

MOTION

On June 29, 2021, the City Council adopted Motion (de León – Raman) that instructed and authorized the Chief Legislative Analyst (CLA) to negotiate and execute a Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro) for the proposed future development of City-owned property located at First and Alameda Street (Mangrove site) and Metro-owned property located at First Street and Central Avenue (Regional Connector site) in Little Tokyo (C.F. 13-0275-S2).

The City and Metro have reached agreement on the proposed terms of the MOU and are reflected in the draft MOU attached hereto. On April 20, 2022, Metro’s Planning and Programming Committee authorized its Chief Executive Officer to execute an MOU with the City that includes such terms agreed upon by both parties.

The main goal of the Economic and Workforce Development Department (EWDD) is to steer economic development in a manner that yields thriving businesses, and creates job training and career opportunities for the City of Los Angeles. As such, EWDD is positioned to serve as the lead City Department in furthering the future development of the City’s Mangrove Site in collaboration with Metro and its Regional Connector Site.

I THEREFORE MOVE that the City Council adopt the Memorandum of Understanding between the City of Los Angeles and the Los Angeles County Metropolitan Transportation Authority for the proposed future development of City-owned property located at First and Alameda Street (Mangrove site) and Metro-owned property located at First Street and Central Avenue (Regional Connector site) substantially as attached, and authorize Economic and Workforce Development Department to review and revise the MOU as needed prior to its execution.

I FURTHER MOVE that the City Council authorize the General Manager of EWDD, or designee, to execute the respective MOU, as well as any other documents necessary, and instruct EWDD, with the assistance of the Chief Legislative Analyst, City Administrative Officer, and all relevant City departments, to serve as the lead City Department for the proposed future development of the City’s Mangrove Site in collaboration with Metro and its Regional Connector Site.

PRESENTED BY: 
KEVIN DE LEÓN
Councilmember 14th District

SECONDED BY: 

ORIGINAL

SEP 23 2022


MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF LOS ANGELES
AND THE
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

This Memorandum of Understanding (“**MOU**”) is entered into as of _____, 2022 (“**Effective Date**”) by and between the CITY OF LOS ANGELES (“**City**”), a municipal corporation, acting by and through its Office of the Chief Legislative Analyst (“**CLA**”) and the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (“**LACMTA**”), a public agency existing under the authority of California Public Utilities Code §§ 130050.2 et seq. The City and LACMTA are collectively referred to herein as “**Parties**” and individually as a “**Party**”, and desire to enter into this MOU to coordinate jointly on planning studies, and potential solicitation, evaluation and selection of development proposal(s) for City-owned and LACMTA-owned properties adjacent to or in close proximity to the LACMTA Regional Connector Project and Little Tokyo/Arts District Station, as further described and defined below.

RECITALS

- A) WHEREAS, the City is the owner of that certain real property consisting of various parcels located at the northeast quadrant of the intersection between 1st Street and Alameda Street in the City of Los Angeles as depicted in Attachment A – City Property Map, attached hereto (collectively, “**City Property**”).
- B) WHEREAS, LACMTA is the owner of that certain real property bounded by 1st Street to the north, Alameda Street to the east and Central Avenue to the west in the City of Los Angeles that will be improved with transit infrastructure and related facilities and operational requirements, leaving an irregularly shaped portion of land available for non-transit use as depicted in Attachment B – LACMTA Property Map, attached hereto (“**LACMTA Property**”).
- C) The City Property and LACMTA Property may also be referred to hereinafter collectively as the “**Properties**”.
- D) WHEREAS, LACMTA is currently constructing a regional rail connection on the LACMTA Property (“**Regional Connector Project**”).

