



ANNUAL ACTIVITY REPORT

FISCAL YEAR 2006/2007



CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

“FINANCING FACILITIES THAT BUILD COMMUNITIES”



ANNUAL ACTIVITY REPORT FISCAL YEAR 2006/2007

INTRODUCTION

This report is submitted in accordance with Government Code Section 63035, which requires the California Infrastructure and Economic Development Bank (I-Bank) to submit to the Governor and the Joint Legislative Budget Committee an accounting of its activities for the preceding fiscal year and reads specifically as follows:

- (a) A listing of applications accepted, including a description of the expected employment impact of each project.
- (b) A specification of loans approved and bonds sold, and interest rates thereon.
- (c) The amount of other public and private funds leveraged by the assistance provided.
- (d) A report of revenues and expenditures for the preceding fiscal year, including all of the I-Bank's costs.
- (e) A projection of the I-Bank's needs and requirements for the coming year.
- (f) Recommendations for changes in state and federal law necessary to meet the objectives of this division.¹

SUMMARY

The I-Bank's mission is to finance public infrastructure and private development that promote economic growth, revitalize communities and enhance the quality of life throughout California. The I-Bank's primary programs include the Infrastructure State Revolving Fund (ISRF) Program that provides low-cost financing to public agencies for a variety of public infrastructure projects, and Bond Financing Programs that provide tax-exempt revenue bond financing for qualified manufacturing companies, nonprofit organizations, public agencies and other entities eligible for tax-exempt financing.

¹ California Government Code Section 63035.



During the 2006/2007 fiscal year, the I-Bank approved six ISRF Program loans totaling \$23,800,000 for local government entities throughout the State for critically needed infrastructure projects.

During the 2006/2007 fiscal year, the I-Bank issued \$814,422,774 of revenue bonds, including eighteen 501(c)(3) revenue bonds totaling \$809,112,774 and one industrial development revenue bond totaling \$5,310,000. The revenue bonds issued by the I-Bank are payable solely from the revenues of the underlying borrower, and are neither backed nor guaranteed by the State or the I-Bank.

ACTIVITIES DURING FISCAL YEAR 2006/2007

The following is a summary of I-Bank activities for the 2006/2007 fiscal year:

(a) Listing of applications accepted, including a description of the expected employment impact of each project.

The I-Bank accepted twenty new preliminary applications and eight new financing applications for the ISRF Program during the fiscal year. The I-Bank accepted three new preliminary applications and eighteen financing applications for the Bond Financing Programs during the fiscal year. A listing of these applications is contained in Appendix 1-A and 1-B. Expected employment impacts for approved projects are contained in Appendix 2.

(b) Specification of loans approved and bonds sold, and interest rates thereon.

During the fiscal year, the I-Bank Board approved six ISRF Program loans totaling \$23,800,000, and staff completed the issuance of nineteen revenue bonds totaling \$814,422,774². Appendix 2 contains a listing of the loans approved and bonds sold during this period, and also includes other project and financing information such as project locations, interest rates, information on other public benefits and projected employment impact.

² Applications for several bonds and loans approved in the 2006/2007 fiscal year were submitted in the prior fiscal year.



(c) Amount of other public and private funds leveraged by the assistance provided.

The \$23,800,000 of approved ISRF Program loans will leverage approximately \$21,681,135 of other public and private funds. The \$814,422,774 of revenue bonds issued will leverage approximately \$18,510,613 of other public and private funding sources.

(d) A report of revenues and expenditures for the preceding fiscal year, including all of the I-Bank's costs.

During the 2006/2007 fiscal year, the I-Bank realized total revenues of \$15,634,918 which included interest on loan repayments, investment income, and administration fee revenue, and total operating expenses of \$7,045,839 which included program support expenses, interest on bond debt, and amortization of bond issuance costs. Total operating income for the year was \$8,589,079. See Appendix 3 for the Statement of Revenues, Expenses, and Changes in Net Assets from the I-Bank's audited financial statements for the year ended June 30, 2007.

(e) A projection of the I-Bank's needs and requirements for the coming year.

The I-Bank has experienced significant workload growth since beginning full operations in 1999, and anticipates that additional staffing resources will be necessary in order to adequately administer the workload associated with its existing portfolio of loans and bonds. The I-Bank staff are currently working in conjunction with the Business, Transportation and Housing Agency staff to address this staffing deficiency.

(f) Recommendations for changes in State and Federal law necessary to meet the objectives of this division.

The I-Bank may pursue funding opportunities in the coming fiscal year principally related to the ISRF Program, which efforts could result in changes to State law.



