

December 21, 2001



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DEC 26 2001

Robert Alexander
Portland Development Commission
1900 SW Fourth, Suite 7000
Portland, Oregon 97201

DIANE LINN
MULTNOMAH COUNTY CHAIR

Dear Bob:

RE: Teeny Foods, Industrial Development Revenue Bond Application

Per our discussion, Teeny Foods, currently located at 13151 N.E. Airport Way, has submitted an application for an Industrial Development Revenue Bond to our department. These bonds are general obligations of the issuer, not of the state. They are to be repaid from the revenues generated by the specific project they were issued to fund, and are the obligation of the corporate borrower. Bonds are not in any way obligations of state or local government.

Traditionally, these bonds are a part of the general class of municipal bonds, and are tax exempt from federal income tax. In Oregon, the bonds are exempt from Oregon income tax to the purchaser, making them a competitive financing tool for expanding companies. Generally, the state will issue bonds for manufacturing, resource utilization, warehousing, and headquarter buildings, and research and development facilities.

Your assistance would be valuable to Teeny Foods in meeting three local government requirements:

1. The board of Commissioners of the county in which the project is located must authorize the bonds by formal resolution, passed by a majority vote at a public hearing.
2. The local jurisdiction, in this case Portland, must find the project to be in compliance with statewide land use goals and guidelines.
3. The project must be consistent with local economic development plans.

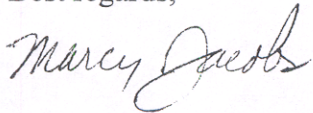
The site for the proposed project is the N.E. Airport Way corridor, specifically the Pannatoni project, Riverside Parkway Corporate Center. The legal description is 1N 3E 20 1 1100, parcel number R-320293. The projected start-up date is April, 2002, with a desired completion date of June 2003. The project includes 4-6 acres of land, with a 40,000 sf building and additional manufacturing equipment for bakery products.



Teeny Foods is the oldest commercial Pocket Bread (TM) manufacturer in the United States, dating to 1964.. The expansion is necessary to continue to build business in Oregon, as well as nationally. The company will continue to produce pocket breads and other products. Teeny Foods currently employees 50 workers, and estimates that the workforce will increase by 8 people by 2004.

Our agency and the company would appreciate your assistance in securing the required approvals. Our department anticipates that the project will be presented to our Finance Committee for approval, subject to local government approvals, in January. If you have any questions, feel free to give me a call. I look forward to working with you on this project.

Best regards,



Marcy Jacobs
Regional Development Officer

cc: John Rakowitz
Mark Huston
Rick Teeny