



DATE / AUG 18 2011

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**AMENDED: AUGUST 18, 2011**  
**Recommendation #4 added**

CRA File No. 9423  
Council District: 14  
Contact Person: Jenny Scanlin  
Alex Paxton  
Josh Rohmer  
(213) 922-7837

Honorable Council of the City of Los Angeles  
John Ferraro Council Chamber  
200 N. Spring Street  
Room 340, City Hall  
Los Angeles, CA. 90012

Attention: Sharon Gin, Office of the City Clerk

**COUNCIL TRANSMITTAL:**

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on August 18, 2011 City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

**VARIOUS ACTIONS RELATED TO:**

ARTS DISTRICT PARK. AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("MOU") WITH LOS ANGELES DEPARTMENT OF WATER AND POWER ("LADWP") FOR POTENTIAL DEVELOPMENT OF A PARK ON THE LA KRETZ INNOVATION CAMPUS AT 524 COLYTON STREET IN THE CENTRAL INDUSTRIAL REDEVELOPMENT PROJECT AREA

DOWNTOWN REGION (CD 14)

**RECOMMENDATION**

That City Council approves recommendations on the attached Board Memorandum.

**ENVIRONMENTAL REVIEW**

The proposed feasibility, outreach, planning and design work to be performed under the recommended actions are statutorily exempt from CEQA pursuant to Section 15262 of the CRA/LA and State CEQA Guidelines. Pursuant to State of California Public Resources Code Section 15004(b) (2) (A), future use of, and/or acquisition of the Park Project site would be subject to environmental review and compliance pursuant to CEQA.

Under the MOU, LADWP and CRA/LA are required to perform their obligations in accordance with CEQA, as set forth in California Public Resources Code Section 21000 et seq., the State CEQA Guidelines (CEQA Guidelines) in California Code of Regulations, Title 14, Chapter 3, Section 15000 et seq., and related local regulations and guidelines adopted pursuant thereto.

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Transmittal

**ENVIRONMENTAL REVIEW (cont.)**

CRA/LA and LADWP staffs are not yet committing to a definite course of action in regard to construction of the proposed Park Project until plans have been prepared, reviewed, and approved in accordance with all legal requirements. CRA/LA and LADWP shall not be obligated to complete the proposed Park Project if they later determine that it: (i) is not exempt from CEQA, (ii) has not undergone complete CEQA review, or (iii) requires preparation of a mitigated negative declaration, environmental impact report ("EIR"), or supplemental or subsequent EIR. In that regard, CRA/LA and/or LADWP shall retain the discretion to impose mitigation measures and to adopt project alternatives, consistent with the requirements of CEQA that may be identified during future environmental review of the proposed Park Project after plans have been prepared, or to not proceed with construction of the Park.

**FISCAL IMPACT STATEMENT**

There is no fiscal impact to the City's General Fund, as a result of this action.



Christine Essel, Chief Executive Officer

cc: Sharon Gin, Office of the City Clerk (Original & 3 Copies on 3-hole punch)  
Lisa Johnson Smith, Office of the CAO  
Ivania Sobalvarro, Office of the CLA  
Steve Ongele, Office of the Mayor  
Noreen Vincent, City Attorney's Office  
Jose Huizar, CD14

bcc: Nenita Tan, Office of the City Controller  
Records (2 copies)  
Tim Chung, City Attorney office  
Jenny Scanlin  
Alex Paxton  
Josh Rohmer

MEMORANDUM

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**AMENDED: AUGUST 18, 2011**  
**Recommendation #4 added**

**DATE:** AUGUST 12, 2011

**TO:** CRA/LA BOARD OF COMMISSIONERS

**FROM:** CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

**STAFF:** JENNY SCANLIN, ACTING REGIONAL ADMINISTRATOR II  
ALEXANDRA PAXTON, PROJECT MANAGER  
JOSH ROHMER, SENIOR REAL ESTATE DEVELOPMENT AGENT

**SUBJECT:** **ARTS DISTRICT PARK.** Amendment to Memorandum of Understanding ("MOU") with Los Angeles Department of Water and Power ("LADWP") for potential development of a park on the La Kretz Innovation Campus at 524 Colyton Street in the Central Industrial Redevelopment Project Area.

