

OCT 08 2013

ECONOMIC DEVELOPMENT

13-1335

CD 2

related CF 07-0530,  
NO. 07-0530-31

MOTION

The Valley Plaza Shopping Center is located within the Laurel Canyon Commercial Corridor (formerly the Earthquake Disaster Assistance Project), a redevelopment project area of the former Community Redevelopment Agency of the City of Los Angeles (CRA). The project area was originally adopted on December 9, 1994 after the Northridge Earthquake to redevelop the area which was severely affected by the earthquake.

The Valley Plaza Shopping Center sits on a roughly triangular piece of land consisting of approximately 23 acres and is located on the southwest corner of the intersection of Laurel Canyon Boulevard and Victory Boulevard adjacent to the 170 Freeway. The shopping center opened in 1967, and for decades it was a vitally important and beloved source of economic activity, jobs, entertainment and community services.

In the aftermath of the earthquake, many of the existing buildings were red-tagged and many of the business tenants were evicted. In the ensuing years, the former center of economic activity in the East San Fernando Valley became a blighted and nearly empty shell that degrades rather than improves the surrounding community.

After several Exclusive Negotiating Agreement (ENA) extensions between J. H. Snyder and the former CRA, the ENA expired in 2009. The developer was unable to purchase all of the parcels on the site and secure financing. As a result, iStar Financial foreclosed on the developer and now owns eighty percent of the site. The remaining 20 percent is owned by eight different ownership entities. In order to proceed with development, it is imperative that the parcels be assembled to provide maximum benefit to the community.

In May 2013, the Council created the Economic Development Department (Ordinance 182500, CF: 08-3050), which consolidated the City's economic development efforts. The Ordinance allows the department to acquire property for economic development purposes provided it serves a public purpose. With this mechanism in place, the City should study the feasibility of acquiring the Valley Plaza site for potential development to provide jobs and reinvigorate the area. Furthermore, action by the City is necessary to acquire the site as it remains unsightly and in dire need of revitalization.

I THEREFORE MOVE that the Council instruct the Chief Legislative Analyst, with the assistance of the City Attorney, and other departments as necessary, to report in 90 days on all legal options for acquiring the property at Valley Plaza in North Hollywood for development purposes, including, but not limited to the use of eminent domain powers.

PRESENTED BY Paul Kerkorian  
PAUL KERKORIAN  
Councilmember, 2<sup>nd</sup> District

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