

0111-31341-0176

**TRANSMITTAL**

TO Council	DATE 10-07-21	COUNCIL FILE NO. 14-1174-S19
FROM CRA/LA Bond Oversight Committee	COUNCIL DISTRICT 15	

At its regular meeting on September 30, 2021, the CRA/LA Bond Oversight Committee approved recommendations in the attached Economic and Workforce Development Department (EWDD) report and instructed staff to transmit to Council for consideration. Council approval of the report recommendations would authorize the appropriation of up to \$27,403 plus all remaining interest in CRA/LA Excess Non-Housing Bond Proceeds from the Pacific Corridor Redevelopment Project Area (Taxable Series 2006-A) for the Warner Grand Theater Improvements Project.

**Fiscal Impact Statement:** There is no impact on the City's General Fund from the proposed appropriation. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from transfers totaling approximately \$95 million in bond proceeds from CRA/LA to the City. (C.F. 14-1174) These transfers have been deposited with the Office of the Controller.



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Matt W. Szabo  
City Administrative Officer  
Chair, CRA/LA Bond Oversight Committee

MWS:YC/JVW:nsh15220009

Attachment – September 28, 2021 EWDD Report – Warner Grand Theater Improvements Project

# CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL  
GENERAL MANAGER

ECONOMIC AND WORKFORCE  
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET  
LOS ANGELES, CA 90017



ERIC GARCETTI  
MAYOR

September 28, 2021

Council File: 14-1174-S19  
Council District No.: 15  
Contact Person & Extension:  
Daysi Hernandez: (213) 744-9340

CRA/LA Bond Oversight Committee  
c/o Jacqueline Wagner  
Office of the City Administrative Officer  
Room 1500, City Hall East

**BOND OVERSIGHT COMMITTEE TRANSMITTAL: REQUEST REVIEW AND RECOMMENDATION THAT COUNCIL AND MAYOR, AS REQUIRED, ALLOCATE UP TO \$27,403 PLUS ALL EARNED INTEREST IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE PACIFIC CORRIDOR REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2006-A) FOR THE WARNER GRAND THEATER IMPROVEMENTS PROJECT**

The General Manager of the Economic and Workforce Development Department (EWDD) requests your review, approval, and processing of the recommendations in this transmittal to the Mayor and City Council for their review and consideration.

## RECOMMENDATIONS

The General Manager of EWDD, or designee, requests that the Bond Oversight Committee (BOC) recommend that the City Council, subject to the approval of the Mayor as required:

1. DETERMINE that the Warner Grand Theater Improvements Project (Project), consisting of purchasing marquee lettering, installing personal protective equipment (PPE) in the dressing rooms, and restoring a piano, is categorically exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 (Existing Facilities) Class 1(f) and Section 15331 (Historical Resource Restoration/Rehabilitation) Class 31 of State CEQA Guidelines. The Project is also categorically exempt pursuant to City CEQA Guidelines Article III, Class 1 (6);
2. APPROVE up to \$27,403 in taxable CRA/LA Excess Non-Housing Bond Proceeds (EBP) plus all interest earned (Interest) available to Council District (CD) 15 from the Pacific Corridor Redevelopment Project Area (Project Area) to be utilized for the Project;

3. AUTHORIZE the Department of Cultural Affairs (DCA) to be the implementing department for activities related to the Project;
4. AUTHORIZE the Controller, subject to the availability of funds, to expend up to \$27,403 plus Interest from EBP Fund No. 57D, Account Nos. 22L9LT and 22S9LT Pacific Corridor Taxable Series 2006-A, for activities related to the Project upon presentation of proper documentation by DCA, and satisfactory review and approval of EWDD in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
5. DIRECT DCA to file a CEQA Notice of Exemption (NOE) with the City Clerk and the Los Angeles County Clerk upon Council adoption;
6. INSTRUCT DCA to expend the EBP allocation no later than September 30, 2024;
7. DIRECT DCA to transmit copies of all contracts and/or purchase orders related to the Project to EWDD;
8. DIRECT DCA to report on its work accomplishments to the Office of the City Administrative Officer (CAO), and fund expenditures to EWDD, on a quarterly and as-needed basis; and
9. AUTHORIZE the General Manager of EWDD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the CAO, and authorize the Controller to implement these instructions.

