

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to proposed purchase of the former Community Redevelopment Agency of Los Angeles (CRA/LA) property located at 18447 Sherman Way and 7221 Canby Avenue from the CRA/LA and sale of said property to Thomas Safran and Associates (TSA).

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

1. DETERMINE that the sale of the City-optioned property at located at 18447 Sherman Way and 7221 Canby Avenue to TSA will assist in the economic development of the City and that the public interest is best served by the future sale of the property.
2. AUTHORIZE the Mayor to submit a disposition plan for the property at 18447 Sherman Way and 7221 Canby Avenue to CRA/LA for review and approval as provided for in Attachment B of the October 7, 2016 Municipal Facilities Committee (MFC) report, attached to the Council file.
3. INSTRUCT conflict counsel to prepare a purchase and sale agreement and related documents to effectuate the City's purchase of the property from the CRA/LA for the fair market value as described within the option agreement, attached to the Council file.
4. REQUEST the City Attorney to prepare and present a purchase and sale agreement, grant deed, covenant agreement and sale Ordinance to effectuate the City's sale of 18447 Sherman Way and 7221 Canby Avenue to TSA under terms to be negotiated and for the fair market value as determined within the option agreement, attached to the Council file.
5. INSTRUCT the Economic and Workforce Development Department (EWDD), and Housing and Community Investment Department, with the assistance of the Chief Legislative Analyst (CLA) and City Administrative Officer (CAO), to prepare any additional documents necessary to effectuate the purchase and sale of the property at 18447 Sherman Way and 7221 Canby Avenue and implement the Disposition Plan as detailed in the October 7, 2016 MFC report, attached to the Council file.
6. AUTHORIZE the EWDD to make technical corrections or adjustments that may be required and are consistent with this action, subject to the approval of the CAO.

Fiscal Impact Statement: The MFC reports that the proposed sale is not anticipated to have any immediate impact on the General Fund and acquisition funds will flow from the Buyer to the CRA/LA. As an Affected Taxing Entity under the Dissolution Statute, the City will receive a portion of the sales proceeds in the future as property tax income. The amount of the unanticipated income is unknown at this time.

Community Impact Statement: None submitted.

Summary:

On November 8, 2016, your Committee considered an October 7, 2016 MFC report relative to proposed purchase of the former CRA/LA property located at 18447 Sherman Way and 7221

Canby Avenue from the CRA/LA and sale of said property to TSA. According to the MFC, in January 2015, the City entered into an Option Agreement with CRA/LA (a designated local authority) to purchase two parcels consisting of a 9,000 square ft. parcel currently occupied by the now-vacant movie theater on Sherman Way, and a vacant 11,000 square foot former parking lot on Canby Avenue immediately across the alley to the north, totaling 20,000 square feet. The theater, which was built in 1948, has been abandoned and deteriorating for over 22 years.

The vacant lot is located at 7221 Canby Avenue while the Reseda Theatre is located at 18447 Sherman Way (Property). The Property is currently owned by the CRA/LA - DLA, successor to the CRA/LA, and is categorized as a future development property in CRA/LA's Long Range Property Management Plan. Through the term of the Option Agreement, the City has the right to acquire the Property for the appraised Fair Market Value, as well as the right to solicit and sell the Property to a buyer that will use the Property consistent with the provisions of the Redevelopment Plan, the Five Year Implementation Plan, and the Community Plan for the Project Area.

The above recommendations are for the approval of the Disposition Plan as required under the Option Agreement, which includes a description of a conceptual scope of development, an anticipated schedule of performance, and evidence that the proposed use of the property is consistent with the Redevelopment Plan, the Five Year Implementation Plan, and the Community Plan for the project area. Future approvals by Council and Mayor will be required to authorize the execution of the transactional documents and adoption of the sale Ordinance.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the October 7, 2016 MFC report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	ABSENT
HARRIS-DAWSON:	YES
KREKORIAN:	YES
MARTINEZ:	YES

ARL
11/8/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-