

## Peter Grenell

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**From:** DAVID HULL <hullspier@aol.com>  
**Sent:** Tuesday, April 08, 2014 7:02 PM  
**To:** bfoss@santacruzharbor.org; charchenko@montaguederose.com  
**Cc:** Peter Grenell  
**Subject:** DBAW meeting  
**Attachments:** CMIA DBAW Presentation April 2014.ppt

Brian/Doug,

Please see the attached powerpoint for possible use with our meeting with Sylvia next week. It is basically the one I used last year at the National Waterways Conference with some updates. I still need to update the membership one (or just take it out).

Please review and let me know if you think we have time to roll through this. I can do it in about 15 min and have a laptop with a pretty big screen that will work for a small audience if there is no video equipment available there.

What else should we take?

*David*

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# **Financing Port and Marina Infrastructure "Tomorrow's Ideas for Today"**

**The California Maritime Infrastructure Authority  
and the  
California Maritime Infrastructure Bank**

**California Division of Boating and Waterways**  
April 17, 2014



# **What are the California Maritime Infrastructure Bank and California Maritime Infrastructure Authority?**

- 1. Two complimentary organizations with the same purpose - to provide harbor agencies in California with an alternative infrastructure financing mechanism.**
- 2. A model of an efficient and targeted method of obtaining financing for maritime infrastructure that could be duplicated in other states.**

# History

## California Maritime Infrastructure Bank

- In 1994, the California Maritime Infrastructure Bank (Bank) was formed as a non-profit organization at the request of the California Marine Affairs and Navigation Conference and the suggestion of the California State legislature.
- The Bank, which is not a commercial bank, was formed to service the financing needs of projects not funded by the State of California or the private sector.
- Once capitalized, the bank's potential tools for financing would include long-term, low interest loans and taxable and tax-exempt bonds.
- The Bank is codified in the CA Harbors and Navigation Code.

# History

## Relationship of Bank to the Authority

- **In 1995, the Bank established a joint powers authority under State Law to provide a mechanism for financing of port and harbor infrastructure.**
- **This joint powers authority is the California Maritime Infrastructure Authority (Authority).**

# California Maritime Infrastructure Authority Membership

- **Must be a member of Authority to take advantage of financing programs**
  - Authority membership limited to public “harbor agencies” OR if private, must have some agreement with a public harbor agency.
  - The Authority presently has 9 members:
    - San Mateo County Harbor District
    - Port of Stockton
    - Port of Santa Cruz
    - Humboldt Bay Harbor District
    - Noyo Harbor District
    - Port of San Diego
    - Port of Sacramento
    - Port of Hueneme
    - County of Orange

# Bank and Authority Organizational Structure

## Authority Board of Directors

- Peter Grenell  
- Chairman  
Jeff McEntee  
- Vice Chairman  
Jeff Wingfield  
- Treasurer  
Jack Crider  
- Member  
Mike Kuken  
- Member  
Lisa Ekers  
- Member  
Brad Gross  
- Member

## Bank Board of Directors

- Peter Grenell  
- President  
Brian Foss  
- Vice President  
Jeff Wingfield  
- Treasurer  
Jeff McEntee  
- Secretary
- Authority / Bank Staff**
- David Hull  
- Executive Director  
Douglas Charchenko  
- Financial Advisor  
Lawrence Mallon  
- Legal Counsel

# What Can Be Financed

- **General port/marina infrastructure improvements/capital projects**
- **Public improvements**
  - **Port owned improvements available to the public**
  - **Private activity improvements**
  - **Tenant specific improvements**



# How Can These Assets Be Financed

- Public offering
- Private Placement
- Bank Loan
- Grants
- Public Agency Loans
- Options are not mutually exclusive

# What Issues will the Authority Review

- **Organizational limitations**
- **Taxable Tax-exempt**
- **AMT**
- **Credit**
- **General revenue pledge**
  - **Revenue history**
  - **Business history**, i.e. cargo volumes, slip rentals/waiting list, non maritime real estate revenues
- **Competition**

# More Issues

- **Tenant as obligor**
- **Impact on cost of funds/market access**
- **Project feasibility**, if expected to generate revenue
- **Cash Flow**
- **Coverage**
- **Additional Debt**
- **Costs**

