

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

Meeting Date: 10/03/11 and 10/04/11		Item Number: J-1	
JOINT CITY COUNCIL AND REDEVELOPMENT AGENCY AGENDA ITEM: Receive Developer Proposal Presentations for Development of 9300 Culver Boulevard (Parcel B).			
Contact Person/Dept.: 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 (09/22/11); (E-Mail) Meetings and Agendas – City Council (09/28/11); (E-Mail) The Downtown Business Association (09/22/11); (E-Mail) The Advisory Committee on Redevelopment (09/22/11); (E-Mail) The Gateway Neighborhood Association (09/22/11); (E-Mail) The Four Developer Respondents to the RFP (09/22/11); (E-Mail) The Downtown Neighborhood Association (09/22/11); (E-Mail) The Culver City Chamber of Commerce (09/22/11); (E-Mail) Members of the public who attended the 11/09/10 workshop on the subject matter (09/22/11); (E-Mail) Members of the public who pulled speaker cards on the subject matter during the Agency Board meeting of 10/04/10, 02/14/11, 06/13/11, and 09/12/11 (09/22/11); (U.S. Post) A public notice was mailed to businesses, residents, and property owners in excess of a 500' radius of the site (09/22/11); (U.S. Post and E-Mail) Rush Pacifica LLC (09/22/11).			
Department Approval: Sol Blumenfeld: (09/21/11)		City Attorney Approval: Carol Schwab (by H. Baker) (09/27/11) Agency Counsel Approval: Murray Kane: (09/27/11)	
Chief Financial Officer Approval: Jeff Muir (09/28/11)		City Manager/Executive Director Approval: John M. Nachbar (09/28/11)	

RECOMMENDATION:

Staff recommends the City Council and Culver City Redevelopment Agency Board (Agency Board) receive presentations from four developers regarding the proposed development of 9300 Culver Boulevard (Parcel B).¹

PROCEDURE:

1. Mayor/Agency Chair invites the developer to present their proposal and requests members of the public to fill out Requests to Speak and to submit them to the City Clerk if they wish to comment on the developer proposal; and,
2. Mayor/Agency Chair seeks a motion to receive comments from the public; and,

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3. Following public comment, the City Council/Agency Board may pose questions to staff and the developer as desired.

BACKGROUND:

On February 14, 2011 the City Council and Agency Board approved a two-step process to select a developer for Parcel B. The first step involved issuing a Request for Qualifications (RFQ) to premier firms in order to identify those that are most qualified to develop Parcel B. That process concluded on June 13, 2011 with the City Council's/Agency Board's selection of Macerich, Tolkin Group, Combined/Hudson Pacific, Cardiff/N3 and Runyon Partners.

The RFQ issued to identify a developer for Parcel B included the community goals outlined in a workshop held on November 9, 2010 along with the following City Council/Agency Board objectives:²

- Maintain the existing Parcel B entitlements to reduce Project costs and development timeframes.³
- Modify the Project to create an "iconic" design that is "pedestrian friendly" and to avoid development of a "fortress-like" or "monolithic" building.

The second step involved issuance of a Request for Proposals (RFP) to the selected firms. The RFP was issued on July 8, 2011 and responses were received on September 8, 2011.

On August 17, 2011, Macerich informed staff that it would not complete the RFP process due to concerns about tenanting the upper floors of the development with an office use.

DISCUSSION:

On October 3 and 4, the City Council/Agency Board will receive a 15-minute presentation from each of the four developers who responded with proposals, followed by comments from the public and a City Council/Agency Board question and answer session.

Following is the schedule of developer presentations:

October 3, 2011:

First: Tolkin Group
Second: Runyon Partners

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October 4, 2011:

First: Combined Properties, Inc./Hudson Pacific Properties
Second: Cardiff Realty Holdings/N3 Real Estate

Next Steps:

In November 2011, staff will return to the City Council/Agency Board with a recommendation on selecting a developer for the project.

FISCAL ANALYSIS:

A project developed in accordance with the existing entitlements is estimated to generate approximately \$5.5 million in net new tax increment over the remaining life of the Agency Project Area. The City would receive approximately \$1 million in building permit and related fees, and sales tax, business tax and utility users tax totaling approximately \$265,000 annually.

MOTION:

That the City Council and Agency Board:

1. On Monday, October 3, 2011, receive presentations of proposals for development of Parcel B from Tolkin Group and Runyon Partners; and,
2. Upon conclusion of business, adjourn the City Council and Agency Board meetings to 6:00 PM on Tuesday, October 4, 2011; and,
3. On Tuesday, October 4, 2011, receive presentations of proposals for development of Parcel B from Combined Properties, Inc/Hudson Pacific Properties and Cardiff Realty Holdings/N3 Real Estate; and,
4. Direct the City Manager/Executive Director to return with a recommendation on selecting a developer for the project at a future meeting of the City Council/Agency Board.

NOTES:

¹ The Agency and the City entered into a Cooperation Agreement dated January 15, 2011, as amended on February 22, 2011 and March 7, 2011 (collectively the "Cooperation Agreement"). In furtherance of the Cooperation Agreement and to achieve important public purposes, the Agency has conveyed the Parcel B property and other Agency-owned properties to the City and has transferred the Agency's cash accounts to the City to carry out the duties and obligations of the Agency (without resulting liability to the City), devoid of relieving the Agency of its duties and obligations to fulfill the goals and objectives of the Redevelopment Plan for Component Area No. 3.

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² The 11-9-10 community workshop recommendations included:

- Mixed Use Commercial/Residential Development
- A hotel
- Cultural uses on the upper floors should replace the office.
- The design should be open with less massing and architectural design should complement those buildings that surround it.
- Adopt the prior OliverMcMillan design for the site.
- Require the project to be Leadership in Energy and Environmental Design certified.
- Create more green space, and the tenants should include a stationery store and a book store.
- Reduce or eliminate the office use due to the glut of office space now for lease on the market.
- Include retail and cultural uses that draw more people to downtown.
- Adopt a use similar to the Ferry Building in San Francisco and its farmers' market.
- Additional parking should be built as part of the project.
- Provide more downtown retail to balance existing restaurant and office uses.
- Build green space on the roof.
- The project should preserve the view of The Culver Studios Mansion and the Culver Hotel.
- The project should adhere to the initial goals outlined for Parcel B in the 1991 Downtown Charette.
- Affordable housing should be built on the upper floors.
- Public bathrooms should be built within the project for use by town plaza event attendees.
- Given the financial hardships the City now faces, we need to be mindful of the revenue impacts of any proposed project.
- The project should complement the Transit Oriented Development located at the Washington/National Exposition Light Rail Station
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³ Parcel B has entitlements for a 3-story, 115,108 sq. ft. development comprised of 40,335 sq. ft. of retail/restaurant and 74,773 sq. ft. of office use with 84 subterranean parking spaces. Redevelopment of the property using the current entitlements requires conformance to the permitted development program consistent with the environmental review for the project (i.e. the development must be consistent with the project height, vehicle trip generation and other environment factors identified in the environmental clearance.)