

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 15, 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*

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**Applicant:** California Enterprise Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$11,325,000

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**Project Information:**  
**Project Name:** Troy-CSL Lighting, Inc. Project  
**Project Address:** 14508 Nelson Avenue  
**Project City, County, Zip Code:** City of Industry, Los Angeles, 91744

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**Qualified Business Information:**  
**Name:** Dacon Properties, LLC and Troy-CSL Lighting, Inc.  
**Principals:** David Littman, Connie Littman, and Steve Nadel

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement:** Not Applicable  
**Private Placement Purchaser:** Union Bank, N.A.  
**Public Sale:** Not Applicable  
**TEFRA Hearing:** March 11, 2010  
**Adoption of Recovery Zone Designation Date:** January 26, 2010

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**Description of Proposed Project:**  
The purpose of the project is to provide a new 199,733 sf manufacturing facility for the production and distribution of custom made lighting fixtures.

**Principal production:** Manufacture and distribution of lighting fixtures  
**Number of jobs created:** 60  
**Jobs-to-bond ratio:** 1 job per \$188,750 in allocation.  
**Estimated total development cost:** \$17,325,000

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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:** 34 out of 100

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**Recommendation:**  
Staff recommends that the Committee approve \$11,325,000 in Recovery Zone Facility Bond re-allocation.

**DETAILS OF PROJECT FINANCING:**

- *Sources of Funds:*

Tax-Exempt Bond Proceeds	\$	11,325,000
Taxable Bond Proceeds	\$	0
Project Sponsor Equity	\$	6,000,000
Total Sources	\$	17,325,000

- *Uses of Funds:*

Construction of New Buildings	\$	10,150,000
Acquisition & Installation of New Equipment	\$	800,000
Bond Issuance	\$	125,000
Interest During Construction	\$	250,000
Land Purchase	\$	6,000,000
Total Uses	\$	17,325,000

**JOB CREATION:**

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

	<b>Jobs Created</b>
<b>Management</b>	2
<b>Skilled/Semi-Skilled</b>	49
<b>Unskilled</b>	9
<b>Total</b>	60

- *Total Jobs/Allocation Ratio:* 1 job per \$188,750 in allocation.

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed	Points Scored
Community Economic Need:		
1. Unemployment Rate of Project Area	10	10
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 job per \$188,750 in allocation.)	25	0
Welfare to Work Program Participation	5	0
Employee Benefits	5	3
Average Hourly Wage	5	5
Land Use	6	6
Transit Corridor	7	0
Energy Efficiency	7	0
Leveraging	15	0
<b>Total Points</b>	100	34