

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 22, 2010
Staff Report

REQUEST FOR AN AWARD OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
RECOVERY ZONE FACILITY BOND RE-ALLOCATION

Prepared by: Sarah Lester

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: **Tax-exempt:** \$7,000,000

Project Information:
Project Name: Aerospace Dynamics International, Inc.
Project Address: 25540 Rye Canyon Road
Project City, County, Zip Code: Santa Clarita, Los Angeles, 91355

Qualified Business Information:
Name: Aerospace Dynamics International, Inc.
Principals: Gerald Friend, John T. Cave, William Barritt and James Fish

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement: Not Applicable
Private Placement Purchaser: GE Government Finance, Inc.
Public Sale: Not Applicable
TEFRA Hearing: June 22, 2010
Adoption of Recovery Zone Designation Date: October 27, 2009

Description of Proposed Project:
According to the Applicant, the proposed Project allocation request is to purchase new equipment for the manufacturing of structural components on virtually every commercial and military aircraft program. The new equipment will consist of new machining centers from various vendors.

Principal production: Commercial and Military Aircrafts
Number of jobs created: 125
Jobs-to-bond ratio: 1 job / \$56,000
Estimated total development cost: \$7,000,000

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: 10 out of 100

Recommendation:
Staff recommends that the Committee approve \$7,000,000 in Recovery Zone Facility Bond re-allocation.

DETAILS OF PROJECT FINANCING:

- *Sources of Funds:*

Tax-Exempt Bond Proceeds	\$ 7,000,000
Total Sources	\$ 7,000,000

- *Uses of Funds:*

New Equipment Purchase & Installation	\$ 6,860,000
Bond Issuance Expenses (incl. Discounts)	\$ 140,000
Total Uses	\$ 7,000,000

JOB CREATION:

- *Total number of new jobs to be created and jobs to be retained within two years of project completion:*

	Jobs Created
Management	20
Skilled/Semi-Skilled	105
Unskilled	0
Total	125

- *Total Jobs/Allocation Ratio:* 1 job per \$56,000 in allocation.

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed	Points Scored
Community Economic Need:		
1. Unemployment Rate of Project Area	10	0
2. Poverty Rate of Project Area	5	0
3. Special Designation Area	5	0
4. Median Family Income of Project Area	5	0
Job Creation Ratio (1 job per \$56,000 in allocation.)	25	5
Welfare to Work Program Participation	5	0
Employee Benefits	5	0
Average Hourly Wage	5	5
Land Use	6	0
Transit Corridor	7	0
Energy Efficiency	7	0
Leveraging	15	0
Total Points	100	10