



Los Angeles Grand Avenue Authority



Board of Directors

Hon. Gloria Molina, Chair
Hon. Jan Perry, Vice Chair
William T Fujioka, Secretary
Cecilia V. Estolano
Dale Bonner, Ex Officio

JUNE 9, 2008 MINUTES

The twenty-fourth meeting of the Los Angeles Grand Avenue Authority was held June 9, 2008, at the Kenneth Hahn Hall of Administration, Room 374-A, 500 West Temple Street, Los Angeles, CA.

CALL TO ORDER

Chairperson Gloria Molina called the meeting to order at 10:11 a.m. The following Directors were present constituting a quorum of the Authority:

Gloria Molina, First District Supervisor, County of Los Angeles
William T Fujioka, Chief Executive Officer, County of Los Angeles
Jan Perry, Ninth District Councilmember, City of Los Angeles
Cecilia V. Estolano, Chief Executive Officer, Community Redevelopment Agency

APPROVAL OF THE MARCH 17, 2008 MINUTES

On motion of Director Perry, seconded by Director Fujioka and unanimously carried, the Authority approved the March 17, 2008, minutes as submitted.

NOTICE OF CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8 PROPERTY: Parcels Q, W-2, L and M-2 of the Bunker Hill Urban Renewal Project Area and the Park Parcel
JPA Real Property Negotiator: Grand Avenue Committee, Inc., Nelson Rising, Eli Broad, Antonia Hernandez, Gerry Hertzberg, David Riccitiello, John Edmisten, Dawn McDivitt, Greg Fischer, Martha Welborne, Paul Rutter, Diane Hvolka, Thomas Webber, Richard Volpert Negotiating Parties: Grand Avenue L.A., LLC Under Negotiation: Price and Terms

Chair Molina referenced the above Notice of Closed Session items to be discussed.

The Grand Avenue Authority Board of Directors adjourned to Closed Session at 10:13 a.m.

The Board of Directors reconvened the Grand Avenue Authority meeting at 11:00 a.m.

Helen Parker, County Counsel, advised that no reportable action was taken in Closed Session.

GRAND AVENUE PROJECT STATUS REPORT

Nelson Rising, Chair, Grand Avenue Committee, reported that a public outreach meeting to receive community input was held at the Dorothy Chandler Pavilion regarding the Civic Park development with about 200 in attendance. To date, the total budget to be utilized for the design and construction of the Civic Park is \$56 million.

Bill Witte, Related Company, advised that work is ongoing with Director Fujioka's CEO office, to obtain \$30 million in funding from the State, and it is anticipated that funding will occur prior to Park construction. Chair Molina suggested that efforts to identify additional monies should continue.

DEVELOPER'S REQUEST FOR REVISIONS TO THE PHASE I SCHEDULES OF PERFORMANCE FOR PARCEL Q AND THE PARK PARCEL INCLUDING REQUEST TO OBTAIN VARIOUS CONSTRUCTION PERMITS PRIOR TO THE COMPLETION OF FINAL CONSTRUCTION DRAWINGS AND RELATED PROJECT SCHEDULE MATTERS

Paul Novak, Planning Deputy, Supervisor Antonovich's Office, reported that the Supervisor suggests that various components be revisited in light of a weakening economy. In addition, increased costs to develop the Grand Avenue project must be considered to ensure that the project benefits the taxpayer; and future costs should be considered such as the replacement of the Hall of Administration.

Brady Westwater, Resident, Downtown Neighborhood Council, reported that Related Company is on the right track in its recommendations for new construction. Retail/commercial leases are strong, construction costs and material will decrease, and attempts to renegotiate on existing agreements will probably cause expensive litigation.

Following discussion, on motion of Director Fujioka, seconded by Director Perry and unanimously carried, the Authority approved the following recommendation for the Grand Avenue Project:

On motion of Director Fujioka, seconded by Director Perry and unanimously carried, the Authority and the Committee agreed to:

1. Schedule Extension. The start of construction of the Phase I development site was to have begun on or before June 13, 2008. The Authority agreed to extend this construction start date to August 15, 2008.
2. The Grand Avenue Committee staff will meet with Related Company staff to identify any further schedule changes, and report back on this matter at the July 28, 2008, Grand Avenue Authority meeting.

Authority FY 2008 – 2009 Budget

Martha Welborne, Managing Director, Grand Avenue Committee, reported on the Los Angeles Grand Avenue Authority July 1, 2008 – June 30, 2009 Budget, including staff operations and overall budget revenues and expenses (copy on file).

Following discussion, on motion of Director Estolano, seconded by Director Fujioka and unanimously carried, the Grand Avenue Authority FY 2008 – 2009 Budget was approved, and staff was requested to provide a future detailed report on staff expenses.

(Director Perry was excused from the meeting at 10:45 a.m.)

GRAND AVENUE COMMITTEE CONTRACT AMENDMENT

Martha Welborne reported that the Real Property Services Agreement, dated as of February 23, 2004, (copy on file) was first amended as of June 5, 2006, and its second amendment was as of June 11, 2007, to expire on June 30, 2008. The Grand Avenue Committee proposed an eight (8) month extension, commencing on July 1, 2008, and expiring on February 22, 2009.

Discussion ensued on the possibility of issuing a new contract to the Grand Avenue Committee in February 2009, or of going out to bid to solicit staff services. Following further discussion, Chair Molina requested that staff report back on this issue.

Following discussion, on motion of Director Fujioka, seconded by Director Estolano and unanimously carried, the Grand Avenue Committee Contract Amendment was approved.

DISCUSSION OF FUTURE AGENDA ITEMS, DATE OF NEXT MEETING

Martha Welborne advised that the next regular Grand Avenue Authority meeting is scheduled on Monday, July 28, 2008.

PUBLIC COMMENT

Brady Westwater commented that over 25 projects are ongoing near the Civic Center with similar timelines. Mr. Westwater recommended that the Authority consider establishing a Civic Center Authority.

ADJOURNMENT

There being no further business, Chair Molina adjourned the meeting at 11:21 a.m.