



CRA/LA

Building communities with jobs & housing

Community Redevelopment Agency
of the CITY OF LOS ANGELES

DATE / **JUN 16 2005**

FILE CODE /

354 South Spring Street / Suite 800
Los Angeles / California 90013-1258

T 213 977 1600 / F 213 977 1665
www.crala.org

CRA File No. **4791**
Council District: **9** ✓
Contact Person: **D. Riccitiello**
(213) 977-1794

Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring Street
Room 340, City Hall
Los Angeles, CA. 90012

Attention: John White, Office of the City Clerk

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on June 16, 2005 for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:

AUTHORIZATION TO APPROVE THE IMPLEMENTATION PLAN FOR THE DEVELOPMENT OF TWO AGENCY AND TWO COUNTY OWNED PARCELS IN THE BUNKER HILL REDEVELOPMENT PROJECT AREA AND PUBLIC PARK IMPROVEMENTS IN THE CIVIC CENTER IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT PROJECT AREA.
DOWNTOWN REGION (CD 9)

RECOMMENDATION

That City Council approves recommendation on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

The proposed action has been determined to be categorically exempt from the provisions of CEQA pursuant to Section 15262, Section 15306, and is also covered by 15061(b)(3) of the State CEQA Guidelines. The proposed action involves the approval of an Implementation Plan, which will be subject to further review and will be formally documented through a DDA and Ground Lease between the Grand Avenue Authority and the Related Companies. Prior to approval of the final DDA, potential development projects will be brought back to the appropriate board(s) at later dates with applicable environmental documentation for consideration and action.

CD 9
vm



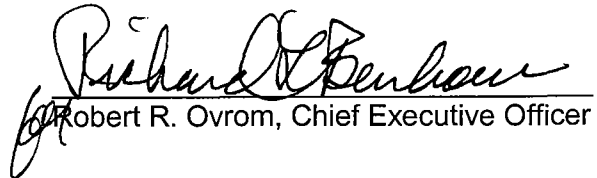
CRA/LA

Building communities with jobs & housing

Council Transmittal
Page 2

FISCAL IMPACT STATEMENT

There is no fiscal impact to the City's General Fund, as a result of this action.


Robert R. Ovrom, Chief Executive Officer

cc: John White, Office of the City Clerk (9 copies three hole punched)
Lisa Johnson, Scott Eritano, Office of the CAO
Paul Smith, Ivania Sobalvarro, Office of the CLA
Renata Simril, Office of the Mayor
Neil Blumenkopf, Office of the City Attorney
Councilmember Jan Perry, CD 9

10

MEMORANDUM

DATE: JUNE 16, 2005 BH 3090
TO: AGENCY COMMISSIONERS BH 1050
FROM: ROBERT R. OVROM, CHIEF EXECUTIVE OFFICER CB 6990
RESPONSIBLE
PARTIES: DAVID RICCITIELLO, REGIONAL ADMINISTRATOR
JENNA GULAGER, ASSISTANT PROJECT MANAGER
SUBJECT: AUTHORIZATION TO APPROVE THE IMPLEMENTATION PLAN FOR
THE DEVELOPMENT OF TWO AGENCY AND TWO COUNTY OWNED
PARCELS IN THE BUNKER HILL REDEVELOPMENT PROJECT AREA
AND PUBLIC PARK IMPROVEMENTS IN THE CIVIC CENTER IN THE
CENTRAL BUSINESS DISTRICT REDEVELOPMENT PROJECT AREA.
CD 9
COMMITTEE PROJECT REVIEW COMMITTEE – JUNE 9, 2005
REVIEW: RECOMMENDED APPROVAL SUBJECT TO INCLUDING A
COMMUNITY BENEFIT PLAN IN THE FINAL DISPOSITION AND
DEVELOPMENT AGREEMENT

RECOMMENDATION

That the Agency, subject to City Council review and approval, approve the Implementation Plan approved by the Grand Avenue Authority on May 23, 2005, for the development of two agency and two county-owned parcels in the Bunker Hill Redevelopment Project Area and Public Park improvements in the Civic Center in the Central Business District Redevelopment Project Area, subject to the inclusion of a Community Benefit Plan in the final Disposition and Development Agreement with the Developer.

SUMMARY

This action will approve the Implementation Plan for the Grand Avenue Project, as presented by the Grand Avenue Authority, a Joint Powers Authority (JPA) between the CRA and Los Angeles County, for the development of two Agency and two County owned parcels in Bunker Hill. Approval of the Implementation Plan by the Agency, City Council, and the County Board of Supervisors will set the framework for the JPA's continued negotiation of a long-term ground lease and DDA with the Related Companies, the developer selected by the JPA through a competitive Request for Proposals process. Concurrent with the DDA negotiation, the Grand Avenue Authority will begin the CEQA and environmental review process. Approval of the Implementation Plan will not bind the Agency or the developer to any of the financial terms outlined in the Plan. Agency financial participation is limited to the tax increment revenue generated by the Project, subject to the terms of the Agency's existing obligations. Once a DDA

agreement and lease agreement have been reached, the Agency and City Council will have the opportunity to review and approve the final terms.

The broad economic terms outlined in the Implementation Plan include:

1. Structure of Transaction
2. Project Scope and Phasing
3. Ground Rent
4. Schedule of Performance
5. Adjustments to Prepaid Base Ground Rent for Future Phases
6. Initial Funding of Prepaid Ground Rent
7. Ground Lease Terms
8. Publicly Funded Improvements
9. Parking Facilities

This memo will summarize each of these components, with Attachments providing additional information. ATTACHMENT A is the Executive Summary of the Implementation Plan.

1. STRUCTURE OF TRANSACTION

Los Angeles Grand Avenue Authority ("JPA") and The Related Companies, L.P. ("Related") propose to enter into a Disposition and Development Agreement (DDA) governing leasing and development of Parcels L, M-2, Q, W-1 and W-2 and redevelopment of the 16-acre Park Site in the Civic Center. (ATTACHMENT B is a site map showing the proposed development parcels.) Related proposes to develop the Project Site in three phases described below. The JPA and Related propose to enter into a Ground Lease for each phase. The following components will be partially or wholly funded by Prepaid Base Ground Rent and tax increment from the Project, subject to the terms of the Agency's existing obligations:

- Affordable housing incentives
- Civic Park improvements
- Grand Avenue Streetscape improvements
- Public space improvements on the Development Parcels
- Financial assistance for retail public parking structures

The CRA will not be required to contribute any funds for the foregoing components in excess of the tax increment generated by the Project, to the extent it is available.

In addition, the DDA will include a Community Benefit Plan. Staff will work with local non-profit community groups on the content of the plan. Issues to be addressed include, but are not limited to, local hiring, job training, project labor agreements, affordable housing and homeless services.

2. PROJECT SCOPE AND PHASING

Phase I of the Project proposes to develop Parcel Q, and will consist of (i) 200,000 to 300,000 square feet of retail improvements, (ii) a first class hotel of approximately 225-275 rooms located on the lower floors of a tower which includes approximately 200 condo units, and (iii) a residential tower including affordable rental units (approximately 88 rental units) and approximately 150 condos. Each use is proposed to be subdivided to facilitate financing of each component. In addition, the Civic Park, a portion of the Grand Avenue streetscape improvements, and public space improvements on Parcel Q, will be completed during Phase I.

Phase II of the Project proposes to develop on Parcels L and M-2. Phase II is anticipated to consist of residential condominiums and/or rental units and a street level retail component. Phase II may include an office building component if there is demand for such office space.

Phase III of the Project proposes to develop Parcel W-2 and Parcel W-1. Parcel W-1 is privately owned, and Related intends to acquire this parcel at its own cost. Phase III is anticipated to consist of residential condominiums and/or rental units with a retail component linked to the retail space on Phase I. Phase III may include a civic office building or other office space if there is demand for such space.

The Executive Summary of the Implementation Plan, included as Attachment A, provides additional details about the proposed Phase I development, along with a description of the proposed programming for the public park.

3. GROUND RENT

Base Rent: For each Phase, Related will pay Prepaid Base Ground Rent on execution of the Ground Lease. The prepaid rent due, payable at commencement of Phase I, is \$50,000,000. The base rent is determined based on the number of condo and rental units, the number of square feet of retail space and the number of hotel rooms. There is no base rent for affordable units.

The residential unit mix of each phase of the Project will include a 20% affordable component. In the first Phase of the Project all of the affordable units will be rental units rented to households with incomes at or below 50% of median income.

Incentive Rent: In addition to base rent, Related will pay incentive rent equal to

- A percentage of the sales price of the condominium units over a threshold of \$575 per square foot of each unit sold,
- Up to 5% of the gross rents of any market rate rental units with rents above \$50/sf of rentable areas,
- Gross room revenues from the hotel that exceed an annual revenue threshold;
- Gross revenues from any office building improvements exceeding 2% of gross rents;
- Commencing in the fourth year following completion, 2% gross rents from retail, restaurant and entertainment space (other than anchor tenant space), on up to 40% of the retail space in Phase I and up to 25% of the retail space in Phases II and III.

