

**TO THE COUNCIL OF THE  
CITY OF LOS ANGELES**

Your

**BUDGET AND FINANCE Committee**

**reports as follows:**

ADMINISTRATIVE EXEMPTION, BUDGET AND FINANCE COMMITTEE REPORT, and ORDINANCE relative to amending an agreement with Libaw-Horowitz Investment Company concerning the Lancer Property (41<sup>st</sup> and Alameda) and establishing a trust fund for the receipt and disbursement of funds.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. FIND that the establishment of the Lancer Site Recreational Improvements Trust Fund is considered an administrative activity and is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f), of the Los Angeles City CEQA Guidelines.
2. PRESENT and ADOPT the accompanying ORDINANCE amending the previous Agreement entered into by the Harbor Department and Libaw-Horowitz Investment Company concerning the Lancer Property (41st and Alameda) in Council District Nine to convert from land to cash and establishing the Lancer Site Recreational Improvements Trust Fund for the cash pledge of \$3,573,365 to be used for park purposes in Council District Nine.
3. APPROVE the Termination and Release of Pledge Agreement and Associated Cash Pledge of \$3,573,365 between Libaw-Horowitz Investment Company and the Harbor Department (attached to the Harbor Commission report dated August 4, 2011, in the Council File).
4. AUTHORIZE and DIRECT the Executive Director of the Board of Harbor Commissioners to execute, and the Board Secretary to attest, to:
  - a. Termination and Release of Pledge Agreement between Libaw-Horowitz Investment Co. and the Harbor Department.
  - b. The associated Cash Pledge Agreement between Libaw-Horowitz Investment Company and the Harbor Department.
5. INSTRUCT the Chief Legislative Analyst (CLA), with the assistance of Council District Nine, the Housing Authority of the City of Los Angeles, the Department of Recreation and Parks, and other departments as appropriate to establish a process for the implementation and payment of funds associated with the Cash Pledge Agreement.

Fiscal Impact Statement: The CLA reports that there is no impact to the General Fund as a result of these actions. The City will receive \$3,573,365 to be placed in the Lancer Site Recreational Improvements Trust Fund upon adoption of the proposed Ordinance.

Community Impact Statement: None submitted.

**(Arts, Parks, and Neighborhoods Committee waived consideration of the above matter.)**

## SUMMARY

At its meeting of October 24, 2011, the Budget and Finance Committee considered Board of Harbor Commissioners, Chief Legislative Analyst, and City Attorney reports and an Ordinance relative to amending an agreement with Libaw-Horowitz Investment Company to release a pledge to dedicate a portion of the Lancer property located at 41<sup>st</sup> and Alameda Streets (Property) in exchange for cash and creating a trust fund for retention and disbursement of the funds. These reports are all attached to the Council file and describe this matter in more detail.

The CLA reports that as part of a litigation settlement between Libaw-Horowitz Investment Company and the Harbor Department, approved by Council on August 13, 2003, a 2.6 acre portion of the Property was dedicated to the Department of Recreation and Parks (RAP) or a non-profit designated by Council District Nine for recreation and park purposes. On July 12, 2011, Council District Nine requested that the Harbor Board of Commissioners allow Libaw-Horowitz to rescind its pledge to dedicate the 2.6 acres and instead provide a cash pledge in the amount of \$3,573,365 to improve and provide recreational facilities and programs within the vicinity of the Property. The Council Office believes that the Property would be better utilized as a garment design and manufacturing center to facilitate economic development in the area and make available up to 600 jobs for area residents. The City Attorney reports that there is a buyer currently in escrow to purchase the entire Property from Libaw-Horowitz to construct this facility.

On August 4, 2011, the Board of Harbor Commissioners considered the request by Council District Nine. According to the Harbor Department staff report released August 29, 2011, the Commission deferred this matter to the Council due to the factors detailed in their report attached to the Council file.

During Committee consideration, Councilmember Jan Perry addressed the Committee and provided an overview of this matter. City Attorney and CLA representatives provided additional background information, an overview of the Ordinance provisions, and responded to related questions from Committee members. After a lengthy period of public comment, the Budget and Finance Committee recommended that Council approve the CLA recommendations and adopt the accompanying Ordinance. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
CARDENAS:	YES
ENGLANDER:	ABSENT
ROSENDAHL:	YES
KORETZ:	YES

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