

MEETING DATE: 01/30/12

AGENDA ITEM: CITY COUNCIL AGENDA ITEM: Approval of a Commitment Letter with LAB Holdings LLC for the sale of City owned land located on the northerly corners of the Washington Boulevard and Centinela Avenue intersection for development of a Market Hall.

ATTACHMENTS

Item	Description	Pages
1	Proposals by Developers	1-29
2	Letter to Qualified Developers	30-31
3	Off-Site Public Improvements	32
4	Commitment Letter	33-38
5	Summary Report Pursuant to Section 33433 of the California Health and Safety Code	39-49
6	Public Notices	50

LAB HOLDING, LLC

January 12, 2012

Sol Blumenfeld
Community Development Director
City of Culver City
9779 Culver Blvd.
Culver City, CA 90232

Re: Washington Centinella Markethall

Dear Mr. Blumenfeld,

Thank you for the opportunity to participate in this exciting project. As you are aware, we are currently completing a similar food hall type project in Anaheim. Our experience with design, operational logistics and tenanting will dovetail perfectly with the Culver City project. We are fully ingrained with the culinary community that will populate this project and are prepared to immediately execute the City's vision here.

As outlined in our previous submittal, we believe LAB Holding is uniquely qualified to implement this type of unique development and have a proven track record of doing so.

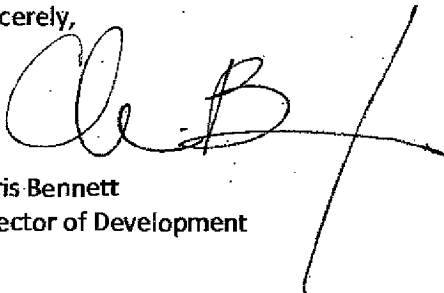
We understand that if selected we will be asked to serve as the fee developer for the City's portion of the project which will include the public parking structure and associated site amenities/utilities and will develop the remaining Market Hall as a private development. We have had discussions with JRDV Architects and are clear on the program that the City wishes to see developed here and it is our intent to develop the Market Hall as required by the City on this property.

Our experience on the Packing House in Anaheim has served as a model for our consideration of unique infrastructure needs, health department requirements and other construction items that will ultimately lead to a successful operation here. Our financial model takes these items as well as the current tenanting environment into account. Based on our assumptions, we can execute a plan to create a long-term sustainable asset for your community.

We are prepared to offer \$1,278,950 for the private portion of this site.

Thank you for your consideration. We look forward to further discussion with you.

Sincerely,

A handwritten signature in black ink, appearing to be 'CB' with a long horizontal stroke extending to the right.

Chris Bennett
Director of Development

November 2011

Dear Culver City Project Selection Committee:

The Culver City Markethall project offers exactly the opportunities our company thrives upon: iconic structures central for inspiration, an architectural challenge to mix infill organically with new uses, a rich natural environment in which to organize and plan a thriving community center as well as viable and complimentary retail residents. Our resume shows we are passionate about combining "community, culture and commerce" and creating places of gathering, respectful of existing businesses and residential neighborhoods. As "specialty" developers, we specifically target creative challenges and accept only projects that allow a long term commitment to nurture and expand a project within the local community.

We are well acquainted with the unique environment and culture of Culver City.

I am proud to introduce our team, present our experience, independent financial strength, as well as our initial thoughts about development for this MarketHall.

Thank you for the opportunity to enter into initial discussion on the potential for this unique site.

Sincerely,

Chris Bennett
LAB Holding, LLC

Capability

LAB Holding, LLC team (LAB) is uniquely qualified to envision, design, construct, program and operate the proposed Markethall project.

With over 20 years experience in innovative retail and commercial real estate, our success includes world renown retail centers, infill development and planned eco friendly urban mixed use projects with both restaurant and residential components. Most importantly, we are experienced in the long term operation and on-site, hands-on management of all our projects. This is an important commitment to our tenants which also reinforces community relationships and supports organic commercial growth.

Apart from any other developer, our experience encompasses creating new business concepts, developing innovative venues, and combining these opportunities with respected local operators for sustainable, growth-oriented seed businesses. This is a revolutionary departure from formula in the commercial development field where homogenized centers are built with national mall chain tenants. The LAB team is in the business of specialization, customization and community building.

The LAB's history of creating unique specialty environments aligns well with the qualifications required by this one of a kind project. Our projects have remained true to the original vision, achieved commercial success and have all received critical acclaim locally and internationally. The Markethall Project requires a developer with experience with infill development, city partnerships, creation of public spaces, community development and most importantly an ability to operate this project to ensure long term success. The LAB has a proven track record in each of these critical areas.

Following is information on the proposed development team as well as brief descriptions of key projects which the LAB team envisioned, built and continues to operate and the similarities of these projects to the Markethall Project.

The LAB team is currently wrapping up a similar project in Anaheim in June 2012 and will be prepared to take on this new project if selected.



Team Capability

Development Entity

Full Legal Name:

- LAB Holding, LLC

Type:

- California Limited Liability Corporation

Contact:

Chris Bennett
714.966.6661

The LAB team encompasses experience in taking visionary plans and seeing them through to completion as well as ongoing day to day operations. Our in-house team has established experience in both implementing and operating projects similar to the Markethall proposal.

In addition to our core staff, the LAB team has formed invaluable partnerships over the last decade with designers that bring a wealth of unparalleled talent to this project. This consolidated effort brings years of in depth experience with similar projects as well as firms renown both nationally and internationally.

Each member of our internal and consultant team has developed a unique reputation of performance and implementation and will ensure that this project is not only at the forefront creatively, but will be built with quality and in a timely manner. All noted "collaborators" are committed to the realization of the Culver City project via collaboration between their firms and the LAB.

Resumes

SHAHEEN SADEGHI
Principal, LAB Holding, LLC



After almost 20 years building a highly successful career in the retail and fashion industry, most recently as President of Quiksilver (a \$2 Billion global outdoor action sports and retail company trading on NYSE), Shaheen has taken his international managerial and team building experience to an unconventional place. With years of experience throughout the Far East and Europe combined with his highly developed trend intuition, he has made waves in the arena of retail and commercial real estate by creating highly successful niche marketing community centers. In the last decade he has conceived, built and continues to operate the revolutionary LAB retail project, CAMP green project, SoBeCa mixed use urban project among others.

He has been a guest speaker at the Urban Land Institute, ICSC, Ted Sell Conference, SIMA, Warnaco, Nortel Communications, the Quest organization, consultant for Fortune 500 companies such as General Motors, Volkswagon, McDonald's, Nestle, and many others. He was invited to a global multi-industry trend symposium in Cap Ferret, France in 2005. Locally, he chaired the Bristol Overlay Committee, is currently a Chamber of Commerce board member, consistently listed in "the O.C.'s top 101" and the L.A. fashion industry's "Top 25", and recipient of the Hall of Fame award for Community Revitalization in Costa Mesa.

Shaheen is a graduate of Pratt Institute in New York City, with a B.A. in design and has completed the Harvard Business School Executive Finance program in Boston.

CHRIS BENNETT
Director of Development, LAB Holding, LLC



Chris's experience began while working for the RRM Design Group designing numerous master planned communities throughout CA. Contingent to that work was the design of several downtown revitalization programs. Moving to TMC Chris oversaw teams of master planners, architects, engineers and landscape architects for the community projects of North Peak (500 acre) and Liberty (3000 acres).

Since joining the LAB team, Chris has become instrumental in furthering our foray into mixed use projects and expanding liaisons with like minded creative City planning departments.

LINDA SADEGHI
COO, LAB Holding, LLC



As a partner since the inception of the LAB organization, Linda has been instrumental in organically growing and supervising the operational departments. This involves hiring and training specialty property managers, financial talent, marketing and community relations personnel. Over the last decade the LAB team has stood apart from conventional developers in creative marketing, interfacing with local artisans as well as the community thru custom oriented events, developing "branding" of a real estate product, innovative advertising and promotion.

Through the last decade, important relationships have been nurtured with banking and financial institutions to enable growth into additional markets.

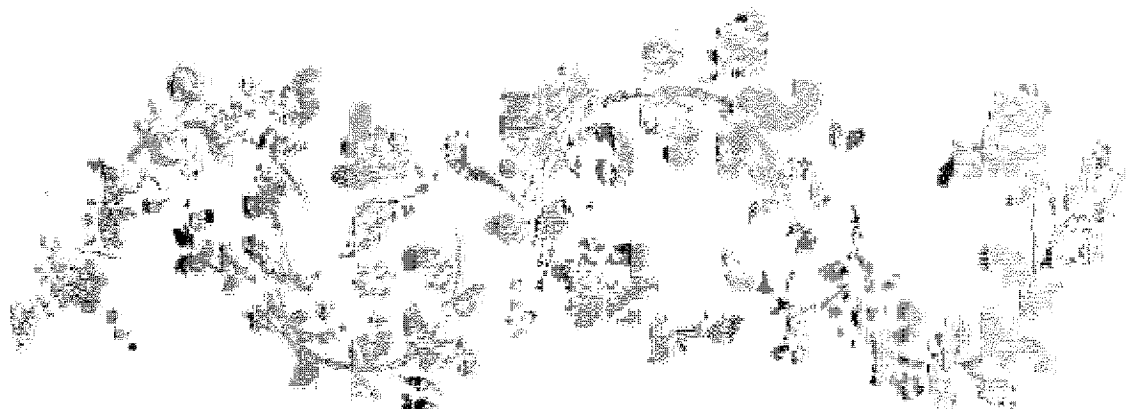
Linda draws from her 20 years in management positions with an international fashion sourcing, production and finance background, working for the likes of Catalina, Ocean Pacific, PCH, and for national accounts such as Federated Dept. stores and Neiman Marcus. Linda graduated Pratt Institute in New York with a B.A. degree in design.

Linda and her team bring business savvy and solid financial relationships to support the operations and ongoing day to day functions of all our projects, along with the creative slant to maintain the integrity of our unique product.

TRACY ANTOLIN
CFO, LAB Holding, LLC



With over 17 years in the financial field, Tracy brings a broad knowledge of business accounting expertise to the LAB team. Graduating from Cal State Fullerton with a B.A. in Accounting, Tracy served as Purchasing Manager, Admin. Mgr. as well as Controller before joining LAB Holding LLC as CFO. Tracy and her staff of accounting professionals ensure direct responsibility of property management cash functions including collections, as well as budget creation and management for promotional funds, CAM expenses and reconciliations, as well as impound accounts. She is the contact person for outside financial consultants, financial planners and tax accountants.



Development Experience

The CAMP

Description:

Retail project focused on healthy and eco living.

Lender and Amount:

Greenwich Capital Financial- \$9.45M

Developer's Role:

The LAB team built and operates the CAMP.

Anaheim Packing District

Description:

Markethall project

Lender and Amount:

Current projected cost- \$20M

Role:

LAB will be operator/developer of this project

The LAB

Description:

Retail project showcasing emerging talent in local fashion and art community.

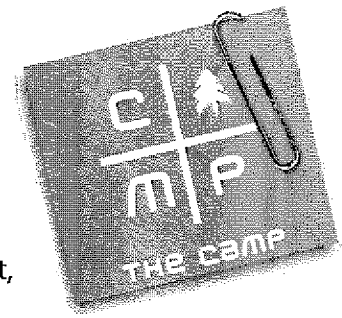
Lender and Amount:

Countrywide Commercial- \$10.4M

Developer's Role:

The LAB team built and operates the LAB.

