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AND PARKS

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PARK PROUD LA

June 22, 2017

Honorable City Council
City of Los Angeles
c/o: Office of the City Clerk
City Hall, Room 395

Honorable Members of the City Council:

SUBJECT:

Exposition Park – Lucas Museum of Narrative Art (Museum) – Lease Agreement with the 6th District Agricultural Association (State) for the Proposed Museum Project

The Department of Recreation and Parks hereby requests that the proposed Lease Agreement be scheduled forthwith for consideration by the respective Committee(s) and City Council by July 13, 2017.

RECOMMENDATIONS FOR COUNCIL ACTION:

- 1) Approve the City Attorney's draft ordinance authorizing the approval and execution of the enclosed fifty (50) year Lease Agreement (Lease) with the 6th District Agricultural Association (State) for the use of the Leighton Avenue parcels for the construction and operation of a portion of the Lucas Museum of Narrative Art (Museum) as open space landscaping in accordance with Charter Section 594, and for the construction and operation of subsurface space as an underground parking garage for the Museum in accordance with Charter Section 596; and
- 2) Authorize the President and Secretary of the Board of Recreation and Parks Commission to execute the appropriate documents relative to the Lease, subject to the approval of the City Attorney as to form and legality.
- 3) Authorize the City Attorney's Office to make any necessary technical changes to the Lease.

BACKGROUND:

In January 2017, filmmaker George Lucas announced that Los Angeles was selected as the location to build the Museum, which is proposed to be built primarily on State land at Exposition Park (Museum Project). The Museum Project is estimated to cost approximately One Billion Dollars (\$1,000,000,000.00), which includes building costs, art and an endowment of at least Four Hundred Million Dollars (\$400,000,000.00). The Museum Project comprises of a 299,717 square-foot Museum with a two-level subterranean parking garage underneath, and an adjacent landscaped open area with walking paths and a three-level subterranean parking garage underneath.



PARK PROUD LA

AN EQUAL EMPLOYMENT OPPORTUNITY – AFFIRMATIVE ACTION EMPLOYER

On March 16, 2016 through Report No. 16-062, the Board of Recreation and Park Commissioners (Board) approved the Ground Lease between the State and the City of Los Angeles (City) for the use of State property for playfield use and shared parking. The Ground Lease was executed on May 6, 2016 with an initial term of ten (10) years and five one-year options for a total of fifteen (15) years. Due to the Museum Project, various locations used for the playfields and shared parking at Exposition Park will no longer be available under the Ground Lease. Therefore, several of the terms and conditions of the Ground Lease that are no longer applicable must be amended to accommodate the Museum Project.

On April 19, 2017 through Report No. 17-104, the Board authorized the Department's General Manager to execute the Planning application related to the Museum Project, work with the State to draft a new Lease for the State's use of the two City-owned Leighton Street parcels, and to amend the Ground Lease to remove certain terms and conditions that are no longer applicable due to the Museum Project. Lots 101 and 102 on Leighton Street are City-owned lots under the Department's jurisdiction.

On May 23, 2017 through Report No. 17-135 - Revised, the Board authorized the Department's General Manager to negotiate and execute the proposed Lease between the City and the State for the use of the Leighton Avenue parcels for a fifty (50) year term, and the proposed First Amendment to the Ground Lease between the State and the City for the athletic field and shared parking. The Board also approved the finding that, pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15162, 15163, and 15164, in consideration of the whole of the administrative record, that the Project was adequately assessed in the previously certified Environmental Impact Report (EIR), First Addendum, Second Addendum, Third Addendum, Fourth Addendum, and Errata, findings, Statement of Overriding Considerations and accompanying mitigation measures and Mitigation Monitoring Program for the Los Angeles Memorial Coliseum Renovation Project EIR (SCH No. 1990011065); and no subsequent EIR, Negative Declaration, or further addendum or other CEQA analysis is required for approval of the Project and the actions before the Board. Department staff subsequently discovered that the proposed Resolution included as an Attachment to Report No. 17-135 required revisions to accurately reflect the Assessor Parcel Numbers (APNs) of Lots 101 and 102 on Leighton Street.

On June 7, 2017 through Report No. 17-144 - Revised, the Board adopted a revised Resolution that authorizes the Department to enter into the proposed fifty (50) year Lease with the State, and to amend the Ground Lease for the City's Playfield at EXPO Center. The Board also approved the findings that the public tri-level subterranean parking garage to be constructed will not result in material detriment to the purpose for which the land was dedicated or set aside by the City, and that the prior CEQA determination for the Lease approved on May 23, 2017 covered the revised Resolution to the Lease. Therefore, no further CEQA determination is required. The Board also approved the finding that, pursuant to City Charter Section 596 and Section 371 (e)(10), the use of competitive bidding for the subsurface space being leased would be undesirable, impractical or impossible.

FISCAL IMPACT:

There are no anticipated fiscal impacts to the General Fund should the City Council approve the execution of the Lease. Furthermore, the Department does not anticipate any additional costs beyond those already identified in the Ground Lease. All costs for the construction and

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maintenance of the subject subterranean garage on City-owned land shall be the responsibility of the State or the Museum entity.

If you have any questions with regard to the aforementioned matters, please contact Mr. Cid Macaraeg, Director of Real Estate and Asset Management Division, at (213) 202-2608.

Very truly yours,

BOARD OF RECREATION AND
PARK COMMISSIONERS



ARMANDO X. BENCOMO
Commission Executive Assistant II

Attachments

cc: Board of Recreation and Park Commissioners
Michael A. Shull, General Manager
Anthony-Paul Diaz, Executive Officer and Chief of Staff
Ramon Barajas, Assistant General Manager, Planning, Maintenance and Construction Branch
Cathie Santo Domingo, Superintendent, Planning, Maintenance and Construction Branch
Cid Macaraeg, Director of Real Estate and Asset Management Division
Mike Dundas, Deputy City Attorney IV, City Attorney's Office
Steven Hong, Deputy City Attorney III, City Attorney's Office