

City of Culver City, California
Redevelopment Agency Agenda Item Report

Meeting Date: 1/07/08		Item Number: <u>A-1</u>	
AGENDA ITEM: Consideration to Select Washinela L.P. as Developer for the Washington/Centinela Redevelopment Project; Authorization to Commence Negotiation of a Disposition and Development Agreement with Washinela L.P., and Rejection of All Other Proposals.			
Contact Person/Dept.: Joe Susca		Phone Number: (310) 253-5763	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Public Notification: Businesses and Residents within 500 feet of the surrounding area (12/14/07); The Culver West Neighborhood Association, The Herbert Street Neighborhood Association, the Culver Triangle Neighborhood Association (12/19/07); Members of the public who have previously pulled speaker cards regarding the project over the past two years, Rethink, Second Street Ventures, Crimson Holdings, Washinela L.P., The Advisory Committee on Redevelopment (12/19/07), Viking Equipment Corporation (12/20/07); and the Master E-mail Notification List (01/02/08).			
Department Approval: Sol Blumenfeld (12/31/07)			
Fiscal Impact Review: Jeff Muir (1/2/08)		Executive Director Approval: Jerry B. Fulwood (01/02/08)	

RECOMMENDATION:

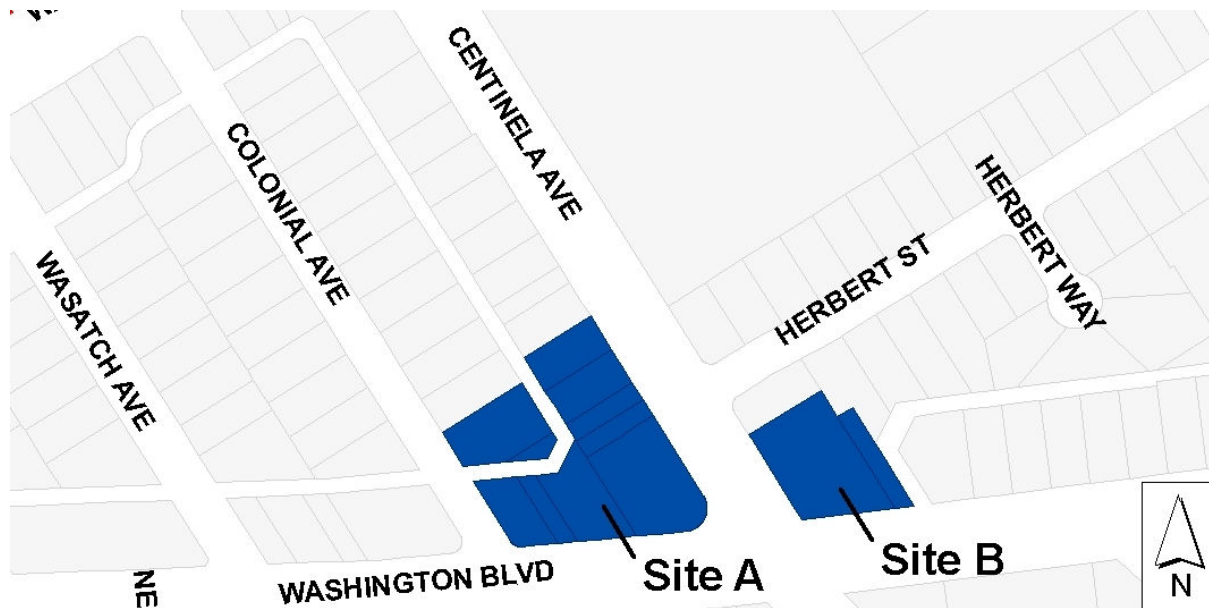
Staff recommends the Culver City Redevelopment Agency (the "Agency") (1) select Washinela L.P. as developer for the northwest and northeast corners of Washington Boulevard and Centinela Avenue; (2) authorize the Executive Director to commence negotiating a Disposition and Development Agreement with Washinela L.P.; and (3) reject all other developer proposals.

BACKGROUND:

As part of the Agency's goal of eliminating blight within the Redevelopment Project Area, staff identified a number of blighted and underutilized properties that have potential for redevelopment. Among those properties identified were the northeast and northwest corners of the intersection of Washington Boulevard and Centinela Avenue (the "Sites"). In 2006 and 2007, the Agency completed the Sites property acquisition efforts and relocated all the businesses within them. Below is a description and map of the two corners that comprise the Sites:

- **Site A**, over one acre in size, is the northwest corner located at 12403-12427 Washington Boulevard, 4064 Colonial Avenue, and 4061-4069 Centinela Avenue.
- **Site B**, approximately 20,000 square feet in area, is the northeast corner located at 12337-12343 Washington Boulevard.

