

**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 C. Fischer.*

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**Applicant:** California Infrastructure & Economic Development Bank

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**Allocation Amount Requested:** \$10,000,000

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**Project Name:** Prinsco, Inc.  
**Project Address:** 2839 South Cherry Avenue  
**Project City, County, Zip Code:** Fresno, Fresno, 93706

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Located in Fresno Urban Round III Empowerment Zone, with an unemployment rate of 152% of the state average

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**Project Sponsor Information:**  
**Name:** Prinsco, Inc.  
**Principals:** Willis Duinick, Curt Duinick, Jeremy Duinick,  
Jamie Duinick and Norm Duinick

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

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Underwriter:** Banc of America Securities  
**Credit Enhancement Provider:** Bank of America, N.A.  
**TEFRA Hearing:** February, 2008

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**Description of Proposed Project:** The proposed project consists of purchasing and renovating a building and property for the purpose of manufacturing High Density Polyethylene drainage pipe.

<b>Principal products to be manufactured:</b>	Manufacturing High Density Polyethylene drainage pipe.
<b>Number of jobs created:</b>	21
<b>Number of jobs retained:</b>	0
<b>Jobs-to-bond ratio:</b>	\$476,190
<b>Estimated total development cost:</b>	\$10,697,515

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**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.

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**Total Points:** 25 out of 85

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**Recommendation:**  
Staff recommends that the Committee approve \$10,000,000 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:**  
The proposed project consists of purchasing and renovating a 27,000 square foot building and property for the purpose of manufacturing High Density Polyethylene drainage pipe.
- **Type of equipment being purchased:**
  - 1.) Storage and mixers for the resin,
  - 2.) Large corrugators and extruders used to melt and mold resin into corrugated pipe and
  - 3.) Fork lifts, trucks and trailers to load and transport the finished product.
- **Principal products to be manufactured:**  
Manufacturing High Density Polyethylene drainage pipe.
- **Purpose of the project:**  
Due to demand of their product, Prinsco, Inc. chose to open a new plant in Fresno to meet demand.
- **Estimated total development cost:** \$10,697,515
- **Relocation:** Not applicable
- **Sources of funds:**

	Tax-Exempt Bond Proceeds	\$10,000,000
	Other Sources	<u>\$ 697,515</u>
	Total Sources	\$10,697,515
- **Uses of funds:**

	Land Acquisition	\$ 1,988,650	
	Rehabilitation of Existing Building(s)	\$ 1,563,000	
	Equipment Purchase & Installation	\$ 6,720,000	
	Engineering/Architecture	\$ 100,000	
	Legal Permits, etc.	\$ 50,000	
	Cost of Issuance (including discount)	\$ 200,000	
	LOC or Bond Insurance Fee	\$ 75,865	
	Other Costs	<u>\$ 0</u>	
	Total Uses	\$10,697,515	0

**DESCRIPTION OF PUBLIC BENEFITS:**

- **Distressed community location:**  
Fresno Urban Round III Empowerment Zone.
- **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:	4	0	4
Skilled & Semi-skilled:	9	0	9
Unskilled:	<u>8</u>	<u>0</u>	<u>8</u>
<b>TOTAL</b>	<b>21</b>	<b>0</b>	<b>21</b>

- **Total jobs/Allocation ratio:** 1 job per \$476,190 in allocation

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed	Points Scored
<u>Community Economic Need:</u>		
1. Unemployment Rate of Project Area	10	5
2. Poverty Rate of Project Area	5	5
3. Special Designation Area	5	5
4. Median Family Income of Project Area	5	5
Job Creation Ratio (1/\$476,190)	25	0
Welfare to Work Program Participation	5	0
Employee Benefits	5	5
Average Hourly Wage	5	0
Land Use	5	0
Transit Corridor	5	0
Energy Efficiency	5	0
Leveraging	5	0
<b>Total Points</b>	<b>85</b>	<b>25</b>