

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
Public Benefit Analysis
Small-Issue Industrial Development Bond Programs and Projects
July 19, 2006 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 2006, California’s State ceiling is \$2.890 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 2006, the Committee reserved \$35 million, or 1.2%, of the State ceiling for the IDB Project Pool. The \$35 million of bond authority will be allocated throughout the 2006 program year.

The Committee awarded \$7 million to the Small-Issue Industrial Development Bond Project on July 19, 2006 for a total allocation to date of \$12 million. This represents 34% of the \$35 million IDB Project Pool and .4% of the 2006 \$2.890 billion State ceiling.

The Small-Issue Industrial Development Bond project funded on July 19, 2006 will create a total of 140 new jobs and retain a total of 242 existing jobs in Los Angeles County. Of these, 140 new and 242 retained jobs are in the City of Vernon.

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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	\$7,000,000	1	6	8	126	140	N/A	242
TOTALS	\$7,000,000	1	6	8	126	140	N/A	242

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