

**CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION
INDUSTRIAL DEVELOPMENT BONDS**

Meeting Date: November 19, 2008

Request for Approval of Initial and Final Resolution and Tax Exempt Bond Allocation

Prepared by: *Deanna Hamelin*

Issuer:	California Municipal Finance Authority (CMFA)	Amount	\$7,416,000 TE
Borrower:	5699 District Blvd., LLC, and/or a related entity	Requested: Application No.:	08-0018
User:	Value Meats Inc., dba Charlie’s Pride Meats, and/or a related entity	IR & FR No.:	08-0018
Location:	City of Vernon (Los Angeles County)	Allocation Resolution No.:	08-0018A

Borrower/User/Background: 5699 District Blvd., LLC (the Borrower) was formed in August 2007. Value Meats, Inc., dba Charlie’s Pride Meats, (the User, the Company, or Value Meats) was incorporated in California in November 1969. James Dickman and Robert Dickman each own 50% of 5699 District Blvd., LLC. Value Meats is owned by Charles Dickman (33.4%), James Dickman (33.3%) and Robert Dickman (33.3%).

Value Meats manufactures premium roast beef, corned beef, pastrami and other deli meats. The meat cuts are hand-selected, cured in a unique blend of spices and prepared fresh daily in state-of-the-art smokehouses. The Company’s customers include supermarket chains such as Wal-Mart, Supervalu and Vons. Value Meats’ products are sold nationwide, with out-of-state sales accounting for 40% of its revenues.

Project Information: The Company currently leases an 18,000 square-foot facility in the City of Vernon from one of the owners, Charles Dickman. The Company has experienced strong revenue growth over the past few years. In 2007, the Company purchased approximately 68,000 square feet of vacant land from the City of Vernon Redevelopment Agency with the intent to build a larger facility that will allow it to meet the increasing demand for its products in an efficient manner. Bond proceeds will be used to reimburse the costs of the acquisition of land and the construction of a new, 33,402 square-foot manufacturing facility.

Anticipated Timeline: The land was purchased on August 8, 2007. Construction of the building began in July 2008 and is expected to be complete in February 2009.

Prior Actions/Financing: None.

Statutory Criteria: 1) Public Benefits, 2) Relocation, and 3) Bond Issue Qualification: Staff has awarded points based on its evaluation of the Project under CDLAC guidelines. Not all statutory criteria are part of the CDLAC point scheme.

PUBLIC BENEFITS: Consistent with CDLAC guidelines, staff awarded the Project a total of 29 verifiable points. While none of the 29 points are based on creation or retention of jobs, the Company represents that it currently has 129 direct, full-time employees and anticipates hiring 14 additional direct, full-time employees within two years of Project completion.

RELOCATION OF COMPANY OPERATIONS (No point evaluation required): The Company will remain in the City of Vernon.

QUALIFICATION OF BOND ISSUANCE (No point evaluation required): Based on the proposed finance structure, and the application and other materials submitted to CIDFAC for the proposed Project, staff believes the bonds will: (a) be adequately secured; (b) be fair, just and equitable to a purchaser of the bonds; and (c) not work a fraud upon the bond purchaser. Staff's final determination of qualification of the bonds will be subject to its review of final bond documents prior to the issuance of bonds.

Status Of Permit/Other Required Approvals:

- On October 12, 2007, CMFA executed an Inducement Resolution in an amount not to exceed \$10,000,000 in tax-exempt IDBs for the Project. As of the writing of this report, CMFA is scheduled to adopt a final resolution for the Project on November 14, 2008.
- A TEFRA hearing was held by the City of Vernon on October 6, 2008. The City noticed and approved the issuance of tax-exempt bonds in an amount not to exceed \$10,000,000.
- The Project involves the acquisition of land and construction of a new manufacturing building. The land is zoned for industrial uses. All land use and zoning approvals and permits have been obtained. The Borrower provided confirmation that no additional land use or zoning approvals or permits are required to accommodate the Project.