CI2160  
CI3000  
100708

DOWNTOWN REGION (CD 14)

**RECOMMENDATION(S)**

That the CRA/LA Board of Commissioners:

1. Request that the City Council acknowledge and approve CRA/LA's implementation of a proposed 0.5 acre neighborhood park project ("Park Project") in the Cooperation Agreement for Payment of Costs Associated with Certain CRA/LA Funded Capital Improvements, Public Improvements and Affordable Housing Projects, dated March 10, 2011 between CRA/LA and City of Los Angeles ("Cooperation Agreement").

That the CRA/LA Board of Commissioners, subject to City Council approval, authorize the Chief Executive Officer ("CEO") or designee to:

2. Negotiate and execute an Amendment to the May 21, 2010 Memorandum of Understanding between CRA/LA and LADWP ("MOU") for the planning, design and construction of the Park Project on a 0.5 acre portion of the La Kretz Innovation Campus, and a Public Access Agreement for use of said 0.5 acres, subject to necessary preconditions and findings; and
3. Take any such actions and execute any such documents as may be reasonably necessary to implement the recommendations above, subject to the review and approval of the City Attorney as to form.
4. Acknowledge and understand that the Supreme Court in the case entitled California Redevelopment Association v. Matosantos stayed certain portions of Assembly Bill x1-26 and all of Assembly Bill x1-27. Given the Court's stay and the uncertain status of such legislation, although the CRA/LA is, and the City Council may be, approving certain actions as described herein, to the extent that such actions are stayed then the CRA/LA shall not execute agreements or take such actions, notwithstanding their approval hereof, until the Supreme Court has decided the case on the merits or the action is no longer stayed.

**SUMMARY**

CRA/LA and LADWP staffs propose to incorporate a 0.5 acre park into the La Kretz Innovation Campus ("Campus"), a private-owned center for cleantech research, development and commercialization. The Campus and Park Project are being jointly planned on a 3.2 acre site ("Site") in the Central Industrial Redevelopment Project Area ("Project Area") pursuant to the above-described MOU. A map of the Site showing the proposed Park Project location is on Attachment "A" hereto. Under the MOU, LADWP acquired the Site for development of the Campus, and CRA/LA has engaged an architect to plan and design the improvements and commenced environmental review for the Campus project. Through the proposed amendment to the MOU, LADWP will add a public park component to the Campus by allowing public access to a vacant 0.5 acre portion of the Site. CRA/LA will consider future funding for construction of park improvements on that 0.5 acres, subject to CRA/LA and LADWP review and approval of the plans. Commitment of such CRA/LA funds will require future Board action and be contingent upon execution of a Public Access Agreement with LADWP. That Agreement may be in the form of a deed, lease, easement or covenant to be negotiated.

CRA/LA and LADWP staffs believe that the proposed Park Project will significantly enhance the Campus, by providing a recreational amenity for Campus tenants, a venue for public gatherings, and a potential demonstration site for sustainable water and power technologies being developed on the Campus. The Park Project will augment the ability of the Campus to nurture creation of local businesses and provide economic opportunities in the City. The Park Project will also eliminate existing blight and bring a much-needed public open space to the Artists-in-Residence ("Arts") District. This District is a traditionally industrial community with recent residential and commercial development, but with substandard public infrastructure and no open space to support the current mix of uses. Community residents are playing and will continue to play an active role in programming and designing the Park Project. See full summary of Park Project on Attachment B hereto.

The Amended MOU, if approved, will enable CRA/LA and LADWP to develop plans and a deal structure to provide public access, construction funding, and maintenance for the Park Project. CRA/LA will consider future funding (up to \$2,500,000) for park construction from tax increment or other leveraged sources. Staff is preparing an application for State Proposition 84 funds to pay for park construction costs. Staff will also attempt to leverage Quimby Act funds that are available for the community. Receipt of such Proposition 84 or Quimby Act funds would replace or decrease the amount of Central Industrial Project Area tax increment needed to construct the Park Project.

**PREVIOUS ACTIONS**

May 6, 2010 and May 21, 2010 – CRA/LA Board and City Council respectively approved a Memorandum of Understanding with conditional lease terms with LADWP for the joint planning and programming of what is now known as the Los Angeles Cleantech Incubator, in conjunction with master planning the larger La Kretz Innovation Campus. (Council File # 10-0591.)

