



**Metro**

PLANNING & PROGRAMMING COMMITTEE  
MARCH 16, 2005

**SUBJECT: HOLLYWOOD & VINE STATION  
TRANSIT-ORIENTED JOINT DEVELOPMENT**

**ACTION: APPROVE REVISED DEVELOPER ENTITIES; AUTHORIZE THE  
EXECUTION OF REVISED JOINT DEVELOPMENT AGREEMENT AND  
OTHER PROJECT DOCUMENTS; AUTHORIZE THE CHIEF  
EXECUTIVE OFFICER TO ENTER INTO A REVISED EXCHANGE OF  
REAL ESTATE RIGHTS; AND APPROVE REVISED FINDINGS AND  
STATEMENT OF OVERRIDING CONSIDERATIONS**

**RECOMMENDATIONS**

- A. Approve HEI/GC Hollywood & Vine, LLC (described on Attachment A) as the entity that will own and be responsible for the development and operation of the hotel/condominium portion of the proposed transit-oriented joint development project at the Metro Red Line Hollywood & Vine Station site ("Station Site"), subject to completion of staff's typical due diligence with respect to the proposed entity to staff's reasonable satisfaction.
- B. Approve Legacy Partners 2480 LLC (described on Attachment B) as the entity that will own and be responsible for the development and operation of the apartment portion of the proposed transit-oriented joint development project at the Station Site, subject to completion of staff's typical due diligence with respect to the proposed entity to staff's reasonable satisfaction.
- C. Authorize the Chief Executive Officer to enter into the following documents having revised terms as set forth in this Board report:
  - 1. A joint development agreement ("JDA") with HEI/GC Hollywood & Vine, LLC ("HEI/GC") and Legacy Partners 2480 LLC ("Legacy") for the development of the Station Site;
  - 2. Ground leases, grant deeds and easements (including reciprocal easement agreements), with HEI/GC and Legacy as contemplated in the JDA;
  - 3. Those other documents and agreements necessary to allow development of the Station Site as contemplated in the JDA, the ground leases, the grant deeds and the easements (including any reciprocal easement agreements).

The key business terms of the proposed transaction are set forth on Attachment C.

- D. Authorize the Chief Executive Officer to enter into a revised exchange of real estate rights in accordance with the provisions of Attachment D.
- E. Approve Findings and Restatement of Overriding Considerations, in accordance with the California Environmental Quality Act ("CEQA") (Attachment F).

## ISSUES

In June 2003, the Board authorized the Chief Executive Officer to enter into a JDA with Legacy Partners and Gatehouse Capital for development of the Station Site. In March 2004, the Board approved a revised conceptual plan for the project. Now, HEI/GC and Legacy have proposed further changes to the scope and mix of the proposed project. In addition, staff and the proposed developers have reached agreement on certain changes in the terms of the originally approved transaction, which changes require Board approval. Finally, since the prior Board actions, Gatehouse Capital and Legacy Partners have each created new single-asset entities that will own and be responsible for the development and operation of their respective projects. All of these matters are addressed more-fully in the *Discussion* section of this report.

## POLICY IMPLICATIONS

The recommended actions are consistent with Metro's Joint Development Policy to:

1. Promote and enhance transit ridership;
2. Enhance and protect the transportation corridor and its environs;
3. Enhance the land use and economic development goals of surrounding communities, and conform to local and regional development plans; and
4. Generate value to Metro based on fair market return on the public investment.

## OPTIONS

The Board could elect not to take any of the recommended actions. Such an election is not suggested, however, as the recommended actions are necessary to continue joint development of the Station Site with the proposed development teams. The revised project adds residential and retail density to the Station Site and continues to include a Starwood W-brand hotel and condominium complex. The revised business terms are reasonable in light of the revised project scope and project delays resulting from negotiations and third-party litigation. The new single-asset entities created by the developers to own, develop and operate their respective projects are common in real estate development, and the selected (in the case of Gatehouse) and contemplated (in the case of Legacy Partners) equity partners are financially strong, reputable and experienced players in their respective equity markets.

## FINANCIAL IMPACT

The recommended actions will have no financial impact on Metro budgets until FY'07, if the overall project proceeds in accordance with the current project schedule. During that

fiscal year, revenue will commence to accrue to Metro in the form of developer construction period rent at the rate of \$28,125 per month. To accommodate construction, two existing Metro tenants will need to be permanently relocated from the site and bus layover spaces will need to be temporarily relocated during that fiscal year. The cost impact of these items is not clearly known at this time, but will need to be budgeted in FY'07. No later than 36 months after commencement of construction period rent, developer base rent, at the rate of \$56,250 per month, will commence. Staff has already received a \$35,000 ENA payment and a \$275,000 option payment from the developers, which payments were provided to Metro as compensation for taking the Station Site off of the market through December 19, 2005 to allow the developers to complete pre-construction due diligence for their respective projects. The JDA and ground leases will require the developers to fund reasonable Metro labor and third-party costs related to project design review and construction oversight which is currently underway and will continue until project completion.

## DISCUSSION

The Station Site totals 4.65 contiguous acres, consisting of 3.17 acres of Metro-owned property and 1.48 acres of privately held property. It incorporates the entire block bounded by Hollywood Boulevard, Vine Street, Selma Avenue and Argyle Avenue, except for the 18,022 square foot Taft Building parcel at the corner of Hollywood & Vine. Development of the Station Site as currently envisioned requires the acquisition of the privately held parcels. The CRA is aiding the developers in this process and has agreed to use its condemnation authority to acquire these parcels where necessary.

On June 19, 2003, the Board authorized the Chief Executive Officer to enter into a JDA and related ground leases and other documents necessary to effectuate development of a transit-oriented, mixed-use real estate project on the Station Site. At that time, the proposed project consisted of a 300-room Starwood W-brand hotel, 250 apartments, approximately 50 condominium units and over 40,000 square feet of ground floor retail space. In March 2004, the Board approved a revised conceptual plan for the project that contained 46 more condos, 12 more apartments, 27,700 more square feet of retail space and 4,000 to 6,000 square feet of advertising signage. Now, HEI/GC and Legacy have proposed further changes to the scope and mix of the proposed project.

### *The Revised Project.*

The current proposal envisions two separate adjoining but integrated projects, as generally depicted on Attachment E (the "Revised Overall Project"). As proposed, one of the projects forming a portion of the Revised Overall Project will be developed by HEI/GC and, subject to CEQA clearance, will include an integrated hotel/condominium complex containing 265 to 370 hotel rooms (with a target of 300 rooms), 100 to 150 condos (with a target of 150 condos), 10,000 to 25,000 square feet of retail space (with a target of 14,500 square feet), and up to 18,500 square feet of advertising signage. The proposed hotel is slated to include a restaurant, a spa, a rooftop bar, and limited banquet and meeting facilities. The hotel and condos will carry the Starwood W brand. This portion of the Revised Overall Project will front primarily on the public plaza leading to

the subway station portal from Hollywood Boulevard and Argyle Avenue. As proposed, the second project forming a portion of the Revised Overall Project will be developed by Legacy and, subject to CEQA clearance, will include an apartment complex over ground floor retail containing 250 to 375 apartments (with a target of 350 apartments), 40,000 to 68,000 square feet of retail space (with a target of 58,000 square feet), and up to 11,000 square feet of advertising signage. This portion of the Revised Overall Project will front primarily on Vine Street and Selma Avenue. In total, the Revised Overall Project will contain the same number of hotel rooms, 54 more condominium units, 88 more apartments, 4,800 more square feet of retail space (plus a restaurant, spa and rooftop bar within the hotel) and 23,500 more square feet of advertising signage than the current Board-approved project. The Revised Overall Project will provide the same on-site area for the layover of Metro buses as was provided in the previous design. This area was designed to accommodate four 45-foot buses and one 60-foot bus, based on program requirements previously provided by staff. Staff is now working with Legacy to maximize the use of this space to accommodate more buses.

*The Revised Business Terms.*

After extensive negotiation with HEI/GC and Legacy, staff and the respective development teams have reached agreement on certain changes to the business terms for the Revised Overall Project. The proposed changes are:

- Extending HEI/GC's and Legacy's deadlines for commencement and completion of their respective portions of the Revised Overall Project by approximately one year - the new deadlines are December 1, 2006 and November 30, 2009, respectively;
- Extending HEI/GC's and Legacy's deadlines for payment of construction period rent (collectively, \$28,125 per month) and full base rent (collectively, \$56,250 per month) by six months - the new deadlines are June 19, 2006 and June 19, 2009, respectively;
- Adding a fair market rent adjustment in the 25<sup>th</sup> year of each ground lease.
- Providing HEI/GC with the ability to convert up to 33.33% of the Revised Overall Project's hotel rooms to timeshare units, at any time after the third anniversary of the hotel ground lease's commencement, provided that such timeshare units cannot be marketed and sold in increments exceeding one week and further provided that such timeshare will be operated in a manner consistent with the same American Automobile Association 4-diamond standard as the remainder of the hotel;
- Providing Metro with dedicated, no-cost advertising signage equal to 5% of the total advertising signage area approved for the Revised Overall Project; and
- Requiring HEI/GC to (a) cover the existing subway portal entrance to protect it from the elements, (b) provide adequate covered bus queuing areas at the existing

Hollywood Boulevard (west of Argyle) and Argyle (south of Hollywood Boulevard) bus stops, and (c) install a second station elevator in the station's existing empty elevator shaft.

Extending the deadlines for commencement and completion of construction is necessary to provide the developers with adequate time to obtain entitlements for the Revised Overall Project, complete acquisition of the privately held parcels (with the CRA's help where necessary), resolve two pending lawsuits (one affecting the CRA's ability to exercise its condemnation authority, and the other challenging the environmental clearance of the project under CEQA), and complete other project-related due diligence. These extensions are due to project delays stemming from various sources. Among them are: (a) the two lawsuits noted above, (b) lengthy negotiations with Metro staff and legal counsel over the terms and conditions of the JDA, the ground leases, the grant deeds and the easements; (c) equally lengthy negotiations with the CRA regarding the terms of their contribution to the project and the acquisition of the 1.48 acres of privately held parcels necessary to support it; and (d) various project redesigns to accommodate HEI, Starwood and CRA requests. Despite the real need to extend the aforementioned construction related deadlines, staff believed that Metro should be fairly compensated for that portion of the project delays that was not attributable to Metro or a force majeure event. After considerable negotiation, staff has agreed that a more-limited six-month extension of the rent commencement deadlines, and a fair market rent adjustment in the 25<sup>th</sup> year of both ground leases will provide such fair compensation. The new rent adjustment is in addition to the two fair market rent adjustments that have already been bargained for. These adjustments will occur in the 35<sup>th</sup> and 70<sup>th</sup> years of each lease term.

Please note that all of the revised deadlines will be subject to typical force majeure delays, delays in resolving the two pending lawsuits noted above beyond the dates already provided for in the project schedule, and delays in acquiring the privately held parcels beyond the dates already provided for in the project schedule.

HEI/GC's ability to convert a portion of the hotel rooms to timeshare units (as limited above) will provide HEI/GC with the flexibility to position their project to meet market demand.

The advertising signage requirement will provide Metro with no cost billboard(s) to advertise Metro services. If the developers obtain approval of the 29,500 square feet of signage set forth on their current plan (which is uncertain), this arrangement would net Metro a total of 1,475 square feet of signage (the equivalent of a little over five standard 12 foot by 24 foot advertising signs).

