



2

DEPARTMENT OF
FINANCE

BUDGET DIVISION

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 14
915 I STREET
SACRAMENTO, CA
95814-2696

916-449-5845

January 20, 1989

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Transfer Funds in the Amount of \$5,876,695 from Fund 419 to the East End Garage Project (VA66)

SUMMARY

This report recommends that \$5,876,695 from 1987 COP funds be transferred to the East End Garage Project (VA66) to fund pre-construction activities prior to the issuance of debt financing. Of this amount, the Parking Fund will reimburse the \$5,876,695 to the 1987 COP Category II Projects at the time that debt financing is secured for the East End Garage Project. It is expected that this financing will occur in June of the 1988/89 fiscal year.

BACKGROUND

The East End Parking Garage Project (VA66) was approved by Council in September, 1988. Since approval staff has awarded contracts for project design and the City Attorney's Office is negotiating purchase of the parcels which are required for development of the project.

In order for the Project to proceed on schedule, the budget will require the use of other funds until debt financing is issued for the project. The costs which will be incurred between now and the time of debt financing will pay for staff time, design, land acquisition, demolition, environmental monitoring and other pre-construction costs. It is expected that debt financing will be issued in June of this fiscal year, 1988/89, at which time the Project will reimburse the borrowed funds. The Financial Data section of this report contains more detailed financial information.

FINANCIAL DATA

The East End Garage Project (VA66) will require approximately \$6,523,750 over the next five months to continue work on the pre-construction phase of the project. The project presently contains a fund balance of \$762,650. Therefore, in order to fund the ongoing pre-construction activities it is recommended that the fund balance in the 1987 COP Category II Project be transferred into the East End Garage CIP. The Category II fund balance is \$5,876,695 which if added to the Project fund balance gives a total fund balance of \$6,639,345. Funds appropriated from the 1987 COP would be reimbursed once debt financing is issued on the East End Garage Project. It is expected that debt financing will be issued in June, 1989. At the time that final construction costs have been determined and staff is ready to begin work on financing, a report will be brought before the Budget and Finance Committee and Council on the total project costs and recommended financing. It is expected that the report to Council on total construction costs will be brought back in February.

POLICY CONSIDERATIONS

This report recommends an administrative action which transfers funds already appropriated.

MBE/WBE

There are no goods or services being purchased as a part of this recommendation, although subsequent contracts may be executed as a result of the project. At the time that such contracts are identified, they will be brought before the Council for review.

RECOMMENDATION

It is recommended that the Budget and Finance Committee recommend approval of the attached resolution which amends the 1988/89 Capital Improvement Budget (CIP) by transferring funds from the 1987 COP Category II Projects in the amount of \$5,876,695 to the East End Garage Project (VA66). This report will be heard by Council tonight, January 31, 1989.

Respectfully submitted,

Carol L. Branan
CAROL L. BRANAN
Senior Management Analyst

January 31, 1989
District 1

Recommendation Approved:

Jack R. Crist
JACK R. CRIST
Deputy City Manager

Contact Person to
Answer Questions:

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2

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AUTHORIZING THE APPROPRIATION AND TRANSFER OF \$5,876,695 FROM
THE 1987 COP TO THE EAST END GARAGE PROJECT (VA66)

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The Capital Improvement Program is hereby amended by increasing funds to the East End Garage Project (VA66) as follows:

Transfer from:

419-500-PA41-4820 \$5,876,695

To:

412-500-VA66-4820 \$5,876,695

MAYOR

ATTEST:

CITY CLERK