Financing Details:

CMFA will issue the tax-exempt bonds on a private placement basis. GE Government Finance, Inc. (GEGF), which is a qualified institutional buyer (QIB) as defined by U.S. Securities and Exchange Commission (SEC) Rule 144A, will purchase the bonds. The bonds will:

- Be secured by the mortgage on the new food processing facility.
- Be used to pay off a taxable bridge loan from GEGF, which was issued in October 2007.
- Have a fixed interest rate of 5.35% at the time of the bond closing, which was derived from the 20-year, U.S. interest rate swap index.

The bonds will be issued in accordance with CIDFAC's private placement policy, which has the following requirements:

- The bond purchaser must be a sophisticated investor as defined under SEC Rule 144A.
- The sophisticated investor must sign a "traveling" sophisticated investor letter, which will outline the requirements and restrictions, and which will follow the bonds in the event the bonds are re-sold or traded at a later date.
- The security for the private placement debt must be collateral provided by the Borrower.
- The bonds will be issued in minimum denominations of \$250,000.

CIDFAC Fees:

In accordance with CIDFAC regulations, the Borrower has paid or will pay CIDFAC an application fee of \$1,250 and a closing fee of up to \$18,540.¹

Financing team:

Issuer: CMFA
Bond Counsel: Ronald Lee, Esq.
Private Placement Purchaser: GE Government Finance, Inc

Legal Questionnaire: Staff reviewed the Borrower/User responses to the questions contained in the Legal Status portion of the Application. The responses did not disclose any information that raises questions concerning the financial viability or legal integrity of the companies.

Recommendation: Staff recommends approval of Initial and Final Resolution No. 08-0018 for an amount equal to \$7,416,000 in tax-exempt bonds and Allocation Resolution No. 08-0018A for an amount equal to \$7,416,000 in tax-exempt IDB allocation for the Issuer for the Value Meats, Inc. Project. Staff's recommendation is subject to staff analysis and approval of final bond documents and receipt of bond counsel's opinion as set forth in Initial and Final Resolution No. 08-0018

¹ California Code of Regulations Title 10, Chapter 8, Article 3, §6070

VALUE MEATS INC. PROJECT
Bond Amount: \$7,416,000 TE
City of Vernon (Los Angeles County)
Application No. 08-0018
November 19, 2008

STAFF SUMMARY – CIDFAC

Prepared by: *Deanna Hamelin*

ISSUE: On behalf of 5699 District Blvd., LLC and/or an affiliated entity (the Borrower), and Value Meats, Inc., dba Charlie’s Pride Meats and/or an affiliated entity (the User or the Company or Value Meats), the California Municipal Finance Authority (CMFA or the Issuer) requests approval of the Initial and Final Resolution No. 08-0018 for an amount equal to \$7,416,000 in tax-exempt bonds and Allocation Resolution No. 08-0018A for an amount equal to \$7,416,000 in tax-exempt IDB allocation. Bond proceeds will be used for costs associated with the acquisition of land and the construction of a new 33,402 square-foot manufacturing facility.

BORROWER/USER:

5699 District Blvd., LLC (the Borrower) was formed in August 2007. Value Meats, Inc., dba Charlie’s Pride Meats, (the User, the Company, or Value Meats) was incorporated in California in November 1969. James Dickman and Robert Dickman each own 50% of 5699 District Blvd., LLC. Value Meats is owned by Charles Dickman (33.4%), James Dickman (33.3%) and Robert Dickman (33.3%).

Value Meats manufactures premium roast beef, corned beef, pastrami and other deli meats. The meat cuts are hand-selected, cured in a unique blend of spices and prepared fresh daily in state-of-the-art smokehouses. The Company’s customers include supermarket chains such as Wal-Mart, Supervalu and Vons. Value Meats’ products are sold nationwide, with out-of-state sales accounting for 40% of its revenues.

Legal Questionnaire. Staff reviewed the Borrower/User responses to the questions contained in the Legal Status portion of the Application. They did not disclose any information that raises questions concerning the financial viability or legal integrity of the Borrower/User.

