

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 22, 2010**  
**Staff Report**

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

*Prepared by: Brady Hill*

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**Eligible QECB Reallocation Applicant:** City of Salinas

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**Eligible QECB Reallocation Issuer:** City of Salinas

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**Allocation Amount Requested:**  
Governmental Use: \$2,425,000

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**Project/Program Information:**  
**Name:** Salinas Street Garage/Permit Center and Waste Water Treatment Plant Project  
**Project/Program Address:** 320 Salinas Street (Salinas Street Garage/Permit Center)  
156 Hitchcock Road (Waste Water Treatment Plant)  
**Project/Program City, County, Zip Code:** Salinas, Monterey, 93901

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**Project Financing Information:**  
**Bond Counsel:** Stradling, Yocca, Carlson & Rauth  
**Underwriter:** Stone & Youngberg LLC  
**Public Sale:** Investor grade rating of A

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**QECB Reallocation Category and Type:**  
**Qualified Facility Type:** Solar  
**Mass Commuting Type:** Not Applicable  
**Renewable Resource Type (Rural Development):** Not Applicable  
**Publicly Owned Building Type:** Not Applicable  
**Research Investment Type:** Not Applicable  
**Demonstration Project Type:** Not Applicable  
**Public Education Campaign Type:** Not Applicable  
**Loan/Grant Type:** Not Applicable

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**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.

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**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.

**Description of Public Benefits:**

Estimated Production of Kilowatt Hours of Electricity = 566,000 kWh per year

**Comments:**

The Salinas Street Garage-Permit Center and Waste Water Treatment Plant Project took first place in the Qualified Facility Category based on their total estimated electricity production.

**Details of Project Financing:**

**Estimated Total Project/ Program Cost:** \$2,425,000

**Sources of Funds:**

Qualified Energy Conservation Bond Proceeds	\$	<u>2,425,000</u>
<b>Total Sources</b>	\$	<b>2,425,000</b>

**Uses of Funds:**

		<u>QECB Proceeds</u>
Utilities Connection	\$	200,000
Acquisition and Installation of New Equipment:		
(a) Invoice	\$	1,300,000
(b) Installation	\$	500,000
Engineering/Architecture	\$	300,000
Bond Issuance Expenses (including discount)	\$	48,500
Interest During Construction	\$	72,750
Other (Rounding)	\$	<u>3,750</u>
<b>Total Uses</b>	\$	<b>2,425,000</b>

**Total Points:** 10 out of 22  
 [See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$2,425,000 in Qualified Energy Conservation Bond Re-Allocation.

**ATTACHMENT A**

**EVALUATION SCORING:**

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

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.