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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FROM: County Executive Office

SUBMITTAL DATE:
March 15, 2011

SUBJECT: Designation of Fund in which to Deposit Tax Increment Pass-Thru from the City of Riverside RDA's Sycamore Canyon and Box Springs Industrial Park Redevelopment Project

RECOMMENDED MOTION: That the Board of Supervisors approve 1) designating the County's RDA Capital Improvement Fund (currently fund 31540) as the fund into which tax increment allocated to the County from the Sycamore Canyon and Box Springs Industrial Park Redevelopment Project shall be deposited by the City of Riverside pursuant to Section 2(f) of the settlement and cooperation agreement by and between the County, the Redevelopment Agency of the City of Riverside and the City of Riverside dated December 18, 1984; and 2) requesting immediate transfer of the existing balance to this fund.

BACKGROUND: The County entered into a pass-through agreement entitled the "Settlement and General Release and Cooperation Agreement between the County of Riverside, the Redevelopment Agency of the City of Riverside, and the City of Riverside" effective December 18, 1984. Section 2(f) of that pass-through agreement states the tax increment allocated to the County from the Sycamore Canyon project area is "to be deposited in an interest-bearing trust fund to be designated by County...." Anticipating that this revenue might be applied to City costs of capital projects of mutual benefit to the City and the County, the County agreed at the time to designate deposit of this revenue to a trust fund within the City treasury.


Denise C. Harden, Principal Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: 
Christopher M. Hans

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: | District: | Agenda Number: **3.2**

FORM APPROVED COUNTY COUNSEL Paul Ameyko
BY: Denise C. Harden 3/15/11 Auditor - Contralera
DATE: 3/15/11
ANTHONY WILKINS

RE: Designation of Fund in which to Deposit Tax Increment Pass-Thru
from the City of Riverside RDA's Sycamore Canyon & Box Springs
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Subsequently, however, the City and County entered into an arrangement in which the County would construct the 12th Street parking structure. The tax increment from the Sycamore Canyon project is applied by the County to debt service on that and other County capital projects within the City of Riverside.

In anticipation of the potential elimination of redevelopment in its present form, to protect its financial interests the City of Riverside is taking preemptive action to move the assets and responsibilities of its redevelopment agency to the City proper. Likewise, in the face of significant uncertainties, the County also wishes to protect its financial interests with respect to this revenue.

County Counsel has opined that, pursuant to the pass-thru agreement, the County has the discretion to change designation of the fund into which this revenue shall be deposited. The Executive Office urges immediate designation of such fund as the County's RDA Capital Improvement Fund (currently fund 31540), and transfer to this fund the existing balance of \$7.4 million held by the City of Riverside.

The County's RDA Capital Improvement Fund is managed by the County Executive Office and captures tax increment revenue received from various city redevelopment project areas that the County has agreed to apply to capital improvements. It must be noted this fund is not in any way related to the County of Riverside Redevelopment Agency, nor does it receive revenue from it. The Executive Office has the capacity to identify and track revenue, expense and fund balance within this fund by project area, and would intend to do so with the Sycamore Canyon revenue.