# Getting Started

- **Project Description**
  - **Updated Financials**
  - **Legal Requirements**
    - Security, good title, entitlements, permits, legal authority to borrow, securitized revenue stream

## Financing Team Review

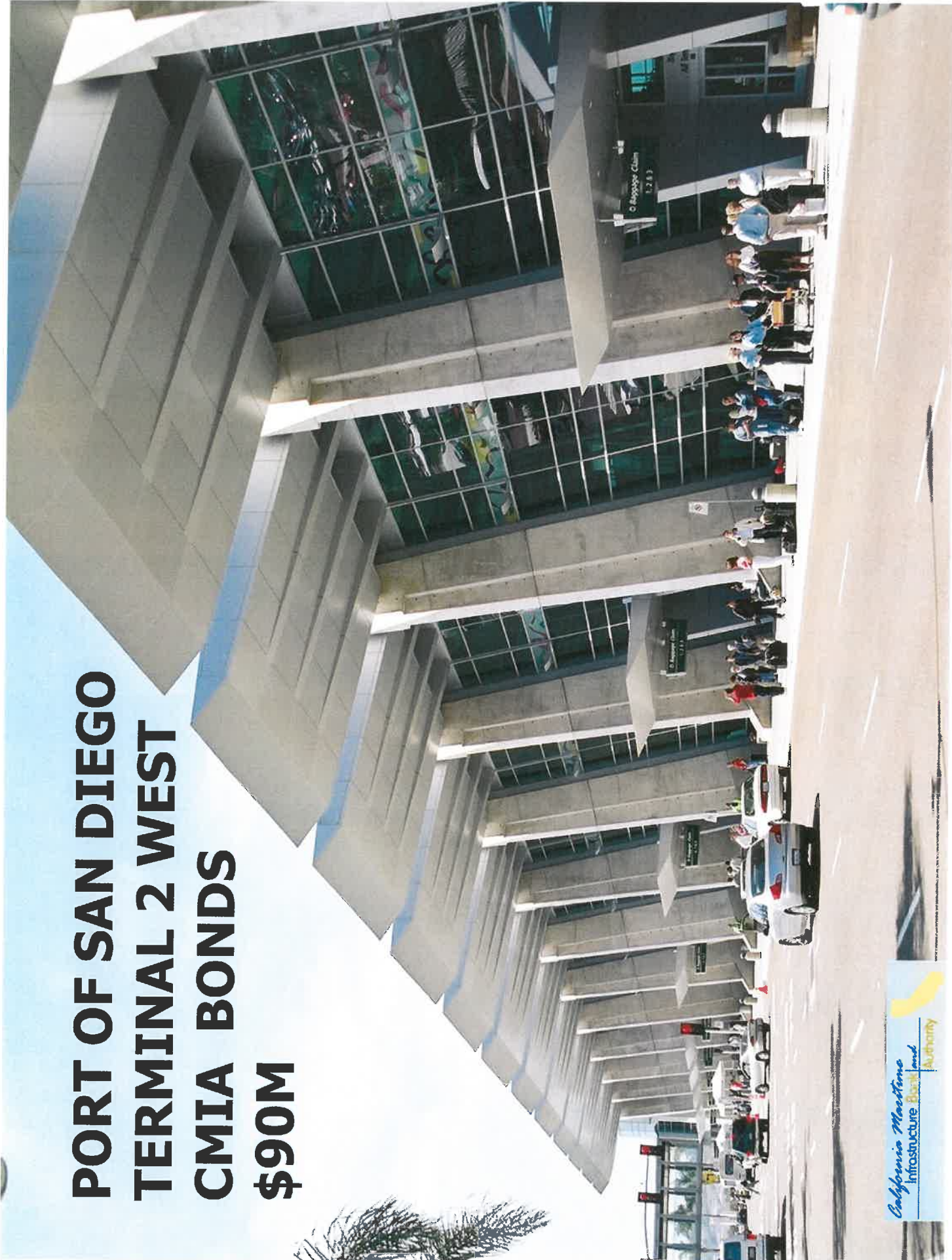


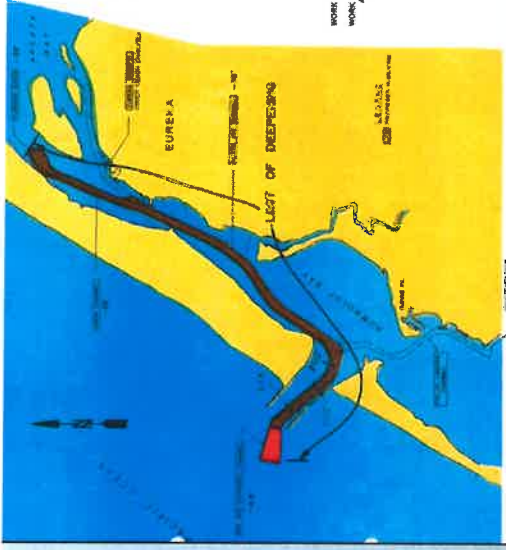
# Case Histories in Authority Financings

# Port of San Diego Acquisition Chula Vista Power Plant

## CMIA BONDS \$115M

# PORT OF SAN DIEGO TERMINAL 2 WEST CMIA BONDS \$90M





**LEGEND**

WORK PROPOSED FOR FY 1987  
 WORK COMPLETED BY THE PROJECT  
 AFTER 30 SEP 1986

**HUMBOLDT HARBOR AND BAY  
 ( DEEPENING )  
 CALIFORNIA**

SCALE IN FEET

SOUTH PACIFIC DIVISION  
 U.S. COAST AND GEODETIC SURVEY



# PORT OF HUMBOLDT BAY DEEPENING CMIA Bond \$2.9 Mil



California Maritime  
 Infrastructure Bank and  
 Authority

09.02.2



# Santa Cruz Port District

## CMIA Bond \$2.11 Million



"A" dock proj.  
80 boat storage  
bldg.  
& Launch ramp  
\$322K

"AA" proj.  
Visitor  
dock  
& 5 new berths  
\$279K

Memorial Plaza  
On Beach  
\$500K

Rehabilitate  
MultiTenant  
MultiUse  
Building  
\$2.9M



# 2222 EAST CLIFF BUILDING REHABILITATION AND ADDITION (11,000 SF TO 12,500 SF)

Total project \$4.16M including  
plaza and Tenant Improvements



# 2222 East Cliff Building and Complex

## FINANCING

CMIA FINANCING TO PORT DISTRICT FOR PLANS, SPECS, ADMIN AND FIRST FLOOR CONSTRUCTION	<b>\$1.75M</b>
