

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

01-1057

October 5, 2005

Honorable Antonio Villaraigosa
Councilmember Perry
Councilmember Garcetti
Councilmember Greuel
Chief Legislative Analyst
City Administrative Officer
Controller: Room 300
Accounting Division F&A
Disbursement Division
City Attorney
Bureau of Contract Administration

PLACE IN FILES
OCT 10 2005
DEPUTY

Place in Files

RE: STATUS OF THE UNITED STATES DEPARTMENT OF COMMERCE ECONOMIC
DEVELOPMENT ADMINISTRATION EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995,
THE MAYOR'S OFFICE URBAN DEVELOPMENT ACTION GRANT, AND OTHER CURRENT
GRANT ACTIVITIES

At the meeting of the Council held September 20, 2005, the following action
was taken:

Attached report adopted, as amended.....	_____	X
Attached amending motion (Garcetti - Greuel) adopted.....	_____	X
FORTHWITH.....	_____	
Mayor concurred	_____	10-03-05
To the Mayor FORTHWITH	_____	
Motion adopted to approve communication recommendation(s).....	_____	
Motion adopted to approve committee report recommendation(s)...	_____	
Ordinance adopted.....	_____	
Ordinance number.....	_____	
Publication date.....	_____	

Frank T. Martinez

City Clerk
crm

[Signature]
10/6/05



OFFICE OF THE MAYOR OF
Mayor's Time Stamp
RECEIVED
2005 SEP 22 PM 4:09
CITY OF LOS ANGELES

City Clerk's (Time) Stamp
CITY CLERK'S OFFICE
2005 SEP 22 PM 4:07
CITY CLERK
BY _____
DEPUTY

SUBJECT TO MAYOR'S APPROVAL

COUNCIL FILE NO. 01-1057 COUNCIL DISTRICT NO. _____

COUNCIL APPROVAL DATE September 20, 2005

RE: STATUS OF THE UNITED STATES DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT
ADMINISTRATION EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995, THE MAYOR'S
OFFICE URBAN DEVELOPMENT ACTION GRANT, AND OTHER CURRENT GRANT
ACTIVITIES

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OCT 03 2005

LAST DAY FOR MAYOR TO ACT _____
(10 Day Charter requirement as per LAMC 14.7)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR OFFICE USE ONLY

APPROVED

*DISAPPROVED

*Transmit objections in writing
pursuant to LAMC 14.7

DATE OF MAYOR APPROVAL OR DISAPPROVAL OCT 03 2005


MAYOR

OCT 04 2005

27

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

File No. 01-1057

Your
COMMITTEE

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT

reports as follows:

Public Comments Yes No
 XX —

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the status of the United States Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995, the Mayor's Office Urban Development Action Grant (UDAG), and other current grant activities.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Mayor, or designee, to:
 - a. Apply for grants from the EDA for the following projects and amounts:

<u>Project</u>	<u>Council District</u>	<u>Amount</u>
E & C Fashion	14	\$ 800,000
Hollywood & Vine	13	<u>800,000</u>
TOTAL:		\$1,600,000
 - b. Increase the EDA funding allocation for the Western Slauson Industrial Area project by \$160,000, from \$1,540,534 to \$1,700,534.
 - c. Allocate Mayor's former UDAG funds as outlined in Attachment II of the City Administrative Officer (CAO) report to the Mayor and Council dated August 5, 2005 (attached to the Council file).
 - d. Negotiate and execute a contract with Gruber and Pereira Associates, LLC in an amount not to exceed \$22,425, for a term retroactive to November 1, 2003 through September 1, 2004, for work already completed that provided job-growth related consulting services, subject to the approval of both the City Attorney, as to form and legality, and the Department of Public Works, Bureau of Contract Administration for adherence to City contracting standards.
 - e. Prepare Controller instructions consistent with this action and make any technical adjustments, subject to the approval of the CAO; and, AUTHORIZE the Controller to implement these instructions.
2. APPROVE the expenditure of EDA grant funds in an amount up to \$142,514 and the expenditure of Mayor's former UDAG funds in an amount up to \$135,486, for a total amount of \$278,000, for the direct costs associated with four Office of the Mayor staff positions effective July 1, 2005 through June 30, 2006.
3. AUTHORIZE the Controller to:
 - a. Appropriate up to \$142,514 of EDA grant funds to Account No. Y146, Salaries, within Fund No. 649 (Infrastructure Investment Fund).

*ADOPTED AS AMENDED by Council action of 9-20-05. *W. K. ...*

- b. Transfer up to \$142,514 to Fund No. 100, Department No. 46, Account No. 1020 (Salaries- Grant Reimbursed), from Account No. Y146, Salaries, upon receipt of the EDA grant funds from Fund No. 649 (Infrastructure Investment Fund).
- c. Transfer up to \$135,486 to Fund No. 100, Department No. 46, Account No. 1020 (Salaries - Grant Reimbursed), upon receipt of grant funds from Fund No. 303 (Industrial Commercial Revolving Loan Fund).
- d. Decrease the appropriation to Account No. V700, Web Ed Tool Project, in the amount of \$160,000, within Fund No. 649 (Infrastructure Investment Fund).
- e. Increase the appropriation to Account No. W200, Western Slauson Industrial Project, in the amount of \$160,000, for a new total of \$1,700,534, within Fund No. 649 (Infrastructure Investment Fund).
- f. Establish and appropriate an amount not to exceed \$284,201 within Fund No. 303 (Industrial Commercial Revolving Loan), as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Y146	Salaries	\$ 65,000
YXX	David Gruber Workforce Project	22,425
YXX	Equipment	21,776
YXX	Grant Searching & Writing Consultants	150,000
YXX	Travel (Training & Conferences)	<u>25,000</u>
	TOTAL:	\$ 284,201

- 4. REQUEST that the Mayor's Office of Economic Development, Strategic Planning, and Project Development Division (SPPD) to report to the Housing, Community, and Economic Development Committee in 90 days, and on a quarterly basis thereafter, relative to the status of EDA Earthquake Assistant and UDAG grant-funded projects.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. Funding is provided from the EDA Earthquake Assistance and Public Works Program grants and the Mayor's former UDAG. These recommendations are in compliance with City financial policies in that ongoing revenue will be used to support SPPD projects.

Summary:

In a report to the Mayor and Council dated August 5, 2005, the CAO states that SPPD requests approval of its annual report on the status of the \$30 million EDA Earthquake Assistance Grant Award of 1995 and subsequent EDA Grant awards for fiscal years 1998-05 and other grants it administers. The CAO reports that the SPPD provides project management for the Office of the Mayor economic development projects; obtains and manages Federal, State and local grant, loan and technical assistance resources; develops and administers the City Comprehensive Economic Development Strategy; and, participates in the City Brownfields Revitalization Program. The CAO recommends that Council authorize the Mayor to apply for grant funding in the amount of \$1.6 million from the EDA, and to approve various other related actions listed above.

At its meeting held August 17, 2005, the Housing, Community, and Economic Development Committee discussed this matter with representatives of the Mayor's Office and the CAO. At that time, the CAO's representative suggested that SPPD report back on 90 days relative to the status of Earthquake Assistance and UDAG projects. The Committee recommended that

Council approve the recommendations above relative to the status and activities of various SPPD grant-funded programs, as recommended by the CAO. The Committee further recommended that Council request the Mayor's Office report to the Housing, Community, and Economic Development Committee in 90 days, and on a quarterly basis thereafter, relative to the status of EDA Earthquake Assistant and UDAG grant-funded projects.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

E.G. H.

Bernard C. Park

SEP 13 2005 CONTINUED TO SEPTEMBER 20, 2005

MEMBER
GARCETTI
REYES
PARKS

VOTE
YES
ABSENT
YES

JAW
9/2/05

#011057c.wpd

RPT.

ADOPTED

SEP 20 2005

** As Amended*
LOS ANGELES CITY COUNCIL

See Attached Motion

VERBAL MOTION

I HEREBY MOVE that Council AMEND the Housing, Community and Economic Development Committee report (Item No. 21, CF 01-1057) relative to the status of the United States Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995, the Mayor's Office Urban Development Action Grant (UDAG), and other current grant activities, as follows:

REQUEST the Mayor's office to report to the City Administrative Officer and Chief Legislative Analyst on matching sources before submitting application for UDAG money.

PRESENTED BY _____
ERIC GARCETTI
Councilmember, 13th District

SECONDED BY _____
WENDY GREUEL
Councilmember, 2nd District

September 20, 2005

CF 01-1057

Mot
ADOPTED

SEP 20 2005

LOS ANGELES CITY COUNCIL

COUNCIL VOTE

Sep 20, 2005 11:00:56 AM, #4

ITEM NO. (21)

Voting on Item(s): 21

Roll Call

*CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Absent
PARKS	Yes
PERRY	Yes
REYES	Yes
ROSENDAHL	Yes
SMITH	Yes
WEISS	Yes
ZINE	Yes
PADILLA	Yes
VACANT	Absent
VACANT	Absent

Present: 12, Yes: 12 No: 0

COUNCIL VOTE

Sep 20, 2005 11:00:33 AM, #3

ITEM NO. (21)

Voting on Item(s): 21

Roll Call

*CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Absent
PARKS	Yes
PERRY	Yes
REYES	Yes
ROSENDAHL	Yes
SMITH	Yes
WEISS	Yes
ZINE	Yes
PADILLA	Yes
VACANT	Absent
VACANT	Absent

Present: 12, Yes: 12 No: 0

Reconsideration

**HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT
COMMITTEE**

NOTIFICATION OF COUNCIL ACTION

Council File No. 01-1057

- Council Member(s) 9, 13, 2
- Interested Department _____
- Mayor (with/without file) _____
- Chief Legislative Analyst _____
- City Administrative Officer _____
- Controller _____
- City Clerk _____
 - City Clerk, Chief Administrative Services _____
- Treasurer _____
- City Attorney (with blue sheet / without blue sheet) _____
- General Services Department _____
- Department of Transportation _____
- Personnel Department _____
- Los Angeles Housing Department _____
- Community Development Department, General Manager, Clifford Graves _____
 - cc: Contact Person _____
- Community Redevelopment Agency _____
- Board of Public Works _____
- Workforce Investment Board _____
- Workforce Investment Board, Youth Council _____
- Public Works, Bureau of Contract Admin
- _____

03-1188-S8

(11)

COUNCIL: 8-12-2005; CONTINUED FROM 6-29-2005

CDD report relative to various actions amending the Workforce Investment Board Year Six Annual Plan to provide funding for the Los Angeles World Airports job training and employment programs and the release of Request for Proposals for program services and special projects.

Fiscal Impact Statement Submitted: No

DISPOSITION _____

01-1057

(12)

EG
ER
BP

Communication from the Mayor and CAO report relative to the status of the United States Department of Commerce Economic Development Administration Earthquake Assistance Grant Award of 1995, the Mayor's Office Urban Development Action Grant, and other current grant activities.

Fiscal Impact Statement Submitted: Yes, by the CAO

DISPOSITION Cont'd 1 week

05-1522

(13)

COUNCIL: 8-12-2005

Motion requesting that the City Attorney prepare an ordinance to extend permitting requirements and standards for supermarkets to address public safety concerns, provide amenities to the public, and to maintain quality of life standards in the communities they are located; and, to provide for transitional worker retention to assure the maintenance of those standards when supermarket establishments change ownership.

Fiscal Impact Statement Submitted: No

DISPOSITION _____

hd0810.wpd

(7)

03-0153-S1

Motion (Parks - Smith) requesting that the City Attorney, with the assistance of LAHD and the Bureau of Sanitation, report and LAHD report relative to amending the City's Rent Stabilization Ordinance (RSO) to permit property owners of rental housing an opportunity to pass-through to tenants increased Sewer Service Charge fees.

Fiscal Impact Statement Submitted: No

DISPOSITION _____

(8)

04-0777

Motion (Parks - Smith) and LAHD report relative to amending the City's RSO to provide for cost increases and periodic reviews of the allowable rate increase.

Fiscal Impact Statement Submitted: Yes, by LAHD

DISPOSITION _____

(9)

04-0576

LAHD and CAO reports relative to options for modifying the City's RSO to potentially permit landlords to recover increased costs associated with the Department of Water and Power water surcharge.

Fiscal Impact Statement Submitted: Yes, by LAHD and the CAO

DISPOSITION _____

(10)

02-1072

Community Development Department (CDD) report and the CAO to report relative to the 2005 Request for Proposals (RFP) for the Domestic Violence Shelter Operations Program, and deferring until 2006 the RFP for the Human Services Delivery System's Neighborhood Action Program, and related actions.

Fiscal Impact Statement Submitted: Yes, by CDD

DISPOSITION _____

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 5, 2005

CAO File No: 0220-01448-0018
Council File No: 01-1057
Council District: ALL

To: The Mayor
The Council

From: William T Fujioka, City Administrative Officer



Reference: Transmittal from the Mayor dated June 16, 2005; Received by the City Administrative Officer on June 30, 2005; Additional Information Received on August 3, 2005

Subject: **MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT, STRATEGIC PLANNING & PROJECT DEVELOPMENT DIVISION STATUS REPORT ON VARIOUS ECONOMIC DEVELOPMENT ADMINISTRATION GRANT AWARDS AND OTHER GRANT ACTIVITIES**

SUMMARY

The Mayor's Office of Economic Development, Strategic Planning & Project Development Division (SPPD) requests approval of its Annual Status Report, which provides an update of the following:

- A \$30 million United States Department of Commerce, Economic Development Administration (EDA), Earthquake Assistance Grand Award of 1995 and subsequent EDA Grant awards for fiscal years 1998-05; and,
- Other grants it administers.

The SPPD:

- Provides project management for the Office of the Mayor economic development projects;
- Obtains and manages Federal, State and local grant, loan and technical assistance resources;
- Develops and administers the City Comprehensive Economic Development Strategy (CEDS); and,
- Participates in the City Brownfields Revitalization Program.

The EDA has established a deadline of December 31, 2005 for expenditure of EDA Earthquake Grant funds. As such, the Council instructed the SPPD to report on the status of all projects under consideration for EDA grant funding and the development and status of the CEDS reports.

The SPPD requests comply with the City Financial Policies. Budgeted appropriations must be balanced against available revenue. The City should pursue grants but limit financial support to avoid commitments that continue beyond available funding.

AUG 09 2005

Housing, Community and Economic Development

061057

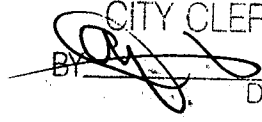
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CITY CLERK

BY



DEPUTY

EDA Earthquake Assistance Grant of 1995

The EDA Earthquake Assistance Grant Award of 1995 is an ongoing, \$30 million disaster infrastructure development grant that has provided funding for 26 projects (22 construction and four technical assistance projects). The status of each of these projects is shown in Attachment I. SPPD serves as the grant manager, with City departments and Council Offices requesting use of the funds for projects. The EDA has indicated that all funds from this grant must be expended by December 31, 2005. SPPD anticipates that all projects will complete their EDA-funded portions of work by this deadline.

Council approved the reprogramming of \$1,540,534 in EDA Earthquake funds from the Staples Center Phase II project to the Western Slauson Industrial Area project in Council District Eight in May 2005 (C.F. 01-1057). The project involves streetscape improvements to enhance accessibility through the area in which several large businesses (Hostess Cake, Advance Paper, Laidlaw and the Los Angeles Design Center) employing over 1,200 people are located. SPPD reports that the street improvements will help anchor these businesses in the area and complement the planned expansion of the Los Angeles Design Center. SPPD is requesting that the grant allocation for this project be increased by \$160,000, from \$1,540,534 to \$1,700,534. Funds for the \$160,000 increase are provided as a result of the WEB-ED Economic Development online project not being able to meet the December 31, 2005 EDA deadline.

There are ten EDA Earthquake Grant funded projects in various stages of development. These are also summarized in Attachment I. Because of the December 31, 2005 deadline for expenditure of funds under the EDA grant, Council authorized SPPD the flexibility to transfer and allocate any EDA-funded project savings between Council approved EDA projects as-needed to projects which are able to meet the deadline (C.F. 01-1057).

Comprehensive Economic Development Strategy

The Citywide Comprehensive Economic Development Strategy (CEDS) is an economic development study that focuses on specific areas of the City and is updated on an annual basis. The Citywide CEDS is comprised of six sub-CEDS regions:

- Downtown;
- East/Northeast Los Angeles;
- Hollywood;
- San Fernando Valley;
- South Los Angeles; and,
- West Los Angeles.

The EDA approved plans allow Council and Mayor to submit projects within these sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking against other regional projects. Funding was previously allocated to five of the six regions. The Hollywood sub-CEDS report has been completed. The Downtown, East/Northeast, San Fernando Valley and South sub-CEDS were completed in May 2005. Council allocated

Community Development Block Grant funds in June 2002 for the updates required for these regions to remain eligible for EDA grant awards. SPPD reports it is working with the stakeholders of the regions, including Council Offices, to insure that potential projects in each of these regions are being identified.

EDA Public Works Program

The EDA Public Works Program empowers distressed communities to revitalize, expand and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies and generate or retain long-term, private sector jobs and investment. EDA requirements for the grant include a 50 percent match, per capita income is less than 80 percent of the national average or that the unemployment rate of the area is at least one percent higher than the national average. Projects must meet the EDA job creation ratio of one job per \$10,000. Projects must also meet the \$22 of private dollar investment (in plant and equipment) to every one dollar of EDA investment threshold.

The SPPD is working with Council Offices, the local community, Community Development Department, Community Redevelopment Agency, Department of Water and Power, Department of Public Works and the Department of Transportation to identify projects that would qualify under the EDA Public Works Program. Matching funds could be provided from grant sources, the General Fund, in-kind contributions or private investments.

A list of potential projects can be found in the transmittal from the Mayor dated June 16, 2005. Two projects (E & C Fashion and Hollywood & Vine) appear to be the best suited for an EDA Public Works Program grant at this time. SPPD is requesting authority to apply for EDA Public Works Program grants for these two projects. SPPD reports that the two projects meet or exceed the EDA criteria for grants under the Public Works Program. Additionally, the projects show strong potential for starting construction by the second or third quarter of next year.

E & C Fashion, located in Council District 14, is expanding to a second, larger site. The expansion is scheduled for Fall 2005 and is estimated to create an additional 250 positions. The SPPD is requesting Council approval to apply for an EDA Public Works grant in the amount of \$800,000 to provide infrastructure improvements around the new site.

The Hollywood & Vine project, located in Council District 13, is proposed to redevelop a 4.6 acre site to include a W brand hotel, retail and restaurant space, a grocery store, for-sale condominiums and rental housing, of which 20 percent will be affordable units. The SPPD is requesting Council approval to apply for an EDA Public Works grant in the amount of \$800,000 to provide infrastructure improvements around the new site.

Mayor's Former Urban Development Action Grant

SPPD is responsible for administering project activities and financial transactions of the Mayor's former Urban Development Action Grant (UDAG) funds. Council last adopted a full report on the status of former Mayor UDAG funded projects in February 2003 (C.F. 03-0088). A summary of the

Mayor's former UDAG fund and allocations to six proposed projects are summarized in Attachment II.

Descriptions of all projects currently receiving UDAG allocations, as well as proposed allocations, are contained in Attachment III. SPPD is requesting Council approval to execute a contract with Gruber and Pereira Associates, LLC (Gruber), in the amount of \$22,425 in Mayor's former UDAG funds, to pay for job-growth related consulting services that were already completed. Due to an administrative oversight, a contract was never executed for the work. Executing the contract now would allow the SPPD to pay Gruber for the services provided between November 2003 and September 2004.

Other Grant Activities

The City received a \$350,000 grant under the California Pollution Control Financing Authority, Sustainable Communities Grant and Loan Program, for the Downtown Los Angeles Seventh Street Transit/Pedestrian 24-Hour Safe Passage Project. The street lighting design is complete.

SPPD is also responsible for monitoring activities for the City Brownfields Revitalization Fund and administering some of the grant funds. A report on City Brownfields activity was released under separate cover in November 2004 (C.F. 00-1188).

Personnel

The Council approved continuing resolution authority for four SPPD staff positions that administer the EDA earthquake grants and other economic development grants for the period from July 1, 2005 through June 30, 2006 as part of the 2005-06 Adopted Budget. No further Council action is needed. The four existing staff positions manage ongoing projects that will continue in 2005-06 as well as search for additional funding sources not yet utilized by the City.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the Mayor, or designee, to:

- A. Apply for grants from the United States Department of Commerce, Economic Development Administration (EDA) for the following projects and amounts:

<u>Project</u>	<u>Council District</u>	<u>Amount</u>
E & C Fashion	9	\$ 800,000
Hollywood & Vine	13	800,000
	TOTAL	<u>\$1,600,000</u>

- B. Increase the EDA funding allocation for the Western Slauson Industrial Area project by \$160,000, from \$1,540,534 to \$1,700,534;

- C. Allocate Mayor's former Urban Development Action Grant (UDAG) funds as outlined in Attachment II of the City Administrative Officer (CAO) report;
 - D. Negotiate and execute a contract with Gruber and Pereira Associates, LLC in an amount not to exceed \$22,425, for a term retroactive to November 1, 2003 through September 1, 2004, for work already completed that provided job-growth related consulting services, subject to the review and approval of the City Attorney as to form and legality and the Department of Public Works, Bureau of Contract Administration for adherence to City contracting standards;
 - E. Prepare Controller instructions consistent with this report and make any technical adjustments, subject to the approval of the CAO, and authorize the Controller to implement these instructions;
2. Approve the expenditure of EDA grant funds in an amount up to \$142,514 and the expenditure of Mayor's former UDAG grant funds in an amount up to \$135,486, for a total amount of \$278,000, for the direct costs associated with four Office of the Mayor staff positions effective July 1, 2005 through June 30, 2006;
3. Authorize the Controller to:
- A. Appropriate up to \$142,514 of EDA grant funds to Account No. Y146, Salaries, within Fund No. 649 (Infrastructure Investment Fund);
 - B. Transfer up to \$142,514 to Fund No. 100, Department No. 46, Account No. 1020 (Salaries- Grant Reimbursed), from Account No. Y146, Salaries, upon receipt of the EDA grant funds from Fund No. 649 (Infrastructure Investment Fund);
 - C. Transfer up to \$135,486 to Fund No. 100, Department No. 46, Account No. 1020 (Salaries – Grant Reimbursed), upon receipt of grant funds from Fund No. 303 (Industrial Commercial Revolving Loan Fund);
 - D. Decrease the appropriation to Account No. V700, Web Ed Tool Project, in the amount of \$160,000, within Fund No. 649 (Infrastructure Investment Fund);
 - E. Increase the appropriation to Account No. W200, Western Slauson Industrial Project, in the amount of \$160,000, for a new total of \$1,700,534, within Fund No. 649 (Infrastructure Investment Fund); and,
 - F. Establish and appropriate an amount not to exceed \$284,201 within Fund No. 303 (Industrial Commercial Revolving Loan) as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Y146	Salaries	\$ 65,000
YXXX	David Gruber Workforce Project	22,425
YXXX	Equipment	21,776
YXXX	Grant Searching & Writing Consultants	150,000
YXXX	Travel (Training & Conferences)	25,000
	TOTAL	<u>\$ 284,201</u>

FISCAL IMPACT STATEMENT

There is no impact on the General Fund as a result of these actions. Funding is provided from the Economic Development Administration Earthquake Assistance and Public Works Program grants and the Mayor's former Urban Development Action Grant. These recommendations are in compliance with the City Financial Policies in that ongoing revenue will be used to support SPPD projects.

WTF:SDE:02060021c

Attachments

U.S. Department of Commerce Economic Development Administration Earthquake Assistance Grant of 1995
Project Status Report Prepared by Mayor's Office of Economic Development, Strategic Planning and Project Development - July 2005

	Projects	Status	Anticipated Construction Completion Date	Council District	EDA Fund Allocations
	Completed Projects				
1	Angelus Grand Plaza	Project completed.		14	\$ 609,050
2	Arminta Ave. Extension (General Motors)	Project completed.		7	3,970,293
3	Business Assistance Center/VEDC	Project completed.		2,3,5,7,12	895,225
4	Canoga Park Commercial Revitalization/Madrid Theater	Project completed.		3	264,600
5	CRA Staff Assistance	Project completed.		citywide	518,871
6	CSUN BioTech Park	Project completed.		12	1,388,568
7	Goodyear Tract (Incore) Phase I	Project completed.		9	335,191
8	Goodyear Tract (Incore) Phase II	Project completed. Preparing closeout documents.		9	2,904,109
9	Taylor Yard - Legacy	Reprogrammed due to scope change by developer.		1	68,322
10	Union Arts Center/Little Tokyo Marketing Plan	Project completed.		9	383,640
11	Whiteman Airport Industrial Park	Project completed.		7	1,782,000
12	Wilshire Streetscape Project	Project completed.		10	\$ 1,400,000
		Total Completed:			\$ 14,519,953
	Current Projects				
1	Atwater Project at Glendale & Madera	Full application approved. Bid & award underway.	Oct-05	13	\$ 641,452
2	Harbor Gateway Center	Pending Caltrans approval.	Dec-05	15	2,163,712
3	Hollywood Media District	Full application submitted and approved by EDA.	Nov-05	13	75,500
4	New Economics for Women	Contractor being selected. Construction underway.	Nov-05	1	2,275,000
5	North Hollywood Mixed-Use Project	Construction contractor selected. Construction underway.	Oct-05	2,4	3,570,000
6	Pacoima Economic Revitalization Center*	Sub-grant agreement executed. Bid & award underway.	Oct-05	7	953,382
7	Taylor Yard - Van de Kamp/future LACC Site	Abatement and demolition completed. Contractor for grading selected.	Sep-05	1	1,500,000
8	UCLA Tom Bradley Foundation	Program in progress.	Sep-05	citywide	500,000
9	Web Based Economic Development Tool	Cancelled due to time constraint.	Canceled	citywide	-
10	Western Slauson Industrial Area	Full application submitted, pending EDA approval.	Nov-05	8	1,700,534
	Administrative Costs				\$ 2,113,849
		Total Current:			\$ 15,493,429
	Total EDA Earthquake Assistance Fund Allocations*				\$ 30,013,382

ATTACHMENT II

Mayor's Office Former UDAG Fund (Fund 303) Allocations

	Council File	Former UDAG Funds	Total
Cash Available (5/20/2005)			\$ 1,884,697
Council-Approved Ongoing Projects			
Administrative Expense (Salaries)		\$ (169,064)	
Armenian Relief Society	03-0008	(50,000)	
Encino Velodrome		(250,000)	
Laurel Plaza Evening Farmer's Market	03-0088	(10,000)	
Mark Briggs & Associates	03-0088	(50,000)	
Marlton Square	03-0088	(1,000,000)	
NE Valley BID	04-0770	(41,432)	
St. Elizabeth Catholic Church	03-0088	(30,000)	
Total Council-Approved Ongoing Projects			\$ (1,600,496)
Proposed Allocations			
Administrative Expense (Salaries)		(65,000)	
Gruber and Pereira Associates (Workforce)		(22,425)	
Equipment		(21,776)	
Grant Searching & Writing Consultants		(150,000)	
Staff Training & Conferences		(25,000)	
Total Proposed Allocations			\$ (284,201)
			\$ 0
Balance			

Note:

1. Web-Based Economic Development Tools (\$100,000) – Funds have been transferred to CDD who is managing the ongoing contract with CD-Tech.
2. UCLA Tom Bradley Legacy Foundation Bridge Loan (\$100,000) – Funds are expected be paid back by December 2005.

**Mayor's Office Former UDAG Fund (Fund 303)
Allocation Descriptions and Status**

Council-Approved Ongoing Projects

1. Admin. (\$169,064)

The funding was allocated to fund MOED staff managing grant activities. SPPD is MOED's grants unit and has been managing UDAG and EDA funded, as well as, other federal, state and city funded projects. Since 1995, SPPD has been billing under the EDA Earthquake grant while it is available. The earthquake funds are expected to end by December 2005.

2. Armenian Relief Society (\$50,000, CD-13)

Funds were reallocated from the Bellevue Park Master Plan on March 30, 2004 by CD-13 to the Armenian Relief Society. The funds will provide support services to at-risk youth and senior citizens.

CDD manages the program and will submit payment request to MOED. CDD has executed the contract with the contractor on August 10, 2004.

3. Encino Velodrome (\$250,000, CD-12)

The Encino Velodrome Association, a California nonprofit organization, required public assistance to support major renovations of the Encino Velodrome. Due to its current condition, the Encino Velodrome cannot host world class cycling events that have brought national recognition as well as an economic boost to the Los Angeles area. Programs sponsored at the Encino Velodrome include: Amateur Athletic Foundation activities, Los Angeles Sheriff Department Vital Intervention and Directional Alternatives for at-risk youth, Bike LA Safety Training, training and racing programs for members of the United States Paralympics Track Team (tandem cycling utilizing sighted captains and a blind bike rider), and a training venue for world class cyclists. Funds will be used for rehabilitation and upgrade of the facility.

Based on a bid result in early 2004, the project has an estimated \$126,000 shortfall mainly due to Prevailing Wage requirement and lumber price increase. The contractor has been applying additional funding from several foundations to fill the gap, and is finalizing a revised scope and budget.

4. Laurel Plaza Evening Farmer's Market (\$10,000, CD-2)

Funds were allocated to provide seed funding for the development of an evening Farmer's Market in the Laurel Plaza redevelopment area. It will be an addition to CRA's Purchase Order (03-0440) with Infusion Marketing for managing and operating the market.

CRA will prepare the agreement and invoices.

5. Mark Briggs & Associates (\$50,000, CD-8 & Citywide)

The applications of \$1,500,000 HUD EDI grant and \$9,000,000 Section 108 loan guarantee for the Marlton Square (a.k.a. Santa Barbara Plaza) project must be re-scored because the project scope has substantially changed from all retail uses to a mixed-use development consisting of single family homes, senior housing, and retail component. The UDAG funds was allocated to amend City contract (C-100189) with Mark Briggs & Associates (MB&A) for the preparation and submission of the aforementioned HUD applications, and any other federal, state and local applications and technical assistance.

There are no pending invoices at this point from MB&A. Funds could be used for future grant applications when needed.

6. Marlton Square (a.k.a. Santa Barbara Plaza) (\$1,000,000, CD-8)

The Marlton Square project, when complete, will consist of 140,000 square feet of retail development, a community public facility, housing and other components on a 22-acre site in the Crenshaw District. The funds were allocated for gap finance supporting economic development related activities.

Funds will be transferred to CDD upon the execution of the agreement between CDD and the developer.

7. NE Valley BID (\$41,432, CD-7)

The San Fernando Road business community from Sylmar to Pacoima has proposed the formation of a Business Improvement District (BID). Formation of a BID along San Fernando Road in the East Valley will provide a mechanism to fund programs for maintenance and improvements. Establishment of this BID is expected to result in a stronger local economy through the enhancement of business community along San Fernando Road in the East Valley as a more attractive, convenient and pedestrian-friendly place to do business.

Upon request, funds will be transferred to the City Clerk who manages the program.

8. St. Elisabeth Catholic Church (\$30,000, CD-6)

In 1998, the City Council awarded Proposition K competitive grant funds in the amount of \$49,499 to St. Elisabeth Catholic Church Baseball Club, Archdiocese of Los Angeles, for the design and construction of boys and girls restroom facilities within an existing baseball field in compliance with the new Americans with Disabilities Act. The construction is underway and near completion. The Mayor's former UDAG funds will be an addition to the existing contract (C-98265) for the construction of the lateral sewer line if necessary.

Bureau of Engineering (BOE) manages the project. Funds will be transferred to BOE upon request.

Proposed Allocations

1. Administrative Expense (Salaries, \$65,000)

This allocation is proposed to fund MOED staff managing grant activities. SPPD is MOED's grants unit and has been managing UDAG and EDA funded, as well as, other federal, state and city funded projects. Since 1995, SPPD has been billing under the EDA Earthquake grant while it is available. The earthquake funds are expected to end by December 2005.

2. Gruber and Pereira Associates, LLC (\$22,425, Citywide)

This allocation is proposed to fund job growth related consulting services provided by Gruber and Pereira Associates. A draft agreement is attached including detailed scope of work.

3. Equipment (\$21,776)

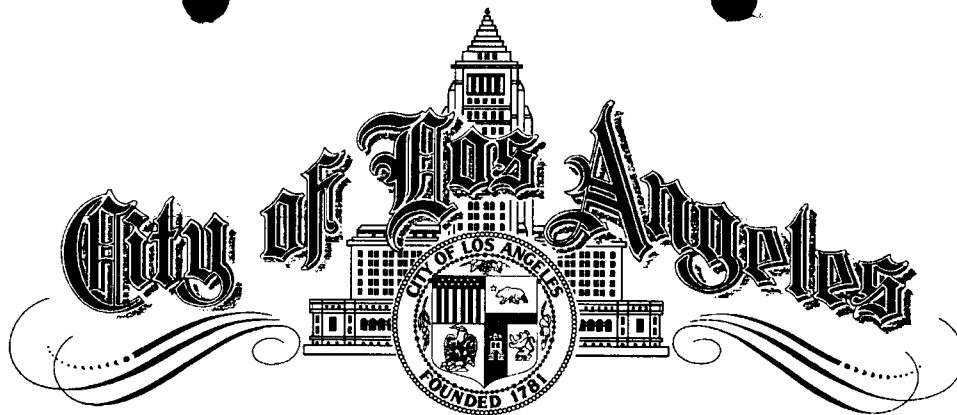
This allocation is proposed to fund equipment expenses needed in supporting grant and project management.

4. Grant Searching & Writing Consultants (\$150,000)

This allocation is proposed to fund consulting services in grant searching and writing for economic development related activities.

5. Staff Training & Conferences (\$25,000)

This allocation is proposed to fund staff training and conferences in related to economic development activities.



CITY HALL
LOS ANGELES, CALIFORNIA 90012

JAMES K. HAHN
MAYOR

June 16, 2005

Honorable City Councilmembers
City of Los Angeles
C/O City Clerk
City Hall, Room 395
200 No. Spring Street
Los Angeles, CA 90012

RE: MAYOR'S OFFICE STRATEGIC PLANNING & PROJECT DEVELOPMENT DIVISION: RESPONDING TO COUNCIL'S REQUEST OF MAY 3, 2005 FOR REPORT BACK; STATUS REPORT AND RECOMMENDATIONS ON THE U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995 AND OTHER CURRENT GRANT ACTIVITIES; AND MAYOR'S OFFICE URBAN DEVELOPMENT ACTION GRANT.

The Mayor's Office Strategic Planning & Project Development (SPPD) Division is responsible for providing project management for the Mayor's Office Economic Development; obtaining and managing federal, state and local grants, and technical assistance resources; and developing and overseeing the City's Comprehensive Economic Development Strategy (CEDs) activities. Additionally, SPPD actively participates in the City's Brownfields Revitalization program that has achieved national recognition. SPPD continues to search for additional funding sources not yet utilized by the City for development projects.

This report shall serve as a response to Council's request of May 3, 2005 (CF 01-1057) to report back in ninety days on the status of all projects still under consideration for U.S. Department of Commerce, Economic Development Administration (EDA) grant funding in the coming year; and development and status of the City's Comprehensive Economic Development Strategy.

JUL 05 2005


Housing, Community and Economic Development



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City of Los Angeles
Honorable City Councilmembers
June 16, 2005
Page 2 of 10

On July 1, 2001, the beginning of the Hahn administration, this unit continued a previously established contractual agreement with the EDA for the Earthquake Infrastructure Investment grant. Although all dollars were allocated, there was an unspent balance (at the time) of \$15,748,216. Pursuant to a directive from the EDA establishing a deadline of December 31, 2005 for expenditure of these funds: we have been, to the full extent of our authority, directing and coordinating with the respected Council Offices, City Attorney's Office and all other department's schedules to meet EDA's deadline date.

The Mayor's Office of Economic Development (MOED) hereby submits a status report on: 1) \$30 million under the Earthquake Assistance Grant Award of 1995 and other current EDA grant awards; 2) Mayor's Office Urban Development Action grant; and 3) other current and proposed future grant activities. MOED's previous status report was adopted by City Council on May 3, 2005.

Please contact Mr. R.D. Lottie, Jr., Director of Mayor's Office Strategic Planning & Project Development at (213) 978-0670 should you have any questions.

Very truly yours,



RENATA SIMRIL
Deputy Mayor for Economic Development

RS:sf

Attachments I - IV

1.0 Status Report on EDA Grant Award Projects

1.1 \$30 Million Earthquake Assistance Grant Award of 1995

Established following the January 17, 1994 Northridge earthquake, the EDA provided a \$30 million infrastructure development grant to assist in City's economic recovery from the impact of the Northridge earthquake. As of this date, eleven projects have been completed and ten projects are ongoing. Following is the status on this \$30 million EDA grant (Also summarized in Attachment I). The current EDA grant award for the \$30 million ends on December 31, 2005. EDA has stated that any unspent dollars by December 31, 2005 would be returned to EDA.

Since May 31, 2005, the Mayor's Office of Economic Development received reports (communications) that lead the MOED to believe that the WEB-ED (Economic Development) online project would not meet EDA's timeline of December 31, 2005. As it is too late to begin an application process with EDA, the Western Slauson Industrial Area project is in the process of being approved and is on schedule to meet EDA's deadline. An increased/revised scope has been prepared to absorb the now available EDA Earthquake funds of \$160,000.

Completed Projects:

Project and Funding Amount	Status
▪ Angeles Grand Plaza \$609,050 (CD-14)	Project completed.
▪ Arminta Street Extension (Former General Motors Site) \$3,970,293 (CD-7)	Project completed.
▪ Business Assistance Center/VEDC \$895,225 (CD-2,3,5,7,12)	Project completed.
▪ CRA Staff Assistance \$518,874 (Citywide)	Project completed.
▪ Canoga Park Commercial Revitalization & Madrid Theatre \$264,684 (CD-3)	Project completed. (This project was also funded with \$3,013,633 CDBG funds)
▪ CSUN BioTechnology Park \$1,388,568 (CD-12)	Project completed.
▪ Goodyear Tract Industrial Park - Ph. I \$335,191 (CD-9)	Project completed.

▪ Goodyear Tract Industrial Park – Ph. II \$2,904,109 (CD-9)	Project completed.
▪ Taylor Yard Corridor – Legacy \$68,322 (CD-1)	Funds were reprogrammed due to scope change by developer. EDA reimbursed the City in the amount of \$68,322 for design & management costs.
▪ Union Arts Theatre & Little Tokyo Marketing Plan \$383,640 (CD-9)	Project completed.
▪ Whiteman Airport Industrial Park \$1,782,000 (CD-7)	Project completed.
▪ Wilshire Boulevard Streetscape \$1,400,000 (CD-10)	Project completed.

Current Projects:

<u>Project and Funding Amount</u>	<u>Status</u>
▪ Atwater at Glendale and Madera \$641,452 EDA (CD-13) and \$110,000 CDBG-EDA Matching	EDA approved the full application on April 6, 2005. CDBG-EDA Matching funds in the amount of \$110,000 is for BOE design and construction management fees. A separate motion is forthcoming to Council accepting the award and seeking authorities to contract/reimburse City departments and/or contractor(s).
▪ Harbor Gateway Center \$2,163,712 (CD-15)	Received EDA approval to advertise bid. Pending CALTRANS approval to advertise.
▪ Hollywood Media District \$75,500 (CD-13)	Technical Assistance Application was approved on 4/28/2005.
▪ New Economics for Women (NEW) \$2,275,000 (CD-1)	Project construction is in progress. Business Incubator Center \$1,875,000 was approved on 06/20/97. Supplemental funding of \$400,000 approved by EDA.
▪ NoHo Commons \$3,570,000 (CD-2, 4)	Full application was approved on 09/09/98. A construction contractor has been awarded after an open bidding process.

<ul style="list-style-type: none"> ▪ Pacoima Revitalization Center \$953,382 EDA (CD-7) and \$150,000 CDBG 30th Reprogrammed 	EDA approved full Application on 11/10/04. This project is also funded with \$150,000 of CDBG 30 th Reprogrammed funds. Sub-grant agreement with Valley Economic Development Center is being finalized.
<ul style="list-style-type: none"> ▪ Taylor Yard Corridor – LACCD Atwater Campus Improvements \$1,500,000 (CD-1) 	Full application was approved on 12/06/02. The abatement and demolition has been completed. The college school district has bided out and selected the contractor for rough grading which is expected to be completed by 09/05.
<ul style="list-style-type: none"> ▪ UCLA Tom Bradley Legacy Foundation Program \$500,000 (Citywide) 	Subgrant agreement expired on February 28, 2005. MOED is preparing a request for an extension (until October-2005) to EDA.
<ul style="list-style-type: none"> ▪ Web Based Economic Development Tool \$160,000 (Citywide) 	Cancelled
<ul style="list-style-type: none"> ▪ Western Slauson Industrial Area \$1,700,534 (CD-8) 	Full Application submitted on 4/21/2005 and is being reviewed by EDA.

1.2 Comprehensive Economic Development Strategy (CEDS)

With the support and assistance of Council offices, the SPPD staff has coordinated the first Citywide Comprehensive Economic Development Strategy (CEDS). The CEDS working document is to be updated on an annual basis and is currently comprised of the following six sub-CEDS regions: 1) Downtown; 2) East/Northeast Los Angeles; 3) Hollywood; 4) San Fernando Valley; 5) South Los Angeles; and 6) West Los Angeles. Funding for plan development was previously allocated to the following four sub-CEDS regions: Downtown, East/Northeast Los Angeles, San Fernando Valley and South Los Angeles. The following sub-CEDS regions Downtown; Hollywood; Valley; East Los Angeles; and South Los Angeles were completed in May-2005.

The CEDS documents, with the City Council sanctioned Downtown, San Fernando Valley, South Los Angeles sub-CEDS, and East/Northeast Los Angeles plans, were approved by EDA, which allows the City Council and Mayor to submit projects within these sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking against other regional projects. City

Council allocated \$221,808 of CDBG-EDA Matching funds on June 18, 2002 (CF #01-1057) for the continuous CEDS updates required for these sub-CEDS regions to remain eligible for EDA grant awards. MOED is finalizing an agreement with the Figueroa Media Group for the sub-CEDS updates (CF #01-1057). An extension of the contract to \$18,800 and three months is necessary to complete payment for the consulting work performed.

2.0 Mayor's Former Urban Development Action Grant (UDAG)

SPPD is responsible for administering project activities and financial transactions of the Mayor's former UDAG funds. Attachment II summaries current and proposed allocations. Attachment III outlines the scope of work and status of the allocations.

3.0 Other Grant Activities

3.1 State Sustainable Communities Grant (CF #03-0400)

The City has secured \$350,000 grant under the California Pollution Control Financing authority, Sustainable Communities Grant and Loan Program was secured for the Downtown Los Angeles 7th Street Transit/Pedestrian 24-Hour Safe Passage Project. The funds are mainly for pedestrian lighting and crosswalk improvements. The design of street lighting is complete.

3.2 The City's Brownfields Revitalization Fund

SPPD is responsible for monitoring activities for the City's Brownfields Revitalization Fund and administering some of the grant funds. A report of the City's Brownfields Activity is forthcoming to the Housing Community & Economic Development Committee.

4.0 MOED Grant-Funded Staff Positions

There are ten (10) current projects funded under EDA earthquake grants, most of them will not be complete by June 30, 2005. In addition, there are ongoing projects funded under state and federal, CDBG, and the Mayor's Office former UDAG grants. Therefore, it is imperative to maintain the four existing staff positions to manage ongoing projects that will continue through 2006 as well as to continue searching for additional funding sources not yet utilized by the City. The authority to continue these four grant-funded positions through June 2006 will be included as part of the City's FY 2005 – 2006 budget.

5.0 Potential Projects for EDA's Public Works Program and Other Economic Development Grants

EDA's most suited program to support economic development projects is its Public Works program. The Public Works Program empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

Some general EDA requirements include: a 50% (or dollar for dollar) match; per capita income is less than 80% of the national average, or unemployment rate is at least 1% higher than the national average.

Preparing for an EDA Public Works grant will include early coordination of or with: technical departments regarding infrastructure improvements; Council Offices and the City's Comprehensive Economic Development Strategy concerning local support; local matching funds; and EDA's application process. To fulfill this coordination, SPPD shall facilitate other complementing economic development grant-efforts with the Community Development Department (CDD); Department of Water & Power; Community Redevelopment Agency; Public Works; and the Department of Transportation. Matching funds may include any combination of CDBG; General Fund; in-kind contribution; and private investments. Applicants who provide matching funds in excess of the minimum (of 50%) may be evaluated more favorably by demonstrating a high degree of commitment to the proposed project.

Funds in the amount of \$164.4 million have been appropriated for this program nationwide for FY 2005. The average funding level for an investment in FY 2004 was \$1,361,367.

Through CDD's Industrial Commercial Development division and the Mayor's Housing and Business Team, SPPD has begun developing a comprehensive list of pending projects to consider for EDA's Public Works program. Based on our evaluation of the following list of projects, two (Calko Steel; and E & C Fashion) appear to be most suited for an EDA Public Works grant. Additional projects (and suggestions) are encouraged to complete a list of pending Economic Development projects for the City of Los Angeles.

	Project Name	Funding Gap	Estimated Jobs	Total Project Cost
1	Calko Steel, CD 9	\$ 600,000	35	\$ 3,230,000
2	E & C Fashion, Inc., CD14	\$ 500,000	250	\$ 1,800,000

3	901 South Broadway Limited Partnership, CD9	\$ 700,000	Retention/TBD	\$ 16,137,374
4	American Moving Parts	Unknown	TBD	\$ 2,837,500
5	Audio Video Color (AVC) Corp, CD15	\$ 500,000	125	\$ -
6	Downtown Live, CD9	Unknown	1,000	\$ 200,000,000
7	FAME Renaissance Plaza, CD8	\$ 900,000	50	\$ 10,572,000
8	LA Latin Food Source, LLC	Unknown	TBD	\$ -
9	Lanzit (incubator), CD15	Unknown	99	\$ 2,700,000
10	Pacific Health Foundation (non-profit)	\$ 4,000,000	100	\$ 23,000,000
11	SCI-ARC, CD14	Unknown	81	\$ 14,570,000
12	Sears, CD14	\$ 60,000,000	TBD	\$ 456,500,000
13	Sofa U Love, LLC	\$ -	TBD	\$ 5,435,000
14	Watts Star Theater, CD15	\$ -	65	\$ 16,950,000
15	West Angeles Plaza, CD8	\$ 1,000,000	TBD	\$ 8,665,000
16	YWCA	\$ 25,000,000	TBD	\$ 40,000,000

Last Updated on April 18, 2005

- 5.1 Calko Steel: Located at 6700-6900 S. Stanford Ave (CD 9). The borrower (a tubing manufacturer) wants to acquire 150,000 square feet of an existing building plus adjoining contaminated GE site and larger machinery to expand it's manufacturing and wholesale capacity. An EDA grant could be used to pay for infrastructure improvements around the site.
- 5.2 E & C Fashion: Located at 3600 E. Olympic (CD 14). E & C Fashion Inc. is a jean designer and manufacturer. Annual sales are about \$20 million. The operations are currently under two locations: the first facility is located at 1639 E. 27th Street, Los Angeles, CA 90011 and employs 250; and the second would be located at 3600 E. Olympic, Los Angeles, CA 90023 and employs 50. E & C plans to operate and keep both facilities. The 3600 Olympic warehouse is a 130,000 square foot facility. The complete expansion is planned for Fall 2005. This project will create an additional 250 – 300 employees. An EDA grant could be used to pay for public infrastructure improvements around the site the second site.

6.0 Recommendations

- 6.1 AUTHORIZE the Mayor or designee to apply for an EDA grant in an amount up to \$300,000 for the Calko Steel project.
- 6.2 AUTHORIZE the Mayor or designee to increase the funding allocation for the Western Slauson Industrial Area project up to \$1,700,534.
- 6.3 AUTHORIZE the Mayor or designee to apply for an EDA grant in an amount up to \$250,000 for the E & C Fashion project.
- 6.4 AUTHORIZE the Mayor or designee to increase the contract amount for the Downtown; East LA; South LA; and Valley CEDS adding \$18,800 for a new total of \$75,200 with the Figueroa Media Group.
- 6.5 AUTHORIZE the Mayor or designee to increase the time of the Downtown; East LA; South LA; and Valley CEDS consultant contract with the with the Figueroa Media Group until September-2005.
- 6.6 APPROVE the EDA grant and the Industrial/Commercial Revolving Loan (Mayor's UDAG) grant in an amount not to exceed \$278,000.00 for the direct costs for four MOED staff positions effective July 1, 2005 through June 30, 2006 with City funding the related indirect costs and fringe benefits;
- 6.7 AUTHORIZE the Mayor or designee to negotiate and execute a contract with Gruber and Pereira Associates, LLC in an amount not to exceed \$22,425 of Mayor's former UDAG funds to provide job growth related consulting services, subject to the approval of the City Attorney as to form and legality (See Attachment IV for a draft contract); and
- 6.8 AUTHORIZE the Controller to:
 - a. Establish a new account and appropriate an amount not to exceed \$22,425 in Fund 303, Dept. 46, Account XXX, entitled David Gruber (Workforce) Project;
 - b. Appropriate \$142,514 of federal grant to Account No. Y146, Salaries, within Fund 649, Infrastructure Investment Fund;
 - c. Transfer up to \$142,514 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. Y146, Salaries-

General, upon receipt of federal grant, from Fund 649, Infrastructure Investment;

- d. Transfer up to \$169,063.51 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. Y146, Salaries-General, upon receipt of federal grant, from Fund 303, Industrial/Commercial Revolving Loan;
- e. Authorize the Mayor, or designee, to prepare Controller Instructions consistent with this report and make any technical adjustments, subject to the approval of the CAO, and AUTHRORIZE the Controller to implement these instructions.

U.S. Department of Commerce Economic Development Administration Earthquake Assistance Grant of 1995				
Project Status Report Prepared by Mayor's Office of Economic Development, Strategic Planning and Project Development - June 2005				
	Projects	Status	Council District	EDA Fund Allocations
Completed Projects				
1	Angelus Grand Plaza	Project completed.	14	\$ 609,050
2	Arminta Ave. Extension (General Motors)	Project completed.	7	3,970,293
3	Business Assistance Center/VEDC	Project completed.	2,3,5,7,12	895,225
4	Canoga Park Commercial Revitalization/Madrid Theater	Project completed.	3	264,684
5	CRA Staff Assistance	Project completed.	citywide	518,871
6	CSUN BioTech Park	Project completed.	12	1,388,568
7	Goodyear Tract (Incore) Phase I	Project completed.	9	335,191
8	Goodyear Tract (Incore) Phase II	Project completed. Preparing closeout documents.	9	2,904,109
9	Taylor Yard - Legacy	Reprogrammed due to scope change by developer.	1	68,322
10	Union Arts Center/Little Tokyo Marketing Plan	Project completed.	9	383,640
11	Whiteman Airport Industrial Park	Project completed.	7	1,782,000
12	Wilshire Streetscape Project	Project completed.	10	\$ 1,400,000
			Total Completed:	\$ 14,519,953
Current Projects				
1	Atwater Project at Glendale & Madera	Full application approved. Bid and award underway.	13	\$ 641,452
2	Harbor Gateway Center	Pending Caltrans approval.	15	2,163,712
3	Hollywood Media District	Full application submitted, pending EDA approval.	13	75,500
4	New Economics for Women	Contractor being selected.	1	2,275,000
5	North Hollywood Mixed-Use Project	Construction contractor selected. Ground breaking ceremony on 5/11/05.	2,4	3,570,000
6	Pacoima Economic Revitalization Center	agreement.	7	940,000
7	Taylor Yard - Van de Kamp/future LACC Site	Abatement and demolition completed. Contractor for grading selected.	1	1,500,000
8	UCLA Tom Bradley Foundation	Program in progress.	citywide	500,000
9	Web Based Economic Development Tool	Cancelled due to time constraint.	citywide	-
10	Western Slauson Industrial Area	Full application submitted, pending EDA approval.	8	1,700,534
	Administrative Costs			\$ 2,113,849
			Total Current:	\$ 15,480,047
Total EDA Earthquake Assistance Fund Allocations				\$ 30,000,000

ATTACHMENT II

Mayor's Office Former UDAG Fund (Fund 303) Allocations

	Council File	Former UDAG Funds	Total
Cash Available (5/20/2005)			\$ 1,884,697
Council-Approved Ongoing Projects			
Administrative Expense (Salaries)		\$ (169,064)	
Armenian Relief Society	03-0008	(50,000)	
Encino Velodrome		(250,000)	
Laurel Plaza Evening Farmer's Market	03-0088	(10,000)	
Mark Briggs & Associates	03-0088	(50,000)	
Marlton Square	03-0088	(1,000,000)	
NE Valley BID	04-0770	(41,432)	
St. Elizabeth Catholic Church	03-0088	(30,000)	
Total Council-Approved Ongoing Projects			\$ (1,600,496)
Proposed Allocations			
Anti-Predatory Lending		(15,000)	
Gruber and Pereira Associates (Workforce)		(22,425)	
Equipment		(21,776)	
Grant Searching & Writing Consultant's		(150,000)	
Personal Involvement Center, Inc.		(50,000)	
Staff Training & Conferences		(25,000)	
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Total Proposed Allocations			
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Balance			

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CRA will prepare the agreement and invoices.

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There are no pending invoices at this point from MB&A. Funds could be used for future grant applications when needed.

6. Marlton Square (a.k.a. Santa Barbara Plaza) (\$1,000,000, CD-8)

The Marlton Square project, when complete, will consist of 140,000 square feet of retail development, a community public facility, housing and other components on a 22-acre site in the Crenshaw District. The funds were allocated for gap finance supporting economic development related activities.

Funds will be transferred to CDD upon the execution of the agreement between CDD and the developer.

7. NE Valley BID (\$41,432, CD-7)

The San Fernando Road business community from Sylmar to Pacoima has proposed the formation of a Business Improvement District (BID). Formation of a BID along San Fernando Road in the East Valley will provide a mechanism to fund programs for maintenance and improvements. Establishment of this BID is expected to result in a stronger local economy through the enhancement of business community along San Fernando Road in the East Valley as a more attractive, convenient and pedestrian-friendly place to do business.

Upon request, funds will be transferred to the City Clerk who manages the program.

8. St. Elisabeth Catholic Church (\$30,000, CD-6)

In 1998, the City Council awarded Proposition K competitive grant funds in the amount of \$49,499 to St. Elisabeth Catholic Church Baseball Club, Archdiocese of Los Angeles, for the design and construction of boys and girls restroom facilities within an existing baseball field in compliance with the new Americans with Disabilities Act. The construction is underway and near completion. The Mayor's former UDAG funds will be an addition to the existing contract (C-98265) for the construction of the lateral sewer line if necessary.

Bureau of Engineering (BOE) manages the project. Funds will be transferred to BOE upon request.

Proposed Allocations

1. Anti-Predatory Lending (\$50,000, Citywide)

This allocation is proposed to assist two non-profit organizations in seminars and workshops for the communities victimized by predatory lending practices.

2. Gruber and Pereira Associates, LLC (\$22,425, Citywide)

This allocation is proposed to fund job growth related consulting services provided by Gruber and Pereira Associates. A draft agreement is attached including detailed scope of work.

3. Equipment (\$21,776)

This allocation is proposed to fund equipment expenses needed in supporting grant and project management.

4. Grant Searching & Writing Consultants (\$150,000)

This allocation is proposed to fund consulting services in grant searching and writing for economic development related activities.

5. Personal Involvement Center, Inc. (\$50,000, CD-9)

This allocation is proposed to provide salaries for childcare facility located at Praises of Zion Church under the auspices of its 501(C) 3 nonprofit arm, Personal Involvement Center (PIC), Inc. PIC provides childcare for parents who are now gainfully employed due to activities of WIA program operated by PIC Inc. The WIA grant, previously funded via the Governors discretionary monies (grant cycle concluded on 3/31/05), is a community-based transition program designed to prepare offenders to re-enter society. PIC connects this population with social services such as education, mentoring, life skills training, assessment, mental health and substance abuse treatment, and very important, job skills development, training and employment.

