

May 20, 2011
(amended with additional signatures on June 10, 2011)

Assemblymember Felipe Fuentes, Chair, California Assembly Appropriations Committee
State Capitol Building, Room 2114
Sacramento, CA 95814

Assemblymember Diane Harkey, Vice Chair, California Assembly Appropriations Committee
State Capitol Building, Room 6027
Sacramento, CA 95814

Re: AB 700, as amended - SUPPORT

Dear Assemblymembers Fuentes and Harkey:

We, the undersigned, a network of steward leaders representing all sectors (e.g., nonprofit, private, public, education, etc.) from California's diverse economic regions who are dedicated to promoting a shared action agenda to catalyze California's economic recovery through regional strategies, respectfully ask that you support Assembly Bill 700 (Blumenfeld), as amended (AB 700) —a measure that would strengthen the California Infrastructure and Economic Development Bank (I-Bank) program, which provides much-needed capital sources to public infrastructure and private development projects.

The California I-Bank was established in 1994 and is intended to provide a critical means of funding to local governments and private and nonprofit entities to promote economic growth, revitalize communities and enhance overall quality of life in California. Since its inception, the I-Bank has authorized over \$30 billion in revenue bonds and direct loans, proving to be a valuable economic development tool for the State.

AB 700 makes several simple—but powerful—changes to the structure of the I-Bank, enabling it to respond more swiftly and use its resources more effectively. First, instead of serving as a “program” in the Business, Transportation & Housing Agency (BT&H), AB 700 would place the I-Bank “in state government,” allowing the I-Bank and its Board to more fully control its own fee—and interest earnings—supported budget, providing for greater independence, flexibility and effectiveness in terms of directing capital to where it would best support its economic growth mission. Also, AB 700 would authorize the CEO of the I-Bank (upon approval of the I-Bank Board) to enter into agreements to perform basic administrative functions, such as human resources, which will give the I-Bank even greater autonomy to control its own functions. Accordingly, we'd prefer that AB 700 expressly allow the I-Bank to control its own administrative functions based on the most cost-effective option, whether it be within or outside of state government.

Second, AB 700 would more appropriately enlist the Director of Finance as the Chair of the I-Bank Board, rather than the Secretary of BT&H. From both a structural and operational standpoint, this makes much more sense as the I-Bank operates as a financing mechanism, and the Director of Finance would presumably be able to offer more direct, technical expertise than the Secretary of BT&H.

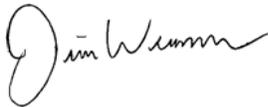
Third, AB 700 requires that the I-Bank Board adopt a set of two-year goals and measurable objectives that are consistent with the state's infrastructure plans, the California Economic Development Strategic Plan, the State Environmental Goals and Policy Report, and the overall mission of the I-Bank. To ensure the

success of these objectives and goals, the bill also requires the Board to adopt an annual work plan, which outlines how the I-Bank plans to achieve these measures. With such an important mission, it is critically important that the I-Bank develop, put forth and be held accountable to transparent, measurable objectives and goals; this is essential for it to frequently assess, refine and improve its critical operations in a real-time manner.

Finally, and perhaps most importantly, AB 700 enables the I-Bank to serve as a facilitator for the development of significant infrastructure projects that serve both community and economic development activities. With the state's critical infrastructure financial needs estimated to be in the hundreds of billions of dollars and with the state's unemployment rate continuing to hover around 12.3 percent – second worst in the entire nation and well above the national average of about 9.0 percent – advancing our state's economic and critical infrastructure development initiatives has never been more urgent.

For the above reasons, we—the undersigned regional leaders—urge you to support AB 700, as amended, which would not only improve the overall effectiveness of the I-Bank, but it would also better enable the I-Bank to meet its critical economic development function of funding critical infrastructure projects and generating much-needed jobs (as well as tax revenue) for the State of California.

Sincerely,



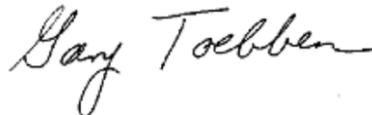
Jim Wunderman
President & CEO
Bay Area Council



Mel Layne
President
Greater Antelope Valley Economic Alliance



Bill Allen
President & CEO
Los Angeles County Economic Development
Corporation



Gary Toebben
President & CEO
Los Angeles Area Chamber of Commerce



Cynthia Murray
President & CEO
North Bay Leadership Council



Lucy Dunn
President & CEO
Orange County Business Council



Steve Falk
President & CEO
San Francisco Chamber of Commerce



Cynthia Kurtz
President & CEO
San Gabriel Valley Economic Partnership



Julie Meier Wright
President & CEO
San Diego Regional Economic Development
Corporation



Paul Granillo *
President & CEO
Inland Empire Economic Partnership



Thomas E. Flavin*
President/CEO
Coachella Valley Economic Partnership

cc: Assemblymember Robert Blumenfield
Members of the California Assembly Appropriations Committee
Stan Hazelroth, Executive Director of the California Infrastructure and Economic Development
Bank

* Denotes that the organization signed on after May 20, 2011.