

MOTION

In 2011, the City entered into a ground lease agreement (C-118897) with the Little Tokyo Service Center Community Development Corporation (LTSC) for a City-owned property located at 237-249 South Los Angeles Street in Council District 14. The Lease provides LTSC with the site control required to design, construct and maintain a multipurpose facility, also known as the Budokan of Los Angeles (Budokan Project). The Lease indicates that construction of the Budokan Project “would provide a significant benefit to the public by providing much needed recreational, education and health and fitness facilities in an under-served community.” The lease was amended in 2016 to authorize the extension of the commencement of construction from 60 months to 84 months after the lease effective date (C.F. 10-0450-S1).

In 2010, LTSC was awarded \$250,000 in Proposition K funds for the Little Tokyo Recreation Center, Proposition K Grant Agreement No. C-117491. Subsequently, in 2016, LTSC was awarded \$1,300,000 in Proposition K funds for the Budokan Project, Proposition K Grant Agreement No. C-127723.

In order to fully finance the Budokan Project, LTSC has applied for funding from the federal New Markets Tax Credit Program (NMTC Program). The NMTC Program is a tax credit program that promotes investment in businesses and public facilities located in low-income communities that helps to provide services or jobs to low-income households.

In order for LTSC to secure the NMTC funding, certain amendments to the existing Lease between the City of Los Angeles and LTSC are needed. The Lease amendments include, but are not limited to: creation of a non-profit entity; authority for LTSC to sublease/assign the lease to the non-profit entity; permit a leasehold security interest; authority for the non-profit entity to sub-lease the project back to LTSC to operate the project; and other lease amendments. The NMTC Program funds would constitute 25% of the project funding needed.

I THEREFORE MOVE that the City Council instruct the Department of General Services, in consultation with the City Attorney, to negotiate and execute a lease amendment with Little Tokyo Service Center Community Development Corporation (LTSC) for the City-owned property located at 237-249 South Los Angeles Street in Council District 14 to facilitate LTSC’s application for the federal New Markets Tax Credit Program.

PRESENTED BY: _____

Jose Huizar
JOSE HUIZAR
Councilmember, 14th District

SECONDED BY: _____

Debra

ORIGINAL

JUN 30 2017

cbs

[Handwritten signature]