



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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CONSENT
March 25, 2008

**Honorable Mayor and
 Members of the City Council**

Title: Release of Residual Interest Earnings from Bond Proceeds – Cucamonga Avenue

Location/Council District: Granite Regional Park, District 6

Recommendation: Adopt a **Resolution** authorizing the release of \$18,268 in residual interest earnings as compensation for the work on Cucamonga Avenue and authorizing related financial transactions.

Contact: Brian Wong, Program Specialist, (916) 808-5778; Mark Griffin, Manager, (916) 808-8788

Presenters: Not Applicable

Department: Planning

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis

Issue: The developer of Granite Regional Park, Phase One Regional Park Limited, constructed Cucamonga Avenue at a verified cost of \$1,010,169. On November 21, 2006 Council authorized a payment of \$877,920, representing all available cash through June 30, 2006 from the bonds issued for this purpose.

Interest earned on available cash through June 30, 2007 amounts to \$18,268. This figure represents an audited number provided by the City's Accounting Department and is incorporated in the City's approved Fiscal Year 2006/07 Comprehensive Audited Financial Report. Staff recommends the entire amount be paid to Phase One Regional Park Limited.

Policy Considerations: Approval would be consistent with the City's Strategic Plan 3-Year Goal to achieve sustainability and enhance livability.

Environmental Considerations: Under California Environmental Quality Act (CEQA) Guidelines, the recommended actions are administrative and therefore do not constitute a project and therefore are exempt from review.

Committee/Commission Action: None

Rationale for Recommendation: The action is recommended to compensate the developer for eligible expenditures up to the amount of available bond proceeds and related interest earnings.

Financial Considerations: The reimbursement of up to \$18,268 will be made from the balance of interest earned on Mello-Roos bonds issued specifically for the purpose of improvements to Granite Regional Park including the construction of Cucamonga Avenue. Debt service for the bonds is funded through a special tax on properties within the Granite Park Community Facilities District. There is no impact on the General Fund, nor is any obligation placed on any other funds of the City. The developer will absorb all excess costs.

Approval of the attached resolution will add up to \$18,268 in accrued interest on the bonds to the project balance (PN:53AD).

Emerging Small Business Development (ESBD): Not Applicable

Respectfully Submitted by: 
for Mark Griffin
Manager, Planning Department

Approved by: 
Carol Sheary
Director, Planning Department

Recommendation Approved:


Ray Kerridge
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING THE RELEASE OF RESIDUAL INTEREST EARNINGS AND RELATED FINANCIAL TRANSACTIONS

BACKGROUND

- A.** In 2001, the City formed the Granite Park Community Facilities District (CFD) for the purpose of funding infrastructure improvements in, and within the vicinity of, Granite Regional Park.
- B.** The City issued bonds to fund the improvements, including the construction of the Cucamonga Avenue extension.
- C.** The developer of Granite Regional Park, Phase One Regional Park Limited, entered into City Agreement 2001-078, under which it agreed to construct, for the City's acquisition, an extension of Cucamonga Avenue.
- D.** Costs for the extension of Cucamonga Avenue have been verified by a third party at \$1,010,169.
- E.** Phase One Regional Park Limited was paid \$877,920 for the improvement by Council action on November 21, 2006, an amount limited by the available bond proceeds as calculated through June 30, 2006.
- F.** Subsequent interest earnings through June 30, 2007 total \$18,268 and can be used to further compensate Phase One Regional Park Limited.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1.** The City Council finds that the statements in the Background are true.
- Section 2.** The City Manager is authorized to adjust the accounts of the capital project for Cucamonga Avenue (53AD) by adding up to \$18,268 to the project from accrued interest on the bonds.
- Section 3.** This resolution takes effect when adopted.