City of Culver City, California
Agenda Item Report

Meeting Date: 07/13/15	Item Number: C-2
CITY COUNCIL AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT - Approval of a Budget Amendment to Appropriate and Re-Allocate Pre-2011 Bond Proceeds Pursuant to the Master Agreements Between the City and the Successor Agency to the Culver City Redevelopment Agency.	
Contact Person/Dept.: Jeff Muir/Finance	Phone Number: (310) 253-5865
Fiscal Impact: Yes [X] No []	General Fund: Yes [] No [X]
Public Hearing: [] Action Item: []	Attachments: []
Commission Action Required: Yes [] No [X]	Date: ________________
Public Notification: (E-Mail) Meetings and Agendas – City Council (07/08/15)	
Department Approval: Jeff Muir (07/02/15)	City Attorney Approval: Carol Schwab (by H. Baker) (07/06/15)
Chief Financial Officer Approval: Jeff Muir (07/02/15)	City Manager Approval: John M. Nachbar (07/07/15)

RECOMMENDATION:

Staff recommends the City Council approve a budget amendment to appropriate and re-allocate pre-2011 bond proceeds pursuant to the Master Agreements between the City and the Successor Agency to the Culver City Redevelopment Agency (Successor Agency).

A budget amendment requires a 4/5ths vote.

BACKGROUND:

At the time the former Culver City Redevelopment Agency (Former CCRA) was dissolved in February 2012, there existed certain unexpended tax-exempt bond proceeds from bond issues prior to 2011. Under the provisions of the Dissolution Law, a successor agency is able to spend pre-2011 bond proceeds once it receives a Finding of Completion from the State Department of Finance (DOF). On December 5, 2013, the Successor Agency received a Finding of Completion from the DOF.

On June 23, 2014, the Successor Agency Board and City Council adopted respective resolutions approving a Master Agreement in order to allow the Successor Agency to transfer $2,772,076 in 1999 tax-exempt bond proceeds and $13,965,558 in 2002 tax-exempt bond proceeds to the City, so that the City might use the bond proceeds for the purposes identified and consistent with the applicable indebtedness obligation covenants and the requirements of California Redevelopment Law. On July 24, 2014, the Oversight Board of the Successor

Agency to the Culver City Redevelopment Agency (Oversight Board) adopted a Resolution authorizing the Successor Agency to enter into the Master Agreement. On September 3, 2014, the DOF approved the action of the Oversight Board.

On April 13, 2015, the Successor Agency Board and City Council each adopted respective Resolutions approving a second Master Agreement in order to allow the Successor Agency to transfer $2,310,800 in 1993 tax-exempt bond proceeds to the City, so that the City might use the bond proceeds for the purposes identified and consistent with the applicable indebtedness obligation covenants and the requirements of California Redevelopment Law. On May 14, 2015, the Oversight Board adopted a Resolution authorizing the Successor Agency to enter into this Second Master Agreement. On June 26, 2015, the DOF approved the action of the Oversight Board.

DISCUSSION:

During the Fiscal Year 2014/2015 Mid-Year Budget Review, the City Council approved appropriation of $16,550,000 in 1999 and 2002 bond proceeds. The 1993 bond proceeds have not been appropriated as of yet. Due to further information about the anticipated costs of various projects now being available, including costs for increased public parking as part of the Town Plaza project, adjustments to some of the original project budgets are required. Additionally, the appropriation of the 1999 and 2002 bond proceeds must be adjusted between the two separate funds used to account for these monies. As a result, staff has brought this item to make the necessary new appropriations and re-allocations required to allow for the proper expenditure and tracking of these funds.

FISCAL ANALYSIS:

The following table (which appears on the next page) summarizes the new appropriations and re-allocations required at an account level:

Account	Project Name	Current Budget	Reallocation	New Appropriation	Revised Budget
1993 Bond Proceeds (Fund 484)					
48480000.730100.PZ553	Higuera Street Bridge	-	-	800,000	800,000
48480000.730100.R3411	Hayden Tract-Spur	-	1,200,000	-	1,200,000
48480000.730100.R4274	Washington AIP Phase IV	-	310,800	-	310,800
		-	**1,510,800**	**800,000**	**2,310,800**
1999 Bond Proceeds (Fund 486)					
48680000.730100.R4274	Washington AIP Phase IV	-	439,200	-	439,200
48780000.730100.R3340	Town Plaza	-	2,332,876		2,332,876
		-	**2,772,076**	**-**	**2,772,076**
2002 Bond Proceeds (Fund 487)					-
48780000.730100.R3262	Washington/National	650,000	(30,000)	-	620,000
48780000.730100.R3340	Town Plaza	3,550,000	(2,682,876)	-	867,124
48780000.730100.R3341	Town Plaza Parking	3,800,000	380,000	1,350,000	5,530,000
48780000.730100.R3411	Hayden Tract-Spur	1,200,000	(1,200,000)	-	-
48780000.730100.R4261	Washington/Centinela	6,600,000	-	-	6,600,000
48780000.730100.R4274	Washington AIP Phase IV	750,000	(750,000)	-	-
48716100.910200	Appropriated Reserves	-	-	348,434	348,434
		16,550,000	**(4,282,876)**	**1,698,434**	**13,965,558**
Grand Total		**16,550,000**	**-**	**2,498,434**	**19,048,434**

The following table summarizes the revised total project budgets:

Project	1993	1999	2002	Total
Higuera Street Bridge	800,000			**800,000**
Washington/National			620,000	**620,000**
Town Plaza		2,332,876	867,124	**3,200,000**
Town Plaza Parking			5,530,000	**5,530,000**
Hayden Tract-Spur	1,200,000			**1,200,000**
Washington/Centinela			6,600,000	**6,600,000**
Washington AIP Phase IV	310,800	439,200		**750,000**
Appropriated Reserves			348,434	**348,434**
Total	**2,310,800**	**2,772,076**	**13,965,558**	**19,048,434**

It should be noted that a new fund (Fund 484) will be created to account for the 1993 bond proceeds.

A Budget Amendment requires a 4/5ths vote.

ATTACHMENTS:

None

MOTION:

That the City Council:

Approve a budget amendment to appropriate and re-allocate pre-2011 bond proceeds consistent with the table included in this staff report.