

Los Angeles City Council, **Journal/Council Proceedings**

Friday, **February 8, 2008**

John Ferraro Council Chamber, Room 340, City Hall - 10:15 am

- - - SPECIAL COUNCIL MEETING - - -

10:15 A.M. OR AS SOON THEREAFTER
AS COUNCIL RECESSES ITS REGULAR MEETING

ROLL CALL - Members present: Greuel, Hahn, Huizar, LaBonge, Parks, Perry, Reyes, Rosendahl, Smith, Weiss, Wesson, Zine and President Garcetti (13); Absent: Alarcon and Cardenas (2).

ROLL CALL NUMBER (#) - INDICATES THE ORDER IN WHICH THE ITEMS WERE ACTED UPON DURING THE COUNCIL MEETING

Item Noticed for Public Hearing - Item 52

ITEM NO. (52) - ADOPTED

Roll Call #1 - Motion (Perry - Wesson) Adopted, Ayes (11); Absent: Alarcon, Cardenas, Hahn and Weiss (4)

[07-4174](#)
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HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT and RESOLUTION relative to various actions including an Amended and Restated Disposition and Development Agreement (DDA) with the Slauson Central LLC (Developer) relating to the development of the Slauson Central Retail Center (Project) located at 944-1010 and 1040 East Slauson Avenue.

Recommendations for Council action:

1. ADOPT the accompanying joint RESOLUTION [Attachment One of the City Administrative Officer (CAO) report dated January 29, 2008], authorizing the sale of property and making certain findings pursuant to Health and Safety Code Section 33433, and find that:
 - a. The proposed Project will assist in eliminating blight.
 - b. The Community Redevelopment Agency (CRA) sale of that property is consistent with the Five Year Implementation Plan for the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area (CD9RPA).

- c. The consideration to be received by the CRA is not less than the fair re-use value of the property in keeping with Health and Safety Code Section 33433.
2. HOLD a public hearing pursuant to Health and Safety Code Section 33433 regarding the proposed disposition of 944-1010 East Slauson Avenue and 1040 East Slauson Avenue.
3. AUTHORIZE the Chief Executive Officer, CRA, or designee, to execute the Amended and Restated DDA with the Developer for the development of the Project, subject to the review of the City Attorney as to form and legality and the Department of Public Works, Bureau of Contract Administration, for compliance with CRA contracting requirements.
4. AMEND the Fiscal Year 2007-08 CRA Budget to recognize \$350,000 of additional carryover funds from the CD9RPA and place such funds into budgeted line item C92120 (Commercial Development/Slauson Central Retail Center).
5. INSTRUCT the CRA to prepare a status report of 2007-08 CRA Carryover Funds.

Fiscal Impact Statement: The CAO reports that the Project has a General Fund impact of approximately \$15.05 million (principal and interest over 18 years) for the repayment of the City's portion of \$6.58 million in Section 108 loans. The annual Section 108 debt service over 18 years will be derived from the following sources: 1) 49 percent of Project generated site specific tax revenues (sales taxes, utility user taxes, and business license fees - approximately \$1.76 million); 2) CRA project generated and area wide tax increment (TI) funds (approximately \$2.29 million); and, 3) City Assembly Bill 1290 funds (approximately \$11.0 million) from the CD9RPA.

The proposed Project contemplates the use a total of \$7.66 million from U.S, Housing and Urban Development funds, the \$6.58 million Section 108 loan, and a \$1.08 million Brownfields Economic Development Initiative (BEDI) Grant, which were previously approved for the City's Goodyear Industrial Tract. The BEDI funds will pay for capitalized interest for the first two years and other costs for the Project. The Section 108 loan and the BEDI represent funds from the federal government and are collateralized against future Community Development Block Grant entitlements.

Should these funds be used in an ineligible activity, repayment would have to come from non-federal dollars.

The CRA's contribution to the Project totals to \$6.89 million in TI and bond funds. In addition to the \$2.29 million above for Section 108 debt service, the CRA has already expended \$2.4 million for legal and acquisition costs and could expend up to \$2.2 million on relocation costs. The CRA will use \$350,000 in advance carryover funds from prior year unspent and unanticipated bond proceeds from CD9RPA for relocation and remediation costs. The CRA is only bound by the City Debt Management Policies; the City Financial Policies are not applicable to the CRA.

(Budget and Finance Committee waived consideration of the above matter)

Councilmember Perry moved, seconded by Councilmember Wesson, that the Special Council meeting adjourn.

Ayes, Greuel, Huizar, LaBonge, Parks, Perry, Reyes, Rosendahl, Smith, Wesson, Zine and President Garcetti (11); Absent: Alarcon, Cardenas, Hahn and Weiss (4).

Whereupon the Special Council meeting did adjourn.

ATTEST: Frank T. Martinez, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL