



Bob Blue <bob.b.blue@gmail.com>

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## Special Joint Meeting of the City Council and the CRA/LA, March 8, 2011, Special Joint Meeting of the City Council and the CRA/LA, March 8, 2011

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Bob Blue <bob.b.blue@gmail.com>

Tue, Mar 8, 2011 at 9:02 AM

To: The Honorable Richard Alarcón <councilmember.alarcon@lacity.org>, The Honorable Tony Cardenas <councilmember.cardenas@lacity.org>, The Honorable Eric Garcetti <Eric.Garcetti@lacity.org>, The Honorable Janice Hahn <councilmember.hahn@lacity.org>, The Honorable Jose Huizar <councilmember.huizar@lacity.org>, The Honorable Paul Koretz <Paul.Koretz@lacity.org>, The Honorable Paul Krekorian <Councilmember.Krekorian@lacity.org>, The Honorable Tom LaBonge <councilmember.labonge@lacity.org>, "The Honorable Bernard C. Parks" <councilmember.parks@lacity.org>, The Honorable Jan Perry <councilmember.perry@lacity.org>, "The Honorable Ed P. Reyes" <councilmember.reyes@lacity.org>, The Honorable Bill Rosendahl <councilmember.rosendahl@lacity.org>, The Honorable Greig Smith <councilmember.smith@lacity.org>, "The Honorable Herb J. Wesson Jr." <councilmember.wesson@lacity.org>, "The Honorable Dennis P. Zine" <councilmember.zine@lacity.org>  
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Special Joint Meeting of the City Council and the CRA/LA, March 8, 2011  
Agenda Items 24 through 57

**Subject: The Theft of funds by the Los Angeles City Council Today that Should Be used for EDUCATION and PUBLIC SAFETY**

Dear Councilmembers,

**I strongly urge you to vote no on Items 24 through 57**

**Over \$1 Billion dollars at Stake**

Today as you put on a “**dog and pony show**,” telling us how CRA leverages funds, State Controller John Chiang has performed a non-bias audit of CRA’s telling the people of Los Angeles the EXACT OPPOSITE

**“The agencies shorted schools more than \$40 million and neglected financial disclosures, John Chiang’s report says.”**

<http://www.latimes.com/news/local/la-me-redevelopment-20110308.0,7682705.story>

**There is no Free Lunch - You are taking from Education and Public Healthy and Safety in Your Attempt to Circumvent the wishes of the voters who elected Gov. Brown, not Meg Whitman.**

**Governor’s Plan to Use Tax Funds: CRA’s Tax Increment Financing will be reallocated: 30% to**

the City and the balance to LAUSD (40%), the County (25%), and other entities (5%).

**LA City Council's Plan Below:**

If you believe in your ideas, put it to a vote of the people who now support closing down Redevelopment Agencies who support the Governor 66% statewide.

**1. CRA/LA Employees were told yesterday to go to City Council today:**

**2. CRA Commissioners and Chief Executive Officer throws Rank-and-File CRA Employees under the bus and Saves her own job and select Management Team in Friday's (03/04/2011) Language.**

(Agenda Item No. 22, March 4, 2011: [http://ens.lacity.org/clk/councilagendas/clkcouncilagendas370480\\_03042011.pdf](http://ens.lacity.org/clk/councilagendas/clkcouncilagendas370480_03042011.pdf))

"...either a non-profit organization or development corporation approved by the City Council and **managed by the CEO, with support from designated members of the management team** and staff."

No other employees are saved in Friday's language which was a violation of Govt. Code 1090, because it was a financial conflict of interest for Ms. Essel.

Taking out this language does not undo any crime and also shows the intent of the CRA Commissioners. Because of this, the current CRA/LA management team should be excluded from participating in the new non-profit or development corporation envisioned by you.

**3. Wealthy Law Firms Given \$9.5 million:** Including Kane Balmer who engineered this conveyance of funds to shield them from the Taxpayers of Los Angeles back in January.

Are you back paying Kane Balmer for the work that they did previously?

**4. Purchase Orders Do Not Exist:** Illegal procurement practice. The report states that there is a list of firms and related purchase order for these law firms referenced above, but there is no list on the material available for public.

**5. CIM's Mid-Town Crossing:** CIM Group was given \$20 million HUD Section 108 grant to bring in a Lowe's to be paid back by Sales Tax. Meaning the taxpayer was repaying this wealthy developers loan.

There are no protections for the Taxpayers since any guarantees of Mid Town Crossing loans are made by an LLC, not the parent CIM Group.

The City Council was assured that no more government assistance was needed for this PRIVATE FOR-PROFIT PROJECT.and now you will vote to give CIM Group more funds.

This comes on the heels of the **\$30 million dollar HUD Section 108 grant to CIM Group** for the new Kodak Theater. (Section108 grants are for slum clearance not luxury retail centers).

The City Council of Los Angeles was assured by the Redevelopment Agency that no more government was needed for CIM Mid Town Crossing and today you are giving them another \$1 million.

**6. Controversal Blossom Plaza Downtown is Part of your vote today:** Tied to pension fund scandal: <http://articles.latimes.com/2009/may/16/business/fi-pension16>

**7. 1601 N Vine/Vine Street Office Towers Cover-up and Theft of Public Funds:** As part of the \$930 million transfer shield of funds, you have included the 1601 N Vine Street project in which **all City Council members and their staff are aware of the serious allegations of criminal fraud surrounding a hidden appraisal resulting in the loss of \$1.4 million and misrepresentations made to this City Council and CRA Commissioners covering up the Developer's negative history.**

Statements made at the HCED Committee on Feb. 23, 2011 can be heard:  
[http://lacity.granicus.com/MediaPlayer.php?view\\_id=103&clip\\_id=8849](http://lacity.granicus.com/MediaPlayer.php?view_id=103&clip_id=8849)

The misrepresentation made to transfer the property in 2006 from Ullman to Pacifica (Katersky/Arnold) to CRA within a one month period for \$5.45 million and then sell it back to Pacifica for \$825,000 was continued

Councilmembers Wesson, Cardenas, and Alarcon were present when they "Cleared" Katersky, acknowledged probable fraud, and brought up former CEO Cecilia Estalano instead of doing the job that they are paid for (acting in the best interests of the public for the use of public funds). **Instead Wesson, Alarcon, and Cardenas approved this project in the Housing Community and Economic Development Committee.**

Katersky stated for the record, that Pacifica still manages and owns Albuquerque Studios without mentioning that Pacifica Mesa filed for bankruptcy in July 2010 on Albuquerque and Worker's Realty Trust II is attempted to foreclose on Katersky's company's interest in the studios. Katersky also stated for the record at least twice (in January at the CRA and at the HCED Committee on Feb. 23, 2011) that all legal matters have been settled and that there are no lawsuits against him. This was a false statement.

**And yet Cardenas went out of his way to say that Katersky didn't do anything wrong!**

**thank you.**

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