May 5, 2011 and June 21, 2011 – CRA/LA Board and City Council respectively approved a resolution authorizing the submittal of grant applications for Round Two Statewide Park Development and Community Revitalization Program of 2008 (Proposition 84), including the Arts District Park. (Council File # 10-0540.)

**DISCUSSION & BACKGROUND****Location of Campus**

The La Kretz Innovation Campus is located within the Arts District. The Campus is bounded roughly by 5<sup>th</sup> Street (north), Hewitt Street (east), Palmetto Street (south) and Colyton Street (west), excluding the two parcels in the northwest corner of the block. The Park Project (to be called "Arts District Park") is planned for the northeast corner of the Campus (APN 5163023904).

Recent population growth and increase in commercial activity makes the Arts District an ideal location for a park. The community was originally developed around the nearby terminus of the Santa Fe Railroad as an industrial district with no public open space. In the past decade, thousands of residential units have been developed, and popular commercial establishments have opened (including the adjacent Urth Caffé and restaurants on Traction Avenue). However, only 0.33 acres of parkland exist within a half-mile of the Campus, at Gladys Park in Skid Row. The Park Project would provide a much-needed amenity for the mixed-use Arts District.

Acknowledging the deficiency of parkland in the area, the Arts District Business Improvement District ("BID") is in strong support of the Park Project and has conditionally agreed to provide maintenance to reduce the long-term costs of this Project.

#### Description and Project Context

The Arts District is an emerging area of new loft residences, live-work studios, light industrial uses, and creative industrial uses. Although there has been a significant increase in the number of residents, employees and visitors in the area, no new park space has been developed to accommodate that growth. Currently there are no parks within the Arts District.

Staff has determined that development of the Arts District Park will help alleviate blight within the Project Area by ensuring that the currently vacant Site will be operated as a public park serving the community and will not revert to a blighted condition. The Park will enhance the area and add value to the Campus, adjacent properties, and the Arts District as a whole. CRA/LA's funds will pay for feasibility, community outreach, design, and subject to necessary environmental review and approval, construction of the Park and additional public improvements that may be required. The Five-Year Implementation Plan for the Project Area provides for funding of open space acquisition and public improvements such as those of this Park. The recommended action is, therefore, consistent with and called for in the Implementation Plan.

The maximum cost to CRA/LA for proposed construction of the Arts District Park is \$2,500,000. The Park will be publicly accessible and not for the exclusive use of tenants/visitors to the Campus. To that end, as part of the MOU, LADWP will execute the described Public Access Agreement for a term of not less than thirty (30) years, in exchange for CRA/LA securing funding for Park construction up to \$2,500,000. Such Public Access Agreement could take the form of a deed, public easement, covenant or lease between CRA/LA and an appropriate City department such as Recreation and Parks. The MOU Amendment outlines CRA/LA's and LADWP's mutual intent to develop a park as part of the Campus' master plan.

The source of CRA/LA's potential financial commitment could be tax increment funds, grant funds, or other leveraged sources. Thus, CRA/LA staff is applying for a \$2,500,000 Proposition 84 Statewide Park Program grant to finance the design and construction of the Park.

The Park improvements are currently being designed at the conceptual level by the architectural firm selected to design the Campus, John Friedman Alice Kimm Architecture ("JFAK"). JFAK's design is evolving in collaboration with a community outreach program, through which community stakeholders are identifying desired Park elements and programming. Conceptual designs will soon be delivered, and are expected to include landscaping, a seating and presentation area, a sustainable water feature, and elements reflecting neighborhood context.

Prior to development of the Park Project site, CRA/LA or the appropriate lead agency shall perform the necessary environmental review in accordance with the California Environmental Quality Act ("CEQA") and/or National Environmental Policy Act ("NEPA") and impose any mitigation measures that may be required.

### Community Benefits

Although the community around the Campus has seen an increase in population recently, it is very park-poor. The only park within a ½ mile radius of the proposed Park Project is the 0.33-acre 6<sup>th</sup>-Gladys Park in Skid Row. The park acreage per 1,000 residents in this same ½ mile radius is only 0.1 acres—virtually zero. The location of the Park Project adjacent to current commercial and residential uses will have an immediate impact on alleviating blight and improving the quality of life in the park poor Project Area. Additional community benefits will be generated by the Park Project adhering to applicable CRA/LA policies (specified below).

