

C.H. Guenther

Manufacturer of grain-based food products, gravies, sauces, and seasonings for retail, foodservice, and industrial customers

2,000 employees at 16 manufacturing facilities worldwide

Headquartered in San Antonio, TX with closest existing plant in Duncanville (to remain open)

NMTC Project

Retrofitting and equipping vacant 134,000 SF Dallas Morning News building that was built in 2008

Facility will manufacturer biscuits and dough for Pioneer Foods, a wholly owned subsidiary of CHG

\$36 million project includes:

- \$4MM retrofit of building for food production

- \$20MM of equipment for first production line

- \$12MM 71,000 SF new storage freezer

In future, potential to add a second production line

In March 2015, the City authorized a 75 percent business personal property tax abatement agreement for 8 years with Pioneer Frozen Foods, (Recruitment Subsidy).

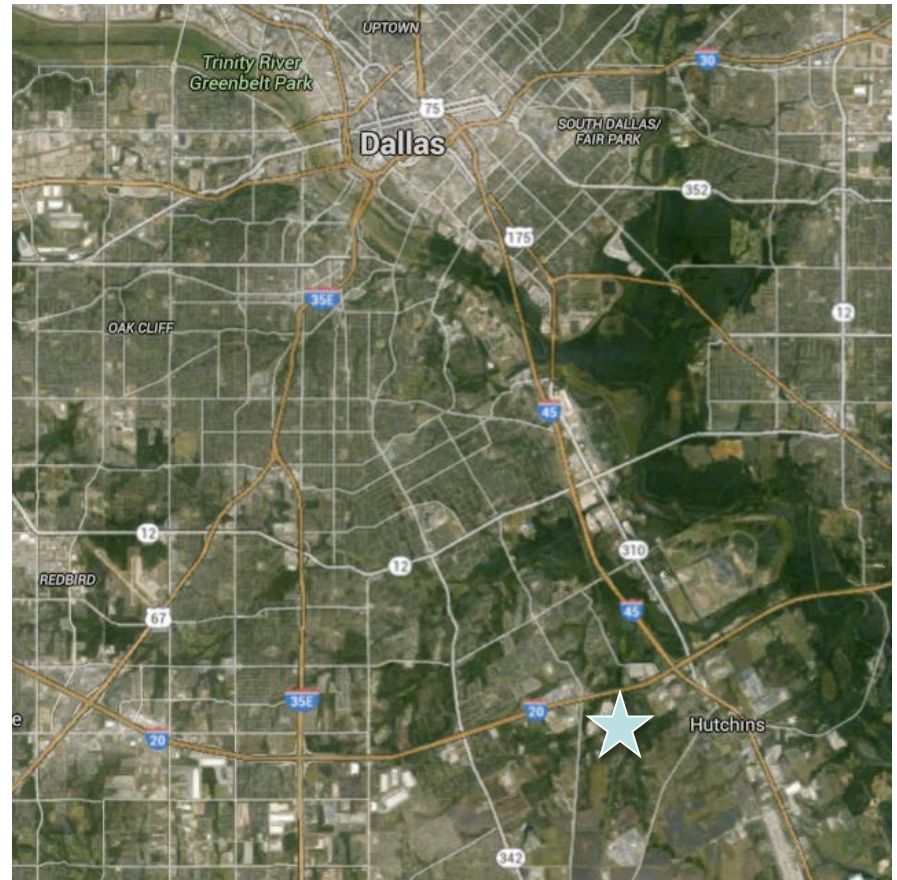


Project Location

4616 Langdon Road in
IIPOD

Good access to I-20, I-
45, I-35E

Tract (48113016703)
Highly Distressed
based on
unemployment 1.65x
the national average
and inclusion within
Enterprise Zone



Community Impacts

- Repurpose of vacant industrial building in Southern Dallas
- 93 new full-time jobs
 - 76 full-time jobs associated with first production line
 - 13 full-time jobs associated with freezer
 - If another production line is added in future, potential for 75 additional jobs
- High job quality
 - Starting salary \$18/hour + benefits
 - Average wage of \$26.90/hour + benefits
 - 100% of jobs receive benefits
- High job accessibility
 - Entry-level production line workers
 - Skilled production positions (quality tech, warehouse clerk, maintenance tech)
 - Expectation is for employee advancement
 - Have had conversations with Office of Economic Development for hiring



C.H. Guenther– Financing Summary

Base Project Budget: \$24million + \$12MM freezer

Multi-CDE Transaction with National New Markets Tax Credit Fund, Inc. (CRF), a CDE and CDFI with a national footprint

DDF NMTC allocation: \$8 million

CRF NMTC allocation: \$14.5 million

Leverage Source: Corporate credit facility at parent company level

Investor: J.P. Morgan Chase

NMTC funds primarily or solely focused on equipment

Expected closing: Q2 2016

Sources	Total
Net NMTC Equity	\$4,872,750
Sponsor Equity (as leverage loan)	\$16,014,000
Sponsor Equity (to QALICB)	\$15,915,087
Total Base Project Sources	\$36,801,837
Uses	Total
Dry Ingredient Storage, Blending & Delivery	\$2,000,000
Dough Mixing & Delivery	\$1,270,000
Dough Sheeting/Baking Process	\$4,525,000
Freezing	\$1,400,000
Packaging & Case Packing	\$2,303,000
Pallet Pattern Program, Startup	\$200,000
Ice Machine & Expandable NH3	\$3,075,000
Co2 Tank and Piping	\$350,000
Installations	\$2,900,000
Building Construction	\$4,040,000
Support Services	\$350,000
Contingency	\$1,354,650
Capitalized Interest	\$600,000
QA Equipment	\$30,000
IT Infrastructure, Licensing & Software	\$404,187
71,000 SF Freezer	\$12,000,000
GRAND TOTAL	\$36,801,837

DDF Investment Criteria

C.H. Guenther Project				
Location	<i>Southern Dallas?</i>		<i>Distressed Community?</i>	
	Yes		13% Unemployment and Enterprise Zone	
Proposed Uses	<i>Job Training?</i>	<i>TOD?</i>	<i>Mixed-use, community oriented?</i>	
	Yes, employee training programs and certifications	No	No	
Demonstrated need for NMTC	Without NMTC, freezer component would be delayed indefinitely Retrofitting of existing, vacant building into food manufacturing facility is capital intensive			
Likely community impact	<i>Job creation for LIC</i>	<i>Increased wages LIC</i>	<i>LIC owned business?</i>	<i>M/WBE owned business?</i>
	Yes, up to 93 new jobs	Yes, \$26/hour	No	No
	<i>Community services business?</i>	<i>Facilitates wealth creation for LICs?</i>	<i>Provides goods or services to LICs?</i>	<i>Environmentally sustainable?</i>
	No	Yes	No	TBD

