

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT (the "Agreement") is entered into this 15th day of December, 2009 (the "Effective Date"), by and between the CITY OF CULVER CITY, a municipal corporation (the "City") and the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency"), with reference to the following facts:

A. Redevelopment Plan for the Culver City Redevelopment Project:

1. Pursuant to Ordinance No. CS-712, adopted on July 26, 1971, the City Council for the City of Culver City (the "City Council") adopted a final redevelopment plan for the Slauson-Sepulveda Redevelopment Project, Project No. 1 ("Project Area No. 1"); and
2. The redevelopment plan for Project Area No. 1 was amended by the City Council pursuant to Ordinance Numbers CS-892 (adopted on June 6, 1977), 89-034 (adopted on December 11, 1989, and 94-034 (adopted on December 27, 1994); and
3. Pursuant to Ordinance No. CS-729, adopted on December 28, 1971, the City Council adopted a final redevelopment plan for the Overland-Jefferson Redevelopment Project No. 2 ("Project Area No. 2"); and
4. The redevelopment plan for Project Area No. 2 was amended by the City Council pursuant to Ordinance Number 94-035 (adopted on December 27, 1994); and
5. Pursuant to Ordinance No. CS-862, adopted on November 24, 1975, the City Council adopted a final redevelopment plan for the Washington-Culver Redevelopment Project No. 3 ("Project Area No. 3"); and
6. The redevelopment plan for Project Area No. 3 was amended by the City Council pursuant to Ordinance Number 94-036 (adopted on December 27, 1994); and
7. Project Area No. 1, Project Area No. 2, and Project Area No. 3 were merged into the Culver City Redevelopment Project (as Component Areas Nos. 1, 2, and 3, respectively, of the "Project"), and the Redevelopment Plan for Culver City Redevelopment Project (the "Redevelopment Plan") was adopted pursuant to Ordinance No. 98-014 (adopted on November 23, 1998); and
8. Pursuant to Ordinance No. 98-015, adopted on November 23, 1998, the City Council added Component Area No. 4 to the Project; and
9. The Redevelopment Plan was amended by the City Council pursuant to Ordinance Number 2004-001 (adopted on January 12, 2004); and
10. The Redevelopment Plan was amended by the City Council pursuant to Ordinance Number 2005-006 (adopted on September 12, 2005); and
11. The Redevelopment Plan is incorporated herein by reference and made part hereof as though fully set forth herein.

B. The Agency and the City wish to cooperate with one another to bring about the redevelopment of the Project and accomplish various tasks set forth in the Redevelopment Plan.

C. Pursuant to Section 33220 of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*), for the purposes of aiding and cooperating in the planning, undertaking, construction or operation of the redevelopment projects in the Project, the City may, among other things, exercise the following powers: sell any of its property to the Agency; cause public improvements to be furnished in connection with redevelopment; plan or replan and zone or rezone any part of such area and make any legal exceptions from building regulations and ordinances; and enter into agreements with the Agency respecting action to be taken to any of the foregoing powers.

D. As outlined in Recital A above, the City has engaged in such redevelopment activities pursuant to Section 33220 of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*) that has aided and assisted in implementing the Redevelopment Plan and intends to engage in further redevelopment activities.

E. Pursuant to Section 33445(a) of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*), the Agency may, with the consent of the City Council, pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvements which is publicly owned either within or outside a project area, if the City Council makes certain determinations.

F. Pursuant to Section 33445(c) of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*), when the value of the land or the cost of the installation and construction of the building, facility, structure or other improvement, or both, has been, or will be, paid or provided for initially by the City, the Agency may enter into a contract with the City under which the Agency agrees to reimburse the City for all or part of the value of the land or all or a part of the cost of the building, facility, structure, or other improvement, or both.

G. Pursuant to Section 33679 of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*), the Agency may commit tax increment revenues to pay all or a portion of the costs relating to land acquisition for, installation of, and construction of any publicly owned building, other than parking facilities, subject to a public hearing by the legislative body.

H. The Agency and the City Council now desire to enter into this Agreement to provide for development and construction of public infrastructure improvements and other redevelopment activities within the Project, and to make payments by the Agency to the City of certain costs related to such development and construction and other redevelopment activities, subject to all of the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the parties hereto agree as follows:

TERMS

1. INTRODUCTORY PROVISIONS

The Recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. PUBLIC IMPROVEMENTS

a. The City, or the Agency upon written request of the City, agrees to develop and construct, or cause to be developed and constructed, the Public Improvements (as defined hereinbelow) in accordance with plans and specifications approved in writing by the party hereto not developing and constructing the applicable Public Improvements, subject to the availability of funding therefor. The "Public Improvements" are more particularly described in Attachment No. 1, which is attached hereto and incorporated herein by reference.

b. The City (or Agency, as applicable) agrees to commence and complete, or cause to be commenced and completed, development and construction of the Public Improvements, or any of them, within the times required by plans approved therefor by the City Council and by other documents entered into by the City (or Agency, as applicable) in connection with such activities.

