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## **Developers Break Ground on Major Joint Development at Hollywood & Vine Metro Red Line Station**

- \$600 million development to include affordable and luxury housing, a 305-room W Hotel, W Residences, retail and convenient access to mass transit

Metro joined with two large national real estate developers, Los Angeles County Supervisor and Metro Board Chair Gloria Molina and a host of city, agency and community officials today to officially break ground at the world-famous Hollywood and Vine intersection to build one of the largest, most ambitious mixed-use, transit-oriented development projects in Los Angeles.

The \$600 million development project will include a 305-room W Hotel, 143 W Residences, 375 luxury rental apartments (including 78 affordable units), approximately 50,000 square feet of retail space and transit plaza improvements at the Hollywood/Vine Metro Red Line Station in Hollywood.

Project developers are Gatehouse Capital Corporation and Legacy Partners. The development is a result of five years of planning, negotiation and collaboration with the Los Angeles County Metropolitan Transportation Authority (Metro), Community Redevelopment Agency of the City of Los Angeles (CRA/LA), Los Angeles City Council and the Hollywood community. "It has been a labor of love and patience, but well worth both the time and money," stated Marty Collins, president and CEO of Gatehouse Capital.

"This project fulfills many of the goals I've identified if we are to realize the 'City of Our Dreams.' This development embodies the principles of smart planning and growth. We need to encourage these types of projects to make LA a more livable city for people who work here, for employers staking their futures here and for the families who want to grow here," said Mayor Antonio Villaraigosa.

"This is the most exciting day in Hollywood since the return of the Oscars to the Kodak Theater," said City Council President Eric Garcetti. "With glamour on the outside and living-wage jobs and a housing mix to serve Hollywood workers at all levels on the inside, this development will make this once bustling intersection a destination once again, not only for tourists, but for residents too."

The project will be developed on the entire city block bounded by Hollywood Boulevard to the north, Vine Street to the west, Selma Avenue to the south and Argyle Avenue to the east with the exception of the historic Taft Building located on the northwest corner of the block at the Hollywood and Vine intersection. The Hollywood/Vine Metro Rail Red Line Station is located at the northeastern corner of the project site.

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**Los Angeles County Supervisor and Metro Board Chair Gloria Molina, center, with Los Angeles County Supervisor Zev Yaroslavsky, front row, at left, and Los Angeles Mayor Antonio Villaraigosa, center, back row, join a host of Los Angeles officials and civic leaders to break ground for a \$600 million development adjacent to the Hollywood/Vine Metro Rail Station in Hollywood.**



**The \$600 million joint development project will include a 305-room W Hotel, 143 W Residences, 375 luxury rental apartments (including 78 affordable units), approximately 50,000 square feet of retail space and transit plaza improvements at the Hollywood/Vine Metro Rail Station in Hollywood. Digital renderings courtesy of Gatehouse Capital Corporation.**

The project is a product of Metro's Joint Development Program, which works closely with public and private partners to encourage high-quality, transit-oriented development around Metro station sites and along transit corridors. Its goal is to help reduce auto trips and relieve congestion through transit-linked development. To date more than \$1 billion has been invested in such programs since 1993.

"Metro has spearheaded yet another high-profile development project on the Metro Red Line, one that will transform the Hollywood/Vine Station into a thriving transit plaza complete with nearby housing, commercial and entertainment centers," said Gloria Molina, Los Angeles County Supervisor and Metro Board Chair. "Transit-oriented developments like this are now underway throughout Los Angeles County, and will play an increasingly vital role in helping improve regional mobility and quality of life for our residents."

The Hollywood and Vine project will provide numerous benefits to the community. Among the project's public benefits are 78 affordable rental apartments; coordination with Worksource Hollywood to implement a first-source hiring program to facilitate the employment of local residents; \$30,000 to fund community outreach programs for the Health Insurance Trust Fund; \$100,000 to fund job-training programs for the Culinary Institute and \$50,000 for Health Care Careers, and a \$500,000 endowment to the Hollywood High School for Performing Arts. In addition, the development Joint Venture HEI/GC Hollywood & Vine has signed a neutrality agreement with the Hotel Employees and Restaurant Employees Union, Local 11.

"This project delivers a fabulous return on CRA/LA's investment," said Cecilia V. Estolano, CRA/LA Chief Executive Officer. "We put in \$6 million and the City will get \$167 million in tax revenue and \$92 million in tax increment, all by 2036. A full \$25 million will be set aside for affordable housing," she added.

"Like Hollywood & Highland accomplished on the west end, this project has served as the catalyst for redevelopment for the eastern gateway of Hollywood," said Hollywood Chamber of Commerce President and CEO Leron Gubler. "We commend the development team and W Hotels for having the foresight to recognize the potential of this long-ignored intersection. This development sets a new standard by which all new projects will be measured in Hollywood."

Presale of the W Residences to friends and family only quietly began several months ago and interest has been very strong. "The response was overwhelming with over a thousand buyers interested in 143 residences," said Jeff Cohen, senior vice president of Gatehouse Capital. "We are confident that the W Hotel will be similarly well received. We have a great team to whom we owe a lot on this project." Gatehouse has partnered with both HEI Hospitality and Hicks Holdings to provide capital for the project.

As a result of ongoing discussions with city leaders, Legacy Partners agreed to build 100 additional apartments. "Originally, the plans called for 275 apartments. However, given our proximity to the Red Line, Councilman Garcetti convinced us to increase the density of the apartment component," said Legacy Partners Senior Vice President Dennis Cavallari. "The result is a more vertical,

aesthetically pleasing project that helps the city address its chronic housing shortage.”

Construction is expected to take approximately 26 months, with completion targeted for the second quarter 2009.

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