

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

Meeting Date: 10/08/12		Item Number: <u>C-3</u>	
CITY COUNCIL AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT - (1) Approval of a Standard Offer, Agreement and Escrow Instructions for the Purchase of Real Estate for the Property Located at 5718-5722 Bankfield Avenue for a Purchase Price of \$1.4 Million; and (2) Approval of a Budget Amendment Related Thereto.			
Contact Person/Dept.: Charles D. Herbertson, Director of Public Works/City Engineer		Phone Number: (310) 253-5630	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agendas and Meetings – City Council (10/04/12)			
Department Approval: Charles D. Herbertson (10/02/12)		City Attorney Approval: Carol Schwab (by H. Baker) (10/02/12)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (10/04/12)		City Manager Approval: John M. Nachbar (10/04/12)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council approve a Standard Offer, Agreement and Escrow Instructions for the purchase of real estate for the property located at 5718-5722 Bankfield Avenue for a purchase price of \$1.4 million; and 2) approve a budget amendment to allocate \$250,000 from the Sanitation Fund and \$1,160,000 from the Sewer Fund for the purchase of the above property and related escrow expenses. A budget amendment requires a four-fifths vote. <u>BACKGROUND:</u> Plans to modernize the City's sewer collection system include a new, expanded pump station for the Fox Hills area. This new pump station, in conjunction with new pipelines to divert sewage from the Overland, Mesmer and old Fox Hills pump stations, will allow the City to consolidate the flow of three pump stations into one new, modern and more energy efficient station resulting in pumping cost savings and decreased need for maintenance. The consolidation of the flow also has other benefits including making a possible future connection to the Los Angeles County Sanitation District for a portion of Culver City's sewage flow feasible. This may prove cost effective if the Sanitation District sewage treatment rates are considerably less than the rates charged by the City of Los Angeles for treatment of sewage at its Hyperion Sewage Treatment Plant.			

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The subject property proposed for purchase at 5718-5722 Bankfield Avenue will be used as the location of the new pump station. In addition, the property, which is larger than needed for the pump station only, will provide valuable space for storage of public works equipment including empty container storage for the Sanitation operation.

DISCUSSION:

Several months ago the City entered into negotiations with the owner of 5718-5722 Bankfield Avenue for purchase of the property. Recently, the City and the property owner have reached tentative agreement at a purchase price of \$1.4 million. Staff proposes use of the property for construction of a new sewer pump station that will take the place of the existing pump station located in the Westfield Culver City parking lot. In addition, after completion of several planned sewer pipeline diversion projects, the City will be able to cease operation of the Overland Pump Station located at 5300 Overland Avenue and the Mesmer Pump Station located at 5586 Mesmer Avenue.

FISCAL ANALYSIS:

The purchase of this property will be funded by two enterprise funds: the Sanitation Fund and the Sewer Fund in the amounts of \$250,000 and \$1,160,000 respectively. Funding of an additional \$10,000 above the purchase price is requested to pay for any cost incidental to the purchase of the property including escrow fees. There are sufficient funds in both enterprise fund balances to pay for this purchase; however, a budget amendment is required to appropriate the funds for this purchase.

ATTACHMENTS:

None

MOTIONS:

That the City Council:

1. Approve a Standard Offer, Agreement and Escrow Instructions for the purchase of Real Estate for the property located at 5718-5722 Bankfield Avenue for a purchase price of \$1.4 million; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,

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3. Authorize the City Manager to execute such documents on behalf of the City; and,
4. Approve a budget amendment appropriating \$250,000 from the Sanitation Enterprise Fund and \$1,160,000 from the Sewer Enterprise Fund for the purchase of the subject property.

A 4/5th vote is required to approve the budget amendment.