Any approved cultural use is exempt from base ground rent. The incentive rent on the hotel is subject to Related obtaining a reasonably satisfactory waiver or rebate of Transient Occupancy Taxes by the City of Los Angeles.

4. SCHEDULE OF PERFORMANCE

- Phase I: commence by December 1, 2006 and complete by November 30, 2009.
- Phase II: commence within 15 months after paying the Prepaid Base Ground Rent for Phase II, and complete within approximately 30 months after commencement of work.
- Phase III: commence within 24 months after paying the Prepaid Base Ground Rent for Phase III, and complete within approximately 30 months after commencement of work.

5. ADJUSTMENTS TO PREPAID BASE GROUND RENT FOR FUTURE PHASES:

The Prepaid Base Ground Rent for Phases II and III of the Project will be determined on the same unit basis as Phase I, increased by the CPI, if Related pays for Phase II within 45 months and pays for Phase III within 60 months. If Related misses those dates, it has the right to pay for Phase II within another 12 months and to pay for Phase III within another 24 months after the applicable date (by paying an option payment to the JPA), in each case based on 90% of the full Fair Market Value of the land.

If Related fails to pay the prepaid rent or develop Phase II or Phase III, it will pay liquidated damages to the JPA.

6. INITIAL FUNDING OF PREPAID GROUND RENT

Related will deposit the \$50,000,000 Base Ground Rent for Phase I upon approval of the Implementation Plan and Term Sheet in the form of a Letter of Credit to be converted to cash upon execution of the Ground Lease. Related will also pay the JPA interest on the \$50 million at the rate of 3% per annum for up to six (6) months, payable upon approval of the DDA and Ground Lease. The \$50 million will become non-refundable upon the approval of the DDA and Ground Lease. If final CEQA compliance is not completed, thus preventing execution of the DDA, the \$50 million will be refunded to Related.

7. GROUND LEASE TERMS

The Ground Lease term for each Phase will be 99-years. The Ground Leases will be unsubordinated to any party. The Property Transfers shall be made on an "AS IS WHERE IS AND WITH ALL FAULTS" basis, meaning that Related will take the land in its current status. The general requirements of the CRA shall be applicable to the development, construction and operation of the Project.

8. PUBLICLY FUNDED IMPROVEMENTS

- *Affordable Housing Incentives.* Affordable housing incentives at \$100,000 per rental unit are proposed to be funded by tax increment generated by the Project, subject to the terms of the Agency's existing obligations. (Subsequent phases may include for-sale affordable units, the level of assistance is capped at \$200,000 per unit.)
- *The Civic Park.* Improvements to the Civic Park are proposed to be funded from Base Ground Rent, Tax Increment, subject to the terms of the Agency's existing obligations, and other sources of public funds, if any, (other than the general fund of the City or County) that may be available, pursuant to a design, scope of work and budget approved by the JPA. Related will develop the improvements in the Civic Park on behalf of the JPA without a fee or profit payment, but subject to being reimbursed for its actual incremental costs of doing such development.
- *Streetscape Improvements.* Streetscape improvements on Grand Avenue between 5th St. and Cesar Chavez Avenue are proposed to be funded from Ground Rent, \$9 million in Tax Increment, subject to the terms of the Agency's existing obligations, and/or other sources of public funds (other than the general fund of the City or County) that may be available, pursuant to a design, scope of work and budget approved by the JPA. Related will be responsible for providing, at its cost, the streetscape improvements on the other streets adjacent to the Development Parcels at a standard equivalent to other first class properties in the Bunker Hill area.

- *Public Space Improvements.* \$12 million of Public Space Improvements within the Development Parcels will be funded from Tax Increment, subject to the terms of the Agency's existing obligations.

9. PARKING FACILITIES

Related will provide all required parking facilities for the residential and hotel components of the Project at its own cost without any public assistance. Public parking facilities for the retail component in Phase I of the Project may be financed using revenue bonds separate from, or in conjunction with Tax Increment, subject to the terms of the Agency's existing obligations. Tax Increment funds will be allocated to the retail parking facility only to the extent that there are funds remaining after available Tax Increment funds are allocated to pay for existing project area debt, the Civic Park, the Grand Avenue Streetscape Improvements and the Public Space Improvements on the Development Parcels.

ATTACHMENT C provides a detailed summary of the financial terms proposed by the Implementation Plan.

If the Implementation Plan is approved, the nine terms above will guide the DDA and Ground Lease negotiations. The final terms of the DDA will be brought back to the Agency, City Council and County Board of Supervisors for approval.

ATTACHMENT D is the executive summary of a report by LAEDC that outlines the economic and revenue benefits of the overall project and of Phase I in particular. Some of the key economic and community benefits of the Grand Avenue Project include:

- 88 units of affordable rental housing in Phase I, 20% of all units developed throughout all phases will be affordable
- New 16-acre Civic park
- Project labor agreement under negotiation
- Projected to create 2,500 jobs in Phase I and over 5,300 long term jobs upon project completion
- Applicable CRA Living Wage Requirements
- Union representation for hotel operations under negotiation
- Approximately 1,000 retail parking spaces in Phase I development
- Phase I will generate approximately \$15,400,000 in State, County, and local revenues per year

The Plan proposes that the Agency commit project-generated tax increment funds to finance park, streetscape, affordable housing, and parking, to the extent they are available. The Agency would not be required to commit any more than the available project-generated Tax Increment, and this commitment is subject to the terms of the Agency's existing obligations. Preliminary estimates, provided in ATTACHMENT E show that Phase I is estimated to generate \$4.575 million annually in tax increment. While the Implementation Plan terms are nonbinding, the Agency is being asked to consider the following financial commitment to the project, subject to the terms of the Agency's existing obligations:

- \$100,000 per affordable rental unit and \$200,000 per affordable condominium unit, \$8.8 million for 88 affordable rental units in Phase I.
- Up to \$12,000,000 for public improvements on the development parcel (Parcel Q)
- \$9,000,000 for streetscape improvements

ATTACHMENT F is a summary of proposed Agency financing for Phase I.

RE

Initial action

SOURCE OF FUNDS

No funds are required for the recommended action. It is anticipated that CRA financing will be required for the affordable housing units and certain public improvements, which will be paid from project generated tax increment.

PROGRAM AND BUDGET IMPACT

The recommended actions are consistent with the Agency's FY05 Work Program for the Bunker Hill Redevelopment Project Area and specifically the goals for the development of the two parcels and the surrounding streetscape. The actions are consistent with the Five-Year Implementation Plan for the Bunker Hill Redevelopment Project and are budgeted in the FY05 in the objectives BH1050 and BH3090. There is no impact on the City's General Fund as a result of the proposed action. The proposed action is consistent with the FY05 and Proposed FY06 Budget and Work Program.

ENVIRONMENTAL REVIEW

The proposed action has been determined to be categorically exempt from the provisions of CEQA pursuant to Sections 15262, Section 15306, and is also covered by 15061(b)(3) of the State CEQA Guidelines. The proposed action involves the approval of an Implementation Plan, which will be subject to further review and will be formally documented through a DDA and Ground Lease between the Grand Avenue Authority and the Related Companies. Prior to approval of the final DDA, potential development projects will be brought back to the appropriate board(s) at later dates with applicable environmental documentation for consideration and action.

BACKGROUND

The Reimagining Grand Avenue Project is focused on transforming the civic and cultural districts of downtown Los Angeles into a vibrant new regional center, which will showcase entertainment venues, restaurants, and retail mixed with office buildings, a hotel, and over 2100 new housing units. These new features will add to the notable structures that already exist at the top of Bunker Hill, including the Walt Disney Concert Hall, the Cathedral of Our Lady of the Angels, and the Music Center. Also to be improved as part of the project is the existing County Mall, which will be transformed into a 16-acre Civic park stretching from the Music Center to City Hall, and will be the scene of many citywide celebrations as well as daily events.

The entire project is estimated to cost \$1.5 billion. Funding will come largely from conventional construction debt financing, from equity investor MacFarlane Partners (investing CalPers funds) from tax increment financing, to the extent it is available, and other public sources, which will contribute to public park renovations, streetscape improvements and public improvements, and potentially from parking revenue bonds secured by developer-provided credit. The project will create over 5,300 long-term jobs and will generate over \$28 million annually in local, county and state taxes. The project will also create 25,000 jobs during construction.

In September 2003, the CRA Board and City Council approved entering into a Joint Exercise of Powers Agreement ("Agreement") with the County of Los Angeles and created the Grand Avenue Authority, which is a separate legal entity. The Authority was empowered to prepare an Implementation Plan for the two Agency-owned and two County-owned parcels of property on Bunker Hill. With funds contributed by the Agency and the County, the Authority contracted with the Grand Avenue Committee, a private nonprofit organization formed to revitalize Grand Avenue and the Civic Center Park, to issue Requests for Qualifications and/or Proposals for the selection of development teams. The JPA Agreement granted to the Authority the exclusive right to negotiate with the development team selected by the Authority for the two Agency parcels (M-2 and L). The Agreement also included a Conceptual Site Plan suggesting broad planning guidelines for the development of a residential development with upscale ground floor retail/commercial space on the two Agency-owned parcels, along with other uses on the County-owned parcels. The Agreement specified that the Implementation Plan must be presented to each of the contracting bodies within two years of the Authority's formation, or by September 2005.

