

STATE INFRASTRUCTURE BANK

May 12, 2025, 11:00AM

Summary Minutes

Location:

Via videoconference at the following locations:

Old Assembly Chambers
Capitol Building, Second Floor
101 N. Carson Street
Carson City, NV 89701

Governor’s Office Conference Room
1 Harrah’s Court
Las Vegas, NV 89199

Board Directors & members present:

Treasurer Zach Conine - Las Vegas
Director Kristopher Sanchez - Department of Business and Industry – Teams
Member Tracy Holland - Carson City
Member Matt Kershaw - Teams
Member Blayne Osborn - Carson City
Member Ken Liu - Teams

Others present:

Erik Jimenez:	State Treasurer’s Office	Stephen G. Aichroth:	Nevada Housing Division
Veronica Kilgore:	State Treasurer’s Office	Melissa Rowe:	Lincoln County Hospital District
Emily Nagel:	State Treasurer’s Office		
Mary M. Huck:	Attorney General’s Office		
John Peterson:	JNA Consulting Group		
Ryan Henry:	Taft Law		
Rich Easter:	?		

Agenda Item 2 - Public Comment: No public comment.

Agenda Item 3 – For discussion and possible action: Approval of the minutes from the State Infrastructure Bank Board of Directors meeting from May 12th, 2025.

Motion to approve the meeting minutes from Director Kristopher Sanchez, Member Matt Kershaw seconded the motion. Motion passed unanimously.

Agenda Item 4 – For discussion and possible action: Staff Report on the operations and administration of the Nevada State Infrastructure Bank, including an update on financing applications received by the Nevada State Infrastructure Bank, and direction to staff as appropriate.

Staff report on the operations and administration of the Nevada State Infrastructure Bank, including an update on financing applications received by the Nevada State Infrastructure Bank, and direction to staff as appropriate. Erik stated that the bank has hired an administrative assistant three which should help with the workload from the incoming applications to the bank.

Since the last Board meeting on March 25, 2025, staff has: Worked with the Lincoln County Hospital District to finalize its application for potential financing from the Grover C. Dils Medical Center for the proposed Clinic and Physical Therapy Building Project, which will be up for the Board of Director's consideration at its May 12, 2025, meeting. Conducted regular check-ins with current borrowers of the Bank on status updates on projects that have been approved for loans by the Board of Directors; and continued to meet with prospective borrowers on projects that may be submitted to the Board of Directors for its consideration.

As of March 7, 2025, the Bank has \$55,169,574 in total available resources spread out across the following budget accounts: Operating Account (Budget Account 4672): \$74,273.26, Affordable Housing Revolving Account (Budget Account 4673): \$25,478,191.06, Charter School Capital Needs Revolving Account (Budget Account 4674): \$774,927.04, Federal Infrastructure Matching Account (Budget Account 4675): \$5,180,421.29, State Infrastructure Bank General Account (Budget Account 4676): \$9,354,942.23, MLB Stadium Credit Enhancement (Budget Account 1106): \$14,318,621.03

Of these balances, the Affordable Housing Revolving Account (Budget Account 4673) has an outstanding \$25,000,000 obligation for the Desert Pines Infrastructure Project. Similarly, the State Infrastructure Bank General Account (Budget Account 4676) has \$1,492,547.01 remaining for obligation for the West Wendover Fire Station/Emergency Operations Center Project as well as an additional \$7,750,000 in outstanding obligation for the TRI-GID Processed Water Extension Project.

After taking into account these existing obligations previously approved by the Board of Directors, as well as expected revenues for the remainder of Fiscal Year 2025, the Bank currently has \$6,854,696 in available funds to provide loans and other financial assistance to qualified borrowers.

The Bank was initially capitalized with \$74,620,742 in general obligation bond proceeds to provide loans and other financial assistance to qualified borrowers. To date, the Board of Directors has approved seven loans for a total of \$74,502,000. Of this amount, Bank staff has disbursed \$40,259,453 to qualified borrowers so far and has an additional \$34,242,547 in allocated funds remaining to disburse. After accounting for all of the loans that have previously been approved by the Board of Directors, the Bank has \$118,742 of initial bond proceeds remaining.

