

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

Meeting Date: 05/23/11		Item Number: J-4	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Discussion Related to the Reuse of Vacant Gas Station Sites in Redevelopment Component Area Number 4 and Vacant Commercial Properties City-wide.			
Contact Person/Dept.: Michael Pasternak, CDD/Redevelopment Todd Tipton, CDD/Redevelopment		Phone Number: (310) 253-5708 (310) 253-5783	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (USPS) All Property Owners of Vacant Gas Station Sites (); (Email) Meetings and Agendas – City Council (05/19/11), Meetings and Agendas - Redevelopment Agency (05/19/11);			
Department Approval: Sol Blumenfeld (05/04/11)		Agency General Counsel Approval: Murray Kane: (05/04/11) City Attorney Approval: Carol Schwab (by H. Baker) (05/17/11)	
Chief Financial Officer Approval: Jeff Muir: (by K. Marsden) (05/18/11)		Executive Director/City Manager Approval: John M. Nachbar (05/19/11)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council and Redevelopment Agency Board (Agency Board) discuss and provide direction related to the reuse of vacant gas station sites and other vacant commercial properties City-wide. <u>BACKGROUND:</u> On October 25, 2010 the Agency Board and City Council discussed and provided direction related to the reuse of six vacant gas stations at major commercial intersections in Redevelopment Component Area Number 4 (Attachment 1). The Agency Board directed staff to return with options that will alleviate the blighting condition caused by the vacant properties, address property maintenance standards, facilitate reuse, and provide incentives for preferred uses. <u>DISCUSSION:</u> Of the six vacant gas stations identified in the October 25, 2010 report, three stations are currently in the development process application stage¹. Aside from gas stations, there are several other blighted vacant properties in the City's commercial areas. A property could reasonably be vacant for a temporary period, however if it is vacant and unimproved for a longer period of time, it has a blighting effect both on itself and the surrounding area. The City does not document these non-revenue			

City of Culver City, California
Agenda Item Report

generating properties or track how long they have remained vacant. For the Agency Board's consideration, this report provides options for addressing vacant property blight at gas station sites, as well as other commercial properties City-wide, through incentives and regulatory measures.

Staff recommends the Agency Board and City Council consider the following alternatives:

1. Issue a Design for Development (DFD) for Vacant Gas Station Sites in Redevelopment Component Area Number 4

A DFD is a design control document that enables the Agency to establish detailed guidelines for rehabilitation or new construction on specific sites within the redevelopment project area. The vacant gas station sites are already subject to the Planning Division's site plan review process, which enforces development standards under the City's Zoning Code. The Agency Board may add additional design controls through a DFD. However, additional use restrictions are not advisable given economic conditions². The DFD may include the following incentives:

- Owner Participation Agreements (OPAs) to provide low interest loans;
- Fee reimbursement;
- Expedited permit processing; and
- Tenant assistance³.

2. Create a Vacant Commercial Property Registry Program

This type of program allows a municipality to collect information about vacant properties, assess program registration fees, and set penalty terms for failure to comply. The Vacant Property Registry Program (Registry) could be made available to the development community and the public, which may facilitate reuse and serve as a form of marketing of the sites. Additionally, the list could be used by Code Enforcement and Police Department staff to monitor vacant properties and thereby minimize length of vacancies. A Registry, such as the one implemented by the City of Wilmington, DE (Attachment 3), would require property owners to register, for a fee, vacant⁴ properties with the City on an annual basis with the intent of encouraging property owners to rehabilitate or sell their properties for reuse.

3. Establish Maintenance Standards for Vacant Properties⁵

Staff recommends the City Council consider establishing stringent maintenance standards for all vacant properties City-wide. Such standards could be included in the forthcoming revisions of the Property Maintenance Ordinance. Staff expects to bring a revised Property Maintenance Ordinance to the City Council for consideration in summer 2011.

4. Provide an Incentive Package for Preferred Uses

City of Culver City, California
Agenda Item Report

As an alternative to a DFD, the City may opt to enter into agreements with property owners that would offer incentives for neighborhood and pedestrian oriented uses on current and future vacant gas station sites City-wide. Incentives may take the form of:

- Fee reimbursement/forgiveness;
- Expedited permit processing; and
- Tenant assistance.

Staff believes a combination of incentives (either through a DFD or exclusive agreements between the City and property owners) and penalties (through Property Maintenance Ordinance or Vacant Property Registry) will help activate blighted vacant properties and steer them towards preferred uses. At minimum, staff recommends the Property Maintenance Ordinance include standards for vacant commercial property.

FISCAL ANALYSIS:

The Agency will incur staff and legal costs if the DFD process is pursued and/or if the City wishes to enter into site specific agreements that provide incentives for preferred uses. The establishment and on-going operation and enforcement of a Vacant Commercial Property Registry Program would require staff time to implement, which could adversely affect existing work programs. Registration fees and fines could offset some of the Registry's operational costs. The City Council previously considered a Property Maintenance Ordinance but did not adopt it. The addition of vacant property standards to this ordinance would have a negligible fiscal impact.

ATTACHMENTS:

1. Map of Vacant Gas Stations in Redevelopment Component Area Number 4
2. Photographs of Existing Site Conditions
3. Vacant Property Registration Fee Program, City of Wilmington, DE

MOTION:

That the City Council and Agency Board:

Discuss and provide direction related to the reuse of vacant gas station and other vacant properties City-wide.

City of Culver City, California
Agenda Item Report

Notes:

¹ Development Status of Vacant Gas Station Sites

<u>Address</u>	<u>Use</u>	<u>Status</u>
11304 Culver Blvd.	Auto Repair	Application Approved
4436 Sepulveda Blvd.	Convenience Store	Pre-Application
11281 Washington Pl.	Retail Center	Pre-Application
3800 Sepulveda Blvd.	Vacant	Environmental Remediation
11198 Washington Pl.	Vacant	Leasehold
11962 Washington Blvd.	Vacant	For Sale

² The vacant gas station sites fall within the Commercial General Zone (CG), which allows for a wide variety of residential, retail trade and service uses. Staff believes that further restricting the types of uses allowed may delay reuse of the sites.

³ Staff will consult on tenant selection, proactively recruit potential tenants, coordinate with local brokers and facilitate access to other City services.

⁴ Staff defines “vacant” as an un-occupied commercial building, structure or unimproved property where no lawfully licensed business is conducted on a permanent, non-transient basis.

⁵ Staff recommends maintenance standards for vacant properties include all commercial as well as residential properties.