The Grand Avenue Committee issued an RFQ in October 2003 and received eight timely responses. Five proposers were selected to receive the RFP, which was issued in January 2004. In August 2004, the Authority and Committee selected the Related Companies to proceed with, and entered into an Exclusive Negotiating Agreement (ENA). The Implementation Plan developed and approved by the Authority includes all provisions and policies applicable to development of the Agency and County owned parcels.

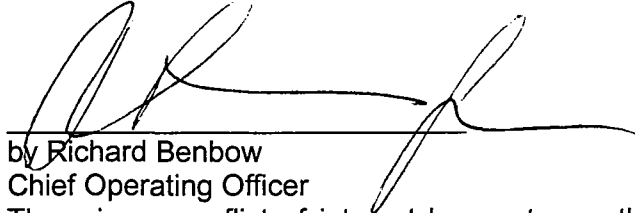
After entering into the ENA with the Related Companies, the Grand Avenue Committee, the Authority, and Related spent 9 months developing the Implementation Plan. Development of the plan included broad community outreach efforts, including more than 12 community charrette meetings held in more than 7 locations across the City of Los Angeles. The Implementation Plan was approved by the JPA on May 23, 2005.

Related is one of the largest developers of urban and affordable housing in the State. It has developed, or has under development, over 7,000 units of multifamily housing from San Francisco to San Diego, almost all of which have been or are being developed in some form of public/private partnership. Its experience ranges from projects serving the lowest incomes (the Hayes Valley HOPE VI project in San Francisco and the Harbor Village public housing redevelopment project in Los Angeles) to high incomes (the 39-story, 487-unit Paramount in San Francisco), with a special expertise in mixed-income housing and complex financings. Related has 30 employees in its Irvine office, not including property management personnel. Related also enjoys the financial backing and resources of its "parent" company, the New York City-based Related Companies, L.P., which is the largest developer in New York City and one of the "largest" and most diversified privately-held real estate companies in the country. Related has been in business in California since 1989, and in New York since 1972.

The contemplated approval of the Implementation Plan by the Agency, City Council and County Board of Supervisors will set the parameters for the Agency and County to ground lease their four parcels to the Authority for development. Concurrent with the ground lease negotiation, the Authority will initiate the CEQA environmental review process for the park and the developments proposed for the four parcels, and will negotiate the final DDA and Ground Lease with the Related Companies. Once the DDA and Ground Lease have been negotiated, they will be brought to the Agency, City Council and the County Board of Supervisors for review and approval. The Implementation Plan does not bind the JPA, the CRA or the County to any lease of land until final DDA and Ground Lease agreements are signed.

Construction for Phase I is expected to start in December 2006.

Robert R. Ovrom
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Richard Benbow', is written over a horizontal line.

by Richard Benbow
Chief Operating Officer

There is no conflict of interest known to me that exists with regard to any Agency officer or employee concerning this action.

Attachments:

- ATTACHMENT A: Executive Summary of the Implementation Plan (Master Plans)
- ATTACHMENT B: Site Map
- ATTACHMENT C: Implementation Plan Summary Term Sheet
- ATTACHMENT D: Executive Summary of LAEDC report on economic and revenue impacts
- ATTACHMENT E: Estimate of Tax Increment generated by the Project
- ATTACHMENT F: Summary of Proposed Agency Participation for Phase I
- ATTACHMENT G: Community Context

Grand Avenue

April 4, 2005

Submittal by The Related Companies, L.P.

ATTACHMENT A

Executive Summary

The Related Companies, L.P. was selected in August 2004 as the designated developer for the Joint Powers Authority's Reimagining Grand Ave project. This ambitious endeavor is comprised of the three efforts: 1) development of four City and County owned parcels, 2) the redevelopment of the Civic Mall into a Civic Park and 3) improvements to the streetscape of Grand Avenue, from Fifth Street to Cesar Chavez Avenue. This submittal of information provides information developed during the ENA period that commenced in September 2004.

Development Sites

The Development Sites consist of Blocks Q, W-2, L, M-2 and, through separate acquisition, W-1 (1.3 acres). Total site area, with anticipated usage of air rights over portions of Olive Street and Gen. T. Koschiuszko Way, approximately 10 acres. County owned land, approximately 5.7 acres. City Owned land, approximately 2.2 acres.

Development Sites Program

Phase 1 on Block Q:

• Retail	200-300,000 SF
• Hotel	225-275 Rooms
• Total Residential Units	400-470 Units *
- Condominiums	320-375 Units
- Rentals	80-95 Units
• Parking	1,600-2000 spaces
Total Development Area	900,000 - 1,200,000 SF
Total Cost:	\$500-\$550,000,000

Total Development Plan **

• Retail	350-400,000 SF
• Hotel	225-275 Rooms
• Total Residential Units	2,100-2,600 Units *
- Condominiums	800-1,000 Units
- Rentals	1,300-1,600 Units
• Parking	4,800-5,500 Spaces
Total Development Area	2,800,000 - 3,800,000 SF
Total Cost (2005\$):	\$1,500,000,000

* 20% affordable units

** Alternate Total Development Plan may replace some uses with office

Development Plan

Project Description

Phase I of the development will create a high impact, high intensity mixed-use environment with retail on several levels, a large restaurant program, a cinema or other entertainment use, a large event facility, a food market and health club, a hotel with approximately 275 rooms and 405-470 residential units. The design, across multi-levels, incorporates a large central plaza space, a myriad of outdoor terraces, large amounts of vegetation and outdoor pools and terraces for the hotel, restaurant and

Grand Avenue

April 4, 2005

Submittal by The Related Companies, L.P.

residential uses, blending indoor and outdoor spaces in order to take advantage of the Southern California climate. An iconic tower, which sits on Grand and Second St., will have approximately 200 condominium units above the hotel. This tower will be approximately 500,000 square feet and approximately 40-50 stories tall. A second tower, on Olive and First Streets, will have approximately 240 units and be approximately 25-30 stories tall. 20% of the total residential units will be affordable.

Phasing

Phase 1, Entire Block Q Program:	Commences 2006, completed 2008/09
Civic Park / Streetscape from 2 nd to Temple	Completed with Block Q in 2008/09
Blocks L/M and W	TBD, as soon as market conditions warrant, Phase 2 anticipated to be undertaken prior to 2009.

Schedule of Performance Summary – Phase 1

DDA and CEQA Approvals	Completed November 2005
Design and Design Documentation	July/August 2005 - Fall 2006 (12-14 months)
Construction	Fall 2006 - Late 2008/Early 2009
Retail Grand Opening	October/November 2008 (30-32 Months)
Residential Towers Openings	In two phases, Fall 2008/Early 2009

Infrastructure Plan

Infrastructure requirements in the area surrounding the Development Sites are, generally, of capacity to accommodate the Development Program. The Development Site does not appear to have any major environmental issues. Infrastructure improvements for Block Q will be constructed in the initial phases of construction and will be predominantly confined to Block Q, with the possible exception of improvements to Olive Street.

Business Plan - Development Parcels

Organizational Plan:

Related will manage the development of the Development Sites, the Civic Park and the Streetscape program through a combined effort of Related's management and staff in New York and a California based team that will grow over time to include Project Partners, Project executives and project/construction management staff, retail leasing specialists, and residential sales and marketing staff. A downtown Los Angeles office will be opened in 2005.

Marketing Program

Related's priorities regarding marketing include identifying and concluding basic agreements with a hotel operator by late 2005. Key anchor retail tenants, including a food market, a cinema or entertainment use, bookstore, health club, event facility and a core collection of restaurants will be identified with basic agreements in place by Fall 2005. Residential condominium sales will commence at the start of construction of condominium building(s) and rental leasing will start 90-180 days before opening of the rental component(s).

Financing Plan

Related will likely use conventional construction debt financing from a commercial banks, life insurance companies, or other financial institutions. In addition, Related, which usually enters into equity joint ventures with corporate, state and union pension funds, as well as financial and non-financial institutions, has teamed up with McFarlane Partners, an advisor of and investor for California

Grand Avenue

April 4, 2005

Submittal by The Related Companies, L.P.

Public Employee's Retirement System (CalPERS), as an equity partner for all components of the project and has thus will secure funds for the entire equity requirement for the Project. The hotel may have additional equity partners.

In general, Predevelopment capital requirements will be funded by Related, Preconstruction Project Costs will be funded by Related and MacFarlane Partners. Financing of the Civic Park and Streetscape component is not a Related or MacFarlane Partners responsibility, as described below.

Business Plan – Civic Park & Streetscape

The basic plan for the Civic Park and Streetscape is to provide a redeveloped Civic Park in Phase 1, delivered simultaneously with the first phase of development on Block Q.

The Civic Park and Grand Avenue Streetscape improvements, along with significant public space improvements on the Development Sites are financed first through land proceeds (pre-paid ground rent) generated from Phase 1 and second, through TIF generated funds from the Phase 1 private development program. Streetscapes adjacent to the private development sites, other than Grand Avenue, will be provided by Related.

