

**City of Culver City, California
Agenda Item Report**

Meeting Date: 08/23/10		Item Number: A-1	
REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Approval of a Purchase Agreement for Vacant Property Located at 12601 Washington Boulevard.			
Contact Person/Dept.: Kriss Casanova, Todd Tipton, Redevelopment		Phone Number: 310.253.5769, 310.253.5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: All Property Owners, Businesses and Occupants within 500 feet of the Property (08/09/10); (E-Mail) Meetings and Agendas – Redevelopment Agency (08/18/10).			
Department Approval: Sol Blumenfeld: (08/11/10)		Agency General Counsel: Murray Kane: (08/16/10)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (08/18/10)		Agency Executive Director Approval: John M. Nachbar (08/18/10)	
<u>RECOMMENDATION:</u> Staff recommends the Redevelopment Agency Board (Board) approve a Purchase Agreement for vacant property located at 12601 Washington Boulevard (Property). <u>BACKGROUND:</u> The Property, owned by Mr. Fred Simab, was made available for sale in March 2010 for \$685,000. Photos and a map of the Property have been attached for reference. The Property is approximately 6,000 square feet in area, is currently unimproved, and is located in Phase III of the Area Improvement Plan (AIP). The AIP is where the Agency has been focusing its redevelopment efforts with the intent of improving the Area's appearance, enhancing existing businesses, spurring private reinvestment, and attracting new businesses to serve the community. The Property is located on Washington Boulevard near Boise Avenue, immediately west of two, new restaurants that the Agency has assisted financially. Staff believes the creation of public parking to be an integral component of the AIP¹. <u>DISCUSSION:</u> The appraised value for the Property using the Sales Comparison Approach (Land) obtained from Lee & Associates is \$660,000. Staff believes a purchase price of \$625,000 (approximately 9% below the appraised value) is fair and reasonable			

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considering the condition of the real estate market and the proposed use of the Property for surface parking. Terms of the deal will include a 30 day escrow period in which staff will verify that the site is clean and unencumbered through an updated Phase I assessment and a title report.

Staff's initial design indicates the lot is of sufficient size to accommodate approximately 15 parking spaces, landscape, lighting and signage. Staff believes combining the Property with the adjacent lot at 12565 Washington Boulevard (former Cora's Restaurant) will improve circulation and increase the number of parking spaces. The owner of the adjacent property has expressed interest in partnering with the Agency to combine access to the properties, which would be memorialized by a reciprocal parking agreement. Staff will meet with the owner's representative to discuss the reciprocal parking agreement and will bring it to the Agency Board for consideration. Furthermore, staff is studying eliminating alley access to the parking lot if necessary to do so and will present the parking options to the Agency Board as part of the award of contract for parking lot construction.

Should the Agency Board ultimately award a contract for parking lot construction on the Property, to control parking on the lot, staff will investigate the installation of a kiosk type parking payment system similar to that used on Main Street in Downtown Culver City. This type of system is proving to be more cost efficient than installing meters at each parking stall. Hours of operation, maintenance, and parking enforcement will be managed similarly to other Agency parking facilities.

Purchase of the Property provides an opportunity for the Agency to grow the west Washington Boulevard commercial corridor by providing additional off-street parking, eliminating blight by activating a vacant lot, and reducing commercial parking impacts on the adjacent residential neighborhood.

FISCAL ANALYSIS:

The Board budgeted \$1 million (Program 95100, Parking Participation) in Fiscal Year 2010/2011 for the creation of public parking. In addition to the acquisition cost, the Property will require approximately \$9,000 in closing costs and \$50,000 in improvements (paving, stripping, lighting, signage, etc.).

City revenues derived from parking on the lot are estimated to be approximately \$17,000 – \$42,000 annually depending on operations and maintenance costs, parking rates and parking space occupancy.

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ATTACHMENTS:

1. Existing Photos of the Property.
2. Map of Property.

MOTION:

That the Agency Board:

1. Approve a Purchase Agreement for vacant property located at 12601 Washington Boulevard for \$625,000 and closing costs at \$9,000; and,
2. Authorize the Agency General Counsel to review/prepare the necessary documents; and,
3. Authorize the Executive Director to execute such documents on behalf of the Agency.

¹ Due to the immediate adjacency of residential properties, staff believes the provision of additional public parking critical in order to eliminate parking conflicts between the commercial businesses and the adjacent residents.