HEI/GC's agreement to add additional Red Line station and bus improvements will provide additional value to Metro.

#### *New Developer Entities.*

Since the Board authorized the Chief Executive Officer to enter into a JDA in June 2003, Gatehouse Capital and Legacy Partners have each created new single-asset entities that will own and be responsible for the development and operation of their respective

projects. Such entities are common in real estate development. Gatehouse Capital has partnered with equity-partner HEI Hospitality Fund Acquisition, LLC ("HEI") to create HEI/GC. Under their agreement, HEI (and not Gatehouse) will hold operational control of the development entity. See Attachment A for further details regarding HEI/GC Hollywood & Vinc, LLC. Legacy Partners has created Legacy Partners 2480 LLC as its development entity. They request pre-approval of three potential equity partners (the AFL-CIO Building Investment Trust, AIG Global Real Estate, and CalPERS), but have yet to settle on a particular one. Legacy Partners will maintain operational control of the new development entity regardless of their equity partner or the ultimate partnership structure. See Attachment B for further details regarding Legacy Partners 2480 LLC.

#### Revised Real Estate Exchange.

In March 2004, the Board approved, as part of then-proposed project, the exchange of certain Metro property rights at the Station Site for fee interest in the 1.48 acres of privately held property to be acquired for the benefit of the project. The rights that were to be granted by Metro encumbered approximately 1.09 acres of the Station Site and included permanent rights to a complex mix of surface and subsurface interests necessary to support the condominium project, including permanent rights of access across certain portions of the Station Site not included within the footprint of the condominium project. At that time, Metro's outside financial advisor for this project analyzed the exchange and deemed it to be favorable to Metro. The exchange was necessary to assure that the condos, the condo-related parking, access to the parking and the condos, and all related rights were under the permanent control of the HEI/GC, and ultimately, the eventual condo buyers. In most markets, condo buyers strongly prefer permanent rights to more-temporary ground lease rights.

Now, the developers' desire to add 54 more condos to the project mix has resulted in an expanded condo footprint to accommodate the additional condo units, the condo parking and the access to the same. This expansion requires a reanalysis and revaluation of the previously approved exchange of real estate rights. At this time, HEI/GC is reanalyzing the design of its parking structure, which could affect the currently proposed parking layout and access thereto. Also, the footprint of the condo project may change as the design evolves or as a result of City-required alterations. Any of these changes could impact the configuration of the area needed to support the condo project. As such, HEI/GC and staff have agreed to reanalyze and revalue the exchange later in the design process, once the variables affecting the condo project's needs have been more clearly identified. Staff and HEI/GC have also agreed to reanalyze and revalue the revised exchange of rights in accordance with the parameters set forth on Attachment D. Ultimately, the value of the permanent rights necessary to support the condos must not exceed the value of the 1.48 acres of privately held property to be granted to Metro. If it does, HEI/GC would have to compensate Metro for the difference, or scale back its condo project until the values are equalized. Metro will not owe any additional compensation to the developers under any circumstances; even if the value of the 1.48 acres of privately held property to be granted to Metro exceeds the value of the permanent condo rights to be granted by Metro.

### Hotel Operating Agreement.

HEI/GC and Starwood have executed a hotel management agreement that provides for the operation of a W-brand hotel on the Station Site. Staff has taken exception to certain provisions of that agreement. Of particular concern are termination provisions in the agreement providing Starwood with a nearly unlimited ability to terminate the agreement and exit the deal. In light of staff's objections, Starwood and HEI/GC are renegotiating the terms of the hotel operating agreement to address staff's concerns. The JDA will not be executed until the Chief Executive Officer is assured that Starwood and HEI/GC have executed a hotel operating agreement upon terms reasonably satisfactory to Metro.

### CEQA.

HEI/GC and Legacy are required to obtain environmental approval of the Revised Overall Project under CEQA from the CRA, as lead agency. In addition, Metro's role in the project may qualify it as a responsible agency under CEQA because, to effectuate the Revised Overall Project as contemplated in this report, Metro will be granting fee interests, long-term leasehold interests, and permanent easement rights to HEI/GC and Legacy. In addition, Metro will retain certain design review and construction oversight rights in the JDA, ground leases, grant deeds and easements.

Metro, the CRA and the City of Los Angeles have taken prior action on the project, as previously proposed. On March 13, 2003, the CRA certified and approved the Final Environmental Impact Report for the Hollywood Redevelopment Plan Amendment, dated February 3, 2003 (SCH No. 1985052903) (the "Plan Amendment EIR"), for the Hollywood Redevelopment Plan. The CRA also approved Findings and a Statement of Overriding Considerations and a Mitigation Monitoring Program for the Plan Amendment EIR (collectively, the "EIR Documents"). On December 4, 2003, the CRA approved an Addendum to the Plan Amendment EIR (the "2003 Addendum"), which analyzed the environmental impacts of the then-proposed Hollywood & Vine project. At that time, the CRA also approved Findings, a Statement of Overriding Considerations and a Mitigation Monitoring Plan (collectively, with the 2003 Addendum, the "2003 Addendum Documents"). On January 13, 2004, the City of Los Angeles City Council considered the 2003 Addendum Documents and other documents and found that they were adequate for the purposes of CEQA with respect to the then-proposed project. As such, the City Council approved development agreements between the CRA and the predecessors to HEI/GC and Legacy.

In March 2004, the Board considered the 2003 Addendum Documents and approved specific Findings and a Statement of Overriding Considerations with respect to the then-proposed project. As noted in this report, HEI/GC and Legacy are now proposing additional changes to the project and now desire to develop the Revised Overall Project on the Station Site. A CRA consultant, in a recently completed a second addendum to the Plan Amendment EIR (the "2005 Addendum"), examines the impact of the proposed changes. The 2005 Addendum (Attachment G) concludes that the Revised Overall Project does not require any changes to the conclusions presented in the EIR Documents

or the 2003 Addendum Documents, and, as a result, does not require preparation of a supplemental or subsequent EIR pursuant to CEQA.

In fulfillment of Metro's role as a responsible agency under CEQA, it is recommended that the Board consider the 2005 Addendum and approve the Findings and Restatement of Overriding Considerations detailed on Attachment F. MTA Legal Counsel has reviewed the EIR Documents, the 2003 Addendum Documents, the 2005 Addendum and other documents and finds that they have been prepared appropriately and in accordance with CEQA requirements.

It should be noted that one of the lawsuits noted above challenges the environmental review of the proposed project under CEQA, and that Metro is a named party in that lawsuit.

### NEXT STEPS

Upon approval of the recommended actions, the Chief Executive Officer will execute the JDA with HEI/GC and Legacy, subject to Starwood and HEI/GC's execution of a hotel operating agreement containing terms and conditions reasonably satisfactory to staff and providing for the operation of a W hotel on the Station Site. Thereafter, the Chief Executive Officer will execute and enter into the following, pursuant to the terms and conditions of the JDA: (a) grant deeds (and easement agreements) granting fee interests and easement rights to HEI/GC over that portion of the Station Site to the extent necessary to support the condominiums; (b) ground leases in favor of HEI/GC and Legacy for the hotel and apartment portions of the project; (c) multi-party reciprocal easement agreements with the developers covering shared access, maintenance and other issues typical of such agreements; and (d) those other agreement and documents necessary to allow development of the Station Site as contemplated herein.

### ATTACHMENTS

- Attachment A - Summary of the Structure of HEI/GC Hollywood & Vine, LLC
- Attachment B - Summary of the Structure of Legacy Partners 2480 LLC
- Attachment C - Summary of Existing Business Terms and the Proposed Revisions
- Attachment D - Summary of the Key Terms and Conditions of the Revised Exchange of Real Estate Rights
- Attachment E - Revised Depiction of the Proposed Development (Not a Conceptual Plan.)
- Attachment F - Metro Findings and Restatement of Overriding Considerations
- Attachment G - 2005 Addendum to the Plan Amendment EIR

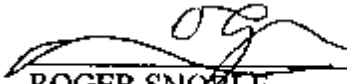


Prepared by:  
Greg S. Angelo, Manager of New Business Development



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**JAMES L. de la LOZA**  
Executive Officer  
Countywide Planning and Development



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**ROGER SNOBLE**  
Chief Executive Officer



November 17, 2004

Mr. Greg Angelo  
Metropolitan Transportation Authority  
Mail Stop: 99-25-1  
One Gateway Plaza  
Los Angeles, CA 90012

RE: Hollywood & Vine

Dear Greg:

On behalf of Gatehouse Hollywood Development L.P., a Texas limited partnership ("Gatehouse"); we are pleased to submit HEI Hospitality Fund Acquisition LLC ("HEF") as the investor for pre-approval for inclusion into the Hotel Ground Lease.

Anticipated Deal Structure - A subsidiary of HEI Hospitality Fund Acquisition, LLC and Gatehouse Hollywood Development, L.P. will form a new limited liability company for the development and ownership of the hotel, condominium and retail components of the project. The HEI member will be the managing member with a 95% interest in the new company and the Gatehouse member will be the administrative member with a 5% interest in the new company. The Gatehouse member will also have a promoted interest in the new company. Gatehouse Capital Corporation will be retained by the new company to act as the developer for the project.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jeffrey A. Cohen", written over a horizontal line.

Jeffrey A. Cohen  
Senior Vice President

cc: Marty Collins  
Scott Stevenson  
R. Kopf, Esq.  
Dale Goldsmith, Esq.  
J.J. Abraham  
Dennis Cavallari  
James Andersen  
Clark Hanratti



November 8, 2004

Greg Angelo  
Metropolitan Transportation Authority  
Mail Stop: 99-25-1  
One Gateway Plaza  
Los Angeles, CA 90012

Rental  
Real Estate

Property  
Management

Acquisitions

Re: Hollywood & Vine

Development

Dear Greg,

Construction  
Management

On behalf of Legacy Partners 2480, LLC, a California limited liability company ("Legacy"), we are pleased to submit the following list of investors for pre-approval for inclusion into the Apartment Ground Lease:

Financial Services

Marketing  
Services

- AFL-CIO Building Investment Trust
- AIG Global Real Estate
- CalPERS

Design Services

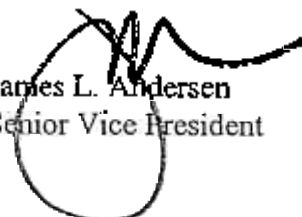
Renovations

Anticipated Deal Structure

A joint-venture single purpose limited liability company, of which Legacy shall be the managing member, shall own, develop and operate the project. After completion of equity joint venture and related operating agreements, the pre-construction funding requirements are anticipated to be funded on a 50/50 basis, or other mutually agreeable split agreed to between the investor and Legacy, prior to the commencement of construction. Legacy will remain managing member of the joint-venture single purpose limited liability company irrespective of the actual ownership split.

If you have any questions or require any additional information, please feel free to contact me.

Very truly yours,  
**LEGACY PARTNERS**

  
James L. Andersen  
Senior Vice President

Cc: Dennis Cavallari  
J.J. Abraham  
Scott Rynders  
Marty Collins  
Jeff Cohen  
Dale Goldsmith, Esq.

