

City of Culver City, California
Redevelopment Agency Agenda Item Report

Meeting Date: 06/07/10		Item Number: <u>C-2</u>	
REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Approval of a Second Amendment Extending the Term of the Existing Parking License Agreement with Century Wilshire Incorporated for the Culver Hotel.			
Contact Person/Dept.: Joe Susca and Todd Tipton/CDD		Phone Number: 310-253-5763/5783	
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 – Redevelopment Agency (06/02/10); (E-Mail) Century Wilshire Inc. and the Culver Hotel (06/02/10); (E-Mail) The Downtown Business Association (06/02/10).			
Department Approval: Sol Blumenfeld: (05/27/10)		Agency General Counsel Approval: Murray Kane: (05/26/10)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (06/02/10)		Executive Director Approval: P. Lamont Ewell (06/02/10)	

RECOMMENDATION:

Staff recommends the Culver City Redevelopment Agency Board (Agency Board) approve a second amendment extending the term of the existing Parking License Agreement (License) with Century Wilshire Incorporated for 1) the Culver Hotel's (Hotel) rental of up to twenty reserved parking spaces at the Agency-Owned Ince Parking Structure for valet services to their guests; and 2) rental of 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:

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 parking structures. Upon completion of construction, the practice of accepting the Hotel guest passes continued at no cost to the Hotel or their guests. Now that the project has been completed, a long term solution is required in the form of temporary and permanent parking agreements.

On November 22, 2006 Century Wilshire Incorporated (Owner) acquired the Hotel located at 9400 Culver Boulevard. Since the Owner acquired the Hotel, its management and operations have improved resulting in higher room occupancy

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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 the amount of Transient Occupancy Taxes paid by their guests that are remitted to the City. The Owner has also performed a number of initial improvements to the Hotel such as replacing fire sprinklers, performing electrical, plumbing and other upgrades totaling \$1,300,000.

The Agency is currently negotiating an Owners Participation Agreement (OPA) with the Owner to meet employee and Hotel guests' long term parking and valet parking service needs in exchange for the completion of a number of improvements to the Hotel at Owner expense. On August 3, 2009 the Agency Board approved a six month License with the Owner to meet the Hotel's parking needs until the OPA is executed.

On February 1, 2010 a First Amendment to the License was executed that extended its term by four months (until June 11, 2010) and also permitted the Hotel to store a trash bin on Parcel B to contain debris from construction of improvements at the Hotel.

DISCUSSION:

The proposed Second Amendment to the Parking License (Second Amendment) would extend the term of the License by six months to allow completion of negotiation of the OPA, and includes the ability of the Agency Executive Director to approve an additional four month term if necessary. The existing License terms and conditions remain unchanged in the Second Amendment with the following exceptions¹:

- The Agency may either suspend or terminate use of Parcel B if alternative temporary or permanent uses commence at the site.
- The trash bin on Parcel B containing debris from the construction of improvements at the Hotel may remain for an additional six months.

FISCAL ANALYSIS:

If the Second Amendment is approved for the proposed six-month term, the Agency will continue to receive lease revenues from the Owner for reserved valet parking spaces at the Ince Parking Structure and parking spaces at Parcel B. Should the Hotel rent all 20 of the valet reserved parking spaces at the Ince Parking Structure

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and all 10 of the Parcel B spaces, the maximum revenue to the Agency would be \$14,400.

ATTACHMENTS:

- Second Amendment to Parking License

MOTIONS:

That the Agency Board:

- 1) Approve a Second Amendment to the Parking License Agreement with Century Wilshire Incorporated for the Culver Hotel; 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.

¹ The existing License includes the following terms and conditions:

- The Agency provides 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 permits 24/7 use of the reserved valet parking spaces.
- 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 pays a rate of \$80 for each parking space 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 will 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 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 provisions will also be required of them.

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- During its term, 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 is one of the items being negotiated in the OPA.
- Permits the Hotel to place a 3 cubic yard bin on Parcel B to contain debris from the construction of Hotel renovations