



Legislation Text

File #: 2018-468, Version: 1

Report to Carson Reclamation Authority

Tuesday, July 03, 2018

Discussion

SUBJECT:

CONSIDER RESOLUTION NO. 18-08 CRJPA ADOPTING PROPOSED FISCAL YEAR 2018-19 BUDGET FOR THE CARSON RECLAMATION AUTHORITY

I. SUMMARY

The Joint Powers Agreement that authorized the formation of the Carson Reclamation Authority (CRA) on February 17, 2015 calls for the adoption of an annual budget by no less than a two thirds (2/3) vote of the Board of Directors. This report transmits the proposed Fiscal Year 2018-19 (FY 18-19) CRA budget. Proposed expenditures include those required to remediate the former Cal-Compact Landfill and support the horizontal and vertical development of the site.

II. RECOMMENDATION

Waive further reading and ADOPT RESOLUTION NO. 18-08-CRJPA, A RESOLUTION OF THE CARSON RECLAMATION JOINT POWERS AUTHORITY ADOPTING THE FISCAL YEAR 2018-19 BUDGET AND APPROVING APPROPRIATIONS FOR FISCAL YEAR 2018-19.

III. ALTERNATIVES

1. MODIFY the proposed budget and APPROVE the budget as modified; or
2. TAKE any action the Board deems appropriate.

IV. BACKGROUND

On January 20, 2015 the governing boards of the Carson Housing Authority and the Community Facilities Districts each approved an agreement for the formation of the Carson Reclamation Joint Powers Authority (CRJPA) for the purpose of overseeing and facilitating the remediation of contaminated properties in the City of Carson and for the maintenance

and potential development of same. The Carson Reclamation Authority was formed pursuant to the Joint Powers Authority Agreement dated February 17, 2015, which was then amended on March 17, 2015.

The Joint Powers Agreement provides under Article II - Purpose and Powers, Section 2.03 - Specific Powers, Subsection (a) - Annual Budget, that the CRA Board shall adopt an annual budget for the ensuing fiscal year by approval of not less than 2/3 of the Board Members. The next fiscal year begins July 1, 2018 and ends June 30, 2019.

FUND	OBJECT	DESCRIPTION	FY17-18 ESTIMATE	FY18-19 PROPOSED
Reclamation Authority		Beginning Fund Balance	92,222,145	107,388,306
Reclamation Authority		Restated Net Position		
78	4906	Misc Revenue/Sales of Promo		
78	4918	Settlement Agreement Proceeds		
78	4951	Contributions		
78		Proceeds of Trust Account		
78	4802	Developer Reimbursements	31,333,150	60,900,300
78		Grant Revenue	1,800,000	
78	4401	Interest Income on Investments	344,542	1,696,441
Reclamation Authority		Total Revenue	33,477,692	62,596,741
78	6004	Professional Services	6,248,625	114,094,678
78	6010	Office/Facilities Sppls&Frshng	10,000	10,000
78	6014	Conference and Travel		
78	6015	Application Fees (Permits)	40,000	30,000
78	6019	Admin Reimb to City	262,906	222,711
78	6020	Computer related accessories		
78	6028	Liability Insurance	7,000,000	2,000,000
78	6097	Local Training & Meetings		
78	78XX	Utilities	250,000	195,000
78	78XX	Onsite Improvements	4,500,000	
78	78XX	Offsite Improvements	-	
Reclamation Authority		Total Expenditures	18,311,531	116,552,389
78	9140	Operating Transfers in - Debt Svs		
78	9182	Operating Transfers in - Suc Agy		
Reclamation Authority		Net Transfers	-	-
Reclamation Authority		Ending Fund Balance	107,388,306	53,432,658
	Less	Nonspendable Land	(36,000,000)	(36,000,000)
Reclamation Authority		Available Fund Balance	71,388,306	17,432,658

This budget is by far the largest in the Authority's history, and reflects the anticipated commencement of the vertical work on behalf of the Macerich ("Developer") project, the Fashion Outlets of Los Angeles ("FOLA"). Under the Conveyancing Agreement approved on April 3, 2018, the Authority would undertake the installation of the structural piles and slab on behalf of the Developer, with funds advanced by the developer, plus undertake the

construction of the major infrastructure (such as Lenardo Road) partly with funds from the Developer. This total amount of advance received from the Developer could be up to \$60 million, mostly in this fiscal year based on the project schedule.

In addition, there are direct Authority costs on behalf of the FOLA project in Cell 2, such as waste consolidation, grading, liner and landfill gas system installation, and improvements along the embankment. These are reflected in the budget as well.

V. FISCAL IMPACT

If the CRA Board adopts the proposed resolution, the CRA will have the spending authority to proceed with both the on-site and off-site improvements as planned. The proposed FY 2018/19 budget is in the amount of \$116,552,389. The remaining spendable fund balance at June 30, 2019 is expected to be \$17,432,658.

VI. EXHIBITS

1. Resolution No. 18-08-CRJPA (pgs. 4-5)

1.

Prepared by: John Raymond, Executive Director