APPENDICES

- 1-A Preliminary Applications Received by Program
- 1-B Financing Applications Received by Program
- 2 Report of Loans Approved and Bonds Sold
- 3 Statement of Revenues, Expenditures and Changes in Net Assets of the California Infrastructure and Economic Development Bank

**APPENDIX 1-A
PRELIMINARY APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006/2007**

ISRF PROGRAM			
Name of Applicant	Project Location	Proposed Project Description	Amount Requested
Artesia Redevelopment Agency	City of Artesia	City street and public transit: Artesia Downtown Revitalization Project.	\$10,000,000
County of Shasta	County of Shasta	Solid waste collection and treatment: Redding Regional Septage Impoundments Expansion Project.	\$3,000,000
Planada Community Services District	County of Merced	Solid waste collection and disposal: Wastewater Treatment Facility Expansion Project.	\$2,000,000
Paradise Irrigation District	County of Butte	Water supply and water treatment and distribution: Magalia Reservoir Bypass Pipeline Project.	\$2,000,000
City of Williams	City of Williams	Sewage collection and treatment: Wastewater Treatment Facility Upgrade Project.	\$10,000,000
City of Port Hueneme	City of Port Hueneme	Water treatment and distribution improvements: Water Meter Project.	\$3,200,000
Lake Berryessa Resort Improvement District	County of Napa	Sewage collection and treatment and water treatment and distribution: Lake Berryessa Resort Improvement District Sewer and Water Upgrade Project.	\$4,500,000
Lake County Service Area #2 Spring Valley Lake Subdivision	County of Lake	Water treatment and distribution: CSA No. 2 Spring Valley Water System Improvements Project.	\$3,500,000
City of Colton	City of Colton	City street: No Street Left Behind Project, Phase 1.	\$2,000,000
Montara Water and Sanitary District	County of San Mateo	Sewage collection and treatment: Kanoff Pump Station and Niagara Pump Station Upgrade Project.	\$1,010,000
East Orange County Water District	City of Orange	Water treatment and distribution: New Water Well and Replacement of Water Mains Project. Replace well and 2,200 feet of water main.	\$1,900,000

**APPENDIX 1-A
PRELIMINARY APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006/2007**

ISRF PROGRAM			
Name of Applicant	Project Location	Proposed Project Description	Amount Requested
Bear Valley Water District	County of Alpine	Sewer collection and treatment: Wastewater Treatment Facilities Upgrade Project.	\$6,911,000
Palm Ranch Irrigation District	County of Los Angeles	Water treatment and distribution: Palm Ranch Irrigation District Arsenic & Nitrate Treatment Project, Wells 4 & 5, 7 & 8.	\$1,200,000
County of Marin	County Marin	Sewage collection and treatment: East Shore Wastewater Improvement Project.	\$700,000
City of Mount Shasta	City of Mount Shasta	Sewage collection and treatment: Wastewater System Main Interceptor Upgrade Project.	\$2,000,000
Sierra County (CALPINE) Waterworks District #1	County of Sierra	Water treatment and distribution: Water System Improvements Project.	\$957,000
City of Fort Bragg	City of Fort Bragg	Water treatment and distribution: Automated Water Meter Reading System Project.	\$1,000,000
Bakersfield Redevelopment Agency	City of Bakersfield	Parks and recreational facilities: Central Park Refurbishment Project.	\$2,000,000
Bakersfield Redevelopment Agency	City of Bakersfield	Drainage, water supply, and flood control: Kern Island Canal Refurbishment Project.	\$9,000,000
City of Newman	City of Newman	Sewage collection and treatment: Wastewater Storage Basin Expansion Project.	\$4,000,000
Total ISRF Program Preliminary Applications Received	20		\$70,878,000

**APPENDIX 1-A
PRELIMINARY APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006/2007**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing ³	Proposed Project Description	Amount Requested
Betts Springs Company	City of Fresno	IDB	Construction of 120,000 square foot headquarters and manufacturing/distribution facility and acquisition of new equipment.	\$10,000,000
Applied Aerospace Structures	City of Stockton	IDB	Acquisition and construction of 50,000 square foot manufacturing facility and acquisition of new equipment.	\$6,500,000
Superior Lithographics, Inc	City of Vernon	IDB	Acquisition and installation of new 64" lithographics press.	\$4,000,000
Total Revenue Bond Programs Preliminary Applications Received		3		\$20,500,000

Summary of Preliminary Applications Received	Number of Preliminary Applications Received	Financing Amount Requested
ISRF Program	20	\$70,878,000
Bond Financing Programs	3	\$20,500,000
Total Amount	23	\$91,378,000

³ "IDB" means Industrial Development Revenue Bond.