Summary of Existing Business Terms and Proposed Revisions

	<u>Currently Approved Business Term</u>	<u>Proposed Revision</u>
Project Site	4.65 acres at the Hollywood & Vine Metro Red Line station, including the public plaza fronting on the subway portal (3.17 acres currently owned by Metro and 1.48 privately held acres to be acquired by the developers with the CRA's help, where necessary.)	No Change
The Proposed Project	<ul style="list-style-type: none"> <li>• 300-room hotel.</li> <li>• 96 condos.</li> <li>• 262 apartment units.</li> <li>• 67,700 sq. ft.</li> <li>• 4,000-6,000 sq. ft. of advertising signage.</li> </ul>	<ul style="list-style-type: none"> <li>• 265-375 room hotel, including a restaurant, rooftop bar and spa. <ul style="list-style-type: none"> <li>➤ <u>Target:</u> 300-room hotel with a restaurant, rooftop bar and spa.</li> </ul> </li> <li>• 100-150 condos. <ul style="list-style-type: none"> <li>➤ <u>Target:</u> 150 condos.</li> </ul> </li> <li>• 250-375 apartment units. <ul style="list-style-type: none"> <li>➤ <u>Target:</u> 350 units.</li> </ul> </li> <li>• 50,000-93,000 sq. ft. of retail space. <ul style="list-style-type: none"> <li>➤ <u>Target:</u> 72,500 sq. ft. target.</li> </ul> </li> <li>• Up to 29,500 sq. ft. of advertising signage.</li> </ul>

<p>Real Estate Rights to be Granted</p>	<p>Upon satisfaction of the conditions precedent in the JDA, Metro will grant two long-term ground leases (one to support the hotel portion of the project and one to support the apartment portion of the project); and grant deeds and permanent easements necessary to support the condo portion of the project.</p>	<p>No change</p>
<p><u>JDA Provisions:</u></p> <ul style="list-style-type: none"> <li>➤ Pre-Construction Option Payment/Holding Rent</li>   <li>➤ End of the Pre-Construction Due-Diligence Period</li>   <li>➤ Condo Grant Deed/Easement Compensation</li> </ul>	<p>A one-time payment of \$275,000 paid collectively by the developers. This amount compensates Metro for taking the Station Site off the market through the end of the Pre-Construction Due Diligence Period noted below.</p> <p>The earlier of commencement of construction or 12/19/05.</p> <p>Metro receipt of fee interest in 1.48 acres of privately held property at the Station Site, which interest shall have a value equal to or greater than the permanent condo rights to be granted to HEI/GC.</p>	<p>No change</p> <p>The earlier of commencement of construction or 6/19/06.</p> <p>No change</p>
<p><u>Ground Lease Provisions (both Leases):</u></p> <ul style="list-style-type: none"> <li>➤ Lease Term</li> </ul>	<p>99 years</p>	<p>No change</p>

<p>➤ Construction Period Rent</p>	<p>A total of \$337,500 per year (50% of the Base Rent defined below, paid in monthly installments of \$28,125) split between the two ground leases and paid during the Construction Period.</p>	<p>No change</p>
<p>➤ Construction Period</p>	<p>Commences at the end of the Pre-Construction Due Diligence Period and ends upon the earlier of: (a) the date occurring 36 months thereafter, or (b) completion of construction.</p>	<p>No change</p>
<p>➤ Base Rent</p>	<p>A total of \$675,000 per year (paid in monthly installments of \$56,250) split between the two ground leases and commencing at the end of the Construction Period.</p>	<p>No change</p>
<p>➤ Base Rent - Cost of Living Adjustments</p>	<p>Cost of living adjustments every 5-years based on the cumulative annual increase in the CPI, not to exceed 16% per 5- year period.</p>	<p>No change</p>
<p>➤ Base Rent - Fair Market Rent Adjustments</p>	<p>Fair market rent adjustments on the 35<sup>th</sup> and 70<sup>th</sup> anniversaries of base rent commencement, based on the then-improved condition of the premises.</p>	<p>Fair market rent adjustments on the 25<sup>th</sup>, 35<sup>th</sup> and 70<sup>th</sup> anniversaries of base rent commencement, based on the then-improved condition of the premises.</p>
<p><u>Ground Lease Provisions (Hotel Lease):</u></p>		
<p>➤ Hotel Operating Standard</p>	<p>Undefined 4-star standard</p>	<p>AAA 4-diamond standard</p>

<ul style="list-style-type: none"> <li>➤ Proposed Hotel Operator</li> <li>➤ Subway Related Improvements</li> <li>➤ Bus-Related Improvements</li> </ul>	<p>Starwood W-brand hotel</p> <p>HEI/GC will provide, at no cost to Metro, public restrooms that are easily accessible to Metro rail patrons.</p> <p>None</p>	<p>No change</p> <p>HEI/GC will provide, at no cost to Metro: (a) public restrooms that are easily accessible to Metro rail patrons, (b) a canopy over the subway portal, and (c) a second elevator cab in the existing spare elevator shaft at the site. Metro will be responsible for maintaining the elevator.</p> <p>HEI/GC will provide, at no cost to Metro, covered bus queuing areas at the Hollywood Blvd. (west of Argyle) bus stop, and at the Argyle Avenue (south of Hollywood) bus stop.</p>
<p><u>Ground Lease Provisions (Apartment Lease):</u></p> <ul style="list-style-type: none"> <li>➤ Bus-Related Improvements</li> </ul>	<p>Legacy will integrate, at no cost to Metro, an at-grade bus layover facility into the proposed project at the corner of Argyle and Selma Avenues that will include 5 layover slots for Metro buses.</p>	<p>Legacy will integrate, at no cost to Metro, an at-grade bus layover facility into the proposed project at the corner of Argyle and Selma Avenues that will include 5 or more layover slots for Metro buses.</p>

**Summary of the Key Terms and Conditions of the Revised Exchange of Real Estate Rights**

The condominium project must be designed and configured such that:

- A. Its foot print includes typical building setbacks;
- B. The exterior walls of the condo building are not materially different from that depicted on Attachment E to this Board Report;
- C. All of permanent parking needed to support the condos is located beneath the condo building's footprint, subject to Metro staff's ability to allow a minor amount of parking to lie outside of such footprint, in limited circumstances, in Metro's sole and absolute discretion;
- D. Vehicular access to the condo parking will be via either Argyle Avenue or Vine Street and will not impose a materially greater burden on the remainder of the Station Site than would result from access to such parking via Argyle Avenue and the motor court as is contemplated on Attachment E to this Board Report;
- E. Permanent pedestrian access to the condos will be provided only from Hollywood Boulevard (via the public plaza surrounding the subway portal) and Vinc Street (directly into the condo building); and
- F. The condos, the portion of the parking structure containing the permanent condo parking and all access thereto can stand alone without the need for unreasonable protective measures on the part of Metro, if, upon expiration or termination of the apartment and/or hotel ground leases, all or a portion of the remainder of the then-existing development on the Station Site is demolished.

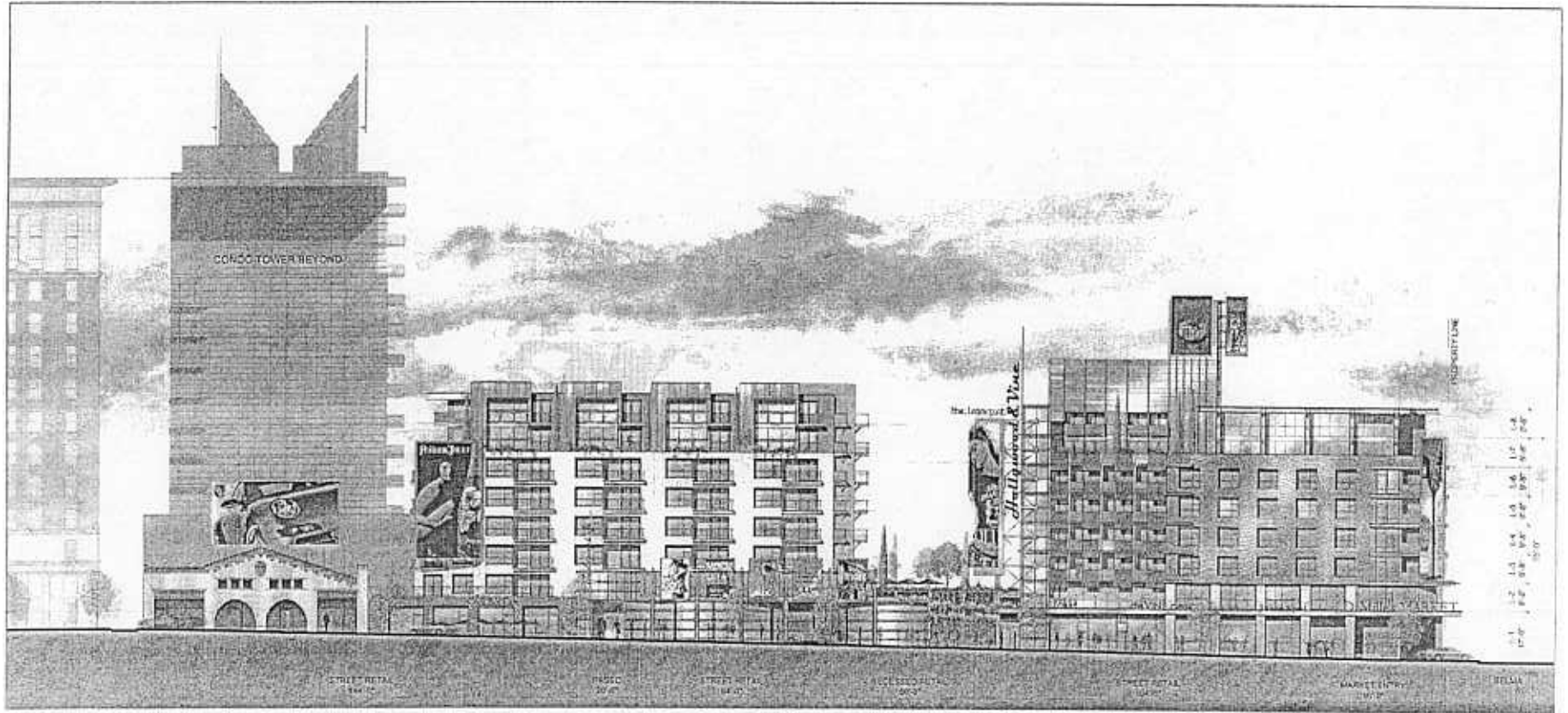
Also, the total impact of the permanent condo rights on the remainder of the Station Site must be such that it does not materially impede Metro's ability to redevelop the remainder of the Station Site in the future. Metro will also retain the right to reasonably relocate the condo parking and/or the access thereto, to accommodate future Metro development of the Station Site. Reasonable relocation of the condo parking includes the right to temporarily relocate such parking off of the Station Site to a reasonable location to accommodate future demolition of the existing parking structure and construction of a new parking structure after expiration or termination of the apartment and/or hotel ground leases.

Ultimately, the value of the permanent rights necessary to support the condos must not exceed the value of the 1.48 acres of privately held property to be granted to Metro. If they do, HEI/GC would have to compensate Metro for the difference, or scale back its condo project until the values are equalized.