The Camp

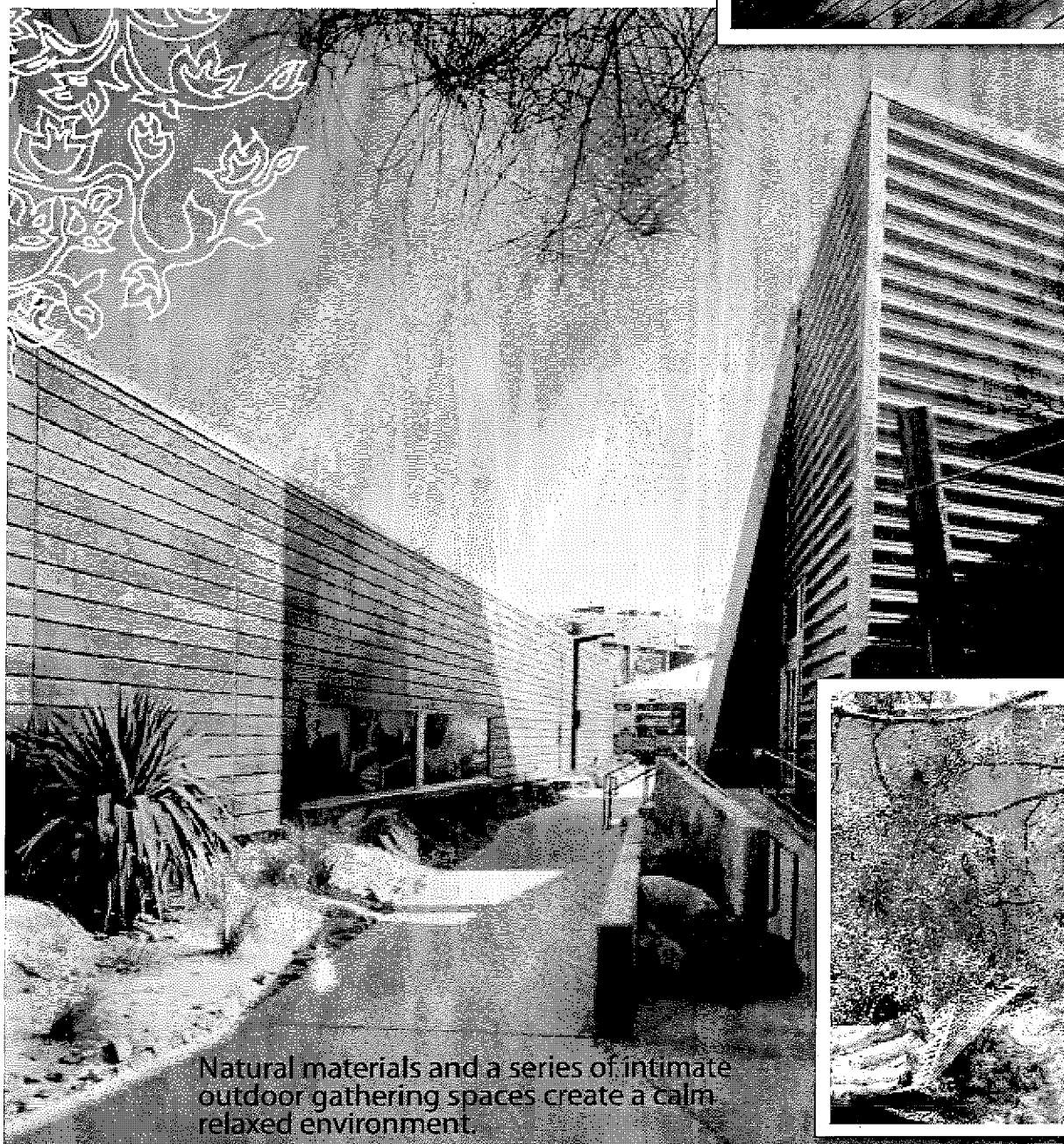
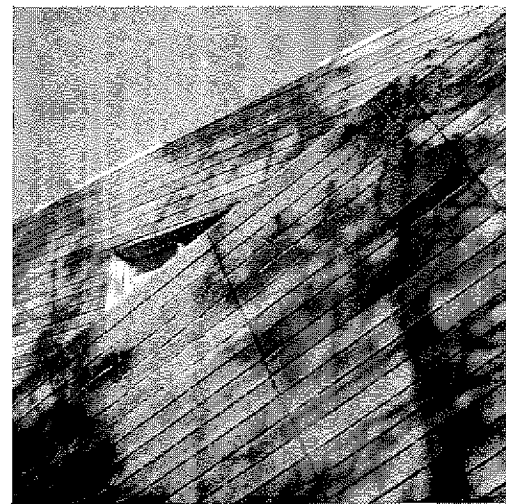


Recognizing a trend toward healthy living and sensitivity to the environment, LAB Holding, LLC was far ahead of the curve when they pioneered a green retail center focusing on authentic and respected retailers specializing in products for outdoor enthusiasts. Unique in serving an emerging niche customer base, The CAMP opened as the first "green" shopping center of its' kind in urban Orange County in 2002, serving as both a focused retail campus and community educational center. Award winning architecture features include certified redwood, indigenous landscaping, stormwater percolation system, grass roof, herbal and rock sculpture gardens throughout. Customers can be certified in the dive pool, test mountain bikes recommended by racing pros, eat organic food within an authentic yurt, do "hot" yoga, buy hiking equipment with camping recommendations, purchase non-leather "vegan" shoes and share global cuisine and wine on the rooftop terrace.

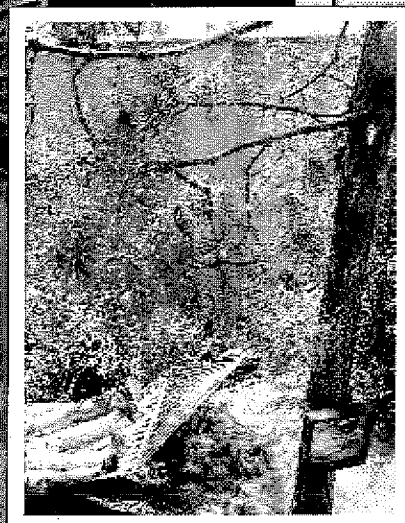
We believe the heart of any project is community interaction and The CAMP offers amenities such as chess tables beneath the grapevines, "CAMPfire" musical performances on various open air stages, travel and educational seminars, healthy cooking demonstrations, vintage trailer exhibition weekends, an organic farmers market, and even a hammock beneath the redwood trees. We developed a site specific "Co-op Kiosk" public gallery, showcasing a rotation of local artisans who display photography, painting, ceramics, sculpture, jewelry and furniture design. Working with local colleges, we offer the annual IDEAS scholarship (Inter Disciplinary Enriching the Arts Scholarship) to encourage creative teamwork on outdoor installations incorporating community interaction. Beyond financial statements and 100% leased status, The CAMP project is a commercial and social success as demonstrated by national attention to its' unique focus on human powered sports, sensitivity to the environment and day to day community interaction and education.

PROJECT FACTS	
SIZE:	approx. 60,000 sq.ft.
LOCATION:	Bristol St., Costa Mesa, CA
DATE STARTED/COMPLETED:	2001- 2002
QUALITY OF DESIGN:	Winner, O.C. Top Architectural Award, 2003 Winner, Costa Mesa Most Prestigious Project Award, 2003 Indigenous gardens designed by Spurlock Poirier, of Getty Museum gardens fame
RETAIL TENANTS:	Adventure 16, Patagonia, Cyclewerks, Active Ride Shop, Humanitaire, Liburdi's Scuba Shop, Blankstyle, Bikram Yoga
RESTAURANTS:	Aire Global Cuisine, Old Vine Cafe, Native Foods
GALLERIES:	Co-Op Kiosk
PROJECT VALUE:	\$25.5 Million
WEBSITE:	www.thecampsite.com

We will offer the following commonalities found at the CAMP project to Culver City: sensitivity to building a "green" oriented project, use of indigenous landscaping, creation of multiple, smaller venue public spaces, intimate open air stage areas for musical performances or seminars, open air fire pit seating, use of minimal and natural sounds, multiple and non-competing retail uses, hand chosen and merchandised unique restaurants operated by local experts, co-op kiosk gallery, all focused on the primary audience of environmentally conscientious residents.



Natural materials and a series of intimate outdoor gathering spaces create a calm relaxed environment.



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The Lab



In 1991, in the midst of a national retail slump and Orange County bankruptcy, Lab Holding, LLC invented the concept of an "anti-mall" to serve urban youth dissatisfied with the homogenization of conventional malls. With the help of Pompei A.D. architectural design firm out of New York City, the LAB (an acronym for Little American Businesses) retail center was born in 1993 out of the disarray of an abandoned military night goggle factory. Materials removed from the redevelopment were reconstructed as walls and planters throughout the property to create a "recycled" center. It arose as a ground breaking indoor-outdoor venue of focused, complimentary non-chain retailers and custom designed restaurants to serve the demands of today's youth culture. Now nearly 15 years old, the LAB continues to garner international press for its' originality and focus, and boasts up to \$1,200./sq.ft.... in retail sales just a short distance from South Coast Plaza, the most successful mall in the country with reported sales per sq.ft. of \$850. (an "average" American mall would garner about \$450./sq.ft.).

The purposefully designed LAB "Living Room", an open air central courtyard, invites customers to "hang out" with music, magazine stand, community table, couches and serves as the "beating heart" of the center. Weekends often include musical performances, poetry readings and seasonal community events. Art installations and furniture design change regularly throughout the project, stimulating the senses of this young-at-heart customer base. This has included wall paintings and poetry writings, ceiling art installations, community table graphics, temporary sculptures, ongoing community art projects such as the "tile wall" or group collage events on the central promenade. An annual LAB CD compilation, featuring local musicians, is distributed free to LAB customers. LAB tee shirts and stickers are must haves.

The LAB is a resounding success, both commercially as well as socially, as evidenced by sales per sq.ft., new tenant waiting list, and awards by local and state authorities for contributions to community revitalization as recently as April 2006.

PROJECT FACTS	
SIZE:	approx. 40,000 sq.ft.
LOCATION:	Bristol St., Costa Mesa, CA
DATE STARTED/COMPLETED:	1992
QUALITY OF DESIGN:	Adaptive reuse of three existing manufacturing buildings with eclectic front scaffolding nesting colorful light domes, intentional "deconstructed" look, recycled
RETAIL TENANTS:	Urban Outfitters, Thousands Elsewhere, Crew Salon, Habit, EyeFive, Buffalo Exchange, Harlow, Great Laundry, ARTH Blends, Carve, Standard Issue
EXCLUSIVE RESTAURANTS:	Gypsy Den Café and Reading Room, Habana Cuban Cuisine, Zipangu Japanese Fusion Lounge
GALLERIES:	The ARTery
PROJECT VALUE:	\$20 Million
WEBSITE:	www.thelab.com

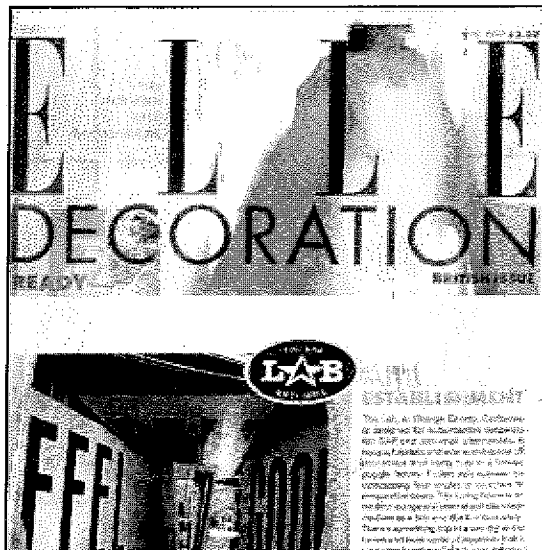
Artists were used in every aspect of the Lab's construction

The Living Room is an outdoor canvas redesigned yearly with new installations, art, and furniture.



