WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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June 04, 2013

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
#17 June 4, 2013
Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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

SET: July 23, 2013 @ 9:30 a.m.

Dear Supervisors:

APPROVE AND ORDER PUBLICATION OF NOTICE OF INTENTION TO EXERCISE OPTION TO PURCHASE GRAND PARK, CIVIC CENTER, LOS ANGELES ALL DISTRICTS (4 VOTES)

SUBJECT

Approval of the recommended actions will authorize the exercise of an option to purchase the improvements made to the sites that comprise the Grand Park development, formerly known as the Civic Park Project, for the purchase price totaling $2.00 ($1.00 for Phase I and $1.00 for Phase II) and terminate the Lease-Leaseback Agreement between the County and the park developer, Grand Avenue Park Development, LLC.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the Board, as Responsible Agency under the California Environmental Quality Act, previously considered the Grand Avenue Project Environmental Impact Report prepared by the Grand Avenue Authority as lead agency for the Grand Avenue Project, which included the Civic Center Park, now known as Grand Park, and that the Board also has approved an Addendum to the certified Environmental Impact Report and that the recommended actions are within the scope of the Project in the previously approved environmental documentation.

2. Approve the Notice of Intention to Exercise Option to Purchase the park improvements installed or constructed at various sites located throughout the Los Angeles Civic Center and collectively known as Grand Park for a purchase price of $2.00.

3. Instruct the Executive Officer of the Board of Supervisors to publish the Notice of Intention in accordance with Sections 6063 and 25350 of the Government Code.

4. Instruct the Executive Officer of the Board of Supervisors to schedule a Public Hearing to receive comments and consummate the proposed acquisition.

AT THE CONCLUSION OF THE PUBLIC HEARING, IT IS RECOMMENDED THAT THE BOARD:

1. Order the purchase to be consummated in accordance with Section 25350 of the Government Code pursuant to the terms of the Lease-Leaseback Agreement between the parties.

2. Authorize the Chief Executive Office to perform any actions necessary to consummate the purchase of the park improvements and terminate the Lease-Leaseback Agreement with Grand Avenue Park Development, LLC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to exercise the County's option to purchase the park improvements made to the four contiguous County-owned parcels between Grand Avenue and Spring Street comprising Grand Park, formerly known as the Civic Park Project (Project), located in the Los Angeles Civic Center, from the park developer, Grand Avenue Park Development, LLC (Developer) for the purchase price of $2.00, $1.00 for each phase of the Project.

Background

In February 2007, the Board approved various actions relative to the phased development of the Grand Avenue Project. As part of the Phase I development, the Related Companies, LP, later named the Grand Avenue Park Development, LLC, was required to oversee the design and construction of improvements to an expanded 12-acre park, which stretched from Grand Avenue at the Music Center to Spring Street at City Hall.

In February 2010, the Board approved a ground lease agreement between the County and Developer in the form of a Lease-Leaseback Agreement (Lease Agreement) to effectuate the installation/construction of certain park improvements in connection with the development of the Project. As is typical of a ground lease agreement, the Developer was to hold ownership of the park improvements during the lease and leaseback term.

The Project consisted of two phases. Phase I included the construction of the Fountain Plaza, Performance Lawn, and Event Lawn, while Phase II consisted of construction of the Community Terrace.

Phase I of the Project included 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 Starbucks Café, as well as ATM facility, and public restrooms; creation of 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; installation of ADA pathways; and refurbishment of existing hardscape walks, stairs, and site walls.

Phase II consisted of the redesign of the existing Court of Flags to include more garden and planting areas, as well as installation of stairs and ADA walkways; relocation of the flags and monuments; construction of planted terraces to accommodate a grade change of approximately 15 vertical feet from the existing Court of Flags level to Broadway.

The Lease Agreement provides that upon completion of the park improvements, the County can lease the improvements back from the Developer for $2.00 per year for the first year following final completion, and for $150,000 per year after the first year following final completion, continuing for a period of five years. Alternatively, the County may exercise an option to purchase all of the improvements at any time during the Lease-Back term for the purchase price of $2.00, $1.00 for each phase. By exercising the purchase option at this time, the County will avoid costly rental payments of $150,000 per year, which are scheduled to begin in November 2013. The Lease Agreement also provides that once the purchase option has been exercised and consummated, the Lease Agreement shall terminate between the parties.