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006-2007**

ISRF PROGRAM			
Name of Applicant	Project Location	Proposed Project Description	Amount Requested
City of Porterville	City of Porterville	Water treatment and distribution: Water System Capital Improvement Project. Construction and installation of pipelines, two booster pumps and two storage reservoirs.	\$8,500,000
Placer County Redevelopment Agency	Kings Beach area of Placer County	Public transit: Minnow Avenue Public Parking Lot Project. Construction of a 21 space public surface parking lot in Kings Beach.	\$600,000
City of San Bernardino Municipal Water Department	City of San Bernardino	Water treatment and distribution: Verdemon Area Infrastructure Project, Phase 1. Construction of water transmission mains, water main extensions and pump stations installation.	\$10,000,000
Eureka Redevelopment Agency	City of Eureka	City street and parks and recreational facilities: C Street and Market Square Improvements Project. Construction of a market square/public plaza, a fisherman's work building, café and an off-street parking lot.	\$2,000,000
City of San Marino	City of San Marino	Educational facility: San Marino Public Library Project. Construction of a new 29,000 square foot public library to replace the current 55 year old, 16,000 square foot facility.	\$2,000,000
County of Shasta	County of Shasta	Sewage collection and treatment: Redding Regional Septage Impoundment Facility Expansion Project. Construction of two disposal impoundments with dump station pads, three evaporative ponds, a service road and related piping.	\$3,000,000
Paradise Irrigation District	County of Butte	Drainage, water supply, flood control and water treatment and distribution: Magalia Reservoir Bypass Project. Construction of a reinforced concrete water diversion structure and installation of a new pipeline.	\$2,000,000
Montara Water and Sanitary District	County of San Mateo	Sewage collection and treatment: Kanoff Pump Station and Niagara Pump Station Upgrade Project. Renovations and upgrades to two sewer pump stations.	\$1,010,000
TOTAL ISRF PROGRAM FINANCING APPLICATIONS	8		\$29,110,000

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing	Proposed Project Description	Amount Requested
The Salvation Army	Cities of Los Angeles, Long Beach, Santa Barbara, Tustin, Anaheim and San Diego	501(c)(3)	Refund 2001 commercial paper notes issued by the I-Bank, which were used to finance the construction, equipping and/or improvement of various buildings, fund a debt service reserve fund, bond insurance and issuance costs.	\$82,000,000
Le Lycee Francais de Los Angeles	City of Los Angeles	501(c)(3)	Construction and equipping of a 96,000 square foot high school educational facility and attached parking garage, classrooms, a gymnasium, kitchen facilities, a dining hall, library and administrative offices and other school-related facilities; fund a debt service reserve fund, capitalized interest and issuance costs.	\$15,000,000
The Country Schools	City of Valley Village	501(c)(3)	Acquisition of modular buildings for a new middle school on property adjoining the school's current campus; refund taxable debt used to acquire existing facilities; construction and equipping of new improvements; fund a debt service reserve fund, capitalized interest and issuance costs.	\$3,000,000
The Westmark School	City of Encino	501(c)(3)	Refund existing taxable debt used for: the acquisition of the campus; construction of a new 7,000 square foot multipurpose building on the existing campus, including classrooms, a science lab, and other school-related facilities; rehabilitation and improvement of existing buildings and facilities; acquisition of equipment and furnishings; fund a debt service reserve fund, capitalized interest and issuance costs.	\$7,000,000

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing	Proposed Project Description	Amount Requested
Society for the Blind	City of Sacramento	501(c)(3)	Finance and refinance the acquisition, construction, installation, expansion, furnishing and/or equipping of a 20,500 square foot educational, community, social welfare and medical clinic building; and fund issuance costs.	\$2,300,000
Sonoma Academy	City of Santa Rosa	501(c)(3)	Refinance the construction and equipping of a new high school campus consisting of three new buildings totaling approximately 90,000 square feet, including a gymnasium, administration and arts facilities, library, classrooms, digital arts facilities, a black box theatre and classrooms for theater arts; construction of an athletic field, an outdoor amphitheatre and landscaping; fund a debt service reserve fund, issuance costs and capitalized interest.	\$32,000,000
M.A. Silva Corks USA, LL	City of Santa Rosa	IDB	Acquisition of an approximately 1.7 acre parcel of land, including equipping and furnishing a 30,400 square foot manufacturing building; and pay certain costs of issuance.	\$5,310,000
Jewish Community Center of San Francisco (JCCSF)	City of San Francisco	501(c)(3)	Refund the ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds, Series 2002 (Jewish Community Center Project), used to finance the construction of a new facility at 3200 California Street, San Francisco, and to fund issuance costs.	\$64,000,000

