COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 3, 2007

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

AGREEMENT TO NEGOTIATE EXCLUSIVELY TO CONSTRUCT A COMMERCIAL DEVELOPMENT IN THE MARAVILLA COMMUNITY REDEVELOPMENT PROJECT AREA(1)
(3 Vote)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that entering into a 90-day Agreement to Negotiate Exclusively ("Agreement") with Dokhy LLC, a limited liability company (the "Owner Participant"), to negotiate an Owner Participation Agreement ("OPA") for the Cesar Chavez Avenue Development project is not subject to the provisions of the California Environmental Quality Act ("CEQA"), because it does not have the potential for causing a significant effect on the environment.

2. Approve the 90-day Agreement with the Owner Participant, presented in substantially final form, to negotiate an OPA for the Cesar Chavez Avenue Development Project, an approximately 25,113 square-foot commercial development to be located on the southwest corner of Cesar Chavez Avenue and Mednik Avenue, in the Maravilla Community Redevelopment Project ("MCRP") area.

3. Authorize the Executive Director of the Community Development Commission to execute the Agreement, to be effective following approval as to form by County Counsel and execution by all parties.

4. Authorize the Executive Director to amend the Agreement to extend the negotiation period for an additional 90 days, if needed, following approval as to form by County Counsel and execution by all parties.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

The purpose of this action is to permit the Commission and the Owner Participant to exclusively negotiate an OPA to construct a commercial development in the MCRP area.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In February 1973, the Board of Supervisors adopted the Redevelopment Plan for the MCRP. The Redevelopment Plan calls for planned orderly growth of the MCRP, including: removal of slum and blight; redevelopment and rehabilitation of existing lots and structures; development of commercial/retail space; and development of affordable housing in designated areas.

On October 10, 2006, the Commission received a proposal from the Owner Participant to develop a commercial center on Owner Participant-owned property and five adjacent Commissioned-owned parcels. Currently, the proposed six-parcel site consists of a paved parking lot, a thrift shop, and modular trailer housing services provided by a local non-profit. The proposed Agreement to Negotiate Exclusively will enable the Owner Participant and the Commission to negotiate an OPA for the development of an approximately 25,000 square-foot commercial project within the MCRP with retail and service uses. Following the successful conclusion of negotiations, the OPA will be presented to your Board for approval.

A map of the proposed new development (Attachment "A"), and the MCRP ("Attachment "B"), are attached.

The Agreement will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION:

This Agreement is exempt from the provisions of the National Environmental Policy Act ("NEPA") pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

The Agreement does not commit the Community Development Commission to a particular course of action. All CEQA and NEPA environmental review requirements must be completed prior to signing an OPA committing the Commission to this project.

IMPACT ON CURRENT PROJECT:

The proposed Agreement to Negotiate Exclusively will further the goals of the MCRP Redevelopment Plan by eliminating blighting influences, encouraging diversification of the local commercial base, increasing employment opportunities, and providing opportunities for commercial businesses to locate their operations in the MCRP area.

