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**Redevelopment
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Staff Report

ITEM NO. 13

To: Lemoore Redevelopment Agency Board
From: Judy Holwell, Redevelopment Project Manager
Date: October 12, 2011
**Subject: Budget Amendment – RDA Joint Project with
Lemoore Union Elementary School District –
Sidewalk Improvement Project**

Discussion:

The Lemoore Redevelopment Agency (RDA) entered into an agreement with the Lemoore Union Elementary School District (LUESD) on July 17, 1990 to alleviate the financial burden that occurs as a result of Tax Increment being distributed to the RDA. Tax Increment funds are received by the RDA and held in a Pass-Thru Fund that may be used for Elementary School capital facilities and improvements. Currently, the LUESD Pass-Thru Fund has \$627,813 available for such projects. The LUESD Board is requesting the use of these funds for sidewalk improvements at P. W. Engvall and Meadow Lane school sites. The estimated cost of improvements at both schools is \$167,125 (estimates attached). Mr. Rick Rayburn, Superintendent of LUESD, will be in attendance during Tuesday evening's RDA Board meeting and will present the project in detail and answer any questions you may have.

As you know, redevelopment agencies in California are currently prohibited from entering into any new contracts or agreements until the California Supreme Court makes a determination on the constitutionality of AB X1 26 & AB X1 27, which is expected no later than January 15, 2012. If the Board chooses to approve the use of funds for the sidewalk improvements, staff recommends doing so on a conditional basis as follows:

- 1) Approval will take effect immediately after the Supreme Court makes its decision regarding AB X1 26 & AB X1 27 and the RDA is once again able to enter into agreements/contracts, and;
- 2) The school would be reimbursed only after the project is complete.

Budget Impact:

The Elementary School Pass-Thru Fund has approximately \$627,813 available and will be reduced by the amount of the sidewalk improvements, estimated at \$167,125.

Recommendation:

That the RDA Board "conditionally" approve the use of Pass-Thru Funds for the Lemoore Union Elementary School District Sidewalk Improvement Project in the amount of \$167,125, based on the conditions identified above and amend the budget accordingly.