6. Staff Training & Conferences (\$25,000)

This allocation is proposed to fund staff training and conferences in related to economic development activities.

DRAFT

PROFESSIONAL SERVICES AGREEMENT

Contractor: GRUBER & PEREIRA ASSOCIATES, LLC

Title: Job Growth Fund Activities

Said Agreement is Number _____ of City Contracts

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AGREEMENT NUMBER _____ OF CITY CONTRACTS
BETWEEN
THE CITY OF LOS ANGELES
AND
GRUBER & PEREIRA ASSOCIATES, LLC (GPA)

THIS AGREEMENT is made and entered into by and between the City of Los Angeles, a municipal corporation, hereinafter called the City, and Gruber & Pereira Associates, LLC, hereinafter called the Contractor.

W I T N E S S E T H

WHEREAS, the City of Los Angeles, Office of the Mayor, Mayor's Office of Economic Department, has been designated by the City to provide for Jobs Growth Fund Activities; and

WHEREAS, the City of Los Angeles, Office of the Mayor, Mayor's Office of Economic Department cooperates with private organizations, other agencies of the City and agencies of other governmental jurisdictions in carrying out certain functions and programs which are its responsibility; and

WHEREAS, the project which is the subject of this agreement, hereinafter called the Agreement, has been established by the City as one of the above described programs, and has been funded by the return on interest from the Urban Development Action Grant (UDAG), now considered General City Funds, which has been approved by the Los Angeles City Council and the Mayor; and

WHEREAS, the services to be provided herein are of a professional, expert, temporary, and occasional nature; and

WHEREAS, the City and the Contractor are desirous of executing this Agreement as authorized by the City Council and the Mayor (refer to Council File Number _____) which authorizes the Mayor to prepare and execute the Agreement.

NOW, THEREFORE, the City and the Contractor agree as follows:

I.
INTRODUCTION

§101. Parties to the Agreement

The parties to this Agreement are:

- A. The City of Los Angeles, a municipal corporation, having its principal office at 200 North Main Street, Los Angeles, California 90012.
- B. The Contractor, known as Gruber & Pereira Associates, LLC (GPA) its principal office at 2170 Vallejo Street, San Francisco, CA 94123; Attn: David Gruber.

§102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- 1. The representative of the City shall be, unless otherwise stated in the Agreement:

James K. Hahn, Mayor
200 N. Spring St. Room 350
Los Angeles, CA 90012

With copies to:

Dan Kahn
Mayor's Office
200 N. Spring St. Room 350
Los Angeles, CA 90012

- 2. The representative of the Contractor shall be:

Gruber & Pereira Associates, LLC
2170 Vallejo Street
San Francisco, CA 94123
Attn: David Gruber

- B. Formal notices, demands and communications to be given hereunder by either

party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.

- C. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) working days of said change.

§103. Independent Contractor

The Contractor is acting hereunder as an independent contractor and not as an agent or employee of the City. No employee of the Contractor has been, is, or shall be an employee of the City by virtue of this Agreement, and the Contractor shall so inform each employee organization and each employee who is hired or retained under this Agreement. Contractor shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the City.

§104. Conditions Precedent to Execution of This Agreement

Contractor shall provide copies of the following documents to the City:

- A. Proof of insurance as required by the City in accordance with Section 413 of this Agreement and attached hereto as Exhibit A and made a part hereof.
- B. A Notice of Prohibition Against Retaliation in accordance with Section 419 of this Agreement and attached hereto as Exhibit B and made a part hereof.

II.

TERM AND SERVICES TO BE PROVIDED

§201. Time of Performance

The term of this Agreement shall commence on November 1, 2003 and end September 1, 2004 and any additional period of time as is required to complete any necessary close-out activities. Said term is subject to the provisions herein. Performance shall not commence until the Contractor has obtained the City's approval of the insurance required in §413 herein.

§202. Services to be Provided by the Contractor

The Contractor shall provide contractual services which are supported by the work task schedule attached hereto as Attachment 1. All work is subject to prior City approval. Failure to receive approval may result in withholding compensation pursuant

to §301.

Contractor shall provide professional services as follows:

Virgin USA (November 2003 - January 2004)

Develop a workforce incentive package as part of the City's inducement to Virgin USA to move its operations into the City.

GPA shall meet with Virgin executives, assess Virgin's workforce and training needs, assess the availability of funding from the Workforce Investment Act, State of California Employment Training Panel funding, and other sources. GPA shall develop a strategy incorporating targeted recruitment, paid customized training by community colleges, wage subsidies, and upgrade training. After review by the Mayor's Office, GPA shall present this strategy to Virgin's officials in New York.

United Online (January 2004 - April 2004)

United Online (henceforth called United) is contemplating situating a headquarters in the City, whereupon the Office of the Mayor asked GPA to develop a workforce development and training strategy aimed at United to induce it to move to Los Angeles. GPA shall meet with United's vice president for human resources to assess its workforce and training needs; it shall conduct meetings with United's training provider CCT; it shall convey a meeting with United's chief technology officer and the Mayor's office; it shall facilitate a presentation by CCT to the City's Community Development Department, Workforce Development Division Business Services team to discuss job openings at United. Following these meetings, GPA shall continue to meet with the Mayor's office and CCT shall develop and refine a training and workforce strategy.

Jobs Growth Fund (December 2003 - April 2004)

At the request of Dan Kahn, Director of the Mayor's Business Team Office, GPA shall hold a meeting with Blanche Burke, Liaison to Mayor's Office for Community Development Department to plan and develop a business service strategy to identify and target high demand and high growth sectors in the City. GPA assesses funding opportunities for this strategy, shall develop an employer incentive package, and shall author a framework for a citywide "Jobs Growth Fund" (henceforth referred to as Fund).

In developing and refining the Fund model GPA shall discuss strategic opportunities with Deputy Mayor Renata Simiril. Subsequently, GPA shall make presentations on the Fund model to the Fashion and Business Institute (FBI) and to Gerber Scientific, a fashion industry employer. GPA shall present the Fund model and discuss funding opportunities with various State labor agency officials, including Matt McKinnon, Deputy

Secretary of Labor.

Fashion Business Institute (FBI)

(January 2004 - April 2004)

In support of Fund activities, GPA shall make presentations on training and workforce opportunities to Francis Harder, Executive Director of the Fashion Business Institute, John Chen, Director of Economic Development for the Los Angeles Department of Water and Power, and various FBI members.

THQ

(February 2004 - April 2004)

Based on preliminary discussion with CCT (United's training provider, see above), GPA shall contact THQ and CCT to evaluate targeting THQ for workforce activities via the Jobs Growth Fund. GPA shall discover that while THQ career pathways were not appropriate for adults, they shall provide appropriate job opportunities for youth. For example, they shall start quality assurance positions with THQ in the City and the greater Los Angeles region pay \$11.00 per hour. GPA shall conduct follow-up meetings on these opportunities with the Mayor's office and Bruce Stenslie, the new City of Los Angeles Workforce Investment Board director.

III.

PAYMENT

§301. Compensation and Method of Payment

- A. The City shall pay to the Contractor as compensation for complete and satisfactory performance of the terms of this Agreement, an amount not to exceed Twenty Two Thousand Four Hundred Twenty Five Dollars (\$22,425.00), to be paid at a rate of One Hundred Fifty dollars (\$150.00) per hour for a maximum of One Hundred Forty Nine point five (149.5) hours. The foregoing rate represents the total compensation to be paid by City to Contractor for services to be performed as designated by this Agreement.
- B. Each monthly invoice shall be submitted on the Contractor's letterhead; include the name, hours, rate of pay for all personnel to be paid; include evidence of the completed project; include supporting documentation for all approved purchases of equipment or supplies and shall be accompanied by a statement detailing the work completed for the month. Contractor shall warrant that any applicable discounts have been included in the costs to the City. All expenses for travel must receive prior approval from the City and must be documented and will be paid only in conformance with City policies and procedures. Funds shall not be released until the City has approved the work received and satisfied with the documentation included in the invoice.
- C. Ten percent (10%) of the total compensation shall be withheld by the City until

- the Contractor has completed the requirements of this Agreement.
- D. It is understood that the City makes no commitment to fund this Agreement beyond the terms set herein.
- E. Invoices and supporting documentation shall be prepared at the sole expense and responsibility of the Contractor. The City will not compensate the contractor for any costs incurred for invoice preparation. The City may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. The City reserves the right to request additional supporting documentation to substantiate costs at any time. All invoices must be signed by an officer of the Contractor under penalty of perjury that the information submitted is true and correct.

IV. STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against the City or the Contractor. The word "Contractor" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Contractor as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City. This Agreement shall be enforced and interpreted under the laws of the State of California and the City.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be

amended only as provided for herein.

§404. Excusable Delays

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§405. Breach

Except for excusable delays, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§406. Prohibition Against Assignment or Delegation

The Contractor may not, unless it has first obtained the written permission of the City:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§407. Permits

The Contractor and its officers, agents and employees shall obtain and maintain all permits and licenses necessary for the Contractor's performance hereunder and shall pay any fees required therefor. The Contractor further certifies to immediately notify the City of any suspension, termination, lapses, non-renewals or restrictions of licenses, certificates, or other documents.

§408. Nondiscrimination and Affirmative Action

The Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California,

and the City. In performing this Agreement, the Contractor shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. The Contractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

The Contractor shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. If this Agreement contains a consideration in excess of \$500 but not more than \$5,000, the Equal Employment practices provisions of this Agreement shall be the mandatory contract provisions set forth in Los Angeles Administrative Code Section 10.8.3, in which event said provisions are incorporated herein by this reference. If this Agreement contains a consideration in excess of \$5,000, the Affirmative Action Program of this Agreement shall be the mandatory contract provisions set forth in Los Angeles Administrative Code Section 10.8.4, in which event said provisions are incorporated herein by this reference. The Contractor shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by City.

Any subcontract entered into by the Contractor relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

§409. Claims for Labor and Materials

The Contractor shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Agreement so as to prevent any lien or other claim under any provision of law from arising against any City property (including reports, documents, and other tangible matter produced by the Contractor hereunder), against the Contractor's rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

§410. Los Angeles City Business Tax Registration Certificate

The Contractor represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Agreement, the Contractor shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended. The cost of the Certificate and the tax incurred pursuant to Contractor's performance of this contract will be reimbursed to Contractor.

§411. Bonds

Duplicate copies of all bonds which may be required hereunder shall conform to City requirements established by charter, ordinance or policy and shall be filed with the Office of the City Attorney for its review in accordance with Los Angeles Administrative Code Sections 11.47 through 11.56.

§412. Indemnification.

Except for the active negligence or willful misconduct of CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, CONTRACTOR/CONSULTANT undertakes and agrees to defend, indemnify and hold harmless CITY and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR'S/CONSULTANT'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by the CONTRACTOR/CONSULTANT or its SUBCONTRACTORS of any tier. The provisions of this paragraph survive expiration or termination of this Contract.

§413. Insurance.

A. General Conditions

During the term of this Contract and without limiting CONTRACTOR'S/CONSULTANT'S indemnification of the CITY, CONTRACTOR/CONSULTANT shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by CONTRACTOR/CONSULTANT but not less than the amounts and types listed on the Insurance Requirements Sheet (Form Gen 146/IR in Exhibit 1 hereto, covering its operations hereunder. Such insurance shall conform to CITY requirements established by Charter, ordinance or policy, shall comply with the instructions set forth on Form General 133 and with the conditions set forth on the applicable City Special Endorsement form(s), copies of which are included in Exhibit 1, and shall otherwise be in a form acceptable to the City Attorney. Specifically, such insurance shall: 1) protect CITY as an Insured or an Additional Interest Party, or a Loss Payee As Its Interests May Appear, respectively, when such status is appropriate and available depending on the nature of the applicable coverages; 2) provide CITY at least thirty (30) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at the option of the insurer; and 3) be primary with respect to CITY'S insurance program. Except when CITY is a named insured, CONTRACTOR'S/CONSULTANT'S insurance is not expected to respond to claims which may arise from the acts or omissions of the

CITY.

B. Modification of Coverage

CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR/CONSULTANT ninety (90) days advance written notice of such change. If such change should result in substantial additional cost to the CONTRACTOR/CONSULTANT, CITY agrees to negotiate additional compensation proportional to the increased benefit to CITY.

C. Failure to Procure Insurance

All required insurance must be submitted and approved by the City Attorney prior to the inception of any operations or tenancy by CONTRACTOR/CONSULTANT. The required coverages and limits are subject to availability on the open market at reasonable cost as determined by CITY. Non-availability or non-affordability must be documented by a letter from CONTRACTOR'S/CONSULTANT'S insurance broker or agent indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each.

Within the foregoing constraints, CONTRACTOR'S/CONSULTANT'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR/CONSULTANT.

D. Worker's Compensation

By signing this Contract, CONTRACTOR/CONSULTANT hereby certifies that it is aware of the provisions of Section 3700 et seq., of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Contract.

A Waiver of Subrogation in favor of CITY will be required when work is performed on CITY premises under hazardous conditions.

§414. Conflict of Interest

A. The Contractor covenants that none of its directors, officers, employees, or

agents shall participate in selecting, or administrating any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code S87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

B. Definitions:

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.
2. The term "financial or other interest" includes but is not limited to:
 - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
3. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a subagreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
4. The Contractor shall not subcontract with a former director, officer, or

employee within a one-year period following the termination of the relationship between said person and the Contractor.

5. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
6. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
7. The Contractor warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
8. The Contractor covenants that no member, officer or employee of Contractor shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
9. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".

§415. Restriction on Disclosures

Any reports, analysis, studies, drawings, information, or data generated as a result of this Agreement are to be considered as confidential. Such information shall not be made available to any individual, agency, or organization except as provided for in this Agreement or as provided by law.

§416. Compliance with Statutes and Regulations

- A. The Contractor, in the performance of this Agreement, shall comply with all applicable statutes, rules, regulations and orders of the United States, the State of California, the County and City of Los Angeles, including laws and regulations pertaining to labor, wages, hours, and other conditions of employment and the City's anti-discrimination provisions and Affirmative Action Plan. Contractor shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement.

B. Americans with Disabilities Act.

The Contractor/Consultant hereby certifies that it will comply with the Americans with Disabilities Act 42, U.S.C. Section 12101 et seq., and its implementing regulations. The Contractor/Consultant will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. The Contractor/Consultant will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the Contractor/Consultant, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

C. None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

D. At any time during normal business hours and as often as the City, the U.S. Comptroller General and the Auditor General of the State of California may deem necessary, the Contractor shall make available for examination all of its records with respect to all matters covered by this Agreement. The City, the U.S. Comptroller General and the Auditor General of the State of California shall have the authority to audit, examine and make excerpts or transcripts from records, including all Contractor's invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

E. Records, in their original form, shall be maintained in accordance with requirements prescribed by the City with respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this agreement. Such records shall be retained for a period of five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The City may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the City

F. Contractor agrees to provide any reports requested by the City regarding

performance of the Agreement.

G. Child Support Assignment Orders.

This Contract is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, Contractor/Consultant certifies that it will (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of Contractor/Consultant are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) maintain such compliance throughout the term of this Contract. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Contractor/Consultant to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Contractor/Consultant to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Contractor/Consultant under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor/Consultant by City. any subcontract entered into by the Contractor/Consultant relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Contractor/Consultant to obtain compliance of its subcontractors shall constitute a default by the Contractor/Consultant under the terms of this contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor/Consultant by the City.

Contractor/Consultant shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Contractor/Consultant assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

H. Contractor shall obtain prior written approval from the City before entering into any subcontract.

§417. Federal, State and Local Taxes

Federal, State and local taxes shall be the responsibility of the Contractor as an independent Contractor and not as a City employee.

§418. Inventions, Patents and Copyrights

A. Reporting Procedure

If any project produces patentable items, patent rights, processes, or inventions in the course of work under a grant or agreement, the Contractor shall report the fact promptly and fully to the City. The City shall determine whether to seek protection on the invention or discovery. The City and its representative shall determine how the rights in the invention or discovery, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest.

B. Copyright Policy

1. Unless otherwise provided in the terms of the Agreement, when copyright-able material is developed in the course of the agreement, the author and the City are free to copyright material or to permit others to do so. The City shall have a royalty-free, nonexclusive and irrevocable license to reproduce, publish, use, and to authorize others to use all copyrighted material.
2. The City reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for City purposes:
 - a. The copyright in any work developed under any City funded Agreement; and
 - b. Any right of copyright to which a Contractor purchases ownership.

C. Rights to Data

The City shall have unlimited rights to any data first produced or delivered under this Agreement.

§419. Living Wage Ordinance

Service Contractor Worker Retention and Living Wage Policy

- A. Unless otherwise exempt in accordance with the provisions of this Ordinance, this contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 et seq. of the Los Angeles Administrative Code, as

amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time.

1. Payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.
 2. CONTRACTOR/CONSULTANT further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. CONTRACTOR/CONSULTANT shall require each of its Subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. CONTRACTOR/CONSULTANT shall deliver the executed pledges from each such Subcontractor to the City within ninety (90) days of the execution of the Subcontract. CONTRACTOR'S/CONSULTANT'S delivery of executed pledges from each such Subcontractor shall fully discharge the obligation of the CONTRACTOR/CONSULTANT to comply with the provision in the LWO contained in Section 10.37.6[©] concerning compliance with such federal law.
 3. The CONTRACTOR/CONSULTANT, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. CONTRACTOR/CONSULTANT shall post the Notice of Prohibition Against Retaliation provided by the City.
 4. Any Subcontract entered into by the CONTRACTOR/CONSULTANT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the "Living Wage Ordinance and Service Contractor Worker Retention Ordinance" language.
 5. CONTRACTOR/CONSULTANT shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.
- B. Under the provisions of Section 10.36.3[©] and Section 10.37.5[©] of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this contract and otherwise pursue legal remedies

that may be available if the City determines that the subject CONTRACTOR/CONSULTANT has violated provisions of the LWO and the SCWRO.

C. Where under the LWO Section 10.37.6(d), the designated administrative agency has determined (a) that the CONTRACTOR/CONSULTANT is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the CONTRACTOR/CONSULTANT in accordance with the following procedures. Impoundment shall mean that from monies due the CONTRACTOR/CONSULTANT, the awarding authority may deduct the amount determined to be due and owing by the CONTRACTOR/CONSULTANT to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures there described through final and binding arbitration. Whether the CONTRACTOR/CONSULTANT is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The CONTRACTOR/CONSULTANT may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

D. Earned Income Tax Credit

This contract is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

§420. Equal Benefits Ordinance

Unless otherwise exempted in accordance with the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, this Contract is subject to the provisions of the EBO as amended from time to time.

(1) During the performance of the Contract, the Contractor/Consultant certifies and represents that the Contractor/Consultant will comply with the EBO. The Contractor/Consultant agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the performance of a Contract with the City of Los Angeles, the Contractor/Consultant will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Office of the City Administrative Officer, Contractor Enforcement Section at (213) 978-7650.”

(2) The failure of the Contractor/Consultant to comply with the EBO will be deemed

to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor/Consultant fails to comply with the EBO the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the EBO may be used as evidence against the Contractor/Consultant in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

(5) If the City Administrative officer determines that a Contractor/Consultant has set up or used its Contracting entity for the purpose of evading the intent of the EBO, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor/Consultant in actions taken pursuant to the provisions of the Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

§421. Contractor Responsibility Ordinance

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code, which requires Contractor/Consultant to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Contractor's/Consultant's fitness and ability to continue performing the contract. In accordance with the provisions of this Ordinance, by signing this Contract, Contractor/Consultant pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Contractor/Consultant further agrees to: (1) notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Contractor/Consultant is not in compliance with all applicable federal, state and local laws in performance of this contract; (2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor/Consultant has violated the provisions of Section 10.40.3 (a) of the Ordinance; (3) ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and (4) ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3 (a) of the Ordinance in performance of the subcontract.

§422. Slavery Disclosure Ordinance

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time. Contractor/Consultant certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Contract.

V.

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should the Contractor fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the City reserves the right to:

- A. Reduce the total budget;
- B. Make any changes in the general scope of this Agreement;
- C. Suspend project operations in accordance with §502 of this Agreement; or
- D. Terminate the Agreement.

§502. Suspension

The City may suspend all or part of the project operations for failure by the Contractor to comply with the terms and conditions of this Agreement by giving written notice, which shall be effective upon receipt.

- A. Said notice shall set forth the specific conditions of non-compliance and the period provided for corrective action.
- B. Within five (5) working days the Contractor shall reply in writing setting forth the corrective actions which will be undertaken, subject to City approval in writing.
- C. Performance under this Agreement shall be automatically suspended without any notice from the City as of the date the Contractor is not fully insured in compliance with §413 (Insurance) herein. Performance shall not resume without the prior written approval of City.

§503. Termination

- A. Either party to this Agreement may terminate this Agreement or any part hereof upon giving the other party at least thirty (30) days written notice prior to the effective date of such termination, which date shall be specified in such notice.
- B. All property, documents, data, studies, reports and records purchased or prepared by the Contractor under this Agreement shall be disposed of according to City directives.
- C. In the event that the Contractor ceases to operate (i.e. dissolution of corporate status, declaration of bankruptcy, etc.) Contractor shall provide to the City copies of all records relating to this Agreement.
- D. Upon satisfactory completion of all termination activities, the City shall determine the total amount of compensation that shall be paid to the Contractor for any unreimbursed expenses reasonably and necessarily incurred in the satisfactory performance of this Agreement.
- E. The City may withhold any payments due to the Contractor until such time as the exact amount of any damages that may be due to the City from the Contractor is determined.
- F. The foregoing Subsection B, C, D, and E shall also apply to activities terminating upon the date specified in §201 or upon completion of the performance of this Agreement.

§504. Notices of Suspension or Termination

In the event that this Agreement is suspended or terminated, the Contractor shall immediately notify all employees and participants and shall notify in writing all other parties contracted with under the terms of Agreement within five (5) working days of such suspension or termination.

§505. Amendments

Any change in the terms of this Agreement, including changes in the services to be performed by the Contractor, and any increase or decrease in the amount of compensation which are agreed to by the City and the Contractor shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

VI.
ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. No verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty four (22) pages, two (2) Exhibits and one (1) Attachment which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM AND LEGALITY:
ROCKARD J. DELGADILLO, City Attorney

Executed this _____ day of _____, 2004

By _____
Deputy/Assistant City Attorney

For: THE CITY OF LOS ANGELES
JAMES K. HAHN, MAYOR

Date _____

ATTEST:
J. MICHAEL CAREY, City Clerk

By
Title

By _____
Deputy City Clerk
Date

Executed this _____ day of _____, 2004

For: GRUBER & PEREIRA ASSOCIATES, LLC.

(Contractor's Corporate
Seal or Notary)

By
Print Name
Its

ATTEST:

By
Print Name
Title:

City Business License Number:
Internal Revenue Service ID Number:
Council File/OARS File Number: _____ Date of Approval
Said Agreement is Number _____ of City Contracts

Form Gen 146/IR (rev 1/00)
EXHIBIT A

INSURANCE REQUIREMENTS

Name: **GRUBER & PEREIRA ASSOCIATES, LLC (GPA)**

Date: _____

Agreement/Reference: _____

Evidence of coverages checked off below which have as a minimum the limits shown must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSL"). Split limits may be substituted if the total per occurrence equals or exceeds the CSL amount.

	Limits
X Workers' Compensation (Statutory Limit)/Employer's Liability	\$1,000,000

 Waiver of Subrogation in Favor of City (If contractor has employees)

X General Liability	\$1,000,000
-----------------------------------	--------------------

<input checked="" type="checkbox"/> Premises and Operations	Collapse & Underground
<input checked="" type="checkbox"/> Contractual Liability	Products/Completed Operations
<input checked="" type="checkbox"/> Independent Contractors	Fire Legal Liability

<input type="checkbox"/> Automobile Liability (if vehicle is used for this contract, other than commuting to/from work) \$	
<input type="checkbox"/> Hired Automobiles	Owned Automobiles
<input type="checkbox"/> Non-owned Automobiles	

 Professional Liability (Errors and Omissions)
\$ _____

Discovery Period 12 months after completion of work or from date of termination of the contract/agreement.

 Property Insurance to cover value of structure (as determined by city or insurance company)

<input type="checkbox"/> All Risk Coverage (90% replacement value)	Boiler and Machinery		\$ _____
<input type="checkbox"/> Extended Coverage	Debris Removal		
<input type="checkbox"/> Flood \$			
<input type="checkbox"/> Earthquake \$			

 Pollution Liability \$ _____

Fidelity Bond	Surety Bond	\$ _____
----------------------	--------------------	-----------------

 _____ \$ _____

Notes: _____

EXHIBIT A
INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker.)

PERSON TO CONTACT Direct all correspondence, questions, requests for additional forms, etc., to the contact person listed here or to the department that administers your contract, lease or permit:

CITY AGENCY ADDRESS	
TEL	FAX

GENERAL INFORMATION

1. **Project ID** All submissions must identify the nature of your business with the CITY. Clearly show any assigned number of a bid, contract, lease, permit, etc. or give the project name and the job site or street address to ensure that your submission will be properly credited. Provide the **types of coverage and dollar amounts** specified on the Insurance Requirements Sheet (Form Gen. 146) included in your CITY documents.
2. **When to submit** Normally, no work or occupancy may begin until a CITY Attorney insurance approval number has been obtained, so documents should be submitted as early as practicable. For **As-needed Contracts**, insurance need not be submitted until a specific job has been awarded. **Design Professionals** coverage for new construction work may be submitted simultaneously with final plans and drawings but before construction commences.
3. **Availability of Insurance** Coverages and limits are subject to availability on the open market at reasonable cost as determined by the CITY. For requirements to be relaxed or waived, your broker or agent must document non-availability or non-affordability in a letter to the CITY. It must show a good faith effort to place the required insurance, must list the names of the insurance carriers contacted and show the declinations or cost indications received from each.
4. **Alternative Programs/Self-Insurance** Risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs are subject to separate approval after the CITY has reviewed their financial statements.

ADMINISTRATIVE REQUIREMENTS

5. **California Licensee** All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.
6. **Aggregate Limits/Impairment** If any of the required insurance coverages contain annual aggregate limits, you must give the CITY written notice of any pending claim or lawsuit which may diminish the aggregate within thirty (30) days of knowledge of same. You must take steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect CITY'S protection are allowed without CITY'S prior written consent.

EXHIBIT A - Cont.
INSURANCE REQUIREMENTS

7. **Signature** All submissions must bear the manual autograph in ink of a person with authority to bind coverage. Signatures which are rubber stamped, mechanically reproduced, initialed by others or photocopied are not acceptable.

POLICY CONDITIONS

8. **Additional Insured/Loss Payee** The CITY must be included as an additional insured in applicable liability policies to cover the CITY'S vicarious liability for the acts or omissions of the named insured. Such coverage is not expected to respond to the active negligence of the CITY. The CITY is to be named a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

9. **Notice of Cancellation** You agree contractually to maintain all required insurance in full force for the duration of your business with the CITY. By ordinance, all required insurance must provide at least 30 days' prior notice directly to the CITY by receipted delivery (certified mail, courier or in-person delivery) if your *insurance company* elects to cancel or reduce coverage prior to the policy expiration date. This also applies when the **scope of coverage** which affects the CITY'S interest is to be reduced or when the **dollar limits** of coverage are to be reduced for any reason except impairment of an aggregate limit due to prior claims. Submissions not meeting this requirement will be rejected.

10. **Primary Coverage** The coverage must be primary with respect to any insurance or self insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

11. **Separation of Insureds** (Severability of Interest) In **construction contracts**, the CITY must be able to retain its rights as a potential claimant as well as to be protected as an additional insured for vicarious liability to third party claimants except with respect to the insurance company's limits of liability.

PROCEDURES

12. **Acceptable Evidence and Approval** **CITY Special Endorsement** forms completed by your insurance company or its designee are the preferred form of evidence of insurance. (**Note:**The CITY forms are acceptable to the California Department of Insurance from *any* insurance carrier. They need not be re-filed by individual insurance companies.) Altered forms may not be accepted but the "Other Provisions" box on the CITY forms, may be used, as necessary, to provide pertinent information such as important exclusions, specific provisions or scheduled locations/equipment. Additional pages may be attached for this purpose, as well. If they are, make note of it in this box. An acceptable alternative to the Special Endorsement form is a **certified copy of full insurance policy** which contains a 30-day cancellation notice provision and additional-insured or loss-payee status, when appropriate, for the CITY. **Binders and Cover Notes** are also acceptable as interim evidence for up to 90 days. However, non-binding documents such as broker letters and **Certificates of Insurance are not acceptable as stand-alone evidence of coverage**. Certificates are acceptable for the following purposes: 1) supplemental information to accompany endorsements; renewals or extensions of coverage already on file with the CITY; 2) for the naming of third-party, additional insureds; 3) as an indication of compliance with statute, such as Workers' Compensation Law or the California Financial Responsibility Law for Automobile Liability, 4) as proof of coverage beyond CITY requirements or which does not directly relate to the CITY'S interests.

EXHIBIT A - Cont.
INSURANCE REQUIREMENTS

13. **Renewal** When an existing policy is timely renewed, submit a renewal endorsement or a manually-signed Certificate of Insurance. However, if your policy number changes or you use a different underwriting company (insurer) you must submit new evidence which meets the policy conditions listed in Sections 8 through 11 of this information sheet.

COVERAGE INFORMATION

14. **Dollar Limits** of required insurance are sometimes set by statute or ordinance. When there is no specific amount required by law, limits are based on the amount of risk to the CITY from the contractor, vendor or permittee's activities.

15. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third party claims which may arise out of your work or your presence on CITY premises. **Contractual liability** coverage is a required inclusion in this insurance. (See separate information sheet on the CITY'S SPARTA program as an optional source of low-cost insurance which meets all requirements.)

16. **Automobile Liability** insurance is required only where vehicles are used in performing the work of your Contract or where they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

17. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

18. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. **Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc.

19. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Fire Legal Liability** is required for persons occupying a portion of CITY premises.

20. **Surety** coverage may be required to guarantee performance of work. A **Fidelity bond** may be required to handle CITY funds, high value property and under certain other conditions. **Specialty coverages** may be needed for certain operations.

EXHIBIT B
CITY OF LOS ANGELES
Office of the City Administrative Officer
Contractor Enforcement Section
200 North Main Street, Room 1240
Los Angeles, CA 90012
(213) 978-7650

**NOTICE TO EMPLOYEES
WORKING ON CITY CONTRACTS
RE: LIVING WAGE ORDINANCE AND
PROHIBITION AGAINST RETALIATION**

“Section 10.37.5 Retaliation Prohibited” of the Living Wage Ordinance (LWO) provides that any employer that has a contractual relationship with the City may not discharge, reduce the pay of, or discriminate against his or her employees working under the City contract for any of the following reasons:

1. Complaining to the City if your employer is not complying with the Ordinance.
2. Opposing any practice prohibited by the Ordinance.
3. Participating in proceedings related to the Ordinance, such as serving as a witness and testifying in a hearing.
4. Seeking to enforce your rights under this Ordinance by any lawful means.
5. Asserting your rights under the Ordinance.

Also, you may not be fired, lose pay or be discriminated against for asking your employer questions about the Living Wage Ordinance, or asking the City about whether your employer is doing what is required under the LWO. If you are fired, lose pay, or discriminated against, you have the right to file a complaint with the City's Living Wage Section, as well as file a claim in court.

For more information, or to obtain a complaint form, please call the Contractor Enforcement Section at (213) 978-7650.

ATTACHMENT 1

TASK	HOURS
Virgin USA	
1. Preparation and meeting with Virgin Officials in NYC to	6 hours
2. Develop proposed incentives package.....	5 hours
3. Discuss opportunities for state funding with administration officials and staff.....	7 hours
4. Discuss opportunities with Mayor's Office.....	7 hours
5. Draft proposal for state to promote state funding for Virgin: (<i>document submitted</i>)	7 hours
6. Draft final incentive package (<i>document submitted</i>)	7 hours
Development of IT Strategy	
1. Discuss opportunities with Mayor's Office.....	4 hours
2. Prepared initial incentive package.....	3 hours
3. Meet with Employer's HR staff.....	6.5 hours
4. Meet/discuss with CCT (employer training provider) to discuss training opportunities.....	16 hours
5. Meet with CCT and Employers to develop initiative.....	3.5 hours
6. Meet with Employer an Mayor's office to discuss overall strategy and city incentives.....	2.5 hours
7. Meet with CDD Business Service team to discuss overall opportunities.....	2.5 hours
8. Conference call with CTT and Employers to present opportunities.....	5 hours
9. Follow-up meetings with CCT staff.....	1.5 hours
10. Follow-up phone calls for development of a formal proposal.....	4 hours
Jobs Growth Fund Strategy	
1. Discuss and review strategic opportunities with Dan Kahn, Business Services Director, Yey Coronel, director of Housing and Community Development, and Blanche Burke, Lead on Biotech for CDD and Liaison to Mayor's Office.....	32 hours
2. Prepare draft memo outlining strategy.....	2 hours
3. Meet with Dan Kahn, Business Services Director and Renata Simiril, Deputy Mayor, to discuss strategy.....	5 hours
4. Meetings with Matt McKinnon, Deputy Secretary of Labor, to discuss strategy.....	4 hours
5. Meetings with CMTC to discuss targeting additional companies.....	4 hours
Fashion Strategy	
1. Meet with Fashion Business Institute (FBI) to discuss opportunities.....	4 hours
2. Prepare and present opportunities to fashion employers.....	4 hours
3. Conduct follow-up meeting with Gerber Scientific.....	2 hours
4. Meet with Francis Harder, Executive Director, to discuss strategy.....	2 hours
TRAVEL	
TOTAL AMOUNT DUE (149.5 HRS @ HOURLY RATE OF \$150.00)	\$22,425.00

To: To Clerk

From: June Lagmay, Mayor Office

FYI, this has been sent to CAO for report back to the Council.

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

01-1057

PLACE IN FILES

MAY 20 2005

DEPUTY *JW*

May 17, 2005

All Councilmembers
Office of the Mayor
Chief Legislative Analyst
City Administrative Officer
Bureau of Contract Administration

City Attorney
Controller, Room 300
Accounting Division F&A
Disbursement Division

RE: UNITED STATES DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT
ADMINISTRATION EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995 PROGRAM AND
THE CONTINUED AUTHORIZATION OF FOUR GRANT-FUNDED STAFF POSITIONS

At the meeting of the Council held May 3, 2005, the following action was
taken:

Attached report adopted.....
FORTHWITH.....
Mayor concurred 05-13-05
To the Mayor FORTHWITH
Mayor approved
Motion adopted to approve communication and committee report
recommendation(s)..... X
Ordinance adopted.....
Ordinance number.....
Effective date.....

Frank T. Martinez

City Clerk
SOS

steno/011057b

FF *5/19/05*
5/20/05



AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER



OFFICE OF THE MAYOR
RECEIVED
2005 MAY -5 PM 2:02
CITY OF LOS ANGELES

RECEIVED
CITY CLERK'S OFFICE
2005 MAY -5 PM 1:48
CITY CLERK
BY _____ DEPUTY

SUBJECT TO MAYOR'S APPROVAL

COUNCIL FILE NO. 01-1057

COUNCIL DISTRICT NO. _____

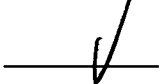
COUNCIL APPROVAL DATE May 3, 2005

RE: U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION
EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995 PROGRAM AND THE CONTINUED
AUTHORIZATION OF FOUR GRANT-FUNDED STAFF POSITIONS

LAST DAY FOR MAYOR TO ACT MAY 16 2005
(10 Day Charter requirement as per LAMC 14.7)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR OFFICE USE ONLY

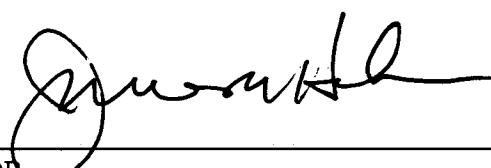
APPROVED



*DISAPPROVED

*Transmit objections in writing
pursuant to LAMC 14.7

DATE OF MAYOR APPROVAL OR DISAPPROVAL MAY 13 2005



MAYOR

RECEIVED
CITY CLERK'S OFFICE
2005 MAY 16 PM 12:04
BY _____
CITY CLERK
DEPUTY

Strategy updates, subject to the approval of both the City Attorney as to form and legality, and the Department of Public Works, Bureau of Contract Administration for compliance with City contracting requirements.

- f. Prepare Controller instructions consistent with this report and make any technical adjustments, subject to the approval of the City Administrative Officer (CAO); and, AUTHORIZE the Controller to implement these instructions.
 - g. Transfer and allocate any EDA-funded project savings between Council-approved EDA projects as-needed to meet the grant disbursement deadline of September 30, 2005 and the grant closeout deadline of December 31, 2005.
2. APPROVE EDA grants in an amount not to exceed \$278,000 for the direct costs associated with four Office of the Mayor staff positions effective July 1, 2004 through June 30, 2005.
3. AUTHORIZE the Controller to:
- a. Appropriate \$278,000 of the EDA grants to Account No. W146, Salaries, within Fund No. 649, Infrastructure Investment Fund.
 - b. Transfer \$278,000 to Fund No. 100, Department No. 46, Account No. 1020, Salaries Grant Reimbursed, from Fund No. 649, Account No. W146, Salaries, upon receipt of federal grant.
 - c. Decrease appropriation accounts within Fund No. 649, Infrastructure Investment Fund, as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
V100	Imani Fe Courtyard	\$ 1,000,000
V400	Valley Center Professional Building	840,000
V600	Highland Park Commercial Rev.	1,000,000
V720	Views at 270	259,800
V740	Staples Center Phase II	<u>1,540,534</u>
	TOTAL	\$ 4,640,334

- d. Increase appropriation and expend funds in an amount not to exceed \$453,382, for a total of \$953,382, to Account No. V300, Pacoima Economic Revitalization Center, within Department No. 46, Fund No. 649, Infrastructure Investment Fund.
- e. Increase appropriation and expend funds in an amount not to exceed \$7,000, for a total of \$75,500, to Account No. V730, Hollywood Media District, within Department No. 46, Fund No. 649, Infrastructure Investment Fund.
- f. Increase appropriation and expend funds in an amount not to exceed \$110,286, for a total of \$641,452, to Account No. V710, Atwater Project, within Department No. 46, Fund No. 649, Infrastructure Investment Fund.
- g. Establish a new account within Fund No. 649, Infrastructure Investment Fund, and appropriate as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
W200	Western/Slauson Industrial Area Project	\$ 1,540,534

- h. Establish, a new non-interest-bearing fund within the Office of the Mayor entitled, "Seventh Street Transit/Pedestrian Project" to receive funds from the California Pollution Control Financing Authority.
- i. Establish and appropriate an amount not to exceed \$350,000 from the newly established fund entitled "Seventh Street Transit/Pedestrian Project," as follows:

Account No.	Account Name	Amount
WXXX	Bureau of Street Lighting	\$ 164,000
WXXX	Bureau of Street Services	136,500
WXXX	Solar Panel	<u>49,500</u>
	TOTAL	\$ 350,000

- j. Establish a new account and appropriate an amount not to exceed \$164,000 in Fund No. 347, Department No. 50, Account XXX, entitled "Seventh Street Transit/Pedestrian Project" for the Department of Public Works, Bureau of Street Lighting.
 - k. Upon the request of the Office of the Mayor, reimburse an amount not to exceed \$164,000 to Fund No. 347, Department No. 50, Account XXX for the Department of Public Works, Bureau of Street Lighting from the newly established fund entitled "Seventh Street Transit/Pedestrian Project."
 - l. Upon the request of the Office of the Mayor, reimburse an amount not to exceed \$136,500 to Fund No. 100, Department No. 86, Account No. 3030, Construction Materials, for the Department of Public Works, Bureau of Street Services from the newly established fund entitled "Seventh Street Transit/Pedestrian Project."
4. REQUEST that the Mayor report back in 90 days relative to:
- a. The status of all projects still under consideration for EDA grant funding in the coming year.
 - b. The development of the Comprehensive Economic Development Strategies, their current status, and efforts by the Mayor's Office to work with Council offices for their development.

Fiscal Impact Statement: The CAO reports that the total General Fund impact is approximately \$236,000 for Office of the Mayor staff indirect costs. Funding for the indirect costs has been appropriated in the 2004-05 Adopted Budget. The actual impact to the General Fund may be higher or lower depending on the number of EDA projects worked on during the year.

The EDA will reimburse the City for staff direct costs. Staff direct costs are estimated at \$278,000 for four Office of the Mayor staff positions. The total cost of funding is approximately \$514,000 for staff direct and indirect costs. The actual amount reimbursed by the EDA to the City may be higher or lower depending on the number of EDA projects worked on during the year. The recommendations also include the reprogramming of \$1,800,334 in EDA Earthquake Assistance Grant funds.

Summary:

In a report to the Mayor and Council dated March 4, 2005 (attached to the Council file), the CAO states that the Mayor's Office of Economic Development (MOED) Strategic Planning & Project Development Division (SPPD) requests approval of its Annual Status Report, which provides an

update of the \$30 million EDA, Earthquake Assistance Grand Award of 1995 and subsequent EDA Grant awards for fiscal years 1998-04, other grants it administers. The EDA Earthquake Assistance Grant Award of 1995 is an ongoing, \$30 million disaster infrastructure development grant that has provided funding for 26 projects (22 construction and four technical assistance projects). MOED serves as the grant manager, with City departments and Council Offices requesting use of the funds for projects. The EDA has indicated that all funds from this grant must be disbursed by September 30, 2005 to achieve project closeout by December 31, 2005. MOED anticipates that all projects will complete their EDA-funded portions of work by these deadlines. The CAO's report contains an attachment that lists the projects and their status.

The CAO reports that on June 8, 2004, Council approved MOED recommendations to reprogram \$2,510,000, remaining of the EDA Grant, to four projects:

- Atwater Project at Glendale and Madera (\$641,166)
- Hollywood Media District (\$68,500)
- Staples Center Phase II (\$1,540,534)
- Views at 270 (\$259,800)

MOED submitted all four proposals to EDA which were approved on July 19, 2004. Subsequently, on December 21, 2004, Hollywood Community Housing Corporation informed MOED of its decision to withdraw the request for EDA funding in the amount of \$259,800 for the Views at 270 project. Given the EDA deadline to close out the entire earthquake grant by December 2005, MOED recommends that:

- \$142,514 be reprogrammed and allocated in 2005-06 to the administrative line item to maintain current grant-funded MOED staff until March 2006 to complete all projects and closeout requirements.
- \$7,000 be reprogrammed to the Hollywood Media District project to cover increased project costs for a total project cost of \$75,500.
- \$110,286 be reprogrammed to the Atwater Project at Glendale and Madera to cover increased project costs, for a total project cost of \$641,452.

Further, in February 2005 it was determined that the Staples Center Phase II project would not be ready to use EDA funds by September 2005. MOED is requesting that these funds, in the amount of \$1,540,534, be reprogrammed for public improvements on 60th Street, St. Andrews Place, and Gramercy Place within the Western Slauson Industrial Area. The project would involve streetscape improvements to enhance accessibility through the area in which several large businesses (Hostess Cake, Advance Paper, Laidlaw, and the Los Angeles Design Center) employing over 1,200 people are located. MOED reports that the street improvements will help anchor these businesses in the area and complement the planned expansion of the Los Angeles Design Center.

MOED also requests authority to execute agreements for the following projects for use of EDA grant funds:

Atwater at Glendale and Madera (\$641,452)

Pre-application was approved in July 2004. A separate report to Council to accept the EDA grant award and request authority to contract and reimburse City departments and contractors is forthcoming.

Harbor Gateway Center (\$2,163,712)

MOED requests authority to extend the agreement with Boeing Realty for street improvements related to the project. Of the total amount, \$1,079,397 is payable to Union Pacific Railroad for work on at-grade railroad crossings.

Hollywood Media District (\$75,500)

MOED requests authority to execute a contract with the Hollywood Media District Agency for streetscape improvements within the Hollywood Media District.

UCLA Tom Bradley Legacy Foundation (\$500,000)

MOED requests authority to extend the contract an additional eight months for the purpose of completing the Neighborhood Capacity Building study.

Web-based Economic Tool (\$160,000)

A separate report is forthcoming from the Community Development Department requesting approval of a consultant and authority to execute a contract with that entity.

Because of the September 30, 2005 deadline for disbursement of EDA grant funds and the December 31, 2005 deadline for closeout of projects under the EDA grant, MOED is requesting authority to transfer and allocate EDA grant project savings between other Council approved EDA-funded projects as-needed. This would allow MOED flexibility by transferring and allocating funds to projects which are able to meet the EDA deadlines.

The Citywide Comprehensive Economic Development Strategy (CEDS) is an economic development study that focuses on specific areas of the City and is updated on an annual basis. The Citywide CEDS is comprised of six sub-CEDS regions:

- Downtown
- East/Northeast Los Angeles
- Hollywood
- San Fernando Valley
- South Los Angeles
- West Los Angeles.

The EDA approved plans allow Council and Mayor to submit projects within these sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking against other regional projects. Funding was previously allocated to five of the six regions. Council allocated Community Development Block Grant (CDBG) funds in June 2002 for the updates required for these regions to remain eligible for EDA grant awards. MOED requests an extension to the agreement with the Figueroa Media Group until May 31, 2005 for completion of these updates.

The CAO goes on to discuss other grant activities. The City received a \$350,000 grant under the California Pollution Control Financing Authority, Sustainable Communities Grant and Loan Program, for the Downtown Los Angeles Seventh Street Transit/Pedestrian 24-Hour Safe Passage Project. The street lighting design is 80 percent complete. MOED is continuing to work with Council Offices Nine and 14, the Department of Public Works, Bureau of Street Lighting and Bureau of Street Services to move forward with the project. As part of this transmittal, MOED is requesting authority to reimburse funds in the amount of \$164,000 to Street Lighting and \$136,500 to Street Services for their work on the project.

Council approved continuing resolution authority for four MOED staff positions that administer the EDA earthquake grants and other economic development grants for the period from July 1, 2004 through June 30, 2005 as part of the 2004-05 Adopted Budget. No further Council action is needed. EDA reimburses the City for direct salaries while the City funds indirect costs and fringe benefits. The estimated direct costs of the salaries for 2004-05 is \$278,000. The estimated indirect cost for these positions is \$236,000. The staff positions manage ongoing

projects that will continue through 2004-05 as well as search for additional funding sources not yet utilized by the City.

On the Housing, Community, and Economic Development Committee meeting held March 17, 2005, Councilmembers Garcetti and Padilla discussed this matter with representatives of the Mayor's Office and the CAO. At that time, the Committee members recommended that Council approve the recommendations of the CAO, as listed above, and as amended to request that the Mayor report back in 90 days with the status of all projects still under consideration for EDA grant funding in the coming year, and the development of the Comprehensive Economic Development Strategies, their current status, and efforts by the Mayor's Office to work with Council offices for their development.

At its meeting held April 6, 2005, the Personnel Committee concurred with the recommendations of the Housing, Community, and Economic Development Committee Chair and Member.

Respectfully submitted,

COUNCILMEMBER ERIC GARCETTI, CHAIR
HOUSING, COMMUNITY, AND ECONOMIC
DEVELOPMENT COMMITTEE

COUNCILMEMBER ALEX PADILLA, MEMBER
HOUSING, COMMUNITY, AND ECONOMIC
DEVELOPMENT COMMITTEE

PERSONNEL COMMITTEE

MEMBER
GARCETTI
LUDLOW
REYES
PADILLA
PARKS

VOTE
YES
ABSENT
ABSENT
YES
ABSENT

MEMBER
ZINE
VILLARAIGOSA
GREUEL

VOTE
YES
ABSENT
YES

JAW
4/25/05

#011057b.wpd

ADOPTED
MOTION ADOPTED TO APPROVE COMMUNICATION RECOMMENDATIONS
MAY 03 2005
COMMITTEE REPORT

LOS ANGELES CITY COUNCIL

MAYOR WITH FILE

COUNCIL VOTE

May 3, 2005 10:36:58 AM, #1

Items for Which Public Hearings Have Been Held - Items 1- 18
Voting on Item(s): 3,6-7,10,16-18
Roll Call

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Yes
LUDLOW	Absent
MISCIKOWSKI	Yes
PARKS	Yes
PERRY	Yes
REYES	Yes
SMITH	Yes
VILLARAIGOSA	Absent
WEISS	Absent
ZINE	Yes
*PADILLA	Yes

Present: 12, Yes: 12 No: 0

18

PERSONNEL COMMITTEE

Report/Communication for Signature

Council File Number: 01-1057

Committee Meeting Date: 4-6-05

Council Date: 5-3-05

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Dennis Zine, Chair	✓		
Councilmember Villaraigosa			✓
Councilmember Greuel	✓		

Remarks

Concurred with Housing, Community, and Economic Development Committee

Ilene Shapiro, Legislative Assistant ----- Telephone 978-1077

**HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT
COMMITTEE**

NOTIFICATION OF COUNCIL ACTION

Council File No. 01-1057

- Council Member(s) All
- Interested Department _____
- Mayor (with/without file) _____
- Chief Legislative Analyst _____
- City Administrative Officer _____
- Controller _____
- City Clerk _____
 - City Clerk, Chief Administrative Services _____
- Treasurer _____
- City Attorney (with blue sheet / without blue sheet) _____
- General Services Department _____
- Department of Transportation _____
- Personnel Department _____
- Los Angeles Housing Department _____
- Community Development Department, General Manager, Clifford Graves _____
 - cc: Contact Person _____
- Community Redevelopment Agency _____
- Board of Public Works _____
- Workforce Investment Board _____
- Workforce Investment Board, Youth Council _____
- Bureau of Contract Administration
- _____

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

FRANK T. MARTINEZ
City Clerk

KAREN KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No. 01-1057

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

(Council file transmitted
to the Committee Clerk)

March 17, 2005

The Honorable Dennis Zine, Chair
Personnel Committee

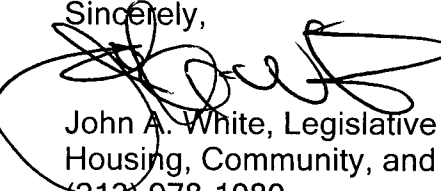
Dear Councilmember Zine:

At its meeting held March 9, 2005, the Housing, Community, and Economic Development Committee considered the attached City Administrative Officer (CAO) and Mayor's Office reports relative to the U.S. Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant award of 1995 and the re-authorization of four grant-funded staff positions. At that time, the Committee recommended that Council approve the CAO's recommendations, as amended to REQUEST that the Mayor report back in 90 days relative to:

1. The status of all projects still under consideration for EDA grant funding in the coming year.
2. The development of the Comprehensive Economic Development Strategies, their current status, and efforts by the Mayor's Office to work with Council offices for their development.

Pursuant to the dual referral of this matter, the subject Council file is hereby transmitted to you for consideration by your Personnel Committee.

Sincerely,


John A. White, Legislative Assistant
Housing, Community, and Economic Development Committee
(213) 978-1080
jwhite@clerk.lacity.org

attachment

cc: Bea Hsu, CD13

#011057.per.wpd

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: *March 4, 2005*

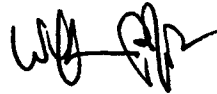
CAO File No. 0220-01448-0017

Council File No. 01-1057

Council District: ALL

To: The Mayor
The Council

From: William T Fujioka, City Administrative Officer



Reference: Transmittal from the Mayor dated January 19, 2005; Received by the City Administrative Officer on February 1, 2005; Additional information received on March 2, 2005 and March 3, 2005

Subject: **MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT, STRATEGIC PLANNING & PROJECT DEVELOPMENT DIVISION STATUS REPORT ON VARIOUS ECONOMIC DEVELOPMENT ADMINISTRATION GRANT AWARDS AND OTHER GRANT ACTIVITIES**

SUMMARY

The Mayor's Office of Economic Development (MOED) Strategic Planning & Project Development Division (SPPD) requests approval of its Annual Status Report, which provides an update of the following:

- A \$30 million United States Department of Commerce, Economic Development Administration (EDA), Earthquake Assistance Grand Award of 1995 and subsequent EDA Grant awards for fiscal years 1998-04; and,
- Other grants it administers.

The SPPD:

- Provides project management for the Office of the Mayor economic development projects;
- Obtains and manages Federal, State and local grant, loan and technical assistance resources;
- Develops and administers the City Comprehensive Economic Development Strategy (CEDS); and,
- Participates in the City Brownfields Revitalization Program.

EDA Earthquake Assistance Grant of 1995

The EDA Earthquake Assistance Grant Award of 1995 is an ongoing, \$30 million disaster infrastructure development grant that has provided funding for 26 projects (22 construction and four technical assistance projects). The status of each of these projects is shown in the Attachment.

MAR 9 - 2005

Housing, Community and Economic Development

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT
MAR 8 - 2005

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CITY CLERK'S OFFICE

2005 MAR -7 AM 6:51

CITY CLERK
BY VM DEPUTY

Handwritten signature or initials

MOED serves as the grant manager, with City departments and Council Offices requesting use of the funds for projects. The EDA has indicated that all funds from this grant must be disbursed by September 30, 2005 to achieve project closeout by December 31, 2005. MOED anticipates that all projects will complete their EDA-funded portions of work by these deadlines.

On June 8, 2004, Council approved MOED recommendations to reprogram \$2,510,000, remaining of the EDA Grant, to four projects (C.F. 01-1057):

- Atwater Project at Glendale and Madera (CD-13) (\$641,166);
- Hollywood Media District (CD-13) (\$68,500);
- Staples Center Phase II (CD-9) (\$1,540,534); and,
- Views at 270 (CD-4) (\$259,800).

MOED submitted all four proposals to EDA which were approved on July 19, 2004. Subsequently, on December 21, 2004, Hollywood Community Housing Corporation informed MOED of its decision to withdraw the request for EDA funding in the amount of \$259,800 for the Views at 270 project. Given the EDA deadline to close out the entire earthquake grant by December 2005, MOED is recommending that:

- \$142,514 be reprogrammed and allocated in 2005-06 to the administrative line item to maintain current grant-funded MOED staff until March 2006 to complete all projects and closeout requirements;
- \$7,000 be reprogrammed to the Hollywood Media District project to cover increased project costs for a total project cost of \$75,500; and,
- \$110,286 be reprogrammed to the Atwater Project at Glendale and Madera to cover increased project costs, for a total project cost of \$641,452.

Further, in February 2005 it was determined that the Staples Center Phase II project would not be ready to use EDA funds by September 2005. Technical design issues between Caltrans and the Developer would not be resolved in time to meet the original timetable. MOED is requesting that these funds, in the amount of \$1,540,534, be reprogrammed for public improvements on 60th Street, St. Andrews Place and Gramercy Place within the Western Slauson Industrial Area in Council District Eight. The project would involve streetscape improvements to enhance accessibility through the area in which several large businesses (Hostess Cake, Advance Paper, Laidlaw and the Los Angeles Design Center) employing over 1,200 people are located. MOED reports that the street improvements will help anchor these businesses in the area and complement the planned expansion of the Los Angeles Design Center.

Current Projects

There are several projects in various stages of development. These are summarized in the Attachment. MOED is requesting authority to execute agreements for the following projects for use of EDA grant funds:

- Atwater at Glendale and Madera (CD-13) (\$641,452). Pre-application was approved in July

2004. A separate report to Council to accept the EDA grant award and request authority to contract and reimburse City departments and contractors is forthcoming;

- Harbor Gateway Center (CD-15) (\$2,163,712). MOED is requesting authority to extend the agreement with Boeing Realty for street improvements related to the project. Of the total amount, \$1,079,397 is payable to Union Pacific Railroad for work on at-grade railroad crossings;
- Hollywood Media District (CD-13) (\$75,500). MOED is requesting authority to execute a contract with the Hollywood Media District Agency for streetscape improvements within the Hollywood Media District;
- UCLA Tom Bradley Legacy Foundation (Citywide) (\$500,000). MOED is requesting authority to extend the contract an additional eight months for the purpose of completing the Neighborhood Capacity Building study; and,
- Web-based Economic Tool (Citywide) (\$160,000). A separate report is forthcoming from the Community Development Department requesting approval of a consultant and authority to execute a contract with that entity.

