

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

Meeting Date: 07/27/15	Item Number: <u>PH-1</u>
CITY COUNCIL AGENDA ITEM: PUBLIC HEARING - Waiver of Formal Bid Procedures for the Construction of Public Parking and Town Plaza Expansion Improvements Located at and Adjacent to 9300 Culver Boulevard. (Public Hearing Continued from June 22, 2015 and July 13, 2015).	
Contact Person/Dept.: John Fisanotti/CDD Todd Tipton/CDD	Phone Number: (310) 253-5768 (310) 253-5783
Fiscal Impact: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	General Fund: Yes <input type="checkbox"/> No <input type="checkbox"/>
Public Hearing: <input type="checkbox"/>	Action Item: <input type="checkbox"/> Attachments: <input type="checkbox"/>
Commission Action Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Date: _____
Public Notification: (E-Mail) Meetings and Agendas – City Council (07/22/15); Downtown Business Association, Combined Properties, Culver Hotel, Culver Studios (07/22/15).	
Department Approval: Sol Blumenfeld (07/XX/15)	City Attorney Approval: Carol Schwab (by H. Baker) (07/21/15)
Chief Financial Officer Approval: Jeff Muir (07/22/15)	City Manager Approval: John Nachbar (07/22/15)
<p><u>RECOMMENDATION:</u></p> <p>Staff recommends the City Council conduct and conclude a public hearing on, and approve a waiver of, the formal bid procedures as authorized by Culver City Municipal Code (CCMC) Sections 3.07.075.E.3 and 3.07.090.E and Culver City Charter Section 1604, for construction of public improvements located at Assessor’s Parcel Nos. 4206-029-935 (City Parcel) and 4206-029-934 (Parcel B) at and near 9300 Culver Boulevard as part of the integrated Parcel B Project, consisting of: (1) subterranean public parking improvements of approximately 100 spaces and related driveway access to be located primarily within and on the City parcel located adjacent to 9300 Culver Boulevard (Parcel B) with some public parking improvements to be located within Parcel B, and (2) Town Plaza Expansion Improvements located on the City Parcel (collectively, the “Public Improvements”).</p> <p><u>PROCEDURE:</u></p> <ol style="list-style-type: none"> 1. The Mayor seeks a motion from the City Council to receive and file the affidavit of publication of notice and correspondence received in response to the public hearing notice (completed on June 22, 2015); and, 2. The Mayor calls for a staff report, and Council Members may pose questions to staff as desired; and, 	

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3. The Mayor invites those present and interested to provide public comment on this subject; and,
4. Mayor seeks a motion from the City Council to close the public hearing after all public testimony has been presented; and,
5. The City Council discusses the item and arrives at its decision.

BACKGROUND:

On October 3, 2006, the City Council approved a concept design for the expanded Town Plaza. On January 7, 2008, the City Council approved further enhancements to the 2006 design. During this period, Parcel B was subject to a Disposition and Development Agreement between the former Culver City Redevelopment Agency (Former CCRA) and Rush/Pacifica for a very different development than that now planned for the site by Combined.

On January 30, 2012 the City approved a Disposition and Development Agreement (DDA) with Combined Properties (Combined) for the development of Parcel B and the construction of an expanded Town Plaza on adjoining public property (referred to as the City Parcel or Town Plaza Expansion) and the construction of an approximate 100 public parking spaces, anticipated at the time to be under the Town Plaza Expansion and accessed from Combined's parking structure under Parcel B (collectively, the Public Parking Improvements). The site (comprised of both Parcel B and the City Parcel) was originally owned by the Former CCRA. As a result of dissolution of the Former CCRA by operation of law on February 1, 2012, the site is now owned by the Successor Agency to the Culver City Redevelopment Agency (Successor Agency).

On March 18, 2014, the State Department of Finance (DOF) approved the City's Long Range Property Management Plan (LRPMP). On May 15, 2014, in implementation of the approved LRPMP, the DOF approved the Successor Agency's sale of Parcel B to Combined pursuant to and in accordance with the terms of the DDA and approved the Successor Agency's transfer of the City Parcel to the City for the Town Plaza Expansion Improvements and the Public Parking Improvements). On September 3, 2014, consistent with the purposes of the LRPMP, the DOF approved a Master Agreement between the City and the Successor Agency authorizing the transfer of pre-2011 bond proceeds to the City for expenditure toward the development of the Public Improvements. These approvals allowed the City to resume numerous developments, including the Parcel B Project, which had been suspended upon the dissolution of the Former CCRA.

A Notice of Public Hearing for this item was published in the Culver City News on June 11, 2015. The Public Hearing was opened on June 22, 2015 continued to July 13, 2015 and further continued to July 27, 2015.

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DISCUSSION:

Because the Public Improvements and Combined's improvements (on Parcel B) are integrated, having one contractor construct the improvements under one contract is essential to the coordinated development of the projects and will result in lower costs and fewer potential liabilities to the City. These projects are seamless in both design and function. As such, staff asserts that any benefits resulting from publicly bidding separate contracts for the integrated work are outweighed by the significant benefits of having one contractor construct the improvements in their entirety. This is in the public interest and the interest of the City.

Therefore, in conformance with CCMC Sections 3.07.075.E.3 and 3.07.090.E and Culver City Charter Section 1604, staff recommends the City Council (1) waive the formal bid procedures set forth in CCMC Sections 3.07.075 and 3.07.090 for the construction of the Public Improvements; and (2) authorize Combined to cause the design and development of the Public Improvements by Combined's award of design and construction contracts with contractors as selected by Combined and approved by the City, in accordance with the DDA. The estimated construction costs to be funded by the City are approximately \$5.53 million for the Public Parking Improvements and \$3.2 million for the Town Plaza Expansion Improvements.

Environmental Determination

Pursuant to Sections 15162 and 15168 of the California Environmental Quality Act (CEQA) Guidelines, the City Council determined the DDA (which includes the design and construction of the Parcel B Project and the Public Parking Improvements) and sale of the subject property are within the scope of the Town Plaza Final Supplemental Environmental Impact Report (FSEIR) approved on May 3, 1999. The circumstances under which the FSEIR was prepared have not significantly changed, and no new significant information has been found that would impact the FSEIR. Therefore, no new environmental analysis is required.

Next Steps

Staff is currently working with downtown stakeholders to refine the design of the Town Plaza Expansion and the Public Parking Improvements beneath Parcel B and the City Parcel. Staff intends to present a design to the City Council for consideration in the coming weeks.

FISCAL ANALYSIS:

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No immediate cost to the City will result from the recommended action. It is anticipated that the cost savings achieved by the recommended action will be equal to or greater than that which may be garnered if the construction contract for the work proposed on the City Parcel was to be bid competitively.

MOTION:

That the City Council:

Waive the formal bid procedures, in conformance with CCMC Sections 3.07.075.E.3 and 3.07.090.E and Culver City Charter Section 1604 for the construction of the Public Improvements located at Assessor's Parcel Nos. 4206-029-935 and 4206-029-934 (at and near 9300 Culver Boulevard) as part of the integrated Parcel B Project.