

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-3

Urgent

Routine

AGENDA DATE September 16, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Fund an Economic Development Bank Proposal for Fiscal Year 2008-2009 from the City of Riverbank for the Riverbank Industrial Park Business Expansion Loan Program

STAFF RECOMMENDATIONS:

1. Approve funding an Economic Development Proposal from the Economic Development Bank for Fiscal Year 2008-2009 in the amount not to exceed \$750,000 for the Riverbank Industrial Park Business Expansion Loan Program.
2. Authorize the Chief Executive Officer, or his designee, to execute an agreement with the jurisdiction receiving funding from the Economic Development Bank for the 2008-2009 Fiscal Year funding cycle.
3. Authorize the Auditor-Controller to establish any and all necessary accounting protocols for the administration, tracking, disbursement and reimbursement of funds.

FISCAL IMPACT:

The Economic Development Bank program earmarked \$1.5 million dollars annually for five years (Fiscal Year 2001-2002 - Fiscal Year 2005-2006) for economic development projects. Over that five-year period, appropriations were decreased three of those years (total appropriations \$6,211,950). The Board approved an additional \$1.5 million for Fiscal Year 2006- 2007 as part of the annual budget approval process. For Fiscal Year 2007-2008, \$1.5 million was again approved for the Economic Development Bank but redirected to establish the Community Development Fund under the existing program. For the current year, no funding was approved for the Economic Development Bank as a result of the County's

BOARD ACTION AS FOLLOWS:

No. 2008-655

On motion of Supervisor Grover, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, and Vice-Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: Mayfield

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Fund an Economic Development Bank Proposal for Fiscal Year 2008-2009 from the City of Riverbank for the Riverbank Industrial Park Business Expansion Loan Program

Page 2

FISCAL IMPACT continued

current fiscal position and as part of the budget balancing recommendation approved by the Board through the adoption of the Fiscal Year 2008-2009 Proposed Budget.

To date, the Economic Development Bank has committed \$6,731,507 for 25 projects (4 previously funded economic development projects have withdrawn their proposals and others have used only those funds necessary for implementation) and associated administrative costs. Project areas have varied from road infrastructure and water system improvements to business park development, renovation efforts and workforce development. 69% of committed funds have been distributed to date (due in part to individual project phasing). 9% of total funds committed have been allocated to grant based projects.

The Economic Development Bank funding recommendation for this application cycle totals 750,000 for one proposal. The current uncommitted balance available for future projects, should this project be awarded is \$2,575,112. This figure includes \$1,428,544 in loan repayments and \$843,861 in accrued interest.

DISCUSSION:

Background/Process

On February 13, 2001, the Stanislaus County Board of Supervisors approved the formation of an Economic Development Bank (Bank) for the purpose of providing resources for economic development projects throughout the County. It was the Board's intent that the funds be used by the nine cities (Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford) and Stanislaus County to finance infrastructure projects that make possible greater opportunities for job retention, creation, and workforce development.

Eligible jurisdictions wishing to obtain funding from the Bank are required to complete an application and submit it to the Stanislaus Economic Development and Workforce Alliance (Alliance). The Chief Executive Officer of the Alliance, and his designees, review each application for completeness and eligibility and provide assistance in the application process as necessary. An Advisory Committee, consisting of representatives from each city and the County evaluate all applications and make recommendations to the Alliance Board. The Alliance Board acts on the Advisory Committee's recommendation. A majority vote of the Alliance Board members is required before an application is forwarded to the Board of Supervisors for their formal concurrence. If concurrence on a project cannot be achieved, County funds will not be used to fund the project.

Approval to Fund an Economic Development Bank Proposal for Fiscal Year 2008-2009 from the City of Riverbank for the Riverbank Industrial Park Business Expansion Loan Program

Page 3

Funding is not made available to an applicant prior to the execution of a written agreement between the County and the applicant's jurisdiction. The jurisdiction must assume full fiscal responsibility for the appropriate use of the funding and is responsible for disallowed expenditures. The jurisdiction draws down Bank funds by invoicing the County for work performed on its project. The project is managed by the jurisdiction entity(ies). Progress reports are submitted to the County per the schedule that is identified in the written agreement at the time the project is approved for funding.

Project Proposals Cycle: Fiscal Year 2008-2009

One project was received in the Request for Proposals (RFP) cycle of July/August 2008. The Economic Development Bank Advisory Committee reviewed the sole project application from the City of Riverbank (City) in August and the Stanislaus Economic Development Workforce Alliance considered the funding recommendation of the Advisory Committee during its regular board meeting on August 18, 2008. At the August regular meeting, the Alliance Board approved the funding recommendation for the Riverbank Industrial Park Business Expansion Loan Program sponsored by the City of Riverbank. The Alliance Board approval included the condition that the City would not commit a loan, under the proposed program, until there was an ability to execute a five-year lease with each enterprise.

Riverbank Industrial Park Business Expansion Loan Program

The City of Riverbank has proposed to use Economic Development Bank loan funding to create a Business Expansion Loan Program specifically to infuse existing Riverbank Army Ammunition Plant (RBAAP) manufacturing businesses with the necessary capital to expand and directly retain and create jobs. It is anticipated that 439 new jobs will be created through this program. Loans will be available through this program to purchase, retool, or retrofit new or existing equipment, upgrade manufacturing operations space and expand the existing short-line rail service.

