

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

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|---------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------|--------------------------------------------------|
| Meeting Date: 11/17/2008                                                                                                                          |  | Item Number: A-1                                                                  |                                                  |
| <b>AGENDA ITEM: Authorization for the Executive Director to Execute Agreements related to the Short Term Use of Vacant Agency Owned Property.</b> |  |                                                                                   |                                                  |
| Contact Person/Dept.: John Fisanotti                                                                                                              |  | Phone Number: (310) 253-5767                                                      |                                                  |
| Fiscal Impact: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                |  | General Fund: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |                                                  |
| Public Hearing: <input type="checkbox"/>                                                                                                          |  | Action Item: <input checked="" type="checkbox"/>                                  | Attachments: <input checked="" type="checkbox"/> |
| Public Notification:<br>Master E-Mail Notification List (11/12/08)                                                                                |  |                                                                                   |                                                  |
| Department Approval:<br>Sol Blumenfeld (11/06/08)                                                                                                 |  | Agency Counsel Approval:                                                          |                                                  |
| Chief Financial Officer Approval:<br>Jeff Muir (by N. Kimball) (11/12/08)                                                                         |  | Executive Director Approval:<br>Jerry B. Fulwood (11/12/08)                       |                                                  |

**RECOMMENDATION:**

Staff recommends the Culver City Redevelopment Agency ("Agency") authorize the Executive Director to execute agreements related to the short term use of vacant Agency owned parcels, for no more than ninety (90) days, pursuant to certain policy restrictions.

**BACKGROUND:**

For much of the history of the Agency, it has purchased and cleared real property and then held the vacant site until the property was sold to a selected developer. During the time that an Agency owned property is vacant, staff often receives requests from temporary users to license use of the site. Most often, the requests can be for Christmas tree lots, temporary parking lots, construction staging and storage, and weekend events, such as fairs and carnivals. Each of these types of requests would then be placed on the agenda for the Agency's consideration.

On June 16, 2008, the Agency considered requests to lease its property on Machado Road either as a parking lot for the Exceptional Children's Foundation or a community garden. The Agency decided against entering into long-term, open ended leases for its property.

This item was on the agenda for the Agency meeting on November 3, 2008, and was continued so that information regarding comparable rates charged by other agencies could be obtained.

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**DISCUSSION:**

In recent weeks, staff has received inquiries about the availability of various Agency owned properties for shorter term, event specific uses. This is the time of year when inquires from Christmas tree lot operators regularly contact staff to request use of vacant Agency owned parcels. Also, Doty Brothers construction, which is contracted by Golden State Water Company to replace a pipeline in Overland Avenue, has inquired about using the Pleasantview site to store material. To streamline the decision making process, staff recommends the Agency authorize staff to administratively license vacant properties pursuant to the following policy directives:

- The user shall execute the Agency's standard Agreement and provide proper insurance coverage (subject to approval of the Agency General Counsel). A copy of the Agreement is included in the Agenda packet as Attachment No. 1;
- The interest in the site shall not exceed ninety (90) calendar days and shall be for an event specific use;
- The interest shall only be permitted if it does not interfere with any other Agency objectives, activities or commitments;
- The user shall pay a fee of \$500 per week, or any portion thereof, per acre (or pro rated for any fraction of an acre) and a refundable security deposit of \$1000 (except as noted below).

Staff is not recommending the above fee structure be used to license Agency property used by film production crews. The fee charged to film production crews is \$2,000 per day.

Staff surveyed other agencies to find out what they charge in similar instances and the results are included in Attachment No. 2. In this survey, the amounts charged varied from a high of \$7,000 to a low of \$332. It was very difficult to do an "apples to apples" comparison and the footnotes explain the particulars for each data point obtained. Most commonly, the fee charged is negotiated on a case-by-case basis and is determined largely by the user's ability to pay. Staff also discussed the question with Lea Associates, an appraisal company used by the Agency. According to Lea Associates, a short term rent of vacant land is a rather rare and unusual type of transaction for which there is little market data available.

Requests to license the use of Agency property that do not fit within the above policy directives would continue to be presented to the Agency for a determination. If

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approved, the proposed motion will streamline the process for staff and the licensees, and reduce the number of items on the Agency's Agenda.

**FISCAL ANALYSIS:**

Approval of the proposed motion does not necessarily change the revenue opportunity to the Agency, but rather streamlines the process. A streamlined process will, in turn, result in a cost savings as Agency staff time will be freed up to focus on other areas of the Agency's work plan. To the extent that that the streamlined process may result in more users, the Agency may see a slight increase in the miscellaneous revenue compared to the existing process where each decision must be presented to the Agency for a determination.

**ATTACHMENTS:**

1. Standard Form License Agreement
2. Survey results from other agencies

**MOTION:**

That the Redevelopment Agency:

Authorize the Executive Director to execute Agreements for the use of Agency owned property, pursuant to the policy the following directives:

- The user shall execute the Agency's standard Agreement and provide proper insurance coverage (subject to the approval of the Agency General Counsel);
- The interest in the site shall not exceed ninety (90) calendar days and shall be for an event specific use;
- The interest shall only be granted if the proposed use does not interfere with any other Agency objectives, activities, or commitments;
- The user shall pay a minimum fee of \$500 per acre, per week, and a refundable security deposit of \$1000. Fractional interest for less than a full week or full acre shall be rounded up to the next whole unit and charged accordingly. Property licensed for film and television shoots shall be licensed at \$2,000 per day (with a refundable security deposit of \$1,000).