County of Los Angeles
CHIEF EXECUTIVE OFFICE
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Chief Executive Officer

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ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#15 JUNE 29, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

June 29, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

CIVIC PARK PROJECT
(ALL DISTRICTS) (3 VOTES)

SUBJECT

Approval of the recommended actions will allow the developer, the Grand Avenue Park Development, LLC, to proceed with the implementation of the Civic Park Project and will provide the County with flexibility in resolving any parking conflicts during the implementation of the Civic Park Project.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt a Joint Resolution of the County and the Grand Avenue Authority making certain findings in accordance with Health & Safety Code Section 33445 in support of the use of $5,030,000 in interest income earned on funds deposited by the original developer for the Civic Park Project.

2. Approve the final construction documents, on file in the Chief Executive Office, including the final project amenities/elements of the Civic Park Project, as recommended by the Grand Avenue Committee to both the County and the Community Redevelopment Agency of the City of Los Angeles before action by the Grand Avenue Authority pursuant to the applicable Civic Park Design Agreement and as a follow-up to the Board's earlier approval of the final schematic design for the Civic Park Project.

3. Authorize the Chief Executive Officer to coordinate the relocation and/or removal of existing plaques and monuments currently located in the County Mall.

4. Delegate authority to the Director of Internal Services Department to temporarily adjust parking locations and rates consistent with the adopted Board parking guidelines to resolve any parking conflicts during the construction of the Civic Park Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Grand Avenue Park Development, LLC (Developer, formerly The Related Companies, L.P.) has requested approval from the Grand Avenue Authority (Authority) of the final construction documents related to the Civic Park Project. Prior to the Authority's action, the County and the Community Redevelopment Agency of the City of Los Angeles (CRA) are required to provide their respective approvals.

Background

The Authority was created in September 2003 through a Joint Powers Agreement between the County and CRA and is a separate legal entity, which selected The Related Companies, L.P. (Related) as the developer for the Grand Avenue Project in September 2004 after a public process.

In February 2007, your Board approved various actions relative to the phased development of the Grand Avenue Project. As part of the Phase I development, Related is required to oversee the design and construction of improvements to an expanded 12-acre Civic Park, which will stretch from Grand Avenue at the Music Center to Spring Street at City Hall. In July 2008, the Authority approved Related's request to assign its rights and obligations under the Civic Park Design Agreement to, and assumption by, a newly-formed entity called Grand Avenue Park Development, LLC, which is wholly-owned and controlled by Related.

Civic Park

In April 2009, your Board approved the final schematic design by Rios, Clementi, Hale Studios (Rios), the architect for the Civic Park, as required under the Civic Park Design Agreement. The final construction documents, including the final amenities/elements are now completed and the Civic Park Design Agreement requires the approvals of your Board and the CRA prior to consideration by the Authority. This submittal is a logical evolution of prior approved design submissions for the Civic Park. The CRA Board approved final construction documents at its May 20, 2010 meeting.

In April 2010, your Board approved and delegated authority to the Chief Executive Officer (CEO) to execute and implement the Lease Lease-Back Agreement, Civic Park Development Agreement (Development Agreement) and Funding Agreement, which collectively outlined the procedures and funding for the implementation of the Civic Park Project. As outlined in Article 4 of the Development Agreement, the Developer issued a competitive request for proposals for general contractor fee and general conditions. Matt Construction, Hathaway Dinwiddie Construction Company, Swinerton Builders, and Pankow Builders responded. Upon completion of the interview and selection process, the CEO approved the Developer's recommendation to negotiate a general contracting agreement with Pankow Builders (Pankow) based upon qualifications, fees, and general conditions bid. The Developer has negotiated and executed a general contracting agreement with Pankow, as approved by the CEO.

