



City of Culver City

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Staff Report

File #: 19-1337, Version: 1

Item #: PH-6.

CC - PUBLIC HEARING: Adoption of a Resolution Approving a Disposition and Development Agreement between the City of Culver City and 3727 Robertson, LLC, Related to the Sale of City-Owned Real Property at 3725 Robertson Boulevard.

Meeting Date: June 10, 2019

Contact Person/Dept: Glenn Heald/CDD
Todd Tipton/CDD
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Fiscal Impact: Yes No **General Fund:** Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/05/19). Published in Culver City News (05/09/19 and 05/16/19).

Department Approval: Sol Blumenfeld, Director Community Development (05/16/19)

RECOMMENDATION

Staff recommends the City Council adopt a Resolution approving 1) a Disposition and Development Agreement (“DDA”) by and between the City and 3727 Robertson, LLC (the “Developer”), and 2) the sale of real property at 3725 Robertson Boulevard (the “Property”) to the Developer pursuant to the DDA.

PROCEDURE:

The following steps were completed on May 28, 2019 and do not need to be repeated:

1. Mayor opened the public hearing;
2. Mayor sought a motion to receive and file the affidavit of publication of notice and correspondence received in response to the public hearing notice (published May 9, 2019 and May 16, 2019);
3. Mayor sought a motion to continue the public hearing to June 10, 2019, which passed

unanimously;

The following steps will be completed on June 10, 2019:

4. Mayor declares the public hearing was opened on May 28, 2019;
5. Mayor calls for a staff report, if needed, and Council Members pose questions to staff as desired;
6. Mayor invites those present and interested to provide public comment on this subject;
7. Mayor seeks a motion to close the public hearing after all public testimony has been presented; and,
8. City Council discusses the item and arrives at its decision.

BACKGROUND/DISCUSSION

The City owns certain real property of approximately 1,000 square feet at 3725 Robertson Boulevard. The Property is an irregular remnant parcel approximately 10 feet wide and 100 feet deep, currently configured as a three-space tandem parking lot. The Property is zoned as Public Parking Facility (“PPF”) in an area zoned Industrial General (“IG”) with a General Plan designation of General Corridor, and within the recently established Transit Oriented Development District. Due to its irregular shape and narrow width, the parcel cannot be feasibly developed unless combined with an adjacent parcel.

In 2017 the City examined the opportunity to sell this remnant parcel to the Developer (which is controlled by the principals of Icon West, Inc., the occupants of the property at 3727 Robertson Boulevard), who indicated interest in combining it with the 3727 Robertson parcel owned by the Developer. The Developer proposes to develop a mixed-use development project on the combined parcels located at 3725-3727 Robertson Boulevard (the “Project”).

Agreement Summary

Scope of Development

The Project involves demolition of an existing commercial structure of approximately 2,850 square feet, and the construction of a mixed use transit oriented development comprised of one basement level of parking with 19 stalls, of which three will be used by the City at no cost to the City for public parking for a 25-year period; 3,884 square feet of retail and restaurant space and outdoor dining on the ground floor; 5,455 square feet of office space on the second floor; 12 residential units ranging in size from approximately 960 to 1,100 sq. ft. on the third, fourth and fifth floors, three of which are affordable units.

Terms of Agreement

The Agreement terms include:

1. Acquisition of the Development Site:
 - The Developer must purchase the Development Site from the City for approximately

\$100,000, payable to the City in the form of the gross parking revenues from the three public parking spaces for 25 years.

