

STATE OF CALIFORNIA BUSINESS TRANSPORTATION AND HOUSING AGENCY



CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK



ANNUAL ACTIVITY REPORT FISCAL YEAR 2007/2008



***“FINANCING FACILITIES THAT PROMOTE
ECONOMIC DEVELOPMENT”***



ANNUAL ACTIVITY REPORT FISCAL YEAR 2007/2008

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 a report of its activities for the preceding fiscal year. A Supplemental Report, attached hereto, includes additional information required by amendments to Section 63035 enacted subsequent to the drafting of this Annual Report. This Annual Report includes:

- (a) A listing of applications accepted, including a description of the expected employment impact of each project.
- (b) A specification of 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.

SUMMARY

The I-Bank, housed within the State of California's Business, Transportation and Housing Agency, has a mission 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 direct low-cost financing to public agencies for a wide variety of public infrastructure projects, and Bond Financing Programs that provide tax-exempt conduit revenue bond financing for qualified



manufacturing companies, nonprofit organizations, public agencies and other eligible entities.

During the 2007/2008 fiscal year, the I-Bank approved eight ISRF Program loans totaling \$29,751,600 for local government entities throughout the State for critically needed public infrastructure projects.

During the 2007/2008 fiscal year, the I-Bank issued \$1,030,136,886 of conduit revenue bonds, including sixteen 501(c)(3) revenue bonds totaling \$950,200,000, three industrial development revenue bonds totaling \$20,371,886, and one public agency revenue bond totaling \$59,565,000. The conduit 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 2007/2008

The following is a summary of I-Bank activities for the 2007/2008 fiscal year:

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

The I-Bank accepted eleven new preliminary applications and seven 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 bonds sold, and interest rates thereon.

During the fiscal year, the I-Bank Board approved and staff completed the issuance of twenty conduit revenue bonds totaling \$1,030,136,886. Although not a reporting requirement of Government Code Section 63035, the I-Bank Board approved eight



ISRF Program loans totaling \$29,751,600¹. Appendix 2 contains a listing of the loans approved and conduit bonds sold during this period, and also includes other project and financing information.

Starting in early 2008, many existing conduit revenue bond borrowers returned to the I-Bank to refund their outstanding bonds to mitigate interest rate uncertainties and lower borrowing costs, which impacts were related to the failure of the auction rate securities market and/or bond insurer downgrades, both a consequence of the sub-prime mortgage crisis.

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

The \$29,751,600 of approved ISRF Program loans will leverage approximately \$11,244,650 of other public and private funds. The \$1,030,136,886 of revenue bonds issued will leverage approximately \$111,522,653 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 2007/2008 fiscal year, the I-Bank realized total revenues of \$15,041,276 which included interest on loan repayments, investment income, and administration fee revenue, and total operating expenses of \$7,043,056 which included program support expenses, interest on bond debt, and amortization of bond issuance costs. Total operating income for the year was \$7,998,220. 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, 2008.

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

Five new I-Bank positions were approved in the 2008/2009 budget bill. The I-Bank estimates a need for four additional positions and submitted a budget change proposal

¹ Applications for several loans and bonds approved in the 2007/2008 fiscal year were submitted in the prior fiscal year.



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for the additional positions for fiscal year 2009/2010. The I-Bank will move its staff and operations during the 2008/2009 fiscal year.

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

The I-Bank does not recommend any changes in State or Federal law at this time.

APPENDICES

- 1-A Preliminary Applications Received by Program
- 1-B Financing Applications Received by Program
- 2 Report of Loans Approved and Bonds Sold by Program
- 3 Statement of Revenues, Expenses, and Changes in Net Assets of the California Infrastructure and Economic Development Bank for Fiscal Year 2007/2008

