

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 7/10/06		Item Number: <u>J-1</u>	
AGENDA ITEM: A Joint City Council/Redevelopment Agency Public Hearing for Consideration of a Disposition and Development Agreement for the Sale of Property Located at 9300 Culver Boulevard to Rush Pacifica, LLC; Consideration of a Plan for Washington Boulevard's Realignment Between Culver Boulevard and Ince Boulevard, including a Street Name Change; Consideration of an Infrastructure Improvement Agreement with Rush Pacifica LLC for Construction of the Town Plaza Expansion and Realignment; and Consideration to Amend an Agreement with CBM Consulting for the Preparation of the Tentative Parcel Map for 9300 Culver Boulevard.			
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: 1,051 notices were mailed to the Downtown Business Association, Rush Pacifica LLC, and all property owners and occupants within a 300 foot minimum radius of the site (06/22/06). Signs were posted on the site (06/20/06). Notice was published in the Culver City News on (06/22/06, 06/28/06 & 07/06/06). Master Notification List (06/22/06 & 07/05/06).			
Department Approval: Susan Evans (06/28/06)		CAO Approval: Jerry Fulwood (07/05/06)	
City Controller Approval: Marlee Chang (07/05/06)			
<u>RECOMMENDATION:</u> Staff recommends that the City Council (the "Council"): 1. Approve the Downtown Washington Boulevard Realignment component of Tentative Parcel Map 66158, TPM P-2006029; and associated Street Name Change, SNC P-2006030, subject to the recommended conditions of approval as outlined in the City Council Resolution No. 2006-R____; and 2. Approve the sale of 9300 Culver Boulevard (the "Property") purchased by the Agency with bond funds to Rush Pacifica, LLC, pursuant to Section 33433 of the California Health and Safety Code, by approving City Council Resolution No. 2006-R_____; Staff recommends that the Culver City Redevelopment Agency (the "Agency"): 1. Approve Resolution No. 2006-A_____ approving a Disposition and Development Agreement (the "DDA") between the Agency and Rush Pacifica, LLC, for the sale and subsequent development of 9300 Culver Boulevard;			

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2. Approve an Infrastructure Improvement Agreement (the "IIA") between the Agency and Rush Pacifica, LLC, for the preparation of construction documents for Washington Boulevard's realignment between Culver Boulevard and Ince Boulevard, and subsequent construction of the realignment and town plaza expansion; and
3. Approve an amendment to the CBM Consulting agreement entered into by the Agency for creation of a Tentative Parcel Map that redrew the boundaries of 9300 Culver Boulevard as a result of Washington Boulevard's realignment between Culver Boulevard and Ince Boulevard, increasing it from \$20,420 to \$27,920.

PROCEDURE:

1. A. Mayor requests the Chair to convene the Agency meeting.
B. Chair convenes the Agency meeting, and then turns the meeting over to the Mayor and requests the Mayor to conduct the joint public hearing.
2. Mayor seeks a motion from the City Council to receive and file the affidavits of mailing, publication and posting of notices, and correspondence received in response to the public hearing notices.
3. Chair requests a similar motion from the Agency.
4. Mayor calls for a staff report and/or poses questions to staff as desired.
5. Mayor opens the public hearing.
6. Chair inquires of the Agency Secretary whether any correspondence was received regarding the proposed disposition of real property.
7. Mayor seeks motion to close the City Council public hearing after all audience testimony has been presented.
8. Chair seeks motion to close the Agency public hearing after all audience testimony has been presented.
9. Redevelopment Agency discusses the Disposition and Development Agreement, and arrives at its decisions.
10. City Council discusses the Disposition and Development Agreement, and arrives at its decisions.

BACKGROUND:

Exclusive Negotiations Agreement

Revitalization of Downtown Culver City has been a priority goal of the Agency and City of Culver City since adoption of the Washington-Culver Redevelopment Plan in 1975. In May 2004, the Agency issued the Request for Proposals ("RFP") to solicit

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proposals from experienced developers for the redevelopment of the Property. The redevelopment of the Property is critical to furthering the Agency's goals of reanimating Downtown and attracting a high quality mix of national chains and independent specialty retail stores and restaurants and other quality tenants. The RFP was issued to approximately 50 developers.

On June 28, 2004, the Agency received proposals from ten developers in response to the RFP. On September 20, 2004, the Agency authorized staff to begin negotiating an Exclusive Negotiations Agreement (the "ENA") with Rush Pacifica LLC ("RP") and on November 15, 2004, the Agency executed an ENA with RP. On December 5, 2005, the ENA was extended by eight months to redraw the boundaries of the Property, create a design for the Town Plaza expansion, and to prepare a refined plan for the realignment of Washington Boulevard within the subject area.

