In the 1940's and 50's, Marlton Square was a thriving retail center known as Santa Barbara Plaza that was home to over 200 locally owned businesses and major department stores such as Broadway, May Company, and Woolworth's. Over time, investment in the area declined and the property deteriorated, resulting in severe blight by the 1990s.

The City's former redevelopment agency, the Community Redevelopment Agency of the City of Los Angeles (CRA) made extensive efforts to rehabilitate the area by establishing the Crenshaw Amended Redevelopment Project Area in 1994 and acquiring various parcels within Marlton Square. The goal was to attract new public and private investment, in partnership with the City, to facilitate a multi-phased development that included community-serving housing and commercial uses. CRA's efforts to redevelop the property, however, never came to fruition.

In 2012, CRA was dissolved and replaced by CRA/LA, a Designated Local Authority, under the State dissolution statutes and was required to dispose of all of its retained property. On January 8, 2015, the City of Los Angeles (City) entered into an Option Agreement with CRA/LA which provides the City the option to purchase 2.7 acres (117,486 square feet) of real property located within Marlton Square, a 22-acre commercial district located in the Baldwin Hills/Crenshaw community of South Los Angeles (C.F. 14-0425; Contract No. C-125179). The CRA/LA-owned properties consist of nine noncontiguous parcels that are collectively referred to as the Marlton Square site. In addition to the CRA/LA-owned properties, the City owns 8 properties, and a portion of the parking lot, totaling 2.7 acres adjacent to the CRA/LA-owned properties. The Option Agreement, which expires in September 2021, requires, among other things, that the City pay fair market value for the nine CRA/LA-owned parcels.

In September 2017, the City entered into an Exclusive Negotiation Agreement (ENA) with MLK Partners, LLC, a private development firm and adjacent property owner, to pursue development of a 10.58-acre commercial retail center that would include both the City and CRA/LA owned sites. After numerous attempts and three amendments to extend the term of the ENA, a feasible acquisition and development plan did not materialize and the City allowed the ENA to expire in March 2019. Negotiations with the developer ended in October 2020.

Moving forward, it is in the City's best interest to exercise the Option Agreement to obtain ownership of the CRA/LA parcels on the Marlton Square site and then partner with industry leaders to lease the entire publicly-owned site in order to facilitate the development of a state-of-the-art bioscience campus (Bioscience Campus).

The benefits of expanding bioscience opportunities in Los Angeles include fostering a sustainable diverse economy that meets citywide economic needs, meaningful well-paying jobs for city residents, and an opportunity to address environmental health and safety with new innovations. Currently, the bioscience industry in the City of Los Angeles directly employs 21,508 people with annual average earnings of $82,399.

The combination of research need, venture capital funding, educational opportunities, and the depth of the skilled labor pool make Los Angeles well positioned to continue its emergence as a national bioscience hub. The Bioscience Campus could help expand the vitality of the LA's bioscience economy, nurture home grown talent, and contribute to the long-term economic health of the community and City at-large.

The Marlton Square site is ideal for companies and training partners in need of large central space in the heart of Los Angeles, and could be developed in a manner that targets employment opportunities for individuals with a range of educational backgrounds and skill levels. Los Angeles has robust bioscience training and education programs to link residents to new bioscience job opportunities created at the Marlton Square site.

There remains a significant opportunity to revitalize Marlton Square in a manner that not only renews the economic vitality of the area, but directly benefits surrounding residents. In addition to a
bioscience use, the City could also explore the inclusion of ancillary development on the site such as related commercial and residential uses.

In order to pursue acquisition of the Marlton Square site, Council action is needed to instruct the Economic and Workforce Development Department to perform the tasks identified in the Option Agreement, including the preparation of a disposition plan for the CRA/LA-owned parcels and the determination of fair market value and purchase price for the parcels, and report back to Council with the final terms for the proposed purchase of the CRA/LA-owned parcels and for the exercise of the Option Agreement for the Council’s consideration and potential action.

I THEREFORE MOVE that the Economic and Workforce Development Department, with the assistance of the Chief Legislative Analyst, City Administrative Officer, and City Attorney, be instructed to perform the activities necessary to allow the City to exercise the Option Agreement and to negotiate directly with CRA/LA, A Designated Local Authority, for the acquisition of CRA/LA-owned property located at 3700 W. Martin Luther King Jr. Boulevard (A.P.N. 5032-003-900); 3742 W. Martin Luther King Jr. Boulevard (A.P.N. 5032-003-906); 3750 W. Martin Luther King Jr. Boulevard (A.P.N. 5032-003-902); 3760 W. Martin Luther King Jr. Boulevard (A.P.N. 5032-003-904); 3772 W. Martin Luther King Jr. Boulevard (A.P.N. 5032-003-905); 3800 W. Martin Luther King Jr. Boulevard (A.P.N. 5032-004-900); 4023 Marlton Avenue (A.P.N. 5032-003-903); 4013 Marlton Avenue (A.P.N. 5032-003-901); to facilitate development of a bioscience campus and other related uses, develop strategies to implement the project, and report to Council with the final terms and conditions for the purchase of the CRA/LA-owned parcels and the exercise of the Option Agreement.

PRESENTED BY

MARK RIDLEY-THOMAS
Councilmember, 10-District

MARQUEECE-HARRIS DAWSON
Councilmember 8th, District

SECONDED BY

CURREN D. PRICE
Councilmember 9th, District