- The Developer must accept conveyance of the Property in an “AS IS” condition.
 - The Developer must indemnify the City for any costs and pay all costs relating to hazardous materials affecting the Property.
2. Construction of 12 residential units (of which three are affordable) with additional building height to 63 feet (an additional seven feet above the 56 foot height limit) and density at 86 dwelling units per acre pursuant to the City’s Community Benefits provisions under the Mixed Use Ordinance and State Density Bonus law (State DBL), as set forth in Government Code Section 65915. The three affordable units are comprised of one Low Income, one Moderate Income and one Workforce unit ¹;
 3. 10-foot dedication along Robertson Boulevard adjacent to the Project;
 4. City replacement of property lost to dedication with an equivalent amount of air space and subterranean encroachments;
 5. Relief from residential parking requirements for all twelve units as approved by City Council resolution pursuant to Zoning Code Section 17.400.065.H.4;
 6. Relief from the Mixed Use Ordinance pedestrian setback requirements as approved by City Council resolution pursuant to Zoning Code Section 17.400.065.E.4;
 7. Determination that the one low income unit complies with State DBL as approved by City Council resolution;
 8. Determination that one moderate and one workforce unit complies with the City’s Community Benefit provisions in the Mixed Use Development Ordinance as approved by City Council resolution;
 9. Acquisition of the City Property through land sale² as part of the Project in consideration for three parking spaces covenanted for public parking use under the control of the City for 25 years);³
 10. Mobility measures provided by the Developer including telecommuting, flex hours and TAP cards for employees in the office and retail/restaurant spaces, an EV charging station, bike racks, car sharing, TDM measures for employees (biking, ride share rewards);⁴
 11. Enter into the Disposition and Development Agreement (DDA) with City to develop the Project, acquire the City Property and conform to the above deal points.

Approval of the DDA is not approval of the Project. The Project must still go through the City’s entitlement process, including public hearings before the Planning Commission and City Council.

ENVIRONMENTAL REVIEW

Pursuant to Sections 15162 and 15168 of the California Environmental Quality Act (CEQA)

Guidelines, the City Council approval of the DDA, which provides for the conveyance of the Property, and construction of the Project, are within the scope of the Culver City Redevelopment Plan Amendment and Merger Certified Final Program Subsequent Environment Impact Report (FPSEIR) dated November 16, 1998. The City Council resolution determines that the approval and implementation of the DDA is adequately addressed in the EIR, and there is no substantial change in circumstances, new information of substantial importance, or project changes which would warrant additional environmental review at this time; therefore, no further environmental review is required at this time under CEQA pursuant to State CEQA Guidelines Section 15162. The entitlement process for the Project will include its own CEQA analysis and determination.

FISCAL ANALYSIS

The sale of the Property will generate approximately \$100,000 for the City in parking revenues and additional property tax revenues. No City or other public funds are to be expended on or for the development of the Property or for the development or construction of the Project, including the affordable housing units and the public parking improvements. Once the proposed project is complete, there could potentially be additional revenues generated from Utility User Tax, Sales Tax, and Business License Tax.

ATTACHMENTS

1. Proposed Disposition and Development Agreement.
2. Proposed Resolution

MOTION

That the City Council:

1. Adopt a Resolution approving a Disposition and Development Agreement between the City and 3727 Robertson, LLC, and the sale of real property at 3725 Robertson Boulevard to 3727 Robertson, LLC.

Notes:

1. Affordable covenant restrictions for 55 years and maintain the City parking space covenant for 25 years.
2. The City property has an estimated value of approximately \$90 per sq. ft. or \$90,000. It was acquired from the Successor Agency in accordance with the Successor Agency's Long Range Property Management Plan with the State, which stipulates that it must be used for public parking purposes. The implementation of the DDA will assure that this public parking requirement will be satisfied.
3. The City retains gross revenue from the monthly parking in consideration for the land.
4. The Developer is responsible for the construction, repair, replacement, and maintenance of the public parking, which will be operated under the control of the City for the 25 year period.

5. The mobility measures will be part of the project entitlements that requires annual City verification.
6. Developer to provide the following mobility related incentives:
 - a.) Employees who live within 5 miles of work (that can either walk or bike to work on a daily basis) will be paid, an annual stipend of \$200 gift certificate to cover walking or bike related expenses;
 - b.) Developer to provide free bus and Expo Tap Cards to employees for five years to encourage the use of public transit;
 - c.) Developer to reimburse employees for ride share expenses for emergency rides home outside of regular transit hours; and,
 - d.) Developer shall provide two spaces for car sharing purposes available to the general public, to be located adjacent to the three City public parking spaces.