Following execution of the general contracting agreement between the Developer and Pankow, a request for subcontract trade bids for the project scope of work was issued. Upon completion of a review and analysis of the initial receipt of subcontract trade bids the estimated cost for Phase I and II of the project was approximately $1.0 million over the approved project budget. The Developer, Rios, and Pankow conducted meetings with each subcontractor and developed a list of cost cutting measures to bring the project cost back into alignment with the approved budget. The proposed cost cutting measures do not materially impact the proposed project amenities/elements but reflect the use of revised materials, reduced quantities, change in type of fixtures, and use of various construction methods and techniques that will not impact the maintenance or operations of the Civic Park. The measures were accepted by the CEO as authorized under the Development Agreement.

It is recommended that your Board approve the final construction documents, which are on file in the CEO offices, including the final amenities/elements of the Civic Park Project as illustrated in Attachment A. It is anticipated that the proposed project will be implemented in two Phases with Phase I construction anticipated to begin in mid-July 2010, Phase II to begin in Spring 2011, and the entire Civic Park Project tentatively to be completed within 24 months. The final project milestone schedule will be distributed to affected departments during the last week of June 2010 through electronic and written communication methods.

Civic Park Amenities/Elements

The proposed final project amenities/elements of the Civic Park Project are illustrated in Attachment A with a set of the final construction documents on file in the CEO offices. The Civic Park Project will be implemented in two phases beginning with Phase I, the Fountain Plaza, Performance Lawn, and Event Lawn. Phase II, the Community Terrace, will begin

approximately nine months after Phase I with the entire project to be completed within 24 months from the date the Phase I notice to proceed is issued to the contractor.

Phase I, the Fountain Plaza, Performance Lawn, and Event Lawn, includes the demolition, redesign, re-engineering, and re-construction of the existing vehicular ramps at the west end of the County Mall garage with garage access to remain off Grand Avenue; permanent closure of the pedestrian walkway tunnels under Grand Avenue; restoration of the historic Arthur J. Will Memorial fountain; construction of a new one-story building for the relocation of the current Starbuck's Café, as well as ATM facility, public restrooms, and park support offices; reconfiguration and enlargement of the lawn area for performances; creation of a new Olive Tree Courtyard; relocation and engineering of vehicular ramp access to the secured parking at the Clara Shortridge Foltz Criminal Justice Center (Foltz Center) from Spring Street; reconfiguration of Americans with Disability Act (ADA) parking spaces immediately south of the Foltz Center; demolition of the surface parking lot; installation of an event lawn with high-performance turf; construction of a marketplace and event staging area to accommodate community markets, event loading, temporary parking, and pedestrian pathway; and refurbishment of existing hardscape walks, stairs, and site walls.

The demolition of the surface parking lot west of City Hall will require the County employees currently assigned a parking pass under the County parking system to be relocated to the Court of Flags, Lot 10. Those County employees or public persons who purchase a monthly public parking pass directly from the parking concessionaire will be able to find available parking at other nearby public parking lots. During the construction phase, ADA parking will be available at the Court of Flags, Lot 10 with a shuttle to and from the Foltz Center ADA accessible entrance on Temple Street. Upon completion of the Civic Park Project, ADA parking will be available immediately south of the Foltz Center with access to the south building entrance. Additionally, and as part of the Hall of Justice Repair and Reuse Project, the surface lot adjacent to Spring Street east of the Hall of Justice building will be reconfigured to provide some ADA and public parking spaces with an accessible pathway and ramp to the Foltz Center entrance on Temple Street. This parking area will be revisited as part of the final scope of work relative to the Hall of Justice Repair and Reuse Project.

Phase II, the Community Terrace, consists of redesign of the existing Court of Flags to include more garden and planting areas as well as installation of stairs, walkways, relocated or removed flags and monuments, and planted terraces to accommodate a grade change of approximately 15 vertical feet from the existing Court of Flags level to Broadway. As directed by your Board, the CEO has worked with the Department of Military and Veterans Affairs, other non-profit organizations, the architect and the Developer to coordinate the relocation of current flags, plaques and monuments to new locations in the

proposed project. However, the George Washington monument will be relocated to the Bob Hope Patriotic Hall, and two metal post directional signs will be removed due to their illegible and poor condition. All organizations have approved the new locations.