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing	Proposed Project Description	Amount Requested
Brentwood School	City of Los Angeles	501(c)(3)	Refund the California Statewide Communities Development Authority Revenue Bonds, Series 2000A & 2000B (Brentwood School) used to finance a heating and air conditioning system and improvements in fourteen classrooms, to enlarge an arts classroom, offices and storage/work areas at the West Campus, and to refinance the purchase of the West Campus property. Additionally, the 2000A/B Bonds were used to install a permanent courtyard canopy, construct and equip faculty offices, conference rooms and an interior patio on the East Campus, and to construct, improve and equip various athletic facilities on land leased from the U.S. Department of Veterans Affairs adjacent to the East Campus.	\$16,000,000
India Community Center	City of Milpitas	501(c)(3)	Acquisition, renovation and equipping of a 39,000 square foot facility including a workout facility, an auditorium, and a large multi-purpose room that can be used for classes, programming and large scale events.	\$17,400,000
Orange County Performing Arts Center	City of Costa Mesa	501(c)(3)	Construction, equipping and furnishing of: the Renée and Henry Segerstrom Concert Hall; the Samueli Theater; an education center; a public restaurant; a private donor room; rehearsal spaces; artist accommodations; a pedestrian plaza; and related and appurtenant facilities; to fund a debt service reserve fund, bond insurance and issuance costs. The I-Bank initially issued bonds for this project in 2004.	\$95,000,000
Los Angeles County Museum of Natural History Foundation	City of Los Angeles	501(c)(3)	Seismic retrofit and renovation of the historic 1913 Natural History Museum building and the creation of new state-of-the-art galleries and exhibits.	\$100,000,000

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing	Proposed Project Description	Amount Requested
California Independent Systems Operator	Cities of Folsom & Alhambra	501(c)(3)	Acquisition and development of computer hardware and software systems, associated facilities and office equipment used to provide operational control services in connection with electric transmission facilities. The I-Bank also issued bonds for this borrower in 2002 and 2004.	\$60,000,000
The Thacher School	City of Ojai	501(c)(3)	Construction and improvements to dormitory buildings; improvements to pedestrian and vehicular circulation and handicap access; fund capitalized interest and issuance costs.	\$12,000,000
Performing Arts Center of Los Angeles County (Music Center)	City of Los Angeles	501(c)(3)	Renovation of the interior space of the 750-seat Mark Taper Forum to: expand the lobby space, refreshment area and restroom facilities; upgrade the seats; improve access for patrons with disabilities, backstage access and equipment; develop a new stage; and fund a debt service reserve fund, capitalized interest and issuance costs.	\$30,000,000
COPIA: The American Center for Wine, Food and the Arts	City of Napa	501(c)(3)	Advance refund the 1999 bonds issued by the I-Bank, which were used for the acquisition, construction, furnishing and/or equipping of a cultural and educational facility consisting of exhibition galleries, a demonstration kitchen/theater, an auditorium, classrooms, a museum store, an outdoor garden concert terrace, landscaped gardens and parking lots; fund a debt service reserve fund, working capital reserve and issuance costs.	\$85,000,000

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing	Proposed Project Description	Amount Requested
YMCA of Los Angeles	County of Los Angeles	501(c)(3)	Refund the 2001 bonds issued by the I-Bank, which were used for the renovation and/or expansion of 34 existing facilities throughout Southern California; refund the YMCA's outstanding 1993 COPs, refinance interim financing used to finance certain of the facilities; fund a debt service reserve fund, capitalized interest and issuance costs.	\$30,000,000
The RAND Corporation	City of Santa Monica	501(c)(3)	Refund the 2002A bonds issued by the I-Bank used for the construction of a new headquarters and office facility; fund bond insurance and issuance costs.	\$36,000,000
Total Bond Financing Programs Financing Applications Received			18	\$692,010,000

Summary of Financing Applications Received	Number of Applications Received	Financing Amount Requested
ISRF Program	8	\$29,110,000
Bond Financing Programs	18	\$692,010,000
Total Amount	26	\$721,120,000

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

ISRF PROGRAM							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
County of Kern	County of Kern	ISRF	2.66%	Drainage and flood control: Kern County Supervisorial District 5 Curb, Gutter, and Drainage Improvements Project. Construction of curb, gutter drainage improvements, and other street-related improvements in three discontinuous low and moderate income residential areas currently lacking such improvements.	Improve public safety for pedestrians and vehicles; control soil erosion; reduce dust and improve neighborhood appearance. The project is estimated to create approximately \$1,462,802 in construction payroll and 35 construction jobs on a person year basis.	\$7,200,000	\$797,847

⁴ Estimated construction payroll is calculated at 20% of total project construction costs (the average of receipts-to-payroll for the construction industry). Construction jobs are calculated on a person year basis rather than on a permanent basis by dividing the estimated construction payroll by the average annual wage for construction in the county in which the Project is located. County level construction wage data was obtained from the Employment Development Department's website at www.calmis.ca.gov/file/es202/cew-select.htm. County construction wage data for calendar year 2006 was used to calculate estimated construction jobs.