Prior Actions and Financings. None.

PROJECT INFORMATION: The Company currently leases an 18,000 square-foot facility in the City of Vernon from one of the owners, Charles Dickman. The Company has experienced strong revenue growth over the past few years. In 2007, the Company purchased approximately 68,000 square feet of vacant land from the City of Vernon Redevelopment Agency with the intent to build a larger facility that will allow it to meet the increasing demand for its products in an efficient manner. Bond proceeds will be used to reimburse the costs of the acquisition of land and the construction of a new 33,402 square-foot manufacturing facility.

The following is an estimate of how the tax-exempt bond proceeds for the Project will be applied:

Acquisition of Land.....	\$496,615
Construction of New Building	\$6,919,385
Total:	<u>\$7,416,000</u>

Anticipated Timeline. The land was purchased on August 8, 2007. Construction of the building began in July 2008 and is expected to be complete in February 2009.

Status Of Permit/Other Required Approvals:

- On October 12, 2007, CMFA executed an Inducement Resolution in an amount not to exceed \$10,000,000 in tax-exempt IDBs for the Project. As of the writing of this report, CMFA is scheduled to adopt a final resolution for the Project on November 14, 2008.
- A TEFRA hearing was held by the City of Vernon on October 6, 2008. The City noticed and approved the issuance of tax-exempt bonds in an amount not to exceed \$10,000,000.
- The Project involves the acquisition of land and construction of a new manufacturing building. The land is zoned for industrial uses. All land use and zoning approvals and permits have been obtained. The Borrower provided confirmation that no additional land use or zoning approvals or permits are required to accommodate the Project.

STATUTORY CRITERIA: 1) Public Benefits, 2) Relocation and 3) Bond Issue Qualification. Staff has awarded points based on its evaluation of the Project under CDLAC guidelines. Not all statutory criteria are part of the CDLAC point scheme.

- 1) **PUBLIC BENEFITS:** Staff assigned a total of 29 verifiable points to the Project as detailed below:

Community Economic Need (15 points):

Unemployment Rate of the Project Area (0 points): No points were awarded for the unemployment rate of the Project area. In accordance with CDLAC procedures, points are awarded in this category if the 2007 unemployment rate of the county sub-area in which the Project is located is at least 125% of the 2007 statewide rate. In this case, the 2007 unemployment rate of the Project area is 0%.

Poverty Rate of Project Area (5 points): In accordance with CDLAC procedures, the most recent data from the U.S. Bureau of the Census, which in this case is Census 2000 data, is used to determine if the Project qualifies for points in this category. The poverty rate for this Project area is 17.03%, which is 161% of the Census 2000 statewide rate of 10.6%.

Special Designation Area (5 points): The Project is located in the Recycling Market Redevelopment Zone in Los Angeles County.

Median Family Income (5 points): In accordance with CDLAC procedures, the most recent data from the U.S. Bureau of the Census, which in this case is Census 2000 data, is used to determine if the Project qualifies for points in this category. The Project is located in the City of Vernon, census tract 5323.04, where the Census 2000 average median family income is \$40,407. Given that the Census 2000 median family income for the State of California is \$53,025, the median family income for the Project area is 76% of the statewide average.

Employment Benefits (Job Retention = 0 points) Although the Project received no points for the creation or retention of jobs, the Company represents that it currently employs 129 individuals and expects to hire an additional 14 direct, full-time employees within two years of Project completion.

Welfare-to-Work Plan (0 points): No information was provided indicating that the Company participates in a welfare-to-work program.

Health Care Benefits (3 points): The Company provided documentation that it contributes to the medical insurance for 53 of its 129 employees. The contribution computes to an average of \$281 per month toward the health care benefits for each employee. The uncovered employees opted out of the Company's health care plan for personal reasons.