- E) WHEREAS, in connection with the Regional Connector Project:
1. The City and LACMTA are parties to:
 - a. that certain [[Lease dated June 18, 2014]], by which City has leased to LACMTA certain portions of the City Property for use as construction offices; and
 - b. that certain Covenant and Agreement Regarding Easement dated June 18, 2014, recorded as Instrument No. 2014-0633992 in the Official Records of the County of Los Angeles, as modified by that certain Property Exchange Agreement and Joint Escrow Instructions dated [XX. 2020], by which the City has granted to LACMTA a temporary construction easement over certain portions of the City Property for use as construction and laydown areas.
 2. LACMTA holds surface and subsurface tunnel easements and surface and subsurface fan plant easements, in and under certain portions of the City Property, pursuant to instruments recorded [XX date] as [Instrument No. XX] and recorded July 22, 2020 as Instrument No. 20200816610, respectively, in the Official Records of the County of Los Angeles.
 3. The agreements and easements described herein may be referred to hereinafter collectively as the “Existing Agreements”.
- F) WHEREAS, the leasehold interest and temporary construction easements described herein will terminate in accordance with the terms and conditions of the Existing Agreements.
- G) WHEREAS, the City Property and the LACMTA Property are part of the Sustainable Little Tokyo vision and present an invaluable development opportunity for the City, LACMTA, and the communities of Little Tokyo and the Arts District.
- H) WHEREAS, LACMTA is willing to study the potential of joining a portion of the LACMTA Property with the City Property to present an opportunity for an integrated development project to be delivered by a third-party developer.
- I) WHEREAS, LACMTA provides essential transit services for its patrons; therefore any development of the LACMTA Property must ensure the integrity of LACMTA’s transit infrastructure and not interfere with LACMTA’s operations. Accordingly, the Parties wish to participate in a coordinated and efficient effort to facilitate transit-oriented development of the Properties in a manner that will benefit the citizens of the City and County of Los Angeles and increase transit ridership.

- J) WHEREAS, LACMTA’s Joint Development Policy establishes certain requirements for the solicitation, negotiation, design and construction of Joint Development projects.
- K) WHEREAS, on June 29, 2021, the City Council instructed the CLA to negotiate and execute an MOU with LACMTA to coordinate jointly on the development of design guidelines, parking and market analysis, and a community outreach strategy for the proposed future development of the Properties (collectively, “**Planning Activities**”), as well as future issuances of any Requests for Interest and/or Request for Proposals related thereto.
- L) WHEREAS, the Parties desire to enter into this MOU to define the terms of cooperation and to identify the respective roles and responsibilities of the Parties in coordinating jointly on the Planning Activities and potential solicitation, evaluation and selection of development proposal(s) (collectively, “**Development Solicitation and Recommendation Activities**”), for the Properties.
- M) WHEREAS, the Parties understand that any development of the Properties and all processes leading thereto shall be consistent with all applicable local, State and Federal laws, and shall be subject to future agreements between and among the appropriate parties.

NOW THEREFORE, in consideration of the mutual terms and conditions contained herein, LACMTA and the City hereby agree as follows:

AGREEMENT

1. **PARTIES’ RESPONSIBILITIES**

- A. The City shall procure the services of third-party consultants to assist in the Planning Activities and Development Solicitation and Recommendation Activities. The City shall fund 70% and LACMTA shall fund 30% of the total costs of those third-party consultants procured to assist in the Planning Activities and Development Solicitation and Recommendation Activities. The third-party consultants shall include, without limitation, design/architecture, community engagement, economic and legal experts. LACMTA shall be included in the City’s procurement of the third-party consultants.
- B. The City shall coordinate and work with the procured third-party consultants and LACMTA to study the potential for integrated transit-oriented development of the Properties.

- C. LACMTA shall make the Regional Connector Project plans and other relevant information available to the City to support the Planning Activities, subject to the execution of a confidentiality agreement in a form mutually agreed between the Parties.
- D. The City shall coordinate and work with LACMTA to prepare and issue any competitive solicitations for the development of the Properties based on the Planning Activities (“**Solicitation**”). The City will be responsible for ensuring that the drafting of the Solicitation documents, implementing the Solicitation process, and the selection and implementation of the development project comply with the City’s policies and procedures. LACMTA will be responsible for ensuring that the Solicitation documents and implementation of the development project comply with applicable LACMTA policies and procedures, in LACMTA’s sole determination. Notwithstanding anything to the contrary herein, the City, in partnership with LACMTA, will lead the Solicitation process for the development of the Properties in accordance with all applicable LACMTA policies and procedures and local, State and Federal laws.
- E. The City shall handle all administrative tasks associated with the Solicitation and will be the single point of contact during the procurement process. The City shall issue the Solicitation with an attached tri-party Exclusive Negotiation Agreement (“**ENA**”) in a form mutually agreed to by the Parties.
- F. The City shall oversee the third-party consultants’ review of the Solicitation responses and the drafting of the tri-party ENA.
- G. The City and LACMTA shall work cooperatively and in good faith on the Planning Activities and the Development Solicitation and Recommendation Activities, including, amongst other activities, processing the Solicitation and timely meeting all deadlines and responding to proposers by providing information and documentation regarding their respective Properties.
- H. The City and LACMTA shall each have members participate in the Solicitation evaluation process.
- I. The City and LACMTA will obtain all authorizations needed from their respective agencies to enter into a tri-party ENA with the selected developer.
- J. The City and LACMTA, directly or by and through their third-party consultants, shall coordinate in developing and implementing a community outreach strategy through

