

City of Culver City, California Agenda Item Report

Meeting Date: 09/27/10		Item Number: PH-1	
REDEVELOPMENT AGENCY BOARD AGENDA ITEM: PUBLIC HEARING – Approval of a Purchase and Sale Agreement to Sell a Portion of the Agency Owned Property Located at 3433 Wesley Street to the Los Angeles County Metropolitan Transportation Authority and Approval of the Related Budget Amendment.			
Contact Person/Dept.: Glenn Heald and Todd Tipton, Community Development Department		Phone Number: 310.253.5752 and 5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Published in the Culver City News 09/16/10; (E-Mail) Meetings and Agendas – Redevelopment Agency (09/23/10).			
Department Approval: Sol Blumenfeld (09/21/10)		Agency General Counsel: Murray Kane (09/16/10)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball)(09/23/10)		Agency Executive Director Approval: John M. Nachbar (09/23/10)	
<u>RECOMMENDATION:</u> Staff recommends the Culver City Redevelopment Agency Board (Agency Board) approve a Purchase and Sale Agreement for a portion of the Agency owned property located at 3433 Wesley Street, Culver City, to the Los Angeles County Metropolitan Transportation Authority (Metro) and approve the related budget amendment. <u>PROCEDURE:</u> 1. The Chair seeks a motion to receive and file the affidavits of publication and posting of notices, and correspondence received in response to the public hearing notices; and, 2. Chair calls for a staff report and Agency Board Members may pose questions to staff as desired; and, 3. Chair seeks a motion to open the public hearing; and, 4. Chair seeks motion to close the public hearing after all public testimony has been presented; and, 5. The Agency Board discusses the item and arrives at its decision.			

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BACKGROUND:

The Culver City Redevelopment Agency (Agency) owns a parcel of land at 3433 Wesley Street, Culver City (Property). The Property is currently an improved surface parking lot that is leased to Mr. Jim Hull, owner of the adjacent commercial property at 3431 Wesley Street¹.

The Property is a triangular parcel of 4,148 square feet and is located adjacent to the cul-de-sac where Wesley Street abuts the Metro right-of-way (ROW) (Attachment No. 1). A portion of the Wesley Street cul-de-sac encroaches upon the ROW, which Metro is improving as a multi-use path. In order to reconfigure the cul-de-sac so it no longer encroaches onto the ROW, Metro requires a portion of the Property designated Parcel Number WE-606 (Attachment No. 2).

DISCUSSION:

WE-606 is approximately 1,476 square feet and was appraised in June 2009 at a value of \$140,000. On July 20, 2010 Metro offered the Agency \$172,000 for fee simple interest in WE-606 (Attachment No. 3). This offer has been extended to September 30, 2010.

FISCAL ANALYSIS:

Should the Agency Board approve the proposed agreement, the Agency would receive \$172,000 in one-time land sale proceeds. A budget amendment to increase revenues by \$172,000 in business unit 57396000.386350 (Property Acquisition) will be necessary to account for the one-time revenues. The sale of WE-606 to Metro will require terminating or modifying the Agency's lease with Mr. Hull.

ATTACHMENTS:

1. Assessor Parcel Map of the Property and surrounding area.
2. Parcel Plat WE-606; Metro's planned acquisition of a portion of the Property.
3. Metro Offer to Purchase a portion of 3433 Wesley Street, dated July 20, 2010.

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MOTION:

That the Agency Board:

1. Approve the Purchase and Sale Agreement for a portion of the Agency owned property at 3433 Wesley Street, Culver City, identified as WE-606, to the Los Angeles County Metropolitan Transportation Authority for the price of \$172,000; and,
2. Approve a budget amendment appropriating \$172,000 in revenues in business unit 57396000.386350; 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.

¹ Beginning in 1955, Mr. Hull has contracted with the City for use of 3433 Wesley Street as parking for his commercial property at 3431 Wesley Street. In October 2001 a new lease was executed, stipulating that Mr. Hull perform specified improvements to the property in exchange for parking use credited toward the improvement costs at the rate of \$350 per month. The specified improvements were completed in March 2003. In July 2009 the Agency purchased 3433 Wesley Street from the City and continued the lease with Mr. Hull. The current lease expires in 2014 and may be terminated by the Agency without cause with thirty days' notice, upon which the Agency must pay Mr. Hull the balance of the \$45,000 credit toward the required improvements less the applicable amount for the monthly lease fee denoted above. As of September 1, 2010, Mr. Hull's credit balance is \$13,850. In the event the Agency executes a modified lease or sells the property remnant to Mr. Hull, the balance of the \$13,850 will be applied to the lease or sale amount.