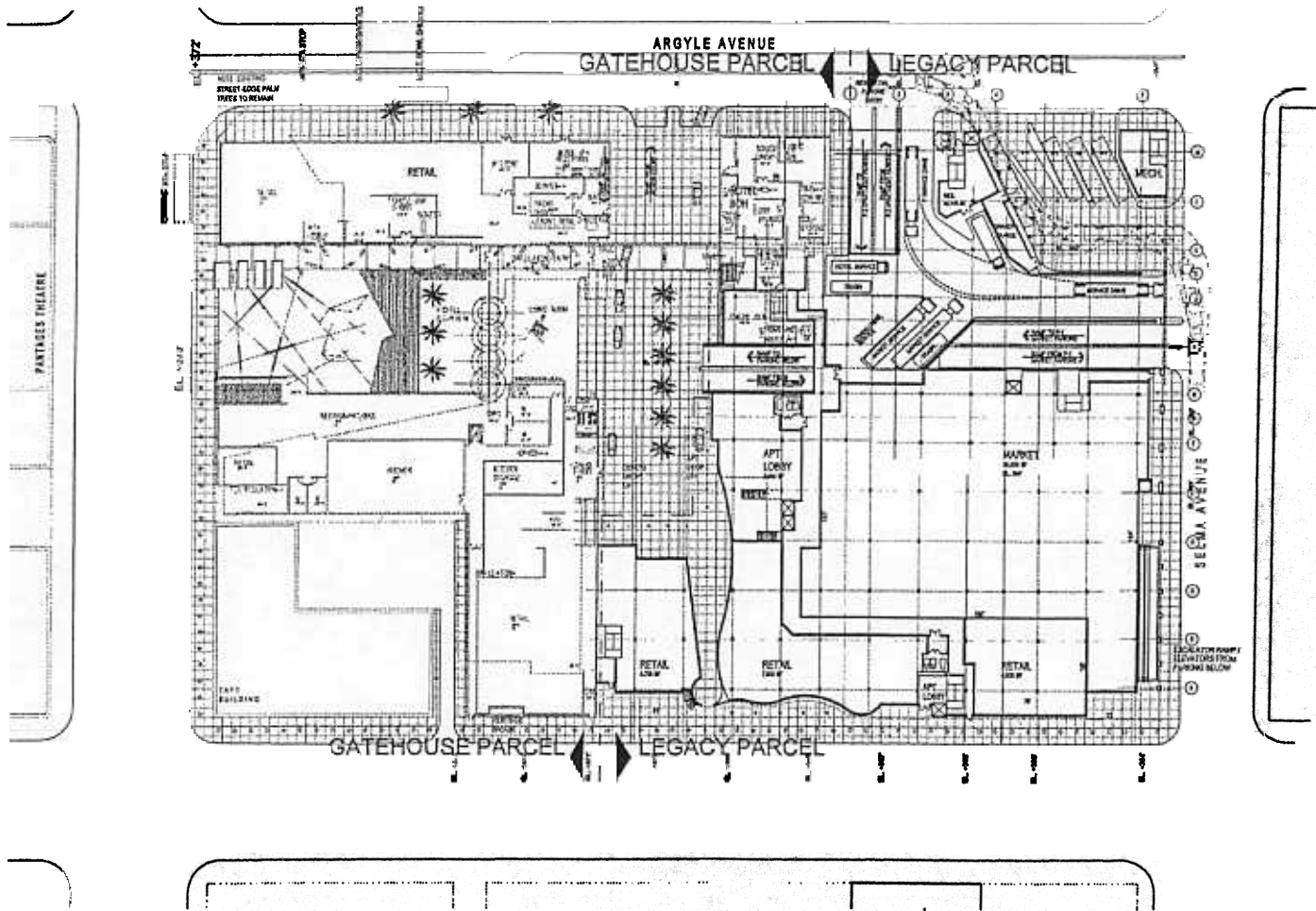


Hollywood and Argyle Elevation



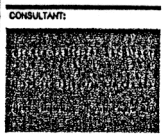
Vine Street Elevation





Site Plan

**HOLLYWOOD & VINE**  
 HOLLYWOOD, CA  
 Legacy Partners Residential, Inc.  
 30 Executive Park, Suite 100  
 Irvine, CA 92614



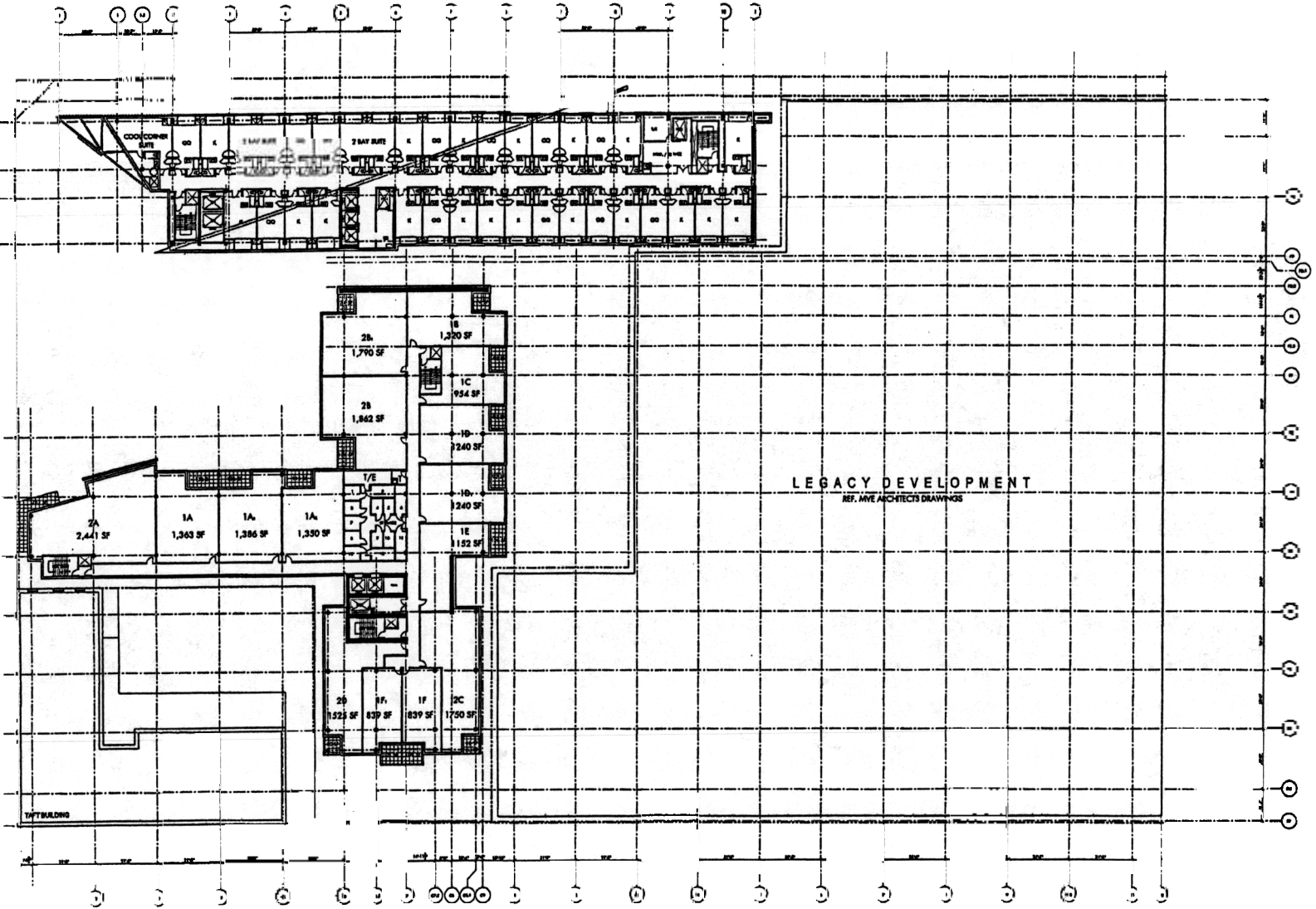
DATE:	8 FEBRUARY 2005
PROJECT #:	02-026
SCALE:	1" = 30'-0"
NORTH	
SHEET #:	X.XX

STREET LEVEL PLAN



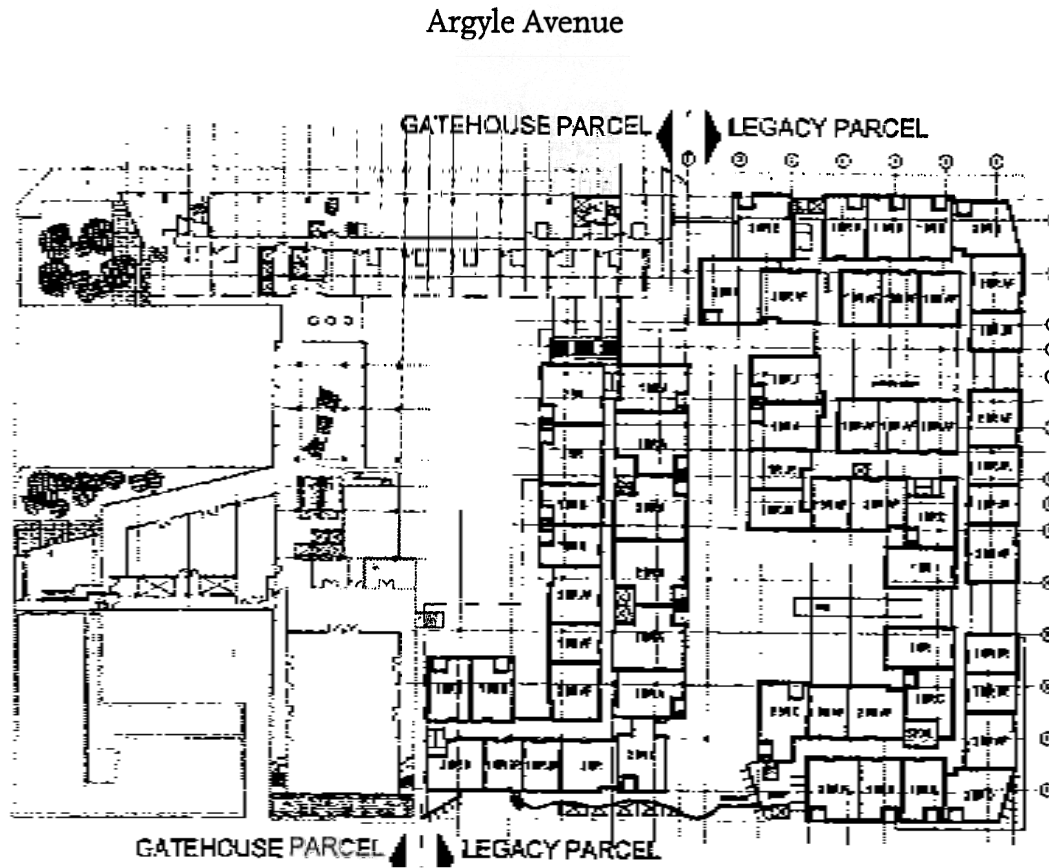
Moland Vasquez Emek & Partners, Inc.

