STAFF REPORT
CITY OF SOLANA BEACH
AND REDEVELOPMENT AGENCY

TO: Honorable Mayor and City Councilmembers / Honorable Chairperson and Board of Directors
FROM: David Ott, City Manager / Executive Director
MEETING DATE: January 26, 2011
ORIGINATING DEPT: City Manager's Office
SUBJECT: Approving and Authorizing the City Manager/Executive Director to Execute the First Amended and Restated Cooperation and Repayment Agreement between the City of Solana Beach and Solana Beach Redevelopment Agency

BACKGROUND:
Pursuant to Redevelopment Law, including but not limited to Health and Safety Code section 33610, the City of Solana Beach (City) and Solana Beach Redevelopment Agency (Agency) are allowed to enter into cooperative agreements for the provision by the City to the Agency of certain financial and personnel assistance, use of facilities, and other aid in furtherance of the Agency's activities and functions. At the time of the formation of the Agency in 2003, the City and Agency entered into a Cooperation Agreement as evidenced by Resolution RDA-006 (Attachment 1).

DISCUSSION:
For fiscal year 2010-2011, approximately $165,700 is owed by the Agency to the City for personnel salaries and administration. It is anticipated that throughout the life of the Agency (or the provision of any redevelopment/economic development functions), the City will provide these services and the Agency will be indebted to the City for the costs associated with the services at the same level or slightly higher than the costs of this Fiscal Year.

To memorialize the City-to-Agency loans/reimbursement obligations and the current cooperative activities, Staff recommends the approval of the First Amended and Restated Cooperation and Repayment Agreement and authorizes the City Manager and Executive Director to execute the First Amended and Restated Cooperation Agreement.

CITY COUNCIL ACTION:

AGENDA ITEM
C.8.
The First Amended and Restated Cooperation Agreement will be distributed as soon as it becomes available.

**CEQA COMPLIANCE STATEMENT:**
Not a project as defined by CEQA.

**FISCAL IMPACT:**
$165,700 is being paid by the Agency to the City for Fiscal Year 2010-2011 to provide the services described above from the unencumbered tax increment from the Agency Project Area. It is anticipated that the provision of similar services will continue at or above this amount for the life of the Agency (or the provision of any redevelopment/economic development functions).

**WORKPLAN:**
Fiscal Sustainability
- Redevelopment and
- Economic Development

**OPTIONS:**
- Approve Staff recommendation.
- Approve Staff recommendation with modifications.
- Provide direction.

**DEPARTMENT RECOMMENDATION:**
Staff recommends that the City Council/Board of Directors:

1. Adopt Resolution 2011-025
   a. Approving and Authorizing the City Manager to Execute the First Amended and Restated Cooperative Agreement between the City of Solana Beach and Solana Beach Redevelopment Agency.

2. Adopt Resolution RDA 2011-045
   a. Approving and Authorizing the Executive Manager to Execute the First Amended and Restated Cooperative Agreement between the City of Solana Beach and Solana Beach Redevelopment Agency.

**CITY MANAGER’S / EXECUTIVE DIRECTOR’S RECOMMENDATION:**
Approve Department Recommendation

[Signature]
David Ott, City Manager / Executive Director

**Attachments:**
1. Resolution RDA-006
2. Resolution 2011-025
3. Resolution RDA 2011-045
RESOLUTION NO. 006

A RESOLUTION OF THE SOLANA BEACH REDEVELOPMENT AGENCY APPROVING A COOPERATION AGREEMENT WITH THE CITY OF SOLANA BEACH AND AUTHORIZING THE EXECUTION THEREOF

WHEREAS, on December 2, 2003, the City Council of the City of Solana Beach, California (the “City”), adopted Ordinance No. 318, thereby activating the Solana Beach Redevelopment Agency (the “Agency”); and

WHEREAS, the City and Agency desire to enter into a Cooperation Agreement, substantially in the form of Exhibit “A” attached hereto and incorporated herein (the “Cooperation Agreement”), pursuant to which the City will render services and/or make available facilities to assist the Agency in furtherance of the Agency’s activities and functions.

NOW THEREFORE, THE SOLANA BEACH REDEVELOPMENT AGENCY DOES RESOLVE AS FOLLOWS:

1. The Cooperation Agreement attached hereto as Exhibit “A” and incorporated herein is hereby approved.

2. The Chairperson and Secretary of the Agency are hereby authorized and directed to execute the Cooperation Agreement on behalf of the Agency as the Agency’s act and deed.
THE FOREGOING RESOLUTION WAS PASSED, APPROVED AND ADOPTED
on the 20th day of January 2004, at a regular meeting of the Solana Beach
Redevelopment Agency, by the following vote:

AYES: AGENCY MEMBERS - Kellejian, Campbell, Golich, Powell, Sheres
NOES: AGENCY MEMBERS - None
ABSENT: AGENCY MEMBERS - None
ABSTAIN: AGENCY MEMBERS - None

JOE G. KELLEJIAN, Chairperson
Solana Beach Redevelopment Agency

APPROVED AS TO FORM:

CELIA A. BREWER, Agency Counsel
Solana Beach Redevelopment Agency

ATTEST:

JANICE BREITENFELD, Secretary
Solana Beach Redevelopment Agency
EXHIBIT "A"

COORDINATION AGREEMENT

THIS AGREEMENT is entered into as of January 20, 2004, by and between the
City of Solana Beach, California, a municipal corporation (herein the "City"), and the
Solana Beach Redevelopment Agency, a public body (herein the "Agency").

