

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**November 17, 2010**  
**Staff Report**

**REQUEST FOR AN AWARD OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**  
**RECOVERY ZONE FACILITY BOND RE-ALLOCATION**

*Prepared by: John Weir*

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**Applicant:** California Enterprise Development Authority

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**Allocation Amount Requested:** **Tax-exempt:** \$9,600,000

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**Project Information:**  
**Project Name:** Emissions Testing Facility  
**Project Address:** 201 Del Norte Blvd.  
**Project City, County, Zip Code:** Oxnard, Ventura, 93030

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**Qualified Business Information:**  
**Name:** Quattro-Del Norte, LLC  
**Principals:** Bernard Huberman, Daniel Rosenthal, Shawn Gutteresen and Steve Perry.

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Underwriter:** Westhoff, Cone & Holmstedt  
**Credit Enhancement:** Not Applicable  
**Private Placement Purchaser:** Wells Fargo Bank, N.A.  
**Public Sale:** Not Applicable  
**TEFRA Hearing:** October 12, 2010  
**Adoption of Recovery Zone Designation Date:** January 12, 2010

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**Description of Proposed Project:**  
The Project consists of the construction of a 63,650 s.f. building to house the emission testing, research and development facilities of Volkswagen US.

**Principal production:** N/A  
**Number of jobs created:** 7  
**Jobs-to-bond ratio:** 1 job per \$1,371,429 in allocation.  
**Estimated total development cost:** \$10,720,908

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**Legal Questionnaire:**  
The Staff has researched whether the recent investigation by the Ventura County District Attorney's Office into the Mayor and the City of Oxnard's contracting practices included Bernard Huberman (principal of Qualified Business) and/or BLT Enterprises (100% owner); and thus whether or not this would jeopardize the project sponsor's financial and/or operational position, and/or the position of the Project. No information was disclosed to question the financial viability or legal integrity of the Applicant and no information was discovered indicating the Qualified Business is involved with the District Attorney's investigation; as such, the Staff recommends approval of the Project.

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**Total Points:** 11 out of 100

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**Recommendation:**  
Staff recommends that the Committee approve \$9,600,000 in Recovery Zone Facility Bond re-allocation.

**DETAILS OF PROJECT FINANCING:**

- *Sources of Funds:*

Tax-Exempt Bond Proceeds	\$	9,600,000
Project Sponsor Equity	\$	1,120,908
Total Sources	\$	10,720,908

- *Uses of Funds:*

Construction	\$	7,941,725
Engineering/Architecture	\$	1,732,345
Construction Management	\$	241,852
Cost of Issuance (including discount)	\$	204,000
Interest During Construction	\$	600,986
Total Uses	\$	10,720,908

**JOB CREATION:**

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

	<b>Jobs Created</b>
<b>Management</b>	0
<b>Skilled/Semi-Skilled</b>	7
<b>Unskilled</b>	0
<b>Total</b>	7

- *Total Jobs/Allocation Ratio:* 1 job per \$1,371,429 in allocation.

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed	Points Scored
Community Economic Need:		
1. Unemployment Rate of Project Area	10	0
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 job per \$1,371,429 in allocation.)	25	0
Welfare to Work Program Participation	5	0
Employee Benefits	5	0
Average Hourly Wage	5	5
Land Use	6	6
Transit Corridor	7	0
Energy Efficiency	7	0
Leveraging	15	0
<b>Total Points</b>	<b>100</b>	<b>11</b>