Changing elements in the architecture keep the experience fresh

From the LAB project to Culver City, we intend to carry forward the LAB "living room" human comfort concept to the park features. We will create a sense of community and incorporate art to make a project stimulating and interesting to patrons of the arts. We will duplicate the open air public art spaces for ever changing installations and community interaction. As always, we will plan for intimate public performance or exhibition spaces.



The lab

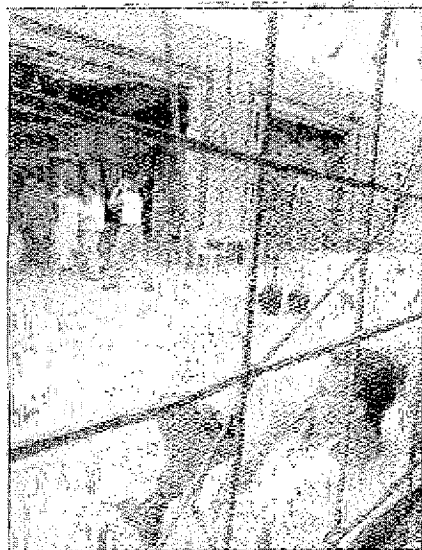
Articles



The Boston Globe

THURSDAY, MAY 12, 1994

Experimental mall in California targets Generation X shoppers



A shopper relaxes outside a store at the Lab mall, Costa Mesa, Calif.

X marks the shop

Calif. 'anti-mall' targets graffiti-soaked

By Glen Jarman
Costa Mesa, Calif.
COSTA MESA, Calif. — Once known for its graffiti-soaked streets, Costa Mesa is now a place where shoppers can find a new kind of retail experience. The Lab mall, a 100,000-square-foot, single-story building, is the first of its kind in the United States. It is a place where shoppers can find a new kind of retail experience. The Lab mall, a 100,000-square-foot, single-story building, is the first of its kind in the United States. It is a place where shoppers can find a new kind of retail experience.

Generation X

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It's got a different look. There are different people. It has the clothes we like. ... They play the music we like.

— **JOHN DILLON**
 19-year-old student

John Dillon, 19, a student at the University of California, Santa Barbara, is one of the many young people who have flocked to the Lab mall. He says the mall is different from other malls because it has a more relaxed atmosphere and a better selection of clothing and music.



15

The Lab



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GALLERIES:	The ARTery
PROJECT VALUE:	\$20 Million
WEBSITE:	www.thelab.com



State of California
Bill Jones
Secretary of State

LIMITED LIABILITY COMPANY
ARTICLES OF ORGANIZATION

A \$70.00 filing fee must accompany this form.
IMPORTANT - Read instructions before completing this form.

File# 200006010173

FILED
In the office of the Secretary of State
of the State of California

FEB 29 2000

Bill Jones
BILL JONES, Secretary of State
(This Space For Filing Use Only)

1. Name of the limited liability company (and the name with the words "Limited Liability Company," "Ltd. Liability Co.," or the abbreviations "LLC" or "LLCA")

LAB HOLDING, LLC

2. The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the Beverly-Killea limited liability company act.

3. Name the agent for service of process and check the appropriate provision below:

Shahenn Sadezhi which is
☒ an individual residing in California. Proceed to item 4.

☐ a corporation which has filed a certificate pursuant to section 1505. Proceed to item 5.

4. If an individual, California address of the agent for service of process:

Address: 3195-A Airport Loop

City: Costa Mesa

State: CA

Zip Code: 92626

5. The limited liability company will be managed by: (check one)

☐ one manager ☐ more than one manager ☒ single member limited liability company ☐ all limited liability company members

6. Other matters to be included in this certificate may be set forth on separate attached pages and are made a part of this certificate. Other matters may include the latest date on which the limited liability company is to dissolve.

7. Number of pages attached, if any: none

8. Type of business of the limited liability company. (For informational purposes only)
License holding company

9. DECLARATION: It is hereby declared that I am the person who executed this instrument, which execution is my act and deed.

Leslie A. Bower

Signature of Organizer

Leslie A. Bower, Attorney at Law

Type or Print Name of Organizer

February 23, 2000

Date

10. RETURN TO:

NAME

Leslie A. Bower, Esq.

FIRM

Law Offices of Eugene C. White

ADDRESS

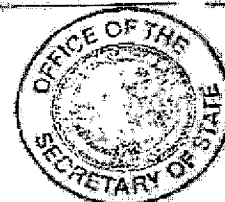
4100 Newport Place, Suite 470

CITY/STATE

Newport Beach, CA

ZIP CODE

92660



SEC/STATE (REV. 12/99)

FORM LLC-1 - FILING FEE \$70.00
Approved by Secretary of State



January 10, 2012

Mr. Sol Blumenfeld
Community Development Director
City of Culver City
Redevelopment Division, 3rd Floor
9770 Culver Blvd.
Culver City, CA 90232

Re: Response to Washington Centinela Market Hall RFP

Dear Mr. Blumenfeld,

The Red Barn Co. (Red Barn), along with its partner Regency, is pleased to submit this offer to purchase and develop the Washington Centinela Market Hall land and project in Culver City (City). As stated in your letter dated January 6, 2012, the RFP has been modified to request a simple land purchase offer, here attached. Along with the enclosed offer for the two sites (known as the residual portion of Site A and all of Site B totaling 51,158 sq. ft.), we have also included our design proposal. This is to confirm our intent to develop the property as requested in your RFQ/P, with some enhancements. We want to emphasize that we are very interested in working with the City on this master plan and thus have created a concept that can be easily modified with your input.

With Regency as our partner, Red Barn has the adequate capital to make this project a reality and pay the City for their land in a timely matter. Also, Regency has the proven track record to execute the development plan, lease the project and manage it long term.

Our proposed concept, that we are now calling "Market Square", emphasizes the central plaza as the focal point. Hopefully, you are as excited about the modifications as we are. Our team believes these changes incorporate design elements that better reflect the realities of the consumer's demands, provides a more vibrant and interesting project, serves the community better, opens up the project to more street activities, and creates a stronger, long-term, sustainable retail tenant program.

Although our proposed land offer on the next page is shown as a fixed price, we are open to the idea of allowing the City to participate in any potential land value increase in the event that our due diligence and pre-development refinement analysis yields a higher land value than what we are currently offering herein.

The team sees these changes as improving the City's original plan by adding new types of space and design elements, thus creating more activities that were not originally envisioned. With these new changes, we now have a mix of:

- Great new restaurants
- Local gourmet grocery
- Culinary Market Hall
- Beer pub & garden
- "Public Plaza"

The plaza will become a new neighborhood gathering space that can be used for a variety of activities such as:

- Dining
- Dancing
- Watching a movie
- Live music venue
- Additional small artisan shop space

Although we are presenting herein our initial design, we truly welcome further collaboration with the City in order to achieve our mutual goals.

Sincerely yours,
The Red Barn Co.



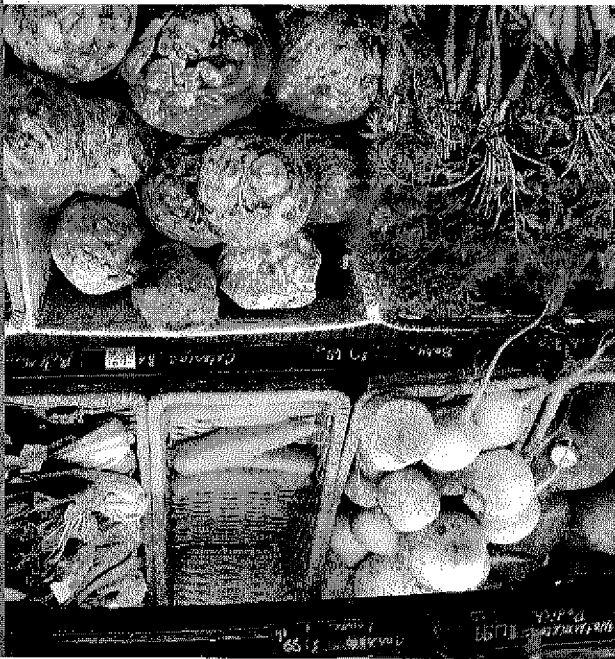
Thomas J. Weigel, President

For the Washington Centinela Market Hall Red Barn Team

Attachment: Land Purchase Offer/Project Development Plans

Land Purchase Price Offer Summary

1. Buyer	The Red Barn Co (& its partners)
2. Seller	The City of Culver City
3. Property	Approximately 51,158 sq. ft. on two parcels located on the NWC & NEC of Washington Blvd & Centinela Ave. Commonly known as Site A & B.
4. Purchase Price	The purchase price for the above land and its development rights will be based on an appraised value currently assumed at \$100.00/sq. ft. or a total of \$5,115,800.00.
5. Terms	Purchase Price shall be paid to the seller upon completion of entitlements and issuance of building permit. Buyer will deposit earnest money into an escrow account once the buyer & seller mutually sign a Land Purchase contract.
6. Development Summary	The buyer proposes to build on the property the following: approximately 35,000 sq. ft. of commercial/retail that will include: gourmet grocery store, one and two story restaurants and café, small market shops within a Culinary Market Hall, small creative office space, all focused around a central "public plaza".
7. Special Parking Condition	The parking requirements for all of Site A will be supplied within a parking structure located on Site A that the seller will fund through reimbursement payments to the buyer. Additionally, the structure will contain the gourmet grocery store.