**APPENDIX 2
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BY PROGRAM
FISCAL YEAR 2006-2007**

ISRF PROGRAM							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
City of San Marino	City of San Marino	ISRF	2.84%	Educational facility: San Marino Public Library Project. Construction of a new 29,000 square foot public library to replace the current 55 year old, 16,000 square foot facility.	Facilitate public access to library materials, including community room and a learning center/computer area for students attending two public schools adjacent to the library. The new building will also be handicap compliant, energy efficient and provide adequate seismic safety. The project is estimated to create approximately \$3,322,142 in construction payroll and 69 construction jobs on a person year basis.	\$2,000,000	\$14,929,015
City of San Bernardino Municipal Water Department	City of San Bernardino	ISRF	2.71%	Water distribution: Verdemont Area Infrastructure Project Phase 1. Construction of water transmission mains, water main extensions and pump station installations.	Provide a reliable and cost effective source of water supply in the Verdemont area that can be maintained through future periods of drought, and contribute to public safety through an increase in fire flow in the city and the adjacent San Bernardino National Forest. The project is estimated to create approximately \$2,864,155 in construction payroll and 67 construction jobs on a person year basis.	\$10,000,000	\$4,409,273

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BY PROGRAM
FISCAL YEAR 2006-2007**

ISRF PROGRAM							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Paradise Irrigation District	County of Butte	ISRF	2.77%	Water supply: Magalia Reservoir Bypass Project. Construction of a reinforced concrete water diversion structure and installation of approximately 7,800 linear feet of 36-inch diameter pipeline.	<p>Ensure a safe and reliable water source for residents of the Town of Paradise.</p> <p>The project is estimated to create approximately \$496,600 in construction payroll and 14 construction jobs on a person year basis.</p>	\$2,000,000	\$500,000
Placer County Redevelopment Agency	Kings Beach area of the County of Placer	ISRF	2.91%	Public transit: Minnow Avenue Public Parking Lot Area. Construction of a 21 space public surface parking lot in Kings Beach	<p>Eliminate blight and aid in business retention, expansion and attraction in the downtown Kings Beach commercial corridor.</p> <p>The project is estimated to create approximately \$127,000 in construction payroll and three construction jobs on a person year basis.</p>	\$600,000	\$525,000

**APPENDIX 2
 REPORT OF LOANS APPROVED AND BONDS SOLD
 BY PROGRAM
 FISCAL YEAR 2006-2007**

ISRF PROGRAM							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
County of Shasta	County of Shasta	ISRF	2.81%	Sewage collection and treatment: Redding Regional Septage Impoundments Expansion Project. Construct two disposal impoundments with dump station pads, three evaporative ponds, a service road and related piping.	Contribute to an improved public health and safety through the delivery of a needed waste disposal service to residents on septic systems located in the County. The project is estimated to create approximately \$462,000 in construction payroll and 12 construction jobs on a person year basis.	\$2,000,000	\$520,000
Total Loans Approved		6				\$23,800,000	\$21,681,135

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
San Diego Society Natural History Museum	City of San Diego	501(c)(3)	5.50% Fixed Rate	Refinance installation costs of certain improvements and equipment including chillers, humidifiers, dehumidifiers, controllers; and fund issuance costs.	<p>The project will facilitate the Dead Sea Scroll exhibit providing a cultural, archaeological and historic opportunity for the public, and generate environmental benefits through an estimated 60-70% reduction in utility costs.</p> <p>The project is estimated to create approximately \$260,000 in construction payroll and five construction jobs on a person year basis.</p>	\$1,300,000	\$53,750
The San Francisco Ballet Association	City of San Francisco	501(c)(3)	Variable	Refund the Ballet's 2002 bonds issued by the I-Bank and finance: the renovation and equipping of an administration and rehearsal building; the costs of developing new ballet performances; the acquisition and improvement of a warehouse; the acquisition and improvement of a student living facility; the renovation and equipping of the War Memorial Opera House; related capital improvements; fund working capital, capitalized interest and issuance costs.	<p>The project will enable the borrower, a public cultural fine arts institution, to continue the advancement of the art of ballet and the training of dancers in modern ballet techniques.</p> <p>The project is estimated to create approximately \$3,992,261 in construction payroll and 62 construction jobs on a person year basis.</p>	\$44,000,000	\$0

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FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
California Science Center Foundation	City of Los Angeles	501(c)(3)	5.13% All-In True Interest Cost (TIC)	Finance a portion of construction of a new 146,000 square foot west wing of the existing Howard F. Ahmanson Building of the California Science Center, including the design, construction, acquisition and installation of new exhibits and support areas, expansion of existing galleries, and shelling of administrative office space; pay capitalized interest on a portion of the bonds; establish a debt service reserve; and pay costs of issuance of the bonds.	<p>In connection with its mission to promote science education, the project will enable the borrower raise awareness of science to address such issues as an inadequate public understanding of science, a shortage of trained scientists and engineers, a lack of participation by women and minorities in the sciences, and insufficient teaching skills and knowledge of science and mathematics by educators.</p> <p>The project is estimated to create approximately \$13,622,315 in construction payroll and 284 construction jobs on a person year basis.</p>	\$82,000,000	\$0

