

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

Meeting Date: 02/23/15		Item Number: JC-2	
JOINT CITY COUNCIL AND SUCCESSOR AGENCY AGENDA ITEM: Approval of a Parking License Agreement with Consideration of a request from Sony Pictures Entertainment to Utilize 150 Parking Spaces in the Ince Parking Structure Located at 9099 Washington Boulevard.			
Contact Person/Dept.: Todd Tipton		Phone Number: (310) 253-5783	
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 (02/17/15); Sony Pictures Entertainment (02/17/15).			
Department Approval: Sol Blumenfeld (02/17/15)		City Attorney/Successor Agency General Counsel Approval: Carol Schwab (by H. Baker) (02/17/15)	
Chief Financial Officer Approval: Jeff Muir (02/17/15)		City Manager/Executive Director Approval: John Nachbar (02/17/15)	

RECOMMENDATION:

Staff recommends the City Council and Successor Agency to the Culver City Redevelopment Agency Board (Successor Agency Board) approve a Parking License Agreement with Sony Pictures Entertainment (Sony) to utilize 150 parking spaces in the Ince Parking Structure located at 9099 Washington Boulevard for a one-year period with two one-year options.

BACKGROUND:

On December 2010 the Culver City Redevelopment Agency (CCRA) entered into a Parking License Agreement (Agreement) with Sony to utilize 250 parking spaces in the Ince Parking Structure. The term of the Agreement was one year with three one-year options; the Agreement expired on December 31, 2014, but was extended until February 28, 2015 to allow for negotiations. Sony uses the spaces on a regular basis for their business units that occupy the leased buildings located at 9050 Washington Boulevard (across the street from the Ince Parking Structure).

In February 2012 Redevelopment Agencies in California were eliminated by the State Legislature and ownership of the parking structure was subsequently transferred from the CCRA to the Successor Agency to the Culver City Redevelopment Agency (Successor Agency).

In January 2014 Sony requested a reduction in the number of spaces permitted by the Agreement from 250 to 150. The request was due to 100 spaces being unused

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and the Successor Agency's need for the spaces as the occupancy in the Ince Parking Structure increased.

In March 2014 the Successor Agency's Long Range Property Management Plan was approved, which permitted transfer of the parking structures from the Successor Agency to the City of Culver City.

In October 2014, Sony began conversations with the Community Development Department about extending the agreement and resumed conversations again in December 2014. In January 2015, Sony submitted a written request (attached) to extend the Agreement an additional year with two one-year options; the Agreement can be terminated at the City/Successor Agency's discretion.

DISCUSSION:

Ince and other parking structures in downtown are currently operating near capacity and the rental of monthly spaces has been suspended¹. Further, pursuant to the Disposition and Development Agreement with Combined for Parcel B and the Option and Perpetual Easement Agreement with the Los Angeles County Metropolitan Transit Authority, 569 spaces are needed in the parking structure to satisfy these obligations. Specifically, the Parcel B project requires 317 spaces on an ongoing basis and the Washington/National project requires approximately 252 spaces while the project is under construction. There are 800 spaces in the Ince Parking Structure.

Based on discussions with Combined, they believe Parcel B could be conveyed to them as soon as January 2016 construction on the Washington/National project would begin after that. Because the draft agreement (attached) includes a provision that permits the City or Successor Agency to terminate the Agreement without cause after providing a 30 day notice, staff recommends that Sony's request to renew the parking license be granted.

Sony understands that they will be required to find alternate parking if the Parking License is terminated. Sony indicates that they are aware that other stakeholders will have priority use of the Ince Parking Structure in the future and that it may not be available after 2016. Sony is currently addressing future parking options.

FISCAL ANALYSIS:

Sony has agreed to pay the existing monthly rate of \$60 per space. This equates to \$900 per day (150 x \$60) or \$27,000 per month.

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ATTACHMENTS:

1. Sony Pictures Entertainment request to extend the Agreement;
2. Draft Agreement.

MOTION:

That the City Council and Successor Agency Board:

Approve a Parking License Agreement with Sony Pictures Entertainment to utilize 150 parking spaces in the Ince Parking Structure for a one-year period with two one-year options.

Notes:

¹ Walker Parking consultants are currently under contract to update the Walker Parking Study that was finalized in 2010. The update will examine parking occupancy and provide operational recommendations.