## SUMMARY

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to a CD 15 Motion (Buscaino-Koretz) which was adopted by Council on August 18, 2021 (CF 14-1174-S19).

This transmittal seeks to allocate up to \$27,403 plus Interest in taxable EBP available to CD 15 from the Project Area to implement various improvements to the Warner Grand Theater (Theater). Theater improvements: rehabilitation of local, historic theater, was listed as a potential project in the Bond Spending Plan (BSP) that was adopted by Council on June 24, 2015 (C.F. 14-1174). Sufficient funds for this purpose are available from CD 15's portion of EBP in the Project Area.

The original amount of EBP available to CD 15 within the Project Area was \$32,623 consisting solely of taxable EBP. After deducting the 16% (\$5,220) reserved for bond administration, there remained \$27,403 in the Project Area available for CD 15. The Project's proposed allocation of \$27,403 plus Interest will completely deplete CD 15's EBP in the Project Area.

## **EWDD ANALYSIS**

EWDD consulted with CD 15 and DCA regarding the Project. DCA will serve as the lead department and oversee implementation of improvements to the Theater. These improvements include purchasing marquee lettering, installing PPE in the dressing rooms, and restoring a piano which is classified as a capital asset. DCA will cooperate with the Department of General Services (GSD) to procure materials required for the Project, and will utilize GSD construction forces in collaboration with the Emergency Management Department as necessary to install the PPE.

The total estimated cost of the Project is \$28,390. The \$27,403 of taxable EBP plus \$2,501 of Interest (as of 6/30/21) is sufficient to cover 100% of the initial cost estimate. The breakdown of taxable EBP utilization is as follows:

### **Estimated Taxable EBP Costs**

Piano leg repair	\$ 5,376
Marquee letters	\$12,454
Dressing Room PPE	\$10,485
CEQA NOE Filing	\$ 75
<b>Total Estimated Taxable EBP Costs</b>	<b>\$28,390</b>

The Project will commence upon Council adoption. The anticipated duration is nine (9) months to cover procurement, purchasing, and installation with completion targeted for June 2022.

Deliverables and/or activity reports showing percentages of completion must accompany DCA's original signed invoices, which shall be submitted to EWDD for review. Disbursements will be authorized pursuant to receipt and satisfactory review by EWDD to ensure compliance with bond covenants and the terms and conditions of the BEA and BSP, and that expenditures adhere to the approved spending categories and amounts outlined in this transmittal.

DCA will report on its work accomplishments to the CAO, and fund expenditures to EWDD, on a quarterly and as-needed basis for their respective reports to the BOC, Mayor and CRA/LA.

## **BENEFITS TO THE AFFECTED TAXING ENTITY**

The expenditures set forth in this report will benefit the affected taxing entities by preserving the Theater as a Los Angeles gem of fine arts and culture. The Theater is a historic movie palace that first opened its doors in 1931 and is currently operated by DCA as a local performance and event venue. Since 1931, the Theater has housed countless productions for generations of arts loving patrons. DCA has operated the facility as a low-cost rental and presenting house with a mission to make the facility and its resources available to artists and companies from around the City, and for use by local community groups and partners at an affordable cost. The proposed improvements will allow the Theater to continue to function as a top tier performance

venue. The marquee letters will help to restore the Theater's aesthetic character and appeal. Restoration of the piano will preserve it as an essential asset to Theater performances, and installation of PPE will allow promoters to continue utilizing the Theater while ensuring the safety of cast and crew members. Taken together, these improvements will help reinforce the creative arts movement that has always flourished in the San Pedro community.

## **ENVIRONMENTAL REVIEW**

The City of Los Angeles Housing and Community Investment Department provided the following analysis:

The Project consists of purchasing marquee lettering, installing PPE, and restoring a piano which is classified as a capital asset. The proposed activities are categorically exempt from provisions of CEQA pursuant to State CEQA Guidelines:

- a. Section 15301 (Existing Facilities) Class 1(f) - Addition of safety or health protection devices for use during construction of or in conjunction with existing structures, facilities, or mechanical equipment, or topographical features including navigational devices; and
- b. Section 15331 (Historical Resource Restoration/Rehabilitation) Class 31 - consists of projects limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings.

