



City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report

File #: 16-158, **Version:** 1

Item #: C-13.

CC - Approval of Agreements with Natural Tique and Upstairs/Downstairs Furniture to Relocate the Businesses Located at 8910 and 8918 Venice Boulevard.

Meeting Date: 08/22/2016

Contact Person/Dept: Todd Tipton/CDD
Phone Number: (310) 253-5783

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐

Action Item: ☐

Attachments: Yes ☐ No ☒

Commission Action Required: Yes ☐ No ☒

Public Notification: (E-Mail) Meetings and Agendas - City Council (08/16/16)

Department Approval: Sol Blumenfeld, CDD Director (08/12/16)

RECOMMENDATION

That the City Council approve (1) an agreement with Natural Tique to relocate the business located at 8910 Venice Boulevard; and (2) an agreement with Upstairs/Downstairs Furniture to relocate the business located at 8918 Venice Boulevard.

BACKGROUND/DISCUSSION

In early 2011 the City acquired five separate properties located at 8900-8936 Venice Boulevard (Venice Properties) using former Culver City Redevelopment Agency (CCRA) taxable bond proceeds. The Venice Properties were acquired in order to assemble the land for a Transit Oriented Development (TOD) project adjacent to the Exposition Light Rail Line.

The Venice Properties are located in the City of Los Angeles and four of the five are subject to commercial property leases; the remaining property (a surface parking lot) is not. Of the four that are subject to a lease, three can be terminated subject to 30-day notice (month-to-month) and a settlement agreement has been executed with the fourth (David K's T-Shirt Printing - 8926 Venice Boulevard).

In September 2014 the City and Successor Agency to the Culver City Redevelopment Agency (SA)

entered into an Implementation Agreement with Lowe Enterprises (Lowe) to construct the Ivy Station TOD project (Project). The Project site is comprised of the Venice Properties and properties owned by the SA in Culver City. The SA's properties are currently used by the Los Angeles County Metropolitan Transportation Authority (Metro) as a surface parking lot.

The Implementation Agreement requires Lowe to fund all of the relocation costs, which will be reimbursed via a credit against the land sale proceeds that will be paid to the City for the Venice Properties. All funds resulting from the sale of the SA's property will be distributed by the Department of Finance to the taxing entities.

In order to understand the relocation costs associated with the businesses, the City contracted with a relocation specialist, a goodwill appraiser and a real estate appraiser. The City is also being assisted by City Special Counsel - Kane, Ballmer & Berkman.

City staff, its consultants, and City Special Counsel have been working with the remaining tenants to effectuate their relocation amicably. Of the three remaining tenants, settlement agreements have been reached with Natural Tique in the amount of \$30,000 and with Upstairs/Downstairs Furniture in the amount of \$105,000. To date, a settlement agreement with North American Spares (8936 Venice Boulevard) has not been reached.

FISCAL ANALYSIS

The total relocation cost to date for all tenants (including consultant and mediation costs) is estimated to be between \$1.14 and \$1.44 million, which will be funded by Lowe.

The Venice Properties have generated approximately \$1 million in rental proceeds for the City. The rental proceeds will be used to offset the total relocation costs identified above.

RECOMMENDED MOTIONS

That the City Council:

1. Approve an agreement with Natural Tique to relocate the business located at 8910 Venice Boulevard;
2. Approve an agreement with Upstairs/Downstairs Furniture to relocate the business located at 8918 Venice Boulevard;
3. Authorize the City Attorney and City Special Counsel to prepare the necessary documents;
and
4. Authorize the City Manager to execute the documents on behalf of the City.