

STAFF REPORT
City of Lancaster
Lancaster Successor Agency

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02/26/13
MVB

Date: February 26, 2013

To: Mayor/Chairman Parris and City Council/Board Members

From: Barbara Boswell, Finance Director

Subject: **Resolution Approving a Loan between the Lancaster Successor Agency and the City of Lancaster for Enforceable Obligations for the Period January – June 2013**

Recommendation:

City Council Recommendation:

Adopt **Resolution No. 13-09**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the Lancaster Successor Agency for enforceable obligations for the period January to June 2013 pursuant to H & S Code Section 34173(h).

Successor Agency Recommendation:

Adopt **Resolution No. SA 04-13**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the Lancaster Successor Agency for enforceable obligations for the period January to June 2013 pursuant to H & S Code Section 34173(h).

Fiscal Impact:

The loan amount is not to exceed \$775,000, which is required by enforceable obligations (sub-lease payments) due pursuant to a Disposition and Development Agreement with Cardlock Fuels System Inc. Only the amounts actually expended will be advanced to the Lancaster Successor Agency. Interest will accrue at a rate equivalent to the Local Agency Investment Fund (LAIF) rate.

Background:

AB1484, the Redevelopment Dissolution/Unwind Trailer Bill enacted as part of the state budget package on June 27, 2012, provides the ability for the City to make a loan to the Agency for enforceable obligations. As the January 2, 2013 RPTTF distribution was not sufficient to cover this payment due to Cardlock Fuels System Inc., a loan is necessary. The loan becomes an enforceable obligation of the Agency, and is to be included on the Recognized Obligation Payment Schedule for repayment through future property tax distributions.

BB:ps

Attachments:

City Council Resolution No. 13-09
Successor Agency Resolution No. SA 04-13
Exhibit "A" Promissory Note