**APPENDIX 1-A
PRELIMINARY APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2007/2008**

ISRF PROGRAM			
Name of Applicant	Project Location	Proposed Project Description	Amount Requested
City of Dunsmuir	City of Dunsmuir	Water Treatment and Distribution: Replace deteriorated steel water pipelines prone to leaks and significant water losses.	\$537,000
Delano Union School District	County of Kern	Power and Communications: Construct facility to provide compressed natural gas fueling service to vehicles owned by the District and other public and private entities.	\$5,000,000
City of Hanford	City of Hanford	Sewage Collection and Treatment: Construct new wells, rehabilitate existing wells and construct new water tanks.	\$7,435,000
Valley of the Moon Water District	Sonoma County	Water Supply, Treatment and Distribution: Construct well house and security fence; and acquire and install pump and appurtenances, filtration and disinfection systems.	\$800,000
City of Orland	City of Orland	Public Safety Facility: Remodel a recently-acquired building for use as the Orland Police Headquarters.	\$5,565,000
City of San Juan Bautista	San Juan Bautista	Water Treatment and Distribution: Construct water treatment plant, well, replacement water reservoir, and waterlines.	\$7,000,000
City of Lawndale	City of Lawndale	Parks and Recreational Facilities: Construct new City park.	\$445,224
Fieldbrook Glendale Community Services District	Humboldt County	Water Treatment and Distribution: Replace roof of a 400,000 gallon potable water storage tank.	\$300,000
City of Santa Barbara	City of Santa Barbara	Port Facilities: Replace walkway, gangway, and associated utilities at Marina 1 in Santa Barbara Harbor.	\$1,500,000
Redevelopment Agency of the City of San Diego	City of San Diego	Parks and Recreational Facilities: Construct new city park.	\$2,000,000
City of San Juan Bautista	San Juan Bautista	Sewage Collection and Treatment: Improve and upgrade sewer facilities.	\$1,492,000
Total ISRF Program Preliminary Applications Received	11		\$32,074,224

**APPENDIX 1-A
PRELIMINARY APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2007/2008**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing²	Proposed Project Description	Amount Requested
Prinsco, Inc.	City of Fresno	IDB	Acquisition and renovation of a corrugated polyethylene drainage product manufacturing facility.	\$10,000,000
Terravant Wine Company	City of Buellton	IDB	Acquisition of a building and related wine production equipment including crushing, fermenting, pressing, storage, bottling, and related facilities.	\$10,000,000
The South Malt Corporation	City of Commerce	IDB	Acquisition of adjacent land, construction of a lighting fixture manufacturing facility, parking lot, and acquisition of related manufacturing equipment for IWorks US, Inc.	\$1,335,000
Total Revenue Bond Programs Preliminary Applications Received	3			\$21,335,000

Summary of Preliminary Applications Received	Number of Preliminary Applications Received	Financing Amount Requested
ISRF Program	11	\$32,074,224
Bond Financing Programs	3	\$21,335,000
Total Amount	14	\$53,409,224

² "IDB" means industrial development conduit revenue bond.

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2007-2008**

ISRF PROGRAM			
Name of Applicant	Project Location	Proposed Project Description	Amount Requested
City of San Luis Obispo	City of San Luis Obispo	Sewage Collection and Treatment: Decommission existing gravity sewer line and lift stations, and install new gravity sewer line lift station and force main providing more efficient sewer operations, and accommodate planned growth in three areas expected to be annexed to the City in the near future.	\$7,800,000
City of Sacramento	Sacramento	Drainage and Flood Control: Acquire 6.95 acres of land and construct a 5.44 acre, 17 foot deep drainage detention basin with capacity to hold 22.3 acre-feet of storm water runoff to provide 100 year storm protection.	\$3,500,000
East Orange County Water District	Orange County	Water Treatment and Distribution: Replace well and 2,200 feet of water main.	\$1,900,000
County of Marin	Marin County	Sewage Collection and Treatment: Construct a new central community wastewater collection system and common leachfield at Marshall Phase 1 Community Wastewater System Assessment District.	\$700,000
City of Mt. Shasta	City of Mt. Shasta	Sewage Collection and Treatment: Construct approximately 3,100 feet of 24-30 inch sewer main interceptor line to increase wastewater flow capacity from 2.25 million gallons per day (MGD) to 6.6 MGD to meet current and projected peak wet weather wastewater demands, and allow the City to lift a self-imposed sewer hook-up moratorium.	\$1,750,000
Bakersfield Redevelopment Agency	Bakersfield	Park and Recreation Facilities, City Street, and Drainage and Flood Control: Renovate Central Park and Kern Island Canal to make both more efficient and recreationally and aesthetically pleasing.	\$10,000,000
Valley of the Moon Water District	Sonoma County	Water Supply, Treatment and Distribution: Replace an abandoned production well; construct a well house and security fence; and acquire and install a pump and appurtenances, a filtration system and a disinfection system to enhance production capabilities and increase reliability of the water system.	\$800,000
TOTAL ISRF PROGRAM FINANCING APPLICATIONS	7		\$26,450,000

