

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

Meeting Date: 6/16/2008		Item Number: <u>J-1</u>	
AGENDA ITEM: JOINT ITEM Approval of the First Amendment To Cooperation Loan Agreement By And Between The City Of Culver City And The Culver City Redevelopment Agency.			
Contact Person/Dept.: John Fisanotti		Phone Number: (310) 253-5767	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master E-Mail Notification List on 06/11/08			
Department Approval: Sol Blumenfeld (06/05/08)		City Attorney Approval: Carol Schwab (by H. Baker) (06/11/08)	
Chief Financial Officer Approval: Jeff Muir (06/11/08)		City Manager Approval: Jerry B. Fulwood (06/11/08)	

RECOMMENDATION:

Staff recommends the City Council and Culver City Redevelopment Agency approve the *First Amendment to Cooperation Loan Agreement By and Between The City of Culver City and the Culver City Redevelopment Agency* (the "Amendment").

BACKGROUND:

On May 29, 2007 the Council and Agency approved a cooperation agreement whereby the City loaned \$9 million to the Agency. Attachment Number 1 to this staff report is a copy of the Council staff report from the May 29, 2007 meeting. The purpose of the loan was to enable the Agency to reallocate its tax exempt bond fund proceeds in accordance with the Bond documents. Attachment Number 2 to this staff report is a copy of the existing *Cooperation Loan Agreement By and Between The City of Culver City and the Culver City Redevelopment Agency* (the "Agreement").

DISCUSSION:

The Agreement requires repayment in full plus interest by June 21, 2008. It was anticipated that the source of repayment would be land sales proceeds from the various parcels the Agency expects to sell for new commercial development. Currently the Agency is in escrow to sell the Baldwin Site and Parcel B and is negotiating a Disposition and Development Agreement for the Washington/Centinela site. The status of these three properties is indicated in the Table on the following page.

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Property	Status	Sale Price	Escrow Closing Date
Baldwin Site	In Escrow	\$3,200,000	December 2008
Parcel B	In Escrow	\$5,900,000	July 2008
Washington/Centinela	DDA under Negotiation	\$8,200,000?*	FY 08-09?*
TOTAL PROCEEDS		\$17,300,000	

* Estimated Pending final DDA terms

Since none of these transactions have closed yet, staff has drafted the Amendment which modifies the repayment terms to reflect the Agency's current position. The Amendment will:

- Require a two-million dollar principal payment, in addition to accrued interest, by June 30, 2008; and
- Require full repayment of the remaining principal and interest by June 30, 2009.

FISCAL ANALYSIS:

The City's Chief Financial Officer has reviewed the proposed Amendment and believes that the terms should not result in placing a burden on the City's finances.

ATTACHMENTS:

1. Council staff report from the May 29, 2007 agenda.
2. "Cooperation Loan Agreement By and Between The City of Culver City and the Culver City Redevelopment Agency."
3. *First Amendment to Cooperation Loan Agreement By and Between The City of Culver City and the Culver City Redevelopment Agency*

MOTION:

That the City Council:

1. Approve the First Amendment to Cooperation Loan Agreement By and Between The City of Culver City and the Culver City Redevelopment Agency; and
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute the Amendment on behalf of the City.

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That the Redevelopment Agency:

1. Approve the *First Amendment to Cooperation Loan Agreement By and Between The City of Culver City and the Culver City Redevelopment Agency*; and
2. Authorize the Agency General Counsel to review/prepare the necessary documents; and,
3. Authorize the Agency Chair to execute the Amendment on behalf of the Agency.