

Joe H Harn/PV/EDC  
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To "Leonard Grado" <lgrado@palosverdespropertiesinc.com>, The BOSFIVE/SLT/EDC@TCP, The BOSFOUR/PV/EDC@TCP, The BOSONE/PV/EDC@TCP,  
cc "Craig Sandberg" <csandberg@slalaw.net>, Marci.Embree@gcinc.com,  
bcc mitch@palosverdespropertiesinc.com, Cynthia C Johnson/PV/EDC  
Subject Item # 23, Granite Grado Ventures Reimbursement Funding Agreement

On December 11, 2007, your Board directed your staff, including the Auditor-Controller, to negotiate a reimbursement agreement with this developer. I attended a handful of meeting with Mr. Storer, Mr. Grado, and the DOT staff around the holidays regarding this matter.

Because DOT has recommended a \$31,000,000 Developer Advance in the 5 year CIP for the Diamond Springs Parkway, it seems that we should not go forward with the \$2,300,000 reimbursement agreement that was discussed in the December 11, 2007, agenda item, until the County has a better handle on the financing of the whole project. It is not reasonable to assume a \$31,000,000 Developer Advance on this project based on the information that I have at this time. Hopefully, DOT can provide some more information on its plans for the financing of this project soon.

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