RECITALS

A. The City Council of the City, acting pursuant to the provisions of the California
Redevelopment Law, has activated the Agency and has declared itself to
constitute the Agency by Ordinance No. 318, adopted December 2, 2003.

B. Pursuant to said Community Redevelopment Law, the Agency is performing a
public function of the City and may have access to services and facilities of the
City.

C. The City Council of the City has created a Redevelopment Agency Administrative
Fund for the purpose of accounting for administrative expenses of the Agency.

D. The City and Agency desire to enter into this Agreement to set forth services and
facilities rendered by the City and made available to the Agency in furtherance of
the activities and functions of the Agency under the California Community
Redevelopment Law.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants
and conditions set forth herein, the parties hereto agree as follows:

Section 1. The City agrees to provide for the Agency such staff assistance,
supplies, technical services and other services and facilities for the City as the
Agency may require in carrying out its functions under the California Community
Redevelopment Law. Such assistance and services may include the services of
the City officers and employees and special consultant services.

Section 2. The City shall periodically, but not less than annually, submit to the
Agency a statement of the costs incurred by the City in rendering services and
facilities of the City to the Agency pursuant to this Agreement. Said statement
may include a proration of City's administrative and salary expense attributable to
services of City Officials, employees and department rendered for the Agency.
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Section 3. The Agency agrees to accept services and facilities of the City pursuant to this Agreement and to repay to the City, at such time as funds are available to the Agency for such repayment, the costs of the City under this Agreement as shown on statements submitted to the Agency pursuant to Section 2 hereof.

Section 4. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Chapter 6, Article 6, of the California Community Redevelopment Law.

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

CITY OF SOLANA BEACH, CALIFORNIA

[Signature]
JOE G. KELLEJIAN, Mayor  
City of Solana Beach

ATTEST:

[Signature]
JANICE BREITENFELD, City Clerk  
City of Solana Beach

SOLANA BEACH REDEVELOPMENT AGENCY

[Signature]
JOE G. KELLEJIAN, Chairperson  
Solana Beach Redevelopment Agency

ATTEST:

[Signature]
JANICE BREITENFELD, Secretary  
Solana Beach Redevelopment Agency
RESOLUTION 2011-025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST AMENDED AND RESTATE COOPERATION AGREEMENT BETWEEN THE CITY OF SOLANA BEACH AND SOLANA BEACH REDEVELOPMENT AGENCY

WHEREAS, on December 2, 2003, the City Council of the City of Solana Beach, California (the “City”), adopted Ordinance No. 318, thereby activating the Solana Beach Redevelopment Agency (the “Agency”); and

WHEREAS, the City and Agency are authorized, pursuant to Health and Safety Code sections 33610 and the laws of the State of California, to enter into a cooperative agreement for the City to financially assist the Agency with administrative and overhead expenses in order for the Agency to carry out its functions; and

WHEREAS, the City and Agency previously executed a Cooperative Agreement dated January 20, 2004; and

WHEREAS, since the inception of the Agency, the City has provided these services and the Agency has paid the City on a fiscal year basis for these activities; and

WHEREAS, for Fiscal Year 2010-2011, the Agency is obligated to pay the City approximately $165,700 for these services and it is expected that in future fiscal years, the same or a slightly higher amount will be necessary for the Agency’s activities and functions.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.
2. That the City Council approves and authorizes the City Manager to execute the First Amended and Restated Cooperative Agreement between the City of Solana Beach and Solana Beach Redevelopment Agency.

PASSED AND ADOPTED this 26th day of January, 2011, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

LESA HEEBNER, Mayor

APPROVED AS TO FORM: ATTEST:

JOHANNA N. CANLAS, City Attorney ANGELA IVEY, City Clerk
RESOLUTION RDA-045

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOLANA BEACH REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE FIRST AMENDED AND RESTATED COOPERATION AGREEMENT BETWEEN THE CITY OF SOLANA BEACH AND SOLANA BEACH REDEVELOPMENT AGENCY

WHEREAS, on December 2, 2003, the City Council of the City of Solana Beach, California (the “City”), adopted Ordinance No. 318, thereby activating the Solana Beach Redevelopment Agency (the “Agency”); and

WHEREAS, the City and Agency are authorized, pursuant to Health and Safety Code sections 33610 and the laws of the State of California, to enter into a cooperative agreement for the City to financially assist the Agency with administrative and overhead expenses in order for the Agency to carry out its functions; and

WHEREAS, the City and Agency previously executed a Cooperative Agreement dated January 20, 2004; and

WHEREAS, since the inception of the Agency, the City has provided these services and the Agency has paid the City on a fiscal year basis for these activities; and

WHEREAS, for Fiscal Year 2010-2011, the Agency is obligated to pay the City approximately $165,700 for these services and it is expected that in future fiscal years, the same or a slightly higher amount will be necessary for the Agency’s activities and functions.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

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2. That the City Council approves and authorizes the City Manager to execute the First Amended and Restated Cooperative Agreement between the City of Solana Beach and Solana Beach Redevelopment Agency.

PASSED AND ADOPTED this 26th day of January, 2011, at a regularly scheduled meeting of the Board of Directors of the Solana Beach Redevelopment Agency by the following vote:

AYES: Boardmembers –
NOES: Boardmembers –
ABSTAIN: Boardmembers –
ABSENT: Boardmembers –

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LESA HEEBNER, Chairperson

APPROVED AS TO FORM:                      ATTEST:

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JOHANNA N. CANLAS, Agency Counsel          ANGELA IVEY, Secretary