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing³	Proposed Project Description	Amount Requested
Southern California Public Radio	City of Pasadena	501(c)(3)	Remodel an existing building to include a state-of-the-art radio studio space, editing booths, technology center, engineering storage and work area, additional space for news reporters, program development and administrative offices.	\$8,000,000
Goodwill Industries of San Joaquin Valley, Inc.	City of Manteca	501(c)(3)	Acquisition and improvement of a 1.7-acre parcel of land consisting of two buildings one of which will be used to replace an older, smaller retail store.	\$3,500,000
The J. Paul Getty Trust	Cities of Los Angeles and Pacific Palisades	501(c)(3)	Finance a tender offer for any and all of the outstanding 2003 bonds issued by the I-Bank.	\$275,000,000
Tobinworld	Cities of Glendale and Antioch	501(c)(3)	Refund outstanding certificates of participation used to acquire properties located in Glendale; refund an existing taxable debt, and finance improvements and equipment at two campuses in Antioch and Glendale.	\$5,050,000
California Academy of Sciences	City of San Francisco	501(c)(3)	Refund the outstanding 2003 and 2005 bonds issued by the I-Bank.	\$300,000,000
Saint Margaret of Scotland Episcopal School	City of San Juan Capistrano	501(c)(3)	Refinance debt used to purchase buildings and land; finance development costs; construct a performing arts center; a gymnasium, athletic offices, upper school classroom wing; new middle school and renovation of the lower school.	\$25,000,000
The Walt Disney Family Museum, LLC	City of San Francisco	501(c)(3)	Renovation, construction, furnishing and equipping of a new museum.	\$75,000,000

³ “501(c)(3)” means qualified 501(c)(3) conduit revenue bond or loan.

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing ³	Proposed Project Description	Amount Requested
Santa Barbara Center for the Performing Arts, Inc.	City of Santa Barbara	501(c)(3)	Finance or refinance the restoration of the historic Granada Theatre.	\$35,000,000
Los Angeles County Museum of Natural History Foundation	City of Los Angeles	501(c)(3)	Refund the outstanding 2007 bonds issued by the I-Bank.	\$85,000,000
Marlborough School	City of Los Angeles	501(c)(3)	Construction of an academic resource center, a visual arts center and two levels of underground parking.	\$25,000,000
Jewish Community Center of San Francisco	City of San Francisco	501(c)(3)	Refund the outstanding 2007 bonds issued by the I-Bank.	\$60,000,000
Sage Hill School	City of Newport Coast	501(c)(3)	Construction, furnishing and equipping of a two story performing arts center and related facilities and infrastructure improvements.	\$20,000,000
RAND Corporation	City of Santa Monica	501(c)(3)	Refund the outstanding 2002 and 2007 bonds issued by the I-Bank.	\$130,000,000
California Independent System Operator Corporation	Cities of Folsom and Alhambra	501(c)(3)	Refund the outstanding 2000, 2004 and 2007 bonds issued by the I-Bank.	\$206,000,000
San Francisco Ballet Association	City of San Francisco	501(c)(3)	Refund the outstanding 2006 bonds issued by the I-Bank.	\$50,000,000
Asian American Drug Abuse Program	City of Los Angeles	501(c)(3)	Refinance existing taxable debt used to purchase two existing buildings.	\$3,630,000

**APPENDIX 1-B
FINANCING APPLICATIONS RECEIVED
BY PROGRAM
FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS				
Name of Applicant	Project Location	Type of Financing ³	Proposed Project Description	Amount Requested
Orange County Performing Arts Center	City of Costa Mesa	501(c)(3)	Refund the outstanding 2004 and 2007 bonds issued by the I-Bank.	\$250,000,000
Hillview Mental Health Center, Inc.	City of Pacoima	501(c)(3)	Refinance existing taxable and taxable-exempt debt; finance the purchase of a medical records information system and construction of a parking lot kiosk.	\$3,200,000
Total Bond Financing Programs Financing Applications Received	18			\$1,559,380,000

