

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA)
BOND FINANCING PROGRAM
Approval Date: March 18, 2025

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

Prepared by: Morgan Matz

Applicant:	Belluno Organics, LLC and/or its affiliates
Project Location:	Cities of Riverbank, South Gate, National City, Oxnard, and Fresno (Stanislaus, Los Angeles, San Diego, Ventura, and Fresno Counties)
New Money Amount Requested:	\$116,000,000
Application No.:	953 (SB)
Initial Resolution No.:	22-01
Prior Action:	IR approved on 04/20/2022

Summary. Belluno Organics, LLC and/or its affiliates (the “Company”) requests approval of an amendment to Initial Resolution (IR) 22-01 to amend the project description contained therein to include new project locations in Oxnard and Fresno; remove a solid waste processing project location in Livingston and four liquid waste processing locations in Turlock, Fresno, and Livingston; and increase the dollar amount to (not to exceed) \$116,000,000. The original IR was approved on April 20, 2022 for an amount not to exceed \$110,000,000.

Current Request. The current request to increase the IR amount reflects a rise in project costs. The Company will use the bond proceeds to purchase and install equipment at a total of five locations for the processing and manufacture of ingredients for agricultural products, pet food ingredients, and biodiesel ingredients made from post-consumer food waste and waste generated from food processing operations, as well to purchase property at one such location in Oxnard and lease land and facilities in Riverbank, South Gate, National City, and Fresno (the “Project”).

Borrower. The Company, organized in Delaware in 2020, provides solid waste disposal services and processes post-consumer food waste and waste from food processing operations into animal feed ingredients and agricultural products. The Company and/or its affiliates employ approximately 90 employees, qualifying as a small business.

The owners of the Company are as follows:

Owners of Belluno Organics, LLC:

Belluno Manager, LLC	49.4%
Wendell Forrester	19.9%
Louie Pellegrini, Jr.	6.7%
John Pastusek	3.1%
Portion held by entities each owning no more than 3%	<u>20.9%</u>
Total:	<u>100.0%</u>

Owner of affiliated company Belluno Manager, LLC:

Eric Urbani and/or trusts controlled by Eric Urbani	<u>100.0%</u>
Total:	<u>100.0%</u>

**Owner of affiliated companies Riverbank Organics, LLC;
South Gate Organics, LLC; National City Organics, LLC;
Fresno Organics, LLC; and Mountain View Organic
Waste Processing Facility, LLC:**

Belluno Organics, LLC	<u>100.0%</u>
Total:	<u>100.0%</u>

The Company lists Eric Urbani, Managing Member of Belluno Manager, LLC, as its sole key official.

Legal Questionnaire. Staff has reviewed the Company's responses to the questions contained in the Legal Status Questionnaire (Attachment A) portion of the application. The Company stated that it had nothing to disclose regarding any legal, regulatory, or investigative action that would materially impact the financial viability of the intended Projects or the applicant or that involves fraud, corruption, or health and safety issues. Staff also conducted an online search and found nothing of note.

Staff also searched the CalRecycle Solid Waste Information System (SWIS) database and found a facility named "RiverBank Organics Food Waste Proc. Fac." (SWIS No. 50-AA-0055) with an address matching that of the Company. The facility is currently listed with "Permitted" status and no recent enforcement actions.

Project Description. The Company intends to use bond proceeds for the purchase and installation of equipment at a total of five locations in Riverbank, South Gate, National City, Oxnard, and Fresno. Proceeds will also be used to purchase property at the Oxnard location, and to lease land and facilities at the remaining locations.

The South Gate, National City, and Oxnard project facilities will collect and convert a combination of post-consumer food waste and liquid waste generated from food processing operations into a slurry that will then be transported to the Riverbank facility for further processing. At the Riverbank facility, fats, oils, and greases will be removed for sale as a component of biodiesel and animal feed, other separated liquids will be

processed for liquid fertilizer applications and as recovered water, and any remaining material will be dried to a shelf-stable moisture content for sale as agricultural products such as animal feed and fertilizer.

At the Fresno facility, waste material generated by meat processing plants will be converted into pet food ingredients.

