

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
Public Benefit Analysis
Small-Issue Industrial Development Bond Programs and Projects
2004 First Round

Small-Issue Industrial Development Bonds (IDBs) are tax-exempt private activity bonds that are issued through state and local governmental agencies to assist manufacturing facilities finance capital expenditures. Today, most IDBs support expansions of existing manufacturing. IDBs offer considerable interest rate savings to small and midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDBs serve to retain and create new jobs within their communities.

The California Debt Limit Allocation Committee (“Committee”) is responsible for administering California’s annual tax-exempt private activity bond program, known as “the annual State ceiling”. For calendar year 2004, California’s State ceiling is \$2.838 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as “Program Pools”, including the Small-Issue Industrial Development Bond Project Pool. For calendar year 2004, the Committee reserved \$62 million, or 2.2%, of the State ceiling for the IDB Project Pool. The \$62 million of bond authority will be allocated in two allocation rounds to the IDB Project Pool and the Small Business Program.

The Committee awarded a total of \$22.1 million for small-issue industrial development bond projects in the First Allocation Round of 2004. This represents 36% of the \$62 million IDB Project Pool and .8% of the 2004 \$2.838 billion State ceiling. The Committee awarded \$5.1 million to an individual Small-Issue Industrial Development Bond Project and \$17 million to the Small Business Program.

The Small-Issue Industrial Development Bond Project funded in Round 1 will create a total of 13 new jobs in the City of Vista, San Diego County, all of which are skilled and semi-skilled jobs. The new jobs will produce a weighted average hourly wage of \$22.10. The Project will also retain 125 existing jobs.

The Small Business Program funds small businesses on an ongoing basis throughout the year. In awarding the allocation to the California Industrial Development Financing Advisory Commission (CIDFAC), the Committee has authorized CIDFAC to transfer portions of the allocation to local issuers and the California Infrastructure and Economic Development Bank (I-Bank) for purposes of issuing bonds under the Program on behalf of qualified Small Businesses. CIDFAC, local issuers and/or I-Bank will have until mid-November 2004 to issue bonds. Any unused allocation will revert back to the Committee to reallocate to other programs.

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2004 First Round Summary

Program Pool	Allocation Amount	Number of Projects	Number of New Mngmt Jobs	Number of New Skilled and Semi-Skilled/Jobs	Number of New Unskilled Jobs	Total Number of New Jobs Created	Weighted Average Hourly Wage	Total Number of Jobs Retained
Small-Issue Industrial Development Bond Project Pool	\$5,100,000	1	0	13	0	13	\$22.10	125
Small Business Program Pool	\$17,000,000	TBA	TBA	TBA	TBA	TBA	TBA	TBA
TOTALS	\$22,100,000	1	0	13	0	13	\$22.10	125

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2004 First Round Benefits

Program Pool	Applicant/ Issuer	Allocation Amount	Project Name	Project City	Project County	Located within a Distressed Community	Number of New Mngmt Jobs	Number of New Skilled and Semi-Skilled Jobs	Number of New Unskilled Jobs	Total Number of New Jobs Created	Weighted Average Hourly Wage	Total Number of Jobs Retained
Small-Issue Industrial Development Bond Project Pool	California Infrastructure & Economic Development Bank	\$5,100,000	McCain Traffic Supply-Vista Facility	Vista	San Diego	No	0	13	0	13	\$22.10	125