

CATEGORICAL EXEMPTION and INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to purchasing real property located at 5400 Crenshaw Boulevard for use as a surface parking lot.

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

1. FIND that the project falls under Class 1 (15304) exemptions under the California Environmental Quality Act (CEQA) as well as the Class 1, Category (d)4 in the City of Los Angeles Environmental Quality Act Guidelines (2002); and, that none of the limitations set forth in State CEQA Guidelines 15300.2 apply to this action.
2. DIRECT and AUTHORIZE the Department of General Services (GSD), with the assistance of the Chief Legislative Analyst (CLA), Los Angeles Department of Transportation (LADOT), the City Administrative Officer (CAO), and REQUEST the City Attorney to take the necessary actions to acquire the property located at 5400 Crenshaw Boulevard for the purchase price of \$1,800,000 for the development of a City parking lot, including the negotiation and execution of any necessary agreements, as amended to stipulate that the entire amount of the purchase price be returned to the City if the property is repurchased in accordance with the terms of the Exclusive Negotiating Agreement (ENA).
3. AUTHORIZE the use of up to \$2,122,583.52 in Recovery Zone Economic Development Bonds proceeds and interest earning from Municipal Improvement Corporation of Los Angeles (MICLA) Bonds, Series 2010-C Fund No. 26K for the predevelopment, acquisition, and development of 5400 Crenshaw Boulevard into a City parking lot.
4. AUTHORIZE the Controller to establish and appropriate \$2,122,583.52 within Fund No. 26K MICLA Revenue Bonds 2010-C Construction to a new appropriation account entitled 5400 Crenshaw Blvd., Los Angeles Parking Lot.
5. DIRECT the CLA, with the assistance of the City Attorney and such departments as may be required, to negotiate and execute an ENA with WA/ID- 5400 Crenshaw, L.P., a to-be-formed California Limited Partnership, regarding a potential future development of 5400 Crenshaw Boulevard, based on the framework discussed within the CLA report to the Information, Technology, and General Services Committee dated September 6, 2017.
6. AUTHORIZE the CLA to make any technical corrections including Controller instructions and take any additional actions to effectuate the purchase of 5400 Crenshaw Boulevard; and, REQUEST the Controller to effectuate such instructions as necessary.

Fiscal Impact Statement: The CLA reports that this action will not impact the General Fund. Approving the above recommendations will appropriate up to \$2,122,583.52 in bond proceeds and interest earnings from Recovery Zone Economic Development Bonds for the purchase of real property. This amount is savings from prior bond issuances.

Community Impact Statement: None submitted.

SUMMARY

In a report to the Information, Technology, and General Services Committee dated September 6, 2017, the CLA discusses the proposed acquisition by the City of property located at 5400 Crenshaw Boulevard for use as a surface parking lot. Due to construction of the Crenshaw/LAX rail line, approximately 300 parking spaces in and around the Crenshaw commercial corridor will be permanently lost. Council directed LADOT, with the assistance of GSD, the CLA, and the CAO to evaluate the site to replace a portion of the lost parking.

According to the CLA, the property is currently a gravel parking lot used as temporary public parking. The lot will provide 60-70 new parking spaces. LADOT determined the property is highly viable for this use.

The CLA reports that West Angeles Community Development Corporation originally intended to acquire the property and is currently in escrow to purchase the site from West Angeles City Place, LLC, an entity comprised of CIM/5400 Crenshaw L.P. and West Angeles Community Development Corporation. West Angeles is unable to acquire the property at this time and is amenable to transferring escrow to the City so the City may purchase the property. A March 2017 appraisal ordered by West Angeles found the property to be valued at \$1,800,000. GSD's commissioned appraisal found the value to be \$1,585,000. The CLA recommends that the City acquire this site for the purchase price of \$1,800,000, and that Council approve the related actions above for the development of the site as a public parking lot.

The CLA recommends the purchase price of \$1,800,000 based on several factors, including the fact that the City would be assuming terms of an existing purchase agreement, replacing lost parking, and the potential for future development on the site. However, the determination of the purchase price is a Council policy decision.

West Angeles envisions the development of a mixed-use project at the site bringing needed retail and housing to the area. The CLA requests authority to negotiate and execute an ENA. Once the ENA is executed, the City would be restricted to partnering solely with West Angeles / Integral Development during the ENA term should a future development opportunity occur on the property. The ENA shall have a term of two years with an option to renew for an additional year. West Angeles will have the right, but not the obligation, to purchase or lease the property solely for a mixed-use retail/housing development that materially benefits the community. The ENA grants West Angeles access to the property to perform due diligence at reasonable times and with reasonable notice after the City acquires the property and prior to expiration of its right to acquire the property.

At its meeting held September 26, 2017, the Information, Technology, and General Services Committee discussed this matter with representatives of the CLA and LADOT. The Councilmember from the Eighth Council District was in attendance to express support for the proposed acquisition of the property. The CLA representative explained that the proposed purchase price of \$1,800,000 was negotiated with the owner of the property. The Committee Chair expressed concern regarding the recommended purchase price and suggested that the City be reimbursed if the property is developed for an alternate use. Committee recommended that Council approve the CLA's recommendations, as amended to stipulate that the entire purchase price be recovered by the City if the property is repurchased in accordance with the terms of the ENA.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

A handwritten signature in cursive script that reads "Monica Rodriguez".

<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	YES
O'FARRELL:	ABSENT

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-NOT OFFICIAL UNTIL COUNCIL ACTS-