

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

**November 17, 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:** \$1,605,000

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**Project/Program Information:**

**Name:** Salinas Municipal Building Energy Consumption Reduction Project

**Project/Program Address:** 200 Lincoln Avenue (City Hall-Police Department)  
940 N. Main Street (Community Center-Sherwood Hall)  
110 W. San Luis Street (Steinbeck Library)  
65 W. Alisal Street (Permit Center)  
20 E. Market Street (Monterey Street Garage)  
320 Lincoln Avenue (Salinas Recreation Center)  
1555 Moffett Street (Salinas Airport)  
320 Salinas Street (Salinas Street Garage)

**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:** Not Applicable  
**Mass Commuting Type:** Not Applicable  
**Renewable Resource Type (Rural Development):** Not Applicable  
**Publicly Owned Building Type:** Lighting, HVAC and Chilled Water System Retrofits  
**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.

**Description of Public Benefits:**

Estimated Percentage Reduction in Energy Consumption = 29%

**Comments:**

The Salinas Municipal Building Energy Consumption Reduction Project took first place in the Energy Efficient Publicly Owned Buildings Category based on its estimated percentage reduction in energy consumption in publicly owned buildings.

**Details of Project Financing:**

**Estimated Total Project/ Program Cost:** \$1,605,000

**Sources of Funds:**

Qualified Energy Conservation Bond Proceeds	\$ 1,605,000
<b>Total Sources</b>	<b>\$ 1,605,000</b>

**Uses of Funds:**

	<u>QECCB Proceeds</u>
Acquisition and Installation of New Equipment:	
(a) Invoice	\$ 700,000
(b) Installation	\$ 450,000
(c) Other	\$ 135,000
Engineering/Architecture	\$ 235,000
Bond Issuance Expenses (including discount)	\$ 31,387
Interest Income During Construction	\$ 49,350
Other (Contingency)	\$ 4,263
<b>Total Uses</b>	<b>\$ 1,605,000</b>

**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.

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**Total Points:** 9 out of 22

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$1,605,000 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	N/A
Mass Commuting Facilities	12	N/A
Rural Development	12	N/A
Publicly Owned Building(s) (also show bonus points here)	10	9
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>9</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.