

STAFF REPORT

City of Lancaster

CC 8
03/08/11
MVB

Date: March 8, 2011

To: Mayor Parris and City Council Members

From: Barbara Boswell, Finance Director

Subject: **Approve a Loan Repayment from the Lancaster Redevelopment Agency to the City of Lancaster & Appropriation of City Funds**

City Council Recommendations:

Approve reallocation of budgeted funds from various Lancaster Redevelopment Agency Programmatic accounts to the "Transfer To City – Loan Repayment" account, in the amount of \$9,206,660.00. Approve acceptance of Agency loan repayment into the "Transfer From Agency – Loan Repayment" account, in the amount of \$9,206,660.00, and appropriate \$7,700,660.00 to City Operating and Capital Improvement Accounts. (Specific account numbers shown in Attachment A.)

Fiscal Impact:

Consolidated City to Agency Loan repayment, in the amount of \$9,206,660.00, by the Agency to the City. Appropriate \$7,700,660.00 to City Operating and Capital Improvement Accounts, as detailed in Attachment A.

Background:

With the current threat from the State of California to abolish Redevelopment Agencies, it is in the best interest of the Agency to use unspent bond proceeds to make a loan repayment to the City on the Consolidated City to Agency Loans. This action will then enable the City to appropriate and expend these funds as City-funded projects.

MVB:BB:ps