

CITY OF LOS ANGELES
CALIFORNIA

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December 6, 2018

Honorable City Council
City of Los Angeles
C/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

**AUTHORIZING GRANT OF NON-EXCLUSIVE PERMANENT EASEMENT AND
TEMPORARY CONSTRUCTION EASEMENT TO CP V CUMULUS, LLC OVER
CITY OWNED PROPERTY AT 3251 S. LA CIENEGA BLVD (PROPERTY),
LOS ANGELES, CA 90016
APN: 4205-035-900 (CD 11, C.F 18-0523)**

On August 28, 2018, the City Council directed the Department of General Services (GSD) to grant a couple of easements to CP V Cumulus (Cumulus), a Delaware limited liability company and to report on the steps, including any necessary agreements, utility and cable companies will need to undertake in order to run their service lines under GSD's Property (Utilities), under Council File 18-0523. This report is meant to specify the terms of each easement and to obtain the necessary authorization for their issuance to Cumulus and to provide an update on the utilities.

The first easement is an 11,280 square foot nonexclusive permanent easement for ingress and egress, and the second, is a 3,957 square foot temporary construction easement for construction staging purposes (Easements) over City-owned property located at 3251 S. La Cienega Blvd (Property).

The Utilities mentioned in the August 28, 2018 motion are no longer being sought by Cumulus on City Property.

The proposed grant of the non-exclusive permanent easement will allow Cumulus to have an additional access point to their development. The temporary construction easement will allow Cumulus to maintain a safe working area during the duration of their construction.



BACKGROUND

The City-owned Property is currently burdened by several easements, one for ingress, egress serving an adjacent property, another for an underground pipeline. Due to these easements, the highest and best use of the City-owned property has been determined by GSD's appraisal consultant, to be a transportation corridor. The current easements being sought by Cumulus will serve Assessor Parcel Numbers 4205-033-007 and 4205-033-015, immediately to the west and adjoining the City-owned Property. The temporary construction easement will have a one-year term with two six-month options to renew. The ingress and egress easement will be permanent. Due to the nature of this Property, given the fact that other adjacent users have ingress/egress easements currently in place, and the highest and best use of the Property being a transportation corridor, the easements to Cumulus are being issued directly without the need for competitive bidding. Should other adjacent property owners desire ingress/egress easements, the City would be able to accommodate, if desired.

According to the Developer, "The Cumulus District, currently under construction, will be a new transit-oriented, urban mixed-use development centrally located in Los Angeles at the intersection of La Cienega Boulevard at Jefferson Boulevard; adjacent to Culver City and directly north of the Metro light rail Expo Line station. The 11.19-acre project site will feature a 32-story high rise tower, two 7-story podium buildings, and a 1-acre public park plaza and will include 1,210 residential units, 100,000 square feet of ground floor destination and local serving retail anchored by a grocery store, and 200,000 square feet of creative office. The project will also include a total of approximately 125,000 square feet of open space and 27,000 square feet of leasing and interior amenity spaces. With a focus on accessibility and community, Cumulus is evolutionary and embraces how LA is transforming. Cumulus acts as a place-maker, working within the fabric of the existing community to contribute to a better quality of life for everyone."

FISCAL IMPACT

The granting of the nonexclusive permanent easement for ingress and egress will generate Two Hundred Twenty Thousand Dollars (\$220,000). The temporary construction staging easement will generate (\$20,000) per year. These easements will generate gross revenues to the City of approximately \$240,000. The net proceeds will be deposited to the General Fund.

RECOMMENDATIONS

That the Los Angeles City Council, subject to the approval of the Mayor:

1. Authorize and direct GSD with the assistance of the City Attorney, to negotiate and execute a permanent non-exclusive easement to Cumulus on the City-owned Property for ingress and egress purposes to a mixed-use development project and further authorize and direct the City Attorney's office to prepare an Ordinance to effectuate this transfer. And;

2. Authorize and Direct GSD, with the assistance of the City Attorney, to also negotiate a temporary construction easement with Cumulus authorizing them to utilize a portion of the Property for a temporary construction staging area for a one year period and two six-month options, so long as it does not impede the existing easements on the site.

A handwritten signature in black ink, appearing to read "Tony M. Royster". The signature is written in a cursive style with a horizontal line above it.

Tony M. Royster
General Manager