Summary of Financing Applications Received	Number of Applications Received	Financing Amount Requested
ISRF Program	7	\$26,450,000
Bond Financing Programs	18	\$1,559,380,000
Total Amount	25	\$1,585,830,000

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2007-2008**

ISRF PROGRAM							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Eureka Redevelopment Agency	City of Eureka	ISRF	2.83%	City Streets, Public Transit, and Parks and Recreational Facilities: Renovate C Street between 1 st Street and the Boardwalk, including the construction of a market square/public plaza, construction of a fisherman's work building and café, and a 41-space off-street parking lot.	The project will provide access to the City's northern waterfront area including outdoor amenities, public seating, outdoor farmers' market, and off-street parking for C Street and Old Town to stimulate private sector development, employment opportunities and tax increment revenue. Estimated construction payroll of \$698,284 creating 15 construction jobs.	\$2,000,000	\$2,014,394

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.labormarketinfo.edd.ca.gov. County construction wage data for calendar year 2007 was used to calculate estimated construction jobs.

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REPORT OF LOANS APPROVED AND BONDS SOLD
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ISRF PROGRAM							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Montara Water and Sanitary District	County of San Mateo - Montara and Moss Beach areas	ISRF	3.05%	Sewage Collection and Treatment: Renovate and upgrade two outdated sewer pump stations located on the ocean shore.	The project will upgrade deficient structures and equipment essential for proper disposal of wastewater, increase worker safety by providing easier access to sewer pumps, improve health and safety by ensuring that wastewater does not overflow to the beach or ocean. Estimated construction payroll of \$271,000 creating 5 construction jobs.	\$1,010,000	\$355,000
County of Marin	County of Marin - Town of Marshall	ISRF	2.99%	Sewage Collection and Treatment: Replace and upgrade privately-owned septic systems and leachfields, and construct a new central community wastewater collection system and common leachfield for the Marshall Phase 1 Community Wastewater System Assessment District.	The project will improve public safety and community health, preserve the environment, and contribute to business preservation. The project is identified in or consistent with the Marin County General Plan/Plan Update, the Marin County Local Coastal Program, the East Shore Community Plan, and the California Coastal Act. Estimated construction payroll of \$210,000 creating 4 construction jobs.	\$681,600	\$1,193,200

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ISRF PROGRAM							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Bakersfield Redevelopment Agency	City of Bakersfield	ISRF	3.11%	Park and Recreation Facilities, City Street, and Drainage, Water Supply and Flood Control: Renovate Central Park and Kern Island Canal.	<p>The project will contribute to the revitalization and preservation of the central city area, contribute to public safety, provide a more secure and efficient method of transporting high-flow flood waters safely out of the area and supplement drinking water supplies. The project will enhance the attractiveness and long-term economic competitiveness downtown and the community.</p> <p>Estimated construction payroll of \$2,323,000 creating 57 construction jobs.</p>	\$10,000,000	\$2,700,000

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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 Sacramento	City of Sacramento	ISRF	3.17%	Drainage Flood Control: Acquire 6.95 acres of land and construct a 5.44 acre, 17 foot deep drainage detention basin with capacity to hold 22.3 acre-feet of storm water runoff to provide 100 year storm protection.	The project will assist in the revitalization of a traditionally commercial district, and provide improved flood control that will encourage higher density housing and more commercial development in an area served by Sacramento Regional Transit District's 65 th Street/University bus and light rail station, and provide open space for a future park. Estimated construction payroll of \$235,316 creating 6 construction jobs.	\$3,500,000	\$879,386
Valley of the Moon Water District	County of Sonoma	ISRF	3.17%	Water Supply, Treatment and Distribution: Replace an abandoned production well; construct a well house and security fence; and acquire and install a pump and appurtenances, a filtration system and a disinfection system to enhance production capabilities and increase reliability of the water system.	The project will increase availability and reliability of the water supply, and enhance conjunctive water use (the ability to optimize the use of surface and groundwater). The project will assist economic development efforts related to new housing and commercial developments. Estimated construction payroll of \$224,952 creating 6 construction jobs.	\$810,000	\$684,779