Because of the September 30, 2005 deadline for disbursement of EDA grant funds and the December 31, 2005 deadline for closeout of projects under the EDA grant, MOED is requesting authority to transfer and allocate EDA grant project savings between other Council approved EDA-funded projects as-needed. This would allow MOED flexibility by transferring and allocating funds to projects which are able to meet the EDA deadlines.

Comprehensive Economic Development Strategy

The Citywide Comprehensive Economic Development Strategy (CEDS) is an economic development study that focuses on specific areas of the City and is updated on an annual basis. The Citywide CEDS is comprised of six sub-CEDS regions:

- Downtown;
- East/Northeast Los Angeles;
- Hollywood;
- San Fernando Valley;
- South Los Angeles; and,
- West Los Angeles.

The EDA approved plans allow Council and Mayor to submit projects within these sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking against other regional projects. Funding was previously allocated to five of the six regions. The Hollywood sub-CEDS report has been completed. The Downtown, East/Northeast, San Fernando Valley and South sub-CEDS are anticipated to be completed in May 2005. Work on the West Los Angeles sub-CEDS will commence when future funding is approved. Council allocated Community Development Block Grant (CDBG) funds in June 2002 for the updates required for these regions to remain eligible for EDA grant awards. MOED is requesting an extension to the agreement with the Figueroa Media Group until May 31, 2005 for completion of these updates.

Other Grant Activities

The City received a \$350,000 grant under the California Pollution Control Financing Authority, Sustainable Communities Grant and Loan Program, for the Downtown Los Angeles Seventh Street Transit/Pedestrian 24-Hour Safe Passage Project. The street lighting design is 80 percent complete. MOED is continuing to work with Council Offices Nine and 14, the Department of Public Works, Bureau of Street Lighting (BSL) and Bureau of Street Services (BSS) to move forward with the project. As part of this transmittal, MOED is requesting authority to reimburse funds in the amount of \$164,000 to BSL and \$136,500 to BSS for their work on the project.

MOED is responsible for administering project activities and financial transactions of the former Mayor Urban Development Action Grant (UDAG) funds. Council last adopted a full report on the status of former Mayor UDAG funded projects in February 2003 (C.F. 03-0088). An updated status report on these projects is forthcoming. MOED is also tasked with monitoring activities for the City Brownfields Revitalization Fund and administering some of the grant funds. A report on City Brownfields activity was released under separate cover in November 2004 (C.F. 00-1188).

Personnel

The Council approved continuing resolution authority for four MOED staff positions that administer the EDA earthquake grants and other economic development grants for the period from July 1, 2004 through June 30, 2005 as part of the 2004-05 Adopted Budget. No further Council action is needed. EDA reimburses the City for direct salaries while the City funds indirect costs and fringe benefits. The estimated direct costs of the salaries for 2004-05 is \$278,000. The estimated indirect cost for these positions is \$236,000.

There are eleven current projects funded under EDA earthquake grants, most of them will not be complete by June 30, 2005. In addition, there are ongoing projects funded under state and federal, CDBG and the former Mayor UDAG grants. The four existing staff positions manage ongoing projects that will continue through 2004-05 as well as search for additional funding sources not yet utilized by the City.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the Mayor, or designee, to:
 - A. Apply for and accept a grant from the United States Department of Commerce, Economic Development Administration (EDA) in an amount up to \$1,540,534 and negotiate and execute an agreement with Cisco Brothers for the EDA-funded improvements in the Western and Slauson Industrial Area for an amount not to exceed \$1,540,534, subject to the approval of the City Attorney as to form and legality;
 - B. Negotiate and execute an amendment to Contract No. C-103877 with Boeing Realty Corporation for the Harbor Gateway project, for a term retroactive to October 11, 2003

through December 31, 2005, in an amount not to exceed \$2,163,712, with \$1,079,397 payable to Union Pacific Railroad, to cover the period in which performance was ongoing and any additional time as necessary to complete the closeout of the project and make any other changes as required subject to the approval of the City Attorney as to form and legality, and the Department of Public Works, Bureau of Contract Administration for compliance with City contracting requirements;

- C. Accept a grant from the EDA in an amount up to \$75,500 and negotiate and execute an agreement with the Hollywood Media District Agency for the EDA-funded Hollywood Media District Project in an amount not to exceed \$75,500 subject to the approval of the City Attorney as to form and legality, and the Department of Public Works, Bureau of Contract Administration for compliance with City contracting requirements;
- D. Execute an amendment to Contract No. C-104770 with the Tom Bradley Legacy Foundation to extend the time of performance by an additional eight months to October 31, 2005 for the purpose of completing the Neighborhood Capacity Building study, subject to the approval of EDA and the City Attorney as to form and legality, and the Department of Public Works, Bureau of Contract Administration for compliance with City contracting requirements;
- E. Execute an amendment to Contract No. C-106792 with the Figueroa Media Group to extend the time of performance by an additional five months to May 31, 2005 for the purpose of completing Comprehensive Economic Development Strategy updates, subject to the approval of the City Attorney as to form and legality, and the Department of Public Works, Bureau of Contract Administration for compliance with City contracting requirements;
- F. Prepare Controller instructions consistent with this report and make any technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions; and,
- G. Transfer and allocate any EDA-funded project savings between Council approved EDA projects as-needed to meet the grant disbursement deadline of September 30, 2005 and the grant closeout deadline of December 31, 2005.

2. Approve EDA grants in an amount not to exceed \$278,000 for the direct costs associated with four Office of the Mayor staff positions effective July 1, 2004 through June 30, 2005;

3. Authorize the Controller to:

- A. Appropriate \$278,000 of the EDA grants to Account No. W146, Salaries, within Fund No. 649, Infrastructure Investment Fund;
- B. Transfer \$278,000 to Fund No. 100, Department No. 46, Account No. 1020, Salaries Grant Reimbursed, from Fund No. 649, Account No. W146, Salaries, upon receipt of federal grant;

- C. Decrease appropriation accounts within Fund No. 649, Infrastructure Investment Fund, as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
V100	Imani Fe Courtyard	\$ 1,000,000
V400	Valley Center Professional Building	840,000
V600	Highland Park Commercial Rev.	1,000,000
V720	Views at 270	259,800
V740	Staples Center Phase II	1,540,534
TOTAL		<u>\$ 4,640,334</u>

- D. Increase appropriation and expend funds in an amount not to exceed \$453,382, for a total of \$953,382, to Account No. V300, Pacoima Economic Revitalization Center, within Department No. 46, Fund No. 649, Infrastructure Investment Fund;
- E. Increase appropriation and expend funds in an amount not to exceed \$7,000, for a total of \$75,500, to Account No. V730, Hollywood Media District, within Department No. 46, Fund No. 649, Infrastructure Investment Fund;
- F. Increase appropriation and expend funds in an amount not to exceed \$110,286, for a total of \$641,452, to Account No. V710, Atwater Project, within Department No. 46, Fund No. 649, Infrastructure Investment Fund;
- G. Establish a new account within Fund No. 649, Infrastructure Investment Fund, and appropriate as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
W200	Western/Slauson Industrial Area Project	\$ 1,540,534

- H. Establish, a new non-interest-bearing fund within the Office of the Mayor entitled, "Seventh Street Transit/Pedestrian Project" to receive funds from the California Pollution Control Financing Authority;
- I. Establish and appropriate an amount not to exceed \$350,000 from the newly established fund entitled "Seventh Street Transit/Pedestrian Project" as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
WXXX	Bureau of Street Lighting	\$ 164,000
WXXX	Bureau of Street Services	136,500
WXXX	Solar Panel	49,500
TOTAL		<u>\$ 350,000</u>

- J. Establish a new account and appropriate an amount not to exceed \$164,000 in Fund No. 347, Department No. 50, Account XXX, entitled "Seventh Street Transit/Pedestrian Project" for the Department of Public Works, Bureau of Street Lighting;

- K. Upon the request of the Office of the Mayor, reimburse an amount not to exceed \$164,000 to Fund No. 347, Department No. 50, Account XXX for the Department of Public Works, Bureau of Street Lighting from the newly established fund entitled "Seventh Street Transit/Pedestrian Project"; and,
- L. Upon the request of the Office of the Mayor, reimburse an amount not to exceed \$136,500 to Fund No. 100, Department No. 86, Account No. 3030, Construction Materials, for the Department of Public Works, Bureau of Street Services from the newly established fund entitled "Seventh Street Transit/Pedestrian Project."

FISCAL IMPACT STATEMENT

The total General Fund impact is approximately \$236,000 for Office of the Mayor staff indirect costs. Funding for the indirect costs has been appropriated in the 2004-05 Adopted Budget. The actual impact to the General Fund may be higher or lower depending on the number of Economic Development Administration (EDA) projects worked on during the year.

The EDA will reimburse the City for staff direct costs. Staff direct costs are estimated at \$278,000 for four Office of the Mayor staff positions. The total cost of funding is approximately \$514,000 for staff direct and indirect costs. The actual amount reimbursed by the EDA to the City may be higher or lower depending on the number of EDA projects worked on during the year. The recommendations also include the reprogramming of \$1,800,334 in EDA Earthquake Assistance Grant funds.

WTF:SDE:02050102c

Attachment

U.S. Department of Commerce Economic Development Administration Earthquake Assistance Grant of 1995				
Project Status Report Prepared by Mayor's Office of Economic Development, Strategic Planning and Project Development - March 2005				
	Projects	Status	Council District	EDA Fund Allocations
	Completed Projects			
1	Angelus Grand Plaza	Project completed.	14	\$ 609,050
2	Arminta Ave. Extension (General Motors)	Project completed.	7	3,970,293
3	Business Assistance Center/VEDC	Project completed.	2,3,5,7,12	895,225
4	Canoga Park Commercial Revitalization/Madrid Theater	Project completed.	3	264,684
5	CRA Staff Assistance	Project completed.	citywide	518,871
6	CSUN BioTech Park	Project completed.	12	1,388,568
7	Goodyear Tract (Incore) Phase I	Project completed.	9	335,191
8	Taylor Yard - Legacy	Reprogrammed due to scope change by developer.	1	68,322
9	Union Arts Center/Little Tokyo Marketing Plan	Project completed.	9	383,640
10	Whiteman Airport Industrial Park	Project completed.	7	1,782,000
11	Wilshire Streetscape Project	Project completed.	10	\$ 1,400,000
		Total Completed:		\$ 11,615,844
	Current Projects			
1	Atwater Project at Glendale & Madera	Full application submitted, pending EDA approval.	13	\$ 531,166
2	Goodyear Tract (Incore) Phase II	Project completed. Preparing closeout documents.	9	2,904,109
3	Harbor Gateway Center	Pending Caltrans approval.	15	2,163,712
4	Hollywood Media District	Full application submitted, pending EDA approval.	13	68,500
5	New Economics for Women	Contractor being selected.	1	2,275,000
6	North Hollywood Mixed-Use Project	Bid being advertised. Construction to begin by 06/05.	2,4	3,570,000
7	Pacoima Economic Revitalization Center	Full application approved. Pending HUD environmental clearance.	7	940,000
8	Taylor Yard - Van de Kamp/future LACC Site	Construction underway.	1	1,500,000
9	UCLA Tom Bradley Foundation	Program in progress.	citywide	500,000
10	Web Based Economic Development Tool	Full application approved. Reporting to Council on ITA consultant.	citywide	160,000
	Administrative Costs			\$ 1,971,335
		Total Current:		\$ 16,583,822
	Recommended Reprogramming			
1	Downtown Live (a.k.a. Staple Center Phase II)	Project not ready due to design issues with Caltrans & developer. (-\$1,540,534)	9	
2	View at 270	Developer withdrew on 12/21/04. (-\$259,800)	13	
4	Administrative Costs		citywide	142,514
5	Atwater Project at Glendale & Madera	For increased project costs.	13	110,286
6	Hollywood Media District	Additional project cost requested by the district.	13	7,000
3	Western Slauson Industrial Area		8	1,540,534
	Total EDA Earthquake Assistance Fund Allocations			\$ 30,000,000



CITY HALL
LOS ANGELES, CALIFORNIA 90012

JAMES K. HAHN
MAYOR

January 19, 2005

Honorable City Councilmembers
City of Los Angeles
C/O City Clerk
City Hall, Room 360
200 No. Spring Street
Los Angeles, CA 90012

RE: APPROVAL OF MAYOR'S OFFICE STRATEGIC PLANNING & PROJECT DEVELOPMENT DIVISION STATUS REPORT AND RECOMMENDATIONS ON: 1) THE U.S. DEPT. OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995 AND OTHER CURRENT EDA GRANT AWARDS; 2) OTHER GRANT ACTIVITIES; AND 3) A REQUEST FOR REAUTHORIZATION OF FOUR GRANT-FUNDED STAFF POSITIONS FOR THE FISCAL YEAR 2004-2005.

The Mayor's Office Strategic Planning & Project Development (SPPD) Division is responsible for providing project management for the Mayor's Office Economic Development; obtaining and managing federal, state and local grants, loan and technical assistance resources; and developing and overseeing the City's Comprehensive Economic Development Strategy (CEDs). Additionally, SPPD actively participates in the City's Brownfields Revitalization program that has achieved national recognition. SPPD continues to search for additional funding sources not yet utilized by the City for development projects.

The Mayor's Office of Economic Development (MOED) hereby submits a status report on: 1) \$30 million under the U.S. Department of Commerce, Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and other current EDA grant awards; 2) other grant activities; and 3) a request for reauthorization of four grant-funded staff positions for the Fiscal Year 2004-2005. MOED's previous status report was adopted by City Council on September 29, 2003.

Housing, Community and Economic Development

PERSONNEL

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

FEB - 3 2005

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1.0 Status Report on EDA Grant Award Projects

1.1 \$30 Million Earthquake Assistance Grant Award of 1995

Established following the January 17, 1994 Northridge earthquake, the EDA provided a \$30 million infrastructure development grant to assist in City's economic recovery from the impact of the Northridge earthquake.

On June 8, 2004, City Council approved MOED's recommendations to reprogram \$2,510,000, remaining of the \$30,000,000 EDA Earthquake Assistance Grant Award of 1995, to four projects: Atwater Project at Glendale and Madera, Hollywood Media District, Staples Center Phase II, and Views at 270. The Mayor's Office submitted all four proposals, which were approved by EDA on July 19, 2004.

On December 21, 2004, Hollywood Community Housing Corp. (HCHC) informed the Mayor's Office of its decision to withdraw the request for EDA funding in an amount of \$259,800 for the Views at 270 project. Given EDA's deadline to close out the entire earthquake grant by December 2005, there is no sufficient time to initiate any new projects. The Mayor's Office therefore recommends that (1) \$142,514 be reprogrammed to administrative line item maintaining current grant-funded Mayor's staff until March 2006 to complete all projects and closeout requirements; (2) \$7,000 be reprogrammed to the Hollywood Media District project to cover increased project costs; and (3) remaining \$110,286 be kept as project contingencies for all eleven (11) ongoing projects on as needed basis.

Following is the status on the \$30 million EDA Earthquake Assistance Grant Award of 1995 (Also summarized in Attachment A). Supplementary Council authorities to accept awards and execute EDA sub-grant agreements for several new projects are requested in this report as stated below and in Recommendation Section.

Completed Projects:

- Angeles Grand Plaza
\$609,050 (CD-14) Project completed.
- Arminta Street Extension
(Former General Motors Site)
\$3,970,293 (CD-7) Project completed.
- Business Assistance Center/VEDC
\$895,225 (CD-2,3,5,7,12) Project completed.

- CRA Staff Assistance
\$518,874 (Citywide) Project completed.
- Canoga Park Commercial
Revitalization & Madrid Theatre
\$264,684 (CD-3) Project completed.
(This project was also funded with
\$3,013,633 CDBG funds.)
- CSUN BioTechnology Park
\$1,388,568 (CD-12) Project completed.
- Goodyear Tract Industrial Park – Ph. I
\$335,191 (CD-9) Project completed.
- Taylor Yard Corridor – Legacy
\$68,322 (CD-1) Funds were reprogrammed due to
scope change by developer. EDA
reimbursed the City in the amount of \$68,322
for design & management costs.
- Union Arts Theatre &
Little Tokyo Marketing Plan
\$383,640 (CD-9) Project completed.
- Whiteman Airport Industrial Park
\$1,782,000 (CD-7) Project completed.
- Wilshire Boulevard Streetscape
\$1,400,000 (CD-10) Project completed.

Current Projects:

- Atwater at Glendale and Madera
\$531,166 (CD-13)

Status:

Pre-application was approved on 7/19/2004. Full application was submitted and pending EDA approval. This project is also funded with \$110,000 of CDBG-EDA Matching funds for City's BOE design and construction management fees. A separate report is forthcoming to Council accepting the award and seeking authorities to contract/reimburse City departments and/or contractor(s).

- Staple Center Phase II
\$1,540,534 (CD-9)
Pre-application was approved on 7/19/2004. Full Application is being prepared by CRA and AEG. Requires Council authority to accept the award and execute a sub-grant agreement with CRA (See Section 4.1)
- Goodyear Tract Industrial Park – Ph. II
\$2,904,109 (CD-9)
Construction is completed. Pending security system contract punch list completion and acceptance. Closeout is expected to complete by 01/05.
- Harbor Gateway Center
\$2,163,712 (CD-15)
Project agreements execution. Construction expected to commence 1st Quarter-2005. Requires Council authority to extend the agreement with Boeing (See Section 4.2).
- Hollywood Media District
\$75,500 (CD-13)
Pre-application was approved on 7/19/2004. Full Application being prepared by the Hollywood Media District. Requires Council authority to accept award and execute a sub-grant agreement with the District (See Section 4.3).
- New Economics for Women (NEW)
Business Incubator Center
\$2,275,000 (CD-1)
Project construction is underway. \$1,875,000 was approved on 06/20/97. Supplemental funding of \$400,000 approved by EDA. Construction expected to commence 1st Quarter-2005.
- NoHo Commons
\$3,570,000 (CD-2, 4)
Full application was approved on 09/09/98. Public improvement plans are finalized. Draft bid is being finalized. EDA-funded construction is expected to begin by 04/05 and completed by 09/05.
- Pacoima Revitalization Center
\$953,382 (CD-7)
Total project budget is \$1,093,382 including \$140,000 of CDBG 30th Reprogrammed

funds. Full Application was approved on 11/10/04. A motion is pending HC&ED Committee for authorities to accept the award, execute a sub-grant agreement with VEDC, and adopt the CEQA documents.

- Taylor Yard Corridor
Van de Kamp/LACC Site
\$1,500,000 (CD-1)

Full application was approved on 12/06/02. Demolition has been completed. Grading is underway and expected to be completed by 09/05.

- UCLA
Tom Bradley Legacy Foundation
\$500,000 (Citywide)

Full application was approved on 02/19/03. Subgrant agreement was executed. Project is underway. Requires Council authority to extend the agreement with the Foundation from 2/28/2005 until 10/31/2005 (See Section 4.4).

- Web Based Economic Development Tool
\$160,000 (Citywide)

Full application was approved on 11/18/2004. A separate report is forthcoming to Council on the ITA consultant contract and seeking authority to execute the contract.

1.2 Other EDA Grant Awards of FY 1998-2002

EDA Grant Awards of FY1999:

Status:

- Washington Boulevard Streetscape
\$1,000,000 (CD-10)

Public improvements completed and fully reimbursed.

1.3 Comprehensive Economic Development Strategy (CEDS)

With the support and assistance of Council offices and the CLA, the SPPD staff has coordinated the first Citywide Comprehensive Economic Development Strategy (CEDS). This Citywide CEDS working document is to be updated on an annual basis and is currently comprised of the following six sub-CEDS regions: 1) Downtown; 2) East/Northeast Los Angeles; 3) Hollywood; 4) San Fernando Valley; 5) South Los Angeles; and 6) West Los Angeles. Funding for plan development was previously allocated to the following four sub-CEDS regions: Downtown, East/Northeast Los Angeles, San Fernando Valley and South Los

Angeles. The following three sub-CEDS regions shall be completed in October 2004: Hollywood; Downtown; Valley; and South Los Angeles. It is anticipated that the East/Northeast Los Angeles sub-CEDS shall be updated by March-2005.

The CEDS documents, with the City Council sanctioned Downtown, San Fernando Valley, South Los Angeles sub-CEDS, and East/Northeast Los Angeles plans, were approved by EDA, which allows the City Council and Mayor to submit projects within these sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking against other regional projects. City Council allocated \$221,808 of CDBG-EDA Matching funds on June 18, 2002 (CF #01-1057) for the continuous CEDS updates required for these sub-CEDS regions to remain eligible for EDA grant awards. MOED is finalizing an agreement with the Figueroa Media Group for the sub-CEDS updates (CF #01-1057).

Work on the West Los Angeles sub-CEDS will commence when future funding is approved. Projects within this sub-CEDS region must continue to go to external EDA-certified approving agencies for ranking until sub-CEDS plans are approved by EDA.

2.0 Other Grant Activities

2.1 State Sustainable Communities Grant (CF #03-0400)

\$350,000 grant under the California Pollution Control Financing authority, Sustainable Communities Grant and Loan Program was secured for the Downtown Los Angeles 7th Street Transit/Pedestrian 24-Hour Safe Passage Project. The design of street lighting is 80% complete. SPPD continues to work with Council Offices 9 and 14, Bureau of Street Lighting, and Bureau of Street Services to move forward with the project.

2.2 Mayor's Office Former Urban Development Action Grant (UDAG)

SPPD is responsible for administering project activities and financial transactions of the Mayor's former UDAG funds. City Council last adopted a full report on the Mayor's former UDAG funded projects on February 11, 2003 (CF #03-0088).

2.3 The City's Brownfields Revitalization Fund

SPPD is responsible for monitoring activities for the City's Brownfields Revitalization Fund and administering some of the grant funds. A report of the City's Brownfields Activity is forthcoming to the Housing Community & Economic Development Committee.

3.0 Reauthorization of MOED Grant-Funded Staff Positions

There are eleven (11) current projects funded under EDA earthquake grants, most of them will not be complete by June 30, 2005. In addition, there are ongoing projects funded under state and federal, CDBG, and the Mayor's Office former UDAG grants. Therefore, it is imperative to maintain the four existing staff positions to manage ongoing projects that will continue through 2005 as well as to continue searching for additional funding sources not yet utilized by the City.

The City Council previously approved the four MOED staff positions for the period from July 1, 2003 through June 30, 2004 with EDA reimbursing the City for salaries, and the City funding indirect costs and fringe benefits. The four existing grant-funded MOED staff positions needing approval for the period July 1, 2004 through June 30, 2005 with the City funding indirect costs and fringe benefits are:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Funding</u>
1	0148	Mayoral Aide VIII	EDA
1	0147	Mayoral Aide VII	EDA
1	0147	Mayoral Aide VII	50% EDA, 50% Mayor's Budget
1	0146	Mayoral Aide VI	EDA

4.0 Recommendations

- 4.1 AUTHORIZE the Mayor or designee to accept a grant from EDA in an amount up to \$1,540,534 and negotiate and execute an agreement between MOED and the Community Redevelopment Agency of the City of Los Angeles for the EDA-funded Staple Center Phase II project for an amount not to exceed \$1,540,534, subject to the approval of the City Attorney as to form and legality;
- 4.2 AUTHORIZE the Mayor or designee to negotiate and execute an amendment to agreement No. C-103877 with Boeing Realty Corporation for the Harbor Gateway project, as follows:
- (a) Authorize the amendment to be retroactive from October 11, 2003 to December 31, 2005 to cover the period of which the performance was ongoing, and any additional time as necessary to complete the closeout; and
 - (b) Make any other changes as required subject to the approval of the City Attorney as to form and legality;

- 4.3 AUTHORIZE the Mayor or designee accept a grant from EDA in an amount up to \$75,500 and negotiate and execute an agreement between MOED and the Hollywood Media District Agency for the EDA-funded Hollywood Media District Project for an amount not to exceed \$75,500 subject to the approval of the City Attorney as to form and legality;
- 4.4 AUTHORIZE the Mayor or designee to extend the time by an additional 8 months of the agreement (C-104770) between MOED and consultant Tom Bradley Legacy Foundation for the purpose of completing the Neighborhood Capacity Building, subject to the approval of the City Attorney as to form and legality;
- 4.5 RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133 (a), the following four existing grant-funded positions in the Mayor's Office of Economic Development, are APPROVED, for the period of July 1, 2004 through June 30, 2005:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

- 4.6 APPROVE the EDA grants in an amount not to exceed \$278,000.00 for the direct costs for four MOED staff positions effective July 1, 2004 through June 30, 2005 with City funding the related indirect costs and fringe benefits; and
- 4.7 AUTHORIZE the Controller to:
 - a. Appropriate \$278,000 of federal grant to Account No. W146, Salaries, within Fund 649, Infrastructure Investment Fund;
 - b. Transfer \$278,000 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. W146, Salaries-General, upon receipt of federal grant, from Fund 649, Infrastructure Investment;
 - c. Decrease appropriation accounts within Fund 649, Infrastructure Investment Fund, as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
V100	Imani Fe Courtyard	\$1,000,000
V400	Valley Center Professional Building	\$ 840,000
V600	Highland Park Commercial Rev.	\$1,000,000

V710	Atwater Project – Glendale & Madera	\$ 110,000
V720	Views at 270	<u>\$ 259,800</u>
	Total	<u>\$3,209,800</u>

- d. Increase appropriation and expend funds in an amount not to exceed \$453,382 for a total of \$953,382 to Account No. V300, Pacoima Economic Revitalization Center, within Fund 649, Infrastructure Investment Fund;
- e. Increase appropriation and expend funds in an amount not to exceed \$7,000 for a total of \$75,500 to Account No. V730, Hollywood Media District, within Fund 649, Infrastructure Investment Fund;
- f. Establish, a new non-interest-bearing fund within the Mayor's Office entitled, "7th Street Transit/Pedestrian Project" to receive funds from the California Pollution Control Financing Authority. Said fund will be administered by the Mayor's Office of Economic Development;
- g. Establish and appropriate \$350,000 from the newly established fund entitled "7th Street Transit/Pedestrian Project" as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Wxxx	Bureau of Street Lighting (BSL)	\$ 164,000
Wxxx	Bureau of Street Services (BSS)	\$ 136,500
Wxxx	"SOLAR PANEL"	<u>\$ 49,500</u>
	Total	<u>\$ 350,000</u>

- h. Establish a new account and appropriate \$164,000 in Fund 347, Dept 50, Account XXX, entitled "Downtown 7th Street Transit/Pedestrian 24-Hour Safe Passage Project" for the Bureau of Street Lighting;
- i. Upon the Mayor's Office request, reimburse up to \$164,000 to Fund 347, Dept. 50, Account XXX for Bureau of Street Lighting from the newly established fund entitled "7th Street Transit/Pedestrian Project";
- j. Upon the Mayor's Office request, reimburse up to \$136,500 to Fund 100, Dept. 86, Account 3030, "Construction Materials", for Bureau of Street Services from the newly established fund entitled "7th Street Transit/Pedestrian Project"; and

City of Los Angeles
Honorable City Councilmembers
January 19, 2005
Page 10 of 10

- k. Authorize the Mayor, or designee, to prepare Controller Instructions consistent with this report and make any technical adjustments, subject to the approval of the CAO, and AUTHORIZE the Controller to implement these instructions.

Please contact Mr. R.D. Lottie, Jr., Director of Mayor's Office Strategic Planning & Project Development at (213) 978-0670 should you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "James K. Hahn", written over a large, stylized circular flourish.

JAMES K. HAHN
Mayor

RS:sf

Attachment

U.S. Department of Commerce Economic Development Administration Earthquake Assistance Grant of 1995

Project Status Report Prepared by Mayor's Office of Economic Development, Strategic Planning and Project Development - January 2005

	Projects	Status	Council District	EDA Fund Allocations
	Completed Projects			
1	Angelus Grand Plaza	Project completed.	14	\$ 609,050
2	Arminta Ave. Extension (General Motors)	Project completed.	7	3,970,293
3	Business Assistance Center/VEDC	Project completed.	2,3,5,7,12	895,225
4	Canoga Park Commercial Revitalization/Madrid Theater	Project completed.	3	264,684
5	CRA Staff Assistance	Project completed.	citywide	518,871
6	CSUN BioTech Park	Project completed.	12	1,388,568
7	Goodyear Tract (Incore) Phase I	Project completed.	9	335,191
8	Taylor Yard - Legacy	Reprogrammed due to scope change by developer.	1	68,322
9	Union Arts Center/Little Tokyo Marketing Plan	Project completed.	9	383,640
10	Whiteman Airport Industrial Park	Project completed.	7	1,782,000
11	Wilshire Streetscape Project	Project completed.	10	\$ 1,400,000
		Total Completed:		\$ 11,615,844
	Current Projects			
1	Atwater Project at Glendale & Madera	Full application submitted, pending EDA approval.	13	\$ 531,166
2	Downtown Live (a.k.a. Staple Center Phase II)	Pre-application approved on 7/19/04. Full application being prepared.	9	1,540,534
3	Goodyear Tract (Incore) Phase II	90% of work is completed. Project to be closed out by 01/05.	9	2,904,109
4	Harbor Gateway Center	Final project agreement execution underway.	15	2,163,712
5	Hollywood Media District	Pre-application approved on 7/19/04. Full application being prepared.	13	68,500
6	New Economics for Women	Project construction underway.	1	2,275,000
7	North Hollywood Mixed-Use Project	Draft bid package completed. Construction to begin by 4/05.	2,4	3,570,000
8	Pacoima Economic Revitalization Center	Full application approved. CEQA to be adopted by Council.	7	940,000
9	Taylor Yard - Van de Kamp/future LACC Site	Construction underway.	1	1,500,000
10	UCLA Tom Bradley Foundation	Project underway.	citywide	500,000
11	Web Based Economic Development Tool	Full application approved. Reporting to Council on ITA consultant.	citywide	160,000
	Administrative Costs			\$ 1,971,335
		Total Current:		\$ 18,124,356
	Recommended Reprogramming			
1	View at 270	Developer withdrew on 12/21/04. (-\$259,800)	13	
2	Administrative Costs		citywide	142,514
3	Hollywood Media District	Additional project cost requested by the district.	13	7,000
4	Project Contingence	For all 11 ongoing projects on needs basis.	citywide	117,286
	Total EDA Earthquake Assistance Fund Allocations			\$ 30,000,000

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

01-1057

June 18, 2004

Chief Legislative Analyst
City Administrative Officer
Councilmember Reyes
Councilmember Greuel
Councilmember Padilla
Councilmember Garcetti
City Attorney

Controller: Room 300
Accounting Division F&A
Disbursement Division
Councilmember LaBonge
Councilmember Ludlow
Councilmember Perry

RE: REPROGRAMMING A 1995 EARTHQUAKE ASSISTANCE GRANT AWARD IN THE AMOUNT
OF \$2.5 MILLION FROM THE UNITED STATES DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT ADMINISTRATION

At the meeting of the Council held June 8, 2004, the following action was
taken:

Attached report adopted, as amended.....	_____X_____
Amending motion (Reyes - Padilla) adopted.....	_____X_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____
Mayor concurred	_____6-17-04_____
To the Mayor FORTHWITH	_____X_____
Mayor approved	_____
Motion adopted to approve communication recommendation(s).....	_____
Motion adopted to approve committee report recommendation(s)...	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Effective date.....	_____

J. Michael Carey
City Clerk
crm

FF *[Signature]* 6/29/04

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

PLACE IN FILES

JUN 29 2004

DEPUTY *[Signature]*



OFFICE OF THE Mayor
RECEIVED

2004 JUN 14 AM 9:38

CITY OF LOS ANGELES

FORTHWITH

City Clerk's Office

DEPUTY

CITY CLERK

2004 JUN 14 AM 9:35

RECEIVED
CITY CLERK'S OFFICE

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 01-1057

COUNCIL DISTRICT NO. _____

COUNCIL APPROVAL DATE June 8, 2004

RE: REPROGRAMMING A 1995 EARTHQUAKE ASSISTANCE GRANT AWARD IN THE AMOUNT OF \$2.5 MILLION FROM THE UNITED STATES DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT ADMINISTRATION

BY _____
DEPUTY

CITY CLERK

2004 JUN 17 PM 2:56

RECEIVED
CITY CLERK'S OFFICE

LAST DAY FOR MAYOR TO ACT JUN 24 2004
(10 Day Charter requirement as per Charter Section 341)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR OFFICE USE ONLY

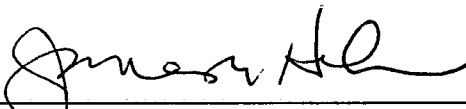
APPROVED

*DISAPPROVED

*Transmit objections in writing pursuant to Charter Section 341

JUN 17 2004

DATE OF MAYOR APPROVAL OR DISAPPROVAL _____



JUN 17 2004

MAYOR

steno\011057

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE
Report Communication for Signature

Council File Number: 01-1057
Committee Meeting Date: 6-2-04
Council Date: 6-8-04

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Garcetti, Chair	✓		
Councilmember Ludlow	✓		
Councilmember Reyes	✓		
Councilmember Padilla			
Councilmember Parks	✓		

Remarks Approve Reprogramming of 1995
Earthquake Assistance Grant

John A. White, Legislative Assistant ----- Telephone 213-978-1080

Your HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT
COMMITTEE

reports as follows:

Public Comments Yes No
XX —

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT
relative to reprogramming a 1995 earthquake assistance grant award in the amount of
\$2.5 million from the United States Department of Commerce and Economic
Development Administration (EDA).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE
MAYOR:

1. AUTHORIZE the Mayor's Office of Economic Development (MOED) to reallocate the remaining balance of the \$2.5 million dollars of EDA Earthquake Infrastructure Grant funds to:
 - a. Atwater Project at Glendale and Madera Avenues.
 - b. Views at 270.
 - c. Hollywood Media District.
 - d. Staples Center Phase II.
2. AUTHORIZE the Mayor' Office to submit applications and present to Council for approval any recommendations for grant acceptance and related conditions upon award of any EDA grants and conditions for:
 - a. The following four proposed projects, which may be further revised by the MOED upon mutual agreement between the Developer, MOED, and the respective Council Office based on their funding needs and/or change in scope:

<u>Proposed Projects</u>	<u>Proposed EDA Grant</u>
Atwater Project at Glendale Ave. & Madera (Attachment A)	\$ 641,166
Views at 270 (Attachment B)	259,800
Hollywood Media District (Attachment C)	68,500
Staples Center Phase II (Attachment D)	<u>1,540,534</u>
TOTAL	\$2,510,000

- b. The following priority list of projects if any of the proposed projects

become un-ready or if funds become available from costs savings which may further be revised by the Mayor's Office.

<u>Proposed Projects</u>	<u>Proposed EDA Grant</u>
LA Design Center	\$ 500,000
Wilshire Vermont Station	1,000,000
Pacoima Economic Revitalization Center	250,000
North Hollywood Mixed-Use Project	455,000

3. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$641,166; and, AUTHORIZE the Mayor, or designee, to negotiate and present to Council for approval the EDA grant agreement between MOED and Cal Asia Property Development Co., and City Departments as necessary, to manage and execute the Atwater Project at Glendale and Madera Avenues project, subject to the approval of the City Attorney as to form and legality, and further subject to the review of the City Administrative Officer's (CAO) Contractor Enforcement Unit as to compliance with the City's requirements.
4. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$259,800; and, AUTHORIZE the Mayor, or designee, to negotiate and present to Council for approval the EDA grant agreement between MOED and Hollywood Community Housing Corporation, and City Departments as necessary, to manage and execute the Views at 270 project, subject to the approval of the City Attorney as to form and legality, and further subject to the review of the CAO's Contractor Enforcement Unit as to compliance with the City's requirements.
5. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$68,500; and, AUTHORIZE the Mayor, or designee, to negotiate and present to Council for approval the EDA grant agreement between MOED and the Hollywood Media District, and City Departments as necessary, to manage and execute the Hollywood Media District project, subject to the approval of the City Attorney as to form and legality, and further subject to the review of the CAO's Contractor Enforcement Unit as to compliance with the City's requirements.
6. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$1,540,534; and, AUTHORIZE the Mayor, or designee, to negotiate and present to Council for approval the EDA grant agreement between MOED and the L.A. Arena Land Co., and City Departments as necessary, to manage and execute the Staples Center Phase II project, subject to the approval of the City Attorney as to form and legality, and further subject to the review of the CAO's Contractor Enforcement Unit as to compliance with the City's requirements.

7. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$500,000; and, AUTHORIZE the Mayor, or designee, to negotiate and present to Council for approval the EDA grant agreement between MOED and CISCO Brothers Furniture, and City Departments as necessary, to manage and execute the LA Design Center project, subject to the availability of EDA Earthquake Infrastructure Grant funds for this project, the approval of the City Attorney as to form and legality, and the review of the CAO's Contractor Enforcement Unit as to compliance with the City's requirements.

8. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$1,000,000; and, AUTHORIZE the Mayor, or designee, to negotiate and present to Council for approval the EDA grant agreement between MOED and Wilshire Vermont Housing Partners, L.P., and City Departments as necessary, to manage and execute the Wilshire Vermont Station project, subject to the availability of EDA Earthquake Infrastructure Grant funds for this project, the approval of the City Attorney as to form and legality, and the review of CAO's Contractor Enforcement Unit as to compliance with the City's requirements.

9. APPROVE the EDA Earthquake Assistance Grant allocations in an additional amount not to exceed \$250,000; and, AUTHORIZE the Mayor, or designee, to negotiate and present to Council for approval the EDA grant agreement between MOED and Valley Economic Development Center, and City Departments as necessary, to manage and execute the Pacoima Economic Revitalization Center project, subject to the availability of EDA Earthquake Infrastructure Grant funds for this project, the approval of the City Attorney as to form and legality, and the review of the CAO's Contractor Enforcement Unit as to compliance with the City's requirements.

10. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$455,000; and, AUTHORIZE the Mayor, or designee, to negotiate and present to Council for approval the EDA grant agreement between MOED and the Community Redevelopment Agency, and City Departments as necessary, to manage and execute the North Hollywood Mixed-Use Project, subject to the availability of EDA Earthquake Infrastructure Grant funds for this project, the approval of the City Attorney as to form and legality, and the review of the CAO's Contractor Enforcement Unit as to compliance with the City's requirements.

11. AUTHORIZE the Controller to:
 - a. Release funds upon demand of the Mayor's Office.
 - b. Establish new appropriation accounts within Fund No. 649, Infrastructure Investment Fund, as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
--------------------	---------------------	---------------

VXXX	Atwater Project at Glendale Ave. & Madera	\$ 641,166
VXXX	Views at 270	259,800
VXXX	Hollywood Media District	68,500
VXXX	Staples Center Phase II	<u>1,540,534</u>
	TOTAL	\$2,510,000

- c. Appropriate and expend funds, upon proper written demand of the Mayor, or designee, in a total amount not to exceed \$2,510,000 from Fund 649, Infrastructure Investment Fund.
- d. Authorize the Mayor, or designee, to prepare Controller instructions consistent with this action, and to make any technical adjustments, subject to the review of the CAO; and, authorize the Controller to implement these instructions.

12. REQUEST that the Mayor's Office, in conjunction with the Chief Legislative Analyst (CLA), meet with the First Council District Office to review the grant award and to identify potential alternative funding for other projects that are ready to proceed and eligible for EDA funding.

Fiscal Impact Statement: None submitted by the Mayor's Office. Neither the CAO nor the CLA has completed financial analysis of this report.

Summary:

In a report to Council dated May 7, 2004 (attached to the Council file), the Mayor states that the EDA notified the City that remaining EDA grant award projects must commence work for payment by February 28, 2005. Projects must also be completed by December 31, 2005. Otherwise, EDA will de-obligate the grant funds.

The Mayor has identified \$2.5 million in funds that are available for EDA consideration and "re-programming." EDA has made it clear that conceptual projects, not "project ready," will not be eligible. General readiness requirements for these funds include the following: construction start date, construction completion date, and job creation component. Additional considerations include per capita income and the local unemployment rate.

Established as a result of the January 17, 1994 Northridge earthquake, the EDA provided a \$30,000,000 infrastructure development grant to assist in the recovery of the City's economy from the impact of the Northridge earthquake. The total available funds for reprogramming under the EDA Earthquake Assistance grant is \$2,510,000: \$1,000,000 from Highland Park Commercial Revitalization project, \$1,000,000 from the Imani Fe Courtyard project, and \$510,000 from the Valley Center Professional Building project. The Mayor reports that these funds are available because the projects were deemed to not ready for a number of reasons. As a result, MOED proposes the

following projects to be funded under the reprogrammed EDA Earthquake Infrastructure Grant funds:

Atwater Project at Glendale Avenue & Madera Avenue

The proposed improvement of median and landscape to support a new commercial center including two buildings of retail and office space totaling 11,875 square feet. EDA funds would be used to install: streetlights, a left turn pocket, curbs and gutters, traffic signals, signs, and landscaping.

Views at 270

Views at 270 is a mixed-use project at the northeast corner of Sunset Boulevard and Western Avenue. EDA funds would be used to fund the public improvements around the retail uses.

Hollywood Media District

EDA funds would be used to fund streetscape improvements in the Hollywood Media Business Improvement District.

Staples Center Phase II

The Staples Center Phase II project includes entertainment, retail uses, and a hotel project. Phase II is designed to include a 1,200-room hotel, 7,000-seat performing arts theater, up to 800 apartments and several retail stores, restaurants, offices and more. In addition, contains plans for an expansion of the L.A. Convention Center and the construction of a 600-room hotel. EDA funds shall be used to complete public improvements around the proposed Staples Center Phase II project.

The Mayor requests authority to reprogram \$2.5 million in EDA earthquake assistance grant funds, as described above.

At its meeting held June 2, 2004, the Housing, Community, and Economic Development Committee discussed this matter with a representative of the Mayor's Office. The Mayor's representative stated that the purpose of this report is to request a reallocation of EDA earthquake assistance funds. The EDA has indicated that the money must be expended no later than 2005 or the grant award will revert back to the federal government. The federal agency has also indicated that the proposed projects must be underway no later than February, 2005. To comply with the EDA's directives, the Mayor's Office solicited project proposals, as discussed in the May 7, 2004 report to Council.

Councilmember Garcetti modified recommendation number two to authorize the

Mayor's Office to submit applications and to present to Council for approval any recommendations for grant acceptance and related conditions upon award of any EDA grants. Mr. Garcetti further recommended that all EDA grant agreements be submitted to Council for approval.

Councilmember Reyes discussed the timing of the project solicitation process and whether a proposed project in the First Council District could be considered. The Committee requested that the Mayor's Office, in conjunction with the CLA, to meet with the First Council District Office and to review the grant award for to identify potential alternative funding for other projects that are ready to proceed and eligible for EDA funding.

The Committee recommended that Council approve the Mayor's report for the reprogramming of a 1995 earthquake assistance grant award in the amount of \$2.5 million from the EDA, as amended above by Councilmembers Garcetti and Reyes.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
GARCETTI	YES
LUDLOW	YES
REYES	YES
PADILLA	ABSENT
PARKS	YES

JAW
6/03/04

#011057a.wpd

RPT
*** ADOPTED**
AS AMENDED
JUN 08 2004

LOS ANGELES CITY COUNCIL
TO THE MAYOR FORTHWITH
SEE AMENDING MOTION ATTACHED

ITEM 28 - A

MOTION

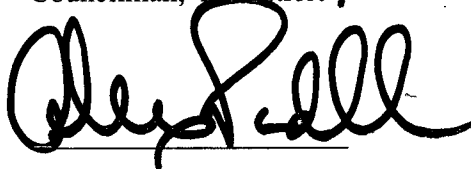
I MOVE that the matter of the Housing and Economic Development Committee Report relative to reprogramming a 1995 earthquake assistance grant award in the amount of \$2.5 million from the United States Department of Commerce, Economic Development Administration (EDA), Item No. 28 on today's Council Agenda (CF 01-1057), be AMENDED to add the Highland Park Project with a proposed EDA Grant amount of \$800,000 to the list of priority projects identified under Recommendation 2 b. of the Committee Report.

PRESENTED BY:


ED P. REYES

Councilman, 1st District

SECONDED BY:



AP

June 8, 2004

ak

***AMENDING
MOTION
ADOPTED**

JUN 08 2004

LOS ANGELES CITY COUNCIL

COUNCIL VOTE

Jun 8, 2004 11:00:51 AM, #11

ITEM NO. (28)

Voting on Item(s): 28

Roll Call

CARDENAS	Yes
GARCETTI	Absent
GREUEL	Absent
HAHN	Yes
LABONGE	Yes
LUDLOW	Yes
MISCIKOWSKI	Yes
PARKS	Yes
PERRY	Absent
REYES	Yes
SMITH	Yes
VILLARAIGOSA	Absent
WEISS	Yes
ZINE	Yes
*PADILLA	Yes

Present: 11, Yes: 11 No: 0

**HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT
COMMITTEE**

NOTIFICATION OF COUNCIL ACTION

Council File No. 01-1057

- Council Member(s) 1, 2, 4, 7, 10, 13, 9
- Interested Department _____
- Mayor (~~with~~ without file) _____
- Chief Legislative Analyst _____
- City Administrative Officer _____
- Controller _____
- City Clerk _____
- City Clerk, Chief Administrative Services _____
- Treasurer _____
- City Attorney (with blue sheet / ~~without~~ blue sheet) _____
- General Services Department _____
- Department of Transportation _____
- Personnel Department _____
- Los Angeles Housing Department _____
- Community Development Department, General Manager, Clifford Graves _____
- cc: Contact Person _____
- Community Redevelopment Agency _____
- Board of Public Works _____
- Workforce Investment Board _____
- Workforce Investment Board, Youth Council _____
- _____
- _____

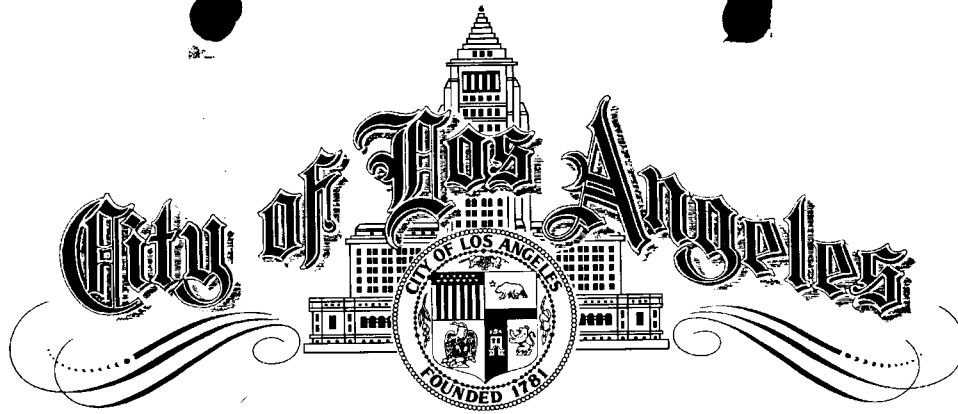
ITEM NO. () - Motion Required

01-1057 COMMUNICATION FROM THE MAYOR relative to reprogramming a 1995 earthquake assistance grant award in the amount of \$2.5 million from the United State Department of Commerce and Economic Development Administration.

(Housing, Community, and Economic Development Committee report to be submitted in Council. If a public hearing is not held in Committee, an opportunity for public comment will be provided.)

JAW
5/28/04

#011057.hldr.wpd



CITY HALL
LOS ANGELES, CALIFORNIA 90012

JAMES K. HAHN
MAYOR

May 7, 2004

BY _____ DEPUTY

CITY CLERK

2004 MAY 18 AM 11:29

RECEIVED
CITY CLERK'S OFFICE

Honorable City Council Members
City of Los Angeles
C/O City Clerk
City Hall, Room 395
200 No. Spring Street
Los Angeles, CA 90012

RE: APPROVAL OF MAYOR'S OFFICE STRATEGIC PLANNING & PROJECT DEVELOPMENT DIVISION APPLICATIONS TO THE U.S. DEPT. OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) FOR THE EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995

The Mayor's Office Strategic Planning & Project Development (SPPD) Division is responsible for providing project management services on Mayor's Office of Economic Development (MOED) projects and for obtaining and managing Federal, State and local grant, loan and technical assistance resources.

EDA notified the City that remaining projects must commence work for payment by February 28, 2005. Projects must also reach completion by December 31, 2005. EDA will de-obligate funds for projects that do not meet both criteria and revert the funds back to the Federal Government. SPPD has identified approximately \$2.5 million in funds that are available for EDA consideration and "re-programming." EDA has made it clear that conceptual projects that are not "project ready" will not be eligible. General readiness requirements for these funds include the following: construction start date; construction completion date; and job creation component. Additional considerations are: per capita rate is 80% (or lower) of the national average (\$21,587: based on 2000 U.S. Census) or unemployment rate is at least 1% higher than the national average.

Housing, Community and Economic Development

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

MAY 19 2004

Recyclable and made from recycled waste.



Pursuant to MOED's efforts to openly gather and (from Council; and CRA) assemble a list of "project ready" proposals without prejudice or bias for the utilization of the balance of the EDA Earthquake Infrastructure Grant Funds, SPPD hereby submits the following list of projects slated to begin and complete construction within the EDA's criteria. Additionally, given the short timeline, SPPD has established a list of alternate projects from which to select should any of the proposed projects become un-ready or if funds become available from costs savings.

Reprogramming of Remaining \$2,510,000 of Earthquake Assistance Grant Award of 1995

Established as a result of the January 17, 1994 Northridge earthquake, the EDA provided a \$30,000,000 infrastructure development grant to assist in the recovery of the City's economy from the impact of the Northridge earthquake. The total available funds for reprogramming under the EDA Earthquake Assistance grant is \$2,510,000: (1) \$1,000,000 from Highland Park Commercial Revitalization project; (2) \$1,000,000 from the Imani Fe Courtyard project; and (3) \$510,000 from the Valley Center Professional Building project. These funds were available because the projects became un-ready for a number of reasons. MOED proposes the following projects and activities to be funded under the reprogrammed EDA Earthquake Infrastructure Grant funds:

<u>Proposed EDA Earthquake Grant Award</u>	<u>CD</u>	<u>Estimated Construction Start</u>	<u>Construction Completion</u>	<u>Proposed Allocation</u>	<u>Attachment</u>
Atwater Project at Glendale Ave. & Madera Ave	13	December-04	December-05	\$ 641,166	A
Views at 270	4	November-04	December-05	\$ 259,800	B
Hollywood Media District	13	November-04	December-05	\$ 68,500	C
Staples Center Phase II	9	November-04	December-05	\$ 1,540,534	D
Total				\$ 2,510,000	

Alternate Priority List of Ready Projects

<u>Proposed EDA Earthquake Grant Award</u>	<u>CD</u>	<u>Proposed Allocation</u>	<u>Attachment</u>
LA Design Center	8	\$ 500,000	E
Wilshire Vermont Station	13	\$ 1,000,000	F
Pacoima Economic Revitalization Center	7	\$ 250,000	G
North Hollywood Mixed-Use Project	4	\$ 455,000	H

Atwater Project at Glendale Ave. & Madera Ave

Project Scope & Description: The project is proposed to improve median and landscape supporting a new commercial center including two buildings of retail and office space totaling 11,875 square feet. Potential tenants (letter of intent/negotiating leases) include a dentist, a fitness facility, a sit down restaurant, and other fast food and beverage stores. Washington Mutual is also interest leasing 2,500 square feet of space. The center has \$4,700,000 of private investment and is estimated to create 75 to 80 new jobs. EDA funds would be used to install: streetlights; a left turn pocket; curbs & gutters; traffic signals; signs; and landscaping.

Views at 270

Project Scope & Description: Views at 270 is a mixed-use project at the northeast corner of Sunset Blvd. and Western in Hollywood. The project will consist of a 13,000 sq. ft. Walgreens Pharmacy and, 1,000 sq. ft. of additional retail space to be separately owned and financed.

Additionally, 55 units of affordable housing (plus one unit for the resident manager) to be developed in air rights above the retail component and 96 parking spaces. Eight of the affordable one-, two- and three-bedroom housing units, will be restricted to tenants with incomes is no greater than 30% of the Area Median Income, 19 units to incomes that do not exceed 60% of area median income.

Hollywood Community Housing Corporation will act as the master developer for both the residential and commercial components, and sell the completed commercial component to Village Properties, a commercial developer entity. EDA funds would be used to fund the public improvements around a Walgreens (13,000 sq. ft.) and 1,000 sq. ft. of retail at Western & Santa Monica. The project is estimated to create approximately 25 new jobs.

Hollywood Media District

EDA funds would be used to fund streetscape improvements in the Hollywood Media (Business Improvement) District. The project is estimated to create approximately 14 new jobs.

Staples Center Phase II

Project Scope & Description: Staples Center Phase II project includes entertainment, retail and a hotel project. The developer is the L.A. Arena Land Co. Phase II is designed to include a 1,200-room hotel, 7,000-seat performing arts theater, up to 800 apartments and several retail stores, restaurants, offices and more. In addition, contains plans for an expansion of the L.A. Convention Center and the construction of a 600-room hotel. EDA funds shall be used to complete public improvements around the

proposed Staples Center Phase II project. The project is estimated to create more than 1,000 new jobs.

Recommendations

1. AUTHORIZE the Mayor's Office of Economic Development (MOED) to reallocate the remaining balance of the \$2.5 million dollars of EDA Earthquake Infrastructure Grant funds to:
 - a. Atwater Project at Glendale Ave. & Madera;
 - b. Views at 270;
 - c. Hollywood Media District; and
 - d. Staples Center Phase II

2. AUTHORIZE the Mayor's Office to submit applications and accept EDA awards and conditions for:
 - a. the following four proposed projects according to the attached proposals (Attachments A-D), which may be further revised by the MOED upon mutual agreement between the Developer, MOED and the respected Council Office based on their funding needs and/or change in scope:

<u>Proposed Projects</u>	<u>Proposed EDA Grant</u>	<u>Attachment</u>
(1) Atwater Project at Glendale Ave. & Madera	\$641,166	A
(2) Views at 270	\$259,800	B
(3) Hollywood Media District	\$68,500	C
(4) Staples Center Phase II	<u>\$1,540,534</u>	D
	<u>\$2,510,000</u>	

- b. the following priority list of projects if any of the proposed projects become un-ready or if funds become available from costs savings (Attachments E-H) which may be further revised by the Mayor's Office.