The RBAAP, consisting of approximately 150-acres and located on the northeast corner of Claus Road and Claribel Road, is a government-owned, contractor-operated (GOCO) industrial installation under the jurisdiction of the U.S. Army. The RBAAP was declared excess property by the U.S. Army and slated for closure under the Base Realignment and Closure Act (BRAC) of 2005. The City of Riverbank City Council, Federally recognized under BRAC law, as the Local Redevelopment Authority (LRA) is responsible for completing a Reuse Plan, which details the vision for civilian reuse of the RBAAP.

Currently, the GOCO operating the plant employs approximately 70 full-time staff. As shell casing production waned, the GOCO was permitted to lease portions of the underutilized facility to local private companies. There are currently 10 industrial sub-

Approval to Fund an Economic Development Bank Proposal for Fiscal Year 2008-2009 from the City of Riverbank for the Riverbank Industrial Park Business Expansion Loan Program

Page 4

tenants leasing space at the RBAAP providing high-wage manufacturing jobs to approximately 400 employees.

Several of these local companies have been in the process of looking for space outside of Riverbank and, in most cases, away from Stanislaus County. With this capital investment loan program, the City anticipates retaining close to 400 full-time jobs.

The total project budget for the Riverbank Industrial Park Business Expansion Loan Program is \$950,000. Of this amount, the City of Riverbank proposes to use \$200,000 from its Community Development Block Grant (CDBG) Economic Development Program Income, Revolving Loan Program. The balance of \$750,000 is proposed to be funded from the Stanislaus County Economic Development Bank.

If awarded funding, the City will provide an expansion loan fund for existing tenants. The City will structure agreements individually with tenants with stringent loan requirements including but not limited to, holding liens against the newly purchased equipment until the loan is repaid and a claw back option so that the repayment of funds will occur immediately if the loan funds are used in a manner inconsistent with the agreements or should the tenants relocate from the RBAAP site. In addition, loan agreements will be based on need, loan amount and return on investment. Full repayment of borrowed funds will be required from businesses by November 30, 2011.

In its application, the City requested that the Board of Supervisors release funding immediately in the full amount upon approval. The Alliance Board, during its approval of the funding recommendation, indicated that the release of funds would be contingent upon the City having a loan agreement in place with the individual RBAAP tenant business.

Repayment of the total loan amount of \$750,000 by the City of Riverbank for the Riverbank Industrial Park Business Expansion Loan Program will occur in three installments as follows: \$188,000 or 25% by September 2010, \$188,000 or 25% by September 2011, and \$374,000 or 50% by January 2012.

The City of Riverbank anticipates the program to commence upon approval and receipt of the appropriate documentation from participating RBAAP business tenants. Individual businesses are expected to begin expansion upon receiving funds and the requests of each business are anticipated to be completed in less than six months. The City is scheduled to rollout its draft reuse plan at the RBAAP (5300 Claus Road) on September 18, 2008 and is hopeful that it can include the announcement of the job creation/retention loan program as evidence of its commitment to the plan's vision and implementation.

Approval to Fund an Economic Development Bank Proposal for Fiscal Year 2008-2009 from the City of Riverbank for the Riverbank Industrial Park Business Expansion Loan Program

Page 5

POLICY ISSUES:

The Board should decide whether the purpose and intent of the Stanislaus County Economic Development Bank is sufficiently achieved in this applicant's proposal and whether the stated Board priorities of facilitating a strong local economy and developing effective partnerships are being realized.

STAFFING IMPACT:

The Workforce Alliance administers the Economic Development Bank program and monitors protocol, applications, project implementation and repayment of loan amounts for all approved projects. The Chief Executive Office, County Counsel and the Auditor Controller provide technical assistance as needed for the development of contractual agreements, project accounting and contract management.

RIVERBANK INDUSTRIAL PARK
BUSINESS EXPANSION LOAN PROGRAM
(FOR THE CLOSING RIVERBANK ARMY AMMUNITION PLANT)

Economic Development Bank Application for Funding

Applicant: City of Riverbank
6707 Third Street
Riverbank, CA 95367

Federal I.D. Number:
94-6000-407

Project Summary: The City of Riverbank will use Economic Development Bank loan funding to create a Business Expansion Loan Program specifically to infuse existing Riverbank Army Ammunition Plant (RBAAP) manufacturing businesses with the necessary capital to expand and directly create approximately ***439 new jobs***. These loans will fund the purchase, retooling, or retrofitting of new or existing equipment, the upgrading of manufacturing operations space, and the expansion of the existing short-line rail service.

Funding Request: **\$750,000** from the Economic Development Bank. Total project cost the program is \$950,000 including a match of \$200,000 from the city's CDBG Program Income Revolving Fund Program.

Submitted by:
Tim Ogden
Director of Economic Development
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Contact Person:
Debbie Olson
Economic Development Manager
☎ 209/863-7157
📧 209/869-7044
dolson@riverbank.org

PROJECT INFORMATION

Project Details: The approximate 150 acre RBAAP, located on the NE corner of Claus Road and Claribel Road, has been a prominent fixture in the City of Riverbank for more than six decades. During its history, it has provided city residents with thousands of jobs and contributed to the overall economy of the region. (See Figures A and B).

The RBAAP is a government-owned, contractor-operated (GOCO) industrial installation under the jurisdiction of the U.S. Army. The RBAAP was declared excess property by the U.S. Army and slated for closure under the Base Realignment and Closure (BRAC) Act of 2005. The Riverbank City Council, federally recognized under BRAC law as the Local Redevelopment Authority (LRA), is responsible for completing a Reuse Plan, which details the vision for the civilian reuse of the RBAAP.