Construction Logistics

The CEO, Developer, and Pankow have been meeting with jurisdictional agencies and adjacent office building, and parking managers to discuss construction barricades, traffic flows, parking impacts, and building emergency evacuation plans.

Upon issuance of the Phase I notice to proceed to Pankow, tentatively scheduled for mid-July 2010, k-rails will be located along Grand Avenue to provide a pedestrian walkway in addition to construction barricades to be located around the perimeter of the construction site beginning with Grand Avenue and proceeding eastward to Hill Street and around the surface parking lot west of City Hall. It is anticipated that the actual closure of the construction area will take three to four weeks. The Grand Avenue vehicular ramps will be closed for approximately 15 months, with access to and from County Parking Lot 18 through the maintained Hill Street vehicular ramps, with operations for 24 hours a day 7 days a week, or by way of the Music Center employee entrance and exit to the underground drive-thru located on the 8th level of the Music Center parking garage. It is recommended that your Board delegate the authority to the Director of Internal Services Department to temporarily adjust parking locations and rates, consistent with the Board parking guidelines, to resolve any parking conflicts during the construction of the Civic Park Project related to performances at the Music Center venues or to address any future need that may arise.

Starbucks will be open at the current or new location during construction and accessible from the Stanley Mosk Courthouse or from the escalators located closest to the Stanley Mosk Courthouse. In addition, the ATM machines will be operational during construction, with the Bank of America ATM located at its current location, and the LA Financial Credit Union ATM to be relocated to the Hall of Administration second floor. The Foltz Center garage parking will be available during the entire construction phase with continued access off of Spring Street.

Scheduled for Spring 2011, the Phase II notice to proceed will be issued to Pankow. Pankow will begin locating construction barricades around the Court of Flags construction site. The MTA subway portal and the Archive Building elevators are outside of the construction site and will not experience any disruption. In addition, parking access to County Lot 10 will continue to be operational with no changes to the entrance and exit.

During construction, emergency evacuation plans for adjacent buildings will temporarily be developed by the appropriate personnel to identify new areas for employees to gather in case of an emergency outside of the construction area. As part of the construction site preparation, Pankow will be constructing emergency egress walkways from the emergency egress doors which will allow people to exit the adjacent buildings on the construction side and to reach either Hill Street or Grand Avenue to be accounted for in their assigned area. County Fire Department has approved the emergency egress walkways.

As a result of many meetings with Los Angeles Department of Transportation, temporary changes will occur to Grand Avenue between Temple and First Streets. These temporary changes include: the mid-block crosswalk will be closed, the center left/right turn lane will become a north-bound lane only, and a pedestrian walkway will be provided on the east side of Grand Avenue.

The final project milestone schedule will be distributed to affected departments during the last week of June 2010 through electronic and written communication methods.

FISCAL IMPACT/FINANCING

The total estimated cost of the proposed project is $56.0 million, including $41.0 million for hard construction costs, $4.0 million for contingency fund, and $11.0 million for project soft costs.

The proposed project is funded by $50.0 million Grand Avenue Project, $970,000 City of Los Angeles Proposition 40 allocation, and $5,030,000 anticipated interest income earned on the $50.0 million prepaid leasehold acquisition fee from the original developer, Related Companies, L.P. No County funds are required for the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 3.2 of the Civic Park Design Agreement, dated March 20, 2006 by and between the Authority and the Developer, requires that the final construction documents, including the final proposed project amenities/elements and cost estimates be approved by both the County Board of Supervisors and the CRA Board before consideration by the Authority.