all phases of the Planning Activities and Developer Solicitation and Recommendation Activities that recognizes and incorporates past and on-going planning efforts in the subject communities and is integrated with other LACMTA outreach efforts, where practicable. The City, LACMTA and their third-party consultants will coordinate and work cooperatively with the community to create the structures for community participation and engagement, and will establish a community oversight and engagement process that is appropriate for the time period before, during, and after the disposition of the Properties.

3. TERM OF THE AGREEMENT

The term of this MOU shall commence on the Effective Date and shall remain in full force and effect until four (4) years from the Effective Date, unless earlier terminated by the City or LACMTA as provided in Section 8 of this MOU. Either party may extend the term of this MOU for a period of one (1) year by providing written notice to the other party at least thirty (30) days in advance of the termination date. In such case, this MOU shall remain in full force and effect until five (5) years from the Effective Date, unless earlier terminated by the City or LACMTA as provided in Section 8 of this MOU.

4. INDEMNIFICATION

Pursuant to the provisions of Section 895.4 of the California Government Code, each of the Parties agree to indemnify and hold the other harmless from all liability for damage, actual or alleged, to person or property arising out of or resulting from the indemnifying party's acts or omissions in the performance of this MOU. In the event of third-party loss caused by negligence, wrongful act or omission of both Parties, each party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of California Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

5. INCORPORATION OF ATTACHMENTS AND RECITALS

A. The following Attachments are hereby incorporated into and made a part of this MOU wherever referred to as though set forth at length, except where certain portions of specific Attachments have been deleted or superseded by other sections of this MOU:

Attachment A: City Property Map

Attachment B: LACMTA Property Map

B. The terms set forth in the Recitals above are hereby incorporated by this reference as if set forth in full herein.

6. AMENDMENT

This MOU may only be amended in writing and duly executed by both Parties.

7. AUTHORIZED REPRESENTATIVES

The following individuals and their successors are designated by the City and LACMTA as the authorized representatives of the two Parties for implementation of this MOU, and all correspondence and notices relative hereto shall be considered delivered when received by these individuals at the following addresses:

For City: Sharon M. Tso
Chief Legislative Analyst
200 N. Spring Street, Suite 255
Los Angeles, CA 90012
T: (213) 473-5709
E: sharon.tso@lacity.org

For LACMTA: Nicholas Saponara
Executive Officer
Transit Oriented Communities
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza, Mail Stop: 99-22-2
Los Angeles, CA 90012-2932
T: (213) 922-4313
E: SaponaraN@metro.net

8. TERMINATION

Either Party may terminate this MOU, in whole or part, at any time, upon thirty (30) days advance written notice to the other Party.

9. OTHER TERMS AND CONDITIONS

- A. This MOU constitutes the full and complete understanding between the Parties.
- B. This MOU shall be governed by California law and applicable federal law. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.
- C. The terms of this MOU shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective successors and assigns.

[SIGNATURES FOLLOW ON NEXT PAGE]

The Parties have entered into, agreed to and accepted the terms and conditions of this MOU as of the Effective Date:

CITY OF LOS ANGELES, a municipal corporation

BY AND THROUGH ITS OFFICE OF THE CHIEF LEGISLATIVE ANALYST:

By: _____

SHARON M. TSO
Chief Legislative Analyst

ACKNOWLEDGED BY ITS GENERAL SERVICES DEPARTMENT:

By: _____

TONY ROYSTER
General Manager

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: _____

Assistant / Deputy City Attorney

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____

NICHOLAS SAPONARA
Executive Officer

APPROVED AS TO FORM:

DAWYN R. HARRISON

Acting County Counsel

By: _____
Deputy

ATTACHMENT A – CITY PROPERTY MAP

ATTACHMENT B – LACMTA PROPERTY MAP