Related's preliminary financial projections and budgeting on the Civic Park, as outlined in this submittal, indicates that the following can be funded through Phase 1 Project generated land proceeds and TIF:

- Project affordable housing incentives,
- A Civic Park and Grand Avenue Streetscape Program in the range of \$55-\$60 million, and
- A public space improvements program in the range of \$10 to \$12 million
- Contributions towards a public parking facility

Depending upon the final scope of the Civic Park and Grand Avenue Streetscape program, Phase 1 would also generate net proceeds to the City and County. Thus the majority of the JPA's objectives can be met through the development of Phase 1 alone.

Park Program

The program for the Civic Park is derived from an overall concept of activating the park through a program of ongoing events and activities. With flexibility for cross-programming, the general approach is to zone the 16 acre Civic Park into several sections, with each section designed to accommodate specific programmed uses as summarized below.

Programmed Use

Daily / Permanent Events & Activities
Approx. 16 acres

Park-wide Events & Activities
Approx. 16 acres

Cultural and Entertainment
Approx. 8 acres

Garden
Approx. 4 acres

Civic and Community
Approx. 4 acres

Civic Park Locations / Zone

Integrated throughout the Civic Park, including passive park use

Infrastructure in all zones built to accommodate large scale events that could utilize all zones of the entire park from Grand Avenue to Spring St.

Concentrated between Grand and Hill

Concentrated between Hill and Broadway

Concentrated between Broadway and Spring

Grand Avenue

April 4, 2005

Submittal by The Related Companies, L.P.

Business Terms

A term sheet is included at Tab 28. The business terms incorporate the following concepts:

- Land is leased to the developer under a long-term ground lease. Upon expiration of the lease, the improvements revert to the City or County, depending upon the block. The ground rent has a base rent component and an incentive rent component.
- Base Ground Rent is pre-paid upon the start of construction of each phase in order to maximize upfront proceeds to the City and County.
- Incentive rent for each use (retail, hotel, residential, office) allows the City and County to participate in the project revenues generated over time; participating in revenue growth from project success and inflation.
- The developer provides a minimum upfront Pre-paid Ground Rent payment of \$50 million.
- Pre-paid Ground Rent proceeds and project generated TIF funds pay for: a) contributions toward affordable housing incentives, b) the redevelopment of the Civic Park and Grand Avenue Streetscape, c) contributions towards public space improvements, and, d) contributions towards a public parking facility. After funding these programs, net proceeds go to the City and County pursuant to the JPA agreements.
- A 20% affordability component is required of all residential uses; affordable housing incentives are provided to help finance the affordable housing component.

Project Master Plans

The following pages include several diagrams and plans that are discussed and illustrated in greater detail in subsequent sections of this submittal.

Refer to Tab 29 for a summary of the master plan analysis as well as illustrative plans regarding the Development Sites, the Civic Park and the Streetscape program.

Refer to Tab 30 for an illustrative project summary and Block Q illustrative floor plans

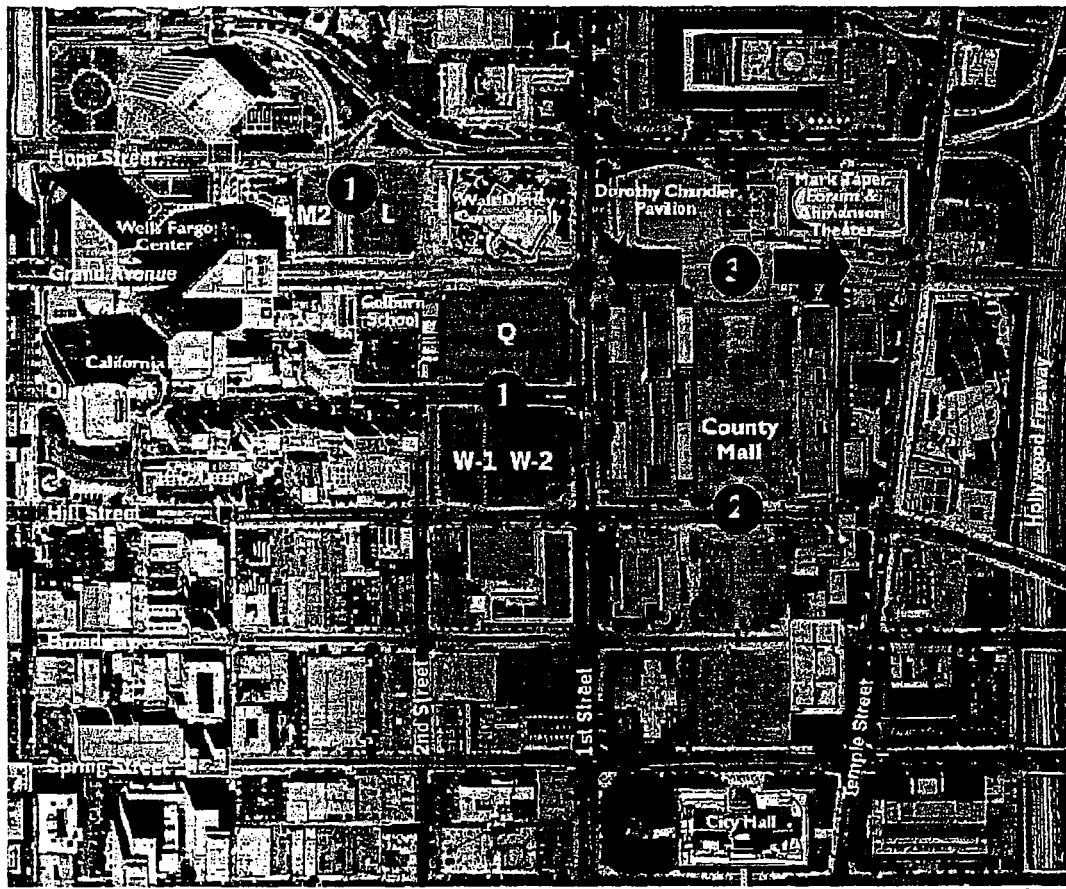
Grand Avenue

April 4, 2005

Submittal by The Related Companies, L.P.

Development Plan

1. The development of parcels Q, W-2, L and M-1 (the "Development Sites"), Parcels Q, W-2, L and M will be developed in phases, beginning with the Q parcel. W-1 will be included with the Development Sites through separate acquisition by Related.
2. The redevelopment of the Civic Mall from City Hall to Grand Avenue into a Civic Park.
3. The redevelopment of Grand Avenue from Fifth St. to Cesar Chavez Avenue (the "Streetscape" program).



Grand Avenue

April 4, 2005

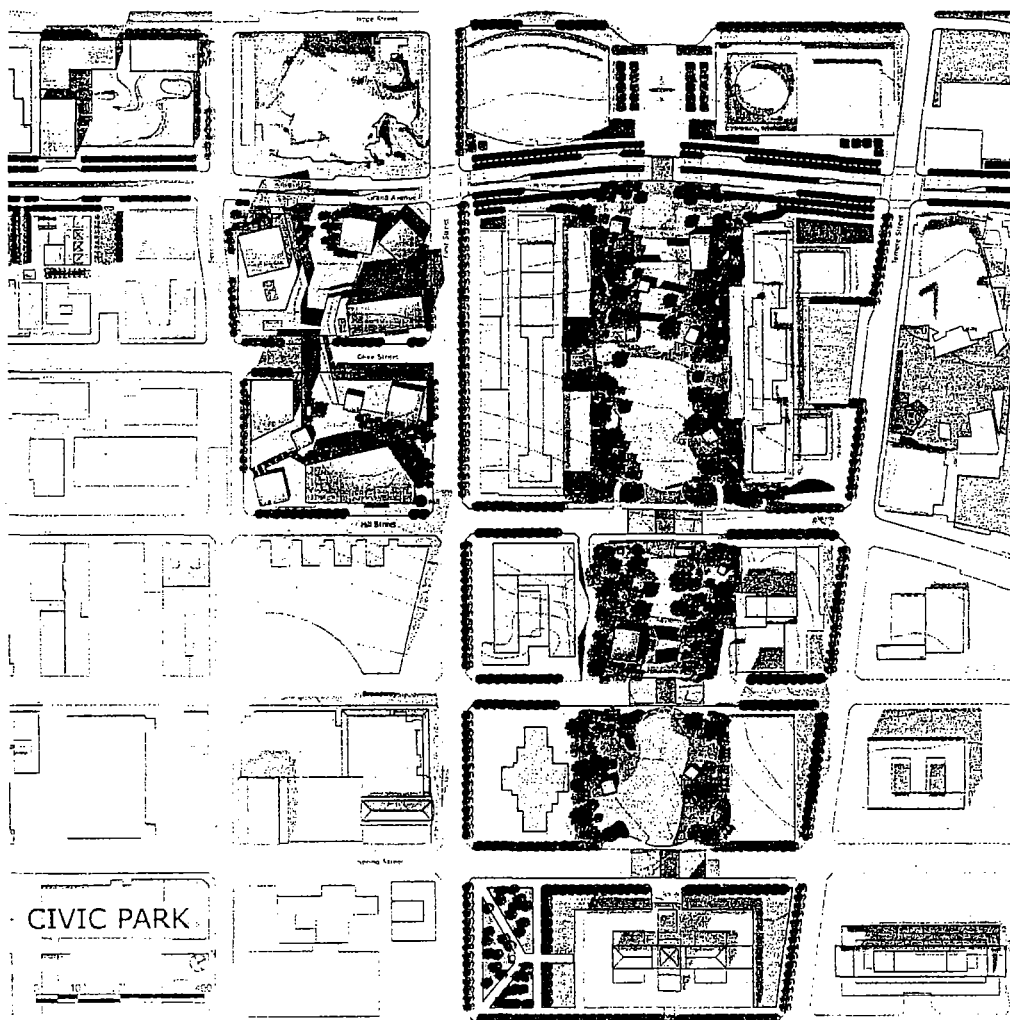
Submittal by The Related Companies, L.P.

