

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

Meeting Date: 10/27/08		Item Number: <u>A-1</u>	
AGENDA ITEM: Washington National project update and proposed Agency participation in the redesign of the Expo Light Rail station columns and shoring wall to allow joint parking for the Expo station and the Washington National project.			
Contact Person/Dept.: Sol Blumenfeld		Phone Number: 310.253.5702	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Email Notification List on 10/23/08.			
Department Approval: Sol Blumenfeld Assistant Executive Director		Executive Director Approval:	
Chief Financial Officer Approval: Jeff Muir (10/22/08)		Agency General Counsel:	
<u>RECOMMENDATION:</u> Staff recommends that the Culver City Redevelopment Agency ("Agency") 1.) Direct staff to proceed with reissuing a Letter of Intent agreeing to fund the column redesign for the Expo Light Rail (LRT) in the Metro Right of Way (ROW) abutting the Triangle Site in the Washington National area; and 2.) Receive and file this report. <u>BACKGROUND / DISCUSSION:</u> On March 6, 2008, the Agency favorably considered the revised plan for the Washington National Transit Oriented Development (TOD) Triangle project. The plan reorganizes the Triangle site to accommodate ½ acre of on-grade central open space with mature landscape, surrounded by residential, commercial, retail, hotel and office uses. The new plan incorporates public plazas at each of the project intersections, a pedestrian setback along street frontage, two levels of subterranean parking [along the Metropolitan Transit Authority's ("Metro") ROW, to the curb line of Venice Boulevard and under one-half of National Boulevard] and a major transit plaza interface with the Exposition Construction Authority's ("Expo") Light Rail Station. Please see Attachment 1 for reference to the plan features. Over the last six months staff has been working on plan implementation, pursuing acquisition of Venice Boulevard properties and pursuing the use of the Metro ROW. Metro owns property, funds improvements and operates a variety of transit operations throughout the metropolitan area while, Expo was established for the sole purpose of designing and constructing the Expo LRT.			

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Advantages of Parking on the Metro ROW:

In prior reports to the Agency, staff has described the advantages of incorporating the Metro ROW to develop shared parking for both the Expo LRT and the City's TOD project. In summary these advantages are:

- The creation over 1,900 parking spaces of subterranean and on-grade podium parking (including Venice properties) for shared use between Metro and the City. (Without the Metro ROW only about 1,000 spaces can be provided) (Please see Attachment No. 2)
- The provision of a substantial parking resource to address nearby parking shortages for the Hayden Tract and the Culver City Arts District.
- The ability to park a project that fully addresses the sustainability goals of transit oriented development with housing, office retail, restaurant and ample open space at a size and scale that is fitting with the surrounding commercial and residential neighborhood.
- The ability to reduce the costs to construct TOD parking with greater parking efficiency. The parking efficiency improves from 490 sq. ft. per stall, to 350 sq. ft. per stall with the reconfigured subterranean parking area. Parking costs for the project without the ROW are estimated at \$54,545 per stall vs. the cost of including the ROW at \$35,000 per stall. This represents a per stall savings in excess of 35%.
- The opportunity to increase the number of parking stalls by 800 at an additional cost of \$6.5 million. This equates to a lower per stall cost of \$8,125. (Please see Attachment No.2)

On July 14, 2008, the Agency authorized staff to negotiate with Metro on the proposed joint development of Metro and TOD parking to accommodate the Agency's and Metro's parking needs. Since that Agency meeting, staff met with Metro and Expo representatives and presented the draft MOU for consideration. Metro expressed interest in proceeding with the MOU, but did not acted quickly enough to accommodate Expo's construction needs to fund the redesign of the station which is progressing quickly. Staff made several efforts to move the MOU forward without success.

Over the last three months, Staff has been working with Expo on design issues related to isolating the Metro LRT from the Agency's TOD site in order to accommodate Expo construction and the Agency's own timing for development of the TOD project. Staff has also prepared several parking studies to address the reduced ROW that results from the construction of the isolation wall and analyzed new development scenarios for the site based upon the parking reconfiguration. (Please see Attachment No. 3). In addition staff has commenced work on a cost benefit analysis for the project related to new the station redesign costs, new parking plans and land acquisition costs related to the Venice properties, which will soon be presented to the Agency.