c. The City (or Agency, as applicable) will keep records of the costs incurred and expended in connection with the development and construction of the Public Improvements, or any of them (the applicable "Public Improvement Costs"), in order that an accurate record of the Agency's liability to the City can be ascertained. The City (or Agency, as applicable) shall periodically, but not less than annually, submit to the other party a statement of all applicable Public Improvement Costs incurred by the City (or Agency, as applicable) in rendering activities and services of the City (or Agency, as applicable) to the other party pursuant to this Paragraph 2.

d. The Agency agrees to pay consideration to the City for Public Improvement Costs incurred by the City, and/or to pay for Public Improvements Costs incurred by the Agency, from tax increment and any other lawfully available funds pursuant to Sections 33445 and 33679 of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*).

e. The obligation of the Agency to make payments to the City, and/or incur Public Improvement Costs on behalf of the City, under this Paragraph 2 shall, without necessity of further action by the Agency or City, be junior and subordinate to all other bonds, obligations or indebtedness heretofore or hereafter voluntarily incurred by the Agency to the extent, if any, that the Agency expressly provides to contrary effect in the instruments creating such other obligations or indebtedness.

3. LIABILITY AND INDEMNIFICATION

In contemplation of the provisions of Section 895.2 of the California Government Code imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895 of the California Government Code, the parties hereto, as between themselves, pursuant to the authorization

contained in Sections 895.4 and 895.6 of the California Government Code, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of the California Government Code. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses that may be incurred by such other party solely by reason of Section 895.2 of the California Government Code. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth herein.

4. MISCELLANEOUS PROVISIONS

a. Indebtedness. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*).

b. Time of Essence. Time is expressly declared to be of the essence in this Agreement and of every provision hereof in which time is an element.

c. Notices. Any notice to be given or other document to be delivered by any party to the other or others hereunder, may be delivered in person to an officer of any party, or may be deposited in the United States mail, duly certified or registered, return receipt requested, with postage prepaid, or by Federal Express or other similar overnight delivery service, or by facsimile machine if concurrently delivered by another permissible method set forth in this Paragraph, and addressed to the party for whom intended, as follows:

City: City of Culver City
9770 Culver Boulevard
Culver City, CA 90232
Attention: City Manager
Telephone: (310) 253-6000

Agency: Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232
Attention: Assistant Executive Director
Telephone: (310) 253-5760

Any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by United States mail, duly certified and registered, with postage prepaid shall be deemed received on the third day after mailing.

d. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and their respective heirs, personal representatives, successors and assigns, except as otherwise provided in this Agreement.

e. Titles and Captions. Titles or captions contained herein are inserted as a

matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or any provision hereof. All references to "Paragraph" shall mean the Paragraphs of this Agreement unless otherwise specified.

f. Interpretation. No provision in this Agreement is to be interpreted for or against either party because that party or his legal representatives drafted such provision.

g. Further Assurances. The parties agree to promptly execute such other documents and take such other actions as may be reasonably necessary to further the purposes of this Agreement.

h. Severance. If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall be deemed to be severed and deleted from the Agreement, and the severance and deletion shall not in any way affect the validity of the remaining provisions of this Agreement.

i. Entire Agreement; Waivers and Amendments. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or part of the subject matter hereof. The terms of this Agreement are only for the benefit of the City and the Agency, and there are no other intended or incidental third party beneficiaries hereto.

All waivers of any of the provisions of this Agreement must be mutually agreed upon in writing and signed by the authorized representatives of the parties.

This Agreement may be amended any number of times upon the mutual approval of the Agency and the City and must be in writing and signed by the authorized representatives of the parties.

[Signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Dated: 12/15/09

CITY OF CULVER CITY

By Mark Scott
Mark Scott
City Manager

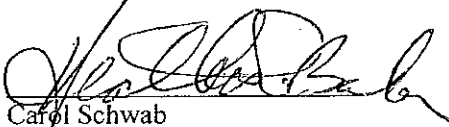
Dated: 12/15/09

CULVER CITY REDEVELOPMENT
AGENCY

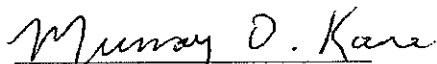
By Mark Scott
Mark Scott
Executive Director

APPROVED AS TO FORM:

CITY ATTORNEY


Carol Schwab
City Attorney

KANE BALLMER BERKMAN


Murray O. Kane
Agency General Counsel

ATTACHMENT NO. 1
TO
COOPERATION AGREEMENT
LIST OF PUBLIC IMPROVEMENTS

New Police Department Headquarters Facility:

The City has documented the need to replace its outmoded and under-sized Police Headquarters in order to meet today's needs. Some areas of the building do not meet either current code or accreditation standards, and are grandfathered by virtue of the age of the building. This project may either be construction of a new facility at a different location, or a major reconstruction at its present location - a final decision has yet to be made by the City Council. The project is anticipated to consolidate some dispersed functions, thereby increasing the efficiency of the Police Department. By funding its share of this project, the Agency is ensuring that crime prevention and investigation services to the project area are the best available.

