

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

827



FROM: Economic Development Agency

SUBMITTAL DATE:
May 3, 2012

SUBJECT: Qualified Energy Conservation Bond Allocation for the Benefit of Desert Community College District's Proposed Solar Project

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2012-118 authorizing staff to apply for recapture of approximately \$4,972,000 of Qualified Energy Conservation Bond (QECB) allocation previously waived back to the State's California Debt Limit Allocation Committee (CDLAC) for the benefit of Desert Community College District (District);

(Continued)

FORM APPROVED COUNTY COUNSEL
BY Dale A. Gardner DATE 5/11/12
DALE A. GARDNER
Departmental Concurrence

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

Policy Policy

Consent Consent

Dept't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref.: N/A

District: 4/4

Agenda Number:

3.10

RECOMMENDED MOTION: (Continued)

2. Authorize staff to submit an application to CDLAC for additional QECB allocation of up to \$15,803,000 for the benefit of the District; and
3. Authorize the Assistant County Executive Officer/EDA and/or his designee to execute all necessary documents associated with the requested actions.

BACKGROUND:

Pursuant to IRS Notice 2009-29 of the American Recovery and Reinvestment Act of 2009, the county was allocated \$14.843 million of QECB allocation in order to provide a financing tool to fund qualified energy conservation projects.

In April, 2010, the Economic Development Agency initiated a Request For Proposal to identify qualified projects within the county for QECB allocation. As a result of the process, the county awarded and transferred \$10.2 million of its QECB allocation to the Rancho California Water District, of which \$9.87 million was issued, in order to fund two solar projects which are now completed and generating clean renewable energy.

In order to preserve the option to recapture QECBs for future projects that might develop within the county, the remaining balance of the County's unused QECB allocation (\$4.973 million) was "voluntarily waived" to CDLAC, who administers this federal bond program for California.

On May 18, 2012, CDLAC will accept applications for qualified energy conservation projects statewide pursuant to a competitive application procedure. Although the District is a Qualified Issuer of QECBs pursuant to the Tax Code, the District is not a "Qualified Applicant" pursuant to CDLAC's procedures. To apply for QECB allocation, the District must secure the assistance of a City, County or State agency whose jurisdictional boundaries encompass the proposed project. The District has requested that the county submit an application on their behalf for a proposed solar project. If allocation is successfully secured, it would be transferred to the District and they would be the issuer. The county would not have any financial obligation with regard to the QECBs once issued by the District, or the District's selected financing authority.

By providing the requested support to the District, the county will help secure valuable financing for the District, making it possible to fund a proposed renewable energy project. The construction and operation of the proposed 2.75 Megawatt solar project would create an estimated 78 jobs, offset over 4,000 metric tons of annual CO2 emissions, and generate savings for the District estimated at over \$10 million over the project life.

The District would prepare all necessary documents and pay the application fee associated with the CDLAC application. Staff recommends approving the District's request and adopting Resolution 2012-118.

FORM APPROVED COUNTY COUNSEL
BY: *Alisa Ashwin*
DATE: 4/17/12
DATE: CASDNER

1 **BOARD OF SUPERVISORS**

COUNTY OF RIVERSIDE

2 **RESOLUTION NO. 2012-118**
3 **COUNTY OF RIVERSIDE RECAPTURE OF ALLOCATION OF QUALIFIED ENERGY**
4 **CONSERVATION BONDS FROM THE CALIFORNIA DEBT**
5 **LIMIT ALLOCATION COMMITTEE FOR THE BENEFIT OF**
6 **DESERT COMMUNITY COLLEGE DISTRICT**

7 **WHEREAS**, pursuant to Internal Revenue Service Notice 2009-29, the County
8 of Riverside (the "County") received an allocation to issue up to \$14,842,513 of
9 Qualified Energy Conservation Bonds ("QECB") pursuant to Section 54D of the Internal
10 Revenue Code of 1986, as amended (the "Code");

11 **WHEREAS**, pursuant to County Resolution 20120-231, the County transferred
12 \$10,200,00 of its QECB allocation to Rancho California Water District for the
13 procurement of two solar generation projects which are now completed and operating,
14 having used a total of \$9,870,000 of said transferred QECB allocation;

15 **WHEREAS**, the County has to date voluntarily waived a total of \$4,972,513 (the
16 "Waived Allocation") of QECB allocation to the California Debt Limit Allocation
17 Committee ("CDLAC"), thereby preserving the opportunity to recapture the Waived
18 Allocation for qualifying energy projects located within the County;