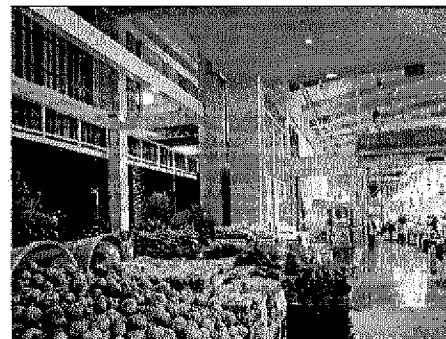
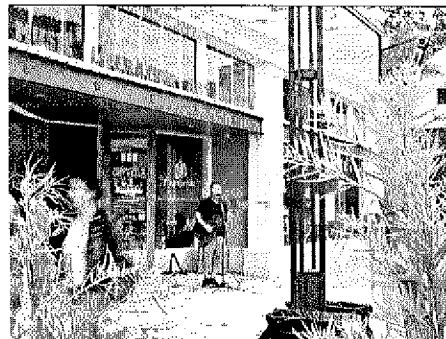


CULVER CITY MARKET SQUARE

RED BARN
regency centers

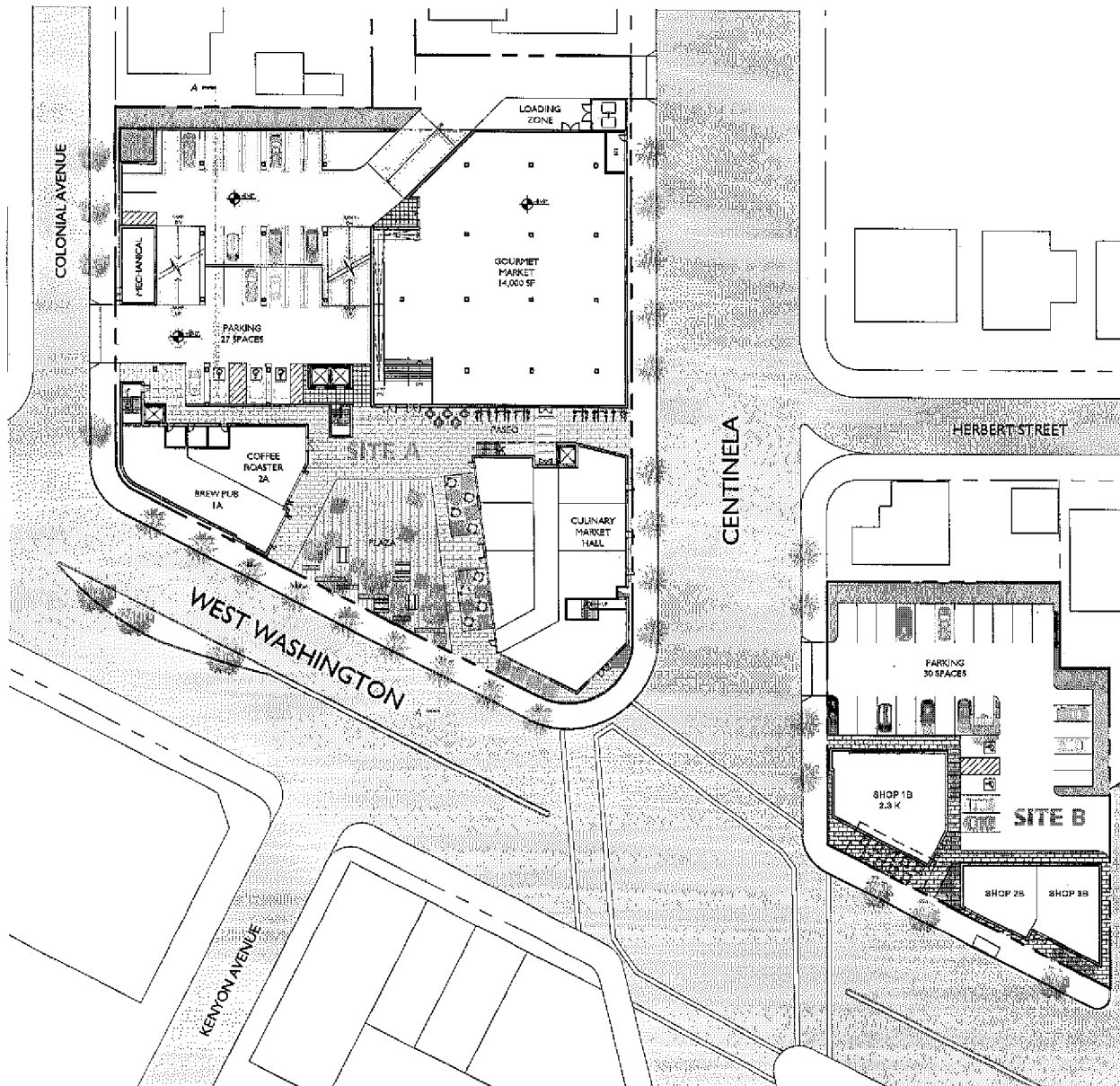
CULVER CITY, CA
JANUARY 9, 2012

studio eleven



CULVER CITY MARKET SQUARE DESIGN CRITERIA

- Respect the neighborhood scale
- Step the project down to gracefully integrate to the residential uses to the north, as based on the original Westside Market Hall designs
- Create a compelling, village-like assembly along Washington Boulevard that marks the intersection of Washington and Centinela and reinforces the eclectic, pedestrian oriented nature of the revitalized boulevard
- Enhance the concept with a meaningful open space component
- Create a big enough open space that can be used for community events, craft shows, food truck parties, live small scale performances, etc.
- Make the open space visible and open to Washington Boulevard to enhance visibility and create a welcome image to the community
- Complement the primary street level open space with second floor deck areas
- Reallocate some program into a slightly reconfigured garage in order to accommodate the open space
- Add a Daily Needs Anchor Destination
- In order to facilitate project viability, add an anchor store that brings consistent, appropriate customer visits
- Make the anchor complimentary to the artisanal market hall tenants
- Architectural Imagery
- Create an architectural diverse street edge to compliment the existing Washington patterns
- Use materials and scale that have appropriate detail at the pedestrian level
- Use forms that attract automobile traffic to want to stop and investigate



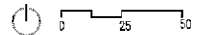
WESTSIDE MARKET HALL Preliminary Project Tabulations

STORE	SF	PARKING RATIO*	PARKING REQUIRED*
Market	14,000	1/350	40
Shop A1	2,025	1/100	21
Shop A2	1,475	1/350	5
Culinary Market Hall	6,500	1/350	19
Office	5,000	1/350	15
TOTAL	29,000		100 SPACES

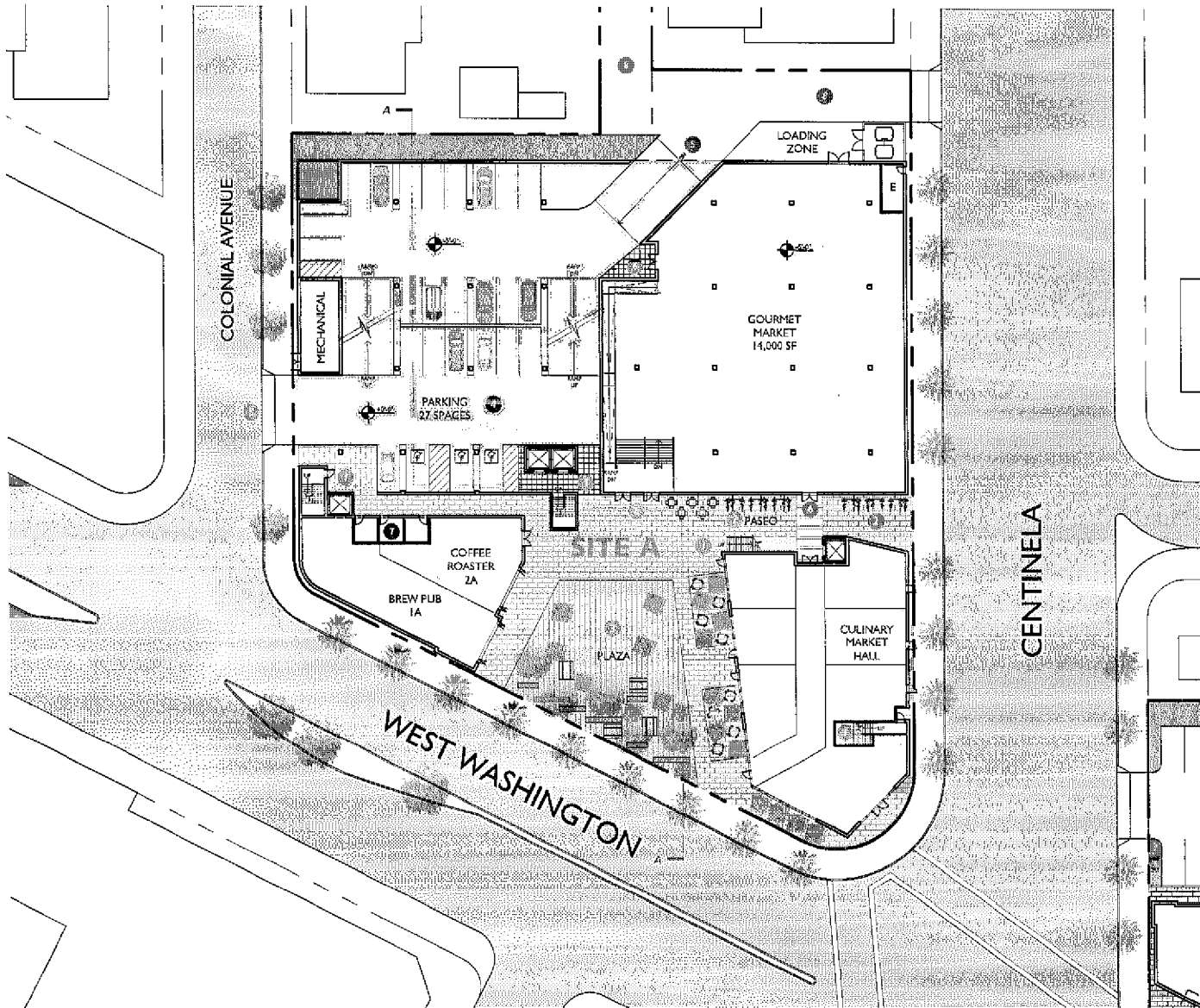
PARKING PROVIDED 157 SPACES
 SURPLUS PARKING (EVENTS, OVERFLOW) 57 SPACES
 OVERALL PARKING RATIO 5.4/100

STORE	SF	PARKING RATIO*	PARKING REQUIRED*
Shop B1	3,000	1/100	30
Shop B2	1,490	1/350	5
Shop B3	1,490	1/350	5
TOTAL	5,980		40 SPACES

