

# GET TO KNOW US

## California Infrastructure and Economic Development Bank (I-Bank)

The I-Bank is a State of California financing authority that promotes a healthy climate for jobs, contributes to a strong economy and improves the quality of life in California communities through low-cost financing of infrastructure and economic development projects.



Bay Photo Inc.

The I-Bank's programs include the **Infrastructure State Revolving Fund Program**, which provides low-cost, long-term financing to local governments for a variety of public infrastructure projects, and the **Conduit Revenue Bond Financing Programs**, which provide tax-exempt Industrial Development Revenue Bond financing to qualified manufacturing companies, tax-exempt 501(c)(3) Revenue Bond financing to nonprofit corporations, and other tax-exempt revenue bond financing to public agencies and qualified private entities.

This brochure explains the **Industrial Development Bond Revenue Program**. For more information on the I-Bank, please see our website at [www.ibank.ca.gov](http://www.ibank.ca.gov).

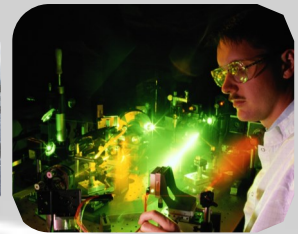
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California Infrastructure &  
Economic Development Bank  
(I-Bank)

# Industrial Development Revenue Bond Program

## Low Cost Financing for Manufacturing and Processing Companies



## CALIFORNIA INFRASTRUCTURE & ECONOMIC DEVELOPMENT BANK



The State of California's **only** general purpose financing authority





Solar Atmospheres of California, Inc.

# Low-Cost Financing for Manufacturing and Processing Companies

## Industrial Development Revenue Bond Program:

Provides tax-exempt revenue bond financing to qualified manufacturing businesses.

### Application Process:

Applications are accepted on a continuous basis. Additional information and applications may be obtained from the I-Bank's website located at [www.ibank.ca.gov](http://www.ibank.ca.gov), calling **916.322.1399**, or by emailing [ibank@ibank.ca.gov](mailto:ibank@ibank.ca.gov).

## What Are Industrial Development Bonds?

Industrial Development Bonds (IDBs) are tax-exempt securities issued by a governmental entity to provide money for the acquisition, construction, rehabilitation and equipping of manufacturing and processing facilities for private companies. IDBs can be issued by the State through the I-Bank, local Industrial Development Authorities, or by Joint Powers Authorities.

## Benefits of IDB Financing

- **Low Interest Rates** — the all-in annualized cost for most borrowers is generally 20% to 35% below conventional alternatives.
- **Long-Term Maturity** — the maturity of an IDB will typically be longer than conventional financing, often up to 30 years.
- **Comprehensive Funding** — the funds can be used for construction and take-out to finance land, buildings and equipment.
- **No Pre-Payment Penalty.**

## The IDB Process

The IDB financing process can generally be completed within 150 days. The I-Bank staff and a financing team, which typically consists of an underwriter, bond counsel and financial advisor, will assist the applicant through each stage of the process.

## General IDB Eligibility Requirements

- **Manufacturers and Processors Only** — the bonds must be used to finance manufacturing or processing facilities and/or equipment.
- **\$10 Million Maximum** — tax-exempt securities can only be issued up to \$10,000,000, additional costs can be financed as taxable or otherwise paid by the Borrower.
- **\$20 Million Limit** — capital expenditures for the project, when added to the company's other capital expenditures in the same public jurisdiction as the project for the three years immediately preceding and three years following the closing of the financing of the project, cannot exceed \$20,000,000.
- **Public Benefit** — the project must meet established public benefit criteria, such as the creation of new jobs.
- **Letter of Credit** — the borrower must secure a letter of credit from a bank with a minimum long-term credit rating of "A-".



Betts Spring Company