Construction began in July 2010, and final completion was obtained in November 2012. It is recommended that the County exercise the purchase option for the Project.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1), Fiscal Sustainability (Goal 2), and Integrated Services Delivery (Goal 3) by investing in public infrastructure that will enhance cultural, social, recreational, and lifelong learning opportunities for County residents.

FISCAL IMPACT/FINANCING

The purchase price for the park improvements is $2.00 from Developer.

The total Project cost totaled $56.846 million. The Project was funded by $50,750,000 from the Grand Avenue Project, $970,000 City of Los Angeles Proposition 40 allocation, and $5,126,000 from interest income earned between the deposit of funds from the Grand Avenue Project to Project completion.

The ongoing County obligation for the maintenance and operation of Grand Park is included as part of the County Budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the terms of the Lease Agreement, in order to exercise the option to purchase the park improvements, the County must publish a Notice of Intention to Exercise Option to Purchase (Attachment A) in accordance with the provisions of Government Code Section 25350. Following publication of the notice and receiving comments at a Public Hearing, the Board can consummate the purchase transaction and terminate the Lease Agreement.

The Chief Executive Office has satisfactorily completed its due diligence with respect to the park improvements purchase.

ENVIRONMENTAL DOCUMENTATION

On February 13, 2007, acting as a responsible agency, the Board considered the Grand Avenue Project Environmental Impact Report as prepared and certified by the Grand Avenue Authority as lead agency for the Grand Avenue Project and approved the Project, and adopted findings, and on August 17, 2010, the Board approved an Addendum to the previously certified Environmental Impact Report. The recommended action is within the scope of the Project in the previously certified Environmental Impact Report and Addendum.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will have no impact on County services or projects.

CONCLUSION

Upon approval of the recommendations, please forward an adopted copy of the Board letter to the Chief Executive Office, Facilities and Asset Management Division.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:DJT
DKM: CF:zu

Enclosures

c: Executive Office, Board of Supervisors
County Counsel

NOTICE OF INTENTION
TO EXERCISE OPTION TO PURCHASE

NOTICE IS HEREBY GIVEN that it is the intention of the Board of Supervisors of the County of Los Angeles, State of California to exercise an option to purchase the improvements made to the sites collectively known as Grand Park, located in the Los Angeles Civic Center, in the City of Los Angeles, as described on the attached Exhibit 1 for the sum of TWO DOLLARS ($2.00) from the park developer, Grand Avenue Park Development, LLC, a Delaware limited liability company.

NOTICE IS HEREBY GIVEN that the purchase of the park improvements will be consummated by the Board of Supervisors of the County of Los Angeles, State of California, on the 4th th day of June, 2013, at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012. No obligation will arise against the County and in favor of the Seller with respect to the purchase of the park improvements described herein until the Board of Supervisors approves the purchase on the named consummation date.

SACHI A. HAMAI, Executive Officer/
Clerk of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

