



MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-  
Clerk of the Board of Supervisors  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

At its meeting held October 31, 2006, the Board took the following action:

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Supervisor Burke made the following statement:

“On June 29, 2004, the Board approved a Community Development Block Grant (CDBG) Float Loan between the Community Development Commission and the City of Carson Redevelopment Agency. The loan proceeds assist Advanced Machine & Stretchform International, Inc., AMSI Real Estate, LLC, a California limited liability company (AMSI), a manufacturer of aerospace components by providing working capital.

“The 30-month loan provides \$5,000,000 in Countywide CDBG funds for working capital to retain 69 and create 75 permanent, full-time equivalent jobs at AMSI. The loan has a fixed interest rate of 2.5% per annum, with interest only payable monthly and a balloon payment of the outstanding principal balance due at maturity on January 7, 2007. It is secured by an AA grade, irrevocable, direct pay, callable upon demand Letter of Credit in the amount of \$5,000,000.

“There are three modifications being proposed for the loan. First, the maturity date of the loan would be extended for an additional 30 months to allow AMSI more time to use the working capital. Second, security for the loan would change to a \$5,000,000 cash collateral account. Third, the fixed interest rate on the loan would increase to 4.5% per annum. All other terms and conditions of the loan would remain the same.

“Funds related to the float loan extension activities through June 30, 2007 are included in the Commission’s approved 2006-2007 Budget, and future funds will be requested through the annual budget process.

“Based on a 60-month term and a total draw of the loan, a total of \$874,857 in interest will be earned. It is estimated that a total of 69 jobs will be retained and 219 jobs will be created over the term of the loan.”

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Therefore, on motion of Supervisor Burke, seconded by Supervisor Knabe, unanimously carried (Supervisor Antonovich being absent), the Board took the following actions:

1. Made a finding that the amendment to the Community Development Block Grant (CDBG) Float Loan between the Commission and the City of Carson Redevelopment Agency that provides working capital to Advanced Machine & Stretchform International, Inc. (AMSI) for job retention and creation, is exempt from the California Environmental Quality Act (CEQA), because the proposed changes do not have the potential for causing a significant effect on the environment; and
2. Authorized the Executive Director of the Community Development Commission to:
  - Prepare Amendment No. 1 to the CDBG Float Loan No. FLOO11 described above to extend the term of the loan for an additional 30 months, effective January 1, 2007 through July 7, 2009; change the security for the loan to a \$5,000,000 cash collateral account; and increase the fixed interest rate to 4.5% per annum; and
  - Execute Amendment No. 1 CDBG Float Loan, to be effective on January 1, 2007, following approval as to form by County Counsel and execution by all parties; and all related documents, following approval as to form by County Counsel.

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Copies distributed:

Each Supervisor  
Chief Administrative Officer  
County Counsel  
Executive Director,  
Community Development Commission