Master Plan

The comprehensive master plan for the entire Project, including the Development Sites (L, M-2, Q and W-2) and W-1 (currently owned by a third party) is summarized in the table below.

Projected Program	Square Footage	Units/Keys
Hotel	200-250,000	225-275
Retail	350-400,000	
Residential Condos	1,250,000-1,450,000	800-1,000
Residential Rentals	1,000,000-1,400,000	1,300-1,600
Totals	2,800,000-3,500,000	2,100-2,600

* Office is an alternate use



Illustrative Master Plan Site Plan

Grand Avenue

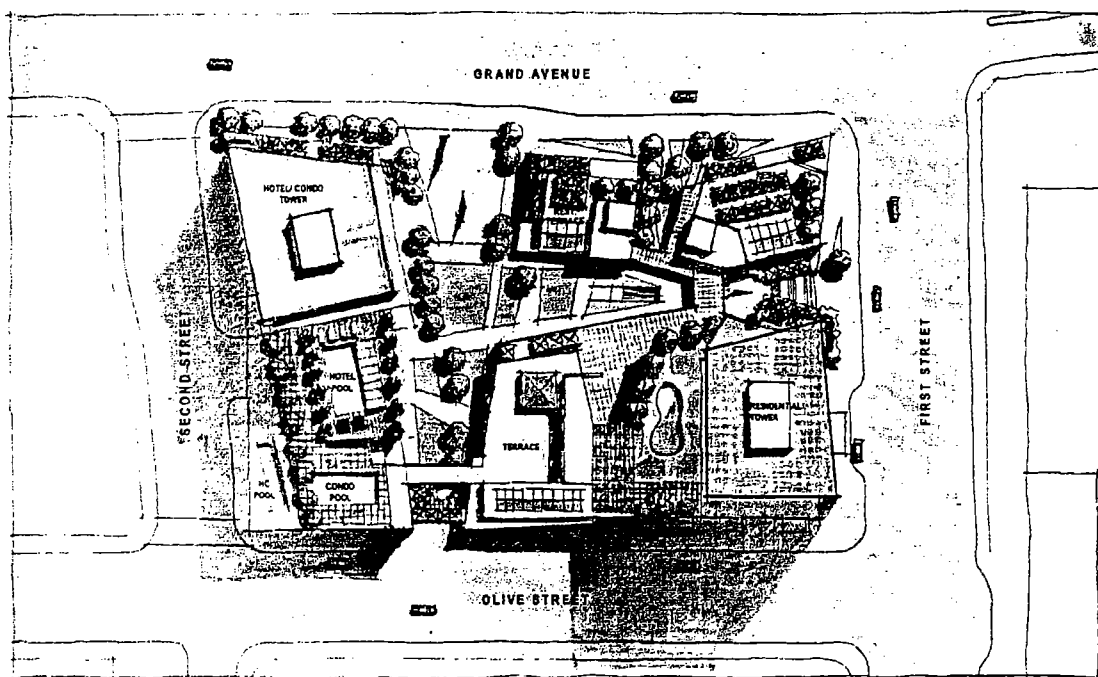
April 4, 2005

Submittal by The Related Companies, L.P.

Executive Summary Diagrams

Phase 1 – Block Q

Projected Program	Square Footage	Units/Keys
Hotel	200-250,000	225-275
Retail	200-300,000	
Residential Condos	450-550,000	320-375
Residential Rentals	60-80,000	80-95
Totals	900-1,200,000	400-470



