

City of Rialto

Legislation Details (With Text)

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Title:	Request City Council to Receive and File the Statement of Income and Expense for June 2018 related to the Construction Loan Agreement with Ayala@210LLC for On-site Improvements for the Renaissance Plaza Retail Center on Renaissance Parkway. (ACTION)						
Sponsors:							
Indexes:							
Code sections:							
Attachments:			Banner Banl Gon-Site Es			, 2. Exhibit B - Statement of Income an	d Expense for
Date	Ver.	Action By			Act	on	Result

For City Council Meeting [August 14, 2018]

TO: Honorable Mayor and City Council

FROM: Ahmad R. Ansari, Interim City Administration

APPROVAL: Robb R. Steel, Assist. City Administrator/Development Services Director

Request City Council to Receive and File the Statement of Income and Expense for June 2018 related to the Construction Loan Agreement with Ayala@210LLC for On-site Improvements for the Renaissance Plaza Retail Center on Renaissance Parkway. (ACTION)

BACKGROUND:

On March 14, 2017, the City Council approved an Option to Purchase and Develop Site Agreement ("PDS Agreement") by and between the City of Rialto and Ayala@210LLC ("Developer") for a commercial development known as the Renaissance Plaza on an 8-acre site situated east of Ayala Avenue and north of Renaissance Parkway/Easton Avenue for the proposed Cracker Barrel, Sonic, and hotel ("Project").

On April 24, 2018, the City Council approved a Purchase and Sale Agreement that replaced the PDS Agreement and a Construction Loan Agreement (CLA) by and between the City of Rialto and Developer for a maximum loan amount of \$3,700,000 ("Approved Budget"). The CLA funds the onsite improvements in the Project that includes contractor and consultant costs for grading, asphalt, curb, gutter, and landscaping using City's General Fund non-operation reserves ("On-Site Improvements").

On May 25, 2018, the City deposited \$3,700,000 with Banner Bank pursuant to Sections 3.2 and 3.3 of the CLA ("Fund"). The deposit represented contributions from the General Fund's non-operational

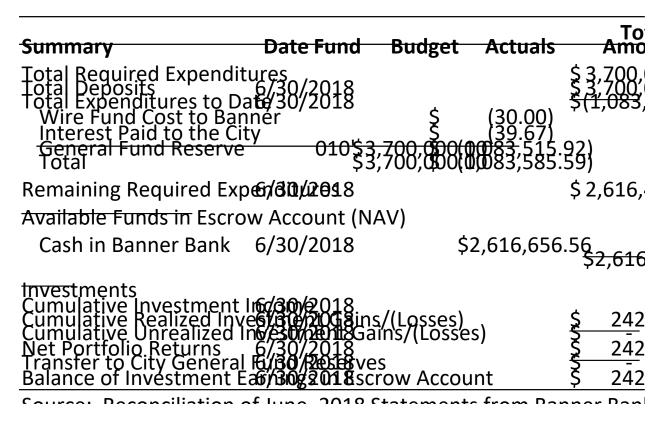
reserve. Banner Bank will hold the funding for the project, subject to periodic releases by the City to pay for authorized Project related expenses ("Escrow Activity").

ANALYSIS/DISCUSSION:

The City had \$1,083,585.59 of expenditures from this account during June 2018 as follows:

\$	161,600.68	Kimberly Horn and Associates for engineering services
\$	903,942.24	Green Mountain for on-site construction
\$	17,973.00	NBC Services for fund draw administration fee
\$	30.00	Banner Bank for wire transfer fee
<u>\$</u>	39.67	Interest Paid to the City
\$1,083,585.59		TOTAL

The City received \$202 net income during June 2018. A detailed income and expense report showing all activity through the month ending June 30, 2018, is included as **Exhibit A.** The table below summarizes the Escrow Account activity from inception through June 30, 2018:



Total authorized expenditures are \$3,700,000. To date, the City has expended \$1,083,586 with remaining required expenditures of \$2,616,657. The latest monthly statement from Banner Bank is attached hereto as **Exhibit B**.

ENVIRONMENTAL IMPACT:

Pursuant to Section 15378 of the California Environmental Quality Act, a "Project' means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A Project does not include the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project that June result in a potentially significant physical impact on the environment.

GENERAL PLAN CONSISTENCY:

The proposed action is consistent with the following Guiding Principle of the General Plan:

"Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business."

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

The report summarizes various financial transactions of the Construction Loan Agreement with Ayala@210LLC for on-site improvements in the Renaissance Plaza retail center on Renaissance Parkway, each of Ayala Drives (Project # 180706).

RECOMMENDATION:

Staff recommends that the City Council Receive and File the Statement of Income and Expense related to the Construction Loan Agreement with Ayala@210LLC for on-site improvements for the Renaissance Plaza retail center on Renaissance Parkway for the month ending June 30, 2018.