Selma



Hollywood Boulevard

Hollywood Boulevard



Argyle Avenue

GATEHOUSE PARCEL

LEGACY PARCEL

GATEHOUSE PARCEL

LEGACY PARCEL

Vine Street

Typical Apartment Floor Plan

HOLLYWOOD & VINE  
HOLLYWOOD, CA  
Legacy Partners Residential, Inc.  
30 Executive Park, Suite 100  
Irvine, CA 92614

CONSULTANT:



DATE: 4 FEBRUARY 2006

PROJECT #: 02-265

SCALE: 1" = 30'-0"

0 30 60 90

NORTH



SHEET #:

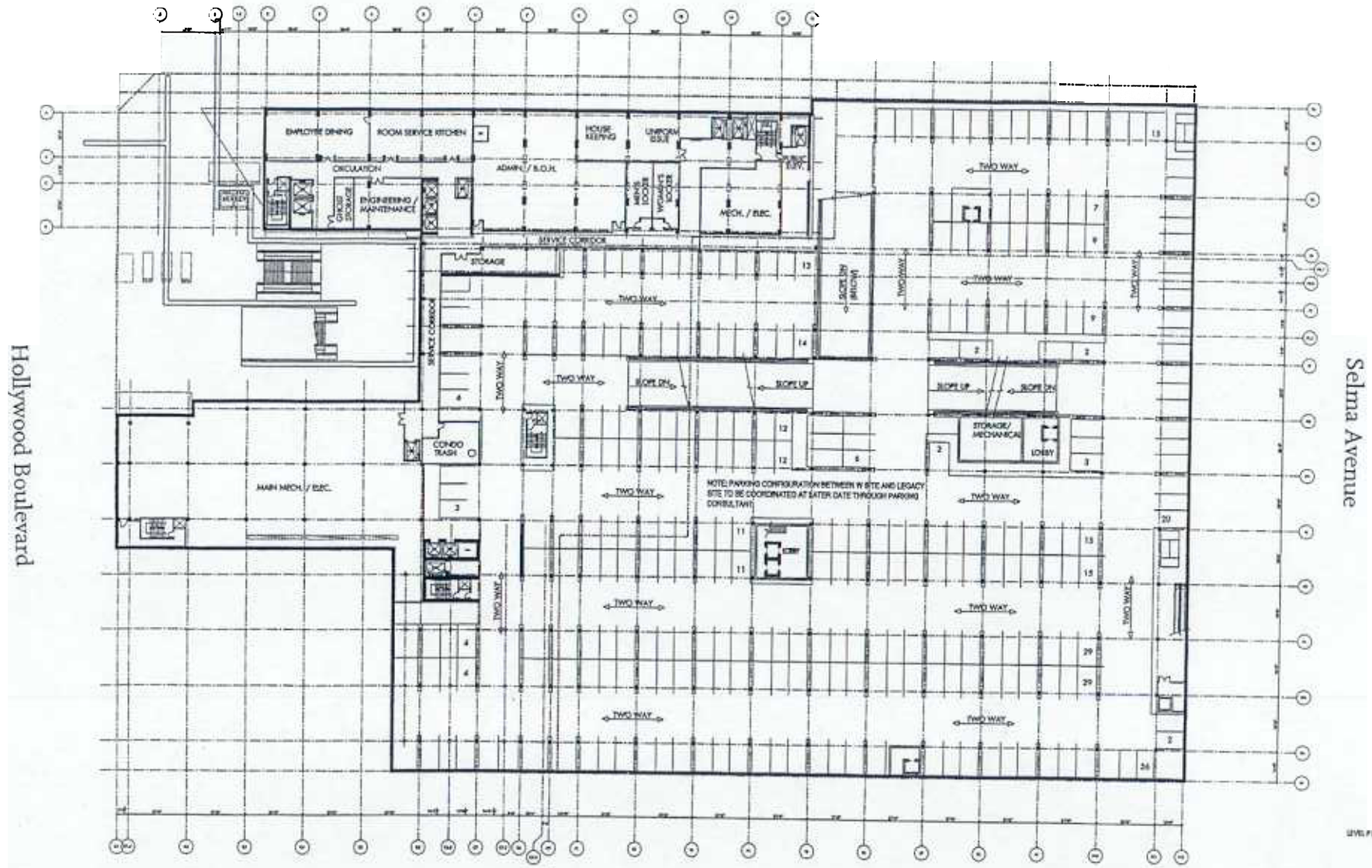
X.XX

LEVEL 3 PLAN



Hillier Group, Inc.

Argyle Avenue



Hollywood Boulevard

Selma Avenue

Vine Street

HOLLYWOOD & VINE  
HOLLYWOOD, CALIFORNIA



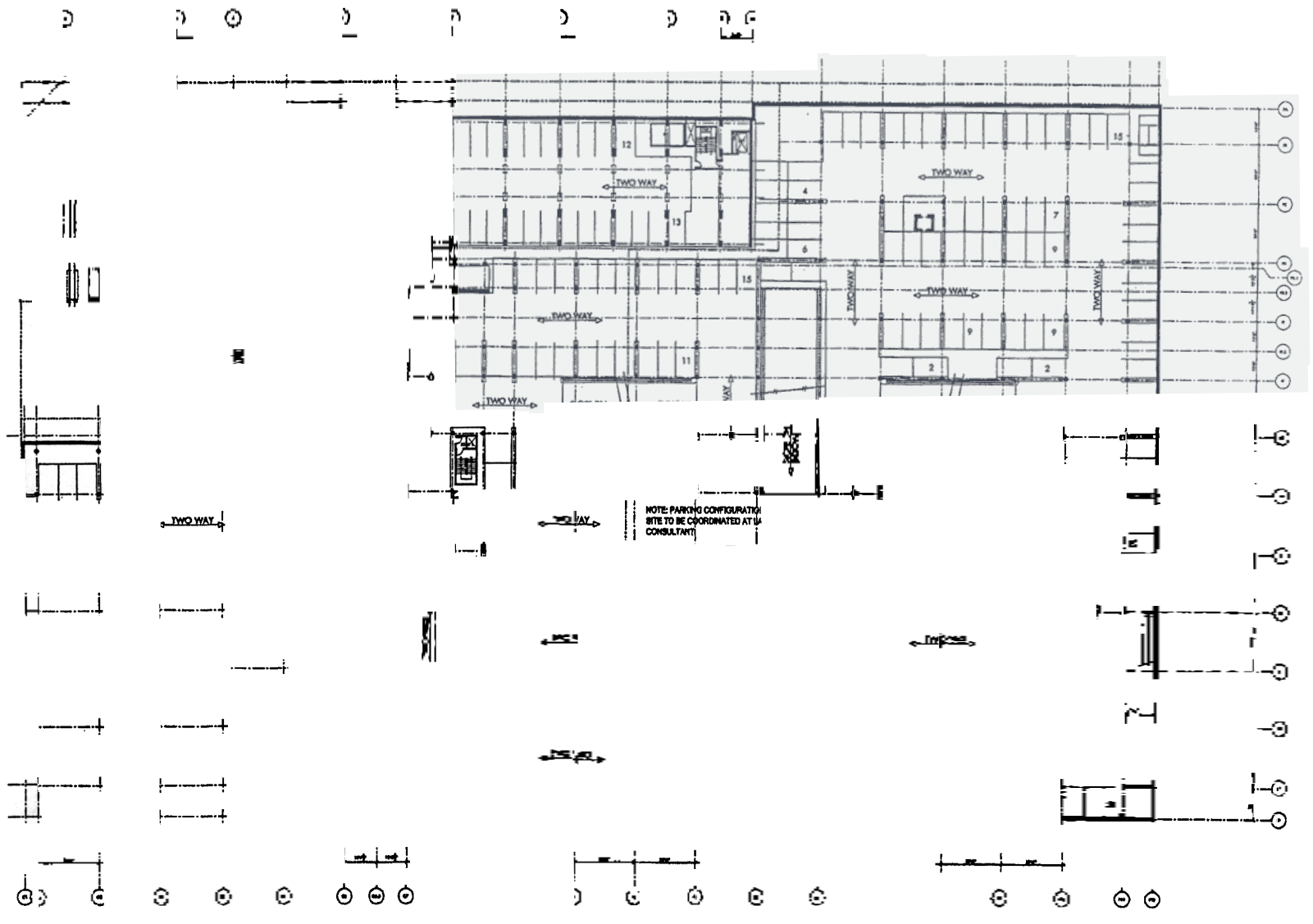
LEVEL P1 - PARKING / B.O.H.

LEVEL P1 - 281 PARKING STALLS

Argyle Avenue

Selma

Hollywood Boulevard



NOTE: PARKING CONFIGURATION SITE TO BE COORDINATED AT ALL CONSULTANT

LEVEL P2 - 373 PARKING STALLS

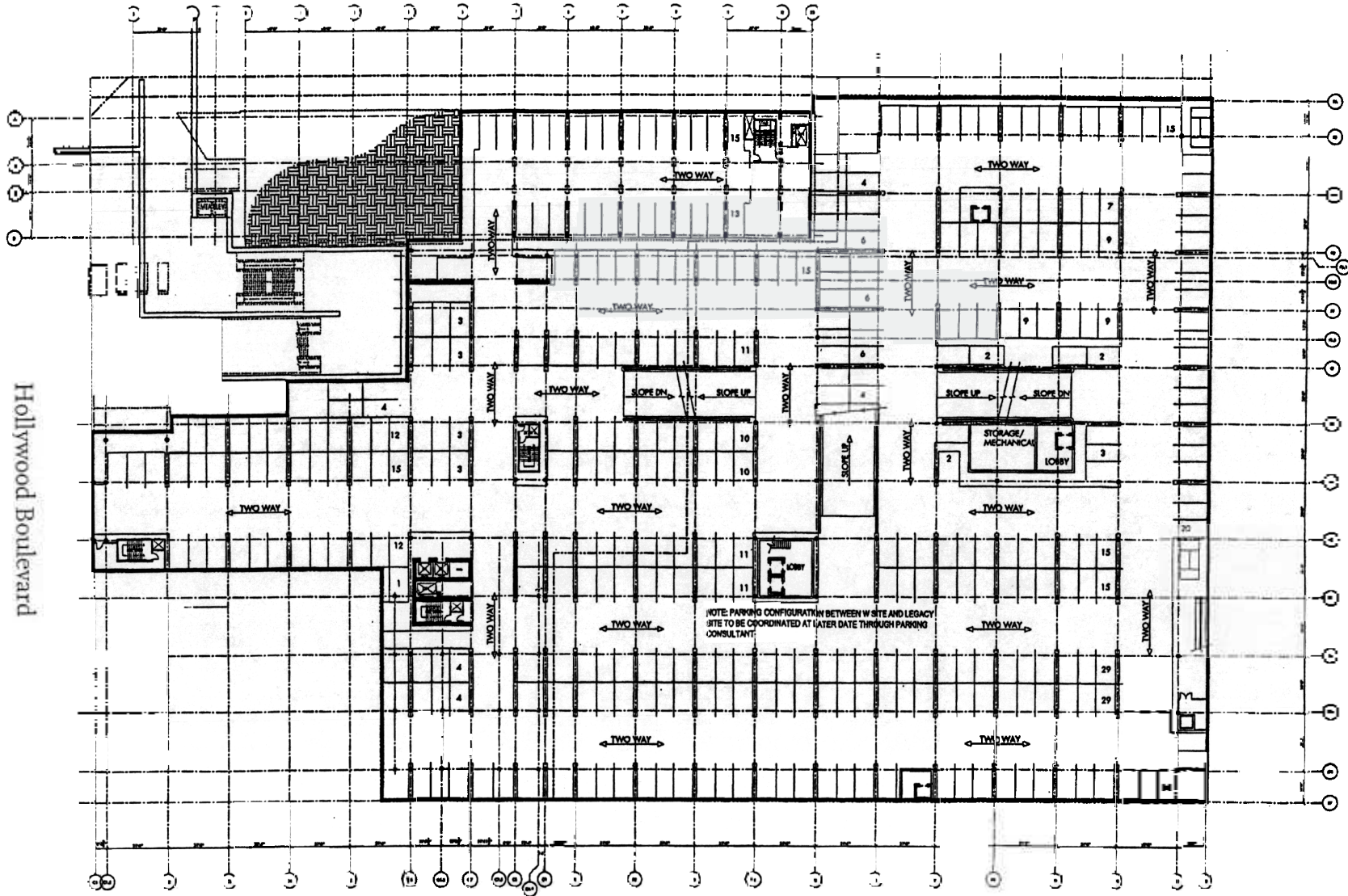
HOLLYWOOD & VINE  
HOLLYWOOD, CALIFORNIA  
HKS.