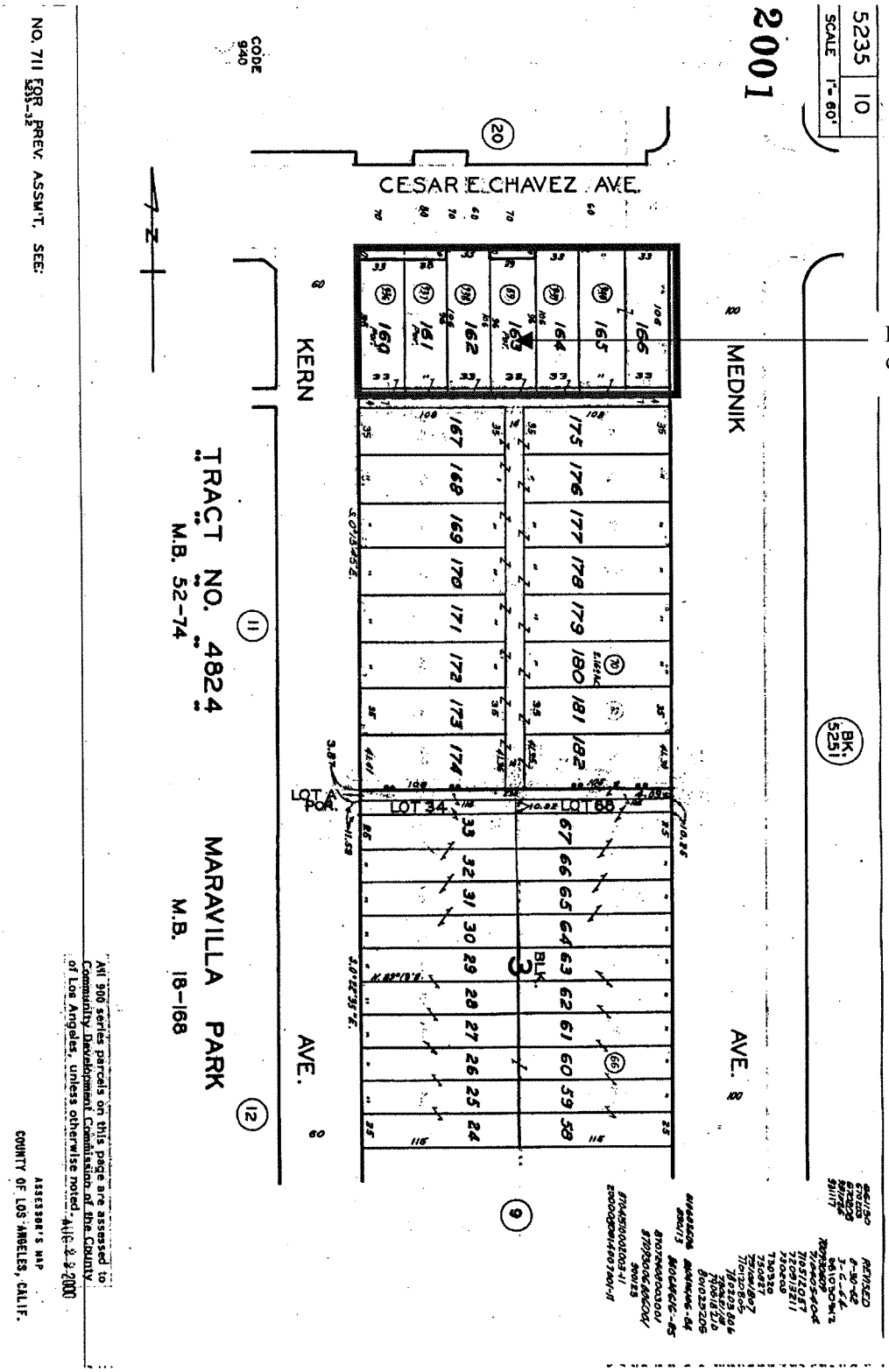
Respectfully submitted,

Bobbette B. Glover

for CARLOS JACKSON
Executive Director

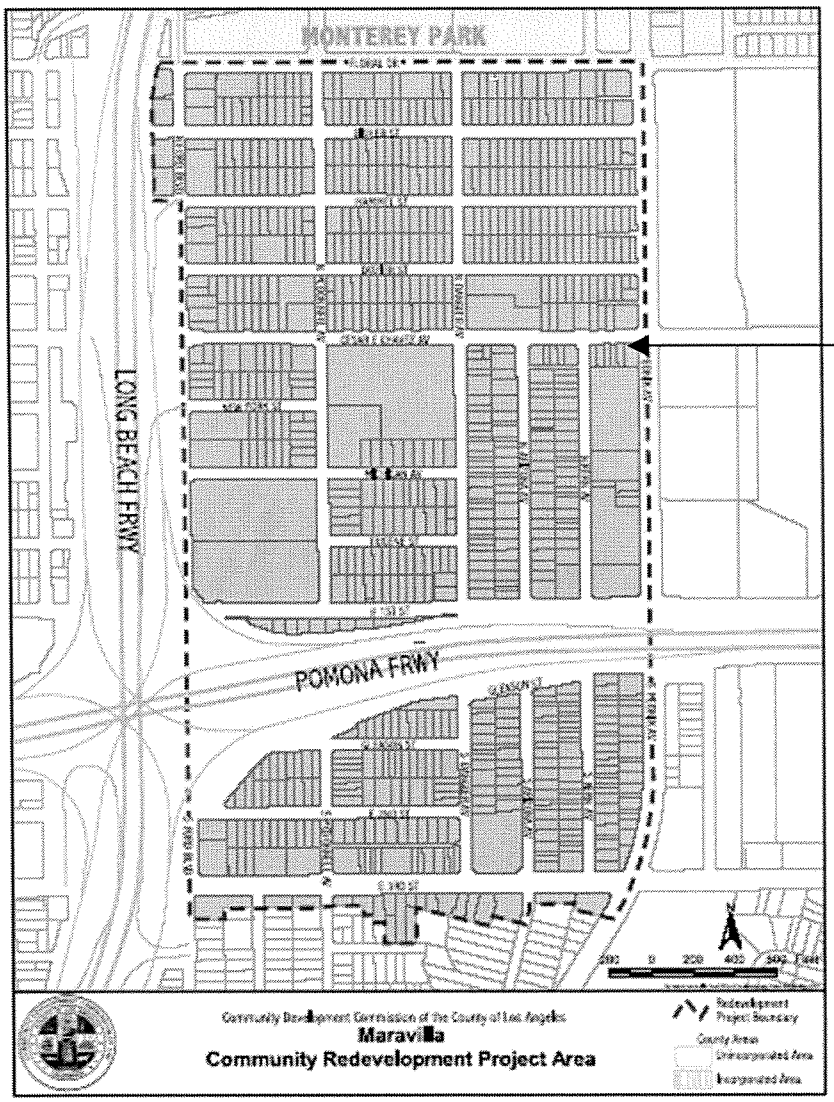
Attachments: 3

Attachment "A"



Proposed commercial development site

Attachment "B"



Proposed commercial development site

AGREEMENT TO NEGOTIATE EXCLUSIVELY

by and between

COMMUNITY DEVELOPMENT COMMISSION

OF THE COUNTY OF LOS ANGELES

and

DOKHY LLC

MARAVILLA COMMUNITY REDEVELOPMENT PROJECT
CESAR CHAVEZ AVENUE DEVELOPMENT

AGREEMENT TO NEGOTIATE EXCLUSIVELY

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the "Agreement") is entered into this _____ day of _____, 2007, by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic (the "Commission"), and Dokhy L.L.C. (the "Owner Participant"), on the terms and conditions set forth below.

THE COMMISSION AND THE OWNER PARTICIPANT HEREBY AGREE AS FOLLOWS:

[100] Duration of this Agreement

The duration of this Agreement shall be for a period of ninety (90) days from the date of execution of this Agreement by the Commission plus any extensions mutually agreed to by the Executive Director of the Commission and the Owner Participant ("Negotiation Period"). If upon expiration of the Negotiation Period, the Owner Participant has not negotiated an Owner Participation Agreement ("OPA") satisfactory to the Commission, this Agreement shall automatically terminate. The Board of Commissioners of the Commission has authorized the Executive Director of the Commission to extend this Agreement up to an additional 90 days.

[200] Negotiations

[201] Good Faith Negotiations