Additionally, the Bank has/will earn an additional \$6,735,954 in revenues from loan origination fees, interest payments, principal payments, and investment earnings; which the Board can also choose to utilize to provide additional loans and financial assistance to qualified borrowers.

Bank staff continues to work to identify a new pipeline of potential projects to utilize the Bank's remaining \$6,854,696 in available loan funds. Since the last Board of Directors meeting in March 2025, the Bank has not received any additional applications for potential financing but has worked to finalize the potential \$1,950,000 loan to support the Grover C. Dils Medical Center for the proposed Clinic and Physical Therapy Building, which will be up for the Board's consideration at its May 12, 2025, meeting. Currently, the Bank has one completed financing applications amounting to \$1,950,000 in its current queue, which will be considered by the Board of Directors, and an expected \$29,100,000 in potential future applications to the Bank. If the Bank were to process all of the applications that are expected in the next few months, all available funds could potentially be exhausted until sizable loan repayments are made over time.

Treasurer Conine: "Any questions from Board Members?"

Jesse Haw: "Thank you. Sorry, this is Jesse How for the record. I just heard you mention that the future salaries and other stuff are going to come out from proceeds from the monies generated in in the SIB. Do we have an amount even when you fill those positions, Eric, that, that we need to hit or has somebody looked at that? I'm sure you have. Thank you."

Erik Jimenez: "Thank you vice chair. We do. Let me just look at my tables here. Let me get you at least the numbers that we have in expected income and then we can go through kind of what the expected staffing costs are so far in fiscal year 2425 South revenues that have been received, or will be received. We expect 440 \$5000.00 and \$20.00 in loan origination fees a little over 170 \$2000.00 in interest payments. An additional 77,000 in principal payments that wouldn't be applied for admin. So that's about 690 \$5000.00 in potential income for fiscal year 2425 and then we move into fiscal year 27. We expect of the non revolving income of those categories to be about 3.4 \$1,000,000.00 in total the available revenues that we have to support administration and staffing. So not touching into any of the principle repayments of the loans will be about 4.1 \$1,000,000.00 covering both fiscal year 2425 and fiscal year 26 and 27. I don't have the exact number off the top of my head. It's a couple \$100,000.00 for the expected staffing. More than happy to get you that after this meeting but the 4.1 \$1,000,000.00 would well exceed any potential staffing that we would need."

Jesse Haw: "Thank you."

Treasurer Conine: "Thank you. Any additional questions for Mister Jimenez? All right I'll take the opportunity here to say that I was able to go to West Wendover to attend kind of the opening of that fire station about 2 weeks ago and, I got to tell you the number of people who showed up in West Wendover a town of about 6000 for the opening of this new facility was really remarkable and from the chief firefighters to the local Law enforcement. And that was able to join us. Just a really really grateful small town in Nevada and I don't know who hears had a chance to be in West Wendover but this makes a really big deal for them not just from the life safety perspective but also from. The economic development that having facilities like that and being you know sort of a really developed town can open mayor was grateful, the council was grateful. The entire town was grateful for the work that we were able to do. On that project through the bank and I think everybody said pretty clearly right that it wouldn't have happened but for our work. So I just want

to thank the rest of the board and of course you Mister Jimenez for getting that one done all the projects are important, but I think that's a great example of one where. If not for the bank it just wouldn't happen. So anyway, I just want to make sure I shared that with that I will close Agenda Item 4 move on to Agenda Item 5, presentation.”

Presenter: Erik Jimenez, Chief of Policy, State of Nevada Treasurer’s Office

Agenda Item 5 - For discussion only: Presentation of the staff report required pursuant to Regulation LCB File No. R017-22 for the proposed Grover C Dills Medical Center for the Lincoln County Hospital District Project which was previously submitted to the Nevada State Infrastructure Bank for consideration.

Erik Jimenez: “before I get started Mister treasure I believe member Osborne would like to make a disclosure.”

Member Osborn: “Yes. Thank you, Mr. Chair Blayne Osborn, for the record, just want to make a disclosure that in my personal capacity, I'm the President of Nevada Rural Hospital Partners and of which Grover C Bills Medical Center is a member hospital of ours. Therefore, I will abstain from any and all actions on Agenda Items 5,6 and 7. Thank you”

Erik Jimenez: “Treasurer before I get started on the staff report in 5, just as a lay of the land, what we're doing with these next 3 agenda items, has become commonplace. Hopefully this one of the last times we have to do this, but Agenda Item 5 will be the presentation on the staff report which will require no action. Then we will have an agenda item to transfer money among various accounts. It's an accounting exercise and then we'll consider the project in Agenda Item 7.”

