

4th & San Fernando Garage Debt Payments

Amended Loan Agreement between the Redevelopment Agency and the City

February 23, 2010

Item 9.2

4th & San Fernando Garage Debt Payments

- Postpone Agency repayment of existing \$6.8 M loan to the City's Parking Fund from 2012 to 2015
- Provides an additional \$6.8 M loan to service next two years of debt, starting March 1, 2010
- Eliminates reserves in Parking Capital Development Fund, halting parking planning and development
- Recognizes that new parking is not needed, nor is it financially feasible in the Downtown Core

Financial Condition of City's Parking Fund

- Mid-Year reduction to revenue/expenses of \$1.5 M, due to the economy and parking activity being down
- Forecast out of balance in 2010-11, requiring more reductions
- New loan further reduces interest revenue to the Fund
- Disposition of parking lots for development will reduce revenue
- Limited capacity in the Fund to absorb further revenue reductions for Parking Incentives for existing businesses
- Fund will maintain legally required and emergency reserves