The Commission and the Owner Participant agree to negotiate diligently and in good faith during the Negotiation Period to prepare the OPA to be approved and executed by the Owner Participant and for submission by the Commission for approval by the Board of Commissioners of Commission, in the manner set forth herein with respect to the development as referenced in Section 301 hereof (the "Development") of certain real property (the "Site") located within the boundaries of the Maravilla Community Redevelopment Project Area (the "Project Area"). The Commission agrees, for the negotiation period, not to negotiate with any other non-governmental person or entity regarding development or transfer of the Site.

In the event at any time during the Negotiation Period the Owner Participant does not negotiate diligently and in good faith as determined by the Executive Director of the Commission in his discretion, the Commission shall give written notice thereof to the Owner Participant who shall then have twenty (20) business days to negotiate diligently and in good faith to the satisfaction of the Executive Director. Following the receipt of such notice and the failure of the Owner Participant to thereafter negotiate diligently and in good faith within said twenty (20) business days, the Commission may terminate immediately this Agreement upon written notice.

Except as provided in the preceding paragraph, upon termination of this Agreement on or before the expiration of the Negotiation Period (which may include any authorized extension of the original 90-day period), neither party shall have any further

rights against or liability to the other under this Agreement.

If an OPA is approved and executed by the Commission and the Owner Participant, the OPA shall thereafter govern the rights and obligations of the parties with respect to the Development and shall supersede this Agreement.