GRAND AVENUE PROJECT, LOS ANGELES

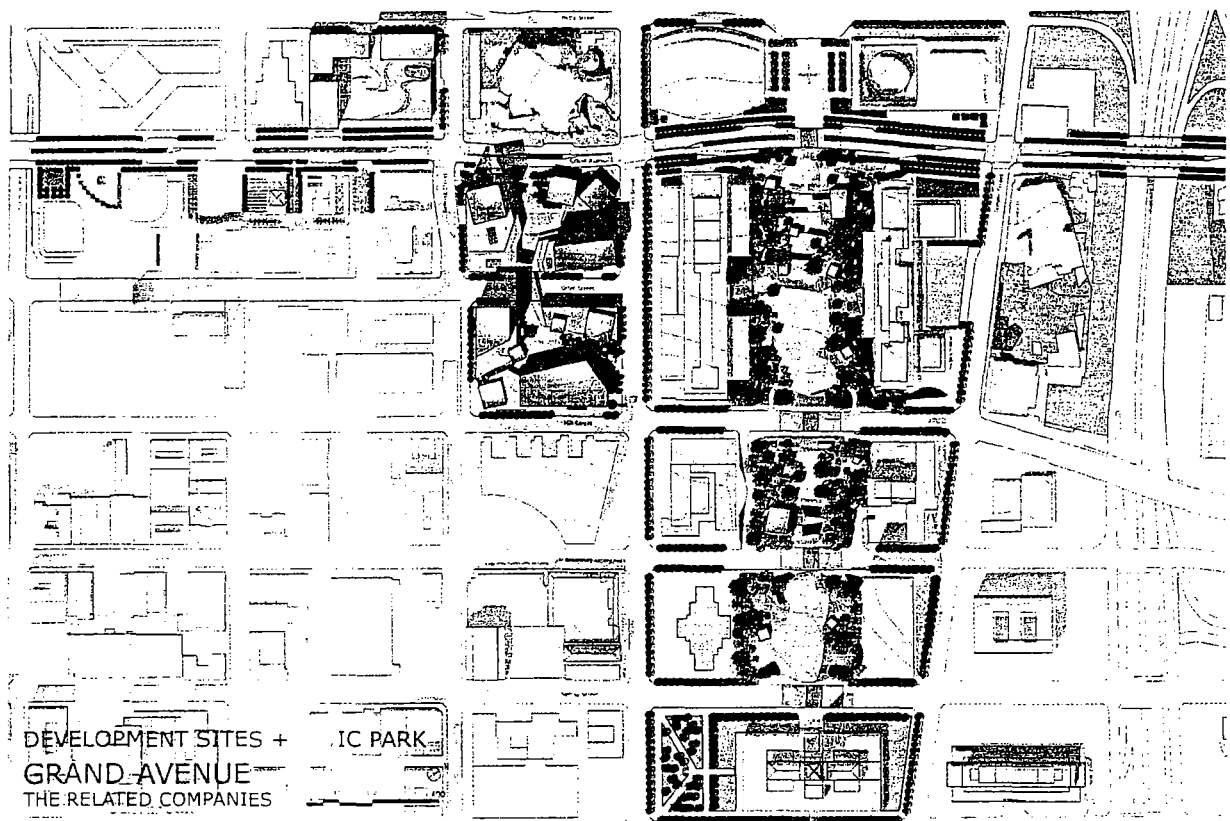
ROOF
MARCH 15, 2005

Block Q Site Plan 1

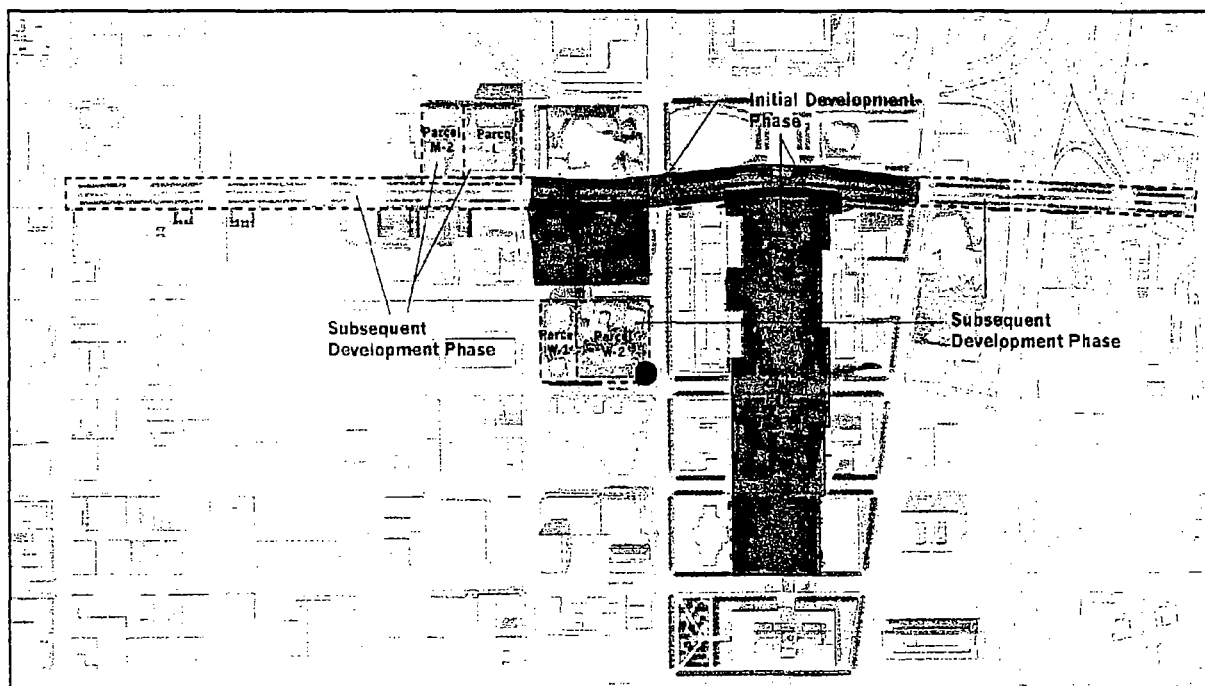
Grand Avenue

April 4, 2005

Submittal by The Related Companies, L.P.



Streetscape and Civic Park Diagram

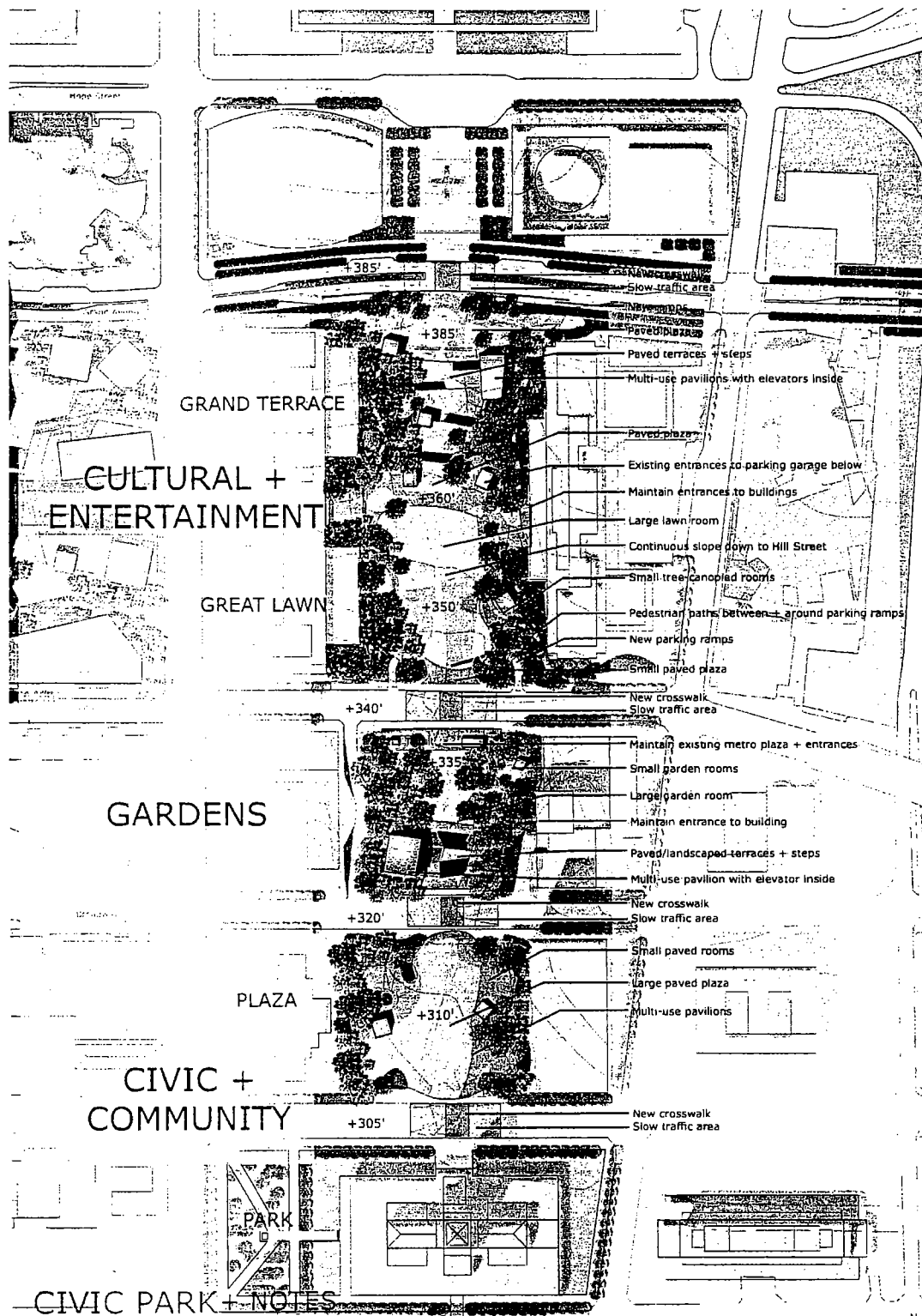


Phasing Diagram

Grand Avenue

April 4, 2005

Submittal by The Related Companies, L.P.



Illustrative Site Plan / Master Plan
of the Civic Park

Attachment "B"



GRAND AVENUE PROJECT: SUMMARY OF TERMS

STRUCTURE OF TRANSACTION;

Los Angeles Grand Avenue Authority ("JPA") and The Related Companies, L.P. ("Related") will enter into a Disposition and Development Agreement (DDA) governing leasing and development of Parcels Q, L, M, W-1 and W-2 and redevelopment of the 16 acre Park Site. Related will develop the Project Site in three phases described below. The JPA and Related will enter into Ground Leases for each phase. The following public improvements will be partially or wholly funded by Prepaid Base Ground Rent and tax increment revenues from the Project:

- Affordable housing incentives
- Civic Park improvements
- Grand Avenue Streetscape improvements
- Public space improvements on the Development Parcels
- Financial assistance for retail public parking structures

The CRA will not be required to contribute any funds for the foregoing public improvements in excess of the tax increment financing generated by the Project.

PROJECT SCOPE AND PHASING

Phase I of the Project will be developed on Parcel Q. Phase I will consist of (i) 200,000 to 300,000 square feet of retail improvements, (ii) a first class hotel of approximately 225-275 keys located on the lower floors of a tower which includes approximately 200 condo units, and (iii) a residential tower including affordable rental units (approximately 88 rental units) and approximately 150 condos.

Phase II of the Project will be developed on Parcels L and M. Phase II is anticipated to consist of condos and/or rental units and a street level retail component. Phase II may include an office building component if there is demand for such office space.

Phase III of the Project will be developed on Parcel W-2 and Parcel W-1, which Related intends to acquire at its own cost. Phase III is anticipated to consist of condos and/ or rental units with a retail component linked to the retail space on Phase I. Phase III may include a civic office building or other office space if there is demand for such space.

GROUND RENT

Base Rent

For each Phase, Related will pay Prepaid Base Ground Rent on execution of the Ground Lease. The prepaid rent for Phase I is \$50,000,000. The base rent is determined based on the number of condo and rental units, the number of square feet of retail space and the number of hotel rooms. There is no base rent for affordable units.

The residential unit mix of each phase of the Project will include a 20% affordable component, but in the first Phase of the Project all of the affordable units will be rental units rented to households with incomes at or below 50% of median income.

Incentive Rent

In addition to base rent, Related will pay incentive rent equal to a percentage of the sales price of the condominium units over a threshold, the gross rents of the rental units, gross room revenues from the hotel over an annual revenue threshold, gross revenues from any office building improvements, and gross rents from retail, restaurant and entertainment space (other than anchor tenant space up to 40% of the retail space in Phase I and up to 25% of the retail space in Phases II and III). An approved cultural use is also exempt from base ground rent. The incentive rent on the hotel is based on Related obtaining a reasonably satisfactory waiver or rebate of Transient Occupancy Taxes by the City of Los Angeles.

SCHEDULE OF PERFORMANCE

Phase I: commence by December 1, 2006 and complete by November 30, 2009.

Phase II: commence within 15 months after paying the Prepaid Base Ground Rent for Phase II, and complete within approximately 30 months after commencement of work.

Phase III: commence within 24 months after paying the Prepaid Base Ground Rent for Phase III, and complete within approximately 30 months after commencement of work.

ADJUSTMENTS TO PREPAID BASE GROUND RENT FOR FUTURE PHASES

The Prepaid Base Ground Rent for Phases II and III of the Project will be determined on the same unit basis as Phase I, increased by the CPI, if Related pays for Phase II within 45 months and pays for Phase III within 60 months. If Related misses those dates, it has the right to pay for Phase II within another 12 months and to pay for Phase III within another 24 months after the applicable date (by paying an option payment to the JPA), in each case based on 90% of the full Fair Market Value of the land.

