

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 24, 2010
Staff Report

REQUEST FOR AN AWARD OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
RECOVERY ZONE FACILITY BOND RE-ALLOCATION

Prepared by: John Weir

Applicant: California Enterprise Development Authority

Allocation Amount Requested:
Tax-exempt: \$20,599,000

Project Information:
Project Name: Frank-Lin Distillers Products, Ltd. Fairfield, CA Project
Project Address: 2455 Huntington Drive
Project City, County, Zip Code: Fairfield, Solano, 94533

Qualified Business Information:
Name: Frank-Lin Distillers Products, Ltd.
Principals: Vincent R. Maesrti, Frank J. Maesrti, Lindley K. Maesrti,
Vincent R. Maesrti, Jr., Michelle A. K. Maesrti, Christina
M. Maesrti, and Anthony M. DeMaria

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Underwriter: Gates Capital Corporation
Credit Enhancement: Wells Fargo Bank, N.A.
Private Placement Purchaser: Not Applicable
TEFRA Hearing: March 2, 2010
Adoption of Recovery Zone Designation Date: September 15, 2009

Description of Proposed Project:
The Project consists of the construction of a new 285,000 s.f. facility to house approximately 110 production warehousing, administrative and executive employees. The new facility relocates the company's current San Jose, CA operation to within a few miles of its major suppliers and provides direct rail access.

Principal production: Processing and Distribution of beverages
Number of jobs created: 112
Jobs-to-bond ratio: 1 job per \$98,090 in allocation.
Estimated total development cost: \$33,603,000

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: 25 out of 100

Recommendation:
Staff recommends that the Committee approve \$20,599,000 in Recovery Zone Facility Bond re-allocation.

DETAILS OF PROJECT FINANCING:

- *Sources of Funds:*

Tax-Exempt Bond Proceeds	\$	20,599,000
Project Sponsor Equity	\$	11,603,000
Other Sources (City of Fairfield)	\$	1,401,000
Total Sources	\$	33,603,000

- *Uses of Funds:*

Site Preparation - Rail Spur	\$	730,000
Construction	\$	18,125,000
Utilities Connection	\$	197,000
Acquisition of Used Equipment	\$	4,440,000
Acquisition of New Equipment	\$	1,215,000
Engineering/Architecture	\$	675,000
Legal Permits	\$	996,000
Bond Issuance Expenses	\$	250,000
Land Acquisition	\$	6,100,000
Carrying Cost of Land	\$	615,000
Project Manager	\$	260,000
Total Uses	\$	33,603,000

JOB CREATION:

- *Total number of new jobs to be created and jobs to be retained within two years of project completion:*

	Jobs Created
Management	12
Skilled/Semi-Skilled	193
Unskilled	5
Total	210

- *Total Jobs/Allocation Ratio:* 1 job per \$98,090 in allocation.

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed	Points Scored
Community Economic Need:		
1. Unemployment Rate of Project Area	10	0
2. Poverty Rate of Project Area	5	0
3. Special Designation Area	5	0
4. Median Family Income of Project Area	5	5
Job Creation Ratio (1 job per \$98,090 in allocation.)	25	0
Welfare to Work Program Participation	5	5
Employee Benefits	5	5
Average Hourly Wage	5	3
Land Use	6	0
Transit Corridor	7	7
Energy Efficiency	7	0
Leveraging	15	0
Total Points	100	25