

Creation of CEDA Has Long Lasting Impact for CA Economic Development

In your economic development work experience, can you think of a specific economic development project or program that you worked on that stood out as making an impact?

In 2006, even with a booming economy, California businesses were looking for ways to access low-cost capital to expand their operations. The California



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Association for Local Economic Development saw this need and took action to address the issue by sponsoring the creation of the California Enterprise Development Authority (CEDA), a California Joint Powers Authority.

Specifically, CEDA was originally created as a one-stop shop for economic development financing resources and referrals. Phase one of CEDA's work was to identify what capital resources were available to businesses already and get them online in one easy to navigate website. Then, acting as a single point of contact, CEDA would make a broader range of projects more feasible for business clients with innovative, gap-financing programs and assistance in structuring financing. In that role, CEDA was to help businesses seeking capital through special tax credits and bond financing secured through banks.



CEDA focuses on providing Industrial Development Bonds (IDBs) to assist expanding California manufacturers, as well as non-profit employers looking for low-cost financing for facilities, land, and equipment.

Several partners and professionals worked with CALED to create CEDA and deliver on its goals. Those include:

- Dan Bronfman, former, CEO of Growth Capital Associates
- Sam Balisy, Partner, Kutak Rock LLP
- Paula Connors, Consultant and First Executive Director, CEDA
- Wells Fargo Bank
- The U.S. Economic Development Administration



- Founding cities of Eureka, Lancaster, and Selma
- Wayne Schell, former, CALED CEO

The JPA has been very successful and as of June 2019 had approved issuance of IDBs to 25 manufacturers totaling over \$350 million, assisted 166 nonprofits totaling over \$2.4 billion, and financed \$17 million of Commercial PACE financings. CEDA continues to give back to economic development by providing scholarships for economic development professionals, supporting professional development by making annual contributions to the California Academy for Economic Development, and contributing to CALED's efforts to enhance our ability to support members, such as providing matching funds for CALED's recent California Rural Infrastructure Financing Guide funded in part by USDA Rural Development.

A lot of projects/programs have ups and downs. Were there challenges you had to overcome to be successful and rewards working on this project/program?

One challenge we faced is that following CEDA's formation in 2006, the markets crashed in 2008, and it became difficult – if not impossible – to find manufacturers or non-profit employers in need of financing. We were able to overcome the concern by thinking long-term and investing in a staff person focused on looking for new finance opportunities to provide economic development financing. It wasn't too long after that President Obama introduced the American Recovery and Reinvestment Act (ARRA), with a special provision to help communities with Recovery Zone Bonds. CEDA issued more Recovery Zone Bonds in California than any other conduit issuer.

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