

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Public Benefit Analysis

Small-Issue Industrial Development Bond Programs and Projects

January 16 and March 16, 2005 Allocation

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 2005, California’s State ceiling is \$871 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 2005, the Committee reserved \$50 million, or 1.7%, of the State ceiling for the IDB Project Pool. The \$50 million of bond authority will be allocated throughout the 2005 program year.

The Committee awarded \$25 million to the Small Business Program on January 16, 2005 and \$9.025 million to Small-Issue Industrial Development Bond Projects on March 16, 2005 for a total allocation to date of \$34 million. This represents 68% of the \$50 million IDB Project Pool and 1.2% of the 2005 \$2.871 billion State ceiling.

The Small Business Program funds small businesses on an ongoing basis throughout the year. In awarding the \$25 million of allocation to the California Industrial Development Financing Advisory Commission (CIDFAC), the Committee 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-December 2005 to issue bonds. Any unused allocation will revert back to the Committee to reallocate to other programs.

The two Small-Issue Industrial Development Bond projects funded on March 16, 2005 will create a total of 37 new jobs and retain a total of 83 existing jobs in Los Angeles County. Of these, 15 new and 25 retained jobs are in the City of Vernon and 22 new and 58 retained jobs are in the City of Santa Fe Springs. The new jobs will produce a weighted average hourly wage of \$20.61.

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January 16, 2005 Allocation 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 Business Program Pool	\$17,000,000	TBA	TBA	TBA	TBA	TBA	TBA	TBA
TOTALS	\$17,000,000	TBA	TBA	TBA	TBA	TBA	TBA	TBA

March 16, 2005 Allocation 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
TOTALS	\$5,100,000	1	0	13	0	13	\$22.10	125

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March 16, 2005 Allocation 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