PARKING PROVIDED 32 SPACES
 PARKING DEFICIT 10 SPACES
 OVERALL PARKING RATIO 5.3/1000

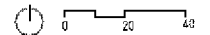


Overall Site Plan
11-202



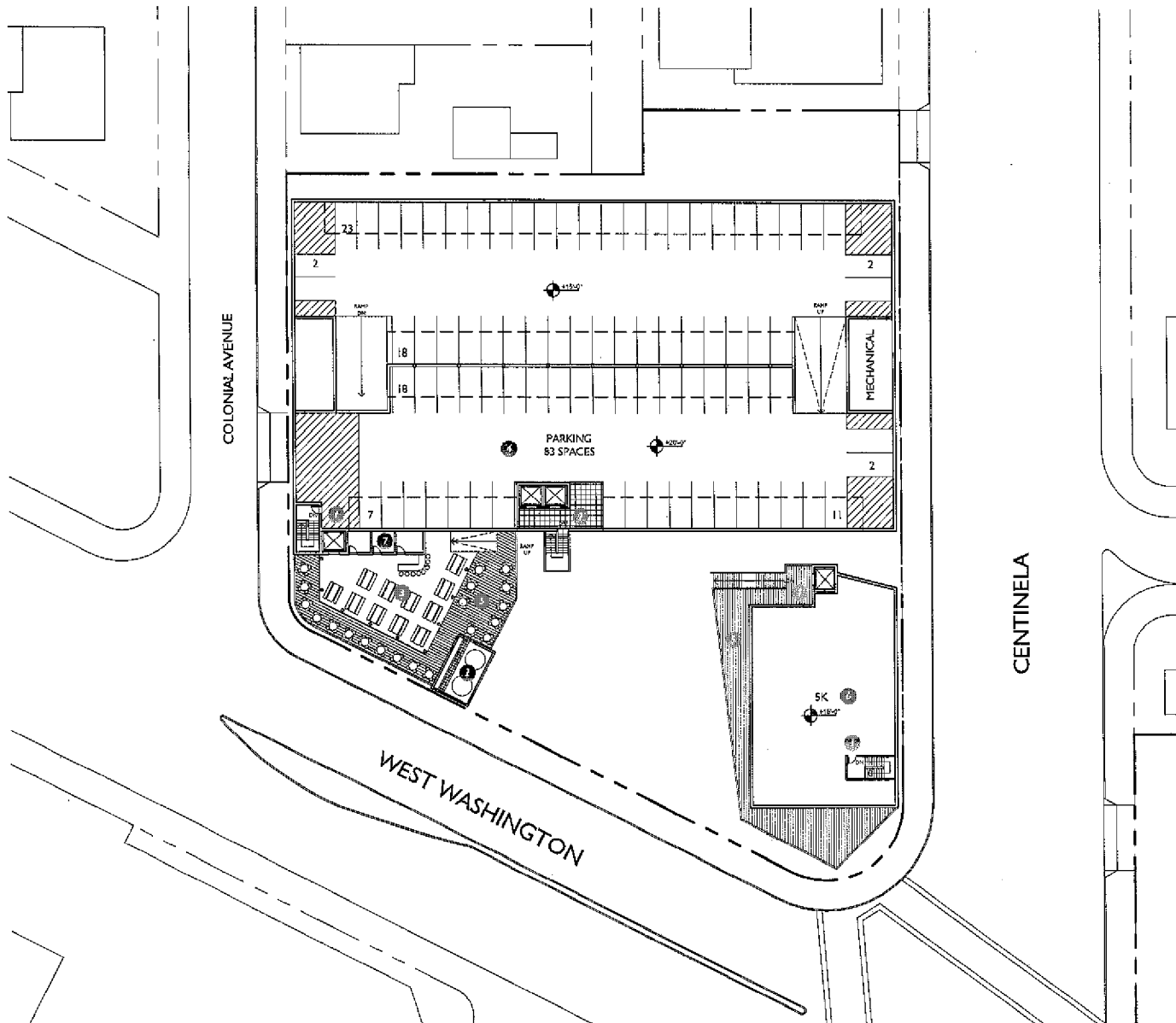
KEYNOTES

- Vertical Circulation
- Bike Parking
- Public Plaza
- Parking Garage
- Parking Garage Entry
- Market Entrance
- Storage/Public Restrooms
- Continue Alley



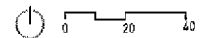
Site A - First Floor
11-022

26

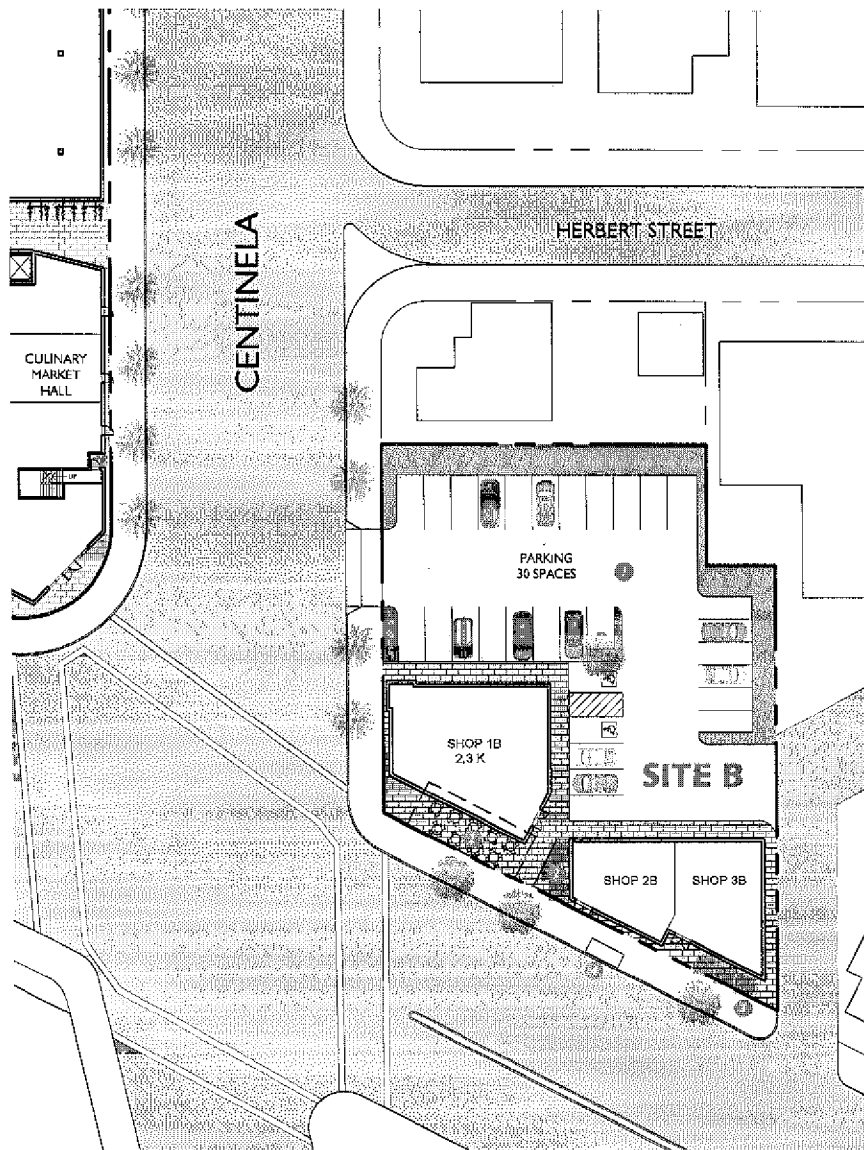


KEYNOTES

- Vertical Circulation
- Icon Tower
- Green Deck w/ Picnic Tables
- Parking Garage
- Rooftop Deck for Occasional Events
- Creative Offices
- Public Restrooms



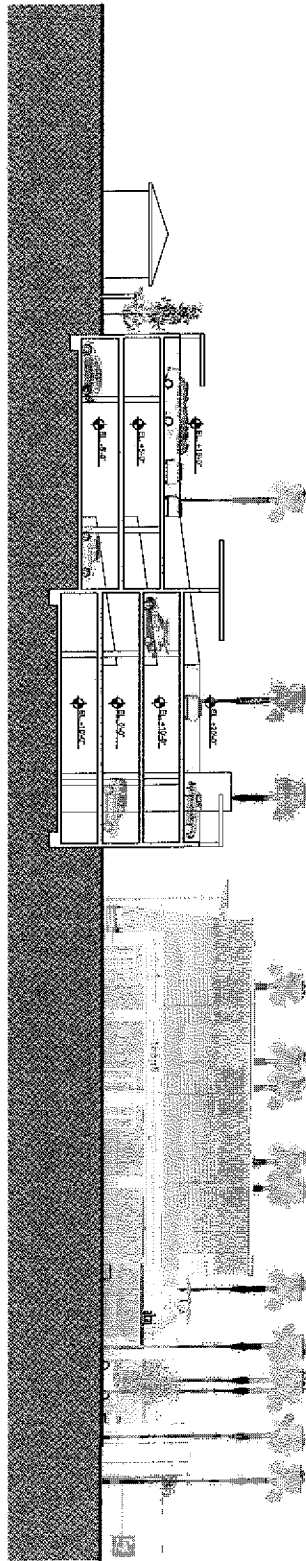
Site A - Second Floor



KEYNOTES

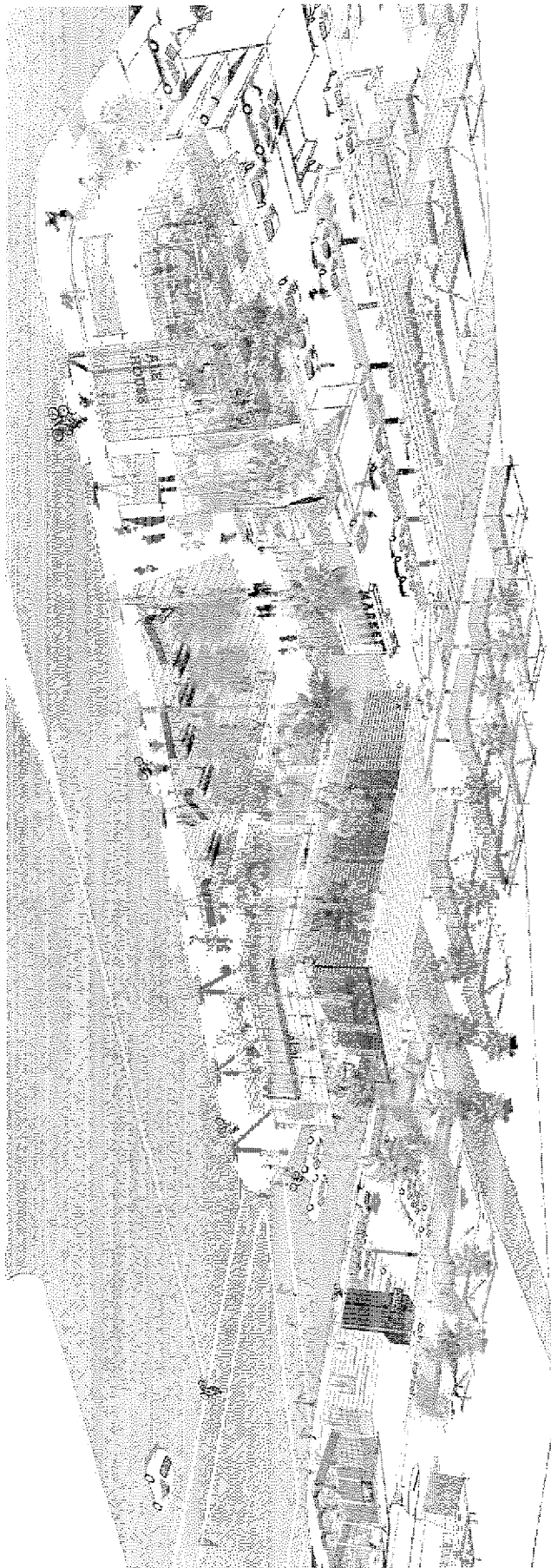
- ① Surface Parking
- ② Outdoor Patio
- ③ Sidewalk Dining
- ④ Existing Bus Stop

Site B - First Floor
11-002



Section
1:100





Aerial View



CITY OF CULVER CITY

9770 Culver Boulevard, Culver City, California 90232

Sol Blumenfeld
Community Development Director

310 253-5700
310 253-5779 Fax

January 6, 2012

The Lab Holding, LLC
ATTN: Chris Bennett
709 Randolph Avenue
Costa Mesa, CA 92626

Subject: Washington Centinela Market Hall

Dear Mr. Bennett,

Given the recent Supreme Court decision regarding redevelopment, the City is proceeding with an abbreviated process to select a developer for Washington Centinela. The Washington Centinela property is City owned. The City will consider entering into a contract for property disposition in order to construct the Market Hall project that was described in the Request for Qualifications (RFQ) and Request for Proposals (RFP) process. Further, the City is now requiring that the developer design and construct the related 217 space parking garage pursuant to City direction at City expense including industry standard developer fee. The City will retain ownership of the garage and will process a parcel map to establish ownership of the private Market Hall and the public garage.

We are requesting a letter from the developers indicating their proposed land offer for the 51,158 sq. ft. Market Hall property and confirming the intent to construct the project depicted in the RFQ/RFP. The land offer should reflect the City's participation in the project parking and other appurtenant structures. Though the City will accept minor project changes the overall design must conform in terms of architecture, layout, setback, building height and massing to the City's preferred design. The City will select a developer on the basis of letter submittal and prior qualifications statements.

Please provide a letter to me (with e-mail copy) by no later than January 10, 2012 indicating your land offer and confirming your intent to construct the project as required by the City. A Commitment Letter will be issued to the selected developer following consideration by the City Council on January 23, 2012.

