



Community Redevelopment Agency
of the CITY OF LOS ANGELES

DATE / DEC 18 2008

FILE CODE /

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Los Angeles / California 90013-1258

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CRA File No. 8985
Council District: 14
Contact Person: Donna DeBruhl-Hemer
(213) 977-2621

Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring Street
Room 340, City Hall
Los Angeles, CA. 90012

Attention: Alan Alietti, Office of the City Clerk

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on December 18, 2008, for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:

ACQUISITION OF REAL PROPERTY LOCATED AT 110 S. BOYLE AVENUE FOR THE PURCHASE PRICE OF \$2,700,000 FROM THE KONDO TRUST IN THE ADELANTE EASTSIDE REDEVELOPMENT PROJECT AREA AND BUDGET AMENDMENT IN THE AMOUNT OF \$1,700,000.

RECOMMENDATION

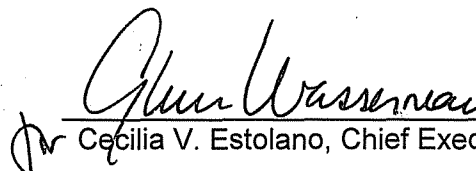
That City Council approve(s) recommendation(s) on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

The proposed acquisition is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15004(b) (2) (A). The proposed acquisition is intended to result in a Request for Proposal for development of the site. At the time a Disposition and Development Agreement is brought to the CRA/LA for consideration the appropriate environmental document pursuant to CEQA also will be brought for the CRA/LA Board of Commissioners consideration.

FISCAL IMPACT STATEMENT

There is no fiscal impact to the City's General Fund, as a result of this action.


Cecilia V. Estolano, Chief Executive Officer

cc: Karen Kalfayan, Office of the City Clerk (Original & 3 Copies on 3-hole punch)
Lisa Johnson Smith, Office of the CAO

HOUSING, COMMUNITY &
ECONOMIC DEVELOPMENT
DEC 22 2008



CRA/LA

Building communities

Ivania Sobalvarro, Office of the CLA
Helmi Hisserich, Office of the Mayor

Noreen Vincent, Office of the City Attorney

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MEMORANDUM

DATE: DECEMBER 18, 2008 EA2190
EA2220

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: STEVE VALENZUELA, REGIONAL ADMINISTRATOR
DONNA DE BRUHL-HEMER, PROJECT MANAGER
DAVID CONRAD, SENIOR REAL ESTATE DEVELOPMENT AGENT

SUBJECT: ACQUISITION OF REAL PROPERTY LOCATED AT 110 S. BOYLE AVENUE FOR THE PURCHASE PRICE OF \$2,700,000 FROM THE KONDO TRUST IN THE ADELANTE EASTSIDE REDEVELOPMENT PROJECT AREA AND BUDGET AMENDMENT IN THE AMOUNT OF \$1,700,000.
EASTSIDE REGION (CD 14)

RECOMMENDATIONS

That the CRA/LA Board of Commissioners, subject to City Council review and approval:

1. Amend the FY09 Adelante Eastside Budget and Work Program to authorize the expenditure of \$1,700,000 from the CRA/LA Land Acquisition Fund for the voluntary acquisition of property located at 110 S. Boyle Avenue (Subject Property); and

That the CRA/LA Board of Commissioners:

2. Authorize the acquisition of the Subject Property from the Kondo Trust (Seller) for up to \$2,700,000 which includes acquisition of real estate, fixtures and relocation.

SUMMARY

The CRA/LA has initiated negotiations on a conditional purchase and sale agreement with Seller, for the purpose of acquiring the Subject Property in the Adelante Eastside Redevelopment Project Area (Attachment A). The Subject Property is occupied by a laundromat and parking lot. Once acquired, the Subject Property will be marketed for development by way of a request for proposals.

Located on the southeast corner of 1st and Boyle, the property is part of an important transit-oriented opportunity site. Construction of the 1st/Boyle Mariachi Plaza Metro station, across First Street from the Subject Property, is nearing completion. Following the station's opening in Fall 2009, Metro's joint development partners will start construction on two large new commercial developments across Boyle Avenue and First Street, on properties currently used for Gold Line

1ST & BOYLE LAND ACQUISITION

construction and staging. Additionally, the historic Boyle Hotel, located at this key intersection, will undergo rehabilitation and new construction as an affordable rental development.

RE

Initial Action

SOURCE OF FUNDS

CRA/LA Land Acquisition Fund and Adelante Eastside Tax Increment.

PROGRAM AND BUDGET IMPACT

The \$1,700,000 from the CRA/LA Land Acquisition Fund and \$1,000,000 from budgeted line item "mixed-use" are necessary for the recommended action.

ENVIRONMENTAL REVIEW

The proposed acquisition is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15004(b) (2) (A). The proposed acquisition is intended to result in a Request for Proposal for development of the site. At the time a Disposition and Development Agreement is brought to the CRA/LA for consideration the appropriate environmental document pursuant to CEQA also will be brought for the CRA/LA Board of Commissioners consideration.