**APPENDIX 2
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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 Mt. Shasta	City of Mt. Shasta	ISRF	3.25%	Sewage Collection and Treatment: Construct approximately 3,100 feet of 24-30 inch sewer main interceptor line to increase wastewater flow capacity from 2.25 million gallons per day (MGD) to 6.6 MGD that will meet current and projected peak wet weather wastewater demands, and allow the City to lift a self-imposed sewer hook-up moratorium.	The project will reduce the number of sewer overflows and improve health and safety. The project is consistent with the 2000 Mt. Shasta Community Action Plan that identified a need to expand the tax base and create new employment opportunities. Estimated construction payroll of \$336,349 creating 9 construction jobs.	\$1,750,000	\$367,891
City of San Luis Obispo	City of San Luis Obispo	ISRF	3.25%	Sewage Collection and Treatment: Decommission existing gravity sewer line and lift stations, and install new gravity sewer line, lift station and force main to provide more efficient sewer operations, and accommodate planned growth in three areas expected to be annexed to the City in the near future.	The project will allow development of residential and commercial areas currently lacking adequate sewer capacity, improve public health by operating more efficiently, eliminate the proliferation of individual septic systems, and reduce the potential for wastewater spills. Estimated construction payroll of \$2,089,200 creating 51 construction jobs.	\$10,000,000	\$3,050,000

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 REPORT OF LOANS APPROVED AND BONDS SOLD
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ISRF PROGRAM							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Total Loans Approved	8				Estimated Jobs: 153	\$29,751,600	\$11,244,650

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
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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)⁴	Financing Amount	Leverage
Brentwood School	City of Los Angeles	501(c)(3)	4.75% All-in True Interest Cost (TIC)	Refund outstanding bonds issued in 2000 by another conduit issuer to purchase land and finance equipment and improvements at 2 campuses.	Brentwood provides a quality private co-educational college preparatory program and allocates approximately 12% of its revenues for scholarships. Its community service program empowers students to help their communities through a variety of activities and services. Brentwood expects to achieve a present value savings of \$300,000 and also estimates that 8 full-time positions and 15 part-time positions will be created.	\$13,900,000	\$0
RAND Corporation	City of Santa Monica	501(c)(3)	Auction Rate	Refund the outstanding 2002A bonds issued by the I-Bank to construct a new headquarters in Santa Monica	RAND promotes scientific, educational and charitable purposes through research and analysis, focusing on national security issues and offers several advanced educational and training programs. RAND expects to achieve a present value savings of \$1.7 million.	\$34,975,000	\$0

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
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FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Goodwill Industries of San Joaquin Valley, Inc. (GISJV)	City of Manteca	501(c)(3)	5.85% Fixed Rate	Acquisition and improvement of a 1.7-acre parcel of land consisting of two buildings one of which will be used to replace an older, smaller retail store.	In 2006, GISJV served 1,696 individuals with barriers to employment, including physical disabilities, homelessness, lack of education, language barriers, advanced age, lack of work history or chronic poverty by providing job training and placement services. GISJV expects 6 new full-time jobs will be created. Estimated construction payroll of \$612,000 creating 13 construction jobs.	\$3,500,000	\$1,690,000
Southern California Public Radio (SPCR)	City of Pasadena	501(c)(3)	Variable Rate	Remodel an existing building to include a state-of-the-art radio studio space, editing booths, technology center, engineering storage and work area, additional space for news reporters, program development and administrative offices.	SCPR provides news information radio broadcast and interactive media service to the people of Southern California and the nation. The project will provide meeting rooms for public forums. SCPR expects 40 new full-time jobs will be created within 7 years. Estimated construction payroll of \$2,898,837 creating 57 construction jobs.	\$8,000,000	\$8,671,185