Pre-processing equipment to be purchased will include a receiving ramp, shredder, press, compactor, screens, tanks, pumps, and piping. Manufacturing equipment to be purchased will include tanks, pumps, centrifuge/decanter, boilers, dryers, emissions controls, extruders, and augurs.

The Company is currently leasing the project site located at 5300 Claus Road, Building 6, Riverbank, CA 95367, and plans to enter into lease agreements at the project sites located at 4570 Ardine Street, South Gate, CA 90280; 1505-1545 Cleveland Avenue, National City, CA 91950; and 2676 S. Maple Avenue, Fresno, CA 93725. The Company has stated that all planned leases are expected to be in place at the time of closing. Additionally, the Company plans to purchase the project site located at 1641 Mountain View Avenue, Oxnard, CA 93030. The Company states that it has no legal relationship with the owners of the property to be purchased and/or leased beyond the existing or potential purchase or lease agreements.

Volume Cap Allocation. The Company anticipates applying to the California Debt Limit Allocation Committee for a volume cap allocation in the fourth quarter of 2025.

Financing Details. The Company anticipates the issuance of negotiated tax-exempt bonds. The target date for financing is anticipated to be in the fourth quarter of 2025.

Financing Team.

Bond Counsel:

Orrick, Herrington, & Sutcliffe LLP

Issuer's Counsel:

Office of the Attorney General

Underwriter:

Piper Sandler & Co.

Staff Recommendation. Staff recommends the approval of Amended Initial Resolution No. 22-01 for Belluno Organics, LLC for an amount not to exceed \$116,000,000. Pursuant to Resolution 25-01-001, 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 CPCFA Board at the next meeting.

Notes: An Initial Resolution approval is not a commitment that the CPCFA Board will approve a Final Resolution and bond financing for the proposed Project. Any information related to the Company, including any data or analysis related to the Company's financial condition or ability to repay the financing, described in this staff report is based on information provided by the Company and was prepared solely for CPCFA 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.

**AMENDMENT OF
RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO
FINANCE SOLID WASTE DISPOSAL FACILITIES FOR
BELLUNO ORGANICS, LLC AND/OR ITS AFFILIATES
March 18, 2025**

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 (“Act”) to issue bonds for the purpose of defraying the cost of facilities for the disposal of solid and liquid waste products, including resource recovery and energy conversion facilities; and

WHEREAS, at the request of Belluno Organics, LLC, Delaware limited liability company (the “Applicant”) and/or its Affiliates (collectively, the “Company”), the Authority adopted its Initial Resolution No. 22-01 on April 20, 2022 (the “Initial Resolution”) in the amount of not to exceed \$110,000,000 to assist in financing or refinancing the acquisition, construction and/or equipping of food waste conversion facilities and related improvements, as described as the “Project” in the Initial Resolution; and

WHEREAS, the Company has submitted an amendment to its application to the Authority and has requested the Authority to amend the Initial Resolution in order to: (1) increase its dollar amount to reflect Project cost increases, and (2) incorporate revised Project addresses;

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 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. An Affiliate shall also be a “participating party” as defined in the Act.

Section 2. The Authority declares its official intent to issue, at one time or from time to time, an aggregate of up to \$116,000,000 principal amount of bonds 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 bonds. All references in the Initial Resolution to the dollar amount thereof shall be changed from “110,000,000” to “116,000,000.”

Section 3. Exhibit A to the Initial Resolution is replaced by the attached Exhibit A, which reflects, among other things, revised Project addresses.

Section 4. Except as set forth in Sections 2 and 3, all of the provisions of the Initial Resolution shall remain in full force and effect and are hereby ratified and confirmed. This Amendment shall take effect upon its adoption.

EXHIBIT A

NUMBER: 22-01

LOCATIONS: 5300 Claus Road, Building 6, Riverbank, CA 95367
4570 Ardine Street, South Gate, CA 90280
1505-1545 Cleveland Avenue, National City, CA 91950
1641 Mountain View Avenue, Oxnard, CA 93030
2676 S. Maple Ave., Fresno, CA 93725

TYPE: Solid Waste Disposal

AMOUNT: Up to \$116,000,000