

**STAFF REPORT**  
**City Council**  
**Lancaster Successor Agency**

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06/25/13
MVB

Date: June 25, 2013

To: Mayor/Chairman Parris and City Council/Agency Directors

From: Barbara Boswell, Finance Director

Subject: **Loan Amortization Schedule for the Loan from the City of Lancaster to the Lancaster Successor Agency for Cardlock Fuels January to June 2013 Lease Payments**

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**Recommendations:**

City Council Recommendation:

Adopt **Resolution No. 13-28**, approving the loan amortization schedule for the loan from the City of Lancaster to the Lancaster Successor Agency for Cardlock Fuels January to June 2013 Lease Payments pursuant to H & S Code Section 34173(h) and 34191.4(b)(2).

Successor Agency Recommendation:

Adopt **Resolution No SA 08-13**, approving the loan amortization schedule for the loan from the City of Lancaster to the Lancaster Successor Agency for Cardlock Fuels January to June 2013 Lease Payments pursuant to H & S Code Section 34173(h) and 34191.4(b)(2).

**Fiscal Impact:**

The promissory note was approved by City Resolution No. 13-09 and Successor Agency Resolution No. SA 04-13 for a maximum amount of \$775,000. Actual lease payments for the period and resulting loan amount are \$700,534 for the period January – June 2013. Interest is to accrue at the Local Agency Investment Fund (LAIF) rate and based on current cash flow projections, the earliest the loan can be repaid is July 2027.

**Background:**

At its regular meeting of February 26, 2013, the City Council and Successor Agency approved Resolution Nos. 13-09 and SA 04-13 approving a promissory note between the City of Lancaster and the Lancaster Successor Agency for Cardlock Fuels Lease payments incurred for the period January – June 2013. The loan was necessary as there were not sufficient Redevelopment Property Tax Trust Funds (RPTTF) received to provide for the lease.

Health and Safety Code Section 34173(h) provides the ability for the City to make a loan to the Agency for enforceable obligations and Section 34191.4(b)(2) sets the interest rate equivalent to the LAIF rate. The loan becomes an enforceable obligation of the Agency, and is to be included on the Recognized Obligation Payment Schedule for repayment through future RPTTF distributions. The amortization schedule estimates the future interest. Actual interest will be computed at the actual LAIF rate.

**Attachments:**

City Council Resolution No. 13-28  
Successor Agency Resolution No. 08-13

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