

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**January 23, 2008**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN**  
**EXEMPT FACILITY PROJECT**

*Prepared by Walter Akiyama.*

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**Applicant:** California Pollution Control Financing Authority

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**Allocation Amount Requested:** \$7,830,000

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**Project Name:** Yulupa Investments, LLC

**Project Address, City, County, Zip Code:**

Site A. – 3151 Taylor Drive, Ukiah, Mendocino, 95482

Site B. – 120 Soda Bay Road, Lakeport, Lake, 95453

Site C. – 4200 & 4260 N. State Street, Ukiah, Mendocino, 95482

Site D. – 230 Soda Bay Road, Lakeport, Lake, 95453

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**Project Sponsor Information:**

**Name:** Yulupa Investmens, LLC  
**Address:** 4260 North State Street  
Ukiah, CA 95482  
**Principals:** Dave Carroll and John Shea  
**Contact:** Dave Carroll  
**Phone:** (707) 328-9076

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**Project User Information:**

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

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe, LLP  
**Underwriter:** Westhoff, Cone & Holmstedt  
**Credit Enhancement Provider:** Union Bank of California  
**Private Placement Purchaser:** Not applicable  
**TEFRA Hearing:** December 19, 2007

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**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.

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**First Tier Business (Yes/No):** Yes

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

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**Sources of Funds:**

Tax-Exempt Bond Proceeds	\$7,830,000
Other Sources	<u>\$ 250,000</u>
Total Sources	\$8,080,040

**Uses of Funds:**

Acquisition of Land	\$1,400,000
Acquisition of Existing Building	\$3,100,000
Rehabilitation of Existing Building	\$ 480,000
Site Preparation	\$ 237,000
New Equipment Purchase & Installation	\$2,340,000
Cost of Issuance (including discount)	\$ 383,040
Letter of Credit or Bond Insurance Fee	\$ 139,093
Other	<u>\$ 907</u>
Total Uses	\$8,080,040

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**Description of Proposed Project:** According to the application, the Project Sponsor is purchasing the Ratto Group's Ukiah transfer station at Site A and also from the Ratto Group a corporate yard in Lakeport at Site D both of which will be improved. The Project Sponsor is also purchasing a site in Lake County at Site B as expansion spaces for its existing corporate yard and various equipment to be used at its Ukiah corporate yard site at Site C&D.

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**Environmental impact:**

- 1) Air Quality: According to the application, the use of new CARB compliant diesel trucks will reduce vehicle emissions as contrasted with those vehicles currently in use throughout the service area.
- 2) Energy Efficiency: According to the application, new vehicles are more fuel efficient when contrasted with those currently in use thereby reducing future fossil fuel consumption
- 3) Recycling of Commodities: According to the application, the grinder and sorting lines to be used at Sites B and A, respectively, will allow for an increased diversion of green waste and other recyclables.
- 4) Safety and Compliance: According to the application, the Project Sponsor is in compliance with all applicable state and federal environmental regulations regarding solid waste disposal.

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**Local government support:** Letters of support have been received from Candace Horsley, City Manager, of the City of Ukiah.

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**Legal Questionnaire:** No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

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**Recommendation:** Staff recommends that the Committee approve \$7,830,000 in tax-exempt bond allocation.