

## MOTION

## ECONOMIC DEVELOPMENT

On December 16, 2014 (C.F. 14-0425), the City 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. 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 10 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 10 Future Development sites is real property located at 1300 East First Street (APN 5172-008-900; 5172-008-901; 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). The site resides in the Adelante Eastside Redevelopment Project Area and directly across from the Metro Gold Line Pico/Aliso station in Council District 14.

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. 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, SHG is in need of additional funding to secure all financing to meet the purchase price. In exchange for the City's assistance, SHG will commit to providing a slate of community services and benefits at their location for a period of 10 years that would be memorialized in a restrictive covenant on the grant deed when purchased.

In accordance with policies adopted by Council (C.F. 14-1174) related to the CRA/LA Bond Expenditure Agreement and Bond Spending Plan, any proposal to expend CRA/LA Excess Bond Proceeds shall be initiated by Council Motion. Proposals will be reviewed by the CRA/LA Bond Oversight Committee, Economic Development Committee, and any other applicable committee with final recommendations presented to the Council and Mayor for final consideration and approval. The use of taxable CRA/LA Excess Bond Proceeds towards the acquisition and development of the Ocean Queen for the purpose of securing a commercial component that provides community services and benefits is identified as an eligible expense in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that taxable 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 be utilized by the Economic and Workforce Development Department 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, A Designated Local Authority.

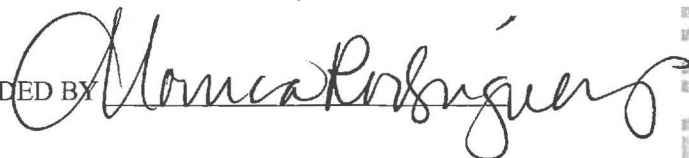
I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Housing and Community Investment Department, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight 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, A Designated Local Authority, as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Adelante Eastside Redevelopment Project Area.

PRESENTED BY

  
JOSÉ HUIZAR

Councilmember, 14<sup>TH</sup> District

SECONDED BY



OCT 17 2017