If Related fails to pay the prepaid rent or develop Phase II or Phase III, it will pay liquidated damages to the JPA.

INITIAL FUNDING OF PREPAID GROUND RENT

Related will prepay the \$50,000,000 Base Ground Rent for Phase 1 upon approval of the Implementation Plan and Term Sheet. Related will also pay the JPA interest on the \$50 million at the rate of 3% per annum for up to six (6) months. The \$50 million will become non-refundable upon the approval of the DDA. If final CEQA approval is not obtained, thus preventing execution of the DDA, the \$50 million will be refunded to Related.

GROUND LEASE TERMS

The Ground Lease term for each Phase will be 99-years. The Ground Leases will be unsubordinated to any party. The Property Transfers shall be made on an "AS IS WHERE IS AND WITH ALL FAULTS" basis. The general requirements of the CRA shall be applicable to the

development, construction and operation of the Project

**PUBLICLY FUNDED
IMPROVEMENTS**

Affordable Housing Incentives

Affordable housing incentives at \$100,000 per rental unit or \$200,000 per condo unit are funded by tax increment financing from the Project.

The Civic Park

Improvements to the Civic Park are to be funded from Ground Rent, TIF and other sources of public funds (other than the general fund of the City or County) that may be available, pursuant to a design, scope of work and budget approved by the JPA. Related will develop the improvements in the Civic Park on behalf of the JPA without a fee or profit payment, but subject to being reimbursed for its actual incremental costs of doing such development.

Streetscape Improvements

Streetscape improvements on Grand Avenue between 5th St. and Cesar Chavez Avenue are to be funded from Ground Rent, TIF and/or other sources of public funds (other than the general fund of the City or County) that may be available, pursuant to a design, scope of work and budget approved by the JPA. Related will be responsible for providing at its cost for the streetscape improvements on the other streets adjacent to the Development Parcels at a standard equivalent to other first class properties in the Bunker Hill area .

Public Space Improvements

\$12 million of Public Space Improvements within the Development Parcels will be funded from TIF.

PARKING FACILITIES

Parking Garage Financing

Related will provide all required parking facilities for the residential and hotel components of the Project at its own cost without any public assistance. Public parking facilities for the retail component in Phase I of the Project may be financed using revenue bonds separate from, or in conjunction with TIF funds. TIF funds will be allocated to the retail parking facility only to the extent of available funds remaining after TIF funds are allocated to pay for the Civic Park, the Grand Avenue Streetscape Improvements and the Public Space Improvements on the Development Parcels.

The parties are not bound until definitive agreements are signed.



THE NEW GRAND AVENUE PLAN

ECONOMIC & REVENUE IMPACTS

**Prepared By:
Los Angeles Economic Development Corporation**

May 20, 2005

THE NEW GRAND AVENUE PLAN

Executive Summary

Downtown Los Angeles is reinventing itself. Several major venues have been built in recent years, and more are in the works, all designed to attract visitors to the area. Downtown is also in the midst of a housing renaissance. Residents and visitors alike will walk the streets, visit the new shops and entertainment spots, and dine at the new restaurants in the "new Downtown."

The Los Angeles Grand Avenue Authority has embarked on an ambitious plan to transform upper Grand Avenue and to revitalize the city's Civic Center area. The Authority was established by a joint powers agreement between the City's Community Redevelopment Agency and Los Angeles County. The new Grand Avenue plan contains three elements. The first consists of changes and improvements to Grand Avenue itself, designed to attract more pedestrian traffic. The second element involves the creation of a large public park in the Civic Center area, stretching from the LADWP building to City Hall. The third element is the construction of several new residential and commercial structures on the last undeveloped parcels in the Bunker Hill Redevelopment Area.

The Grand Avenue Authority selected The Related Companies to prepare a development plan for the third element. Related proposes to develop the area primarily as residential, together with a hotel, retail, restaurants, entertainment and parking. As currently planned, construction work will proceed in three phases. Phase One includes the Civic Center park, about one-half of the streetscape improvements, and construction of two structures on parcel Q at the southeast corner of Grand Avenue and 1st Street. Tenants will include the hotel, some retail and restaurants, and more than 400 residential units. Phase Two includes about half of the remaining streetscape work, more than 750 residential units, and some retail/entertainment on parcels L and M just south of Disney Concert Hall. Phase Three will see the rest of the streetscape improvements and construction of several primarily residential structures on parcel W, which lies just east of parcel Q.

This report, prepared by the LAEDC's consulting unit, estimates the economic and fiscal impacts associated with Related's plan. The economic impact is based on the projected increase in economic activity inside the plan area. The fiscal or revenue impact consists of the tax revenues derived from this activity, which will be received by the federal, state and various local governments. There also will be large, one-time economic and government revenue impacts from the construction phase. The impacts are described below.

ANNUAL ECONOMIC AND REVENUE IMPACTS

The LAEDC conducted a careful analysis of Related's proposed Grand Avenue plan. Several types of economic activity will occur in the new buildings that will generate economic impacts year after year. (1) The hotel and other business tenants in the new plan area buildings will hire employees and order supplies from vendors as they produce and sell their wares. (2) Residents living in the new buildings will spend their incomes on consumer goods and services. (3) Employees—including those working in the plan area as well as those working for vendors—will spend their earnings on consumer goods and services.

The LAEDC's estimates of the ongoing annual economic and government revenue impacts associated with Related's plan are displayed in Table A below.

Table A Ongoing Annual Economic Impact	
Direct Rents and Revenues	\$222,000,000
Direct and Indirect Business Revenues	\$566,000,000
Direct and Indirect Jobs	5,300
Direct and Indirect Workers' Earnings (Pre-Tax)	\$152,000,000
Ongoing Annual Incremental Government Revenue *	
Level of Government	
-- Federal	\$67,000,000
-- State (General Fund)	\$20,100,000
-- County**	\$2,300,000
-- Local (Cities)***	\$5,800,000
-- Total Tax Revenues	\$95,200,000
* Details may not add to total due to rounding. ** LA County includes Metropolitan Transportation Authority share of sales tax. *** City of Los Angeles accounts for at least 95% of "Local (Cities)" amount.	

Annual Economic Impact: Businesses located in the plan area are expected to receive \$222 million *directly* in annual rents and revenues, including retail and restaurant sales, hotel receipts, residential and commercial space rents, and various fees charged by the buildings' property managers.

However, the direct economic impact downtown is not the whole story. Because many of the employees and the business vendors will be located elsewhere in the Los Angeles region, the proposed plan will generate indirect impacts that will be felt throughout Los Angeles County. The LAEDC estimates that Related's vision for the Grand Avenue plan area will generate *indirect* business revenue impacts of about \$344 million. Thus, *total* business revenues in L.A. County associated *directly and indirectly* with the economic activities of the residential and commercial tenants of the Grand Avenue plan

area will be about \$566 million. An estimated 5,300 employees will work for the firms that realize these revenues, earning about \$152 million in pre-tax wages and salaries.

Annual Revenue Impact: The federal government will receive substantial tax revenues each year because of all this economic activity. The direct and indirect employees will pay almost \$43 million in personal income taxes, with about 80% going to the federal government and the rest to California. In addition, the Social Security and Medicare trust funds will receive an extra \$32 million annually. California and local governments will divide almost \$16 million in incremental sales tax revenues. The hotel and the new Grand Avenue merchants will collect some of the sales taxes, while the rest will be generated through purchases of taxable goods by residents and employees. In addition to sales tax revenues, the City of Los Angeles will collect about \$4.4 million in business, utility, hotel, and parking taxes.

Phase One Annual Impact. The Grand Avenue Authority asked the LAEDC to estimate the economic and fiscal impacts associated with Phase One of The Related Companies proposal. These impacts are substantial. Phase One business tenants will take in about \$121 million in direct rents and revenues. The total economic and revenue impacts include the following:

- About 2,500 new permanent (direct and indirect) jobs;
- \$72 million in annual wages and salaries; and
- \$264 million in total (direct and indirect) business revenues.

Phase One economic activity will generate \$45.4 million per year in taxes, including:

- \$30 million in federal income and FICA tax revenues;
- \$10 million in California income and sales taxes;
- \$1.2 million in sales and use tax revenues for Los Angeles County (including the MTA); and
- \$4.3 million in sales taxes, business taxes, hotel, utility and parking taxes, to be split among various cities in L.A. County, mostly the City of Los Angeles.

ONE-TIME IMPACTS FROM CONSTRUCTION

In addition to the recurring annual impacts described above, significant, one-time-only economic and revenue impacts will be associated with Grand Avenue plan construction. These will arise from the creation of numerous construction jobs and from taxable purchases made by both the contractors (for building materials, supplies and equipment) and their employees (for consumer goods and services).

Construction—All Three Phases. The new Grand Avenue plan envisages a number of construction projects, whose total cost will be about \$1.8 billion. The economic and revenues impacts associated with a huge plan are also big:

- 25,000 annual FTE (full-time-equivalent) jobs;
- Over \$1 billion in wages and salaries; and
- \$3.7 billion in total (direct and indirect) business revenues.