Currently, the GOCO operating the plant employs approximately 70 full-time staff. As shell casing production waned, the GOCO was permitted to lease portions of the underutilized facility to local private companies. Today there are 10 industrial sub-tenants leasing space at RBAAP, providing high-wage manufacturing jobs for close to 400 employees. These private businesses conduct a variety of light to heavy industrial activities, ranging from a plastic recycling business to a firm that develops new, high-pressure alloys for the Department of Defense and N.A.S.A. (See Figure C for a complete list of RBAAP tenants).

Once the RBAAP was placed on the base closure list, the tenant's concern over their ability to expand or renew leases was tenuous. Seven of the ten existing tenants were prepared to expand and add jobs. Because of the uncertainty associated with the closure and transfer of the site to parties unknown, these same businesses were looking for new space outside of Riverbank and Stanislaus County to relocate and expand. Since then, the Army's ARMS program has agreed to allow existing tenants' leases to be renewed through 2010, with a negotiable option for additional years.

Expansion of the existing business tenants at the RBAAP represents an integral part of the draft RBAAP Reuse Plan. While each of the companies noted below had been in the process of looking for space outside of Riverbank, and in most cases, away from the Stanislaus River Valley, once assured of the City's support, the businesses have been prepared to expand their existing capacity and add jobs as soon as possible. With this capital investment loan program, Riverbank will retain the businesses, representing close to 400 full time employees, and enable them to expand another 439 new jobs.

Each tenant is an independent, entrepreneurial, environmentally friendly business with an immediate need for financing to expand. These businesses include:

Advanced Materials and Manufacturing Technologies, LLC (AM2T) (formerly Ceracon)

AM2T is a recognized cutting-edge company for developing engineered materials and custom designed products that solve immediate performance problems as well as those that will develop as technology demands evolve. The company holds numerous patents for their metallurgy and material science -- discoveries which have led them to produce engineered materials with significant commercial potential that are in demand by the military and the private sector. Currently holding contracts with N.A.S.A. and the Department of Defense, this funding will allow AM2T to expand its production of valuable, lightweight alloys by adding a new 3500-ton press and further develop, refine, and commercialize the innovation for use in new manufactured products for air craft carriers, oil refineries, medical implants, automotive parts, and snowmobiles. The jobs created will come from operation of the new press and the manufacturing needs associated with the new commercial contracts to produce the alloys.

Funding Request: \$100,000

Estimated Jobs: 75

Dayton Superior (formerly American Highway Technologies)

Dayton is a leading North American manufacturer and distributor of specialized metal products for non-residential concrete and masonry construction. Dayton has a network of 48 manufacturing centers around the country and huge contracts with the State of California to produce the rebar that goes into interstate roadways and airport projects. Currently, Dayton must produce the rebar for the California's interstate projects out of state. With the purchase of one significant piece of equipment, Dayton Superior will move the out-of-state production line for the California contract to Riverbank. California contracts producing jobs in California. Further, the expansion into new space will allow for expanded contracts and the addition of another shift of employees to operate the machinery.

Funding Request: \$475,000

Estimated Jobs: 15

Donaldson Company, Inc. (merged with existing firm LMC West)

Donaldson Company, Inc., is a leading worldwide provider of filtration systems and replacement parts. Donaldson serves customers in the industrial and engine markets, including dust collection, power generation, specialty filtration, compressed air purification, off-road equipment, industrial compressors, heavy trucks and light vehicles. Founded in 1915, Donaldson is a technology-driven company committed to satisfying customer needs for filtration solutions through innovative research and development. Expansion of their presence in Central California is dependent on our commitment of support. They are asking to upgrade existing manufacturing equipment and add a new paint spraying operation which will require new hires and additional shifts to keep up with expanded existing and new contracts.

Funding Request: \$ 70,000

Estimated Jobs: 20

Eco2Plastics

Eco2 is a publicly traded company engaged in PET plastic recycling. Unlike other plastic recyclers, Eco2's process eliminates the use of waste. This process respects and preserves the environment, while delivering the highest quality recycled plastic flake with up to a 50% lower operating cost. The Company's patented (and has additional patents-pending) process was developed through a research partnership with Honeywell FM&T and the US Department of Energy. Eco2's proprietary technology positions them as the lowest cost, highest quality producer of recycled plastic flake in the industry. Eco2 would like to more-than double the size of its existing operation before the end of the year. They currently have over 150 employees and with the increased production lines, need to add new employees to run the new equipment in their new production space. Eco2 has also recently had success in attracting venture capital interest, and the future looks extremely bright for them.

Funding Request: \$150,000

Estimated Jobs: 204

Environmental and Lubrication Solutions (ELS)

ELS is a manufacturer and distributor of unique high performance lubricant and fuel improver solutions to all significant market segments. ELS is an environmentally sensitive company that takes their ecological stewardship very seriously, therefore their business methods and product technologies uniquely reduce emissions and toxic waste as well as conserve valuable natural resources. They need to better utilize the existing space they have by installing a racking system and purchasing a forklift. Additionally, if the rail service on site could be improved, they would increase their production volume at this facility by 50%. Most of the employees are paid by commission, but additional space allows for additional product storage on-site. Warehousing management and staff, running several shifts will be added to the existing operation.

