



# City of Rialto

## Legislation Details (With Text)

**File #:** CC-19-366    **Version:** 1    **Name:**  
**Type:** Agenda Item    **Status:** Agenda Ready  
**File created:** 3/21/2019    **In control:** City Council  
**On agenda:** 4/9/2019    **Final action:**  
**Title:** Request City Council to Receive and File the Statement of Income and Expense for February 2019 related to the Construction Loan Agreement with Ayala@210LLC for On-Site Improvements for the Renaissance Plaza Retail Center on Renaissance Parkway.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit A - Statement of Income and Expense for Ayala Partners On-Site Escrow, 2. Exhibit B - Banner Bank Stmt Ayala-210 LLC 2019-02

Date	Ver.	Action By	Action	Result
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For City Council Meeting [April 9, 2019]

**TO:** Honorable Mayor and City Council

**APPROVAL:** 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 February 2019 related to the Construction Loan Agreement with Ayala@210LLC for On-Site Improvements for the Renaissance Plaza Retail Center on Renaissance Parkway.

### **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 on-site 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 did not have any expenditures from this Account during February 2019. The City received \$132.85 of net investment income during February 2019. A detailed income and expense report showing all activity through the month ending February 28, 2019, is included as **Exhibit A**. The table below summarizes the Escrow Account activity from inception through February 28, 2019:

### **Summary of Account Status Renaissance Plaza On-Site Improvements.**

<b>Summary</b>	<b>Date</b>	<b>Fund</b>	<b>Budget</b>	<b>Actuals</b>	<b>To Amc</b>
Total Required Expenditures					\$ 3,700,000
Total Deposits	2/28/2019				\$ 3,700,000
Total Expenditures to Date	2/28/2019				\$(1,227,358.67)
Wire Fund Cost to Banner			\$	(70.00)	
Interest Paid to the City			\$	(39.67)	
General Fund Reserve	010		\$3,700,000	\$(1,227,249.00)	
Total			\$3,700,000	\$(1,227,358.67)	
Remaining Required Expenditures	2/28/2019				\$ 2,472,641.33
Available Funds in Escrow Account (NAV)					
Cash in Banner Bank	2/28/2019			\$2,474,062.43	\$2,474,062.43
Investments					
Cumulative Investment Income	2/28/2019				\$ 1,42
Cumulative Realized Investment Gains/(Losses)	2/28/2019				\$ -
Cumulative Unrealized Investment Gains/(Losses)	2/28/2019				\$ -
Net Portfolio Returns	2/28/2019				\$ 1,42
Transfer to City General Fund Reserves	2/28/2019				\$ -
Balance of Investment Escrow Account	2/28/2019				\$ 1,42

Source: Reconciliation of February 2019 Statements from Banner Bank

Total authorized expenditures are \$3,700,000. To date, the City has expended \$1,227,358.67 with remaining required expenditures of \$2,472,641.33. 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 October 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:**

There is no financial impact associated with the approval of this item. 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 February 28, 2019.