



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for February 7, 2001 to hold necessary hearing to assist Lustre-Cal Nameplate Corporation in securing tax-exempt financing

MEETING DATE: January 17, 2001

SUBMITTED BY: Economic Development Coordinator

RECOMMENDED ACTION: That the City Council by minute action establish February 7, 2001 as the date to conduct a public hearing to approve a resolution authorizing issuance of \$3.735 million in tax-exempt Industrial Revenue Bond (IRB) financing.

BACKGROUND INFORMATION: As part of the City's economic development business attraction and expansion efforts, it is often necessary to assist business in securing project financing. Lustre-Cal Nameplate Corporation, a local manufacturer of custom identification products since 1964, has purchased a 4.25 acre parcel in the Beckman Industrial Park for the purpose of constructing a new 46,800+/- square foot manufacturing facility.

Lustre-Cal is seeking approximately \$3.735 million dollars in tax-exempt bonds to finance the construction of the new building and is requesting the City of Lodi's assistance in securing the bonds by acting as a conduit for their issuance. This public hearing is required pursuant to the Federal Tax Equity Fiscal Responsibility Act ("TEFRA"), which governs issuance of such bonds and is the initial step in the application process.

The City is not the bond issuer nor is it financially or legally responsible for bond repayment. Thus, there is no impact on the City's debt capacity or bond rating. The bonds are payable solely from company generated revenues and bond repayment security is provided by the bond applicant, Lustre-Cal Nameplate Corporation.

FUNDING: None required (There is no City budget impact)

Respectfully submitted,

Tony C. Goehring
Economic Development Coordinator

APPROVED: _____

H. Dixon Flynn -- City Manager



CITY OF LODI
Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING
Date: Wednesday, February 7, 2001
Time: 7:00 p.m.

For information regarding this notice please contact:
Susan J. Blackston
City Clerk
Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday, February 7, 2001 at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, at the Carnegie Forum, 305 West Pine Street, Lodi, the City Council of the City of Lodi, California (the "City"), will conduct a public hearing concerning the issuance and sale by the California Statewide Communities Development Authority (the "issuer") of notes, bonds, or any other evidence of indebtedness (the "Obligations") in an aggregate principal amount not expected to exceed \$5,000,000. Proceeds of the Obligations are to be loaned to Lustre-Cal Nameplate Corporation, Joseph C. and Clydene G. Hohenrieder or an affiliate (the "Borrower") pursuant to a Loan Agreement (the "Loan Agreement") to provide for the acquisition, construction, rehabilitation and improvement of property, including real and personal property, to be used as, or as a part of, a manufacturing facility (the "Project") to be used in the manufacturing of labels, nameplates and related supplies. The Project will be located at the northwest corner of Industrial Way and South Guild Avenue, Lodi, California 95240 and/or 1101 East Turner Road, Lodi, California 95240. The Obligations will be paid entirely from repayments by the Borrower under the Loan Agreement. Neither the faith and credit nor any taxing power of the City, the Issuer, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of or premium, if any, or interest on the Obligations, nor shall the City, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of or premium, if any, or interest on the Obligations.

The public hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986.

Those wishing to comment on the proposed nature and location of the Project and the financing of the Project with the proceeds of the Obligations may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the public hearing, to the City in care of Susan J. Blackston, City Clerk, at 221 West Pine Street, Lodi, California 95240 or P.O. Box 3006, Lodi, California 95241-1910.

By Order of the Lodi City Council:

Susan J. Blackston
City Clerk

Dated: January 17, 2001

Approved as to form:

Randall A. Hays
City Attorney

**NOTICE OF FILING AN APPLICATION WITH
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

NOTICE IS HEREBY GIVEN that Lustre-Cal Nameplate Corporation (the "Corporation") has filed an application with the California Statewide Communities Development Authority (the "Issuer") and that the Issuer has accepted the application. The application requests that the Issuer issue its notes, bonds or any other evidence of indebtedness (the "Obligations"), in an aggregate principal amount not expected to exceed \$5,000,000, to finance the acquisition, construction, rehabilitation and improvement of property, including real and personal property, to be used as, or as a part of, a manufacturing facility for the Corporation, Joseph C. and Clydene G. Hohenrieder (the Corporation's owners) or an affiliate (the "Project"), to be used in the manufacturing of labels, nameplates and related supplies, which Project will be located at the northwest corner of Industrial Way and South Guild Avenue, Lodi, California 95240 and/or 1101 East Turner Road, Lodi, California 95240. Neither the faith and credit nor any taxing power of the City of Lodi, California (the "City"), the Issuer, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of or premium, if any, or interest on the Obligations, nor shall the City, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of or premium, if any, or interest on the Obligations.

Further particulars may be obtained by reviewing the application at the Issuer's office, located at 1100 K Street, Suite 101, Sacramento, California, during regular business hours.

Dated: January 18, 2001

/s/ Dan Harrison
Secretary
California Statewide Communities
Development Authority