

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

Meeting Date: 09/10/12		Item Number: C-6	
CITY COUNCIL AGENDA ITEM: Approval of a Parking License Agreement with Century Wilshire Incorporated for the Culver Hotel's Use of Parking Spaces at Certain City-Owned Parking Facilities.			
Contact Person/Dept.:		Phone Number:	
Joe Susca / Community Development		(310) 253-5763	
Todd Tipton / Community Development		(310) 253-5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐	
		Attachments: ☐	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Meetings and Agendas – City Council (09/05/12); (E-Mail) Century Wilshire Inc. and the Culver Hotel (08/31/12); (E-Mail) The Downtown Business Association (08/31/12); (E-Mail) Culver City Chamber of Commerce (08/31/12).			
Department Approval:		City Attorney Approval:	
Sol Blumenfeld: (08/29/12)		Carol Schwab (by H. Baker) (08/29/12)	
Chief Financial Officer Approval:		City Manager Approval:	
Jeff Muir (09/05/12)		John M. Nachbar (09/05/12)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve a Parking License Agreement (License) with Century Wilshire Inc. (Century) that provides the Culver Hotel (Hotel) guest, valet, and employee parking at certain City-owned parking facilities at a discounted rate. <u>BACKGROUND:</u> On January 15, 2011, the former Culver City Redevelopment Agency (Former Agency) approved a 15-year Owner Participation Agreement (OPA) with Century that provided discounted parking and an \$87,000 forgivable loan for improvements to the public right-of-way adjacent to the Hotel. In exchange, Century is to complete \$2.1 million in capital improvements to the Hotel and remit a minimum of \$130,000 in Transient Occupancy Taxes (TOT) annually.¹ If the Hotel remits the \$130,000 in TOT, a portion of the \$87,000 loan will be forgiven annually until the balance is eliminated.² On February 22, 2011, the Former Agency's obligations pursuant to the OPA were assigned to the City. In May 2012, the Hotel's three star rating was increased to four stars by TripAdvisor.com. The Hotel is now requesting additional parking for its employees and guests.			

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DISCUSSION:

The Hotel's request includes the following:

Employee Parking: That the total number of employee parking spaces provided by the OPA be increased from 10 to 28. As a result of increasing the number of discounted spaces provided, the existing rate of \$30 is being increased to \$45 per month. To obtain the discount, the Hotel agrees to subsidize a minimum of \$15 of the cost for each of their employees. The additional spaces are being provided at the City's Canfield and Venice parking lots.

After-Hours Parking: That Hotel guests be allowed to park on the 9300 Culver Boulevard parking lot (Parcel B) as-needed in order to accommodate guest parking needs when the City's parking structures are closed (prior to 8:00 a.m. and after 1:00 a.m. daily). When using Parcel B, the Hotel will pre-purchase placards at a rate of \$3.00 each for up to 3 hours of continuous parking for their guests, who in turn will place the placard on their dashboards.

Reserved Valet Parking: That the Hotel receive 10 additional spaces on Parcel B to provide an additional valet staging area as the existing sidewalk cutout adjacent to the Hotel does not store enough vehicles. Creation of an additional valet staging area would reduce guest waiting time to retrieve their vehicles. The License increases the total number of reserved valet parking spaces from 20 to 30 at the existing monthly rate of \$40 each.

The License co-terminates with the OPA for use of the Venice and Canfield parking lots. The use of Parcel B will terminate if the property is sold or the use changes.

FISCAL ANALYSIS:

Century has submitted a preliminary report and provided some documentation that it has expended approximately \$2.6 million in capital improvements to the Hotel and completed the Former Agency-funded public improvements, which fulfills the requirements of the OPA. Staff is in the process of evaluating the report and its supporting documents.

Pursuant to the existing terms of the OPA, in consideration of the City executing the License, the Hotel agrees to increase the minimum TOT it is required to generate from \$130,000 to \$170,000 annually in order to receive the additional discounted parking. The TOT paid by guests of the Hotel for calendar year 2011 has exceeded the minimum required by the OPA.

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ATTACHMENTS:

None.

MOTIONS:

That the City Council:

1. Approve a Parking License Agreement with Century Wilshire Inc. for the Culver Hotel; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.

Notes:

¹Summary of Existing OPA Terms and Conditions:

The Hotel is provided up to 46 guest self-parking spaces daily at 75% off the 7-day rate.
The Hotel is provided up to 20 reserved valet parking spaces in the Ince Parking Structure at 50% off the 7-day rate.
The Hotel receives up to 10 employee parking spaces at 50% off the 5-rate.
By July 15, 2012, the hotel is to complete \$87,000 in former Agency-funded improvements comprised of illuminated bollards, guest way-finding signage and new Culver Blvd. entrance awning. (These improvements have been completed)
The former Agency agreed to reimburse the Hotel for \$87,000 in improvements in 5 equal annual payments, provided a minimum of \$170,000 in TOT is remitted to the City annually.
Century is to complete \$2.1 million in capital improvements to the Hotel. (These improvements have been completed.)

²If the Hotel does not achieve the minimum TOT for any given year, the amount of the reimbursement for that year will be reduced as follows:

TOT RECEIVED BY CITY DURING PRIOR ANNIVERSARY YEAR	ANNUAL REIMBURSEMENT AMOUNT
\$170,000 or more	\$17,400 (full amount)
\$160,000 to \$169,999	\$13,920
\$150,000 to \$159,999	\$10,440
\$140,000 to \$149,999	\$ 6,960
\$130,000 to \$139,999	\$ 3,480
Less than \$130,000	\$ 0