File #: 21-58, **Version:** 1 **Item #:** A-4.

CC - (1) Approval of an Exclusive Negotiation Agreement with The Center Theatre Group of Los Angeles to Explore the Purchase and Development of the Parcel Located at 9814 Washington Boulevard Adjacent to the Kirk Douglas Theater; and (2) Direction to the City Manager as Deemed Appropriate.

Meeting Date: November 9, 2020

Contact Person/Dept: Sol Blumenfeld, CDD
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Fiscal Impact: Yes [] No [X] **General Fund:** Yes [] No [X]

Public Hearing: [] **Action Item:** [X] **Attachments:** [X]

Commission Action Required: Yes [] No [X] **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (11/05/2020);

Department Approval: Sol Blumenfeld, Community Development Department (11/05/2020)

RECOMMENDATION

Staff recommends that the City Council (1) approve the proposed Exclusive Negotiation Agreement (ENA) with The Center Theatre Group of Los Angeles (CTG) to explore the purchase and development of the property located at 9814 Washington Boulevard (Property) adjacent to the Kirk Douglas Theater (KDT); and (2) provide direction to the City Manager as deemed appropriate.

BACKGROUND

The former Culver City Redevelopment Agency acquired the Property and subsequently entered into a Disposition and Development Agreement (DDA) with CTG to redevelop it along with the former Culver Theater. CTG redeveloped the Culver Theater (now known as the Kirk Douglas Theater) but was unable to redevelop the Property. When developing the Kirk Douglas Theater (KDT), CTG placed electrical and air conditioning equipment and a craft area on the Property, which remain today. CTG remains interested in establishing a compatible use for the Property and in working with

the City to achieve this objective.

DISCUSSION

The Surplus Land Act (SLA) was recently expanded to include the proposed sale of certain property listed in a Long Range Property Management Plan (such as the Property) unless such property is subject to an exclusive negotiation agreement, disposition and development agreement or other form of an agreement for development by December 31, 2020 (and actually sold by December 31, 2022). Under the SLA, for property to be disposed of, a cumbersome process must be followed, which gives precedence to affordable housing uses. While affordable housing may be a preferred redevelopment use, the property disposition under the SLA may preclude other compatible uses from consideration unless it is under contract prior to the December 31, 2020 deadline. Therefore, in order address the statutory deadline and to better manage the process for redevelopment in order to explore a new-arts related mixed-use development compatible with the KDT, staff recommends the Property be contractually obligated via an ENA because it may be done expeditiously, potentially satisfy the need for affordable housing, allow time for the City to pursue with CTG the solicitation of proposals through a Request for Proposals (RFP) process to thoroughly vet development concepts and select the most qualified development team, and to provide a ground floor arts venue compatible with the adjacent KDT.

The proposed ENA would obligate the City and CTG to negotiate in good faith to timely bring a proposal forward for the Property's sale and development consistent with the mutual needs of both parties.

FISCAL ANALYSIS

There is no cost to the City to enter into the ENA and to pursue solicitation of development proposals for the Property. Any land sales proceeds related to the Property must be returned to the taxing entities (e.g., County of Los Angeles) pursuant to the City's Long Range Property Management Plan approved by the State.

ATTACHMENTS

1. 20_11_09 Att. No. 1_Exclusive Negotiation Agreement

MOTION

That the City Council:

1. Approve the proposed ENA with CTG to explore the purchase and development of the Property adjacent to the KDT; and

2. Provide direction to the City Manager as deemed appropriate.