

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 23, 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 Municipal Finance Authority

Allocation Amount Requested: \$10,000,000

Project Name: **Contessa Premium Foods**
Project Address: 4000 Noakes Street
Project City, County, Zip Code: Commerce, Los Angeles, 90023

Located in Distressed Community location, with an unemployment rate of 180% of the state average, poverty rate of 145% of the state average and median family income of less than 80% of the statewide average.

Project Sponsor Information:
Name: Contessa Premium Foods, Inc.
Principals: John Z. Blazeovich, Louis S. Wang, Greg Morrow, and Donald Kanner

Project User Information:
Name: Same as above
Principals: Same as above

Project Financing Information:
Bond Counsel: Kutak Rock, LLP
Private Placement Purchaser: GE Capital Public Finance
TEFRA Hearing: March 20, 2007

Description of Proposed Project:

Principal products to be manufactured:	Frozen seafood, convenient meals, vegetable stir-fry and fruit products.
Number of jobs created:	105
Number of jobs retained:	13
Jobs-to-bond ratio:	1 job/ \$84,746
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: 31 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:** According to the Project Sponsor, the Project site is a new construction site. Total first floor square footage is 99,222 square feet, and total second floor square footage is 12,027 square feet .
- **Type of equipment being purchased:** The type of equipment being purchased includes blending equipment, conveying, weight measurement, metal detection, packaging and palletizing.
- **Principal products to be manufactured:** Principal products are frozen seafood, convenient Meals, vegetable stir-fry and fruit products.
- **Purpose of the project:** New facility will help meet the growth needs of the company
- **Estimated total development cost:** \$10,000,000
- **Relocation:** Not applicable
- **Sources of funds:**

Tax-Exempt Bond Proceeds	<u>\$10,000,000</u>
Total Sources	\$10,000,000
- **Uses of funds:**

Land Acquisition	\$ 0
Existing Building(s) Acquisition	\$ 0
New Equipment Purchase & Installation	\$ 9,800,000
Legal, Permits, etc.	\$ 0
Cost of Issuance (including discount)	\$ 200,000
Letter of Credit or Bond Insurance Fee	<u>\$ 0</u>
Total Uses	\$10,000,000

DESCRIPTION OF PUBLIC BENEFITS:

- **Distressed community location:**
 1. Located in Distressed Community location, with an unemployment rate of 180% of the state average
 2. Poverty rate of 145% of the state average
 3. Median family income of less than 80% of the statewide average.
- **Total number of new jobs to be created and jobs to be retained within two years of project completion:**

	Jobs Created	Jobs Retained
Management:	5	8
Skilled/ Semi-skilled:	50	5
Unskilled:	<u>50</u>	<u>0</u>
TOTAL	105	13

- **Total jobs/Allocation ratio:** 1 job per \$84,746 in allocation

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed	Points Scored
<u>Community Economic Need:</u>		
1. Unemployment Rate of Project Area	10	10
2. Poverty Rate of Project Area	5	5
3. Special Designation Area	5	0
4. Median Family Income of Project Area	5	5
Job Creation Ratio (1/\$84,746)	25	0
Welfare to Work Program Participation	5	5
Employee Benefits	5	0
Average Hourly Wage (\$16.01)	5	1
Land Use	5	0
Transit Corridor	5	5
Energy Efficiency	5	0
Leveraging	5	0
Total Points	85	31