Park Improvements

Several park facilities within and adjacent to the Project Area are in need of rehabilitation, including work to satisfy ADA requirements and improve access for the disabled at Blair Hills Park, Blanco Park (accessibility renovation), Culver West Alexander Park (restroom and kitchen renovation), El Marino Park (drinking fountains, doorways), Fox Hills Park (restrooms, drinking fountains, doorways, counter heights, kitchenette renovation), Lindberg Park (doorways and thresholds, restrooms and kitchen renovation), and Syd Kronenthal Park (restrooms, kitchenette and office renovation). Additionally, work is required at many parks to ensure structural integrity and continued use of the park buildings and other improvements, including Blair Hills Park (exterior trellis), Blanco Park (insulated windows), Culver City Park (floor drain), Culver West Alexander Park (vandal-resistant light fixtures), El Marino Park (new roof and doors, vandal-resistant light fixtures, removal of obsolete plumbing and wiring), and Fox Hills Park (new roof and windows, vandal-resistant light fixtures).

New Public Works Laydown Facility

The Culver City Public Works Department is in need of a laydown facility (a property used for the storage and assembly of large items, equipment and machinery used by public works, e.g. light standards and sewage pumps) of the appropriate size and location to serve the needs of both the City and the Agency, for whom a substantial amount of work is performed. The Agency's investment in such a facility enables the Public Works Department to perform maintenance, repairs and improvements in a more efficient and economical

manner and frees up other public dollars to be re-invested into other improvements beneficial to the Project Area.

Overland Avenue Bridge Replacement

The Overland Avenue bridge in Component Area No. 2 is over 70 years old, yet remains a vital element of the Overland thoroughfare that connects northern and southern Culver City, carrying an average of over 32,000 vehicle trips per day. As well as providing two lanes of traffic in each direction to and from Venice Boulevard, Century City and downtown Los Angeles to the north and Slauson and Jefferson Avenues and Los Angeles International Airport to the south, the Overland Avenue bridge also serves pedestrian and bicycle traffic crossing over Ballona Creek. Replacement of this heavily used bridge preserves a critical component of Culver City's transportation infrastructure. The bridge will be widened to accommodate dedicated bike lanes. The bridge is eligible for Federal Highway Rehabilitation and Replacement (HBRR) funding because the biennial County inspections have determined it to be structurally obsolete. The proposed funds for this project would be the local match in order to secure the federal grant.

East Washington Medians

This project involves reducing the width of the existing medians in the eastern portion of Washington Boulevard to accommodate the addition of dedicated bike lanes to this segment of Washington Boulevard, which adds additional alternative transportation options for commuters and the general public.

Also, the redesigned the medians will permit installation of left-turn lanes to improve vehicular traffic circulation and easier access to the area's business community by its patrons.

Improvements to Public Facilities

The Transportation Center provides a specific room for hazardous fluid storage. The room is over capacity, creating a risk for spillage and overwhelming of the containment area. The room requires redistribution of the material, including an additional room for storage.

Fire Station No. 2 requires replacement of ceiling tiles, replacement of lighting fixtures, replacement of stairway rails, and replacement of an emergency generator.

The Veterans' Memorial Center requires renovation of the below-grade lobby and corridors due to water leaks and problems with plumbing, the suspended ceiling, light fixtures, walls and doors, as well as the restrooms. It has been approximately 20 years since the last renovation of these areas. The HVAC system and boiler system are both in need of replacement.

Street Light Replacement

Over time, the city has been converting its old and inefficient high voltage

street lights to modern, low-voltage energy efficient lamps. Approximately 15 miles of streets in Component Areas No. 2, 3 and 4 still utilize the old high voltage lights. Converting these remaining fixtures to contemporary units will reduce energy use and related expense and improve lighting conditions.

Washington Boulevard Repaving

Washington Boulevard is the longest thoroughfare in Culver City, traversing the entire east-west length of the city from just east of Lincoln Boulevard to Fairfax Avenue, and second only to Sepulveda Boulevard in average daily vehicle trips.

The western portion of Washington Boulevard, commonly defined as that portion west of the 405 freeway, is entirely within Component Area No. 4. The portion of Washington Boulevard east of the 405 freeway is entirely in either Component Area No. 4 or Component Area No. 3. The entire length of the boulevard is a commercial corridor, and as such, reconstruction of the aging concrete roadway contributes to the sustained vitality and potential growth of the local business community in these Component Areas.

Expansion of Transfer Plant

The city's robust sanitation efforts encourage recycling by both residential and commercial patrons and have steadily and significantly increased demand upon the city's transfer plant, where customer pickups are aggregated for transportation to waste disposal sites. The current plant is operating at near capacity, having maximized potential of the existing site. To process the anticipated future increased demand, additional space is required to expand the plant.

New Fire Training Yard

Due to conditions geographical, economical and practical, the previously elucidated expansion of the transfer plant is most easily achieved through expansion into the property currently utilized as the fire department's training yard. In order to expand into this property, a new location must be found for the training yard. A new fire training yard will facilitate the expansion of the transfer yard, which is itself of great benefit to the project area for the reasons detailed under "Expansion of Transfer Plant." The location of this facility is yet to be determined.

