

City of Culver City, California
Agenda Item Report

Meeting Date: <u>12/06/10</u>		Item Number: JPH-1
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD AGENDA ITEM – PUBLIC HEARING: (1) Approval of a Disposition and Development Agreement Between the Culver City Redevelopment Agency and Exceptional Children’s Foundation for Property Located on Machado Road and (2) City Council Approval of the Sale of the Property.		
Contact Person/Dept.:	Phone Number:	
Chris Evans / Community Development	(310) 253-5744	
Todd Tipton / Community Development	(310) 253-5783	
Fiscal Impact: Yes ☒ No ☐	General Fund: Yes ☐ No ☒	
Public Hearing: ☒	Action Item: ☐	Attachments: ☒
Commission Action Required: Yes ☐ No ☒		Date: _____
Public Notification (USPS) Notices were mailed to all property owners and occupants within a 500 foot minimum radius of the site (11/22/10); (E-Mail) Meetings and Agendas – City Council (12/02/10); (E-Mail) Meetings and Agendas – Redevelopment Agency (12/02/10); Notice was published in the Culver City News (11/22/10 & 11/29/10).		
Department Approval: Sol Blumenfeld (11/24/10)	City Attorney Approval: Carol Schwab (by H. Baker) (12/01/10) Murray Kane 11/19/10	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (12/01/10)	City Manager/Executive Director Approval: John M. Nachbar (12/02/10)	
 <u>RECOMMENDATION:</u> Staff recommends the City Council: Adopt a resolution approving the sale of property located at the corner of Sepulveda Boulevard and Machado Road (Property), pursuant to Section 33433 of the California Health and Safety Code. Staff recommends that the Culver City Redevelopment Agency (Agency Board) Adopt Resolution No. 2010-A _____ approving a Disposition and Development Agreement (DDA) between the Agency and Exceptional Children’s Foundation (ECF), for the sale and subsequent development of the Property. <u>PROCEDURE:</u> 1. Presiding Officer seeks a motion from the <i>City Council and the Agency Board</i> to receive and file the affidavits of mailing, publication and posting of notices, and correspondence received in response to the public hearing notices.		

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3. Presiding Officer calls for a staff report and the **City Council and Agency Board** may pose questions to staff as desired.
4. Presiding Officer opens the public hearing.
5. Presiding Officer inquires of the City Clerk and Agency Secretary whether any correspondence was received regarding the proposed disposition of real property.
6. Presiding Officer seeks motion to close the public hearing after all audience testimony has been presented.
7. The **City Council** considers adoption of the Resolution approving the sale of the Property;
8. (If the **City Council** adopts the resolution approving the sale of the Property) The **Agency Board** considers adoption of a resolution approving the Disposition and Development Agreement.

BACKGROUND:

The Property is approximately 16,168 square feet in size, irregularly shaped, unimproved and on the west side of Machado Road. It is a remnant of the former 11 acre Studio Drive-in property. The majority of the Studio Drive-in property was developed in the mid 1990's as the Classics at Heritage Park neighborhood (Neighborhood), a 54 unit residential development, which includes a small public park. A smaller portion of the property was developed as the Kayne ERAS School, a private school (School) (see attached photo).

The School development was overseen by Exceptional Children's Foundation (ECF), which acquired the property in early 2008. The Neighborhood is managed by the Heritage Park Homeowners' Association. The School and Neighborhood are parties to a Reciprocal Easement Agreement (REA) that, among other things, requires the privately owned streets to operate as public streets in order to provide access to the public park constructed within the development.

Because the Neighborhood streets are available to the public, School employees often utilize them when parking demand exceed on-site parking supply. As available parking in the Neighborhood is limited, School parking incursion has resulted in an ongoing conflict between Neighborhood residents and the School.

Resolution of the conflict between the Neighborhood and the School has been an ongoing concern of both the City Council and Agency Board. As a result, the Agency Board directed staff to negotiate sale of the Property to ECF in order to create additional parking for the School. Additionally, the Agency Board conditioned the sale upon the School agreeing to modify the REA in order to discourage School employees from parking in the Neighborhood. Lastly, the School has agreed to cooperate in the event land adjacent to the Property is redeveloped. Negotiations resulting from the ECF proposal are complete, and the resulting terms and conditions of Property sale have been memorialized in the DDA.

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DISCUSSION:

The following is a summary of the terms and conditions of the DDA:

ECF will:

1. Pay \$220,000 to the Redevelopment Agency for the Property;
2. Execute an amendment to the REA between the School and the Neighborhood discouraging School employees from parking in the Neighborhood;
3. Include the Property in any future development of the adjacent properties;
4. Pay all City fees including the fee for the Neighborhood's preferential permit parking application (up to \$250), should Neighborhood residents choose to apply;
5. Execute a covenant by the School with the Property conveyance that requires ECF to increase their existing parking lot's capacity by hiring a parking operator (approved by the City) if School parking demand is not met by the development of the Property; and,
6. Develop the Property in a sustainable manner.

Summary Report Required by Section 33433 California Health and Safety Code

A Summary Report (attached) has been prepared pursuant to Section 33433 of the California Health and Safety Code. The Summary Report outlines the salient points of the Property sale agreement, the cost of the project, and the estimated value of the interests to be conveyed. California Redevelopment Law requires that prior to the sale of land acquired with tax increment funds, the controlling legislative body (in this case, the City Council) must first approve the sale by resolution after a public hearing.

FISCAL ANALYSIS:

Selling the Property to ECF at the proposed offer price would result in net revenue to the Redevelopment Agency of \$220,000.

ATTACHMENTS:

1. Aerial Photo

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2. Summary Report Pursuant to Section 33433 of the California Health and Safety Code.
3. November 22, 2010 Public Notice.
4. Disposition and Development Agreement.
5. Agency Resolution approving the Disposition and Development Agreement.
6. Council Resolution approving the sale of Machado Road property.

MOTION:

That the City Council:

Adopt Resolution No. 2010-R approving the sale of property located at the corner of Sepulveda Boulevard and Machado Road (Studio Drive-In Remnant property) that was purchased by the Culver City Redevelopment Agency (with tax increment funds) to Exceptional Children's Foundation, pursuant to Section 33433 of the California Health and Safety Code.

AND

That the Agency Board:

Adopt Resolution No. 2010-A approving a Disposition and Development Agreement between the Culver City Redevelopment Agency and Exceptional Children's Foundation for the sale and subsequent development of property located at the corner of Sepulveda Boulevard and Machado Road (the Studio Drive-In Remnant property);