

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

Meeting Date: <u>01/14/2013</u>		Item Number: <u>A-1</u>	
CITY COUNCIL AGENDA ITEM: Approval of a Budget Amendment for Economic Development Activities.			
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: (Email) Meetings and Agendas – City Council (01/09/13)			
Department Approval: Sol Blumenfeld (01/07/13)		City Attorney Approval: Carol Schwab (by H. Baker) (01/09/13)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (01/08/13)		City Manager: John Nachbar (01/09/13)	

RECOMMENDATION:

Staff recommends the City Council approve an amendment to the Fiscal Year (FY) 2012/2013 budget in order to appropriate funds for Economic Development activities.

A Budget Amendment requires a 4/5^{ths} vote.

BACKGROUND:

For almost 30 years, the former Culver City Redevelopment Agency provided significant funding for the elimination of blight, including economic development activities. In 2011, the State of California enacted legislation that resulted in the dissolution of redevelopment agencies throughout the State effective on February 1, 2012. As a result of this legislation, the Culver City Redevelopment Agency was dissolved, including the funding for economic development activities.

As a result of the financial uncertainty created by the State Legislature's elimination of redevelopment, funds were not appropriated in the City Council Adopted Budget for Fiscal Year 2012/2013 for Economic Development activities.

DISCUSSION:

Following the dissolution of the former Culver City Redevelopment Agency, seven staff members whose activities related to redevelopment activities were re-assigned to other City departments. Five staff members remained to provide staffing for the Successor Agency to the Culver City Redevelopment Agency, and the Culver City Parking Authority in order to oversee parking and property management and carry out Economic Development activities, including preparation of an Economic Development Strategy.

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On-going Economic Development activities include business retention/attraction/assistance efforts, staffing the City's Business Resource Center, coordinating work with the Culver City Chamber of Commerce and Culver City Downtown Business Association, managing the Farmer's Market, formation of Community Facility Districts in order to create new parking opportunities, conducting outreach to City businesses and the real estate community, and overseeing Downtown parking structure operations.¹

In order to fully implement these activities prior to the Fiscal Year 2013/2014 budget process, staff is recommending that the City Council Adopted Budget for Fiscal Year 2012/2013 be amended to provide the following appropriations from the General Fund:

- \$10,000 for fiscal analysis consultant services to assist with real estate related transactions, construction cost estimating, project pro forma evaluation, real estate/business negotiations and for special projects such as former Fire Station No. 3.
- \$25,000 for bond counsel and Community Facilities District consultant services to potentially form Community Facility Districts (most of these costs are reimbursable if the CFD is ultimately approved and formed).
- \$1,000 for mailing, office supplies and related expenses.
- \$2,500 for business outreach related expenses.
- \$2,500 for membership in the Los Angeles Economic Development Corporation.²
- \$4,000 for on-going marketing and business attraction.

Total: \$45,000

FISCAL ANALYSIS:

Appropriating these funds will reduce the unappropriated fund balance in the City's General Fund by \$45,000. Funds will be appropriated to the above mentioned accounts in 10150150 – Economic Development.

ATTACHMENTS:

1. Map of proposed Community Facility Districts.

MOTION:

That the City Council:

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Approve a budget amendment appropriating \$45,000 from the General Fund as outlined in this report.

Notes:

¹ Other Economic Development activities currently undertaken by staff include:

- Business Improvement District implementation in the Art District;
- Attraction of new commercial uses to activate the Media Park;
- Commercial attraction in the Hayden Tract to support existing businesses;
- Coordinate bike sharing to facilitate business tenant needs;
- Community Facility District* implementation to provide additional parking in downtown, on Jefferson Boulevard in the area near the Virginia Parking Lot and College Boulevard (secondary entrance to West L.A. Community College), in the Smiley/Blackwelder area, and in the Hayden Tract. See attached map for specific locations.
- Additional downtown parking on P1 in City Hall;
- Bond funded project implementation upon resolution with State. Implement projects include Parcel B parking, Town Plaza Expansion, Washington/Centinela parking structure, Hayden Tract Spur parking, Phase IV of the west Washington Boulevard Area Improvement Plan and the parking structure in the Hayden Tract constructed in partnership with Hackman Capital;
- Production of Long Range Property Asset Plan to dispose of former RDA properties accordance with AB 1484 that will be used to determine how former Redevelopment Agency property will be developed. The plan will be presented to the Successor Agency, Oversight Board and the State's Department of Finance in April;
- On-going Meet and Confer with State DOF on property disposition;

*A CFD is a Mello-Roos District where a special property tax on real estate, in addition to the normal property tax, is imposed on those real property owners within a Community Facilities District. These districts seek public financing through the sale of bonds for the purpose of financing public improvements and services.^[3] These services may include streets, water, sewage and drainage, electricity, infrastructure, schools, parks and police protection to newly developing areas. The tax paid is used to make the payments of principal and interest on the bonds.

² The Los Angeles County Economic Development Corporation (LAEDC) is the region's leading provider of economic development services. Since 1981, the LAEDC's mission is to attract, retain and grow businesses and jobs for the regions of Los Angeles County. The LAEDC serves the 88 cities and more than 100 unincorporated communities of L.A. County through its free business assistance and attraction programs, economic research, fee-supported economic and policy analysis, and public policy leadership.