LEVEL P2 - PARKING

P-2 Parking Plan

Argyle Avenue



Hollywood Boulevard

Selma Avenue

Vine Street

NOTE: PARKING CONFIGURATION BETWEEN W SITE AND LEGACY SITE TO BE COORDINATED AT LATER DATE THROUGH PARKING CONSULTANT

LEVEL P3 - 397 PARKING STALLS

HOLLYWOOD & VINE  
HOLLYWOOD, CALIFORNIA  
HKS.



LEVEL P3 - PARKING

P-3 Parking Plan



## FINDINGS AND RESTATEMENT OF OVERRIDING CONSIDERATIONS

### FINDINGS

As part of the MTA Board's action authorizing the Chief Executive Officer to execute a Joint Development Agreement ("JDA"), ground leases, grant deeds, easements and other documents and agreements with respect to the Revised Overall Project defined in the report to which this document is attached, the MTA Board makes the following findings and restatement of overriding considerations. The Revised Overall Project will be developed on an approximately 4.65-acre site encompassing the entire block bounded by Hollywood Boulevard, Vine Street, Selma Avenue and Argyle Avenue, except for the Taft Building parcel located at the southeastern corner of Hollywood Boulevard and Vine Street. The site of the Revised Overall Project presently contains approximately 70,000 square feet of older buildings, along with surface parking lots. The Hollywood & Vine Metro Rail Red Line station is located at the northeastern corner of the project site, at the southwest corner of the intersection of Hollywood Boulevard and Argyle Avenue.

In March 2004, the MTA Board approved conceptual plans for a project (the "Previously Proposed Project") that would consist of removing most existing on-site structures and constructing a new mixed-use development consisting of up to 400 residential units (300 apartments/100 condominiums), up to 400 hotel rooms and up to 100,000 square feet of retail and restaurant uses, including a 45,000 square foot grocery store. Up to approximately 1,300 parking spaces would be included in the project in an underground parking structure.

The Previously Proposed Project also included a smaller bus layover facility than currently exists. The smaller facility would be located at-grade in generally the same location as the existing facility. Under the Previously Proposed Project, the existing Metro "Kiss and Ride" drop-off area would be removed.

On March 13, 2003, CRA certified and approved the Final Environmental Impact Report for the Hollywood Redevelopment Plan Amendment, dated February 3, 2003 (SCH No. 1985052903) (the "Plan Amendment EIR"), for the Hollywood Redevelopment Plan (the "Redevelopment Plan"). CRA also approved Findings and a Statement of Overriding Considerations and a Mitigation Monitoring Program for the Plan Amendment EIR (collectively the "EIR Documents"). The Redevelopment Plan covers approximately 1,100 acres located within the Hollywood community of the City of Los Angeles and is generally bounded by La Brea Avenue on the west, Serrano Avenue on the east, Franklin Avenue, the Hollywood Freeway, and Hollywood Boulevard on the north, and Fountain Avenue and Santa Monica Boulevard on the south. The Redevelopment Plan area and features are more particularly described in the EIR Documents.

In connection with the Previously Proposed Project, CRA prepared an addendum to the Plan Amendment EIR, dated November 10, 2003 (the "2003 Addendum"), Findings and Statement of Overriding Considerations, and a Mitigation Monitoring Program for the

Addendum (collectively, with the 2003 Addendum, the "2003 Addendum Documents"). In approving the conceptual plans for the Previously Proposed Project in March 2004, the MTA Board considered the Plan Amendment EIR and the 2003 Addendum Documents and made certain findings and a statement of overriding considerations required under the California Environmental Quality Act ("CEQA"), including findings that no subsequent or supplemental EIR was required pursuant to California Code of Regulations ("CEQA Guidelines") Sections 15162 and 15163 and that the 2003 Addendum was the appropriate environmental review.

Since the March 2004 Board action, the developers have made changes to the scope of the Previously Proposed Project. The basic project components will remain as described above. However, the Revised Overall Project would have a greater floor area ratio, and more condominium units, apartment units and signage than contemplated in the Previously Proposed Project. The developers have requested a reduced maximum hotel room count and a lower ceiling on the amount of restaurant/retail space they could have built pursuant to the 2003 Addendum, but these reductions will not result in actual reductions in hotel rooms or restaurant/retail space from that contemplated in the Previously Proposed Project. The Revised Overall Project is more particularly described in the report to which this document is attached.

In order to address the potential environmental effects of the changes from the Previously Proposed Project to the Revised Overall Project, CRA, through its consultant Christopher A. Joseph and Associates, prepared a second addendum to the Plan Amendment EIR, dated March 9, 2005 (the "2005 Addendum"). The 2005 Addendum analyzes each of the potential areas of environmental impact of the Revised Overall Project in relation to the environmental impacts analyzed and disclosed in the Plan Amendment EIR and the 2003 Addendum. The 2005 Addendum concludes that none of the conditions set forth in CEQA Guidelines Sections 15162 and 15163 that would require a subsequent or supplement EIR would occur.

The MTA may be a responsible agency under CEQA with respect to the Revised Overall Project. Accordingly, the MTA Board:

A) Has considered the Plan Amendment EIR, the 2003 Addendum Documents, the 2005 Addendum and other pertinent evidence in the record (the "Environmental Documents"), pursuant to CEQA Guidelines Section 15096(a);

B) Finds and determines, based on substantial evidence in the Environmental Documents and elsewhere in the record, that (a) no subsequent or supplemental EIR is required for the Revised Overall Project pursuant to CEQA Guidelines §§ 15162 or 15163 due to the changes in the Previously Proposed Project since the Board's approval of the 2003 Addendum Documents, and (b) the 2005 Addendum is the proper environmental review. The 2005 Addendum was prepared under the authority of CEQA Guidelines § 15164(a), which requires a lead agency to prepare an addendum to a previously certified EIR if some

changes or additions are necessary, but none of the conditions described in CEQA Guidelines §§ 15162 and 15163 calling for preparation of a subsequent or supplemental EIR have occurred;

C) Has considered the environmental effects of the Revised Overall Project as set forth in the Environmental Documents, pursuant to CEQA Guidelines Section 15096(f);

D) Hereby finds that changes and alterations have been required by CRA and incorporated into the Revised Overall Project which avoid or substantially lessen the significant environmental effects as identified in the Environmental Documents, pursuant to CEQA Guidelines Section 15091(a)(1);

E) Hereby finds that certain economic, legal, social, technological or other benefits of the Revised Overall Project outweigh the unavoidable adverse environmental effects described in the Environmental Documents, pursuant to CEQA Guidelines Section 15093;

F) Hereby finds that there are no feasible alternatives or feasible mitigation measures within the power of MTA that would substantially lessen or avoid any significant environmental effect of the Revised Overall Project as indicated by the Environmental Documents, pursuant to CEQA Guidelines Section 15096(g)(2); and

G) Hereby finds that the 2005 Addendum is adequate under CEQA for approval of the Revised Overall Project.

#### RESTATEMENT OF OVERRIDING CONSIDERATIONS

Consistent with the CRA's Statement of Overriding Considerations for the Plan Amendment EIR and pursuant to CEQA Guidelines Section 15096(h), the MTA Board hereby determines that the Revised Overall Project will have the same benefits as set forth in the Environmental Documents, including but not limited to revitalizing the area surrounding the Hollywood & Vine Metro Red Line station by providing a four star hotel, quality housing and retail, eliminating blight at the site of the Revised Overall Project by removing unsightly surface parking lots and dilapidated buildings and restoring historically significant building features, increasing tourism with the draw of the four star hotel, increasing infill residences with the new apartments and condominiums, and increasing ridership on mass transit by integrating the Revised Overall Project with the Hollywood & Vine Metro Red Line station and placing housing and jobs near mass transit. These benefits outweigh the unavoidable significant impacts of the Metro Red Line Project as described in the Environmental Documents.



March ~~21~~9, 2005

Dr. Robert Manford, City Planner  
**Community Redevelopment Agency of the City of Los Angeles**  
354 S Spring St, Suite 700  
Los Angeles, CA 90012

RE: Addendum to the 2003 Final EIR, Hollywood Redevelopment Plan Amendment for the Hollywood/Vine Redevelopment

Dear Robert:

In 2003, our firm, Christopher A. Joseph & Associates (CAJA) prepared an Addendum ("2003 Addendum") to the 2003 Final Environmental Impact Report for the Hollywood Redevelopment Plan Amendment ("2003 Final EIR") for the Hollywood & Vine Mixed Use project ("Original Project") to determine whether the impacts of the Original Project would necessitate preparation of a subsequent ~~the Subsequent~~ or supplemental ~~Supplemental~~ EIR for the Original Project. This analysis concluded that preparation of a subsequent ~~Subsequent~~ or supplemental ~~Supplemental~~ EIR would not be required. The 2003 Addendum was used by the Community Redevelopment Agency Board of Agency Commissioners and the Los Angeles City Council, in conjunction with the 2003 Final EIR, to approve the Original Project ~~Hollywood & Vine Mixed Use project~~ in November, 2003, and January, 2004, respectively. In addition, the Metropolitan Transportation Authority Board used the 2003 Addendum, in conjunction with the 2003 Final EIR to approve the Original Project in March, 2004.

~~Since the prior approvals, changes have been proposed to the Original Project that related to the total amount of floor area, increase of residential units, decrease of commercial floor area and reduction in the number of hotel rooms ("Revised Project"). This technical letter examines the proposed changes contained in the Revised Project and concludes that there are no changes to the conclusions presented in the Addendum. The proposed changes in the project do not require preparation of a supplemental or subsequent EIR pursuant to CEQA Guidelines Section 15162.~~

~~The proposed changes in the Hollywood & Vine Mixed Use project that are pertinent to the analysis presented in the Addendum are:~~

~~Since the prior approvals, changes have been proposed to the Original Project that increase the total amount of floor area, increase the number of residential units, decrease the amount of commercial floor area and reduce the number of hotel rooms. In addition, a signage program has been identified for the Revised Project consisting of approximately 35,000 square feet of rooftop, wall and street level signs. These changes are detailed in the table~~

below. The project detailed in this table is referred to as the “Revised Project”. This Addendum examines the proposed changes contained in the Revised Project and concludes that there are no changes to the conclusions presented in the 2003 Addendum. The proposed changes in the project do not require preparation of a supplemental or subsequent EIR pursuant to CEQA Guidelines Section 15162.

