



# CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-Bank) <sup>1</sup>

## Programs Fact Sheet <sup>2</sup>

"Financing Facilities That Promote Economic Development"

	Public Development Facilities	Economic Development Facilities			
Program	<i>Infrastructure State Revolving Fund Program</i>	<i>Industrial Development Bond Program</i>	<i>Exempt Facility Bond Program</i>	<i>501(c)(3) Revenue Bond Program</i>	<i>Public Agency Revenue Bond Program</i> <sup>3</sup>
<b>Purpose of Program</b>	<u>Direct</u> long-term, low-cost loans for local governmental public infrastructure	<u>Conduit</u> tax-exempt and taxable bond financing for private business expansion	<u>Conduit</u> tax-exempt and taxable bond financing for private businesses that serve the general public	<u>Conduit</u> tax-exempt and taxable bond financing for federally-approved tax-exempt entities	<u>Conduit</u> tax-exempt and taxable bond financing to expand unique programs of specific state and local governmental agencies
<b>Borrower</b>	Cities, counties, redevelopment agencies, special districts and joint powers authorities	Qualified small manufacturing and processing businesses	Privately owned airports, ports, water facilities and other private enterprises that serve the general public	Nonprofit corporations that have a recreational, research, community, educational, cultural, or social welfare purpose	The State, its various departments and divisions and local municipal entities
<b>Projects</b>	16 different categories of public infrastructure ( <i>no housing</i> )	Capital costs of facilities and equipment	Capital costs of facilities and equipment	Capital costs of facilities and equipment	Economic development facilities and/or as established in enabling legislation
<b>Financing Amount</b>	<ul style="list-style-type: none"> <li>\$250,000--\$10 million per applicant per fiscal year</li> <li>\$20 million per jurisdiction per fiscal year</li> </ul>	Not to exceed \$10 million (per Federal tax law)	No limit, but subject to State Treasurer's Office volume cap allocation	No limit	No limit
<b>Financing Terms</b>	Subsidized interest rate Up to 30 year financing	Variable rate demand bonds or fixed rate bonds with terms set by bond borrower and market	Variable rate demand bonds or fixed rate bonds with terms set by bond borrower and market	Variable rate demand bonds or fixed rate bonds with terms set by bond borrower and market	Variable rate demand bonds or fixed rate bonds with terms set by bond borrower and market

<sup>1</sup> I-Bank statutes are found in Government Code Section 63000 *et seq.*

<sup>2</sup> As of October 2008

<sup>3</sup> As authorized by the Legislature, the I-Bank also has sold state assets in state bond securitization transactions. (Securitizations are the sale of a state asset by the I-Bank to a legislatively established special purpose trust that concurrently sells bonds in the capital markets to generate funds for the payment of the purchase price. Examples include tobacco revenue securitization, and potentially tribal gaming revenue and lottery revenue securitizations (lottery is pending voter approval).

**Public Development Facilities**

**Economic Development Facilities**

<b>Program</b>	<b>Infrastructure State Revolving Fund Program</b>	<b>Industrial Development Bond Program</b>	<b>Exempt Facility Bond Program</b>	<b>501(c)(3) Revenue Bond Program</b>	<b>Public Agency Revenue Bond Program<sup>3</sup></b>
<b>Source of Program Funding</b>	Initial General Fund Appropriations, ISRF Program Bonds <sup>4</sup> , program loan repayments, interest earnings & I-Bank fees	Bonds are sold in the capital markets or privately placed with a SEC qualified investor	Bonds are sold in the capital markets or privately placed with a SEC qualified investor	Bonds are sold in the capital markets or privately placed with a SEC qualified investor	Bonds are sold in the capital markets
<b>Source of Financing Repayment</b>	Borrower revenues including enterprise funds, tax increment or general funds	Private enterprise borrower revenues <i>(no commitment of I-Bank or State funds)</i>	Private enterprise borrower revenues <i>(no commitment of I-Bank or State funds)</i>	Nonprofit entity revenues <i>(no commitment of I-Bank or State funds)</i>	Public agency revenues <i>(no commitment of I-Bank or State's General Fund)</i>
<b>Program Fees</b>	Origination fee--the greater of .85% of the original loan amount or \$10,000  Annual Fee of .30% of the outstanding loan balance	Issuance Fee—.25% of bond amount  Annual Fee--\$500	Issuance Fee—Sliding scale from .25%-\$75,000 depending upon the bond amount  Annual Fee--\$500	Issuance Fee—Sliding scale from .25%-\$75,000 depending upon the bond amount  Annual Fee--\$500	Issuance Fee—Negotiable  Annual Fee--Negotiable
<b>Continuous Application Process<sup>5</sup></b>	Typical process takes 6 months and is largely dependent upon project timing; Preliminary Application and Loan Application process	Typical process takes 3 months—requires private activity bond volume allocation from State Treasurer's Office	Typical process takes 3 months—requires private activity bond volume allocation from State Treasurer's Office	Typical process takes less than one month	Typical process varies depending upon the needs of the governmental entity
<b>Project Examples</b>	<ul style="list-style-type: none"> <li>• City of Brawley wastewater plant upgrades</li> <li>• City of Hawthorne police station</li> <li>• City/RDA of Fresno Roeding industrial park street/utility improvements</li> <li>• Del Norte County waste transfer station</li> <li>• Town of Apple Valley library</li> <li>• Port of Stockton Rough and Ready Island road and utility improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Nature Kist Snacks</li> <li>• M.A. Silva Corks, USA, LLC</li> <li>• Applied Aerospace Structures Corporation</li> <li>• Superior Lithographics, Inc.</li> <li>• Alegacy Foodservice &amp; Eagleware Manufacturing</li> <li>• iWorks US, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Mercury Air Group, Inc.</li> <li>• Pacific Gas and Electric Company</li> </ul>	<ul style="list-style-type: none"> <li>• Scripps Research Institute</li> <li>• Gladstone Institute</li> <li>• California Academy of Sciences</li> <li>• Los Angeles County Museum of Natural History</li> <li>• Salvation Army</li> <li>• Goodwill Industries of San Joaquin Valley</li> <li>• Learning With a Difference, Inc., d/b/a The Westmark School</li> </ul>	<ul style="list-style-type: none"> <li>• State Water Resources Control Board's Clean Water State Revolving Fund</li> <li>• Energy Commission's Energy Efficiency Loan Programs</li> <li>• State School Fund Emergency Apportionment Lease Revenue Bonds</li> <li>• Caltrans Bonds for East Span of Bay Bridge</li> </ul>

<sup>4</sup> ISRF Program Revenue Bonds were issued by the I-Bank in 2004, 2005 and 2008 to provide additional funding to make program loans. Program loans are pledged to repay the program bonds.

<sup>5</sup> The I-Bank Board meets monthly to consider financing requests.