

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

July 20, 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: County of Santa Barbara

Eligible QECB Reallocation Issuer: County of Santa Barbara

Allocation Amount Requested:
Governmental Use: \$5,500,000

Project/Program Information:
Name: Calle Real Photovoltaic System
Project/Program Address: 4434 Calle Real
Project/Program City, County, Zip Code: Santa Barbara, Santa Barbara, 93110

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Private Placement: Wells Fargo, N.A.
Public Sale: Not Applicable

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 QECS to be issued.

Description of Public Benefits:

Estimated Production of Kilowatt Hours of Electricity = 1,780,174 kWh per year

Comments:

Project is ready to begin construction as soon as allocation is awarded. According to the Applicant, the project will create 12 New Jobs.

Details of Project Financing:

Estimated Total Project/ Program Cost:	\$5,603,866
Sources of Funds:	
Qualified Energy Conservation Bond Proceeds	\$ 5,500,000
Other Sources	\$ 103,866
Total Sources	\$ 5,603,866

Uses of Funds:	<u>QECCB Proceeds</u>	<u>County Funding</u>
Site Preparation	\$ 645,608	\$
Utilities Connection	\$ 20,000	\$
Acquisition and Installation of New Equipment:	4,556,968	
Engineering/Architecture	\$ 152,424	\$
Legal, Permits, etc.	\$ 15,000	\$
Bond Issuance Expenses (including discount)	\$ 110,000	\$
Other (Staff time & Maintenance)	\$ 0	\$ 103,866
Total Uses	\$ 5,500,000	\$ 103,866

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

Recommendation:

Staff recommends that the Committee approve \$5,500,000 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	0
Research Investments	10	0
Demonstration Project(s)	10	0
Public Education Campaign(s)	10	0
Loan/Grant Program	10	0
Total Points	22	10

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.