

ARTS, PARKS AND RIVER COMMITTEE REPORT relative to the potential acquisition of the Taylor Yard G2 Parcel (Taylor Yard G2) located 2.5 miles northeast of downtown Los Angeles.

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

1. APPROVE option one on the January 13, 2017 Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) joint report to proceed with the purchase of Taylor Yard G2 for the Los Angeles River Ecosystem Restoration (LARER) Project, and AUTHORIZE the close of escrow.
2. CERTIFY that:
  - a. The attached Addendum to the LARER Integrated Feasibility Report and Joint Environmental Impact Statement/Environmental Impact Report (EIS/EIR), approved by Council on June 29, 2016 (Council file no. 14-1158-S2), was completed in compliance with the California Environmental Quality Act.
  - b. The Addendum to that EIS/EIR, entitled Los Angeles River Ecosystem Restoration Project: Acquisition of Taylor Yard G2 Parcel, was presented to the City Council, as the decision-making body of the City, and that the City Council reviewed and considered the information contained therein.
  - c. The Addendum reflects and expresses the City's independent judgment and analysis on the matters described therein.
3. INSTRUCT the Bureau of Engineering (BOE), with the assistance of the City Attorney, to file a Notice of Determination within five working days of City Council certification of the Addendum.
4. AUTHORIZE the use of Municipal Improvement Corporation of Los Angeles (MICLA) financing necessary for the acquisition of Taylor Yard G2 consisting of 41.485 acres at a purchase price of \$59,315,000 plus closing costs as follows:
  - a. Approve a \$20 million increase in MICLA financing for the Taylor Yard G2 Project for a total of \$60 million as amended from the 2016-17 Adopted Budget.
  - b. Re-approve the use of this \$60 million in MICLA financing included in the 2016-17 Adopted Budget for the acquisition of Taylor Yard G2.
  - c. Authorize the Controller to appropriate \$60 million to a new account entitled Taylor Yard G2 within MICLA Commercial Paper Fund No. 298.
5. INSTRUCT the Department of General Services (GSD), with assistance from the City Attorney, to send a Buyer Notice of Approval of Conditions to the escrow agent and current owner of Taylor Yard G2 in order to process the Close of Escrow for the acquisition of Taylor Yard G2 on or before the date thirty (30) days after the end of the Feasibility Review Period of that escrow.

6. AUTHORIZE GSD to execute the Close of Escrow documents to acquire Taylor Yard G2 located at 2850 Kerr Street, Los Angeles, CA 90039 in Council District 1, on or before the date thirty (30) days after the end of the Feasibility Review Period and to transfer up to \$60 million from MICLA Commercial Paper Fund 298, Taylor Yard G2 account, as follows:
  - a. A total of \$59,215,000 plus associated closing cost to the escrow agent, First American Title Insurance.
  - b. A total of \$100,000 to the Reserve Fund as repayment of the loan to the Capital Improvement Expenditure Fund for Taylor Yard G2.
7. INSTRUCT the CLA with assistance from the BOE, CAO, and City Attorney, to continue to negotiate an agreement with the Santa Monica Mountains Conservancy for a multi-purpose easement on a portion of the Taylor Yard G2 Parcel for identified State grant funds to offset the costs associated with Taylor Yard G2, and report on the status of the negotiations and funding within 90 days of the close of escrow.
8. AUTHORIZE the CAO, CLA and Controller to make technical adjustments as necessary.
9. RECEIVE and FILE the BOE report dated January 5, 2017.
10. NOTE and FILE the BOE report dated January 12, 2017.

Fiscal Impact Statement: The CAO and CLA states that there will be a fiscal impact to the General Fund from approval of the recommendations in this report. If the City Council approved the acquisition, and authorizes the issuance of MICLA by February 28, 2017 to close escrow, the General Fund impact to repay the acquisition cost is estimated at \$4.2 million annually over 30 years. If the City Council cancels escrow, then a total of \$100,000 will be returned to the Reserve Fund. There may be additional General Fund impacts in the future upon the completion of design approval by the City and Federal government of the LARER Project. The LARER Project on Taylor Yard G2 has an estimated cost of \$252.1 million with currently identified and potential funding of \$161.8 million, resulting in a funding gap of at least \$90.3 million.

Community Impact Statement: Submitted.

For: Atwater Village Neighborhood Council

**(The City Council may recess to Closed Session, pursuant to Government Code Section 54956.8, to confer with its real property negotiators (the CLA, in conjunction with the CAO and GSD) and the City Attorney relative to the price and terms of the purchase of real property at 2850 Kerr Street, Los Angeles, California, commonly known as Parcel G2 of Taylor Yards by the City from Union Pacific Railroad Company, a Delaware corporation. The address includes portions of APN 5442-002-823, APN 5442-002-824, APN 5445-004-802 and APN 5445-004-803).**

**(Budget and Finance Committee waived consideration of the above matter)**

Summary:

At its meeting of January 24, 2017, the Arts, Parks, and River Committee considered the joint CLA and CAO report dated January 13, 2017, and BOE reports dated January 5, 2017 and January 12, 2017, relative to the potential acquisition of the Taylor Yard G2 located 2.5 miles northeast of downtown Los Angeles. During Committee consideration, representatives of the CLA, CAO and BOE provided a brief summary of the matter and responded to related questions from Committee members.

After a discussion on the potential acquisition of the Taylor Yard G2 parcel and after providing an opportunity for public comment, the Committee recommended that Council approve the recommendations as reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ARTS, PARKS, AND RIVER COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| O'FARRELL:    | YES         |
| PRICE:        | ABSENT      |
| KORETZ:       | ABSENT      |
| BLUMENFIELD:  | YES         |
| RYU:          | YES         |



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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**