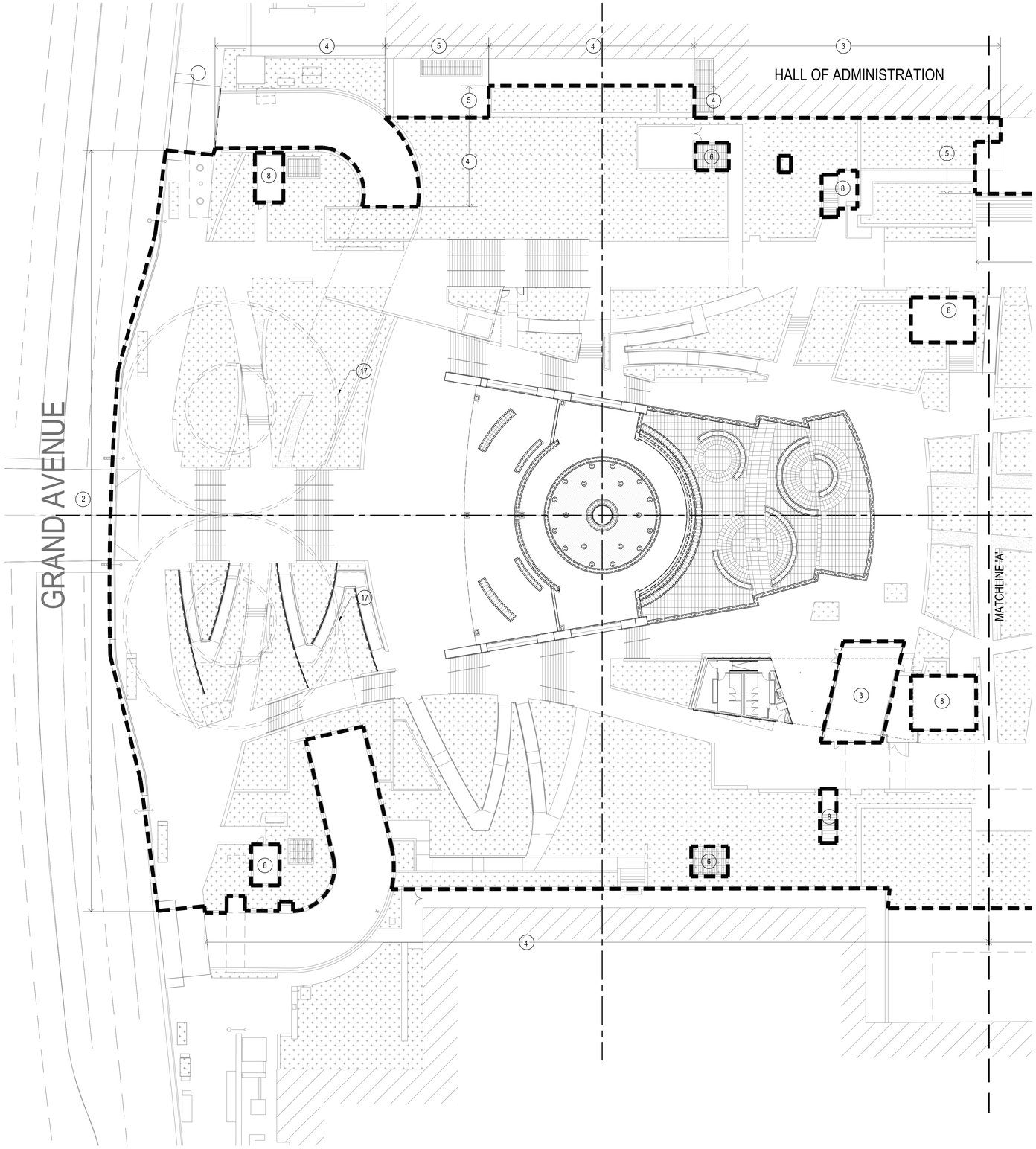
By _____
Deputy

EXHIBIT 1

DESCRIPTION AND DEPICTION OF GRAND PARK

[to be attached]

TEMPLE STREET
GRAND AVENUE
HILL STREET
BROADWAY
SPRING STREET
FIRST STREET
HALL OF ADMINISTRATION
Fountain Restoration & Membrane Pool
Elevator
Sun Garden
Exit Ramp
Park Offices Below
Building Entry
Existing Crosswalk
ADA Access
Overlook Plaza
Fountain Plaza
Olive Court
Performance Lawn
Stage
Location For Art
Entrance Ramp
Stone Bench
Outdoor Dining
Promenade Paving, Typical All Blocks
ADA Access
Starbucks Building, Restrooms & Support
Entry Plaza
COUNTY COURTS
HALL OF RECORDS
Plaza
Loading / Service
Existing Elevator
MTA Plaza
Community Terrace
Parking Access
Parking Structure
LAW LIBRARY
CRIMINAL COURTS BUILDING
New ADA Parking
New Ramp to Parking
Dog Run
Bleacher Seating & ADA Ramp
Central Stairs
Park Entry
Relocated Court of Flags
Event Lawn
City Hall West Steps
Location For Art
Park Entry
Restrooms & Park Support
Existing Building Foundation
Existing Landscape
South Entry



LEGEND

1. NOT USED
2. 20' EAST OF EXISTING FACE OF CURB
3. FACE OF EXISTING BUILDING
4. FACE OF EXISTING WALL
5. EDGE OF EXISTING PAVING
6. (E) VENTS ARE EXCLUDED
7. ALIGN WITH EXISTING FLAGPOLE PLATFORM
8. EXISTING ELEVATORS, ESCALATORS AND STAIRWAYS ARE EXCLUDED
9. BACK OF EXISTING SIDEWALK
10. OUTSIDE FACE OF EXISTING WALL
11. ALIGN WITH FACE OF EXISTING WALL
12. NOT USED
13. TOP OF EXISTING PAVED SLOPE
14. NOT USED
15. ALIGN WITH EXISTING ADJACENT PAVING
16. EAST EDGE OF EXISTING STAIRS
17. EXTERIOR WALL OF EXISTING RAMP

