

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to utilizing up to \$400,000 from the Adelante Eastside Redevelopment Project Area to acquire and facilitate the sale and development of the Ocean Queen Site located at 1300 East First Street.

Recommendations for Council action, pursuant to Motion (Huizar - Rodriguez):

1. AUTHORIZE the utilization of taxable Community Redevelopment Agency Los Angeles (CRA/LA) Excess Bond Proceeds available to Council District 14 in an amount not to exceed \$400,000 from the Adelante Eastside Redevelopment Project Area by the Economic and Workforce Development Department (EWDD) to acquire and facilitate the sale and development of the Ocean Queen site located at 1300 East First Street (APN 5172-008-900; 5172-008-901; 5172-008-902) from the CRA/LA, A Designated Local Authority.
2. INSTRUCT the EWDD, with the assistance of the City Administrative Officer (CAO), Chief Legislative Analyst (CLA), Housing and Community Investment Department, and any other applicable City Department, to provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate taxable CRA/LA Excess Bond Proceeds in an amount not to exceed \$400,000 to acquire and facilitate the sale and development of the Ocean Queen site located at 1300 East First Street (APN 5172-008-900; 5172-008-901; 5172-008-902) from CRA/LA, as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Adelante Eastside Redevelopment Project Area.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On October 24, 2017, your Committee considered a Motion (Huizar - Rodriguez) relative to utilizing up to \$400,000 from the Adelante Eastside Redevelopment Project Area to acquire and facilitate the sale and development of the Ocean Queen Site located at 1300 East First Street (APN 5172-008-900; 5172-008-901; 5172-008-902). According to the Motion, on December 16, 2014, Council authorized the Mayor, or designee, to execute Option Agreements related to the transfer of 10 real property interests held by CRA/LA, A Designated Local Authority ("CRA/LA") classified as "Property Retained for Future Development" ("Future Development") under the Long Range Property Management Plan approved by the State Department of Finance (Council File No. 14-0425).

The CRA/LA is the successor agency to the former Community Redevelopment Agency of the City of Los Angeles. AB1484 affords an opportunity for successor agencies to retain certain assets for future development to fulfill redevelopment objectives within the redevelopment plans and five-year implementation plans. CRA/LA does not have the capacity to carry out new development activity so the City has been provided the opportunity to take on this effort. The Option Agreements allow the City to market and develop the ten Future Development sites in a manner that is consistent with the redevelopment objectives and best serves the needs of the

City and affected taxing entities. The Option Agreements were fully executed on January 9, 2015, and the properties are now under the control of the City.

Among the ten Future Development sites is real property located at 1300 East First Street (APN 5172-008-900; 5172008-901; 5172-008-902). The site is commonly referred to as the "Ocean Queen" and consists of a single parcel measuring approximately 20,564 square feet improved with a 12,000 square foot building and surface parking lot. The property is currently occupied by Self Help Graphics and Art, Inc. (SHG) and as such, resides in the Adelante Eastside Redevelopment Project Area and directly across from the Metro Gold Line Pico/Aliso Station in Council District 14.

The SHG is a 501(c)3 non-profit organization that is dedicated to the production, interpretation, and distribution of prints and other art media made by Latino artists. They have been an integral part of the Boyle Heights community for decades providing a forum for local and international artists. The SHG currently occupies the property under a ground lease with CRA/LA that extends through 2020 but they are interested in acquiring the site to secure their permanent location. In order to facilitate the purchase, the SHG is in need of additional funding to secure all financing to meet the purchase price. In exchange for the City's assistance, the SHG will commit to providing a slate of community services and benefits at their location for a period of ten years that would be memorialized in a restrictive covenant on the grant deed when purchased.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



MEMBER VOTE

PRICE: YES

BUSCAINO: ABSENT

HUIZAR: YES

ARL

10/24/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-