



## REPORT OF GENERAL MANAGER

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### SUMMARY:

The 1st and Broadway Civic Center Park is located at 217 West 1st Street, in the Civic Center area of the Downtown Los Angeles area, on an approximately 1.96 acre or 85,377 square feet parcel. The 1st and Broadway Civic Center Park site formerly was the site of a thirteen (13) story State office building that was constructed in 1931 as part of the Public Works Programs. The State building was occupied until the mid-1970's, and was demolished in 1976 due to systemic damage suffered in the 1971 San Fernando Sylmar earthquake. The site is currently vacant and fenced off, but the remnants of the former building (i.e., lobby floor, basement, and subterranean parking garage) remain on site.

On March 20, 2013, the Board approved the acquisition of the 1st and Broadway Civic Center Park site and approved the allocation of a total of \$9,950,069.62 in Quimby and Zone Change Fees, Quimby and Zone Change Fee Interest, and Department of Recreation and Parks (RAP) Capital Park Development B Special Funds for pre-acquisition, acquisition, site preparation, and pre-development expenses related to the project (Board Report No. 13-072). The City closed escrow on the site in June 2013, and the final acquisition cost for the site, not including closing costs, was \$7,500,000.00. Since acquiring the site, the City has spent approximately \$430,000.00 to secure the site and provide on-site security, conduct preliminary investigations, and complete remediation and removal of the contaminated soil and standing water in the underground parking structure.

Although sufficient funds are not currently available to fully fund the design and construction of the future park and park improvements, there is, upon approval of this report, sufficient funding available for the demolition of the remnants of the former building. As those building remnants are blighted and dilapidated, staff recommends they be removed as soon as possible.

### Demolition Plans:

The Department of Public Works, Bureau of Engineering (BOE) has prepared the demolition plans for the removal of the remnants of the former State building. The demolition scope of work is to demolish and excavate the remnants of the former building (i.e., lobby floor, basement, and subterranean parking garage), shore the site, recycle and dispose of all underground materials, import and placement of engineered backfill, and grading and recompaction in order to level the site.

BOE recently received bids for the demolition of the site, backfill, and grading work, from three (3) contractors on BOE's on-call list of pre-approved demolition contractors. The three (3) bids BOE received were for \$2,747,000.00, \$3,500,168.00, and \$4,247,579.00.

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Based on the bids that BOE received, City staff estimates that the amount of funds needed for the demolition of the site, backfill, and grading, will be approximately \$3,300,000.00. This staff estimate includes additional funds for potential project acceleration, as well as contingency funds for unanticipated project expenses and for potential unforeseen conditions in the subterranean parking structure (e.g. underground storage tanks, etc).

### Funding:

Currently, there is approximately \$2,000,000.00 in unexpended funding remaining from the total of \$9,950,069.62 in Quimby and Zone Change Fees, Quimby and Zone Change Fee Interest, and Department of Recreation and Parks (RAP) Capital Park Development B Special Funds for pre-acquisition, acquisition, site preparation, and pre-development expenses related to the project (Board Report No. 13-072). Therefore, supplemental funding is necessary to fund the demolition of the remnants of the former building at 1st and Broadway Civic Center Park.

Upon approval of this report, \$4,306,294.00 in Quimby Fees can be transferred from the Quimby Fees Account No. 89460K-00 to the 1st and Broadway Account No. 89460K-RX and allocated to the Park Development (PRJ20655) Project at 1st and Broadway Civic Center Park. These Quimby Fees were collected within two (2) miles of 1st and Broadway Civic Center Park, which is the standard distance for the allocation of the Quimby Fees for community parks and recreational facilities.

The total funding allocation for the Park Development (PRJ20655) Project at 1st and Broadway Civic Center Park would be \$14,271,363.62. Of that amount, approximately \$6,300,000.00 in funding would now be available for the proposed demolition scope of work and to help fund the design, development, and construction of the future proposed park improvements anticipated to be developed at the site. From the approximately \$6,300,000.00 in available funding, staff is recommending that the Board approve a budget of \$3,300,000.00 for the demolition of the site, backfill, and grading.

Any allocated project funding remaining after completion of the demolition of the site, backfill, and grading would be set aside for the future development of the park. Staff estimates that future development of the park could cost approximately \$10,000,000.00 and could potentially be funded with Quimby and Zone Change fee collections from future residential development projects in Downtown Los Angeles.

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### Interim Site Uses:

The demolition of the site, backfill, and grading will be of immediate benefit to RAP. Demolition of the remnants of the former building would permit RAP to discontinue the twenty-four (24) hour a day, seven (7) day a week, security services currently provided at the site by contract security guards. Additionally, the demolition of the site, backfill, and grading would allow RAP to temporarily permit or lease the site for activities and events, such as filming, that may generate revenue for RAP.

After the demolition of the site, backfill, and grading has been completed, staff will return to the Board with an update on the status of the 1st and Broadway Civic Center Park project, including information on any proposed interim site uses and future development plans.

### Environmental:

Staff has determined that the subject project will consist of the demolition and removal of an accessory structure and grading. Therefore, the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1 (11) and Class 4(1) of the City CEQA Guidelines.

### FISCAL IMPACT STATEMENT:

There is a positive fiscal impact to RAP's General Fund as RAP will be able to discontinue the security services currently be provided at the site by contract security guards.

Operations and maintenance costs for the planned park at this site are yet to be determined and will be included in future budget requests.

The estimated costs for the demolition of the remnants of the former building at 1st and Broadway Civic Center Park and for the design, development, and construction of the future proposed park improvements are anticipated to be funded by Quimby Fees or funding sources other than RAP's General Fund.

This Report was prepared by Darryl Ford, Management Analyst II, Planning, Construction, and Maintenance Division.