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Culver CITY
REDEVELOPMENT SITES

Legend

-  City Boundary
-  Redevelopment Site Parcels



During the meeting of April 16, 2007, the Agency approved a Termination and Release Agreement of the Exclusive Negotiation Agreement with the former developer of the Sites and instructed staff to issue a Request for Offers to secure another developer.

In May 2007, staff released a Request for Offers and on June 18, 2007 eleven responses were received. Working with the West Washington Subcommittee, five of the eleven responders were rejected due to their low offers to purchase the land. On September 10, 2007, staff requested additional information from the six remaining developers including the submittal of conceptual plans and a pro forma financial analysis for their proposed projects. The request also announced that the 4063 South Centinela Avenue house was now a part of Site A and included sketches and photos for reference in designing public spaces, along with desirable project design features to consider integrating into their design that advance the City's goals of good urban design.

Four of the six developer finalists responded to the request with very positive proposals that reflect a high level of attention to their project's design. A summary of their responses is outlined below.

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Developer	Proposal Description
Washinela L.P. (see attached conceptual plans)	<u>Goal:</u> A design that deploys green building principles and a symmetrical design on the two opposing corners, that includes dramatic entryway plazas, enhanced public art, and a colonnade comprised of a 5' wide setbacks on the first floor. <u>Project:</u> A low-density, neighborhood friendly multi-use project comprised of separate residential and commercial buildings. Five 3-story Townhomes (rental), 2-story commercial with ground floor retail/restaurants and upper floor offices (for lease). 14K square feet of ground floor restaurant, 11K square feet of ground floor retail and 23K square feet of upper floor office space. <u>Parking:</u> 1 level of subterranean on Site A; at-grade parking on Site B. <u>Tenants:</u> Coffee house (Site B), one or two unique full-service restaurants (note Beachwood/Alibi Room/The Brig/The Del examples) on Site A, and quality retailers. <u>Other:</u> Gold or Platinum LEED Certification. Partial Green (Sedum) Roofs with Solar roof panels.
Crimson Holdings	<u>Goal:</u> Motivated by the Place Vendome in Paris, the Piazza de Popolo in Rome and St. Peters at the Vatican, their contemporary design deploys green building principles and landmark status architecture whereby its male/female components compliment the two opposing corners. (The rotunda was inspired by the Museum of Television and Radio in Beverly Hills) <u>Project:</u> <i>Culver Green; a Crown Jewel:</i> 43' high, (with 56' high rotunda on Site A), a multi-commercial use comprised of 106K square feet of upper floor office condominiums and 55K square feet of ground floor retail. <u>Parking:</u> 2.5 levels of subterranean, with 30 additional in excess of Code required <u>Tenants:</u> Ground floor coffee house, restaurant and retailers with two upper floor technology and financial firms. <u>Other:</u> LEED certified, with a large green roof (30K s.f.) on Site A.
Second Street Ventures	<u>Goal:</u> A contemporary pedestrian-oriented project. <u>Project:</u> Mixed Use with 40 dwellings units per acre. A 3-story, 35' high building with 20K square feet of ground floor retail/restaurant/office and 64 one, one+den, and two-bedroom upper floor condominiums or apartments. A 10' setback is included on the upper two floors. <u>Parking:</u> One level of subterranean parking for tenants; and at-grade parking for customers and visitors that meets Code requirements. <u>Tenants:</u> Restaurant, coffee shop, and other retailers.
Rethink in cooperation with Trans-western	<u>Goal:</u> A contemporary design that deploys green building and landmark status architecture with contemporary clean lines, polar canopies that protect rays from the south facing sun and large expanses of operating windows, with solar glazing for natural heating and cooling. <u>Project:</u> A village atmosphere with internal and external courtyards equipped with water features. 43' high, 3-story Mixed-Use with 55 condominiums, 3 townhomes, 10 live/work units with 8K square feet of retail. Each residential unit is 800 square feet up to 1,200 square feet (1, 2, and 3 bedroom units). <u>Parking:</u> At-grade and tuck under that meets Code requirements. <u>Tenants:</u> Coffee shop, small restaurant, retailers and live-work businesses. <u>Other:</u> Silver LEED Certification.

