

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

Meeting Date: 3/26/2013	Item Number: C-2
CITY COUNCIL AGENDA ITEM: Authorization to Issue a Request for Qualifications (RFQ) for Brokerage Services Related to the Disposition of City-Owned Property Located 10745 Cranks Road and 11304 Segrell Way (Former Fire Station #3).	
Contact Person/Dept.: Kriss Casanova/Todd Tipton, CDD	Phone Number: (310) 253-5769 & 5783
Fiscal Impact: Yes ☒ No ☐	General Fund: Yes ☒ No ☐
Public Hearing: ☐	Action Item: ☐ Attachments: ☒
Commission Action Required: Yes ☐ No ☒ Date: _____	
Public Notification: On 3/12/13, notice was mailed to all property owners and occupants within a 500-foot radius from the property line extended to end of city block. On 3/13/13, email/phone notification was provided to all inquiries and open house attendees. (E-Mail) Meetings and Agendas – City Council (03/19/13).	
Department Approval: Sol Blumenfeld: (3/15/13)	City Attorney Approval: Carol Schwab (by H. Baker) (03/19/13)
Chief Financial Officer Approval: Jeff Muir (03/19/13)	City Manager Approval: John Nachbar (03/19/13)
<u>RECOMMENDATION:</u> Staff recommends the City Council approve the issuance of a Request for Qualifications (RFQ) to procure the services of a residential real estate broker with local experience who will assist in the sale of City-owned property located at 10745 Cranks Road and 11304 Segrell Way (former Fire Station #3) for private use. <u>BACKGROUND:</u> The City is considering disposing of two properties: 10745 Cranks Road (former location of a residential dwelling) and the former Fire Station #3 at 11304 Segrell Way¹. On December 3, 2012, a community meeting was held to explain the disposition process for both properties and possible development scenarios. At the time, Sunkist Park community members expressed concern regarding the possible increase in density on the Segrell property. <u>DISCUSSION:</u> Staff has received two unsolicited development proposals for the Fire Station site from Work Studios Development LLC and Partners Trust².	

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Obtaining the services of a residential real estate broker with local experience is proposed to be procured in order to ensure the City receives the highest price possible. The attached RFQ includes existing zoning requirements, sale restrictions, and the ability to provide alternative developments deemed acceptable by the City.

Should the City Council authorize release of the RFQ, staff will provide notice of the RFQ to all brokers who have inquired about the sale of the properties, post the RFQ on the City's website, and publish a notice in the local newspapers. Responses are due Monday, April 29, 2013 at 4:00 p.m. Interested brokers will be required to attend an RFQ issuance meeting and upon conclusion of the response period, staff will interview qualified respondents in early May and then prepare a recommendation for City Council consideration in May/June 2013.

Should the City Council ultimately determine to approve a professional services agreement with a respondent to the RFQ, the selected broker will be required to execute the City's Standard Form Contract for Professional Services, which is an attachment to the RFQ. Once the contract is executed, the properties will be placed on the market. Purchase offers that satisfy the Development and Sale Restrictions identified in the RFQ will be presented to the City Council for consideration. Potential purchasers of the properties may be required to present their projects to the surrounding neighborhood(s). Further, the City Council, in its discretion, may also determine to reject any and all proposals ultimately received for either or both properties.

FISCAL ANALYSIS:

Should the City Council ultimately determine to issue the RFQ, approve a Professional Services Agreement, and accept an offer to purchase either or both properties, the City will receive land sale proceeds for the properties less any commission fees. Additional revenue would be received from property tax (as City owned parcels, the properties are currently exempt from property taxation) and City permit fees generated through the construction process.

ATTACHMENT:

Request for Qualifications with Attachments

MOTION:

That the City Council:

Approve the Issuance of a Request for Qualifications for Brokerage Services Related to the Disposition of City-Owned Property Located 10745 Cranks Road and 11304 Segrell Way.

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¹ In February 2005, the slope beneath 10745 Cranks Road failed. As a result, the home was deemed inhabitable and the site was acquired by the City. The City ultimately repaired the failed slope and demolished the home. The parcel is 8,023 sq. ft. and has remained in a vacant/unimproved condition since 2007.

In September 2010, Fire Station #3 at 11304 Segrell Way was decommissioned due to a new station being constructed at 6030 Bristol Parkway. The Segrell Property is comprised of a 4,880 sq. ft. building, which is located on three, 5,000 square foot parcels.

In March 2012, U E Environmental, Inc. inspected the Segrell Property and reviewed the City's Phase I environmental analysis and determine that remediation will be necessary when the existing building is demolished. Remediation is necessary because small quantities of lead and asbestos (common in structures of this age) are present in the building's interior.

² Alternative Proposal No. 1 from Work Studios Development LLC requires rezoning the property for multifamily development. Alternative Proposal No. 2 from Partners Trust involves development of an innovative modular designed project of three single family homes consistent with the area zoning.