

AWARD EXCLUSIVE NEGOTIATION AGREEMENT FOR HONOR RANCH DEVELOPMENT PROJECT

The County of Los Angeles (County) has offered a rare and unique opportunity to develop a County-owned property consisting of approximately 206 contiguous acres of undeveloped land (Property) located in the Santa Clarita Valley, immediately adjacent to the I-5 Freeway. Commonly known as Honor Ranch, the Property includes two miles of I-5 freeway frontage, abundant freeway visibility, and access from an existing interchange. The County's key development objectives for the Property, in addition to fulfilling Los Angeles County Board of Supervisors (Board) priorities, are to create jobs and community benefits, maximize revenue to the County, and enable development on an underutilized County owned property.

The California Surplus Land Act (Act) (Government Code section 54220, et seq.), as amended in October 2019 by California Assembly Bill 1486 (effective January 1, 2020), requires local agencies, prior to disposing of surplus property for commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development, or for the sole purpose of investment or generation of revenue, to offer to sell or lease that surplus land to certain entities for specified uses, including affordable housing, parks and recreation, and schools.

On May 18, 2021, in order to comply with the requirements of the Act, the Board declared the Property as surplus land. On May 25, 2021, the Los Angeles County Department of Public Works (Public Works) issued a Notice of Availability (NOA) to a list of developers established by the California Department of Housing and Community Development (HCD) and certain governmental entities. After the required noticing, response, and negotiation periods, the County did not receive any affordable housing proposals and submitted documentation to HCD demonstrating fulfillment of the requirements of the Act. On December 8, 2021, the County received notification from HCD confirming that the requirements under the Act had been met.

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On October 4, 2021, Public Works released a Request for Proposal (RFP) for the highest and best use of the Property that would achieve the County's main objectives and goals specific to the Santa Clarita Valley, including stimulating the local economy, high-wage job creation, and small business development. Two proposals were received and an evaluation committee comprised of staff from Public Works and the Chief Executive Office determined that the TC LA Industrial Development, Inc., a subsidiary of Trammell Crow Company (Developer), submitted the most advantageous proposal to fulfill the County's objectives on the Property.

The Developer's proposal, referred to as the Honor Ranch Development Project, contemplates a 1.8 million square foot mixed-use project that includes 1.5 million square feet of industrial business park (manufacturing, warehousing & distribution, media, and entertainment), 250,000 square feet of life sciences office (research & development, bioscience), 55,000 square feet of retail (neighborhood, quick service, traditional), and required parking and transportation infrastructure.

The next steps for development of the Property include establishment of an Exclusive Negotiating Agreement (ENA) between the Developer and the County. During the exclusive negotiating period the Developer and the County will negotiate the terms of a development agreement, on terms acceptable to both parties. There are no anticipated costs to County during the ENA period as the Developer will provide funds for the payment of costs incurred by the County during the ENA period for the management and oversight of predevelopment activities. The terms of the payments to County will be included in the ENA. At the conclusion of the ENA period, the CEO will return to the Board with a recommendation regarding certification of the environmental documentation and approval of a final development agreement to include a ground lease between the County and Developer.

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS:

1. Find that approval of these proposed actions, is not subject to California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378 because the actions do not commit the County to a project and will not have the potential for causing a significant effect on the environment.

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2. Authorize and delegate authority to Chief Executive Officer (CEO), or her designee, to negotiate and execute, and if necessary amend, extend, or terminate an Exclusive Negotiating Agreement (ENA) with TC LA Industrial Development, Inc., approved as to form by County Counsel, for an initial six-month term, and to extend the term of the ENA for a maximum of up to four (4) additional six-month ENA extension periods, if needed in order to negotiate the potential Honor Ranch Development Project, collect deposits and fees in connection with the terms of the ENA, and to administer the expenses and accounting associated with the ENA, and to execute any and all related or ancillary documents or amendments to the ENA necessary to effectuate the action authorized hereby.
3. Authorize the Director of Public Works, or his designee, in consultation with the CEO, to manage the predevelopment phase of the proposed Honor Ranch Development project.

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