Transfer of dollars from Developer Fee/Redevelopment Fund (Fund 25) to The Building Fund (Fund 21) to build The Health and Wellness Center

Estimated construction costs to build the center are $2,541,240. There is only about $1.4 million available for the project from bond funds. There are two options available to construct the project:

> Option 1. Divide the project into 2 phases and build on phase one now with available funds, postponing phase two until funds are available.
>
> Option 2. Transfer approximately $1.2 million from fund 25 to build the entire project

Option 1 will provide a significantly reduced center. Option 2 would provide the envisioned center with some small financial risks. Option 2 would be lower cost due to lower inflation that would occur with waiting for a 2nd phase. Fund 25 is servicing portable leases and the repayment loan from the city of San Leandro. The risk in authorizing option 2 is that the Redevelopment funds, the main source of revenue to Fund 25 are eliminated. This is very unlikely according to FCMAT (see 1. below)

	Fund 25 2014-15 Budget
Revenue*	387,100.00
Expense	488,167.00
Difference	(101,067.00)
Beg Balance	2,048,735.00
End Balance	1,947,668.00
Less Transfer	1,200,000.00
New Balance	747,668.00

Recommendation: Transfer sufficient funds (approximately $1.2 million) from Fund 25 to Fund 21 to complete the health center.

*1. All affected taxing entities, including County Offices of Education, school districts, and Community college districts (local education agencies or LEAs) will continue to receive both contractual and statutory pass-through payments, except the Auditor-Controller will now apportion them from the Trust Fund. Pass-through payments to LEAs will continue to be primarily for educational facilities, and received outside the revenue limit as under previous law. (*ABX1 26 AND DISSOLVED RDAS: LEA PERSPECTIVE ON SUCCESSOR AGENCIES AND OVERSIGHT BOARDS
Prepared for FCMAT by Public Economics, Inc., 2012).