

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

Meeting Date: 09/26/11		Item Number: J-1	
JOINT CITY COUNCIL AND REDEVELOPMENT AGENCY BOARD AGENDA ITEM:			
(1) Review the Results of Two Community Meetings; (2) Discuss the Solicitation of Developer Interest for a Specialty Retail Market Hall Located at the Northeast and Northwest Corners of the Washington Boulevard and Centinela Avenue Intersection; and (3) Discuss the Release of a Request for Proposals to Design the Public Parking Structure for the Market Hall.			
Contact Person/Dept.:		Phone Number:	
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Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification (E-Mail) Meetings and Agendas – City Council and Redevelopment Agency (09/21/11); (E-Mail) Redevelopment Agency Projects (09/14/11); (E-Mail) The Advisory Committee on Redevelopment (09/14/11); (E-Mail) The Culver Triangle Neighborhood Association (09/14/11); (E-Mail) The Herbert Street Homeowners Association (09/14/11); (E-Mail) The Culver West Neighborhood Association (09/14/11); (E-Mail) Members of the public who have pulled speaker cards on the subject matter previously (09/14/11); (U.S. Post) A public notice was mailed to businesses, residents, and property owners in excess of a 500' radius of the site (09/14/11); (E-Mail) Washinela L.P. (09/14/11).			
Department Approval: Sol Blumenfeld: (09/13/11)		Agency General Counsel Approval: Murray Kane: (09/14/11)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (09/20/11)		City Manager/Executive Director Approval: John M. Nachbar (09/20/11)	

RECOMMENDATION:

Staff recommends the City Council and Culver City Redevelopment Agency Board (Agency Board) (1) review the results of two community meetings; (2) discuss the solicitation of developer interest for a proposed Market Hall project located at the northeast and northwest corners of the Washington Boulevard and Centinela Avenue intersection; and (3) discuss the release of a Request for Proposals to design the public parking structure (Parking Structure) for the Market Hall. ¹

BACKGROUND:

In 2007, the Agency acquired property, relocated business and residents that had resided on the site, demolished existing improvements and performed remediation in anticipation of development at a cost of \$12,831,000. The properties that comprise the two corners amount to approximately 70,000 square feet.

City of Culver City, California
Agenda Item Report

During their meeting of June 27, 2011, the Agency Board approved redevelopment of the site as a Market Hall where specialty retail vendors sell their products such as artisanal cheeses and charcuterie, baked goods, chocolatier and related confections, wine, locally grown produce, specialty coffee, flowers, organic meats, and other high-quality products in a unique, attractively designed market (the "Project")², and authorized issuance of a Request for Qualifications (RFQ) to solicit developers for the Project, and a Request for Proposals (RFP) to secure a firm to design the Parking Structure to meet the Project's parking needs and to provide additional public parking spaces for patrons of surrounding businesses.³

Responding to neighborhood concerns, staff scheduled two community meetings; the first was an open house with residents immediately adjacent to the Project and the second with a more detailed presentation to the broader residential and commercial community.

Concerns at the two meetings included:

- Parking and traffic incursion into the adjacent neighborhood.
- Speeding and non-residential traffic.
- Pedestrian safety, alley circulation and a desire to have left-hand turning signals installed at Washington Blvd/Centinela Ave.
- Implementation of tenant control measures to ensure high quality businesses occupy the Market Hall.

DISCUSSION:

The Market Hall and related Parking Structure were overwhelmingly supported at the community meetings, and the residents in attendance felt their concerns were adequately addressed. (See Attached Sign-In Sheets and Letters/Emails supporting the Project)

Staff will incorporate community recommendations into the Project design. The City's Traffic Engineering division is also in the process of analyzing and implementing a Neighborhood Traffic Management Plan for the surrounding area.

Next Steps:

Staff is proposing the following process for implementation of the Market Hall and related Parking Structure, which is anticipated to be completed over the next two years.

