

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

NOVEMBER 21, 2017

Severance of Master Ground Lease at Harbor-UCLA Medical Center

On September 30, 2014, the Los Angeles County (County) Board of Supervisors (Board) approved a Master Ground Lease Agreement (Master Ground Lease) with Lessee, the Los Angeles Biomedical Research Institute (LA BioMed), to consolidate five separate ground leases for medical research buildings located within the County-owned Harbor-UCLA Medical Center complex in unincorporated West Carson. The Board also approved a proposal for the LA BioMed Development Project which sought to build two new research buildings in an area designated to become a state-of-the-art research park.

The terms of the Master Ground Lease provide that LA BioMed, in connection with the development and financing of improvements pursuant to its Development Project plans, shall have the right to sever the Master Ground Lease into two or more separate ground leases for portions of the leased premises. LA BioMed is seeking financing for its current construction project on a portion of the ground leased premises. They have requested the County approve a severance of the Master Ground Lease into two separate ground leases, each with the same terms and conditions as the existing Master Ground Lease. This severance is necessary in order to facilitate the construction financing that will encumber the ground leasehold in which the new building is being constructed, while leaving the other ground leasehold unencumbered by the new debt. The new financing will consist of a senior loan from Banc of California and a junior loan from an EB-5 Funding partnership.

-MORE-

MOTION

SOLIS _____

KUEHL _____

HAHN _____

BARGER _____

RIDLEY-THOMAS _____

**MOTION BY SUPERVISOR MARK RIDLEY-THOMAS
NOVEMBER 21, 2017
Page 2**

Certain conditions must be met by LA BioMed before a severance of lease can be approved by the County. Currently, the Chief Executive Officer and County Counsel are reviewing compliance with these conditions together with all documentation connected with LA BioMed's request. LA BioMed has informed the County that approval of this request for severance of lease will help to expedite its acquisition of construction financing and will allow LA BioMed to keep on its construction schedule for the improvements currently under development.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Upon final confirmation that all conditions for severance of lease contained in the Master Ground Lease have been satisfied by Los Angeles Biomedical Research Institute (LA BioMed), direct the Chief Executive Officer (CEO), or her designee, to approve the severance of the Master Ground Lease, thereby authorizing the creation of two separate ground leases for the currently leased premises;
2. Authorize the CEO or her designee, to execute the resulting two ground leases, subject to approval as to form by County Counsel; and
3. Authorize and direct the CEO, or her designee to execute any other ancillary documentation necessary to effectuate the severance of the Master Ground Lease and to take actions necessary and appropriate to implement these documents.

#

(DR)