AREA WITHIN THIS BOUNDARY INCLUDES (E) PARK SURFACE ONLY

SCALE: 1" = 20'

0 10 20 40

EXHIBIT 1

BLOCK 1 | 1" = 20'-0"

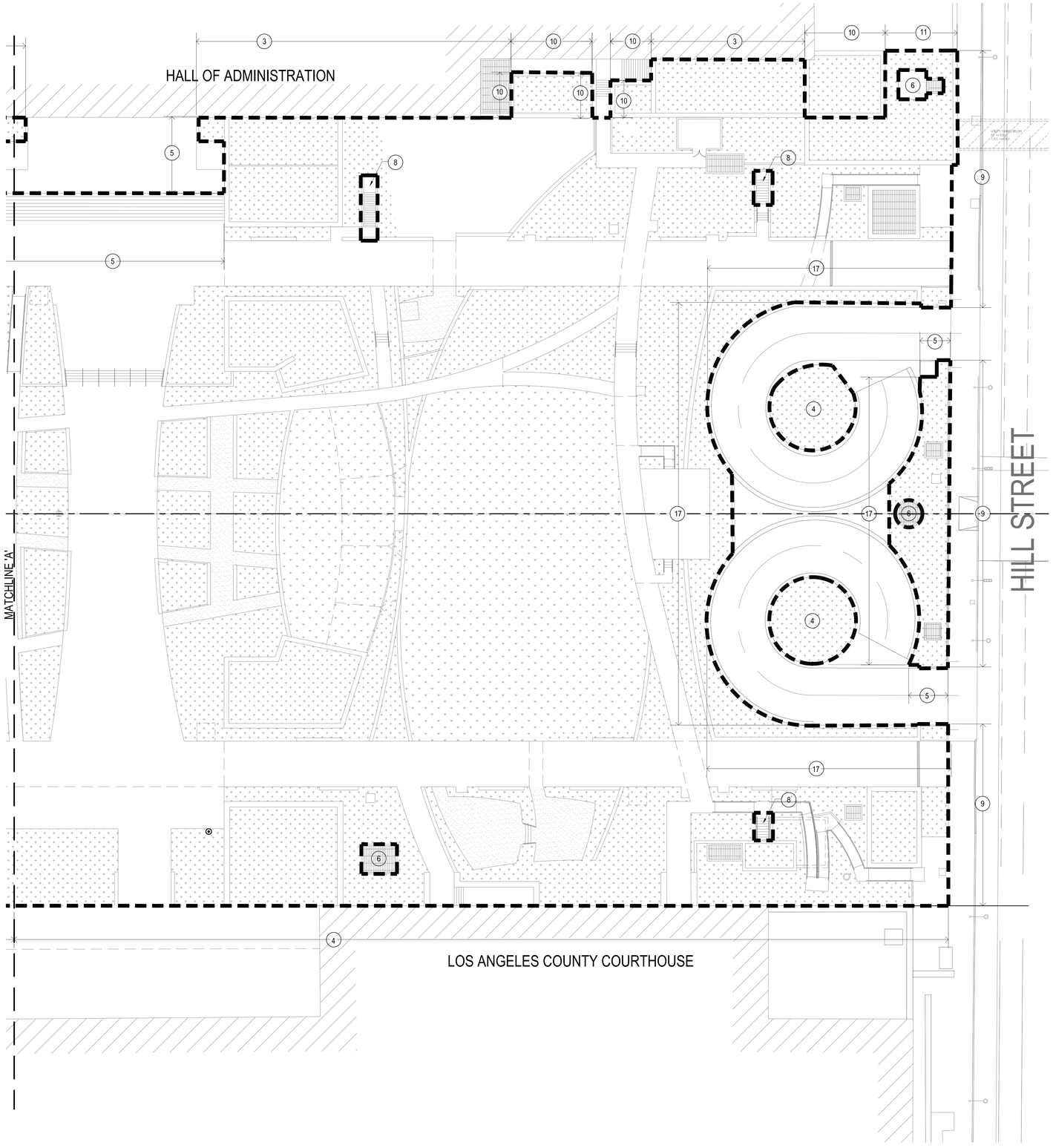