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
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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) ⁴	Financing Amount	Leverage
The Thacher School	City of Ojai	501(c)(3)	Variable Rate	Demolition of 2 existing dormitory complexes and 3 faculty residences, construction and renovation of 2 dormitory complexes and construction of 5 new faculty residences.	Thacher provides a rigorous co-educational private secondary school program and offers over \$1.6 million in financial aid to qualifying students. These funds support 28 percent of the student body with grants averaging \$25,000 annually. Estimated construction payroll of \$2,346,900 creating 51 construction jobs.	\$12,000,000	\$0
The J. Paul Getty Trust	Cities of Los Angeles and Pacific Palisades	501(c)(3)	Auction Rate	Finance a tender offer for outstanding taxable bonds issued in 2003 by the Getty to refinance the acquisition, construction, renovation and equipping of capital projects, including but not limited to the acquisition of objects of art.	Refinancing will lower the borrowing cost for the Getty, enabling the redirection of the savings to grants and other charitable endeavors. The Getty Trust employs approximately 1,550 full-time equivalent staff. Getty expects to achieve a present value savings of approximately \$70 million.	\$270,475,000	\$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) ⁴	Financing Amount	Leverage
Tobinworld	Cities of Glendale and Antioch	501(c)(3)	Variable Rate	Refund outstanding certificates of participation issued by another conduit issuer to acquire properties located in Glendale; refund an existing taxable debt, and finance improvements and equipment at two campuses in Antioch and Glendale.	Tobinworld provides an academic program and behavior management system for individuals who experience learning challenges from severe emotional disturbance, autism or a developmental disabilities. Enrollment capacity at the new campus will be increased by approximately 40 students. Up to 12 new staff will be added to the Antioch campus.	\$5,050,000	\$0
Applied Aerospace Structures Corporation	City of Stockton	IDB	Variable Rate	Construction of an additional manufacturing facility on vacant land adjacent to the current location and acquisition of related manufacturing equipment.	The project is located in a State Enterprise Zone, with an unemployment rate of 186%, poverty rate of 256% and median family income of less than 80% of the statewide averages. It is expected that 112 new full-time jobs will be created as a result of the project. Estimated construction payroll of \$1,254,000 creating 27 construction jobs.	\$6,500,000	\$0

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
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FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
St Margaret of Scotland Episcopal School	City of San Juan Capistrano	501(c)(3)	Variable Rate	Refinance debt from the purchase of buildings and land; pay for development costs; construct a performing arts center; a gymnasium, athletic offices, upper school classroom wing; new middle school and renovation of the lower school.	St Margaret provides an academically demanding private college preparatory program and offers financial aid to nearly 13% of its students. All students participate in community services programs, in-class service learning activities. It is expected that 4-5 new jobs will be created as a result of the project. Estimated construction payroll of \$2,200,000 creating 39 construction jobs.	\$25,000,000	\$0
Superior Lithographics, Inc.	City of Los Angeles	IDB	4.90% Fixed Rate	Finance the acquisition and installation of a new state-of-the-art printing press and related improvements and equipping of the existing manufacturing facility.	The project is located in an area with a poverty rate of 213% of the statewide average and a wage rate of 167% of the manufacturing wage for the local Metropolitan Statistical Area. It is expected that 69 new positions will be created as a result of the project.	\$3,871,886	\$617,971

**APPENDIX 2
 REPORT OF LOANS APPROVED AND BONDS SOLD
 BY PROGRAM
 FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
The Walt Disney Family Museum, LLC	City of San Francisco	501(c)(3)	5.33% All-in TIC	Renovation, construction, furnishing and equipping of a new museum in the Presidio.	A variety of community outreach programs and events will be offered, including free bus service for school groups, art and computer studio workshops. It is expected that 58 full and part-time jobs will be created. Estimated construction payroll of \$10,661,223 creating 159 construction jobs.	\$58,180,000	\$45,776,051

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Los Angeles County Museum of Natural History Foundation	City of Los Angeles	501(c)(3)	Variable Rate	Refund the outstanding 2007 bonds issued by the I-Bank to provide seismic and other life safety enhancements to the museum.	Refunding will remove the uncertainties of the auction rate securities market and lower the borrowing cost for the Foundation by saving an estimated \$360,000 per month based upon current market rates.	\$89,790,000	\$0
Oakland Unified School District	City of Oakland	PARB ⁵ - State School Fund Apportionment Lease Revenue Bonds	4.56% All-in TIC	Refund the outstanding 2005C bonds issued by the I-Bank to refinance a prior general fund emergency apportionment loan made to the district.	Refunding will remove the uncertainties of the auction rate securities market and lower the borrowing cost associated with the bonds.	\$59,565,000	\$0
Jewish Community Center of San Francisco (JCCSF)	City of San Francisco	501(c)(3)	Variable Rate	Refund the outstanding 2007 bonds issued by the I-Bank to finance construction of a new facility at 3200 California Street.	Refunding will lower the borrowing cost for the JCCSF by saving an estimated \$220,000 per month based upon current market rates.	\$59,720,000	\$0

⁵ "PARB" means public agency revenue bond.

