

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the economic development of the site of the former Lincoln Heights Jail.

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

1. DETERMINE that the Lincoln Heights Jail at 401 North Avenue 19 is an Economic Development property under the Asset Management Strategic Planning Asset Evaluation Framework.
2. INSTRUCT the Chief Legislative Analyst (CLA) and City Attorney, with the assistance of the City Administrative Officer (CAO) and Economic and Workforce Development Department (EWDD), to negotiate and execute an Exclusive Negotiation Agreement (ENA) with Lincoln Property Company and Fifteen Group (Developer) for a term of 12 months with one 12-month extension at the option of the City, which should incorporate requirements that the proposed project provide the City with certain community benefits.
3. INSTRUCT the CLA and CAO, with the assistance of EWDD, to report to Council on the proposed term sheet for the Disposition and Development Agreement, and a proposed term sheet for either a Purchase and Sale Agreement (for sale of the property) or ground lease, and terms for any other necessary documents, that will include a list of required community benefits.
4. AUTHORIZE and INSTRUCT the CLA to:
  - a. Hire consultants necessary to evaluate the proposed Lincoln Heights Jail development.
  - b. Accept \$150,000 for consultant services from the Developer to analyze the economics and financing associated with this instruction.
5. REQUEST and AUTHORIZE the City Controller to deposit, appropriate, and expend all funds received as a result of this action in Fund 100/28, Contractual Services Account No. 3040; and AUTHORIZE the CLA to make any technical corrections, revisions, or clarifications to the above instructions in order to effectuate the intent of this action.
6. INSTRUCT the Bureau of Engineering, with the assistance of the Los Angeles Department of Transportation (LADOT), CAO, and CLA, to report on efforts taken to relocate the LADOT Yard located at 401 North Avenue 19, and include in said report fiscal impacts, costs for tenant improvements, potential funding sources and timeline, and a list of potential relocation sites.

Fiscal Impact Statement: The CAO and CLA report that approval of the recommendations contained on the October 20, 2017 joint CAO and CLA report will not have an immediate impact on the General Fund. However, relocation of the LADOT Avenue 19 Yard may have an impact, should the need occur as a result of any potential development of the jail. The extent of any future impact on the General Fund is unknown at this time.

Community Impact Statement: Yes

For:  
Lincoln Heights Neighborhood Council

Summary:

On October 24, 2017, your Committee considered an October 20, 2017 joint CAO and CLA report relative to the economic development of the site of the former Lincoln Heights Jail. According to the CAO and CLA, on September 20, 2016, Council approved a Motion (Cedillo-Price, et al.) instructing the CAO and CLA to take various actions related to the adaptive reuse of the Lincoln Heights Jail, located at 401 Avenue 19, in Council District 1 (Site). On March 16, 2017, a Request for Proposals (RFP) was issued seeking a development team to undertake the adaptive reuse of the Site. Responses were due on June 9, 2017 and the City received nine proposals. Respondents to the RFP were judged based on financial feasibility, community benefits, economic benefits, environmental benefits, and overall fit with area plans. Upon review by the City scoring team, three finalists were selected to present their proposal to a Community Advisory Panel. Following this public review process, the City scoring panel selected Lincoln Property Company as the preferred developer for this project. Proposers were afforded the right to appeal the final selection but no appeals were received.

Key elements of the Site proposal include commercial and fabrication spaces, public market, creative office space, live-work housing, outdoor landscaping with an amphitheater and recreation space, and community rooftop terrace. An overview is provided in Attachment A of the joint report. The development will be combined with property that Lincoln Property controls directly across the street, where they intend to build additional affordable housing and commercial office space. Lincoln Property has also committed to creating a neighborhood greenway to connect the project to the Lincoln/Cypress Metro Station. At the end of the six month Exclusive Negotiation Agreement (ENA) negotiation period, the terms for a Disposition and Development Agreement (DDA) and either Purchase and Sale Agreement (PSA) or ground lease that will guide project completion will be presented to Council for review and approval. The ENA will ensure that the project includes community benefits, which may include: living wage programs, targeted and local hiring programs, public open space features and enhancements, public infrastructure improvements, and generation of jobs. It will also be used to determine the fair market value of the property and the contribution of the developer to the City.

The CLA and CAO answered questions from the Committee members and note that the joint report erroneously states that the property located across the street from the jail site is controlled by the Lincoln Property Company. The correct entity controlling said site is the Fifteen Group.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the October 20, 2017 joint CAO and CLA report as amended and 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-**