

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

July 18, 2012

Staff Report

**REQUEST FOR A RE-ALLOCATION OF QUALIFIED ENERGY CONSERVATION BOND ALLOCATION
FOR A QUALIFIED ENERGY CONSERVATION BOND PROJECT/PROGRAM**

Prepared by: Richard Fischer

Eligible QECB Reallocation Applicant: County of Riverside

Eligible QECB Reallocation Issuer: Desert Community College District

Allocation Amount Requested:
Governmental Use: \$19,400,000

Project/Program Information:
Name: Desert Community College District Solar Project
Project/Program Address: 43-500 Monterey Avenue
Project/Program City, County, Zip Code: Palm Desert, Riverside, 92260

Project Financing Information:
Bond Counsel: Stradling, Yocca, Carlson & Rauth
Underwriter: Not Applicable
Credit Enhancement: Not Applicable
Private Placement Purchaser: Banc of America
Public Sale: Investor grade rating of AA

QECB Reallocation Category and Type:
Qualified Facility Type: Solar

Qualified Conservation Purpose Requirement:

The Applicant has provided a legal memo from bond counsel confirming that the project/program meets the "qualified conservation purpose" requirement as defined by IRS Notice 2009-29.

Readiness Requirement:

The Applicant has provided a thorough and complete time schedule for the project/program, and the Applicant has certified that the time schedule is a realistic estimate of their project's/program's timeline.

Public Entitlements Requirement:

The Applicant has certified that they have obtained (or will obtain before issuance) all required public entitlements that are required for QECCBs to be issued.

Description of Public Benefits:

Estimated Production of Kilowatt Hours of Electricity = 6,073,978 kWh per year

Comments:

The County of Riverside has requested to recapture its voluntarily waived \$4,972,513 in QECCB Allocation. The County understands that the balance of the allocation request (\$14,427,487) is what has been reviewed under the CDLAC competitive Regulations for QECCB allocations.

Details of Project Financing:

Estimated Total Project/ Program Cost:	\$19,400,000
Sources of Funds:	
Qualified Energy Conservation Bond Proceeds	\$ 19,400,000
Other Sources	\$ <u>0</u>
Total Sources	\$ 19,400,000

Uses of Funds:	<u>QECB Proceeds</u>
Fees and Other Charges Related To Sale	\$ 1,395,854
Site Preparation	\$ 454,244
Utilities Connection	\$ 1,892,683
Acquisition and Installation of New Equipment:	
(a) Invoice	\$ 8,517,073
(b) Installation	\$ 6,099,171
(c) Other	\$ 182,171
Legal, Permits, etc.	\$ 567,804
Bond Issuance Expenses (including discount)	\$ 291,000
Total Uses	<u>\$ 19,400,000</u>

Legal Questionnaire:

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points: 20 out of 22
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$19,400,000 in Qualified Energy Conservation Bond Re-Allocation.

ATTACHMENT A

EVALUATION SCORING:

Qualified Conservation Purpose Points	Maximum Points Allowed	Points Scored
Qualified Facilities	10	10
Mass Commuting Facilities	12	0
Rural Development	12	0
Publicly Owned Building(s) (also show bonus points here)	10	10
Research Investments	10	0
Demonstration Project(s)	10	0
Public Education Campaign(s)	10	0
Loan/Grant Program	10	0
Total Points	22	20

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.