

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 Yolo

Eligible QECB Reallocation Issuer: County of Yolo

Allocation Amount Requested:

Governmental Use: \$21,366,765

Project/Program Information:

Name: County of Yolo Photovoltaic Project

Project/Program Address: 137 North Cottonwood Street & 44090 County Road 28H

Project/Program City, County, Zip Code: Woodland, Yolo, 95695; 95776

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP

Finance Provider: Green Campus Partners

Green Campus Partners is providing the Bond Purchase Commitment. The terms are set for 15 years at 7.26% taxable based upon the 10 year US Treasury Interest Rate Swap of 3.26% as of May 31, 2011 plus a spread of 4.00% . Interest Rate is subject to adjustment 10 days prior to the October 20, 2011 Commencement Date. On that date the Interest Rate will be fixed for the term of the financing at the rate equal to 4.00% above then-current Index. Included in the financing structure is the site lease between the County and the Yolo County Financing Corporation (Corporation). This separate taxable agreement states that the Corporation will sub lease the leased property back to the County. The County's obligation to make payments commence on the set forth property lease, without regard to receipt of "US Treasury Direct Cash Subsidy Payment." The Corporation will assign to the Assignee (Green Campus Partners) all the Corporation's right, title and interest, in and to the leased property, including its right to receive lease payments. The lease is not subject to termination based on annual appropriations, but is subject to California abatement law.

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 QECCBs to be issued.

Description of Public Benefits:

Estimated Production of Kilowatt Hours of Electricity = 10,166,556 kWh per yr.

Comments:

Project is ready to begin construction as soon as allocation is awarded.

Details of Project Financing:

Estimated Total Project/ Program Cost:	\$24,423,500
Sources of Funds:	
Qualified Energy Conservation Bond Proceeds	\$ 21,366,765
Other Sources	\$ 3,056,735
Total Sources	<u>\$ 24,423,500</u>

Uses of Funds:	<u>QECB Proceeds</u>	<u>County Funding</u>
Acquisition and Installation of New Equipment:	\$ 21,171,765	\$ 3,056,735
Bond Issuance Expenses (including discount)	\$ 195,000	\$ 0
Total Uses	\$ 21,366,765	\$ 3,056,735

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 \$21,366,765 in Qualified Energy Conservation Bond Re-Allocation subject to the following conditions: All public approvals must be in place (and beyond the public appeal period) prior to bond issuance.

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.