Average Hourly Wage (1 point): In accordance with CDLAC procedures, the most recent data from the Bureau of Labor Statistics, which in this case is 2007 data, is used to determine if the Project qualifies for points in this category. The Company's average hourly wage is \$17.05, while the Metropolitan Statistical Area (MSA) for the City of Los Angeles has an average 2007 manufacturing wage of \$14.89. Therefore, Value Meats' average hourly wage is 114% of the average manufacturing wage for the Los Angeles area.

Land Use/Energy Efficiency/Public Transit Corridor (10 points):

Land Use (5 points): This Project involves the reuse of a vacant land with developed infrastructure that was purchased from the City of Vernon Redevelopment Agency.

Energy Efficiency (0 points): The Borrower/User did not provide information regarding the Project's energy efficiency.

Public Transit Corridor (5 points): The Company provided verification that the Project site is located in a public transit corridor. A Metro bus stop and bus route is less than ¼ of a mile from the Project site.

Leveraging (0 points): The Project does not involve the use of leveraging.

- 2) **RELOCATION OF COMPANY OPERATIONS (No point evaluation required):**
The Company will remain in the City of Vernon.
- 3) **QUALIFICATION OF BOND ISSUANCE (No point evaluation required):** Based on the proposed financial structure and the application and other materials submitted to CIDFAC for the proposed Project, staff believes the bonds that will be issued in connection with the Project will: (a) be adequately secured; (b) be fair, just, and equitable to a purchaser of the bonds; and (c) not work a fraud upon the bond purchaser. Final determination of qualification of the bonds will be subject to review of final bond documents prior to the issuance of bonds.

FINANCING DETAILS: The CMFA will issue the tax-exempt bonds on a private placement basis. GE Government Finance, Inc. (GEGF), which is a qualified institutional buyer (QIB) as defined by U.S. Securities and Exchange Commission (SEC) Rule 144A, will purchase the bonds. The bonds will:

- Be secured by the mortgage on a new food processing facility.
- Be used to pay off a taxable bridge loan from GEGF, which was issued in October 2007.
- Have a fixed interest rate of 5.35% at the time of the bond closing, which was derived from the twenty-year, U.S. interest rate swap index.

The bonds will be issued in accordance with CIDFAC’s private placement policy, which has the following requirements:

- The bond purchaser must be a sophisticated investor as defined under SEC Rule 144A.
- The sophisticated investor must sign a “traveling” sophisticated investor letter, which will outline the requirements and restrictions and which will follow the bonds in the event the bonds are re-sold or traded at a later date.
- The security for the private placement debt must be collateral provided by the Borrower.
- The bonds will be issued in minimum denominations of \$250,000.

CIDFAC FEES:

In accordance with CIDFAC regulations, the Borrower has paid or will pay CIDFAC an application fee of \$1,250 and a closing fee of up to \$18,540.²

FINANCING TEAM:

Issuer: CMFA
Bond Counsel: Ronald Lee, Esq.
Private Placement Purchaser: GE Government Finance, Inc.

RECOMMENDATION:

Staff recommends approval of Initial and Final Resolution No. 08-0018 for an amount equal to \$7,416,000 in tax-exempt bonds and Allocation Resolution No. 08-0018A for an amount equal to \$7,416,000 in tax-exempt IDB allocation for the Issuer for the Value Meats, Inc. Project. Staff’s recommendation is subject to staff analysis and approval of final bond documents and receipt of bond counsel’s opinion as set forth in Initial and Final Resolution No. 08-0018.

² California Code of Regulations Title 10, Chapter 8, Article 3, §6070

INITIAL AND FINAL RESOLUTION
OF THE
CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING
ADVISORY COMMISSION (CIDFAC)
INDUSTRIAL DEVELOPMENT BONDS
IR/FR #: 08-0018

WHEREAS, the California Municipal Finance Authority (the “Applicant”) has transmitted the application of 5699 District Blvd., LLC (the “Project Sponsor”) for the issuance of \$7,416,000 in tax exempt bonds under the provisions of the California Industrial Development Financing Act, and has transmitted said application to the California Industrial Development Financing Advisory Commission (the “Commission”) and the information necessary to permit review of said application by the Commission, and has informed the Commission that it has adopted a resolution declaring its intention to issue such bonds and that the City of Vernon has held a public hearing regarding the issuance of the bonds and has approved the issuance of the bonds by the Applicant; and

WHEREAS, the Commission has reviewed the application and the materials submitted with the application.