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BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
The Salvation Army	Cities of Los Angeles, Long Beach, Santa Barbara, Tustin, Anaheim and San Diego	501(c)(3)	4.64% All-In TIC	Refund 2001 commercial paper notes issued by the I-Bank, which were used to finance the construction, equipping and/or improvement of various buildings, fund a debt service reserve fund, bond insurance and issuance costs.	The project will enable the borrower continue to provide a variety of social services for individuals in need including: long term residential recovery programs for individuals moving away from addictions; workforce training; community programs; child care; adult education programs; temporary housing and food for homeless and other targeted groups; housing for low-to-moderate income seniors and, disaster emergency services.	\$74,625,000	\$0

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FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
Le Lycee Francais de Los Angeles	City of Los Angeles	501(c)(3)	Variable	Construction and equipping of a 96,000 square foot high school educational facility and attached parking garage, classrooms, a gymnasium, kitchen facilities, a dining hall, library and administrative offices and other school-related facilities; fund a debt service reserve fund, capitalized interest and issuance costs.	<p>The project will enable the private school to continue to provide a bilingual educational curriculum to students and to also continuing serving the community by: being a polling location; providing free services to charities; donating items to the underprivileged; conducting annual fundraisers to benefit local charities; and, donating money to local food banks.</p> <p>The project is estimated to create approximately \$4,289,400 in construction payroll and 89 construction jobs on a person year basis.</p>	\$15,000,000	\$7,547,000

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FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
Society for the Blind	City of Sacramento	501(c)(3)	Variable	Finance and refinance the acquisition, construction, installation, expansion, furnishing and/or equipping of a 20,500 square foot educational, community, social welfare and medical clinic building; and fund issuance costs.	<p>The borrower promotes programs and services which emphasize rehabilitation and full participation of the blind and visually-impaired in personal, vocational and community activities in the greater Sacramento area. The project will allow the borrower to continue to provide to the visually-impaired in the Sacramento area with programs and resources to aid in school, job and independent living training; low-vision clinic services; and children's, vocational and senior services.</p> <p>The project is estimated to create approximately \$798,800 in construction payroll and 17 construction jobs on a person year basis.</p>	\$2,300,000	\$3,840,000

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 BY PROGRAM
 FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
Westside Waldorf School	City of Pacific Palisades	501(c)(3)	Variable	Finance the cost of adaptively renovating, rehabilitating and equipping an existing facility into a new elementary school that will educate up to 246 students. Financing will also be used to establish a reserve fund, and pay certain costs of issuance and credit enhancement costs in connection with the bonds.	<p>The project will enable the private school to continue to provide a variety of public benefits including: strong academic curriculum, educational and cultural events for students, parents and the public; financial assistance to ensure the diversity of students; and community contributions toward environmental stewardship. The school anticipates the creation of an additional 12 permanent jobs.</p> <p>The project is estimated to create approximately \$722,962 in construction payroll and 15 construction jobs on a person year basis.</p>	\$3,000,000	\$857,812

**APPENDIX 2
 REPORT OF LOANS APPROVED AND BONDS SOLD
 BY PROGRAM
 FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
The Country Schools	City of Valley Village	501(c)(3)	Variable	Acquisition of modular buildings for a new middle school on property adjoining the school's current campus; refund taxable debt used to acquire existing facilities; construction and equipping of new improvements; fund a debt service reserve fund, capitalized interest and issuance costs.	<p>The project will enable the private school to continue to promote a rigorous academic curricula and social growth for students within an environment enriched by economic and ethnic diversity. The school provides financial assistance to more than 40% of the student body and works with Children and Family Services of the Los Angeles Department of Social Services to enroll foster children. The school anticipates the creation of an additional five permanent jobs.</p> <p>The project is estimated to create approximately \$2,250,000 in construction payroll and nine construction jobs on a person year basis.</p>	\$3,000,000	\$0

**APPENDIX 2
 REPORT OF LOANS APPROVED AND BONDS SOLD
 BY PROGRAM
 FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
The Westmark School	City of Encino	501(c)(3)	Variable	Refund existing taxable debt used for: the acquisition of the campus; construction of a new 7,000 square foot multipurpose building on the existing campus, including classrooms, a science lab, and other school-related facilities; rehabilitation and improvement of existing buildings and facilities; acquisition of equipment and furnishings; fund a debt service reserve fund, capitalized interest and issuance costs.	<p>The project will enable the private school to continue to provide: a comprehensive educational experience for students diagnosed with specific learning disabilities; the use of innovative technology and teaching strategies in an environment supportive of individual learning styles; and, assisting students in identifying the fundamental academic and social skills necessary for success. The school anticipates the creation an additional two teaching positions in the next couple of years.</p> <p>The project is estimated to create approximately \$2,630,000 in construction payroll and 11 construction jobs on a person year basis.</p>	\$7,000,000	\$0

