

## Peter Grenell

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**From:** DAVID HULL <hullspier@aol.com>  
**Sent:** Wednesday, March 20, 2013 1:31 PM  
**To:** Peter Grenell; brian.foss@me.com; charchenko@montaguederose.com;  
lgmallon@vcweb.org  
**Subject:** Please review  
**Attachments:** CMIA Working Waterfront Presentation Mar 2013.ppt

Hi all,

I have modified our CMIA slide show for my use at the National Working Waterfront Conference next Tuesday in Tacoma, WA. Please review the attached and let me know any errors, changes or ideas to make it better.

Thanks!

*David*

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California Maritime Infrastructure Authority*

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# **Financing Port and Marina Infrastructure**

## **"Tomorrows Ideas for Today"**

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

**National Working Waterfronts and Waterways Symposium 2013  
March 26, 2013**

# **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 8 members:

San Mateo County Harbor District	Port of San Diego
Port of Stockton	Port of Sacramento
Port of Santa Cruz	Port of Hueneme
Humboldt Bay Harbor District	County of Orange

# Bank and Authority

## Organizational Structure

### Authority Board of Directors

### Bank Board of Directors

**Peter Grenell**

**Peter Grenell**

- Chairman

- President

**Jeff McEntee**

**Brian Foss**

- Vice Chairman

- Vice President

**Jeff Wingfield**

**Jeff Wingfield**

- Treasurer

- Treasurer

**Jack Crider**

**Jeff McEntee**

- Member

- Secretary

**Mike Kuken**

- Member

### Authority / Bank Staff

**Lisa Ekers**

- Member

**David Hull**

**Brad Gross**

- Executive Director

- Member

**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

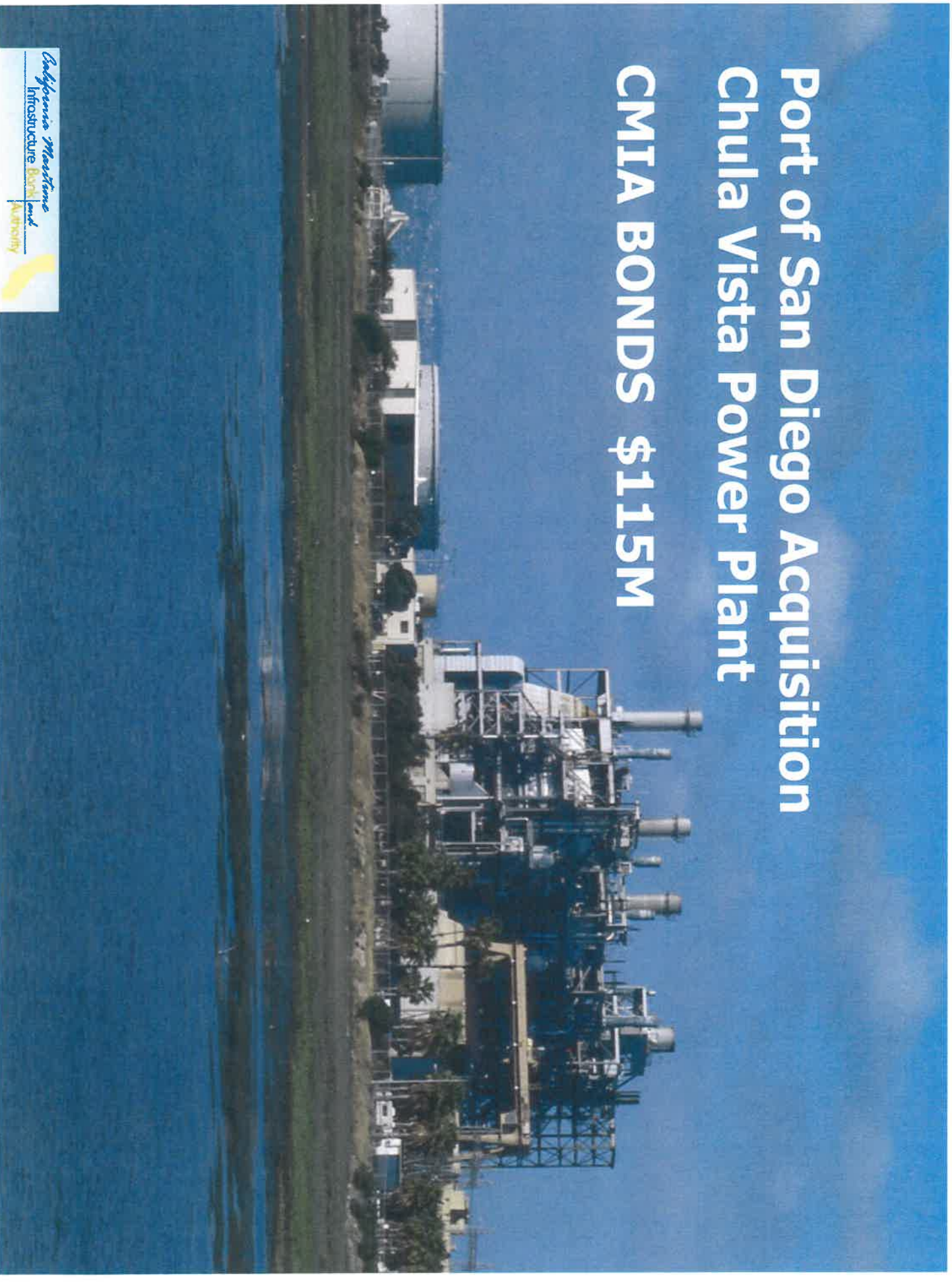
- **Project Description**
  - Updated Financials
  - **Legal Requirements**
    - Security, good title, entitlements, permits, legal authority to borrow, securitized revenue stream