Washington Boulevard's Realignment

During the Agency meeting of September 6, 2005, the Agency approved entering into an agreement with Katz, Okitsu & Associates ("KOA") in the amount of \$33,200 to study the feasibility of the proposed Washington Boulevard Realignment by closing the existing Washington Boulevard from Culver Boulevard at Main Street to Ince Boulevard and rerouting that traffic along a widened Ince Boulevard (the "Realignment"). The proposed Realignment will improve Downtown's pedestrian orientation and significantly increase the size of the existing Town Plaza.

During their December 5, 2005, meeting the Agency reviewed the conclusions of KOA's feasibility study and subsequently conditionally approved moving forward with the Realignment, directing staff to study and refine how best to configure the necessary roadway alterations as a result of its implementation. (See the attached December 5, 2005, staff report for more information.)

DISCUSSION:

Downtown Washington Boulevard Realignment Plan

Objectives

The Agency approved the Realignment provided three matters were addressed in creating a refined plan for its implementation. Police, Fire, Public Works, Planning and Redevelopment staff worked closely with KOA and CBM Consulting to develop the proposed Realignment Plan that addressed those three matters as follows:

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1. Eliminate the Trader Joe's mid-street off loading operations and the off-site trash collection area. The proposed Realignment Plan includes creation of a 12' wide curbside shipping and receiving area, including a sidewalk cut-out, that is able to accommodate two medium-sized trucks, or one large rig for use by Trader Joe's or the new K-ZO Japanese Restaurant;
2. A Fire Lane within the middle of the widened Ince Boulevard is proposed in order to preserve public safety operations. The proposed Realignment Plan includes a 12' dedicated center fire lane on Ince Boulevard between Culver Boulevard and Washington Boulevard in order for all emergency service vehicles (i.e. Police Fire, Ambulance) to maintain their current level of access to/from the eastern portion of the City; and
3. To maintain existing traffic speeds and improve safety, the proposed Realignment Plan includes altering the widened Ince Boulevard block and intersections between Culver Boulevard and Washington Boulevard to achieve a more gently sloped roadway so turning movements are less sharp; improving visibility and safety.

The proposed Realignment Plan is graphically depicted and attached to this staff report.

Street Name Change

The Realignment Plan includes the retirement of Ince Boulevard, between Culver Boulevard and Washington Boulevard and renaming the block to Washington Boulevard, SNC No. P-2006030. The renaming of this single block will maintain continuity and eliminate any confusion drivers and pedestrians may have as a result of implementing the Realignment Plan.

9300 Culver Boulevard Tentative Parcel Map

During their meeting of December 5, 2005, the Agency approved entering into an agreement with CBM Consulting ("CBM") in the amount of \$20,420 for creation of a Tentative Parcel Map that redraws the Property boundaries as a result of the Realignment.

Upon holding a kickoff meeting between CBM and staff, it was discovered that in order to accurately redraw the parcel boundaries of the existing Property, a precise plan for the Realignment would also need to be created by a traffic engineer to determine the exact widths and curves of the redesigned roadway to more accurately determine what the new boundaries of the parcel would be.

Subsequent to this discovery, staff entered into an administratively approved agreement with KOA to work with CBM and staff to create the necessary Precise

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Plan for the Roadway Realignment. During this period, CBM participated in several meetings and performed numerous revisions to the Tentative Parcel Map at the request of staff, and also created the proposed Realignment Plan in conjunction with KOA that is presented this evening for consideration. The amount of time CBM spent on the revisions far exceeded the budgeted amount, and as a result staff is requesting the Agency approve an amendment to the CBM agreement increasing it from \$20,420 to \$27,920 to reimburse CBM's expenses as a result of the additional work.

The Property parcel boundaries have been redrawn as a result of the Realignment, shifting them southwestward to approximately the centerline of the existing Washington Boulevard street segment. The Tentative Parcel Map includes two lots, one that defines the new boundaries of the expanded Town Plaza area, and the other lot the newly formed 9300 Culver Boulevard Property that will be sold to RP through the proposed DDA.

On April 26, 2006, the Planning Commission conditionally approved Tentative Parcel Map No. 66158 (TPM P-2006029). One of the conditions adopted by the Planning Commission requires the Council to approve a plan for the Realignment prior to the Tentative Parcel Map becoming effective. Both the Tentative Parcel Map and the Realignment Plan are graphically depicted and attached to this staff report for consideration. Upon approval of the Tentative Parcel Map and its accompanying Realignment Plan component this evening, CBM shall prepare and file a Final Parcel Map for the Property within the next few months.

