



# REPORT TO COUNCIL

## City of Sacramento

19

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

CONSENT  
March 25, 2008

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

**Title:** Release of Residual Interest Earnings from Bond Proceeds – College Square  
CFD 2005-01

**Location/Council District:** District 8

**Recommendation:** Adopt a **Resolution** authorizing the release of \$19,592 in residual  
interest earnings as related to College Square CFD 2005-01.

**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 College Square Community Facilities District 2005-01  
("CFD"), College Marketplace LLC constructed facility, landscape and  
infrastructure improvements in the CFD at a verified cost of \$11.645 million of  
which \$9.738 million was reimbursed to the Developer through the issuance of  
CFD bonds in October 2007.

As a means of compensating the Developer for expenditures incurred, staff  
proposes to pay the Developer interest earnings on idle cash between the date  
the CFD bonds were issued (October 25, 2007), and the date in which bond  
proceeds were disbursed to the Developer (November 8, 2007). Interest  
earnings to date total \$19,592.

**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.

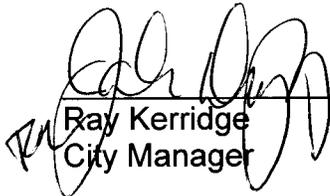
**Financial Considerations:** The disbursement of \$19,592 will be made from the balance of interest earned on the Mello-Roos bonds issued specifically for the purpose of improvements to the CFD. There is no impact on the General Fund, nor is any obligation placed on any other funds of the City. The Developer will absorb all excess costs.

**Emerging Small Business Development (ESBD):** Not Applicable

Respectfully Submitted by:   
Mark Griffin  
Manager, Planning Department

Approved by:   
Carol Shearly  
Director, Planning Department

Recommendation Approved:

  
Ray Kerridge  
City Manager

**Table of Contents:**

Report .....	Pg 1-2
<b>Attachments</b>	
Resolution authorizing the Release of Residual Interest Earnings ..	Pg 3

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **AUTHORIZING THE RELEASE OF RESIDUAL INTEREST EARNINGS**

#### **BACKGROUND**

- A.** The City formed the College Square Community Facilities District 2005-01 ("CFD") for the purpose of funding facility, landscape, and infrastructure improvements in the district.
- B.** In October 2007, the City issued \$11.465 million in bonds through the CFD to reimburse the developer of the CFD, College Marketplace LLC ("Developer") for expenses associated with improvements made in the CFD.
- C.** Bond proceeds in the amount of \$9.738 million were deposited into the construction fund (managed by the City) on October 25, 2007 and invested in the City's Pool A account until November 8, 2007.
- D.** Costs for improvements made by the Developer were verified by a third party to be \$11.645 million, of which the Developer was reimbursed for \$9.738 million through the issuance of CFD bonds.
- E.** Bond proceeds in the amount of \$9.738 million were disbursed to the Developer on November 8, 2007.
- F.** College Marketplace LLC will be paid interest earnings on the \$9.738 million between the closing date of the CFD bonds (October 25, 2007) and the disbursement of the bond proceeds in the construction fund (November 8, 2007).
- G.** Subsequent interest earnings total approximately \$19,592 and can be used to further compensate the Developer.

#### **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.** Authorize \$19,592 in interest earnings associated with the CFD to be disbursed to the Developer.