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DISCUSSION:

Washinela L.P. is 50% owned by David Paris and 50% owned by David Reiss. In combination, the two partners have several years of experience with similar projects both separately and as a team (see attached list of developer experience). Their experience includes creation of unique and popular restaurants and night clubs such as The Alibi Room, The Del, The Brig, and Beechwood. David Paris also has experience with office, hotel, shopping center, and housing development projects, in addition to offering developer financing and property management services to his clients. Washinela L.P. has hired Dex Design Studio as their architect for the Sites and has employed them for a number of their other retail and restaurant projects, including Beechwood and The Alibi Room. (See attached examples of Dex Design Studio work).

Staff recommends Washinela L.P. be selected as the developer for the Sites for the following reasons:

- Staff believes the neighborhood will welcome their proposed project since it is low in height and density, and will contain desirable neighborhood-serving businesses, including a coffee house and one or two unique restaurants that offer outdoor dining.
- In addition to the five townhomes along Colonial Avenue that will create a transitional buffer between the adjacent single family homes and the project on Site A, the location of the at-grade parking areas on both corners creates a set back to the buildings footprint. These setbacks will act as a buffer to adjacent residential uses.
- The project will be LEED Gold or Platinum certified, and will promote green building principles, including a “green” roof and pervious paving.
- Their project includes upper floor plazas, dramatic public art elements along with large, opposing corner plazas designed for outdoor dining and as public open space.
- The Developer has a history of creating unique, high-quality restaurants that attract desirable retailers and coffee houses who want to be near them.
- The Developer has prior experience in partnering with cities and agencies on large scale projects.
- The Development Team has a good track record of implementing successful redevelopment projects.
- Staff believes their proposed project will become the catalyst that stimulates private redevelopment activities in the area.
- Dramatic evening lighting will highlight the project roofline and landscaped plazas.

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Staff and Advisory Committee on Redevelopment Recommendations

In preparation of presenting their conceptual designs for the Sites this evening, staff has worked with Washinela L.P. to refine and enhance their original version. To aid in this effort, staff presented the four developer finalists proposals to the Advisory Committee on Redevelopment ("ACOR") during their meeting of December 6, 2007. (For a detailed list of the ACOR recommendations, see their draft meeting minutes attached.)

Upon conclusion of the presentation, focus was directed on how to enhance Washinela L.P.'s design. Together, staff and the ACOR committee members outlined a number of desirable features, many of which have or will be incorporated into the building's design to create a more pedestrian-oriented commercial center. A few of the changes to their initial design include:

- Increasing the size and public space access to the two corner plazas
- Use of patterned pavement
- Pitching the roofline higher to increase its dramatic affect
- Additional landscaping features.

Next Steps:

Design Refinement:

Since the plans are conceptual at this stage, if the Agency approves selection of Washinela L.P. this evening, staff will continue working with the developer, Project Review Committee, the West Washington Subcommittee, and the neighborhood to enhance and refine the plans prior to Planning Commission submittal for entitlements.

Neighborhood Meeting:

Staff will also commence negotiation of a Disposition and Development Agreement ("DDA") with Washinela L.P. containing all the terms and conditions for the sale and subsequent development of the project. If those negotiations are successful and both parties agree to those terms and conditions, then a neighborhood meeting will be scheduled to present the proposed project to the community for review.

Relocation and Demolition:

During their meeting of September 18, 2006 the Agency approved a multi-phased agreement with Viking Equipment Corporation for demolition of both Sites'

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improvements. Subsequently, most of the improvements at the two Sites have been demolished. Staff is in the process of relocating the last remaining tenant of Site A and once completed, the last phase of demolition activities will be performed to remove the remaining improvements on Site A.

FISCAL ANALYSIS:

Washinela L.P. is offering \$8,500,000 for the land that comprises the Sites. In addition to the land sale proceeds, future revenue to the Agency through incremental property tax revenue generated from the two Sites are estimated at \$57,500 in the first year, which are anticipated to grow at a minimum of 2% per year thereafter.

Revenues to the City's General Fund are harder to predict at this early stage, but sales tax, business gross receipts tax, and utility user's taxes are estimated to be \$63,000 for the first year.

ATTACHMENTS:

- Washinela L.P.: Conceptual Plans for the Project
- Washinela L.P.: List of Developer Experience
- Dex Design Studio: Samples of Architectural Work
- December 6, 2007: Draft Advisory Committee on Redevelopment Minutes

MOTION:

That the Culver City Redevelopment Agency:

1. Select Washinela L.P. as developer for the northwest and northeast corners of Washington Boulevard and Centinela Avenue;
2. Reject all other developer proposals;
3. Authorize the Executive Director to commence negotiating a Disposition and Development Agreement with Washinela L.P.