REPORT OF GENERAL MANAGER

DATE May 16, 2007

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PAN PACIFIC PARK – LEASE AGREEMENT WITH THE LOS ANGELES MUSEUM OF THE HOLOCAUST FOR THE USE OF A PORTION OF PAN PACIFIC PARK FOR THE CONSTRUCTION AND OPERATION OF A HOLOCAUST MUSEUM

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RECOMMENDATION:

That the Board:

1. Review and consider the Initial Study and Mitigated Negative Declaration (IS/MND) and the associated Mitigation Monitoring Reporting Plan (MMRP) (Section VII) for the Los Angeles Museum of the Holocaust (Holocaust Museum) at Pan Pacific Park, finding that on the basis of the whole record, including the IS/MND and all comments received, there is no substantial evidence that the project will have a significant environmental effect on the environment, and that all potentially significant environmental effects of the project have been properly disclosed and evaluated in the IS/MND in compliance with the California Environmental Quality Act (CEQA) and the State and City CEQA Guidelines and reflects the Department of Recreation and Parks’ independent judgment and analysis;

2. Recommend that the City Council review, consider and adopt the IS/MND and MMRP (Section VII), with Council making the same findings as the Board, and that Department staff file a Notice of Determination with the Los Angeles City Clerk and the Los Angeles County Clerk within five days of Council’s adoption;

3. Approve the proposed relocation of the Los Angeles Museum of the Holocaust (Holocaust Museum) to a portion of Pan Pacific Park adjacent to the Los Angeles Holocaust Monument;
4. Approve, subject to approval of the City Council, the Lease Agreement with the Los Angeles Museum of the Holocaust (Museum), substantially in the form on file in the Board Office, for the use of a portion of Pan Pacific Park for the construction and operation of a Holocaust Museum, subject to the transfer of title to Pan Pacific Park to the City by the State of California;

5. Direct the Board Secretary to forward the Lease Agreement to the Mayor’s Office for review pursuant to Executive Directive No. 3, and to the City Attorney’s Office for approval as to form; and,

6. Authorize the Board President and Secretary to execute the Lease Agreement upon receipt of the necessary approvals.

SUMMARY:

At the November 17, 2004, Board Meeting, the General Manager, through a memorandum, informed the Board of Recreation and Park Commissioners (Board) of a proposal to relocate the Holocaust Museum to a portion of the Department’s Pan Pacific Park adjacent to the Los Angeles Holocaust Monument.

On February 16, 2005, the Board approved (Board Report No. 05-51) the consideration of the proposal to relocate the Holocaust Museum (see Attachment A) and instructed staff to negotiate the terms and conditions for a long-term lease of park property for the proposed Holocaust Museum and to return to the Board for final consideration of the proposed lease upon fulfillment of all CEQA requirements.

After significant discussion and negotiations, Museum and Department staff have come to an agreement on the terms and conditions of the proposed Lease Agreement. Several of the major lease provisions are as follows:

- **Effective Date** - The Effective Date of the Lease will be the date the City Clerk attests the Lease, or the date which the State of California transfers title to Pan Pacific Park to the City, whichever is later;

- **Term** - The term shall be for fifty years with early termination for the following reasons: The Museum fails to raise the necessary $6.0 million for the project within one year of the Effective Date of the Lease, the Museum fails to commence construction on the project within thirty six months of the Effective Date of the Lease, and the Museum fails to commence Holocaust Museum operations within sixty months of the Effective Date of the Lease;

- **Parking** - The Museum will provide subterranean parking, per City Code, for its membership, staff, and visitors;
• Sidewalk – The Museum will rehabilitate the existing sidewalk, beginning at the Pan Pacific gear station in the northwest corner, and ending at the designated Federal property line near the fence line at the United States Post Office at the corner of Grove Drive and Beverly Boulevard;

• Bus Drop Off - The Museum will provide a bus drop off on the east side of Grove Drive to ensure the safety of the students and Holocaust Museum visitors that arrive at the Holocaust Museum by bus;

• Restrooms - The Museum shall provide public restroom facilities that will be accessible from the park side;

• Soil Studies - Once construction is underway, the Museum will assume all costs and responsibilities for removing any contaminated soil that may be discovered in the Methane Studies that must be conducted by the Museum on the leased property;

• Landscaping - The Museum will assume the landscaping costs of the museum/lease area;

• Maintenance - The Museum will assume the cost of maintaining the Los Angeles Holocaust Monument, upon the Effective Date of the Lease.

It should be noted that Pan Pacific Park is still owned by the State of California. In 1993, the County of Los Angeles, who had been operating the park since 1978, assigned their operating agreement to the City. In 2000, the City and County entered into a Project Cooperative Agreement that essentially transferred operational responsibility for the park to the City and allowed the Department to design, construct, and operate park facilities on the State-owned park. As Department staff finalized negotiations with the Museum, the City Attorney’s Office advised that the City of Los Angeles could not lease the property to the Museum prior to receiving fee title to the property from the State. Department staff is currently working with representatives of the State’s General Services Department on this transfer. It is anticipated that the transfer should be complete within approximately two months.

Due to the situation with property ownership, the Lease Agreement is subject to the final transfer of the property to the City of Los Angeles.

At this time, the final design for the Holocaust Museum is not complete. The final design, when completed, will be presented to the Board for final approval prior to any construction taking place at the site.

In accordance with the requirements of the CEQA, a MND was prepared based on an Initial Study, which determined that all potentially significant environmental effects would be mitigated to a level less than significant. The MND was circulated to all interested parties and responsible agencies, and filed with the State clearing house for a thirty-day review and comment period from August 24, 2006 to September 25, 2006. In addition, a Public Hearing was held at the Pan Pacific Recreation Center on September 6, 2006, to receive public comments on the proposed project. In total, seventeen written comment letters were received during the public review period, which included agency
comments from the California Department of Toxic Substance Control and the City of Los Angeles Department of Transportation. Issues raised in the comments included traffic and parking, private use of public parkland, methane gas, and drainage. All comments have been incorporated into the final MND, copies of which have been provided to the Board for its review and consideration. A Mitigation Monitoring and Reporting Program has been prepared that specifies all the mitigation measures identified in the MND, which will either reduce or eliminate the potentially significant environmental impact of the project, in accordance with Section 15097 of the State CEQA Guidelines.

FISCAL IMPACT STATEMENT:

Approval of the relocation of the Holocaust Museum to a portion of Pan Pacific Park and the long-term lease agreement will not have a significant impact on the General Fund. All costs for the design construction, operation, and maintenance of the Holocaust Museum are the responsibility of the Museum. It should be noted that the City has the right to terminate the lease if $6.0 million in funds are not raised within a year of the effective date of the lease, if construction has not commenced within thirty-six months of the effective date of the lease, or the Museum is not operating within sixty months of the effective date of the lease. The Museum may be required to remove or demolish anything built on the property upon termination and restore the premises to its previous condition.

This report prepared by Cid Macaraeg, Sr. Management Analyst II, Real Estate and Asset Management, Planning and Development.