Grand Avenue construction will generate a total of \$616 million in taxes, including:

- \$477 million in federal income and FICA taxes;
- \$114 million in California personal income and sales taxes;
- \$10 million in sales and use taxes for Los Angeles County (including the MTA); and
- \$15 million in sales and use taxes, business taxes, construction permits and fees to be split among cities in L.A. County (mostly Los Angeles).

Construction—Phase One Only. The one-time construction impacts for Phase One are smaller than those itemized above but still substantial:

- 8,300 new jobs;
- Approximately \$330 million in annual wages and salaries; and
- \$1.2 billion in total (direct and indirect) business revenues.

Phase One construction will generate a total of \$202.5 million in taxes, including:

- \$157 million in federal income and FICA tax revenues;
- \$38 million in California personal income and sales tax revenues;
- More than \$3 million in sales and use tax revenues for L.A. County (including the MTA); and
- About \$5 million in sales taxes, business taxes, and construction permits and fees, to be shared among cities in L.A. County (mostly Los Angeles).

May 17, 2005

KatzHollis

Community Redevelopment Agency
of the City of Los Angeles
Bunker Hill Redevelopment Project
Grand Avenue Development

SCHEDULE OF NEW DEVELOPMENT - PHASE 1 (1)

Development	Units/SF	Cost Per Unit/SF	Estimated New Development Value
Retail	291,800	\$ 369	\$ 107,674,200
Hotel	225	385,206	86,671,350
Condos (Hotel)	200	549,531	109,906,200
Condos (Other)	150	551,825	82,773,750
Apartments (Low Income)	88	269,557	23,721,016
Total			\$ 410,747,000
Estimated Value Added In FY 2008-09			\$ 222,302,881
Estimated Value Added In FY 2009-10			\$ 226,748,939

SCHEDULE OF LAND VALUE - PHASE 1 (1)

Development	Land Value
Retail	\$ 10,000,000
Hotel	7,854,545
Condos (Hotel and Other)	26,250,000
Apartments (Low Income)	-
Total	\$ 44,104,545
Estimated Value Added In FY 2007-08	\$ 46,804,096

(1) Based on information provided by the Agency, May 16, 2005.

Summary of Proposed CRA Participation in Phase I

The Implementation Plan proposes that the Agency will commit project-generated tax increment funds, subject to the terms of the Agency's existing obligations, to finance park, streetscape, affordable housing, and parking.

Phase I	Agency Participation
Affordable Housing	\$8,800,000
Public Improvements	\$12,000,000
Streetscape Improvements	\$9,000,000
Public (Retail) Parking	TBD
Total Agency Participation in Phase I	\$29,800,000 +

COMMUNITY CONTEXT

NAME OF PROJECT: The Grand Avenue Project

PROJECT ADDRESS: Parcels L, M-2, Q, W-1 and W-2 in Bunker Hill

REDEVELOPMENT PROJECT AREA SECTION

Redevelopment Area: Bunker Hill Redevelopment Area

Community Plan Area: Central City Community Plan Areas

Council District: 9

Project Area Description: The approximately 133-acre Bunker Hill Urban Renewal Project is bounded by First Street on the north, Hill Street on the east, Fifth Street on the south, and the Harbor Freeway on the west. The mission of the Bunker Hill Urban Renewal Plan is to eliminate blight, to rearrange the topography of the area, and to stimulate the development of affordable housing and local job opportunities.

Conditions at Time
of Adoption: Blighted

PROPOSED PROJECT OVERVIEW SECTION

Physical Site and Setting Description	<p>The parcels include two CRA-owned and two county-owned parcels, and one privately owned parcel. Parcels Q, W-1 and W-2 are bordered by Grand Avenue on the West, 1st Street on the North, Hill Street to the East, and 2nd Street to the South. Parcels L and M-2 are bordered by Grand Avenue on the East, 2nd Street to the North, 3rd Street to the South (but they do not go down to 3rd St) and Hope Street to the West. This area is adjacent to the new Disney Concert Hall and the Music Center, and is also near several high-rise office, residential and hotel buildings. The parcels to be developed are among the few remaining undeveloped parcels in Bunker Hill. The total development area is 2.8 – 3.8 million square feet. In addition to the development parcels, the project will develop a Civic Park along 16 acres, bordered by Grand Avenue on the West, Spring Street on the East, Temple on the North and 1st Street on the South. Surrounding the proposed civic park are several government buildings, including the County Hall of Administration, and the Criminal Court building. The western and eastern</p>
---------------------------------------	--

	heads of the park are bordered by the Music Hall and City Hall, respectively.
Proposed Development Description	New residential, mixed-use and mixed-income, including rental and condominium housing, a hotel, retail uses, office space, and streetscape improvements. Phase I proposes two towers, of 40-50 stories and 25-30 stories, which will provide 320-375 units of condominium housing, 80-95 units of affordable rental housing and 200-300,000 square feet of retail space. Phase I will include 1,600 – 2,000 parking spaces as well as streetscape improvements along Grand Avenue. There will be a large central plaza space, outdoor terraces, vegetation, and outdoor pools and terraces for the hotel, restaurant and residential uses.
Proposed Uses by Size	<p>Phase I</p> <ul style="list-style-type: none"> • Residential = 320-375 condos, 80-95 rental • Retail = 200-300,000 SF • Parking = 1,600-2,000 Stalls • Development Area: 900,000 – 1,200,000 SF <p>Total Development</p> <ul style="list-style-type: none"> • Residential = 800-1000 condos, 1,300 – 1,600 rental, 20% affordable • Retail = 350-400,000 SF • Parking = 4,800-5,500 Stalls • Development Area: 2,800,000 – 3,800,000 SF
Proposed Type of Users	Market rate and low-income apartment renters; market rate and moderate-income homebuyers, tourists and business guests, general public & project/community residents for retail store patronage and park use.
Proposed Number and Type of Housing Units Created	<ul style="list-style-type: none"> • Studio: TBD Units • 1-Bedroom: TBD Units • 2-Bedroom: TBD units
Proposed Overall Project Cost and Sources of Funding	\$ 1,500,000,000 +/-
*Include Agency Financial Assistance amounts and a description.	Private financing, tax-increment financing, other public sources (TBD), possibly parking revenue bonds.
Smart Growth Assessment	Near major employment center and metro stops
Proposed Employment	Provide estimates for the following.

(From LAEDC study on Economic and Revenue Impacts)	<p>Construction jobs projection:</p> <ul style="list-style-type: none"> • 25,000 (all three phases) • 8,300 jobs in Phase I <p>Permanent job projection:</p> <ul style="list-style-type: none"> • 5,300 jobs for total development • 2,500 in Phase I <p>Living wage hiring: Yes Prevailing wage: Yes First Source Hiring: Yes</p>

DEMOGRAPHICS SECTION

(Source: US Census, 2000 and LA City Planning)

	Bunker Hill Redevelopment Area	LA City
Population	4,164	3,719,310
Average Household Size	1.37	2.91
Total Households	3,036	1,278,815
Percentage of Households Renting	88%	59.5%
Percentage of Households Owning	12%	40.5%
Educational Level (HS Diploma or above)	82%	71%
Average Household Income	\$53,489	\$58,724

DISPLACEMENT SECTION

The following section captures information that details affects of development of the proposed project. Information can be gathered by walking the project site. Businesses can be visited to calculate potential displacement of employees and the nature of their jobs. Information on housing displacement can be gathered by contacting each building manager.

BUSINESSES TO BE DISPLACED

Number and type of Businesses	None
Number and nature of jobs	None

HOUSING UNITS TO BE DISPLACED

Total number of units	None per Settlement Agreement
Unit size/bedroom count	N/A
Affordability levels	N/A

RESIDENTIAL POPULATION TO BE DISPLACED

Number of Households	None
Population in households	None
Income levels	N/A

REPLACEMENT HOUSING SECTION

No housing loss and replacement housing plan description is required for this Project.

IMPACT ANALYSIS SECTION

1. 1. Detail known community issues relating to the project/site:

Design Issues:

1. Building Aesthetics
2. Pedestrian Friendliness of the Sidewalk
3. Compatibility with other new projects (Disney Hall, Colburn School)

Environmental Issues*:

1. Traffic
2. Construction Impacts/Mitigation Measures
3. Streetscaping

(The project will have an EIR prepared before a final DDA is presented to the Agency Board)

2. Describe the benefits of the proposed project:

- a) 88 units of affordable rental housing in Phase I, 20% of all units developed will be affordable (approximately 160-200 condos and 260-320 rental units)
- b) New 16-acre Civic park
- c) Streetscape improvements along Grand Avenue between 5th street and Cesar Chavez
- d) Public Space improvements within the development
- e) Project labor agreement under negotiation
- f) Projected to create 2,500 jobs in Phase I and over 5,300 long term jobs upon project completion
- g) Applicable CRA Living Wage Requirements
- h) Union representation for hotel operations under negotiation
- i) Approximately 1,000 retail parking spaces in Phase I development
- j) Overall Project estimated to generate \$29 million in State, County, and local revenues per year, with Phase I generating approximately \$15,400,000 per year.