

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: May 17, 2016**

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

Prepared by: *Lyudmila Farbitnikova*

Applicant:	Garaventa Enterprises, Inc. and/or its Affiliates	Amount Requested:	\$8,165,000
Project Location:	Pittsburg and Concord (Contra Costa County) Throughout Contra Costa and Solano Counties	Application No.:	889(SB)
		Initial Resolution No.:	16-07

Summary. Garaventa Enterprises, Inc. and/or its Affiliates (the “Company” or the “Applicant”) requests approval of an Initial Resolution for an amount not to exceed \$8,165,000 to finance or refinance the acquisition of land which will house solid waste related activities, the construction of a compressed natural gas (CNG) fueling station and the purchase of automated collection vehicles, carts, bins and containers.

Borrower. Garaventa Enterprises, Inc. provides refuse collection and disposal services. The Company is part of a family of commonly owned companies (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.) that collect and process municipal 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 Company is a small business and was organized in California in 1923. Garaventa Enterprises, Inc. has approximately 310 employees.

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	6%
Total:	<u>100%</u>

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

Project Description. The Company intends to replace older collection vehicles and provide for its expanding service areas by purchasing automated collection vehicles and carts. These purchases are part of a continued effort by the Company to automate its service area which along with other program modifications should increase recycling and create route efficiencies. The vehicles will be housed at either the Company's Concord corporate yard, the Pittsburg Materials Recycling Facility (MRF) or the Pittsburg corporate yard: 4050 Mallard Drive, Concord, 94520, 1300 Loveridge Road, 1151 Loveridge Road and 1600 Loveridge Road and 555 California Avenue, Pittsburg, 94565, respectively. The collection vehicles, carts, bins and containers will be used throughout the Company's service areas, Contra Costa and Solano Counties. The Company also intends to construct a CNG fueling station located at 4050 Mallard Drive. Additionally, the Company intends to purchase land located adjacent and to the west of 1300 and 1600 Loveridge Road, Pittsburg, 94565, APN 073-200-024.

Volume Cap Allocation. The Company anticipates applying to the Authority for volume cap allocation on June 21, 2016.

Financing Details. The Company anticipates the issuance of negotiated tax exempt notes with a direct bank purchase financing structure.

Financing Team.

Municipal Advisor to the

Borrower: 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. 16-07 for Garaventa Enterprises, Inc. and/or its Affiliates for an amount not to exceed \$8,165,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and note financing of the proposed Project.

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

May 17, 2016

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 notes or bonds for the purpose of defraying the cost of facilities for the disposal of solid and liquid waste products, including solid waste disposal recovery and recycling facilities; and

WHEREAS, Garaventa Enterprises, Inc., a California corporation (“Applicant”), has requested that the Authority assist in financing or refinancing solid waste disposal/recycling facilities to be owned and operated by the Applicant and/or its Affiliates (as hereinafter defined) (collectively, “Company”), which financing or refinancing is expected to be comprised of the acquisition of land which will house solid waste related activities, the construction of a compressed natural gas (CNG) fueling station and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including collection vehicles, carts, bins, containers and other equipment functionally related thereto (collectively, “Facilities”), and has presented an estimate of the maximum cost of such Facilities as shown in Exhibit “A” attached hereto; and

WHEREAS, the Authority desires to encourage the Company to provide solid waste disposal/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 Facilities 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 such Facilities; and

WHEREAS, the Company expects to incur or pay from its own funds certain expenditures in connection with the Facilities prior to the issuance of indebtedness for the purpose of financing costs associated with the Facilities 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 \$8,165,000 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 Facilities; 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 Facilities 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 \$8,165,000 principal amount of notes of the Authority for the Facilities; including for the purpose of reimbursing to the Company costs incurred for the Facilities 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 Facilities. 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 is hereby directed 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 Facilities, 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 passage and remain in full force and effect thereafter; provided that, subject to Section 6, this Resolution shall cease to be effective on May 17, 2019 unless prior thereto the Authority 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: 16-07

LOCATIONS: 1151, 1300 and 1600 Loveridge Road
Pittsburg, California 94565

APN 073-200-024
(adjacent and to the west of 1300 and 1600 Loveridge Road)
Pittsburg, California 94565

555 California Street
Pittsburg, California 94565

4050 Mallard Drive
Concord, California 94520

TYPE: Solid Waste Disposal/Recycling

AMOUNT: Up to \$8,165,000