

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA)
BOND FINANCING PROGRAM
Approval Date: July 21, 2022**

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

Prepared by: Deanna Hamelin

Applicant:	Garaventa Enterprises, Inc., and/or its affiliates
Project Locations:	Cities of Pittsburg, Concord, and Antioch (Contra Costa County)
New Money Amount Requested:	\$30,500,000
Application No.:	955(SB)
Initial Resolution No.:	22-03

Summary. Garaventa Enterprises, Inc., and/or its affiliates (the “Company”) requests approval of an Initial Resolution for an amount not to exceed \$30,500,000 in tax-exempt notes. Note proceeds will be used to finance the construction of a 92,000 square foot metal building; sitework improvements consisting of plumbing, grading, and engineering to facilitate expansion; and for the acquisition and installation of equipment related to the collection, processing, and transfer of solid waste (the “Project”).

Borrower. Garaventa Enterprises, Inc., which was incorporated on January 2, 1963, in California, collects, processes, and disposes solid waste, recyclables, and organic materials. The Company, a small business, employs approximately 350 employees.

The principal stockholders of the Company are:

Garaventa Family Marital Trust – Louisa Binswanger Trustee	70.00%
Silvio Garaventa Jr.	6.00%
Marie Adler	6.00%
Louisa Binswanger	6.00%
Joseph Garaventa	6.00%
Linda Colvis	6.00%
Total:	<u>100.00%</u>

Legal Questionnaire. The Authority staff reviewed the Borrower’s responses to the questions contained in the Legal Status Questionnaire portion of the Application. The Borrower stated that it had nothing to disclose regarding any legal, regulatory, or investigative action that would materially impact the financial viability of the project or applicant or that involved fraud, corruption, or health and safety issues.

Project Description. The note proceeds will be used to finance the construction of a 92,000 square foot metal building; sitework improvements consisting of plumbing, grading, and engineering to facilitate expansion; and for the acquisition and installation of equipment related to the collection, processing, and transfer of solid waste.

Volume Cap Allocation. The Company anticipates applying to the California Debt Limit Allocation Committee (CDLAC) for a volume cap allocation in early 2023.

Financing Details. The Company anticipates the issuance of direct-bank purchase, tax-exempt notes in the first quarter of 2023.

Financing Team.

Municipal Advisor to the Borrower: Piper, Sandler & Company
Note Counsel: Law Offices of Leslie M. Lava
Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends the approval of Initial Resolution No. 22-03 for Garaventa Enterprises, Inc., and/or its affiliates for an amount not to exceed \$30,500,000. Pursuant to CPCFA Resolution 21-01-001 Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings an initial resolution may be approved by the CPCFA Executive Director and then reported to the Authority Board at the next meeting.

Notes: An Initial Resolution approval is not a commitment that the Authority's Board will approve a Final Resolution and bond financing for the proposed Project.

Any information related to the borrower, including any data or analysis related to the borrower's financial condition or ability to repay the financing, described in this staff report is based on information provided by the borrower and was prepared solely for members of the CPCFA Board and to satisfy certain provisions of Health and Safety Code section 44500 et seq. Prospective investors should not rely on information in this staff report and must read the entire Preliminary Official Statement, if applicable, to obtain information essential to the making of an informed investment decision.

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

July 21, 2022

WHEREAS, the California Pollution Control Financing Authority (“Authority”), a public instrumentality of the State of California, 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 or refinancing certain solid waste disposal facilities and equipment; and

WHEREAS, Garaventa Enterprises, Inc., a California corporation, and/or its affiliates (collectively, the “Company”), have requested that the Authority assist in the financing or refinancing of the construction of a solid waste disposal facility and related improvements and site work and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste (collectively, the “Project”), and has presented an estimate of the maximum cost of the Project, as shown in Exhibit “A”; and

WHEREAS, the Authority desires to encourage the Company to provide solid waste disposal facilities and equipment that will serve the public of the State of California; and

WHEREAS, the Company requires satisfactory assurances from the Authority that the proceeds of the sale of notes of the Authority shall be made available to finance 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 Initial Resolution the Authority reasonably expects that debt obligations in an amount not expected to exceed \$30,500,000 shall be issued and that certain of the proceeds of those debt obligations shall be used to reimburse the Company for its prior expenditures associated with 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 the 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 Initial Resolution, an “Affiliate” of the Company means any person or entity that meets the definition of “participating party” in the Act and controls, is controlled by or is under common control with the Company, 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 \$30,500,000 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 shall 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, consistent with the Act, shall contain a statement to the following effect:

“Neither the faith and credit nor the taxing power of the State of California or any local agency is pledged to the payment of the principal of or interest on this bond.”

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 of those notes, and mutually acceptable terms and conditions of the loan of the proceeds of those notes 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 for any portion of the notes that are to be sold as exempt from federal income tax.

Section 5. The Executive Director of the Authority is authorized under Resolution 21-01-001 to indicate the willingness of the Authority to proceed with and effect this 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 Initial 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 Initial Resolution ceases to be effective for other purposes.

Section 7. This Initial Resolution shall take effect immediately upon its approval and remain in full force and effect. Subject to Section 6, this Initial Resolution shall

cease to be effective three years after the approval date unless prior to that repeal date the Authority or Executive Director specifically adopts a further resolution extending the effective date of this Initial Resolution, which they will do only after receiving a specific request for that 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: 22-03

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

TYPE: Solid Waste Disposal

AMOUNT: \$30,500,000