<u>Proposed Projects</u>	<u>Proposed EDA Grant</u>	<u>Attachment</u>
(1) LA Design Center	\$ 500,000	E
(2) Wilshire Vermont Station	\$ 1,000,000	F
(3) Pacoima Economic Revitalization Center	\$ 250,000	G
(4) North Hollywood Mixed-Use Project	\$ 455,000	H

3. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$641,166; and AUTHORIZE the Mayor or designee to negotiate, execute and administer the EDA grant agreement between MOED and Cal Asia Property Development Co. and City Departments as necessary to manage and execute the Atwater Project at Glendale Ave. & Madera project, subject to the approval of the City Attorney as to form and legality, and subject to the review and approval by the City Administrative Officer's Contractor Enforcement Unit as to compliance with the City's requirements;
4. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$259,800; and AUTHORIZE the Mayor or designee to negotiate, execute and administer the EDA grant agreement between MOED and Hollywood Community Housing Corporation and City Departments as necessary to manage and execute the Views at 270 project, subject to the approval of the City Attorney as to form and legality, and subject to the review and approval by the City Administrative Officer's Contractor Enforcement Unit as to compliance with the City's requirements;
5. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$68,500; and AUTHORIZE the Mayor or designee to negotiate, execute and administer the EDA grant agreement between MOED and the Hollywood Media District and City Departments as necessary to manage and execute the Hollywood Media District project, subject to the approval of the City Attorney as to form and legality, and subject to the review and approval by the City Administrative Officer's Contractor Enforcement Unit as to compliance with the City's requirements;
6. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$1,540,534; and AUTHORIZE the Mayor or designee to negotiate, execute and administer the EDA grant agreement between MOED and the L.A. Arena Land Co. and City Departments as necessary to manage and execute the Staples Center Phase II project, subject to the approval of the City Attorney as to form and legality, and subject to the review and approval by the City Administrative Officer's Contractor Enforcement Unit as to compliance with the City's requirements;
7. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$500,000; and AUTHORIZE the Mayor or designee to negotiate, execute and administer the EDA grant agreement between MOED and CISCO Brothers Furniture and City Departments as necessary to manage and execute the LA Design Center project, subject to the following:

- a. availability of EDA Earthquake Infrastructure Grant funds for this project;
 - b. approval of the City Attorney as to form and legality and;
 - c. review and approval by the City Administrative Officer's Contractor Enforcement Unit as to compliance with the City's requirements
8. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$1,000,000; and AUTHORIZE the Mayor or designee to negotiate, execute and administer the EDA grant agreement between MOED and Wilshire Vermont Housing Partners, L.P. and City Departments as necessary to manage and execute the Wilshire Vermont Station project, subject to the following:
- a. availability of EDA Earthquake Infrastructure Grant funds for this project;
 - b. approval of the City Attorney as to form and legality and;
 - c. review and approval by the City Administrative Officer's Contractor Enforcement Unit as to compliance with the City's requirements
9. APPROVE the EDA Earthquake Assistance Grant allocations in an additional amount not to exceed \$250,000; and AUTHORIZE the Mayor or designee to negotiate, execute and administer the EDA grant agreement between MOED and Valley Economic Development Center and City Departments as necessary to manage and execute the Pacoima Economic Revitalization Center project, subject to the following:
- a. availability of EDA Earthquake Infrastructure Grant funds for this project;
 - b. approval of the City Attorney as to form and legality and;
 - c. review and approval by the City Administrative Officer's Contractor Enforcement Unit as to compliance with the City's requirements
10. APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$455,000; and AUTHORIZE the Mayor or designee to negotiate, execute and administer the EDA grant agreement between MOED and the Community Redevelopment Agency and City Departments as necessary to manage and execute the North Hollywood Mixed-Use Project, subject to the following:
- a. availability of EDA Earthquake Infrastructure Grant funds for this project;
 - b. approval of the City Attorney as to form and legality and;
 - c. review and approval by the City Administrative Officer's Contractor Enforcement Unit as to compliance with the City's requirements
11. AUTHORIZE the Controller to:

City of Los Angeles
Honorable City Council Members
May 7, 2004
Page 7 of 7

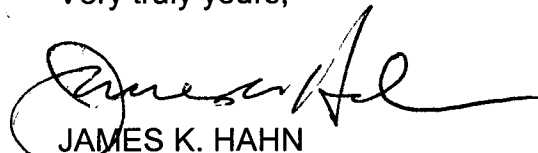
- a. Release funds upon demand of the Mayor's Office;
- b. Establish new appropriation accounts within Fund No. 649, Infrastructure Investment Fund, as follows:

<u>Account #</u>	<u>Account Name</u>	<u>Appropriation Amount</u>
VXXX	Atwater Project at Glendale Ave. & Madera	\$ 641,166
VXXX	Views at 270	\$ 259,800
VXXX	Hollywood Media District	\$ 68,500
VXXX	Staples Center Phase II	<u>\$1,540,534</u>
	TOTAL	<u>\$2,510,000</u>

- c. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$2,510,000 from Fund 649, Infrastructure Investment Fund;
- d. Authorize the Mayor, or designee, to prepare Controller Instructions consistent with this report and make any technical adjustments, subject to the approval of the CAO, and AUTHORIZE the Controller to implement these instructions.

Thank you for your review and approval of this matter. Should you need additional information or wish to submit an economic development project for EDA grant funding, please contact Mr. R.D. Lottie, Jr. of my Strategic Planning & Project Development Division at 213-978-0670.

Very truly yours,


JAMES K. HAHN
Mayor

JKH:jdw

PROPOSAL FOR ASSISTANCE
EARTHQUAKE ASSISTANCE CONSTRUCTION PROGRAM
TO RECIPIENTS OF EDA FINANCIAL AWARDS
FOR SUBAWARDS AND SUBPROJECTS

DRAFT

(Funded in part by a Financial Assistance Award from the Economic Development Administration)

1. <u>Applicant(s)</u> [Exact Legal Name(s)] (Subgrantee) Cal Asia Property Development Co. <i>Atwater Madera Project</i>		2. <u>Agency Project No.</u>
3. <u>Applicant's Contact Person</u> (Name, Address, Phone, Fax)		4. <u>Agency Contact/Official:</u> Mr. R.D., Director of Mayor's Office of Economic Development Strategic Planning & Project Development 200 No. Spring St., City Hall Room 1305 Los Angeles, CA 90012 Phone: (213) 978-0670
5. <u>Project Location</u> (City, County) City and County of Los Angeles	6. <u>Congressional District</u> (No.) 31 st , Xavier Becerra	7. <u>State Identifier</u>
8. <u>Project Components</u> (Briefly describe the substantial features of the scope of work) Atwater Project at Glendale Ave. & Madera Ave. The project is proposed to improve median and landscape that will support a new commercial center including two buildings of retail and office space totaling 11,875 square feet. EDA funds would be used to install a left turn pocket, streetlights, curbs and gutters, traffic signals, signs, landscaping, etc.		
9. <u>Project Financing</u> Earthquake Assistance Award Funds Applicant Funds Other Funds Total Project Funding		10. Employer ID Number (EIN): ---
11. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.		
a. Typed Name of Authorized Representative	b. Title	c. <u>Applicant Identifier</u>
d. Signature of Authorized Representative		e. Date Signed
12. Date Received by the Agency	13. Date Received by EDA	14. <u>EDA Project No.</u>

--	--	--

CONSTRUCTION GRANT PROPOSAL

ATWATER PROJECT AT GLENDALE AVE. & MADERA AVE.

1. Project Description:

- a. Briefly describe the project and the physical components of the project (include lengths, widths, sizes, quantity, etc.):**

Two buildings of new commercial development totalling 11,875 square feet on a 35,000 square feet lot. 3100 & 3140 Glendale Blvd.

EDA funds would assist in making the necessary infrastructure improvements for the commercial project, including installation of a new street light, creating of a left turn pocket, new curb & gutter, street lighting, repaving, new landscaping, and modification of irrigation.

- b. Location of project: (city, county, state, street address)**

3100 & 3140 Glendale Blvd . Los Angeles, CA

- 2. Project Purpose: Briefly describe the purpose and need for the project and how it will support development objectives in the community planning process (e.g., Overall Economic Development Program (OEDP) and Economic Adjustment Strategy) and serve to meet the pressing physical and economic needs of the local area.**

The project will provide jobs in a high unemployment, low-income area and neighborhood serving retail to a neighborhood with few services. It will also eliminate the blight by development an empty lot at a key intersection.

3. Project Impact:

- a. What will the project do to meet the needs as identified in the project purpose?**

Provide jobs, provide neighborhood serving retail, and remove underutilized blighted empty lot.

- b. Identify the beneficiaries (companies or firms that will benefit) of the project:**

Company Name & Product(s)	Jobs Saved	New Jobs		Committed or Interest Only
		0-2 Yrs/	3-5 Yrs	
Dentist Office		12/12		Interest
Washington Mutual		10		Interest
Juice it Up		9/9		Interest
Subway		9/9		Interest
Curves		8/8		Interest
California Sushi Roll		9/9		Interest
Pizza Restaurant		9/9		Interest
TOTAL		66/66		

- c. Estimate any additional job potential not previously listed. Give examples for estimate.

Two remaining retail pads (1,740 square feet) are likely to generate 12 additional jobs not counted above

- d. Describe how unemployed, underemployed, dislocated workers, and low income individuals will benefit from the project?

The project will generate 75-80 new jobs opportunities that could benefit unemployed, underemployed, dislocated workers and low-income individuals. The project will also provide the low-income residents of the area access to important services including banking, dental care, dining, and exercise facilities.

- e. Estimate of private investments that will occur as a result of the project (give explanation).

The commercial project represents \$ XX Million in private investment.

4. Preliminary Budget Estimates	Allocation of EDA Funds	
Administrative expenses	\$ _____	\$ _____
Land, structures, ROW, easements	\$ _____	\$ _____
Relocation & costs incidental to land acquisition	\$ _____	\$ _____
A/E Fees, inspection	\$ _____	\$ <u>127,830</u>
Construction, demolition, equipment	\$ _____	\$ <u>513,336</u>
Contingencies	\$ _____	\$ _____
Indirect Cost	\$ _____	\$ _____

Total Project Costs \$ _____ \$ 641,166

Funding Sources

EDA \$ 641,166

*Other Fed. Grt. \$

*Federal Loan \$

*State Grant \$

*Applicant \$

Total Funding \$

5. Will an entity other than the applicant be responsible for operations and maintenance of the facilities to be constructed by this EDA request? If yes, name of entity and its working relationship to the applicant.

Yes, City of Los Angeles Bureau of Street Services.

6. Who will hold title to the land, right-of-way and/or easements and the facilities to be constructed by this EDA request?

City of Los Angeles

PROPOSAL FOR ASSISTANCE
EARTHQUAKE ASSISTANCE CONSTRUCTION PROGRAM
TO RECIPIENTS OF EDA FINANCIAL AWARDS
FOR SUBAWARDS AND SUBPROJECTS

DRAFT

(Funded in part by a Financial Assistance Award from the Economic Development Administration)

1. <u>Applicant(s)</u> [Exact Legal Name(s)] (Subgrantee) Views at 270 L.P.		2. <u>Agency Project No.</u>
3. <u>Applicant's Contact Person</u> (Name, Address, Phone, Fax) Bill Harris Executive Director Hollywood Community Housing Corporation 1640 North Wilcox Ave. Los Angeles, CA 90028		4. <u>Agency Contact/Official:</u>
5. <u>Project Location</u> (City, County) City of Los Angeles, County of Los Angeles	6. <u>Congressional District</u> (No.) CA-29	7. <u>State Identifier</u>
8. <u>Project Components</u> (Briefly describe the substantial features of the scope of work) Mixed-used project comprising of 56 units of affordable housing on top of a Walgreens pharmacy. The project also includes an additional 1000SF of retail space.		
9. <u>Project Financing</u> Earthquake Assistance Award Funds Applicant Funds Other Funds Total Project Funding		10. <u>Employer ID Number (EIN):</u> 95 -4198215
11. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED		
a. Typed Name of Authorized Representative	b. Title	c. <u>Applicant Identifier</u>
d. Signature of Authorized Representative		e. Date Signed
12. Date Received by the Agency	13. Date Received by EDA	14. <u>EDA Project No.</u>

DRAFT

CONSTRUCTION GRANT PROPOSAL

1. **Project Description:**
 - a. **Briefly describe the project and the physical components of the project (include lengths, widths, sizes, quantity, etc.):**

 - b. **Location of project: (city, county, state, street address)**

2. **Project Purpose: Briefly describe the purpose and need for the project and how it will support development objectives in the community planning process (e.g., Overall Economic Development Program (OEDP) and Economic Adjustment Strategy) and serve to meet the pressing physical and economic needs of the local area.**

3. **Project Impact:**
 - a. **What will the project do to meet the needs as identified in the project purpose?**

 - b. **Identify the beneficiaries (companies or firms that will benefit) of the project:**

Company Name & Product(s)	Jobs Saved	New Jobs 0-2 Yrs/ 3-5 Yrs	Committed or Interest Only
Walgreens Pharmacy			
Small retail			
TOTAL			

- c. **Estimate any additional job potential not previously listed. Give examples for estimate.**

- d. **Describe how unemployed, underemployed, dislocated workers, and low income individuals will benefit from the project?**

- e. **Estimate of private investments that will occur as a result of the project (give explanation).**

DRAFT

4. Preliminary Budget Estimates

Allocation of EDA Funds

Administrative expenses	\$ _____	\$ _____
Land, structures, ROW, easements	\$ _____	\$ _____
Relocation & costs incidental to land acquisition	\$ _____	\$ _____
A/E Fees, inspection	\$ _____	\$ _____
Construction, demolition, equipment	\$ _____	\$ _____
Contingencies	\$ _____	\$ _____
Total Project Costs	\$ _____	

Funding Sources

EDA	\$ _____
*Other Fed. Grt.	\$ _____
*Federal Loan	\$ _____
*State Grant	\$ _____
*Applicant	\$ _____
Total Funding	\$ _____

5. Will an entity other than the applicant be responsible for operations and maintenance of the facilities to be constructed by this EDA request? If yes, name of entity and its working relationship to the applicant.

6. Who will hold title to the land, right-of-way and/or easements and the facilities to be constructed by this EDA request?

PROPOSAL FOR ASSISTANCE

EARTHQUAKE ASSISTANCE CONSTRUCTION PROGRAM

TO RECIPIENTS OF EDA FINANCIAL AWARDS

FOR SUBAWARDS AND SUBPROJECTS

DRAFT

(Funded in part by a Financial Assistance Award from the Economic Development Administration)

1. Applicant(s) [Exact Legal Name(s)] (Subgrantee) Hollywood Media District Business Improvement District		2. Agency Project No. 												
3. Applicant's Contact Person (Name, Address, Phone, Fax) Ms. Mary Lou Dudas, Executive Director Hollywood Media District Business Improvement District 1304 N. Highland Ave. P.M.B 200 Hollywood, CA 90028		4. Agency Contact/Official: 												
5. Project Location (City, County) City of Los Angeles, LA County	6. Congressional District (No.) 29th District	7. State Identifier 												
8. Project Components (Briefly describe the substantial features of the scope of work) The project will implement economic development strategies for the Hollywood Media District by promoting public awareness of the District and how to access parking for the more than 120 theater performances and by increasing on street parking to accommodate the needs of District workers and visitors.														
9. Project Financing <table style="width: 100%; border: none;"> <tr> <td style="width: 40%;">Earthquake Assistance Award Funds</td> <td style="width: 20%; text-align: right;">\$ <u>68,500</u></td> <td style="width: 40%;"></td> </tr> <tr> <td>Applicant Funds</td> <td></td> <td>BID will assume all administrative costs</td> </tr> <tr> <td>Other Funds</td> <td></td> <td></td> </tr> <tr> <td>Total Project Funding</td> <td></td> <td></td> </tr> </table> <p style="text-align: center;">\$</p>		Earthquake Assistance Award Funds	\$ <u>68,500</u>		Applicant Funds		BID will assume all administrative costs	Other Funds			Total Project Funding			10. Employer ID Number (EIN): <u>95</u> -4779871
Earthquake Assistance Award Funds	\$ <u>68,500</u>													
Applicant Funds		BID will assume all administrative costs												
Other Funds														
Total Project Funding														
11. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED														
a. Typed Name of Authorized Representative Mary Lou Dudas	b. Title Executive Director	c. Applicant Identifier 												
d. Signature of Authorized Representative 		e. Date Signed 2/18/04												
12. Date Received by the Agency 	13. Date Received by EDA 	14. EDA Project No. 												

DRAFT

related uses, particularly District area restaurants.

The increased economic activity will result in a creation of at least fourteen new jobs in the District. (See accompanying letters of commitments.)

- b. Identify the beneficiaries (companies or firms that will benefit) of the project:

Company Name & Product(s)	Jobs Saved	New Jobs 0-2 Yrs/ 3-5 Yrs	Committed or Interest Only
			All are committed if grant is approved
TOTAL			

- c. Estimate any additional job potential not previously listed. Give examples for estimate.
- d. Describe how unemployed, underemployed, dislocated workers, and low income individuals will benefit from the project?

The entertainment industry is critical to the Los Angeles economy. All of the studio stage performances are "on-site." Supporting these activities will help Hollywood retain the very business that defines its economic character. Each stage production performance requires the diverse skills of about 500 people including apprentice jobs.

- e. Estimate of private investments that will occur as a result of the project (give explanation).

4. Preliminary Budget Estimates

Allocation of EDA Funds

Administrative expenses	\$ see following note	\$ 68,500
All administrative expenses will be assumed by the Hollywood Media District BID		
Land, structures, ROW, easements	\$ _____	\$ _____
Relocation & costs incidental to land acquisition	\$ none	\$ _____
A/E Fees, inspection	\$ none	\$ _____

CONSTRUCTION GRANT PROPOSAL

DRAFT

1. Project Description:

- a. Briefly describe the project and the physical components of the project (include lengths, widths, sizes, quantity, etc.):

The project has four components:

- Install a Gateway Sign for the District
- Produce and install banners that announce productions and provide directional aids for parking
- Produce and install Hollywood Media District logo signs throughout the District providing information for visitor inquiry
- Implement measures to increase on-street parking capacity

(Attached grant proposal contains detail on each component)

- b. Location of project: (city, county, state, street address)

All the proposed projects are located within the Hollywood Media District. The District boundaries and the actual location of all project components are shown in Attachment A of the attached grant proposal.

2. Project Purpose: Briefly describe the purpose and need for the project and how it will support development objectives in the community planning process (e.g., Overall Economic Development Program (OEDP) and Economic Adjustment Strategy) and serve to meet the pressing physical and economic needs of the local area.

The proposed projects will implement economic revitalization strategies for the Hollywood Media District, home to the largest concentration of live theatre and stage production performances in Los Angeles. The combination of signage to promote awareness of the District and measures to increase parking will increase the number of theatre and stage productions held each year with a resulting increase in employment.

3. Project Impact:

- a. What will the project do to meet the needs as identified in the project purpose?

By increasing public awareness of the Hollywood Media District Theater Row and by providing an increase in on-street parking and an interim measure to acute parking shortages, the proposal will enable increased performances to be scheduled for the 2004-5 season. This will result in increased economic activity for the entertainment industry and

Construction, demolition, equipment \$ none
Contingencies \$ -
Total Project Costs \$ 68,500

\$ **DRAFT**

\$ _____

Funding Sources

EDA \$ 68,500
*Other Fed. Grt. \$
*Federal Loan \$
*State Grant \$
*Applicant \$ all administrative costs
Total Funding \$ 68,500

5. Will an entity other than the applicant be responsible for operations and maintenance of the facilities to be constructed by this EDA request? If yes, name of entity and its working relationship to the applicant.

The Hollywood Media District will be responsible for all signage aspects. The LA Department of Transportation will be responsible for modification to current on-street parking provisions.

6. Who will hold title to the land, right-of-way and/or easements and the facilities to be constructed by this EDA request?

There is no land acquisition. The Hollywood Media District will own all banners and signs posted pursuant to this grant.

APPLICATION FOR
FEDERAL ASSISTANCE

2. DATE SUBMITTED		Applicant Identifier
3. DATE RECEIVED BY STATE		State Application Identifier
4. DATE RECEIVED BY FEDERAL AGENCY		Federal Identifier
TYPE OF SUBMISSION: Application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction Preapplication <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		
5. APPLICANT INFORMATION		
Legal Name: City of Los Angeles and <i>Staple Center Mall</i> Community Redevelopment Agency of Los Angeles		Organizational Unit: Mayor's Office of Economic Development (MOED)
Address (give city, county, State, and zip code): Mayor's Office of Economic Development 200 North Main Street, Suite 800 Los Angeles, CA 90012		Name and telephone number of person to be contacted on matters involving this application (give area code) John De Witt, Director of Infrastructure Investment Unit, MOED Phone: (213) 847-2646 Fax: (213) 680-7817
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 9 5 - 6 0 0 0 7 3 5		7. TYPE OF APPLICANT: (enter appropriate letter in box) <input checked="" type="checkbox"/> C
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) <input type="checkbox"/> <input type="checkbox"/> A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration Other(specify): _____		A. State H. Independent School Dist. B. County I. State Controlled Institution of Higher Learning C. Municipal J. Private University D. Township K. Indian Tribe E. Interstate L. Individual F. Intermunicipal M. Profit Organization G. Special District N. Other (Specify) _____
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: EDA Public Works and Development Facilities Financial TITLE: Assistance Grant.		9. NAME OF FEDERAL AGENCY: U.S. Department of Commerce. Economic Development Administration (EDA)
11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Washington Boulevard Public Improvements from Labrea Avenue to West Boulevard.		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): City and County of Los Angeles, California		
13. PROPOSED PROJECT		14. CONGRESSIONAL DISTRICTS OF:
Start Date	Ending Date	a. Applicant
		b. Project
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal	\$ 1,540,534 ⁰⁰	a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE _____
b. Applicant	\$ ⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
c. State	\$ ⁰⁰	
d. Local	\$ ⁰⁰	
e. Other Private	\$ 2,688,866 ⁰⁰	
f. Program Income	\$ ⁰⁰	
g. TOTAL	\$ 4,229,400 ⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes," attach an explanation. <input checked="" type="checkbox"/> No
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.		
a. Type Name of Authorized Representative Renata Aimiril	b. Title Deputy Mayor	c. Telephone Number (213) 978-0618
Signature of Authorized Representative		e. Date Signed

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

- | Item: | Entry: | Item: | Entry: |
|-------|---|-------|--|
| 1. | Self-explanatory. | 12. | List only the largest political entities affected (e.g., State, counties, cities). |
| 2. | Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable). | 13. | Self-explanatory. |
| 3. | State use only (if applicable). | 14. | List the applicant's Congressional District and any District(s) affected by the program or project. |
| 4. | If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank. | 15. | Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate <i>only</i> the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15. |
| 5. | Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and name and telephone number of the person to contact on matters related to this application. | 16. | Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process. |
| 6. | Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service. | 17. | This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes. |
| 7. | Enter the appropriate letter in the space provided. | 18. | To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.) |
| 8. | Check appropriate box and enter appropriate letter(s) in the space(s) provided:

-- "New" means a new assistance award.

-- "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date.

-- "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. | | |
| 9. | Name of Federal agency from which assistance is being requested with this application. | | |
| 10. | Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested. | | |
| 11. | Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project. | | |

Provide a concise narrative statement for the following items in the order listed below. Refer to EDA's program requirements and evaluation criteria as set forth in 13 CFR Chapter III, and the Federal Register Notice of Funding Availability (NOFA). Also see Exhibits A and B, and complete, as applicable.

Investment (Project) Area

- Identify the area, e.g., city, county, Indian reservation, community, multi-county area, where the project will be located and where the benefits of the EDA investment will be received. Complete Exhibit A, if applicable.
- If the area is not defined by geographical/political boundaries, provide a description of the proposed area, document that the area is of sufficient size appropriate to the investment, and justify the proposed boundaries in relation to the investment's benefits to the area.

Investment (Project) Description

- Provide a clear description of the scope of work for the proposed EDA investment.
- Describe the components of the proposed investment. For construction investments, attach an original or clear copy of a USGS topographic map clearly showing the location of the project.

Economic Development Need

- Briefly describe the economic development need for the EDA investment and how it addresses the goals and objectives of the Comprehensive Economic Development Strategy (CEDS) for the area (if applicable).
- Briefly describe the economic conditions of the area, the economic adjustment problem, or the severity of the economic dislocation the area has experienced (or is about to experience) and how the economic development of the area is being (or will be) affected. Provide justification for the area's eligibility for EDA assistance (if applicable) and its grant rate eligibility (see Exhibits A and B and 13 CFR Part 301).

Investment (Project) Impact

- Discuss how the proposed investment satisfies EDA's "Investment Policy Guidelines" set forth in EDA's annual NOFA.

General Policies and Funding Priorities

- Discuss how the proposed investment satisfies the "General Policies" and "Funding Priorities" set forth in EDA's annual NOFA.

Proponent's Capability

- Briefly describe the proponent's capability to administer, implement, and market the project.

Proposed Time Schedule for the Project

- Estimate when (month/year) the project will begin and end.
7/2004 - 5/2005

Project Beneficiaries

Identify employers who will benefit from the project:

Company	Products and Services	Jobs Saved	New Jobs	Private Sector Investment \$	Committed or Interest Only
City of Los Angeles					
Convention Center Hotel			1,000	\$325 million	Committed

Civil Rights

- Does the proponent understand and agree to comply with all applicable civil rights requirements, including requirements to provide signed assurances and other information that may be needed to determine compliance?

Yes No (Explain)

- Do identified "Other Parties" as defined in 13 CFR §317.1(c) understand and agree to comply with all applicable civil rights requirements, including requirements to provide signed assurances and other information that may be needed to determine compliance?

Yes No (Explain) No Other Parties Identified

Proposed Budget Line Items

Construction Project Budget Estimate		Non-Construction Project Budget Estimate	
Administrative Expenses	\$	Personnel	\$
Land, Structures, ROW, Easements	\$	Fringe Benefits	\$
Relocation & Incidental Costs to Acquisition	\$	Travel	\$
A/E Fees & Inspection	\$ 497,368	Equipment	\$
Site Work (Power Relocation)	\$ 356,532	Supplies	\$
Construction and Demolition	\$ 3,375,500	Contractual	\$
Equipment	\$	Other	\$
Contingencies	\$	Total Direct Charges	\$
		Indirect Charges	\$
Total Project Cost	\$ 4,229,400	Total Project Cost	\$

Proposed Funding Sources

- Identify the source, nature and amount of all non-EDA funds, including in-kind contributions. Explain the status of all funding commitments, including the date the funds will be available from each source, and describe any conditions or restrictions on the use of such funds.
Private financing \$2,688,866 currently available, no restriction on funds. EDA \$1,540,534.
- Are all non-EDA funds committed and readily available?
 Yes
 No
- Discuss the actions that need to be taken and the timing required to secure the non-EDA funds. Complete Exhibit B for the EDA grant rate determination.
The private financing is ready pending approval fo EDA funds.
- Except as noted, does the proponent plan to seek other federal assistance to assist in funding this investment?
 No
 Yes (explain) As the proposal for the Convention Center Hotel moves forward, the City will apply for additional EDA funds.
- Is the proposed EDA assistance available from any other federal economic development program?
 No
 Yes (identify and provide explanation why EDA assistance is required)

Title/Ownership/Operation/Maintenance and Management (Construction Projects)

- Briefly describe plans for the ownership, operation, maintenance and management of project facilities, including any land, improved land, structures, appurtenances thereto, or other improvements, including any personal property.
- Will the facilities funded by EDA's investment be owned, operated and/or maintained by an entity other than the proponent?
 No
 Yes (explain)
- Will the real property to be improved or the facilities funded by the EDA investment, including any industrial or commercial park acreage, be mortgaged or used as collateral for any financing and/or is any real property to be used for this project currently mortgaged or being used for collateral?
 No
 Yes (explain)
- Can the proponent provide a security interest in the real property or significant items of tangible personal property to EDA?
 No (explain why not) All work will be done in the public right of way owned by the City.
 Yes
- If the EDA investment will be used to develop or improve an industrial or commercial park, identify the owner(s) of the park acreage and estimate the number of acres benefitting from this investment.
- Discuss plans for the sale or lease of the real property improved by the EDA investment. For privately-owned land, is the private owner of the vacant acreage willing to enter into an agreement to limit the sales price of the improved land for a reasonable period of time to the fair market value of the land before the improvements?
 No
 Yes (explain) Land is publically owned and will not be sold.

Environmental Issues (Construction Projects)

- Provide a brief physical description of the project site noting topography, vegetation, water bodies, and location and condition of any manmade structures or buildings. If available, provide a GIS analysis of the sensitive environmental areas, including contaminated sites, archeological sites, National Register places and sites, and wetlands, that are within a two mile radius of the project site.
See Attachment.

If yes to any question below, briefly explain.

1. Will the project be located in or adjacent to a floodplain or wetland area?

Yes

No

Not Applicable

2. Will the project be located in or adjacent to an area with known hazardous or toxic contamination?
 Yes No Not Applicable
3. Will there be any toxic or hazardous waste, or asbestos associated with this project or employers benefitting
 Yes No Not Applicable
4. Will the project impact any archeological sites, buildings, or structures older than 50 years, or any properties listed on, or eligible for the National Register of Historic Places?
 Yes No Not Applicable
5. Will this project result in any other adverse environmental impacts which would affect endangered or threatened species, scenic rivers, or other sensitive ecological habitats?
 Yes No Not Applicable
6. Has an environmental impact statement or other similar analysis been completed for this proposed project or for other activities in the area of this proposed project?
 Yes No Not Applicable

AREA ELIGIBILITY

1. Identify the project area City of Los Angeles - Downtown and check all that apply below:

Awards for Public Works and Development Facilities (CFDA No. 11.300) and Economic Adjustment Assistance (CFDA No. 11.307) must satisfy area eligibility requirements (13 CFR §301.2) as shown on the back of this form. Follow instructions and answer questions below to determine if your

Unemployment: The area has an unemployment rate that is, for the most recent 24-month period for which data are available, at least one percent greater than the national average unemployment rate. For example, if the national average unemployment rate is 6 percent, an area is eligible under this provision if it has an unemployment rate of 7 percent.

Per capita income: The area has a per capita income that is, for the most recent period available, 80 percent or less of the national average per capita income.

Special need: The area has experienced or is about to experience, as determined by EDA, a special need arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions, for example:

- substantial out-migration or population loss;
- underemployment, that is, employment of workers at less than full time or at less skilled tasks than their training or abilities permit;
- military base closure or realignment, defense contractor reductions-in-force, or Department of Energy defense related funding reductions;
- natural or other major disasters or emergencies;
- extraordinary depletion of natural resources;
- closure or restructuring of industrial firms, essential to area economies; or
- destructive impacts of foreign trade; and
- other (describe need)

2. **Source of data provided for area eligibility determination:**

- The most recent **Federal** data for the area in which the project is located is attached;
- Data available through the **State** government for the area in which the project is located is attached; or
- Other data to substantiate eligibility based on **special need** is attached.

3. **The project area is other than one defined by political jurisdiction:** Provide a description of the project area and documentation to show: (a) that the proposed project area is of sufficient size appropriate for the project, and (b) that project boundaries for area eligibility are consistent with the anticipated project benefits for that area.

- Project area description and documentation attached.
- Not applicable

4. **Substantial Direct Benefit:** If the project is located in a non-distressed area of an EDA-designated Economic Development District, provide documentation to show that the project will be of substantial direct benefit to an area that meets at least one of the criteria set forth in Item 1 above. (A project provides substantial direct benefit if it provides significant employment opportunities for unemployed, underemployed or low income residents).

- Documentation attached.
- Not applicable

AREA ELIGIBILITY
(Excerpt from EDA regulations at 13 CFR § 301.2)

- (a) EDA awards Public Works and Development Facilities grants under 13 CFR Part 305 and Economic Adjustment grants under 13 CFR Part 308 for projects to enhance economic development in distressed areas.
- (b) An area is eligible for EDA investment assistance under 13 CFR Part 305 or 308 if it has one of the following:
1. An unemployment rate that is, for the most recent 24-month period for which data are available, at least one percent greater than the national average unemployment rate. For example, if the national average unemployment rate is 6 percent, an area is eligible under this provision if it has an unemployment rate of 7 percent.
 2. Per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income.
 3. A special need, as determined by EDA, arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions, for example:
 - i. Substantial outmigration or population loss;
 - ii. Underemployment, that is, employment of workers at less than full time or at less skilled tasks than their training or abilities permit;
 - iii. Military base closures or realignments, defense contractor reductions-in-force, or Department of Energy defense-related funding reductions;
 - iv. Natural or other major disasters or emergencies;
 - v. Extraordinary depletion of natural resources;
 - vi. Closure or restructuring of industrial firms, essential to area economies; or
 - vii. Destructive impacts of foreign trade.
- (c) A non-distressed area [i.e., an area that does not meet the criteria of paragraph (b) above] within an Economic Development District is also eligible, provided the project will be of a substantial direct benefit to an area that meets at least one of the criteria of paragraph (b) above. A project provides substantial direct benefit if it provides significant employment opportunities for unemployed, underemployed or low income residents.
- (d) Normally an area is defined by geographical/political boundaries, e.g., city, county, Indian reservation. However, a smaller area (without regard to political boundaries) is also eligible even though it may be part of a larger community that overall is experiencing low distress. When the boundaries of the project area differ from established political boundaries, the project area must be of sufficient size appropriate to the proposed project, and the applicant must justify the proposed boundaries in relation to the project's benefits to the area.
- (e) Eligibility is determined at the time that EDA receives an application and is based on the most recent Federal data available for the area where the project will be located or where the substantial direct benefits will be received. If no Federal data are available to determine eligibility, an applicant must submit to EDA the most recent data available through the government of the State in which the area is located, i.e., conducted by or at the direction of the State government. Other data may be submitted, as appropriate, to substantiate eligibility based on special needs under paragraph (b)(3) above.
- (f) EDA may reject any documentation of eligibility that it determines is inaccurate.
- (g) There is no area eligibility requirement for assistance under 13 CFR Part 306 or 307.
- (h) EDA describes special need criteria under paragraph (b)(3) above in a Notice of Funding Availability (NOFA).

EDA GRANT RATES

EDA awards may not exceed 50 percent of project costs, except as determined by EDA in accordance with regulations at 13 CFR § 301.4. If your proposal includes a Federal grant rate that exceeds 50 percent of eligible project costs as shown in the preapplication or application budget, then you may be asked to justify the proposed reduction or waiver of the non-Federal share in accordance with EDA regulations on maximum Federal grant rates. Follow instructions below as they apply to your particular project.

1. **For Public Works and Economic Adjustment assistance (CFDA Nos. 11.300 and 11.307)**, see EDA regulations for maximum Federal grant rates provided at 13 CFR §301.4 and shown on the back of this form. Enter the provision and maximum grant rate that apply to this project below:

- The project meets criteria at 13 CFR §301.4(b) subsection _____ for a maximum Federal grant rate of ___ percent.
- Additional information to justify grant rate greater than 50 percent is attached (if requested by EDA).
- Additional information to justify supplemental grant to other federal assistance program (13 CFR §301.4(e)) is attached.

2. **For projects located in designated Economic Development Districts**, additional EDA grant assistance not to exceed 10 percent of eligible project costs is requested as provided under 13 CFR §301.4(d):

- Yes. Attach letter from the Economic Development District Director documenting that:
 - The project is located in a designated Economic Development District;
 - The applicant is actively participating in the economic development activities of the District;
 - The project is consistent with the strategy of the District; and
 - The District organization is not itself the sole project applicant.
- No. Additional funding is not requested under this provision.

3. **For Planning and Technical Assistance (CFDA Nos. 11.302 and 11.303)**, attach a narrative to justify federal funding that exceeds 50 percent of eligible project costs. (See 13 CFR §301.4., 306.3(b), 307.7(c) or 307.3(c), as applicable.)

Exhibit B

EDA GRANT RATES

Projects	Maximum Grant Rates (percentage)
(1) Projects of Indian tribes where EDA has made a determination to waive the non-Federal share of the cost of the project	100
(2) Projects under 13 CFR Part 308 located in Presidentially-declared disaster areas for which EDA invites an application for assistance under a supplemental appropriation, within 18 months of the date of declaration, and for which the President established a rate of Federal participation, based on the public assistance grant rate of the Federal Emergency Management Agency (FEMA) for the disaster, of greater than 80 percent	100
(3) Projects of Indian tribes where EDA has made a determination to reduce the non-Federal share of the cost of the project	less than 100
(4) Projects of States or political subdivisions of States that have exhausted their effective taxing and/or borrowing capacity, or nonprofit organizations that have exhausted their borrowing capacity	less than 100
(5) Projects under Part 308 located in Presidentially-declared disaster areas for which EDA receives an application for assistance under a supplemental appropriation, within 18 months of the date of declaration	80
(6) Projects located in Federally-declared disaster areas, for which EDA receives an application for assistance within 18 months of the date of declaration, when the Assistant Secretary determines that the applicant cannot provide the required non-Federal share because of the disaster's impact on the economic situation.	80
(7) Projects located in eligible areas where (i) The 24-month unemployment rate is at least 225% of the national average or (ii) The per capita income (PCI) is not more than 50% of the national average	80
(8) Projects located in eligible areas that are not eligible for a higher rate, where (i) The 24-month unemployment rate is at least 180% of the national average or (ii) The PCI is not more than 60% of the national average	70
(9) Projects located in eligible areas that are not eligible for a higher rate, where (i) The 24-month unemployment rate is at least 150% of the national average or (ii) The PCI is not more than 70% of the national average	60
(10) Projects in all other eligible areas	50

Note: The table in 13 CFR §301.4(b) does not apply to projects which support the on-going operations of Economic Development Districts or University Centers. Grant rates for those projects are provided in 13 CFR Part 306 and Subpart B of 13 CFR Part 307, respectively.

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

01-1057

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

PLACE IN FILES

OCT - 7 2003

DEPUTY *JG*

October 2, 2003

Mayor's Office of Economic Development
City Administrative Officer
City Attorney
Community Development Department
Community Redevelopment Department

All Councilmembers
Controller, Room 300
Accounting Division, F&A
Disbursement Division

RE: AMENDING PRIOR COUNCIL ACTION OF JUNE 12, 2002 TO REDUCE THE AMOUNT OF
CONTRACT FUNDING FOR THE CITYWIDE COMPREHENSIVE ECONOMIC DEVELOPMENT
STRATEGY

At the meeting of the Council held SEPTEMBER 30, 2003, the following action
was taken:

Attached report adopted.....	_____
Attached motion (Garcetti - Reyes) adopted.....	_____ X _____
Attached resolution adopted.....	_____
Mayor approved.....	_____
FORTHWITH.....	_____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Motion adopted to approve committee report recommendation(s)...	_____
Motion adopted to approve communication recommendation(s).....	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Publication date.....	_____

J. Michael Carey

City Clerk
me

steno\011057



22

22

ECONOMIC DEVELOPMENT AND EMPLOYMENT COMMITTEE

Report Communication for Signature

Council File Number: 01-1057

Committee Meeting Date: 7-21-03

Council Date: 9-12-03

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Eric Garcetti, Chair	/		
Councilmember Villaraigosa			
Councilmember Perry			

Remarks Approve CAO recs. dated 7-21-03; INSTRUCT
CLA report back (in 2 wks) re. \$ for Samee G. project.

Alan Alietti, Legislative Assistant Personnel concurred on 9-3-03 Telephone 978-107

11

TO CITY CLERK | REPLACEMENT ON NEXT
REGULAR MEETING | AGENDA TO BE POSTED | #67

M O T I O N

SEP 23 2003

On June 12, 2002 (CF: 01-1057) the City Council adopted Motion (Garcetti-Pacheco-Zine) which approved funds (\$144,000) for the development of a Citywide Comprehensive Economic Development Strategy (CEDS) and approved the Figueroa Media Group as the contractor. Community Development Block Grant (CDBG) EDA Matching Funds in the amount of \$58,192 were originally identified for the project and an additional \$60,808 in reprogrammed CDBG funds and \$25,000 from the Harbor Department were subsequently identified for the project for a total \$144,000. The Mayor's Office has requested a reduction in the amount of the contract (\$50,000) in that the funds have been redirected to other functions within the Mayors Office. \$25,000 previously allocated to the Citywide CEDS contract from the Harbor Department will remain within the Mayor's Office for international trade issues. Additionally, \$25,000 in CDBG funds were reprogrammed to the LA Economy Project to provide companion analysis to the Citywide CEDS. The new contract total for the Citywide CEDS project with Figueroa Media is proposed to be \$94,000.


I **THEREFORE MOVE** that the Council Action of June 12, 2002 (CF: 01-1057) relative to the funds for the Citywide Comprehensive Economic Development Strategy (CEDS) and Figueroa Media Group as the contractor, BE AMENDED to reduce the contract amount by \$50,000 for a new contract total of \$94,000.

**MOTION
ADOPTED**

SEP 30 2003

LOS ANGELES CITY COUNCIL

PRESENTED BY: 
ERIC GARCETTI
COUNCILMEMBER, 13TH DISTRICT

SECONDED BY: 

AP

is:edafidgmedia(0313)

SEP 23 2003

COUNCIL VOTE

Sep 30, 2003 10:22:55 AM, #2

Items for Which Public Hearings Have Not Been Held - Items 42-73
Voting on Item(s): 44-71,73
Roll Call

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Absent
LABONGE	Yes
LUDLOW	Yes
MISCIKOWSKI	Yes
PARKS	Yes
PERRY	Yes
REYES	Absent
SMITH	Yes
VILLARAIGOSA	Absent
WEISS	Absent
ZINE	Absent
*PADILLA	Yes

Present: 10, Yes: 10 No: 0

11
J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

01-1057

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
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Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

PLACE IN FILES

SEP 19 2003

DEPUTY *JK*

September 23, 2003

Mayor's Office of Economic Development
City Administrative Officer
City Attorney
Community Development Department
Community Redevelopment Department

All Councilmembers
Controller, Room 300
Accounting Division, F&A
Disbursement Division

RE: VARIOUS ACTIONS REGARDING THE MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT
ANNUAL STATUS REPORT, AND RELATED MATTERS

At the meeting of the Council held SEPTEMBER 12, 2003, the following action
was taken:

Attached report adopted.....	_____ X _____
Attached motion (-) adopted.....	_____
Attached resolution adopted.....	_____
Mayor approved.....	_____
FORTHWITH.....	_____
Mayor concurred	_____ 9-19-03 _____
To the Mayor FORTHWITH	_____
Motion adopted to approve committee report recommendation(s)...	_____
Motion adopted to approve communication recommendation(s).....	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Publication date.....	_____

J. Michael Carey

City Clerk
kw

steno\011057

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **ECONOMIC DEVELOPMENT AND EMPLOYMENT**

and

PERSONNEL COMMITTEES

report as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u> </u>

ECONOMIC DEVELOPMENT AND EMPLOYMENT and PERSONNEL COMMITTEES REPORT relative to various actions regarding the Mayor's Office of Economic Development (MOED) Annual Status Report, including United States Department of Commerce, Economic Development Administration (EDA) Grant Awards and other Grant Activities.

Recommendations for Council action, **SUBJECT TO THE APPROVAL OF THE MAYOR:**

1. APPROVE the recommendations of the City Administrative Officer (CAO) as submitted in its report dated July 21, 2003 (attached to the Council file).
2. INSTRUCT the Chief Legislative Analyst (CLA) to report to the Economic Development and Employment Committee in two weeks relative to identifying funding options for the continued development of the Santee Court Mixed-use Development Project.

Fiscal Impact Statement: The CAO reports that the total General Fund impact is \$319,000 for Mayor's Office staff indirect costs. Funding for the indirect costs has been appropriated in the City's Fiscal Year (FY) 2003-2004 budget. The actual impact to the General Fund may be higher or lower depending on the number of EDA projects worked on during the year.

The CAO further reports that the EDA will reimburse the City for staff direct costs. Staff direct costs are estimated at \$304,000 for four Mayor's Office staff positions. The total cost of funding is \$623,000 for staff direct and indirect costs. The actual amount reimbursed by the EDA to the City may be higher or lower depending on the number of EDA projects worked on during the year. The recommendations also include the reprogramming of \$2,761,678 in EDA Earthquake Assistance Grant funds.

TIME LIMIT FILE - SEPTEMBER 12, 2003
(LAST DAY FOR COUNCIL TO ACT - SEPTEMBER 12, 2003)

Summary:

In its report dated July 21, 2003, the CAO recommends that Council approve the Annual Status Report, as submitted by the MOED Strategic Planning & Project Development Division (SPPD), which provides an update for the \$30 million EDA, Earthquake Assistance Grand Award of 1995 as well as subsequent EDA Grant awards for FYs 1998-2003; other grant activities; and, the continuation of resolution employment authorities for four grant-funded staff positions for FY 2003-2004.

The SPPD provides project management for MOED projects and coordinates employee training programs with the Workforce Investment Board on the City's economic development projects; obtains and manages Federal, State, and local grant, loan, and technical assistance resources; develops and administers the City's Comprehensive Economic Development Strategy (CEDS); and, participates in the City's Brownfields Revitalization Program.

The CAO reports that the EDA Earthquake Assistance Grant Award of 1995 is an ongoing, \$30 million Disaster Infrastructure Development Grant that has provided funding for 23 projects (19 construction and 4 technical assistance projects). The SPPD serves as the Grant Manager, with City Departments and Council Offices requesting use of the funds for projects. Further, the EDA has informed the SPPD that it will not consider any new City EDA grant applications or release supplemental funding until the City fully reprograms the unencumbered EDA Earthquake Assistance Grant funds. The SPPD reports that the entire \$30 million original grant award has been encumbered with the exception of \$2.83 million which was allocated to the La Cienega/Jefferson project (\$1.3 million) and the Taylor Yard Corridor/Legacy project (\$1.53 million). The SPPD reports that these projects have changed scope and no longer are eligible for EDA Earthquake Assistance Grant funds. The City has incurred \$68,322 in administrative costs for the Taylor Yard Corridor/Legacy project leaving \$2,761,678 available for reprogramming. In coordination with the Council Offices, the SPPD is recommending that these funds be reprogrammed to the following three eligible projects:

<u>Project</u>	<u>Council District</u>	<u>Amount</u>
Highland Park Commercial Revitalization	1	\$ 1,000,000
Pacoima Economic Revitalization Center	7	500,000
Valley Center Professional Building	6	1,000,000
Administrative Costs		261,678
Total		<u>\$ 2,761,678</u>

EDA Grant awards of FY 1999 and FY 2002 fund the Citywide CEDS projects. CEDS is an economic development study that focuses on specific areas of the City and is updated on an annual basis. The Citywide CEDS is comprised of the following six sub-CEDS regions: Downtown; East Los Angeles; Hollywood; San Fernando Valley; South Los Angeles; and, West Los Angeles.

In June 2002, Council approved the use of \$221,080 of Community Development Block Grant-EDA matching funds for the continuous CEDS updates required for these sub-CEDS regions to remain eligible for EDA grant awards (Council file No. 01-1057). The SPPD is finalizing an agreement with the Figueroa Media Group for the sub-CEDS updates. The SPPD anticipates the contract to be executed in approximately three weeks. The Downtown and South Los Angeles sub-CEDS will be updated within two months of contract execution.

Supplementary Council approval is requested to negotiate and execute amendments and agreements for the following projects: Goodyear Tract Industrial Park (Incore) - CD 9; Washington Boulevard Public Improvements - CD 10; New Economics for Women Business Incubator Center - CD 1; and, Imani Fe Courtyard (Watts Retail Center) - CD 15.

The SPPD reports that for the Goodyear Tract Industrial Park (Council file No. 96-0456) and Washington Boulevard Public Improvement (Council file No. 98-1940) projects, the cooperative agreements with the Community Redevelopment Agency (Agency) to reimburse the Agency with EDA grant funds expired. Thus, Council action is needed to amend the agreements between MOED and the Agency, so the Agency can be reimbursed with EDA grant funds for the projects.

The CAO further reports that Council action is needed to amend the agreement with the New Economics for Women (NEW) to receive supplemental EDA funding in the amount of \$400,000 to complete the NEW Commercial Center project. Council approved \$1,875,000 in EDA funding for the project in May 1997 (Council file No. 97-0614-S1), but due to lack of funding and other reasons the project was not completed. The agreement between MOED and NEW expired in February 1999. Council approved \$400,000 in supplemental EDA funding in March 2001 (CF 00-1579-S1) for the project, but the EDA has withheld payment until, as stated earlier, the City reprograms unencumbered funds.

The CAO notes that Council action is also needed to execute an agreement with the Grant Housing and Economic Development Corporation to receive \$1,000,000 in Council approved (Council file No. 00-1579-S1) EDA funding for the Imani Fe Courtyard project.

The MOED, working with Council Districts 9 and 14, secured a \$350,000 grant under the California Pollution Control Financing Authority, Sustainable Communities Grant and Loan Program for the Downtown Los Angeles 7th Street Transit/Pedestrian 24-hour Safe Passage Project. The goal of the project is to provide a pedestrian-friendly corridor connecting easterly and westerly downtown commercial districts with surrounding current and future residential developments, subway portals, rail systems, and peripheral parking structures to promote mixed-use economic revitalization and adaptive reuse infill developments. Resources for this project are also being used from the Department of Water and Power, Bureau of Engineering, Bureau of Street Lighting, Bureau of Street Services, Department of Transportation, Environmental Affairs Department, and the Community Redevelopment Agency. The SPPD will monitor the State grant portion of the project, which is scheduled to commence construction in January 2004.

The SPPD is also responsible for administering activities and financial transactions of the Mayor's Urban Action Development Grant (UDAG) funds. Council approved funding projects using Mayor's UDAG funds on February 11, 2003 (Council file No. 03-0088). The SPPD reports there are 22 ongoing projects.

The SPPD is also requesting Council approval to allocate \$4,000 of Mayor's UDAG funds for a consultant to assist with commercial corridor revitalization and housing projects as well as with research relative to Property Tax Revenue Enhancement effort. The consultant would work on an as-needed basis under the direction of the MOED and would be limited to a duration of three months.

The CAO further notes that the SPPD requests authorization to continue the resolution authority for four grant-funded staff positions (one Mayoral Aide VIII, two Mayoral Aide VIIs, and one Mayoral Aide VI) for FY 2003-2004. These positions administer the EDA grants and represent the Mayor's Office in Brownfields programs. Staff costs are estimated at \$623,000 (direct costs of \$304,000 and indirect costs of \$319,000). The EDA reimburses the City for direct salary costs while the City, through Mayor's Office budgeted funds, pays for the indirect costs associated these positions. All four positions are currently filled.

The SPPD is estimating full year EDA funding of \$304,000 for the direct costs of its four staff positions. Since EDA grants are on a reimbursement basis, the actual amount billed to EDA for direct salary costs may be higher or lower depending on the number of projects worked on during the year. As other grants are awarded, the SPPD reports that staff time will be budgeted proportionally. The SPPD also maintains a master sheet detailing the billing of staff time under various grants. As this occurs, staff costs billed to EDA for SPPD work would be reduced accordingly.

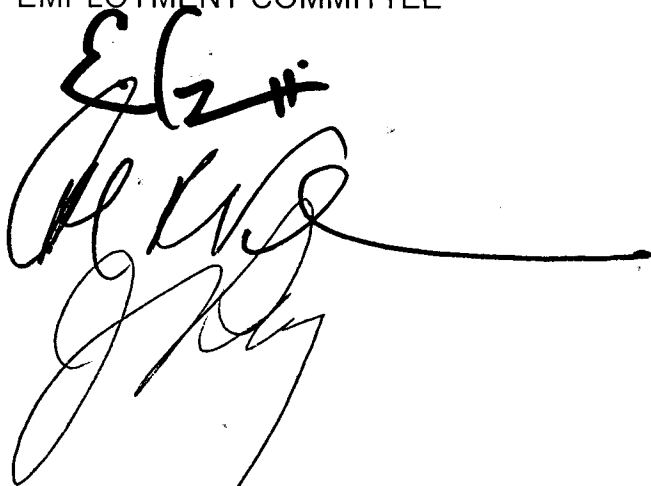
At a special meeting held July 21, 2003, the Economic Development and Employment Committee discussed this matter with City staff and recommended that Council approve the recommendations of the CAO, as submitted in its report dated July 21, 2003. The Committee further recommended that Council instruct the CLA to report to the Economic Development and Employment Committee in two weeks relative to identifying funding options for the continued development of the Santee Court Mixed-use Development Project.

At its regular meeting held September 4, 2003, the Personnel Committee considered this matter and concurred with the actions of the Economic Development and Employment Committee.


This matter is now submitted to Council for its consideration.

Respectfully submitted,

ECONOMIC DEVELOPMENT AND
EMPLOYMENT COMMITTEE



PERSONNEL COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
GARCETTI:	YES
VILLARAIGOSA:	YES
PERRY:	YES

<u>MEMBER</u>	<u>VOTE</u>
ZINE:	YES
GREUEL:	YES
VILLARAIGOSA:	ABSENT

AA
7/28/03
#011057.a

REPT.
ADOPTED
SEP 12 2003
LOS ANGELES CITY COUNCIL

COUNCIL VOTE

Sep 12, 2003 10:21:49 AM, #4

Items for Which Public Hearings Have Been Held - Items 11-24

Voting on Item(s): 13-24

Roll Call

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Absent
HAHN	Absent
LABONGE	Yes
LUDLOW	Absent
MISCIKOWSKI	Yes
PARKS	Yes
PERRY	Yes
REYES	Yes
SMITH	Yes
VILLARAIGOSA	Yes
WEISS	Absent
ZINE	Yes
*PADILLA	Yes

Present: 11, Yes: 11 No: 0

**ECONOMIC DEVELOPMENT AND
EMPLOYMENT COMMITTEE
NOTIFICATION SHEET**

Council File No. 01-1057

<input checked="" type="checkbox"/>	Council Districts	All
<input checked="" type="checkbox"/>	Mayor (with/without file)	
<input type="checkbox"/>	Chief Legislative Analyst	
<input checked="" type="checkbox"/>	City Administrative Officer	
<input checked="" type="checkbox"/>	City Attorney	
<input checked="" type="checkbox"/>	Controller	
<input type="checkbox"/>	Treasurer	
<input type="checkbox"/>	Petitioner/Communicant	
<input checked="" type="checkbox"/>	Community Development Department	
<input checked="" type="checkbox"/>	Community Redevelopment Agency	
<input type="checkbox"/>	Personnel Department	
<input checked="" type="checkbox"/>	Interested Departments	MOED
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From: Ilene Shapiro
To: Alietti, Alan
Date: 9/4/03 7:36AM
Subject: Council File No. 01-1057--Mayor's Rush and Time Limit File

Personnel Committee concurred with EDE Committee on the above-captioned item, Item #11 on yesterday's Personnel Committee meeting agenda. Reminder: Maria K. confirmed that the report should state the time limit (the same way we do for Commissioners) because of the large contract that extends beyond three years. Zine and Gruel Voted "Yes"; Villaraigosa was absent for the item. I am transferring the Council file to you now. When done, please give me a copy of the report showing the date scheduled for Council. Thanks.

REPORT FROM

RECEIVED
CITY CLERK'S OFFICE
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

2003 JUL 22 AM 9:29

Date: July 21, 2003

CITY CLERK
BY _____
DEPUTY

CAO File No. 0220-01448-0015
Council File No. 01-1057
Council District: Various

To: The Mayor
The City Council

From: William T Fujioka, City Administrative Officer



Reference: Mayor's Office transmittal dated June 30, 2003; received by the City Administrative Officer on July 15, 2003.

Subject: Mayor's Office of Economic Development, Strategic Planning & Project Development Division Status Report on Council Various Economic Development Administration Grant Awards and Other Grant Activities

SUMMARY

The Mayor's Office of Economic Development (MOED) Strategic Planning & Project Development Division (SPPD) requests approval of its Annual Status Report, which provides an update for the:

- \$30 million United States Department of Commerce, Economic Development Administration (EDA), Earthquake Assistance Grand Award of 1995 and subsequent EDA Grant awards for fiscal years (FY) 1998-2003;
- Other grant activities; and,
- Continuation of resolution employment authority for four grant-funded staff positions for the FY 2003-2004.

The SPPD:

- Provides project management for the Mayor's Office economic development projects and coordinates employee training programs with the Workforce Investment Board on the City's economic development projects;
- Obtains and manages Federal, State, and local grant, loan, and technical assistance resources;
- Develops and administers the City's Comprehensive Economic Development Strategy (CEDS); and,
- Participates in the City's Brownfields Revitalization Program.

EDA Earthquake Assistance Grant of 1995

The EDA Earthquake Assistance Grant Award of 1995 is an ongoing, \$30 million disaster infrastructure development grant that has provided funding for 23 projects (19 construction and 4

**ECONOMIC DEVELOPMENT
& EMPLOYMENT**

PERSONNEL

JUL 21 2003

technical assistance projects). The status of each of these projects is shown in Attachment I. The SPPD serves as the grant manager, with City Departments and Council Offices requesting use of the funds for projects. The EDA has informed SPPD that EDA will not consider any new City EDA grant applications or release supplemental funding until the City fully reprograms the unencumbered EDA Earthquake Assistance Grant funds. SPPD reports that the entire \$30 million original grant award has been encumbered with the exception of \$2.83 million which was allocated to the La Cienega/Jefferson project (\$1.3 million) and the Taylor Yard Corridor/Legacy project (\$1.53 million). SPPD reports that these projects have changed scope and no longer are eligible for EDA Earthquake Assistance Grant funds. The City has incurred \$68,322 in administrative costs for the Taylor Yard Corridor/Legacy project leaving \$2,761,678 available for reprogramming. In coordination with the Council Offices, SPPD is recommending that these funds be reprogrammed to the following three eligible projects:

<u>Project</u>	<u>Council District</u>	<u>Amount</u>
Highland Park Commercial Revitalization	1	\$ 1,000,000
Pacoima Economic Revitalization Center	7	500,000
Valley Center Professional Building	6	1,000,000
Administrative Costs		261,678
Total		\$ 2,761,678

EDA Annual Grant Awards FY 1998-2002

EDA Grant awards of FY 1999 and FY 2002 fund the Citywide Comprehensive Economic Development Strategy (CEDS) projects. CEDS is an economic development study that focuses on specific areas of the City and is updated on an annual basis. The Citywide CEDS is comprised of six sub-CEDS regions:

- Downtown;
- East Los Angeles;
- Hollywood;
- San Fernando Valley;
- South Los Angeles; and,
- West Los Angeles.

