

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 17, 2010
Staff Report

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

Prepared by: John Weir

Applicant: Industrial Development Authority of Alameda County

Allocation Amount Requested: **Tax-exempt:** \$3,700,000

Project Information:
Project Name: Data Safe, Inc.
Project Address: 37580 Filbert Street
Project City, County, Zip Code: Newark, CA 94560-3536

Qualified Business Information:
Name: Data Safe, Inc.
Officers: Tom Reis (President), Rob Reis (Secretary and CFO)

Project Financing Information:
Bond Counsel: Lofton & Jennings
Underwriter: Westhoff, Cone & Holmstedt
Credit Enhancement: Bank of the West
Private Placement Purchaser: Not Applicable
Public Sale: Not Applicable
TEFRA Hearing: October 5, 2010
Adoption of Recovery Zone Designation Date: January 26, 2010

Description of Proposed Project:
The Project includes the construction of a new building for the purpose of housing new paper shredding equipment and a mobile shredder truck.
Principal production: Records and information management
Number of jobs created: 8
Jobs-to-bond ratio: 1 job per \$462,500 in allocation.
Estimated total development cost: \$5,151,625

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: 28 out of 100

Recommendation:
Staff recommends that the Committee approve \$3,700,000 in Recovery Zone Facility Bond re-allocation.

DETAILS OF PROJECT FINANCING:

- *Sources of Funds:*

Tax-Exempt Bond Proceeds	\$	3,700,000
Taxable Bond Proceeds	\$	1,451,625
Total Sources	\$	<u>5,151,625</u>

- *Uses of Funds:*

Site Preparation	\$	30,000
Construction of New Building	\$	2,510,000
Utilities Connection	\$	33,000
New Equipment	\$	1,000,000
Engineering/Architecture	\$	12,000
Legal Permits	\$	15,000
Bond Issue Expenses	\$	141,375
Letter of Credit/Bond Insurance Fee	\$	110,250
Refinance of existing lien	\$	<u>1,300,000</u>
Total Uses	\$	<u>5,151,625</u>

JOB CREATION:

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

	Jobs Created
Management	0
Skilled/Semi-Skilled	0
Unskilled	8
Total	8

- *Total Jobs/Allocation Ratio:* 1 job per \$462,500 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 \$462,500 in allocation.)	25	0
Welfare to Work Program Participation	5	5
Employee Benefits	5	0
Average Hourly Wage	5	0
Land Use	6	6
Transit Corridor	7	7
Energy Efficiency	7	0
Leveraging	15	10
Total Points	100	28