Erik Jimenez then went on to present the Staff report for the Lincoln County Hospital District’s Grover C. Dils Medical Center and Physical Therapy building project.

The applicant is requesting \$1,950,000.00 from the State Infrastructure Bank's General Account. Based on the cash flow expectations, the Bank and Staff is comfortable with a 15 year proposed term on this loan with an interest rate that was calculated after subsidy at 3.98%. The total project costs is \$5,100,000.00 of which the applicant has secured the remaining outstanding balance of approximately \$3,700,000.00 in grants from the US Department of Health and Human Services. They're coming to the Bank for the \$1,950,000.00 gap. When looking at that \$5,100,000.00 total cost that would mean a leverage multiple for the Bank of 2.6 times and through the expected amortization table, if we draw as expected from the applicant, we expect to generate a little over \$657,000.00 in interest for the bank for this loan.

The applicant is looking to build a new 10,000 square foot clinic and physical therapy building that's located on property that is adjacent to the existing Grover C. Dils Hospital campus. The new facility will be located on hospital property that's already owned by the Lincoln County Hospital District. They will continue to serve the approximately 4,800 people in the immediate and surrounding area. Access to care in Lincoln County is hard to come by and currently the hospital is having to wait list

patients, because they can't serve them for certain services. The goal with the expansion of space is to improve that access to care for the community.

Erik then paused to allow John Peterson with JNA Consulting to explain the proposed repayment. Since the applicant is proposing and has promulgated a revenue pledge of all available revenues that they can pledge for the Hospital District for repayment of this loan.

John Peterson: “Thank you for the record, John Peterson with JNA Consulting Group. Thank you again, Mr. Jimenez, Treasurer for the opportunity to present this. As Mr. Jimenez mentioned the plan of finances for the hospital to issue a revenue bond that's payable from its net patient revenue. And so that is essentially gross patient revenues that the hospital receives from treating patients in Lincoln County. Less any bad debt allowance, as well as contractual adjustments. In fiscal 24, the audited net patient revenue for the Grover C Deals Hospital District was approximately \$7.9 million. Our estimated debt service on this proposed \$1.95 million bond is approximately \$170,000 per year, which means that coverage on the debt from the pledge revenue is roughly 48 times, so, very robust coverage. We expect that those patient revenues will continue in the future. There is a provision in the bond resolution that the hospital board adopted that if patient revenues were to fall to the extent that they were only 150% instead of 4800%, that they are right now, the hospital would be required to adjust rates and charges to keep that revenue pledge made whole so that the infrastructure Bank receives its payment. But overall, I think it's a very solid pledge from the hospital. And I would pause there and see if there are any questions.”

Member Haw: “For the record, Jesse Haw. Mr. Peterson, can pledges priorities be changed, or are we locked in with where we are as a priority? I'm not familiar with that system. Can you tell me how that works? Thanks.”

John Peterson: “Yes, John Peterson for the record. Excellent question. Yes. So the Infrastructure Bank has a first lien pledge of those revenues. We cannot put any additional pledges that are superior to the State Infrastructure Bank. We can put additional pledges that are on a parity with this. That is subject to an additional bonds test that we have to meet, that additional bonds test is 200% of the pledge. So again, we're very far above those thresholds, but we cannot put you into like a passenger or second place seat.”

Member Haw: “Thank you”

Mr. Peterson then went on to talk about the proposed 15 year amortization schedule. Stating that the first payment to the Bank will be on December 1st of 2025 and the final payment will be June 1st of 2040. He thanked the Bank Staff and Board for the 3.98% financing rate, as it is a lower rate than the Hospital would receive to secure financing from commercial lenders. He then offered to answer any questions.

