

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 25, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
SMALL-ISSUE INDUSTRIAL DEVELOPMENT BOND PROJECT

Prepared by Richard Fischer.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: \$10,000,000

Located in the Otay Mesa Enterprise Zone area of the City of San Diego.

Project Name: Cantare Foods Facility
Project Address: 7651 Saint Andrews Avenue
Project City, County, Zip Code: San Diego, San Diego 92154

Project Sponsor Information:
Name: Fiorella Investments LLC
Principals: Robert Fischer, Olivier Fischer-Morelle, Christophe Megevand and Guylaine Fischer

Project User Information: (if different from the borrower)
Name: Cantare Foods, Inc.
Principals: Same as above

Project Financing Information:
Bond Counsel: Gilmore & Bell
Underwriter: BNY Capital Markets
Credit Enhancement Provider: Comerica Bank
TEFRA Hearing: June 26, 2007

Description of Proposed Project:

(Description and purpose of project, renovation or new construction, the number of square feet to be constructed/renovated)

The new construction of a 72,500 square foot two story concrete tilt up building with 5,200 square feet of office space on 3.57 acres.

Principal products to be manufactured: Baked Brie, tapenades, olive salsas, fresh Italian cheeses and marinated salads.
Number of jobs created: 89
Number of jobs retained: 102
Jobs-to-bond ratio: 1 job / \$52,356
Estimated total development cost: \$10,000,000

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.

Total Points: 35 out of 85

Recommendation:

Staff recommends that the Committee approve \$10,000,000 in tax-exempt bond allocation.

DESCRIPTION OF PROPOSED PROJECT:

- **Description of project, renovation or new construction, the number of square feet to be constructed/renovated:** The two phase construction of a 72,500 square foot 2 story concrete tilt up building with 5,200 square feet of office space.
- **Type of equipment being purchased:** Equipment acquisition and installation and reinstallation for the processing, seasoning, baking, cooking, cutting, stretching, blending, and packaging products for further sale through grocery stores.
- **Principal products to be manufactured:** Baked Brie, tapenades, olive salsas, fresh Italian cheeses and marinated salads.
- **Purpose of the project:** Cantare Foods currently occupies two facilities; one in the City of Baldwin Park and another in the City of San Diego. Cantare anticipates transferring the operations from the current San Diego facility into a newly constructed facility in the Otay Mesa area of the City of San Diego. The current site in the City of San Diego will be closed and all employees transferred to the new facility. The Company also anticipates moving and installing their current production equipment into the new facility.
- **Estimated total development cost:** \$10,000,000
- **Relocation:** N/A.
- **Sources of funds:**

Tax-Exempt Bond Proceeds	\$10,000,000
Taxable Bond Proceeds	\$ 0
Project Sponsor Equity	\$ 0
Other Sources	<u>\$ 0</u>
Total Sources	\$10,000,000
- **Uses of funds:**

Land Acquisition	\$ 1,131,000
Construction of New Building(s)	\$ 6,179,000
Used Equipment Purchase & Installation	\$ 2,690,000
Other Costs	<u>\$ 0</u>
Total Uses	\$10,000,000

DESCRIPTION OF PUBLIC BENEFITS:

- **Distressed community location:** Not applicable
- **Total number of new jobs to be created and jobs to be retained within two years of project completion:**

	Jobs Created	Jobs Retained	Total after two years
Management:	20	13	33
Skilled & Semi-skilled:	69	89	158
Unskilled:	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	89	102	191

- **Total jobs/Allocation ratio:** 1 job per \$52,356 in allocation

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed	Points Scored
<u>Community Economic Need:</u>		
1. Unemployment Rate of Project Area	10	0
2. Poverty Rate of Project Area	5	0
3. Special Designation Area	5	5
4. Median Family Income of Project Area	5	0
Job Creation Ratio (1/\$52,356)	25	5
Welfare to Work Program Participation	5	5
Employee Benefits	5	5
Average Hourly Wage (\$20.41 per hour)	5	5
Land Use	5	5
Transit Corridor	5	5
Energy Efficiency	5	0
Leveraging	5	0
Total Points	85	35