Company’s Materials Recovery Facility (MRF) (the “Project”).

**Applicant.** Garaventa Enterprises, Inc., was founded in 1963 and is part of a family of commonly-owned companies that collect and process municipal solid waste materials and recyclables in the communities of Concord, Pittsburg, Oakley, Discovery Bay, Knightsen, Bethel Island, Byron, Bay Point, Rio Vista, and other unincorporated areas of Contra Costa and Solano Counties. The affiliated companies are Mt. Diablo Recycling, Contra Costa Waste Service, Inc., Concord Disposal Service, Inc., Rio Vista Sanitation Service, Inc., Delta Debris Box Service, Inc., Byron Disposal Service, Inc., Oakley Disposal Service, Inc., Brentwood Disposal Service, Inc., Pittsburg Disposal and Debris Box Service, Inc., and Discovery Bay Disposal, Inc. The Company is a small business which together with its affiliates employs 350 people.

The principal stockholders of the Company are as follows:

Garaventa Family Marital Trust – Louisa Binswanger Trustee	70%
Silvio Garaventa Jr.	6%
Marie Adler	6%
Louisa Binswanger	6%
Joseph Garaventa	6%
Linda Colvis	<u>6%</u>
Total:	100%

**Legal Status Questionnaire.** Staff has reviewed the Company’s responses to the questions contained in the Legal Status Questionnaire portion of the Application. No information was disclosed in the Legal Status Questionnaire portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

**Project Description.** The Project includes the purchase of equipment and site improvements for solid waste disposal and recycling at locations in Antioch, Concord, and Pittsburg. The site improvements and additional equipment for food-waste diversion, as required by SB 1383 (Lara, Chapter 395, Statutes of 2016) as enacted in Chapter 13.1 (commencing with section 42652) of the Public Resources Code, for the MRF are a main Project component. Additionally, the note proceeds will be used for the purchase of State Air Resources Board compliant solid waste collection vehicles. Also included in the Project is the construction of a new vehicle maintenance facility, and upgrades to an existing truck facility property related to parking, a fuel island, a truck wash, and storm water improvements.

**Volume Cap Allocation.** The Company anticipates applying to the California Debt Limit Allocation Committee for volume cap allocation in the first quarter of 2021.

**Financing Details.** The Company anticipates the issuance of direct purchase tax-exempt notes. The target date for financing is anticipated to be the first quarter of 2021.

**Financing Team.**

**Municipal Advisor to Applicant:** Westhoff, Cone & Holmstedt  
**Note Counsel:** Law Offices of Leslie M. Lava  
**Issuer's Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of Initial Resolution No. 20-08 for Garaventa Enterprises, Inc., and/or its affiliates for an amount not to exceed \$25,000,000.

*Note: An Initial Resolution approval is not a commitment that the California Pollution Control Financing Authority will approve a Final Resolution and note financing of the proposed Project.*

**RESOLUTION OF OFFICIAL INTENT TO ISSUE NOTES TO FINANCE  
SOLID WASTE DISPOSAL AND RECYCLING FACILITIES AND EQUIPMENT  
FOR GARAVENTA ENTERPRISES, INC., AND/OR ITS AFFILIATES**

**November 3, 2020**

**WHEREAS**, the California Pollution Control Financing Authority (“Authority”), a public instrumentality, is authorized and empowered by the provisions of the California Pollution Control Financing Authority Act (Division 27 (commencing with section 44500) of the Health and Safety Code) (“Act”) to issue bonds or notes for the purpose of financing the cost of certain solid waste disposal and recycling facilities and equipment located in Contra Costa County, California (“Project”); and

**WHEREAS**, Garaventa Enterprises, Inc., a California corporation (“Applicant”), has requested that the Authority assist in financing or refinancing the Project for the benefit of the Applicant and/or its affiliates (“Company”), and has presented an estimate of the maximum cost of the Project, as shown in Exhibit “A” attached hereto; and

