

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 26, 2011
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: City of Clovis

Eligible QECB Reallocation Issuer: City of Clovis

Allocation Amount Requested:
Governmental Use: \$3,605,000

Project/Program Information:
Name: City of Clovis Photovoltaic Project
Project/Program Address: Various (please see below)
Project/Program City, County, Zip Code: Various (please see below)

Site A: 1233 5th Street, Clovis, Fresno County, 93612
Site B: 633 Pollasky Street, Clovis, Fresno County, 93612
Site C: 790 N. Temperance Avenue, Clovis, Fresno County, 93612

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Stone & Youngberg LLC
Credit Enhancement: Not Applicable
Private Placement Purchaser: Not Applicable
Public Sale: Investor grade rating of A

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

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 QECBs to be issued.

Description of Public Benefits:

Estimated Production of Kilowatt Hours of Electricity = 693,000 kWh per year

Comments:

The Project claims a creation of 10.6 jobs based on their total estimated electricity savings.

Details of Project Financing:

Estimated Total Project/ Program Cost:	\$3,605,000
Sources of Funds:	
Qualified Energy Conservation Bond Proceeds	\$ 3,605,000
Total Sources	<u>\$ 3,605,000</u>

Uses of Funds:	<u>QECB Proceeds</u>
Site Preparation	\$ 16,000
Utilities Connection	\$ 35,900
Acquisition and Installation of New Equipment:	\$ 3,247,464
Engineering/Architecture Cost	\$ 92,000
Legal, Permits, etc.	\$ 12,000
Bond Issuance Expenses (including discount)	\$ 70,671
Interest during construction	\$ 126,175
Other	\$ 790
Demonstration Project Advertisements	\$ 4,000
Total Uses	<u>\$ 3,605,000</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: **0 out of 22**
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve no ward of Qualified Energy Conservation Bond Re-Allocation due to a lack of Allocation for all approved projects. Instead, staff does recommend placement of this project on the established Allocation waiting list.

ATTACHMENT A

EVALUATION SCORING:

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

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.