

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

Prepared by Richard C. Fischer.

Applicant: California Infrastructure & Economic Development Bank

Allocation Amount Requested: \$3,871,886

Project Name: Superior's KBA Printing Press
Project Address: 3055 Bandini Boulevard
Project City, County, Zip Code: Vernon, Los Angeles, 90023

Project Sponsor Information:
Name: Superior Lithographics, Inc.
Principals: Carole J. Rawson and Douglas L. Rawson

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

Project Financing Information:
Bond Counsel: Stradling Yocca Carlson & Rauth, LLC
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: GE Government Finance, Inc.
TEFRA Hearing: December 21, 2007

Description of Proposed Project: The proposed project consists of purchasing one new KBA Rapida offset press, Model RA 162a-CX-6-L-ALV3.

Principal products to be manufactured: Principal products are commercial corrugated boxes.

Number of jobs created: 69
Number of jobs retained: 60
Jobs-to-bond ratio: \$56,114
Estimated total development cost: \$4,489,857

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: 25 out of 85

Recommendation:
Staff recommends that the Committee approve \$3,871,886 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:**
KBA Rapida offset press, Model RA 162a-CX-6-L-ALV3 complete with all equipment.
- **Principal products to be manufactured:**
Principal products are corrugated boxes. Major customers are Capri Sun and Georgia Pacific.
- **Purpose of the project:**
Increasing operational efficiencies, by being able to complete longer print runs in order to stay competitive.
- **Estimated total development cost:** \$4,489,857
- **Relocation:** Not applicable
- **Sources of funds:**

Tax-Exempt Bond Proceeds	\$3,871,886
Other Sources	<u>\$ 617,971</u>
Total Sources	<u>\$4,489,857</u>
- **Uses of funds:**

New Equipment Purchase & Installation	<u>\$4,489,857</u>
Total Uses	<u>\$4,489,857</u>

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:	3	7	10
Skilled & Semi-skilled:	57	53	110
Unskilled:	<u>9</u>	<u>0</u>	<u>9</u>
TOTAL	69	60	129

- **Total jobs/Allocation ratio:** 1 job per \$56,114 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	0
4. Median Family Income of Project Area	5	0
Job Creation Ratio (1/\$56,114)	25	5
Welfare to Work Program Participation	5	0
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	25