

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

Meeting Date: 04/13/2015		Item Number: <u>C-5</u>	
CITY COUNCIL AGENDA ITEM: Approval of a First Amendment to the Owner Participation Agreement between the City of Culver City and the Hayden Tract Owners Association for Improvements to the Hayden Tract Spur.			
Contact Person/Dept.: Glenn Heald Todd Tipton Sol Blumenfeld / CDD		Phone Number: 310-253-5752 310-253-5783 310-253-5700	
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 (04/08/15)			
Department Approval: Sol Blumenfeld (03/31/15)		City Attorney Approval: Carol Schwab (by H. Baker) (04/06/15) City Special Counsel: Murray Kane (04/08/15)	
Chief Financial Officer Approval: Jeff Muir (04/07/15)		City Manager Approval: John M. Nachbar (04/08/15)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve a First Amendment to the Owner Participation Agreement (OPA) between the City of Culver City and the Hayden Tract Owners Association (Association) related to construction of a linear parking lot on the former Los Angeles County Metropolitan Transportation Authority (MTA) railroad spur located in the Hayden Tract. <u>BACKGROUND:</u> On January 30, 2012 the City Council approved an OPA with the Association for the design and construction of a linear landscaped parking lot (Project) on the abandoned MTA railroad spur (Spur) in the Hayden Tract, running in a west-to-east direction between Hayden Avenue to the west and Eastham Drive to the east, south of Steller Drive and north of Warner Drive. Staff and the Association (collectively, the Parties) have been in discussions regarding a First Amendment to the OPA (the First Amendment) to update terms and conditions, and to reflect design and cost changes occurring since the execution of the OPA. <u>DISCUSSION:</u> The proposed First Amendment addresses three elements:			

City of Culver City, California
Agenda Item Report

1. The original OPA contemplates the construction of 121 parking spaces, including 15 parking spaces on property owned by the Regents of the University of California (the Regents) at 8535 Warner Drive. After execution of the OPA, the Regents withdrew their intention to participate in the Project, though they have signed a Reciprocal Access Agreement allowing use of their portion of the Spur drive aisle. The Regents' withdrawal from the Project reduces the number of potential parking spaces to approximately 106. This reduction affects only spaces that were to be allocated to the Regents for their own use.
2. The Schedule of Performance (SOP) is Attachment No. 3 to the OPA and constitutes the timeline for the steps and actions related to implementation of the Project. The State's dissolution of redevelopment agencies delayed commencement of the Project, requiring updating of the SOP.
3. Subsequent to the execution of the OPA in January 2012, construction costs have increased significantly and a 10% contingency has been added to the Project budget. The estimated costs shown below reflect the revised estimated Project costs as of March 2015. Pursuant to the OPA, the City had committed to pay up to \$1,050,000 in Project costs. Based upon discussions between Staff and the Association, Staff is recommending increasing the City's contribution to \$1,075,670 (including the 10% contingency mentioned above) in Project costs, plus up to an additional \$124,330 in the case of any additional cost overages, for a total maximum City contribution of \$1,200,000. In the event the total Project costs exceed \$2,037,925 (\$1,913,595 plus \$124,330), the excess costs will be borne by the Association in accordance with the OPA and SOP. Attachment No. 8 to the First Amendment is a table denoting the updated estimated Project costs as of March 2015.

FISCAL ANALYSIS:

The City will use pre-2011 Redevelopment Agency bond proceeds to pay up to \$1,075,670 in Project costs, plus up to an additional \$124,330 in the case of any additional cost overages, for a total City contribution of up to \$1,200,000. In the event the total actual Project costs exceed \$2,037,925, the excess costs will be borne by the Association.

ATTACHMENTS:

First Amendment to the Owner Participation Agreement between the City and the Hayden Tract Owners Association.

MOTION:

City of Culver City, California
Agenda Item Report

That City Council:

1. Approve the First Amendment to the Owner Participation Agreement between the City of Culver City and the Hayden Tract Owners Association; and
2. Authorize the City Attorney and City Special Counsel to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.