



PRESS RELEASE
**California Infrastructure and Economic
Development Bank (I-Bank)**

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Governor Brown Signs Legislation to Expand the California Infrastructure Bank

I-Bank Director Announces Expansion of Small Business Lending

Sacramento, Calif. – Executive director of the California Infrastructure and Economic Development Bank (I-Bank) Teveia Barnes announced today that Governor Brown has signed legislation to expand the I-Bank and increase small business lending in California.

“California’s economy has seen strong recovery but the state needs more tools to accelerate the growth of a fundamental lynchpin of the economy – small business,” said I-Bank executive director Teveia Barnes. “The Governor’s leadership aligns critical state resources and allows I-Bank to expand its portfolio to target and finance job creating small business projects.”

AB 1247 (Medina) transfers the California Small Business Loan Guarantee Program (SBLG) to the I-Bank which is located within the Governor’s Office of Business and Economic Development. Expanding the I-Bank to include small business lending allows the state’s most critical community infrastructure financing program to increase small business lending by leveraging I-Bank’s resources and financing expertise. This move was supported by the small business community which has pushed for more small business financing options.

“Small businesses are the job creators in California,” said president of Small Business California, Scott Hauge. “Access to capital is a major issue for small businesses especially since the recession. Many small businesses can’t grow and add jobs without capital. The transfer of the loan guarantee program to the I-Bank is a big step in making capital more available to California small businesses.”

California's Small Business Loan Guarantee Program originated over forty years ago with the mandate of providing repayment guarantees to lenders of loans to small businesses having difficulty securing financing on their own. The guarantees are issued by non-profit Financial Development Corporations. Currently, there are eleven Financial Development Corporations servicing the state. The Financial Development Corporations partner with community banks to help small business owners finance their plans including expanding operations, purchasing new equipment and infusing businesses with working capital. Guarantees may also be issued on loans for start-up costs.

In fiscal year 2012-13, the program issued guarantees totaling \$71,615,382 and supported the creation or retention of 5,666 jobs, including:

- \$3,000,000 for Duke Empirical to build a medical device manufacturing clean room at their Santa Cruz manufacturing facility.
- \$300,000 for Patz Materials & Technologies to increase manufacturing capacity at their Benicia production facility.
- \$300,000 for Prather Ranch Meat Company to expand meat production and sales at their store in the Ferry Building in San Francisco.
- \$275,000 for Ginger Chocolates to purchase new equipment and open a new location in midtown Sacramento.

The addition of small business lending into the I-Bank portfolio expands an already robust program. Currently I-Bank has financed over \$32 billion in economic development and infrastructure projects, including:

- \$68,940,000 State Water Resources Control Board Bonds to provide additional funds for the Clean Water State Revolving Fund Program.
- \$44,510,000 in tax-exempt bonds to provide funding for capital projects for the San Francisco Ballet Association.
- \$43,810,000 in tax-exempt bonds to finance the Contemporary Jewish Museum.
- \$40,000,000 in tax-exempt bonds to finance the development and renovation of two school buildings, a social services center and supporting facilities for the Wilshire Boulevard Temple in Los Angeles.

About the California Infrastructure and Economic Development Bank: *I-Bank was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. The I-Bank is located within the Governor's Office of Business and Economic Development and is governed by a five-member Board of Directors. The I-Bank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. Find more information at: <http://www.ibank.ca.gov>*