

**COUNTY OF SONOMA  
AGENDA ITEM  
SUMMARY REPORT**

**Clerk of the Board Use Only**  
**Meeting Date** / / **Held Until** / /  
**Agenda Item No:** \_\_\_\_\_ **Agenda Item No:** \_\_\_\_\_

**Department:** Economic Development

( ) **4/5 Vote Required**

**Contact:**  
Ben Stone

**Phone:**  
(707) 565-7170

**Board Date:**  
8-25-09

**Deadline for Board Action:**

**AGENDA SHORT TITLE:** Alvarado Street Bakery: Issuance of Bonds and Extension of Maturity of Bonds by California Enterprise Development Authority

**REQUESTED BOARD ACTION:** Conduct Public Hearing and Adopt Resolution Approving the Extension of Maturity Date of Revenue Bonds Issued by California Enterprise Development Authority in an Original Aggregate Principal Amount of \$8,500,000 and the issuance of additional Revenue Bonds by California Enterprise Development Authority in the Original Aggregate Principal Amount of not to exceed \$2,000,000, each for the Benefit Of Semper Virens Bakery Food Cooperative, Inc. Db a Alvarado Street Bakery.

**CURRENT FISCAL YEAR FINANCIAL IMPACT**

**EXPENDITURES**

**ADD'L FUNDS REQUIRING BOARD**

**Estimated Cost** \$ 0

**Contingencies** \$ 0  
(Fund Name:)

**Amount Budgeted** \$ 0

**Unanticipated Revenue** \$ 0  
(Source:)

**Other Avail Approp.** \$ 0  
(Explain below)

**Other Transfer(s)** \$ 0  
(Source:)

**Additional Requested:** \$ 0

**Add'l Funds Requested:** \$ 0

**Explanation (if required):** No Fiscal Impact. Both the outstanding conduit revenue bonds and the proposed additional conduit revenue bonds are a special, limited obligation of California Enterprise Development Authority payable solely through the payment of principal and interest from the borrower. Bonds issued by the Authority are not an obligation of the County.

**Prior Board Action(s):** The Board adopted Resolution No. 07-0216 on March 20, 2007 to approve the issuance of the Bonds (for purposes of Section 147(f) of the Internal Revenue Code). In addition, the Board adopted Resolution 07-0192 on March 20, 2007 to approve joining the Authority as an associate member.

**Alternatives - Results of Non-Approval:** Current bonds will not be extended and no new bonds will be sought.

**Background:**

The California Enterprise Development Authority (the "Authority") has been established by the California Association for Local Economic Development (CALED) to help fund industrial and commercial development projects and other public purpose projects for for-profit and nonprofit organizations located within current and future member jurisdictions.

In 2007, the Authority issued tax-exempt conduit revenue bonds (the "Bonds") to provide assistance to Semper Virens Bakery Food Cooperative, Inc. dba Alvarado Street Bakery, a California corporation, and/or a related entity ("Alvarado Street Bakery") in financing the costs of acquiring, constructing, improving, rehabilitating, equipping and furnishing a facility located at 2225/2249 South McDowell Boulevard Extension, Petaluma, California. Alvarado Street Bakery is organized as a worker cooperative under California cooperative laws, and was incorporated in 1981. Alvarado Street Bakery is an intermediate wholesale bakery that specializes in organic whole-grain breads, bagels, buns, and rolls. Alvarado Street Bakery is known both nationally and locally for its organic line of sprouted wheat products. Alvarado Street Bakery sells fresh products through its own distribution system in the greater San Francisco/Sacramento area. It also manufactures and sells frozen breads throughout the United States in both natural food stores and mass merchandisers. The County of Sonoma (the "County") joined the Authority as an associate member to enable the issuance of the Bonds by the Authority on behalf of Alvarado Street Bakery.

Alvarado Street Bakery has now requested the Authority's assistance in extending the maturity date of its outstanding Bonds. Alvarado Street Bakery has now also requested the Authority's assistance in issuing additional bonds, in an aggregate principal amount of not to exceed \$2,000,000, the proceeds of which will be applied by Alvarado Street Bakery to make certain improvements to the Facility, including the installation of a photovoltaic system. Extending the maturity date of the outstanding bonds will provide access to a lower interest rate and debt service payment allowing the Bakery to maximize operational resources.

The County is required to conduct a public hearing and approve the extension of the maturity date of the Bonds and the issuance of the additional bonds pursuant to Section 147(f) of the Internal Revenue Code and the Joint Exercise of Powers Act, comprising Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500).

**REQUESTED BOARD ACTION:** Conduct Public Hearing and Adopt Resolution Approving the Extension of Maturity Date of Revenue Bonds Issued by California Enterprise Development Authority in an Original Aggregate Principal Amount of \$8,500,000 and the issuance of additional Revenue Bonds by California Enterprise Development Authority in the Original Aggregate Principal Amount of not to exceed \$2,000,000, each for the Benefit Of Semper Virens Bakery Food Cooperative, Inc. DbA Alvarado Street Bakery.