The EDA approved the Downtown, San Fernando Valley and South Los Angeles sub-CEDS in April 2001. EDA approval allows the City Council and Mayor to submit projects within these areas directly to the EDA without having to go to external EDA-certified approving authorities for ranking and comparison with other projects in the region. The City Council approved funding for the Hollywood sub-CEDS in December 2001 (C.F. 01-2474) and work has commenced by SPPD and Council Districts 4 and 13, with completion anticipated by the end of July 2003. The East Los Angeles sub-CEDS was administered by the Chief Legislative Analyst's Office and completed in September 2002. SPPD states that the EDA has determined that currently there are currently no areas within West Los Angeles to qualify for EDA grants.

In June 2002, the City Council approved the use of \$221,080 of CDBG-EDA matching funds for the continuous CEDS updates required for these sub-CEDS regions to remain eligible for EDA grant awards (CF 01-1057). SPPD is finalizing an agreement with the Figueroa Media Group for the sub-CEDS updates. The SPPD anticipates the contract to be executed in approximately three weeks. The Downtown and South Los Angeles sub-CEDS are to be updated within the first two months of contract execution.

The SPPD reports that the Wilmington Industrial Park Study, funded with a \$225,000 FY 2000 EDA grant, was completed in April 2003. Additionally, the Washington Boulevard Streetscape project, funded with a \$1,000,000 FY 1999 EDA grant, is underway with an anticipated completion of construction during the 4th Quarter of 2003.

Supplementary Council approval is requested to negotiate and execute amendments and agreements for the following projects:

<u>Project</u>	<u>Council District</u>
Goodyear Tract Industrial Park (Incore)	9
Washington Boulevard Public Improvements	10
New Economics for Women Business Incubator Center	1
Imani Fe Courtyard (Watts Retail Center)	15

The SPPD reports that for the Goodyear Tract Industrial Park (CF 96-0456) and Washington Boulevard Public Improvement (CF 98-1940) projects, the cooperative agreements with the Community Redevelopment Agency (Agency) to reimburse the Agency with EDA grant funds expired. Council action is needed to amend the agreements between MOED and the Agency, so the Agency can be reimbursed with EDA grant funds for those two projects.

Council action is needed to amend the agreement with the New Economics for Women (NEW) to receive supplemental EDA funding in the amount of \$400,000 to complete the NEW Commercial Center project. Council approved \$1,875,000 in EDA funding for the project in May 1997 (CF 97-0614-S1), but due to lack of funding and other reasons the project was not completed. The agreement between MOED and NEW expired in February 1999. City Council approved \$400,000 in supplemental EDA funding in March 2001 (CF 00-1579-S1) for the project, but EDA has withheld payment until, as stated earlier, the City reprograms unencumbered funds.

Council action is also needed to execute an agreement with the Grant Housing and Economic Development Corporation to receive \$1,000,000 in Council approved (CF 00-1579-S1) EDA funding for the Imani Fe Courtyard project.

Other Grant Activities

MOED, working with Council Districts 9 and 14, secured a \$350,000 grant under the California Pollution Control Financing Authority, Sustainable Communities Grant and Loan Program for the Downtown Los Angeles 7th Street Transit/Pedestrian 24-hour Safe Passage Project. Through a

Motion (Perry-LaBonge) the Council approved submitting, accepting and executing the grant agreement on March 5, 2003 (CF 03-0400).

The goal of the project is to provide a pedestrian-friendly corridor connecting easterly and westerly downtown commercial districts with surrounding current and future residential developments, subway portals, rail systems, and peripheral parking structures to promote mixed-use economic revitalization and adaptive reuse infill developments. Resources for this project are also being used from the Department of Water and Power, Bureau of Engineering, Bureau of Street Lighting, Bureau of Street Services, Department of Transportation, Environmental Affairs Department, and the Community Redevelopment Agency. The SPPD will monitor the State grant portion of the project, which is scheduled to commence construction in January 2004.

The SPPD is also responsible for administering activities and financial transactions of the Mayor's Urban Action Development Grant (UDAG) funds. The City Council approved funding projects using Mayor's UDAG funds on February 11, 2003 (CF 03-0088). The SPPD reports there are 22 ongoing projects including:

- Two under close-out activities;
- Five with agreements to be executed;
- One under construction; and,
- 14 projects under the guidance of other City departments.

SPPD is also requesting Council approval to allocate \$4,000 of Mayor's UDAG funds for a consultant to assist with commercial corridor revitalization and housing projects as well as with research relative to Property Tax Revenue Enhancement effort. The consultant would work on an as-needed basis under the direction of MOED and would be limited to a duration of three months.

Personnel

The SPPD requests authorization to continue the resolution authority for four grant-funded staff positions for FY 2003-2004. Staff costs are estimated at \$623,000 (direct costs of \$304,000 and indirect costs of \$319,000). The EDA reimburses the City for direct salary costs while the City, through Mayor's Office budgeted funds, pays for the indirect costs associated these positions. All four positions are currently filled. These four staff positions administer the EDA grants and represent the Mayor's Office in Brownfields programs:

<u>Class Code</u>	<u>Title</u>	<u>Number</u>
0148	Mayoral Aide VIII	1
0147	Mayoral Aide VII	2
0146	Mayoral Aide VI	1
		4

The SPPD reports nine of the 12 ongoing EDA-funded projects were not completed by June 30, 2003. This includes three at proposal stage and another four scheduled to begin construction after June 30, 2003. In addition, the 7th Street Pedestrian Project (scheduled to start construction in January 2004) and ongoing projects funded through the Mayor's UDAG are monitored by the SPPD.

SPPD is estimating full year EDA funding of \$304,000 for the direct costs of its four staff positions. Since EDA grants are on a reimbursement basis, the actual amount billed to EDA for direct salary costs may be higher or lower depending on the number of projects worked on during the year. As other grants are awarded, the SPPD reports that staff time will be budgeted proportionally. The SPPD also maintains a master sheet detailing the billing of staff time under various grants. As this occurs, staff costs billed to EDA for SPPD work would be reduced accordingly.

RECOMMENDATIONS

That the Mayor and Council:

1. Approve the Annual Status Report and authorize the Mayor's Office of Economic Development (MOED) to reprogram the remaining EDA Earthquake Assistance Grant funds to projects as recommended in Recommendation Number Two;
2. Authorize the Mayor's Office to submit applications and accept EDA awards and conditions for the following three proposed projects according to the attached proposals (Attachments A-C of the Mayor's Office transmittal dated June 30, 2003), which may be further revised by the Mayor's Office:

<u>Proposed Projects</u>	<u>CD #</u>	<u>Proposed EDA Grant \$</u>	<u>Attachment</u>
(1) Highland Park Commercial Revitalization	1	\$1,000,000	A
(2) Pacoima Economic Revitalization Center	7	\$ 500,000	B
(3) Valley Center Professional Building	6	\$1,000,000	C

3. Authorize the Mayor, or designee, to negotiate and execute an agreement between the MOED and the Grant Housing and Economic Development Corporation, which was included in the grant application as the proposed EDA sub-grant recipient, in the amount not to exceed \$1,000,000 for a period of two years with regards to the Imani Fe Courtyard project, subject to the approval of the City Attorney as to form and legality;
4. Authorize the Mayor or designee to negotiate and execute an amendment to agreement No. C-95733 with New Economics for Women (NEW) for the NEW Business Incubator Center project, as follows:
 - A. Authorize the amendment to be retroactive from February 15, 1999 to June 30, 2004 to cover the period during which the performance was ongoing, and any additional time as necessary to complete the closeout;
 - B. Amend the total dollar amount to correctly reflect the Council and EDA approved total grant award of \$2,275,000; and,
 - C. Make any other changes as required subject to the approval of the City Attorney.

5. Authorize the Mayor, or designee, and the Community Redevelopment Agency (Agency) to negotiate and execute an amendment to agreement No. C-96389 with the Agency for the Goodyear Tract Industrial Park project (a.k.a. Incore) as follows:
 - A. Authorize the amendment to be retroactive from October 15, 2001 to December 31, 2003 to cover the period of which the performance was ongoing, and any additional time as necessary to complete the closeout;
 - B. Amend the total dollar amount to correctly reflect the Council and EDA approved total grant award of \$3,239,300; and,
 - C. Make any other changes as required subject to the approval of the City Attorney.
6. Authorize the Mayor, or designee, to negotiate and execute a letter of agreement with a consultant selected by MOED in an amount not to exceed \$4,000 of Mayor's former Urban Action Development Grant funds for the period May 29, 2003 through August 29, 2003 to assist MOED with commercial corridor revitalization and housing projects as well as with research relative to Property Tax Revenue Enhancement and other MOED directed activities;
7. RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133 (a), the following four existing grant-funded positions in the Mayor's Office of Economic Development, are APPROVED, for the period of July 1, 2003 through June 30, 2004:

<u>Class</u>	<u>Title</u>	<u>Number</u>
0148	Mayoral Aide VIII	1
0147	Mayoral Aide VII	2
0146	Mayoral Aide VI	1
		<u>4</u>

8. Approve the EDA grants in an amount not to exceed \$304,000 for the direct costs for four MOED staff positions effective July 1, 2003 through June 30, 2004 with City funding, through budgeted funds, the related indirect costs and fringe benefits;
9. Authorize the Mayor, or designee, and the Agency to negotiate and execute an amendment to agreement No. C-102514 with CRA for the Washington Boulevard Public Improvements project as follows:
 - A. Authorize the amendment to be retroactive from June 1, 2002 to December 31, 2003 to cover the period of which the performance was ongoing, and any additional time as necessary to complete the closeout; and,
 - B. Make any other changes as required subject to the approval of the City Attorney.

10. Authorize the Controller to:

- A. Release funds upon demand of the Mayor's Office;
- B. Establish new appropriation accounts within Fund No. 649, Infrastructure Investment Fund, as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
T100	Imani Fe Courtyard (a.k.a. Watts Retail Center)	\$1,000,000.00
T200	Highland Park Commercial Revitalization	1,000,000.00
T300	Pacoima Economic Revitalization Center	500,000.00
T400	Valley Center Professional Building	1,000,000.00
T500	Goodyear Tract II (Incore)	<u>2,689,299.68</u>
Total		<u>\$6,189,299.68</u>

- C. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$6,189,299.68 from Fund No. 649, Infrastructure Investment Fund;
- D. Transfer appropriation in the amount of \$214,809.32 in Fund 649, Infrastructure Investment Fund, from Account M006, Industrial Community Revitalization (a.k.a. Goodyear Tract Phase I – Incore) to the newly established appropriation Account T500, Goodyear Tract Phase II – Incore;
- E. Increase appropriation and expend funds in an amount not to exceed \$400,000 to Account No. M002, New Economics For Women, within Fund 649, Infrastructure Investment Fund;
- F. Appropriate \$261,678 of federal grant to Account No. V146, Salaries, within Fund 649, Infrastructure Investment Fund;
- G. Transfer \$261,678 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. V146, Salaries-General, upon receipt of federal grant, from Fund 649, Infrastructure Investment;
- H. Transfer appropriation in the amount of \$75,000 in Fund 649, Infrastructure Investment Fund from Account No. T200, Taylor Yard – Van de Kamp/LACC to Account No. V146, Salaries;
- I. Transfer \$75,000 to Fund No. 100/46, Mayor, Account 1020, Salaries – General Reimbursed, from Account No. V146, Salaries – General, upon receipt of federal grant from Fund 649;
- J. Establish new appropriation accounts within Fund No. 303, Industrial/Commercial Revolving Loan Fund, as follows:

Revolving Loan Fund, as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
T410	Commercial Corridor Revitalization & Housing Projects	\$4,000.00

- K. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$4,000.00 from Fund No. 303, Industrial/Commercial Revolving Loan Fund.

FISCAL IMPACT STATEMENT

The total General Fund impact is \$319,000 for Mayor's Office staff indirect costs. Funding for the indirect costs has been appropriated in the City's Fiscal Year 2003-2004 Budget. The actual impact to the General Fund may be higher or lower depending on the number of Economic Development Administration (EDA) projects worked on during the year.

The EDA will reimburse the City for staff direct costs. Staff direct costs are estimated at \$304,000 for four Mayor's Office staff positions. The total cost of funding is \$623,000 for staff direct and indirect costs. The actual amount reimbursed by the EDA to the City may be higher or lower depending on the number of EDA projects worked on during the year. The recommendations also include the reprogramming of \$2,761,678 in EDA Earthquake Assistance Grant funds.

WTF:SDE:vnn:42241c

Attachment

U.S. Department of Commerce Economic Development Administration Earthquake Assistance Grant of 1995
Project Status Report Prepared by Mayor's Office of Economic Development - June, 2003

	Projects	Status	City Council District	Council Approved EDA Funds Allocation	To Be Re-programmed EDA Funds	Proposed EDA Funds Reallocation	TOTAL
1	Angelus Grand Plaza	Project completed.	14	\$ 609,050			\$ 609,050
2	Arminta Ave. Extension (General Motors)	Project completed.	7	3,970,293			\$ 3,970,293
3	Business Assistance Center/VEDC	Project completed.	2,3,5,7,12	895,225			\$ 895,225
4	Canoga Park Commercial Revitalization/Madrid Theater	Project completed.	3	264,684			\$ 264,684
5	CRA Staff Assistance	Application approved, work underway.	citywide	650,000			\$ 650,000
6	CSUN BioTech Park	Project completed.	12	1,388,568			\$ 1,388,568
7	Goodyear Tract (Incore) Phase I	Project completed.	9	335,191			\$ 335,191
8	Goodyear Tract (Incore) Phase II	Construction underway.	9	2,904,109			\$ 2,904,109
9	Harbor Gateway Center	Final project agreement execution underway.	15	2,163,712			\$ 2,163,712
10	Highland Park Commercial Revitalization	Proposed Project.	1			1,000,000	\$ 1,000,000
11	Imani Fe Courtyard (aka. Watts Retail Center)	Full application pending EDA final approval.	15	1,000,000			\$ 1,000,000
12	La Cienega/Jefferson	To be reprogrammed due to delayed progress.	10	1,300,000	(1,300,000)		\$ -
13	New Economics for Women	Project construction underway.	1	1,875,000			\$ 1,875,000
14	New Economics for Women - supplement	Scope & budget modification pending EDA final approval.	1	400,000			\$ 400,000
15	North Hollywood Mixed-Use Project	Infrastructure design being modified & finalized.	2,4	3,570,000			\$ 3,570,000
16	Pacoima Economic Revitalization Center	Proposed Project.	7			500,000	\$ 500,000
17	Taylor Yard - Legacy	To be reprogrammed due to scope change by developer.	1	1,530,000	(1,461,678)		\$ 68,322
18	Taylor Yard - Van de Kamp/future LACC Site	Subgrant agreement being finalized.	1	1,500,000			\$ 1,500,000
19	UCLA Tom Bradley Foundation	Subgrant agreement executed. Project underway.	citywide	500,000			\$ 500,000
20	Union Arts Center/Little Tokyo Marketing Plan	Project completed.	9	383,640			\$ 383,640
21	Valley Central Professional Building	Proposed Project.	6			1,000,000	\$ 1,000,000
22	Whiteman Airport Industrial Park	Project completed.	7	1,782,000			\$ 1,782,000
23	Wilshire Streetscape Project	Project completed.	10	1,400,000			\$ 1,400,000
24	Administrative Costs			1,578,528		261,678	\$ 1,840,206
Total Encumbered EDA Earthquake Assistance Funds				\$ 30,000,000	\$ (2,761,678)	\$2,761,678	\$ 30,000,000

To: To Clerk

From: June Lagmay, Mayor Office

FYI, this has been sent to CAO for report back to the Council.

EDE Conte
7-21

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

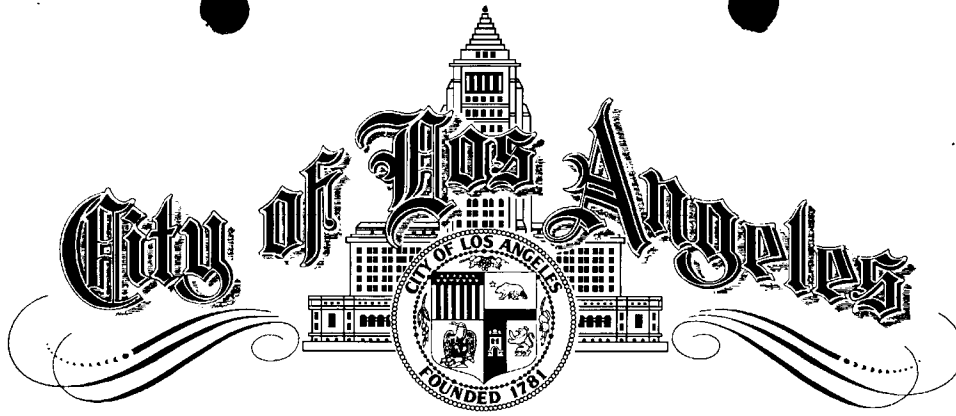
01-1057

July 15, 2003

Economic Development & Employment Committee
Personnel Committee

In accordance with Council Rules, communication from the Mayor relative to the Strategic Planning and Project Development Division status report and recommendations on: (1) the U.S. Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and other subsequent EDA grant awards; (2) other grant activities; and (3) reauthorization of four grant-funded staff positions for Fiscal Year 2003-2004, was referred on July 15, 2003, to the Economic Development & Employment Committee and Personnel Committee.

J. Michael Carey
City Clerk
amm



CITY HALL
LOS ANGELES, CALIFORNIA 90012

JAMES K. HAHN
MAYOR

June 30, 2003

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vm
Honorable City Councilmembers
City of Los Angeles
C/O City Clerk
City Hall, Room 360
200 No. Spring Street
Los Angeles, CA 90012

RE: APPROVAL OF MAYOR'S OFFICE STRATEGIC PLANNING & PROJECT DEVELOPMENT DIVISION STATUS REPORT AND RECOMMENDATIONS ON: 1) THE U.S. DEPT. OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995 AND OTHER SUBSEQUENT EDA GRANT AWARDS; 2) OTHER GRANT ACTIVITIES; AND 3) A REQUEST FOR REAUTHORIZATION OF FOUR GRANT-FUNDED STAFF POSITIONS FOR THE FISCAL YEAR 2003-2004.

The Mayor's Office Strategic Planning & Project Development (SPPD) Division is responsible to provide project management for Mayor's Office economic development projects; obtain and manage federal, state and local grants, loan and technical assistance resources; and develop and administer the City's Comprehensive Economic Development Strategy (CEDs). Additionally, the Division actively participates in the City's Brownfields Revitalization program which has achieved national recognition, as well as coordinated employment training programs on the City's economic development projects. SPPD continues to search for additional funding sources not yet utilized by the City.

The Mayor's Office of Economic Development (MOED) hereby submits a status report on: 1) \$30 million under the U.S. Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and other subsequent EDA grant awards; 2) other grant activities; and 3) a request for reauthorization of four grant-funded staff positions for the Fiscal Year 2003-2004.

1.0 Status Report on EDA Grant Award Projects

1.1 \$30 Million Earthquake Assistance Grant Award of 1995

Established following the January 17, 1994 Northridge earthquake, the EDA provided a \$30 million infrastructure development grant to assist in the recovery of the City's economy from the impact of the Northridge earthquake.

**ECONOMIC DEVELOPMENT
& EMPLOYMENT
PERSONNEL**

JUL 15 2003

City Council adopted MOED's previous status report on June 18, 2002 (CF No. 01-1057). As of this date, MOED staff has encumbered all of \$30,000,000 EDA Earthquake Assistance Grant Award of 1995 except for two projects that need to be reprogrammed due to either lack of progress or scope change. These two projects are: (1) La Cienega/Jefferson (\$1,300,000); and (2) Taylor Yard Corridor/Legacy - Los Angeles Media Tech Center (\$1,530,000). The City has incurred \$68,322 in administrative and engineering costs for the Taylor Yard Corridor/Legacy project. Therefore, \$2,761,678 is now available for reprogramming under the Earthquake grant.

In January 2003, EDA notified the Mayor's Office that EDA will not consider any new City applications or release supplemental funding for approved projects such as \$400,000 for New Economics for Women until the City fully reprograms the unencumbered Earthquake Assistance funds. The City must reprogram these funds into projects that can use the funds immediately in addition to meeting EDA job creating and other requirements.

In coordination with the Council offices, Mayor's Office identified three projects that are eligible for reprogrammed EDA Earthquake Assistance funds and have the highest chance of expending funds within the EDA time constraint. These three proposed projects are: (1) Highland Park Commercial Revitalization, Attachment A; (2) Pacoima Economic Revitalization Center, Attachment B; and (3) Valley Center Professional Building, Attachment C.

The \$30 million EDA Earthquake Assistance Grant status is detailed below as well as in Attachment D:

<u>EDA Earthquake Assistance Grant Award:</u>	<u>Status:</u>
• Angeles Grand Plaza \$609,050 (CD-14)	Project completed.
• Arminta Street Extension (Former General Motors Site) \$3,970,293 (CD-7)	Project completed.
• Business Assistance Center/VEDC \$895,225 (CD-2,3,5,7,12)	Project completed.
• Canoga Park Commercial Revitalization & Madrid Theatre \$264,684 (CD-3)	Project completed. (This project was also funded with \$3,013,633 CDBG funds.)
• CSUN BioTechnology Park \$1,388,568 (CD-12)	Project completed.
• Goodyear Tract Industrial Park – Ph. I \$335,191 (CD-9)	Project completed.
• Goodyear Tract Industrial Park – Ph. II \$2,904,109 (CD-9)	Construction underway and completion expected in 3 rd Quarter 2003.

- Harbor Gateway Center
\$2,163,712 (CD-15)
Project agreements execution underway.
Construction expected to commence in 3rd
Quarter 2003.
- Imani Fe Courtyard Project
(a.k.a. Watts Retail Center)
\$1,000,000 (CD-15)
Preapplication approved on 11/20/01.
Pending EDA final approval.
- La Cienega/Jefferson Project
(a.k.a. Samitaur Site)
\$1,300,000 (CD-10)
Preapplication approved on 11/20/01.
To be reprogrammed due to lack of progress.
- New Economics for Women (NEW)
Business Incubator Center
\$2,275,000 (CD-1)
Project construction underway.
\$1,875,000 was approved on 06/20/97.
Supplemental funding of \$400,000 pending EDA
final approval.
- NoHo Commons
\$3,570,000 (CD-2, 4)
Full application approved on 09/09/98.
Public improvements scope & plans being
modified and finalized.
- Taylor Yard Corridor - Legacy
Los Angeles Media Tech Center
\$1,530,000 (CD-1)
Full application approved 12/19/01.
To be reprogrammed due to scope change by
developer. MOED is attempting recovery of
City's administrative and engineering costs of
\$68,322. \$1,461,678 available for
reprogramming.
- Taylor Yard Corridor
Van de Kamp/LACC Site
\$1,500,000 (CD-1)
Full application approved on 12/06/02.
Subgrant agreement being finalized.
- UCLA
Tom Bradley Legacy Foundation
\$500,000 (Citywide)
Full application approved on 02/19/03.
Subgrant agreement executed.
Project underway.
- Union Arts Theatre &
Little Tokyo Marketing Plan
\$383,640 (CD-9)
Project completed.
- Whiteman Airport Industrial Park
\$1,782,000 (CD-7)
Project completed.
- Wilshire Boulevard Streetscape
\$1,400,000 (CD-10)
Project completed.

Reprogramming \$2,761,678 of EDA Earthquake Assistance Grant Funds

The total available funds for reprogramming under the EDA Earthquake Assistance grant is \$2,761,678: (1) \$1,300,000 from La Cienega/Jefferson project; and (2) \$1,461,678 from the Taylor Yard Corridor – Legacy/Los Angeles Media Tech Center project. MOED proposes the following projects and activities to be funded under the reprogrammed EDA funds:

<u>Proposed Projects</u>	<u>CD #</u>	<u>Proposed EDA Grant \$</u>	<u>Attachment</u>
(1) Highland Park Commercial Revitalization	1	\$1,000,000	A
(2) Pacoima Economic Revitalization Center	7	\$500,000	B
(3) Valley Center Professional Building	6	\$1,000,000	C
(4) Administrative Costs		<u>\$261,678</u>	
		<u>\$2,761,678</u>	

1.2 Other EDA Grant Awards of FY 1998-2002

Comprehensive Economic Development Strategy (CEDS)

Along with the support and assistance of Council offices and the CLA's Office, the Strategic Planning and Project Development (SPPD) staff accomplished a major milestone, the compilation of the first Citywide Comprehensive Economic Development Strategy (CEDS). This Citywide CEDS working document is to be updated on an annual basis and is currently comprised of the following six sub-CEDS regions: 1) Downtown; 2) East/Northeast Los Angeles; 3) Hollywood; 4) San Fernando Valley; 5) South Los Angeles; and 6) West Los Angeles. Funding for plan development was previously allocated to the following four sub-CEDS regions: Downtown, East/Northeast Los Angeles, San Fernando Valley and South Los Angeles. The Mayor's Office administered and completed the following three sub-CEDS regions in March 2001: Downtown, San Fernando Valley and South Los Angeles. The East/Northeast Los Angeles sub-CEDS was administered by the CLA's Office and completed in September 2002. The Hollywood sub-CEDS (CF #01-2474) is now underway by the Mayor's Office and Council District Offices 4 & 13, with completion expected by July 30, 2003. The Hollywood sub-CEDS was extended to include the Elysian Valley area which the East/Northeast Los Angeles sub-CEDS did not include.

The CEDS documents, with the City Council sanctioned Downtown, San Fernando Valley, South Los Angeles sub-CEDS, and East/Northeast Los Angeles plans, were approved by EDA, which allows the City Council and Mayor to submit projects within these sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking against other regional projects. City Council allocated \$221,808 of CDBG-EDA Matching funds on June 18, 2002 (CF #01-1057) for the continuous CEDS updates required for these sub-CEDS regions to remain eligible for EDA grant awards. MOED is finalizing an agreement with the Figueroa Media Group for the sub-CEDS updates (CF #01-1057).

Work on the West Los Angeles sub-CEDS will commence when future funding is approved. Projects within this sub-CEDS region must continue to go to external EDA-certified approving agencies for ranking until sub-CEDS plans are approved by EDA.

EDA Grant Awards of FY1999:

Status:

- Washington Boulevard Streetscape
\$1,000,000 (CD-10) Public improvements underway.
Construction completion expected in the 4th Quarter,
2003.

EDA Grant Awards of FY2000:

Status:

- Wilmington Industrial Park Study
\$225,000 (CD-15) Project completed.

1.3 Supplementary Council Authorities for Previously Approved Projects

The Council previously approved the following projects under the EDA Earthquake Assistance grant funds. Supplementary Council authorities are needed to negotiate and execute agreements/amendments.

Council Approved Projects

Council File/Date

- | | |
|--|----------------------------|
| (1) Goodyear Tract Industrial Park (a.k.a. Incore) | 96-0456 dated 1/6/1998 |
| (2) Imani Fe Courtyard (a.k.a. Watts Retail Center) | 00-1579-S1 dated 3/12/2001 |
| (3) New Economics for Women Business Incubator Center,
supplement funding | 00-1579-S1 dated 3/12/2001 |

2.0 Other Grant Activities

2.1 State Sustainable Communities Grant (CF #03-0400)

The Mayor's Office of Economic Development, working with the Council Offices 9 and 14, secured a \$350,000 grant under the California Pollution Control Financing authority, Sustainable Communities Grant and Loan Program for the Downtown Los Angeles 7th Street Transit/Pedestrian 24-Hour Safe Passage Project. The construction is expected to commence by January 31, 2004.

2.2 Mayor's Office Former Urban Development Action Grant (UDAG)

SPPD is responsible for administering project activities and financial transactions of the Mayor's former UDAG funds. A full report on the Mayor's former UDAG funded projects was adopted by City Council on February 11, 2003 (CF #03-0088). There are 22 ongoing projects including: two being closed-out, one under construction, five agreements to be executed, with the remaining to be transferred to CDD or other related City departments.

Consultant Assisting MOED with Commercial Corridor Revitalization and Housing Projects (\$4,000)

MOED proposes to allocate \$4,000 of Mayor's former UDAG funds for a consultant selected by MOED to assist with commercial corridor revitalization and housing projects as well as with research relative to Property Tax Revenue Enhancement effort.

3.0 Reauthorization of MOED Grant-Funded Staff Positions

Nine of the twelve ongoing projects funded under EDA grants will not be complete by June 30, 2003, including three at proposal stage and another four projects scheduled to begin construction post June 30, 2003. The state grant-funded 7th Street project is expected to begin construction in January 2004. In addition, there are aforementioned ongoing projects funded under the Mayor's Office former UDAG. Therefore, it is imperative to maintain the four existing staff positions to administer ongoing projects and successfully complete the EDA grants, state grant, and Mayor's Office former UDAG funded projects that will continue beyond June 30, 2003 as well as to continue searching for additional funding sources not yet utilized by the City.

The City Council previously approved the four MOED staff positions for the period from July 1, 2002 through June 30, 2003 with EDA reimbursing the City for salaries, and the City funding indirect costs and fringe benefits. The four existing grant-funded MOED staff positions needing approval for the period July 1, 2003 through June 30, 2004 with the City funding indirect costs and fringe benefits are:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Funding</u>
1	0148	Mayoral Aide VIII	EDA
2	0147	Mayoral Aide VII	"
1	0146	Mayoral Aide VI	"

4.0 Recommendations

4.1 AUTHORIZE the Mayor's Office of Economic Development (MOED) to reprogram the remaining EDA Earthquake Assistance Grant funds as recommended in Section 1.0;

4.2 AUTHORIZE the Mayor's Office to submit applications and accept EDA awards and conditions for the following three proposed projects according to the attached proposals (Attachments A-C), which may be further revised by the Mayor's Office:

<u>Proposed Projects</u>	<u>CD #</u>	<u>Proposed EDA Grant \$</u>	<u>Attachment</u>
(1) Highland Park Commercial Revitalization	1	\$1,000,000	A
(2) Pacoima Economic Revitalization Center	7	\$ 500,000	B
(3) Valley Center Professional Building	6	\$1,000,000	C

4.3 AUTHORIZE the Mayor or designee to negotiate and execute an agreement between the MOED and the Grant Housing and Economic Development Corporation, who was included in the grant application as the proposed EDA subgrant recipient, in the amount not to exceed \$1,000,000 for a period of two years with regards to the Imani Fe Courtyard project, subject to the approval of the City Attorney as to form and legality;

4.4 AUTHORIZE the Mayor or designee to negotiate and execute an amendment to agreement No. C-95733 with New Economics for Women (NEW) for the NEW Business Incubator Center project, as follows:

- a. Authorize the amendment to be retroactive from February 15, 1999 to June 30, 2004 to cover the period of which the performance was ongoing, and any additional time as necessary to complete the closeout;
- b. Amend the total dollar amount to correctly reflect the Council and EDA approved total grant award of \$2,275,000; and
- c. Make any other changes as required subject to the approval of the City Attorney.

4.5 AUTHORIZE the Mayor or designee and CRA to negotiate and execute an amendment to agreement No. C-96389 with CRA for the Goodyear Tract Industrial Park project (a.k.a. Incore) as follows:

- a. Authorize the amendment to be retroactive from October 15, 2001 to December 31, 2003 to cover the period of which the performance was ongoing, and any additional time as necessary to complete the closeout;
- b. Amend the total dollar amount to correctly reflect the Council and EDA approved total grant award of \$3,239,300; and
- c. Make any other changes as required subject to the approval of the City Attorney.

4.6 AUTHORIZE the Mayor or designee to negotiate and execute a letter of agreement with a consultant selected by MOED in an amount not to exceed \$4,000 of Mayor's former UDAG funds for the period May 29, 2003 through August 29, 2003 to assist MOED with commercial corridor revitalization and housing projects as well as with research relative to Property Tax Revenue Enhancement and other MOED directed activities;

4.7 RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133 (a), the following four existing grant-funded positions in the Mayor's Office of Economic Development, are APPROVED, for the period of July 1, 2003 through June 30, 2004:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

4.8 APPROVE the EDA grants in an amount not to exceed \$372,000.00 for the direct costs for four MOED staff positions effective July 1, 2003 through June 30, 2004 with City funding the related indirect costs and fringe benefits;

4.9 AUTHORIZE the Controller to:

- a. Release funds upon demand of the Mayor's Office;
- b. Establish new appropriation accounts within Fund No. 649, Infrastructure Investment Fund, as follows:

<u>Account #</u>	<u>Account Name</u>	<u>Appropriation Amount</u>
T300	Imani Fe Courtyard (a.k.a. Watts Retail Center)	\$1,000,000
T200	Highland Park Commercial Revitalization	\$1,000,000
T300	Pacoima Economic Revitalization Center	\$ 500,000
T400	Valley Center Professional Building	\$1,000,000
T500	Goodyear Tract II (Incore)	<u>\$2,689,299.68</u>
TOTAL		<u>\$7,689,299.68</u>

- b. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$7,689,299.68 from Fund No. 649, Infrastructure Investment Fund;
- c. Transfer appropriation in the amount of \$214,809.32 in Fund 649, Infrastructure Investment Fund, from Account M006, Industrial Community Revitalization (a.k.a. Goodyear Tract Phase I – Incore) to the newly established appropriation Account T500, Goodyear Tract Phase II – Incore;
- d. Increase appropriation and expend funds in an amount not to exceed \$400,000 to Account No. M002, New Economics For Women, within Fund 649, Infrastructure Investment Fund;
- e. Appropriate \$261,678 of federal grant to Account No. V146, Salaries, within Fund 649, Infrastructure Investment Fund;
- f. Transfer \$261,678 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. V146, Salaries-General, upon receipt of federal grant, from Fund 649, Infrastructure Investment;
- g. Transfer appropriation in the amount of \$75,000 in Fund 649, Infrastructure Investment Fund from Account No. T200, Taylor Yard – Van de Kamp/LACC to Account No. V146, Salaries;
- h. Transfer \$75,000 to Fund No. 100/46, Mayor, Account 1020, Salaries – General Reimbursed, from Account No. V146, Salaries – General, upon receipt of federal grant from Fund 649;
- i. Establish new appropriation accounts within Fund No. 303, Industrial/Commercial Revolving Loan Fund, as follows:

<u>Account #</u>	<u>Account Name</u>	<u>Appropriation Amount</u>
T410	Commercial Corridor Revitalization & Housing Projects	\$4,000.00


j. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$4,000.00 from Fund No. 303, Industrial/Commercial Revolving Loan Fund.

4.10 RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133(a), the following four existing grant-funded positions in the MOED, are APPROVED for the period of July 1, 2003 through June 30, 2004:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

Thank you for your review and approval of this matter.

Very truly yours,



JONATHAN KEVLES
Deputy Mayor for Economic Development

JK:sf

Attachments

**PROPOSAL FOR
HIGHLAND PARK COMMERCIAL REVITALIZATION**

DRAFT

Project Title: Highland Park Commercial Revitalization	EDA Earthquake Infrastructure Fund:		
			\$1,000,000
Location: 5601 North Figueroa Street, CD-1	Total Project Costs:		
			\$2,250,000
Control / Project No:	Private Investment:		
			\$1,250,000
County / State: Los Angeles, California	Jobs:	Saved:	New Jobs:
	35		35

Project Background:

The City of Los Angeles Mayor's Office of Economic Development (MOED) proposes this project for funding under Economic Development Administration (EDA) Northridge Earthquake Infrastructure Fund. The project consists of acquiring and rehabilitating a structure located in the Highland Park community that became vacant and unusable at the time of the Earthquake. Though some remodeling has occurred, this building has remained vacant since the Earthquake, inhibiting redevelopment of a major commercial corridor. With the advent of light rail service to this historic commercial corridor, this project will provide an anchor development to foster the redevelopment of the Historic Highland Park Figueroa Commercial Corridor. The project will focus on providing a key development project that would serve as a focal point for the redevelopment of this distressed area and induce further investment in the corridor. The project is identified as a priority for development by the East/North East Los Angeles sub-CEDS plan approved by EDA in September 2002. The project is also designated as a development priority by the Councilman of the First District, who is providing support in developing the project.

Project Description

This project is jointly sponsored by the Mayor's Office of Economic Development and the First District Council Office. The Valley Economic Development Center, Inc. (VEDC), a nonprofit organization, will acquire and renovate the property with the requested grant funding and borrowed capital. VEDC will provide financial management for the grant and the related borrowing, which will be secured by the building. To assure effective management of construction, tenant relations and property management, VEDC will enter into an agreement with a reputable development firm to lease and manage the facility.

The project involves the acquisition and renovation of a structure known as the Security Pacific Bank Building. The building is designated as a Historic Landmark and it is strategically located in the Historic Highland Park Figueroa Commercial Corridor in the heart of the Highland Park community. Because of the historic significance of the property all planned improvements will be reviewed and approved by the Los Angeles Cultural Affairs Office and the State Office of Historic Preservation.

Previously used as a bank, the property is located central to the area designated by the City as a Targeted Neighborhood Initiative (TNI). The building contains 10,740 square feet of space split equally between two floors, which would be retrofitted and renovated in accordance with codes and

standards appropriate to the Historic Preservation Overlay Zone (HPOZ) regulations of the City. Situated on a 6,000 square foot lot, the building has limited parking available. However, it qualifies for the proposed use under HPOZ regulations. The project will provide space for a major retail establishment on the first floor that will anchor the redevelopment efforts of the Historic Commercial Corridor. The second floor will be completed as professional office space continuing its historic use for that purpose. Current plans include locating components of City government in this space to bolster its use as a focal point for revitalization and development. The remaining office space will be available to professional tenants. In addition to the direct jobs created in the facility, the project will also provide exhibit space for local artisans and artists from the surrounding community and gathering/meeting place for community functions. It will provide the core development for the Historic District where it is located.

The project will benefit from public improvements associated with the Metro rail development in the area due to the pending completion of the Avenue 57 Gold Line Metro Rail Station, which is scheduled to open in July 2003. The station area will be improved with walkways, lighting and a central plaza adjacent to the project. Therefore the revitalization of this facility would serve as commercial centerpiece to development and a catalyst to extended development in the low-income area where it is located. As the Corridor redevelops the project will have increasing significance as a growth center providing government and commercial focus to the area and linkage to the larger Los Angeles community.

Project Structure and Funding Sources

It is estimated that the total project will cost approximately \$2.25 million. The preliminary budget for the project follows:

Proposed Budget - Sources and Uses of Funds

	Debt	EDA Grant	Total
Acquisition	\$ 300,000	\$ 1,000,000	\$ 1,300,000
Building Rehabilitation	\$ 400,000		\$ 400,000
Tenant Improvements	\$ 450,000		\$ 450,000
Dislocation/Moving	\$ 25,000		\$ 25,000
Contingencies	\$ 50,000		
Public Improvements	\$ 25,000		\$ 25,000
	<u>\$ 1,250,000</u>	<u>\$ 1,000,000</u>	<u>\$ 2,250,000</u>

In addition to the project budget, this investment will also leverage an estimated \$800,000 in investment by the businesses locating in the first floor commercial/retail space. To facilitate borrowing the funds needed to complete the project, VEDC will establish an operating agreement with a local development firm which has the capacity to access the capital needed to complete the project. This arrangement will be in the nature of a development lease or limited partnership that will have sufficient future value to secure the proposed financing. The ownership of the facility will remain with the nonprofit entity for the useful life of the facility, which is estimated to be 20 years, to assure the continued eligibility of the investment and the financial viability of the project.

Problems Addressed by the Project

The Highland Park area surrounding the project is comprised of nine census tracts with a population of more than 40,000 persons. All of the nine tracts qualify as low-income investment areas under Federal regulation. Poverty levels range from 29 percent to 12 percent of the population. However, median household income, as measured against that of the Metropolitan Area median income, ranges from a high of 80 percent in tract 183510 to a low of only 46 percent in tract 183810. Therefore, income levels are critically low and residents, lacking financial capacity, face the danger of displacement should development occur absent public involvement aimed at local control. This project has the full support of the First Council District and local groups interested in redevelopment of the Historic Corridor and the TNI.

The criteria used in developing the East/Northeast CEDS sub-area by the City established a process to include community stakeholders in determining development and public investment priorities for the area. Highland Park is one of eight communities comprising the CEDS area which includes a land area of 30.4 square miles and a population of approximately 332,000, which is about 9 percent of the City total. The CEDS area contains about 6 percent of the total building space in the City with a proportionally heavier concentration of industrial space and a shortage of retail and office space. Because of the out-migration of industrial firms from the area it now contains many underutilized properties and lacks the infrastructure appropriate to converting to other economic structures such as service, retail and professional developments

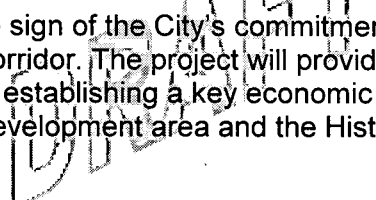
Unemployment levels in the CEDS area are greater than the City and Los Angeles County as a whole with the current rate exceeding 8 percent. However, underemployment and low-income levels are more significant indicators in Highland Park as demonstrated by the Federal poverty level determinations. The CEDS study involved six stakeholder groups from across the area including Highland Park to determine development priorities. Generally, these priorities include Workforce Development, Infrastructure Development and Business Development. Within the Infrastructure Development priorities the CEDS identifies the public improvements to the Gold Line Metro Rail stations. The plan also prioritizes assistance to Business Improvement Districts including Highland Park and investments in key commercial properties such as the proposed project. Therefore, the proposed project is consistent with the economic development plans and strategies as determined by the stakeholders of the region and the project location.

The Highland Park area is an economic paradox in that it exhibits one of the highest levels of distress in the City, while having an excellent potential for development due to its wealth of historic properties and consequent potential as an "in-fill" development opportunity. Because of the existing commercial blight and the low-income profile of the population, the area has not achieved a critical mass of development nor exhibited an investment profile attractive to commercial developers. Therefore in spite of its excellent long-term potential, in the short run subsidies will be needed to induce businesses to the area. This project will provide the initial development seed that is needed to fulfill the objectives of the CEDS plan for this under-served low-income community.

Project Impacts

The proposed project will have numerous impacts on the redevelopment area including:

1. The project will return an Earthquake impacted facility, vacant since 1995, to productive use.

- 
2. Restoration of this Historic Landmark will provide a visible sign of the City's commitment to the revitalization of the Historic Highland Park Commercial Corridor. The project will provide a direct impact on the development potential of the community by establishing a key economic development project that is located central to the TNI redevelopment area and the Historic Preservation Overlay Zone.
 3. The project will justify further public investments and attract additional private investments to the area. It will also bring a City government presence to the area to enhance and support its potential for further development.
 4. The project will provide approximately 15 immediate employment opportunities to local residents in the commercial/retail facility. Additionally 20 new professional jobs will be created in the facility of which 13 will be located in the government center and 7 in professional offices.

HIGHLAND PARK COMMERCIAL REVITALIZATION INVESTMENT ANALYSIS

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1. **MARKET BASED:** The project will provide professional office space and anchor commercial/retail space in an area that suffers from lack of investment and out migrations of industrial employers. To realize the potential of the area existing building stock must be converted to alternate uses. The critical needs identified by the local CEDS emphasizes the conversion of such facilities as the Security Pacific Bank building, which can serve as a cornerstone in the redevelopment of a historic commercial corridor. With a wealth of historic properties located in the project area, this project will capitalize on the emerging opportunities associated with the rail development and the increasing attractiveness of the area as a place to live. The project will significantly improve the local economy by: (1) providing commercial/retail space appropriate to the redevelopment and historic preservation goals of the community; 2) converting a vacant property to productive use that has remained idle since the Northridge Earthquake of 1994; (3) inducing the development of a key economic development project that will bring additional investment and redevelopment to a distressed community; and (4) addressing environmental concerns and blight. The Highland Park Commercial Revitalization project will provide space to accommodate government and professional tenants that will provide an estimated 35 permanent and higher paying jobs to local residents in nearby economically disadvantaged communities.
2. **PROACTIVE INVESTMENT:** The City/EDA investment will provide the capital to that will facilitate the additional financing required to complete the project. It will provide the initial redevelopment thrust that leads to further redevelopment in the Historic Highland Park Figueroa Commercial Corridor. The converted use of this building exemplifies the type of development critically needed in the East/Northeast CEDS area of the City. Therefore, this investment will serve as a protocol for further development and establish a momentum for continued development in the Targeted Neighborhood Initiative (TNI) and the Historic Preservation Overlay Zone (HPOZ). The public support for this project will overcome the disincentives of investing in the site and provide a visible and meaningful economic development project that will induce further investment in the distressed area where the project is located. By combining its efforts with a non-profit corporation, the City is able to assure the public purpose of the EDA funding and also provide an investment vehicle that can attract private sector participation in the project. This structure also assures community participation in the economic development decision process that will build upon this investment in future projects.
3. **ECONOMIC CHANGES / DIVERSIFICATION:** The proposed investment provides for an innovative economic development project that will provide the impetus for further development by demonstrating the feasible conversion of existing community infrastructure. It will also provide 35 jobs in a low-income area demonstrating the applicable elements of the CEDS planning for workforce development, historic preservation, and transitional economic development. This EDA investment of \$1,000,000 for this project will prove a direct job creation investment ratio of one job per \$28,571 invested by EDA. However, the additional economic impacts will multiply the financial and economic impacts of this investment many times over, justifying this higher than normal direct job cost.
4. **PRIVATE CAPITAL INVESTMENT:** The initial private sector investment in the project of \$1.25 million combined with the estimated business investment of \$800,000 will leverage the EDA investment by a ratio exceeding 2.0 to 1.0. It is also expected that this anchor development will induce private sector investments into the historic commercial corridor in the immediate surrounding area that exceeds \$5 million.

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5. HIGH PROBABILITY OF SUCCESS:

- Matching Funds: \$2.05 million.
- Local Political Capital: This project is consistent with investment priorities of the East/Northeast sub-CEDS and it has received approval from the Mayor and City Council.
- The project addresses critical economic development needs with market-based project potential and private sector participation.
- The project demonstrates the viability of infrastructure conversion as an economic development initiative, which is a high-priority need in the CEDS area.

6. HIGHER PAYING JOBS / WEALTH CREATED: The project will provide significant employment during the renovation phase of the project in addition to the 35 permanent jobs that are projected for the Center. Because of the low-income levels prevalent in the nine census tracts adjacent to the project site, this project will provide key development that is essential to inducing additional employers to the area. These new employers will benefit from the Workforce Development incentives offered in the area assuring that current residents benefit from these economic development initiatives rather than being displaced by new residents or more skilled workers within the metropolitan commuting area.

7. RETURN ON TAXPAYER INVESTMENT: As the area transitions from a declining industrial area characterized by 10 to 15 employee industrial businesses to a commercial, retail and service area, compensation levels will increase allowing the low-income residents to participate in higher paying jobs as opportunities. The overall effect of this economic development initiative will be rising property values, increased job opportunities and improved income levels. These achievements will provide multiple public benefit and return to the Taxpayer Investment through, increased tax revenue, lowered costs for public assistance and more efficient use of public infrastructure.

**PROPOSAL FOR
PACOIMA ECONOMIC REVITALIZATION CENTER**

ATTACHMENT B

DRAFT

Project Title: Pacoima Economic Revitalization Center	EDA Earthquake Infrastructure Fund:		
			\$500,000
Location: Within the Pacoima Town Center TNI Area, CD-7 (commercial frontage along Van Nuys Blvd. Between the Golden State Fwy. & Glenoaks Blvd.)	Total Project Costs:		
			\$800,000
Control / Project No:	Private Investment:		
			\$300,000
County / State: Los Angeles, California	Jobs:	Saved:	New Jobs:
	242	12	230

Project Background:

The City of Los Angeles Mayor's Office of Economic Development (MOED) proposes this project for funding under the Economic Development Administration (EDA) Northridge Earthquake Infrastructure Fund. The project consists of acquiring and rehabilitating a structure that was damaged by the Earthquake. This building has been partially used since the Earthquake. However, the second floor has remained vacant because of Earthquake damage. The project would focus on providing a key development project in a low-income area that has virtually no useable commercial/retail space. The proposed project will provide space for financial and economic development programs and services that are essential to redevelop this blighted and distressed commercial corridor. The project will establish the core project for commercial revitalization and induce private investment to capitalize development in a distressed area identified as a priority public investment area by the San Fernando Valley sub-CEDS Plan approved by EDA in July 2000 and updated in July 2002.

Project Description

The Mayor's Office of Economic Development in cooperation with the City Councilman of the Seventh District is sponsoring this project. The Valley Economic Development Center, Inc. (VEDC) will be the nonprofit public-benefit entity designated to receive the grant funding and borrow the funds needed to complete the project. VEDC will own and manage the project and be responsible for project implementation and management.

VEDC plans to acquire and renovate an Earthquake damaged facility located in the heart of the Van Nuys commercial corridor. Initially the renovated facility would house the Van Nuys Community Charter Federal Credit Union and the San Fernando Valley Financial Development Corporation.(SFV-FDC), and a business incubator program sponsored by VEDC and funded by the Office of Community Assistance, US Department of HHS. As the credit union increases its deposits and operations, it will occupy a larger portion of the building to house its banking and lending operations. This expansion of the Credit Union will coincide with completion of the HHS program. These entities will pay rent to VEDC to cover operating costs and debt service. After completion of the renovation, the project will be self-sustaining.

The building located at 13631 Van Nuys Boulevard is currently under contract to VEDC to house the project. This 5,700 square feet structure and the site would be renovated to provide improved space for the Center. In addition to the building renovations, two residential units at the rear of the property

would be removed to provide parking for employees and clients of the Center. This building was damaged in the Northridge Earthquake and the second floor has remained vacant since the Earthquake.

The SFV-FDC and the HHS-sponsored business incubator program would be co-located on the second floor of the building and the new Community-Charter credit union would be located on the ground floor to provide maximum public access to members and depositors. The HHS space would ultimately be converted to the credit union lending operations.

Project Structure and Funding Sources

Structure

It is estimated that the total project will cost \$800,000. VEDC proposes to use the EDA/City grant funds to purchase the building and pay for a portion of the restoration costs. VEDC would then borrow approximately \$300,000 to complete the improvements to the building and site. The borrowed capital would be repaid with revenue from leasing the facility to the three proposed tenants. The sources and uses of funds would be:

Proposed Budget - Sources and Uses of Funds

	VEDC	EDA Grant
Acquisition		\$ 450,000
Building Rehabilitation	\$ 100,000	\$ 50,000
Tenant Improvements	\$ 100,000	
Dislocation/Moving	\$ 30,000	
Demolition	\$ 45,000	
Paving	\$ 25,000	
	\$ 300,000	\$ 500,000

Problems Addressed by the Project

The purpose of this project is to focus business development and financial assistance on the area of highest need in the San Fernando Valley. The project is centered on the Van Nuys commercial corridor in the Pacoima area of the City of Los Angeles, which is located between the Five Freeway to the south, the 405 Freeway to the west and the 210 Freeway to the north. Though well situated for transportation, the area is essentially isolated economically since it is located in an area of urban decay lacking the financial institutions and infrastructure needed to revitalize the business community. The corridor contains many vacant commercial buildings and under-utilized properties that could provide the physical setting for economic revitalization. Since commercial lenders do not adequately serve the area, this project will provide a much-needed access point to capital and financial services that are appropriate to the needs of the community. It will also focus the resources needed for economic development and small business expansion through the allied programs. The project area is designated a Federal Empowerment Zone and the project has the support of the Zone Oversight Committee, as well as local and City officials. The area is also a Targeted Neighborhood Initiative (TNI) site, which is a City sponsored program for commercial rehabilitation.

The project area has a population of approximately 97,000, of which 80 percent are Latino immigrants. Over 40 percent of the population are under the age of 18 with one third lacking a high

school education. A single parent heads 25 percent of the households and approximately 20 percent does not speak English.

The surrounding area known as the Northeast Valley, comprising a population of 800,000, has an overall unemployment rate of seven percent. *However, within the community of Pacoima unemployment rates exceed 19 percent, and 29 percent of the population lives in poverty.* Family incomes for forty percent of the population are under \$15,000 per year contrasted with the median household income of \$36,000 for the Northeast Valley as a whole. According to the Los Angeles Community Development Department, Pacoima is the only community in the San Fernando Valley with pervasive poverty (greater than 20%) and its poverty rate is significantly higher than that of the City, County and Nation.

Most commercial businesses in the project area are family-owned with less than 10 employees. These businesses will benefit from the assistance available from the Center and provide the primary source of business expansion and economic development. Because of its location proximate to good transportation and industrial base in the Northeast Valley, the Pacoima community can benefit greatly from this project. It will provide the programs and incentives needed to establish new businesses and support existing employers through a comprehensive business development program dedicated to the specific needs of the project area.

Pacoima and the Northeast area of the San Fernando Valley lack commercial financial institutions that could address the large unmet needs of small business. As is common in such under-served communities, check cashing and high-cost money orders are the only services available and lending institutions are simply not available. This proposed project would address this lack of development capital and financial services not currently available to the low-income residents of the project area.

- The creation of a new Community-Charter Federal Credit Union will directly address the need for financial services and access to lending.

Due to its anticipated designation as a Low Income Credit Union (LICO), the new credit union can solicit non-member deposits. This will permit the Center to leverage a significant lending base through non-member deposits from socially responsible investors, area banks, foundations and government sources. With assistance from South Shore Advisory Services, VEDC has developed a business plan that will be implemented concurrent with the build-out of the proposed project. Credit Union developmental costs will be funded with existing resources. The projected operating shortfall during the first three years of operations will be covered by an operating grant of \$400,000 in the first year and \$100,00 in the second year of operations. In the third year it will be self-sustaining. The business plan projects that deposits will exceed \$9 million at the end of the third year and 190 loans will be generated annually. It is projected that 35 loans annually will benefit small businesses located or wishing to locate in the corridor.

- The San Fernando Valley Financial Development Corporation (SFV-FDC), a new 501(c)(3) corporation, was established by VEDC in 2001 in cooperation with the State of California. Utilizing a trust fund established by the State, this program guarantees loans from banks to small businesses with a focus on the Northeast San Fernando Valley. This program has the capacity to provide \$8 million in financing to qualifying small businesses. Importantly, it leverages this capital by sharing risk with financial institutions that would not otherwise lend to these businesses.

The SFV-FDC has helped to bring some capital into Pacoima and other communities of the Northeast Valley, which are under served by financial institutions. However, these institutions do not have a presence in the corridor to provide the needed financial services. Therefore, this project will build

upon the existing program and provide the center needed to focus economic development and financial assistance on this targeted low-income community.

