

RESPONSE(S) TO COUNCIL QUESTION(S)

RE: 8/9/2016 AGENDA

Agenda Item #: 4

Title: Discuss Status and Provide Direction Related to Financing Options for the Silicon Valley Clean Energy Authority (SVCEA)

Question(s): The report says that it may not be necessary for member cities to provide loans to SVCEA, because the credit terms provided by banks may be adequate. But I thought one of the attractions of having Sunnyvale provide loans and credit is the fact that Sunnyvale would collect the resulting interest paid by SVCEA, rather than the banks - and that that interest far exceeds what we would otherwise make with our usual investments. Is this no longer the case?

Staff Response(s): Staff is still in the procurement phase with potential banking providers. However, bank proposals include competitive rates in comparison to a potential City of Sunnyvale or multi-agency financing option once the administrative cost is included. Also, providing a multi-agency financing option requires approval from various policy boards, which delays the loan being available to the Authority. Staff will continue analyzing the various options and provide additional detail as part of its oral staff report on this item.