**Attachments:** Resolution.

**On File With Clerk:** None.

**CLERK OF THE BOARD USE ONLY**

**Board Action** (If other than "Requested")

**Vote:**

# \_\_\_\_\_  
Resolution No. 09- \_\_\_\_\_

Administration Center  
Santa Rosa, CA 95403

Date: August 25, 2009

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, APPROVING THE EXTENSION OF MATURITY DATE OF REVENUE BONDS ISSUED BY CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 AND THE ISSUANCE BY CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF NOT TO EXCEED \$2,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S REVENUE BONDS, FOR THE BENEFIT OF SEMPER VIRENS BAKERY FOOD COOPERATIVE, INC. DBA ALVARADO STREET BAKERY AND/OR A RELATED ENTITY AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**WHEREAS**, Semper Virens Bakery Food Cooperative, Inc. dba Alvarado Street Bakery, a California corporation (the "Borrower"), has requested that California Enterprise Development Authority (the "Authority") extend the maturity date and weighted average maturity of the Authority's Variable Rate Demand Industrial Development Revenue Bonds, Series 2007 (Alvarado Street Bakery Project) (the "Prior Bonds"); and

**WHEREAS**, the Prior Bonds were issued pursuant to an Indenture of Trust, dated as of September 1, 2007, between the Authority and Deutsche Bank National Trust Company, in an original aggregate principal amount of \$8,500,000 for the benefit of the Borrower and/or a related entity pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500) (the "Act"); and

**WHEREAS**, the proceeds of the Prior Bonds were loaned by the Authority to the Borrower to (1) finance the cost of or reimburse the Borrower for acquiring, constructing, improving, rehabilitating, equipping and furnishing a facility located at 2225/2249 South McDowell Boulevard Extension, Petaluma, California (the "Facilities"), (2) fund the cost of any letter of credit fees or other credit enhancement costs with respect to the financing, and (3) pay certain costs of issuance in connection with the financing; and

**WHEREAS**, the Borrower has also requested that the Authority issue additional taxable and/or tax-exempt revenue bonds in an aggregate principal amount not to exceed \$2,000,000 (the "Additional Bonds") pursuant to the Act for the benefit of the Borrower to

(1) finance the costs of or reimburse the Borrower for the improvement of the Facilities, (2) fund the cost of any letter of credit fees or other credit enhancement costs with respect to such financing, and (3) pay certain costs of issuance in connection with such financing (collectively, the “Project”); and

**WHEREAS**, the extension of the maturity date and weighted average maturity of the Prior Bonds by the Authority and the issuance of the Additional Bonds by the Authority must be approved by the governmental unit on behalf of which the Prior Bonds and the Additional Bonds are issued and a governmental unit having jurisdiction over the territorial limits in which the Facilities are located pursuant to the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

**WHEREAS**, the Facilities are located within the territorial limits of the County of Sonoma (the “County”) and the Board of Supervisors of the County (the “Board of Supervisors”) is the elected legislative body of the County; and

**WHEREAS**, the Authority and the Borrower have requested that the Board of Supervisors approve the extension of maturity date and weighted average maturity of the Prior Bonds and the issuance of the Additional Bonds by the Authority pursuant to Section 147(f) of the Code; and

**WHEREAS**, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code; *provided, however*, that this Resolution is neither intended to nor shall it constitute an approval by the Board of Supervisors of the Project for any other purpose; and

**WHEREAS**, a public hearing was held by the Board of Supervisors on this 25<sup>th</sup> day of August, 2009, at the meeting which commenced at the hour of 2:00 p.m., at the Board of Supervisors Chambers, 575 Administration Drive, Room 102A, Santa Rosa, California, following duly published notice thereof in a newspaper of general circulation in the County of Sonoma, on August 10, 2009, and all persons desiring to be heard have been heard.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Supervisors of the County of Sonoma as follows:

**Section 1.** The Board of Supervisors hereby approves the extension of the maturity date and weighted average maturity of the Prior Bonds and the issuance of the Additional Bonds as approved by the Authority in its resolution. This resolution shall constitute “host” approval within the meaning of Section 147(f) of the Code; *provided, however*, that this Resolution shall not constitute an approval by the Board of Supervisors of the Project for any other purposes, including compliance thereof with CEQA, nor does it constitute an approval of the underlying credit or financial structure of the Prior Bonds or the Additional Bonds.

**Section 2.** All actions heretofore taken by the officers, employees and agents of the County with respect to the approval of the Prior Bonds and Additional Bonds are hereby approved, confirmed and ratified, and the officers and employees of the County and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Additional Bonds and the extension of maturity date and weighted average maturity of the Prior Bonds, and otherwise to effectuate the purposes of this Resolution.

**Section 3.** This Resolution shall take effect from and after its adoption.

SUPERVISORS:

Brown: \_\_\_\_\_ Kerns: \_\_\_\_\_ Zane: \_\_\_\_\_ Carrillo: \_\_\_\_\_ Kelley: \_\_\_\_\_

Ayes: \_\_\_\_ Noes: \_\_\_\_ Abstain: \_\_\_\_ Absent: \_\_\_\_

SO ORDERED.

**CERTIFICATE OF CLERK OF THE BOARD OF SUPERVISORS  
COUNTY OF SONOMA**

I, \_\_\_\_\_, Clerk of the Board of Supervisors, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at the meeting of the Board of Supervisors of County of Sonoma duly and regularly held in the County of Sonoma, California, on August 25, 2009, of which meeting all of the members of said Board had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the County of Sonoma hereto this 25<sup>th</sup> day of August, 2009.

\_\_\_\_\_  
Clerk of the Board of Supervisors,  
County of Sonoma