Projected Impacts of the Project

The proposed project will have numerous impacts on the project area including:

- The project will return an Earthquake damaged facility to productive to house the Pacoima Revitalization Center in the Community.
- Since there are no existing buildings within the Van Nuys Commercial Corridor adequate for the financial institutions, this project is essential since the project could not be accomplished without such assistance.
- The project will have a direct impact on the community by establishing a new financial institution and a business incubator that is located central to the TNI redevelopment area and the Empowerment Zone. This facility will provide a visible sign of VEDC and the City's commitment to the revitalization of the Van Nuys business corridor. This will attract additional investments to the area.
- The project will provide a new source of business assistance and financing that is located in, and focused on local needs. It is estimated that the SFV-FDC will generate three new loan transactions each month and reach its capacity of \$8 million in guaranteed loans by the end of the first three years of operations. The average term on these loans is less than three years and therefore, the FDC will have over \$2 million in lending capacity available annually after reaching this level of activity. The business plan for the Credit Union projects 155 loans annually for consumers and 35 small business loans within its first three years of operation.
- The project will provide banking and financial services to and under-served population. Residents currently rely on check-cashing services and high-cost electronic transferring agents for banking needs. By locating in the community this facility will provide ready access to these services at reasonable rates to residents and local businesses.
- The Community-Charter credit union will provide a mechanism to bring new capital to the project area through non-member deposits that can provide a ready source of lending capital that can be accessed by local businesses and consumers. It is projected that \$6 million will be raised from outside investors during the first three years of operations.
- The HHS incubator program has the objective of stabilizing and growing the entrepreneur infrastructure within the Northeast Valley. Business ownership will be a priority as well as job creation. The program will specifically target the creation of "living wage" jobs in the project area. The City will partner with the incubator program to support businesses with City purchasing contracts. The Small Business Development Center will also provide support.
- Wells Fargo Bank currently provides funding for bilingual entrepreneur training and business assistance through a grant to VEDC. This is another important support to this effort. Wells Fargo

is also considering a branch location near the proposed facility that would provide additional financing and support for credit enhanced. Wells Fargo will provide technical support and operational support to the new credit union.

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Projected Job Creation

As set forth in the following chart, the proposed project will have significant impact on the Pacoima business community. In addition to the twelve persons employed in the Center, it is projected that 230 jobs will be created in the businesses assisted by the three programs.

Projected Impacts and Job Creation 2003-2006

	<u>Companies Assisted</u>	<u>Jobs Created</u>		
		<u>Direct Jobs</u>	<u>New Jobs Created</u>	<u>Total Jobs</u>
Credit Union	35	5	30	35
SFV-FDC	108	4	120	124
Incubator	400	3	80	83
	543	12	230	242

Note: Businesses Assisted for Credit Union and SFV-FDC equals number of loans made. For the Incubator the measure is technical assistance such a business plans, and marketing help.

The financial assistance programs will provide significant job creation through expanded lending capacity and by focusing the lending within the Van Nuys Commercial Corridor. Considering only the direct jobs in the center, the job-cost ratio would be \$41,667 per job. However, considering the additional jobs that will be created by the lending and incubator programs the job-cost ratio would be \$2,066.

**PACOIMA ECONOMIC REVITALIZATION CENTER
INVESTMENT ANALYSIS**

DRAFT

1. **MARKET BASED:** The project will provide essential lending capital and financial services to a low-income community. The Van Nuys Commercial Corridor critically needs redevelopment of decayed infrastructure and commercial space. This project will provide the community with access to capital and financial services that would not otherwise be available. The project is market driven by the immediate need for financial services. This ready market will make the project self sufficient within two years of operations from the revenue generated by financial services alone. Additionally, the project will address the need for economic development capital in the area by providing linkage to outside investors and banks that seek CRA type investments. The overall project will significantly improve the local economy by: (1) providing the mechanism to attract investment capital to support lending to small businesses; (2) converting a vacant property to productive use that has remained idle since the Northridge Earthquake of 1994; (3) provide a key economic development project that can be replicated for other commercial buildings in the corridor; (4) addresses commercial decay and blight. The Center will provide a visible commitment to revitalization and generate an estimated 242 permanent "Living-Wage" and higher paying jobs to local residents in one of the most distressed communities in the City.

2. **PROACTIVE INVESTMENT:** The City/EDA investment will provide the capital to acquire and renovate the physical structure to house the Center. However, the most significant aspect of this project is the effect it will have on focusing financial assistance to aid the redevelopment of the Van Nuys Commercial Corridor. The leveraging of credit union member deposits through non-member deposits from socially responsible investors, area banks, foundations and government sources will provide significant development capital. By combining its effort with the VEDC non-profit corporation, the City is able to assure the continued eligibility of the EDA funding and provide an effective linkage between the project and the private capital that will contribute to its long term success and viability. This structure also provides a structure that provides local control and participation in the economic development impacts of the overall project.

3. **ECONOMIC CHANGES / DIVERSIFICATION:** The proposed investment provides for a significant economic development project that directly addresses the most significant problems of the Van Nuys Commercial Corridor. That is, (1) the critical need to address decay and blight (2) the lack of essential financial services; and (3) access to capital for local needs and business expansion.

4. **PRIVATE CAPITAL INVESTMENT:** The estimated direct private investment in the project of \$300,000. However, establishing the Credit Union and SFV-FDC within the corridor will provide access to more than \$14 million in lending capital for small businesses. Additionally, Wells Fargo Bank has committed to providing technical support and co-lending opportunities. The Bank is also considering a branch location that would directly support the operations of the Center.

5. **HIGH PROBABILITY OF SUCCESS:**
 - Matching/leveraging Funds: \$14.3 million.
 - Local Political Capital: This project is consistent with investment priorities of the San Fernando Valley sub-CEDS and it has received approval from the Mayor and City Council.
 - The project is located in a Federal Empowerment Zone and has the support of the Zone Oversight Committee, as well as local and City officials. The area is also a Targeted

Neighborhood Initiative (TNI) site, which is a City sponsored program for commercial rehabilitation.

- The project addresses critical economic development needs with market-based project potential and private sector participation through non-member deposits in the Credit Union. It will also bring new capital to the corridor by using the SFV-FDC guarantee program to access outside capital.

6. **HIGHER PAYING JOBS / WEALTH CREATED:** The project will provide significant employment during the renovation phase of the project in addition to the 242 permanent jobs that are projected to be created by the Center.

RETURN ON TAXPAYER INVESTMENT: This EDA investment of \$500,000 for this project will produce a job creation investment ratio of one job per \$2,066 invested by EDA. It will also provide the impetus for revitalization of the decayed infrastructure and commercial space. This project will revitalize an area of economic decline raising property values and generating new economic activity for the local economy and to the overall benefit of the City.

**PROPORAL FOR
VALLEY CENTER PROFESSIONAL BUILDING**

DRAFT ATTACHMENT C

Project Title: Valley Center Professional Building	EDA Earthquake Infrastructure Fund:		
	\$1,000,000		
Location: 6842 Van Nuys Boulevard, CD-6	Total Project Costs:		
	\$9,300,000		
Control / Project No:	Private Investment:		
	\$8,300,000		
County / State: Los Angeles, California	Jobs:	Saved:	New Jobs:
	438		438

PROJECT BACKGROUND:

The City of Los Angeles Mayor's Office of Economic Development (MOED) proposes this project for funding under the Economic Development Administration (EDA) Northridge Earthquake Infrastructure Fund. The project consists of acquiring and rehabilitating a structure that was damaged by the Earthquake. This building has remained vacant since the Earthquake, inhibiting redevelopment of a major commercial corridor. The project would focus on providing a key development project that would induce further development in a distressed area identified for development by the San Fernando Valley sub-CEDS Plan approved by EDA in July 2000 and updated in July 2002.

The project will provide three important benefits to the community:

1. It will provide much needed professional office space or mixed-uses that will bring service providers and jobs to the surrounding low-income community. The building is located near the new City Government Center currently under construction, which provides a ready market for professional tenants in the building. However, the eight contiguous census tracts where the building is located suffer from low-income levels and limited job opportunities. Therefore, this project provides a unique opportunity to bring jobs and essential community services to the project area with a limited investment of public funds and a high probability of success. The project area has a population of 48,432 with an overall poverty rate of 24% characterized by income levels ranging from 48% to 64% of the median family income for the Metropolitan Area. One census tract has a poverty level of over 35%.
2. The first two floors of the building will be configured to accommodate small and minority businesses that will provide support services and goods for the professional tenants. It is expected that at least ten such businesses will be located in the building. The remaining six floors will be renovated for use as professional office space. Priority will be given to tenants that employ local residents at "Living Wages". The alternate will be for mixed uses to include office space as well as housing and retail.
3. Valley Economic Development Center, Inc. (VEDC), a nonprofit organization, will establish a business assistance center in the building to encourage and assist businesses seeking to locate in the facility. Similar in nature to a business incubator concept, these services will focus on assisting businesses to qualify for financial assistance, gain access credit that is not currently available, and obtain technical support

to establish and maintain operations. Services would include entrepreneurial training and business assistance to small and minority businesses wishing to locate in the facility or the surrounding area. Assistance will be provided to service businesses and potential tenants.

DRAFT

Project Structure

MOED in cooperation with the VEDC is sponsoring this project. VEDC will be the nonprofit organization to receive grant funding and develop the overall implementation plan for the project. Project development would involve the following steps:

1. Using grant funding and CBDG interim financing provided by the City, VEDC will acquire the facility at an estimated cost of \$3 million.
2. VEDC with assistance from MOED will select a development partner that will have a long-term master lease on the facility. The development partner will be responsible for contributing or raising the equity and debt financing required to fund renovation, tenant improvements, and carrying costs during the rehabilitation and lease-up of the facility. This mechanism will provide for maximum leveraging of the public funds invested in the project. All funding will be committed by the time of the application for the EDA grant.
3. VEDC shall retain ownership of the real estate to assure the intent of the EDA funding for the useful life of the asset, which is estimated to be 20 years.
4. The development partner will agree to provide space for the proposed business assistance and entrepreneurial training center that would be operated by VEDC in the facility. This center would assure that local businesses and residents are afforded access and assistance in participating in the business development and employment opportunities provided by the facility.

The total project costs would be approximately \$9.3 million as set forth in the following chart:

Proposed Budget - Sources and Uses of Funds

	Total Cost	EDA Grant	CBDG Interim	Developer Financing
Acquisition	\$ 3,000,000	\$ 1,000,000	\$ 2,000,000	
Building Rehabilitation	\$ 3,687,756			\$ 3,687,756
Tenant Improvements	\$ 1,700,000			\$ 1,700,000
Holding Costs (9 months)	\$ 550,000			\$ 550,000
Lease-up Costs	\$ 326,400			\$ 326,400
	\$ 9,264,156	\$ 1,000,000	\$ 2,000,000	\$ 6,264,156

- Interim financing for both the acquisition and the developer would be for a two-year period. It is estimated that the developers permanent financing would include \$1.5 million in equity, with the remaining \$5 million provided by local lenders under conventional terms.
- Based upon the demonstrated earning capacity of the facility and the master lease with the development partner, VEDC would pay off the interim CBDG loan through permanent financing that would be secured by the value of the real estate and the master lease with the development partner. Likely sources of funding would be bank financing, Section 108 loan funds or nonprofit bonds. Additionally, the project site qualifies for the recently allocated New Market Tax Credits, which provides Federal tax incentives for investors that invest in such projects.

The revitalization of the Valley Center Professional Building provides the opportunity to achieve the sub-CEDS goals of reducing blight and providing jobs and business opportunities in distressed areas. It will provide a highly visible project in an economically distressed area that suffers from stagnation and lack of investment. Project impacts include:

- Rehabilitation of an Earthquake damaged facility that has remained vacant since 1994.
- Business assistance and incubator space for local small and minority businesses.
- Employment opportunities in higher paying professional and support jobs for residents of the surrounding low-income area.
- Business development and economic stabilization for an area that is still economically impacted by the Earthquake.
- Significant leverage of program dollars with a ratio of 8.3 to 1.0 for each EDA program dollar invested in the project.

Job Projections

The following chart summarizes the job creation potential of this proposed project:

Projected Job Creation 2003-2008

	<u>Assisted</u>	<u>Jobs Created</u>		
	<u>Companies</u>	<u>Professional</u>	<u>Support Jobs</u>	<u>Total Jobs</u>
Commercial/Retail	15		60	60
Professional Tenants	50	250	80	330
VEDC Incubator	20	3	45	48
	85	253	185	438

Job/Cost Ratio: \$2,283 per job created.

**VALLEY CENTER PROFESSTIONAL BUILDING
INVESTMENT ANALYSIS**

DRAFT

1. **MARKET BASED:** The project will provide professional office space or mixed-uses in an area that suffers from lack of investment and the withdrawal of significant employers. Yet paradoxically, the need for professional office space is acute and the market potential afforded by the project's proximity to the new City Government Center virtually assures the viability of the project. The overall project will significantly improve the local economy by: (1) providing high quality jobs to adjacent economically depressed neighborhoods; 2) converting a vacant property to productive use that has remained idle since the Northridge Earthquake of 1994; (3) inducing the development of a key economic development project that could not otherwise be accomplished; and (4) addressing environmental concerns and blight. The Valley Center Professional Building will provide space to accommodate business and professional tenants that will provide an estimated 438 permanent "Living-Wage" and higher paying jobs to local residents in nearby economically disadvantaged communities.

2. **PROACTIVE INVESTMENT:** The EDA investment will provide the capital to acquire and structure the project for development. The building that will be renovated was formerly used as a banking center. With the consolidation that has occurring in the banking and the outmigration of businesses from the area, this property has remained vacant because of its location in an economically distressed area of the City. The public support for this project will overcome the disincentives of investing in the site and provide a visible and meaningful economic development project that will induce further investment in the distressed area where the project is located. The City is contributing \$2,000,000 towards the project to provide the interim financing for the acquisition. This investment will induce private investment of approximately \$6.3 million to complete the project. By combining its effort with the VEDC non-profit corporation, the City is able to leverage its scarce CBDG funding and retain effective control over the use of the property by retaining ownership in through its nonprofit partner. This structure also provides a structure that provides local control and participation in the economic development impacts of the overall project.

3. **ECONOMIC CHANGES / DIVERSIFICATION:** The proposed investment provides for a significant economic development project that will provide 438 permanent jobs. It will also provide a business incubator environment that will be supported by VEDC business assistance programs. This will lead to the development of small and minority-owned businesses that will benefit from the investment as well as support job creation in the surrounding low-income communities. This EDA investment of \$1,000,000 for this project will produce a job creation investment ratio of one job per \$2,283 invested by EDA.

4. **PRIVATE CAPITAL INVESTMENT:** The estimated private investment in the project of \$8.3 million includes the approximately \$6.3 million that will be contributed by the development partner and the permanent financing for the site of \$2 million, which will be obtained by VEDC upon completion of the renovations..

5. **HIGH PROBABILITY OF SUCCESS:**
 - Matching Funds: \$8.3 million.
 - Local Political Capital: This project is consistent with investment priorities of the San Fernando Valley sub-CEDS and it has received approval from the Mayor and City Council.
 - The project addresses critical economic development needs with market-based project potential and private sector participation that must qualify for the project funding under conventional financing criteria.

DRAFT

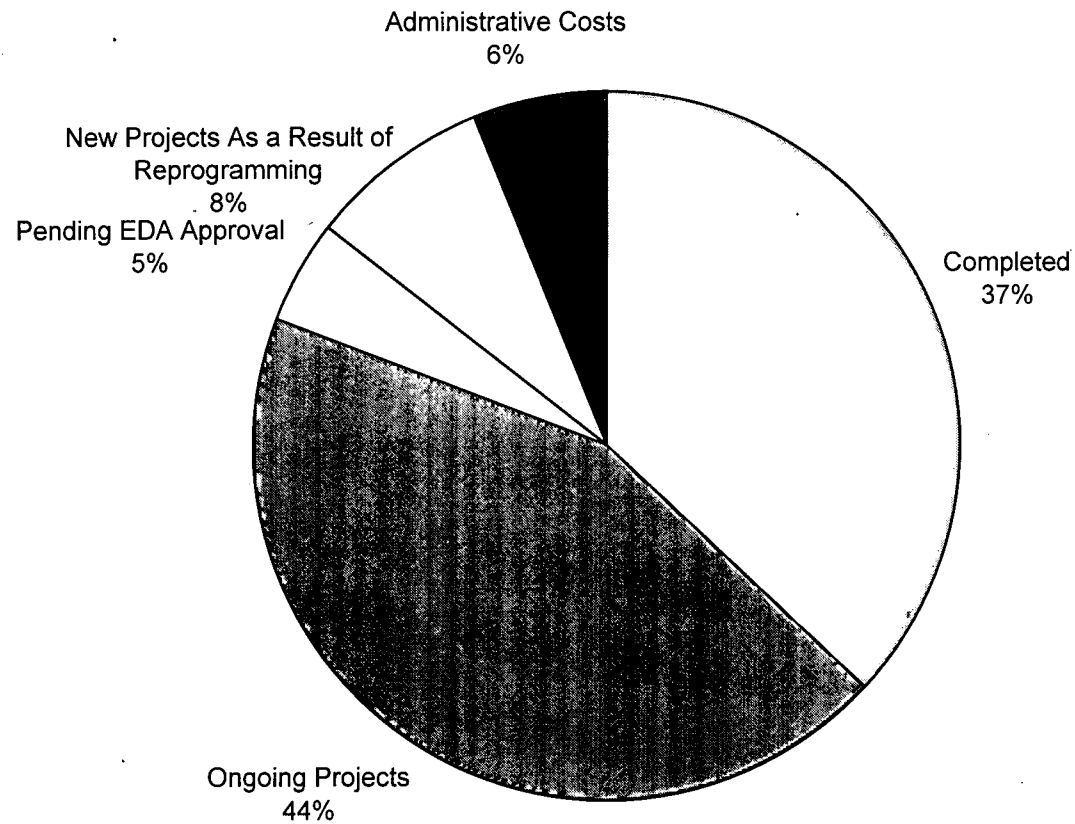
6. **HIGHER PAYING JOBS / WEALTH CREATED:** The project will provide significant employment during the renovation phase of the project in addition to the 438 permanent jobs that are projected for the Center.

7. **RETURN ON TAXPAYER INVESTMENT:** The higher paying jobs created by this project are badly needed because of the high poverty rates in the adjacent census tracts. New businesses will contribute taxes, fees and multiplied economic impacts. This project will revitalize an area of economic decline raising property values and generating new economic activity for the local economy and to the overall benefit of the City.

U.S. Department of Commerce Economic Development Administration Earthquake Assistance Grant of 1995
Project Status Report Prepared by Mayor's Office of Economic Development - June, 2003

	Projects	Status	City Council District	Council Approved EDA Funds Allocation	To Be Re-programmed EDA Funds	Proposed EDA Funds Reallocation	TOTAL
1	Angelus Grand Plaza	Project completed.	14	\$ 609,050			\$ 609,050
2	Arminta Ave. Extension (General Motors)	Project completed.	7	3,970,293			\$ 3,970,293
3	Business Assistance Center/VEDC	Project completed.	2,3,5,7,12	895,225			\$ 895,225
4	Canoga Park Commercial Revitalization/Madrid Theater	Project completed.	3	264,684			\$ 264,684
5	CRA Staff Assistance	Application approved, work underway.	citywide	650,000			\$ 650,000
6	CSUN BioTech Park	Project completed.	12	1,388,568			\$ 1,388,568
7	Goodyear Tract (Incore) Phase I	Project completed.	9	335,191			\$ 335,191
8	Goodyear Tract (Incore) Phase II	Construction underway.	9	2,904,109			\$ 2,904,109
9	Harbor Gateway Center	Final project agreement execution underway.	15	2,163,712			\$ 2,163,712
10	Highland Park Commercial Revitalization	Proposed Project.	1			1,000,000	\$ 1,000,000
11	Imani Fe Courtyard (aka. Watts Retail Center)	Full application pending EDA final approval.	15	1,000,000			\$ 1,000,000
12	La Cienega/Jefferson	To be reprogrammed due to delayed progress.	10	1,300,000	(1,300,000)		\$ -
13	New Economics for Women	Project construction underway.	1	1,875,000			\$ 1,875,000
14	New Economics for Women - supplement	Scope & budget modification pending EDA final approval.	1	400,000			\$ 400,000
15	North Hollywood Mixed-Use Project	Infrastructure design being modified & finalized.	2,4	3,570,000			\$ 3,570,000
16	Pacoima Economic Revitalization Center	Proposed Project.	7			500,000	\$ 500,000
17	Taylor Yard - Legacy	To be reprogrammed due to scope change by developer.	1	1,530,000	(1,461,678)		\$ 68,322
18	Taylor Yard - Van de Kamp/future LACC Site	Subgrant agreement being finalized.	1	1,500,000			\$ 1,500,000
19	UCLA Tom Bradley Foundation	Subgrant agreement executed. Project underway.	citywide	500,000			\$ 500,000
20	Union Arts Center/Little Tokyo Marketing Plan	Project completed.	9	383,640			\$ 383,640
21	Valley Central Professional Building	Proposed Project.	6			1,000,000	\$ 1,000,000
22	Whiteman Airport Industrial Park	Project completed.	7	1,782,000			\$ 1,782,000
23	Wilshire Streetscape Project	Project completed.	10	1,400,000			\$ 1,400,000
24	Administrative Costs			1,578,528		261,678	\$ 1,840,206
	Total Encumbered EDA Earthquake Assistance Funds			\$ 30,000,000	\$ (2,761,678)	\$2,761,678	\$ 30,000,000

Status Summary of EDA Dollars



■ Completed ■ Ongoing Projects □ Pending EDA Approval □ New Projects As a Result of Reprogramming ■ Administrative Costs

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

01-1057

June 21, 2002

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

PLACE IN FILES

JUL - 2 2002

DEPUTY *gk*

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

All Councilmembers
City Administrative Officer
City Attorney
Community Development Department
Community Redevelopment Agency

Mayor's Office of Economic
Development
Controller, Room 1200
Accounting Division, F&A
Disbursement Division

RE: MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT, STRATEGIC PLANNING AND PROJECT
DEVELOPMENT DIVISION, STATUS REPORTS

At the meeting of the Council held June 12, 2002, the following action was
taken:

Attached report adopted as amended.....	_____X_____
Attached amending motion (Garcetti - Pacheco - Zine) adopted...	_____X_____
Attached resolution (-) adopted.....	_____
Mayor concurred.....	_____06/18/02_____
FORTHWITH.....	_____X_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Effective date.....	_____
Publication date.....	_____
Mayor approved.....	_____
Mayor vetoed.....	_____
Mayor failed to act - deemed approved.....	_____
Motion adopted to approve attached report recommendation(s)....	_____
Motion adopted to approve communication recommendation(s).....	_____

J. Michael Carey
City Clerk
vdw

steno\011057

FF
NY
6-28-02
7/2/02



Mayor's Time Stamp

RECEIVED
FORTHWITH
'02 JUN 13 P3:02
DEPUTY MAYOR

RECEIVED
CITY CLERK'S OFFICE
CITY CLERK'S TIME Stamp
2002 JUN 13 PM 2:55
CITY CLERK
BY _____ DEPUTY

SUBJECT TO MAYOR'S APPROVAL

COUNCIL FILE NO. 01-1057

COUNCIL DISTRICT NO. _____

COUNCIL APPROVAL DATE June 12, 2002

RE: MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT, STRATEGIC PLANNING AND PROJECT DEVELOPMENT DIVISION, STATUS REPORTS

JUN 24 2002

LAST DAY FOR MAYOR TO ACT _____
(10 Day Charter requirement as per Charter Section 341 and LAAC 14.7)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR OFFICE USE ONLY

APPROVED

*DISAPPROVED

*Transmit objections in writing pursuant to Charter Section 341 and LAAC 14.7

DATE OF MAYOR APPROVAL OR DISAPPROVAL

JUN 18 2002

*JUN 18 2002
Bem*

BY _____
DEPUTY

CITY CLERK

2002 JUN 19 AM 10:08

RECEIVED
CITY CLERK'S OFFICE


MAYOR
steno\011057

ECONOMIC DEVELOPMENT AND EMPLOYMENT COMMITTEE

Report/Communication for Signature

Council File Number: 01-1057

Committee Meeting Date: 4-15-02

Council Date: 6-12-02

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Eric Garcetti, Chair	✓		
Councilmember Pacheco		XXXX	
Councilmember Perry	✓		

Remarks Approve CAO recs. (4-12-02) w/ attached City Atty Amendment to CAO rec. #3

Alan Alietti, Legislative Assistant ----- Telephone 978-1071

PERSONNEL COMMITTEE

Report/Communication for Signature

Council File Number: 01-1057

Committee Meeting Date: 5-21-02

Council Date: 6-12-02

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Dennis Zine, Chair	✓		
Councilmember Holden	✓		
Councilmember Miscikowski			✓

Remarks Concurred with Economic Development and Employment Committee

Ilene Shapiro, Legislative Assistant ----- Telephone 978-1077

BUDGET AND FINANCE COMMITTEE

Report/Communication for Signature

Council File Number: 01-1057

Committee Meeting Date: 5-29-02

Council Date: 6-12-02

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Nick Pacheco, Chair	✓		
Councilmember Weiss			✓
Councilmember Hahn	✓		
Councilmember Miscikowski			✓
Councilmember Garcetti			✓

Remarks Approved - Concurrence of EDD / PERSONNEL Com's as Amended by CAO (Rec'd Concurred)

Adrienne Bass, Legislative Assistant ----- Telephone 978-1073

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your ECONOMIC DEVELOPMENT AND EMPLOYMENT
and
PERSONNEL
and
BUDGET AND FINANCE COMMITTEES

report as follows:

Yes No
Public Comments XX

ECONOMIC DEVELOPMENT AND EMPLOYMENT, PERSONNEL, and BUDGET AND FINANCE COMMITTEES REPORT relative to the Mayor's Office of Economic Development, Strategic Planning & Project Development Division, Status Report on: 1) the Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and Other Subsequent EDA Grant Awards, 2) Two EDA Revolving Loan Fund Projects, 3) Five Mayor's Office Urban Development Action Grant Former Fund Projects, and 4) a Request for Reauthorization of Four Grant-Funded Staff Positions and Contractual Community Redevelopment, Agency Staff Position.

Recommendations for Council action, SUBJECT TO THE CONCURRENCE OF THE MAYOR:

1. REQUEST the Mayor's Office of Economic Development (MOED), or designee, to:
 - a. Negotiate, execute and administer the Economic Development Administration (EDA) grant agreement between MOED and UCLA Tom Bradley Legacy Foundation to manage and execute the scope of work with the attached application, subject to the review of the City Attorney as to form and legality.
 - b. Allocate former Urban Development Action Grant (UDAG) funds as recommended below and negotiate and execute contracts with the following organizations for amounts not to exceed as identified below, subject to the review of the CAO, Contractor Enforcement Section and the City Attorney as to form and legality:

<u>Organization</u>	<u>Former UDAG Funds</u>
California Fashion Association	\$ 25,000
Canaan Housing Corporation	25,000
Encino Velodrom Association	250,000
Little Tokyo Service Center Community Development Corporation (LTSCCDC)	400,000
Infinity Redevelopment LLC	<u>100,000</u>
Total	\$800,000

2. AUTHORIZE the Department of Public Works, Bureau of Engineering (BOE), to bill only for direct costs on EDA projects and the City, through BOE budgeted funds, to pay indirect costs and fringe benefits currently estimated at \$263,000 for EDA capital improvement projects.

3. APPROVE the:

- a. EDA Earthquake Assistance Grant and the State and Urban Economic Development Planning Grant allocations in an amount not to exceed \$288,040 for the direct costs of four Mayor's staff positions effective July 1, 2002 through June 30, 2003 with the City, through Mayor's Office budgeted funds, pay the related indirect costs and fringe benefits currently estimated at \$310,000.
- b. EDA Earthquake Assistance Grant allocations in an amount not to exceed \$125,000 for the Community Redevelopment Agency (CRA) contractual staff position effective October 1, 2002 through September 30, 2003.

4. REQUEST the Mayor, or designee, to:

- a. Negotiate and execute an "Agreement to Transfer Portfolio" (Portfolio) (substantially as submitted by the City Attorney at the Economic Development and Employment Committee meeting held April 15, 2002 and attached to the Council file) with the Los Angeles Loan Development Company (LALDC), and any other agreements with EDA and LALDC, subject to the review of the City Attorney as to form and legality, for the transfer of the two EDA revolving loan fund (RLF) grant awards (EDA Award Nos. 07-19-03106 and 07-39-02236.04) from the City to LALDC thereby severing appointment and control power of the LALDC by the City.
- b. Negotiate, execute, and administer a sole source contract for an amount not to exceed \$94,000 with Figueroa Media Group (FMG) as the consultant for the Citywide Comprehensive Economic Development Strategy (CEDS) Extension Program, subject to the review of the City Administrative Officer (CAO), Contractor Enforcement Section, and approval of the City Attorney as to form and legality.
- c. Prepare Controller instructions and make any technical changes, subject to approval by the CAO, and instruct the Controller to implement these instructions.

5. AUTHORIZE the Controller to:

- a. Establish a new appropriation account, No. S200, UCLA Tom Bradley Legacy Foundation, within Fund 649, Infrastructure Investment Fund.
- b. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$500,000, from Fund No. 649, Infrastructure Investment Fund, Account No. S200, UCLA Tom Bradley Legacy Foundation.
- c. Establish new appropriation accounts within Fund No. 303, Industrial/Commercial Revolving Loan as follows:

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
S200	California Fashion Association	\$ 25,000
S210	Canaan Housing Corporation	25,000
S220	Encino Velodrom Association	250,000
S230	LTSCCDC	400,000
S240	Infinity Redevelopment LLC	<u>100,000</u>
	Total	\$800,000

- d. Transfer appropriations within Fund No. 303, Industrial/Commercial Revolving Loan as follows:

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
From: 0050	Produce Rent	\$800,000
To: S200	California Fashion Association	25,000
S210	Canaan Housing Corporation	25,000
S220	Encino Velodrom Association	250,000
S230	LTSCCDC	400,000
S240	Infinity Redevelopment LLC	100,000

- e. Appropriate \$288,040 of federal grant to Account No. T146, Salaries, as follows:

<u>Fund</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment Fund	\$144,848
43A	1999 EDA Planning Grant	90,000
42Y	Washington Boulevard Revitalization	<u>53,192</u>
	Total	\$288,040

- f. Transfer \$288,040 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. T146, Salaries-General, upon receipt of federal grant, from the following funds:

<u>Fund</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment Fund	\$144,848
43A	1999 EDA Planning Grant	90,000
42Y	Washington Boulevard Revitalization	<u>53,192</u>
	Total	\$288,040

- g. Appropriate and expend an amount not to exceed \$125,000 from Fund No. 649, Infrastructure Investment Fund, Account No. N002, upon proper demand from the Mayor, or designee and authorize the CRA to recognize receipt of the funds in the CRA's salaries/benefits account(s).

6. AUTHORIZE the General Manager, Community Development Department (CDD), or designee, to prepare any Controller instructions consistent with this report and make any technical adjustments, subject to the approval of the CAO, and instruct the Controller to implement these instructions.
7. RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133(a), the following four existing grant-funded positions in the MOED, are APPROVED for the period of July 1, 2002 through June 30, 2003:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

Fiscal Impact Statement: The CAO reports that the total General Fund impact is \$573,000 for staff indirect costs [\$310,000 for Mayor's Office of Economic Development (MOED) and \$263,000 Bureau of Engineering (BOE)]. MOED states that funds for MOED and BOE staff indirect costs have been appropriated in next fiscal year's budget. The actual impact to the General Fund may be higher or lower depending on the number of EDA projects worked on during the fiscal year.

The Economic Development Administration (EDA) Earthquake Assistance Grant, EDA Planning Grant, and the Washington Boulevard Revitalization Project will fund staff direct costs. Staff direct costs total \$413,040 [\$288,040 for four MOED staff positions and \$125,000 for one CRA contractual staff position]. The total cost of funding is \$986,040 for staff direct and indirect costs and the CRA contractual staff position.

Summary:

In its transmittal dated April 12, 2002, the CAO reports that the MOED Strategic Planning & Project Development Division requests approval of its Annual Status Report, which provides an update for the EDA, Earthquake Assistance Grand Award of 1995, and subsequent EDA Grant awards for fiscal years (FY) 1998-2002; five Mayor's Office former UDAG fund projects; and, two EDA Revolving Loan Fund projects operated by the LALDC. The MOED also requests authority to continue the employment resolution of four grant-funded staff positions for FY 2002-2003 and one contractual CRA staff position until September 30, 2003.

The Strategic Planning & Project Development Division provides project management for MOED projects and coordinates employee training programs with the Workforce Investment Board (WIB) on the City's economic development projects; obtains and manages Federal, State, and local grant, loan, and technical assistance resources; develops and administers the City's CEDS; and, participates in the City's Brownfields Revitalization Program.

The EDA Earthquake Assistance Grant Award of 1995 is an ongoing, \$30 million disaster infrastructure development grant that provided funding for 18 projects (15 construction and three technical assistance projects). Nine of the 18 projects have been completed and another will be completed by the end of 2002.

The EDA Grant awards for FY 1998-2002 have provided funding for six projects (three construction, one technical assistance, and two Citywide CEDS programs). Of the four construction projects, two were terminated and two are expected to be completed by the end of 2002.

The two Citywide CEDS projects are funded by the EDA Grant awards of FY 1999 and FY 2002. CEDS is an economic development study that focuses on specific areas of the City and is updated on an annual basis. The Citywide CEDS is comprised of the following six sub-CEDS regions: Downtown; East Los Angeles; Hollywood; San Fernando Valley; South Los Angeles; and, West Los Angeles.

The MOED has submitted a grant application for funding for the CEDS Program Extension. If the grant is approved (expected within 90 days), MOED requests authority for a sole source contract with the FMG for an amount not to exceed \$94,000 in EDA Matching Funds to provide consultant services for the program. The consultant services include performing data gathering and outreach tasks to complement the Mayor's staff. FMG was selected through a competitive process to complete the consulting work for the South Los Angeles sub-CEDS area. According to MOED, of all the consultants selected, FMG prepared the most comprehensive sub-CEDS document of the three planning areas being studied at that time.

In February 2002, Council transferred \$500,000 from the Block Grant Investment Fund to the FY2002-2003 EDA Matching Fund line item (Council file No. 01-2765). The EDA reimburses the City for direct costs associated with all EDA projects and indirect costs only for EDA Earthquake Assistance Grant funds. The BOE direct costs of \$250,000 are associated with the surveying and engineering of EDA project sites. BOE indirect costs of approximately \$263,000 for work performed on EDA non-Earthquake grant-funded projects are not reimbursed by EDA. The General Fund, through BOE budgeted funds must absorb indirect costs associated with the BOE's activities for EDA non-Earthquake Assistance Grant Projects. This amount could be higher or lower depending on the number of EDA projects that BOE works on during the year.

The MOED requests authority to transfer two grant awards to the LALDC. This action will allow the LALDC to compete for grant funds other than grants the City is eligible for. By transferring the grant awards to LALDC, the City will sever its appointment and control power of the LALDC. Currently, the Mayor appoints the LALDC Board and the City receives grant awards on behalf of the LALDC. While the City will still be responsible for actions taken during its tenure as grantee, it will not be responsible for LALDC actions after the grant transfer is completed. The City Attorney's Office states there appears to be minimal risk in the past loans made by LALDC as most of the borrowers have a long relationship with the LALDC.

The MOED is requesting authority to use \$800,000 of former UDAG funds for five economic development projects. The MOED states that these funds are from past projects that are being returned to the former UDAG account. The MOED also requests authority to negotiate and execute contracts with the five organizations for various activities that support economic development in the City. Prior to execution, the proposed contracts are subject to the review of the CAO, Contractor Enforcement Section, for adherence to City contract standards.

The MOED requests authorization to continue the resolution authority of four grant-funded staff positions for FY2002-2003 for a total amount not to exceed \$598,040 (direct costs of \$288,040 and indirect costs of \$310,000) and one contractual CRA staff position from October 1, 2002 to September 30, 2003 for \$125,000. The four staff positions administer the EDA and Brownfields programs. The one contractual CRA staff position provides expertise in the areas of construction management, grant administration, federal audit compliance requirements, procurement, and accounting/invoicing processing.

The MOED is requesting full year EDA funding of \$58,040 for the direct costs of its four staff positions. The MOED states the Brownfields Executive Team (BET) is currently working on the feasibility of billing the Brownfields program, where appropriate, for staff costs. Many of the EDA projects are also Brownfields projects. The Brownfields program is funded by annual CDBG funds from the Housing and Community Development Consolidated Plan. If the Mayor and Council approve the use of CDBG funds for MOED staff costs, the amount billed to the EDA for MOED costs would be reduced accordingly. The City's General Fund, through Mayor's Office budgeted funds, must pay for the indirect costs associated these positions, currently estimated at \$310,000. Of the four staff positions, one is vacant. However, MOED anticipates filling the vacant position immediately after the Citywide CEDS Extension Grant is approved by the EDA (which is expected within 90 days).

At its regular meeting held April 15, 2002, the Economic Development and Employment Committee discussed this matter with City staff and recommended that Council approve the recommendations of the CAO, as submitted in its report dated April 12, 2002, including a City Attorney amendment to Recommendation No. 3.

At its regular meeting held May 21, 2002, the Personnel Committee considered this matter and concurred with the recommendations of the Economic Development and Employment Committee.

At its regular meeting held May 29, 2002, the Budget and Finance Committee discussed this matter with City staff. The CAO indicated that despite having been noted in both the title and summary of its report, the recommendation relative to approving the Resolution/Employment Authority for four existing grant-funded MOED positions for the period of July 1, 2002 through June 30, 2003 was inadvertently omitted and recommended that it be included to make (all of) the committees' actions whole. The Budget and Finance Committee concurred with this recommendation (Recommendation No. 7 listed above) as well as those of the Economic Development and Employment and Personnel Committees.

This matter is now submitted to Council for its consideration.

Respectfully submitted,

ECONOMIC DEVELOPMENT AND EMPLOYMENT COMMITTEE

EG #
[Signature] 6/7/02

PERSONNEL COMMITTEE

[Signature]

BUDGET AND FINANCE COMMITTEE

[Signature]
EG #
ADOPTED
XAS AMENDED
JUN 12 2002
(SEE ATTACHED MOTION)
LOS ANGELES CITY COUNCIL
TO THE MAYOR FORTHWITH

AA
6/06/02
#011057

Mayor With File

Amending Motion 7A

Item 7 on the Council agenda for June 12, 2002 (CF 01-1057) relates to the Mayor's Office of Economic Development, Strategic Planning and Project Development Division, status report and recommendations. This item was approved as amended by the Economic Development and Employment, Budget and Finance, and Personnel Committees.

Subsequent to the above Committees' meetings, the U.S. Department of Commerce, Economic Development Administration (EDA) notified the City that it will not be awarding a grant award of \$161,000 for the Citywide Comprehensive Economic Development Strategy (CEDS). However, the EDA still requires the City to update its CEDS on an annual basis to remain eligible for EDA grant awards. In order to meet the EDA requirements and in lieu of the EDA grant, the City should allocate an additional \$60,808 of already-Reprogrammed CDBG - EDA Matching Funds to complete the CEDS.

Also, the Mayor's Office has identified an additional \$25,000 from the Harbor Department to study international trade issues in coordination with the CEDS effort. This additional \$25,000, along with \$25,000 already allocated from Reprogrammed CDBG - EDA Matching Funds, should be applied toward the contract with the Figueroa Media Group, to increase said contract to a new contract total of \$144,000.

The CAO and the Chairs of the Economic Development and Employment, Budget and Finance, and Personnel Committees concur in these amendments.

I THEREFORE MOVE that the following amendments be adopted:

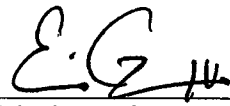
1. Amend Recommendation 4b as follows:
Change the contract total with the Figueroa Media Group from \$94,000 to \$144,000.
2. Add new Recommendation 4d:
"Establish an account to deposit \$25,000 of Harbor Department funds and to pay related expenditures."
3. Add new Recommendation 4e:
"Increase the Reprogrammed CDBG - EDA Matching Funds allocation to the CEDS Extension by \$60,808."
4. Add new Recommendation 4f:
"Allocate and expend the Reprogrammed CDBG - EDA Matching Funds."

**MOTION
ADOPTED**

JUN 12 2002

**LOS ANGELES CITY COUNCIL
TO THE MAYOR FORTHWITH**

PRESENTED BY:

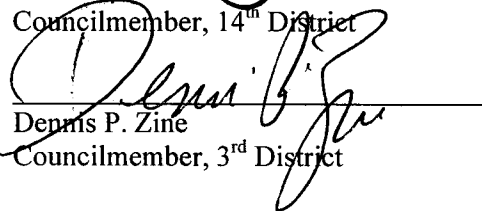


Eric Garcetti
Councilmember, 13th District

SECONDED BY:



Nick Pacheco
Councilmember, 14th District



Dennis P. Zine
Councilmember, 3rd District

stratmot final

Mayor With File

COUNCIL VOTE

Jun 12, 2002 12:47:05 PM, #8

ITEM NO. (7)
Adopt as Amended

BERNSON	Absent
GALANTER	Absent
GARCETTI	Yes
GREUEL	Yes
HAHN	Absent
HOLDEN	Yes
LABONGE	Yes
MISCIKOWSKI	Yes
PACHECO	Absent
PERRY	Absent
REYES	Yes
RIDLEY-THOMAS	Yes
WEISS	Yes
ZINE	Yes
*PADILLA	Yes

Present: 10, Yes: 10 No: 0

ADOPTED AS AMENDED

COUNCIL VOTE

Jun 12, 2002 12:46:54 PM, #7

ITEM NO. (7)~~A~~

Voting on Item(s): 7

Roll Call

BERNSON	Absent
GALANTER	Absent
GARCETTI	Yes
GREUEL	Yes
HAHN	Absent
HOLDEN	Yes
LABONGE	Yes
MISCIKOWSKI	Yes
PACHECO	Absent
PERRY	Absent
REYES	Yes
RIDLEY-THOMAS	Yes
WEISS	Yes
ZINE	Yes
*PADILLA	Yes

Present: 10, Yes: 10 No: 0

AMENDING
MOTION

**ECONOMIC DEVELOPMENT AND
EMPLOYMENT COMMITTEE
NOTIFICATION SHEET**

Council File No. 01-1057

<input checked="" type="checkbox"/>	Council Districts	All
<input checked="" type="checkbox"/>	Mayor	(with/without file)
<input type="checkbox"/>	Chief Legislative Analyst	
<input checked="" type="checkbox"/>	City Administrative Officer	
<input checked="" type="checkbox"/>	City Attorney	
<input checked="" type="checkbox"/>	Controller	
<input type="checkbox"/>	Treasurer	
<input type="checkbox"/>	Petitioner/Communicant	
<input checked="" type="checkbox"/>	Community Development Department	
<input checked="" type="checkbox"/>	Community Redevelopment Agency	
<input type="checkbox"/>	Personnel Department	
<input checked="" type="checkbox"/>	Interested Departments	MOED
<input type="checkbox"/>		
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Technical Correction to Item #5
Budget & Finance Committee
May 29, 2002

The following recommendation from the CAO Report addendum dated April 12, 2002 was inadvertently left out of the report:

11. RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133 (a), the following four existing grant-funded positions in the Mayor's Office of Economic Development, are APPROVED, for the period of July 1, 2002 through June 30, 2003:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

Received in
EOE Committee
on 4-15-02

AGREEMENT TO TRANSFER PORTFOLIO

This agreement is made between the City of Los Angeles (hereinafter City) and the Los Angeles LDC Corporation, a California non-profit corporation (hereafter LDC). WITNESSETH that, in consideration of the mutual promises set forth, the parties agree to the following:

1. That City in its capacity as a grantee of U.S. Department of Commerce Economic Development Administration (hereinafter EDA) Title IX Revolving Loan Funds did receive a revolving loan fund (RLF) identified by EDA as Award Nos. 07-19-03106 and 07-39-02236.04 (hereinafter LDC).
2. That City in its capacity as a grantee did fund LDC as a subgrantee to fund loans to small business concerns (hereinafter BORROWERS)
3. LDC in its capacity as a subgrantee is desirous of accepting the position of grantee and has been identified by the EDA as an acceptable grant transfer entity.
4. That by this instrument and with the consent of EDA, City does hereby assign to LDC without recourse to the City all its legal and equitable interests in the RLF portfolio under the loan agreements to Borrowers listed on Exhibit A attached hereto.
5. That by this instrument and with the consent of its members LDC does hereby contribute _____ to City to facilitate the transfer of LDC's RLF.
6. This agreement has been drafted based upon mutual agreement between the parties and each party acknowledges that it is not relying on the other, or any employee, agent or representative of the other, in making the decision to enter into this agreement, but rather has relied on the counsel and advice of its own employees, agents and representatives as to the business consequences of entering into the performing this agreement.
7. LDC shall comply with Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act and applicable state and local law which prohibits the denial of benefits of or participation in contract services on the basis of race, color or national origin. LDC shall comply with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap, in delivering contract services.
8. LDC shall retain and shall require all of its subcontractors to retain, for inspection and audit by the EDA all books, accounts, reports, files and other records relating to the bidding and performance of this contract for a period of five (5) years after its completion period. The original of all such records shall be available and produced for inspection and audit when requested by the City or EDA.
9. LDC shall reimburse the City for any funds received prior to transfer of this portfolio for which EDA disallows an expenditure by audit exception and seeks compensation from the City.
10. This agreement may be executed in two or more counterparts, each of which shall be deemed an original.
11. This agreement shall be governed by and interpreted in accordance with the laws of the State of California

Note: This is the City Attorney's amendment to Recommendation #3 of the 4-12-02 CAB report

IN WITNESS WHEREOF, the City of Los Angeles and the Los Angeles LDC have caused this agreement to be executed by their duly authorized representatives.

CITY OF LOS ANGELES

Date: _____

By: _____

Its: _____

Mayor

APPROVED AS TO FORM & LEGALITY

By: _____

Deputy or Assistant City Attorney

Date: _____

ATTEST:

J. Michael Carey, City Clerk

By: _____

Date: _____

LOS ANGELES LDC

Date: _____

By: _____

Its: _____

Executive Director

R

01-1057
(Revised Letter)



CITY HALL
LOS ANGELES, CALIFORNIA 90012

JAMES K. HAHN
MAYOR

April 15, 2002

RECEIVED
CITY CLERK'S OFFICE
2002 APR 16 PM 4:39
CITY CLERK
BY _____ DEPUTY

Honorable Members of the City Council
C/O City Clerk
Room 395, City Hall

**Re: Mayor's Office Strategic Planning & Project Development Division
Status Report and Recommendations**

Honorable Members:

I approve the attached report of the City Administrative Officer dated March 29, 2002 with the corrections as noted on Exhibit A. The CAO concurs substantively in these corrections. I also approve the CAO Addendum dated April 12, 2002.

Very truly yours,

James K. Hahn
For, JAMES K. HAHN
Mayor

JKH:jl
Attachments

Cc: City Administrative Officer

**ECONOMIC DEVELOPMENT
& EMPLOYMENT**

PERSONNEL

BUDGET AND FINANCE

received in Cante. 4-15-02 by [signature]

SEIU 947

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CITY OF LOS ANGELES SPEAKER CARD

Date

WED
MAY 29, 2002

Council File No., Agenda Item, or Case No.

5

3:00 P.M. Budget & Finance Board Meeting
I wish to speak before the _____
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

Against proposal

() General comments

Name:

MS. SYLVIA LYNNE HAWKINS

Business or Organization Affiliation:

HE'S ABLE Housecleaning Service

Address:

3905 Stevely AVE #3 L.A. CA 90008

Business phone:

(323) 295-7319

Representing:

HE'S ABLE!

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

Client Name:

MS. SYLVIA LYNNE HAWKINS

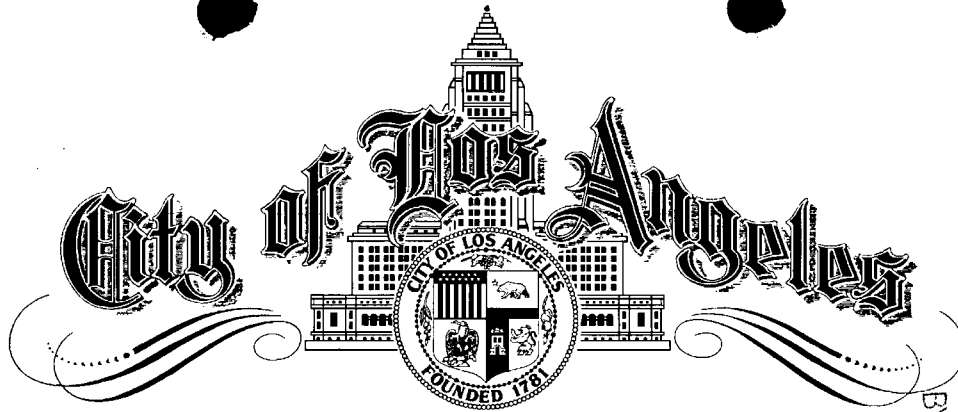
Phone #:

(323) 295-7319

Client Address:

3905 Stevely AVE L.A. CA 90008

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.



CITY HALL
LOS ANGELES, CALIFORNIA 90012

JAMES K. HAHN
MAYOR

April 12, 2002

BY _____ DEPUTY

CITY CLERK

2002 APR 12 PM 4: 55

RECEIVED
CITY CLERK'S OFFICE

Honorable Members of the City Council
c/o City Clerk
Room 395, City Hall

**Re: Mayor's Office Strategic Planning & Project Development Division
Status Report and Recommendations**

Honorable Members:

I approve the attached report of the City Administrative Officer dated March 29, 2002 with the corrections as notated on Exhibit A. The CAO concurs substantively in these corrections. I also approve the CAO Addendum dated April 12, 2002.

Additionally, subsequent to the writing of the CAO report, the City Attorney has recommended that additional information be provided relative to the LALDC, which is herewith submitted on Exhibit C.

Very truly yours,

James K. Hahn
JAMES K. HAHN
Mayor

JKH:jl
Attachments

cc: City Administrative Officer

strategic.wpd

**ECONOMIC DEVELOPMENT
& EMPLOYMENT**

PERSONNEL

BUDGET AND FINANCE

APR 15 2002



REPORT FROM

RECEIVED
CITY CLERK'S OFFICE

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 12, 2002

BY

CITY CLERK

DEPUTY

CAO File No. 0220-00821-0117

Council File No. 01-1057

Council District: Various

To: The Mayor

From: William T Fujioka, City Administrative Officer



Subject: Addendum to City Administrative Officer Report Dated March 29, 2002 relative to the Mayor's Office of Economic Development, Strategic Planning & Project Development Division, Status Report on: 1) the Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and Other Subsequent EDA Grant Awards, 2) Two EDA Revolving Loan Fund Projects, 3) Five Mayor's Office Urban Development Action Grant Former Fund Projects, and 4) a Request for Reauthorization of Four Grant-Funded Staff Positions and Contractual Community Redevelopment Agency Staff Position

Subsequent to the release of the City Administrative Officer (CAO) report dated March 29, 2002, new figures regarding direct costs for the four Mayor's Office Economic Development Administration (EDA) grant-funded staff positions were provided as was additional language requested by the City Attorney regarding the transfer of grant awards from the City to the Los Angeles Local Development Company, Inc. (LALDC). These changes do not impact the overall substance of the recommendations given in the report. The Recommendations and Fiscal Impact Statement sections of the CAO report dated March 29, 2002 are replaced with the following:

RECOMMENDATIONS

That the City Council:

1. Authorize the Mayor's Office of Economic Development (MOED), or designee, to negotiate, execute and administer the Economic Development Administration (EDA) grant agreement between MOED and UCLA Tom Bradley Legacy Foundation to manage and execute the scope of work with the attached application, subject to the review and approval of the City Attorney as to form and legality;
2. Approve that Public Works, Bureau of Engineering (BOE) bill only for direct costs on EDA projects and that the City, through BOE budgeted funds, pay indirect costs and fringe benefits currently estimated at \$263,000 for EDA capital improvement projects;

3. Authorize the Mayor, or designee, to negotiate and execute an "Agreement to Transfer Portfolio" (Portfolio) with Los Angeles Loan Development Company (LALDC), and any other agreements with EDA and LALDC, subject to the review and approval of the City Attorney as to form and legality, for the transfer of the two EDA revolving loan fund (RLF) grant awards (EDA Award Nos. 07-19-03106 and 07-39-02236.04) from the City to LALDC thereby severing appointment and control power of the LALDC by the City;
4. Authorize the Mayor or designee to negotiate, execute, and administer a sole source contract for an amount not to exceed \$94,000 with Figueroa Media Group as the consultant for the Citywide Comprehensive Economic Development Strategy Extension Program, subject to the review of the City Administrative Officer (CAO), Contractor Enforcement Section, and approval of the City Attorney as to form and legality;
5. Authorize the Mayor's Office of Economic Development to allocate former Urban Development Action Grant (UDAG) funds as recommended below and negotiate and execute contracts with the following organizations for amounts not to exceed as identified below, subject to the review of the CAO, Contractor Enforcement Section and approval of the City Attorney as to form and legality:

<u>Organization</u>	<u>Former UDAG Funds</u>
California Fashion Association	\$ 25,000
Canaan Housing Corporation	25,000
Encino Velodrome Association	250,000
Little Tokyo Service Center Community Development Corporation	400,000
Infinity Redevelopment LLC	100,000
Total	\$ 800,000

6. Approve the EDA Earthquake Assistance Grant and the State and Urban Economic Development Planning Grant allocations in an amount not to exceed **\$288,040** for the direct costs of four Mayor's staff positions effective July 1, 2002 through June 30, 2003 with the City, through Mayor's Office budgeted funds, pay the related indirect costs and fringe benefits currently estimated at \$310,000;
7. Approve the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$125,000 for the Community Redevelopment Agency contractual staff position effective October 1, 2002 through September 30, 2003;
8. Authorize the Mayor, or designee, to prepare Controller instructions and make any technical changes, subject to the approval by the CAO, and instruct the Controller to implement these instructions;
9. Authorize the Controller to:
 - a. Establish a new appropriation account, No. S200, UCLA Tom Bradley Legacy Foundation, within Fund 649, Infrastructure Investment Fund;

- b. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$500,000, from Fund No. 649, Infrastructure Investment Fund, Account No. S200, UCLA Tom Bradley Legacy Foundation;
- c. Establish new appropriation accounts within Fund No. 303, Industrial/Commercial Revolving Loan as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
S200	California Fashion Association	\$ 25,000
S210	Canaan Housing Corporation	25,000
S220	Encino Velodrome Association	250,000
S230	Far East Building	400,000
S240	Infinity Redevelopment LLC	100,000
	Total	\$ 800,000

- d. Transfer appropriations within Fund No. 303, Industrial/Commercial Revolving Loan as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	0050	Produce Rent	\$ 800,000
To:	S200	California Fashion Association	25,000
	S210	Canaan Housing Corporation	25,000
	S220	Encino Velodrome Association	250,000
	S230	Far East Building	400,000
	S240	Infinity Redevelopment LLC	\$ 100,000

- e. Appropriate **\$288,040** of federal grant to Account No. T146, Salaries, as follows:

<u>Fund</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment Fund	\$ 144,848
43A	1999 EDA Planning Grant	90,000
42Y	Washington Boulevard Revitalization	53,192
	Total	\$ 288,040

- f. Transfer **\$288,040** to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. T146, Salaries-General, upon receipt of federal grant, from the following funds:

<u>Fund</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment Fund	\$ 144,848
43A	1999 EDA Planning Grant	90,000
42Y	Washington Boulevard Revitalization	53,192
	Total	\$ 288,040

- g. Appropriate and expend an amount not to exceed \$125,000 from Fund No. 649, Infrastructure Investment Fund, Account No. N002, upon proper demand from the Mayor, or designee and authorize the Community Redevelopment Agency (CRA) to recognize receipt of the funds in the CRA's salaries/benefits account(s); and,
10. Authorize the General Manager of the Community Development Department, or designee, to prepare any Controller instructions consistent with this report and make any technical adjustments, subject to the approval of the CAO, and instruct the Controller to implement these instructions.

FISCAL IMPACT STATEMENT

The total General Fund impact is \$573,000 for staff indirect costs [\$310,000 for Mayor's Office of Economic Development (MOED) and \$263,000 Bureau of Engineering (BOE)]. MOED states that funds for MOED and BOE staff indirect costs have been appropriated in next fiscal year's budget. The actual impact to the General Fund may be higher or lower depending on the number of EDA projects worked on during the fiscal year.

The Economic Development Administration (EDA) Earthquake Assistance Grant, EDA Planning Grant, and the Washington Boulevard Revitalization Project will fund staff direct costs. Staff direct costs total \$413,040 [\$288,040 for four MOED staff positions and \$125,000 for one Community Redevelopment Agency (CRA) contractual staff position]. The total cost of funding is \$986,040 for staff direct and indirect costs and the CRA contractual staff position.

