

AGENDA ITEM 4

DATE: FEBRUARY 24, 2014

TO: THE LOS ANGELES GRAND AVENUE AUTHORITY

FROM: JENNY SCANLIN, CRA/LA, A DESIGNATED LOCAL AUTHORITY, SENIOR OPERATIONS OFFICER

DAWN MCDIVITT, COUNTY OF LOS ANGELES, CHIEF EXECUTIVE OFFICE, MANAGER

SUBJECT: STATUS UPDATE ON GRAND AVENUE STREETScape AND PLAZA DESIGN FOR PHASE IIA OF THE GRAND AVENUE PROJECT

BACKGROUND

In October 2010, a First Amendment to the Disposition and Development Agreement (DDA) between the Authority, Grand Avenue L.A., LLC and The Broad Collection became effective, facilitating the development of a three-story parking garage as part of the construction of The Broad Museum, a proposed new contemporary art museum in downtown Los Angeles on Parcel L, bounded by Grand Avenue, Second Street and General Thaddeus Kosciuszko Way (GTK Way). In April 2011, your Board approved various actions including adoption of a Second Amendment to the DDA which allowed for construction of an expanded public garage on Parcel L, construction of an approximately 24,000 square foot public plaza bridging the Broad Museum and future residential tower proposed for Parcel M, and improvements to the Grand Avenue Streetscape between 2nd and 3rd Street; incorporating these improvements into the Scope of Development for Phase IIA and assigning responsibility for their construction to The Broad Collection, as developer for this phase.

Section 10 of the Second Amendment to the DDA delegated authority for review and approval of Project Documents for each Phase of the Grand Avenue development to staff of the Authority. This was reiterated in the Authority's actions regarding delegation of responsibilities to County and CRA/LA staff on September 26, 2011. Additionally, The Broad Collection and CRA/LA entered into that certain Parking Facility and Museum Development Agreement (PFMDA) on October 6, 2010, as amended on January 26, 2011 and May 10, 2011, of which Section 7 requires The Broad Collection to reasonably consult with the CRA/LA regarding non-structural elements within the Public Plaza.

In line with the requirements of these documents, The Broad Collection presented concept and schematic designs for the streetscape and plaza to the Authority in summer 2012. CRA/LA and County staff continued to work with The Broad Collection to refine the plaza and design based on feedback from the Authority and to ensure consistency with the Grand Avenue Master Plan and coordination of elements with the balance of development slated for Phase II of the Grand Avenue Project.

The Broad Collection has been requested to present their final designs for both the streetscape and plaza to the Authority in order to inform the Authority on the evolution of the design and provide a thorough review of this portion of Phase IIA as it moves into construction.

FINAL DESIGN OF PHASE IIA PLAZA AND STREETScape

The final design for the public plaza by architect Diller Scofidio + Renfro provides a variety of landscaped environs that can engage the public on many levels. Entering the plaza from Upper Grand through a “grove” featuring 100-year-old olive trees and pleasant natural sitting areas moves seamless to the middle of the plaza where a large open green space offers a perfect location for a picnic, active engagement and public gatherings. The proposed 5,500 square foot pad on the rear of the plaza intended for a restaurant use provides a beacon for pedestrian traffic on Hope Street and an attraction to bring visitors to the plaza on a regular basis in both a daytime or evening setting. Entering the plaza from the stairs or elevators off Hope Street will guide pedestrians directly into the active plaza and onto clear pathways to either the Broad Museum, ground floor retail on Parcel M or the future use anticipated for Phase IIC. Although the restaurant will be designed by a separate architect, it is currently proposed to have outdoor seating creating a fluid design that integrates and incorporates the activity on the plaza. The design of the plaza is intended to provide a unique green space amenity that compliments the existing plazas of Grand Avenue and creates an iconic connection to downtown’s cultural corridor.

Diller Scofidio + Renfro also designed the Grand Avenue Streetscape for the block between 2nd and 3rd Street. The engineering of any improvements to this block are constrained by the complications and expense of constructing on a bridge. The primary goal of the streetscape improvements in this location were to widen the sidewalk, update the look of the public right of way and present a unified language that carries the length of the street. The streetscape includes a new landscaped mid-block crossing at the plaza connecting directly to the already constructed public plaza on the eastside of the street between MOCA and the Colburn School. Additionally, new lighting will be added on the north portion of the streetscape and new sidewalk and strategically placed street trees will be constructed between the Grand Promenade Apartments and the Broad Museum to mirror the existing look of the street between MOCA and the Colburn School.

