

**City of Culver City, California
Agenda Item Report**

Meeting Date: 03/15/2011		Item Number: <u>J-1</u>	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD/PARKING AUTHORITY AGENDA ITEM: Adoption of City Council, Redevelopment Agency Board and Parking Authority Resolutions to Approve a Cooperation Agreement between the City of Culver City, the Culver City Redevelopment Agency and Culver City Parking Authority to Continue the Operation of the Cardiff Parking Structure as a Public Parking Structure.			
Contact Person/Dept.:		Phone Number:	
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Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Meetings and Agendas – City Council (03/14/11); Meetings and Agendas – Redevelopment Agency (03/14/11); and, Members of the Press (03/14/11).			
Department Approval: Sol Blumenfeld (03/15/11)		City Attorney/Authority Legal Advisor Approval: Carol Schwab: (by H. Baker) (03/15/11) Agency General Counsel Approval: Murray Kane (03/15/11)	
Chief Financial Officer Approval Jeff Muir: (03/15/11)		City Manager/Agency and Authority Executive Director Approval: John M. Nachbar (03/15/11)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council (City Council), the Redevelopment Agency Board (Agency Board) and the Culver City Parking Authority (Authority) adopt respective resolutions approving a Cooperation Agreement to continue the operation of the Cardiff Parking Structure (Structure) as a public parking facility and transfer the Structure from the Redevelopment Agency to the Authority to ensure the Structure remains available for that purpose. <u>BACKGROUND:</u> In 1965, the City Council created the Authority and appointed five members to oversee its activities. The Authority was created pursuant to Section 32500 of the California Streets and Highways Code for the purpose of creating public parking facilities and undertaking activities incidental thereto for which public money may be spent and private property acquired. In 1971, the City Council declared itself to be the Authority and since that time has met rarely because the creation of public parking facilities was handled primarily by			

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the Redevelopment Agency. The City Manager serves as the Executive Director, the City Attorney as Legal Advisor, and the City Clerk as Secretary of the Authority.

In 1994, the 400 space Structure was constructed on City-owned property using tax increment proceeds. Since opening, the Agency has overseen the Structure's day-to-day activities and funded necessary repairs and maintenance. Recently, Agency General Counsel advised that this was no longer possible pursuant to California Redevelopment Law. As a result, the City sold the Structure to the Agency.

DISCUSSION:

The Authority is being asked to consider accepting the transfer of ownership and operation of the Structure due to the uncertainty created by the Governor's proposal to eliminate redevelopment agencies throughout the state. The Authority will be the entity responsible for the Structure, and City staff and its consultants will administer day to day operations. This arrangement is memorialized in the Cooperation Agreement between the City, the Authority and the Redevelopment Agency (Attachment No. 1).

The management and operation will be funded with proceeds from the Structure. To provide initial start-up money for the Authority to manage and operate the Structure, it is recommended the City loan the Authority \$50,000 at 5% interest for a term not to exceed June 30, 2013. The terms of the loan will be established in a separate loan agreement between the Authority and the City. The general terms are as follows:

1. \$50,000: for Maintenance & Operations – One time loan
2. 5% simple interest on the principal
3. Term: to June 30, 2013.

The Structure will be of benefit to the Culver City Redevelopment Project, the community as a whole and the immediate neighborhood in which the Project Area is located for the following reasons:

1. The Structure will improve the quality of life for residents, visitors and businesses by maintaining an adequate supply of public parking.
2. The Structure will continue to provide a needed public facility for the area which, in turn, increases the desire for businesses to locate in this area.
3. The Structure will catalyze private investment, thereby contributing to the removal of economic blight.
4. The Structure creates pedestrian and vehicle activity which, in turn, will improve public safety and deter crime.

Under the proposed Cooperation Agreement, the Agency will convey fee title to the Structure to the Authority and assign all parking agreements (including but not

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limited to parking operations and maintenance) and revenues related to the Structure to the Authority.