Funding Request: \$35,000

Estimated Jobs: 5

Riverbank Oil Transfer

Riverbank Oil Transfer (ROT) is a recycler of oil, oily water and waste antifreeze. The company holds permits from CalEPA, Department of Toxic Substances Control and Air Resources Board to receive and recycle oil, such as the oily water from the recent San Francisco Bay tanker spill. Used oil substances are trucked in and transferred to rail cars for transport to authorized offsite treatment, recycling or storage. ROT will expand their recycling business to include diversion and recycling of plastic oil containers such as those in which automobile motor oil is packaged (e.g., STP, Valvoline). They need to expand rail service, add an additional rail spur onsite, apply for new permits and arrange for expanded distribution channels state-wide. New employees will be needed to market new services, receive, sort, load and unload, crush, pack and maintain new distribution centers.

Funding Request: \$120,000

Estimated Jobs: 120

Transitioning the RBAAP into a unique “green friendly” industrial park creates a diverse industrial and manufacturing center where entrepreneurship, opportunity, environmental consciousness and local economic growth can thrive. Instead of a blighted, vacant military facility should the businesses leave, a vibrant group of sustainable businesses will be creating new jobs for the community and leading the way to a new niche employment cluster.

Snapshot of the funding requests by business:

Business	Description of Need	Amount	Resulting Jobs
AM2T	Retrofit Existing Presses; Install Equipment	\$100,000	75
Dayton Superior	Purchase and Install New Equipment	\$475,000	15
Donaldson	Upgrade and repair Existing Equipment	\$70,000	20
Eco2Plastics	Double Existing Production Line	\$150,000	204
Environmental and Lube Solutions	Racking and Forklift	\$35,000	5
Riverbank Oil Transfer	Expand Oil Recycling Business State-wide	\$120,000	120
TOTAL		\$950,000	439

Estimated Jobs Created Within 24 Months of Distribution of Funds: If the funding is approved, 439 new jobs would be created in the ensuing 24 months, most within the first year. **Taken altogether, this could be the most direct and immediate jobs-producing project the Economic Development Bank has funded to date.**

Economic Benefit to the Community: The Riverbank Business Expansion Loan Program would fund tenants located at the RBAAP and qualifies as an eligible Economic Development Bank request since the loans will facilitate economic development by both promoting retention of the businesses and by allowing significant expansion of the businesses and direct job creation.

The proposed program’s outcomes and goals meet the definition for providing a “public benefit” and should not be viewed as a gift of public funds. While the California constitution (Article XVI § 6) prohibits any public agency from making “any gift of any public money or thing of value to any individual, municipal or other corporation whatever,” the determining factor in whether there has been an illegal gift of public funds is whether the expenditure was for a “public purpose.” Public agencies are given wide discretion in determining what constitutes a public purpose (Schettler v. County of Santa Clara (1977) 74 Cal.App.3d 990).

Of utmost concern is the need to support new job creation. Since January 2008, two Riverbank businesses have lost approximately 900 jobs. The City’s estimated unemployment rate is 16.1%, well above the County’s unemployment rate of 10.9% and almost triple the State’s unemployment rate of 6.9%.¹ Further job loss would be devastating to Riverbank’s economy. Declines in retail and property taxes are natural outcomes of job losses, and further impair the economy. Additionally, the increased vacancy rate at a transitioning military installation would add to the blight of the facility and hinder the attraction of new businesses or development in the surrounding vicinity.

¹ California Employment Development Department June 2008 Labor Force Data Report

Expansion of the businesses located at the RBAAP has multiple benefits to the Riverbank community and the County at large. Economic Development Bank funds will accelerate the business expansion efforts by helping in the purchase of equipment, and allowing the businesses to leverage other expansion capital. The loan program would offer low- or no-interest loans to the RBAAP businesses, with the proviso that they commit to 5-year leases and create new jobs within the first 12 months of funding. This program is modeled after other micro-business loan programs, such as the federal Community Development Block Grant Small Business Loan Program, the Rural Small Business Loan Program and the Armament Retooling and Manufacturing Support program. Increased revenues from the expanding businesses will offset City funds for necessary upgrades to infrastructure at RBAAP and increase the City and County tax sales tax base. Keeping the tenants at the RBAAP also makes the site more attractive for future growth and private investment.

The project will also support the need for new goods and services to businesses and residents through the increased income produced by both the business and the employees, a majority of which are targeted income group persons residing in the areas served by the assisted businesses.

The assistance provided to the existing RBAAP tenants assures that not only the expansion of jobs occur in Riverbank, but will also create and foster community loyalty, leading to future business and community investment.

Increased business activity will help eliminate the blight of an underutilized military facility in the city limits and attract additional like-minded "green-friendly" businesses. For example, the plastic recycler, Eco2 Plastics, may bring in businesses who are the end users of the recycled plastic flake they produce.

Other Political Subdivisions or Partnerships Involved In This Project: Base closures are inherently unique and inevitably costly. For this reason, there are a multitude of agencies involved in the reuse planning process, and in the retention of the RBAAP manufacturing tenants. Below are just a few of the agencies involved to date:

Federal Agencies: U.S. Army
Department of Defense
Environmental Protection Agency
Office of Economic Adjustment
Housing and Urban Development
Economic Development Administration

Elected Officials: Supervisor Bill O'Brien
Congresswoman Nancy Pelosi
Congressman George P. Radanovich
Senator Dianne Feinstein
Assembly member Tom Berryhill

State Agencies: Governor's Office of Planning and Research
Department of Business, Housing and Transportation
California Environmental Protection Agency
Department of Toxic Substances Control
Integrated Waste Management Board

Public Utilities Commission

Private Companies: BNSF
PG&E
Design, Community & Environment
Bay Area Economics
EarthTech

Other Organizations: Stanislaus Alliance
Associated Defense Communities

Approximate Commencement or Staging of the Project: Funding is requested immediately upon approval and will be disbursed to companies upon staff review and approval of documentation related to the specific business request and budget.

