CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT

Agenda Date: 4/6/09
Reviewed by: BP

SUBJECT:	**Resolution 09-10** A RESOLUTION OF THE CITY OF ALBANY, STATE OF CALIFORNIA, AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT WITH CAPITAL ONE BANK AND DELIVERY OF A NOTE FOR THE PURPOSE OF FINANCING THE COST OF ACQUIRING AND CONSTRUCTING STORM DRAIN IMPROVEMENTS PROJECTS, AND RELATED MATTERS, AND AMENDING RESOLUTION No. 09-07.
REPORT BY:	Charlie Adams, Finance and Administrative Services Director

STAFF RECOMMENDATION

That Council approve the Resolution #09-10 to authorize execution of a loan agreement with Capital One Bank, and authorized the City Treasurer, City Administrator, and City Finance and Administrative Services Director to complete and sign documents required for execution of the loan, in accordance with the resolution referenced above.

DISCUSSION/ANALYSIS

Wulff Hansen, the underwriters approved for issuance of bond to finance the Neilson – Curtis storm drain improvements, discovered that a privately placed negotiated loan would provide the City the same terms as a public issue of bonds but at a lower cost to the City. The interest rate on the loan will be 4.6% for a term of 12 years, with options to prepay the loan beginning August 1, 2014.

As contemplated for the previously approved bonds, parcel tax revenue from the storm drain and street paving parcel tax will be pledged for repayment of the loan. Semi-annual payments of interest and principal will be $195,692.

SUSTAINABLITY

The elimination of flooding of residential property and overflowing of the existing storm drain will enhance the environment in the City, and aid in the City's compliance with water drainage regulations.

FINANCIAL IMPACT

Funds immediately available for storm drain improvement projects will increase by approximately $3,000,000. Assessments to property owners will not increase as a result of the bond issuance. Costs associated with flooding in the area of Neilson and Curtis Streets will be eliminated.

Attachments:
Resolution 09-10

I:\COUNCIL STAFF REPORTS\xx 04 Apr 09\Apr 6\04 - Unfinished Business\Parcel tax loan final\Parcel Tax Loan Authorization 04-6-09.DOC

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