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Prinsco, Inc.	City of Fresno	IDB	Variable Rate	Acquisition and renovation of a corrugated polyethylene drainage product manufacturing facility.	The project is located in an Empowerment Zone with an unemployment rate of 152% of the State average. It is expected that 21 new positions will be created. Estimated construction payroll of \$1,686,600 creating 40 construction jobs.	\$10,000,000	\$0
RAND Corporation	City of Santa Monica	501(c)(3)	Variable Rate	Refund the outstanding 2007 bonds issued by the I-Bank to refund the 2002A bonds used to construct a new headquarters in Santa Monica.	Refunding will lower the borrowing cost for RAND and remove the uncertainties of the auction rate securities market.	\$34,575,000	\$343,621
RAND Corporation	City of Santa Monica	501(c)(3)	Variable Rate	Refund the outstanding 2002B bonds issued by the I-Bank to construct a new headquarters in Santa Monica.	Refunding will lower the borrowing cost for RAND.	\$93,565,000	\$0

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Marlborough School	City of Los Angeles	501(c)(3)	Variable Rate	Construction of an academic resource center, a visual arts center and two levels of underground parking.	Marlborough provides a strong academic private college preparatory program to young women and offers \$1.8 million in financial aid to 14% of its enrolled students. Estimated construction payroll of \$9,294,655 creating 182 construction jobs.	\$25,000,000	\$28,000,000
California Independent System Operator Corporation (ISO)	Cities of Folsom and Alhambra	501(c)(3)	4.03% All-in TIC	Refund the outstanding 2000, 2004 and 2007 bonds issued by the I-Bank to finance or refinance the ISO's start-up and development costs related to a headquarters facility and finance computer hardware and software systems.	Refunding will fix the repayment terms and lower the borrowing cost for the ISO.	\$196,970,000	\$21,318,692

**APPENDIX 2
REPORT OF LOANS APPROVED AND BONDS SOLD
BY PROGRAM
FISCAL YEAR 2007-2008**

BOND FINANCING PROGRAMS							
Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁴	Financing Amount	Leverage
Sage Hill School	City of Newport Coast	501(c)(3)	Variable Rate	Construction, furnishing and equipping of a 2 story performing arts center and related facilities and infrastructure improvements.	Sage Hill provides a non-religious private co-educational college preparatory program and offers financial aid to 15% of its students. Students participate in community service projects and activities. It is expected that 2 additional full-time jobs will be created as a result of the project. Estimated construction payroll of \$3,600,000 creating 65 construction jobs.	\$19,500,000	\$4,407,618
Total Bonds Sold	20				Estimated Jobs: 981	\$1,030,136,886	\$111,522,653

Summary of Loans Approved and Bonds Sold	Number of Loans Approved and Bonds Sold	Expected Employment Impacts— Estimated Jobs	Financing Amount	Leverage
Loans Approved through the ISRF Program	8	153	\$29,751,600	\$11,244,650
Bonds Sold through the Bond Financing Programs	20	981	\$1,030,136,886	\$111,522,653
TOTAL LOANS APPROVED AND BONDS SOLD	28	1,134	\$1,059,888,486	\$122,767,303

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 2007/2008

	California Infrastructure and Economic Development Bank Fund	California Infrastructure Guarantee Trust Fund	Total
OPERATING REVENUES			
Interest on loan repayments	\$ 9,530,573		\$ 9,530,573
Investment income	2,784,778	\$ 1,004,285	3,789,063
Administration fee revenue	1,721,640		1,721,640
Total operating revenues	<u>14,036,991</u>	<u>1,004,285</u>	<u>15,041,276</u>
OPERATING EXPENSES			
Program support ⁶	2,752,827		2,752,827
Interest on bond debt	4,204,219		4,204,219
Amortization of bond issuance costs	86,010		86,010
Total operating expenses	<u>7,043,056</u>		<u>7,043,056</u>
OPERATING INCOME	<u>7,043,056</u>	<u>1,004,285</u>	<u>7,998,220</u>
NET ASSETS, Beginning of year	<u>227,816,422</u>	<u>22,632,933</u>	<u>250,449,355</u>
NET ASSETS, End of year	<u>\$ 234,810,357</u>	<u>\$ 23,637,218</u>	<u>\$ 258,447,575</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.