[202] Redevelopment Plan

This Agreement and the OPA are subject to the provisions of the Redevelopment Plan for the Project Area that was approved and adopted by the Board of Supervisors of the County of Los Angeles by Ordinance No. 10661 in February 1973.

[300] Development Concept

[301] Scope of Development

The negotiations between the Owner Participant and Commission hereunder shall be for the acquisition of Commission-owned properties and the construction of the Development proposed by the Owner Participant entitled "Cesar Chavez/Mednik Commercial Development" dated October 10, 2006 (the "Owner Participant Proposal"), which is attached hereto as Exhibit B.

[400] Property Transfer and/or Other Consideration

During the Negotiation Period, the Owner Participant and the Commission will negotiate the purchase price for Commission-owned properties within the Site, and/or other consideration to be paid to the Commission by the Owner Participant under the OPA. The OPA will be subject to Article 11 of the California Health and Safety Code, more specifically Section 33433, and approval by the Board of Commissioners of the Commission.

[500] The Owner Participant

[501] Nature of the Owner Participant

The Owner Participant is Dokhy, LLC.

[502] Office of the Owner Participant

The principal office of the Owner Participant is:

Dokhy, LLC
225 E. 9th St., #270
Los Angeles, CA 90015
ATTENTION: David Ahdoot, President

David Ahdoot is the authorized representative of Owner Participant to administer and implement this Agreement and enter into binding negotiations for the OPA pursuant to this Agreement.

[503] Full Disclosure

The Owner Participant shall make full disclosure to the Commission of its principals, major stockholders, major partners, joint venture partners, key managerial employees, other associates (collectively, the "principals"), and all other material information concerning the development, including education, experience, and qualifications, of Owner Participant and its principals whose identities, development experience, and qualifications are of great importance to the Commission and constitute the basis for the Commission to enter into this Agreement.

The Commission in its sole discretion must approve any change of the principals of the Owner Participant.

[600] The Owner Participant Financial Capacity

[601] Financial Ability

Prior to approval and execution of the OPA by the Owner Participant and the Commission, the Owner Participant shall submit to the Commission evidence satisfactory to the Commission of the Owner Participant's ability to finance the acquisition of property and the construction of the on-and off-site improvements as proposed.

[700] Owner Participant Pre-development Activities

[701] Public Participation

During the Negotiation Period, the Commission may hold public meetings to obtain community comment on the Development. As requested by the Commission, the Owner Participant shall attend such public meetings and be prepared to report on the status of the Development and respond to questions and comments by the community and the Maravilla Community Advisory Committee.

[702] Owner Participant's Findings, Determinations, Studies and Reports

Upon reasonable notice, as requested by the Commission in its sole discretion, the Owner Participant shall provide written progress reports to the Commission on any matters, including plans and studies, related to the Development.

[703] Schedule of Performance

Owner Participant agrees to provide the Commission with a detailed written schedule of performance for the proposed Development to be attached to the OPA.

[800] The Commission

[801] Office of the Commission

The principal office of the Commission is:

Community Development Commission of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755
ATTENTION: Corde Carrillo, Director
Economic/Redevelopment Division

Corde Carrillo is the Executive Director's authorized representative to administer and implement this Agreement, subject to any appropriate approvals of the Executive Director and Board of Commissioners of the Commission.

[900] Commission Activities

[901] Commission Assistance and Cooperation

The Commission shall assist and cooperate with the Owner Participant in the development of the Site as the Commission determines in its sole discretion.

[902] Public Hearing

Any OPA hereunder shall become effective only after approval by the Owner Participant and the Board of Commissioners of the Commission after a noticed public hearing called for such purpose as required by law.

[1000] Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by the Commission regarding the form or consideration of a transfer of all or any part of the Commission-owned properties within the Site. Execution of this Agreement by the Commission is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof. Only the Board of Commissioners of the Commission can approve any negotiated OPA.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date last below written.

DOKHY LLC

By:_____
David Ahdoot

TITLE:_____

DATE:_____

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

By:_____
Carlos Jackson, Executive Director

DATE:_____

APPROVED AS TO PROGRAM:
COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

By:_____
Corde Carrillo, Director
Economic Redevelopment Division

DATE:_____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By:_____
Deputy

DATE:_____