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.
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.
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 Stockton
    - Port of Santa Cruz
    - Humboldt Bay Harbor District
    - Port of San Diego
    - Port of Sacramento
    - Port of Hueneme
    - County of Orange
# Bank and Authority Organizational Structure

## Authority Board of Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
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<tbody>
<tr>
<td>Peter Grenell</td>
<td>Chairman</td>
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<tr>
<td>Jeff McEntee</td>
<td>Vice Chairman</td>
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<tr>
<td>Jeff Wingfield</td>
<td>Treasurer</td>
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<tr>
<td>Jack Crider</td>
<td>Member</td>
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<tr>
<td>Mike Kuken</td>
<td>Member</td>
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<tr>
<td>Lisa Ekers</td>
<td>Member</td>
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<tr>
<td>Brad Gross</td>
<td>Member</td>
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## Bank Board of Directors

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<tr>
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<tr>
<td>Brian Foss</td>
<td>Vice President</td>
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<tr>
<td>Jeff Wingfield</td>
<td>Treasurer</td>
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<tr>
<td>Jeff McEntee</td>
<td>Secretary</td>
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## Authority/Bank Staff

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>David Hull</td>
<td>Executive Director</td>
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<tr>
<td>Douglas Charchenko</td>
<td>Financial Advisor</td>
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<tr>
<td>Lawrence Mallon</td>
<td>Legal Counsel</td>
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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
- 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
PORT OF HUMBOLDT BAY DEEPENING CMIA Bond $2.9 Mil
Santa Cruz Port District
CMIA Bond $2.11 Million

2004-2005 Bond Issue

“AA” 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 $1.75M

OSO GRANT FROM PACKARD FOUNDATION $1.0M

CMIA FINANCING FOR REMAINING COST OF SECOND STORY $360K

SETZER-ROLFE PLAZA (DONATIONS) $500K

TENANT PAID IMPROVEMENTS (EST) $550K

TOTAL PROJECT $4.16M

TOTAL CMIA FINANCING $2.11M
SANTA CRUZ PORT DISTRICT
2004/05 BOND ISSUE TERMS

SERIES A - TAX EXEMPT
PUBLIC IMPROVEMENTS,
DOCKS, INFRASTRUCTURE, PUBLIC
REFINANCE OF OLD BONDS

SERIES B - TAX EXEMPT
BLDG FOR ENGINE REPAIR

SERIES C - TAXABLE
PORT DISTRICT OWNED RENTAL BUILDINGS-
SPACES LEASED TO COMMERCIAL TENANTS

RATE
2%-5.75%
2%-5.75%
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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www.californiamaritimeinfrastructureauthority.org
Thank You!