

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
SMALL-ISSUE INDUSTRIAL DEVELOPMENT BOND PROJECT

Prepared by Richard Fischer.

Applicant: California Municipal Finance Authority

Allocation Amount Requested: \$7,500,000

Project Name: Ventura Coastal, LLC
Project Address: 12310 Avenue 368
Project City, County, Zip Code: Visalia, Tulare, 93291

Project Sponsor Information:
Name: Ventura Coastal, LLC
Principals: William Borgers, Michael Steubing, David Walker

Project User Information: (if different from the borrower)
Name: Same
Principals:

Project Financing Information:
Bond Counsel: Law Office of Ronald E. Lee, Esq.
Underwriter: Not Applicable
Private Placement Purchaser: GE Government Finance
TEFRA Hearing: December 18, 2007

Description of Proposed Project:
(Description and purpose of project, renovation or new construction, the number of square feet to be constructed/renovated) Equipment purchase for upgrading an existing location.

Principal products to be manufactured: Fruit and Vegetable Juice Processing
Number of jobs created: 10
Number of jobs retained: 31
Jobs-to-bond ratio: \$750,000/1
Estimated total development cost: \$7,600,000

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: 30 out of 85

Recommendation:
Staff recommends that the Committee approve \$7,500,000 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:** Juice Production Equipment
- **Principal products to be manufactured:** Fresh and concentrated juice
- **Purpose of the project:** Expanding current plants capacity to produce larger quantities of Not For Concentrate juice.
- **Estimated total development cost:** \$7,600,000
- **Relocation:**
- **Sources of funds:**

Tax-Exempt Bond Proceeds	\$7,500,000
Taxable Bond Proceeds	\$ 0
Project Sponsor Equity	\$ 0
Other Sources	<u>\$ 100,000</u>
Total Sources	\$7,600,000
- **Uses of funds:**

Land Acquisition	\$ 0
Existing Building(s) Acquisition	\$ 0
New Equipment Purchase & Installation	\$7,500,000
Legal, Permits, etc.	\$ 0
Cost of Issuance (including discount)	\$ 100,000
Letter of Credit or Bond Insurance Fee	\$ 0
Other Costs	<u>\$ 0</u>
Total Uses	\$7,600,000

DESCRIPTION OF PUBLIC BENEFITS:

- **Distressed community location:**
 - a) Poverty rate is 182% of State Median,
 - b) Median Family Income is 63% of State Median
- **Total number of new jobs to be created and jobs to be retained within two years of project completion:**

	Jobs Created	Jobs Retained
Management:	0	8
Skilled/Semi-skilled:	10	23
Unskilled:	<u>0</u>	<u>0</u>
TOTAL	10	31

- **Total jobs/Allocation ratio:** 1 job per \$750,000 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	5
Job Creation Ratio (1/\$750,000)	25	0
Welfare to Work Program Participation	5	5
Employee Benefits	5	5
Average Hourly Wage	5	0
Land Use	5	0
Transit Corridor	5	5
Energy Efficiency	5	5
Leveraging	5	0
Total Points	85	30

COMMENTS:

1. The Project is located in unincorporated ### County in the community of ###, for which there is (no) unemployment, poverty, or median family income data available from EDD or the U. S. Census Bureau. Section 20.II.A of the CDLAC Procedures provides specific instructions for computing points in the Community Economic Need category. In order to merit points in this category, this application must, in accordance with the Procedures, use: 1) the unemployment data for Census Tract 9201.06 (Los Angeles County), which is the lowest sub-county level applicable to the Project; 2) the poverty data for each of the federal census tracts that are within a mile radius of the proposed Project; and 3) the median family income of Census Tract 9201.06, which is the smaller project benefit area applicable to the Project in the absence of city or CDP income data. (However, the application uses unemployment, poverty, and median family income data for the Cities of San Fernando and Los Angeles, which is not consistent with the CDLAC Procedures. The fourth point criterion does not apply to this application since the Project is not located in a Special Designated Area.) Thus, the Project does (not) ## earn points in the Community Economic Need category.