Under Section 33445 of the California Health and Safety Code, it is recommended that the County adopt the attached joint resolution of public improvements with the Authority (Attachment B). A similar joint resolution was adopted in February 2007 covering the original $50.0 million for the Civic Park Project, and this joint resolution addresses the projected interest income that will partially fund the Civic Park Project. In the joint

resolution, the County finds that there are no other funding sources or other reasonable means of financing for the Civic Park public improvements consistent with the purpose of the Bunker Hill Redevelopment Plan and that the public improvements are of benefit to both the Bunker Hill and Central Business District Projects as provided in the joint resolution. Therefore, it is recommended that your Board adopt the attached resolution for the transfer of $5,030,000 in interest income earned from the funds deposited by the Developer for the Park to the anticipated completion of the Civic Park Project. The Authority Board approved this joint resolution at its January 2010 meeting.

ENVIRONMENTAL DOCUMENTATION

On February 13, 2007, acting as a responsible agency, your Board certified the Grand Avenue Project Environmental Impact Report as prepared and certified by the Grand Avenue Authority as lead agency for the Grand Avenue Project. The recommended action is within the scope of the Project in the previously certified Environmental Impact Report. All required pre-construction and construction conditions and mitigation measures are being addressed and completed.

CONCLUSION

Upon approval of the recommendations, please forward an adopted copy of the Board letter to my office.

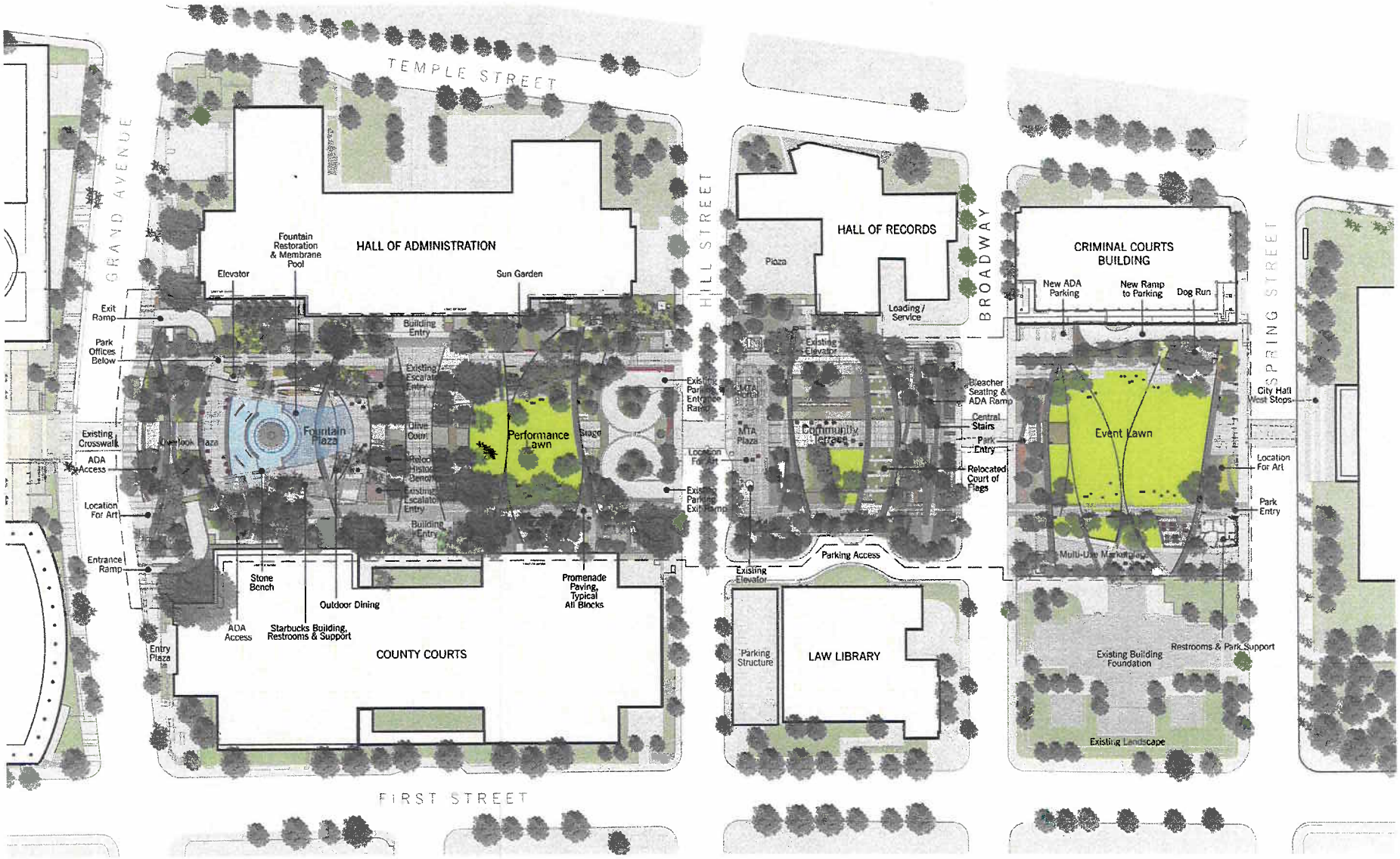
Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