WTF:SDE

EXHIBIT A

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: *March 29, 2002*

CAO File No. 0220-00821-0117

Council File No. 01-1057

Council District: Various

To: The Mayor

From: William T Fujioka, City Administrative Officer *WTF mt*

Reference: Transmittal from the Mayor dated March 22, 2002

Subject: Mayor's Office of Economic Development, Strategic Planning & Project Development Division, Status Report on: 1) the Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and Other Subsequent EDA Grant Awards, 2) Two EDA Revolving Loan Fund Projects, 3) Five Mayor's Office Urban Development Action Grant Former Fund Projects, and 4) a Request for Reauthorization of Four Grant-Funded Staff Positions and Contractual Community Redevelopment Agency Staff Position

SUMMARY

The Mayor's Office of Economic Development (MOED) Strategic Planning & Project Development Division requests approval of its Annual Status Report, which provides an update for the:

- United States Department of Commerce, Economic Development Administration (EDA), Earthquake Assistance Grand Award of 1995 and subsequent EDA Grant awards for fiscal years (FY) 1998-2002;
- Five Mayor's Office former Urban Development Action Grant (UDAG) fund projects; and,
- Two EDA Revolving Loan Fund projects operated by the Los Angeles Loan Development Company, Inc. (LALDC).

MOED also requests authority to continue the employment resolution of four grant-funded staff positions for FY 2002-2003 and one contractual Community Redevelopment Agency (CRA) staff position until September 30, 2003.

The SPPD Division:

with the Workforce Investment Bureau (WIB) on

- Provides project management for the Mayor's Office economic development projects and coordinates employee training programs on the City's economic development projects;
- Obtains and manages Federal, State, and local grant, loan, and technical assistance resources;
- Develops and administers the City's Comprehensive Economic Development Strategy (CEDS); and,
- Participates in the City's Brownfields Revitalization Program.

Economic Development Administration Grants

The EDA Earthquake Assistance Grant Award of 1995 ~~was a five-year~~ ^{is an ongoing}, \$30 million infrastructure development grant that provided funding for 18 projects (15 construction and three technical assistance projects). MOED encumbered the entire \$30 million original grant award. The status of the 18 projects is as follows:

- Nine projects have been completed;
- One project will be completed by the end of 2002;
- Two projects will commence in 2002;
- Two projects are awaiting EDA full grant application approval;
- Two projects have had EDA pre-applications approved and full grant applications are being prepared; and,
- Two projects are in the design and development stages.

Out of the 18 projects, one is a new project, ^{City Council approval of} the UCLA/Tom Bradley Legacy Foundation Project, that is anticipated to commence this fiscal year. EDA approved the pre-application in January 2002 for this program. MOED is currently preparing a full grant application for review and final concurrence from EDA. MOED is requesting \$500,000 of EDA Earthquake Assistance Funds for the establishment of a two-year program to provide ~~building~~ ^{technical} assistance in five areas of the City to stimulate new economic development. The initial areas targeted for this program are Watts, Crenshaw, East Adams, Boyle Heights, and Pacoima. The project would inventory non-performing and under-utilized buildings and/or vacant real estate in each area and facilitate re-entry of these properties into successful business use. The program uses the resources of UCLA students and faculty members, business professionals, citizen volunteers, project staff, and various neighborhood organizations to stimulate economic and business growth.

The EDA Grant awards for FY 1998-2002 have provided funding for ~~two~~ ^{three} construction projects (two Citywide CEDS programs) ^{plus one technical assistance grant} and ~~two~~ ^{three} construction projects. The status of the four construction projects is as follows:

- Two project grant awards were terminated; and,
- Two projects will be completed by the end of 2002.

In February 2002, funding for the following two construction projects was terminated by the EDA:

- The Santa Barbara Plaza grant award of \$800,000 (FY 1998); and,
- The Cornfields Site grant award of \$1.3 million (FY 2000)

The Santa Barbara Plaza grant was terminated because the City ^{cancelled by the} did not start construction within the three-year construction deadline and the entire \$800,000 was ~~returned to~~ EDA. The Cornfields Site grant was terminated because the project's scope was changed from an industrial development to a recreation park. MOED states it will recover \$11,336 from EDA for the Cornfields project for the City's administrative and engineering costs.

The Wilmington Industrial Park Study grant award of \$225,000 (FY 2000) and the Washington Boulevard Streetscape grant award of \$1 million (FY 1999) are estimated to be completed by the end of 2002.

Citywide Comprehensive Economic Development Strategy (CEDS)

The two Citywide CEDS projects are funded by the EDA Grant awards of FY 1999 and FY 2002. CEDS is an economic development study that focuses on specific areas of the City and is updated on an annual basis. The Citywide CEDS is comprised of six sub-CEDS regions:

- Downtown;
- East Los Angeles;
- Hollywood;
- San Fernando Valley;
- South Los Angeles; and,
- West Los Angeles.

The EDA approved the Downtown, San Fernando Valley, and South Los Angeles sub-CEDS in April 2001. EDA approval allows the City Council and Mayor to submit projects within these areas directly to the EDA without having to go to external EDA-certified approving authorities for ranking and comparison with other projects in the region. The City Council approved funding for the Hollywood sub-CEDS in December 2001 (C.F. 01-2474) and work has commenced by MOED and Council Districts 4 and 13, with completion anticipated in the second quarter of 2002. MOED states that the EDA has determined that currently there are no areas within West Los Angeles to qualify for ~~CEDEDA~~ EDA grants. The East Los Angeles sub-CEDS is being administered by the Chief Legislative Analyst's Office.

MOED has submitted a grant application for funding for the CEDS Program Extension. If the grant is approved (expected within 90 days), MOED requests authority for a sole source contract with Figueroa Media Group (FMG) for an amount not to exceed \$94,000 in EDA Matching Funds to provide consultant services for the program. The consultant services include performing data gathering and outreach tasks to complement the Mayor's staff. FMG was selected through a competitive process to complete the consulting work for the South Los Angeles sub-CEDS area. According to MOED, of all the consultants selected, FMG prepared the most comprehensive sub-CEDS document of the three planning areas being studied at that time.

A sole source contract is being requested by MOED for FMG to perform consulting for the Citywide CEDS Extension Program. The City Attorney has determined that since the first competitive bid was recent (15 months) and the services requested for this program are very similar, a sole source contract could be negotiated and executed with FMG without a new competitive bid. Prior to execution, the proposed contract is subject to the review of the City Administrative Officer (CAO), Contractor Enforcement Section, for adherence to City contract standards.

EDA Matching Funds

In February 2002, the City Council transferred \$500,000 from the Block Grant Investment Fund to the FY2002-2003 EDA Matching Fund line item (CF 01-2765). MOED requests approval of the following allocations of the EDA Matching funds:

Department	Project	Uses	Amount
MOED	Washington Blvd. Public Improvements	Administration	\$28,192
MOED	CEDS Extension	Contractual, administration, outreach, etc.	\$161,000
Public Works, Bureau of Engineering (BOE)	Various EDA Capital Improvement Projects	Design & Management (Staff)	\$250,000
		Total	\$439,192

EDA reimburses the City for direct costs associated with all EDA projects and indirect costs only for EDA Earthquake Assistance Grant funds. The BOE direct costs of \$250,000 are associated with the surveying and engineering of EDA project sites. BOE indirect costs of approximately \$263,000 for work performed on EDA non-Earthquake grant-funded projects are not reimbursed by EDA. The General Fund, through BOE budgeted funds ~~therefor~~ must absorb indirect costs associated with the BOE's activities for EDA non-Earthquake Assistance Grant Projects. This amount could be higher or lower depending on the number of EDA projects that BOE works on during the year.

Los Angeles Local Development Company, Inc.

MOED requests authority to transfer two grant awards to the Los Angeles Local Development Company, Inc. (LALDC). This action will allow the LALDC to compete for grant funds other than grants the City is eligible for. By transferring the grant awards to LALDC, the City will sever its appointment and control power of the LALDC. Currently, the Mayor appoints the LALDC Board and the City receives grant awards on behalf of the LALDC. While the City will still be responsible for actions taken during its tenure as grantee, it will not be responsible for LALDC actions after the grant transfer is completed. The City Attorney's Office states there appears to be minimal risk in the past loans made by LALDC as most of the borrowers have a long relationship with the LALDC. If the LALDC cannot operate these grant awards or it ceases to exist, the City could do one of these three options:

- Assume responsibility for the grant award(s);
- Find a substitute grantee acceptable to the EDA; ~~and~~ ^{or}
- Assume responsibility for the EDA grant award(s) and terminate the RLFs for convenience in accordance with grant terms and conditions.

The City Attorney's Office has been advised and concurred with this request.

Urban Development Action Grant Funds (UDAG)

MOED is requesting authority to use \$800,000 of former UDAG funds for five economic development projects. MOED states that these funds are from past projects that are being returned to the former UDAG account. MOED also requests authority to negotiate and execute contracts with the five organizations listed below for various activities that support economic development in the City. Prior to execution, the proposed contracts are subject to the review of the CAO, Contractor Enforcement Section, for adherence to City contract standards.

Organization	Purpose	Amount
The California Fashion Association (CD-9, CD-14)	Promote the Los Angeles fashion industry worldwide	\$25,000
The Canaan Housing Corporation (CD-9)	Develop a strategic plan for the economic revitalization of South Los Angeles	\$25,000
The Encino Velodrome Association (CD-3)	Renovate the Encino Velodrome to host world class cycling events and other community functions	\$250,000
The Little Tokyo Service Center Community Development Corporation (CD-9)	Rehabilitate the earthquake damaged Far East Building to provide 16 units of affordable housing, a café, and computer learning center	\$400,000
Infinity Redevelopment LLC (CD-10)	Improve the Urban League One-Stop Career Center for greater accessibility to the physically challenged by installing such modifications as an elevator	\$100,000
	Total	\$800,000

MOED Personnel

MOED requests authorization to continue the resolution authority of four grant-funded staff positions for FY2002-2003 for a total amount not to exceed \$592,924 (direct costs of ~~\$282,924~~ and indirect costs of \$310,000) and one contractual CRA staff position from October 1, 2002 to September 30, 2003 for \$125,000. The four staff positions administer the EDA and Brownfields programs. The one contractual CRA staff position provides expertise in the areas of construction management, grant administration, federal audit compliance requirements, procurement, and accounting/invoicing processing.

\$288,040

MOED is requesting full year EDA funding of ~~\$282,924~~ for the direct costs of its four staff positions. MOED states the Brownfields Executive Team (BET) is currently working on the feasibility of billing the Brownfields program, where appropriate, for staff costs. Many of the EDA projects are also Brownfields projects. The Brownfields program is funded by annual Community Development Block Grant (CDBG) funds from the Housing and Community Development Consolidated Plan. If the Mayor and City Council approves the use of CDBG funds for MOED staff costs, the amount billed to EDA for MOED costs would be reduced accordingly.

\$288,040

The City's General Fund, through Mayor's Office budgeted funds, must pay for the indirect costs associated these positions, currently estimated, at \$310,000. Of the four staff positions, one is vacant. However, MOED anticipates filling the vacant position immediately after the Citywide CEDS

extension grant is approved (expected within 90 days).

EXHIBIT B

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Honorable City Councilmembers
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Other EDA Grant Awards of FY 1998-2002

Along with the support and assistance of Council Offices and the CLA's Office, the Strategic Planning and Project Development (SPPD) staff accomplished a major milestone, the compilation of the first Citywide Comprehensive Economic Development Strategy (CEDS). This Citywide CEDS working document is to be updated on an annual basis and is comprised of the following six sub-CEDS regions: 1) Downtown; 2) East Los Angeles; 3) Hollywood; 4) San Fernando Valley; 5) South Los Angeles; and 6) West Los Angeles. Funding for plan development was previously allocated to the following four sub-CEDS regions: Downtown, East Los Angeles, San Fernando Valley and South Los Angeles. The Mayor's Office administered and completed the following three sub-CEDS regions in March 2001: Downtown, San Fernando Valley and South Los Angeles. The East Los Angeles sub-CEDS is being administered by the CLA's Office. Funding for the Hollywood sub-CEDS was recently approved by Council (CF #01-2474) and is now underway by the Mayor's Office and Council District Offices 4 & 13, with completion expected in the second quarter of 2002.

The CEDS documents, with the City Council sanctioned Downtown, San Fernando Valley and South Los Angeles sub-CEDS plans, was submitted to EDA for review on April 5, 2001. EDA staff approved the CEDS document on April 19, 2001. EDA approval now allows the City Council and Mayor to submit projects within the Downtown, San Fernando Valley and South Los Angeles sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking against other regional projects.

Work on the West Los Angeles sub-CEDS will commence when future funding is approved. Projects within this sub-CEDS region must continue to go to external EDA-certified approving agencies for ranking until sub-CEDS plans are approved by EDA.

EDA Grant Award of FY1998:

Status:

- Santa Barbara Plaza
\$800,000 (CD-8)

Full application was approved on September 10, 1998. Construction was required to begin by October 31, 2000. EDA terminated the grant on February 5, 2002 because the City did not commence construction within the 3-year construction deadline.

EDA Grant Awards of FY1999:

Status:

- Washington Boulevard Streetscape
\$1,000,000 (CD-10)

Public improvements underway. Project time extension approved by EDA. Construction will be completed by 4th Quarter 2002.

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2765). The Mayor's Office of Economic Development (MOED) requests approval of the following allocations of the EDA Matching funds:

<u>Department</u>	<u>Project</u>	<u>Uses</u>	<u>Amount</u>
MOED	Washington Blvd. Public Improvements	Administration (Staff)	28,192
MOED	CEDS Extension	Contractual, administration, outreach, etc.	161,000
Public Works, BOE*	Various EDA Capital Improvement Projects	Design & management (Staff)	<u>250,000</u>
			<u>\$439,192</u>

* EDA projects funded with non-Earthquake funds do not allow indirect costs. The City Council must authorize the Bureau of Engineering (BOE) to waive indirect costs when billing EDA.

2.0 EDA Revolving Loan Fund (RLF) Projects operated by the Los Angeles LDC, Inc. (LALDC)

LALDC is operating two (2) EDA RLF projects (EDA Award Nos. 07-19-03106 and 07-39-02236.04) for the City of Los Angeles and LALDC requests that both grant awards be transferred from the City to LALDC. This transfer is necessary to allow LALDC to seek Community Development Financial Institution (CDFI) certification by the U.S. Department of Treasury so that additional capital may be accessed for economic development projects within the City of Los Angeles.

The City Attorney and EDA has determined that the City is responsible for actions taken during its tenure as grantee, but will not be responsible for the actions of LALDC after the grant transfer is completed. The City could exercise one of the following three options if necessary should LALDC is subsequently unable to properly operate these projects or ceases to exist: (1) Assume responsibility for the EDA RLF grant award(s); or, (2) Find a substitute grantee acceptable to EDA; or, (3) Assume responsibility for the EDA RLF grant award(s) and terminate the RLFs for convenience in accordance with the provisions for termination in the terms and conditions of the grant award(s).

3.0 Five Mayor's Office Former Urban Development Action Grant (UDAG) Funded Projects

The Mayor's Office has identified \$800,000 of former UDAG funds that can be used for the following five economic development related projects:

<u>Projects</u>	<u>Proposed Mayor's Office Former UDAG Funds</u>
3.1 California Fashion Association (CD-9, 14)	\$ 25,000
3.2 Canaan Village Project (CD-9)	25,000

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3.3 Encino Velodrome Renovation (CD-3)	250,000
3.4 Far East Building Project (CD-9)	400,000
3.5 Infinity Redevelopment: One-Stop Career Center (CD-10)	<u>100,000</u>
TOTAL:	<u>\$ 800,000</u>

- 3.1 The California Fashion Association will use the funds to promote Los Angeles fashion industry to nationwide and international market.
- 3.2 The Canaan Housing Corporation, a California nonprofit organization, requires public assistance to support its long-range operational and development strategic plan for the economic revitalization within south Los Angeles.
- 3.3 The Encino Velodrome Association, a California nonprofit organization, requires public assistance to support major renovations of the Encino Velodrome. Due to its current condition, the Encino Velodrome cannot host world class cycling events that have brought national recognition as well as an economic boost to the Los Angeles area. Programs sponsored at the Encino Velodrome include: Amateur Athletic Foundation activities, Los Angeles Sheriff Department Vital Intervention and Directional Alternatives for at-risk youth, Bike LA Safety Training, training and racing programs for members of the United States Paralympics Track Team (tandem cycling utilizing sighted captains and a blind bike rider), and a training venue for world class cyclists.
- 3.4 The Little Tokyo Service Center Community Development Corporation, a California nonprofit organization, requires public assistance to support the full-scale rehabilitation of the Far East Building which was damaged by the 1994 Northridge Earthquake and has remained vacant since. The renovated building will provide 16 units of affordable housing and will include the Far East Café and the DISKovery Computer Learning Center.
- 3.5 Infinity Redevelopment, LLC requires public assistance to make the facility located at 2900 Crenshaw Boulevard more accessible by the physically challenged. Installation of an elevator and other design modifications will meet this objective. The tenant of the building will be a One-Stop Career Center operated by the Urban League.

4.0 Reauthorization of MOED Grant-Funded Staff Positions, including Contractual CRA Staff

- 4.1 The City Council previously approved the following four MOED staff positions (one currently vacant) for the period from July 1, 2001 through June 30, 2002 with EDA reimbursing the City for salaries, and the City funding indirect costs and fringe benefits:

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<u>No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Funding</u>
1	0148	Mayoral Aide VIII	EDA Earthquake Assistance Grant of 1995/ EDA State & Urban Economic Development Planning Grant
2	0147	Mayoral Aide VII	" "
1	0145	Mayoral Aide VI	" "

Five (5) of the thirteen (13) ongoing projects funded under the EDA grant are scheduled to begin construction after June 30, 2002; five projects funded under the Mayor's Office former UDAG funds have yet to begin. Therefore, it is imperative to maintain the four existing staff positions (one currently vacant) to administer ongoing projects and successfully complete the aforementioned EDA grants and Mayor's Office former UDAG that will continue beyond June 30, 2002. The four existing grant-funded MOED staff positions needing approval for the period July 1, 2002 through June 30, 2003 with the City funding indirect costs and fringe benefits are:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Funding</u>
1	0148	Mayoral Aide VIII	EDA Earthquake Assistance Grant of 1995/ EDA State & Urban Economic Development Planning Grant
2	0147	Mayoral Aide VII	" "
1	0146	Mayoral Aide VI	" "

4.2 MOED requests a CRA contractual staff extension until September 30, 2003 to provide expertise in the areas of construction management, grant administration, Federal audit compliance requirements, procurement, and accounting/invoicing processing required to address the increasing number of projects.

5.0 Recommendations

- 5.1 AUTHORIZE the Mayor or his designee to negotiate, execute and administer the EDA grant agreement between the Mayor's Office of Economic Development and UCLA Tom Bradley Legacy Foundation as necessary to manage and execute the scope of work with the attached application, subject to the approval of the City Attorney as to form and legality;
- 5.2 AUTHORIZE the Mayor or his designee to negotiate, execute, and administer a sole source contract not to exceed \$94,000 with Figueroa Media Group (FMG) as the consultant for the Citywide CEDS for continuity purposes and to ensure the highest quality product for the Citywide CEDS, subject to the review and approval of the City Attorney as to form and legality;

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- 5.3 AUTHORIZE the Mayor's Office of Economic Development to allocate the reprogrammed CDBG – EDA Matching Funds as recommended in Section 1.0;
- 5.4 APPROVE that Public Works, Bureau of Engineering bill for only direct costs (e.g., salaries) on EDA projects and that the City fund indirect costs and fringe benefits for EDA capital improvement projects;
- 5.5 AUTHORIZE the Mayor or his designee, subject to the approval of the City Attorney as to form and legality, to negotiate and execute an "Agreement to Transfer Portfolio" (Portfolio) with LALDC, and any other agreements with EDA and LALDC for the transfer of the two (2) EDA revolving loan fund (RLF) grant awards(s) (EDA Award Nos. 07-19-03106 and 07-39-02236.04) from the City to LALDC. The Portfolio shall be reviewed by an independent accountant. The City could exercise one of the following three options if necessary should LALDC is subsequently unable to properly operate these grant award(s) or ceases to exist:
 - (1) Assume responsibility for the EDA RLF grant award(s); or,
 - (2) Find a substitute grantee acceptable to EDA; or,
 - (3) Assume responsibility for the EDA RLF grant award(s) and terminate the RLFs for convenience in accordance with the provisions for termination in the terms and conditions of the grant award(s).
- 5.6 AUTHORIZE the Mayor's Office of Economic Development to allocate the former UDAG funds as recommended in Section 3.0;
- 5.7 AUTHORIZE the Mayor's Office of Economic Development, subject to the approval of the City Attorney as to form and legality, to negotiate and execute contracts with the organizations for the aforementioned eligible activities using former UDAG fund amounts not to exceed as identified below:

<u>Organizations</u>	<u>Former UDAG Funds</u>
California Fashion Association	\$25,000
Canaan Housing Corporation	25,000
Encino Velodrome Association	250,000
Infinity Redevelopment, LLC	100,000
Little Tokyo Service Center Community Development Corporation	<u>400,000</u>
TOTAL	<u>\$800,000</u>

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5.8 RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133 (a), the following four existing grant-funded positions in the Mayor's Office of Economic Development, are APPROVED, for the period of July 1, 2002 through June 30, 2003:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

5.9 APPROVE the EDA Earthquake Assistance Grant and the State and Urban Economic Development Planning Grant allocations in an amount not to exceed \$288,039.60 for the direct costs for four MOED staff positions effective July 1, 2002 through June 30, 2003 with City funding the related indirect costs and fringe benefits;

5.10 APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$125,000 for the Community Redevelopment Agency (CRA) contractual staff position effective October 1, 2002 through September 30, 2003;

5.11 AUTHORIZE the Mayor, or designee, to prepare Controller instructions for any technical adjustments subject to the approval by the City Administrative Office (CAO) and AUTHORIZE the Controller to implement the instructions;

5.12 AUTHORIZE the Controller to:

- a. Establish a new appropriation account, S200, UCLA Tom Bradley Legacy Foundation, within Fund 649, Infrastructure Investment Fund;
- b. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$500,000, from Fund 649, Infrastructure Investment Fund, Account No. S200, UCLA Tom Bradley Legacy Foundation;
- c. Establish new appropriation accounts within Fund 303, Industrial/Commercial Revolving Loan as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
S200	California Fashion Association	\$25,000
S210	Canaan Housing Corporation	\$25,000
S220	Encino Velodrome Association	\$250,000
S230	Far East Building	\$400,000
S240	Infinity Redevelopment LLC	<u>\$100,000</u>
	TOTAL	<u>\$800,000</u>

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March 22, 2002
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- d. Transfer appropriations within Fund No. 303, Industrial/Commercial Revolving Loan as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	0050	Produce Rent	\$800,000
To:	S200	California Fashion Association	\$25,000
	S210	Canaan Housing Corporation	\$25,000
	S220	Encino Velodrome Association	\$250,000
	S230	Far East Building	\$400,000
	S240	Infinity Redevelopment LLC	\$100,000

- e. Appropriate \$288,039.60 of EDA grant and local matching fund to Account No. T146, Salaries, as follows:

<u>Fund</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment Fund	\$144,847.60
43A	1999 EDA Planning Grant	\$ 90,000.00
42Y	Washington Blvd. Revitalization	\$ 53,192.00
	Total	<u>\$288,039.60</u>

- f. Transfer \$288,039.60 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. T146, Salaries-General, upon receipt of federal grant, from the following funds:

<u>Fund</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment Fund	\$144,847.60
43A	1999 EDA Planning Grant	\$ 90,000.00
42Y	Washington Blvd. Revitalization	\$ 53,192.00
	Total	<u>\$288,039.60</u>

- g. Appropriate and expend an amount not to exceed \$125,000 from Fund 649, Infrastructure Investment Fund, Account No. N002, upon proper demand of the Mayor, or designee and authorize the CRA to recognize receipt of the funds in the Agency's salaries/benefits account(s).

FILE NO.

SUBJECT

(4)

01-0224 Communication from the CRA relative to the Agency Investment Report.

Fiscal Impact Statement Submitted: None.

DISPOSITION _____

(5)

00-1410- Motion (Perry - Garcetti) relative to a float loan and related
S2 actions for the Cathedral Place Project, formerly Saint
CD 9 Vibiana's Cathedral.

DISPOSITION _____

(6)

98-0347 Communication from the Community Development Department (CDD) relative to update on Housing and Urban Development Section 108 Loan Program for Quarter ending September 30, 2001 and recommendation to access additional Section 108 funds.

Fiscal Impact Statement Submitted: None.

DISPOSITION _____

(7)

01-1057 Communication from the Mayor relative to the Mayor's Office Strategic Planning and Project Development Division Status Report and recommendations on: 1) U.S. Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant Awards; 2) Two EDA Revolving Loan Fund Projects Operated by the Los Angeles LDC,, Inc.; 3) Five Mayor's Office Urban Development Action Grant Former Fund Projects; and 4) Request for reauthorization of four grant funded staff positions for fiscal year 2002-03 and a contractual CRA staff position until September 30, 2003.

Fiscal Impact Statement Submitted: None.

DISPOSITION Cost _____

COMMENTS FROM PUBLIC ON ITEMS OF PUBLIC INTEREST
WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

ed0401.agd

ECONOMIC DEVELOPMENT AND EMPLOYMENT COMMITTEE

MONDAY, APRIL 1, 2002

ROOM 1060, CITY HALL - 2 PM
200 NORTH SPRING STREET, LOS ANGELES, CA 90012

MEMBERS: COUNCILMEMBER ERIC GARCETTI, CHAIR
COUNCILMEMBER NICK PACHECO
COUNCILMEMBER JAN PERRY

(Alan Alietti - Legislative Assistant - 213-978-1071)

Note: Assistive listening devices are available at the meeting; upon 24 hour advance notice, other accommodations, such as sign language interpretation, and translation services will be provided. Contact the Legislative Assistant listed above for the needed services. TDD available at (213) 978-1055.

FILE NO.

SUBJECT

(1)
01-0739- S3 Communication from the City Administrative Officer (CAO) relative to a contract amendment with the Los Angeles Unified School District to increase the funding allocation of the Vacation Jobs Program.

Fiscal Impact Statement Submitted: Yes, by the CAO.

DISPOSITION

(2)
02-0342 Communication from the Community Redevelopment Agency (CRA) relative to awarding contracts to Cerrell Associates, Inc. and Lee Andrews Group for public affairs and communications services for a three year period.

Fiscal Impact Statement Submitted: Yes, by the CRA.

DISPOSITION

(3)
02-0534 CD 3 Communication from the CRA relative to the award of a contract for streetscape improvements in the Council District 3 Disaster Assistance Project Area.

Fiscal Impact Statement Submitted: Yes, by the CRA.

DISPOSITION

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

01-1057

March 29, 2002

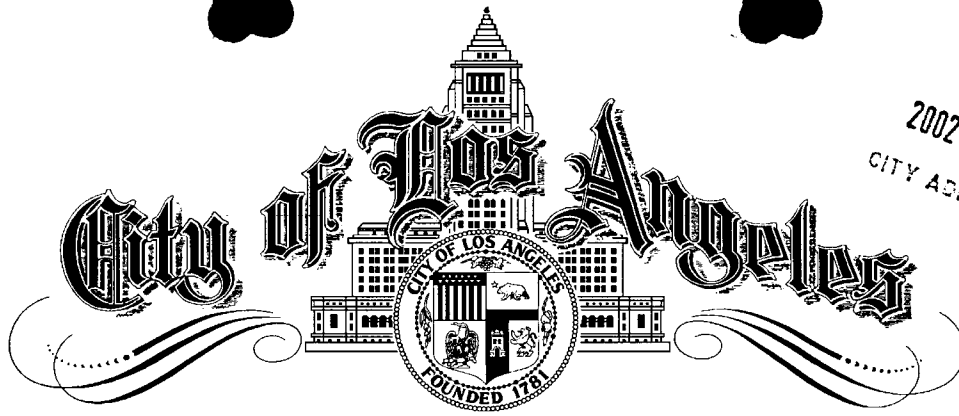
ECONOMIC DEVELOPMENT & EMPLOYMENT COMMITTEE
BUDGET & FINANCE COMMITTEE
PERSONNEL COMMITTEE

In accordance with Council Rules, communication from the Mayor relative to the Mayor's Office Strategic Planning and Project Development Division status report and recommendations on: (1) The United States Department of Commerce Economic Development Administration Earthquake Assistance Grant Award of 1995 and other subsequent Economic Development Administration Grant Awards; (2) the two Economic Development Administration Revolving Loan Fund projects operated by the Los Angeles LDC, Inc.; (3) five Mayor's Office Urban Development Action Grant former Urban Development Action Grant Fund projects; and (4) a request for reauthorization of four grant-funded staff positions for the Fiscal-Year 2002-03 and a contractual CRA staff position until September 30, 2003, was referred on March 29, 2002, to the ECONOMIC DEVELOPMENT & EMPLOYMENT COMMITTEE, BUDGET & FINANCE COMMITTEE and PERSONNEL COMMITTEE.

J. Michael Carey

City Clerk
amm





2002 MAR 25 PM 3:49
CITY ADMINISTRATIVE OFFICER

CITY HALL
LOS ANGELES, CALIFORNIA 90012

JAMES K. HAHN
MAYOR

March 22, 2002

Honorable City Councilmembers
City of Los Angeles
C/O City Clerk
City Hall, Room 360
200 No. Spring Street
Los Angeles, CA 90012

RECEIVED
CITY CLERK'S OFFICE
2002 MAR 28 AM 11:22
CITY CLERK
BY _____
DEPUTY

RE: APPROVAL OF MAYOR'S OFFICE STRATEGIC PLANNING & PROJECT DEVELOPMENT DIVISION STATUS REPORT AND RECOMMENDATIONS ON: 1) THE U.S. DEPT. OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995 AND OTHER SUBSEQUENT EDA GRANT AWARDS; 2) THE TWO EDA REVOLVING LOAN FUND PROJECTS OPERATED BY THE LOS ANGELES LDC, INC. (LALDC); 3) FIVE MAYOR'S OFFICE URBAN DEVELOPMENT ACTION GRANT FORMER (UDAG) FUND PROJECTS; AND 4) A REQUEST FOR REAUTHORIZATION OF FOUR GRANT-FUNDED STAFF POSITIONS FOR THE FISCAL YEAR 2002-2003 AND A CONTRACTUAL CRA STAFF POSITION UNTIL SEPTEMBER 30, 2003.

The Mayor's Office Strategic Planning & Project Development (SPPD) Division is responsible to provide project management for Mayor's Office economic development projects; obtain and manage Federal, State and local grant, loan and technical assistance resources; and develop and administer the City's Comprehensive Economic Development Strategy (CEDs). SPPD has secured over \$43,000,000 in grants and \$74,000,000 in loans that leveraged over \$700,000,000 of private investment for inner city projects. Additionally, the Division actively participates in the City's Brownfields Revitalization program which has achieved national recognition, as well as coordinated employment training programs on the City's economic development projects. SPPD continues to search for additional funding sources not yet utilized by the City.

SPPD hereby submits a status report on: 1) the U.S. Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and other subsequent EDA grant

ECONOMIC DEVELOPMENT

& EMPLOYMENT

BUDGET AND FINANCE

MAR 29 2002



awards; 2) two EDA Revolving Loan Fund (RLF) projects operated by the Los Angeles LDC, Inc. (LALDC); 3) five Mayor's Office Urban Development Action Grant former (UDAG) fund projects; and 4) a request for reauthorization of four grant-funded staff positions for the Fiscal Years 2002-2003 and a contractual CRA staff position until September 30, 2003.

1.0 Status Report on EDA Grant Award Projects

Earthquake Assistance Grant Award of 1995

Established following the January 17, 1994 Northridge earthquake, the EDA provided a \$30,000,000 infrastructure development grant to assist in the recovery of the City's economy from the impact of the Northridge earthquake.

City Council adopted MOED's previous status report dated June 27, 2001 (CF No. 01-1057). As of this date, MOED staff has successfully encumbered the entire \$30,000,000 EDA Earthquake Assistance Grant Award of 1995 to include fifteen (15) construction projects and three (3) technical assistance projects. Nine (9) projects have been completed; with the remaining projects underway as detailed below.

<u>EDA Earthquake Grant Award:</u>	<u>Status:</u>
• Angeles Grand Plaza \$609,050 (CD-14)	Project completed.
• Arminta Street Extension (Former General Motors Site) \$4,000,000 (CD-7)	Project completed.
• Canoga Park Commercial Revitalization & Madrid Theatre \$264,684 (CD-3)	Project completed.
• CSUN BioTechnology Park \$1,388,568 (CD-12)	Project completed.
• Goodyear Tract Industrial Park – Ph. I \$335,191 (CD-9)	Project completed.
• Goodyear Tract Industrial Park – Ph. II \$2,904,109 (CD-9)	Perimeter security improvement plans and bids process completed. BID is being established. Construction expected to commence in 2 nd Quarter 2002.
• Harbor Gateway Center \$2,163,712 (CD-15)	Final project contract execution underway. Construction expected to commence in 3 rd Quarter 2002.

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- Imani Fe Courtyard Project
(a.k.a. Watts Retail Center)
\$1,000,000 (CD-15)
Preapplication approved on 11/20/01.
Full application submitted to EDA on 03/01/02.
Awaiting EDA approval.
- La Cienega/Jefferson Project
(a.k.a. Samitaur Site)
\$1,300,000 (CD-10)
Preapplication approved on 11/20/01.
Full application being prepared.
- New Economics for Women (NEW)
Business Incubator Center
\$2,275,000 (CD-1)
Project construction underway.
Additional \$400,000 work scope & budget
modification is being prepared by NEW.
Project completion expected in 4th Quarter 2002.
- NoHo Commons
\$3,570,000 (CD-2, 4)
Project Application approved.
Cooperative agreement underway.
Infrastructure design underway.
- Taylor Yard Corridor
Los Angeles Media Tech Center
\$1,530,000 (CD-1)
Full application approved 12/19/01.
Development contract being prepared.
- Taylor Yard Corridor
Van de Kamp/LACC Site
\$1,500,000 (CD-1)
Preapplication approved on 11/20/01.
Full application submitted to EDA on 03/01/02.
Awaiting EDA approval.
- UCLA
Tom Bradley Legacy Foundation
\$500,000 (Citywide)
Preapplication approved on 01/23//02.
Full application being prepared.
- Union Arts Theatre &
Little Tokyo Marketing Plan
\$383,640 (CD-9)
Project completed.
- VEDC Business Assistance Center
\$895,225 (CD-2,3,5,7,12)
Project completed.
- Whiteman Airport Industrial Park
\$1,782,000 (CD-7)
Project completed.
- Wilshire Boulevard Streetscape
\$1,400,000 (CD-10)
Project completed.

Other EDA Grant Awards of FY 1998-2002

Along with the support and assistance of Council Offices and the CLA's Office, the Strategic Planning and Project Development (SPPD) staff accomplished a major milestone, the compilation of the first Citywide Comprehensive Economic Development Strategy (CEDS). This Citywide CEDS working document is to be updated on an annual basis and is comprised of the following six sub-CEDS regions: 1) Downtown; 2) East Los Angeles; 3) Hollywood; 4) San Fernando Valley; 5) South Los Angeles; and 6) West Los Angeles. Funding for plan development was previously allocated to the following four sub-CEDS regions: Downtown, East Los Angeles, San Fernando Valley and South Los Angeles. The Mayor's Office administered and completed the following three sub-CEDS regions in March 2001: Downtown, San Fernando Valley and South Los Angeles. The East Los Angeles sub-CEDS is being administered by the CLA's Office. Funding for the Hollywood sub-CEDS was recently approved by Council (CF #01-2474) and is now underway by the Mayor's Office and Council District Offices 4 & 14, with completion expected in the second quarter of 2002.

The CEDS documents, with the City Council sanctioned Downtown, San Fernando Valley and South Los Angeles sub-CEDS plans, was submitted to EDA for review on April 5, 2001. EDA staff approved the CEDS document on April 19, 2001. EDA approval now allows the City Council and Mayor to submit projects within the Downtown, San Fernando Valley and South Los Angeles sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking against other regional projects.

Work on the West Los Angeles sub-CEDS will commence when future funding is approved. Projects within this sub-CEDS region must continue to go to external EDA-certified approving agencies for ranking until sub-CEDS plans are approved by EDA.

EDA Grant Award of FY1998:

Status:

- Santa Barbara Plaza
\$800,000 (CD-8)

Full application was approved on September 10, 1998. Construction was required to begin by October 31, 2000. EDA terminated the grant on February 5, 2002 because the City did not commence construction within the 3-year construction deadline.

EDA Grant Awards of FY1999:

Status:

- Washington Boulevard Streetscape
\$1,000,000 (CD-10)

Public improvements underway. Project time extension approved by EDA. Construction will be completed by 4th Quarter 2002.

- Comprehensive Economic Development Strategy Program (CEDS)
\$200,000 (Citywide)

Grant's goals & objectives are met.
3rd semi-annual report submitted to EDA.
Downtown sub-CEDS: Phases I & II completed; CEDS submitted to EDA for approval on April 5, 2001. EDA staff approved CEDS on April 19, 2001.
East Los Angeles sub-CEDS: CLA Office is coordinating.
Hollywood sub-CEDS: Phases I & II now underway.
San Fernando Valley sub-CEDS: Phases I & II completed; CEDS submitted to EDA for approval on April 5, 2001. EDA staff approved CEDS on April 19, 2001.
South Los Angeles sub-CEDS: Phases I & II completed; CEDS submitted to EDA for approval on April 5, 2001. EDA staff approved CEDS on April 19, 2001.

EDA Grant Awards of FY2000:

- Cornfields Site
\$1,400,000 (CD-1)
- Wilmington Industrial Park Study
\$225,000 (CD-15)

Status:

Full application approved.
EDA terminated the grant on February 14, 2002 because the site's project scope was changed from an industrial development to a recreation park. MOED is attempting recovery of City's administrative and engineering costs of \$11,336.

Full application approved.
The consultant agreement was executed on January 23, 2002. A project time extension request until October 31, 2002 was approved by EDA on February 8, 2002.

EDA Grant Awards of FY2002:

- Comprehensive Economic Development Strategy Program (CEDS) Extension
\$161,000 (Citywide)

Status:

EDA preapplication approved.
Full application submitted to EDA on August 4, 2001.
Figueroa Media Group (FMG) was selected on a competitive basis. FMG prepared the most comprehensive sub-CEDS document of the Downtown, San Fernando Valley and South Los Angeles sub-CEDS planning areas. A sole source contract is sought for continuity purposes and to ensure the highest quality product for the Citywide CEDS.

Reprogrammed CDBG - EDA Matching Funds Line Item

The City Council transferred \$500,000 of Block Grant Investment Fund (BGIF) to the 2002-2003 Economic Development Administration (EDA) Matching Fund line item on February 5, 2002 (CF #01-

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2765). The Mayor's Office of Economic Development (MOED) requests approval of the following allocations of the EDA Matching funds:

<u>Department</u>	<u>Project</u>	<u>Uses</u>	<u>Amount</u>
MOED	Washington Blvd. Public Improvements	Administration (Staff)	28,192
MOED	CEDS Extension	Contractual, administration, outreach, etc.	161,000
Public Works, BOE*	Various EDA Capital Improvement Projects	Design & management (Staff)	<u>250,000</u>
			<u>\$439,192</u>

* EDA projects funded with non-Earthquake funds do not allow indirect costs. The City Council must authorize the Bureau of Engineering (BOE) to waive indirect costs when billing EDA.

2.0 EDA Revolving Loan Fund (RLF) Projects operated by the Los Angeles LDC, Inc. (LALDC)

LALDC is operating two (2) EDA RLF projects (EDA Award Nos. 07-19-03106 and 07-39-02236.04) for the City of Los Angeles and LALDC requests that both grant awards be transferred from the City to LALDC. This transfer is necessary to allow LALDC to seek Community Development Financial Institution (CDFI) certification by the U.S. Department of Treasury so that additional capital may be accessed for economic development projects within the City of Los Angeles.

The City Attorney and EDA has determined that the City is responsible for actions taken during its tenure as grantee, but will not be responsible for the actions of LALDC after the grant transfer is completed. The City could exercise one of the following three options if LALDC is subsequently unable to properly operate these projects or ceases to exist: (1) Assume responsibility for the EDA RLF grant award(s); or, (2) Find a substitute grantee acceptable to EDA; or, (3) Assume responsibility for the EDA RLF grant award(s) and terminate the RLFs for convenience in accordance with the provisions for termination in the terms and conditions of the grant award(s).

3.0 Five Mayor's Office Former Urban Development Action Grant (UDAG) Funded Projects

The Mayor's Office has identified \$800,000 of former UDAG funds that can be used for the following economic development related projects:

<u>Projects</u>	<u>Proposed Mayor's Office Former UDAG Funds</u>
3.1 California Fashion Association (CD-9, 14)	\$ 25,000
3.2 Canaan Village Project (CD-9)	25,000

Revised Page 7

3.3 Encino Velodrome Renovation (CD-3)	250,000
3.4 Far East Building Project (CD-9)	400,000
3.5 Infinity Redevelopment: One-Stop Career Center (CD-10)	<u>100,000</u>
TOTAL:	<u>\$ 800,000</u>

- 3.1 The California Fashion Association will use the funds to promote Los Angeles fashion industry to nationwide and international market.
- 3.2 The Canaan Housing Corporation, a California nonprofit organization, requires public assistance to support its long-range operational and development strategic plan for the economic revitalization within south Los Angeles.
- 3.3 The Encino Velodrome Association, a California nonprofit organization, requires public assistance to support major renovations of the Encino Velodrome. Due to its current condition, the Encino Velodrome cannot host world class cycling events that have brought national recognition as well as an economic boost to the Los Angeles area. Programs sponsored at the Encino Velodrome include: Amateur Athletic Foundation activities, Los Angeles Sheriff Department Vital Intervention and Directional Alternatives for at-risk youth, Bike LA Safety Training, training and racing programs for members of the United States Paralympics Track Team (tandem cycling utilizing sighted captains and a blind bike rider), and a training venue for world class cyclists.
- 3.4 The Little Tokyo Service Center Community Development Corporation, a California nonprofit organization, requires public assistance to support the full-scale rehabilitation of the Far East Building which was damaged by the 1994 Northridge Earthquake and has remained vacant since. The renovated building will provide 16 units of affordable housing and will include the Far East Café and the DISKovery Computer Learning Center.
- 3.5 Infinity Redevelopment, LLC requires public assistance to make the facility located at 2900 Crenshaw Boulevard more accessible by the physically challenged. Installation of an elevator and other design modifications will meet this objective. The tenant of the building will be a One-Stop Career Center operated by the Urban League.

4.0 Reauthorization of MOED Grant-Funded Staff Positions, including Contractual CRA Staff

- 4.1 The City Council previously approved the following four MOED staff positions (one currently vacant) for the period from July 1, 2001 through June 30, 2002 with EDA reimburses the City for salaries and the City funds indirect costs and fringe benefits:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Funding</u>
1	0148	Mayoral Aide VIII	EDA Earthquake Assistance Grant of 1995/ EDA State & Urban Economic Development Planning Grant
2	0147	Mayoral Aide VII	"
1	0145	Mayoral Aide VI	"

Five (5) of the thirteen (13) ongoing projects funded under EDA grant are scheduled to begin construction after June 30, 2002; five projects funded under Mayor's Office former UDAG funds have yet to begin. Therefore, it is imperative to maintain the four existing staff positions (one currently vacant) to administer ongoing projects and successfully complete the aforementioned EDA grants and Mayor's Office former UDAG that will continue beyond June 30, 2002. The four existing grant-funded MOED staff positions needing approval for the period July 1, 2002 through June 30, 2003 with the City funds indirect costs and fringe benefits are:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Funding</u>
1	0148	Mayoral Aide VIII	EDA Earthquake Assistance Grant of 1995/ EDA State & Urban Economic Development Planning Grant
2	0147	Mayoral Aide VII	"
1	0146	Mayoral Aide VI	"

- 4.2 MOED requests a CRA contractual staff extension until September 30, 2003 to provide expertise in the areas of construction management, grant administration, Federal audit compliance requirements, procurement, and accounting/invoicing processing required to address the increasing number of projects.

5.0 Recommendations

- 5.1 AUTHORIZE the Mayor or his designee to negotiate, execute and administer the EDA grant agreement between the Mayor's Office of Economic Development and UCLA Tom Bradley Legacy Foundation as necessary to manage and execute the scope of work with the attached application, subject to the approval of the City Attorney as to form and legality;
- 5.2 AUTHORIZE the Mayor or his designee to negotiate, execute, and administer a sole source contract not to exceed \$94,000 with Figueroa Media Group (FMG) as the consultant for the Citywide CEDS for continuity purposes and to ensure the highest quality product for the Citywide CEDS, subject to the review and approval of the City Attorney as to form and legality;

- 5.3 AUTHORIZE the Mayor's Office of Economic Development to allocate the reprogrammed CDBG – EDA Matching Funds as recommended in Section 1.0;
- 5.4 APPROVE that Public Works, Bureau of Engineering bill for only direct costs (e.g., salaries) on EDA projects and that the City fund indirect costs and fringe benefits for EDA capital improvement projects;
- 5.5 AUTHORIZE the Mayor or his designee, subject to the approval of the City Attorney as to form and legality, to negotiate and execute transfer of the two (2) EDA revolving loan fund (RLF) grant awards(s) (EDA Award Nos. 07-19-03106 and 07-39-02236.04) from the City to LALDC with the following three options if LALDC is subsequently unable to properly operate these grant award(s) or ceases to exist:
- (1) Assume responsibility for the EDA RLF grant award(s); or,
 - (2) Find a substitute grantee acceptable to EDA; or,
 - (3) Assume responsibility for the EDA RLF grant award(s) and terminate the RLFs for convenience in accordance with the provisions for termination in the terms and conditions of the grant award(s).
- 5.6 AUTHORIZE the Mayor's Office of Economic Development to allocate the former UDAG funds as recommended in Section 3.0;
- 5.7 AUTHORIZE the Mayor's Office of Economic Development, subject to the approval of the City Attorney as to form and legality, to negotiate and execute contracts with the organizations for the aforementioned eligible activities using former UDAG fund amounts not to exceed as identified below:

<u>Organizations</u>	<u>Former UDAG Funds</u>
California Fashion Association	\$25,000
Canaan Housing Corporation	25,000
Encino Velodrome Association	250,000
Infinity Redevelopment, LLC	100,000
Little Tokyo Service Center Community Development Corporation	<u>400,000</u>
TOTAL	<u>\$800,000</u>

- 5.8 RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133 (a), the following four existing grant-funded positions in the Mayor's Office of Economic Development, are APPROVED, for the period of July 1, 2002 through June 30, 2003:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

5.9 APPROVE the EDA Earthquake Assistance Grant and the State and Urban Economic Development Planning Grant allocations in an amount not to exceed \$282,924 for the direct costs for four MOED staff positions effective July 1, 2002 through June 30, 2003 with City funding the related indirect costs and fringe benefits;

5.10 APPROVE the EDA Earthquake Assistance Grant allocations in an amount not to exceed \$125,000 for the Community Redevelopment Agency (CRA) contractual staff position effective October 1, 2002 through September 30, 2003;

5.11 AUTHORIZE the Mayor, or designee, to prepare Controller instructions for any technical adjustments subject to the approval by the City Administrative Office (CAO) and AUTHORIZE the Controller to implement the instructions;

5.12 AUTHORIZE the Controller to:

- a. Establish a new appropriation account, S200, UCLA Tom Bradley Legacy Foundation, within Fund 649, Infrastructure Investment Fund;
- b. Appropriate and expend funds, upon proper written demand of the Mayor, or his designee, in an amount not to exceed \$500,000, from Fund 649, Infrastructure Investment Fund, Account No. S200, UCLA Tom Bradley Legacy Foundation;
- c. Establish new appropriation accounts within Fund 303, Industrial/Commercial Revolving Loan as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
S200	California Fashion Association	\$25,000
S210	Canaan Housing Corporation	\$25,000
S220	Encino Velodrome Association	\$250,000
S230	Far East Building	\$400,000
S240	Infinity Redevelopment LLC	\$100,000
TOTAL		<u>\$800,000</u>

- d. Transfer appropriations within Fund No. 303, Industrial/Commercial Revolving Loan as follows:

	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	0050	Produce Rent	\$800,000
To:	S200	California Fashion Association	\$25,000
	S210	Canaan Housing Corporation	\$25,000
	S220	Encino Velodrome Association	\$250,000
	S230	Far East Building	\$400,000
	S240	Infinity Redevelopment LLC	\$100,000

- e. Appropriate \$288,039.60 of EDA grant and local matching fund to Account No. T146, Salaries, as follows:

<u>Fund</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment Fund	\$144,847.60
43A	1999 EDA Planning Grant	\$ 90,000.00
42Y	Washington Blvd. Revitalization	<u>\$ 53,192.00</u>
Total		<u>\$288,039.60</u>

- f. Transfer \$282,924 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-General Reimbursed, from Account No. T146, Salaries-General, upon receipt of federal grant, from the following funds:

<u>Fund</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment Fund	\$144,847.60
43A	1999 EDA Planning Grant	\$ 90,000.00
42Y	Washington Blvd. Revitalization	<u>\$ 53,192.00</u>
Total		<u>\$288,039.60</u>


- g. Appropriate and expend an amount not to exceed \$125,000 from Fund 649, Infrastructure Investment Fund, Account No. N002, upon proper demand of the Mayor, or designee and authorize the CRA to recognize receipt of the funds in the Agency's salaries/benefits account(s).

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5.13 INSTRUCT the General Manager of CDD, or designee, to prepare Controller Instructions, enabling language and to make any necessary technical adjustment and corrections that are consistent with this action subject to the approval of the CAO and AUTHORIZE the Controller to implement the instructions.

Thank you for your review and approval of this matter. Should any City Council office need additional information or wish to submit an economic development project for EDA grant funding, please contact Mr. John De Witt, Director, of my Strategic Planning & Project Development Division at 978-0670.

Very truly yours,



JAMES K. HAHN
Mayor

JKH:jdw

Attachment

J. MICHAEL CAREY
City Clerk

CITY OF LOS ANGELES
CALIFORNIA



Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

When making inquiries
relative to this matter
refer to File No.

RICHARD J. RIORDAN
MAYOR

01-1057

PLACE IN FILES

JUL 12 2001

DEPUTY

July 3, 2001

Honorable James Hahn, Mayor
cc: Office of Economic Development
Chief Legislative Analyst
Office of Administrative and
Research Services
City Attorney
Community Redevelopment Agency

Controller, Room 1200
Accounting Division, F&A
Disbursement Division
Personnel Department
Community Development Department
Attn: Lillian Kawasaki,
General Manager

RE: ANNUAL STATUS REPORT ON THE CITY'S STRATEGIC PLANNING AND INFRASTRUCTURE
INVESTMENT AND RESOLUTION AUTHORITY FOR FOUR STAFF POSITIONS AND ONE
CONTRACTUAL COMMUNITY REDEVELOPMENT AGENCY

At the meeting of the Council held June 27, 2001, the following
action was taken:

Attached report adopted	_____ X _____
Attached motion (-) adopted.....	_____
Attached resolution (-) adopted.....	_____
Mayor concurred.....	_____ 06/29/01 _____
FORTHWITH.....	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Effective date.....	_____
Publication date.....	_____

J. Michael Carey
City Clerk
vdw

steno\011057

FF memo 7/10/01



Mayor's Time Stamp

RECEIVED

01 JUN 29 2:30

FORTHWITH

RECEIVED
CITY CLERK'S TIME STAMP

2001 JUN 29 PM 2:41

CITY CLERK

BY _____ DEPUTY

SUBJECT TO MAYOR'S APPROVAL

COUNCIL FILE NO. 01-1057

COUNCIL DISTRICT NO. _____


COUNCIL APPROVAL DATE June 27, 2001

RE: ANNUAL STATUS REPORT ON THE CITY'S STRATEGIC PLANNING AND
INFRASTRUCTURE INVESTMENT AND RESOLUTION AUTHORITY FOR FOUR STAFF
POSITIONS AND ONE CONTRACTUAL COMMUNITY REDEVELOPMENT AGENCY

LAST DAY FOR MAYOR TO ACT JUNE 09 2001
(10 Day Charter requirement as per Charter Section 341 and LAAC 14.7)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR OFFICE USE ONLY

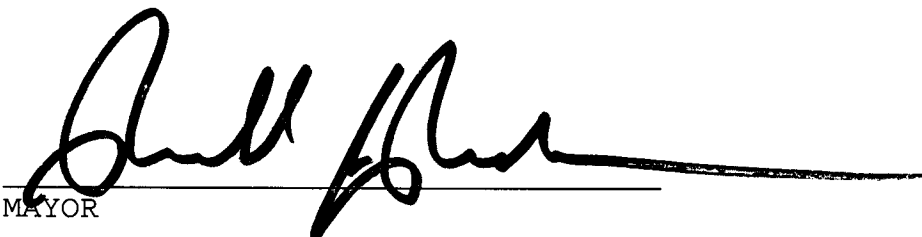
APPROVED



*DISAPPROVED

*Transmit objections in writing pursuant to Charter Section 341 and LAAC 14.7

DATE OF MAYOR APPROVAL OR DISAPPROVAL JUN 29 2001



MAYOR

JUN 29 2001
2:41

BY _____ DEPUTY

CITY CLERK

2001 JUN 29 PM 4:28

RECEIVED
CITY CLERK'S OFFICE

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the Annual Status Report on the City's Strategic Planning and Infrastructure Investment and resolution authority for four staff positions and one contractual Community Redevelopment Agency (CRA).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. REQUEST the Mayor, or designee, to provide a progress report to the Council and the Mayor within 90 days on the status of the projects, with the approved U.S. Department of Commerce Economic Development Administration (EDA) funding, which are impacted by the EDA's March 16, 2001-deadline.
2. REQUEST the Mayor's Office of Economic Development (MOED) to provide an annual status report to the Council and the Mayor on the Citywide Comprehensive Economic Development Strategy program.
3. APPROVE the EDA Earthquake Assistance Grant and the State and Urban Economic Development Planning Grant allocations in an amount not to exceed \$125,000 for the Community Redevelopment Agency (CRA) contractual staff position effective October 1, 2001 through September 30, 2002 and in the amount not to exceed \$297,000 for the direct costs for four MOED staff positions effective July 1, 2001 through June 30, 2002 with the City funding the related indirect costs and fringe benefits of \$238,000. (Positions approved by Council on June 19, 2001 - Council file 01-1057.)
4. AUTHORIZE the Controller to expend the funds to the CRA Administrator, or designee, upon the demand of the MOED, or designee, and AUTHORIZE the CRA to recognize receipt of the funds in the CRA salary and benefit account(s) and other actions as follows:
 - a. Appropriate, upon receipt of the federal, State and local grants funds in the amount of \$297,000 to Account No. S146, Salaries-General, within the following funds, as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
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649	Infrastructure Investment	\$233,734
43A	1999 EDA Planning Grant	<u>63,266</u>
	Total	\$297,000

- b. Transfer \$297,000 to Fund No. 100/46, Mayor, Account No. 1020, Salaries-Grant Reimbursed, from Account No. S146, Salaries-General, to the funds as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
649	Infrastructure Investment	\$233,734
43A	1999 EDA Planning Grant	<u>63,266</u>
	Total	\$297,000

- c. Transfer and appropriate an amount not to exceed \$125,000 from Fund No. 649, the Infrastructure Investment, Account No. N002, CRA Administrative Staff, to Fund No. 100/46, Mayor, Account No. 1020, Salaries-Grant Reimbursed, on an as-needed basis, upon proper demand of the Mayor, or designee.

5. AUTHORIZE the Mayor, or designee, to prepare Controller instructions for any technical adjustments subject to the approval by the Office of Administrative and Research Services (OARS) and AUTHORIZE the Controller to implement the instructions.

