



BOARD MEETING AGENDA SUBMITTAL

TO: GCSB Board of Directors

FROM: Peter Kampa, General Manager

DATE: June 14, 2022

SUBJECT: Agenda Item 7E. Authorization to Proceed with Loan Financing Applications in the Amount of \$350,000 for the Groveland Asset Rehabilitation and Beautification Project's 25% Cash Match Requirement

RECOMMENDED ACTION:

I move to authorize the General Manager to proceed with loan financing applications in the amount of \$350,000 for the Groveland Asset Rehabilitation and Beautification Project for its 25% match requirement.

BACKGROUND:

As discussed in the prior agenda item regarding the execution of a funding agreement with Caltrans, the district is responsible for 25% of the total project cost as a local match. As this project includes many valuable assets that will increase the beauty and functionality of the park and reduce operating cost, the investment of 25% of the project cost is very reasonable. Since this project needs to be completed within two years, the park fund does not have adequate cash to fund its local match responsibility of approximately \$350,000 at one time. It is recommended that the district secure a loan for this amount of money, with a 10 or 15 year payback term.

Attached you will find two proposals from the finance corporation for the above referenced loan and the payment terms are summarized below. It is staff's recommendation the Board approve securing the loan and direct staff to work with the CSDA Finance Corporation by the above recommended motion. Annual loan payments of \$43,000 are included in the 2022/23 budget as presented today.

ATTACHMENTS

- CSDA Finance Corporation Loan Quote

FINANCIAL IMPACT:

| | 10 YR | 15 YR |
|-----------------------|--------------|--------------|
| Interest Rate | 4.1% | 4.3% |
| Annual Payments | \$ 43,367 | \$ 31,904 |
| Total of All Payments | \$ 478,549 | \$ 433,669 |
| Total Interest | \$ 83,669 | \$ 128,549 |



CSDA Finance Corporation



1112 I Street, Suite 200
Sacramento, CA 95814
t: 916.442.7887 f: 916.442.7889
www.csdafinance.net

PREPARED BY CSDA FINANCE CORPORATION

DATE: June 8, 2022

PROPOSED LEASE PURCHASE FOR: Groveland Community Services District

RE: Park Improvement Project

NOTE: TERMS ARE BASED UPON LEASE BEING BANK QUALIFIED

Purchase Option amount is exclusive of the rental payment due on same date.

Interest rate quote is valid for an acceptance within 15 days and lease funding within 60 days.

Cost of Issuance: \$8,500 (payable at closing)

| | | | |
|-------------------------------|-------------------------|----------------------|-----------------|
| | Financing Amount | Interest Rate | Term |
| Payments: Annually in arrears | \$350,000 | 4.10% | 10 Years |

| PMT # | Due Date | Rent Payment | To Principal | To Interest | Purchase Option |
|-------|----------|--------------|--------------|-------------|-----------------|
| 1 | | \$43,366.91 | \$29,016.91 | 14,350.00 | |
| 2 | | 43,366.91 | 30,206.60 | 13,160.31 | |
| 3 | | 43,366.91 | 31,445.07 | 11,921.84 | |
| 4 | | 43,366.91 | 32,734.32 | 10,632.59 | |
| 5 | | 43,366.91 | 34,076.43 | 9,290.48 | 192,520.67 |
| 6 | | 43,366.91 | 35,473.56 | 7,893.35 | 157,047.11 |
| 7 | | 43,366.91 | 36,927.98 | 6,438.93 | 120,119.13 |
| 8 | | 43,366.91 | 38,442.03 | 4,924.88 | 81,677.10 |
| 9 | | 43,366.91 | 40,018.15 | 3,348.76 | 41,658.95 |
| 10 | | 43,366.91 | 41,658.95 | 1,707.96 | 0.00 |

| | | | |
|---------|---------------------|---------------------|--------------------|
| TOTALS: | <u>\$433,669.10</u> | <u>\$350,000.00</u> | <u>\$83,669.10</u> |
|---------|---------------------|---------------------|--------------------|

Approved and agreed to: Groveland Community Services District

By: _____

Date: _____

Title: _____



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| | | | |
|------------------------------------|-------------------------|----------------------|-----------------|
| | Financing Amount | Interest Rate | Term |
| Payments: Semi-annually in arrears | \$350,000 | 4.30% | 15 Years |

| PMT # | Due Date | Rent Payment | To Principal | To Interest | Purchase Option |
|-------|----------|--------------|--------------|-------------|-----------------|
| 1 | | \$15,951.63 | \$8,426.63 | 7,525.00 | |
| 2 | | 15,951.63 | 8,607.80 | 7,343.83 | |
| 3 | | 15,951.63 | 8,792.87 | 7,158.76 | |
| 4 | | 15,951.63 | 8,981.92 | 6,969.71 | |
| 5 | | 15,951.63 | 9,175.03 | 6,776.60 | |
| 6 | | 15,951.63 | 9,372.29 | 6,579.34 | |
| 7 | | 15,951.63 | 9,573.80 | 6,377.83 | |
| 8 | | 15,951.63 | 9,779.63 | 6,172.00 | |
| 9 | | 15,951.63 | 9,989.89 | 5,961.74 | |
| 10 | | 15,951.63 | 10,204.68 | 5,746.95 | |
| 11 | | 15,951.63 | 10,424.08 | 5,527.55 | |
| 12 | | 15,951.63 | 10,648.20 | 5,303.43 | |
| 13 | | 15,951.63 | 10,877.13 | 5,074.50 | |
| 14 | | 15,951.63 | 11,110.99 | 4,840.64 | |
| 15 | | 15,951.63 | 11,349.88 | 4,601.75 | 202,685.18 |
| 16 | | 15,951.63 | 11,593.90 | 4,357.73 | 191,091.28 |
| 17 | | 15,951.63 | 11,843.17 | 4,108.46 | 179,248.11 |
| 18 | | 15,951.63 | 12,097.80 | 3,853.83 | 167,150.31 |
| 19 | | 15,951.63 | 12,357.90 | 3,593.73 | 154,792.41 |
| 20 | | 15,951.63 | 12,623.59 | 3,328.04 | 142,168.82 |
| 21 | | 15,951.63 | 12,895.00 | 3,056.63 | 129,273.82 |
| 22 | | 15,951.63 | 13,172.24 | 2,779.39 | 116,101.58 |

(continued)

| PMT # | Due Date | Rent Payment | To Principal | To Interest | Purchase Option |
|-------|----------|--------------|--------------|-------------|-----------------|
| 23 | | 15,951.63 | 13,455.45 | 2,496.18 | 102,646.13 |
| 24 | | 15,951.63 | 13,744.74 | 2,206.89 | 88,901.39 |
| 25 | | 15,951.63 | 14,040.25 | 1,911.38 | 74,861.14 |
| 26 | | 15,951.63 | 14,342.12 | 1,609.51 | 60,519.02 |
| 27 | | 15,951.63 | 14,650.47 | 1,301.16 | 45,868.55 |
| 28 | | 15,951.63 | 14,965.46 | 986.17 | 30,903.09 |
| 29 | | 15,951.63 | 15,287.21 | 664.42 | 15,615.88 |
| 30 | | 15,951.63 | 15,615.88 | 335.75 | 0.00 |

TOTALS: \$478,548.90 \$350,000.00 \$128,548.90

Approved and agreed to: Groveland Community Services District

By: _____

Date: _____

Title: _____