FISCAL INFORMATION

Total Project Cost: \$950,000 Total Project Cost

- \$750,000 requested from the Economic Development Bank
- \$200,000 funded through CDBG Economic Development Program Income Revolving Loan Program

Additional Funding Sources: The Riverbank Economic Development Department has committed \$200,000 from Community Development Block Grants (CDBG) Program Income Revolving Loan Program. Additional sources of funding for individual tenants are being explored. Potentially additional funding may come from Integrated Waste Management Board Used Oil Grants, State Reuse Assistance Grants, and future Riverbank revenue from RBAAP operations or sale.

Source of Funds for Repayment: The funds will provide an expansion loan fund for existing tenants, therefore full repayment of borrowed funds will be required from the business by November 30, 2011.

While each tenant loan agreement will be structured individually, based on need, loan amount and ROI, the City will begin repaying the funds sooner. The proposed repayment schedule is as follows:

September 2010	25% repayment	\$188,000
September 2011	25% repayment	\$188,000
January 2012	50% repayment	<u>\$374,000</u>

Total Repayment Amount **\$750,000**

The city will structure each agreement individually, and ensure stringent loan requirements, and could retain title or hold liens against the newly purchased equipment until the loan is repaid. A claw back option will be included in the tenant's loan agreements so that repayment of funds will occur immediately if the loan funds are used in a manner inconsistent with the agreements or should the tenants relocate from the RBAAP site.

The loan document application yet to be formalized will include the following information:

- Business information (name, contacts, DBA, tax ID, etc.)

- Management/Ownership (name, title, ownership)
- Business financials (assets, liabilities, sales last year, credit, account deposits, other loans and terms)
- Loan Guarantee (equipment lien, personal assets, business license, minimum five year lease agreement)
- Job creation metrics (semi-annual verification of job creation will be requested, as well as deadlines for job creation to begin)
- Repayment schedule & terms

Desired Date for Drawdown of Funds: Drawdown of entire amount is requested upon approval. In order to assure retention of businesses noted above, we respectfully request a confirmation on the commitment of loan funds as soon as possible.

Date Project Commences: Project will commence upon approval and receipt of appropriate documentation from participating RBAAP business tenants. Individual businesses will begin expansion process, as described, upon receiving funds. The requests of each business are anticipated to be completed in less than 6 months. Monitoring for business compliance and accountability for use of funds and confirmation of job creation will be ongoing by the Riverbank Economic Development Department staff.

Letters from existing tenants requesting assistance in their expansion efforts are attached.

