

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

Meeting Date: 6/14/10		Item Number: J-1	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Approval of the Memorandum Of Understanding (MOU) Between the Culver City Redevelopment Agency and the Metropolitan Transportation Authority (MTA) in Connection with Use of the MTA Right-of-Way Adjacent to the Washington National Transit Oriented Development (TOD) Project.			
Contact Person/Dept.: Sol Blumenfeld		Phone Number: 310-253-5700	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒ Date: _____			
Public Notification: Meetings and Agendas – City Council and Redevelopment Agency (6/11/10); Property Owners, Businesses and Residents with 500 feet (6/3/10); East Culver City Neighborhood Alliance, Rancho Higuera Neighborhood Association (6/9/10)			
Department Approval: Sol Blumenfeld (06/10/10)		City Attorney Approval: Carol A. Schwab (By H. Baker) (06/10/10) Agency General Counsel Approval: Murray Kane (06/10/10)	
Chief Financial Officer Approval: Jeff Muir (06/10/10)		City Manager/Executive Director Approval: P. Lamont Ewell (06/10/10)	
<u>RECOMMENDATION:</u> Staff recommends the City Council and the Redevelopment Agency Board (Agency Board) approve the Memorandum of Understanding (MOU) between the City of Culver City, the Culver City Redevelopment Agency, and the MTA. <u>BACKGROUND:</u> In 2008, the Culver City Redevelopment Agency (Agency) commenced negotiations with the MTA regarding use of the MTA right-of-way adjacent to the proposed TOD. The Agency and MTA have agreed in principle to joint use of the right-of-way for parking and development purposes that serve both the Expo light rail line (Expo) and the TOD. <u>DISCUSSION:</u> The purpose of the MOU is to provide a general agreement leading to a definitive agreement on joint use and development of the MTA right-of-way. The Agency has agreed to fund the cost of the station structural improvements that include deepened and strengthened columns to accommodate Expo and TOD parking and related development. In addition, the MOU commits the Agency to provide temporary parking at the Ince Parking Structure for two years until TOD completion. The total Agency costs associated with the MOU are detailed in Attachment No 2.			

City of Culver City, California
Agenda Item Report

The major elements of the MOU include:

1. Agency Option Agreement effective for twenty years to use the MTA right-of-way for Expo and Metro parking.
2. Agency easement for use of the MTA right-of-way in consideration for constructing Agency and Expo parking.
3. Agency reimbursement of costs for Metro station redesign along a portion of the MTA right-of-way.
4. Agency reimbursement of costs for modifications to the Metro station (deepened and strengthened columns).
5. Agency construction of an "isolation wall" to construct subterranean parking.
6. Temporary parking accommodation for Expo parking prior to construction of subterranean and at-grade parking.
7. MTA vacation of the temporary parking on the TOD site within 180 days' of notice when TOD construction commences or if the Agency decides to use the site for an alternative purpose.
8. Nominal rent for use of the MTA right-of-way for commercial and residential purposes.

FISCAL ANALYSIS:

The use of the MTA right-of-way provides the opportunity to create a sustainable, pedestrian oriented TOD project with ample central open space and a design that supports green building principles with efficient parking and optimum site area. Efficient site development is made difficult by the property's triangular shape. Though the final TOD project is not designed, the Agency has studied various site and financial scenarios that permit development with significant open space, a major transit plaza, ample parking, and other site amenities that satisfy the Agency's development objectives.

The studies indicate that without use of the MTA right-of-way, site development is severely restricted making it infeasible to incorporate adequate open space, housing, and commercial development for the project consistent with development needs. Incorporation of the MTA right-of-way into the TOD project permits construction of parking on two subterranean levels which is approximately ½ of the cost of parking exclusively on the TOD site with five or more levels to accommodate the same number of cars.

Since a final development project has not been approved for the TOD site, the date this item would return to the Agency Board for consideration cannot be precisely calculated. However, owing to the projected land assembly and development costs the Agency must expect a long-term payback from a transit oriented development project.

City of Culver City, California
Agenda Item Report

ATTACHMENTS:

1. MOU & Exhibits
2. Summary of Costs Associated with MOU

MOTION:

That the City Council:

1. Approve the Memorandum of Understanding between the City of Culver City, the Culver City Redevelopment Agency, and the MTA; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the Agency.

That the Agency Board:

1. Approve the Memorandum of Understanding between the City of Culver City, the Culver City Redevelopment Agency, and the MTA; and,
2. Authorize the Agency General Counsel to review/prepare the necessary documents; and,
3. Authorize the Executive Director to execute such documents on behalf of the Agency.