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CULVER CITY REDEVELOPMENT PROJECT
CULVER CITY, CALIFORNIA

SUMMARY PERTAINING TO THE FUNDING OF SPECIFIED PUBLIC
INFRASTRUCTURE IMPROVEMENTS

(California Community Redevelopment Law Section 33679)

PURSUANT TO A PROPOSED COOPERATION AGREEMENT BY AND
BETWEEN THE CULVER CITY REDEVELOPMENT AGENCY AND THE
CITY OF CULVER CITY

Culver City Redevelopment Agency

November 19, 2009

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Introduction

The Culver City Redevelopment Agency (the “Agency”), is considering financing specified public infrastructure improvements within the community that are of benefit to the Culver City Redevelopment Project, pursuant to a Cooperation Agreement between the Agency and the City of Culver City, California (the “City”).

This Summary was prepared in accordance with Section 33679 of the California Community Redevelopment Law in order to inform the Agency and the public about the transactions. This summary describes and specifies:

- A. The costs and tax increment funds to be paid by the Agency under the proposed Cooperation Agreement.
- B. The facts supporting determinations that:
 - 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;
 - 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.
- C. The redevelopment purpose for which additional Agency funds are being used to pay for the specified public infrastructure improvements.

II. The Cost of the Cooperation Agreement to the Agency

The estimated costs (and tax increment funds) to be paid by the Agency for the specified public infrastructure improvements in the proposed Cooperation Agreement are listed on the following page:

| Proposed Public Infrastructure Improvement | Estimated Cost to Agency |
|--|---------------------------------|
| New Police Department Headquarters Facility ¹ | \$31,200,000 ² |
| Park Improvements | \$500,000 ² |
| New Public Works Laydown Facility | \$5,400,000 ³ |
| Overland Avenue Bridge Replacement | \$2,000,000 ⁴ |
| East Washington Medians | \$1,560,000 ² |
| Improvements to Public Facilities | \$2,600,000 ² |
| Street Light Replacement | \$8,740,000 ² |
| Washington Boulevard Repaving | \$7,800,000 ² |
| Expansion of Transfer Plant | \$3,120,000 ² |
| New Fire Training Yard | \$2,700,000 ⁴ |

Sub-Total \$65,620,000

Bonds interest and related charges⁵ \$35,000,000

TOTAL \$100,620,000

Notes:

¹ Preliminary Engineer's estimate

² Includes Agency contribution plus soft costs equaling 30% of project plus 20% contingency for future cost increases and/or inflation.

³ Land acquisition cost only; no other Agency expense.

⁴ Local grant match of 11.5%. Agency expenses capped at \$2M.

⁵ Assumes mix of taxable and non-taxable bonds at October 2008 interest rates of 6.5% and 5.4% respectively, cumulative interest payments alone of \$15.3M and \$14.5M, plus administration charges.

III The Facts Supporting A Determination That The Specified Public Infrastructure Improvements Are Of Benefit To The Project Area

New Police Department Headquarters Facility:

Enhanced public safety within the Project Area is made possible by providing the expanded, more efficient and modern facilities for the Police Department. Increasing public safety in the Project Area induces more private development which reverses blighting influences. An efficient and modern facility will improve

the operations of the department through reduced response times for service calls and enhanced investigation abilities. The location of this facility is yet to be determined.

The City has documented the need to replace its outmoded and under-sized Police Headquarters in order to meet today's needs. By funding its fair share of this project, the Agency is ensuring that crime prevention and investigation services to the Project Area are the best available.

Park Improvements

There are several park facilities within and adjacent to the Project Area which are in need of rehabilitation, including work to satisfy ADA requirements and improve access for the disabled at Blair Hills Park (parking spaces, restrooms, *Appendix A*, pp. 1-4), Blanco Park (accessibility renovation, *Appendix A*, pp. 5-8), Culver West Alexander Park (restroom and kitchen renovation, *Appendix A*, pp. 13-17), El Marino Park (drinking fountains, doorways, *Appendix A*, pp. 18-23), Fox Hills Park (restrooms, drinking fountains, doorways, counter heights, kitchenette renovation, *Appendix A*, pp. 24-27), Lindberg Park (doorways and thresholds, restrooms and kitchen renovation, *Appendix A*, pp. 33-37), and Syd Kronenthal Park (restrooms, kitchenette and office renovation, *Appendix A*, pp. 28-32).

Additionally, work is required at many parks to ensure structural integrity and continued use, including Blair Hills Park (exterior trellis), Blanco Park (insulated windows), Culver City Park (floor drain) (*Appendix A*, pp. 9-12), Culver West Alexander Park (vandal-resistant light fixtures), El Marino Park (new roof and doors, vandal-resistant light fixtures, removal of obsolete plumbing and wiring), and Fox Hills Park (new roof and windows, vandal-resistant light fixtures).

Performing these rehabilitations benefits the Project Area by addressing the needs of those Project Area residents with disabilities so they may make greater use of the upgraded public facilities while ensuring the continued safe use and enjoyment of the facilities by the general public. Moreover, investment by the Redevelopment Agency for ADA related improvements frees up other public dollars to be re-invested into other improvements beneficial to the Project Area.

New Public Works Laydown Facility

The Culver City Public Works Department is in need of a laydown facility (a property used for the storage and assembly of large items, equipment and

machinery used by public works, e.g. light standards and sewage pumps) of the appropriate size and location to serve the needs of the Project Area by enabling the Public Works Department to perform repairs and improvements in a more efficient and economical manner. As well, investment by the Redevelopment Agency for the laydown area frees up other public dollars to be re-invested into other improvements beneficial to the Project Area.

