

CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Resolution Authorizing Execution of Cooperation Agreement Between City of Lodi and the Redevelopment Agency

MEETING DATE: November 17, 1999

PREPARED BY: City Attorney

RECOMMENDATION: That the City Council adopt the Resolution authorizing the execution of the Cooperation Agreement between the City of Lodi and the Redevelopment Agency.

BACKGROUND: On July 7, 1999, the City Council adopted Ordinance 1675. That Ordinance became effective thirty days subsequent to its adoption. At that time the City of Lodi Redevelopment Agency came into being. Since that time staff has been working to bring back to Council a package which would put the Agency into the position of being able to move forward to acquire professional services to assist staff in the development of a Redevelopment Plan and the necessary environmental documents.

One of the critical elements of that package is a Cooperation Agreement between the City and the Redevelopment Agency. This is because that at the outset redevelopment agencies begin their program with funding from the parent jurisdiction which in this case is the City. Since redevelopment agencies generate their revenues through tax increments, they do not have that available to them at start up.

The agreement before you is developed based upon the previous budgeting done by the City with the anticipation that it would provide funding for its Redevelopment Agency to use. The agreement recognizes the funding level that the City has established in the current budget. The document as well recognizes that the funds being provided to the agency are a loan and are to be paid back at such time as the agency develops increment. The loan bears an interest rate based upon a number provided by the Finance Director, which is equivalent to the LAIF rate currently applicable to City funds.

The companion item to this Cooperation Agreement is found on the Redevelopment Agency agenda as Item J. That agenda item of the Agency seeks to put in place an agreement for professional services to assist staff in the development of a Redevelopment Plan and the necessary environmental documents.

FUNDING: \$222,050

Funding Available: _____

Vicky McAthie
Finance Director

Respectfully submitted,



Randall A. Hays, City Attorney

APPROVED: _____
H. Dixon Flynn -- City Manager

RESOLUTION NO. 99-181

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE EXECUTION OF A COOPERATION AGREEMENT BETWEEN THE CITY AND THE REDEVELOPMENT AGENCY OF THE CITY OF LODI

WHEREAS, the City Council of the City of Lodi, acting pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code §33000 et seq.) has activated the Redevelopment Agency of the City of Lodi (the "Agency") and has declared itself to constitute the Agency by Ordinance No. 1675, adopted on July 7, 1999; and

WHEREAS, pursuant to the Community Redevelopment Law, the Agency is performing a public function of the City and may have access to services and facilities of the City; and

WHEREAS, the City and the Agency desire to enter into an agreement in order to:

(1) Set forth activities, services and facilities which the City will render for and make available to the Agency in furtherance of the activities and functions of the Agency under the Community Redevelopment Law; and

(2) Provide that the Agency will reimburse the City for actions undertaken and costs and expenses incurred by it, for and on behalf of the Agency.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LODI DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The "Cooperation Agreement" between the City of Lodi and the Redevelopment Agency of the City of Lodi, in the form attached to this resolution and incorporated herein by reference, is hereby approved, and the Mayor and City Clerk are hereby directed and authorized to execute said Cooperation Agreement on behalf of the City.

Section 2. The City Council hereby appropriates and directs and authorizes the City Finance Director to establish a budget encumbrance for the City's obligations under the Cooperation Agreement in the amount of \$200,000.00.

Dated: November 17, 1999

I hereby certify that Resolution No. 99-181 was passed and adopted by the Lodi City Council in a regular meeting held November 17, 1999 by the following vote:

- AYES: COUNCIL MEMBERS – Hitchcock, Mann, Pennino and Land (Mayor)
- NOES: COUNCIL MEMBERS – Nakanishi
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None

Alice M. Reimche
ALICE M. REIMCHE
City Clerk

COOPERATION AGREEMENT

THIS AGREEMENT is entered into as of the 17th day of November, 1999, by and between the CITY OF LODI (herein the "City") and the REDEVELOPMENT AGENCY OF THE CITY OF LODI (herein the "Agency").

Recitals

A. The City Council of the City of Lodi, acting pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code §33000 et seq.), has activated the Agency and has declared itself to constitute the Agency, by Ordinance No. 1675, adopted on July 7, 1999.

B. Pursuant to the 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 and the Agency desire to enter into this Agreement:

(1) To set forth activities, services and facilities which the City will render for and make available to the Agency in furtherance of the activities and functions of the Agency under the Community Redevelopment Law; and

(2) To provide that the Agency will reimburse the City for actions undertaken and costs and expenses incurred by it for and on behalf of the Agency.

Agreements

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

2. The City may, but is not required to, advance necessary funds to the Agency or to expend funds on behalf of the Agency for the preparation and implementation of a redevelopment plan, including, but not limited to, the costs of surveys, planning, studies and environmental assessments for the adoption of a redevelopment plan, the costs of acquisition of the property within the project area, demolition and clearance of properties acquired, building and site preparation, public improvements and relocation assistance to displaced residential and nonresidential occupants as required by law.

3. The City will keep records of activities and services undertaken pursuant to this Agreement and the costs thereof in order that an accurate record of the Agency's liability to the City can be ascertained. The City shall periodically, but not less than annually, submit to the Agency a statement of the costs incurred by the City in rendering activities and services of the City to the Agency pursuant to this Agreement. Such statement of costs may include a proration of the City's administrative and salary expense attributable to services of City officials, employees and departments rendered for the Agency.

4. The Agency agrees to reimburse the City for all costs incurred for services by the City pursuant to this Agreement from and to the extent that funds are available to the Agency for such purpose pursuant to §33670 of the Health and Safety Code or from other sources; provided, however, that the Agency shall have the sole and exclusive right to pledge any such sources of funds to the repayment of other indebtedness incurred by the Agency in carrying out the redevelopment project. The costs of the City under this Agreement will be shown on statements submitted to the Agency pursuant to Section 3 above. Although the parties recognize that payment may not occur for a few years and that repayment may also occur over a period of time, it is the express intent of the parties that the City shall be entitled to repayment of the expenses incurred by the City under this Agreement, consistent with the Agency's financial ability, in order to make the City whole as soon as practically possible.

5. The City agrees to include the Agency within the terms of the City's insurance policy. The Agency shall pay to the City its pro rata share of the costs of insurance applicable to its activities resulting from the Agency's inclusion in the City's policy.

6. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of §33670 et seq. of the Community Redevelopment Law, to be repaid to the City by the Agency with interest at five point four six zero percent (5.460%) per annum.

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

ATTEST:

CITY OF LODI ("CITY")

City Clerk

By: _____
Mayor

ATTEST:

REDEVELOPMENT AGENCY OF
THE CITY OF LODI ("AGENCY")

Secretary

By: _____
Chair