

**MINUTES**

**California Industrial Development  
Financing Advisory Commission  
915 Capitol Mall, Room 587  
Sacramento, California  
May 28, 2008**

**1. CALL TO ORDER & ROLL CALL**

Bettina Redway, Acting Chair, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:34 a.m.

Members Present: Bettina Redway for Chairman Bill Lockyer, State Treasurer  
Michael C. Genest, Director, Department of Finance  
Les Kleinberg for John Chiang, State Controller  
Colleen Monahan for Preston DuFauchard, California Corporations  
Commissioner, Department of Corporations  
Stanton Hazelroth for Dale Bonner, Agency Secretary, Business  
Transportation and Housing Agency

Staff Present: Tom Dresslar, Executive Director  
Eileen Marxen, Deputy Executive Director

Quorum: The Acting Chair declared a quorum.

**2. APPROVAL OF APRIL 23, 2008 MEETING MINUTES**

Ms. Redway asked if there were any comments from the Board members or the public on the April 23, 2008 meeting minutes. There were none.

Stanton Hazelroth moved to approval the item. The motion passed with the following vote: Stanton Hazelroth, Aye; Colleen Monahan, Aye; Les Kleinberg, Aye; Bettina Redway, Aye; Michael Genest, Abstain.

**3. EXECUTIVE DIRECTOR'S REPORT**

Tom Dresslar reported that there is a great project on the agenda which replaces 250 jobs that were lost in the City of Oakdale when the Hershey Plant closed. He noted that taking affirmative action on the Project will help the local economy in the City of Oakdale. He stated that staff will have a draft strategic plan available for comment at the June CIDFAC meeting.

Ms. Redway stated that she looks forward to reviewing the draft strategic plan. She asked if there were questions or comments on the Executive Director's report. There were none.

**4. CIDFAC’S ESTIMATED REVENUE AND EXPENSES FOR YR 2007/2008 (INFORMATION ITEM)**

Ms. Marxen reported that, at the outset of the current fiscal year, staff estimated that CIDFAC’s FY 07/08 revenue from fees charged to borrowers under the Industrial Development Bond (IDB) program would reach \$187,000 and that it would spend \$164,000 on its operations. Staff expects revenues to exceed projections. CIDFAC may spend a greater amount on operations than what was expected but revenues are far exceeding projections. CIDFAC is not a general fund agency but rather is supported by revenues that are deposited in a special fund. CIDFAC can build a reserve in its special fund to support operations in future fiscal years.

**5. BUSINESS ITEMS**

Introduced to the Commission were: Paula Connors, California Enterprise Development Authority, Walter Vennemeyer, Progressive Capital, and Jim Sconza, Sconza Candy Company.

**A. REQUEST TO APPROVE INITIAL AND FINAL RESOLUTION FOR TAX-EXEMPT AND TAXABLE BONDS AND REQUEST FOR TAX-EXEMPT BOND ALLOCATION**

- 1) On behalf of Sconza Properties, LLC and/or affiliates and User: Sconza Candy, Co. and/or affiliates, the California Enterprise Development Authority (CEDA) requested approval of the Initial and Final Resolution No. 08-0010 for an amount equal to \$10,000,000 in tax-exempt bonds and \$3,300,000 in taxable bonds and Allocation Resolution No. 08-0010A for an amount equal to \$10,000,000 in tax-exempt IDB allocation. Bond proceeds will be used for the acquisition of land, renovation of existing buildings, and the acquisition and installation of equipment. The Company manufactures candy, including chocolate, carob, and yogurt-covered nuts and fruits, sugar and dextrose-coated nuts and candies. Presented by –Deanna Hamelin.**

Ms. Connors introduced Jim Sconza, owner of the Sconza Candy Company. She noted that the Company is moving to the City of Oakdale. She remarked that this Project is ideal for the Industrial Development Bond program since it involves reusing a facility that has been abandoned. She stated that it is instructive for the future to not rely too much upon the numbers of jobs to drive the benefit calculation and to consider also the community benefits.

Ms. Redway agreed that it is a great Project. She also noted that this Project has been operating for 41 years in the City of Oakland, and she asked Mr. Sconza if he has been operating the company the entire 41 years.

Mr. Sconza responded that his father founded the Company, and it has been in operations in Oakland and Berkeley for the past 69 years. The Company is now relocating to the Central Valley because it ran out of space at the Oakland facility. He stated that this is a great opportunity to continue to grow the business within the State of California.

Ms. Redway asked if there were any questions or comments from the board or from the public. There were none.

Mr. Kleinberg moved approval. Upon a second, the motion was unanimously approved.

**B. REQUEST FOR TAX-EXEMPT BOND ALLOCATION**

Staff introduced Dan Bronfman, Growth Capital Associates, and Paula Connors, California Enterprise Development Authority.

- 1) **On behalf of Cal-Can Holdings, LLC, and/or a related or affiliated entity and User: Redbarn Pet Products, Inc., and/or a related or affiliated entity, the California Enterprise Development Authority (CEDA)** requested approval of Allocation Resolution 08-0002A transferring from the State’s 2008 allocation for qualified tax-exempt private activity IDB’s an amount equal to \$6,000,000 to the Issuer for the Project. The Project remains the same as approved by the Commission at its January 23, 2008 meeting. Presented by – Deanna Hamelin.

Ms. Connors commented that this is an ideal project for the Industrial Development Bond program. She noted that companies like this could be enticed to relocate outside the state given current economic conditions. She stated that the CDLAC point system needs to reflect what is important about manufacturing in California and to encourage companies to remain in California. She added that Redbarn is located in a depressed area and in an Enterprise Zone. She recommended that the board consider conducting meetings out in the field to get a flavor of what these projects are about and to see first hand the strong support these projects receive from cities such as Oakdale and Long Beach.

Ms. Redway asked if there were any questions or comments from the board or from the public. There were none.

Mr. Hazelroth moved approval. Upon a second, the motion was unanimously approved.

**6. PUBLIC COMMENT**

Ms. Redway asked for public comments. There were none.

**7. ADJOURNMENT**

There being no further business, public comments or concerns, the meeting adjourned at 10:44 a.m.

Respectfully submitted,

Tom Dresslar  
Executive Director