Overland Avenue Bridge Replacement

The Overland Avenue bridge in Component Area No. 2 is over 70 years old, yet remains a vital element of the Overland thoroughfare that connects northern and southern Culver City, carrying an average of over 32,000 vehicle trips per day. As well as providing two lanes of traffic in each direction to and from Venice Boulevard, Century City and downtown Los Angeles to the north and Slauson and Jefferson Avenues and Los Angeles International Airport to the south, the Overland Avenue bridge also serves pedestrian and bicycle traffic crossing over Ballona Creek. Replacement of this heavily used bridge is beneficial to the Project Area by maintaining a critical component of Culver City's transportation infrastructure. The bridge will be widened to accommodate dedicated bike lanes. The bridge is eligible for Federal Highway Rehabilitation and Replacement (HBRR) funding because the biennial County inspections have determined it to be structurally obsolete. The proposed funds for this project would be the local match in order to secure the federal grant.

East Washington Medians

The existing medians in the eastern portion of Washington Boulevard are in Component Area No. 3. Reducing the width of these medians will benefit the Project Area by accommodating the addition of dedicated bike lanes to this segment of Washington Boulevard, adding additional alternative transportation options for commuters and the general public.

Moreover, the medians do not have dedicated left-turn lanes. By redesigning the medians to facilitate left- turn lanes, the Project Area will benefit through improved vehicular traffic circulation and easier access to the area's business community by its patrons.

Improvements to Public Facilities

The transportation center provides a specific room for hazardous fluid storage. The room is over capacity, creating a risk for spillage and overwhelming of the containment area. The room requires redistribution of the material, including an additional room for storage (*Appendix B*, pp. 3-4). A fully functional transportation center benefits the Project Area through the provision of affordable public transportation enabling access to employment and educational opportunities for residents and employees.

Fire Station No. 2 requires replacement of ceiling tiles, replacement of lighting fixtures, replacement of stairway rails, and replacement of an emergency generator (*Appendix B*, pp. 5-6). Fire Station No. 2 is beneficial to the Project Area by providing necessary public safety functions with reduced response times.

The Veterans' Memorial Center requires renovation of the below-grade lobby and corridors due to water leaks and problems with plumbing, the suspended ceiling, light fixtures, walls and doors, as well as the restrooms. It has been approximately 20 years since the last renovation of these areas. The HVAC system and boiler system are both in need of replacement (*Appendix B*, pp. 7-8).

These renovations will be beneficial to the Project Area by allowing the center to continue public access to ongoing and new programs serving seniors, youth, and the general public, including many social and recreational programs aimed at youth which can act as an alternative to anti-social or criminal activities.

Street Light Replacement

The city has been slowly converting its old and inefficient high voltage street lights to modern, low-voltage energy efficient lamps. Approximately 15 miles of streets in Component Areas No. 2, 3 and 4 still utilize the old high voltage lights. Converting these remaining fixtures to contemporary units will benefit the Project Area through reduced energy use and related expense and improve lighting conditions.

Washington Boulevard Repaving

Washington Boulevard is the longest thoroughfare in Culver City, traversing the entire east-west length of the city from just east of Lincoln Boulevard to Fairfax Avenue, and second only to Sepulveda Boulevard in average daily vehicle trips.

The western portion of Washington Boulevard, commonly defined as that portion west of the 405 freeway, is entirely within Component Area No. 4. The portion of Washington Boulevard east of the 405 freeway is entirely in either Component Area No. 4 or Component Area No. 3. The entire length of the boulevard is a commercial corridor, and as such, reconstruction of the concrete roadway is beneficial to the Project Area by contributing to the sustained vitality and potential growth of the local business community in these Component Areas.

Expansion of Transfer Plant

Efficient waste disposal not only benefits the entire Project Area, it is requisite to good health and the elimination of blight. Culver City maintains an in-house fleet of sanitation collection vehicles and staff. In addition to normal waste disposal requirements, the city's robust efforts encouraging recycling by both residential and commercial patrons has steadily and significantly increased demand upon the city's transfer plant, where customer pickups are aggregated for transportation to waste disposal sites. The current plant is operating at near capacity, having maximized potential of the existing site. To process the anticipated future increased demand, additional space is required to expand the plant.

New Fire Training Yard

Due to conditions geographical, economical and practical, the previously elucidated expansion of the transfer plant is most easily achieved through expansion into the property currently utilized as the fire department's training yard. In order to expand into this property, a new location must be found for the training yard. A new fire training yard is beneficial to the Project Area through facilitating the expansion of the transfer yard, which is itself of great benefit to the Project Area for the reasons detailed under "Expansion of Transfer Plant." The location of this facility is yet to be determined.

IV The Facts Supporting A Determination That No Other Reasonable Means of Financing The Specified Public Infrastructure Improvements Are Available To The Community

The City of Culver City General Fund

The City has already adopted mid-year budget amendments to reduce current year revenues by more than two million dollars and the City's Chief Financial Officer projects an approximately six million dollar shortfall in revenues for the Fiscal Year 2009-2010 budget. Moreover, without new revenues or significantly reduced expenditures, projected shortfalls in upcoming years will erode away the City's Reserve Fund until it has been depleted by 2015. New and existing capital projects are severely impacted by this economic reality. Responsible budgeting by the City will be reduced to maintenance of effort only and will require a reduction in some services. New programs and infrastructure projects will not be economically feasible in the near future.