OSO GRANT FROM PACKARD FOUNDATION	<b>\$1.0M</b>
CMIA FINANCING FOR OSO FOR REMAINING COST OF SECOND STORY(cost to be paid by OSO)	<b>\$360K</b>
SETZER-ROLFE PLAZA (DONATIONS)	<b>\$500K</b>
TENANT PAID IMPROVEMENTS (EST)	<b>\$550K</b>
<b>TOTAL PROJECT</b>	<b>\$4.16M</b>
<b>TOTAL CMIA FINANCING</b>	<b>\$2.11M</b>

# SANTA CRUZ PORT DISTRICT 2004/05 BOND ISSUE TERMS

## **SERIES A- TAX EXEMPT**

PUBLIC IMPROVEMENTS,  
DOCKS, INFRASTRUCTURE, PUBLIC  
REFINANCE OF OLD BONDS

**2%-5.75%**

**RATE**

## **SERIES B- TAX EXEMPT**

BLDG FOR ENGINE REPAIR

**2%-5.75%**

## **SERIES C- TAXABLE**

PORT DISTRICT OWNED RENTAL BUILDINGS-  
SPACES LEASED TO COMMERCIAL TENANTS

**7.4%-8.3%**

# **Advantages to Utilizing CMIA Services**

- **Small, nimble staff that provides a quick turnaround and analysis**
- **Can finance improvements on private property (or tenant improvements) which some State financing sources cannot**
- **No fee to join**
- **No profit for CMIA**

# **More Advantages to Utilizing CMIA Services**

- **Members get access to CMIA financial advisors for financing program comparison**
- **CMIA was created by California ports, for California ports and thus the goal of the organization is to assist in getting infrastructure financed and built.**

# Contact Us for More Information

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# Thank You!