

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
SMALL-ISSUE INDUSTRIAL DEVELOPMENT BOND PROJECT

Prepared by Richard C. Fischer.

Applicant: Industrial Development Authority of the City of Los Angeles

Allocation Amount Requested: \$8,600,000

Project Name: Colorgraphics, Inc.
Project Address: 150 North Myers Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90033

Located in the East Side State Enterprise Zone in the City of Los Angeles, with the poverty rate of 281% of the state average and median family income of less than 80% of the statewide average.

Project Sponsor Information:
Name: Colorgraphics, Inc.
Principals: Robert Burton Sr., Mark Hiltwein and Robert Lynn

Project User Information:
Name: Same as Project Sponsor
Principals: Same as Project Sponsor

Project Financing Information:
Bond Counsel: Fulbright and Jaworski LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: GE Government Finance, Inc.
TEFRA Hearing: August 17, 2007

Description of Proposed Project: The proposed project consists of purchasing one new Man Roland 8 color web press commercial printer.

Principal service to be provided: Commercial printing.

Number of jobs created: 20
Number of jobs retained: 169
Jobs-to-bond ratio: \$430,000
Estimated total development cost: \$8,850,000

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: 35 out of 85

Recommendation:
Staff recommends that the Committee approve \$8,600,000 in tax-exempt bond allocation.

DESCRIPTION OF PROPOSED PROJECT:

- **Description of project, renovation or new construction, the number of square feet to be constructed/renovated:**
 Equipment Purchase Only.
- **Type of equipment being purchased:**
 Man Roland 8 color web press commercial printer complete with all equipment.
- **Principal products to be manufactured:**
 Principal service is commercial printing. Major customers are T-Mobile, Nintendo America, Nissan North America, Washington Mutual and Subaru America.
- **Purpose of the project:**
 Already at capacity, the proposed Project will increase operational efficiencies, by being able to meet customers increased demands.
- **Estimated total development cost:** \$8,850,000
- **Relocation:** Not applicable
- **Sources of funds:**

Tax-Exempt Bond Proceeds	\$8,600,000
Other Sources	<u>\$ 250,000</u>
Total Sources	\$8,850,000
- **Uses of funds:**

New Equipment Purchase & Installation	\$8,600,000
Bond Issuance Expenses	<u>\$ 250,000</u>
Total Uses	\$8,850,000

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 after two years
Management:	0	17	17
Skilled & Semi-skilled:	20	150	170
<u>Unskilled:</u>	<u>0</u>	<u>2</u>	<u>2</u>
TOTAL	20	169	189

- **Total jobs/Allocation ratio:** 1 job per \$430,000 in allocation

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed	Points Scored
<u>Community Economic Need:</u>		
1. Unemployment Rate of Project Area	10	0
2. Poverty Rate of Project Area	5	5
3. Special Designation Area	5	5
4. Median Family Income of Project Area	5	5
Job Creation Ratio (1/\$430,000)	25	0
Welfare to Work Program Participation	5	5
Employee Benefits	5	5
Average Hourly Wage	5	5
Land Use	5	0
Transit Corridor	5	5
Energy Efficiency	5	0
Leveraging	5	0
Total Points	85	35