



Supplemental Agenda Related Writings/ Documents Provided To A Majority Of The Ridgecrest City Council / Redevelopment Agency Board Members After Distribution Of The June 16, 2010 Agenda Packet

1. Add Closed Session Item:
  - a. GC54956(A) Conference With Legal Counsel – Litigation – City of Ridgecrest v. Matrix Motor Co., Inc. (“Matrix”)
2. Add to Ordinance and Resolutions:
  - a. Resolution No. 10-, A Joint Resolution Of The Ridgecrest City Council And Redevelopment Agency Ratifying And Establishing Funding, Lending, And Expenditure Approvals As They Pertain To The City’s Contract With South California Trane For The Construction Of A Photovoltaic Solar Energy Production Field

City staff has studied options available for funding this project to include any related costs and recommends the following:

- Establish an internal lending agreement of the RDA immediately funding the project and any related costs through available utility funds not to exceed \$3,620,248.00.
- Establish the cost of lending at the utility funds current earning rate of one half of one percent (½ %) annually.
- Upon the sale of redevelopment bonds, immediately reimburse the utility fund in the sum of \$430,642.00 plus any earned interest.
- Establish internal lending repayment schedules of the RDA not to exceed a five (5) year term on any and all expensed allocations of utility fund monies.

This information is available for viewing on  
The City of Ridgecrest web page

<http://ci.ridgecrest.ca.us>

City Council Agendas

**CITY COUNCIL/REDEVELOPMENT AGENCY AGENDA ITEM**

**SUBJECT:**

Joint Resolution Establishing Funding, Lending, and Expenditure Approvals as they pertain to the City's contract with South California Trane for the Construction of a Photovoltaic Solar Energy Production Field.

**PRESENTED BY:**

Craig Bradley

**SUMMARY:**

On May 3, 2010 a special meeting of City Council and the Ridgecrest Redevelopment Agency was held to consider resolution # 10-29 approving the construction of a Photovoltaic Solar Energy Production Field. This resolution was unanimously approved thereby awarding contract for construction of the project to South California Trane in the sum of \$3,077,606.00. Staff reports submitted with resolution # 10-29 discussed the funding of this project through internal lending options and detailed subsequent resolutions to be presented that will establish lending rates and repayment schedules per the desire of the board.

Discussions pertaining to related project costs not contained within the contract for construction, such as security systems and outstanding project development fees, also took place at the May 3rd and previous meetings. Council was reminded that outstanding project development fees for this project had previously been allocated and earmarked on the proposed RDA bond list in the sum of \$500,000.00. Further discussions solidified the intent to provide security of this project site through in-house development and support.

Commercial construction industry standards recommend an 8 to 10% set-aside contingency be applied for a project of this type and size. Staff has considered project costs related to the security system build out and installation and recommends an approximate three and one half (3½%) set-aside be approved. This equates to approximately \$112,000.00 that is intended for partial expenditure related to the security system and the remaining amounts as contingency for any project overruns associated to city approved add/change orders.

City staff has studied options available for funding this project to include any related costs and recommends the following:

- Establish an internal lending agreement of the RDA immediately funding the project and any related costs through available utility funds not to exceed \$3,620,248.00.
- Establish the cost of lending at the utility funds current earning rate of one half of one percent (½ %) annually.
- Upon the sale of redevelopment bonds, immediately reimburse the utility fund in the sum of \$430,642.00 plus any earned interest.
- Establish internal lending repayment schedules of the RDA not to exceed a five (5) year term on any and all expensed allocations of utility fund monies.

RDA FISCAL IMPACT:  
~\$733,230.00 annually for 5 years

ACTION REQUESTED:  
Ratify Resolution

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:  
Action as requested: Motion to Approve Resolution

Submitted by: Craig Bradley

Action Date: 6-16-2010

(Rev. 2-14-07)

**RESOLUTION NO. 10-**

**A JOINT RESOLUTION OF THE RIDGECREST CITY COUNCIL AND REDEVELOPMENT AGENCY RATIFYING AND ESTABLISHING FUNDING, LENDING, AND EXPENDITURE APPROVALS AS THEY PERTAIN TO THE CITY'S CONTRACT WITH SOUTH CALIFORNIA TRANE FOR THE CONSTRUCTION OF A PHOTOVOLTAIC SOLAR ENERGY PRODUCTION FIELD.**

**WHEREAS**, the Ridgecrest City Council and Redevelopment Agency have ratified resolution #10-29 thereby awarding a contract for construction of a Photovoltaic Solar Energy Production Field in the sum of \$3,077,606.00; and

**WHEREAS**, the Ridgecrest City Council and Redevelopment Agency have considered other related project costs defined as site security, project contingencies, and outstanding project development fees totaling \$542,642.00; and

**WHEREAS**, the Ridgecrest City Council and Redevelopment Agency intend to fund this project utilizing internal lending of available utility funds to be reimbursed by Ridgecrest Redevelopment Agency funds and bonds;

**NOW THEREFORE, BE IT RESOLVED** that the City Council of the City of Ridgecrest and the Ridgecrest Redevelopment Agency do hereby ratify and establish an internal lending agreement of the RDA to borrow from the utility fund a sum not to exceed \$3,620,248.00; and

**BE IT FURTHER RESOLVED** that the City Council of the City of Ridgecrest and the Ridgecrest Redevelopment Agency do hereby ratify and establish a lending rate and payment schedule of one half of one percent ( $\frac{1}{2}$  %) annually over five (5) years for the purpose of said agreement; and

**BE IT FURTHER RESOLVED** that the City Council of the City of Ridgecrest and the Ridgecrest Redevelopment Agency do hereby ratify and establish immediate reimbursement in the sum of \$430,642.00, plus any earned interest, to the utility fund subsequent to the sale of redevelopment bonds.

**ADOPTED, AND APPROVED**, this 16th day of June 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Steven P. Morgan, Mayor

ATTEST: \_\_\_\_\_  
Rachel Ford, City Clerk