Attachments

WTF:BC:SK
DJT:DKM:zu

c: Executive Office, Board of Supervisors
County Counsel
Internal Services Department
The Los Angeles Grand Avenue Authority



ILLUSTRATIVE PLAN

CIVIC PARK | LOS ANGELES | MAY 26, 2010

RIOS CLEMENTI HALE STUDIOS Grand avenue committee RELATED

ATTACHMENT A

County Resolution No. 77322
Authority Resolution No. _____

A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AND THE BOARD OF THE LOS ANGELES GRAND AVENUE AUTHORITY MAKING THE FINDINGS REQUIRED BY SECTION 33445 OF THE HEALTH & SAFETY CODE AND DETERMINING THAT THE PROVISION OF PUBLIC IMPROVEMENTS IN SUPPORT OF THE CIVIC CENTER PARK COMPONENT OF THE GRAND AVENUE PROJECT IN THE BUNKER HILL AND AMENDED CENTRAL BUSINESS DISTRICT REDEVELOPMENT PROJECT AREAS IS OF BENEFIT TO THE BUNKER HILL REDEVELOPMENT PROJECT AREA.

WHEREAS, the County of Los Angeles ("County") is the owner of the property on which the Civic Center Park will be constructed and is the legislative body for the community in which the Civic Center Park component of the Grand Avenue Project is located; and

WHEREAS, the Los Angeles Grand Avenue Authority ("Authority") is the public joint exercise of powers authority formed by the County and Agency for the purpose of implementing the Grand Avenue Project; and

WHEREAS, the Community Redevelopment Agency of the City of Los Angeles, California (the "Agency") is engaged in redevelopment and revitalization of the downtown Los Angeles area pursuant to the adopted Redevelopment Plan for the Bunker Hill Redevelopment Project Area (the "Project Area") and is a constituent member of the Authority; and

WHEREAS, the Agency adopted the Bunker Hill Urban Renewal Project on March 31, 1959 by Ordinance No. 113231, subsequently amended on January 12, 1968 by Ordinance No. 135900 and on June 25, 1970 by Ordinance No. 140662 (referred to collectively as the "Bunker Hill Redevelopment Plan"); and

WHEREAS, the Bunker Hill Redevelopment Plan provides for the funding, installation, repair or amelioration of public improvements to serve the developments in the Project Area; and;

WHEREAS, the provision of public improvements is consistent with the Bunker Hill Redevelopment Projects' Five-Year Implementation Plan in that the Grand Avenue Project (including the Civic Center Park) is listed in the Five-Year Implementation Plan as major contributing project to meeting the goals and objectives of the Redevelopment Plan; and