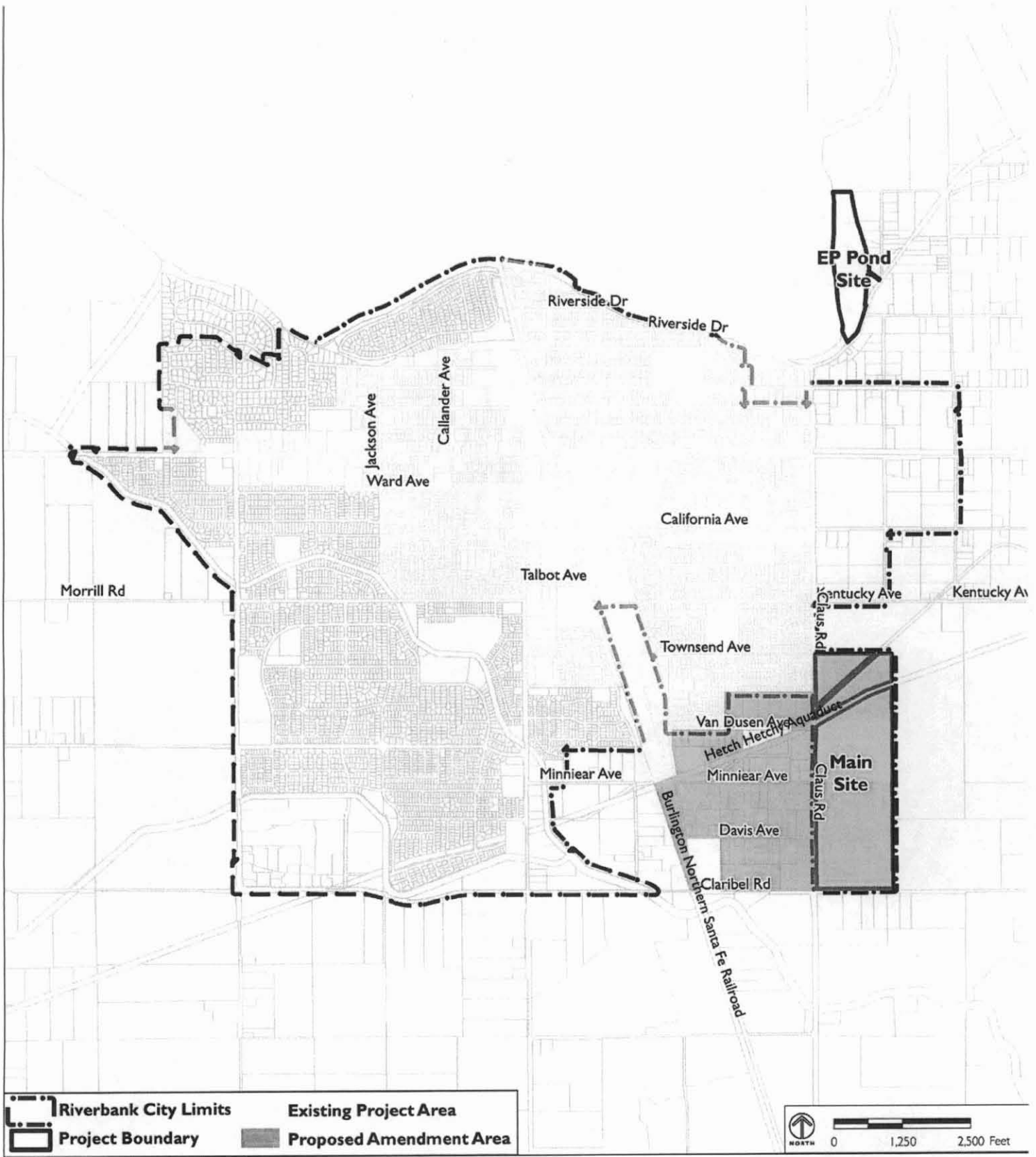


Figure A - Project Location

Riverbank Industrial Park
 Riverbank Army Ammunition Plant

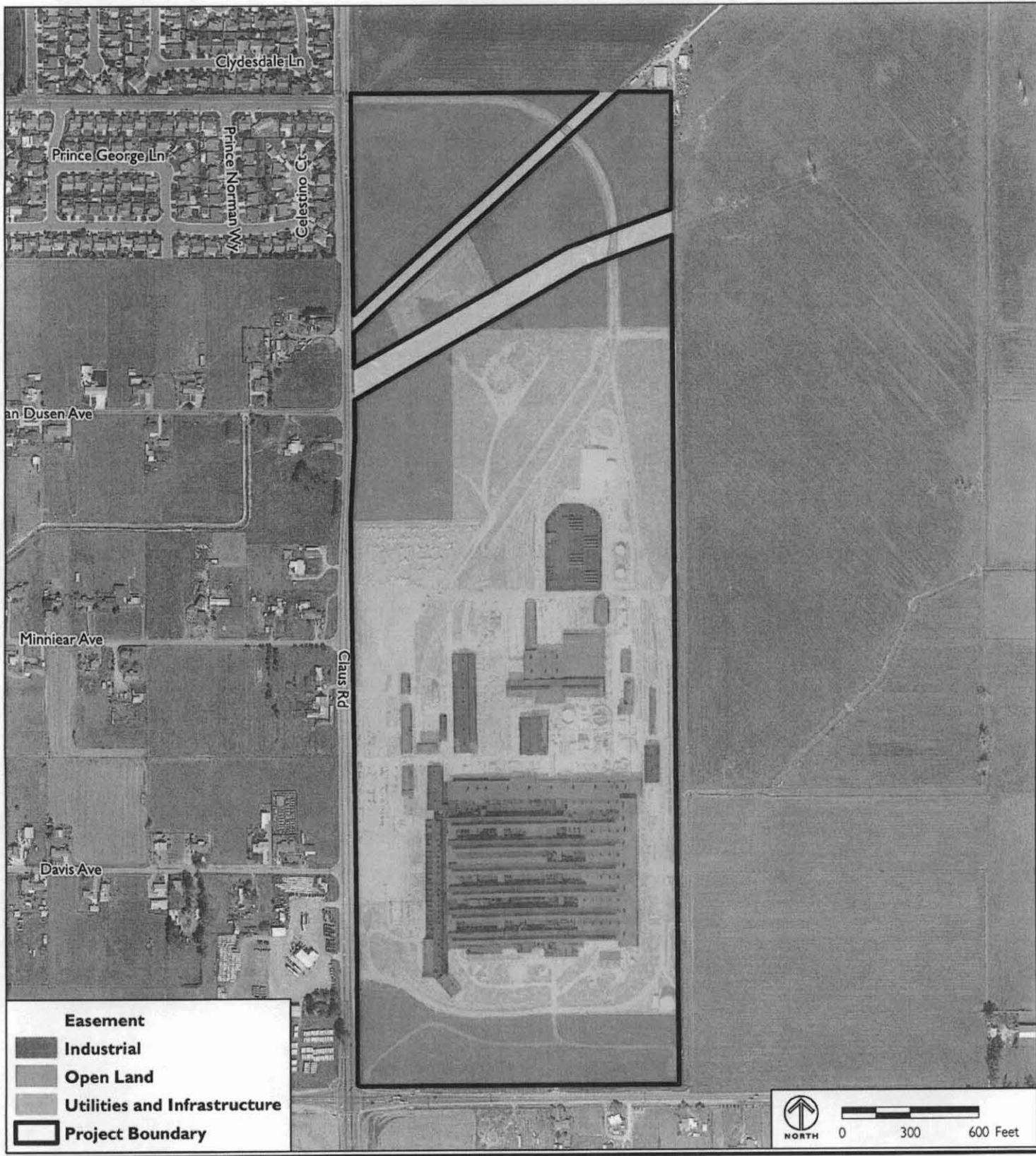


Figure B - Project Location

Riverbank Industrial Park
 Riverbank Army Ammunition Plant

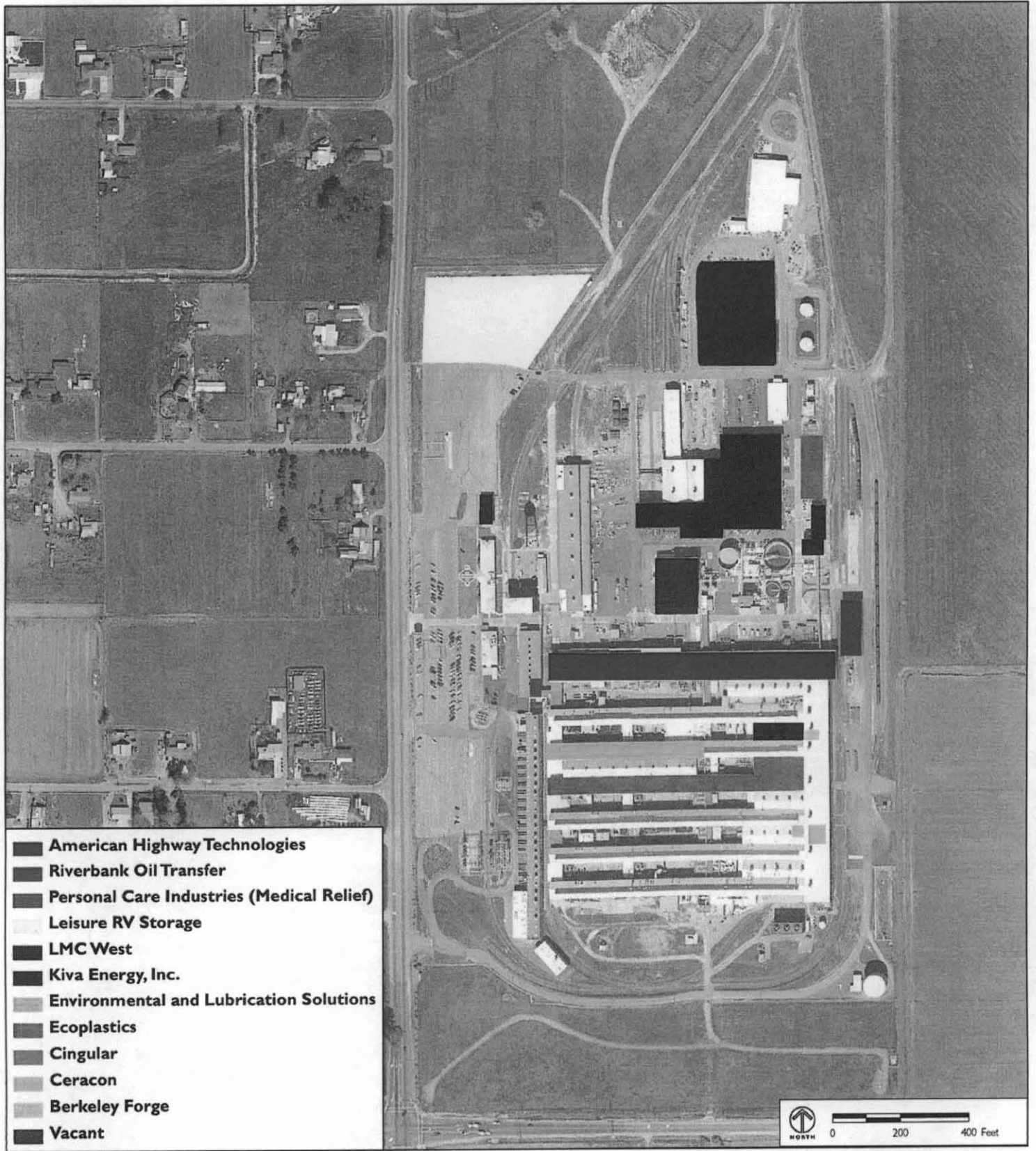


Figure C - Existing Business Tenants

Riverbank Industrial Park
 Riverbank Army Ammunition Plant

AM²T, LLC

Advanced Materials & Manufacturing Technologies, LLC

Materials, Science and Engineering for the 21st Century

June 18, 2008

Ms. Debbie Olson
Economic Development Manager
City of Riverbank
Delivered via email

***Request for Assistance to Grow the Business at
Riverbank Army Ammunition Plant***

Dear Ms. Olson,

Many thanks to the City of Riverbank and to the Local Redevelopment Authority (LRA) for their leadership and determination to advance and support the businesses located at the Riverbank Army Ammunition Plant (RBAAP).

The reason for this letter is to request assistance in funding the growth of my Hi-Tech DoD related business, Advanced Materials and Manufacturing Technologies, LLC (AM2T), currently located at the RBAAP. Your help will reduce significant growth obstacles for AM2T and ensure critical short-term expansion, and enable the long-term growth and success of my business, as well as our combined interests to significantly revitalize the City of Riverbank's commercial and defense related industrial base. An equally important benefit will be the National recognition of the City of Riverbank as a primary focal point for Missile Defense and Space oriented manufacturing within California.

