

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

Meeting Date: 03/07/2011		Item Number: <u>J-4</u>	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Adoption of Resolutions Approving Certain Actions Related to the Transfer of Real Property and Other Assets of the Culver City Redevelopment Agency to the City of Culver City.			
Contact Person/Dept.: Todd Tipton / CDD		Phone Number: (310) 253-5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Meetings and Agendas – Redevelopment Agency (03/04/11); (E-Mail) Meetings and Agendas – City Council (03/04/11)			
Department Approval: Sol Blumenfeld: (03/04/11)		Agency General Counsel Approval: Murray Kane: (03/04/11)	
Chief Financial Officer Approval: Jeff Muir: (03/04/11)		Executive Director Approval: John M. Nachbar : (03/04/11)	
<u>RECOMMENDATION:</u> Staff recommends that: (1) the City Council adopt Resolution No. 2011-_____, approving certain actions related to the transfer of assets and obligations of the Culver City Redevelopment Agency to the City of Culver City to meet existing obligations set forth in the Cooperation, Implementing and other Agreements with the Agency and to accomplish other important public purposes, authorizing an amendment to the Cooperation Agreement between the City and the Agency, authorizing the City Manager or designee to take all necessary, reasonable and appropriate actions to implement the transfer of assets and obligations from the Agency to the City, and authorizing the City Clerk to execute Certificates of Acceptance. (2) the Culver City Redevelopment Agency Board (the “Agency Board”) adopt Resolution No. 2011-_____, approving certain actions related to the transfer of assets and obligations of the Agency to the City of Culver City to meet existing obligations set forth in the Cooperation, Implementing and other Agreements with the City and to accomplish other important public purposes, authorizing an amendment to the Cooperation Agreement between the Agency and the City, and authorizing the Executive Director or designee to take all necessary, reasonable and appropriate actions to implement the transfer of assets and obligations from the Agency to the City. <u>BACKGROUND/DISCUSSION:</u>			

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The City Council adopted Redevelopment Plans for the Culver City Redevelopment Projects (collectively, the "Project Areas"), which results in the allocation of taxes from the Project Areas to the Agency for purposes of redevelopment.

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.

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, to create affordable housing, 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 (the "Cooperation Agreements").

Based on anticipated actions by the State, Agency General Counsel has recommended that the Agency transfer its real property and other assets to the City in order to facilitate the implementation of the Cooperation Agreements.

Below is a list of real property and other assets that will be transferred by the Redevelopment Agency to the City, and accepted by the City to complete activities set forth in the Cooperation Agreements and to benefit the general public.

Asset Name	Property Parcel Number	Estimated Value
Real Property owned by the Agency	See attached list	Over \$100 million
Revenues and payments owed to the Agency	See attached list	Approximately \$100 million
Total Value	N/A	Approximately \$200 million

Staff is also recommending that the Agency use its cash on hand to prepay its payment obligations to the City under the Cooperation Agreements.

In addition, staff is recommending that the Agency assign to the City its rights and obligations under the Disposition and Development Agreement by and between the Redevelopment Agency and Axis Mundi REII, LLC dated February 2008 relating to the Baldwin project and transfer to the City the Agency's interest in the Agency property that is the subject of that DDA, to facilitate possible revisions to and the

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implementation of this project. In connection with this assignment, staff is recommending that the Cooperation Agreement be amended to provide for the City to implement the project and the Agency to pay the City those implementation costs.

The Agency currently receives revenue relating to the Lease Agreement by and between the Agency and OliverMcMillan Culver City Theatres, LLC dated April 2002. Staff is recommending that the Agency's rights arising from that Lease Agreement be assigned to the City.

In connection with the transfer to the City of the parking structures and surface lots that are owned by the Agency, staff is recommending that the Agency assign to the City its rights and obligations under the Agency's 2002 parking agreement with OliverMcMillan Culver City LLC, relating to parking for Trader Joe's and the Pacific 12 Theatre in the Ince Parking Garage, the 2011 Owner Participation Agreement by and between the Agency and Century Wilshire Incorporated related to parking for the Culver Hotel, and all other existing Agency agreements relating to third party use of the Agency-owned parking structures and surface lots that are being transferred to the City.

FISCAL ANALYSIS:

In total, the Agency is transferring a real property portfolio that has an estimated value of over \$100 million to the City. Staff believes State legislation is eminent that will restrict, limit, or eliminate the Culver City Redevelopment Agency's ability to continue its effort to implement the Redevelopment Plan to create affordable housing, redevelop, revitalize and/or eliminate blight as set forth in the Cooperation Agreements.

Therefore, the Agency has determined that it is appropriate and necessary at this time to transfer said real property and other assets to the City to ensure that the Agency will be able to continue to meet its obligations outlined in the Cooperation Agreements and related documents to complete redevelopment/affordable housing projects and activities through ownership and use of said real property and assets.

If the transfer of real property and other assets to the City is not impaired by the State or held to be otherwise invalid, the City will receive assets in the total estimated amount of \$100 million in addition to the \$100 million value of the transferred property and assets noted herein (a total of \$200 million). The real property will be transferred to the City upon its exercising the Option Agreement by the Mayor on behalf of the City.

ATTACHMENTS:

1. City Council Resolution No. 2011 - __

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2. Redevelopment Agency Resolution No. 2011-____
3. List of real property owned by the Culver City Redevelopment Agency
4. List of revenues and payments owed to the Culver City Redevelopment Agency

MOTIONS:

That the Culver City Council:

1. Adopt Resolution No. 2011-____, approving certain actions related to the transfer of assets and obligations of the Culver City Redevelopment Agency to the City of Culver City to meet existing obligations set forth in the Cooperation, Implementing and other Agreements with the Agency and to accomplish other important public purposes, authorizing an amendment to the Cooperation Agreement between the City and the Agency, authorizing the City Manager or designee to take all necessary, reasonable and appropriate actions to implement the transfer of assets and obligations from the Agency to the City, and authorizing the City Clerk to execute Certificates of Acceptance.

That the Culver City Redevelopment Agency Board:

1. Adopt Resolution No. 2011-____, approving certain actions related to the transfer of assets and obligations of the Agency to the City of Culver City to meet existing obligations set forth in the Cooperation, Implementing and other Agreements with the City and to accomplish other important public purposes, authorizing an amendment to the Cooperation Agreement between the Agency and the City, and authorizing the Executive Director or designee to take all necessary, reasonable and appropriate actions to implement the transfer of assets and obligations from the Agency to the City.