

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

Meeting Date: 02/06/12		Item Number: A-1	
CITY COUNCIL AGENDA ITEM: (1) Approval of a Commitment Letter with Red Barn/Regency Centers for the Sale and Redevelopment of City Owned Property at the Northerly Corners of the Washington Boulevard and Centinela Avenue Intersection, and (2) Approval of an Agreement with International Parking Design to Design, Bid, and Oversee Construction of a Public Parking Structure to Satisfy the Parking Requirements of the Washington Boulevard/Centinela Avenue Market Hall Project.			
Contact Person / Department: Joe Susca/CDD Todd Tipton/ CDD		Phone Number: (310) 253-5763 (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) Redevelopment Agency Projects (02/03/12); (E-Mail) Meetings and Agendas – City Council (02/03/12); (E-Mail); (E-Mail) Members of the public who attended the August 20, 2011 Open House and August 31, 2011 community meeting and/or pulled speaker cards on the topic (02/03/12); The Culver West Neighborhood Association (02/03/12); (E-Mail) The Herbert Street Homeowners Association (02/03/12); (E-Mail) The Culver Triangle Neighborhood Association (02/03/12); (E-Mail) Walker Parking, Kimley Horne and International Parking Design (02/03/12); (E-Mail) Red Barn/Regency Centers and Lab Holding LLC (02/03/12).			
Department Approval: Sol Blumenfeld (02/03/12)		City Special Counsel Approval: Murray Kane: City Attorney Approval: Carol Schwab (by H. Baker) (02/03/12)	
Chief Financial Officer Approval: Jeff Muir (02/03/12)		City Manager Approval: John M. Nachbar (02/03/12)	
<u>RECOMMENDATION:</u> Staff recommends the City Council 1.) Approve a Commitment Letter with Regency Centers Acquisition, LLC (Regency) for the sale of City owned property located on the northeast and northwest corners of the Washington Boulevard and Centinela Avenue intersection (Property) for development of a Market Hall (the Project); and 2.) Approve an agreement with International Parking Design for the design and preparation of construction documents for a public parking structure at the northwest corner of the Washington Boulevard and Centinela Avenue intersection (Property) to provide public parking and satisfy required parking for the proposed Market Hall project pursuant to the Culver City Municipal Code.			

City of Culver City, California
Agenda Item Report

BACKGROUND:

In 2007, the Culver City Redevelopment Agency (Agency) acquired the Property, which is approximately 72,758 sq. ft. in area.

On June 27, 2011, the City Council/Agency Board approved redevelopment of the Property as a 33,250 sq. ft. Market Hall with specialty retail and artisanal food vendors in a uniquely designed Market Hall¹. The Market Hall will be a place-making development that will complement efforts to improve West Washington Boulevard and has been embraced by the community. A low rise public parking structure (1.5 – 2 stories) will also be constructed by the City to provide parking for the project and the commercial area. (See Attachment No. 1).

On June 27, 2011 and September 26, 2011, the City Council/Agency Board authorized issuance of a Request for Proposals (RFP) to secure a firm to design, bid and oversee construction of the parking structure

On January 30, 2012 the City Council authorized entering into a Commitment Letter with Lab Holding LLC to sell the Property and develop the Market Hall. The City and Lab Holdings could not consummate the agreement, and staff proceeded with negotiations with the other qualified developer that had submitted a proposal, Red Barn/Regency Centers. Regency has agreed to the same terms and conditions outlined in the City's Commitment Letter to Lab Holding LLC. (See Attachment No. 2)

DISCUSSION:

Regency Commitment Letter:

The proposed Commitment Letter with Regency includes the following terms:

1. Regency makes a land offer of \$1,278,950, plus an additional \$1,134,000 (a total of \$2,412,950) for \$684,000 for offsite improvements including neighborhood traffic calming measures (See Attachment No. 3); and \$250,000 for aerial utility relocation related to the 217-space parking garage and Market Hall; and,
2. Regency agrees to construct the Market Hall as outlined in the RFP and agrees to hire JRDV Architects, the firm who prepared the conceptual plans and preliminary design studies; and,
3. Regency provides 47 additional parking spaces for community commercial parking; and,
4. Regency agrees to pay prevailing wages for Project construction.