The Authority shall accept the conveyance of the Structure and will use and maintain the Structure as a public parking structure. The Authority will accept the assignment of all parking agreements related to the Structure and any revenue derived from such conveyance and assignment of agreements will be used as follows:

- (i) To pay for any costs and expenses to manage, operate and maintain the Structure for use as a public parking garage;
- (ii) To establish and replenish as reasonably determined by the Authority's Executive Director or designee an operating reserve in order to manage and operate the Structure as a public parking garage; and
- (iii) To establish and continuously replenish as necessary as reasonably determined by the Authority's Executive Director or designee a maintenance reserve for capital repairs and replacement of the Structure for use as a public parking garage.

The City's obligations under the Cooperation Agreement are as follows:

- (1) To pay for any shortfall of the costs and expenses to manage, operate and maintain the Structure for use as a public parking garage.
- (2) To pay for any shortfall of the costs and expenses to establish and replenish as reasonably determined by the Authority's Executive Director or designee an operating reserve in order to manage and operate the Structure as a public parking garage.
- (3) To pay for any shortfall of the costs and expenses to establish and continuously replenish as necessary as reasonably determined by the Authority's Executive Director or designee a maintenance reserve for capital repairs and replacement of the Structure for use as a public parking garage.

FISCAL ANALYSIS:

Pursuant to the existing parking rates, the Structure generates approximately \$225,000 annually.

The on-going management fee charged by Modern Parking is approximately \$125,000 annually. The on-going maintenance cost is approximately \$75,000, which does not include costs for major repairs and staff. Therefore, the Structure generates sufficient funds to cover both maintenance and operating expenses.

Because revenues may not be received in time to fund expenses, staff is recommending that the City loan the Authority \$50,000 for these costs pursuant to the terms above.

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ATTACHMENTS:

1. Proposed Cooperation Agreement
2. Proposed City Council Resolution
3. Proposed Redevelopment Agency Resolution
4. Proposed Parking Authority Resolution

MOTIONS:

That the City Council:

1. Adopt a Resolution approving a Cooperation Agreement between the City of Culver City, the Culver City Redevelopment Agency, and the Culver City Parking Authority to continue the operation of the Cardiff Parking Structure as a public parking facility; and
2. Authorize the City Manager and Chief Financial Officer to create additional special Revenue Funds and administratively transfer appropriations between Special Revenue Funds, if necessary, as needed to implement this action and various related agreements; and
3. Authorize issuance of a loan from the General Fund to the Parking Authority in the amount of \$50,000 at 5% simple annual interest for a term expiring on June 30, 2013; and
4. Authorize the City Attorney to review/prepare the necessary documents; and,
5. Authorize the Mayor, City Manager, and Assistant City Manager to execute such documents on behalf of the City.

That the Redevelopment Agency Board:

1. Adopt a Resolution approving a Cooperation Agreement between the City of Culver City, the Culver City Redevelopment Agency and the Culver City Parking Authority to continue the operation of the Cardiff Parking Structure as a public parking facility; and
2. Authorize the Transfer of the Cardiff Parking Structure from the Culver City Redevelopment Agency to the Culver City Parking Authority; and
3. Authorize the Agency General Counsel to review/prepare the necessary documents; and,

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4. Authorize the Executive Director and the Assistant Executive Director to execute such documents on behalf of the Agency.

That the Parking Authority:

1. Adopt a Resolution approving a Cooperation Agreement between the City of Culver City, the Culver City Redevelopment Agency and the Culver City Parking Authority transferring fee title to the Cardiff Parking Structure from the Agency to the Authority to continue the operation of the Cardiff Parking Structure as a public parking facility; and,
2. Accept the transfer of the Cardiff Parking Structure from the Culver City Redevelopment Agency and authorize the Authority Secretary (City Clerk) to execute the Acceptance of Transfer; and,
3. Authorize acceptance of a loan from the City's General Fund to the Parking Authority in the amount of \$50,000 at 5% simple annual interest for a term expiring on June 30, 2013; and
4. Authorize the Authority Legal Advisor (City Attorney) to review/prepare the necessary documents; and,
5. Authorize the Chair (Mayor), Authority Executive Director (City Manager), and Authority Assistant Executive Director (Assistant City Manager) to execute such documents on behalf of the Authority.