## Financing Team Review

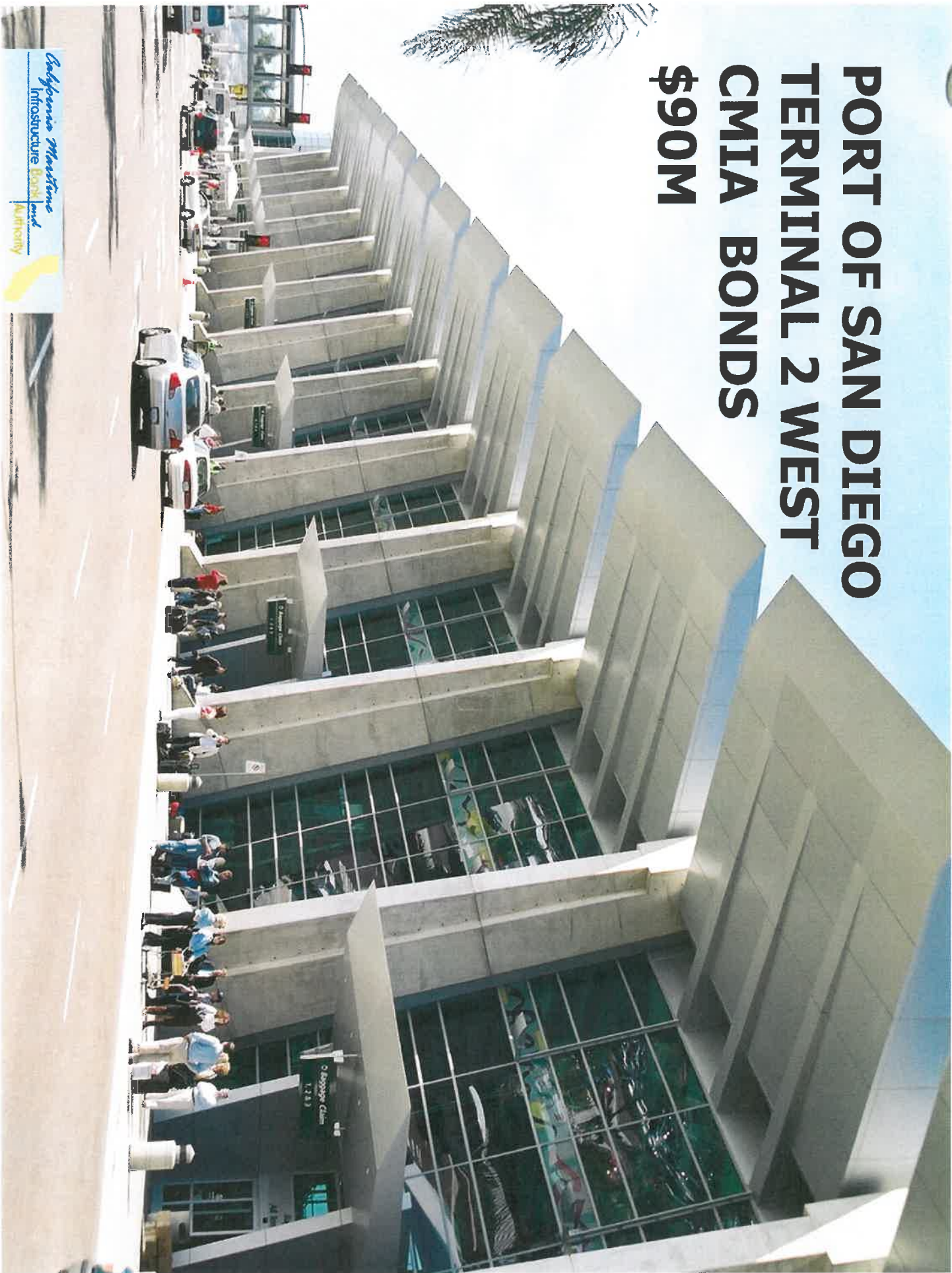
An aerial photograph of a marina filled with numerous sailboats. In the foreground, there is a sandy beach and a lighthouse situated on a small, rocky island. The water is a deep blue, and the sky is clear.