FUNDING

The DDA and PFMDA provide for \$2 million in public funding for the streetscape improvements to be provided by the CRA/LA. There is no obligation for the Broad Collection to supplement those funds to create an improved streetscape but the current hard and soft cost estimate for the streetscape is \$3.3 million. The Broad Collection is covering all additional costs over the \$2 million based on the current design.

The current hard and soft cost budget for the public plaza based on the approved design is over \$15 million. The DDA and PFMDA provide funding for the public plaza as a “Covered Cost” in the Repurchase Price. At the time the agreements were executed, it was anticipated that the CRA/LA would provide approximately \$8.5 million for the public plaza. Per the PFMDA, The Broad Collection agreed to cover up to \$5 million in additional expenses if the public plaza costs exceeded the Repurchase Price. The Broad Collection has agreed to the approved design and is covering the additional \$6.5+ million in funding required to build out the plaza to the standards set by the DDA and imposed through CRA/LA’s design review. It is important to note that the \$15 million cost is exclusive to the public plaza and does not include construction of the restaurant, which will be paid for solely by the restaurant owner/tenant.

SCHEDULE

The Plaza B-Permit for structural work on Lower Grand and GTK Way to support the elevated plaza was issued on February 5, 2014; and construction started that day. According to the detailed schedule provided by The Broad Collection and their contractor, Matt Construction, on January 13, 2014, the precast elements are to be installed first. Structural steel and concrete for the plaza will be installed between March and April 2014 with landscaping and finishes expected to be installed shortly thereafter; culminating in substantial completion of the plaza by the end of August 2014. The Grand Avenue Streetscape between 2nd and 3rd Street will begin construction in April 2014 and is anticipated to be substantially complete by April 2015. This aligns with the current Schedule of Performance for Phase IIA and complies with the requirements of both the DDA and PFMDA.

OPERATION OF THE PLAZA

Per the existing agreements, the plaza is currently owned by the Broad Collection. The Broad Collection, while acting as owner of the plaza is required to pay for all plaza maintenance, security and management. On December 1, 2012, Grand Avenue M Housing Partners, LLC, the Developer for Parcel M, The Broad Collection, the Los Angeles Grand Avenue Authority and CRA/LA executed a Letter Agreement which provided that as long as The Broad Collection or an affiliate of The Broad Collection owned the public plaza, the Developer of Parcel M and The Broad Collection would agree to an annual budget for the plaza and the Developer of Parcel M would cover up to \$100,000 of the annual budgetary costs.

However, current agreements anticipate the Broad Collection transferring the plaza along with the balance of the Plaza/Parking Parcel to the CRA/LA through the executed Put/Call Option Agreement for a pre-determined Repurchase Price intended to partially reimburse The Broad Collection for the cost of construction of the garage and plaza. The DDA dictates that net revenue from operations of the parking garage would be utilized by the CRA/LA to cover the costs of maintenance, management and security for the plaza once the CRA/LA became fee owner. No additional sources of funding are committed to assist with plaza operations under the current terms of the DDA and PFMDA.

NEXT STEPS

The Broad Collection, Grand Avenue M Housing Partners, LLC and CRA/LA are currently negotiating the Plaza Reciprocal Easement Agreement which will need to be executed and recorded prior to the Certificate of Completion for Parcel M. This REA will dictate ingress and egress rights, maintenance, use and management standards, replacement requirements as well as a final financing plan for ongoing operations and maintenance.

Additionally, CRA/LA will be coordinating and negotiating with the Broad Collection and potential restaurant owner all agreements necessary to effectuate the construction and operation of a restaurant as part of the public plaza and ensuring that all applicable requirements under the DDA are met.