City of Culver City, California
Agenda Item Report

Public Parking Structure:

The City will design and construct the parking structure at City expense and retain ownership. The City's participation in the Market Hall parking provides a method to leverage the development the City is seeking. The Property will be subdivided in order to create two parcels. One will be occupied by the parking structure and the other occupied by the Market Hall. The parking structure will provide 170 code-required parking spaces for the Market Hall and 47 additional public parking spaces for patrons of surrounding businesses.

In order to identify a firm to design the structure and prepare plans and specifications, staff issued a Request for Proposal to Walker Parking, Kimley-Horne and International Parking Design (IPD). The responses from each firm are attached (See Attachment No. 4). Staff is recommending executing an agreement with IPD as they are the lowest qualified bidder and their overall qualifications/experience. The cost to provide the requested services is as follows:

Firm:	Cost:
IPD ²	\$329,700
Kimley-Horne	\$735,000
Walker Parking Consultants	\$335,000

The parking structure will require an environmental analysis, entitlements and construction drawings which will take approximately 9 months to complete. Construction of the parking structure will take approximately one year. The public will participate in the entitlement process, and there will be public outreach meetings with the neighborhood prior and during project construction.

In the event that the Market Hall project is delayed or the City cannot successfully consummate a final Development Agreement with the developer at this time, staff is recommending that the City proceed with the parking structure as a method to both secure the property and to ensure that future development comports with the City's plans for the Market Hall site. The project will also provide additional parking for the revitalization that is underway on West Washington Boulevard. Staff has retained JRDV architects which provided preliminary parking structure design and site planning services to ensure the two projects are compatible. Any future development of the site will require code required parking in the City's parking structure thus enabling the City to ensure that future development on the private parcel is satisfactory to the City. Following construction the parking structure, it will be conveyed to the Parking Authority for on-going operation.

City of Culver City, California
Agenda Item Report

FISCAL ANALYSIS:

In order to construct a financially feasible Market Hall Project, staff and the City's financial consultant, Keyser Marston Associates (KMA) recommends constructing an above grade Parking Structure. KMA further believes the parking structure must be publicly funded (using former Agency bond proceeds) due to the soft retail and restaurant markets, recovering financial markets and excessive cost to construct subterranean parking.

Approximately \$5 million in tax-exempt bond proceeds have been allocated to design and construct the 217-space Parking Structure.

ATTACHMENTS:

1. Parking Structure Height Graphic
2. Commitment Letter
3. Off-Site Public Improvements
4. IPD, Walker Parking and Kimley-Horne Proposals

MOTION:

That the City Council:

1. Approve a Commitment Letter with Regency Centers Acquisition, LLC for the sale and subsequent development of the northerly corners of the Washington Boulevard and Centinela Avenue intersection for construction of a Market Hall project; and,
2. Approve an agreement with International Parking Design to design, bid and oversee construction of a City-owned Parking Structure comprised of approximately 217 spaces on the northwest corner of the Washington Boulevard and Centinela Avenue intersection; and
3. Authorize the City Attorney and City Special Counsel to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City, and to issue interpretations, waive provisions, enter into amendments on behalf of the City, and to sign all such other documents and instruments necessary to implement and carry out the agreement on behalf of the City in such form as is reasonably acceptable to the City Manager.

City of Culver City, California
Agenda Item Report

NOTES:

¹The Market Hall 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 31,422 square feet parcel with public plaza frontage. The remaining 21,600 sq. ft. will remain City property to construct the public parking structure.

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.

²IPD designed all three of the City's downtown parking structures.