Town Plaza Expansion

Town Plaza was created when Washington Boulevard and Culver Boulevards were realigned in 1994 as part of the Downtown Streetscape Improvement Project. As part of the Realignment, the existing plaza will be increased in size to absorb the former parking lot near the Culver Hotel and the existing western side of Washington Boulevard between Main Street and Ince Boulevard, up to its center median island.

The primary goal for the Realignment is to expand Downtown's existing Town Plaza. The plaza will take on a "T" shape as a result of the Realignment and include a center square area that is bordered by the Property's retail/restaurant/office building, the Culver Hotel, Culver Boulevard at Main Street, and three buildings to the south owned by George Plato, Culver Studios, and Renato Romano. The expanded town plaza and center square will be better equipped to work in conjunction with the existing plaza to accommodate such uses as book fairs, fashion shows, food festivals, sporting events, audio-video presentations, outdoor dining, and musical performances.

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Staff is currently working with Johnson Fain, the architects hired to create a design for the Town Plaza and will present a draft design of the new plaza to the City's residents at an upcoming community meeting in July, 2006. Staff anticipates presenting a final version of the design to the Agency for consideration in August, 2006. Upon adoption of a final design, construction documents will be prepared by LRM Landscape Architects, prior to being turned over to RP for bidding out and subsequent construction through the Agency's IIA agreement with RP.

Infrastructure Improvement Agreement (the "IIA")

The purpose of the IIA is to allow RP to oversee the construction of the Realignment Plan and Town Plaza expansion at Agency expense and includes:

1. The requirement that RP will hire a civil engineering firm to create the necessary construction documents to implement the Realignment Plan;
2. The requirement that RP hire a General Contractor to construct the Town Plaza expansion as well as the Realignment; and
3. Allows RP to receive a customary administrative oversight fee amounting to 3% of the total cost to construct the improvements plus reimbursement for third party costs incurred in connection with its oversight, such as insurance.

Disposition and Development Agreement (the "DDA")

Terms and Conditions

The following is a summary of the terms and conditions within the DDA:

1. RP to pay \$117 per square foot for the property for a total of \$5.9M, which is its fair market value.
2. The land is being sold as-is. RP will perform demolition of the existing parking lot and lighting systems at their expense.
3. Provides various Agency controls in participating in the selection of unique, high-end, and high-quality ground floor retail and restaurant tenants.
4. Includes a parking license agreement which will park the Project in accordance with the Municipal Code through the various Agency-owned parking garages in Downtown.
5. Agency has the right of first offer to purchase the Property back from RP for a fair market value if they decide to sell it.

Elimination of Blight

When the Washington-Culver Redevelopment Project No. 3 was adopted in 1975, specific problems (blighting conditions) were identified in the report to Council on the

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proposed Redevelopment Plan. These problems or blighting conditions that impacted the Project area are outlined in detail in the Summary Report Pursuant to Section 33433 of the California Health and Safety Code which is attached to this staff report for your review.

Environmental Determination and Scope of Development

The Agency approved the Town Plaza/Screenland cinema, restaurant, retail and office project (the "Town Plaza Project") located at 9530 Washington Boulevard and 9300-9310 Culver Boulevard and referred to as Parcels A, B, and C. The Town Plaza Project was proposed to be a total of approximately 202,000 gross square feet of leaseable floor area. The Town Plaza Project was considered in a Final Supplemental Environmental Impact Report (FSEIR) which was certified by the Agency on May 3, 1999. The Town Plaza Project was approved as Site Plan Review, SPR P-1999044, by Planning Commission Resolution No. 2000-P0003 on January 31, 2000. This approval was modified by Modification No. 1, approved on July 11, 2001, by Planning Commission Resolution No. 2001-P007, and further modified by Modification No. 2 that was approved by Planning Commission Resolution No. 2002-P001.

Development on Parcels A and C of the Town Plaza Project has been completed and the development of Parcel B (the "Property") remains pending. The proposed development of the Parcel B portion of the Town Plaza Project consists of the construction of a high quality three (3) or four (4) story structure accommodating pedestrian oriented restaurant/retail uses on the ground floor and office space uses on the floors above, with parking and ample open space for outdoor congregating and dining, and appropriate streetscape (collectively, the "Project"). The Project approval totals approximately 115,108 gross square feet of building area, consisting of approximately 36,900 gross square feet of restaurants/retail and approximately 78,208 gross square feet of office space.

