



City of Rialto

Legislation Details (With Text)

File #: CC-19-006 **Version:** 1 **Name:**
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File created: 12/11/2018 **In control:** City Council
On agenda: 1/8/2019 **Final action:**
Title: Request City Council to Receive and File the Statement of Income and Expense for November 2018 related to the Construction Reimbursement Agreement with Ayala@210LLC for Off-Site Improvements on Renaissance Parkway.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A - FSB Statement, 2. Exhibit B - Statement of Income and Expense for Ayala Partners Escrow

Date	Ver.	Action By	Action	Result
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For City Council Meeting [January 8, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Ahmad R. Ansari, Interim City Administrator

Sean Grayson, Interim City Administrator

FROM: Robb R. Steel, Assistant CA/Development Services Director

Request City Council to Receive and File the Statement of Income and Expense for November 2018 related to the Construction Reimbursement Agreement with Ayala@210LLC for Off-Site Improvements on Renaissance Parkway.

BACKGROUND:

On March 14, 2017, the City Council approved an Option to Purchase and Develop Site Agreement by and between the City of Rialto and Ayala@210LLC ("Developer") for a commercial development 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 March 28, 2017, the City Council approved a Construction Reimbursement Agreement (CRA) by and between the City of Rialto and Developer for a maximum cost of \$1,321,491 ("Approved Budget"). The CRA funds the improvements on Renaissance Parkway adjacent to the Site using development impact fees and other funds ("Off-Site Improvements"). The City established the initial CRA budget before receipt of land use entitlements and preparation of construction drawings.

On January 23, 2018, the City Council approved Amendment #1 to the CRA and adopted Resolution No. 7279 increasing the Approved Budget to \$4,080,227 for the Off-Site Improvements. Additional improvement scope and actual construction costs based upon competitive bidding increased the

Approved Budget.

On January 24, 2018, the City, Developer, and First American Trust FSB (FSB) entered into separate Joint Escrow Instructions for the administration of funds related to the Off-Site Improvements. FSB will hold the funding for the project, subject to periodic releases by the City to pay for authorized project related expenses.

ANALYSIS/DISCUSSION:

On February 9, 2018, the City deposited the amount of \$3,806,718.00 in the FSB Escrow Account ("Fund"). The deposit included contributions from Drainage Development Impact Fees (\$200,915), Regional Traffic Development Impact Fees (\$1,958,795), Sewer Collection Facility Funds (\$202,625), Water Distribution Facility Funds (\$210,101), and Redevelopment Agency Bonds (\$1,234,282).

The City had expenditures of \$26,946.62 in November. The City also had income of \$3,538.80 from this account in November. The expenditures in November include:

- \$ 15,622.02 Kimley Horn for engineering services.
- \$ 11,324.60 KEC Engineering for construction management services.
- \$ 26,946.62 TOTAL

A detailed income and expense report showing all activity through the month ending November 30, 2018 is included as **Exhibit A**. The table below summarizes the FSB Escrow Account activity from inception through November 30, 2018:

Summary of Account Status
Renaissance PKWY East of Ayala Dr.

Summary	Date	Fund	Budget	Actuals	Total Amounts
Total Required Expenditures					\$ 3,806,718.00
Total Deposits	11-30-018				\$ 3,806,718.00
Total Expenditures to Date	11-30-018				\$ (1,815,498.84)
Storm Drain		230	\$ 200,915.00	\$ (89,860.00)	
Regional Traffic		250	\$ 1,958,795.00	\$ (1,108,938.39)	
Water		660	\$ 202,625.00	\$ (164,655.40)	
Sewer		670	\$ 210,101.00	\$ (191,124.95)	
RSA Bond		302	\$ 1,234,282.00	\$ (260,920.74)	
			\$ 3,806,718.00	\$ (1,815,498.84)	
Remaining Required Expenditures	11-30-018				\$ 1,991,219.16
<u>Available Funds in Escrow Account (NAV)</u>					
Cash with First American Trust	11-30-018			\$0.00	
Fidelity Govt. Portfolio	11-30-018			\$2,029,037.39	
					\$2,029,037.39
<u>Investments</u>					
Cumulative Investment Income	11-30-018				\$ 37,818.23
Cumulative Realized Investment Gains/(Losses)	11-30-018				\$ -
Cumulative Unrealized Investment Gains/(Losses)	11-30-018				\$ -
Net Portfolio Returns	11-30-018				\$ 37,818.23
Transfer to City General Fund Reserves	11-30-018				\$ -
Balance of Investment Earnings in Escrow Account	11-30-018				\$ 37,818.23

Source: Reconciliation of November 2018 Statements from FSB and Fidelity

Total authorized expenditures are \$3,806,718. To date, the City has expended \$1,815,498.84 with remaining required expenditures of \$1,991,219.16.

The City Treasurer invests the fund balances in the Fidelity Government Portfolio. The latest monthly statements from Fidelity and FSB are 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 may 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 Reimbursement Agreement and Amendment #1 with Ayala@210LLC for off-site improvements on Renaissance Parkway, each of Ayala Drives (Project # 180703).

RECOMMENDATION:

Staff recommends that the City Council Receive and File the Statement of Income and Expense related to the Construction Reimbursement Agreement with Ayala@210LLC for off-site improvements on Renaissance Parkway for the months ending November 30, 2018.