### ECONOMIC IMPACT

The proposed Park Project is an important feature of the Campus, which will house a variety of cleantech uses related to research, development, and commercialization of technologies for the sustainable use of natural resources. Hundreds of cleantech jobs will ultimately be housed on the Campus. Additionally, the CRA/LA-sponsored Los Angeles Cleantech Incubator, one of the Campus' tenants, will help cleantech entrepreneurs develop, grow and expand their businesses to other locations in the area, populating the community's currently underutilized industrial buildings with new businesses and job opportunities. The Arts District Park will provide an attractive amenity to the Campus, helping with the recruitment of Incubator tenants. This Park will also help brand the Campus and this portion of the Project Area as an innovative mixed-use community that is attractive for creative start-up businesses.

### SOURCE OF FUNDS

No CRA/LA funds are requested as a result of this action.

### PROGRAM AND BUDGET IMPACT

The recommended actions are consistent with the proposed FY12 Budget and Work Program for the Central Industrial Redevelopment Project Area. If Prop 84 grant is not awarded, Regional staff will identify tax increment or other resources to meet the \$2.5 million commitment. This will be subject to Board and Council approval.

There is no impact on the City's General Fund.

### ENVIRONMENTAL REVIEW

The proposed feasibility, outreach, planning and design work to be performed under the recommended actions are statutorily exempt from CEQA pursuant to Section 15262 of the CRA/LA and State CEQA Guidelines. Pursuant to State of California Public Resources Code Section 15004(b) (2) (A), future use of, and/or acquisition of the Park Project site would be subject to environmental review and compliance pursuant to CEQA.

Under the MOU, LADWP and CRA/LA are required to perform their obligations in accordance with CEQA, as set forth in California Public Resources Code Section 21000 et seq., the State CEQA Guidelines (CEQA Guidelines) in California Code of Regulations, Title 14, Chapter 3, Section 15000 et seq., and related local regulations and guidelines adopted pursuant thereto.



CRA/LA and LADWP staffs are not yet committing to a definite course of action in regard to construction of the proposed Park Project until plans have been prepared, reviewed, and approved in accordance with all legal requirements. CRA/LA and LADWP shall not be obligated to complete the proposed Park Project if they later determine that it: (i) is not exempt from CEQA, (ii) has not undergone complete CEQA review, or (iii) requires preparation of a mitigated negative declaration, environmental impact report ("EIR"), or supplemental or subsequent EIR. In that regard, CRA/LA and/or LADWP shall retain the discretion to impose mitigation measures and to adopt project alternatives, consistent with the requirements of CEQA that may be identified during future environmental review of the proposed Park Project after plans have been prepared, or to not proceed with construction of the Park.

#### AUTHORITY GRANTED TO CEO

If the MOU Amendment is approved, the CEO or designee would be authorized to take such actions as may be necessary to carry out the MOU Amendment, including but not limited to, executing that Amendment and approving revisions to the Project Area Budget if new sources of funds become available (such as Quimby Fees or Proposition 84 State Park grants), so long as the changes do not increase the amount of CRA/LA's funding obligation or otherwise have a material adverse impact on the feasibility of the Park Project; subject to the provisions of the Oversight Ordinance.

Christine Essel  
Chief Executive Officer

By:



