



CITY OF POMONA COUNCIL REPORT

May 21, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Meg McWade, Public Works Director

Subject: **Adopt a Resolution Amending the 2017-18 Capital Improvement Program (CIP) Budget by Unappropriating \$4,023,669 of Committed Prop C Funds from “Major Street Rehabilitation – 2015 Metro Call,” Project No. 428-2590-xxxxx-67918 and Appropriating \$4,023,669 of Prop C Funds to “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxxx-71047; and Unappropriating \$4,023,669 of Series “AX” Bonds (Garey Village Sale Proceeds) from “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxx-71047, and Appropriating \$4,023,669 of Series “AX” Bonds (Garey Village Sale Proceeds) to “Major Street Rehabilitation – 2015 Metro Call,” Project No. 428-2590-xxxxx-67918.**

OVERVIEW

Recommendation – That the City Council adopt a Resolution amending the FY 2017-18 CIP Budget by:

1. Unappropriating \$4,023,669 of Prop C funds from “Major Street Rehabilitation - 2015 Metro Call,” Project No. 428-2590-xxxxx-67918; and
2. Appropriating \$4,023,669 of Prop C Funds to “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxxx-71047; and
3. Unappropriating \$4,023,669 of Series “AX” Bonds (Garey Village Sale Proceeds - formerly known as “AI” Bonds) from “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxxx-71047; and
4. Appropriating \$4,023,669 of Series “AX” Bonds (Garey Village Sale Proceeds - formerly known as Series “AI” Bonds) to “Major Street Rehabilitation - 2015 Metro Call,” Project No. 428-2590-67918

Fiscal Impact – There is no fiscal impact to this action as both projects will redirect the funds to one another. The action does not increase or decrease the total budget in either project.

Previous Related Action – On December 7, 2015, City Council approved various Resolutions: 1) unappropriating funding for existing CIP projects funded with former Redevelopment Agency excess bond proceeds and appropriating for required/current commitments, and 2) appropriate additional former Redevelopment Agency excess bond proceeds for City Manager-recommended projects. On March 6, 2017, City Council approved the creation of “Holt Avenue Reconstruction,” Project No. 428-2590-xxxxx-71047 and appropriated Excess RDA Bond Proceeds, Series “AX” (Garey Village Sale Proceeds) in the amount of \$7,517,970. On May 1, 2017, the City Council adopted a Resolution amending the FY 2016-17 Capital Improvement Program (CIP) budget by updating the “Holt Avenue Reconstruction,” Project No. 428-2590-xxxxx-71047 name and description to “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxxx-71047, and reappropriating Excess RDA Bond Proceeds in the amount of \$1,740,285. On March 5, 2018, City Council approved awarding a construction contract to Hardy and Harper, Inc. in the sum of \$3,839,000 and authorized construction change order capacity up to \$300,000 for Phase 1 of the “Major Street Rehabilitation – 2015 Metro Call,” Project No. 428-2590-xxxxx-67918.

EXECUTIVE SUMMARY

This City Council action (Resolution Amending CIP Budget - Attachment 1) will allow for the reappropriation of funds between two existing CIP Projects: “Major Street Rehabilitation - 2015 Metro Call,” Project No. 428-2590-xxxxx-67918 and “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxxx-71047. Prop C Funds will be reappropriated to the “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxxx-71047 and Series “AX” Bonds (Garey Village Sale Proceeds) will be reappropriated to “Major Street Rehabilitation -2015 Metro Call”. This reappropriation will allow Series “AX” Bonds, (Garey Village Sale Proceeds - formerly known as “AI” Bonds), to be expended within FY 17-18 and 18-19 as construction for the “Major Street Rehabilitation - 2015 Metro Call,” is anticipated to commence in May 2018.

DISCUSSION

The bond proceeds specific to Series “AX” Bonds, used to fund existing CIP Project “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxxx-71047, must meet criteria set forth by the Department of Finance and the approved Master Agreement between the Successor Agency and the City dated October 2, 2015. The Master Agreement provided for the transfer of the excess bond proceeds to the City and obligated the City to expend and maintain the proceeds in accordance with the bond covenants. The City has met the requirement and will be providing infrastructure improvements that are designed to improve and expand the commercial and industrial segments of the Project Area economy.

The City was recently advised by the Department of Finance that the bond proceeds from the Sale of Garey Village are to be expended by January 17, 2019. To meet the terms set forth by the Department of Finance and expend the bond funds, the reappropriation from one project to another is required. This action will reappropriate funding from the two existing projects: “Major Street Rehabilitation - 2015 Metro Call,” Project No. 428-2590-xxxxx-67918 and “Holt Avenue (West) Reconstruction,” Project No. 428-2590-xxxxx-71047. The Series “AX” Bond funds

(Garey Village Sale Proceeds) from the Holt Avenue (West) Project will be reappropriated to the “Major Street Rehabilitation – 2015 Metro Call”. Since this project will commence construction shortly, the Series “AX” Bond (Garey Village Sale Proceeds) will be used expeditiously. The Prop C funds originally appropriated to Major Street Rehabilitation – 2015 Metro Call,” will be appropriated to the “Holt Avenue (West) Project.” Prop C funds have a three-year limit on expenditures.

Attachment: 1. Resolution

Prepared by: Dennice Raygoza, Sr. Management Analyst