AM2T can provide immediate employment opportunities and training in a hi-technology materials research and product development business actively servicing DoD Agencies such as Missile Defense Agency (MDA), NAVAIR, and NASA. Similarly, Prime Defense Contractors such as Raytheon, Lockheed and BAE Systems as well as Private Sector companies are currently integrating our proprietary, Patent Pending family of *nanocrystalline materials* into their guidance and control systems, structural members, as well as general production environments for oil field equipment.

Based upon discussions with both DoD Prime Contractors and Private Sector companies the expected demand for our products will translate into an estimated \$30 to \$50 million in gross revenues over the next 5 years.

Specifically, we ask that you assist in the procurement of specialized manufacturing equipment such as pick-and-place robotics for part handling at elevated temperatures, fluidized bed furnaces, atmosphere controlled furnaces, computer controlled milling and turning centers (CNC), and other required support equipment. Support for the custom design and engineering phases of several pieces of this equipment would also be required.

Your support will not only allow us to solidify our expansion plans in Riverbank, but would enable us to increase our production and create 50 to 75 general labor, semi-skilled, engineering and scientific jobs over the next 36 months, increase personal incomes, and expand the local tax base for the community as a whole.

Thank you for considering our request and, on behalf of Advanced Materials and Manufacturing Technologies, LLC, we'd like to thank you in advance for your efforts.

We look forward to work with you and other city staff to see that redevelopment and business growth at the RBAAP continues. Please let me know if there is any additional information you need to complete our request for assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry Meeks", with a long horizontal flourish extending to the right.

Henry Meeks

Executive Director/Managing Member



June 20, 2008

Ms. Debbie Olson
Economic Development Manager
City of Riverbank
Delivered via email

***Request for Assistance to Grow the Business at
Riverbank Army Ammunition Plant***

Dear Ms. Olson,

Many thanks to the City of Riverbank and to the Local Redevelopment Authority (LRA) for their leadership and determination to advance and support the businesses located at the Riverbank Army Ammunition Plant (RBAAP).

The reason for this letter is to request assistance in funding the growth of ECO₂ Plastics, Inc.'s business currently located at the RBAP. Your help will reduce significant obstacles for our business and ensure significant job growth in Riverbank.

Specifically, we ask that you assist in the procurement of our continuous flow, liquid carbon dioxide processing equipment, which is currently under development. Your support will not only allow us to solidify our expansion plans in Riverbank, but would increase our production and create up to 200 jobs over the next 24 months, increase incomes, and expand the local tax base for the community as a whole.

Thank you for considering our request and, on behalf of the 92 of employees at ECO₂ Plastics, Inc., we'd like to thank you in advance for your efforts.

We look forward to work with you and other city staff to see that redevelopment and business growth at the RBAAP continues. Please let me know if there is any additional information you need to complete our request for assistance.

Sincerely,


Rodney S. Rougelot
Chief Executive Officer



June 17, 2008

Debbie Olson
Economic Development Manager
6707 Third Street
Riverbank, CA 95367

Dear Ms. Olson:

Many thanks to the City of Riverbank and to the Local Redevelopment Authority (LRA) for their leadership and determination in supporting the businesses located at the Riverbank Army Ammunition Plant (RBAAP).

The reason for this letter is to share our concerns regarding our future business growth at the RBAAP and to enlist the help of the City of Riverbank in securing funding for equipment essential to moving Dayton Superior to an expanded level of production.

Specifically, we ask that you assist in the procurement of a full epoxy basket coating line, which would allow us to fulfill our contracts with the State of California with Riverbank employees. Currently, our California contracts to produce the rebar needed to restore California's Interstate infrastructure system are being filled out-of-state.

On behalf of the twenty-five plus employees at Dayton Superior in Riverbank, we would like to thank you in advance for your efforts. Your support will not only allow us to retain jobs in Riverbank, but gives us the potential to create fifteen plus jobs over the next 24 months which will in turn increase incomes, and expand the local tax base for the community as a whole.

We look forward to continuing to work with you and other city staff to see that redevelopment and business growth at the RBAAP continues. Please let me know if there is any additional information you need to complete our request for assistance.

Sincerely,

DAYTON SUPERIOR CORPORATION

A handwritten signature in black ink, appearing to read "Joseph C. Moses".

Joseph Moses, Operation Manager
Riverbank, California Facility



Donaldson.
Filtration Solutions

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June 20, 2008

Ms. Debbie Olson
Economic Development Manager
City of Riverbank
Delivered via email

***Request for Assistance to Grow the Business at
Riverbank Army Ammunition Plant***

Dear Ms. Olson,

Many thanks to the City of Riverbank and to the Local Redevelopment Authority (LRA) for their leadership and determination to advance and support the businesses located at the Riverbank Army Ammunition Plant (RBAAP).

The reason for this letter is to request assistance in funding the growth of the Donaldson Company filtration business currently located at the RBAP. Your help will reduce significant obstacles for our business and ensure short and long term job growth in Riverbank.

Specifically, we ask that you assist in the procurement of a larger and improved paint booth and wash bay as well as additional space. Your support will not only allow us to solidify our expansion plans in Riverbank, but would increased our production and create 10-20 jobs over the next 24 months, increase incomes, and expand the local tax base for the community as a whole.

Thank you for considering our request and, on behalf of the 45 employees at Donaldson Company, we'd like to thank you in advance for your efforts.

We look forward to work with you and other city staff to see that redevelopment and business growth at the RBAAP continues. Please let me know if there is any additional information you need to complete our request for assistance.

Sincerely,

Ellen Wersan

Ellen Wersan
Integration Director
Donaldson Company, Inc