

**STAFF REPORT**  
**Lancaster Redevelopment Agency**

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02/08/11
MVB

Date: February 8, 2011

To: Chairman Parris and Agency Directors

From: David R. McEwen, City Attorney

Subject: **Approve Appropriation and Transfer of Funds from Lancaster Redevelopment Agency to Lancaster Financing Authority for Bond Coverage**

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**Redevelopment Agency Recommendation:**

Appropriate \$1,730,100.00 to Account No. 901-4999701 from Lancaster Redevelopment Agency fund balance to Lancaster Financing Authority account number 701-3990901 to provide required coverage for outstanding bonds.

**Fiscal Impact:**

Sufficient funds are available in the Redevelopment Agency fund balance to make this transfer.

**Background:**

The Agency has issued bonds to provide funds for priority projects over the past several years. A requirement of the bonds is to have a specific revenue stream to cover 125% of the bond payments. Due to the decrease in assessed valuation, the Agency has sufficient revenues to cover the payments, but falls short of the full 125% requirement. As a result, the Agency is required to transfer the difference to a bond fund under the Financing Authority. Approval of this action will ensure the Agency is meeting the requirements of the bond documents.

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