The existing entitlements for the Project remain effective, and upon submittal of the schematic plans and design development plans by RP, Planning Division staff will evaluate and determine whether they are in substantial conformance with the existing entitlement and, if they are not, will outline the procedures necessary for subsequent review and approval to attain entitlement.

Schedule

The Project will be completed in four primary phases, starting with the preparation of construction documents for the Property building, Realignment and Town Plaza expansion. The second phase will include bidding the work out and awarding it to a General Contractor for construction. Once awarded, construction will commence

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with closing the one block portion of Ince Boulevard in front of Trader Joes to widen the roadway, relocate utilities where necessary, reconstruct storm drains, sidewalk, curbs and gutters, install signage, and modify traffic signal systems.

The third phase will involve closure of Washington Boulevard between Culver Boulevard and Ince Boulevard and the rerouting the traffic along the newly widened Ince Boulevard which will then be renamed to Washington Boulevard.

The fourth and last phase will involve construction of the Property's building and the Town Plaza expansion.

The schedule of performance requires that all phases of the Project be completed within approximately 18-24 months from today.

FISCAL ANALYSIS:

Town Plaza Expansion and Realignment

The construction costs for the Realignment roadway alterations, traffic signal system modifications and Town Plaza expansion could amount to as much as \$4M. Half of that cost is allocated to the Town Plaza expansion, the final cost of which will vary depending upon the desired features, landscaping and irrigation systems, pavement markings, water features, lighting shows and special effects, audio-video systems, storage, restrooms, public art, performance space set up, and vendor cart infrastructure that are ultimately selected.

Currently it cost approximately \$30,000 annually for utility bills, steam cleaning, and landscape maintenance for the existing Town Plaza, and its expansion will result in increasing those maintenance costs. Upon the eventual transfer of the Agency-owned Town Plaza property to the City, barring any other financial arrangements, the City will then be responsible for its ongoing maintenance.

ATTACHMENTS:

1. Summary Report Pursuant to Section 33433 of the California Health and Safety Code.
2. June 22, 2006 Public Notice.
3. December 5, 2005 Agency Staff Report: Washington Boulevard Realignment.
4. Disposition and Development Agreement.
5. Infrastructure Improvement Agreement.

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6. Agency Resolution approving the Disposition and Development Agreement.
7. Council Resolution approving the sale of 9300 Culver Boulevard, the Washington Boulevard Realignment Plan component of Tentative Parcel Map No. 66158, TPM P-2006029, and Street Name Change #SNC P-2006030.
8. Graphics: Tentative Parcel Map No. 66158, TPM P-2006029, and Downtown Washington Boulevard Realignment Plan.

MOTION:

That the City Council:

1. Adopt Resolution No. 2006-R approving the sale of 9300 Culver Boulevard purchased by the Culver City Redevelopment Agency with bond funds to Rush Pacifica, LLC, pursuant to Section 33433 of the California Health and Safety Code; and
2. Approve the Washington Boulevard Realignment Plan component of Tentative Parcel Map No.66158, TPM P-2006029, and Street Name Change SNC P-2006030;

That the Redevelopment Agency:

3. Adopt Resolution 2006-A approving a Disposition and Development Agreement between the Culver City Redevelopment Agency and Rush Pacifica LLC for the sale and subsequent development of 9300 Culver Boulevard;
4. Approve an Infrastructure Improvement Agreement with Rush Pacifica, LLC, for preparation of final construction documents for the Washington Boulevard Realignment in Downtown, construction of the Washington Boulevard Realignment, and construction of the Town Plaza Expansion in an amount not to exceed \$4,000,000;
5. Authorize the Agency's Assistant Executive Director to increase the Infrastructure Improvement Agreement budget amount by up to 20% if deemed advisable;
6. Amend the CBM Consulting Agreement for preparation of the 9300 Culver Boulevard Tentative Parcel Map and Washington Boulevard Realignment Plan increasing the agreement from \$20,420 to \$27,920; and

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7. Authorize the Agency's Assistant Executive Director to execute the Infrastructure Improvement Agreement, Disposition and Development Agreement, and the CBM Consulting amendment on behalf of the City and the Agency and all agreements in the form of the attachments to any of the foregoing, and to issue interpretations, waive provisions, enter into amendments on behalf of the Agency and the City, and to sign all such other documents and instruments necessary to implement and carry out the agreements on behalf of the Agency and City in such form as is reasonably acceptable to the Assistant Executive Director.