The proposed activities are also categorically exempt under City CEQA Guidelines Article III, Class 1 (6) - Addition of safety, security, health or environmental protection devices for use during construction of or in conjunction with existing structures, facilities or mechanical equipment, or topographical features (including navigational devices).

A CEQA NOE (Attachment 2) will be filed with the City Clerk and Los Angeles County Clerk upon Council adoption of Project.

## **CAO BOND COVENANT REVIEW**

The CAO has completed its review of the original bond documents, covenants and BSP, and has found that the proposed use of EBP, as presented, is consistent with those documents.

## **FISCAL IMPACT STATEMENT**

There is no impact on the City's General Fund from the proposed appropriation of EBP. The EBP Fund No. 57D is funded solely from transfers of approximately \$88.4 million in

pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174, 14-1174-S36, and 14-1174-S78). Said Transfers have been deposited with the Office of the Controller.

  
Carolyn Hull (Sep 28, 2021 21:10 PDT)

CAROLYN M. HULL  
General Manager

CH:FJ:DH:JL:JML

ATTACHMENTS:   1. Motion (Buscaino-Koretz) C. F. 14-1174-S19  
                      2. CEQA NOE (To Be Filed By DCA)

## ECONOMIC DEVELOPMENT &amp; JOBS

## MOTION

The Warner Grand Theatre is a historic movie palace that first opened its doors on January 20, 1931. It is located at 478 West 6<sup>th</sup> Street in San Pedro and is currently operated by the Department of Cultural Affairs as a local performance and event venue. On August 16, 2017, the City Council authorized the use of \$28,118 in CRA/LA Excess Bond Proceeds available to Council District 15 from the Pacific Corridor Redevelopment Project Area toward a market study (C.F. 14-1174-S19). The intended purpose of the market study was to analyze the building's potential future use as a venue for regional events, identify improvements needed to enhance the functionality of the theatre, determine the market potential for various uses, identify alternatives for development, and recommend an implementation strategy/operations plan with the goal of generating community benefits.

In July 2019, an assessment of the Warner Grand Theater was done by BAE, an urban planning firm, along with a feasibility study conducted by SPF Architects through an alternative funding resource. The information contained in those studies identified and recommended various improvements needed as part of the Warner Grand Theater's renovation process. Since the CRA/LA Excess Bond Proceeds were not used toward a market study as originally intended, those funds remain available to assist with the renovation process. The capital improvements identified include but are not limited to restoring a piano, purchasing marquee lettering, installing plexiglass, and upgrading the artist services area. Council action is needed to reprogram the CRA/LA funds for this purpose.

In accordance with policies adopted by Council (C.F. 14-1174) related to the CRA/LA Bond Expenditure Agreement and Bond Spending Plan, any proposal to expend CRA/LA Excess Bond Proceeds shall be initiated by Council Motion. Proposals will be reviewed by the CRA/LA Bond Oversight Committee, Economic Development Committee, and any other applicable committee with final recommendations presented to the Council and Mayor for final consideration and approval. The use of taxable CRA/LA Excess Bond Proceeds toward capital improvements to the Warner Grand Theater in the Pacific Corridor Redevelopment Project Area is identified as eligible expenses in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that the Council action of August 16, 2017, relative to approving the use of \$28,118 in CRA/LA Excess Bond Proceeds available to Council District 15 from the Pacific Corridor Redevelopment Project Area to the Warner Grand Theater Project (C.F. 14-1174-S19) BE RECINDED and that the funds related be reverted to its original source.

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Department of Cultural Affairs, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate \$28,118 in taxable CRA/LA Excess Bond Proceeds available to Council District 15, including any current and future earned interest, for the Warner Grand Theater Improvements Project, a capital improvement project, as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Pacific Corridor Redevelopment Project Area.

I FURTHER MOVE that \$28,118 in taxable CRA/LA Excess Bond Proceeds available to Council District 15 from the Pacific Corridor Redevelopment Project Area, including any current and future earned interest, be utilized by the Department of Cultural Affairs to fund the Warner Grand Theater Improvements Project upon City Council approval of the forthcoming EWDD report.



