



CITY COUNCIL AGENDA REPORT

MEETING DATE: JANUARY 19, 2010

ITEM NUMBER: 1

SUBJECT: APPROVAL OF BUDGET ADJUSTMENT FOR COSTS ASSOCIATED WITH PURCHASE OF ORANGE COUNTY FAIRGROUNDS – 88 FAIR DRIVE

DATE: JANUARY 7, 2010

FROM: FINANCE DEPARTMENT, ADMINISTRATION DIVISION

PRESENTATION BY: BOBBY YOUNG, BUDGET AND RESEARCH OFFICER

FOR FURTHER INFORMATION CONTACT: BOBBY YOUNG AT (714) 754-5241

RECOMMENDED ACTION:

- 1) Approve budget adjustment #10-017 in the amount of \$250,000 for costs associated with the purchase and regulation of the Orange County Fairground site located at 88 Fair Drive.

BACKGROUND:

As the sale of the Orange County Fairground site by the State of California continues, the City has begun incurring costs to 1.) stop the sale of the property, 2.) through a Memorandum Of Understanding (MOU) with the County of Orange to submit a bid to purchase the Orange County Fairground site and 3.) placement of a ballot initiative relating to the land use designation of the Orange County Fairground site.

ANALYSIS:

Since the City has been incurring costs associated with the purchase and regulation of the OC Fairgrounds, it is important to establish a budget for incurred and future expected costs. The City entered into an MOU with the County for the purchase of the site, and in doing so, also committed to sharing the expected costs necessary to complete the purchase. Such costs could include legal, financial, and underwriting fees from consultants.

The Council is also determining the placement of a ballot initiative relating to the land use designation of the OC Fairgrounds site. This initiative would be included on the June 8, 2010 election ballot. The Orange County Registrar of Voters estimates these costs to be approximately \$130,000.

ALTERNATIVES CONSIDERED

The Council could choose to not approve budget adjustment #10-017 and thereby not authorize any expenditures or change the amount of the budget adjustment to increase or decrease authorization of expenditures.

FISCAL REVIEW

The budget adjustment #10-017 in the amount of \$250,000 is for the purpose of incurring costs associated with the purchase and regulation of the Orange County Fairgrounds site at 88 Fair Drive.

While performing the annual audit, the City's auditors and Finance staff determined that deposits made during the last couple of years should have actually been recorded as revenue. This reclassification in the amount of \$259,656 will occur in the 2009-10 fiscal year. Since this revenue was not originally appropriated in FY 09-10, it may be appropriated at this time for the purpose stated above.

LEGAL REVIEW

No legal review necessary for this item.

CONCLUSION:

Budget adjustment #10-017 in the amount of \$250,000 is for the purpose of incurring costs associated with the purchase and regulation of the Orange County Fairgrounds site at 88 Fair Drive. Possible costs include: consultants for legal, financial, and underwriting related to the purchase of the OC Fairgrounds site, as well as a ballot initiative relating to the land use designation of the same site. The budget adjustment will also recognize revenue from reclassified deposits.



BOBBY YOUNG
Budget & Research Officer

Attachment 1: Budget Adjustment #10-017

BUDGET ADJUSTMENT AUTHORIZATION

Unit CITY	Department Finance	Division Financial Planning	Serial Number 10-017
Type of Transaction <input checked="" type="checkbox"/> Revenue Estimate <input checked="" type="checkbox"/> Estimate Increase <input type="checkbox"/> Estimate Decrease <input checked="" type="checkbox"/> Source <input type="checkbox"/> From Existing Budget Appropriations <input checked="" type="checkbox"/> From Donations, Fees, or Grants <input type="checkbox"/> From Unappropriated Fund Balance		Reason for Request: To increase revenue from the reclassification of deposits and increase appropriations for the purchase and regulation of the Orange County Fairgrounds site, as presented to Council at their January 19, 2010 meeting.	

Unit	Account	Name	Fund	Organization	Program	Project/Grant	Increase	Decrease
CITY	500000	Exp -- Purchase of OC Fairgrounds	401	13200	50540	200057	\$250,000	-
CITY	499999	Other Revenue	101	13200	50540	-	\$259,656	-
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Department Authorization: _____ Date _____ Department Director	Recommendation: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Disapproval Reasons For Disapproval: _____ Date _____ Director of Finance City Manager Action: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved <input type="checkbox"/> Not Required _____ Date _____ City Manager City Council Action: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved <input type="checkbox"/> Not Required _____ Date _____
Budget Verification: The above information has been reviewed, is complete and accurate, and the appropriations and/or unappropriated funds are sufficient to support the request. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No _____ Date _____ Budget and Research Officer	