



City of Culver City

Staff Report

File #: 24-241, Version: 1

Item #: A-2.

CC - ACTION ITEM: (1) Authorization to Enter into an Agreement with The Daniel A. Retting Separate Property Trust Established under The Daniel and Ellen Retting Family Trust and The Retting Trust dated October 25, 1989 for the Purchase and Sale of the Property Located at 11029 Washington Boulevard in Culver City in the Amount of \$6,500,000; (2) Approval of an Amount Not-to-Exceed \$250,000 for Closing Costs; (3) FOUR-FIFTHS VOTE REQUIREMENT: Approval of Related Budget Amendments; and (4) Direction to City Manager as Deemed Appropriate.

Meeting Date: September 11, 2023

Contact Person/Dept.: Jesse Mays/City Manager's Office

Phone Number: (310) 253-6000

Fiscal Impact: Yes No **General Fund:** Yes No

Attachments: Yes No

Public Notification: (E-Mail) Meetings and Agendas - City Council (09/06/2023)

Department Approval: John Nachbar, City Manager (09/06/2023)

RECOMMENDATION

Staff recommends the City Council (1) authorize entering into an agreement with The Daniel A. Retting Separate Property Trust established under The Daniel and Ellen Retting Family Trust and The Retting Trust dated October 25, 1989 (Seller) for the purchase and sale of the property located at 11029 Washington Boulevard in Culver City in the Amount of \$6,500,000; (2) approve of an amount not-to-exceed \$250,000 for closing costs; (3) approve related budget amendments (**requires a four-fifths vote**); and (4) if desired, provide direction to the City Manager.

BACKGROUND/DISCUSSION

The City Council has identified the need to acquire interests in property to address City goals. Recently, an opportunity has arisen to purchase the property located at 11029 Washington Boulevard on the corner of Huron Avenue on the westside of Culver City (Property). The Property, built in 1953, is a 0.2777-acre parcel containing a 4,660 square foot, one-story building with a retail and office use.

The following is a summary of key terms of the proposed purchase of the Property:

- Purchase price of \$6,500,000;
- Payment will be made in cash only (traditional financing will be unnecessary);
- City will pay for all escrow fees, the cost of title insurance and recording fees;
- Parties shall each pay for their respective attorneys' fees and out-of-pocket expenses;
- City shall be responsible for any documentary transfer tax imposed by the City of Culver City or the County of Los Angeles;
- Purchase and Sale Agreement (PSA) to be executed by September 30, 2023, unless such date is extended upon agreement of the parties;
- Seller shall deliver clear title prior to the close of escrow;
- Property shall be sold in an "as-is" condition;
- Closing date of the purchase shall be no later than 15 days following the contingency date, which is the latter date of (a) September 30, 2023 or (b) the clearance of title. The contingency date may be extended upon agreement of the parties; and
- Seller shall have the right, at no cost, until December 31, 2023 to vacate the Property.

Staff recommends the City Council approve the purchase of the Property as outlined above.

FISCAL ANALYSIS

The Property will be purchased for \$6,500,000, and closing costs are estimated at approximately \$250,000. The proposed funding sources for these costs are:

- 2011 RDA Bond Proceeds currently held with Fiscal Agent = \$1,106,115
- Fund 485 - COOP Unrestricted CAP (Economic Development Capital Projects Fund) = \$1,847,898
- General Fund Undesignated Fund Balance = \$3,545,987 (Land Acquisition)
- General Fund Undesignated Fund Balance = \$250,000 (Closing Costs)

A portion of the available funding in Fund 485 above requires City Council approval to release appropriated funds in the amount of \$530,000 in Project 48580000.730100.PS032 - TOD (Transit Oriented District) Crosswalk. This project will not be moving forward and other funding sources can be identified if and when the project becomes viable.

A budget amendment (**requiring four-fifths vote**) will be required to appropriate the funds in the following accounts:

- 10116100.710100 - Land Acquisition Costs = \$3,545,987
- 10116100.710100 - Land Acquisition Costs = \$250,000
- 48516100.710100 - Land Acquisition Costs = \$2,954,013
- 55090161.952485 - Transfer Out To Fund 485 = \$1,106,115 (if required per SA)
- 48516100.391550 - Transfer In From Fund 550 - \$1,106,115 (if required per SA)

ATTACHMENTS

None.

MOTIONS

That the City Council:

1. Authorize entering into an agreement with The Daniel A. Retting Separate Property Trust established under The Daniel and Ellen Retting Family Trust and The Retting Trust dated October 25, 1989 for the purchase and sale of the property located at 11029 Washington Boulevard in Culver City in the Amount of \$6,500,000;
2. Approve an amount not-to-exceed \$250,000 for closing costs;
3. Approve related budget amendments (**four-fifths vote requirement**);
4. Authorize the City Attorney to review/prepare the necessary documents; and
5. Authorize the City Manager to execute such documents on behalf of the City.