

STAFF REPORT
City of Lancaster, California

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Date: October 23, 2007

To: Mayor Hearn and City Council Members

From: Lyle W. Norton, Director, Parks, Recreation and Arts

Subject: **YMCA Grant Funds Reimbursement**

Recommendation:

Approve the appropriation of \$35,260.00 in state grant funds to be reimbursed to the YMCA for costs incurred related to the development of the YMCA complex at Lancaster City Park.

Fiscal Impact:

\$35,260.00; payment from YMCA deferred Revenue Account No. 101-210-5002.

Background:

In January of 2000 the City of Lancaster was awarded a state specified general fund grant in the amount of \$443,250.00 for acquisition of property for a new YMCA. Due to the nature of the grant, the City received funding up-front. In December 2002 City Council approved a ground lease with YMCA of Metropolitan Los Angeles which located a proposed development at Lancaster City Park.

The original grant contract expired in June 2004. The City requested and was awarded an extension on behalf of the YMCA in April 2004 which provided a new liquidation date of December 2007. Per the agreement with the State Office of Grants and Local Services, no further extensions would be granted.

The YMCA project however, experienced delays in funding development for the project which necessitated the City's request for the original extension through the end of 2007. In the spring of 2007, the YMCA submitted a revised development schedule which projected completion of Phase I improvements in November of 2008.

Upon contacting the State Office of Grants and Local Services for guidance regarding the project's delay it was determined that the Office had no authority to issue the initial extension. Therefore, the only expenses allowable under the grant for reimbursement were those incurred prior to the original expiration date of June 2004.

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Based on this timeline, the YMCA incurred only \$35,260.00 in allowable grant expenses prior to the grant liquidation date. Per the grant agreement, the City of Lancaster returned the unused portion in July 2007 and has retained the remaining grant funds in an interest bearing account. The YMCA recently invoiced the City for reimbursement of their expenses related to the state specified grant.