

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the acquisition of the property at 1300 East First Street by the Community Redevelopment Agency of Los Angeles (CRA/LA) and subsequent sale to Self Help Graphics and Art, Inc. (Self Help Graphics).

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

1. Determine that the sale of the property to Self Help Graphics is not a project under the California Environmental Quality Act (CEQA) since, after taking title to the property, Self Help Graphics' use of the property will remain unchanged until a plan for redevelopment of the property is subsequently approved by the City and which subsequent approval will be subject to CEQA.
2. AUTHORIZE the Mayor to submit a disposition plan for the property at 1300 East First Street to CRA/LA for review and approval as provided for in Attachment B of the August 25, 2016 Municipal Facilities Committee report, attached to the Council file.
3. DETERMINE that the sale of the City property at 1300 East First Street to Self Help Graphics will assist in the economic development of the City and that the public interest is best served by the direct sale of the property.
4. INSTRUCT conflict counsel to prepare a purchase and sale agreement and related documents to effectuate the City's purchase of the Property from CRA/LA, based on the terms specified in Attachment A of the August 25, 2016 Municipal Facilities Committee report, attached to the Council file, for the sale of the property at 1300 East First Street, for the fair market value to be determined by a third party appraisal.
5. REQUEST the City Attorney to prepare and present a purchase and sale agreement, grant deed, covenant agreement and sale Ordinance to effectuate the City's sale of 1300 East First Street to Buyer under the terms described in the August 25, 2016 Municipal Facilities Committee report, attached to the Council file, for the fair market value.
6. INSTRUCT the General Manager, Economic and Workforce Development Department (EWDD), upon CRA/LA approval of the disposition plan, to request authority from Council and Mayor to execute the purchase and sale agreement and to complete the transaction once all contingencies are met, and process the necessary documents to execute the purchase from CRA/LA and sale to Self Help Graphics, as directed in the option agreement and as approved to form and substance by the City Attorney.
7. AUTHORIZE the EWDD to make technical corrections or adjustments that may be required and are consistent with this action, subject to the approval of the City Administrative Officer (CAO).

Fiscal Impact Statement: The CAO reports that the proposed purchase and sale of the 1300 East First Street property is not anticipated to have any impact on the general fund. Although the City will be a party to the escrow, acquisition funds will flow from the Buyer to CRA/LA. As an Affected Taxing Entity under the Dissolution Statute, the City will receive a portion of the sales proceeds in the future as property tax income. The amount of the unanticipated property tax

income is unknown at this time.

Community Impact Statement: None submitted.

Summary:

On September 13, 2016 considered an August 25, 2016 Municipal Facilities Committee (MFC) report relative to the acquisition of the property at 1300 East First Street by the CRA/LA and subsequent sale to Self Help Graphics. According to the MFC, in January 2015, the City entered into an option agreement to purchase 1300 East First Street, a 20,564 square foot property improved with a 10,400 square foot industrial building and a surface parking lot (Property). The Property is currently owned by the CRA/LA, successor to the Community Redevelopment Agency of the City of Los Angeles, and is categorized as a Future Development property in CRA/LA's Long Range Property Management Plan. Through the term of the option agreement, the City has the right to acquire the Property for the appraised fair market value (FMV), as well as the right to solicit and sell the Property to a buyer that will use the Property to provide community benefits in alignment with the redevelopment plan.

The MFC is recommending approval of the deal terms for the City to acquire the Property from CRA/LA for FMV, and for the preparation of transactional documents to effectuate the sale of the Property to Self Help Graphics, a 501 (c)3 non-profit organization, for the same FMV, to provide community benefits. Self Help Graphics is currently a tenant in the facility, with a lease that extends through 2020. As a condition of the sale, to be memorialized in a restrictive covenant on the grant deed, Self Help Graphics will commit to provide a slate of community services and benefits at the location over a service period of ten years. Self Help Graphics will also submit a redevelopment plan for the Property within two years of closing escrow, proposing a redevelopment or adaptive re-use plan. Future approvals by Council and Mayor will be required to authorize the execution of the transactional documents and adoption of the sale Ordinance.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the August 25, 2016 MFC report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.



Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
HARRIS-DAWSON:	YES
KREKORIAN:	YES
O'FARRELL:	YES

ARL

9/13/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-