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

Market Hall & Parking Structure Schedule:

1. Develop a short list of prospective developers based upon City Council/Agency Board and community input. ⁴
2. Issue a RFQ for development of the Market Hall.
3. Evaluate proposals.
4. City Council/Agency Board presentation of submittals.
5. Issue a RFP to prospective developers.
6. Evaluate submittals.
7. Developer recommendation.
8. Negotiate a Disposition and Development Agreement (DDA) with Reciprocal Parking Agreement.
9. Agency Board/City Council DDA approval.
10. Market Hall development proceeds with entitlements and building permits.
11. Commence with issuance of Parking Structure RFP. ⁵
12. Select engineering consultant.
13. Contract execution.
14. Parking Structure construction and completion.
15. Market Hall construction and completion.
16. Project occupancy.

FISCAL ANALYSIS:

Issuance of a RFQ/RFP to secure a developer for the Market Hall and to secure a firm to design and oversee construction of the Parking Structure will not have a fiscal impact. The fiscal impacts of a potential project will be evaluated once development proposals are received.

\$8,300,000 in 2011 Tax Exempt Bond proceeds are allocated to construction of the Parking Structure. Once the Market Hall is built, the selected developer will be required to fund their pro rata share of ongoing maintenance and operation for their 170 spaces in the Parking Structure.

ATTACHMENTS:

1. August 31, 2011 Sign-In Sheets and Letters/Emails supporting the Project

MOTION:

That the City Council and Agency Board:

1. Review the results of two community meetings held to discuss a proposed Market Mall for the Washington-Centinela project; and

City of Culver City, California
Agenda Item Report

2. Discuss the next steps related to its implementation, including the release of a Request for Qualifications to solicit developer interest in the Market Hall project and a Request for Proposals to design the Public Parking Structure for the Market Hall.

NOTES:

¹The Agency and the City entered into a Cooperation Agreement dated January 15, 2011, as amended on February 22, 2011 and March 7, 2011 (collectively the "Cooperation Agreement"). In furtherance of the Cooperation Agreement and to achieve important public purposes, the Agency has conveyed the Washington-Centinela property and other Agency-owned properties to the City and has transferred the Agency's cash accounts to the City to carry out the duties and obligations of the Agency (without resulting liability to the City), devoid of relieving the Agency of its duties and obligations to fulfill the goals and objectives of the Redevelopment Plan for Component Area No. 4.

²The Project is comprised of two sites of similar design that are constructed concurrently:

Site A: A market hall with high ceiling and/or mezzanine space comprised of approximately 21,250 square feet of building area on a 32,674 square feet parcel with public plaza frontage.

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.

³ In order to address the high cost of Project parking, staff and the Agency's financial consultant, Keyser Marston Associates (KMA) recommend constructing an above grade parking structure at the rear of the northwesterly site. KMA further believes the parking structure must be funded by the Agency in order to make the Project financially feasible due to the soft retail and restaurant markets, recovering financial markets and excessive cost to construct subterranean parking.

⁴ Staff has contacted the following developers who have expressed an interest in receiving the RFQ:

- The Lab, Costa Mesa, CA
- The Carlin Company, St. Helena, CA
- Eataly, New York, NY
- The Red Barn, Newport Beach, CA
- Genton Barth Real Estate Group, Los Angeles, CA
- Pacifica Capital Group, Los Angeles, CA
- J.S. Rosenfield & Co., Santa Monica, CA
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⁵ Staff has pre-qualified the following firms to send the public parking structure RFP to:

- Thirtieth Street Architects of Newport Beach, CA
- Walker Parking Consulting of Los Angeles, CA
- Watry Design, Inc. of Newport Beach, CA
- Choate Parking Consultants, Inc. of Irvine, CA
- Griffin Holdings of Laguna Beach, CA
- International Parking Design of Sherman Oaks, CA
- Kimley-Horne, Los Angeles, CA