The proposed changes in the Original Project that are pertinent to the analysis presented in the 2003 Addendum are:

<u>Project Component</u>	<u>Original Project</u>	<u>Revised Project</u>
Floor Area Ratio (FAR)	4.0 <del>5</del>	5.5
Hotel Rooms	400	300
Condominium Units	100	150
Apartment Units	300	350
Retail/Restaurant (Sq.Ft.)	55,000	49,000
Grocery Store (Sq.Ft.)	45,000	37,500

In addition, the hotel component of the Revised Project will include ancillary spa, retail, restaurant and bar uses. Compared to the Original Project, the Revised Project represents increased FAR and an increase in residential units, offset by a reduction in hotel rooms and a reduction in floor area occupied by free standing retail, restaurant and food market uses. ~~In addition, a signage program has been identified for the Revised Project consisting of approximately 35,000 square feet of rooftop, wall and street level signs.~~ The proposed changes that are reflected in the Revised Project relate to the analysis and conclusions previously presented in the 2003 Addendum as discussed in the following sections.

### ***Land Use***

The Revised Project would contain the same land uses as the Original Project. As such:

- The Revised Project would be compatible with surrounding land uses to the same degree as the Original Project. Mitigation measures set forth in the 2003 Addendum with regard to construction noise and air emissions and land use compatibility would continue to be applicable to the Revised Project;
- The Revised Project would include uses that would be permitted under the General Plan land use designation and zoning of the project site, same as the Original Project.
- The C4 zone allows residential uses in mixed use projects up to R5 density, which would allow up to 1000 residential units on the site, while the Revised Project would construct up to 500 residential units. The Revised Project would be consistent with this aspect of the existing zoning on the project site, same as the Original Project.
- The concentration of development density adjacent to the Metro Rail Station which would occur under the Revised Project would be consistent with City and regional policies to promote transit use and concentrate development in transit station areas, same as the Original Project.

- The Revised Project would work to implement Hollywood Community Plan objectives, including providing housing to satisfy varying needs and desires of the community; promoting economic well being and public convenience; and supporting a circulation system coordinated with land uses and densities and adequate to accommodate traffic and encourage improvement of public transportation services, same as the Original Project.

The Hollywood Community Plan permits a development density of 4.5 times the lot area (4.5:1 FAR) and up to 6:1 FAR with a transfer of development density or City Planning Commission approval. However, the zoning applicable to the project site currently limits development to a density of 3:1. The Revised Project would not be consistent with the "D" Development Limitation, which limits overall development density to 3:1. As with the Original Project, the applicant will seek a zone change to amend the D limitation in order to increase development density on the project site, in order to accommodate the proposed approximately 5.5:1 FAR. Land use entitlements for the Revised Project will include a subdivision of air space, same as the Original Project. The applicant will also seek an exception from the Hollywood Signage Supplemental Use District and the Agency's Amended Hollywood Sign Design for Development and a zoning administrator's adjustment to allow decreased setbacks for portions of the apartments and condominiums, same as the Original Project.

Although building signage was not specifically identified in the 2003 Final EIR as a potential source of land use incompatibility, excessive signage could potentially result in incompatibility between the proposed project and nearby residential uses depending upon the visual and lighting characteristics of the proposed signage. The mitigation measure included in the 2003 Final EIR that requires the Agency to consider the effects of commercial activities on residential properties would include evaluation of the potential effects of proposed signage. This mitigation measure would be applicable to the Revised Project. As such, impacts of the Revised Project would be the same as the Original Project with respect to the land use compatibility effects of the proposed signage program and would not represent a new significant impact or substantial increase in the severity of a previously identified impact.

### ***Aesthetics/Urban Design/Light & Glare***

The Revised Project includes increased building height for the apartment component on the southern portion of the development site and a wing extension of the condominium tower south of the Taft Building. All proposed structures would remain within the 150-foot height limit analyzed for the Original Project on the same project site. The increased height of the apartment component would not exceed 120 feet and thus remain lower than the tower building elements along Hollywood Boulevard, same as the Original Project. The apartment component would thus ~~continue to~~ not block views to or from the Hollywood Hills. The upper levels of the apartment component would be stepped back from the property line along Vine Street and Selma Avenue. The additional height and upper level setback remain in scale with the Sunset & Vine Mixed Use project (5 stories and 65 feet) located south of the project site on the opposite side of Vine Street, the Plaza Hotel (11 stories) and the Broadway building (13 stories and 150 feet) across Vine Street and the Taft Building (13 stories and 150 feet) to the north. The condominium tower extension south of the Taft Building would not exceed 150 feet in height and would be set

back approximately 20 to 25 feet from the Vine Street property line. The condominium tower wing setback would allow full view of the historic Taft Building from the south. As such:

- The Revised Project would have the same less than significant effects on view blockage, open space resources and views from the Hollywood Hills as the Original Project.
- The Revised Project would cast shadows that would have no potential to affect shadow sensitive uses, same as the Original Project.
- The Revised Project would include the same sources of light and glare as the Original Project and would be subject to the same mitigation measures regarding shielding of on-site lighting and use of non-glare glass and non-reflective materials that would be applicable to the Original Project. Impacts of the Revised Project would be the same as the Original Project with respect to light and glare.

The Revised Project would represent an increase in FAR over the Original Project (from approximately 4.0~~5~~:1 to approximately 5.5:1). The Revised Project would result in more overall square footage on the project site than would occur under the Original Project. However, the increased square footage would be consistent with the urban character of the area and would fill in portions of the street wall that are presently undeveloped, consistent with the intent of the Hollywood Community Plan and Hollywood Redevelopment Plan. The impacts of the Revised Project on the aesthetic character of the area adjacent to Hollywood & Vine would be the same as the Original Project.

Proposed signage associated with the Revised Project would consist of wall and roof top signs and ground level signage for building identification and circulation, as well as advertising purposes. Brightly lighted or animated signage would not be included within the proposed signage program. Although potential aesthetic and urban design impacts related to signage were not specifically evaluated in the 2003 Final EIR, such impacts can be evaluated using the same criteria that were employed in the 2003 Final EIR. Hollywood Boulevard is presently characterized by predominantly commercial uses and extensive signage, including roof signs that are not permitted in many other areas of the City. The proposed wall and rooftop signage associated with the Revised Project would be visible from Hollywood Boulevard, but would be consistent with the existing visual character of the Boulevard with respect to signage. Proposed signage would also be integrated within and atop the project buildings and would not represent a substantial contrast with the visual character of project buildings. Signage associated with buildings on Hollywood Boulevard is governed by the Hollywood Signage Supplemental Use District established by the City of Los Angeles in 2004, after the 2003 Final EIR was certified. The precise number of signs and/or square footage of signage allowed under the Supplemental Use District would be governed by the final design of buildings under the Revised Project (i.e., the amount of exterior wall space provided). It is possible that the total ~~square footage of~~ signage under the Revised Project would exceed the number of signs and/or maximum square footage permitted under the Supplemental Use District or that certain types of signage would not strictly conform to the Supplemental Use District's signage placement requirements. If this occurs, the project applicant would seek an exception from the requirements of the District. However, because of the extensive signage already present within the existing commercial uses on Hollywood Boulevard, exceeding this requirement would not represent increased scale of development or otherwise adversely change the visual character of the area. Moreover, even though rooftop signage would extend above the top of project buildings, it would not have the potential to block views from

neighboring areas because these views are panoramic and the proposed project buildings and signage would occupy only a small portion of the field of view. Aesthetic impacts associated with the proposed signage program under the Revised Project would be less than significant and would not represent a new impact or substantial increase in the severity of a previously identified impact.

### ***Cultural Resources***

The Revised Project would incorporate the façade and character-defining features of the Herman Building, 1632-1640½ Vine Street, same as the Original Project. As such, the Revised Project would have the same less than significant impact on this historic resource as the Original Project. By including the same restoration of lost design element and features of the Herman Building, the Revised Project would have the same beneficial effect on the overall quality of the Hollywood Boulevard Commercial and Entertainment historic district as the Original Project.

The Revised Project would include the same land uses and design setbacks as the Original Project and would have the same less than significant visual effect on the Hollywood Boulevard historic district as the Original Project. The Revised Project design would incorporate the same stepped setback of the new building that would be located adjacent to the Taft Building in order to maintain views of the architecturally important wraparound cornice of the Taft Building. In addition, the alley between the Taft Building and the ~~Revised~~<sup>Proposed</sup> Project condominium building would continue to be kept open under the Revised Project in order to preserve unobstructed views from the east. Therefore the dominance and visibility of the Taft Building at the eastern gateway of the Hollywood Boulevard District would continue to be maintained under the Revised Project. In addition, the Revised Project would occupy the same project site area as the Original Project and would have the same potential effect as the Original Project on the Hollywood Walk of Fame. The Revised Project would be subject to the same mitigation measures as the Original Project with respect to protecting the Walk of Fame during construction. Therefore the Revised Project would have a less than significant impact on the Walk of Fame, same as the Original Project. Also, since the Revised Project would occupy the same project site and replace the same existing surface parking lots and non-historic structures as the Original Project, the Revised Project would have the same less than significant effect on adjacent historical resources as the Original Project.

### ***Population, Employment, and Housing***

The Revised Project would be located on the same project site as the Original Project and would have no effects related to residential displacement, same as the Original Project, and the same effects on commercial displacement as the Original Project. Mitigation measures set forth in the 2003 Addendum with regard to commercial displacement and relocation assistance would continue to be applicable to the Revised Project.

The Revised Project would include up to 500 residential units and up to 300 hotel rooms, compared to the Original Project totals of 400 residential units and 400 hotel rooms. Using the Project Area average household size of 2.25 persons per household, the Revised Project would result in a permanent population increase on the project site of approximately 1,125 persons, compared to approximately 900 persons under the Original Project. The 2003 Final EIR assumed that there might be up to 246 residential units developed on the project site which would have resulted



in an increase in permanent population of approximately 554 persons. The incremental difference of 571 persons on the project site projected to result from the Revised Project would not be sufficient to call into question the projected population growth within the Project Area identified in the 2003 Final EIR (an increase of 3,375 to 6,750 persons), which the 2003 Final EIR concluded to be consistent with SCAG forecasts for the Project Area. The Revised Project would increase the population by an additional 225 persons above that projected for the Original Project. This is 3% to 6% of the estimated population ~~increase~~ ~~increased~~ identified in the 2003 Final EIR and would thus not change the conclusions reached for the Original Project with respect to population growth.

The Revised Project would include fewer hotel rooms and less retail and restaurant space compared to the Original Project. Impacts of the Revised Project would therefore be less than the Original Project with respect to employment growth.

### ***Transportation/Circulation***

The Revised Project would involve an increase of 100 residential units (50 apartments and 50 condominiums), and a decrease of 100 hotel rooms and 25,500 square feet of retail and restaurant space compared to the Approved Project. Crain & Associates prepared an analysis of trip generation for the Revised Project, which was reviewed and approved by LADOT, that concludes that daily and peak hour trip generation would be reduced by approximately six to nine percent compared to the Original Project. As such, traffic impacts of the Revised Project would be less than the impacts of the Original Project. Mitigation measures set forth in the 2003 Addendum requiring the installation of specified intersection improvements would continue to be applicable to the Revised Project.

~~Since the Revised Project would occupy the same project site as the Original Project, and excavation, grading and site preparation requirements would be the same as the Original Project, construction traffic impacts would be the same as the Original Project.~~

~~The Like the Original Project, the Revised Project would include up to four~~ ~~three~~ levels of subterranean parking, an increase of up to one underground parking level compared to the Original Project. Similar to the Original Project, the Revised Project will provide sufficient parking ~~on three subterranean levels~~ to serve the expected uses on the project site. Impacts of the Revised Project with respect to parking would be the same as the Original Project.

