

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Public Benefit Analysis

Small-Issue Industrial Development Bond Projects 2002 Second 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 is responsible for administering California's annual tax-exempt private activity bond program, known as "the annual State ceiling". For calendar year 2002, California's State ceiling is \$2.587 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 2002, the Committee reserved approximately 4%, or \$100 million, of the State ceiling for the IDB pool. The \$100 million of bond authority was allocated in three allocation rounds and to one sub-pool, (i.e., the Small Business Program Pool).

The Committee awarded a total of \$7,775,000 in IDB's in the Second Allocation Round of 2002 to the Small-Issue Industrial Development Bond Project Pool. There were two projects in the Small-Issue Industrial Development Bond Project Pool that will create a total of 147 new jobs in California, of which 8 are management, 24 skilled, 30 semi-skilled and 85 unskilled jobs. The new jobs will produce a weighted average hourly wage of \$10.39.

2002 Second Round Summary

Program Pool	Allocation Amount	Number of Projects	# of New Mngmt Jobs	# of New Skilled Jobs	# of New Semi-skilled Jobs	# of New Unskilled Jobs	Total # of New Jobs Created	Weighted Average Hourly Wage
Small-Issue Industrial Development Bond Project Pool	\$7,775,000	2	8	24	30	85	147	\$10.39

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Program Pool	Applicant/Issuer	Allocation Amount	Project Name	Project City	Project County	Located within a Distressed Community	# of New Mngmt Jobs	# of New Skilled Jobs	# of New Semi-Skilled Jobs	# of New Unskilled Jobs	Total # of New Jobs Created	Weighted Average Hourly Wage
Small-Issue Industrial Development Bond Project Pool	Industrial Development Authority of the City of Los Angeles	\$4,275,000	Trademark Plastics, Inc.	Riverside	Riverside	Yes	3	11	18	66	98	\$9.14
Small-Issue Industrial Development Bond Project Pool	Industrial Development Authority of the City of Palmdale	\$3,500,000	U.S. Pole Company	Palmdale	Los Angeles	Yes	5	13	12	19	49	\$12.90