

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 10

Date: October 13, 2010

TO: Honorable Mayor and Members of the City Council

FROM: Jerry Van Leeuwen, Director of Community Services

SUBJECT: USE OF FUNDS FROM SALE OF CENTER FOR COMMUNITY SOLUTIONS

RECOMMENDATION:

It is requested that Council approve distribution of proceeds from the sale of the Center for Community Solutions property to support youth and family programs.

FISCAL ANALYSIS:

Distribution will increase the following funds:

CDBG:	\$218,282
Share A Dream:	\$160,000
Recreation Reserve:	\$230,718

COUNCIL ACTION PLAN:

This request supports the Council's goal of financial stability.

PREVIOUS ACTION:

On July 14, 2010, the Council approved the sale of the City owned property to the Center for Community Solutions; however no decision was made as to the distribution of the funds.

BACKGROUND:

The property consists of two parcels. One parcel was originally purchased with \$150,000 in Community Development Block Grant (CDBG) funds, with an additional \$68,282 in CDGB funds expended on miscellaneous rehabilitation work. Per CDGB regulations, \$218,282 of the \$609,000 purchase price will go back into the CDGB unallocated fund balance to be allocated by Council at a public hearing.

Distribution of Funds From the Sale of the Center for Community Solutions.

October 13, 2010

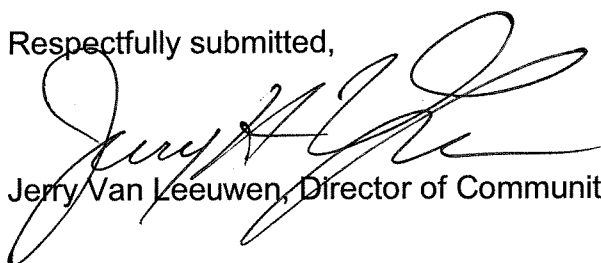
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A second parcel of this property was transferred as a charitable gift to the City, along with an endowment of approximately \$160,000 by the EYE, a not for profit organization providing services for children, youth and families that ceased operations, with the agreement that the property would be used to support youth and families. In keeping with the original gift, \$160,000 of the remaining proceeds from the sale of the property will go to the Share A Dream Scholarship fund, which will recoup the loss of the \$2,000 per month in lease payments that had been coming from the Center for Community Solutions; and the balance of \$230,718 will go to the Recreation Reserve Fund.

Staff is requesting \$230,718 be deposited into the Recreation Reserve to be used to support children and families, consistent with the endowment request. During the past budget process, the Budget Subcommittee requested the Recreation Division work on developing new revenue streams in order to reduce the reliance on the cable franchise fees. In a presentation April 6, 2010, to the subcommittee, staff discussed the need to develop new markets, by creating new programs, as opposed to only raising fees on existing customers. The funds from the sale of the Center for Community Solutions would be used as "venture capital" to help develop these new program markets. Identified opportunities include: a Preschool soccer program, water polo training, and a swim team.

The Recreation Division is working toward a \$200,000 reduction in the Cable franchise fee over the next three years, but needs the "venture capital" in order to develop the new markets and revenue streams.

Respectfully submitted,



Jerry Van Leeuwen, Director of Community Services



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: October 13, 2010
Department: Community Services
Division: Recreation
Project/Budget Manager: Robin Bettin 6269
Name Extension
Council Date (if applicable): October 13, 2010
(attach copy of staff report)

For Finance Use Only

Log # _____

Fiscal Year _____

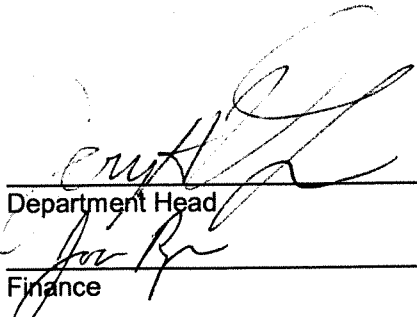
____ Budget Balances
____ General Fund Accts
____ Revenue
____ Interfund Transfers
____ Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Sale of City Property	4901-116-000	\$218,282	
Share a Dream Scholarship	2109-112-0000	\$160,000	
Sale of City Property	4901-112-000	\$230,718	

Explanation of Request:

Proceeds from sale of the Center for Community Solutions .

APPROVALS


Department Head

10-6-10
Date

City Manager

Date


Finance

10-6-10
Date

City Clerk

Date

Distribution (after approval):

Original: Finance