Sincerely,


Sol Blumenfeld
Community Development Director

Culver City Employees take pride in effectively providing the highest levels of service to enrich the quality of life for the community by building on our tradition of more than seventy-five years of public service, by our present commitment, and by our dedication to meet the challenges of the future.

PRINTED ON RECYCLED PAPER



CITY OF CULVER CITY

9770 Culver Boulevard, Culver City, California 90232

Sol Blumenfeld
Community Development Director

310 253-5700
310 253-5779 Fax

January 6, 2012

The Red Barn Co.
ATTN: Thomas Weigel, President
260 Newport Center Drive, Suite 100
Newport Beach, CA 92660

Subject: Washington Centinela Market Hall

Dear Thomas,

Given the recent Supreme Court decision regarding redevelopment, the City is proceeding with an abbreviated process to select a developer for Washington Centinela. The Washington Centinela property is City owned. The City will consider entering into a contract for property disposition in order to construct the Market Hall project that was described in the Request for Qualifications (RFQ) and Request for Proposals (RFP) process. Further, the City is now requiring that the developer design and construct the related 217 space parking garage pursuant to City direction at City expense including industry standard developer fee. The City will retain ownership of the garage and will process a parcel map to establish ownership of the private Market Hall and the public garage.

We are requesting a letter from the developers indicating their proposed land offer for the 51,158 sq. ft. Market Hall property and confirming the intent to construct the project depicted in the RFQ/RFP. The land offer should reflect the City's participation in the project parking and other appurtenant structures. Though the City will accept minor project changes the overall design must conform in terms of architecture, layout, setback, building height and massing to the City's preferred design. The City will select a developer on the basis of letter submittal and prior qualifications statements.

Please provide a letter to me (with e-mail copy) by no later than January 10, 2012 indicating your land offer and confirming your intent to construct the project as required by the City. A Commitment Letter will be issued to the selected developer following consideration by the City Council on January 23, 2012.

Sincerely,


Sol Blumenfeld
Community Development Director

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Culver CITY

REDEVELOPMENT AGENCY

WASHINGTON-CENTINELA MARKET HALL OFF-SITE PUBLIC IMPROVEMENTS

NOTE: Many of the items below are preliminary in nature and items may be added or removed depending on the conclusions and recommendations contained within the traffic study performed for this project and conditions imposed by the Planning Commission during the project's entitlement review. Costs are rough estimates and are not based on construction documents or bids to complete the improvements:

• Curb & Gutter Improvement Work	\$ 15K
• Sidewalk Improvements	\$ 60K
• Adjacent Street Resurfacing	\$100K
• Left-hand turn signals N/S on Centinela Ave.	\$ 75K
• Left-hand turn signals E/W on Washington Bl.	\$ 75K
• Pave Colonial Alley adjacent to project area	\$ 50K
• Resurface Grandview Alley adjacent to project area	\$ 35K
• Special crosswalk paving at WA/Centinela Intersection	\$172K
• Replace high with low voltage streetlights adjacent to project area	\$ 52K
• Traffic Calming Measures*	\$ 50K
TOTAL:	\$684K

*See Illustrative Plans for proposed traffic calming measure at Colonial Avenue below. Also includes one-time establishment of a permit parking district along Colonial Avenue.

View of Market Hall Parking Garage and Possible Traffic Barrier



9770 CULVER BOULEVARD CULVER CITY, CA 90232-0507

TEL 310.253.5767 FAX 310.253.5779



Sol Blumenfeld
Community Development Director

CITY OF CULVER CITY

9770 Culver Boulevard, Culver City, California 90232

310 253-5700
310 253-5779 Fax

January 31, 2012

*Via Certified Mail,
Return Receipt Requested*

Mr. Chris Bennett, Director of Development
Lab Holding, LLC
501 30th Street
Newport Beach, California 92663

RE: Washington Centinela Market Hall, Culver City, California

Dear Mr. Bennett:

On behalf of the City of Culver City (the "**City**"), I am pleased to inform you that the City has approved a conditional commitment to Lab Holding, LLC (the "**Developer**") for the City's disposition to the Developer of approximately 1.17 acres of land (the "**Property**") and the Developer's redevelopment thereof and of adjacent real property, located at the northwest and northeast corners of Washington Boulevard at Centinela Avenue in Culver City, in connection with the "Washington Centinela Market Hall" project, a proposed high quality, pedestrian oriented place-making market hall development with iconic architecture, uniquely designed with an open floor plan and public plazas. (the "**Project**").

Unless otherwise agreed to in writing by the City in its sole discretion, the City's approval of this commitment is subject to and contingent upon the following terms and conditions. This conditional commitment will expire on February 29, 2012, unless accepted by the Developer.

TERMS AND CONDITIONS

1. The Project will consist of: (i) on "Site A", a market hall with high ceiling and/or mezzanine space comprised of approximately 21,250 square feet of building area on a 53,022 square feet parcel (excluding the alley) with public plaza frontage, (ii) on "Site B", additional high ceiling and/or mezzanine market hall or other related retail/restaurant uses comprised of 12,000 square feet of building area on a 19,736 square feet parcel with public plaza frontage, (iii) on a 21,600 square foot portion of "Site A" (which portion will not be a part of the land sale to the Developer) (the "**City Parking Parcel**"), a 3½-level, 217 space semi subterranean parking structure to be owned and operated by the City (the "**Parking Structure**"), (iv) the undergrounding of aerial utilities on the Property

Culver City Employees take pride in effectively providing the highest levels of service to enrich the quality of life for the community by building on our tradition of more than seventy-five years of public service, by our present commitment, and by our dedication to meet the challenges of the future.

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and the City Parking Parcel, and (v) the Developer's completion of certain public improvements on behalf of the City, and as approved by the City; as of the date hereof, such public improvements are anticipated to consist of the following: Curb & Gutter Improvement Work, Sidewalk Improvements, Adjacent Street Resurfacing, Left-hand turn signals N/S on Centinela Ave., Left-hand turn signals E/W on Washington Bl., Pave Colonial Alley adjacent to project area, Resurface Grandview Alley adjacent to project area, Special crosswalk paving at WA/Centinela Intersection, Replace high with low voltage streetlights adjacent to project area, and Traffic Calming Measures.

2. In the Parking Structure, 170 parking spaces will be used to meet code requirements for the Project, and 47 additional spaces will be used for public parking for the commercial area. The City will design, bid, construct, manage and operate the Parking Structure, and the Developer shall provide construction management services for the Parking Structure at no cost to the City and pay its *pro rata* share of ongoing maintenance, operation and capital expenses for the 170 parking spaces dedicated to the Project, and the City will fund the cost of ongoing maintenance, operation and capital expenses for the remaining 47 additional spaces.

3. The Project will be LEED Certified and will comply with the CalGreen requirements, photovoltaic requirements and green building requirements as mandated by the City.

4. The Project shall be developed in strict accordance with the conceptual plans included in the City's November 30, 2011 Request for Proposals (the "RFP"), which have been conceptually approved by the City Council. Further, the Project must conform to the RFP; the Developer's January 12, 2012 Response to such RFP confirming conformance to the RFP development program; the Redevelopment Plan for the Culver City Redevelopment Project Area approved and adopted by the City pursuant to Ordinance No. 98-014 on November 23, 1998, as amended pursuant to Ordinance 98-015 on November 23, 1998; and all applicable local, state and federal laws, rules and regulations. Each of the documents described in this paragraph are hereby incorporated herein by this reference.

5. For the purpose of legally separating the City Parking Parcel from the remainder of "Site A" prior to conveyance of the Property to the Developer, the parties anticipate that a parcel map would be prepared and recorded in the Official Records of Los Angeles County, in compliance with Section 1351(e) of the California Civil Code, concurrently with the closing and prior to commencement of construction of the Project as provided herein, or a similar subdivision process completed by such time. The Project will require a General Plan Amendment and Zone Change for development. "Site A's" alley requires reconfiguration to terminate onto Centinela Avenue, and an irrevocable

easement will be required to be recorded upon "Site A" for ingress/egress of the alley.

6. In connection with the City's commitment hereunder the Developer shall submit to the City a good faith deposit in the total amount of \$100,000 (the "**Good Faith Deposit**"). The Good Faith Deposit shall be submitted by the Developer to the City in the form of a certified or cashier's check made payable to the City as beneficiary or wire transfer within 30 days after the date of this letter. The City is not obligated to cause interest to accrue on the Good Faith Deposit retained by the City. However, any interest that may accrue on the Good Faith Deposit while retained by the City shall be retained by the City as its sole and separate property, to which the Developer waives any right, interest or claim. The Good Faith Deposit will be used by the City, in its sole discretion, to pay for any third-party costs and fees incurred by the City in connection the Project, including, without limitation, consultant, professional, and legal fees and costs. The City will account to the Developer for the use and expenditure of any portion of the Good Faith Deposit.

7. The purchase price for the Property is \$1,278,950. Any unencumbered portion of the Good Faith Deposit retained by the City at the close of escrow will be applied by the City as a credit toward the Developer's purchase price for the Property.

8. The Developer shall be responsible for obtaining all of the funds for, and constructing, the Project, except the Parking Structure on the City Parking Parcel whose design, plan/construction document preparation, bidding and construction will be the responsibility of the City.

9. At closing of the construction financing for the Project, the City will convey the Property (which does not include the City Parking Parcel) to the Developer subject to and conditioned upon the terms and conditions of this letter.

10. At the closing of the construction financing for the Project, certain documents will be recorded against the Property and adjacent properties, as applicable, that will evidence and secure the reciprocal access and easement rights appurtenant to the Property and the City Parking Parcel, and other adjacent properties as necessary. Notwithstanding the foregoing sentence, this letter is not intended to describe all of the requirements, terms, conditions and documents necessary or required therefor; each of the parties hereto shall execute such other and further documents and do such further acts as may be reasonably required to effectuate the intent of the parties hereto and carry out the terms of this letter. The City Manager or designee is authorized to take such actions on behalf of the City that are consistent with this letter, without further approval from the City Council of the City.

11. The Developer shall comply with State Prevailing Wage and/or Federal Davis-Bacon requirements, if applicable, and shall indemnify and hold harmless the City, its affiliated entities, and their respective representatives in connection therewith.

12. Any transfer of the Developer's interests in the Property or this letter is prohibited, unless the City has granted its prior written consent thereto, which shall not be unreasonably withheld or delayed.

13. Events of default by the Developer will permit the City, after notice and opportunity to cure, to pursue appropriate remedies, including the City's right to enter and retake the Property. These events may include, but are not limited to, failure to complete timely the development of the Project as required by this letter, failure to comply with use restrictions, transfers of interests in the Developer or in the Project without the reasonable prior consent of the City, failure to comply with terms and conditions of covenants, deeds of trust, and similar occurrences.

14. The Developer shall obtain all land use entitlements, approvals and permits necessary for the development of the Project not already obtained and shall pay all fees in connection therewith.

15. The Developer's architect and general contractor shall be subject to the approval of the City Manager or designee. As of the date hereof, the architect is anticipated to be JRDV Architects.

16. Within 60 days after the date of this letter, the Developer shall prepare and submit a Project scope of development for approval by the City. The City Manager or designee shall have the right to review and approve all design drawings and plans for the Project. All plans for the construction of the Project shall be subject to applicable City design review approval procedures, and shall be consistent with and a logical evolution of the scope of development, except as otherwise approved by the City Manager or designee.