WHEREAS, the Authority in 2007 made findings necessary to provide $50 million of Ground Rent to be received from the Grand Avenue Project developer to fund the Civic Center Park; and $970,000 in bond proceeds, under an agreement under Proposition 40 with the City to fund the Civic Center Park; and

WHEREAS, the Authority wishes to provide an additional $5,030,000 in interest income for a total of $56,000,000 to fund for the public improvements in the Civic Center Park; and

WHEREAS, the County has investigated the sources of public funds available from the County sources, by reviewing the capital improvement budget for the County (as well as other sources available to the County), and concluded that there are no other reasonable funding sources available to contribute to the cost of the public improvements listed in Exhibit A; and

WHEREAS, Section 33445 of the California Health and Safety Code provides that the County is to make certain findings before the Authority's funds may be used to pay for such public improvements inside or outside of the Project Area; and

WHEREAS, the Board of the Authority and the Board of Supervisors of the County, have reviewed and considered the facts and information with respect to the public improvements.

NOW THEREFORE, THE BOARD OF THE LOS ANGELES GRAND AVENUE AUTHORITY AND THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DO HEREBY RESOLVE AS FOLLOWS:

The Authority and County find, determine and resolve that:

1) The provision of the public improvements listed in Exhibit A in support of the Grand Avenue Project in the Bunker Hill and Amended Central Business District Project Areas is of benefit to the Bunker Hill Redevelopment and Central Business District Project in that it will assist in eliminating one or more blighting conditions and is necessary to effectuate the Redevelopment Plan by:

    a. increasing tourism and patronage of renowned cultural institutions along the Grand Avenue corridor in Bunker Hill through the attraction of tourism business to the Grand Avenue Project and the surrounding neighborhood; and

    b. providing a 16-acre Civic Center Park, outdoor public plazas, and other public space amenities, such as benches, street trees, and landscaping, in the Grand Avenue Project, which will help to remedy the lack of public and green spaces in the Bunker Hill Project area, the surrounding neighborhood and throughout downtown Los Angeles; and

    c. create synergies from overall activities in and around the Grand Avenue Project that will make Los Angeles a more desirable place to live, work, and play that will over time increase the property values in the Bunker Hill Redevelopment Project Area and related tax increment and create the necessary demand to develop the remaining vacant land parcels in the Bunker Hill Redevelopment Project.

2) The County finds that after pursuing an investigation for funding sources from the County, the public improvements listed in Exhibit A to facilitate the Civic Center Park component of the Grand Avenue Project are not in the County's capital improvement budget for funding and no other reasonable means of financing the public improvements consistent with the purpose of the Bunker Hill Redevelopment Plan is available.

3) Provision of the public improvements is consistent with the Five-Year Implementation Plan for the Bunker Hill Project Area, adopted by the Agency on September 1, 2005, in that it will help address the remaining redevelopment issues on Bunker Hill that relate to: lack of public park areas, landscaping, historically depressed property values, and remaining undeveloped land.

4) Each of the public bodies may adopt this Resolution and make its findings at separate meetings and when adopted by both public bodies shall constitute the joint resolution and findings of the County and Authority.

ADOPTED BY THE AUTHORITY: Gloria Molina

ADOPTED BY THE COUNTY: JUN 29 2010

EXHIBIT A

	Approved Budget
HARD COSTS:	
Base Plan Estimate	
Construction costs (Including General Conditions/Fee and Escalation Allowance, Contingency)	$44,200,000
County Costs	800,000
Total Hard Costs	**$45,000,000**
SOFT COSTS:	
Pre-development	$1,111,000
Professional Fees, Consultants	4,750,000
Project Management-Preconstruction	2,000,000
Project Management-Construction	(incl. above)
GAC Operations	258,000
Other Soft Costs: Testing, Inspec., Legal	1,585,000
Soft Cost Contingency	430,000
Pre-opening, Start-up	866,000
Total Soft Costs	**$11,000,000**
Total Park Budget	**$56,000,000**