



# Information Item

**Date: December 9, 2010**

To: Mayor and City Council  
From: Andy Agle, Director of Housing and Economic Development  
Subject: Bergamot Station Area Planning Process and Existing Property Lease

## **Introduction**

This Information Item describes a request that the City issue a new, long-term lease to the existing lessee of the Bergamot Station art center and explains how this request will be addressed within the context of the Bergamot Area Planning process. A critical next step in the implementation of the Land Use and Circulation Element (LUCE) is identification of parameters for the future development of the Bergamot Station property.

## **Background**

Bergamot Station art center, located at 2525 Michigan Avenue, consists of a total of 6.6 acres, 5.6 acres of which are owned by the City, while the remaining one acre is owned by Bergamot Station Phase II Ltd (Wayne Blank). The City acquired its portion of the property in 1989 using transit funds in order to accommodate future rail transit and supporting uses. The City-owned site consists of five corrugated steel buildings totaling 72,000 square feet and 3.88 acres of open space and parking. The City leased the site to Bergamot Station II Ltd. (Wayne Blank, the lessee), the operator of the Bergamot Station art center ("Bergamot"), on a month-to-month basis starting in 1994. In 2005, City Council approved a five-year lease with five one-year options to encourage the continued operation of the art center while the City continued to plan for the Exposition Light Rail project. The five-year term of the lease expires on December 31, 2010. The lessee has requested a 65-year lease extension in order to amortize proposed improvements to the existing art complex.

## **Discussion**

The Bergamot Station art center is located within the Bergamot Transit Village district identified in the LUCE. The Exposition Light Rail Line, anticipated to be operational in 2015, will include a station on the Bergamot Station art center site. Planning and Community Development Department (PCD) staff is preparing an area plan for the overall Bergamot Transit Village district as recommended in the LUCE, to help address the issues affecting both the Bergamot Station art center and the larger Bergamot Transit Village district.

The LUCE vision includes a high-quality, mixed-use creative arts and entertainment transit village around the new Expo Light Rail station and Bergamot Station arts center. The City recently received a HUD/TIGER II Sustainable Communities Challenge grant for combined planning of the Bergamot Transit Village and Mixed-Use Creative districts. The planning effort will guide future infrastructure improvements, including roads, bikeways, pedestrian paths and public transit connectivity, to help facilitate improved circulation within the district and to the surrounding neighborhoods. It will also guide future development in accordance with the LUCE principals of fostering mixed-use, neighborhood-friendly buildings, a mix of housing, creative arts, local-serving retail and employment, and the creation of shared parking for all uses. A principle goal of the area plan is for a minimum 50 percent share of all trips to the Transit Village to be made by foot, bike, carpool and transit. The area plan will coordinate and inform new development proposals for the area.

The lease for the City-owned portion of the Bergamot Station art center expires on December 31, 2010. The lessee then has five one-year options to extend his lease (expiration of options on December 31, 2015). The lessee has notified the City of its intent to exercise the first one-year option on January 1, 2011, and has concurrently requested a 65-year lease extension in order to amortize investments to the property, provide greater certainty to existing tenants that Bergamot Station art center will continue to thrive, begin a strategic planning and capital fundraising process for a new

Santa Monica Museum of Art facility and to prepare an overall development plan for Bergamot Station so that proposed new improvements coincide with the Expo Light Rail. Prior to considering future negotiations for the property, staff intends to prepare an area plan for the Bergamot Transit Village district. Below is a preliminary planning schedule to be refined in consultation with the City Council as PCD brings forward study sessions on the area planning effort:

- November 2010 – February 2011: City staff continues to work with Exposition Construction Authority to define the plan for the station platform(s) and entrances at Bergamot Station, and continue coordination and discussions with the lessee.
- Currently underway: PCD has been undertaking analysis of the infrastructure needed to serve the Bergamot Transit Village, and Mixed-Use Creative districts on the north side of Olympic Boulevard, including the street network, bicycle network, open space and shared parking. PCD is coordinating with BBB on transit connectivity, including the bus interface and layover components. PCD is also identifying potential parameters for the character of the streets and buildings.
- Winter/Spring 2011: City staff to initiate an extensive community engagement process with residents, businesses and the Santa Monica arts community to set the future direction for the area. PCD and Community and Cultural Services (CCS) will lead this process.
- November 2011: Council will be asked to give direction regarding the nature of preferred improvements and necessary steps to implement the vision, including negotiating instructions regarding leasing of the property.

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