

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

Meeting Date: 12/07/09		Item Number: <u>C-3</u>	
REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Approval of a Third Amendment to the Professional Services Agreement with Lea and Associates Inc. for Real Estate Appraisal Services.			
Contact Person/Dept.: Glenn Heald Community Development		Phone Number: 310-253-5752	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒	Attachments: ☐
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (Email) Lea and Associates (10/15/09); (Email) Meetings and Agendas - Redevelopment Agency (12/01/09)			
Department Approval: Sol Blumenfeld (11/24/09)		Agency General Counsel Approval: Murray Kane (11/24/09)	
Chief Financial Officer Approval: Mark Scott (by N. Kimball) (11/30/09)		Executive Director Approval: Mark Scott (12/02/09)	

RECOMMENDATION:

Staff recommends the Redevelopment Agency Board approve a third amendment to the professional services agreement with Lea and Associates, Inc., for real estate appraisal services extending the agreement to June 30, 2011.

BACKGROUND:

On October 1, 2001, the Agency executed a contract with Lea and Associates, Inc. for real estate appraisal services on an as-needed basis. A first amendment to the agreement was executed on January 23, 2003, and a second amendment was executed on September 19, 2006, extending the agreement through June 30, 2009. Staff now recommends the Agency Board approve a third amendment to extend the agreement through June 30, 2011.

DISCUSSION:

Property appraisals are required by California Government Code, California Redevelopment Law, and other applicable statutes when the Agency is acquiring or disposing of real property. Appraisals may contain limited or complete information about a subject site, including the value of real property, the value of the business, and the value of tangible business assets such as fixtures, equipment and machinery. In addition to the written documents, appraisers may also be called to testify as expert witnesses if real property values are contested in court.

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Lea and Associates is has provided appraisal services to the Agency and has significant previous experience with the Culver City Redevelopment Agency, Their references from other municipalities and redevelopment agencies, their favorable rates, and their ability to provide high quality appraisal reports in a timely manner lead staff to recommend this amendment. Over the past three years the Agency has used Lea Associates on several major projects¹.

On March 27, 2006, staff issued an RFP to identify potential property appraisal firms. Thirteen firms responded, of which seven were selected for recommendation to the Agency Board. On July 17, 2006, the Agency Board authorized new or amended professional service agreements with each of the seven recommended firms, to be selected for use on a case-by-case basis. For each of the jobs listed above, Lea and Associates offered the lowest price and produced thorough, high quality reports in a timely manner. Staff continues to review price rates for the other firms as jobs arise, yet Lea and Associates is consistently the least expensive. As staff can readily obtain rate quotes from each of the competing appraisal services for comparison purposes and continues to have the option of utilizing other appraisal services if or when doing so presents a clear advantage to the Agency, at the present time there is no compelling rationale or advantage in expending funds or staff time on a new bid process.

Lea and Associates is a certified MAI appraiser with standing to provide legal testimony as necessary for redevelopment projects. Further, they adheres to appraisal practices in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and Appraisal Institute. Continuing the Agency's contract with Lea and Associates will ensure timely and high quality appraisal reports.

¹ Washington/National project – 8836-38 National Boulevard
Washington/National project – 8842 National Boulevard
Washington/National project – Five properties on Exposition Boulevard
Washington/National project – Surfes property
11304 Segrell Way – Fire Station site
4064 Colonial Avenue – Washnola project
12337 Washington Boulevard – Washnola project
12343 Washington Boulevard – Washnola project
3847 Main Street – Sporteve site
4061 Wade Street – Housing rehabilitation project
4101 Wade Street – Housing rehabilitation project
10858 Culver Boulevard – AmVets Building
11054 Washington Boulevard – Tapp property
11056 Washington Boulevard - Pleasant View site
9814 Washington Boulevard – Paskan Building
12803-2311 Washington Boulevard - Baldwin Motel site
3433 Wesley Street – City to Agency sale
9300 Culver Boulevard – Ivy Substation

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FISCAL ANALYSIS:

Each potential appraisal is estimated by the appraisal company at the request of the Agency. Billable work does not commence unless and until staff presents the appraisal firm with a Notice to Proceed.

All appraisals performed will be paid with funds allocated in the budget for the relevant project. Funding for non-project-specific appraisals is available in the Property Acquisition Administration budget Account 55090250.619800 – Other Contractual Services.

ATTACHMENTS:

None.

MOTION:

That the Redevelopment Agency Board:

1. Approve a third amendment to the existing professional services agreement with Lea and Associates for property appraisal services; 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.