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**File No. 14-1174-S25**

**ECONOMIC DEVELOPMENT COMMITTEE REPORT** relative to utilizing Community Redevelopment Agency of Los Angeles (CRA/LA) Excess Non-Housing Bond Proceeds (EBP) for the Madrid Theatre Canoga Park Cultural Arts Hub Project (Project) within the Reseda/Canoga Park Redevelopment Project Area.

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

1. FIND that the action of appropriating and withholding expenditure of funds for the Project pending the completion, review and consideration of planning and environmental documents related to the Project is not a project pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4) because it merely creates a funding mechanism or other governmental fiscal activity that does not commit the City to a project that may result in a potentially significant impact on the environment, and that preparing preliminary planning and environmental documents is not a project pursuant to CEQA Guidelines Section 15378(b)(5) because it is an administrative activity that will not result in physical changes in the environment.
2. APPROVE up to \$175,000 in taxable CRA/LA EBP available to Council District Three from the Reseda/Canoga Park Redevelopment Project Area to be utilized for the Project.
3. AUTHORIZE the Department of Cultural Affairs (DCA) to be the implementing department for activities relating to the Project.
4. AUTHORIZE the Department of General Services (GSD) to issue a Request For Bid and purchase order, and acquire the capital equipment on behalf of the DCA.
5. AUTHORIZE the Controller, subject to the conditions below and availability of funds and a duly executed and encumbered contract and/or purchase order, to expend up to \$175,000 from the EBP Fund No. 57D, Reseda/Canoga Park Account No. 22L9PT Taxable Series 2010-D, for activities related to the Project upon presentation of proper documentation by the GSD and DCA, and satisfactory review and approval of the Economic and Workforce Development Department (EWDD) in accordance with the terms and conditions of the Bond Expenditure Agreement.
6. AUTHORIZE the DCA to perform limited preliminary planning as may be necessary to conduct the environmental review for the Project from the above-noted funds appropriated to the Project.
7. INSTRUCT the DCA to withhold expending, or committing to expend, any of the remainder of the above-noted funds allocated to the Project until all of the following have occurred:
  - a. The Bureau of Engineering has completed the preliminary planning documents and environmental review documents.
  - b. The City has complied with CEQA requirements with respect to the Project, including obtaining any necessary CEQA clearances prior to final consideration and approval of the Project.

8. INSTRUCT the DCA to expend the EBP allocation no later than September 30, 2024.
9. INSTRUCT the DCA to transmit copies of all contracts and/or purchase orders related to the Project to the EWDD.
10. INSTRUCT the DCA to report on its work accomplishments to the City Administrative Officer (CAO), and fund expenditures to the EWDD, on a quarterly and as-needed basis.
11. AUTHORIZE the Interim General Manager, EWDD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the CAO; and, AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The CRA/LA Bond Oversight Committee reports that there is no impact on the City's General Fund from the proposed appropriation of CRA/LA EBP. The CRA/LA EBP Fund No. 57D is funded solely from transfers totaling approximately \$88.4 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City. Said transfers have been deposited with the Controller.

Community Impact Statement: None submitted.

## SUMMARY

At the meeting held on October 22, 2019, your Economic Development Committee considered a CRA/LA Bond Oversight Committee report relative to utilizing CRA/LA EBP for the Project within the Reseda/Canoga Park Redevelopment Project Area. The EWDD reports that an Amending Motion was adopted by Council on July 2, 2019, attached to the Council file. This Amending Motion seeks to appropriate up to \$175,000 in taxable EBP available to Council District Three from the Project Area to acquire a new state-of-the-art concert level grand piano for use by the Madrid Theatre as part of the Project.

The Project was not listed as a potential project in the Bond Spending Plan (BSP) that was adopted by Council on June 24, 2015 (Council file No. 14-1174). The City's request to amend the BSP to include the Project as a potential project in the Project Area's BSP was approved by CRA/LA's Governing and Oversight Boards on September 6, 2018 and September 24, 2018 respectively, followed by the State Department of Finance on October 26, 2018. Sufficient funds for this purpose are available from Council District Three's portion EBP in the Project Area.

During the discussion of the item, City staff clarified that two pianos for use by the Madrid Theatre would be purchased as part of the Project. After an opportunity for public comment was held, the Committee moved to approve the CRA/LA Bond Oversight Committee's recommendations, as detailed above.

This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

A handwritten signature in black ink, appearing to read "R. Price", is written over the printed text.

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
BUSCAINO:	YES
RODRIGUEZ:	YES

ME 10/22/19

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**