

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

M E M O R A N D U M

DATE: AUGUST 2, 2018

TO: GOVERNING BOARD

FROM: STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

SUBJECT: GRAND AVENUE PROJECT. Authorization to Negotiate and Execute a Sixth Amendment to the Joint Exercise of Powers Agreement with County of Los Angeles (JPA Agreement) to implement the development of Phases IIC (LRPMP Asset ID No. 517B) and III of the Grand Avenue Project in the Bunker Hill Redevelopment Project Area.

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RECOMMENDATIONS

That the Governing Board, authorize the CEO to negotiate and execute a Sixth Amendment to JPA Agreement with the County of Los Angeles, to extend the deadlines applicable to conveying ground leases for Phases IIC and III.

SUMMARY

The recommended action will facilitate the development of Phases IIC and III of the Grand Avenue Project. The extensions are required to allow the negotiating parties to resolve scope and schedule matters that will allow for the two parcels to be developed pursuant to the DDA between the Authority and Related Cos. (Developer).

Regarding the CRA/LA-owned Phase IIC airspace parcel (LRPMP Asset ID No. 517B), the Authority plans to enter into a 99-year ground lease with the Developer, which intends to improve and operate the parcel as public open space. On or prior to the seventh anniversary of the ground lease, Authority staff will assess interest from prospective developers for development of the parcel. If demand is evident, the ground lease with Developer will be terminated and a new lease executed with a developer. If market demand does not exist, the ground lease with Developer will continue through its term. The specific property conveyance terms will be spelled out in a forthcoming Sixth Amendment to the DDA. While the CRA/LA is not party to the DDA, Governing Board concurrence of any amendment is required.

PREVIOUS ACTIONS

January 4, 2018 – Governing Board approval of the Fifth Amendment to JPA Agreement.

DISCUSSION & BACKGROUND

The overall goal of the Grand Avenue Project is to create a vital urban destination in the heart of Downtown Los Angeles. The three-phased project redevelops underutilized publicly-owned land and involves new market rate and affordable housing, cultural and entertainment venues, restaurant, retail, and hotel uses. The Grand Avenue Project also seeks to create new public spaces. In addition to this interim open space, other noteworthy improvements include Grand Park, a public plaza between The Emerson and The Broad, and extensive streetscape improvements along Grand Avenue and along secondary streets surrounding the various project phases.

Two parcels remain to be conveyed by the Authority to the Developer: Bunker Hill Parcel L (LRPMP Asset ID No. 517B) and Bunker Hill Parcel W-2 (County-owned property). The JPA Agreement currently provides for both properties to be conveyed by July 30, 2018. If both properties are not conveyed to Developer by that date, the properties are returned to the public entity that contributed them and they are no longer subject to development as part of the Grand Avenue Project. The Authority and Board of Supervisors are also scheduled to consider an extension to the lease conveyance dates.

SOURCE OF FUNDS

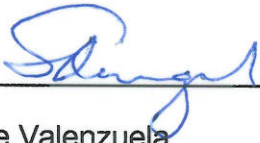
There is no CRA/LA funding required in connection with the recommended action.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

There is no funding required for the recommended action.

ENVIRONMENTAL REVIEW

Adoption of this action is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that there is no possibility that the short extension of dates will have a significant effect on the environment. The activities authorized by this action do not involve the physical design, development, or construction of residential or nonresidential structures or any modifications to land and accordingly will result in no physical change to the environment.



Steve Valenzuela
Chief Executive Officer

There is no conflict of interest known to me which exists regarding any CRA/LA officer or employee concerning this action.