

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

Meeting Date: 12/07/2009		Item Number: JPH-1	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD AGENDA ITEM: JOINT PUBLIC HEARING - Approval of a Cooperation Agreement between the City of Culver City and the Culver City Redevelopment Agency Relating to the Funding of Public Infrastructure Improvements.			
Contact Person/Dept.: John Fisanotti		Phone Number: (310) 253-5767	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Notice of Public Hearing was published in the Culver City News on November 19 and 26, 2009. Meetings and Agendas – Redevelopment Agency by December 3, 2009.			
Department Approval: Sol Blumenfeld (11/24/09)		City Attorney Approval: Carol Schwab (by H. Baker) (11/30/09) Agency General Counsel Approval: Murray Kane (11/24/09)	
Chief Financial Officer Approval Mark Scott (by N. Kimball) (12/01/09)		City Manager/Executive Director Approval: Mark Scott (12/02/09)	

RECOMMENDATION:

Staff recommends that both the City Council and the Redevelopment Agency Board approve a Cooperation Agreement between the City of Culver City (the “City”) and the Culver City Redevelopment Agency (the “Agency”) relating to the funding of specified public infrastructure improvements.

BACKGROUND:

Section 33445 of the California Health and Safety Code permits Redevelopment Agencies to use tax increment revenue to pay the cost of public improvements constructed by other entities, provided a report pursuant to Section 33679 of California Redevelopment Law (CRL) is prepared, a public hearing is conducted and certain findings are made. From time to time, the City and Agency have entered into Cooperation Agreements for the mutual benefit of the two parties and the public.

Before the end of this calendar year, there is an opportunity for the Agency to secure for the City additional funding, to pay for a variety of future public infrastructure needs which can assist in the Culver City Redevelopment Project.

By adopting the Cooperation Agreement the City and the Agency will be establishing the authority, framework and funding source to pursue vitally needed Improvements. However, the Cooperation Agreement by itself does not commit the City to pursue

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any particular Improvement. In many cases, further action, and supplemental funding will be needed before some of the listed Improvements can be pursued.

DISCUSSION:

The list of proposed specified public infrastructure Improvements (the "Improvements") which may be funded by the Redevelopment Agency either all or in part includes:

- New Police Department Headquarters Facility
- Park Improvements
- New Public Works Laydown Facility
- Overland Avenue Bridge Replacement
- East Washington Medians
- Improvements to Public Facilities (Transportation Center, Fire Station No. 2 and Veterans Memorial Building)
- Street Light Replacement
- Washington Boulevard Repaving
- Expansion of Transfer Plant
- New Fire Training Yard

The Cooperation Agreement (Attachment No. 1) and the *Summary Pertaining to the Funding of Specified Public Infrastructure Improvements* (Attachment No. 2) contain a more detailed description of the Improvements proposed to be funded. At this time some of the improvements are more defined than others though all were identified as important public projects. The Cooperation Agreement is proposed as a prospective action at this time because funding large capital projects in the near future will exacerbate the financial strain on the City; and changes in the CRL, which go into effect on January 1, 2010, will in some cases, make it more difficult for Redevelopment Agencies to fund public improvements, particularly if they are outside the boundaries of a redevelopment project area. Further, the expiration of the Redevelopment Project in Component Areas 1 and 2 in 2014 will limit the Agency's tax increment revenue stream to that needed to repay existing debts which will help enable the Agency to protect its investment and ongoing efforts within the Project Area in general.

In accordance with Section 33679 of the CRL, the Summary Report (Attachment No. 2), contains the findings supporting approval of the Cooperation Agreement which are:

1. The specified public infrastructure improvements are of benefit to the Culver City Redevelopment Project and the immediate neighborhood in which the Project Area is located;
2. No other reasonable means of financing the specified public infrastructure improvements are available to the community;

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3. The specified public infrastructure improvements will assist in the elimination of one or more blighting conditions inside the Project Area; and,
4. The specified public infrastructure improvements are consistent with the Implementation Plan for the Project Area adopted pursuant to Section 33490 of the California Redevelopment law.

FISCAL ANALYSIS:

The cost to the Agency is detailed in Section II of the Summary Report (Attachment 2). The Summary report indicates approximate costs to the Agency for each Improvement. As explained in the text of the Summary Report, the cost of some Improvements was figured with additional percentages added for soft costs and time. In other cases, the cost represented an estimated land acquisition cost. The sum of these costs is \$65,620,000 (all costs are estimated in current year dollars). The Summary Report must also disclose the estimated interest cost to the Agency. For this purpose, it was assumed the Agency would issue Bonds in the future and commit the tax increment to repayment to the Bond holders with interest. The interest cost, as described in the Summary Report is \$35,000,000. Thus, if all projects identified in the Cooperation Agreement are implemented, the total cost to the Agency is estimated at \$100,620,000.

ATTACHMENTS:

1. Draft Cooperation Agreement
2. Summary Pertaining To The Funding Of Specified Public Infrastructure Improvements (Pursuant to Section 33679 of the Health and Safety Code)
3. Proof of Publication for Public Hearing Notice
4. City Council Resolution
5. Redevelopment Agency Resolution

MOTION:

That the City Council:

1. Approve the Resolution that makes findings and determinations pursuant to Health and Safety Code Section 33445;
2. Approve the Cooperation Agreement between the City of Culver City and the Culver City Redevelopment Agency to provide for funding of specified public infrastructure improvements; 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.

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That the Redevelopment Agency Board:

1. Approve the Resolution that makes findings and determinations pursuant to Health and Safety Code Section 33445; and
2. Approve the Cooperation Agreement between the City of Culver City and the Culver City Redevelopment Agency to provide for funding of specified public infrastructure improvements; and,
3. Authorize the Agency General Counsel to review/prepare the necessary documents; and,
4. Authorize the Executive Director to execute such documents on behalf of the Agency.