17. Within 60 days after the date of this letter, the Developer shall prepare and submit a schedule of performance for the Project providing for the timely satisfaction of all conditions precedent to the closing and the timely commencement and completion of utility relocation, offsite improvements and construction, for approval by the City. Except as otherwise approved by the City Manager or designee, failure to comply with the schedule of performance shall be a default under the terms of this letter.

18. At the respective times provided in the schedule of performance, the Developer shall submit for approval by the City Manager or designee evidence of financing consistent herewith and sufficient to completely finance the development of the Project.

19. The Developer shall indemnify and hold the City harmless from and against any costs relating to hazardous materials affecting the Property. Prior to the closing, the Developer shall submit to the City a Phase 1 Environmental Site Assessment or confirm in writing that the Phase I environmental report prepared by Secor on June 30, 2006 and Phase II report prepared by Secor on August 23, 2006 and the March 2, 2010 Case Closure Letter issued by the Los Angeles Regional Water Quality Control Board are acceptable to the Developer as-is without further environmental investigations. If not acceptable to the Developer and subject to a right of entry approved by the City, the Developer shall conduct such additional environmental testing as may be necessary to determine that hazardous materials are not present on the Property, or that any hazardous materials on the Property may be remediated without adversely affecting the feasibility of the Project. The Developer shall execute an environmental indemnity in favor of the City similar to the form of environmental indemnity used in other City or Agency transactions.

20. The Developer shall submit for City approval all corporate and partnership or limited liability formation documents and agreements, and authorizing resolutions, as applicable.

21. The Developer shall obtain and maintain policies of insurance in the form and in the amounts required by the City, not including earthquake insurance, naming the City as an additional insured and meeting the insurance requirements customarily included in disposition and development agreements.

22. Prior to closing, the Developer shall obtain and submit to the City evidence of insurance, evidence of financing commitments, copies of construction loan documents and such other documentation as customarily included in disposition and development agreements.

23. The City reserves its right, in its sole and absolute discretion, to assign this commitment letter and all of the City's rights, title and interest in this letter to an affiliate entity of the City or the Culver City Redevelopment Agency and/or its successor(s) without obtaining the consent or approval of the Developer or any interested party in the Project.

24. Any financial obligation of the City under this letter shall be a special limited obligation, payable solely out of funds received by the City from the Agency pursuant to a 2011 cooperation agreement, and it is not and shall not be a pledge of or obligation payable through the City's general fund. Accordingly, nothing in this letter shall require or be deemed to require the City to expend or commit to expend monies from its general fund to satisfy any of the obligations set forth in this letter. In the event that the City does not have the funds or property to fulfill any obligation under this letter, it shall not be considered a default under this letter. The City shall have no obligation whatsoever to utilize

any other source of funds, other than funds received by the City from the Agency under such cooperation agreement, to make any payments to the Developer required hereunder.

Please acknowledge your consent to the foregoing terms and conditions by signing and returning a copy of this letter to my attention. If you have any questions regarding the matters discussed herein, then please do not hesitate to contact Mr. Sol Blumenfeld, Community Development Director for the City, at 310-253-5700.

Sincerely,

THE CITY OF CULVER CITY,
a public body, corporate and politic

By: _____
John M. Nachbar
City Manager

APPROVED AS TO CONTENT:

By: _____
Sol Blumenfeld
Community Development Director

APPROVED AS TO FORM:

By: _____
KANE, BALLMER & BERKMAN
City Special Counsel

The Developer hereby acknowledges and agrees to all of the terms and conditions set forth in this letter.

LAB HOLDING, LLC,
a California limited liability company

By: _____
Name: _____
Its: _____
Date: _____

**SUMMARY REPORT PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433
ON A
PURCHASE AND SALE AGREEMENT
BY AND BETWEEN
THE CITY OF CULVER CITY
AND
LAB HOLDING, LLC**

The following Summary Report has been prepared pursuant to California Health and Safety Code Section 33433 (Section 33433). The Summary Report sets forth certain details of the proposed Purchase and Sale Agreement (Agreement), as evidenced by a Commitment Letter (Letter), between the City of Culver City (City), and Lab Holding, LLC (Developer). The Agreement requires the City to convey approximately 51,158 square feet of land to the Developer (Developer Parcel) for the construction of a high quality, pedestrian-oriented market hall development (Project). The Developer Parcel is part of a 72,758 square foot property located at the northwest and northeast corners of Washington Boulevard and Centinela Avenue (Site). The purpose of the Agreement is to effectuate the Redevelopment Plan (Redevelopment Plan) for Component Area No. 4 (Project Area).

The City of Culver City Redevelopment Agency (Agency) assembled the Site in 2007. The proposed conveyance of the Developer Parcel to the Developer is subject to the reporting requirements imposed by Section 33433. Specifically, Section 33433 requires the conveying entity to prepare a report that summarizes the financial terms associated with the disposition transaction for the Developer Parcel. The following Summary Report is based upon the information contained within the Agreement, and is organized into the following seven sections:

- I. **Salient Points of the Agreement:** This Section summarizes the major responsibilities imposed on the Developer and the City by the Agreement.
- II. **Cost of the Agreement to the City and the Agency:** This section details the costs previously incurred by the Agency, and the additional costs that must be incurred by the City to implement the Agreement.
- III. **Estimated Value of the Interests to be Conveyed Determined at the Highest Uses Permitted under the Redevelopment Plan:** This section estimates the value of the interests to be conveyed determined at the highest use permitted under the Redevelopment Plan.
- IV. **Estimated Reuse Value of the Interests to be Conveyed:** This section summarizes the valuation estimate for the Developer Parcel based on the required scope of development, and the other conditions and covenants required by the Agreement.

- V. Consideration Received and Comparison with the Established Value:** This section describes the compensation to be received by the City, and explains any difference between the compensation to be received and the established value of the Developer Parcel.
- VI. Blight Elimination:** This section explains how the Agreement will assist in alleviating blight in the Project Area.
- VII. Conformance with the AB1290 Implementation Plan:** This section describes how the Agreement achieves goals identified in the adopted AB1290 Implementation Plan.

This Summary Report and the Agreement are to be made available for public inspection prior to the approval of the Agreement.

I. SALIENT POINTS OF THE AGREEMENT

Site Details

The proposed Project encompasses several properties. The properties located on the northwest corner of Washington Boulevard and Centinela Avenue are collectively known as "Site A." The properties located on the northeast corner of Washington Boulevard and Centinela Avenue are collectively known as "Site B." Details on the properties are as follows:

1. Site A encompasses a total of approximately 53,022-square feet of land area, and includes the following properties:
 - a. 12403-12423 Washington Boulevard;
 - b. 4064 Colonial Avenue;
 - c. 4063 Centinela Avenue; and
 - d. 4061 Centinela Avenue.
2. Site B encompasses approximately 19,736 square feet of land area, and includes the property located at 12337-12343 Washington Boulevard.

The combined size of Site A and Site B, collectively the "Site," totals approximately 72,758 square feet of land area. A portion of the Site will remain in the City's ownership, and the balance will be conveyed to the Developer. The land allocation can be described as follows:

1. A 21,600 square foot portion of Site A will remain under City ownership (City Parking Parcel)¹. The City Parking Parcel will be used for the construction of a public parking structure (Parking Structure).
2. The Developer Parcel consists of 51,158 square feet of land area, which includes the following:
 - a. The remaining 31,422 square feet of Site A; and
 - b. The entire 19,736 square foot Site B.

Scope of Development

The Developer will construct the private components of Project, which include:

1. Site A - A market hall with high ceiling and/or mezzanine space comprised of approximately 21,250 square feet of building area and public plaza frontage, to be constructed on the Developer Parcel (Market Hall).
2. Site B – Additional market hall with high ceiling and/or mezzanine space or related retail/restaurant space comprising approximately 12,000 square feet of building area and public plaza frontage, to be constructed on the Developer Parcel.
3. The Developer will be responsible for utility relocation on the Site at an estimated cost of \$250,000.
4. The Developer will complete the following public improvements, at a total estimated cost of \$684,000:
 - a. Curb and gutter improvement work;
 - b. Sidewalk improvements;
 - c. Adjacent street resurfacing;
 - d. Left-hand turn signals (N/S) on Centinela Avenue;
 - e. Left-hand turn signals (E/W) on Washington Boulevard;
 - f. Paving of Colonial Alley adjacent to Project area;
 - g. Resurfacing of Grandview Alley adjacent to Project area;

¹ The City and Developer anticipate that a parcel map will be prepared and recorded in the Official Records of Los Angeles County for the purposes of legally separating the City Parking Parcel from the remainder of Site A.

- h. Special crosswalk paving at Washington/Centinela intersection;
- i. Replacing high voltage streetlights with low voltage streetlights adjacent to Project area; and
- j. Traffic calming measures.

The City will construct, own and operate the Parking Structure. The Parking Structure will include three-and-one-half above-ground levels and 217 spaces. The parking spaces are allocated as follows:

- 1. 170 spaces will be used to meet the parking code requirements for the Project; and
- 2. 47 spaces will be used for public parking for the surrounding commercial area.

Developer Responsibilities

The Agreement requires the Developer to accept the following responsibilities:

- 1. The Developer must submit to the City a good faith deposit in the amount of \$100,000. Any unspent portion of the deposit at the close of escrow will be applied by the City toward the Developer's Purchase Price.
- 2. The Developer must purchase the Developer Parcel from the City for \$1,278,950.
- 3. The Developer must develop the Project to be consistent with the following:
 - a. The project plans that have been conceptually approved by the City Council;
 - b. The Request for Proposal (RFP) issued by the City;
 - c. The Developer's proposal submitted in response to the RFP;
 - d. The Redevelopment Plan; and
 - e. All applicable local, state and federal laws, rules, and regulations.
- 4. The Developer must construct the Project to a LEED certified standard and will comply with the CalGreen requirements, photovoltaic requirements, and green building requirements as mandated by the City.
- 5. The Project approval is subject to the Developer's compliance with all applicable environmental requirements (NEPA, CEQA, etc.).
- 6. The Developer is responsible for obtaining all of the funds necessary to construct the Project.

7. The Developer shall submit for City approval all corporate and partnership or limited liability formation documents and agreements, and authorizing resolutions, as applicable.
8. The Developer shall obtain and maintain insurance policies as required by the City.
9. The Developer must submit a Scope of Development for approval by the City. The City has the right to review and approve all design drawings and plans for the Project. All plans shall be subject to applicable City design review procedures.
10. The Developer must submit and adhere to a Schedule of Performance for Project implementation.
11. Prior to the close of escrow, the Developer shall submit the following:
 - a. Evidence of insurance;
 - b. Evidence of financing that is sufficient to completely finance the development of the Project;
 - c. Copies of construction loan documents; and
 - d. Any other documents as required in the Agreement.
12. The Developer must obtain approval of the Project architect and general contractor from the City.
13. The Developer must obtain all land use entitlements, approvals, and permits necessary for the development of the Project that are not already obtained, and must pay all related fees.
14. The Developer must indemnify the City for any costs relating to hazardous materials affecting the Site. The Developer accepts all responsibility for costs and fees associated with the removal or remediation of any potentially hazardous materials from the Site, demolition of any improvements on the Site, and relocation of any persons, entities or equipment from the Site.
15. The Developer must comply with state prevailing wage requirements and/or federal Davis-Bacon requirements, if applicable.
16. The Developer may not transfer its interest in the Project without prior written consent from the City.
17. The Developer must provide construction management services at no cost to the City and pay the pro rata share of the ongoing maintenance and operation of the 170 parking spaces in the Parking Structure that are allocated to the Project.

