

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

September 22, 2010

Staff Report

**REQUEST FOR AN AWARD OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
RECOVERY ZONE FACILITY BOND RE-ALLOCATION**

Prepared by: Sarah Lester

Applicant:

California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$5,583,742

Project Information:

Project Name: Kohls' Solar Projects
Project Address: 5030 Antelope Road, Antelope, Sacramento, 95843; 300 Stonewood Street, Downey, Los Angeles, 90241; Elk Grove Commons 9650 Bruceville Rd., Elk Grove, Sacramento, 95758; 545 Southland Dr., Hayward, Alameda, 94545; 30252 Haun Rd., Menifee, Riverside, 92584; 1799 Hawthorne Blvd., Redondo Beach, Los Angeles, 90278; 19307 Gold Valley Rd., Santa Clarita, Los Angeles, 91321; and 233 S. Mountain Ave., Upland, San Bernardino, 91786

Qualified Business Information:

Name: SunEdison, LLC
Principals: Carlos Domenech Zornoza, Kevin Lapidus, Kevin Cunningham, Kurt Breunning and Carole Jacolick

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: George K. Baum & Co.
Credit Enhancement: George K. Baum & Co.
Private Placement Purchaser: Not Applicable
Public Sale: Investor letters provided
TEFRA Hearing: Various
Adoption of Recovery Zone Designation Date: Various

Description of Proposed Project:

The purpose of the Project is to purchase and install new equipment to generate emission-free, renewable electricity for 20+ years.

Principal production: Clean, renewable solar energy
Number of jobs created: 0
Jobs-to-bond ratio: N/A
Estimated total development cost: \$9,306,236

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: 16 out of 100

Recommendation:

Staff recommends that the Committee approve \$5,583,742 in Recovery Zone Facility Bond re-allocation with the following conditions: 1) the bonds shall be marketed and sold only to qualified institutional buyers, 2) bonds shall be sold in denominations of no less than \$100,000, and 3) no less than three business days prior to issuance, the applicant shall report to CDLAC staff information on all bond purchase commitments.

Agenda Item No. 10.4
 Application No. ARRA-012

DETAILS OF PROJECT FINANCING:

• *Sources of Funds:*

Tax-Exempt Bond Proceeds	\$	5,583,742
Other Sources	\$	3,722,491
Total Sources	\$	9,306,233

• *Uses of Funds:*

New Equipment Purchase & Installation	\$	8,842,202
Legal, Permits, etc.	\$	108,408
Bond Issuance Expenses (incl. Discounts)	\$	190,294
Interest During Construction	\$	165,329
Total Uses	\$	9,306,233

JOB CREATION:

• *Total number of new jobs to be created and jobs to be retained within two years of project completion:*

	Jobs Created
Management	0
Skilled/Semi-Skilled	0
Unskilled	0
Total	0

• *Total Jobs/Allocation Ratio:* N/A

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed	Points Scored
Community Economic Need:		
1. Unemployment Rate of Project Area	10	0
2. Poverty Rate of Project Area	5	0
3. Special Designation Area	5	0
4. Median Family Income of Project Area	5	0
Job Creation Ratio (N/A)	25	0
Welfare to Work Program Participation	5	0
Employee Benefits	5	5
Average Hourly Wage	5	0
Land Use	6	0
Transit Corridor	7	4
Energy Efficiency	7	7
Leveraging	15	0
Total Points	100	16