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
The Colburn School	City of Los Angeles	501(c)(3)	Variable	Refund the school's 2005 bonds issued by the I-Bank for the construction, furnishing and equipping of a 384,000 square foot educational facility that houses a library, performance lab, rehearsal hall, studios, classrooms, practice rooms, cafeteria, dormitory, outdoor plaza and parking facilities and improvements to various areas within the existing school facility.	The project will enable this independent private community school of the arts to continue providing academic services to students and to continue with its artistic performances that reach a broad economic and ethnic spectrum of greater Los Angeles through free concerts and many other free community programs, bringing performing arts to more than 20,000 elementary school children each year.	\$132,925,000	\$0
M.A. Silva Corks USA, LLC	City of Santa Rosa	IDB	Variable	Acquisition of an approximately 1.7 acre parcel of land, including equipping and furnishing a 30,400 square foot manufacturing building; and pay certain costs of issuance.	The company projects creating a total of six net new jobs in Sonoma County within two years of project completion. The project is estimated to create approximately \$880,000 in construction payroll and 18 construction jobs on a person year basis.	\$5,310,000	\$150,000

**APPENDIX 2
 REPORT OF LOANS APPROVED AND BONDS SOLD
 BY PROGRAM
 FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
Jewish Community Center of San Francisco	City of San Francisco	501(c)(3)	Variable	Refund the ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds, Series 2002 (Jewish Community Center Project), used to finance the construction of a new facility at 3200 California Street, San Francisco, and to fund issuance costs.	The project will enable the borrower to expand a variety of Jewish educational, recreational and cultural programs, services and activities to people of all ages, faiths and backgrounds in the San Francisco community.	\$60,420,000	\$0

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
Sonoma Academy	City of Santa Rosa	501(c)(3)	5.43% Series A 7.05% Series B 6.50% Series C Fixed Rate	Refinance the construction and equipping of a new high school campus consisting of three new buildings totaling approximately 90,000 square feet, including a gymnasium, administration and arts facilities, library, classrooms, digital arts facilities, a black box theatre and classrooms for theater arts; construction of an athletic field, an outdoor amphitheatre and landscaping; fund a debt service reserve fund, issuance costs and capitalized interest.	<p>The project will enable this private school to expand its ability to provide a nonsectarian, private college-preparatory high school program. Roughly 40% of the students receive financial aid annually. Students participate in community service and social change projects, and student enrollment is anticipated to increase by 38% with an equivalent supplement of new teaching and administrative staff positions. Additionally, the project is designed to exceed current energy efficient codes.</p> <p>The project is estimated to create approximately \$6,680,000 in construction payroll and 139 construction jobs on a person year basis.</p>	\$33,000,000	\$5,515,000

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
Orange County Performing Arts Center	City of Costa Mesa	501(c)(3)	Variable	Construction, equipping and furnishing of: the Renée and Henry Segerstrom Concert Hall; the Samueli Theater; an education center; a public restaurant; a private donor room; rehearsal spaces; artist accommodations; a pedestrian plaza; and related and appurtenant facilities; to fund a debt service reserve fund, bond insurance and issuance costs. The I-Bank initially issued bonds for this project in 2004.	<p>The addition of the 2,000-seat Renée and Henry Segerstrom Concert Hall and the 500-seat Samueli Theatre will create an arts complex that will serve the citizens of Orange County and southern California for generations. The borrower's education programs currently reach more than 350,000 young people in seven California counties each year. With the completion of the project, it is anticipated that the borrower's education programs will serve an additional 650,000 young people each year.</p> <p>The project is estimated to create approximately \$14,972,851 in construction payroll and 283 construction jobs on a person year basis.</p>	\$85,000,000	\$0

**APPENDIX 2
 REPORT OF LOANS APPROVED AND BONDS SOLD
 BY PROGRAM
 FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
India Community Center	City of Milpitas	501(c)(3)	Variable	Acquisition, renovation and equipping of a 39,000 square foot facility including a workout facility, an auditorium, and a large multi-purpose room that can be used for classes, programming and large scale events.	<p>The project will enable the borrower to expand its existing health facilities and provide space for: a 650-seat theater/500-person banquet and meeting space; child watch and after-school program; and a medical clinic offering free services to low-income individuals who do not have medical insurance.</p> <p>The project is estimated to create approximately \$2,800,000 in construction payroll and 49 construction jobs on a person year basis.</p>	\$16,000,000	\$0

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
California Independent Systems Operator	Cities of Folsom & Alhambra	501(c)(3)	Variable	Acquisition and development of computer hardware and software systems, associated facilities and office equipment used to provide operational control services in connection with electric transmission facilities. The I-Bank also issued bonds for this borrower in 2002 and 2004.	<p>The borrower acts as the impartial link between power plants and the utilities that provide electricity to customers. The project will enable the borrower to continue to: manage the safe and reliable flow of electricity on California's high-voltage power grid; ensure fair and open access to the transmission grid for all qualified users; and, provide market and grid information with integrity and impartiality.</p> <p>The project is estimated to create approximately \$10,594,259 in construction payroll and 225 construction jobs on a person year basis.</p>	\$60,000,000	\$0

