



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

May 10, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Approve the expenditure of Redevelopment Agency bond proceeds in the amount of \$1,300,000 for the Mark Twain Library and 55<sup>th</sup> Way Park. (Districts 6 and 9)

## DISCUSSION

The City Council requested the Redevelopment Agency to provide the City with a \$1.3 million loan repayment during Fiscal Year 2005 (FY 05). The origin of this request began with the newly adopted California State Budget that reduced available revenues to cities creating a \$6.3 million loss for the City of Long Beach in FY 05. This revenue loss was not included in the City's Three-Year Financial Strategic Plan due to the lack of definitive information available regarding the State take-aways. During the FY 05 Budget adoption process, however, a recommendation was made for a \$1.3 million payment from the Redevelopment Agency. On September 7, 2004, the City Council approved this recommendation as part of the FY 05 Budget.

On September 27, 2004, the Redevelopment Agency Board directed staff to identify projects that could be funded by the Agency as a means to fulfill Council's request. The Agency also requested that the potential projects be in, or adjacent to, an established redevelopment project area. The Redevelopment Agency can help the General Fund compensate for its revenue loss by providing funds to projects that are already receiving support from the General Fund. Staff identified two such projects, the Mark Twain Library and 55<sup>th</sup> Way Park.

On March 28, 2005, the Redevelopment Agency approved amending the FY 05 Redevelopment Agency Budget to include additional funding of \$377,951 from the Central Long Beach Project Area for the Mark Twain Library, and \$922,049 from the North Long Beach Redevelopment Project Area for 55<sup>th</sup> Way Park.

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Since both the Mark Twain Library and 55<sup>th</sup> Way Park projects are appropriate uses of tax-exempt bond proceeds, and in general there are more restrictions on the use of bond proceeds than on the use of tax increment, staff recommends the use of North and Central bond proceeds to provide the additional funding (Exhibit A). City Council approval is required to use the proceeds of the 2005 Redevelopment Agency bonds.

### **Project Area Committee Review**

Staff presented this funding proposal to each Project Area Committee (PAC). The West Long Beach Industrial (WLBI) PAC approved a motion stating their opposition to the Redevelopment Agency providing the requested assistance to the General Fund. The motion also included their opposition to using any WLBI Project Area funds for this purpose. The North Long Beach PAC approved a motion that funding for the \$1.3 million assistance to the General Fund should come primarily from the Project Income Fund. The Central Long Beach PAC voted to endorse the proposal.

This letter was reviewed by Assistant City Attorney Heather Mahood on March 30, 2005, and by Budget Management Officer David Wodynski on April 21, 2005.

### **TIMING CONSIDERATIONS**

City Council action is requested on May 10, 2005, to allow the projects to move forward in an expeditious manner.

### **FISCAL IMPACT**

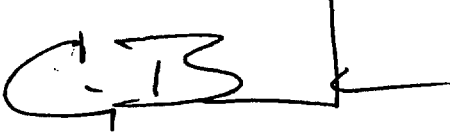
The support provided to the Mark Twain Library of \$377,951 and 55<sup>th</sup> Way Park of \$922,049 totals \$1,300,000, all of which is budgeted in FY 05 in the Redevelopment Fund (RD) in the Department of Community Development (CD). The funding source is Redevelopment Agency 2005 bond proceeds. The use of Agency funds will reduce the amount of General Fund support for these projects by \$1,300,000. The supplanted General Fund resources will be returned to Fund Balance, as anticipated in the Three-Year Financial Strategic Plan.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Beck', with a horizontal line extending to the right from the end of the signature.

CRAIG A. BECK  
ACTING DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

A handwritten signature in black ink, appearing to read 'Gerald R. Miller', written in a cursive style.  

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GERALD R. MILLER  
CITY MANAGER

CAB:JMV:jmv

Attachment: Exhibit A – Redevelopment Agency Assistance to the City