

REPORT TO CITY COUNCIL

DATE: APRIL 11, 2012

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER

SUBJECT: APPROVE RESOLUTION NO. 12-1666; APPROVING THE EXECUTION OF A COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD, AND OTHER EXPENSES BY AND BETWEEN THE CITY AND THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

Upon dissolution of the Agoura Hills Redevelopment Agency on February 1, 2012, pursuant to AB X1 26, the Successor Agency to the Agoura Hills Redevelopment Agency was constituted and is governed by a board of directors consisting of the members of the City Council.

Pursuant to AB X1 26, the Successor Agency is required to undertake a number of actions, including winding down the affairs of the former Redevelopment Agency. For example, the Oversight Board for the Successor Agency may direct the staff of the Successor Agency to perform work in furtherance of the Oversight Board's duties and responsibilities under AB X1 26 and the Successor Agency must pay for all of the costs of meetings of the Oversight Board. In addition, the Successor Agency will have a number of ongoing responsibilities, such as paying debt service on enforceable obligations of the former Redevelopment Agency and preparing an administrative budget and Recognized Obligation Payment Schedule (ROPS) for each six-month fiscal period, in addition to other tasks.

Each proposed administrative budget must include a proposal for arrangements for administrative and operations services provided by the City or another entity. The attached Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead, and Other Expenses by and between the City and the Successor Agency provides for the Successor Agency to use the City's staff, facilities, and other resources for the administration and operations of the Successor Agency. Pursuant to the Agreement, the City will advance these costs to the Successor Agency and the Successor Agency will reimburse the City for such advances. The Agreement must be approved by the Oversight Board for the Successor Agency. The attached Resolution approves execution of the Agreement by the City.

AB X1 26 provides for the Successor Agency to receive an annual administrative cost allowance of not less than \$250,000. The Administrative Cost Allowance will exclude any administrative costs that can be paid from bond proceeds or from sources other than property tax. **The administrative cost allowance is subject to reduction if there are insufficient funds to pay the former Redevelopment Agency's enforceable obligations.**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 12-1666, approving the execution of a Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead, and Other Expenses by and between the City and the Successor Agency.

Attachments: (A) Resolution No. 12-1666
(B) Agreement with Successor Agency (Administrative costs)

RESOLUTION NO. 12-1666

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, APPROVING THE EXECUTION OF A COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD, AND OTHER EXPENSES BY AND BETWEEN THE CITY AND THE SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170), the Successor Agency to the Agoura Hills Redevelopment Agency (“Successor Agency”) is required to undertake a number of actions, including winding down the affairs of the former Redevelopment Agency pursuant to Health and Safety Code Section 34177(h).

WHEREAS, in connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City of Agoura Hills (“City”). The City Manager of the City serves as Executive Director of the Successor Agency, the Director of Finance and City Treasurer serve as the Finance Officers of the Successor Agency, and the City Clerk serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote and are expected to devote, substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the former Redevelopment Agency’s enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with administration and operations of the Successor Agency.

WHEREAS, by providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency. The City and the Successor Agency desire to enter into an agreement to provide for an appropriate method of reimbursement of such advances by the City to the Successor Agency.

WHEREAS, pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations and pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Successor Agency may enter into agreements with the City with the approval of the oversight board for the Successor Agency (the “Oversight Board”).

NOW, THEREFORE, THE CITY COUNCIL HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The City Council hereby approves the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead, and other Expenses by and between the City and the Successor Agency, attached hereto as Exhibit A and incorporated herein by reference (the "Agreement"), and the Mayor is hereby authorized and directed to execute the Agreement.

SECTION 3. The officers and staff of the City area hereby authorized and directed, jointly and severally, to do any and all things which they deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED, APPROVED, AND ADOPTED this 11th day of April, 2012, by the following vote to wit:

AYES: (0)
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

John M. Edelston, Mayor

ATTEST:

Kimberly M. Rodrigues, MMC, City Clerk

EXHIBIT A

Cooperative Agreement for Advance and Reimbursement of
Administrative, Overhead, and other Expenses

COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF
ADMINISTRATIVE, OVERHEAD, AND OTHER EXPENSES

This COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD, AND OTHER EXPENSES (this "Agreement") is entered into as of February 1, 2012, by and between the City of Agoura Hills (the "City") and the Successor Agency to the Agoura Hills Redevelopment Agency (the "Successor Agency").

RECITALS:

- A. The Successor Agency is required to undertake a number of actions pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) ("Part 1.85"), including winding down the affairs of the former Agoura Hills Redevelopment Agency ("Agency") pursuant to Health and Safety Code Section 34177(h).
- B. Pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations.
- C. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), with the approval of the oversight board, the Successor Agency may enter into agreements with the City.
- D. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City.
- E. The City Manager of the City serves as Executive Director of the Successor Agency, the Director of Finance and City Treasurer serve as the Finance Officers of the Successor Agency, and the City Clerk serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote, and are expected to devote, substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Agency's enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with winding down the affairs of the Agency.
- F. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced, and will continue to advance, the cost of the foregoing to the Successor Agency.
- G. The City and the Successor Agency desire to enter into this Agreement to acknowledge the foregoing recitals and to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. The City shall make available to the Successor Agency its staff, facilities, services, and other resources, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency. The Successor Agency shall have access to the foregoing staff, facilities, services, and other resources of the City.

Section 2. The value of the City staff, including all employee retirement and other benefits, facilities, services, and other resources of the City, including, without limitation, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency made, and to be made, available to the Successor Agency for each six-month fiscal period beginning with the fiscal period commencing on January 1, 2012 and ending on June 30, 2012, determined in accordance with Section 3 hereof, shall constitute an advance to the Successor Agency by the City for each six-month fiscal period, to be repaid in accordance with Section 4 of this Agreement.

Section 3. [The City Manager has prepared a cost accounting plan attached hereto as Exhibit A and incorporated herein by reference, based upon reasonable allocations and generally accepted cost accounting principles, documenting the value of the City staff, including all employee retirement and other benefits, and the facilities, services, and other resources of the City made, or to be made available, to the Successor Agency pursuant to Section 1 hereof for each six-month fiscal period, beginning with the fiscal period commencing on January 1, 2012, and ending on June 30, 2012. For each six-month fiscal period, or such other times as the City Manager deems appropriate, the City Manager shall review the cost accounting plan for its accuracy in reflecting the value of City staff and resources advanced to the Successor Agency. The City Manager shall revise the cost accounting plan as he or she determines is necessary based on such periodic review.

Section 4. Within a reasonable time following the end of each six month fiscal period, beginning with the fiscal period commencing on January 1, 2012 and ending on June 30, 2012, the Successor Agency shall pay the City the amount of the reimbursement set forth in Exhibit A from available funds of the Successor Agency. In the event that insufficient funds are available to the Successor Agency, any unpaid amounts shall be carried over to the next six-month fiscal period.]

Section 5. The parties hereto agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 6. Each party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other party at all reasonable times.

Section 7. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 8. This Agreement will be become effective upon approval of the Oversight Board to the Successor Agency.

Section 9. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement and approved by the Oversight Board to the Successor Agency.

SUCCESSOR AGENCY TO THE AGOURA
HILLS REDEVELOPMENT AGENCY

By _____
John M. Edelston, Chair

ATTEST:

Kimberly M. Rodrigues, Secretary

CITY OF AGOURA HILLS

By _____
John M. Edelston, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk

APPROVED:

Oversight Board to the Successor
Agency to the Agoura Hills
Redevelopment Agency

Date