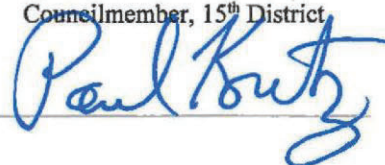
AUG 9 4 2022

PRESENTED BY:


JOE BUSCAINO

Councilmember, 15<sup>th</sup> District

SECONDED BY:



ORIGINAL

COUNTY CLERK'S USE  CITY OF LOS ANGELES OFFICE OF THE CITY CLERK 200 NORTH SPRING STREET, ROOM 360 LOS ANGELES, CALIFORNIA 90012 CALIFORNIA ENVIRONMENTAL QUALITY ACT	CITY CLERK'S USE  <b>NOTICE OF EXEMPTION</b> (California Environmental Quality Act Section 15062)	CITY CLERK'S USE
Submission of this form is optional. The form shall be filed with the County Clerk, 12400 E. Imperial Hwy., 1st Floor, Norwalk, CA 90650, pursuant to Public Resources Code Section 21152(b). Pursuant to Title 14, Chapter 3 of the California Code of Regulations (CEQA GUIDELINES) Section 15062 (d), the filing of this notice starts a 35-day statute of limitations on Court challenges to the approval of the project. Failure to file this notice with the County Clerk results in the statute of limitations being extended to 180 days.		
LEAD CITY AGENCY Economic and Workforce Development Department		COUNCIL DISTRICT 15
PROJECT TITLE Warner Grand Theater Improvements		COUNCIL FILE NO. 14-1174-S19
PROJECT LOCATION 478 West 6 <sup>th</sup> Street, San Pedro, CA 90731		
DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT: The Warner Grand Theater Improvements Project consists of purchasing marquee lettering, installing personal protective equipment in the dressing rooms, upgrading the artist services area, and restoring a piano which is classified as a capital asset of the Warner Grand Theater. Implementation of the project will make the Warner Grand Theater comply with required safety regulations. Constituents of Council District 15 as well as surrounding residents will benefit from the project.		
NAME OF PERSON OR AGENCY CARRYING OUT PROJECT, IF OTHER THAN LEAD CITY AGENCY: Department of Cultural Affairs		
CONTACT PERSON Jinderpal S. Bhandal	AREA CODE (213)	TELEPHONE NUMBER 808-8558
EXT.		
EXEMPT STATUS: (Check One)      STATE CEQA GUIDELINES		
<input type="checkbox"/> MINISTERIAL      Sec.15268		
<input type="checkbox"/> DECLARED EMERGENCY      Sec. 15269		
<input type="checkbox"/> EMERGENCY PROJECT      Sec. 15269 (b) & (c)		
<input type="checkbox"/> GENERAL EXEMPTION      Sec. 15060		
<input checked="" type="checkbox"/> CATEGORICAL EXEMPTION      Sec. 15300-15332		
Section <u>15301, and 15331</u> Class <u>1(f), and 31</u> City CEQA Guidelines Article III, Class 1 (6) OTHER (See Public Resources Code Sec. 21080(b) and set forth in state and city guideline provisions.		
JUSTIFICATION FOR PROJECT EXEMPTION: The project is exempt under <i>City CEQA Guidelines</i> Article III, Class 1 (6) and Section 15301, and 15331 of the State CEQA Guidelines. State CEQA Guidelines Section 15301 Class1(f) and <i>City CEQA Guidelines</i> Class 1(6) states that a project is exempt if it consists addition of safety or health protection devices for use during construction of or in conjunction with existing structures, facilities, or mechanical equipment, or topographical features including navigational devices. The State CEQA Guidelines Section 15331 Class 31 consists of projects limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings.		
<b>IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING.</b>		
SIGNATURE  <small>Digitally signed by Jinderpal S. Bhandal Date: 2021.09.27 17:28:25 -0700</small>	TITLE Environmental Affairs Officer	DATE 9/27/2021
FEE: \$75.00	RECEIPT NO.	REC'D BY
DATE	DATE	DATE

## Attachment A

### Warner Grand Theater Improvements

#### I. Project Description

The proposed project consists of Warner Grand Theater Improvements of purchasing marquee lettering, installing personal protective equipment in the dressing rooms, upgrading the artist services area, and restoring a piano which is classified as a capital asset of the Warner Grand Theater.

