

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN
EXEMPT FACILITY PROJECT

Prepared by Walter Akiyama.

Applicant: California Pollution Control Financing Authority

Allocation Amount Requested: \$2,700,000

Project Name: Raisch Company

Project Address, City, County, Zip Code:

Site A.- 99 Pullman Way, San Jose, Santa Clara, 95111

Site B.- 55 Hillsdale Ave., San Jose, Santa Clara, 95136

Site C.- 1444 Borregas Ave., Sunnyvale, Santa Clara, 94089

Site D - 7010 Auto Mall Parkway, Fremont, Alameda, 94538

Project Sponsor Information:

Name: Raisch Compnay
Address: 99 Pullman Way
San Jose, CA 95111
Principals: Douglas E. Raisch, Michael M. McHale and Kathleen A. Dobosz
Contact: Marty McHale
Phone: (408) 227-9222

Project User Information:

Name: Same as Project Sponsor
Address: Same as Project Sponsor
Contact: Same as Project Sponsor
Phone: Same as Project Sponsor

Project Financing Information:

Bond Counsel: Kutak Rock, LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Heritage Bank of Commerce
TEFRA Hearing: September 13, 2007

Project Sponsor's principal activity: According to the application, the Project Sponsor's principal activity is the collection, recycling, transportation and disposal of solid waste.

First Tier Business (Yes/No): Yes

Regulatory Mandate (Yes/No): Yes, California Integrated Waste Management Act (AB 939)

Sources of Funds:

Tax-Exempt Bond Proceeds	\$2,700,000
Other Sources	<u>\$1,175,000</u>
Total Sources	\$3,875,000

Uses of Funds:

New Equipment Purchase & Installation	\$3,700,000
Cost of Issuance (including discount)	\$ 105,000
Other	<u>\$ 70,000</u>
Total Uses	\$3,875,000

Description of Proposed Project: According to the application, the proposed Project will consist of the acquisition of a new mobile plant for recycling waste concrete and asphalt materials; and the purchase of related equipment: conveyors, hoppers, crushers, sorters, screens, trailers and a generator. The Project will replace an existing out-dated mobile recycling plant; thus allowing the Project Sponsor to increase the amount of waste material recycled. The Project Sponsor operates several locations where construction and demolition waste concrete and asphalt are delivered by contractors, governmental agencies, and local residents. The waste accumulates at each location. The mobile plant travels to each location and converts the accumulated waste into materials that are usable in road building and other construction uses. In addition, the mobile plant can be used at construction sites where large amounts of waste materials are generated. Communities in the Counties of Santa Clara and Southern Alameda will be served. The Project Sponsor currently recycles in excess of 400,000 tons of waste concrete and asphalt annually. The Project is in direct response to AB 939.

Environmental impact:

- 1) Air Quality: According to the application, the new mobile plant will eliminate the need for some ancillary vehicles and equipment used to relocate the current mobile plant. Elimination of these vehicles and equipment that utilize gasoline and/or diesel powered engines will improve air quality.
- 2) Recycling of Commodities: According to the application, the process of recycling waste concrete extracts metal rebar from this material. Annually approximately 50 tons of rebar is segregated and delivered to metal recyclers.
- 3) Safety and Compliance: According to the application, the Project Sponsor has the specialized skills to recycle waste asphalt materials that are generated when roads are resurfaced.
- 4) Consumer Costs Savings and Efficiencies: According to the application, the Project Sponsor provides local homeowners with a convenient and low-cost alternative to disposing of residential concrete and asphalt waste at local landfills.

Local government support: Letters of support have been received from the following:

Judy Chirco, Councilmember District 9	City of San Jose
Pete Constant, Councilmember District 1	City of San Jose
Madison P. Nguyen, Councilmember District 7	City of San Jose
Linda J. LeZotte, Ex-Councilmember	San Jose, CA
William Turley, Executive Director	Construction Materials Recycling Association

Legal Questionnaire: 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 \$2,700,000 in tax-exempt bond allocation.