

APPROVED
AUG 12 2015

BOARD OF RECREATION
& PARK COMMISSIONERS

REPORT OF GENERAL MANAGER

NO. 15-171

DATE August 12, 2015

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARK – AGREEMENT FOR DESIGN AND RENOVATION WITH PERSHING SQUARE RENEW

R. Barajas _____

*K. Regan [Signature]

H. Fujita _____

N. Williams _____

V. Israel _____

[Signature]
General Manager

Approved ✓

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Agreement for design and renovation of Pershing Square Park (Agreement), substantially in the form on file in the Board Office, between the Department of Recreation and Parks (RAP) and Pershing Square Renew (Renew), to establish roles, responsibilities and relationships between RAP and Renew, subject to the approval of the Mayor, the City Council, and of the City Attorney as to form;
2. Direct the Board Secretary to transmit the proposed Agreement to the Mayor for approval in accordance with Executive Directive 3, and concurrently, to the City Attorney for review and approval as to form; and,
3. Authorize the Board President and Secretary to execute the Agreement, subsequent to receipt of the necessary approvals.

SUMMARY:

In the later part of 2012, City Councilmember Jose Huizar of the Fourteenth Council District began a series of public outreach forums and community meetings with the goal of gaining support, leveraging funds, and developing partners to make long term improvements to Pershing Square Park. This process eventually became known as the Pershing Square Task Force. Numerous Downtown Los Angeles stakeholders, organizations, businesses, residents, and workers participated in a series of task force meetings. These public meetings provided a foundational understanding of the community sentiments which influenced subsequent processes and community outreach efforts.

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Eventually, the Pershing Square Task Force was formalized into a partnering organization which became known as Pershing Square Renew. Renew is a California non-profit public benefit corporation consisting of individuals, businesses, private foundations, and other entities with the intent purpose of making long-term physical improvements and renovations to Pershing Square Park with sustainable funding for the management and maintenance of the renovated park. As Renew continued its work, they eventually hired a public outreach consultant, Project for Public Space (PPS), who facilitated a number of workshops, digital surveys, targeted outreach, pop-up workshops, and stakeholder meetings with the purpose of gathering additional input on future plans for Pershing Square. A detailed analysis of the Pershing Square Renew/PPS Outreach activities can be found in the Summary of Outreach Activities, attached to the Agreement.

Now that the initial public outreach has been accomplished, RAP and Renew desire to work collaboratively with one another to facilitate the renovation and construction of improvements to Pershing Square Park. This will be done according to a design to be developed with the participation of both the public and private sectors of the City of Los Angeles in order to benefit the Park and all Park patrons.

The Project Site includes Pershing Square's above ground park areas, the subterranean parking garage, and the garage's ground-level entrances. Renovations and improvements to the garage will be made to support activities in the Park. Renovations and improvements in or to the garage, if any, will not interfere with the rights of RAP to operate the garage. Additionally, the Agreement does not confer on Renew or its successor(s) any interest in, ownership in, or control or management of the garage or any revenue generated by the garage.

The Agreement between RAP and Renew proposes proceeding in four (4) phases. A project timeline is also included in the Agreement. In Phase 1, Renew will deliver to RAP a Project Proposal, as defined in the Agreement. The Board of Recreation and Park Commissioners (the "Board") shall make a decision on the Project Proposal.

If the Board approves Phase 1's Project Proposal, then RAP and Renew will proceed to Phase 2 in which they will cooperate to create a final design for the Project sufficiently detailed to receive all required construction permits, a final development and construction budget, a final plan for the public/private financing of the Project, and final plan for the ongoing maintenance of the Park. Renew will provide at no cost to the City, project management services to coordinate completion of the Final Plans. The Final Plans will also be subject to the Board's approval.

If the Board approves the Final Plans, then RAP and Renew will proceed to Phase 3 in which they will cooperate to renovate and construct improvements on the Project Site consistent with the Final Plans. Phase 3 begins with Renew's renovation and construction of the park, and ends with RAP accepting the completed renovation and improvements.

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It is proposed that Phase 4 will tentatively consist of the creation of a new partner organization that will be formed to succeed Renew. The succession will take place upon completion of the construction project and will serve as a private support organization assisting with sustainable funding for the operation and maintenance of the renovated park. Although the Project may include renovations and improvements of the Park's subterranean parking garage and its at-ground entrances, neither Renew nor its successor will be involved in operation of the garage.

The Agreement between RAP and Renew defines the rights and responsibilities of each Party for the completion of Phases 1, 2, and 3 of the Project, including the schedule for further approvals and construction of the Project in the Schedule of Performance attached to the Agreement. The Parties contemplate that they may later enter into a separate agreement for Phase 4, assuming the Project improvements are completed and accepted by the City.

To assist in financing the Project, Renew will raise a substantial portion of the funds necessary to complete the Project. In addition to the funds generated by Renew, the City may allocate various capital improvement funds if available, for renovations and/or improvements at the Park.

The Project will be constructed generally in accordance with standard procedures for a public project. However, there are unique aspects of the voluntary private participation which will be utilized to achieve an acceptable design for the Project, and assure the continued private participation required to finance and effectuate the completion of the Project as so designed.

The Department believes that the amount of private funding Renew can bring to the Project in Phases 1 through 3 would not be available by the City itself. Furthermore, the Department believes that, because in Phases 1 and 2 Renew will have already worked with architects, engineers, and contractor(s) in developing the Project Proposal and its final designs, Renew will be uniquely situated in Phase 3 to manage at (no cost to the City) the construction of the Project more economically and efficiently, using the architects, engineers, and contractor(s) who will already be familiar with the Project and with whom Renew has already established a working relationship, than the City would be able to do using another manager and other professionals. The proposed three (3) Phases of the Project addressed in this Agreement should help realize the Department's plan to renovate Pershing Square Park in the most economical and efficient manner, thereby making the Park more attractive and inviting as quickly as possible to the increasing number of residents and Park patrons in the Downtown Los Angeles Central Business District area.

FISCAL IMPACT STATEMENT:

This Agreement will result in substantial capital improvements being made to Pershing Square Park, a Department facility. As a result, the City and/or the Department may allocate capital

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improvement funds to assist in constructing the renovations. It is intended that the majority of funds for this renovation project be generated through a public/private partnership. After the renovation project is complete, it is intended that a non-profit partnering organization continue to assist the Department with funding for programs and maintenance of the renovated park. However, it is possible that the Department's General Fund may incur additional costs in the future, due to management and maintenance of the renovated facility.

This Report was prepared by Kevin W. Regan, Assistant General Manager, Operations Branch.