



NEWS

March 26, 1998

CONTACT: GARY WOSK/JIM SMART
MTA MEDIA RELATIONS
(213) 922-2712/922-2700
FOR IMMEDIATE RELEASE

MAJOR JOINT DEVELOPMENT PROJECT APPROVED BY MTA BOARD COULD INCREASE SUBWAY RIDERSHIP, BOOST HOLLYWOOD ECONOMY

The MTA Board of Directors Thursday approved a proposal by one of the nation's leading developers of retail/entertainment/destination centers, TrizecHahn Centers, to lease the land above and adjacent to the Metro Rail subway station at Hollywood Boulevard and Highland Avenue to build a \$145 million theatre-retail center.

The 1.2 million square foot complex will include a 3,300-seat live broadcast theatre, which could be used to stage the Academy Awards and other live presentations, and a 6-screen multiplex next to the Mann's Chinese Theater, retail stores, restaurants, and a central processional staircase rising from Hollywood Boulevard with the Hollywood Sign in clear sight.

The project is expected to substantially increase Metro Rail ridership on the Metro Rail subway and continue the revitalization of Hollywood's economy when completed in the Fall of 2000. An estimated 800 construction jobs and 1,800 permanent positions also are expected to be created.

The 6.3-mile Metro Rail subway extension from Hollywood to North Hollywood, which will include the Hollywood/Highland station, is expected to open in May 2000. Stations also will be located at Universal City and Lankershim/Chandler. Metro Rail subway service to Hollywood and Vine will open in Spring 1999.

"This is certainly one of the most significant investments Hollywood has seen in decades," said MTA Board Chairman and Los Angeles Mayor Richard J. Riordan. "It will serve as a catalyst for other similar projects in the future."

MORE...

Page 2 MTA/TrizecHahn

"This public-private partnership will also benefit hardworking Angelenos with construction jobs and permanent positions that will be created," Riordan added.

This project is the result of two years of negotiations among the MTA, CRA, the developer, and the City of Los Angeles, spearheaded by Los Angeles City Councilmember Jackie Goldberg.

"I expect this project will be the centerpiece of attractions being added to Hollywood Boulevard, L.A.'s international tourist destination and entertainment capital," Goldberg said.

Construction could begin as early as this summer if the Community Redevelopment Agency and City Council approve the agreement.

The MTA would receive annual rental payments of \$246,000 during construction starting in April 1999. The full base rent of \$492,000, adjusted for inflation, will begin by 2002. Minimum rent increases of 10 percent would occur every five years with the base rent adjusted in the 14th year of the lease to reflect the financial success of the project. In addition, property appraisals every 25 years also will be used to adjust the base rent upwards.

MTA officials cited this as an example of government and the private sector working together to better the community, create a use that will be successful and popular, and generate revenue for the MTA.

By a unanimous vote, the MTA Board authorized an agreement with TrizecHahn, whose principal, David Malmuth, was instrumental in renovating 42nd Street and the rebirth of Times Square in New York City when he was an executive with Disney.

"This will be a major new entertainment project destination for people searching for something unique and memorable on this famous boulevard," said Malmuth. "You'll definitely know that you're in Hollywood when you arrive there."