

NEW ISSUE — BOOK ENTRY ONLY

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2004A (Tax-Exempt) and the Series 2004B (Tax-Exempt) Bonds is excluded from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2004A (Tax-Exempt) and the Series 2004B (Tax-Exempt) Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2004A (Tax-Exempt) and the Series 2004B (Tax-Exempt) Bonds. See "TAX MATTERS" herein.

\$141,525,000

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

**Insured Revenue Bonds
(1800 Harrison Foundation)
(Auction Rate Securities)**

\$55,850,000 Series 2004A-1 (Tax-Exempt)

\$55,850,000 Series 2004A-2 (Tax-Exempt)

\$5,675,000 Series 2004A (Taxable)

\$24,150,000 Series 2004B (Tax-Exempt)

Price 100%

Dated: Date of Delivery

Due: May 1, 2034

The Series 2004A-1 (Tax-Exempt) Bonds, the Series 2004A-2 (Tax-Exempt) Bonds, the Series 2004A (Taxable) Bonds and the Series 2004B (Tax-Exempt) Bonds (collectively, the "Bonds" and each a "Series of Bonds") are being issued initially as Auction Rate Securities ("ARS"). The Bonds will accrue interest from the date of original delivery at rates determined by the Underwriter for the applicable initial periods shown on the inside cover page hereof. Thereafter, each Series of Bonds will accrue interest for subsequent Auction Periods, as set forth on the inside cover page hereof. Thereafter, each with the Auction Procedures described in Appendix C hereto. Prospective purchasers of the Bonds should carefully review the Auction Procedures relating to ARS. While any Series of Bonds are ARS, beneficial interests in such Bonds may be transferred only pursuant to a Bid or Sell Order placed in an Auction or to or through a Broker-Dealer.

This Official Statement describes certain terms of each Series of Bonds applicable while such Series are ARS. There are significant changes in the terms of the Bonds while such Bonds accrue interest at a Daily Interest Rate, a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate. This Official Statement is not intended to provide information with respect to any Series of Bonds other than Bonds accruing interest at an Auction Rate.

The interest rate on any Series of Bonds may be converted from time to time in accordance with the Indenture to a Daily Interest Rate, a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate. Each Series of Bonds will be subject to optional, extraordinary and mandatory redemption prior to maturity. While any Series of Bonds are ARS, such Bonds will not be subject to optional tender for purchase, although they will be subject to mandatory tender upon conversion to a different Interest Rate Period, provided certain conditions to conversion are satisfied, all as described herein. In addition, if the conditions for a successful auction are not satisfied, the Bonds of any Series that have been submitted for sale in such auction will not be purchased, and the interest on the Bonds of such Series will be set at the Maximum Interest Rate until the next successful auction. See APPENDIX C hereto.

The Bonds will be issued as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchase of beneficial interests in any Series of Bonds while such Bonds are ARS will be made in book-entry only form (without physical certificates) in denominations of \$25,000 and any integral multiple thereof and, under limited circumstances, will be exchangeable for physical certificates, as more fully described herein. For so long as DTC or its nominee, Cede & Co., is the registered owner of any Series of Bonds, (i) payments of the principal and purchase price of and premium, if any, and interest on such Bonds will be made directly to Cede & Co. for payment to its participants for subsequent disbursement to the beneficial owners, and (ii) all notices, including any notice of redemption or notice of conversion to another Interest Rate Period, shall be mailed only to Cede & Co. See APPENDIX H — "BOOK-ENTRY SYSTEM" herein.

The Bonds are limited obligations of the California Infrastructure and Economic Development Bank (the "Issuer"), secured under the provisions of the Indenture and the Loan Agreement, as described herein, and will be payable solely from certain funds held under the Indenture and from payments made by 1800 Harrison Foundation (the "Corporation") on the Series 2004A-1 Note, the Series 2004A-2 Note and the Series 2004B Note issued under the Note Indenture (all as described herein). Payments of interest on the Series 2004A-1 Note, the Series 2004A-2 Note and the Series 2004B Note will secure payments of interest due on the Series 2004A-1 (Tax-Exempt) Bonds, the Series 2004A-2 (Tax-Exempt) Bonds, the Series 2004A (Taxable) Bonds and the Series 2004B (Tax-Exempt) Bonds, on a parity basis. Payments of principal on the Series 2004A-1 Note and the Series 2004A-2 Note will secure only the payments of principal due on the Series 2004A-1 (Tax-Exempt) Bonds, the Series 2004A-2 (Tax-Exempt) Bonds and the Series 2004A (Taxable) Bonds on a pro rata basis. Payments of principal on the Series 2004B Note will secure only the payments of principal due on the Series 2004B (Tax-Exempt) Bonds.

THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE ISSUER, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF CALIFORNIA OR ANY SUCH POLITICAL SUBDIVISION BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. NEITHER THE STATE OF CALIFORNIA NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR ANY PREMIUM THEREON, EXCEPT FROM THE FUNDS PROVIDED UNDER THE LOAN AGREEMENT AND THE INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE ISSUER, THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST OR ANY PREMIUM ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

Payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation ("Ambac") simultaneously with the delivery of the Bonds.

Ambac

This cover page contains information for general reference only. It is not intended as a summary of this transaction. Potential investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if received by the Underwriter, subject to prior sale and to the approval of the validity of the Bonds and certain legal matters by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, the approval of certain matters for the Issuer by its counsel, Brooke Bassett, Esq., San Francisco, California, for the Corporation by Orrick, Herrington & Sutcliffe LLP, and for the Underwriter by its counsel, Sidley Austin Brown & Wood LLP, San Francisco, California. It is expected that the Bonds in book-entry form will be available for delivery to DTC in New York, New York, on or about May 12, 2004.

Citigroup

Date: May 3, 2004