

Department of Public Works Special Districts

Discussion to Consider Bond Approval for Assessment District 2018-1 Snowdrop Road Project

Brendon Biggs, Director April 6, 2021 Item #60

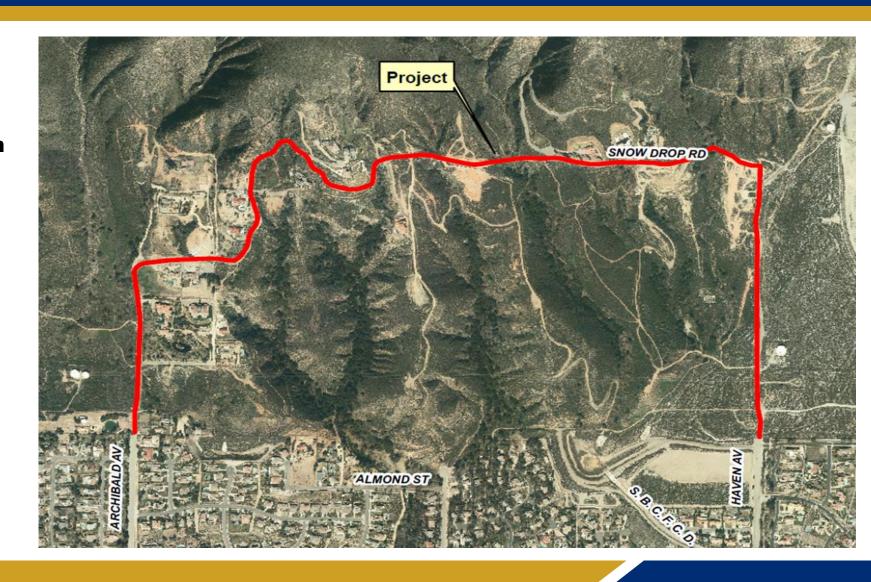


Project Location - Snowdrop Rd

North of Rancho Cucamonga in unincorporated County

Archibald to Haven Avenue

2.1 Miles



MAJOR PROJECT DELIVERABLES

- 2.1 miles of road replacement with new asphalt allowing fire access and providing sufficient width for two-way traffic.
- Drainage infrastructure for proper drainage throughout the Project
- Guardrails as necessary for safer driving conditions
- Retaining walls to protect soil slopes
- Environmental monitoring and mitigation measures as per CEQA requirements

PROJECT BACKGROUND

- 2010 Initial request by property owners to form assessment district
- March 2018 AD 2018-1 Snowdrop Road was formed
- November 2019 Project Design plans completed by Webb Associates
- November 2020 addendum to environmental study was approved
- January 5, 2021 project re-advertised for bidding
- February 16, 2021 Lowest bid received Trinity Construction, no bid protest were received
- March 9, 2021 Western Alliance Bank committed to funding Series A Bond
- March 18, 2021 DAC approved bond issuance
- March 22, 2021 Western Alliance Interest Rate locked at 3.97%

Assessment District 2018-1 (Snowdrop Road Project)

Budget Item	Estimated Cost
Total Construction + Contingency	3,973,741.00
Design, Engineering, Planning, Permits, Surveyor, Geotech, Environmental)	1,215,000.00
Mitigation Expenses	117,000.00
Easement Purchases	162,051.00
Bond Costs	581,342.00
Total Estimated Cost	\$6,049,133

Uses of Funds	Amount
Improvement Fund	5,474,679.71
Debt Service Reserve Fund	194,202.89
Capitalized Interest Fund	85,043.64
Cost of Issuance	281,271.41
Bank Origination Fee	14,072.57
Total Uses	\$6,049,270.22

Sources of Funds	Fund Amount
Series 2021A Bond Proceeds	5,629,026.07
Cash Collection	420,244.15
Total Sources	\$6,049,270.22

WHAT IF CONSTRUCTION EXCEEDS BUDGET?

- Construction Contingency of ~\$360k (10%)
- Finite funding, critical to monitor budget throughout project
- Department will work diligently to reduce budget impacts
- Technical site conditions may result in unanticipated issues

If Contingency is exceeded:

- Return to owners for supplemental assessment
- Series B bonding

PROPOSED SCHEDULE

- April 6, 2021 Recommend bond approval
- April 15, 2021 Proposed closing date of escrow for bond issuance
- April 20, 2021 Recommend Award construction contract to Trinity Construction
- May 2021 begin construction 318 days contract duration
- Spring 2022 construction completion

RECOMMENDATION

- 1. Authorize a bond issuance not to exceed \$5,629,026 to fund the Snowdrop Road project
 - \$420,244.15 prepayments received
 - Series A Bond Issuance
 - Private sale at 3.97% interest rate
 - 57 of 59 parcels bonded against
 - Assessments will remain on Series A parcels within AD for 22 years to pay principal and interest
 - Series B Bond Issuance
 - To be issued at later date as necessary
 - Reduce assessment for all parcels or add to improvement fund for ongoing maintenance
- 2. Approve service agreements pertaining to bond sale
 - Fieldman, Rolapp & Associates, Inc
 - Webb Municipal Finance
 - Stradling, Yocca, Carlson & Rauth