



Examples of IDB Deals Completed Due to CDFA's Capital Expenditure Legislation

The following examples were provided courtesy of the California Industrial Development Finance Advisory Commission (CIDFAC) and demonstrate the impact that increased availability of industrial development bonds (IDBs) can have on communities and local companies.

Contessa Premium Foods, Inc.

CIDFAC approved the issuance of \$10M in tax-exempt IDBs by the California Municipal Finance Authority for the Contessa project in April 2007. The bonds were privately placed with GE Government Finance, Inc. Proceeds of the bonds were used for the purchase of food processing equipment for Contessa's facility in the City of Commerce, which is the world's first environmentally conscious, Leadership in Energy and Environmental Design (LEED) certified frozen-food manufacturing plant. The Contessa facility is certified by the United States Green Building Council's (USGBC) LEED New Construction (NC) green building rating system and achieved the Gold-level certification. Contessa's "Green Cuisine Plant" uses advanced design, technology and processes to reduce environmental pollutants and thereby reduces the company's environmental impact. Some of the innovative features at the Green Cuisine Plant include:

- A solar-power array that reduces carbon dioxide emissions by more than 730,000 pounds each year, producing an effect similar to conserving nearly 300 acres of pine forest.
- A water preheating system that saves energy by using waste heat from refrigeration compressors to preheat water used for sanitation purposes.
- An innovative loading dock that prevents the loss of refrigerated air, reducing temperature fluctuation — and energy use — in the loading dock area.
- Variable frequency drives that adjust the amount of power supplied to motors at specific times or under specific conditions to minimize energy use.

Contessa Premium Foods, Inc. was incorporated in California in January 1984. The company manufactures and distributes frozen food products. Its customers include grocery stores, warehouse clubs, restaurant chains and hotels. The company also manufactures for private labels such as Trader Joe's and Albertsons (two California-based food markets).

Tri-Tool, Inc.

Approved CIDFAC in March 2007, the Tri-Tool, Inc. project provides an excellent example of the public benefits provided by tax-exempt, industrial development bond (IDB) financing.

Among the substantial public benefits produced by the Tri-Tool project: 100 new high-quality, good paying manufacturing jobs; participation in the County of Sacramento's Welfare-to-Work Program; and contribution to the health care benefits of employees and their families. Beyond these benefits, the County of Sacramento indicated that without the IDB financing for this project, the local economy was in danger of losing current and future jobs provided by Tri-Tool.

Tri-Tool was established in 1972, and is located in the City of Rancho Cordova in Sacramento County. The company designs and manufactures precision portable machine tools for pipe beveling, tube squaring and severing, and clamshells for in-line cutting and flange facing equipment. Additionally, Tri-Tool produces heavy-duty pipeline machinery, provides custom machinery design and manufacturing, on-site machine services and equipment rentals.

CIDFAC in March 2007 unanimously approved the issuance of \$10 million in tax-exempt IDBs and \$2 million in taxable bonds for the Tri-Tools project. The company used the bond proceeds to acquire land, purchase and renovate an existing building, and buy new production equipment.



Semper Virens Bakery Food Cooperative

The Semper Virens Bakery Food Cooperative project represents the best in tax-exempt industrial development bond (IDB) financing.

CIDFAC approved the issuance of \$8.5 million in tax-exempt IDBs for the Semper Virens project in July 2007. The CIDFAC-approved financing was vital in allowing Semper Virens to remain in the local community, where it is a venerable member of the business sector and valuable contributor to the local economy. As a result of this IDB financing, the company plans to increase the workforce at its new Petaluma facility by more than 15%.

Semper Virens is organized as a worker cooperative. The majority of the company's 120 employees are cooperative members and owners of the company. The firm provides health care benefits for its employees and their families, and is committed to participation in Sonoma County's CALWorks welfare-to-work program to assist in its recruitment efforts.

The bonds were sold publicly and backed by a Letter of Credit from Comerica Bank. Proceeds from the bonds were used for the purchase of land in the City of Petaluma upon which there was an existing, 68,800 square foot building that required renovations. IDB proceeds also were used for the acquisition and installation of ovens, freezers, and packaging and material handling systems.

To view more about these and other CIDFAC projects, go to [CIDFAC's website](#).