



# City of Rialto

## Legislation Details (With Text)

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**File created:** 5/23/2019    **In control:** City Council  
**On agenda:** 6/11/2019    **Final action:**  
**Title:** Request City Council to Receive and File the Statement of Income and Expense for April 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 - Banner Bank Stmt Ayala-210 LLC 2019-04.pdf, 2. Exhibit B - Escrow Payment Budget1b.pdf

Date	Ver.	Action By	Action	Result
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For City Council Meeting [June 11, 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 April 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 April 30, 2018, staff appropriated \$3,700,000 to Account Number 010-500-2158-3001 to pay the authorized Developer expenses per the CLA ("City Account"). On May 25, 2018, the City also

deposited \$3,700,000 with Banner Bank pursuant to Sections 3.2 and 3.3 of the CLA ("Banner Account") as a fund guarantee for the benefit of the general contractor. The appropriations and deposits required represented contributions from the General Fund's non-operational reserve.

On May 14, 2019, the City Council approved CLA Amendment #1 increasing the Approved Budget by \$300,000 to a maximum loan amount of \$4,000,000.

Banner Bank holds the guarantee amount for the project, subject to periodic releases by the City Treasurer to acknowledge authorized Project related expenses from the City Account. Banner Bank released \$1,083,555.59 (on June 26, 2018) and \$143,733.08 (on August 29, 2018) to the City -- collectively \$1,227,288.67. The Treasurer's Office proposes to release the remaining balance to the City once the On-Site Improvements are completed. Consequently, the Banner Bank statements do not necessarily match the actual project expenditures at any given point and time. This report documents actual expenditures from Account Number 010-500-2158-3001.

### **ANALYSIS/DISCUSSION:**

During April 2019, the City received \$142.35 of net investment income from the Banner Account. As of April 30, 2019, the Banner Bank balance is \$2,474,351.87. The latest monthly statement from Banner Bank is attached hereto as **Exhibit A**. The following activity related to the Banner Account through April 30, 2019 is summarized below:

Original Deposit in Banner Bank	\$ 3,700,000.00
Interest Earned	\$ 1,710.54
6-26-18 Wire To City	\$ (1,083,555.59)
8-29-18 Wire To City	\$ (143,733.08)
Wire Fees	\$ (70.00)
<b>Ending Balance on 4-30-19</b>	<b>\$ 2,474,351.87</b>

The City expended \$0 from the City Account during April 2019. The total amount expended is \$3,217,700. A balance of \$782,300 remains from the updated Approved Budget of \$4,000,000. The detailed expenditures are included as **Exhibit B**. The table below shows the actual expenditures for the Project.

Vendor	Service	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	TOTAL
Green Mountain	Contractor	\$ 903,942	\$ 95,838	\$ 105,139	\$ 226,854	\$ 413,518	\$ 118,681	\$ 78,746	\$ 294,349	\$ 298,889	\$ -	\$ 2,535,957
Kimley Horn	Engineer	\$ 161,601	\$ 15,545	\$ 12,504	\$ 11,283	\$ 14,332	\$ -	\$ 16,975	\$ 3,868	\$ 8,836	\$ -	\$ 244,943
Wallace	Const. Manager	\$ -	\$ -	\$ -	\$ -	\$ 28,174	\$ -	\$ 13,548	\$ -	\$ -	\$ -	\$ 41,722
City of Rialto	Permit/Inspection	\$ -	\$ -	\$ 60,214	\$ 345	\$ 79,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,090
NBC	Draw Escrow	\$ 17,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,973
Willdan	LMD Annexation	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
CDPC	Landscape Plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,655	\$ -	\$ -	\$ 8,655
RED	Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,224	\$ -	\$ 33,714	\$ -	\$ -	\$ 58,938
Black Coffee	Sign Contractor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,421	\$ -	\$ 159,421
<b>Total</b>		<b>\$ 1,083,516</b>	<b>\$ 121,383</b>	<b>\$ 177,857</b>	<b>\$ 238,483</b>	<b>\$ 535,556</b>	<b>\$ 143,905</b>	<b>\$ 109,269</b>	<b>\$ 331,930</b>	<b>\$ 316,380</b>	<b>\$ 159,421</b>	<b>\$ 3,217,700</b>
Cumulative Expended		\$ 1,083,516	\$ 1,204,899	\$ 1,382,756	\$ 1,621,239	\$ 2,156,795	\$ 2,300,700	\$ 2,409,968	\$ 2,741,899	\$ 3,058,278	\$ 3,217,700	
Balance Remaining of \$4,000,000		\$ 2,916,484	\$ 2,795,101	\$ 2,617,244	\$ 2,378,761	\$ 1,843,205	\$ 1,699,300	\$ 1,590,032	\$ 1,258,101	\$ 941,722	\$ 782,300	

### **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 April 30, 2019.