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On September 17, 2008, Eric Olson, Senior Engineer for Expo, requested that staff provide a letter confirming the Agency's intent to fund the cost for redesign of the station so that he could instruct the contractor/designer to proceed with revisions to Expo's construction drawings and final engineering for the column extensions that are required to accommodate the Agency's structured parking for the TOD.

On September 22, 2008, the Agency authorized staff to issue a Letter of Intent to fund the redesign costs for the Metro station. At the time, staff reported the redesign costs to be approximately \$200,000, but since the time of report production, the design has been further developed and the cost estimates have been revised to \$250,000 and 10% contingency. (Please see Attachment No. 4, Alternative for design details and construction costs.)

Despite staff's efforts in all of these areas, Metro had not been able to respond in a timely way and only recently returned the MOU. Consequently, the MOU is not executed and the Agency's conditional approval to fund the redesign expressed in the Letter of Intent is no longer acceptable to Expo. Thus the parallel design track that had been underway to accommodate the Agency's needs is no longer an option and at this point, without an unconditional commitment to fund the redesign, Expo is not pursuing the parallel design that incorporates deepened footings and the isolation wall. Further, because of the delay in returning the MOU, any effort now to move back to the parallel design tract will require Metro Board approval, since a redesign potentially sets back the commencement of LRT operations by three months with concomitant loss revenue to Metro.

It is important to note, that the Expo LRT completion date of 2010 could be delayed by the California Public Utility Commission's (CPUC) pending decision on the two proposed grade crossing applications for the Dorsey/Farmdale and Foshay/Harvard Blvd crossings. If the CPUC finds pedestrian overcrossings are necessary at both locations, the project could be delayed 1-3 years and incur \$18 million in additional expenses. The CPUC is expected to make its decision in November. Because this outcome is unknown, it is prudent to move forward with redesign of the LRT and isolation wall now.

In a conference call with Metro and Expo staff on October 21, 2008, several strategies were suggested to address the timing and cost issues related to accomplishing the shared parking program using the Metro ROW. These include:

- Providing redesign costs as three progress payments, concurrent with the amount of design work completed at each phase. Thus the monthly costs would be \$83,333 payable over the next three months.
- Completing negotiations of the MOU over the next two weeks and taking the MOU to the Metro Board.

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Staff will conduct a conference call with Roger Snoble, Executive Director of Metro, to determine if he will agree to present the request to fund the parallel design to the Metro Board for authorization and to continue with that design process.

In light of the compelling reasons to include the Metro ROW in the TOD parking, the urgent need to proceed with the station redesign now, and the progress payment option that in effect reduces the Agency's exposure to \$83,333, staff is recommending that the Agency issue a follow-up letter expressing its commitment to fund the redesign cost of \$250,000 with 10% contingency and including the progress payment option. The costs cover only the column redesign and design of the isolation wall. The construction costs are addressed in the MOU. With Agency direction to proceed, the Executive Director will execute the revised Letter of Intent. (Please see Attachment No. 5).

With Agency direction to proceed, the Executive Director will execute the revised Letter of Intent. (Please see Attachment No. 5). Without the revised letter, Expo indicates that it is proceeding with the original project design which ultimately precludes the opportunity to use the Metro ROW for joint Metro and TOD parking.

FISCAL IMPACT:

By providing the requested Letter of Intent, the Agency will potentially forfeit the cost of the redesign fees in the event that Metro does not execute the MOU. If the payment is made in progress, the Agency's exposure is \$83,333. This risk must be weighed against the potential loss of ROW which permits a project of the size and scale to justify the Agency's land assembly costs to date of \$23 million dollars. Further, without the ROW the project design results in excessive parking costs that are only justified with over-development of the site.

ATTACHMENTS:

1. Revised Washington National TOD Plan
2. Parking Tabulations
3. Revised Parking Plans
4. Column and Isolation Wall Design Alternatives
5. Revised Letter of Intent

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MOTION:

That the Culver City Redevelopment Agency (the "Agency");

1.) Direct staff to proceed with reissuing a Letter of Intent agreeing to fund the column redesign for the Expo Light Rail (LRT) in the Metro Right of Way (ROW) abutting the Triangle Site in the Washington National area; and

2.) Receive and file this report.