

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to option agreements for Community Redevelopment Agency of Los Angeles, a Designated Local Authority (CRA/LA-DLA) future development properties.

Recommendations for Council action:

1. AUTHORIZE the Chief Legislative Analyst (CLA), City Administrative Officer (CAO), and the Office of the Mayor to work with the CRA/LA-DLA and the California Department of Finance (DOF) to:
 - a. Negotiate Option Agreements for the City's acquisition of ten (10) CRA/LA-DLA Retained for Future Development properties, as identified in the revised Attachment A (attached to Council file [C.F.] No. 14-0425).
 - b. Negotiate the receipt of one (1) CRA/LA-DLA real property interest that includes up to 2.5 million square feet of transferable floor area rights over the Los Angeles Convention Center through a grant deed with a reverter clause, as identified in the revised Attachment A (attached to C.F. No. 14-0425).

2. INSTRUCT the CLA and CAO to:
 - a. Report to the Council and Mayor with the results of negotiations and a final list of properties and cost estimates, seek further approval to enter into Option Agreements or other real property transfer agreements with CRA/LA-DLA and relevant parties, and recommendations for funding.
 - b. Report to the Council and Mayor on any CRA/LA-DLA properties denied as Future Development by the DOF and any legal parameters available to the City to pursue remediation of such action.

Fiscal Impact Statement: The CLA/CAO reports that there is no General Fund impact for the City of Los Angeles at this time. Upon the DOF's approval of the Long Range Property Management Plan and negotiation of Option Agreements with CRA/LA-DLA, the City's future execution of Option Agreements on the properties will entail property maintenance costs that have not yet been determined. A subsequent report seeking approval to execute instruments to transfer the properties will include the costs associated with maintenance. There would be no costs associated with liability coverage since the City self-insures real property.

Community Impact Statement: None submitted.

At a special meeting held on May 20, 2014, the Economic Development Committee considered a joint CLA/CAO report relative to option agreements for CRA/LA-DLA future development properties. Representatives of the CLA and CAO provided the Committee with a brief overview of the joint report and responded to related questions.

During discussion of the matter, the CLA representative reported that the original request made

to the CRA/LA-DLA was for nine real properties for future development and one contingent property. However, the contingent property was recategorized by CRA/LA-DLA as future development and added to the real property interest list (for a total of 10 future development properties) subsequent to the release of the CLA/CAO joint report. Therefore, this change is now reflected in a revised Attachment A (which also replaces Attachment B) that was submitted into the record and attached to C.F. No. 14-0425, and in revised recommendations that were read into the record.

Additionally, the representative of the CAO reported that the revised recommendations also include an additional real property interest: transferrable floor area ratio (TFAR) of 2.5 million square feet that CRA/LA-DLA owns. The City's Dissolution Team has worked with CRA/LA-DLA for a plan for the sale of the TFAR which the City will receive via grant deed (upon DOF approval) as future development property. The revised recommendations including this addition were also read into the record.

After additional discussion, and after providing an opportunity for public comment, the Committee approved the recommendations in the joint CLA/CAO report as amended. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
KREKORIAN:	YES
HUIZAR:	YES
CEDILLO:	YES
MARTINEZ:	ABSENT

REW
6/18/14
FILE NO. 14-0425

-NOT OFFICIAL UNTIL COUNCIL ACTS-