As stated in the City Council staff reports on February 9, 2009 and March 30, 2009, the City of Culver City has a structural deficit which one-time, quick fixes cannot address over the long term. Limited financial resources have caused capital projects to be underfunded, resulting in a backlog of deferred maintenance on City facilities and public infrastructure (e.g. street paving and streetlight replacement) that exceeds \$30 million. Nor can some public works projects be funded through the enterprise fund that supports operations for the subject division, as to fund the project with enterprise funds would require raising customer service rates to an amount untenable to most users. Sanitation rates, for example, cannot reasonably be raised high enough to fund the expansion of the transfer station. Moreover, Propositions 13 and 218 make raising revenue through higher taxes a difficult challenge as voter approval would be necessary. An alternative to raising taxes and fees would be issuing bonds. The cost of many of the specified public infrastructure improvements is at such a level that issuing bonds is a more realistic manner to fund the improvements. But just as with raising taxes, voter approval of the bond issuance would be necessary since the bond payments become a legal obligation and could result in the need to raise taxes.

Due to the circumstances described above, the City does not currently have the resources to fund the specified public infrastructure improvements.

The Culver City Redevelopment Agency Tax Increment Revenue

The absence of any significant new revenues to address the multitude of shortfalls the City expects to face in confronting a structural deficit leaves the tax increment revenue

stream which flows to the Redevelopment Agency as the only reasonable means of financing the specified public infrastructure improvements. The tax increment revenue is derived from the increase in assessed value of property within the Project Area. This source of revenue is generally more stable than many of the City's sources (e.g. sales tax, business tax, and development related taxes and fees) which can fluctuate with much more volatility. As well, the utilization of tax increment to achieve these projects represents a redistribution of existing property taxes and requires no new or additional taxes or increase in existing taxes.

Also, unlike the City, the Redevelopment Agency can issue bonds without requiring voter approval. This is possible because the Agency can dedicate its future stream of tax increment revenues towards making the bond payments. As stated above, tax increment revenue is revenue derived from existing tax payments. Redevelopment Agencies cannot impose new taxes on property owners within the Redevelopment Project Area.

V The Facts Supporting A Determination That Construction Of The Specified Public Infrastructure Improvements Will Assist In Eliminating One Or More Blighting Conditions

In addition to the facts stated in Section III of this report, the specified public infrastructure improvements will: provide needed services and facilities to the Project Area residents and businesses where they are now lacking; spur new private economic investment within the Project Area; reduce physical deterioration of many specified public facilities; and shift to a more sustainable way of life.

New Police Headquarters Facility:

Crime is a blighting condition which can be reduced with better police facilities. As well, reducing response time to the Project Area and improving investigative efficiency for police can reduce blight and enhance public safety.

Park Improvements

Improving park facilities performs a two-fold service toward the reduction of blight. As well as the direct impact of improved facilities and elimination of graffiti and vandalism, the improvements will serve to encourage park patronage from residents of the Project Area which in turn reduces juvenile delinquency and related crimes. Within these facilities social and recreational programs are

offered for youths of the Project Area, which can act as an alternative to anti-social, blighting activities.

New Public Works Laydown Facility

The realization of a fully operational laydown facility will allow the Public Works Department to perform repairs and improvements within the Project Area in a more efficient and economical manner, thus increasing the speed and breadth of Agency efforts to eradicate blight.

Overland Avenue Bridge Replacement

The existing Overland Avenue bridge is 70 years old, and is decrepit, replete with metal corrosion and crumbling concrete in its structure. Inadequate lighting invites vandalism and discourages nighttime use by the residents of the Project Area. Replacement of the bridge with a new structure will discourage vandalism and increase the attractiveness of the Project Area.

East Washington Medians

Redesigned medians in the eastern portion of Washington Boulevard will accommodate the addition of dedicated bike lanes to this segment of Washington Boulevard, adding additional alternative transportation options for commuters and the general public to and from the Project Area.

As well, improving traffic circulation and improved alternate transportation options will encourage patronage of the businesses in the Project Area by allowing safer and easier vehicle maneuvering and directional changes. An improved business climate can act as a stimulus to revitalization of the Project Area, encouraging reinvestment in appearance and eradication of blighting elements.

Improvements to Public Facilities

Improvements to the transportation center will enhance overall efficiency of the system, thereby affording residents of the Project Area improved access to jobs and schools. Increased employment and educational opportunities improves the financial conditions of the residents of the Project Area and thus helps eliminate blighting conditions driven by unemployment and underemployment of residents.

Improvements to Fire Station No. 2 will allow greater efficiency and reduced service call times, thus improving service and safety within the Project Area.

Improvements to the Veterans' Memorial Center will allow the complex to better serve the residents of the Project Area through both continuing and new programs serving seniors, youth, and the general public, including many social and recreational programs aimed at youth which can act as an alternative to anti-social, blighting activities.