#### II. Project History

The Warner Grand Theater is a historic movie palace that first opened its doors on January 20, 1931. It is located at 478 West 6<sup>th</sup> Street, San Pedro, California 90731. Currently, it is operated by the Department of Cultural Affairs as a local performance and event venue. The Warner Grand Theater needs the improvements to enhance the functionality as a theater. Implementation of the project will make the Warner Grand Theater comply with required safety regulations. Constituents of Council District 15 as well as surrounding residents will benefit from the project.

#### III. Environmental Review

##### Basis for Categorical Exemption

The project qualifies for a categorical exemption pursuant to State CEQA Guidelines Section 15301 Class 1(f) and *City CEQA Guidelines* Class 1(6) consisting addition of safety or health protection devices for use during construction of or in conjunction with existing structures, facilities, or mechanical equipment, or topographical features including navigational devices. The State CEQA Guidelines Section 15331 Class 31 consists of projects limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings.

##### Consideration of Potential Exceptions to use of a Categorical Exemption

The State CEQA Guidelines (CCR Sec 15300.2) limit the use of categorical exemptions in the following circumstances:

**1. Location.** Exemption Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may be significant in a particular sensitive environment. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. This project is exempt pursuant to the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) Class 1(f) and Section 15331 (Historical Resource Restoration/Rehabilitation) Class 31 of State CEQA Guidelines and City's CEQA Guidelines Article III, Class 1 (6).

**2. Cumulative Impact.** This exemption applies when, although a particular project may not have a significant impact, the cumulative impact of successive projects of the same type in the same place, over time is significant.

While other similar projects are occurring elsewhere in the City, they have been determined to be happening in different neighborhoods, locations, and times. Given the nature of the project, it is not anticipated to result in a cumulative impact when included with successive projects in the same place and over time.

**3. Significant Effect.** This exception applies when, although the project may otherwise be exempt, there is a reasonable possibility that the project will have a significant effect due to unusual circumstances.

##### Aesthetics

This exception applies when a project may cause a substantial adverse change in the significance of a visual resource. As stated in the Section I. *Project Description*, the project only consists of

purchasing marquee lettering, installing personal protective equipment in the dressing rooms, upgrading the artist services area, and restoring a piano. As such, this exception does not apply.

#### Noise

The proposed project does involve a minor construction work. However, it will not create a noise levels out of compliance. In addition, any noises generated during the period of construction activity shall be monitored by the City of Los Angeles, Department of Building and Safety to ensure project implementation will be in full compliance with all applicable rules and regulations regarding noise control, including the City's Noise Ordinances 144,331 and 161,574. As such, this exception does not apply.

#### Biological Resources

The proposed project does not involve the loss or alteration to any biological resources. As such, this exception does not apply.

#### Traffic/Transportation

The proposed project consists of Warner Grand Theater Improvements of purchasing marquee lettering, installing personal protective equipment in the dressing rooms, upgrading the artist services area, and restoring a piano. As such, this exception does not apply.

**4. Scenic Highways.** A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. The proposed project does not change any historical and scenic features or a scenic highway in the immediate vicinity of the project location, as such this exception does not apply.

**5. Hazardous Waste Sites.** This exception applies when a project is located on a site listed as a hazardous waste site under Government Code Section 65962.5.

As of September 27, 2021, the Department of Toxic Substances Control (DTSC) data management system (<http://www.envirostor.dtsc.ca.gov>) does not reflect sites of concern in the immediate area in which the project will take place.<sup>1</sup> The proposed project consists of Warner Grand Theater Improvements of purchasing marquee lettering, installing personal protective equipment in the dressing rooms, upgrading the artist services area, and restoring a piano. Therefore, this exception has no application here.

**6. Historical Resources.** This exception applies when a project may cause a substantial adverse change in the significance of a historical resource. The proposed project consists of Warner Grand Theater Improvements of purchasing marquee lettering, installing personal protective equipment in the dressing rooms, upgrading the artist services area, and restoring a piano. As such, this exception does not apply.

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<sup>1</sup> California Department of Toxic Substance Control, EnviroStor Hazardous Waste and Substance Site List <http://www.envirostor.dtsc.ca.gov/public/>, Accessed September 27, 2021