City Responsibilities

The Agreement imposes the following responsibilities on the City:

1. The City must convey the Developer Parcel to the Developer for the purchase price of \$1,278,950, subject to the terms and conditions of the Agreement.
2. The City must construct the Parking Structure at the City's cost.
3. The City must own, manage and operate the Parking Structure. The ongoing operation and management of the Parking Structure will be undertaken as follows:
 - a. The City must pay the pro rata share of the ongoing maintenance and operation of the 40 parking spaces in the Parking Structure that are allocated to the surrounding commercial area.
 - b. The Developer must reimburse the City for the maintenance and operation costs of the 170 spaces allocated to the Project.

II. COST OF THE AGREEMENT TO THE CITY AND THE AGENCY

The Agency previously incurred costs totaling approximately \$12.83 million to assemble the Site. These costs include property acquisition costs, business and resident relocation, demolition of existing improvements, and groundwater remediation.

The City will incur the cost of constructing the Parking Structure. These costs are currently estimated at \$5,000,000. The City will pay for this cost using tax-exempt bond proceeds made available from the City's 2011 cooperation agreement with the Agency.

Based on the terms of the Agreement, the City will receive land payment of \$1,278,950 from the Developer. The net costs estimated to be incurred by the City and Agency are estimated as follows:

	Total Dollars
<u>City and Agency Costs</u>	
Total Agency Costs	\$12,831,228
Total City Costs	5,000,000
Total City and Agency Costs	\$17,831,228
Less: Developer Land Payment	(1,278,950)
Net City/Agency Costs	\$16,552,278

The City will also incur the annual operating and maintenance costs associated with the 40 public parking spaces in the Parking Structure. However, these costs will be offset by annual revenues generated by those spaces. The net annual revenues to be received by the City are estimated as follows:

	Total Dollars
Public Parking Revenues ²	\$27,072
(Less) Public Parking Operations & Maintenance ³	(19,975)
Net Annual City Revenues	\$7,097

III. ESTIMATED VALUE OF THE INTERESTS TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE REDEVELOPMENT PLAN

Section 33433 requires the City to identify the value of the interests being conveyed at the highest use allowed by the requirements imposed by the Redevelopment Plan. The valuation must be based on the assumption that near-term development is required, but the valuation does not take into consideration any extraordinary use, quality and/or income restrictions that are being imposed on the development by the City.

In an appraisal dated January 17, 2012, Lea Associates, Inc. (Appraiser) concluded that the market value of the Developer Parcel is \$4,710,000. This equates to approximately \$92 per square foot of land area.

IV. ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED

Keyser Marston Associates, Inc. (KMA), the City's financial consultant, previously prepared a reuse valuation analysis of the Project based on the scope of development required by the RFP. The KMA analysis concluded that the fair reuse value of the Developer Parcel is \$4.43 million. However, the KMA analysis did not take into account the extraordinary costs imposed on the Project by the Agreement. These extraordinary costs are:

Utility Relocation	\$250,000
Public Improvements	684,000
Parking Garage Construction Design and Management ⁴	200,000
Total Extraordinary Costs	\$1,134,000

² Based on a \$60 monthly rate; 80% occupancy; and 47 spaces.

³ Assumes \$425 in annual operating costs per space.

⁴ The Parking Structure cost is estimated at \$5,000,000 and a market rate for the design and construction management service fee is 4%.

In addition to the extraordinary costs being imposed on the Project, the scope of development being proposed by the Developer has significantly higher costs than a typical commercial Project. This differential is further increased by the requirement for the Developer to pay prevailing wages to the contractors and subcontractors engaged to construct the Project. These premiums are estimated to add approximately \$2 million to the Project costs.⁵ The resulting fair reuse value for the Developer Parcel is estimated as follows:

Base Reuse Value	\$4,433,000
(Less) Utilities, Public Improvements and CM Fee	(1,134,000)
(Less) Design & Prevailing Wage Construction Cost Premium	(2,021,000)
Net Reuse Value – Including Extraordinary Costs	\$1,278,000

V. CONSIDERATION RECEIVED AND COMPARISON WITH THE ESTABLISHED VALUE

The fair market value of the Developer Parcel at the highest use permitted by the Redevelopment Plan is estimated at \$4.71 million. When the use requirements, the quality standards, and the prevailing wage premium is considered, the fair reuse value of the Site is estimated at approximately \$1.28 million. The Agreement requires the City to convey the Developer Parcel to the Developer for a purchase equal to the \$1.28 million established reuse value. Thus, it can be concluded that the consideration being received by the City is not less than the fair reuse value for the Developer Parcel given the requirements imposed by the Agreement.

VI. BLIGHT ELIMINATION

The Site is located at the intersection of two key arterial roads, Washington Boulevard and Centinela Avenue. Currently, the Site is vacant with the exception of above ground utilities located on Site B. Development of the Project on the Site will fill in a significant gap in the West Washington Boulevard streetscape and eliminate the blighting conditions caused by the improper and underutilization of land. Thus, the proposed Project fulfills the blight elimination requirement imposed by Section 33433.

⁵ The construction cost premium is estimated at approximately 13%. This falls within the typical range for the design enhancements and the imposition of prevailing wage requirements.

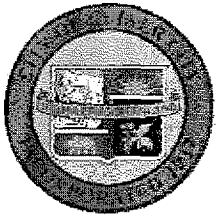
VII. CONFORMANCE WITH THE AB1290 IMPLEMENTATION PLAN

The Project was identified in the Five Year Implementation Plan for 2010 – 2014. The goals and objectives that will be achieved through the implementation of the Project are outlined below:

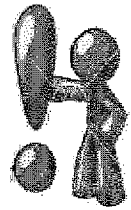
Goal 1.0:	Eradicate blighting influences in the Project Area.
Objective 1.3:	Facilitate private investment in the Washington Boulevard commercial area.
Task:	Utilize Agency authority to acquire and assemble appropriate West Washington Boulevard development sites for disposition and redevelopment.

Goal 2.0	Return land to productive use through a coordinated program of new construction, rehabilitation, and supportive public improvements in the Project Area.
Objective 2.1	Facilitate appropriate development of vacant and underutilized sites in the Project Area.
Task:	Accomplish the private reuse/redevelopment of the Washington/Centinela, Baldwin Pleasantview sites.

City of Culver City Official Courtesy Notification



Agreement Regarding the Sale of City Property Located at the Intersection of Washington Blvd. and Centinela Ave. in Order to Construct the Market Hall Project



The City Council is pleased to invite your participation in the following discussion:

THE CITY COUNCIL CONSIDERATION OF AN AGREEMENT TO SELL THE NORTHERLY CORNERS OF THE WASHINGTON BOULEVARD AND CENTINELA AVENUE INTERSECTION (PROPERTY) IN ORDER TO CONSTRUCT THE MARKET HALL PROJECT

- WHO:** Staff Contact – Joe Susca, Redevelopment Project Manager,
310.253.5763 or joe.susca@culvercity.org
- WHAT:** After completing the Request for Proposal process a developer has been identified to construct the market hall project and associated parking structure. The agreement outlines the general terms and conditions of the sale.
- WHERE:** City Hall – Mike Balkman Council Chambers
9770 Culver Boulevard, Culver City, CA 90232
- WHEN:** Monday, January 30, 2012 – 7:00 PM
- WHY:** To obtain public comment and input on the proposed terms and conditions of the agreement.
- More Info:** The staff report will be available for viewing on the City's website **on or after January 25, 2012**, at www.culvercity.org/agendas or at the City Hall Redevelopment Division, or the Julian Dixon Library, 4975 Overland Avenue, Culver City. Persons unable to attend the meeting but wish to submit written comments may do so by any of the following means to **Joe Susca, Redevelopment Project Manager** **BEFORE Noon on January 30, 2012:**

1. By LETTER (Culver City-City Hall, Redevelopment Division, 9770 Culver Blvd., Culver City, CA 90232);
2. By FAX to 310-253-5779
3. By E-MAIL to joe.susca@culvercity.org
4. By PHONE at 310-253-5763

City Council/Agency Board meetings can be viewed live on Channel 35 by most Time-Warner subscribers. To view the meetings live online please visit www.culvercity.org/agendas.

You may sign up for the City's E-Mail Notification System by visiting www.culvercity.org and selecting "Subscribe" from the very top right of the webpage or by calling the City Clerk's Office at 310-253-5851. A U.S. Post notification system is also available. They are both FREE!

This notice was mailed on January 12, 2012

NOTICE OF CITY COUNCIL PUBLIC HEARING TO CONSIDER THE SALE OF CITY OWNED PROPERTY LOCATED AT THE NORTHERLY CORNERS OF THE WASHINGTON BOULEVARD AND CENTINELA AVENUE INTERSECTION PURSUANT TO SECTION 33433 OF THE CALIFORNIA HEALTH AND SAFETY CODE

YOU ARE INVITED to learn more about and participate in a City Council public hearing on January 30, 2012 concerning the following:

After completing the Request for Proposal (RFP) process a developer has been identified to construct a market hall project and associated public parking structure. The Washington/Centinela property (Property) will be conveyed to the developer pursuant to Section 33433 of the California Health and Safety Code and a Commitment Letter. In addition, the developer will construct a public parking structure on behalf of the City.

The above proposed project requires the following action:

33433 Report and Commitment Letter:

Consideration of a report pursuant to Section 33433 of the California Health and Safety Code, and a Commitment Letter between the developer and the City of Culver City that outlines the terms and conditions of the sale.

The January 30, 2012 the public hearing will convene at 7:00 PM in the Mike Balkman Council Chambers at City Hall, 9770 Culver Boulevard. The Council Chambers are accessible to disabled persons and public parking is available in the City Hall parking structure from Duquesne Avenue. City Hall is served by the Culver CityBus. For information regarding the bus schedule, you may call (310) 253-6500. Other items may precede this item on the agenda.

For more information, to review related project documents, or to submit written comments on the 33433 Report or pending sale of the Property, please write or call Joe Susca, Redevelopment Project Manager, Culver City Community Development Department, Post Office Box 507, Culver City, California 90232, (310) 253-5763. It is advisable to call prior to visiting City Hall to be certain that appropriate staff will be available. City Hall business hours are 7:30 AM to 5:30 PM, Monday through Friday, except alternate Fridays and holidays. City Hall shall be closed on Friday, January 27, 2012.

PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter.

I am the principal clerk of the printer of the

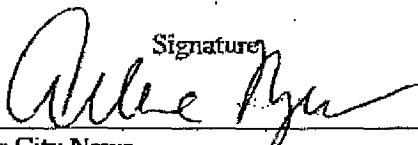
Culver City News

a newspaper of general circulation, printed and published weekly in the City of Culver City, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under the date of April 24, 1980, Case Number 315458; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

Publish
01/19/2012
all in the year 2012

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at Los Angeles, California,

Signature


Culver City News
4351 Sepulveda Blvd.
Culver City, CA 90230
(310) 437-4401 ext. 230 Fax (310) 391-9068

NOTICE OF CITY COUNCIL
PUBLIC HEARING TO CON-
SIDER THE SALE OF CITY
OWNED PROPERTY LOCATED
AT THE NORTHERLY COR-
NERS OF THE WASHINGTON
BOULEVARD AND CENTINE-
LA AVENUE INTERSECTION
PURSUANT TO SECTION 33433
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AND SAFETY CODE 01/19/2012

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