

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBank)  
INFRASTRUCTURE STATE REVOLVING FUND PROGRAM (ISRF)**

**STAFF REPORT**

**EXECUTIVE SUMMARY**

<b>Applicant:</b> City of San Gabriel (City)	<b>Measure R Financing Amount:</b> <b>\$3,800,000</b>	<b>Term Requested:</b> 15 years	<b>Interest Rate<sup>(1)</sup>:</b> 3.5%	<b>Project Type:</b> <input checked="" type="checkbox"/> Infrastructure Project <input type="checkbox"/> Economic Expansion Project
<b>Repayment Sources:</b> Loan repaid by: The City's Measure R Special Revenue Fund (Measure R Fund)				<b>Funds Rating:</b> 1) NA
<b>Repayment/Security:</b> Senior lien on gross revenues of the City's portion of Measure R taxes as accounted for in the City's Measure R Special Revenue Fund (Measure R Fund) to secure a loan in the amount of \$3,800,000.				
<b>Other Covenants:</b> <ol style="list-style-type: none"> <li><b>Future Senior Debt:</b> prohibited.</li> <li><b>Future Parity Debt:</b> allowed if net revenues provide aggregate debt service coverage of at least 1.25 times maximum annual debt service on all parity debt, inclusive of the then proposed financing.</li> </ol>				
<b>Project Name:</b> A Portion of the Accelerated Great Streets Program Project (Streets Project)			<b>Project Location:</b> Various streets in the City	
<b>Project Description:</b> The Streets Project consists of upgrading, reconstructing, and rehabilitating public streets that are located in the major economic areas of the City.				
<b>Date:</b> March 24, 2015				

On September 23, 2014, the IBank Board of Directors ("Board") approved Resolution 14-12 ("Original Resolution") approving a financing ("Financing") for the City of San Gabriel (the "Borrower") under the Infrastructure State Revolving Fund Program (the "ISRF Program") to pay eligible project costs of a portion of the Accelerated Great Streets Program Project (the "Project").

In adopting the Original Resolution, the Board made delivery of a due authorization and enforceability opinion, from nationally recognized counsel in the field of municipal finance (the "Opinion") a condition to the Financing and directed staff to obtain the Opinion. Subsequent to the adoption of the Original Resolution staff determined that obtaining the Opinion would cause the IBank to incur considerable additional costs and would delay the financing of the Project in a manner that is inconsistent with the mission of IBank and the ISRF Program.

**STAFF RECOMMENDATION**

Staff recommends adoption of Resolution No. 15-03 to remove the requirement for delivery of the Opinion as a condition precedent for approval of the portion of the Financing that is payable from Measure R funds received by the Borrower.