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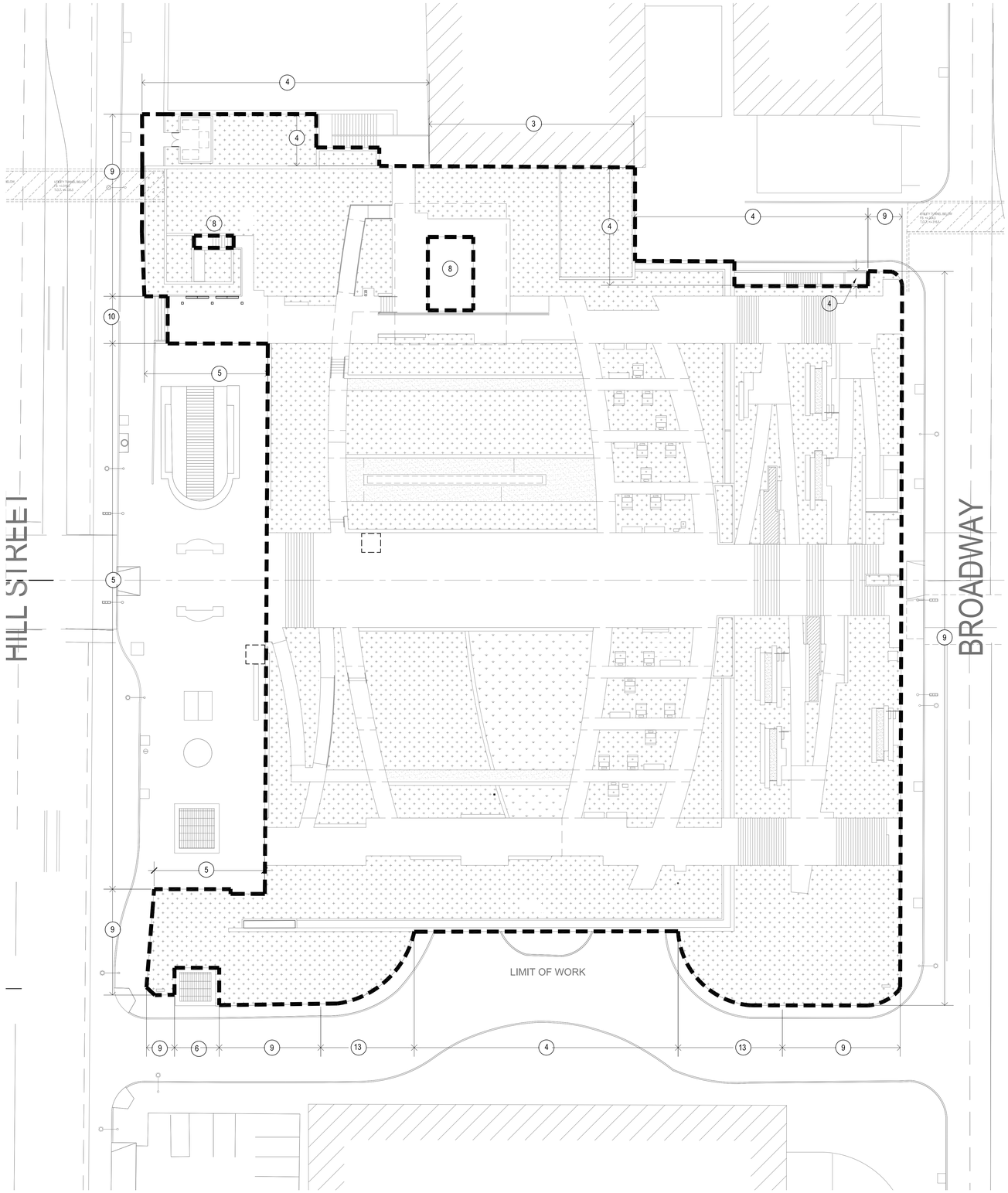
EXHIBIT 1

BLOCK 2 | 1" = 20'-0"