Dalila Sotelo  
Deputy Chief Executive Officer

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

#### ATTACHMENTS

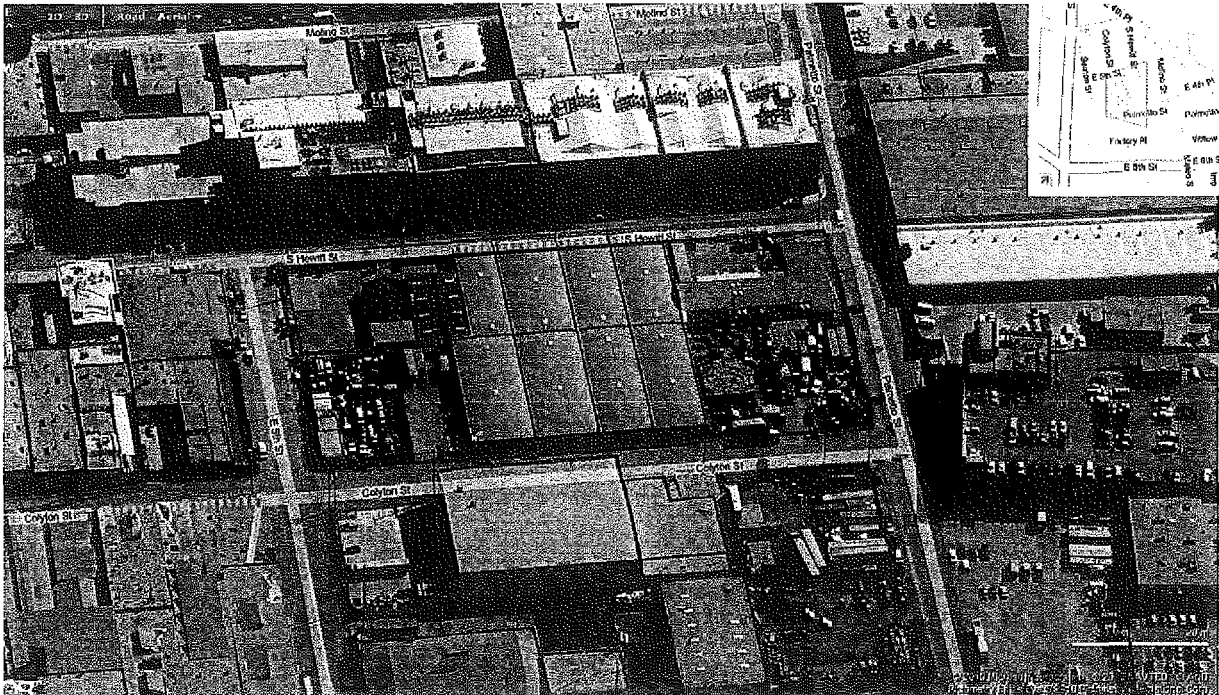
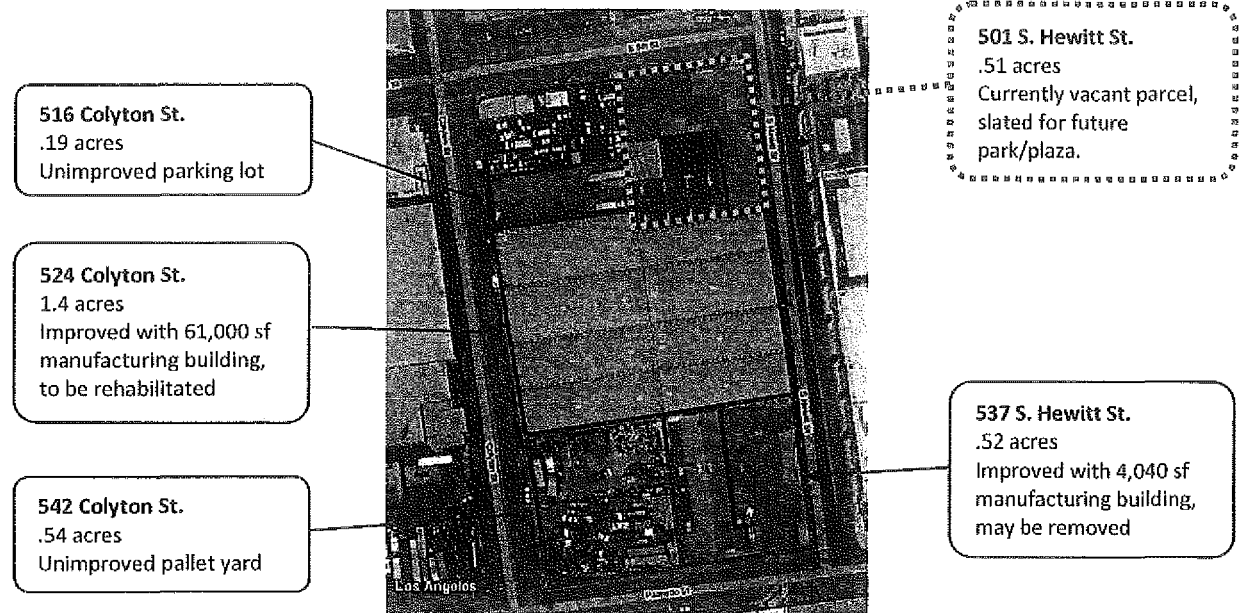
- Attachment A. Location/Site Map
- Attachment B. Project Summary Report



