

MOTION

ECONOMIC DEVELOPMENT

On January 8, 2015, the City of Los Angeles (City) entered into an Option Agreement with CRA/LA, A Designated Local Authority (CRA/LA), that provides the City the option to purchase a 2.4 acre site located at 361 S. Hill Street (APN 5149-010-939) commonly referred to as Bunker Hill Parcel Y-1 in Council District 14 (C.F. 14-0425). Bunker Hill Parcel Y-1 was identified by CRA/LA as a Future Development Property in its Long Range Property Management Plan approved by the State Department of Finance. The Long Range Property Management Plan prescribes the disposition plan for all real property assets owned by the former redevelopment agency in accordance with California Redevelopment Dissolution Law. Future Development properties under AB 1484 may be retained by successor agencies for disposition and development in accordance with the applicable redevelopment plan. CRA/LA, as a successor agency with constrained resources, does not have the capacity to further the development of this site and agreed to provide the City the benefit to do so under the terms of the Option Agreement.

Downtown Los Angeles is experiencing a major urban revival transforming itself from a sparsely populated employment center into a major Southern California destination. In the past 17 years, over \$19 billion has been invested in Downtown with a focus on residential, arts and entertainment, and commercial retail options. Such development has stimulated local population to triple, growing at an average of 7.88 percent annually. Developers are seeking ways to capitalize on the confluence of factors, including up-zoning capacity, the lack of developable land elsewhere in the region, and a renewed interest in classic urban living. The Bunker Hill Parcel Y-1 was previously contemplated to be the third phase of the California Plaza project but was not pursued due to poor economic conditions for commercial uses and redevelopment dissolution. The Bunker Hill neighborhood includes a Metro station, Angels Knoll, Angels Flight, and Grand Central Market which are frequented by residents and visitors alike. Development of the Bunker Hill Parcel Y-1 presents a major opportunity for the City to maximize the economic growth and potential of Downtown Los Angeles and beyond.

In order to further development of Bunker Hill Parcel Y-1, the City will need to solicit interest from the development community for the potential disposition and development of the site and work toward a development agreement that will allow the City to exercise its purchase option with CRA/LA. Due to significant time constraints, it is imperative that the Office of the Chief Legislative Analyst serve as the lead and work in collaboration with the Economic and Workforce Development Department and Office of the City Administrative Officer in soliciting development interest in Bunker Hill Parcel Y-1, negotiate any future agreements related to this project, manage any consultants hired to assist the City in assessing the feasibility of the project, negotiate acquisition and use of the CRA/LA property, and develop strategies to implement the project.

I THEREFORE MOVE that the Office of the Chief Legislative Analyst, with the assistance of the Economic and Workforce Development Department, City Administrative Officer, and City Attorney, be instructed to serve as the lead City Department in soliciting development interest of CRA/LA-owned property located at 361 S. Hill Street (APN 5149-010-939), commonly referred to as Bunker Hill Parcel Y-1, issue a request for proposal, and negotiate any future agreements related to this project, manage any consultants hired to assist the City in assessing the feasibility of this project, negotiate the acquisition and use of the CRA/LA property, and develop strategies to implement the project.

PRESENTED BY

José Huizar

Councilmember, 14th District

SECONDED BY

SEP 21 2016

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