

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

November 17, 2010

Staff Report

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

Prepared by: Crystal Alvarez

Applicant: California Enterprise Development Authority

Allocation Amount Requested: Tax-exempt: \$30,000,000

Project Information:
Project Name: SunPower Headquarters-Rio Robles
Project Address: 51, 71 &145 Rio Robles Drive
Project City, County, Zip Code: San Jose, Santa Clara 95134

Qualified Business Information:
Name: SunPower Corporation
Principals: Thomas H. Werner, Dennis V. Arriola and Marty T. Neese

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Underwriter: Piper Jaffray & Co.
Public Sale: Investor letters provided
TEFRA Hearing: October 5, 2010
Adoption of Recovery Zone Designation Date: December 8, 2009

Description of Proposed Project:
The project will be a state of the art headquarter office and R&D facility showcasing solar technologies with a sustainable, eco-friendly design.
Principal production: Solar Energy
Number of jobs created: 0
Jobs-to-bond ratio: N/A
Estimated total development cost: \$30,000,000

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

Total Points: 12 out of 100

Recommendation:
Staff recommends that the Committee approve \$30,000,000 in Recovery Zone Facility Bond re-allocation.

DETAILS OF PROJECT FINANCING:

- *Sources of Funds:*

Tax-Exempt Bond Proceeds	\$	30,000,000
Total Sources	\$	<u>30,000,000</u>

- *Uses of Funds:*

Rehabilitation of Existing Building(s)	\$	11,000,900
Acquisition and Installation of New Equipment	\$	15,846,000
Legal, Permits, etc.	\$	441,750
Reserve	\$	<u>2,711,350</u>
Total Uses	\$	<u>30,000,000</u>

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	0
Energy Efficiency	7	7
Leveraging	15	0
Total Points	100	12