

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT relative to proposed Fifth Amendment to the Disposition and Development Agreement (DDA; Contract No. C-131475), authorizing the transfer to a new business entity from Reseda Theatre Senior Housing LP to the Reseda Theatre and Public Market.

Recommendations for Council action:

1. CONFIRM that the sale of the City-optioned property at 18447 West Sherman Way will assist in the economic development of the City and that the public interest is best served by the direct sale of the property.
2. APPROVE the:
 - a. Transfer from Reseda Theatre Senior Housing LP, a California limited partnership to Reseda Theatre and Public Market, a California limited partnership as "Developer" pursuant to Article 8 of the Disposition and Development Agreement (Contract No. C-131475.
 - b. Assignment of the DDA to Reseda Theatre and Public Market, a California limited partnership.
3. APPROVE, subject to the receipt of a Letter of Substantial Conformance from the Department of City Planning, the request to amend the use of the theater site from a multiscreen theater with space for dining to a public market with two smaller movie theaters.
4. AUTHORIZE the General Manager, Economic and Workforce Development Department (EWDD), or designee, to prepare and execute all documents necessary to carry out the transfer and the assignment of the DDA to Reseda Theatre and Public Market, a California limited partnership, and to reflect the use of the theater site as a public market with two smaller movie theaters.
5. AUTHORIZE the General Manager, EWDD, to make technical corrections consistent with the Mayor and Council Action on this matter.

Fiscal Impact Statement: The Municipal Facilities Committee (MFC) reports that there is no anticipated impact to the General Fund.

Community Impact Statement: Yes

Against, Unless Amended:

Reseda Neighborhood Council

Summary:

On November 22, 2022, your Committee considered a November 10, 2022 MFC report relative to proposed Fifth Amendment to the DDA (Contract No. C-131475), authorizing the transfer to a new business entity from Reseda Theatre Senior Housing LP to the Reseda Theatre and Public Market. According to the MFC, 18447 West Sherman Way is the location of the former Reseda Theatre, an 8,000 square foot structure occupying an approximately 9,000 square foot site in Reseda. The theater, which was built in 1948, has been vacant and deteriorating since the 1994 Northridge earthquake. The Community Redevelopment Agency Los Angeles (CRA/LA) acquired the Reseda Theatre parcel in 2004, and in 2005 CRA/LA acquired a vacant 11,000 square foot former parking lot at 7217-7227 Canby Avenue immediately across the alley to the north.

Soon after purchase the CRA/LA issued a Request for Proposals (RFP) for both parcels as the Reseda Theatre Project, and a development team was selected. In 2006, a DDA was executed with the developer for the adaptive reuse of the Reseda Theatre site as a live entertainment venue, with the Canby parcel to be used for surface parking. The DDA was terminated in 2009. The CRA/LA released another RFP in 2010, but due to the dissolution of the CRA/LA, the developer selected through the 2010 RFP was unable to proceed with its plan to develop the site.

In 2013, Council requested that CRA/LA include the Property as a Future Development property on the CRA/LA Long Range Property Management Plan (Council File No. 14-0425). By doing so and entering into an Option Agreement for the property, the City secured the opportunity to ensure that the disposition of the Property would provide ongoing community benefits, rather than being sold at auction to the highest bidder, as otherwise required in the State Dissolution statutes. The project vision was updated to include affordable housing. In 2014, Council authorized the Mayor to execute the Option Agreement for 18447 W. Sherman Way and 7217-7227 Canby Avenue, and authorized the EWDD to identify development opportunities, solicit development proposals, and to return to Council with a proposed Disposition Plan. In 2015, the City entered into an Option Agreement with CRA/LA to purchase both properties (Contract No. C- 12517) and Laemmle Theater submitted a proposal to provide a catalytic mixed use urban infill development featuring affordable housing, a multi-screen movie theater and space for dining. As directed by Council (Council File No. 14-0425-S2), the EWDD signed an Exclusive Negotiating Agreement with Reseda Theatre Senior Housing LP in in 2016 for the proposed development (the "Project").

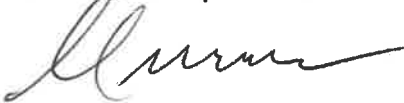
In May 2018, a joint report from EWDD and LAHD requested authorization from the City Council to approve the sale of the parcel at 18447 W. Sherman Way to Reseda Theatre Senior Housing LP for the fair market value, and to approve the form and substance of the Disposition and Development Agreement subject to the provision of community benefits and the future development of the parcel (Council File No. 14-

0425-S34.) Council approved the request in June 2018 and amended it to add authorization for the ordinance to transfer the property in October 2018. In July, 2018, the City of Los Angeles entered into a DDA (Contract No. C-131475) with Reseda Theatre Senior Housing LP, a California Limited Partnership to sell the City-owned property at 18447 West Sherman Way for the fair market value of the site. In November 2018, the City exercised its Option Agreement with the CRA/LA to purchase both properties for fair market value using CRA/LA Excess Non-Housing Bond Proceeds from the Reseda/Canoga Park Redevelopment Project Area (Contract No. C-131999). Laemmle Theaters was the intended partner with Reseda Theatre Senior Housing LP. Unfortunately, the movie theater industry has changed dramatically due to the pandemic, and the proposed five screen movie theater is no longer viable. Laemmle is still involved in the project, but their role has shifted.

Finally, the MFC stated that approval of the recommendations in the MFC report would authorize EWDD to execute a fifth amendment to the Disposition and Development Agreement, (Contract No. C-131475), authorizing the transfer to a new business entity from Reseda Theatre Senior Housing LP to the Reseda Theatre and Public Market, a California limited partnership (as a developer), and amending the previously approved economic develop opportunity from a multi-screen theatre with space for dining to a public market with two smaller theaters. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the MFC report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic Development and Jobs Committee



COUNCILMEMBER	VOTE
PRICE:	YES
KREKORIAN:	ABSENT
BLUMENFIELD:	YES
RAMAN:	ABSENT
HARRIS-DAWSON:	YES

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11/22/22

-NOT OFFICIAL UNTIL COUNCIL ACTS-