

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN
EXEMPT FACILITY PROJECT

Prepared by Brady Hill.

Applicant: California Pollution Control Financing Authority

Allocation Amount Requested: \$7,830,000

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

Project Sponsor Information:

Name: Yulupa Investments, LLC

Address: 4260 North State Street

Ukiah, CA 95482

Principals: Dave Carroll and John Shea

Contact: Dave Carroll

Phone: (707) 328-9076

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: 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

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	\$7,830,000
Other Sources	\$ 250,000
Total Sources	\$8,080,000

Uses of Funds:

Acquisition of Land	\$1,400,000
Acquisition of Existing Buildings	\$3,100,000
Rehabilitation of Existing Buildings	\$ 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	\$ 139,053
Other	\$ 907
Total Uses	\$8,080,000

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.

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) Water Quality: None indicated.
- 3) 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
- 4) 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.
- 5) 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.
- 6) Consumer Costs Savings and Efficiencies: None indicated.

Local government support: Letter of support has been received from Candace Horsley, City Manager, of the City of Ukiah.

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 \$7,830,000 in tax-exempt bond allocation.