Mr. Jimenez then took over the presentation and continued stating that the interest rate environment is at a strange point. The Bank locked in that interest rate knowing that it may have raised by 100 basis points at any other date. The Bank is comfortable with the locked in rate and timeframe. Bank Staff has analyzed the applicants audited financial statements for 2020, 2021, 2022, 2023 and 2024. Staff has also reviewed its existing FY 2025 budget as well as its Capital Improvement plan and looking at

all of those documents' Staff did see some blip in and around the pandemic. As many hospital partners can say, there were a lot of moving pieces during that year particularly for our healthcare providers. The documents show a relatively stable income and revenues for the applicant in those subsequent 4 years. Staff believes that this applicant is an eligible borrower being that it's it is a governmental unit.

Staff did an analysis on the number of jobs through an analysis per \$1,000,000.00 of construction spend. The Bank doesn't anticipate any additional permanent jobs. Moreso just the additional space that will allow more patients to be served. There are expected construction indirect and induced jobs through the through this project. The construction is expected to result in approximately 84 total jobs, consisting of 28 direct construction jobs, and 56 supplier and induce jobs. Which is relatively large in a place like Caliente and is good jobs for hardworking folks. The applicant has agreed to adhere to the Bank standards of apprenticeship, utilization local hiring, prevailing wages, as well as the environmental standards for the Bank. Staff did an analysis on whether this project would fall within a disadvantaged community based on the census track metrics, showing this project does not fall within a low income census tract. It has a borderline high social vulnerability score, while it doesn't qualify as a disadvantaged community for the banks 40% goal under this project. Staff acknowledges that the people in Lincoln County do struggle with finding access to affordable health care, making this a worthwhile project to consider. Mr. Jimenez then asked if there were any questions from Board members.

Treasurer Conine, seeing and hearing none, then closed Agenda Item 5 and opened Agenda Item 6.

Presenters: Erik Jimenez, Secretary to the Board of Directors

Agenda Item 6 – For discussion and possible action: Approval of a transfer of \$1.9 from the Federal Infrastructure Matching Account to the Nevada State Infrastructure Bank's General Account. Treasurer Conine then turned the attention to Member Blayne Osborn to re-state his disclosure.

Member Osborn: "Thank you, Mr. Chair, Blayne Osbourne for the record again, want to make that same disclosure that in my personal capacity, I'm the President of Nevada Rural Hospital partners and of which Grover C Bills Medical Center is a member hospital of ours. And therefore, I will abstain from any action taken on these Agenda Items 6 and 7, thanks."

Erik Jimenez: "Thank you Mister Treasurer, and agenda item 6 for the Board. Again, this is an accounting exercise because there are different restrictions on the Federal Infrastructure Matching Account and the General Account, this project can only be funded out of the General Account due to the location of the project and kind of the funding sources that are being applied. I would just note for the Board currently in your unobligated balances, balances that haven't been approved for anything, you'll see some outstanding bond proceeds and Treasurer's Office interest income. The dollars that we have accumulated in these accounts over the life of the Bank that have been sitting and earning interest, record amounts of interest I might add, thanks to our Investment Team over in the Treasurer's Office. but we have about \$5,180,000.00 in unobligated dollars in the Federal Infrastructure Matching Account. I think from where we are in a bank perspective, until we know what's going on with the Legislative session and other kind of moving parts, for right now I think

this will probably be the last project that we consider until Bank revenues start flowing in through different projects and we can look at that. That was outlined in the packet in Agenda Item 4, but we do feel comfortable that this transfer can be made, and we still have a good cushion for the bank to cover both operational expenses and potentially other future projects that might come up.”

Treasurer Conine thanks Erik Jimenez and asked if there were any questions from Board Members. Hearing none, he asked if there was a motion

Member Tracy Holland made a motion. Member Jesse Haw seconded the motion. Motion passed unanimously with the abstention of Member Osborn.

Presenters: Erik Jimenez, Secretary to the Board of Directors

Agenda Item 7 – For discussion and possible action: Consideration and possible approval of a loan of \$1.9 million from the Nevada State Infrastructure Bank’s General Account to Lincoln County Hospital District Project for the Grover C. Dils Medical Center and Psychical Therapy Building project, and direction to staff as appropriate.

Treasurer Conine asked if there were any questions from Board Members. Hearing none, he asked if there was a motion

Member Jesse Haw made a motion. Director Kristopher Sanchez seconded the motion. Motion passed unanimously with the abstention of Member Osborn.

Agenda Item 8 - Public Comment: No public comment.

Meeting Adjourned at 12:00 p.m.