

RESOLUTION NO. 2014-192

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING AN INTER-FUND LOAN AGREEMENT OF \$6,000,000 FOR THE
ACQUISITION OF LAND AND CLOSING COSTS AND USE STUDY COSTS FROM THE
DRAINAGE FUND TO THE GENERAL CAPITAL RESERVE FUND**

WHEREAS, parks, recreation, and open space are important components of the quality of life desired by the residents; and,

WHEREAS, the City seeks to purchase approximately 100 acres of land within the vicinity of Grant Line Road/State Route 99 Interchange; and

WHEREAS, the purchase of land for recreational or other public uses is programmed in the 2014-19 Capital Improvement Program for \$6,000,000; and

WHEREAS, the City negotiated a purchase price of \$4,385,000 with Frank Loretz and Mundell Land and Livestock Company, Inc.; and

WHEREAS, the associated closing costs are anticipated to be less than \$50,000; and

WHEREAS, the estimated remaining funds of approximately \$1,565,000 will be available to study use alternatives; and

WHEREAS, the City has an Inter-Fund Loan Policy that formalizes the terms of Inter-fund Loans; and

WHEREAS, the interest rate is variable, tied to Local Agency Investment Fund (LAIF); and

WHEREAS, the initial rate used in schedule of repayment is .228% which is the June 2014 LAIF rate; and

WHEREAS, the Drainage Fund (503) has idle funds beyond what is needed to fund current projects; and

WHEREAS, the General Fund will benefit from sales and hotel taxes, and any other revenues indirectly generated as a result of improving the parcel; and

WHEREAS, the Inter-Fund Loan Policy has a maximum term of ten years with the first annual payment in FY 15-16; and

WHEREAS, the annual payment is estimated to be approximately \$608,000 based on the initial rate.

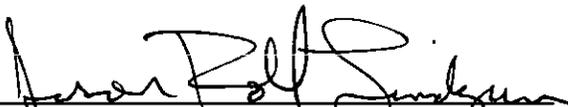
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby approves the Inter-Fund loan of \$6,000,000 from the Drainage fund (503) to the General Capital Reserve Fund (106).

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 27th day of August 2014.



GARY DAVIS, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2014-192**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on August 27, 2014 by the following vote:

AYES : COUNCILMEMBERS: *Davis, Cooper, Detrick, Hume, Trigg*

NOES: COUNCILMEMBERS: *None*

ABSTAIN : COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *None*



**Jason Lindgren, City Clerk
City of Elk Grove, California**