

TO: City Council

FROM: Jim Throop, Administrative Services Director

SUBJECT: Redevelopment Agency Project List

DATE: February 16, 2010

NEEDS: For the Redevelopment Agency to consider bond funding for projects of benefit to the Redevelopment Agency Project Area.

Facts:

1. The Redevelopment Agency (RDA) issued \$12.1 Million in bonds July 2009.
2. A majority of the Bond proceeds were used to refinance an existing RDA debt issue of \$2.6M, reimburse Paso Robles Unified School District for past-due pass-thru agreements of \$2.2M (of which, \$1.9M were paid from bond proceeds), partially reimburse Library debt payments to the General Fund - \$2.5M, reimburse the Low to Moderate Income Housing Fund - \$500,000 and reimburse the RDA for assistance with the Carnegie restoration - \$400,000.
3. Deducting the uses listed above as well as bond issuance costs, approximately \$3.8 Million remains for projects of benefit to the Redevelopment Project area.
4. Potential Project Area projects include:
 - Flamson frontage improvements (\$750K)
 - Sulfur Spring remediation (\$300K).
 - PREC pedestrian improvements (\$1.5M)
 - City Park Restrooms (\$1.8M; only \$400K from RDA)
 - Downtown property acquisition to eliminate blight and/or to develop public facilities (T.B.D.).

ANALYSIS &

CONCLUSION: The RDA sold approximately \$12.1 million of bonds in July 2009. There is approximately \$3.8 million available for projects of benefit to the Project Area.

The bond funds can be allocated to the projects listed above, or other capital projects of benefit to the project area. It is important to note, however, that the State is attempting to take \$1.2 Million from the Redevelopment Agency to address State budget deficits. Should they succeed, it might be prudent to hold \$1.2 Million in reserve to possibly use as a short-term loan to meet the State's demand.

FISCAL

IMPACT: There are approximately \$3.8 million available RDA bond funds for projects within the RDA project area.

Bond-proceeds have been allocated as follows:

\$12,115,000	– Gross proceeds
<\$2,600,000>	– Refinancing of older series debt
<\$2,500,000>	– Reimbursement to General Fund for Library debt service
<\$1,900,000>	– Reimbursement to Paso Robles Unified School District.
<\$500,000>	– Reimbursement to LMIH for past-due set-asides
<\$400,000>	– Reimbursement to RDA for Carnegie Restoration Assistance
<\$240,000>	– Issuance costs (underwriter, Attorney, fiscal consultant, etc.)
<\$175,000>	– Required Reserve fund
<u>\$3,800,000</u>	– Available for RDA projects

In addition to the bond funds the RDA must have funds available for the possible State raid of \$1.2 million. It may be prudent to temporarily delay use of approximately \$1.2 Million for use as a short-term loan to meet the State's demand.

- Options:
- a. Redevelopment Agency approve, and/or modify, the project list and authorize staff to execute actions required to implement approved projects; or
 - b. Amend, modify, or reject the above option