Fiscal Impact Statement: The OARS reports that the total cost of funding is \$660,000 for four grant-funded staff positions for the Mayor's Office of Economic Development (MOED) and one contractual staff position for Community Redevelopment Agency (CRA). The Economic Development Administration Earthquake Assistance Grant and the State and Urban Economic Development Planning Grant will fund the direct costs of \$297,000 for the four MOED staff positions and \$125,000 for the CRA staff position. The General Fund will provide indirect costs of \$238,000, although the actual cost to the City may be less than that amount.

SUBJECT FILE TO BE TRANSMITTED TO THE MAYOR FORTHWITH

Summary:

On June 19, 2001, the Community and Economic Development (CED) Committee considered the Mayor transmittal dated May 21, 2001 and OARS transmittal dated June 19, 2001. The CED Committee approved the OARS's recommendations.

In its transmittal dated June 19, 2001, the OARS reported that the MOED requests approval of its annual status report, which provides an update for the following grant items:

- EDA, Earthquake Assistance Grant Award of 1995 (Council file Nos. 98-1265 and 97-0614-S2) and other subsequent EDA Grant awards for Fiscal Years 1998-2001;
- Proposed submittal of EDA Grant applications for FY 2001-02 (Council file No. 00-1579);
- U.S. Housing and Urban Development Economic Development Initiative (EDI) Grant, Brownfields Economic Development Initiative (BEDI) Grant, and Section 108 Loan Guarantee funded projects;
- Mayor's Office Former Urban Development Action Grant (UDAG) funds;
- Congressional Federal Earmark Appropriations for FY 2001-02.

MOED also requests authority to continue the employment by resolution of four grant-funded staff positions in the Strategic Planning and Infrastructure Investment Unit (SPIIU) at a total two-year cost of \$639,000 effective July 1, 2001 through June 30, 2003 and one contractual CRA staff position effective October 1, 2001 through September 30, 2003 for the continued implementation of the above-mentioned grants and ongoing projects. Per the Administrative Code 4.133(a), however, approval for position authorities is only for one year at a time. For the CRA staff position, MOED requests an additional \$250,000 EDA Grant allocation including direct and indirect costs for the position that will be partially funded by anticipated project savings. On June 4, 2001, the CED Committee recommended approval of the position authorities (Council file 01-1057), but MOED still needs authority for the funding for these positions.

The Earthquake Assistance Grant Award of 1995 is a five-year, \$30 million EDA Grant which will provide funding for a total of 18 projects recovering from the impact of the Northridge earthquake. The status of the 18 projects is as follows:

- ▶ Five projects have been completed;
- ▶ Four projects are in the close out phase;
- ▶ Five projects will not have all the construction and supporting documentation completed by June 30, 2001; therefore, their construction start dates have been delayed; and,
- ▶ On March 15, 2001, MOED submitted pre-applications to EDA for approval for the remaining four projects.

For projects with approved Earthquake funding, EDA gave the City a March 16, 2001-deadline to begin invoicing more of our approved projects' costs and/or to submit a plan to EDA that included the reprogramming of Earthquake funds from slow-moving projects to other projects where the

funds will be expended within the next 12 months. If the City does not begin to invoice more of our approved project costs now and/or over the next 12 months, the EDA reports that the City may lose the funds. The MOED met all the March 16, 2001 project submission requirements as set forth by EDA.

The MOED submitted a plan to EDA which included reprogramming the grant dollars to projects for which the infrastructure design work could begin within four to five months and the infrastructure construction work could begin 12 months from the March 16, 2001-deadline. The OARS recommends that MOED provide a progress report to the Council and the Mayor within 90 days on the status of the projects with the approved Earthquake EDA funding that are impacted by the EDA March 16, 2001-deadline.

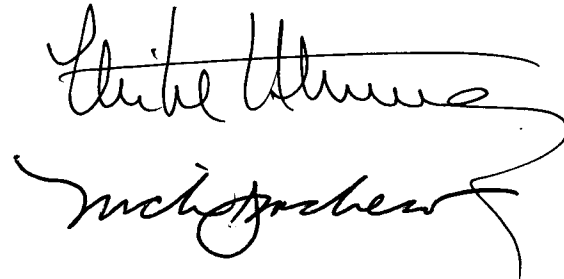
The MOED reports that it has complied with the first Citywide Comprehensive Economic Development Strategy (CEDS) program which consists of six sub-CEDS regions. The MOED also reports that the Citywide CEDS program was prepared in cooperation with the Council Offices. On April 19, 2001, the Citywide CEDS document was approved by EDA which allows the Council and the Mayor to submit projects directly to the EDA without approval by external EDA certified authorities. Four of the six sub-CEDS regions have received funding that was previously allocated for plan development and the status of their plans is as follow:

Region	Department Responsible	Status
Downtown	MOED	Completed
San Fernando Valley	MOED	Completed
South Los Angeles	MOED	Completed
East Los Angeles	CLA	To Be Completed by 4th quarter 2001

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE



REPT.

ADOPTED

JUN 27 2001

LOS ANGELES CITY COUNCIL

TO THE MAYOR FORTHWITH

MCP
6/21/01
#01r057a

Mayor With File

20

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
Report/Communication for Signature

Council File Number: 01-1057

Committee Meeting Date: 06-19-04

Council Date: 06-27-01

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Hernandez, Chair	✓		
Councilmember Holden	✓		
Councilmember Pacheco	✓		

Remarks Annual Report on the City's Strategic Planning and Infrastructure Investment

COUNCIL VOTE

27-Jun-01 12:25:00 PM, #15

ITEM NO. (26)

Voting on Item(s): 26

Roll Call

BERNSON	Yes
CHICK	Yes
FEUER	Yes
GARCETTI	Yes
HERNANDEZ	Yes
HOLDEN	Yes
MISCIKOWSKI	Yes
PACHECO	Absent
PADILLA	Yes
RIDLEY-THOMAS	Yes
SVORINICH	Yes
WACHS	Absent
WALTERS	Absent
*GALANTER	Yes
	Absent

Present: 11, Yes: 11 No: 0

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE
SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No. 01-1057

- Council Member(s) _____
- Interested Department Mayor's Office of Economic Dev.
- Mayor (with/~~without~~ file) _____
- Chief Legislative Analyst _____
- Office of Administrative and Research Services _____
- Controller _____
- City Clerk _____
 - City Clerk, Chief Administrative Services _____
- Treasurer _____
- City Attorney (~~with~~ / without file) _____
- General Services Department _____
- Department of Transportation _____
- Personnel Department _____
- Community Development Department, Lillian Y. Kawasaki, Interim General Manager _____
 - cc: Contact Person _____
- Community Redevelopment Agency _____
- Board of Public Works _____
- Workforce Investment Board _____
- Workforce Investment Board, Youth Council _____
- _____
- _____

REPORT FROM

OFFICE OF ADMINISTRATIVE and RESEARCH SERVICES

Date: June 19, 2001

OARS File No. 0220-00821-0110
Council File No. 01-0157
Council District: Various

To: The Mayor
The Council

From: William T Fujioka, Director



Reference: Transmittal from the Mayor's Office of Economic Development (MOED) dated May 21, 2001

Subject: Annual Status Report on the City's Strategic Planning and Infrastructure Investment and the Continued Resolution Authority for Four Staff Positions and One Contractual Community Redevelopment Agency (CRA) Staff Position.

SUMMARY

The MOED requests approval of its Annual Status report, which provides an update for the following grant items (see Attachment):

- ▶ U.S. Department of Commerce, Economic Development Administration (EDA), Earthquake Assistance Grant Award of 1995 (C.F. Nos. 98-1265 and 97-0614-S2) and other subsequent EDA Grant awards for fiscal years (FY) 1998-2001;
- ▶ Proposed submittal of EDA Grant applications for FY 2001-02 (C.F. No. 00-1579);
- ▶ U.S. Housing and Urban Development Economic Development Initiative (EDI) Grant, Brownfields Economic Development Initiative (BEDI) Grant, and Section 108 Loan Guarantee funded projects;
- ▶ Mayor's Office Former Urban Development Action Grant (UDAG) funds; and,
- ▶ Congressional Federal Earmark Appropriations for FY 2001-02.

MOED also requests authority to continue the employment by resolution of four grant-funded staff positions in the Strategic Planning and Infrastructure Investment Unit (SPIIU) at a total two-year cost of \$639,000 effective July 1, 2001 through June 30, 2003 and one contractual CRA staff position effective October 1, 2001 through September 30, 2003 for the continued implementation of the

(Summary continued)

BY DEPUTY

CITY CLERK

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above-mentioned grants and ongoing projects. Per the Administrative Code 4.133(a), however, approval for position authorities is only for one year at a time. For the CRA staff position, MOED requests an additional \$250,000 EDA Grant allocation including direct and indirect costs for the position that will be partially funded by anticipated project savings. On June 4, 2001, the Committee and Economic Development Committee recommended approval of the position authorities (the four staff positions and the one contractual CRA staff position), but MOED still needs authority for the funding for these positions. The SPIIU is responsible for the following:

- ▶ providing project management for the Mayor's Office economic development projects;
- ▶ obtaining and managing federal, State, and local grants, loan and technical assistance resources; and,
- ▶ administering the City's Comprehensive Economic Development Strategy (CEDS).

The Earthquake Assistance Grant Award of 1995 is a five-year, \$30 million EDA Grant that will provide funding for a total of 18 projects (16 construction and two technical assistance projects) recovering from the impact of the Northridge earthquake. The status of the 18 projects is as follows:

- ▶ Five projects have been completed;
- ▶ Four projects are in the close out phase;
- ▶ Five projects will not have all the construction and supporting documentation completed by June 30, 2001; therefore, their construction start dates have been delayed; and,
- ▶ On March 15, 2001, MOED submitted pre-applications to EDA for approval for the remaining four projects.

For projects with approved Earthquake funding, EDA gave the City a March 16, 2001-deadline to begin invoicing more of our approved projects' costs and/or to submit a plan to EDA that included the reprogramming of Earthquake funds from slow-moving projects to other projects where the funds will be expended within the next 12 months. If the City does not begin to invoice more of our approved projects' costs now and/or over the next 12 months, EDA states that the City may lose those dollars. MOED met all the March 16, 2001 project submission requirements as set forth by EDA. MOED submitted a plan to EDA that included reprogramming the grant dollars to projects that the infrastructure design work would begin four to five months and the infrastructure construction work would begin 12 months from the March 16, 2001-deadline. We recommend that MOED provide a progress report to the Council and the Mayor within 90 days on the status of the projects with the approved Earthquake EDA funding that are impacted by the EDA March 16, 2001-deadline.

The EDA Grant awards for FY 1998-2001 will provide funding for a total of five projects (four construction projects and the Citywide CEDS program). These projects are scheduled to begin

(Summary continued)

construction after June 30, 2001. The status of the five projects is as follows:

- ▶ Three construction projects have approved EDA applications;
- ▶ One construction project has already selected an architect/engineer consultant through a Request for Proposal process and the concept designs are underway; and,
- ▶ The Citywide CEDS program has met all the Grant goals and objectives.

MOED states that it has compiled the first Citywide CEDS program which consists of six sub-CEDS regions. MOED also states that the Citywide CEDS program was prepared in cooperation with the Council Offices. On April 19, 2001, the Citywide CEDS document was approved by EDA which allows the Council and the Mayor to submit projects directly to EDA without approval by external EDA certified authorities (official regional EDA bodies) for comparison and ranking with other regional projects. Four of the six sub-CEDS regions have received funding that was previously allocated for plan development and the status of their plans is as follow:

Region	Department Responsible	Status
Downtown	MOED	Completed
San Fernando Valley	MOED	Completed
South Los Angeles	MOED	Completed
East Los Angeles	Chief Legislative Analyst	To Be Completed by 4th quarter 2001

If EDA approves grant funding for the remaining two sub-CEDS regions (Hollywood and West Los Angeles), the work on their plans will commence. We recommend that MOED provide an Annual Status report to the Council and the Mayor on the Citywide CEDS program.

For the remaining grant-funded projects, MOED reports the following:

- ▶ EDA did not approve a total amount of \$9.3 million for FY 2000-01 funding for six project applications that were approved by the Council and the Mayor (MOED will resubmit the project applications to EDA for FY 2001-02 funding);
- ▶ The status of five economic development projects that were awarded in FY 1998-00 a total of \$7.34 million in EDI/BEDI Grant funds and \$53.9 million in Section 108 loan funds. MOED is currently preparing applications for \$2.05 million in EDI/BEDI Grant funds and \$9 million in Section 108 loan funds for two proposed projects that will be submitted to EDA for approval (response from EDA expected by November 2001);
- ▶ Listed approximately \$7.4 million in the Mayor's UDAG funds for 15 economic development projects; and,

(Summary continued)

- ▶ Submitted four economic development projects for Congressional Federal Earmark Appropriations in the amount of \$2 million for FY 2001-02.

MOED also requests authority to continue the employment by resolution of four grant-funded staff positions at a two-year cost of \$639,000 effective July 1, 2001 through June 30, 2003 for the continued implementation of the above-mentioned grants and ongoing projects and one contractual CRA staff position effective October 1, 2001 through September 30, 2003 to provide expertise in the areas of construction management, grant administration, federal audit compliance requirements, procurement, and accounting/invoicing processing. Of the \$639,000 in funding requested for the direct staff costs of four staff positions, \$297,000 is for the first year and \$342,000 is for the second year. EDA reimburses the City for direct staff costs and the indirect costs and fringe benefits be absorbed by the General Fund. For the CRA staff position, MOED requests an additional \$250,000 EDA Grant allocation including direct and indirect costs for the position that will be partially funded by anticipated project savings.

On August 2000, the Council and the Mayor approved five grant-funded position from July 1, 2000 through June 30, 2001 (C.F. No. 00-0367). MOED proposes to consolidate the five existing staff positions into three classifications in order to consolidate staff responsibilities and reduce personnel expenses. MOED also requests the continuation of four of these positions for two years. Per the Administrative Code 4.133(a), however, approval for position authorities is only for one year at a time. Therefore, we recommend approval of an amount not to exceed \$297,000 for four staff positions effective July 1, 2001 through June 30, 2002 and an amount not to exceed \$125,000 for one contractual CRA staff position effective October 1, 2001 through September 30, 2002.

RECOMMENDATIONS

That the Council and the Mayor:

1. Request that the Mayor's Office of Economic Development (MOED), or designee, to provide a progress report to the Council and the Mayor within 90 days on the status of the projects with the approved Earthquake Economic Development Administration (EDA) funding that are impacted by the EDA March 16, 2001-deadline;
2. Request that MOED, or designee, to provide an Annual Status report to the Council and the Mayor on the Citywide Comprehensive Economic Development Strategy program;
3. Approve the EDA Earthquake Assistance Grant and the State and Urban Economic Development Planning Grant allocations in an amount not to exceed \$125,000 for the Community Redevelopment Agency (CRA) contractual staff position effective October 1, 2001 through September 30, 2002 and in the amount not to exceed \$297,000 for the direct costs

(Recommendations continued)

for four MOED staff positions effective July 1, 2001 through June 30, 2002 with the City funding the related indirect costs and fringe benefits of \$238,000; and,

4. Instruct the Controller to expend the funds to the CRA Administrator, or designee, upon demand of MOED, or designee, and authorize the CRA to recognize receipt of the funds in the CRA salary and benefit account(s).

FISCAL IMPACT STATEMENT

The total cost of funding is \$660,000 for four grant-funded staff positions for the Mayor's Office of Economic Development (MOED) and one contractual staff position for Community Redevelopment Agency (CRA). The Economic Development Administration Earthquake Assistance Grant and the State and Urban Economic Development Planning Grant will fund the direct costs of \$297,000 for the four MOED staff positions and \$125,000 for the CRA staff position. The General Fund will provide indirect costs of \$238,000, although the actual cost to the City may be less than that amount.

WTF/LMJ:ocm

Attachment

Project Status Report Prepared by Mayor's Office Strategic Planning & Infrastructure Investment Unit - May 21, 2001

	Projects	Status	CD	EDA Funds	HUD Funds/Sec 108 Fed Earmark	Total
EDA Earthquake Assistance Grant of 1995						
			CD 14	\$609,050		\$609,050
1	Angelus Grand Plaza	Project completed	CD 7	\$4,000,000		\$4,000,000
2	Arminta Ave. Extension (General Motors)	Project completed.	CD2,3,5,7,12	\$950,000		\$950,000
3	Business Assistance Center/VEDC	Original work scope completed. SFV CEDS report is 100% complete & subject to EDA approval.	CD 3	\$264,684		\$264,684
4	Canoga Park Commercial Revitalization & Madrid Theater	Project construction completed. final report being prepared by CRA.		\$400,000		\$400,000
5	CRA Staff Assistance	Application approved. work underway		\$200,000		\$200,000
5	CRA Staff Assistance (FY 2001-03)	Proposed to EDA as budget modification	CD 12	\$1,470,000		\$1,470,000
7	CSUN BioTech Park	Public improvements completed. Obtaining closeout materials.	CD 9	\$550,000		\$550,000
8	Goodyear Tract (Incore) Phase I	Project study completed. final report submitted to EDA for approval.	CD9	\$2,689,300	\$12,100,000	\$14,789,300
9	Goodyear Tract (Incore) Phase II	Perimeter security improvement plans completed. BID is being established "B" Permit underway	CD15	\$2,163,712		\$2,163,712
10	Harbor Gateway Center	Final project coordination underway.	CD 1	\$1,875,000		\$1,875,000
11	New Economics for Women	Project construction underway. Project completion expected in June 2001.	CD1	\$400,000		\$400,000
12	New Economics for Women - additional	Proposed to EDA as budget modification to existing project.	CD2,4	\$1,570,000	\$15,800,000	\$17,370,000
13	North Hollywood Mixed-Use Project	Application approved. cooperative agreement underway. infrastructure design underway	CD1	\$1,530,000		\$1,530,000
14	Taylor Yard - Los Angeles Media Tech Center	Full application submitted to EDA	CD1	\$2,300,000		\$2,300,000
18	Taylor Yard - Genesis L.A. Retail Center	Pre-application submitted to EDA on 03/15/01.	CD1	\$1,500,000		\$1,500,000
19	Taylor Yard - Lennar Site/San Fernando Road	Pre-application submitted to EDA on 03/15/01	CD1	\$1,500,000		\$1,500,000
20	Taylor Yard - Van de Kamp/future LACC Site	Pre-application submitted to EDA on 03/15/01	CD 9	\$383,640		\$383,640
21	Union Arts Center/Little Tokyo Marketing Plan	Project completed		\$1,000,000		\$1,000,000
22	Watts Retail Center	Pre-application previously submitted to EDA on 09/07/00. Awaiting response from EDA	CD 7	\$1,782,000		\$1,782,000
23	Whiteman Airport Industrial Park	Project completed.	CD 10	\$1,400,000		\$1,400,000
24	Wilshire Streetscape Project	Project completed.		\$537,614		\$537,614
25	Administrative Costs	Application approved. work underway.		\$675,000		\$675,000
26	Administrative Costs	Application approved. work underway		\$250,000		\$250,000
27	Administrative Costs	Proposed to EDA as budget modification.				
	Total EDA earthquake assistance funds encumbered			\$30,000,000		
EDA Grant of FY 1998						
1	Santa Barbara Plaza	Application approved. CD-8 staff states that project is moving forward. EDA project construction must be completed by 09/05/01.	CD8	\$800,000	\$11,000,000	\$11,800,000
EDA Grants of FY 1999						
1	Washington Blvd. Public Improvements from La Brea Ave. to West Blvd	AvE consultant was selected through a RFP process. Concept design underway	CD10	\$1,000,000		\$1,000,000
1	Comprehensive Economic Development Strategic Program for East Los Angeles and Surrounding Areas	Grant's goals & objectives are met. 2nd semi-annual report submitted.	CD1,14	\$200,000		\$200,000
EDA Grants of FY 2000						
1	Cornfields Site	Application approved. Project on hold until 12/03/01 due to litigation. EDA project construction must be completed by 08/05/02. Requesting EDA to include Little Joe's site project as a part of this grant.	CD1	\$1,400,000	\$11,750,000	\$13,150,000
2	Wilmington Industrial Park Study	Application approved. Consultant scope of work & budget development is being finalized.	CD15	\$225,000		\$225,000
EDA Grant of FY 2002						
1	Comprehensive Economic Development Strategy (CEDS) Planning Grant Extension	Application submitted. Hollywood CEDS Phases I&II RFO to be issued and consultant selection awaiting funding approval from EDA.	Citywide	\$175,000		\$175,000
HUD Grant of FY 2000						
1	La Cienega / Jefferson Site (BED1)	Section 108 application was approved by Council on 03/27/01 and was submitted to HUD on 03/29/01.	CD10	\$175,000	\$11,090,000	\$11,265,000
	Total EDA funds encumbered			\$33,625,000	\$61,740,000	\$95,365,000

CITY OF LOS ANGELES

CALIFORNIA



RICHARD J. RIORDAN
MAYOR

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

01-1057

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705
Fax: (213) 847-0636
Fax: (213) 485-8944

HELEN GINSBURG
Chief, Council and Public Services Division

PLACE IN FILES

JUL 13 2001

DEPUTY *jk*

July 9, 2001

Honorable James Hahn, Mayor
Mayor's Office of Economic Development
Controller, Room 1200
Accounting Division, F&A
Disbursement Division

Chief Legislative Analyst
City Administrative Officer
City Attorney
Personnel Department

RE: AUTHORIZING UNITED STATES DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT
ADMINISTRATION (EDA) GRANT-FUNDED SUPPORT STAFF POSITIONS FOR FISCAL
YEAR (FY) 2001-02

At the meeting of the Council held June 19, 2001, the following
action was taken:

Attached report adopted	<u> X </u>
Attached motion (-) adopted.....	<u> </u>
Attached resolution (-) adopted.....	<u> </u>
Mayor concurred.....	<u> 6-28-01 </u>
FORTHWITH.....	<u> </u>
Ordinance adopted.....	<u> </u>
Ordinance number.....	<u> </u>
Effective date.....	<u> </u>
Publication date.....	<u> </u>
Mayor approved.....	<u> </u>
Mayor vetoed.....	<u> </u>
Motion adopted to approve attached report.....	<u> </u>

J. Michael Carey

City Clerk
aff
steno\011057

FF
MCC 7/13/01



Mayor's Time Stamp

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'01 JUN 26 P 4:43

DEPUTY MAYOR

RECEIVED
CITY CLERK'S OFFICE
City Clerk's Time Stamp

2001 JUN 26 PM 4:16

CITY CLERK

BY _____ DEPUTY

SUBJECT TO MAYOR'S APPROVAL

COUNCIL FILE NO. 01-1057

COUNCIL DISTRICT NO. _____

COUNCIL APPROVAL DATE JUNE 19, 2001

RE: AUTHORIZING UNITED STATES DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT
ADMINISTRATION (EDA) GRANT-FUNDED SUPPORT STAFF POSITIONS FOR FISCAL
YEAR (FY) 2001-02.

JUL 09 2001

LAST DAY FOR MAYOR TO ACT _____
(10 Day Charter requirement as per Charter Section 341 and LAAC Section 4.133)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR OFFICE USE ONLY

APPROVED

_____ /

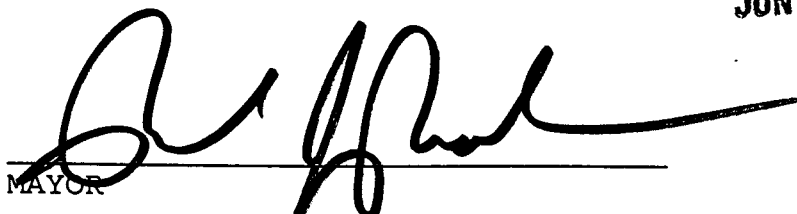
*DISAPPROVED

*Transmit objections in writing
pursuant to Charter Section 341
and LAAC Section 4.133

DATE OF MAYOR APPROVAL OR DISAPPROVAL

~~JUN 28 2001~~

JUN 29 2001
120



MAYOR

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JUN 29 AM 11:21
CITY CLERK
DEPUTY

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CITY CLERK'S OFFICE

48

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
Report/Communication for Signature

Council File Number: 01-1057

Committee Meeting Date: _____

Council Date: 6-19-01

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Hernandez, Chair	✓		
Councilmember Holden			✓
Councilmember Pacheco	✓		

Remarks EPA grant-funded positions

Miranda Paster, Legislative Assistant ----- Telephone 485-5775



TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

reports as follows:

Public Comments Yes No
XX —

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to authorizing U.S. Department of Commerce Economic Development Administration (EDA) grant-funded support staff positions for Fiscal Year (FY) 2001-02.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. RESOLVE that the Employment Authority for the following four positions within the Mayor's Office of Economic Development for the period July 1, 2001 through June 30, 2002, pursuant to the Los Angeles Administrative Code Section 4.133 (a), subject to the review and approval by the OARS as to the appropriate paygrade, and subject to review and approval by the Personnel Department as to Civil Service classification, is APPROVED:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

2. AUTHORIZE the Mayor, or designee, to negotiate, execute and administer any subgrant agreements between MOED and the CRA for one staff person for the period October 1, 2001 through September 30, 2002 to provide expertise in the areas of construction management, grant administration, federal audit compliance requirements, procurement, and accounting/invoicing processing, subject to the City Attorney's approval of such agreements as to form and legality.

Fiscal Impact Statement: None submitted by the Mayor's Office. Neither the Chief Legislative Analyst nor Office of Administrative and Research Services has completed a financial analysis of this matter.

Summary:

On June 4, 2001, the Community and Economic Development Committee considered the Mayor transmittal dated May 21, 2001. The CED Committee approved the employment authority of four positions in the MOED and one position in the CRA for a one year period. The additional recommendations were continued to the June 18, 2001 CED Committee meeting and referred to OARS for recommendation.

LAAC
47-133

In its transmittal dated May 21, 2001, the Mayor's Office reported that the Council previously approved five MOED staff positions for the period from July 1, 2000 through June 30, 2001 with EDA grant reimbursement to the City for the salaries and the City funding the indirect costs and fringe benefits.

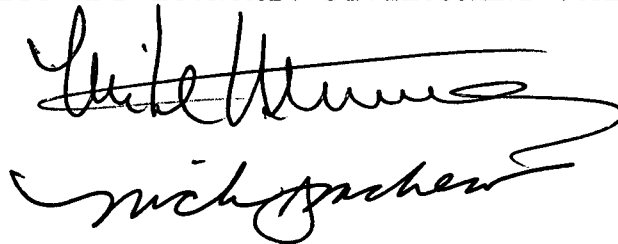
The MOED is consolidating five existing positions into three classifications to reduce personnel expenses. It is imperative to maintain the four staff positions to administer ongoing projects and successfully complete both the Earthquake Assistance Grant of 1995 and the EDA grants which will continue beyond June 30, 2001.

In addition, the MOED requests approval of a CRA contractual staff extension to provide expertise in the areas of construction management, grant administration, Federal audit compliance requirements, procurement, and accounting/invoicing process to address the increasing number of projects.

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

Handwritten signatures of committee members, including a large signature that appears to be 'Gail Thomas' and another signature below it.

Report
ADOPTED

JUN 19 2001
LOS ANGELES CITY COUNCIL

COUNCIL VOTE

19-Jun-01 11:37:15 AM, #3

Items for Which Public Hearings Have Been Held - Items 12-54
Voting on Item(s): 12-19,21-42,44-51,53-54
Roll Call

BERNSON	Yes
CHICK	Yes
FEUER	Yes
GARCETTI	Yes
HERNANDEZ	Yes
HOLDEN	Yes
MISCIKOWSKI	Yes
PACHECO	Yes
PADILLA	Yes
RIDLEY-THOMAS	Yes
SVORINICH	Yes
WACHS	- Absent
WALTERS	Absent
*GALANTER	Yes
	Absent

Present: 12, Yes: 12 No: 0

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE
SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No. 01-1057

- Council Member(s) _____
- Interested Department Mayor's Office of Economic Development
- Mayor (with/~~without~~ file) _____
- Chief Legislative Analyst _____
- Office of Administrative and Research Services _____
- Controller _____
- City Clerk _____
 - City Clerk, Chief Administrative Services _____
- Treasurer _____
- City Attorney (with / without file) _____
- General Services Department _____
- Department of Transportation _____
- Personnel Department _____
- Community Development Department, Lillian Y. Kawasaki, Interim General Manager _____
 - cc: Contact Person _____
- Community Redevelopment Agency _____
- Board of Public Works _____
- Workforce Investment Board _____
- Workforce Investment Board, Youth Council _____
- _____
- _____

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

01-1057

CITY OF LOS ANGELES

CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
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Los Angeles, CA 90012
Council File Information - (213) 485-5703
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Fax: (213) 847-0636
Fax: (213) 485-8944

HELEN GINSBURG
Chief, Council and Public Services Division

May 21, 2001

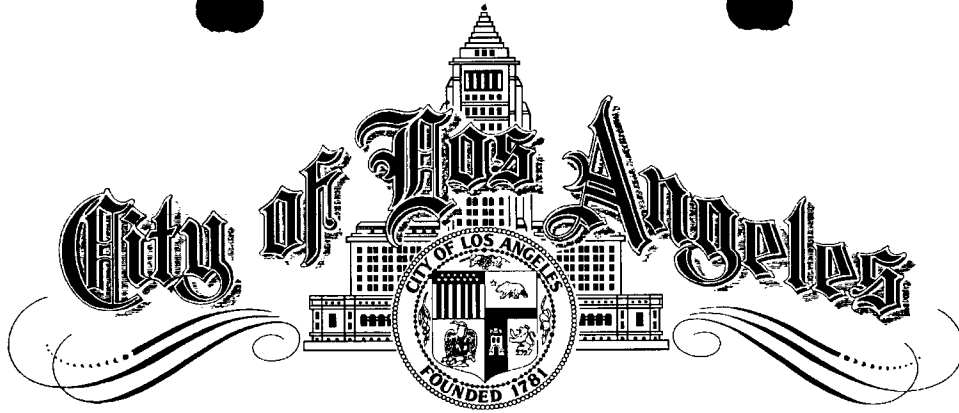
COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

In accordance with Council Rules, communication from the Mayor relative to Mayor's Office of Strategic Planning and Infrastructure Investment Unit status report on: 1) the U.S. Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and other subsequent EDA grant awards; 2) proposed EDA grant application submittals for FY 2002; 3) HUD EDI and BEDI Grant/Section 108-funded projects; 4) Mayor's Office Former Urban Development Action Grant (UDAG) funds; 5) Federal Earmark appropriations for FY 2002; and 6) reauthorization of supporting grant-funded staff positions for two Fiscal Years 2001-2003 and a contractual CRA staff position until September 30, 2003, was referred on May 21, 2001, to the COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE.

J. Michael Carey

City Clerk
amm





CITY HALL
LOS ANGELES, CALIFORNIA 90012
(213) 847-2489

OFFICE OF THE MAYOR

RICHARD J. RIORDAN
MAYOR

May 21, 2001

Honorable City Councilmembers
City of Los Angeles
C/O City Clerk
City Hall East, Room 615
200 No. Main Street
Los Angeles, CA 90012

RECEIVED
CITY CLERK'S OFFICE
2001 MAY 21 AM 8:24
BY _____
CITY CLERK
DEPUTY

RE: MAYOR'S OFFICE STRATEGIC PLANNING & INFRASTRUCTURE INVESTMENT UNIT STATUS REPORT ON 1) THE U.S. DEPT. OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) EARTHQUAKE ASSISTANCE GRANT AWARD OF 1995 AND OTHER SUBSEQUENT EDA GRANT AWARDS; 2) PROPOSED EDA GRANT APPLICATION SUBMITTALS FOR FY 2002; 3) HUD EDI AND BEDI GRANT/SECTION 108-FUNDED PROJECTS; 4) MAYOR'S OFFICE FORMER URBAN DEVELOPMENT ACTION GRANT (UDAG) FUNDS; 5) FEDERAL EARMARK APPROPRIATIONS FOR FY 2002; AND 6) REAUTHORIZATION OF SUPPORTING GRANT-FUNDED STAFF POSITIONS FOR TWO FISCAL YEARS 2001-2003 AND A CONTRACTUAL CRA STAFF POSITION UNTIL SEPTEMBER 30, 2003.

The Mayor's Office Strategic Planning & Infrastructure Investment Unit is responsible to provide project management for Mayor's Office economic development projects; obtain and manage Federal, State and local grant, loan and technical assistance resources; and develop and administer the City's Comprehensive Economic Development Strategy. The Unit has secured over \$41,000,000 in grants and \$54,000,000 in loans that leveraged over \$693,000,000 of private investment for inner city projects. Additionally, the Unit has facilitated the City's Genesis L.A. economic development and Brownfields Revitalization programs which have achieved national recognition, as well as coordinated employment training programs on the City's economic development projects. The Unit continues to search for additional funding sources not yet utilized by the City.

COMNTY & ECON DEV

MAY 21 2001



The Mayor's Office Strategic Planning & Infrastructure Investment Unit hereby submits a status report on: 1) the U.S. Department of Commerce Economic Development Administration (EDA) Earthquake Assistance Grant Award of 1995 and other subsequent EDA grant awards; 2) proposed EDA grant application submittals for FY 2002; 3) HUD EDI and BEDI Grant/Section 108-funded Projects; 4) Mayor's Office Former Urban Development Action Grant (UDAG) funds; 5) Federal Earmark Appropriations for FY 2002; and 6) a request for reauthorization of four grant-funded staff positions for two Fiscal Years 2001-2003 and a contractual CRA staff position until September 30, 2003.

1.0 Status Report Of EDA Grant Award Projects

Earthquake Assistance Grant Award of 1995

Established following the January 17, 1994 Northridge earthquake, the EDA provided a \$30,000,000 infrastructure development grant to assist in the recovery of the City's economy from the impact of the Northridge earthquake.

City Council adopted MOED's previous status report dated May 19, 2000 (CF No. 99-1112). As of this date, MOED staff has successfully encumbered the entire \$30,000,000 EDA Earthquake Assistance Grant Award of 1995 to include sixteen (16) construction projects and two (2) technical assistance projects. Furthermore, MOED staff successfully met all March 16, 2001 project information submission requirements as set forth by EDA staff. Five projects have been completed; four projects are in closing out phase; with the remaining projects underway as detailed below.

<u>EDA Earthquake Grant Award:</u>	<u>Status:</u>
• Angeles Grand Plaza \$609,050 (CD-14)	Project completed.
• Arminta Street Extension (Former General Motors Site) \$4,000,000 (CD-7)	Project completed.
• Canoga Park Commercial Revitalization & Madrid Theatre \$264,684 (CD-3)	Project construction completed. Final report being prepared by CRA.
• CSUN BioTechnology Park \$1,470,000 (CD-12)	Public improvements completed. Project closeout underway.

- Goodyear Tract Industrial Park – Ph. I
\$550,000 (CD-9) Project study completed.
Final report submitted to EDA for approval.
Final budget being prepared by CRA.
- Goodyear Tract Industrial Park – Ph. II
\$2,689,300 (CD-9) Perimeter security improvement plans completed.
BID is being established. "B" Permit underway.
- Harbor Gateway Center
\$2,163,712 (CD-15) Final project contract coordination underway.
Construction expected to commence in 4th Quarter 2001.
- New Economics for Women
Business Incubator Center
\$2,275,000 (CD-1) Project construction underway.
Additional \$400,000 work scope & budget
modification is being prepared.
Project completion expected in 4th Quarter 2001.
- North Hollywood Mixed Use Project
\$1,570,000 (CD-2, 4) Application approved.
Cooperative agreement underway.
Infrastructure design underway.
- Taylor Yard Corridor
Genesis L.A. Retail Center
\$2,300,000 (CD-1) Pre-application submitted to EDA on 03/15/01.
EDA staff is reviewing application.
- Taylor Yard Corridor
Lennar Site/San Fernando Road
\$1,500,000 (CD-1) Pre-application submitted to EDA on 03/15/01.
EDA has invited full application. Full application being
prepared by the developer.
- Taylor Yard Corridor
Los Angeles Media Tech Center
\$1,530,000 (CD-1) Full application submitted to EDA. Awaiting EDA
approval.
- Taylor Yard Corridor
Van de Kamp/Future LACC Site
\$1,500,000 (CD-1) Pre-application submitted to EDA on 03/15/01.
EDA staff is reviewing application.
- Union Arts Theatre &
Little Tokyo Marketing Plan
\$383,640 (CD-9) Project completed.
- VEDC Business Assistance Center
\$950,000 (CD-2,3,5,7,12) Original work scope completed.
SFV CEDS report is 100% completed & approved by
EDA.
- Watts Retail Center
\$1,000,000 (CD-15) Pre-application submitted to EDA on 09/07/00.
EDA staff is reviewing application.

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- Whiteman Airport Industrial Park Project completed.
\$1,782,000 (CD-7)
- Wilshire Boulevard Streetscape Project completed.
\$1,400,000 (CD-10)

Attachment "A" provides further detailed information of public sector funding secured for the aforementioned projects by the Strategic Planning and Infrastructure Investment Unit.

Five (5) projects funded under the EDA Earthquake Assistance Grant had or have delayed construction start dates and cannot have all construction and supporting written documentation completed by June 30, 2001 because of project circumstances beyond the control of the Mayor's Office. These projects are: 1) Goodyear Tract Industrial Park – Phase II; 2) Harbor Gateway Center; 3) New Economics for Women Business Incubator Center; 4) North Hollywood Mixed Use Development; and 5) Taylor Yard Corridor – Los Angeles Media Tech Center. In addition, four pre-applications were recently submitted to EDA on March 15, 2001 for approval. They are: 1) Taylor Yard Corridor – Genesis L.A. Retail Center; 2) Taylor Yard Corridor – Lennar Site/San Fernando Road; 3) Taylor Yard Corridor – Van de Kamp/Future LACC Site; and 4) Watts Retail Center. These projects will require ongoing administrative review, approval and implementation for at least the next two years. Therefore, four of the five previously approved MOED staff positions require an extension to June 30, 2003.

Other EDA Grant Awards of FY 1998-2001

Along with the support and assistance of Council Offices and the CLA's Office, the Strategic Planning and Infrastructure Investment Unit staff accomplished a major milestone, the compilation of the first citywide Comprehensive Economic Development Strategy (CEDS) for most of the City of Los Angeles. This citywide CEDS working document to be updated on an annual basis is comprised of the following six sub-CEDS regions: 1) Downtown; 2) East Los Angeles; 3) Hollywood; 4) San Fernando Valley; 5) South Los Angeles; and 6) West Los Angeles. Funding for plan development was previously allocated to the following four sub-CEDS regions: Downtown, East Los Angeles, San Fernando Valley and South Los Angeles. The Mayor's Office administered and completed the following three sub-CEDS regions in March 2001: Downtown, San Fernando Valley and South Los Angeles. The East Los Angeles sub-CEDS is being administered by the CLA's Office and is expected to be completed in the fourth quarter of 2001.

The citywide CEDS document, with the City Council office sanctioned Downtown, San Fernando Valley and South Los Angeles sub-CEDS plans, was submitted to EDA for review

on April 5, 2001. All Council Offices have received this document. EDA staff approved the CEDS document on April 19, 2001. EDA approval now allows the City Council and Mayor to submit projects within the Downtown, San Fernando Valley and South Los Angeles sub-CEDS regions directly to EDA without having to go to external EDA-certified approving authorities for comparison and ranking other regional projects.

Work on the Hollywood sub-CEDS will commence when EDA FY 2002 grant funding is approved. Work on the West Los Angeles sub-CEDS will commence when future funding is approved. Projects within these sub-CEDS regions must continue to go to external EDA-certified approving agencies for ranking until sub-CEDS plans are approved by EDA.

EDA Grant Award of FY1998:

Status:

- Santa Barbara Plaza
\$800,000 (CD-8)

Application approved.
CD-8 staff states that project is moving forward.
EDA project construction must be completed by September 5, 2001.

EDA Grant Awards of FY1999:

Status:

- Washington Boulevard Streetscape
\$1,000,000 (CD-10)

Arch./Eng. consultant was selected through an RFP process. Concept design is underway.
EDA project construction must be completed by October 1, 2002.

- Comprehensive Economic Development Strategy Program (CEDS)
\$200,000 (Citywide)

Grant's goals & objectives are met.
2nd semi-annual report submitted to EDA.
Downtown CEDS: Phases I & II completed; CEDS submitted to EDA for approval on April 5, 2001. EDA staff approved CEDS on April 19, 2001. Phase III RFQ to be issued and consultant to be selected in Spring 2001.
East Los Angeles CEDS: CLA Office is coordinating.
Hollywood CEDS: Anticipating EDA funding of FY 2002.
San Fernando Valley CEDS: Phases I & II completed; CEDS submitted to EDA for approval on April 5, 2001. EDA staff approved CEDS on April 19, 2001. Phase III RFQ to be issued and consultant to be selected in Spring 2001.
South Los Angeles CEDS: Phases I & II completed; CEDS submitted to EDA for approval on April 5, 2001. EDA staff approved CEDS on April 19, 2001. Phase III

RFQ to be issued and consultant to be selected in Spring 2001.

EDA Grant Awards of FY2000:

Status:

- | | |
|---|--|
| • Cornfields Site
\$1,400,000 (CD-1) | Application approved.
Project on hold until December 3, 2001 due to litigation.
EDA project construction must be completed by August 5, 2002. Requesting EDA to include Little Joe's site project as a part of this grant. |
| • Wilmington Industrial Park Study
\$225,000 (CD-15) | Application approved. Consultant scope of work & budget development is being finalized.
Study must be completed by December 31, 2001. |

Attachment "A" provides further detailed information of public sector funding secured for the aforementioned projects by the Strategic Planning and Infrastructure Investment Unit.

Projects funded under Other EDA Grant Awards of Fiscal Years 1998-2001 are scheduled to begin construction after June 30, 2001. Therefore, four of the five previously approved MOED staff positions require an extension to June 30, 2003.

2.0 Proposed EDA Grant Application Submittals for FY2002

The following economic development projects were approved by the City Council to be submitted to EDA for FY 2001 grant funding. Since they were not funded in FY 2001, they were resubmitted to EDA for FY 2002 funding:

<u>Project:</u>	<u>EDA Funding Request:</u>
• Adams/LaBrea Center (CD-10)	\$1,946,607
• Lancer Industrial Park (CD-9)	\$1,495,000
• La Cienega/Jefferson (a.k.a. Samitaur Site) (CD-10)	\$2,931,271
• Sears Site (CD-14)	\$2,019,131
• SCI-Arc (CD-14)	\$ 702,770
• Comprehensive Economic Development Strategy (CEDS) Planning Grant Extension (Citywide)	\$ 175,000

Should any City Council office wish to submit another economic development project for EDA grant funding, please contact Mr. John De Witt, Director of Strategic Planning & Infrastructure Investment, in my office at 847-2646 until June 29, 2001, and 978-0660 after July 2, 2001.

3.0 Status Report on HUD BEDI AND EDI Grant/Section 108 Projects

The Mayor's Office of Economic Development is currently preparing an estimated \$1.3 million HUD BEDI grant and \$9.0 million Section 108 application for the Wilmington Industrial Park project in CD-15. This grant application is due on May 22, 2001. An estimated \$750,000 EDI grant application is also being prepared for the CalMat-Branford and Sheldon-Arleta Landfill sites in CD-7. This grant application is due on July 6, 2001. It is anticipated that the City will hear the results of these two applications from HUD by November 2001.

In Fiscal Years 1998-2000, the City was awarded five (5) HUD EDI and BEDI grants to support economic development activities for Santa Barbara Plaza, North Hollywood Mixed-Use Project, Goodyear Tract Industrial Park, River Station Industrial Park and La Cienega / Jefferson Project. These five projects, in total, received \$7.34 million in EDI/BEDI Grant funds, which leveraged \$53.9 million in Section 108 Loan Guarantee funds and more than \$200 million of private sector investment.

HUD Grant Awards of 1998:

Status:

- | | |
|--|---|
| <ul style="list-style-type: none">• Goodyear Tract Industrial Park (CD-9)
\$1,700,000 (BEDI)
\$10,400,000 (Section 108) | <p>Slauson/Central Retail Center: SOI was issued and non-profit developer selected. Voluntary Cleanup Agreement executed. Cleanup work plan will be approved by July 1, 2001. An environmental consultant hired, site assessment underway. Federal funding drawdown schedule to be determined.</p> <p>Apex Patterns: Voluntary Cleanup Agreement executed. Cleanup work plan will be approved by July 1, 2001. Section 108 negotiations underway by CRA. Federal funding drawdown schedule to be determined.</p> <p>United LA Alloys: Voluntary Cleanup Agreement executed. Cleanup work plan will be approved by July 1, 2001. Section 108 negotiations underway by CRA. Federal funding drawdown schedule to be determined.</p> |
| <ul style="list-style-type: none">• No. Hollywood Mixed-Use Project (CD-2, 4)
\$1,800,000 (EDI)
\$14,000,000 (Section 108) | <p>EIR is certified. A new developer selected. Site plan will be ready for review by March 29, 2001. DDA is expected to be executed in six months. Federal funding drawdown schedule to be determined.</p> |

- Santa Barbara Plaza (CD-8) CC approved termination of ERN.
 \$1,500,000 (EDI) CD-8 staff state that project is moving forward.
 \$9,000,000 (Section 108)

HUD Grant Award of 1999:

Status:

- Cornfields/River Station (CD-1)
 \$1,250,000 (BEDI)
 \$10,500,000 (Section 108)

Project on hold until November 30, 2001
 due to litigation and settlement.

HUD Grant Award of 2000:

Status:

- La Cienega / Jefferson Site (CD-10)
 \$1,090,000 (BEDI)
 \$10,000,000 (Section 108)

Section 108 application was approved by Council
 on March 27, 2001 and was submitted to HUD on
 March 29, 2001. Federal funding drawdown schedule to
 be determined.

4.0 Mayor's Office Former Urban Development Action Grant (UDAG) Funds

The Strategic Planning and Infrastructure Investment Unit has facilitated Mayor's Office Former Urban Development Action Grant (UDAG) Funds to the following projects:

<u>Project:</u>	<u>Funding Amount:</u>
• Adams/LaBrea Center (CD-10)	\$1,300,000
• Cimarron Expansion Project (CD-4)	\$ 450,000
• Digital Coast Round Table (Citywide)	\$ 100,000
• Downtown Streetscape Restoration (CD-1,9,14)	\$ 110,705
• Echo Park Apartments (CD-13)	\$ 125,000
• Genesis L.A. (Citywide)	\$ 335,000
• Homeboy Industries (CD-1)	\$ 138,000
• La Cienega/Mid Recovery/CRA (CD-10)	\$ 400,000
• LACVB	\$ 137,000
• NEW (CD-1)	\$ 600,000
• Pacoima Youth Initiative (CD-7)	\$ 250,000
• Santa Fe & 3 rd Site/SCI-Arc (CD-14)	\$1,070,000
• Vermont/Slauson Center (CD-9)	\$1,000,000
• Taylor Yard Allocation (CD-1)	\$ 50,000
• Watts Retail Center (CD-15)	\$1,300,000

5.0 Federal Earmark Appropriations for FY 2002

The Strategic Planning and Infrastructure Investment Unit has submitted the following projects for Congressional Federal Earmark Appropriations for FY 2002:

<u>Project:</u>	<u>Earmark Funding Request:</u>
• Adams/LaBrea Center (CD-10)	\$500,000
• CalMat Site (CD-7)	\$500,000
• Harbor Gateway Center (CD-15)	\$500,000
• SCI-Arc (CD-14)	\$500,000

6.0 Reauthorization of Grant-Funded Staff Positions, including Contractual CRA Staff

6.1 The City Council previously approved the following five MOED staff positions for the period from July 1, 2000 through June 30, 2001 with EDA reimburses the City for salaries and the City funds indirect costs and fringe benefits:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Funding</u>
1	0148	Mayoral Aide VIII	EDA Earthquake Assistance Grant of 1995/ EDA State & Urban Economic Development Planning Grant
2	0147	Mayoral Aide VII	"
1	0145	Mayoral Aide V	"
1	0144	Mayoral Aide IV	"

To consolidate staff responsibilities and reduce personnel expenses, MOED is consolidating five existing staff positions into three classifications. As previously stated, it is imperative to maintain the four staff positions to administer on-going projects and successfully complete both the Earthquake Assistance Grant of 1995 and State & Urban Economic Development Planning Grant that will continue beyond June 30, 2001. The four existing grant-funded MOED staff positions needing approval for the period July 1, 2001 through June 30, 2003 with the City funds indirect costs and fringe benefits are:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Funding</u>
1	0148	Mayoral Aide VIII	EDA Earthquake Assistance Grant of 1995/ EDA State & Urban Economic Development Planning Grant
2	0147	Mayoral Aide VII	"
1	0146	Mayoral Aide VI	"

6.2 MOED requests a CRA contractual staff extension until September 30, 2003 to provide expertise in the areas of construction management, grant administration, Federal audit compliance requirements, procurement, and accounting/invoicing processing is required to address the increasing number of projects. MOED requests an additional \$250,000 EDA grant allocation for one CRA staff person for the two-year period that begins October 1, 2001 and ends on September 30, 2003. This \$250,000 allocation includes direct and indirect costs for this position that will be partially funded by project savings.

7.0 RECOMMENDATIONS

7.1 Reauthorization of Grant-Funded Staff Positions, including Contractual CRA Staff

7.1.A EDA Earthquake Assistance Award of 1995 (Council Files # 98-1265 & 97-0614-S2) and EDA State & Urban Economic Development Planning Grant (Council File # 00-1579):

a. RESOLVE that, pursuant to Los Angeles Administrative Code Section 4.133 (a), the following four grant-funded positions in the Mayor's Office of Economic Development, are APPROVED, for the period of July 1, 2001 through June 30, 2003:

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	0148	Mayoral Aide VIII
2	0147	Mayoral Aide VII
1	0146	Mayoral Aide VI

b. APPROVE the EDA funding of the direct costs for four MOED staff positions for the two Fiscal Years 2001-2003 in the amount up to \$638,795 and the City funding of the related indirect costs and fringe benefits.

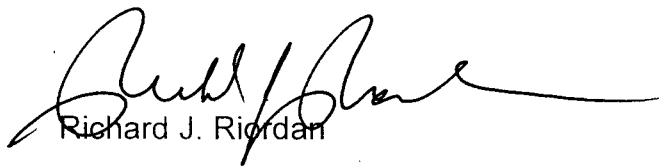
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7.1.B AUTHORIZE the Mayor or Mayor's designee to act as follows negotiate, execute and administer any subgrant agreements between the Mayor's Office of Economic Development and the CRA to manage and execute the scope of work within the application, subject to the City Attorney's approval of such agreements as to form and legality. The agreements will be for a period of time to coincide with available Federal funding.

- a. INSTRUCT the Controller to expend the funds to the Community Redevelopment Agency upon demand of the Mayor or his designee, and authorize the CRA to recognize receipt of the funds in the Agency's salaries/benefits account(s).

Thank you for your review and approval of this matter. You may contact John De Witt in my office at 847-2646 should you need additional information.

Sincerely,



Richard J. Riordan

Project Status Report Prepared by Mayor's Office Strategic Planning & Infrastructure Investment Unit - May 21, 2001						
	Projects	Status	CD	EDA Funds	HUD Funds/Sec 108 Fed Earmark	Total
EDA Earthquake Assistance Grant of 1995						
1	Angelus Grand Plaza	Project completed.	CD 14	\$609,050		\$609,050
2	Arminta Ave. Extension (General Motors)	Project completed.	CD 7	\$4,000,000		\$4,000,000
3	Business Assistance Center/VEDC	Original work scope completed. SFV CEDS report is 100% complete & subject to EDA approval.	CD2,3,5,7,12	\$950,000		\$950,000
4	Canoga Park Commercial Revitalization & Madrid Theater	Project construction completed, final report being prepared by CRA.	CD 3	\$264,684		\$264,684
5	CRA Staff Assistance	Application approved, work underway.		\$400,000		\$400,000
6	CRA Staff Assistance (FY 2001-03)	Proposed to EDA as budget modification.		\$200,000		\$200,000
7	CSUN BioTech Park	Public improvements completed. Obtaining closeout materials.	CD 12	\$1,470,000		\$1,470,000
8	Goodyear Tract (Incore) Phase I	Project study completed, final report submitted to EDA for approval.	CD 9	\$550,000		\$550,000
9	Goodyear Tract (Incore) Phase II	Perimeter security improvement plans completed. BID is being established. "B" Permit underway.	CD9	\$2,689,300	\$12,100,000	\$14,789,300
10	Harbor Gateway Center	Final project coordination underway.	CD15	\$2,163,712		\$2,163,712
11	New Economics for Women	Project construction underway. Project completion expected in June 2001.	CD 1	\$1,875,000		\$1,875,000
12	New Economics for Women - additional	Proposed to EDA as budget modification to existing project.	CD1	\$400,000		\$400,000
13	North Hollywood Mixed-Use Project	Application approved, cooperative agreement underway, infrastructure design underway.	CD2,4	\$1,570,000	\$15,800,000	\$17,370,000
14	Taylor Yard - Los Angeles Media Tech Center	Full application submitted to EDA.	CD1	\$1,530,000		\$1,530,000
18	Taylor Yard - Genesis L.A. Retail Center	Pre-application submitted to EDA on 03/15/01.	CD1	\$2,300,000		\$2,300,000
19	Taylor Yard - Lennar Site/San Fernando Road	Pre-application submitted to EDA on 03/15/01.	CD1	\$1,500,000		\$1,500,000
20	Taylor Yard - Van de Kamp/future LACC Site	Pre-application submitted to EDA on 03/15/01.	CD1	\$1,500,000		\$1,500,000
21	Union Arts Center/Little Tokyo Marketing Plan	Project completed.	CD 9	\$383,640		\$383,640
22	Watts Retail Center	Pre-application previously submitted to EDA on 09/07/00. Awaiting response from EDA.		\$1,000,000		\$1,000,000
23	Whiteman Airport Industrial Park	Project completed.	CD 7	\$1,782,000		\$1,782,000
24	Wilshire Streetscape Project	Project completed.	CD 10	\$1,400,000		\$1,400,000
25	Administrative Costs	Application approved, work underway.		\$537,614		\$537,614
26	Administrative Costs	Application approved, work underway.		\$675,000		\$675,000
27	Administrative Costs	Proposed to EDA as budget modification.		\$250,000		\$250,000
	Total EDA earthquake assistance funds encumbered			\$30,000,000		
EDA Grant of FY 1998						
1	Santa Barbara Plaza	Application approved. CD-8 staff states that project is moving forward. EDA project construction must be completed by 09/05/01.	CD8	\$800,000	\$11,000,000	\$11,800,000
EDA Grants of FY 1999						
1	Washington Blvd. Public Improvements from La Brea Ave. to West Blvd.	A/E consultant was selected through a RFP process. Concept design underway.	CD10	\$1,000,000		\$1,000,000
1	Comprehensive Economic Development Strategic Program for East Los Angeles and Surrounding Areas	Grant's goals & objectives are met. 2nd semi-annual report submitted.	CD1,14	\$200,000		\$200,000
EDA Grants of FY 2000						
1	Cornfields Site	Application approved. Project on hold until 12/03/01 due to litigation. EDA project construction must be completed by 08/05/02. Requesting EDA to include Little Joe's site project as a part of this grant.	CD1	\$1,400,000	\$11,750,000	\$13,150,000
2	Wilmington Industrial Park Study	Application approved. Consultant scope of work & budget development is being finalized.	CD15	\$225,000		\$225,000
EDA Grant of FY 2002						
1	Comprehensive Economic Development Strategy (CEDS) Planning Grant Extension	Application submitted. Hollywood CEDS: Phases I&II RFQ to be issued and consultant selection awaiting funding approval from EDA.	Citywide	\$175,000		\$175,000
HUD Grant of FY 2000						
1	La Cienega / Jefferson Site (BED)	Section 108 application was approved by Council on 03/27/01 and was submitted to HUD on 03/29/01.	CD10	\$175,000	\$11,090,000	\$11,265,000
	Total EDA funds encumbered			\$33,625,000	\$61,740,000	\$95,365,000