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
Los Angeles County Museum of Natural History Foundation	City of Los Angeles	501(c)(3)	Variable	Seismic retrofit and renovation of the historic 1913 Natural History Museum building and the creation of new state-of-the-art galleries and exhibits.	<p>The project will provide an expansion of the museum, and seismic and other life safety enhancements to the building to protect 600,000 annual visitors, as well as the collections, staff and volunteers. The new exhibits will reflect scientific, historical, educational, natural and cultural history themes and topics which cannot be adequately conveyed in the current gallery configuration affording the public a better understanding of the natural and cultural worlds. Additionally, the borrower estimates the creation of 50 new full- and part-time jobs.</p> <p>The project is estimated to create approximately \$13,634,383 in construction payroll and 284 construction jobs on a person year basis.</p>	\$84,400,000	\$0

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
Performing Arts Center of Los Angeles County (Music Center)	City of Los Angeles	501(c)(3)	4.89% All-In TIC	Renovation of the interior space of the 750-seat Mark Taper Forum to: expand the lobby space, refreshment area and restroom facilities; upgrade the seats; improve access for patrons with disabilities, backstage access and equipment; develop a new stage; and fund a debt service reserve fund, capitalized interest and issuance costs.	<p>The project will improve the patron experience as well as that of resident companies in the stage and backstage areas. The Music Center's cultural programs and initiatives have reached more than 1.3 million visitors annually, and each year provides more than 15,000 performances and other programs in more than 600 public and private schools throughout Southern California.</p> <p>The project is estimated to create approximately \$25,554,316 in construction payroll and 106 construction jobs on a person year basis.</p>	\$27,530,000	\$547,051

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2006-2007**

BOND FINANCING PROGRAMS

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶	Financing Amount	Leverage
COPIA: The American Center for Wine, Food and the Arts	City of Napa	501(c)(3)	5.27% All-In TIC	Advance refund the 1999 bonds issued by the I-Bank, which were used for the acquisition, construction, furnishing and/or equipping of a cultural and educational facility consisting of exhibition galleries, a demonstration kitchen/theater, an auditorium, classrooms, a museum store, an outdoor garden concert terrace, landscaped gardens and parking lots; fund a debt service reserve fund, working capital reserve and issuance costs.	The original project enabled the borrower to conduct exhibitions, public programs, classes, wine appreciation tastings, films, performances and other events to over 195,000 visitors annually, facilitated the creation of 53 full-time equivalent jobs, and a healthy contribution to the economic growth of the Napa region economy.	\$77,612,774	\$0
Total Bonds Sold		19				\$814,422,774	\$18,510,613

Summary of Loans Approved and Bonds Sold	Number of Loans Approved and Bonds Sold	Financing Amount	Leverage
Loans Approved through the ISRF Program	6	\$23,800,000	\$21,681,135
Bonds Sold through the Bond Financing Programs	19	\$814,422,774	\$18,510,613
TOTAL LOANS APPROVED AND BONDS SOLD	25	\$838,222,774	\$40,191,748

APPENDIX 3
Statement of Revenues, Expenses, and Changes in Net Assets⁵
of the
California Infrastructure and Economic Development Bank
(A Component Unit of the State of California)
For Fiscal Year 2006/2007

	California Infrastructure and Economic Development Bank Fund	California Infrastructure Guarantee Trust Fund	Total
OPERATING REVENUES			
Interest on loan repayments	\$ 9,021,323		\$ 9,021,323
Investment income	3,576,573	\$ 1,118,088	4,694,661
Administration fee revenue	1,918,934		1,918,934
Total operating revenues	<u>14,516,830</u>	<u>1,118,088</u>	<u>15,634,918</u>
OPERATING EXPENSES			
Program support ⁶	2,325,821		2,325,821
Interest on bond debt	4,631,379		4,631,379
Amortization of bond issuance costs	88,639		88,639
Total operating expenses	<u>7,045,839</u>		<u>7,045,839</u>
OPERATING INCOME	<u>7,470,991</u>	<u>1,118,088</u>	<u>8,589,079</u>
NET ASSETS, Beginning of year	<u>220,345,431</u>	<u>21,514,845</u>	<u>241,860,276</u>
NET ASSETS, End of year	<u>\$ 227,816,422</u>	<u>\$ 22,632,933</u>	<u>\$ 250,449,355</u>

Source: California Infrastructure and Economic Development Bank audited Financial Statements.

⁵ The Statement of Revenues, Expenses and Changes in Net Assets is prepared on an accrual basis of accounting in accordance with generally accepted accounting principles.

⁶ Program support expenses represent administrative expenses of the I-Bank.