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15. ALIGN WITH EXISTING ADJACENT PAVING
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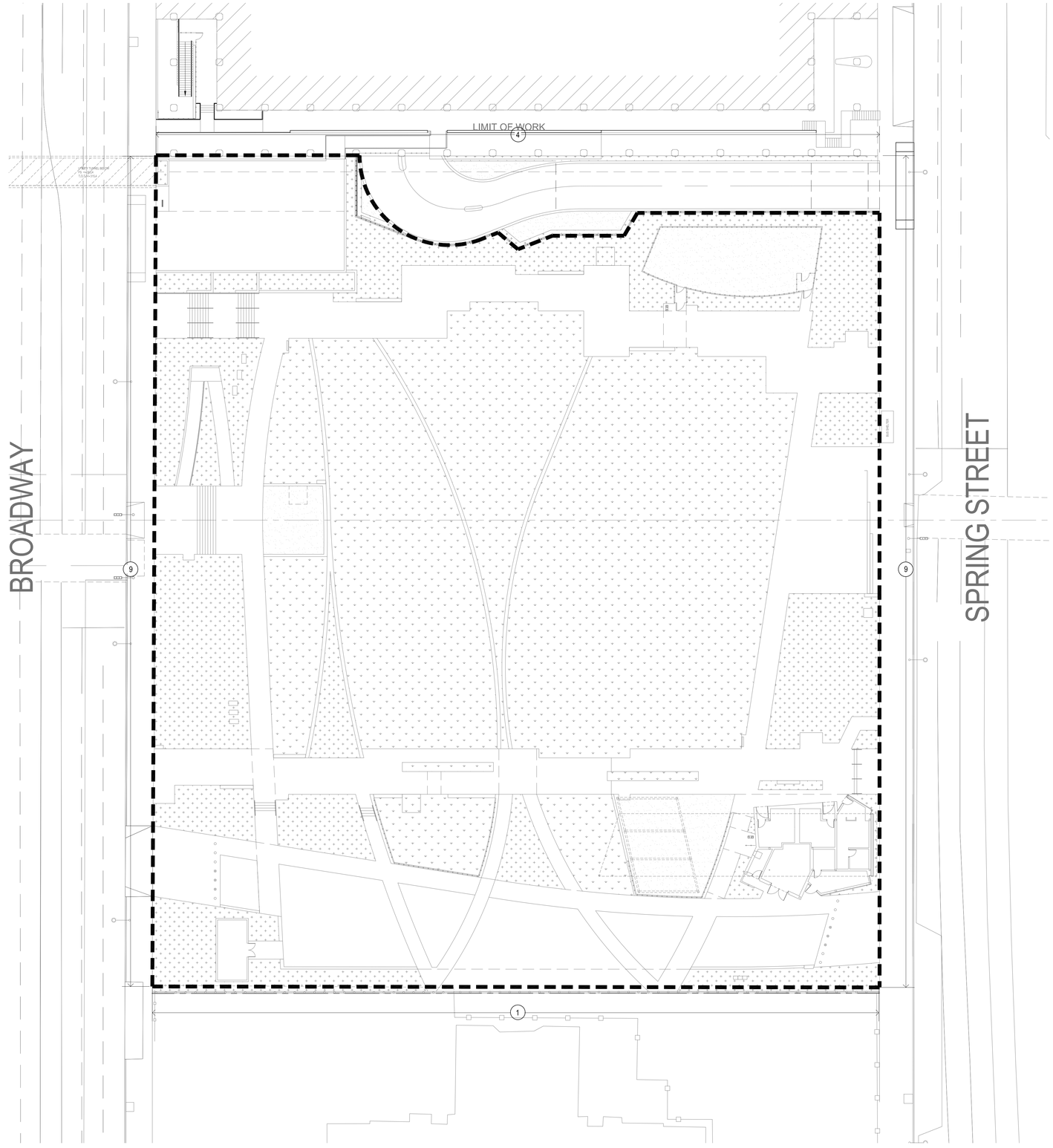
17. EXTERIOR WALL OF EXISTING RAMP

AREA WITHIN THIS BOUNDARY INCLUDES (E) PARK SURFACE ONLY

SCALE: 1" = 20'
0 10 20 40

EXHIBIT 1
BLOCK 3 | 1" = 20'-0"



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0 10 20 40

EXHIBIT 1

BLOCK 4 | 1" = 20'-0"