

CITY OF LOS ANGELES

CALIFORNIA

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Interim City Clerk

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March 10, 2009

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council file
No. 09-0451, at its meeting held March 6, 2009.

A handwritten signature in cursive script that reads 'Karen E. Kalfayan'.

City Clerk
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FOR Council Agenda
MOTION (FEB 27 2009) ON 3/6

In October 2007, City Council authorized both LAHD and LADOT to enter into an Exclusive Right to Negotiate (ERN) with McCormack Baron Salazar (MBS) to negotiate a Joint Development Agreement (JDA) to develop the Avenue 57 Transit Oriented District Project, now known as Highland Park Transit Village (C.F. 03-2744). This proposed project called for the development of LADOT Lots 635, 636, 637 and 695 in Highland Park, with the goal of creating a transit-oriented, residential mixed-use project. MBS's proposal included 60 affordable rental housing units, a combined total of 37 affordable and market rate homeownership units, replacement of 221 public parking spaces, and neighborhood-serving commercial space.

To date, MBS has progressed in good faith with their negotiations with LAHD and LADOT, and continues to work diligently to develop a feasible project plan. MBS has completed geotechnical testing, a traffic impact analysis, environmental testing and analysis, and a zoning and discretionary approval analysis. However, MBS encountered delays stemming from the historical preservation overlay zone review, and financial and technical issues with power lines relocation. Specifically, MBS has worked with the local community residents and neighborhood council to revise the design concept to address their concerns over the last several months. In addition, the housing development industry has been severely impacted by the national financial and real estate crisis; creating some unforeseen financing challenges for the project. Additional time is needed to research and evaluate project feasibility before MBS, LAHD and LADOT can finalize the proposed terms and conditions of the JDA.

Despite the setbacks mentioned above, LAHD and LADOT together state that steady progress in the negotiations with MBS is being made, and they anticipate entering into a fully executed JDA by the end of the year. It was originally anticipated that the parties had 180 days to execute the JDA with an additional term of six months if needed. The additional six-month term would end on March 21, 2009. As such, the parties should be permitted additional time, to December 31, 2009, to finalize a JDA and seek final approval.

I THEREFORE MOVE that the Department of Transportation and the Housing Department be authorized to extend to December 31, 2009, the terms of an Exclusive Right to Negotiate (ERN) with McCormack Baron Salazar (MBS) to negotiate a Joint Development Agreement (JDA) to develop the Avenue 57 Transit Oriented District Project, now known as Highland Park Transit Village as originally authorised by Council action (C.F. 03-2744).

PRESENTED BY: Ed P. Reyes
ED P. REYES
Councilmember, 1st District

SECONDED BY: [Signature]

ADOPTED

MAR 6 2009

LOS ANGELES CITY COUNCIL

FEB 27 2009

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED
#64

ORIGINAL

09-0451
old CF 03-2744

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