

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

Meeting Date: 3/14/2011		Item Number: <u>JC-2</u>	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY AGENDA ITEM: Adoption of Resolutions Assigning Any and All Outstanding Redevelopment Agency Agreements and Contracts to the City of Culver City.			
Contact Person/Dept.: Sol Blumenfeld		Phone Number: 310.253.5702	
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 (03/10/11); Meetings and Agendas – Redevelopment Agency (03/10/11)			
Department Approval: Sol Blumenfeld (03/09/11)		Agency General Counsel Approval: Murray Kane (03/09/11) City Attorney Approval: Carol Schwab (by H. Baker) (03/10/11)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (03/10/11)		Executive Director/City Manager Approval: John Nachbar (03/10/11)	
<u>RECOMMENDATION:</u> Staff recommends: The City Council adopt a resolution authorizing the City Manager to take any and all actions necessary to effectuate the acceptance of the assignment of any and all outstanding agreements and contracts to which the Agency is a party and authorize Kane, Balmer and Berkman to continue to act as lead legal counsel on all redevelopment related matters identified in the 2011 Cooperation Agreements. The Redevelopment Agency Board (Agency Board) adopt a resolution assigning to the City any and all outstanding agreements and contracts to which the Culver City Redevelopment Agency (Agency) is a party and authorize the Executive Director to take any and all actions necessary to effectuate the assignment of said agreements and contracts. <u>BACKGROUND/DISCUSSION:</u> Pursuant to Section 33220 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) (the “CRL”), certain public bodies, including the City may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects.			

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As a result of the governor's proposal to eliminate redevelopment agencies throughout the State, the Agency Board has been taking various actions to transition activities of the Agency to the City in order to implement the Redevelopment Plan; create affordable housing; and redevelop, revitalize and/or eliminate blight in the Project Areas as set forth in the Cooperation Agreement dated December 15, 2009, as amended by the Implementing Agreement approved on January 15, 2011, the Cooperation Agreement dated January 15, 2011, as amended by a First Amendment to Cooperation Agreement dated February 22, 2011, the Cooperation Agreement dated February 22, 2011, and related implementing documents (collectively the "Cooperation Agreements").

Based on anticipated actions by the State, Agency General Counsel has recommended that the Agency Board assign to the City any and all outstanding agreements and contracts and other similar documents (collectively the "Agreements" to which the Agency is a party in order to facilitate the implementation of the Cooperation Agreements. Such assignment will transfer to the City all rights, duties, obligations and benefits as set forth in the assigned Agreements. Notwithstanding, the Agency shall not be released by such assignments from any of its obligations under any of the Agreements, and the Agency and its successors and assigns, including voluntary successors, involuntary successors, and any person or entity deemed to be a successor by operation of law, shall remain liable for all payments due under the assigned Agreements.

Given the current status and complexities of the Agency-transferred projects and the potential for litigation relative to the governor's proposal, staff recommends that Kane, Ballmer, Berkman continue to be lead counsel on all redevelopment matters identified in the Cooperation Agreements and in the Agreements.

FISCAL ANALYSIS:

Staff believes State legislation is eminent that will restrict, limit, or eliminate the Agency's ability to continue its effort to implement the Redevelopment Plan, to create affordable housing, and redevelop, revitalize and/or eliminate blight as set forth in the Cooperation Agreements and the Agreements.

To this end, and pursuant to various agreements and other instruments adopted or authorized by the Agency Board and the City Council, staff is in the process of transferring cash, real property and other assets to the City. The cash and cash equivalent assets are considered a prepayment of the funding obligations of the Agency under the Cooperation Agreements and shall also provide the funding for implementation of the Agreements assigned by the Agency to the City. The non-cash assets (including land) shall be used by the City to further implement the Redevelopment Plan, including the creation of affordable housing.

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ATTACHMENTS:

1. Proposed Agency Board Resolution
2. Proposed City Council Resolution
3. Partial List of Redevelopment Agency Contracts and Agreements

MOTION:

That the Agency Board:

1. Adopt a Resolution approving the assignment to the City of any and all outstanding Agreements to which the Agency is a party; and
2. Authorize Agency General Counsel to review/prepare the necessary documents; and,
3. Authorize the Executive Director to execute such documents on behalf of the Agency.

That the City Council:

1. Adopt a Resolution authorizing the City Manager to accept the assignment to the City of any and all outstanding agreements and contracts to which the Redevelopment Agency is a party; and
2. Authorize the City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City; and,
4. Authorize Kane, Balmer and Berkman to continue to act as lead legal counsel on all redevelopment related matters identified in the Cooperation Agreements and the Agreements.