Street Light Replacement

Efficient and effective street lighting has traditionally been accepted as a leading factor in reducing vandalism and other crimes that cause or exacerbate blighting within the project Area. Light reduces blight. By replacing the existing high voltage, low efficiency street lights with contemporary energy efficient lamps, the Agency will reduce factors directly causing or contributing to blighting.

Washington Boulevard Repaving

The entire length of Washington Boulevard is a commercial corridor, and as such, proper maintenance of the roadway is integral to the sustained health of the local business community in these Component Areas, and thus of benefit to the Project Area itself. An improved business climate can act as a stimulus to revitalization of the Project Area, encouraging reinvestment in appearance and eradication of blighting elements.

Expansion of Transfer Plant

Efficient waste disposal not only benefits the entire Project Area, it is requisite to good health and the elimination of blight. Culver City maintains an in-house fleet of sanitation collection vehicles and staff. The current plant is operating at near capacity, having maximized potential of the existing site. To process the anticipated future increased demand, additional space is required to expand the plant.

New Fire Training Yard

A new fire training yard assists in the elimination of blight by allowing the existing transfer plant to absorb the current fire training yard for expansion of the plant. In

order to expand into this property, a new location must be found for the training yard. The location of this facility is yet to be determined.

VI The Facts Supporting A Determination That The Specified Public Infrastructure Improvements Are Consistent With The Implementation Plan For The Project Area

New Police Headquarters Facility:

The proposed Police Department facility is consistent with achieving Goal No. 3.0, Objective No. 3.1.1: *“Provide Rehabilitation Patrol Services for redevelopment project sites to protect Agency investment in the Project Area.”*

The proposed Police Department/Fire Department Facility and the demolition of Old Fire Station No. 3 is consistent with achieving Goal No. 3.0, Objective No. 3.1.12: *“Rehabilitate or replace outdated public facilities to improve public safety and enhance the quality of life.”*

Park Improvements

The specified public infrastructure improvements to park facilities is consistent with addressing Blighting Condition No. 1.4: *“The community open space and recreational and public facility space is less than the recommended standard of four acres per thousand of population.”*

The specified public infrastructure improvements to park facilities is consistent with addressing Blighting Condition No. 2.3: *“Community open space, recreational and public facility space is substandard in Component Area No. 2.”*

The specified public infrastructure improvements to park facilities is consistent with addressing Blighting Condition No. 3.2: *“Inadequate provision for light, ventilation, sanitation, open spaces, and recreation facilities primarily in the industrial and residential areas.”*

The specified public infrastructure improvements to park facilities is consistent with achieving Goal No. 3.0, Objective No. 3.1.12: *“Rehabilitate or replace outdated public facilities to improve public safety and enhance the quality of life.”*

New Public Works Laydown Facility

The realization of a fully operational laydown facility is consistent with addressing Blighting Condition No. 2.2: *“The roadway and utility infrastructure is substandard in some areas.”*

The realization of a fully operational laydown facility is consistent with addressing Blighting Condition No. 2.3: *“Community open space, recreational and public facility space is substandard in Component Area No. 2.”*

The realization of a fully operational laydown facility is consistent with achieving Goal No. 1.0, Objective No. 1.1.1: *“Facilitate the construction of public transportation improvements throughout the Project Area.”*

The realization of a fully operational laydown facility is consistent with achieving Goal No. 1.0, Objective No. 1.1.2: *“Facilitate the construction of pedestrian access and circulation improvements throughout the Project Area.”*

The realization of a fully operational laydown facility is consistent with achieving Goal No. 1.0, Objective No. 1.1.3: *“Replace the aging Overland Avenue bridge.”*

The realization of a fully operational laydown facility is consistent with achieving Goal No. 1.0, Objective No. 1.1.4: *“Replace aging high voltage street lights with low energy use lighting.”*

The realization of a fully operational laydown facility is consistent with achieving Goal No. 1.0, Objective No. 1.1.5: *“Replace overhead utility lines on major corridors with underground facilities.”*

The realization of a fully operational laydown facility is consistent with achieving Goal No. 1.0, Objective No. 1.1.6: *“Repair Washington Boulevard roadway.”*

The realization of a fully operational laydown facility is consistent with achieving Goal No. 3.0, Objective No. 3.1.12: *“Rehabilitate or replace outdated public facilities to improve public safety and enhance the quality of life.”*

The realization of a fully operational laydown facility is consistent with achieving Goal No. 3.0, Objective No. 3.1.13: *“Implement streetscape and median improvements in the West Washington A.I.P.”*

Overland Avenue Bridge Replacement

Replacement of the existing Overland Avenue bridge is consistent with addressing Blighting Condition No. 2.2: *“The roadway and utility infrastructure [in Component Area No. 2] is substandard in some areas.”*

Replacement of the existing Overland Avenue bridge is consistent with addressing Blighting Condition No. 2.4: *“Increases in regional and local traffic continue to impact Component Area No. 2.”*

Replacement of the existing Overland Avenue bridge is consistent with achieving Goal No. 1.0, Objective No. 1.1.1: *“Facilitate the construction of public transportation improvements throughout the Project Area.”*

Replacement of the existing Overland Avenue bridge is consistent with achieving Goal No. 1.0, Objective No. 1.1.3: *“Replace the aging Overland Avenue bridge.”*