Attachments

- A Rendering of the Proposed Plaza
- B Rendering of the Proposed Streetscape

Plaza Renderings



The plaza view from the restaurant; image courtesy of The Broad and Diller Scofidio + Renfro



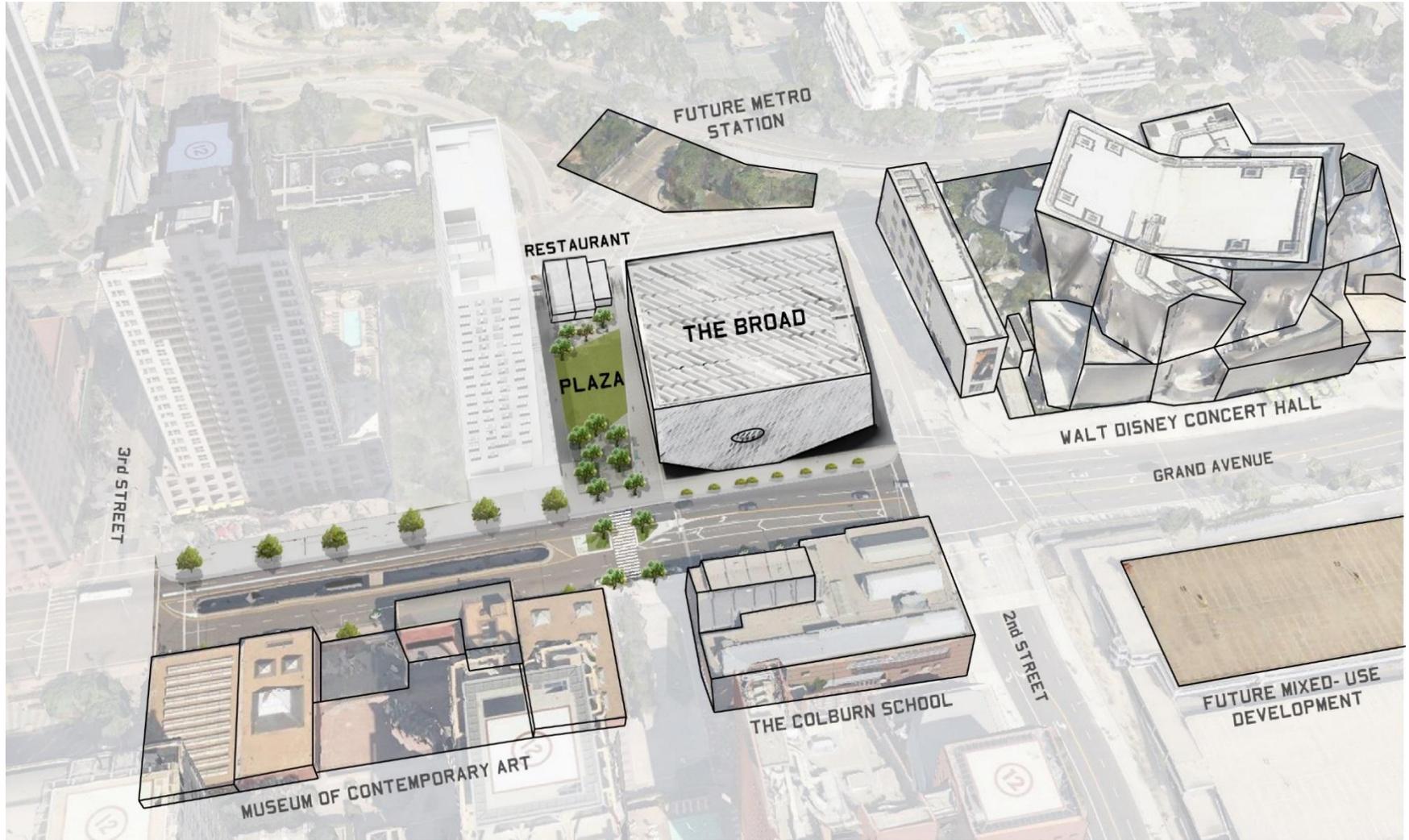
The plaza and 100-year-old Barouni olive trees; image courtesy of The Broad and Diller Scofidio + Renfro



The plaza set up for programming; image courtesy of The Broad and Diller Scofidio + Renfro



Crosswalk connecting The Broad and the plaza to the east side of Grand Avenue; image courtesy of The Broad and Diller Scofidio + Renfro



Aerial view of The Broad; image courtesy of The Broad and Diller Scofidio + Renfro