**WHEREAS**, the Authority desires to encourage the Company to provide solid waste disposal and recycling facilities which will serve the public of the State; and

**WHEREAS**, the Authority deems it necessary and advisable to further the purposes of the Act that the Project be acquired at the earliest practicable date, but the Company requires satisfactory assurances from the Authority that the proceeds of the sale of notes of the Authority will be made available to finance or refinance the Project; and

**WHEREAS**, the Company expects to incur or pay from its own funds certain expenditures in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

**WHEREAS**, subject to meeting all the conditions set forth in this resolution the Authority reasonably expects that debt obligations in an amount not expected to exceed \$25,000,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Company for its prior expenditures for the Project; and

**WHEREAS**, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

**NOW, THEREFORE, BE IT RESOLVED** by the California Pollution Control Financing Authority as follows:

**Section 1.** The Authority finds and determines that the foregoing recitals are true and correct. For purposes of this Resolution, an “Affiliate” of the Applicant means any person or entity which meets the definition of “participating party” in the Act and controls, is controlled by, or is under common control with the Applicant, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

**Section 2.** The Authority declares its official intent to issue, at one time or from time to time, an aggregate of up to \$25,000,000 principal amount of notes of the Authority for the Project, including for the purpose of reimbursing to the Company costs incurred for the Project prior to the issuance of the notes.

**Section 3.** The notes will be payable solely from the revenues to be received by the Authority pursuant to a loan agreement or other agreements to be entered into between the Authority and the Company in connection with the Project. Each note shall contain a statement to the following effect:

“Neither the faith and credit nor the taxing power of the State of California or any political subdivision thereof or any local agency is pledged to the payment of the principal of, premium, if any, or any interest on this note.”

**Section 4.** The notes shall be issued subject to the conditions that (i) the Authority and the Company shall have first agreed to mutually acceptable terms for the notes and of the sale and delivery thereof, and mutually acceptable terms and conditions of the loan of the proceeds thereof to the Company; (ii) all requisite governmental approvals shall have first been obtained; (iii) a Final Resolution shall have been received from the Authority; and (iv) an allocation shall have been received from the California Debt Limit Allocation Committee.

**Section 5.** The Executive Director of the Authority has authority under Authority Resolution No. 19-01-001 to indicate the willingness of the Authority to proceed with and effect such financing in order to assist the Company by defraying the cost of the Project, subject to due compliance with all requirements of the law and the obtaining of all necessary consents and approvals and meeting all other requirements of the Authority.

**Section 6.** It is intended that this Resolution shall constitute “some other similar official action” towards the issuance of notes within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and “official intent” within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended. It is also intended that this statement of “official action” or “official intent” by the Authority shall continue in full force and effect even if this Resolution ceases to be effective for other purposes.

**Section 7.** This Resolution shall take effect immediately upon its approval and remain in full force and effect thereafter; provided that, subject to Section 6, this Resolution shall cease to be effective on the date three years after the approval date unless prior thereto the Authority or Executive Director specifically adopts a further resolution extending the effective date of this

Initial Resolution, which it will do only after receiving a specific request for such action from the Company, accompanied by an explanation of the status of the Project and any additional information requested by the Authority to supplement the Company's application.

**EXHIBIT A**

NUMBER: 20-08

PROJECT LOCATIONS: 1151, 1300 & 1600 Loveridge Road, Pittsburg, CA 94565

555 California Avenue, Pittsburg, CA 94565

4050 Mallard Drive, Concord, CA 94520

APN 073-200-024, Pittsburg, CA 94565

2600 Wilbur Avenue, Antioch, CA 94509

PROJECT DESCRIPTION: (i) Acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including solid waste collection vehicles, rolling stock and other vehicles, and other equipment functionally related thereto; and (ii) construction of improvements to solid waste disposal and recycling facilities, including site improvements; and paving.

TYPE: Solid Waste Disposal

AMOUNT: \$25,000,000