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COUNCILWOMAN
NINTH DISTRICT
PRESIDENT PRO TEMPORE

City Council
of the
City of Los Angeles
City Hall

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July 12, 2011

Los Angeles Board of Harbor Commissioners
President Cindy Miscikowski
Vice President David Arian
Commissioner Robin Kramer
Commissioner Douglas P. Krause
Commissioner Kaylynn L. Kim.
425 S. Palos Verdes Street
San Pedro, CA 90731

Re: Amendment to Settlement of Libaw-Horowitz Investment Co. v. City of Los Angeles, Council File 03-1642

Dear Commissioners:

In 2003, the Harbor Department settled an action brought by Libaw-Horowitz Investment Company involving the Lancer Property, a roughly 14 acre parcel located at 41st and Alameda Streets in Council District Nine. The settlement was authorized by the City Council on August 13, 2003. Pursuant to the settlement agreement, the Harbor Department sold the Lancer property to Libaw-Horowitz subject to, and in conjunction with, Libaw-Horowitz' pledge to dedicate approximately 2.6 acres of the property back to the City of Los Angeles Department of Parks and Recreation (RAP), or alternatively, to a non-profit community organization that would use and maintain the property for recreation and park purposes. The Harbor Department's settlement and sale was challenged in a court action by community gardeners that were occupying the property at the time. That action finally concluded in January 2009 when the California Supreme Court declined to review the case.

Since the pledge agreement was authorized in 2003, there has been an emerging field of research regarding air pollutants and the harmful impacts they can have on sensitive receptors. Considering the health risk posed by diesel emissions, the propriety of establishing an active use park in the middle of this heavily industrialized corridor should be questioned and is the primary reason why I am requesting the Harbor Commission to consider amending the pledge agreement.

Currently, Libaw-Horowitz is in escrow with a buyer that proposes to build a design center on the Lancer property that will encompass garment design, manufacturing and warehousing and could potentially create up to 600 new jobs. The buyer's plans, however, require the entire Lancer property including the pledged 2.6 acres.

Considering the City's immediate need for jobs and tax revenues and the location of the site on the Alameda Corridor, I ask that the pledge agreement be amended, such that Libaw-Horowitz shall be relieved of its pledge to dedicate the 2.6 acres in exchange for a cash pledge.

The cash value of the release shall be equal to a pro-rata share based on acreage of the sale price that Libaw-Horowitz has agreed to with the current prospective buyer. The cash proceeds of the release shall be dedicated to a trust fund established by an ordinance and limited to use for recreation and parks purposes. The fund will be used to improve existing recreation facilities with capital improvements and programming and to create new recreation opportunities in the area adjacent to the Lancer site. Execution of the release and payment of the settlement funds shall not be contingent upon Libaw-Horowitz closing the pending sale or any future sale of the property.

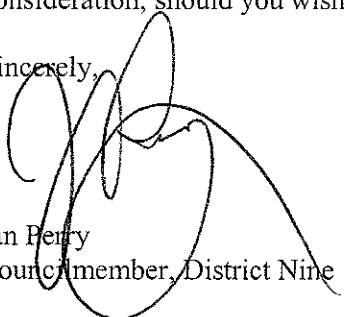
Specifically, the first installment of funds in the approximate amount of \$2.7 million will go towards recreation and parks capital improvements. There are multiple opportunities for investment in the local community parks where over 40% of area residents are under the age of 17 and live in high density conditions. There is public housing for more than 2,000 residents at Pueblo Del Rio in the immediate area of the Lancer site and the recreation and parks improvements could be implemented quickly there to improve access to much-needed recreational opportunities for families and children. Currently, I am working with RAP and the Housing Authority of the City of Los Angeles (HACLA) to develop a menu of recreation and park improvement options with associated costs to present to the Resident Advisory Committee (RAC). Pueblo Del Rio has an active RAC and that body will help the City ultimately decide what recreation and parks improvements will be made.

The second installment of funds in the approximate amount of \$900,000 will be used to support programming activities at existing recreation and parks facilities in the vicinity of the Lancer site. These recreation facilities include but are not limited to Fred Roberts Park and Ross Snyder Park. These funds may also be used to support organizations who manage recreation activities.

Additionally, it should be noted that in partnership with my office and the Department of Water and Power the Los Angeles Community Garden Council has successfully established a new seven-acre garden with 190 plots at 110th Street and Avalon Boulevard. In fact, many of the community gardeners who gardened at the Lancer site have been able to locate here.

The Lancer property has a long history yet it remains one of the few large assembled, undeveloped properties in the City of Los Angeles. Amending the pledge agreement will allow the property to be fully utilized for job creation and provide support to existing recreation facilities. I will continue conversations with HACLA, RAP and community-based organizations; I know these funds can be used to improve and create recreation opportunities for the community in the vicinity of the Lancer site. I appreciate your consideration; should you wish to discuss this matter further, please contact me directly.

Sincerely,



Jan Perry
Councilmember, District Nine

cc: Deputy Mayor Larry Frank, Office of Mayor Villaraigosa
Gerry Miller, Chief Legislative Analyst
Kenneth Mattfeld, Deputy City Attorney
Tim Ison, Libaw-Horowitz Investment Co.