

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

Meeting Date: 05/23/11		Item Number: J-5	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Consideration of Area Improvement Plan Expansion along West Washington Boulevard and Direct the City Manager as Deemed Appropriate			
Contact Person/Dept.: Elaine Warner		Phone Number: 310.253.5777	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agenda and Meetings – City Council (05/19/11); (E-Mail) Agenda and Meetings – Redevelopment Agency (05/19/11), property owners			
Department Approval: Sol Blumenfeld (05/18/11)		City Attorney Approval: Carol Schwab (by H. Baker) (05/19/11) Agency Counsel: Murray Kane: (05/19/11)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball)(05/19/11)		City Manager/Executive Director Approval: John M. Nachbar: (05/19/11)	

RECOMMENDATION

Staff recommends that the City Council and the Redevelopment Agency Board (Agency Board) consider, as part of the annual Redevelopment Agency Budget, expanding the West Washington Area Improvement Program (AIP) into three additional Phases: IV, V and VI.

BACKGROUND

In December 2007, the Agency Board approved a three-phased AIP along West Washington Boulevard to improve the physical and economic quality of the area (Attachment 1). The AIP was targeted between Centinela Avenue and Beethoven Street, surrounding two catalytic redevelopment sites. The intent of the program was to layer several revitalization actions simultaneously. These programs included: landscaped medians, a commercial rehabilitation façade grant program, a green zone energy retrofit incentive program and a graphic identity/banner program. A key component of the AIP involves the creation of an assessment district to fund on-going median maintenance of the constructed landscape medians.

Since its inception, the AIP has been successful in achieving its objectives. The Phase I portion of the plan is complete and maintenance funds are being collected by the associated assessment district to fund the maintenance of five new medians between Rosabell Street and Beethoven Street (Attachment 2). The Phase II

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assessment district was approved last year and construction of three new medians between Centinela Avenue and Boise Avenue is slated to begin in June 2011. The commercial façade rehabilitation program has been well received with ten properties completing improvements and five more in the design phase (Attachment 3). In addition, the Graphic/Identity Banner program, highlighting the theme of change with the chrysalis, has been a colorful and effective element in framing the revitalization of the area (Attachment 4). Staff has received several calls from the community indicating their excitement about these banners along West Washington Boulevard

DISCUSSION:

The AIP was developed as a demonstration project to consolidate these improvements into one specific area. The program, as approved, was comprised of three phases. Given the program's success and popularity, several commercial business owners have approached the City requesting expansion of the program westerly from Beethoven Street to Glencoe Avenue. Further, several business owners in this area signed a petition expressing their desire to form an assessment district to support future landscaped medians and attended the City Council meeting on April 11th (Attachment 5). Given the community interest and support to expand the program, staff is recommending that additional areas be incorporated as bond-funded projects in the Agency Board Approved Fiscal Year Budget for Fiscal Year 2011/2012.

Phase IV

An additional area could be incorporated from the edge of AIP Phase I at Beethoven Street, to the edge of the City boundary along West Washington Boulevard and be entitled "AIP Phase IV". This street segment is similar in configuration to AIP Phase I between Beethoven Street and Rosabell Street, with frequent intersections and left hand turn lanes (Attachment 5). To this end, it is proposed that a similar design of medians, with offsets and width, be considered for this area to both maintain consistency and retain maximum traffic flow. In addition, it is recommended that a unique gateway treatment be developed near the boundary of the City that ties into other design elements, such as the proposed rehabilitated medians at Wade Street.

Given property owner support, staff recommends including this larger area as one phase. This condition would allow for economies of scale in design and construction services. Staff has also conducted a comprehensive assessment of the proposed budget to determine funding for this phase and has identified approximately \$780,000 available for Fiscal Year 2011/2012.

However, based on previous AIP costs, and dependent on the length of the medians and gateway treatment, staff estimates that full AIP Phase IV could be approximately \$1.3 million. The amount identified to date may only fund medians from Beethoven Street to Redwood Avenue. Therefore, staff is proposing that any

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costs savings realized from the Phase II or Phase III project be allocated to this proposed project. Additionally, through the Cooperation Agreements, a portion of future tax increment funds could be identified in Fiscal Year 2012/2013 to complete any outstanding construction elements not funded in Fiscal Year 2011/2012. It is important to note that future tax increment funding may or may not be available depending on the political and economic environment going forward.

Phase V and Phase VI

Two additional phases are recommended for incorporation east of Centinela Avenue (Attachment 6). Phase V would be from Centinela Avenue to Marcasel Avenue, and Phase VI would be implemented in concert with a mixed-use development at Marcasel Avenue slated for construction in early 2012.

Although funding for landscape medians in Phase V is unavailable in the next year, other less costly programmatic elements could be initiated such as the banner program, commercial façade rehabilitation and green building retrofit incentive program.

Phase VI initiation would be contingent on the approval of the community benefit improvements required for the mixed use project at Marcasel Avenue. At this time, the developer would like to apply his community benefit obligation to landscape medians similar to the current AIP and estimates that this benefit amount would be approximately \$180,000-\$200,000. This benefit amount could potentially fund the design and construction of one larger median across from the project. Depending on the actual construction costs, a portion of these funds could also be earmarked for future maintenance.

Both of these new phases would require the development of commercial based assessment districts; however this process could be deferred until funds are directly appropriated. In the meantime, these areas would benefit from the other programmatic elements as previously noted such as graphic identity banners and commercial façade programs.

Commercial Façade Matching Grant Program

In addition to the desire to construct medians, many property and business owners have expressed interest in participating in the commercial façade rehabilitation program, which is limited to only identified AIP areas. To date, the program has been implemented on a first-come, first-serve system basis that has worked well within the current phases. Given the potential interest in the program, the larger participation area and the limited funds (\$100,000 for FY 11-12) it is recommended that this program be implemented in a competitive manner so as to rate projects and properties most in need of rehabilitation.

FISCAL ANALYSIS:

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Staff has identified approximately \$780,000 in tax exempt bond funds for implementation a landscape medians in AIP Phase IV and \$100,000 of Commercial Façade Rehabilitation program in FY 2011-2012. At this time, funding is unavailable for Phase V. Funding for the landscape median installation in Phase VI is dependent on the future approval of the community benefit contribution for the mixed-use project at Marcasel Avenue. Additional funding for these projects in future years will be dependent on savings from prior AIP Phases, available tax increment revenues and prioritization set by the Council and Board.

ATTACHMENTS:

1. AIP Phase Map
2. Phase I Medians
3. Commercial Façade Rehabilitation
4. Banner Identity Program
5. Petition from Property Owners on West Washington Blvd.
6. Proposed Boundaries for Phase IV
7. Proposed Boundaries for Phase V and VI

MOTIONS:

That the City Council and Agency Board:

Consider the expansion of additional Area Improvement Plan areas along West Washington Boulevard from Beethoven Street to Walnut Avenue to the west and Centinela Avenue to Atlantic Avenue to the east as part of the Agency Board Adopted Budget for Fiscal Year 2011/2012 and direct the City Manager as deemed appropriate.