19 **WHEREAS**, the County has reviewed a request from Desert Community College
20 District (Desert CCD") asking the County to recapture the Waived Allocation and to
21 assist in securing up to \$15,803,000 of additional QECB allocation from CDLAC, each
22 action for the benefit of Desert CCD and its proposed solar generation project to be
23 owned and financed by Desert CCD (the "Project", as further described in "Exhibit A");

24 **WHEREAS**, THE County finds and determines that the District is an eligible
25 issuer of QECBs and that the Project as proposed represents a "qualified conservation
26 purpose" within the meaning of the Internal Revenue Service Notice 2009-29; and

27 **WHEREAS**, the County has determined that granting the request of Desert CCD
28 to recapture the Waived Allocation and secure additional QECB allocation will benefit
the residents of the county through the creation of jobs and a reduction in greenhouse
gas emissions through the installation of the Project;

1 **NOW, THEREFORE**, the Board of Supervisors of Riverside County hereby
2 resolves as follows:

3 Section 1. The Board of Supervisors has reviewed the recommendation by
4 the Agency and hereby authorizes the County to request from CDLAC the recapture up
5 to \$4,972,513 of the Waived Allocation and, upon receiving notice of said recapture
6 from CDLAC, to then effect a transfer the total received Waived Allocation to Desert
7 CCD or its designated financing authority, with such transfer to be evidenced by an
8 award letter from the County to Desert CCD.

9 Section 2. The officers of the County are hereby authorized and directed to (i)
10 submit an application to CDLAC, for the benefit of the District and the Project,
11 requesting the award of up to \$15,803,000 of QECCB allocation; and (ii) upon receiving
12 such award, in whole or in portion, to effect a transfer of any and all QECCB allocation to
13 Desert CCD or its designated financing authority, with such transfer to be evidenced by
14 an award letter from the agency to Desert CCD.

15 Section 3. The officers of the County are hereby authorized and directed,
16 jointly and severally, to do any and all things and to execute and deliver any and all
17 documents that they deem necessary or advisable in order to carry out, give effect to
18 and comply with the terms and intent of this resolution and the transfer of the awarded
19 QECCB allocation to Desert CCD.

20 Section 4. All the above recitals in this resolution are true and correct and the
21 Board of Supervisors so finds, determines and represents.

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28 Section 5. This resolution shall take effect immediately upon its passage.

1 **ADOPTED** by the Board of Supervisors of the County of Riverside at a regular meeting
2 of said Board held on the 15th day of May, 2012, by the following vote:

3
4 **AYES:**
5 **NOES:**
6 **ABSENT:**

7 **COUNTY OF RIVERSIDE**

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9 _____
10 John Tavaglione, Chairman
11 Board of Supervisors

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15 **APPROVED AS TO FORM:**
16 Pamela J. Walls
17 County Counsel

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19 _____
20 Deputy Dale A. Gardner

21 **ATTEST:**
22 Kecia Harper-Ihem
23 Clerk of the Board

24
25 _____
26 Deputy

27 S:\EDCOM\ECONOMIC DEVELOPMENT\2009 ARRA Funding\Recovery Zone\Qualified Energy Conservation Bonds\College of
28 the Desert\QECB Resolution 4.12.docx

EXHIBIT A

DESCRIPTION OF PROJECT

Desert CCD intends to issue up to \$20,775,000 of Qualified Energy Conservation Bonds, provided certain conditions are met, to finance 100 percent of the procurement of the solar generating facilities herein described (the "Project"):

College of the Desert Solar Project:

Desert CCD will construct and own a solar photovoltaic system sized at up to 2,750 kW (dc), generating an estimated 6,056,000 kWh per year of clean renewable energy, offsetting approximately two-thirds of the electric energy now consumed at the College of the Desert campus located at 43-500 Monterey Avenue in the city of Palm Desert, CA

Design and final site placement for the Project will depend on the amount of QECB allocation ultimately secured and certain other factors now being measured. The "Base Case" solar design calls for solar parking canopies at the College of the Desert campus with a "tracking" technology whereby the elevated solar panels will track the daily movement of the sun. An alternative design being evaluated would install a ground mounted tracking system up to 2,750 kW(ac) on vacant land located at or adjacent to the District's site for its West Valley Campus, located at 2410 East Baristo Road in the City of Palm Springs, CA.

Based on a study surveying an extensive U.S. installation base, the Base Case Project would create an estimated 78 jobs, including both local construction as well as manufacturing jobs.

According to the federal EPA's "Greenhouse Gas Equivalencies Calculator", the solar energy generated by the Project represents the equivalent of reduction of 4,176 metric tons of carbon dioxide emissions, or the equivalent of CO2 sequestered annually by 890 acres of pine forests. Over the life of the Project, the clean renewable energy produced by the Project would equal the avoidance of CO2 emissions from 11.4 million gallons of gasoline consumption.