

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to appropriating Community Redevelopment Agency of Los Angeles (CRA/LA) Excess Non-Housing Bond Proceeds (EBP) to acquire commercial property located at 13460 Van Nuys Boulevard for a culinary arts program and business incubator project.

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

1. FIND that the Culinary Arts Program and Business Incubator with accompanying City/government services Project (Project) is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Class 1 (Existing Facilities) and Article III, Class 1 (1) (Existing Facilities - alterations with negligible or no expansion of use beyond previously existing) of the City CEQA Guidelines. Subsequent CEQA review will be required if there is a change or expansion of the uses as described.
2. APPROVE up to \$3,300,000 in Tax-Exempt CRA/LA EBP available to Council District 7 (CD 7) from the Pacoima/Panorama City Redevelopment Project Area (Project Area) be utilized to acquire commercial property located at 13460 Van Nuys Boulevard, Pacoima, CA 91331 (Property) for the purpose of Project.
3. AUTHORIZE the Department of General Services (GSD) to negotiate and execute with the owner of the Property (Seller) a Purchase and Sale Agreement (PSA) and all related transactional documents as needed.
4. INSTRUCT the GSD to transmit copies of all duly executed agreement(s) related to Project to the Economic and Workforce Development Department (EWDD).
5. INSTRUCT the GSD to submit any agreements arising from tenants leasing space to the City Administrative Officer (CAO) for review to ensure continued compliance with bond covenants.
6. AUTHORIZE the Controller, upon receipt of a duly executed PSA between the City and Property Seller no later than September 30, 2019, to expend up to the final purchase price and related closing costs not to exceed \$3,300,000 from the EBP Fund No. 57D, Pacoima/Panorama City Account No. 22L9MN Tax-Exempt Series 2009-D, upon presentation of proper documentation from the GSD and satisfactory review by the EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement.
7. AUTHORIZE the Controller to transfer up to \$3,300,000 from the EBP Fund No. 57D, Account No. 22L9MN, Pacoima/Panorama City Tax-Exempt Series 2009-D to a third party escrow company upon receipt of appropriate transfer instructions from the GSD and/or EWDD.
8. INSTRUCT the GSD to report on its work accomplishments to the CAO, and fund expenditures to the EWDD, on a quarterly and as-needed basis.
9. 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 two transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City. Said transfers have been deposited with the Controller.

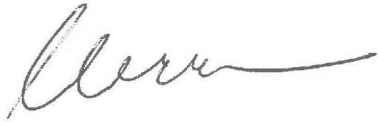
Community Impact Statement: None submitted.

### SUMMARY

At the meeting held on February 12, 2019, your Economic Development Committee considered a CRA/LA Bond Oversight Committee report relative to appropriating CRA/LA EBP to acquire commercial property located at 13460 Van Nuys Boulevard for a culinary arts program and business incubator project. The EWDD reports that the original taxable and tax-exempt EBP in the Project Area available to CD 7 was \$10,001,374 net of the mandatory (\$213,876) taxable EBP admin set aside. This transmittal's proposed \$3,300,000 in tax-exempt EBP appropriation, along with 4 approved projects, will leave CD 7 with an estimated \$642,847 in taxable, and \$4,187,418 in tax-exempt EBP for an ending available balance of \$4,830,266 for CD 7 in the Project Area. 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



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

ME 2/12/19

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**