

On June 6, 2024, the CAO transmitted a report from the CRA/LA Bond Oversight Committee to Council. The T3 Committee will hear the report at its regular meeting on June 18, 2024.

EWDD recommends that the following amendments to the report be adopted by the Committee and forwarded to Council for their approval.

1) Amend the CAO Transmittal as follows:

Replace the words "Property Condition Assessment" with the words "property condition assessments".

2) Amend Recommendation #4 so that it reads as follows:

- AUTHORIZE EWDD to negotiate and execute a Purchase and Sale Agreement (PSA) and all related transactional documents as needed with the owner of the Property (Seller) based on the material terms described below and set forth in Attachment #4. EWDD shall report back to Council and seek authorization to complete the transaction prior to the expiration of the Due Diligence Period.

3) Add Recommendation #12 with the following Controller instructions:

1. AUTHORIZE the Controller to:

a. Decrease appropriations within CRA/LA EBP Fund No. 57D, Account 22Y140, Department No. 22 as follows:

Acct No.	Acct. Name	Amount
001014	Salaries Construction	(\$7,483.00)
001101	Hiring Hall Construction	(\$29,531.00)
001121	Benefits Hiring Hall Construction	(\$9,355.00)
003180	Construction Materials	(\$80,309.00)
	TOTAL	(\$126,678.00)

b. Transfer appropriations within CRA/LA EBP Fund No. 57D, Department No. 22 as follows:

Acct No.	Acct. Name	Amount
From:		

22Y140	General Services Department	\$126,768
To:		
22L9MT	Pacoima/Panorama City Taxable	\$126,768

4) Recommendations #12 and #13 are to be renumbered to Recommendations #13 and #14, respectively.

5) Replace the paragraph on Page 4 that reads as follows:

"Post-acquisition, EWDD will evaluate the possibility of developing the Property into a mixed-use development. Anticipated future economic development elements may include commercial serving retail, incubation spaces for small businesses, affordable housing, and/or workforce housing."

With these revised paragraphs, which will replace the original:

"EWDD seeks to acquire the property located at 13269 Van Nuys Boulevard and Associated Parcels, pursuant to Admin Code sec. 22.1008(a) in order to carry out its economic development functions and to be the implementing department for activities related to the Project. Acquiring the property is both necessary and convenient in order to allow EWDD to foster economic development in this location. EWDD is the City department that is best positioned to manage commercial lease tenants, to evaluate the viability of the current tenants, and to identify future economic development opportunities for the site.

Post acquisition, EWDD will evaluate the economic development needs of the Pacoima community, and will work with community members and elected officials to determine how to use the property as currently constructed to foster economic development in this location. The potential for the re-development of a portion or all of the site will also be analyzed. Potential economic development activities to be evaluated include a food hall or public market, a small business incubator, a small market with fresh produce and health prepared foods, a community commissary / commercial prep kitchen, and workforce housing. The potential leverage of public and private funds will also be reviewed.

The PSA specifies a Due Diligence period of 75 days. During that period, EWDD will complete their due diligence investigation. This investigation will include reviewing the work of experts who will inspect the site for compliance with accessibility standards, the presence of termites and other pests, the presence of lead and asbestos, other potential environmental issues, and the age and condition of the building's structure and systems. EWDD will also review estoppels from tenants verifying the location, lease amount, and term of their lease. EWDD will report back to Council and seek authorization to complete the transaction prior to the expiration of the Due Diligence Period."

6) Add Attachment #4 as follows:

4. Term Sheet, Due Diligence and Occupancy Summary

(See attached)

Term Sheet	
Property Addresses:	10801 & 10823 San Fernando Road, and 13273 & 13277 Van Nuys Boulevard, Los Angeles, CA
APNs:	2619-017-001, 2619-017-002, 2619-017-004, 2619-017-024, 2619-017-026, 2619-017-030 AND 2619-017-035
Seller:	WILLIAMS RETAIL CENTER, a California Limited Liability Company
Lead Department:	EWDD
Price:	Not to exceed apprasied value (\$8M)
Deposit:	\$250,000 refundable until the end of the inspection period (75 days from the date of the agreement)
Escrow:	90 days, with two 15 day options to extend at Buyer's request upon written notice

Due Diligence Report Status		
Report	Status	Cost to Address Issues
Appraisal	Complete	N/A
Asbestos and Lead Testing	To be ordered after PSA is signed	Unknown
CASp Inspection	To be ordered after PSA is signed	Unknown
Phase I Environmental Assessment	Draft Under Review	Unknown
Phase II Environment Assessment (if required)	Draft Phase I does not recommend Phase II	Unknown
Structural and Building Systems	To be ordered after PSA is signed	Unknown
Termite and Pest Inspection	To be provided by Seller	Unknown
Title Report and Zoning Analysis	Complete	N/A

Occupancy Summary as of June 13, 2024

Unit #	Size and Status	Extensions?	Estoppel Requested? (Date)	Estoppel Received? (Date)
10807	5000 s.f. - Vacant	N/A	N/A	N/A
13273-C	300 s.f. - Lease expires 12/31/25	To be confirmed	Upon Signed PSA	
13273-E	1081 s.f. - Lease expires 03/31/29	To be confirmed	"	
13273ABD	1690 s.f. - Lease expires 12/31/25	To be confirmed	"	
13277-A	1215 s.f. - Month to Month	N/A	"	
13277-B	500 s.f. - Vacant	N/A	N/A	N/A
13277-C	50 s.f. - Lease expires 01/31/29	To be confirmed	Upon Signed PSA	
13277-D	500 s.f. - Lease expires 01/31/25	To be confirmed	"	
13277-E	500 s.f. - Lease expires 02/28/29	To be confirmed	"	
13277-F	500 s.f. - Lease expires 05/31/25	To be confirmed	"	
13277-G	500 s.f. - Month to Month	N/A	"	
13277-H	500 s.f. - Lease expires 4/30/26	To be confirmed	"	
Basement	2000 s.f. - Lease expires 11/30/25	To be confirmed	"	
10801	2500 s.f. - Vacant	N/A	N/A	N/A
13269	1090 s.f. - Vacant	N/A	N/A	N/A