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CDD NEWS



LOS ANGELES COMMUNITY DEVELOPMENT DEPARTMENT

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\$2.3 MILLION BOND DEAL HELPS SOUTH L.A. MANUFACTURING BUSINESS

Calko Steel is in the right place at the right time. Because it's located in the Los Angeles Empowerment Zone (EZ), the company recently applied for and received a tax-exempt bond-financing package worth \$2,345,000. This allows Calko to purchase land adjacent to its current site, rehabilitate an existing structure, and purchase needed equipment. In addition to low-interest tax-exempt financing, the company receives electrical rate reductions, business tax waivers, employer wage credits and other incentives.

Calko is a manufacturer of various custom-designed metal products for the building industry, and has taken advantage of these benefits in order to expand its operation and reduce costs, and in the process, add more jobs for local residents.

The City's Empowerment Zone encompasses Downtown L.A., South L.A., and parts of Pacoima and Lake View Terrace in the San Fernando Valley. The federal government established

EZs to encourage businesses to remain, locate or expand in low- to moderate-income areas of the City. Bond financing is an attractive, tax-exempt financing tool for non-profit as well as for-profit businesses. While the City generally fosters business opportunity, in this case it specifically helps Calko create 14 new jobs and increase manufacturing capacity that aids in revitalizing a disadvantaged community.

The Community Development Department, through its Economic Development Division, and the City's Industrial Development Authority (IDA) brought an experienced bond financing team to the Calko project, along with business assistance programs and a streamlined process to simplify the transaction and allow the company to do what it does best—metal manufacturing.

For more information on the Community Development Department and the Industrial Development Authority visit our website at www.lacity.org/CDD/.