



AGENDA REPORT SUMMARY

Meeting Date: August 28, 2018

Subject: Los Altos Community Center Project Financing Options

Prepared by: Sharif Etman, Administrative Services Director

Approved by: Chris Jordan, City Manager

Attachment(s): Presentation will be provided under separate cover.

Initiated by:
Financial Commission

Previous Council Consideration:

- June 12, 2018; Adopted budget of \$34,700,000 for Los Altos Community Center project
- September 26, 2017 Study Session; Directed to proceed with interior space allocation and site placement; allocating an additional \$9,700,000 to the project budget

Fiscal Impact:
None

Environmental Review:

Environmental review of the Los Altos Community Center project is currently underway.

Policy Question(s) for Council Consideration:

- What loan terms are available to Council; 15-year or 20-year?
- What type of loans are available to Council; fixed or variable?
- Discuss the timing of acquiring a loan. For example, before bids, after bids, before construction

Summary:

- Council has requested guidance on options for financing \$10,000,000 for the Los Altos Community Center project

Staff Recommendation:

Meet with the Project Financing Subcommittee to discuss financing options for the Los Altos Community Center project



Subject: Los Altos Community Center Project Financing Options

Purpose

Discuss financing options for the Los Altos Community Center project.

Background

Council adopted an initial Capital Improvement Project fund of \$25,000,000 in FY 2017-2020 for the design and construction of a new Los Altos Community Center project. The project budget was increased by \$10,000,000 dollars at the September 26, 2017 City Council Study Session for a total of \$34,700,000. At the March 19, 2018 Financial Commission meeting, the Project Financing Subcommittee was formed to explore options for financing \$10,000,000.

Discussion/Analysis

The Project Financing Subcommittee of the Financial Commission has reached out to six (6) local banks to gather initial information about the City's financing options for \$10,000,000. The banks contacted by the Project Financing Subcommittee came back with favorable comments and a myriad of options on how to structure the loan. Following this initial information gathering process, the Project Financing Subcommittee has requested a meeting with the City Council to discuss financing options for the Los Altos Community Center project.

Recommendation

This is a study session to inform the City Council of various financing options that may be available to the City. No Council decision is anticipated.