

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 21, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
SMALL-ISSUE INDUSTRIAL DEVELOPMENT BOND PROJECT

Prepared by Richard C. Fischer

Applicant: California Municipal Finance Authority

Allocation Amount Requested: \$7,500,000

Project Name: **Edelbrock Permanent Mold, LLC**
Project Address: 1380 Buena Vista Street
Project City, County, Zip Code: San Jacinto, Riverside, 92583

Project Sponsor Information:
Name: Edelbrock Permanet Mold, LLC
Principals: Vic Edelbrock, Jr, Jeffrey L. Thompson, Aristedes T. Feles and Nancy M. Edelbrock

Project User Information:
Name: Edelbrock Permanet Mold, LLC
Principals: Same individual names as above

Project Financing Information:
Bond Counsel: Office of Ronald E. Lee, Esquire
Underwriter: Banc of America Securities LLC
Credit Enhancement Provider: Bank of America
Private Placement Purchaser: Not Applicable

Description of Proposed Project:

Principal products to be manufactured:	Sand-Casting cylinder heads, manifolds, water pumps and throttle bodies.
Number of jobs created:	10
Number of jobs retained:	25
Jobs-to-bond ratio:	\$214,286
Estimated total development cost:	\$8,936,000

Legal Questionnaire:
The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points: 23 out of 85

Recommendation:
Staff recommends that the Committee approve \$7,500,000 in tax-exempt bond allocation.

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PROJECT SPONSOR INFORMATION:

Name: Edelbrock Permanet Mold, LLC
Principals: Vic Edelbrock, Jr, Jeffrey L. Thompson, Aristedes T. Feles and
Nancy M. Edelbrock
Address: 1380 Buena Vista Street
San Jacinto, Riverside, 92583
Phone: (310) 972-2701

PROJECT USER INFORMATION:

Name: Edelbrock Permanet Mold, LLC
Principals: Same as Project Sponsor
Address: Same as Project Sponsor
Phone: Same as Project Sponsor

PROJECT FINANCING INFORMATION:

Bond Counsel: Office of Ronald E. Lee, Esquire
Underwriter: Banc of America Securities LLC
Credit Enhancement Provider: Bank of America
Private Placement Purchaser: Not Applicable
TEFRA Hearing: July 6, 2006

DESCRIPTION OF PROPOSED PROJECT:

Description of project, renovation or new construction, the number of square feet to be constructed/renovated:

The construction of 70,000 square foot building and the acquisition of new advanced production equipment.

Type of equipment being purchased:

Modern stack "Jet Melter" technique furnace with robotic ladling.
Hall casting machines
Hall tilt machines
Kurtz robotic ladle system
Herschel single station casting knock out machines
Nirvana variable speed rotary air compressors with dryer and recovery tanks
Baker 900B crucible furnace
Cold jet system
Toyota 500 lb fork lifts
Gas fired 4-position indexing heat furnace with quench tank manufactured by Consolidated Engineering
Laempe white sand core machine
Nitrogen conversion machine

Principal products to be manufactured:

Sand-Casting cylinder heads, manifolds, water pumps and throttle bodies.

Purpose of the project:

The new facility is adjacent to an existing facility and will provide ample room to accommodate production and employment growth for the acclaimed state-of-the-art foundry.

Estimated total development cost: \$8,936,000

Relocation:

N/A

Sources of funds:

Tax-Exempt Bond Proceeds	\$7,500,000
Taxable Bond Proceeds	\$ 0
Project Sponsor Equity	\$ 0
Other Sources	<u>\$1,436,000</u>
Total Sources	\$8,936,000

Uses of funds:

Equipment Acquisition and Installation	\$4,000,000
Construction of New Building	\$4,200,000
Acquisition of Land	\$ 511,000
Cost of Issuance (including discount)	\$ 225,000
Other Costs (Interest During Const)	<u>\$ 0</u>
Total Uses	\$8,936,000

DESCRIPTION OF PUBLIC BENEFITS:

Distressed community location:

Not applicable.

Total number of new jobs to be created and jobs to be retained within two years of project completion:

	Jobs Created	Jobs Retained	Total Jobs Retained
Management:	1	2	3
Skilled & Semi Skilled:	4	15	19
Unskilled:	<u>5</u>	<u>8</u>	<u>13</u>
TOTAL	10	25	35

Total jobs/Allocation ratio: 1 job per \$214,286 in allocation (\$7,500,000 /35)

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed	Points Scored
<u>Community Economic Need:</u>		
1. Unemployment Rate of Project Area	10	5
2. Poverty Rate of Project Area	5	0
3. Special Designation Area	5	0
4. Median Family Income of Project Area	5	0
Job Creation Ratio (1/\$214,286)	25	0
Welfare to Work Program Participation	5	5
Employee Benefits	5	3
Average Hourly Wage	5	0
Land Use	5	0
Transit Corridor	5	5
Energy Efficiency	5	5
Leveraging	5	0
Total Points	85	23

COMMENTS:

1. The proposed Project will create an estimated 10 new jobs and retain 25 existing jobs for a total of 35 jobs.
2. The Project User will participate in a Welfare-to-Work Program in hiring its new employees.
3. The Project User contributes an average of \$245.80 a month towards the cost of health benefits for its employees and dependents.
4. The proposed Project has received a total score of 23 points.
5. The Staff has reviewed the applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

RECOMMENDATION:

Staff recommends that the Committee approve \$7,500,000 in tax-exempt bond allocation.

Staff Report prepared by Richard C. Fischer.