# Case Histories in Authority Financings

# Port of San Diego Acquisition Chula Vista Power Plant CMIA BONDS \$115M



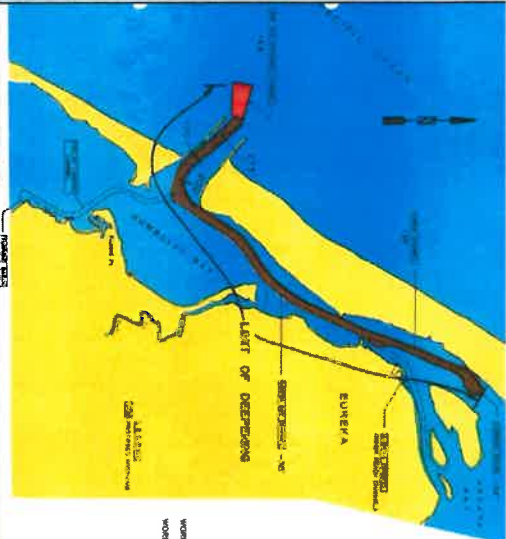
# PORT OF SAN DIEGO TERMINAL 2 WEST CMIA BONDS \$90M





California Maritime  
Infrastructure Bank and  
Authority

\$2.9 MIL



LEGEND  
WORK PROPOSED FOR FY 1997  
WORK REQUIRED TO COMPLETE THE PROJECT  
AFTER SEP 30 1997

HUMBOLDT HARBOR AND BAY  
(DEEPENING)  
CALIFORNIA

Scale: 1" = 1 MILE  
SOUTH PACIFIC DIVISION  
U.S. NAVY PROJECTS  
DRAWN BY: [Name]

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



# Santa Cruz Port District CMIA Bond \$2.11 Million



2004-2005 Bond Issue



# 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

CMTA FINANCING TO PORT DISTRICT FOR PLANS, SPECS,  
ADMIN AND FIRST FLOOR CONSTRUCTION **\$1.75M**

OSO GRANT FROM PACKARD FOUNDATION **\$1.0M**

CMTA FINANCING FOR OSO FOR REMAINING COST  
OF SECOND STORY(cost to be paid by OSO) **\$360K**

SETZER-ROLFE PLAZA (DONATIONS) **\$500K**

TENANT PAID IMPROVEMENTS (EST) **\$550K**

**TOTAL PROJECT \$4.16M**

**TOTAL CMTA FINANCING \$2.11M**

**SANTA CRUZ PORT DISTRICT  
2004/05 BOND ISSUE TERMS**

**SERIES A- TAX EXEMPT**

**RATE**

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

**2%-5.75%**

**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!