The applicant may seek City approval to reduce the number of Code-required parking based on the project being located within 1500 feet of the portal of the Metrorail station and/or based on a shared parking analysis. No significant parking impacts would result in such case as the parking reduction would be based on projected transit usage by employees, residents and visitors and/or a shared parking analysis. In granting any such reduction, the City-decision maker would be required to find, in the case of shared parking, that the reduced parking would provide adequate parking for the uses, and in the case of a reduction based on proximity to the Metrorail station, that the reduced parking would not adversely affect the surrounding area.

Since the Revised Project would occupy the same project site as the Original Project, and the excavation footprint, grading and site preparation requirements would be the same as the Original Project, construction traffic impacts would be the same as the Original Project. Although the grading and excavation phase could be slightly longer under the Revised Project, because of the potential increased depth of excavation to accommodate an additional below grade parking level, daily excavation and soil export volumes would be the same as the Original Project.

### *Air Quality*

The Revised Project would occupy the same project site as the Original Project and would have the same excavation, grading and site preparation characteristics on a daily basis as the Original Project. As such, construction emissions generated under the Revised Project would be the same as the Original Project. Mitigation measures set forth in the 2003 Addendum with regard to controlling PM<sub>10</sub> emissions would continue to be applicable to the Revised Project.

As noted above, the Revised Project would result in lower daily and peak hour trip generation compared to the Original Project. As such, impacts related to regional operational emissions and local carbon monoxide (CO) concentrations would be lower than the Original Project. Since the resulting CO concentrations would be lower under the Revised Project and the Revised Project would not exceed the assumptions of the regional Air Quality Management Plan (AQMP), the Revised Project would be consistent with the AQMP.

### *Noise*

The Revised Project would employ the same construction equipment on the same project site as the Original Project. Therefore, the construction noise impacts of the Revised Project would be the same as under the Original Project. Mitigation measures set forth in the 2003 Addendum with regard to construction noise would continue to be applicable to the Revised Project.

As noted above, the Revised Project would result in lower peak hour trip generation compared to the Original Project. As such, impacts related to traffic noise would be lower than the less than significant levels projected for the Original Project.

The Revised Project would include the same potential sources of stationary source noise (HVAC equipment and loading dock) as the Original Project. Therefore, impacts of the Revised Project related to stationary noise sources would be the same as the Original Project.

### *Public Facilities and Services*

The Revised Project would result in an increase in permanent population on the project site of approximately 1,125 persons (225 persons more than the Original Project and 571 persons more than the 2003 Final EIR) and approximately 263 employees (87 fewer than the Original Project and 51 more than the 2003 Final EIR). Increased permanent and daytime population levels under the Revised Project would increase demand for LAPD services,

which would constitute a significant impact, same as the Original Project. The mitigation measures set forth in the 2003 Addendum would continue to be applicable to the Revised Project and the project applicant will be required to coordinate with LAPD's Crime Prevention Unit by providing site plans for review and implementation of site-specific security measures, including on-site private security personnel that would minimize additional demand for LAPD services and reduce impacts to less than significant, same as the Original Project.

The Revised Project would increase demand for fire protection services, same as the Original Project. The Revised Project would include 100 additional residential units, 100 fewer hotel rooms and 25,500 fewer square feet of retail and restaurant space compared to the Original Project. Development under the Revised Project would occur within multiple multi-story buildings. Overall, fire protection requirements under the Revised Project would be similar to the Original Project. The mitigation measure identified in the Addendum for site-specific development to be reviewed by the Fire Department to provide appropriate fire hazard management recommendations for inclusion as Conditions of Approval would continue to be applicable to the Revised Project. Impacts of the Revised Project with respect to fire protection services would be the same as the Original Project.

The Revised Project would increase demand for fire protection services, same as the Original Project. The Revised Project would include 100 additional residential units, 100 fewer hotel rooms and 25,500 fewer square feet of retail and restaurant space compared to approximately 240 elementary school students, 80 middle school students and 108 high school students under the Revised Project would occur within multiple multi-story buildings. Overall, fire protection requirements under the assumptions for the project site used in the 2003 Final EIR ). Project related student generation would be within the available capacity of existing schools and those currently under construction and no significant impacts would occur. Impacts of the Revised Project with respect to schools would be the same as the Original Project. The Revised Project would be required to pay school impact fees as required by law and set forth as a mitigation measure in the Addendum. In addition, mitigation measures identified in the Addendum related to school traffic and pedestrian routes would continue to be applicable to the Revised Project. Impacts of the Revised Project with respect to school traffic and pedestrian routes would be the same as the Original Project.

The Revised Project would result in an increase in permanent population that would generate additional demand for park services. Based upon the City of Los Angeles Department of Recreation and Parks ratio of neighborhood and community parks to population of four acres per 1,000 persons used in the 2003 EIR, the population increase associated with the Revised Project would require an additional approximately 4.5 acres of parkland to meet the Department of Recreation and Parks ratio. Since the Revised Project would include a subdivision map and/or parcel map, it would be subject to the mitigation measure identified in the 2003 Addendum to dedicate land or pay an in-lieu fee for park facilities contained in Section 17.12 of the City of Los Angeles Planning and Zoning Code. With dedication of land or payment of in lieu fees, impacts of the Revised Project with respect to parks and recreation would be the same as the Original Project. In addition, the increase in population on project site over the assumptions used in the 2003 Final EIR would not be sufficient to call into question the overall growth forecasts for the Redevelopment Project Area (and thus the overall demand for park and recreation services). Therefore, the Proposed Project would not represent a substantial increase in the severity of a previously identified impact.

The Revised Project would result in an increase in permanent population that would generate additional demand for library services. However, because the projected population of the entire Redevelopment Project Area is within the service population of the public library facilities serving the project area and the increase in population on project site over the assumptions used in the 2003 Final EIR would not be sufficient to call into question the overall growth forecasts for the Redevelopment Project Area (and thus the overall demand for library services), impacts of the Revised Project with respect to library services would be the same as the Original Project.

***Utilities***

The Revised Project would include an increase of 100 residential units (50 apartment, 50 condominium), decrease of 100 hotel rooms and decrease of 25,500 square feet of retail and restaurant space compared to the Approved Project. A comparison of utility generation/consumption of the Revised Project and Original Project is shown in the table below.

<u>Utility</u>	<u>Original Project</u>	<u>Revised Project</u>
Water	165,600 gallons/day	172,152 gallons/day
Sewer	138,000 gallons/day	143,460 gallons/day
Solid Waste	8,558 pounds/day	8,873 pounds/day
Electricity	15,330 kilowatt-hours (kwh)/day	14,562 kwh/day
Natural Gas	2,854,600 cubic feet (cf)/month	2,944,700 cf/month

As shown in the table, consumption/generation for the Revised Project would be slightly higher than the Original Project for water, sewer, solid waste and natural gas, and lower for electricity. However, since the incremental increase in population, employment and development associated with the Revised Project would not be sufficient to call into question the overall growth forecasts for the Hollywood Redevelopment Project Area (and thus the overall demand for utility services associated with the full buildout of the Redevelopment Project Area, and the cognizant services providers have indicated that they can serve the full future buildout of the Redevelopment Project Area, impacts of the Revised Project would be the same as the Original Project and less than significant. Mitigation measures set forth in the 2003 Addendum with regard to preparation of a sewer capacity study and inclusion of areas for collection and removal of recyclable materials would continue to be applicable to the Revised Project.

***Geotechnical/Seismic***

The Revised Project would be located on the same project site as the Original Project and would be subject to the same geotechnical conditions that were identified in the site-specific Geotechnical Investigation conducted for the Original Project. Therefore, impacts of the Revised Project with respect to geotechnical and seismic conditions would be the same as the Original Project and less than significant. In accordance with the mitigation measure identified in the 2003 Addendum, the Geotechnical Analysis and recommendations contained therein would continue to be subject to the review and approval of the Department of Building and Safety prior to the issuance of grading and foundation permits for the Revised Project. Mitigation measures set forth in the 2003 Addendum with

regard to design of project structures to resist strong ground motions in accordance with the City Building Code would continue to be applicable to the Revised Project.

### ***Hazardous Materials***

The Revised Project would be located on the same project site as the Original Project and would be subject to the same site conditions that were identified in the Phase I Environmental Site Assessment conducted for the Original Project. The mitigation measures identified in the Phase I Environmental Site Assessment and 2003 Addendum would continue to be applicable to the Revised Project. As such, the impacts of the Revised Project with respect to hazardous materials would be the same as the Original Project and less than significant.

### ***Impacts Found To Be Less Than Significant***

The Revised Project would be located on the same project site as the Original Project and would not have any potential for impacts related to agricultural, biological or mineral resources, same as the Original Project.

### ***Growth-Inducing Impacts***

The Revised Project would not preclude the growth-inducing characteristics of the Hollywood Redevelopment Plan, same as the Original Project.

### ***Cumulative Impacts***

The Revised Project would include an increase of 100 residential units (50 apartment, 50 condominium), decrease of 100 hotel rooms and decrease of 25,500 square feet of retail and restaurant space compared to the Approved Project. These changes are not sufficient to call into question the overall development projections for the Hollywood Redevelopment Project Area that were used in the 2003 Final EIR analysis. The Revised Project would have the same effect on potential cumulative impacts as the Original Project, that is, no additional cumulative impacts that have not already been addressed would occur.

### ***Alternatives***

As noted above, development associated with the Revised Project would not call into question the development forecasts used in the analyses presented in the 2003 Final EIR, same as the Original Project. Moreover, by including additional residential development, the Revised Project would be more closely aligned with the assumptions of the Minimum development scenario, which envisioned more residential development in the Project Area than the other scenarios, and was identified as the Environmentally Superior Alternative in the 2003 Final EIR. The Revised Project would have the same effects as the Original Project with respect to the continuation of existing revitalization and redevelopment programs in order to achieve the type, amount and intensity of development projected in the 2003 Final EIR to occur as a result of implementing the Redevelopment Plan, changes in the manner in which individual projects are constructed or operated within the Project Area, or changes to Redevelopment Plan objectives and the overall assumed build out of the Project Area.

Dr. Robert Manford

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Based upon the preceding discussion, the impacts of the Revised Project would not exceed the impacts of the Original Project. Therefore, the analysis presented in the 2003 Addendum encompasses the potential environmental effects of the Revised Project. Mitigation measures identified in the 2003 Addendum would continue to be applicable to the Revised Project. The Revised Project does not introduce any new significant environmental impacts, nor substantially increase the severity of significant impacts discussed in the 2003 Final EIR and 2003 Addendum. No mitigation measures or alternatives previously found to be infeasible or considerably different from those analyzed in the 2003 Final EIR and 2003 Addendum that would substantially reduce one of more significant effects of the Revised Project have been identified. Accordingly, in accordance with State CEQA Guidelines Sections 15162 and 15163, no subsequent or supplemental EIR is required to address the potential environmental effects of the Revised Project.

We appreciate the opportunity to submit this information to the Agency. Please feel free to contact me if you have any questions or require any additional information.

Sincerely,

**Christopher A. Joseph & Associates**

Craig Fajnor

Vice President