NOW, THEREFORE, the Commission resolves as follows;

Section 1. The Commission, based on its review of the application and the information submitted therewith, does determine that:

(a) the public benefits from the acquisition of the facility described in the application likely will substantially exceed any public detriment from the issuance of the bonds in the total principal amount of \$7,416,000; and

(b) use of the Project described in the application and the operation of the facility described in the application are reasonably necessary to prevent the relocation of substantial

operations of the Project Sponsor from an area within the State of California to an area outside of the State of California.

Section 2. The Commission conditionally finds that the proposed issuance of the bonds qualifies under the provisions of Article 5 of Title 10 of the Government Code, and further finds that:

(a) the bonds will be adequately secured and the funds available to the Applicant will be sufficient to pay the principal of and interest on the bonds to be issued; and

(b) based on its review of the preliminary material submitted to it and as provided for under Government Code Section 91571, the proposed issuance will be fair, just and equitable to a purchaser of the bonds, and that the bonds proposed to be issued and the methods to be used by the Authority in issuing them will not be such as will work a fraud upon the purchaser thereof.

Section 3. The Commission determines that it is appropriate to the proposed transaction that the qualification of the proposed issuance be subject to the following conditions:

(a) the Bond Counsel Opinion, when ready for execution, shall be submitted to Commission staff;

(b) the final legal documents, when ready for execution, shall be submitted to Commission staff for its review. Submitted documents shall include:

(i) Loan Agreement,

(ii) Tax Certificate and Agreement, and,

(iii) Other documents which, in the opinion of Commission staff, are necessary to the review of the transaction.

(c) the Commission staff shall determine that the final documents associated with the transaction have been developed in form and content substantially similar to the representations in the application on which are based the findings under Section 2. above;

(d) the bonds, when issued, are within the maximum limitation of bonds authorized in the California Industrial Development Financing Act (Section 91573(a) of California Government Code);

(e) the Commission shall receive all applicable fees prior to the issuance of the bonds, unless the bond documents indicate that such fees are to be paid from the proceeds of the bonds; and

(f) the Project Sponsor agrees to comply with Section 91533(l) of the Government Code relating to the payment of prevailing wages.

Section 4. This Resolution shall cease to be effective if the above-described bonds have not been issued within six months after the date of adoption of this Resolution.

Section 5. In compliance with the provision of the California Industrial Development Financing Act (Section 91754 California Government Code), the qualification of the proposed bond issue by this resolution is permissive only, and does not constitute a recommendation or endorsement of the bonds so qualified by the Commission.

**THE CALIFORNIA INDUSTRIAL DEVELOPMENT
FINANCING ADVISORY COMMISSION
RESOLUTION NO. 08-0018A
RESOLUTION TRANSFERRING A PORTION OF THE 2008 STATE CEILING
FOR QUALIFIED PRIVATE ACTIVITY BONDS FOR A
SMALL-ISSUE INDUSTRIAL DEVELOPMENT PROJECT**

WHEREAS, that the California Debt Limit Allocation Committee (“CDLAC”) awarded allocation to the California Industrial Development Financing Advisory Commission (the “Commission”) for the purpose of awarding a portion of the allocation to local and State issuers; and

WHEREAS, the Commission has the authority to transfer a portion of its allocation to local and State issuers; and

WHEREAS, the Commission has received an application (“Application”) from the California Municipal Finance Authority (“Applicant”) requesting a transfer to the Applicant of a portion of the 2008 State Ceiling on Qualified Private Activity Bonds (the “State Ceiling”) under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations (“Bonds”) for a project as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Procedures of the CDLAC Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds (“CDLAC’s Procedures”)); and

WHEREAS, the Project Sponsor (as defined in Exhibit A) has represented certain facts and information concerning the Project in the Application, which the Applicant has confirmed; and

WHEREAS, in evaluating the Project and potential allocation of a portion of the State Ceiling to the Applicant for the benefit of the Project, the Commission has relied upon the

written facts and information provided in the Application and otherwise by the Project Sponsor and the Applicant; and

WHEREAS, it is appropriate for the Commission to make a transfer of a portion of the State Ceiling (“Allocation”) in order to benefit the Project described in the Application.

