

City of Culver City, California
Redevelopment Agency Agenda Item Report

Meeting Date: 08/03/09		Item Number: <u>A-1</u>	
REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Approval of a Six-Month Parking License Agreement with Century Wilshire Incorporated for the Culver Hotel.			
Contact Person/Dept.: Joe Susca/CDD		Phone Number: 310-253-5763	
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 – Redevelopment Agency (07/29/09); (E-Mail) Century Wilshire Inc. and the Culver Hotel (07/20/09); (E-Mail) The Downtown Business Association (07/20/09).			
Department Approval: Sol Blumenfeld: (07/28/09)		Agency General Counsel Approval: Murray Kane: (07/28/09)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (07/29/09)		Executive Director Approval: Mark Scott (07/29/09)	

RECOMMENDATION:

Staff recommends the Culver City Redevelopment Agency Board (The “Board”) enter into a six-month Parking License Agreement with Century Wilshire Incorporated for 1) the Culver Hotel’s rental of up to twenty reserved parking spaces in the Agency-Owned Ince Parking Structure for the purpose of establishing a valet parking service for their guests; and 2) up to ten parking spaces at the 9300 Culver Boulevard parking lot (commonly referred to as “Parcel B”) for use by Culver Hotel guests, employees and vendors.

BACKGROUND:

On November 22, 2006 Century Wilshire Incorporated (the “Owner”) acquired the 46-room historic Culver Hotel (the “Hotel”) located at 9400 Culver Boulevard in Downtown. Since the Owner acquired the Hotel, its management and operations have improved resulting in higher room occupancy rates and an increase in the number of special events held at the Hotel. The Owner has increased Hotel staff (thereby increasing employment opportunities in Downtown), enhanced their guest services, and increased their nightly room rental rates resulting in increased Transient Occupancy Tax revenues paid by their guests that are subsequently remitted to the City.

The Owner has also performed a number of initial improvements to the Hotel such as replacing over 100 fire sprinklers, performing electrical and plumbing upgrades; buying new guest room mattresses, elevator restoration, painting, installation of double-paned windows, installation of a new Heating, Ventilation and Air

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Conditioning system, and purchasing new clothes washers and dryers. The Owner also completed construction of interior windows and a staircase connecting the Hotel's mezzanine level to their ground-floor lobby. The Hotel now offers breakfast and lunch service to the general public and their guests, including outdoor dining.

Due to the inconvenience experienced by Hotel guests during construction of the first phase of the Heart of Screenland Project (which included the Ince Parking Structure, Pacific Theatres and the building adjacent to it, and the Town Plaza), the Hotel was provided free guest parking within the Agency's Downtown structures. Upon completion of construction, the practice of accepting the Hotel guest passes continued. According to Modern Parking, the number of guest parking passes they receive each month averages 239. In order to cover the anticipated expenses associated with establishing valet parking services, the Hotel recently began charging their guests \$6.00 per day for parking.

DISCUSSION:

The Owner is continuing to enhance the look, services and amenities the Hotel offers its guests. To attain these goals, the Owner has firm plans to embark upon several additional improvements and renovations to the Hotel including additional interior painting, water heating system replacement, and replacing their guest room furniture and fixtures. The guest rooms will also have their entire décor replaced with new drapes, artwork, carpet, lighting, flat screen televisions, I-Pod docking stations and down bedding.

Valet Parking Service:

As part of the service enhancements to their Hotel guests, the Owner wishes to commence offering valet parking services and has applied for a Valet Parking Permit through the City's Traffic Engineering Division which is now being processed. The Owner has requested use of up to twenty reserved parking spaces in the Agency's Ince Parking Structure. In addition to establishing their valet parking services, the Owner's have also indicated their desire to negotiate an agreement with the Agency to meet their employee and Hotel guests' long term parking needs.

The Parking License Agreement (the "License") will allow the Hotel to establish its valet parking service by providing up to twenty reserved parking spaces for its operation. During its six-month term, both parties will negotiate an Owner Participation Agreement (the "OPA") to meet the Hotel's long-term parking needs.

The License includes the following terms:

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- The Agency will reserve up to twenty parking spaces for the Hotel's valet parking operation in the Ince Parking Structure; located on the first floor ramp leading to the second level.
- The Agency will permit 24/7 use of the reserved parking spaces at the Ince Parking Structure for the Hotel's valet operations.
- Employees and vendors of the Hotel are prohibited from parking in the reserved valet parking spaces.
- The Hotel may reserve up to 10 parking spaces on Parcel B for use by their employees, guests, and vendors.
- The Owner will pay a rate of \$80 for each parking space for a total of up to \$2,400 per month.
- The Owner will purchase and install reserved parking signs for use at the Ince Parking Structure whose design is subject to the approval of the Executive Director.
- If available, during special events held at the Hotel in which they will offer its attendees valet parking services, the Agency agrees to allow the Hotel use of additional temporarily reserved spaces during the event. The Owner will be charged a rate of \$1.00 for each hour of the event up to \$6.00 per parking space per day.
- The Hotel is required to maintain a \$2 million property damage insurance policy and agrees to hold the Agency, the City, and Modern Parking harmless from any loss, liability, claims, and damages arising from use of the License. If the Hotel hires a third party valet operator, then the same insurance coverage and indemnification will also be required of them.
- The term of the License will be six months; however the Executive Director may extend the term by an additional four months if deemed necessary to conclude the OPA negotiations.
- During the 6-month term of the License, the Agency agrees to continue the practice of providing free Hotel guest parking within its Downtown structures however; the terms and conditions of continuing to meet guest parking needs will be one of the items negotiated in the OPA.

Next Steps:

During the term of the six-month License, both parties will negotiate an OPA whereby in exchange for completion of the proposed Hotel improvements and renovations at Owner expense, the Agency will consider entering into a long-term agreement that meets the Hotel's parking needs. The OPA may also include construction of certain off-site public improvements adjacent to the Hotel designed to enhance the look and improve visibility of the Hotels' valet parking station.

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FISCAL ANALYSIS:

If the Hotel rents all 20 of the valet reserved parking spaces and all 10 of the Parcel B spaces, it will generate \$14,400 in Agency revenue over the 6-month term of the License.

ATTACHMENTS:

None.

MOTIONS:

That the Redevelopment Agency Board:

- 1) Approve a Parking License Agreement with Century Wilshire Incorporated for the Culver Hotel for a term of six months (with an extension of up to four additional months upon approval of the Executive Director); 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.