BACKGROUND

The Subject Property is located within the Eastside Region's most important transit-oriented development (TOD) opportunity sites. Moreover, potential has been demonstrated for development of a significant mixed-use development, potentially incorporating housing over street-activating retail uses. This is the initial and most strategic property in an assemblage that, depending on market conditions and availability of resources may, eventually, may include adjacent properties. Any parcels acquired by CRA/LA staff will be disposed of through issuance of a request for proposals to experienced developers.

CRA/LA staff initiated planning at this TOD site in 2008, retaining LeSar Development Company to assist the CRA/LA in applying for State Prop 1C acquisition funds. An appraisal was completed in March 2008 that appraised the property at \$1.7M. It is estimated that relocation costs and FFE could be up to an additional \$1M. The CRA/LA was unsuccessful in garnering Prop 1C acquisition funding. On August 1, 2008 the CRA/LA Real Estate Department, on behalf of the Eastside Region, sent a second Notice of Intent to Appraise (in order to update the previous appraisal) and an Offer to Purchase letter to the Seller. Close of escrow is contingent upon satisfactory review of a Phase I and Phase II Environmental Site Assessment.

City Councilmember Jose Huizar and the Adelante Eastside Project Area Committee support the recommended action.

1ST & BOYLE LAND ACQUISITION

Cecilia V. Estolano
Chief Executive Officer

By

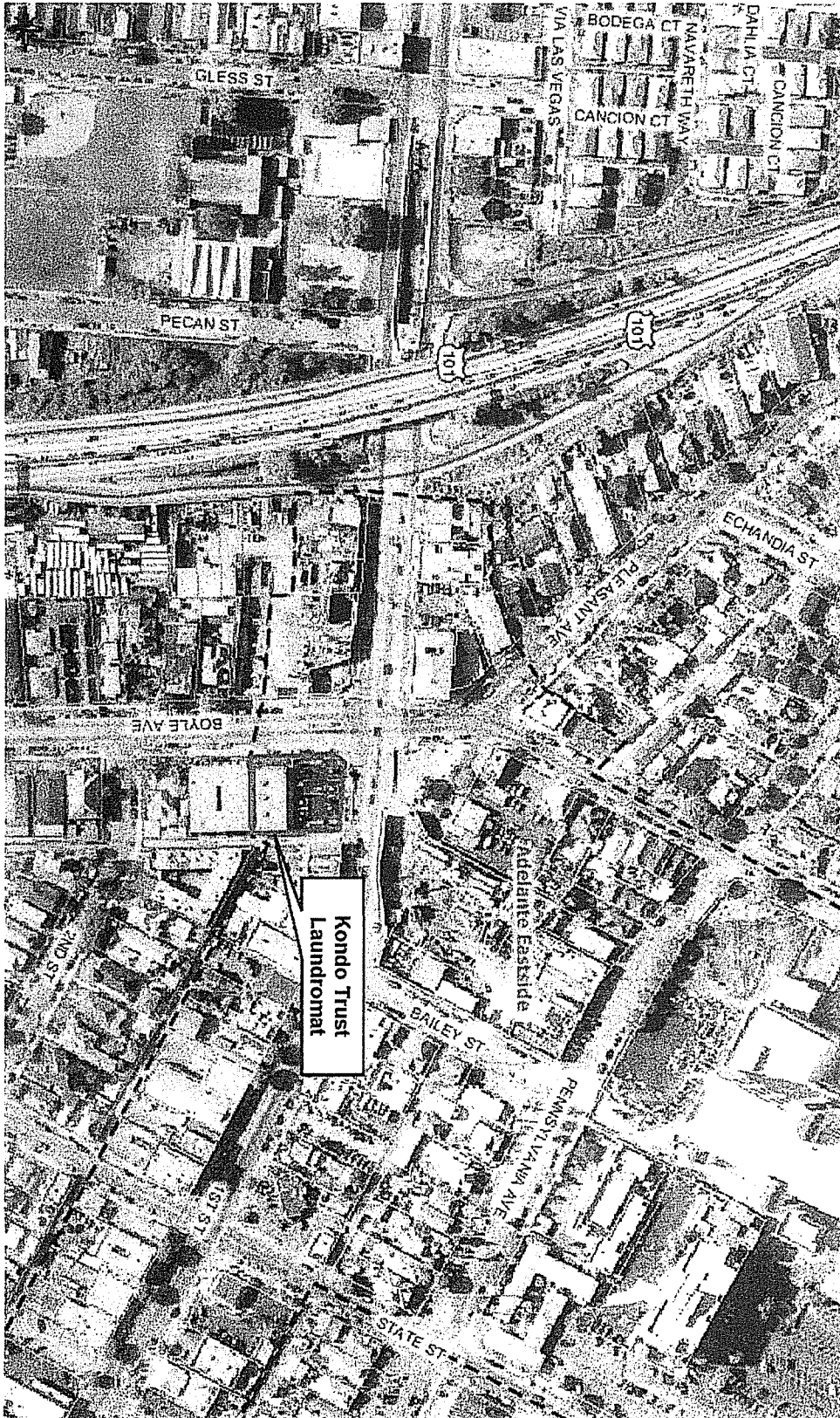


Glenn F. Wasserman
Chief Operating Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

ATTACHMENTS

Attachment A—Site Map



110 South Boyle Avenue