NOW, THEREFORE, the California Industrial Development Financing Advisory Commission resolves as follows:

Section 1. There will be a transfer to the Applicant an amount of the State Ceiling equal to \$7,416,000. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated as though fully set forth herein (this resolution, together with Exhibit A, hereinafter referred to as the “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor, the Applicant and their respective successors and assigns will be bound by such terms and conditions.

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Commission’s Procedures, such modification shall require reconsideration by the Commission before the Allocation may be used for the Project. Once the Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Commission through an action for specific performance or any other available remedy, provided however, that the Commission agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of the Bondholders. The Commission may, as circumstances warrant, consent to changes in the terms and conditions set forth in this Resolution in the event the Commission is advised of changes in the Project.

Section 4. Prior to the issuance of the Bonds, any material changes in the structure of the credit enhancement and not previously approved by the Commission shall require approval of the Commission Chair or the Executive Director.

Section 5. The Applicant is not authorized to use the Allocation transferred hereby to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer the Allocation to any governmental unit in the State other than this Commission.

Section 6. The potential Allocation transferred herein shall automatically revert to this Commission unless the Applicant has issued Bonds for the Project by the close of business within 90 days of the award of Allocation. In the case of extreme hardship, the Executive Director may extend this date by up to five (5) business days.

Section 7. Within twenty-four (24) hours of using the Allocation to issue the Bonds, the Applicant shall notify the Commission's staff and CDLAC's staff in writing (which may be by electronic or facsimile communication) that the Allocation has been used. Each notification to the Commission and to CDLAC shall identify the Applicant, the project or program, the date the Allocation was used, and the amount of the Allocation used.

Section 8. Within fifteen (15) calendar days of the issuance of the Bonds, the Applicant or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting, in a form prescribed by and made available by CDLAC a completed Report of Action Taken.

Section 9. Any differences between the amount of Bonds issued and the amount of the Allocation granted in Section 1 of this Resolution shall automatically revert to the Commission. If at any time prior to the expiration date set forth in Section 6 of this Resolution the Applicant determines that part or all of the Allocation will not be used to issue Bonds by that date,

the Applicant shall take prompt action by resolution of its governing board or by action of its authorized officer to return such unused Allocation to the Commission.

Section 10. The staff of the Commission is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain, for the term of the Bonds, a copy of this Resolution in the Applicant's official records. The Commission staff is further directed to retain a copy of this Resolution in the files of the Commission (or any successor thereto) for the same period of time.

Section 11. In consideration of the potential Allocation to be transferred to the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Commission through an action for specific performance or any other available remedy, provided however, that the Commission expressly agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of the Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Commission is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 12. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by the Commission.

Section 13. This Resolution shall take effect upon its adoption.

EXHIBIT A

**RESOLUTION NO: 08-0018A
(A SMALL-ISSUE INDUSTRIAL DEVELOPMENT PROJECT)**

1. Applicant: CMFA
2. Application No.: 08-0018
3. Project Sponsor: 5699 District Blvd., LLC and/or a related entity
4. Project User: Value Meats, Inc., dba Charlie's,
Pride Meats, and/or a related entity
5. Project Name: Value Meats, Inc. Project
6. Address: 5699 District Blvd.
Location: Vernon, CA 90058
County: Los Angeles County
7. Amount of Allocation: \$7,416,000
8. The Project Sponsor has represented that it reasonably expects the User will use its best efforts to create an additional 14 direct, full-time jobs within two years of Project completion.