East Washington Medians

Redesigned medians in the eastern portion of Washington Boulevard is consistent with addressing Blighting Condition No. 3.5: *“The existence of inadequate streets, open space, and utilities, primarily in the industrial areas.”*

Redesigned medians in the eastern portion of Washington Boulevard is consistent with achieving Goal No. 1.0, Objective No. 1.1.1: *“Facilitate the construction of public transportation improvements throughout the Project Area.”*

Redesigned medians in the eastern portion of Washington Boulevard is consistent with achieving Goal No. 1.0, Objective No. 1.1.2: *“Facilitate the construction of pedestrian access and circulation improvements throughout the Project Area.”*

Redesigned medians in the eastern portion of Washington Boulevard is consistent with achieving Goal No. 1.0, Objective No. 1.1.6: *“Repair Washington Boulevard roadway.”*

Improvements to Public Facilities

The proposed improvements to public facilities is consistent with addressing Blighting Condition No. 2.3: *“Community open space, recreational and public facility space is substandard in Component Area No. 2.”*

The proposed improvements to public facilities is consistent with achieving Goal No. 1.0, Objective No. 1.5.4: *“Invest in new public improvements.”*

The proposed improvements to public facilities is consistent with achieving Goal No. 3.0, Objective No. 3.1.12: *“Rehabilitate or replace outdated public facilities to improve public safety and enhance the quality of life.”*

Street Light Replacement

Replacing aging high voltage street lights with low energy use lighting is consistent with achieving Goal No. 1.0, Objective No. 1.1.4: *“Replace aging high voltage street lights with low energy use lighting.”*

Replacing aging high voltage street lights with low energy use lighting is consistent with achieving Goal No. 1.0, Objective No. 1.5.4: *“Invest in new public improvements.”*

Washington Boulevard Repaving

Repaving Washington Boulevard is consistent with addressing Blighting Condition No. 2.2: *“The roadway and utility infrastructure [in Component Area No. 2] is substandard in some areas.”*

Repaving Washington Boulevard is consistent with addressing Blighting Condition No. 2.4: *“Increases in regional and local traffic continue to impact Component Area No. 2.”*

Repaving Washington Boulevard is consistent with addressing Blighting Condition No. 3.5: *“The existence of inadequate streets, open space, and utilities, primarily in the industrial areas.”*

Repaving Washington Boulevard is consistent with achieving Goal No. 1.0, Objective No. 1.1.1: *“Facilitate the construction of public transportation improvements throughout the Project Area.”*

Washington Boulevard is consistent with achieving Goal No. 1.0, Objective No. 1.1.2: *“Facilitate the construction of pedestrian access and circulation improvements throughout the Project Area.”*

Repaving Washington Boulevard is consistent with achieving Goal No. 1.0, Objective No. 1.1.6: *“Repair Washington Boulevard roadway.”*

Expansion of Transfer Plant

The proposed recycling plant is consistent with addressing Blighting Condition No. 3.2: *“Inadequate provision for light, ventilation, sanitation, open spaces, and recreation facilities primarily in the industrial and residential areas.”*

The proposed recycling plant is consistent with achieving Goal No. 1.0, Objective No. 1.2.1: *“Complete land use planning analysis and parking strategy, encourage hazardous material remediation, and where appropriate, construct needed public improvements in the Hayden, Selmaraine and Blackwelder/Smiley industrial area.”*

New Fire Training Yard

A new fire training yard required in order to expand the transfer plant. Therefore, a new fire training yard is consistent with the goals of the transfer plant expansion and is consistent with addressing Blighting Condition No. 3.2: *“Inadequate provision for light, ventilation, sanitation, open spaces, and recreation facilities primarily in the industrial and residential areas.”*

A new fire training yard required in order to expand the transfer plant. Therefore, a new fire training yard is consistent with achieving Goal No. 1.0, Objective No. 1.2.1: *“Complete land use planning analysis and parking strategy, encourage hazardous material remediation, and where appropriate, construct needed public improvements in the Hayden, Selmaraine and Blackwelder/Smiley industrial area.”*

VII THE REDEVELOPMENT PURPOSE FOR WHICH AGENCY FUNDS ARE BEING USED

Collectively, the Agency funding proposed for the specified public infrastructure improvements provide needed infrastructure to attract private investment and thereby assists in the elimination of blighting influences. The proposed improvements will: improve economic use of nearby properties; improve access for persons with disabilities; improve recreational opportunities for Project Area residents; and, improve public safety by providing modern, spacious and efficient facilities for the Police and Fire Departments to operate in. In their entirety, the proposed expenditure of Agency funds for the specified public infrastructure projects signals to the private market that the Culver City Redevelopment Agency is investing in its community. This gives Culver City a competitive advantage over more moribund districts where similar public investment is lacking.

Furthermore, the specified public infrastructure improvements protect and promote the sound development and redevelopment of blighted areas and the general welfare of the inhabitants of the community in which they exist by remedying such injurious conditions through the employment of all appropriate means.

Furthermore, non-development of blighting elements restricts employment opportunities, and the resulting lack of employment opportunity creates despair and frustration which may create destabilizing forces within the community.

ATTACHMENTS

Appendix A - Parks & Recreation Facilities

Appendix B – Public Facilities