

ENVIRONMENTAL FINDING and INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to amending the agreement with the Korean American Museum, Inc., for the development of a mixed-use project at Los Angeles Department of Transportation (LADOT) Municipal Parking Lot No. 692.

Recommendations for Council action:

1. FIND under the California Public Resources Code, section 21166 and the California Environmental Quality Act (CEQA) Guideline Section 15162, on the basis of substantial evidence contained in the whole record, that since adoption of mitigated negative declaration No. ENV-2015-540-MND, on August 2, 2017, there have been no changes to the project, changes with respect to the circumstances under which the project is being undertaken, or new information of substantial importance concerning the project, which cause new significant environmental effects or a substantial increase in the severity of previously identified effects, and therefore no subsequent negative declaration, addendum or further environmental documentation is necessary.
2. FIND that the Korean American Museum, Inc., a 501 (c)3 California non-profit corporation, provides a significant community and public benefit to Los Angeles residents, that is greater than the current market value of the proposed amended and restated ground lease agreement.
3. AUTHORIZE the LADOT, with assistance from the City Attorney and the Department of General Services, to finalize negotiations and execute an amended and restated ground lease agreement (Contract No. 122257) and ancillary agreements for the property located at 601-617 South Vermont Avenue, LADOT Municipal Parking Lot No. 692, with Korean American Museum, Inc., with an updated project as generally outlined in the City Administrative Officer (CAO) report to Council dated September 1, 2017, from June 3, 2013 through June 2, 2063, and at the rate of \$0.00 annually, plus all net project income, subject to the approval of the City Attorney as to form and legality.
4. AUTHORIZE the City Attorney to make any technical corrections that would be necessary to execute the agreement.

Fiscal Impact Statement: The CAO reports that the approval of the above recommendations may result in an impact of up to \$125,000 on the General Fund. The CAO also reports that the total community benefit after completion of the project, including staff, services, affordable housing and local taxes, is over \$1.5 million annually.

Community Impact Statement: None submitted.

### SUMMARY

In the September 1, 2017, report to Council, the CAO states that the Municipal Facilities Committee (MFC), at its meeting held March 30, 2017, approved updated and restated lease terms for the agreement with the Korean American Museum, Inc., in order to document an expanded scope of development for the museum project. The previously approved project was

solely for construction of a museum and replacement parking. The proposed new development will be a mixed-use project that will serve as the first contemporary museum to showcase the Korean American culture in the United States with a market-rate and affordable housing component, limited retail space, and subterranean parking. The final development will be a seven-story building consisting of an approximately 30,000 square foot museum gallery and event space on the first floor and a portion of the second floor, with 103 residential units, including 12 apartments affordable to very-low income persons, and one on-site manager's unit on floors 2 - 7. The developer will provide 88 on-site parking spaces for residents and museum visitors, as required by the project's Conditions of Approval, and 57 replacement on-site parking spaces to be transfer to LADOT for public use.

The MFC also instructed LADOT to complete the negotiations of the ground lease terms that remained unresolved at that time, make any necessary technical corrections, and transmit the final ground lease to the Council for approval. The CAO report to Council includes the revised terms of the ground lease agreement.

At its meeting held October 10, 2017, the Information, Technology, and General Services Committee discussed this matter with representatives of the CAO and LADOT. The CAO representative stated that all terms of the agreement have been satisfactorily resolved. The LADOT representative stated that the developer is obligated to locate and provide replacement parking located within one quarter mile of the project during its construction phase. The developer will also compensate the City for lost parking revenue. Committee recommended that Council authorize LADOT to execute the final lease agreement and to approve the related actions above, as recommended by the CAO and substantially as recommended by the MFC.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	YES
O'FARRELL:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**