

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

Meeting Date: 04/11/11		Item Number: <u>C-3</u>	
CITY COUNCIL / AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT - Approval of a Professional Services Agreement with NBS for the Formation of a Special Financing District for the Purpose of Funding a Shuttle Service Connecting the Hayden Tract, the Culver City Light Rail Station, and Downtown			
Contact Person/Dept.: Martin R. Cole		Phone Number: 310-253-6000	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Public Notification: Meetings and Agendas – City Council (04/06/11)			
Department Approval: Martin R. Cole (04/05/11)		City Attorney Approval: Carol Schwab (by H. Baker) (04/05/11)	
Fiscal Impact Approval: Jeff Muir (by M. Noller) (04/06/11)		City Manager Approval:	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve a professional services agreement (Agreement) with NBS in an amount not to exceed \$59,750 for services related to the establishment of a Special Financing District (SPD) for the purposes of funding a shuttle service connecting the Hayden Tract, the Culver City Light Rail Station, and Downtown. City budget amendments require a 4/5^{ths} vote. <u>BACKGROUND:</u> With the arrival of the Exposition Light Rail in Culver City (at the intersection of Washington Boulevard and National Boulevard) expected in late 2011 or early 2012, the City Council and Agency Board has had general discussions related to how best to utilize the new Culver City light rail station as an focal point for economic development in the area around Washington/National and the City as a whole. The Agency Board and the City Council have been working for the past several years on utilizing the Culver City Station as the centerpiece of a Transit Oriented Development (TOD). Significant progress has been achieved with respect to assembling land for this important, place-making development. Additionally, the Culver City Downtown Business Association has approached the Agency Board with the idea of establishing a shuttle service that links the Hayden Tract business district with the Culver City Station and the downtown area.			

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DISCUSSION

With the economic challenges facing the City, implanting a new shuttle service would be difficult without additional funding. Staff has had discussions with staff from NBS to initially explore options available to provide new funding for operation of a shuttle service linking the Culver City Station with the Hayden Tract and Downtown.

After initially reviewing the goals of the proposed shuttle, NBS has tentatively proposed a Business Improvement District be considered to provide the financing for the operations of the shuttle. The process for establishing a Business Improvement District is similar to that for an assessment district. However, procedurally and operationally, a Business Improvement District is more efficient to establish and operate.

It should be noted that should the ultimate recommendation for funding of the shuttle be the formation of a Business Improvement District, such a District would be established solely for funding purposes of a shuttle. Culver City's existing Downtown Business Association and the associated Business Improvement District would not be impacted.

NBS has served as the consultant to the City and Agency during the formation of the Area Improvement Plans and the associated assessment districts to fund the maintenance of new landscaped medians in the western Washington Boulevard area of the City. Staff has found NBS to be very knowledgeable of the complex laws related to assessment districts and other related funding mechanisms. Because of their past work in Culver City, NBS is also familiar with the City and its operations.

Should the City Council approve the professional services agreement and the funding mechanism receive all of the required approvals (including approval by the parcel owners included in the district), the district would begin receiving assessment revenues in 2012 at the earliest. However, it may be possible for the City to provide a loan to the district to allow shuttle service operations to begin when the Culver City Station is opened.

FISCAL IMPACT

It is proposed that the City's General Fund loan the proposed district the start-up costs of \$60,000. Should the district be formed and it be legally permitted, the start-up loan would be repaid by the levied assessments. However, if this is not permitted, then the loan would become a direct expenditure of the General Fund. (A four-fifths vote is required for a budget amendment.)

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MOTION

That the City Council:

1. Approve loan in the amount of \$60,000 from the City's General Fund to the proposed Special Financing District to fund the costs of initial formation of the District (requires a four-fifths vote for a budget amendment); and,
2. Approve a Professional Services Agreement with NBS in an amount not to exceed \$59,750; and,
3. Authorize the City Attorney to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.