**Exhibit A: La Kretz Innovation Campus – Location Map and Site Description**

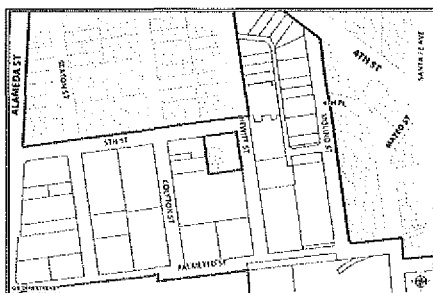
**Parcels and Existing Improvements**

The Campus site totals 3.16 acres, with one large manufacturing building to be rehabilitated to house the LA CleanTech Incubator and other cleantech uses. Other ancillary buildings will be removed for parking and open space. The proposed park site, outlined in dotted green line, is located at 501 South Hewitt.



Site aerial, looking east

**DOWNTOWN REGION**



Maps created by CRA/LA GIS Team

STATISTICS AT A GLANCE	
Total Project Size (sq ft):	22,400
Open Space (sq ft):	22,400
<b>Estimated Jobs Created:</b>	
Construction Jobs (est.):	25
<b>Total Development Costs (TDC): \$3 million</b>	
CRA/LA Investment:	\$3 million
CRA/LA Investment % of TDC: 100%	

**CENTRAL INDUSTRIAL**

**ARTISTS' PARK**

**Board Item Number:**  
**Board Date:** 6/16/2011

**Project Location**  
**Primary Address:**  
509 Hewitt Street, Los Angeles, CA 90013

**Location Description:**  
Corner of 5th/Hewitt

**Proposed CRA/LA Action**

Amendment to Memorandum of Understanding (?MOU?) with Los Angeles Department of Water and Power (?LADWP?) and a pledge of tax increment not to exceed \$2,500,000 for design and development of a proposed park on the La Kretz Innovation Campus at 524 Colyton Street in the Central Industrial Redevelopment Project Area

**Additional Information**

N/A

**Elected Officials**

- Council District 14, Jose Huizar
- County Supervisor District 1, Gloria Molina
- State Senate District 22, Kevin De León
- Congress District 34, Lucille Roybal-Allard
- Assembly District 46, John A. Pérez

**Project Description**

0.5 acre public open space to be developed as component of Cleantech Incubator Site.

**Project Type**

Public Improvement

**Project Features:**

- Lighting
- Parks / open space
- Sidewalk / curbs / gutters
- Storm drains
- Street Furniture
- Streetscape Improvement

**Developer / Participant(s)**

**Public Agency Partners:**

- City of Los Angeles Department of Water and Power (DWP)
- City of Los Angeles Department of Recreation and Parks

**CRA/LA Project Staff**

- David Riccileilo, Regional Administrator
- Alex Paxton, Project Manager
- Josh Rohmer, Sr Real Estate Development Agent
- Jason Neville, Assoc Planner

**Project Activities**

**Completed Activities:**

- Outreach Meeting, 05/11/11
- CAC Meeting, 05/12/11

**Scheduled Activities:**

- Outreach Meeting, 06/04/11
- Outreach Meeting, 06/09/11
- Outreach Meeting, 06/16/11
- Board Action, 06/16/11
- Submit Grant Funding Application, 06/30/11

**Agreement Type(s)**

- Loan Agreement

**Terms of CRA/LA Investment:**

**Sustainable Elements**

- Native landscaping
- Permeable Paving
- Public Open Space
- Stormwater Management
- Water Efficient Landscaping

**Strategic Plan Goals Met**

- 2.2.1 - Create at least two publicly-accessible green open spaces in CRA/LA neighborhoods every year in...

**CRA/LA Policies Applied**

- Construction Careers & Project Stabilization
- Living Wage

**CRA/LA Policies Not Applied**